

ANNEX Q – LSC REPORT TEMPLATE

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SECTION A. PROJECT DESCRIPTION

A. 1. Title of the project activity

Title: *Balsas* Renewable Energy Bundled Project

Date: 04/07/2013

Version no.: 02

A. 2. Project eligibility under the Gold Standard

The project is in compliance with Gold Standard eligibility criteria, as per GS Toolkit v.2.2 and also the additional specific eligibility criteria detailed in Annex C. Furthermore, the project satisfies all applicability conditions of the following small-scale methodology approved under the Clean Development Mechanism: “**AMS-I.E: Switch from Non-Renewable Biomass for Thermal Applications by the User**”, version 05¹. Project eligibility is further detailed in Section B.2 of the Project Design Document.

The main focus of this Project is to allow the substitution of native firewood (non-renewable woody biomass) with renewable biomass as source of thermal energy, thus reducing GHG emissions and discouraging deforestation to obtain firewood. Therefore, the project qualifies to the Renewable Energy Supply category.

The project is capable of generating real, measurable and verifiable emission reductions due to fuel switch to renewable biomass. All measures are considered additional to the common practice.

Furthermore, the project will use exclusively demonstrably renewable biomasses whose source can be verified and is expected to involve equipments with thermal output of less than 45 MW thermal. The project qualifies as a micro-scale project activity and will remain under the limits of micro-scale project activity types during every year of the crediting period². As demonstrated on Section A.3.3 of the PDD, emission reductions are expected to remain below ten thousand tonnes of CO₂e per year.

A. 3. Current project status

The project start date of this project is 21/03/2009. On this date, *Balsas* Ceramic has begun to switch to renewable biomass (rice husks)³. The starting date of the project is before the “*Time of first submission*” as per Gold Standard definitions⁴. Hence, the

¹ Methodology available at:

<<http://cdm.unfccc.int/methodologies/DB/WHTQUFLWCVNB9CIUZC198A712WGQR4/view.html>>. Last visit on: 03/08/2012.

² According to the Annex T of the Gold Standard version 2.2 (Standalone micro-scale scheme rules), project activities are eligible under the micro-scale scheme if the annual emission reductions achieved are limited to a maximum of 10,000 tonnes of CO₂e in each and every year of the crediting period. Available at: <http://www.cdmgoldstandard.org/wp-content/uploads/2012/05/v2.2_ANNEX-T.pdf>. Last visit on: 12/04/2012.

³ According to the ceramic owner, the complete fuel switch has occurred in 01/04/2009.

⁴ According to Gold Standard Requirements version 2.2, the time of first submission means submission of the Local Stakeholder Consultation Report for projects proceeding under the regular project cycle, and submission of the required

project is applying for retroactive registration according to Gold Standard Toolkit Section 1.2.6.

As requested during the pre-feasibility assessment, project proponents have developed the Stakeholder Feedback Round in accordance to Gold Standard recommendations of for the Local Stakeholder Consultation process. Hence, all sections of this document refer to how the feedback round was developed.

Currently, the ceramic factory involved in the project is fully operational using exclusively renewable biomass as fuel. Energy efficiency measures have been adopted, such as the installation of automatic feeders in some of the kilns.

The project proponents are also preparing the necessary procedures to monitor the following indicators: air quality, soil conditions and income generation. The remaining indicators are already being monitored since the start of the crediting period.

SECTION B. DESIGN OF STAKEHOLDER CONSULTATION PROCESS

B. 1. Design of physical meeting(s)

i. Agenda

As requested during the pre-feasibility assessment of this project, the Stakeholder Feedback Round was developed following Gold Standard requirements for the Local Stakeholder Consultation process. Hence, this report is used to describe the Stakeholder Feedback Round.

One meeting was held on September 13th, 2012 in the municipality of *Balsas/MA*, the same city where *Balsas Ceramic* is located. Below, a summary of the presentation is described.

- Opening of the meeting

The meeting started with a brief presentation of the speaker and our company: Sustainable Carbon. We also introduced the context in which the project is inserted to the participants, explaining in a simple manner about climate change, global warming, including topics on Greenhouse Effect and the carbon market.

An explanation was given about what is an emission reduction project and which are its main objectives. The purpose of the meeting was also explained to the participants as part of the Gold Standard project cycle. Stakeholders were informed that meetings were being made in order to allow stakeholders to meet and discuss about the project activity and to propose improvements.

- Explanation of the project

The Project Participants were defined, as well as the project location. We demonstrated the actions proposed by the project activity, which includes the substitution of non-renewable biomass for renewable biomasses to generate thermal energy. A brief explanation on the concepts of **renewable** and **non-renewable** biomass was provided. The timeline of the project was also demonstrated, as well as the next steps involved until the issuance of Voluntary Emission Reductions.

- Blind SD exercise

The Blind SD Exercise was developed in the following way:

- 1- An explanation was given in a very simple manner regarding the meaning of sustainability development and its three dimensions considered by the Gold Standard – Social, Human and Financial and Technological – including the indicators associated to each dimension.
- 2- Each indicator was explained in a general fashion, using pictures and giving examples to enable participants to associate the indicators to their experience and to the project activity.
- 3- Afterwards, we asked about the participants' opinion, questioning if they considered the implementation of the project would have positive, negative or neutral impacts on each indicator.
- 4- After the Blind SD exercise, our evaluation on the project impact on the indicators was shown to attendants, allowing them to comment such evaluation.

As this is a micro-scale project, the blind exercise was not mandatory. Sustainable Carbon has chosen to include it since it is a good approach to obtain an unbiased opinion from stakeholders. However, to reduce the length of the presentation, indicators with low relevance to the project were not discussed.

- Questions for clarifications about the project

Participants were given the opportunity to ask questions during the meetings, especially in three occasions: during the Blind SD exercise, following the presentation of the Monitoring of SD indicators and at the end of the meeting.

- Explanation on monitoring SD

First, we demonstrated the monitoring plan that would be used to monitor the indicators considered to have non-neutral impacts. Afterwards, we asked the participant's opinion on the monitoring plan, always seeking for improvements or new ideas about the monitoring procedures.

- Closure of the meeting

During the closure of the meeting, we allowed some time for participants to ask

questions or raise comments about the project activity. We also distributed an evaluation form and asked them to sign the attendance list.

ii. Non-technical summary

Below, the non-technical summary sent to stakeholders is reproduced. A Portuguese version was sent to stakeholders located in Brazil and an English version was sent to stakeholders living elsewhere.

The project

This renewable energy Project implemented by *Balsas Ceramic* is based on the fuel switching from non-renewable biomass (native firewood from areas without sustainable forest management plan) to demonstrably renewable biomass (such as biomass residues) for thermal energy generation. Such energy is used to cook ceramic pieces in existing kilns of the ceramic company.

The use of non-renewable biomass causes the increase of greenhouse gases in the atmosphere, thus contributing to climate change. In contrast, this project will generate energy from renewable sources with low environmental impacts. Figures in annex 1 illustrate the changes proposed by the project.

Technical information

Voluntary GHG emission reduction Project under *The Gold Standard*.

Location: municipality of *Balsas*, State of *Maranhão*, northeast region of Brazil.

Duration of the crediting period: 10 years.

Applied methodology: AMS- I.E.: *Switch from non-renewable biomass for thermal applications by the user*, version 05.

Calculation of emission reductions: emission reductions are claimed for the amount of non-renewable biomass that is displaced by the project measures. The project is estimated to reduce 51,360 tCO₂e during the crediting period of 10 years.

