Early Warning System

MIGA-15168

Corporacion Nacional del Cobre de Chile - CODELCO Renewable Energy PPAs

Quick Facts

Countries	Chile
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Active
Bank Risk Rating	B
Voting Date	2024-05-30
Borrower	Credit Agricole Corporate and Investment Banking
Sectors	Energy, Mining
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 765.00 million
Project Cost (USD)	$ 765.00 million

Project Description

According to the Bank's website, MIGA signed a US$765 million guarantee effective July 1, 2024, providing Non-Honoring of Financial Obligations by a State-Owned Enterprise (NHFO-SOE) coverage to Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) for their 15-year non-shareholder loan to Corporación Nacional del Cobre de Chile (CODELCO).

MIGA's NHFO-SOE instrument is enabling Crédit Agricole CIB to extend a long-term loan that will be used to support CODELCO's payment obligations under five renewable energy power purchase agreements (PPAs) with third-party private producers that supply electricity to CODELCO (the Project).

Early Warning System Project Analysis

The Project is considered Category B under MIGA's Policy on E&S Sustainability (2013), as it considered to entail business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

The risks associated with the Project relate to CODELCO's institutional capacity to effectively implement its corporate environmental and social management system in accordance with MIGA E&S Performance Standards (PSs), in the context of Project.

People Affected By This Project

Codelco, Chile's state-owned copper giant, has faced multiple allegations of human rights and environmental violations. Courts in Chile upheld a lawsuit against the company for failing to prevent a worker from developing pulmonary silicosis, recognizing a breach of occupational health standards (Business & Human Rights Resource Centre). Chile's environmental regulator also filed charges against Codelco over mismanagement of the Talabre tailings dam at its Ministro Hales division, citing lack of a contingency plan and improper disposal practices (BHRRC). At its Potrerillos smelter, the regulator accused Codelco of emissions violations, specifically failing to monitor sulfur dioxide as required by its permit (Reuters). On labor rights, more than 2,600 former workers petitioned the Inter-American human rights system alleging they were dismissed due to political opinion, in violation of their due process and economic rights (OAS/IACHR). More recently, Indigenous groups challenged Codelco's lithium deal with SQM, arguing that the consultation process violated their rights to free, prior, and informed consent (Reuters). Additionally, recurrent safety issues have plagued its mines: accidents, regulatory sanctions, and fatalities at operations like Chuquicamata and El Teniente have drawn scrutiny, with criminal investigations opened into possible negligence after a 2025 mine collapse (Reuters)Together, these cases highlight persistent risks around Codelco's environmental practices, labor rights, indigenous consultation, and worker safety.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

A US$765 million guarantee.

Private Actors Description

Crédit Agricole Corporate and Investment Bank, known as Crédit Agricole Indosuez from 1996 to 2004 and as Calyon from 2004 to 2010, is the corporate and investment banking entity of the Crédit Agricole banking and financial services group, based in Montrouge near Paris, France.

As the largest state-owned enterprise in the strategic copper mining sector and Chile’s largest electricity consumer and most carbon-intensive entity, CODELCO is a driving force in Chile’s sustainability goals to become carbon-neutral by 2050 and in promoting the clean production of copper which is a mineral critical to the energy transition.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Crédit Agricole	Undisclosed	-

Contact Information

For additional information on the Project, please contact:

Name & Title: Lucila Siskind (Treasury Director)

Address: Calle Huérfanos 12708340424 Santiago, Región Metropolitana, Chile

E-mail: lsiskind@codelco.cl

Phone: + 56 9 91398787

Name & Title: Pamela Carvajal (Finance Specialist)

Address: Calle Huérfanos 12708340424 Santiago, Región Metropolitana, Chile

E-mail: pcarv024@codelco.cl

Phone: + 56 9 89057854

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- E&S Action Plan (ESAP) [Original Source]