

Proposed Ordinance

Divesting from foreign countries conducting severe violations of human rights such as ethnic cleansing, apartheid, illegal military occupation, or genocide.

Be it ordained by the City of Providence:

- (a) Definitions. For the purpose of this article, the following definitions shall apply:
 - (1) “Sovereign debt” shall include foreign countries conducting ethnic cleansing, apartheid, illegal military occupation, or genocide, as subject to United Nations Security Council resolutions, findings from investigations of any UN Independent International Commission of Inquiry, findings from any United Nations Special Rapporteurs, findings from the United Nations High Commissioners for Human Rights, any U.S. court ruling, definitions in U.S. Federal policy, and/or International Court of Justice rulings and advisory opinions.
 - (2) “Complicit entities” shall mean corporations which directly and knowingly enable and contribute to severe violations of international humanitarian law and human rights such as ethnic cleansing, apartheid, illegal military occupation, or genocide.
 - (3) “City funds” shall mean all funds and systems under the jurisdiction of the board of investment commissioners, including but not limited to the retirement system.
 - (4) “Direct investments” shall mean holdings directly managed by the fiduciaries mentioned in this section and all holdings administered directly by the city.
- (b) The following types of investments shall be subject to divestment:
 - (1) The city will refrain, to the best of its ability, from purchasing or reinvesting in foreign sovereign bonds or government debt securities (whether publicly traded or those underwritten or sold by a corporation).
 - (2) The city will refrain, to the best of its ability, from investing its direct investments in complicit entities, as defined in section (a)(2) above. Existing investment in such complicit entities will be terminated, based on fiduciary duty considerations, and new investment in such entities is to be avoided.
 - (3) City staff will regularly use the above mentioned resources and other reputable sources to screen direct city investment for any such sovereign debt or investment in complicit entities and determine the actions to be taken, in accordance with fiduciary duty considerations.
 - (4) If the city has or plans to invest indirectly in either co-mingled accounts or state-managed funds, it will officially and publicly ask the managers of these accounts or funds to consider adopting the above restrictions on its investments.
- (c) The provisions of this section shall apply to all investments of city funds.
 - (1) Exceptions: This section shall not apply when application would result in a violation of the City’s fiduciary responsibilities to its pensioners and beneficiaries.
- (d) Review, Reporting and Compliance:
 - (1) Upon passage, and annually henceforth, the City Treasurer shall review the investment portfolio of the City of Providence to the best of their ability, identifying holdings which might not conform with this section’s restrictions.
 - (2) It shall be the duty of the City Treasurer to submit an annual report to the City Clerk no later than January 31 of each calendar year describing the status of implementation of this section's restrictions, which will be made publicly available.
- (e) Severability Clause:
 - (1) The provisions of this Article are severable, in the event any provision is held illegal.
- (f) This ordinance shall take effect upon passage.