Environmental and social benefits:

The environmental impacts of this project are considered positive, and relate to reducing pressure on deforestation of the *Caatinga* biome for the production of wood fuel. Also, the project will have positive impacts on the working conditions of the ceramic factory employees, due to automation and other changes to the productive process of the ceramic company. More specifically the following benefits are expected to result from the project development:

Indicator	Benefits resulting from the project
Air quality	✓ Improvement in fuel combustion, leading to lower smoke emissions; ✓ Improved monitoring and control over atmospheric emissions;
Quality of employment	✓ Lower employee exposure to smoke and heat from ceramic kilns; ✓ Improved control over actions of health and security performed by ceramic owner. ✓ Incentives to continuous improvement on health and security condition of ceramic factory employees;
Access to clean and affordable energy	✓ Energy generation from renewable sources; ✓ Gainful use of residues for energy generation; ✓ Improved control on the origin of fuels used by the ceramic factories;
Income generation	✓ Income generation by the commercialization of carbon credits. This is considered an important source of income for the ceramic owner, and assists them to invest in the Project measures and to purchase renewable fuels;

Annex 1 – Illustration of the changes proposed by the project

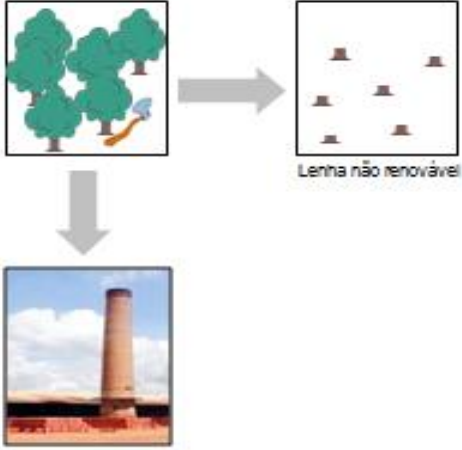


Figure 1- Scenario before the Project implementation. Partial use of non-renewable biomass as fuel.



Figure 2- Scenario after the Project implementation. Use of renewable biomasses as fuel.

iii. Invitation tracking table

Local stakeholders					
Category Code	Organization	Name of invitee	Means of invitation	Date of invitation	Confirmation received?
B	Prefeitura Municipal de Balsas	Francisco de Assis Milhomem Coelho	Postal service, phone call and physical invitation	24/08/2012	Yes
B	Câmara Municipal de Balsas	Deuzilene Soares Barros	Postal service, phone call and physical invitation	24/08/2012	Yes ⁵
B	Secretaria de Estado de Meio Ambiente e Recursos Naturais - SEMA / MA	Carlos Victor Guterres Mendes	Postal service, phone call and phone call	24/08/2012	Yes
B	Secretaria Municipal de Meio Ambiente de Balsas	Secretário Walter Henrique Pereira da Silva	Postal service, phone call and physical invitation	24/08/2012	Yes
C	Secretaria Executiva da Comissão Interministerial de Mudança Global do Clima	Dr. José Domingos Gonzalez Miguez	Postal service and phone call	24/08/2012	Yes
D	Sindicato das Indústrias de Cerâmica para Construção do Estado do Maranhão - SINDICERMA	Luciana Silva	Postal service and phone call	24/08/2012	Yes
D	SENAI-MA	Wellinton Souza	Postal service and phone call	24/08/2012	Yes
D	Associação Nacional da Indústria Cerâmica	Presidente Luis Lima	Postal service and phone call	24/08/2012	Yes
D	SEBRAE-MA	Emerson Fernandes dos	Postal service and	24/08/2012	No

⁵ Due to a problem with the postal service, invitation letter was only received after the meeting. Personnal invitations were made prior to the date of the meeting.

Local stakeholders					
Category Code	Organization	Name of invitee	Means of invitation	Date of invitation	Confirmation received?
		Santos	phone call		
F	WWF-Brasil	Presidente Álvaro de Souza	Postal service and phone call	24/08/2012	Yes
D	IBGE	Luis Magno Padilha	Postal service and phone call	24/08/2012	Yes
A	Associação dos Moradores do Bairro Bacaba	Gilson Botelho	Postal service and phone call	24/08/2012	Yes
A	Associação Nova União do Setor Industrial	Lucas	Postal service and phone call	24/08/2012	Yes
A	Associação São Cardoso		Postal service and phone call	24/08/2012	No ⁶
A	Instituto de Desenvolvimento Educacional do Maranhão	Not available	Postal service	24/08/2012	No
A	Associação Moradores Gerais BA	Not available	Postal service	24/08/2012	No ⁷

⁶ Personnel invitations were made by phone.

⁷ Please check footnote 10.

International Organizations					
Category Code	Entidade	Name of invitee	Means of invitation	Date of invitation	Confirmation received?
E	The Gold Standard Foundation	Mr. Ivan Hernandez Regional Manager Latin America	E-mail	24/08/2012	Yes
F	REEP - Organization of American States (OAS)	Mr. Mark Lambrides	E-mail	24/08/2012	No
F	HELIO International	Ricardo Cunha da Costa	E-mail	24/08/2012	Yes
		Hélène Connor, Director - Sustainable Energy Watch (SEW)			
F	2. WWF Central America Regional Programme Office	Sylvia Marin Von Koller	E-mail	24/08/2012	No
F	Mercy Corps	-	E-mail	24/08/2012	No

Please explain how you decided that the above organisations/ individuals are relevant stakeholders to your project. Also, please discuss how your invitation methods seek to include a broad range of stakeholders (e.g. gender, age, ethnicity).

Relevant stakeholders were identified based on Section 2.6 of the GS Toolkit v.2.2. Information on such section of the Toolkit was used to guarantee all categories of stakeholders were included in the list of relevant stakeholders. Representatives of local people were identified with the help of the ceramic owner, since he has reasonable interaction with the local community. The local language (Portuguese) was used in all invitations to local stakeholders. The ceramic owner has arranged for a bus to transport workers and their family members to attend the presentation. Most of these families live in the surroundings of the project site, so their relation to the project is very intimate.

These measures were taken to assure a broad range of stakeholders were included in the consultation process.

iv. Text of individual invitations

Summary of the Invitation letter in English:

São Paulo, August 23rd, 2012

Dear Sir/Miss,

Please find below a message regarding the Local Stakeholder consultation of a carbon project developed by *Balsas Ceramic*

We hereby present you to the Voluntary Emission Reduction Project named *Balsas Renewable Energy Project*. This project is being developed by Sustainable Carbon and *Balsas Ceramic*. *Balsas Ceramic* is a red ceramic factory that produces bricks for the supply of the local market in the municipality of *Balsas, Mangabeira, Fortaleza dos Nogueira e Alto Parnaíba*. It has a production capacity of one million pieces per month.

Sustainable Carbon is expert in renewable energy and biomass with vast, on-the-ground experience in developing fuel-switching projects. Yet we as a company have committed ourselves to provide more than just greenhouse gas emission reductions. We are specialize in generating carbon offset credits that bring social, environmental and financial benefits for all of our stakeholders, sustainably developing businesses and communities throughout South America.

This project consists on the utilization of renewable biomasses, such as rice husks, in substitution of non-renewable biomass, such as wood from deforestation. More information can be found in the non-technical summary, attached to this message.

Presentation to local Stakeholders

The presentation of the project to local stakeholders is a step required by the Gold Standard as part of its project cycle. During the presentation, any person or entity affected by the project will have the chance to get to know the project and provide

comments, including the proposal of improvements and additional care. Hence, a presentation will be held as informed below:

Meeting in *Balsas/MA*:

Date: 13/09/2012 (Thursday)

Local Time (GMT +3): 5pm

Place: Auditorium of the Chamber of City Councilmen

Address: Rua José Coelho Noleto, 2008 - Postosi

We kindly ask for the participation of all interested parties on such activity. Your participation will contribute to the improvement of the project and the increase of its effects and benefits. Stakeholders will be able to express comments or questions during the presentation or by contacting us. Contact details are provided below:

Sustainable Carbon – Projetos Ambientais LTDA

A/C Thiago de Avila Othero

Address: Rua Doutor Bacelar, 368. Conj 73

Vila Clementino – CEP 04.026-001

São Paulo – SP

Phone: +55 (11) 2649-0036

E-mail: thiago.othero@sustainablecarbon.com

Invitation letter in Portuguese:

Prezado Sr. ou Sra.

