



2017–2020

**Multi-year Planning
Document**

2017-2020

A Clear Idea of Foundation

Multi-year Planning
Document



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1. Making a Breakthrough in the Local Territory

Letter from **Francesco Profumo**,
Chair of Compagnia di San Paolo



Over the last twenty years the Centre-North's economy has undergone great changes: some following ongoing trends, others caused by the lasting crisis.

Ageing and "dejuvenation" in population is an Italian problem, but in Turin the elderly/youth ratio is practically 2 to 1 (Graph 1, page 6) and even higher in Genoa; although the metropolitan area is relatively better off, the south-eastern parts of Piedmont and in particular Ligurian provinces are demographically very weak, a process which is exacerbated if we look to the future without any significant changes. As well as a lot of elderly people, there are few young ones.



The most marked change in the road to adulthood is young people's prolonged stay in the family home. Two-thirds of Italian *millennials* live with their parents, compared to the European average of 48%.

Structural, as well as cultural factors, are at the root of this: widespread increase in schooling, longer time spent in education, difficulty finding the first job, lack of job security and difficulty entering the housing market.

The way we organise people and families' life cycle needs rethinking. Since 2000 Piedmont has had its ups and downs; 15 years later our economy turns out to be poorer. In the Northwest more than elsewhere growth between 2000 and 2008 was wiped out in the following years and continued to sink until 2014. The crisis skyrocketed unemployment. Whereas in 2006 Turin and Piedmont were on the same level

as Milan and Lombardy, 10 years later Turin lost ground and was challenged by an unemployment rate of approximately 12%. (Graph 2).

2015 saw the economic situation in Turin and Piedmont improve along with that of the Northwest. However, recovery is far from strong, doesn't cover all sectors, and uncertainty remains, coupled with risk of trend inversion.

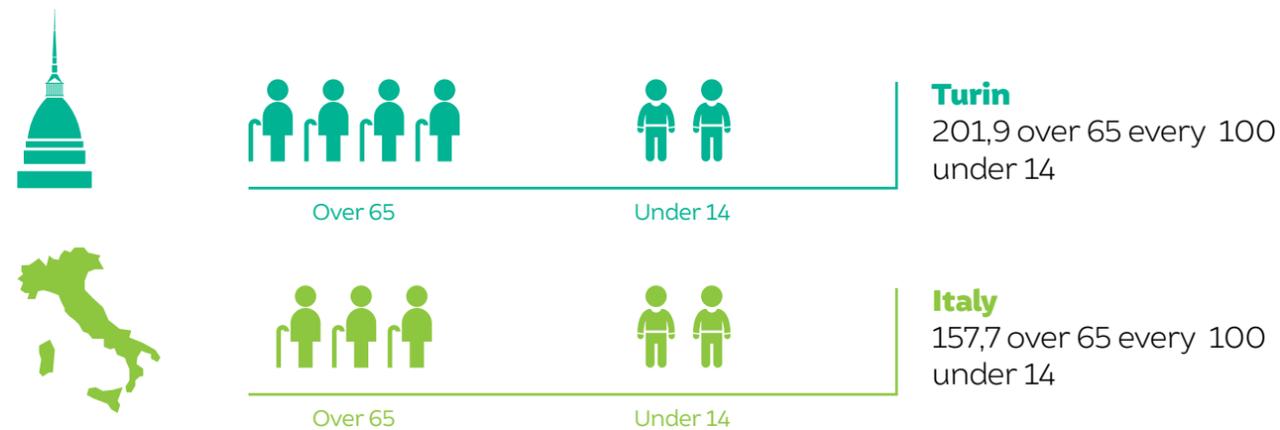
Changes over the last 20 years have left a difficult legacy and few certainties.

During this time:

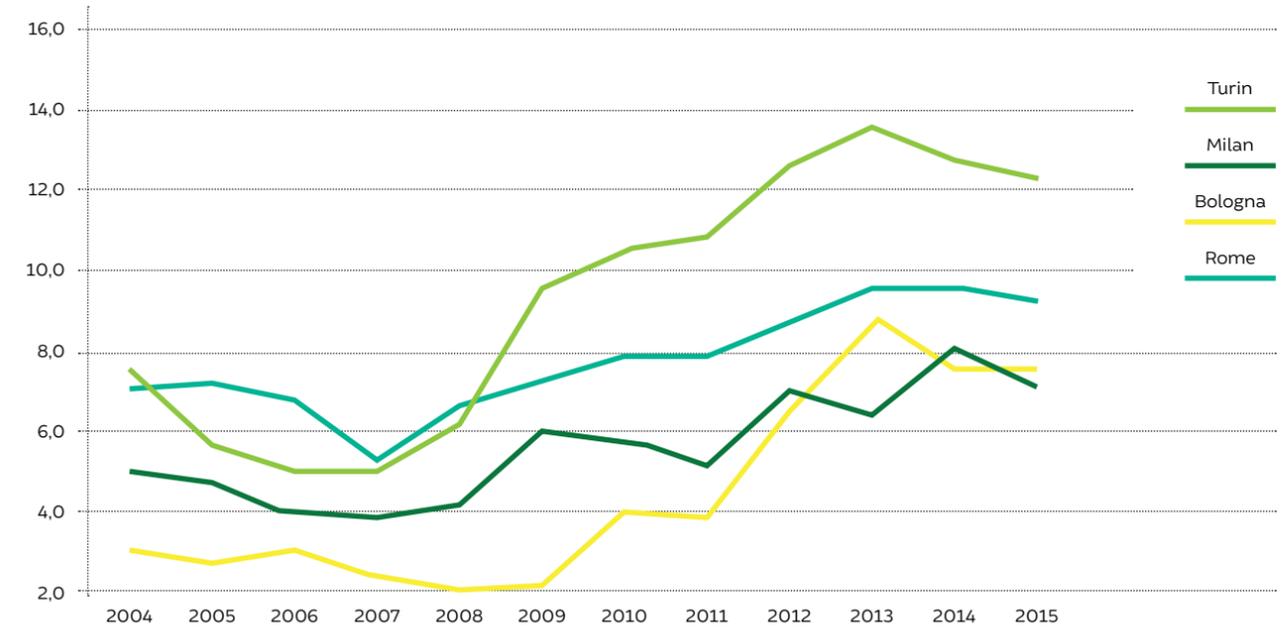
- the population has aged rapidly;
- the succession of crisis and recovery has resulted in less wealth produced;
- there has been consistent increase in unemployment, especially regarding young people and women.



Graph 1
Number of old people for every 100 youths



Graph 2
2004-2015 unemployment rates in large cities



Source: elaboration on ISTAT data

Investment is therefore needed:

- in education, above all early childhood education;
- in infrastructure and mobility;
- in educational opportunities for young people;
- in technological and organisational innovation;
- in providing services for people and the welfare sector, especially less privileged people and immigrants;
- in the most promising economic sectors, to lead the whole territory towards the model we call Industry 4.0 and which concerns all sectors and not just manufacturing: from logistics to public administration, from research to finance.

Good opportunities can come from cultural and creative chains. We need to support the development of creative young people's startups in sectors such as publishing, design, software, video games and tourism, with a view to convergence and dialogue.

In the Northwest, Turin and Piedmont need "fresh" resources for new investments, hard to get when public budgets are getting tighter. Among the few

reliable resources are those from European Union Structural Funds. We therefore have to spend well: but spending well is not enough. We must improve quality, timing and the effectiveness of our policies to take advantage of the resources we have, as we done in the past by other European cities, capitalising on the competitive advantage guaranteed by Turin's lower cost of living to attract creative young people, groundbreaking entrepreneurial ideas and new capital. Either we stay afloat with no guarantee of being able to for long, or we try to improve. Compagnia di San Paolo has laid out its strategic plan to become an agent for development and face this challenge together with the territory.

2. A Methodological Premise

How the 2017-2020 Planning Document was drawn up



A foundation that operates in a certain territory and for its benefit can't help but involve stakeholders when drawing up its strategic plans to discuss, compare and share long term plans. Indeed, what Compagnia creates or supports is always directly or indirectly aimed at developing and improving the quality of life of Italy's Northwest, where for historical reasons and political choice it acts most, at the heart of which is the metropolitan city of Turin.





