Written Submission on Asian Development Bank's (ADB) September 2023 Draft Environmental and Social Framework (ESF)

Submission from World Animal Protection
Received on May 6, 2024

WORLD ANIMAL PROTECTION RESPONSE

General Feedback:

World Animal Protection is a global animal welfare organisation and we have been moving the world to protect animals for over 70 years. Our work is focused on two primary goals: transforming the global food system and stopping the exploitation of wild animals. Our strategy to 2030 seeks to achieve systemic changes to prevent billions more animals from being born into a life of cruelty and suffering.

We have consultative status at the United Nations and the Council of Europe and collaborate with national governments, the Food and Agriculture Organisation, and the World Organisation for Animal Health, to name a few.

Thank you for the opportunity to comment on the Asian Development Bank's draft Environmental and Social Framework (ESF). Since 2021, we at World Animal Protection have participated in the safeguard policy consultations and most recently, we attended a face-to-face consultation held on Friday, 26th of January. We are encouraged by the Bank's openness to hear our views. Thus, we are pleased to submit supplementary comments regarding necessary improvements pertaining to animal welfare, public health, climate and biodiversity, which we request be considered and integrated to the ESF.

World Animal Protection is concerned about the continued financing by Multilateral Development Banks (MDBs) for industrial animal agriculture, including feed production. This system, supported by financial incentives, is also fuelling major global concerns, including the spread of disease, antimicrobial resistance, deforestation, climate change and acute animal suffering. It fails to guarantee access to safe and affordable food to all, nor do they provide an adequate livelihood for farmers engaged in local production. Adequate safeguards are needed to ensure that livestock and agriculture projects adopt humane and sustainable approaches towards livestock and people, land use and climate change, and that MDBs are transparent on their policies and actions.

ADB's Draft ESF Must Strengthen the Language on Animal Welfare: We welcome the inclusion of animal welfare in the ESF although would like to see the language strengthened. We are concerned that the current draft does not address animal welfare adequately despite clear links between animal welfare and its impacts to animals, people, and the planet. Animal welfare is increasingly acknowledged as an issue relevant to sustainable development, responsible business conduct and a consumer concern.

In *Transforming our world: the 2030 Agenda for Sustainable Development*[i], the Heads of State and Government and High Representatives from 193 UN Member States declared "*We envisage a world in which …. humanity lives in harmony with nature and in which wildlife and other living species are protected*."[ii] Member States understood that the protection of animals and their welfare is both a key contributing factor to achieving the goals that the world had set itself, as well as an essential outcome of sustainable development. The cross-cutting co-benefits of higher animal welfare with the environment, human health and livelihoods must be emphasised. Animal welfare matters to the sustainability of human development and the health of global eco-systems, as recognised by the United Nations Environment Assembly through a resolution on Animal welfare–environment–sustainable development nexus adopted in March 2022.

Animal welfare is now protected by a broad and growing set of globally and regionally accepted standards rooted in scientific principles. These standards are outlined in treaties, conventions, regulations, directives and agreements. The international aspect is overseen by the World Organisation for Animal Health (WOAH), which sets global standards, while regional strategies are in place to enhance animal welfare.

The weak reference to animal welfare in the ESF has two consequences:

1) Lack of coherent and comprehensive standards for borrowers and clients on this important subject; and

2) Lack of access to remedy via the grievance mechanism for civil society and affected communities seeking to address failures in improving animal welfare and preventing the harmful impacts on public health and safety; environment; and climate and biodiversity.

Our key recommendations are as follows:

- **ADB's E&S Risk Classification must categorise industrial animal agriculture as high-risk.**

Global food systems are facing unprecedented challenges. While climate change, biodiversity loss and depletion of natural resources as well as population and economic growth are threatening future food systems,[iii] an estimated 735 million people faced hunger and malnutrition in 2022 according to FAO data.[iv] While enough food is produced annually to provide adequate nutrition for all, a large portion is fed to livestock.[v] The demand for animal-based agricultural products is growing more rapidly than the world population, and consumption patterns of meat and dairy in emerging markets increasingly resemble those in industrialised countries. These patterns are related to a range of inter-related problems that pose sustainability challenges for companies in food supply chains.

Production of animal-based foods accounts for almost half of global freshwater withdrawals.[vi] Meanwhile, the contribution of the livestock industry to water pollution through antibiotics, hormones, sediments, fertilisers, pesticides, and other chemicals is high. Research has shown that some meat and poultry producers are responsible for a higher rate of water pollution than large companies in the fossil fuel industry.[vii] Risks are posed to human health, as well as to nature. The rising demand for agricultural products is a significant driver of biodiversity loss and the destruction of natural ecosystems worldwide.[viii] Through the conversion of forests and other natural environments to commercial agricultural land, areas of high biodiversity that provide key ecosystem services and natural habitats for many species are under increasing stress.[ix] Agriculture alone is estimated to threaten 24,000 of the 28,000 (86%) species at risk of extinction.[x] The livestock industry is a major driver of these changes, with around 80% of global agricultural land now dedicated to grazing land or cropland for animal feed.[xi] Furthermore, land use change related to livestock farming has increased greenhouse gas (GHG) emissions, as forests are converted to cropland for feed production or grazing.

