



# Nicaragua Canal: Public Consultations Overview

HK Nicaragua Canal Development Investment Co., Limited

August 20, 2014

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Project No. 0249641



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## ***ACRONYMS LIST***

<b>ESIA</b>	Environmental and Social Impact Assessment
<b>ENACAL</b>	Empresa Nicaragüense de Acueductos y Alcantarillados Sanitarios (Nicaraguan Water and Sanitation Authority)
<b>ERM</b>	Environmental Resources Management
<b>GTRK</b>	Gobierno Territorial Rama Kriol (Rama Kriol Territorial Government)
<b>HKND</b>	Hong Kong Development Group
<b>NGO</b>	Non-Governmental Organization
<b>RAAS</b>	Región Autónoma del Atlántico Sur (South Atlantic Autonomous Region)
<b>ToR</b>	Terms of Reference

## ***EXECUTIVE SUMMARY***

Environmental Resources Management (ERM) conducted seven public consultations along the route selected for the Nicaragua Canal Project, from July 21, 2014 to July 30, 2014. The purpose of these meetings was to document the issues and concerns held by Nicaraguan society in relation to the Project's Environmental and Social Impact Assessment (ESIA). These public consultations were conducted in San Miguelito, New Guinea, Bluefields, Polo de Desarrollo, Rivas, Isla de Ometepe and Managua.

The common denominator and predominant topic in all the meetings was land ownership. Primarily, the participants' main areas of interest were how private property would be affected, the planned processes for buying and selling land, and concerns around land and property titles, as well as the expropriation of land for the construction of the Project. Water was another recurring topic. Potential impacts to Lake Nicaragua's water quality, saline intrusion and the availability of water for household and agricultural use were some of the most frequently asked questions. One of the major concerns expressed by the participants was the how Lago de Nicaragua was the central hub for the communities surrounding it, and the consequences that variations in water levels would entail on the communities' way of life. Another area of great interest was related to the baseline studies, the process and methodology for the realization of the ESIA and public consultation and the presentation deadlines established by Nicaraguan legislation.

Public consultations marked the start of the community relations activities in the ESIA framework. It is estimated that approximately 5000 Nicaraguans participated in the seven meetings. The majority of the comments regarding the Scoping Meetings themselves were positive. They valued the opportunity to talk with the technical personnel drafting the ESIA as they shared their concerns, questions and views on the Project.

On July 7, 2014, Hong Kong Development Group (HKND) announced the selection of the preferred route for the construction of the Nicaragua Canal. Once the route was made public, ERM began preparations for the consultation meetings for the ESIA's scope of work (referred to as *Scoping Meetings*) or the Project's first public consultation activities.

The consultations' objectives were to provide information on the current status of the project and the ESIA process, initiate the public consultation process and establish communication channels with key stakeholders and the general public. The public consultation meetings were held on the following dates:

- San Miguelito: Monday, July 21;
- Nueva Guinea: Tuesday, July 22;
- Bluefields: Thursday, July 24;
- Polo de Desarrollo: Friday, July 25;
- Rivas: Monday, July 28;
- Ometepe: Monday, July 28; and
- Managua: Wednesday, July 30.

In addition, these meetings were designed to identify- at a preliminary level - the project's potential impacts and benefits, as perceived by stakeholders and the general public; as well as to assist HKND define the final alignment of the route, taking into account the considerations expressed by the participants at the meetings.

The following pages document the outcome of the consultations by location, as well as summarize the most relevant issues raised by the participants.

The consultations were held under the format of open houses or fairs, where the entire population could meet, ensuring the maximum possible participation. They were organized and held in central areas in each location, with a timeframe of 4 hours beginning at 9 o'clock in the morning. The consultations were advertised at least one week in advance through two national daily newspapers and local radio stations. In addition, invitations were sent to the communities' authorities and loudspeakers were used in rural communities to ensure that those who do not listen to the radio or read the press were equally aware of the meetings. As an additional measure to facilitate the participation in some of the locations, playgrounds or nurseries were established at the consultations, so that families who attended with children could leave them in the charge of a teacher while participating in the meeting. As an example, this occurred at the consultations in Rivas and San Miguelito.

Altogether, a total of 3,819 people were registered, as shown in Table 1 below. However, it is believed that attendance was greater, as rain and logistics constraints allowed stakeholders to access the halls without the formality of registering, in the communities of San Miguelito, New Guinea and Polo de Desarrollo de Punta Gorda.

