

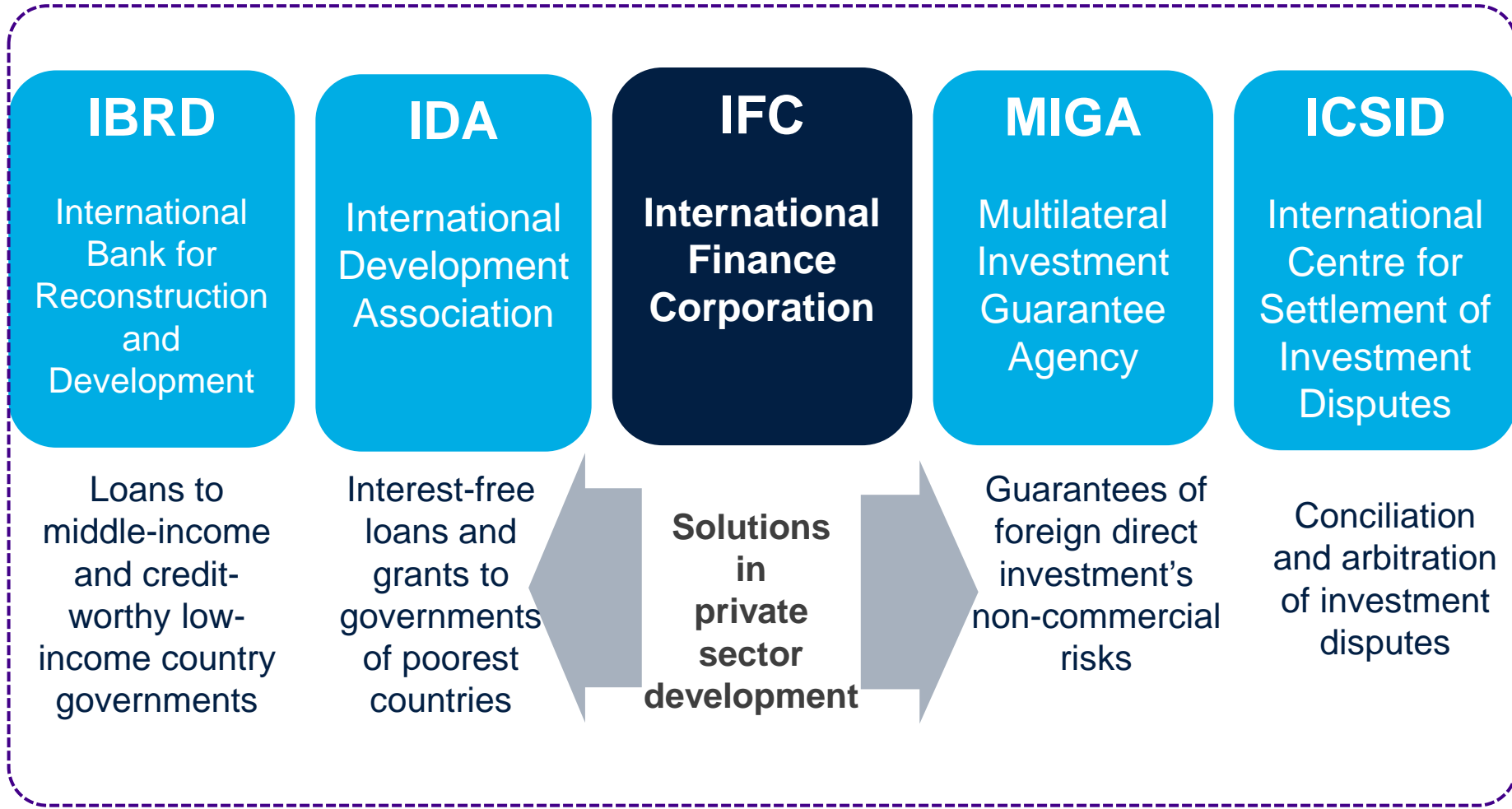


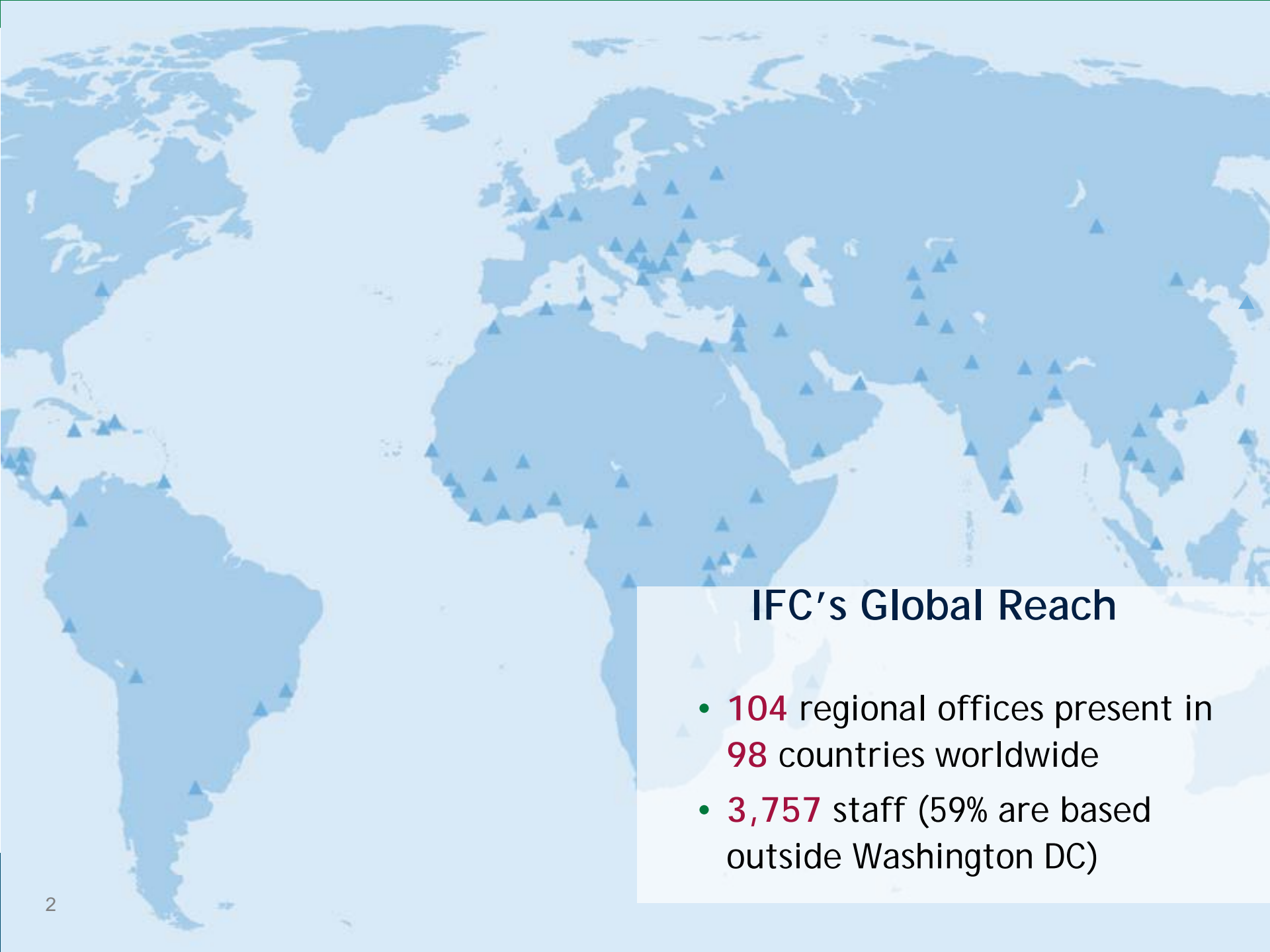
**International
Finance Corporation**
World Bank Group

ANIMAL WELFARE CONSIDERATIONS IN FUNDING LIVESTOCK DEVELOPMENT PROJECTS

ROBERT JOHN HATTON
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INTERNATIONAL FINANCE
CORPORATION
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IFC: A MEMBER OF THE WORLD BANK GROUP





IFC's Global Reach

- **104** regional offices present in **98** countries worldwide
- **3,757** staff (59% are based outside Washington DC)

Over US\$200 billion Invested in Emerging Markets since 1956

Overview (FY 15)

