



Uganda Extractive Industries Transparency Initiative

EACOP – Civil Society Coalition for Oil and Gas Workshop

Summary Report

5th October 2022,
Golden Tulip Canaan Hotel,
Kampala – Uganda

Abbreviations & Acronyms.

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| CSCO | Civil Society Coalition on Oil and Gas |
| CSO | Civil Society Organisation |
| DCC | District Consultative Committee |
| EACOP | East African Crude Oil Pipeline |
| EU | European Union |
| FID | Final Investment Decision |
| HSE | Health Safety and Environment |
| IFC | International Finance Corporation |
| LC | Local Council |
| MEMD | Ministry of Energy and Mineral Development |
| NEMA | National Environmental Management Authority |
| PAPs | Project Affected Persons |
| PAU | Petroleum Authority of Uganda |
| RAP | Resettlement Action Plan |
| UWA | Uganda Wildlife Authority |

CONTENTS

1.0 Introduction

AGENDA

2.0 National Anthem

3.0 Prayer

4.0 Safety Moment

5.0 Participants Introduction

6.0 Welcome Remarks (Martin Tiffen, EACOP MD)

7.0 Presentation by CSCO

8.0 Presentation by EACOP

9.0 Q&A

10.0 CSCO Closing Remarks (Chairperson CSCO)

1.0 INTRODUCTION

This report provides an overview of an activity at a workshop held by EACOP and Stakeholders in the Oil and Gas sector to provide clarification on a number of issues related to the EACOP project especially in regard to the EU Parliament Resolution (Emergency Resolution) that was passed on 15th September 2022. The One-day consultative workshop was held on the 5th October 2022, at Golden Tulip Canaan Hotel, Kampala, Uganda.

The issues raised in the EU Parliament Resolution were:

- halting of drilling activities in the protected and sensitive ecosystem (Murchison falls National Park).
- postponement of work on EACOP for at least one year to study the feasibility for an alternative route to preserve the environment.
- consider other projects based on renewable energy.
- end to human rights violations
- prompt, fair and adequate compensation for those expropriated or deprived of access to their land by EACOP project.

The meeting was attended by a number of stakeholders in the Oil and Gas sector. The general output of the workshop was to engage EACOP to provide clarification on a number of issues affecting the project as well as the current status of and related developments of the project. The workshop was organised by EACOP. The facilitators were:

- a) Team from EACOP, and
- b) Members of CSCO

The workshop commenced with singing the National Anthem, a Prayer led by Ivan Namanya, the Moderator Mr. Ismail Nsereko taking participants through the Safety Moment of the premises and introductions.

6.0 Welcome Remarks by EACOP MD

The EACOP MD, Mr. Martin Tiffen welcomed all the participants to the workshop and thanked all for taking the time to attend. He noted that they are ready to implement the project and gave assurance that though they were facing a number of challenges and especially with the recently passed EU resolution, they were committed to the project. Most of the issues raised were allegations not based on facts on the ground. The project was being implemented by following national and international standards. As EACOP, they were going to hold more of such engagements to provide the necessary information and communication to counter all the negative information related to the project.

He made a presentation on the project and the highlights were:

- EACOP project description (Map/Routing/Pictorial and Schematic)
- EACOP and Human Rights
- Land Acquisition Process
- Land Acquisition and Resettlement
- Pipeline Routing
- Pictorial

PLENARY

Participants raised a number of queries and issues. They are:

- Dose EACOP have any other financing options?
- Is there a percentage of Welders and does the project have a wider plan for training while following Local Content provisions in relation to both Casual and Technical skills?
- When is EACOP construction starting because there are too much delays?
- According to the passed EU Resolution, why is EU becoming more responsive and what is EACOP not doing right?
- On Human Rights in the Oil and Gas sector, what is EACOP not

doing right? What is EACOP and government doing to sort out the issue?

- Project Compensation, there is a mismatch between the houses built for compensation and what the households in the communities originally owned.

Response from EACOP

Financing Option: The Company was following IFC performance standards for implementation of the project. It was ready to commit whether a lender(s) was identified or not. Due diligence had been carried out for project implementation such that all requirements were met by hiring an independent expert for environment etc.

Welders: The Primary Contractors for the project were international companies because of the level of standard required to execute the project in relation to managing specialist equipment and skills. Had contractual appendix 4 for Local Content provision in line with Laws and Regulations of Uganda. Had monitoring mechanism and provided training for capacity development for the different regions and districts. For HSE contracts, local and international experts were used.

Construction/EU Resolution/Human Rights/Compensation:

- For all the project partners of EACOP, Tilenga and Kingfisher, the delays to start construction were because of the land acquisition process. FID also caused delays but after the signing in February 2022, the partners were ready to start construction.

- Most of the issues raised in the EU Resolution weren't based on facts. More engagements were to be held and the company had expanded its workforce with a communication team in place.

- There were no Human Rights violations and all the allegations

were baseless. Project implementation was carried out with proper observance of Human rights.

- There were four samples of house plans used that corresponded to what was initially owned by households in the communities. The standard of housing corresponded to those in the RAPs as well as what the district authorities could approve following professional engineering standards.

- There was a Grievance mechanism used for solving issues that arose so one needed to be part of the process. Over 800 grievances handled so far with 52 that were outstanding and these were related to land compensation which were being handled.

- The Uplift of 15% in the compensation mechanism was used to cater for period of delays in land compensation etc.

