# Climate, Environmental and Social Impacts of Lake Albert Resources Development Project (East African Crude Oil Pipeline and the Tilenga and Kingfisher oil fields)

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Author: Africa Institute for Energy Governance

# Project Background

The Lake Albert Resources Development Project is composed of the East African Crude Oil Pipeline (EACOP) and two upstream oil fields in the Lake Albert basin in Uganda. These are the Tilenga and Kingfisher oilfields. The proposed EACOP consists of a buried 1,443km crude oil pipeline, stretching from the Lake Albert basin in Uganda to the port of Tanga in Tanzania. The pipeline is expected to transport 246,000 bbls/day at peak production. The project also includes a storage terminal and loading jetty in Tanga. Most of the oil produced from the two oil fields would be for export.

As project risks increase, the estimated costs of the EACOP have grown from \$3.5 billion to \$5 billion.<sup>4</sup> The project developers have stated that 60% of the total cost (roughly \$3 billion) will come in the form of debt financing.<sup>5</sup> So far, 27 major commercial banks, <sup>6</sup> 24 insurance and reinsurance companies, <sup>7</sup> 4 Export Credit Agencies <sup>8</sup> and the African Development Bank<sup>9</sup> have publicly ruled out involvement in EACOP. Some of the above financial institutions have explicitly cited climate, environmental and social concerns as the reasons for ruling out support to the EACOP.<sup>10</sup>

<sup>&</sup>lt;sup>1</sup> https://corporate.totalenergies.cn/zh-hans/xin-wen/dao-da-er-xuan-bu-qian-shu-wei-yu-wu-gan-da-he-tan-sang-ni-ya-de-ai-bo-te-hu-zi-yuan-kai-fa

<sup>&</sup>lt;sup>2</sup> http://zhuhaidaily.hizh.cn/html/2023-05/06/content 1210 7657838.htm

<sup>&</sup>lt;sup>3</sup> https://www.climatepolicyinitiative.org/wp-content/uploads/2020/12/Understanding-the-impact-of-a-low-carbon-transition-on-Uganda-December-2-2020.pdf

<sup>&</sup>lt;sup>4</sup> https://www.upstreamonline.com/exclusive/plenty-to-ponder-sky-rocketing-prices-drive-cost-of-totalenergies-eacop-pipeline-to-5-billion-as-schedule-slips/2-1-1202222

<sup>&</sup>lt;sup>5</sup> https://parliamentwatch.ug/wp-content/uploads/2021/05/Statement-to-Parliament-on-the-laying-ofthe-Host-Government-Agreement-Tarrif-and-Transportation-Agreement-and-Shareholders-Agreementfor-the-East-African-Crude-Oil-Pipeline.pdf

<sup>&</sup>lt;sup>6</sup>https://www.stopeacop.net/banks-checklist

<sup>&</sup>lt;sup>7</sup> https://www.stopeacop.net/insurers-checklist

<sup>8</sup> https://www.banktrack.org/download/the\_east\_african\_crude\_oil\_pipeline\_eacop\_finance\_risk\_update no 3/220628eacopbriefingjun2022.pdf

<sup>&</sup>lt;sup>9</sup> https://www.theeastafrican.co.ke/business/Groups-lobby-AfDB-to-decline-pipeline-funding/2560-5520818-ddwgd0/index.html

For example: Allianz, Swiss Re and Munich Re: <a href="https://thehill.com/policy/equilibrium-sustainability/3847622-why-a-major-insurance-firm-is-under-fire-for-backing-an-east-african-oil-pipeline/">https://ska.https://www.businessinsurance.com/article/20210709/NEWS06/912343126/Axa-SA-</a>

