

Mr. Akinwumi Adesina
President
African Development Bank (AfDB)

cc: AfDB Board of Directors

Re: East Africa Crude Oil Pipeline (EACOP)

19 March 2020

Dear Mr. Adesina,

We are writing to you to raise grave concerns regarding the recent request from the Governments of Uganda and Tanzania to the African Development Bank for partial financing of the East African Crude Oil Pipeline (EACOP).¹ The proposed 1,445-kilometer heated oil pipeline, which would extend from Hoima in Uganda to Tanga in Tanzania, is an exceptionally high-risk project. Our concerns are numerous and include the pipeline's climate impacts, which have not been properly quantified but are expected to be severe; the risks to local people from large scale land acquisition and resettlement; the risks to freshwater supplies and to livelihoods of people living along the pipeline corridor; and the threats to biodiversity in the region, including endangered animals. We do not consider that these concerns can be adequately mitigated, and as such, **we urge you to reject this funding request.**

We wish to underscore that approval of the grant would stand in sharp contrast to a growing alignment by multilateral development finance institutions to the Paris Agreement to combat climate change. Specifically, the European Investment Bank (EIB) has recently committed to stop financing coal, oil, and gas projects by 2021. Similarly, the World Bank Group is committed to no longer funding upstream oil and gas projects after 2019 in order to support countries in meeting their Paris Agreement goals.² Recently, the Asian Infrastructure Investment Bank has announced that it will take a leadership role in the transition to renewable energy and will only consider fossil fuel investments that are consistent with the relevant nation's Paris goals.³

We welcome your recent announcement that the African Development Bank will stop supporting coal power stations across the region, and help African countries transition from fossil fuel to renewable energy.⁴ However, the estimated emissions associated with EACOP, and therefore its contribution to climate change, rivals or exceeds many coal plants: the oil transported through this pipeline is expected to result in CO₂ emissions of over 34 million tonnes each year, significantly greater than the combined current emissions of Uganda and Tanzania. We therefore consider that financing this project would be contrary to the spirit of this new policy, and that **financing a project that would tie Uganda and other countries in the region to an oil-dependent future is incompatible with the bank's aim of helping African countries in the transition away from fossil fuels.**

We understand that the grant request has been made through the AfDB's NEPAD IPPF Special Fund, which, in addition to AfDB, receives financial contributions from various member states that are signatories to the Paris Agreement, including Germany, Canada, United Kingdom, Norway, Denmark and Spain.

In addition to the carbon emissions associated with this project, many other serious project risks will not be preventable or fully manageable, and will not be reversible if they manifest. It is apparent that the magnitude and severity of risk would make it very difficult, if not impossible, for the project developers to meet the objectives and requirements of the African Development Bank's environmental and social safeguards.

¹ The East African (November 2019). [EIB plans to halt funding of petroleum projects by 2021.](#)

² World Bank (December 2017). [World Bank Group Announcements at One Planet Summit.](#)

³ Financial Review (November 2019). [China fund's plan to revolutionise green finance.](#)

⁴ AfDB (September 2019). [UNGA 2019: No room for coal in Africa's renewable future: Akinwumi Adesina.](#)

Indeed, already project standards fall far below bank requirements: vital documents including the Environmental and Social Impact Assessment (ESIA) for Tanzania, the land acquisition and resettlement plan, and the oil spill contingency plan do not adequately specify when impacted households will receive compensation payments and fail to outline interim remedial measures for affected households who have already been displaced; the Ugandan ESIA has been written by an unregistered practitioner and been described as “not fit for purpose” by independent experts commissioned by the Ugandan Energy Authority NEMA; and there has not been an open, accessible, public and meaningful consultation and consent process with affected communities and civil society. We present further details about the project’s risks below.

1. FOSSIL FUEL EXPANSION IS INCOMPATIBLE WITH THE GOALS OF THE PARIS AGREEMENT

The oil, gas, and coal reserves in existing fields and mines across the world already far exceed what can be burned if we are to limit average global temperature rises to below two degrees Celsius. The reserves in currently operating oil and gas fields alone, even with no coal, would take the world beyond 1.5°C, the lower limit the world agreed to aim for at the 2015 UN Climate Summit in Paris. This means that, simply put, to achieve the goals of the Paris agreement, fossil fuel expansion must stop. There is simply no room for new fossil fuel pipelines like EACOP.⁵

The climate impacts of the pipeline, including associated oil extraction and combustion, have not been properly quantified. However, the kind of ‘heavy oil’ to be carried by the EACOP pipeline is associated with greenhouse gas emissions 50% higher than standard ‘light’ crude.⁶ In addition, the pipeline needs to be constantly heated to over 50°C across its 1,445 kilometre length to ensure this heavy oil flows through the pipeline.

