

# InBestSoil

## MS 6.1 Selection of financial case in CSs for economic and financial innovation schemes

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## Summary

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## 1 Introduction

For each case study, WP6 explored possible financial and economic schemes (MS6.1), based on a SWOT analysis, conducted with communities. This analysis will support the analysis of the materiality and value proposition of proposed soil health improvement schemes, and financial and economic incentives able to motivate social change and explore policy enablers and barriers for their implementation (Task 6.3).

Considering the different case study contexts, case study coordinators pre-selected the following financial and economic schemes reported in D6.1 catalog: financial incentives, PES, disincentives, risk financing schemes, grant, land conversion fees, biodiversity offset, watershed investment programs. Each case study stakeholder explored the four elements of the SWOT analysis for at least two of possible financial and economic schemes. The selection criteria refer to familiarity in terms of application of the scheme and its sustainability, looking at environmental, social and governance considerations. In terms of strengths and weaknesses, they reflect on the advantages and disadvantages of the selected scheme as its internal aspects, including: applicability, beneficiaries, sources, returns, results, penalties and enforcement. In terms of opportunities and threats, stakeholders analyzed the good opportunities and obstacles of the scheme as its external aspects, including: trends, products or services changes, technology changes, debt or cash-flow problems, institutional barriers. A further reflection focused on the reasons for excluding the analysis of the other schemes, including: lack of knowledge, unsustainability, lack of applicability.

## 2 Results

Most case studies (6) analyzed PES as a possible scheme, immediately followed by financial incentives (5). Both schemes are price-based instruments. In the first case, payments are conditional on a specific ecosystem services outcomes and/or performance of agreed actions to enhance ES. CS1 Spain selected PES by highlighting the opportunity to be implemented at the EU level based on the knowledge coming from other Member States. CS2 Spain explored PES as it can focus on very specific objectives, which are important for the reclamation of mine soils. Indeed, this scheme is more interesting for that specific case study, as it is not focused on agricultural or livestock production (because of contamination). CS6 Latvia considered PES as an already running scheme. On the contrary, CS5 Lithuania underlined that PES are practically unknown for public financing in the country, hence it would be difficult to implement. Subsidies are financial incentives



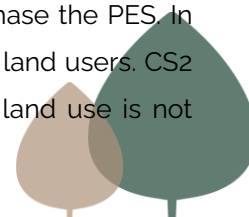
which governments provide businesses to offset operating costs in the long term. Financial incentives were the most straightforward schemes for CS4 Croatia. CS9 Switzerland explained that donors approached with their concept/interest and the aim was result-based payment schemes.

Four case studies chose disincentives, whereas two case studies identified biodiversity offset as to be considered. Disincentives can be price-based or regulatory instruments, such as land-use taxes which increase the price to be paid to environmental pollution. CS3 Spain considered this scheme as the most appropriate. CS4 Croatia analyzed this scheme as the most straightforward. Biodiversity offset are regulatory schemes and are measurable conservation outcomes resulting from compensating for significant residual biodiversity loss arising from project development after appropriate prevention and mitigation measures have been taken. CS1 Spain embraced the momentum of CBD after the Montreal COP by selecting this particular scheme. CS2 Spain believed that these instruments can be highly adaptable to mine conditions, seeking to reintroduce indigenous microorganisms, or those best suited to immobilize or degrade the appropriate contaminants.

A case study chose to analyze grants, another one risk financing schemes and another one land conversion fees. Grant is a price-based instrument which involves direct financial contributions for which no repayment is expected and to be used for defined purposes. CS5 Lithuania did not analyze this scheme due to its unpredictable long-term results. CS8 Italy did not consider this instrument since its features were unclear, hence they were unfamiliar with its implementation. On the contrary, CS6 Latvia perceived grant as an easy instrument with defined long term results. Grant could be a system if supported by finances and it could work step by step. Risk financing schemes are insurance-related instruments which transfer risks coming from payment transactions or contracts. CS3 Spain underlines that technosols are all about risk management hence this scheme is highly relevant. Land conversion fees are price-based instruments which involve the payment for land taken out from the production process and directing their use to ecological restoration. CS4 Croatia selected this scheme due to a lack of knowledge of the others.