**TABLE 1-1: Number of Participants Registered at the Consultations**

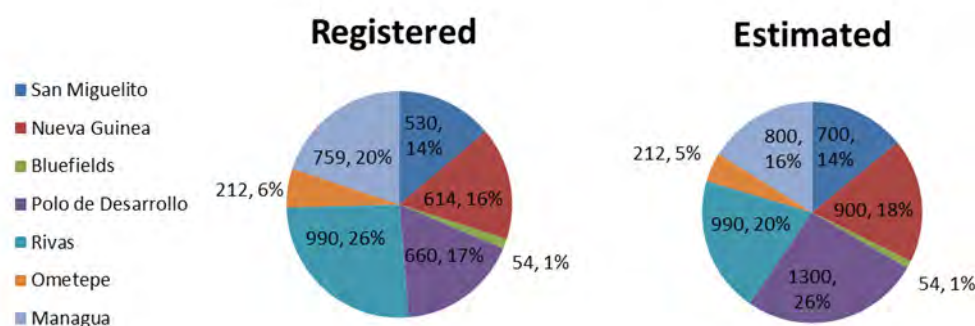
Location	Number of Participants Registered	Total Estimate
San Miguelito	530	700
Nueva Guinea	614	900
Bluefields	54	54
Polo de Desarrollo	660	1300
Rivas	990	990
Ometepe	212	212
Managua	759	800
Total	3,819	~5000

Source: ERM 2014

It must be noted that this figure only captures those people who took the time to register before entering the event. The total number of people who attended (including those that were not recorded) is estimated to be around 5000.

The graph below presents the percentage of participants by location:

**FIGURE 1-1: Percentage of Participants by Location**



Source: ERM 2014

A 20 minute video about the Project, the ESIA process and some preliminary data on studies in development was shown at the start of the meetings. Once the video was finished, participants passed into another room where, at thematic tables, ERM and HKND staff would answer questions. This format was used to ensure that all participants and stakeholders had direct access and could pose questions to ERM specialists regarding their areas of greatest interest. The description and purpose of each table is described in the following section.

## 2.1 DESCRIPTION OF THE THEMATIC TABLES

### 2.1.1 Water Resources Table

The main objective of this table was to share the results of baseline studies on water quality and sediment carried out by ERM and to respond to questions about the potential impacts of the Project on freshwater, estuaries and coastal-marine bodies. Participants asked questions regarding impacts to Lake Nicaragua,, rivers intercepted by the canal, adjacent aquifers, the quality of sea water and the impacts of sediment.

### 2.1.2 Biodiversity Table

This table was responsible for providing information on the potential impacts of the Project on flora and wildlife species and the ecosystems in the area of influence of the Project. ERM personnel responded to questions and concerns related to the possible impacts to terrestrial and aquatic (freshwater and marine) biodiversity, and also presented the methodology and some preliminary results of of the baseline studies.



### **2.1.3**      *Project Description Table*

This table focused on providing technical information related to the Project's design, as well as responding to concerns expressed around the process of buying and selling land and the relocation of the population for the construction of the canal. HKND staff and a representative of the Government interacted with the participants.

### **2.1.4**      *Community Table*

The Community Table's objective was to publicize the social, cultural heritage and health baseline studies the Project is including as part of the ESIA. ERM personnel included three specialists representing the three types of studies. The social area explained the consultation activities that the Project will carry out within the community relationship process. The health area described the specific scope for analysis of health-related impacts and detailed baseline studies to be conducted. The cultural heritage area discussed information on the focus areas for the study and the collection of artifacts and other data.

### **2.1.5**      *Environmental and Social Impact Assessment Table (ESIA)*

The objective of the ESIA table was to inform participants about the study's process and timeline. ERM personnel responded to questions and doubts regarding the process, the scope and the steps and timeline for the preparation and approval of the study according to the national regulations of Nicaragua.

### **2.1.6**      *Route Map Stations*

Special consultation areas with a map of the proposed route were provided at all meetings. At these stations, ERM staff answered questions posed by the event's participants on various topics. The map was of great relevance and helped participants understand the route and supported the technical discussions on the Project description elements.

### **2.1.7**      *Feedback Table*

The main objective of this table was to collect feedback (e.g., complaints, suggestions, recommendations, questions, etc.) from the participants with respect to the meeting or the Project. To achieve this, ERM designed a feedback form, which could be completed by participants. This document contained the following 4 questions:

1. Did you like the event? Why?
2. How could we improve this event in the future?
3. Is there any additional information you would like to know?
4. Other suggestions?

The mechanism to collect feedback from the attendees was the following: once the participants were preparing to leave the premises (when they had finished visiting the different thematic tables), ERM staff invited them to give their general impressions of the event in writing. Therefore, comments and opinions would serve to support the process of identifying risks and environmental and social impacts. Also, they would serve to improve the dissemination of information and consultation with the Project's stakeholders.

In the event that attendees did not feel comfortable or were unable to read or write, ERM staff would ask them the questions mentioned above and engage in conversation with them to get their view of the event and be able to fill out the corresponding form. Frequently during these discussions, several other attendees would approach to give their opinion as a group. In this case, several people's opinions were recorded by ERM staff on one feedback form, including the number of people represented in this feedback form (see Figure 1-2). As a result the contributions of several people at the same time was achieved, which would have not been possible if they had been expressly directed to write them down individually.

**FIGURE 1-2:** *Feedback form example that represents the views of 6 people*

DATOS PARA CONTACTARLE:			
Nombre y Apellido	Organismo /Comunidad	Municipio	Dirección/ Correo/Teléfono de Contacto
6 personas	El Cojo El Rele	San Miguel	
El Dorado			

Source: ERM, 2014

Once the conversation (which lasted approximately 5 to 10 minutes) ended, ERM staff asked attendees if they wished to leave their name or contact details, as well as the name of the community they came from. This would allow ERM to map the type of comments, suggestions, or questions related to each community or geographic region within the Project's zone of influence.

