

Response to BHRRC / Just Finance International

EACOP and Tilenga projects :

Dear BHRRC team,

TotalEnergies thanks you for giving us the opportunity to answer the « Just Finance International » article and to share factual information about the Tilenga and EACOP Projects.

As a general point of clarification there are three different projects in the mentioned area:

- Two are petroleum (crude oil) production projects located in Uganda, namely Tilenga and Kingfisher. Tilenga is operated by TotalEnergies EP Uganda, which means TotalEnergies EP Uganda is in charge of the operations for this project, on behalf of the other partners. Kingfisher project is operated by the Chinese company CNOOC. These two projects have a common ownership, in the form of contractual Joint Ventures between UNOC (the Uganda National Oil Company), TotalEnergies EP Uganda and CNOOC.
- EACOP (East Africa Crude Oil Pipeline) project's purpose is to transport petroleum (crude oil) from Kabaale, in Uganda, Hoima district, to the port of Tanga on the Indian Ocean coast in Tanzania. More details are available at <https://eacop.com/overview/> . It is operated by EACOP Ltd, a company whose shareholders are TotalEnergies Holdings EACOP, UNOC, TPDC (Tanzania Petroleum Development Company) and CNOOC.

Tilenga and EACOP projects follow both the Laws and Regulations of Uganda, and Tanzania (for EACOP project), as well as abiding by international best practice including the International Finance Corporation (IFC) Performance Standards, the Equator Principles IV, the UN Guiding Principles on Business and Human Rights (UNGP) and the UN Voluntary Principles on Security and Human Rights (VPSHR).

Preliminary general observations:

It is to be noted that many of the allegations mentioned in the article published by Just Finance International do not reflect the reality. The EACOP team knows and is already in touch with the individuals mentioned in the article and what is described in Just Finance International article is not accurate. We are ready and happy to discuss this in more detail with Just Finance International.

We regret that the article mentions that Just Finance International has “on a number of occasions, contacted the EACOP consortium for comment, but to date, it has yet to provide a response”. This is not correct since the EACOP team is not aware of any such contact. TotalEnergies and EACOP remain open and would be pleased to discuss any aspect of the project.

Following the allegations formulated in the article, it should be made clear that Uganda has made a choice to exploit its natural resources and that Uganda and Tanzania chose TotalEnergies in light of its operational expertise but also and importantly to ensure that international best practice on social and environmental matters are implemented.

The Tilenga and EACOP projects require a land acquisition program for approximately 6,400 hectares involving approximately 18,700 Project Affected Persons (PAP - households or landowners / land tenants).

The land acquisition process is carried out on behalf of the Ugandan and Tanzanian governments in close collaboration with specialized partners and local stakeholders and done in accordance with national laws, the UN Guiding Principles on Business and Human Rights, and IFC Performance Standards 5 and 8. Independent experts have also assisted in implementing and monitoring such acquisition processes in both countries.

In accordance with Ugandan law, the compensation rates applied are approved by the Chief Government Valuer (CGV) and District Land Boards (DLBs). Rates for land properties and permanent buildings are determined based on market analysis conducted by an accredited appraiser and verified and approved by the CGV. Rates for crops and temporary structures are set by the DLBs. The process is broadly similar in Tanzania.

Regarding the most vulnerable households, additional socio-economic studies were also carried out to identify them and related action plans were designed and are implemented to provide an appropriate response to their situation with the aim of maintaining and even improving their standards of livelihood.

1- Human rights commitments and policy:

Both Tilenga and EACOP have published their respective Human Rights policies which set out their commitment to respect Human Rights and applicable laws in all activities and to implement the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the fundamental conventions of the International Labour Organization and the Voluntary Principles on Security and Human Rights. They can be found here: https://corporate.totalenergies.ug/system/files/atoms/files/human_rights_policy.pdf;

Cross-functional Human Rights Committees have been set up at Senior Management level to support the implementation of the projects Human Rights Action Plan.