## 2.1 Payment for Ecosystem Services (PES)

PES was analyzed by CS1 Spain, CS2 Spain, CS6 Latvia, CS7 Netherlands, CS8 Italy and CS9 Switzerland. Stakeholders identified several **strengths**. CS1 Spain highlighted that PES schemes achieve long-term results. Indeed, they are results-based payments (instead of action-based), i.e. BURREN schemes. CS8 Italy also believed that they are more cost-effective in the medium term. Governance must also be addressed and involve key stakeholders (CS1 Spain). Moreover, CS9 Switzerland underlined that they have a wide and clear future aim. CS7 Netherlands explained that specific agreements can be made quite directly with the stakeholders that purchase the PES. In addition, CS9 Switzerland pointed out that payment for ES is directly received by land users. CS2 Spain believes that this type of scheme results to be more appropriate as the land use is not

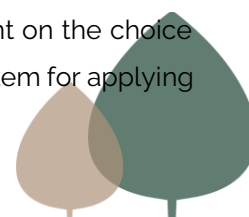


dedicated to agriculture and other ecosystem services must be considered. CS8 Italy stressed that PES directly promotes ecosystem services and practices that foster an improvement in ES. CS6 Latvia explained that nature protection areas have payments for ecosystem services for nature protection. Indeed, CS9 Switzerland stressed that PES has a wider environmental impact. Moreover, CS8 Italy affirmed that PES results are more effective in restoring soil fertility. They support more biodiversity and lower CO<sub>2</sub> emissions. Moreover, CS6 Latvia added that greening elements on fields are supported also financially.

Five case studies recognize some **weaknesses** of PES. CS6 Latvia pointed out that soil health issues are not taken into account. Moreover, CS1 Spain explained that this scheme includes pre-conditions on land management to ensure commitment. CS8 Italy also underlined a lack of information on PES rules. CS9 Switzerland explained that effects of measures can vary and there is no clear catalog of measures. CS2 Spain affirmed that PES depends very much on the availability of funds. Indeed, CS9 Switzerland specified that only ES during project time is rewarded. CS2 Spain reflected on the fact that measuring all ecosystem services can also be complicated. Indeed, CS8 Italy affirmed that there are problems in identifying measurement indicators and PES has high measurement costs. Similarly, CS9 Switzerland stressed that the process of measuring and evaluating ES costs time and money. CS8 Italy explained that some ES change slowly and the positive effect may not be easily achieved in the short term. Moreover, the case study highlighted delocalization between where the ecosystem loss occurs and where this loss is compensated by payment. Similarly, CS9 Switzerland acknowledged an issue of detectability.

In terms of **opportunities**, six case studies elaborated on different aspects. CS1 Spain affirmed that PES promotes landscape approaches to restore nature (i.e. Commonland). Indeed, CS2 Spain further explained that these incentives lead to the adoption of sustainable practices, which can lead to significant improvements in water quality, soil conservation and biodiversity. CS8 Italy also confirmed that they can also give value to services that people today perceive as free, due and infinite. In addition, PES can raise awareness of the benefits and relevance of ES on a larger scale. CS6 Latvia reflected on the fact that actors are motivated to keep the same management system for healthy soil. Indeed, since payments involve structure elements, systems are not going to be destroyed to get payment. CS7 Netherlands also highlighted that PES can lead to developing a set of indicators that can be measured easily. Indeed, CS9 Switzerland found that PES is easy to communicate. CS7 Netherlands further explained that these schemes can also support the development of a straightforward registration system for the farmers. CS8 Italy reflected on the fact that PES can promote social recognition for virtuous farmers.

