



NOMOGAIA

GUIDING BUSINESS IN HUMAN RIGHTS



ANNUAL REPORT 2013



NOMOGAIA



NomoGaia's activities expanded during the past five years to account for the changing landscape in business and human rights. To maximize our influence while remaining a small and efficient organization, we have leveraged partnerships with a variety of institutions. This report highlights that. After an overview of our mission and history, this annual report describes our partnerships with other nonprofit organizations, with governments and with academic institutions, closing with an update on our ongoing human rights assessment work – the core of our mission – and our financial statements

TABLE OF CONTENTS

LETTER FROM THE EXECUTIVE DIRECTOR	3
ABOUT NOMOGAIA	4
ABOUT THIS REPORT	5
PARTNERSHIP WITH NONPROFITS	6
ENGAGEMENT WITH GOVERNMENTS	
COLLABORATION WITH ACADEMIA	
FEATURED PROJECTS	6
FINANCIALS	11



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LETTER FROM THE EXECUTIVE DIRECTOR



Dear NomoGaia supporters,

Today, roughly 80,000 multinational corporations, each averaging 10 foreign affiliates, constitute 11 percent of global GDP. Corporations extract the resources used to construct cities. They manufacture the goods we purchase in daily life. Often, they finance the development of roads, power lines and infrastructure that grow economies.

The economic power of business institutions has been used both constructively and destructively. In the worst cases, it has weakened local livelihoods, disempowered civil advocates and fomented violence. However, it is increasingly clear that human rights violations are bad for business. Businesses can profit and rightsholders can benefit when operations are run with respect for human rights.

However, tools are in short supply for companies to understand how to interact beneficially with local communities. NomoGaia is helping businesses, governments and civil society to more effectively work to the benefit of human rights through a variety of initiatives including assessment, outreach and publication. In 2013, we capitalized on our position as the global leader in human rights impact assessment by reaching out to these parties.

NomoGaia partnered with governments, companies, universities and intergovernmental organizations to amplify our voice and advance our work helping companies respect rights. We broke new ground in longitudinal methods for assessing corporate impacts. We published articles in peer reviewed journals. Our tools are being used by companies and firms, contributing to better business practices. This work would not be possible without you, and we thank you for your continued support,

Kendyl Salcito
Executive Director, NomoGaia



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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.





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NOMOGAIA'S BACKGROUND

NomoGaia has operated as a think-tank, developing, testing and publishing corporate human rights tools since 2008. At the outset our aim was to find workable solutions to human rights problems associated with corporate infrastructure development.

The urgency of this mandate was compounded in 2011 with the United Nations Human Rights Council's unanimous endorsement of Guiding Principles for business and human rights, which required companies to begin conducting "human rights due diligence" to verify and demonstrate that their operations respect human rights.

Defining the terms and boundaries of corporate social responsibility and "human rights due diligence" has proven a long-term task. Collaborative approaches and relentless inquiry proved effective at protecting rights only when paired with a concrete means for assessment. We have made it our work to develop such assessment tools, applicable in diverse industries and contexts.

This has entailed communicating extensively with company representatives, unrepresented "rightsholders," consultants, community leaders, NGOs, industry groups and international bodies.

Our aim continues to be to produce the most effective, implementable tools available to companies endeavoring to respect human rights in their international operations.

PARTNERSHIP WITH NON-PROFITS

NomoGaia is small, and to amplify its voice and advance global efforts to help direct corporations, we developed several collaborations in 2013. We partnered with UNICEF in the design of tools for incorporating children’s rights into HRIA and were featured presenters at UNICEF’s workshop on children’s rights and corporate due diligence in Geneva in December.



We presented human rights “due diligence” tools at the World Bank’s Annual Meetings as well as its annual Land and Poverty conference. We provide ongoing support to the efforts of the Danish Institute and the Institute for Business and Human Rights as they assess the strategic impact of the Oil and Gas sector in Myanmar.

Through independent work, members of our volunteer team contributed to the oil and gas industry group IPIECA’s human rights approach, which was released in December. Our contributions to the Equator Principles’ updated standards (the EPIII) resulted in the adoption of stronger human rights language than the International Finance Corporation’s Performance Standards, which used to be the standard-setter in social responsibility.



In partnership with CIEL, Human Rights Watch and others, we began an ongoing collaboration to improve World Bank safeguards using the human rights lens.

ENGAGEMENT WITH GOVERNMENTS

We also reached out to government bodies, noting that companies take cues from the policies and standards of the states that host them. In collaboration with Human Rights Watch we briefed the US Government on the World Bank's impacts on human rights, providing a roadmap for US intervention to ensure that World Bank standards meet US standards for responsible investing. Additionally, we have been asked to collaborate with the Government of Ghana's Environmental Protection Agency to add human rights benchmarks to its AKOBEN environmental and social performance and disclosure rating system. NomoGaia has also built relationships with the National Human Rights Institutions (NHRIs) of both Malawi and Tanzania. The two NHRIs are interested in learning from NomoGaia's methodological approach to human rights analysis, and in 2014 we will collaborate with both of these institutions.





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COLLABORATION WITH ACADEMIA

Collaborating with business, law and universities at home and abroad has enabled us to reach a wide swath of up-and-coming corporate actors. NomoGaia helped guide the International Bar Association's efforts to be a leader in business and human rights. We have taught at the American University School of International Service in Washington D.C., Waseda University in Tokyo, and at law schools in Colorado. We have developed a close relationship with the Swiss Tropical and Public Health Institute in Basel, co-authoring several papers throughout the year.

To access the broadest possible audience, we regularly publish our work in peer-reviewed literature. NomoGaia's HRIA methodology was published in the respected, peer-reviewed journal *Environmental Impact Assessment Review* this spring. We also published an article on Human Rights Due Diligence in *Economia and Management* (Milan school of management) in December. Two academic papers are being finalized in association with research in Malawi and Tanzania. An additional paper is in advanced stage on a Human Rights Policy Database we have developed, which codes the human rights policies of 220 companies and has been statistically analyzed, producing interesting findings about the US companies' shortcomings in this field.





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PALADIN KAYELEKERA URANIUM MINE, MALAWI

In 2013 NomoGaia entered its fifth year analyzing the human rights impacts of the Kayelekera uranium mine in Karonga District, northern Malawi. This represents the longest monitoring process ever publicly conducted on a corporate project's human rights impacts. Our opportunity to track human rights conditions in Kayelekera over time has provided new insights on how corporate projects interact with the human rights context.

Malawi was hit by a number of catastrophic shocks in 2011 and 2012. In March 2011, the nuclear disaster at Fukushima triggered a global collapse of the uranium market. Overnight, Kayelekera became a revenue-negative mine. The following month, President Mutharika evicted a British diplomat, and, in response, the UK revoked US\$ 49 million in aid. The African Development Bank, the World Bank, the European Union, Germany and Norway also withdrew aid, citing corruption. The corruption scandal coincided with a foreign exchange crisis associated with weak tobacco and cotton revenues in 2011, which reduced Malawi's export earnings. Without forex the country could not purchase fuel, causing public transport to increase in price and side-lining emergency transport throughout the health system. Simultaneously, grain prices skyrocketed and drug stock-outs commenced, triggering public protests that were quashed with live bullets. Mutharika's troops killed 18 and injured 41 protesters. In April 2012 President Mutharika died of a heart attack, months after ousting his vice president in a move to support his brother's bid to succeed him in office. His brother concealed his death while manoeuvring to take over the presidency. The

plot was exposed, the brother tried for treason, and the ousted vice president, Joyce Banda, installed in office, but currency instability ensued, resulting in inflation rates peaking at nearly 45% in 2012 before slowly declining throughout 2013. December 2013 would rock Malawi with a new corruption scandal, which is still ongoing.

These events have made it increasingly difficult for Kayelekera to continue operating, let alone positively impact human rights.

NomoGaia will continue to monitor human rights conditions in 2014.





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GREEN RESOURCES UCHINDILE AND KITETE PLANTATIONS, TANZANIA

As Green Resources' operations have grown and changed in Tanzania, so have NomoGaia's assessment approaches. A proposed power plant fueled by tree waste was the original assessment target. However, it remains stalled in the government permitting process. In the meantime, NomoGaia has honed assessment techniques for agricultural projects, working with the staff and management at Green Resources Uchindile and Kitete plantations to identify and reverse negative human rights impacts.

In 2012, monitoring found major improvements in human rights conditions in Uchindile village and its neighboring dormitories. Human rights impacts at Kitete remain difficult to discern. The company has engaged closely with our team, and a return visit is planned for 2014.

This work is proceeding with the support of the Tanzania Commission for Human Rights and Good Governance, allowing NomoGaia's work to benefit Tanzanian institutions, while also ensuring that our practices align with the standards of local human rights authorities.





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MAINSTREAM CHILE SALMON FARMING, CHILE

Fish farming has become a controversial topic as ecological impacts and human welfare have collided. A series of disease outbreaks among farmed salmon populations in Chile decimated the industry and destroyed livelihoods in 2008. The Mainstream Chile Punta Arenas project represents a first step in the rebound process from that crisis. But Punta Arenas has faced its own



environmental risks in recent years, including glacial retreat and a spate of catastrophic flash floods assumed to be associated with global climate change, and thus likely to become the norm.

A challenging environment and a remote location pose challenges for the fishery, which is struggling to find disposal processes for fish waste and water treatment facilities for its production plant.

Although construction delays have slowed the assessment process, NomoGaia remains committed to evaluating the human rights impacts of the expansion of fisheries into the region.



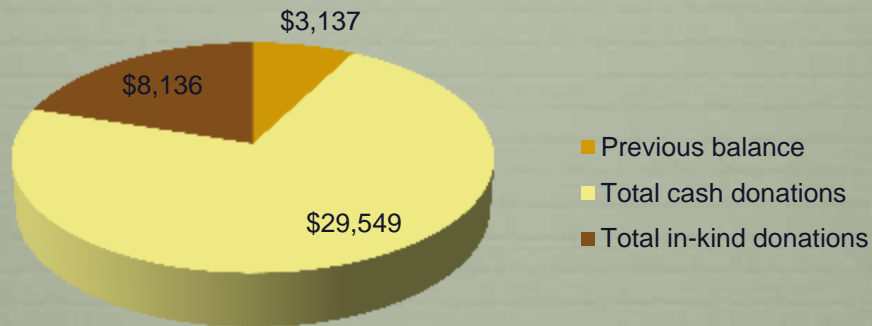


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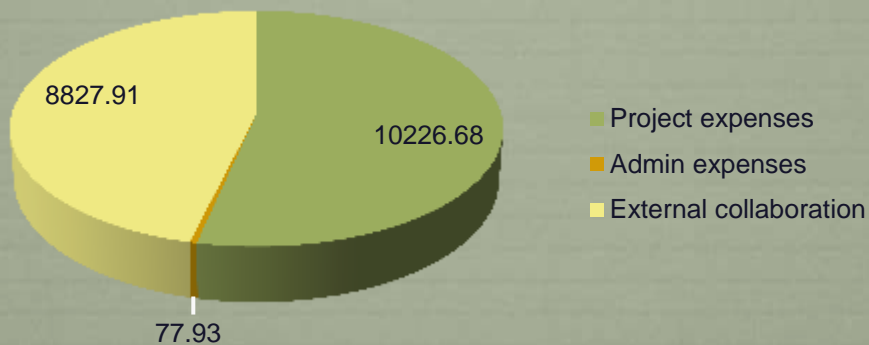
FINANCIALS

NomoGaia operates on an extremely small budget. Expenditures for 2011 totaled under \$67,000. This is possible partly because experts generously donate their time and facilities to assist our work. These contributions are not fully reflected in our "in kind" donations, but we wish to acknowledge those who contribute to our work in meaningful but unquantifiable ways.

REVENUES



EXPENDITURES



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

THE BOARD

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