### Project Overview

Status	The final agreements of the Lake Albert Resources Development Project was reached in April 2022. 11 but financial close is not yet achieved. Drilling for the Kingfisher oil field project was launched in January 2023 12 and Tilenga commenced drilling in July 2023 after multiple delays. 13 The East African Crude Oil Pipeline is still completing the land acquisition process. 14 but early civil works are already underway. 15
Location	Uganda and Tanzania
Type of project	Oil extraction and transportation
Project Sponsors <sup>16</sup>	<ul> <li>East African Crude Oil Pipeline: TotalEnergies (62%), Uganda National Oil Company (UNOC, 15%), Tanzania Petroleum Development Corporation (TPDC, 15%), China National Offshore Oil Corporation (CNOOC, 8%)</li> <li>Upstream oil fields: TotalEnergies (56.67%), CNOOC (28.33%) and UNOC (15%); CNOOC is the operator of the Kingfisher oil field and TotalEnergies is the operator of the Tilenga oil field.</li> </ul>
Confirmed Chinese contractors <sup>17</sup>	• East African Crude Oil Pipeline: China Petroleum Pipeline Engineering Co., Ltd. (CPP, 中国石油管道局工程有限公司),

Axa-XL-not-involved-in-pipeline-project-TotalEnergies%E2%80%99-East-Africa-Crude-; QBE:

https://www.insurancebusinessmag.com/au/news/breaking-news/suncorp-and-qbe-rule-out-east-africa-crude-oil-pipeline-425030.aspx; AEGIS London and Britam Holdings:

https://www.theenergymix.com/2022/12/01/two-more-reinsurers-nix-coverage-for-east-africa-pipeline-megaproject/

<sup>&</sup>lt;sup>11</sup> https://totalenergies.com/media/news/press-releases/Uganda Tanzania-final-agreements-for-lake-albert-resources-development-project

<sup>&</sup>lt;sup>12</sup> http://www.focac.org/chn/zfgx/jmhz/202301/t20230129 11016000.htm

<sup>&</sup>lt;sup>13</sup> https://www.independent.co.ug/tilenga-drilling-to-commence-in-july/

<sup>&</sup>lt;sup>14</sup> https://www.monitor.co.ug/uganda/business/commodities/compensation-for-eacop-labour-camp-landat-81--4132840; Also ground observation.

<sup>&</sup>lt;sup>15</sup> https://pau.go.ug/the-east-african-crude-oil-pipeline-eacop-project/

<sup>&</sup>lt;sup>16</sup> https://corporate.totalenergies.cn/zh-hans/xin-wen/dao-da-er-xuan-bu-qian-shu-wei-yu-wu-gan-da-he-tan-sang-ni-ya-de-ai-bo-te-hu-zi-yuan-kai-fa

<sup>&</sup>lt;sup>17</sup> Unless specified: https://pau.go.ug/download/tier-one-contractors-for-ugandas-oil-and-gas-projects-2/

	Daqing Oilfield Construction Group Co., Ltd. (DOCG, 大庆油田建设集团有限责任公司) <sup>18</sup> , Panyu Chu Kong Steel Pipe Co., Ltd. (pipe supplier) <sup>19</sup> Kingfisher: China Petroleum Engineering and Construction Corporation (CPECC, 中 国石油工程建设总公司), China's Offshore Oil Engineering Company (海洋石油工程股份 有限公司, COOEC), China State Construction Engineering Corporation Limited (CSCEC, 中国建筑集团有限公司), Daqing Oilfield Construction Group Co., Ltd. (DOCG, 大庆油田建设集团有限责任公司), Harbin Guanghan Gas Turbine Co., Ltd. (中船重工龙江广瀚燃气轮机有限公司), CNOOC
	Energy Technology & Services Ltd.(中海油 能源发展股份有限公司), CNOOC Enertech
	Equipment Technology Co., Ltd (中海油能源发展装备技术有限公司), CNOOC Enertech International (Uganda) Limited, Sinopec Petroleum Engineering Jianghan Co., Ltd (SPEJH, 中石化江汉石油工程设计有限公司) <sup>20</sup> Tilenga: Sinopec Group International Petroleum Engineering Co., Ltd. (中石化国际石油工程有限公司), China Oilfield Services Limited (COSL, 中海油田服务股份有限公司)
Confirmed and Potential Financiers	<ul> <li>Industrial and Commercial Bank of China (ICBC), Standard Bank, Sumitomo Mitsui Banking Corporation (SMBC) were reported finance advisors and potential project financiers<sup>21</sup>. In May 2023, SMBC confirmed</li> </ul>

