

#STOPEACOP

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Standard Chartered Refuses Financing for Controversial \$5 Billion Ugandan Oil Pipeline

Kampala, Uganda, 2nd May 2023 - Standard Chartered Plc has announced that it will not finance the East African Crude Oil Pipeline (EACOP) project. The decision, which follows mounting pressure from the StopEACOP campaign, is particularly significant as the bank had previously confirmed that it was undertaking due diligence on financing the \$5 billion project. In response to public pressure, the London-based bank clarified to Bloomberg on Friday that it is not involved in the project's financing.

Though construction has not started, the controversial EACOP project, being led by French oil major TotalEnergies, has already resulted in scores of project-affected persons and frontline activists suffering violence, intimidation, and land use restrictions. The compensatory processes have been unfair, leading many communities impacted to suffer the unfair loss of their land and other income-generating streams due to the pipeline's development.

Local communities and activists have also raised concerns about the project's potential impact on the environment and the well-being of those who live in the pipeline's path, not forgetting that the EACOP could trigger a dangerous spike in carbon emissions and the apparent threat to local wildlife populations, including protected and sensitive ecosystems.

In reaching this decision, Standard Chartered becomes the [25th major bank](#) to have publicly distanced itself from the EACOP. The project, which still needs a \$2-3 billion project finance loan in order to proceed, has lost the backing of [nine out of TotalEnergies' 10 largest financiers](#).

Standard Chartered is the current chair of the Equator Principles, the banking sector's rules for assessing environmental and social risk when financing large projects, with which the EACOP project sponsors have committed to comply. The bank's decision to withdraw after assessing the project against the Equator Principles clearly conveys that the EACOP and associated oil projects fail to live up to the required international standards.

The StopEACOP campaign is determined to push other firms considering getting involved in this controversial EACOP project, in particular, the three banks acting as financial advisers to the project: South Africa's Standard Bank, Japan's Sumitomo Mitsui Banking Corporation (SMBC) and the Industrial and Commercial Bank of China (ICBC), as well as the US insurance broker Marsh, to follow Standard Chartered in pulling out of the project and instead increase their investment in genuine climate solutions.

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Rafela Fitzhugh is one of the Extinction Rebellion group which has been protesting outside Standard Chartered's London office every week since October with four demands. One of their demands was for Standard Chartered to rule out financing EACOP. Rafela said: "This is fantastic news. We are delighted that Standard Chartered has joined the other 24 banks and 23 insurance companies in refusing to support EACOP: a project that, if it ever happens, would be disastrous for the climate. Hopefully this will discourage other banks from risking their reputation by getting involved with EACOP."

"Standard Chartered's decision to refuse to finance the EACOP project is a significant victory for communities impacted by this pipeline and for climate activists worldwide who have been calling for an end to fossil fuel projects that threaten people, nature and the climate. This move should signal other financial institutions on the fence about whether to support this destructive project to act in the interest of the people of Uganda and Tanzania by taking a firm stand against EACOP," **said Zaki Mamdoo, the StopEACOP Campaign Coordinator.**

"The negative impacts of the EACOP project on local communities are undeniable, and Standard Chartered's decision to not finance the project sends a clear message that banks cannot ignore the concerns of those affected by their investments," **said Diana, Senior Communications Officer, AFIEGO**

"By choosing not to finance the EACOP project, Standard Chartered is taking a stand on the urgent need to address the global climate crisis and demonstrating its commitment to environmental responsibility and social justice. To avert catastrophic climate impacts, it is critical that financial institutions stop the flow of finance into harmful fossil fuel projects and instead fund the urgent transition to renewables that has now become imminent. The shift to renewables requires massive support from banks. Their investments must be rightly channelled to avoid the exacerbation of a rapidly deteriorating climate change resulting from fossil fuels.," **said Landry Ninteretse, 350Africa.org Regional Director**

"Standard Chartered had, until Friday, looked like the only European bank prepared to stand with TotalEnergies on EACOP. Its decision will make Total's attempt to pass off this project as somehow compatible with international standards like the Equator Principles even less credible than they are already," **said Ryan Brightwell, Research and Communications Director at BankTrack**

"As the chair of the Equator Principles Association, Standard Chartered's sudden decision to withdraw support for EACOP speaks volumes about the project's non-compliance with international standards. This should send a strong signal to any other Equator banks still on the

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fence, including SMBC and Standard Bank. Insurers and reinsurers should also take heed, as the financial and reputational risks of this project continue to skyrocket,” said **Coleen Scott, Legal and Policy Associate at Inclusive Development International.**

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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, [25 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 AIG, ICBC, MUFG and SMBC.