

# Green Architecture – Member States' approaches to designing green strategies in their CAP Strategic Plans

The following is based on insightful exchanges by members of the **Thematic Group on green architecture**. They provided various examples of how the elements of the Common Agricultural Policy's (CAP) green architecture are being utilised by EU Member States in their CAP Strategic Plans (CSPs) to address their climate and environmental needs. This factsheet is complemented by findings of the **analytical work** conducted by the EU CAP Network on the different approaches taken in eight selected EU Member States<sup>1</sup> to designing green strategies.

## The CAP's green architecture

The CAP's 'green architecture' is the set of interventions for improving the environmental and climate performance of farming, food production, land management and rural areas. It encompasses the obligations on farmers (via conditionality requirements<sup>2</sup>) and includes various interventions, all of which are voluntary for farmers<sup>3</sup> (see Figure 1).

Eco-schemes, environment-climate commitments (ENVCLIM) and compensation for area-specific disadvantages (e.g. relating to Natura 2000 or Water Framework Directive) are area-based and directly interact with conditionality going beyond its mandatory requirements. The interventions can be designed to build on the requirements of the GAEC standards, or be independent from them.

### Communicating about the CAP's green architecture - the Austrian menu approach

Austria has a single agri-environmental programme (ÖPUL) covering multiple CAP interventions (eco-schemes, compensation for area-specific disadvantages and agri-environment-climate commitments). A modular approach has been adopted, containing 25 measures that farmers can choose from. Top-up payments are available for additional measures that can be combined with the baseline measures. When communicating about the different options and when applying for the different interventions, there is no distinction made regarding the different funding sources. The advisory system is key to communicating interventions to farmers to ensure a high uptake. To be eligible for some measures, farmers must participate in a training session during the commitment period.

Box 1

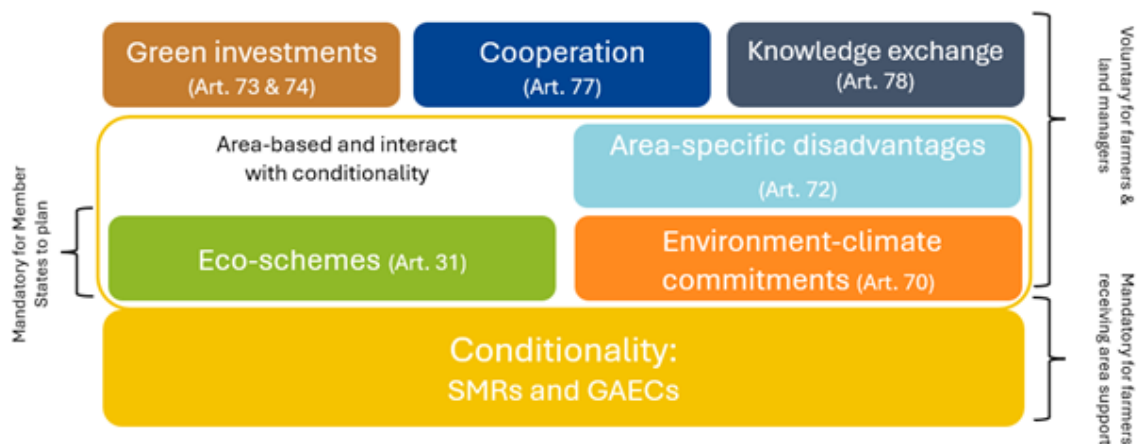


Figure 1: Green Architecture interventions (Source: Own compilation based on Regulation (EU) 2021/2115<sup>4</sup>)

<sup>1</sup> Austria, Finland, Hungary, Ireland, Lithuania, the Netherlands, Romania and Spain.

<sup>2</sup> Statutory management requirements (SMRs) apply to all farmers whether or not they receive support under the CAP. The standards of Good Agricultural and Environmental Condition (GAEC) underpin all CAP area-based interventions. GAECs include requirements such as for the maintenance of permanent grassland, protection of wetland and peatland, establishment of buffer strips, tillage management, minimum soil cover, crop rotation and retention of landscape features. Member States can adapt them according to their situation.

<sup>3</sup> The Areas of Natural Constraint (ANC) intervention is not considered part of the CAP's green architecture and therefore is not covered by this factsheet.

<sup>4</sup> <https://eur-lex.europa.eu/eli/reg/2021/2115/oj>.



During the programming of their CAP Strategic Plans (CSPs), Member States were required to identify their climate and environmental needs and then design their interventions to deliver the intended outcomes to meet them, creating a 'green strategy' within their CSP. Member States are required to make eco-schemes and agri-environment-climate commitments<sup>5</sup> (AECC) available, but otherwise have the freedom to choose which interventions they want to use<sup>6</sup>. They may decide to address certain needs using national funding schemes. For example, some Member States choose not to fund forest related or bioeconomy measures from the CAP (e.g. Finland and Sweden), using national or other EU funding streams (e.g. Structural Funds) instead.