The dialogue with the most important local institutions is an essential part of Compagnia's culture; furthermore, because of the nature of its actions and far-reaching presence, Compagnia itself is one of the most "in the know" observation points regarding social dynamics on the territory. To draw up the 2017-2020 Multiyear Planning Document Compagnia followed a participatory process involving four groups of institutional bodies (Graph 3):

- Local authorities, the Region and Government bodies;
- Universities and health centres;
- Bodies and networks of civil society organisations;
- Participated bodies and companies.

These consultations were a significant component in drawing up strategies, as were contributions from Compagnia's General Council and its Commissions, the expert opinions of scholars and observers, and the involvement of the staff itself at Compagnia.

Drafting this document was a six-phase process, as shown in graph 4. Stakeholders were heard in phases 2 and 3, while the experts gave specific advice on subjects pertaining to certain areas. Auditors carried out checks throughout all the phases.

The process of strategic planning is contained in two documents:

1. The "2017-2020 Multi-year Planning Document", which explains Compagnia's vision, mission, goals and general economic scale;
2. The "Implementation Document of the Investment Policy Adjustment Act", through which the Company's management guidelines and constraints have been defined.

Alongside these documents and on the basis of their indications, the Management Committee sets up an 'Operational Plan' that establishes the

Graph 3 Stakeholders involved



Graph 4 The process of strategic planning



essential elements of Compagnia's organization and structure, including in relation to the evolution of the implementation phases of strategic options.

On this framework the following depend and are part of: "**Documenti Programmatici Annuali/Annual Planning Documents (individual years)**" containing **DPP** (*Documento Programmatico Pluriennale* /Multi-year Planning Document) annual implementation goals and annual budget and **Annual Reports** accounting for activity carried out in a certain year, accompanying the balance sheet. At the end of the Council's activity, Compagnia wishes to publish a **mandate report** on the previous quarter and results obtained in that period.

3. A Clear Idea of Foundation



3.1. Italy and the Northwest

The definition of intervention strategies by Compagnia for the next four years is based on three fundamental beliefs. The first is that **Italy needs a change of pace**. The second is that **there are risks of decline, but also opportunities for growth**, and that these opportunities are now linked to the spread of industry 4.0, the introduction of a new idea of a tourist-cultural system, and the spread of a solid nonprofit company culture, within a framework of fair, sustainable, generative welfare. The third is in the form of a statement: **the process cannot be based on public spending**.





These three general beliefs go up against those same characteristics of the territories in which Compagnia is most committed. The Italian Northwest is **struggling for recovery**, but is still disappointing in comparative terms, especially if judged alongside neighbouring Lombardy. Piedmont and Liguria are threatened by the risks of a territory that has not just aged; it is also subject to a progressive and rapid process of **"dejuvenation": young people are a scarce resource** and the ratio of two to one among the elderly (over 65) and young people (under 14) is not only among the highest in Italy (and the world), it jeopardizes the very structures of our social organisation. This data might at least partly explain the **disinclination to creatively, intellectually and organically face the future**. When falling demographics translate into widespread culture, the consequence is a shrinking perspective of policies, and perhaps hopes.

These features add to the urgencies affecting the Northwest. Society needs to find new ways to 'create a system' among policy makers, to motivate citizens, companies and organised civil society to get involved, and new ways of exploiting and managing underutilised resources such as real estate or the time of many people no longer working but still able and willing to make their own contribution.

In general, we must think about the importance of **creating opportunities** for young people, women and families with children, in a context of depressed demographics and stagnant social mobility. A **second goal** is the **quality of the inclusion** of the immigrant population and, in particular, of young generations. The third is the investment in **intellectual values and knowledge** – research, education, culture, creativity – as an opportunity for human growth and an economic factor of a possible Italian rebirth. Compagnia di San Paolo can make a solid contribution to all these aspects.

3.2. Compagnia di San Paolo: a Local and Global Development Agent

Compagnia is aware and draws its own conclusions. First, it must be able to **anticipate the need for change** and co-operate in the future of the territories and communities and thus play a responsible role towards the various parties.

Compagnia is not a development agency – a different figure in role and mission from philanthropic logic that characterises Compagnia itself – but it undoubtedly sees itself as an **agent of development** which acts on projects and processes and focuses on resources enabling new development, in touch with all the local parties; It also oversees networks of any size that are relevant to local development and to enhancing the contribution of Italy's Northwest – culture, research, creativity – in the rest of the world.

This is an ambitious goal, though it doesn't start from scratch. In the 25 years of its 'new life' Compagnia has laid down the conditions for it and experimented the feasibility. What is needed now is a complex model that sees Compagnia becoming a hub of knowledge and expertise (Graph 5, page 16) at the service of the reference territories' projects, capable of activating a range of financial and economic tools – from grants to impact finance – in support of such projects. Thus, all together, a role of enabler, of think tank for politics and innovative financial philanthropist. On the other hand, this is the direction in which all the world's major foundations are going, especially those like Compagnia which do not have sectoral specialisation, but take care of certain territorial communities as a whole. Some particularly complex issues – multi-year, multi-actor, transdisciplinary – will require the implementation of dedicated operating programmes. The quest for territorial synergies will lead Compagnia to promote collaborations with other foundation networks, particularly those of banking origin in the Northwest. This will also be achieved by exploiting its capacity to build tools that only its sheer size makes possible.





The three goals are in the fourth: the **European dimension** as a natural habitat, in which Compagnia has always acted and will continue to act in, to look all over the world, to seek best practices and to establish an effective link between local and global spheres, being one of those organisations with a “glocal” vocation, globally and locally at the same time, which the Italian system strongly needs.

The active presence of international networks – and specially European – is a fundamental resource in attracting ideas and good practices, but also resources. Not to mention how much, especially in collaboration with the other major European foundations, Compagnia can do to influence the formation of the very policies of the Union.

Local development, however, needs a specific definition. For Compagnia it is based on six pillars. The **first** of these is that development is the result of a **set of policies**, which are based on sectoral interventions,

but which cannot be imagined in a completely compartmental form.

The **second** is the responsibility and initiative of **people**: their willingness to accept change and develop innovation is a sine qua non of every positive process, in organisations and institutions as well as in individual life. The **third** is that no territory can fool itself in thinking reasons for growth can only be found within itself, and this means taking a cooperative and competitive attitude, and in any case of **openness**. The **fourth** is that the acceptance of competitiveness poses a parallel provision for **solidarity** at all levels, aimed at creating opportunities for the weak and protecting their rights as members of society. The **fifth** is that local development does not allow simple recipes: it is played on **market practices**, on **public administration**, on the **knowledge system**, on the **third sector** and on “**common goods**”, whether they are physical resources or social practices: Everyone is primarily required to do their job well, but also to develop an efficient and effective propensity to

Graph 5
Compagnia, today and tomorrow



Today
The Compagnia at the disposal of the territories for shared planning of development via grants

A European grant-making foundation which promotes and enables self-organisation of territorial social capacities to reach collective goals

2017/20 Strategic Plan
The Compagnia as a knowledge and competence hub at the disposal of the territories for shared planning of development via grants, directly managed projects and impact finance

Graph 6
Education, innovation and development: people at the centre



reach important goals for the whole of the territory. And the **sixth**, finally, is that **re-creating real work** is the primary challenge of a territory like ours: it is the starting point and goal of all other lines of work.

How do we turn these “cornerstones” into achievable goals? The Compagnia Statutes have an almost 360° scope: now more than ever, though, we need single-minded focus. In fact, the aim is not primarily to ‘prop up’ a precarious system, repeating its pathologies and suffocating its potential, but to invest in a quantum leap, or at least lay down the conditions for it. This indeed is the responsibility of any strategic thinking.