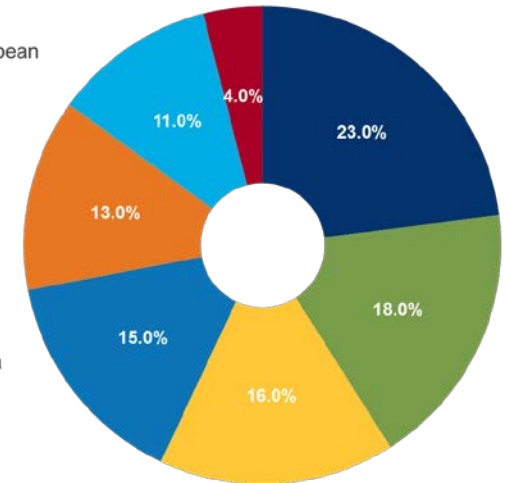
| | |
|-------------------------------------|---|
| Shareholders | <ul style="list-style-type: none"> 184 member countries |
| S&P & Moody's rating | <ul style="list-style-type: none"> AAA/Aaa |
| Total Assets | <ul style="list-style-type: none"> US\$87.5 billion |
| Portfolio | <ul style="list-style-type: none"> US\$52 billion |
| Committed in FY16 | <ul style="list-style-type: none"> US\$18.8 billion own account US\$7.7 billion mobilized |
| # of Projects in Portfolio | <ul style="list-style-type: none"> 2,033 projects |
| # of countries in Portfolio | <ul style="list-style-type: none"> 83 countries |

Largest development institution focused exclusively on the private sector in developing countries

Portfolio (Total \$52 billion at June 2016)

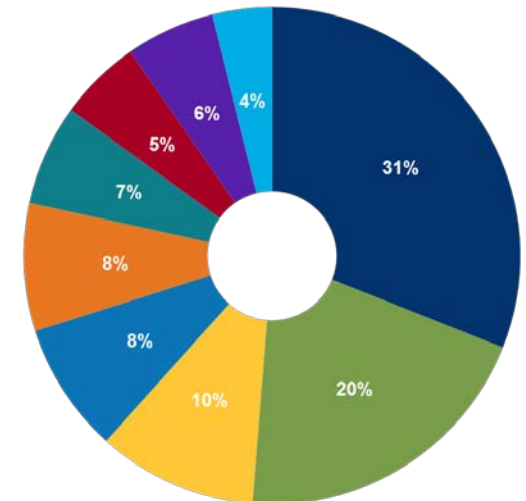
BY REGION

- Latin America and the Caribbean
- Europe and Central Asia
- Sub-Saharan Africa
- East Asia and the Pacific
- South Asia
- Middle East and North Africa
- Global



BY SECTOR

- Financial Markets
- Infrastructure
- Manufacturing
- Consumer & Social Services
- Funds
- Agribusiness & Forestry
- Oil, Gas, & Mining
- Trade Finance
- Telecommunications & Information Technology



Agribusiness: An IFC Strategic Priority Sector

Agribusiness Strategic Action Plan (ASAP)

Three Agribusiness Strategic Pillars:

Enhance Food Security:
focus on productivity,
efficiency, waste reduction
and income enhancement

**Promote Inclusive Economic
Development:**
focus on small farmers,
women, and risk
management

**Make Environmental & Social
Sustainability a business
driver (e.g. irrigation,
precision farming)**



Six Sectoral Themes Drive Our Agribusiness Agenda



Water

Global Irrigation Program
Inputs (e.g. seeds)



Small Farmers

Inclusive supply chains
Global Food Security Program (GAFSP)



Land

Princ. of Resp. Agri Investment
Africa Hybrid Investments
Productive Land: Ukraine/Brazil



