TEEBAgriFood Symposium
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Teebweb.org

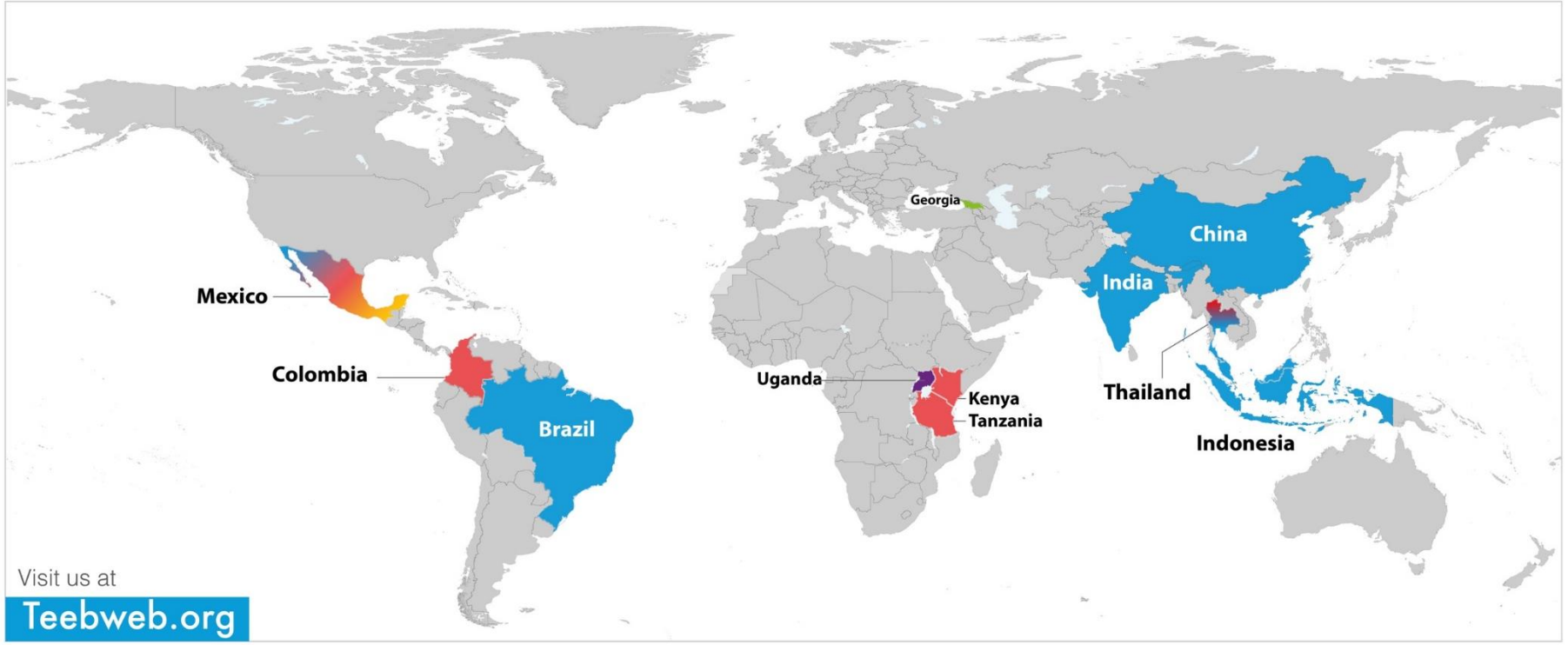
I The origins and rationale for TEEB and TEEBAgriFood

ZAKIR HOSSAIN CHOWDHURY/ANADOLU AGENCY/GETTY

Drying red chillis under the sun provides one of the few sources of employment for women in an area of Bangladesh.

Fix food metrics

For sustainable, equitable nutrition we must count the true global costs and benefits of food production, urge **Pavan Sukhdev**, **Peter May** and **Alexander Müller**.



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EU-PI

Brazil i) Degraded Pasture Land Restoration ii) Urban and Periurban Agriculture
China Green Food Production
India Organic Farming and Agroforestry
Indonesia Cacao Agroforestry Production
Mexico Agroforestry Coffee
Thailand Organic Rice Production
Malaysia TBD

IKI

Colombia Land Use Change
Kenya Cereals and Medicinal Plants
Tanzania Land Use Change; Water Quality & Food Security
Thailand Organic Rice Production
Mexico Conventional & Traditional Maize

