

INTRODUCTION

Ager - agroalimentare e ricerca is a project conceived and developed by a group of foundations sharing goals and resources that decided to support scientific research in order to give new impetus to Italy's agri-food sector.

In this second edition, Ager is taking advantage of cooperation with nine Foundations of banking origin (**Fondazione di Bolzano, Fondazione Cariplo, Fondazione Cassa di Risparmio di Cuneo, Fondazione Cassa di Risparmio di Modena, Fondazione Cassa di Risparmio di Padova e Rovigo, Fondazione Cassa di Risparmio di Parma, Fondazione Banco di Sardegna, Fondazione Cassa di Risparmio della Provincia di Teramo, Fondazione Cassa di Risparmio di Udine e Pordenone**) and **Fondazione con il Sud**.

After funding research projects in the previous edition in the cereals, fruits-and-vegetables, wine growing and producing and livestock segments, **Ager** now intends to become involved in more diverse areas, chosen for their strategic role or their strong potential for growth, and in any case needing study. In particular, the new sectors are: **aquaculture, mountain agriculture, olive tree and oil** and **dairy products**.

The Foundations want to contribute towards improving production processes and technological development in order to: consolidate the *leadership* of Italian agri-food products, guarantee consumers highly nutritional, wholesome and appealing food, and combine high yields with the environmental sustainability of the agricultural production chain.

To pursue their objectives, the 10 **Ager** Foundations have been organised into a temporary Association, with leadership as well as powers of representation assigned to **Fondazione Cariplo**.

The Foundations of banking origin are private corporate bodies with full operational autonomy which, under the provisions of Law 23 December 1998, no. 461, and Legislative Decree 17 May 1999, no. 153, pursue purposes of social utility and promotion of economic development. **Fondazione con il Sud**, on the other hand, was established at the initiative of the bank-established Foundations of banking origin and the world of volunteerism, for the purpose of enhancing and expanding social infrastructure in the regions of southern Italy.

1 - REFERENCE CONTEXT

Economic Context

The cultivation of olive trees and the production of oil are two activities emblematic of Italian agri-food; the Mediterranean Basin is the most concentrated olive-growing region in the world.

Olive growing involves some one million hectares of the country's UAA, and processing generates turnover of three billion euros, or 3% of the total for the agri-food industry. In addition to the typical production areas of south and central Italy, there is also interesting activity going on in the north, mainly Liguria and the area of the pre-Alpine lakes. Oil processing is an activity associated with farms, yet at the same time it is one of the most valuable segments of the food industry. In addition to its strictly economic aspects, the segment has always been significant in environmental and territorial terms.

Over the past two decades we have seen the consumption of seed-derived oils replaced with olive oil, and, in particular, extra-virgin olive oil which today accounts for the largest share of olive oils consumed. However, Italy has increased its production only moderately(+5%), whereas Spain has more than doubled its production (+117%), as have other countries like Morocco, Syria and Turkey. Some 70% of the world's production is still concentrated in Europe, where Spain and Italy continue to play leading roles, accounting for 66% and 20%, respectively, of total EU production. Italy is one of the importing countries, as it is unable to meet domestic consumption with what it produces; it is in the lead, with an import volume that is 1.5 times the export volume which, however, is virtually equal in value: exports from Italy in fact go mainly to the markets in developed countries to replace consumption of animal fats, and 76% of these exports are of higher-priced oil (virgin and extra-virgin).

Because of last year's particularly unfavourable weather, with exports posting a +6% increase over 2013, the trade balance is negative, after three consecutive years of being in the black.

Critical Issues and Potential

At the moment, the main critical issue for the sector seems to be the disease known as "olive leaf scorch disease" (OLSD), closely associated with the bacterium *Xylella fastidiosa*, whose spread is for the moment limited. However, and without in any way downplaying the seriousness of these recent problems and the potential future implications in the event of a failure to quickly implement all the measures suitable for containing it, these are not Italy's historic problems with olive growing.

The sector's economic problems are essentially associated with the costs of the domestic raw material, which are high and suffer from a lower productivity, and with the higher processing costs compared to other Mediterranean countries; the competition from Spain in particular is very strong.

The segment is penalised by a limited propensity for introducing innovations, associated with various factors including: in-house grinding, the prevalence of traditional installations (≤ 200 trees/hectare), little specialisation (mixed installations), the prevalence of hilly and mountainous terrain, the advanced age of the trees (>50 years)and, in some areas, a scarcity of water.

On the processing side, the sector is also impacted by the grinding done by the oil-mill industry. However, globalisation of the olive oil market has enhanced the role of packaging companies operating at the multinational level, and those involved in modern distribution. The branded oil industry is strong and concentrated, but much of it has been purchased by foreign capital, especially Spanish.

In addition to all this, sector policy to date has not been able to provide guidelines or promote a renewal, even though, after this especially difficult year for the Italian olive-growing industry, decidedly better prospects seem possible now with the new National Olive Plan.