2- Human Rights due diligence:

Both Tilenga and EACOP have commissioned their respective stand-alone Human Rights Impact Assessments (HRIA) to understand the risks and impacts of the Projects on human rights and to develop related proactive and comprehensive Human Rights Action Plans to respond to and manage the Project’s salient human rights issues as it moves through the construction and operational phases. Actions taken in accordance with the Human Rights Action Plans are closely monitored.

The Tilenga Assessment builds upon prior studies that the Project has undertaken, notably through the Environmental and Social Impact Assessment (ESIA) and other related studies.



The Tilenga HRIA was carried out in a collaborative and participatory manner by Eco & Partners Consult (Uganda) and LKL International Consulting Inc. between December 2020 and January 2022. Extensive fieldwork with stakeholders was carried out. It can be found here:

https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2022-07/HRIA_Summary_Report.pdf

https://corporate.totalenergies.ug/system/files/atoms/files/tilenga_hria_-_full_report_0.pdf

The EACOP HRIA was carried out in September 2018 by LKL International Consulting Inc (Canada), it can be found here :

[EACOP - Provisional HRIA - Final Report](#)

The following table presents the salient human rights issues that have been identified for the Tilenga project. The EACOP HRIA also largely mirrors these salient issues:

Workers' Rights	Communities' Human Rights	Security and Human Rights
<ul style="list-style-type: none"> ▪ Contractor and suppliers' and workers' rights 	<ul style="list-style-type: none"> ▪ Right to information and consultation on access to land and resettlement ▪ Project-induced in-migration ▪ Road safety ▪ Cultural rights 	<ul style="list-style-type: none"> ▪ Interactions with Government Security Forces ▪ Interactions with Private Security Providers
Cross-cutting Human Rights		
<ul style="list-style-type: none"> ▪ Women's rights, gender equality and vulnerable groups ▪ Grievance mechanisms and access to remedy ▪ Human Rights Defenders 		

Note that an update of the EACOP HRIA is currently in progress.

3- Access to remedy:

Grievance mechanisms respecting the UNGPs criteria of efficiency have been in place since the beginning of the projects. Dedicated teams daily provide remedy to the grievances that are received and make sure they are solved in a satisfactory manner for the impacted persons.

There are several ways to file a complaint : either with the EACOP or TotalEnergies EP Uganda teams in the field, or with local communities' leaders, or via a dedicated toll-free phone number. Community Liaison Officers (CLOs) are available to register all project-related grievances including those related to compensation, and to help to resolve them.

There is a four-step procedure in place to handle complaints: registering the complaint, dialogue once the investigation is completed to discuss the proposed solution, the resolution phase if the proposed solution is accepted, and a continued dialogue phase if the proposed solution is not accepted.

All complaints are investigated and dealt with regardless of the route used to file the complaint and regardless of who was initially called upon to register the complaint.

4- Land acquisition process and compensation rates for land :

The implementation of the Tilenga and EACOP projects requires the implementation of a land acquisition program involving 18,700 Project Affected Persons (PAPs). According to the terminology of the International Finance Corporation (IFC), a subsidiary of the World Bank, a Project Affected Person corresponds to a group of individuals forming a household or an entity (institution, company) with at least one asset impacted by the implementation of a project.

Compensation for those who have to be displaced was initially proposed in kind or in cash. A majority of impacted people chose to be compensated in cash. The amounts for compensation rates were approved by government, starting in 2018, based on governmental official scale and on third party survey of the local land market. In Uganda the compensation rates were approved by the Chief Government Valuer based on Valuation reports which considered the different land tenure systems as enshrined in the 1995 Constitution and the 1998 Land Act.

The basis of valuation of land is Market Value. This value was determined using the Sales Comparisons Approach where market evidence such as recent land sales agreements and land transfers were collected from the project area. In addition, interviews with local government representatives, Area Land Committee members and other local residents found to be knowledgeable with the local land market were conducted. This information was analysed to reach an appropriate rate per unit area to be used in the valuation. The market research exercise targeted the different landowners within the specific village in the project area.

Lands are generally heterogeneous (i.e., have different characteristics). Data were collected through interviews with the targeted respondents. Evidence and records of the transactions were requested for by the interviewer where applicable.

