

Thematic Group on the Green Architecture: Designing Green Strategies

Background Paper

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1. Introduction and context

An important objective of the 2023-27 CAP is to increase the environmental and climate ambition of CAP Strategic Plans (CSPs). In drafting their CSPs, Member States were also required to take account of the objectives and targets of key EU environmental and climate laws (and plans stemming from these) as listed in Annex XIII of the CSP Regulation¹. The CSPs also had to set out their contribution to the EU-level ambitions of the Farm to Fork Strategy² and the Biodiversity Strategy³ as part of the Green Deal⁴.

Within the CAP there is a range of rules and tools that Member States can use to improve the environmental performance of land management and rural areas. These are collectively known as the CAP's 'green architecture' (GA). They can be used in a variety of combinations by Member States to create a 'green strategy' within the CSP to deliver against the needs and priorities identified.

The Thematic Group on the Green Architecture: designing green strategies provides an opportunity to bring Member State representatives and stakeholders together to reflect on the state of play across the EU and explore what lessons can be learned about the design of effective and coherent green strategies to address Member States' environmental and climate needs in different contexts using the interventions available within the green architecture.

The **objectives** of this TG are to:

- Share experiences on the design and implementation of green strategies, including how various elements of the green architecture have been utilised to meet the specific environmental and climate needs.
- Explore the relative merits of the approaches taken (focusing on specific examples), including the difficulties and challenges faced.
- Focusing on specific examples, explore issues relating to implementation and how the different elements of the green architecture work together in practice.
- Develop ideas and recommendations for further improving green strategies in terms of the interventions used, their design and funding.

¹ [Regulation \(EU\) 2021/2115](#)

² [Farm to Fork Strategy](#)

³ [Biodiversity Strategy](#)

⁴ [European Green Deal](#)

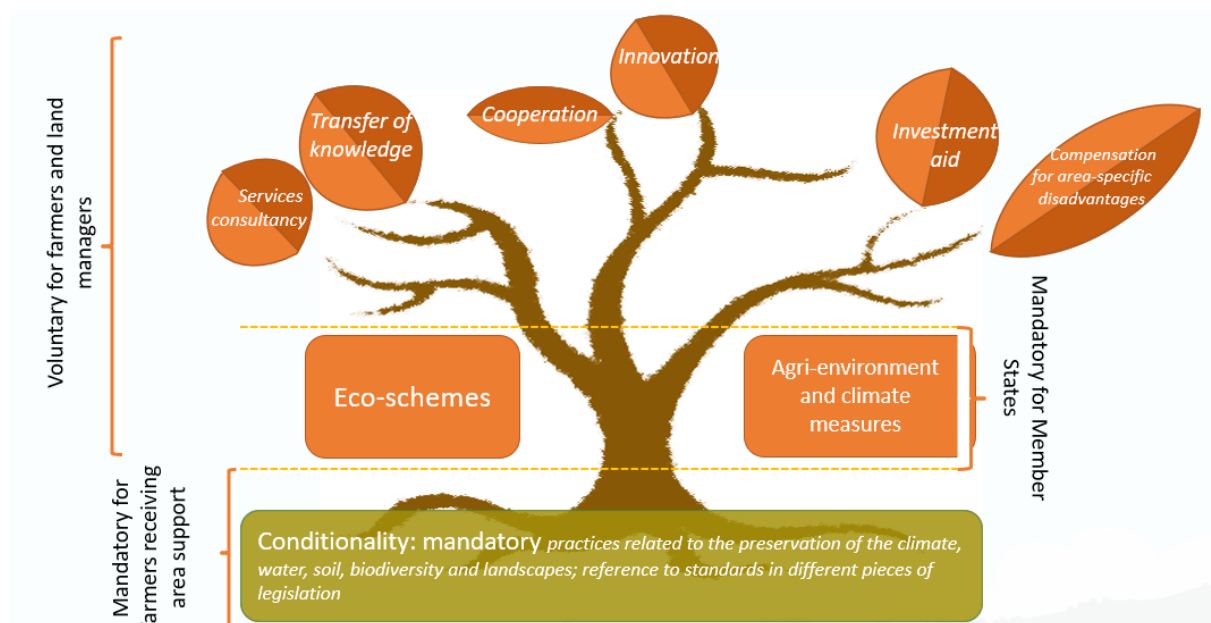


This background paper provides an overview of the CAP's green architecture, the interventions included, the flexibilities given to Member States in the design of their green strategies as well as some of the issues arising to date.