Urbanization

Safe food processing & efficient supply chains
Food affordability



Animal Protein

Mitigate impacts of full value chain (e.g., feed efficiency)
Seafood



Nutrition & Innovation

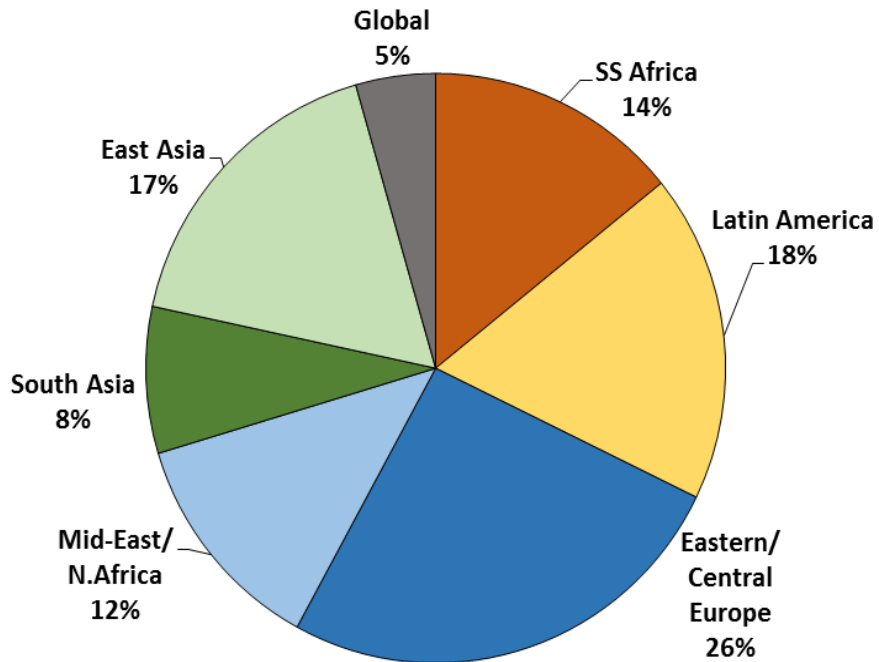
Food ingredients
Fortified foods and drinks

...Resulting in a Well-Diversified Portfolio (US\$5.6 Billion at FYE 2016)

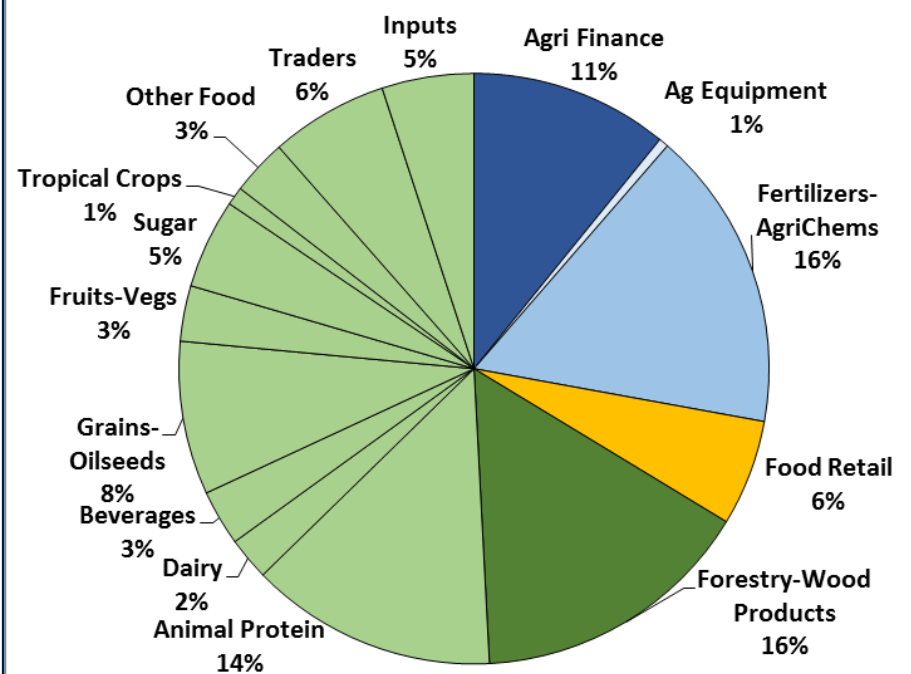
REGIONAL BREAKDOWN

SUB-SECTORAL BREAKDOWN

**IFC Total Agribusiness - FYE 16
(US\$ 5.6 Billion)**



**IFC Total Agribusiness - FYE 16
(US\$ 5.6 Billion)**



Standard Setting: IFC Performance Standards



PS1: Assessment and Management of E&S Risks and Impacts



PS2: Labor and Working Conditions



PS3: Resource Efficiency and Pollution Prevention



PS4: Community Health, Safety and Security



PS5: Land Acquisition and Involuntary Resettlement



PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources



PS7: Indigenous Peoples



PS8: Cultural Heritage

IFC GLOBAL LIVESTOCK PORTFOLIO

- Trade in live animals and animal products represents 40% of global value of agricultural output
- In developing countries animal production is one third of gross value of agricultural production
- Supports livelihood of over 1.3billion people
- Demand spike with rising GDP and growing middle class
- IFC portfolio over US\$900mn – pigs, poultry, beef, dairy and aquaculture

