



Fondazione
Compagnia
di San Paolo

End-of-Tenure Report 2021-2024 by the General Council of Fondazione Compagnia di San Paolo

*Under art. 11.4 of Fondazione Compagnia di San Paolo's constitution, the purpose of the end-of-tenure report is to present a summary of the **experiences and topics of most relevance to the Foundation's policy-making** that emerged over the previous four years, and to offer reasoned suggestions regarding the **areas of competence and experience that may be relevant to the formation of the next General Council**. The Council has therefore assessed the work it has done over the course of the term of office now drawing to a close, in the light of practical experience and the principles set down in the Preamble to the Constitution. This report expresses the views of the General Council. It is aimed primarily at the bodies responsible for appointing General Council members pursuant to Compagnia's constitution, insofar as its purpose is to fulfil the requirements of the said constitution in **pursuit of the aims of the Foundation's mission and the continuity of its action**.*

Approved by the General Council on 4 December 2023



Strategic framework for planning

1. The General Council of Fondazione Compagnia di San Paolo confirms the relevance of the underlying assumptions and operating principles on which the Multi-Year Planning Document 2021-2024 was based. This document proved to be adequate even in the face of rapid changes, often for the worse, in the reference contexts and emerging social and economic syndromes, and despite the external shocks that affected the period.
2. The Council also shares the belief that Compagnia's implementation of the strategic policy directions proved effective and hence capable of achieving the goals that it set..
3. Over the course of at least eight years of gradual change, and especially in the past four years, Compagnia's strategy has deployed numerous internal and external operational innovations, each of which was introduced, tested and deployed in integrated form, with the full collaboration of the governing bodies and using the expertise of the Foundation's staff body, in line with its increasingly "hybrid" nature (grant-making and operations).
4. The auxiliary bodies and consortia that make up the "Compagnia Group" took part in this process and contributed to it. These organisations play an operational and planning role with close reference to Compagnia's strategy and were formed as a result of that strategy, in the remote or recent past, for the purpose of making a specialised contribution to the Foundation's general mission. During the Council's term of office, the Group formed a Policy-Making and Coordination Committee comprising members of all Group organisations, thus emphasising the synergistic but multi-specialist character of this extensive pool of expertise and operational capability.
5. The decision to align Compagnia's action with the major axes of the United Nations' 2030 Agenda for Sustainable Development, European planning and the national Recovery and Resilience Plan, as set out in the Multi-Year Planning Document 2021-2024, proved to be far from merely formal or rhetorical. This decision stemmed from the firm belief that the nature and scale of the problems falling within the scope of Compagnia's action required interventions capable of impacting on systems – on an appropriate geographical and dimensional scale for Compagnia – and an approach designed to generate transformative effects in the medium-to-long term. To reinforce this, Compagnia also formulated its responsible investment policy with reference to the goals of Agenda 2030. The Council therefore believes that these alignments retain their ability to shape policy in the future and recommends that the next Council considers this in relation to its planning for 2025-2028. On several levels, these alignments have provided a "common language" with other policy-makers, both philanthropic or otherwise. Above all, however, they have proved to be a useful means of articulating collaborative, systemic efforts, where one of the most apparent risks, these days, is the fragmentation of actions and the widening of geographical and social divides.



6. The Council believes that the appropriate work has been done, by extending the means of support that Compagnia offers, which have included systematic capacity-building and organisational development opportunities for beneficiary bodies, and gradually replacing support for “projects” with support for “processes”.
7. Asset management and generating resources for institutional activity are a crucial part of Compagnia’s institutional life, and their aim, as required by law as a basic principle, is to preserve and, where possible, increase the value of the assets. This approach is essential to generate the necessary income to support the Foundation’s role and purpose, including in future critical situations. The Council successfully achieved this during its term of office, despite frequent headwinds on the financial markets, thereby strengthening the Foundation and handing it over to the next governance in a stronger economic and financial position in every respect.
8. The decision to divide the grant-making budget into “basic shares” and “strategic shares”, the latter specifically aimed at fostering the sustainability, independence and innovation of partners, especially those belonging to the private social sector, proved to be an effective way of dealing with the complexity of the current situation, as well as being sufficiently flexible to respond to emergencies and conducive to constructive interactions with beneficiaries. Compagnia’s approach to funding project activity, as determined by the General Council, also promoted and prioritised strategic aspects, such as organisational innovation and skills development.

