



ANNUAL REPORT 2009

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FROM THE DIRECTOR

On June 7, 2009 Fondazione Eni Enrico Mattei celebrated its 20th anniversary, a key milestone in FEEM's history, witnessing our long standing commitment to excellence in scientific research. Indeed, the results of these first twenty years are impressive: almost 2,000 working papers published, 66 books, 50 events organized on average per year, and the creation of an international network of about 100 researchers working to advance the frontiers of knowledge on sustainable development.

Far-sighted intuitions in the research agenda, continuous support from our founders, and a lean organization have been important ingredients for our success. But the results achieved would have been impossible without the passion, imagination and efforts of our researchers. To them goes our utmost gratitude, with the hope of an equally deserving future.

But 2009 was certainly not spent on celebrations. Research advanced well within the new programmes, the communication plan was fully implemented with significant improvements in outreach, our branch in Basilicata started operating at full steam, and the renovation of FEEM's new offices in Venice in the prestigious Island of San Giorgio Maggiore has been nearly completed.

While 2009 has been a successful year for the Fondazione, the same cannot be said for the global economy which has gone through one of the most severe contractions of the post-war period. The financial crisis has apparently been left behind, but it has quickly turned into a real and social crisis, due to the dramatic effects on unemployment. The extraordinary measures taken by the governments have posed the issue of the sustainability of sovereign debt even in the most developed economies. Within a context of distressed public finances, non profit institutions such as FEEM will be increasingly called upon to give their contribution to a welfare society where the private sector will play a leading role, in particular in the fields of training and research. The Fondazione will take up this new challenge by streamlining activity, aiming at maximizing efficiency and impact under our budget constraints.

While this report goes to press, the oil spill in the Gulf of Mexico is causing one of the most severe ecological disasters reported in recent times, affecting industry, policy and behaviors for years to come. Environment, energy and sustainability will thus remain the focus of our future research agenda, maintaining a plurality of perspectives which has always been a distinct trait of FEEM's activities. We are confident that with the support of our founders and the enthusiasm of our researchers and staff, FEEM will contribute to face the monumental, multigenerational global challenges we are confronted with today.

Bernardo Bortolotti

June 2010

ENRICO MATTEI



“It is today clear to all how strong is the need of well-trained intellects primed to provide their expertise in all domains and all over the world. But society as a whole has finally understood that only young generations will be able to shape a new future, in every field of civilization and not only in the industry domain. Only with the involvement of young people a better world can be thought and realized.”

Enrico Mattei, 1958

FEEM is entitled to Enrico Mattei, the founder of Eni and an economic leader in the national industrial system and international relations of the post-war period.

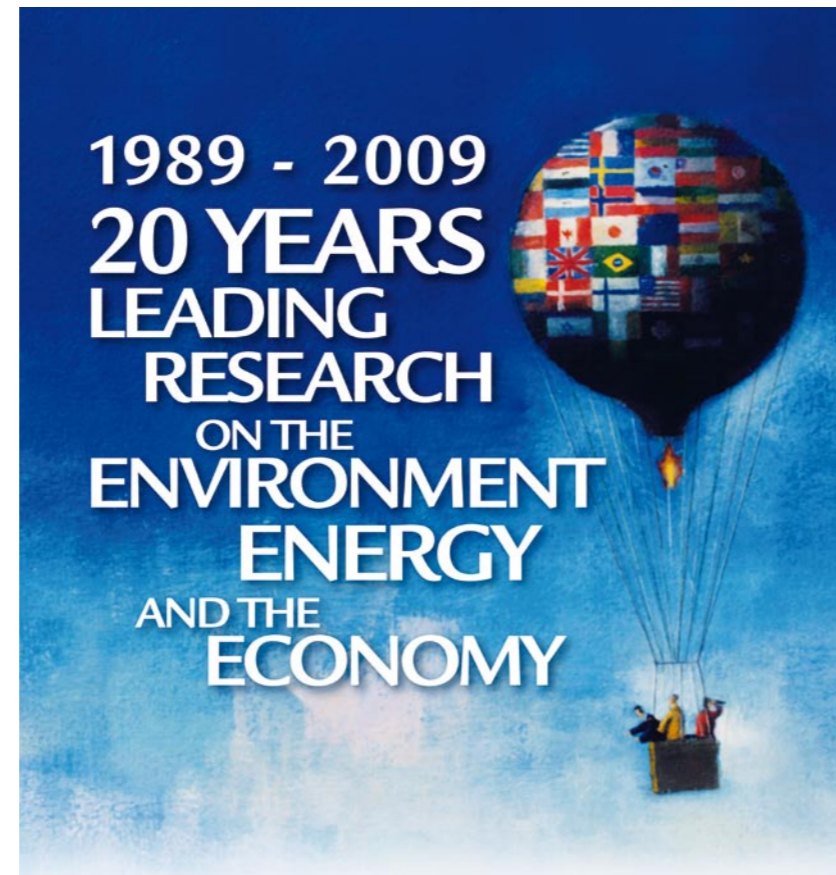
Born in Acqualagna (Pesaro) on April 29, 1906, Enrico Mattei became one of the leaders of the antifascist resistance movement in Northern Italy during World War II. After the peace declaration in 1945, Mattei was appointed by the government bankruptcy trustee of the distressed state-owned oil company Agip.

Instead of liquidating the company, Mattei successfully developed its business, starting an involvement with energy markets lasting 18 years. The unexpected discovery of natural gas in the Po Valley, the development of the business of extracting and marketing it, and his dedication to promoting legislation to regulate domestic energy markets constitute the most salient aspects of Mattei's early activities. In 1953, he was appointed Chairman of Ente Nazionale Idrocarburi (Eni), the state-owned energy company that he forcefully wanted and contributed to establish.

Mattei led the Eni group combining vision with pragmatism: the new terms of association offered to oil producing countries, the measures taken to contain the final energy prices to consumers, the launch of a large and modern domestic petrochemical and nuclear industry, the off-shoring of qualified engineering expertise to operations abroad, the focus on research, innovation and meritocracy witness his managerial skills, combined with a genuine commitment to economic and social progress.

During the expansion phase in Eni's history, Mattei died tragically in an aircraft crash on October 27, 1962 in the skies of Bascapè (Pavia). The key role he had assigned to culture, research, and cooperation represent the most valuable legacy for the Foundation that carries his name.

MISSION



FEEM is a nonprofit, nonpartisan research institution devoted to the study of sustainable development. Founded by the Eni group, officially recognized by the President of the Italian Republic in 1989, and in full operation since 1990, FEEM has grown to become a leading research centre, providing timely and objective analysis on a wide range of environmental, energy and global economic issues.

FEEM's mission is to improve through research the quality of decision-making in public and private spheres. This goal is achieved by creating an international and multidisciplinary network of researchers working on several innovative projects, by providing and promoting training in specialized areas of research, by disseminating research results through a wide range of outreach activities, and by delivering directly to policy makers via participation in various institutional fora.

FEEM's operations are inspired by some guiding principles. FEEM sets a bold research agenda addressing big questions and emerging issues in the economic and social context. While strictly linked with the academic community, it embraces intellectual curiosity and supports risk-taking in pursuing research. Its agenda emphasizes "real world" issues and the policy relevance of the outputs.

FEEM brings together researchers from various fields at different levels of experience, in order to fertilize ideas and foster the accumulation of human capital inside and outside the organization.

FEEM promotes excellence, boldness of ideas and creativeness, but quality, rigor and impact remain the distinctive features of its activity. Research outputs are theoretically sound, fact-based, and generally validated by the scientific community through peer review processes. FEEM aims at translating analyses into practical ideas, and at presenting them in user-friendly formats to inform and shape the public debate.

While remaining thoroughly Italian in location and perspective, FEEM promotes the international dimension of its activities by selecting topics of global relevance, by creating networks and partnerships in various countries, and by attracting researchers trained and working abroad.

OUR HISTORY

The formal date of establishment is June 7, 1989, when the President of the Republic officially recognized FEEM's legal status. However, the project of establishing a research foundation had been discussed within the Eni group since the early 1980s.

In 1982, a commission of Eni executives and external experts drafted a first proposal for a foundation entitled to Enrico Mattei. The starting point of the commission was the realization of "the high level of complexity of the problems emerging in international energy markets, and more particularly the need to foster awareness on the interaction between the firm and the environment, the economy and energy scenarios, corporate responsibility and social conflict, and cultural responsibility". In 1986, a second working group further endorsed the project "if aimed at the establishment of a genuine

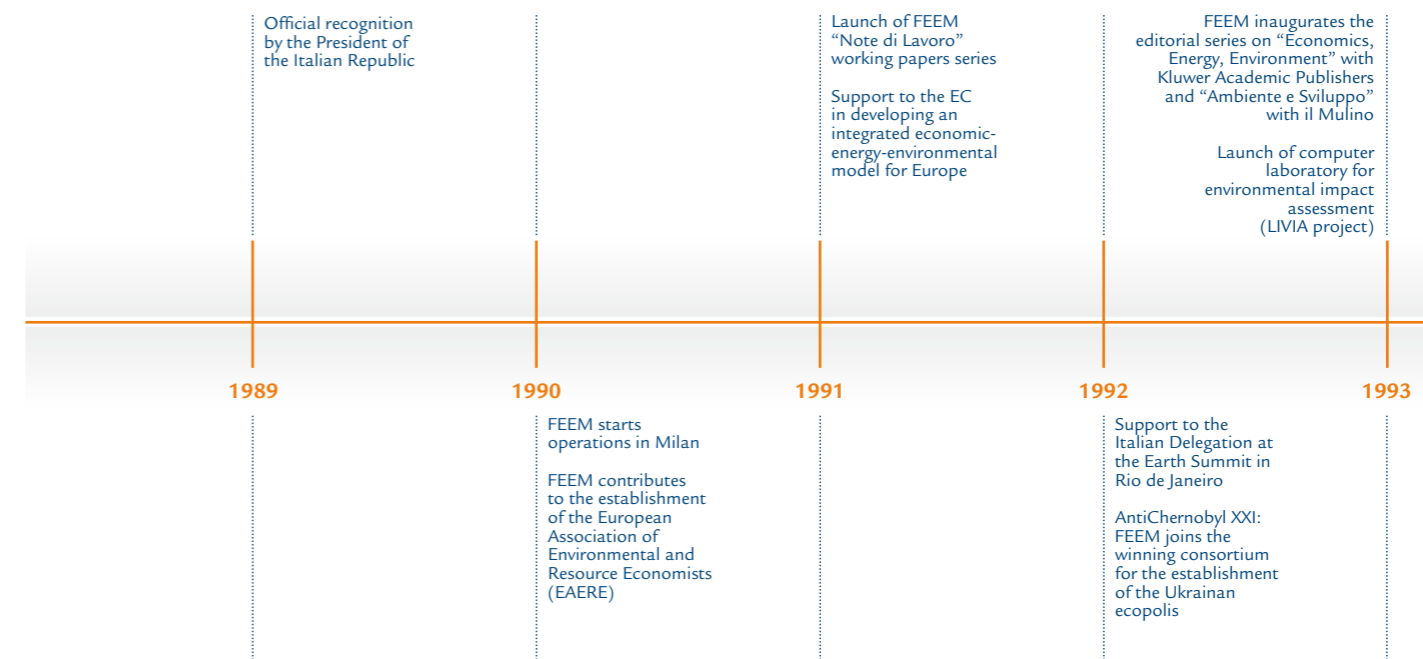
scientific institution, fitting with the scope, tradition and prestige of Eni and its international profile." Institutions carefully scrutinized for benchmarking purposes were major US think-tanks such as the Brookings Institution, the American Enterprise Institute, the Institute for International Economics (now the Peterson Institute), and the then newly established London-based Centre for Economic Policy Research.

The very first board meeting, which took place in 1987, set down some landmark principles which established a reference business model for future activities. FEEM should display a strong international profile in terms of researchers involved, topics addressed, quality of output and networks. Furthermore, FEEM should not operate as a grant-making institution, but conduct independent research using its own human capital and coordinated programmes.

In its long standing activity, FEEM has remained faithful to these principles for the development of several streams of research that are strongly up-to-date in spite of their age.

The relationship between the economy, energy and the environment has always been the principal focus of FEEM research activities. The numerous projects developed in-house have addressed various aspects of this symbiotic relation, elaborating the intersections between economic and technological factors, in an international and strategic context. Technology is indeed a key variable to understand the long-run dynamics of an economic system, how many resources should be deployed for the protection of natural resources, and the quantity of environmental damage inflicted by production and consumption activities.

The international and strategic dimension of environmental issues has also been thoroughly investigated. As the story of the design and implementation of the Kyoto protocol clearly shows, environmental issues are global and should be addressed within a global approach. However, the global governance of climate change has been quite ineffective up to now, due to the failure of policy coordination.



In retrospect, FEEM research foreshadowed the difficulties of inking international climate agreements for strategic reasons, suggesting that issue-linkage, i.e. increasing the items in the negotiations agenda, could lead to more efficient solutions.

Sustainable economic development has also been addressed in earnest since the very beginning. The first project was launched back in 1993, at times when very limited research was carried out on this topic around the world. The initial project raised questions on the definition of sustainable development and the policies promoting it, taking into account unavoidable uncertainties which render scientific endeavor more difficult (and fascinating). During this pioneering stage, FEEM researchers analyzed the interaction between finance and the environment and the innovative (and now widely used) instruments such as emission permits and catastrophe bonds in the context of international and intergenerational risk-sharing.

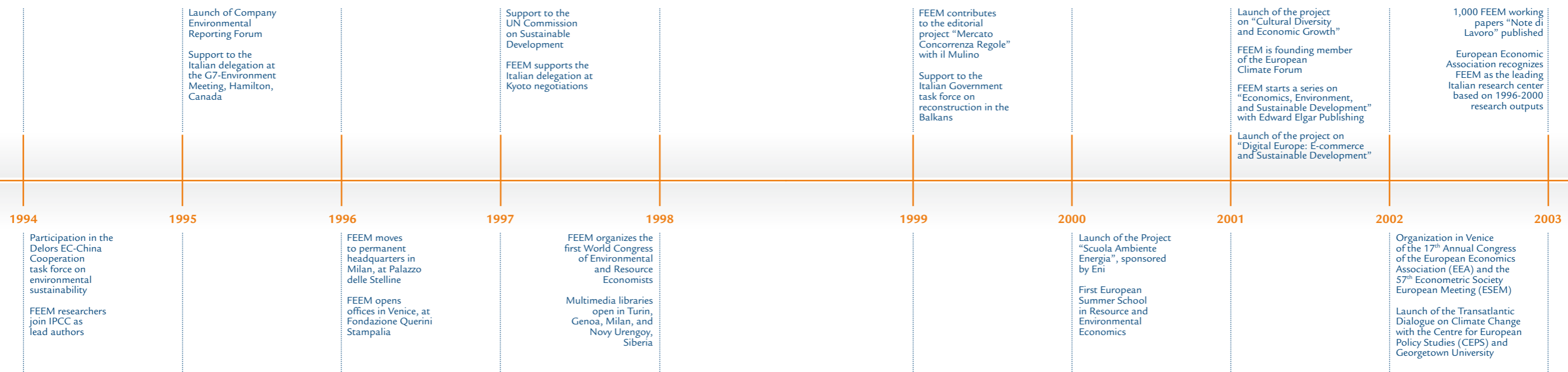
From these initial intuitions, FEEM developed several new strands of environmental research, ranging from sustainable energy to natural resource management and biodiversity, becoming one of the leading international research institutes in the field of climate change.

Climate change modeling and policy today is one of the key research topics of the “Sustainable Development” research programme, pivotal to the other topics addressed by the program which cut across energy, agriculture, forestry and water. The excellent reputation gained in this field over the years has led FEEM to contribute to the prestigious and important scientific work carried out by the IPCC (Intergovernmental Panel on Climate Change). Through the development of innovative conceptual and modeling tools for the study of the economics of climate change and the environment, FEEM research has also been able to reach the policy community, providing support in several occasions, among others, to the Italian National and Regional Governments, the UN, the European Commission and the European Environmental Agency.