GEF

Georgia Sustainable Land Management Practices

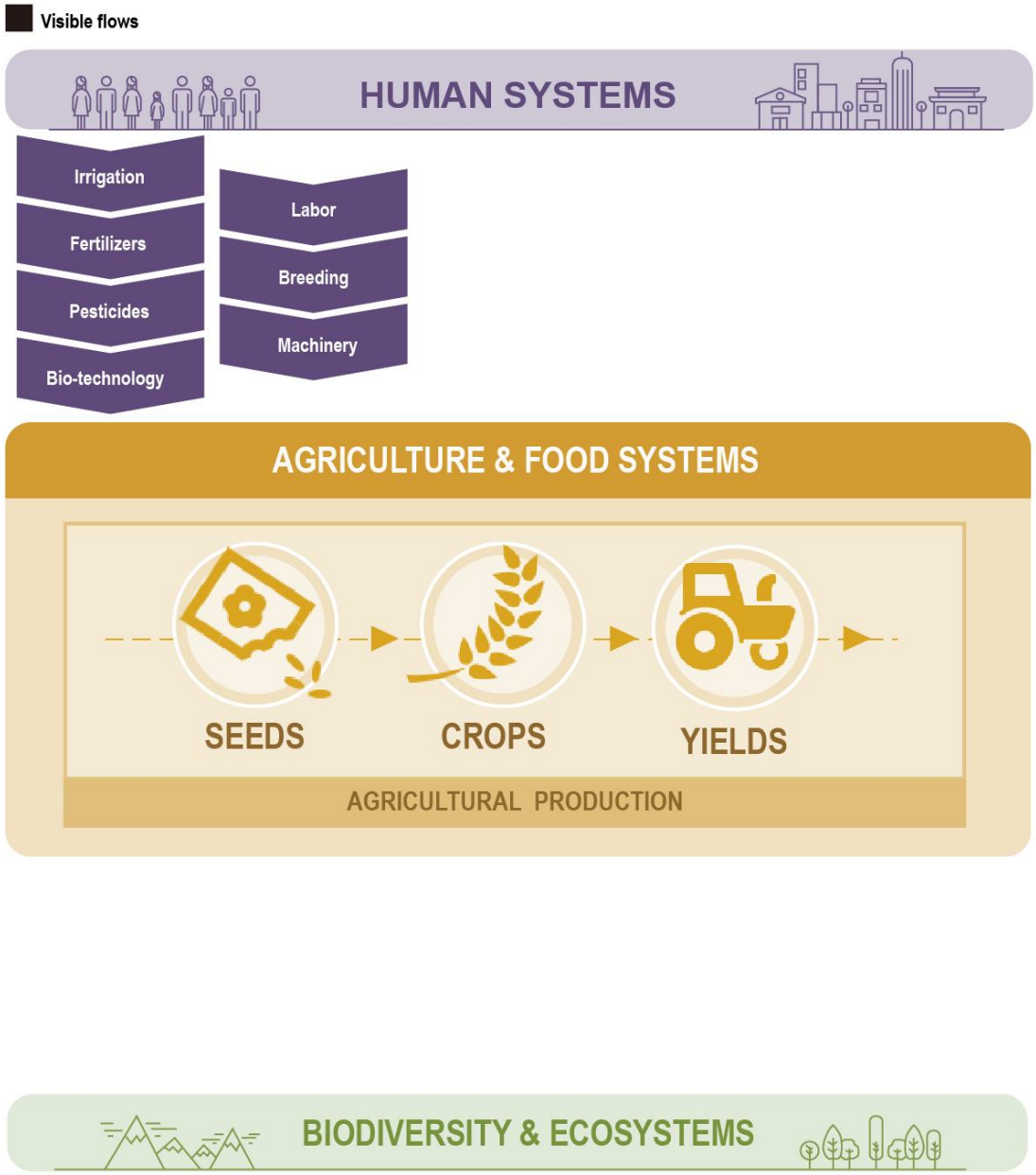
GIZ

Mexico Conventional & Traditional Maize

NORAD