The EACOP pipeline will carry 216,000 barrels of crude oil per day (10.9 million metric tons per year) at ‘plateau production’ according to the project’s website. According to calculations based on the specific fuel density of the EACOP blend, the emissions from the combustion of this fuel would be at least 34.3 million metric tons CO₂-equivalent (CO₂e) per year.⁷ Including these indirect emissions from the EACOP pipeline means the total emissions from the project will be some 2000 times higher than the estimates given in the ESIA.

To give a better idea of scale, these emissions will dwarf the current annual emissions of its two host countries combined, and will in fact be roughly equivalent to the carbon emissions of Denmark. **If the AfDB were to approve the funding request for EACOP, it will effectively be acting against its commitment to meeting the Paris Agreement goals and its own commitment to supporting the transition to renewables.**⁸

2. HUMAN RIGHTS AND CORRUPTION RISKS FROM LARGE SCALE LAND ACQUISITION AND DISPLACEMENT

The pipeline route traverses a number of heavily populated districts in both Uganda and Tanzania, and large-scale land acquisition and resettlement is expected as a result of pipeline construction and associated oil extraction and infrastructure, on both a temporary and permanent basis.

The resettlement policy framework of the Tanzania section of the pipeline acknowledges that both physical and economic displacement are unavoidable. Between 9,500 and 14,500 farms are estimated to be affected by construction. Risks to livelihoods and economic displacement are described further in the next section.

In recognition of the severe adverse impacts of displacement, including the risks of impoverishment, the African Development Bank’s Operational Safeguard on involuntary resettlement prescribes a set of standards and

⁵ Oil Change International (September 2016) [The Sky’s Limit](#)

⁶ Adam R Brandt et al. (December 2017) [Climate-wise choices in a world of oil abundance](#)

⁷ The ESIA indicates the fuel blend to be carried by the pipeline will result in emissions of 3.14 kilograms of CO₂e per kilogram of fuel.

⁸ Devex (September 2019). [African Development Bank commits to coal-free financing.](#)

protections for affected people.⁹ Previous land acquisition practices in Uganda and Tanzania have failed to meet these standards, including due to, inter alia, the payment of inadequate compensation, lack of information disclosure and a disregard for the legitimate land rights of affected people.

Indeed, failures to meet these standards have already occurred with respect to this project: News reports have identified a string of problems with the mapping and valuation exercise carried out by NEWPLAN Limited on behalf of Total, including some buildings and plantations going undocumented and others being undervalued. Project-affected peoples report being “harassed and forced to sign different forms without clear explanation” and “told to fill the valuation forms using a pencil, and then sign in ink”, a clear indicator of corrupt practices.¹⁰ The more than 7,000 people that were displaced without adequate compensation for the construction of associated infrastructure, including an oil refinery and an airport for the transport of oil equipment.¹¹ Families who chose to be compensated with land and housing were displaced to resettlement villages with dense housing and where they are unable to keep livestock or grow crops due to the distance from their lands. Families who chose to receive cash compensation instead of replacement housing report that they were compensated based on outdated rates, which were insufficient to purchase replacement land. The record of failure to provide adequate compensation by project implementers is longstanding; for example, at times Tullow Oil had upwards of 200 outstanding claims for compensation on its exploration land.¹²

Civil society groups in both Uganda and Tanzania have also voiced concerns about their ability to speak freely about the pipeline and other oil-related projects. In both countries, human rights defenders and journalists engaging with extractive industries experience harassments, threats and unlawful arrests. In Uganda, this particularly applies to people criticising the oil industry.¹³ Even with the best intentions of project implementers, this climate of intimidation makes lawful and human rights-compliant land acquisition and resettlement processes very challenging, if not impossible.

3. THREATS TO WATER AND LIVELIHOODS

The pipeline threatens many current sources of livelihoods in Uganda and Tanzania. The risks to livelihood sources, should they manifest, could lead to economic displacement of a vast magnitude.

The construction and operation of the pipeline will have serious implications for the agriculture, tourism and fishing sector due to contamination and land acquisition. Both Uganda and Tanzania are heavily dependent on agriculture and tourism.¹⁴ 75% of the land affected by the pipeline in the Tanzania section is cultivated with crops. As already noted above, between 9,500 and 14,500 farms in this section are likely to be affected by construction. Some of these areas already have a land shortage-problem.¹⁵

Extraction at the oil fields in Albertine Graben will also jeopardize the Murchison Falls National Park, which is important for tourism as Uganda’s second most visited national park. In addition, the mangroves at the coast of Tanzania which the pipeline puts at risk support approximately 150,000 people, in addition to the ecological

⁹ African Development Bank Group Integrated Safeguards System, Part III: Operational Safeguards, Operational safeguard 2 - involuntary resettlement (December 2013).

