News
EarthBeat



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In the days of the Renaissance, the Catholic Church was near the peak of its power. The combination of political influence and vast wealth positioned the Vatican in the 15th and 16th centuries as one of the prominent patrons of the arts during one of the most culturally rich periods in human history. As financier, the church paved the way for many of the masterpieces still found all around Rome, from the works of Raphael, to Bernini's Fountain of Four Rivers, to Michelangelo's giant frescoes on the ceiling of the Sistine Chapel.

Today in the Eternal City, a group of Catholics is seeking to wield church finances to impact the world again, this time to fuel an energy renaissance to move human civilization beyond the age of fossil fuels and help usher in a clean energy era at a time that scientists say is critical for curbing global warming.

Since 2016, the Global Catholic Climate Movement has championed the fossil fuel divestment movement within the church, and its divest-reinvest campaign has played a key role in declarations from roughly 250 Catholic institutions that they will

end investments in coal, oil and gas industries or — if they do not invest now — continue to shun them while pursuing renewable alternatives.

Catholic institutions are among the most numerous in the divestment movement, which overall so far has moved an estimated $14.5 trillion away from fossil fuels. Faith-based organizations, about half of them Catholic, represent 34% of the 1,300-plus divesting groups.



Catholic institutions are among the most numerous in the divestment movement, which so far has moved an estimated $14.5 trillion away from fossil fuels. (Pixabay/jplenio)

Still, with tens of thousands of Catholic organizations and institutions around the globe, the divest-reinvest campaign has a long way to go before it can declare the Catholic Church has left fossil fuels behind. But the potential leverage of global church finances, along with increasing support from Pope Francis and the Vatican, has the Global Catholic Climate Movement campaign poised for the challenge.

"It's David vs. Goliath," said Tomás Insua, Global Catholic Climate Movement co-founder and executive director.

Fossil fuel companies are "so, so big that it takes a lot to take them down, but it's slowly happening," he said. "It will happen. The question is how fast it happens."

Boost from Amazon synod

South of Vatican City and across the Tiber River, the Global Catholic Climate Movement's Rome headquarters is tucked away atop a tree-covered hill in the working-class Trastevere neighborhood.

In late October 2019, the office was abuzz about the final document of the special Synod of Bishops for the Amazon, which had just ended at the Vatican. Paragraph 70 of the document stated: "We embrace and support campaigns of divestment from extractive companies responsible for the socio-ecological damage of the Amazon, starting with our own Church institutions and also in alliance with other churches," and repeated an earlier call from Francis for a radical energy transition.



Patricia Gualinga speaks at a news conference to discuss the Synod of Bishops for the Amazon at the Vatican Oct. 17, 2019. (CNS/Paul Haring)

"It's a major win," Insua told EarthBeat inside the Rome office a day after the document was issued.

The Global Catholic Climate Movement staff had been tracking the synod proceedings closely, talking with participants, including Patricia Gualinga, one of the

many Amazonian Indigenous leaders who took part in the three-week gathering.

During the synod, Gualinga, a member of the Kichwa people of Sarayaku in Ecuador, called on the bishops to examine their dioceses' financial ties to the fossil fuel industry. She pressed the church to be consistent in its words and actions, including with its finances. After she spoke, several bishops told her they weren't sure where their money was invested.

"In our territories what's happening is a lack of free, prior and informed consent. Without obtaining the consent of the Indigenous peoples, [these companies] violate rights, destroy nature, have a social impact and create chaos. This is something we've seen constantly," she told EarthBeat.

Before returning home, Gualinga and José Gregorio Díaz Mirabal, the general coordinator of COICA, a coordinating group of the major indigenous organizations in the Amazonian countries, delivered a letter to Francis asking him to direct the Vatican bank away from investments in fossil fuels, mining and other extractive industries. But the inclusion of divestment in the bishops' final document was already a win.

"This is a big boost because it really legitimizes the campaign even more, if it was needing any more legitimization," Insua said.

