

Economic Advocacy Measures

Options for KAIROS Members for the Promotion of Peace
in Palestine and Israel

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1 Introduction

Canadian churches and church organizations have been working together for many years to promote a just peace between Israelis and Palestinians. The formation of KAIROS in 2001 saw the continuation of these efforts in the form of ongoing partnerships with Palestinian and Israeli organizations, education in Canada, and advocacy with the Canadian government.

In 2002, the KAIROS Board passed [a policy on the Israeli-Palestinian conflict](#) (see Appendix A). KAIROS affirms the desire of the Israeli people for a secure homeland, recognizing the long, terrible and continuing history of anti-Semitism, and the vital role of Israel to Jewish people around the world. KAIROS also recognizes the great suffering of the Palestinian people, many of whom live as refugees in surrounding countries, and others who have lived under Occupation for 40 years, and affirms their right to a secure and viable homeland. KAIROS calls for an end to the Israeli Occupation of Palestinian Territories and for two secure states based on the June 4, 1967 borders.

Despite the efforts of Palestinians, Israelis, solidarity groups and movements around the world, the work of churches and church related organizations, including KAIROS, as well as governmental and international peace plans, no discernible progress has been made towards a lasting and just peace.

The reality for many Palestinians is extremely difficult, particularly in Gaza. Although the Israeli settlements in Gaza were dismantled in 2005, strict Israeli control of Gaza's borders has only reinforced the reality for Palestinians in Gaza that they are neither free nor independent, as they are unable to move freely outside the narrow Gaza strip or to move goods in or out. The Occupation has deepened in the West Bank with the expansion of Israeli settlements, the building of a wall that has made life much more difficult for Palestinians, and the ongoing restrictions to Palestinian movement.

Israel is dealing with increasing costs of the Occupation, both financial and in terms of morale, continued rocket attacks and the ever-present fear of suicide attacks from Palestinian extremists. The victory of Hamas in the 2006 Palestinian elections, a political party that does not recognize Israel, has also been a cause of deep concern among Israelis.

In this context, the [Sabeel Ecumenical Liberation Theology Center](#), a KAIROS partner, issued a call in early 2005 for churches and other partners to consider a new non-violent strategy that would challenge the economic underpinnings of war and occupation. Calling it “Morally Responsible Investment” (MRI), Sabeel stated that “a system of international support for the occupation exists as multinational corporations build franchises in the occupied territories, supply military goods, and provide material for the construction of the settlements and Separation Wall.” Sabeel challenged churches to consider the moral implications of their investments relating to the Palestinian-Israeli conflict and offered a number of options to consider.

The KAIROS Board asked for assistance for its members to explore “economic advocacy measures,” a term deliberately chosen to expand the possible actions that members could consider in their desire to further the cause of a just peace in Israel and Palestine.

Two significant events have been held as a part of the exploration process. In October 2005, KAIROS was one of 50 co-sponsors of an international conference initiated by the Sabeel Ecumenical Liberation Theology Centre. The conference brought together a range of churches and organizations to discuss strategies for morally responsible investment.

In early 2006, an internal consultation in Toronto was held with the members of KAIROS to explore the challenges and opportunities of economic advocacy measures within a Canadian church context.

The final step of the Board-mandated process is this paper, which sets out a range of options to enable the members of KAIROS to contribute, each out of their own faith tradition, to their common quest for a just peace in Israel and Palestine. The paper also contains recommendations for KAIROS actions that would support member initiatives. **Finally, section 6 of the paper also makes clear that KAIROS is *not* advocating sanctions against Israel nor a boycott of products from Israel.**

The aim of economic advocacy measures is to encourage various actors to take action that would hasten progress towards the vision of peace expressed in the KAIROS Middle East policy document. These measures allow KAIROS and its members to move beyond making statements to a new range of actions.

The global movement for Morally Responsible Investment (MRI)

Sabeel’s 2005 call for morally responsible investment in the Occupied Palestinian Territories encouraged a growing number of churches to consider how economic measures might contribute to bringing about positive change in the Middle East. There had been previous initiatives in this area. For example, in 2001 the [World Council of Churches \(WCC\)](#) called for an international boycott of goods produced in the illegal Israeli settlements in the Occupied Palestinian Territories. Many European churches responded with a campaign to have settlement goods accurately identified before shipment to European countries so that their congregations could make informed choices.

A defining moment in the use of economic measures occurred when [the Presbyterian Church \(USA\)](#) voted at its 2004 General Assembly to begin a phased, selective divestment process involving its \$8 billion investment portfolio. Five major US corporations and their senior managers were identified for dialogue; should this not lead to change, the next steps would be shareholder resolutions encouraging public pressure and, as a last resort, divestment of shares. Given the 3.2 million members of the church and its considerable financial clout, as well as the precedent-setting nature of the position it was taking, the divestment motion generated widespread media coverage and strong opposition from some Israeli and Jewish organizations.

Other churches have since taken some steps in the same direction. [The Church of England](#) voted in early 2006 for morally responsible investment. It directed an advisory group to intensify discussions with Caterpillar regarding the use of its machinery in the destruction of homes and property in the Occupied Palestinian Territories. Many European, American and other national churches have also adopted various strategies. Currently, a Task Group of the New England Conference of the United Methodist Church has launched an ambitious and well-researched campaign targeting economic involvement with illegal Israeli settlements in the West Bank.

An overview of the actions and initiatives of WCC member churches and organizations regarding economic measures for peace in Israel and Palestine is attached to this paper as Appendix B. In addition to the actions of church organizations, there are many other organized efforts to use economic measures to build peace. Unions and academic institutions are at the forefront of these actions, but they also include civil society organizations, including many Jewish organizations (see Appendix B for a list).

As a result of the Sabeel conference on morally responsible investment, held in Toronto in 2005, an international network is emerging that will attempt to coordinate the efforts of both faith-based and civil society organizations.

2 The Canadian Context

A number of Canadian churches are in the process of exploring economic advocacy measures as a response to Israel's occupation of Palestinian lands, and several have adopted resolutions on the issue.

The United Church of Canada (UCC) has been the most active in considering morally responsible investment. [A resolution passed at its 2006 General Council meeting](#) requires that the UCC invest only in companies that are engaged in peaceful pursuits in the region. Non-peaceful pursuits are defined as companies that either support the illegal Occupation of Palestinian territories or refuse to recognize the legitimate rights of Israel. [The United Church of Canada's Toronto Conference](#) had already passed a resolution that called for divestment and boycott strategies.

The Mennonite Central Committee drafted [a discussion paper](#) in 2005 that included investment strategy options for its constituency to consider. The paper pointed to a solidification of the Israeli Occupation and a worsening of the situation on the ground as reasons to explore new methods of peace building.

The work of the Canadian churches on economic advocacy measures takes place within a context of strong opposition by some Jewish groups in Canada to any economic targeting of the Israeli state's Occupation of Palestinian territory. Such measures are often interpreted by some Jewish organizations as an attack on Israel itself rather than critiques of actions by a governing body, critiques consistent with stands KAIROS takes on human rights with governments and international bodies around the world and here in Canada.

Formal Christian-Jewish dialogue on this subject has been difficult and painful for both Christians and Jews. Simultaneously, others have been working in consultation with and benefiting from the leadership of Jewish peace activists from Israel, Canada, and elsewhere. Canadian churches have attempted to maintain the dialogue while at the same time speaking to the justice issues that require action.

3 Promoting Peace through Informed Choices

As part of our member churches' work towards a just peace in Israel and Palestine, KAIROS recommends three strategies: educate church membership on the conflict in Palestine and Israel; promote fair trade olive oil and other products from the Occupied Palestinian Territories; and highlight Canadian economic relationships with illegal Israeli settlements in the Occupied Palestinian Territories.