2. What is the CAP's green architecture?

The CAP's **'green architecture'** (see Figure 1) is the suite of rules and tools for improving the environmental and climate performance of farming, food production, land management and rural areas. It encompasses rules about what land is eligible for CAP support, places obligations on farmers (via conditionality) and includes various interventions such as eco-schemes, agri-environment-climate commitments (AECC), compensation for area-specific disadvantages (e.g. relating to Natura 2000 or the Water Framework Directive), as well as green and non-productive investments, knowledge exchange and cooperation (see Box 1).

Figure 1 : CAP Green Architecture



(Source: European Commission 2023)

Member States are required to make eco-schemes and agri-environment-climate schemes available for farmers and land managers but otherwise have the freedom to choose which interventions they want to use and design them in a way that addresses their needs. A minimum of 25% of the direct payments budget needs to be allocated



to eco-schemes, and at least 35% of the European Agricultural and Rural Development Fund (EAFRD) budget should go to certain interventions addressing the CAP's environmental objectives and animal welfare⁵. There is some flexibility between these two minimum percentages, and a number of Member States have used this option.

Box 1: CAP rules and interventions covered by the green architecture

Conditionality rules: baseline conditions for receipt of CAP area-based payments, covering both compliance with legal standards ('statutory management requirements' (SMRs)), and nine additional standards of 'Good Agricultural and Environmental Condition' (GAECs). GAEC standards need to be further defined by Member States and approved by the Commission. Member States can also set additional standards, which six have opted for⁶.

Eco-schemes: voluntary schemes going beyond conditionality and other mandatory requirements. Funded by the European Agricultural Guarantee Fund (EAGF), these are only open to farmers or groups of farmers. In most cases, the same schemes are offered nationwide, and in the majority of cases these are annual payments, which should meet at least two objectives relating to environmental and animal welfare issues.⁷

Agri-environment and climate commitments: voluntary schemes going beyond conditionality and other mandatory requirements. These are funded under the EAFRD and are open to farmers and other land managers. These are multi-year schemes that are more regionally targeted than eco-schemes. Whilst they can be complementary to eco-schemes, their specific actions should not overlap to avoid double funding.

Compensation for area-specific disadvantages: compensates farmers for costs stemming from mandatory requirements from the EU Water Framework Directive and the EU Birds and Habitats Directives.

Green and non-productive investments: payments compensating for productive and non-productive investments, including investment in afforestation in line with sustainable forest management and irrigation operations.

⁵ Covering: agri-environment and climate commitments, payments for area-specific disadvantages linked to EU environmental regulations, investments linked to environmental and animal welfare objectives, and 50% of payments for areas of natural constraint (ANC). While ANC is not formally part of the GA (payments for ANCs primarily contribute to ensuring a fair income and allow farmers to continue agricultural land management to prevent land abandonment), as a result of the political agreement reflected in the CSP regulation, it contributes partly to the EAFRD ring-fencing.

⁶ AT, BE-FL, ES, LV, NL and FI, see European Commission 2023, [Approved 28 CAP Strategic Plans \(2023-2027\)](#): pp. 56-7.

⁷ See the CAP Network's Thematic Group on Eco-schemes [background briefing](#) for an overview



Knowledge exchange, advice and cooperation: All Member States are mandated to provide farm advisory services to equip farmers with the requisite knowledge for adopting greener agricultural methods. Voluntary actions to improve knowledge exchange and dissemination of information may equally be incentivised. Member States may also incentivise cooperation via, e.g., EIP operational groups, LEADER groups, cooperatives and inter-branch organisations, groups to prepare/implement smart village strategies, quality schemes, as well as collective environmental and climate action.

Sectoral support: supports a range of interventions across different sectors, such as investments, training and advice and organic production. CAP aid for the wine and fruit and vegetable sectors is subject to minimum spending on environment and climate protection – 5% for wine and 15% for fruit and vegetables.

As part of the ‘strategic planning’ process, Member States are required to programme green architecture interventions to address their needs in relation to the CAP’s second general objective: environmental protection. This breaks down into three specific objectives:

- SO4: to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy;
- SO5: to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency; and
- SO6: to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes.

Each CSP must include a SWOT⁸ analysis and needs assessment, to identify the current situation and priority areas of intervention. The suite of interventions chosen should operate synergistically to deliver the intended outcomes, creating a ‘green strategy’ within the CSP for each Member State. Further, Member States are required to set targets for relevant result indicators that relate to each specific objective, as set out in Table 1.