In determining land values, the following types of information were used:

- Location of the land
- Land tenure system
- Other interests on land (e.g kibanja, lawful or bonafide occupants...)
- Size of the land
- Land Uses
- Recent land transactions

TotalEnergies and EACOP are aware of concerns voiced about the time lag between EACOP land and asset surveys and payment of compensations. In addition to a 30% disturbance allowance, cognizant of the exceptional delays which have occurred, the EACOP project has committed to apply an uplift on top of the compensation calculations. In Uganda this uplift is 15% after each complete year since the cutoff

date. In Hoima, EACOP pipeline runs for 5.4 kilometres and affects only one village with a total number of 82 Project Affected Persons, with a total affected land area of 34.428 acres.

Compensation is paid to the PAPs and Notice to Vacate is issued to the PAPs with a time allowed for the PAPs to salvage any items and to harvest their crops prior to any work and prior the project accesses to land. EACOP team is already in touch with the persons mentioned in the Just Finance International article and their current situations are not at all what Just Finance International describes.

As of end of November 2022, the numbers of PAPs impacted by the EACOP pipeline are as follows:

Uganda:

- 3648 in Uganda, of whom only a minority (203) are physically relocated in other areas
- 179 PAPs chose to be relocated to a house. 148 houses are under construction;
- 2830 PAPs signed the compensation agreement (78%);
- 2358 (65%) received their compensation. The process is on-going (there being a 30- days period between signing and receiving compensation);

Tanzania :

- 9510 PAPs, of whom 331 are physically relocated to other areas ;
- 309 PAPs chose to be relocated to a house. 69 houses are under construction and 37 houses have been completed.
- 7505 PAPs signed the compensation agreement (79%);
- 6005 (63%) received their compensation (there being a 30-days period between signing and receiving compensation);
- 1500 (20%) for which payment is pending
- For 21 PAPs the choice has not yet been made
- 388 households of the 9510 affected households have vacated their land and are receiving transitional food support and livelihood restoration programmes which may require a certain time span to evaluate the effectiveness of restoration (e.g crops).

“Physically relocated” means that the PAPs prime dwelling is impacted by the pipeline route. In such cases the person is offered a replacement housing or a cash compensation.

All the other “Project Affected Persons” are economically impacted, meaning that all (or in most cases a portion) of their land is required for the route although some do not live on this land or portion of land.

All affected households have been encouraged to keep farming and taking care of their trees and crops and any other assets until they receive the official “Notice to Vacate”. This message is reinforced by village leadership and local government.

EACOP project : Following the Final Investment Decision for the EACOP project in February 2022, EACOP team is now proceeding with the land acquisition and compensation process along the main Right of Way in both countries.

Along the EACOP pipeline, many PAPs have already used their compensation to purchase land to replace that affected by the Project. However, should a PAP not be satisfied with land and assets compensation rates, she or he is able to register a grievance through the Project grievance mechanism, which is in place

and respects the efficiency criteria of the UNGPs; EACOP social performance teams are in charge of dealing with these grievances and examine each grievance on a case-by-case basis to ensure that the compensation reflects the full replacement cost. This approach is in line with CGV guidance and international standards.

Tilenga project: the land acquisition conducted by TotalEnergies EP Uganda, on behalf of the Government of Uganda, complies with both national laws and best international practice. Following delays in Project approvals which in turn caused delays in the land acquisition process including compensation of the Tilenga Project affected persons, a 15% per year uplift is implemented to consider the period between planning and actual start of implementation of Resettlement Action Plans 2, 3a, 3b, 4 and 5. Thus the PAPs are receiving a 30% uplift on the value of their land compared to the initial compensation evaluation of 2018. Payment of compensation for Tilenga Resettlement Action Plans (RAP) 2- 5 started in August 2021 and is currently ongoing.

Until compensation is paid, the land is still owned by the Project Affected Persons, who are encouraged to continue to use their land as normal, farming, planting and harvesting seasonal crops, and maintaining houses and other structures. The Project Affected Persons were informed however that after the cut-off-date for asset valuation, any new development on their land would not be eligible for compensation.

