

Servifosas Biodigestor
Parque Industrial Coronel, VIII region, Chile

INITIAL STAKEHOLDER CONSULTATION REPORT

Procedure followed to invite stakeholder comments

A. Oral hearing for local stakeholders:

Invitation procedure

The Gold Standard Initial Stakeholder Consultation has been conducted by the project owner Servifosas S.A. with assistance from South Pole Carbon Asset Management Limited (Switzerland based company responsible for CDM project development).

Stakeholder groups as defined in the Gold Standard procedures have been identified and informed through oral and written means about the meetings.

Place and date of the meeting

The initial stakeholder consultation was held at the facilities of Servifosas, Avenida Portuario No. 110, Coronel, Chile, on the 18th of March, 2008 at 5:00 PM. Thus, all participants were able to examine the location where the proposed project will take place.

Meeting Participants

Local residents and representatives attended the mentioned meeting from the following stakeholder categories:

1. Local residents
2. Local entrepreneurs
3. Employees

Local government representatives and delegates from political parties have been invited but none attended.

30 participants have followed the invitation and attended the meeting.

No.	Participant	Institution	Occupation
1	Cristobal Vega	Laboratory Pasteur	Director
2	Felipe Almonaad	Independent	Environmental consultant, instructor
3	Nicasio Martinez	Ambromedical	Manager
4	Miguel Pacheco	Ambromedical	Operational Manager
5	Lina Villota	Sepade	Project engineer
6	Jean Claude Cavalerie	Sepade	Communications Manager
7	Claudio Díaz	Inmobiliaria Coronel	Sales Executive
8	Consuelo Gonzalez	Daem Hualpen	Technical Coordinator
9	Hortencia Torres	Alonkura School	Professor in environmental sciences
10	Magaly Miranda	Alonkura School	Professor in environmental sciences
11	Jose Vergara	Seremi Salud	Engineer controlling
12	Juan Pablo Granzow	Seremi Salud	Agent of EVIA unit
13	Mirna Mariangel Castillo	Nutritionist	Service company
14	Jun Arancibia	Carnes Bulnes	Head of quality
15	Luciano Varela	Publimetro	Distribution supervisor
16	Ricardo Farias	Farimar Ltda.	Administrator
17	Claudio Hormazabal	Eurochile	Project Manager
18	Claudio Gomez Viveros	Sociedad Agro Chillan Ltda.	Administrator
19	Viviano Muñoz	Ecoproym	Environmental engineer
20	Pamela Luengo	Ecoproym	Prev. Risk Manager
21	Barbara Valenzuela	Ecoproym	Environmental engineer
22	Sergio Roman	IMRE	Manager
23	Michel Veas	Frigosur	Manager
24	Mario Yauar	Agricolas Los Puquios	Manager
25	Francisco Caro	Carnes Bulnes	Owner
26	Giovanna Velilla	Agricola Veneto	Owner
27	Constanza Cabser	Agricola Santa Clara	Manager
28	Cesar Cid	Agricola Veneto Ltda.	Production executive
29	Rodrigo Troncoso	Tecnocarnes Ltda.	Manager
30	Octavio Alarcon	Agricola forestal Las Astas	Manager

Language

Documentation and meeting was held in Spanish (local language).

Meetings procedure

- Opening (5 min)
- Purpose of the consultation (15 min)
- Description of the project and environmental impacts (15 min)
- Questions and Answers session (20 min)
- Completing checklists (Appendix E to the Gold Standard Project Developer's Manual) (25 min)
- General feedback during reception (25 min)

Meeting documents and protocols

On completion of the meeting, the following documentation was collected and attested by the signatures of the stakeholders that were present:

1. Presence list with name, institution, occupation, telephone number and email
2. Non-technical description of the project
3. Documentation on environmental impacts of the project
4. Filled out Appendix E of Gold Standard (checklist)
5. Notes for additional comments on the project activity

These documents are available as hardcopies and will be handed over to the designated operational entity (DOE) conducting the Gold Standard validation process.

