

Action Institute

Valore. Indipendenza. Dialogo. Impatto.

Contributing to restore competitiveness in Italy

October 29th – Università Bocconi, Milano

Overview

Who are we?

- **Action Institute** is an **independent** actionable policy oriented Think Tank («Action Tank»). It consists of a group of high-quality and distinguished professionals who work **exclusively on a personal and pro bono** basis.
 - Working Groups consist of CEOs, Divisional Heads, Partners, Professors, Members of Institutions (65% Alumni Ivy League Universities).
 - Experts based in Milan, Rome, London, New York, Luxembourg, Brussels and Paris.

Why Action?

- **Action Institute** was founded as a civic response to the **social and economic crisis** that hit Italy in 2011
 - It offers Government Institutions diversified competences and an access to comparative and global best practices.
 - It offers Government Institutions a dialogue with a counterparty characterized by a strong civic passion, that is credible and independent.
 - It aggregates and provides a **platform** for the country best intellectual energies to contribute and share their knowledge/ideas.

Our Mission

- Identify **innovative solutions** to re-launch the competitiveness of the Italian System.
- **Achieving an impact** through the involvement of the institutions, the creation of consensus around policy proposals and the identification of realistic paths of implementation.

Values



Positioning

Italian Think Tanks...

Action Institute wants to get over the old concept of Think Tank that in Italy:

- a. is positioned as a pure research center and focuses on the production of theoretical frameworks of difficult implementation;
- b. is often financed by a political party to legitimate its choices;
- c. is often detached from the real and crucial problems of the country;
- d. represents short-sighted and narrow-minded points of view.

... and how Actions Institute wants to be different

Action Institute:

- a. is **independent** and **bipartisan**;
- b. identifies and promotes **practical, feasible and high-impact** solutions;
- c. engages on a **voluntary (pro-bono) and personal basis** experts that have a clear vision not only of solutions but also of the stickiness that need to be overcome;
- d. actively pursues **influence** and **impact**;
- e. makes itself **available to institutions to shape actionable paths** of implementation and to create consensus;
- f. adopts a «glocal» perspective, with access to comparative and global best practices;
- f. aims to translate complex economic and social issues into **understandable terms** for the benefit of public opinion;
- g. aims to promote **positive leadership models**.

Key People (1/2)



CARLOTTA DE FRANCESCHI – Co-Founder, President and Member of the Steering Committee of Action Institute. Carlotta is an Investor and Finance Executive. She was the Senior Economic Advisor to the Italian Prime Minister carrying on major banking reforms. She has 4 years of Private Equity, Distressed and Private Debt experience and 12 years of Investment Banking experience between New York and London (Goldman Sachs, Morgan Stanley, Credit Suisse). Carlotta holds a Degree in Business Administration from Bocconi University and an MBA from Harvard Business School.



ALESSANDRO PIOL – Co-Founder and Member of the Steering Committee of Action Institute. Alessandro is co-founder and Managing Partner of AlphaPrime Ventures in New York. He has been involved in the technology sector for over 30 years. Previously Partner of Invesco and founder of AT&T Ventures. Alessandro holds a BSc and MSc in Computer Science from Columbia SEAS and an MBA from Harvard Business School.



GUIDO TABELLINI – Member of the Scientific Committee. Guido is professor of economics at Bocconi University, where he has also been Rector. He chairs the Steering Committee of the forum “Ideas for Growth”, Bocconi University. Guido holds a degree in Economics from Università di Torino and a PhD in Economics from UCLA.

Key People (2/2)



ALBERTO ALESINA – Member of the Scientific Committee. Alberto is professor of Political Economy at Harvard, where he served from 2003 to 2006 as Chairman of the Department of Economics. Alberto holds a Degree in Economics from Bocconi University and a PhD in Economics from Harvard.