In 2016, a year after it formed amid Francis' trip to the typhoon-ravaged Philippines and months after the release of his landmark encyclical "*Laudato Si*', on Care for Our Common Home," the Global Catholic Climate Movement created its divest-reinvest campaign.

The effort was part of a larger push for divestment begun in 2012 by the grassroots climate organization 350.org and its co-founder Bill McKibben, initially targeting college campuses.

When the Global Catholic Climate Movement began its work, only a handful of Catholic institutions, including the University of Dayton and the Sisters of Loretto, had announced plans to fully divest from fossil fuels. Student campaigns on Catholic campuses had yielded limited results, with only Georgetown University committed to cutting coal from its endowment.

The sentiment in the Global Catholic Climate Movement was that the Catholic Church was trailing other groups, including its Protestant peers.

"We were definitely behind," Insua said. "We were laggards, total laggards."

The divest-invest campaign sought to change direction.

In a short time, the Global Catholic Climate Movement expanded its network from 19 organizations to hundreds and now thousands of Catholic organizations, schools, dioceses and religious orders worldwide. Campaigns like its Catholic Climate Petition ahead of the 2015 COP 21 climate summit in Paris and Laudato Si' Pledge in 2017 built a database of contacts to begin conversations about divestment.



Daniela Finamore outside the offices of the Global Catholic Climate Movement in Rome (EarthBeat photo/Brian Roewe)

In some cases, the conversations were already happening. In others, the idea was broached for the first time. Daniela Finamore, who led the campaign until December, said the strategy was to first make a moral case for divestment — "why Catholics should not profit on fossil fuel" — and then discuss the financial side of the equation.

The value of fossil fuel stocks has been in decline for decades, said Ernest Zampelli, professor emeritus of economics at Catholic University of America, who specializes in energy economics and has consulted for the U.S. Department of Energy on forecasting oil and gas supplies since the 1980s.

As governments have enacted climate policies, investors increasingly have viewed companies' vast fossil fuel reserves as stranded assets, he said.

"They're not going to earn any value, and so that puts downward pressure on the share prices of the companies in the fossil fuel industry," Zampelli said.

In 1980, the energy sector represented a quarter of the S&P 500. After peaking at nearly 30%, it dropped to 13% by 2009, according to studies, and to less than 3% by 2020. During the pandemic, oil prices went negative at one point.

"If you owned oil, gas, coal in the past 12 years, you've earned nothing on your investments," said John O'Shaughnessy, chief financial officer for the St. Louis-based Franciscan Sisters of Mary, which divested in 2014. "They may be worth less than they were back then."

Mark Campanale, founder of the Carbon Tracker Initiative, a financial think tank monitoring the energy transition, who attended recent Vatican gatherings with oil executives, said fossil fuels have largely underperformed over the past five years, as renewables have become cheaper.

"It's gone from being a moral argument to being a financial argument," Campanale said. He added that Francis has also elevated the issue of justice, as the world's poorest countries, which bear the brunt of the negative consequences of burning fossil fuels, stand to benefit greatly from a transition to cleaner sources.

"We just need to get Catholic institutions to understand first why it's a problem and how fossil fuels are at the core of the climate crisis," Insua said. "And second, that without knowing it many of them are investing and profiting actually from this."

Campaign begins with joint actions

In June 2016, days ahead of the first anniversary of *Laudato Si'*, the Global Catholic Climate Movement made its first joint divestment announcement, consisting of four religious orders in the Pacific, one of the parts of the world most threatened by rising sea levels tied to global warming. Among them were the Marist Sisters in Australia.

"Dependence on fossil fuels is contributing to adverse climate change, which affects everyone but especially the poor and vulnerable," the sisters wrote in a statement at the time. "In his encyclical, Laudato Si, Pope Francis calls on us to reduce carbon emissions and develop sources of renewable energy. Divesting of fossil fuels is one way that we can be stewards of God's gift of creation so that life in all its forms can be sustained now and into the future."

Within months, a second joint divestment announcement followed, this time involving a group of seven, including the first diocese, Umuarama in Brazil. The event coincided with the Oct. 4 feast day of St. Francis of Assisi, the patron saint of ecology. Although decisions in some cases were made months earlier, joint announcements were planned "to be more impactful," Finamore said.

