



MINORITY REPORT ON THE EAST AFRICAN CRUDE OIL PIPELINE (EACOP) (SPECIAL PROVISIONS) BILL, 2021.

Moved Under Rule 205 of the Rules of Procedure

NOVEMBER 2021

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1.0 INTRODUCTION

Rt. Hon. Speaker and colleague Members of Parliament, on behalf of members of the committee on Environment and Natural Resources who have signed on to this Minority Report, I would like to state from the onset that we support construction of the East African Crude Pipeline that would help commercialize our nation's unique resource with capacity to transform our society.

The East African Crude Oil Pipeline (EACOP) (Special Provisions) Bill, 2021 also referred to as the EACOP Bill in this report, was tabled on 05th October 2021 and referred to the Committee on Environment and Natural Resources for scrutiny and processing.

Pursuant to Rule 205 of the Rules of Procedure of the Parliament of Uganda, we hereby present a dissenting opinion from the opinion of majority of the Committee.

2.0 AREA OF DISSENT

We dissented with majority of the Committee on the following:

- 1. Process of scrutiny of the Bill
- 2. Illegal land acquisition.
- 3. Disclosure of Production Sharing Agreements.
- 4. Scrutiny of the schedules
- 5. Transparency around the viability of the REFINERY Project.

3.0 DISSENTING OBSERVATIONS

3.1 Process of scrutiny of the Bill.

Rt. Hon. Speaker, our major difference with the majority is fundamentally on the methodology used to scrutinise the Bill. The Committee did not put this highly technical Bill to the standard of scrutiny required of it by Rule 129 (2) of the Rules of Procedure of the Parliament of Uganda. The rule demands that the committee examines the Bill in detail and make all such inquiries in relation to it. Processing the EACOP Bill was rushed through a process that lacked minimum tenets of scrutiny.

The Report of the Majority recognises the impediments that the committee went through in the Bill scrutiny and analysis process including the inability of stakeholders to access the relevant documents necessary to participate in the Bill processing with sufficient information, limited resources to visit and interact with Project Affected Persons as well as benchmarking in pipeline operating

business. Surprisingly, the insufficiently scrutinised Bill was rushed back for the 2^{nd} reading with a recommendation that Parliament passes this Bill without curing the shortcomings therein.

Scrutiny of the Bill was strictly limited to presentations and observations made in Kampala. For example, the committee did not have time and the opportunity to establish whether it is justified for the project to produce its own electricity in a country with potentially higher electricity supply or whether to recommend some shared public facilities between the project and the adjacent population. The committee was informed that part of the shippers' crude oil will be used by the project company to generate its own electricity to maintain the heat in the pipeline as well as power some pump stations. No analytical work was undertaken to satisfy ourselves that we were signing onto the best possible alternatives in the Bill

The committee was never accorded any opportunity to establish experiences of operations of a pipeline in countries where pipeline businesses are operating. Members of the committee were never introduced to basics of operations of pipeline businesses that would include provisions for operations and maintenance of pipelines. We basically don't know whether a pipeline ordinarily operates 365 days of the year or there are some days or hours of downtime and the implication of such down time on project feasibility.

Recommendation.

Parliament gives the committee more time not exceeding 30 days to complete the inquiry into the Bill to satisfy the requirements of Rule 129(2)

3.2 Clause 11 – Land Rights.

Clause 11 of the Bill is intended to guarantee land rights for the EACOP Project Company. The committee was informed that a company called Team BV was contracted to undertake land acquisition on behalf of the project company.

We disagree with our colleagues in the Majority Report on the constitutionality of the land acquisition process in total disregard of the provisions of Article 26 of the constitution.

A private company called Team BV has been involved in land acquisition activities on behalf of EACOP since 2018. During this period, Project Affected Persons (PAPs) without being paid have been denied the opportunity to use their land as they so wish. PAPs are allowed to use this earmarked land for

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anything like construction of permanent structures, planting of crops whose maturity exceeds 3 months and even cant burry their loved ones on the land.