Indeed, livestock farming has significant adverse impacts on the environment, especially as a driver of the GHG emissions that aggravate global warming. Although researchers' conclusions differ on the impact of livestock operations on global GHG emissions depending on inputs assessed, recent estimates are within a range of 11.1% to 21% of global GHG emissions.[xii] These include the methane that ruminants emit while digesting food, but also nitrous oxides from the application of manure and nitrogen fertilisers. It is therefore imperative that companies operating in the Agriculture, Forestry and Other Land Use (AFOLU) sector not only measure and disclose the GHG emissions associated with their direct activities (scope 1) and their energy use (scope 2), but also the greenhouse gases emitted throughout the global value chains in which they operate (scope 3). Notably, livestock farming is a highly inefficient way of making food, as animals require kilos of plant proteins to produce a much smaller volume of animal calories, but the production of alternative proteins would also significantly decrease greenhouse gas emissions compared to the production of animal proteins.[xiii]

- **ADB's ESF must require borrowers and clients to undertake due diligence over impacts arising from suboptimal animal welfare in their projects or value chains as part of its Environmental and Social Assessment.**

This is aligned with ADB's commitment to promoting sustainable development practices, encompassing the well-being of humans, animals and the environment as a whole. This due diligence entails a comprehensive evaluation of the potential impacts, both direct and indirect, that the project or value chain may have on the welfare of animals involved and its interconnectedness to broader sustainability issues such as climate, biodiversity and public health.

For certain categories of projects, the ESF must provide guidance on what feasible project alternatives must be considered. For example, for livestock projects, borrowers/clients should consider high welfare, agroecological systems, humane and sustainable proteins, and their implications. Moving towards these systems will have co-benefits in meeting countries' commitment to the Paris Agreement and Sustainable Development Goals. The Sixth Assessment Report of the Intergovernmental Panel on Climate Change[xiv] has cited use of agroecological principles and practices and other approaches that work with natural processes as an effective adaptation option. At the Stockholm Resilience Center[xv], they emphasized the importance of transitioning from large industrial agricultural systems to diversified agroecological alternatives, which have ripple effects on all levels of the SDGs.

- **ADB's ESF must mention/reference the One Health approach, which has been widely adopted by global organisations including WHO, WOAH, FAO, UNEP and others.**

The multisectoral One Health approach, which recognises that the health of people, animals, and the environment are interconnected, is applied to health assessments. Industrial livestock

production is inconsistent with the One Health approach, where confinement of animals in growing houses is part of the economic model. This not only poses serious risks of future pandemics, but also fuels antibiotic-resistance, and detrimentally impacts biodiversity, climate change, deforestation, water, soils and the health and welfare of animals.

In 2022, ADB has recognised in a paper that the One Health concept is rapidly gaining traction in the development space and in ADB developing member countries and that the big-picture issues that One Health is particularly aligned with are highly relevant to the Asia and Pacific region, including zoonotic diseases, antimicrobial resistance, food security, ecological security, pollution and health, and climate change.

ADB submitted in 2022 a Sustainability Report according to GRI Sustainability Reporting Standards.[xvi] ADB has indicated a commitment to tackle climate change and build Developing Member Country Resilience the One Health way ‘’to overcoming human, animal, plant, and ecological health challenges that start from a simple premise: all these are interconnected, and solutions demand communication, coordination, and collaboration across multiple sectors, disciplines, and levels of government.”[xvii]

This is not demonstrated in the new safeguards and should be reflected accordingly.

- **ADB’s ESF must include a provision on ‘Addressing antimicrobial usage and resistance’**

Antimicrobial resistance (AMR) stands as an alarming global health crisis. In 2019 alone, an estimated five million lives were claimed by AMR, with potential catastrophic repercussions for both human health and economic stability if unchecked. The United Nations Environment Programme (UNEP) research underscores the severity, projecting an annual GDP reduction of US$ 3.4 trillion and the induction of 24 million more people into extreme poverty over the next decade.

To address this critical issue, we strongly recommend the inclusion of a provision specifically addressing antimicrobial usage and resistance under ESS3 and/or ESS4. The rampant and indiscriminate use of antibiotics in both human and animal populations, particularly the excessive application in livestock to promote growth, emerges as a primary driver of AMR. Our investigations across diverse countries have consistently revealed the presence of antibiotics in waterways adjacent to intensive farming operations, prompting governmental concern.

The extensive reliance on antimicrobials in animals not only jeopardises animal health but also facilitates the emergence of antimicrobial-resistant bacteria, establishing a worrisome connection between animal and human health. The Asia Pacific region significantly contributes to this challenge, accounting for 55,279 tonnes out of the global total of 85,330 tonnes in 2017. Thus, prioritising concerted efforts to combat AMR in the Asia-Pacific region is imperative to mitigate its far-reaching impact on both human and animal populations.

In light of these findings, we recommend the explicit exclusion of Borrowers engaging in any form of group prophylactic use of antimicrobials and antibiotics. This proactive measure aligns with our commitment to curb the misuse of these critical substances and safeguard against further exacerbating the global AMR crisis.