When there may have been some misinterpretation of the process when the implementation started, particularly to the inventory cut-off date, TotalEnergies remedied the situation as soon as it became aware of this, by initiating a targeted and wide-ranging communication plan (increased dialogue and additional information with the people concerned, as well as radio announcements, and posters and brochures translated into local languages).

5- Stakeholder engagement:

The promotion of dialogue is at the heart of projects engagement with stakeholders. Regular meetings have been held with all the stakeholders connected with the project and its installations, including national, regional and local government in Uganda and Tanzania; Project Affected Communities (PAC) and Project Affected People (PAP); traditional and religious authorities; local businesses and tour operators; the developers of the project's installations; civil society coalitions and NGOs; academic and research organizations; intergovernmental organizations.

30 Stakeholder Engagement Plans (SEPs) have been set up to establish and maintain open and constructive relationships between the project's partners and stakeholders, and to help operations run smoothly, taking account of environmental and social impacts.

Quarterly stakeholder engagement meetings are held with many groups, and they are regularly reviewed to ensure that they properly take account of the questions raised by the participants themselves. In 2021, EACOP in Tanzania held 3,094 meetings, reaching 38,952 stakeholders, including 1,704 meetings with government authorities and 1,340 meetings at community level.

In Uganda, 8,007 meetings were held with PAPs in 2021 (some of which took place during the activities connected to access to land, the conducting of surveys and complaints management). Many methods and tools are used to promote dialogue, including village meetings, either with individuals or small groups,

site visits and guided tours. The written and visual communication materials have been adapted to the audience, using traditional media, including local radio, telecoms, and websites.

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On relations with local communities and liaison officers, the stakeholder engagement teams in the field, including community relations managers/supervisors and community liaison officers, have established good relations with local government and community representatives. They are maintaining significant engagement and dialogue, ensuring that the population is well informed of the project's policies and processes and operational activities in their area (including land acquisition). They can discuss upcoming activities with them and receive and respond to complaints.

Special attention is given to ensuring that all members of the community are included, especially women and vulnerable people who might need a different approach to ensure their full involvement. Particular attention has been paid to safeguarding women's rights by ensuring their presence and involvement at key steps of the land acquisition process such as during the land and asset surveys, disclosure of compensation values and signing of compensation agreement (which includes spousal consent). Additionally, joint bank accounts have been opened, and specific livelihood restoration programs targeted at women implemented.

Regarding engagement with Civil Society Organizations (CSOs) and Non-Governmental Organizations (NGOs), Uganda has a very diverse NGO and CSO landscape. According to the statistics of the Ugandan NGO Office, there were a total of 2,235 registered NGOs in the country on October 25, 2021. Although no statistics are available for Tanzania, there are fewer active NGOs in the oil and gas sector. The project is strongly committed to freedom of speech and appreciates the work of all the NGOs and CSOs and the media, even when they do not share the same opinions. The teams try to encourage and help the NGOs in their activities, provided that they are working legally and peacefully.

In Tanzania, there are quarterly meetings between the project team and the NGOs. The team works with the communities and traditional leaders of vulnerable ethnic groups that identify as indigenous people. Three Tanzanian NGOs have been supporting this work for over a year. They have taken part in quarterly workshops with these groups' traditional leaders and help to draw up community profiles for all communities directly affected by the project.

In Uganda, the project has been engaging for several years with the Civil Society Coalition on Oil and Gas (CSCO), a network of over sixty Ugandan NGOs working towards sustainable governance of Uganda's oil and gas resources so as to maximize the benefits to the people of Uganda and regular engagement take place with local CSOs. EACOP has also publicly invited NGOs and CSOs to witness EACOP activities on the ground.

Processes were reviewed by third party against IFC Performance Standards on Environmental and Social Sustainability and will continue to be scrutinized during the implementation phase.

Please note that a significant amount of information is made available on Tilenga and EACOP : acting transparently: <https://totalenergies.com/projects/liquids-low-carbon-fuels/tilenga-and-eacop-acting-transparently>
