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Annex(es)

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Date PM: date

Subject **Regulation of the Minister of Agriculture, Fisheries, Food Security and Nature, No WJZ/95895732, amending the Regulation on National EZ, LVVN and KGG Subsidies and the Regulation on the opening of EZ, LVVN and KGG subsidies in 2025 in connection with the introduction and opening of the subsidy module for hygiene installations and drying installations**

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NB (2): If the regulation contains an annex, this annex shall indicate the regulation and the relevant article number(s).

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Regulation of the Minister of Agriculture, Fisheries, Food Security and Nature of [PM: date, signature], No WJZ/95895732, amending the Regulation on National EZ, LVVN and KGG Subsidies and the Regulation on the opening of EZ, LVVN and KGG subsidies in 2025 in connection with the introduction and opening of the subsidy module for hygiene installations and drying installations

The Minister of Agriculture, Fisheries, Food Security and Nature,

Having regard to Article 2(2), Article 4, introductory phrase and points (a), (b), (d) and (h), Article 5(1) and (2), Article 8, Article 16, Article 17(1)(e) and (4), Article 19(2) and (3), Article 20, Article 23(b), Article 25, Article 34(1), Article 44(2) and Article 50(2) and points (a) and (b) of the Framework Decree on national EZK and LNV subsidies (Kaderbesluit nationale EZK- en LNV-subsidies) and Article 4:41 of the General Administrative Law Act (Algemene Wet Bestuursrecht);

Hereby decrees:

Article I

The Regulation on National EZ, LVVN and KGG Subsidies (Regeling nationale EZ-, LVVN- en KGG-subsidies) is amended as follows:

A

A Title is added in Chapter 2, reading:

Title 2.X. Hygiene and drying installations

Article 2.X.1 Definitions

In this title, the following definitions apply:

benchmark: energy consumption expressed in kWh per tonne of product supplied per basic technique as described in Annex x;

animal fertilisers: animal fertilisers as referred to in Article 1(1)(c) of the Fertilisers Act;

drying installation: a system for manure processing, using an operating principle and basic technique as described in Annex x, Table 2;

full approval: full approval as referred to in Article 44(2) of Regulation No 1069/2009 of the European Parliament and of the Council of 21 October 2009;

energy from renewable energy sources: energy from renewable sources as referred to in Article 2, point 109, of the General Block Exemption Regulation;

hygiene installation: a system for manure processing, using a operating principle and basic technique as described in Annex x, Table 1;

intermediary company: company as referred to in Article 1(1)(o) of the Fertilisers Act Implementing Decree (Uitvoeringsbesluit Meststoffenwet);

supplier of fertilisers: supplier of fertilisers as referred to in Article 1(1)(u) of the Fertilisers Act Implementing Decree;

manure processing: the treatment of animal fertilisers in such a way that their properties change, but the final product remains an animal fertiliser;

poultry manure: animal manure from turkeys and chickens;

conditional approval: conditional approval as referred to in Article 44(2) of Regulation No 1069/2009 of the European Parliament and of the Council of 21 October 2009.

Article 2.X.2. Granting of subsidy

1. On application, the Minister shall grant a subsidy to an intermediary company for the implementation of an investment project relating to an investment or combination of investments intended for:
    a. the establishment of a hygiene installation; or
    b. the establishment of a drying installation.
2. An intermediary company may submit a maximum of one application during the period referred to in Article 2.X.15 for a subsidy for the implementation of an investment project.

Article 2.X.3. Subsidy amount

1. The subsidy shall be 40 % of the eligible costs.
2. Without prejudice to paragraph 1, the subsidy amount shall be a minimum of EUR 60 000 and a maximum of EUR 1 million per investment project.

Article 2.X.4. Eligible costs

1. Only the costs referred to in Article 47(7) of the General Block Exemption Regulation shall be eligible for subsidy.
2. Without prejudice to paragraph 1, the following costs shall not be eligible:
    a. costs incurred to comply with legal obligations;
    b. costs of preparing the land for construction, including the costs of demolishing existing buildings;
    c. consultancy fees relating to construction drawings; and
    d. transport or other costs for the supply of manure products.

Article 2.X.5. Distribution of the subsidy ceiling

1. The Minister shall distribute the ceiling for investment projects referred to in Article 2.X.2(1)(a), and the ceiling for investment projects as referred to in Article 2.X.2(1)(b), in the order of ranking of the relevant applications.
2. If it appears that the total amount of the subsidies to be granted for projects referred to in Article 2.X.2.(1)(a) or Article 2.X.2.(1)(b) is lower than the subsidy ceiling set for the type of projects concerned, the amount remaining for one type of project shall be added to the subsidy ceiling for the other type of project, if necessary.
3. In the event of underuse of both subsidy ceilings, the remaining amount of the other subsidy ceiling shall be added to the subsidy ceiling of the project that, across the two rankings, has the highest number of points for the projects that are not yet eligible. In the event of an equal number of points for the highest-ranked projects in each of the two rankings, the

remaining amount for projects as referred to in Article 2.X.2(1)(b), shall be added to the subsidy ceiling for projects referred to in Article 2.X.2(1)(a).

Article 2.X.6. Start and implementation period

1. The implementation of an investment project subsidised under this title shall start within 6 months of the date of the subsidy decision.
2. The period referred to in Article 23(b) of the decree is one year.
3. In exceptional cases, the Minister may, at the request of the subsidy recipient, extend the period referred to in paragraph 2 to a maximum period of 2 years from the date of the subsidy decision.

Article 2.X.7. Grounds for rejection

The Minister shall reject a subsidy application if:

a. there is insufficient confidence that the intermediary company has full control over the investment project for the duration of the investment project;
b. the intermediary company does not have:
   1°. a valid registration as referred to in Article 38(1) of the Fertilisers Act Implementing Decree;
   2°. the permits required for the realisation of the investment project;
c. the investment project does not concern an operating principle or basic technique as listed in Annex 2.X.1;
d. the investment project for which a subsidy is requested does not increase processing capacity;
e. the eligible costs are less than EUR 150 000; or
f. the description of the manure processing process shows that more than 50 % of the mass of manure to be processed consists of poultry manure.