- **An update to the ESF could draw on existing language on animal welfare in various laws and international initiatives:**
  - International animal welfare standards are established by the World Organisation for Animal Health (WOAH), an intergovernmental organisation with 182 member countries. The WOAH Animal Health Code encompasses over fifteen types of standards to safeguard the well-being of animals.
  - The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, specifically outlined in Chapter 6, Paragraph 85, advocate for enterprises to uphold animal welfare standards aligned with the WOAH Terrestrial Code. This underscores the importance of incorporating ethical considerations into business practices.
  - The United Nations Sustainable Development Goals, particularly Goals 14 and 15, focus on the conservation and protection of aquatic and terrestrial life. These goals promote responsible and sustainable practices, thereby emphasising the significant implications for animal welfare within the broader context of environmental sustainability.
  - The UNEP Finance Initiative's 2019 Guidance Document on Principles for Responsible Banking is instrumental in advocating for animal welfare. It references the FARMS Responsible Minimum Standards, providing a comprehensive set of criteria to safeguard

farm animals during rearing, transport, and slaughter. These standards serve as a benchmark for global financial institutions

- The 'One Health' framework champions global objectives by supporting food security, sustainability, and agricultural productivity. This framework recognises the interconnectedness of human, animal, and environmental health, highlighting the need for high animal welfare standards to achieve broader societal goals.

Further comments per ESS are indicated below:

ESS1 (Paragraph 22): The borrower/client will undertake an E&S assessment of a project to assess the **E&S risks and impacts** of a project. E&S assessment is a generic term and refers to a flexible process. Different **assessment tools** may be used to carry out the E&S assessment for a project depending on the nature and scale of identified E&S risks and impacts and the applicable ESSs.

We recommend establishing a clear implementation framework specifying how the assessment will be carried out (delivery mechanisms) and its applicability to different project categories. Additionally, providing a simplified checklist of mandatory sections or documentation is advised.

ESS1 (Paragraph 51): “The borrower/client will notify ADB promptly of any incident or accident relating to a project which has, or is likely to have, a significant adverse effect on the environment, project-affected persons, project workers, or the public.”

We recommend ADB to explicitly outline where and how these reports will be logged, for transparency and accountability purposes. These should also be publicly accessible. Moreover, ADB should offer multiple accessible means for borrowers to submit such reports, such as a dedicated portal or email address.

ESS1 (Annex 1, Paragraph 2): The manner in which the E&S assessment is conducted and the issues it addresses will vary for each project. The borrower/client will consult with ADB to determine the process to be used, taking into account a number of activities, including scoping, stakeholder engagement, potential E&S issues, and any specific issues raised between ADB and the borrower/client.

We recommend that ADB provides clear guidelines on how environmental and social assessments will be conducted for each project category based on risk categorisation. Additionally, ADB should clarify and specify its role in monitoring the borrower, outlining the tools the Bank has for this purpose (e.g., site visits, audits, consequences of non-compliance on disbursements).

ESS2: LABOR AND WORKING CONDITIONS

No feedback.

ESS3: Pollution Prevention and Resource Efficiency

We recommend including a standalone section titled, “Addressing antimicrobial usage and resistance.” This section should then elaborate on projects to implement measures that result in addressing antimicrobial resistance (AMR), based on recommendations in the AMR national action plans or global action plans on AMR.

By 2050, according to a World Bank report, AMR will be responsible for a decrease of up to 3.8% in global exports, with an annual reduction in livestock production of 7.5. It will also result in an increase in healthcare-related costs of US$1 trillion per year by 2050.[xviii]

The urgency to address AMR in the Asia-Pacific region is underscored by the alarming global statistics of 5 million human deaths associated with bacterial AMR in 2019,[xix] a number expected to rise to 10 million annually by 2050.[xx]

Specifically, the Asia-Pacific region faces a substantial public health challenge, with 389,000 deaths in South Asia and 254,000 deaths in Southeast Asia, East Asia, and Oceania attributed to bacterial AMR in 2019.[xxi] Notably, the region is a significant contributor to antimicrobial use in animals, accounting for 55,279 tonnes out of 85,330 tonnes globally in 2017.[xxii]

This widespread use of antimicrobials in animals not only poses a threat to animal health but also contributes to the emergence of antimicrobial-resistant bacteria, creating a concerning link

between animal and human health. Hence, prioritising efforts to combat AMR in the Asia-Pacific region is crucial to mitigate its impact on both human and animal populations.[xxiii]

We recommend clearly excluding Borrowers who use any group prophylactic use of antimicrobials and antibiotics (the latter has been estimated to be directly responsible for approximately the deaths of 1.27 million people annually worldwide).

In the objectives, we propose a revision to this statement: *Avoid and, where avoidance is not possible, minimize adverse impacts on* ***animal health,*** *human health and the environment from all types of pollution generated from project activities.*

This provides an integrated approach aligned with the "One Health" concept. In ADB's May 2022 publication *Practical Actions to Operationalise the One Health Approach in the Asian Development Bank,* ADB has identified that "The big-picture issues that One Health is particularly aligned with are highly relevant to the Asia and Pacific region, including zoonotic diseases, AMR, food security, ecological security, pollution and health, and climate change." The new Environment and Social Framework must reflect this.

