

14 March 2025

Peter Stevenson OBE
Chief Policy Advisor
Compassion in World Farming

Merel van der Mark
Animal Welfare and Finance Manager
Sinergia Animal

Re: IFC investment to support the expansion of Higest Lda. in Mozambique: Project nr. 41386

Dear Peter and Merel,

Thank you for your letter dated 29 January 2025 regarding IFC's investment in the expansion of Higest Mozambique Lda. We understand and take note of your concerns over the environmental and social challenges related to private sector investment in industrial animal agriculture in developing countries.

Food security is critically important in Africa, and IFC has prioritized it as a strategic focus. In Mozambique, the rapidly growing population underscores the urgency of addressing food security and enhancing agricultural practices, with chicken production spearheading the government's initiatives in this area.

1.0 Food security and smallholders

IFC [Agribusiness Strategic Action Plan](#) approved in 2017 includes three strategic priorities: enhancing food and nutrition security, advancing growth and value addition with a focus on inclusive and innovative business models, and making sustainability a key business driver. For the investment with Higest, this strategy involved providing protein-rich products, including smallholders in the value chain, and meeting IFC Performance Standards through Global Smart Livestock Practices certification.

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. IFC invests in companies that often rely on thousands of small-scale farmers to supply them. Higest provides day-old-chicks (DOC), including feed, medicines, and equipment primarily for low-income consumers in rural and peri-urban areas. It is estimated that the company reaches 5,600 smallholder farmers annually. Additionally, Higest works with 15 outgrowers (average capacity of 15,000 broilers per cycle/grower) who raise broiler chickens for processing at its abattoir.

2.0 Animal Welfare

IFC 2012 Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, requires livestock producers to obtain certification or independent verification through recognized standards like Global Smart Livestock Practices. This commitment was publicly disclosed in the Good Practice Note of 2014 and the IFC Practices for Sustainable Investments in the Private Sector Livestock Operations. During appraisal, an IFC Industry Specialist evaluates the prospective client's animal health, welfare, and antimicrobial use based on WOAH animal welfare standards for chicken (section 7.10). The prospective client commits to achieving Smart Livestock Practices within three years of the investment. IFC also considers sustainable economic development, cultural, and good practice in these investments.

Higest has an existing written Animal Welfare Policy (AWP) that incorporates its own operations and its broiler outgrowers. The AWP was reviewed during IFC appraisal and addresses most of the points raised in your letter. As outlined in IFC Practices for Sustainable Investment in Private Sector Livestock Operations, IFC projects are to be verified or certified to a recognized animal husbandry standard. Global GAP (currently replaced by Global SLP – Smart Livestock Practice – and further to be transferred to DEFHESA) verification and/or certification is a requirement by IFC Practices. IFC has benchmarked Global SLP against the EU Animal Welfare requirements and confirmed alignment.

To strengthen Higest's current AWP practices, IFC will work with the company to integrate Global SLP for livestock into its environmental and social management system, with independent verification or certification requirements, within 3 years of IFC investment. IFC is currently updating the ESRS and ESAP accordingly and will then redisclose the ESRS and ESAP after appropriate clearances from Higest.

Fifty percent of Higest's requirement for broilers for chicken meat production is grown internally while the remaining fifty percent is sourced from the 15 outgrowers who undergo a strict selection process to ensure the chicken houses and related infrastructure meet company standards (biosecurity, animal welfare, semi-open houses, a minimum number of birds per grower/cycle etc.). Higest utilizes modern environmentally controlled houses that are highly efficient in production and energy use. The best outgrowers are selected with semi-open broiler houses with automated feeding and watering systems.

IFC understands the crucial need for supply chain risk assessment including mechanisms for cascading animal welfare requirements to third-party suppliers and transporters. Higest's Quality Health Safety and Environment (QHSE) auditor continuously verifies the outgrowers QHSE systems and establish a management system to monitor each delivery of broilers to the Higest abattoir. During IFC appraisal it was confirmed that the company has Standard Operating Procedures (SOPs) in place for catching live broilers which considers biosecurity, health, and safety, hygiene, and bird welfare requirements. The catching teams are well trained to reduce bird stress during depopulation.

2.2 Use of slower-growing breeds of chickens

Higest uses the Ross breed, importing day-old parent chicks from Ross Breeders Zambia (a Grandparent operation). These chicks are grown in broiler breeder houses until 22 weeks (about 5 months) of age and remain there until they are depleted at 64 weeks (about 1 year 2 and a half months) of age. The Ross chicken, a hybrid breed developed for meat production is among the top two popular choice for commercial broiler operations globally.

3.0 Resource Use (Water and Energy availability) and efficiency

IFC recognizes the importance of optimizing greenhouse gas emissions, energy, water, and wastewater management. IFC screening at pre-appraisal identified *low access to clean water and sanitation services* as a contextual risk in Mozambique. The appraisal confirmed that the project's water sources come from Higest's licensed boreholes, with no conflicts found with local communities' water use. Higest facilities, including staff housing, have good sanitation and wastewater treatment. The appraisal process also concluded that the project is unlikely to exacerbate the existing contextual risk. At project level, Higest has committed to improving its resource use management and efficiency, including waste management plans to meet IFC Performance Standard requirements.

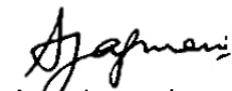
Higest operations rely on the national grid for energy, which is entirely sourced from hydroelectricity generated from the Cahora Bassa Lake, Africa's fourth largest artificial lake. Diesel generators are available as back up, though they are rarely used due to the stability of the national grid. Mozambique has the largest power generation potential of all Southern African countries.

We look forward to working with partners on livestock projects to collectively improve global nutrition and animal welfare. You can read more about IFC's approach in us [Practices for Sustainable Investment in Private Sector Livestock Operations](#).

We remain available should you have any additional questions or concerns.

I would like to thank you for your continued interest in our work.

Sincerely,



Anup Jagwani

Global Head for Agribusiness

IFC

cc: Carolina Hoyos Lievano; Esra Diker-Yilmaz; Louis Philippe Mousseau