



NOMOGAIA

GLOBAL HUMAN RIGHTS

Research on corporate human rights impacts

Annual Report 2010





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Letter from the Executive Director



After years of fieldwork and academic research, 2010 was a year for results. The methodology Nomogaia has been developing to assess corporate human rights impacts was successfully tested on a fourth capital project. In perhaps the greatest validation of our tool, follow-up site visits showed major human rights improvements, both on the ground and in corporate policy.

Our method for conducting Human Rights Impact Assessment is now recognized by major players in the international community as the most implementable (and implemented) tool in the public domain.

Not only do we now have the most comprehensive field-based compilation of rights-impacts associated with corporate action, we've discovered that we're actually protecting people's lives.

At the uranium mine we assessed in Malawi, the company has overhauled its HIV policy, altered its approach to gender issues, and include human rights (and Nomogaia) in its Annual Report as a feature of their global operations. In Tanzania at the tree plantation assessed, wage rates were increased 23 percent, management improved housing conditions and water accessibility at dormitories, and the union appears to be under redevelopment. In Costa Dole began to reconsider its approach toward local communities surrounding its pineapple plantations, in an effort to match the rights-responsible approach to employees with a commitment to their neighbors. What's more – this was accomplished not through lobbying on Nomogaia's part. Companies read and implemented our recommendations and, of their own volition, often came back and asked for more input.

In recognition of the work we've done, the UN Special Rapporteur for Human Rights and Business invited Nomogaia to participate in a consultation on his global Framework for Human Rights and Business in Geneva in October. This marked the beginning of Nomogaia's outreach efforts, which will continue through 2011.

2010 also marked a major landmark in fundraising for Nomogaia. With the commencement of our first ever Fundraising Initiative in December, we increased our donor base six-fold and managed our highest revenue year to date. The generous support from our donors has enabled us to accomplish a great deal in a short time. In the coming year we will investigate projects in Egypt, Jordan, Uganda and India. Now that we have seen the effectiveness of corporate human rights assessment, we are dedicated to expanding the scope of our work for the betterment of rightsholders worldwide.

Thank you very much for your continued support,

Kendyl Salcito
Executive Director, Nomogaia



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Nomogaia's Background

Incorporated in February of 2008, the Nomogaia Foundation was created at a moment when human rights and corporate social responsibility were acquiring new meanings. "Business" had come to include considerations of human rights and social well-being where projects were being erected.

Corporations began willingly joining human rights initiatives. Some four thousand companies signed on to the United Nations' Global Compact. Other initiatives developed within specific industries: the finance sector created the Equator Principles; the retail industry developed the Ethical Trading Initiative; the extractive industry developed the Voluntary Principles for security and human rights and the Kimberley Process for tracking diamonds.

The new responsibilities became the subject of innumerable discussions, but transparent implementation was lacking. Nomogaia was positioned to change that.

Capitalizing on our broad mandate, Nomogaia researched PR scandals and environmental protests. We examined legal, extra-legal, and voluntary mechanisms for human rights protection. We spent months in the field, meeting the people most impacted by corporations and turned to the concrete experiences corporations were having on the ground to define the terms and boundaries of corporate social responsibility (CSR) and human rights.

Experience revealed that collaborative approaches and relentless inquiry can only protect rights when paired with a concrete means for assessment. So we have made it our work to develop such an assessment tool. This entails communicating with company representatives, voiceless "rightsholders," consultants, community leaders, and NGOs, digesting data, and issuing recommendations for respecting rights according to a tried and effective system.

In practice this has been a success, as exhibited by HRIAs conducted in Malawi, Tanzania and Costa Rica. Companies began implementing changes in policy upon reading first drafts of Nomogaia's HRIAs and continued evolving policies and practices during monitoring. Recommendations are anxiously sought by community development staff and regularly instated.





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A Year in Review

FOSTERING PROTECTION FOR RIGHTSHOLDERS

Malawi: Prompted an overhaul of the Company's HIV policy, alterations in its approach to gender issues, and inclusion of human rights in financial reporting.

