

## Briefing for Delegates on Divestment



### **SETTLEMENTS = COLONIES**

**Segregated Israeli Housing Developments on Stolen Land**

**The United Methodist Church opposes these.  
Therefore, church money should not be invested in them.**

Since 1967, Israel has moved more than 600,000 of its own citizens into segregated colonies located on Palestinian land outside Israel's internationally recognized borders. This is a violation of international law.

The Israeli **colonies**, or housing developments, are known as “**settlements**.” They cover the best hilltops in Palestine, and take most of the Palestinians' water. A Jewish colonist or settler gets four times as much water as a Christian or Muslim person living in the occupied territories!

The colonies are connected by segregated roads that cut through Palestinian farmland and divide communities. Israel has also built walls around many of the Palestinian communities to separate them from the illegal settlements. Palestinians often cannot get to their farmland to tend their crops. They can't reach schools and hospitals easily, and many have died because of delays caused by the walls and military checkpoints.



Since 2004 every United Methodist General Conference has passed a resolution entitled “Opposition to Israeli Settlements on Palestinian Land.” The first language opposing settlements was actually approved by General Conference in 1976, and has been affirmed repeatedly over the years. Yet United Methodist agencies have invested more and more of the church's money in companies that promote these same Israeli colonies or settlements. **This is undermining the intent of General Conference.**

Since General Conference 2012, the UMC has invested in numerous companies *inside* illegal settlements, and in others that directly support them. These companies help the colonies grow. When Palestinians obtain jobs in settlement companies, they are not paid the same wages or given the same benefits as Jewish employees. Their hours are long and they have no protection. If they protest, they are often fired. **All Palestinian labor unions have asked the world for divestment and boycott.**

The UM Pension Board bought stock in many of these companies while it was co-convening a Human Rights and Investment Ethics Task Force. It has divested from three of them, but nine settlement companies remain. Church pension funds had already been put into other companies that support Israel's occupation, including Caterpillar, Motorola Solutions, and Hewlett Packard. A church that values human rights should not profit from an oppressive occupation it has long opposed. Studies show that avoiding companies that do harm can protect and reward investors.

### **“Are you able to help us get our freedom back?” – Kairos Palestine**

In the Kairos Palestine Document, over 3,000 Christians in the Holy Land asked the world's churches to take principled, moral action to end Israel's destructive occupation. **The occupation threatens the future of Christianity in the Holy Land.** Churches have been burned and vandalized by extremist Jews from the settlements. Orchards have been destroyed and village wells have been poisoned. Priests have been spat upon, abused or killed, and Christian property has been destroyed by Israelis. These Christians are Palestinians, who are turning to the churches for help.

Palestinian Christians and our UM missionaries have asked churches to support boycott and divestment. This means that we don't buy products made in the illegal colonies, and that we don't invest in companies that support them. If we do have stock in those companies, we should sell it. This is **divestment**. Another way to be sure we don't buy stock in companies involved with in the settlements is by adopting investment **screens** to prevent these purchases.

At the 2016 General Conference, delegates will consider a number of resolutions asking the church to **divest** from these companies, or to create **screens** that will prevent future purchases of stock in companies supporting the occupation.

UMKR, the General Board of Church and Society and eight annual conferences have submitted resolutions for **divestment and screens**. Another annual conference has requested this step in a letter to the UM Board of Pensions. In the past, all the ethnic caucuses in the church have supported divestment. Many Jews around the world support this as well; in fact, 140 Israelis wrote a letter to the UMC in 2012 asking for divestment. Palestinian Christians and Palestinian civil society support divestment too.

Other Protestant denominations have passed resolutions calling for divestment from Israel's occupation: The Presbyterian Church USA, the United Church of Christ, and the United Church of Canada took this step in 2015. The South African Council of Churches and Bishop Desmond Tutu have called for divestment.

The world is watching to see if our church will take actions that match its words. **Please support resolutions for divestment and screens at General Conference.**

## What is United Methodist Kairos Response?

UMKR is a global grassroots movement of United Methodists formed in 2010 to respond to the urgent cry of Palestinian Christians in the *Kairos Palestine Document*. As the church responded to the call of South Africa's indigenous people under apartheid by divesting from companies involved, so we are responding to the call of Palestine's indigenous Christians by seeking action that can end their oppression by Israel. At the very least, we believe the church should not profit from this oppression, as it does now. Divestment will send a clear message that the church supports justice.

## What has UMKR proposed to the General Conference?

Four Resolutions were submitted to General Conference. Any of these would represent positive action by the church to end our involvement with the occupation, but all are important. These resolutions ask the UM Pension Board to:

1. **Establish a Screen to Remove and Avoid Investments in Illegal Settlements on Occupied Land.** (It was also submitted by the General Board of Church and Society.) This includes illegal settlements in **Africa**, as in **Western Sahara**, or anywhere.
2. **Divest from Caterpillar** for rejecting the UN Guiding Principles and for supplying weapons. (This was also submitted by the General Board of Church and Society.)
3. **Divest from Caterpillar, Motorola Solutions and Hewlett Packard** after years of corporate engagement. (A similar measure was approved by the Global Young People's Convocation and Legislative Assembly.)
4. **Remove from UM Investments Companies Producing Goods or Services in Illegal Settlements on Occupied Land.** (This was also submitted by several annual conferences. Nine companies in our church investments are in settlements!)



Armored Caterpillar D-9 Bulldozer, called a "key weapon" by the Israeli military.

## Common Questions About Divestment

**Will divestment harm investors?** No. Fund managers can protect investors when they divest from companies receiving global criticism. The Pension Board has divested from companies for many reasons in the past, and fiduciaries have not been harmed by this. When a stock is sold, the money is simply put into another investment that may offer equal or greater return. Fiduciary responsibility includes divesting at times. It is important to know that many UMKR members are also clergy and church employees who depend on the church's pension funds for their retirement. They would not be asking for something that would endanger their futures or their families.

**Will the church lose money by divesting from companies involved with occupation?** No. The church actually protects its money when it moves it out of companies that are being condemned for their involvement in violations of international law and human rights. Otherwise, the value of the stock will decline when boycotts and divestment by others take effect.

**Wouldn't it be better to invest in Palestine's economy?** No matter how much money is invested, a successful economy needs access to affordable water, freedom of movement for employees and goods, and access to markets and raw materials. Israel's occupation is denying all these to Palestinians, so ending the occupation should be a priority. Many economic investments in Palestine have been destroyed by the Israeli military. These include roads, solar panels, power plants, an airport, and water systems. As long as investments can be destroyed, they are not responsible.

**Does the Pension Board need to hold onto these stocks to keep a "place at the table" with these companies so they can address human rights violations in other countries?** If companies see that divestment is never used when requests by the church are refused, they will have no reason to comply with any requests from the church or its agencies. The UM will have more influence with all companies if they know that divestment is a real possibility when change is not achieved.

**Will divestment harm Africa University?** No. All the operating funds for Africa University come from church apportionments and individual gifts. The university's endowment is managed by the General Board of Higher Education and Ministry and the General Council on Finance and Administration. As stated in answers to the first two questions above, divestment can protect managed funds and will not harm them.

**Will divestment harm Israel?** No. Our resolutions do not ask for divestment from Israel. They ask only for the removal of stocks in companies that operate in the illegal settlements or otherwise support the occupation of land beyond Israel's borders. Many Israelis and Jewish groups have written to support this, saying that the occupation damages Israel as well as Palestinians, and must be stopped. Divestment will simply put pressure on Israel to respect human rights and international law.

**Will divestment make a difference?** Yes. It already is making a difference. Our website includes a list of companies that have moved out of the illegal settlements after divestment actions were taken. These divestment actions were often accompanied by boycotts, which the General Conference endorsed in 2012.

## UMKR KEY FACTS ON SCREENS AND DIVESTMENT

- UMKR is responding to a [call from Palestinian Christians](#), who have asked us to support the struggle of all Palestinians for freedom through nonviolent means like divestment and boycott.
- Many [Jewish groups](#) support selective divestment from the occupation, which is UMKR's goal. UMKR has never asked for divestment from Israel. We seek divestment only from occupation.
- [John Wesley said](#), "Beware, lastly, of imagining you shall obtain the end without using the means conducive to it." Divestment, screening, and boycott are three means to end occupation.
- Divestment and boycott are already [causing companies to leave the illegal settlements](#). UMKR has [profiled](#) eleven such companies; an Israeli group has done a [report](#) on others.
- Divestment from the occupation is not a change in policy. It is an attempt to align our investments with [existing United Methodist policy](#), which has long opposed Israel's occupation.
- The UMC has repeatedly passed "[Opposition to Israeli Settlements in Palestinian Land](#)."
- In 2012, the General Conference [called on all nations](#) to ban the import of settlement products.
- Since GC 2012, settlement [building](#) has [skyrocketed](#). The UM Pension Board's holdings in the settlements have also increased, with twelve new settlement companies added.
- The Pension Board now holds stock in some of the very [companies](#) whose products the church has asked all nations to ban.
- UMKR welcomed the [significant step](#) of the Pension Board's exclusion of future investment in five banks financing settlements, plus divestment from three settlement companies. It regrets that two more settlement firms were added at the same time. A [screen](#) could have avoided this.
- Pensions' website has stated that Caterpillar's "actions expose Caterpillar, and by extension its shareholders, to reputational and financial risk." (2011) Divestment can often protect fiduciaries.
- The 2012 General Conference asked all church boards and agencies to [consider economic sanctions](#) for firms refusing to adopt the UN Guiding Principles on Business and Human Rights.
- Caterpillar Corporation has refused a request from our Pension Board to adopt these. It may do so before the conference begins, proving that the real prospect of divestment can bring change.
- Through the Foreign Military Sales program, Caterpillar provides 50-ton military bulldozers with gun turrets which are [armored in Israel with the help of Caterpillar's sole Israeli representative](#), ITE. ITE also [provides employees](#) to service the equipment for the Israeli army during battle.
- If we want to end violence, we must support nonviolent solutions that give hope. Divestment and boycott are nonviolent means [used by the church in the past](#) to achieve change.
- In the 1980s, the church divested \$77 million from 17 companies involved with apartheid in South Africa. [It was only when churches and other organizations began to divest and boycott that apartheid finally ended](#). Archbishop Tutu and others have called Israel's policies apartheid.
- The time for praying for peace and paying for occupation is over!