A. Education of church membership on the conflict in Palestine and Israel

Canadian churches' long-standing spiritual, moral, political, historical, cultural and economic relations with both the Palestinian and Israeli people position them to play a leading role in advocating for a just peace. Through their Middle East in-house staff and through KAIROS the Canadian churches have been engaged in principled advocacy campaigns that aim to bring visibility to, and mobilize action on, conflict and peace issues in Palestine and Israel.

Yet the effectiveness of our advocacy initiatives has been weakened historically by a lack of strong church constituency support in Canada. Furthermore, media reports have often reinforced false perceptions of the Israeli-Palestinian conflict among the Canadian public, placing them in a context that portrays Israeli Occupation of Palestinian territories as a defensible and workable strategy for self-defense.

Canadian churches need a strategy to educate our constituencies on structural issues affecting conflict and peace in Palestine and Israel (such as Israeli settlements in the Occupied Palestinian Territories, the separation wall, the status of Jerusalem, and the need to recognize the state of Israel and its legitimate rights) and put them in the context of international law.

Public perceptions of the conflict in Palestine and Israel are often based on inadequate understanding of the interfaith relationships that exist in the Middle East. An expansion of the inter-faith dialogue, and the tools for proper engagement of that expansion is an element of the education that is necessary for Canadian churches to engage the search for a just peace in the Middle East.

KAIROS distributed a short liturgical resource for use within the churches to commemorate the 40th anniversary of the Occupation in June 2007. A more in-depth basic educational resource on structural conflict and peace issues in Palestine and Israel will be available to the churches in early 2008.

Options:

- (a) That KAIROS members consider bulk purchases of KAIROS educational resources on Palestine and Israel and encourage widespread distribution and use within congregations.** (Recommendation 2.1, page 19.)
- (b) That KAIROS members consider purchasing educational resources available from KAIROS partners in the Middle East.** (Recommendation 2.2, page 19.)

B. Promotion of Palestinian products and services

KAIROS' members and the KAIROS network have had a longstanding association with the promotion of fair trade coffee and other consumer measures which encourage a just distribution of resources and simultaneously educate consumers. Promoting Palestinian fair trade and community-based products and services can be a means of economic solidarity with Palestinians while offering concrete education to Canadians about the causes of the conflict and engagement for peace.

The olive tree has become a central image for Palestine just as the olive branch is a global symbol for peace. Olive oil is Palestine's most profitable cash crop and supports over half the population. The effects of the Israeli Occupation are devastating to Palestinian farmers and, in turn, for the entire economy – a central cause for despair. Israeli military “buffer zones” in the Occupied Palestinian Territories have ploughed under many olive trees. The separation wall destroyed nearly half a million trees and has isolated their owners from many more. Accordingly, some Canadians working for a Just Peace in the Middle East have been purchasing and distributing Zatoun olive oil and other olive oil products as a means of advocating for economic justice for the Palestinian people. Other products and services such as those provided by the Holy Land Handicraft Cooperative Society to Ten Thousand Villages stores, products of the Holy Land Artisans from Taybeh, and Four Corners (Canada Lutheran World Relief) also promote consumer consciousness about the plight of the Palestinian economy, while at the same time showcasing the rich diversity and capacity of Palestinian producers.

Another area of economic advocacy relates to the service industry. KAIROS member churches' publications often contain advertisements for Holy Land tours, and church members participate in Holy Land pilgrimages. We can educate our church membership about alternatives such as the Alternative Tourism Group in Ramallah, using church run and church owned facilities, often located inside the OPT, and encourage participation in exposure visits and alternative travel experiences such as those offered by our partners.

KAIROS could assist its members by gathering information on products and services which work to promote justice and peace in the Middle East, and making them known to the churches and their congregations.

Options:

- (a) That KAIROS members use their meetings, events and other avenues to which they may have access, to promote the purchase and distribution of products and services from the Occupied Palestinian Territories, such as those from the Zatoun organization, Holy Land Handicraft Cooperative Society, Holy Land Artisans, and the Alternative Tourism Group from Ramallah, both to assist the Palestinian people, and as a means of educating church members and others about the situation under Occupation. (Recommendation 2.3, page 20.)
- (b) That KAIROS staff encourage KAIROS' local networks to use their meetings, events and other avenues to which they may have access, to promote the purchase and distribution of

products and services from the Occupied Palestinian Territories, such as those from the Zatoun organization, Holy Land Handicraft Cooperative Society, Holy Land Artisans, and the Alternative Tourism Group from Ramallah, both to assist the Palestinian people, and as a means of promoting awareness of the situation under Occupation. (Recommendation 1.1, page 19.)

- (c) That Kairos consider ways of assisting such fair trade and community-based organizations to publicize their products and services to potentially interested audiences in Canada. (Recommendation 1.2, page 19).

C. Economic relationships with settlements in Occupied Palestinian Territories

Canadian churches have consistently recognized the right of Israel to exist as a state within its 1967 borders and the right of the Palestinian people to establish their state on the territories of the Gaza Strip and the West Bank (including East Jerusalem). Therefore we have called for Israel to reverse its settlement policy and freeze all settlement activities in the Occupied Palestinian Territories. The Canadian churches oppose Israeli settlement activities on the grounds that:

1. Settlement construction violates international law: the [Fourth Geneva Convention](#) prohibits an occupying power from transferring citizens from its own territory to the occupied territory. Furthermore, the [Hague Regulations](#) prohibit the occupying power from undertaking permanent changes in occupied areas, unless these are due to military needs in the narrow sense of the term, or unless they are undertaken for the benefit of the local population. They also outlaw confiscation of private property and recognize requisition of land only for the needs of the occupying army.
2. The widely documented expansion of settlements and related construction make daily life for the Palestinian people extremely difficult, inflame an already volatile situation, and are amongst the greatest obstacles to progress towards a just peace.
3. The sheer number of settlements, connecting roads, and checkpoints threaten to render the two-state solution physically impossible to implement, creating isolated unviable, overcrowded cantons for Palestinians in the West Bank.

Our position on settlements is consistent with Canada's foreign policy on the Israeli-Palestinian conflict. [Canadian Policy on Key Issues in the Israeli-Palestinian Conflict](#) specifies under the heading of "Occupied Territories" that Canada adheres to "UN Security Council Resolution 446 and 465 [both of which] refer to Israeli settlements in occupied territories as a violation of the Fourth Geneva Convention. The settlements also constitute a serious obstacle to achieving a comprehensive, just and lasting peace."

It follows from the KAIROS recognition that Israeli settlements in the Occupied Palestinian Territories are inconsistent with Israel's obligations under the Fourth Geneva Convention, that the purchase of settlement products in Canada and supporting businesses that have operations in the settlements pose ethical considerations for Canadian Christians seeking to uphold human rights.

Furthermore, the Israeli settlement economy is contributing directly to weakening the Palestinian economy. Factories in the settlements are built on illegally confiscated Palestinian agricultural lands. They are also entitled to tax benefits from the state of Israel. The Palestinian economy is therefore no longer able to compete with the Israeli settlement economy, especially with regard to agricultural products (vegetables, fruit and flowers), which constitute a major part of settlement production.

Israel is also being weakened by the existence of the settlements. Peace Now, the largest Israeli organization that opposes the Occupation states that the settlements cost Israel over US\$556 million per year for security, diverting resources from social spending in areas such as health care and education. Housing in settlements is often made attractive, particularly to immigrants, through subsidization.

