

Report to the Socially Responsible Investing Work Group (SRIWG)

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Endorsed by UVM Students for Justice in Palestine

1. Purpose

At the request of the Socially Responsible Investing Work Group, this report has been drafted in order to:

- a. Develop a draft resolution authorizing the University of Vermont to divest from companies contractually involved in, and directly profiting from, the occupation of Palestine (i.e., West Bank, East Jerusalem and Gaza), by supplying products or services to the Israeli military and/or Israeli settlements in Palestine.
- b. Assuming the Board adopts the resolution, develop recommendations regarding the necessary divestment criteria, resources, protocol, and procedures to implement the resolution.

2. Background

Existing University Socially Responsible Investing Policy

The University of Vermont's actions and position regarding socially responsible investing are guided by three policy documents.

a. Our Common Ground

“Our Common Ground” is a statement of the University's values that have been approved by the Board of Trustees. The stated values of “justice” and “responsibility” are especially relevant to and supported by the proposed resolution. These values are articulated in the statement as follows:

JUSTICE. As a just community, we unite against all forms of injustice, including, but not limited to, racism. **We reject bigotry, oppression, degradation, and harassment, and we challenge injustice** toward any member of our community.

RESPONSIBILITY. We are personally and collectively responsible for our words and deeds. We stand together to uphold our common ground.

b. Socially Responsible Investing Work Group Charge

The SRIWG is charged “to consider specific investment policy proposals based on moral, ethical, or social criteria; review the impact of any such proposal on current and potential University investments; solicit input on policy proposals from the campus community at large; and forward its policy recommendations... to the Investment Subcommittee, which in turn shall report its recommendations to the Budget, Finance and Investment Committee.”

c. Board of Trustees Statement of Investment Objectives And Policies

The University’s investment policy specifically addresses Moral, Social and Ethical Considerations in Investment and Shareholder Resolutions, stating that, “the University’s policy of fiscal prudence shall not preclude the consideration of moral, ethical and social criteria in determining companies in which to invest. The University will take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accord with moral, ethical and social criteria.”

Conclusion: Together, these three policy documents preclude investments by UVM in companies profiting from activities that are illegal under national or international law. Therefore, UVM investments in companies that have contractual relationships with the Israeli military in support of the Occupation, and/or are complicit in or profiting from Israeli settlements in Palestine, are counter to these principles.

Definitions, Background, and Actions taken by other Organizations:

Definitions

1. “Green Line” is the term used to refer to the 1949 Armistice line established between Israel and its neighbors (Egypt, Jordan, Lebanon and Syria) after the 1948 Arab-Israeli War. The Green Line separates Israel not only from these countries but from territories Israel would later capture in the 1967 Six-Day War, including the West Bank, Gaza Strip, Golan Heights and Sinai Peninsula (the latter has since been returned to Egypt). Its name is derived from the green ink used to draw the line on the map during the talks. [1]
2. “West Bank” refers to land bordered by the Green Line and Jordan.
3. “Gaza” refers to land bordered by the Green Line, by Egypt and by the Mediterranean.
4. “Palestine” is the land including the West Bank, East Jerusalem and Gaza.
5. “Separation Wall” is the wall as defined by International Court of Justice – ‘the wall being built by Israel, the occupying Power, in the Occupied Palestinian Territory, including in and around East Jerusalem’.
6. “Military Occupation”, as defined in the Geneva Conventions[2].
7. “The Occupation” refers to the military occupation by Israel of Palestine

[1] The Green Line [http://en.wikipedia.org/wiki/Green_Line_\(Israel\)](http://en.wikipedia.org/wiki/Green_Line_(Israel))

[2] The Geneva Conventions of 1949

<http://www.icrc.org/web/eng/siteeng0.nsf/htmlall/genevaconventions?opendocument>

Background

Preamble

The partitioning of Palestine in 1947-48 produced an increase in violent confrontation and a massive refugee problem. The 1948 Arab-Israeli War (Palestinian Nakba) resulted in an armistice line (the 'Green Line') that represents the border of Israeli territory. After the 1967 Six-Day War, Israel militarily occupied the West Bank, Gaza, Sinai Peninsula (Egypt), Golan Heights (Syria), and Sheeba Farms (Lebanon). The military occupation of much of this territory continues (counter to UN Resolutions). Furthermore Israeli settlements have been illegally established on large areas of these lands. The military occupation, together with severe limitations on mobility of non-Israeli citizens in this territory (by border restrictions, internal checkpoints, and the Separation Wall) have placed unacceptable burdens on the non-Israeli population, widely denounced by organizations such as Amnesty International. Large numbers of people have been killed and wounded by military actions and by non-military violence, and thousands are held in prisons under Israeli military jurisdiction. There have been numerous calls for boycotts and divestments with the objective of accelerating a peaceful resolution of this situation.

