



FONDAZIONE CENTESIMUS ANNUS
PRO PONTIFICE

NOTES ON THE 2016 ANNUAL REPORT BY THE BOARD OF DIRECTORS

In 2016 the Foundation's first engagement was the third Consultation of the "Dublin Process" cycle, held in Malta in January on the theme "*A dialogue on finance and the common good*". It included the following three sessions:

1. Does financial reform entail real change? For whom? By whom? And how?
2. Internally driven ethical reconstruction: is it happening?
3. Solidarity Funds

The Consultation marked a further step in the process begun in September 2013 in the Vatican and continued in October 2014 in Dublin, Ireland (hence the name of the initiative). Its scope is the quest for a Common Good in all the declinations that may concern the individual as a member of society, with special attention to the role of the human person as an active player in the rapid transformations - technological, job related and social - that are taking place. The method applied is an intense dialogue between SDC experts, economists, academics and business people.

After the event and the publication of its minutes words of appreciation have been received from H.E. the Most Rev. Paul Richard Gallagher, Secretary for Relations with States of the Secretariat of State and H.E. the Most Rev. Silvano Tomasi, then Secretary Delegate of the Pontifical Council Justice and Peace.

The success of this initiative had significant long lasting effects: the method followed by the Dublin Process - in depth analysis conducive to possible solutions to the ethical crisis affecting our society - was extended to the other main events of the year and in particular to the International Conference.

The second event of the year was the 2016 International Conference, held in the New Synod Hall, Vatican City, from May 12 to 14 on the theme "*Business Initiative in the Fight against Poverty: The Refugee Emergency, our Challenge*". It was attended by 230 participants from 23 countries.

Preceded by intensive work carried out by local groups, which drafted contributions to the discussions, the Conference unfolded over five sessions dealing with:

- a) Economic Freedom, Social Entrepreneurship and Poverty
- b) Facing the Refugee Emergency
- c) New Voluntary Solidarity Funds
- d) New Challenges: are Christian inspired Business Decisions possible?
- e) Conditions for Change

During the Conference, on May 13, participants had the privilege of a private audience with the Holy Father. Pope Francis urged the Foundation and its members to support the efforts of the Church and help diffuse its social teachings in all tiers of society and in particular among business people, who could provide a valuable contribution of experience, ideas and proposals. The event was brought to an end by His Eminence Luis

Antonio Tagle, Archbishop of Manila and President of Caritas Internationalis and H.E. the Most Rev. Paul Richard Gallagher of the Secretariat of State, who highlighted the Holy See's priorities in its dealings with international institutions.

Before the Conference, in April, the Secretary General flew to Seoul, South Korea, to meet representatives of the local Episcopal Conference, the Apostolic Nuncio, religious teachers of moral theology and representatives of Korean Catholic businessmen associations. Following up on his visit a Korean delegation came to Rome in May to attend the International Conference.

On September 2 and 3 the Foundation – together with a delegation of the Pontifical Council Justice and Peace – attended a conference in Saloniki, Greece, held at the Aristotle University Thessaloniki on the theme “Integral ecology as the new road to reconciliation”, organized by AIESC (Association Internationale pour l'Enseignement Social Chrétien”. The conference was sponsored by His Holiness Pope Francis, His Holiness the Ecumenical Greek Orthodox Patriarch Bartholomew and the Most Rev. Archbishop of Canterbury, Primate of the Anglican Church, Justin Welby.

On September 23, a year after the Holy Father's visit to the United Nations, CAPP-USA and Fordham University held a conference in New York on the theme “Dignified agents of their own destiny: Pope Francis' call for escaping poverty: Practical Examples and New Proposals”. The conference was attended by His Eminence Pietro Cardinal Parolin, Vatican Secretary of State, and H.E. the Most Rev. Bernardito Auza, Permanent Observer of the Holy See at the United Nations and OAS, who gave the opening address. “Measuring Poverty”, “Inclusive Finance and Entrepreneurial Responses” and “Relationship of Violence and Poverty” were among the themes debated.

On November 19, in cooperation with “La Civiltà Cattolica” the Foundation held the annual meeting of its Italian members on the theme “Jobs, innovation, Investment: can job insecurity be addressed?” Attendance was large and since there was direct streaming to the Foundation's website the meeting was followed by a large social networks audience (over 8000 visitors). All the presentations can be downloaded from the website in audiovisual mode.

