

2016 PCUSA Fossil Fuel Divestment Overture and Commentary

The Presbytery of _____ overtures the 222nd General Assembly (2016) to:

Overture	Commentary
<p>1. Express its profound concern about the destructive effects of climate change on all God’s creation, including a disproportionate impact on those living in poverty and in the least developed countries; the elderly and children; and those least responsible for the emissions of greenhouse gases. The 222nd General Assembly (2016) thus recognizes the moral mandate for humanity to shift to a sustainable energy regime in a way that is both just and compassionate. This mandate compels us to action as a denomination to divest from the fossil fuel industry even as we reduce our use of fossil fuels and shrink our carbon footprint.</p>	<p>This is essentially the same as the language in the 2014 overture, approved by 12 presbyteries.</p> <p>Minutes from GA2014 regarding the 2014 overture and its referral to MRTI can be found here: https://drive.google.com/file/d/0B997DYTjhCQhVUdWNk1nbzFmeDQ/view?usp=sharing</p> <p>Or directly at the pc-biz website here: http://www.pc-biz.org/PC-Biz.WebApp_deploy/%28S%2855xgixsb2nboovq23utk22j%29%29/IOBView.aspx?m=ro&id=4587</p>
<p>2. Call upon the Board of Pensions and the Presbyterian Church (USA) Foundation to:</p>	
<p>a. Immediately stop any new direct investment in fossil fuel companies</p>	<p>This clause refers to directly held shares only; as opposed to shares commingled in other funds. The 2014 overture recommended “immediately stop[ing] any new investment in fossil fuel companies.” Staff of the Presbyterian Foundation (PF) and Board of Pensions (BOP) pointed out that such language would prevent them from using money markets or index funds or other commingled assets as short-term holding accounts.</p>
<p>b. Work to ensure that within three years, none of the Board’s or the Foundation’s directly held or commingled assets includes holdings of either equities or corporate bonds in the fossil fuel companies identified in the Carbon Underground 200 list¹ by:</p>	<p>The need for action is urgent and increasing. The 2014 overture asked for divestment within five years. GA2014 instructed the Mission Responsibility Through Investment (MRTI) committee to study the subject matter of the 2014 overture for two years, and report back. After two years of study, divestment should be possible within another three years.</p> <p>The Carbon Underground 200, compiled and updated by Fossil Free Indexes, LLC, is the successor to the 2009 Carbon Tracker Initiative list of the 200 global companies with the largest undeveloped reserves of coal, oil, and natural gas. It is the reference list used by most fossil fuel divestment efforts.</p>
<p>i. Working with current and prospective asset managers to develop and implement institutional fossil free investment options</p>	<p>This clause acknowledges that most BOP and PF funds are invested by external fund managers. These managers must provide fossil free investment options. If they don’t, new managers may need to be identified.</p>
<p>ii. Establishing within one year fossil free investment options for fund participants</p>	<p>Fossil free investment “sleeves” are easy to create. This option will soon be available for investors in the Presbyterian Foundation. It should also be made available to clergy invested</p>

¹ <http://fossilfreeindexes.com/research/the-carbon-underground/> or current equivalent (referenced 05-18-2015)

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	in the pension fund.
iii. Actively seeking out and investing in renewable and energy efficiency related securities	This clause echoes the 2012 call by GA for positive reinvestment in Palestine that has been successfully implemented by PF. It was not included in the 2012 overture, but is endorsed by the PF, by the Advisory Committee on Social Witness Policy (ACSWP) and by GreenFaith.
iv. Notwithstanding the above provisions, retaining or acquiring minimal sufficient investment in fossil fuel companies to participate in shareholder engagement activities	<p>This clause acknowledges the faithful work and accomplishment of MRTI in shareholder action. It is possible to divest <i>and</i> keep our “seat at the table” by holding minimal shares. According to Securities and Exchange Commission guidelines, an entity holding as little as \$2,000 of a company’s assets may engage in shareholder advocacy.</p> <p>This provision allows the church funds to keep or buy stocks in order to pursue shareholder advocacy.</p>
v. Notwithstanding the above provisions, taking no action inconsistent with fiduciary duty or principles of sound investment, including the real and substantial risk of stranded carbon assets	<p>This clause ensures that we do not expect the PF and BOP to violate their legal fiduciary responsibility.</p> <p>Fiduciary duty, is often narrowly interpreted as simply maximizing return on investment. A broader definition includes consistency with the goals of the investing organization and avoiding foreseeable risks, such as the “stranded assets” that will occur as the world acknowledges that the majority of currently identified fossil fuel reserves cannot be developed.</p>
c. Incorporate into public financial reports regular updates detailing progress made towards these ends	Fossil fuel divestment is primarily a moral act. We ask for a mechanism to ensure transparency and communication within the church.
3. Call upon the Stated Clerk of the PC(USA) to inform affected fossil fuel companies and the larger public of the passage and implementation of this resolution	As called for in principle 7.b of the denominational “Divestment Strategy” document: http://www.pcusa.org/media/uploads/acswp/pdf/divestment_strategy.pdf
4. Call upon, and provide instructional materials to assist all levels of the denomination (presbyteries, congregations, and individual members) in taking action to slow climate change, including: divestment of fossil fuel holdings; shareholder activism; investments in renewable energy; advocacy at local, state, and federal levels for policies to reduce greenhouse gas emissions; and local efforts to reduce carbon footprint consistent with the 2006 call ² for denominational carbon neutrality, and the 2008 “Power to Change” recommendations. ³	As requested from the floor of GA2014, this broadens divestment beyond the PF and BOP to all levels of the church. It incorporates ideas expressed by ACSWP in their concurrence with the 2014 overture, and echoes the call for political involvement, such as calling for a price on carbon, in the 2008 “Power to Change”

² <http://www.pcusa.org/resource/guide-going-carbon-neutral/> (referenced 03-14-2015)

³ http://www.pcusa.org/site_media/media/uploads/acswp/pdf/energyreport.pdf (referenced 03-14-2015)