An early sign that momentum was building came in October 2017, again on the feast of St. Francis, when 40 Catholic institutions publicized their pledges. The group was loaded with symbolism: the Italian Diocese of Assisi-Nocera Umbra-Gualdo Tadino, the town of Assisi, and the Sacro Convento monastery that houses the 13th-century saint's remains.

"That was a big moment," Finamore said.

One of the most consequential announcements came months later, on Earth Day 2018, when Caritas Internationalis, the Catholic humanitarian agency with chapters around the world, stated it was forgoing investments in fossil fuels.

"The poor are suffering greatly from the climate crisis and fossil fuels are among the main drivers of this injustice. That is why Caritas Internationalis has decided not to invest in fossil fuels anymore," said Cardinal Luis Tagle, Caritas president, who encouraged its members and other church organizations to follow suit.



Fr. Paul Moonjely, executive director of Caritas India, announces the Catholic aid organization will divest its financial holdings from fossil fuels during a Sept. 10, 2018, event in San Francisco hosted by the Divest-Invest Network. (Courtesy of Global Catholic Climate Movement)

The Caritas announcement was huge for several reasons. First, many of the country-based agencies witness in their work the impacts of climate change on the world's poor. Second, the international office's commitment opened a new door for the campaign.

"This was really important because we had the possibility to write to each Caritas agency to say, 'OK, your president said that you should divest,' " Finamore said.

To date, nine Caritas agencies have divested.

The case demonstrated to the Global Catholic Climate Movement and its partners the importance, and payoff, of convincing top-level organizations in a hierarchical church to divest, then garnering buy-in from the lower levels. Eventually, they began targeting bishops' conferences, primarily in Europe.

The effort was more time-consuming and required different tactics. Connecting to "the local cry of the Earth" is important, they learned. In some countries, like Austria, the conference led; in others, the bishops acted only after seeing movement from the grassroots. That was the case in Ireland, where the national Catholic development agency Trócaire pushed not only the bishops, but the entire country, which announced divestment plans in July 2018.



People celebrate July 12, 2018, after the passage of the Fossil Fuel Divestment Bill in Ireland. (Mark Stedman)

Irish religious orders were among the first to divest, but dioceses began to follow after the bishops' conference made its announcement during the 2018 World Meeting of Families. This year's Laudato Si' Week joint divestment announcement on

May 17 included six Irish dioceses.

But while bishops' conferences in Austria, Belgium, Bangladesh, Greece and the Philippines are among those joining Ireland in divesting, others, including the U.S. Conference of Catholic Bishops, have been silent. The conference has not even updated its investment guidelines since 2003, a decade before Francis lent his voice to the call for a transition away from fossil fuels. (See accompanying story.)

Activists outnumbered by 'apathetic middle'

Nevertheless, not everyone believes divestment is the best, or even an effective, strategy.

Tensions arise between divestment activists and shareholder advocates, who argue it's better to maintain a seat at the table with corporations and try to effect change from the inside rather than cutting all ties.

Over the decades, groups like the Interfaith Center for Corporate Responsibility and Seventh Generation Interfaith Coalition for Responsible Investment have promoted numerous shareholder resolutions. They've had their share of victories, holding companies to protect worker rights, address deforestation, and apply warning labels on tobacco products.

On climate change, religious shareholders have pressed energy companies to create emissions-reduction plans, place climate experts on their boards and report on the long-term impacts of climate policies on business.



Shareholder activist Sr. Pat Daly believes the divestment movement must recognize how dependent society remains on fossil fuels, and says there must be more focus on lifestyle changes to address climate change. (CNS/Reuters/Jessica Lutz)

"I still want a seat at the table. They still need my voice at that table," said Dominican Sr. Pat Daly, a longtime shareholder activist who's worked with the auto, oil and gas industries and utilities on climate issues for more than 30 years.

