DRAFT EVALUATION PLAN

NATIONAL CLEARING OPTION SCHEME WITH PEAK LOAD

Ministry of Agriculture, Nature and Food Quality 15 December 2023

Table of contents

Table of contents		2
0. Introduction		1
1. Int	troduction	1
2. Na	ational framework policy reviews	2
3. Int	tervention logic	2
4. Ob	pjective and target group of the scheme	3
4.1	Objective of the scheme	3
4.2	Target group of the Regulation	4
5. Ev	valuation questions and result indicators	5
5.1	Direct impact of the aid (level 1)	5
5.2	Indirect impact of the aid scheme (level 2)	5
5.3	Proportionality and appropriateness of the aid scheme (level 3)	7
6. Control group		7
7. Ca	arrying out evaluation	9
7.1	Data sources	9
7.2	Duration of the evaluation	9
1.1		

0. Introduction

By letter dated 4 July 2023 (ref.: COMP (2023) 6469140)), the Commission (DG Competition) drew the attention of the Netherlands to recital 15 of the Commission decision on the Landelijke termination scheme for peak-load livestock sites (hereinafter: the scheme), in which the Netherlands undertakes to carry out an ex-post evaluation of the effectiveness of the scheme.^{1,2}

The requirements for such an ex-post evaluation are set out in points 639 to 646 of the Guidelines for State aid in the agricultural and forestry sectors and in rural areas (hereinafter: the Guidelines).1 23 Pursuant to point 643 of the Guidelines, the Netherlands must submit to the Commission a draft evaluation plan drawn up in accordance with the common methodology for the assessment of State aid.4 This is the purpose of this draft evaluation plan.

The letter of 4 July 2023 requested that the draft evaluation plan be submitted to the Commission by 15 September 2023. Following the request by the Netherlands for an extension of the submission deadline, the Commission requested by letter dated 28 November 2023 (COMP (2023) 12185796) to submit the draft evaluation plan by 15 December 2023.

1. Introduction

The Landelijke phasing-out scheme for peak-load livestock sites (hereinafter: the scheme) is a subsidy scheme for ending rearing sites with dairy cattle, pigs, poultry (chickens and turkeys) and veal calves that are part of the target group of the peak load approach. Farmers who belong to the target group and fulfil the conditions of the scheme may receive a subsidy which provides compensation for the loss in value of production capacity (stables, manure cellars and silos, feed silos), for the production right to be recovered and for the costs of demolition of production capacity.

This scheme has been drawn up in accordance with the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas. The Guidelines contain a paragraph specifically addressing aid for closing capacity for animal, plant or public health, sanitary, ethical, environmental or climate reasons (paragraph 1.3.1.1, paragraphs 423 to 436). The common assessment principles of the Guidelines have also been taken into account in the design of the scheme (Part I, Chapter 3).

A draft of this scheme has been notified to the European Commission. On 2 May 2023, the Commission considered that the aid to be granted under the scheme was compatible with the internal market and that, from the point of view of State aid, there was no objection to the definitive adoption of the scheme (Commission Decision SA.106559 (2023/PN)).

The scheme was published in the Government Gazette on 12 June 2023 (No 15029), entered into force on 13 June 2023 and opened for the submission of grant applications on 3 July 2023. The opening period ends on 5 April 2024. The scheme has a subsidy ceiling of EUR 975 million. The Netherlands Enterprise Agency (RVO) is responsible for implementing the scheme. Livestock farmers can (digitally) submit a subsidy application to RVO, after which RVO checks it against the subsidy conditions. Grant applications will be evaluated in order of first arrival and, if the conditions laid down are met, will be awarded. Once the positive subsidy decision has been issued, RVO verifies that the subsidy recipient complies with the requirements laid down in the subsidy decision

¹C (2023) 2992 final, 2 May 2023

^{2&}quot;The Dutch authorities explain that the effectiveness of the scheme will be subject to an ex-post evaluation."

^{32022/}C 485/01

⁴Commission staff working paper: Common methodology for State aid evaluation (28.5.2014, SWD (2014) 179 final).

for the termination of the livestock site. This termination takes place in stages and the RVO checks are carried out on a phased basis. If the check shows that the relevant requirements of the subsidy decision have been met, the farmer receives an advance on the subsidy amount of 20 % and 60 % respectively, and finally, if all the subsidy requirements are met, the remaining amount of the subsidy will be paid at the time of final determination of the subsidy.