Apresentação do Projeto de Créditos de Carbono pela geração de energia renovável da Cerâmica Balsas

Esta carta tem por objetivo apresentar-lhe o Projeto de Crédito de Carbono denominado **Projeto Balsas de Geração de Energia Renovável** (*Balsas Renewable Energy Project*). O projeto está sendo desenvolvido pela Cerâmica Balsas e pela Sustainable Carbon – Projetos Ambientais Ltda.

A Cerâmica Balsas é uma empresa de cerâmica vermelha que produz tijolos cerâmicos estruturais destinados, principalmente, para o mercado regional nos municípios de Balsas, Mangabeira, Fortaleza dos Nogueira e Alto Parnaíba contando com uma capacidade produtiva mensal de, aproximadamente, um milhão de peças.

A Sustainable Carbon é uma empresa especializada em biomassas e energias renováveis, com vasta experiência no desenvolvimento de projetos de substituição de combustível. A empresa também é especialista na geração de créditos de carbono que geram benefícios ambientais, sociais e financeiros a todos os envolvidos, desenvolvendo negócios sustentáveis nas comunidades da América do Sul.

A atividade do projeto consiste na utilização de biomassa renovável, como casca de arroz, em

substituição ao uso de biomassa não renovável, como lenha nativa sem plano de manejo.

Abaixo, segue uma breve descrição sobre o projeto e seu contexto. Mais detalhes podem ser encontrados no Resumo do Projeto, que se encontra anexado a esta carta.

Mudanças Climáticas e o Mercado de Carbono

Ao longo dos dois últimos séculos, a concentração de gases de efeito estufa na atmosfera (principalmente o dióxido de carbono, o gás metano e o óxido nitroso) vem aumentando em consequência da intensificação de atividades humanas, como o uso de combustíveis fósseis, produção agrícola, desmatamento, processos industriais e transporte. Alguns estudos estimam que nos últimos cem anos a temperatura média do planeta elevou-se aproximadamente 0,7 °C, resultando em impactos evidentes sobre a saúde humana, os ecossistemas e as atividades econômicas.

As várias reuniões internacionais realizadas em busca da mitigação dos impactos causados pelas mudanças climáticas levaram ao desenvolvimento do Protocolo de Quioto, um documento que especifica metas de redução de emissões para os países desenvolvidos. Nasceu então, o Mercado de Carbono, no qual países em desenvolvimento, como o Brasil, podem desenvolver projetos de redução ou captura de emissões de forma voluntária; estas reduções podem ser vendidas para os países que possuem metas de redução, através da comercialização dos créditos de carbono.

1 crédito de carbono = 1 tonelada equivalente de CO₂

Paralelamente ao mercado de créditos de carbono do Protocolo de Quioto, surgiram iniciativas voluntárias de empresas e instituições que não possuem obrigações de reduzir emissões, mas que desejam compensá-las através da aquisição de créditos de carbono; esta compensação pode ocorrer no Mercado Voluntário.

Além de investimentos, estes projetos são uma forma de promover o desenvolvimento sustentável nos países através não só de ganhos ambientais, mas também sociais.

Créditos *Gold Standard*

A fim de garantir benefícios para a sustentabilidade, o projeto está buscando utilizar o padrão de certificação do *Gold Standard*. Este padrão tem por objetivo garantir que os projetos desenvolvidos insiram efetivamente as questões de contribuição para o desenvolvimento sustentável por meio da incorporação de métodos transparentes e participativos de acesso e mensuração dos benefícios revertidos para as partes envolvidas e para o meio ambiente.

Apresentação aos atores interessados

A consulta aos atores interessados no projeto é uma das etapas necessárias ao ciclo de projetos do *Gold Standard*. Nessa etapa, pessoas e entidades possivelmente afetadas ou interessadas no projeto têm a chance de conhecer e comentar sobre o projeto, inclusive propondo melhorias e cuidados adicionais. Para tanto, realizaremos uma apresentação sobre o projeto, a ser realizada na seguinte data e local:

Apresentação em Balsas/MA:

Data: 13/09/2012 (quinta-feira)

Horário: 17h

Local: Auditório da Câmara Municipal

Endereço: Rua José Coelho Noleto, nº 2008 - Potosi

Solicitamos a participação de todos os interessados nessa atividade. Sua participação contribuirá para um melhor enquadramento do projeto e ampliação dos seus efeitos e benefícios. Os interessados poderão expressar suas dúvidas e opiniões durante as apresentações ou ainda entrando em contato com:

Sustainable Carbon – Projetos Ambientais LTDA
A/C Thiago de Avila Othero
Rua Doutor Bacelar, 368. Conj 73
Vila Clementino – CEP 04.026-001
São Paulo – SP
Telefone: (11) 2649-0036
E-mail: thiago.othero@sustainablecarbon.com

Resumo do projeto

O Projeto

O projeto de geração de energia renovável da Cerâmica Balsas consiste na troca de biomassa não renovável (lenha nativa sem plano de manejo florestal) por biomassas de origem comprovadamente renovável (casca de arroz, lenha com plano de manejo florestal sustentável, resíduos de madeira, glicerina e capim elefante) para geração de energia térmica nos fornos responsáveis pela queima dos produtos de cerâmica vermelha.

Atualmente, a Cerâmica Balsas faz uso somente de casca de arroz em seus fornos, mas durante a vida útil do projeto pode optar por mais de tipo de biomassa renovável.

A utilização da biomassa não renovável é responsável pelo aumento da concentração de gases de efeito estufa na atmosfera. Em contraste, o projeto irá gerar energia através de fontes renováveis, com baixo impacto ao meio ambiente. Além disso, o dióxido de carbono emitido pela queima de combustíveis renováveis é compensado pela absorção de carbono pelas plantas, assim não aumentando as concentrações de gases na atmosfera. As figuras no Anexo 1 ilustram o cenário antes e depois da implantação do projeto:

Informações Técnicas do Projeto

Projetos de redução de emissão voluntário sob o padrão *The Gold Standard*.

Localização: Balsas/MA.

Período de obtenção de crédito: 10 anos.

Metodologia: AMS- I.E.: Substituição de Biomassa não renovável para aplicações térmicas para o usuário, versão 05.

Cálculo da redução de emissões: As reduções de emissões são proporcionais a quantidade de biomassa não renovável que deixa de ser utilizada pela aplicação do projeto. Os cálculos resultam na estimativa de redução de cerca de 51.360 toneladas equivalentes de carbono durante o período de 10 anos.

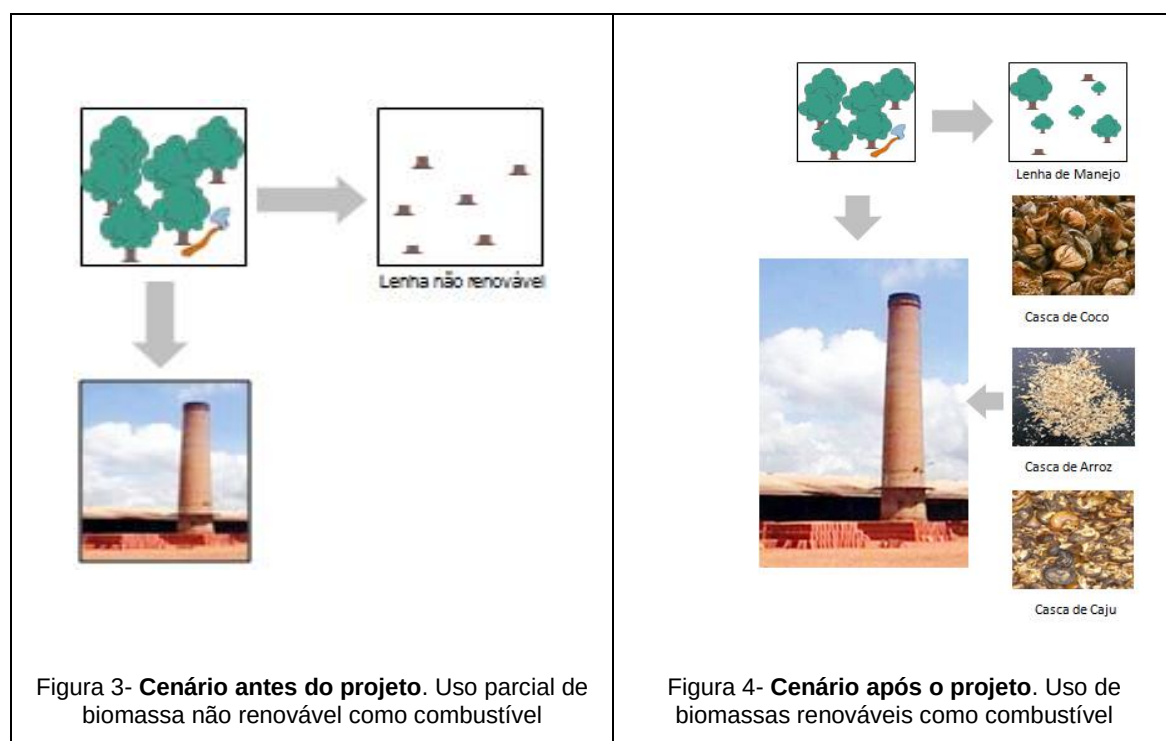
Impactos Ambientais e Sociais:

Os impactos ambientais do projeto são considerados positivos, e relacionam-se ao desestímulo do desmatamento do Cerrado, assim como melhorias nas condições de trabalho para os empregados da empresa, devido às alterações no processo produtivo. Mais especificamente, os seguintes benefícios são esperados pela aplicação do projeto:

Indicador	Benefícios do projeto
Qualidade do ar	✓ Melhoria na queima de combustível, resultando em menor emissão de fumaça; ✓ Aumento do monitoramento e controle das emissões atmosféricas;
Qualidade de emprego	✓ Menor exposição dos colaboradores à fumaça e calor dos fornos; ✓ Controle sobre as ações de saúde e segurança realizadas pelos proprietários das cerâmicas;

	✓ Incentivo a melhoria contínua nas condições de saúde e segurança dos colaboradores;
Acesso a energia limpa	✓ Geração de energia por fontes renováveis; ✓ Aproveitamento de resíduos para geração de energia; ✓ Maior controle sobre a origem dos combustíveis utilizados nas cerâmicas;
Geração de renda	✓ Geração de receita pela venda de créditos de carbono. Esta receita é importante para possibilitar que os ceramistas mantenham os investimentos no projeto e na compra de combustíveis renováveis;

Anexo 1 – Ilustração das alterações propostas pelo projeto



v. Text of public invitations

No public invitations were made in written form. Sustainable Carbon has made personal invitation on the day of the meeting.

B. 2. Description of other consultation methods used

If individuals and/ or entities (e.g. NGOs) are unable to attend the physical meeting, please discuss other methods that were used to solicit their feedback/ comments (e.g. questionnaires, phone calls, interviews).

The invitation letter and e-mail messages mentioned the possibility to get in contact with Sustainable Carbon in order to request more information on the project and/or to provide opinions and comments about the project activity. Contact information from Sustainable Carbon included its website, an email address, a physical address and telephone numbers.

SECTION C. CONSULTATION PROCESS

C. 1. Participants' in physical meeting(s)

i. List of participants

Please attach original participants' list (in original language) as Annex 1.

Balsas, 13 de setembro de 2012.

LISTA DE PRESENÇA – Consulta aos atores interessados locais do *Projeto Balsas de Geração de Energia Renovável*

Local:	Câmara Municipal de Balsas			
Nome	Entidade/Organização	E-mail	Telefone	Assinatura

ii. Evaluation forms

Please add at least 4-5 representative samples in English.

Please attach original evaluation forms (in original language) as Annex 2.

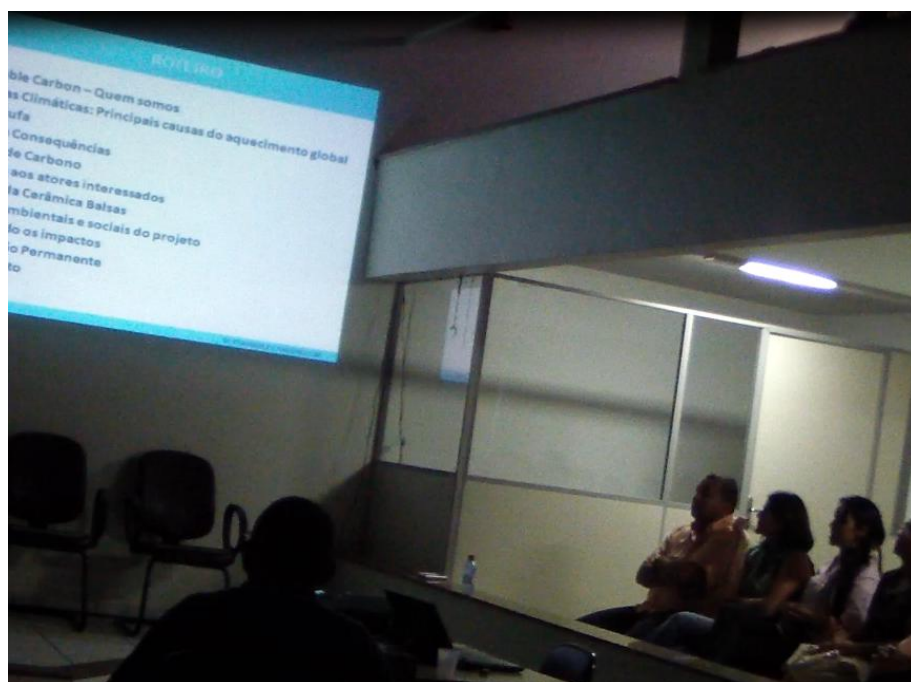
Evaluation form <i>Balsas Renewable Energy Project</i>	
Name: <u>Yara C. Guedes</u>	Date: <u>13/09/2012</u>
Occupation: Administrative Assistant	Institution: Balsas Ceramic
E-mail: <u>yara.que@hotmail.com</u>	Telephone: +55 99 9978-1236/3541-1495
Resident of: ☒ (X) Balsas	☐ () Other: _____
Community work:	☐ () Cooperative
☐ () Community association	☐ () Environmental body
☐ () Business	☐ () Public entity
☐ () ONG	☒ (X) Other: <u>Student</u>
Evaluation of the stakeholders consultation meeting	
1. In your opinion, the presentation was:	
☒ (X) Good	
☐ () Regular	
☐ () Bad	
2. What could be improved in the presentation?	
Project evaluation	
1. What is your opinion about this Project?	
It is fantastic, due to the initiative regarding the <u>environment</u>	
2. In which aspects the Project could be improved?	
Involve other productive sectors, such as agriculture and <u>livestock</u>	
3. In your opinion, what are the positive aspects of the Project?	
Caring about the environment.	

