

A Renewed Commitment on Sustainable Development

*UN Global Compact
Communication on Engagement*

October 2015

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



FEEM Executive Director's Statement

Our renewed commitment on Sustainable Development

From the very beginning of its activity in 1989, FEEM has devoted its research to sustainable issues becoming a leading institution on a wide range of environmental, energy and global economic issues.

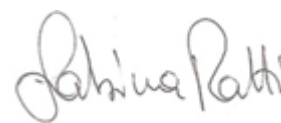
As such, FEEM is aware of its important role in the promotion and implementation of the Ten Principles of the UN Global Compact and the 2030 Agenda and I am proud to say that these areas are of primary concern of FEEM activities and research.

Thanks to the interdisciplinarity of its research, the attention devoted to integrated themes and approaches, collaborations and networks, FEEM can give a key contribution to the promotion of a sustainable future by developing theoretical and applied research projects, disseminating knowledge and supporting the key players of sustainable development.

FEEM's Code of Conduct commits the organization to act in line with UNGC Principles, encourages sustainable behavior from an environmental and social point of view, promotes the responsible use of natural resources in daily activities and underlines the importance of human relationships. Furthermore, the Code rejects corruption and lack of transparency by implementing the tools to counter them. In 2015, FEEM adopted a new "Organisational, Management and Control Model" including a new Surveillance Body.

In order to bring about a pervasive change, FEEM is constantly involved in networking activities to enhance the skills of its researchers and to reach out to all policy levels. For this purpose, FEEM is the national office and hosting institution of several major international networks in the field of sustainable development, including the Global Compact Network Italia (GCNI) and the Sustainable Development Solutions Network (SDSN Italia), an initiative that aims at contextualizing the 2030 Agenda into the local Italian reality.

Following the above considerations, FEEM's participation in the Global Compact (GC) represents the opportunity of pursuing action at both the national and international level. The alignment of goals between the GC and FEEM is a very important lever of sustainable development in the global change path. For this reason, the Foundation renews its commitment to the UN Global Compact and its ten universal principles, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption, and aims to catalyse actions in support of broader UN goals, such as Agenda 2030 including Sustainable Development Goals (SDGs).



Sabina Ratti
FEEM Executive Director

Research activities

FEEM has carried out high level research on sustainable development since its origin, with special emphasis on the economic issues of climate change and the identification of solutions for its mitigation (SDGs 7 and 13, Principles 7, 8 and 9). This focus has allowed FEEM to establish itself, over the years, as an internationally recognized research center and a think tank with a solid reputation for policy advocacy activities. This position has become increasingly consolidated thanks to FEEM's active participation in the most important international events dedicated to the discussion of the 2030 Agenda and to the pursuit of sustainable development issues.

To better align FEEM's core activities with the new directions of international research on climate change, and to respond to its stakeholders' requirements, in 2015 FEEM has renewed and reorganized its research programmes. The present organization is shown in the figure here below.

