

OFFICIAL FEEDBACK FORM

DIALOGUE DATE	Tuesday, 8 June 2021
DIALOGUE TITLE	True Cost Accounting for Food Systems: Redefining value to transform decision making
CONVENED BY	United Nations Environment Programme, Capitals Coalition, Global Alliance For the Future of Food
DIALOGUE EVENT PAGE	https://summitdialogues.org/dialogue/14776/
DIALOGUE TYPE	Independent
GEOGRAPHICAL FOCUS	No borders

The outcomes from a Food Systems Summit Dialogue will be of use in developing the pathway to sustainable food systems within the locality in which they take place. They will be a valuable contribution to the national pathways and also of interest to the different workstreams preparing for the Summit: the Action Tracks, Scientific Groups and Champions as well as for other Dialogues.

1. PARTICIPATION

TOTAL NUMBER OF PARTICIPANTS

89

PARTICIPATION BY AGE RANGE

0 0-18 13 19-30 44 31-50 27 51-65 5 66-80 80+

PARTICIPATION BY GENDER

37 Male 51 Female 1 Prefer not to say or Other

NUMBER OF PARTICIPANTS IN EACH SECTOR

5	Agriculture/crops	4	Education	1	Health care
	Fish and aquaculture	4	Communication	5	Nutrition
1	Livestock	1	Food processing		National or local government
1	Agro-forestry	1	Food retail, markets		Utilities
20	Environment and ecology	8	Food industry		Industrial
	Trade and commerce	3	Financial Services	35	Other

NUMBER OF PARTICIPANTS FROM EACH STAKEHOLDER GROUP

2	Small/medium enterprise/artisan		Workers and trade union
	Large national business		Member of Parliament
5	Multi-national corporation		Local authority
1	Small-scale farmer	7	Government and national institution
1	Medium-scale farmer		Regional economic community
	Large-scale farmer	11	United Nations
1	Local Non-Governmental Organization		International financial institution
8	International Non-Governmental Organization	18	Private Foundation / Partnership / Alliance
1	Indigenous People		Consumer group
14	Science and academia	8	Other

2. PRINCIPLES OF ENGAGEMENT

HOW DID YOU ORGANIZE THE DIALOGUE SO THAT THE PRINCIPLES WERE INCORPORATED, REINFORCED AND ENHANCED?

- The dialogue convenors paid attention to multi-stakeholder inclusivity, both for the dialogue invitations as well as for dividing break-out groups. This included striving for balance and inclusivity in stakeholder groups, sectors, gender, age and geographic representation. - The curator and break-out group facilitators were selected and briefed with care, to ensure the principles of engagement were incorporated and that guiding questions for facilitation allowed for embracing the full complexity of topics of food systems issues and complementing ongoing work in the frame of the Food Systems Summit preparatory process and beyond.

HOW DID YOUR DIALOGUE REFLECT SPECIFIC ASPECTS OF THE PRINCIPLES?

- The dialogue programme, including targeted break-out group discussions in combination with the use of IT-supportive tools, offered a dynamic way for a diverse range of stakeholders to explore how they can unite – with urgency - around transformative action in support of valuing the often-neglected impacts and dependencies that food systems have on nature, people and society. - The dialogue programme allowed for an open, safe and respectful space for participants to feel comfortable engaging with one another. One hour of break-out group sessions (6-10 participants) made that each participant was listened to, and different inputs including divergences in opinion were collectively welcomed.

DO YOU HAVE ADVICE FOR OTHER DIALOGUE CONVENORS ABOUT APPRECIATING THE PRINCIPLES OF ENGAGEMENT?

- Participant registration reports were analyzed two weeks in advance of the dialogue to identify underrepresented groups and this allowed us to send out additional invitations to attempt mitigating inclusivity issues in registered participants. - Interactive IT support tools (eg. mentimeter) complement and dynamize feedback sessions (reporting back on +10 break-out groups is very time consuming) - Carefully crafting guiding questions in break-out groups allows for embracing complexity, pointing at critical issues, and going beyond superficial areas of consensus into areas of divergence of opinion

3. METHOD

The outcomes of a Dialogue are influenced by the method that is used.

DID YOU ORGANIZE THE DIALOGUE SO THAT THE PRINCIPLES WERE INCORPORATED, REINFORCED AND ENHANCED?