Options:

- (a) **That the KAIROS Board requests the staff to do research to identify products made in Israeli settlements in the Occupied Palestinian Territories that are sold in stores in Canada, as well as corporations that have operations in settlements, and share this research with its members and local KAIROS groups.** (Recommendation 1.3, page 19.)
- (b) **That KAIROS members encourage local constituencies to educate themselves regarding Canadian economic relationships with settlements in the Occupied Palestinian Territories and engage Canadian distributors or affiliates regarding their relationships with settlements in the OPT.** (Recommendation 2.4, page 20.)

4 International Economic Policy Measures

For several decades, settlement enterprises in the West Bank and Gaza have been exporting goods labeled "made in Israel" to the Canadian market, thereby benefiting from the free trade agreement between Israel and Canada.

The [Canada-Israel Free Trade Agreement \(CIFTA\)](#) was signed on July 31, 1996 and came into effect on January 1, 1997. It removed tariffs from most products exported and imported to each country. Since that time, the CIFTA has been amended twice, once in 2002 and again in 2003.

In contrast, Palestinian producers have great difficulty in selling their products to any market. As part of its trade agreement with Israel, the European Union (EU) ensures that Palestinian producers have access to the EU market. In any new negotiations with Israel, Canada could similarly ensure that Palestinians also have access to Canadian markets.

As part of its Program Plan for 2006-2010, KAIROS will undertake comparative research on the CIFTA (compared with EU and US-Israel FTAs) for clauses related to trade with the Occupied Palestinian Territories, produce a policy brief on CIFTA, and develop an advocacy strategy. Based on our research thus far, KAIROS expects to recommend a three-phased advocacy approach in relation to the Canadian Government:

1. To amend CIFTA to limit its geographical applicability to the State of Israel within its 1967 borders.
2. To call on Israel to abide by a certification of origin for goods coming from settlements in the Occupied Palestinian Territories (East Jerusalem and the West Bank). This certification process would allow Canada's custom authorities to distinguish between products originating in the State of Israel and those manufactured on settlements in the Occupied Palestinian Territories. The former would qualify for preferential duties under the Agreement, whereas the latter would be considered products coming from a third country and not covered by the CIFTA.

To ensure fair and just access for Palestinian producers, distributors and service providers to Canadian markets on at least as favourable terms as those enjoyed under CIFTA by producers, distributors and service providers in Israel. This will require that Israel would have to guarantee that it will not interfere with economic relationships between Palestinian and Canadian businesses, including an agreement not to restrict exports from Palestine.

In February 2005, the EU brought into force an amendment to its EU/Israel Association Agreement which forced Israel to abide by a certification of origin for goods coming from settlements in the Occupied Palestinian Territories and instructed all of its member states to regard such products as invalid under the terms of the Association Agreement.

Options:

- (a) That the KAIROS Board requests the staff to develop, for Board approval, a three-phased advocacy plan aimed at:
- (i) limiting the geographical applicability of Canada-Israel Free Trade Agreement to within the 1967 borders of the State of Israel;
 - (ii) enforcing a certification of origin for goods coming from settlements in the Occupied Palestinians Territories; and
 - (iii) ensuring that Israel does not impede the development of trade relationships between Canada and the Occupied Palestinian Territories. (Recommendation 1.4, page 19.)

5 Institutional Investor Measures

Canadian churches can take action as institutional investors to contribute towards a just peace in Israel and Palestine. In this section, we will examine three investment strategies that allow churches to support economic development in Palestine, oppose militarism, and promote international justice and human rights.

A. Investing for economic development in Palestine

The Israeli Occupation has imposed severe restrictions on the freedom of the Palestinian people and their efforts to build a modern and diversified economy. The Palestinian economy is in critical condition after decades of violence, restricted access to natural resources such as water, and serious limits on the free movement of people and goods into and within Occupied Palestinian Territory.

The cycle of suffering and desperation will only get worse if new economic opportunities cannot be created for Palestinian youth, who make up the majority of the population in the Occupied Palestinian Territories. KAIROS will continue its political advocacy work to remove these restrictions on the Palestinian people, to stop the violence that has fostered them and help create space for social and economic development.

Notwithstanding the current climate, Canadian churches can support the development of the Palestinian economy through their investments. One possible strategy is micro-credit investment, which involves extending small-scale loans to entrepreneurs who would not otherwise be able to secure credit from traditional financial institutions. Micro-credit initiatives have a successful track record in alleviating poverty, the most famous example being the Grameen Bank in South Asia whose founder was awarded the Nobel Peace Prize in 2006.

Several KAIROS churches are already involved in micro-credit initiatives, through local community investment funds in Canada and through international networks like [Oikocredit](#). Unfortunately Oikocredit reports that it is not active in Israel or Palestine and has no plans to establish an office there. However, the United Church of Canada has been exploring other opportunities for micro-credit investment since its General Council decided in August 2006 to move ahead with ethical investing for peace in Palestine and Israel.

Some Protestant churches in the U.S. have also been exploring “positive investment” opportunities in the region. In 2005, a small working group was formed to explore investment opportunities that would support Palestinian farmers and small businesses today and contribute to building an economically viable Palestinian state in the future. The group is investigating micro-credit opportunities in the Occupied Palestinian Territories and exploring possible infrastructure projects, such as ports, roads, airports, border crossings, etc. Investments on either scale would contribute to the long-term

development of the Palestinian economy. The working group has been consulting with James Wolfensohn, former president of the World Bank, to identify such opportunities in the region.

Given the anticipated scale of investments from Canadian churches, we advise KAIROS members to focus on micro-credit initiatives that have the greatest potential to create meaningful economic opportunities for farmers and small businesses in the Occupied Palestinian Territories.

Canadian churches, for example, could extend low-interest loans to the [Palestinian Fair Trade Association](#) (PFTA), a farmer cooperative that markets Palestinian olive oil and related products internationally. The PFTA has been seeking credit facilities to invest in processing facilities for its members.

Option:

That KAIROS members, in consultation with Middle East partners, consider allocating funds to micro-credit projects to support economic development in the Occupied Palestinian Territories. (Recommendation 2.5, page 20.)

B. Investing to oppose militarism

Investment screening is an important element of socially responsible investing (SRI) practiced by some KAIROS churches. Exclusionary screens related to military involvement help ensure that responsible investors are not reaping profits from militarization or armed conflict. A screened portfolio would likely exclude any company that is directly involved in the manufacture of weapons or weapons delivery systems, or that derives any significant revenues (e.g., more than 5% of its annual revenues) from other military-related contracts. Such portfolio screening services can be obtained from a number of SRI research firms, such as [Groupe Investissement Responsable](#), Innovest Strategic Value Advisors, [Jantzi Research Inc.](#) and KLD Inc., or through an investment manager with expertise in SRI.

To give an example: Based on information provided by Project Ploughshares, KAIROS believes that Montreal-based CAE Inc. won a weapon systems training contract with the Government of Israel in 2004, valued at \$55 million. Churches whose investments exclude major weapons manufacturers and other military suppliers would not hold shares in CAE Inc. and therefore would not profit from this transaction or others like it.

KAIROS recommends that its members adopt exclusionary screens on military involvement if they have not already done so. This will help to ensure that they are not profiting from militarization and armed conflict anywhere in the world.

Option:

That with the assistance of staff, KAIROS members who have not already done so consider adopting socially responsible investment screens to exclude from investment portfolios weapons manufacturers, military suppliers, banks and other corporations that abet violence. (Recommendation 2.6, page 20.)

