

Global Perspective Report



The Catholic Church and its contribution to the SDGs: *An unseized potential?* Alexander Widmer

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The Catholic Church and its contribution to the SDGs: *An unseized potential?*

1. Introduction

The United Nations Sustainable Development Goals¹ (SDGs) are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice. Leave no one behind is a core principle related to the achievement of the SDGs. Every single human being has a dignity that deserves to be respected. All should have access to basic services, should have the possibility to earn their living and to receive social care.

These concepts are certainly not new to the Catholic Church. The Gospel is full of examples stating the same. In fact, both the bible underlines that God takes care of the lost sheep. Jesus has preached continuously that the poor deserve to be supported, that the rich should not accumulate for themselves but make sure that their wealth should bear fruits for the poor. They shall even be judged accordingly. He has taught his disciples and the thousands of people that came to listen to him, he fed them, he healed them from spiritual and physical sufferance, and he did not bother to touch the sick. So, we can certainly state, that if the Church is engaged in promoting sustainable development, it follows the example given by Jesus.

It's true that the foremost task of the Church is to take care of the spiritual wellbeing of its members. And it should continue to do so. But caring for their material wellbeing is an integral part of its engagement and deserves more attention. Where the state, the economy and other actors of society do not fulfil their task, the Church is called to step in. This applies in particular in this historic moment of a mankind troubled by a pandemic with grave social and economic consequences, by the detrimental effects of climate change and the loss of biodiversity, by rising geopolitical tensions and the related conflicts.

¹ United Nations, *Sustainable Development Goals*. Online. New York: United Nations, 2015. <<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>>. Consulted: 25.11.2020.

2. The SDG-engagement is founded in the Social Doctrine in the Catholic Church

In many of its official documents, notably in the social doctrine of the Catholic Church², the “preferential option for the poor” has been promoted in many encyclicals. The *Populorum Progressio*³ of Pope Paul VI has given a lot of impulse to Catholics around the World to support the many countries that had gained their independence from colonial powers. The subject has been treated again with vigour through the *Caritas in Veritate*⁴ of Pope Benedict the XVI and the most recent *Fratelli Tutti*⁵ of Pope Francis. The ecological dimension has been taken up by the *Laudato si’* of Pope Francis.

These documents call for a strong engagement of the faithful, of all men and women of good will, of civil society organizations, the private sector, and national and international public sector institutions all together, to construct all over the world a society, an economy and a political order that serves the wellbeing of all humans in respect and care of the creation, the natural environment we live in. Sharing and caring and applying solidarity are key words. All these documents and the appeals they contain are mostly in line with and compatible with the SDGs. However, if we look at them closely, we will see that they do not state clearly what the Catholic Church as an institution should or could do itself.

Caritas: A global network of Catholic Charity Institutions⁶

There are sub-national Caritas organizations, 165 national ones and at global level Caritas Internationalis. The 165 National Organizations are linked to their Bishop’s Conferences. Caritas Internationalis is made up of seven regions covering all continents and almost all countries of the world. Members of regions work together on common

²Pontifical Council for Justice and Peace, *Compendium of the Social Doctrine of the Catholic Church*. Online, Vatican City: Libreria Editrice Vaticana, 2004.

<www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_doc_20060526_compendio-dott-soc_en.html>. Consulted: 25.11.2020. ISBN 88-209-7716-8.

³ Pope Paul IV, *Encyclical Letter Populorum Progressio*. Online, Vatican City: Libreria Editrice Vaticana, 1967.

<http://www.vatican.va/content/paul-vi/en/encyclicals/documents/hf_p-vi_enc_26031967_populorum.html> Consulted: 25.11.2020.

⁴ Pope Benedict XVI, *Encyclical Letter Caritas in Veritate*, Vatican City: Libreria Editrice Vaticana, 2009

<http://www.vatican.va/content/benedict-xvi/en/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate.html>. Consulted: 25.11.2020.

⁵ Pope Francis, *Encyclical Letter Fratelli Tutti*, Online, Vatican City: Libreria Editrice Vaticana, 2020

<http://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20201003_enciclica-fratelli-tutti.html>. Consulted: 25.11.2020.

⁶ Caritas Internationalis, *Serving out of Love – Caritas Identity and Mission*, Online, Vatican City; Caritas Internationalis, 2019.

