



Leaders of 16 congregations of Dominican sisters visit Times Square and the Morgan Stanley headquarters in June 2018 to kick off the formation of their Climate Solutions Funds. (Courtesy of Morgan Stanley)



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June 18, 2020

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Sixteen U.S. congregations of Dominican sisters have pooled more than \$46 million to establish a new investment funds initiative aimed at financing solutions to address climate change and assist communities worldwide most at risk.

The new Climate Solutions Funds are a collaboration five years in the making between the Dominican sisters and prominent investment firm Morgan Stanley. The sisters provided initial seeding of \$46.6 million in 2018 for the funds, which with additional capital investments have grown to \$130 million. The money will be directed toward global projects pursuing solutions to climate change as well as achieving the United Nations Sustainable Development Goals.

The initiative was announced June 18, the fifth anniversary of the public release of Pope Francis' social encyclical on the environment and human ecology, "*Laudato Si'*", on Care for Our Common Home." The Vatican and Catholics worldwide [began celebrating the milestone in May](#).

"We are bringing these resources to the marketplace to help address our deep concern about the integrity of God's creation and the people most impacted by climate change," the Dominican congregations, representing approximately 3,500 U.S. women religious, said in a press release.

In the release, the Dominicans said their revenues "come from the ministerial earnings of their sisters, which are pooled along with donations in support of their mission, social security payments and earnings on investments of these resources."

The sisters worked with Graystone Consulting Group, a division of Morgan Stanley, to craft the funds after they couldn't find an existing option that integrated climate solutions with the Sustainable Development Goals: the 17 global benchmarks to address a host of issues by 2030, from ending poverty and hunger to ensuring access to clean water, clean energy and sustainable work.

That integration was critical for the sisters, said Sr. Pat Daly, a Caldwell Dominican who played a leading role in the funds' formation.

"We wanted to make sure that the climate transition was also attending to environmental justice and also integrating other related impacts of climate change, such as water and food and other impacts on women," she told EarthBeat.

Dominican Sr. Elise Garcia, a member of the Adrian Dominicans' general council and president-elect of the Leadership Conference of Women Religious, added the sisters sought that the funds "be paired as much as possible with addressing the needs of the communities most impacted by the deleterious effects of climate change."



Dominican Srs. Elise Garcia, left and Pat Daly, right, share a moment during the kick-off of the Climate Solutions Funds initiative at Morgan Stanley headquarters in New York City in June 2018. (Photo courtesy of Morgan Stanley)

She called the investment funds "a wonderful collaboration among us Dominicans" reflecting a central concern. The ongoing coronavirus pandemic, she said, "has so

revealed the fault lines in our society," in the racial disparities among those most suffering from COVID-19 as well as the people exposed to the consequences of climate change.

Garcia said the climate funds initiative is a "fundamental response" to Pope Francis' call in *Laudato Si'*.

"His sense of wanting to have an integrated approach to combating poverty, restoring dignity to the underprivileged, and at the same time protecting nature ... is precisely what the Climate Solutions Fund aims to address," she said.

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The funds are in the beginning stages of pursuing investment opportunities.

Projects that have been targeted include providing access to clean energy for communities in sub-Saharan Africa and small businesses in India, as well as constructing shipping pallets from lighter, recyclable plastics and upgrades for utilities to increase energy efficiency.

The Climate Solutions Funds are composed of a private fund and a public fund. The private fund has closed the door to additional investors, while the public fund remains open.

Among the initial group of additional funders are CommonSpirit Health, the Oblate International Pastoral Investment Trust and the Franciscan Sisters of Mary.

John O'Shaughnessy, chief financial officer for the Franciscan Sisters, said they were "intrigued" by the initiative from the start. He said while other funds might be larger, he could not recall another that combined social and environmental impacts like this.

"To my knowledge it's never been attempted by a group of Catholic institutions," said O'Shaughnessy, who served as a financial adviser to Catholic congregations for three decades and founded the Catholic Impact Investing Collaborative.

Mercy Investment Services, a financial resource of the Sisters of Mercy of the Americas, has a similar [Environmental Solutions Fund](#) that ties several Sustainable Development Goals to investment strategies in clean tech, water, green buildings and sustainably agriculture and forestry. Since 2014, it has garnered \$78 million in

commitments.

Timothy Smith, a shareowner engagement director for Boston Trust Walden who for nearly 25 years led the Interfaith Center for Corporate Responsibility, said the Dominicans' partnership with Morgan Stanley is significant, in that a major mainstream investment manager is bringing this type of climate-focused initiative to market.

"While there are numerous funds which help investors avoid major polluters or fossil fuel companies, there are few platforms which focus on solutions and supporting the poor who are adversely affected by climate change," he said in an email.

In October 2015, the Earth Council of the Northeast Dominicans proposed that the congregations' investments be directed in a way to finance both the shift to renewable energy and achieving the Sustainable Development Goals.

Several months after the decision was approved, no investments had been made, said Daly, a member of the Earth Council, primarily because they could not find a fund that incorporated the dual goals. A climate finance task force was formed to identify a company that could build a fund for them. After dozens of calls and meetings, the sisters landed on Graystone, a women-led group of financial investors.

On June 18, 2018, the third anniversary of *Laudato Si'*, Dominican leaders submitted their seed commitments while visiting the Morgan Stanley headquarters in New York's Times Square.

The congregations include:

- In California, the Dominican Sisters of St. Catherine of Siena in Saratoga; Mission San Jose Dominican Sisters in Fremont and San Rafael Dominican Sisters;
- In Illinois, the Springfield Dominican Sisters;
- In Michigan, the Adrian Dominican Sisters and Dominican Sisters of Grand Rapids;
- In New Jersey, the Caldwell Dominican Sisters;
- In New York, Amityville Dominican Sisters, Blauvelt Dominican Sisters, Dominican Sisters of Hope of Ossining, Dominicans of Sparkill and Maryknoll Sisters of St. Dominic;
- In Ohio, the Dominican Sisters of Peace;

- In Texas, the Dominican Sisters of Houston;
- In Washington, the Tacoma Dominican Sisters;
- In Wisconsin, the Sinsinawa Dominican Sisters.

Each of the congregations is a member of the Interfaith Coalition on Corporate Responsibility and has been engaged in socially responsible investing for years. Beyond finances, the congregations, like many women religious, have for decades made stewardship of the earth a primary part of their mission.



"We are bringing these resources to the marketplace to help address our deep concern about the integrity of God's creation and the people most impacted by climate change," said 16 congregations of Dominican Sisters about their new Climate Solutions Funds initiative. (Photo courtesy of Morgan Stanley)

The [Dominican Sisters of Hope](#) and Mission San Jose Dominican Sisters set aside portions of their properties as land trusts to protect them from future development. The Dominican Sisters of Peace [converted land around their Kentucky motherhouse into a farm](#) implementing sustainable practices. The Adrian Dominican Sisters have

been [practicing permaculture since 2012](#).

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"I think that all of our Dominican congregations and certainly many other congregations of women religions have long been concerned about the dual cry of the earth and of people who are impoverished," Garcia said.

Daly, a [longtime leader in social impact investing](#) and corporate responsibility advocate, said the new climate funds initiative "marks a new moment of collaboration in the world of finance," and hopes that it will inspire other religious groups, as well as Wall Street firms, to not just pursue options to avoid investments in fossil fuels or finance renewable technology, but "incorporate viability for the planet" in their plans.

"The financial sector needs to be directing investment monies into companies and initiatives that will actually benefit the earth and secure the health of the planet, rather than what we've known for the last 100 years," she said.

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