## What is UM Kairos Response?

United Methodist Kairos Response is a global grassroots group of United Methodists formed to answer an urgent call from Christians in the Holy Land. **More than 3,000 Palestinian Christians have signed an urgent appeal** called the *Kairos Palestine Document*, asking churches to learn about the Israeli occupation and take principled actions that can help bring it to an end. These members of our faith community live today under desperate conditions as a direct result of this occupation, which denies them and their Muslim neighbors their basic human rights.

**Every United Methodist missionary who has served in the Holy Land has endorsed moral actions like boycott and divestment.** They have witnessed the dispossession, home demolitions, discrimination, and denial of access to water, shelter, and freedom of movement that affect those they serve. They join in asking their fellow Christians to “come and see,” not through trips that show only the places of the Bible, but through time spent with their brothers and sisters in Christ.

**For many years, our denomination has opposed Israel’s occupation. It is time we translated our words into bold moral actions that can bring real change.**

Please see [www.kairosresponse.org](http://www.kairosresponse.org)

## What does UMKR ask of the church?

UMKR asks the whole church to:

- Support educational efforts to inform United Methodists about the realities of Israel’s occupation.
- Adhere to the principles for Holy Land travel included in General Conference Resolution #6031, which requires spending significant time with Palestinian Christians.
- Support a boycott of goods produced in the illegal Israeli settlements and a screen to avoid investment in firms located in or providing them services.

UMKR asks all the boards and agencies of the church to:

- Begin a process of engagement with companies in their portfolios that support the Israeli occupation, and divest from those companies if they do not end their involvement.
- Divest from companies that have already refused requests by United Methodist agencies to end their roles in the occupation.
- Screen out companies located in the illegal settlements or providing financing or other support to them.

Please see [www.kairosresponse.org](http://www.kairosresponse.org)

## Words Are Not Enough!

### Holy Land Christians Call for Action



*Join United Methodist Kairos Response, the movement to live our faith through actions that can end the Israeli occupation of Palestinian land.*

## Education

UMKR asks all United Methodists to learn about the past and present realities in Israel/Palestine. We encourage the study of the *Kairos Palestine Document*, the urgent call to action from Palestinian Christians. **We develop and recommend resources**, including study guides, films, articles, and books that can help congregations become informed and effective advocates for a just peace. Our missionaries who have served in the Holy Land and many other United Methodist witnesses who have spent time there are also important resources, and a Speakers Bureau is ready to share with churches.

## Boycott

In Resolution #6111, the 2012 United Methodist General Conference called on all nations to ban the import of products made in Israeli settlements on occupied Palestinian land. Such settlements are illegal under international law. UMKR provides resources to help churches learn about these products and the stores that carry them. **We offer a four-step plan** to implement a simple boycott in local churches. We also offer sample letters to companies. Palestinian Christians have told us that boycott is an important way we can help them achieve their freedom.

## Holy Land Tours

Many pilgrims visit the Holy Land and see only the “dead stones” and empty buildings of Bible history. The living church in the region is ignored. United Methodists have passed a resolution (#6031) asking members to spend time with Palestinian Christians, who keep our faith traditions alive in the land where Christ was born. UMKR asks United Methodists to follow these guidelines, and to spend at least one night in Bethlehem. **We recommend tours** that meet these criteria and encourage travelers to contact the UM Liaison Office in Jerusalem in advance.

## Contact Us

For further information, please visit our website at [www.kairosresponse.org](http://www.kairosresponse.org), or contact us at [info@kairosresponse.org](mailto:info@kairosresponse.org).



You can make a difference for a just and lasting peace. Join our movement today!

## Policy

UMKR asks United Methodists to advocate just policies with their elected officials, and works with ecumenical partners to bring to government leaders a united message for justice in the Holy Land. **We ask the US government to support universal human rights** in Israel/Palestine and to hold all parties accountable for violations of those rights and international law. We support a letter to Congress from fifteen Christian leaders, asking that US laws be applied to aid for Israel just as they are to other countries. The President of the UMC Council of Bishops also signed this letter.

## Divestment

For many years, the UMC has strongly opposed the continuation and expansion of the Israeli occupation of Palestinian land, yet our church is still invested in companies that profit from that occupation. UMKR believes that UMC investments should reflect our church's values and long-held positions, and that companies sustaining the occupation should be removed from the church's investment portfolios if they fail to change. **We urge a screen** to be sure companies located in the illegal settlements are excluded from holdings.

# Why Boycott the Israeli Settlements?



Learn why many United Methodists around the world support boycott and other forms of nonviolent economic action for a just peace in the Holy Land.

## A Moment of Truth: Kairos Palestine

A word of faith, hope and love  
from the heart of Palestinian suffering



## To Answer the Call from Palestinian Christians

Christians in the Holy Land today are struggling to keep our faith traditions alive in the land of Christ's birth. Like their Muslim neighbors, they suffer every day under a cruel occupation that denies their basic human rights and attempts to destroy all hope for remaining in the land of their ancestors. In 2009, they issued an urgent appeal called ***Kairos Palestine***, in which they asked churches around the world to take ethical, nonviolent steps, including boycott and divestment, to help end the Israeli occupation. Their request was a call to action for Christians everywhere – to help bring equality, freedom, and a just, lasting peace to everyone in Israel and Palestine. With courageous honesty, they have said, "The Israeli occupation is an evil and a sin that must be resisted and removed...**Taking action to end the oppression is not working against Israel...It will benefit both peoples**, when justice and the peace that comes from that are secured for all the people of the Holy Land." More than 3,000 Palestinian Christians have signed this petition, and many churches are responding to their call through economic action. *(Photo by the Anglican Church of Canada)*

## To Answer the Call from our Missionaries

Every living United Methodist missionary who has served in the Holy Land has asked the church to heed the call from Palestinian Christians for the benefit of all the region's people. They have seen firsthand the terrible oppression suffered by people under occupation, and have unanimously endorsed nonviolent measures like boycott of settlement products, selective divestment, and sanctions to help bring it to an end. These measures have been used by the church to help end other situations of injustice and can make a difference again for a just and lasting peace. *(Photo of settlement by Larry George, UMKR)*

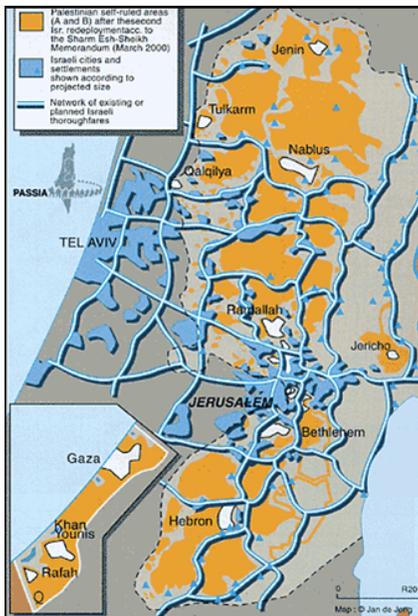


## To Answer the Call from our Church

"For He Himself is our peace, who made both groups into one and broke down the barrier of the dividing wall." (Eph. 2:14) Christ has told us to love our neighbors as ourselves. If we saw our homes destroyed, our land taken and our children arrested and held without charge, if we were separated by walls from schools, jobs, and hospitals, what would we want our neighbors to do? Our church has called for a boycott of settlement goods. *(Photo of wall through Palestinian land by Susanne Hoder, UMKR)*

# Settlements Divide and Destroy Communities

Settlements and the segregated roads that connect them divide Palestinian areas into isolated and impoverished communities completely separated from their neighbors.



On the map, blue lines are Israeli-only highways dividing the West Bank, shown in the dotted border. Dark gray areas are part of Israel; light gray and blue areas are controlled by Israel. Orange areas are Palestinian. (Map by Jan de Long. Photo of settlement by James Beck, UMKR)

The Fourth Geneva Convention forbids an occupying power from moving its own people onto land it occupies. Since 1967, however, Israel has built more than 120 illegal colonies called "settlements" in occupied territory, which includes East Jerusalem. Using tax incentives and other economic benefits, Israel has encouraged over 650,000 Jewish settlers to move onto Palestinian land. This is a serious, ongoing violation of international law and an enormous obstacle to peace between the two peoples.

To make way for these illegal settlements, more than 27,000 Palestinian structures have been demolished, leaving thousands of people homeless. Bulldozers often show up without warning, and families are forced to watch as all they own is destroyed. Christian friends of UMKR near Bethlehem recently received demolition orders despite clear documents showing legal registration of their land since 1916.

Only Israel, among all the nations of the world, considers these settlements legitimate. Last year 17 governments of the European Union called on their citizens to avoid doing business in or investing in illegal settlements. According to a spokeswoman from the US State Department, "Every

administration in recent memory has said that the settlements are illegitimate." Every United Methodist General Conference since 2004 has passed a resolution calling for an end to Israeli settlements on Palestinian land. In 2012, the General Conference called on all nations to boycott settlement products.



United Methodists visit a destroyed home in 2010. All that's left is the shed for animals, a crude shelter for a family with children. (Photo by James Beck, UMKR)

# Walls and Checkpoints Steal Land, Impede Movement

The Separation Wall, checkpoints, and barriers throughout the West Bank turn Palestinian communities into open-air prisons.



The Separation Wall surrounds Bethlehem, confiscating the residents' farmland for Israel and isolating Bethlehem from other communities. (Photos above and top right by Susanne Hoder and Yvonne Turner, UMKR)

Israel says that the Separation Wall is for security, yet it is not built on the border between Israel and occupied Palestinian territory; in fact, 85% of the Wall's route is on Palestinian land. Much of it extends deep inside the West Bank. In effect, the Wall is illegally annexing Palestinian land to Israel. The International Court of Justice has declared the Wall illegal and called for all portions in the occupied territory to be dismantled. Israel has ignored the court's decision.



Workers line up at checkpoints hours before dawn, hoping to be allowed through to reach their jobs and provide for their families. Employers cannot be sure when or if workers will arrive. (Photo by Dylan Collins)



Interminable delays at checkpoints make normal life impossible; a ten-minute trip before occupation now can take hours. Businesses are crippled, and farmers' crops often spoil before reaching market.

There are also hundreds of checkpoints and other roadblocks in occupied territory; they separate Palestinian villages and families from each other, jobs, hospitals, and their own farmland. Like the Wall, most checkpoints are not on the border with Israel. They impede travel inside the West Bank.