On April 16 the Vatican Secretary of State, His Eminence Pietro Cardinal Parolin, addressed a letter of congratulations to Chairman Sugranyes who had joined – as a personal initiative – the Steering Board of the World Economic Forum (WEF) in a debate on “Financial Stability, Innovation and Economic Growth”.

On behalf of the Foundation Chairman Sugranyes attended the “Rome Investment Forum 2016 – Investing in Long Term Europe” organized by FeBaf. He was also one of the speakers at the Conference organized by UNIAPAC and the Pontifical Council Justice and Peace on the theme “Business leader as agent of economic and social inclusion”.

The Chairman also attended meetings on the feasibility of a network of Voluntary Solidarity Funds (VSF): the idea had been brought up by the Foundation in 2015 and further discussed at the Malta Consultation as a separate, not a CAPP, initiative. On the occasion of his meeting with the Chairman and the Secretary General, October 4, Cardinal Parolin encouraged the Foundation to bring up the VSF issue – once its scope has been defined – at diocesan level, where it could be applied to specific territorial realities. Words of appreciation have also been received from the Governor of the European Central Bank through the good offices of the Governor of the Bank of Malta, Mr. Josef Bonnici, who played an active role in promoting the project both as an expert and a member of the Foundation.

The SDC courses organized in cooperation with the Pontifical Lateran University continued in 2016 and an online course organized in cooperation with the Catholic University of America (CUA) was launched in the U.S.A.

As a further means of diffusing the Social Doctrine of the Catholic Church, the ACTA of the Dublin Consultation on “Finance and the Common Good” were printed and distributed in English speaking countries by the US publishers Paulist Press. The Foundation also bought and distributed to CAPP Italian members the volume “Ethics and Business” by CUA Professors Abela and Capizzi.

In 2016 the Board met four times: on March 4 in the Vatican, to approve the 2016 Annual Report; on May 12 in the Vatican; on September 24 in New York on the occasion of the conference organized by CAPP-USA and Fordham University; and on November 18 in the Vatican, when the 2017 budget was approved. His Eminence Domenico Cardinal Calcagno, President of APSA, attended the March and May meetings. Msgr. Mauro Rivella, APSA Secretary, attended all four. At the meetings 18 membership applications were submitted and approved.

Mr. Massimo Porfiri was appointed Internal Auditor of the Foundation for the period 2016-2021 by Cardinal Calcagno, President of APSA, replacing Mr. Pasquale Marino who had resigned on health reasons.

On November 15 the Chairman accepted the resignation of Director zu Loewenstein, who would be reaching 75 years of age on December 16. On behalf of the whole Foundation the Chairman followed up with a warm letter of thanks for Director Loewenstein’s commitment and valuable contribution to the Board’s activity.

During 2016 the Secretary General also held meetings with Msgr. Jerome Angot, former Ecclesiastic Counsellor at the French Embassy to the Holy See and now involved in the creation of a possible Paris chapter of the Foundation.

The Foundation’s website, a fundamental vehicle of SDC diffusion and valuable support to SDC courses, has been repeatedly redesigned and updated and now provides easy access to a wide array of documents to a growing lay and religious audience. On the occasion of the 2016 International Conference a minisite could be accessed from the home page banner to better follow the event and submit membership applications.

On the occasion of the International Conference meetings were held by:

- The Ecclesiastic Assistants
- The Advisory Board
- The Scientific Committee

As regards the Ecclesiastic Assistants there are two new entries:

- ✓ H.E. the Most Rev. Andrea Migliavacca, for the San Miniato Group
- ✓ Fr. Leonardo Salutati for the Florence Group

As regards the Scientific Committee:

On May 31 Prof. Alberto Quadrio Curzio resigned from the position of President due to his exacting new duties at the Accademia dei Lincei. Prof. Carlo d’Adda and Prof. Jesus Estanislao (Manila) also resigned from the Committee. Prof. Estanislao recommended Prof. Francis Estrada as a possible candidate.

On September 24 the Board appointed Prof. Giovanni Marseguerra Coordinator of the Scientific Committee and Prof. Anna Maria Tarantola Board Delegate to the Scientific Committee. Prof. Francis Estrada was accepted as a Member of the Scientific Committee. During the same meeting the Board approved the Committee's new Regulations.