Article 2.X.8. Ranking criteria

1. The Minister shall award a higher number of points to an investment project where:
   a. the cost-effectiveness of the investment project is higher;
   b. the energy consumption of the investment project is lower than the benchmark; and
   c. more energy from renewable energy sources is used.
2. The Minister shall award a minimum of one point and a maximum of ten points per part of paragraph 1.
3. For the ranking, the number of points given for paragraph 1(a), is multiplied by 15, for paragraph 1(b), multiplied by 4, and for the paragraph 1(c), multiplied by 1.
4. For applications that have not been rejected, the Minister shall rank them higher the more points are awarded to the investment project in total.
5. If two or more applications for an investment project have been awarded an equal number of points in total under the relevant subsidy ceiling, the Minister shall rank an application higher the more points are awarded under paragraph 1(c).

Article 2.X.9. Obligations of the subsidy recipient

1. Subsidy recipients shall ensure that, throughout the duration of the investment project, they:
   a. have full control over the investment project; and
   b. with the hygiene or drying installation to be realised by the investment project, no more than 50 % of the mass of manure to be processed consists of poultry manure.

2. The subsidy recipients shall have at their disposal for the entire duration of the investment project:
    a. a valid registration as referred to in Article 38(1) of the Fertiliser Act Implementation Decree; and
    b. the permits referred to in Article 2.X.7(b)(2).

Article 2.X.10. Application for subsidy award

1. An application for a subsidy pursuant to Article 2.X.2 shall contain at least the information referred to in Article 6(2) of the General Block Exemption Regulation.
2. Without prejudice to paragraph 1, a subsidy application shall include at least the following:
    a. the details of the applicant, including name of the intermediary company, number with which the intermediary company is registered with the Chamber of Commerce, postal and visiting address, and IBAN number; and
    b. information about the contact person for the applicant including the name, phone number and email address.
3. A subsidy application shall be accompanied by:
    a. a copy of the permits referred to in Article 2.X.7(b)(2);
    b. a description of the investment project;
    c. a description of the manure processing process;
    d. a financing plan for the investment project;
    e. a budget for the investment project; and
    f. a description of the quantity of tonnes of final product processed per year before the start of the investment project.
4. The description of the manure processing process referred to in paragraph 3(c) must consist of:
    a. a description of the types of animal fertilisers being processed, the quantities of animal fertilisers expressed in kilograms and kilograms of nitrogen and phosphate per calendar year, and, where applicable, a description of the quantity, nature and composition of substances treated together with the animal fertilisers;
    b. a description of the production process, including:
        1°. an explanation of the chosen operating principle and the chosen basic technique, which are included in Annex 2.X.1 to these regulations;
        2°. the order in which these process steps are applied within the chosen process;
        3°. a description of the quantity of tonnes of processed final product per year during the realisation of the investment project;
        4°. a mass balance of water, dry matter, nitrogen and phosphate from the input and output streams for the total process and for each process step; and
        5°. the energy consumption expressed in kWh per tonne of product supplied and supporting documentation, including documents from the supplier of the hygiene or drying installation and documents detailing the use of energy from renewable energy sources and its consumption by the intermediary company.
    c. a description of the final products of the production process, where, per final product:

1°. an estimate shall be given of the quantities expressed in kilograms per calendar year; and
2°. the composition shall be expressed in kilograms of nitrogen and phosphate per calendar year.

5. In the application referred to in paragraph 1, the intermediary company shall declare that the information provided is true and accurate.

Article 2.X.11. Advances

If the subsidy amount is EUR 125 000 or more, the Minister shall grant the subsidy recipient:

a. an advance of up to 50 % of the subsidy amount after publication of the decision to grant the subsidy;
b. an advance of up to 75 % of the subsidy amount upon receipt of a document proving that the hygiene or drying installation has been completed, stating the date on which the hygiene or drying installation was completed; and
c. where applicable, an advance of up to 90 % of the subsidy amount upon receipt of the conditional approval obtained, if there is no existing full approval under which the hygiene or drying installation fits.

Article 2.X.12. Application for subsidy determination

Without prejudice to Article 50(2) of the Decree, the subsidy calculation application shall in any case include:

a. a general and technical description of the investment project carried out;
b. a document showing that the hygiene or drying installation has been put into operation with the date on which the hygiene or drying installation was put into operation; and
c. the full approval obtained or an existing full approval.

Article 2.X.13 Compensation for capital formation

1. In the cases referred to in Article 4:41(2) of the General Administrative Law Act, the subsidy recipient shall be liable to pay the Minister a compensation for capital formation, the amount of which shall be determined by the Minister.
2. The amount of compensation referred to in paragraph 1 shall be determined on the basis of the value of the property and other assets acquired with the subsidy at the time the financial compensation becomes payable, it provided that, in the event that damages are received for the loss of or damage to property, the amount received by the beneficiary by way of damages shall be taken as the basis.
3. Paragraph 1 shall not be applied if the investment project, after authorisation by the Minister, is continued by another legal person and the assets have been transferred free of charge to that legal person.

Article 2.X.14. State aid

The subsidy referred to in Article 2.X.2 contains State aid and is justified by Article 47 of the General Block Exemption Regulation.

Article 2.X.15. Expiry date

This Title and Annex 2.X.1 shall expire from PM, provided that they continue to apply to subsidies that have been granted prior to this date.

B

After Annex X, an annex shall be added with the following text:

Annex 2.X.1 to Article xxx of the Regulation on National EZ, LVVN and KGG subsidies

Annex to the Subsidy Scheme for Hygiene and Drying Installations

Annex – Processes eligible for the subsidy module for hygiene and drying installations and benchmark

Tables 1 and 2 show the different operating principles and the associated basic techniques. Each operating principle, using one of the basic techniques listed in Table 1 or Table 2, leads to the establishment of a hygiene installation or drying installation, as defined in Title 2.X. of this Regulation. The right-hand column of these tables gives the corresponding energy consumption benchmark. The benchmark is expressed in kWh per tonne of product supplied.