MICHAEL SPENCE – Member of the Scientific Committee. Recipient of the 2001 Nobel Memorial Prize in Economic Sciences, Michael Spence is professor at New York University Stern School of Business. He holds a BA from Princeton, a BA/MA from Oxford and a PhD in Economics from Harvard.



STEFANO VISALLI – Member of the Steering Committee and Finance Team of Action Institute. Stefano is partner of Onyx, a turnaround fund based in London. Prior to that he has been at McKinsey for 20 years where he was the director responsible for the Public Sector Southern Europe and for the Banking Sector in Europe. Stefano holds a Degree in Economics from LUISS Guido Carli University and MBA from Insead.

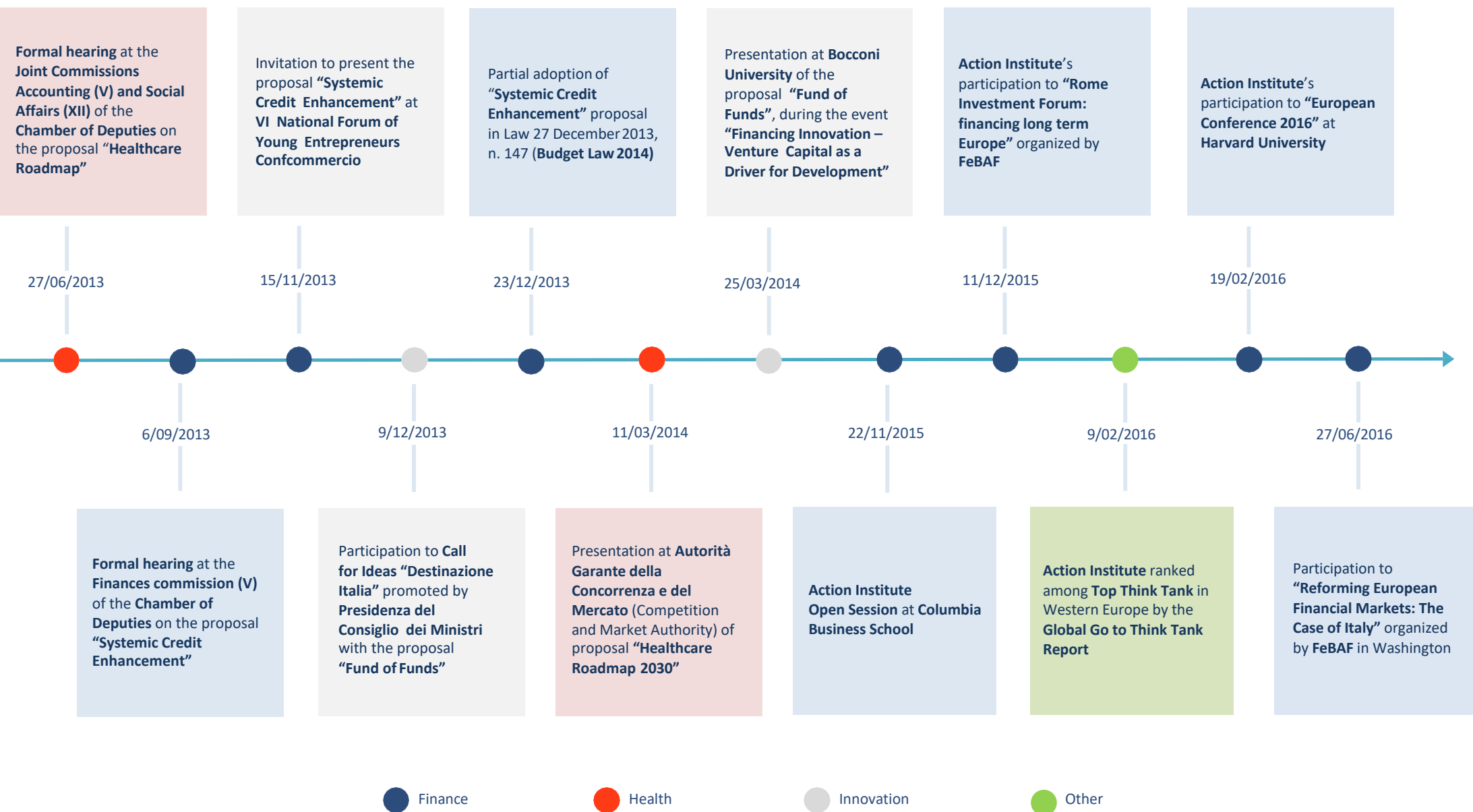


PAOLO DE SANTIS – Healthcare Team of Action Institute. Paolo is responsible for the Health practice of Generali. Prior to that he was 18 years with McKinsey where he was the partner responsible for Health Practice in the Mediterranean Cluster. Paolo holds a Degree in Economics from La Sapienza University, Rome, and a PhD in Economics from Columbia.

What We Have Achieved So Far: Impact



Path of Action (1/2)



Path of Action (2/2)



InnovaAction Life Sciences awarded among the Best policy study-report by the Global Go to Think Tank Index Report

Participation to "Women in Finance: Towards Equality" workshop at Columbia University

Action Institute's participation to "Rome Investment Forum 2017" organized by FeBAF

Action Institute on the Friday before elections endorses a fiscal shock. Most watched video on LA7 in the elections' weekend

Action Institute's participation to "Progressive Governance: Investing in the Future" seminar in Lisbon

Action Institute ranked 1° Think Tank in Italy for economic and social policy, 91° in Western Europe and among the top worldwide

26/01/2017

9/03/2017

15/12/2017

2/03/2018

30/06/2018

29/01/2019

26/01/2017

3/07/2017

31/01/2018

12/06/2018

14/12/2018

14/05/2019

Action Institute ranked 98° Top Think Tank in Western Europe and among the Top 150 Independent Think Tanks worldwide

Participation to "La Gestione delle Crisi Bancarie in Europa: il caso spagnolo, i casi italiani" at Fondazione Astrid

Only Italian Economic Policy Think Tank in the category "Think Tanks with Outstanding Policy-Oriented Research Programs" in Global Go to Think Tank Index 2017