Local events

The Turin group met on January 28 with the Regional Director of the Pastoral Migrants Office, Sergio Durando, and on March 2 with Paolo Girola, former RAI journalist and Director of "Il Nostro Tempo", expert on Islamic refugees. On April 4 it met with Franco Chittolina, EEC executive for over twenty years and an expert on migratory flows. The results of these meetings served as a basis for the paper drafted for the 2016 International Conference. The group also met on June 15, July 18, October 24 and November 28 (for preparatory work to the 2017 International Conference). On November 19 it met for Mass and Christmas greetings.

The Florence group met on March 16, joined by the new ecclesiastic assistant Fr. Leonardo Salutati, to discuss future activities. It met again on October 19 to start working on a paper that will be circulated at the 2017 International Conference.

The Milan group met on July 7, September 21, October 26 and November 30. On all these occasions the main item on the agenda was the paper to be circulated at the 2017 International Conference.

The Bologna group met on 18 February the Archbishop of Bologna His Excellency Matteo Maria Zuppi to present the activities of the Foundation, its mission and its aims. On 25th February participated in the conference "Business and Job. Which development?" organized by a CAPP member at Centergross Conference Hall in Argelato. Met again on 19 April to discuss the draft document to be presented at the International Conference in Rome on the theme of immigration. It has met in a small group in the month of July and October to define the text of "Christian Prince". On 19th December met the Archbishop of Bologna H.E. Mgr. Zuppi for the usual exchange of Christmas greetings.

Rome group: at the end of the year Fr. Occhetta, no longer able to act as ecclesiastic assistant due to new demanding commitments, was replaced by Fr. René Micallef S.J., Moral Theology Professor at the Gregorian University (Rome) and SDC expert. The group met on January 26 and February 19 at the Gregorian University to debate a paper on migrants and refugees drafted by Fr. Micallef. It met again on April 26 to prepare for the imminent International Conference through in depth study of the migrants and refugees issue. On November 15 the group met again to reflect on the Encyclical *Laudato si* and say good bye to Fr. Micallef, who was leaving for a six month stay in Africa. The local coordinator Mr. Tranquilli was one of the speakers at the conference organized by UCID Lazio in September on the theme "Topicality of SDC – 25th anniversary of *Centesimus Annus* and 125th anniversary of *Rerum Novarum*".

The Taranto group on February 16 organized a seminar on the theme "Coltivare in sicurezza per raccogliere nel rispetto del Creato". The Archbishop of Taranto, H.E. the Most Rev. Filippo Santoro, participated in the debate.

The Trento group met on April 3 on the occasion of the inauguration of the new Archbishop, H.E. the Most Rev. Lauro Tisi. Fr. Gianni Fusco, Ecclesiastic Assistant for Italy, was also present. On June 9 the Secretary General and the National Ecclesiastic Assistant had a meeting with the newly elected Archbishop.

The newly established **Treviso group** met on March 18 to discuss its future activity and contribution to the International Conference. It met again on October 28 and Prof. Da Riol, who was one of the speakers, helped draft the paper on unaccompanied migrant minors that was presented at the International Conference.

On April 1 – with the cooperation of the Sardinia group – a first group of potential members living in **Liguria** met in La Spezia to debate the theme “Peoples on the go” in the light of SDC.

The Sardinia group organized a conference in Solanas (Cagliari) on the theme “A hope for Europe” (August 25-28).

The German group met several times from February on to draft a paper that was circulated at the 2016 International Conference. On November 23 at the annual meeting of the German Chapter members analyzed the themes of the 2017 International Conference. Tax exempt status was granted to donations made in favor of the *Centesimus Annus Pro Pontifice* Foundation.

The Malta group, in cooperation with the Pastoral Formation Institute and MISCO, organized an “Ethics and Business Leadership Course” that ran through January and February. In January the group actively contributed to the success of the Malta Consultation, held on January 29 and 30. On March 21 it held a meeting to finalize the paper it would present at the 2016 International Conference and on the following day, March 22, it attended “One hour of reflection” at Mount St. Joseph. It helped organize the courses in Business Ethics at the Theology School of the Malta University. On July 5 it met for a debate on the “Politics and the Common Good” course. On September 6 the group met with Archbishop Scicluna in Floriana. On October 19, an hour of reflection with Fr. Mark Sultana. In October there was a workshop for students from San Anton School aged 13 and 14 on “Responsible Consumption” organized by Mr. Mario Galea and Mr. DeMicoli. On October 31 a debate on Ethics and Morality in Public Life at the Archbishop’s Residence in Mdina, hosted by Archbishop Scicluna. On November 28 end of the year Mass attended also by Secretary General.