Table 1: Operating principle, basic technique and benchmark for a hygiene installation.

Process	**Principle of operation**	**Basic technology**	**Benchmark**
Hygienisation	Thermal heating	Heated screw conveyor	80
		Other[1]	80
	Biothermal heating	Tunnel composting	0
		Drum composting	0
		Other[1]	0

[1] A validated technique within the meaning of Regulation No 1069/2009 of the European Parliament and of the Council of 21 October 2009 used by an intermediate company.

Table 2: Operating principle, basic technique and benchmark for a drying installation.

Process	**Principle of operation**	**Basic technology**	**Benchmark**
Drying	Thermal drying	Belt dryers	750
		Drum dryers	700
		Other[1]	700

[1] A validated technique within the meaning of Regulation No 1069/2009 of the European Parliament and of the Council of 21 October 2009 used by an intermediate company.

Article II

In the table in Article 1(2) of the Regulation on the opening of EZ, LVVN and KGG subsidies in 2025, two rows are inserted after the row[s PM] corresponding to Title xxx, as follows:

Title 2.X:	2.X.2(1)(a)	Intermediary	Establishment	1 December 202	3 750 000

Hygiene and drying installations		company	of a hygiene installation	5 to 27 February 2026	
	2.X.2(1)(b)	Intermediary company	Establishment of a drying installation	1 December 2025 to 27 February 2026	3 750 000

Article III

This Regulation shall enter into force on the day following the date of its publication in the Government Gazette.

This regulation and the explanatory memorandum shall be published in the Government Gazette.

The Hague,

Ministry of Agriculture, Fisheries, Food Security and Nature.

EXPLANATORY STATEMENT

I. General

1. Introduction

The purpose of this Ministerial Regulation is to introduce the Subsidy Module for hygiene and drying installations (hereinafter: the subsidy module). To this end, a new module, namely subsidy module 2.X, is inserted into the Regulation on National EZ, LVVN and KGG Subsidies (RNES). In connection with the opening of the module, the Regulation on the opening of EZ, LVVN and KGG subsidies in 2025 will also be amended. The subsidy module will be open for a limited period from 1 December 2025 to 27 February 2026.

2. Background and objective of the subsidy module

2.1 Background

At the request of the Netherlands, in 2022 the European Commission granted the Netherlands a derogation under the Nitrates Directive for the period 2022-2025, subject to conditions. Many of the conditions laid down have the effect of reducing the scope for on-farm application of manure. In view of this, and in view of the expiry of the derogation as of 1 January 2026, an increasing number of farms must dispose of part of the manure elsewhere. Due to the higher supply of manure, the pressure on the manure market has increased, resulting in higher costs for manure disposal.

2.2 Purpose

As a result of the end of the derogation by 2026, the pressure on the manure market will increase even further. Therefore, measures are necessary to reduce the pressure on the Dutch manure market. One of the measures announced in the Letter to Parliament on the approach to the manure market[1] is to stimulate the export of manure. European regulations, such as the Animal By-products Regulation (Regulation (EC) No 1069/2009 and Regulation (EU) No 142/2011), impose requirements on the export of manure with regard to safety and hygiene. A distinction is made between exports to EU countries (‘intra-Community trade’) and exports to third countries outside the EU (‘exports’). Within the EU, processed

[1] Parliamentary Papers II, 2024/25, 33 037, No 559

manure may cross internal borders if it has been produced using a process with standard time/temperature parameters, heating the manure to 70 °C for at least 60 minutes, or if it comes from a validated process. Only manure treated with the standard time/temperature parameters may be exported to countries outside the EU. In practice, exports of processed manure from validated processes to countries outside the EU are permitted.

The aim of the subsidy module is to encourage intermediary companies to invest in a hygiene and/or drying installation in order to set up a new production line, expand an existing production line or replace it, provided that capacity increases, so that the quantity of manure suitable for export rises and pressure on the manure market can be reduced. The annual reporting of the NCM for 2024[2] shows that, on average, 74 % of the authorised manure processing capacity is actually used. The focus of this subsidy module is therefore primarily on encouraging existing intermediary companies to use a larger proportion of the licensed capacity, thereby achieving the desired result – expansion of the amount of exported-grade manure – in the short term.

3. Outline of the subsidy module

The purpose of the subsidy module is to increase the amount of exportable manure and reduce pressure on the manure market. Because poultry manure contributes very little to the pressure on the manure market (most of it is already processed and sold outside Dutch agriculture), the subsidy module is primarily aimed at increasing the processing capacity of slurry from other animal species, possibly mixed with poultry manure, into an exportable manure product through hygiene and/or drying. The subsidy module encourages intermediary companies to set up and commission a hygiene and/or drying installation.

The basis for the subsidies to be granted under the subsidy module (State aid) is provided by the State aid framework of the General Block Exemption Regulation (hereinafter: GBER). More specifically, Article 47 of the GBER is used, which states that investment aid for resource efficiency and to support the transition to a circular economy shall be compatible with the internal market and exempted from notification, subject to conditions. This article is also the basis used for the subsidy module for high-quality manure processing (Title 2.18).

Subsidy applicant
The application for subsidy may be made by an intermediary company based on the definition set out in Article 1(1)(o) of the Fertilisers Act Implementing Decree (hereinafter: Ubm).

Subsidy percentage
The subsidy percentage amounts to a maximum of 40 % of the eligible costs, with a minimum subsidy amount of EUR 60 000 and a maximum of EUR 1 000 000. In view of this, the investment amounts to a minimum of EUR 150 000 and a maximum of EUR 2 500 000.