¹⁰ Business and Human Rights Resource Centre (May 2019). [Uganda: Local to be displaced by oil pipeline oppose land valuation process; includes Total’s comments.](#)

¹¹ This Place (August 2018) [“Marked for demolition? Ugandans on pipeline route fear land”](#)

¹² ActionAid (July 2013) [Business, Human Rights, and Uganda’s Oil, Part 1](#)

¹³ Defend Defenders (December 2012) [Only the Brave Talk About Oil.](#)

¹⁴ In Uganda agriculture and tourism accounted for respectively 28.2% and 7.3% of the GDP in 2017. In the same year, in Tanzania agriculture contributed for 23.4% to the GDP and tourism 9.1% to the GDP (CIA World Factbook) In addition agriculture employs 71% and 66.9% of the workforce in respectively Uganda and Tanzania (WTTC).

¹⁵ Total East Africa Midstream BV (2018) [Social and Resettlement Services for the East African Crude Oil Pipeline, Tanzanian Section](#)

services they provide.¹⁶ The 300 permanent jobs the pipeline is expected to create will not compensate for the loss of jobs in agriculture, tourism and mangroves.¹⁷

Nearly a third of the planned pipeline (460 kilometers) will be constructed in the basin of Africa's largest lake, Lake Victoria. More than 30 million people depend on Lake Victoria for water and food production.¹⁸ The pipeline also crosses several rivers and streams that flow into the lake, including the Kagera River. Possible spills from the pipeline due to bad maintenance, accidents, third-party interference or natural disasters, risk freshwater pollution and degradation in this area - a likelihood that is even greater since the area around Lake Victoria is an active seismic area.

In an analysis of 'plausible scenarios' flowing from the construction of EACOP, risk management consultants Assaye Risk have warned of a risk that "local community benefits promised by both governments are not delivered across all communities", and that land acquisition "leads to the loss of employment and livelihoods for those communities." Under this scenario, civil unrest could result, as seen in other pipeline construction projects around the world including the Trans Mountain Pipeline in Canada and the Trans-Adriatic Pipeline (TAP) between Greece and Italy, which would create additional human rights risks in addition to disrupting the pipeline and creating reputational damage for the companies, governments and banks involved.¹⁹

4. THREATS TO BIODIVERSITY AND NATURAL HABITATS

According to the non-technical summary ESIA for the Uganda section of the pipeline there are at least 13 species "of conservation importance" in the pipeline's area of influence. The report also identified at least 10 plants of conservation importance at risk, six of which are on the IUCN Red List of Threatened Species²⁰. More than 500 square kilometers of habitat of African elephants, eastern chimpanzees and lions will be severely degraded by the construction of the pipeline. The eastern chimpanzee is considered 'endangered' by IUCN and has already disappeared in some African countries.²¹

In Tanzania alone, the pipeline corridor will traverse seven forest reserves, two game reserves, two game-controlled areas and one open area that supports wildlife management, covering a total length of 295 kilometers.²² The pipeline will impact at least four forest reserves in its Uganda section, as well as several sacred natural sites,²³ and will cross 32 kilometers of the Wembere Steppe in Tanzania, a Key Biodiversity Area.

A large proportion of the oil that will be transported through the pipeline will be extracted in Uganda's Murchison Falls National Park, Uganda's largest national park and an IUCN category II protected area.²⁴ At least 31 oil wells (40% of Uganda's total wells) lie in this national park. The Murchison Falls Protected Area is a savannah ecosystem, which is rich in biodiversity and home to several endangered species of mammals, birds and plants.²⁵ In this regard, we recall IUCN (2016) resolution that "urges companies, public sector bodies, financial institutions (including development banks), relevant certification bodies and relevant industry groups not to conduct, invest in or fund environmentally damaging industrial activities and infrastructure development within, or that negatively

¹⁶ WWF and CSCO (2017) [Safeguarding people & nature in the East Africa crude oil pipeline project](#)

¹⁷ Ibid, as cited from Directorate of Petroleum (2017). East Africa Crude Oil Pipeline (EACOP) development and its benefits to the region, presentation by Mr. Naboth Mugyerwa, Principle Engineer Ministry of Energy and Mineral Development, at 8th East African Petroleum Conference and Exhibition, 7-9th June, 2017, Bujumbura, Burundi.

