



September 15, 2020

Your Excellencies,

**OPEN LETTER TO THE PRESIDENTS OF UGANDA AND TANZANIA: CHAMPION ENVIRONMENTAL CONSERVATION AND COMMUNITY LIVELIHOODS OVER THE EACOP**

The undersigned civil society signatories take this opportunity to thank you Your Excellencies for the good work that your governments are doing in building our countries. In particular, we thank you for the continued struggles to move our poor people out of poverty and to tame the worsening environmental destruction in and beyond our national borders.

While the above is the case, the undersigned signatories note with concern that on Sunday September 13, 2020, you President Yoweri Kaguta Museveni of Uganda and President John Pombe Magufuli of Tanzania signed the Host Government Agreement (HGA) for the East African Crude Oil Pipeline (EACOP) project at a ceremony that was held in Chato, Tanzania.

It should be noted that the EACOP is part of and can only exist on the basis of the Tilenga and the Kingfisher oil projects located in the Albertine Graben in Uganda. The Albertine Graben is one of the most ecosensitive and biodiverse regions in Uganda and the world.

The graben hosts over 70% of Uganda's critical ecosensitive protected areas including Murchison Falls National Park, Bugungu and Kabwoya game reserves, River Nile, Lake Albert in addition to Budongo and Bugoma central forest reserves.

Others include many sacred natural sites and territories in addition to many other delicate biodiversity resources. Unfortunately, Your Excellencies, the planned EACOP is a huge threat and risk to these ecosensitive resources.

While signing the HGA however, these huge risks and threats were not discussed. Instead, the promise of jobs and other economic benefits were. For instance, it was said that construction of the EACOP would result in foreign direct investment (FDI) of \$3.5 billion in Uganda and Tanzania in addition to creating over 18, 000 jobs in Tanzania.

It was also said that Uganda and Tanzania would split the profits from the EACOP with Uganda earning 40% of the profits while Tanzania will earn 60%.

Further, in Uganda, H.E. Yoweri Kaguta Museveni reassured citizens that signing of the agreements helped Uganda to move closer to producing oil to benefit Ugandans. The above

reassurances were made following signing of the HGA by Uganda with Total on September 11, 2020. Total's CEO, Mr. Patrick Pouyanne, was present at the signing ceremony in Uganda.

Your Excellencies, the promises of huge investments, jobs and development of other sectors that you made created quite the excitement among members of your government and private sector.

Amidst the excitement, discussions on the environmental, climatic, economic and social risks and threats of the EACOP project were relegated.

Yet the project is being planned based on faulty Environmental and Social Impact Assessment (ESIA) reports in Uganda and Tanzania.

A review of the content of the ESIA for the EACOP section in Uganda clearly indicates that the report's climate impact assessment is wrong, the economic impact assessment is wrong and the report fails to discuss the substantial risks to surface water not to mention failing to discuss the impacts of hazardous waste disposal from the EACOP.

Moreover, the 1,445km-EACOP, which stands to be the longest heated pipeline in the world, is such a controversial pipeline. So controversial is the EACOP that the project has been a subject of [myriad local, national, regional and international petitions](#) and [litigation](#) not to mention [media attention](#).

Through the petitions and litigation, stakeholders including local communities, national and international civil society organisations (CSOs), climate change activists, women, youth, religious leaders and others have called on government leaders, companies, banks, export credit agencies, insurers and others to steer clear of the controversial pipeline.

A number of stakeholders such as the African Development Bank (AfDB) have listened and have noted their [commitment to supporting a low-carbon development pathway](#) through financing renewable energy as opposed to fossil fuel projects such as the EACOP.

Through this letter, we are calling on you Your Excellencies to prioritise investments in clean energy and other green sectors especially at this time when the world and East African region are struggling with the COVID-19 pandemic, flooding, deaths and locust invasions. Available evidence indicates that the above have been caused by environmental degradation and climate change, whose main driver is the use of fossil fuels.

Your Excellencies, below, we present to you our concerns as regards the EACOP project.

## **OUR CONCERNS**

- a) **Environmental risks and threats:** While we empathize and understand Your Excellencies' desires to realise economic transformation for our countries, we caution against this development coming at the expense of environmental conservation. As you are well aware, the EACOP is set to affect forests, wetlands, mangroves and lakes such as Lake Victoria. As you are also well aware your Excellencies, our countries' economies are dependent on nature with agriculture, tourism, fisheries and several other sectors that are the backbone of our economies depending on nature conservation. Despite this, the

environment is being degraded for oil and other projects. This needs to stop. Environmental degradation should be halted while conservation is prioritised over developments such as the EACOP.