Unlike “wine” as a product, there is still no culture of oil in Italy. This fact, together with a rather unclear system for classifying olive oils, makes it difficult for the consumer to understand the real value of the product and distinguish between a superior-quality oil and a secondary one. This has penalised domestic oil, which, far from being a mere commodity, derives its prized nutritional and sensory characteristics from a broad array of cultivars unequalled in any other country. Italy is first in Europe, with 43 designations of origin recognised by the EU, and DOP oils are expanding because of their greater profitability, although they still represent a niche in the overall market.

Familiarity with the various typical characteristics associated with the autochthonous varieties may be a factor that differentiates and enhances the Italian product which, to date, has not been adequately exploited by the producer, is not taken into due consideration in the processing phase and, finally, is not recognised by the consumer.

2 - OBJECTIVES OF THE CALL FOR PROPOSALS

It is in this context that **Ager** intends to contribute to carrying out multidisciplinary scientific research projects aimed at achieving results that will have a short-term impact on the quantity, quality and valorisation of Italian extra-virgin olive oil, starting with production of the raw material.

3 - GUIDELINES

3.1 - Acceptable Subjects

Ager will review projects presented by institutions, organised into partnerships only, that carry out scientific research activities directly in the contexts identified in the call for proposals.

The lead partner must be located within the operating area of the **Ager** member Foundations, as defined at point 5.4 of the “Submission Guide”.

Given **Ager**’s goals, partners can be located whether within or outside the Foundations’ reference area. Foreign partners may also participate if they contribute significantly to carrying out the proposed studies.

The partnership must provide for participation only by institutions eligible to contribute to the Foundations according to the eligibility criteria indicated at point 5.3 of “Submission Guide”. Together with their project proposals, the partnership acceptance letters must be submitted by all participating institutions, according to the template provided.

3.2 - Lines of Research

Ager will select projects having a maximum term of three years that address one or more of the following areas:

- improvement of the production efficiency, either by streamlining the agronomic management of intensive olive groves (quantitative and qualitative increase in production,

cost reduction, environmental sustainability) or with reference to super-intensive olive groves

- optimisation of the harvest and processing phases through innovative methods and technologies, including in reference to various cultivars
- valorisation of extra-virgin olive oil through analyses that qualify and diversify it, as part of an effort to support suitable communication and information strategies
- development of systems to monitor and/or maintain the quality of extra-virgin olive oil during its conservation, including in terms of the *packaging*
- management and valorisation of processing by-products (pomace and wastewater)

3.3 - Communication Plan

Ager wants to ensure that the funded projects and the results acquired during and at the end of the study are promptly communicated and disclosed to the scientific community, the stakeholders and civil society. The project must therefore provide for a “Communication Plan” as an integral part of the study, drafted based on the *Guidelines for communication and dissemination of results* which can be downloaded from www.progettoager.it.

Failure to properly draft and manage the communication plan by following the instructions given in the *Guidelines* may lead to a reduction in the amount of funding requested for the communication effort, even if the project has already been approved.

3.4 - Economic Plan

Ager's grant covers 100% of the total project costs (additional and current expenses). The grant application must be consistent with the proposed experimental plan, the scale of the partnership, the project's term and budget availability as indicated in the call for proposals.

Projects must present an economic plan providing exclusively for the listed expense categories, in keeping with the relative ceilings (if any):

- **Amortizable Costs.** This expense category must not exceed 15% of additional project costs. It may involve the total cost incurred in purchasing the equipment and software programmes to be used for years to come that are not already available in the partnership's pool and that are demonstrably necessary for carrying out the experimental plan. This expense category may also include amounts to be incurred in the event of equipment leasing and for any finishing work needed for installation.
- **Temporary staff**
- **Sub-contractors and consultants**
- **Consumables**
- **Overheads.** This expense item must not exceed the 5% threshold, calculated on the sum of the additional project costs
- **Communication and dissemination activities and other costs.** This expense item must not exceed 15% of additional project costs. This may involve expenses for the types of activities indicated in the *Guidelines for Communication and Dissemination of Results*, as well as for missions, meetings among the partners and training courses for researchers involved in the project.

It is advised that applicants provide a breakdown of the expense categories using the special format indicated at point 5.1 of the "Submission Guide", justifying the amounts indicated with estimates or quotes where possible.

When the forms are filled out, the total project cost will match the requested grant.

3.5 - Evaluation Criteria

Based on the evaluations of an international panel of independent experts to guarantee objective and impartial judgments (peer review), the **Ager** management committee will select those projects that deserve a grant. At the end of the evaluation process, the experts' judgments will be conveyed to the applicants, regardless of the outcome of the evaluation.

In addition to overall scientific quality and the adequacy of the economic plan, the evaluation will also consider the following factors:

- the past experiences of the institutions participating in the partnership, demonstrable through scientific results and/or applications relating to the specific sector
- the methodological approach
- the level of innovation
- the added value of each partner and its level of integration into the research group
- the contribution of the proposed research to the sector sustainability (environmental, economic and social)
- the contribution made by the proposed study to improving the quality (safety, nutrition and sensory quality) of extra-virgin olive oil
- prospects for transferral of the research results and potential economic impact
- adequacy of the communication plan
- the ability to offer paths for professional growth to young researchers

3.6 - Projects not acceptable for funding

Funding will not be granted for projects with the following characteristics:

- requests for funding for activities already receiving funding from other sources;
- requests for funding for the creation of new research centres;
- requests for funding that do not involve the recruitment of young researchers in training

4 - BUDGET

The budget available to the present call for proposals totals 2.5 million euros.