Tanzania: Provoked a 23% wage rate increase for workers, compelled management to improve housing conditions and water accessibility at dormitories, and refocus efforts on union development.

Costa Rica: Recommended that the company reconsider its approach toward local communities surrounding its pineapple plantations, compelling them to match the rights-responsible approach to employees with a commitment to their neighbors.

Mission Statement:

Nomogaia is a nonprofit research and policy organization dedicated to clarifying the role of business in the advancement of human rights, fostering greater human rights awareness among corporations, and securing greater protection of rights for people who are touched by increasingly globalized industries.

FOSTERING AWARENESS

In 2010 Nomogaia was asked to present at both the United Nations and the Biennial Conference of National Human Rights Institutions

In consultation with the United Nations Special Rapporteur on Human Rights and Business, Nomogaia contributed to the formulation of Guidance Principles for Corporations with regard to human rights. Our unique field experience lent authority to our comments, which are now visible in the draft Guidance Principles, available online at:

www.business-humanrights.org/Links/Repository/1003307/jump

Nomogaia also participated in the World Bank's Land Management Conference in February 2010, presenting the concepts of impact assessment and management to the community of agribusiness managers and investors.

CLARIFYING THE ROLE OF BUSINESS

Nomogaia has established the most comprehensive field-based compilation of rights-impacts associated with corporate action available worldwide.

This compilation of data has been used to demonstrate to companies the ways their projects may impact human rights and to present effective mitigation measures.

Our work has specifically contributed to clarification of business duties toward nondiscrimination, worker safety, community health, and safeguards for the elderly.



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The Methodology



Nomogaia Foundation
A Global Human Rights Initiative
1900 Wazee St. Ste. 303
Denver, CO 80206
Nomogaia.org

As was the case in 2009, most of Nomogaia's work builds upon the HRIA methodology we established in 2008. The full methodology is now available and/or referenced in the following locations:

- Nomogaia.org
- Business-humanrights.org (The Business and Human Rights Resource Center)
- HumanRightsImpact.org (The Human Rights Impact Resource Center)
- CSREurope.org
- SRSConsultation.org (The UN Special Representative's Portal)
- Eldis.org (Within the Institute of Development Studies, Essex)
- ACFID.asn.au (Australian Council for International Development)

HRIA

Human Rights Impact Assessment (HRIA) is a process for systematically identifying, predicting and responding to the potential human rights impacts of a business operation. By design, it compliments a Company's other impact assessment and due diligence processes, guided by a Company's own core values and commitments, and framed by key international human rights principles and conventions. It is also rooted in the realities of the particular Project by incorporating the context within which it will operate from the outset, and by engaging directly with those peoples whose rights may be at risk.

Case Studies

Nomogaia has now conducted four complete HRIAs on three continents, using accompanying research from nearly a dozen Project sites. Featured Case Studies are described in the following pages.

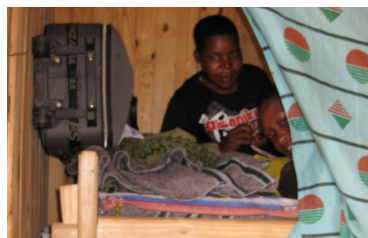
Nuiguyo, Indonesia



Kayelekera, Malawi



Uchindile, Tanzania



Dole El Muelle, Costa Rica





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Paladin Kayelekera Uranium Project, Malawi



Assessment: The Kayelekera Human Rights Impact Assessment is a longitudinal study of impacts and mitigation measures. The assessment commenced in the Spring of 2009 and moved into the monitoring phase in Fall 2010. Assessment initially identified severe negative human rights impacts on the Right to Health and the Right to Nondiscrimination, with potential impacts on the Freedom from Fear, Right to Just Remuneration and Adequate Standard of Living, Right to Adequate Housing, Right to Water and Right to a Clean Environment. At the time of initial assessment, no work had been done to reduce HIV transmission in an area at extreme risk for an epidemic.

Recommendations: Nomogaia's preliminary assessment met with prompt and effective action by the company, resulting first in an extensive education campaign for the community and workforce and then in a testing and counseling initiative that have greatly increased HIV knowledge in the area. A Company-wide HIV policy is under development, and efforts are ongoing (though inadequately rapid) to bring anti-retroviral treatment to the seropositive.