On March 7 the **London group** met for discussion on the consultations recently organized by the Foundation and look at available documentation. It also discussed its participation in the 2016 International Conference and the paper drafted by Prof. Adrian Pabst to this end. The group met again on June 6 and October 10.

In the USA on March 13 CAPP-USA organized the 8th edition of the annual “Centesimus Annus Pro Pontifice Education Communion Breakfast” in Fairfield County, attended by over 200 people.

The Terezin Portfolio was purchased by the Library of the Pontifical Urbanian University.

June 15: Lay Board Meeting.

H.E. the Most Rev. John Myers, Archbishop of Newark, appointed Fr. John J. Ranieri ecclesiastic assistant to the group. Msgr. Frank Caggiano was appointed assistant to the national ecclesiastic counsellor, Cardinal McCarrick.

Mr. Joseph Zahra had several meetings: in the Diocese of Bridgeport; at the Ninth Annual Business Leaders Communion Breakfast; at Fordham university; at the Graduate School of Business of Notre Dame University; with Fr. Jenkins, NDU President; at the Catholic University of America; at Georgetown University; with members of CAPP DC.

In 2016 there were 48 “joint members”: 22 couples and 26 singles. According to the Memorandum of Agreement between CAPP USA and FCAPP 40% of the dues paid by US members goes to support FCAPP’s central activities. Annual dues are US\$600 for a couple and \$500 for single persons. FCAPP received from CAPP USA a check for \$7,840.

The Madrid group met on March 1 and April 5 to continue its debate on “vocational schools/apprenticeships” and will be drafting a paper with some concrete proposals. The new Archbishop of Barcelona, Msgr. Omella, is interested in a further development of CAPP and sent two representatives to the International Conference.

On October 17 there was a meeting of the Madrid chapter, attended by Chairman Sugranyes and the Secretary General.

On September 29 the Barcelona chapter presented a book (published in Spanish and Catalan) for diocesan elementary schools, in which the Apostolic Exhortation “Evangelii Gaudium” is illustrated with examples of daily life that explain the Church’s guidelines.

Fr. Alfonso Fernandez Casamayor is the new ecclesiastic assistant of the Malaga group.

On October 25 a meeting was held **in Brussels** with potential members, attended by the Secretary General. The speaker was Jan Figel (Special Envoy for the promotion of freedom of religion or creed outside the EU). He was assisted by Branislav Stanicek.

Fr. Dominique Janthial was indicated as possible ecclesiastic assistant of the Brussels group.

Netherlands: on July 19 a delegation from the Netherlands (Mr. Duffhues, Mr. Bronzwaer, Mr. van der Net) met with the Secretary General in the Vatican.

November 22: meeting in Weert, attended by Director Rusche. The agenda included the Chapter’s contribution to the 2017 International Conference.

Accounting guidelines

Accounting guidelines were the same as in 2015. At its meeting of May 24, 2015 the Board had approved new accounting guidelines and classification of investments in accordance with the instructions issued by the Council for the Economy, which updated previously extant ones in the Vatican.

The main criteria and the accounting principles used for the drafting of Financial Statement of the Foundation as at 31 December 2016 are indicated below: i) the items are accounted according to accrual criteria; ii) there is full compliance with Secretary for Economy’s guidelines, among them the postulate of relevance and faithful representation; iii) all activities and investments are accounted according to Secretary for Economy’s guidelines. In particular financial securities have been designated as “Available for sale” and fluctuations in their current value as at 12.31.2016 compared to fair value are included in the Valuation Change of net worth. When assets are sold, difference is reflected in P&L Account. If there is objective evidence that the asset has suffered impairment of persistent value over time, the loss that has been recognized directly in equity is reversed and recognized in the income statement even though the financial asset has not been eliminated.

Applying these guidelines, market value of securities at year end determined a reserve for securities revaluation:

Reserve for securities revaluation at 12.31.2015	€187,022.42
Reserve for securities revaluation at 12.31.2016	€403,509.14

BALANCE SHEET

Liabilities

Net worth and endowments as at December 31, 2016 was €5,849,891.78 (€5,600,185.11 in 2015). Said amount includes a €403,509.14 reserve fund set aside to align securities values to market ones, as mandated by SPE¹ accounting guidelines. The other three items are:

<i>Founding Members</i> for endowment	€4,032,708.95
<i>Ordinary Members</i> for endowment	€1,096,980.66
Reserve “ <i>Support to the Activity of the Apostolic See</i> ”	€ 103,973.08

Amount of ordinary members includes € 17,500.00 provided by Francesco Merloni and meant to increase endowment.