### **3.0 PUBLIC CONSULTATIONS TOPICS OF INTEREST**

This section discusses the most relevant themes expressed by the participants in each of the consultations conducted. Information was grouped by location in order to capture, by geographic area, what the areas of interest, comments and suggestions from the participants were at each location.

#### **3.1 SAN MIGUELITO**

San Miguelito's public consultation was the first activity and had about 530 participants, including representatives from Government, civil society, and citizens. Participants came from El Tule, El Congo, El Tulito, El Cojo, Mata de Maíz, El Roble, Quebrada Seca, Aguas Calientes, El Ayote and Los Angeles.

Below are the questions and comments received at each of the thematic tables.

##### **3.1.1 Water Resources Table**

Questions focused on issues surrounding saline intrusion into Lake Nicaragua. Other issues, such as the availability of water for irrigation, livestock and human consumption; and the risk that an increase in salinity poses to the water resources were frequent. There were also questions about the possibility of using the canal for fishing and transport. Other concerns were related to the loss of connectivity for the communities and the design and use of the land on both sides of the canal.

##### **3.1.2 Biodiversity Table**

One of the recurring themes, especially for those people coming from the El Tule area, were the impacts of the Project on that community and the surrounding areas. Impacts to the San Miguelito wetlands were also a frequent consultation topic, as well as the possible impacts to the fisheries resources Lake Nicaragua and other water bodies in the area. The navigability of Lake Nicaragua along the canal route was also one of the concerns raised at the table several times. To a lesser extent, concerns were raised regarding the impacts of potential contamination of Lake Nicaragua by ships and their effect on the loss of habitats or sensitive species, either economically or environmentally.

##### **3.1.3 ESIA Table**

Although not directly related to the process of the ESIA, the most frequent questions were about access and value of the land in the Canal area, the ESIA, potential environmental impacts on Lake Nicaragua and the possible social impacts. Issues such as the valuation of the lands and the processes of buying and selling for non-titled lands were also raised. There were many questions about the publication of the terms of reference and baseline studies.

### 3.1.4

#### *Community Table*

The main theme that emerged in San Miguelito was the buying and selling of land; the process and the amount of payment, and who would be responsible for the compensation processes. Several individuals indicated flexibility in the payment or transfer of land if the price is "right" and the land given in return is suitable. Older people have expressed concerns about losing all that they had ever known, and were reluctant to move, should that be necessary.

Health issues raised revolved around saline intrusion and pollutants in the air and water during the construction and operation of the Project. Other concerns mentioned were the access to work, and the impacts related to the massive influx of workers to the area.

Most of the cultural heritage questions focused on the existence and location of archaeological sites along the canal route. Many attendees asked what would happen to the sites along the route and what mitigation measures were being considered.

### 3.1.5

#### *Feedback Table*

The number of people who needed help to fill in/write feedback forms was very high. This decreased ERM's ability to obtain a higher level of feedback. However, those who decided to give their opinion were very emphatic in showing their appreciation for this type of event, without failing to express their main concern: how will the negotiation process for the sale and purchase of land be conducted, and what price will be paid?

Feedback forms received: 52

*Satisfaction with the event:*

- The vast majority of attendees appreciated the event as a first approach for the dissemination of information. However, there were people who saw the event as a work session where there was little accessible information.

*Suggestions for future improvements:*

- Stage events to disseminate information in an open field, and give the opportunity to the attendees to ask questions using a microphone.
- Better explain the Project location on maps and clearly articulate the affected communities (at this event, participants were particularly interested in the El Tule community).
- Use less technical language during explanations at the tables to facilitate understanding by the people who live in the countryside.

- Disseminate relevant information, not only in urban centers, but also in the communities or regions that will be directly affected.

### 3.2 **NUEVA GUINEA**

The public consultation in Nueva Guinea had 614 registered participants and an estimated 300 additional people for a total of more than 900 participants. Government representatives, the civil sector and citizens were present. Communities that participated in this event were Puerto Príncipe, Nuevo San Antonio, La Angostura, San José de Punta Gorda, La Fonseca, San Isidro, Manteles Verdes, Maritza Quezada, Esperanzita No. 1, Esperanzita No. 2, San Pedro de Aguas Zarcas, Pueblo Nuevo, El Chacalín, Buenos Aires, Fátima, La Florida, La Unión and Santa Lucía. Below are the questions and comments received at each of the thematic tables.

#### 3.2.1 ***Water Resources Table***

Despite this being the water table, 90% of the questions received at this event revolved around property issues. The questions regarding water in Nueva Guinea focused on saline intrusion and its effects on fish in the rivers and potable water. Other concerns included the flow of rivers and the transport and accumulation of sediments in Lake Nicaragua.

