

# **TEEB AgriFood Business Implementation**

**Webinar  
Indonesia**

**12<sup>th</sup> March 2020**



Funded by the  
European Union

# Agenda

- 
- |                    |  |
|--------------------|--|
| <b>16:00-16:05</b> | Welcome and introduction from IBCSD    |
| <b>16:05-16:10</b> | Introduction from Capitals Coalition   |
| <b>16:10-16:15</b> | Introduction from UN EP TEEB           |
| <b>16:15-16:25</b> | Background on Capitals Thinking        |
| <b>16:25-16:45</b> | Project aims and timeline in Indonesia |
| <b>16:45-17:00</b> | Questions and answers                  |
-



## Indonesia Business Council for Sustainable Development (IBCSD)

*Live Webinar*  
*"The Economics of Ecosystems and Biodiversity"*  
*12 March 2020*



ibcsd



CAPITALS  
COALITION



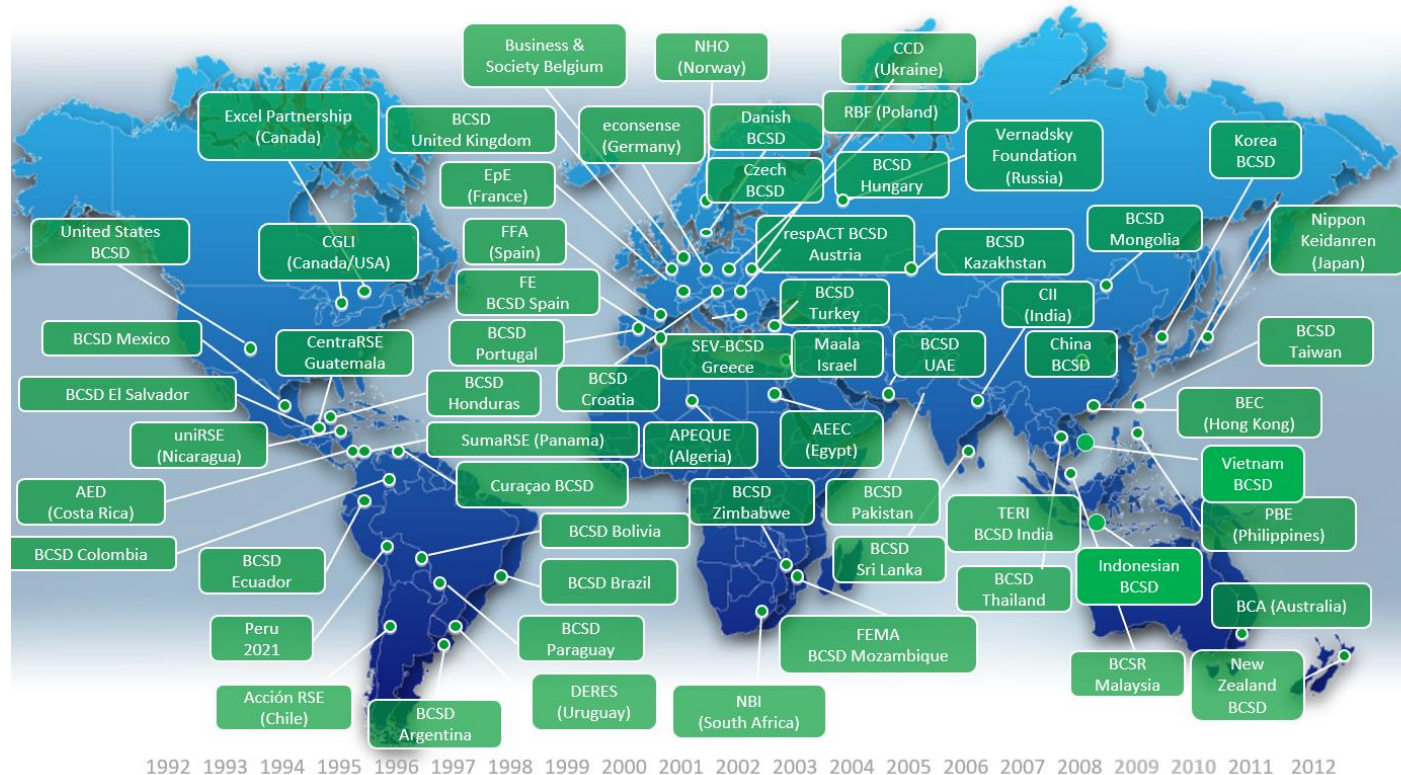
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TEEB

# Establishment of IBCSD

- The founding of IBCSD reflects nearly 4 years of effort within **KADIN**
- Legally established as an Indonesia Association on 6 October 2011
- National chapter of the **World Business Council for Sustainable Development (WBCSD)**
- Currently IBCSD, as a Indonesia CEO-led association, has **40 member companies** in Indonesia from **17 sectors** with the same commitment in sustaining the world development





# IBCSD Members



Bakrie Telecom



Cargill

L'ORÉAL  
INDONESIA

wilmar



APR

BNI

HERO  
Group



ISBC



TOTAL



VALE

JAYA ANCOL



BukitAsam

PERTAMINA



EVOLUZIONE TYRES

SCG

APRIL



PT HM SAMPOERNA Tbk.



Garuda Indonesia



CIMB NIAGA



SINTESA GROUP

CCA  
COCA-COLA AMATIL  
INDONESIA

Mondelēz  
International

BASF  
The Chemical Company



MULTI BINTANG

MONSANTO



Moores Rowland



Re>Pal

PT FREEPORT INDONESIA  
Affiliate of Freeport-McMoRan Copper & Gold

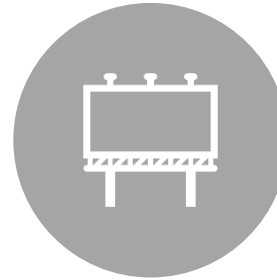
tjiwi kimia  
paper products

indah kiat  
pulp and paper products

# Strategic Role



**Promoting sustainability /  
Awareness and Capacity  
building**



**Advocacy**

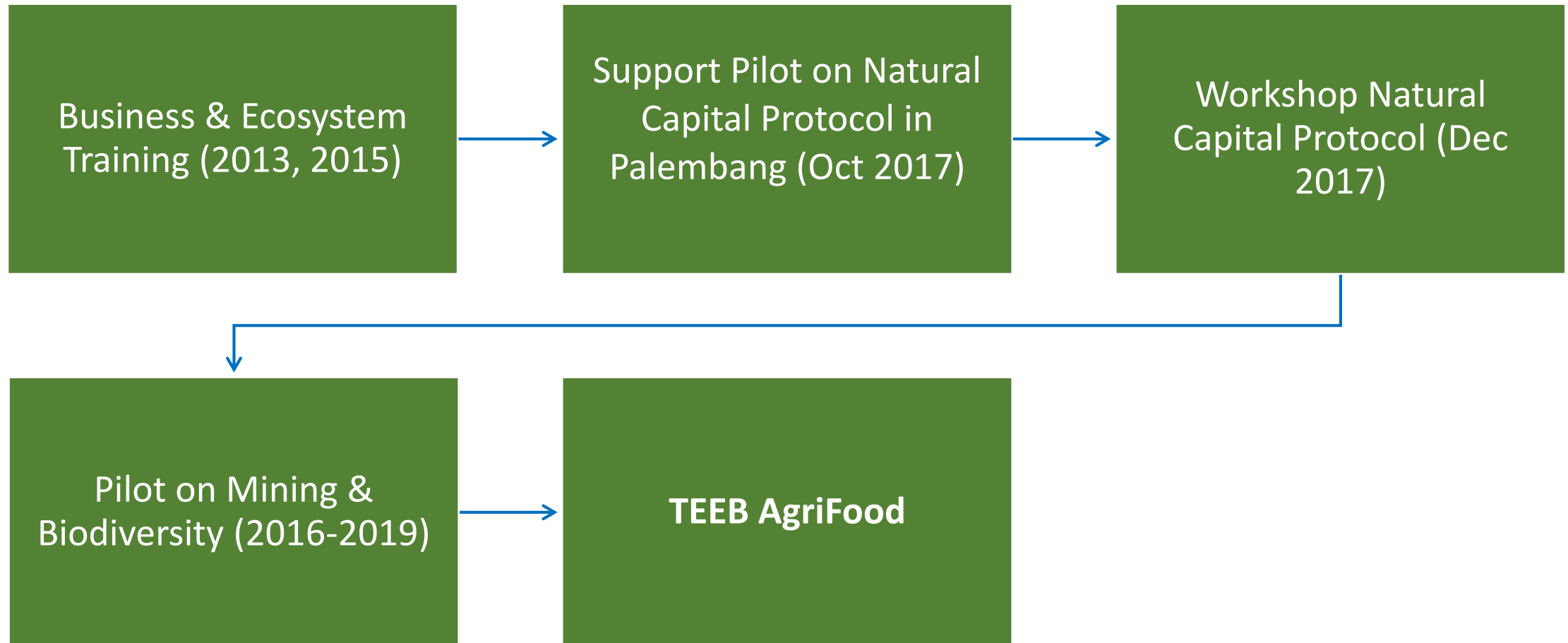


**Program and Project  
Development**



**Research**

# IBCSD Program on Business and Ecosystem



# IBCSD as Country Partner of The Economics of Ecosystems and Biodiversity (TEEB) AgriFood



- Help communicate TEEB AgriFood in Indonesia to relevant businesses and stakeholders
- Assist in-country arrangement for TEEB AgriFood events in Indonesia (webinar, roundtable discussion, trainings)
- Provide feedbacks



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Jakarta,  
Indonesia

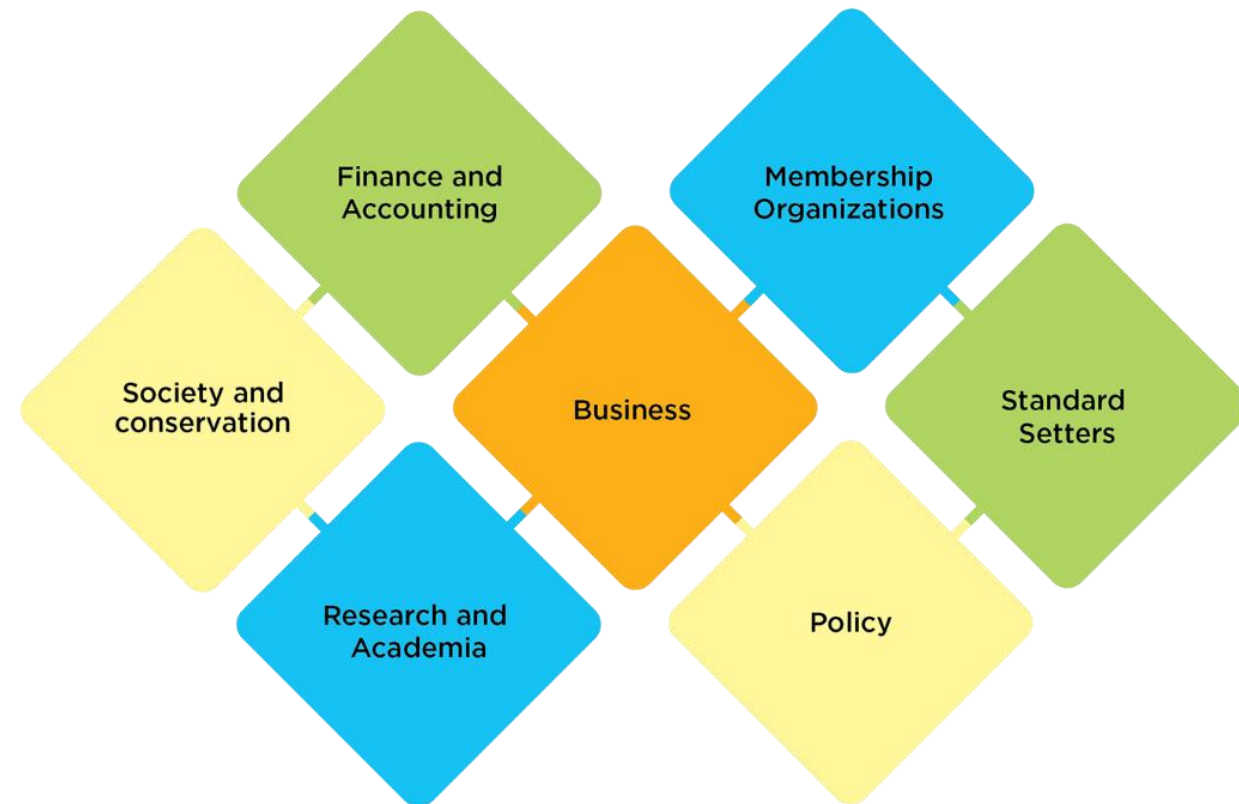


# **Introduction of the Capitals Coalition**

The **Capitals Coalition** is a global collaboration transforming the way decisions are made by including the value provided by nature, people and society.

