



Prof. Benedict Okey Oramah  
The President & Chairman  
The African Export-Import Bank (Afrexim Bank)

October 18, 2022

Dear Sir,

## LETTER TO AFREXIMBANK REGARDING THE \$200M SUPPORT TOWARDS THE EACOP PROJECT

We, the undersigned environmental and human rights civil society groups working to promote environmental conservation, human rights observance and a just energy transition in Uganda, Africa and our global allies, take this opportunity to appreciate you and your team for your continued efforts in accelerating trade innovations through financial boosts both at the regional and inter-regional levels, thereby enhancing the economic expansion of Uganda and Africa at large.

We would like to bring to your attention that the approval contravenes [Article 2.1\(c\) of the Paris agreement](#) which calls on parties to make finance flows consistent with a pathway towards low greenhouse gas (GHG) emissions and climate-resilient developments.

The approval also undermines the commitments by 34 governments and five international financial institutions including Germany, Italy, the UK, and others that signed a [statement](#) committing their nations to take actions that align their international public support towards the clean energy transition. The countries also committed to stopping supporting new unabated fossil fuels by the end of 2022. Supporting the EACOP project will undermine this progressive commitment toward mitigating climate change.

It's also concerning to note that the Afrexim Bank is making financial provisions to an EACOP project that has been sidelined by over 24 commercial banks, 18 (re) insurers, and four Export Credit Agencies who have made it clear that they will not [finance or insure](#) the controversial EACOP. Notably, the African Development Bank also [refused](#) to fund the EACOP, noting that the bank's priority was renewable energy. It's unfortunate that under your leadership, the Afrexim bank approved the project with the above-stated amount.



Furthermore, on 15<sup>th</sup> September 2022, the [European Union parliament](#) passed a resolution expressing concern about numerous social and environmental risks posed by both the Tilenga and EACOP Oil and Gas projects in Uganda and Tanzania calling for a temporary halt of the projects for at least one year re-thinking the best options to address the concerns.

Therefore, as environment and human rights organizations, we are calling upon Afrexim Bank to withdraw its offer of providing financial support to the EACOP project and divert its resources to just and clean energy that will benefit our people. This energy should be in the form of small-scale solar energy, and wind energy that has proven to increase energy access for communities with no access to electricity.

### **Our concerns about the EACOP financing implications**

The EACOP is a planned 1,443km pipeline that is expected to be constructed from oil fields in Western Uganda to the port of Tanga in Tanzania. The pipeline is expected to transport 216,000 barrels of crude oil per day to export markets at peak production.

If constructed, the EACOP will be the longest electrically heated crude oil pipeline in the world. The EACOP poses immense climate change, environmental, biodiversity, and human rights risks as discussed below:

- i. **Environmental impacts:** The EACOP project is expected to pass through several Protected areas such as national parks, game reserves, forests, Ramsar wetlands, lakes, rivers, and marine ecosystems at the Indian Ocean in Tanzania and others will be irreversibly affected by the EACOP project. According to a report by the World Wide Fund for Nature (WWF), the EACOP will pass through nearly [2,000 sq. km](#) of protected areas, [a quarter of](#) which are habitats for endangered species such as chimpanzees and the African elephant.

In addition, the oil which will be transported by the EACOP will be extracted from Murchison Falls National Park (MFNP), one of Uganda's oldest and largest national parks - and most visited national park. These protected ecosystems have supported communities through agriculture, fishing, tourism, and others since time immemorial. In fact, lakes Victoria and Albert, whose wetlands and watercourses have been affected by the EACOP, currently provide [82.9%](#) of the fish in Uganda. Further, the fisheries sector earned Uganda [\\$118.6 million](#) between June 2020 and July 2021 which resource the EACOP project puts at risk.



- ii. **Biodiversity impacts:** Already, oil exploration activities in Uganda's protected areas such as MFNP have had negative impacts on biodiversity and community livelihoods. The exploration and opening up of different oil fields have resulted in extensive human-wildlife conflicts with the park-hosting communities. During field engagements, in consultation with the communities in Nwoya district, which neighbors MFNP in Uganda, who reported that since oil exploration activities started in the park, elephants have increasingly raided communities' gardens.

To date, the elephants continue to destroy communities' gardens. For instance, in six months in 2021 alone, elephants and other animals destroyed over 3,000 acres of food crops in the Nwoya district! In addition, due to oil pressures in the eco-sensitive and bio-diverse Albertine Graben in Uganda, habitats for chimpanzees such as the Bugoma forest are under destruction. The habitat loss has led to increased human-wildlife conflicts with chimpanzees attacking the children, and communities have also carried out [retaliatory attacks](#). This has put biodiversity conservation at risk.

- iii. **Climate change risks:** African countries have been disproportionately affected by the climate change crisis, the [February 2022](#) Intergovernmental Panel on Climate Change (IPCC) report confirms. The climate crisis has been largely caused by the burning of fossil fuels. When burnt, the oil transported by the EACOP will result in the production of over 34.3 million metric tonnes of carbon per year at peak production. African countries, whose citizens will not accrue any meaningful economic or other benefits from the EACOP oil, will bear the brunt of the worsened climate crisis.