Palestinians live with the fear that in an emergency they will not be able to reach a hospital. Many mothers have given birth at checkpoints, and dozens of newborns have died there. Other patients have died or suffered irreversible setbacks at checkpoints. Such deliberate delays in medical care are illegal under international law and have been condemned by human rights organizations around the world.



**Hedy Epstein, Holocaust survivor and human rights advocate:**

*"I was really not prepared for all the horrors that I saw. I had heard about checkpoints. And I thought a checkpoint was something like a tollbooth on a highway here in the United States. It's not like that at all. And it's gotten worse every time I return. The way they are now, they remind me of when animals are rounded up and taken to slaughter, it's just so humiliating."*

# Unequal Water Allocation Threatens Palestinian Lives

“Water discrimination has become another tool to wear down the Palestinians socially and politically.” – Amira Hass, Israeli journalist



Israeli settlers have access to four times as much water as Palestinians – enough for pools and gardens. (Photo at left by GreatMirror.com. Photo at right by Susanne Hoder, UMKR)

Israel controls all the water in the occupied territories, and water restrictions have created a humanitarian crisis for Palestinians. Despite the fact that the region’s largest aquifer lies primarily beneath the West Bank, hundreds of thousands of Palestinians don’t have access to running water.

Israel takes Palestinian water, then sells a small fraction of it back to Palestinians at exorbitant prices. Supplies are frequently cut off. Every year, Israel destroys dozens of cisterns, wells, and other structures that Palestinians depend on. According to a UN study, “springs are increasingly being confiscated by Israeli settlers, who have used threats, intimidation and fences to ensure control of water...close to the settlements.”

In Gaza, home to 1.8 million Palestinians, the underground aquifer is depleted and contaminated. A report by Save the Children states that water-related illnesses like typhoid fever and diarrhea have increased sharply. More than 90% of the water supply is unfit for human consumption.



Palestinian children struggle to fill their bottles while the water is flowing from an outdoor pipe in their village. In Gaza, where drinkable water is especially scarce, over half the population is under the age of 18. (Photo by MIFTAH)

*“Discriminatory Israeli policies in the OPT [occupied Palestinian territories] are the root cause of the striking disparity in access to water between Palestinians and Israelis...The lack of water has already forced many villagers to leave the area.”*

**From “Thirsting for Justice,” a report by Amnesty International**

# A Response to the General Board of Pension and Health Benefits Brochure: “Addressing Human Rights: Israel and the Palestinian Territories,”

By the Steering Committee of United Methodist Kairos Response



Photo by Christopher Goecke, Ecumenical Accompanier Program

*In 2015, the General Board of Pension and Health Benefits published a brochure opposing divestment as a means of addressing human rights violations in Israel and the Palestinian territories. UMKR responds to some of the statements in the brochure below and welcomes questions at [info@kairosresponse.org](mailto:info@kairosresponse.org). As always, our work is footnoted. See [website](#) for notes.*

**GBPHB:** “GBPHB actively helps secure the financial future of our participants while striving to improve the lives of those affected by human rights abuses around the world...including those in Israel-Palestine.”

**UMKR:** We appreciate the Board’s capable financial stewardship of investment funds. Yet if we really want to improve the lives of those affected by human rights abuses in Israel-Palestine, we must help bring an end to Israel’s occupation of Palestinian land, which creates violence for all. The church has repeatedly affirmed this goal,<sup>i</sup> but some of our investments are undermining it.<sup>ii</sup> We need to state emphatically that our church will not profit from Israel’s occupation of Palestinian land and the ongoing dispossession of indigenous Palestinians. To continue holding stock in companies that openly profit from the occupation is a betrayal of our faith community in the region, and an affront to the courageous Jews and Muslims, labor unions, churches and civic leaders who have joined the call for principled moral action like divestment.

**GBPHB:** “We have implemented a leading edge human rights investment guideline to help identify companies operating in high risk areas where human rights are prevalent.”

**UMKR:** UMKR is grateful for the initial steps toward implementation which were taken by the Pension Board in December 2015. These actions gave hope to our faith community in the Holy Land and were greeted by letters and statements of thanks from around the globe. Yet nine companies in Israeli settlements remain in Pensions portfolios, along with others with well documented violations of human rights in our Central Conferences. The guideline itself<sup>iii</sup> simply states that GBPHB will continue to rely on corporate engagement, proxy voting and the filing of shareholder resolutions to amend company behavior, and will continue to use the 10% threshold in determining a company’s exposure to high risk areas. The key to its effectiveness is in how it is implemented, and the recent actions by Pensions constitute a good first step toward ridding its portfolios of companies involved in human rights violations. UMKR has been concerned that this guideline relies heavily on country risk analysis from “Freedom House,” which receives funding in part from the Caterpillar Corporation<sup>iv</sup> and other large companies. Despite overwhelming evidence from respected human rights groups, Freedom House does not list Israel among the countries that violate human rights. UMKR is glad that other sources are also being used.

**GBPHB:** “We are implementing the human rights guideline to help determine whether the financial risk of holding identified securities is significant enough to merit exclusion from our funds.” (*emphasis added*)

**UMKR:** There is no mention of the moral risk of holding certain securities. We are told that our church should use financial “sustainability” as its only benchmark for deciding whether to keep stocks. If a company regularly dumps arsenic in a river, but can somehow keep operating profitably despite this, the church would have no reason to divest. The Pension Board has accumulated holdings in a number of companies that have been implicated in serious human rights violations around the world. We think it’s time for both the moral risk and the financial risk of investments to be considered, and the latest action by the Pension Board gives us hope.

**GBPHB:** “We believe engaging companies on the issue of human rights can influence constructive change, particularly when other investors may not be as persistent in raising human rights concerns.”

**UMKR:** Actually, other religious investors have been far more persistent in raising human rights concerns regarding company practices in Israel-Palestine. An Ecumenical Action Group has been meeting around this issue since 2005. UM Pension Board representatives have on several occasions refused to sign letters from ecumenical partners asking companies for changes related to Israel’s occupation.<sup>v</sup> We have no evidence that the Pension Board has ever asked companies to change their practices related to Israel’s human rights violations.

**GBPHB:** GBPHB “aligns activities with General Conference 2012 statements on human rights and on Israel-Palestine....The UN Guiding Principles on Business and Human Rights provide the foundation for our human rights engagement activities...We actively encourage the companies that represent our largest holdings to amend or create robust human rights policies to incorporate the UN Guiding Principles.”

**UMKR:** The 2012 General Conference passed a resolution asking all boards and agencies of the church to advocate that companies formally adopt the UN Guiding Principles on Business and Human Rights, and that they prayerfully consider economic sanctions when companies refuse to do so.<sup>vi</sup> Caterpillar has refused a direct request from GBPHB to sign the United Nations Guiding Principles. No negative repercussions by GBPHB toward Caterpillar have been noted. Why would any company comply with requests from the Pension Board when there are no consequences for ignoring them? Divestment is the most obvious and effective response to this refusal.

**GBPHB:** “Divestment is too blunt a tool for a complex and long-standing political situation.”

**UMKR:** Describing the situation as “complex” is a common approach of people who do not want to question Israel’s actions toward Palestinians. Implying that this enmity has been going on for thousands of years is another. Yet we have spoken to many Israelis and Palestinians who recall a time when people of three faiths co-existed in this region in relative peace. Today’s conflict has its genesis in the expulsion of 750,000 Christians and Muslims when Israel was established on land that for centuries had been inhabited by Palestinians. The desire to provide a refuge for one people was accomplished through the dispossession of another, and that dispossession is still taking place today. Two different systems of law, housing, transportation and water allocation have been established for two different ethnic groups in the region. By definition, this dual system of assigning rights by race is apartheid. Many Israelis have acknowledged this.<sup>vii</sup> Divestment was an effective tool when used against the complex and longstanding apartheid situation in South Africa. An analysis funded by the government of South Africa<sup>viii</sup> has determined that the twelve pillars of apartheid that undergirded the oppression in South Africa are equally present in the occupied territories today. Recently, Archbishop Desmond Tutu wrote of his trip to Israel/Palestine: “I shrink not one step backwards. I saw and I name what I saw: apartheid, separation, segregation.”<sup>ix</sup>

**GBPHB:** “In the case of Israel, divestment proponents seek to punish companies for the deeds of others.”

**UMKR:** There is strong legal precedent, beginning with the Nuremburg trials, for holding companies accountable for the use of their products if they continue to sell them once they know how they are being used.<sup>x</sup> Caterpillar and other companies identified by UMKR know that Israel is using their products to attack and destroy Palestinian people and property, to provide data storage and employment for illegal settlements, and to provide surveillance and other functions that enable the settlements to expand.

**GBPHB:** “Divestment from companies operating in Israel-Palestine is not consistent with our ethical exclusions...activities that generate at least 10% of the company’s revenue.”

**UMKR:** Private prisons did not generate 10% of G4S revenue, yet the Pension Board divested. When the Pension Board divested from 17 companies involved with the oppressive apartheid government of South Africa in the 1980’s, that involvement was the sole reason for their divestment, and those activities did not comprise 10% of the companies’ revenues. When Pensions divested from three companies involved with Sudan in 2008, no mention was made of the 10% rule. When Pensions divested from Kmart, its placement of adult literature in stores was the sole reason given for the divestment. This literature did not comprise 10% of Kmart’s revenue.

The board’s own guidelines in the past have made it clear that in some cases a company’s actions are so egregious that the board needs to distance itself from them through divestment, even when the 10% rule is not met.

**GBPHB:** “There is no evidence that where divestment has occurred it has resulted in progress or had an impact on the core issues underlying the ongoing conflict.”

**UMKR:** Actually, divestment has played a significant role in convincing companies to leave the illegal settlements, which are core issues in the conflict. Boycott has often been used along with divestment to achieve change. Each time a company leaves the settlements, it weakens the financial base of these illegal colonies and hastens the time when they will be dismantled.

We have listed on our web site<sup>xi</sup> numerous examples of companies that have moved out of the West Bank or shed some of their operations there in response to divestment and boycott. These include SodaStream (left the West Bank), Cemex (sold a quarry in the West Bank), CRH (cut its ties with cement producer), G4S (announced plans to leave), Veolia Environnement (left the West Bank, and Ahava (announced plans to leave). Communications giant Orange has announced plans to sever its ties with Partner Communications in the West Bank. Heineken, Unilever, Assa Abloy, Intercosma, Royalife and Barkan Mounts are among the many firms that have left the West Bank or moved their production elsewhere to avoid the possibility of divestment and boycott.

