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August 27, 2024

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COMMUNIQUE CALLING ON SINOSURE AND CHINA RE NOT TO INSURE EACOP PROJECT

1. Introduction

Between July 31 and August 9, 2024, the Strategic Response on Environmental Conservation (STREC) convened a series of online consultative meetings following a public announcement by Uganda's Minister of Energy and Mineral Development, Hon. Ruth Nankabiwa, about plans to seek financial support from China. These meetings brought together partner civil society organizations (CSOs), environmental and climate activists, and representatives from oil host communities in Uganda, Tanzania, Kenya, the Democratic Republic of Congo (DRC), Togo, and other countries.

The discussions primarily focused on addressing the Ugandan government's statement regarding its negotiations with SINOSURE and China RE to provide insurance for the East African Crude Oil Pipeline (EACOP) project.

2. Discussions

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Participants noted that over the past weeks, major European insurance institutions have taken a commendable stance by refusing to insure the EACOP project, which is developed by the China National Offshore Oil Corporation (CNOOC) and TotalEnergies. This decision reflects a growing global consensus on the need to divest from fossil fuels and prioritize climate-conscious investments. It is a testament to the power of local and global activism in influencing corporate behavior towards more sustainable practices.

However, the absence of a similar commitment from Chinese insurance institutions presents a significant challenge. With Chinese institutions like Sinosure potentially providing support to the EACOP project, there is a real risk of undermining the progress made in halting the project's development. The implications of such actions extend beyond environmental concerns; they directly impact the livelihoods and rights of communities in Uganda and beyond.

Participants noted that the proposed EACOP project, stretching from Hoima in Uganda to Tanga in Tanzania, represents a significant threat to the environment, biodiversity, and livelihoods of local communities. This pipeline traverses ecologically sensitive areas, including protected habitats and water bodies, posing substantial risks of oil spills, deforestation, and irreversible environmental damage. Furthermore, the extraction and transportation of oil through the EACOP will contribute to global carbon emissions, exacerbating the climate crisis and undermining efforts to achieve sustainability.

Moreover, communities living along the proposed pipeline route have already borne the brunt of oil and gas developments, experiencing adverse effects on their livelihoods and environment. From the loss of traditional economic activities like fishing to land grabbing and human rights violations perpetrated by security forces, the toll of fossil fuel extraction is undeniable. It should be noted that environmental degradation caused by such projects exacerbates the climate crisis which disproportionately affects vulnerable communities that are least equipped to adapt.

Participants acknowledged the urgency of transitioning towards sustainable energy systems and reducing dependence on fossil fuels to combat the climate crisis. However, the EACOP project represents a regressive step that perpetuates reliance on environmentally destructive and socially harmful practices. Instead of investing in projects that perpetuate the extractive economy, we urge Sinosure and China Re to prioritize investments in renewable energy sources and sustainable

development initiatives that promote environmental conservation, social equity, and community empowerment.

3. Recommendations

In light of these realities, CSOs, Climate and environment activists, oil host communities call on Sinosure and China Re to refrain from insuring the EACOP project is not merely a plea for environmental preservation but rather a demand for justice and equity. It is a plea from communities whose voices have been marginalized and whose rights have been trampled upon in the pursuit of profit-driven agendas. It is a reminder that the true cost of fossil fuel projects cannot be measured solely in economic terms but must also account for their social and environmental impacts.

Members in the meeting called on SINOSURE and other insurance institutions to immediately cease insuring the EACOP project and adopt policies aligned with a credible 1.5ºC pathway.

1. Immediately stop insuring any of the fossil fuel projects sector and align your investment portfolio with the 1.5ºC pathway as outlined in the Paris agreement on climate change.

2. Work with development partners to increase investments in off-grid solar as a means of meeting the energy needs of Ugandans, especially vulnerable groups like women, girls, youth, poor communities, and others. For solar energy to succeed, the government must urgently formulate or enact relevant laws and policies, including an off-grid solar energy law, a solar energy policy and others.

3. When investments in clean energy projects, establish, and adopt as policy, robust due diligence and verification mechanisms to ensure clients fully respect and observe all human rights, including a requirement that they obtain and document.

In conclusion, we, the CSOs, climate and environment activists, and oil host communities reiterate our steadfast opposition to the EACOP project and urge SINOSURE and China RE to heed our

call to abstain from insuring this environmentally and socially destructive endeavor. We stand in solidarity with the affected communities and commit to continuing our advocacy efforts to safeguard the environment, uphold human rights, and advance climate justice in the face of mounting environmental challenges.

Signatories

1. Strategic Response on Environmental Conservation (STREC)
2. Centre for Citizens Conserving Environment & Management (CECIC)
3. African Initiative on Food Security and Environment (AIFE)
4. Environment Governance Institute (EGI)
5. Youth for Green Communities (YGC)
6. The Women Support Initiative (TWOSI)
7. Women in Renewable Energy Initiative
8. Center for Conservation and Ecoenergy Initiative (CCEI)
9. EACOP Host Community Network
10. Africa Centre for Sustainable Alternatives (ACSA)
11. Women on Environment Mission
12. Friends of Environment with Development
13. Center for Environment Research and Agricultural Innovation (CERAI)