Action Institute's participation to "Digital & Payment Summit 2018", most important event in Italy on fintech and digital payments

Action Institute's participation to "Rome Investment Forum: financing long term Europe" organized by FeBAF

"Between finance and technology: global trends and best practices to leverage fintech and digital payments as a driver for development" with NEXI

Global Think Tank Ranking Report 2018

Worldwide



**#36 Mid-Sized
Think Tank**

**#90 Best Advocacy
Campaign**

**#64 Think Tank for
Best New Idea**

**We ranked in 11
categories, scoring
among the Top
Think Tanks in all
our core activities**

Western Europe



#91 Think Tank

**#33 Independent
Think Tank**

**Top 20 Best Advocacy
Campaign**

**Top 20 Think Tanks
for Best New Idea**

**Top 25 Think Tanks
with outstanding
policy-oriented
research programs**

Italy



#1 Think Tank

- Domestic Economic Policy
- Social Policy
- Science and Technology
- Education Policy
- Domestic Health Policy

**More than 6.500 Think
Tanks were ranked**

Action Implementation Model



The «Credit Enhancement Proposal» – A Case Study

Problem

- Italian firms are undercapitalised, with high rates of indebtedness, low credit quality (low credit ratings) and **they largely depend on the banking system**
- Over the next few years, the Italian banking system, weighted by high non performing loans (NPLs) and significant imbalances between loans and deposits, will not be reasonably able to expand its credit offer
 - Just this last factor will force Italian banks to reduce its lending portfolio of an amount equal to €150-200bn in coming years
 - According to the estimates of Confindustria ⁽¹⁾, firms will need an amount of capital between €90 and €200bn in the next five years to cover the needs of investments.
- In addition, the competitiveness of Italian firms is **undermined by a spread in the cost of credit relative to the firms of northern Europe**
 - In the past this problem could be solved with a currency devaluation mechanism, option no longer available with euro
- **Public intervention would be justified and aimed to:**
 - i) reduce the competitive disadvantage in the access to credit of Italian firms by creating a European «level playing field»,
 - ii) allow to the banking system the credit supply for worthy projects, overcoming capital and liquidity restrictions.

