

# City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## CHAPTER 2006-24

No. 183

AN ORDINANCE

DIVESTING FROM THE REPUBLIC  
OF SUDAN

Approved May 1, 2006

### *Be it ordained by the City of Providence:*

A) The assets of any investment account, including pension, endowment, and annuity funds, under the jurisdiction of the Board of Investment Commissioners and/or the Finance Director (the "fiduciaries") shall not knowingly be invested in companies ("targeted companies") which either directly or through an affiliated instrumentality meet the following criteria:

- i) Provide revenues to the Sudanese government through business with the government, government-owned companies or government-controlled consortiums.
- ii) Offer little substantive benefit to those outside of the Sudanese government or its affiliated supporters in Khartoum, Northern Sudan and the Nile River Valley; this "outside" population specifically includes the country's disaffected Eastern, Southern, and Western regions.
- iii) Have either demonstrated complicity in the Darfur genocide or have not taken any substantial action to halt the genocide: Substantial action shall include but is not limited to curtailment of operations or public pressure on the Sudanese government. Simple company statements shall not constitute evidence of substantial action.

B) Companies providing military equipment, arms, or defense supplies to any domestic party in Sudan, including the Sudanese government and rebels, shall automatically be targeted for divestment. A strong presumption shall also be made against any company providing any domestic party in Sudan with equipment that may be readily co-opted for military use, including radar systems and military-grade transport vehicles, unless that company has implemented safeguards against such co-option.

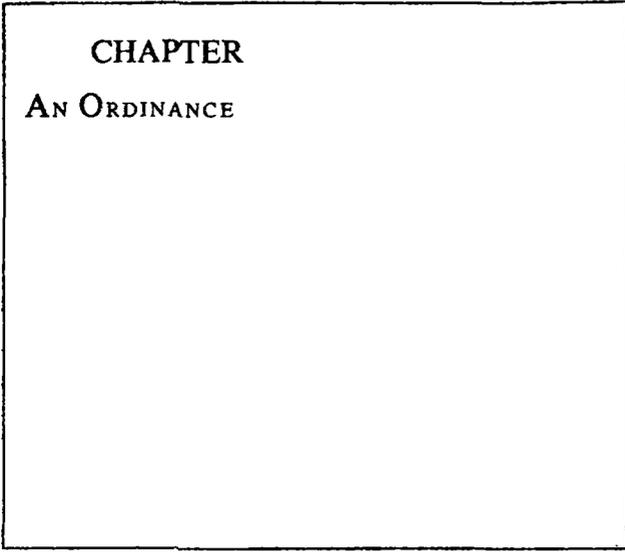
C) Companies which, either directly or through an affiliated instrumentality, provide services clearly dedicated to social development for the whole country shall be excluded from divestment. Such entities include, but are not limited to those providing medicine and medical equipment, agricultural supplies and agricultural infrastructure, educational opportunities, journalism-related activities and general consumer goods.

D) The following types of investments shall be subject to divestment:

- i) Direct holdings of public equity, corporate bonds, and Sudanese government-issued bonds.

No.

CHAPTER  
AN ORDINANCE



IN CITY COUNCIL

MAR 16 2006  
FIRST READING

REFERRED TO COMMITTEE ON  
FINANCE

*Ann M. Stets* CLERK

THE COMMITTEE ON  
FINANCE

Approves Passage of  
The Within Resolution

*Ann M. Stets*  
3-28-06 Clerk

*Ann M. Stets & Legal*

a. Direct investments shall be defined as holdings directly managed by the fiduciaries mentioned in this ordinance and all holdings administered by a contracted manager in separately managed accounts, including both actively-managed and passively-managed/indexed funds.

ii) Holdings of public equity, corporate bonds, and Sudanese-government-issued bonds in commingled accounts that are passively-managed/indexed. Actively-managed, commingled accounts, for both public equity and fixed-income investments, will be excluded from immediate divestment. Such accounts are still covered under section 1e of this ordinance.

iii) Private equity holdings with readily identifiable ties to Sudan.

a. "Readily identifiable" is left to the good faith judgment of the fiduciaries mentioned in this ordinance.

E) The Finance Director and Board of Investment Commissioners shall submit letters to contracted managers of actively-managed, commingled accounts requesting that the manager consider creating an actively-managed, commingled account devoid of companies targeted as a result of this ordinance. In the event of such an introduction, the fiduciaries shall transfer all assets in actively-managed, commingled accounts into the newly available, Sudan-free accounts in an expedited timeframe still consistent with the fiduciaries' prudent investor obligations.

F) The list of targeted companies shall be determined by submitting the criteria in section 1a-c to a reputable and non-biased third-party research firm, such as, but not limited to, the Institutional Shareholder Services, Inc. and KLD Research & Analytics. Such a list may require modifications as circumstances in Sudan evolve.

G) Research attained through the process outlined in section 1f must, when possible, be supplemented by publicly available research, communication with potentially targeted companies and communication with states and institutions that have already divested.

H) Reasons for eliminating or adding a company from a preliminary list of identified companies based on the process outlined in section 1f must be justified in writing and supported by available research.

I) The Finance Director and Board of Investment Commissioners shall take appropriate action to sell, redeem, divest or withdraw any investment held in violation of this act.

Section 2

This ordinance shall take effect upon passage.

IN CITY COUNCIL  
APR 6 2006  
FIRST READING  
READ AND PASSED

*Ann M. Steen* CLERK

APPROVED

*[Signature]* 5/1/06

MAYOR

IN CITY COUNCIL  
APR 20 2006

*[Signature]*  
PRESIDENT  
*Ann M. Steen*  
CLERK