**GBPHB:** “We launched the Equity Social Values Plus Fund (ESVPF) in December 2014.”

**UMKR:** This fund represents only two-tenths of one percent of the church’s total investments. On 9/30/15 it held stock in several companies that profit from the occupation, including Motorola Solutions, Bank Hapoalim, and L3 Communications. UMKR is relieved that Bank Hapoalim was divested in the fourth quarter. Motorola Solutions is deeply involved in equipping the settlements and has a new \$100 million contract with Israel’s military, which enforces the occupation. L3 Communications is a military contractor, providing equipment to the Israeli military and checkpoints.

**GBPHB:** “We are actively seeking investment opportunities that have a positive impact in the Palestinian territories.”

**UMKR:** Other churches have also sought such opportunities but have found there are no “safe” investments in the territories because Israel has destroyed roads, solar panels, power plants

and many other projects funded by outside investors.<sup>xii</sup> Such an investment in an area where business leaders cannot predict with reasonable assurance that their initiatives will not be undone or destroyed by the occupation forces would be a violation of fiduciary responsibility.

Zahi Khoury, a Palestinian Christian and Chairman of Coca Cola Palestine, met with Pensions representatives when they visited the region, and urgently asked them to divest. Mr. Khoury has said that Palestinians have no trouble coming up with capital, but it's the "closures, restrictions on getting goods to market, lack of access to water and raw materials, etc., that are killing the Palestinian economy."<sup>xiii</sup> "Positive investment" could help some individuals and companies in the short run, but is not an alternative to divestment from companies that refuse to end their involvement with occupation.<sup>xiv</sup>

**GBPHB** "strongly believes that responding to the calls for divestment is incompatible with our fiduciary duty under federal and state law."

**UMKR:** Fiduciary duty requires taking into account the reputational risk of the companies involved in behavior that subjects them to boycott and divestment from others parties. In 2011, the GBPHB web site had this to say on its web site: "We continue to write and express our belief that the company's [Caterpillar's] actions subject Caterpillar, and by extension its shareholders, to reputational and financial risk."<sup>xv</sup> Yet they took no action to distance shareholders from those activities. Why? We can demonstrate that GBPHB has lost money for investors by continuing to hold stock in a number of companies that have been the subject of global criticism for their involvement in Israel's occupation.

Many UMKR members are clergy who derive their retirement benefits from a United Methodist pension. None of these people are going to endanger their financial futures or those of their families by advocating an irresponsible step. They fully believe that selective divestment can protect their assets, and at the same time make sure they are not profiting from a situation they and their denomination oppose.

---

*United Methodist Kairos Response was founded in 2010 to answer the call of Palestinian Christians to stop buying from and investing in companies that profit from Israel's occupation. The Presbyterian Church USA, the United Church of Christ, the United Church of Canada, the Quakers, and other denominations have already taken this step. In May 2016, the UMC General Conference will consider four resolutions which call for divestment or screens that can ensure the church does not profit from the oppression of Palestinians. We have a chance to align our actions with our words, which call for occupation to end. Please study the issues through our website (<http://www.kairosresponse.org>) and reading of the Kairos Palestine Document (<http://www.kairospalestine.ps/content/kairos-document>.)*



Isaiah 42: 6-7

*"I have called you to open the eyes of the blind...this is a people plundered and looted, all of them trapped in pits or hidden away in prisons. They have become plunder, with no one to rescue them."*

---

iii <http://www.gbophb.org/humanrights/#hr3>

iv <https://freedomhouse.org/content/our-supporters>

v [https://www.kairosresponse.org/corporate\\_engagement\\_04-11.html](https://www.kairosresponse.org/corporate_engagement_04-11.html)

vi <http://calms2012.umc.org/Text.aspx?mode=Majority&Number=471>

vii <https://jewishvoiceforpeace.org/stop-mccarthyite-campaign-against-use-of-apartheid-word-in-us/>

viii <http://icahdusa.org/is-israel-an-apartheid-state/>

ix <http://mondoweiss.net/2015/04/episcopal-divestment-june> Scroll down to "Foreward."

x <http://www.corteidh.or.cr/tablas/r26652.pdf>

xi <https://www.kairosresponse.org/divestment.html>

xii

<https://nebula.wsimg.com/2456cdcbcce34153bad73c24fd17221f?AccessKeyId=7BB3DAA86ABC0388A877&disposition=0&alloworigin=1>

xiii <http://mondoweiss.net/2012/04/zahi-khouri-to-methodist-conference-we-dont-need-charity-we-want-freedom-to-help-ourselves>

xiv [https://www.kairosresponse.org/investing\\_is\\_not\\_enough.html](https://www.kairosresponse.org/investing_is_not_enough.html)

xv [https://www.kairosresponse.org/corporate\\_engagement\\_04-11.html](https://www.kairosresponse.org/corporate_engagement_04-11.html)

This statement has been removed from the GBPHB web site.

List of companies located in the settlements that are in Pension portfolios is at

<https://nebula.wsimg.com/ab06c80967b1f7f983ae77e7776fe47e?AccessKeyId=7BB3DAA86ABC0388A877&disposition=0&alloworigin=1>

# Why “Investing in Palestine” Cannot Work Without Ending the Occupation

**No economy can prosper without freedom of movement** for workers and goods, reliable and affordable water, or access to markets, land and raw materials. The occupation denies all these to Palestinians. As long as United Methodist investments are helping to sustain the occupation, and thereby strangle the Palestinian economy, putting more money into businesses there can do little to help. Investment in Palestine may sound “positive,” but it turns a blind eye to the reality of the occupation and the suffocating effect it has on Palestinians’ lives and economy. **Only if we combine investment in Palestine with divestment from companies that sustain the occupation** will we make a difference for peace.

## Reports from the World Bank on the Palestinian Economy

"As long as access and movement restrictions are in place, and the majority of the West Bank remains to a large degree inaccessible for Palestinian economic investments, the investment climate will remain unfavorable and business opportunities much below potential."<sup>ii</sup> (*Emphasis added*)

"Moreover, sustainable economic recovery will remain elusive if large areas of the West Bank remain inaccessible for economic purposes and restricted movement remains the norm for the vast majority of Palestinians and expatriate Palestinian investors."<sup>iii</sup>

**Map, right:** Israel’s Separation Wall penetrates deep into the West Bank, including in this map the huge settlement of Ma’ale Adumim. This massive settlement, illegal according to international law, stretches from the border of Israel on its left, to the Jordan Valley, the bright blue area on the right. Israel has declared its intention to permanently annex the Jordan Valley, which comprises one third of all the West Bank.

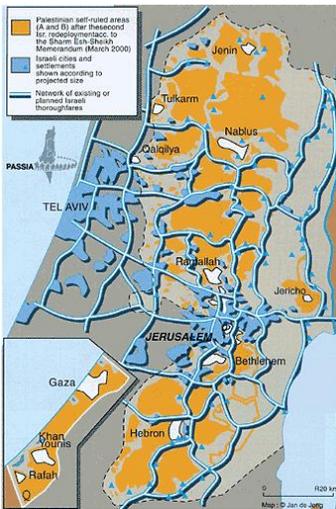


**United Methodists know a Christian farmer** near Bethlehem who **watched his entire crop of grapes rot in the sun at a checkpoint** between two Palestinian towns. Settlers burst his water tower and cut hundreds of his fruit and olive trees. The Christian owner of a bus company cannot get parts to repair his buses. His employees waste valuable time dismantling old engines and rebuilding them. *The Christian owner of a towel factory had to close his business, laying off 120 workers, due to the difficulty of getting his goods through the checkpoints to market.* Israeli bulldozers uprooted a Muslim farmer’s nursery, which employed 50 Palestinians and served Israelis as well as Palestinians. Israeli troops have destroyed roads, airports and power plants. (See Page 4.)

**Christians of the Holy Land have asked us** in the *Kairos Palestine Document* to help bring an end to the occupation. They have cited divestment as a courageous, moral, nonviolent action that can make a difference. Many in the Jewish community worldwide have joined this call, including rabbis, Holocaust survivors and Israelis. Rabbi Brant Rosen has asked, “When will we find the wherewithal to say out loud that this policy of home demolitions, checkpoints, evictions, increased Jewish settlements, and land expropriations is inhumane and indefensible? **At the very least, will we be willing to put our money where our moral conscience is?**”

**United Methodists must not continue to profit from the occupation** if we really want to make a difference for peace. *We urgently ask delegates to follow Christ’s example in choosing principle over the easy path.* Christians of the Holy Land have asked us to divest. **The eyes of the world are watching to see if we will put actions behind our words for a just and lasting peace.**

## Effect of Segregated Roadways and Checkpoints



**Map, left:** Israel has built more than 700 kilometers of segregated roads for the use of Israelis only that lie like a spider's web over the West Bank, dividing it into isolated areas.

**Photo, right:** Israeli roads are modern, well-lighted highways, while Palestinian roads are bumpy and in ill repair. Many Palestinian roads, including some built with US investor funds, have been destroyed by Israel.



**“Checkpoints** lead to increased transaction costs. Most directly, the resulting delays increase transport costs through higher costs of labor and other inputs such as fuel. The extra travel time also means that any given vehicle will on average be transporting lower trade volumes per time unit, which implies a higher fixed cost per transaction.

Uncertainty is also introduced by the unpredictability of waiting times at the checkpoints... These unanticipated delays may result in penalties, or even a discontinuation of trade, if on-time delivery is demanded.”<sup>iiii</sup>

**Map, right: Hundreds of Israeli checkpoints and roadblocks** throughout the West Bank make freedom of movement impossible for the majority of Palestinians. Hewlett-Packard, one of the companies sustaining the occupation, provides the monitoring equipment Israel needs for this system of control, which is so damaging to the local economy.



**Although the number of fixed checkpoints in the West Bank has been reduced, the number of “mobile checkpoints” has grown, increasing unpredictability for Palestinians and thereby crippling their economy.**

A ten-minute trip can take hours. Produce often spoils at checkpoints. Business owners have to pay drivers to sit for hours to get goods to market. Employers don't know if their employees can get to work on time.

**Bashar Al-Masri (right) is building the planned Palestinian community of Rawabi** in the West Bank, which has been visited by many United Methodists. On February 26, 2012, he gave an interview to the French press (AFP), saying it has taken three long years for Israel to approve a roadway to the community. Approval was needed even though the road lies inside the West Bank. According to al-Masri, "The road is temporary, we have to apply for its renewal every year, they could stop it at any time." Al Masri described delays ranging from hours to days caused by one checkpoint on the road to Rawabi. He said, "We have daily problems with the Israelis, just like everyone else in the Palestinian private sector."