Legality of prolonged military occupation, and settlements (colonization)

The Geneva Conventions permit temporary military occupation of territory, subject to clear limitations. Notably, such occupation should be temporary. Construction, use of resources, etc. by the occupying military power should occur solely to permit authorized occupation. Relocation of citizens into or out of the occupied territory is not permitted. The occupation of Palestine since 1967 is therefore illegal under international laws and agreements, since there are violations of three basic principles:

1. The Occupation is unacceptably prolonged. The United Nations Security Council Resolution 242 [3] (passed unanimously, 22nd November 1967) calls for (among other actions) "Withdrawal of Israeli armed forces from territories occupied in the recent conflict". This has been reiterated in subsequent UN resolutions [4].
2. Settlements built by Israel, and relocation of Israeli citizens to those settlements, are illegal. The 4th Geneva Conventions clearly forbid these actions [5]. The Convention adopted in 1949 takes account of the experiences of World War II. Its provisions protect people who do not take part in the fighting (civilians, medics, aid workers) and those who can no longer fight (wounded, sick and shipwrecked troops, prisoners of war).
3. The conditions imposed by the Occupation on the Palestinian population are contrary to international norms. Demolition of homes and businesses and destruction of agricultural resources, imprisonment of people resisting the Occupation, limitations on freedom of association, an extensive system of checkpoints limiting mobility and access to e.g. hospitals have been extensively documented, notably in a report of the Middle East Project of the Human Sciences Research Council (HSRC, South Africa). This report found that conditions "on the ground" represent illegal occupation, colonialism and apartheid [6]. Probably the most visible manifestation is the

separation wall running deep into Palestinian territory. The International Court of Justice ruled this illegal: "The Court finds that the construction by Israel of a wall in the Occupied Palestinian Territory and its associated régime are contrary to international law" and called for its removal and payment for losses and damages [7]. The Israeli military maintains a land, sea, and air blockade of Gaza; the 2008/2009 invasion and bombardment included numerous war crimes committed primarily by Israel [8].

Sources:

- [3] United Nations Security Council Resolution 242
<http://www.yale.edu/lawweb/avalon/un/un242.htm>
- [4] List of other United Nations resolutions concerning Israel and Palestine:
http://en.wikipedia.org/wiki/List_of_the_UN_resolutions_concerning_Israel_and_Palestine
- [5] Geneva Conventions <http://www.icrc.org/Web/Eng/siteeng0.nsf/html/genevaconventions>
- [6] Human Sciences Research Council (HSRC, South Africa). Middle East Project. "Occupation, Colonialism, Apartheid? A re-assessment of Israel's practices in the occupied Palestinian territories under international law." The Middle East Project, Democracy and Governance Programme of the South African Human Sciences Research Council. May 2009. Cape Town, South Africa. http://www.hsrc.ac.za/Media_Release-378.phtml
- [7] International Court of Justice: 9 July 2004 General List Case No. 131: "Legal Consequences Of The Construction Of A Wall In The Occupied Palestinian Territory" <http://www.icj-cij.org/docket/index.php?pr=71&code=mwp&p1=3&p2=4&p3=6&case=131&k=5a>
- [8] United Nations Fact Finding Mission on the Gaza Conflict ('Goldstone' report) <http://www2.ohchr.org/english/bodies/hrcouncil/specialsession/9/FactFindingMission.htm>

Action Taken by Student Groups at other Universities:

Hampshire College (Students for Justice in Palestine)

This College undertook a divestment (February 2009) that was at least in part motivated by a motion by this group <http://www.hsjp.org/divestment/>. The motion states that "As an institution Hampshire College will not support, invest, or finance any individual, group or institution that directly profits from the occupation of Palestine". It further clarifies and elaborates:

"Investments should not be made in any company that provides products or services, including financial services, to Israeli governmental or military bodies that are used to facilitate or undertake violent acts against civilians or violations of international law, or to Israeli or Palestinian organizations or groups that are used to facilitate or undertake violent acts against civilians or violations of international law. For the purposes of this investment screen this would include companies that:

1. Provide products or services that contribute to the maintenance of the Israeli military occupation of Gaza and the West Bank, including East Jerusalem;
2. Provide products or services that contribute to the maintenance and expansion of Israeli settlements in the occupied Palestinian territories;

3. Establish facilities or operations in Israeli settlements in the occupied Palestinian territories;
4. Provide products or services that contribute to the maintenance and construction of the Separation Wall;
5. Provide products or services that contribute to violent acts that target either Israeli or Palestinian civilians.