ESS3 also gives insufficient attention to upstream issues in considering resource efficiency and pollution, as outlined below:

1. **Resource inefficiency**

Industrial animal agriculture relies on providing livestock with human-edible cereals, which they inefficiently transform into meat and milk. On a global scale, 40% of crop calories are allocated to animal feed. The conversion process is remarkably inefficient, as only 17-30 calories per 100 calories of human-edible cereals fed to animals make their way into the human food chain as meat or milk. Similarly, for every 100 grams of protein in human-edible cereals given to animals, a mere 43 grams enter the human food chain as meat or milk.

The use of human-edible cereals to feed livestock is an inefficient use of resources. For example, soy is the most traded animal feed crop due to its high protein and energy content. More than three-quarters (77%) of global soy is fed to livestock for meat and dairy production. Most of the rest is used for biofuels, industry or vegetable oils, with just 7% used directly for human food products.[xxiv]

The problems of using cereals and soy as feed are highlighted in the World Bank Group's guide *Investing in Sustainable Livestock*. This states that feed production for intensive livestock systems is increasingly sourced from "high-input intensity grain and legume monocultures and supplied from international markets. This can result in remote impacts on natural resources in feed-exporting regions, as well as competition for resources between the production of livestock feed and human-edible food."

Public financing of livestock feed crops in mass monocultures is highly problematic, particularly in a global food crisis. Animal feed production is devastating habitats, ripping people and wild animals off their land, and destroying carbon sinks (anything that absorbs more carbon from the atmosphere than it releases) exacerbating climate change. It directly undermines food security.

Thus, public development banks need to redirect their financing toward low carbon, local, higher welfare, agroecological food systems that support a shift towards healthy and sustainable diets. This ESS must require borrowers in the agriculture sector to include an analysis of resource efficiencies in their Environmental and Social Assessment (ESA).

2. **Pollution**

ESS3 overlooks the upstream consequences of the livestock industry, neglecting key factors contributing to water and air pollution, GHG emissions, as well as soil degradation. The intensive cultivation of cereals for feed, involving monocultures and agro-chemicals, is a primary source of these environmental issues. This agricultural practice results in soil degradation, biodiversity loss, excessive water usage, water pollution, and air pollution. Pollutants such as ammonia and particulate matter arise both directly from manure production on farms and indirectly from the nitrogen fertilizers used to grow feed crops for animals.[xxv] Air pollution is a serious problem for human health, as it contributes to bronchitis, asthma, lung cancer and congestive heart failure. In some countries – including Denmark and the UK – agriculture is responsible for a larger proportion of the health problems arising from air pollution than transport or energy generation.[xxvi]

GHG Emissions

Livestock farming has significant adverse impacts on the environment, especially as a driver of the GHG emissions that aggravate global warming. Although researchers' conclusions differ on the impact of livestock operations on global GHG emissions depending on inputs assessed, recent estimates are within a range of 11.1% to 21% of global GHG emissions.[xxvii] These include the methane that ruminants emit while digesting food, but also nitrous oxides from the application of manure and nitrogen fertilisers.

Water Pollution

Production of animal-based foods accounts for almost half of global freshwater withdrawals.[xxviii] Meanwhile, the contribution of the livestock industry to water pollution through antibiotics, hormones, sediments, fertilisers, pesticides, and other chemicals is high. Research has shown that some meat and poultry producers are responsible for a higher rate of water pollution than large companies in the fossil fuel industry.[xxix] Risks are posed to human health, as well as to nature.

In addition, the FAO states: "Often, over 90 percent of the water consumption in livestock is associated with feed production".[xxx] Hoekstra (2020) furthers "The water footprint of feed contributes 98 per cent to the water footprint of meat and dairy." [xxxi]

Air Pollution

Ignoring animal welfare and animal health leads to increasing health risks for humans. Air pollution caused by animal farming through emissions of methane, particulate matter, ammonia and hydrogen sulphides poses health risks on nearby communities. For example, bioaerosols increase the risk of asthma in children living or attending school near an intensive farm. Use of chemicals contaminates soils and surface water and contribute to long-term health risks as many compounds do not degrade easily.

The borrower/client will, as part of its E&S Assessment, consider the potential cumulative impacts of water and air pollution from feed production and animal breeding, rearing, and slaughter upon animals, humans and the environment. Where adverse risks and impacts are identified, the borrower/client must implement the appropriate mitigation measures.

ESS3 (Paragraph 16): "For an agriculture project, the borrower/client will, where technically and financially feasible, implement measures consistent with sustainable and/or **regenerative farming** by protecting and enhancing **soil** quality and, in cases where soil is already degraded, restoring it."

We welcome this focus on sustainable and/or regenerative farming. Not only will this protect soil health, it also has other co-benefits across various sustainability themes. A move towards sustainable agricultural practices such as regenerative agriculture, agroecology, agroforestry, organic farming, silvo-pastoral systems, low-intensive permanent grassland, and mixed crop and livestock systems will be beneficial to the environment, animals and humans alike.