Compensation rates of 2018 were applied on the value of land that is yet to be paid for, almost 4 years later. Families are currently meeting their own costs of reburial of their loved ones in order to clear the pipeline corridor.

Compensation rates are determined by districts on an annual basis. In some districts, due to Covid-19 containment measures, compensations rates for 2020 and 2021 have not been produced to update the pre-covid19 levels. Compensation rates communicated to PAPS in 2019 did not consider the level of urbanisation and the corresponding rates that apply to more urbanised parts of districts.

The delayed payments for land also created a challenge to urban councils who have gazetted their urban infrastructure development plans without consideration of the EACOP routing.

Clause 11 of the Bill contravenes Article 26 (2) (b) of the Constitution of the Republic of Uganda in 2 ways;

- i. Encumbering private land without paying for it in a manner prescribed by the Constitution
- ii. Closing out any legal window for aggrieved parties to seek legal redress the EACOP project has been granted land instruments (leases).

Rt. Hon. Speaker, article 26 (2) (b) of the Constitution provides that; **No person** shall be compulsorily deprived of property or any interest in or right over property of any description except where the following conditions are satisfied;

- b. the compulsory taking of possession or acquisition of property is made under a law which makes provision for;
 - prompt payment of fair and adequate compensation, prior to the taking of possession or acquisition of the property; and
 - (ii) a right of access to a court of law by any person who has an interest or right over the property."

The requirements of Article 26 of the constitution are now settled law after the Supreme Court ruling in UNRA Vs. Irumba Asumani and Peter Magelah in which

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Hon. Justice Kitumba, Ag. JSc (as she was then) in her 2015 lead judgement observed that;

"any limitation of enjoyment of rights and freedoms prescribed by this Chapter beyond what is acceptable and demonstrably justifiable in a free and democratic society or what is provided in this Constitution".

Accordingly, the Supreme Court of Uganda refused to accept the reasoning of UNRA that:

Article 26 of the Constitution is derogable in exceptional circumstances of natural disasters or emergencies and in the interests of public good. That it is impracticable to compensate property owners prior to addressing the urgent needs of the communities in exceptional circumstances including emergency situations.

Recommendation.

Project Affected Persons be compensated according to the provisions of the Constitution of the Republic of Uganda.

Districts should update their respective compensation rates including taking regard of differences between valuations in rural and urban areas. EACOP should apply these updated rates to comply with the constitutional requirement of fair and adequate compensation to PAPs.

Proposed amendments to the EACOP (Special Provisions) Bill

Clause 11: Land Rights

Clause 11 (2) should be deleted and replaced with;

Clause 11(2) The project company shall undertake relevant steps to acquire land for effective implementation of all project activities.

Justification

Under the Constitution, Land Act and Registration of Titles Act the project company can enter into land agreement on its own without going through the Uganda Land Commission. Additionally, TEAM BV which is currently conducting the acquisitions is not envisaged under the Bill as a party to the project.

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 Insert clause 11(3) immediately after clause 11(2) and renumber the rest accordingly;

Clause 11 (3) Where land has been identified for purposes of implementation of project activities compensation and subsequent acquisition shall be conducted as provided under Section 73 of the Land Act and Section 7 of the Land Acquisition Act.

Justification

Cross-reference should be made to Land Act and the Land Acquisition Act because they sufficiently cover the aspects of compensation and redress where need arises.

• Clause 11 (3) should be renumbered as clause 11(4) and modified as follows:

Clause 11(4) Upon obtaining interest as shown in clause 11(3) above, the project company shall –

- (a) undertake all the required project activities, including owning the EACOP system, and granting security over the land rights and the EACOP system placed, on, under or in the land; and
- (b) be in possession of the land for an agreed period regarding operation of the EACOP system, or in the case of short-term requirements, for a shorter period of time corresponding to the duration of the relevant project activities.

