#MakeNatureCount FOR A FOOD SYSTEMS TRANSFORMATION









The Economics of Ecosystems & Biodiversity

Embedding True
Cost Accounting in
policy making
processes

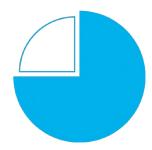
Tomas Declercq
UN Environment Programme
declercq2@un.org
25/10/2021

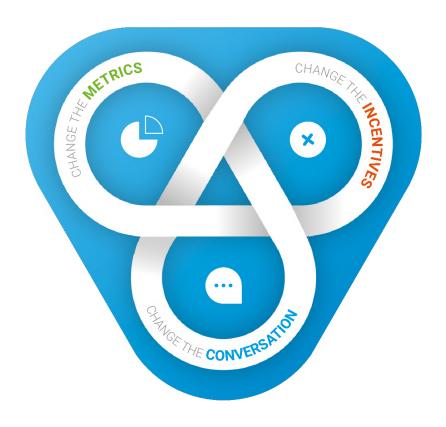
Problem statement: Natural-resource intensive agriculture may threaten future prospects of inclusive wealth

 Indonesia's high economic growth relies largely on natural resource intensive agriculture, contributing 14% to GDP



 Ecosystem services on which agriculture depends provide 74.6% of total income of the rural poor

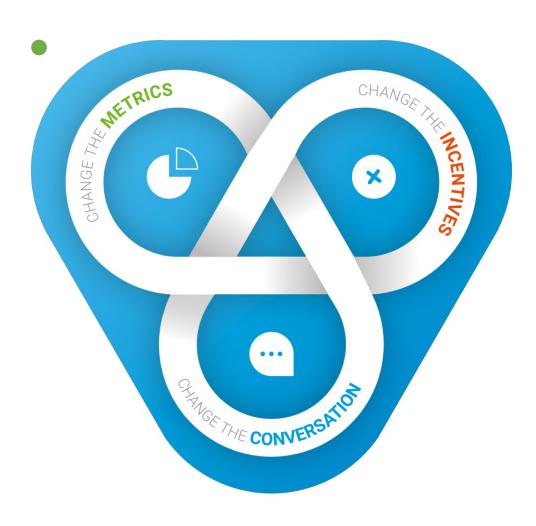




Lead Actors

Convenor and political lead TEEBAgriFood Indonesia: The Ministry of National Development Planning (BAPPENAS)

TEEBAgriFood host research institution: IPB University



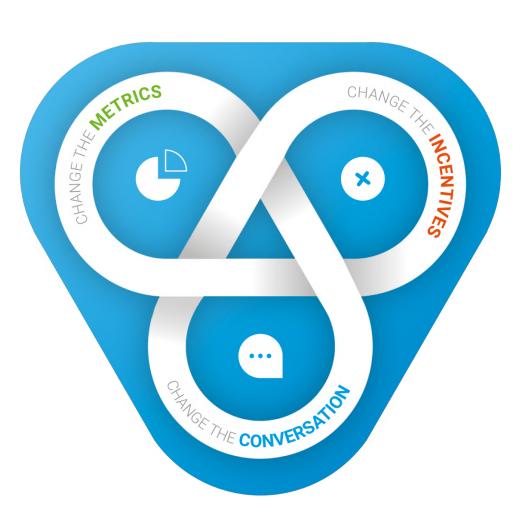
Change the **METRICS**

Output

Provide the Ministry of National Development Planning (BAPPENAS) with an evaluation of the economic case for policy interventions that promote nature-positive food systems

Activity

Conduct predictive analytics to enable strategic foresight and anticipatory decision-making for i) agroforestry and cacao planning policies and ii) inclusive and green COVID recovery packages



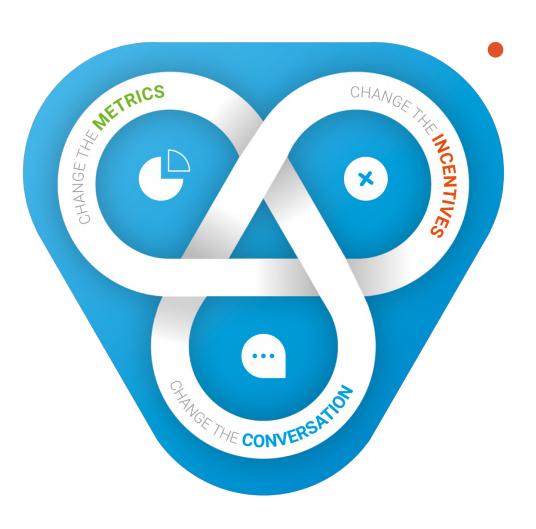
Change the **CONVERSATION**

Output

A growing "True Value of Food" coalition in Indonesia hosted by the IPB Bogor agricultural university equips actors at national and subnational level (South Sulawesi) with the tools to recognize the value that nature, people and society provides to food systems