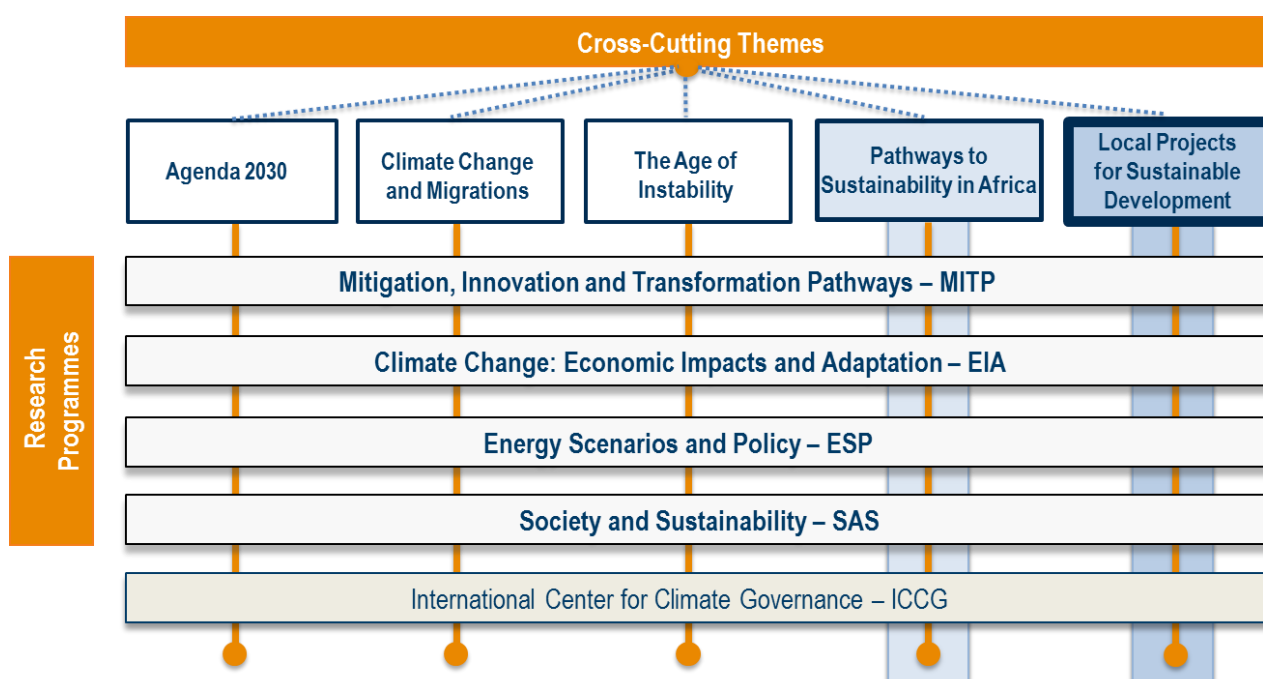


Figure 1: 2016 FEEM research organization

Mitigation, Innovation and Transformation Pathways (MITP) program aims to assess and provide guidance to the economic transition towards a low carbon world. Climate change mitigation plays a key role, given the fundamental transformation of the economic, energy, land and water sectors required to decarbonize our society and achieve climate stabilization. MITP aims at investigating which strategies and policies are needed to attain a low carbon economy while considering economic efficiency, equity and sustainability at large. In this respect, MITP focuses on the interactions of different environmental systems with the economy.

Climate Change: Economic Impacts and Adaptation (EIA) program carries out its activities in the areas of the economic impacts of climate change, the relationship between climate change and

Sustainable Development Goals (SDGs), the risk management related to extreme events, the relationship between economic development and adaptation measures and the climate change impacts on ecosystems.

Energy Scenarios and Policy (ESP) program is focused on defining scenarios and energy policies. The ESP program carries out scientifically sound prospective and policy-oriented applied research on the issues of energy, targeted at political and industrial decision makers. Considering the leading role of FEEM in terms of research in Italy, this new approach on energy issues will be applied on selected regions of the world, which might be considered as the most strategically relevant for FEEM and for Italy's future energy, economic and political external relations.

Society and Sustainability (SAS) program works to foster general awareness and understanding of some rapidly emerging themes related to sustainable development issues both in the private and the public sectors. Societal changes, indeed, are the heart of this sustainable growth, since societies, intended as complex systems where people, firms, markets and local authorities interact and influence each other, are asked to co-evolve improving their abilities to prevent environmental damages and to deal with the consequences of environmental changes.