Remediation for violations of the Right to Nondiscrimination have not been achieved but have been recognized by senior management as significant and relevant to business operations. A gender nondiscrimination policy has been promised in the coming months. Meanwhile, the presence of non-local families has increased female enrollment in secondary school from two to sixteen since the 2008/2009 school year. These young women are roll models to their locally-born peers.

Paladin's human rights ratings at Kayelekera no longer include red scores, but issues persist with disclosure and monitoring. The absence of environmental data fosters distrust in the community and encourages allegations of pollution, corruption and radiation poisoning. Freedom from Fear remains at risk, as exhibited by the rise of folkloric tales about the mine. When a foreign project develops a supernatural reputation, human rights are not secure.





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Dole El Muelle Pineapple Plantation, Costa Rica

Assessment: Dole is the first major, global agribusiness corporation to open itself to the public in a human rights impact assessment. No stranger to human rights related lawsuits (of varying credibility), Dole has made significant efforts to be a responsible employer. With a workforce of over 600, the El Muelle Pineapple plantation is a major employer in the area, hiring a fairly balanced mix of men, women, Nicaraguans (legal immigrants) and Costa Ricans. Salaries are above minimum wage, and Dole is the preferred employer in the area. Workers understand labor rights, wear full safety gear, benefit from additional medical care supplied by the company and often see the work as empowering, making them leaders and teaching them marketable skills.

Recommendations: Human Rights Impact Assessment exposed a flaw in the Project's collective bargaining system that had begun disempowering workers; Dole immediately began an investigation. More significantly, assessment showed that despite the Company's stellar record with workers, it was not an ideal neighbor. Local communities have seen their populations decline, their schools lose funding, their churches lose congregants and their businesses founder as the Company bought up neighboring land. Community complaints about dust, fish kills and road damage have gone unaddressed, resulting in violations of rights to Privacy, Livelihood, Development and Adequate Standard of Living. The Company had never considered these human rights issues their responsibility; Dole is now reassessing.





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Green Resources Uchindile Plantation, Tanzania



Assessment: Commenced in early 2009, the Uchindile assessment was Nomogaia's first project outside of the mining sector. Uchindile is a pine and eucalyptus plantation owned and operated by a Norwegian company.

Despite boasting a wealth of international certifications for best practice, the Uchindile project was found to violate a wide range of human rights, from Housing, Food, Water, and Adequate Standard of Living, to Favorable Work Conditions, Fair Pay and the Right to Strike, to Health and Nondiscrimination.

Workers interviewed were so frustrated with the company that conflict and arson were threatened. The latter was committed just weeks after assessors left site, spurring a series of management changes at the project, which have been positive for human rights.

Recommendations: As recommended in the HRIA, the Company increased wages 23 percent, revived unionization efforts, began providing midday meals to workers, and improved standards at dormitories. These changes have resulted in improvements in the Rights to Fair Pay, Housing, Food, Adequate Standard of Living and (potentially, pending union success) the Right to Strike.

These efforts have vastly improved Company relations with its workforce and neighboring communities, but they have not made the company rights-responsible. At a minimum, an approach to gender discrimination and HIV must be developed, and potable water must be supplied to workers on the job and in dormitories – the present water supply threatens both the Right to Water and the Right to Health, as waterborne rashes and intestinal illnesses remain prevalent.

The Company is increasingly open to discussion of human rights issues and corporate responsibilities. This is a major step in corporate respect for human rights. Green Resources should be commended for its efforts and encouraged to continue developing into a rights-responsible company.