We therefore drew up an intervention outline, as always placing at its centre people and their chances of living well where they live (Graph 6). Three dynamics are central to this:

- **education**, with school as its focal point;
- **innovation**, as a real means of applying new ideas and organisational models on three levels: social – challenges posed by demography and migrations; cultural, widening access, the role of creativity and mission of important cultural goods (“attractors”); and technological, by creating a new magnet of innovation in Turin;

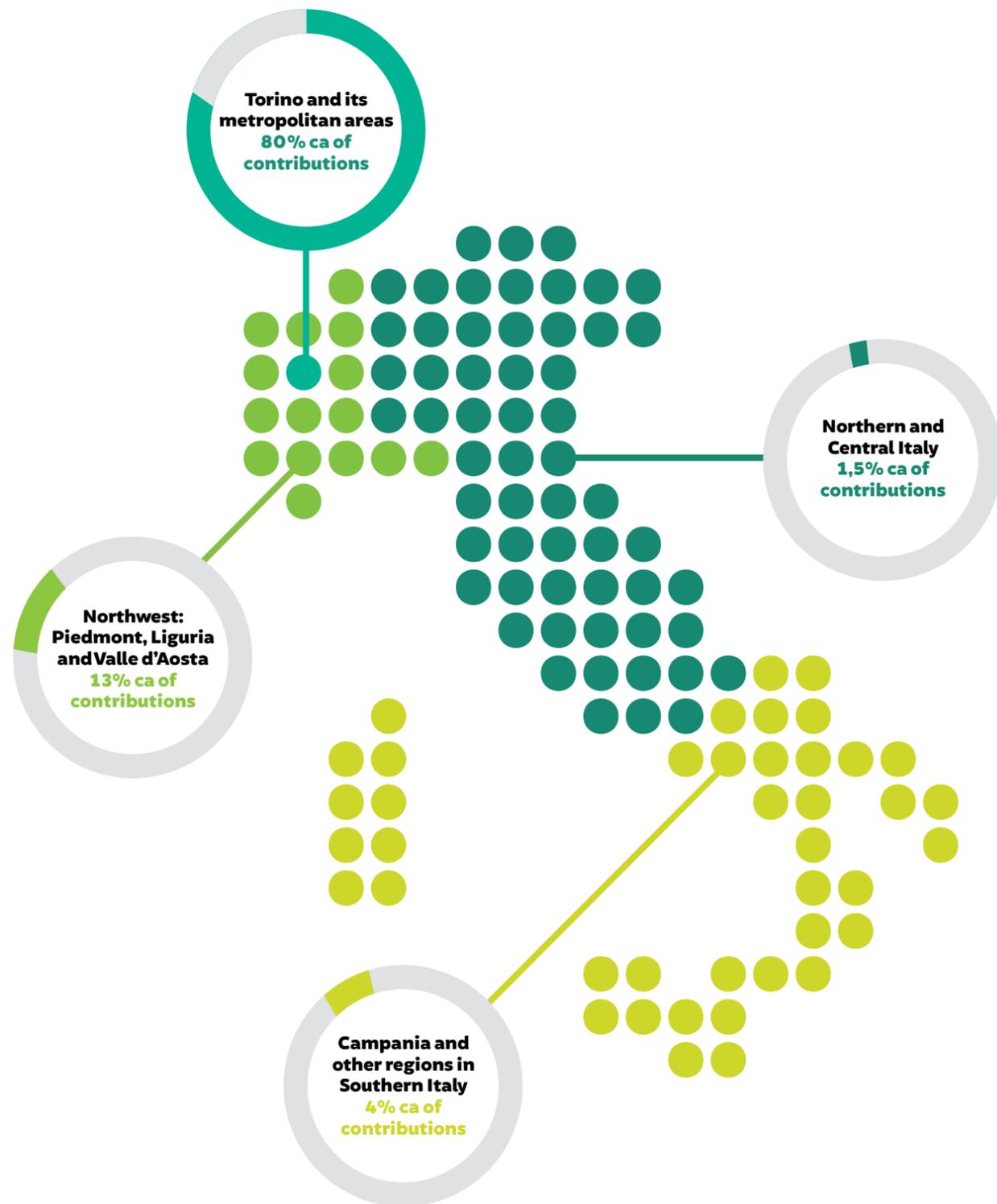
→ **development** of people and territory, helping create job opportunities and initiatives to make individuals and families take responsibility taking care of life in communities and weaker members.

At an operational level, this translates into as many lines of action: provide stakeholders with services, to draw up together with them complementarily; Spread technology, and more generally innovation – social and cultural – to build skills, investing in training, ie the future of people and the area; And ultimately to integrate the territory, according to an inclusive, participatory and intergenerational policy, aimed at collective growth through dialogue and mutual knowledge.

Operations are also in a specific geographical area (Graph 7). As mentioned, the Northwest is the first significant cornerstone of Compagnia’s action: in its interior, Turin’s metropolitan plexus assumes a clear eminence, historically but also prospectively. More than in the past, however, the widespread territory will be considered in its timely qualities and in the networks it can build.

Compagnia has a national role that will be expressed primarily in its interest for the southern regions, mainly through its contribution to Fondazione con il Sud and for the three-year period 2016–2018 to

Graph 7
Compagnia locally and globally



Graph 7



the National Fund to Fight against Youth Education Poverty. And it has two broad-ranging, global roles: the Mediterranean and the flows that go through it, first of all human, and the European and global cooperation networks. In both cases, these types of planning will only have a limited percentage of Compagnia's financial resources: on the other hand, collaborative resources will be mobilised on the basis of good experiences regarding development cooperation with other Italian foundations of banking origin, or with other European and international foundations, as with the Network of European Foundations (Nef) and the European Foundation Centre (Efc).

3.3. The Multiplicative Factors

Every year Compagnia di San Paolo receives and assesses over 3000 proposals. Of these, on average 800 small, medium and large projects are chosen and developed, taking up around € 150 million in grants.

Preliminary work is carried out by Compagnia's Operational Departments according to the

guidelines expressed by the General Council and approved by the Management Committee, in a bid to support local planning. In the current economic and social context, this approach may not be enough. The speed at which requests for contributions from Compagnia are growing is in fact greater than the growth rate of resources available in the 2017-2020 four-year period. These are the dilemmas that require strategic ideas. Compagnia has resolved to expand the portfolio of instruments for the initiative capacity of local, public and private social parties based on two convictions (as well as confirmed international evidence): firstly, there are always **margins for improving efficiency in the use of funds** and, therefore in the way partners operate in general, as does any organisation. To do this and achieve equal or increased effectiveness, the various organisations may need help from the outside: Compagnia proposes to be helpful in this area by fostering and co-financing technical-professional growth paths, vision and management competence. Secondly, **new intervention instruments in the social sector** are now available to expand the pool of resources for non-profit organisations, but also

Graph 8
Multiplicative factors



to stimulate their creativity and the value of their differential assets, ie: impact finance in its various expressions, which have slowly begun to take hold even in Italy.

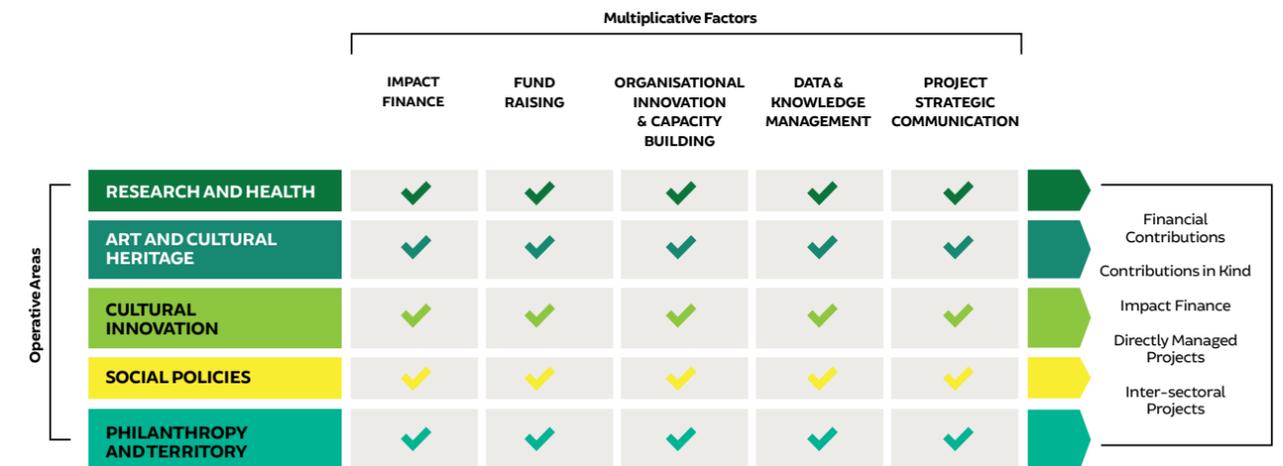
With this in mind, Compagnia di San Paolo has identified **six "multiplicative factors"** (Graph 8), which will operate transversally to the Operational Departments: the functional model therefore becomes the matrix one (Graph 9, page 21).

Multiplicative factors should be imagined as amplifiers of the potential of positive social impact of Compagnia's action, as well as long-term investments in the skills of organisations that establish firm relationships with Compagnia. The same factors will be introduced in a more structured and visible way within Compagnia's own operation.

