

EAST AFRICAN CRUDE OIL PIPELINE-AFFECTED PEOPLE'S NETWORK (EACOP-N)

21/April/2023

Mr. C.S. Venkatakrishnan,
Chief Executive Officer (CEO),
Barclays Bank,
London-UK.

Dear Sir,

RE: CONCERNS OVER MISREPRESENTATIONS IN BARCLAYS BANK'S RESEARCH PAPER ON EACOP

- 1. We are a network of aggrieved people whose land in Uganda is being compulsorily acquired** for the East African Crude Oil Pipeline (EACOP) project. Our network, which has members from six of the ten EACOP-affected districts in Uganda, was formed in March 2023. The network's aim is to use collective efforts to defend our land, economic, cultural and other rights that are being abused by the EACOP project developers.
- 2. On 22nd/March/2023, we received a research paper published by Barclays Bank titled, *On the Road ... Reassured in Uganda*.** The paper was dated 20th/March/2023 and was written by Lydia Rainforth, CFA, Joshua Stone and Ramachandra Kamath. The other authors include Naisheng Cui, CFA and Anishaa Pattani from Barclays Bank-UK.
- 3. The research paper is misrepresentative and does not paint a real picture of the many challenges that the EACOP project has brought on us and our families.** Through this letter therefore, we react to the information in the paper and call on Barclays Bank to withdraw it.
- 4. First, we would like to recognise the fact that the report was truthful in pointing out that** there is "local frustration over delays in the disbursement of compensation payments". The delay to compensate us, which goes against Article 26 of Uganda's 1995 Constitution, brought several problems to our families. While the compulsory land acquisition processes formally started in 2019 with cut-off dates being placed on our property, about 30% of the affected people were yet to be compensated by February 2023, per information shared by the EACOP Company during a civil society engagement in Kampala on February 24, 2023. We, the affected people, have waited for compensation for nearly four years.

5. Due to the compensation delays, many EACOP-affected people, especially men, borrowed money to take care of their households' needs. Following the placement of cut-off dates on the affected people's property in 2019, TotalEnergies stopped the affected people from using their land to set up any new developments or grow perennial cash crops from which they make money. This impoverished the people who resorted to borrowing funds. In effect, the project increased the level of indebtedness amongst the affected households.

6. Despite the above, the Barclays research paper mentioned under paragraph 2 of this letter says that "the local residents we spoke to ... indicated that the project itself was welcome – the phrase we heard most often used to describe it was "life-changing". This statement is a misrepresentation as we do not consider the project "life-changing". The project has increased our debt levels, as earlier stated.

7. Another assertion made in the research paper is that "The project is designed to be in line with International Finance Corporation standards, particularly with respect to IFC5. Performance Standard 5 requires that project developers anticipate, avoid and/or minimize adverse social and economic impacts resulting from land acquisition or restrictions on land use by providing replacements or replacement cost compensation for loss of assets, and ensuring that resettlement includes appropriate consultation and disclosure of information, and informed participation of affected communities." The paper does not, however, indicate that there are many failures in implementing the project as it was designed. For instance, the project developers are paying us low compensation that does not reflect prevailing market rates for land and assets such as houses, commercial trees, and others. As a result, many of the affected people that are part of our network have refused the compensation given by TotalEnergies because it is low. Those that accepted the compensation have failed to replace the property lost to the EACOP.

8. In addition, while disclosure of the compensation due to households is undertaken, our network has recorded incidents where the amount of compensation money disclosed to households and the amount of money that is deposited on affected people's bank accounts is less. In effect, the households were misinformed about the compensation due to them.

9. Further, as recognized by the research paper, the assessment and disclosure forms, as well as the compensation agreements that we sign, are written in English. While we recognize that English is the official language in Uganda, we at least expected the documents that we sign to be translated to us, including by independent parties. However, this did not happen and affected people sign documents that they do not understand. The project developers therefore aren't attaining informed participation from many affected people.

10. In addition, the majority of the affected people lack information on the potential impacts of the EACOP on their children, farmlands and safety. Many are afraid of living near a pipeline, and they say that when they have voiced their fears to TotalEnergies, the company

reassures them that it is safe to live near a pipeline. This is also true for those who will neighbor the Tilenga oil project's feeder pipeline. This does not constitute informed participation of affected communities.

11. The research paper indicates that special attention is paid to vulnerable households with “a team of field-based Vulnerability Officers across the pipeline route to monitor and support these households during [Resettlement Action Plan] RAP implementation specifically.” However, several vulnerable families have not received help. Female-headed households and those with mentally-handicapped individuals complain about failure by TotalEnergies to provide them with food and legal assistance respectively. The food assistance is needed to enable the affected people to offset impacts such as food stress owing to their displacement.

12. About forcing the affected people to sign compensation agreements, the research paper outlines the compensation process. It, however, fails to discuss the fact that affected people who had grievances over low compensation were intimidated into signing for compensation that they were not happy with. They were told that if they refused to sign, they would be taken to court by the Ugandan government. Being poor people who have never seen a courtroom and don't even know how it operates, the people became afraid and signed compensation agreements. That is coercion.

13. We would like to conclude this letter by pointing out that we are real people whose lives have been destabilized because of the EACOP project. In the report discussed in this letter, the Barclays Bank research team notes that "many of the voiced concerns either overstate the impact, neglect to take into account the mediations put in place, or are misplaced or based on inaccurate information." This statement seeks to understate the project impacts and dismisses our struggles. Instead of trivializing our grievances while falsely praising TotalEnergies for doing a good job, we invite you to engage the company to address the challenges that are discussed in this letter. Barclays should also retract the research paper discussed in this letter.

Thank you,



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*EACOP-N represents aggrieved persons whose land has been or is being compulsorily acquired for the EACOP project in the districts of Hoima, Kikuube, Kakumiro, Lwengo, Kyotera and Rakai. Aggrieved Tilenga oil project-affected people from Buliisa also subscribe to the network. The letter is signed by the interim network coordinator. Individuals belonging to the network have not been listed in this letter to protect their safety.