C. Investing for international justice and human rights

Canadian churches have a long history of shareholder advocacy and engagement on issues of economic justice and human rights. Shareholder dialogue has been most effective in the past when churches were clear on the specific changes in corporate behavior they were seeking. In the case of peace in the Middle East, churches may choose to review their investment portfolios to see if they hold shares in companies whose activities are working against a just peace in Israel and Palestine.

To attract the support of other investors, it can sometimes be strategic to frame our concerns so as to include the issue of investor risk. For instance, a company could be legally liable if it is found to be complicit in maintaining illegal settlements that violate international law. A company could also face serious risks to its reputation if it were perceived to be contributing to armed conflict and human rights violations.

In-depth research is required before KAIROS members could initiate shareholder actions in Canada. Corporate research should be done in collaboration with local partner organizations in the Middle East. KAIROS could consider launching such a research project if several member churches decide that they will act on the information and engage in shareholder action with focus companies in which they hold shares.

To offer one example: In October 2006, Nortel Networks announced it was engaged in a one-year pilot project in the Israeli settlement of Ariel to provide residents with wireless networking services. Research could be undertaken with KAIROS partners in the Middle East to determine the extent of the project and document how it is helping to maintain illegal settlements in occupied territory, in violation of the Fourth Geneva Convention.

Option:

That, when two or more KAIROS members have openly made commitments to pursue shareholder action on this issue, if requested KAIROS staff will consider undertaking research in collaboration with Middle East partners to identify Canadian companies doing business in Israel or the Occupied Palestinian Territories (that are contributing directly or indirectly to violence, occupation or other human rights abuses in the region). (Recommendation 1.5, page 19.)

1) Criteria for assessing such companies could include those developed by the Presbyterian Church (USA) and Sabeel which point to companies that:

- i. provide products, services or technology that sustain, support or maintain the Occupation;
- ii. have established facilities or operations on occupied land;
- iii. provide products, services, or financial support for the establishment, expansion, or maintenance of settlements on occupied land or settlement related infrastructure;
- iv. provide products, services or financial backing to groups that commit violence against innocent civilians; or

- v. provide finances or assist in the construction of Israel's separation wall or settlement infrastructure.

Option

That where KAIROS members opt to pursue shareholder action respecting Canadian companies doing business in Israel or the Occupied Palestinian Territories (that are contributing directly or indirectly to violence, occupation or other human rights abuses in the region), shareholder action shall move through several stages, from dialogue with senior company management to filing shareholder proposals and, as a last resort, divestment. (Recommendation 2.7, page 20.)

- 2) The usual steps for shareholder engagement are:
 - i. Participating churches write to the company expressing concern over its complicity in violence or occupation and requesting a meeting with senior management.
 - ii. Church representatives meet with senior management to find out what steps the company is taking to ensure that it does not contribute to violence or occupation in the region.
 - iii. Following these meetings, participating churches could choose to file a shareholder proposal on the issue at the next annual shareholder meeting.
 - iv. If shareholder action does not achieve the desired outcome, participating churches could choose, as a last resort, to divest from the company on grounds that the company is complicit in violations of human rights and international law and is not adequately addressing its exposure to the associated legal risks and damage to its reputation.

The Presbyterian Church (USA) is currently engaged in dialogue with the following five U.S.-based companies on these issues: Caterpillar Inc., Citigroup Inc., ITT Industries, Motorola Inc. and United Technologies Corp. The Presbyterian Church USA's selection criteria included already owning shares in the companies and that these companies could be shown to be profiting from the violence in the Israeli-Palestinian conflict. Four of the companies were chosen because they provide equipment to the Israeli military. Citigroup was selected based on a report that it had transferred funds to the families of Palestinian suicide bombers. KAIROS and its members have been invited to join in this dialogue and action.

Other churches, including a task group of the New England Conference of the United Methodist Church, are studying or involving themselves in a range of actions from shareholder action to campaigns for divestment from corporations profiting from the Occupation and the violence it generates.

Canadian churches could join the Presbyterian Church (USA) in shareholder dialogue on these issues. Presbyterian Church (USA) has a well-developed shareholder action program and would welcome the participation of churches and other religious institutions from Canada.

Option:

That KAIROS members consider joining existing shareholder actions involving U.S.-based companies that have been initiated by U.S. churches or other institutional investors, if their current portfolios include shares in these companies.

(Recommendation 2.8, page 20.)

6 Measures not recommended

A. Boycott of all Israeli goods

Some organizations have called for a boycott of all Israeli products. They point to the role that economic measures played, including consumer boycotts of South African products and economic sanctions, in forcing the South African government to end apartheid.

KAIROS does not recommend a general boycott of Israeli goods for a number of reasons. While past experience is fairly limited (the South Africa boycott being the main one), a general principle is to consult with the local population that will be affected by a boycott. In South Africa, South Africans themselves called for a boycott, recognizing that even though it might have immediate negative repercussions for their employment, it had the potential to effect lasting change over the long term. Israeli civil society has made no such call.

Secondly, boycotts need to be focused and clear. A general boycott of Israeli goods could be seen to be undermining the right of the state of Israel to exist. KAIROS has always been clear that we support the legitimate right of the Israeli people to a safe and secure state.

Third, there is strong likelihood that a significant number of the businesses that do business with producers in the State of Israel would self-identify as Jewish owned and operated businesses. A general boycott of their products sold in Canada could be confused as a boycott directed at Jewish business, which would be contrary to KAIROS' and its members respect for and solidarity with the Jewish community in Canada.

Recommendation:

That KAIROS not support any general boycott of Israeli products. (Recommendation 3.1, page 20.)

B. Economic sanctions against the state of Israel

The UN Charter (Article 41) allows the Security Council to call upon Member States to apply sanctions in order to maintain or restore international peace and security. An individual government or a group of countries can also decide to impose sanctions bilaterally or multilaterally. Economic sanctions can include measures such as the freezing of a foreign government's assets, restrictions on trade, travel bans, freezing of cultural exchanges or diplomatic relations, and so forth.

By their nature, sanctions can only be imposed by governments or international bodies whose members agree to enforce sanctions.

In the past, Churches have tended to regard sanctions as a non-violent alternative to war in order to coerce the target government into complying with international laws and

agreements. However, the issue of sanctions is complex and has prompted much discussion within church circles over the years. For example, when sanctions were imposed on Iraq in 1990, some churches were initially supportive, seeing them as a legitimate way of pressuring Iraq to withdraw from Kuwait. However, some years later it became apparent that the sanctions were themselves a form of warfare, with deaths from the dramatic economic collapse possibly worse than physical warfare.

The WCC has done extensive thinking on the topic of sanctions and has created [a set of criteria](#) to help churches decide on the applicability of sanctions. Using these criteria, it does not advise its members to press for sanctions against Israel. Instead, it recommends that churches develop a variety of other methods to press for peace and justice in Palestine and Israel.

Recommendation:

That KAIROS not support any use of sanctions against Israel. (Recommendation 3.2, page 20.)