<sup>&</sup>lt;sup>18</sup> https://eacop.com/opportunities-by-main-construction-contractors/daqing-oilfield-construction-group-co-ltd/

<sup>19</sup> http://www.pck.com.cn/cn/news/?info kind=1&info id=372

<sup>&</sup>lt;sup>20</sup> https://new.qq.com/omn/20220308/20220308A02K8700.html

https://www.theeastafrican.co.ke/tea/business/ngos-pressure-on-banks-threatens-pipeline-project-financing-3309268

that it was one of the advisors but it
was no longer involved at the moment $^{22}$ .
• In September 2022, the Islamic
Development Bank <sup>23</sup> approved \$100 million
and African Export-Import Bank
(Afreximbank) <sup>24</sup> approved \$200 million;

September 2023, the government told media that more than half of the debt finance of the EACOP project will come from Chinese lenders, 25 including the Export-Import Bank China (Exim) and several other Chinese banks <sup>26</sup>. The Ugandan officials indicated that China Export & Credit Insurance Corporation (Sinosure) would insure the project, 27 although Ugandan government was worried that talks with Sinosure was taking too long which could make the project expensive.<sup>28</sup>

# Financial Institutions Who Have Confirmed Not Being Involved (as of 16 October 2023)

# Banks<sup>29</sup>

- Africa: African Development Bank, ABSA, FirstRand, Nedbank, Investec
- Asia-Pacific: Sumitomo Mitsui Banking Corporation, Mizuho Bank, United Overseas Bank, ANZ
- Europe: Standard Chartered, HSBC, Deutsche Bank, DZ Bank, Barclays, BNP Paribas, Credit Agricole, Societe Generale, Natixis, Credit Suisse, UniCredit, Intesa Sanpaolo, Santander

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https://www.bloomberg.com/news/articles/2023-05-16/sumitomo-mitsui-rules-out-funding-5-billion-uganda-oil-pipeline?utm source=website&utm medium=share&utm campaign=twitter

https://www.isdb.org/news/isdb-board-approves-us-112-billion-in-development-financing-and-us-179-million-in-grants-for-health-transport-food-security-energy-urban-development-market-access-education-and-water-sanitation-projects

<sup>&</sup>lt;sup>24</sup> https://www.afreximbank.com/afreximbank-signs-mou-to-support-the-development-of-nigerias-anambra-state-foresees-200-million-debt-financing%EF%BF%BC/

<sup>&</sup>lt;sup>25</sup> https://www.scmp.com/news/china/diplomacy/article/3235472/china-steps-save-uganda-oil-pipeline-western-lenders-back-out-over-environmental-concerns

<sup>26 &</sup>lt;a href="https://www.scmp.com/news/china/diplomacy/article/3220764/china-doubles-down-controversial-african-pipeline-western-lenders-walk-away">https://www.scmp.com/news/china/diplomacy/article/3220764/china-doubles-down-controversial-african-pipeline-western-lenders-walk-away</a>

<sup>&</sup>lt;sup>27</sup> https://www.energyvoice.com/oilandgas/africa/pipelines-africa/538212/eacop-back-on-track-with-chinese-funding-minister-says/

https://www.reuters.com/world/africa/uganda-announce-oil-refinery-bid-winner-next-month-2023-10-17/

<sup>&</sup>lt;sup>29</sup> https://www.stopeacop.net/banks-checklist

• North America: JPMorgan Chase, Citigroup, Wells Fargo, Morgan Stanley, Royal Bank of Canada

### Insurers<sup>30</sup>

• Allianz, Generali, Hannover Re, Munich Re, QBESCOR SE, Swiss Re, Talanx, Zurich Insurance, Aspen, AEGIS London, Argenta, ARGO Group, Arch Insurance, AXIS capital, Beazley, Britam holdings, Canopius Group, Helvetia, RSA Group, Suncorp