However, these practices should be required rather than "where technically and financially feasible." We would be keen to understand what ADB's process for assessing technical and financial feasibility would be and how it would measure positive impacts as a result. This should strongly signal transitioning away from industrial production and its devastating effects.

ESS4: Health, Safety and Security

We recommend that the multisectoral One Health approach, which recognises that the health of people, animals, and the environment are interconnected, is applied to health assessments. This should include consideration of drivers of disease emergence and transmission such as animal welfare, deforestation, agricultural intensification and human-animal interactions. This may be included as a new paragraph 3 in the Introduction or incorporated as part of the IV. REQUIREMENTS, A. General Requirements for Ensuring Health and Safety.

Animals play a role in human disease through ongoing transmission, as spillover hosts, and as potential reservoirs for infection and mutation. Animals in poor environments, on poor diets, or under stress increase the risks of disease emergence, mutation and transmission, which pose threats to human health.

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Illegal and underregulated legal wildlife trade, live animal markets, intensive animal farming, and land-use changes have all been identified as top drivers in reports by UNEP[xxxii] and IPBES[xxxiii] and their role in disease emergence, re-emergence, and transmission. To avoid or minimize the risk of zoonotic diseases, projects should not involve these known drivers.

At the outset, the **ESS4 Objectives** must include: To promote public health and safety across the project aimed at preventing the transmission of major communicable diseases.

On ESS4 (Paragraph 21): "The borrower/client will take into consideration differentiated exposure to, and higher sensitivity of, disadvantaged or vulnerable groups and will develop appropriate mitigation measures…"

We recommend adding prevention so that the borrower/client will develop both prevention and mitigation measures.

Primary prevention of disease, including zoonotic disease spillover from animals to people, is the most efficient and cost-effective way to prevent negative health outcomes including pandemics. The World Bank's global estimate of the costs of prevention guided by the One Health approach ranges from $10.3 billion to $11.5 billion per year, compared to the cost of managing pandemics which (according to the recent estimate by the G20 Joint Finance and Health Taskforce) amounts to about $30.1 billion per year.

ESS4 (C. Community Health and Safety): We propose that a list of potential adverse impacts be added to provide clarity. See below.

Potential adverse impacts affecting the health and safety of communities may arise from the following:

- Release of and exposure to hazardous materials or chemicals
- Industrial-scale animal production that results in the destruction of forests/habitats
- Wastes from animal operations (air, soil, and water pollution)
- Transmission of zoonotic diseases and other conditions (such as AMR) spill over to animals/humans

Further below, we bring to your attention the following developments that signal the urgency to tackle AMR.

Recent report byThe Global Leaders Group (GLG) on AMR

In a new report released recently, the GLG calls on political leaders to make specific commitments at the high-level meeting on AMR to be held at the United Nations General Assembly on 26 September. The GLG report, "Towards specific commitments and action in the response to antimicrobial resistance" urges UN Member States to ensure that adequate, predictable, and sustainable financing is available from domestic and external sources to address AMR. The GLG proposes that existing financing instruments expand their scope to include AMR and increase investments to support implementation of multisectoral National Action Plans, especially in low- and middle-income countries.

Because prevention is a cornerstone of the response to AMR, the GLG recommends that countries should implement strategies to prevent infections across human and animal health and food, plant and environmental ecosystems to reduce the need for antimicrobials.

Further, the GLG report proposes several outcome-oriented targets to accelerate progress, including:

- By 2030, reduce global human deaths due to AMR by 10%.
- By 2030, reduce the quantity of antimicrobials used in the agri-food system globally by at least 30-50% from the current level;
- By 2030, eliminate the use of medically important antimicrobials for human medicine in animals for non-veterinary medical purposes, or in crop production and agri-food systems for non-phytosanitary purposes.

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WHO Global Action Plan (GAP) on AMR (2015): Global action plan on antimicrobial resistance (who.int)

- Pg. 17 and 24-25 Objective 4: Optimize the use of antimicrobial medicines in human and animal health
  Pg. 24 "identification and elimination of economic incentives in all sectors that encourage inappropriate use of antimicrobial agents, and introduction of incentives to optimize use

Quadripartite Guidance on AMR National Action Plans (NAPs) (2023): Guidance to facilitate monitoring and evaluation for antimicrobial resistance national action plans (who.int)

- Pg. 12 "Countries agreed to develop NAPs on AMR consistent with the GAP-AMR, and to implement relevant policies and plans to prevent, control and monitor AMR by facilitating active engagement across human health, food production, animal health, plant health, food safety and the environment, through a One Health approach."