As mentioned, Compagnia di San Paolo will first of all adopt an enhanced operating model for itself and its instrumental and participated bodies, thanks to the integration of multiplicative factors: but through an array of specific instruments it will also suggest that its partners seek improvement by implementing the various ideas and their profitable interaction. The goal is to foster a real leap in managerial quality in many areas of our territory which, although boasting creativity, reliability and effectiveness, is unable to trigger from within those innovation processes that the new contexts require. Innovation is enthusiasm, rationality and effort: Csp proposes to share the latter, to make effective something that otherwise wouldn't have got off the ground.

This can be accomplished better if Compagnia can implement and share evidence-based and data-

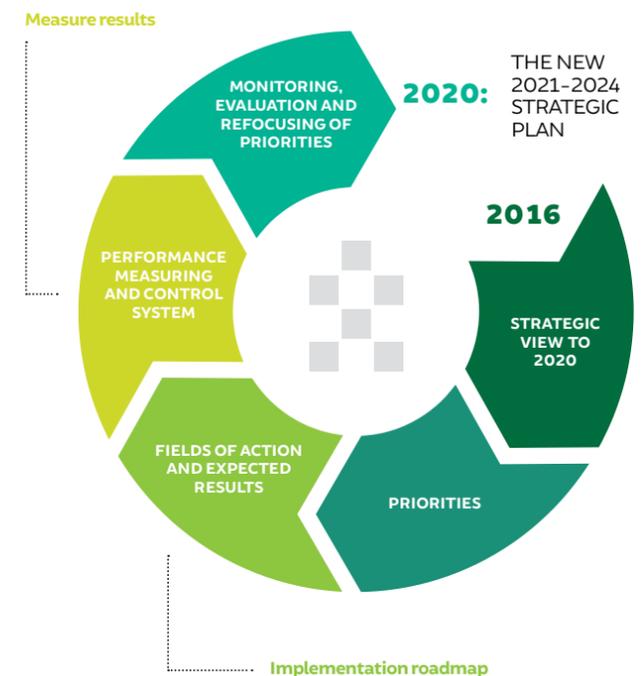
Graph 9
Interaction between Operational Departments and multiplicative factors



driven approach aimed at measuring, evaluating and governing its action resulting from the complex model outlined above.

Monitoring actions and measuring performance: these will guide Compagnia's work. By the end of the 4-year period (2017-20), Compagnia will have learnt a lot about the effectiveness of its instruments and results of projects developed: this critical knowledge will be useful in the following phases of planning, as well as allowing better government of the annual phases of implementation of the 2017-2020 strategic plan (Graph 10).

Graph 10
A virtuous sequence



4. Organising the Strategy by Themes



From 2017-20 Compagnia is going to operate through its organisational architecture by integrating and interacting three main instruments:

→ the **5 Operational Departments** that prepare, monitor and evaluate grant-making activity and manage their operational projects, and represent the current operational layout of the “large theme areas” defined in the statutes: Research and Education, Art, Cultural Heritage and Activities, Healthcare, Social Policies;

→ the **Programmes and the Special Projects**, task forces specialised in focused missions that operate across the Operational Departments or deal with projects that have a particularly high level of complexity and operate within a predictable time horizon;

→ the **Instrumental Bodies**, the “historical” ones, closely tied to the history of Compagnia, which is their only founder, as are the **Research Bodies in which Compagnia has a stake**, in stable partnerships with academic institutions. Both are integrated in Compagnia’s general strategic choices.





Moreover, besides the instruments of the directly institutional/grant-making activity, Compagnia can count on a group of centres of competence, such as Sgr Fondaco and other companies in which the Compagnia

has a stake, whose contribution can be activated any time the planning context suggests interventions having a marked profile of mainstream financial investment or impact finance.

Operational Departments

- Research and Health
- Art, Cultural Activities and Heritage
- Cultural Innovation
- Social policies
- Philanthropy and Territory

Programmes

- ZeroSei
- Housing
- Polo del '900
- Torino e le Alpi
- International Affairs

Instrumental Bodies

- Fondazione per la Scuola
- Fondazione 1563 per l'Arte e la Cultura
- Ufficio Pio
- Collegio Carlo Alberto
- LINKS
- IIGM (già HuGeF) International Institute for Genomic Medicine





4.1. Scientific Research, Education and Healthcare

Improving the relationship between education and research, and between research and innovation; improving the quality of the system; investing in healthcare sciences and their spillover effects.

A transversal dimension: the evaluation

Applying the evaluation in a systematic and appropriate way responds to the need for efficiency and, at the same time, to an ethical principle.

Evaluation of scientific activities is well codified, and this must be kept into account.

Compagnia is interested in verifying both the overall performance of the financed organisations/projects and, especially, the differential effect of CSP's support on the funded organisations/projects.

For this reason, some sets of indicators will be technically defined, adequate for the type of different initiatives and coherent with the standard measures of scientific quality.

However, we must remember

The Pivotal Points of the 2017-2020 Policy

- **The modified relationship between basic research and applied research** reduces the passage from theory to application and increases the direct usability of theoretical research (e.g. big data analysis), through adequate organisational platforms as well.
- **The importance of the sustainability and fairness of research and innovation** leads to inserting Compagnia's policy into the RRI* framework defined by the Horizon 2020 Programme.

Modifying the Operation of the Instruments: Research Bodies, in which Compagnia has a Stake, and Agreements

- **Research bodies in which the Compagnia has a stake:** it is essential to aim at innovating through platforms in which the acceleration of the connection between basic and applied research and development finds a favorable and proactive pre-competitive environment. It is necessary to arrive at organisational formats in which the dynamic balance between the model of the traditional research centre and that of the host institution finds an adequate configuration, with a progressive enhancement of the qualification of Bodies as "project environments". The model of agencies for the enhancement of scientific and technological research connected with the major research universities in the world (from Oxford, to Stanford, to Singapore) finds various conditions for its repeatability in Turin.

*RRI: Responsible research and innovation is an approach that anticipates and assesses potential implications and societal expectations with regard to research and innovation, aimed at fostering the design of inclusive and sustainable research and innovation.





that scientific quality cannot be the only goal for a foundation with social and development goals: in some cases we will need other indicators of impact.

For instance, in the project *Parco della Salute*, the performance indicators will focus on the scientific impact, the technological output, the clinical effects on patients, and the economic impact of the complex.

- **Agreements with the universities:** among the elements of the “multi-year agreement”, the following must be effectively specified: the agreement between Compagnia and universities, the “shared conditionality”, and the consequences of failure to attain intermediate and final goals. The Agreements supply ample sets of indicators that are continuously monitored. Dynamic objectives may be established, adequate to each University, comparatively with groups of other similar Italian universities and/or with the entire university system. Two thematic indications for future agreements emerge: 1. Developing online learning through digital and MOOC (massive open online courses) platforms. 2. Recovering one of the PhD original inspirations in the framework of Industry 4.0, promoting the model of “PhD in apprenticeship” as a driver of innovation in 2017-18, which should become fully operational in 2019-20 through an adequate number of positions.

International Studies

- **International studies and think tanks: making the existing panorama more efficient in order to provide critical mass, and leading to stronger local spin-offs from Compagnia’s international partnerships.** It is essential to work on a compact and coherent organisational format, well connected with international and European networks established by CSP in the course of time, rooted into agreements that include elements of conditionality.

Special Internationalisation Projects

- **Promoting training/building of international experience for local researchers and operators, without encouraging the dispersion of talents.** Compagnia will verify the conditions for a scholarship and fellowship project for young scientific, economic, or professional leaders in international epicentres of innovation and expertise, enhancing the collaboration networks established throughout the years.
- **The presence of the UN in Turin is a factor of international positioning and economic development.** It can be enhanced through the transfer or creation in Turin of a UN centre that trains operators in humanitarian emergency and international migrations, strongly integrated with Turin’s training agencies and, first of all, with *Parco della salute*. The implementation of this initiative could require, between planning and the operational phases, most of the duration



of the 2017-20 Plan. At the beginning of the operation, its potential economic impact will be estimated and will be monitored throughout its course.