1. Note. "More Finance for firms: more capital, more bonds and innovative instruments for SMEs" – Centro Studi Confindustria, 4 of May 2013

Key People (1/3)



STEFANO VISALLI – Member of the Steering Committee and Finance Team of Action Institute. Stefano is partner of Onyx a turnaround fund based in London. Prior to that he's been at Mckinsey for 20 years where he was the director responsible for the Public Sector Southern Europe and for the Banking Sector in Europe. Degree in Economics from LUISS Guido Carli University and MBA from Insead.



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DARIO SCANNAPIECO – Member of the Credit and Finance Team of Action Institute. Vice-President of the European Investment Bank (EIB) and Chairman of the European Investment Fund (EIF). He covered the role of General Director of the Privatization and Finance Department of the Italian Ministry of Economy and Finance, and he was Member of its Experts, covering the position of Advisor to the General Director of the Treasury.

Key People (2/3)



ALESSANDRO MARIA DECIO – Member of the Credit and Finance Team of Action Institute. Chief Executive Officer and General Manager at SACE SpA. Previously he was Group Chief Risk Officer of UniCredit, Head of F&SME Division and Senior Executive Vice President at UniCredit SpA. Alessandro worked in Turkey as Chief Operating Officer of Yapi Kredi and held also the role of Deputy CEO of Koc Financial Services as well as Chairman of the Credit Committee.



AMBRA REDAELLI – Member of the Credit and Finance Team of Action Institute. Vice President of the Committee Piccola Industria of Assolombarda Confindustria Monza and Brianza; former President of the Regional Committee of Piccola Industria, Confindustria Lombardia. In 2016 she became member of the General Council of Federmeccanica. Ambra is also CEO of Rollwasch Italiana Spa.



CLAUDIA BUGNO – Member of the Credit and Finance Team of Action Institute. Vice President of Public Affairs of Alitalia. Previously she was Chairman of the Management Committee of the Central Guarantee Fund for Small and Medium Enterprises. Director of the independent organization established for the performance evaluation of the Ministry of Economic Development and Former Chairman of the Internal Audit Service.

Key People (3/3)



COSIMO PACCIANI – Member of the Credit and Finance Team of Action Institute. He is Chief Risk Officer of the European Stability Mechanism. Previously he worked as Head of Policy and Controls of the Group Credit Risk for the Royal Bank of Scotland and also Head of Risk and Compliance and Head of Corporate Credit Risk for Europe. He has a long experience in Corporate and Public Sector Credit Risk and on Securitisation and Credit Derivatives.