Quadripartite AMR Multi-Stakeholder Partnership Platform Action Group key recommendations for action for consideration by UN Member States in the UNGA HLM on AMR (2024**)**: Key Recommendations20240425.pdf

- Pg. 3 Drivers of AMR "The misuse and overuse of antimicrobials in public health and agrifood systems further fuels AMR. Moreover, evidence is mounting that environmental drivers play a significant role in the development, transmission and spread of AMR and are linked to the triple planetary crises of climate change, biodiversity loss and pollution. … AMR is on the rise globally, disproportionally affecting low- and middle-income countries (LMICs), posing a great challenge to the effectiveness of current and new antimicrobials."
- Pg. 5 Recommendation 3 related to mobilizing sustainable financing
- Pg. 7-8 Recommendation 7 "Transform agrifood systems to significantly reduce AMU while optimizing animal health and welfare"
- Pg. 10 Recommendation 10 "Prevent and address the drivers, sources and challenges of the environmental dimensions of AMR"; in particular "f. Prioritize financing, innovation and capacity development to implement comprehensive and coordinated strengthening of environmental action to reduce the burden of AMR and tackle the triple planetary crisis of climate change, biodiversity loss, and pollution and waste"

FAO Antimicrobial Resistance in the Environment (2018): Summary Report of an FAO Meeting of Experts (fao.org)

- Pg. 1 "The development of AMR (and its spread to other organisms via mobile genetic elements such as plasmids and transposons) has been sped up and amplified by industrial discharges (primarily from pharmaceutical manufacturing), agricultural activities, and human wastes contaminating the environment."
- Pg. 2 "With respect to agricultural sources, reducing the need for antimicrobial use through improved animal health and hygiene practices is the single most effective way to proactively reduce the contamination of animal wastes with antimicrobial residues and AMR bacteria."

Global Leaders Group on Antimicrobial Resistance (2022): Animal Health and Welfare and Antimicrobial Resistance and Use (amrleaders.org)

Journal Articles (there are a lot, but here are a few):

- Velazquez-Meza, M. E. et al. (2022): Antimicrobial resistance: One Health approach - PMC (nih.gov)
- Hernando-Amado, S. et al. (2019): Defining and combating antibiotic resistance from One Health and Global Health perspectives | Nature Microbiology
- Klein, E. Y. et al. (2018): Global increase and geographic convergence in antibiotic consumption between 2000 and 2015 | PNAS

ESS6: Biodiversity and Sustainable Natural Resource Management

ESS6 should take into consideration the Kunming-Montreal Global Biodiversity Framework, in particular Goal A: "The integrity, connectivity and resilience of all ecosystems are maintained, enhanced, or restored, substantially increasing the area of natural ecosystems by 2050" and targets 1-8 on reducing threats to biodiversity.

ESS6 (Paragraph 5): "It will especially focus on habitat loss, degradation, and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, pollution, and projected climate change impacts."

We recommend this list explicitly includes farming and agriculture, as a cause of the impacts listed in Paragraph 5. According to a landmark report supported by the United Nations, farming and agriculture is a primary source of biodiversity loss and threatens 86% of species at risk of extinction.

ESS6 (Paragraphs 20 (i)) and 22 (i): The borrower/client will not implement any project activities which may cause significant adverse impacts to natural habitats/critical habitat or their/its priority biodiversity features, unless: "(i) no other viable alternatives exist for development of a project in modified habitats;"

We recommend deleting *"unless: "(i) no other viable alternatives exist for development of a project in modified habitats."* Biodiversity is on a severe decline and there is a need to accelerate decisive action to halt and reverse the decline of nature. At the COP15 biodiversity summit in 2022, governments agreed on 23 targets, including the restoration of 30% of the planet's degraded terrestrial, inland water, coastal and marine ecosystems. Development banks must align their policies with these globally agreed targets.

ESS6 (Paragraph 34 (iii)): The procedure will specify that where possible, procurement of natural resources is limited to those suppliers that can demonstrate that they are not causing significant adverse impacts to natural habitats, priority biodiversity features, critical habitats, protected areas, or internationally recognized areas.

We suggest to delete "where possible." If the borrower or client is obtaining natural resource commodities like food from regions with a risk of significant conversion or degradation of essential biodiversity features or critical habitats, their environmental and social assessment must incorporate an examination of the methodologies and verification procedures utilised by its primary suppliers. This is particularly relevant for projects involving animal products in industrial systems. Animal agriculture — livestock and animal feed - is a significant driver of deforestation, and is also responsible for approximately 60% of direct global greenhouse gas (GHG) emissions.[xxxiv]

ESS6 (Paragraph 35): "The borrower/client will adhere to the requirements in this ESS6 where a project involves industrial agriculture or livestock activities, the primary production of **living natural resources**, or where such resources are essential for a specific project activity and without which a project cannot continue."

We recommend the addition of specifying that industrial agriculture or livestock activities includes upstream activities e.g. feed production.

The proposed language is "The borrower/client will adhere to the requirements in this ESS6 where a project involves industrial agriculture or livestock activities *(including animal feed production)*, the primary production of **living natural resources**, or where such resources are essential for a specific project activity and without which a project cannot continue."

Detrimental impacts on biodiversity from industrial livestock production arise not just in the vicinity of the farm but also through the production of feed. This production often results in the expansion of farmland into forests and other natural habitats, negatively affecting biodiversity and other natural resources.

ESS6 (Paragraph 37): Where a project involves industrial livestock activities, the borrower/client will apply appropriate GIP for animal welfare and livestock operations.