#### 3.2.2 ***Biodiversity Table***

The main theme was the canal route and the relationship with those potentially affected, as well as the price of property and the mechanisms for their acquisition/expropriation (there were many consultations about the legal status of property). To a lesser extent, consultations on the connectivity between both sides of the canal and its effects on local communities occurred. Some concerns regarding biodiversity issues were raised; most of them were associated with possible impacts on the fauna and flora (wild and agricultural/livestock) due to the construction of canal and its operation, including the impacts of saline intrusion. There were also many concerns about certain species found in Lake Nicaragua and the Caribbean coast and one mention of the inclusion of migratory species in the study.

### 3.2.3 *ESIA Table*

The main questions revolved around affected properties by the Project. Some questions about the impacts of the operation of the canal and the availability of water for human consumption were raised. Again, it was evident that issues related to land have greater importance for residents near the proposed route.

### 3.2.4 *Community Table*

The vast majority of the questions in Nueva Guinea focused on the issue of land acquisition, mainly on land prices and the timeframe associated with the relocation of people who would be affected by Project. In this community, someone mentioned that "someone " had commented that "if we do not agree, this Canal Project will not happen... is that true?" to which many other individuals said they heard the same thing. At this meeting, participants also expressed concern for relatives or friends in other departments who might be affected by the Project. There were also questions about the employment opportunities, required skills and future selection processes.

The main issues regarding cultural heritage were on archaeological studies. People wanted to know how the studies were performed, the main steps and methodology used to collect information and artifacts. There were also questions about the presence of archaeological sites on the Atlantic coast.

### 3.2.5 *Feedback Table*

Nearly 100 attendees completed a feedback form:  
Feedback forms received: 97

*Satisfaction with the event:*

- The majority of the attendees appreciated the Project promoter's gesture of providing information. Even though there were many questions unresolved (see below), the event was understood as a first approach for the Project with communities and it was understood that consultations would continue.

*Suggestions for future improvements:*

- Select a better location to improve the acoustics so that there is not a lot of noise, and conversations can be had with exhibitors.
- Change the dynamics of the event to a "forum", where the Project promoter presents information and attendees, on the other side of the forum, pose questions with microphone in hand.
- That the posters not include so much text and present more graphics or images; this way, people who do not know how to read will be able to obtain the information much more easily.

- That Government representatives attend the events and that they are the ones who directly address the communities.
- That information dissemination events take place directly in the communities that will be affected, and not in urban centers.

### 3.3 *BLUEFIELDS*

The public consultation event in Bluefields, at the request of the indigenous population representatives, was privately held with the presence of representatives of the Rama Kriol Territorial Government (Gobierno Territorial Rama Kriol, GTRK), the South Atlantic Autonomous Region (Región Autónoma del Atlántico Sur, RAAS) and the Central Government of Nicaragua, as well as regional universities and environmental NGOs. Religious leaders of the Catholic Church and Morava also attended.

The questions and comments received in each of the thematic tables are as follows.

#### 3.3.1 *Water Resources Table*

Several questions regarding water quality, potential contamination caused by the use of the canal and the location of the locks and dams were asked.

#### 3.3.2 *Biodiversity Table*

Several questions were raised in Bluefields concerning fishermen and their fishing zones, including areas of corals and hard-bottom seabed where fish congregate. Overall, there were many queries about possible restrictions on such activities as a result of construction and operation of the canal, as well as some questions regarding turtle species.

### 3.3.3 *ESIA Table*

Meeting participants raised some technical questions related to the scope of the ESIA and its contents, as well as who carried it out and what the preliminary results were. Participants were very interested in having a copy of the ESIA results.

### 3.3.4 *Community Table*

Due to the greater distance of Bluefields from the proposed canal route, the questions focused less on land acquisition issues and much more on the issues of fair and respectful procedures towards the GTRK. Great concern was expressed regarding the issue of institutional arrangements within the Assembly, and the specific consultation processes with indigenous communities.

Other important concerns focused on cultural impacts, including traditional access and transit routes and access to traditional community services (traditional medicine, traditional methods of transport, traditional local organizations, etc.)

In Bluefields, cultural heritage questions focused on the presence of archaeological sites in Punta Gorda and on the possible existence of archaeological sites at Monkey Point and Pearl Lagoon. There was also interest in the archaeological studies, how they were conducted, and the methodology and the process used to classify the age of the identified sites.

### 3.3.5 *Feedback Table*

Due to limited participation in Bluefields, the number of feedback forms received was considerably lower than at the other consultations.

Feedback forms received: 10

*Satisfaction with the event:*

- Attendees appreciated the event as a first approach for the dissemination of information. Overall, participants were satisfied with the meeting.

*Suggestions for future improvements:*

- Share the Project's economic, environmental and social study results.
- Information dissemination events should take place directly in the affected communities.



The public consultation at Polo de Desarrollo recorded 660 registered participants, although the total attendance is estimated at 1300 people; many people could not register since a rainstorm required that attendees be allowed into the event even though they had not had the opportunity to register. The participants were local government representatives, NGOs, citizens of the communities of Atlanta, Polo Desarrollo, Pijibay, Punta Gorda, Pueblo Nuevo, Boca Tapada, El Tendido, Salto de León and El Coco. A summary of the questions and comments received at each of the thematic tables is provided below.