7 Recommendations

1. That the KAIROS Board requests the staff to undertake the following:

- 1.1 To encourage KAIROS' local networks to use their meetings, events and other avenues to which they may have access, to promote the purchase and distribution of products and services from the Occupied Palestinian Territories, such as those from the Zatoun organization, Holy Land Handicraft Cooperative Society, Holy Land Artisans, and the Alternative Tourism Group from Ramallah, both to assist the Palestinian people, and as a means of promoting awareness of the situation under Occupation. (See page 8.)
- 1.2 To consider ways of assisting fair trade and community-based organizations to publicize their products and services to potentially interested audiences in Canada. (See page 8)
- 1.3 To do research to identify products made in Israeli settlements in the Occupied Palestinian Territories that are sold in stores in Canada, as well as corporations that have operations in settlements and share this research with its members and local KAIROS groups. (See pages 9.)
- 1.4 To develop, for Board approval, a three-phased advocacy plan aimed at
 - (i) limiting the geographical applicability of Canada-Israel Free Trade Agreement to within the 1967 borders of the State of Israel;
 - (ii) enforcing a certification of origin for goods coming from settlements in the Occupied Palestinians Territories; and
 - (iii) ensuring that Israel does not impede the development of trade relationships between Canada and the Occupied Palestinian Territories. (See page 11.)
- 1.5 That, when two or more KAIROS members have openly made commitments to pursue shareholder action on this issue, if requested KAIROS staff will consider undertaking research in collaboration with Middle East partners to identify Canadian companies doing business in Israel or the Occupied Palestinian Territories (that are contributing directly or indirectly to violence, occupation or other human rights abuses in the region). (See page 14.)

2. That the following options for the promotion of peace in Palestine and Israel be offered to KAIROS members for their consideration and action:

- 2.1 That KAIROS members consider bulk purchases of KAIROS educational resources on Palestine and Israel and encourage widespread distribution and use within congregations. (See page 6.)
- 2.2 That KAIROS members consider purchasing educational resources available from KAIROS partners in the Middle East. (See page 6.)

- 2.3 That KAIROS members use their meetings, events and other avenues to which they may have access, to promote the purchase and distribution of products and services from the Occupied Palestinian Territories, such as those from the Zatoun organization, Holy Land Handicraft Cooperative Society, Holy Land Artisans, and the Alternative Tourism Group from Ramallah, both to assist the Palestinian people, and as a means of educating church members and others about the situation under Occupation. (See page 7.)
- 2.4 That KAIROS members encourage local constituencies to educate themselves regarding Canadian economic relationships with settlements in the Occupied Palestinian Territories and engage Canadian distributors or affiliates regarding their relationships with settlements in the OPT. (See page 9.)
- 2.5 That KAIROS members, in consultation with Middle East partners, consider allocating funds to micro-credit projects to support economic development in the Occupied Palestinian Territories. (See pages 13.)
- 2.6 That with the assistance of staff, KAIROS members who have not already done so consider adopting socially responsible investment screens to exclude from investment portfolios weapons manufacturers, military suppliers, banks and other corporations that abet violence. (See page 13.)
- 2.7 That where KAIROS members opt to pursue shareholder action respecting Canadian companies doing business in Israel or the Occupied Palestinian Territories (that are contributing directly or indirectly to violence, occupation or other human rights abuses in the region), shareholder action shall move through several stages, from dialogue with senior company management to filing shareholder proposals and, as a last resort, divestment. (See pages 15.)
- 2.8 That KAIROS members consider joining existing shareholder actions involving U.S.-based companies that have been initiated by U.S. churches or other institutional investors, if their current portfolios include shares in these companies. (See page 16.)

3. That KAIROS not support:

- 3.1 any general boycott of Israeli products. (See page 17.)
- 3.2 any use of sanctions against Israel. (See page 18.)

Appendix A

Our Continuing Hope for a Just Peace in the Palestinian/Israeli Conflict KAIROS: Canadian Ecumenical Justice Initiatives¹

September 17, 2002

"Comfort, comfort my people, says your God. Speak tenderly to Jerusalem and cry that her warfare is ended ..." Isaiah 40: 2

"O Jerusalem, Jerusalem ... how often would I have gathered your children together as a hen gathers her brood under her wings ..." Jesus, in Matthew 23: 37

1. Introduction and Background

This framework statement is to guide KAIROS in its work to promote a peace that is just for both Palestinians and Israelis and for people of all religions, particularly Judaism, Christianity, and Islam, the three main religions rooted in the Middle East. KAIROS welcomes dialogue on its work and also on this statement.

In seeking such a peace in this multifaceted tragedy, KAIROS, as a Western church organization, is heir to a mixed history. It must acknowledge the role played by Western colonialism in the Middle East, as well as the churches' complicity in centuries of anti-semitism. It must oppose the tendency in some parts of our society to target Jewish institutions. It also acknowledges a profound indebtedness to Jewish people for Christianity's sacred scriptures and for the many cultural contributions of Jewish people. We support the Jewish people in their desire for a secure homeland.

KAIROS church bodies, either directly or through their global networks, have also given substantial support for the Palestinian people, especially those who became refugees as a result of the creation of the state of Israel. This has included long-term support for the Department of Service for Palestinian Refugees of the Middle East Council of Churches. KAIROS churches also have a history of support for education and other humanitarian work throughout the Middle East. KAIROS recognizes the importance of inter-religious understanding in relation to Islam and inter-cultural understanding in relation to Arab people, both of which have too many negative images in our communities.

The predecessor organizations and member church bodies of KAIROS have long sought to encourage the government of Canada to play an active and constructive role in the search for a just peace. KAIROS will continue to do so. In the region, KAIROS will work

¹**KAIROS: Canadian Ecumenical Justice Initiatives** is a coalition dedicated to promoting human rights, justice and peace, viable human development, solidarity among all peoples, and respect for the earth, believing this to be a faithful response to God's call. KAIROS members are the Anglican Church of Canada, the Canadian Catholic Organization for Development and Peace, the Canadian Conference of Catholic Bishops, the Canadian Religious Conference, the Christian Reformed Church in North America, the Evangelical Lutheran Church in Canada, Mennonite Central Committee Canada, the Presbyterian Church in Canada, the Primate's World Relief and Development Fund, the Religious Society of Friends (Quakers), and the United Church of Canada.

through many channels, a key one being the Middle East Council of Churches. KAIROS will also work through other partnerships, be they with Palestinians or Israelis, involving Muslims, Christians, or Jews. In seeking to work toward such a peace KAIROS will be guided by the following:

2. Basic Affirmations

- 2.1. We believe that God wants the well-being of all people. As creator and redeemer, God loves all people equally and wants justice and peace for all. (John 3: 16; Micah 4: 3 - 4; Jeremiah 9: 23-24; Isaiah 32: 16-17) This teaching can serve as a restraint lest individual nationalities or religions are tempted to an inhumane exclusiveness. The Universal Declaration of Human Rights reflects this Biblical teaching to a significant degree.
- 2.2. We believe that God wants people to live with a certain mutuality and that this is the basis of peace and justice. This is indicated in the basic Biblical call that we are to love our neighbours as ourselves. (Leviticus 19: 18 and Mark 12: 31) This means that we must not seek our own security and well-being at the expense of others but in ways that advance theirs as well; that the rights we claim and the standards we hold must also apply to others; and that we are to seek to understand one another's perspectives and histories in the hope of mutual acceptance. This teaching has obvious potential for inter-group relations in the Middle East.
- 2.3. We believe that the resources of the earth are there for the benefit of all people. (Psalm 24: 1; Micah 4: 4; Isaiah 55: 11) In the Palestinian/Israeli conflict this has immediate significance for water. The supply of water is quite limited and, at present, access to it is most uneven. This teaching also has implications for the land and for its remarkable fruitfulness.
- 2.4. We believe that all human life is sacred and that violence is wrong. (Micah 6:8; Matt. 5: 38-42) God's unconditional love for each one requires of us that we live in harmony with our neighbours, honouring their right to live in freedom and dignity, and that we renounce acts of violence against our brothers and sisters, including any deliberate attack on their right to life.

3. Applications of These Affirmations:

What institutional structures are needed to implement these basic affirmations in relation to the Palestinian/Israeli conflict?