¹⁸ WWF and CSCO (2017) [Safeguarding people & nature in the East Africa crude oil pipeline project](#)

¹⁹ Assaye Risk (June 2018) [East Africa Crude Oil Pipeline \(EACOP\) Cone of Plausibility Analysis](#)

²⁰ Total East Africa Midstream BV (2019) [Environmental and Social Impact Assessment Report Summary Uganda Section](#)

²¹ WWF and CSCO (2017) [Safeguarding people & nature in the East Africa crude oil pipeline project](#)

²² Total East Africa Midstream BV (2018) [Social and Resettlement Services for the East African Crude Oil Pipeline, Tanzanian Section](#)

²³ IUCN NL (April 2019) Film : "These sacred natural sites for us we believe that they shouldn't be compensated they should remain there because they are things which are natural, it is a natural thing"

²⁴ ActionAid (July 2013) [Business, Human Rights, and Uganda's Oil, Part 1](#)

²⁵ (January 2015) [Biodiversity surveys of Murchison Falls Protected Area](#)

impact protected areas or any areas of particular importance for biodiversity and ecosystem services that are identified by governments as essential to achieving the Aichi Biodiversity Targets, and to make public commitments to this effect”.²⁶

Potential oil spills from EACOP will also threaten two Ecologically or Biologically Significant Marine Areas (EBSAs) that are essential for the healthy functioning of the oceans: Pemba-Shimoni-Kisite and Tanga Coelacanth, which border the port of Tanga in Tanzania. The area is rich with mangroves and coral reefs and hosts several Marine Protection Areas and Mangrove Forest Reserves. Mangroves are a habitat for many marine organisms and migratory birds, and help maintain water quality by filtering pollutants as well as stabilizing shorelines against hurricanes and flooding. But they are also extremely vulnerable: crude oil spills can potentially destroy mangrove ecosystems completely.²⁷

Further, the debt that the government of Uganda is expected to incur from the project risks undermining conservation efforts. The EACOP will require a recoverable financing of \$3.5 billion. The evidence available indicates that the government of Uganda, which is already indebted to a tune of over \$13 billion, will provide guarantees to lenders. As the oil sector competes for funds with bodies such as National Environment Management Authority (NEMA) National Forestry Authority (NFA), the Uganda Wildlife Authority (UWA), this is likely to negatively impact on conservation efforts.

To conclude, we consider this project presents unacceptable risks to local people through physical displacement and threats to incomes and livelihoods; unacceptable risks to water, biodiversity and natural habitats; as well as representing a new source of carbon emissions the planet can ill afford. As such we urge the African Development Bank not to proceed with financing this project, but to seek opportunities instead to finance genuine renewable infrastructure to help meet the region’s energy needs in a clean and rights-compatible manner in the decades to come. **As the leading development finance institution for Africa, we strongly urge you to not finance a project that poses unacceptable risks to thousands of communities and the environment, and that would fail to satisfy AfDB’s own environmental and social safeguards.**

We would welcome the opportunity to discuss these matters further, and we look forward to receiving a response from you by **April 10, 2020**. Please contact the **Centre for Energy Governance** at info@ceguganda.com.

Signed:

1. 350.org - Africa
2. Abibiman Foundation – Ghana
3. Abibinsroma Foundation – Ghana
4. Action Coalition on Climate Change (ACCC) – Uganda
5. Action Humanitaire pour le Développement Durable (AHDD) -DRC
6. Africa Institute for Energy Governance (AFIEGO) – Uganda
7. African Conservation Foundation – United Kingdom
8. African Hub for Accountability and Development Initiatives (AHADI) –Tanzania
9. African Law Foundation (AFRILAW) – Nigeria
10. Alerte Congolaise pour l'Environnement et les Droits de l'Homme (ACEDH) – DRC
11. Association Coopérative Vie Future (ACVF) -DRC
12. Association des Mamans pour la Lutte contre le Traumatisme (AMALUT) – DRC
13. Bank Information Center – United States
14. BankTrack – The Netherlands
15. Both Ends – The Netherlands
16. Buliisa Initiative for Rural Development Organisation (BIRUDO)- Uganda
17. Bureau de Développement Communautaire -DRC

²⁶ IUCN (2016) WCC-2016-Rec-102-EN [Protected areas and other areas important for biodiversity in relation to environmentally damaging industrial activities and infrastructure development](#)

²⁷ WWF and CSCO (2017) [Safeguarding people & nature in the East Africa crude oil pipeline project](#)