Justification

The terms of land ownership, duration and transactions to be carried thereon are to be negotiated by the project company together with the concerned individual as provided under the Land Act and the Land Acquisition Act.

Clause 11(4) should be renumbered as 11(5) and modified as follows;

Clause 11(5) The rights and interest of the project company in the land shall not be terminated except where-

- (a) the Host Government Agreement has been terminated in accordance with its terms; and
- (b) the High Court of Uganda has cancelled such interest or right on ground of fraud in the process of acquisition of land on part of the project company.

<u>Justification</u>

To any legally aggrieved person with a right of access to a court of law as provided under Article 26 (2) (b) (ii) of the Constitution.

Clause 11(5) should be deleted.

3.3 Clause 25(1) – Joint Venture with local partners.

Hon Speaker, Clause 25 (1) seeks to provide for options where goods and services to the project company are not available in Uganda. The clause introduces joint venture partnering between Ugandan and foreign companies a Ugandan party to go into a joint venture with a foreign company but does not set standards for foreign suppliers.

Observations

Hon speaker, according to the National Content Report 2019 released by Petroleum Authority of Uganda, from 2009 to 2018, the percentage of contracts given to Ugandan companies in the petroleum sector ranged between 17% and 42%. This means that the capacity of Ugandan companies to compete for businesses in the petroleum industry is still limited.

Hon speaker, it is also important to note that according to National Content Report 2019, some of the Ugandan companies that got contracts were Ugandan registered companies but largely foreign owned. For example in 2018, of the total contracts given to Ugandan companies amounting to 27.7 million USD, 13.3 million USD equivalent to 49% were Ugandan companies but foreign owned. This means that protecting Ugandan interests in benefitting from precede from the oil and gas industry is require this House to legislate national content with a finer detail of what constitutes Ugandan.

Recommendations

A clause that compels the Minister to make guidelines that protect national companies from being outcompeted by foreign companies on given contracts be introduced.

Proposed amendments

1. Clause 25

Modify 25 (1) by adding the following words immediately after the words 'national database';

provided that the Ugandan company has a share capital of at least forty eight percent in the joint venture.

Justification

To empower Ugandan companies to effectively participate in the joint ventures.

3.4 Section 38 – Early Project Activities.

Clause 38 of the bill seeks to recognizes project activities that have already been undertaken by and on behalf of the EACOP Project Company. These activities are listed in table 1 below. The costs would form part of the investment profile of the EACOP project.

A schedule of these costs that was supplied to the committee by the Ministry of Energy and Mineral Development for the entire pipeline from Uganda to Tanzania, indicated a total of US\$ 428,190,000 (an equivalent of UGX 1.554 trillion) so far spent on different categories of activities. Almost half a billion dollars already spent on the pipeline. This Parliament is being asked to legitimize costs without an audit of these aggregated costs.

Table 1: EACOP Early Project Activities Breakdown.

| SN. | Activity category | 2,016 | 2,017 | 2,018 | 2,019 | 2,020 | 2,021 | TOTAL |
|-----|--|----------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | | Ushs. Billions | Ushs. Billion | Ushs. Billion | Ushs. Billion | Ushs. Billion | Ushs. Billions | Ushs. Billions |
| 1. | Integrated Project Management | 13.39 | 85.80 | 128.09 | 164.86 | 47.89 | 85.54 | 519.77 |
| 2. | Commercial & Legal | 6.07 | 13.97 | 26.80 | 17.04 | 14.06 | 29.72 | 107.01 |
| 3. | Health Safety Social Security Environm | 0.22 | 17.58 | 35.28 | 20.76 | 1.70 | 1.25 | 75.51 |
| 4. | Land & Social | | 10.96 | 76.47 | 135.78 | 5.57 | 31.79 | 256.04 |
| 5. | Surveys | 2.73 | 47.20 | 53.81 | 43.24 | 0.23 | 1.38 | 146.70 |
| 6. | Pre-Feed & Feed | 28.63 | 71.19 | 42.93 | 5.00 | - | - | 148.62 |
| 7. | Main Contracts | - | 0.40 | 21.50 | 54.94 | 14.99 | 87.18 | 177.83 |
| 8. | Other Contracts | - | - | - | 22.05 | 9.90 | 18.68 | 50.13 |
| 9. | EACOP General & Administrative | 3.88 | 13.05 | 22.52 | 16.54 | 10.52 | 6.67 | 72.36 |
| | GRAND TOTAL | | | | | | | 1,554 |

