



ECONOMIC DRIVERS

Divest-Invest Global Movement
Action Statement and Action Plan

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CLIMATE SUMMIT 2014

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Action Statement

Divest-Invest Global Movement

A Global Grassroots Movement to Combat Climate Change

In a strategic initiative to mobilize billions of dollars in capital as a financial lever for combating climate change, an expanding movement of institutions and individuals has made a principled commitment to divest from carbon-intensive fossil fuels, modeling and accelerating the crucial global transition to clean and affordable forms of energy.

Though its inception dates to 2011 on a handful of college campuses, the Divest-Invest movement spread rapidly into the faith community, health care, cities, philanthropy, NGOs, business, and individuals. Divest-Invest has been significantly scaled up to deliver more than 700 participating institutions and individuals making more than \$50 billion dollars in new commitments to the 2014 UN Climate Summit. The prospect of formal recognition at the UN energized movement activists and bolstered recruitment of new divesting and investing individuals and institutions to unprecedented levels of engagement and effectiveness.

Objective: The overarching objective of the Divest-Invest movement is to mobilize private and public capital to speed the global energy transition away from carbon intensive fossil fuels and into clean and sustainable forms of energy compatible with a safe climate. Some participants have been moved to act purely by ethical and moral concerns, others by considerations of sound financial management. All have recognized the urgent need for a global shift away from fossil fuels and the essential role of public and private investment in driving that transition. The movement has also focused public debate and financial analytics on the imperative of remaining within the safe global carbon budget articulated by the IPCC.

Partners and Participants: As a genuine civic movement to address climate change, Divest-Invest operates without a formal gatekeeper and counts as its partners any individuals and institutions that step forward to make principled public commitments on divesting from fossil fuels and investing in clean energy that are broadly consistent with those made by the initiating institutions and movement leaders. For the purposes of the UN Climate Summit, a small, functional "secretariat" was created to survey all existing and pending Divest-Invest commitments for the purpose of determining their suitability for recognition. These have been vetted by a committee of movement leaders, bundled by sector, and analyzed to generate aggregate metrics in terms of assets-under-management divested, total investments into climate solutions, and (in the case of representative groups) the numbers of members represented.

Specific Commitments: The common standard of this grassroots-driven movement is to divest from the top fossil fuel companies within five years and begin moving assets into clean energy investments. As the movement has spread, participants have tailored the timing and sequence of commitments to their particular circumstances, but all consistent with the principled commitment to divest from climate-threatening forms of energy and to speed the transition to clean, affordable

sources. On the Divest side, some participants have chosen to sequence their divestment by beginning with coal and tar sands oil, in the belief that these are the most harmful. On the Invest side, the goal of reaching a "Clean Trillion" in annual energy investments has been a widely cited target, with a minimum of 5% of a portfolio invested in renewables and clean technology as a benchmark for investors.

Action Plan

The Divest-Invest movement was sparked by student activists in the summer of 2011 on about a half dozen university campuses. Within two years, active campaigns were operating on roughly 400 campuses, and the movement had spread overseas and into the faith community, health care, cities, philanthropy, NGOs, business, and individuals. Divest-Invest was significantly scaled up in anticipation of delivering tens of billions of dollars in new commitments to the 2014 UN Climate Summit. The work is both new and ongoing, but the occasion of formal recognition at the UN helped to resource the movement financially, establish a more formal network of movement activists, and set the stage for recruitment of major new Divest-Invest commitments from institutions and individuals.

Objective: The overarching objective of the global Divest-Invest movement is to mobilize private and public capital to speed the global energy transition away from carbon intensive fossil fuels and into clean and sustainable forms of energy. Some participants have been moved to act purely by ethical and moral concerns, others by considerations of sound financial management. All recognize the urgent need for a global shift away from fossil fuels and the essential role of public and private investment in driving that transition. The movement has broadened and engaged constituencies for an effective climate response, by providing "agency"—a way for concerned individuals and institutions to act. It has advanced an important public debate over the moral and ethical dimensions of financing continued fossil fuel extraction incompatible with a safe climate. It has prompted a fundamental reassessment by the financial world of current risk and valuation of fossil fuel investment. And it has bolstered the work of the IPCC by focusing on the disconnect between the remaining safe global carbon budget and extent of current fossil fuel reserves.

Partners and Participants: As a genuine civic movement to address climate change, Divest-Invest operates without a formal gatekeeper and counts as its partners any individuals and institutions that step forward to make principled public commitments on divesting from fossil fuels and investing in clean energy that are broadly consistent with those made by the initiating institutions and called for by movement leaders. For the purposes of presentation to the UN Climate Summit, a small, functional "secretariat" was put in place to survey all existing and pending Divest-Invest commitments to determine their suitability for recognition. These will be vetted by a committee of movement leaders, bundled by sector, and analyzed to generate aggregate metrics in terms of assets-under-management divested, total investments into climate solutions, and (in the case of representative groups) the numbers of members represented.