Livestock farmers shall have a maximum of 18 months from the date of adoption of the positive subsidy decision to comply with the requirements for definitive and irrevocable cessation of production on the farm site concerned. That is also the moment when the objective pursued by the scheme of reducing nitrogen deposition on congested Natura 2000 sites is achieved. After all, when production at the livestock site in question ceases, the ammonia emissions from stables and manure deposits, which are responsible for nitrogen deposition, are no longer present. After the end of production, subsidy recipients still have a maximum period for achieving the required demolition of production capacity, namely the stables, manure cellars and – silos and feed silos.

2. National framework policy reviews

Under Article 4.20, second paragraph, preamble and part f of the Compatibility Act 2016,5 ministers are obliged to periodically examine all policies in their budgets for effectiveness and efficiency. The budget available for the scheme is included in the budget of the Ministry of Agriculture, Nature and Food Quality (LNV), which places the Minister of Agriculture, Nature and Food Quality under an obligation to evaluate the scheme. The 2022 Regular Review Order6 is a further development of the aforementioned article of the 2016 Comptabilitwet.

The evaluation of the scheme should therefore not only be in line with the above-mentioned European Commission Working Document, but also with national requirements when evaluating the effectiveness and efficiency of implemented policies. The evaluation plan has been drawn up in such a way as to enable the evaluation of the scheme to be carried out in such a way as to meet both the national and the European evaluation requirements, with the associated substantive and basic requirements. This avoids the need to carry out two separate evaluations of the same scheme.

The 2022 Regular Review Order requires the following four steps to be taken in order to comply with the evaluation requirement laid down in the Compatibility Act:

- 1. Planning and preparing
- 2. Call for tenders and contracts
 - a) Drafting of the invitation to tender and (open) call for tenders
 - b) Choice of Examination Offices or Call for Tenders
 - c) Set up a monitoring committee to assess the submitted research plans (offers), accompany the research phase and comment on the (draft) reporting
 - d) Contract award
- 3. Implementation of evaluation and reporting
- 4. Presentation to the House of Representatives of the States-General, with Cabinet reaction (if necessary or desired)

3. Intervention logic

The intervention logic is that without the scheme a rapid and significant reduction of nitrogen deposition on overloaded Natura 2000 sites cannot be achieved. The following first describes the long-standing development of the livestock market and, in particular, what happens if a farmer

⁵https://wetten.overheid.nl/BWBR0039429/2023-09-26

⁶ Regulation of the Minister of Finance of 11 July 2022 laying down rules for periodic evaluation studies 2022 (https://zoek.officielebekendmakingen.nl/stcrt-2022-19587.html).

terminates his holding, namely that his production capacity is then taken over by another farmer.

The number of livestock farms in the Netherlands has been declining for decades, but at the same time the average size of the stayers has increased. For example, the number of dairy farms fell from 2000 to 2022 between 29.500 and 14.700. The average number of animals increased from 51 to 107 per holding over the same period. There was an even greater shift in pig farming during the same period. Between 2000 and 2022, the number of pig farms in the Netherlands decreased from 14.500 to 3.300. Over the same period, the average number of animals kept per holding increased from 900 to almost 3.500. The number of pig farms has thus fallen sharply, while the overall size of the pig herd decreased only slightly.

The number of dairy cattle and poultry and the number of pigs in the Netherlands is limited by the system of production rights (pig and poultry rights, phosphate rights for dairy cattle). While the number of holdings decreases when a dairy, pig or poultry farmer terminates his holding, this does not apply to the size of the herd. The production right for pigs, poultry or dairy cattle held by the staging farmer may be sold by him to another operator who uses the rights to keep (the same type of) animals. It is also the case that the other operator also takes over the stables and other production capacity of the stopping operator.

The effect of the scheme is to ensure that livestock farmers who discontinue their livestock holding or a location of their livestock holding do not sell their production capacity, more specifically the stables and production rights, to another operator but *permanently and irrevocably* cease to exist with public support. The big difference with the practice of acquiring production capacity that has been in place for decades is that livestock farmers receiving a cessation subsidy under the scheme permanently and irrevocably cease production capacity by:

- a) the removal of their production right for dairy cattle, pigs and poultry, which means that this production right is no longer available to other operators; and
- b) demolish production capacity (such as stables) and ensure that livestock can no longer be kept on the site in question.

These requirements ensure that the scheme achieves a permanent reduction of livestock in the Netherlands and that production capacity and location are no longer available for keeping animals.