Source: Ministry of Energy and Mineral Development

Observations.

A schedule of Early Project Activities costs incurred in both Uganda and Tanzania was supplied to the committee by the Ministry of Energy and

Mineral Development.

- ii. The details of costs of approximately Shs. 256 billion spent on **Land and social** was never explained to the committee. We find the equivalency of Shs. 256 billion reportedly spent on land by the project company to be an exaggeration that this Parliament should fast be supplied with an audit of these activities before they are legally recognized.
- iii. No PAPs have been paid yet according to information availed to the committee by different stakeholders. How Shs. 256 billion was used to acquire for a period of 5 years without compensating a single PAP is puzzling and begs more questions about the details of the entire schedule of early project activities.
- iv. Table 1 also clearly shows that costs related to surveys of land and other pre-Front End Engineering Designs are catered for in hundreds of billions separately from land acquisition. It therefore implies that billions have been spent on land acquisition contrary to any evidence of having paid the owners of land.

Recommendation.

An audit report on the Early Project Activities be availed for Parliamentary scrutiny before they are legalized in this Bill.

3.5 Renegotiated Production Sharing Agreements.

Rt. Hon. Speaker, Section 5.1.3 of the Oil and Gas Policy of Uganda, provides for openness and access to information as fundamental rights in activities that may positively or negatively impact individuals, communities and states. It is important that information that will enable Ugandans to assess how their interests are being affected is disclosed.

Consequently, the policy seeks to promote high standards of transparency and accountability in licensing, procurement, exploration, development and production operations as well as management of revenues from oil and gas. Transparency and accountability are core principles of good legislation and as such Parliament engages in public review of Bills presented to it.

At the core of the EACOP Bill, is our country's need to transport crude oil to the market. Given the tariff of US\$12.77 per barrel in the 1st year and given the swing in global crude prices, a committee scrutiny of a crude oil transportation Bill without assessing how much of our crude will belong to Uganda falls short of letter and spirit of Pule 129

of letter and spirit of Rule 129.

Through questioning of some witnesses, the committee established that the process of concluding out the pipeline deal included renegotiation of the formula or terms of sharing our crude oil in the Production Sharing Agreements (PSAs) with companies involved in the production of oil and gas. The outcome of this renegotiation which gave oil companies a higher share of cost recovery (implying Uganda's reduced share per barrel produced, remains secret even on the floor of this Parliament. The renegotiation could have been in good faith but it failed the transparency test when the details were kept secret. This makes the PSAs laid in Parliament previously irrelevant until the Minister of Energy and Mineral Development tables the renegotiated PSAs

Disclosure of PSAs is good for transparency and good governance. The 2016 model PSA for Uganda provided the extent to which some items in a typical PSA can be confidential. The model PSA defines what constitutes **confidentiality**. Paragraph 1.5 of the model PSA defines confidentiality to mean only the **section on audit**. The model PSA does not define the fiscal regime as being part of confidentiality clauses.

Disclosing redacted copies of PSAs in which confidentiality clauses are not made available enhances transparency and accountability. Failure to disclose PSAs at all fundamentally affects the ability of citizens and their elected leaders to hold accountable those persons who are entrusted with the responsibility of overseeing the management of public resources.