#### **3.4.1      *Water Resources Table***

As in Nueva Guinea, 90% or more of the questions in Polo de Desarrollo concerned the processes of purchase and sale of land and how the construction of the artificial lake in Atlanta would affect them. In relation to water issues, concerns were raised regarding the use of rivers for fishing and transportation of the population, and how those uses could be affected by the canal. Possible pollution of the rivers and the risk for saline intrusion were also raised.

#### **3.4.2      *Biodiversity Table***

As in other locations, the predominant theme was land, and in this case, the particular situation of settlers in indigenous territory, its ownership and how the creation of the reservoir at Atlanta would affect them. To a lesser extent, there were discussions on connectivity between both sides of the canal and the mechanisms to ensure crossing of the same. Some concerns were raised about the fate of wild and domestic animals and plants in areas flooded by the canal and reservoirs. There were also questions about the proposed reforestation areas.

#### **3.4.3      *ESIA Table***

The main theme at Polo was land acquisition. Participants did not express interest in the ESIA process, but rather wanted to know if their properties would be affected, and how the Project would proceed if that were the case. Aspects of land ownership, the differences between settlers and Rama populations, and the use of rivers for transport were also mentioned by participants as topics they wished for more information on.

#### **3.4.4      *Community Table***

As in Nueva Guinea and San Miguelito, the vast majority of questions raised at the Polo de Desarrollo meeting were on the subject of land. At this meeting, more than at the others, attendees expressed a strong lack of interest in selling their land, and participants wanted to know what would happen if they didn't

want to sell. One individual reported that "there are many people who prefer to die than leave their land, and are not going to go away without a fight."

There were several questions about how the purchase of land located in the Rama territory will be handled, as well as to how the purchase of lands that do not have an official title will be resolved.

Concerns regarding the loss of health, education, and business services provided by Polo de Desarrollo to communities in the Rio Punta Gorda were mentioned by several people. Other issues raised were impacts to the river and the loss of access to transport by boat; impacts to areas where the cemeteries are located; and the impact caused by the construction of the reservoir in Atlanta. Questions were also raised about potential future employment opportunities and the training levels required for access to the same.

Several participants in Polo mentioned the archaeological richness of the area and asked about the methods used for the protection and preservation of archaeological finds.

### 3.4.5

#### *Feedback Table*

The number of people with limited levels of literacy was very high in comparison to other event locations. This is reflected in the large number of people who were interviewed verbally in lieu of completing feedback forms. This may also have been a reflection of a preference in this community for giving opinions in group, rather than as individuals, which indicates a high degree of community cohesion and unity in the event conflicts arise.

Feedback forms received: 85

*Satisfaction with the event:*

- The majority of the attendees acknowledged that although doubts and questions remain, this approach was a very good start to build trusting relationships based on the exchange of timely information.

*Suggestions for future improvements:*

- Stage events in an open field, and give attendees the opportunity to ask questions using a microphone.
- Hold events for the dissemination of information in open places.

*Relevant aspects:*

- Several people were concerned that poverty could be exacerbated as a result of the Project
- Several attendees described how they are affected by the lack of information regarding the Project timelines and route, because they do not want to make

investments in their farms without knowing if they will be affected or not. This is perceived as an impact even before the Project begins.

- Several attendees commented on the land disputes between *mestizos* and indigenous peoples. It is argued that, while the latter declare themselves legal owners of the land, the former are those who live and work on the land; several even mentioned having paid for these lands without obtaining a title. This situation of land tenure conflict between different groups (indigenous and *mestizo*/settlers) has the potential to hinder the negotiation process for the purchase or exchange of land.
- There were various complaints that the technical feasibility studies carried out by HKND were conducted without the permission of the land owners, and that people conducting the studies entered private properties without authorization.

### 3.5 RIVAS

The public consultation at Rivas recorded a high number of people, reaching 990 participants. Government representatives, members of civil society and residents of the nearby communities of San Jorge, La Virgen, La Chocolatea, El Genízaro, Santa María, San Francisco, Los Cocos, Tronco Solo, San Jacinto, Veracruz, Guachipilín, Río Grande, Los Horcones, Tola, Juan Dávila, El Coyol, San Antonio, La Junta, La Flor, Gigante 1 and Gigante 2 attended the event. Following are the questions and comments received at each of the thematic tables.

#### 3.5.1 *Water Resources Table*

Attendees in Rivas had more technical questions about water than those at the other consultations. These included questions about impacts to the quality and quantity of groundwater and surface water, the design, processing and disposal of dredged material, and species that are found in Lake Nicaragua. The participants wanted answers about possible changes to water levels in Lake Nicaragua.

Questions were also posed regarding how construction and operation of the canal would affect the lake's water quality, and its function as a water supply source for several cities in the country. Representatives of the sanitary sewer company Empresa Nicaragüense de Acueductos y Alcantarillados Sanitarios (ENACAL) were particularly interested in knowing about the change in water quality and suspended solid material of Lake Nicaragua, in order to know whether the treatment currently used for these waters will require modification.

