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Cluster on business models and investments

WHY A BUSINESS MODELS AND INVESTMENTS CLUSTER?

The **business models and investments cluster** brings together **Mission Soil-funded projects** and related initiatives working on the economic and financial dimensions of soil health. While the scientific and technological dimensions remain central to soil restoration, lasting impact depends on the development of **sustainable business models and investment mechanisms** that enable the adoption of soil-friendly practices across the EU. In the context of the work promoted by this cluster, business models are intended as the elements **that underpin the successful operations of a business or an organisation by outlining how they operate and deliver value** to their shareholders, customers, and the stakeholders at large.

This cluster therefore provides a platform for projects to collaborate on how to address specific challenges for **business models that are conductive to the full achievement of Mission Soil objectives**. Aspects addressed include sustainable financing, risk management, value creation, and stakeholder engagement. By sharing approaches and pooling insights, **and through the active cooperation of the involved projects**, the cluster supports the emergence of financially viable, socially inclusive, and ecologically sound models that deliver tangible returns for farmers, land managers, investors, and society at large in the context of Mission Soil objectives.

As a result, by helping to strengthen circularity and innovation in Europe's agro-business sector and rural economy, the cluster **aligns with the broader goals of the EU Mission 'A Soil Deal for Europe,' in particular its business dimension, as well as the EU Competitiveness Compass**.

Overview of the challenges identified and related potential solutions to be discussed and supported through the work of the cluster

Challenge	Description	Potential solutions
Traditional or environmentally-driven approaches	Many actors are either traditional farmers or environmentally-focused researchers, leading to limited adoption of innovative business models.	Support social innovation to engage local actors, demonstrate feasibility and impact of solutions, and measure performance (social, economic, environmental) to encourage buy-in.
Uneven access to tailored solutions across EU	Structural and regional disparities lead to uneven availability of context-specific solutions, with Southern Europe often underserved.	Develop regionally-tailored solutions that address specific soil degradation challenges and economic realities, especially in vulnerable areas.
Knowledge and capability gaps	Limited access to knowledge and capacity-building hampers the upscaling of innovative models adapted to local conditions.	Strengthen knowledge-sharing networks, technical support, and local advisory services to facilitate uptake by primary producers.
Lack of financial resources and investment readiness	Financial support is limited due to low awareness and risk aversion among both producers and investors.	Increase investor awareness, develop risk assessment tools, and offer tailored financial instruments to bridge the funding gap.
Risk and transition cost management	Primary producers face additional risks and costs when adopting new practices, with few incentives or protections.	Promote affordable risk-mitigation tools, blended finance, and financial rewards for positive-impact adoption; provide financial roadmaps and de-risking mechanisms.
Inadequate policy and regulatory support	Policy frameworks do not sufficiently support the scalability of soil-related innovations, especially at the local level.	Design supportive, context-sensitive policies that enable territorial replication rather than one-size-fits-all scaling; use EU good practices to guide local implementation.
Weak cross-sector coordination	Limited cooperation between policymakers, researchers, businesses, and investors hinders systemic progress.	Foster greater dialogue and collaboration across governance levels and stakeholder groups to align goals and accelerate innovation adoption.

HOW DO WE WORK?

The cluster is coordinated by Mission project **SoilValues** (Cluster Adviser), supported by the **Mission Soil Platform**, which facilitates meetings and enables collaboration, alongside the Directorate-General for Agriculture and Rural Development (**DG AGRI**) and the European Research Executive Agency (**REA**) providing strategic insights and ensuring alignment to the Mission Soil objectives. As of now, the cluster includes **39 representatives from 25 Mission Soil-funded projects**, including core BM&I-focused projects (e.g. **SoilValues**, **NOVASOIL**, **InBestSoil**) and others working on circular economy, spatial planning, or implementing Living Labs.

The BM&I Cluster operates as a project-driven platform for:

- identifying barriers and opportunities related to business model adoption;
- mapping actors, financing schemes, and territorial challenges;
- fostering collaboration across disciplines, including economics, finance, agriculture, and soil science;
- co-developing guidance tools and communication products for practitioners and investors.

In addition to regular online and in-person meetings, the cluster has set up smaller working groups to focus on three specific themes:

- typologies of soil-related business models;
- valuation methods for natural capital;
- policy and incentive frameworks.