Yes

No

4. DIALOGUE FOCUS & OUTCOMES

MAJOR FOCUS

There has been growing recognition that a Food Systems transformation lays at the centre of achieving the Sustainable Development Goals. If we are to succeed in addressing the interconnected crises of climate change, biodiversity loss, social inequities and human health, we need to bring the value provided by nature, people and society to the forefront of decision-making to transform food systems. The dialogue focuses on how valuing nature and people in food systems can help us to deliver on many global and national priorities.

The term 'True Cost Accounting' has emerged as a central priority in the UN Food Systems Summit preparatory discussions and is presented in a number of game-changers across Action Tracks. Specifically, the Action Track 1 'Cross Cutting Action Area' Food Systems Pathways and Data features multiple True Cost Accounting propositions and on 1 June 2021 the UNFSS Scientific Group published a paper focusing on The True Cost and True Price of Food. True Cost Accounting (TCA) is an evolving holistic and systemic approach to measure and value the positive and negative environmental, social, health and economic costs and benefits to facilitate policy, business, farmer, investor and consumer decisions. This term True Cost Accounting is not exclusive - other actors use 'impact assessment/management' and 'a capitals approach' to mean the same. Indeed, the capitals - natural capital, social capital, human capital and produced capital - form the foundation of food systems. By understanding how food systems impact and depend on the capitals, policy-makers, civil society, consumers and businesses can make holistic decisions that redefine the value provided by nature, people and society.

Participants had a discussion in facilitated break-out rooms about the following four guiding questions: (1) What actions are required for the value provided by nature and people to be consistently integrated into public and private decision-making processes for agriculture and food systems?; (2) What are barriers for uptake of a value-based decision-making in existing practice? How can these barriers be addressed?; (3) How can we strengthen the political support for comprehensive food systems evaluations (at the Food Systems Summit and beyond)?; (4) How can comprehensive food systems evaluations contribute to recognizing trade-offs? How can cross-pollination between sectors help to manage these trade-offs?

In the following sections we will highlight the main findings and actions proposed as outcomes of these break-out room discussions.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- ✓ Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

MAIN FINDINGS

Participants emphasized that systems thinking is required to embrace the Summit's Principle 'Recognizing Complexity'. Systems thinking, as part of comprehensive food systems evaluations, can illuminate how natural, human, social and produced capital linked to food systems are interconnected. Systems thinking requires that game changing solutions are not considered in isolation within their action tracks but that capital impacts and dependencies of solutions are assessed across all action tracks.

It was noted that recent progress in establishing standardized rigorous ways of collecting statistics (eg. UN SEEA; business reporting standards) can enhance a broader recognition of holistic food systems evaluations, while at the same time making them more robust and credible. There is a need to be able to capture externalities and assign value in a way that is tangible and comparable. The TEEBAgriFood Evaluation Framework was highlighted as an internationally accepted harmonized framework for holistic food systems evaluations, which was developed by 150 scientists from 33 countries.

The uptake of comprehensive food systems evaluations in the context of the Food Systems Summit process is needed. Participants stressed the importance of determining how comprehensive food systems evaluations can inform decision-making. Getting the right information to the right people was identified as a barrier, and therefore goes beyond 'getting the metrics right'. Participants pointed at the role of inclusive stakeholder-driven processes creating positive change in food systems using a 'capitals approach'. Various tools and databases were highlighted for food system decision makers to recognize, measure, manage and reward responsible stewardship of the capitals.

The importance of effective framing and messaging to shift decision-making, with a focus on a positive (value-based) decision-making narrative was highlighted. For example, repurposing subsidies can create value for nature, people and society. Indeed, internalizing in policy and regulatory frameworks the natural, health and social costs that are currently unaccounted for, will facilitate upscaling of sustainable and healthy food production and consumption. Consumers are considered as drivers in their demand for more sustainable and healthy food.

The need to highlight the importance of TCA in capturing the value of i) nutritious food, and ii) nature-positive agriculture. Emphasis was put on how TCA and associated approaches can support the creation of enabling environments for agroecology and regenerative approaches to flourish and benefit all, including local institutions, communities, smallholder farmers, Indigenous Peoples, and women. Participants referred to the power of TCA to inform policy decisions that allow markets to do a better job at rewarding responsible stewardship of the capitals, ie. rewarding sustainable, affordable and healthy food production and consumption.

