

IFC Practices for Sustainable Investment in Private Sector Livestock Operations

IFC's Pioneering institutional investments in aquaculture operations

IFC: the largest global development institution focused on the private sector in developing countries

The International Financial Corporation (IFC) is the private sector arm of the World Bank Group, investing in emerging markets since 1956:



More than \$321 billion invested since our founding in 1956



Leveraging the full range of World Bank Group capabilities



AAA credit rating; owned by 185 countries



Provides investment, advice, resource mobilization



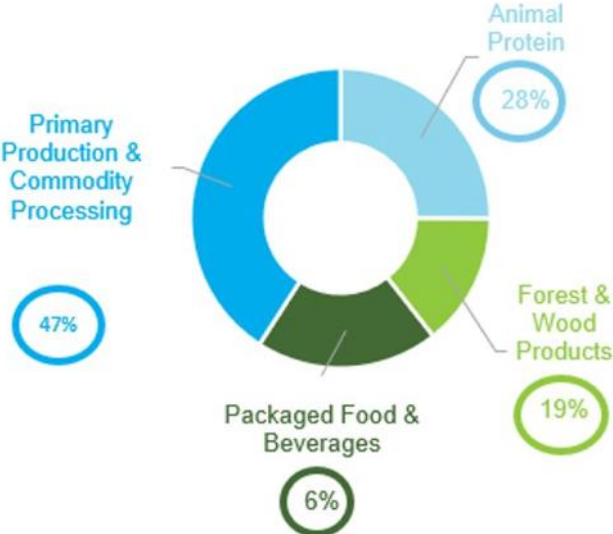
Offices in nearly 100 countries

Mobilizing the Private Sector & Creating Markets

- Engage in **difficult environments** and **mobilize private finance** enabling a **development impact** beyond its direct resources.
- **Sustainability:** IFC is an investor focused on development impact and climate change. Promoter of environmental, social, and corporate governance standards.
- **Create, deepen, and expand markets** where they are weak or do not currently exist.
- **Maximize the financing** available in areas with the most needs.

IFC has a \$4.1B active portfolio in 242 agribusiness projects across the developing world

June 2022 - Committed Portfolio by Subsector



June 2022 - Committed Portfolio by Region



Global Expertise: Sustainable Protein

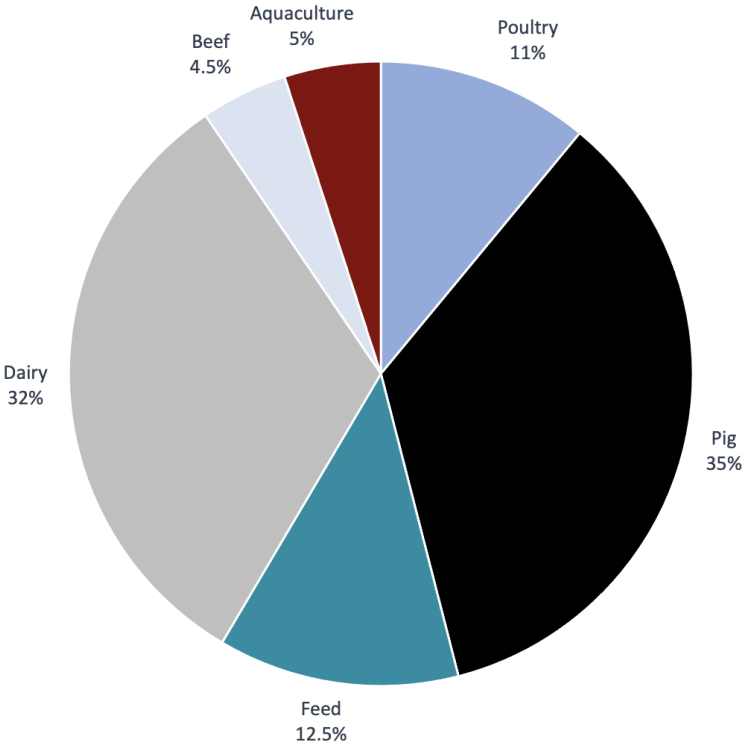
IFC has a portfolio of 66 investments in animal protein, totaling over \$1.1 billion

IFC's Sustainable Protein Advisory Services provides technical assistance to livestock and aquaculture companies in IFC's portfolio and pipeline.