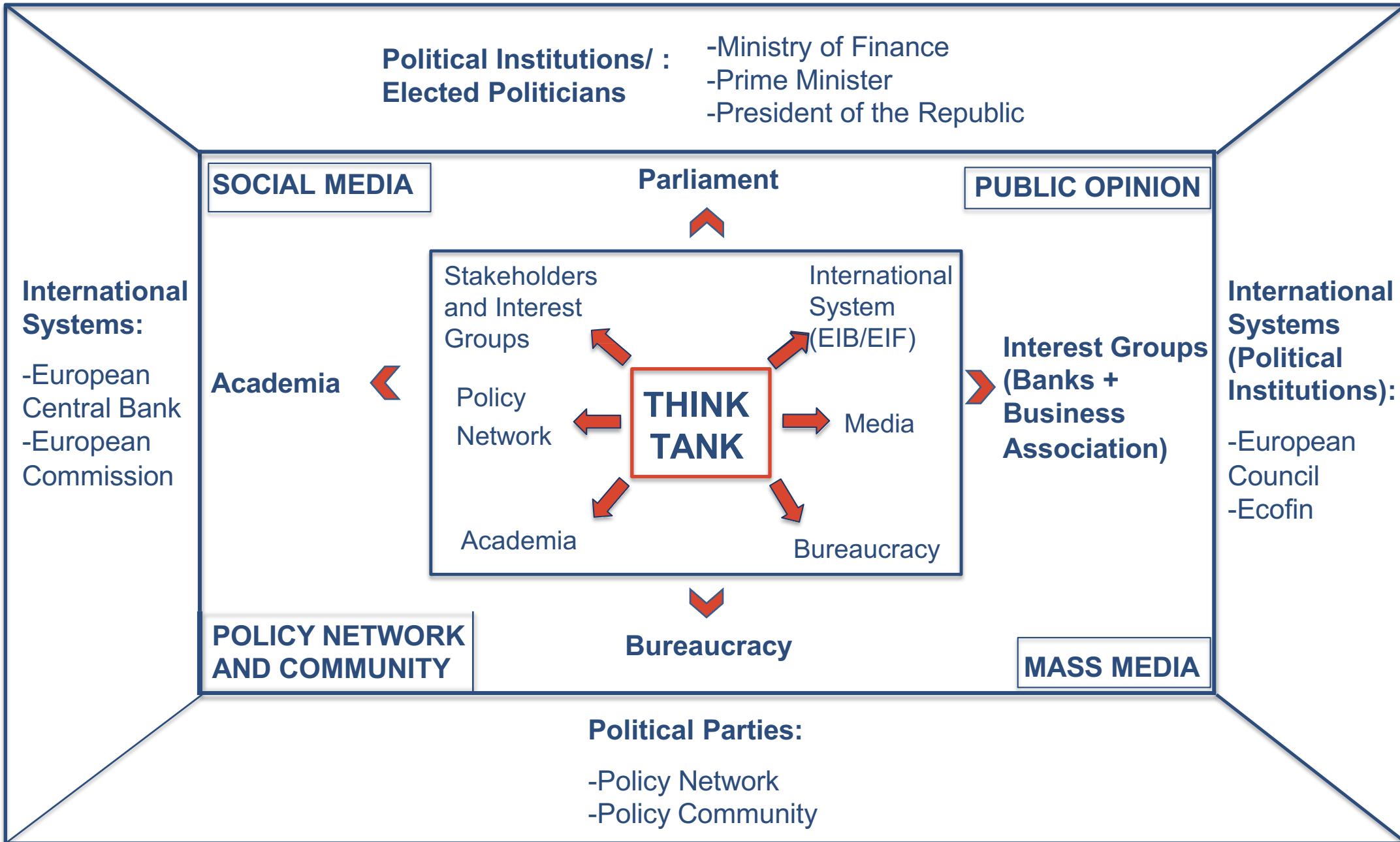


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ISABELLA BUFACCHI – Member of the Credit and Finance Team of Action Institute. Vice-director of Editorial Department of Il Sole24Ore. Previously Isabella was Chief Editor of Italy24 and writer of articles about international finance for Milano Finanza. She wrote as a freelancer for Il Mondo-Capital (Rizzoli).

Framework



Process



Action

Improve access to credit for Small and Medium Enterprises (SMEs), reducing their costs

- Creation of an **investment vehicle with European structural funds** that adopts the experience of the Guarantee Fund and **ensures SMEs portfolios** weighting on banks' balance sheets
 - **Portfolio "Credit Enhancement":**
 - ◆ Capital relief
 - ◆ Possibility of refinancing portfolios at the ECB
- **€120–150 billion for new credit**
 - Substantial less cost for banks, subsequently transferred to firms (100–250bps)