There is a need to enhance collaboration: comprehensive food systems evaluations take an integrated approach by design and can therefore enhance cross-sectoral collaboration between ministries (finance, agriculture, environment, health, spatial management/planning) and also between actors (government, civil society, private sector, academic community); Finance actors need to be brought on board, given their role in getting the market incentives right, support the transition and correcting market failures (ministries of finance). Private sector representatives highlighted that regulation is critical to create a commonly accepted framework to support business decision-making.

Making trade-offs and synergies visible was highlighted as a crucial contribution of comprehensive food systems evaluations. Trade-offs between: Nature and people; Food for profitable crops versus food for healthy consumers; Choices that consumers/producers make, and the results in terms of consequences to human health, planetary health, livelihoods and equity; Types of value and capital, between stakeholders and with different priorities and values; Countries; Mono-crop and multi-crop; agriculture and biodiversity; Increasing producer prices and keeping healthy food affordable for vulnerable populations globally. Synergies between: Health and environmental outcomes of just and sustainable production; And around agroecological practices and positive outcomes for environment, livelihood and the economy.

While recognizing ground realities that science-based policy and decision-making advice is just one of the factors in a dynamic decision making process, participants identified a wide range of barriers and solutions for the uptake of value-based decision-making. This included: a lack of comprehensive data (or access to data) to accurately measure and compare impacts; a narrow concept of evidence; a gap between businesses and investors wanting to use TCA due to the lack of auditing and regulatory support and standards for TCA and the absence of TCA related metrics on P&L statements; short-termism of decision-makers limiting long-term recommendations to be taken-up; lack of guidance on how to assign risks and responsibility; not burdening consumers with higher prices; capacity and multidisciplinary expertise gaps, entrenched policies and lock-ins in which scientific policy advice is just one of the factors in a dynamic decision-making process.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- ✓ Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 1/6

Urgent action required

Participants voiced the need for urgent action for transforming our food system, based on approaches that measure and value the contributions of natural, social, human, and produced capital to food systems.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- ✓ Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 2/6

Standardization and comparability needed

A focus on standardization in terminology and practices, also to create transparency and comparability across the value chain (eg. integrated profit and loss statements). The private sector calls for the creation of a measurement matrix that values both positive steps but also targets negative interventions. This will allow different stakeholders to compare each of these diverse aspects and make decisions based on more 'complete' information, not just between businesses, but across the full value chain from farmer to consumer.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 3/6

Grow coalition

Participants highlighted that, in order to build political support throughout the Food Systems Process, there is a need to actively involve a growing coalition that is already supporting the measurement and valuation of often-neglected impacts and dependencies that food systems have on nature, people and society. To scale-up rapidly, participants highlighted the pivotal role of champions and the impact of demonstrations to inspire further action.

Uptake of comprehensive food systems evaluations in the context of the Food Systems Summit process: the wide socialization of concepts and issues; ensure national and regional momentum and ownership; strengthening a growing coalition of practitioners and policy champions; and highlighting best-practice examples at different levels: policy, region, business, investment or product; engage with smallholder farmer groups to understand the diversity of what farmers and farmer workers value and possible lock-ins; Ensure a multi-value perspective in particular to the role of Indigenous and local knowledge on biodiversity and ecosystem services (including cultural values, knowledge on local varieties); develop a multi-stakeholder platform/coalition supported by strong data and information.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- ✓ Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 4/6

Effective framing and messaging

In relation to effective framing and messaging to shift decision-making the following actions were formulated: i) promote a focus on positive messages including long-term value in terms of the environmental and health benefits of food systems transformations, rather than focusing only on the negative impacts (identify and value/account for positive impacts); ii) communicate to stakeholders groups in a tailored and comprehensive way with solid scientific grounding; iii) improve the articulation of the business proposition on True Cost Accounting and value-based decision-making to stakeholder groups; iv) engage in a forward-looking approach, with a focus on future visions and opportunity pathways; v) the need for inspiring case studies; and vi) the need to translate numbers into concrete policy recommendations.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- ✓ Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