In order to foster integration among all its activities and to improve multidisciplinary across the different research programs, in 2016 FEEM has also re-organized the cross-cutting themes:

- *Agenda 2030* – the area is a cross strategic key of all FEEM activities and, in particular, systematizes studies and analyses on issues related to the 2030 Agenda, assessing the synergies and trade-offs involved in achieving the relevant SDGs in 2030 and exploring the role of the private sector in achieving the SDGs. The cross-cutting theme will focus on the FEEM core research, thus on SDG7 (“Ensure access to affordable, reliable, sustainable and modern energy for all”), and SDG13 (“Climate action”); it will also focus on climate finance, a crucial driver of the investments that are required to achieve Sustainable Development Goals;
- *Climate change and migrations* – this is a very highly sensitive economic and policy issue. Migrations towards Europe are presently at the heart of the political debate and search for consensus. But migrations around the world, particularly in developing countries are an even hotter topic. It is therefore crucial to understand their link with climate change and how future impacts of a changing climate, steadily increasing, will induce even larger migration phenomena.
- *The age of instability* – migrations are not the only relevant issue with the potential to destabilize our societies. Instability and the related uncertainty is a pervasive phenomenon, affecting all dimensions of our societies, from financial markets to food production, from energy sources to the development of cities, from crimes and wars to health and virus control. A wider perspective on FEEM traditional sustainability issues would therefore be fruitful;

- *Pathways to sustainability in Africa* – it consists in a series of research, studies, events, capacity building initiatives in Africa. They have been designed to give FEEM a role as a think tank providing knowledge production and dissemination on sustainable development in Africa, particularly Sub-Saharan Africa.
- *Local projects for sustainable development* – intends to contribute to the economic and social development of local communities through scientific research, applied research and advanced training and dissemination initiatives. The activities take place in agreement with the territory, in collaboration with local public and private institutions. There is a constant dialogue among FEEM and the key actors of the territory for the achievement of the common goal of a sustainable local development.

International Center for Climate Governance (ICCG), a joint initiative of FEEM and Fondazione Giorgio Cini, is an internationally renowned center aimed to analyze the interlinkages between the economic, social, cultural, ethical, and political dimensions of climate governance, fostering the interaction between political scientists, economists, policymakers and business leaders (see the paragraph “*Policy advocacy activities and partnerships for Sustainable Development*”).

In 2015, FEEM has developed 27 projects, 12 of which funded by the European Union, 9 by other subjects and 6 self-financed.

Research Outputs

Communication activities are a strategic tool for the disclosure and dissemination of research themes and results. FEEM is internationally recognized for its publications – among which working papers occupy a prominent position – and, at national level, for the organization of events on issues of sustainable development in support of policy making, the private sector and informed public (mainly SDGs 6, 7, 12,13, 15 and Principles 4-9).

FEEM has published 2,613 *Working Papers* (WP) since 1993. Most of them deal with issues relating to climate change and environmental economics. In 2015 43% of the working papers authored by FEEM researchers have been published in important international scientific peer reviewed journals, and a total of 129,610 downloads of FEEM Working Papers have been registered by leading databases and websites. In 2015 the main topics covered by the working papers were: Climate Change, Mitigation, Adaptation, Migration, Water, Low Carbon, Renewable Energy, Energy Policies and Scenarios, Oil Markets and Sustainable Development.

Working Papers	2013	2014	2015
FEEM working paper series "Note di Lavoro"	110	110	110
of which			
with at least one FEEM author	46 42%	44 40%	51 46%
with at least one FEEM author and published in journals	18 39%	18 41%	22 43%
Downloads from other sites	113.154	139.688	129.610
of which			
Social Science Research Network SSRN	26.642	15.919	18.254
Berkeley University Press*	4.363	8.198	4.400
RePEc**	8.567	7.357	5.428
AgEcon	53.028	79.833	81.854
ZBW	20.554	28.381	19.674

* The 2013-2015 data differ from the data published in the 2014 Annual Report due to the reorganization of the Berkeley University online platform (now hosted by Digital Commons) from which the data have been obtained, and due to changes in uploading methodology.

** The 2013 and 2014 data have been reclassified compared to those published in the 2014 Annual Report. The 2014 decrease reflects a physiological trend compensated by the increase in the downloads from other sites such as SSR N and AgEcon.

