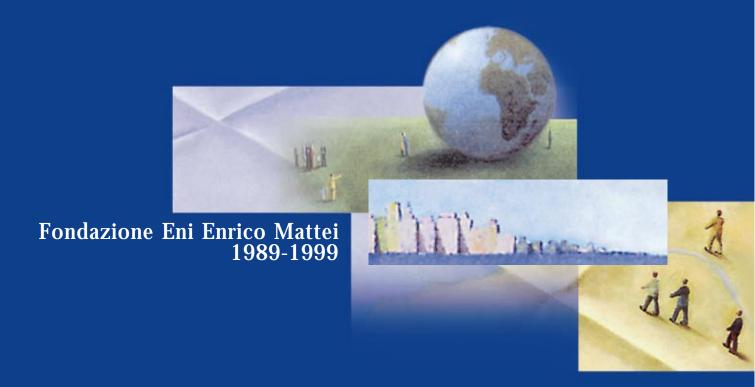


# Fondazione Eni Enrico Mattei

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**economy** 

environment





Activities 1989-99









Fondazione Eni Enrico Mattei is a non-profit, non-partisan research institution that carries out research in the field of economy, energy and the environment. Recognised by the President of the Italian Republic in July 1989, it has become a leading international research centre on sustainable development.





# from the Director

In June 1999 Fondazione Eni Enrico Mattei has celebrated its tenth anniversary. Measuring the impact and performance of an institution such as the Fondazione is not an easy task. Feem's production is immaterial and the objectives of its activities are strictly non-profit. Some quantitative data, however, can give an idea of what has been done. With regard to capitalisation, Fondazione Eni Enrico Mattei currently ranks 28th in the European Foundation Classification (EFC) including bank foundations, and 12th excluding the latter. In these ten years over 250 scholars have worked in the Fondazione's offices, with an average stay of two years. After their experience in Feem, many of them have entered the private sector, regulation authorities and universities as lecturers and researchers. The Fondazione has signed over 500 research contracts with external researchers and institutions, an internationalisation rate which is unparalleled in Europe: 70% of the contracts involve foreign researchers and research centres, thus creating an extensive network of scientific co-operation. Conference activities, working papers and books are evidence of the Fondazione's research effort in this ten-year period. Feem has organised 131 seminars, which normally involve a restricted number of attendees, for a total of 3000 participants. It has also organised 11 large-scale conferences, among which the First Congress of the European Association of Environmental Economists (Venice 1990) and the First World Congress of Environmental and Resource Economists (Venice 1998).

The Fondazione has published 665 working papers (in English) which cover most of the current European research. It has published 38 books with Kluwer Academic Publishers, Cambridge University Press, Oxford University Press, Fayard and Il Mulino. These publications are now available in the most important libraries of the world. The journal "Equilibri", published by Il Mulino, has reached its third year of publication and the number of readers and subscribers have increased. The interest in Feem's activities is shown by the liveliness of its web site, which is visited by over two million surfers every year. The Fondazione has become the leading European institution for research on sustainable development; it has gained an important position in research on privatisation and regulation of public utilities. It plays an important role in economic research involving the transfer of knowledge and technology, through its co-operation with the University of Cambridge and Stockholm's Academy of Sciences.

The technical assistance to national and international institutions is increasing and consolidating. The most important and systematic co-operations involve: the United Nations (Unep and Undp), the OECD and the European Commission on the themes of sustainable development; the Prime Minister's office and the Italian Ministries of Treasury, Finance and Foreign Trade on economic topics; the governments of a number of emerging countries on privatisation. Recent activities include a project for young university students, which involves Feem's offices in Milan, Turin, Genoa and Venice. This project (carried out with the support of Italgas, Snam and AgipPetroli) aims at offering equipment and facilities to promote the development of human capital and communities of excellence. Over 20,000 students have subscribed to this initiative in 1998 and 1999. A Multimedia Library has been opened with the support of Snam in the town of Novij Urengoi, in Siberia. All this has been possible thanks to the generosity and far-sightedness of the Founders of the Fondazione, who have enabled Feem to fulfil its institutional duties. Feem extends its warmest thanks to its Founders, employees and co-workers promising its commitment for continued improvement.