Coalition is 350+ organizations around the world

To mainstream the inclusion of capitals (financial, natural, social and human) and create a new normal.



Decision makers focus on financial information and ignore the **value** of our essential relationships with nature and people.

LOSS OF NATURE

CLIMATE CHANGE

INEQUALITY

# Why, What, How and So What

## WHY

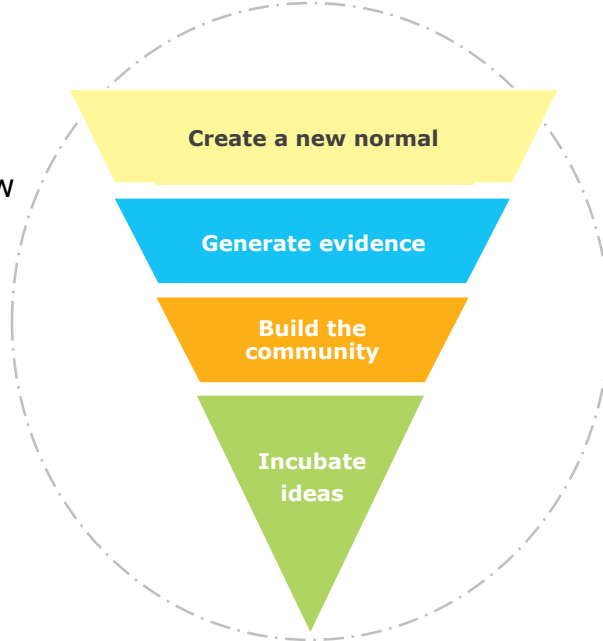
We are failing to tackle global challenges loss of nature, climate change & inequality....

because decisions are based on insufficient information that exclude what is important

Leaders want to transition to a sustainable future but don't know how

## WHAT

We incubate projects and build a movement to evidence how all capitals must be included in all decisions to create a new normal



## HOW

We work through collaboration....  
It is only when the entire system is involved that we can generate transformative change

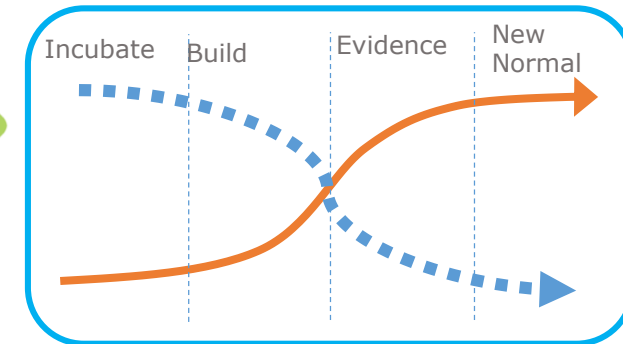


370+ organizations at the core and  
20,000 active around the world

## SO WHAT

We use capitals thinking to ensure that all decisions include nature, people, society and the economy.

This leads to the phase out of negative activities and the creation of a new normal in decision making





# **Background on Capitals thinking**

# What are the capitals?

Integrated decision making (or capitals thinking) includes the value of our impacts and dependencies on nature, people, societies and economies

## Produced Capital



All **man-made assets**, such as buildings, factories, machinery, physical infrastructure (roads, water systems) as well as all financial assets

## Natural capital



Stock of renewable and non-renewable **natural resources**, (e.g. plants, animals, air water, soils, minerals) that combine to yield a flow of **benefits** to people

## Social capital



**Networks** together with **shared norms, values** and **understanding** that facilitate cooperation within and among groups

## Human capital



The **knowledge, skills, competencies** and attributes embodied in individuals that facilitate the creation of personal, social and economic **well-being**

# How different capitals connect?

Natural, social and economic issues are fundamentally interconnected and cannot be separated from one another

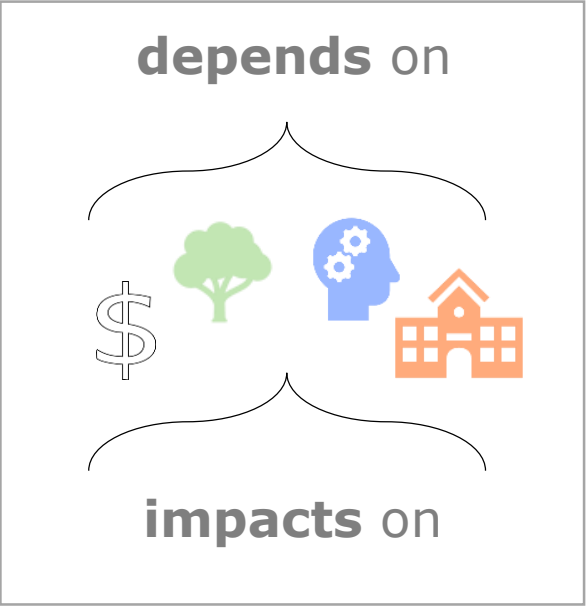


Natural Capital underpins all the other capitals and without it we would not have social and human or financial capital

# What is capitals thinking?

It revolutionizes how we make decisions.....

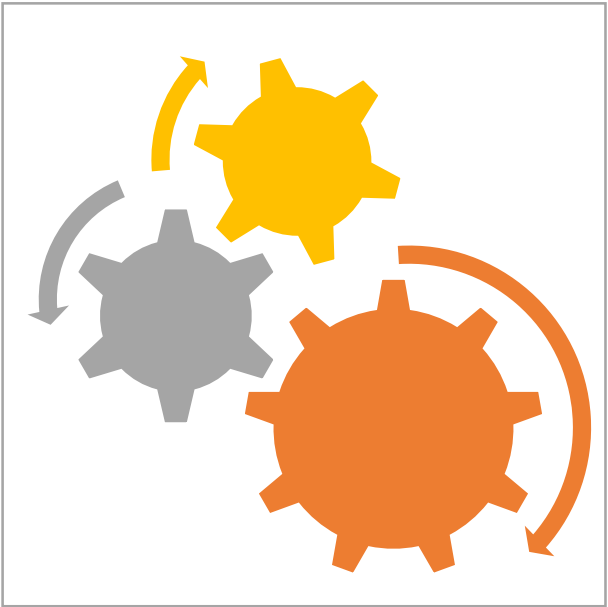
## Impact - Dependency

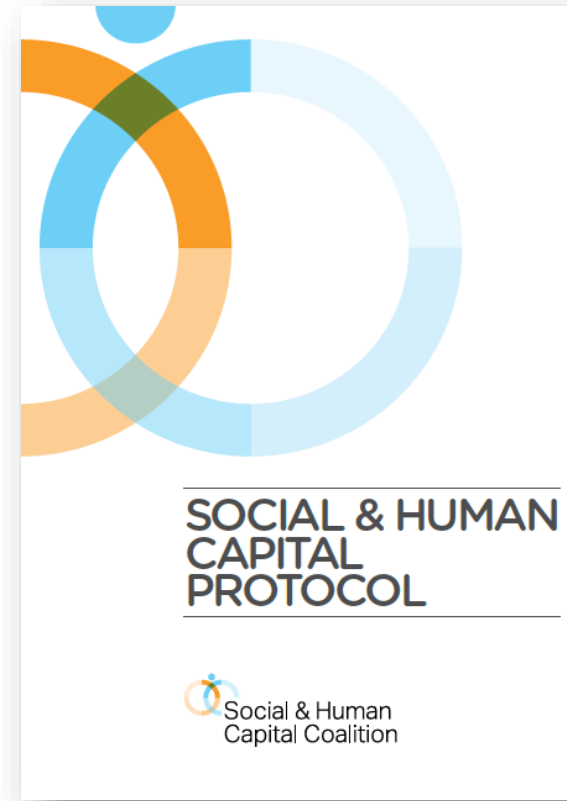
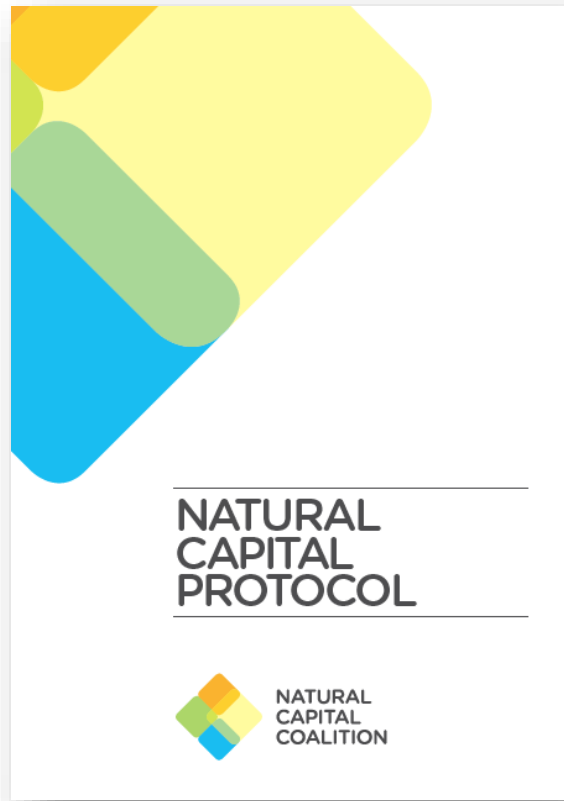


## Measurement - Valuation

Qualitative	Quantitative	Monetary
High	2m32s 4.3	£ \$
Significant	76.8%	₩ ¥
Important	45,849	₪ €
Efficient	23,406	₹
Endangered	1,127 3.76%	R\$
Low Medium	12.75	A\$

## A Systems Approach





## The Protocols

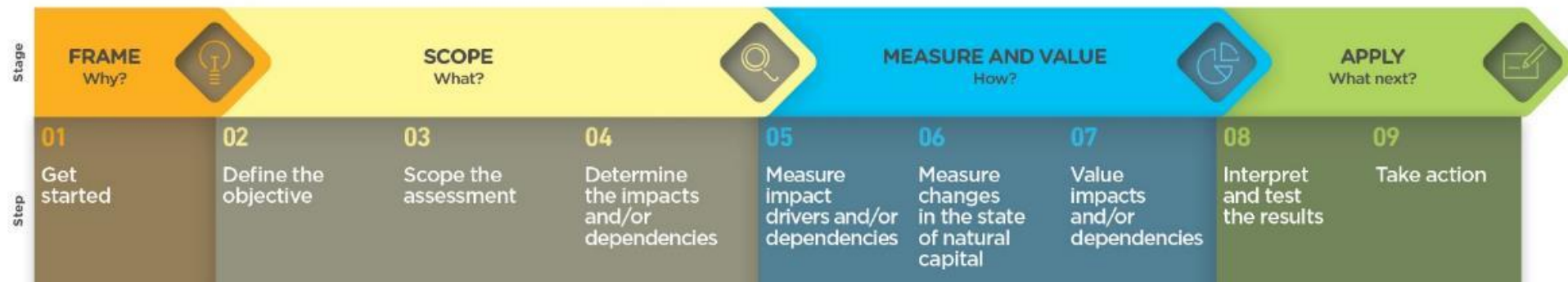
International frameworks for business to identify, measure and value its impacts and dependencies on natural, social and human capital