Uganda Sustainable Urban and Peri-Urban Agriculture for Wetlands Conservation

The visible and invisible flows of agricultural production



The visible and invisible flows of agricultural production

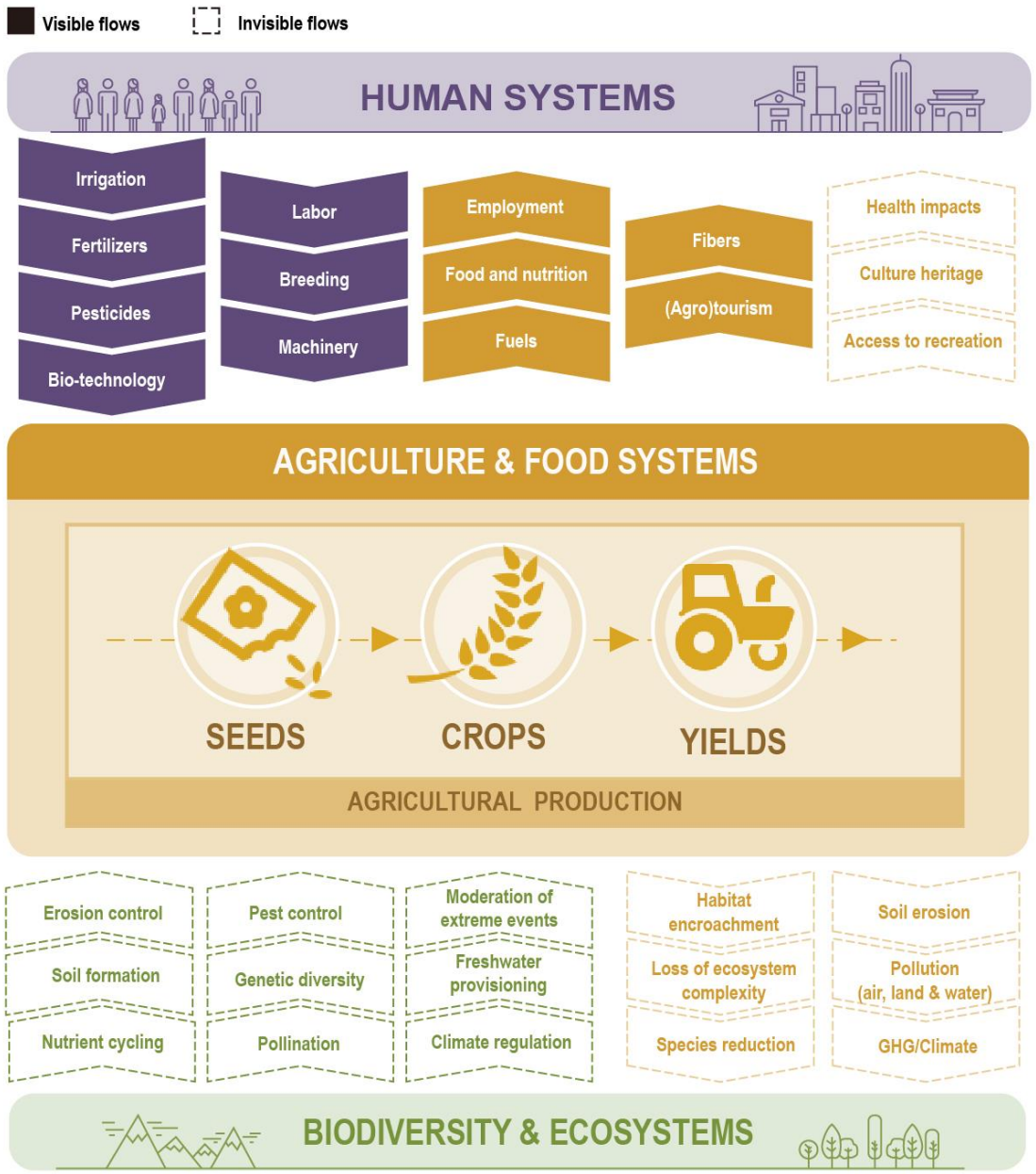
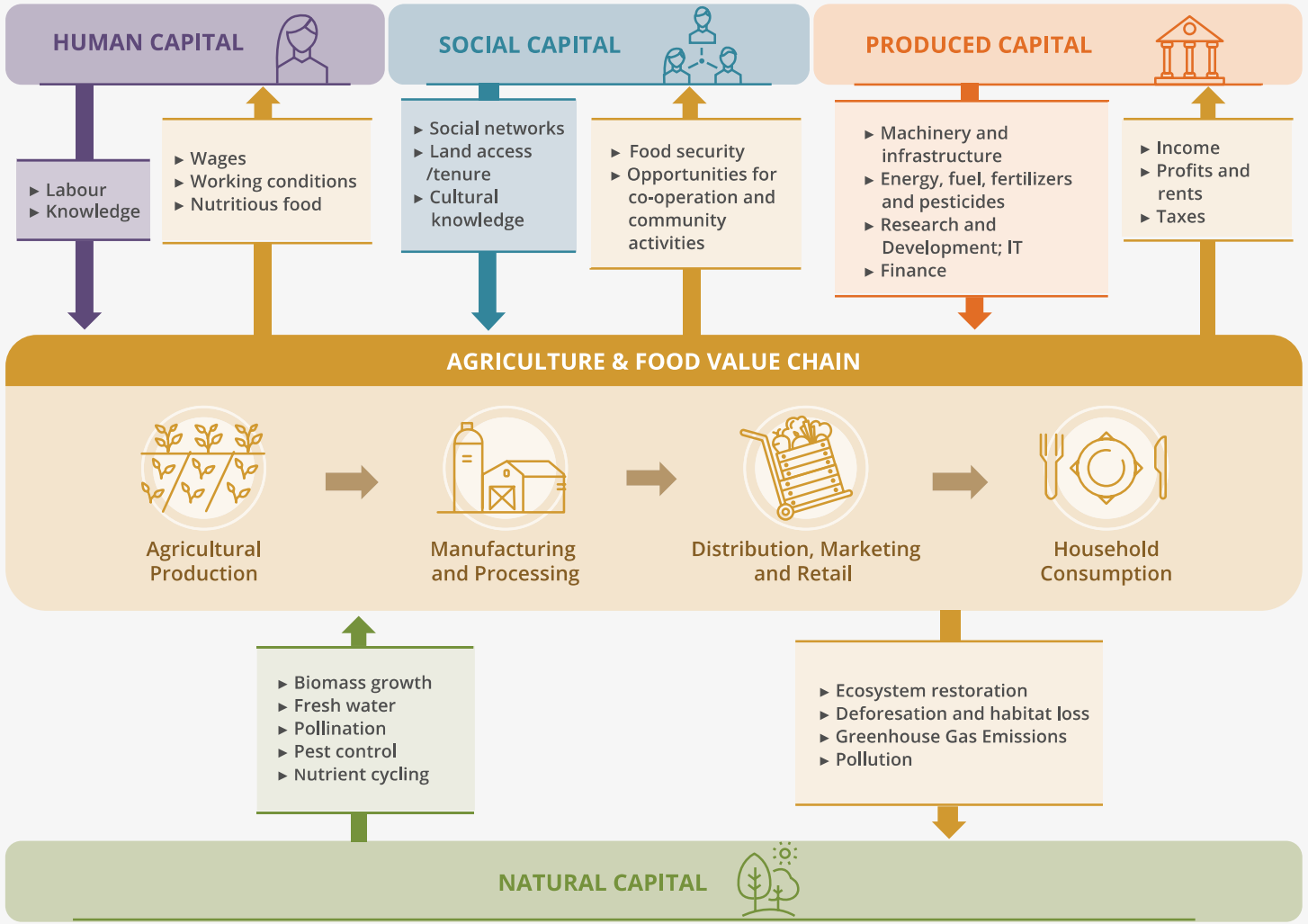
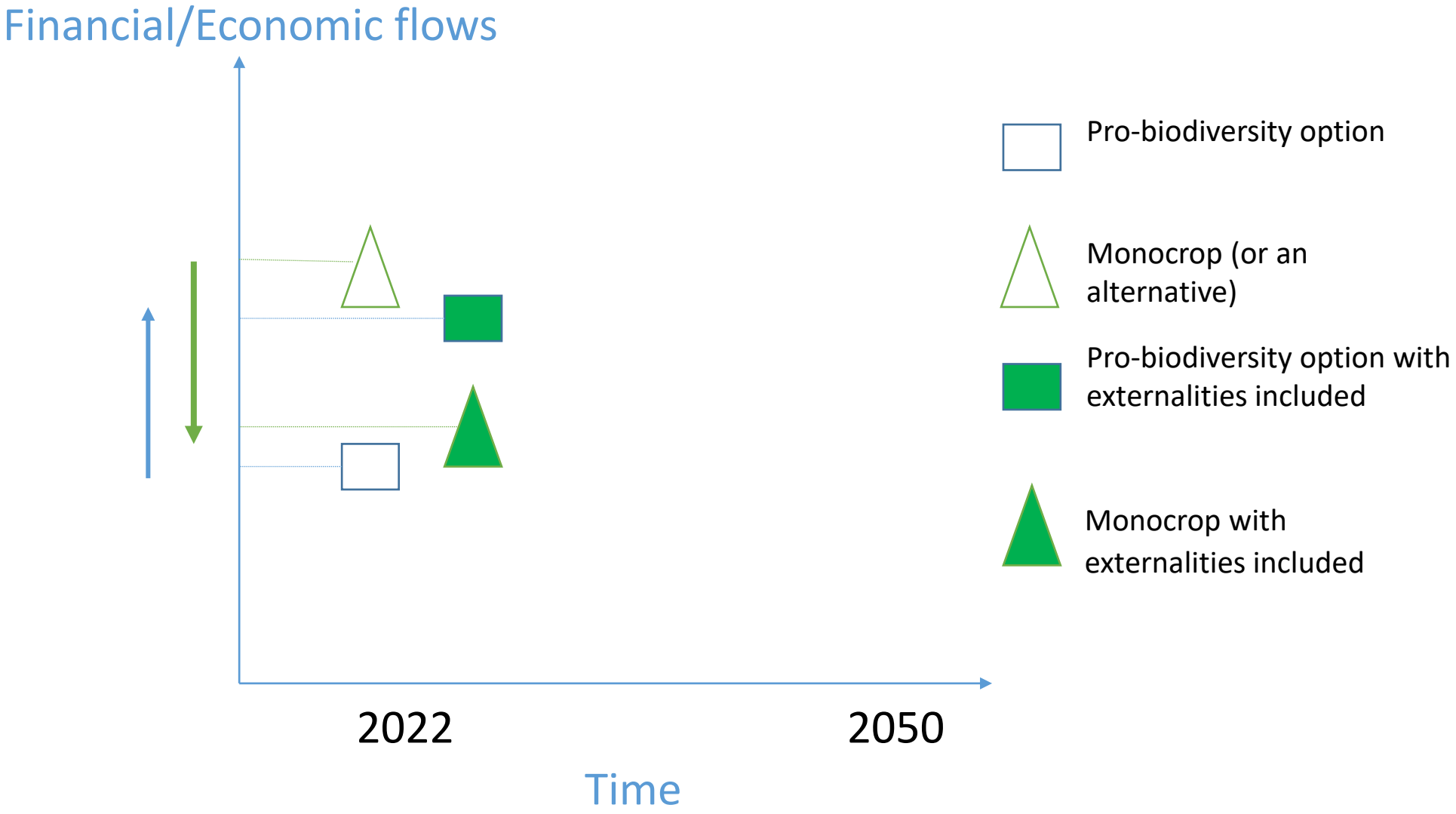