The **Ager** management committee may reformulate the budget at a later date within the limits of availability.

5 - SUBMISSION GUIDE

5.1 - Forms and delivery

In order to present a project, please visit the website www.progettoager.it where you can download the 4 presentation forms listed below:

- “Anagrafica capofila” (Details of lead partner)
- “Progetto sintetico” (Project summary)
- “Project presentation form” (this document will contain a detailed description of the project and will be evaluated by the panel of independent experts)
- “Budget form” (this document will contain a detailed description of the economic plan of the project and will be evaluated by the panel of independent experts)

These forms, together with the **partnership acceptance letters** (template provided), are to be filled in and sent to the e-mail address info@pec.progettoager.it (**only for sending the projects**). The submission of material in hard copy is not required and will not be taken into consideration.

Participation in the call for proposals requires reading the following documents, also available at www.progettoager.it:

- “Guidelines for Communication and Dissemination of Results”
- “Reporting Guide”

5.2 - Project Proposal Selection and Evaluation Procedure

The projects submitted will be subjected to an initial selection process based on their formal eligibility and consistency with respect to the content and goals of the call for proposals. In particular, the following projects may not access the subsequent project evaluation phase:

- a. projects submitted by subjects ineligible to receive a grant from the Foundations (see point 5.3, “Institutions Eligible for Foundation Grants”), including when the subject is participating as partner
- b. projects submitted with incomplete or missing forms (including the partnership acceptance letters)
- c. projects that are inconsistent with the goals, guidelines and criteria established by the call for proposals
- d. projects submitted after the deadline (the date on which the e-mail is sent is considered authoritative)

During this initial phase, **Ager** reserves the right to contact the applicants in order to gain additional information useful for assessing eligibility. Projects that do not get past the selection phase will receive a written notification through the project leader.

Only projects that make it past the aforesaid selection process will go on to an evaluation of their merit.

At the conclusion of the entire selection and evaluation process, the list of projects funded will be available at www.progettoager.it. The outcome of the evaluation will in any case be communicated to the applicants by written notice to the project leader.

5.3 - Institutions Eligible for Foundations Grant

Based on the Foundations' own by-laws and internal regulations, grants, disbursements or subsidies of any kind may not be given - directly or indirectly - to for-profit institutions or companies of any kind, with the exception of cooperatives operating in the entertainment, information and leisure industry, social enterprises and social cooperatives.

From time to time, the goals pursued and the activities carried out by the institutions that received grants will be reviewed; for this purpose, articles of association and balance sheets are reviewed, and the Foundation may request or acquire additional documents or information.

The absence of a for-profit orientation must be shown by the presence in the articles of association of a regulation that, on the whole:

- a. prohibits the direct or indirect distribution of profits, operating surpluses, funds and reserves to members of the board, partners, participants, workers or associates;
- b. provides for profits and operating surpluses to be allocated to statutory activities or to increasing equity;
- c. calls for any assets resulting from liquidation to be used for purposes of public utility or to go to other not-for-profit organisations.

The following are in any case excluded from receiving a grant from the Foundation:

- institutions and organisations not formally established with a duly recorded instrument
- political parties
- union or employer organisations
- industry associations
- those subjects engaging in political propaganda, directly or indirectly, to influence the legislative procedure and election campaigns
- those subjects seeking to limit the freedom and dignity of citizens or to promote any form of discrimination
- natural persons.

Grants for projects which, although submitted by institutions formally eligible based on the preceding criteria, are found to be attributable to non-fundable subjects cannot be granted and, if approved, cannot be disbursed.

5.4 - Foundations' Operating Area

The area in which the **Ager** member Foundations operate encompasses the following provinces and regions:

Fondazione Cassa di Risparmio di Bolzano: provincia di Bolzano

Fondazione Cariplo: regione Lombardia e province di Novara e del Verbano-Cusio-Ossola

Fondazione Cassa di Risparmio di Cuneo: regione Piemonte

Fondazione Cassa di Risparmio di Modena: provincia di Modena

Fondazione Cassa di Risparmio di Padova e Rovigo: province di Padova e Rovigo

Fondazione Cassa di Risparmio di Parma: provincia di Parma

Fondazione Banco di Sardegna: regione Sardegna

Fondazione con il Sud: Basilicata, Calabria, Campania, Puglia, Sardegna e Sicilia

Fondazione Cassa di Risparmio di Teramo: provincia di Teramo

Fondazione Cassa di Risparmio di Udine e Pordenone: province di Udine e Pordenone

For purposes of meeting the geographic constraint, the institution's operating headquarters or registered office will be considered indifferently. In the event of doubt, it is recommended that you contact **Ager's** offices (tel +39.02.6239214, simonapinnavaia@fondazionecariplo.it) to be certain.

Details provided will be processed as specified in Italian law n°. 196 of 30 June 2003, the "personal data protection code"