# Export Credit Agencies (ECAs) 31

 ECAs of France, Italy, Germany and the UK

### Potential Environmental and Social Impacts

## 1. Climate Impacts

An analysis by Climate Accountability Institute estimated greenhouse gas emissions totalling 379 million tonnes  $CO^2e$  across the full value chain, encompassing EACOP's construction, operations, refining, and product use over the course of its 25-year lifetime.<sup>32</sup>

# 2. Potential Environmental and Ecological Impacts:

- Significant weakness of the Environmental and Social Impact Assessment: The Netherlands Commission for Environmental Assessment (NCEA) conducted reviews of the Environmental and Social Impact Assessment (ESIA) reports of the EACOP and noted that the proposed mitigation measures to minimise the project's social and environmental impacts were inadequate. NCEA, which is an independent advisory body of experts, was requested by the Ugandan National Environmental Management Authority (NEMA) to review the EACOP ESIA reports, raised major concerns, which have not yet been sufficiently addressed in the revised version. 33 NCEA

<sup>30</sup> https://www.stopeacop.net/insurers-checklist

<sup>31</sup> https://www.banktrack.org/download/the east african crude oil pipeline eacop finance risk update no 3/220628eacopbriefingjun2022.pdf

<sup>&</sup>lt;sup>32</sup> https://climateaccountability.org/wp-content/uploads/2022/10/CAI-EACOP-Rptlores-Oct22.pdf

<sup>&</sup>lt;sup>33</sup> Advisory Review of the Environmental and Social Impact Assessment for the East Africa Crude Oil Pipeline (EACOP):

https://www.eia.nl/docs/os/i72/i7228/7228 advisory report eacop uganda 27 june 2019.pdf;

recommends that a fully-fledged environmental and social management system has to be established in line with ISO 14001 prior to the start of any works (including early works such as road construction and vegetation clearing).  $^{34}$ 

- Water pollution: The planned route of EACOP crosses the seismically active Rift Valley and numerous watercourses that are critical water supplies for a large population. Nearly one third of the proposed pipeline (approximately 460 km) will be built within the basin of Lake Victoria, Africa's largest freshwater body, endangering the water supply of more than 40 million people. A technical review of the pipeline ESIA by E-Tech International—an environmental technology organization, confirmed that "EACOP oil spills will occur over the lifetime of the project." However, the EACOP project employs the lowest-cost option for water crossings, instead of industry "best available techniques" as required by international standards. Moreover, the EACOP ESIA does not contain a robust oil spill emergency response plan.<sup>35</sup>
- Impacts on Ramsar wetlands: Analysis by the Stockholm Environment Institute shows that the project will threaten several Ramsar sites. Two Ramsar sites, which are designated as wetlands of international importance under the Ramsar Convention, are directly downstream on the planned pipeline trajectory, which crosses multiple tributaries to these wetlands. The Tilenga oil project ESIA also shows that the project area includes the

Advisory Review of the resubmitted Environmental and Social Impact Assessment for the East Africa Crude Oil Pipeline (EACOP):

https://www.eia.nl/docs/os/i72/i7228/7228 website versie advisory report eacop uganda 22 octo ber.pdf

https://www.eia.nl/docs/os/i72/i7228/7228\_advisory\_report\_eacop\_uganda\_27\_june\_2019.pdf; Advisory Review of the resubmitted Environmental and Social Impact Assessment for the East Africa Crude Oil Pipeline (EACOP):

https://www.eia.nl/docs/os/i72/i7228/7228 website versie advisory report eacop uganda 22 octo ber.pdf

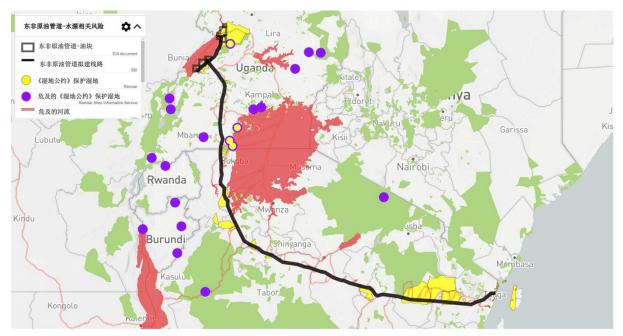
https://www.banktrack.org/download/review\_of\_adequacy\_of\_environmental\_mitigation\_in\_the\_esi a\_for\_the\_east\_africa\_crude\_oil\_pipeline/12may19\_bp\_final\_reviewtotaleacopugandaesia.pdf; Analysis of the Tanzania section of the pipeline: https://www.amisdelaterre.org/wp-content/uploads/2022/09/etude-e-tech-esia-eacop-tanzania-juin-2019.pdf.