### CAP Simplification and national funding schemes - experiences from Sweden

To avoid issues that had arisen in the CAP funding period 2014-2022, Sweden focused on limiting the complexity in the design of its green architecture. Complex multi-annual schemes previously funded under the ENVCLIM intervention were either moved out of the CAP and converted into national schemes or converted into simpler eco-schemes. The interventions do not build on each other but each one has a different focus. Experience in Sweden shows that one-year commitments have a better uptake and acceptance by farmers (although this might be different in other countries). Extension services and an increased coordination of regional CAP authorities were considered as key for success. Moreover, the national CAP Network is now more involved in supporting the implementation.

Box 2

### Member States' use of the different green architecture interventions

Most Member States only use eco-schemes, ENVCLIM and green investments to a significant extent for environmental and climate purposes. Biodiversity objectives (SO6), particularly those that require more tailored management are mainly carried out in most Member States through AECC while eco-schemes have a slightly greater focus on climate (SO4) and resource management (SO5), alongside biodiversity actions. This might be linked to the fact that the multi-annual nature of the AECC may be considered to be more suited to achieving complex biodiversity outcomes. This has been an active strategy taken in some cases, such as in Spain or Austria. The non-productive investment intervention may also be used to support the implementation of the AECC, for example to make the capital investments required for habitat restoration or to reduce emissions. Green investments more generally are used to deliver against all three SOs (SO4, SO5 and SO6).

The dominance of these three types of intervention is also reflected in their proportion of total public expenditure. Overall, the interventions for compensation for area-specific disadvantages, cooperation and knowledge exchange are used much less by Member States to address their climate and environmental needs<sup>7</sup>. However, some Member States have made use of the cooperation intervention to support environmental outcomes, e.g. the Netherlands and Ireland (see Box 3).

<sup>5</sup> Agri-environment-climate commitments (AECC) form part of the environment-climate commitments (ENVCLIM, Art. 70 of Regulation (EU) 2021/2115).

<sup>6</sup> 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 welfare. There is some flexibility between these two minimum percentages.

<sup>7</sup> However, for example, the knowledge exchange intervention may be primarily programmed to the CAP's cross-cutting objective but still indirectly address environmental needs.



### Collective actions - experiences from Ireland and the Netherlands

Ireland has made very good use of a flexible and simple approach to the cooperation intervention through **EIP-AGRI** (European Innovation Partnership for Agricultural Productivity and Sustainability). There is a significant interest in Ireland about the role that EIP-AGRI operational groups (OG) play in improving the connections between stakeholders, including between the national level and local groups, while delivering environment and business benefits. This success of OGs is mainly due to the fact that they were bottom-up [progressing from the lowest levels] and flexible to adjust to changing circumstances, so that local people can develop local solutions. Developing a culture of trust and innovation takes time and needs to be embedded in governance and institutional structures (outside the CAP) to ensure longevity. EIP-AGRI can also be used to pilot innovative approaches that then can be mainstreamed into CSP measures, such as the new Irish agri-climate rural environmental scheme (**ACRES**).

In the Netherlands, a collective approach has been adopted for the implementation of the agri-environment-climate scheme. Forty agricultural collectives execute the so-called 'agricultural nature and landscape management scheme' (ANLM). This is a hybrid scheme. The collectives are the primary beneficiary of the funding and they are paid for the habitats realised (measured in terms of hectares). Individual farmers who are members of a collective are paid by their collective for the management practices they carry out. A pilot is currently underway to investigate making the ANLM more result-oriented and to develop habitat score cards as a means of monitoring and the basis for payments. At the same time, the Netherlands is shifting towards goal-driven agricultural policies through the use of key performance indicators (KPIs). To this end, an integral set of KPIs is being developed, including KPIs for agricultural nature management and high diversity landscape elements. Using KPIs as a 'common language' for monitoring and payments is seen as a way to improve the interaction between different interventions and to achieve better outcomes.

Box 3

### Key elements for success and recommendations for green strategies

The rationale for Member States' programming decisions are embedded in their national and regional contexts, for example, the way the interventions are designed in terms of their content, their targeting, whether they operate independently or in combination with others, or if the actions are outside the CAP but addressed with national schemes (see Box 4). However, in regionalised Member States, finding ways to reflect regional differences in schemes that are designed nationally (e.g. eco-schemes) has been particularly challenging.



### Support for organic agriculture - different situations, different interventions planned

The **Farm to Fork Strategy** sets a target of achieving 25% organic land by 2030 at EU level. In 2022, 10.5% of the total agricultural area was certified as organic in the EU with considerable variation between Member States, from 27% in Austria to less than 1% in Malta. Under the current CAP, organic conversion and maintenance across the EU has been supported in various ways through ENVCLIM and/or eco-schemes. Other interventions such as investments, co-operation and LEADER are also used to support a variety of business development and growth opportunities. Despite the Farm to Fork objective, the targets set in the CSPs are below 10% in some Member States for a number of reasons, not least the starting baseline as well as declines in market demand for organic products and other institutional factors.