Economic development has always been investigated at FEEM not only from an environmental perspective, but also taking into account other fundamental aspects, such as knowledge and human capital. Knowledge is a key input to economic activity. There cannot be sustainable development without continuous investments in skills, technology and information. Knowledge is also a peculiar commodity with several of the features of public goods: it can be consumed collectively and property rights are difficult to define and enforce. Since 1991, FEEM has addressed the study of knowledge and human capital accumulation from an economic perspective. In 1999 FEEM launched the research programme “Knowledge, Technology and Human Capital”, specifically devoted to these issues. Since then the programme has covered several key topics such as R&D policies, education and human capital, trust and social capital, knowledge creation and diffusion, localized learning and spillovers. In 2001 the programme broadened the scope to launch a systematic investigation of the relationship between multiculturalism and

economic growth with special emphasis on the dynamic gains for innovation and creativity stemming from local and global multicultural interactions. This line of policy-relevant research has recently become the backbone of the new research programme entitled “Global Challenges” tackling fundamental topics such as the emerging global urban system, the new sources of competitiveness in the global economy, and culture and diversity in capitalism.

FEEM has support-to-policy in its DNA. However, useful advice to decision makers is seldom delivered by the research community if incentives and institutional constraints are not properly taken into account. Indeed, this observation partly explains the limited success of some policy recommendations despite almost unanimous consent within the economic profession. Embracing a “political economy” approach is thus fundamentally important, and FEEM has played an important role both in promoting studies in this field, and in supporting the policy sphere in adherence to its principles.



In 1994, FEEM launched a research programme entitled “The Economy, Firm and Institutions”, addressing important issues such as incentives, information and market failures, the role of lobbies and organized interests in collective decision-making, and the mechanics of self-regulation in financial markets, anticipating one of the most critical issues in the recent crisis.

Within this strand of research, FEEM has developed a series of cutting-edge projects, which evolved and consolidated FEEM’s scientific reputation in corporate governance, privatization, and regulation. In 1996, FEEM launched with the CEPR the European Corporate Governance Network, a concerted research project bringing together scholars and practitioners to study the complex interactions between firms and their stakeholders. Twelve years after its launch, the ECGN has grown independently to become a leading centre in Europe. Also in 1996, FEEM launched a systematic data collection on global privatization deals, and started to investigate the causes and consequences of privatization for firms, the

financial system and the economy as a whole. To date, thanks to a stream of successful publications on the topic, FEEM is widely considered one of the most authoritative sources on privatization, and often sought for advice by international organizations and governments. The Privatization Barometer, a privatization portal launched in 2004, continues to attract a lot of attention from the research community, the media and market participants. The current crisis is challenging the conventional wisdom on the role of the government in firms, with a resurgence of state capitalism in various forms, notably through the rise of sovereign wealth funds. Current research is monitoring this evolution closely and history will tell whether the State will soon re-privatize bailed-out firms, or whether a different model of capitalism, with an enhanced role of the government and regulation, is ahead of us.

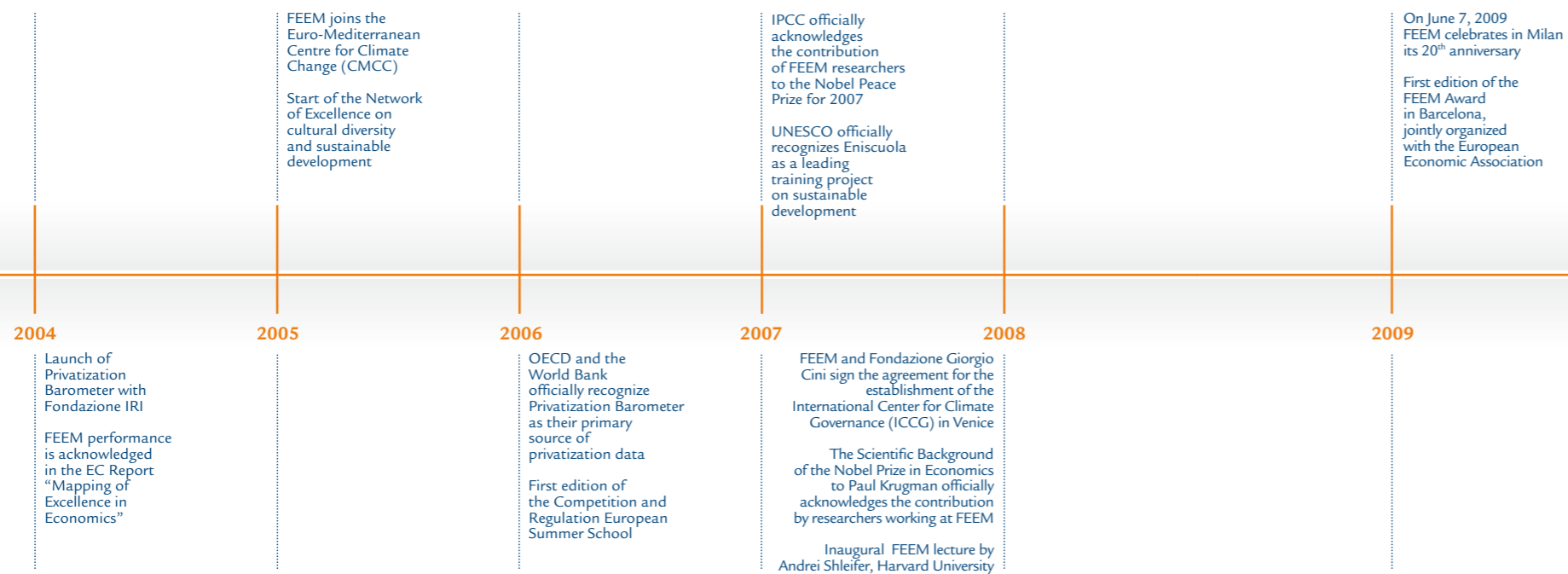
The relationship between the firm and its stakeholders has also been the subject of pioneering applied research in the area of social reporting towards business sustainability. FEEM launched this topic

in 1994, well before “corporate social responsibility” became one of the buzzwords in the business sphere. Indeed, information on the social impacts of business activities started to gain consideration at all levels of society, ranging from consumers turning their attention towards the indirect consequences of their purchasing decisions, to government authorities who needed to monitor compliance with regulations, as well as the firms themselves, that had begun to recognize that “stakeholder engagement” was a good practice. In this early stage, FEEM developed path-breaking methodologies to take into account the environmental and social impact of activities in the balance sheets, and assisted several companies, starting with its founder Eni, in the drafting of innovative reports.

Current research conducted within the programme “Institutions and Markets” follows in this wake, seeking to understand the complex interactions among firms and their stakeholders, and how State intervention shapes this symbiotic relationship in a changing world.

Successful research is primarily a cooperative venture, and FEEM has always strived to create strong links with the international scientific community and partnerships with leading institutions. The reader can find a comprehensive list of our main partners in our chronology. It is certainly noteworthy to mention the collaboration with the European Economic Association in the organization of some landmark events, and more recently in the launch of the FEEM Award, the prize for young economists. A new prestigious institution has been added to our distinguished list: Fondazione Giorgio Cini, with which FEEM has established the International Center for Climate Governance. Located in the beautiful Island of San Giorgio Maggiore in Venice, the new center will aim to create links between the scientific community and the policy sphere to improve decision making on climate change. These activities will be carried out also in cooperation with the newly established Climate Policy Initiative (CPI) offices in Venice.

In June 2009 FEEM people gathered in Milan for its 20th anniversary. A special occasion to celebrate 20 years of leading research on the environment, energy and the economy.



GOVERNANCE AND ORGANIZATION

FEEM is an independent foundation officially recognized by the President of the Italian Republic in 1989. FEEM has been founded by Eni and 9 of its subsidiaries with an initial endowment of 13 million Euros.

The governance rules, functions and powers of FEEM bodies are set out by the Statute. FEEM is guided by a Board of Directors with complete powers for the ordinary and extraordinary administration. The Board is composed of fifteen members – seven of whom are independent – and it is chaired by Paolo Scaroni, CEO of Eni. The Board of Directors is committed to overseeing the main activities of the Foundation, approving the annual budget and related activities.

FEEM bodies also include the Scientific Advisory Board (Comitato Scientifico), made of seven qualified experts from the scientific, academic and cultural communities and appointed by the Board of Directors. The Scientific Advisory Board provides recommendations on research activities and oversees the work in progress.

The Audit Committee (Collegio dei Revisori), in compliance with the Italian legislation, is composed of three qualified and certified accountants and its Chairman is appointed by the Italian Minister for Economic Development.

The Executive Director enacts the decisions of the Board of Directors, managing and coordinating the activities of the Foundation, including its offices and staff.



In 2007 FEEM voluntarily adopted an organizational, management and control Model pursuant to Legislative Decree 231/2001 and established a Surveillance Body (Organismo di Vigilanza) for its implementation and subsequent updates. In 2008 and 2009 FEEM reviewed its organization and implemented a new Model. Within this process, FEEM also defined the key values and principles for its external and internal activities and drafted a Code of Conduct as an integral part of the Model.

In the meeting of November 2009, the FEEM Board of Directors formally approved the new Model and the FEEM Code of Conduct.

Everyday activities are organized and carried out within four main areas operated by permanent staff: (i) Administration, Finance and HR; (ii) Communication and External Relations; (iii) Research, and (iv) Special Projects.

FEEM's headquarters are located in Milan, in an aisle of Palazzo delle Stelline, a former XV Century monastery fully restored in 1998. This is where the head office, the library and the facilities for events and seminars are located, and most of the staff and residential researchers work. Since 1996 FEEM holds offices also in Venice, at Palazzo Querini Stampalia, where important research projects are carried out, as well as congresses and seminars. On April 15, 2010, FEEM will move to the Island of San Giorgio Maggiore and will inaugurate its new offices in Venice. In 2008 a branch office was opened in Brussels to foster relations with the European Commission - one of the major funders of FEEM research - and to host researchers on ongoing financed projects. In the same year, FEEM also established the local site of Viggiano, in the Basilicata region.

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As of May 2010

As of May 2010

Note: Researchers and Special Projects collaborators are listed in the specific sections of the Annual Report.

BEYOND GDP: LAUNCHING THE FEEM SUSTAINABILITY INDEX

The recent report by the Sen-Stiglitz-Fitoussi commission appointed by President Sarkozy has revitalized the interest towards alternative measures of wealth. Traditional measures, such as Gross Domestic Product (GDP), indeed fail to account for the process of depletion of natural resources and damages to the environment, as well as the level of social capital and social development, hardly supporting and guiding policies towards sustainable development.

Positioning at the frontier the strand of research labeled "Beyond GDP", FEEM developed a novel and unique Sustainability Index which was launched in a public event held at FEEM's Milan offices on December 10, 2009.

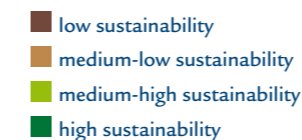
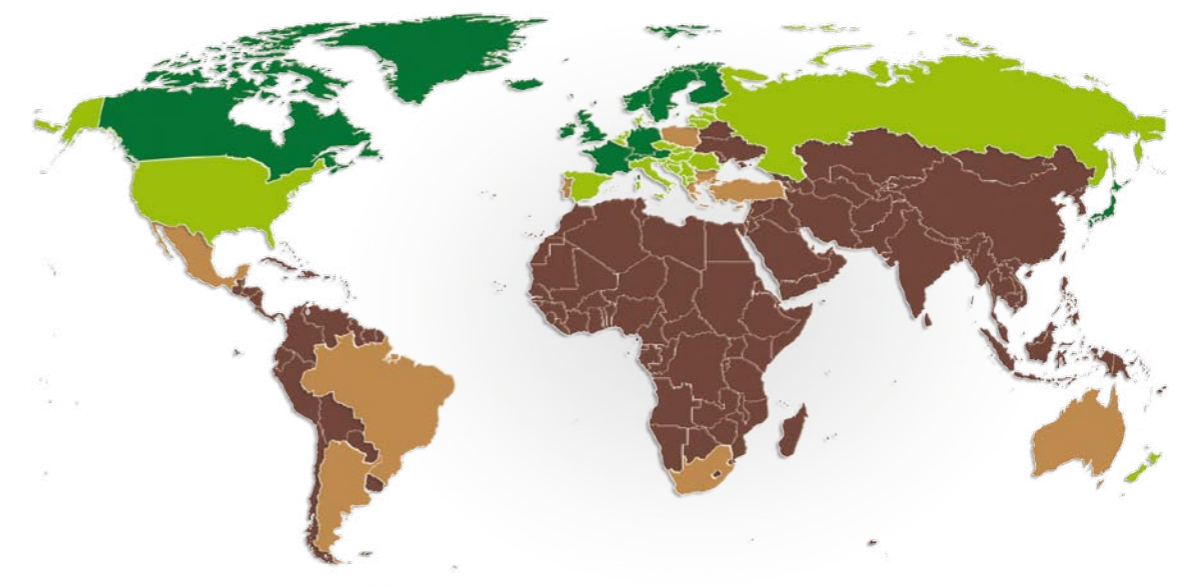
FEEM Sustainability Index is an aggregate index able to provide a synthetic assessment of the overall sustainability of world countries in the form of sustainability rankings. Built from a selection of over-arching indicators, chosen among the most well-known and reliable international datasets from the environmental, social and economic domains, the index manages to uniquely condense the information included in each of its components, using a non-linear aggregation methodology that exploits all the interactions across indicators.

Rooted in a dynamic computable general equilibrium model the indicators are projected over time to produce the aggregate index until 2020. The FEEM Sustainability Index is thus the first aggregate index able to provide future projections of sustainability of world countries, allowing for comparisons not only across countries, but also through time.

The web site www.feemsi.org provides an interactive tool to calculate the index for different world countries, in different years, and see how the world countries' sustainability

ranking varies over time and under different policy regimes.

The use of the FEEM Sustainability Index produces a considerable reshuffling in the ranking of the wealth of nations by GDP per capita. Ranking countries by sustainability instead of GDP, the US loses spectacularly prominence, while Sweden, Canada and Japan gain top positions. China, India, and other Asian countries appear to follow clearly unsustainable paths. Europe, thanks to its generous welfare system and higher environmental standards, stands out as the genuine leader in sustainable development.



LISBON VS KYOTO VS MOSCOW: TOWARDS SMART EU ENERGY POLICIES



Since the Russia-Ukraine gas crisis in early 2009, the issue of security of energy supply has gained momentum and diversification of supply is today a fundamental priority in the European agenda. How can a “smart” EU energy policy be consistent with other conflicting objectives such as competitiveness and sustainability?

Fondazione Eni Enrico Mattei, the Clingendael International Energy Programme (CIEP), the European University Institute and Wilton Park organized in 2009 a four-tier workshop to discuss the potential for a Smart EU Energy Policy.

The economic crisis is highlighting the tensions between the different energy policy objectives. Stretched public finances and pressures to keep energy bills low reinforce some governments’ concerns about the cost of meeting 2020 Green targets. Furthermore, implementing the Green and Third Energy Package in parallel may reveal the underlying inconsistencies with respect to security of supply and consumer protection policies.

The workshop started with the discussion of EU energy scenarios and the relationship between security of supply and climate change as well as future gas import requirements. The debate focused on how present European policy risks sending mixed messages to gas producers: on the one side producers are asked to make the necessary long term investments in gas, and on the other hand the Green Targets are attempting to reduce gas demand. If investments are not made and if targets are not met, there is a risk for medium term supply crunches. Smart EU policy requires a more coherent and credible approach of its scenarios for consultations with producers and market participants.

The external energy dimension, the role of Russia and of the Caspian Sea for EU gas supplies was also debated in depth. Smart EU energies should (i) be producer focused, acknowledging that maturity of reserves is at the basis of any hydrocarbon value chain, with access to acreage and resources being a key concern and a challenge; (ii) provide an adaptive market based competitive framework for commercialization of gas that allows interface management between producer resource policies and the EU’s internal energy market; and (iii) provide an incentive-based framework for phased transits and transportation, with project independency and focus on timely delivery of effective and transparent solutions.

A large part of the workshop was devoted to the Internal gas and electricity market designs, security of supply versus competition. Here, identified smart EU policies include: (i) integration of markets and stronger cross-border interconnections in gas and electricity infrastructures; (ii) regulatory policies to promote investments in new infrastructures in gas and in electricity, including storage and buffering; and (iii) a common regulatory basis is needed for cross border interconnections. The agency for the cooperation of energy regulators (ACER) should be in a position to contribute to the development of integrated EU energy markets.

More generally, it was concluded that the most efficient way for the EU to develop cost-effective low-carbon power sources is to have a viable EU-wide emission trading system capable of delivering standardized carbon prices and/or an effective EU-wide carbon tax.