Healthcare: a Clear Mission

- **The project *Parco della Salute* di Torino is a central element of the healthcare and research system, comparable to the most advanced international experiences. Compagnia will take part** right from the start in integrated planning (the chain of basic, preclinical, translational, and clinic research; personalised, predictive, preventive, and participatory medicine; and the technological and innovative spin-offs in the fields of industry and services), providing support in the form of knowledge and skills and through international partnerships. Furthermore, with the most adequate financial instruments, it will contribute to the creation of the applied-research hub in the field of medicine and healthcare, also with the intention of fully developing its potential as a driving force for economic development in the Turin area and elsewhere. The IIGM Foundation – Italian Institute for Genomic Medicine –, whose mission is moving towards genomics and precision medicine, will be fully inserted in the research activity of *Parco della Salute*.



4.2. Art, Cultural Activities and Heritage

Innovatively rearranging territorial art, memory, and economy in an open institutional framework.



The three circles of the cultural territory in Turin and Genoa

→ **The cities and the royal palaces: the season of Baroque**

The Compagnia intends to work on developing an integrated territorial system of the legacies of the Baroque and the royal residences that can be recognised and exploited internationally, with the purpose of reconciling cultural rigor with economic outcomes.

→ **The 20th century and industrial memory**

he aim is to enhance polytechnic, technological and scientific, organisational and productive culture, together with its material remains. Starting with the experience of Polo del '900, the Compagnia, in cross-collaboration with the Departments involved and with various operational instruments, will operate towards developing a "virtual museum" of the

Culture as a factor of the system's growth emerges as a model in which to continue investing, capitalising on the growing reputation of the systems of Turin and Genoa, as well as of many territories in the Northwest.

Favouring the development of the cultural territory through support to organisations and activities of excellence

- **The great Cultural Attractors.** An intense dialogue will be opened with the institutions in the territorial contexts of reference of great Attractors, be they museums or monumental complexes, in order for them to be perceived as an integral part of the local community and for resources to be directed to shared strategic projects for economic safeguard and enhancement, in full accordance with the local community life.
- **The places of culture.** Both in the metropolitan contexts and in vast area contexts, museums, libraries, archives, and cultural places in general will have to take on a new role and produce new services, thus becoming vectors of development in the community that hosts them. To this end, if in the past years a fundamental theme was the experimentation of new forms of management, especially in the context of museums, this four-year period will see the experimentation of the use of new financial instruments for the cultural heritage.
- **The Performing Arts.** Turin and Genoa host institutions of excellence in the Performing Arts that make our cities attractive and vital for their residents and able to attract different types of public.



Industrial Civilisation that can talk to the present and activate new energies and cultural and economic interests.

→ **The man-made landscape**
Compagnia intends to develop interventions aimed at recovering the territories on a design level, for new economic functions as well. To do so, it will supply organisations with skills, training instruments and services, and it will promote the creation of a new system of cultural opportunities connected with the landscape and the “minor” territory located between the large conurbations, also working with other foundations in the territories of reference

Compagnia will continue supporting these institutions of excellence that represent an important resource for our territories.

Fondazione 1563 per l’arte e la cultura

As one of the historical instrumental bodies of CSP, this Foundation will manage the programme for the study and enhancement of Compagnia’s Historical Archives and, while finishing the important work programme on Baroque, in which it is still engaged, it may create other programmes supporting research in the humanities.

How Will We Measure?

The complex planning in this Department requires data aggregation and, in some cases, data generation. The domains in which to verify the evolution with respect to the policies are based on the territory or network and involve:

- **Strictly cultural dimensions:** consumption/access and their evolution; satisfaction test; user profiling; quality indicators; exposure on selected media.
- **Dimensions of local economy and development:** the evolution trend of the resident population according to typology; the creation of a touristic and culturally focused enterprise; creation and consolidation of partnerships with business entities and investors interested in an adequate enhancement of the cultural heritage.



4.3. Cultural Innovation

Creators/users of culture in the digital era: new roles, new contents, new channels.

Strategic Objectives

- Favouring the **fabric of contemporary production** by supporting research and creativity, its knowledge and spread, and its promotion and enhancement.
- Promoting **new forms of participation in culture** in order to amplify and diversify its demand, favouring the inclusion of those who are now excluded, contributing to the definition of a cultural welfare.
- Promoting more efficient and sustainable **organisational models and management processes**, favouring the development of an ecosystem of creative and cultural enterprises in our territory, ensuring paths for the development of competences and professional skills in the field of culture.
- Promoting **opportunities connected with the digital sphere and new technologies** in the various stages of creation, production, spreading, enhancement, and management in the cultural field.

How Will We Measure?

Adequate baselines for the different planning lines will be created to evaluate the time dynamics of the domains to which Compagnia applies a significant spending policy. In particular, indicators will be implemented to monitor and measure:

- the access and involvement in **audience engagement** and the degree of actual **innovation of the actions** by external experts;

Innovation as the transversal and focused dimension in the circle of production/ consumption of culture

The theme of cultural innovation crosses every form of cultural expression, but it has its own specificity with respect to the new languages of expressiveness and especially the digital language, contents and medium, as well as to the new forms of relationship between culture and society. The points of contact with the Area Art, Cultural Activities and Heritage will facilitate common paths in the following themes:

- Museums, libraries and cultural places as strongholds of “cultural welfare”, with the objective of giving answers and chances to the new cultural demand, also adopting new technological languages.
- Education to the cultural practices and the connection



with history, with the purpose of contributing to root into the school system the access to cultural, artistic, and performing experiences aimed at the development of creativity, of cognitive, intellective, expressive, and language skills, and the use of these skills as instruments for inclusion, approach to others, and self-understanding.

- the **growth in reputation of the territorial context**, the origin and the **mobility of the parties in the network**, the positioning of the projects with reference to the international trends in contemporary transdisciplinary production and digital world;
- the dynamics of the presence of **cultural/start-up enterprises** in the incubators/accelerators/programmes structured on a metropolitan scale; the purchase of startups by larger companies; the capacity for **inclusion in international projects**;
- the dynamics connected to **schools and the social sphere**. Starting from input indicators, the calls for proposals by the operational departments will be configured, paying attention to blending school and culture, in particular digital culture, and the social sphere and culture. The number of approved projects thus inspired will be monitored.





4.4. Social Policies

For a co-responsible welfare: people, networks, and institutions from a perspective of generative social practices.

The context. Some of the phenomena that characterise the Northwest

In view of the population ageing, the welfare system has not yet organised itself with the offer of services to people having a reduced level of autonomy.

→ *The crisis of the production sectors and the drop in job opportunities has caused an increase in the unemployment rate.*

→ *The current training system and that of the employment services cannot provide answers, in particular for the youth, adults who lose their job, and fragile people.*

→ *We point out the relationship between the continuous drop in birth rate and the stasis of women's employment rate.*

→ *The increase in the number of families with minors in economic and educational poverty creates the*

The Compagnia will act in the field of social policies like a:

- **Hub of knowledge and relations** in support to local policies, able to activate strategic coalitions;
- **Open interlocutor** in support to third-sector parties that sustain interventions and paths to the development of organisations and skills;
- **Active agent** of interventions in partnership with the institutions that include innovation in the educational and welfare systems to reach specific and measurable objectives.

Objectives

- **Objective 1.** By the end of 2020, Compagnia will have promoted and/or carried out interventions that will have produced system innovations in the policy making of welfare, education, and work according to the principles of subsidiarity, generativity, and sustainability;
- **Objective 2.** By the end of 2020, Compagnia will have reduced the weight of the interventions that belong to the jurisdiction of public institutions and/or are centred on the response to emergency needs;
- **Objective 3.** From 2017-2020 Compagnia will enhance its support to social initiatives in welfare that are able to define a local development perspective and to experiment new service or financing models.



preconditions for the social exclusion of tomorrow's adults.

→ The continuous evolution of the phenomenon of migration calls for increasingly complex and flexible responses that impose the involvement of civil society and a process of cultural change.

→ The third social sector suffers the effects of ageing and needs revitalization in order to face the growing tasks.

Priority Themes

- Healthcare welfare, independent life, and right to health;
- Active inclusion paths: the focus on work and home, and the integrated approach with respect to the needs of the individual/family and to their resources, which can be re-activated;
- Proximity and solidarity networks to fight against poverty;

Wellbeing and education of the new generations and fighting against education poverty: from the younger children (0-6 years old) to adolescents;

- Empowerment and social participation of the young generations;
- Migrants and shared models of inclusion and citizenship;
- International cooperation and education to global citizenship.