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10 years of activities



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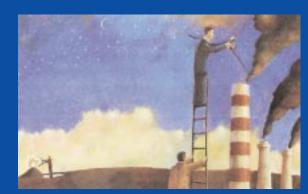




# Research

In this last decade the research strategy of the Fondazione has followed two main directions: credibility and international prestige on the one hand, the relevance for policy institutions, both national and international, on the other. To achieve these objectives Feem has established an international network of researchers who contribute to disseminate knowledge on the Fondazione through seminars, congresses and publications and, in particular, through the working paper series, that has become the most important series in the environmental field at a world wide level. At the same time the Fondazione has trained a number of researchers

to enable them to compete with the best international research institutions on a number of themes. This process has been carried out in the short term through many young people who have come to the Fondazione from national and international Universities with specialisations in specific research niches.



- Based on the results achieved in the fields of environmental management systems, climate change modelling and policy, the transfer and diffusion of knowledge and technology, the management of privatisation processes and corporate governance, environmental planning of the territory, the Fondazione has become the privileged interlocutor of a number of policy institutions, among which the IPCC, the European Commission, the Italian Ministry of the Environment, several Italian Regions, some Italian Communes for Agenda 21. The Fondazione Eni Enrico Mattei has moreover co-operated with Institutions such as the World Bank, the NBER, Resources for the Future, the CEPR, the European Association of Environmental Economists, the Beijer Institute and several European and U.S. universities.
- Some of the most relevant achievements of the Fondazione are the systems of environmental monitoring indicators of the territory, the methods for the preparation of firm and environmental accounting, the forms required to evaluate the impact of energy and environmental policies, both on a national and international scale, the database created for the analysis of privatisation, the development of innovative theories in the field of international coalitions, the role of expectations in a world characterised by uncertainty, the processes of the diffusion of knowledge.
  - Important empirical research has been carried out with the aid of the European Union. The EU has provided financial support to approximately 50 research projects of the Fondazione aimed at evaluating the environmental externalities produced by energy production processes, analysing the environmental behaviour of



European firms, identifying the mechanisms that link technological progress to economic growth, quantifying the cost of greenhouse gas reduction policies, analysing the methods of population participation in sustainable economic growth plans in local Agenda 21 projects, evaluating the role of regulations and institutions in promoting privatisation processes from a quantitative and qualitative point of view.



# Publi Stini

Publications

# **Books**

The Fondazione has three editorial series with Kluwer Academic Publishers, Oxford University Press and Il Mulino. In special cases the Fondazione publishes books with different publishers. In the period ranging from 1993 to 1999, the Fondazione has published 38 books, six of which in 1998 and eight in 1999. A publications catalogue of all the books published by the Fondazione is available on the web.

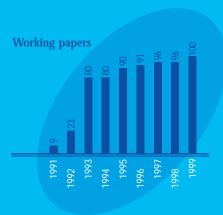
# **Working Papers**

In ten years the Fondazione has published 665 Note di Lavoro. Feem's working papers have gradually become one of the main instruments of research diffusion of the Fondazione, because they are based on the papers presented at different workshops and congresses or on the interim and final reports of the projects carried out by the Fondazione. Most of the authors of the Note di Lavoro are foreign researchers from all over the world and their work reflects the different approaches to environmental themes and contributions to the debate on the most important current issues. Starting from 1997

Feem's Note di Lavoro can be

Feem's web site (www.feem.it).

downloaded from



# Newsletter

The Fondazione issues a Newsletter (FEEM Newsletter) twice a year, a Lettera di Informazione Economica (Economics Information Letter) and "ECO" - Environmental Communication Observatory.

# Equilibri

The publication of the journal
"Equilibri" started in 1997,
based on the co-operation between
the Fondazione
and the publisher Il Mulino.
It deals with sustainable
development and it is published
on a quarterly basis.



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The Fondazione has organised 11 large-scale conferences, 131 seminars and various courses and lessons.