4. Objective and target group of the scheme

4.1 Objective of the scheme

The nitrogen load from ammonia and nitrogen oxides on the (protected) nature in the Netherlands has been too high for decades, resulting in negative effects on nature quality and biodiversity. Nitrogen emissions need to be further reduced. In order to achieve a reduction in nitrogen deposition on nitrogen-sensitive nature, the Dutch government has decided on a package of nitrogen reduction measures, including the Landelijke Termination Regime for peak-load livestock sites.

The scheme contributes to the achievement of the reduction targets as laid down in the Nitrogen Reduction and Nature Improvement Act (Wet Nitrogen Reduction and Nature Improvement) (Stb. 2021, 140) and to the conservation objectives of the Birds and Habitats Directives (VHR). The objective of the scheme is to achieve a structural and permanent reduction of nitrogen deposition on nitrogen-sensitive Natura 2000 sites in the Netherlands which are wholly or partially overburdened (i.e. have a deposition above the critical deposition value) or where, in the absence of measures, there is a risk of overloading. The scheme therefore specifically targets Natura 2000 sites that are nitrogen-sensitive and are (partly) overburdened in terms of nitrogen deposition or at

risk of overload.

The scheme is also relevant for other files, such as those relating to climate and water quality. In addition to reducing nitrogen deposition on congested Natura 2000 sites, the scheme has other effects, such as:

- permanent reduction in dairy, pig and poultry herds through the definitive removal of production rights and a reduction in the number of veal calves;
- reductions in greenhouse gas and particulate matter emissions;
- contribution to the achievement of the goals set out in the Climate Agreement;
- reduction in the production of livestock manure (nitrogen and phosphate) and thus a reduction in the rural manure surplus;
- improvement of the overall quality of life in the outdoor area (including a reduction in the number of transport movements, a reduction in odour load and the avoidance of vacant land and undermining by the demolition obligation).

4.2 Target group of the Regulation

In view of the objective of the scheme and the need to achieve a significant reduction in ammonia emissions and nitrogen deposition in the short term, the scheme therefore focuses on the group of the largest producers of deposition, those with a livestock farm site causing so-called *peak loads*. The enabling condition for eligibility for a subsidy under the scheme is that the total nitrogen deposition (nitrogen load in moles per year) of a livestock site to be terminated on congested Natura 2000 sites within a radius of 25 km is at least a *threshold* specified in the scheme. This threshold is the main selection criterion of the scheme, in addition to the further conditions to be met by a grant application. The fact that a livestock holding or a location of a livestock holding has a nitrogen deposition at or above the threshold value means that peak-load livestock farming can participate in the scheme. Nitrogen cargo is determined using AERIUS Check. This is a calculation tool developed by the National Institute for Public Health and the Environment (RIVM). The nitrogen load thus calculated determines whether the site covered by the subsidy application fulfils the deposition criterion, expressed in moles of nitrogen per year.

RIVM has been asked to advise on the threshold for nitrogen cargo on overloaded Natura 2000 sites, in such a way that around 3.000 sites can meet this subsidy requirement, of which the vast majority of them are livestock sites. The threshold recommended by the RIVM is included in the scheme as a selection criterion. The RIVM used the most up-to-date data at that time in the calculations underlying the opinion. As a result, the size of the target group may differ to some extent from the size of the target group as used by RIVM (the approximately 3.000 locations) in practice – that is to say, at the time of the actual opening of the scheme. This will then have an impact on the distribution of this target group between the Netherlands, provinces, Natura 2000 areas and between the different livestock sectors (dairy cattle, pigs, poultry and veal calves), while the distribution that will occur in practice depends on actual participation in the scheme. This is because it is the choice of farmers to participate and to determine, by means of a calculation using AERIUS Check, whether their rearing location meets the threshold and thus belongs to the target group of the scheme. The Dutch Government does not carry out such a calculation for individual livestock sites.

5. Evaluation questions and result indicators

In line with paragraph 3.2 of the Working Document prepared by the Commission, three levels of evaluation questions are distinguished:

- 1. Direct impact of the aid on its beneficiaries;
- 2. Indirect impact of the aid scheme;
- 3. Proportionality and appropriateness of the aid scheme.

This includes the result indicators referred to in paragraph 3.3 of the above-mentioned working document.