7.0 Presentation by CSCO

The representative of CSCO, Mr. Bashir Twesigye did not make a presentation but rather made his remarks. He thanked EACOP for organizing the engagement. He said for such engagements with EACOP and Oil companies to be more meaningful, the organizers (EACOP) needed to provide the issues to be discussed earlier enough such that they as stakeholders could prepare. The issues that they were to discuss should be in relation to the work of CSCO other than holding lengthy discussions that don't provide the much needed impact. CSCO was a big network of organisations so it was difficult to prepare on short notice.

He used the opportunity to highlight these key issues in the sector. They are:

- i) Pipeline corridor – there were community complaints about the corridor passing too close to the settlements which might pose a threat to peaceful co-existence thus affecting children's play area, animal corridor etc.
- ii) Compensation Rates – appreciated EACOP for providing Uplift of 15%

- in their compensation mechanism to cater for period of delays in compensation. He noted that some sections of the communities were still complaining about the time taken of more than 2years to effect compensations.
- iii) Robustness of compensation – some members in the communities were disabled/vulnerable. The CSOs had been highlighting these issues. He thanked EACOP for giving special attention to these groups during implementation but asked it to do more.
 - iv) Disclosure – a number of PAPs were not happy with the quantity Of disclosure items.
 - v) Natural/Medicinal trees – PAPs were not happy that these weren't well assessed for compensation.
 - vi) Copies of Assessment Forms—PAPs were not happy that the forms weren't availed to them for verification.

PLENARY

A participant from the CSOs noted the following;

- i) Institutional question – there was concern about the lack of consistency in giving out information when issues affecting the sector arise especially with the recent developments. He said there were a number of agencies such as PAU, NEMA, MEMD, EACOP Company and UWA. Most of them were government agencies that needed to provide clarification when matters affecting the project arise. EACOP Company needed to be in charge to avoid causing unnecessary anxiety.
- ii) Managing expectations – all issues affecting the sector were a result of high expectations from the communities in relation to land acquisition and compensation. He asked who was supposed to manage this since most of these communities were also poor.

8.0 Presentation by EACOP

The presentation was made by the team from EACOP. It provided information relating to: Land Access Update (Mr. Jeremy Roeygens), Housing Construction (Ms. Brenda Mutesi), Livelihood Restoration, Stakeholder Engagement (Mr. Ismail Nsereko), Human Rights Induction and Training (Ms. Nathalie Bou), Grievance Management (Mr. Ismail Nsereko), Gender Impact and Inclusion Assessment (Ms. Catherine Barasa) and National Content (Ms. Natasha Kassami).

9.0 Q&A: PLENARY

Participants raised a number of queries and issues. They are:

- For the kind of houses constructed for compensation, what informs the design of roofing and what is considered for elevation?
- Nature of area Vs size of house, youth of about 14 years leave house of parents and construct their own. In compensation, the company seems to take care of only the parents leaving out the youth. How is this handled?
- According to Pillar 1 on National Content, the company is making very good presentation yet there's a lot of political interference. How is it being mitigated?
- Districts and Local Councils are complaining of lack of involvement in the process. How is EACOP handling engagements?
- In relation to cultural rights especially the relocation of graves, what is the level of involvement of Communities/Cultural Leaders as well as the qualification of the Contractor to be used.
- The controversies with EACOP on Human Rights and compensations, the presentations on Human Rights are not able to provide most of the answers. How is EACOP addressing the issues.

Response from EACOP

Houses constructed: The best engineering design was taken into consideration. This was in relation to the rooms, spacing for bed and living rooms etc. The

standard that was acceptable to all district authorities was taken into consideration and all PAPs were involved at all levels.

When drawing the designs, the terrain, wind direction and lighting etc. were all taken into consideration. For the Primary (Parents) residences, these were given in-kind while for other structures, cash was offered. There were cases of two Primary residences offered in -kind.

Local Content: For contract of goods and services, the company always issued a call for Expression of Interest in Newspaper adverts. The highest level of transparency was maintained so there was no political interference. For the 210 houses eligible for construction, 124 were under construction and the contracts were awarded to 4 companies and not one.

Pipeline construction was like road construction. The compensations were very fair in accordance to the project's RAP. The project wouldn't cater for all people's needs that arise as well as any other that were different from what was agreed.

Districts and Local Councils: When carrying out RAPs, all District authorities were involved at all levels from the LC1 at the planning to the implementation phase. The LC1s were being given an allowance for the work done. The DCCs were involved to provide support during implementation of Livelihood Restoration and Housing Construction.

Cultural Rights: For Grave relocation, the procurement process took into account the experience of the Contractor. The cultural interests of the communities, practices and languages were all considered as well as the religious aspects etc. The communities were consulted to help in understanding the various interests (What they wanted and where they wanted the graves to be relocated.)

Human Rights: More stakeholder engagements were to be carried out to address these concerns. The EACOP team had been expanded with more presence on the ground with Coordinators to respond when needed.

EACOP took very seriously any issue related to Human Right violations. The company believed in reason, knowledge, facts and science for it to respond. The governance structure was very strong to support implementation. There was a Human Rights Steering Committee engagement about four times a year. The top management was involved in the committee in both Uganda and Tanzania.

If EACOP could spend whole a day in the field to address various grievances, then why not Human Rights? There was nothing very difficult with that. Access to information had been made easier with the launch of the website and there were more facts on the site. The grievance received so far in relation to Human Rights violations was salary for staff of a Contractor. The issue had been resolved.

10.0 CSCO CLOSING REMARKS

The Closing Remarks were provided by a representative from CSCO. He appreciated the EACOP team for the great and constructive engagement and the information sharing opportunity. He urged the team to make these engagements more regular and informed them that CSOs were ready to work with EACOP to support its implementation. He said Uganda needed the Oil to be produced because of its associated benefits to the nation. Most Ugandans wanted the issues arising due to the pipeline project addressed.