Case studies reflected on several **threats** related to the PES scheme. CS1 Spain affirmed that PES involves a poor definition of monitoring standards, and indicators, leading to a major risk for investors. Indeed, CS9 Switzerland found that ES are broad and not measurable today. There are no existing reference systems nor existing blueprints (such as VCM, standardization, MRV). CS7 Netherlands pointed out that the effectiveness of the scheme is highly dependent on the choice of indicators to measure the impact. In addition, CS6 Latvia elaborated that the system for applying





PES is complicated and it will take the same time for farmers and foresters to adopt it. In addition, CS2 Spain underlined that PES may favor landowners with more resources or knowledge to apply for such incentives. PES requires measures with some complexity that may not be suitable for all types of landowners. CS6 Latvia affirmed that many areas are going under criteria because of a lack of finances to support all of them. If all areas are included in the category, they will get funding. CS8 Italy reflected on the fact that a threat could be represented by driving up the cost of agricultural land for housing purposes in peri-urban areas (retention of property pending new urban development opportunities). Finally, CS9 Switzerland warned that this scheme may be interpreted as greenwashing by the public if not communicated effectively.

## 2.2 Financial Incentives

CS4 Croatia, CS5 Lithuania, CS7 Netherlands, CS8 Italy and CS9 Switzerland, considered financial incentives as a financial case. Financial incentives for sustainable agricultural practices present a mix of strengths and weaknesses that are important to consider.

Among the **strengths**, CS4 Croatia highlighted that financial incentives can promote the conservation and restoration of ecosystems. Indeed, by providing economic rewards, landowners are encouraged to adopt practices that enhance biodiversity and ecosystem services. A concrete example is erosion control: by incentivizing sustainable land use, soil erosion can be significantly reduced, preserving soil health and water quality. From an economic perspective, offering direct subsidies or price premiums for sustainable practices can make these methods financially attractive to farmers and landowners. Additionally, by avoiding future expenditures associated with land degradation and remediation, governments and communities can achieve significant long-term savings. CS5 Lithuania identified one of the primary strengths of the financial incentives in their ease of implementation. They can be seamlessly connected with existing financial schemes aimed at promoting environmentally friendly practices and addressing climate change. This connection can make farmers more inclined to adopt the required measures, knowing that they align with existing support structures and offer tangible benefits. CS7 Netherlands pointed out that these incentives provide direct payments to farmers for implementing environmentally friendly practices. This financial support means that farmers do not have to shoulder the entire cost of these practices themselves, making it much more feasible for them to adopt sustainable methods without financial strain. CS9 Switzerland believes that the involvement of the private sector can bring additional resources and innovation to sustainability efforts. These incentives also ensure equal treatment of land users, regardless of how they managed their land before the project started, promoting fairness and inclusivity. The foundational concepts for these incentives, such as Voluntary Carbon Markets (VCM), are well-established and widely accepted, with developed measurement, reporting, and verification (MRV) systems. This established science and framework facilitate participation and ensure that payments are impact-based, meaning farmers are rewarded for the actual environmental benefits they achieve. Moreover, the direct climate effects of these



practices are easy to communicate, making it simpler to garner support and understanding from the public and stakeholders. CS8 Italy highlighted the economic recognition for those who apply virtuous practices, guaranteeing rewards to farmers who opt for environmentally friendly techniques. Moreover, the choice to join is voluntary, with no penalty for those who decide not to. This freedom is crucial, as it allows farmers to transition at their own pace, offering a safety net for potential economic losses when switching from one practice to another. This safety net was particularly important in mitigating errors due to inexperience. Furthermore, the incentives promote sustainable use of the land and help reduce environmental impact. Farmers can also rely on these financial supports regardless of whether specific targets are achieved, providing them with a steady income that helps them maintain their livelihoods during the transition period.