18. Center for Citizen Conservation – Uganda
19. Center for International Environmental Law (CIEL) – United States
20. Centre d'Éducation pour la Protection de l'Environnement et le Développement Durable (CEPED) – DRC
21. Centre de Recherche sur l'Environnement, la Démocratie et les Droits de l'homme (CREDDHO) – DRC
22. Centre Régional de Recherche et d'Éducation pour un Développement Intégré (CREDI-ONG) - Benin
23. Charity Distressed Children -DRC
24. Christian Aid -Kenya
25. Citizens Concern Africa (CICOA) – Uganda
26. Climate Justice - Canada
27. Club Amis de l'Environnement (CAE) -DRC
28. Conseil régional des ONG de développement – DRC
29. deCOALonize Campaign –Kenya
30. Earthlife Africa –South Africa
31. Environmental Governance Institute (EGI) - Uganda
32. Equitable Cambodia- Cambodia
33. Fédération des comités des pêcheurs individuels du lac Edouard (FECOPEILE) – DRC
34. First Peoples Worldwide – United States
35. FishNet Alliance - Africa
36. Forum des Engagés Pour le Développement Durable (FORED) -DRC
37. Forum Global de Chercheurs d'Alternatives (FGCCA)- DRC
38. Foundation for Environmental Management and Campaign Against Poverty (FEMAPO) -Tanzania
39. Foundation for the Conservation of the Earth (FOCONE) – Nigeria
40. Foyer de Développement pour l'Autopromotion des Pygmées et Indigènes Défavorisés (FDAPID) – DRC
41. Friends of Lake Turkana -Kenya
42. Friends of the Earth - United States
43. Fund Our Future – South Africa
44. Gender Action – United States
45. Grande Action pour le Développement, (GAD) -DRC
46. Green Advocates International - Liberia
47. Guild Presidents' Forum on Governance – Uganda
48. Health of Mother Earth Foundation -Nigeria
49. Inclusive Development International - United States
50. Innovation for the Development and Protection of the Environment (IDPE) – DRC
51. International Accountability Project (IAP) – International
52. International Rivers – United States
53. Jamaa Resource Initiatives (JRI) – Kenya
54. Jeunesse et Développement (J&D) – Mali
55. Just Share – South Africa
56. Justice-Plus (JP) -DRC
57. Leave It in the Ground Initiative (LINGO) – Germany
58. Lumière synergie pour le développement (LSD) – Sénégal
59. MAIDENI – DRC
60. Narasha Community Development Group – Kenya
61. National Association of Professional Environmentalists (NAPE) – Uganda
62. National Union of Persons with Disability - Uganda
63. NGO Forum on ADB- Regional
64. Observatoire d'Études et d'Appui à la Responsabilité Sociale et Environnementale (OEARSE) - DRC
65. Ogoni Solidarity Forum -Nigeria
66. Oilwatch Africa
67. Oilwatch Ghana
68. Oilwatch Togo
69. ONEFC - DRC
70. Organisation de la Santé pour le Développement -DRC
71. Organisation pour le Développement Durable et la Biodiversité (ODDB ONG) - Bénin

72. Pax-Dei (PD) -DRC
73. Power Shift Africa -Kenya
74. Public Interest Law Center -Chad
75. Rainforest Action Network – United States
76. Recourse- The Netherlands
77. Resilient Waters Program, Southern African Development Community– Southern Africa
78. Robin Hood Tax – United Kingdom
79. SAFCEI -South Africa
80. Sauti ya Haki Tanzania (SHTZ) -Tanzania
81. Sauti za Wanawake Ukerewe -Tanzania
82. SEATINI Uganda- Uganda
83. Serengeti Watch- United States
84. Sinza Philanthropies- Uganda
85. SORADEC - DRC
86. South Durban Community Environmental Alliance –South Africa
87. South Western Institute for Policy and Advocacy (SOWIPA) - Uganda
88. SustainUS- United States
89. Synergie des Ecologistes pour la Paix et le Développement (SEPD) – DRC
90. Synergie des Jeunes pour le Développement et les Droits Humains (SJDDH) – DRC
91. Synergie des Vanniers Amies de la Nature (SVAN) – DRC
92. Synergie Ukingo Wetu (SUWE) – DRC
93. The Development Institute- Ghana
94. Transformative and Integrative Build Out For All (TIBA) -Tanzania
95. True Nature Foundation – The Netherlands
96. Union des Familles pour la Recherche de la Paix (UFAREP) - DRC
97. Urgewald – Germany
98. Volontaire Environnement Sans Frontière (VESF) – DRC
99. Witness Radio Organisation- Uganda
100. World Peace Protection (WPP) -DRC
101. World Voices Uganda - Uganda
102. Young Christian in Action for Development –Togo