

The East African Crude Oil Pipeline: New risk developments

Since our last risk update on the East African Crude Oil Pipeline (EACOP) in May 2023, Japanese bank Sumitomo Mitsui Banking Corporation (SMBC), a top financier of TotalEnergies, has withdrawn from its role as financial adviser for the \$3 billion project finance loan; intended to finance 60% of the \$5 billion total project costs. Several other significant potential financiers have made it known that they will not be participating either. The list of (re) insurance companies ruling out involvement in the project has also grown with five additional (re)insurers.

As a result, the project sponsors are reportedly turning their attention to Chinese and African financiers as lenders of last resort.¹ Despite this, the project still does not have committed financing in place and, following years of delay, financial close has reportedly again been pushed back again until June 2024. Prior to this new delay, the project sponsors were aiming for financial close by the end of October 2023. Despite the delay, the sponsors are proceeding with initial works on the pipeline, spending their own 40% equity stake.

While TotalEnergies contends that the compensation process for affected people along the pipeline route is near completion, many of the issues set out in previous risk updates have still not been resolved. The number of affected community members who are voicing their dissatisfaction with the compensation process is quickly growing. The body of evidence showing the magnitude of the project's impacts on biodiversity also keeps expanding, as do the legal claims against TotalEnergies.

This briefing note sets out significant developments of interest to banks, investors and insurers that may be considering financing the EACOP, or are exposed to the project or its backers, that have emerged since our [most recent Risk Update](#).

For a full description of the overall project risks, please refer to the original Financial Risk Briefing, and the subsequent 4 updates:

- [Finance Risk Briefing - Nov 2020](#)
- [Finance Risk Update No. 1 - Aug 2021](#)
- [Finance Risk Update No. 2 - Jan 2022](#)
- [Finance Risk Update No. 3 - Jun 2022](#)
- [Finance Risk Update No. 4 - Apr 2023](#)

1 The project sponsors are: TotalEnergies, China National Offshore Oil Corporation [CNOOC], and the Ugandan as well as Tanzanian governments, represented by the Uganda National Oil Company [UNOC] and Tanzania Petroleum Development Corporation (TPDC).

1. Project Updates

DRC appears certain about access to the EACOP

In May 2023, the Democratic Republic of the Congo (DRC)'s Minister for Hydrocarbons, Didier Budimbu, after having spoken to the Ugandan government asserted that the country will have [access to the EACOP](#). The DRC is seeking to secure access to the EACOP to make its oil blocks, currently up for auction, more attractive to potential bidders. During a London roadshow in May 2023 for the licensing round, Mr Budimbu expressed DRC's strong intentions in acquiring access to the EACOP, "[whatever time it takes](#)." The same month, the DRC and Ugandan government [formally met](#) to lay the foundations for a memorandum of understanding (MoU) between the two countries, pending the completion of reports by the technical teams from both countries.

This development, however, is inconsistent with TotalEnergies' previous statement of April 2023, when it said that the EACOP will not be able to accommodate Congolese oil.

Should the EACOP be connected with the DRC oil blocks, this would significantly raise the risk profile of the EACOP project as it would [open up](#) further sensitive ecosystems – like Virunga National Park – to commercial oil extraction. Human rights and environmental organisations in the DRC have joined the [campaign](#) to stop the EACOP and are calling on the government to cancel the oil block auctions.

First 100 km of pipelines delivered to Tanzania

In December 2023, the first 100 km of pipes for the EACOP were [delivered from China to the port of Dar es Salaam](#) in Tanzania. A representative of the Tanzania Petroleum Development Corporation (TPDC) declared that large-scale work on the construction of the pipeline will [commence in April 2024](#).

“Should the EACOP be connected with the DRC oil blocks, this would significantly raise the risk profile of the EACOP project as it would open up further sensitive ecosystems – like Virunga National Park – to commercial oil extraction.”

– Earth Insight

Financial close seemingly pushed back again

Financial close on the EACOP project loan has been postponed multiple times throughout the years, having once been [expected](#) as early as June 2019. In September 2023, the Permanent Secretary of the Ugandan Ministry of Energy [stated](#) that financial close would take place the following month, with the involvement of two state-owned Chinese policy institutions, Export-Import Bank of China and China Export & Credit Insurance Corporation (Sinosure). However, in October 2023, timelines slipped again, with the Ministry stating that it now only expects Sinosure to approve support for the EACOP project by April 2024. In a [recent article](#), industry sources state that June 2024 is a more realistic timeline for the financial institutions to finalise their decision making process. The delay is said to be caused by Sinosure's internal procedures.

For more information on the role of Chinese financial institutions see the *Finance and Insurance updates* section below.