OUTCOMES FOR EACH DISCUSSION TOPIC - 5/6

Trade-offs and synergies

In relation to trade-offs and synergies, participants expressed various key elements to take into account when conducting True Cost Accounting: i) the utility of TCA to reveal the web of interactions, allowing decision makers to reduce trade-offs and increase synergies, ii) the importance to consider and analyse distributional impacts of trade-offs between different stakeholders including smallholder farmers, iii) the need to consider spatial scales (e.g. beyond the farm gate) and temporal scales (e.g. short-term and long-term impacts), iv) the need to understand the local context and role of local actors in negotiating the prioritization of trade-offs, for example in development planning processes, v) to illuminate the interconnectedness of SDGs and potential trade-offs and synergies between those, particularly linked to poverty reduction, climate action and food security, vi) and the dependence of trade-offs on national government priorities across the food systems value chains.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- | | |
|---------------------------|-------------------------|
| Finance | Policy |
| Innovation | ✓ Data & Evidence |
| Human rights | Governance |
| Women & Youth Empowerment | ✓ Trade-offs |
| | Environment and Climate |

OUTCOMES FOR EACH DISCUSSION TOPIC - 6/6

Private sector engagement

Private sector representatives highlighted the pivotal role the government should play through regulation and the creation of a level playing field to support the transition to more sustainable business models.

A safe level playing field is needed to support businesses to transition to value-inclusive business models in a competitive space. A commonly accepted framework would support business decision making.

Incentive structures through financial mechanisms should be in place in order fund the transition to a more sustainable system and reward a value-based approach. The financial sector needs to be educated and provided with information on what a good investment looks like to support the transition. Private companies need to be made financially accountable for the impact on our food systems through accounting standards. For example, repurposing subsidies can create value for nature, people and society.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

AREAS OF DIVERGENCE

While the “True Cost of Food” narrative has shown effectiveness in awareness raising and exemplifying a systems perspective, further steps are required to lead to policy change. The risk was voiced that the word ‘cost’ in many people’s mind relate to the costs that consumers pay (ie. price), as opposed to the value provided by nature and society to food systems. As such, this narrative may be wrongly interpreted as making food more expensive/less affordable and not the ongoing but unaccounted for costs to society (e.g diminished health) and the environment (e.g. pollution). To respond to this, participants voiced the need to create a positive (value-based) decision-making narrative (ie. identifying, valuing and accounting for positive impacts) and to shift incentives to support and enhance these positive impacts.

Concern was raised that True Cost Accounting could be linked to higher food prices, raising equity issues and excluding vulnerable populations. Participants suggested a ‘true value’ approach to True Cost Accounting, as well as focusing not only on pricing externalities (taxing the ‘bad’ instead of the ‘good’) but also on public investment and regulations. The core assertion was reiterated that prices have failed to reflect the true value of the natural world, and the economic systems that we are using are broken. It is therefore about addressing the economic invisibility of important things that we value. The important difference between price (the quantity of one thing that is exchanged in sale for another) and value (relative importance or worth) was highlighted in this context. Even though we may seek where possible to monetize changes in capital stocks, it was recognized that in some cases it is neither appropriate nor possible to do so.

Overall, participants expressed optimism that together we have the tools and information necessary to put nature and people at the heart of food systems and achieve equitable economic prosperity throughout the agrifood value chain. While some emphasized the need for simplified tools and frameworks for the technical application of valuation, others iterated that this should not go against the need to showcase the complexity and variability of the system pertaining to different contexts and geographic locations.

Different suggestions were made to improve the articulation of the business proposition around True Cost Accounting to different stakeholders. There was divergence in opinion about changing the narrative of ‘externalities’ towards ‘impacts’ with regards to illustrating a more holistic view of the value provided by nature, people and society in food systems.

ACTION TRACKS

- ✓ Action Track 1: Ensure access to safe and nutritious food for all
- ✓ Action Track 2: Shift to sustainable consumption patterns
- ✓ Action Track 3: Boost nature-positive production
- ✓ Action Track 4: Advance equitable livelihoods
- ✓ Action Track 5: Build resilience to vulnerabilities, shocks and stress

KEYWORDS

- ✓ Finance
- ✓ Innovation
- ✓ Human rights
- ✓ Women & Youth Empowerment
- ✓ Policy
- ✓ Data & Evidence
- ✓ Governance
- ✓ Trade-offs
- ✓ Environment and Climate

ATTACHMENTS AND RELEVANT LINKS

ATTACHMENTS

- **interactive feedback session inputs_mentimeter**
https://summitdialogues.org/wp-content/uploads/2021/06/Interactive-feedback-session-input_mentimeter.pdf