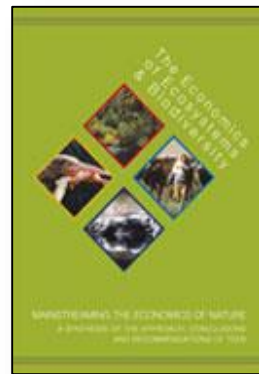
# The Natural and Social & Human Capital Protocols



The **Natural Capital Protocol** and **Social & Human Capital Protocol** are a **standardized framework** for business to **identify, measure and value** its direct and indirect **impacts and dependencies** on natural, social and human capital



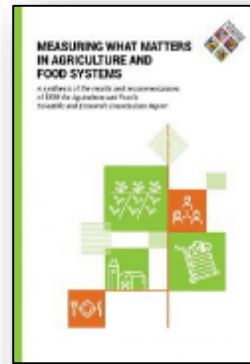
# Landscape of frameworks to support decision making in food systems



## ***Mainstreaming the Economics of Nature***

The Economics of Ecosystems and Biodiversity foundation report

2010



## ***TEEB AgriFood Evaluation Framework***

The case for measuring impacts and dependencies in agriculture and food systems

2018

## ***Next Step***

Specific guidance for agri- businesses based on TEEBAgriFood framework and the Natural and Social & Human Capital Protocols

2020

2016

2019



## ***Natural Capital Protocol***

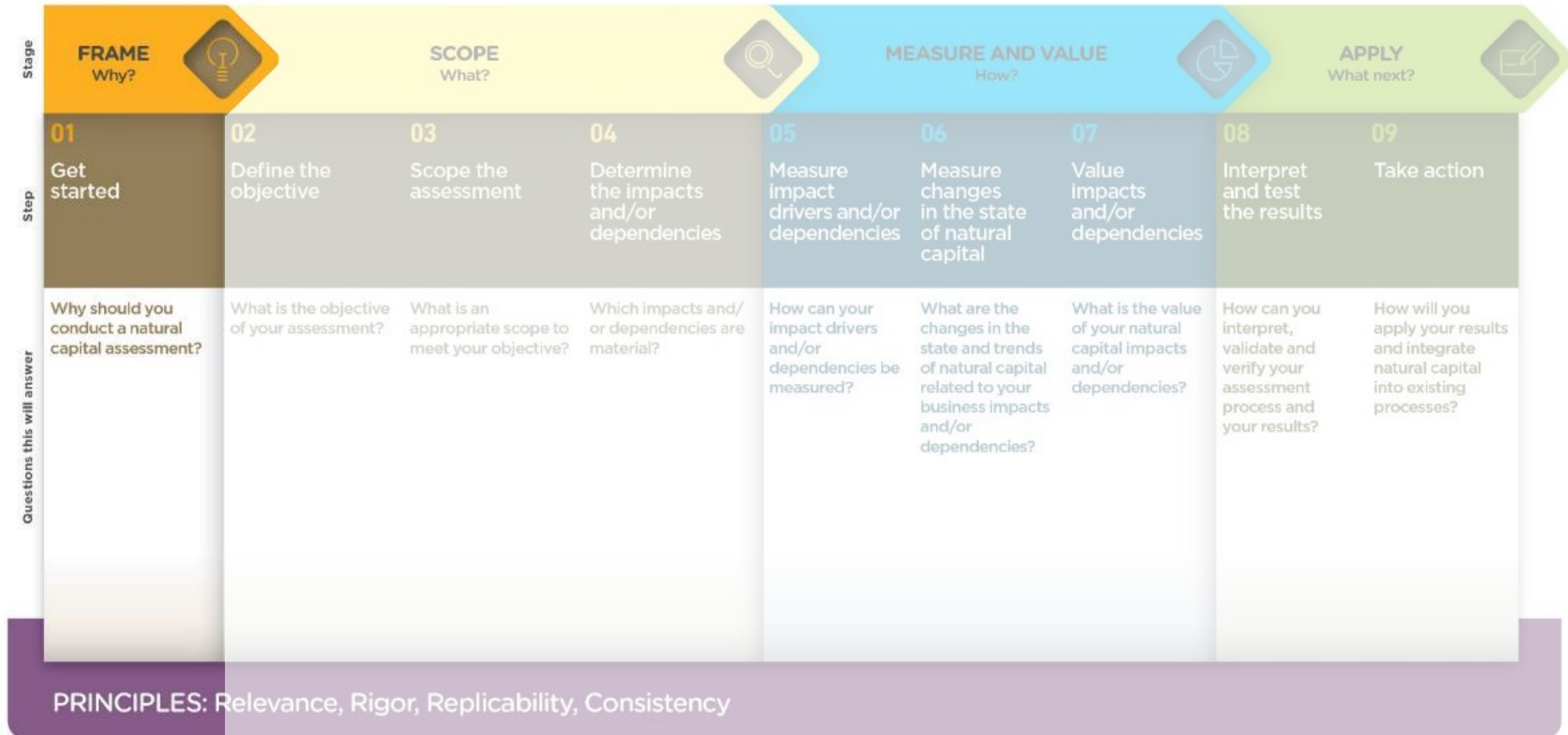
Framework to measure business impact and dependency on nature developed by the Natural Capital Coalition



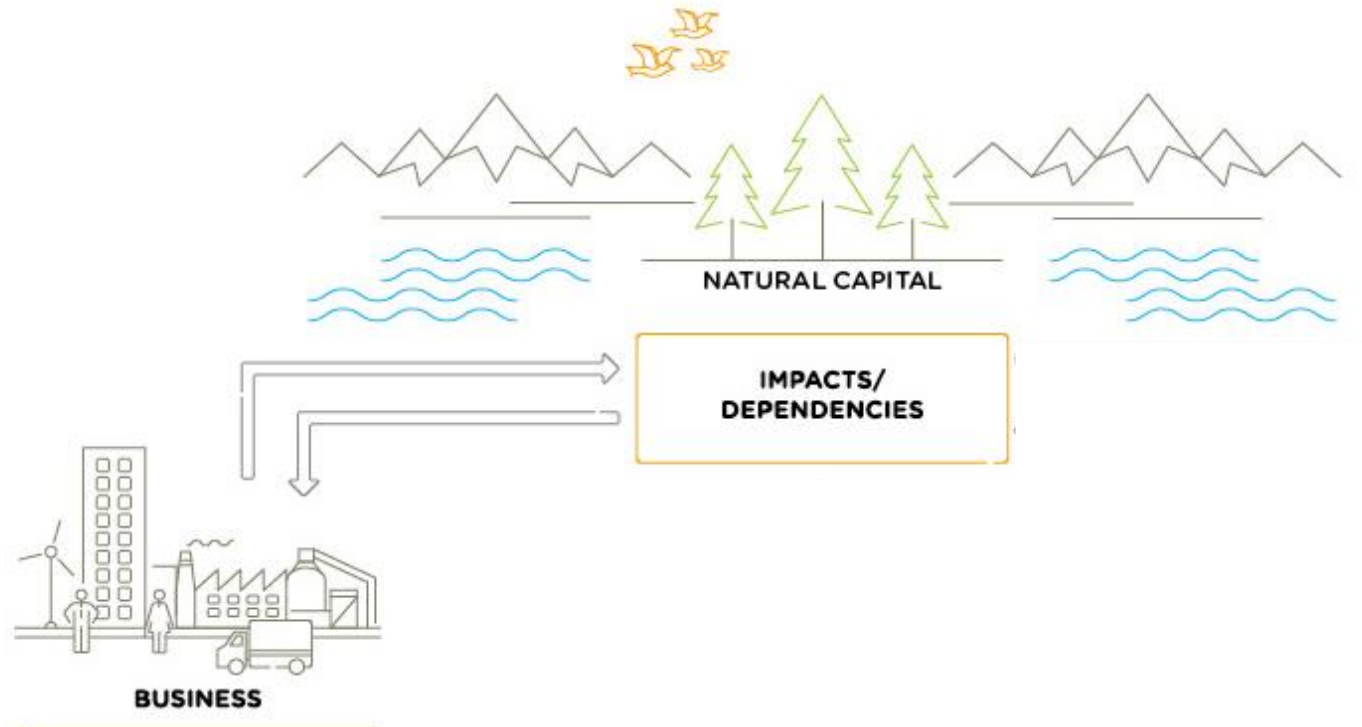
## ***Social & Human Capital Protocol***

Framework to measure business impact and dependency on people developed by the Social & Human Capital Coalition

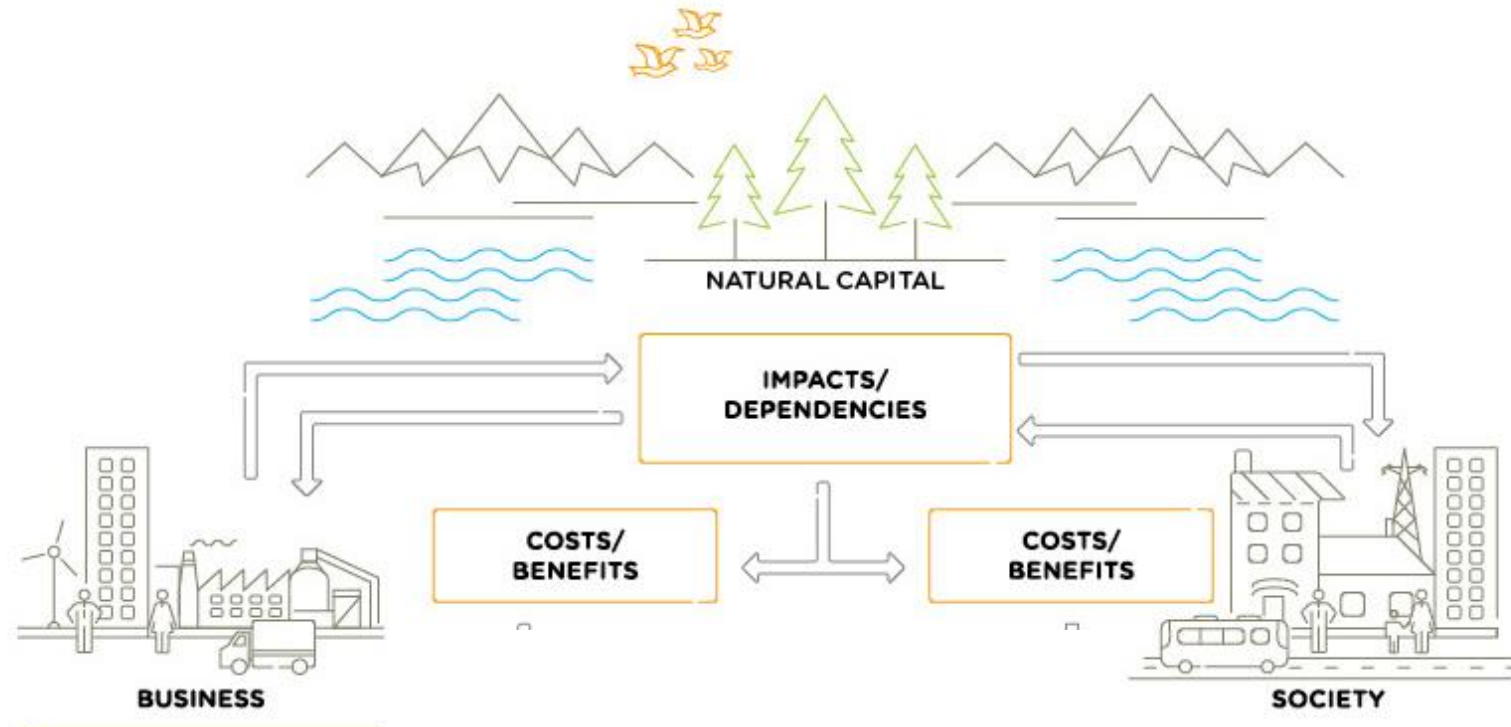
# Frame stage: Why?