Already scientific evidence from the IPCC 2020 report stressed that there is an urgent need for countries to prioritize the fight against climate change. The report states that "many of the changes observed in the climate are unprecedented in thousands, if not hundreds of thousands of years and some of the changes already set in motion such as continued sea level rise are irreversible over hundreds to thousands of years." The report further confirms that "strong and sustained reductions" in emissions of carbon dioxide (CO<sub>2</sub>) and other GHGs are essential to limit climate change. The EACOP project is simply a climate bomb that must be stopped.

- iv. **Cross-border impacts:** Moreover, the EACOP project impacts will not only be felt in Uganda and Tanzania but in Kenya and the DRC as well. Lake Victoria is shared by Uganda, Kenya, and Tanzania. Any impacts on the lake will affect all the aforementioned three East African states. Further, some of the oil that will be transported by the EACOP



will be extracted from Lake Albert. Lake Albert, which is Uganda's second-largest lake and Africa's seventh-largest, is shared between Uganda and the DRC. Forty-six percent ([46%](#)) of the lake is found in Uganda while [54%](#) is found in the DRC. The lake provides a livelihood for millions of fishers in Uganda and the DRC. The lake's important role including that of providing water to communities including in the DRC stands to be compromised because of oil spills.

- v. **Threats to just energy aspirations:** It is also notable that the development of the EACOP and related oil projects is a threat to Uganda's efforts to transition to clean energy to reduce its GHG emissions by 24.7% by 2030 as per the country's Nationally Determined Contributions of September 2022. This because oil and gas production would likely hamper energy transition efforts and risk the country being locked out of the just energy transition.

The investment in fossil fuels will mean that Ugandans will need to provide a market for the country's oil and gas. Furthermore, Uganda's energy sector is one of the most vulnerable to climate change impacts, with hydropower dams, which are the country's biggest energy sources, being put at risk of silting, dry conditions, and other risks. To guarantee Uganda's energy security and, therefore, economic development, it is important to promote clean energy use in the country.

- vi. **Human rights violations:** The EACOP project has also violated several human rights of the affected communities, the project developers, who include TotalEnergies, China National Offshore Oil Corporation (CNOOC) as well as the Ugandan and Tanzanian governments, have perpetrated human rights abuses against the project affected persons (PAPs). Currently, under the leadership of TotalEnergies, the project developers are acquiring approximately 5,172 hectares of land including [1,109](#) and [4,063](#) hectares in Uganda and Tanzania respectively. This land is being compulsorily acquired from over [86,000 people](#) from over 13,292 project-affected households (PAHs) in [Uganda](#) and [Tanzania](#).

The compulsory land acquisition processes have caused gross human rights violations; key among which is putting land use restrictions on the PAHs. For instance, the EACOP-affected households were stopped from using their land to grow perennial food and cash crops since 2018 and 2019. The restrictions continue to date and have resulted in food insecurity, income loss, school drop-outs especially amongst girls and [others](#). Moreover, the project is being implemented through coercive means. PAHs are denied the opportunity to give [informed consent](#) during the land acquisition and those with grievances are either



[arrested](#) or threatened with [court action](#) when they seek the project developers' intervention.

- vii. **Legal and reputational risks:** Due to the violation of Ugandan, East African Community (EAC), French and international laws or treaties by the EACOP project, the project's proponents have been sued in [Ugandan](#), [East African](#), and [French](#) courts. Any financial institution that supports the project could face the same legal and reputational risk challenges that the project proponents face. Moreover, recently, a judge in a UK court case against Total's gas project in Mozambique ruled that UK Export Finance's provision of Export Credit Agency support to the project was illegal due to not being in line with the Paris Agreement. The EACOP project faces the same risk.

**Therefore, the signatories call on you to;**

1. Stop any plans to provide financial support for the EACOP project and any other associated fossil fuel projects in Uganda and publicly communicate your decision like other financial and insurance institutions have done.
2. Sign on to the Glasgow statement committing to stop support to fossil fuels and adopt policies that promote investments in clean energy and other green economic sectors.
3. Invest in projects that promote environmental conservation, climate justice, and human rights protection of the people as opposed to fossil fuels projects.

Signatories

1. Environment Governance Institute Uganda
2. Youth for Green Communities Uganda
3. Alliance for Empowering Rural Communities
4. Just Share
5. Center for Citizens Conserving Environment & Management (CECIC) -Uganda
6. Center for Environmental Research and Agriculture Innovations (CERAI)
7. Africa Institute for Energy Governance
8. Laudato Si Movement-Africa
9. 350 Ghana Reducing Our Carbon





10. Alerte Congolaise pour l'environnement et les droits de l'homme ACEDH, DR Congo
11. Lift Humanity Foundation (LHF), Nigeria
12. 350Africa.org
13. Women for Green Economy Movement Uganda
14. Laudato Si Movement-Africa
15. Youth for Sustainable Development
16. Sustainable Development Institute (SDI)
17. AbibiNsroma Foundation
18. Innovation pour le Développement et la Protection de l'Environnement (I.D.P.E)

Signed in Solidarity with African CSOS

1. Both ENDS
2. Environmental Justice Foundation
3. Rettet den Regenwald / Rainforest Rescue
4. Oil Change International
5. BankTrack
19. Extinction Rebellion Cape Town
20. Alliance for Empowering Rural Communities
21. AbibiNsroma Foundation
22. Climate Vanguard
23. Amis de la Terre France / Friends of the Earth France
24. Global Justice Now
25. ReCommon
26. Environmental defender law center
27. Friends of the Earth United States
28. Just Finance International