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Looking Forward – Potential Projects for 2011

Disi Water Project, Jordan

Jordan is among the world's 10 most "water poor" countries. Current water use exceeds renewable supplies, leaving the company with a water deficit that increases annually. Jordan's proposed long-term solution is a desalination system that will link the Red Sea and the Dead Sea. While this project is developed, though, short-term needs must be addressed. The Disi Water Project is the short-term fix. It involves pumping water from this ancient, non-replenishing fossil aquifer and piping it 325 kilometers north to Amman. The Project will increase access to water for residents of Amman, but it may destroy the lives of Bedouin farmers in the south, who were settled in the area by the government itself. It also threatens to invoke conflict with Saudi Arabia, which has been using the aquifer for years, and may pose health risks to Jordanians, as water quality may include high radon levels. Notably, the Project will be privately developed and operated by a joint venture between GE and a Turkish company. In a country with such limited water access, privatizing water has significant human rights implications.

Lake Albert Basin Oil Fields, Uganda (Operators may include Tullow, CNOOC & Total)

The oil deposits recently discovered in Uganda will double the country's GDP overnight, promising development in infrastructure, incomes and markets. But the deposit is in a difficult corner of the country, a longtime host to feuding militias from Uganda, DRC and elsewhere. Corruption is a major risk, and ensuring that Uganda's oil wealth benefits Ugandans will require conscientious efforts on the part of operating companies, local government and national leadership.

ERC Oil Refinery, Egypt

The ERC Oil Project may become Nomogaia's first urban project. Situated in northern Cairo, the Project is located in a long-time industrial zone with extensive preexisting pollution and severe local wealth disparities. Impacts from employment and responsible development could be quite positive, and Egypt's population will experience cleaner air from better quality oil. But existing pollution, coupled with low skill levels among the local population, threaten to limit the company's inherent positive impacts – proactive efforts will be required to ensure that the Project does not further contribute to low protections for the Rights to Clean Water, Clean Environment, Health, Adequate Standard of Living and Education. The complex political situation adds human rights issues to the project and also threatens to derail it. While ERC postpones development, Nomogaia will postpone assessment.



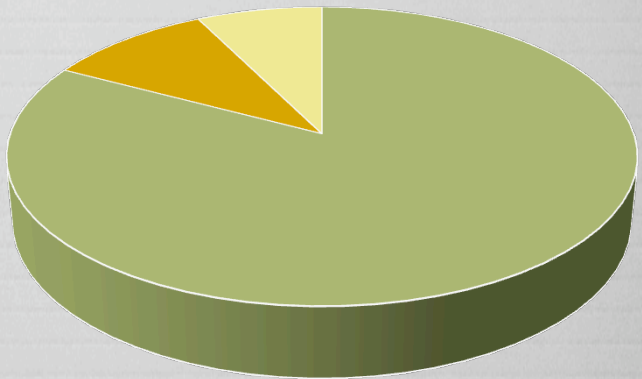
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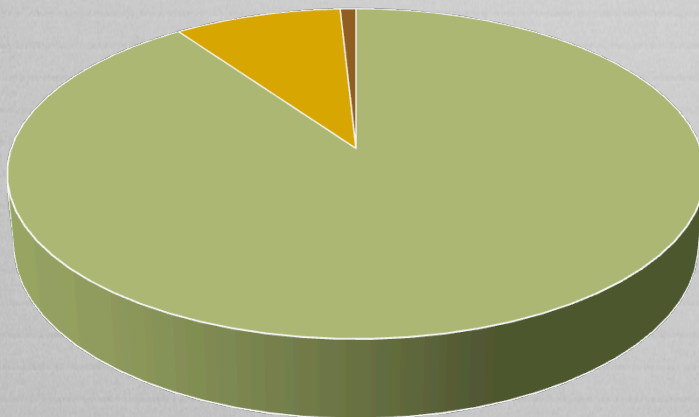
Revenues

- Individual Donations
- In Kind
- Previous Balance



Expenditures

- Projects/ Research
- Admin
- Fundraising
- Collaboration



A detailed breakdown of income, expenses, and assets is available through Nomogaia's IRS form 990



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Board of Directors

- ◆ Mark Wielga
- ◆ Elizabeth Wise
- ◆ Mark Hughes



NOMOGAIA

1900 WAZEE ST. STE. 303

DENVER, CO 80202

NOMOGAIA.ORG

303.514.1522

Photography by:
Elizabeth Wise
Mark Wielga
Kendyl Salcito

Nomogaia is a 501(c)3 non profit organization. EIN# 33-1203791