# Natural capital and business

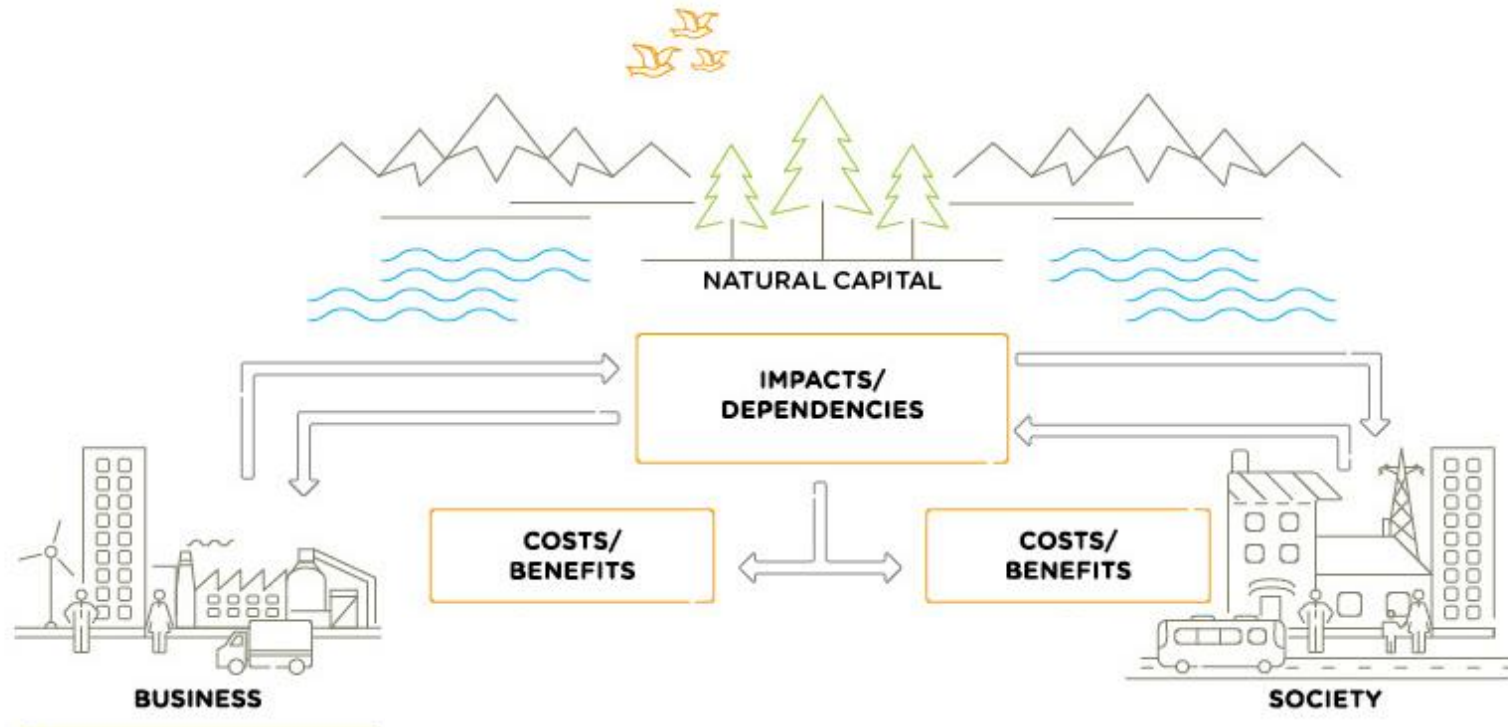


# Natural capital and business

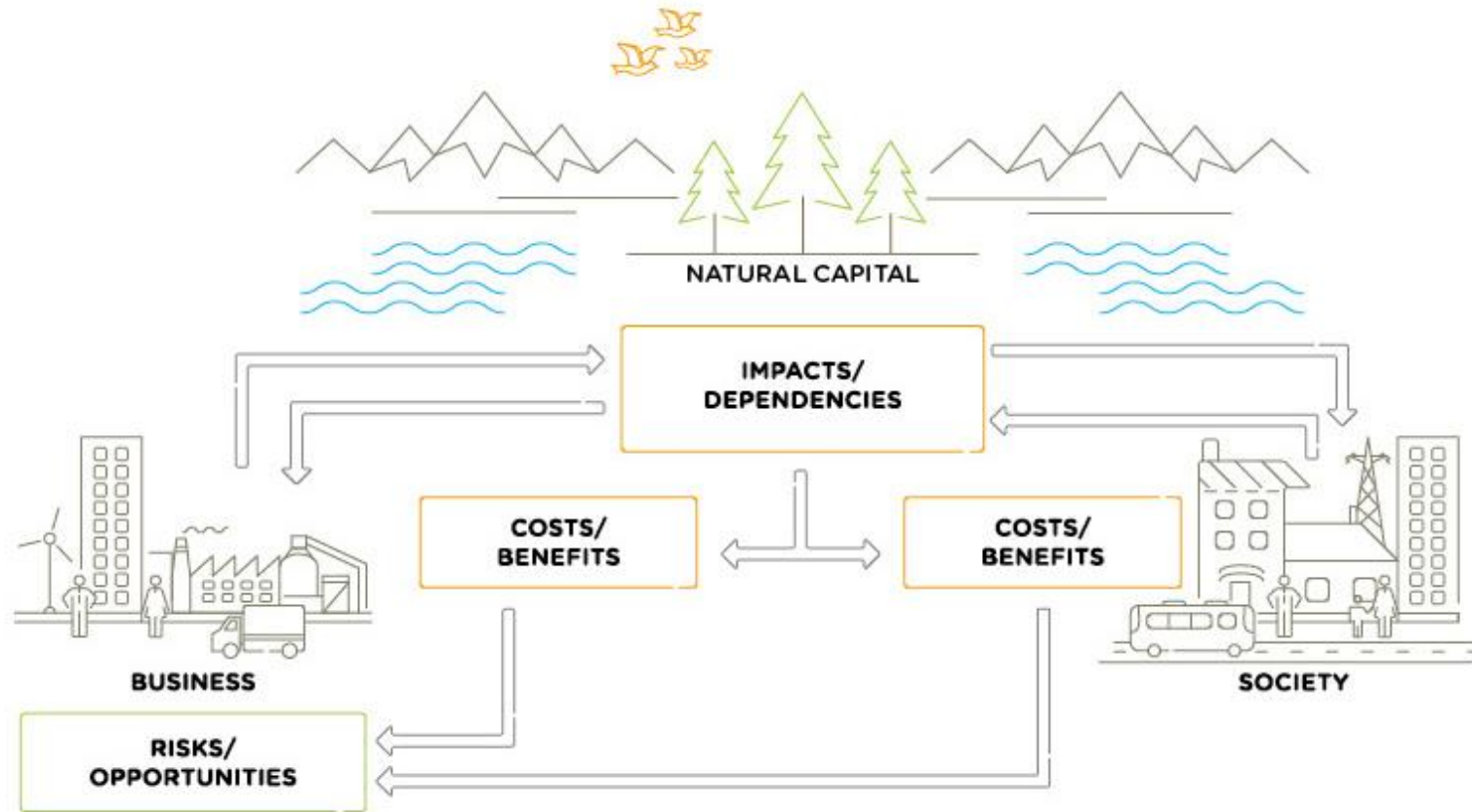




# Natural capital and business



# Natural capital and business



# Risks and opportunities: Natural Capital

Many natural capital risks and opportunities are becoming increasingly visible, and **business needs a way to understand and manage these.**

## **Operational**

(e.g. increasing cost of scarce resources, supply interruption due to weather, change, efficiency from alternative sourcing)

# Risks and opportunities: Natural Capital

Many natural capital risks and opportunities are becoming increasingly visible, and **business needs a way to understand and manage these.**

## Operational

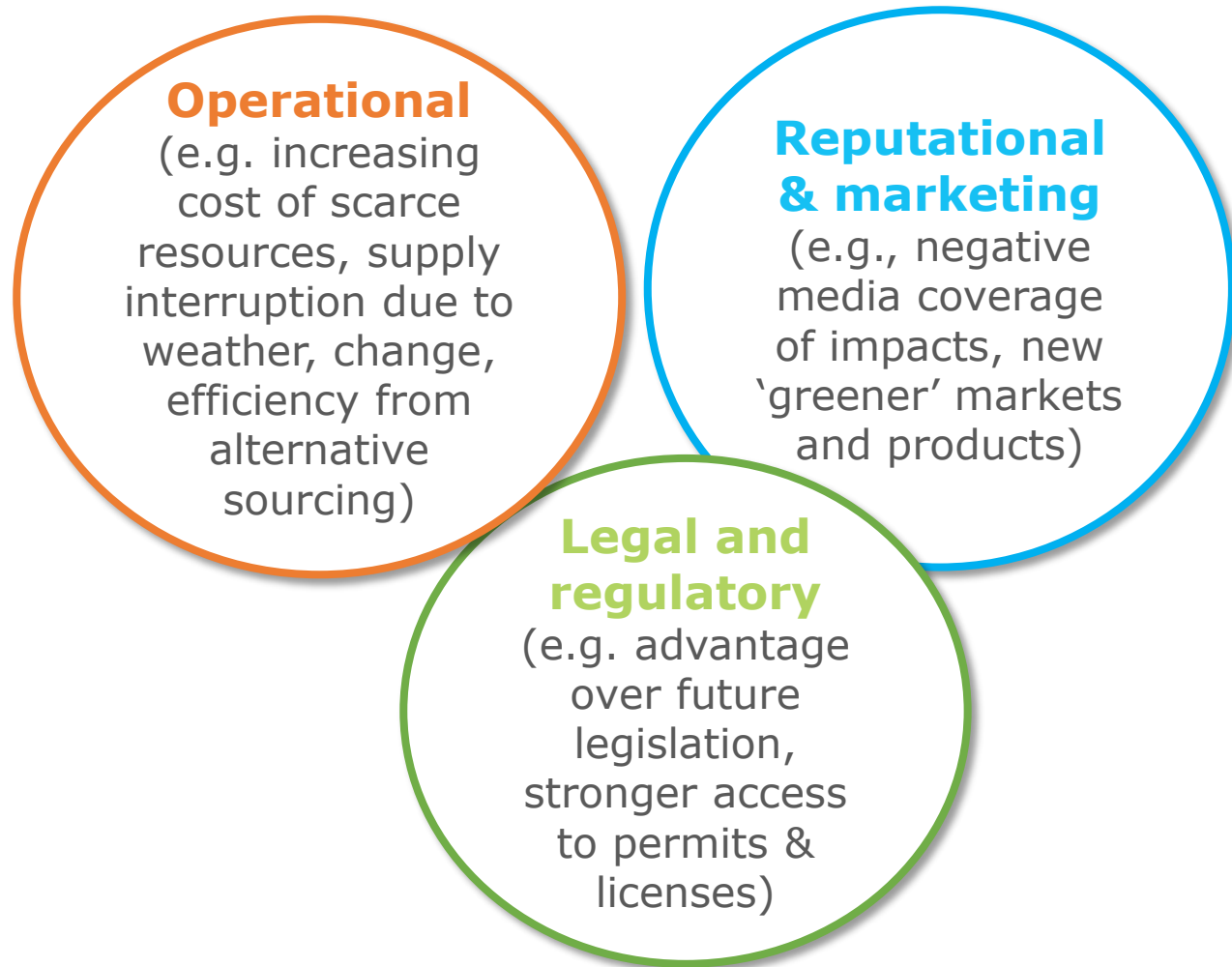
(e.g. increasing cost of scarce resources, supply interruption due to weather, change, efficiency from alternative sourcing)