2. Finance and Insurance updates

More major financial institutions distance themselves from EACOP

Since the last risk update, three crucial financial institutions have publicly distanced themselves from the EACOP, following continued pressure from activists as well as growing awareness of the project's financial risks and its severe human rights, climate and biodiversity impacts.

- In May 2023, UK bank **Standard Chartered** announced that it will not finance the EACOP. The bank had been undertaking due diligence on its participation in the project loan since at least March 2021. Standard Chartered's decision also has particular relevance considering the bank's role as [current chair of the Equator Principles](#). The bank's decision reinforces the [civil society analysis](#) which has shown several areas of non-compliance of the EACOP project with these international standards.
- In the same month, Japan's **Sumitomo Mitsui Financial Group** (SMBC Group) announced that it was not involved in the EACOP project. This decision was particularly significant as SMBC Group's subsidiary, Sumitomo Mitsui Banking Corporation (SMBC), had reportedly acted as one of three [financial advisors](#) for TotalEnergies on the project and as joint lead arranger for the EACOP loan. The bank's decision to withdraw from the project sends a stark warning to other financial institutions that the EACOP project is too risky.
- In June 2023, one of SMBC's Japanese peer banks, **Mitsubishi UFJ Financial Group** (MUFG), also confirmed its non-involvement in financing the EACOP. The bank noted the [exceptional nature](#) of this public declaration, stating that this was due to the unique level of interest in the EACOP.

These recent developments bring the [total number](#) of banks which have publicly distanced themselves from the EACOP to 27, and leave Standard Bank of South Africa and ICBC of China as the remaining financial advisers.

“The bank noted the exceptional nature of this public declaration, stating that this was due to the unique level of interest in the EACOP.”

– Mitsubishi UFJ Financial Group (MUFG)

Project sponsors turn to China for support

As many major North American, European and Japanese lenders have refused support to the project, Chinese financial institutions are emerging as [a last resort for funding](#) the EACOP project. According to Uganda's Ministry of Energy and Mineral Development, China EximBank and Sinosure are [currently in talks](#) about financing the project, alongside African banks.

List of (re)insurers ruling out involvement grows to 28

After months of [targeted efforts](#) by campaigners, including Coal Action Network, Insure Our Future, Money Rebellion and StopEACOP, leading (re)insurance companies SiriusPoint, Riverstone International, Enstar Group, and specialty insurers Blenheim and SA Meacock have ruled out involvement in the EACOP. This brings the [total number](#) of re(insurers) refusing to get involved in the EACOP to 28.

3. Legal Risk updates

The East African Court of Justice dismisses the case against EACOP

In November 2023, the East African Court of Justice (EACJ) [dismissed the case](#) brought by CSOs Natural Justice, Centre for Food and Adequate Living Rights (CEFROHT), Centre for Strategic Litigation (CSL) and Africa Institute for Energy Governance (AFIEGO), against the construction of the EACOP. The Court upheld the preliminary objection brought on by the Tanzanian and Ugandan prosecutors, [arguing](#) that the case should have been filed as early as 2017. The applicants had first filed the case in 2020, claiming that the project proponents failed to conduct effective and meaningful [public participation and consultation](#). The Court declared its lack of jurisdiction to decide the matter. The applicants will [appeal](#) the ruling, arguing that the judgement failed to take into consideration pertinent facts that would have allowed the applicants to have the merits heard before the EACJ.

TotalEnergies sued once more for violating duty of vigilance

In June 2023, a coalition of five French and Ugandan CSOs, 26 Ugandan members of oil-affected communities, and Ugandan human rights defender Maxwell Atuhura, filed a complaint against TotalEnergies over alleged human rights violations in relation to the EACOP and Tilenga projects in Uganda. The complaint is based on the French Duty of Vigilance law. The plaintiffs [seek reparations](#) for damages they allege have been incurred as a result of the project. These damages include forceful evictions, deprivation of livelihoods, flooding, damage of property, insufficient and delayed financial compensation, threats, harassment, and arrests of protesters.

TotalEnergies targeted with criminal complaint for ‘climaticide action’

In September 2023, four environmental organisations, Darwin Climax Coalitions, Sea Shepherd France, Wild Legal, and Stop EACOP/Stop Total en Ouganda, launched an additional legal action against TotalEnergies, seeking to hold the company criminally liable for what they call [‘climaticide action’](#). The plaintiffs assert that for the period 2022-2025, TotalEnergies has approved more fossil fuel projects (including EACOP) than any other oil major. They claim that, in the current climate crisis, Total can be held responsible for failure to fight a disaster, involuntary homicide, unintentional injury to persons, and destruction or damage of property.