"There's got to be a way to get to where you want to go by negotiating your way through that. In our case, it's through dialogue," she said.

But divestment proponents say companies resist changing at the pace and scale required to meet the Paris Agreement goal of holding global warming to 1.5 degrees Celsius. They point to continued investment by the world's 60 largest banks, which injected $3.8 trillion into fossil fuels in the five years after that accord was signed.

When the Sisters of the Holy Cross in England divested in November, they cited "limited success" in urging companies as shareholders to reduce reliance on fossil fuels. And divestment supporters point out that investors and corporations, including Royal Dutch Shell and Peabody Energy, increasingly recognize divestment as a risk to future business.

Over time, the once-fraught relationship between the divestment and engagement camps has eased, said O'Shaughnessy, who serves as Global Catholic Climate Movement treasurer.

Although Daly doesn't agree with divestment, she sees the approaches as complementary. She gives divestment activists credit for bringing far greater attention to climate change and for educating and mobilizing young people on the issue.

Nevertheless, the veteran shareholder activist believes the divestment movement must recognize how dependent society remains on fossil fuels, and says there must be more focus on the lifestyle changes necessary to address climate change.

Shareholder engagement advocates argue that divestment has not really had an impact on energy companies and is constrained by the number of state-owned fossil fuel companies, which lack independent shareholders.

They also argue that divestment is mostly symbolic — but that, proponents say, is part of the point.

"Symbols matter a lot," Insua said. "So yes, it is a symbolic gesture, and it's a prophetic gesture."

"If a Catholic institution sells their shares in an oil company, somebody else will buy them, true. But what matters most is the narrative around the fossil fuel industry and the legitimacy they have," he said.

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For O'Shaughnessy, the question of shareholder advocacy versus divestment misses a bigger point: Most Catholic institutions are simply doing nothing at all.

"There haven't been that many that have divested. And there aren't that many that are really that active in shareholder engagement. There's just the apathetic middle," he said.

Insua and Daly both agreed that it is important to spur more church institutions to actively investigate and evaluate what their money is funding. There is also consensus on the importance of investing in solutions to climate change.

In June 2020, Daly helped establish two climate solutions funds among 16 Dominican congregations through Morgan Stanley to finance projects that address climate change and meet the U.N. Sustainable Development Goals.

In recent years, the Catholic Impact Investing Collaborative, founded by O'Shaughnessy, has brought church organizations together to invest in projects and companies that protect the planet and promote Catholic social teaching. A pilot project set to launch later this year aims to help institutions share resources and evaluate joint investment opportunities.

The pope weighs in

The Catholic debate about divestment predates Francis, but his election in 2013 and *Laudato Si*' fueled the push to rid church finances of fossil fuels. While the encyclical did not address divestment head on, in it Francis offered hints of what he believed.

In Paragraph 165, he wrote: "We know that technology based on the use of highly polluting fossil fuels — especially coal, but also oil and, to a lesser degree, gas — needs to be progressively replaced without delay."

The line quickly became a rallying cry for divestment advocates, and the encyclical gave impetus to the decisions of many Catholic divesting institutions.

A year after the encyclical was published, and around the time the Global Catholic Climate Movement arranged the first joint fossil fuel divestment announcement,

Cardinal Peter Turkson, prefect of the Dicastery for Promoting Integral Human Development, told NCR the Vatican had not developed a policy on fossil fuel investments.



Members of Laudato Si' Generation pose with Cardinal Luis Tagle, then archbishop of Manila, Philippines, during World Youth Day in Panama City in 2019. Second from left is Domenica Reyes, co-chair of Laudato Si' Generation, and in center is Tomás Insua, executive director of Global Catholic Climate Movement. (Global Catholic Climate Movement)

But Catholics began urging the Vatican to do so, including the Laudato Si' Generation, a youth offshoot of the Global Catholic Climate Movement, and the issue was included in the final document of the 2018 Synod of Bishops on young people.

More recently, however, Francis and the Vatican have left little doubt about where they stand on divestment.