Carleton University (Ottawa) Students Against Israeli Apartheid (SAIA)

<http://www.carleton.saia.ca/pension-divestment-campaign>

SAIA noted that the Carleton University Pension Fund was invested in five companies that are complicit in human rights violations and crimes under international law in the Occupied Palestinian Territories: Motorola, BAE Systems, Northrop Grumman, L-3 Communications, and Tesco supermarkets. SAIA calls upon Carleton University to divest from these companies, and implement a Socially Responsible Investment (SRI) policy.

Their Campaign Recommends:

1. That the Carleton University Board of Governors, via the Pension Fund Committee, immediately divest of its stock in BAE Systems, L-3 Communications, Motorola, Northrop Grumman, and Tesco
2. That Carleton University refrain from investing in other companies involved in violations of international law.
3. That Carleton University work with the entire university community to develop, adopt, and implement a broader policy of Socially Responsible Investment (SRI) for its Pension Fund and other investments, through a transparent and effective process.

Stanford University (Students Confronting Apartheid by Israel)

This group presented a Petition to the Board of Trustees of Stanford University

<http://www.stanford.edu/group/scai/petition.html>

It states: “We, the undersigned, call upon Stanford to take the proper steps to ensure that the university does not invest in companies that violate international law, abuse human rights and support apartheid. In particular, we petition the Board of Trustees to ensure investment responsibility by divesting from companies that fit one or more of the following criteria:

1. Provide military support or weaponry to support Israel’s occupation forces in the West Bank, Gaza, Golan Heights, Sheeba Farms, and East Jerusalem in violation of United Nations Resolution 242 that notes ‘the inadmissibility of the acquisition of territory by war’ and which calls for ‘the withdrawal of Israeli armed forces from occupied territories.’
2. Support the building or maintenance of the ‘separation barrier’ that Israel has built in the West Bank, which was deemed illegal by the International Court of Justice (the highest legal body in the world, whose statute all UN members are parties to).
3. Operate on illegally occupied land and within Jewish-only settlements in contravention of Article 49, paragraph 6 of the Fourth Geneva Convention which states that the ‘occupying power shall not deport or transfer parts of its own civilian population into territories it occupies.’
4. Facilitate home demolition, land confiscation, or other acts of collective punishment, as documented by Amnesty International and the International Committee of the Red Cross.
5. Engage in practices that institutionally discriminate against people of a specific race, religion, or ethnicity.”

University of Michigan (Dearborn Student Government)

This group passed a motion (25 February 2010) <http://info.umdunderground.org/> resolving “that on behalf of the students at the University of Michigan-Dearborn, we will urge this committee to recommend immediate divestment from companies that are directly involved in the ongoing illegal occupation, because we deem these investments to be profoundly unethical and in direct conflict with the mission of this University.”

University of California (Associated Students of the University of California, Berkeley)

<http://www.asuc.org/documentation/view.php?type=bills&id=2017>

This Association (ASUC) considered (March 10, 2010) a “Bill In Support Of ASUC Divestment From War Crimes” resolving that “the ASUC will examine its assets and UC assets for funds being invested in companies that a) provide military support for or weaponry to support the occupation of the Palestinian territories or b) facilitate the building or maintenance of the illegal wall or the demolition of Palestinian homes, or c) facilitate the building, maintenance, or economic development of illegal Israeli settlements on occupied Palestinian territories” and advocate that “the UC divests, all stocks, securities, or other obligations from such sources with the goal of maintaining the divestment, in the case of said companies, until they cease such practices if it is found that ASUC and/or the UC funds are being invested in any of the abovementioned ways.”

Actions by Non-Student groups

A number of other organizations have called for or taken divestment actions:

- The Palestinian Campaign for the Academic and Cultural Boycott of Israel
<http://www.pacbi.org/index.php>
- The Boycott, Divest, Sanctions (BDS) movement
<http://bdsmovement.net/> and <http://www.boycottisrael.info/>

Municipalities (pension funds) and Unions:

The biggest Swedish pension fund Foersta AP-Fonden barred Israeli arms maker Elbit Systems from its investment portfolios on ethical grounds (March 2010). Following the lead of Norway's state oil fund, Foersta AP-Fonden said it had banned investment in Elbit because it had built and was operating a surveillance system for a controversial barrier between Israel and the West Bank; this “Israeli company can be linked to violations of fundamental conventions and norms”, according to the fund's Ethical Council.