4. Human rights impacts updates

TotalEnergies announces evaluation of EACOP and Tilenga land acquisition process

In a departure from its previous confident stance on the land acquisition process, TotalEnergies has [announced](#) an evaluation of the procedures used, the conditions for consultation, the compensation and relocation of people affected, and grievance handling surrounding both the EACOP and the Tilenga oil field. The announcement follows [years of criticism](#) from CSOs, activists and community members and more recently in June 2023, the launch of another court case in France against Total described above. TotalEnergies has [hired](#) Southbridge, “[an innovative financial services firm](#)” headed by former prime minister of Benin Lionel Zinsou, to conduct the evaluation. The firm has [worked](#) with TotalEnergies before. The resulting report is [expected by April 2024](#).

Uganda court evicts 42 Tilenga-affected households

On December 8th, 2023, the High Court in Hoima, Uganda ordered 42 families to leave their land before receiving compensation. Their compensation will be deposited in court only once TotalEnergies has [acquired their land](#) on behalf of the Ugandan Ministry of Energy, for the development of the Tilenga project. The hearing followed only four days after the landowners were formally notified of the case, and was decided after only one hearing. Only 18 of the 42 households were represented in court. Some of the households did not attend as [they did not know yet](#) that they had been sued, while others [could not travel](#) the long distance from Buliisa district to Hoima because of the short notice and lack of resources for [transport or legal representation](#). The hearing was held in English, a [language unknown to most defendants](#). 16 landowners had [rejected the provided compensation](#) because it was too low, 18 others were claimants to lands subject to ownership disputes, while seven more landlords were [unknown and untraceable](#).

“Out of individuals from 237 EACOP-affected households interviewed, 96.6% did not receive replacement land equivalent to that impacted by the project, while 78.1% received delayed, unfair, and inadequate compensation.”

– AFIEGO

AFIEGO [comments](#) that while a case with severe human rights implications filed by the Ministry of Energy was decided in only four days, some households have been waiting for a decision on their claims over unfair compensation for nearly ten years.

AFIEGO research shows severe impacts on affected communities

In a [report](#) from November 2023, [AFIEGO](#) has found that, out of individuals from 237 EACOP-affected households interviewed, 96.6% did not receive replacement land equivalent to that impacted by the project, while 78.1% received delayed, unfair, and inadequate compensation. The report also highlights the EACOP’s negative impacts on land productivity, children’s education, and annual incomes.

Deadly accidents at Kingfisher oilfield prompt halt of operations

[Several safety incidents](#) have been reported at the site of the Kingfisher oilfield project being developed by CNOOC Uganda. When fully operational, the Kingfisher oilfield is set to be [one of the main sources](#) of oil for the EACOP. The latest incident occurred in October 2023, when a security guard was killed by a moving truck. After concerns for the safety of personnel were raised, the Petroleum Authority of Uganda (PAU) [temporarily halted](#) all Kingfisher operations. PAU [lifted the suspension](#) two weeks later. It is unclear whether the family of the security guard who died received any form of support or compensation.

Greenfaith claims EACOP project violates ancestral graves

A November 2023 [report by Greenfaith](#), a non-profit organisation promoting multi-faith grassroots activism all around the world, demonstrates that for many affected people, losing land to the EACOP project also means losing the burial sites of their ancestors, traditionally located on the family's property. The report also claims that compensation practices adopted by TotalEnergies do not allow the families to perform the necessary rituals on their ancestors' graves, according to their religious beliefs. These issues constitute a violation of the IFC Performance Standard 8, which TotalEnergies has committed to uphold. TotalEnergies has [responded](#) to the allegations.

Human Rights Watch shows EACOP-affected communities pressured to give up their lands

A [report](#) published in July 2023 by Human Rights Watch demonstrates that affected communities have endured pressure and intimidation, leading them to agree to low levels of compensation for their land that were in fact inadequate to buy substitute plots. This has led to many becoming more impoverished and often indebted as a result of the project. The report also highlights TotalEnergies' role, as it has repeatedly disregarded its expressed commitments to uphold relevant international standards. The report advises financial institutions not to provide "support, financial or otherwise, for the development of EACOP or associated projects," and to "publicly state a commitment not to fund EACOP."

“Affected communities have endured pressure and intimidation, leading them to agree to low levels of compensation for their land that were in fact inadequate to buy substitute plots.”

– Human Rights Watch

More testimonies of people whose lives have been directly impacted by EACOP

In July 2023, AFIEGO published five video stories of “people who have suffered broken promises, anxiety & stress-induced illness due to EACOP.”

