

July 22, 2024

Mr. Xiangdong Liu
President
CNOOC Uganda
xiangdong.l@cnooc.com.cn

Re: Summary of findings for upcoming report on the human rights and environmental impact of the Kingfisher oil project

Dear Mr. Liu,

I write on behalf of <u>Climate Rights International</u>, an international NGO that conducts research and advocacy on the intersection of climate change and human rights. We have carried out research for a report that we plan to publish on the human and environmental impacts associated with the Kingfisher oil development project in Uganda. We are writing to you as the operator and part-owner of the Kingfisher project.

We have conducted interviews with community members who have raised serious concerns about the land acquisition process; forced evictions; pressure to sign documents without free, prior, and informed consent; intimidation and coercion to pressure them to move; inadequate or lack of compensation; labor rights violations; water pollution; and arrests and violence, including sexual violence.

Many interviewees have complained about loss of livelihoods due to loss of land or ability to fish in nearby waters, which has led to serious impacts on their ability to feed and support their families, pay for education, or access health care and housing.

We note that the China National Offshore Oil Corporation Uganda Ltd. and its joint venture partners have committed to upholding international standards in the land acquisition process, including compliance with International Finance Corporation (IFC) Performance Standard 5, which requires that displaced persons and communities receive "compensation for loss of assets at full replacement cost and other assistance to help them improve or restore their standards of living or livelihoods." We also note that these allegations contradict the "Corporate Citizenship" and "Environmental Protection" commitments made by CNOOC.

To ensure that our report accurately reflects the views, policies, and practices of CNOOC and relevant authorities and companies, we hope that you or your representatives will respond to the following questions, outlined below. Any responses will be reflected in our reporting as appropriate. We will publish your responses on our website.

## Displacement, Land Acquisition, and Impact on Livelihoods

- 1. Has the Resettlement Action Plan for the Kingfisher Project been made public? If not, why not? Please provide a copy. We note that the Tilenga and EACOP Resettlement Action Plans are readily accessible online.
- 2. According to the <u>Petroleum Authority of Uganda</u>, the Kingfisher project will affect just 727 people. Of those, only 64 are listed as having their primary residence affected. Our research suggests that a much larger number of people have been affected. Do you agree with the Petroleum Authority's assessment?
- 3. It has also been reported by the <u>Petroleum Authority of Uganda</u> that resettlement for the Kingfisher project was 99.5% complete as of February 2023. Do you agree with this assessment?
- 4. How did CNOOC determine who would be resettled?
- 5. How many people have received compensation for land, homes, and other property taken for the project?
- 6. It is our understanding that some community members have not received any compensation from CNOOC for their land and other assets, while some others claim that the compensation they did receive was far below fair market value. What steps has CNOOC taken to ensure that it is fairly compensating all those affected by the project, including those living on customary lands or those occupying land for which they don't have title?
- 7. According to the Kingfisher Project ESIA, many community members lived, used, or still live on communal land. Many families living on communal land have told us they haven't received any compensation for their land, houses and crops, which are now being used for the Kingfisher project. What steps has CNOOC taken to ensure that it is fairly compensating all those affected by the project, including those living on communal land?
- 8. What steps did CNOOC take to ensure that affected persons understood compensation agreements they were asked to sign and could freely decide whether to consent or reject them?
- 9. What monitoring measures have you put in place to ensure that no one has been evicted without receiving fair compensation?
- 10. Please describe any complaints process that CNOOC or its joint venture partners have established to handle complaints related to the land acquisition process or compensation for land and assets. How many complaints has this mechanism received and what

- percentage have been resolved? Please disclose information about the nature of the complaints received, including the subject of the complaint and the resolution.
- 11. CNOOC operations are currently occupying land from which individuals report having been forcibly evicted without compensation by the UPDF. What, if any, steps is CNOOC taking to ensure that that no one has been forcibly evicted by the UPDF or other security forces from their land for use by CNOOC?
- 12. What steps does CNOOC plan to take to restore the livelihoods of those whose livelihoods, such as from fishing, farming, or cattle raising, have been negatively affected by the project? When does CNOOC intend to take those steps?
- 13. In a recent <u>public statement</u>, TotalEnergies has stated that Kingfisher project affected people have been fully compensated. Is this also your position?