Specific Commitments: The common standard of this grassroots-driven movement is to divest from the top fossil fuel companies within five years and increasingly move assets into clean energy investments. As the movement has spread, participants are tailoring the timing and sequence of

commitments to their particular circumstances, but all consistent with the principled commitment to divest from climate-threatening forms of energy and to speed the transition to clean, affordable sources. On the Divest side, some participants have chosen to sequence their divestment by beginning with coal and tar sands oil, in the belief that these are the most harmful. On the Invest side, the goal of reaching a "Clean Trillion" in annual energy investments has been a widely cited target, with a minimum of 5% of a portfolio invested in renewables and clean technology as a benchmark for investors.

Baseline and Implementation Year Commitments: Although many individuals and institutions are acting to Divest and Invest immediately, the benchmark most frequently cited is a commitment in principle to move assets out of fossil fuels and into clean energy within five years. In this regard, the "baseline" for a given individual commitment would be the time it is made public, and while implementation is a process, the date at which fulfillment of the obligation becomes "due" would be five years from the baseline. Impact can be measured by assets-under-management committed to divestment and investments shifted into clean energy and other recognized climate solutions.

In terms of the "baseline" of the movement more broadly, it is worth noting that fossil fuel divestment is a relatively new social phenomenon, dating to about three years before the Summit. Its geographic and sectoral spread and its scale-up in that time is nothing short of unprecedented, moving from essentially a near-zero baseline of participating institutions, individuals, and dollars, to the more than 700 institutions/individuals today, collectively amassing well over \$50 Billion dollar in commitments. At the moment, Divest-Invest appears solidly in a period of geometric growth. Based on the infrastructure now in place, it is entirely reasonable to expect the movement at least to double to 1,000 participating individuals/institutions and to reach \$100 Billion in commitments during the next 15 months leading up to Paris 2015. This prospect has been significantly enhanced by the public recognition stemming from formal inclusion in the 2014 UN Climate Summit.

Overarching Framework or Alliance Structure in Which Initiative Will be Held: This is a distributed initiative across a diverse array of sectors, but a number of "hubs" are in place to roll-up and hold commitments. For the purpose of the UN Climate Summit, a small secretariat was funded independently and has operated at Arabella Advisors in New York. This centralized capacity received, vetted, tracked, and tabulated Divest-invest commitments for presentation at the UN. Within individual sectors, such as Philanthropy and Individuals, structures were already in place, such as Divest-Invest Philanthropy, and Divest-Invest Individual, to recruit and compile sets of new in-sector commitments. Critical capacity also existed within the NGO advocacy community, notably at 350.org, for securing and tracking Divest-invest commitments across many sectors, both within the US and in more than a dozen countries.

Mechanism for Monitoring & Reporting: Each signatory has been asked to provide an annual progress report, summaries of which will be used to determine progress by calculating the total assets moved out of fossil fuels and invested in clean energy and climate solutions, as a means of ensuring continued progress and impact. Within Divest-Invest Philanthropy, for example, participants will have made a principled commitment to use their capital to drive a shift away from fossil fuels and toward a new energy economy. Pursuit of that commitment will be by a methodology of each participant's individual choice although illustrative examples will be provided.



Each organization will provide an annual report on their progress to a working group within the sector, and with an opportunity for deeper engagement within a community of practice that will share information on specific holdings, divestment approaches, and potential new investments.

Mechanism for Accountability or Compliance: Divest-Invest is a movement of self-selected institutions and individuals who feel compelled—whether by ethics and values, or by an obligation to sound financial management—to begin divesting from fossil energy and investing in clean energy sources and technologies. As a purely voluntary movement, Divest-Invest is self-motivated and compliance with commitments would not be externally policed in the ordinary understanding of that term. Monitoring and reporting to peers and to the advocacy community that encouraged commitments will serve as incentive for continued progress and for following through on commitments. In rare cases in which institutions or individuals do not follow through, or elect to withdraw, they will be removed from on-line rosters of participating entities.

Clarity on Commitment Period Remaining Open: Although the occasion of the 2014 UN Climate Summit helped to leverage tens of billions of dollars in new commitments, the Divest-Invest movement is a longer-term undertaking and partners can and will continue to join after September. Indeed, per the above it seems likely that movement could double in size over the coming 15 months.

Focal Point and Contact: A small secretariat capacity has been funded independently and operated by Arabella Advisors, and which can receive notification of future Divest-Invest commitments. For information, contact: Bruce W. Boyd, Arabella Advisors, bruce@arabellaadvisors.com

A report detailing the methods used to gather this data and a breakdown of the commitments can be found at: <http://www.arabellaadvisors.com/research/classification/reports-publications/>



III. Annex Partners and Participants

Governments

Amherst, MA
Ann Arbor, MI
Bayfield, WI
Berkeley, CA
Boulder, CO
Boxtel, Netherlands
Brisbane, CA
Cambridge, MA
Concord, MA
Dane County, WI
Dunedin, New Zealand
Eugene, OR
Framingham, MA
Ithaca, NY
Madison, WI
New London, CT