## Legal and regulatory

(e.g. advantage over future legislation, stronger access to permits & licenses)

# Risks and opportunities: Natural Capital

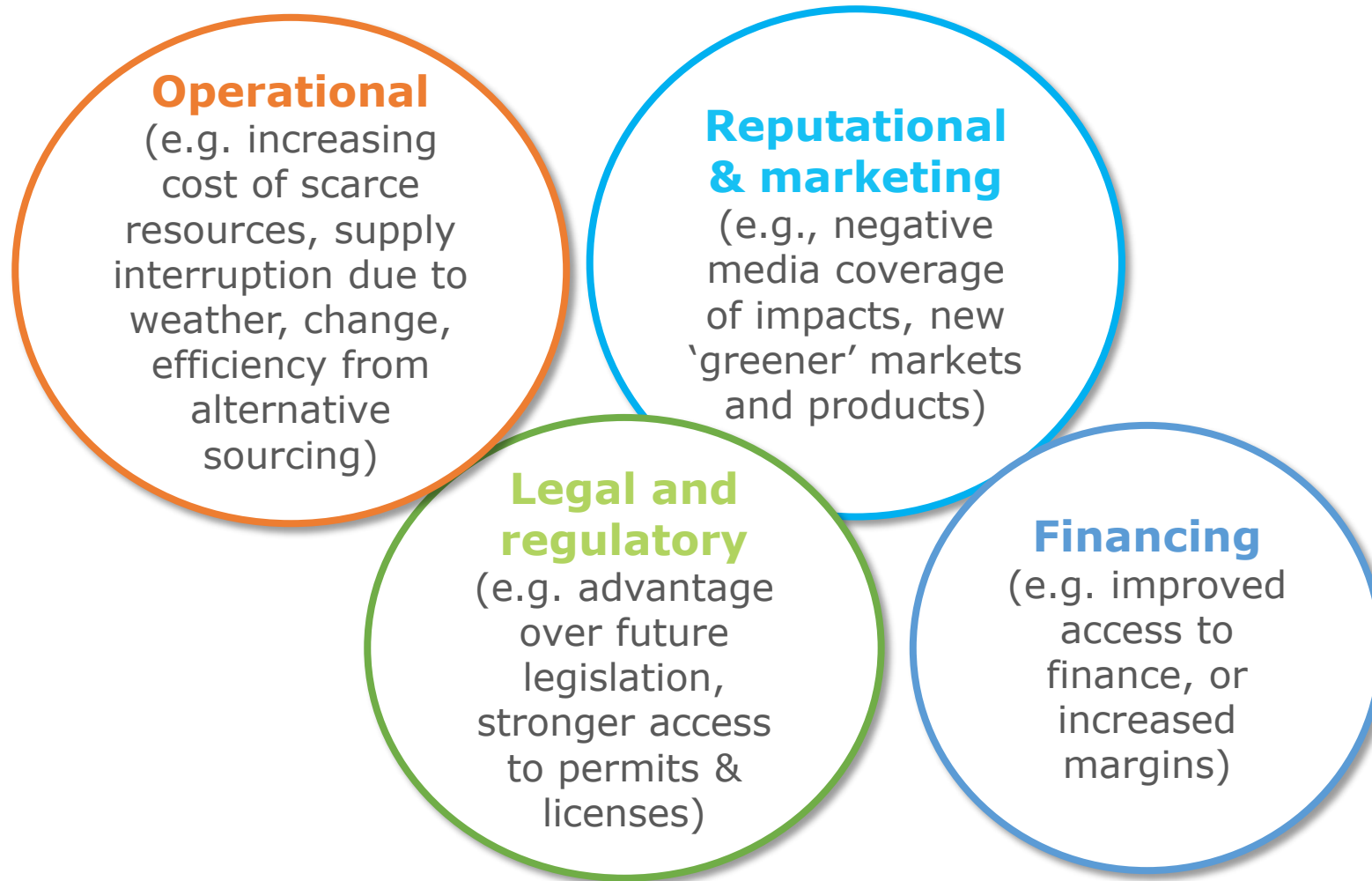
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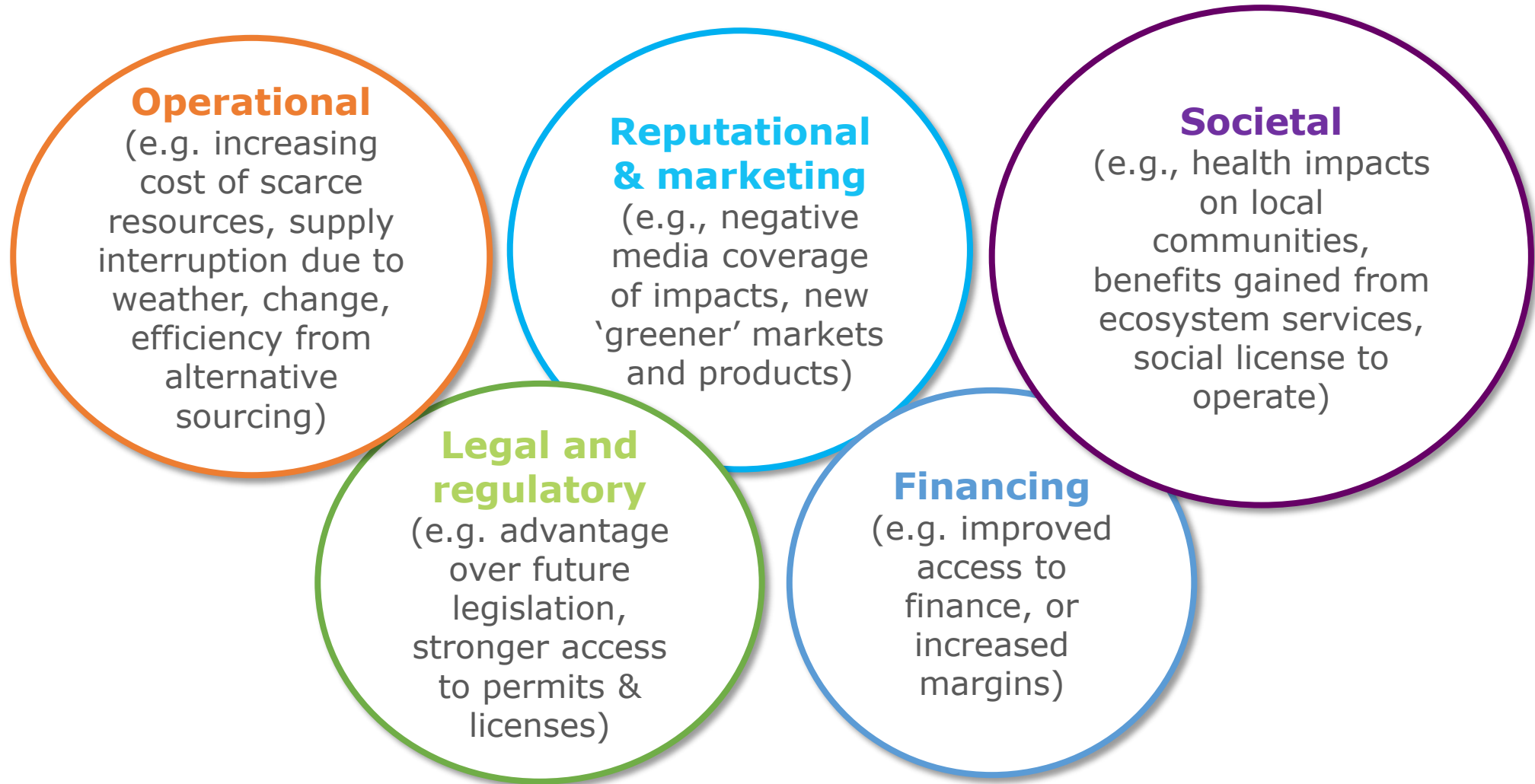
# Risks and opportunities: Natural Capital

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# Risks and opportunities: Natural Capital

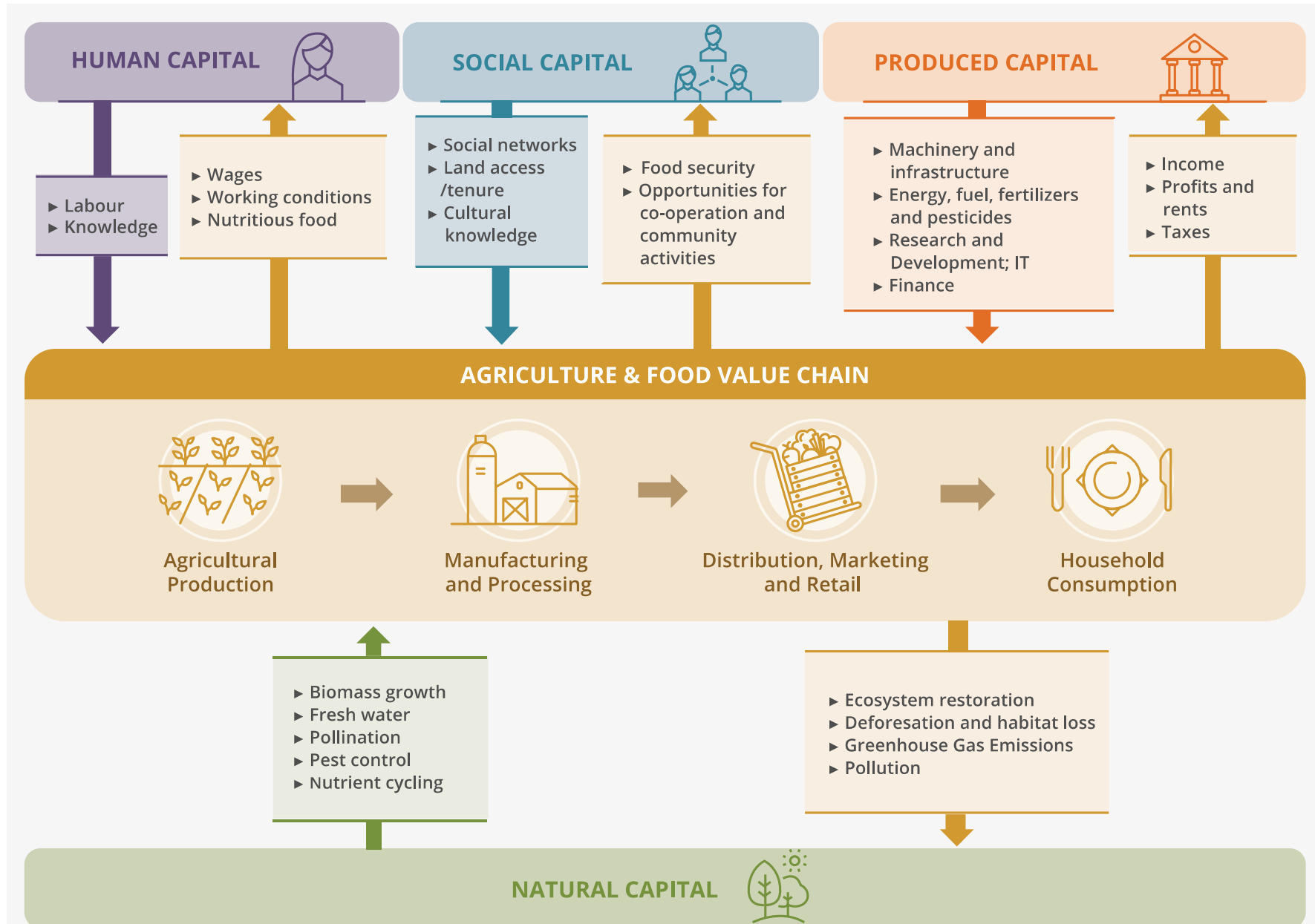
Many natural capital risks and opportunities are becoming increasingly visible, and **business needs a way to understand and manage these.**