Figure 2.1 Capital stocks and value flows in eco-agri-food systems (Source: Hussain and Vause 2018)



The TEEBAgriFood core proposal



II TEEBAgriFood Symposia series 3: What has changed?

news.un.org/pages/global-crisis-response-group/

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Global Crisis Response Group

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Global Crisis Response Group on Food, Energy and Finance

The war in Ukraine has led to a cost-of-living crisis. An estimated 1.6 billion people are exposed to at least one dimension of the crisis. About 1.2 billion of them live in 'perfect-storm' countries severely vulnerable to all three dimensions – food, energy and finance.

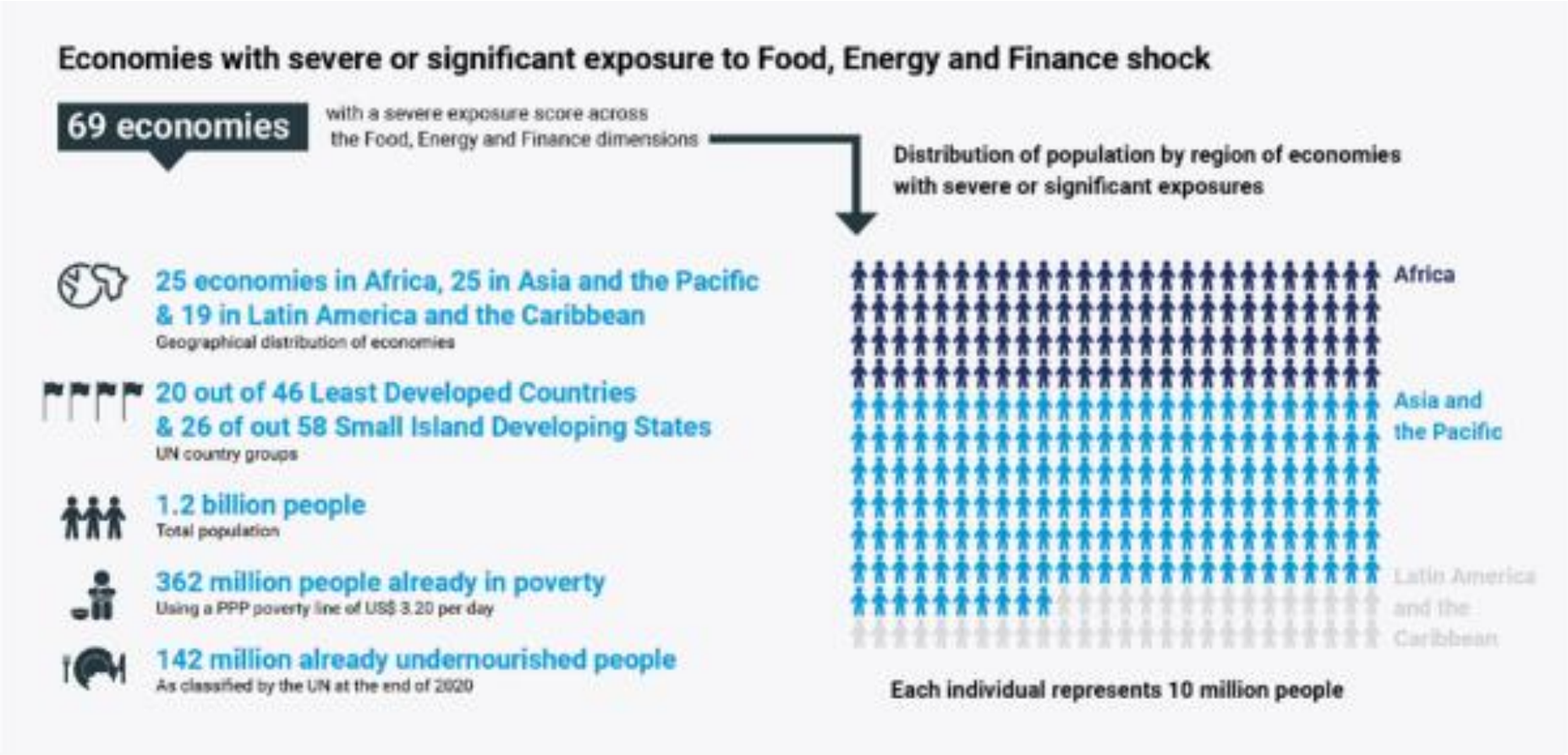
Latest

- BRIEF NO.2
- Press release Brief NO.2

BRIEF NO.1

Global Impact of war in Ukraine on food, energy and finance systems

13 APRIL 2022



Food and Agriculture Organization of the United Nations

WORLD ORGANISATION FOR ANIMAL HEALTH

World Health Organization

UN environment programme

The Quadripartite
One Health Joint Plan of Action (OH JPA)

Working together for the health of humans, animals, plants and the environment

Food and Agriculture

https://www.decadeonrestoration.org

UNITED NATIONS DECADE ON ECOSYSTEM RESTORATION 2021-2030

UN environment programme

Food and Agriculture Organization of the United Nations

EN

PREVENTING, HALTING AND REVERSING THE DEGRADATION OF ECOSYSTEMS WORLDWIDE.

The UN Decade on Ecosystem Restoration is a global rallying cry to heal our planet. What will you restore?

LEARN TO RESTORE

“Food systems **hold the power** to realize our shared vision for a better world.”

READ, *the Secretary-General's Chair Summary and Statement of Action on the UN Food Systems Summit*

Title of coalition:

The True Value of Food Initiative

Main objective of the coalition:

During preparations for the UNFSS, the True Value of Food has emerged as possibly the ultimate gamechanger to realize sustainable food systems. Our food needs to become healthier, more sustainable and accessible for all. But there will be no 'trigger' for change as long as healthy and sustainable food is unaffordable to billions, unsustainable food is cheap and profitable, and the impact of food on people and planet is hidden. By uncovering the true costs and benefits of food, the True Value of Food can help governments and private sector create an economic model that promotes healthy, sustainable, profitable and affordable food. At the same time, much remains to be learned about the science and practice of the True Value of Food.

The main objective of the **True Value of Food Initiative** is to unlock the potential of the True Value of Food for governments, businesses, investors and consumers by providing them with a new economic basis for decision making based on the True Value of Food. To do so, it aims to:

1. Create awareness, understanding and build capacity amongst governments, the private sector and citizens. about what the True Value of Food is and how it can be used to realize sustainable food systems.