→ *Ufficio Pio* and *Fondazione per la Scuola* of Compagnia di San Paolo, in their autonomous activity as bodies that experiment and carry out policies and projects, will accompany Compagnia's operations in the field of social and educational policies, receiving, when needed, the mandate for the implementation of specific projects.

How Will We Measure?

Every line of work will be monitored through a set of adequate quantitative indicators, according to the logic of defining an appropriate Baseline, the structured collection of Data and documentation, the fixing and checking of the time frame and quality standards through implementation analysis. According to the types of project, we will apply methods for checking the output (always), the outcome, whenever possible, and apply counterfactual techniques, whenever useful and advisable. In any case, we will try to insert Compagnia's action within the framework of the more general state of the territory, problem by problem, but also in a systemic way when relevant.



4.5. Philanthropy and Territory

Promoting social resources to build a welcoming and dynamic territory from the bottom up.

Strategic Objectives

- **Creating the infrastructures for the ecosystem of social innovation** (new solutions also and especially *through* new social enterprises) in the metropolitan city of Turin, encouraging co-operative practices between parties and the action of incubators and accelerators; selectively favouring initiatives aimed at creating "innovative environments" in the rest of the Northwest. Developing the link between innovation and job creation in its many facets, especially in the social field.
- Favours social practices aimed at the co-operation and co-responsibility among citizens regarding **care of public spaces, attention to the environment, exploiting resources** (common goods, skills, time) that are underused, including through projects of **circular and sharing economy**, as well as aimed at the **creation of social enterprises**.
- Pragmatically and selectively support the autonomous, territorial capacity to build vital projects of **community philanthropy**, in the form of foundations or other organisational instruments, concentrating on one or at most two new cases per year.
- Improving and making the relationship between **scientific research on the territory** and Compagnia's action profitable, as well as spreading a policy-making culture based on the research evidences among local decision-makers.

How Will We Measure?

Given the often unprecedented nature of the projects, we will focus on implementation analyses; regarding new social entrepreneurship, we will adopt a comparative approach and favour the creation of databases of general interest on which to measure diachronic performances of the territory.

Promoting innovation and self-organisation "from below"

The Compagnia, through its Philanthropy and Territory Department, promotes all of those actions developed by the organised civil society – families, individuals, groups, and organisations – aiming to improve life in the local communities, through the mobilisation of economic, cognitive, technical, creative, and human resources. Here a significant role is played by the practices of sharing, co-responsibility, donation, and entrepreneurship, and the environments in which these practices develop, known as ecosystems. Furthermore, this Department oversees social-economic research whenever it is dedicated to the territory and development policies, with particular attention to the social, cultural, and economic geography of the Italian Northwest, its networks, and its ramifications.

5. Strategy Becomes an Operational Method



Compagnia's strategy will become operational through 5 intervention axes:

- a **matrix organisation**, between intervention areas and multiplying activation/effectiveness vectors, with ample space for intersectoral interventions and projects, the enrichment and fine-tuning of the **instruments of contemporary philanthropy**, starting from experience and results obtained to carefully and within the limits set by law reach hybrid forms of support;
- the structured offer of the **multiplying vectors** through a specific, specialised, operational function;
- three qualifying dimensions: **data, evaluation, transparency**;
- the full optimisation of the competences available in the "Compagnia di San Paolo Group", ie: CSP, its historical instrumental bodies, the research bodies in which CSP has an interest, *Centro servizi Csp-ST*, and the financial companies in which CSP has a stake.





The **grant-making instruments** will act together with the multiplying vectors:

- **Calls for proposals** (with varying degrees of focus on themes and/or territory) with interactive modes; they are used to mobilise the planning and implementation skills in the territory regarding specific themes and, thanks to comparative selection, help identify the best proposals according to the fairest method;
- Historical **Instrumental Bodies** and “research bodies in which Compagnia has a stake”;
- **Support to institutional activity** (SAI), conditional and oriented; it recognises the role of specific bodies in the production of historically proved “collective utility”;
- **Bodies in which CSP has a stake**, expressed through the sharing of governance in the large specialised bodies;
- **Agreements** with universities, strategic partners, and Public Institutions pursue the implementation of strategic objectives shared in a pre-defined

framework of available resources in a multi-year time span;

- **Programmes (including intersectoral programmes) and projects having a high organisational complexity, directly managed/directed** by Compagnia, when the surrounding conditions require that Compagnia acts as social entrepreneur, when resources and different types of participation must be coordinated, or when there is lack of another ready, competent or reliable implementing body;
- **Responsive grant-making**, opening to the territories’ spontaneous ability to innovate, also paying attention to the “weak signs”.

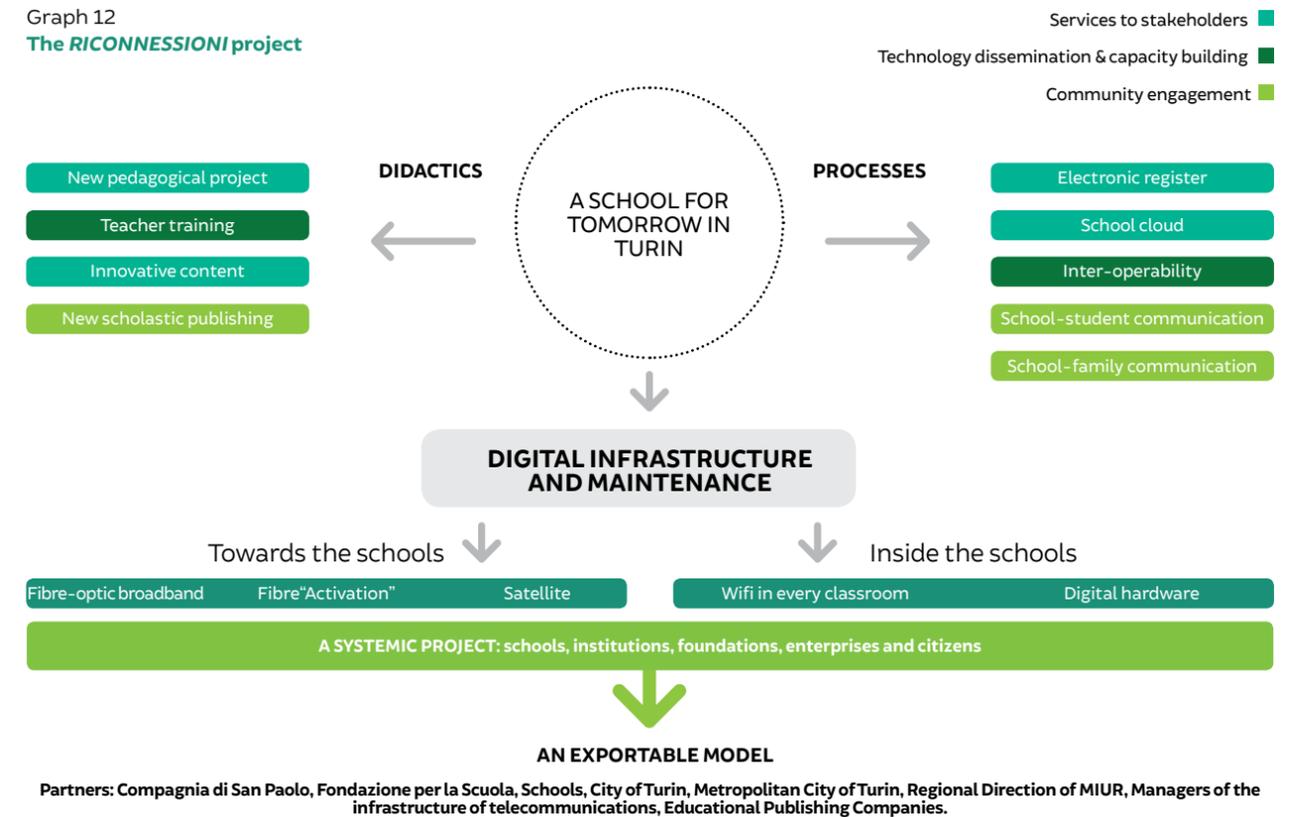
5.1. Complex Ongoing Projects

This type of governance by the Compagnia is based on the assumption of three qualifying and correlated factors, which intersect with strategic planning, operational planning, evaluation of the results (with an obvious retroaction on the preceding dimensions) and accountability, intended as a responsible interaction with the stakeholders and not merely bureaucratic reporting.

