



True Cost Accounting for Food Systems: Redefining value to transform decision- making

27 July | 19:30 CET | 13:30 EST

Co-organizers



Session outline

This [UNFSS Pre-Summit Parallel Session](#) is a follow-up to the Independent Dialogue ‘[True Cost Accounting for Food Systems: Redefining value to transform decision-making](#)’ and is co-convened by the UN Environment Programme, the Capitals Coalition, and the Global Alliance for the Future of Food.

During this parallel session, the outcomes of the Independent Dialogue were presented and we deepened our shared understanding of how and why governments, the private sector, civil society, and academia are using True Cost Accounting (TCA) to assess the impacts and dependencies food systems have on natural, social, and human capital.

Addressing the crises of climate change, biodiversity loss, social inequities, and human health as interconnected challenges is essential. With a comprehensive understanding of the full system, decision makers can analyze complex scenarios to find solutions that benefit people and nature.

Session agenda

- Opening, Salman Hussain, UNEP TEEB
- Set the scene, Lauren Baker, Global Alliance for the Future of Food
- Keynote addresses & Panel discussion, moderated by Mark Gough, Capitals Coalition
 - Salvador Fernandez-Rivera, General Coordinator of Rural Development Ministry of Agriculture and Rural Development, Mexico
 - Renata Nishio, Technical Manager of Brazilian Business Council for Sustainable Development (CEBDS), Brazil
 - Marta Echavarría, Founding Director of EcoDecision, Ecuador
 - Kathleen Merrigan, Executive Director, Arizona State University- USA
- Closing, Salman Hussain, UNEP TEEB

Session recording

The session recording is available [here](#).

Key insights

- TCA is a key driver to support food systems transformation. Assessing and then acting on the assessment of the true value of food (including the myriad positive and negative externalities and impacts across the entire value chain) must be a priority if we are to transform our food systems and achieve progress on climate, health, pandemic recovery and addressing inequality.
- TEEBAgriFood was discussed as a UNEP-led Initiative that falls under the TCA umbrella.
- The Ministry of Agriculture and Rural Development of Mexico are steering two TEEBAgriFood projects (on maize/*milpa* and on coffee). They see the TEEBAgriFood/TCA applications as providing new evidence to allow the country to embrace agrobiodiversity, food security and social inclusion throughout these value chains in an integrated way.
- Participants from the business community confirmed that their applying the TEEBAgriFood Framework has allowed them to understand better their impacts and dependencies on nature and, critically, to then be one step ahead of the game, i.e. it is in their interests to apply TEEBAgriFood/TCA.
- Panelists reinforced the need to include both qualitative and quantitative factors in TEEBAgriFood and other TCA assessments. A unitary focus on the “price” of certain

externalities will exclude the value of many intangibles (e.g. cultural and social value). There was an agreement that a narrow focus on pricing nature and society is inappropriate and can lead to perverse and undesirable outcomes, as well as alienating stakeholders.

- TCA is providing us the tools to do the deep dive into the valuation of all capitals and analyse the interconnections between them. This is also what the UN Food System Summit is about.
- The narrative around TCA, food security and the cost of food (given global hunger and malnutrition) was discussed. Participants confirmed that it is not the aim of TCA to make all food more expensive; TCA considers *negative and positive* impacts and dependencies, and the latter should be promoted, with healthier food which has social and cultural values being more readily available in the market at affordable prices.
- TCA provides the transparency to lead to better and more sustainable decisions that are in accordance with our SDG's. There is a need to measure what matters if we are to succeed in transforming the food system in a sustainable way. We are often failing to do so, focusing instead just on yield per hectare. When we have these other metrics, we have to apply economic valuation in a context-specific and appropriate way to demonstrate values to decision-makers, so they can act upon and manage these values.
- Many agricultural stakeholders have conflicting agendas and there is little interaction between sectors. However, food system issues are cross-cutting. There is a need to bridge values under trusted scientific understanding.
- Participants discussed the downsides of a singular focus on just one element of the planetary crisis. The system is interconnected and so, for instance, we should not focus just on carbon if in so doing we neglect (or worse still exacerbate) the planetary crises on biodiversity and pollution. Brazil is facing a huge water crisis connected to climate change and intersecting challenges.
- Various international initiatives, such as the COP26, Biodiversity post-2020 framework and the UNFSS, need to be connected. The Biodiversity Framework has included businesses in CBD target 15. We have the methods – we now need action.
- TCA is something tangible to better understand impacts to prevent and compensate for them, as well as highlight the good impacts. There are already systems that are working well for people and the planet and we need to promote and integrate them. The tools and the capacity are already present within the UN and their partners, so we must address issues industry by industry and product by product.
- For the academic sector, we need to refine the methodology and teach students how important this is. The private sector needs to make investments through a TCA lens. The public sector already applies cost-benefit analysis (CBA) which includes social values and recognizes that not only monetized values are important. TCA metrics should be integrated into CBA.
- All sectors invited to the session - public, private, civil society and academia - mentioned that we need science to drive TCA. Holistic approaches are needed that look at all the elements of the problem to include the capitals, and we need to include valuation that goes beyond assigning a simple price to externalities, so that we get a vision of what is possible.
- This will affect policy; there are receptive audiences if we show how important TCA is.
- Practical actions that can be taken by the audience is to engage in TCA agenda as part of the UN FSS, lobby for a more inclusive TCA that assesses value in both quantitative and qualitative terms,, and join our partners to advance our work and shared ambition.

Resources

- Gemmill-Herren, B., Baker, L.E., & Daniels, P.A. (Eds.). (2021). True Cost Accounting for Food: Balancing the Scale (1st ed.). Routledge. <https://doi.org/10.4324/9781003050803>
- Merrigan, K.A., Giraud, E.G. & Greene, C. The Critical To-Do List for Organic Agriculture: 46 Recommendations for the President. Swette Center for Sustainable Food Systems. Accessible online: <https://sustainability-innovation.asu.edu/food/wp-content/uploads/sites/39/2021/06/Organic-Report-2021-2.pdf> (2021)
- TEEBAgriFood Evaluation Framework. <http://teebweb.org/our-work/agrifood/understanding-teebagrifood/evaluation-framework/>
- Applying the TEEBAgriFood Evaluation Framework: Overarching Implementation Guidance. https://futureoffood.org/wp-content/uploads/2021/01/GA_TEEBAgriFood_Guidance.pdf (2020)
- TEEBAgriFood Draft Operational Guidelines for Business. <https://capitalscoalition.org/wp-content/uploads/2020/08/DRAFT-TEEBAgriFood-Operational-Guidelines.pdf> (2020)
- True Cost Accounting for Food blog: <https://sustainability-innovation.asu.edu/food/news/archive/making-better-decisions-about-the-food-we-produce-and-eat/>

Call to action

If you are interested to join a coalition on the True Value of Food, you can indicate your interest through [this form](#).