<<https://www.caritas.org/wordpress/wp-content/uploads/2019/04/ServingOutOfLove.pdf>>. Consulted: 25.11.2020.

issues, strengthening each other and contributing to global action. Caritas works in rich countries and not so well off ones, in the Northern hemisphere and the global South. Inspired by Catholic faith and its social doctrine, Caritas can be considered as the helping hand of the Church, reaching out to the poor, vulnerable and excluded, regardless of race or religion, to build a world based on justice and fraternal love. The main areas of engagement of Caritas are Conflicts and Disasters, Food, Health, Migration and Development. Worldwide, Caritas members spend around 7.2 billion Euro per year on humanitarian and development programs. Unfortunately, the www.caritas.org webpage does not contain consolidated information on the contributions of Caritas to the SDGs.

2.1. The Catholic Church is already an important contributor to the SDGs

Looking at the 2018 Statistics of the Vatican⁷, we can see that the Catholic Church is composed by the following members: There are 1.33 Billion Catholics (17.7% of the World population), of which over 600'000 are nuns, 414'000 priests, 370'000 lay missionaries, 5'000 bishops, 22'000 members of secular institutes and 3'000'000 catechists. They celebrate religious functions, teach religion, and take care of the spiritual wellbeing of the Catholics. But through their institutions, including the 460'000 parishes, more than 3000 dioceses, hundreds of congregations and the Vatican, they are also strongly engaged in practical terms in contributing to the SDGs: There are more than 100'000 catholic charity organizations providing material support to those most in need. They run 15'400 health posts and about as many homes for elderly and sick people and 4000 hospitals. In Asia alone, there are 3'200 orphan houses. Worldwide there are 250'000 kindergartens, primary and secondary schools and universities.

The Franciscan Sisters of Charity of Mahenge, Tanzania, a social enterprise contributing to the SDGs

As great nephew of their founder, former Archbishop of Dar es Salaam, Edgar Maranta, I attended the 75th anniversary celebrations of the Franciscan Sisters of Charity of Mahenge, Tanzania, in October 2019. Although they would probably not name themselves a social enterprise, that's what they have built up in Mbingu, Tanzania: The about 300 sisters run a female secondary school, a small hospital and an orphanage. These social activities are only partly self-funded and are cross subsidized by their

⁷ Kath.CH – Katholisches Medienzentrum, *Die Weltkirche unterhält über 100'000 soziale Einrichtungen*, Online, Zürich: Kath.ch, 2020. <<https://www.kath.ch/news/die-katholische-kirche-unterhaelt-weltweit-ueber-hunderttausend-karitative-einrichtungen/>>. Consulted: 25.11.2020 ; Vatican News, *Statistisches Jahrbuch der Kirche 2018 erschienen*, Online, Vatican City: Vatican News, 2020. <<https://www.vaticannews.va/de/vatikan/news/2020-10/statistisches-jahrbuch-2018-katholiken-welt.html>> Consulted: 25.11.2020.

revenue generating activities. These include a hydropower station, a mineral water brand and internationally exported cocoa. In addition, they plant crops, vegetables, and fruits and hold husbandry for the food self-subsistence, employment and income of themselves and their surrounding community. The sister's land has been leased by the Tanzanian state for a duration of 99 years. They are supported financially by the Maongozi Foundation.⁸

2.2. The Catholic Church is more than its official institutions

If we consider the achievement of the SDG as a structural issue and not just a matter of charity and solidarity, then we have to consider that in many countries there are catholic labour unions and catholic entrepreneur associations inspired by the social doctrine of the Catholic Church. With the *Laudato si'*⁹ encyclical of Pope Francis, we note a growing environmental engagement of Catholics in existing and newly created movements and associations. And in politics, starting with the *Rerum Novarum*¹⁰ by Pope Leo XIII, in many countries Christian democratic or Christian social parties recognize the social doctrine of the Church as the basis of their action, including a credible engagement for the poor in their country and globally. But while these social, economic, environmental, and political organizations are run by Catholics and inspired by the social doctrine of the Church, they are not run or controlled by Church institutions directly. And many Catholics are engaged in other political parties, enterprises, NGOs, International Organizations, etc., where they try to put the social doctrine into action.