Evaluation form <i>Balsas Renewable Energy Project</i>	
Name: <u>Lusineide Miranda Gomes</u>	Date: <u>13 /09/2012</u>
Occupation: Teacher	Institution: <u>Marinha Rocha Public School</u>
E-mail:	Telephone: +55 99 9649.0674
Resident of: (X) Balsas	() Other: _____
Community work:	() Cooperative
() Community association	() Environmental body
() Business	() Public entity
() ONG	() Other: _____
Evaluation of the stakeholders consultation meeting	
1. In your opinion, the presentation was:	
() Good	
(X) Regular	
() Bad	
2. What could be improved in the presentation?	
The Project could be better announced	
Project evaluation	
1. What is your opinion about this Project?	
The Project is very valuable to the company and to the community	
2. In which aspects the Project could be improved?	
3. In your opinion, what are the positive aspects of the Project?	
Reducing pollutants that cause illnesses to the society and mostly improve the quality of life for	
<u>many people</u>	

Evaluation form <i>Balsas Renewable Energy Project</i>	
Name: <u>Rehrison Farias Barros</u>	Date: <u>13/09/2012</u>
Occupation: <u>Student</u>	Institution: <u>V.I. Professor Luiz Rego (School)</u>
E-mail: <u>rehrissonfarias@hotmail.com</u>	Telephone: <u>+55 99 8817.4086</u>
Resident of: ☒ (X) <u>Balsas</u>	☐ () Other: _____
Community work:	☐ () Cooperative
☐ () Community association	☐ () Environmental body
☐ () Business	☐ () Public entity
☐ () ONG	☐ () Other: <u>School</u>
Evaluation of the stakeholders consultation meeting	
1. In your opinion, the presentation was:	
☒ (X) Good	
☐ () Regular	
☐ () Bad	
2. What could be improved in the presentation?	
Explanation could be given on how we could help preventing climate change	
Project evaluation	
1. What is your opinion about this Project?	
The Project involves trying to reduce the emission of pollutant gases	
2. In which aspects the Project could be improved?	
The Project announcement	
3. In your opinion, what are the positive aspects of the Project?	
Reducing the pollution	

Evaluation form <i>Balsas Renewable Energy Project</i>	
Name: Wellington Cunha de Souza	Date: 13/09/2012
Occupation: Agronomist	Institution: SENAI (National Service of Industrial Education)
E-mail: wellington@fiema.org.br	Telephone: +55 99 3541.9676
Resident of: ☒ (X) Balsas	☐ () Other: _____
Community work:	
☐ () Community association	☐ () Cooperative
☐ () Business	☐ () Environmental body
☒ (X) NGO	☐ () Public entity
	☐ () Other: _____
Evaluation of the stakeholders consultation meeting	
1. In your opinion, the presentation was:	
	☒ (X) Good
	☐ () Regular
	☐ () Bad
2. What could be improved in the presentation?	
The presence of construction companies which are the most important consumers of ceramic devices	
Project evaluation	
1. What is your opinion about this Project?	
The reduction on the consumption of firewood in red ceramic factories is in line with the environmental problems of the sector. That's great.	
2. In which aspects the Project could be improved?	
Announcement to related companies	
3. In your opinion, what are the positive aspects of the Project?	
- reducing the consumption of native firewood	
- Adding value to environmental actions	

C. 2. Pictures from physical meeting(s)



C. 3. Outcome of consultation process

i. Minutes of physical meeting(s)

Please ensure that you include a summary of the meeting as well as all comments received. Please also include discussion on Continuous Input / Grievance Expression methods; comments, agreement or modifications suggested by Stakeholders.

In a general way, the meeting was successful. The participation from the community was made possible, even though individual invitations only arrived on the day of the meetings, due to a problem with the Postal Service. To remedy such situation, Sustainable Carbon team members made personal invitations and phone calls to part of the stakeholders. The ceramic factory manager has also arranged for a bus to transport employees and their families to attend the presentation. Stakeholders also included representatives from NGO's, local schools and people related to the community, as business owners and neighborhood associations.

Most of the comments made by the stakeholders were about the reduction in pollution levels, praising the project to reduce the combustion of firewood. On the attendant's opinion, this would cause positive impacts on their quality of life.

Other comments included aspects related to improvement on water quality and conservation of biodiversity in the region, due to the reduction of deforestation.

Improvement in working conditions was also highlighted, especially regarding workers who feed the kilns. With the acquisition of automatic feeders the workers' contact with the kilns heat was reduced, also reducing the physical efforts of workers in the production sector of the ceramic factory.

No negative comments were received on the Project activity. Comments were raised regarding the need to announce both the project activity and the consultation meeting with more emphasis.

ii. Minutes of other consultations

No other consultations were made.

iii. Assessment of all comments

This Section summarizes comments that were written on the evaluation forms, under the following question: “In which aspects the Project could be improved?”

Stakeholder comment	Was comment taken into account (Yes/ No)?	Explanation (Why? How?)
C1: The project could be improved in case it was announced to related companies	No	No changes on the project are required due to such comment.
C2: The project could have been better announced	No	Project proponents have followed Gold Standard Procedures for the stakeholder consultation. Sustainable Carbon has made personal invitations and phone calls to stakeholders since there was an unexpected problem with the postal service in delivering the invitations.
C3: The project could involve other productive sectors, such as agriculture and livestock	No	It is not feasible to include other productive sectors in the project activity, due to the applicable methodological boundaries
C4: The project could have been better announced, so more people could become aware of its importance.	No	Project proponents have followed Gold Standard Procedures for the stakeholder consultation. Sustainable Carbon has made personal invitations and phone calls to stakeholders since there was an unexpected problem with the postal service in delivering the invitations.
C5: It is much better the way it is.	No	No changes on the project are required due to such comment.
C6:The project could be improved in regard to the way it was announced	No	Project proponents have followed Gold Standard Procedures for the stakeholder consultation. Sustainable Carbon has made personal invitations and phone calls to stakeholders since there was an unexpected problem

Stakeholder comment	Was comment taken into account (Yes/ No)?	Explanation (Why? How?)
		with the postal service in delivering the invitations.
C7: The project could be improved with due communication	No	Project proponents have followed Gold Standard Procedures for the stakeholder consultation. Sustainable Carbon has made personal invitations and phone calls to stakeholders since there was an unexpected problem with the postal service in delivering the invitations.
C8: No suggestions	No	No changes on the project are required due to such comment.
C9: The project could be improved in regard to the way it was announced	No	Project proponents have followed Gold Standard Procedures for the stakeholder consultation. Sustainable Carbon has made personal invitations and phone calls to stakeholders since there was an unexpected problem with the postal service in delivering the invitations.
C10: The project could be improved with due communication	No	Project proponents have followed Gold Standard Procedures for the stakeholder consultation. Sustainable Carbon has made personal invitations and phone calls to stakeholders since there was an unexpected problem with the postal service in delivering the invitations.
C11: The project should be more announced and should be more convincing towards companies that pollute more	No	Project proponents have followed Gold Standard Procedures for the stakeholder consultation. It is not clear how the project could be more convincing to other companies.

iv. Revisit sustainability assessment

Are you going to revisit the sustainable development assessment?	Yes	No
Please note that this is necessary when there are indicators scored 'negative' or if there are stakeholder comments that can't be mitigated	☐	✓

Give reasoning behind the decision

The sustainable development assessment is not going to be revised since the majority of comments from stakeholders were very positive. No negative comments were received and during the summarized blind exercise no indicators were scored negatively.

Stakeholders were of the opinion that the project generates benefits on biodiversity and ecosystem conservation, as it prevents deforestation to obtain fuel wood. However, Project Participants will not consider a positive impact on the biodiversity indicator since the actual conservation of ecosystems depends on several factors not controlled by the project.

Stakeholders were of the opinion that the monitoring of sustainability indicators is well designed and no specific suggestions for improvement were received. Given the exposed, project proponents are of the view that no changes to the sustainable development assessment are needed.

v. Summary of alterations based on comments

If stakeholder comments have been taken into account and any aspect of the project modified, then please discuss that here.

Not applicable. No alterations were required.

SECTION D. SUSTAINABLE DEVELOPMENT ASSESSMENT

D. 1. Own sustainable development assessment

i. 'Do no harm' assessment

Safeguarding principles associated with a medium to high risk	Assessment of project risks breaching it (low/medium, high)	Mitigation or compensation measure proposed by project proponents after discussion with Objective Observer(s)
HUMAM RIGHTS		
1. The project respects internationally proclaimed human rights including dignity, cultural property and uniqueness of indigenous people. The project is not complicit in Human right abuses	Low. The project is not expected to result in Human right abuses. Brazil ratified several treaties and conventions on human rights, including the American Convention on Human Rights (also known as the Pact of San José) ⁸ .	None
2. The project does not involve and is not complicit in involuntary resettlement	Low. The project does not involve any kind of resettlement or relocation.	None
3. The project does not involve and is not complicit in the alteration, damage or removal of any critical cultural heritage.	Low. The project has no impact on cultural heritage.	None
LABOUR STANDARDS		
4. The project respects the employees' freedom of association and their right to collective bargaining and is	Low. The project will not affect the employees' freedom of Association. The Brazillian Government has ratified 5 conventions of the International Labour	None

⁸ More information on: <http://en.wikipedia.org/wiki/American_Convention_on_Human_Rights>.