Books represent another important channel for research dissemination activities. Currently FEEM publishes two editorial series on issues of sustainable development and global governance: an Italian series with Il Mulino (since 1993) and an English one with Edward Elgar (since 2001). Regarding dissemination activities to a wider audience, FEEM publishes the four-monthly journal on sustainable development, *Equilibri*, in collaboration with the university press il Mulino.

The organization of *Events* has always been a strategic activity for positioning the Foundation in the national and international debate, for disseminating the research outputs related to sustainable development and for developing the network and involving FEEM's target audiences:

policy makers, academia and scientific community, enterprises, institutions and the wider public. In 2015 FEEM organized a total 108 events, including conferences, workshops and lectures (53 events), seminars and webinars (55 events) – the latter introduced in 2015 and alternated with the traditional seminars for even more agile and sustainable fruition.

Events	2013		2014		2015	
Total events of which	99		97		108	
Conferences, workshops and lectures	43	43%	41	42%	53	49%
Seminars and webinars*	56	57%	56	58%	55	51%

*Webinars since 2015

FEEM has always been engaged in the organization of *educational events* on sustainable development (SDG 4), particularly in training and developing the ideas coming from national and international talents. Training and support for scientific careers is achieved through the active participation (with both "incoming" and "outbound" researchers) to Marie Curie individual fellowship programs, but also through internships and through the organization of Summer Schools of high scientific value, such as the traditional European Summer School on Environmental Regulation, held every year in Venice and others at local level.

Policy advocacy and support to policy making

FEEM regularly maintains and develops interactions with the academic and research world – essential link to ensure research quality and scientific rigor – and renews the dialogue with the private sector, including Eni, public institutions and civil society, thanks to an intense networking activity (SDG 17).

FEEM supports public institutions through policy advocacy activities aimed at raising awareness on key issues of sustainable development and based on the results and on the scientific rigor of the research produced. With the business world, FEEM collaborates for creating sustainable value, supporting the private sector in the identification of the actions and tools needed to strengthen, monitor and report its contribution to sustainable development. Finally, the Foundation actively involves civil society in the debate on the main international issues by organizing public events, involving some of the leading world experts, and training initiatives on FEEM research themes, and in particular on climate change, energy and social innovation.

Policy advocacy on climate change mitigation, adaptation and solutions

The transformative contribution of FEEM regarding climate change issues (SDGs 7 and 13, Principles 7, 8 and 9) mainly concerns three areas, in line with the organization's mission (for further details see the web site: feemforclimate.it).

Since 1995 FEEM has contributed to the *Intergovernmental Panel on Climate Change (IPCC)* – the leading international body for the assessment of climate change, established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) – with a growing number of Lead Authors. Moreover, since 2008 Prof. Carlo Carraro, FEEM Scientific Director, is Vice Chair of Working Group 3, dealing with mitigation and costs. The last Assessment Report (AR5), presented at COP21 in Paris, has seen an extraordinary contribution of FEEM, with 5 authors in the group of 831 Leads.

Since 1995 FEEM has been an active player in supporting the negotiation process promoted by the *United Nations Framework Convention on Climate Change (UNFCCC)*, the international organization aimed to build a shared strategy for fighting against climate change and mitigating climate change impacts.

Since 2003 FEEM has always been present at the COP meetings with the organization of and participation in some "side events" on the most important topics for debate and negotiation.

In 2015, the *Paris Conference COP21* was a turning point in the climate negotiations process, as it had to address the theme of the *Post 2020 International Strategy*. FEEM has participated in several preparatory meetings, scientific conferences and thematic sessions organization, including the conference "*Our Common Future under Climate Change*" in Paris, with "On the macroeconomic opportunity of climate policy" session and several scientific presentations, and the *Climate Week NYC*, with the "Funding Low Carbon Transition" side event at the UN headquarters and the participation in the "Climate Change Policy Research After Paris" workshop.