With respect to groundwater, some residents were interested in knowing how their wells would be affected by the construction of the canal (especially Brito and Tola residents). Their main concern was focused on possible changes in well water levels and the risk of saline intrusion.

In addition to the water themes, there were people who raised concerns about how seismic activity would be affected by the dredging process.

### **3.5.2**      *Biodiversity Table*

The issue of impacts associated with different phases (and specific actions such as dredging, disposal of dredged materials and the use of explosives) was very present at this meeting, as well as the topics of property appraisal and acquisition mechanisms.

There were several questions about the reforestation plans and mangroves in Brito. Specific concerns were expressed about an area of dry forest in a good state of conservation in this area, along with its associated fauna. Concerns were also raised regarding fishing grounds from Gigante to San Juan del Sur on the Pacific coast. Specific mentions were also made regarding species such as marine mammals and turtles.

### **3.5.3**      *ESIA Table*

As on previous occasions, the participants used this table to ask questions about the acquisition of land for the Project. The inhabitants of La Virgen in Rivas expressed concerns about the dredging process and the impacts on the water quality of Lake Nicaragua. Other issues of concern were impacts to fishing and traditional fishing grounds used by the area's fishermen.

### **3.5.4**      *Community Table*

In Rivas, as well as other communities, there were questions about the buying and selling of properties and the exact location of the canal. Representatives of the indigenous communities of Rivas (Nahoas) were present at the event and expressed concern about impacts to sacred areas (such as cemeteries), and asked questions about the specific process of consultation with the Boards of Directors and the indigenous community groups' elders.

Aspects related to the influx of workers and the control of infectious diseases, as well as local employment opportunities, were also mentioned. Concerns were raised about how building the port in Brito and the canal itself could affect small and medium-sized tourist businesses in the area.

### **3.5.5**      *Feedback Table*

Feedback participation was highest in Rivas out of all the events. People proved willing to leave their comments, and there were very few people who needed help filling out the feedback forms. This speaks of a higher literacy rate relative to the other communities (e.g. San Miguelito or Polo de Desarrollo). One of the recurring suggestions at this event was that land negotiations be conducted directly between the developer of the canal (HKND) and the landowners.

It was suggested time and again that the Government not participate in these negotiations, since there is the perception that the Government would tend to offer lower prices.

Feedback forms received: 189

*Satisfaction with the event:*

- In general terms, attendees who liked the event (80%) stated that it served to clear general doubts and that this type of event also represents a first step toward more direct communication with the communities.
- By contrast, persons who did not like the event (20%) stated that their questions were not answered clearly, and that the event should have taken place much earlier, not when the concession had already been granted.

*Suggestions for future improvements:*

- Hold briefings directly in the communities or regions that will be affected.
- Speak clearly (less technical terminology) with the communities' residents.
- Arrange the tables in a way that allows for more space between them and makes it easier for people to ask questions.
- Stage the events in a format that allows the opportunity for attendees to ask questions using a microphone.

### **3.6 ISLAND OF OMETEPE**

The public consultation at Ometepe brought 212 participants. Participants included local community members, civil society representatives and other key actors. Following are the questions and comments received at each of the thematic tables.

#### **3.6.1 Water Resources Table**

Most of the questions in Ometepe had to do with the Project's impact on the quality and quantity of water in Lake Nicaragua, saline intrusion and the presence of suspended solids as a result of dredging. There were questions about whether the dredging operations could increase seismicity, and if the dredged material would be deposited on the island or would in any way affect the coastline of the same.

Following the trend of other meetings, people who came to the Water Resources Table inquired about other topics as well, such as the reforestation programs and the ESIA review process.

### 3.6.2 *Biodiversity Table*

Concerns raised at this table were focused largely on impacts to the island; some were very specific, for example geodynamic stability of the volcanoes, dredging dimensions and the sediment deposition locations. In general, almost all concerns were associated with the lake and its natural resources; to a lesser extent, some expectations related to the generation of employment opportunities associated with the presence of the Project in the vicinity of the island were also raised.

Questions were also raised about the protection of the Lake Nicaragua reserve areas, including the whole Island of Ometepe, on sawfish or bull shark stocks, and consultations on the possibility of establishing species restocking and aquaculture projects.

### 3.6.3 *ESIA Table*

Some participants asked about the environmental assessment process and its timeline, although generally the participants focused more on questions about the water level of the lake and the possibility that the Project could cause a rise in water level to such an extent that houses on the shore could be flooded. Concerns about the technical aspects of the canal's operation and access restrictions to fishing areas were also expressed at the meeting.

### 3.6.4 *Community Table*

Questions in Ometepe were mainly related to the potential for contamination of Lake Nicaragua; the impacts of contamination to fish and aquatic life; and the pollution prevention measures that will be implemented for the Project. Some participants expressed concern about potential social and health impacts that could occur due to the presence of workers and migrants looking for jobs. In relation to cultural heritage studies, some asked if there had been archaeological investigations conducted on the island.

### 3.6.5 *Feedback Table*

Feedback participation was highest in Ometepe, with a response rate of nearly 80%.