Safeguarding principles associated with a medium to high risk	Assessment of project risks breaching it (low/medium, high)	Mitigation or compensation measure proposed by project proponents after discussion with Objective Observer(s)
not complicit in restrictions of these freedoms and rights.	Organization on Freedom of Association, Collective Bargaining, and Industrial Relations⁹. These include Conventions C098 (<i>Right to Organize and Collective Bargaining Convention</i>), C135 (<i>Workers' Representatives Convention</i>), C141 (<i>Rural Workers' Organizations Convention</i>), C151 (<i>Labour Relations (Public Service) Convention</i>) and C154 (<i>Collective Bargaining Convention</i>). Such conventions aim to provide workers' with important rights and benefits, such as protection against acts of anti-union discrimination in respect of their employment, effective protection against any act prejudicial to workers based on their status or activities as a workers' representative or on union membership or participation in union activities, ensure rural workers and public employees the principles of freedom of association, amongst others. These principles are respected by the project proponents.	
5. The project does not involve and is not complicit in any form of forced or compulsory labour	Low. The project will not involve any form of forced or compulsory labour. Brazil has ratified ILO Conventions C29 (<i>Forced Labour Convention</i>) and C105 (<i>Abolition of Forced Labour Convention</i>) ¹⁰ . These conventions determine that each Member which ratifies it undertakes to take effective measures to secure the immediate and complete abolition	None

⁹ More information on: <http://www.ilo.org/ilolex/cgi-lex/ratifgroupe.pl?class=g03_01&country=Brazil>.

¹⁰ More information on: <http://www.ilo.org/ilolex/cgi-lex/ratifgroupe.pl?class=g03_02&country=Brazil>.

Safeguarding principles associated with a medium to high risk	Assessment of project risks breaching it (low/medium, high)	Mitigation or compensation measure proposed by project proponents after discussion with Objective Observer(s)
	of forced or compulsory labour: (a) as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system; (b) as a method of mobilizing and using labour for purposes of economic development; (c) as a means of labour discipline; (d) as a punishment for having participated in strikes; (e) as a means of racial, social, national or religious discrimination.	
6. The project does not employ and is not complicit in any form of child labour.	Low. The project will not involve any form of child labour. Brazil has ratified ILO Conventions C138 (<i>Minimun Age Convention</i>) and C182 (<i>Worst Forms of Child Labour Convention</i>)¹¹. Convention C138 determines that each Member for which this Convention is in force undertakes to pursue a national policy designed to ensure the effective abolition of child labour and to raise progressively the minimum age for admission to employment or work to a level consistent with the fullest physical and mental development of young persons. Convention C182 determines that Each Member which ratifies this Convention shall take immediate and effective measures to secure the	None

¹¹ More information on: <http://www.ilo.org/ilolex/cgi-lex/ratifgroupe.pl?class=g03_04&country=Brazil>.

Safeguarding principles associated with a medium to high risk	Assessment of project risks breaching it (low/medium, high)	Mitigation or compensation measure proposed by project proponents after discussion with Objective Observer(s)
	prohibition and elimination of the worst forms of child labour as a matter of urgency. Worst forms of child labour include: all forms of slavery or practices similar to slavery, the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances, the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs, work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children. No child labor is involved in any phase of this project activity, nor in the collection of biomass used by the project proponents.	
7. The project does not involve and is not complicit in any form of discrimination based on gender, race, religion, sexual orientation or any other basis	Low. The project will not result in any form of discrimination. Brazil has ratified international conventions on discrimination, such as the ILO C100 Convention (Equal Remuneration Convention) and ILO C111 (Discrimination (Employment and Occupation) Convention)¹². Convention C100 determines that each Member shall, promote, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value. Convention C111 determines that each Member for which this Convention is in force undertakes to declare and pursue a national	None

¹² More information at: <http://www.ilo.org/ilolex/cgi-lex/ratifgroupe.pl?class=g03_03&country=Brazil>.

Safeguarding principles associated with a medium to high risk	Assessment of project risks breaching it (low/medium, high)	Mitigation or compensation measure proposed by project proponents after discussion with Objective Observer(s)
	policy designed to promote, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof.	
8. The project provides workers with a safe and healthy work environment and is not complicit in exposing workers to unsafe or unhealthy work environment	Low. The project might expose workers to the risk of accidents and other safety related concerns if due caution is not taken. The ceramic employees use IPE correctly, once is required by the current legislation.	None.
ENVIRONMENTAL PROTECTION		
9. The project takes a precautionary approach in regard to environmental challenges and is not complicit in practices contrary to the precautionary principle	Low. Sustainable Carbon has significant experience with the project measures. It has helped over 50 ceramic factories in Brazil to apply renewable biomass as fuel. Hence, the company has a lot of experience with technology/measures applied by the project.	None
10. The project does not involve and is not complicit in significant conversion or degradation of critical natural habitats, including those that are (a) legally protected, (b) officially proposed for protection, (c) identified by authoritative sources for their big conservation value, or (d) recognized as protected by	Low. The project will predominantly use abundant biomass residues as fuels. Hence, the impact on environmentally protected areas is not expected.	The project will monitor the origin of biomass used to assure they are renewable and do not result in environmental degradation.

Safeguarding principles associated with a medium to high risk	Assessment of project risks breaching it (low/medium, high)	Mitigation or compensation measure proposed by project proponents after discussion with Objective Observer(s)
traditional local communities.		
ANTI-CORRUPTION		
11. The project does not involve and is not complicit to corruption	Low. The project does not involve corruption. Brazil has ratified the United Nations Convention against Corruption ¹³ .	None

ii. Sustainable development matrix

As this is a micro-scale project, a sustainable development matrix is not required. Below is Sustainable Carbon's evaluation of sustainable development related issues potentially associated with the project activity.

Does the implementation of the project activity contribute to any negative environmental impacts, (e.g. on air quality, water quality and/or quantity, soil condition, biodiversity or any other pollutant) compared with the baseline situation (i.e. current situation or most likely situation in the absence of the project activity)?

Air quality

The project is not expected to generate negative impacts on air quality. The project activity aims to improve operational procedures related to fuel usage. In the baseline scenario, *Balsas* ceramic used native firewood as fuel and a little control existed on the kilns feeding, leaving the possibility of high atmospheric pollution due to irregular burning (i.e. excessive feeding of the kilns and burning of wet firewood). In addition, the project activity will provide a more efficient burning of fuels, as automatic feeders tend to maximize the use of fuels and avoid excess of smoke due to irregular burning. Impacts on air quality due to the transportation of biomass are also not expected, since similar means of transportation (mainly trucks) were used in the baseline for the transportation of non-renewable biomass.

The project will also improve the monitoring procedures on atmospheric emissions, by applying the following indicator from Social Carbon Standard^{®14}: Social Carbon indicators for Ceramic Industry¹⁵:

¹³ More information at: <<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>>.

¹⁴ The SOCIALCARBON Standard is a certification adept at bringing demonstrable social, environmental and economic benefits to the stakeholders of carbon offset projects. More information at: <<http://www.socialcarbon.org/>>.

¹⁵ Available at: <http://www.socialcarbon.org/uploadDocs/Documents/Indicators_for_Industries_of_the_Ceramic_Sector_v8_English.pdf>. Last visit on 14/01/2011.

Emissions to the atmosphere - Evaluates the control over the atmospheric emissions involving the gases emitted during the productive process, except the greenhouse gases. This indicator is used to guaranty that appropriated measures is taken regarding the atmospheric emissions in over 40 ceramic factories in Brazil, through a more practical method based on participatory interviews and meetings with stakeholders.