FEEM was in the forefront in the organization of parallel events during COP21:

- *"Financing mitigation: how to get to an equitable global financing regime?"* session, co-organized with France Stratégie in the *"Climate Financing in Developing Countries"* side event, organized by Fondation pour les Etudes et Recherches sur le Développement International (FERDI);
- *"Can National Policies and INDCs alone lead to a Workable and Effective Climate Regime?"* event, co-organized with Ca' Foscari University of Venice, FERDI and Climate Works Foundation;
- *"Transparency, Policy Surveillance, and Levels of Effort"* event, organized in collaboration with Resources for the Future (RFF) and Research Institute of Innovative Technology for the Earth (RITE);
- *"Multi-Level Climate Governance: An Integrated Analysis of National, Regional and Local Policies"* event, co-organized with Center for Research on Energy and Environmental Economics and Policy (IEFE) of Bocconi University and University of Edinburgh.

Furthermore, FEEM participated in some other COP21 parallel events organized by other institutions:

- *"Unequal Costs of Climate Change: Economics of Impacts and Adaptation at the Regional Level"*, organized by OECD.
- *"The IPCC at a Crossroads: Enhancing the Usefulness of IPCC to the UNFCCC Process"*, organized by PIK, Harvard University and Stanford University.
- *"Regions and Climate Change: a Major Challenge for local Communities"*, organised by BC3, CMCC, and SISC.

Finally, FEEM actively supports policy making through the *International Center for Climate Governance (ICCG)*. Founded in 2009 as a joint initiative of FEEM and Fondazione Giorgio Cini, ICCG is an internationally renowned center aimed to design climate policy and related governance issues. ICCG is indeed regularly consulted by policy-makers, institutions and research centers, and it organizes scientific events of international relevance, lectures, seminars and workshops and training activities targeted to students, researchers, business leaders and policymakers.