- 3.1 **A sustainable and just peace requires the recognition and implementation of the Palestinians right to self-determination, including their right to establish a sovereign Palestinian state. It also requires the recognition of Israel's existence as a sovereign state. Both states should exercise the privileges and responsibilities that accompany states according to international law.**
Early in this conflict, there was a fundamental question of whether there should be one state accommodating two peoples, or two states, meaning one for each people. The 1947 UN General Assembly "partition resolution" (No. 181) opted for

the two-state approach. This approach also underlies UN Security Council Resolutions 242 (1967) and 338 (1973). We call for a full and equitable implementation of the two-state solution.

3.2 We call for the full implementation of United Nations Security Council Resolutions 242 and 338.

These resolutions require Israel to withdraw to its borders as they were on June 4, 1967. They also require Arab countries and other parties to accept Israel within those borders. Over the years there have been very substantial indications that the second requirement has been met. The first requirement has not been met. The international community must meet its commitments in ensuring implementation of these Security Council Resolutions. This means that Israel must withdraw completely from the territories that it occupied in 1967, including the settlements in those territories. These settlements, which have doubled in number since the Oslo Agreement in 1993, are a flashpoint for confrontation and conflict. Some form of compensation for Israel should be negotiated in recognition of the value of the evacuated housing developments which could be used to help accommodate Palestinian refugees.

3.3 Until Israel withdraws from the territories it remains an occupying power and must be held to the relevant international law, particularly the IV Geneva Convention and the Hague Regulations.

The Convention spells out what an occupying power may and may not do on land that it occupies. Israel is in violation of the Convention in many ways. It has constructed permanent homes there for its people; its ever-expanding network of by-pass roads fragment these already small territories and limit the movement of the Palestinian people; it restricts the people's access to the water of the area; it has confiscated lands, destroyed Palestinian roads, uprooted untold numbers of orchard trees, demolished homes, transferred local people, and imposed many restrictions on normal activities. If Israel were to abide by this Convention, it would not end the occupation but life for the Palestinian people would be much better. Other signatories to the Convention, including Canada, have an obligation under Article #1 to ensure that it is upheld. Palestinians have the right to resist the occupation through non-violent means.

3.4 Both Palestinians and Israelis must be held to a common human rights standard which includes the protection of civilians. All attacks on civilians, whether in pursuit of political ends or as a part of military operations, or for any other reason, are unacceptable and must be deplored.

Attacks on civilians include suicide bombings, targeted assassinations and military attacks in populated areas that are known beforehand to likely result in civilian deaths.

3.5 Lasting peace in the region requires recognition of the human rights of the Palestinian refugees. These are outlined in United Nations General Assembly Resolution 194 and the Universal Declaration of Human Rights. These include their right of return, their representation in negotiating and building peace, their right to citizenship and a permanent home, and some form of compensation for the loss of homes and property.

Given that Palestinian refugees now number in the millions, their return to Israel might seem impossible. Nevertheless, their *right* to return must be honoured,

though its implementation could include alternatives for those refugees who would find them acceptable and fair.

3.6 **The city of Jerusalem must be shared and open.**

The question of Jerusalem has two dimensions: one relates to Palestinians and Israelis as nationalities and the other to Muslims, Christians and Jews as religious people. Sovereignty must be shared between the two nationalities. All faith groups must have open and free access to their holy places.

3.7 **Organizations within civil society in Palestine and in Israel which are committed to transformation and to building democratic and pluralistic societies must be supported.**

Every encouragement must be given to groups and individuals who are committed to justice for all, who believe that there has to be a place for everyone, who recognize that ultimately peace is indivisible, and who, even in the face of violence, can call people on all sides to accept our common humanity and to persevere in the work towards a just peace.

This policy was developed by the KAIROS Middle East Working Group, an advisory body of church staff, volunteers, and others with specialized expertise on the Middle East. It was reviewed by the International Human Rights Program Committee and recommended to the KAIROS Board of Directors who approved it in principle at their meeting of July 5, 2002. The policy was finalized in its present form at the September 17, 2002 Board meeting. It provides a framework for KAIROS policy interventions, advocacy, and other justice initiatives related to Palestine and Israel. It does not imply adoption by individual KAIROS members or their church denominations.

Appendix B

Review of Economic Measures for Peace in Palestine and Israel

Morally responsible investment and other economic actions by WCC member churches and para-church organisations responding to illegal activities on occupied territory (September 2006)

Church	Members	Date	Position
Anglican Church of Kenya	29 dioceses	7/2005	<input type="checkbox"/> Backs a call from the council of the Anglican Communion <u>urging churches to take appropriate action</u> if they have investments in companies whose activities contribute to the occupation of Palestinian land or to violence against innocent Israelis
Anglican Communion	75 million	6/2005	<input type="checkbox"/> Anglican Consultative Council <u>urges churches to follow ethical investment</u> strategies with companies whose activities contribute to the occupation of Palestinian land or to violence against innocent Israelis <input type="checkbox"/> Decision followed a visit to the region in 2004 by members of the Anglican Peace and Justice Network
APRODEV	N/A	2/2001 & on-going	<input type="checkbox"/> Pursuant to the WCC Executive Committee recommendation for an international boycott of goods produced in illegal settlements on occupied territory, WCC-related APRODEV agencies in Europe began <u>working to have Israeli settlement products fully and properly identified before shipment to the European Community</u> in accordance with the terms of the EU's Association Agreement with Israel
Campaign Against Arms Trade—Chr. Network	N/A	10/2005 4/2006	<input type="checkbox"/> CAAT Christian Network's concern is to <u>keep up pressure on the Church of England</u> , following the 9/05 decision of its Ethical Advisory Committee not to sell its shares divest from the US company Caterpillar. <input type="checkbox"/> 19 Jewish, Christian, Palestinian and development organizations write Ch of England commissioners urging them to support General Synod vote for MRI.
Church of Ireland		09/2005	<input type="checkbox"/> Church of Ireland to sell €5m of shares in Cement Roadstone Holdings (CRH) because of its involvement in the construction of the cement barrier wall by Israel government, mostly in the occupied West Bank
Church of Scotland	600,000	mid-2005 5/2006	<input type="checkbox"/> Church of Scotland General Assembly asks Church & Society Council to investigate implications of occupation for church's portfolio of investments. Matter is referred to GA in 5-06. <input type="checkbox"/> After visit to Occupied Palestinian Territories, moderator of General Assembly called on the church to halt humanitarian effort in Palestine in favor of divestment/boycotts. <input type="checkbox"/> Church finds it has no relevant investments. General Assembly calls on EU to clearly inform consumers by identifying products from Israeli settlements.
Church of Sweden	Four + million	5/2003	<input type="checkbox"/> Demands implementation of the EU-Israel Association Agreement, or its suspension if misuse continues (see APRODEV, above) <input type="checkbox"/> Consumer boycott of products from Israeli settlements in the Occupied Territories <input type="checkbox"/> Ban on import of settlement products to Sweden and the EU
Church of England	27.5 million	9/2005 2/2006 3/2006	<input type="checkbox"/> Church of England Ethical Investment Advisory group <u>decided not to sell its £2.5 million investments in the Caterpillar group</u> in light of "political fluidity" following Israel's withdrawal from Gaza <input type="checkbox"/> General Synod <u>voted for morally responsible investment, cited the need for Caterpillar Corporation to change its policies</u> , and directed its Ethical Investment Advisory Group to continue and intensify discussions with the company about its policies. <input type="checkbox"/> Advisory Group reiterates its earlier decision (above) to engage Caterpillar rather than sell stocks.

