



## Policy Insights

# CAP's Green Architecture components

An important focus of the [Common Agricultural Policy \(CAP\)](#) for its 2023-2027 period relates to [environmental sustainability](#) – as an integral part of the [European Green Deal](#). The new environmental support possibilities are included in both Pillars of the CAP and this comprehensive strategic approach, together with a modernised mix of policy tools is collectively known as the CAP's Green Architecture.

Green Architecture describes the CAP components that can be harmonised to provide a coordinated policy toolkit at EU and national levels supporting [environmental and climate benefits](#) for the EU. Policy priorities being supported by this Green Architecture address escalating risks such as: climate change and degradation of soil, water, and air quality. It also addresses loss of [pollinators](#), habitat damage, pollution, invasive species, overexploitation, and other biodiversity challenges. Waste management, resource efficiency, deforestation, antimicrobial resistance and animal welfare are also within the scope of CAP's Green Architecture.

A fundamental feature of the Green Architecture policy framework is its [blending of simplified voluntary and mandatory policy tools](#) delivering annual and multi-annual funding options. Compulsory standards concerning good environmental practices (conditionality system) control CAP payment conditions from [Pillar 1](#), while [Pillar 2](#) provides further incentives for sustainable development of the EU's agri-food sector and overall rural economy. From 2023, these policy tools are coordinated and implemented through the Member States' national [CAP strategic plans](#) (CSPs).

## Green Architecture tools

CSPs' Green Architecture toolkit includes five key CAP components: Conditionality; Eco-schemes; Rural development interventions; Producer Organisations' operational programmes; and Farm advisory services. These are described in figure 1.

## Green synergies

CSPs coordinate this Green Architecture toolkit to provide synergies both across the CAP funding system and with other European Green Deal components - including objectives related to climate change in the [Effort-Sharing Regulation, Land Use, Land Use Change and Forestry \(LULUCF\)](#), and Member States' Prioritised Action Frameworks on biodiversity, among others noted in Annex [XIII of the CSP regulation](#).

[Success factors](#) for this green policy synergy involve CSPs that balance mandatory and voluntary tools in ways that achieve and maximise measurable uptake of the CAP's Green Architecture components.

Figure 1: CAP Green Architecture toolkit

## Conditionality

**Conditionality** (formally Cross-**Compliance**) helps Member States use Pillar 1 **Direct Payments** and area/animal payments funded under Pillar 2 to promote a high degree of sustainability and a level playing field. Payments are conditional on a set of **Good Agricultural and Environmental Conditions** (GAECs) and **Statutory Management Requirements** (SMRs).

GAECs set standards for protecting soil and water quality, mitigating and adapting to climate change, land management, and biodiversity conservation.

SMRs help CAP funds contribute to other EU policies including those concerning the environment, plant protection products, food safety and health.

## Producer Groups' Operational programmes

At least 15% of CAP expenditure in operational programmes (used by **Producer Organisations** via **sector-specific aid schemes**) is obliged to provide positive environmental outcomes.

Producer Organisations in all agricultural sectors can take advantage of this aspect of the CAP's Green Architecture. Fruit and Vegetable sectors in particular possess transferable knowhow about using operational programmes for environmental and climate purposes.

**Sustainability Agreements** and **organic food systems** are among the main greening foci of CAP funding for operational programmes and their Producer Organisations.

## Eco-schemes

**Eco-schemes** are a new CAP tool for the 2023-2027 period. Member States must allocate at least 25% of their direct payments budget to eco-schemes, but participation in the schemes by farmers is voluntary.

Eco-schemes reward a range of ambitious climate- and environment-friendly practices (e.g. **organic farming**, **agro-ecology**, **carbon farming**, and **animal welfare**) that go beyond the baseline.

These schemes provide annual payments and can be used to boost environmental and climate benefits.

## Rural development

Member States must allocate at least 35% of the EAFRD budget to rural development interventions contributing to environment, climate and animal welfare objectives.

**Rural development interventions** offer a diverse range of voluntary Green Architecture tools. This Pillar 2 funding can support environmental and climate-related management commitments, green investments, risk management, cooperation, knowledge exchange and dissemination of information.

Interventions can cover multi-annual periods and support **biodiversity habitats and landscape features**, pesticide management, carbon storage, **emissions reductions and renewable energy**, climate adaptation, water use and water balance, agroforestry, and sustainable forest management, in addition to animal welfare and other environmental outcomes.

## Farm advisors

The **farm advisory system** (FAS) is a mandatory CAP tool for Member States which provides advisory services for farmers and other CAP beneficiaries. Advice covers agri-food and forestry methods in a wide range of areas.

FAS supports both new farmers and existing farmers in agricultural techniques associated with climate change resilience, including for example conversion of production patterns to improve sustainable management of nutrients or prevent antimicrobial resistance.

FAS is also involved with developing new technological and scientific knowledge on sustainability through **agri-food research and innovation initiatives**.



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