Activities

Institutionalizing peer-to-peer sharing of information, skills and experience by public and private sector actors on externality valuation to inform policies



Change the **INCENTIVES**

Output

An operationalized plan for national and subnational food system policies that reward responsible stewardship of natural, human, social and produced capital

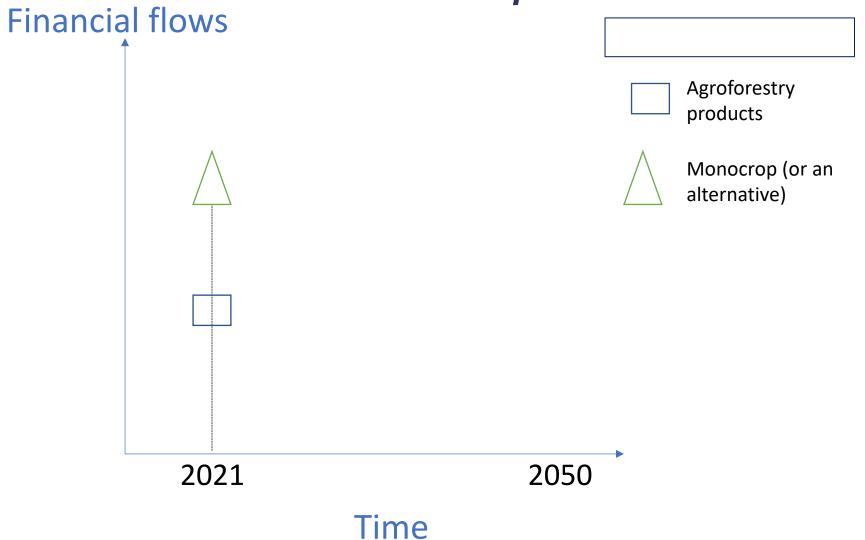
Activities

Enable the inclusion of science-based agroforestry goals in the mid-term National Development plan, under the political lead of the Ministry of National Development Planning (BAPPENAS).

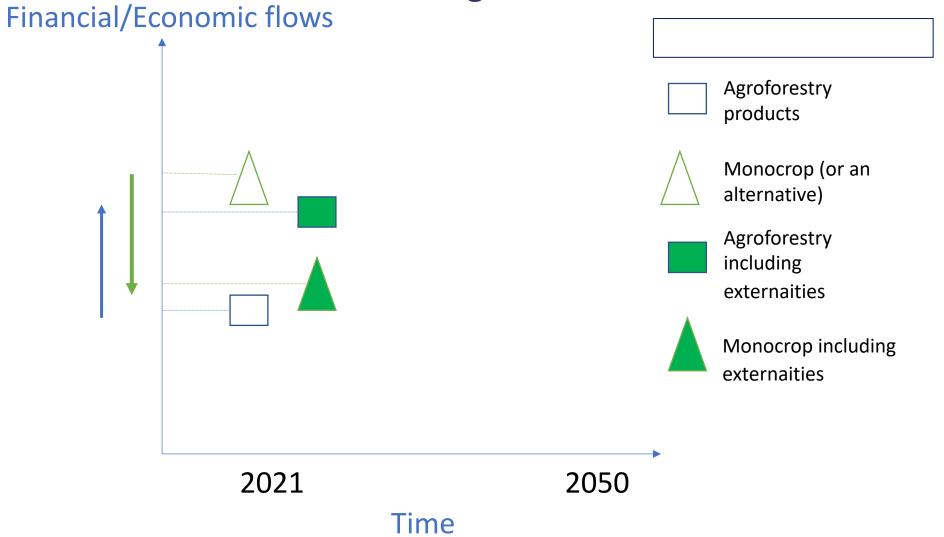
Transpose the cacao and agroforestry goals of the National Development Plan into regulations that internalize natural capital costs and benefits in its design (sectoral ministry regulations; at subnational level in South Sulawesi planning policies)