SAMPLE OF CLIENTS



Animal Protein Sector Portfolio (FY23)

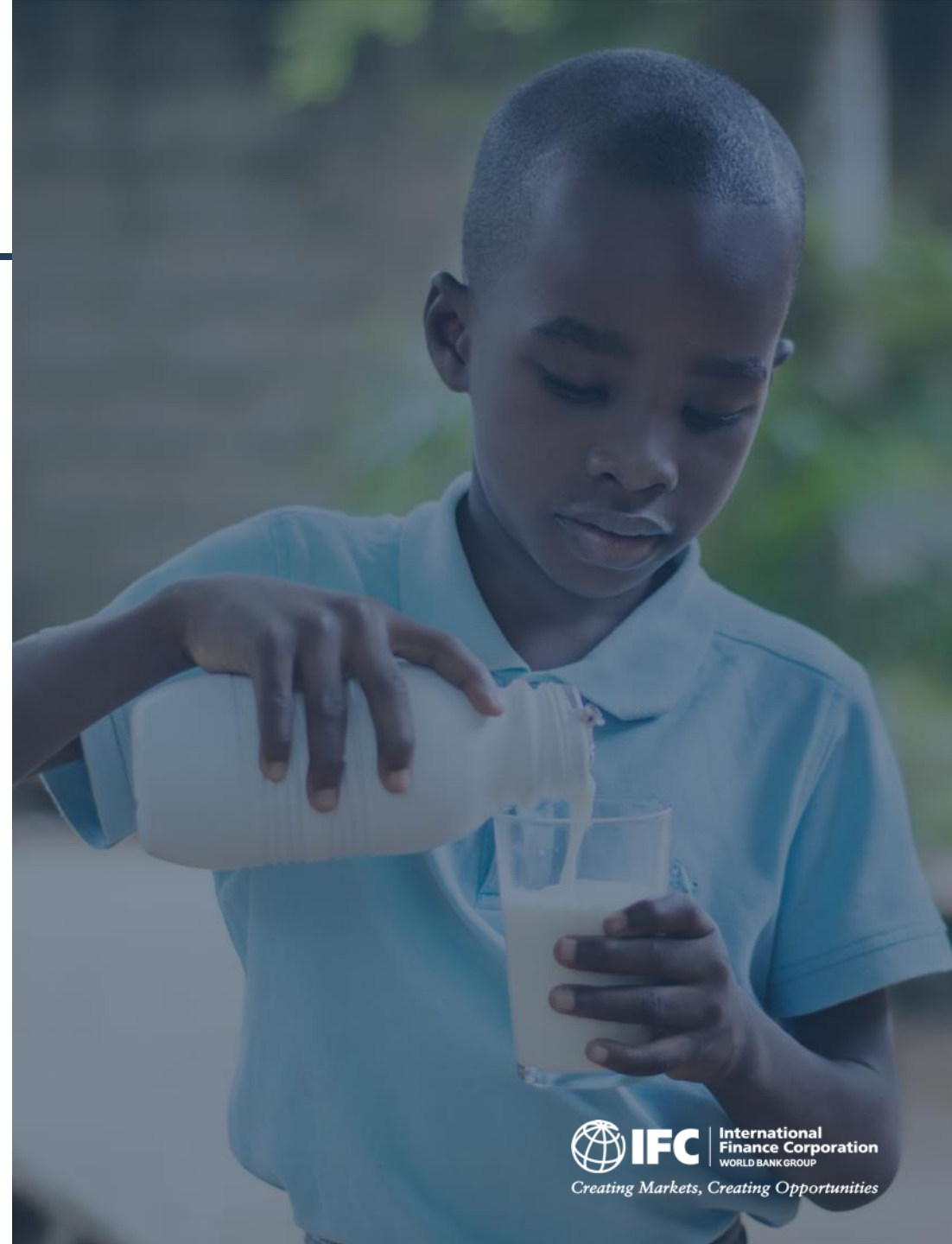


Background

Rising incomes, changing diets, and increasing global population have made the **livestock and aquaculture sectors** one of the fastest-growing agricultural subsectors in middle- and low-income countries.

