

Submission Summary

Conference Name

T20 Indonesia

Paper ID

519

Paper Title

A G20 Action Plan to make the economic case for nature-positive food systems through the application of True Value Accounting

Abstract

1. Abstract Summary

As noted in the G20 Rome Leaders' Declaration, "promoting sustainable food systems will contribute not only to food security, but also make a major contribution to tackling the interlinked global challenges of climate change and biodiversity loss". These goals can only be achieved if food systems decision-makers recognize, measure, manage and reward responsible stewardship of natural capital.

The policy brief builds upon the 2021 Rome Declaration to follow-up Food Systems Summit outcomes and the need for improved financing tools for sustainable food systems. Additionally, G20 2022-2024 Presidencies - Indonesia, India and Brazil - are already championing work on valuing nature in food systems, in collaboration with the UN Environment Programme and the European Union.

The policy brief will recommend the development of a G20 Action Plan for the Economics of Nature in Food Systems. The aim is to address the barriers that limit the use of tools and information to bring the value provided by nature to the forefront of food systems decision-making. Beyond 'getting the metrics right', the strengthening of cross-sectoral stakeholder engagement in comprehensive food system evaluations will increase its uptake.

The brief will provide a policy roadmap for evaluating the economic case of policy interventions under T20 Task Force 4 policy areas such as global and inclusive recovery, resilient food systems and nature-positive agricultural production and redirecting agricultural subsidies.

2. Challenge

The "hidden costs" of global food and land use systems are estimated to be US\$19.8 trillion per year (Scientific Group of the UN Food Systems Summit, 2021): \$7 trillion of environmental costs and \$12 trillion of health costs. The failure to internalize these externalities in decision-making that there is a systematic bias against pro-nature, pro-climate and pro-pollution production and consumption practices. There is a tendency to focus on a single metric ('yield per hectare') whereas metrics around the value of nature and our economies' dependency of well-functioning ecosystems are either absent or ignored.

There are three elements to the challenge: (i) developing a suite of appropriate metrics/statistics to evaluate natural capital; (ii) determining viable policy interventions that can be assessed using this suite of metrics/statistics; (iii) addressing digital and knowledge infrastructure gaps to compare the values of impacts and dependencies on nature and society under different policy intervention options throughout the food value chain; and (iv) having the appropriate governance structures in place for policy uptake of the True Value Accounting assessment

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3. Proposal

On (i) to (iv) above:

- i. There are various approaches under the broad umbrella of True Value Accounting. One such approach was developed by UNEP under the TEEBAgriFood Initiative which is consistent with the recently-adopted statistical standard termed the System of Environmental-Economic Accounting – Ecosystem Accounting (SEEA-EA). This approach (or an alternative) could be discussed, agreed upon and mainstreamed across the G20.
- ii. G20 countries have contributed to the UN Food Systems Summit through inter alia submitting national food system pathways. These include a range of policy intervention options which could be reviewed, and choices made vis-à-vis which options might be subjected to a True Value Accounting assessment.
- iii. G20 countries are well suited to address gaps in digital- and knowledge infrastructure to integrate environmental data and predictive analytics into decision-making. The concepts of risk and resilience are part of True Value Accounting; Nuryartono et al. (2021) demonstrate that, although often difficult to quantify, data availability and data integrity vis-à-vis these concepts are sufficient to do so.
- iv. Embedding a true value of food approach in the G20 requires (as per the UN Food Systems Summit National Dialogues) cross-sectoral conversations and collaboration between ministries (agriculture, finance, environment, health, spatial management/planning) and also between actors (government, civil society, private sector, academic community). The proposal is that the G20 commit to such an integrated approach.

The policy brief will aim to set out examples of positive outcomes that have arisen from applying True Value Accounting.

4. Relevance to G20

This policy brief builds upon the 2021 G20 Rome Leaders' Declaration:

- G20 food systems action to tackle the interlinked global challenges of climate change and biodiversity loss. These challenges can only be achieved if food systems decision-makers recognize, measure, manage and reward responsible stewardship of natural capital.
- Inviting G20 countries to follow-up on Food Systems Summit outcomes. This policy brief will build upon the Food Systems Summit True Value Coalition progress, including the work in G20 presidencies Indonesia (2022), India (2023) and Brazil (2024) to champion work on valuing nature in food systems.
- The G20 Sustainable Finance workstream. This policy brief will complement the G20 Sustainable Finance workstream by - in addition to the bridging the finance gap - providing a roadmap for demonstrating the economic case for pro-nature food production and consumption through repurposing government subsidies, getting the market incentives right, and correcting market failures.

Building upon the current emphasis on digital technologies at the Indonesian Presidency G20 Working Group on Agriculture, this policy brief will lay the foundations for a roadmap to catalyze the use of digital technologies, modeling and computational sustainability. This supports G20 countries in transforming environmental data into insights across the agri-food value chain and to transform food systems faster, better and at a greater scale than before.

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Primary Subject Area

TF4 - Food Security and Sustainable Agriculture

Submission Questions Response

1. Agreement

We the undersigned declare that this manuscript is original, has not been published before and is not currently being considered for publication elsewhere.

We confirm that the manuscript has been read and approved by all named authors and that there are no other persons who satisfied the criteria for authorship but are not listed.

We further confirm that the order of authors listed in the manuscript has been approved by all of us.

We understand that the Corresponding Author is the sole contact for the T20 editorial process. He/she is responsible for communicating with the other authors about progress, submissions of revisions and final approval of proofs.

Agreement accepted

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