Eligible basic techniques
At the request of the Ministry of Agriculture, Nature and Food Quality, Wageningen University & Research (WUR) has compiled an inventory of processes and basic techniques used in the Netherlands to make manure suitable for export. Because the subsidy module must quickly result in an increase in the amount of exportable

[2] https://www.mestverwaarding.nl/kenniscentrum/4622/landelijke-rapportage-en-inventarisatie-export-en-verwerking-dierlijke-mest-2024

manure, only those basic techniques are eligible for subsidy where the process is carried out in accordance with the standard time/temperature parameters (heating to 70 °C for at least 60 minutes) set out in the Animal by-products Regulation or where it is demonstrated by means of validation that the same result is achieved. For techniques other than the basic techniques, referred to as ‘Other’, it must always be demonstrated by means of validation that the same result is achieved as when the manure is processed according to the standard time/temperature parameters. Table 1 provides an overview of the eligible basic techniques and corresponding energy consumption benchmark. A distinction has been made between basic techniques for hygienisation and basic techniques for drying. These basic techniques are then explained.

Table 1: Overview of eligible basic techniques and energy consumption benchmark

Process	**Principle of operation**	**Basic technology**	**Energy consumption (kWh/tonne input)**
Hygienisation	Thermal heating	Heated screw conveyor	80
		Other	80
	Biothermal heating	Tunnel composting	0
		Drum composting	0
		Other	0
Drying	Thermal drying	Belt dryers	750
		Drum dryers	700
		Other	700

Thermal heating
In thermal heating, an external heat source is used to hygienise the manure. Because heating large volumes of slurry requires a lot of energy, the slurry is often first separated into thin and thick fractions. After separation, the thin fraction is stored separately and distributed locally, and the thick fraction is heated. A technique commonly used for this in the Netherlands is the heated screw conveyor. This involves heating the screw conveyor with hot oil or injecting hot steam from the screw conveyor into the thick fraction.

Biothermal heating
Biothermal heating or composting utilises the natural decomposition process of organic material, in this case manure, by micro-organisms. This raises the temperature of the manure and, with proper control of the process, 70 °C can be achieved within 60 minutes. Controlled composting can be achieved by means of tunnel composting or drum composting, with the process being controlled by the supply of air and speed of filling and removing the product.

Thermal drying
Manure dried to reduce its volume and mass by evaporating water. Thermal drying often involves the use of an external heat source. It is often necessary for the material to be dried to have a friable structure, such as the thick fraction of slurry, so that there is extensive contact between the drying air and the material. The most commonly used basic techniques for thermal drying in the Netherlands are band drying and drum drying. However, the final product of these techniques will not always comply with the requirements of the Regulation, so additional hygienisation is needed in order to be able to export the final product.

Other techniques
Not all techniques identified by the WUR are used with the standard processing method of heating to 70 °C for at least 60 minutes as set out in the Animal By-Products Regulation. The Regulation allows the use of a process with an alternative time/temperature profile, provided that it has been demonstrated through validation that the final product does not pose a risk of spreading pathogens. The subsidy applicant is free to apply for a subsidy for a hygiene and/or drying installation for slurry based on basic techniques other than those described. The condition is that the technique in question falls under one of the three stated operating principles. In addition, the applicant will have to demonstrate by means of validation that the final product complies with the requirements set out in the aforementioned European regulations. *(see also 'Installation approval')*

<u>Benchmark energy consumption and energy from renewable energy sources</u>
Hygienisation and drying are both energy-intensive processes. If fossil energy sources are used for this purpose, this can result in (an increase in) greenhouse gas emissions. Limiting the amount of energy required is therefore an important criterion in the assessment of the subsidy application. Table 1 shows the average amount of energy – expressed in kWh per tonne of product supplied – required by the basic techniques to produce an exportable final product. This is also referred to as the benchmark. The benchmark is based on the report prepared by the WUR. Installations that consume less energy than the benchmark shall be considered more sustainable and shall be ranked with a higher number of points. In order to promote sustainability, for 'other' (i.e., techniques other than basic ones), the lowest benchmark within the operating principle concerned shall apply as the benchmark.

The use of renewable energy and the extent to which this forms part of the energy mix is also a criterion when assessing subsidy applications. Installations using energy from renewable energy sources shall receive a higher number of points in the ranking. If the ranking shows that two applications have exactly the same score, the criterion relating to the use of energy from renewable energy sources shall be the deciding factor.

<u>Installation approval</u>
The Animal By-products Regulation and the EU Fertiliser Products Regulation impose strict requirements on the export of manure with regard to safety and hygiene. In order to be able to place manure on the market as processed manure, an intermediate company requires approval under the Animal by-products Regulation. The intermediary company cannot obtain this approval until the installation is ready for commissioning. One of the conditions that must be met in order for approval to be granted is that the processing process must be carried out in accordance with the 'standard parameters'; i.e., heating for at least 60 minutes to at least 70 °C. If an intermediary company has a different process, it can also be approval. The intermediary company shall then first have a study carried out to demonstrate that the process is capable of inactivating certain pathogens to a specified degree. This study is referred to as a 'validation'. The NVWA is the competent authority for issuing conditional and full approvals. Possession of such full approval is a prerequisite for issuing the final subsidy determination.

4. Notification

This order gives technical specifications, accompanied by tax measures that influence the use of products because they encourage compliance with the technical specifications. The regulation was therefore notified on PM under number PM on the basis of Directive 2015/1535/EU5.

5. Regulatory burden

This scheme will result in an administrative burden for applicants. However, this burden is expected to be limited. The main reason for this is that the requested information, included in Article 2.X.10, will often already be available. Nevertheless, time will be required to implement them prior to the subsidy application. It is estimated that 5 hours will be required per application and that a maximum of 15 to 20 applications will be received per opening. The application consists of filling out a comprehensive form made available by the Netherlands Enterprise Agency (RVO). The subsidy application is expected to be made by an advisor. This multiplied by a standard hourly rate of EUR 54 means that an administrative burden of: 5 x 20 x 54 = EUR 5 400 is foreseen. This is deemed marginal compared to the subsidy amounts that are at least EUR 60 000 per application and can go up to EUR 1 million per application.