⁸ Strengths, Weaknesses, Opportunities and Threats.



Table 1: Result indicators for SOs 4-6

Specific objective	Result indicator
S04	R.12 Adaptation to climate change
	R.13PR Reducing emissions in the livestock sector
	R.14PR Carbon storage in soils and biomass
	R.15 Renewable energy from agriculture, forestry and from other renewable sources
	R.16 Investments (mitigation and adaptation, renewable energy or biomaterials)
	R.17PR Afforested land
S05	R.18 Investment support for the forest sector
	R.19PR Improving and protecting soils
	R.20PR Improving air quality
	R.21PR Protecting water quality
	R.22PR Sustainable nutrient management
	R.23PR Sustainable water use
	R.24PR Sustainable and reduced use of pesticides
	R.25 Environmental performance in the livestock sector
	R.26 Investments related to natural resources
	R.27 Environmental or climate-related performance through investment in rural areas
R.28 Environmental or climate-related performance through knowledge and innovation	
S06	R.29PR Development of organic agriculture
	R.30PR Supporting sustainable forest management
	R.31PR Preserving habitats and species
	R.32 Investments related to biodiversity
	R.33 Improving Natura 2000 management
	R.34PR Preserving landscape features

Source: CSP Regulation (EU) 2021/2115

An overview of Member States' targets for result indicators relating to the Green Architecture is included as an annex.

Taken together, Member States are required to demonstrate that the Strategic Plan reflects overall greater environmental and climate ambition compared to the 2014-2020 CAP. Further, they are required to review and update their CSPs when new climate or environmental legislation comes into force.



3. Use of the green architecture in Member States

Member States have adopted various approaches to developing such strategies using different elements of the green architecture. The recent study⁹, mapping the focus of the 28 CSPs in relation to the CAP's specific objectives, examined the different approaches taken to CSP design in relation to each of the CAP's specific objectives.

3.1 Overview of interventions used

Across the 28 CSPs, Member States identified 524 needs relating to climate and environmental objectives. Expenditure on environmental and climate objectives is the second highest (after economic objectives). Most of this expenditure is allocated to eco-schemes: EUR 44.7 billion (24% of the EAGF), covering 70% of EU utilised agricultural area (UAA). EAFRD interventions covered by the earmarking for climate, environment and animal welfare come to EUR 31.6 billion, 48% of the Fund's budget. Almost a third (30%) of the EAFRD, totalling EUR 33.2 billion (with co-financing), is allocated to the intervention for climate, environmental and other management commitments. These cover 15% of EU UAA. All but one Member State supports environmental objectives via investment measures, with around half of support for investments deemed to contribute to environmental or climate objectives¹⁰.

3.2 Specific objectives

In terms of objectives and needs, most Member States identify similar needs, but differ in those which they prioritise.

Specific objective	Focus of interventions	GA elements used
SO4	<ul style="list-style-type: none"> Climate mitigation, especially carbon sequestration Less focus on reducing GHGs Less overall focus on adaptation, expect for sectoral interventions 	<ul style="list-style-type: none"> GAEC standards Eligibility conditions (e.g. agroforestry) Eco-schemes AECC Investments Sectoral support
SO5	<ul style="list-style-type: none"> Water status and quality, sustainable water use, soil erosion, soil health, ammonia emissions, 	<ul style="list-style-type: none"> Conditionality – SMRs and GAECs Eco-schemes AECC

⁹ [Mapping and analysis of CAP strategic plans](#)

¹⁰ Ibid, p. 383.



	nutrient pollution, pesticide use and organic production (over 20 CSPs) <ul style="list-style-type: none"> Slightly less focus on water retention and reduction of gases and pollutants other than ammonia (10-20 CSPs) 	<ul style="list-style-type: none"> Green investments (including investments in irrigation efficiency and infrastructure - around half of all CSPs support increases in irrigated area)
SO6	<ul style="list-style-type: none"> Habitat protection and high nature value farming Farmland species' protection and knowledge and training, but to a slightly lesser extent Less focus on genetic diversity 	<ul style="list-style-type: none"> Conditionality – SMRs and GAEC standards for landscape features (including field margins) and preservation of wetlands Eco-schemes (grasslands, landscape features and reduced input use/pollution) AECC Non-productive investments (27 CSPs include investment support for landscape actions)

Member States particularly deploy innovative or targeted scheme design in relation to SO6, including result-based measures or collective (landscape-level) approaches. At the same time, such targeted schemes often have small budgets and low target areas.