Putting strategy into practice: tools and methods

9. Promoting method and know-how: capacity building, communities of practice; collection, management and use of data, rigorous evaluation of results, development of local networks and systems, including within multi-actor vertical calls for proposals. Compagnia’s role in guiding real-world co-planning and co-design processes has been very well received by operators and has proved capable of influencing public policy and planning, by providing knowledge, experimentation and common ground.
10. Activating local systems through collaboration: in welfare, the urban ecosystem and other fields, Compagnia’s action has had positive results when aimed at facilitating collaborative coordination between the organisations operating in certain geographical areas and responsible for certain policies, or interested in addressing related problems. Businesses, public bodies and the private social sector can work in conjunction with each other when a third party such as Compagnia provides an overall framework and acts as a catalyst for local efforts.
11. When strategically managing relationships with large entities (auxiliary bodies, co-governed bodies, organisations with which agreements are in place, European bodies and international bodies) it is always important to clarify the expectations of both Compagnia and the bodies themselves, by sharing those expectations and facilitating their fulfilment. The model is not unequivocal and could be re-designed and superseded in the light of changes in context (e.g. the university system “post-National Recovery and Resilience Plan”).



12. Not forgetting “small organisations,” either operating in niche fields or in the early stages of development, and informal initiatives: this policy must not be confused with a scattergun approach to grant-making. It is important to keep sight of thematic or geographical areas that are at risk of marginalisation.
13. Involving people to improve impact and satisfaction: higher levels of effective participation by final beneficiaries (i.e. not just the implementing bodies) is a work aim that should continue to be pursued. In fact, Compagnia’s initiatives can always be tailored more closely to the needs and aspirations of the people involved, and made more effective at supporting processes of active citizenship.
14. Taking active part in the debate on needs and policies: in European philanthropy, we strive to improve the cultural debate by means of serious advocacy based on the expertise that derives from Compagnia’s action. Young people, countering stigmas and stereotypes, diversity & inclusion policies, healthy lifestyles, immigration, gender-based violence and mental health are all issues on which Compagnia has technical knowledge and experience.
15. Planning for the “post-NRRP” phase: Compagnia must look at its action in consideration of a time-horizon that goes beyond 2026 (formal end of the National Recovery and Resilience Plan). There is likely to be a negative shock in terms of available spending resources at multiple levels, and all organisations must prepare to readjust and respond to likely critical situations.
16. Effective use of data technology is a pre-condition for successful work outcomes: Compagnia has already made considerable progress in this field, but infrastructure, culture, use and sharing must be subject to a constant process of maintenance, improvement, and innovation. Without an adequate “data system” there can be no rational planning, impact assessment or learning
17. Commitment to innovation, with regard to managing data and managing highly complex projects, is seen as a high priority for the Foundation both now and in the future.
18. Compagnia is a working community whose staff body plays a crucial role: the General Council recognises that the expertise, loyalty, initiative and pro-active approach provided by the staff body and its institutional leader, the Secretary-General, has enabled the governance to establish an innovative strategy and implement it effectively. The relationship between the governing bodies and the staff body is exceptionally important, and this is not always sufficiently clear from the outside, especially in terms of ensuring the necessary continuity for the Foundation’s work. It is no coincidence that the Council wanted the full value of the role of the staff body to be formally recognised in the constitution.
19. On the financial front, Compagnia’s responsible investment policy has made it possible to take practical steps to ensure that the diversified portfolio managers are selected from among those most in line with the Foundation’s objectives. The Council believes that it is essential to set realistic investment policy goals that are likely to deliver measurable results, in order to avoid unrealistic approaches to market developments.