5.1 Direct impact of the aid (level 1)

Given the objective of the scheme, the main question is whether and to what extent the scheme actually resulted in a reduction of nitrogen deposition on Natura 2000 sites, both nationally (all congested and nitrogen-sensitive Natura 2000 sites) and per congested Natura 2000 site. This can be expressed as average, in moles of nitrogen per hectare per year (mol N/ha/yr) and as a total (national or area), in moles of nitrogen per year (mol N/yr; the so-called *nitrogen cargo*). There are *several result indicators* to illustrate this. For example, the result can be broken down into the sectors targeted by the scheme (dairy cattle, pigs, poultry, veal calves) and by provinces. Furthermore, the result can be set off to the total nitrogen deposition caused by the target group covered by the scheme.

Given the nature of the scheme, the direct impact of the aid *on beneficiaries is the* definitive and irrevocable cessation of production and production capacity at the livestock sites concerned. It is up to individual operators to consider whether ending their husbandry location, using the scheme, is an attractive choice from a financial point of view. The scheme does not contain any provisions on the basis of which there is information on the starting position of the individual participants and the extent to which they have changed their behaviour as a result of the scheme. Evaluation questions relating to the direct impact of the aid on the behaviour of the beneficiaries (the grant recipients) cannot therefore be answered on the basis of information provided by entrepreneurs under the scheme. Such evaluation questions will therefore be answered on the basis of interviews with a representative sample of beneficiaries (farmers) and stakeholders, including agricultural advisors who accompany livestock farmers in applying for the subsidy and the actual termination in accordance with the requirements of the subsidy decision. Evaluation questions that may be addressed are (non-exhaustive):

- What were the characteristics of the farmer and the livestock farm (age of the entrepreneur, presence of succession, business situation, future prospects, etc.)?
- What were the market conditions and perspectives (where market conditions are not solely determined by the financial perspective, but also, for example, by policies (intentions) at national, European or global level)?
- What were the trade-offs to make use of the scheme?
- Is there a new source of income (employee, new or existing company, pension)?
- How will the agricultural land released from the end of the livestock site be used now and in the future (conservation, sale, lease; for what purposes)?

5.2 Indirect impact of the aid scheme (level 2)

As indicated in paragraph 3.1, the scheme is expected to have (positive) effects other than only those linked to the main objective, i.e. (in short) reduction of nitrogen deposition. While there is no direct focus on these other impacts, they are nevertheless important for the achievement of other policy objectives. These effects are mainly the direct consequence of the permanent decrease in the number of animals generated by the scheme (reduction of livestock) and the termination of the livestock site. This results directly in a reduction of ammonia, greenhouse gases (in particular

methane and nitrous gas) and a decrease in manure production (nitrogen, phosphate). In doing so, the scheme contributes to achieving climate and water quality objectives.

An important indicator of the indirect impact of the aid scheme is the overall reduction in ammonia emissions (a source for the *so-called*nitrogen cover) achieved with the definitive and irrevocable cessation of production at livestock sites. This can be expressed in terms of the total number of kilograms (or kilotonnes) of ammonia and the percentage reduction in total ammonia emissions caused by different sectors (dairy cattle, pigs, poultry and veal calves) of total livestock farming. The achieved reduction in ammonia emissions can be compared to the reduction target set by *the National Emissions* Ceilings (NEC7). The same can be done for the reduction in greenhouse gas emissions achieved by the reduction of livestock.

In addition to environmental impacts (climate, water), the scheme also has positive effects on environmental quality. The obligation attached to the subsidy to demolish production capacity (stables, manure cellars and silos, feed silos) improves the quality of life in the outlying area. The absence of buildings will be prevented, thus reducing the risk of undermining and criminal activities in the countryside. The closure of livestock sites also reduces the number of transport movements (for example, animal feed, manure).

In order to quantify the indirect impact of the aid scheme on the stated policy objectives, it is necessary to provide information on individual animal husbandry sites which have actually ceased production definitively and irrevocably. These data are collected from the RVO, which is designated as the executive agency of the Government for the implementation of the scheme. Farmers applying under the scheme are required to provide the information necessary to check that the conditions are met, including (non-exhaustive):

- Address details of the animal husbandry site;
- Average number of animals kept, broken down by species and category of animals;
- Scope of production right cancelled (pig and poultry right, phosphate right for dairy cattle);
- Nitrogen deposition on congested Natura 2000 sites within a radius of 25 kilometres;
- Surface area of livestock buildings;
- The applicable environmental permit and permit for nature protection.