## Effect of Water Inequality

**In the occupied territories, even water is distributed by ethnic group!**

According to a 2010 World Bank Report, **Israelis have access to four times as much water as Palestinians**, even though the major aquifer for the entire region, the "Mountain Aquifer," lies primarily beneath the West Bank. An article in Ha'aretz, one of Israel's leading newspapers covered the report: "The report states that Palestinians have access to only one-fifth of the mountain aquifer supply, while Israel pumps out the rest, reaching its allocated quota without due authorization from the joint water committee set up in the Oslo accords."<sup>iv</sup>



**Above: Palestinians face desperate water shortages.**

The French parliament's Foreign Affairs Committee published an unprecedented report in January, accusing Israel of implementing "apartheid" policies in its allocation of water resources in the West Bank. The report said. "Some 450,000 Israeli settlers on the West Bank use more water than the 2.3 million Palestinians that live there," "In times of drought, in contravention of international law, the settlers get priority for water."<sup>v</sup>

The report also said "the separation wall being built by Israel allows it to control access to underground water sources" and to "direct the flow of water westward."<sup>vi</sup> This diverts Palestinian water to Israel.



**Left: Israeli settlements on Palestinian land often have swimming pools and green lawns.**

**On the following page are pictures of infrastructure projects that have been destroyed or threatened with destruction by the Israeli army. All were built with a combination of funds from private investors and donor governments. Putting church funds into similar projects *without ending the occupation* would not be a prudent step.**



**Israel destroyed the roadway at top left and is threatening to destroy the solar panels, top right.**



**Israel bombed Gaza's power plant, above, which was insured with American funds.**



**Israeli bulldozers destroyed this water cistern, the only water source for three villages.**

<sup>i</sup> <http://siteresources.worldbank.org/INTWESTBANKGAZA/>

<sup>ii</sup> [Resources/EconomicEffectsOfRestrictedAccessToLandintheWestBankOct.21.08.pdf](http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/EconomicEffectsOfRestrictedAccessToLandintheWestBankOct.21.08.pdf)

<sup>iii</sup> <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WestBankrestrictions9Mayfinal.pdf>

<sup>iv</sup> [http://siteresources.worldbank.org/INTMENA/Resources/Poverty\\_and\\_Inclusion\\_in\\_the\\_West\\_Bank\\_and\\_Gaza\\_Chapter4.pdf](http://siteresources.worldbank.org/INTMENA/Resources/Poverty_and_Inclusion_in_the_West_Bank_and_Gaza_Chapter4.pdf)

<sup>v</sup> <http://www.haaretz.com/print-edition/news/world-bank-israelis-get-four-times-more-water-than-palestinians-1.274384>

<sup>vi</sup> <http://www.haaretz.com/print-edition/news/french-parliament-report-accuses-israel-of-water-apartheid-in-west-bank-1.407685>

<sup>vii</sup> <http://www.haaretz.com/print-edition/news/french-parliament-report-accuses-israel-of-water-apartheid-in-west-bank-1.407685>

## **Economic action works, and can protect fiduciaries!**

When the General Board of Pension and Health Benefits placed Israeli banks and a construction company on a list of companies deemed ineligible for investment due to their association with human rights violations, the news was welcomed by all Palestinians and Israelis who are working for justice. Letters of gratitude have poured in from around the world, and a United Methodist Missionary reported that Palestinian Christians were filled with new hope and gratitude to our denomination for taking this step.

Yet there are still some who doubt that principled economic action can make a difference. This document illustrates that divestment and boycott of companies involved with Israel's occupation can indeed cause companies to withdraw from illegal settlements.

Two major public firms announced that they were severing their ties with Israel's occupation earlier in January 2016. France's Orange<sup>i</sup> and Ireland's CRH<sup>ii</sup> took these steps after sustained pressure from advocates of a just peace in their respective countries and around the world. The news brought to eleven the number of major public companies that have departed the occupied territories following sustained economic action. Smaller companies have left as well.

There can be no doubt that economic actions such as boycott and divestment are making a difference. As early as 2010, Israeli newspapers reported that targeted boycott and divestment were pushing an increasing number of Israeli companies out of the West Bank settlements.<sup>iii</sup> Managers of settlement companies have stated that almost all companies in the West Bank are feeling the impact of the economic actions called for by Palestinian Christians in 2009 and by Palestinian civil society in 2005.

Below, UMKR has provided examples of how principled economic action has been successful in pressuring companies to leave the illegal settlements. When the economic base of the settlements disappears, people living on occupied land in violation of international law will be more likely to consider relocating inside Israel. This will weaken the settlements, which have been opposed by the United Methodist Church for decades, and can pave the way toward a just and lasting peace.

We also show how divestment can protect fiduciaries, including many UMKR members, who have trusted the church to provide for their health and retirement needs. Divestment is both a moral imperative and a smart financial move to preserve the value of investments.

At a time of increasing violence in the Holy Land, divestment can bring hope to people who have been oppressed for generations without relief. Churches have an obligation to show that nonviolent measures like boycott and divestment can succeed, and that the urgent request of our faith community in the Holy Land has been heard.

Steering away from investment in companies that violate human rights is also a wise financial move and can protect investors against harm. UMKR thanks the General Board of Pension and Health Benefits for taking the first step to disassociate our church from companies that profit from Israel's occupation of Palestinian land, and hopes that divestment from other companies complicit in the oppression of Palestinians will soon follow.

## **I. Examples of Divestment & Boycott actions that were followed by a company move or commitment to leave the occupied territories**

### **A. Ahava (an Israeli company)**

- In July 2009, supporters of Palestinian rights launched a global boycott campaign against cosmetics maker Ahava for its role in an illegal settlement. Pressure on Oxfam, an international human rights organization, resulted in Oxfam's severance of ties with Kristin Davis, who also acted as Ahava's spokeswoman. Coalition partners in London engaged the UK's Camden Trading Standards Office to investigate the legality of Ahava's labeling. Dutch activists and a Minister of the Parliament succeeded in convincing the Dutch Foreign Ministry to launch its own investigation of Ahava's business methods. Partners in Paris suit against the cosmetics chain Sephora for carrying Ahava products.<sup>iv</sup>
- In 2011, the boycott campaign led to the closing of Ahava's flagship store in London.
- In 2012, Petter's Pharmacy in London stopped carrying Ahava, joining many other retailers who yielded to boycott pressures.
- Ahava tried in 2013 to overcome consumer anger by moving its executives to a location in Israel, but this did not obscure the fact that Ahava's operations are on occupied land.
- In 2014, online retailer GILT stopped carrying Ahava after a campaign by Palestinian human rights advocates.
- In 2014, the government of Kuwait announced that it would boycott Ahava and other settlement companies.
- In 2015, Ahava announced it would either move the company inside Israel or would sell its factory in the illegal settlement of Mitzpe Shalem to a Chinese company with which negotiations were under way. Clearly boycott has had an impact on this decision.

### **B. Assa Abloy (a Swedish company)**

- In October 2008, Diakonia, the Church of Sweden, and SwedWatch published a joint report about Mul-T-Lock, a division of Swedish conglomerate Assa Abloy which was located in the illegal settlement industrial zone of Barkan. Discussion of possible boycotts and divestment took place.
- Assa Abloy responded by stating that its involvement in the Israeli occupation was "inappropriate" and declared that the plant would be moved from the illegal Israeli settlement in the West Bank.
- In 2012, Assa Abloy heeded appeals from the Church of Sweden and other prominent Swedish organizations and finally moved its Mul-T-Lock door factory from the industrial zone of the Barkan colony in the occupied West Bank to a location inside Israel, merging it with an Israeli company.

### **C. Cemex** (a Mexican company)

- Cemex, which has a subsidiary in two settlements, also owned a quarry at Yatir, which was extracting raw materials from the Palestinian territory and using them for financial gain in violation of the Hague Conventions. It has been on United Methodist lists of companies of concern for years.
- Norwegian insurance giant KLP Kapitalforvaltning divested from Cemex in June 2015 over its operations in the West Bank, particularly the quarry.
- In September 2015, Cemex announced that it had sold the Yatir Quarry. Cemex still operates factories in the settlements through its subsidiary Readymix. It remains in United Methodist pension portfolios.

### **D. CRH** (an Irish company - formerly Cement Roadstone Holdings)

- CRH has long been a boycott and divestment target of the Irish supporters of Palestine for its partial ownership of Neshor Cement. Neshor is the major supplier of cement in Israel, and its products have been used to build the separation wall and checkpoints inside the West Bank, as well as the settlements.
- Irish advocates have held major demonstrations calling on CRH to cut its ties with the settlements.
- CRH announced in early January 2016 that it was selling its stake in Neshor Cement.

### **E. G4S** (a British company)

- The Gates Foundation Asset Trust, which manages investments for the \$40bn Bill and Melinda Gates Foundation, said in June 2014 that it sold its stake in the UK security services firm G4S, one of the companies targeted by BDS.
- The United Methodist General Board of Pension and Health Benefits divested from G4S in June 2014 after a letter of concern about the company's involvement with Israel's occupation was sent from a member of UMKR and others contacted the board.
- In June 2014, G4S announced it would end all its contracts with Israeli prisons, including those in the West Bank, within three years.<sup>y</sup>
- Columbia University divested its 220,000 shares from G4S in 2015.

### **F. Heineken** (a Dutch company)

- Barkan Wineries, a Heineken subsidiary was targeted for boycott by the Israeli justice group Gush Shalom. The Dutch government also expressed its displeasure at the association between a Dutch company and a company in the illegal settlements.
- Heineken acknowledged this when it moved the winery to Kibbutz Hulda inside Israel.

### **G. Royalife** (an Israeli company)

- Royalife is a major supplier of linens to Williams Sonoma in the United States. The company imported more than 75,000 pounds of the company's products in one recent year. For years, it has been located in the Barkan Industrial Zone, part of an illegal settlement in the West Bank.
- UMKR made phone calls and wrote letters to the Williams Sonoma management informing them of the company's location in an illegal settlement on occupied land.
- After receiving no response from repeated efforts to contact Williams Sonoma, UMKR launched a boycott of the company's products during the Advent Season 2014.
- In December 2015, UMKR learned that Royalife had left its location in the Barkan Industrial Zone.

