

MAPA project Chile

Sectors: Pulp, Paper and Paperboard Mills

● On record

This profile is no longer actively maintained, with the information now possibly out of date

Send [feedback](#) on this profile

Created on: Jan 17 2019

Last update: May 10 2021

Contact:

nature@banktrack.org

[Project website](#)

Sectors

Pulp, Paper and Paperboard Mills

Location



Status

Planning Design Agreement **Construction** Operation Closure Decommission

Arauco's plan to expand its Horcones complex is called [Proyecto Modernización y Ampliación Planta Arauco](#). The complex already has two pulp lines: Arauco I (0.28 million tonnes per year) and Arauco II (0.51 million tonnes per year). The MAPA project will add a third pulp line to this complex, with a production capacity of 1.56 million tonnes. The project also includes de-activation of the Arauco I pulp line and modernizing the Arauco II line. The end capacity will be [2.1 million tonnes per year](#). The project is expected to cost [USD 2.35 billion](#).

The project also includes a new forest biomass-fuelled power plant and a [Power Transmission Line](#) which will provide a maximum of 166MW of surplus energy to the Central Interconnected System (SIC), as well as a wind power park with 82-123MW capacity and a new [tree nursery](#).

This project is problematic because it will increase the demand for timber, and therefore it will lead to the expansion of plantations in the region, further intensifying the strong impact these already have. It will also increase the emission of toxic compounds, such as dioxins and furans.

Social and human rights impacts

The MAPA project is expected to increase the demand for wood fibre and therefore lead to the expansion of monoculture pine or eucalyptus plantations in the region. These plantations are already causing tense land conflicts, impacting water availability for nearby communities, and they enable wild fires. Furthermore, the project is expected to cause water and air pollution. The wastewater will be discharged into the sea. Local fishermen already complain about a reduced fish stock because of the wastewater from the Arauco I and II lines, and they expect the impacts to worsen with the Arauco III line.

Land conflicts Arauco has a long history of involvement in land conflicts in Chile, which dates back to the 1970s, when the military dictatorship decided to distribute hundreds of thousands of hectares to plantation companies, without consulting or compensating the traditional owners of these lands, many of which were Indigenous Mapuche people.

After Chile returned to democracy, the Mapuche have started to revendicate the return of their lands. This has led to strong [tensions](#)

[between the Mapuche and plantation companies](#) including Arauco, to which the government responded by militarizing certain regions, leaving little space for dialogue. The MAPA project will lead to an expansion or more intense use of its plantations, which is expected to intensify these conflicts.

FPIC There are 35,000 indigenous people living in the village of Arauco, yet the Environmental Impact Assessment for the MAPA project states that [no indigenous communities will be affected](#) by the expansion project. Five Mapuche communities that live nearby the Horcones complex took the government to court for approving Arauco's flawed EIA that did not obtain the legally required FPIC.

Evictions The militarization of the land conflicts has caused a number of human rights violations. In April 2019, for example, special police forces used tear gas to try to [evict mapuche families](#) of the community of Rali Cura from their ancestral lands. They were acting on an eviction order requested by Forestal Arauco, which according to the community members was not signed by an authorised judge. In March 2018, a [Mapuche family was evicted in Los Álamos](#), by special police forces and Arauco employees, which destroyed their houses.

Environmental and climate impacts

Plantations The Environmental Impact Assessment for the MAPA project did not take into consideration the [impact of the plantations](#) that the new pulp mill will require. Since the capacity of the Horcones will more than double, either the area of the plantations will need to increase, or their productivity.

The expansion of plantations often goes paired with deforestation and loss of biodiversity. But Arauco seems to be planning to improve the productivity of its plantations, by substituting a large part of its pinus plantations by the faster growing eucalyptus. This will especially increase the impact on both ground and surface [water levels](#), as the faster growing eucalyptus consume more water. Drier areas are in turn [more susceptible to fires](#).

In January 2017, a **wave of fires** devastated an more than [600,000 hectares](#) of scrubland, plantation forests, agricultural land, native forests and homes devastated in what is thought to be the worst episode of forest fires in Chile's recent history. It affected thousands of people. Eleven people died in the blazes, and thousands of people were evacuated from their homes. Entire communities were razed to the ground. Chile's capital, Santiago, several hundred miles away, was shrouded in haze. In 2019, three regions in Chile declared the '[state of catastrophe](#)' because of wild fires.

Pollution The discharge of wastewater from the mill into the sea is likely to have a [negative impact](#) on the local marine biodiversity.

Other impacts

Fibre sourcing Charles Kimber, corporate and financial manager of Arauco, has stated that to supply MAPA, they might use part of the 7.5 million cubic meters of eucalyptus chips that are now being [exported to China](#) every year. If this happens, China is likely to look for new sources of wood chips, to meet its demands, creating pressures on other regions.

Norms & standards

Applicable norms and standards

AFLEG Declaration and Action Plan

FSC Principles and Criteria

ILO Guidelines for labour inspection in forestry

ILO Safety and health in forestry work

International Labour Organization Convention 169

Land Use, Land-Use Change, and Forestry (LULUCF) Guidance for GHG Project Accounting

United Nations Declaration on the Rights of Indigenous Peoples

WWF Guidelines for Investment in Operations that Impact Forests

Brief history

In [2012](#) Arauco presented an EIA for the MAPA project. This EIA was approved early 2014. However, Mapuche communities that will be affected by the project sued the government over a lack of Free, Prior and Informed Consent procedures and for approving a fundamentally flawed EIA. The communities eventually lost after appealing to the [supreme court](#) and Arauco obtained its environmental license in June 2017.

In July 2018 [Arauco decided to go ahead](#) with the construction of the MAPA project.

Financiers

For an overview of financial institutions financing Arauco, please see the [company's profile here](#).

Institution type **Finance type** **Year** [Expand all details](#)

Scotiabank

Canada

[Profile](#)

[Website](#)

[Details](#)

Type

Amount

Description

Date

Date end

Source

Bond issue – underwriter

USD 340 million

Not available

2018

2043

source: [link](#)

Finnvera

[Website](#)

[Details](#)

Type

Amount

Description

Date

Date end

Source

Debt – trade finance

Not available

Export Credit Guarantee for Valmet.(?) More information here: https://www.finnvera.fi/eng/export/export-credit-guarantee-operations/export-credit-guarantee-operations#disclosure_of_information

24 August 2018

Not available

source: [link](#)

Related companies

Project sponsor

Arauco Chile [show profile](#)

Biomass Electric Power Generation | Pulp, Paper and Paperboard Mills

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$sponsor_comp

Filename: project/companies.php

Line Number: 10

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 10

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$companies

Filename: project/companies.php

Line Number: 10

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 10

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Warning

Message: Invalid argument supplied for foreach()

Filename: project/companies.php

Line Number: 11

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 11

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Warning

Message: Invalid argument supplied for foreach()

Filename: project/companies.php

Line Number: 11

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 11

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

Expand all details

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$sponsor_comp

Filename: project/companies.php

Line Number: 30

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 30

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once

A PHP Error was encountered

Severity: Warning

Message: count(): Parameter must be an array or an object that implements Countable

Filename: project/companies.php

Line Number: 30

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 30

Function: _error_handler

File: /home/btwebhost/www/btci3/application/helpers/easy_helper.php

Line: 366

Function: view

File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php

Line: 106

Function: lv

File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php

Line: 161

Function: view

File: /home/btwebhost/www/btci3/application/controllers/Main.php

Line: 318

Function: content

File: /home/btwebhost/www/btci3/index.php

Line: 321

Function: require_once