Non-disclosure of the terms of the renegotiated PSAs is against the commitment Uganda made to the Extractive Industries Transparency Initiative (EITI) with an endorsement from Total Energies. The Government of Uganda on 12th August, 2020 signed onto the IETI transparency procedure as the 56th member state. The procedure commits signatories to the initiative to publish details of revenues they receive from extractive industries.

By becoming a member of the EITI, countries commit to disclose information along the extractive industry value chain – from how extraction rights are awarded (PSAs), to how revenues make their way through the government and how they benefit the public. Through participation in the EITI, the 56 countries, including Uganda have agreed to a common set of rules governing what has to be disclosed and when or otherwise called the EITI Standard.

As Members of the committee, we are entitled to unlimited access of redacted copies of PSA's with details of the ownership of the oil to pass through the

pipeline. This is a basic requirement of rule 129 of the Rules of Procedure when processing a Bill like EACOP.

As it is now, the secret on how much of the crude oil to be transported will belong to Uganda is still shredded in the Ministry of Energy and Mineral Development.

Recommendation.

The Minister responsible for Energy tables copies of the most recent renegotiated PSAs.

Members of Parliament being the representatives of the people, should have unlimited access of redacted copies that would remove only confidentiality clauses therein. The EACOP Bill provisions are largely hinged on provisions in the PSAs. It would have been prudent that the Committee scrutinizes the PSAs and guides the House in processing the Bill

3.6 Scrutiny of the schedules

The Committee had limited time to reviewed details of the schedules. In the limited time availed to us, we have noted the following in the schedules of the Bill:

3.6.1 Schedule 2 Part B 2(2).

The fiscal regime considers all Double Taxation Agreements (DTAs) applicable to favor not just the project company but broadly the project participants as well as the level 1 and 2 contractors. Rt. Hon. Speaker, a double taxation agreement is a treaty between countries that helps businesses domiciled in each of the countries that are party to the treaty to forego payment of corporate income tax and tax on property.

Observation:

This part of the Schedule in the EACOP Bill helps project participants who are defined to include the pipeline investors, operators, contractors, shippers, finance parties and off takers to run away without paying corporate income (profit) tax after the 10-year exemption period. Government will lose a lot of revenue after the tax exemption when the project is expected to have recovered all its investment costs.

Recommendation.

Schedule 2 Part B 2(2) be deleted.

3.6.2 Schedule 2 Part B 2(3) and (4).

The regime provides that the project company is incorporated in England and Wales and shall for tax purposes be a resident of Uganda.

Observation.

According to Article 7(3) of the Uganda-UK Double Taxation Agreement (DTA) that was signed in December 1992 and became effective in December 1993, all cost of the EACOP project incurred in Uganda and Tanzania and allocation of executive and administration costs incurred in the UK will be deducted for purposes of computing business profit for the company. This literally means that even after expiry of the income tax holiday, Uganda may never possibly tax this company's profits.

DTAs generally reduce the Withholding Taxes paid by companies registered in countries that are parties to such DTAs as they move income from the source country like Uganda to the destination country like United Kingdom. In 2014, the IMF estimated that Uganda lost Shs. 2.6 billion in withholding tax due the DTA with Mauritius. Some DTAs like that one between Uganda and Mauritius restrict payment of Capital Gains Tax by companies registered in Uganda. This provides a significant window for the EACOP project and project participants to change ownership without paying Capital Gains Tax.

The Report of the majority recognizes the danger posed by the UK-Uganda DTA and goes ahead to recommend a review of all 11 active Double Taxation Agreements that Uganda has with other countries including UK. The recommended review without timelines attached potentially leaves an observable tax loophole that should have been tied by the EACOP Bill.

We disagree with our colleagues in the majority because the opportunity to tie this loophole regarding a project with potential hundreds of millions of dollars in corporate income tax is here with us. We can close this gap by amending the schedule to demand that by the 11th year of operation, EACOP is a purely Ugandan registered company. It would enable us to close this clearly observable tax escape route early enough.

