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KAMPALA**

**OVER HUNDRED CSOS EXPRESS CONCERN OVER ISLAMIC DEVELOPMENT
BANK'S FINANCING OF EACOP**

Over 100 civil society organisations (CSOs) working in Uganda, Tanzania, Kenya, the Democratic Republic of Congo (DRC) and Africa as well as their global allies have written to the Islamic Development Bank (IsDB).

This follows a September 10, 2022 announcement by the IsDB in which the financial institution indicated that it would provide [\\$100 million](#) as a project finance loan for the East African Crude Oil Pipeline (EACOP) project. The EACOP is a planned 1,443-kilometre crude oil pipeline that is expected to be built from Hoima in Uganda to the port of Tanga in Tanzania.

While announcing the project finance loan, the IsDB noted that Uganda's oil discoveries offer the country an opportunity to [transform](#) Uganda's economy and reduce poverty.

In their September 21, 2022 letter to the IsDB, the CSOs argue that the EACOP is not the type of project that will safeguard Uganda's economic future. They note that the EACOP stands to further indebt Uganda, worsen the global climate change crisis and negatively impact Uganda's most prosperous and sustainable industries that employ the majority of Ugandans. The sectors also contribute the most to Uganda's GDP.

The CSOs note that the above is because when used, the oil transported by the EACOP - at peak production- will contribute to the production of over 34.3 million metric tonnes of carbon per year. This will exacerbate the climate change crisis. This, the CSOs say, will affect Uganda's most inclusive and prosperous economic activities including agriculture, tourism, clean energy and other sectors.

In their letter, the CSOs also called attention to the fact that Uganda's Ministry of Water and Environment has noted that the climate change costs in Uganda could rise to [10%](#) of Uganda's

GDP by 2100. Investing in the EACOP and the oil sector that stands to worsen the climate change crisis could regress Uganda's economy and increase poverty, the CSOs argue.

Further, the CSOs note that the compulsory land acquisitions for the EACOP project that are marred by delayed compensation and land use restrictions as well as the environmental

footprint of the EACOP and upstream oil projects (Tilenga and Kingfisher) have endangered the agriculture, fisheries and tourism sectors.

The above sectors contribute the following to Uganda:

- The agriculture sector employs over [70%](#) of Uganda's labourforce and contributes nearly [40%](#) to Uganda's GDP.
- The fisheries sector earned Uganda [\\$118.6 million](#) between June 2020 and July 2021. The sector also directly and indirectly employs over [5 million](#) people.
- It is notable that the EACOP is set to affect wetlands and watercourses belonging to the lakes Victoria and Albert basins. Combined, the two lakes provide [82.9%](#) of the fish in Uganda.
- Tourism earned Uganda [\\$1.6 billion](#) in 2018 and before the COVID-19 pandemic, the sector employed over 667,000 people.

Based on the above and others, the CSOs argue that any economic benefits from the EACOP project will be far outweighed by the project's potential negative impacts on Uganda's above most prosperous green economic sectors. They are calling on IsDB to do the following:

- i. Cease any IsDB involvement in the financing of the EACOP and other associated fossil fuel projects. They also request that IsDB publicly communicates its decision on refraining from financing the EACOP project.
- ii. Support the governments of Uganda and Tanzania with finances to invest in clean energy and other green economic sectors such as agriculture, fisheries and tourism.
- iii. Support the Ugandan and Tanzanian governments with finances to address climate change impacts.

ENDS

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