- Particular emphasis should be given to the First World Congress of Environmental Economists organised by the Fondazione Eni Enrico Mattei, AERE (the Association of Environmental Economists that includes mostly American environmentalists) and EAERE (European Association of Environmental Economists). The congress was held at the Fondazione Cini on the Island of San Giorgio, Venice from June 25 to June 27, 1998. The preparation of this congress required two years of work and registered unprecedented participation: eight hundred attendees, including professors, researchers and students from 62 different countries in the world.
  - During the congress 504 papers were presented in 88 sessions centred on sustainable development, the management of natural resources and environmental policies. The World Congress of Environmental Economists has also represented the opportunity to launch the first virtual network of environmental economists called "gNee". The network is managed by Fondazione Eni Enrico Mattei via the Internet and it provides information on congresses, books, internet sites, etc. to environmental economists all over the world



Workshops







@feem

Young People Project - @feem.it

The @feem.it project (Young People Project) has been developed by the Fondazione Eni Enrico Mattei and carried out with the support of Italgas. The project proposes the creation of a network of Multimedia Libraries. These libraries aim at building the capacities and human capital of young university students; they

offer free access to personal computers, the Internet and multimedia technologies; courses on the main windows programmes and browsers; English films, seminars on the main themes requested by students (studying abroad, Erasmus, Master, improved knowledge of the English language, job opportunities on the web and other topics).

Feem's capacity building project is characterised by lightness, rapidity, quality, and repeatability. The aim is to establish a closer and continuous link among firms, territory, local administrations and communities; to supply a high quality service for young people; to create expertise in the economic, energy and environmental fields (with special emphasis on sustainable development, public utilities and competition); to disseminate knowledge on information technology.

This project has included the opening of three Multimedia Libraries in Turin, Genoa, Milan and the fourth in Novij Urengoi. The support of Italgas in Turin, AgipPetroli in Genoa, and Snam in Milan and Novij Urengoi enabled Feem to open the individual libraries. In 1999 Hewlett Packard Italiana and Microsoft Italia have become the technical sponsors of @feem.it by providing the hardware, software and training.





Locations

### The h

**Milan** 

The headquarters of the Fondazione This is where the management, the staff and most of the researchers work. The Fondazione has conference specialised in economics The library has a collection of approximately 10,000 volumes It has the most advanced technologies for bibliographical search and an On-line Public Access Catalogue (OPAC) on the Internet that can be accessed from Feem's web site. Milan joined the @feem.it Multimedia Libraries network in 1999.

# Turin

The Fondazione opened an office in Turin at the Archivio Storico Italgas in January 1998.

The Young People Project (@feem.it) was started in Turin and the Multimedia Library is where new organisational methods and innovative technologies are experimented.

Although Feem's activities in Turin are focused on the @feem.it project they also include research on competition and regulation of public utilities.

# Genoa

In May 1998 the Fondazione opened an office in Genoa's historical centre, in the central building of AgipPetroli. Research activity is focused on two main projects. The first project involves the analysis of logistics, ports The second one concerns the problems involved with the recovery of dismantled industrial sites part of the @feem.it network and a Multimedia Library with 18 workstations equipped with the most modern technology was opened in October 1998.

### Venice

There are twenty people

currently working at Feem's offices at Palazzo Querini Feem's activities in Venice started in 1996 with research and studies on Venice's sustainable development (Agenda 21), climate change and wetlands' management. In 1998 Feem's offices in Venice organised the First World Congress of Environmental Economy. New projects are being carried out, such as a project on transformation and urban development in the postindustrial society and one on the clean-up process of the Venice lagoon. Feem's offices in Venice will become part of the @feem.it

Multimedia Libraries

network in 1999.



# Novij Urengoi

Within a cultural agreement between the town of San Donato Milanese, Snam's headquarters, and Novij Urengoi, the Siberian town where the extraction wells of Gazprom are located, the Fondazione inaugurated a Multimedia Library in Novij Urengoi on September 6, 1998.

The Multimedia Library has 10 workstations and it is visited by young people aged between ten and twenty-seven years.

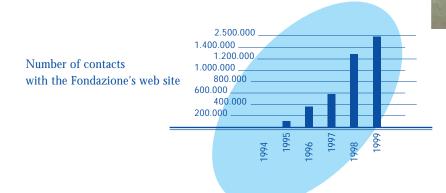


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# The web site

- The Fondazione has its own web site (www.feem.it) since 1994. It contains information on Feem's research units and activities (conferences, seminars, training, and publications). Feem's web site has been thoroughly renovated in 1998. As a service site, it will be visited by nearly 2.5 million international surfers by end 1999. Users are essentially interested in downloading the working papers, newsletters and the pages providing information on the research activities of the different offices of the Fondazione and on the Young People Project.
- Among the different services supplied, the web site allows to browse through the books catalogue of the Fondazione's library in Milan. As from November subscribers to Turin's Multimedia Library can book their computer workstations via the Internet. This service has been extended to the other Multimedia Libraries in early 1999. In 1998 the Fondazione has established the site of the global network of environmental economists (www.feem.it/gNee) which was inaugurated on the occasion of the First World Congress of Environmental Economists.