2. Establish a common language and harmonized science-based methods for the true value of food.
3. Identify true value solutions that work in practice through pilots and scaling interventions together with investors, governments and businesses at the global, regional and national level
4. Continue to build methodologies and conduct analysis to assess the impacts of change and trade-offs of various options.

Rationale

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. These costs, including high rates of diet-related chronic disease, the impacts of climate change and unfair wages are not included in prices and profits, and thus ignored by markets. Often, these costs are borne by people who did not have a say: the least advantaged segments of society (frequently smallholder farmers, youth, women, indigenous peoples, people of colour, marginalised communities) and by future generations. At the same time, the global food system has many hidden benefits that are also not fully reflected in food prices: healthy food is a basic need with many economic and social benefits, and well-functioning food systems allow farmers and workers to earn a decent livelihood.

To address this, the True Value of Food Initiative will develop a new economic basis for decision making that accounts for the true value of food. This new basis includes three elements:

- True Cost Accounting (TCA) to systematically quantify and value impacts and dependencies across the full agri-food value chain to enable decision-making and policies based on true value.
- True Value business strategies to develop and implement successful business models that create true value for society.

- True pricing policies to internalize the externalities to make healthy and sustainable food more affordable and align market incentives with true value through market-based pathways, regulatory and income policies.

Science-based evidence to prioritize this coalition (scientific references):

The scientific evidence is summarized in the paper on the *true cost and true price of food* from the Scientific Group of the UN Food Systems Summit. TEEB published Scientific and Economic Foundations for TEEBAgriFood in 2018. In September 2021, Nature Food published a full focus issue on true cost accounting including an editorial and review of approaches.

The Scientific Group has also published an accessible Q&A explaining the basic concepts.

Mechanisms of implementation (Global to National levels):

To realize the three aims above, the initiative will:

1. Advocate for the use of True Value of Food at the global and national level and support the process though making tools and methodologies available and build capacity.
2. Align existing resources around harmonizing various approaches to true value and providing those a science-based foundation.
3. Action the true value of food through pilots and scalable programs with investors, governments and businesses at the global, regional and national level.
4. Continue to build methodologies and conduct analysis to assess the impacts of change and trade-offs of various options and make this available to all stakeholders.