- **Evaristo** shares his experience when raising a complaint via the grievance mechanism set up by the project proponents and being told that, if he decided not to sign the compensation agreement, the money would have instead been deposited with the government. “This is how my land was taken.”
- **Ssemanda** shares the experience of vulnerable project-affected persons not being offered the support that was promised to them.
- **Latifah** shares her experience of receiving inadequate replacement housing and no compensation.
- **Kassim** shares his experience as the caretaker for his mother, whose house lies only 3 metres away from the pipeline route and who considers the stress brought on by the EACOP project responsible for the worsening of her health.
- **Christopher** shares his concerns about compensation and his fears for the safety of his children.

The testimonies, published by AFIEGO

Source: X, @AFIEGO

What happens when some #EACOP-affected people report grievances? Listen to Evaristo from Kituntu village who was tricked & thereafter told he would be taken to court if he didn't sign for compensation.
@TotalEnergiesUG @PAU_Uganda @stopEACOP @aifeuganda @dylmartil @YGCUganda



I am Sseguja Evaristo from Kituntu village, Nabigasa sub-county, Bethlehem parish in Rakai district. I am among those affected by the oil pipeline but I feel aggrieved. They (pipeline) passed through my mature coffee plantation but some

In the EACOP Resettlement Action Plan, @TotalEnergiesUG promised 2 pay special attention 2 vulnerable persons. Has this commitment been enjoyed by all vulnerable EACOP PAPs? Ssemanda Pastori shares his experience. @aifeuganda @stopEACOP @NakabuyeHildaF @YGCUganda @CERAUG



My name is Ssemanda Pastori from Nanywa LC1, Nabigasa sub-county in Lwengo district.

Before being displaced for #EACOP, Latifah N. had a 4-roomed house. @TotalEnergiesUG built her a smaller replacement house. Latifah has no room to keep her property & children! She is asking Total to add an extra room to her house & pay the person who sold her replacement land.



My name is Latifa Nakyeyune of Nkomo B village in Lwengo sub-county, I am surely aggrieved.

'I was poor but at least I was better off before #EACOP! This is a sentiment one hears on interaction with EACOP-affected people. This week, we bring you video stories of people who have suffered broken promises, anxiety & stress-induced illness due to #EACOP.
@TotalEnergiesUG



Sirs, my name is Kassim. I am from Lwengo district, Nanywa sub-county, Nanywa A LC1 (village). I am here on behalf of my mother. We live near each other and I am here

@TotalEnergiesUG, EACOP-affected people in Hoima have the following grievances:

1. You paid less compensation than @UNOC_UG that acquired land for the finished petroleum pdts pipeline. They wonder why.
2. Ghost land hasn't been paid for.
3. #EACOP is too near some pple's houses.



My name is Christopher, a resident of Kijumba (in Hoima district). What is painning me is that

Harassment and intimidation of communities and project opponents

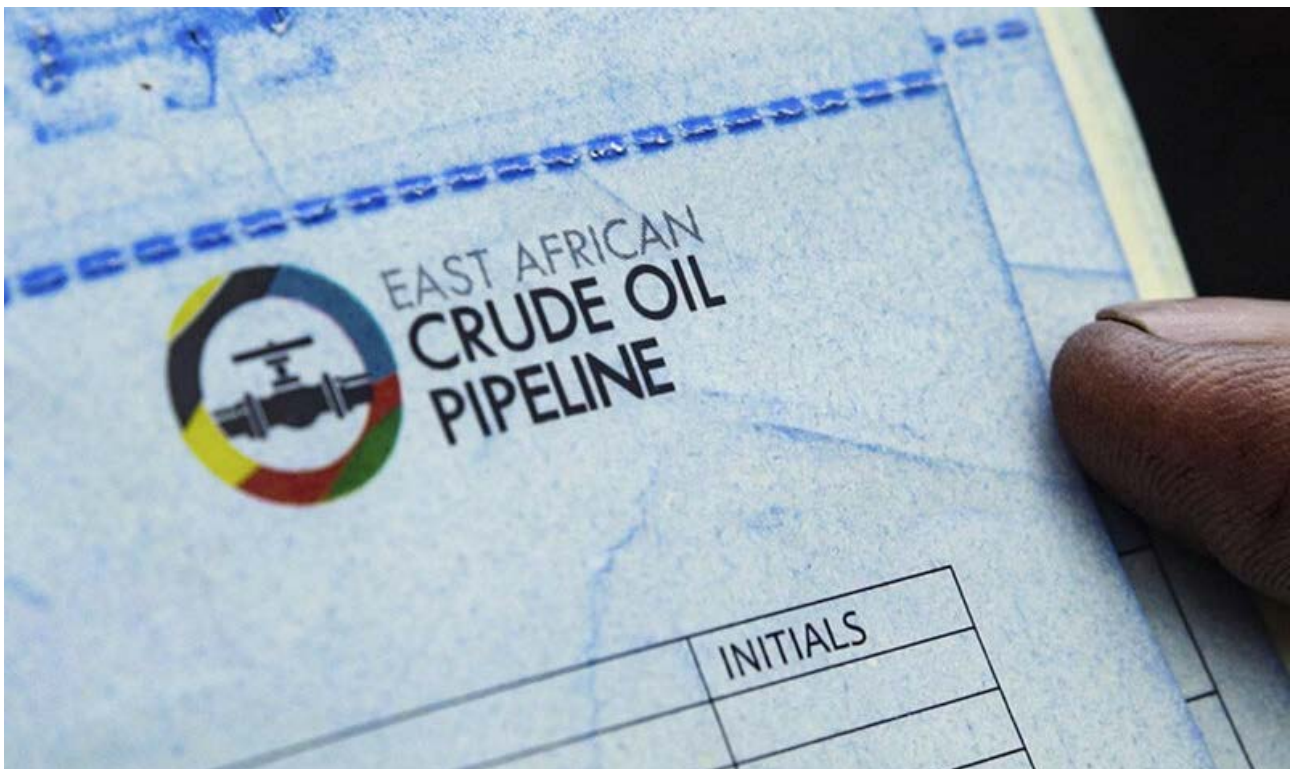
New report confirms TotalEnergies' role in intimidation and harassment of affected communities