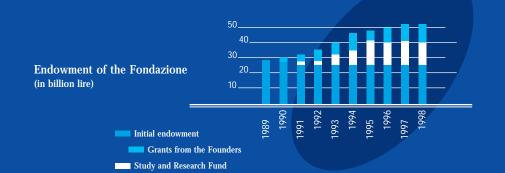




# Accounts

In these ten years the endowment of Fondazione Eni Enrico Mattei, equal to 25,784,442,075 Lire in 1989, has grown up to 50,997,602,703 Italian Lire in 1998. This amount was reached with the grants from the Founders and with the constitution and increase of the Study and Research Fund. The grants from the Founders have financed the restructuring of Feem's headquarters in Corso Magenta at the prestigious Palazzo delle Stelline, the overall cost amounting to approximately 16 billion Lire. The Fondazione has thus the best facilities required for research activities. The Study and Research Fund has been established through the allocation of the net income obtained in these years. The goal of this Fund is twofold: on the one hand it allows to increase the Fondazione's endowment and on the other it is a reserve that can be used to finance future studies and research. The Study and Research Fund was used for this purpose in 1998, because the substantial reduction of Feem's endowment revenues (investment portfolio), caused by the decrease in interest rates, did not cover the total research costs of the Fondazione.

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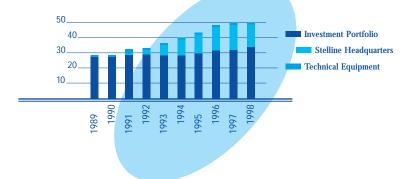


The revenues of the Fondazione are shown in the above graph. The endowment revenues (investment portfolio and immovable property) represent the income from the donations of the Founders (excluding the grants from the Founders for the Palazzo

delle Stelline headquarters) and from research contributions. Their total amount has substantially increased over the years, hitting approximately 8 billions in 1998 compared with 4.4 in 1990. Their composition has significantly changed: while initially these items were mainly constituted by investment portfolio interests and by donations, in 1998 they have dropped in percentage terms, while research contributions have increased to 4.9 billions and represent 62% of total revenues. The graph highlights the strong reduction of the investment portfolio revenues that have dropped over the years from an average of approximately 3.6 billions (1990-1996 period) to the present 2 billions.

The graph below shows the composition of the activities of the Fondazione, excluding depreciation. During the years the value of the investment portfolio and of the Stelline headquarters has grown. The value of the building has increased due to the progress of the restructuring work. The headquarters was completed in 1998, when the last work for compliance with safety rules and fire prevention was carried out. The present value of the headquarters reported in the balance sheet, excluding depreciation, is equal to approximately 16 billions. Even the overall value of the investment portfolio has constantly increased over these ten years: from the initial 28.5 billions invested in 1989 to the present 33.1 billions.

The Activities of the Fondazione (data in billion lire, excluding depreciation)







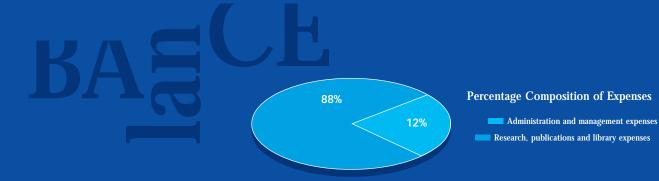
# FINANCIAL STATEMENT (data in million lire)