Ch of Norway -- Council on Ecu & Intl Affairs		9/2005 3/2006	<input type="checkbox"/> Supports WCC decision on economic measures; urges follow-up by other churches/related organisations. <input type="checkbox"/> Seeks review of church and certain government investments in corporations involved in settlements, The Barrier, and related infrastructure including roads and water. Withdrawal of investments possible. <input type="checkbox"/> Focus of action is occupied territory, not Israel proper; part of larger policy on corporations operating in territory considered by UN to be illegally occupied. <input type="checkbox"/> Calls on same church and government funds to invest in strengthening the Palestinian economy. <input type="checkbox"/> Church has initial discussions of these ethical investment guidelines with government fund. Differing criteria but interest in the church approach.
Dan Church Aid	N/A		<input type="checkbox"/> Advocates boycott of products made in settlement areas through "Made in Israel?" campaign <input type="checkbox"/> Urging EU to take immediate action to ensure Israel's compliance with international law
Church	Members	Date	Position
Disciples of Christ USA	770,000	7/2005	<input type="checkbox"/> No specific proposal on divestment being officially discussed although members are interested in the option <input type="checkbox"/> Remains committed to ecumenical and inter-religious relationships while maintaining its call to seek "peace with justice" <input type="checkbox"/> To back commitment to positive interfaith relations, " <u>breaking down the dividing wall</u> " resolution calls upon the Israeli government to cease construction of a barrier wall and fence.
Episcopal Church USA	2 million	10/2005 on-going	<input type="checkbox"/> Where church has investments, engage in dialogue and via shareholder resolutions with corporations that contribute to violence against either side or infrastructure of occupation (e.g. settlements, roads, the wall) <input type="checkbox"/> Invest in the economic development of a future Palestinian State.
Evangelical Lutheran Church in America	5 million	8/2005 on-going	<input type="checkbox"/> Calls for " <u>stewarding financial resources</u> – both US tax dollars and private funds – in ways that support the quest for a just peace in the Hold Land." Lutheran leaders said this does not mean the church is endorsing economic pressure against Israel. <input type="checkbox"/> Resolution on stewarding resources included a "Peace Not Walls" call to Israel and Palestine
ICCO-BS	N/A		<input type="checkbox"/> Advocates boycott of products made in settlement areas through "Made in Israel?" campaign <input type="checkbox"/> Calls for ban of all export and transit of military goods to Israel
Norwegian Church Aid	N/A	9/2005	<input type="checkbox"/> No investment in companies active in facilitation or maintenance of the occupation including settlements and Wall/barrier in West Bank and East Jerusalem areas <input type="checkbox"/> Part of larger policy on corporations operating in territory considered by UN to be illegally occupied.
Presbyterian Church, USA	3.2 million	5/2004 8/2005 6/2006 on-going	<input type="checkbox"/> Begins " <u>phased, selective divestment</u> " involving its \$8 billion portfolio beginning no earlier than July 2006. Divestment is only last resort that may be considered if progressive engagement steps fail <input type="checkbox"/> Five companies: <u>Caterpillar, United Technologies, Motorola, ITT and Citigroup</u> selected for "dialogue, shareholder resolutions and public pressure." In contrast to other four, Citigroup listed for investigation of reports that the bank was used to transfer funds to Palestinian groups accused of violence. <input type="checkbox"/> Engagement with the five corporations is underway. Church is targeted for criticism. <input type="checkbox"/> General Assembly votes for church's financial investments pertaining Israel, Gaza, East Jerusalem and West Bank be in 'only peaceful pursuits'; <input type="checkbox"/> Affirms the church's "customary corporate engagement process" which recommends divestment only as a last resort. MRI process proceeding.
Sabeel Center	N/A	4/2005 11/2006	<input type="checkbox"/> Released a document, " <u>A Call for Morally Responsible Investment: A Non-violent Response to the Occupation</u> " that provides a rationale and ideas for churches to engage in divestment campaigns <input type="checkbox"/> Major conference planned in Occupied Palestinian Territories, including issue of MRI.
South African Council of Churches	26 member churches	5/2005	<input type="checkbox"/> Endorses the Palestinian Campaign for the <u>Academic and Cultural Boycott of Israel</u> until withdrawal from occupied territories <input type="checkbox"/> Endorsement of the boycott is significant given that international sanctions movement helped end apartheid in South Africa

United Church of Christ, USA	1.3 million	7/2005 on-going	<input type="checkbox"/> Supports " <u>economic leverage</u> " which includes divestment from companies which profit from illegal occupation and will exercise multiple strategies "challenging the practices of corporations that gain from the continuation of the conflict and divesting from those companies that refuse to change their practices of gain from the perpetuation of violence" <input type="checkbox"/> Approved a resolution calling on Israel to tear down the barrier that it is building mostly in the West Bank <input type="checkbox"/> Calls for investment in economic development linked to peace <input type="checkbox"/> Targets U.S. military spending linked to the conflict and related corporate investments.
United Church of Canada - Toronto	2.8 million	2003 10/2005 8/2006	<input type="checkbox"/> In 2003, the UCC General Council rejected calls for an active campaign to divest from companies benefiting from Israeli occupation in occupied territories <input type="checkbox"/> UCC churches in Toronto co-sponsored a conference "A Call for Morally Responsible Investment: A Non-violent Response to the Israeli Occupation" with Canadian Friends of Sabeel <input type="checkbox"/> Approves investment strategy focused only in peaceful pursuits and related ethically responsible business in Israel and Palestine. <input type="checkbox"/> Will not invest in 'non-peaceful pursuits': products, services or financial support that are linked to violence against Palestinians or Israelis, to refusal to recognize legitimate rights of Israel, that sustain or support the occupation, that establish facilities or operations on occupied land including settlements or separation barrier.
United Methodist Church, USA UMC N-Engl. UMC Virginia	8.2 million	2004 7/2005	<input type="checkbox"/> General Conference, the church's top legislative body, <u>adopted a resolution called "Opposition to Israeli Settlements in Palestinian Land"</u> urging state of Israel to "cease the confiscation of Palestinian lands and water for any reason" and urging the Palestinian Authority and religious leaders to continue to publicly condemn violence against Israeli civilians. <input type="checkbox"/> UMC New England Conference approved a resolution urging the <u>voluntary, selective divestment from companies that profit in a significant way from the Israeli occupation</u> of Palestinian lands <input type="checkbox"/> UMC Virginia Conference called upon the United Methodist <u>Board of Pensions to review its investments</u> and undertake a process of <u>phased, selective divestment</u> from any multinational corporations profiting from the illegal demolition of Palestinian homes, destruction of the Palestinian economy and confiscation of Palestinian land, following United Methodist guidelines which require a period of information gathering and evaluation of alternative means of intervention before undertaking such measures.
World Council of Churches	348 member churches	2/2001 2/2005 2/2006 5/2006	<input type="checkbox"/> Central Committee called for an international <u>boycott</u> of goods produced in the illegal Israeli settlements in the occupied territories <input type="checkbox"/> Adopted 'Minute' reminding member churches with investment funds of opportunity to use those funds responsibly in support of peaceful solutions to conflict, including economic pressure appropriately and openly applied. Commended method and manner of PC(USA) action on morally responsible investment. <input type="checkbox"/> Holds forum at WCC Assembly. Representatives of 30 churches on five continents attend, urge follow-up. <input type="checkbox"/> Executive Committee Statement on I-P urges member churches to "use legitimate forms of pressure to promote a just peace and to end unlawful activities by Israelis or Palestinians".

SUMMARY OF MORALLY RESPONSIBLE INVESTMENT ACTIONS BY CHURCHES

September, 2006 -- To date, more than 20 church bodies or agencies, mostly in North America and Europe but also including the South African Council of Churches, have taken action on some form of economic advocacy for peace in Israel/Palestine. Three-quarters of these advocate morally responsible divestment from occupation-related commercial activity or investments to promote peace. One-quarter support boycotts of settlement products.