<sup>&</sup>lt;sup>34</sup> Advisory Review of the Environmental and Social Impact Assessment for the East Africa Crude Oil Pipeline (EACOP):

<sup>&</sup>lt;sup>35</sup> Analysis of the Uganda section of the pipeline:

<sup>36</sup> https://mapforenvironment.org/story/The-East-African-Crude-Oil-Pipeline-EACOP-a-spatial-risk-perspective/111

Murchison Falls-Albert Delta Ramsar wetland system.<sup>37</sup> A recent research conducted by Ugandan wetlands experts points out that the EACOP is set to affect 158 wetland sections in Uganda. Of particular concern is the impacts on the Kibale/Bukoora wetland— the most important in the Sango Bay-Musambwa Island-Kagera (SAMUKA) Wetland System, a Ramsar Site<sup>38</sup>.



Source: Stockholm Environment Institute (2021) 39

- Biodiversity damage: The pipeline will pass through seven forest reserves, two game reserves, two game-controlled areas and one open area that supports wildlife management .40 According to research by World Wide Fund for Nature (WWF), nearly 2,000 square kilometers of protected wildlife habitats will be negatively impacted by the EACOP, including 500 square kilometers of important wildlife corridors for the

<sup>&</sup>lt;sup>37</sup> https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2021-03/Tilenga esia non-tech-summary 28-02-19.pdf

https://www.afiego.org/download/factsheet-on-eacop-impacted-wetlands-in-uganda-july-2023/?wpdmdl=3073&refresh=64bed6e51a6e61690228453

<sup>&</sup>lt;sup>39</sup> <a href="https://mapforenvironment.org/story/The-East-African-Crude-Oil-Pipeline-EACOP-a-spatial-risk-perspective/111">https://mapforenvironment.org/story/The-East-African-Crude-Oil-Pipeline-EACOP-a-spatial-risk-perspective/111</a>

https://mapforenvironment.org/story/The-East-African-Crude-Oil-Pipeline-EACOP-a-spatial-risk-perspective/111

Eastern Chimpanzee and the African Elephant. 41 The ESIA of the project acknowledged that there are at least 13 species "of conservation importance" within the EACOP's area of influence, including at least 10 plants of conservation importance. Six of these are on the IUCN Red List of Threatened Species. 42 At the port of Tanga in Tanzania, where the oil will be transferred offshore, two Ecologically or Biologically Significant Marine Areas (EBSAs), the Pemba-Shimoni-Kisite site and the Tanga Coelacanth site, are at high risk of degradation. These two EBSAs host numerous Marine Protected Areas, Mangrove Forest Reserves, ecologically significant coral reefs, and other wildlife. 43 The project's threats to ecosystems are even more concerning when considering the high tsunami44 and cyclone45 risk in the coastal areas of East Africa.

Regarding the upstream oil projects, the Tilenga Oilfield plans to develop ten well pads, corresponding to roughly 130 oil wells, within Murchison Falls National Park, one of Uganda's oldest and largest national parks. 46 The Kingfisher Oilfield will locate its central processing facility and well pads directly within the sensitive area of Buhuka Flats. 47 One expert analysis of the projects' ESIAs conclude that both projects employ low-cost yet high-risk technologies, instead of applying industry "best available technique" to prevent and mitigate degradation of ecosystems. 48

safeguarding nature and people oil and gas pipeline factsheet.pdf

<sup>41</sup> https://media.wwf.no/assets/attachments/99-

<sup>42</sup> https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2021-03/Eacop\_esia\_executive-summary-Uganda.pdf