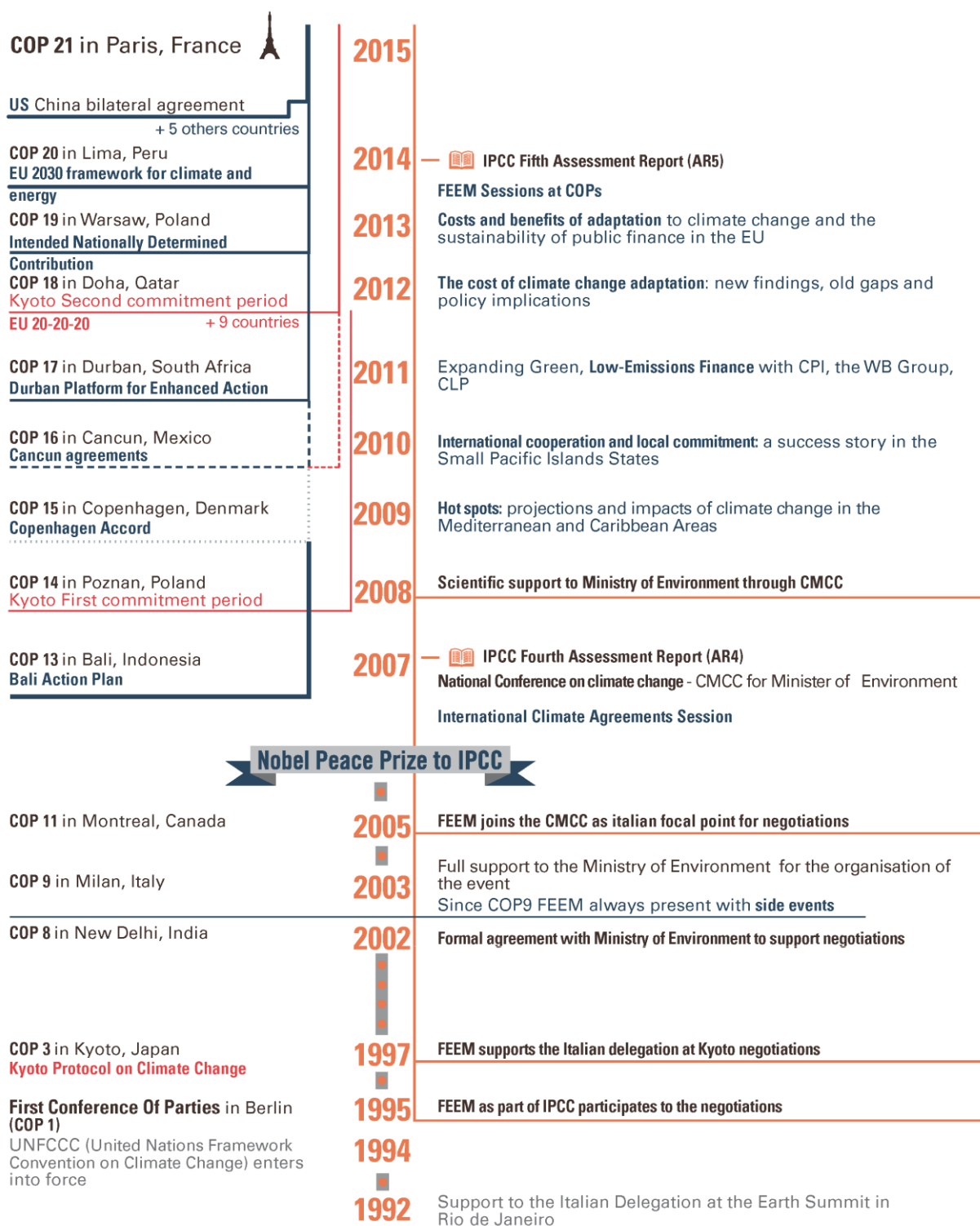


Figure 2: Infographic of the FEEM commitment on COPs

Support to policy making at national and local level

At the national level, FEEM has contributed to policy making through a constant relationship with the Ministries. FEEM is part of the Committee on Natural Capital launched by the Italian Ministry of the Environment in November. The objective of the Committee is the assessment of Italy's natural capital. FEEM has been involved in the training activities on climate change policies carried out by the Italian Ministry of University and Research (MIUR) and it has participated in the committee set up by the Cabinet of Ministers aimed at identifying policies for the decarbonization of the Italian economy.

Finally, at local level, FEEM has supported the policy making process through a strict collaboration with local institutions for the sustainable development of the local territory (SDGs 8 and 12, Principles 3, 4, 5, 6).

In particular, FEEM has a regional office in the Basilicata region since 2007 as part of an agreement signed by Eni for the exploitation of the oil and gas fields in the area. FEEM's mission is to contribute to the economic and social development of the region, and to support Eni in its plan to develop the local resources and skills through networking, research activities and advanced training. Human capital and innovation are key drivers of economic growth, and leveraging on the existing networks and skills is central to the process of local endogenous growth.

Furthermore, with regard to the city of Milan, FEEM has played a fundamental role in the debate and critical thinking on the issue of sharing economy and on the role of "collaboration" in the socioeconomic context. FEEM supported the Milan's City Council in experimenting new collaborative solutions in the urban context, and in 2015 FEEM has been nominated a Local Actor of the sharing economy by the City Council.

Networking and Global Partnerships

In order to promote knowledge and awareness on the UNGC Ten Principles and SDGs implications across the different components of Italian society, FEEM is constantly involved in research and dissemination activities that promote the understanding of the implications and opportunities arising from the 2030 Agenda for the different actors in order to stimulate the construction of a strategic framework for the implementation and monitoring of sustainable development (SDGs 17).