Box 2: Contribution to the EU's Green Deal targets

It is not a legal requirement for CSPs to contribute to the targets of the EU Green Deal. However Member States are required to set out the expected contribution in their CAP plans. Most CSPs provide this overview, but do not set related targets, e.g. for reductions relating to pesticide use and nutrient losses. The Green Deal target that is most addressed in the CSPs is the organic farming one, for which the share of support will increase from 5.6% UAA in 2020 to 10% UAA in 2027.



4. Issues arising during the first year of implementation

The implementation of the CAP’s green architecture has involved a novel approach to programming both CAP funds, including new interventions notably eco-schemes. Some of the key implementation challenges and successes identified by managing authorities and stakeholders to date are set out in the table below¹¹.

Issue	Specific challenges	Successes
Interaction between interventions	<ul style="list-style-type: none"> Incoherence between interventions / requirements at national and regional level (e.g. matching national eco-schemes to regional AECC in some countries, but also eligibility criteria and conditionality) Overlap between interventions but with differing requirements creates competition and confusion for beneficiaries, often their separation feels artificial Different remuneration for the same action depending on which intervention it falls under Difficulty of creating synergies between EAGF and EAFRD interventions Rules to avoid double funding means some farmers are excluded from multiple schemes e.g. organic farming and extensive grazing 	<ul style="list-style-type: none"> In some countries the interplay between interventions works well, including between national eco-schemes and regional AECC e.g. AECC can be used for regionally adapted measures and eco-schemes for nation-wide ones, or for “basic” actions (“light green”) and more environmentally ambitious ones (“darker green”) Example of eco-schemes and AECC being integrated under one umbrella and seen as one package when communicating with farmers (including with GAECs – schemes are designed to fulfil GAECs too). Farmers are incentivised to be more ambitious by having basic requirements for the eco-scheme measure, with top-up payments if they go beyond.
Administrative burden	<ul style="list-style-type: none"> New Delivery Model is more complex than previous CAP 	

¹¹ This information is based on: responses to the Expression of Interest (Eoi) process for this Thematic Group and informal discussions held in January 2024 on the Green Architecture under the [Eco-schemes Thematic Group](#).



	<ul style="list-style-type: none"> Assessing performance based on uptake creates administrative burden, and can deter innovative approaches for which it is hard to predict uptake 	
Scheme design	<ul style="list-style-type: none"> Overly-prescriptive nature of some requirements is not appropriate (i.e. should be adaptable to climate risks and other variables) Many schemes (including eco-schemes) seen as overly complex and difficult for farmers to understand the requirements Different starting conditions and issues with implementing the GA in more intensive regions/ differentiating between intensive and extensive Eligibility conditions can be overly restrictive e.g. 'active farmer' 	<ul style="list-style-type: none"> Annual nature of eco-schemes makes them easier to adapt than AECC
Payment rates/ budgets	<ul style="list-style-type: none"> Low payment rates and budgets for more ambitious schemes Eco-scheme premia are not fixed – difficult for farms' financial management Low payment rates due to high uptake of eco-schemes may limit their uptake in future years For most eco-schemes premia are nationally calculated, not reflecting regional variation in opportunity costs 	<ul style="list-style-type: none"> In certain MS payment levels are regionally adapted
Targeting	<ul style="list-style-type: none"> Conditionality not adapted to local circumstances Eco-schemes not sufficiently adapted to regional circumstances or challenges, or agronomic needs 	<ul style="list-style-type: none"> In certain MS eco-schemes are regionally adapted
Education and advice	<ul style="list-style-type: none"> Lack of awareness of ecology/ environmental processes resistance to taking action to address environmental challenges Need for better advice and facilitation to improve farmers' understanding of issues and hence uptake of schemes 	<ul style="list-style-type: none"> In some cases facilitation and advice was seen to be working well