We recommend the paragraph to read: Where a project involves industrial livestock activities, the borrower/client should identify and address impacts to animal welfare through their due diligence processes. While respecting applicable laws and regulations, the borrower/client should take all reasonable steps to minimize risks to animal welfare and promote animal welfare standards that are consistent with GIP such as World Organisation for Animal Health (WOAH) Terrestrial Code, where their activities involve animals or animal products. Good animal welfare

requires disease prevention and appropriate veterinary care; species-appropriate shelter, management and nutrition; a stimulating and safe environment where the animal is able to express natural behaviours; humane handling including transport; and humane slaughter or killing including in emergency situations requiring mass depopulation.

Animal welfare is now protected by a broad and growing set of globally and regionally accepted standards rooted in scientific principles. These standards are outlined in treaties, conventions, regulations, directives, and agreements. The international aspect is overseen by the World Organisation for Animal Health (WOAH), which sets global standards, while regional strategies are in place to enhance animal welfare.

Furthermore, this commitment to animal welfare has gained recognition from various international and regional policymaking bodies. These include Regional Economic Communities, the UN's World Committee on Food Security, the Food and Agricultural Organization of the United Nations (FAO), the Organisation for Economic Cooperation and Development (OECD), the International Organization for Standardization (ISO), as well as lending institutions such as the International Finance Corporation (IFC) and the World Bank. Most recently, in 2022, the UN Environment Assembly-5 adopted UNEP/EA.5/Res.1, acknowledging that “animal welfare can contribute to addressing environmental challenges, promoting the One Health approach and achieving the Sustainable Development Goals”

These are starting points that the ADB can consider. The ADB can build on these and raise the bar further when it comes to animal welfare.

ESS6 (Paragraph 38): “Where a project involving livestock production has the potential to interface with wild animals, the borrower/client will undertake additional specific assessment to identify potential risks for the spread of zoonotic diseases.”

We recommend the paragraph read: “Where a project involving livestock production has the potential to interface with wild animals, the borrower/client will undertake additional specific assessment to identify potential risks for the spread of diseases of animals and zoonotic diseases, including the effects of livestock production on wild habitats.”

We recommend this include both animal-animal diseases and zoonotic diseases. The spread of zoonotic diseases between livestock and wild animals is a well known risk to animal and human health. However, animal diseases which can transmit between livestock and wild animals but are not zoonotic could also have a negative effect on wild animal populations and biodiversity – e.g. Chronic Wasting Disease, African Swine Fever. This paragraph should also include specific mention of the effects of livestock encroachment on wild habitats which can result in increased risks to animal-human zoonotic disease transmission.

ESS7: INDIGENOUS PEOPLES

We welcome this extensive section covering Free, Prior and Informed Consent (FPIC) in relation to Indigenous Peoples communities affected by projects. In our view, this can still be further strengthened by applying these principles not only to indigenous communities, but to all significantly affected local communities. The Bank needs to ensure that any affected community regardless of their identity do not suffer from decreased well-being as a result of its operations.

In 2012, the Forest Stewardship Council (FSC) and its members updated their certification standard to include FPIC for all projects involving non-indigenous communities. This decision was based on consultations with various experts and aimed to ensure that all significantly affected local communities have the right to FPIC. The justification included the right to meaningful participation in environmental decision-making, control over land and resources, contemporary standards of public participation, principles of equity and justice, and the UN Declaration on the Right to Development. This is an example that the Bank can consider and apply.

In the case of industrial livestock projects, evidence has shown that affected communities cover a diverse group with one common thread: lack of power and social capital. These can include people living in rural communities, people with ancestral ties to land that has been forcibly taken from them, and poor and historically marginalised populations who live near these projects or work in them.

ESS 8: CULTURAL HERITAGE: No feedback

ESS9: Climate Change

We welcome this dedicated ESS on Climate Change. Consistent with broader banking industry trends involving net zero commitments and interim target-setting, ADB should disclose its Scope 3 emissions from its loan and equity investment portfolio.

See below our specific recommendations:

ESS9 (Paragraph 8): To minimize the absolute and relative GHG emissions attributable to a project, the borrower/client will consider alternatives including adoption of energy efficiency, lower-carbon energy sources, renewable energy, alternative project locations, reduction of fugitive emissions, or other GHG management practices. The borrower/client will implement such measures where technically and financially feasible during the project preparation and design phase. Where such measures are adopted for implementation during a project, the borrower/client will include them in the environmental and social commitment plan (ESCP)/environmental and social action (ESAP).

We recommend including sustainable and regenerative farming as alternatives to industrial livestock (inclusive of animal feed) production. The Paris Alignment methodology of MDBs must also be referenced in this ESS.

ESS9 (Paragraph 12): The scope of the assessment will include, as applicable, climate change vulnerability of project-affected persons, physical assets, communities, institutions, and ecosystems associated with all stages of a project.

The above statement should also include 'living natural resources' in the scope of the assessment. Projects assessed as threatening irreversible damage to ecosystems, living resources and/or project-affected persons and communities should explicitly excluded from any financing.

The addition of climate change, especially references to Scope 1, 2 and 3 emissions, is a step in the right direction. We cannot overemphasise the importance of Scope 3 emissions reporting, which is a prerequisite to meeting net-zero commitments and decarbonisation targets in light of the Paris Agreement. The ESF must therefore require clients and borrowers to include Scope 3 emissions and the decision should not be discretionary as provided.