3. The Catholic Church could and should do more and better

Based on the facts laid out above, it has to be acknowledged that Catholic institutions and Catholics are doing a lot in practice to achieve the SDGs. These contributions are not known to the broad public and the responsibility for this partly lies in the Church itself. It does not communicate much on what it is doing, and it has no system in place to monitor and report on the sustainable development outcomes and impact it

⁸ Kloster Baldegg, *Schwestern von der Liebe des Heiligen Franziskus*, Online, Baldegg, 2019. <<https://www.klosterbaldegg.ch/files/dokumente/Kloster/Grundlagen/Gemeinschaften.pdf>>. Consulted: 25.11.2020.

⁹ Pope Francis, *Encyclical Letter Laudato Si'*, Online, Vatican City: Libreria Editrice Vaticana, 2015. <http://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html>. Consulted: 25.11.2020.

¹⁰ Pope Leo XIII, *Encyclical Letter Rerum Novarum*, Online, Vatican City: Libreria Editrice Vaticana, 1891. <http://www.vatican.va/content/leo-xiii/en/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum.html>. Consulted: 25.11.2020.

contributes to. Beyond communication however, there are other things that could and should be done, to ensure that all that can be done and achieved by the Catholic Church and its members becomes reality.

Concretely, there are 4 aspects which in my point of view deserve an increased attention and engagement: the operational coordination on the ground, the influencing of the improvements of the underlying national, regional, and global systems, a better preparation and employment of human resources, and a better use of financial resources. Many things are already happening in these 4 areas. Thus, the proposals presented below should not be seen as a presumptuous advice, but rather as an encouragement to do more and better, where necessary, and to strengthen their systematic application and communication.

3.1. The operational coordination on the ground

The Catholic Church and its many charity initiatives are highly active on the ground, be it in healthcare, social care, education, social and economic empowerment, providing vital infrastructures and much more. But all too often, these activities are not coordinated, they are financed by different sources, operated through different structures, sometimes competing, often they do not even know of each other's existence. This is definitely a potential to be seized. All bishop conferences should establish physical and virtual roundtables and platforms related to the key sectors of the social, economic, or environmental engagement of Catholic institutions and Catholics. These should effectively plan, coordinate, and report about their activities, share knowledge and experiences, and build networks for joint action. This would help to allocate human and financial resources where the needs are greatest, where the best SDG-related results can be achieved.

Of course, this will not be easy, as nobody likes to "be coordinated" by others. There will be inherent conflicts and competitions. Not all streams of the Catholic Church agree fully on the same issues, policies, etc. Thus, the Church is well advised, if it agrees to take this road, to apply the subsidiarity principle, to leave all actors their autonomy, to stimulate their innovation, to coach and support them where necessary, to create a valued added thanks to the joining of forces, resources, and expertise, through their coordinated and joint initiatives and activities.

Establishing a joint format for such roundtables and platforms would allow to generate uniform data and report on them, develop tools, manuals, guides, recommendations. This could be done at national, regional, and global level and would lay the ground for policy influencing.

3.2. The influence on the political, economic, social, and environmental systems

Building upon the operational coordination, the mentioned physical and virtual roundtables and platforms should build on the experiences made on the ground to address political, structural, systemic bottlenecks. In practical terms, thanks to the sectoral organization of its platforms, the Church may be able to actively engage in national coordination mechanisms as well as in parliamentary sectoral consultation mechanisms and in the media. It may address the improvements of the legislation, the state authorities, and the budget allocations in the sectors the Church Institutions are most active in. The triple status of local church diplomatic actor (Vatican) and International NGOs (e.g. Caritas), would allow the Church to pass on messages through multiple channels and increase the likelihood to get heard and taken up.

Beyond legislation, in practical terms, the national Church should engage directly with the countries' institutions, to find most effective ways to cooperate. This could for instance imply the elaboration of agreements on public-private partnerships for providing social services¹¹ or building and running infrastructures. But it could also address issues around fiscal regimes or public subsidies that facilitate the running of charity initiatives or social enterprises related to the Catholic Church and its constituency.

In order to maximize the political influence, the Church and its platforms should seek alliances and cooperation with all those who share the same goals and objectives, e.g. the previously mentioned labour unions, entrepreneur associations and political parties inspired by the social doctrine. In addition, political and advocacy alliances should be sought with other faith-based organization, INGOs, International Organizations and Bilateral Aid Agencies.

To become more effective locally and to gain in weight as a global player, the Church should get organized to pass on knowledge, experiences, best practice and generate evidence bottom up from the local and national level to the international policy level and vice versa. This may be achieved through a reorganization of the Pontifical Councils. They could become the point of reference of all relevant national sector platforms in the Vatican. The improved organization and networking would benefit the Church's role in International Organizations and processes.

