

#STOPEACOP

FOR IMMEDIATE RELEASE

EACOP Financial Advisor SMBC is no longer involved with the project

Kampala, 16th May 2023 – The StopEACOP coalition welcomes the recent announcement by Sumitomo Mitsui Financial Group (SMBC Group) [stating](#) its current non-involvement in the East African crude oil pipeline project (EACOP). Since 2017, Sumitomo Mitsui Banking Corporation (SMBC), a subsidiary of SMBC Group, has [reportedly](#) acted as one of three financial advisors for the EACOP project and joint lead arrangers for the project's \$2-3 billion loan. The bank's statement confirming they are no longer involved in the project after years of involvement is a particularly stark warning that the EACOP project is too risky, and financial institutions should disassociate themselves from this controversial pipeline.

This news comes only days after Standard Chartered Bank [declared it would not finance the EACOP project](#). The recent announcements were made amidst mounting criticism from environmental groups and key stakeholders, citing the exacerbation of climate change issues, the potential harm to local wildlife and the loss of livelihoods by frontline communities. Consequently, this project has become a symbol of a globally changing environment and how risky projects like EACOP will continue to be for financial institutions.

While SMBC refrained from disclosing any prior involvement, the bank had not only provided [large amounts of funds](#) to TotalEnergies, which is promoting EACOP, but was also serving as a financial advisor on EACOP.

In light of this development, the StopEACOP coalition urges the other two financial advisors for EACOP, Standard Bank and the International Commercial Bank of China (ICBC), to follow the lead set by SMBC and Standard Chartered to distance themselves from this contentious project publicly. SMBC joins a growing list of [banks](#) and [insurance](#) firms that have now publicly withdrawn from this controversial project.

Financial institutions must align their investments and business practices with the urgent global need for sustainable and environmentally responsible solutions – investments that avoid or minimise negative impacts on frontline communities. The science is clear that urgently phasing out fossil fuels is needed to keep warming below 1.5°C; ongoing support and investment in fossil fuels contribute to the climate crisis.

The StopEACOP coalition will continue to monitor and campaign against the involvement of financial institutions in the EACOP project, advocating for greater transparency and a shift towards renewable energy alternatives. By taking a firm stance against environmentally and

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socially damaging projects, financial institutions can contribute to a more sustainable and just future.

QUOTES

"The announcement that SMBC is no longer involved in the EACOP couldn't be a clearer warning sign. This is a bank that has been deeply involved in EACOP - since at least 2017 the bank is reported to have been acting as a financial advisor to Total and a joint arranger for the EACOP loan. As the risks of financing the EACOP become increasingly clear, we hope this news will set an example for SMBC's Japanese peers, including MUFG, and all other financial institutions that have not yet publicly ruled out support." **Henriette Butijn, Climate campaigner & researcher, BankTrack**

"The decision by SMBC to withdraw their support for EACOP is a welcome development. Activists everywhere should be reaffirmed by this decision in noting that global solidarity, strong advocacy and direct action works in forcing decision-makers to distance themselves from harmful and damaging projects like EACOP." **Zaki Mamdoo, StopEACOP Campaign Coordinator**

"SMBC Group's remark that it is 'not currently involved in the EACOP' has brought some relief to people and activists in Africa, Japan and everywhere. With this news, MUFG Bank is the only one of the three Japanese megabanks that have not yet distanced itself from the EACOP. MUFG Bank should also clarify that it is not involved in the dirty EACOP. All Japanese banks should stop prolong addiction to fossil fuels, such as the EACOP, and strengthen their climate policies to be consistent with the 1.5°C target of the Paris Agreement. As the AGM season in Japan is approaching, people and investors are keeping eyes on banks' real commitment for the real solutions of a just transition to 100% renewables." **Masayoshi Iyoda, Interim Team Lead of 350.org Japan**

"The news that SMBC is not currently involved in the EACOP project is an important development. The EACOP is an environmentally destructive project with reported adverse human rights impacts. SMBC's support for the project, as a financial advisor and reported arranger to the project loan, was inconsistent with its environmental and social policies and commitments. Moreover, no bank should be financing this or any new pipelines. Amidst this climate emergency, financial institutions need to phase out their support for fossil fuels, not worsen the climate crisis." **Tamara Morgenthau, Senior Attorney, Center for International Environmental Law.**

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“We commend SMBC for listening to the East African community, youth and expert voices that have been advocating for no more investments in fossil fuel projects like the EACOP. Ugandans and, indeed, East Africans need renewable energy. Financial institutions should invest in renewable energy projects, including off-grid options that can address energy poverty while creating sustainable jobs,” **Diana Nabiruma of Africa Institute for Energy Governance (AFIEGO), a Ugandan non-profit, says.**

Notes to Editors:

#StopEACOP is a global campaign against constructing the East African Crude Oil pipeline (EACOP). This proposed 1,443-kilometer heated pipeline will transport oil from Hoima, Uganda, to the port of Tanga in Tanzania. An alliance of local groups, communities, and African and global organisations leads the campaign. The #StopEACOP Coalition has been calling for a stop to the proposed pipeline and associated oil fields at Tilenga and Kingfisher. The #StopEACOP campaign is gathering momentum, building pressure on the remaining supporters and financiers of the East African Crude Oil Pipeline. AEGIS London, Arch Capital Group Ltd and Britam Holdings recently announced they would not offer the project insurance coverage. So far, [26 major](#) banks and [23 major \(re\)insurers](#) have ruled out support for the pipeline. Some financial institutions yet to commit to not funding EACOP include Standard Bank, AIG, and ICBC.

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