THE 2009 INTERNATIONAL ENERGY WORKSHOP

The 2009 edition of the International Energy Workshop (IEW) was hosted by FEEM in Venice on 17-19 June 2009. The workshop gathered the major world experts in the field of energy and climate change economics and was organized by FEEM jointly with the International Center for Climate Governance (ICCG) - a joint initiative of FEEM and Fondazione Giorgio Cini- and the Euro-Mediterranean Centre on Climate Change (CMCC).

Plenary sessions were followed by parallel sessions on crucial topics for energy research: climate policies, R&D and technology, energy demand, uncertainty, renewable energy, energy markets and prices, sustainable development and sectoral analysis.

The transition to a low-carbon global economy, the future of oil prices and energy demand, the role of emerging economies in future climate agreements and the financial dimension of climate and energy policies are some of the crucial issues that were addressed at the workshop by the eminent key-note speakers, and further discussed within a selected audience of experts from the scientific, business and policy communities.



FEEM presented new research on the crucial role of timing and participation of emerging economies (BRICs) in a future global climate agreement showing that delayed participation of BRICs would increase policy costs significantly. Focusing on China, its present and projected trends in green innovation and low carbon technologies are shown to be compatible with the adoption of an emission mitigation policy by 2030.

FEEM research also shows that a commitment now on behalf of China and other key developing countries to accepting pre-specified future targets on emission reductions (not intensity) could effectively contribute to making the transition smoother. The studies show that anticipation of a credible future policy target leads to reductions from baseline emissions well before the policy actually begins. The primary driver for this result is the long lifetime of capital in the energy system, in particular of conventional coal-fired electric generation, the main source of emissions in the developing world (now and in an expected “no policy” future). The most attractive abatement options involve investing instead in low- or zero-carbon generation capacity, including renewables, nuclear, advanced coal with carbon capture and storage (CCS), and improvements in end-use efficiency. This strategy would optimize the replacement of carbon-intensive capital, whose costs are sunk once the capacity is installed. Equally important, many low-carbon options will require a sustained research and development (R&D) effort to bring them to market.

STATE CAPITALISM 2.0: THE RISE OF SOVEREIGN WEALTH FUNDS

Since global markets first recognized the growing phenomenon of sovereign wealth funds (henceforth SWFs), these funds have been controversial. Initially depicted as scary new “barbarians at the gate” shaking the logic of capitalism, SWFs quickly turned into the white knights of Wall Street as the subprime crisis started to hit hard. Today, these funds are no longer seen as something to be dreaded and their activities no longer routinely make headlines. However, with assets worth more than \$2 trillion, SWFs are likely to remain important sources of liquidity to a distressed global economic system.

Interestingly, the public firestorm on SWFs ignited with limited fact-based information about what they really are, how many assets they manage, where they invest, and how they operate. True, the lack of transparency of most funds contributed to the controversy, but their prominence in the media and in the policy

agenda dwarfed the available knowledge on this new and challenging phenomenon.

A small group of frontrunners, and FEEM ranks among them, started to fill this information gap. The research community reacted more slowly, but started to produce a first batch of studies using the scarce data and information publicly available. However, it became quickly apparent that the benefit from joint work and mutual sharing of data and information of such a new and complex phenomenon could be substantial.

This is the logic underlying the partnership between FEEM and Monitor Group aimed at creating one of the largest and most comprehensive databases on global SWFs deals. This has been achieved by setting forth a rigorous definition of SWFs, by merging and cross-checking the two existing databases which have been independently assembled, and by streamlining our routines for the collection and screening of data to monitor current and future SWF investment.

The result is a rich source of information about SWFs. As we write, the Monitor-FEEM database contains 1,181 deals completed by 22 funds based in 14 countries since January 1, 1981 and will be regularly updated on a quarterly basis. In 2009, the first SWF Annual Report “Weathering the storm” has been published, covering SWF activity during 2008 and using the newly created database. The report aims to provide descriptive information about the recent trends with additional insights gained from ongoing research produced in-house and externally.



BACK FROM THE BRINK: RETHINKING FINANCIAL REGULATION



On March 27, 2009, on the eve of the G20 Summit in London, some of the most authoritative international experts, economists and practitioners gathered at FEEM to discuss the crisis and its implications for financial regulation. These days were momentous, since stock markets were reaching historical lows and the risk of meltdown was threatening the global financial system.

A consensus emerged from participants that solving the banking problem was a prerequisite for the solution to the crisis. Indeed, the crash in securities linked to subprime mortgages reduced the value of the assets of banks. In order to comply with prudential regulation, the banks could either raise capital or reduce the assets on their balance sheets. The first option was immediately dismissed due to adverse market conditions. In the absence of adequate information, investors are not willing to risk their capital in shares of doubtful value. Banks were thus left with a single option: deleveraging, that is, reducing indebtedness by selling assets on the market. But when an entire sector follows the same route at the same time, the value of the assets falls so low that the liquidation strategy becomes totally ineffective. Only public intervention could save the banking sector, and that is what happened.

Interestingly, bad regulation was identified as one of the main culprits of the crisis. In designing regulatory systems, little attention was paid to how regulation would affect a stressed financial system. The traditional approach to banking regulation had to be fundamentally rethought.

Three guiding principles for change in regulation emerged from the discussion. First, using capital ratios as a tool for prudential regulation may be good at the individual bank level but it may turn awfully bad for the system as a whole. If banks are forced to sell some of their assets to maintain their capital ratios, the value of the assets of the other banks decreases, obliging them to also restore their equity coefficients by seeking to sell assets, fuelling a negative spiral. Second, banking business has become increasingly international, while supervision has remained primarily domestic. The case of Iceland, whose banks extended their depositor base to the United Kingdom and the Netherlands, has clearly shown that international coordination in financial regulation is a serious issue to be addressed in earnest.

Third, the crisis has undermined the widespread faith in self-regulation of markets. In particular, fingers are being pointed at the rating agencies. Over time, the ratings agencies shied away from their “institutional” role as certification intermediaries: gradually, as the operators sought to securitize increasing volumes of subprime mortgages, the agents, in exchange for lavish commissions from the issuers, granted licenses to place tranches of these instruments on the market with ratings that were absolutely at odds with their underlying risks.

Overall, the conference proved that poor regulation contributed to make the financial crisis more acute and more global. While reforming regulation will certainly not be the key to bringing the system out of the woods, it will certainly help us to avoid similar crises in the future.

ADAPTING TO CLIMATE CHANGE

Due to a mix of factors, among which the increasing awareness of climate inertia, the alarming scenarios on world future green-house gas emissions, and the difficulties to implement effective international mitigation policies, adaptation to climate change has become a priority for global climate policies, with crucial implications for development in the poorest and most vulnerable countries.

The heterogeneity of spatial and time horizons however poses a challenge to economists who study optimal adaptation strategies. In particular several key policy questions need more exhaustive answers from the scientific community: if adaptation is needed, then when, where and how should we adapt? How much will it cost to adapt and who will bear the costs of adaptation? Are there any strategic complementarities or trade-off with alternative policies, namely mitigation and development policies? Where will the funds for adaptation come from, ensuring additionality?

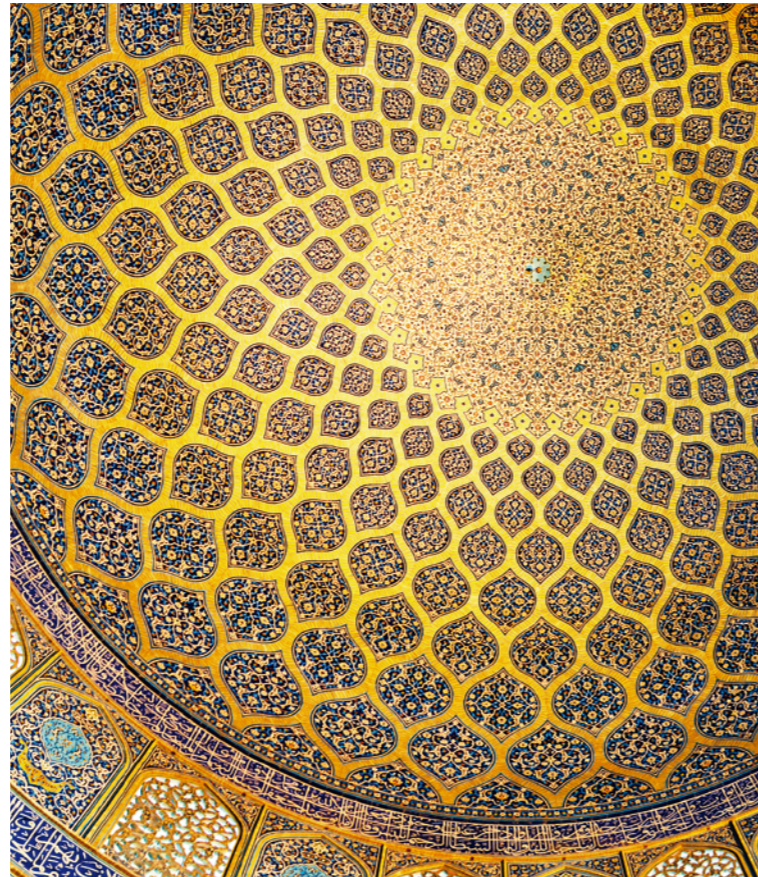
These issues were discussed in depth at the International Workshop on “The Economics



of Adaptation to Climate Change”, organized in Venice on 2-3 April 2009 by FEEM in collaboration with the OECD.

Adaptation will be crucial to future climate policies, and several fundamental questions have to be addressed in future research. Even if adaptation options have a predominant local dimension, their strategic complementarities with mitigation policies and with development strategies make it a global policy priority. Several crucial issues, however, remain to be addressed by climate science and policy. In research, gaps and needs must be prioritized. First, downscaling of climate and socio-economic scenarios is needed, together with a better harmonization and comparison of integrated assessment exercises. Generally, the broad field of adaptation cost assessment and its interaction with alternative climate policies must be further investigated. It would be particularly relevant to identify the most effective adaptation options in response to different vulnerabilities, by region, sector, spatial and temporal scales. Equally important would be to assess the strategic complementarities with mitigation, “no regret” and development strategies, identifying at the same time the most adequate mechanisms to generate new and additional funds for adaptation. Better coordination among science, policy and action ‘on the ground’ is needed to make adaptation more effective globally.

MORAL VALUES AND FINANCIAL MARKETS: ISLAMIC FINANCE AGAINST THE FINANCIAL CRISIS



On 18-19 November 2009, FEEM and the University of Durham organized a Conference on “Moral values and financial markets: Islamic finance against the financial crisis”. An international group of renown scholars, business leaders and policy-makers gathered at FEEM’s headquarters in Milan in order to discuss the foundations of Islamic finance, and to evaluate Islamic financial instruments and their risk and return properties.

The main objective of the conference was to assess the resilience of Islamic finance to the international financial crisis. More than 200 researchers responded to an international call for papers, and about 40 from the United Kingdom, Malaysia, Bahrain, Egypt, US, Lebanon, and Italy were selected to present the state-of-the art of their research. Different perspectives emerged during the debate.

Muslim scholars tend to see the global financial crisis as supporting their belief that the capitalist system is flawed for its reliance on interest (riba in the Koran), speculation, unwarranted long-term credit expansion, lack of transparency and effective regulation. The financial crisis is also explicitly considered an opportunity for Islamic banking to seize a large market share, taking advantage of the alleged shortcomings of the conventional finance. The crisis has therefore been considered as a chance for Islamic economy to show its potential in reforming and revitalizing the global economy. Advocates of Islamic finance have argued that a new shari’a (Islamic system)-based financial architecture may provide valuable instruments to manage risk and prevent further crises of the system. Building on the evidence presented, the conference in Milan was also an opportunity to discuss new methods of risk analysis and management, with a view to create hedging instruments and securitization tools that are at the same time shari’a-compliant and effective.

On the other hand, some speakers stressed the inconsistency between Islamic finance and the ethical foundations of Islamic economics. Indeed, Islamic finance has been lately accused of neglecting this spiritual and moral dimension. Financial engineering has developed Islamic contracts that are formally respectful of the Islamic shari’a (especially for what concerns the avoidance of interest). However, from a moral point of view several Muslim scholars claim that these contracts are not dissimilar from the conventional ones. Moreover, it was argued that shari’a compliance should fully take into account elements such as corporate governance, corporate social responsibility, labor practices and transparency, which have been until now largely neglected.

Overall, the conference succeeded in highlighting the potential contribution of Islamic finance to financial integration of Islamic countries, financial inclusion of Muslims in Europe and in strengthening the ethical foundations of the global economy. It did so by offering the environment for the mutual exchange of views among scholars, business people and policy-makers from different backgrounds and geographical origins, both in Europe and in Islamic countries.

FEEM AT COPENHAGEN

Year 2009 marked an increasing emphasis on climate change debate, culminated in the long-awaited United Nations Summit in Copenhagen - COP15 - which took place from 7 to 19 December 2009. Several FEEM delegates attended the Summit, playing an active role in several scientific sessions of the conference.

As largely expected, the summit did not yield any binding agreement on a successor to the Kyoto Protocol. Yet it reached a political agreement - the Copenhagen Accord - to cap global temperature rise below 2°C degrees by committing to significant emission reduction, and to raise finance to help the developing world deal with climate change.

In order to achieve this goal, the accord specifies that industrialized countries will commit to implement, individually or jointly, quantified economy-wide emissions targets from 2020. Complying with the deadline set in the Accord to communicate their emission reduction efforts by 31st of January 2010, as of today 55 countries have sent their emission reduction pledges to the United Nations. Among the developing countries, India and China did not commit to any specific emission reduction, but proposed voluntary targets of a 40-45% decrease in emissions by 2020 compared to the 2005 levels and a 20-25% reduction in emission

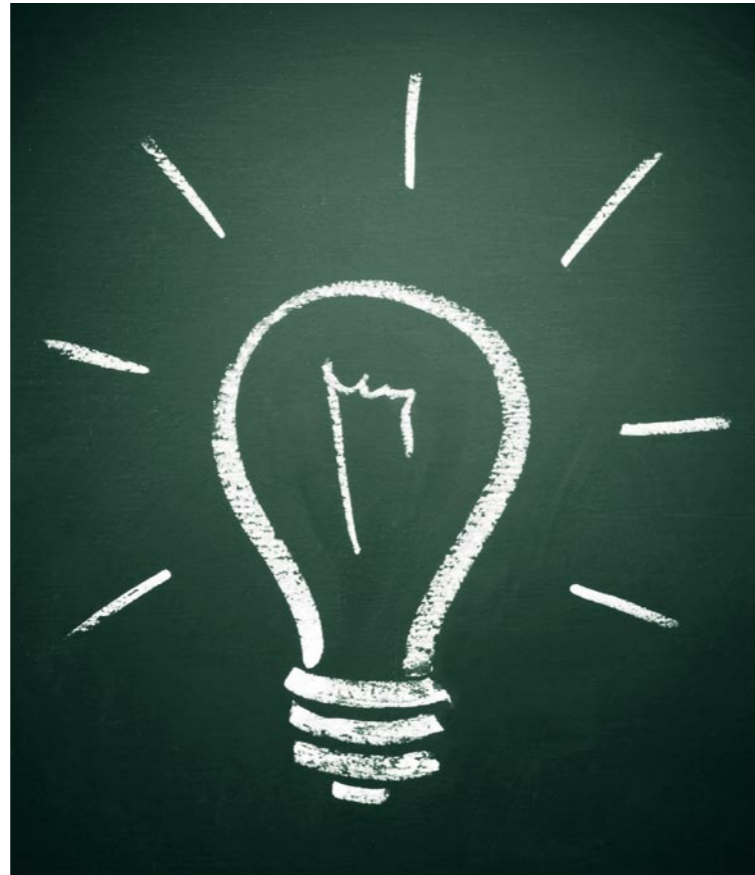
intensity by the same year. The main developed countries confirmed the announced targets, with the EU sticking to the 20% reduction by 2020 over 1990 levels (to be increased up to 30% if all major emitters were to join in an international agreement), and the US minus 17% over 2005 levels, with details depending on the passing of the climate legislation. A review of the Accord will be completed by 2015 following the evolution of climate science.

In Copenhagen world leaders also declared their intention to enhance prompt action on mitigation, adaptation, finance, Reduction of Emissions from Deforestation and Forest Degradation (REDD) and capacity-building. Towards this end, they stated their willingness to establish a new technology mechanism, in order to accelerate technology development and transfer, as well as a fund: the Copenhagen Green Climate Fund. The collective commitment towards this fund by developed countries over the next three years will approach 30 billion US dollars, with the long term objective to jointly mobilize 100 billion dollars a year by 2020, to address in particular the mitigation and adaptation needs of developing countries.