A new [Global Witness report](#), published in December 2023, implicates TotalEnergies in the bullying and intimidation of communities affected by the EACOP. The report uncovers evidence that the French oil giant has failed to adequately protect communities and human rights defenders put at risk by the pipeline. Based on interviews with over 200 people, the report documents numerous allegations by community members who felt pressured into accepting compensation deals that were too low.

The investigation received reports that TotalEnergies' subsidiary staff or contractors threatened defenders fighting for compensation or moved together with armed officials to visit communities. On top of these findings, the report uncovers evidence that, in a handful of instances, the state authorities appeared to be in communications with TotalEnergies before reprisals against activists and campaigners took place.

Frontline activists tell of harassment and threats

A second [new report](#) by Human Rights Watch, published in November 2023, provides additional evidence of Ugandan activists being subjected to harassment, arbitrary arrests, and threats in their fight against the EACOP project. The report collected interviews with 21 Ugandan activists fighting the EACOP. The activists lament numerous civil rights violations: since 2021, at least 30 protesters and human rights defenders, many of them university students, have been arrested, while many activists have been illegally detained in police stations or undisclosed locations for days before being released without charges.



Source: Les Amis de la Terre France

Repeated arrests during peaceful protests

On November 24th, 2023, while attempting to deliver petitions against the EACOP project to the Ugandan Parliament, seven university students were arrested, charged with holding unlawful processions and inciting violence, and remanded to [Luzira Maximum Security Prison](#). On repeated instances, the [State prosecutor did not attend their bail hearings](#), prolonging their imprisonment. The students were finally given bail on the 19th December. A hearing was supposed to take place on the 7th of February. However, the Magistrate did not show up at the hearing, postponing it to March 12th.

The arrests on the 24th of November came a few days after another seven activists were arrested while protesting the EACOP outside the Chinese Embassy in Kampala on the 20th of November 2023. Earlier, on September 15th in Kampala, four students were [arrested](#) for protesting against the EACOP, after a crowd of protesters was [violently dispersed](#) by police. Following their arrest, the students were held for a weekend in a notoriously overcrowded [maximum security prison](#), before being charged with public nuisance and released on bail. The UN Special Rapporteur on Human Rights Defenders, Mary Lawlor, has commented that these arrests are [“very disturbing.”](#)

In the meantime, nine university students arrested in October 2022 for peacefully demonstrating against the EACOP [awaited trial for more than a year](#), after their court hearings were repeatedly postponed, in an apparent attempt to intimidate the defendants and other fellow activists. In November 2023, the charges against them were [finally dropped](#).

Human Rights Watch submits contribution to UN Special Rapporteur report on reprisals against Ugandan activists

Also in November 2023, Human Rights Watch (HRW) [submitted a contribution](#) for the upcoming report by the UN Special Rapporteur regarding the situation of child and youth human rights defenders. Among the situations highlighted by HRW is that of Ugandan activists under the age of 32. Specifically, HRW has informed the Special Rapporteur on the numerous instances of students being arbitrarily arrested during generally small and peaceful protests, unlawfully detained, and even beaten by police officers.