<p>Economic goals/ opportunities</p>	<ul style="list-style-type: none"> GA interventions need to link more closely to farm economics and production Need more join up between food chain actors to link CAP interventions to new market opportunities for sustainable products 	
<p>Monitoring, performance and controls</p>	<ul style="list-style-type: none"> Lack of framework for ex-ante evaluation of impact Difficulties with indicators and measuring outcomes, including due to lack of clear definitions / ways to measure sustainability Annual nature of eco-schemes makes monitoring benefits difficult Difficulties in designing more result-based measures Issues with designing and carrying out controls, and link between this and prescriptive scheme requirements 	
<p>Environmental ambition</p>	<ul style="list-style-type: none"> Challenge to increase uptake of more ambitious schemes vis-a-vis 'light green' <p>Difficulty of assessing Member States' ambition against each other given high flexibility of GA design</p>	<ul style="list-style-type: none"> Others see improvements and emphasise the need to not make big changes

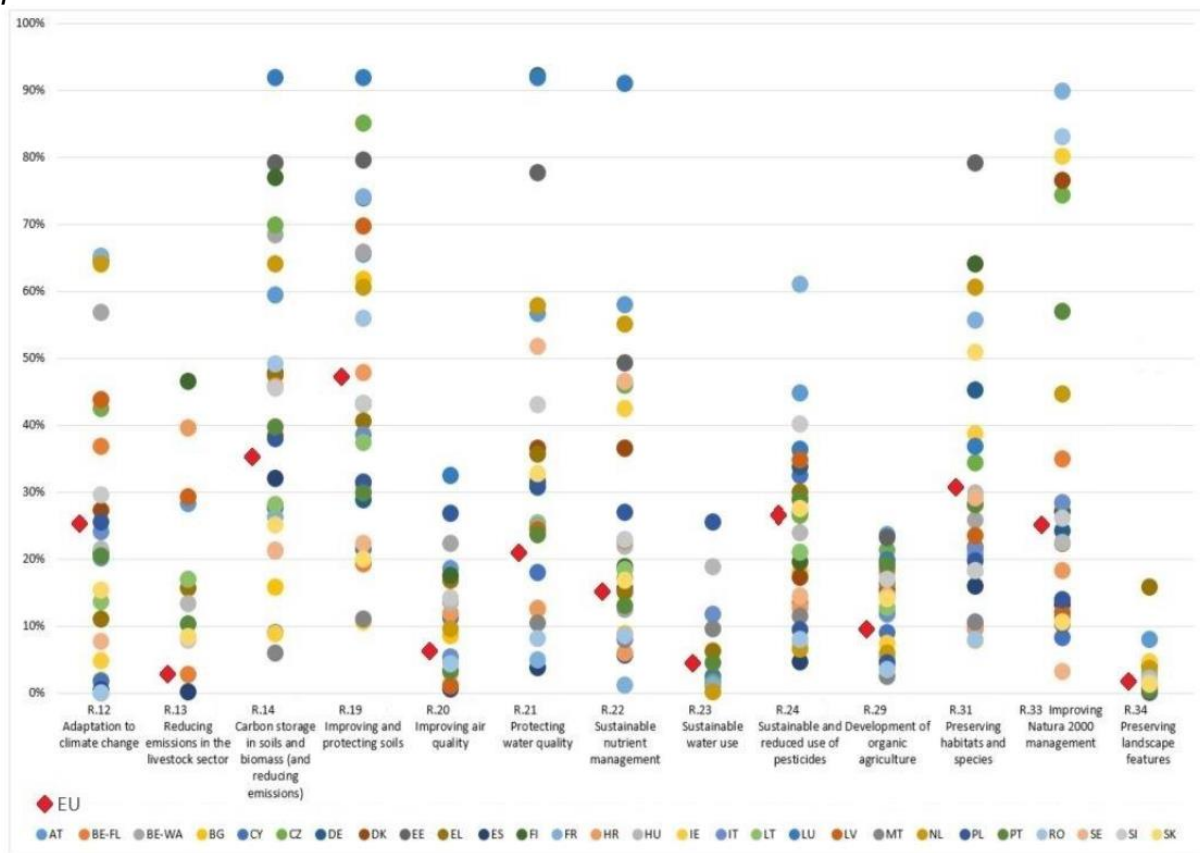
Disclaimer

This document has been developed as part of the work carried out by the CAP Implementation Contact Point under the EU CAP Network to support the activities of the Thematic Group (TG) on Green Architecture – designing green strategies. The information and views set out in this document do not necessarily reflect the official opinion of the European Commission.



Annex

Member States' targets for selected result indicators relating to the Green Architecture (% of UAA under dedicated practices; for R.13, % of the livestock units under dedicated practices). *N.b. a limited number are subject to correction as part of the modification process of CSPs.*



Source: [Approved 28 CAP Strategic Plans \(2023-2027\)](#), p. 60