See <http://www.ynetnews.com/articles/0,7340,L-3869862,00.html>

Governments

UK government has a policy that UK arms exports to Israel should not be used in the occupied territories. See <http://news.bbc.co.uk/2/hi/8594402.stm>

Religious Groups:

New England Conference of The United Methodist Church - Divestment Task Force

This group has prepared a report that is widely used to identify specific companies:

http://www.neumc.org/console/files/oFiles_Library_XZXLCZ/NEUMC_Divestment_Report_-_FINAL_060407-img_PM2YX4SR.pdf

The Divestment Task Force was created to implement Resolution 204, which was passed by the 2005 New England Annual Conference (“Resolution on Divesting from Companies that are Supporting in a Significant Way the Israeli Occupation of Palestinian Territories”).

Their report has been widely used by other groups to identify companies for divestment. It was adapted and updated in the report of the Interfaith Peace Initiative For Peace and Human Rights in Israel-Palestine <http://www.interfaithpeaceinitiative.com/profitng.pdf>

Presbyterian Church (USA) <http://www.pcusa.org/mrti/about.htm>

This Church has approximately 2.3 million members, more than 10,000 congregations and 14,000 ordained and active ministers. Its Committee on Mission Responsibility Through Investment (MRTI) produced a document “Guidelines for the Implementation of Phased, Selective Divestment Related to Israel and Palestine”:

<http://www.pcusa.org/worldwide/israelpalestine/resources/20guidelinesdivestment.pdf>

Consequently, their General Assembly considered a divestment proposal <http://www.pc-biz.org/Explorer.aspx?id=1733>

Sources.

(At present all sources for the above section are set in the text)

3. Recommendation

It is recommend that the University identify an organization with the prerequisite experience as a cost-effective source for recommendations regarding which companies to divest from, which to continue to divest from once the divestment decision has been implemented, and which to reinstate once the basis for divestment no longer exists. Further, the Vice President for Finance and Administration will use UVM staff resources to supplement third party efforts.

a. Draft Screening Criteria For Divestment

- A company contractually involved in, and directly profiting from, the Occupation, by supplying products or services to the Israeli military and/or Israeli settlements in Palestine.

b. Draft Divestment/Reinvestment Protocol

- The Controller will be responsible for contracting with a third party source, and/or such other similar organization as may be needed, for an annual list of companies contractually engaged in trading deemed “unacceptable”.
- The Controller will recommend to the Vice President for Finance & Administration (VPFA), on an annual basis, companies to be added to those in which UVM does not wish to invest, or companies that can be removed from the list as the research warrants.
- Exit strategy: annually the SRI will review this policy until such time as the Israeli military end its occupation of Palestine (leave Palestinian territory and airspace, and end its blockade of Palestinian territory as defined above, or according to mutually agreed new borders.)

- The VPFA will review recommendations and bring appropriate changes to the SRIWG for discussion and recommendation to the Investment Subcommittee (ISC).
- The ISC will determine whether changes to the investment portfolio are needed and will recommend such changes to the Budget, Finance & Investment Committee (BFI).
- Investment changes approved by the BFI and the full Board of Trustees will be executed by the VPFA and Controller.
- The VPFA will notify companies that have been divested or taken off the divestment list of UVM's action.

c. **Draft Resolution**

Resolution Regarding Divestment from Companies contractually involved in, and directly profiting from, the Occupation, by supplying products or services to the Israeli military and/or Israeli settlements in Palestine.

WHEREAS, the Board reaffirms its commitment to “Our Common Ground” and its stated values of “justice” and “responsibility”; and

WHEREAS, the University’s policy of fiscal prudence shall not preclude the consideration of moral, ethical and social criteria in determining companies in which to invest, and that the University will take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accord with moral, ethical and social criteria; and

WHEREAS, Prolonged Military occupation of Palestine involving illegal settlements in occupied territory and actions such as the illegal construction of a separation wall in Palestinian territory are unacceptable to the University, and the **University should not profit from these actions**

BE IT RESOLVED, that the Socially Responsible Investing Work Group (SRIWG) recommends University divestment from companies contractually involved in, and directly profiting from, the Occupation, by supplying products or services to the Israeli military and/or Israeli settlements in Palestine.

BE IT FURTHER RESOLVED, that the Socially Responsible Work Group will review and reaffirm this resolution on an annual basis, until such time as the Occupation is ended.