

<b>Date and place</b>
10 October 2017, FAO, Iran Room, Rome, Italy
<b>Side event title</b>
Full-cost accounting for sustainable food and nutrition security
<b>Key speakers/presenters</b>
<b>Welcome</b>
<ul style="list-style-type: none"> <li>• Hans Hoogeveen, Netherlands Ambassador to the FAO</li> </ul>
<b>Key Notes</b>
<ul style="list-style-type: none"> <li>• <a href="#">Mark Gough, Natural Capital Coalition</a></li> <li>• <a href="#">Nadia El-Hage Scialabba, FAO Climate and Environment Division</a></li> </ul>
<b>Panelists</b>
<ul style="list-style-type: none"> <li>• Alice Ruhweza, Conservation International</li> <li>• Petri Lehtonen, InduFor Group</li> <li>• Michaël Wilde, Eosta</li> </ul>
<b>Moderation</b>
<ul style="list-style-type: none"> <li>• Martin Lok, Ministry of Economic Affairs, Netherlands</li> </ul>
<b>Summary</b>
<p><b>Main themes/issues discussed:</b></p> <ul style="list-style-type: none"> <li>• Full-cost Accounting and natural capital accounting and its potential importance for greening the economy and achieving world food security within the limits of the earth's carrying capacity.</li> <li>• Experiences of practitioners with the application of full-cost accounting and natural capital accounting.</li> </ul> <p><b>Summary of key points:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Mark Gough</a> presented an overview of the emergence of and collaboration around Natural Capital approaches. He explained the concept of natural capital and outlined the four Stages of Natural Capital Protocol, including the underlying relevance of a capitals approach and the relation to other initiatives such as SDGs and disclosure. Gough presented several examples of how valuing impacts and dependencies in the food and beverages sector contribute to better decisions for a better world.</li> <li>• <a href="#">Nadia El-Hage Scialabba</a> presented key FAO-reports on full cost accounting of food since 2013. Her presentation included <i>Sustainability Assessment of Food and Agricultural Systems</i> (SAFA, 2013), the <i>Food Wastage Footprint</i> study (2014) and <i>Natural Capitals in Agriculture</i> (2015). The last report focused on natural capital costs associated with farming and upstream supply chains for beef, rice, soy and wheat. Scialabba concluded with the need to improve data and KPIs and the possible added value of full-cost accounting for taking better decisions and monitor progress towards the SDGs.</li> </ul>

The panel discussion aimed at sharing practical examples from different angles:

- Alice Ruhweza shared her experiences with creating a sound dataset of relevant indicators on the food-nature nexus, which help governments and businesses to take better decisions.
- Petri Lehtonen brought the experiences of country pilots in Rwanda and Indonesia to the discussion, where the International Finance Corporation collaborated with the Natural Capital Coalition and others to link governments efforts to create Natural Capital Accounts (building on UN-SEEA) with business application of the Natural Capital Protocol.
- Michaël Wilde presented the experiences of a retailer communicating to their consumers the full costs of food, including both environmental and social externalities, demonstrating that organic food is not expensive, as compared to conventional food that is too cheap because of unpaid externalities.

**Key outcomes/take away messages:**

- Collaboration amongst business, NGOs, governments, finance and academia is crucial to improve data quality and availability and to increase the application of natural capital thinking and full-cost accounting in relation to food security.
- It is also key to invest in creating and sharing practical experiences that contribute to joint learning and help to create convincing and context specific storylines around the added value of natural capital and full-cost accounting.
- There is a need to develop simple to use tools, datasets and key performance indicators (KPIs) that build on existing frameworks and methodologies and promote application by governments and agrifood enterprises, including SMEs. The FAO, IFC, the Natural Capital Coalition and Netherlands might consider creating proposals for collaborative action to develop these kind of tools, in collaboration with other interested governments and organisations.