FEEM contributed to analyze the design of optimal strategies balancing mitigation and adaptation options in future climate policy, the mitigation potential of REDD, and the socio-economic pathways towards a low-carbon society. Within this stream of research, FEEM covered in particular the potential of SuperSmart grids and renewable energy towards a decarbonized power system as well as the role of technical change in climate policies.



FEEM AWARD A PRIZE FOR ECONOMIC IDEAS



Fostering the investment in human capital in order to advance the frontiers of knowledge is our ultimate objective. The FEEM Award, a prize for the most innovative ideas by young economists, yields a double dividend: rewarding scientific discovery and promising young scholars.

The FEEM Award is organized jointly with the European Economic Association (EEA) and aims to reward new ideas addressing key economic issues at the European and global scale. Both theoretical and empirical papers are considered without any restriction of topics.

The award is given to the authors of the three best papers presented by young economists at the Annual Congress of the EEA. Eligible candidates should be less than 30 years of age and no more than 3 years past a PhD defense. The selection committee consists of the Program Chairman of the Annual Congress of the EEA, one member nominated by the Executive Committee of the EEA and one by FEEM.

The first FEEM Award ceremony took place on 25 August, 2009 at the European Economic Association meeting in Barcelona after the speech by the President of the European Commission Barroso and before the Schumpeter lecture.

A total of 466 papers meeting the eligibility requirements were submitted. The selection process was conducted by the FEEM Award Commission, composed of Bernardo Bortolotti (FEEM Director), Andrea Prat (LSE) and Antonio Ciccone (UPF). The three winners of the first edition of the FEEM Award were:

- Benedicte Apouey (Paris School of Economics) with the paper entitled "Winning Big but Feeling no Better? The Effect of Lottery Prizes on Physical and Mental Health"
- Olga Shurchkov (Wellesley College) with the paper entitled "Under Pressure: Gender Differences in Output Quality and Quantity under Competition and Time Constraints"
- Laura Turner (University of British Columbia) with the paper entitled "Household Response to Individual Shocks: Disability and Labor Supply".

FEEM LECTURES 2009

The world is changing fast and open-minded inquiry is needed to face the challenges ahead. The FEEM Lectures are catalysts for discovery in areas engaging the biggest questions in the social, economic, and political sphere. Some of the greatest thinkers and scholars of our time guide the audience in uncharted territories, providing new ideas, and challenging conventional wisdom.

On December 1, 2008 Andrei Shleifer, from Harvard University, delivered the inaugural FEEM Lecture entitled "Naked Capitalism". In 2009 FEEM hosted four lectures.

Prof. Jean Tirole (Université de Toulouse) in his lecture "New Finance, New Rules" delivered in Milan, on May 12, 2009 analyzed the severe financial and economic crisis, and after establishing a diagnostic and recalling the *raison d'être* of the regulation of financial institutions, discussed how steps can be taken, that can bring back financial stability without making regulation too intrusive. In particular the lecture focused on the securitization process and derivative markets, prudential regulation (including its pro-cyclical features), the regulation of rating agencies, and the international regulatory infrastructure.



On September 29, 2009, prof. Sir Partha Dasgupta (University of Cambridge) began the lecture "Saving for the Future" with a discussion of theories of intergenerational justice. He related



them to the idea of social discount rates as applied to the evaluation of policies that have implications for generations in the deep future and argued that those rates are neither ethical primitives nor observable as market rates of interest, but are only derivable from a society's conception of intergenerational justice allied to economic forecasts. Professor Dasgupta applied those ideas to the welfare economics of climate change and commented on the works of William Cline, William Nordhaus, and Nicholas Stern.

On October 27, 2009 prof. Richard A. Muller (Berkeley University) touched upon energy security and climate change issues by delivering a lecture entitled "Energy and alternative energy. Coping with Copenhagen". Governments and industry face two challenges: the need for energy security,



and the limitations imposed by the dangers of global warming. Making the choices more complex is the remarkable array of new energy sources and new technology, including solar, wind, nuclear, biofuel, and geothermal. According to Muller, one plausible thesis is that to be sustainable, alternative energy must be profitable, but which choices are the most likely to meet the world's needs? In his lecture Muller tried to put these issues in perspective, and discussed the challenges they posed to the negotiations that at that time were about to take place in Copenhagen (COP15).

In today's world prosperity coexists with abject poverty. Some societies managed to grow rapidly for several decades, while others have been unable to generate economic growth and a decent living standard for their citizens. Prof. Daron Acemoglu (MIT), in his



lecture "Rethinking the Wealth of Nations" held in Milan, on December 14, 2009 argued that institutional differences are the fundamental determinants of the wealth of nations. Recognizing the role of institutions and the political economy obstacles to developing growth-enhancing institutions is not only necessary to understand how much of the world is still poor and fails to generate economic growth, but also to develop a better perspective for dealing with events such as the current crisis and investing in the institutions that will ensure the continued growth of our society.

REACHING OUT: THE NEW FEEM WEBSITE

In 2009, major efforts have been made in order to improve our communication strategy, with the aim of maximizing the value of FEEM research outputs by increasing visibility and impact.

These efforts involved all the tools of traditional dissemination, from congressional activities and publications, to the relation with the media, and the more recent tools related to the web 2.0, devoting particular attention to the importance of reaching and maintaining high quality standards.

Major innovations were implemented with respect to the web. Indeed, today, it's not enough just to have a website, it has to be state-of-the-art. Having a website that ensures frequently updated information, that is easy to use, presents quality content, responds to inquires within 24 hours, and loads quickly is fundamental for an effective communication strategy. For all these reasons in 2009 FEEM enlarged and completely renovated its website. FEEM's new website ensures today high-speed and user-friendliness and presents new features such as the FEEM Blog, a multimedia channel on You Tube (FEEM Channel), and many other innovative tools.

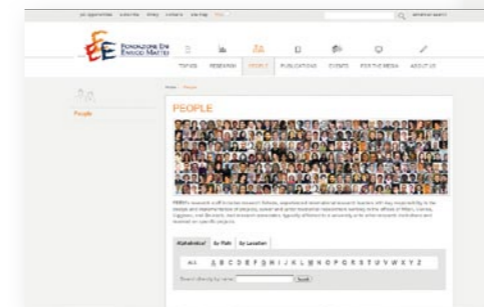
FEEM BLOG



MULTIMEDIA



PEOPLE



FOR THE MEDIA



HOME



RESEARCH

Overview

FEEM conducts research on a wide range of economic, environmental, and energy issues. Research programmes and related activities follow the strategic guidelines stated in FEEM's mission. Ongoing research is thus rigorous, fact-based, interdisciplinary, and international in terms of the composition of research teams and topics addressed.

FEEM's research staff includes today 9 research fellows, experienced international research leaders with key responsibility in the design and implementation of projects, 94 senior and junior residential researchers working in the offices of Milan, Venice, Viggiano, and Brussels, and 21 research associates, typically affiliated to a university or to other research institutions and involved in specific projects.

In 2009, FEEM has carried out 56 research projects, 37 of which financed by the European Commission or third parties. Among related activities, FEEM has organized 33 scientific conferences and workshops, 47 scientific seminars, 4 summer schools, 2 Marie Curie training conferences, and 4 open lectures. Overall, these events have attracted 4,887 attendees.

In 2009, FEEM published 126 working papers in the "Note di Lavoro" series, 3 books, 11 policy briefs and 2 series of reports. The FEEM website boasted almost 700,000 single visitors and the number of documents downloaded has more than doubled with respect to 2008, totaling 2.5 million downloads. Both figures represent all time hits in terms of outreach and visibility on the web.





Sustainable Development Programme

Sustainable development entails three fundamental spheres of our lives, namely economics, society and the environment, which are deeply intertwined. The economic assessment of their dynamics and interaction for a sustainable future development still represents a crucial challenge for research. FEEM is positioned at the forefront of science in this field.

Building upon almost two decades of successful work and a widely acknowledged scientific reputation in this domain, FEEM keeps advancing research through the development of increasingly innovative conceptual, analytical and modeling tools.

FEEM sustainable development research addresses key global challenges, such as the economics of climate change, biodiversity, energy and water, exploring their inter-linkages and their effects on the socio-economic and environmental systems worldwide, with the twofold goal of contributing to science and policy while informing the public debate.

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Topics

Climate change modeling and policy

Research on climate change builds upon more than fifteen years of work on this challenging issue. On the mitigation side, FEEM is positioned at the forefront of international research through the use of the in-house developed energy-economy-climate model WITCH, a regional integrated assessment hard-link hybrid model. On the impact side, FEEM is currently investigating the general equilibrium effects of climate change on the world economy, through the use of ICES, a recursive-dynamic computable general equilibrium (CGE) model also developed by FEEM researchers. On the adaptation side, FEEM has developed a fully endogenous adaptation sector within the WITCH model (AD-WITCH), also accounting for innovation and its role in shaping dynamic adaptation strategies.

Spotlight

A path-breaking research approach in the field of climate change is put forward by the project “Innovation for climate change mitigation: a study of energy R&D, its uncertain effectiveness and spillovers” (ICARUS). The project is carried out under a prestigious research grant assigned by the European Research Council in 2009 to Valentina Bosetti, FEEM senior researcher. The study analyzes energy-related innovation mechanisms, based on the investigation of R&D investments, uncertainty and spill-overs. The research merges quantitative analyses with expert elicitation methods, used to better assess technology-specific uncertain effects of R&D programs. Summa of the analyses will be projections for optimal public and private energy R&D and energy technologies investment strategies needed to achieve a stringent climate stabilization target.

Coalitions and networks for international environmental agreements

Research on the design of international environmental agreements has the goal to advance knowledge in the area of coalition and network formation applied to the environmental field. Innovative research on this topic is carried out both at the theoretical level and at the level of application within the modeling tools developed and used by FEEM researchers to analyze the energy, economy and climate systems.

Spotlight

On October 19-20, 2009 FEEM organized in cooperation with Princeton University, the International Centre for Climate Governance and the Euro Mediterranean Centre on Climate Change, an International Workshop on Fairness and the Commons: Socio-economic Strategies and Resource Dynamics. The workshop explored the integration between behavioral and environmental economics addressing the role of the discount factor in shaping individual and collective decisions; the issue of scale and context in the achievement of cooperation among agents interacting in complex adaptive systems with dynamically changing landscapes; and the importance of the often neglected diversity of behavior, making improvements on research modeling efforts by resorting to a combination of bounded rationality and optimization.

Economics of biodiversity and ecosystem services

This stream of research aims to promote a better understanding of the economic value of ecosystem services and to offer economic tools that take proper account of this value. Much of FEEM research on biodiversity is currently focused on scaling up the value of ecosystem services, with the aim to enable policy makers to incorporate the value of ecosystem into their decisions, taking into account trade-offs and conflicts in management options, particularly with regard to scarce resources such as marine habitats and marine biodiversity.

Spotlight

In 2009 FEEM organized two major events on the economics of biodiversity: a Round Table on Biodiversity at the Annual Meeting of the European Association of Environmental and Resource Economists (June 26, Amsterdam), and the 11th Annual Conference of the Biodiversity and Economics for Conservation Network (September 21-22, Venice). Special emphasis was given to policy reforms aimed at increasing the commercial rewards for conserving biodiversity, aggravating the penalties for biodiversity loss and circulating information on the biodiversity performance requirements of firms. Particular attention was also devoted to the analysis of the effects of climate change on ecosystem services and biodiversity loss.

Environmental valuation

Environmental valuation and environmental policy analysis uses both traditional and novel techniques with the aim to fill the existing methodological gaps in environmental valuation, advancing research particularly in non-market evaluation methodologies and scaling-up from the micro to the macro, in order to provide policy makers with more exhaustive tools to support their decisions.

Spotlight

In 2009 preliminary results of non-market valuation exercises within the project “A New Environmental Accounting Framework Using Externality Data and Input-Output Tools for Policy Analysis” (EXIOPOL) provided estimates of biodiversity benefits in the agricultural context, in particular derived from alternative rice farming management practices in Italy. The project EXIOPOL aims to develop estimates of the external costs of economic activities in Europe, to set up a detailed environmentally extended input-output framework for the enlarged EU, and to contribute to answer key emerging policy questions.

Forestry, land-use and land cover change

Modeling exercises investigate the socio-economic and environmental effects of land-use change and of the integration of reducing emissions from deforestation and forest degradation (REDD) in the carbon market, with the aim to provide policy support for the design of future climate agreements. Researchers are also developing and integrating models to analyze problems related to the linkages between land use and the development of biofuels.

Spotlight

A recent FEEM working paper (n. 56.2009) published in 2009 by Bosetti, Lubowski, Golub and Markandya analyses the effects of linking reduced emissions from deforestation and forest degradation (REDD) to a global market for greenhouse gas emission reductions. The study confirms that integrating REDD into global carbon markets can provide powerful incentives for the preservation of tropical forests while lowering the costs of global climate change protection and providing valuable policy flexibility.

International carbon markets and the financing of climate policy

International carbon market research focuses on the analysis of carbon price dynamics both in the short and long term, with the use of scenarios developed by financial and economic models. FEEM research addresses in particular the analysis of different carbon market features and their implications in setting up a future global international emissions trading mechanism.

Spotlight

A recent FEEM working paper by Bastianin, Favero and Massetti, on “Investments and Financial Flows Induced by Climate Mitigation Policies” quantifies and analyzes the investments and financial flows induced by a climate policy aiming to stabilize Greenhouse Gases concentrations at 550ppm CO₂-eq by the end of the century. The analysis focuses on the investments needed to decarbonize the power sector, including investments in the creation of knowledge, and examines the financial flows generated through the carbon market and their implications for the international oil market. The results suggest that the transition to a low-carbon world, although costly, appears to be manageable from a financial point of view. In particular, R&D financial needs can be easily accommodated using revenues from the carbon market, which is expected to eventually become more important than the oil market in terms of traded value.

Sustainable energy

In the broad field of sustainable energy FEEM research addresses the environmental dimension of energy consumption and production and investigates the economics of energy policies, through the use of modeling and analytical tools. FEEM research focuses in particular on the economic analysis of externalities in the energy sector, of renewable energy sources (in particular bio-energy) and of the role of innovation in energy technologies.

Spotlight

The project “Probabilistic Long-Term Assessment of New Energy Technology Scenarios”(PLANETS) is currently performing very promising research on sustainable energy. The study essentially aims to devise robust scenarios for the evolution of energy technologies in the next 50 years, by means of an ensemble of quantitative and analytical tools designed to foresee the best technological hedging response to future environmental and energy policies. Specific technological assessments will provide the necessary guidance for technology availability and competitiveness. Given the long term nature of the analysis, and the uncertainties surrounding the natural, technological and socio-economic determinants, the scenarios development will be accompanied by probabilistic and stochastic modeling analyses to quantify the most determinant sensitivities.

Sustainability indicators

This research stream at FEEM intends to enhance the use of an integrated approach to the analysis of sustainable development issues, exploiting multidisciplinary research skills. Much of FEEM research in this area investigates sustainability indicators at the regional and local levels. Current research on sustainability indicators attempts to provide the qualitative and quantitative assessments necessary for linking key well-being and sustainability indicators with mainstream economic indicators, providing much needed insight into the synergies and trade-offs between economic growth and environmental sustainability.

Spotlight

Though mainstream economic measures such as GDP are useful and have great influence on both public and private decisions, they are flawed as a measure of human welfare. In addition, they give little information as to whether economic activity is helping Europe make progress toward its environmental goals and its commitment to sustainable development. There is, then, a crucial need in Europe for indicators and measurement systems that provide a useful assessment of progress toward the simultaneous aims of economic success, human well-being, environmental protection and long-term sustainability. Seeking to bridge the gap between these types of indicators, the project “Integrating MainSTREAM Economic Indicators with Sustainable Development Objectives” (IN-STREAM) aims at linking mainstream economic indicators with well-being and sustainability indicators; providing insight into the synergies and trade-offs between economic growth and environmental sustainability in Europe; recommending new approaches towards the EU policy objectives; and developing strategies for implementing these approaches in consultation with key stakeholders.

Water management

Research on water management focuses on decision and policy-making processes and their relationships with research developments. In particular FEEM researchers have developed a modular framework for managing participatory processes (PP) named NetSyMoD, “Network Analysis - Creative System Modelling - Decision Support”, which has found a number of interesting applications in water management and management of natural resources in general.

Spotlight

The project “An Exercise to Assess Research Needs and Policy Choices in Areas of Drought” (XEROCHORE) aims at assisting in the development of a European Drought Policy in accordance with the EU-Water Framework Directive. More in detail, it aims to mitigate and to adapt to droughts, and hence to reduce the risks they pose in Europe, compiling a roadmap that entails: a state-of-the-art review and identification of the research gaps in the natural system, in impact assessment, in policy-making and in integrated water resources management; and an assessment of the possible impacts of droughts and guidance on appropriate responses for stakeholders. An extended network of experts gathers inputs for the roadmap through focused workshops, round table discussions and a concluding conference. The network of associates consists of over 80 international organizations including research institutes, universities, ministries, water management organizations, stakeholders, consultants, international organizations and programmes.



Institutions and Markets Programme

The basic recognition underlying this research programme is that markets live on foundations laid by institutions, i.e. the broad set of formal and informal norms defining the structure of incentives of the economy and society.

The events that are reshaping the world economic and financial systems are calling into question the idea that unfettered markets are the driving force of innovation, efficiency, and sustained growth. Rather, as the current crisis has dramatically shown, when unchecked by the appropriate institutions and regulations, markets will likely degenerate to create rent-seeking, moral hazard, and social inequality. The challenge addressed by this research programme is how to create the right incentive systems and reward structures to direct competitive forces towards economic and social progress.

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Topics

Corporate governance

Companies survive in the long run only if investors can get a return on their investment. Corporate governance is the set of economic and institutional mechanisms that ensure that incentives between managers, controlling and minority shareholders are properly aligned. Current research on this topic deals with the effect of corporate governance reforms in emerging markets, and with the ownership structure of family firms.

Spotlight

From 2005 to 2009, a research project on “Financial Market Development in China” has studied the impact of corporate governance and liquidity on the pricing of Chinese stocks after the announcement of the non-tradable shares reform. Importantly, the analysis has been conducted after the announcement but before the implementation of the reform at the firm-level because of the hypothesis that the relevant reactions have taken place with a forward looking behavior. The analysis has found interesting relations between corporate governance, liquidity and stock price reactions, in a cross-sectional framework that controls for clustering and firm characteristics. Among the relevant corporate governance variables are those that are often considered in the literature, i.e. the proportion of independent directors, number of meetings of the board of directors, plus some that are specific to the Chinese case for example the initial proportion of non-tradable shares. The important liquidity variables are related both to the bid-ask spread and to the liquidity beta.

Corporate social responsibility

The aim of the research area is monitoring the evolution of the social responsibility concept, together with the implementation of tools to integrate sustainability policies and measures within organizations and local contexts. The efforts focus on a variety of organizations mainly related to the energy, financial, and public sectors and, recently, they have been extended to not for profit and food sectors. Self-regulatory frameworks and guidelines, integrated assessment methodologies, stakeholder engagement approaches, local development models are the main tools used.

Spotlight

Year 2009 marks the end of an important four-year project on “The potential of CSR to contribute to the implementation and integration of EU strategies”. The project’s final conference (June 15-16, Berlin) was aimed to understand whether and how corporate social responsibility can stimulate public and corporate actors in contributing to the achievement of EU strategic goals. The conference collected the contributions of 180 between young and mid career researchers and around 30 keynote speeches from top scientists’, representatives of the business world and senior researchers who have shown increasing interest in CSR in recent years. Being CSR a flexible and multifaceted concept, instruments, practices, actions and measures at company level, but also incentives, regulations and governmental mechanisms at a public-political level have been the focus of the work presented.

Energy policy and regulation

Aim of this stream of research is to provide policy recommendations and regulatory analysis on the energy sector. FEEM covers a wide range of topics, among which the analysis of energy demand, networks regulation, sustainable regulatory models, integration of renewable energy sources (RES), demand response, analysis of short and long term energy supplies related to oil, gas and electricity in terms of reserves, resources, production potentials and transport, geopolitical issues, price formation. The approach privileges a strong collaboration with engineering and natural sciences partners and other areas covered by FEEM like climate change, international trade, state capitalism, finance and industrial organization.

Spotlight

One of the projects within this stream of research deals with “Security of Energy Considering its Uncertainty, Risk and Economic Implications”. Aim of this study is to build a comprehensive framework that considers all the issues related to security of supply, including geopolitics, price formation and the economic and technical design of energy markets inside and outside the EU. 2009 was the second year of the project where most of the scientific work consisting of developing tools, methods and models to measure and assess security of supply has been carried out. 2010 will be the year of distilling policy recommendations and disseminating the results.

Privatization and institutions

Privatization is the transfer of ownership rights from the public to the private sector. FEEM has gained a strong reputation in this topic by publishing a series of studies and books on the determinants, the methods, and the consequences of privatization at the global level, with a special focus on the institutional dimension and political economy issues.

Spotlight

The Journal of Economics and Management Strategy recently published some of the main results of the project on “State Ownership in Regulated Industries” reported in a working paper by Bortolotti, Cambini, Rondi and Spiegel, entitled “Capital structure and regulation: does ownership matter?”. The project, concluded in 2009, studies the effect of ownership structure and regulatory independence on the interaction between capital structure, regulated prices, and firm value, using a comprehensive panel data of publicly traded European utilities. Firms in the used sample tend to have a higher leverage if they are privately-controlled and if they are regulated by an independent regulatory agency. Moreover, the leverage of these firms has a positive and significant effect on their regulated prices, but not vice versa, and it also has a positive and significant effect on their market values. These results are consistent with the theory that privately-controlled regulated firms use leverage strategically to obtain better regulatory outcomes.

State capitalism 2.0

After two decades of privatizations and rolling back of the State from the economic activity, the global crisis has brought about a sudden shift in economic policies and a massive intervention of the State into the financial sector. Taxpayers’ money has been used and will be used to rescue firms, acquiring substantial equity participations in financial institutions and industrial firms. Our research carries out a very broad reflection on the new role of the State in the economic system. Although it is still unclear whether we face a temporary expansion of the State, or rather a structural change, the revamped role of the public sector will probably take different forms along several directions. The resurgence of state capitalism is taking various forms, such as the rise of Sovereign Wealth Funds (SWFs), bail-outs and recapitalization of distressed firms across sectors. Current research is studying the costs and benefits of an enhanced role of the State in the economy via ownership and regulation.

Spotlight

A recent debate in Italy has stressed the relevance of the so-called “municipal capitalism”, i.e. of the increasing presence of firms created and owned by local governments in very different sectors. In Italy, local government ownership of firms is certainly not negligible. Public shareholders are found in over 700 independent companies with an aggregate turnover of 43 billions euros, and 240,000 employees. These firms are suspected of being, on the one hand, ways to by-pass constraints set by public finance laws on the municipalities’ borrowing ability, and on the other hand to capture political rents by distorting competition in sectors where local authorities are in charge of public regulation. In 2009 FEEM collected the results of this research in a book on municipal capitalism in Italy (Comuni S.p.A Il capitalismo municipale in Italia, il Mulino, 2009). The book identifies direct and indirect holdings by local governments in the Italian firms and provides evidence on their impact on economic activity, and on their operating and financial performance. The results coming from our analysis try to assess the phenomenon and its economic relevance and to discuss whether it may be considered physiological rather than pathological.



Global Challenges Programme

The Research Programme “Global Challenges” aims at taking up the new challenges that the global economy is posing to the traditional paradigms of economic and political analysis in terms of sustainable development.

The relationship between cultural diversity and economic growth is a first domain of investigation that responds to current political concerns. Special emphasis here is on the dynamic gains for innovation and creativity that stem from local and global multicultural interactions. The programme investigates also the portability of differential approaches to cultural diversity experienced in cities across the world.

Looking at the issues that are on the political agenda, the shift from global production networks to global innovation networks calls for an accurate understanding of the role played by formal and informal actors at micro and macro levels. It also brings in the spotlight new emerging economies whose recent growth requires close examination. Taking a long-term perspective, the rise of alternative models of capitalism in India, South America and in Asia, where cultural and religious dynamics shape the way economics and finance are addressed, is de facto already affecting traditional market-based economies. Research here attempts to understand whether and how fresh paradigms are likely to mark a new deal in models of capitalism.

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Valeria Papponetti

As of May 2010

Topics

Competing models of capitalism

The global economy is undergoing a period of remarkable transformations, characterized by the emergence of new challenges to the traditional paradigms of economic and political analysis. Research in this topic aims at identifying the links between multicultural dynamics and the global economic scenario. This study focuses on understanding how competing models of capitalism are animated by contending definitions of modernity, and by underlying political, cultural and economic power relations.

Spotlight

The challenging complexity of culture-based dynamics in the global economic scenario calls for deep investigations of the most important economic paradigms. In this setting, the moral economy of Islam proposes new strategies of growth, fostering integration between Islamic values and the economy. The project “The Islamic way to capitalism” aims at studying the Islamic way to capitalism. Islamic economics is a remarkable example of dialogue between cultures and civilizations. It is rooted in Islamic tradition, but is also open to the challenges of the contemporary global economy. The analysis of the Islamic way to capitalism is particularly noteworthy nowadays, given the resilience of Islamic finance to the financial crisis.

New sources of competitiveness in the global economy

Competitiveness in the global economy crucially depends on the ways economic activities are reorganizing worldwide. This research topic aims at studying the evolution of Global Production Networks (GPNs) into Global Innovation Networks (GINs) - including enterprises, university research centers, governments or formal and informal institutions - in order to assess the impact and implications for growth and competitiveness.

Spotlight

The “Competitiveness of Firms, Regions and Industries in the Knowledge-based Economy” project (MICRO-DYN) focuses on growth, employment and competitiveness in the knowledge-based economy through a micro-founded firm-based approach. The analysis moves from the micro-entities of economic actions and strategies at the enterprise level to sectoral, regional, national and European levels. From a policy perspective, the impact of corporate, industrial and regional strategies at national and European levels can be understood only through the changes they induce in individual firm behavior. Cross-country firm-level evidence shapes the research undertaken.

The emerging global urban system

The flat-world view that has dominated in recent years is increasingly questioned by researchers and politicians alike. Globalization seems in fact to favor the process of agglomeration of people and firms within cities. This can be explained by e.g. the generalized drop in mobility costs, which allows each actor to spatially locate where it prefers. Starting from these development processes, the research topic aims at better understanding the forward and backward linkages that connect individuals’ behaviors, firms’ choices and aggregate outcomes.

Spotlight

Cultural diversity is increasingly on the European policy agenda. However, its interdisciplinary feature is not adequately researched and the quest for training offer in this topic is currently left unnoticed. Since 2006, in order to fill this gap, FEEM within the project “Cultural Diversity in Europe” (EURODIV) has been organizing a series of conferences on the understanding of cultural diversity in Europe and on the ways of dealing with it and its dynamics in the globalization era. The project, under the co-ordination of FEEM, offered a unique training platform targeted primarily to young researchers. In October 2009 FEEM organized in Milan the 5th conference of the project entitled: “Dynamics of Diversity in the Globalization Era”.

SPECIAL PROJECTS

Special Projects Coordinator, Cristiano Re

FEEM in Basilicata

FEEM's office in the Basilicata region was opened in early 2008 in Viggiano, a town located in the heart of Val d'Agri in proximity to the oil deposit facility owned and managed by Eni. Indeed, under an agreement signed for the exploitation of the oil gas fields in the region, Eni committed to opening a FEEM branch in the area in order to contribute to the economic and social development of the region.

Today, FEEM's mission in Basilicata is thus to foster the economic development of the area through the transfer of knowledge and skills and the promotion of advanced training. Human capital and innovation are indeed key drivers of economic growth, and by leveraging on the existing networks and skills, FEEM aims at stimulating a process of local endogenous growth.

Activities in the Basilicata region are carried out in close cooperation with private and public local institutions and are focused on three main areas: (i) research, (ii) advanced training and education and (iii) support to policy.



Since 2008, FEEM has joined forces with the University of Basilicata to promote education, training and human capital development. FEEM's research efforts in the region are directed to the study of sustainable tourism as an opportunity for local development and to the analysis of the impacts of renewable energy and investment for energy efficiency in the region.

Several training initiatives for the dissemination of scientific knowledge among citizens and schools of all grades are regularly promoted through the organization of seminars, workshops, e-learning courses, and science theatre events as a means of supporting education. In 2009, FEEM organized in the region also two learning weeks in cooperation with the Entrepreneurial Association of the Lombardy Region (Assolombarda) and the City of Milan within the "Learning Week" project, funded by the European Social Fund (ESF) and aimed at spreading among young students of secondary schools awareness and knowledge on energy related issues.

In 2009 FEEM also supported several local institutions such as the townships of Val

d'Agri and Val Camastra in the promotion of the territory through communication activities and social reporting practices; Parco Nazionale Val d'Agri in tourism research field; and finally the Società Energetica Lucana (SEL), by providing scientific support in the area of energy efficiency.

People

Mariarosaria Bellizia
Angelo Bencivenga
Livio Chiarullo
Elisabetta Fortunato
Annunziata Gargaro
Antonella Gatto
Anna Maria Giampietro
Francesca Gresia
Mariantonietta Leone
Rossana Martoccia
Mariachiara Montemurro
Annalisa Percoco
Rachele Petrizzo
Alessia Setaro

Eniscuola and Schoolnet

Since 2000 FEEM supports Eni in carrying out educational projects such as Eniscuola and Schoolnet. The projects aim at providing pupils and teachers of lower-middle schools with advanced teaching support on the subject of energy, sustainability and environment and at increasing the use of the Internet as a fundamental tool for learning and information.

The Eniscuola project has been acknowledged by UNESCO's Italian National Commission and is part of the United Nations Decade of Education for Sustainable Development, by contributing to spread its goals and ideals.

People

Andrea Bellati
Tiziana Bosco
Giacchina Di Cataldo
Emanuele Ferrari
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Katia Gagliano
Davide Gorla
Benedetta Palazzo
Elisabetta Monistier
Andrea Portaluppi

Eni Award scientific secretariat

Since 2003 FEEM supports Eni by organizing the Scientific Secretariat of the Eni Award, which is known worldwide as one of the most important scientific prizes in the fields of energy and environment. The annual Eni Award prize was officially launched in July 2007, as foreseen by Eni's Technological Master Plan: it extends and replaces the Eni-Italgas Prize, which in 2006 reached its XIX edition. The Eni Award is promoted by Eni in order to encourage basic and applied scientific researches within the national and international scientific community, to provide incentives for technological development and innovation, to promote a better use of energy sources and to help new generations of researchers emerge.

People

Filippo Tessari (Project Manager)
Marco Bo
Georgiana Eaton
Laura Priori
Alberto Scolari
Marco Soggetto



PUBLICATIONS

FEEM has a broad range of publications addressed to both the academic and non academic readerships.

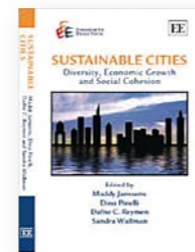
At present FEEM has two **Editorial Series:**

Edward Elgar Publishing, FEEM Series on “Economics, the Environment and Sustainable Development”

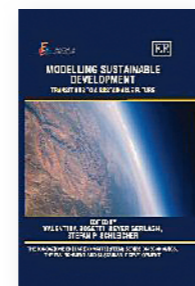
Editorial Board:
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Partha Dasgupta,
Karl-Göran Mäler,
Ignazio Musu,
Henry Tulkens

Recent Titles

Sustainable Cities. Diversity, Economic Growth and Social Cohesion, by M. Janssens, D. Pinelli, D.C. Reymen, S. Wallman



Modelling Sustainable Development. Transitions to a Sustainable Future, V. Bosetti, R. Gerlagh, S.P. Schleichner



il Mulino, FEEM Series

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Gianmarco I.P. Ottaviano, Alberto Quadrio Curzio,
Domenico Siniscalco,
Guido Tabellini

Recent Titles

Comuni S.p.A. Il Capitalismo municipale in Italia, by C. Scarpa, P. Bianchi, B. Bortolotti and L. Pellizzola



FEEM circulates a series of **Working Papers** in English (FEEM “Note di Lavoro”) collecting the output of research in the field of economics, energy and the environment. FEEM **Note di Lavoro** are included in the Social Science Research Network (SSRN), the electronic bibliography by the American Economic Association (EconLit), the Research Series in Agricultural and Applied Economics (AgEcon), the Research Papers Series in Economics (RePEc), the Berkeley University Press (BePress) and the German National Library of Economics (ZBW).



In 2009 FEEM has also started to publish a series of short papers addressed to policy makers, the FEEM **Policy Briefs**, that concisely address key scientific and policy issues, building on the results of the projects carried out within FEEM’s Research Programmes.



Since 1997, in cooperation with the publisher “il Mulino” FEEM publishes the journal for sustainable development **EQUILIBRI**, targeted to a broad audience of readers.

Editorial Board:
Bernardo Bortolotti (Editor), Geminello Alvi, Carlo Carraro, Massimo Livi Bacci, Danilo Mainardi, Domenico Siniscalco



As of 2009, FEEM also publishes an electronic bi-monthly newsletter **FEEM News**, providing updates and highlights on research, events and publications.



INTRODUCTION



Accounting for the contribution to the cultural, scientific and economic progress of the society in which one operates is an interesting exercise for companies of all stripes. For non profit organizations utilizing private and public resources in the pursuit of their mission, “social” reporting and accounting is an imperative.

Indeed, conventional balance sheets and financial statements are fundamental reporting tools, but they fail to disclose the actual performance of non profit institutions in terms of impact and relevance for their respective stakeholders.

FEEM has been a frontrunner in company social reporting, and has applied best practices and principles in communication to stakeholders throughout its long-standing activity. For this reason, since 2008 FEEM decided to resume the publication of a fully-fledged social report.

Given the increase in the scope and quantity of activities, a social report is fundamental to provide not only qualitative and descriptive information, but also to provide objective indicators and statistics about the overall results from the operations. We claim that the numbers provided represent clearly not only the impact of activities, but also an overall evaluation of all the inputs that contribute to our productivity. Among them, human capital is obviously fundamentally important.

The social report aims at showing that during the 2007-2009 period FEEM has operated as a responsible organization towards all its major stakeholders: (i) our people; (ii) the research community; (iii) the policy sphere; (iv) young generations; and (v) the general public.

Our People

Human capital is without doubt the most important input for FEEM's activities. It is mainly composed of researchers, often with a post-graduate diploma, and classified in different categories according to career advancement and profile: senior researchers are defined as such when they have a Ph.D. and have performed research for at least 2 years under FEEM contracts or they have no Ph.D. but have performed research for 5 years under FEEM contracts; research associates are typically affiliated to a university or to other research institutions and are involved in contingent projects; fellows are experienced international research leaders with key responsibility in the design and implementation of projects. Staff includes full time employees and non permanent staff involved in support activities for specific projects.

FEEM's operations include a much larger number of collaborators than full time employees. This organizational mode is typical in the non profit sector and in research institutions, as it allows flexibility and reflects the high turnover rate of young researchers, typically moving to other institutions after a successful training period in FEEM.

In the 2007-2009 period, FEEM activities have been reorganized to focus primarily on research. The number of non-research collaborators has been substantially reduced, while staff activities have been streamlined and reorganized with the creation of the FEEM staff register in 2008. Today, the 24 full-time employees provide secretarial support, are in charge of administrative duties and manage our communication office.

The gender audit yields a balanced mix in the organization, with a prevalence of women. Interestingly, this pattern is observed across categories, confirming the same balance by gender at FEEM among researchers, non permanent staff and employees.

FEEM People	2007	2008	2009
Total headcount	244	187	176
By categories :			
Researchers	115	124	110
<i>Junior Researchers</i>	46 (40%)	49 (40%)	56 (51%)
<i>Senior Researchers</i>	41 (36%)	45 (35%)	27 (25%)
<i>Research Associates</i>	28 (24%)	21 (17%)	18 (16%)
<i>Research Fellows</i>	-	9 (8%)	9 (8%)
Collaborators	112	45	42
<i>Support activities</i>	98 (88%)	30 (67%)	23 (55%)
<i>Special projects</i>	14 (13%)	15 (50%)	19 (45%)
Full-time employees	17	18	24
By sex			
Male	112 (46%)	85 (45%)	73 (41%)
Female	132 (54%)	102 (55%)	103 (59%)
By nationality			
Italian	212 (87%)	167 (89%)	152 (86%)
Non-Italian	32 (13%)	20 (11%)	24 (14%)
Average age (years)	34	37	37

Overall the educational profile of FEEM's people is very high: in 2009, 89% have a graduate degree, and 48% also hold a post-graduate diploma. Among researchers, 73% hold a post-graduate degree. In particular, more than a half of our researchers holds a Ph.D. (55%), in a high number of cases obtained abroad (48%).

FEEM Researchers	2007	2008	2009
	115, of which	124, of which	110, of which
<i>Post-graduates</i>	83 (72%)	94 (76%)	80 (73%)
Master	54	51	40
<i>of which obtained abroad</i>	31 (57%)	27 (53%)	23 (58%)
Ph.D.	55	66	60
<i>of which obtained abroad</i>	29 (53%)	34 (52%)	29 (48%)

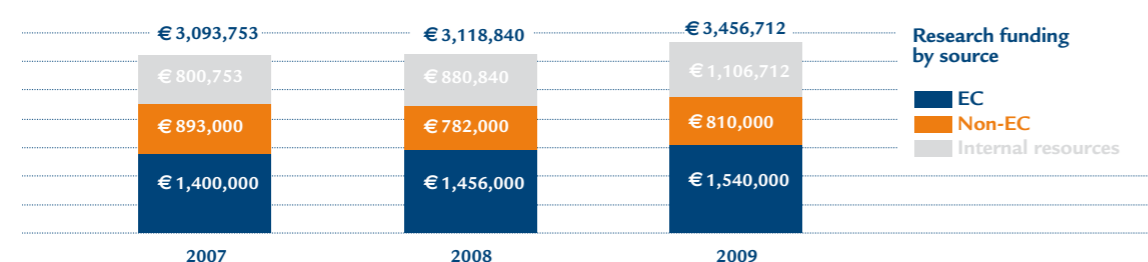
Research Community

The research community is a primary stakeholder, which FEEM targets by carrying out research projects, by publishing high quality research, by organizing scientific events and training initiatives, and by managing large international networks.

Research Projects

In 2009, FEEM has been actively working on 56 projects, 37 of which financed by third parties, and mainly by the European Commission.

Research Projects	2007	2008	2009	2007-2009
Total research projects, of which	62	65	56	183
<i>funded by the EC</i>	32 (52%)	30 (46%)	31 (55%)	93 (51%)
<i>funded by others</i>	9 (15%)	9 (14%)	6 (11%)	24 (13%)
<i>funded with own resources</i>	21 (33%)	26 (40%)	19 (34%)	66 (36%)
Average project duration (in years)	3.2	2.8	3.3	3.1



Scientific Publications

Publications are one of the most important outlets for the dissemination and certification of the scientific quality of FEEM's research output.

FEEM has two editorial series with Edward Elgar and il Mulino for books published in English and in Italian, respectively, and it circulates a series of working papers in English (FEEM "Note di Lavoro") targeted to the international research community.

FEEM has published a total of 1,923 "Note di Lavoro" since the publication of its first working paper in 1993. FEEM "Note di Lavoro" are downloadable from FEEM's website since 1998, and have been gradually included in other platforms such as AgEcon, the Social Science Research Network (SSRN), RePEc, Berkeley University Press, ZBW and EconLit.

Since 2008 the "Note di Lavoro" are distributed only electronically, with substantial cost savings and unscathed impact and visibility. The steady increase in the number of downloads of FEEM Note di Lavoro is evidence of the growing interest in FEEM's research. The number of downloads from the Social Science Research Network SSRN has gone up to 34,913 in 2009 from 20,958 at the end of 2007; the number of downloads from Berkeley University Press has more than doubled in two years hitting 14,199 in 2009, while the number of downloads from RePEc has steadily climbed from 16,176 in 2007 to 17,336 in 2009. Finally, the number of downloads from the FEEM website has more than doubled in two years.

Publications	2007	2008	2009	2007-2009
FEEM Working paper series "Note di Lavoro"	105	100	126	331
of which				
with at least one FEEM author	27%	30%	31%	27%
N. of downloads from the FEEM website	1,126,778	1,217,423	2,489,588	4,833,789
N. of downloads from other websites (*)	43,811	63,710	66,448	173,969
of which				
Social Science Research Network SSRN	20,958	33,892	34,913	89,763
Berkeley University Press	6,677	13,556	14,199	34,432
RePEc	16,176	16,262	17,336	49,774
Policy briefs	-	-	11	11
Books	2	2	3	7

(*) FEEM Note di Lavoro are included in the Economics Research Institutes Paper Series of Social Science Research Network SSRN, AgEcon, RePEc, Berkeley University Press, ZBW and EconLit. This table reports statistics from SSRN, BePress and RePEc.

FEEM "Note di Lavoro" have been a vehicle for disseminating research produced internally, but also a mean to attract external papers on topics linked with FEEM's specific areas of research. In 2008, efforts have been directed to increase the number of papers published by FEEM authors and to improve the quality via a stricter refereeing process. As a result of this, in 2009 the papers authored by FEEM researchers were equal to 31%. The percentage of Note di Lavoro authored by FEEM researchers in 2007-2008-2009 republished in peer-reviewed journals is equal to 30%.

In 2009 FEEM also published 3 books and 11 policy briefs.

Conferences and Seminars for Scholars

The organization of events is a fundamental activity for FEEM, since it allows the creation and maintenance of relationships with the scientific community at the national and international level. It also generates important spillovers in terms of research opportunities that can subsequently yield outputs in the form of projects, publications and networks.

Conferences are usually large-scale events on the topics of FEEM's research agenda, while workshops are typically used for the discussion of "work in progress" and brainstorming sessions. Seminars are primarily given by residential researchers and aimed at cross-fertilization between the different research areas and programmes. Seminars are also open to visiting scholars and to the local research community, and widely publicized through the web.

Over the 2007-2009 period, FEEM has organized a total of 91 scientific conferences and workshops, 135 seminars and 5 open lectures, attracting 8,894 registered participants. With respect to 2007, 2009 witnessed a substantial boost in the total attendance (+185%) despite a number of events only slightly increased (27%).

Conferences and Seminars for Scholars	2007	2008	2009	2007-2009
Events for the research community	66	81	84	231
of which:				
Conferences and Workshops	27 (41%)	31 (39%)	33 (39%)	91 (39%)
Seminars	39 (59%)	49 (61%)	47 (56%)	135 (58%)
Lectures	-	1 (1%)	4 (5%)	5 (2%)
Total events attendance	1,651	2,534	4,709	8,894
of which:				
Conferences and Workshops attendance	1,191 (72%)	1,605 (63%)	3,414 (72%)	6,210 (70%)
Seminars attendance	46 (28%)	824 (33%)	815 (17%)	2,099 (23%)
Lectures attendance	-	105 (4%)	480 (10%)	585 (7%)

Post-graduate Training

Young researchers are very important stakeholders for FEEM and providing advanced training is thus one of the principal institutional activities. In this direction, FEEM organizes Marie Curie individual fellowships (sponsored by the EC), summer schools, and internships. Since 2000, FEEM organizes in co-operation with European Association of Environmental and Resource Economists (EAERE) and the Venice International University the "European Summer School in Environmental Economics", attracting every year young researchers from a large number of international universities.

Since 2005, FEEM also regularly contributes to the scientific organization of the "European Summer School and Conference in competition and regulation" (CRESSE). In 2009 FEEM co-organized overall 4 summer schools and 2 Marie Curie Training Conferences and supported 4 Individual Marie Curie Fellowships and 1 internship.

Post-graduate Training	2007	2008	2009	2007-2009
Summer Schools				
Number of Summer Schools organized*	2	4	6	12
Students	49	123	178	340
Graduate researchers trained at the Fondazione				
Internships	2	5	1	8
Marie Curie Individual Fellowships	12	2	4	16

(*) Summer Schools include also Marie Curie Training Conferences.

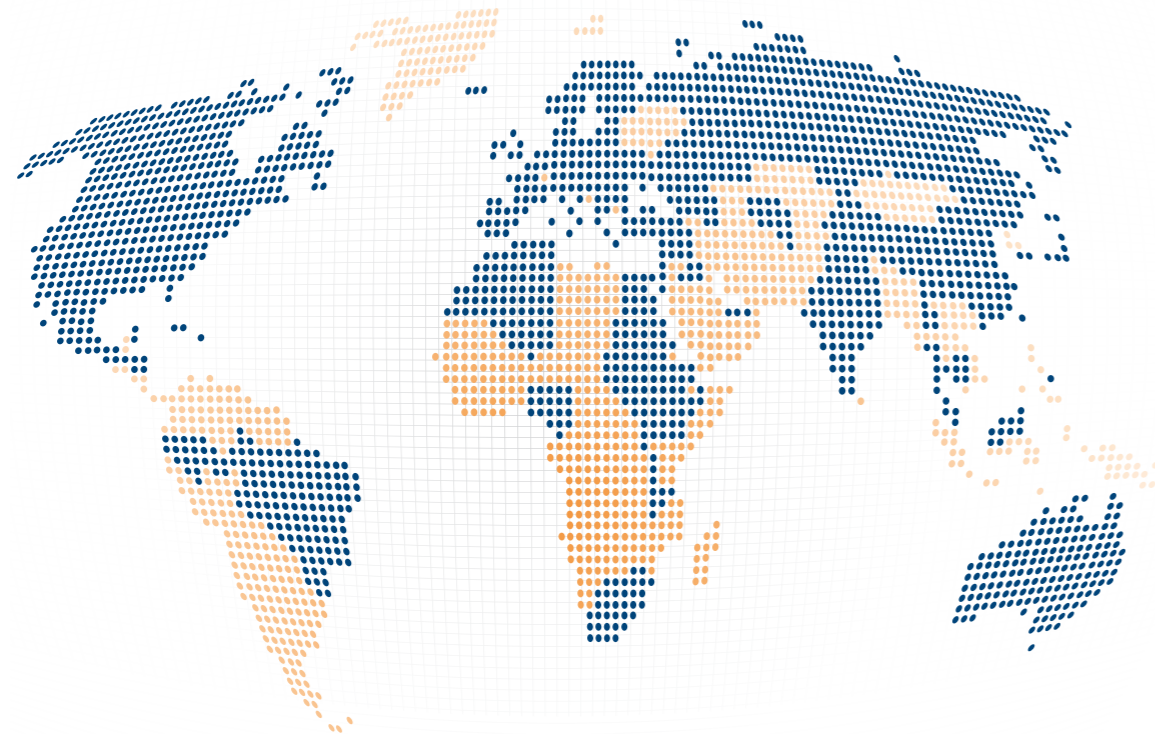
Fostering the investment in human capital in order to advance the frontiers of knowledge is FEEM's ultimate objective. For this reason, starting from 2009 FEEM will regularly bestow a prize for the most innovative ideas by young economists. The prize (FEEM Award) is organized jointly with the European Economic Association (EEA) and yields a double dividend: rewarding scientific discovery and promising young scholars.

Networks

The international research network is certainly one of FEEM's most valuable intangible assets. Built up over the years by involving the best researchers and top research institutions on various projects, the network allows FEEM to remain acquainted with the state-of-the-art of scientific knowledge, to spread its results more widely and expose its human capital to international interaction. FEEM global footprint is quite impressive: as of 2009, FEEM is linked via joint projects, partnerships or associations with over 600 research institutions operating in more than 70 countries around the world.

Over the years, FEEM has contributed to the creation of a number of thematic networks and associations, such as the Coalition Theory Network (CTN), the European Association of Environmental and Resource Economists (EAERE), Biodiversity and Economics for Conservation Economists (BIOECON), Climate Policy Network (CPN), European Climate Forum (ECF), Marine Biodiversity and Ecosystem Functioning EU Network of Excellence (MarBEF). FEEM has recently become (2008) also an institutional member of the European Economic Association (EEA).

FEEM Global Network



- | | | | |
|----------------|-----------|-------------------|--------------------------|
| Albania | Denmark | Lebanon | Slovenia |
| Algeria | Ecuador | Liechtenstein | South Africa |
| Armenia | Egypt | Lithuania | Spain |
| Australia | Estonia | Malaysia | Sudan |
| Austria | Ethiopia | Malta | Sweden |
| Bahrain | Finland | Nepal | Switzerland |
| Belgium | France | Netherlands | Syria |
| Bhutan | Georgia | New Zealand | Thailand |
| Bolivia | Germany | Nigeria | Trinidad & Tobago |
| Brazil | Greece | Norway | Tunisia |
| Bulgaria | Hong Kong | Poland | Turkey |
| Cambodia | Hungary | Portugal | Ukraine |
| Canada | India | Republic of Korea | United Arab Emirates |
| China | Ireland | Romania | United Kingdom |
| Costa Rica | Israel | Russia | United States of America |
| Croatia | Italy | Serbia | Uruguay |
| Cyprus | Japan | Singapore | Uzbekistan |
| Czech Republic | Latvia | Slovak Republic | |

Policy Sphere

One of the characteristics of FEEM since its founding has been the provision of technical assistance to national and international institutions. The past twenty years have seen a strengthening of FEEM's role as a provider of technical assistance to national and international institutions and to policy making. Indeed, through the rigor of its research, FEEM aims at improving the credibility and quality of decision-making in public and private spheres. This goal is achieved by creating an international and multidisciplinary network of researchers working on several innovative projects, by promoting training in specialized areas of research, by disseminating research results through a wide range of outreach activities, and by delivering directly to policy makers via participation in various institutional fora.

The most significant and systematic collaborations during 2009 have been, at the international level, with:

- United Nations: International Panel on Climate Change (IPCC)
- United Nations Framework Convention on Climate Change
- European Commission:
 - DG Environment, *European Research Council, DG Joint Research Centre - Institute for Prospective Technological Studies (JRC-IPTS)*
 - DG Research, *Socio-economic Sciences and the Humanities (SSH)*
 - DG Education and Culture, *Unit "Culture Policy and Intercultural Dialogue"*
- European Parliament
- European Environmental Agency (EEA)
- Organization for Economic Co-operation and Development (OECD)
- The World Bank
- Japanese Government
- Finnish Ministry of Employment and the Economy
- Privatization Agencies and Ministries of the main CEEC Countries (Poland, Hungary, Czech Republic)
- Ukrainian Ministry for Environmental Protection

At the national level, with:

- Bank of Italy
- Chamber of Commerce, Industry, Craft Trade and Agriculture of Milan
- City of Milan
- Confederation of Italian Industries (Confindustria)
- Italian Parliament, Corte dei Conti
- Italian Ministry for the Environment
- Italian Ministry for European Policy
- Italian Ministry of Foreign Affairs, Italian G8 Presidency
- Local public authorities for sustainable development matters (Lombardy Region; Lombardy Foundation for the Environment, FLA; Basilicata Region)
- Unioncamere

In 2009, FEEM launched a new publication explicitly targeted to policy makers: the FEEM Policy Briefs, short articles that concisely address key issues and provide rigorous and fact-based policy recommendations. The first batch of FEEM Policy Briefs has addressed important issues such as climate policy in cities, the reduction of emissions via deforestation, energy security, and post-crisis financial regulation.

General Public

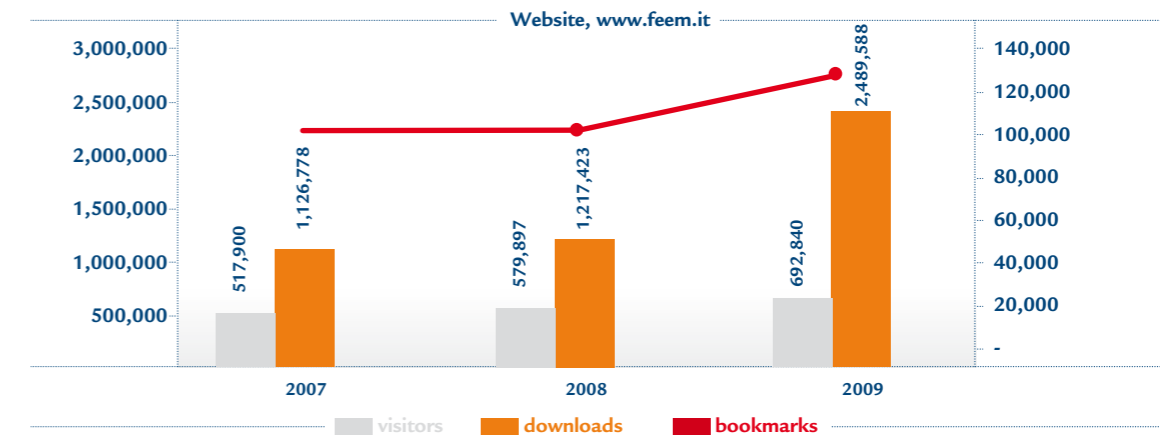
FEEM aims at fostering and encouraging a broader awareness and understanding of economic, energy and environmental issues, also within the civil society. This objective is pursued by using a variety of communication tools and outlets, ranging from the web to non technical publications, the organization of public conferences and roundtables, and the free access to FEEM facilities such as the Library, with a view to reinforcing the commitment towards the economic and social development of the country.

In 2009 FEEM enlarged and completely renovated its institutional website (launched in 1994) for the dissemination of information on activities and the results of research. FEEM has made considerable efforts to improve the outreach to its specific targets (research community, decision makers, business community and the media) and the web community in general through a newly renovated and user-friendly website that makes information more accessible and clear. New features such as the FEEM Blog and a multimedia channel on You Tube (FEEM Channel) aim at opening new windows on FEEM research and at stimulating a direct but rigorous debate on the important themes of the domestic and international economic agenda.

FEEM's website ensures efficiency through a high-speed internet connection and dedicated line on the network of the Ministry for Higher Education and Scientific Research.

In 2009 the number of visitors has grown considerably, increasing by 19 percent with respect to 2008. The boost of downloads (mostly of working papers) has been even more impressive, with an increase of 104 percent in one year. In 2009 almost 700,000 single users visited FEEM website, meaning a daily average of 1,918 users and for the period 2007-2009 the website logged an average of two million pageviews per year.

Finally, social networking sites allow today users to share ideas, activities and interests, and for this reason in 2009 FEEM has joined the most well-known and globally used social networks on the web community, such as Facebook, Twitter and LinkedIn as an additional instrument to provide information to the general public and to the community of both institutional peers and individuals with shared interests. In only three months, e-documents and interviews posted on FEEM's multimedia Channel on You Tube registered more than 3,000 downloads and about 200 fans/followers joined FEEM on Facebook and Twitter.



In 2009 FEEM also launched a new electronic bulletin, entitled FEEM News, published bi-monthly and mailed to over 7,000 stakeholders, providing updates and highlights on research, events and publications.

Since 1997, FEEM regularly publishes the journal *Equilibri with il Mulino*. The journal is targeted to a broad audience of readers, and over the years it has contributed to the understanding of sustainable development, emphasizing its complex economic, social and political implications. Today, new trends are reshaping the world's economic and political balances. In the quest for new paradigms, *Equilibri* aims at dealing with these issues, keeping a constant eye on energy, the environment and future global challenges. In 2009 the Journal's format has been renovated and published with a modernized cover, different sections and a new editorial board.

Besides events targeted to the scientific community, FEEM also organizes roundtables, book presentations, conferences and lectures usually open to the general public on various issues broadly related to sustainable development.

Finally, FEEM also offers free access to its facilities and in particular to its Library in Milan. FEEM Library was opened to the public in 1997. Originally established for the needs of FEEM researchers, it has been enlarged over the years and now offers a collection of relevant interest for students and scholars. In the fields of natural resource economics, the holdings of the library are among the most updated in Italy, containing a great selection of books (4,869), scientific journals (754), electronic databases (11) and statistical yearbooks (14). In 2009 only, about 300 users had open access to the stacks. The reading rooms can seat 36 people.

The general public is usually reached by media operators, representing certainly an important stakeholder for FEEM. The interest of the press in FEEM's activities has been considerable and broadly increasing.

Press coverage	2007	2008	2009	2007-2009
<u>N. of citations by typology</u>				
Articles	115	96	336	547
Op-eds	4	5	11	20
Interviews	4	3	9	16
Total number of articles in national and local magazines and newspapers	123	104	356	583

In the last 3 years, FEEM activities have had a significant coverage in the traditional media, totaling overall about 583 citations or articles covering FEEM studies, research projects, events and other activities. Thanks to the new communication strategy implemented since late 2008, FEEM registered in 2009 a strong boost in the number of articles published in national and international newspapers and reviews covering FEEM activities. The press review is downloadable from a new section of the website dedicated to the media, where journalists can find the updated and most significant articles and may subscribe to regular updates on FEEM research and related initiatives.

Young Generations

FEEM supports Eni in the organization of two educational projects for the middle school, *Eniscuola* and *Schoolnet*.

FEEM Educational Projects for the middle school - Schoolnet

Numbers involved at middle schools:	2007	2008	2009	2007-2009
N. of schools contacted	1,090	1,250	1,400	3,740
N. of educational seminars and laboratories	28	26	35	89
N. of students who attended direct teaching activities	1,850	3,755	4,350	9,955
N. of teachers who attended direct teaching activities	340	410	425	1,175
N. of teachers and students who attended e-learning projects	10,000	10,000	10,500	30,500

Both projects are based on the Internet and multimedia technology. Learning support systems are wide-ranging (text, images, graphs and charts, film clips, games, exercises, data bases and links to other sites) and can all be downloaded by pupils in order to conduct "multimedia research" or create their own site.

The *Eniscuola* project is based on a website (www.eniscuola.net) daily updated with over 3,000 pages with documents, pictures, graphs, charts, experiments, games, and interviews with national and international scientists including Nobel prize winners such as Alan J. Heeger, Sir Harold W. Kroto and Theodor W. Hänsch and Eni Award winners from MIT, World Bank, Imperial College, Cambridge University, such as Martin Green, Tony Settari, Gerard Ferey and Alan G. Marshall (Eni Awards winners in 2009). In 2009, 950,000 single users visited approximately 7 million pages.

Eniscuola carries out its educational activities in cooperation with Regional School Departments, Universities and local government institutions. The project is also actively involved in the organization of numerous scientific and cultural events.

The *Eniscuola* project has been acknowledged by UNESCO's Italian National Commission and is part of the United Nations's Decade of Education for Sustainable Development, by contributing to spread its goals and ideals.

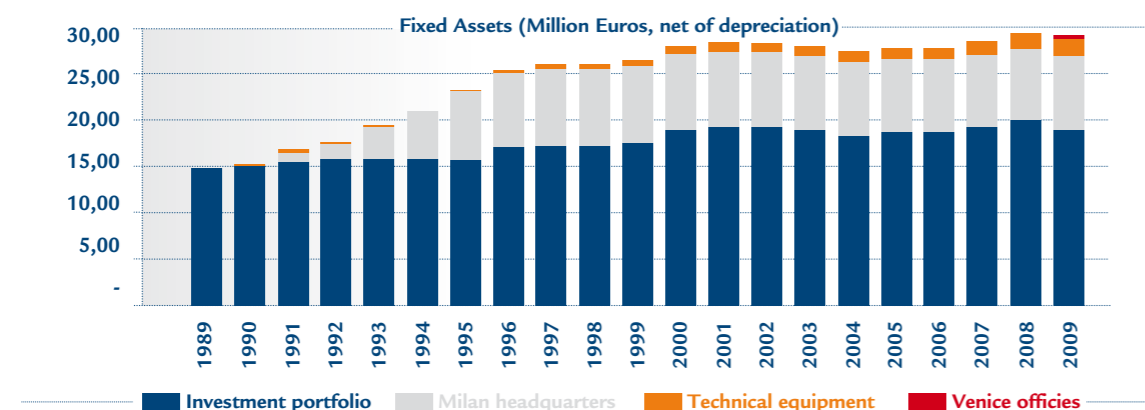
The main purpose of the *Schoolnet* project is to encourage the exchange of ideas and information among some of the schools of the areas where Eni operates, in Italy (Secondary Schools in Val d'Agri and Val Basento), in Norway (Finnmark), Australia (Northern Territory), in the United States (Alaska) and more recently in Algeria and East Timor. Students from these areas are asked to work on projects in electronic format to introduce their territory through people's activities, describing traditional professions and imagining new ones for the future. A website has been launched (www.schoolnet.eni.it) in January 2009.

Endowment and asset growth

A key objective for the financial sustainability of FEEM activities is the conservation of its endowment and assets over time. Over the past twenty years, the assets of FEEM have grown from the initial endowment of 13.3 million Euros in 1989 to 26.3 million Euros at year-end 2009. This increase is mainly attributable to the additional contributions from the founders, along with the inception and increase of the Studies and Research reserve fund in the early years, when receipts exceeded total costs. Returns from financial assets is another component of asset growth.

Contributions from the founders have financed in the early '90s the complete restructuring of FEEM's Milan headquarters at the prestigious Palazzo delle Stelline, while the Studies and Research reserve fund increased its capitalization, allowing the financing of extraordinary institutional activities.

The graph below shows the composition of FEEM's fixed assets net of depreciation. Over the past twenty years the overall value of the investment portfolio has grown from the initial 14.7 million Euros invested in 1989 to the present 19.3 million Euros, following a risk-adverse investment strategy. The value of the lease on the headquarters building increased until 1998, when the restructuring was completed. In 2009 FEEM started the complete restructuring of its new local site in Venice, an aisle of an historic building located on the Island of San Giorgio Maggiore.



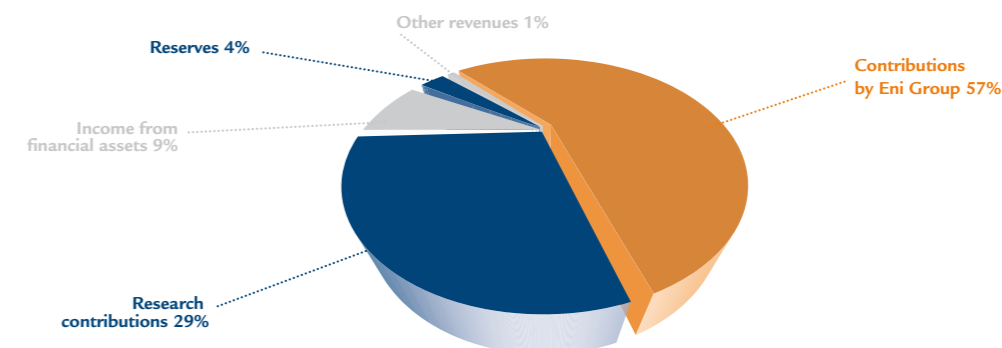
Revenues

Total revenues for 2009 amounted to 8,094,406 Euros. Contributions from Eni and from some of its subsidiaries (the Founders) represent the main source of funding for the annual budget, accounting for 57% of total revenues in 2009.

FEEM has developed a remarkable fundraising capability. External funding raised from third parties – mainly from the European Commission through the research framework programmes contributions, along with several domestic and international institutions – covers approximately 29% of FEEM's total revenues. In 2009 third party founding totaled 2.4 million Euros, increasing by 5% compared with 2008.

Returns from the investment portfolio and rents represent 9% of total revenues. Financial assets, managed by professional asset managers, provided an annual income of approximately 0.7 million Euros in 2009. The remaining 5% comes from the use of the reserve funds and other extraordinary items. The revenues breakdown for 2009 is shown in the graph below.

Breakdown of Revenues 2009



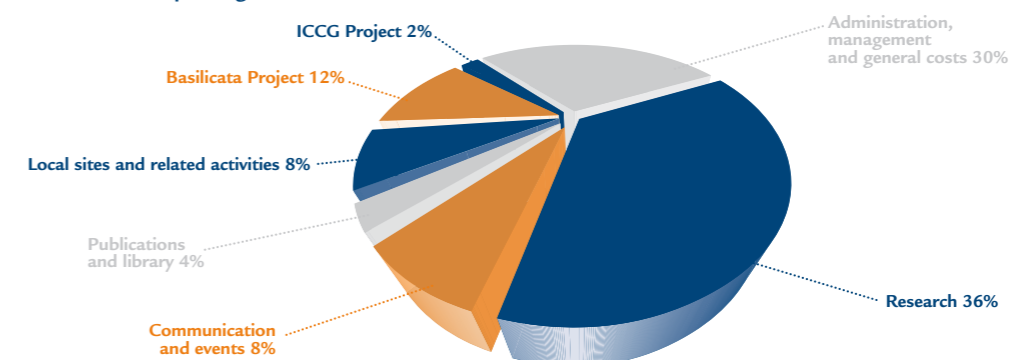
Spending

In 2009, expenditure for research projects and other institutional activities amounted to 5.7 million Euros (70% of the total budget), whereas administration and management expenses amounted to 2.4 million Euros (30% of the total budget).