In addition, the recipient of a subsidy, as referred to in Article 41 of the Framework Decree, is obliged to cooperate in an evaluation of the effectiveness and impact of the subsidy granted to it for 5 years following the decree. It is estimated that a subsidy recipient spends an average of two hours providing information. This multiplied by a standard hourly rate of EUR 34 means that an administrative burden of 2 x 20 x 34 = EUR 1 360 is foreseen.

6. Implementation and enforcement

The consequences of the subsidy scheme for implementation and enforcement have been assessed. The implementation of the subsidy scheme is the responsibility of the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland) (hereinafter: RVO). The Netherlands Food and Consumer Product Safety Authority (hereinafter: NVWA) oversees enforcement. Both bodies have been requested to conduct a feasibility and enforceability assessment of the subsidy scheme.

The RVO indicated that the subsidy scheme is practicable and that the activities resulting from this subsidy scheme are comparable to those of the subsidy scheme for High-quality Manure Processing. The RVO also expects the subsidy scheme to be enforceable.

The NVWA deemed it necessary to clarify and adapt the scheme for effective enforceability. The clarification sought from the perspective of animal by-products relates in particular to the question of whether the basic techniques specified in the scheme must always be carried out in accordance with the standard time/temperature parameters in order to be eligible for subsidy, and whether other techniques can only obtain subsidies on the basis of validation. The NVWA also considered it desirable to provide some clarification with regard to fertilisers. Furthermore, the NVWA indicated that it considered the risk of fraud to be very high, in particular because, in the opinion of the NVWA, virtually no control was built into the scheme both at the time of the application and at the time of the determination of the subsidy. According to the NVWA, for example, it is not clear who verifies whether the description of the manure processing process (Article 2.X.19(4) is actually implemented, nor what the consequences are if the installation subsequently does not meet the stated performance expectations for the manure processing process and the final products. In response, it is noted that the RVO will implement the subsidy and check whether the conditions are met for both the application and the subsidy determination. For example, the RVO will also check the document that shows that the installation has been put into service. Furthermore, if it appears that the installation does not meet the conditions, no subsidy can be granted and the subsidy amount will have to be recovered. Where necessary, the regulation and the explanatory notes have been adjusted on the basis of the HUF test carried out by the NVWA.

7. Evaluation and monitoring

The application for subsidy determination shall be accompanied, inter alia, by a description of the investment project, a description of the manure processing process, a financing plan and a budget. In this way, the RVO obtains insight into planning, performance and costs to be incurred. The RVO shall monitor the progress of the projects on the basis of the documents that the subsidy applicant must submit to receive an advance on the subsidy amount. This also helps the RVO to gain insight into the progress of the implementation and realisation of the objective of this subsidy module.

As the subsidy module is being opened on a one-off basis, no evaluation is planned to adjust it. However, in accordance with Article 41 of the Framework Decree on National EZK and LNV Subsidies, the subsidy applicant shall cooperate in an evaluation of the effectiveness and impact of the subsidy granted to it for 5 years from the date of the subsidy determination decision, insofar as cooperation can reasonably be requested from it.

8. Advice and consultation

A design for the subsidy scheme was subject to a practical agricultural test. The test showed that the scheme is considered *workable,* but it was noted that it is unclear whether, and if so to what extent, the scheme will actually contribute to an increase in the quantity of exportable manure. This will in part be determined by the degree of certainty the intermediary company has regarding the offtake of the processed manure. The subsidy scheme was also considered to be *practicable* and *enforceable,* and it was noted that the target group, in particular farms already intending to invest in a hygiene and/or drying installation, will be able to benefit from the scheme. Finally, it was concluded that the obligations associated with the subsidy scheme appear to be proportionate, but that each applicant should consider this for themselves, taking into account the amount of the subsidy applied for.

In addition, the Ministry of Agriculture, Nature and Food Quality has asked the WUR for advice on the processes and basic techniques used in the Netherlands to make manure suitable for export. This advice is the basis of the annex to the subsidy module.

9. Risk analysis

A risk analysis was prepared and carried out for the subsidy module. In doing so, various types of risks were identified. These included risks of improper use, risks in the implementation of the subsidy module and risks related to the achievement of policy objectives. For risks assessed as high, mitigation measures were developed and included in the scheme text. Mitigating measures taken mainly concern requirements for control over the installation, communication, approval and monitoring of the actual realised installation.

10. State aid

This subsidy module was assessed for possible State aid. It was concluded that there is State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union (hereinafter: TFEU). This subsidy module is justified by Article 47 of the GBER. Article 47 of the GBER provides that investment aid for resource efficiency and a circular economy shall be compatible with the internal market within the meaning of Article 107(3) of the TFEU and that such aid shall be exempted from the notification requirement of Article 108(3) of the TFEU, provided that the conditions laid down in Article 47 and in Chapter I of the GBER are fulfilled.

This subsidy module falls within the scope of Article 47 of the GBER. The subsidy module complies with the conditions set out in both Article 47 and Chapter I of the GBER. The aid measure will be notified to the European Commission in accordance with Article 11(1)(a) of the GBER. In addition, annual reports will be submitted to the European Commission in accordance with Article 11(1)(b) of the GBER. Insofar as aid exceeding EUR 100 000 is granted in individual cases, the information referred to in Annex III of the GBER shall also be published, as required by Article 9(1)(c) of the GBER.

11. Personal data

The implementation of this Regulation involves the processing of personal data within the meaning of the General Data Protection Regulation (hereinafter: GDPR). The impact of this data processing as a result of this amending Regulation on data subjects has been identified by conducting a data protection impact assessment (DPIA). The main points of the DPIA are included in this section.

The processing of personal data concerns the collection and storage by the RVO of data provided by the subsidy applicant, in the context of the RVO’s implementation of the Regulation. This data is provided by the RVO to external experts working under its authority, because they will be assessing the feasibility of the applications.