For each of these three themes, **dedicated subgroups have already been launched – each with a clear leadership and dedicated group of experts**. The **work of each of the three groups is currently ongoing**, but the main elements being discussed and the type of actions – and related contents – agreed so far are described in more detail below.

SUBGROUP 1: TYPOLOGIES OF SOIL-RELATED BUSINESS MODELS

PURPOSE

The cluster is developing a shared typology of soil business models that captures both operational and strategic dimensions, reflecting variations in objectives, stakeholders, timeframes, and mechanisms of value creation. This typology of business models will serve as a reference point to identify replicable approaches, design targeted support measures, and inform communication with stakeholders.

PLANNED ACTIVITIES

The main aspects discussed under this subgroup include the following:

- what a business model is, what steps can/should be followed (protocol/tools);
- challenges in the usage of 'standard' business models canvases;
- elements to highlight when identifying environmental/social impacts;
- reflection on possible challenges in scalability of models vs community impacts;
- relevance of small-scale financing, impact investors, foundations, etc;
- collaboration models possible for involving both public and private actors.

EXPECTED OUTPUTS AND OUTCOMES

The approach discussed for the delivering of a concrete output is as follows:

- paper with an overview of typologies and possible pros/cons;
- practical approach with examples and experiences;
- targeted potentially to the leaders of Living Labs.

The concrete output is currently under design with the aim to achieve the following outcomes:

- facilitate a shared language to compare and design soil business models;
- support replication by identifying common traits and success factors;
- linking project experiences to practical policy and investment needs.

SUBGROUP 2: VALUATION METHODS FOR NATURAL CAPITAL

PURPOSE

A dedicated subgroup on natural capital valuation is working to align different project methodologies and move toward a scientifically consistent soil valuation framework. This synthesis, to be finalised by the end of 2025, will lay the groundwork for engaging early adopters from the finance and land management sectors starting in 2026. Key insights will be shared during the 2025 European Mission Soil Week and will culminate in a dedicated micro paper.

PLANNED ACTIVITIES

The main aspects discussed under this the subgroup include the following:

- Provide a common definition of ecosystem services to allow their valuation
    - review what projects do in those areas (e.g. methodologies applied)
    - assess how to develop business models (Public Policy / Collective Action)
- Identify and assess main elements/experiences in valuation of business models
    - tradability and eligibility criteria
    - data management assessment (meta-trends)
    - environmental shadow prices
    - bio-diversity credits
    - green corporate accounts
    - non-use values of ecosystem services
    - multi-reporting verification
    - other relevant standards and non-monetary criteria
- Review existing valuation methods for a tailored typology of financing contracts
    - micro-economy level related to local communities (e.g. micro-finance)
    - mesa-economy level related to regional level (e.g. regional bonds)
    - macro-economy level related to national/EU level (e.g. national/EU bonds)
    - green bond standards / social-community bonds
    - financial buffers vs bioremediation approaches
- Identify (and possibly engage with?) finance institution experimenting in the area.

EXPECTED OUTPUTS AND OUTCOMES

The concrete output is currently under design with the aim to achieve the following outcomes:

- bring together diverse methods into a coherent approach for soil valuation;
- lay the groundwork for engaging early adopters in finance and land use;
- address a growing demand for robust natural capital valuation tools.

SUBGROUP 3: POLICY AND INCENTIVE FRAMEWORKS FOR SOIL BUSINESS MODELS

PURPOSE

This activity looks at how policy instruments, such as subsidies, standards, and taxonomies, can help or hinder soil-related business models. It also considers the socio-economic diversity across Europe and how incentives can be tailored to different contexts. The results will be summarised in a micro paper with actionable recommendations for a wide range of stakeholders.

PLANNED ACTIVITIES

The main aspects discussed under this subgroup include the following:

- practices at different territorial levels (local, regional, national, EU);
- challenges and barriers preventing full policy support;
- trade-offs and dilemmas in implementing business models.

EXPECTED OUTPUTS AND OUTCOMES

The approach discussed for the delivering of a concrete output is as follows:

- build upon and expand beyond Novasoil Case Studies (UK, IT, ES, BG, LT, SK, DE, NE).

The concrete output is currently under design with the aim to achieve the following outcomes:

- identify real-world levers and barriers to scaling soil solutions;
- support evidence-based policy design tailored to local contexts;
- link technical solutions to the policy and funding landscape needed for their uptake.

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