APPROACH TO CLIENTS

- PROFITABILITY
 - Animal Health, Nutrition, Housing, Biosecurity
- MARKET ACCESS
 - Customer specifications, Legislative requirements
- EDUCATION
 - Selling the concept, Manuals, Checklists
- COMPLIANCE
 - Audit documentation

ANIMAL WELFARE, HUSBANDRY, BIOSECURITY & CONTINGENCY PLAN MANUAL

PIG PRODUCTION

Commercial & Parent Stock Pigs

(Fully Housed)



HACCP - VENTILATION AIR QUALITY IN BROILERS

| POTENTIAL HAZARDS / RISKS | CONTROL MEASURES / MONITORING & RECORDS | CRITICAL CONTROL POINTS / CAP | CRITICAL LIMITS / SCORING |
|---|--|---|--|
| <p>6) SUB-OPTIMAL VENTILATION & AIR QUALITY in houses - causing respiratory distress, weakened immune systems & propensity to diseases, poor Feed Conversion Efficiency and growth rates. In combination with heating systems, good ventilation also removes excessive moisture and helps maintain litter quality.</p> | <ul style="list-style-type: none"> ▪ Correct programming of VENTILATION and AUTOMATED ENVIRONMENTAL CONTROL SYSTEMS in houses, by Farm Manager, being guided by equipment user manuals. ▪ Documented STANDARD OPERATING PROCEDURES. ▪ Regular MAINTENANCE of all Fans and Ventilation system components must be in accordance with Manufacturer Service Manuals, and conducted by Maintenance Manager. <hr/> <ul style="list-style-type: none"> ▪ Weekly MONITORING of Air Exchanges and NH₃ and CO₂ levels with hand-held devices in a selection of poultry houses, by House Supervisors. Re-setting Ventilation Systems where necessary. ▪ Regular MONITORING of operating efficiency of Ventilation and Automated Environmental Control systems, by Farm Manager. ▪ Weekly RECORDS kept of NH₃ and CO₂ monitoring in a selection of poultry houses. | <p>6.) VENTILATION, AIR QUALITY and DUST LEVELS.</p> <hr/> <p><u>CORRECTIVE ACTION PLAN</u></p> <ol style="list-style-type: none"> 1. Reporting by any staff member of sub-optimal Air Quality conditions to Farm Manager, who must then attempt to reset VENTILATION and ENVIRONMENTAL CONTROL SYSTEMS, with the assistance of company electricians and/or engineers and/or equipment manufacturers, if necessary. This must be treated as HIGH PRIORITY. 2. Commence investigation into reason(s) for system failure, including high DUST levels if relevant. 3. Repair/replace mechanical components as required. 4. Commencement of Staff Training programs as required. | <p>EU directive, 2007 20 ppm max NH₃ 3,000 ppm max CO₂</p> <p>Gases measured at level of the birds' heads.</p> <p>OIE, 2014 25 ppm max NH₃</p> <p>GRANDIN, 2013 10 ppm is target NH₃ 25 ppm is max NH₃</p> <p>General Norms Minimal dust accumulation in houses (must be able to see back wall easily).</p> <hr/> <p>AUDIT SCORE</p> <p>..... / 30</p> |

Contact Information

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For more information

IFC Agribusiness: www.ifc.org/agribusiness

Annex



INVESTMENT

Loans

- Project and corporate financing
- On-lending through intermediary institutions

Equity

- Direct equity investments
- Private equity funds

Trade and Commodity Finance

Guarantee of trade-related payment obligations of approved financial institutions

Syndications

- Capital mobilization to serve developmental needs
- Over 60 co-financiers: banks, funds, DFIs

Derivative and Structured Finance

Derivative products to hedge interest rate, currency, or commodity-price exposures of IFC clients

Blended Finance

Augmenting IFC resources with donor funds

ADVICE

To Companies

- Improving productivity and standards
- Strengthening the performance of SMEs in their networks
- Advancing gender equality
- Addressing energy, environmental, social, governance challenges
- Helping build new markets and improve competitiveness

To Financial Institutions and Funds

- Strengthening risk management, diversifying product offerings
- Promoting universal access to finance
- Developing the private equity industry

To Governments

- Designing and implementing public-private partnerships in infrastructure and basic public services
- Improving the business environment via reforms that promote investment, spur growth, and create jobs
- Addressing water scarcity by convening multi-stakeholder platforms (2030 Water Resources Group)

WHAT CLIENTS VALUE ABOUT IFC

- Results of IFC Client Survey