The increase in meat, fish and dairy consumption is leading to significant **sustainability challenges**—including a rise in greenhouse gas emissions, an increase in land conversion, more risks of deforestation and loss of biodiversity. There are also concerns related to the production of meat and dairy, such as biosecurity, animal welfare, and antimicrobial use.

In response to the growing demand for proteins and these sustainability challenges, it is imperative that both the public sector and industry follow a **sustainable growth path**.



The Rationale for the Practices for Sustainable Investment in Livestock Operations

THE PRACTICES SET OUT:

WHY

Why IFC invests in sustainable livestock and aquaculture operations

WHAT

What the key sustainability issues are in the sector

HOW

How IFC invests to ensure the animal protein sector develops in a sustainable manner

The Practices seek to communicate why and how IFC's investment approach ensures its investees adhere to good industry practices in their locality.

They do not change the way IFC invests in the animal protein sector, but rather seek to communicate how we approach due diligence of a new investment.

The Practices have already been endorsed by 5 of the largest MDBs investing in animal protein










FMO

Entrepreneurial
Development
Bank



IFC invests in livestock and aquaculture companies that:


-  1 Implement robust animal health management and biosecurity protocols
-  2 Implement prudent and responsible use of veterinary antimicrobials and medicines
-  3 Implement an Animal Welfare Management System
-  4 Promote Decarbonization Pathways and Enhance Climate Resilience of Operations
-  5 Prevent the loss of biodiversity
-  6 Provide safe food
-  7 Respect relevant national laws and regulations



SANTA PRISCILA
Shrimp and Tilapia, Ecuador

Santa Priscila is Ecuador's largest shrimp exporter. Its packaging plants are certified to BRC Global Standard for Food Safety and about 4,000 ha of aquaculture farms are certified to BAP or ASC standards.

IFC investment is financing the acquisition over 1,200 hectares of shrimp farms in the area of Naranjal close to Guayaquil, and to upgrade its production capacity through their connection to the electrical grid.



OMARSA
Shrimp, Ecuador

Omarsa, an IFC client since 2015, is an integrated hatcher, processor, and exporter of shrimp, certified to multiple internationally-recognized sustainability and food safety standards.

IFC's first investment supported the expansion of the company's production and processing capacity. A new IFC loan is funding the construction of an additional processing and packing facility with an initial capacity to process 268,000 pounds of shrimp per day and a cold storage capacity of 2 million pounds.



ALPHA FEED

Aquafeed, China and Vietnam

IFC is supporting Alpha Feed to expand its extrusion technology based aquafeed capacity. The extruded feed, due to its characteristic of better water stability and consequently lower losses within the water system, reduces the risk of eutrophication caused by climate change and temperatures increases.

The project is helping to accelerate aquaculture industry upgrades, supporting the growth of 80,000 farmers and improving climate adaptation in the region.



ENTOBEL

Insect protein for fish feed, Vietnam

Entobel, a Singapore-based biotech company, rears the Black Soldier Fly species to produce insect protein as a feed ingredient primarily for the aquaculture industry, as a cost competitive, more sustainable replacement of fishmeal.

IFC is partnering with Entobel to prove the commercial viability and cost competitiveness of insect production at an industrial scale by supporting the establishment of a 10,000 MT industrial insect feed plant in Vietnam.

Conclusion

IFC's approach to investing in aquaculture companies is based on **identifying and supporting sustainability in companies' activities**, and we recognize that the best way is through specific practices that enhance animal health and welfare, protect the environment, promote food safety, and respect relevant regulations and laws

IFC is the **first major financial institution globally** to come to the market with a clear position on what constitutes a sustainable investment in animal protein production--a sector where financial intermediaries are facilitating an estimated \$USD100bn of investment each year.

Through its investments, IFC has proven that **sustainability can be a driver for better financial performance** and is keen to share its set of practices in investing in aquaculture operations both with policy makers and with peer financial institutions.

THANK YOU

DOWLOAD THE PRACTICES:

