



1996/97



FONDAZIONE ENI ENRICO MATTEI

www.feem.it





HEADQUARTERS

MILAN

The new headquarters of the Fondazione are at Palazzo delle Stelline, made available by Milan's municipal authorities. This is where our staff and most of our internal researchers work. The Fondazione has conference and seminar rooms, and a library which will be open until late at night. The library, specialised in economics and the environment, has a collection of around 5,000 volumes and 200 journals. Also available will be an on-line catalogue on Internet and the most advanced technologies for bibliographical search.

VENICE

The headquarters of the Fondazione in Venice are at Palazzo Querini Stampalia, where the researchers involved in Local Agenda 21 are located, as well as part of the researchers participating in European research projects. There are archives on the Venetian lagoon and on the Mediterranean area. Seminars and congresses are also organised.



FONDAZIONE ENI ENRICO MATTEI

Corso Magenta, 63 - 20123 Milano
tel. 02/520.36934 - fax 02/520.36946

Campo S.Maria Formosa, Castello 4778, 30122 Venezia
tel. 041/2711.453 - fax 041/2711.461

E-mail: letter@feem.it
<http://www.feem.it>

BOOKS PUBLISHED IN 1996

Environmental Policy and Market Structure, C. Carraro, Y. Katsoulacos, A. Xepapadeas, eds., Kluwer Academic Publishers

Operation Research and Environmental Management, C. Carraro, A. Haurie, eds., Kluwer Academic Publishers

National Accounts and the Environment, I. Musu, D. Siniscalco, eds., Kluwer Academic Publishers

Environmental Fiscal Reform and Unemployment, C. Carraro, D. Siniscalco, eds., Kluwer Academic Publishers

Growth and Development, S. Lombardini, ed., Edward Elgar Publishing Ltd.

The Perspectives of Oil and Gas: the Road to Interdependence, M. Colitti, C. Simeoni, Kluwer Academic Publishers

Models of Economic Growth with Environmental Assets, A. Beltratti, Kluwer Academic Publishers

La strategia ambientale d'impresa - tecnologia, organizzazione, marketing, a cura di R. Malaman e M. Bartolomeo, Il Sole 24 Ore Pirola

FORTHCOMING BOOKS

Environmental Economics: Dynamics and Uncertainty, G. Chichilnisky, G. Heal, A. Vercelli, eds., Kluwer Academic Publishers

Labour, Poverty and Development, G. Barba Navaretti, R. Faini, G. Zanalda, eds., Oxford University Press

New Directions in the Economic Theory of the Environment, C. Carraro, D. Siniscalco, eds., Cambridge University Press

Creation and Transfer of Knowledge: Institutions and Incentives, G. Barba Navaretti, P. Dasgupta, K-G. Mäler, D. Siniscalco, eds., Physica-Verlag

Green Accounting in Europe - The Role of Damage Estimation - Four Cases Studies, A. Markandya, M. Pavan, eds

Environment and Transport in Economic Modelling, R. Roson, K. Small, eds.

WORKING PAPERS

90 working papers were published in 1996. Starting from 1997 our working papers are available on our web: www.feem.it.

EQUILIBRI

The publication of a new journal, Equilibri, was started in 1997 based on the cooperation between the publisher il Mulino and the Fondazione. Equilibri deals with sustainable development.

PUBLICATIONS



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Founders

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NETWORK

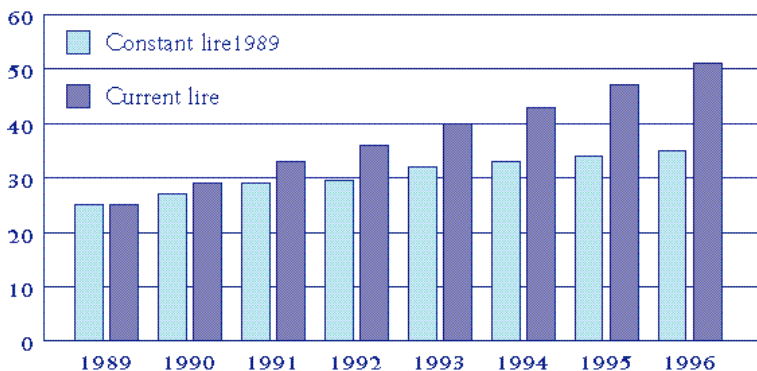
The Fondazione has a network of external researchers:

Nicholas A. Ashford, David Austen-Smith, Eliana Baici, Giorgio Barba Navaretti, Andrea Beltratti, Francesco Biciato, Charles Blackorby, Francis Bloch, Mauro Bon, Michele Botteon, Giorgio Brunello, Maurizio Bussolo, Antonio Cantaro, Gianluca Cassese, Olivier Compte, Paolo Costa, Oscar De Feo, Bruno Dente, Francesco Di Cesare, Cesare Dosi, Giulio Ecchia, Gianluca Fiorentini, Marino Folin, Luigi Franzoni, Sandro Furlan, Diana Galimberti, Marzio Galeotti, Devon Garvie, Claudia Giansante, Michael Grubb, Jean-Charles Hourcade, Philippe Jehiel, David King, Enio Klein, Mordecai Kurz, Jean-Jacques Laffont, Umberto Lago, Didier Laussel, Hakloh Lee, Steve Magee, Carlo Magnani, Danilo Mainardi, Marco Mariotti, James Markusen, Guido Meak, Stefano Micelli, Luca Mizzan, Michael Munger, Ignazio Musu, Roger Noll, Wallace Oates, Traudy Pelzel, Giancarlo Pireddu, Andrea Rinaldo, Maurizio Rispoli, Sherwin Rosen, Enzo Rullani, Antonio Russo, Carlo Scarpa, Pierluigi Sacco, Kathleen Segerson, James Snyder, Antoine Soubeyran, Andrea Stocchetti, Thomas Tenerelli, Jean Tirole, Christian Tondo, Patrizia Torricelli, Roger van den Bergh, Jan van der Borgh, Federico Visconti, Giovanni Urga, Anastasios Xepapadeas, Schlomo Weber, Barry R. Weingast, Thaleia Zariphopoulou, Richard Zeckhauser.

FINANCIAL SUSTAINABILITY

NET ASSETS

(Current and constant billion lire)



BALANCE SHEET

ASSETS (lire)	31.12.96	31.12.95
FIXED ASSETS		
Building and Land	15.475.736	16.052.469
Equipment and Machinery	18.736.582	18.176.050
Office Furniture	70.222.842	47.789.066
Other Equipment (electronic machines)	134.323.592	58.036.170
Buildings Under Construction (Stelline)	15.516.795.520	13.108.413.480
Library	219.028.496	
Software	5.713.785	
Total Fixed Assets	15.980.296.553	13.248.467.235
SECURITIES	32.797.891.063	31.250.178.621
CREDITORS	352.665.879	1.207.160.952
CASH AND INTEREST BEARING ACCOUNTS	2.127.236.849	1.995.323.514
ACCRUED EARNINGS	1.092.046.266	1.141.831.032
TOTAL ASSETS	52.350.136.610	48.842.961.354

LIABILITIES (lire)

ENDOWMENT	25.784.442.075	25.784.442.075
CONTRIBUTIONS FROM FOUNDERS	17.030.114.487	14.328.625.441
RESEARCH FUNDS	7.107.047.593	6.675.317.847
NET INCOME	764.454.463	431.144.608
TOTAL NET LIABILITIES	50.686.058.618	47.219.529.971
DEBTORS		
Suppliers	1.161.396.659	1.302.662.757
Other debtors	504.243.833	320.768.626
TOTAL DEBTORS	1.665.640.492	1.623.431.383
- Capital loss on securities	-1.562.500	
TOTAL LIABILITIES	52.350.136.610	48.842.961.354

ASSETS AND LIABILITIES

PROFIT AND LOSS ACCOUNT

COSTS (lire)	1996	1995
PURCHASES		
Library and publications	227.615.965	545.915.050
Equipment	165.302.696	128.663.042
TOTAL	392.918.661	674.578.092
SERVICES		
Research	2.533.273.373	1.854.078.115
Salaries	878.181.177	706.577.565
Scholarships	264.800.380	258.444.443
I.T.	64.141.784	116.473.386
TOTAL	3.740.396.714	2.935.573.509
OTHER COSTS	1.435.532.757	1.362.687.194
DEPRECIATION	147.175.715	52.982.244
OTHER CHARGES	20.091.326	4.537.500
TOTAL COSTS	5.736.115.173	5.030.358.539
REVENUES (lire)		
INTEREST INCOME	3.782.549.636	3.290.550.812
RESEARCH CONTRIBUTIONS	1.839.838.823	1.464.959.908
EXTRAORDINARY ITEMS	878.181.177	706.577.565
TOTAL REVENUES	6.500.569.636	5.462.088.285
NET INCOME	764.454.463	431.729.746

Fondazione Eni Enrico Mattei is a non-profit, non-partisan research institution established to carry out research in the field of sustainable development. Recognised by the President of the Italian Republic in July 1989, it has become a leading international research centre. Since 1990, the Fondazione has also hosted the secretariat of the European Association of Environmental and Resource Economists (EAERE).

From the Director

The activities of the Fondazione in the fields of research, diffusion of scientific knowledge and support to public policy have grown throughout 1996 and in the first months of 1997. The network of researchers based in the most prominent Italian and international universities and research centres has expanded, along with the number of scientific publications, workshops and congresses. A new journal, Equilibri, will be released in cooperation with the publisher il Mulino, starting from 1997.

Our support to public policy has been very rewarding. In particular, I wish to underline our role among the lead authors of the Intergovernmental Panel on Climate Change (IPCC), the activities carried out with the European Commission, the OECD, the UN Commission for Sustainable Development, the Italian Ministries of the Treasury and of the Environment and with the municipal authorities of Milan and Venice for the formulation of their local Agenda 21.



Thanks to these activities, the Fondazione has succeeded in obtaining grants from the European Commission and other international institutions. External funding enables the Fondazione to grow in a framework of financial sustainability, thus guaranteeing the independence and credibility of its work.

In 1996 the Fondazione has moved to its new headquarters at Palazzo delle Stelline, which was put at our disposal by Milan's municipal authorities. These new offices are a unique endowment in the heart of Milan, and the Fondazione will have to strive to use these premises to the city's advantage, promoting culture and the diffusion of knowledge, starting from the new library. Together with the offices in Venice, Palazzo delle Stelline represents an essential ingredient of our activity. The organisation and beauty of these premises will allow us to attract the most qualified researchers and scholars who are the key of all research initiatives.

A handwritten signature in black ink, reading 'Domenico Siniscalco'. The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Domenico Siniscalco

The Fondazione's activities are guided by four fundamental criteria: 1) to analyse relevant and innovative research areas; 2) to focus on "real" world issues; 3) to integrate multi-disciplinary approaches; 4) to create and foster international research networks.

The main areas of research are:

SUSTAINABLE DEVELOPMENT

The analysis of sustainable development requires interdisciplinary expertise, including development, environmental and transport economics, population and migration dynamics, natural resource management policies and international negotiation processes. This programme integrates specific research on each of these issues and highlights the relations that affect the dynamics of sustainable development.

POLITICAL ECONOMY

Objectives, decision-making and results in the economic field are closely interrelated with the workings of political, legislative, and social institutions. This area of research consists of different projects that examine institutions and behaviours from a theoretical and empirical point of view.

THE FIRM AND THE ENVIRONMENT

Firms have a fundamental role in the resolution of environmental problems and in the promotion of sustainable development. This area of research develops tools for environmental accounting and reporting that can be used by firms and guide public policies.



Institutional Supports within this Research Area:

OECD (Organisation for
Cooperation and Economic
Development),
IPCC (Intergovernmental Panel
on Climate Change),
UN (Commission for Sustainable
Development),
DG XII European Commission
(Science, Research and
Development),
EGEA (European Group on
Environmental Accounting),
Milan (Agenda 21),
Venice (Agenda 21).

Programmes

- **Models and Integrated Analysis of Sustainable Development**

(*C. Carraro, M. Galeotti*)

Development of models for the analysis of the policies for climate change control which take into account the dynamics of technical progress, the feed-backs between the economy and the environment, geographic distribution of costs and benefits, timing of interventions and investments.

- **National Environmental Accounting, External Costs, and Indicators of Sustainability**

(*A. Beltratti, M. Pavan*)

Development of a methodology for national environmental accounting and applications to the EU, Italy and the People's Republic of China. Evaluation of external costs associated with the economic activity and study of indicators of sustainability at the international, national, and municipal levels.

- **Water, Natural Resources, and the Mediterranean**

(*C. Dosi*)

Identification of the constraints to economic development and of the potential conflicts that emerge from the scarcity of water and environmental degradation.



- **Employment, Poverty, and Migration**

(*G. Brunello*)

Analysis of the geographic mobility of labour, of the link between migration and the environment, study of the connection between industrial relations and labour market regulations, evaluation of the economic role of education in promoting innovation.

- **Information and Uncertainty**

(*M. Kurz*)

Study of behaviour under uncertainty and different mechanisms for the formation of expectations.

- **Agenda 21 and Participatory Approaches**

(*I. Musu, M. Pavan*)

Assessment of the participatory approach to the management of environmental conflicts; voluntary agreements among firms/business and public institutions.

POLITICAL ECONOMY

Programmes

- **Establishment of International Agreements**

(*C. Carraro, D. Simiscalco*)

Analysis of the negotiation of international environmental policies, of the interactions between environmental, industrial and commercial policies and of the relationship between electoral competition and environmental policies.

- **Institutions for the Creation and Diffusion of Knowledge**

(*G. Barba Navaretti, P. Dasgupta, K-G. Mäler, D. Simiscalco*)

Assessment of the characteristics of knowledge as an economic good and of the institutions that regulate its creation and diffusion.

- **Corporate Governance**

(*F. Barca, M. Becht, E. Berglöf, F. Brioschi, C. Mayer*)

Analysis of corporate governance and the interaction among legislation, ownership and decision making process.

- **Pressure Groups, Self-Regulation, and Enforcement Mechanisms**

(*B. Bortolotti, G. Fiorentini*)

Development of theoretical and empirical

models for the study of competition among pressure groups (firms, unions, lobbies, etc.) and their influence on legislation.

- **Regulation, Antitrust, and Privatisation**

(*M. Fantini, D. Simiscalco, S. Vitalini*)

Analysis of privatisation in different countries and of the effects of the regulation of public utilities; study of the relationship between the new market structures and the current antitrust norms.

RESEARCH



Institutional Supports within this Research Area:

DC XIII European Commission (Telecommunications, Information Market and Exploitation of Research),
DC XI European Commission (Environment, Nuclear Safety and Civil Protection),
DC III European Commission (Industry),
Italian Treasury.



**Institutional Supports
within this Research Area:**

UNCTAD-ISAR
(United Nations Conference on
Trade and Development -
International Standards on
Accounting and Reporting),
DG XI European Commission
(Environment, Nuclear Safety
and Civil Protection),
DG XII European Commission
(Science, Research and
Development),
International Chamber of
Commerce, Environment
Division, Consiglio Nazionale
dell'Ordine dei Dottori
Commercialisti
(Italian National Council of the
Association of Chartered
Accountants),
UNI(Ente Nazionale Italiano
per l'Unificazione - Italian
Standards Agency).

Programmes

• **Environmental Accounting of the Firm**

(*S. Borghini, F. Ranghieri, G. Sammarco, G. Vicini*)

Identification and experimentation of innovative tools for environmental accounting that allow firms to improve their capacity to assess environmental costs and to take investment decisions aimed at improving performance.

• **Environmental Reporting**

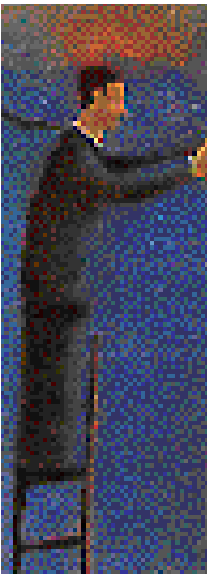
(*M. Bartolomeo, F. Ranghieri*)

Definition of guidelines for environmental reporting by businesses based on a system for the collection and classification of environmental reports that permits sectoral comparisons and analysis of benchmarking.

• **Tools for Improving Ecoefficiency**

(*M. Bartolomeo, S. Borghini*)

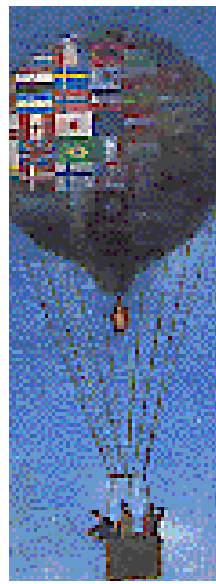
Coordination of an international project on the application of EMAS (ecomangement and environmental auditing) to airports, financed by DG XI in view of the revision of the regulations in 1998. Assistance to firms and professional associations in the identification of tools and methods for the measurement of environmental performance.



• **Training**

(*M. Bartolomeo*)

Definition of a methodology for teaching and training in environmental accounting.



1996

Urban Sustainability Indicators: Methodological Issues and Practical Experiences / Technology, Employment and Labour Markets, with Athens University of Economics and Business / The Mediterranean Water Policies: The Control of Water Non Point Source Pollution, with LATAPSES / 5th International Software Exhibition for Environmental Science and Engineering, with Politecnico of Milan / European Research and Policy in Europe: Filling the Gap / Political Economy: International and Environmental Aspects, with GREQAM Université Aix-Marseille, Université de la Méditerranée and Universidad Autonoma de Barcelona / The Global Wetlands Economic Network / Plotting Our Future - Technology Environment, Economy, and Society: a World Outlook / The Economics and Law of Voluntary Approaches in Environmental Policy, with CERNA, Ecole des Mines de Paris / Situation and prospects in the oil industry of former USSR and its implications for Europe, with AIEE .

1997

Pressures Groups, Self-Regulation and Enforcement Mechanisms / Theory of non linear systems and applications in population dynamics, with Centro Teoria dei Sistemi of CNR / 1st European Corporate Governance Network Conference, with Politecnico of Milan and DG III European Commission / Coalition Formation: Theoretical Advances, with CORE Université Catholique de Louvain / Preparatory meeting



for the "Mediterranean Programme" with European University Institute / Structural Adjustment and Industrialization in Egypt / Trade and Technology Diffusion: The Evidence with Implications for Developing Countries, with the World Bank / Creation and Transfer of Knowledge, with the Beijer Institute / International Environmental Agreements on Climate Change, with Stanford Energy Modelling Forum, Intergovernmental Panel on Climate Change / Environment and Resource Economics, with IDEI, INRA Toulouse / Colloquia on Economic Research, with IGIER / Coalition in Economics with CORE Université Catholique de Louvain / Trade, Industrial Geography and Environment, with Universidad Autonoma de Barcelona and GREQAM Université Aix-Marseille.