

Response to letter of concern re: Adal Azyk



Dear all signatories,

My name is CSO engagement officer at IFC. Thank you for your letter dated 14 May 2025 regarding the IFC's investment in Adal Azyk LLC. We apologize for the delay in responding to you and remain open to engagement with you regarding this project.

As stated in our Practices for Sustainable Investment in Private Sector Livestock Operations, IFC works with livestock clients that are committed to enhancing animal health and welfare, protecting the environment, and promoting food safety. By investing in sustainable solutions that intensify production and improve resource efficiency in livestock operations, it is possible to reduce global GHG emissions and eliminate conversion of natural habitats, including deforestation while providing affordable and safe food in emerging markets. In addition, IFC has committed that 85% of all new investment operations will be Paris Aligned starting July 1, 2023, and 100% starting July 1, 2025.

We recognize the pertinent issues you have raised and below we share additional information for your consideration:

Nutrition and food safety

The current average intake of chicken meat in the Kyrgyz Republic is 7.85 kg/person per year (2021) or 150 grams per week. Most studies regarding chicken meat outline the health benefits of increasing intake of chicken meat. The study quoted in your letter also outlines that many studies indicate that chicken meat consumption is generally considered to be a healthy choice but suggests more research is required.

Paris Agreement Alignment

Regarding your concern about the potential misalignment of the investments with the goals of the Paris Agreement, we are pleased to inform you that the project is aligned with the Paris Agreement, as per the methodology developed under the Joint MDB Assessment Framework for Paris Alignment for Direct Investment Operations.

For every animal protein project financed by IFC, we conduct a thorough assessment based on a five-step specific criteria framework. These criteria evaluate the operation within the context of the country's circumstances, as well as its national and sectoral strategies, which are likely to define the country's transition pathway(s) to low-GHG development. We assess whether the operation or economic activity hinders opportunities to transition to Parisaligned activities or risks becoming economically unviable, taking into account factors such as stranded assets and transition risks within the national and sectoral context.

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In this case, the company's GHG emissions are 9,788 tCO2e/year, which is well below IFC's 25,000 tCO2e/year threshold for GHG emissions reporting requirement from projects. The company currently uses a limited amount of coal for process heating. However, as part of the investment agreement, the company has committed to reducing coal consumption per unit of product by 30%. The company is also committed to switching to natural gas once the necessary infrastructure becomes available. An analysis of alternatives was conducted, which revealed the absence of natural gas infrastructure and constraints due to government policies on electricity supply. It is important to note that the Kyrgyz Republic is currently facing an electricity deficit.

At IFC, we strive to make animal protein production more efficient by reducing the demand for natural resources and minimizing the climate impact of production and processing, while taking national circumstances into account.

IFC Performance Standards and Agribusiness's Sustainable Protein Platform

Aside from the applicable IFC Performance Standards to this investment and gaps encapsulated in the E&S Action Plan (ESAP), IFC has also offered advisory and upstream services to support the company in the development of a decarbonization roadmap, identify and prioritize options for decarbonization (e.g., direct emissions reduction via energy and resource efficiency, renewable energy, and circular economy) to minimize energy costs and reduce GHG emissions through reduction or partial replacement of coal. These additional services offered to the company demonstrate IFC's commitment to reduce climate impacts.

Furthermore, as per the project's disclosed ESAP, the company will start to measure energy and water consumptions and develop E&S Key Performance Indicators (KPI) to monitor performance-based requirements against applicable WBG General and Sector Specific EHS Guidelines. The E&S KPIs will include but not be limited to resource efficiency (energy/water usage and efficiency) and CO₂ emissions per ton of product.

Animal Welfare

IFC only works with livestock clients that adhere to internationally recognized animal husbandry standards. This requires recognition of animal welfare as a core component of their operations. Standards also include specific requirements for the company to adhere to robust biosecurity practices, animal health protocols including the responsible and responsible use of antibiotics in animal production, and management systems in line with credible international standards. These are reflected in the IFC's Livestock Practices.

IFC projects are to be independently verified or certified to a recognized animal husbandry standard and IFC benchmarks standards against Global Smart Livestock Practices (SLP), which is aligned to EU Animal Welfare Directive and EU Farm Assurance Standards.

Global Smart Livestock Practices (SLP) align also with EU directives for broiler animal welfare, where the maximum of 33 kg/m² and permission for up to 39 kg/m² for farms and this is based on advanced ventilation and cooling systems in cold climates (Europe), and that animal welfare standards are maintained for optimal growth.

Use of corn and wheat as feed

Poultry is the most efficient converter of grains to meat of all animal proteins. (1.5-1.7 kg of feed per kg of liveweight).

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IFC recognize that there are many sources of feed that are not edible to humans and many Low- and Middle-Income Countries (LMICs) have regulations in place to prioritize human consumption of human-grade grains, ensuring that food resources are used to meet the nutritional needs of the population. These regulations aim to address food security concerns and ensure adequate access to staple food sources, particularly for those at risk of malnutrition.

The company submitted the approved local Environmental Impact Assessment (EIA) and construction permit for the construction and operation of the broiler farms in Issyk Kul, which were commissioned in 2021. This local EIA was disclosed, along with the Environmental and Social Review Summary (ESRS) and ESAP: https://disclosures.ifc.org/project-detail/ESRS/49580/adal-azyk. In accordance with the ESAP agreed upon with the client, a Performance Standard (PS)-compliant E&S Impact Assessment (ESIA) will be prepared prior to the construction of the broiler sheds and feed mill site in Kemin. This ESIA study was shared with IFC in June 2025 for review. It is also disclosed on the company's website and IFC's Project Information and Data Portal.

Stakeholder Engagement and Community Grievance Mechanism

The preparation of the 2021 EIA Study for the Issyk Kul's broiler farms did not undergo a community consultation, as not required per local environmental regulation, while nearest communities being located at 4.5 km due to biosecurity reasons. Since 2021, there have been no grievances recorded from neighboring communities. For the PS-compliant ESIA study prior to the construction of the broiler's sheds and feed mill in Kemin, the ESIA consultant has identified key stakeholders, including local communities that may be affected by the project. A consultation process on the key E&S risks and impacts of these operations, including mitigation measures, will take place. Finally, as per the ESAP, the company will develop and implement Stakeholder Engagement Plan (s) and a Community Grievance Mechanism for its poultry operations and feed mill covered by IFC financing. Consultations are currently being conducted with stakeholders, including local communities that may be affected by the project, groups that may be able to influence the outcome of the project, and key stakeholder representatives, including elected officials and non-elected community leaders.

We would like to take this opportunity to thank you for your continued interest in our work. We look forward to working with partners on livestock projects to collectively improve global nutrition and preserve ecosystems.

Regards,

on behalf of the project team

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