# Scope stage: What?



The **TEEB AgriFood Evaluation Framework** is a set of definitions and descriptions **supporting a framework of analysis** that can enable us to answer the question “**what should we value?**”



# HOW? Measure and value



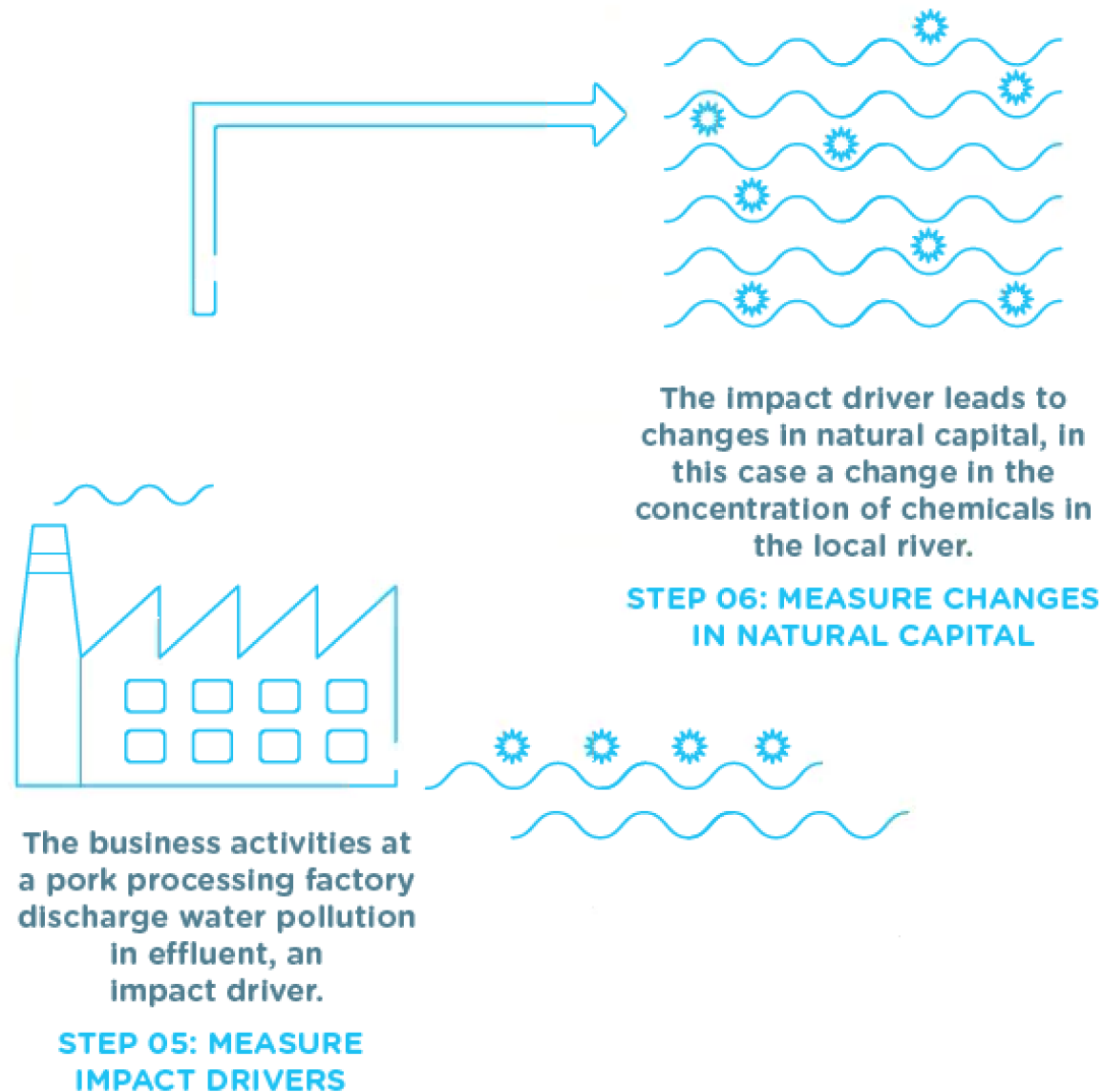
# Pork - Example Impact Pathway



The business activities at a pork processing factory discharge water pollution in effluent, an impact driver.

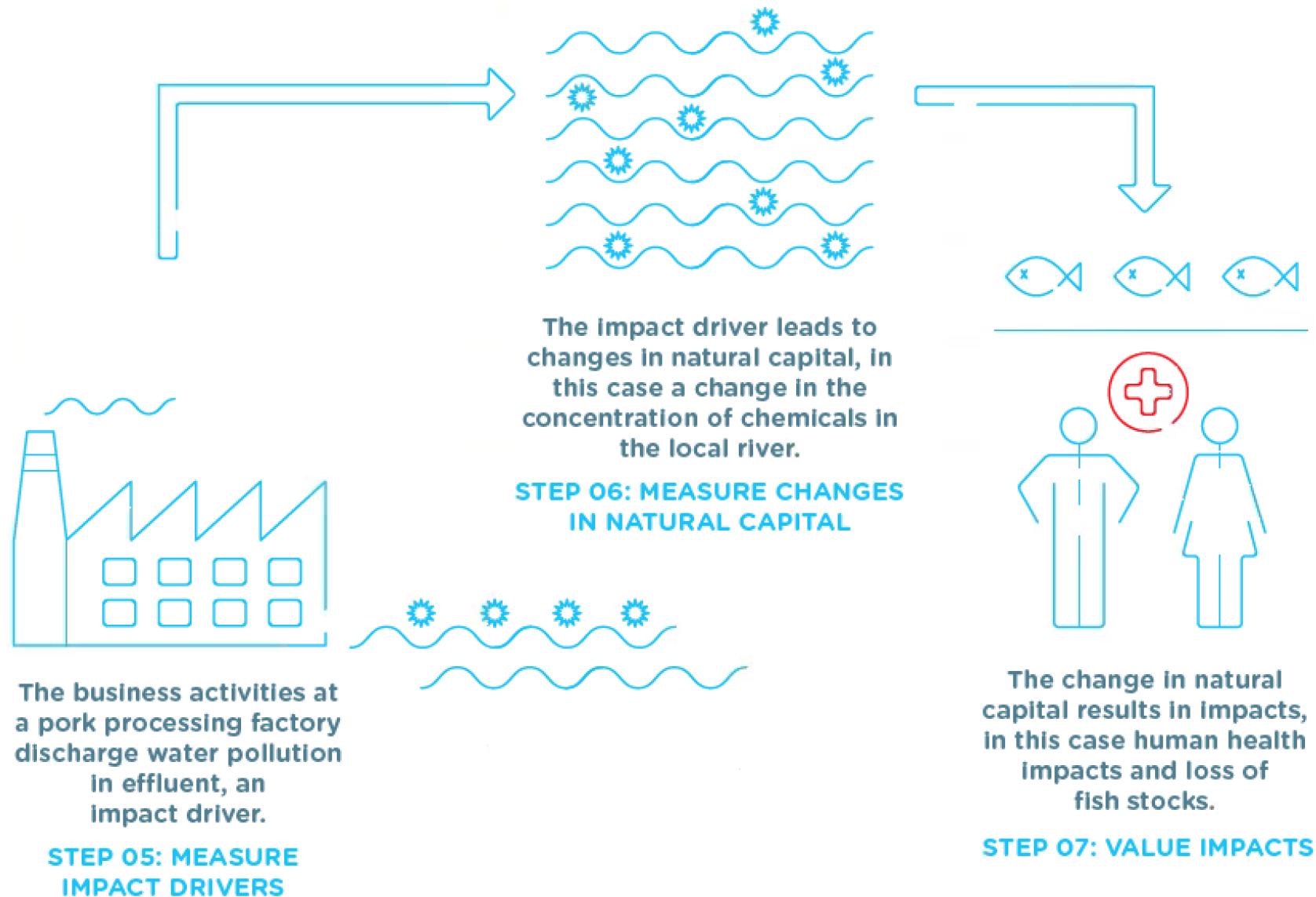
**STEP 05: MEASURE  
IMPACT DRIVERS**

# Pork - Example Impact Pathway

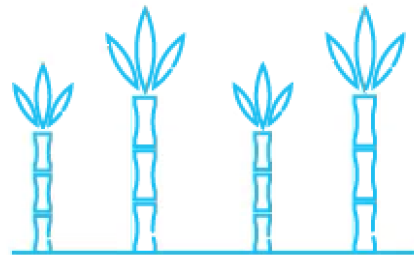




# Pork - Example Impact Pathway



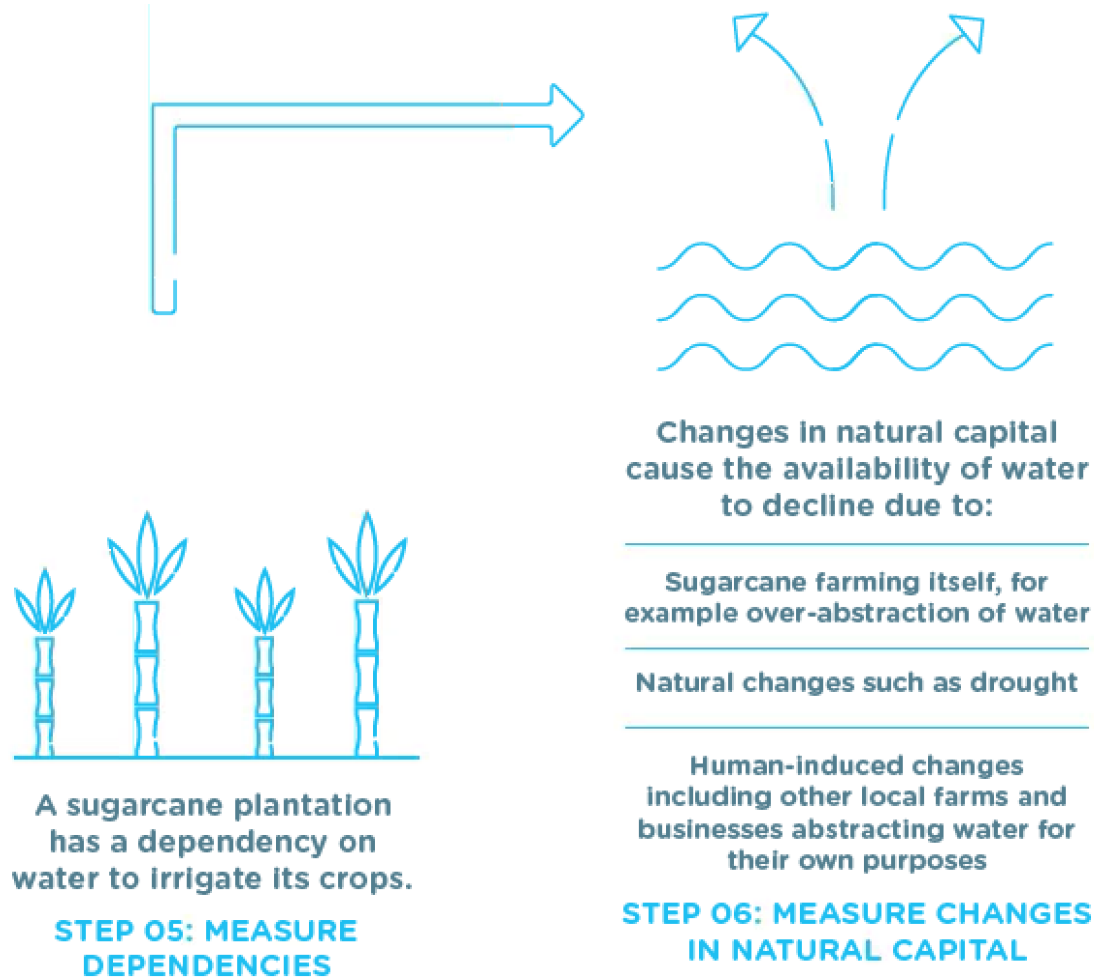
# Sugarcane - Example Dependency Pathway



