



TEEBAgriFood Malaysia - Inception Workshop Brief

The aim of this short note is to provide participants of the TEEBAgriFood Inception Workshop with a very brief summary of: (i) what the TEEBAgriFood project is about; (ii) what we hope to achieve from the Inception Workshop; and (iii) some questions that participants can consider ahead of the meeting itself.

I Genesis of TEEB Initiative

TEEB ('The Economics of Ecosystems and Biodiversity') is a UNEP-hosted Initiative that, since its inception in 2008, aims to foster transformation such that the values of nature (and our dependencies on well-functioning ecosystems) are recognized, demonstrated and captured by decision-makers. In short, it is about *making the economic case for nature*.

In 2014, TEEB launched TEEB for Agriculture and Food ('TEEBAgriFood'). Agriculture as an economic sector was chosen as it is commonly acknowledged in the CBD, UNFCCC and UNCCD processes that a transformation in food systems is required. It is clear that agriculture is highly dependent – perhaps more so than any other economic sector – on biodiversity and nature's contribution to people /the ecosystem services that flow from well-functioning ecosystems, and yet much of the depletion and/or degradation of nature arises from the impacts of agri-food systems.

Between 2014-2018, the TEEB Office developed a series of TEEBAgriFood publications: (i) sector-specific studies on livestock, rice, maize, palm oil, inland fisheries, and agroforestry; (ii) reports on the TEEBAgriFood approach including the TEEBAgriFood Evaluation Framework, which is an inclusive and comprehensive framework that accounts for the myriad positive and negative externalities and impacts across the value chain; and (iii) country applications of TEEBAgriFood. See: <http://teebweb.org/our-work/agrifood/>

II The TEEBAgriFood project

The current project in Malaysia is part of a multi-country project which started in January 2019 and is currently scheduled to end December 2022. It is a 8.5 million EUR project signed between the EU and UNEP. The countries in scope are Brazil, China, India, Indonesia, Malaysia, Mexico and Thailand. *The aim of the project is to improve biodiversity outcomes in the seven countries in scope. We seek to achieve this by making an economic case for change, in the belief that improved economic performance can and should go together with improved biodiversity outcomes.*

There are two broad elements of the project that come together: (i) focus on national/sub-national policies - making the case to transform the environment in which farms and agri-businesses operate so as to promote conservation outcomes; and (ii) focus on agrifood business practices – making the case for businesses to assess their impacts and dependencies on nature and adjust performance to promote conservation outcomes. As a first step of the public sector component of the project, UNEP will work in partnership with government agencies and local researchers to carry out a TEEBAgriFood assessment in Malaysia.

The fundamental question that would be answered by a TEEBAgriFood assessment is this:

If the Malaysian government were to implement a change in economic incentives or regulations for agri-food systems, what would be the economic costs and benefits of this change relative to the no-change Business as Usual?

TEEBAgriFood assessments are forward-looking. We start with 2020/2021 as a baseline year and project forward to understand the potential impacts of alternative scenarios over the long term 2030/2050 (the time frame is determined by the project Steering Committee).

Assessments follow the TEEBAgriFood Evaluation Framework which is a comprehensive and inclusive analysis framework. By applying the Framework, we can highlight the impacts on biodiversity, ecosystem services and human health and other ‘invisible’ costs and benefits that are generated along an agricultural value chain. Although hidden, and unvalued, such costs and benefits are nevertheless *valuable* in that they affect Malaysian citizens. TEEBAgriFood Assessments help to fix the metrics by which we assess our food systems and identify better policy choices.

III The TEEBAgriFood Inception Workshop

The aim of the Inception Workshop is firstly to introduce the project in Malaysia. We will focus on the public sector component of the TEEBAgriFood project. A short introduction will be given to the private sector engagement component of the project, which is coordinated by the Capitals Coalition. The second aim of the workshop is to determine, through stakeholder consultation, what should be the scope of the public sector component of the TEEBAgriFood project.

IV What are the key questions that we would like participants to consider before the Workshop and during the Workshop?

All three project proponents are concerned with improving livelihoods and improving biodiversity outcomes. The performance of the project is measured based on the *ultimate concrete changes that the project brings about*. Participants will be encouraged to propose scenarios for discussion at the Workshop in order to develop a long list of scenarios for consideration by the project Steering Committee.

Question 1: What scenario or scenarios should the TEEBAgriFood project evaluate?

What we mean by a ‘scenario’ is a change to the status quo that affects agri-food systems.

- The first sub-question is ‘*What?*’

The TEEBAgriFood project could, for example, examine changes within a particular sector, as in Indonesia, where the study will be examining the economic case for cacao agroforestry production as an alternative to the current land use. Alternatively, the project could assess a change in farming practices, as in India which examines the shift from conventional to organic agriculture (coupled with agroforestry activities) across two States.

We would be keen for the Malaysia work to focus on the complex (but typically under-explored) interface between land-based agri-food production and its impacts and dependencies on coastal ecosystems, and vice versa. For example, the study could examine how a switch to lower/more targeted application of inorganic fertilizers may change the amount of nutrient run-off that in turn affects coastal communities.

- The second sub-question is ‘*Where?*’

Ideally the impact of our TEEBAgriFood study would be Malaysia-wide. Irrespective of whether we achieve national-level change or more localized change, the study area will not cover the whole of Malaysia. We ask that stakeholders consider and propose potential study areas. By way of example, in India, the TEEBAgriFood study is being conducted in two states, Uttar Pradesh and Uttarakhand.

The potential study area would ideally be an agricultural landscape that is next to the coastline (or impacts on the coast) so that the TEEBAgriFood study can investigate the interaction between the landscape and seascape.

Question 2: Which research entities in Malaysia would be suited to form a consortium to carry out the analysis?

This second question may not be answered at the Inception Workshop itself, as the most appropriate choice of consortium depends on the choice of scenario. But it would be useful for participants to think about which entities might carry out the research for any scenario that they table for consideration.

V How is the Inception Workshop structured so as to help answer these questions?

We have structured the workshop to help answer the two core questions above. There are presentations on related initiatives, as well as sessions where key Ministries set out their policy priorities. Further, there are facilitated sessions where the TEEB Coordinator, Dr. Salman Hussain (salman.hussain@un.org) will try to steer the meeting towards producing a long-list of scenarios. We look forward to your active engagement.