On the basis of these data provided by farmers at the time of the application, the indirect environmental effects can be quantified. In this sense, the above data can be *considered as result indicators*. For example, the reduction in greenhouse gas emissions (methane, nitrous gas, CO2 equivalents) and the decrease in manure production (expressed in nitrogen and phosphate) can be calculated on the basis of data on the number and type of animals kept. The availability of the exact location data allows the (direct and) indirect environmental impacts to be broken down geographically, for example by province or by natural area. The contribution by sector to (direct and) indirect environmental impacts can also be made clear.

In addition, the *indicators* referred to above make it possible to determine the relative decrease in production capacity by species and category and by area compared to existing capacity. This gives an indication of the effects on competition and trade.

Livestock farms operate in a chain of suppliers and customers. The scheme, and in particular the resulting reduction in livestock numbers, may have an impact on companies in the chain. A reduction in livestock numbers has an impact on the supply and/or demand of animal feed, slaughter capacity, transport, staging, milk processing, etc. If and to what extent the changing

⁷NEC Directive (EU 2016/2284).

demand and/or supply also has a lasting impact on suppliers and customers concerned, it will differ from one undertaking to another and depends also on the possibilities of exploiting other supply and supply markets. The evaluation will also address these so-called spill-over effects of the scheme.

5.3 Proportionality and appropriateness of the aid scheme (level 3)

This part of the evaluation of the scheme should answer the question whether the intervention logic, as underlying the scheme (see paragraph 3), was correct. As regards the aspect of the proportionality of the scheme, reference is made, first, to the Commission's view, set out in paragraph 62 and further in its decision approving the scheme. In that case, the Commission argues that the aid envisaged by the scheme is proportionate because the scheme in its design meets the requirements of points 83, 86, 87 and 88 of the Guidelines. In particular, as mentioned under marginal 83, it is important that the aid granted complies with the cross-compliance requirements of the relevant framework. It may be clear that a farmer who is considering stopping will in principle try to sell his production capacity to a third party. The definitive abandonment of the livestock site and the removal of the production right is only an option if it is matched by compensation comparable to what it could obtain if sold on the market. This makes it clear that loans can under no circumstances be an appropriate instrument for achieving the policy objective. In order to confirm the above, it may be ascertained in the context of the individual interviews mentioned in section 5.1 whether the person concerned would have made the same choice even in the event of a lower or different type of compensation. It is conceivable that this might provide further information on certain aspects of the scheme, such as the way in which loss of value is calculated.

6. Control group

Paragraph 3.4 of the Commission working document highlights the importance of comparing the undertakings that have received aid and those not (the control group) in order to capture "the causal effects of the scheme itself": 'This causal effect is the difference between the outcome with aid and the result without aid.'

In the case of a scheme that provides a subsidy for the definitive and irrevocable cessation of all activities of an enterprise at a site, such comparison is not meaningful. The result with aid is that the farmer concerned, who voluntarily chooses to close his livestock site with a subsidy, definitively ceases production and production capacity. The result without aid is that an entrepreneur will often continue its activities. Point 3.4 of the working document recognises this problem: "When identifying a control group, a specific problem arises when non-beneficiaries themselves decide whether or not to apply for aid. For example, if all undertakings are eligible (i.e. all undertakings proposing a project and applying for aid also receive certain aid), the non-applicant undertakings are likely to be those without a project.' The scheme offers the possibility to apply for aid to all livestock farmers who fall within the target group and who wish to end their production capacity definitively and irrevocably. In the terminology used in the working document, these are the companies proposing "a project".

Livestock farmers who fall within the target group and who do not wish to cease their production capacity are undertakings without a 'project'. These companies will not apply for aid.

The evaluation carried out by the independent research agency CE Delft on the Subsidieregeling Rehabilitation of pig farms (SRV8) sought to make a comparison between pig farms receiving a termination subsidy under the SRV and a control group using the so-called difference-in-difference

method.9 CE Delft concluded that statistical substantiation of the policy effects of the SRV based on this method could not be made, as this method requires that both groups (the group of pig farmers receiving aid and the control group) are subject to the same trend as far as possible in the run-up to and in the period following the granting of the aid. In the case of the scheme, there is no (more or less) similar trend since livestock farmers who applied for and receive aid have definitively and irrevocably ceased their livestock activities, while farmers who did not apply for aid continued their livestock activities.