### **H. Orange** (a French company)

- Orange Communications has authorized shops or kiosks and use of its masts in a number of illegal settlements through its franchise Partner Communications. After facing serious boycott pressure over this practice, Orange announced in 2015 that it would end the franchise agreement within two years.
- In January 2016, Orange announced that its relationship with Partner would end in February, and the Orange name will no longer be associated with the Partner enterprise in West Bank settlements.

### **I. SodaStream** (an Israeli company)

- Soros Fund Management, the family office of the billionaire investor George Soros, divested from SodaStream<sup>vi</sup> following BDS pressure.
- Grassroots boycott activism saw SodaStream dropped by major retailers across North America and Europe including Macy's in the US<sup>vii</sup> and John Lewis in the UK
- SodaStream was forced to close its flagship store in Brighton<sup>viii</sup> in the UK as a result of regular pickets of the store.
- UMKR added SodaStream to its list of companies to boycott as a result of the church's call on all nations to ban the import of goods and services from the settlements. The UM General Board of Church and Society endorsed the boycott.
- SodaStream's share price fell dramatically in 2015<sup>ix</sup> as sales dried up, particularly in North America. After reaching a high of \$64 per share in October 2013, the stock fell to around \$20 per share in late summer 2015. SodaStream estimated its third quarter revenue would be down almost 14 percent from the same period the year before.
- In September 2015, SodaStream completed the move of its manufacturing operations out of the West Bank.

#### **J. Unilever** (a Dutch company)

- In 2006, the Dutch group United Civilians for Peace (UCP) began pressuring Unilever over their pretzel factory, Beigel and Beigel, in the illegal Barkan Industrial Zone, attached to the Ariel settlement.
- In 2008, the French supermarket group Carrefour and British department store Harrods boycotted the snacks
- Later in 2008, Unilever announced that it would divest from Beigel and Beigel, but that did not happen.
- In 2013, the UN released a report calling for companies and governments to “assess the human rights impact of their activities” and end any connection to the settlements”
- A few weeks after the UN announcement in 2013, Unilever shut down its operations in the illegal settlement of Ariel and moved its production inside the Green Line, to Israel.<sup>x</sup>

#### **K. Veolia Environnement** (a French company)

- Over an eight-year period, Veolia lost more than \$23 billion in contracts<sup>xi</sup> as a result of lobbying by citizens concerned about the company’s role in the illegal settlements<sup>xii</sup>. For a list of these contracts and the groups that lobbied for their cancellation or refusal, see <http://www.globalexchange.org/economicactivism/veolia/victories>
- In 2012, Friends Fiduciary, the Quaker pension fund, divested from Veolia Environnement, citing its provision of segregated water services to Israeli settlers in the Palestinian Territories and its large landfill in the occupied Jordan River Valley.
- In 2013, the large US pension fund TIAA-CREF removed Veolia Environnement from its Social Choice Funds portfolio, though the stock remained in other portfolios.
- In 2014, the government of Kuwait excluded Veolia from a \$750 million contract and announced a nation-wide boycott of the company.
- In September 2015, Veolia announced the sale of all its assets in the West Bank to Oaktree Capital Management LP. There is no doubt that divestment and boycott were the reasons behind this sale, and all the media reports of the sale mentioned this.

Note: One concern is that Oaktree Capital Management LP, which purchased Veolia’s operations in the West Bank, is listed as one of the main advisors for the General Board of Pensions International Equity Fund.

## II. The Danger of Waiting

As word spreads globally about the involvement of companies in the illegal settlements and the occupation of the West Bank, boycotts and divestment can cause the value of stocks in these companies to decline.

Below are divestment actions by large European Banks and Pension Funds involving companies that are or have recently been in the GBPHB portfolios. Note: All but one of these companies has lost money while in the General Board of Pensions portfolios.

- In 2012, Norway's finance ministry excluded Shikun & Binui from the Government Pension Fund Global (GPF), the largest pension fund in Europe, over its construction of illegal Israeli colonies. It has helped build a number of settlements.
- In 2014, the Netherlands' largest pension fund management company, PGM, withdrew all its investments from Israel's five largest banks because they have branches in the West Bank and/or are involved in financing construction in the settlements. Those included Bank Leumi and Bank Hapoalim, which GBPHB held.
- In 2014, Denmark's largest bank, Danske Bank, divested from Bank Hapoalim because it finances construction of illegal settlements in the occupied Palestinian territories in the West Bank. Citing its corporate accountability rules, the bank said that Bank Hapoalim was acting against the rules of international law.
- Sweden's Nordea Bank – the largest in Scandinavia – followed Danske Bank in divesting from Bank Hapoalim, and has also taken steps against Israeli banks involved in settlement construction.
- In 2014, Luxembourg's state pension fund FDC divested from Bank Leumi, Bank Hapoalim, First International Bank of Israel, Israel Discount Bank and Mizrahi Tefahot Bank – on the grounds of “association to supporting construction of illegal settlements in occupied territories.” Also excluded from the fund because of their role in the occupation are Motorola Solutions, Africa Israel Investments, and Jerusalem Economy, Ltd. Of these, Motorola Solutions is currently held by the UM Pension Fund, and appears in the ESVPF fund designed to appeal to socially conscious investors.
- In 2012, Friends Fiduciary, the Quaker pension fund, divested from Veolia Environnement, citing its provision of segregated water services to Israeli settlers in the Palestinian Territories and its large landfill in the occupied Jordan River valley. Large pension funds have also divested from other companies not currently held by GBPHB for the same reasons.
- In 2013, the large US pension fund TIAA-CREF removed Veolia Environnement from its Social Choice Funds portfolio, though the stock remained in other portfolios.
- The Swedish national pension fund AP7 and Dutch ASN Bank excluded the French transportation giant Alstom from their portfolios because of the company's involvement in Israel's occupation of Palestinian land. Alstom was in GBPHB portfolios on 9/30/15.

### III. Conclusion:

Divestment can protect the assets of United Methodist retirees, staff and clergy. Every public company located in the settlements has found itself the target of economic action by responsible investors and consumers. That has frequently resulted in losses for shareholders. Companies that are well governed do not put their subsidiaries in illegal settlements. Companies that are not well governed pose a risk to investors.

Companies that support the occupation in other ways, such as Motorola Solutions, have also been the targets of economic action by individuals, organizations, and large pension funds. They pose a similar threat to the health of our investments.

Divestment and boycott were successful in ending the apartheid government of South Africa in the 1980's. At that time, the UMC General Board of Pension and Health Benefits divested \$77 million from 17 companies that were involved with the apartheid government. Divestment has been used with other companies as well, including those in Sudan, retailers in the US, and companies involved with private prisons. Boycott has been used by the church in other instances of injustice, such as fair wages for lettuce pickers and pickle company workers. These are time-honored ways of making a difference.

Today, divestment and boycott are changing the attitudes of companies and of many Israelis toward the illegal settlements, which are forcing Palestinians from their land. In fact, economic action is the only thing that *is* making a difference. If the church was willing to use these proven tools in other instances of injustice, and if our own faith community in the Holy Land is urgently asking the church to use them now, the moral imperative is clear.

As the General Board of Pensions continues to implement its human rights guideline, it can draw on experienced sources within our own denomination for information and expertise about companies affecting human rights in Israel-Palestine. UMKR represents many such voices including human rights experts in other church agencies, all past and present missionaries to the region, researchers who have been studying these companies for many years, and individuals who have been called by faith to the pursuit of justice in the region.

Future generations will demand to know what we did to protect our faith community and other Palestinians in the Holy Land when they were being oppressed and expelled. We hope there will still be churches there, and that they can describe our church's faithful response.

## Notes:

- I. <http://forward.com/news/breaking-news/328746/israeli-company-cuts-ties-with-frances-orange-amid-bds-row/>
- II. [http://crh.com/docs/press-releases-2016/dev-strat-update-07012016\\_2.pdf?sfvrsn=2](http://crh.com/docs/press-releases-2016/dev-strat-update-07012016_2.pdf?sfvrsn=2)
- III. <http://coteret.com/2010/06/21/maariv-targeted-boycott-and-divestment-pushing-companies-out-of-the-settlements/>
- IV. <http://www.bdsmovement.net/2010/ahava-rattled-2885#sthash.XjWcr6m6.dpuf>
- V. <http://www.bloomberg.com/news/articles/2013-08-14/west-bank-cosmetics-maker-muddies-address-as-eu-boosts-sanctions>
- VI. <http://www.ft.com/intl/cms/s/0/06e06252-ecc9-11e3-8963-00144feabdc0.html - axzz3nHY5CQWe>
- VII. <http://bdsmovement.net/2014/soros-fund-drops-shares-in-israels-sodastream-12450>
- VIII. <http://bdsmovement.net/2014/soros-fund-drops-shares-in-israels-sodastream-12450>
- IX. <https://electronicintifada.net/blogs/amena-saleem/palestine-activists-celebrate-sodastream-shuts-uk-store>
- X. <http://www.ft.com/intl/cms/s/0/06e06252-ecc9-11e3-8963-00144feabdc0.html - axzz3nHY5CQWe>
- XI. <http://mondoweiss.net/2013/02/unilever-settlement-production>
- XII. <http://mondoweiss.net/2014/05/barclays-downgrades-sodastream>
- XIII. <http://www.globalexchange.org/economicactivism/veolia/victories>



## The Resolutions

*Below are the resolutions that have been submitted by United Methodist Kairos Response and by agencies and annual conferences for consideration by General Conference 2016.*

**I. Petition 60855 - "Establish a Screen to Remove and Avoid Investments in Illegal Settlements"** submitted by Minnesota, Oregon-Idaho, West Michigan, Upper New York, and California-Pacific Annual Conferences and 1 Similar Petition (from UMKR)

An occupying power in a foreign territory is prohibited from moving its own population onto land that is occupied (Article 49, Geneva Convention IV). Communities created by such action and established by an occupying power on occupied land are commonly referred to as "illegal settlements."

A business operating in an illegal settlement pays taxes to the settlement and the occupying power strengthening its economic base, taking advantage of land unlawfully seized from others, and complicit in the occupying power's violations of human rights and international law.

Companies operating in illegal settlements often exploit resources in the occupied territories by mining, diverting water and polluting agricultural land. The Hague Conventions of 1907 and the Fourth Geneva Convention clearly forbid exploitation of the natural resources of an occupied people.