Recommendation.

The schedule be re-written to add that the project company is registered and headquartered in Uganda on the 1st day of the 11th year of operation.

We too recommend that the Attorney General briefs parliament on the status of renegotiating the 11 active DIAs and possible timelines for conclusion of those pegotiations.

3.7 Transparency around the REFINERY Project

Whereas the EACOP Bill is all about the Pipeline, an MoU signed between the Government of Uganda and Joint Venture Partners, Tullow Oil, CNOOC and Total E&P on 5th February 2014 provided for both a 60,000 bbls/day refinery and crude oil pipeline to the sea. The Committee just concentrated on the legality of the pipeline and never had a single session to evaluate the 2 midstream investments jointly.

As of today, Uganda's approved crude oil reserves stand at 6.5 billion barrels, of which Approximately 1.4 billion are the estimated level of recoverable given the available technology. For purposes of certainty and being firm with project financiers, Petroleum Authority of Uganda, UNOC and Ministry of Energy and Mineral Development Officials informed the committee that the they had arrived at 1,046,000,000 (One billion forty six million) as the projected production level from both the Tilenga Project operated by Total Energies Uganda and King Fisher Project operated by CNOOC.

Accordingly, a production schedule that will see the pipeline and refinery share daily input crude oil was supplied. With the assumption that the refinery will take on its daily maximum input equivalent to 60,000 barrels per day, we on our own computed the projected annual share of the crude to be shared into the refinery and pipeline respectively. Table 1 below is based on the following assumptions;

- i. 1st oil is expected at the beginning of 2025
- ii. Production shall begin at a daily average of 195,830 bbl/day and peak at between the 1st and 4th year 229,170 bbl/day.
- iii. In the 6th year of production (2030 being our fair estimate), pipeline feedstock will decline by a daily 60,000 bbl/day diversion to the refinery.
- iv. Assuming that there will never be a breakdown, closure for regular maintenance or an incident along the pipeline (and refinery) that would require downtime or shut down of operations meaning 365 days production for 25 years, the milestone of producing and transporting 1,046,000,000 barrels is expected to be achieved after 25 years.
- v. Since we never bench marked anywhere to estimate number of days such a highly technical activity takes place, we have for purposes of this Minority Report assumed that production will only take place in only 320 of the 365 days in a year.

vi. Combining the assumption of 320 days of operation with the refinery joining the pipeline in taking away the reported combined production

Table 1: Table Showing projected Annual Crude Oil Production and Distribution between the Refinery and Pipeline as well as Pipeline Revenue.