Case studies also pointed out some **weaknesses** to address. CS4 Croatia explained that small-scale farmers and landowners may have less access to these incentives compared to larger entities, creating disparities. Furthermore, there is a risk that financial incentives might focus on short-term gains rather than long-term sustainability. Ensuring that beneficiaries adhere to sustainable practices can be challenging, requiring comprehensive monitoring and enforcement mechanisms. CS5 Lithuania expressed one significant concern related to dependence of the scheme on continued funding. Without additional and sustained financial support, there is a risk that farmers might revert to unsustainable practices. Moreover, financial incentives for sustainability might sometimes conflict with other agricultural subsidies, leading to confusion or reduced effectiveness. CS7 Netherlands believed that the implementation of these schemes could also lead to some weaknesses. State-driven incentive programs are often bogged down by bureaucratic requirements, which can be incredibly time-consuming for farmers to navigate. This complexity can deter farmers from participating or cause significant delays in the implementation of sustainable practices. Moreover, these schemes typically focus on specific practices rather than broader environmental outcomes, which can limit their overall effectiveness. CS9 Switzerland reported detectability as one common issue to the PES scheme. Indeed, accurately measuring the impact of sustainable practices can be challenging. The current payment schemes are often measure-based, focusing on specific actions rather than broader outcomes, which can limit their effectiveness. Additionally, the climate balance of individual farms is not always considered, potentially overlooking the broader environmental impact of farming operations. CS8 Italy raised as a significant concern the fact that financial support is provided regardless of whether the objectives are achieved. This increases the risk that soil health may not improve, even with financial support. The bureaucracy surrounding these incentives is often complicated and causes delays in obtaining the equipment needed for conservation agriculture. For many farmers, this delay can translate into a high-risk scenario, making adopting new practices more daunting. Furthermore, incentives can place restrictions on crop management choices, limiting the flexibility that farmers have traditionally enjoyed. In addition, monitoring compliance with the requirements of the incentive measures has proven to be challenging, adding a layer of complexity to an already intricate system.



Financial incentives also present intriguing **opportunities**. CS4 Croatia highlighted that the scheme can support biodiversity protection and carbon sequestration, contributing to the fight against climate change. Moreover, they can stimulate research and development of new sustainable agricultural technologies and practices, fostering innovation in the sector. CS5 Lithuania believed that financial incentives hold great potential for improving biodiversity. By encouraging farmers to adopt sustainable practices, these incentives can help integrate environmentally sound methods into everyday agricultural activities more easily. This can lead to healthier ecosystems and more resilient agricultural systems overall. CS9 Switzerland identified the scalability of these incentives as a significant advantage. Indeed, they can be expanded to include more farms and regions, such as cantons, making it possible to have a larger overall impact. This scalability can help spread sustainable practices more widely and uniformly. CS7 Netherlands explained that one promising approach is developing a set of easily measurable indicators to assess environmental outcomes. By creating a straightforward registration system for farmers, the process can be streamlined, making it easier for them to participate and comply with the requirements. Furthermore, shifting from practice-based measurements to outcome-based measurements could significantly enhance the effectiveness of these schemes. This shift would focus on actual environmental improvements rather than ensuring that specific practices are followed. CS8 Italy believed that, despite these challenges, the opportunities offered by financial incentives are promising. They have the potential to stimulate changes in farming techniques among farmers who do not directly participate in the incentive program. For example, an incentive to purchase advanced machinery could benefit other farmers who could borrow or rent the equipment. Such incentives can create favorable economic conditions, allowing farms to update their production systems and combat problems such as land abandonment and rural depopulation. They also play a crucial role in raising public awareness and changing the mentality towards updated crop management practices. Indeed, by promoting technological innovation, they have paved the way for a more modern and efficient agricultural sector.