By all indications no church denomination has finally resolved to divest from companies operating only within Israel proper, that is, only on the Israeli side of the pre-1967 borders. (This assessment is based on actions reported to the World Council of Churches plus a comprehensive search of public media reports.) The intention in this is clear and in line with WCC and member church policies: **To respect the state of Israel, its legitimate rights and its legitimate economic activities within secure and internationally recognized borders based on UN Security Council resolutions.**

Most churches using the broader rubric 'morally responsible investment' have also defined its scope in terms of Israel's internationally recognized borders. Of these groups:

- Some countenance divestment from occupation (as defined above) or focus on investing in 'only peaceful pursuits',
- Others leave open the possibility of divestment while disavowing any economic pressure on companies within Israel,
- Still others recommend investments in economic development of a future Palestinian State, or speak of 'investments in peace' via companies or projects on the Palestinian side.

All work from a long tradition of church and civil stewardship in dealing with the world of business. It is known as 'socially responsible investment', 'corporate engagement' or 'mission responsibility through investment'.

The World Council of Churches has encouraged its member churches to help end the occupation through morally responsible and lawful economic measures-first, in 2001, by calling for a boycott of settlement products and, second, in 2005, by an invitation to consider "economic measures that are equitable, transparent and non-violent". The 2005 action commended churches that are working to be "stewards of justice in economic affairs, which link them to on-going violations of international law in occupied territory".

PARTIAL SURVEY OF RESPONSES FROM CIVIL SOCIETY

NGO DIVESTMENT	JEWISH ORGS FOR SELECTIVE SANCTIONS	BOYCOTT CALLS or CAMPAIGNS
<ul style="list-style-type: none"> <input type="checkbox"/> National Lawyers Guild (USA) <input type="checkbox"/> Jewish Voice for Peace <input type="checkbox"/> New Profile (Israel) <input type="checkbox"/> US Campaign to End the Israeli Occupation <input type="checkbox"/> Campaign to Divest from Israel <input type="checkbox"/> Divest from Israel Campaign <input type="checkbox"/> Divest from Israel 	<ul style="list-style-type: none"> <input type="checkbox"/> European Jews for a Just Peace <input type="checkbox"/> Not in My Name (US) <input type="checkbox"/> Matzpun (Israel/International) <input type="checkbox"/> Jews Against the Occupation (NYC Chapter) <input type="checkbox"/> Jewish Voices Against the Occupation (US) <input type="checkbox"/> Jewish Women for Justice in Israel and Palestine (US) <input type="checkbox"/> Gush Shalom (Israel) <input type="checkbox"/> Jews for Global Justice (US) <input type="checkbox"/> Visions of Peace With Justice (US) <input type="checkbox"/> Israeli Committee Against House Demolitions (Jerusalem) 	<ul style="list-style-type: none"> <input type="checkbox"/> Gush Shalom (Israeli Peace Bloc) Boycott of Settlements' Products <input type="checkbox"/> Boycott Israeli Goods <input type="checkbox"/> Australian Research and Cultural Boycott <input type="checkbox"/> European Research and Cultural Boycott <input type="checkbox"/> Matzpun <input type="checkbox"/> Palestinians and Israeli Jews Call for Boycotting of Apartheid Israel <input type="checkbox"/> Palestine Solidarity Campaign of South Africa <input type="checkbox"/> SiD (General Workers Union in Denmark) <input type="checkbox"/> Norwegian Federation of Trade Unions <input type="checkbox"/> PNGO (Palestinian NGO Network) omnibus call for boycott-sanctions-divestment <input type="checkbox"/> Jewish Voice for Peace USA <input type="checkbox"/> Campaign to stop French company Alston-Connex from building E. Jerusalem tramway <input type="checkbox"/> Campaign against Carmel Agrexco UK, which imports produce grown in Israeli settlements.

PARTIAL SURVEY OF RESPONSES FROM ACADEMIC INSTITUTIONS

DIVESTMENT CAMPAIGNS* < RESOLUTIONS** < BOYCOTT CAMPAIGNS***

DIVESTMENT CAMPAIGNS

- Columbia University Divestment Campaign
- Cornell University Divestment Campaign
- Depaul University
- Duke University
- New York University
- Oberlin College
- Ohio State University
- UC Berkeley Students for Justice in Palestine
- University of California Divestment Campaign
- Harvard University/MIT Divestment Campaign
- University of Illinois Divestment Campaign
- University of Maryland Divestment Campaign
- University of Massachusetts, Amherst Divestment Campaign
- University of Michigan, Ann Arbor Divestment Campaign
- University of Minnesota
- University of North Carolina Divestment Campaign
- University of Pennsylvania Divestment Campaign
- University of Pittsburgh
- Princeton University Divestment Campaign
- Rutgers University Divestment Campaign
- Tufts University Divestment Campaign
- Virginia Commonwealth University Divestment Campaign
- Wayne State University Divestment Campaign
- Yale University Divestment Campaign

DIVESTMENT RESOLUTIONS

University of Michigan, Dearborn Divestment Campaign (Students)

The student government of the University's Dearborn campus voted Feb, 2005 to recommend the University divest from companies involved with the Israeli occupation of Palestinian territory.

The resolution urges the University's Board of Regents — which presides over the Ann Arbor, Dearborn and Flint campuses — to establish a committee to investigate the moral implications of the University's investment in companies "which directly support and benefit from the ongoing illegal Israeli occupation."

University of Wisconsin (Platteville Faculty)

The Faculty Senate of the University of Wisconsin-Platteville adopted a resolution demanding that the University divest from companies that provide the Israeli Army with weapons, equipment, and supporting systems.

The resolution urges the University of Wisconsin Board of Regents to eliminate investments in Caterpillar, General Dynamics, General Electric, Lockheed Martin, Northrop-Grumman, and Raytheon from the University Trust Fund based on evidence of the active role these companies play in enabling Israeli Forces to engage in practices that violate international law and the human rights of the Palestinian people. The divestment process began Oct., 2005 .

BOYCOTT CAMPAIGNS

Association of University Teachers (UK)

The Association of University Teachers (AUT) is the largest union in the UK representing 48,000 professors and other education professions. On April 22, 2005, the AUT voted to boycott the University of Haida and Bar-Ilan University in Israel because of their policies supporting occupation of Palestinian land and for promoting flagrant discrimination against Palestinians. Despite this groundbreaking move, intense pressure from Jewish and Israeli groups attacking the new policy directive as anti-Semitic prompted the AUT to meet again one month later to reverse the decision.

Columbia-Barnard Faculty Divestment Campaign Statement

Nov. 14, 2002

Deeply concerned about the brutality of Israeli military rule over Palestinians in the West Bank and Gaza, a group of Columbia and Barnard faculty have decided that, like our colleagues at Princeton, Harvard, MIT, Tufts, University of California, and the University of Pennsylvania, we should not remain silent.

The decision to launch a divestment campaign comes from our hope that moral pressure from the international community could be an effective means of encouraging political transformation. The anti-Apartheid campaigns of boycott and divestment played a critical role in dismantling the former South African regime. We believe that a similar, if more targeted, strategy of divestment vis-à-vis the Israeli state is called for at this historical juncture. In limiting our divestment campaign to companies that manufacture and sell arms to Israel, we have focused on a fundamental problem in the conflict today: the use of Israeli military force on a civilian population. We are convinced that pursuing a military solution to what is, at heart, a political problem, can only serve to escalate the conflict and create more human suffering for all.