ASSETS	31.12.97	31.12.98	LIABILITIES	31.12.97	31.12.98
FIXED ASSETS			LIABILITIES		
Land and buildings	15.979	16.081	Endowment	25.785	25.785
Technical equipment and machines	25	22	Grants from the Founders	17.937	18.314
Office equipment	148	134	Reserve for research	7.554	6.889
Other equipment (electronic machines)	161	198	Net income	74	10
Library	414	608	TOTAL NET LIABILITIES	51.350	50.998
Software	12	32			
Securities	33.214	33.085	ACCRUALS	50	_
TOTAL FIXED ASSETS	49.953	50.160			
			DEBTORS		
CURRENT ASSETS			Suppliers	241	221
Receivables	350	1.220	Other debtors	504	929
Cash and interest bearing accounts	165	496	TOTAL DEBTORS	745	1.150
TOTAL CURRENT ASSETS	515	1.716	TOTAL DEDICATE	7-10	1.100
			(Capital loss on securities)	(2)	_
PREPAID EXPENSES	1.687	272			
			DEFERRED INCOME	12	_
TOTAL ASSETS	52.155	52.148			
			TOTAL LIABILITIES	52.155	52.148



# PROFIT & LOSS ACCOUNT (data in million lire)

REVENUES	1997	1998	EXPENSES	1997	1998
Income from financial assets	3.128	2.117	Library and publications	671	553
Research contributions	1.904	4.895	Consumables	232	244
Other	941	787	Research services and scholarships	2.346	3.663
Extraordinary items	220		Personnel expenses	941	763
Use of research funds		739	Database and computers	71	81
			Other expenses	1.440	2.648
TOTAL REVENUES	6.193	8.538	Depreciation	204	559
			Extraordinary expenses	214	17
			TOTAL EXPENSES	6.119	8.528
			NET INCOME	74	10





The international

# network

The Fondazione carries out its research and dissemination activities with several partners that form an international network including over 130 research centres and universities, 90% of which are located abroad:

- · Agricultural Research Centre of Finland, Finland
- · AKF, Denmark
- Applied Meteorology Foundation, Italy
- · Ashridge Management Research Group, Great Britain
- · Association pour la recherche et le développement des méthodes et processus industriels (ARMINES), France
- · Associazione Interessi Metropolitani (AIM), Italy
- · Associazione Italiana Economisti dell'Energia (AIEE), Italy
- Athens Institute of Economic Policy Studies, Greece
- · Banca d'Italia, Ufficio Studi, Italy
- Beijer International Institute of Ecological Economics, Sweden
- Bureau d'Economie Théorique et Appliquée (BETA), Universitè Louis Pasteur, France
- C3ED-Université de Saint-Quentin, France
- · Centre for Economic Policy Research (CEPR), Great Britain
- · Centre for Exploitation of Science and Technology (CEST), Great Britain
- · Centre for Social and Economic Research on the Global Environment (CSERGE), Great Britain
- · Centre for Sustainable Design (CSD), Surrey Institute, Great Britain
- Centre for Technology and Policy Studies (TNO), The Netherlands
- · Centre International de Recherche sur l'Environnement et de Développement (CIRED), France
- · Centro de Investigaciones Energeticas Medioambientales y Tecnologicas (CIEMAT), Spain
- Centro Studi Luca d'Agliano, Italy
- Centros de Estudos em Economia da Energia, dos Transportes e do Ambiente (CEEETA), Portugal
- · CERES, Greece
- · CNR, Centro Teoria dei Sistemi, Italy
- Council on Economic Priority (CEP), Great Britain and USA
- · Cranfield University, School of Agriculture Food and Environment, Great Britain
- Dutch National Institute for Public Health and the Environment (RIVM), The Netherlands
- · Ecole des Mines de Paris, France
- Energy Technology Support Unit (ETSU), Great Britain
   Ente per le Nuove Tecnologie, l'Energia e l'Ambiente (ENEA), Italy
   Environmental Policy Unit Keel University, Great Britain
- Erasmus University, The Netherlands
- European Association of Environmental and Resource Economists (EAERE), Belgium
- European Partners for the Environment (EPE), University of Twente, The Netherlands
- · European University Institute (EUI), Italy
- Eyre Energy and Environment, Great Britain
- FIELD, Great Britain
- · Fridtjof Nansens Institute, Finland
- · Global Reporting Intiative (GRI), USA
- · Greening of Industry Network, The Netherlands and USA

- Imperial College of Science, Technology and Medicine, Great Britain
- Innocenzo Gasparini Institute for Economic Research (IGIER) Università Commerciale "L.Bocconi", Italy
- Institut fuer Energiewirtschaft und Rationelle Energieanwendung (IER)
- Institute de l'Audiovisuel et des Télécommunications en Europe (IDATE), France
- Institute for Environmental Studies (IVM), The Netherlands Institute for Occupational Medicine (IOM), Great Britain

