



LIFE OrgBalt Demonstration of climate change mitigation potential of nutrients rich organic soils in Baltic States and Finland

Action C2 Task 3: Elaboration of methodology for socio-economic analysis of the proposed measures



Latvia University of Life Sciences and Technologies



LITHUANIAN RESEARCH CENTRE FOR AGRICULTURE AND FORESTRY



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Deliverable/deadline

- Methodology for socio-economic analysis of the proposed measures
– **31/08/2022**

Aim and scope

- to elaborate methodology for socio-economic impact assessment of the proposed climate change mitigation measures
- to apply the assessment methods both determine the full range of impacts (e.g. in terms of income, employment, economic benefits of GHG capture, etc.) and evaluate the social, environmental, economic implications of each of the specific proposed measures
- each of the proposed measures provide different types of benefits – financial profit from economic activity, economic benefits, social benefits, diversified ecosystem services, GHG emission reduction.

Socio-economic model I

Model results can be interpreted in two ways:

- return of private investment (financial) (based on investment and return on investment), and
- valuation (economic) of national common good (mainly based on climate benefits).

Socio-economical model II

- 1. Income or financial return** provided by the measure implemented (investments, maintenance costs, expected revenue).
- 2. Economical benefits or economic return** - whether the total benefits (financial, GHG emission changes, employment, nature conservation, etc.) of each measure in their present value are higher or lower than the total investments (financial investment, renewal, maintenance and production costs) of their present value.
- 3. Funding deficit rate** is a part (%) of investment costs not covered by net revenue generated by the particular climate change mitigation measure type (operating income minus restoration, maintenance and production costs).



Thank you!



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