The Reserve “*Support to the Activity of the Apostolic See*” shows a balance of €103,973.08 (it was €92,959.48 in 2015). On approval of the 2015 Annual Report the Board has resolved €200,000 for the donation to the Apostolic See and has added €8,013 to the Reserve for the *Support of the Activity of the Apostolic See*. At the same time has made provision whenever possible in the course of 2016 to increase the devolution to the Holy Father to €210,000, drawing from the aforesaid Reserve, and approved a fund raising campaign to increase the Reserve: during 2016 a total of €13,000 was in fact raised (€8,000 from members and €5,000 from the *Giancarlo Pallavicini Umanitas Foundation*). On May 23, 2016 €210,000 were accordingly remitted to the Apostolic See. On July 6 the Substitute Secretary of State H.E. the Most Rev. Angelo Becciu thanked the Foundation on behalf of the Holy Father and advised that the donation would appear in the annual Peter’s Pence report.

At the end of 2016 the following exchange rates were adopted to calculate the equivalent value in Euros of deposits and securities denominated in other currencies:

- 1 Euro = USD 1,05410
- 1 Euro = GBP 0,85618
- 1 Euro = CHF 1,07390

PROFIT & LOSS ACCOUNT

Aggregate expense for the 2016 fiscal year was €450,848.87, a €145,505.57 decrease over 2015 when it was €596,354.44. Operating expenses were €244,173.67 (it was €267,760.25 in 2015). Non operating expenses were €206,675.20 (were €328,594.19 in 2015).

INCOME

Income from interest: €182,252.10 (€192,164.84 in 2015) reflecting lower return on securities due to low interest rates throughout 2016

Income from membership dues total number of paid dues is 297, corresponding to the number of members up to date on their 2016 remittance, broken down as follows:

¹ SPE: Secretary for Economy

○ Ordinary members	194
○ CAPP USA	52
○ Supporters	35
○ Patrons	<u>16</u>
	297



Total amount of dues has been €169,279.74 (€194,162.86 in 2015). It includes €6,949.74 representing the annual contribution of CAPP USA members (it was €7,362.87 in 2015) remitted in accordance with the FCAPP – CAPP USA agreement of September 17, 2010.

Overall members' contributions in various ways however totaled €194,779.74 (€194,162.87 in 2015). Said amount does not include the €5,000.00 donation by the *Giancarlo Pallavicini Umanitas* Foundation that brings the total to €199,779.74.

Sundry income: €312,036.98 (€418,040.33 in 2015) broken down as follows:

- Realized profit on Euro denominated securities €75,032.56 (€140,715.79 in 2015)
- Realized profit on USD denominated securities €100,189.69 (€91,752.07 in 2015)
- Realized profit on CHF denominated securities €13,638.98 (€38,321.34 in 2015)
- Realized profit on currency trades none (€20,033.46 in 2015)
- Exchange rate profit €2,686.65 (€1,147.67 in 2015)
- Participation fees at conferences totaled €98,398.00. Said amount includes a €15,000.00 donation earmarked to offset part of the International Conference costs made by Cattolica Assicurazioni.
- Sale of badges and books brought in €1,525.00 (€400.00 in 2015).
- Tuition fees for SDC courses totaled €15,800.00. To increase the number of future participants a part residential part online format is under consideration. Also under consideration is a possible third year course, recommended by many students who completed the two year curriculum.

FISCAL YEAR RESULT

Profit in 2016 was €212,719.95 (it was €208,013.60 in 2015), considerably better than expected as the budgeted amount was €160,488.00). This satisfactory result is partly due to higher than anticipated profit realized on sale of securities, which totaled €188,861.23 (versus a budgeted amount of €100,000.00) and partly to a reduction of both operating costs (minus €23,586.58) and non operating costs (minus 121,918.99).

Chairman proposes to allocate 2016 profit in the amount of € 210,000.00 to Activities of the Apostolic See and for the remaining € 2,719.95 to Support to the Activity of the Apostolic See Reserve. The latter after this contribution, will be equal to € 106,693.03.

The Board approves unanimously.

Vatican City, March 3, 2017

The Secretary General
Eutimio Tiliacos

For the Board of Directors
The Chairman
Domingo Sugranyes Bickel