StopEACOP protest outside the Chinese Embassy in Kampala, Uganda, on November 20th, 2023

Source: Apass Marley



5. Nature and biodiversity impact updates

Research by AFIEGO highlights negative impact on wetlands

In July 2023, AFIEGO published a [factsheet](#) highlighting the biodiversity and socio-economic impacts expected to be caused by the EACOP project on wetland systems in Uganda. The factsheet details that the EACOP project is set to cross over 158 wetland sections in Uganda, and it will affect wetlands in all the ten districts affected by the project. Disturbing these delicate ecosystems could have severe consequences for communities related to both their direct usage as a source of fish, firewood, and water; and their indirect uses, such as for water retention, pollution control, climate regulation, and nutrient recycling. This would also have a ripple effect on Lake Victoria, Africa's largest freshwater lake and source of water for up to 40 million people, as its fragile drainage basin would be disturbed. Moreover, the report demonstrates how the project's Environmental and Social Impact Assessment downplayed the impact on wetlands, deeming it non-significant, and how the open cut pipeline installation technique proposed for the project's river crossings, which entails opening the ground's surface to the required depth for the pipeline's placement, will have much greater negative impacts on wetlands than other available techniques.

Open-cut river crossings in Uganda questioned in media

In December 2023, [news reports](#) questioned the river crossing techniques planned to be employed for the EACOP's construction. As [previous risk briefings](#) have highlighted, TotalEnergies will employ the [cheaper open-cut technology](#) for river crossings in Uganda. This technology [heightens](#) the risks of water contamination. This decision appears to be [motivated by cost considerations](#). In contrast, in Tanzania, the government's environmental agency insisted on the use of the safer horizontal directional drilling (HDD) technology for river crossing after a spill simulation showed a higher risk of contamination of Lake Victoria if there was a leak at the Kagera River crossing.

**“the project’s
Environmental and Social
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significant”**

– AFIEGO

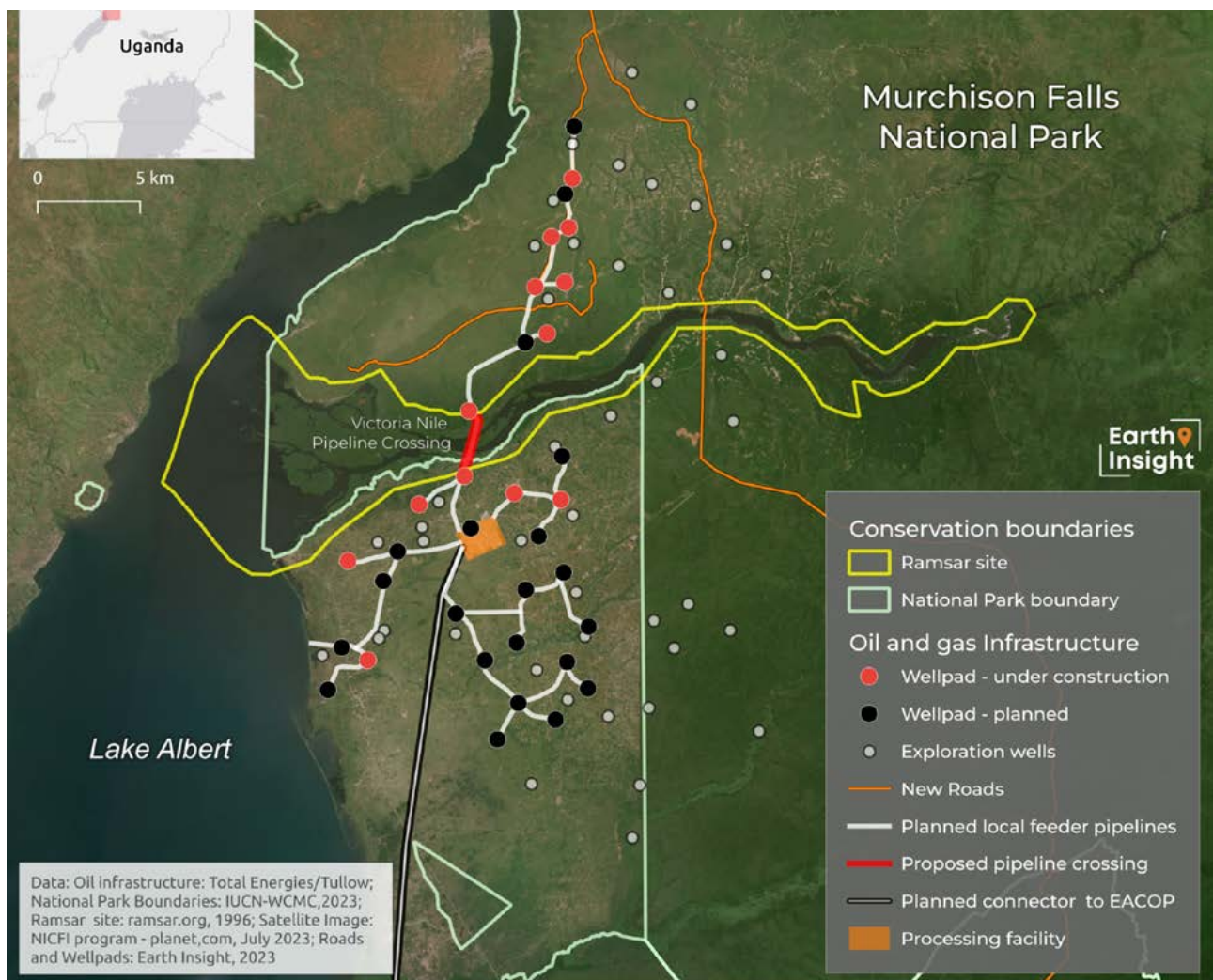
61 African CSOs petition for addition of impacted Ramsar wetlands to the Montreux Record