B. Email consultation for Gold Standard supporting organizations in Chile:

Invitation procedure

An invitation was sent to representatives of Gold Standard supporting organizations in Chile on March, 3rd, 2008. At the time of the meeting, the only Gold Standard supporting NGO in Chile was the local branch of Greenpeace and the local branch of WWF. The invitation included a short introduction of the project and the date and location of the scheduled initial stakeholder consultation. No reply was received.

Period of email consultation

3 March 2008 to 2 April 2008.

Consulted individuals

Stephanie Tunmore, Greenpeace International
Liam Salter, WWF International

Additionally, an email has been sent to the local representative offices in Chile:

Info-chile@cl.greenpeace.org
Ecorregion.valdiviana@wwf.cl

Compilation of comments received

A. Oral hearing for local stakeholders:

The overall response to the Project, from 30 participating local stakeholders, was encouraging and positive. The greatest asset achieved by the project appears to be the positive effect on the environment and the additional generation of energy. Stakeholders acknowledge the – for Chile “innovative” – manner of treatment of the wastes. The project is considered to be an example for the industrial sector, where currently the waste is not treated at all or where treatment plants are not as advanced as in the proposed project. Another positive aspect mentioned was the employment generation of the project.

To sum up the sustainability of the project, the various benefits (as reported by local stakeholders) are listed below.

1. The installed technology contributes to clean soil.
2. Use of biogas represents a sustainable way for generating energy.
3. While the system operates within strict environmental standards there will be no negative impacts to the environment due to the plant.
4. The project is well designed, returning fermented sludge, which can be used as fertilizer to the environment and not producing additional pollution.
5. The plant will create new jobs at the site.

All participants answered the questionnaire. No negative comments or reactions to the project have been received during the oral hearing.

3 participants left comments related to the project:

1. An engineer was asking for more detailed information about the physical operation of the plant in order to recommend the plants' techniques to relating industries.
2. An architect proposed to revise the equipment periodically as preventive measure and to keep up the contact to municipal authorities.

Comment: " In order to operate the plant in the most effective way, revisions of the equipment are part of the common procedure to maintain high output quality and sustainability standards. These procedures can be judged by seeing the monitoring plan."

The Gold Standard questionnaire has been presented in the local language (Spanish). It consisted of 23 questions that were to be answered.

The following 22 questions were answered with "yes" by some of the participants:

1. Question 1. Will construction, operation or decommissioning of the Project use or affect natural resources or ecosystems, such as land, water, forests, habitats, materials or, especially any resources which are non-renewable or in short supply?
4 "yes"-answers.

Comment: It is not clear if the answers meant "yes- positively" or "yes-negatively". Due to the oral feedback during the reception at the end of the consultation, South Pole assumes that the intended answer was "yes-positively".

2. Question 2. Will the Project involve use, storage, transport, handling, production or release of substances or materials (including solid waste) which could be harmful to the environment?

16 "yes"-answers, of which 2 were in a positive sense and 8 referred to the danger of transportation of toxic material

Comment: The Project owner is working with a transportation company, which is experienced in transporting and handling different kinds of substances. The transported material although is not toxic at all. Furthermore, the material was already transported in the baseline and the average transportation distance will decrease when the project activity starts.

3. Question 3. Will the Project release pollutants or any hazardous, toxic or noxious substances to air?

1 "yes"-answer, which refers to the danger of poor maintenance

Comment: The construction of the plant will be carried out according to the national security standards.

4. Question 4. Will the Project cause noise and vibration or release of light, heat energy or electromagnetic radiation?

7 "yes"-answers, of which 4 referred to the production of thermal energy and 3 referred to noise occurrences

Comment: Noise by truck transportation will actually decrease due to less average transportation distance, and the digestion of the residues is a bio-chemical process that does not imply any noise production, heat energy release or electromagnetic radiation. The project is located in an industrial park without any living areas nearby. The digestion is a closed process, which means that the produced energy will be used in a neighbour company.

5. Question 5. Will the Project lead to risks of contamination of land or water from releases of pollutants onto the ground or into surface waters, groundwater, coastal waters or the sea?

1 "yes"-answer

Comment: The Project will completely change the treatment of the waste residues and therefore the contamination will be reduced drastically. The fermented sludge can be used as fertilizer.

6. Question 6. Are there any areas on or around the location which are protected under international or national or local legislation for their ecological value, which could be affected by the project?

3 "yes"-answers

Comment: The industrial park where the project is located is next to the sea, but since the construction of

the plant will be carried out according to the national security standards, there won't be any affect.

7. Question 7. Are there any other areas on or around the location, which are important or sensitive for reasons of their ecology, e.g. wetlands, watercourses or other water bodies, the coastal zone, mountains, forests or woodlands, which could be affected by the project?

9 “yes”-answers, of which 4 mentioned that there won't be any affect, 3 specified that the project location is next to the sea and 1 specified that the it could only be affected by poor maintenance of the plant.

Comment: The industrial park where the project is located is next to the sea, but since the construction of the plant will be carried out according to the national security standards, there won't be any affect.

8. Question 8. Are there any areas on or around the location which are used by protected, important or sensitive species of fauna or flora e.g. for breeding, nesting, foraging, resting, overwintering, migration, which could be affected by the project?

1 “yes”-answer, specifying that it could only be affected by poor maintenance of the plant.

Comment: The construction of the plant will be carried out according to the national security standards, there won't be any affect.

9. Question 9. Are there any inland, coastal, marine or underground waters on or around the location which could be affected by the project?

11 “yes”-answers, of which 8 specified that it won't have any affect

Comment: The industrial park where the project is located is next to the sea, but since the construction of the plant will be carried out according to the national security standards, there won't be any affect.

10. Question 10. Is the project location susceptible to earthquakes, subsidence, landslides, erosion, flooding or extreme or adverse climatic conditions e.g. temperature inversions, fogs, severe winds, which could cause the project to present environmental problems?

13 “yes”-answers, of which 3 specified that it won't have any affect, 3 specified that Chile is a seismic country, 2 mentioned the location of the project next to the sea.

Comment: The construction of the plant will be carried out according to the national security standards and taking into account the seismic factor and the specific environmental conditions of the region (which are regulated by national legislation). Hence, no additional threats or risks to the environment will occur due to the plant.

Socioeconomic and Health Impacts

11. Question 11. Will the Project involve use, storage, transport, handling, production or release of substances or materials (including solid waste) which could be harmful to human health or raise concerns about actual or perceived risks to human health?

8 “yes”-answers, of which one appreciated the project activity as a solution for the waste handling, 2 specified that the transport can imply a risk, 1 specified that only poor maintenance could be harmful

Comment: The Project owner is working with a transportation company, which is experienced in transporting and handling different kinds of substances, including toxic hydrocarbons. The transported material although is not toxic at all.

12. Question 13. Will the Project cause noise and vibration or release of light, heat energy or electromagnetic radiation that could adversely affect human health?

2 “yes”-answers, of which one supposed that there will be some kind of light emissions

Comment: The digestion of the residues is a bio-chemical process that does not imply any light emission. Furthermore, the digestion is a closed process, which means that the produced energy will be used in a neighbour company.

13. Question 14. Will the Project lead to risks of contamination of land or water from releases of pollutants onto the ground or into surface waters, groundwater, coastal wasters or the sea that could adversely affect human health?

2 “yes”-answers

Comment: The construction takes place in accordance with the national security standards and does not include additional risks in comparison to similar construction projects.

The Project will completely change the treatment of the waste residues and therefore there the contamination will be reduced drastically. The fermented sludge can be used as fertilizer.

14. Question 15. Will there be any risk of accidents during construction or operation of the Project, which could affect human health?

8 “yes”-answers, of which 4 specified that there is a general risk in every construction and 3 specified that the risk would only be due to bad operation of the plant

Comment: The construction takes place in accordance with the national security standards and does not include additional risks in comparison to similar construction- projects.

15. Question 16. Will the Project result in social changes, for example, in demography, traditional lifestyles, employment?

14 “yes”-answers, of which 11 specified that it will have a positive affect in terms of employment generation

Comment: The project activity implies employment generation (3 direct jobs), which can be beneficial for the area.