Box 4



## Key Recommendations

The Thematic Group (TG) on Green Architecture provided a wide range of stakeholder groups from 22 Member States with a valuable opportunity to share their experiences on designing and implementing the green architecture in the CAP. It is clear that there is no “one size fits all” scenario, as interventions are tailored according to particular needs. However, there was no doubt that many issues remain, issues that affect the effective implementation of the green architecture across the CAP. TG members co-constructed ideas to improve the functioning of the green architecture.

The following table sets out the issues and recommendations identified by TG members. They hope these points will act as a useful springboard for ensuring that the CAP can create a green architecture that is more efficient, effective, and easier for farmers to engage with, ultimately leading to better environmental and climate outcomes.



Table 1: Overview of key recommendations for the future design and implementation of the CAP's green architecture

ISSUE	RECOMMENDATION AND RATIONALE	KEY ACTORS AND ACTION NEEDED
National vs. regional schemes and budget issues	Simplify the CAP structure or better integrate eco-schemes with ENVCLIM, making scheme design more flexible and easier for farmers to understand and participate.	European Commission (EC) and Managing Authorities (MAs) through CAP reform.
Unclear rules and uncertainty regarding planning and implementation	Ensure a stable CAP framework that allows sufficient time for rules to be finalised and time to enable the development, launch and implementation of schemes. Ensuring sufficient time for results to become evident will also be key. This provides certainty for farmers, encouraging their involvement in long-term environmental commitments.	Long-term planning by EC and MAs, with legislation clearly communicated with enough time for farmers to plan.
Too great a focus on area-based schemes	The interactions and synergies between different interventions should be improved. There should be greater use of the full suite of green architecture interventions, including consideration of including the cooperation and knowledge/advisory measures within the ringfencing to encourage greater use by MS. These supporting measures may lead to better acceptance and uptake of other interventions.	EC and MAs through CSP amendments and CAP reform (e.g. for ringfencing).
Targets set by MA may not reflect actual uptake by farmers	Increase the flexibility for Member States to adjust target values for indicators or between the budget allocated to the two CAP funds if uptake for particular interventions are different to what was anticipated, as long as priority needs are addressed and related outcomes achieved.	EC and MAs decide on flexibility rules.
Unclear rules or insufficient information available for farmers	Reinforce advisory services based on regional action plans to guide farmers and advisors, enhancing the effectiveness of interventions and increasing coherence between different measures.	MAs develop regional action plans to help advisors and farmers select the most effective actions.
Insufficient awareness or understanding of environmental benefits	Improve communication between all actors, including on the environmental benefits and need for action for the long-term viability of farms to improve uptake and acceptance. Increase awareness on the provision of eco-system services. Translations are key to ensure access.	Multi-way communication and stakeholder engagement. Support by national CAP as multipliers.
Issue with the definition of permanent pasture or GAEC standards perceived as impracticable / not agronomically robust	Agree on definitions (e.g. for permanent grassland) to make them clearer and review the GAEC standards to make them more agronomically robust and assess costs of compliance to increase efficiency, resilience, and acceptance among farmers.	EC working in cooperation with MAs.
Schemes are not attractive enough for farmers	Transform payments to ensure they genuinely provide an incentive to deliver environmental and climate outcomes. Payment rates are not the only way to increase uptake, understanding of environmental benefits and how well the measure fits into the agricultural practice of the farm or peer-to-peer effects are also key.	EC to allow more flexibility and incentive payments in next funding period.
Schemes are not delivering the desired outcomes	Make greater use of result-based schemes allowing farmers to choose the practices suitable for their respective situation to (better) deliver the outcomes required (including at a landscape scale).	Robust outcome-focused indicators developed by EC and MAs.
Schemes with lower environmental ambition have higher uptake than ambitious schemes	MAs need to find a balance between environmental ambition and potential uptake. Decisions on the situations in which it is more effective to have ambitious practices implemented on a smaller area than more basic practices over a larger area should be justified based on the evidence and the needs of each case. This has to go hand in hand with a functioning advisory system, so that the practical implications of more complex schemes can be well understood.	MAs design scheme in a way to address respective needs.
Rewarding different levels of environmental ambition are not always reflected in the payments	Adopt a 'Menu Approach' with payments for basic practices and top-ups for more advanced ones. This provides more flexibility for farmers. This "pay more to do more" approach could encourage a greater uptake of environmentally beneficial practices.	MAs design schemes in a way to allow for different ambitions.
Some interventions are not fit for purpose or not attractive to farmers	Piloting interventions in the field helps to identify what works well before mainstreaming them into CAP interventions. Different programmes, such as <a href="#">EIP-AGRI Operational Groups</a> , <a href="#">LIFE</a> or <a href="#">LEADER</a> can be used for this. These programmes encourage farmer involvement and acceptance and can involve different stakeholder groups.	MAs use cooperation intervention, EIP-AGRI OGs and LEADER to involve practitioners.
Limited public budgets	Explore the potential use of other funding sources (e.g. private / blended finance). Attention must be paid to avoiding illegitimate double funding.	Development of public private partnerships.

**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.*



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