The project situation is analyzed on a periodical basis and is scored from 1 to 6, where 1 represents a critical situation and 6 represents a sustainable scenario.

For the Emissions to the atmosphere indicator, the following scenarios are defined:

1. There is not monitoring of the emissions. There are not actions to control and reduce the emission.
2. There is monitoring, but the entrepreneur can't guarantee that it is in conformity with the legislations, norms and applies requisites. There are not actions to control and reduce the emission.
3. There is not monitoring of the emissions. There are actions to control and reduce the emission with evident results, even though not measurable.
4. There is monitoring, but the entrepreneur can't guarantee that it is in conformity with the legislations, norms and applies requisites. There are actions to control and reduce the emission with evident results and/or measurable.
5. There is monitoring and the entrepreneur can guarantee that it is in conformity with the legislations, norms and applies requisites. There are actions to control and reduce the emission with evident results.
6. There is monitoring and the entrepreneur can guarantee that it is in conformity with the legislations, norms and applies requisites. There are actions to control and reduce the emission with measurable results.

Therefore, the Project Participants will rely in site visits and interviews to determine the level of control over the atmospheric emissions. The aim of the project is to assure environmental impacts are avoided. Emissions to the atmosphere will also be monitored on a frequent basis with the use of Ringelmann smoke charts.

Impacts on air quality due to the transportation of biomass are not expected, since similar means of transportation (mainly trucks) were used in the baseline for the transportation of non-renewable biomass.

Water quality and/or quantity

The fuel switching project is not expected to result in impacts in water quality and quantity. Although water is used in the brick production process during the molding phase, the project only involves modifications in the burning phase, where impacts on water are unlikely to occur. The use of water shall remain similar to the baseline situation, where major impacts on water quality and quantity are not observed.

Soil condition

The project might result in environmental pollution in case appropriate procedures to manage and dispose ashes are not followed. During the project operation, ashes result from the burning of biomass. In the baseline situation, *Balsas* ceramic tries to minimize the environmental impact of the ashes

incorporating it into the clay mass. However, proper procedures are not always observed and the potential for environmental impacts exists.

With the project activity, new kinds of fuels will be used (renewable biomasses such as biomass residues) and the generation of ashes might increase. Therefore, the project proponent will monitor the procedures to control and dispose ashes on *Balsas* ceramic.

The project will apply the following indicator from Social Carbon Standard¹⁶: Social Carbon indicators for Ceramic Industry¹⁷: **Ashes** - Evaluates the procedures adopted by the entrepreneur in order to control the ashes and its destination. This indicator is used to guaranty that appropriated measures is taken to regarding the displacement of ashes in over 40 ceramic industries in Brazil, through a more practical method based on participatory interviews and meetings with stakeholders.

The project situation is analyzed on a periodical basis and is scored from 1 to 6, where 1 represents a critical situation and 6 represents a sustainable scenario.

For the Ashes indicator, the following scenarios are defined:

1. Ashes deriving from the biomass burning in the kilns are discarded without any environmental control.
2. Part of the ashes is designed in an inadequate way and the other part is reused/donates without specific control.
3. Ashes are totally reused or donated, but without specific control.
4. Ashes are totally reused or donated, with control of the quantity and destination of the material.
5. In addition to the last item, part of them is commercialized.
6. The company presented management system that includes procedures to store, to monitor, to reduce the generation, and others.

Therefore, the project proponent will rely in site visits and interviews to determine the level of control over the handling and disposal of ashes. In addition, the ceramic manager will regularly monitor the production and destination of ashes. The aim of the project is to assure environmental impacts are avoided and a sustainable use and disposal of ashes is obtained.

Biodiversity

The fuel switching project is not expected to result in negative impacts on biodiversity, since it will likely result in the reduction of deforestation of the *Cerrado* biome by providing alternative fuels. However, the actual effects on biodiversity and on the conservation of the *Cerrado* biome depend on several factors outside the project boundaries. Furthermore, the project will use, preferably, locally

¹⁶ The SOCIALCARBON Standard is a certification adept at bringing demonstrable social, environmental and economic benefits to the stakeholders of carbon offset projects. More information at:

<<http://www.socialcarbon.org/>>.

¹⁷ Available at:

<http://www.socialcarbon.org/uploadDocs/Documents/Indicators_for_Industries_of_the_Ceramic_Sector_v8_English.pdf>. Last visit on 14/01/2011.

abundant biomass residues as fuel. Hence, as a conservative measure, a neutral impact on biodiversity is considered.

The project is not expected to result in land use change nor in pressure on ecosystems or existing biomass chains.

Other pollutant

The fuel switching project is not expected to result in increase or decrease of other pollutants. Brazilian legislation does not establish emission standards to ceramic factories, which indicates that these impacts are not expected to occur. Impacts on other pollutants due to the transportation of biomass are not expected, since similar means of transportation (mainly trucks) were used in the baseline for the transportation of non-renewable biomass.

Does the implementation of the project lead to any negative social and economic impacts e.g. was there any deterioration of livelihoods, or reduction in the quality and quantity of employment, compared with the baseline situation (i.e. current situation or most likely situation in the absence of the project activity)?

Quality and quantity of employment

The fuel switching project is not expected to significantly affect the quality and quantity of employment. The project includes a certain level of automation in the logistics and fuel usage, improving the working conditions of employees responsible for feeding the kilns with bricks and fuels. However, following the automation, employees' dismissal has occurred. The ceramic owner has minimized such negative impact by reallocating employees to other areas as much as possible.

In the case of utilizing rice husk as a renewable biomass, the workers who load and feed the kilns are exposed to airborne particulate matter, which irritates eyes and lungs. Therefore, the use of IPE is required by the current legislation.

Livelihood of poor

The project is not expected to affect the living conditions of the poor.

Comments accompanying own sustainable development matrix

No comments.

D. 2. Stakeholders Blind sustainable development matrix

As this is a micro-scale project, the blind exercise was not mandatory. Sustainable Carbon has chosen to include it since it is a good approach to obtain an unbiased opinion from stakeholders. However, to reduce the length of the presentation indicators with low relevance to the project were not discussed.

Indicator	Mitigation measure	Relevance to achieving MDG	Choosing parameter and explanation	Preliminary score
Air quality	None	Relevant to Goal seven: Ensure Environmental Sustainability. The project will decrease the consumption of non-renewable fuels and mitigate CO ₂ emissions, which is a Greenhouse Gas. Brazilian Millenium Development Goals include measures to reduce GHG emissions ¹⁸ .	Stakeholders have considered the project will have a neutral impact on air quality. It is important to mention that during other sections of the consultation meeting, stakeholders mentioned the project would have a positive effect on this indicator. However, during the blind exercise no comments were received.	+
Water quality and quantity	None	None	Stakeholders expect that the project will generate positive impacts on water quality and quantity. By preserving native vegetation, the project will protect groundwater resources once the vegetation acts as a filter to improve water quality.	+

¹⁸ Information on Brazilians MDG are available at: <<http://www.pnud.org.br/odm/index.php?lay=odmi&id=odmi#>>. Last visited on 24/03/2011.