- · Institute for Terrestrial Ecology (ITE), Great Britain
- Institute of Economics, Denmark

- International Institute for Applied Systems Analysis (IIASA), Austria
- International School of Ethology, Centro Majorana di Erice, Italy
- IOW Institut Okologische Wirtschaftsforschung, Germany • IPTS Institute for Prospective Technological Studies, Spain
- · Istituto Veneto di Scienze Lettere ed Arti, Italy
- Jackson Environment Institute, Great Britain
- · Kiel Institute of World Economics, Germany
- Lancaster University Centre for the Study of Environmental Change, Great Britain
- Legambiente, Italy
- Massachusetts Institute of Technology (MIT), USA
- Global System for Sustainable Development (GSSD), USA

- National Bureau of Economic Research (NBER), USA
- National Technical University of Athens (NTUA), Greece
- NRERC, University of Haifa, Israel
- Observatoire Méditeraneen de l'Energie (OME), France
- Politecnico di Milano, Italy
- Pontificio Ateneo Antonianum di Assisi, Italy
- Postdam-Institut fuer Klimafolgenforschung (PIK), Germany

- Risoe National Laboratory, Denmark

- Sheffield Ûniversity, Great Britain
- Stanford Energy Modelling Forum, USA
- Statistisches Bundesamt, Germany
- Stockholm Environment Institute (SEI), Sweden

- Swedish University of Agricultural Sciences, Sweden

- United Kingdom Atomic Energy Authority (UKAEA), Great Britain United Nations Environment Program (UNEP), Switzerland
- Universidad Autonoma de Barcelona, Spain
- · Universidad Complutense de Madrid, Spain · Università Ca' Foscari di Venezia, Italy
- Università Cattolica del Sacro Cuore di Milano, Italy
- · Università di Torino, Italy
- Universitad Carlos III de Madrid, Spain
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- University College of Dublin (UCD), Ireland

- University of Cambridge CRE-Cambridge Research for the Environment, Great Britain
- · University of Crete, Greece
- University of East Anglia, Climatic Research Unit, Great Britain
- University of Gent, Belgium
- · University of Oxford, Great Britain
- · University of Tilburg, Center for Economic Research, The Netherlands
- University of York, Great Britain

- Vlaamse Instelling voor Technologisch Onderzoek (VITO), Belgium
- Wageningen Agricultural University, The Netherlands
- The World Bank, International Trade Division, USA
   World Business Council for Sustainable Development, Switzerland
- · World Meteorological Organization, USA





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# The future

- Feem has discussed and approved an action plan for the next 5 years: the 1999-2003 Master Plan. Research activities will focus on the most promising lines, emphasising the themes on which the Fondazione has gained specific expertise and scientific authority at an international level. Along with the traditional areas of sustainable development, the firm and the environment and political economy, research will involve from time to time the areas that appear to be most relevant in terms of market considerations.
  - In the next few years the Fondazione will participate in the Fifth Framework Programme of the European Union and in other calls for programmes and tenders of international institutions concerning research in environment and political economy. Based on its human capital and consolidated system of relationships with the most important international research institutes, Feem will be in a position to submit several research proposals as co-ordinator or partner. Financial support for this participation is expected to be received in the period ranging between 2000 and 2003.

- Feem will continue its co-operation with the Companies of the Group. New research on the most recent topics of privatisation, regulation and corporate governance will be added to activities such as assistance in Environmental Reporting, which were started some time ago and that have now been consolidated.
  - Future plans of the Fondazione focus on the further development of its training activities, dissemination of new multimedia technologies and innovative experiences with a substantial social impact. The development activities will therefore be based on the Young People Project and on the branch offices, which have turned out to be successful initiatives. Particular attention will be devoted to Southern Italy with the opening of at least three new important offices that will belong to the network of initiatives promoted by the Young People Project. With the completion of the libraries, the Young People Project is estimated to involve and train over 40,000 students.







# Orga The structure CTTON



Eni Divisione Agip

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Eni

Enichem

Nuova Samim

Nuovo Pignone

Saipem

Snam

Snamprogetti

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