The United Methodist General Conference 2012 encouraged companies "to honor and promote human rights and the dignity of human life consistent with the 10 principles of the United Nations Global Compact" (<http://www.umc.org/what-we-believe/investment-ethics>). Further, the United Methodist Book of Discipline discourages investment in companies "that directly or indirectly support the violation of human rights" (§717, The Book of Discipline 2012). Our United Methodist Social Principles declare, "We denounce as immoral an ordering of life that perpetuates injustice and impedes the pursuit of peace." (UMC Social Principles, "The World Community.") The presence of illegal settlements on occupied land

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

perpetuates injustice and impedes the pursuit of peace.

The United Methodist General Board of Pension and Health Benefits is a founding signatory of the Principles for Responsible Investment, through which signatories agree to consider environmental and social, as well as governance issues in investment decisions. ([www.unpri.org](http://www.unpri.org))

The General Conference directs General Boards and Agencies of The United Methodist Church to develop and apply a screen that excludes investment in companies with involvement in illegal settlements by:

1. Having a physical presence or a subsidiary in an illegal settlement,
2. Providing support services to an illegal settlement,
3. Contributing to the financing or building of illegal settlements; or
4. Manufacturing products in or extracting resources from occupied land.

---

**II. Petition 60856 - "Divest from Caterpillar"** submitted by GBCS, Desert Southwest, and Pacific Northwest Annual Conference and 1 Similar Petition (from UMKR)

The United Methodist General Conference 2012 asked that “all United Methodist general boards and agencies prayerfully consider advocating that all companies formally recognize and adopt into their codes of conduct the United Nations Guiding Principles on Business and Human Rights (also known as the Ruggie Principles). Caterpillar Corporation has refused a direct request by the General Board of Pensions and Health Benefits to sign the UN Guiding Principles.

The United Methodist Book of Discipline’s statement on Socially Responsible Investments says “The boards and agencies are to give careful consideration to shareholder advocacy, including advocacy of corporate disinvestment” (§ 717, The Book of Discipline 2012.) Further, the United Methodist Church opposes Israel’s occupation of the West Bank and Gaza Strip (Resolution #6111, “Opposition to Israeli Settlements in Palestinian Land,” The Book of Resolutions 2012).

Caterpillar, Inc. machines are used by the Israeli government and by the Israeli military for the demolition of Palestinian houses and water supplies in the occupied Palestinian territories, the construction of the Separation Wall, construction of settlements and settlement infrastructure on Palestinian land, the

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

uprooting of olive trees, creation of roadblocks, and as weapons (“Facts on the Ground: Heavy Engineering Machinery and the Israeli Occupation Report,” Who Profits Research Center, July 2014).

Caterpillar’s D9 bulldozers favored by Israel’s military are not the familiar equipment used for farming or for municipal projects, but rather are two-story machines weighing 54 kilos/60 tons with a front blade more than 1.8 meters/6 feet high and 4.5 meters/15 feet wide and a claw-like hydraulic “ripper” in the back, as well as gun turrets (The Caterpillar Campaign, US Campaign to End the Israeli Occupation, <http://www.endtheoccupation.org/downloads/CAT%201-2006.pdf>). In fact, an Israeli military commander referred to Caterpillar bulldozers as “the key weapon” in its military occupation of the West Bank and the Gaza Strip (Alon, Ben David ‘Israel-Double Jeopardy,’ Janes Defence Weekly, 11/17/04). Israeli Defense Minister Shaul Mofaz has declared, “The D-9 is a strategic weapon here.” ([www.btselem.org/Download/200101\\_Civilians\\_Under\\_Siege\\_Eng.doc](http://www.btselem.org/Download/200101_Civilians_Under_Siege_Eng.doc)). Caterpillar machines have been used in the killing of Palestinian civilians, including a pregnant woman, a paraplegic, an elderly paralyzed man, and families including children (<http://www.apnewsarchive.com/2002/Bodies-Recovered-in-Nablus-Rubble/id-d7216a4b0417bdcf9c2beac8a5a7e554>). An American peace activist, Rachel Corrie, was killed by a Caterpillar bulldozer as she tried to protect a Palestinian home from demolition. (<http://rachelcorriefoundation.org>)

Caterpillar sells its military equipment to Israel through the US Foreign Military Sales Program. Because this equipment is weaponized and used as a weapon in the occupied territories, the sale of Caterpillar bulldozers to the Israeli military violates the US Arms Export Control Act, which prohibits the use of US made machinery or weapons against a civilian population.

Israel’s sole Caterpillar distributor, Zoko Enterprises, provides employees who can function as reserve soldiers to service the D-9s during military operations on the battlefield, (“Facts on the Ground: Heavy Engineering Machinery and the Israeli Occupation Report,” Who Profits Research Center, July 2014).

A 2013 report to the UN Human Rights Committee states that “Caterpillar could protect against the militarized misuse of its equipment by contracting restrictions for use in its sales agreements, such as the insertion of provisions eliminating further sales if Caterpillar products were employed in human rights violations. Such an option would allow Caterpillar to send a clear message that it will not be complicit in human rights abuses.” (The Global Initiative for Economic,

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

Social and Cultural Rights Joint Parallel Report to the United Nations Human Rights Committee, 109th Session, 14 October – 1 November 2013).

Caterpillar has shown it can guide its dealers and subsidiaries in matters concerning equipment use by a letter prohibiting them from accepting orders for equipment that could ultimately be used in Iran.

(<http://www.wsj.com/articles/SB10001424052748703429304575095430605944518>).

The Palestinian Christian community, through the Kairos Palestine document, has requested the support of the wider Church; (Kairos Palestine. “A Moment of Truth: A Word of Faith, Hope and Love from the Heart of Palestinian Suffering” December 2009) <http://www.kairospalestine.ps/content/kairos-document>. Palestinian Christian leaders have specifically requested the support of the United Methodist Church;(Letter to the United Methodist Church from Rifat Odeh Kassis, General Coordinator, Kairos Palestine, November 28, 2014 [http://www.kairosresponse.org/Rifat\\_Kassis.html](http://www.kairosresponse.org/Rifat_Kassis.html)). All UMC missionaries serving in the Holy Land over the last 25 years likewise support concrete actions by our denomination to show our support of Palestinian rights; (United Methodist Missionaries Support Divestment from the Israeli occupation. [www.kairosresponse.org/UMC\\_Missionaries\\_Divestment.html](http://www.kairosresponse.org/UMC_Missionaries_Divestment.html).)

The General Board of Pension and Health Benefits holds stock in Caterpillar Corporation, and increased its holdings in that company by 40 per cent during the fifteen months following General Conference 2012.

For ten years, various groups from the United Methodist Church, other denominations and numerous advocacy groups have brought human rights violations to the attention of Caterpillar, Inc. through letters, emails and private meetings with Caterpillar officials, yet the company has failed to respond with any corrective measures. Despite repeated discussions concerning this issue, Caterpillar, Inc. has refused a direct request from GBPHB to sign the UN Guiding Principles on Business and Human Rights.

The GBPHB, as part of its Socially Responsible Investing screens, lists “weapons” among other products that do not align with United Methodist values and thus “excludes investments in companies earning significant revenues from .... weapons...” In 2012, GBPHB released a statement expressing “our belief that the company’s policies expose Caterpillar – and by extension, its shareholders – to reputational and financial risk.”

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

To encourage companies to be responsive to United Methodist concerns and to avoid profiting from weapons that support Israel's occupation, the United Methodist General Conference 2016 directs the General Board of Pension and Health Benefits to divest its shares of Caterpillar stock, and to exclude it from further investment until the company (1) signs the UN Guiding Principles on Business and Human Rights, (2) stops providing D-9 bulldozers for Israel to use as weapons in the occupied Palestinian territories, and (3) prohibits all Caterpillar dealers or subsidiaries from accepting any orders for equipment where the dealer or subsidiary knows that the products will be used in the construction of Israeli settlements, the construction of bypass roads, the construction of the security barrier, or the demolition of Palestinian homes or agricultural fields in the occupied Palestinian territories.

---

**III. Petition 60857 - "Divest from Caterpillar, Motorola Solutions, and Hewlett Packard** - submitted by Pacific Northwest, Oregon-Idaho, Upper New York and 1 Similar Petition (from UMKR)

WHEREAS United Methodists have engaged Caterpillar for ten years, Motorola Solutions for nine years, and Hewlett Packard for seven years, and have asked them to end their involvement with Israel's occupation ([http://www.kairosresponse.org/corporate\\_engagement\\_04-11.html](http://www.kairosresponse.org/corporate_engagement_04-11.html)) and,

WHEREAS every United Methodist General Conference for more than 40 years has endorsed calls for just and lasting peace in Israel/Palestine, and an end to all military sales to the region; and,

WHEREAS the United Methodist Book of Discipline states that advocacy of corporate disinvestment is one of the steps to be considered in the process of corporate engagement: "The boards and agencies are to give careful consideration to shareholder advocacy, including advocacy of corporate disinvestment." (§717, The Book of Discipline 2012); and,

WHEREAS ongoing military occupation and expanding Israeli settlements on Palestinian lands have deepened a system that dehumanizes Palestinians and Israelis; and,

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

WHEREAS more than 3,000 Palestinian Christians have implored Christians everywhere to put actions behind their words to end Israel's occupation of Palestinian land; and the United Methodist Church has been specifically asked by Palestinian Christian leaders to oppose human rights violations

(<http://www.kairospalestine.ps/content/kairos-document>, [https://www.kairosresponse.org/Rifat\\_Kassis.html](https://www.kairosresponse.org/Rifat_Kassis.html)); and,

WHEREAS Caterpillar provides Israel with military bulldozers and earth-moving equipment, which are used to uproot olive groves, demolish Palestinian homes, construct settlements and build segregated roads and the separation barrier on occupied land; Motorola Solutions provides surveillance systems for Israeli settlements, military bases and the separation wall, as well as communication devices for the Israeli military; and Hewlett Packard provides data storage for settlements, manages information technology for the Israeli Navy, and provides biometric monitoring of checkpoints inside the West Bank; and

WHEREAS there has been no meaningful progress with the companies and no indication of any willingness to change their involvement in Israel's occupation; and,

WHEREAS three United Methodist conferences – New York, Northern Illinois and West Ohio – have divested their stock in companies invested in the occupation of the West Bank, and have suffered no losses to their portfolios or accusations of fiduciary impropriety; and numerous other conferences have passed divestment resolutions, including: Baltimore-Washington, California-Pacific, California-Nevada, Detroit, Minnesota, New England, Pacific Northwest, Rocky Mountain, Upper New York, and Virginia; and,