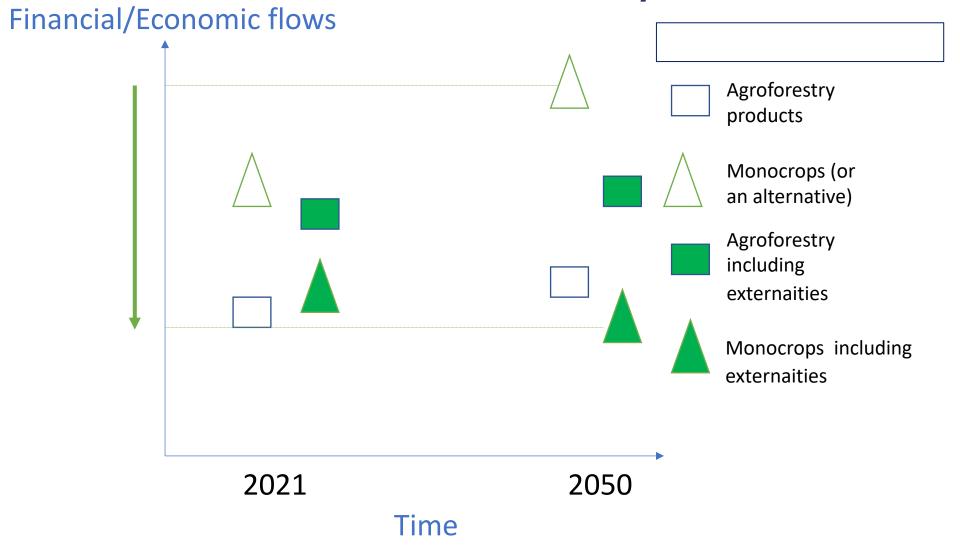
Agro-forestry versus monoculture: current assumption

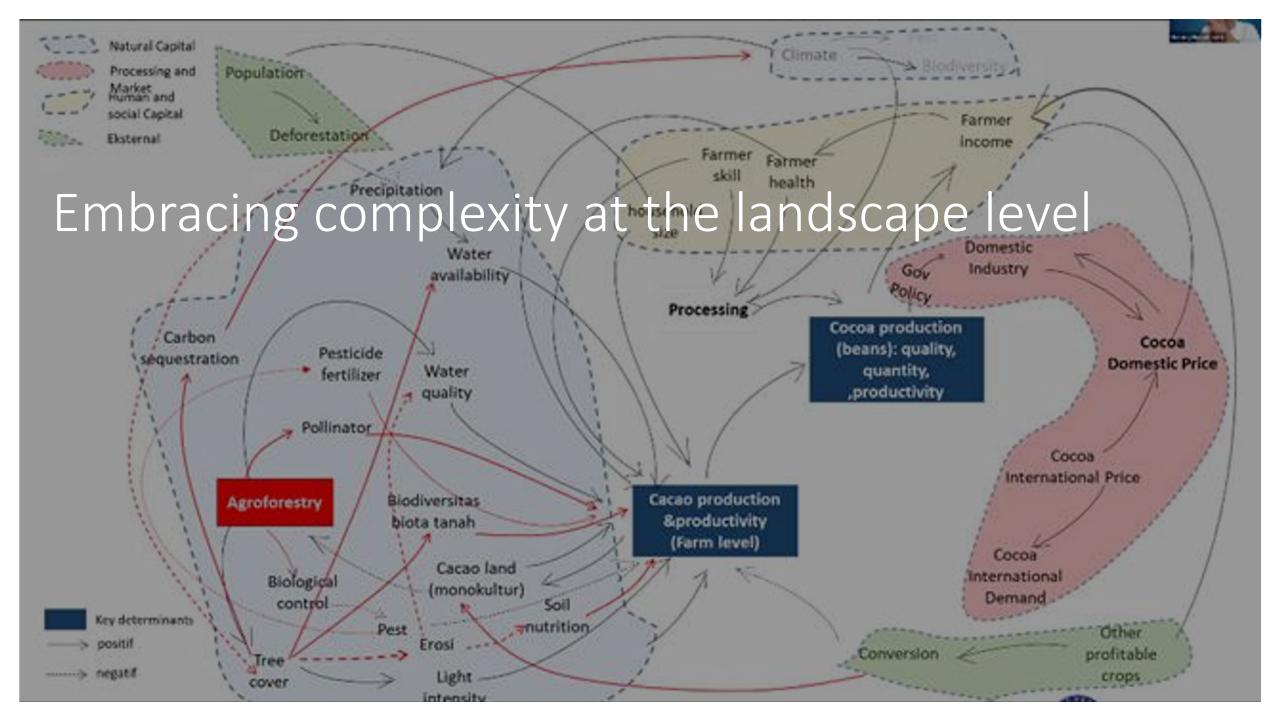


Agro-forestry versus monocrop: 2020 including externalities



Agro-forestry versus monocrops: 2050 for the monocrop





Go beyond initial starting pitch: crucial to identify policy entry points!

- Finance for nature
 - Redirecting subsidy to work with nature (eg. subsidy chemical fertilizers)
 - Government expenditure in produced capital (eg. support to communities for early upfront costs of agroforestry;
 - Government expenditure in human capital (eg. extension services);
 - Legal framework for farmers to benefit from environmental services and carbon credits
- External policy intervention: 'international export limited to deforestation free cacao'
- Incentives as part of the regulatory framework (future, or adoption of current): environmental Certification, ecolabeling, etc