Northampton, MA
Oakland, California
Örebro
Portland, OR
Providence, RI
Provincetown, MA
Richmond, CA
San Francisco, CA
Santa Clara Valley Water District
Santa Fe, NM
Santa Monica, CA
Seattle, WA
State College, PA
Sudbury, MA
Truro, MA

Philanthropic Institutions

ARIA Foundation
Arkay Foundation, The
Ben & Jerry's Foundation
Betsy and Jesse Fink Foundation, The
Bewegungsstiftung
Blumenthal Foundation, The
Bullitt Foundation, The
Chino Cienega Foundation
Chorus Foundation, The
Christensen Foundation
Compton Foundation
Earth Welfare Foundation, The
Educational Foundation of America, The
Edward W. Hazen Foundation
Edwards Mother Earth Foundation
Foundation Charles Leopold Mayer
Forsythia Foundation
Frederick Mulder Foundation
Garfield Foundation
Goldman Environmental Foundation
Granary Foundation
Hanley Foundation, The
Hidden Leaf Foundation

Hull Family Foundation
Hunt Foundation, The
Jessie Smith Noyes Foundation
Jim and Patty Rouse Foundation
John & Marcia Goldman Foundation
John Merck Fund
Joseph Rowntree Charitable Trust
Jubitiz Family Foundation
KL Felicitas Foundation
Laird Norton Family Foundation
Leonard and Sophie Davis Fund, The
Lookout Foundation
Lydia B. Stokes Foundation, The
Madden Sainsbury Foundation
Madirrinny Foundation
McKinnon Family Foundation
Mennen Foundation
Merck Family Fund
Mize Family Foundation
Mullum Trust
Nia Community Fund
North Star Fund
Pace Foundation



CLIMATE SUMMIT 2014

CATALYZING ACTION

Park Foundation
Polden Puckham Charitable Foundation
Prentice Foundation
Robert and Patricia Switzer Foundation
Robert Treat Paine Association
Rockefeller Brothers Fund
Ross Knowles Foundation
Rubblestone Foundation
Russell Family Foundation
Samuel Rubin Foundation
Schmidt Family Foundation
Shugar Foundation
Sierra Club Foundation
Singing Field Foundation
Solidago Foundation
Switzer Foundation
Tellus Mater Foundation
Threshold Foundation
Trust Africa
V. Kann Rasmussen Foundation
Wallace Global Fund
Winslow Foundation, The
Educational Institutions
College of the Atlantic
Foothill-De Anza Community College
Foundation
Green Mountain College
Hampshire College
Naropa University
Peralta Community College District
Pitzer College
Prescott College
San Francisco State University Foundation
Stanford University
Sterling College
Students' Society of McGill University
Unity College
University of Dayton
Religious Institutions
Anglican Church of Aotearoa, New Zealand
and Polynesia
Anglican Diocese of Auckland, New Zealand
Anglican Diocese of Dunedin, New Zealand
Anglican Diocese of Waiapu, New Zealand
Anglican Diocese of Waikato and Taranaki,
New Zealand

Anglican Diocese of Wellington, New Zealand
Brighthelm Church and Community Centre
Central Philadelphia Monthly Meeting of the
Religious Society of Friends
Church of Sweden
Colorado Ratnashri Sangha
Dover Friends Meeting
Episcopal Diocese of Massachusetts
Episcopal Diocese of Western Massachusetts
Evangelical Lutheran Church of Oregon
First Parish Unitarian Universalist Church in
Cambridge, MA
First Presbyterian Palo Alto, CA
First Religious Society of Newburyport, MA
First Unitarian Church of Salt Lake City, UT
First Unitarian Church, Ottawa
First Unitarian Society of Milwaukee, WI
Franciscan Sisters of Mary
Haverford Friends Meeting
Jamaica Plain Unitarian Universalist
Lansdowne Monthly Meeting
Lehigh Valley Monthly Meeting
Maine Council of Churches, ME
Massachusetts United Church of Christ
Melbourne Unitarian Church, Australia
Minnesota United Church of Christ
Newtown Monthly Meeting, PA, USA
Old Haverford Monthly Meeting
Pi Investments
Portsmouth South Church Unitarian First
Unitarian Church of Pittsfield, ME
Quakers in Britain
Society for Community Work
Trinity St. Paul's United Church, Toronto,
Canada
Union Theological Seminary, New York City
Unitarian Society of Northampton & Florence,
MA
Unitarian Universalist Association
Unitarian Universalist Society of Amherst, MA
United Church of Christ – National
Uniting Church of Australia Assembly
Uniting Church, New South Wales & ACT,
Australia
Westtown Monthly Meeting
World Council of Churches



Healthcare Institutions

British Medical Association

Gunderson Lutheran Health System

Non-governmental Organizations

Center for International Environmental Law

Clean Water Action

Conservation Breeding Specialist Group

Council of Canadians, The

Diakonia

Earthjustice

Environment America

Environmental Defense Fund

Friends of the Earth

Island Institute

League of Conservation Voters

Natural Resources Defense Council

New Progressive Alliance

Nisei Student Relocation Commemorative Fund

Santa Fe Art Institute

Sierra Club

Union of Concerned Scientists

Wilderness Society, The