16. Question 17. Are there any areas on or around the location, protected or not under international or national or local legislation, which are important for their landscape, historic, cultural or other value, which could be affected by the project?

1 “yes”-answer, specifying that it won’t have any affect

Comment: The industrial park where the project is located is next to the sea, but since the construction of the plant will be carried out according to the national security standards, there won’t be any affect.

17. Question 18. Are there any transport routes or facilities on or around the location which are used by the public for access to recreation or other facilities and/or are susceptible to congestion, which could be affected by the project?

9 “yes”-answers

Comment: The total transportation will be reduced by the project activity because the project location is closer to the waste-provider than the baseline landfill.

18. Question 19. Is the project in a location where it is likely to be highly visible to many people?

1 “yes”-answer

Comment: The plant will be constructed in an industrial park where there are many factories next to the project site, most of them higher than the project activity. For example, next to the site, there is a cement plant and a saw mill.

19. Question 20. Are there existing or planned land uses on or around the location e.g. homes, gardens, other private property, industry, commerce, recreation, public open space, community facilities, agriculture, forestry, tourism, mining or quarrying which could be affected by the project?

5 “yes”-answers, of which 2 specified that it is located at an industrial site

Comment: The “planned land use” at the project site is industrial, therefore, the project activity will meet with the purpose of the location.

20. Question 21. Are there any areas on or around the location which are densely populated or built-up, or occupied by sensitive uses e.g. hospitals, schools, places of worship, community facilities, which could be affected by the project?

4 “yes”-answers, of which 2 specified that it won’t have any affect and 1 specified that there is a city nearby

Comment: The city of Coronel is situated 7km away from the project site, and the project location is at an industrial park, which has been established for the purpose of supporting industrial plants.

21. Question 22. Are there any areas on or around the location which contain important, high quality or scarce resources e.g. groundwater, surface waters, forestry, agriculture, fisheries, tourism and minerals, which could be affected by the project?

7 “yes”-answers, of which 4 specified that it won’t have any affect

Comment: The production site is located close to the sea. Due to the project activity there will be no negative affects to the water quality.

22. Question 23. Is the project location susceptible to earthquakes, subsidence, landslides, erosion, flooding or extreme or adverse climatic conditions e.g. temperature inversions, fogs, severe winds, which could cause the project to present socioeconomic problems?

11 “yes”-answers, of which 2 specified that it won’t have any affect, 3 said that Chile is a seismic country and 1 mentioned the risk of a tsunami

Comment: The construction of the plant will take place according to the national security standards, taking into account the specific environmental conditions of the region. Hence, while conducting the plant no additional socioeconomic risks to the will occur due to the plant.

In **conclusion**, there have been five main subjects that stakeholders identify as potential risk factors of the project:

- Project location next to the sea: The project activity will not release any wastewater into the sea. A potential threat for the plant could be natural disaster, such as a tsunami or an earthquake. The plant will be constructed according to national security standards, which take this into account.
- Transport: Compared to the transport of the waste to the landfill, which has been common practice prior to the project, the total transportation will be reduced by the project activity because the project location is closer to the waste-provider.
- Transport and treatment of toxic material: the waste *per se* is not toxic. The project activity provides a sustainable solution for treating that kind of waste, using the produced methane for energy purposes and the fermented sludge as fertilizer.
- Noise caused by the plant: the digestion is a bio-chemical process, which does not imply any noise production.
- Risk of poor management of the plant: The project owner is successfully operating a hydrocarbon treatment plant. The new plant will be constructed and operated according to national security standards.

B. Email consultation for Gold Standard supporting organizations in Chile:

No comments were received.

Changes to Project design based on comments received

As no major concerns were raised during the entire initial stakeholder consultation process, it was not necessary to make any changes to the Project design.

As some of the stakeholders asked for more information about the physical treatment of the water residues additional information will be made available during the global stakeholder process. As well, there will be special emphasize on questions with respect to the location of the plant and the security standards of construction that some people worried about.

Further, an Environmental Impact Declaration of the Project has been done, which is also requested by the Chilean government.