- a) **Biodiversity risks:** Your Excellencies, you also must be well aware that the world is losing biodiversity at an alarming and saddening rate. It is estimated that up to [100,000 species go extinct each year](#) largely due to human activities. Available evidence shows that while human beings represent just 0.01% of all living creatures, they have caused the loss of 83% of all wild mammals and half of plants<sup>1</sup>. This is unfortunate. Even more unfortunate is the fact that the EACOP stands to worsen biodiversity loss through affecting habitats for the endangered or vulnerable chimpanzees, lions, African wild dogs and others in Uganda and Tanzania. This danger must be avoided.
- b) **Climate change costs:** So must that of the climate change risks that are posed by the EACOP. Your Excellencies, available estimates indicate that the crude oil transported by the EACOP will result in the production of 34.3 million metric tonnes of carbon per year, thereby exacerbating climate change. Worsening of climate change is not only against the goals of the Paris Climate Change Agreement, to which Uganda and Tanzania are signatories, but also spells doom for Ugandan and Tanzanian citizens, who are among the world's most vulnerable populations to climate change impacts. Indeed, at a time when Ugandan and Tanzanian citizens are suffering impacts such as floods, mudslides, landslides, locust invasions, death and others, it would be most unwise to invest in the EACOP.
- c) **Threat of stranded assets:** Even more unwise would be investing in the EACOP at a time when countries and oil companies are engaged in efforts to transition to clean energy from fossil fuels. Companies, investors and others are divesting from the oil and gas industry not only because of climate change concerns but because the above players estimate that the profitability of the oil industry is set to lessen due to lower demand for oil and gas as more and more countries transition to clean energy. Total, which is currently the lead developer of the EACOP, is well aware of this and with other European majors such as BP, Eni and others, [increased its investments in renewable](#) energy this year while decreasing investments in fossil fuel projects. The company is also positioning itself as a climate change champion. Total and the above companies' actions not to mention projections that oil will make up 44% to half of the total energy mix in 2050 point to the looming demise of the oil and gas industry. In tandem with the times, Uganda and Tanzania should be looking to invest in clean renewable energy as opposed to the EACOP.

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<sup>1</sup> <https://reports.weforum.org/global-risks-report-2020/save-the-axolotl/#view/fn-5>

- d) Increased indebtedness:** Your Excellencies, it is notable that amidst the above threats, a substantial amount of money that Ugandans and Tanzanians can ill afford stands to be invested in the EACOP. It is expected that \$3.5 billion will be invested in the EACOP and of this, \$2.5 billion is expected to be borrowed. This will push up Uganda and Tanzania's indebtedness. Already, borrowing in anticipation of oil revenues in Uganda has worried economists so much so that Bank of Uganda officials have warned that Uganda, whose debt to GDP ratio is projected to hit 47.5% in the 2020/2021 financial year, [may not survive the oil curse](#). Tanzania's debt to GDP ratio of 38.1% also stands to be worsened by investments in the EACOP.
- e) Jobs losses:** Your Excellencies, it is prudent that while making decisions to invest in the EACOP, the number of jobs that are at risk because of oil exploitation activities is taken into account. Among others, farmers, fisherfolk, tourism operators, crafts-makers and others could lose their jobs due to climate change, oil spills, biodiversity loss and other risks of the EACOP not to mention other oil projects. In Uganda alone, over 60% of the population is engaged in the subsistence economy not to mention the hundreds of thousands that are involved in the tourism, travel and fisheries trade. In Tanzania, subsistence farmers form a huge bulk of the population with these farmers utilising 85% of the arable land in Tanzania. The jobs of these farmers and others must be protected by avoiding projects such as the EACOP that stand to worsen climate change.
- f) Land and other rights abuses:** In addition, the land and other rights of the over 12,000 people who have been affected by the EACOP also need to be protected. Currently, these people have not been paid compensation for their land despite a cut-off date through which they were stopped from using their land to grow perennial crops having been placed on their land. Delay to compensate project-affected people while stopping them from using their land increases household poverty, school drop-out rates, teenage pregnancies, gender-based violence and other negative impacts.
- g) Social costs of Greenhouse Gas Emissions (GHG):** The above aren't the only costs of the EACOP. The Social costs of GHG, which are defined as the "monetized damages associated with an incremental increase in carbon emissions in a given year"<sup>2</sup> also stand to worsen because of the EACOP. Available estimates indicate that between 2025 and 2029, the social costs of the EACOP that will arise from reduction in net agricultural productivity, human health, and property damages from increased flood risk among others are **\$9.62 billion**. These costs are best avoided.

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<sup>2</sup> IWG (August 2016) Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866

## **RECOMMENDATIONS**

On World Environment Day this year, Uganda and Tanzania joined other countries to remind ourselves that “Nature is speaking. We must listen”.

Your Excellencies, you should listen to and protect nature by doing the following:

- (i) The ESIA reports for the EACOP as well as the Tilenga and Kingfisher oil projects are faulty and as such, we demand that all plans on the EACOP should be halted until effective ESIA studies are conducted with public participation.
- (ii) Further, the agreements and other discussions regarding the EACOP should be halted and until the court cases in France and Uganda as regards the Tilenga and EACOP projects are determined.
- (iii) In addition, citizens including the cross border communities should be consulted before any decision is made on the EACOP project and its twin projects of Tilenga and Kingfisher.
- (iv) Further, all documents including the agreements being signed as regards the EACOP should be made public immediately to enable effective public engagements.
- (v) Your Excellencies should also avoid developing the EACOP in ecosensitive areas as a precursor to protecting the environment.
- (vi) You should also prioritise investment in clean energy in line with the Paris Climate Change Agreement.
- (vii) Finally, you should commit to protect the civic space of CSOs and environmental in addition to human rights defenders which some elements in your governments have undermined.

Thank you.

## **SIGNATORIES**

1. Africa Institute for Energy Governance (AFIEGO)
2. Guild Presidents’ Forum on Governance (GPFOG)
3. Citizens Concern Africa (CICOA)
4. Action Coalition on Climate Change (ACCC)
5. South Western Institute for Policy and Advocacy (SOWIPA)
6. World Voices Uganda (WVU)
7. Oil Refinery Residents Association (ORRA)
8. Centre for Constitutional Governance (CCG)
9. Twimukye Womens Organisation
10. Graffen Organisation –Butimba
11. Association of oil-affected youth
12. Center for Energy Governance
13. African Initiative on Food security and Environment
14. Environment Governance Institute (EGI)
15. Centre for Citizens Conserving