The purpose of data processing is to implement the Regulation and thereby increase the capacity to process Dutch slurry into an exportable product. To this end, effective monitoring of compliance with conditions must be undertaken. The basis for the RVO’s data processing is a task in the public interest, namely the implementation of this subsidy module to increase manure processing capacity.

Because this subsidy module involves processing personal data, the privacy of subsidy applicants will be interfered with. This interference is necessary in order to grant the subsidy to the intended target group correctly and fairly. Without processing this personal data, it is impossible to determine whether the relevant conditions are met, such as the requirement for the necessary permits for the realisation of the investment project and conditional and full approval. The personal data processed relates solely to whether or not the conditions and criteria have been met. No further data will be processed. This interference is proportionate because the interference of the applicants’ privacy is reasonably proportionate to the objective served by this data processing. Furthermore, the processing complies with the subsidiarity requirements because there is no less intrusive alternative, which also makes it possible to assess whether the conditions of the subsidy module are met.

It is estimated that data processing under this Regulation poses only limited risks for the intermediary companies concerned. Nevertheless, the applicants must be properly informed about the data processing, and account must be taken of the position of applicants and their interest in the protection of their personal data.

12. Entry into force

This Regulation shall enter into force on the day following publication in the Government Gazette. This deviates from the policy of the fixed change moments and minimum introduction period. This is justified in this case, as a rapid entry into force would prevent significant disadvantages for the target group. After all, the loss of derogation increases the pressure on the manure market, so it is desirable to be able to alleviate it as soon as possible. In this way, the target group is given the opportunity to submit subsidy applications in the short term.

II. Article-by-Article Explanatory Notes

Article I, Subsection A

Article 2.X.1 (Definitions)

Article 2.X.1 contains some descriptions of terms used in the subsidy module. Where possible, alignment was sought with existing terms such as those already included in the Fertilisers Act or the Ubm. Certain terms or definitions are interpreted differently in the subsidy module. The background to some of the term descriptions is explained in more detail below.

A benchmark is used in the subsidy module. In the definitions, the benchmark is defined as the energy consumption expressed in kWh per tonne of product landed per basic technique as described in Annex x. The benchmark is based on the report prepared by the WUR. For ‘other’ (i.e., techniques other than the basic ones), the lowest benchmark within the relevant operating principle applies as the benchmark.

The term ‘energy from renewable energy sources’ is also relevant in the subsidy module. It follows the definition of ‘energy from renewable sources’ as referred to in Article 2 (109) of the General Block Exemption Regulation.

The terms ‘hygiene installation’ and ‘drying installation’ are also highly relevant to this subsidy module. These installations involve a system for manure processing, using an operating principle and basic technique as described in Annex x.

As in the subsidy module for High-quality Manure Processing (Title 2.18), the term ‘manure processing’ is used in this module to determine whether the establishment of a hygiene or drying installation is involved. By choosing a term other than ‘manure processing’, the terms ‘drying installation’ and ‘hygiene installation’ are prevented from being partly determined by this.

The terms ‘conditional approval’ and ‘full approval’ are also relevant to this subsidy module. These are the approvals referred to in Article 44(2) of Regulation No 1069/2009 of the European Parliament and of the Council of 21 October 2009.

Finally, the term ‘poultry manure’ is relevant to this subsidy module. The subsidy module is intended to encourage the processing of slurry with a hygiene or drying installation. Poultry manure is defined as animal manure from turkeys and chickens.

Article 2.X.2. (Granting of subsidies)

Article 2.X.2 stipulates that a subsidy is only granted to an intermediary company based on the definition as set out in Article 1(1)(o) of the Ubm. The term 'intermediary company' refers to a company, other than a farm, in which animal fertilisers are traded or used exclusively or otherwise. It is important to note that under Article 38 of the Ubm, the intermediary company must have been notified to the Minister of Agriculture, Fisheries, Food Security and Nature. Implementation of this registration is done by the RVO. Paragraph 2 of Article 38 of the Ubm contains the information to be provided in any case by the intermediary, which conducts the intermediary company (Article 1(1)(q) of the Ubm). By aligning with the concept of an intermediary company and the registration of these companies already carried out by the RVO, the RVO has an understanding of the company's background and reduces the risk of irregularities.

Paragraph 2 of this Article provides that an intermediary company may submit a maximum of one application for a subsidy for the implementation of an investment project. This application may cover both types of installation. The intention is to allow several intermediary companies to be eligible for subsidies in this way.

Article 2.X.3. (Subsidy amount)

Article 2.X.3 regulates the amount of the subsidy. A minimum subsidy amount of EUR 60 000 has been chosen so that robust projects of some scale are subsidised. These projects are necessary to take steps to increase manure processing capacity. It is also advisable for the feasibility of the scheme not to (have to) spend time on relatively small projects. The maximum subsidy amount was set at EUR 1 million in order to allow multiple intermediary companies to be eligible, given the level of the subsidy ceilings, while at the same time taking into account the significant scale an investment in such processes demands.

The subsidy percentage has been set at 40 % of the eligible costs due to the provisions of Article 47(8) of the GBER.

Article 2.X.4. (Eligible costs)

Article 2.X.4 lists the eligible costs. Paragraph 1 of Article 2.X.4 provides that the eligible costs are those referred to in Article 47(7) of the General Block Exemption Regulation. It follows from Article 47(7) of the GBER that, in certain cases, the eligible costs are the additional investment costs. Examples include the costs incurred for purchasing the plant for the manure processing process and putting it into operation. These costs are determined by comparing the total investment costs of the project with those of less environmentally friendly projects or activities.

Article 2.X.5. (Distribution of the subsidy ceiling)

Article 2.X.5 governs the distribution of the subsidy ceiling. In view of the importance attached to the establishment of hygiene and drying installations, a subsidy ceiling has been set for both categories as set out in Article 2.X.2(1)(a) and (b) of the subsidy module. In this way, applications are ranked separately for both categories using the same ranking criteria. If it appears that the budget for hygiene installations or for drying installations is not utilised or is not fully utilised, the amount remaining for one type of project will, if necessary, be added to the subsidy ceiling for another type of project. If it transpires that both budgets are not fully utilised, as occurred once under the subsidy module for High-quality Manure Processing, the amount remaining for pelletising installations will, where necessary, be added to the subsidy ceiling for hygiene installations, or vice versa. The use of the word ‘or’ in paragraph 2 makes it possible that, even if both budgets are underspent, the remaining amounts can be combined to fund one additional application (the next in the ranking). Paragraph 3 governs which of the two budgets the remaining budget from the other category will be added to in relation to one additional application to be funded.