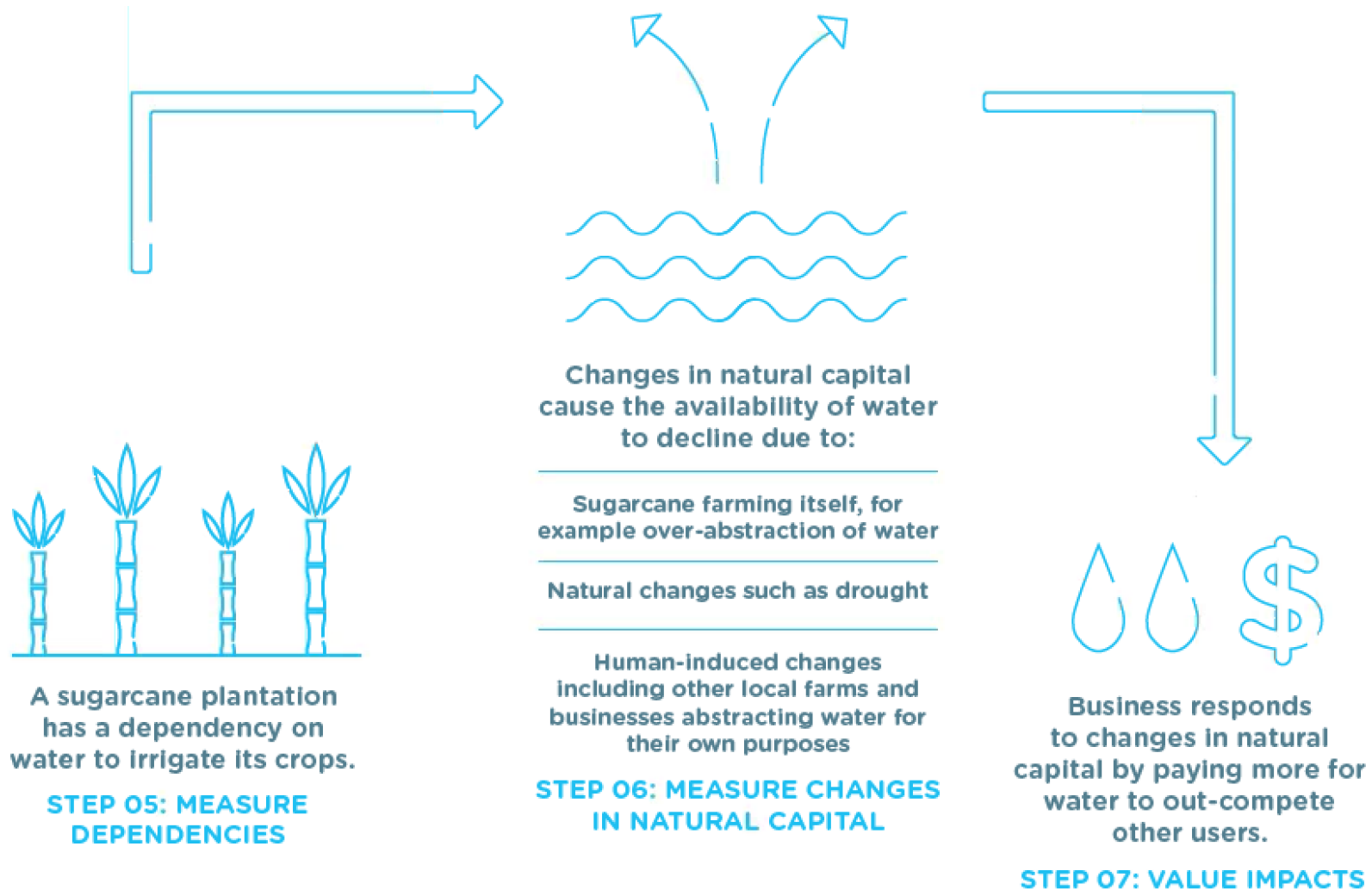
A sugarcane plantation  
has a dependency on  
water to irrigate its crops.

**STEP 05: MEASURE  
DEPENDENCIES**

# Sugarcane - Example Dependency Pathway



# Sugarcane - Example Dependency Pathway



## Apply stage: What next?





## CASE STUDY

### **OLAM International – Coffee in Indonesia**

#### **WHAT:**

Use of natural capital assessments to identify largest impacts and dependencies on local environment

**Soil**

**Water**

Pesticides

Irrigation

Fertiliser input

**Pollinators**

#### **DECISION:**

By doing this, they found solutions such as:

- ✓ Provided infrastructure and education to farmers for efficient water use
- ✓ Adopted agroforestry methods
- ✓ Adopted semi organic approach



## CASE STUDY BNP PARIBAS ASSET MGT

### WHAT:

Use of natural capital assessments to improve sustainable investment in the food retail sector

### DECISION:

Implementation of a bonus/malus ranging from -30% to +30% which was applied to the company's ESG score (up and down)



## Application: Finance Sector



### ADDED VALUE

"Natural capital is a key pillar of our Global Sustainability Strategy, as we believe that better protecting our oceans – and more broadly environmental sustainability – is a critical pre-condition for a more sustainable and inclusive economic future."



# **TEEBAgriFood Implementation Project**

**And insights about our work in  
Indonesia**

## **TEEBAgriFood Implementation Project - Goal:**

to protect biodiversity and contribute to a more sustainable agriculture and food sector

By engaging with agri-businesses, governments and other stakeholders in 7 partner countries:

Brazil, China, India, Indonesia, Malaysia, Mexico and Thailand



The Economics of Ecosystems and Biodiversity: promoting a sustainable agriculture and food sector

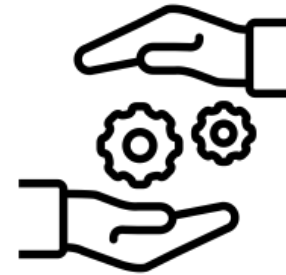
## TEEBAgriFood Framework Implementation



Public sector  
engagement



TEEB



Private sector  
engagement



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# Project Overview

## WHO?

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## WHAT?

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Country specific analysis

Policy mapping

Determine and refine the case studies

Scenario analysis

Develop a roadmap

Deliver change & ensure project sustainability

Communications and mainstreaming

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Engagement with agri-businesses

Support communications and mainstreaming

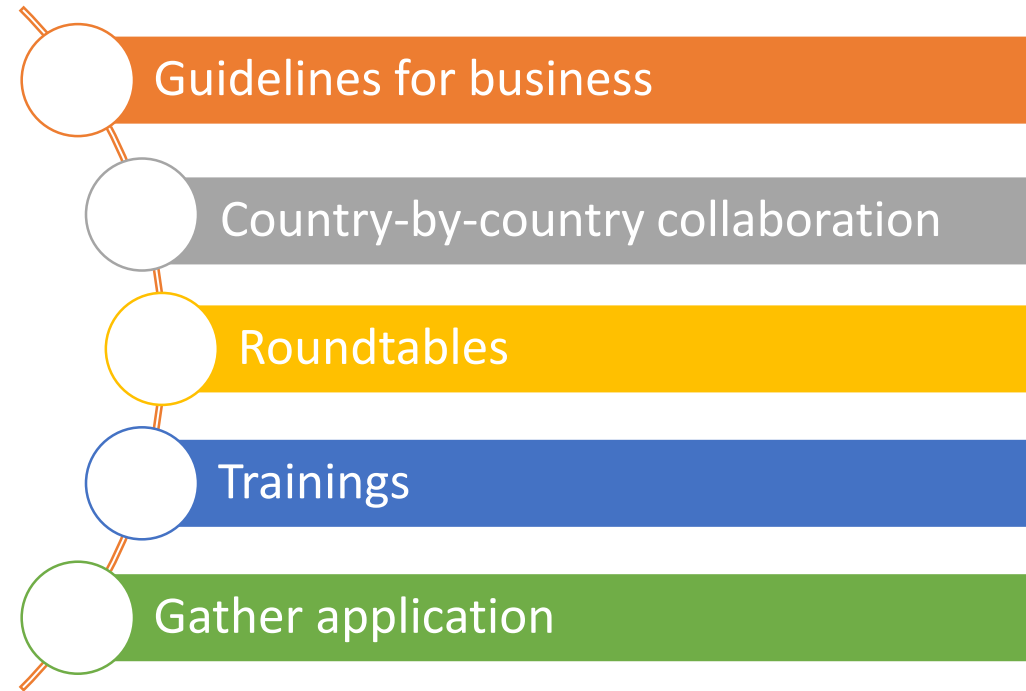
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# Engagement with agri-businesses

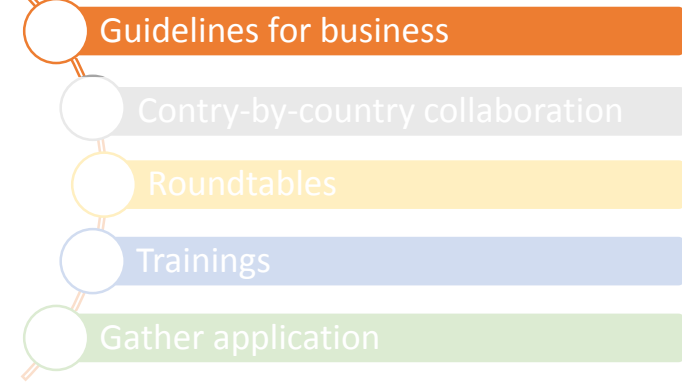
## WHAT?