## **Environmental Impacts**

- 1. Do CNOOC or its joint venture partners collect air, soil, and water quality data? If yes, is that data made publicly available? If yes, how is it made available? Please provide the results of any air and water quality data you have compiled relating to the Kingfisher oil project.
- 2. What steps is CNOOC Uganda Ltd. taking to ensure that oil, liquid waste, and other substances from the drilling do not harm freshwater resources, including Lake Albert, the streams that feed the lake, and sources of drinking water?
- 3. What company have you hired to manage liquid waste related to drilling activities?
- 4. Some interviewees allege that CNOOC or its subcontractors have intentionally dumped hazardous chemicals in lakes and rivers at night to avoid scrutiny. Is CNOOC aware of or has it received allegations of such conduct? If so, have you reported this to the relevant government agencies? What steps has CNOOC taken to prevent future such dumping?
- 5. What measures, if any, has CNOOC taken to protect the wetlands at the mouth of the Kamansinig River from impacts from well pad 1?
- 6. We understand that various drilling activities are planned within the Kabwoya Wildlife Reserve. What studies have you conducted and what measures have you implemented to prevent impacts on the wildlife and vegetation in this protected area?
- 7. The ESIA states that extreme weather events could increase the risk of spills from oil wells and pipes. What contingency plans steps has CNOOC put in place?
- 8. Has CNOOC calculated the annual greenhouse gas emissions total from the entire project and how these will further impact global warming and climate change? If yes, please provide details.

## **Working Conditions**

1. Some current and former workers involved in the Kingfisher project have reported not having signed an employment contract. What measures has CNOOC implemented to ensure

- that all employees, both within your company and your subcontractors working on the Kingfisher project, have an employment contract as required by Ugandan law?
- 2. Numerous current and former employees have reported that recruitment personnel within companies involved in the Kingfisher project demand payments in exchange for obtaining a job. What measures has CNOOC put in place to ensure that the recruitment process is fair and equitable for all candidates, and prevents solicitation or receipt of bribes, both within CNOOC and your subcontractors? How many people have been fired for soliciting or receiving a bribe? How many has CNOOC referred to the police for investigation?
- 3. Do you maintain records of accidents involving workers on sites managed directly by CNOOC or by your subcontractors in connection with the Kingfisher oil development project? If so, please provide data indicating the:
  - a. number of accidents;
  - b. number of people involved in each accident;
  - c. injuries incurred;
  - d. compensation paid; and
  - e. steps, if any, CNOOC has taken to prevent the recurrence of such accidents.
- 4. Some interviewees have reported sexual harassment and sexual violence committed by personnel working within companies involved in the Kingfisher project.
  - a. What measures has CNOOC taken to prevent such violations?
  - b. What training, reporting, and remedial measures has CNOOC taken as required by Ugandan laws (and in particular the <a href="Employment Act">Employment Act</a> and <a href="the Employment (Sexual Harassment) Regulations">the Employment (Sexual Harassment) Regulations</a>?
  - c. What measures have you put in place to ensure victims can report such violations safely?

## The Uganda Peoples' Defence Forces

- 1. The Ugandan government has deployed forces from the UPDF to secure the oil facilities of and patrol the area in and around the Kingfisher project. Has CNOOC asked the Ugandan government or the UPDF to carry out these activities? Have you signed any agreements outlining the terms of protection for the Kingfisher project oil facilities by the army?
- 2. The Ugandan army has been repeatedly accused of human rights violations and unprofessional behavior by both national and international organizations. What steps has CNOOC taken to ensure that the security forces protecting the Kingfisher project oil facilities do not commit such violations, provide compensation for forced evictions and other violations, and are held accountable when they do?
- 3. What steps did CNOOC take in response to the widely reported abduction and torture of Kingfisher activist Stephen Kwikizira? Have you called on the Ugandan authorities to undertake independent investigations and hold the perpetrators accountable?

Your responses will be considered for inclusion in our report if we receive them by August 2, 2024. Please reply to adams@cri.org, copying deyah@cri.org. In addition, please include any other materials, statistics, or information you think may be relevant.

We would also welcome the opportunity to speak with you or your representatives. Please let me know if you have any questions or if you would like to arrange a call or video conference.

Sincerely,

**Brad Adams** 

**Executive Director** 

CC: Paul Beilby

VP, Business Development Europe & Africa, CNOOC International

CNOOC Petroleum Europe Limited paulbeilby@cnoocinternational.com

Zakalia Lubega Head of Corporate Affairs, CNOOC Uganda Limited zakalia.l@cnoocuganda.com

Nicholas Kiiza
CNOOC Environment Supervisor, Uganda
Kiizan@cnooc.com.cn

Paul Walusimbi
Personnel and Recruiting Manager, Uganda
paulwalusimbi@cnooc.com.cn

CNOOC Media/Public Relations MR@cnooc.com.cn

Proscovia Nabbanja Chief Executive Officer Uganda National Oil Company proscovia.nabbanja@unoc.co.ug