Article 2.X.6. (Start and implementation period)

Article 2.X.6 specifies the start and implementation period. A advance payment scheme will be used, which will be explained below. The project must be realised within one year from the moment the subsidy is granted. If the project is not completed within one year, the RVO will determine the subsidy based on what has been achieved within one year and 13 weeks (subsidy determination period). This could mean a lower determination of the subsidy. In exceptional cases, the Minister may, at the request of the intermediary company, extend the period from the granting of the subsidy to realisation by one year, to two years in total.

Article 2.X.7. (Grounds for rejection)

Article 2.X.7 contains the grounds for rejection. The scheme contains a number of grounds for rejection. These are briefly explained where necessary.

An important ground for rejection concerns the situation where there is insufficient confidence that the intermediary company has full control over the investment project. This is to prevent the subsidy being awarded to a party with limited influence on the investment project.

Another important ground for rejection concerns the situation where the intermediary company does not have the permits necessary for the realisation of the investment project. In any case, the intermediary company has a valid environmental permit for an environmentally harmful activity (large-scale manure processing Article 3.90 of the Bal or manure treatment in Article 3.225 of the Bal) and a technical construction activity. An environmental permit for an environmental plan activity may also be required. In addition, it is necessary to assess whether the activity produces effects on protected natural areas. An environmental permit for Natura 2000 activity may be required (Article 5.1(1)(2) of the Environment and Planning Act (Omgevingswet)). In order to obtain such a permit, it must be established whether the business activities could have a significant impact on the Natura 2000 areas concerned. In view of the ruling of the Administrative Jurisdiction Division of the Council of State of 18 December 2024, ECLI:NL:RVS:2024:4909, it is currently necessary to make an appropriate assessment in this regard. When the processing process is set up in such a way that water will be discharged, an environmental permit for a discharge activity is also required.

The ground for rejection relating to the processing capacity of the hygiene or drying installation has been included in order to ensure, in combination with the minimum subsidy amount of EUR 150 000, that robust projects of some scale are subsidised. These projects are necessary to take steps to increase manure processing capacity.

The scheme focuses on the processing of slurry. Accordingly, there is the ground for rejection that, if it appears from the manure processing process that, with the hygiene or drying installation to be realised by the investment project, poultry manure is treated, the Minister will reject the subsidy application.

Article 2.X.8. (Ranking criteria)

This article sets out the criteria for ranking the subsidy applications. The following two criteria are assessed, all with a specific weighting factor:

- Cost efficiency (75 %);
- Benchmark ratio (20 %); and
- Energy from renewable energy sources (5 %).

Before being ranked, applications are divided into applications for the establishment of a hygiene installation and applications for the establishment of a drying installation. Indeed, a separate budget is made available for each of the groups. Subsequently, both groups of applications are ranked on the basis of the above criteria. The two budgets were chosen to ensure that applications for drying installations – which are generally more expensive than hygiene installations – will also be submitted.

These ranking criteria are explained one by one below and then shown schematically.

Cost efficiency (weighting 75 %)
This criterion serves to allocate more points to the most cost-efficient applications. Cost efficiency is calculated by dividing the total eligible amount by the increase in manure processing capacity to produce final products expressed in kilograms of phosphate per year. This yields a value expressed in €/kg of phosphate per year. The average of these values is set at 100 %. Then, per value, the size of the deviation is assessed, positive or negative, and points are awarded.

Benchmark ratio (weighting 20 %)
This criterion serves to assign a higher number of points to an investment project if the energy consumption of the investment project is lower compared to the benchmark, having regard to the provisions of Article 47(1) of the GBER. For each investment project, the project's energy consumption is assessed against the benchmark and points are awarded.

Energy from renewable energy sources (weighting 5 %)
This criterion serves to award a higher number of points to an investment project if the investment project uses energy from renewable energy sources, having regard to the provisions of Article 47(1) of the GBER.

The assessment will be undertaken by the RVO on behalf of the Minister. If the ranking shows that two applications have exactly the same score, the criterion relating to the use of renewable energy sources is the deciding factor.

The table below shows the ranking criteria schematically. The minimum number of points to be achieved is 40 and the maximum number is 200.

Table 3: Schematic representation of the ranking criteria

Item	Weighting factor	Criterion	Points

Subsidy efficiency	15	< 85 %	10
		>= 85 % and < 95 %	8
		>= 95 % and < 105 %	6
		>= 105 % and < 115 %	4
		< 115 %	2
Energy efficiency	4	< 80 %	10
		>= 80 % and < 90 %	8
		>= 90 % and < 100 %	6
		>= 100 % and < 110 %	4
		< 110 %	2
Energy mix	1	>= 80 % and 100 %	10
		>= 60 % and < 80 %	8
		>= 40 % and < 60 %	6
		>= 20 % and < 40 %	4
		< 20 %	2

Article 2.X.9. (Obligations of the subsidy recipient)

Article 2.X.9 sets out a number of obligations for the subsidy recipient. These concern ensuring full control over the investment project and ensuring that the mass of manure to be processed consists of no more than 50 % of poultry manure. In addition, during the term of the investment project, the subsidy recipient must have a valid registration as referred to in Article 38(1) of the Ubm. Pursuant to Article 4:46(2)(b) of the General Administrative Law Act, the subsidy may be reduced if the subsidy recipient has not complied with the obligations attached to the subsidy.