¹¹ For an example in this sense, see: B. Schmid, E. Thomas, J. Olivier, JR, Cochrane, *The contribution of religious entities to Health in Sub Saharan Africa*, Online, Study Funded by the Bill and Melinda Gates Foundation, Unpublished, African Religious Health Assets Program (ARHAP), 2008. <http://www.irhap.uct.ac.za/sites/default/files/image_tool/images/244/Report_Gates_full_web.pdf >. Consulted: 25.11.2020.

3.3. Better prepared and employed human resources

Catholics are called to become the yeast of society. It therefore makes utmost sense for the Church to invest in their education and proper employment. Building in the SDGs in the Churches' Human Resources strategy should imply the according revision of the curricula applied in all catholic kindergartens, schools and universities frequented by about 68 million children and young people. It should contribute to making the behaviour, consumption, and investment patterns of all 1.3 billion Catholics in the World more sustainable.

The SDGs should also be addressed in the curricula of all the many millions of nuns, priests, lay missionaries, bishops, members of secular institutions and catechists. Church professionals should be supported and promoted in the way they contribute to the SDGs and assessed accordingly, with consequences on their continuous learning, employment, and promotion. Church institutions should ensure that the qualifications are recognized and that all are employed accordingly. This should lead to a stop of the employment of overqualified nuns from the South employed in the retirement homes of religious orders in the North.

Putting more weight on the qualification of its human resources should finally lead to tangible consequences on the way parishes, religious orders, and charity organizations or (social) enterprises are run. The capacity of the people responsible for these institutions should be strengthened in such a way that they become able to ensure e.g. that their buildings and vehicles reduce their carbon emissions, that they take care of the poor, elderly, sick and of the orphans, that they provide their youth with sufficient opportunities to become an active part of their communities, where their integral development is promoted.

3.4. Better use of financial resources

The Catholic Church in the world has substantial resources at its disposal. According to the Italian geopolitical magazine Limes, the real estate value alone is estimated around 2 trillion USD¹². The financial and real estate means of the Vatican are estimated about 10 billion USD¹³. The sources indicate that part of the real estate is indeed used for development. That is the case of all church owned schools, universities, dispensaries,

¹² Pietro Schiavazzi, *Lo scontro sul tesoro della chiesa*, Online, Torino: Limes, 2018. <<https://www.limesonline.com/cartaceo/lo-scontro-sul-tesoro-della-chiesa?prv=true>> Consulted: 25.11.2020.

¹³ Carlo Marroni, *Non solo immobili, il Vaticano gode di tesoretti da 11 miliardi*, Online, Milan: Il Sole 24 ore, 2019. <<https://www.ilsole24ore.com/art/non-solo-immobili-vaticano-gode-tesoretti-11-miliardi-ACHeMJw>>. Consulted: 25.11.2020.

orphan houses, etc. Another part fulfils a spiritual function. Still another part is used to house all the people that work directly in Church institutions. But what about all other real estate investments? Do they generate financial income? Recent scandals show that this is not always the case, on the contrary.

To my knowledge, there are no clear indications or criteria, how the huge wealth of the Catholic Church is invested or used, and even less how much it contributes to achieving the SDGs. So the question comes up, how this could be changed, how these resources could be employed, how they could be invested in order to achieve a tangible impact, how they could make a difference in achieving the SDG's, going from billions to trillions. In order to provide an answer to this question, let's compare these figures with those of International Bank for Reconstruction and Development¹⁴: In its Fiscal Year 2020, the IBRD had an available equity of 47 billion USD and an equity to loan ration of 22.8%, allowing it to have an outstanding loan balance of about 202 billion USD. If that is possible for the World Bank, it would be equally possible for the Catholic Church, if it decided to create a Catholic Development Bank (CDB). Even if the Church decided to devote just 10% of its cautiously calculated global wealth, i.e. 200 billion USD, it could finance development investments in the height of 1 trillion USD. This would allow the Catholic Development Bank to become a major development financing institution¹⁵, including in comparison with the Islamic Development Bank which currently has a capital base of 70 billion USD and cumulative net approvals of 145 billion USD¹⁶.