<sup>43</sup> https://media.wwf.no/assets/attachments/99safeguarding nature and people oil and gas pipeline factsheet.pdf

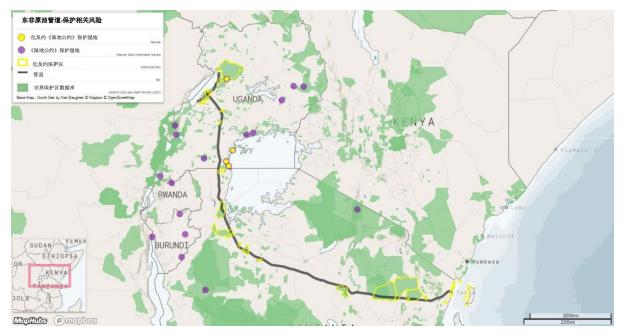
<sup>44</sup> https://pubs.geoscienceworld.org/gsa/geology/article/48/8/808/586277/A-1000-yr-old-tsunami-in-the-Indian-Ocean-points

<sup>45</sup> https://theconversation.com/tanzanias-forgotten-cyclones-and-concerns-for-the-future-160284

<sup>46</sup> https://www.eia.nl/docs/os/i72/i7228/7228 advisory report\_eacop\_uganda\_27\_june\_2019.pdf

<sup>47</sup> https://www.albertinewatchdog.org/wp-content/uploads/2019/05/12-may-19 BP FINAL CNOOC-Kingfisher-ESIA review-adequacy-of-mitigation.pdf

<sup>&</sup>lt;sup>48</sup> Tilenga 油田分析: https://www.albertinewatchdog.org/wp-content/uploads/2020/01/27-november-19\_E-Tech-evaluation-of-Total-Tilenga-ESIA.pdf; Kingfisher 油田分析: https://www.albertinewatchdog.org/wp-content/uploads/2019/05/12-may-19\_BP\_FINAL\_CNOOC-Kingfisher-ESIA review-adequacy-of-mitigation.pdf



Source: Stockholm Environment Institute (2021) 49

# 3. Social Impacts:

One hundred and twenty-thousand (120,000) individuals are being physically or economically displaced by land acquisition for the EACOP, Kingfisher and Tilenga oil projects, according to the data from various project documents. This includes: roughly 13,000 households across Uganda and Tanzania, accounting for more than 86,000 individuals, including indigenous people, affected by the EACOP; 50 4,865 households, accounting for 31,716 individuals affected by the Tilenga oil project displacement; 51 and 680 households, or roughly 2,949 individuals affected by the Kingfisher oil project displacement. 52

Affected communities report inaccuracies in the valuation processes carried out in relation to both Tilenga and EACOP, which has led to insufficient compensation<sup>53</sup>. Some affected communities claim that they were never consulted on the

<sup>49</sup> https://mapforenvironment.org/story/The-East-African-Crude-Oil-Pipeline-EACOP-a-spatial-risk-perspective/111

<sup>&</sup>lt;sup>50</sup> https://www.amisdelaterre.org/wp-content/uploads/2021/04/20210407-numbers-of-individual-persons-affected-by-eacop.pdf

<sup>&</sup>lt;sup>51</sup> https://www.amisdelaterre.org/wp-content/uploads/2020/10/raps-2-5-tilenga-executive-summary-atacama-2020-sep-en.pdf

<sup>52</sup> https://www.eia.nl/projectdocumenten/00006431.pdf

https://www.afiego.org/download/afiegos-april-2021-newsletter/?wpdmdl=2322&refresh=60f14f1a2dff61626427162

compensation rates for crops and buildings of a non-permanent nature, which is required by Uganda's 1998 Land Act.<sup>54</sup> In some cases, assessment forms were signed under pressure, including through intimidation, or valuation was carried out while property owners were not present.<sup>55</sup> Both the EACOP and Tilenga projects heavily restricted affected communities from land use long before providing compensation, for up to 4 years, in a region where the majority of people depend upon the subsistence economy, which has seriously threatened local livelihoods and food security.<sup>56</sup> Communities affected by Kingfisher have made similar complaints, including inadequate consultation, prolonged restriction of land use without compensation and insufficient compensation and livelihoods restoration.<sup>57</sup>