Graph 11



Graph 12
The **RICONNESSIONI** project



5.2. Projects with Complex Operativeness

Strategic planning provides for different implementation levels, aimed at translating general principles, objectives, general lines of work, at first into well-defined planning areas and then into concrete project implementations that are usually complex and multi-faced. Furthermore, in the case of an organisation such as Compagnia, which is expected to be able to react to unforeseen and emerging problems, not everything can and must be specified in detail, as this would risk stiffening and ultimately weakening the systemic approach that Compagnia intentionally makes its own. Nonetheless, the organisation into ordered planning areas of themes that can be very complex and may have open developments represents a good practice to focus the efforts and keep a steady course towards the objectives, integrating all of those dimensions that, pursued individually, would be dispersive and sub-optimising.

The first phase of the 2017-2020 strategy has already given the start to five of these courses of work, both focused and with an ample scope, thus displaying the policies indicated in the strategy. These are works that today have a varying degree of preparation and

maturity; due to their ambitions and consequent commitments, they will most probably be in progress for the whole four-year period, subject to the earlier attainment of significant results and impacts.

Below are illustrated the five work sites and, for some of these, a graphic representation is given of the relationships that the project intends to develop. The actions are divided according to three lines of impact:

- Services to the stakeholders
- Technology dissemination & capacity building
- Community engagement

1. RICONNESSIONI: the Digital School Model.

A programme aimed first at the metropolitan city of Turin, intended to create a digital connectivity for all schools (Graph 12) and, at the same time, develop and experiment the new policies of a “pedagogic model” integrated with the digital culture, the logic and cognitive skills that it postulates, and the instruments that it makes available. Through Fondazione per la Scuola, Compagnia plans and directs a team made up of school-related parties, network operators, and local institutions, to make schools places of advanced learning but at the same time epicentres of digital sociality.



2. LINKS: the Enhancement of Research

The reason behind the transformation of two research bodies in which Compagnia has a stake – Istituto Boella and Siti – into a new foundation called Links (Leading Innovation and Knowledge for Society) is the establishment of a centre for the economic enhancement of quality research carried out in the Northwestern system and a faster and more efficient transfer of research into the sector of industrial applications and production (Graph 13). Management of intellectual property and business incubation, together with the most advanced instruments for the technology management, will be the heart of this centre of competence, which will be open and will search for short and wide-range collaboration.

3. Concretely Including: Interventions for Overcoming the Emergency of Migrants

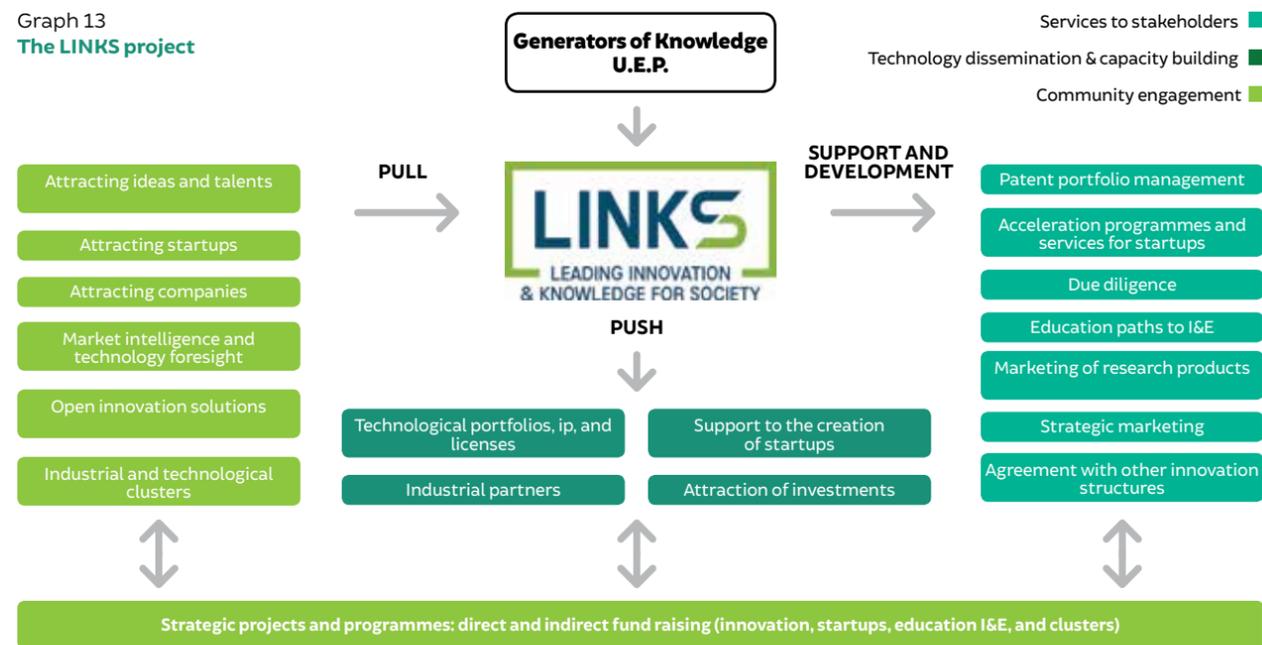
A concrete emergency of large proportions becomes a

way to experiment inclusion paths (housing, training, work, school) for the groups that are more at risk in the new migratory waves (Graph 14, page 45): not only socially fair and balanced solutions, but also an orderly collaboration between bodies – in the case of Moi in Turin, the City, the Metropolitan City, the Piedmont Region, the Diocese, the Prefecture, and Compagnia – the good functioning of which is essential to face situations that are otherwise destined to worsen and, in any case, are not free from risks. The project has an experimental intentionality that allows the evaluation of tested and adopted solutions also with respect to urban and social regeneration, and in the case of positive and efficient results, their reproducibility in other contexts.

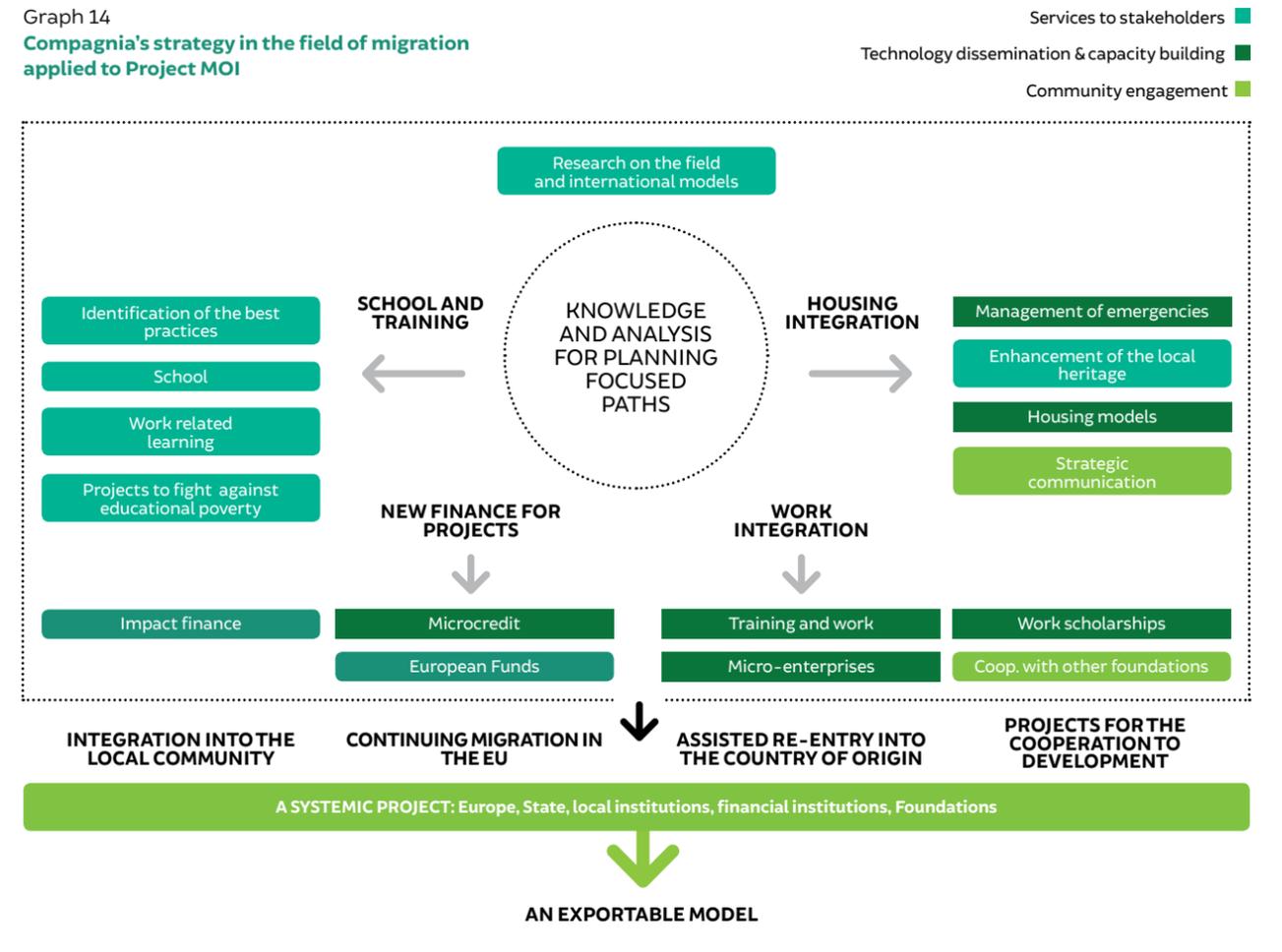
4. New Dynamics in the Cultural Heritage: the Residences of the Royal House of Savoy