Specifically concerning climate change impacts, the ESF should outline that Financial Intermediaries (FIs) are obligated to publicly disclose and provide an opportunity for public review of the entire GHG emissions and climate change impact and mitigation analysis, alternatives analysis, and mitigation measures for a proposed investment at least 120 days before the FI makes a decision to fund the project.

To fulfill their Paris Alignment commitments[xxxv], ADB must redirect agricultural investments towards environmentally sustainable sustainable agricultural practices such as regenerative agriculture, agroecology, agroforestry, organic farming, silvo-pastoral systems, low-intensive permanent grassland, and mixed crop and livestock systems. These systems, promoting food sovereignty and security, should replace investments in intensive, highly polluting industrial livestock operations. This shift not only yields immediate economic, public health, and food security benefits but also contributes to climate goals, ensuring a legacy of sustainability for future generations.

We would also like to reinforce the findings from a research on "Options for a Paris-compliant livestock sector. Timeframes, targets and trajectories for livestock sector emissions from a survey of climate scientists."[xxxvi] This shows that continued expansion of industrial animal agriculture will threaten the achievement Paris Agreement.

- To align with the Paris Agreement, global emissions from livestock production must decline by 50% during the next 6 years, and this must be accomplished without negatively impacting farmed animal welfare, or increasing the number of farmed animals.
- The experts viewed reducing human consumption of livestock products and reducing the number of livestock animals as having the biggest potential to reducing livestock emissions - with livestock intensification having the lowest potential.
- Most experts agree that high-, middle-, and low-income countries should have a greenhouse gas (GHG) reduction target for livestock production, in alignment with an

overall global reduction target – which should be a 61% (SD 22.9) reduction by 2036 (SD 9.4)

- In support of achieving the emissions targets and trajectories identified by experts, more than 75% agree that a 'best available food' approach in climate, agriculture and food purchasing policy should be adopted, where plant-sourced alternatives to animal-sourced foods that provide comparable or better health outcomes and lower GHG emissions are given preference; and financial assistance for farmers to convert their practices away from livestock production be provided where required.

Our report Climate Change and Cruelty is another resource we would like to share. The research commissioned by World Animal Protection is the world's first study to measure the potential climate and environmental benefits of eating less factory farmed chicken and pork, while simultaneously ending the cruellest practices on factory farms and improving living conditions for the billions of animals currently trapped within them.

ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

ESS10 (Paragraph 4): "The nature, scope, and frequency of stakeholder engagement will be proportionate to the nature and scale of a project, as well as to its potential **E&S risks and impacts**. Stakeholder engagement will be undertaken in a manner that is safe and accessible for stakeholders, without threats or actual coercion, intimidation, manipulation, force, or any form of **reprisal**."

We suggest that a Stakeholder Engagement Plan become a compulsory document for every livestock-related investment or any such investment involving impacts on air, water, land, biodiversity, as well as animal-animal and zoonotic risk, given that any one of these impacts/risks could have serious consequences for local communities. This plan addresses crucial elements vital for project success and acceptance, including civil society consultation, community consultation, participation, categorisation of vulnerable individuals, and information disclosure.

ESS 10 (Paragraph 15): "The borrower/client will provide **stakeholder**s with access to the following information as early as possible in a **project cycle** and in a timeframe that enables **meaningful consultation**s with stakeholders on project design"

The borrower/client would need to formally advise communities of the forthcoming project and invite their feedback via an official and transparent channel. We propose that ADB firmly commits to prioritising stakeholder engagement by instituting a specific timeframe between information disclosure and project appraisal. We recommend establishing a minimum period of 12 weeks, enabling civil society and affected communities ample time for review and response as needed. This proactive measure would provide a transparent framework, bolstering broader initiatives aimed at enhancing stakeholder engagement.

Draft Prohibited Investment Activities List

Further investments in unsustainable industrial livestock systems which harm people, animals, and the planet must also be prohibited. Industrial livestock is both a climate culprit and very unresilient (so fails on both the climate adaptation and mitigation components). There is precedent for this – when one considers the list as it stands, the ADB already excludes specific unsustainable fishing methods.

Given the vital importance of building a sustainable and resilient food system, we would welcome the chance to discuss with ADB the wording of such an exclusion for industrial livestock/factory farming.

The ADB should also consider: Activities that may result in an outbreak of a pandemic disease (e.g., zoonoses, emerging infectious diseases) or a condition (antimicrobial resistance) and activities that contribute to massive deforestation, biodiversity/habitat loss.

The exclusion list should also be coherent with ADB's other plans and policies.

WORLD ANIMAL PROTECTION RESPONSE

About You *required fields

Name*:	Kelly Dent, Global Director, External Engagement
Organization*:	World Animal Protection
Email address*:	KellyDent@worldanimalprotection.org
Country*:	Australia

I agree to have my comments disclosed on the ADB website?*

■ YES

☐ NO

Save and submit to *safeguardsupdate@adb.org*

Endnotes:

[i] A/RES/70/1 - https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

[ii] A/RES/70/1, paragraph 9

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