



AFSC's Israel-Palestine Investment Screen and the TIAA-CREF Divestment Campaign

>> Frequently Asked Questions

What does AFSC's Israel-Palestine Investment Screen say and what does it target?

>> On March 8, 2008, AFSC's Board approved an affirmative investment screen specific to Israel-Palestine. The full text of AFSC's investment screen is as follows:

"Investments should not be made in any company that provides products or services, including financial services, to Israeli governmental or military bodies that are used to facilitate or undertake violent acts against civilians or violations of international law, or to Israeli or Palestinian organizations or groups that are used to facilitate or undertake violent acts against civilians or violations of international law."

For the purposes of this investment screen this would include companies that:

- 1. Provide products or services that contribute to violent acts that target either Israeli or Palestinian civilians;***
- 2. Provide products or services that contribute to the maintenance of the Israeli military occupation of Gaza and the West Bank, including East Jerusalem;***
- 3. Provide products or services that contribute to the maintenance and expansion of Israeli settlements in the occupied Palestinian territories;***
- 4. Provide products or services that contribute to the maintenance and construction of the Separation Wall."***

This is a policy designed to prohibit the investment of AFSC resources in companies that benefit from the Israeli military occupation of the West Bank, including East Jerusalem, and Gaza, or that are involved in or facilitate Israeli or Palestinian acts of violence. It is important to note that this investment screen does not call for a divestment of AFSC resources from the state of Israel or Israeli

products. Rather, this screen upholds AFSC's commitment to ensuring that no AFSC resources are invested in corporations which profit from actions that violate its organizational principles. AFSC's screen was not designed to single out any one party but rather to ensure that AFSC investments do not contribute to sustaining violence.

At the same time, we also acknowledge that our investment screen places a greater level of responsibility on the government of Israel, recognizing that its continued occupation of the Palestinian territory of the West Bank, including East Jerusalem, and Gaza, is the principle source of violence and violations of international law.

This screen is an extension of AFSC's "Social Investment Policy and Guidelines" which prevents investment in companies that produce weapons, prisons, tobacco, alcohol, and other products of "limited or questionable social value", as well as companies that engage in questionable or abusive human rights, labor or environmental practices.

What companies has AFSC screened out of its investment portfolio as a result of this investment screen and how were they identified?

>> Following approval of the investment screen by AFSC's board, a staff/board committee developed an implementation plan and "no-buy list". After careful consideration the committee decided to use a list of 29 companies compiled by the New England Conference of the United Methodist Church as the foundation for a new no-buy list. This list be found at www.afsc.org/document/israel-palestine-no-buy-list. It was created with assistance from the **Who Profits** (www.whoprofits.org) team associated with the Israel Coalition of Women for Peace. AFSC's list is intended to be a live list that will evolve as time passes.

Why has AFSC implemented an investment screen specific to Israel-Palestine and not taken similar actions targeting other conflicts?

>> AFSC's investment screen was developed within the framework of AFSC's long history of work in Israel and Palestine. Since 1949 AFSC has worked in cooperation with both Palestinians and Israelis to realize a just and lasting peace in Israel and Palestine. AFSC currently has offices in Jerusalem, the West Bank and Gaza and through these offices works with both Palestinian and Israeli partners. In its work in Israel and Palestine AFSC has consistently sought to respond to and end suffering whether it is caused by direct human actions or by oppressive structures that human beings have created.

The AFSC's Israel-Palestine investment screen was developed as a response to requests from **both** our Israeli and Palestinian partners who asked that the AFSC ensure that its resources are not invested in occupation and violence. In the AFSC Board minute approving the investment screen, the AFSC Board stated that it was approving the screen "as a matter of conscience and an expression of our unwillingness to remain complicit with violence and oppression occurring daily in Palestine and Israel, which is contrary to all that we know to be true and right."

AFSC's board stated further that "...we know that similar principles could be applied in many areas of the world and are challenged to consider broader application of this kind of action."

If AFSC's investment screen is designed to ensure that AFSC resources do not support either Palestinian or Israeli violence, why doesn't AFSC's "no-buy list" include any companies that profit from support provided to Palestinian organizations or groups that facilitate or undertake violent acts against civilians or violations of international law?