The initiative will organize its actions under three focus areas. Activities envisioned include:

1. True Cost Accounting

- Contribute to strengthen and mainstream TCA as the tool of choice for food system decision-makers
- Make TCA information abundant to professional decision makers through harmonization and standardization
- Scale up reporting at the business
- Scale up country level TEEB-assessments in a multi-stakeholder approach

2. True Value

- Demonstrate and scale-up approaches to manage true value creation by businesses
- Enable the use of true value information by capital markets through the development of tools for investors
- Integrate true value in mainstream financial instruments to optimize the allocation of capital
- Stimulate catalytic funding to innovative initiatives in food with a high true value creation

3.True Pricing

- Develop the science and data that enable market players and policymakers to use true pricing
- Empower consumers to get access to true pricing information by
- Come together to improve true prices in supply chains and retail with businesses
- Work to make sustainable & healthy food more affordable through government policies

True Cost Accounting Accelerator
https://futureoffood.org/accelerating-true-cost-accounting/

News from the TCA Community:

- **Events:**
  While we plan the next TCA Accelerator Community of Practice event, in the meantime, we encourage you to consider participating in the following activities:
  - **June 1** - As an associated event preceding Stockholm+50, the One Planet Network's Appetite for Change full-day event will feature a dynamic series of discussions including representatives from the WWF, TMG-ThinkTank, WBCSD, Rockefeller Foundation and more. See full details here and register today!
  - **June 2-3** - Stockholm+50 - This event will provide leaders with an opportunity to draw on 50 years of multilateral environmental action to achieve the bold and urgent action needed to secure a better future on a healthy planet. Curious to know why this event is so important? Read more here.
  - **June 2** - The Impact Economy Foundation will hold a webinar to discuss the importance and value of the Impact-Weighted Account Framework (IWAF) and teach companies how to assess and manage their impact better. See here for full details.
  - **June 14** - Measure What Matters: Capitals Accounting. This interactive webinar, developed and delivered by A4S, will focus on the measurement of capitals, with a focus on Natural Capital Accounting, and introduce practical concepts, tools and case studies for finance teams. Register here.
  - **June 14** - Net Impact Approaches 2022: Can companies be "Net Positive" and how do they demonstrate it? The role of targets and impact measurement and valuation. Hosted by Sustain Value and Consciam. See more details and register here.
  - **June 15-16** - Sustainable Food Trust Food and Farming Conference, hosted at Fir Farm (UK). See full details here.

- **News & Resources:**
  - **New Report:** The Pun Pun Center for Self-Reliance in Thailand demonstrates that a different kind of economic system is possible when you embrace true cost accounting, diversified #farming and fair prices. Learn more in new research led by the Global Alliance for the Future of Food and the Transformational Investing in Food Systems Initiative (TIFS). Learn more about this report from Rex Raimond, Director of TIFS here.
  - **New Report:** Led by the Capitals Coalition, "Natural Capital for Biodiversity Policy: What, Why and How?" This paper explains what natural capital is, why it is relevant for biodiversity policy, and how it can help to achieve the global goal to be carbon neutral, nature positive and equitable.

T20 Policy paper:

The harmonization of True Value Accounting approaches to make the economic case for nature-positive food systems

T20 Indonesia 2022 – policy brief submission

The harmonization of True Value Accounting approaches to make the economic case for nature-positive food systems

1. **T20 Task Force name**:

Task Force 4 'food security and sustainable agriculture'

2. **Authors and Affiliation**

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Abstract

Food systems' impacts and dependencies on nature are substantial. They threaten nature's capacity to supply the ecosystem services on which economies, food security, public health and poverty alleviation depend. Policy-makers lack evidence on the effectiveness and true costs of concrete policy intervention options.

This brief calls on the G20 to provide a mandate to International Organizations to harmonize approaches for True Value Accounting (TVA), i.e., valuing the impacts and dependencies of food systems on natural, social, human, and produced capital for both the public and private sector. True Value Accounting approaches can, as per policy brief proposal, inform policies to repurpose agricultural subsidies to farmland restoration, which can be brought to scale through the transformative use of digital technologies.

Challenge

The true value of food is not reflected in production and consumption decisions. Today's food systems are estimated to generate US$19 trillion per year in hidden costs. These costs accrue from $7 trillion of environmental costs and $12 trillion of health costs (UN Food Systems Summit, 2021). The failure to account for and value the environmental, social, and human dimensions of food systems leads to unsustainable decisions by governments, market players and consumers.

A lack of a harmonized approach for True Value Accounting for food systems. A holistic consideration of the interactions between natural, human, social, and produced capital (including spatial linkages, synergies, and trade-offs) is a defining characteristic of a food systems approach (De Konink et al., 2021; TEEB, 2018). To date there has been a tendency to focus on a single 'yield per hectare' metric, whereas metrics around True Value reflecting our economies' dependency of well-functioning ecosystems are often absent or ignored. No common approach exists to describe and measure the range of diverse and complex food and agriculture systems coherently and comparably across spatial scales (national, regional, farm), accounting for the negative and positive externalities of these systems.

