

Contact:

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Aotearoa NZ CMC members:

African Pacific Voices NZ * Amnesty International Aotearoa NZ * Aotearoa Lawyers for Peace * Auckland University Students' Association * Caritas Aotearoa NZ * Christian World Service * Disarmament and Security Centre (Peace Foundation) * Engineers for Social Responsibility NZ * International Physicians for the Prevention of Nuclear War NZ * National Council of Women NZ * National Consultative Committee on Disarmament * Oxfam NZ * Parliamentarians for Nuclear Nonproliferation and Disarmament NZ * Pax Christi Aotearoa-NZ * Peace Foundation NZ * Peace Movement Aotearoa * Soroptimist International NZ * Umma Trust * UN Association NZ * UN Youth Association NZ * UNICEF NZ * Women's International League for Peace and Freedom, Aotearoa



2 September 2011

Hon. Bill English
Deputy Prime Minister
Minister of Finance
Parliament Buildings
Wellington

Hon. Georgina Te Heuheu
Minister for Disarmament and Arms Control
Parliament Buildings
Wellington

RE: Cluster Munitions Prohibition Act 2009 and disinvestment

Dear Ministers,

I am writing on behalf of the Aotearoa Cluster Munition Coalition (ANZCMC), to request that the New Zealand government take swift measures to ensure strong compliance with the Cluster Munitions Prohibition Act 2009's prohibition on investment in the development and production of cluster bombs.

As you know, the Act governs New Zealand's implementation of the 2008 Convention on Cluster Munitions, which entered into force on 1 August 2010. The Act makes it an offence to provide or invest funds "with the intention that the funds be used, or knowing that they are to be used, in the development or production of cluster munitions."

The ANZCMC appreciates that several measures are already in place to screen investments on cluster munitions, but the ban on investment cannot be enforced solely by acting in accordance with existing responsible investment policies nor through dialogue with the companies concerned.

New Zealand investment in the development and production of cluster munition is no longer an ethical or moral issue, but an action that is now illegal under law. We therefore request that a range of measures be undertaken to ensure that all New Zealand investors comply with the Act, including state owned enterprises and crown

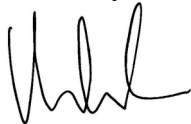
financial institutions such as the New Zealand Superannuation Fund. We respectfully request that the government:

1. Provide clear guidelines to New Zealand financial institutions requiring them to implement a comprehensive policy banning all types of investment and financial services to cluster munition producers;
2. Ensure that New Zealand investors effectively screen investments by actively maintaining and sharing a common screening list of companies involved in the production of cluster munitions;
3. Establish an Advisory Council on Ethics that includes civil society representatives, to advise on investment of government funds, including on investment in companies involved in the production of weapons that are prohibited by New Zealand law;
4. Enhance transparency through regular reporting on implementation of the disinvestment prohibition contained in the Act; and
5. Clarify the meaning of 'intention' and 'knowing' with respect to the Act's ban on investment.

New Zealand's implementing legislation is acknowledged for its clarity, strength and comprehensiveness. We urge that the law's prohibition on investments be effectively implemented.

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Wareham', with a stylized, cursive script.

Mary Wareham
Coordinator, Aotearoa New Zealand Cluster Munition Coalition