With the aim of concretizing the 2030 Agenda within the national context, in the last months of 2015 FEEM, in collaboration with the Mediterranean hub of *the Sustainable Development Solutions Network* (UN SDSN-Med), has agreed to become the hosting institution of *SDSN Italia*. The network has the goal of promoting SDGs in Italy by developing activities and projects consistent with international programs led by SDSN, particularly in the fields of education, test and collection of innovative practices on the various topics covered by 2030 Agenda, dissemination of solutions and tools developed in the academic, business and public organizations worlds.

SDSN Italia also aims to promote dialogue between national, regional and global initiatives for the SDGs, through the dissemination of international excellence in Italy, but also through the international promotion of the experiences conducted by companies and organizations in our country. The Italian hub of the network also aims to foster dialogue among the subjects that wish to carry out concrete projects with a high impact on common objectives, favoring a positive relationship between academia and the private sector in the context of a coherent strategy for Italy.

FEEM can ensure the creation of useful synergies between the two networks, in particular to support the contribution of Italian companies to SDGs, also as a founding member and as the Italian office of the *Global Compact Network Italia Foundation (GCNI)* since 2013, and as an active member of the *Alleanza per lo Sviluppo Sostenibile (ASviS)*, a national network that brings together civil society networks and aims to raise awareness of the importance of the 2030 Agenda in Italian economic entities, institutions and society.

Following the development of multi-stakeholder partnerships for sustainable development as a key means of implementation recognized by the United Nations to effectively achieve the Goals, FEEM has strongly promoted an alliance between ASviS, Global Compact Network Italia and SDSN Italia with the aim to raise awareness of all institutional, economic and social actors on the national territory for promoting actions that contribute to an effective achievement of Sustainable Development Goals.

Thanks to this network of partnerships, as well as to research and dissemination activities, FEEM contributes to the concrete implementation of the 10 Principles of the Global Compact and, in particular, to the realization of the implementation strategy of the Sustainable Development Goals.

In order to promote knowledge and awareness on sustainable development, with a particular focus on green growth, Prof. Carlo Carraro, FEEM Scientific Director, has been appointed as new Chair of the Advisory Board of Green Growth Knowledge Platform (GGKP), a global initiative of the World Bank, the OECD and UNEP.

FEEM People

People and intellectual capital are FEEM's key resources. It is through the work of FEEM researchers and staff that FEEM disseminates knowledge and awareness of sustainable development. FEEM works with institutions to support the economic and social fabric of our Country (Principles from 1 to 6 and SDG 8).

Rejecting any kind of discrimination (Principles 6 and SDG 5), the gender audit yields a balanced mix in the organization, with a prevalence of women (60% in 2015). Notably, regarding its top management, the Chair of FEEM's Board of Directors and the FEEM's Executive Director are women.

This pattern is observed across categories, confirming the same balance by gender among researchers, non-permanent staff and employees. The average age in the three years examined shows that FEEM is a relatively "young" organization: 37.6 years in 2015.

FEEM pursues flexibility in its organization structure. FEEM stimulates its people to achieve personal goals and support them in developing improved capacities.

FEEM provides training and support to scientific careers through "incoming" and "outgoing" individual Marie Curie Fellowships (2 in 2015), but also through Internships (8 in 2015).

As far as nationalities are concerned, there is a high number of non-Italians.

The research community is composed of people coming from 17 countries around the world, among which: Australia, Bangladesh, Bolivia, Canada, China, Kazakhstan and Peru.

	2013		2014		2015	
Researchers	103		97		84	
Junior Researcher	62	60%	54	56%	49	58%
Senior Researcher	23	22%	23	24%	20	24%
Research Associate	18	18%	20	20%	15	18%
of whom post graduates	78	76%	79	81%	56	67%
qualification obtained abroad	42	54%	43	54%	37	66%
Master only	34	33%	36	37%	19	23%
Ph.D. only	11	11%	8	8%	9	11%
both	33	32%	35	36%	28	33%
Italians	84	82%	78	80%	69	82%
Foreigners	19	18%	19	20%	15	18%
<i>Average age</i>	<i>35,7</i>		<i>36,3</i>		<i>36,1</i>	