During a meeting with top oil and investment executives at the Vatican in June 2018, Francis lamented that companies continued to search for new fossil fuel reserves, while scientists say most must remain underground to meet the Paris Agreement goals.

"Civilization requires energy, but energy use must not destroy civilization!" Francis said.

A year later, he told the same group of fossil fuel executives, "A radical energy transition is needed to save our common home."

And in a speech during the Oct. 10, 2020, global TEDx Countdown on climate change, Francis addressed investments directly, proposing three courses of action to avert "radical and catastrophic climate change." One was an energy transition through "a gradual replacement, but without delay, of fossil fuels with clean energy sources," that is quick and attentive to the poor, local communities and energy workers.

"One way to encourage this change is to lead businesses toward the urgent need to commit themselves to the integral care of our common home, excluding from investments those companies that do not meet the parameters of integral ecology, while rewarding those that work" to promote sustainability, social justice and the common good, Francis said.

In May 2020, the integral human development dicastery included fossil fuel divestment and reinvestment in renewable energy among the benchmarks in its Laudato Si' Action Platform, an ambitious initiative to mobilize the full church toward sustainability in the spirit of the encyclical over a seven-year timeline.

A month later, an integral ecology working group of multiple Vatican dicasteries released guidelines for Catholic institutions and individuals to implement *Laudato Si'*. The 227-page document includes an entire chapter on finance.

The chapter's 14 proposed actions included promoting "ethical, responsible and integral criteria for investment decision making," specifically dissuading support for companies that harm people, such as those engaged in abortion or the arms trade, or that harm the environment, "for example through the use of fossil fuels."

It recommends that Catholics "speed up investments in sustainable infrastructures" and "promote responsible investments in social and environmental sectors, for example by evaluating progressive disinvestment from the fossil fuel sector."

For years, however, a cloud of mystery hung over the Vatican's own financial ties to fossil fuels.

Last June, Gian Franco Mammì, director general of the Vatican Bank, confirmed to EarthBeat that the institution did not hold investments in the fossil fuel sector. That decision, a former bank official said, was in line with a financial philosophy common among European banking institutions, which avoids investments in public equities. Mammì added that Francis' encyclical has informed its investing principles.

Nevertheless, some believe a more public declaration by the Vatican would be helpful.

"It would be great to have a big celebration at the Vatican bank, where they really make very explicit their commitment here around this," McKibben said. "And I hope that we see that sooner rather than later."

Growing momentum

Today, Global Catholic Climate Movement divestment campaigners sense momentum building.

In 2019, a finance summit in South Africa recognized the role of faith communities in the divestment campaign to date, with 22 religious organizations pushing the movement at that time past $11 trillion redirected from coal, oil and gas companies.

With its last three joint announcements, more than 100 Catholic institutions have moved away from fossil fuels. The two most recent, in November and earlier this week, came despite the pandemic and staff changes that limited the campaign's outreach.

Lindlyn Moma, Global Catholic Climate Movement advocacy director, who's based in South Africa and now heads the divest-reinvest campaign, said it plans to turn up

the "global drumbeat of divestment" in 2021. The group hopes to look more at Africa and Latin America, where they'll focus on fossil fuel finance and infrastructure.

The Amazon synod's commitment to divestment from extractive industries besides fossil fuels represents a potential boon to the Global Catholic Climate Movement campaign, Insua said. The 185 voting members at the synod, mainly from South America, represent a chance to vastly expand the number of divesting church groups.

"They just put it on paper," he said. "Now we'll have to follow up."

Equipped with the Vatican *Laudato Si*' guidelines and its Laudato Si' Action Platform, set to launch this year, Global Catholic Climate Movement campaigners view their cause as no longer a niche. "Fossil fuel divestment undoubtedly has gone mainstream in the Catholic Church," Moma said.

In the next breath, she referred to the church's 2,000-plus dioceses, most of which have yet to divest.

The Renaissance changed the world over a century. A clean energy revolution may have less than a decade to do the same. And if these Catholic climate activists have their say, the financial coffers of the church will once again play a key role.

Read this next: Review of US bishops' investment guidelines is underway