

# COVID-19 IN ITALY: U.S. GOVERNMENT SUPPORT FOR THE ITALIAN PRIVATE SECTOR



Italy was among the earliest countries to report COVID-19 cases, and it was among the hardest-hit. With infections increasing around the world, the global market for medical supplies has tightened, and Italy must ramp up local production.

Through this new initiative, USAID will support businesses that are engaged in the research, development, or manufacture of therapeutics, vaccines, medical equipment, and supplies to respond to COVID-19. USAID is working with Italian, European, and American businesses to increase the local manufacture of PPE (personal protective equipment), ventilators, COVID-19 tests, and other medical supplies in the areas of Italy that were most affected by the pandemic.

This activity is one element of USAID's \$50 million commitment to Italy to help save lives and build resilience for the future. USAID's work in Italy is one part of the U.S. Government response to the pandemic in Italy.

## PROGRAM DESCRIPTION

This initiative will take a two-pronged approach, combining catalytic capital to attract additional private investment with technical assistance to help PPE manufacturers retool their production lines and increase their investment-readiness.

Through this work, USAID will assist a wide swath of Italian manufacturers, and will provide support to those that demonstrate significant potential for impact.

## AWARDS TO SUPPORT ITALY'S COVID-19 RESPONSE

**DEM Consulting** will design and use a standard repurposing method to help five manufacturing companies in the Campania region of southern Italy partially or totally convert their current production lines to PPE, with a target of meeting 12 percent of local PPE production needs.

**Roncucci & Partners s.r.l.**, a consulting company based in Bologna and Milan, will assess the landscape of Italian companies manufacturing PPE, ventilators, and other medical equipment needed for COVID-19 response. It will then select 25 companies and provide technical assistance to help them increase production capacity and attract private investment. This work will focus on the regions that were most affected by the pandemic (Lombardy, Emilia-Romagna, Veneto) as well as less developed regions in the south (Campania, Puglia, Sicily, Calabria).

**Interlink Capital Strategies**, an American fund manager and advisory firm, will design and establish a financing initiative to ramp up production of PPE, COVID-19 tests, and medical supplies within Italy. With \$1.4 million in catalytic capital from USAID, Interlink will leverage up to \$20 million in private capital to support a portfolio of companies in Italy. Preference will be given to businesses that benefit Southern Italy to improve access to medical supplies in rural areas. Interlink will also establish off-take agreements to ensure sustainable demand for the companies' products.

**PEDAL Consulting** will lead a consortium to design and establish a fund to make investments that will increase the production of PPE and other medical supplies in Italy. With \$1.1 million in catalytic capital from USAID, the consortium will leverage an additional \$10 million in private investments. PEDAL and its partners will also provide technical assistance to ten selected portfolio companies to increase production and bring new products to market.