While references to True Value Accounting approaches have been included in negotiated documents at the international level (see Annex 1), there is confusion in key user groups owing to the co-existence of poorly defined and/or overlapping concepts (e.g. Life Cycle Assessment, True Value Accounting, True Cost Accounting, capitals assessments, impact valuation, TEEBAgriFood Evaluation Framework assessments).

Lack of evidence on the effectiveness and true cost of policy intervention options. Data to support True Value approaches is becoming more readily available, for instance through applications of the System of Environmental-Economic Accounting - Ecosystem Accounting (SEEA EA) on natural capital. However, policy applications are only beginning to emerge. Further, in terms of scaling, national and corporate policymakers do not have the digital- and knowledge infrastructure in place to routinely integrate environmental and social data and predictive analytics into decision-making for a food systems transformation. This hinders governments from identifying the best policy intervention options throughout the food value chain (in terms of natural, social, human and produced capital outcomes), to achieve a given target or commitment (e.g. SDGs, CBD, UNFCC, UNCCD). This lack of evidence and scaling is a barrier for policy change in areas where trade-offs for the economy, environment and society are politically sensitive, for example in the development of specific subsidy reform options (The World Bank and IFPRI, 2022).

Lack of standardized natural capital accounting and valuation principles for businesses. Because today's negative impacts on the environment are tomorrow's business risks, agri-businesses are waking up to the importance of measuring and managing their impacts and dependencies on nature. However, the traditional concepts of Environmental, Social and Governance (ESG) do not include impact valuation. Given the complex interactions in food systems and challenges in comparing and interpreting the results, there is an unmet need for standardized natural capital accounting and valuation principles for businesses.

Proposal

Recent global reports, such as the State of Finance for Nature in the G20 (UNEP, 2022), the Dasgupta Review on the Economics of Biodiversity (Dasgupta, 2021) and the Scientific and Economic Foundations report for TEEB for Agriculture and Food (UNEP, 2018) have made the economic case for food systems decision-makers in the G20 to recognize, measure, manage and reward responsible stewardship of natural capital.

The 2021 UN Food Systems Summit has also shown a broad consensus for the need to account for the true value of food, by the development of a "True Value of Food" coalition and the "True Value of Food" being mentioned in 17% of national food systems pathway documents (UN FSS, 2022). Food systems evaluations that account for the impacts and dependencies of food systems on nature can therefore both guide and drive G20 countries to implement food systems transformation pathways.

The policy proposals herein aim to ensure that True Value is included in decision-making on food systems and provides suggestions on the means to implementation under G20 leadership.

Public Sector: *enabling true value economics of food systems*

Proposal 1: The G20 should provide a mandate to International Organizations to develop a harmonized approach to valuing the positive and negative externalities of food systems.

The G20 should provide a mandate to International Organisations to provide a harmonized approach to describe the range of diverse and complex food and agriculture systems coherently and comparably across spatial scales (national, regional, farm), accounting for the negative and positive externalities of these systems.

Efforts have been taken to create a harmonized framework for the evaluation of food systems, i.e. a common approach to measure and value the positive and negative environmental, social, health and economic costs and benefits to enable better decisions. In this context, nature is framed as an asset ('capital') and biodiversity as a characteristic of those assets that enables food systems to be more productive and resilient (Dasgupta, 2021; Capitals Coalition, 2020b). These approaches and any alternatives should be discussed, agreed upon and mainstreamed across the G20.

Any common approach and framework to valuing nature in food systems should seek alignment with the United Nations Statistical Commission's adoption of SEEA EA as a complementary measurement framework to metrics such as GDP in National Income Accounts that do not capture nature's contributions to people (UN, 2021). A standardized rigorous way of collecting natural capital statistics can strengthen food systems evaluations, making them more robust, holistic, and credible. The upcoming 2022 IPBES Values Assessment can provide a common understanding of the role of values of nature and valuation in decision-making in the public and private sectors and within indigenous peoples and local community contexts.

Proposal 2: The G20 should call for the adoption of True Value Accounting approaches to inform the design and implementation of a strategy to repurpose agricultural subsidies to restoring degraded farmland.

The G20 should call for the adoption of True Value Accounting approaches for the design and implementation of an agricultural subsidy repurposing strategy, with a focus on restoring degraded and marginal farmlands. This includes an analysis of the future impact and trade-offs of specific repurposing options.

The international community has called for governments to repurpose agricultural subsidies that can help transform food systems and achieve the Sustainable Development Goals (FAO, UNDP, and UNEP, 2021; The World Bank and IFPRI, 2022). At the same time, the G20 has reaffirmed shared ambitions under the United Nations Decade on Ecosystem Restoration (2021-2030), also building on the G20 Global Initiative on Reducing Land Degradation and Enhancing Conservation of Terrestrial Habitats (G20, 2021). Governments can maximize

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