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European Bank for Reconstruction and Development  
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(by email)

2<sup>nd</sup> July 2020

Dear Sirs,

In a time of climate crisis, public finance institutions such as the Multilateral Development Banks (MDBs) have an urgent responsibility to align their lending with the goals of the Paris Agreement. As calls come from [economists and environmentalists alike](#) to “build back better” following the pandemic, it is essential that we include agriculture in considerations of how we finance a sustainable future.

Experts project that the livestock sector will account for almost half (49%) of the world’s emissions budget for [1.5°C by 2030 and 80% by 2050](#). Business-as-usual is clearly not an option. Increased deforestation for cattle ranching and feed grains in the global South, as illustrated by the rapidly increasing deforestation rates in the Amazon and other biomes, is also contributing [significantly to increased greenhouse gas emissions](#) at a time when the IPCC suggests that ecosystem restoration is critical to keeping warming to 1.5°C. These trends are also exacerbating existing inequalities as indigenous peoples and local communities face displacement, criminalization and violence.

To meet the steep and rapid reductions in greenhouse gas emissions necessary to achieve the goals of the Paris Agreement, and to ensure that human rights are protected by reducing the pressure on land and landgrabs, global livestock numbers need to fall substantially.

Yet, the current growth trajectory of industrial animal agriculture has been supported by public financing from the development banks which you both lead. The International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) provided up to [\\$2.6 billion in finance for pig, poultry and beef farming operations, as well as dairy and meat processing, during the past ten years](#). Much of this financing went to support controversial ‘mega-farm’ style production in regions with high per-capita meat consumption – not to sustainable, climate-resilient and agroecological production.

This financing is in inherent contradiction with both the IFC and EBRD’s policies on a green transition. From the EBRD’s strategy for a Green Economy Transition, to the joint IDFC-MDB statement on alignment with the Paris Agreement, MDBs have a global responsibility to support low-carbon and climate resilient development. To truly meet the intent of these ambitions, international development finance must take seriously their intent to redirect financial flows ‘in support of transitions towards low-carbon and climate resilient sustainable development’, in the words of the joint IDFC-MDB statement on alignment with the Paris Agreement.

We have reached '[peak livestock](#)'. To align their finance with the Paris Agreement, MDBs including the IFC and the EBRD, have a huge task at hand. For animal agriculture, we ask the MDBs to:

- Commit to a strategy to align investments with 'peak livestock', ensuring an end to all financing in support of industrial meat and dairy production, including feed production.
- Ensure that investments are in line with human rights obligations and redirect financial support to sustainable, climate-resilient and agroecological production.

Not only would these two actions shift billions of dollars in unsustainable finance towards equitable climate solutions, they would reduce transition risk for EBRD and IFC client countries - as the Intergovernmental Panel Climate Change puts it, industrial livestock production faces the [greatest risks](#) in climate breakdown. Leadership from the MDBs would send a clear signal to other public finance institutions, the private sector, markets, and governments to follow suit and help ensure the banks' portfolios are working towards, and not against, a more equitable, just and sustainable food system.

Yours sincerely,

The undersigned

50by40

Animal Legal Defense Fund

ARA, Germany

Asian Peoples Movement on Debt and Development

Associazione SONIA

Biofuel Watch

Brighter Green

Center for Biological Diversity

CESTA / Amigos de la Tierra El Salvador

Compassion in World Farming

Crescente Fértil

Eat For The Earth

EcoNexus

Factory Farming Awareness Coalition

Feedback Global

Friends of the Siberian Forests

Gender CC Southern Africa - Women for Climate Justice

Global Forest Coalition

Global Justice Ecology Project

Humane Society International

Institute for Agriculture and Trade Policy (IATP)

Institute for Sustainable Development Strategy (ISDS) Public Fund

Lean and Green Kids

Oakland Institute

Pivot Food Investment

ProVeg

Safe Food Advocacy Europe (SAFE)

Seeding Sovereignty

Sinergia Animal

TAPP Coalition

Water Justice and Gender

World Animal Net

World Animal Protection



**HUMANE SOCIETY  
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