Despite these good opportunities, there are **threats** to consider. CS4 Croatia explained that poorly designed and monitored incentives may inadvertently encourage environmentally harmful practices. Incentive schemes might also lead to conflicts between agricultural and conservation goals. Finally, prioritizing short-term benefits over long-term sustainability can result in practices that fail to achieve lasting environmental improvements. In other words, financial incentives have the potential to promote more sustainable agriculture, but they need to be carefully designed and monitored to avoid negative side effects and ensure that the benefits are equitably distributed and enduring over time. CS5 Lithuania pointed out that the current international situation is fraught with uncertainties that can impact political decisions and the availability of funding. Economic instability or shifting political priorities might lead to reductions in financial support, undermining the long-term success of these incentive programs. In summary, while financial incentives for sustainable agriculture present a promising tool for promoting environmental stewardship and improving biodiversity, they must be carefully managed. Ensuring ongoing funding and navigating potential





conflicts with existing agricultural subsidies are crucial for their success. Additionally, the unpredictable international political and economic landscape poses a significant risk that needs to be continuously monitored and addressed. Similarly, CS7 Netherlands stressed that changes in the political climate and shifting priorities at the EU or national level can dramatically impact the funding and support for these programs. The effectiveness of the incentive schemes is also highly dependent on the choice of indicators used to measure their impact. If these indicators are not well chosen, the programs may fail to achieve their intended goals. Additionally, for these incentives to be truly effective, they need to be part of a broader strategy that includes taxing non-sustainable practices and creating a more comprehensive approach to promoting environmental sustainability. In summary, while financial incentives for sustainable agriculture offer significant potential to foster a healthier environment, their success relies on reducing bureaucratic hurdles, developing effective measurement indicators, and ensuring consistent political and financial support. By addressing these challenges and leveraging the available opportunities, these schemes can play a crucial role in promoting sustainable agricultural practices and achieving long-term environmental benefits. CS9 Switzerland found that one major threat is the possibility that no significant effects are detected due to climate fluctuations that obscure the impact of sustainable management practices. Furthermore, soils may reach a sequestration limit, beyond which they cannot absorb additional carbon, limiting the long-term benefits of these practices. There is also the risk of greenwashing by carbon credit companies aiming to capitalize on voluntary carbon markets without delivering genuine environmental benefits. In summary, while financial incentives for sustainable agriculture hold great promise due to private sector involvement, established frameworks, and the potential for equal treatment and scalability, they must address challenges related to detectability, measure-based payments, and the broader climate balance. Additionally, the threat of climate fluctuation, soil sequestration limits, and greenwashing must be managed carefully to ensure these programs deliver real and lasting environmental benefits. CS8 Italy elaborated on the fact that the motivation to change can fade in the absence of continuous incentives. Once financial support ends, there is a real risk that farmers will abandon new practices. Inadequate information and education for both farmers and policymakers can lead to the failure of these measures, resulting in unsatisfactory outcomes due to poorly designed incentive rules.

## 2.3 Disincentives

CS3 Spain, CS4 Croatia, CS5 Lithuania, and CS8 Italy reflected on disincentives as a financial case. CS3 Spain explained that technosols appear to be a good solution to neutralize industrial waste and soil contamination. Technosols are made with traces and waste materials of anthropocentric origin. The **strength** is thus the sustainable use of waste materials. CS4 Croatia affirmed that disincentives promote pollution management and sustainable land use by sending clear market signals to land users about the cost of environmental degradation. CS5 Lithuania pointed out additional taxes could encourage farmers to use sustainable and environmentally friendly land-



