

Total SA Oil Project Development in East Africa – Without Major Improvements, An Environmental and Human Rights Catastrophe

Issue: CalPERS owns 5 million shares of Total SA (“Total”) worth \$300 million.

Problem: Total plans to construct a series of environmentally destructive oil & pipeline projects in East Africa in sensitive wetlands and protected ecosystems without appropriate safeguards. Dubious land acquisition strategies and the lack of environmentally protective design and operational practices combine with a history of human rights abuses to make these investments unworthy of CalPERS’ support.

Solution: CalPERS should use its investment strength to obtain substantial improvements in Total’s oil and pipeline projects or should sell the stock because of Total’s problematic practices.

Background: Total is a major oil industry player in East Africa. Total has under development a series of high impact projects in Uganda and Tanzania that could lead to human and environmental disasters unless they are substantially modified.

According to Total CEO Patrick Pouyanné, the proposed Uganda-Tanzania projects are “*in line with [Total’s] strategy of acquiring long-term resources at low cost.*” The final investment decision is expected in 2021. Human rights organizations are challenging Total’s actions in Uganda in French court under the new French “duty of vigilance” law.

Partners Total and Chinese National Offshore Oil Corporation plan to exploit some of Africa’s biggest oil reserves on the shores of Lake Albert, which sits between Uganda and the Democratic Republic of Congo, and ship it to international markets from Uganda through Tanzania, via a pipeline running beside Lake Victoria. If the CO₂ emissions associated with the combustion of this oil were attributed to Uganda, it would increase Uganda’s current CO₂ emission rate by 63%.¹



Total’s oil fields overlay several natural reserves, as well as a wetland protected under law. These projects are moving forward in a region that supports an exceptional array of animal and plant species as well as key habitats for endangered, vulnerable, and endemic species like elephants and lions.

¹ Planned full production rate, Tilenga + Kingfisher oilfields = 240,000 barrels/day. This is equal to 37.7 million metric tons (MMT) per year of CO₂. Uganda emits 59.9 MMT/yr. $37.7 \text{ MMT/yr} \div 59.9 \text{ MMT/yr} = 0.63$ (63 percent).

The projects risk further degrading water and soil quality through drilling, disposal, and pipeline construction techniques that do not reflect the “best available technologies,” despite the company's claims. An expert analysis showed that Total could reduce from 10 to 1 the number of well pads drilled in the Murchison Falls National Park, and CNOOC Uganda could move its wells further from the shore of Lake Albert to reduce the impacts of potential spills.

The East African Crude Oil Pipeline (EACOP) would become the world’s longest heated pipeline, if constructed. Any oil spill into Lake Albert, Lake Victoria, or Murchison Falls would entail grave consequences to the region’s exceptional ecosystem and the existing communities within it.

Land acquisition for oil development in Uganda already has a poor track record. Locals accuse companies and the government of expropriating their land unfairly. They report a general lack of information about the projects. Local communities report that relocations to clear the area for Total’s fossil projects is disrupting their traditional livelihoods and cultures. Land speculators expelled inhabitants claiming the community members were illegal occupants, despite living on the land for generations.

Human rights roll-backs are occurring across the region. Tensions are high in the region’s oil frontier, especially for communities directly impacted by oil development and the human rights defenders working on their behalf. Journalists and researchers covering these projects have been targeted for abuse. Local groups claim they are unable to freely visit villages affected by oil projects, have been abusively arrested, attacked, intimidated and harassed.

Recommended Action

CalPERS should communicate directly with the Total CEO and insist that best practices be incorporated into project design and operation prior to the 2021 investment decision. In one of the world’s most sensitive regions, Total’s commitment to inferior “best cost-efficient practices” supersedes any commitment to utilize established best practices that would maximize the protection of the environment and existing communities. Investors in Total must insist that the company set a much higher bar or abandon its participation in these projects.

Total must end extractive activities in protected and sensitive ecosystems, including the shores of Lake Albert, and commit to using the best available technology to preserve the culture, health, and future of impacted communities. It should also review its land valuation, compensation and resettlement processes to align with best international practices.

References

The impacts on communities in the Uganda project areas, and best practices to remedy these community impacts, are described in the following reports:

- FIDH, FHRI, *New Oil, Same Business? At a Crossroads to Avert Catastrophe in Uganda*, September 2020:
https://protectourcommunities.org/wp-content/uploads/2020/09/2020-09-01-FIDH_Community-Based-Human-Rights-Impact-Assessment.pdf

- Oxfam et al, *Empty Promises Down the Line? A Human Rights Impact Assessment of the East African Crude Oil Pipeline*, September 2020:
https://protectourcommunities.org/wp-content/uploads/2020/09/2020-09-01-Oxfam_Empty-Promises-A-Human-Rights-Impact-Assessment-of-EACOP.pdf
- FIDH, Oxfam, et al, *Oil in East Africa – Communities at Risk* [summary document], September 2020: https://protectourcommunities.org/wp-content/uploads/2020/09/2020-09-09-FIDH-Oxfam_oil_in_east_africa_summary.pdf

Best engineering and environmental practices for the Uganda oil projects - and the EACOP pipeline - are described in the following documents:

- E-Tech International, *Review of Adequacy of Environmental Mitigation – Tilenga Oilfield, Uganda*, December 2019, commissioned by Oxfam:
<https://protectourcommunities.org/wp-content/uploads/2020/09/2019-12-19-E-Tech-evaluation-of-Total-Tilenga-ESIA.pdf>
- E-Tech International, *Review of Adequacy of Environmental Mitigation – Kingfisher Oilfield, Uganda*, May 2019, commissioned by Oxfam:
https://protectourcommunities.org/wp-content/uploads/2020/09/2019-05-23-Revision-1_FINAL_Oxfam-comments-on-CNOOC-Kingfisher-ESIA_w-attachments.pdf
- E-Tech International, *Review of Adequacy of Environmental Mitigation – East Africa Crude Oil Pipeline (EACOP)*, June 2019, commissioned by Oxfam:
https://protectourcommunities.org/wp-content/uploads/2020/09/2019-06-25-BP_Oxfam-CLEAN_EACOP-Tanzania-ESIA_comments-w-attachments.pdf