20. The most serious potential risk to the Foundation's assets currently lies in making losses as a result of having to liquidate assets under negative market conditions. It is good practice to draw up and rigorously adhere to a multi-year economic and financial plan based on a financial risk budget that highlights the extent to which the various types of risk to assets can be tolerated, thus resulting in a forecast of sustainable spending commitments and appropriate management of the liquidity of the portfolio (which must be carefully planned and monitored).

Institutional dynamics

21. A governing body, such as the General Council, to which the constitution attributes a central role needs to be able to collaborate, express itself frankly and approach its work in a climate of calm. Although the technical aspects are covered with the support of a highly dedicated staff body, the dynamics and atmosphere in which the Council interacts are key factors. An aptitude for collaboration and collegiate decision-making are operationally valuable and a manifestation of the spirit of service towards the institution and its overarching mission. Furthermore, when the expertise of each Council Member is valued and shared, exchanges of multiple, diverse views ultimately yield productive syntheses.
22. Working in a manner that complements the input of the other governing bodies (Chair, Management Board, Board of Auditors, Secretary General) has proved to be a salient feature of the institutional life of the Council. The dynamic between plenary meetings and committee meetings has enabled Council Members to combine strategic vision and accountability in the most important decisions, in a cognitive and often proactive interaction in the Foundation's individual fields of action.
23. The synergy between governing bodies – vision and effectiveness of the role of Chair, presence and participation of the members of the Management Board at meetings of the Council, the regulatory and managerial contribution of the Secretary-General, the function of monitoring the institutional probity and legitimacy of the Board of Auditors – with distinct and complementary areas of expertise, supported by the service and proposals of a well-informed and highly motivated staff body, is therefore one of the most positive legacies that the Council passes on to its successors. This approach to work, which is endorsed by the constitution, appears to be the best fit for a complex organisation such as Compagnia, and the best way of ensuring that the Foundation remains capable of taking initiatives and action at all times.
24. One of the innovations that most enriched this experience was the experimental establishment of the *Young Advisory Board* – a group of young people selected on the basis of applications to a public call for proposals – aimed at enabling the Council to enter into direct, systematic, organised dialogue with the younger generations. By taking part in open exchanges of often opposing views on an equal footing with this group, the Council gained fresh ideas and insights, especially in the planning stage. The Council would like the Foundation to continue to make productive use of experiences such as this in the future, both as an instrument and at the level of members of the current Board.



Thematic prospects and strategic profiles

- 25.** On the basis of its experience over the past four years, the Council has identified various subject areas that it is already working on and would like to pass on to Compagnia's new governing bodies, as well as various requirements that it feels the new members of the next General Council should meet, in addition to those already outlined in the constitution.
- 26.** In terms of overall planning priorities, the Council reiterates the importance of Compagnia's historic concerns, namely social cohesion, not just as a pre-condition for making any kind of transition, but primarily as a recognition of the rights of individuals and communities, the need to counter inequalities and rebuild participation spaces, democratic engagement and subsidiarity and the importance of local economic development, in other words, helping to create wealth fairly and sustainably within open, well-connected communities. Within this general context, several specific issue warrant particular emphasis:
- 26.1. boosting opportunities for young people;
 - 26.2. demographic changes and their impact on places and society;
 - 26.3. civic education, and the quality of democracy and democratic structures, first and foremost the public administration;
 - 26.4. harnessing the value of cultural heritage and access to culture, including as a means of fostering personal welfare, and the sustainability of the cultural sector;
 - 26.5. artificial intelligence, especially generative AI, with an exploratory, pioneering and conscious focus on its positive impacts on social life, as well as the challenges it poses;
 - 26.6. climate change, environmental transition, *one health* paradigms and food systems of the future;
 - 26.7. inclusion and countering inequalities and the various forms of poverty;
 - 26.8. the quality and sustainability of civil society and local social infrastructure.
- 27.** On the basis of its experience, the General Council sees this as the “strategic space” that has emerged over the past few years and can be credibly projected onto the years ahead. It therefore has some suggestions regarding the skill-sets likely to be of particular use to the General Council in the four-year period 2024-2027. Cultural and professional skills:
- 27.1. socio-economics;
 - 27.2. law;
 - 27.3. history and the humanities;
 - 27.4. science (including medical science) and technology (with particular reference to digital technology);
 - 27.5. finance, with particular reference to capital markets and institutional portfolio management.
- 28.** Experience and aptitudes:
- 28.1. the ability to take a long-term view;
 - 28.2. knowledge of Compagnia's catchment area;
 - 28.3. previous experience on collegiate governing or policy-making bodies, especially within philanthropic, third-sector or public organisations;
 - 28.4. a national, European and international outlook.