use practices. The strengths of disincentives lie in slowing down or stopping the use of potentially harmful agricultural practices. CS8 Italy reflected on the fact that the use of this financial scheme would also immediately limit the development of damage that could become more complex to manage, while the **weakness** is that technosols must be adapted to each specific case. CS3 Spain explained that, although there are general rules, the science behind technosols still needs to develop to have cheaper and broader applications. CS4 Croatia found the weakness of this financial scheme in the higher cost of (unsustainable) land use, increased global competition and the import of resources from non-taxed countries due to lower prices. CS5 Lithuania affirmed that disincentives are difficult and politically inconvenient measures to implement. CS8 Italy expressed that disincentives are difficult to formulate, apply in heterogeneous areas, and control/monitor (due to measurement problems and lack of scientific knowledge). Moreover, the benefits of applying disincentives may sometimes be lower than the cost of the practice to be discouraged. CS3 Spain explained that technosols is a technology that creates the **opportunity** to create synergies between different industries to neutralize pollutants and negative impacts on the environment. For example, the smell of waste is a problem for people living near the production site. Similarly, CS4 Croatia affirmed that these schemes offer an opportunity to improve the quality and health of the environment (i.e., restoration of ecosystems) by raising public awareness of the sustainable use of resources. CS5 Lithuania pointed out that farmers are a strong group, able to influence government decisions. If forced to use more sustainable practices, they might be more willing to collaborate with science to find better and cheaper solutions. In general, incentives are preferred because it is preferable to reward rather than punish. CS8 Italy underlined that the opportunity created by this financial scheme is the increase of awareness about the adoption of sustainable land use practices. Looking at **threats**, CS3 Spain explained that waste use requires analysis to ensure the salubrity of the starting materials. Therefore, the process of producing technosols is expensive and time-consuming, as it also requires moving large amounts of earth. Materials produced on-site or nearby minimize transport cost and environmental impact. Disincentives, such as soil conservation taxes, could promote using technosols, thus promoting the sustainable use of natural soils. In addition, CS4 Croatia pointed out that disincentives can lead to opposition from stakeholders and land users (through strikes) and influence political decisions. The threat is that farmer opposition can strongly influence the political will, even though the measures to be taken would only come into effect after a few years. CS5 Lithuania found that disincentives are better than subsidies, since it is difficult to predict for those last ones whether they will have long-term results. CS8 Italy reflected on the fact that disincentives could lead to a feeling of distrust in the system and the creation of conditions for abandoning the countryside (as the punitive system is often more of a problem than a solution). As mentioned earlier, disincentivizing a practice does not necessarily lead to the application of a better practice; on the contrary, it may create the risk of circumventing the constraint with pejorative effects and not educating virtuous practices.



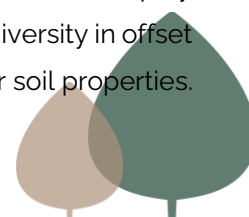
## 2.4 Biodiversity Offsets

CS1 and CS2 Spain considered biodiversity offset as a possible financial and economic scheme. CS1 Spain identified one of the main **strengths** of this scheme in the fact that they serve as a platform for capacity building among managers, by empowering them to make more informed decisions regarding biodiversity conservation and management. By engaging in offset projects, managers gain valuable experience and insights into the importance of biodiversity, enhancing their ability to navigate complex conservation challenges. CS2 Spain explained that a notable strength is the structured and regulated approach to conservation, with each restoration action meticulously planned to achieve measurable and meaningful objectives. This structured nature makes biodiversity offsets particularly suitable for restoring mining soil, where precise planning is crucial for successful rehabilitation.

However, CS1 Spain found that a significant **weakness** of biodiversity offsets lies in the lack of well-established development, standards, and definitions. This lack of clarity can lead to inconsistencies and uncertainties in project implementation, undermining the effectiveness of offset initiatives. CS2 Spain also highlighted that one significant drawback is the high cost of these schemes, coupled with the complexity of measuring effectiveness. These factors can pose challenges, particularly for projects with limited financial resources or technical expertise, potentially hindering widespread adoption.

