

RESOLUTION OF THE CITY OF MINNEAPOLIS

By Hodges, Ostrow

Providing for the divestment of funds by the City of Minneapolis in Sudan.

Whereas, on July 23, 2004, the United States Congress declared that “the atrocities unfolding in Darfur, Sudan are genocide”; and

Whereas, on December 7, 2004, Congress found that “the Government of Sudan has restricted access by humanitarian and human rights workers to the Darfur area through intimidation by military and security forces, and through bureaucratic and administrative obstruction, in an attempt to inflict the most devastating harm on those individuals displaced from their villages and homes without any means of sustenance or shelter”; and

Whereas, on September 25, 2006, Congress reaffirmed that “the genocide unfolding in the Darfur region of Sudan is characterized by acts of terrorism and atrocities directed against civilians, including mass murder, rape, and sexual violence committed by the Janjaweed and associated militias with the complicity and support of the National Congress party-led faction of the Government of Sudan”; and

Whereas, the Darfur crisis represents the first time in history that the United States Government has labeled ongoing atrocities as genocide; and

Whereas, on May 23, 2007, the State of Minnesota passed a bill divesting Minnesota's State Board of Investment from companies complicit in the genocide. Upon signing, the Governor stated, "Minnesotans can be proud that we are taking action to help cut off the flow of money to Sudan's military. We're doing our part to stop the crimes and inhumanities in Darfur"; and

Whereas, on December 31, 2007, the President of the United States signed into law the Sudan Accountability and Divestment Act of 2007 (S. 2271), which authorizes state and local governments to divest from Sudan and prohibits federal contracts with companies that support the Khartoum government of Sudan; and

Whereas, the Federal Government has imposed sanctions against the Government of Sudan since 1997. These sanctions are monitored through the United States Treasury Department’s Office of Foreign Assets Control, also known as “OFAC”; and

Whereas, in 2006, a report from the United States House of Representatives states that “a company’s association with sponsors of terrorism and human rights abuses, no matter how large or small, can have a materially adverse result on a public company’s operations, financial condition, earnings, and stock prices, all of which can negatively affect the value of an investment”; and

Whereas, the current Sudan divestment movement encompasses more than one hundred universities, cities, states, and private pension plans, including the cities of St. Paul and Edina, and the University of Minnesota. Companies facing such widespread divestment present material risk to remaining investors; and

Whereas, the City of Minneapolis is concerned not only with the financial repercussions of investment in companies whose values will be negatively affected by their involvement with the genocide being waged by the Government of Sudan, but also with the moral implications of such financial arrangements. The citizens of the City of Minneapolis do not want funds used to perpetrate terrorism and atrocities against civilians; and

Whereas, the City of Minneapolis acknowledges that a refusal to invest in and divestment from companies that have been targeted as complicit with genocide is a course of last resort that should be used sparingly, consistent with a City's fiduciary duties and only under extraordinary circumstances. In the case of Sudan, Congressional and Presidential declarations of genocide satisfy this high threshold. This Resolution is not intended to set precedent with regard to investment and divestment policies and practices of the City of Minneapolis but is solely in response to the exigencies of the declaration of genocide; and

Whereas, the Finance Director of the City of Minneapolis has determined that the City does not now own any investments in any "scrutinized company" as defined in Minn. Stat. § 11A.243, subd. 1(o);

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City Council of the City of Minneapolis directs that no investments shall be made in any company or corporation identified as a scrutinized company as defined in Minn. Stat. § 11A.243, subd. 1(o).

Be it further resolved that the City of Minneapolis directs any investment held by the City that later is identified as a scrutinized company to be sold at the earliest opportunity.

Be it further resolved that this resolution shall expire upon the occurrence of any of the following:

- 1) The Congress or president of the United States declares that the Darfur genocide has been halted for at least 12 months;
- 2) The United States revokes all sanctions imposed against the government of Sudan;
- 3) The Congress or president of the United States declares that the government of Sudan has honored its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons; and
- 4) The Congress or president of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this resolution interferes with the conduct of United States foreign policy.