In September 2023, 61 African CSOs [wrote to](#) the Secretary-General of the Ramsar Convention on Wetlands of International Importance to urge the institution to add the Ramsar sites affected by the EACOP and related projects in Uganda and Tanzania to the Montreux Record. The [Montreux Record](#) is a register of Ramsar wetlands “where changes in ecological character have occurred, are occurring, or are likely to occur as a result of technological developments, pollution or other human interference.” The addition to the Montreux Record would raise awareness to the dangers of oil exploitation and exploration activities to these important biodiversity areas and would add pressure for third-party monitoring and conservation efforts.

New satellite images show potentially wider impact on biodiversity areas

In September 2023, new satellite imagery published by [Earth InSight](#) show how the EACOP could pose larger threats to affected communities and ecosystems than previously estimated. The EACOP's completion could have ripple effects in a wider area comprising Uganda, Tanzania, and the DRC. Beyond the damages directly caused by the project, the EACOP's operations are likely to [lead to increased exploration and extraction of fossil fuels](#), and the associated construction of more infrastructure in extremely sensitive and rare ecosystems. In Uganda, the project's completion would favour further expansion of oil wells and feeder pipelines into Murchison Falls National Park, a habitat for more than 73 animal species and region adjacent to the Victoria Nile River.

The new satellite imagery shows how Total has already underestimated the impact of extraction operations in the Park. In Tanzania, the many oil transport vessels set to leave from Tanga Port would put shores at risk, as well as two important Ecologically or Biologically Significant Marine Areas (EBSAs), one of which, the Pemba-Shimoni-Kisite site, is known for its coral reefs. Furthermore, if the pipeline reaches completion, fossil fuel extraction would become much more likely in the DRC, where parts of the Virunga National Park, which includes millions of hectares of protected tropical forest and is a [UNESCO World Heritage Site](#), could be affected by extraction operations.



Oil expansion threatens to the Murchison Falls National Park and Ramsar Wetland

Source: Earth InSight

6. Growing civil society pressure on financial institutions

Standard Bank violently quells growing criticism from activists

Standard Bank, one of the two [remaining financial advisors](#) to the EACOP project, has continued to face high-profile protests regarding its role in the project and its broader climate impacts. On June 12th, 2023, during its Annual General Meeting (AGM), hundreds of activists staged a [protest](#) outside the bank's offices in Johannesburg, South Africa, demanding the bank withdraw from the EACOP. Social and climate justice activist Kumi Naidoo, who is the former Executive Director of Greenpeace International and Secretary General of Amnesty International, and Extinction Rebellion activist Malik Dasoo, were [forcibly removed](#) from the Standard Bank headquarters following a peaceful demonstration by Extinction Rebellion South Africa against the bank's involvement in the EACOP in the lobby of the building.

In September 2023, Standard Bank responded once more with violence to a [peaceful occupation](#) organised by Extinction Rebellion Gauteng and other local movements who, among other demands, asked for a dialogue with the bank regarding its investments in fossil fuels. Activists and journalists were [forcibly removed, kicked, held down on the ground, and illegally held in custody](#) inside the bank for hours by the private security agents contracted by the bank. The bank, which has suggested it will [commit US\\$ 100 million to the EACOP](#) pending the completion of an environmental and social impact assessment and agreement being reached on the project's financing structure, has received significant negative [media attention](#) as a result of the continued protests and its heavy-handed response to them.



Activists Kumi Naidoo (left) and Malik Dasoo being forcibly removed out of Standard Bank headquarters during the bank's AGM

Source: Julia Evans / Daily Maverick

Pressure from East African CSOs and communities increases on potential Chinese financiers and other actors

As the EACOP increasingly looks to China to finance the project, East African civil society organisations are mobilising to express their concern and opposition. In October 2023, the East African Crude Oil Pipeline-Affected People's Network (EACOP-N), a newly formed organisation representing over [2,400 households](#) affected by the project, has demanded that Chinese institutions, in particular Sinosure and China EximBank, [consult them](#) and visit affected communities to witness the damage caused by the EACOP first-hand before deciding whether to approve finance for the project. More than 2,000 residents in the districts impacted by the pipeline and related oil projects signed on to this call.