Related to the governance and shareholding structure of the CDB, it would be possible to grant this to the Vatican, to the Episcopal Conferences, but also to religious orders. As such, it would remain in the hands of the Catholic Church. The shareholders could agree to establish a board of Executive Directors and a Board of Governors, composed by representatives of the various constituencies. As the wealth of the Catholic Church is currently distributed, most of the shareholding power would lie in the northern hemisphere. Most of the resources, except maybe those related to climate change mitigation, would be employed in the Southern hemisphere, as there the SDG gaps are still higher. Thus, the CDB would become a great mechanism of North-South solidarity.

In terms of eligibility for receiving the loans, this could be linked to the SDG-financing development plans to be established by the Episcopal Conferences. Such plans could be

¹⁴ The World Bank, *World Bank Annual Report 2020*, Online, Washington, D.C.: The World Bank, 2020. <<https://openknowledge.worldbank.org/bitstream/handle/10986/34406/211619v2.pdf>: Page 91>. Consulted: 25.11.2020.

¹⁵ T. Moss, SJ Staats, J.Barmeier, *The ABCs of the General Capital Increase*, Online, Washington, D.C.: Center for Global Development, 2011. <https://www.cgdev.org/sites/default/files/1425485_file_IFI_Briefs_GCI_FINAL_0.pdf >. Consulted: 25.11.2020.

¹⁶ Islamic Development Bank, *About IsDB*, Online, Jeddah: Islamic Development Bank, 2020. <<https://www.isdb.org/who-we-are/about-isdb> >. Consulted: 25.11.2020.

determined by the various sectoral development roundtables mentioned above, composed by all Church related stakeholders. Like this, a natural synergy between the charity, social, environmental, and economic engagement of Catholic stakeholders and their partners with the CDB would be established naturally. Loans could be granted to all those who contribute to those plans, no matter whether these are Church institutions or other partners. Like other development banks, the CDB should establish a lending and a borrowing policy with state-of-the-art transparency regulations and environmental, social and governance safeguard systems. It should have a results framework, stating ambitious goals and targets at outcome, output, and organization levels. Its policies should ensure its financial viability and stability. The outcome goals would in fact allow the CDB to report on its contribution to the SDGs and increase the credibility and weight of the Catholic Church in International Organizations and the global public opinion. The CDB would generate additional resources that allow it to complement the loans with grants or subsidies and to grow its equity base¹⁷ and as such, with time, increase the overall amount of loans, guarantees or equity investments it may undertake.

Based on the overall financial solidity and guarantee means the CDB shareholders, leading to an excellent financial rating of the CDB, its lending terms would be highly competitive its clients would get loans with much better financial conditions than in the past. Thanks to the technical assistance and capacity building measures that would come with the CDB loans, the capacity of sound financial and programmatic management of the lenders would also be strengthened considerably. The CDB would provide Catholic and other savers and investors an excellent opportunity to invest their money sustainably in CBD bonds or other financial products provided by the CDB. And last but not least, the CDB would give excellent employment opportunities to many Catholic and other people who would like to devote their work to the achievement of the SDGs.

¹⁷ In the IBRD and the IADB for example, the reserves built up over time are twice as high as the paid in capital.

4. Concluding remarks and recommendations

The Catholic Church has a great potential with the many people that compose it, the capillarity of its institutions and structures on the ground and the great wealth it has at its disposal. The challenge is to orient all this potential towards achieving the SDGs. The proposals made in this essay would indeed make a tangible difference in view of achieving the SDGs. They are all based on experiences and practice already in place by the Church and other institutions.

There is no plausible reason, why the Catholic Church should not be able to coordinate its efforts more systematically on the ground, exercise its influence on shaping political, economic, social, and environmental systems at all levels in order for them to become SDG compatible, better prepare and employ its vast human resources and its 1.3 billion members worldwide and make better use of its impressive 2'000 billion USD, in particular through the creation of a Catholic Development Bank. Undeniably, in order to do so systematically, beyond anecdotal evidence, and underscored by credible universally generated data, internal and external hurdles will have to be overcome.

The strong will of the leadership of the Catholic Church will be essential. Church members worldwide should equally engage to make the Church SDG-oriented from the bottom up. The mentioned 100'000 catholic charity organizations should have a great role to play in advocating and preparing the ground for the proposed measures. Like this, the Catholic Church would gain credibility in its preferential option for the poor and make a substantial and tangible contribution to the promotion of the dignity of all human beings and the preservation of our planet for future generations.

Ouagadougou, Burkina Faso, December 28, 2020.

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