Indicator	Mitigation measure	Relevance to achieving MDG	Choosing parameter and explanation	Preliminary score
Soil condition.	Monitoring the procedures related to the control and disposal of ashes following Social Carbon [®] procedures	Low relevance	Stakeholders expect that the project will generate positive impacts on soil condition. In the view of stakeholders, the project will preserve native vegetation, which protects the soil against erosion.	+
Other pollutants	None.	None	Stakeholders expect the project will not generate other pollutants. Comments were not relevant in this topic.	0
Biodiversity	None.	None.	Stakeholders expect the project will generate positive impacts on biodiversity. In the stakeholders' view, the project will preserve native vegetation, thus contributing to the preservation of biodiversity in the region.	+
Quality of employment	No.	Low relevance.	Stakeholders expect the project will generate positive impacts on quality of employment. Workers contact with the heat of the kilns was decreased, due to the installation of	+

Indicator	Mitigation measure	Relevance to achieving MDG	Choosing parameter and explanation	Preliminary score
			automatic feeders.	
Livelihood of the poor	No.	None.	This indicator was not discussed since it is considered to have a low relevance to the project.	0
Access to affordable and clean energy services	No.	Relevant to Goal seven: Ensure Environmental Sustainability. The project will produce energy from renewable sources. Brazilian Millennium Development Goals include measures to reduce GHG emissions and to promote alternative energy sources and the rational use of energy ¹⁹ .	Stakeholders expect to positively impact the access to affordable and clean energy services, due to the employment of renewable biomass to feed the ceramic kilns. One comment was made in regard to the access to rice husk for other users. In the view of this stakeholder, the price of rice husks could increase after the project operation. However, this type of biomass is currently abundant in the region and this situation is not likely to occur. More information on the competing use of biomass is available on the Project Design Document.	+
Human and institutional capacity	No.	None.	Stakeholders expect that the project will generate positive impacts on Human and institutional capacity. With the project implementation, the installation of a Burning Control System was needed, which required training of the employees.	+
Quantitative employment and income	No.	Low relevance.	Stakeholders expect the project will generate positive impacts on quantitative employment and income generation.	+

¹⁹ Information on Brazilians MDG are available at: <<http://www.pnud.org.br/odm/index.php?lay=odmi&id=odmi#>>. Last visited on 24/03/2011.

Indicator	Mitigation measure	Relevance to achieving MDG	Choosing parameter and explanation	Preliminary score
generation				
Balance of payments and investment	None	None.	This indicator was not discussed since it is considered to have a low relevance to the project.	0
Technology transfer and technological self-reliance	None	None.	This indicator was not discussed since it is considered to have a low relevance to the project.	0

Comments resulting from the stakeholders blind sustainable development matrix

No comments.

Give analysis of difference between own sustainable development matrix and the one resulting from the blind exercise with stakeholders. Explain how both were consolidated.

Stakeholders have attributed no negative impacts to the project. All impacts considered positive by the project developers were also considered positive by the participants to the meeting. Participants also attributed other positive impacts to the project, on indicators such as biodiversity, water preservation and income generation to the community.

Given the fact that the project impact on such indicators is not feasible to monitor, project developers have decided not to alter the own sustainable development matrix developed prior to the consultation. Hence, the consolidated sustainable development matrix is equal to the one described in Section D.1.

D. 3. Consolidated sustainable development matrix

As this is a micro-scale project, the sustainable development matrix is not required. Considering that stakeholders have considered there are no negative impacts associated to the project, Sustainable Carbon's evaluation of sustainable development related issues potentially associated with the project activity remains unchanged. Such evaluation is described on Section D.1.ii of this document.

SECTION E. SUSTAINABILITY MONITORING PLAN

E. 1. Discussion on Sustainability monitoring Plan

Discuss stakeholders' ideas on monitoring sustainable development indicators. Do people have ideas on how this could be done in a cost effective way? Are there ways in which stakeholders can participate in monitoring?

Stakeholders did not propose new ideas on monitoring sustainable development indicators. The general opinion was that the monitoring of sustainable development indicators was well designed and complete.

E. 2. Discussion on continuous input / grievance mechanism

Discuss the Continuous input / grievance mechanism expression method and details, as discussed with local stakeholders.

Sustainable Carbon has explained the concepts of continuous input/grievance mechanism to stakeholders during the consultation meeting. Such explanation was followed by detailing the suggested methods proposed for the project (process book, telephone access and internet/email access). Stakeholders made few comments and did not require the use of a Nominated Independent Mediator. Hence, this additional method will not be used.

	Method Chosen	Justification
Continuous Input / Grievance Expression Process Book	The Expression process book was adopted a few days after the consultation meetings. It is located in the Reception desk of <i>Balsas</i> Ceramic.	The reception desk was chosen as the most appropriate place, since any person entering the ceramic company should first go to the reception. Placing the book outside the ceramic company was not considered feasible, since the ceramic factory is in an unpopulated area distant from the urban area. The only residences nearby, belonging to the ceramic factory employees, who have unrestricted access to the reception.
Telephone access	Sustainable Carbon telephone was defined as the telephone access. Contact numbers were provided during the consultation meeting and in the invitations.	Sustainable Carbon is the party responsible for the communication with stakeholders.
Internet/email access	Sustainable Carbon e-mails and website were defined as the point of contact. Contact details were provided during the consultation meeting and in the invitations.	Sustainable Carbon is the party responsible for the communication with stakeholders.
Nominated Independent Mediator (optional)	This method is not to be used.	Sustainable Carbon and <i>Balsas</i> Ceramic consider it is not feasible to opt for the nominated independent mediator. Stakeholders consider this choice is also not required.

All issues identified during the crediting period through any of the Methods shall have a mitigation measure in place. The identified issue should be discussed in the revised Passport and the corresponding mitigation measure should be added to sustainability monitoring plan

SECTION F.	DESCRIPTION OF THE DESIGN OF THE STAKEHOLDER FEEDBACK ROUND
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As stated in Section A.3., this project is applying under the retroactive project cycle. The Stakeholder Feedback Round was developed following Gold Standard recommendations for the Local Stakeholder Consultation Process. This means the physical meetings and further steps described in previous sections of these documents were part of the Stakeholder Feedback Round.

Letters were sent on 30/10/2012 to relevant stakeholders (the same stakeholders invited for the physical meetings) describing how the consultations process was developed.

A summary of the stakeholder comments received and how they were assessed was also described on such letters. In this same letter, stakeholders were informed on how to make additional comments on the project and on how to obtain the current version of the project PDD and Passport. These documents were made available on Sustainable Carbon website (<http://www.sustainablecarbon.com/Conhecimento/>).

ANNEX 1. ORIGINAL PARTICIPANTS LIST


 Balsas, 13 de setembro de 2012.

LISTA DE PRESENÇA – Consulta aos atores interessados locais do Projeto Balsas de Agrupamento de Geração de Energia Renovável

Local:	Câmara Municipal de Balsas			
Nome	Entidade/Organização	E-mail	Telefone	Assinatura
WELINGTON SOUZA	SENAI	WELINGTON@FIEHA.ORG.BR	(99) 35419676	W. Souza
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Valden A. A.	Valden A. A.		88050167	Valden A. A.
Maria Jany			36484290	Maria Jany
Luiz Carlos			36448036	Luiz Carlos
Luiz Carlos	Eng. Eng.		99-3541-3826	Luiz Carlos
Luiz Carlos			99-88158196	Luiz Carlos
Luiz Carlos			99/9649-0674	Luiz Carlos
Luiz Carlos			99/88160040	Luiz Carlos
Luiz Carlos	SAPE		99/88195837	EDMILSON
Luiz Carlos			99/88124086	Luiz Carlos
Luiz Carlos			99/8813-3182	Luiz Carlos
Widely Batista	Cerâmica Balsas	widelybatista@hotmail.com	(99) 8852-2777	Widely Batista
Luiz Carlos	Cerâmica Balsas	luizcarlos@hotmail.com	(99) 9978-1236	Luiz Carlos
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Balsas, 13 de setembro de 2012.

LISTA DE PRESENÇA – Consulta aos atores interessados locais do *Projeto Balsas de Agrupamento de Geração de Energia Renovável*

Local:	Câmara Municipal de Balsas			
Nome	Entidade/Organização	E-mail	Telefone	Assinatura
Francisco	Indústria de Papel	—	—	Francisco
Somaro	nao	—	—	Somaro
Helena	nao	—	—	Helena
Carlegia	nao	—	—	Carlegia
Mário Pita C	nao	—	—	Mário Pita C
Valerio da Silva	Cuzinharia do Curumim, Balha	—	88 03 34 17	Valerio da Silva
Miguel Silva	Vendedor	Miguel Silva Rua 1000	—	Miguel Silva

ANNEX 2.	ORIGINAL EVALUATION FORMS
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Original evaluation forms are attached as a PDF file entitled “Balsas SFR Evaluation forms”.