>> As a matter of principle AFSC does not invest in any companies that support violence. The apparent imbalance in the list results from fact that the provision of assistance to all Palestinian groups or organizations that support violence is already considered a criminal act under both US and European law. In accordance with section 219 of the Immigration and Nationality Act which identifies "foreign terrorist organizations" (FTO),

"it is unlawful for a person in the United States or subject to the jurisdiction of the United States to knowingly provide "material support or resources to a designated FTO. (The term "material support or resources is defined in 18 U.S.C. §2339(b)(1) as "any property, tangible or intangible, or service, including currency or monetary instruments or financial securities, financial services, lodging, training, experts advice or assistance, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel... and transportation, except medicine or religious materials." 18 U.S.C. § 2339 (b)(2) provides that for these purposes "the term "training" means instruction or teaching designed to impact a specific skill, as opposed to general knowledge." 18 U.S.C § 2339A(b)(3) further provides that for these purposes the term 'expert advice or assistance' means advice or assistance derived from scientific, technical or other specialized knowledge."

These restrictions apply to companies and financial institutions as well as individuals. Under Executive Order 13224 issued September 21, 2001 similar restrictions were placed over a list of thousands of organizations and individuals identified by the US Government as engaged in or supporting terrorism. A full list of individuals and organizations targeted by the US government is maintained by the U.S. Department of Treasury Office of Foreign Assets Control. In effect these regulations and similar laws in Europe make it illegal for any company or financial institution that falls under US or European legal jurisdiction, including all publicly traded companies, to provide goods or services to Palestinian individuals and groups engaged in acts of violence.

The structure of these laws reflects the imbalance of power that exists in the international arena between state and non-state actors and which gives legitimacy to state sponsored violence while criminalizing violence by non-state groups. Within the Palestinian-Israeli context this contributes to the power imbalance that exists between the state of Israel and the various Palestinian factions, allowing violence by the Israeli government while criminalizing violence by Palestinian groups. The lack of balance that exists in AFSC's list results from this structural imbalance.

What are the principles that undergird AFSC's peace and justice work in Israel and Palestine?

>> In its work in Israel and Palestine AFSC has consistently sought to respond to and end suffering whether it is caused by direct human actions or by oppressive structures that human beings have created. AFSC's work is shaped by its recognition of Israelis' and Palestinians' shared humanity and the importance of working with both peoples to end the conflict based on the principles of equality, rights and justice. AFSC's approach is grounded in a nonviolent ethic that rejects coercive force and violence as tools for change.

AFSC first began working in Palestine in 1949 when it was given responsibility by the UN for assisting the Palestinian refugee population in Gaza. AFSC's program in Gaza created the institutional framework for what would become the United Nations Relief and Works Agency. In 1949 AFSC also began providing relief and assistance to internally displaced Palestinians in Israel and in 1950 it began work on several projects designed to counter militarism and nationalism by encouraging reconciliation and equal rights for both Palestinians and Jews in the new state.

The 1967 War caused AFSC to reevaluate its position on how peace and justice might be realized in Israel and Palestine. In 1970 AFSC published the book "Search for Peace in the Middle East" which outlined AFSC's understanding of both the causes of and possible solutions to the conflict. At that time AFSC became one of the first groups to publicly call for an end to Israel's occupation of all territories taken over in 1967. Since the publication of "Search for Peace" AFSC has consistently supported efforts to protect human rights and create a just, equitable, and peaceful future in Israel and Palestine by ending Israel's occupation of the Palestinian territory of the West Bank, including East Jerusalem, and Gaza.

AFSC's position on the conflict and how to achieve a just peace is shaped by its belief in an ethic of reciprocity: what holds true for one side in the conflict should hold true for the other side. This means that AFSC supports the right of both Israelis and Palestinians to self determination. In recognizing both Israelis' and Palestinians' rights AFSC has struggled to balance the need to acknowl-

edge present realities with the equal need to recognize and reconcile past injustices. This means that since 1949 AFSC has accepted the independence and legal status of the State of Israel, while at the same time it has held that within Israel all citizens must be treated equally. Further, over the course of its work in Israel and Palestine AFSC has consistently held that reconciliation between Palestinians and Israelis will only come through recognition of, and an attempt to rectify the injustices that resulted from the 1948 partition of mandate Palestine and the 1967 War.