WHEREAS other denominations such as the Presbyterian Church USA, Society of Friends (Quakers), Mennonite Central Committee and some United Church of Christ conferences have passed similar divestment resolutions and have divested without suffering financial harm; and,

WHEREAS in 2014 the Luxembourg national pension fund FDC announced it was barring Motorola Solutions from its investments because of its involvement with human rights violations in the occupied territories;” and,

WHEREAS Caterpillar has refused a request from the United Methodist General

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

Board of Pension and Health Benefits to sign the UN Guiding Principles, and General Conference 2012 called on all United Methodist boards and agencies to “prayerfully consider” divestment from companies that refuse to sign these principles; and,

WHEREAS we categorically denounce all forms of anti-Semitism, whether directed toward Arabs or Jews, and any and all attempts to diminish the historical suffering of the Jewish people or the Palestinian people, and we seek justice for both Israelis and Palestinians; and, WHEREAS divestment is aimed not at Israel itself, but at ending the occupation of land beyond its internationally recognized borders; and,

WHEREAS we denounce violence and terror tactics by all sides in the Middle East conflict, and commend non-violent means of achieving peace; and,

WHEREAS all UMC mission personnel who have served in the occupied territories since the 1990s support divestment from these three companies ([https://www.kairosresponse.org/UMC\\_Missionaries\\_Divestment.html](https://www.kairosresponse.org/UMC_Missionaries_Divestment.html)); and

THEREFORE, BE IT RESOLVED that General Conference 2016 calls on all boards and agencies of the United Methodist Church to take action to divest promptly from Caterpillar, Motorola Solutions, and Hewlett Packard and continue to exclude these companies until they end their involvement with the Israeli occupation.

---

**IV - Petition 60858 - "Divestment"** (The name of this is "**Remove from portfolios companies producing goods or services in illegal settlements on occupied land.** " submitted by Pacific Northwest and New England and 1 Similar Petition (from UMKR)

WHEREAS the occupying power in a foreign territory is prohibited from moving its own population onto land that is occupied (Article 49, Geneva Convention IV); and,

WHEREAS segregated communities established by the occupying power on occupied land in violation of the Geneva Conventions are commonly referred to as “illegal settlements”; and,

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

WHEREAS the International Court of Justice has confirmed that settlements established in violation of the Fourth Geneva Convention are in “breach of international law,” (ICJ Advisory Opinion 2004); and,

WHEREAS the United Methodist Book of Discipline discourages investment in companies “that directly or indirectly support the violation of human rights” (§ 717, The Book of Discipline 2012); and,

WHEREAS the United Methodist General Board of Pension and Health Benefits is a founding signatory of the Principles for Responsible Investment, through which signatories agree to consider environmental and social, as well as governance issues in investment decisions. ([www.unpri.org](http://www.unpri.org)); and,

WHEREAS our Social Principles declare, “We denounce as immoral an ordering of life that perpetuates injustice and impedes the pursuit of peace.” (UMC Social Principles, “The World Community”); and,

WHEREAS General Conference 2012 passed a resolution calling on all nations “to prohibit any financial support by individuals or organizations for the construction and maintenance of settlements; and the import of products made by companies in Israeli settlements on Palestinian land.” (Resolution #6111, UM Book of Resolutions, 2012); and,

WHEREAS the Hague Conventions of 1907 clearly forbid exploitation of the natural resources of an occupied people; and

WHEREAS settlement companies often exploit resources in occupied territories by mining, diverting water and polluting agricultural land; and,

WHEREAS a business operating in an illegal settlement pays taxes to the settlement and strengthens its economic base, takes advantage of land unlawfully seized from others, and is complicit in the occupying power’s violations of human rights and international law,

THEREFORE, BE IT RESOLVED that General Conference 2016 calls on the General Boards and Agencies of The United Methodist Church to remove from their portfolios companies producing goods or services in illegal settlements on occupied land.

For more information, please contact [communications@kairosresponse.org](mailto:communications@kairosresponse.org)

# A Statement from All the Living United Methodist Missionaries Who Have Served in the Holy Land

January 14, 2016

As past and present United Methodist missionaries in the Holy Land we affirm non-violent means of addressing the many injustices we've seen during our years of service. While there are transgressions on all sides, we believe that the illegal occupation of Palestinian land is the root cause and source of the conflict. We are therefore encouraged by the recent action of United Methodist fund managers to disassociate from certain Israeli banks, and hope they will continue this trend by removing from our portfolios companies and institutions that profit from the occupation. Such decisions will ultimately contribute toward the end of hostilities and reverse the cycle of violence in Israel/Palestine.

Yours in Christian Service,

(Rev.) Alex and Brenda Awad

(Rev.) Kristen Brown

(Rev.) Bob and Peggy Hannum

Janet Lahr Lewis

Bob May

(Rev.) Peter Miano

(Rev.) Sandy Olewine

(Rev.) Romeo Del Rosario

Tina Whitehead

# JVP COMMENDS METHODIST PENSION BOARD FOR DIVESTMENT FROM ISRAELI BANKS

12 JANUARY 2016 [BOYCOTT, DIVESTMENT AND SANCTIONS/INTERFAITH/ORGANIZING/PRESS RELEASE](#)

ShareTweet

FOR IMMEDIATE RELEASE

Contact: Naomi Dann | [naomi@jvp.org](mailto:naomi@jvp.org) | (845) 377-5745

*January 12, 2016*—Jewish Voice for Peace congratulates the United Methodist Church for taking the unprecedented step of divesting from Israeli banks that sustain Israel’s illegal occupation of Palestinian land. The Pension and Health Benefits Fund of the United Methodist Church declared the five largest Israeli banks **off limits for investment** and has divested from the two that it held in its portfolios, due to their deep involvement with financing illegal settlement building in the occupied Palestinian territories.

Rabbi Alissa Wise, deputy director of Jewish Voice for Peace said,

---

**“We are proud to work with our partners at United Methodist Kairos Response to encourage the Methodist Church to align its investments with its values by divesting from companies who profit from Israel’s illegal occupation and human rights abuses. This decision is a particularly significant step because it acknowledges the deep connections between Israeli banks and the settlement enterprise, making clear that responsibility for the occupation and ongoing abuses of Palestinian rights does not stop at the Green Line.”**

Divestment from companies that profit from human rights abuses is an effective form of economic pressure intended to encourage Israel to abide by international law.

Working with socially responsible investment firm Sustainalytics, the **pension fund managers** identified Israel-Palestine as one of the “‘high-risk’ countries and areas that demonstrate a prolonged

and systematic pattern of human rights abuses.” Most significantly, this is the first time that a socially responsible investment screening company has included Israel-Palestine in a screen for companies operating in high-risk countries, putting Israel on par with other human rights abusers including Sudan, North Korea, and Saudi Arabia, as well as other illegal occupiers, specifically Morocco-Western Sahara and Turkey-Cyprus.

United Methodist Kairos Response (UMKR) **commended** these actions, while noting that the investment fund manager Wespath still holds stock in ten companies located inside the illegal settlements and in several others that lend important support to Israel’s occupation. A list of those companies is available on the UMKR **website**. The Methodist Church **opposes** Israel’s illegal occupation of Palestinian territories, and in 2014 the Church divested from the British private prison company **G4S** in part due to concerns over its role in Israeli prisons and in the occupied West Bank.

UMKR has submitted four **proposals** to the Church’s next General Conference, which will meet May 10-20 in Portland, Oregon. Three would require divesting from companies involved with the occupation and one would establish a screen to preclude investments in companies doing business in illegal settlements anywhere in the world.

Jewish Voice for Peace supports the efforts of UMKR to encourage the United Methodist Church to divest from the Israeli occupation of Palestinian land.

###

# **Tikkun Magazine Applauds the United Methodist Church Boycott of Israeli Banks which are Funding the Israeli Occupation of the West Bank**

by: **Tikkun Staff** on January 13th, 2016 | [4 Comments »](#)

Here is the account from the NY Times:

*The pension board of the United Methodist Church — one of the largest Protestant denominations in the United States, with more than seven million members — has placed five Israeli banks on a list of companies that it will not invest in for human rights reasons, the board said in a statement on Tuesday. It appeared to be the first time that a pension fund of a large American church had taken such a step regarding the Israeli banks, which help finance settlement construction in what most of the world considers illegally occupied Palestinian territories.*

The five banks – Bank Hapoalim, Bank Leumi, First International Bank of Israel, Israel Discount Bank and Bank Mizrahi-Tefahot – are each involved in financing settlement construction in Israeli-occupied Palestinian territories.

**Rabbi Michael Lerner, editor of *Tikkun* magazine, the largest circulation voice of liberal and progressive Jews (and the winner of the Best Magazine of the Year Award from the Religion Newswriters Association in both 2014 & 2015) issued the following statement Jan. 13, 2016:**

“Although we at *Tikkun* do NOT support a general boycott of Israel, and wish to see Israel remain strong and its security intact, we welcome the action of the United Methodist Church Pension Fund. The action of the UMC Pension Fund is narrowly focused on boycotting and divesting from Israeli and other firms that help perpetuate Israel’s Occupation of the Palestinian people in the West Bank and the construction of “Jewish-only” settlements . The Occupation of the West Bank with its attendant oppression of the Palestinian people is not only a violation of the highest values of the Jewish people, it is also the Israeli activity that most threatens to turn Israel into a pariah state and thereby weaken its ability to protect its citizens from the real threats it may face from surrounding hostile powers and forces. For that reason, we support all efforts to boycott the products produced on the West Bank in Israeli “Jewish only” settlements and to disinvest from Israeli and global corporations and institutions that help make the Occupation possible. The Jewish people in centuries to come will thank those friends of Israel, like the United Methodists, Presbyterians USA, and the United Church of Christ, who are doing all they can to reverse Israel’s self-destructive policies in the West Bank while distancing from the BDS movement that aims not only at the Occupation of the West Bank but at the totality of Israel and the Israeli people.”

**Rabbi Michael Lerner**, editor of *Tikkun* is author of two national best sellers, both published by Harpers: *Jewish Renewal: A Path to Healing and Transformation* and *The Left Hand of God: Taking Back our Country from the Religious Right*. He is also the author of *The Politics of Meaning, Spirit Matters, The Socialism of Fools—Anti-Semitism on the Left*, and with Cornel West *Jews and Blacks: A Dialogue on Race, Religion and Culture in America*. His latest book is *Embracing Israel and Palestine: A Strategy for Middle East Peace*.