Compagnia intends to support a philosophy of intervention for the major cultural goods that

Graph 13
The LINKS project



Graph 14
Compagnia's strategy in the field of migration applied to Project MOI



integrates preservation, training, research, sustainable tourism, and creation of territorial economy. The network of the Savoy residences – and some large museums – can become an important chance for applying the principles that are becoming ripe and “workable”. The complex of Stupinigi becomes the object of a specific plan – potentially able to attract investments from less common sources, like international funds – to be understood as organically inserted into the network of Savoy Residences, of which it can become a second epicentre, next to Venaria Reale.

5. Generative Healthcare: towards Parco della Salute of Turin

The Compagnia is actively contributing to setting the conditions for favouring the best planning and the start of such a crucial programme as *Parco della Salute*, reasonably the main chance for metropolitan investment and development in the upcoming five-year periods. The Compagnia asserts – shared by political and academic decision makers – that

Parco della Salute goes well beyond building an albeit excellent new research hospital. It is a centre creating out scientific, technological, industrial opportunities on a wide scale. Consequently, an infrastructural and organisational context must be created to make this possible. Moreover, simply setting up the complex will change the reality and image of an important part of the city as an opportunity that needs to go hand in hand with adequate social and cultural city planning. Compagnia is committed to following and supporting the entire planning and implementation process. Within the scope of such a structured and complex project, a leading role will be carried out by *Fondazione IIGM* - Italian Institute for Genomic Medicine - that should become one of the first units of the research activity of *Parco della Salute*.

6. The Framework of the Financial Resources



Compagnia's financial strategy, as outlined in this document, envisages the confirmation of the model for asset management and investments, which is characterised by:

- an **architecture governing** the investment process that enhances skills, singles out responsibilities, and allows adequate degrees of flexibility;
- assets divided between a **strategic component**, also oriented towards generating impact, and a **diversified component**, with clear asset allocation lines and a strong attention to risk analysis and management;
- a **stable profitability** in real terms, with consequent stability of the capacity for expense;
- a new attention to the Mission Related Investments and to **finance with a social and local development impact**.





6.1. The Investment Process

The investment process is guaranteed by 4 structures:

- the **General Council** that defines the general principles for the asset management and approves the Rules and Regulations for “Investments” and the Implementation Document;
- the **Management Committee** that carries out the guidelines approved by the General Council and is responsible for high-level investment decisions;
- the **Financial Management** that implements the decisions taken by the Bodies, monitors risks and performances, and exercises the management control;
- and **Fondaco SGR** that is the manager of the diversified portfolio within the limits and criteria approved by the Management Committee.

These structures are backed up by the work of the **Investment Committee** that sets out the proposals for the Management Committee, coordinates with managers and advisors, and evaluates the management performance.

6.2. Asset Composition: the Portfolio

The portfolio of Compagnia’s financial activities will continue to be divided in two parts with separate and complementary objectives: the strategic component, also aimed at generating impact, and the diversified component, with clear lines of asset allocation and a strong attention to risk analysis and management.

The asset allocation of the Diversified Portfolio is determined by keeping into account the exposure of the strategic portfolio, so that the two parts of the portfolio are complementary in terms of risk/performance and coherent with the expenditure targets.

Graph 15
The management of the portfolio, at the beginning of 2017



Table 1
New asset allocation and oscillation bands

	New Asset Allocation	Fluctuation Bands
Equities	32,5%	26-36%
Credit	33,2%	28-38%
Alternatives	29,0%	25-35%
Cash	5,3%	5-9%

The annual real yield of the Diversified Portfolio, in a 20-year average, is estimated at 2.5% which, with the dividends expected from the strategic component, allows for adequate covering of the expenditure targets.

6.3. Risk Management

The risk management measures are aimed at:

- Mitigating the risks that are not relevant to performance targets;
- Protecting the diversified assets from the effect of negative events that can compromise the fulfillment of the institutional mission.

Compagnia di San Paolo places particular attention to extreme risks that have a potential impact on Compagnia’s assets and could compromise the stability of future expense, evaluating the suitability of measures for managing the diversified portfolio’s risk that have a systematic and permanent nature.

Compagnia also adopts the necessary measures to guarantee the actual liquidity of the stabilisation fund for grants, which will have to reach the size of at least 350 million Euro in the course of the four-year period.

Graph 16
Expenditure capacity and annual payout



6.4. Profitability and Expenditure Capacity

The 2017/2020 Strategic Plan envisages an expenditure capacity for institutional activities in the four-year period of **600 million Euro**, corresponding to an **annual payout of 2.20%** of the market value of the financial assets held by Compagnia on 31.12.2016.

The yield expected for the Diversified Portfolio and the presently predictable dividends from the shareholding in Intesa Sanpaolo make it possible to adequately cover the expenditure targets. Indeed, we estimate about 220 million Euro annual proceeds for the next two-year period, with an annual expense of about 170 million Euro, of which at least 150 are dedicated to institutional activity.



6.5. Mission-Related Investment and Impact Finance

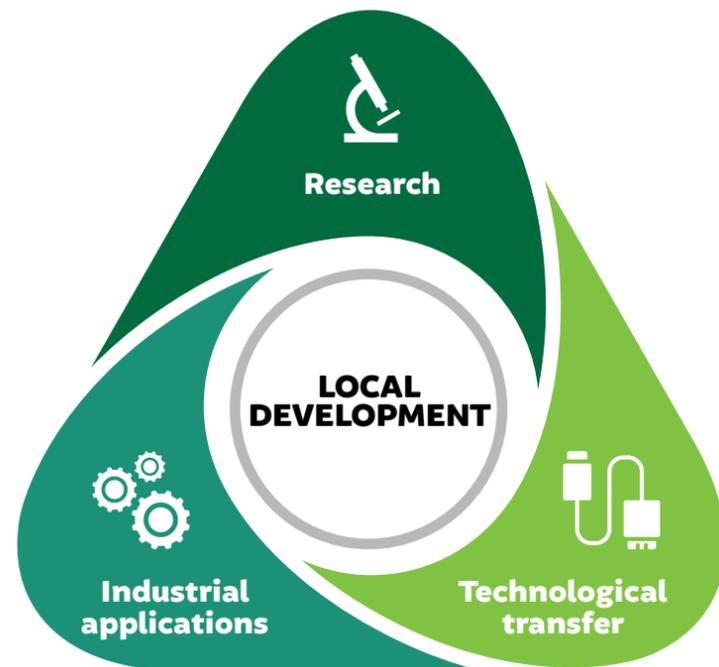
The 2017/2020 Strategic Plan provides for a more important role of **finance with a social and local development impact** and an extension of the theme range of applications. Impact finance will have to activate a multiplier effect in the Foundation's institutional intervention areas.

Local development will be supported by a **closer**

connection between research, technological transfer, industrial applications, and investments throughout the entire life cycle of the companies, from the start-up phase to the more mature phases.

The **maximum amount destined to the Mission related investments**, in which the impact finance interventions are included, will be **400 million Euro**, compared to the current 190 million Euro (excluding the shareholding in *Cassa Depositi e Prestiti*).

Graph 17
Local development







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