With regard to the obligation to have a valid registration as referred to in Article 38(1) of the Ubm, the following applies. Pursuant to Article 38a of the Ubm, such registration may be refused, deleted or suspended. As can be seen in the Explanatory Notes to the Decree of 18 December 2013, amending the Fertilisers Act Implementing Act (introduction of manure processing obligation)[3] the grounds for refusal and deletion of registration must be aligned with the grounds for refusal and deletion of the Public Administration Probity Screening Act (Bibob Act) [Wet bevordering integriteitsbeoordelingen door het openbaar bestuur (Wet Bibob)]. Refusal and deletion will be possible in such cases and under the conditions set out in Article 3 of the Bibob Act. These are cases where there is a serious risk that the registration will be or has been used to commit criminal offences or to use monetary benefits obtained or to be obtained from committed criminal offences. In addition, pursuant to Article 38a(2) of the Ubm, there is a possibility to suspend registration in cases where and for the period in which irrevocable fines or forfeited penalty payments have not been paid.

Article 2.X.10. (Application for subsidy award)

Article 2.X.10 sets out a number of information obligations for the intermediary company. These are briefly explained where necessary.

In the application, the intermediary company must provide the information as set out in paragraphs 1, 2 and 3 of the Article. This also includes the information

[3] Bulletin of Acts and Decrees 2013, 577.

required by Article 6(2) and Annex III of the GBER. Indeed, the information contained in Annex III of the GBER must be published pursuant to Article 9(1)(c) of the GBER where there is an individual aid award of more than EUR 500 000.

The application for subsidy award must also be accompanied by a copy of the permits necessary for the realisation of the investment project. In addition, the application must be accompanied by a description of the investment project, a description of the manure processing process, a financing plan and a budget for the investment project. This budget is necessary for granting advances. In addition, the application for subsidy award must be accompanied by a description of the maximum processing capacity expressed in the quantity of tonnes of final product processed per year prior to the realisation of the investment project. This is necessary to determine whether the processing capacity to produce final products is increasing.

The fourth paragraph of this article stipulates what the description of the manure processing process must consist of. A description of the types of animal manure that are processed should be included, including quantities expressed in kilograms and in kilograms of nitrogen and phosphate per calendar year. In the case of substances treated together with the animal fertilisers, the quantity, nature and composition of these substances should be indicated. Furthermore, in view of the benchmark, the application must indicate the energy consumption expressed in kWh per tonne of product supplied. This must be substantiated by means of documents from the supplier of the hygiene or drying installation and documents detailing the use of energy from renewable energy sources and consumption thereof by the intermediary company. The application must also include a description of the production process, including, inter alia, an indication of which operating principle and which basic technique, as described in Annex 2.X.1, will be applied, and a mass balance for the input and output streams associated with the manure processing process, covering water, dry matter, nitrogen and phosphate. That is to say: the quantity (the mass or volumes of each stream) and the quality (the composition of each stream) for the process as a whole and for each process step.

The applicant must also include a description of the final products of the production process in the subsidy application, giving an estimate, for each final product, of their quantities expressed in kilograms per calendar year and their composition expressed in kilograms of phosphate and nitrogen.

Article 2.X.11. (Advances)

- As described in Section X of these Explanatory Notes, an intermediate company requires approval under the Animal by-products Regulation in order to place manure on the market as processed manure. In this respect, for subsidy amounts of EUR 125 000 or more, an advance payment scheme has been chosen, under which the intermediate company receives:
- an advance of up to 50 % of the subsidy amount after publication of the decision to grant the subsidy;
- an advance of up to 75 % of the subsidy amount once the RVO has received a document proving that the hygiene or drying installation has been completed, stating the date on which the hygiene or drying installation was completed; and
- where applicable, an advance of up to 90 % of the subsidy amount once the RVO has received the conditional approval, if there is no existing full approval under which the hygiene or drying installation fits. If an intermediary company already holds a full approval and the hygiene or drying installation falls within its scope, there is no need to apply for a new approval. In that case, the intermediary

company will not receive an advance of up to 90 %. The company can submit an application for a subsidy determination.

These advances are paid out via manual payments.

For subsidy amounts below EUR 125 000, the intermediate company receives 90 % of the subsidy amount within two weeks of the publication of the decision granting the subsidy. Upon determination of the subsidy, the intermediary company will receive the final 10 % of the subsidy amount.

Article 2.X.12. (Application for subsidy determination)

For the RNES (which also includes this subsidy module), the obligations on subsidy determination are set out in Article 50 of the Framework Decree on National EZK and LNV Subsidies. It has been decided to further specify these obligations in Article 2.X.10 by requiring documents to be enclosed with the application for subsidy determination. It is stipulated that the application for subsidy determination must contain at least a general and technical description of the investment project carried out. This technical description must make it possible to verify that the process described in Annex 2.X.1 is used for hygiene or drying purposes. Furthermore, the full approval or an existing full approval must be submitted with the application for subsidy determination.

Article 2.X.13. (Compensation for capital formation)

This provision sets out the obligation to pay compensation for capital formation. An obligation to pay compensation can only be imposed in the cases referred to in Article 4:41(2) of the General Administrative Law Act. The amount is determined in accordance with paragraph 2, unless paragraph 3 applies.

Article I, Part B

The table in the Annex shows the different operating principles and the associated techniques. Table 1 shows the ones for hygienic installations, and Table 2 shows the ones for drying installations. Each operating principle, using one of the basic techniques listed in the table, leads to the establishment of a hygiene installation or drying installation, as defined in Title 2.X of this Regulation.

Article II

The table in Article 1 of the Regulation on the opening of EZ, LVVN and KGG subsidies in 2025 indicates the period during which the various subsidy modules of the RNES have been opened and the subsidy ceiling. Article II of this amending Regulation adds the opening of the subsidy module to this table. Applications can be submitted between 1 December 2025 and 27 February 2026. The subsidy ceiling for the establishment of a hygienic installation is EUR 3 750 000; the subsidy ceiling for the establishment of a drying installation is also EUR 3 750 000.

Ministry of Agriculture, Fisheries, Food Security and Nature.