In 1999 AFSC issued a policy paper that identified seven core issues that must be addressed if peace is to be secured. These issues remain relevant today and include:

1. **Self-Determination:** AFSC has consistently upheld people's rights to self-determination and affirms the right of both Israelis and Palestinians to live as sovereign peoples in their own homeland, a right that may take the shape of two states, a single bi-national state, a confederation or another form as determined by both peoples. Consideration of this issue must also address, in a timely and just way, the repatriation of refugees. For both people's rights to self-determination to be realized Israel's military occupation of the West Bank, Gaza and East Jerusalem must end.

2. **Rights:** Recognition of and respect for human rights must form the foundation upon which peace is built. These rights ought to be secured not only at the end of the peace process, but also to inform the process itself. Rights of minorities within the Israeli state and within a future Palestinian state must also be safeguarded.

3. **Economic Justice and Natural Resources:** All parties need to take action to ensure equitable access to resources: economic, social, and natural.

4. **Governance:** AFSC supports the rights of both Palestinians and Israelis to choose their forms of governance.

5. **Security:** The foundations of security are to be found in trust, respect, and mutual recognition of the humanity and past and present suffering of both parties. Security is contingent upon the achievement of self-determination and the promotion and protection of basic human rights. AFSC rejects the idea that security can be gained through violence.

6. **Jerusalem and Settlements:** AFSC views settlements in East Jerusalem and the West Bank as an obstacle to peace and illegal violations of Israel's obligations under international humanitarian law. Consistent with AFSC's belief that Israel and Palestine is a land for two peoples, Jerusalem must be regarded as a city that can be united but also can be shared by both peoples. No party in the conflict should alter the reality on the ground in a unilateral way and access to Jerusalem should be open to Palestinians as well as Israelis.



7. **Responsibility of the International Community:** Responsibility of the International Community – Peace in the Middle East is in the national interest of all countries. All countries, but especially the US, should affirm the principles of self-determination in accordance with human rights and international law.

Moving forward, AFSC's efforts to achieve a just peace between Palestinians and Israelis will continue to address these core issues. In Israel and Palestine AFSC continues to support projects designed to bring about structural change by building equality, countering militarism, transforming individuals' understanding of what is meant by human security, securing the rights of refugees, and ending human rights abuses and the occupation of the Palestinian territory of the West Bank, including East Jerusalem, and Gaza. Within the United States, AFSC works towards these same ends by advocating for changes in US policy and educating the public about the reality of life in Israel and Palestine.

Does AFSC Support the Palestinian Boycott, Divestment and Sanctions (BDS) movement?

>> A Board level committee is currently considering AFSC's response to the Palestinian BDS call. AFSC's investment screen constitutes AFSC's formal position on divestment related to the Israel-Palestine conflict. AFSC supports nonviolent efforts to bring about change in situations of violence around the world. We believe that in Israel and Palestine divestment is an appropriate nonviolent action that can lead to positive change and a just and lasting peace.

As we continue to work in Israel and Palestine AFSC will support nonviolent actions that are consistent with AFSC's principles and values. The principles that guide AFSC's efforts to bring about a just and lasting peace for all in the Middle East include:

1. Respect for the rule of law and the rights for both peoples to determine their own future.
2. Belief in the equality of all people, including the need for equality before the law and equitable access to resources such as land and water for both Israelis and Palestinians.
3. The AFSC affirms the rights of both Palestinians and Israelis to choose their forms of governance. We affirm our support for a democratic process that is accountable to all its people as the surest means of achieving sustainable and just political structures.
4. Self-determination for both peoples and the promotion and protection of basic human rights for all.

In addition, AFSC believes that in the absence of peace no party should alter facts on the ground: all settlement activity and the construction of the Separation Wall must stop. A just resolution to the conflict must also include Jerusalem becoming a truly open city shared by both peoples and address the Palestinian right of return.

Why has AFSC joined the Jewish Voice for Peace TIAA-CREF divestment Campaign?