In October 2023, 307 Ugandan, Tanzanian and other African youth took to Twitter (X) to protest against the planned support or financing of the EACOP by Sinosure and China Exim Bank respectively. Through the Twitter storm which reached 6.8 million people, the youth called on Chinese financial institutions to invest in renewable energy as opposed to the EACOP.

In addition, during the BRICS Summit held in South Africa in August 2023, hundreds of activists [staged protests](#) against Chinese actors' potential financial support to the EACOP. Activists called on the Chinese officials to invest in the renewable transition rather than in fossil fuel projects.

“a newly formed organisation representing over 2,400 households affected by the project, has demanded that Chinese institutions, in particular Sinosure and China EximBank, consult them and visit affected communities to witness the damage caused by the EACOP first-hand before deciding whether to approve finance for the project.”

– EACOP-N

Pressure on other banks and insurers

- 34 African NGOs [called on](#) the African Export-Import Bank (Afreximbank) to withdraw its commitment to provide US\$ 200 million in finance to the project.
- On August 30th, 2023, campaigners targeted the offices of [nine insurance](#) companies across London, demanding they publicly rule out insuring the EACOP project. The insurance firms targeted were: Chubb, Travelers Syndicate Management Limited, Lancashire Syndicates Limited, Chaucer Syndicates, Talbot Underwriting, Liberty Managing Agency, Hiscox Syndicates, AIG (American International Group) and Tokio Marine Kiln Syndicates.
- In September 2023, at the first Africa Climate Summit, held in Nairobi, activists staged protests calling for the immediate halt of the EACOP and for the withdrawal of [bank finance](#) from fossil fuel projects.
- On November 20th, 2023, environmental and human rights activists around the world [staged peaceful protests](#) in a Global Day of Action calling for China to distance itself from the EACOP project. Actions took place in Kampala (Uganda), Dar es Salaam (Tanzania), Kinshasa (DRC), Tshwane (South Africa), Paris (France), New York (USA), London (UK) and Washington D.C. (USA). The demonstrations were staged outside the offices of Chinese banks and insurance firms, as well as [outside of Chinese embassies](#). At each action, the activist groups set out to deliver a petition signed by thousands of individuals directly impacted by the EACOP. The Chinese embassies' personnel in Uganda and South Africa [refused to receive the documents](#). In Kampala, the peaceful action was interrupted by the police, who [arrested seven activists](#) for holding a StopEACOP banner.



StopEACOP protest in Dar es Salaam, Tanzania, during the Global Day of Action targeting Chinese actors
source: #StopEACOP

7. Conclusion and Recommendations

Direct support for the EACOP has now been ruled out by lenders and insurers from around the world, including from Japan, South Africa, Europe and North America. Financial close is now at least five years behind schedule. Meanwhile the climate crisis is accelerating, with the [latest science telling us](#) the world may have until just 2034, not 2050, to have a reasonable chance of avoiding 1.5 degrees of heating, and the world has agreed at COP28 on the urgent need to “transition away” from fossil fuels. Yet TotalEnergies, the Ugandan government and other project backers continue to push forward with this project, a stranded asset in the making, even as human rights and environmental abuses stack up.

Banks and insurers that have not yet made a clear public statement to avoid financing the EACOP directly should do so urgently. This includes the Chinese financial institutions reported to be considering stepping in. As part of their due diligence, they should ensure they conduct thorough research into the project’s impacts and listen to the views and grievances of local communities directly, rather than relying on the project sponsors to filter community views.

Financiers of the project sponsors, TotalEnergies and CNOOC, also remain exposed to the considerable risks and impacts of this project, even where they have made public statements committing to avoid financing the project directly. This includes lenders, shareholders and bondholders in the companies. We continue to advise that they engage robustly with the two companies to push for an end to the project, and that they avoid new finance for these companies as long as they lack compelling plans to align with the Paris Agreement. These plans must include an immediate end to new fossil fuel extraction, production and midstream infrastructure.

Furthermore, we call on states of the Global North to provide Uganda and Tanzania with financial assistance, through mechanisms including the Green Climate Fund and the Loss and Damage Fund, that can support the countries to take a different path to development; one that, instead of enriching elites and impoverishing communities, is based on clean energy which empowers communities and enables genuine people-centred development.

Contact

Banks and other financial institutions wishing to confidentially discuss the issues raised in this update can contact us via the following channels.

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Both ENDS: [Cindy Coltman](#)

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This update has been written by BankTrack and is endorsed by: Africa Institute for Energy Governance, Both ENDS, Inclusive Development International (IDI), Just Share, Insure our Future.

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