Given the nature of the scheme (a voluntary subsidy scheme aimed at the permanent cessation of all livestock activities), it is not appropriate to determine the causal effect – the difference between the outcome with aid and the outcome without aid – through a control group. The causal effect is in fact a direct consequence of the requirements of the aid scheme. The causal effect is therefore established in advance. In fact, a farmer can claim a subsidy (aid) only if the cessation of livestock activities on the farm site in question is actually carried out. In short, if all requirements are met.

Even if determining the causal effect through a control group does not make sense, a comparison between the two groups may provide meaningful information, for example for future measures. A comparison between the two groups can provide information on factors that (also) determine an operator's decision to (early) end production at a livestock site definitively and irrevocably using the scheme. These will be partly factors that are more factual and/or quantitative in nature and partly more subjective and/or qualitative in nature. Factual and/or quantitative factors may include, for example, the economic position of an entrepreneur (e.g. indebtedness, financing possibilities, contracts with buyers, etc.), age and prospects of business succession (available/not available). Subjective and/or qualitative factors may include, for example, market sentiment, future expectations and a feeling of appreciation as an agricultural entrepreneur/farmer.

Knowledge of the factors that have been (partly) decisive in the decision making of entrepreneurs whether or not to apply for a grant may be relevant in shaping and deciding on future (support) measures. In order to understand these factors, interviews are provided with farmers who have made use of the scheme and those who are in the target group of the scheme but have not used them. In the case of the latter group, a distinction can still be drawn between livestock farmers who had submitted an application but who did not apply for a subsidy at a later stage and those who did not apply for a subsidy.

In addition to knowledge of factors that have been (partly) decisive in the decision making of entrepreneurs who fall within the target group of the scheme, a comparison between the target group and the non-target group may also provide useful information. In order to address the nitrogen problem, livestock farmers could benefit from two cessation schemes, namely the scheme covered by this evaluation plan (the Lbv-plus) and the Landelijke Termination Regime for Nitrogen Reducing Sites (LBV). In addition, the target group of these two schemes consisted of around 12.000 livestock sites, or about 50 % of all livestock sites in the Netherlands. The evaluation will also compare these two groups, with the main question whether the scheme has contributed to (accelerated) reduction of nitrogen deposition on overloaded and nitrogen-sensitive Natura 2000 sites (compared to the group with livestock farms that were not targeted by the Lbv-plus and LBV).

The9 difference-in-difference method is one of the methods recommended to the Dutch government by the Expert Working Group on Impact Measurement (the Theeuwes Commission) in their final report, as one of the evaluation possibilities to measure the direct effects (output) of policy measures (see: https://zoek.officielebekendmakingen.nl/blq-195283)

7. Carrying out evaluation

7.1 Data sources

In order to collect the relevant data, first, the data processed by RVO in the context of the implementation of the scheme, as mentioned in paragraph 5.2, will be used. Secondly, it concerns data which will have to be obtained by means of interviews. In addition, statistical and public data sources are important, such as on the size of certain sectors (see paragraph 5.2) and for the composition of the control group, insofar as the General Data Protection Regulation (GDPR) allows the data to be used for the evaluation of the scheme.

7.2 Duration of the evaluation

The scheme will run from 13 June 2023 to 13 June 2028. Grants may be applied for in the period from 3 July 2023 to 5 April 2024, while the closure of the livestock sites under the scheme takes place in stages, with the formal completion of the grant track (verification of compliance with the conditions) usually taking place more than three years after the grant has been awarded. As part of the implementation of the scheme, continuous collection of data of relevance (also) to the evaluation will be carried out.

The implementation of the evaluation does not have to wait until the full completion of the grant pathway of all aid recipients. In order to achieve the objective of the scheme (reduction of nitrogen deposition on congested and nitrogen-sensitive Natura 2000 sites), the time of permanent cessation of production at the livestock site is particularly important. After all, when animals are no longer kept at the livestock site and manure is no longer present on the site, ammonia emissions will no longer be present. The period between the moment of grant allocation and the moment of definitive cessation of production at the livestock site shall not exceed 18 months.

Taking into account the lead time of the grant pathway, the closure of the application period (5 April 2024) and the steps to be taken according to the Periodic Evaluation Review Scheme 2022 (see paragraph 2), the first two steps of the evaluation of the scheme (planning and preparation) will be launched by 1 January 2025 at the latest; call for tenders and contracts). After commissioning, the actual implementation of the evaluation (step 3) will start by 1 April 2025, with final reporting on 1 November 2025. The final evaluation report will then be presented to both the European Commission and the Dutch House of Representatives in November/December 2025.