>> AFSC is a TIAA-CREF client, using TIAA-CREF as our employee's 403(B) provider. TIAA-CREF was selected by AFSC to provide this service because of its dedication to the non-profit sector and general commitment to social responsibility. In fulfillment of AFSC's investment screen, on February 16, 2011 the Executive Committee of AFSC's Board of Directors sent a letter to TIAA-CREF requesting that it develop and implement an investment screen so as to en-

sure that its resources are not invested “in any company that contributes to perpetuating the Israeli military occupation of the Gaza Strip, West Bank, and East Jerusalem, provides products or services to Israeli settlements, or provides products or services that enable violent acts that target civilians.” In a response from TIAA-CREF received by AFSC on March 11, 2011, TIAA-CREF stated that “we are unable to alter our investment policy in response to your concerns.”

As a follow-up step to this private action, AFSC contacted **Jewish Voice for Peace** (www.jewishvoiceforpeace.org) about publicly joining its TIAA-CREF divestment campaign. Information can be found at www.jewishvoiceforpeace.org/tiaa-cref. On June 11, 2011 AFSC’s Board decided to join the JVP campaign, with the Board declaring that the decision to join this campaign is “rooted in our Quaker beliefs that we speak with love to ‘that of God’ in every person, that we ‘utterly deny all outward wars and strife and fighting with outward weapons for any end or under any pretense whatsoever’; and that we testify to this by removing the ‘seeds of conflict’ – including economic seeds – from our own lives.” This decision is a response to ongoing Israeli violations of human rights and international law and is a rejection of any actions that might support these violations. Consistent with AFSC’s investment screen, this campaign aims to change Israeli government actions and to end its continued occupation of the West Bank, including East Jerusalem, and Gaza.

What is the goal of the TIAA-CREF campaign?

>> The JVP TIAA-CREF divestment campaign asks TIAA-CREF to stop investing in companies that profit from the Israeli occupation of the Gaza Strip and the West Bank, including east Jerusalem. The campaign highlights five specific companies as examples of the types of companies that should be included on TIAA-CREF’s no-buy list. These companies all appear on AFSC’s no-buy list and include:

Caterpillar (NYSE:CAT): Caterpillar profits from the destruction of Palestinian homes and the uprooting of Palestinian orchards by supplying the armor-plated and weaponized bulldozers that are used for such demolition work.



Elbit Systems (NASDAQ:ESLT): Elbit profits from the confiscation of Palestinian land by providing surveillance equipment that is mounted on the Separation wall, which was declared unlawful by the International Court of Justice.

Motorola Solutions Inc. (NYSE:MSI): Motorola profits from Israel’s control of the Palestinian population by providing surveillance systems around Israeli settlements, checkpoints, and military camps in the West Bank, as well as communication systems to the Israeli army and West Bank settlers.

Northrop Grumman (NYSE:NOC): Northrop Grumman profits from the production of parts for the Apache helicopters and F-16 aircrafts used by Israel against civilians in Gaza during Israel’s 2008-09 assault.

Veolia (NYSE:VE): Veolia profits from the construction and expansion of illegal Israeli settlements by operating a landfill in the West Bank, exploiting Palestinian natural resources to serve the settlements, and by contracting for the future operation of an illegal light rail systems connecting these settlements with Jerusalem.

Additional information on each of these companies can be found at www.jewishvoiceforpeace.org/tiaa-cref.

I have funds invested with TIAA-CREF. If I agree with this campaign should I withdraw my funds from TIAA-CREF and find another investment service provider? Will AFSC be ending its relationship with TIAA-CREF as a result of joining this campaign?

>> This campaign is not about divestment from TIAA-CREF as a financial service provider. JVP clearly states that the campaign is not asking TIAA-CREF clients to withdraw their funds from TIAA-CREF accounts. Rather, this campaign is asking TIAA-CREF to divest itself from companies that profit from Israeli occupation.

As an individual with resources invested in TIAA-CREF you can take action by **adding your name to the JVP TIAA-CREF petition** online: www.jvp.org/campaigns/tiaa-cref-divest-occupation.

As an organization, AFSC has added its name to this petition and will continue requesting that TIAA-CREF divest from companies that support occupation. AFSC will not be changing service providers for our retirement accounts at this time as a result of joining this campaign.

Where can I find out more information about the TIAA-CREF campaign?

>> Detailed information about the TIAA-CREF campaign can be found on JVP’s website: www.jewishvoiceforpeace.org and the campaign website at www.wedivest.org.



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