The project will also impact the livelihoods of a wider population who rely on the tourism sector and fisheries, due to the environmental impacts discussed above. The fisheries sector in Uganda alone employs over 1.7 million people directly and 3.6 million people indirectly, 58 with Lake Albert and Lake Victoria serving as contributing to more than 80% of the country's total fish production. 59 In comparison, the project claims that EACOP and the two oil fields will create only 12,000-13,000 direct jobs during the construction phase. Most of these jobs will no longer be available after the construction is completed. 60 Communities in the Democratic Republic of the Congo who rely on the Lake Albert are also likely to be affected, since the oil field projects are located onshore of the Lake Albert basin, which lies on the border of Uganda and the Democratic Republic of the Congo.

https://www.afiego.org/download/afiegos-april-2021-newsletter/?wpdmdl=2322&refresh=60f14f1a2dff61626427162

https://www.business-humanrights.org/en/latest-news/uganda-locals-to-be-displaced-by-oil-pipeline-oppose-land-valuation-process-includes-totals-comments/; https://www.hrw.org/report/2023/07/10/our-trust-broken/loss-land-and-livelihoods-oil-development-uganda# ftn80

https://www.sciencedirect.com/science/article/pii/S2214629621000633; https://www.amisdelaterre.org/wp-content/uploads/2020/11/a-nightmare-named-total-oct2020-foe-france-survie.pdf

<sup>&</sup>lt;sup>57</sup> https://justfinanceinternational.org/2023/04/18/the-oil-operations-broke-families-and-brought-tears/

<sup>58</sup> https://eprcug.org/publication/industrial-linkages-and-employment-opportunities-in-the-fish-value-chain/

<sup>&</sup>lt;sup>59</sup> https://www.ubos.org/wp-content/uploads/publications/01 20202019 Statistical Abstract -Final.pdf

<sup>60</sup> EACOP 和 Tilenga: <a href="https://totalenergies.com/projects/oil/tilenga-and-eacop-acting-transparently;">https://cnoocinternational.com/-/media/cnooc-images-and-files/operations/middle-east-and-north-africa/uganda/esia-documents/vol 4 cnooc kingfisher esia ss 10 sia final print ready 20181120.ashx?la=en&hash=EBC34CDC342429BEB405B145671CE5D2</a>

### Litigation

The social and environmental impacts and risks associated with the EACOP and associated projects have resulted in lawsuits concerning EACOP, the upstream oil field developments, and/or the operator, TotalEnergies, in different jurisdictions, namely France, Uganda, and the East African Court of Justice. Ongoing litigation includes:

- 1) A case filed against the Governments of Uganda and Tanzania as well as the Secretary General of the East African Community (EAC) at the East African Court of Justice (EACJ) claiming violations of the Treaty for the Establishment of the East African Community (EAC Treaty), by signing the agreement to build EACOP which has adverse impacts on the livelihoods, biodiversity, climate change and social economic aspects, and by doing so without the approval of the ESIA; 61
- 2) A case brought against the Ugandan Government asserting that it violated environmental laws by approving and issuing the Tilenga project with an ESIA certificate of approval; 62
- 3) A case filed in the French civil court by people from the affected communities, supported by Ugandan and French CSOs. The above accuse TotalEnergies of serious harm caused by the Tilenga project and EACOP, especially in relation to the host communities' rights to land and food; 63
- 4) There are also two ongoing cases in France against TotalEnergies alleging a failure to adequately address climate impacts in its operations  $^{64}$  and for misleading communication on net zero, and on the climate impacts of its activities.  $^{65}$

# Other Compliance Analysis

There is other potential non-compliance in relation to the project, besides the possible legal violations detailed above. These include:

1) The project is incompatible with the Paris Agreement on limiting global temperature increases to 1.5°C. The International Energy Agency (IEA) points out that exploitation and development of new oil and gas fields