Although FEEM's institutional activities have significantly increased in recent years, the minimization of the fixed cost component and the flexibility of the organizational structure have allowed the allocation of the largest part of the annual spending to research and related activities, such as publications, communication, and dissemination initiatives. The increased personnel expenditure starting from 2009 is due to the implementation of an organizational restructuring plan effective from January 2009 with a two-fold effect: the consolidation in the staff of a limited number of direct employees in parallel with the minimization of contracted workforce hired for support activities.

The graph below shows the breakdown of expenditures in 2009 for administration/management (including also taxes, depreciation expenses and general costs) and for the institutional activities. The personnel expenditure has been classified accordingly.

Breakdown of Spending 2009



**Financial statement
Balance sheet (Euros)**

	31/12/2008	31/12/2009
FIXED ASSETS		
Tangible fixed assets	9,181,205	9,637,559
Land and buildings	7,617,114	8,033,118
Technical equipment and machines	95,462	89,117
Office equipment	58,306	60,509
Other equipment (electronic machines)	195,547	166,459
Software	74,424	58,154
Library	1,140,352	1,230,202
Financial assets	19,901,455	19,356,626
TOTAL FIXED ASSETS	29,082,661	29,994,184
CURRENT ASSETS		
Cash at bank and in hand	600,817	898,092
TOTAL CURRENT ASSET	600,817	898,092
DEFERRED CHARGES	999,376	971,308
TOTAL ASSETS	30,682,853	30,863,586
	31/12/2008	31/12/2009
LIABILITIES		
Initial endowment	13,316,553	13,316,553
Grants from Founders	9,872,421	9,872,421
Studies and research fund	3,331,013	3,075,341
Surplus	4,328	7,658
TOTAL NET LIABILITIES	26,524,315	26,271,973
RESERVE FUNDS		
Investment portfolio fluctuation fund	755,453	755,453
Library fund	63,458	63,458
Reserve funds for future expenses	400,009	404,246
TOTAL RESERVE FUNDS	1,218,920	1,223,156
SEVERANCE INDEMNITY FOR PERSONNEL		38,864
DEBTS		
Suppliers	686,652	564,025
Other debts	304,132	460,463
TOTAL DEBTS	990,784	1,024,488
DEFERRED INCOME	1,948,834	2,307,105
TOTAL LIABILITIES	30,682,853	30,863,586

Profit and Loss Account (Euros)

	31/12/2008	31/12/2009
REVENUES		
Income from financial assets	673,857	689,816
Rents	102,000	77,333
Research contributions	2,238,098	2,350,304
Contributions from Eni Group	4,086,000	4,645,000
Other revenues	136,455	6,345
Reserves	658,835	325,607
TOTAL REVENUES	7,895,245	8,094,406
EXPENSES		
Personnel	474,005	1,271,784
Researchers and non permanent staff	3,829,183	3,337,326
Statutory bodies	274,713	268,952
Travel expenses	613,517	825,602
Consumables	136,080	128,766
Services	1,093,460	957,788
Insurances	29,692	35,889
Rent and shared ownership expenses	390,890	351,795
Taxes	189,156	256,853
Reserves and devaluations	355,173	69,843
Depreciation	250,666	261,819
Other charges	254,383	320,331
TOTAL EXPENSES	7,890,917	8,086,747
Surplus	4,328	7,658

Art. 1 - Denomination

To be known as “Fondazione Eni Enrico Mattei”, hereinafter referred to as “The Foundation”. The headquarters of the Foundation are at Palazzo delle Stelline, Corso Magenta 63, Milan. Other branches or representative offices may be established in Italy and/or abroad for the management of ancillary activities or activities aimed at promoting, developing and expanding the activities of the Foundation.

Art. 2 - Aims

The Foundation exists to foster and encourage - through studies, research, training and information initiatives - a broader awareness and understanding of economic, energy and environmental issues, at both local and global levels.

In particular, the Foundation aims to:

- (a) carry out detailed research in the area of sustainable development - with particular emphasis on its environmental, economic and social aspects - within national and international development scenarios and in the context of technological innovation;
- (b) contribute with appropriate initiatives to the training of experts in fields of statutory interest to the Foundation;
- (c) study - also through international congresses and debates - problems of particular interest to the Eni Group relating to corporate governance and the planning of company research, disseminating the most recent and up-to-date knowledge and thinking. Such aims are to be pursued by the Foundation using adequate research, training and information methods and tools, with particular regard to the corporate purposes of Eni, and also with a view to reinforcing the commitment of the Eni Group to the economic and social development of the country.

Art. 3 - Ancillary and associated activities

In order to achieve its aims the Foundation may also:

- (a) award prizes, scholarships and study grants;
- (b) buy and hold property or non-fixed assets, plants, equipment and other useful or necessary materials for the execution of its activities, and to provide for their administration, management and maintenance;
- (c) effect banking and financial operations, as well as request subsidies, contributions and loans;
- (d) establish companies, buy or sell equity stakes or other interests in companies or bodies, also of a commercial nature.

The results of studies and research carried out by the Foundation will be made available, in the first instance, to the Eni Group.

Art. 4 - Assets

The assets of the Foundation consist of:

- a) founders' legacy;
- b) donations from third parties;

- c) property and other fixed and non-fixed assets;
- d) income designated by Board resolution to increase the assets;
- e) equity holdings and other interests.

Art. 5 - Revenues

The Foundation's revenues consist of:

- a) income from assets as at art. 4;
- b) donations.

Art. 6 - Corporate Boards

The Corporate Boards of the Foundation are as follows:

- a) a Board of Directors;
- b) a Chairman;
- c) a Scientific Advisory Board;
- d) an Audit Committee.

Art. 7 - The Board of Directors

The Board of Directors is nominated by Eni S.p.A. and it comprises a minimum of 5 (five) and a maximum of 15 (fifteen) members who will have a mandate of three financial years. The Board of Directors is chaired by the Chairman of the Foundation, or in his absence or impediment by the most senior, by age, of the board members. The mandates for board members may be renewed and expire when the budget of the third financial year is approved provided that, by that date, the Board of Directors has been reconstituted. Should a board member resign, Eni S.p.A. is entitled to make the substitution. The mandate of members thus appointed will expire at the same time as the rest of the board in office at the time of such nomination.

Art. 8 - Callings and quorum

A meeting of the Board of Directors may be called by the Chairman or, in his absence, by the most senior, by age, director. The Chairman or, in his absence, the senior director, may also call a meeting when requested in writing by a majority of the directors.

A meeting of the Board of Directors must be called at least twice per year, before the end of November to approve the budget for the coming year and before the end of April to approve the annual report for the preceding year. Callings must be communicated by registered mail, sent at least 10 days prior to the date fixed for the meeting. In the case of an emergency meeting, communication may be made by telegram or fax at least three days before the date fixed for the meeting. The calling must include details of the place, day and time of the meeting, as well as the agenda. Meetings of the Board of Directors will take place at the Foundation's headquarters or in such a place as indicated by the calling letter. Meetings may also make use of videoconferencing facilities, provided that all participants can be identified and can participate in the proceedings and intervene in real time during discussions. In this case, the meeting of Board of Directors will be deemed to have been held in the

place where the Chairman and Secretary are physically present. The quorum of a meeting of the Board of Directors is reached when a majority of members are present and resolutions may be passed by a majority of those present. The Chairman has a casting vote. Resolutions concerning modifications to the statute, the transformation or closure of the Foundation, must be approved by four fifths of the members in office. The validity of such resolutions is dependent on the approval of the relevant government authority. Written minutes for meetings of the Board of Directors must be signed by the Chairman and the Secretary.

Art. 9 - Roles and powers

The Board of Directors has complete powers for the ordinary and extraordinary administration of the Foundation. In particular:

- a) the nomination of a Chairman from among its number;
- b) the approval of the annual budget (preliminary) and report (definitive);
- c) the approval of an annual programme of activities, in line with the purposes of the Foundation, as presented by the Scientific Advisory Board;
- d) the identification of actions to be taken in support of such programmes;
- e) the nomination of the Chairman and other members of the Scientific Advisory Board;
- f) the nomination of the Director of the Foundation and, if appropriate, a Deputy Director;
- g) the delegation, if appropriate, of some of these powers to the Chairman, the Director of the Foundation and, if appointed, the Deputy Director;
- h) the Board may, if appropriate, ask the Scientific Advisory Board to express an opinion on matters of pertinence to the Board's powers.

Art. 10 - The Chairman

The Chairman of the Foundation calls and chairs meetings of the Board of Directors and is the legal representative of the Foundation. In cases of emergency, the Chairman may adopt the powers of the Board of Directors, provided that any action thus taken is ratified by a successive meeting of the Board. The Chairman may nominate proxies for the administrative tasks delegated by the Board.

Art. 11 - The Scientific Advisory Board

The Scientific Advisory Board is to be made up of a maximum of 12 (twelve) members, one of whom to be elected Chairman, selected from among qualified national and international experts from scientific, academic and cultural worlds with particular attention being paid to their professional background and experience. The Chairman and members of the Scientific Advisory Board have a mandate of three years and may be re-elected. The Chairman of the Foundation will attend meetings

of the Scientific Advisory Board or a Board member expressly delegated by the Chairman. Within the limits established by the Board of Directors and in the context of the programmes proposed, the Scientific Advisory Board will:

- a) give its opinion on the annual programme outlined by the Board of Directors and ensure its implementation;
 - b) develop proposals for the Foundation's research and study activities;
 - c) provide considered opinions on questions put to it by the Board of Directors;
 - d) propose the nomination of individual project leaders to the Director of the Foundation;
 - e) verify work in progress and produce regular reports for the Board of Directors.
- Meetings of the Scientific Advisory Board will be called by its Chairman and resolutions passed by simple majority.

Art. 12 - The Director

The Director of the Foundation will:

- a) act as Secretary at meetings of the Board of Directors and the Scientific Advisory Board;
- b) enact the decisions of the Board of Directors;
- c) manage and co-ordinate the activities of the Foundation, including its offices and personnel;
- d) nominate project leaders for individual research or study projects following proposals made by the Scientific Advisory Board.

Art. 13 - Financial year and reporting

The financial year begins on January 1 and ends on December 31 of each year. With the exception of legal obligations, the distribution of profits, management surpluses, funds or reserves is not permitted during the life of the Foundation.

Art. 14 - The Audit Committee

The Audit Committee will comprise three acting members and two substitutes. Members of this Committee will be qualified and certified accountants, and will be nominated as follows:

- a) one acting and one substitute auditor by the Minister for the Economic Development, to also act as Chairman of the Audit Committee;
- b) other nominations to be made by Eni S.p.A. Auditors will remain in office for a period of three financial years and may be re-elected. Should one of the members resign, replacement will be made by the nominating body. The mandate of members thus appointed will consequently expire at the same time as the rest of the board in office at the time of such a nomination.

Art. 15 - Closure of the Foundation

Should the Foundation be closed, residual assets will be devolved to the public good, as per current legislation.

PUBLICATIONS, 2009

FEEM Working Papers "Note di Lavoro", 2009

- 1.2009___ Michael Hoel: [Bush Meets Hotelling: Effects of Improved Renewable Energy Technology on Greenhouse Gas Emissions](#)
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[Modelling Sustainable Development. Transitions to a Sustainable Future](#), edited by Valentina Bosetti, Reyer Gerlagh, Stefan P. Schleicher, Edward Elgar Publishing, FEEM Series on “Economics, the Environment and Sustainable Development”, 2009.

[Comuni S.p.A. Il capitalismo municipale in Italia](#), Carlo Scarpa, Paolo Bianchi, Bernardo Bortolotti and Laura Pellizzola, Il Mulino, FEEM Series, 2009.

EVENTS, 2009

Main Conferences and Workshops, 2009

Impact of Networks, Globalisation, and their Interaction with EU strategies
INGINEUS Workshop
Bologna, 22-23 January

14th Coalition Theory Network Workshop
Maastricht, 23 January

EPIGOV - Environmental Policy Integration and Multilevel Governance Final Conference: Project Results and Policy Recommendations
Brussels, 23 January

The Climate to Come. Scientific Analysis and Political Choices
Lecce, 31 January

Firms' Internationalization and Knowledge Diffusion - MICRO-DYN Workshop
Milan, 16-17 February

Presentazione del libro: "Con tutta l'energia possibile. Tutto quello che è necessario sapere sui problemi e il futuro delle diverse fonti di energia", di Leonardo Maugeri
Venice, 18 February

Carbon Market and Flexible Mechanisms: Economic, Technical and Juridical Aspects
FEEM-Linklaters Workshop
Milan, 13 March

Presentazione del libro: "Cambiamenti climatici strategie di adattamento in Italia. Una valutazione economica", a cura di Carlo Carraro
Milan, 19 March

SUS.DIV- "Sustainable Diversity" Annual Meeting
Istanbul, 25-27 March

Back from the Brink:
Rethinking Financial Regulation - FEEM - Bocconi University Workshop
Milan, 27 March

The Economics of Adaptation to Climate Change - FEEM-OECD International Workshop
Venice, 2-3 April 2009

Financial Crisis and Climate Policy. A Science-Policy Debate
Venice, 4 April 2009

A Smart EU Energy Policy Workshop I
Florence, 29-30 April

Autonomia, Responsabilità, Merito: sono possibili nelle Università?
Milan, 18 May

Coalitions for Climate Cooperation. A Game-Theoretic Analysis of Post 2012 Climate Policy
Venice, 15-16 June

4th CORE Conference 2009: The potential of Corporate Social Responsibility to support the integration of core EU strategies
Berlin, 15-16 June

The 2009 International Energy Workshop - IEW
Venice, 17-19 June

17th Conference of the European Association of Environmental and Resource Economists (EAERE)
Amsterdam, 24-27 June

A Smart EU Energy Policy Workshop II
The Hague, 29-30 April

Dieci Anni di Mercato Concorrenza Regole MCR
Milan, 30 June

IPCC Scoping Meeting for the Fifth Assessment Report
Venice, 13-18 July

FEEM Award 1st Edition
Barcelona, 25 August

Conference on "Sustainable Diversity, Migration and Social Cohesion"
SUS.DIV and IMISCOE
Stockholm, 9-11 September

11th Annual BIOECON Conference on Economic Instruments to Enhance the Conservation and Sustainable Use of Biodiversity
Venice, 21 September

A Smart EU Energy Policy Workshop III
Milan, 28-29 September

Workshop on the Socio-Economic and Environmental Impacts of Droughts
Venice, 5-6 October

Workshop on Antitrust and Regulation
Milan, 9-10 October

Conference on Urban and Regional Economics CURE
Milan, 12-13 October

Fairness and the Commons: Socio-economic Strategies and Resource Dynamics
Venice, 19 October

EURODIV 5th Conference on "Dynamics of Diversity in the Globalisation Era"
Milan, 22 October

Conference on Islamic Finance: "Moral Values and Financial Markets: Islamic Finance against the Financial Crisis"
Milan, 18-19 November

Presentazione dell'Indice di Sostenibilità FEEM - "Oltre il PIL. L'Italia nella classifica mondiale della sostenibilità"
Milan, 10 December

Presentazione dell'Indice di Sostenibilità FEEM - L'Italia nella classifica mondiale dello sviluppo sostenibile
Venice, 18 December

Lectures, 2009

FEEM Lecture by Prof. Jean Tirole:
New Finance, New Rules
Milan, 12 May

FEEM Lecture by Prof. Partha Dasgupta:
Saving for the Future
Milan, 29 September

FEEM Lecture by Prof. Richard A. Muller:
Energy and alternative energy.
Coping with Copenhagen
Milan, 27 October

FEEM Lecture by Prof. Daron Acemoglu:
Rethinking the Wealth of Nations
Milan, 14 December

Seminars, 2009

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Stabilization Clauses and Human Rights: The impact of stabilization clauses in host government agreements on the state duty to protect human rights
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Institutions and Offshoring Decision
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The Chinese Path to Sustainable Development
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Milan, 24 September

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Competition and Regulation European Summer School and Conference (CRESSE)
Crete, 27 June-10 July 2009

European Summer School in Resource and Environmental Economics "Economics, Transport and Environment"
Venice, 5-11 July 2009

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Tramariglio - Sardinia, 30 August - 4 September 2009

European Diversity in Europe: A Series of Conferences - EURODIV 5th Conference on "Dynamics of Diversity in the Globalisation Era"
Milan, 22-23 October 2009

European Diversity in Europe: A Series of Conferences - EURODIV Workshop on "Towards a Research Manifesto on Sustainable Diversity"
London, 8-9 December 2009

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Island of Procida, 4-8 September 2009

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