- 29.** The General Council also recommends that future Council Members should have experience in and an understanding of the following, with particular reference to policy-making:
- 29.1. young people and inter-generationality;
 - 29.2. families, birth rates, female participation in the employment market;
 - 29.3. social cohesion and inclusion; countering inequalities, including geographical inequalities, especially with regard to access to public policies;
 - 29.4. democratic participation, active citizenship;
 - 29.5. access to culture, conservation, enhancement and sustainability of cultural assets, organisations and operator
 - 29.6. exploitation of data as an asset for social and economic development, including healthcare and the use of artificial intelligence;
 - 29.7. local socio-economic development, the catchment area's capacity to attract, international openness;
 - 29.8. environment, health and well-being, and connections between the three;
 - 29.9. organisation, management and funding of innovation (scientific, technological and social);
 - 29.10. impact-oriented financial instruments, digital finance.
- 30.** The desirable qualities set out above, combined with the formal and substantive requirements established in the constitution (see the constitution itself), suggest that the Council should be a diverse body composed of experts, of both genders, in the subjects that are most relevant to Compagnia's mission, who are properly equipped to take on the demanding responsibilities that make up the constitutional role of the General Council. The dynamic balance between Compagnia's governing bodies, combined with its ability to build innovative visions and practices based on a harmonious mix of proactive leadership and prudent and participatory consensus, have been instrumental in enabling it to play a useful role in society, as a philanthropic foundation



Appendix

This document was drawn up in a series of stages: in June – July 2023 a questionnaire was distributed for the purpose of surveying the opinions of the men and women who serve as members of the General Council on a selection of subjects relating to the institutional life of the Foundation and of the Council itself; together with the institutional documents approved by the Council, the results of this survey formed the basis of a first draft in October 2023; this was then discussed and expanded in the course of Subject-Specific Committee meetings (November 2023); the final version is scheduled to be approved by the General Council at its Plenary meeting on 4 December 2023.

Details of the commitment, particularly the time commitment, that was required of members of the General Council during the term of office now drawing to a close (2020-2024), are set out below, and should be considered to be a fair reflection of the commitment required for the new term of office. The results are summarised in the following table.

PLENARY SESSIONS

32 meetings of the General Council, **8** per year

87 hours of meetings, average duration **2h 50m per meeting**

An average of 16 participants per General Council meeting out of a total of 17

An average of 51% of Council Members attended the meetings remotely
(32% from 2022 to the present)

SUBJECT-SPECIFIC COMMITTEE MEETINGS

A total of **115** meetings of the **5** committees; an average **6** per committee per year

Over **190** hours of meetings, with an average duration of **1h 40m per meeting**

10 meetings of joint committees for an average of approximately **5** hours
per year (each Council Member attends an average of one committee meeting per year).

FURTHER COMMITMENTS ASSOCIATED WITH THE OFFICE (estimate made by council members)

Study of documents and related research: **14** hours per
month Representative activities: **7 hours** per month.