**Engagement with  
agri-businesses**

## HOW?

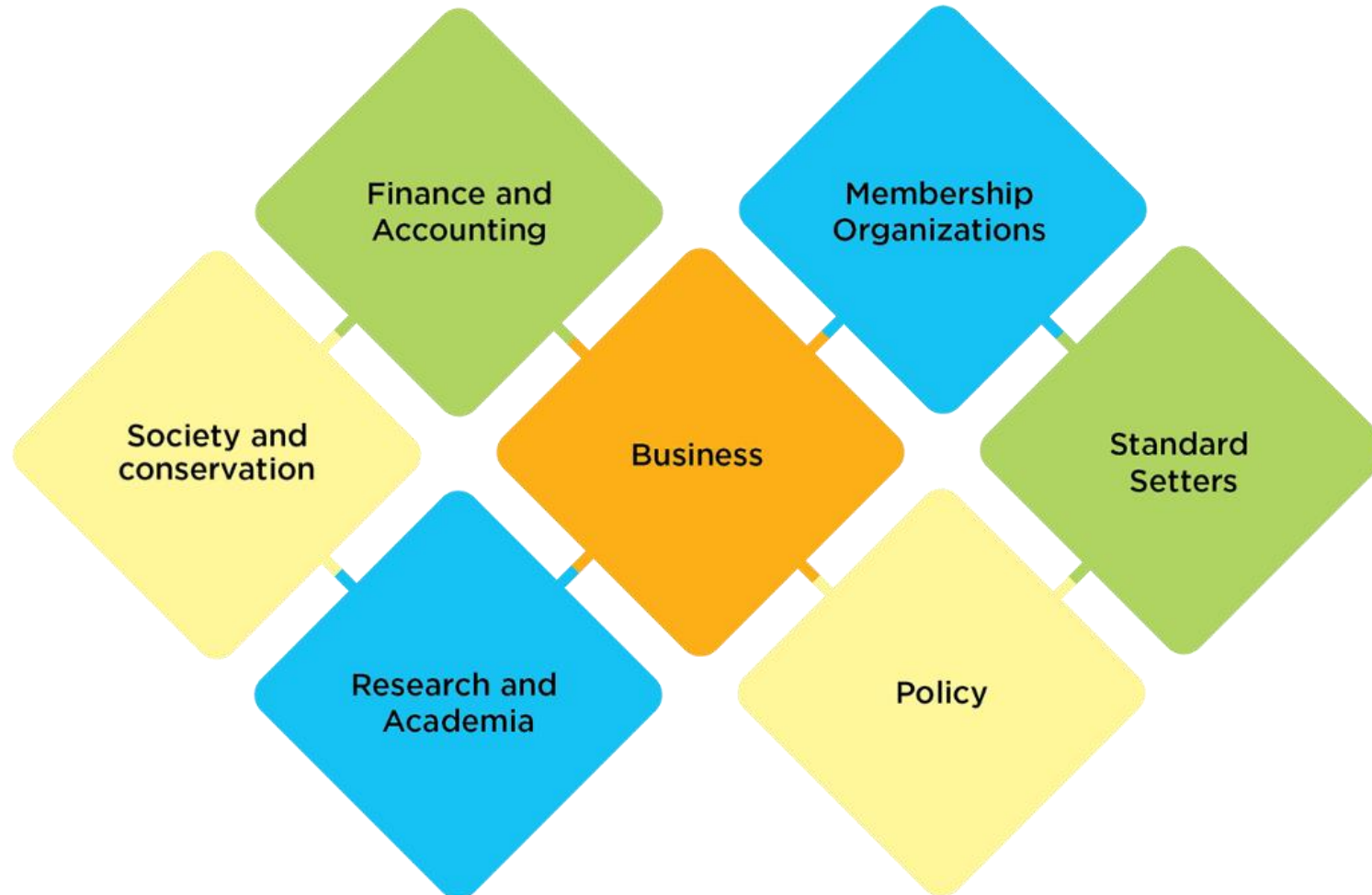


# Guidelines for business



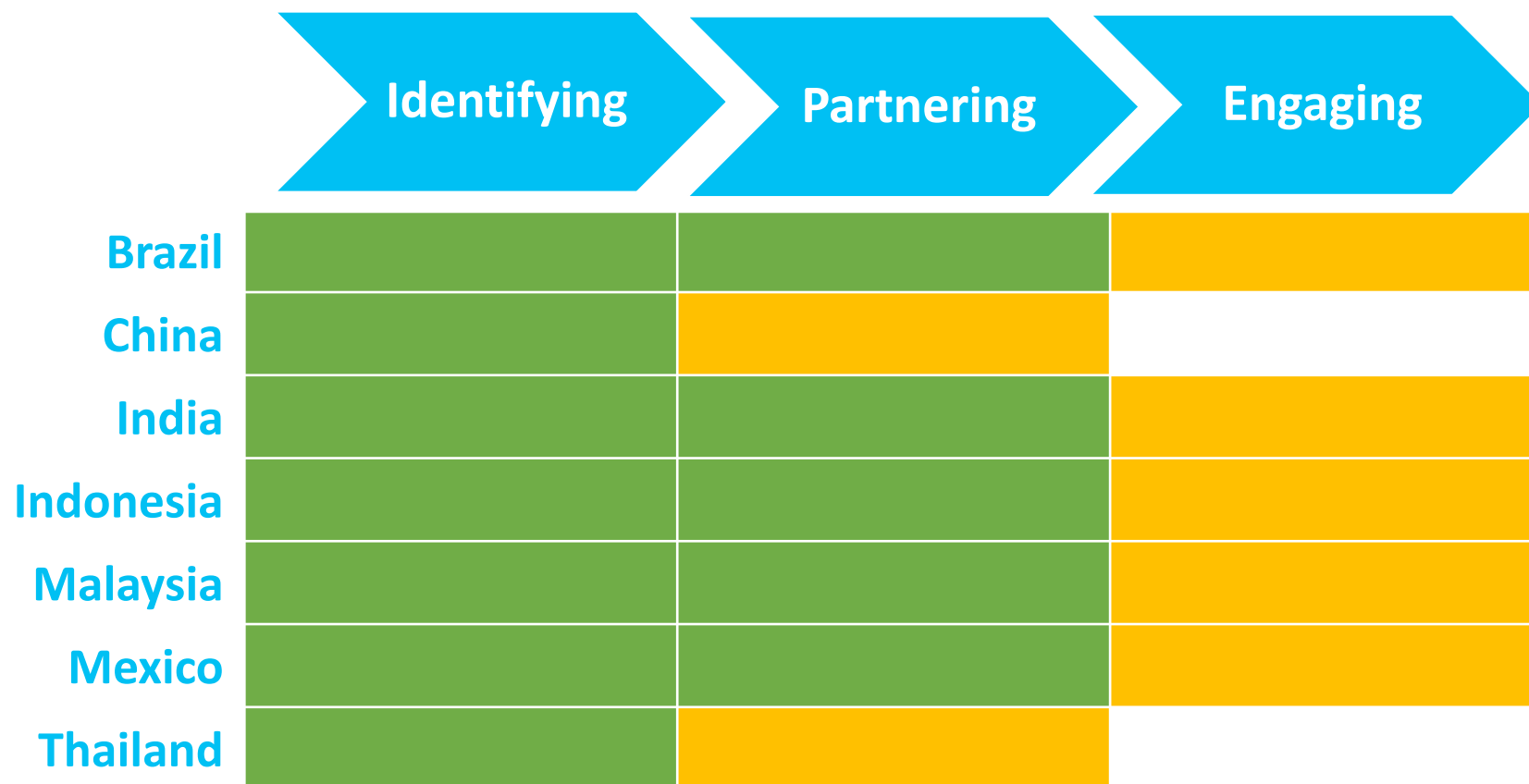
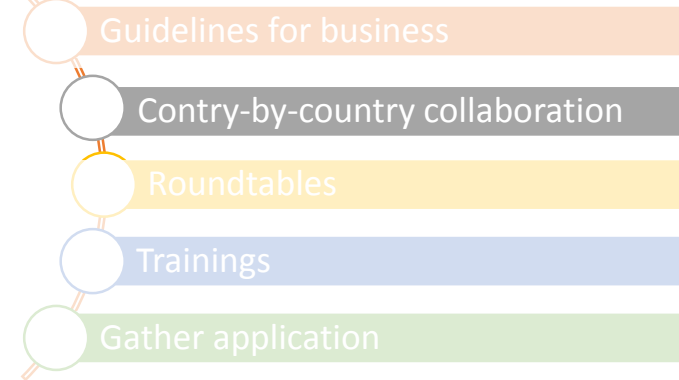
# Roundtable discussions

- Guidelines for business
- Contry-by-country collaboration
- Roundtables
- Trainings
- Gather application

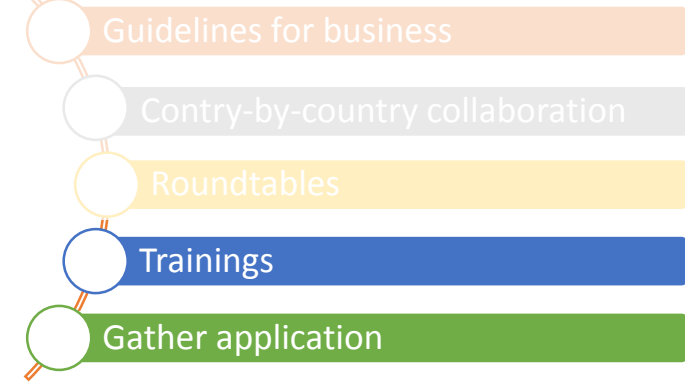




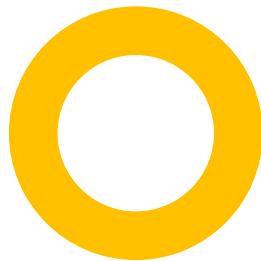
# Country by country collaboration



# Training and gathering application

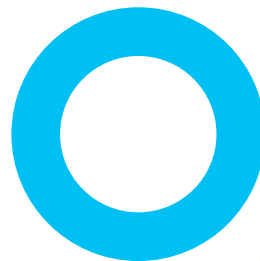


Roundtable

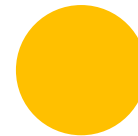


~2 months later

Training session 1



Follow-up



Initiate application

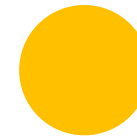


~2 months later

Training session 2



Gather application

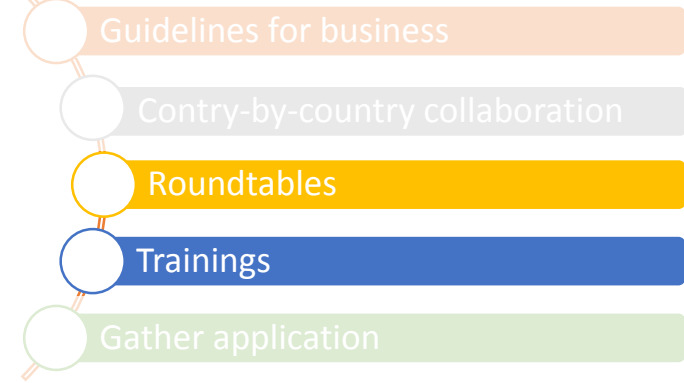


Complete application



~2 months later

# Roundtables and training timeline





# Discussion

# Questions

Is your business integrating nature and people in their decisions?

Answer 1: It is integrating NATURE

Answer 2: It is integrating PEOPLE

Answer 3: It is integrating BOTH

# Questions

Is your business assessing impacts and dependencies on nature?

Answer 1: It is assessing IMPACTS

Answer 2: It is assessing DEPENDENCIES

Answer 3: It is assessing BOTH

# Questions

Is your business assessing impacts and dependencies on people?

Answer 1: It is assessing IMPACTS

Answer 2: It is assessing DEPENDENCIES

Answer 3: It is assessing BOTH



# Questions

Are you using valuation approaches to assess your impacts and/or dependencies on nature and people?

Answer 1: Yes, especially for NATURE

Answer 2: Yes, especially for PEOPLE

Answer 3: Yes, for BOTH

Answer 4: Not yet

# Questions

Do you think that a capital approach is useful for decision making?

Answer 1: Yes

Answer 2: Not sure yet

# Questions

Would you like to be involved and provide input into the development of the TEEBAgriFood Guidelines for business through the roundtables in Indonesia?

Answer 1: Yes

Answer 2: Not sure yet

# Questions

Would you like to be participate in the trainings that the Capitals Coalition will run in Indonesia?

Answer 1: Yes

Answer 2: Not sure yet

# Questions

Did you find the webinar informative and useful?

Answer 1: Yes

Answer 2: Not that much

# Contacts

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