<sup>&</sup>lt;sup>61</sup> https://www.eacj.org/?cases=reference-no-39-of-2020-center-for-food-and-adequate-living-rights-cefroht-3-others-v-the-attorney-general-of-the-republic-of-uganda-2-others

<sup>62</sup> https://www.afiego.org/download/press-statement-on-tilenga-eia-certificate-case-hearing-12-april-2022/?wpdmdl=2753&refresh=626bcc05dcef41651231749

https://www.trtafrika.com/business/ugandans-sue-french-oil-giant-totalenergies-for-reparations-13802448

<sup>64</sup> https://www.sohu.com/a/369443936 100001695

on https://www.sonu.com/a/369443936\_100001695 https://www.21jingji.com/article/20230203/herald/94b843c41f535cdff712370d41cb333b.html

- must stop to achieve this goal. 66 The acceleration agenda of United Nations calls for ending licensing or funding of new oil and gas. 67
- 2) The adverse impacts of the projects on biodiversity and Ramsar wetlands are incompatible with the Convention on Biological Diversity and the Convention on Wetlands. 68
- 3) Although the project has committed to comply with the Equator Principles and the Performance Standards on Environmental and Social Sustainability of the International Finance Corporation, 69 detailed analysis has found various issues of the project's non-compliance with the Equator Principles standards. 70
- 4) The outstanding environmental, ecological and social risks of the project, and the non-compliance with relevant international standards, are incompatible with policies and guidelines issued by the Chinese government. The Opinions on the Joint Implementation of Green Development in the Belt and Road Initiative, the Green Development Guidelines for Overseas Investment and Cooperation and Guidelines for Ecological Environmental Protection of Foreign Investment Cooperation and Construction Projects stipulate that Chinese companies shall strictly follow local laws, regulations and standards of the recipient countries, and encourage companies to follow international or Chinese standards, when host country standards are inadequate, to identify and prevent ecological and environmental risks. particular, the Opinions on the Joint Implementation of Green Development in the Belt and Road Initiative pledges to promote the implementation of the United Nations Framework Convention on Climate Change and the Paris Agreement by all relevant parties. According to the Guidelines for Ecological Environmental Protection of Foreign Investment Cooperation and Construction

<sup>66</sup> https://www.iea.org/reports/net-zero-by-2050

<sup>67&</sup>lt;a href="https://unsdg.un.org/zh/latest/stories/%E6%B0%94%E4%B8%93%E5%A7%94%E6%96%B0%E6%8A%A5">https://unsdg.un.org/zh/latest/stories/%E6%B0%94%E4%B8%93%E5%A7%94%E6%96%B0%E6%8A%A5</a>

%E5%91%8A%EF%BC%9A%E9%87%87%E5%8F%96%E7%B4%A7%E6%80%A5%E6%B0%94%E5%80%99
%E8%A1%8C%E5%8A%A8%EF%BC%8C%E5%AE%9E%E7%8E%B0%E5%AE%9C%E5%B1%85%E6%9C%A
A%E6%9D%A5%E4%BB%8D%E6%9C%89%E5%8F%AF%E8%83%BD

<sup>68</sup> https://www.afiego.org/download/factsheet-on-eacop-impacted-wetlands-in-uganda-july-2023/?wpdmdl=3073&refresh=64bed6e51a6e61690228453;

https://www.inclusivedevelopment.net/wp-content/uploads/2022/07/EACOP-EPs-assessment.pdf

https://corporate.totalenergies.cn/zh-hans/xin-wen/dao-da-er-xuan-bu-qian-shu-wei-yu-wu-gan-da-hetan-sang-ni-ya-de-ai-bo-te-hu-zi-yuan-kai-fa; https://www.inclusivedevelopment.net/wp-content/uploads/2022/07/EACOP-EPs-assessment.pdf

<sup>&</sup>lt;sup>70</sup> https://www.inclusivedevelopment.net/wp-content/uploads/2022/07/EACOP-EPs-assessment.pdf

Projects, companies shall select project routes and sites in accordance with the requirements of green, low-carbon and sustainable development, and try to avoid occupying or passing through nature reserves and important wildlife habitats.