Feedback forms received: 160

*Satisfaction with the event:*

- Generally speaking, almost all of the participants liked the event, stating that it was a good way to integrate the community in the construction of the canal, provide information and clear up doubts that they had.

- A small fraction of the audience (almost 2%) did not appreciate the event, arguing that it seemed a little informal, that it did not resolve all their doubts and that the event was somewhat disorganized.

*Suggestions for future improvements:*

- Better organization and ensure that the spaces where these events are held have a greater capacity.
- Involve all communities in the municipality, and all sectors of the population for better dissemination of information.
- Provide better information about the direct effects that will occur to farms and lands.

*Relevant aspects:*

- Most of the questions were in relation to environmental protection.

### 3.7 **MANAGUA**

Managua was the last of the consultations conducted, with participation of 759 people. Most of the participants were representatives of the Government, environmental NGOs and community members. A summary of the questions and comments received at each of the thematic tables is provided below.

#### 3.7.1 ***Water Resources Table***

In Managua this table received a large number of technical questions relative to previous consultations at other locations. Questions touched on the topics of sediments and dredging, saline intrusion, the use of the canal, and Lake Nicaragua water levels. With respect to dredging, some asked if explosives would be used in the canal. In addition, there were questions about the final disposal of the dredged material and the remaining sediments during maintenance of the canal. With regards to sediments, some participants wanted to know about the transport of sediments, both entering and exiting the canal. Questions were raised regarding the frequency of maintenance dredging for the canal, since under current conditions, there is a high concentration of sediment in the Lake Nicaragua.

With respect to water quality and levels, there were many questions about saline intrusion, and whether this would affect the native species in the rivers and the lake. They also asked about the level of water in rivers, Lake Nicaragua and the canal, and the strategy that would be used to maintain those levels.

There were also questions about the water study methodology and the type of modeling used to carry out the studies.

#### 3.7.2 ***Biodiversity Table***

Most of the queries referred to specific issues, and were of a highly technical nature, since many of the participants belonged to public institutions, research centers or environmental NGOs. Most of the questions dealt with the methodology used for data collection, sampling strategy, staff that produced the studies/reports, the validity of the data and the significance of the same.

A significant number of questions were asked about potential impacts on ecosystems in general (protected natural areas) or specific species (mainly iconic and important commercial species). There were also some queries regarding the Project's contingency plans and the implementation of mitigation measures.

### 3.7.3 *ESIA Table*

At this table, the participants requested information about the study's Terms of Reference (ToR), when it would be ready, and when the public consultations at the national level would be carried out.

### 3.7.4 *Community Table*

There were many questions regarding the methodology used for the realization of the social baseline, including the timetable for completing the ESIA, the sources of information used, and the focus of the studies.

As in Rivas, attendees expressed concern about the health impacts and the transmission of infectious diseases related to a large labor force, referring to the example of the Panama Canal. There were also questions about the availability of work for the Project and the education and experience qualifications that an applicant would need.

In Managua, cultural heritage questions focused on identifying the impacts mitigation strategies. In particular, the questions focused on what would happen if sediments or dredging materials were placed on the sites, and how impacts to the sites would be prevented. Participants expressed interest in the location of the discovered sites and their characteristics.

### 3.7.5 *Feedback Table*

The event in Managua brought a greater diversity of people and roles: civil servants, academics, families (not only heads of household), students and political activists. This diversity allowed for more varied viewpoints, interests and concerns.

Feedback forms received: 189

*Satisfaction with the event:*

- The vast majority of attendees appreciated the event and were satisfied with the information provided. Others, however, showed their displeasure during



a political episode which occurred at the event when a crowd of well-wishers made their support for the Project and the current Government known. This confused other attendees, and for a brief moment, gave the event a political tone. This episode caused dissatisfaction in several attendees, and diminished the credibility of the event as an independently designed occasion to provide unbiased information to the general public.

*Suggestions for future improvements:*

- Expose the negative impacts of the Project, not only the favorable points.
- Ensure that the area assigned to ERM specialists be made more comfortable to be able to ask questions.
- Change the layout of the event to a forum, which would allow individuals to pose questions with a microphone.
- Provide more tables offering the same information so that participants can be attended to one on one.
- Provide the information at schools or institutions of higher education.
- Hold events to disseminate information directly to the affected communities.
- Direct and guide attendees in a more organized manner, since many were unsure of which table they should go to.
- Control the entry of persons to the premises to avoid clusters of people and noise that makes it difficult to move freely and easily converse with specialists.
- Include models for better visualization of the Project.
- Include more audio-visual resources.
- Extend the event's time to allow people greater flexibility in scheduling their attendance.
- Make the initial video less rushed; a lot of information was presented in a very short timeframe.
- Use less jargon so that the information presented is accessible to attendees.
- Permit debate between HKND, ERM and participants.

## CONCLUSIONS

Transparency is an essential feature of a fair and trustworthy consultation process. Therefore, the consultation organizers have the obligation to disclose the results of the same, including the comments and observations received from the participants. Consequently, this section provides an overview of the key issues identified in the public consultations.

