

OIL HOST COMMUNITY'S NETWORK

April 2, 2025

Mr. Mumba Kalinfugwa

Chief Executive Officer

Stanbic Bank Uganda

Crested Towers, Plot 17, Hannington Road

Kampala, Uganda



RE: PETITION TO STANBIC BANK UGANDA TO WITHDRAW ITS FINANCIAL SUPPORT FOR THE EAST AFRICAN CRUDE OIL PIPELINE (EACOP)

Dear Mr. Kalinfugwa,

We are Project Affected Persons (PAPs) whose land and property is being compulsorily acquired for EACOP, Tilenga, oil refinery and Kingfisher projects in Uganda. Together with the civil society organization, **Strategic Response on Environmental Conservation (STREC)**, write to you with deep concern following the press release issued by EACOP Ltd on March 26, 2025, which cited Stanbic Bank Uganda as one of the financial institutions that have publicly committed to financing the East African Crude Oil Pipeline (EACOP).

This pipeline project, stretching 1,443 kilometers from Hoima, Uganda to the port of Tanga in Tanzania, has been widely opposed due to its severe environmental, human rights, and climate impacts. As a financial institution that has repeatedly pledged to uphold responsible banking principles and sustainability standards, Stanbic Bank's involvement in this project is both disappointing and alarming.

We acknowledge your institution's history of supporting economic development in Uganda. However, the EACOP project represents a grave threat to the well-being of Ugandans, the East African region, and the planet. Therefore, we respectfully but firmly urge Stanbic Bank Uganda to reconsider and withdraw its financial support for EACOP. Below, we outline the key concerns:

1. Environmental Degradation and Biodiversity Loss

The EACOP will cut through critical ecosystems, including protected areas, wetlands, forests, and water bodies. Reports indicate that over 2,000 square kilometers of ecologically sensitive zones will be affected. The pipeline route endangers habitats of endangered species such as the African elephant and chimpanzees, and oil infrastructure has already triggered forest degradation in areas such as Bugoma and Murchison Falls National Park.

The pipeline's path through the Lake Victoria basin also threatens the freshwater supply of over 40 million people in Uganda, Kenya, and Tanzania. A potential oil spill in these waters could have irreversible consequences for the region's water security and biodiversity.

2. Human Rights Violations and Social Impacts

The land acquisition process for EACOP has been marred by coercion, delays in compensation, land use restrictions, and forced evictions. More than 86,000 people across Uganda and Tanzania have been affected,

with many households reporting income loss, food insecurity, and disruption of children's education due to restricted access to farmland.

Credible organizations such as Human Rights Watch and Climate Rights International have documented widespread abuses linked to the oil and pipeline projects, including gender-based violence, intimidation, and denial of due process. The involvement of any financial institution in such a project not only contradicts human rights standards but also exposes that institution to significant reputational and legal risks.

3. Climate Change and Global Commitments

At peak operation, EACOP is expected to emit over 34 million metric tons of carbon dioxide annually. This is incompatible with the global goal to limit temperature rise to 1.5°C as outlined in the Paris Agreement, a treaty to which Uganda and many of its allies are signatories.

The International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) have both clearly stated that no new fossil fuel infrastructure is compatible with a net-zero pathway. Investing in EACOP today locks Uganda and the region into a high-carbon future, undermining efforts to transition to renewable energy and adapt to climate change despite our region already bearing the brunt of its effects.

4. Economic and Financial Risks

Public debt in Uganda is rising rapidly, and investment in the oil and gas sector comes at the cost of other critical needs such as healthcare, education, and renewable energy. Climate-related disasters are already costing the Ugandan economy billions, and these costs will only increase as fossil fuel-related emissions intensify.

International investors and banks have recognized these risks: 34 commercial banks and 26 insurance providers have ruled out financing the EACOP due to concerns over environmental, social, and governance (ESG) performance. Stanbic Bank risks isolating itself from a global financial community that is increasingly prioritizing sustainable investments.

5. Your Responsibility and Opportunity

As one of Uganda's leading financial institutions and a subsidiary of the Standard Bank Group which has stated commitments to sustainability and just transition principles. Stanbic Bank has a duty to conduct enhanced due diligence and uphold international norms. Continuing to fund EACOP would not only contradict those commitments but also risk eroding public trust in your institution.

However, you also have an opportunity. By withdrawing from EACOP and instead directing financing toward renewable energy, green infrastructure, and inclusive development projects, Stanbic Bank can position itself as a true leader in sustainable banking and climate action.

Our Appeal

We respectfully call upon Stanbic Bank Uganda to:

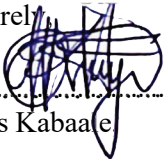
- 1. Publicly withdraw from financing the East African Crude Oil Pipeline.**
- 2. Publish the bank's due diligence process and ESG assessment conducted on EACOP.**

3. **Commit to redirecting investments toward clean, renewable, and inclusive energy projects in Uganda.**
4. **Engage civil society, local communities, and independent experts in dialogue regarding the bank's future energy finance policy.**

The future of Uganda and our planet depends on the decisions made today. We urge you to stand on the right side of history and join the growing movement for climate and environmental justice.

We thank you for your attention and remain available for dialogue at your earliest convenience.

Sincerely,



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Cirrus Kabaale

Chief Executive Officer-STREC, ckabaale@strecug.org

On behalf of the Oil Host Community's Network