Despite these challenges, CS1 Spain acknowledged that there are **opportunities** for the advancement of biodiversity offsets. There is a growing interest and attention from the financial sector and other stakeholders in biodiversity offsets. This heightened focus presents opportunities for the development of new markets and initiatives, such as the TNFD, which can drive innovation and investment in biodiversity conservation. Similarly, CS2 Spain affirmed that the structured approach of biodiversity offsets necessitates creative solutions to complex environmental problems. Moreover, enhancing biodiversity through these initiatives can bolster the long-term resilience of ecosystems, providing benefits that extend well beyond immediate restoration efforts.

CS1 Spain explained that biodiversity offsets face **threats** stemming from the ongoing controversy surrounding the definition of rules and commercial aspects of biodiversity. Disputes over these issues can create challenges in project implementation, leading to delays and uncertainties. Without clear and agreed-upon rules, stakeholders may question the legitimacy and effectiveness of biodiversity offset projects, undermining their conservation outcomes. In summary, while biodiversity offsets offer potential benefits for biodiversity conservation and capacity building among managers, they must address challenges related to standards and definitions to realize their full potential. By leveraging opportunities for engagement from the financial sector and other stakeholders, and navigating controversies surrounding project rules, biodiversity offsets can play a valuable role in conservation efforts. CS2 Spain found that focusing solely on biodiversity in offset projects may overlook the intricate relationships between soil organisms and other soil properties.



Soil ecosystems are incredibly complex, and neglecting these relationships could result in unintended consequences or incomplete restoration efforts. It is crucial to take a holistic approach, considering the broader ecological context to ensure comprehensive and effective conservation outcomes. In other words, biodiversity offsets offer a meticulously planned and regulated approach to conservation, particularly suited to mining land restoration, and fostering creative solutions to complex environmental issues. However, despite their structured nature, they face challenges such as high costs and complex measurements of effectiveness. Taking a holistic approach that considers the broader ecological context is essential to ensure comprehensive and effective conservation outcomes.

## 2.5 Grants

In terms of **strengths**, CS6 Latvia found that grants have clear rules, and the activities are undertaken in the current period. This scheme could do concrete activity with long-term impact. However, in terms of **weaknesses**, a grant should not be a cascade type to keep the result. Moreover, the supporting activities should be continued which could not occur. In terms of **opportunities**, grants could be involved for complex activities to keep the sustainable order of activities getting funding. Sometimes it is very important to do these activities continuously. Indeed, grants are irregularly associated with projects, and they are thus unsystematic and unpredictable. If there are changes of owners for properties, what was reached by the previous owner could lose effect when the new one is not familiar with the activities done by the grant scheme. This can represent a **threat**. Moreover, each grant has a different system of application and obligations.

## 2.6 Risk Financial Schemes

CS3 Spain considered risk financing schemes. The **strengths** are that technosols are also used to prevent and remediate pollution caused by mining, being a useful tool to turn urban and coal mine waste into a resource. Their application also saves a lot of money (related to the disposal of toxic waste) and reduces environmental damage (related to the dispersion of these substances into the environment).

The **weakness** is that the positive impact of technosols is all the greater the earlier they are applied, so they must be prepared before mining.

The **opportunity** lies in the proper mixing of the waste, which helps to dispose of it safely. However, this practice depends on the costs of industrial waste disposal, i.e. public regulation of waste disposal. It is a market made possible by these regulations; this represents a **threat**. This financial scheme was chosen because technosols are a useful measure for integrated risk prevention and management.



## 2.7 Land Conversion Fees

CS4 Croatia reflected on the land conversion fee. The **strengths** of this financial scheme are the enhancement of biodiversity, the reduction of areas of degradation, and the optimization of resource consumption, achieved through the restoration of natural areas. **Weaknesses**, on the other hand, are the disparity of the benefits obtained and the need for technical expertise in the application of these measures. **Opportunities** include improved soil health, water and biodiversity conservation, carbon sequestration, and scientific research opportunities. However, they can contribute to the spread of invasive and harmful species. Their application also requires expert intervention and the correct assessment of land values maybe cheated; this poses a **threat**.