The most frequent issues raised by attendees at the meetings were:

### *Land*

Feedback from public consultations indicates that the topic of greatest interest and concern is that of land. All aspects related to impacts to the properties, planned processes for buying and selling, certification and legality of properties, and features and processes of expropriation are topics of utmost concern to the population.

### *Lake Nicaragua*

Attendees showed a great deal of concern at the prospect of saline intrusion and how this would affect the water resources currently used for consumption, crop irrigation and livestock. Questions about potential impacts to rivers that are currently used for fishing and transportation were also raised. At the meetings in Managua and Rivas, concerns regarding impacts to water quality from dredging, and water levels in Lake Nicaragua, were also mentioned.

### *Biodiversity*

Participants expressed concern about the potential impacts to wild flora and fauna, including some specific species such as sea turtles on the Caribbean coast and bull sharks in the lake. The impacts on commercially important fish species were also raised as a common concern among attendees. Questions were mainly raised about whether fishermen will still be able to fish in the lake and other areas along the canal, and what impacts the Project could have on species diversity.

### *Indigenous Communities*

Potential impacts on the lands, means and traditional ways of life of the Rama Kriol peoples were raised in some of the meetings. The ownership and control of traditional communal lands in RAAS was a specific issue of great importance for representatives of the GTRK.

### *Labor Opportunities*

There were numerous questions regarding employment opportunities that would be generated by the Project, and regarding the qualifications levels needed to access them.


### *Disease Transmission*


Event participants expressed concern that the presence and influx of a contingent of workers would facilitate the transmission of infectious diseases in local communities.


**Photographs**  
*Appendix A*


*August 20, 2014*  
*Project No. 0249641*


**Environmental Resources Management**  
1776 I Street, N.W., Suite 200  
Washington, DC 20006  
(202) 466-9090


Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: San Miguelito, Nicaragua
Photograph ID: SM1	
Feature: Participants at San Miguelito Scoping Meeting	
Date: 21/7/14	
Comments: The number of participants at the <i>Centro Cristiano</i> , the chosen location for the meeting.	

Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: San Miguelito, Nicaragua
Photograph ID SM2	
Feature: Participants at San Miguelito	
Date: 21/07/2014	
Comments: Being able to see a map of the proposed route was one of the central elements of the meetings.	


Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Nueva Guinea, Nicaragua
Photograph ID: NG1	
Feature: The line to enter the scoping meeting.	
Date: 22/7/2014	
Comments: In Nueva Guinea the participation was massive as demonstrated by the line at the entrance of the scoping meeting.	


Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Nueva Guinea, Nicaragua
Photograph ID: NG 2	
Feature: The description of the project table.	
Date: 22/7/2014	
Comments: The HKND representative answered participants questions.	

Client: HKND Group		Project Number: 0249641	
Project Name: Nicaragua Canal		Location: Bluefields, Nicaragua	
Photograph ID: B1			
Feature: Participants at the scoping meeting			
Date: 24/7/2014			
Comments: ERM personnel presents to a group of participants.			


Client: HKND Group		Project Number: 0249641	
Project Name: Nicaragua Canal		Location: Bluefields, Nicaragua	
Photograph ID: B2			
Feature: The water table			
Date: 24/7/14			
Comments: A participant observes one of the posters showing results from the baseline at the water table.			





Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Polo de Desarrollo, Nicaragua
Photograph ID: PD 1	
Feature: Scoping Meeting at Polo de Desarrollo	
Date: 25/7/2014	
Comments: Participants attending the meeting at Polo de Desarrollo.	


Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Polo de Desarrollo, Nicaragua
Photograph ID: PD 2	
Feature: Participants at Polo de Desarrollo	
Date: 25/7/2014	
Comments: The public waits to enter the meeting. There was great participation from the community at the meeting.	





Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Rivas, Nicaragua
Photograph ID: R1	
Feature: Presentation of the Project	
Date: 28/7/2014	
Comments: The public waits for the presentation about the Project before entering the main room with the information tables.	

Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Rivas, Nicaragua
Photograph ID: R2	
Feature: The registration table	
Date: 28/7/2014	
Comments: The participants register at Rivas before entering the meeting.	

Client: HKND Group		Project Number: 0249641	
Project Name: Nicaragua Canal		Location: Ometepe, Nicaragua	
ID de Foto: 01			
Feature: A participant			
Date: 29/7/2014			
Comments: A participant giving her feedback at the end of the meeting.			

Client: HKND Group		Project Number: 0249641	
Project Name: Nicaragua Canal		Location: Ometepe, Nicaragua	
Photograph ID: 02			
Feature: A group of participants at the community table			
Date: 29/7/2014			
Comments: ERM personnel responds to questions regarding social issues.			

Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Managua, Nicaragua
Photograph ID: M1	
Feature: Participants at the Managua meeting.	
Date: 30/7/2014	
Comments: The participants wait for the Project informational video.	

Client: HKND Group	Project Number: 0249641
Project Name: Nicaragua Canal	Location: Managua, Nicaragua
Photograph ID: M2	
Feature: The ERM and HKND team for the scoping meetings.	
Date: 30/7/2014	
Comments: ERM and HKND personnel in charge of the scoping meetings	