| | | | | Total barrels | | | | Annual | Annual | | |
|-----|----|------|---------|---------------|----------|---------------|-------------------|------------|------------|-------------------|--|
| ., | | | | produced per | Refinery | | Annual Production | Production | Applica | Projected Revenue | |
| Yea | r | | barrels | | barrels | EACOP barrels | | (320 days) | ble Tariff | of EACOP (320) | |
| | 1 | 2025 | 195.83 | 195,833 | | 195,833 | 71,479,167 | 58,750,000 | 12.77 | 800,253,333 | |
| | 2 | 2026 | 229.17 | 229,167 | | 229,167 | 83,645,833 | 68,750,000 | 13.03 | 955,196,000 | |
| | 3 | 2027 | 229.17 | 229,167 | | 229,167 | 83,645,833 | 68,750,000 | 13.29 | 974,299,920 | |
| | 4 | 2028 | 229.17 | 229,167 | | 229,167 | 83,645,833 | 68,750,000 | 13.55 | 993,785,918 | |
| | 5 | 2029 | 229.17 | 229,167 | | 229,167 | 83,645,833 | 68,750,000 | 13.82 | 1,013,661,637 | |
| 1 | 6 | 2030 | 225.00 | 225,000 | 60,000 | 165,000 | 82,125,000 | 49,500,000 | 14.10 | 744,433,106 | |
| | 7 | 2031 | 204.17 | 204,167 | 000,00 | 144,167 | 74,520,833 | 43,250,000 | 14.38 | 663,447,808 | |
| | 8 | 2032 | 166.67 | 166,667 | 000,00 | 106,667 | 60,833,333 | 32,000,000 | 14.67 | 500,692,172 | |
| | 9 | 2033 | 137.50 | 137,500 | 60,000 | 77,500 | 50,187,500 | 23,250,000 | 14.96 | 371,059,839 | |
| | 10 | 2034 | 118.75 | 118,750 | 60,000 | 58,750 | 43,343,750 | 17,625,000 | 15.26 | 286,913,044 | |
| | 11 | 2035 | 104.17 | 104,167 | 60,000 | 44,167 | 38,020,833 | 13,250,000 | 15.57 | 220,007,364 | |
| | 12 | 2036 | 93.75 | 93,750 | 60,000 | 33,750 | 34,218,750 | 10,125,000 | 15.88 | 171,481,211 | |
| | 13 | 2037 | 83.33 | 83,333 | 60,000 | 23,333 | 30,416,667 | 7,000,000 | 16.20 | 120,926,010 | |
| | 14 | 2038 | 77.08 | 77,083 | 60,000 | 17,083 | 28,135,417 | 5,125,000 | 16.52 | 90,305,816 | |
| | 15 | 2039 | 70.83 | 70,833 | 60,000 | 10,833 | 25,854,167 | 3,250,000 | 16.85 | 58,412,445 | |
| | 16 | 2040 | 66.67 | 66,667 | 60,000 | 6,667 | 24,333,333 | 2,000,000 | 17.19 | 36,665,043 | |
| | 17 | 2041 | 62.50 | 62,500 | 60,000 | 2,500 | 22,812,500 | 750,000 | 17.53 | 14,024,379 | |
| | 18 | 2042 | 58.33 | 58,333 | 58,333 | - | 21,291,667 | - | 17.88 | - | |
| | 19 | 2043 | 55.56 | 55,556 | 55,556 | - | 20,277,778 | - | 18.24 | - | |
| | 20 | 2044 | 52.78 | 52,778 | 52,778 | - | 19,263,889 | - | 18.60 | - | |
| | 21 | 2045 | 50.00 | 50,000 | 50,000 | - | 18,250,000 | - | 18.98 | - | |
| | 22 | 2046 | 48.61 | 48,611 | 48,611 | - | 17,743,056 | - | 19.36 | - | |
| | 23 | 2047 | 45.83 | 45,833 | 45,833 | - | 16,729,167 | - | 19.74 | - | |
| | 24 | 2048 | 44.44 | 44,444 | 44,444 | - | 16,222,222 | u u | 20.14 | - | |
| | 25 | 2049 | 43.06 | 43,056 | 43,056 | - | 15,715,278 | - | 20.54 | - | |
| | | | | | | | 1,066,357,639 | | | | |

Source: Our computations based on production numbers supplied by UNOC

Observations

By the 8th year (even before the 10 year grace period), the refinery will be too thirsty for crude, only taking about 77,000 barrels per day and the numbers continue declining that by the end of the 10th year, the project may be abandoned since the daily input may not be sufficient to cover operating and other costs after expiry of the incentives in the EACOP Bill.

Given the time period given to the committee to scrutinise the Bill, priority was given only to the pipeline and no analytical work was undertaken to look at the entire crude oil production, transportation and processing.

Recommendation.

The committee be given more time compressive assessment of not just the Bill but also related policies and laws that would be affected by the passing of this Bill.

CONCLUSION.

Rt. Hon. Speaker and Honourable Colleagues, we request you to consider and support the Minority Report.

MEMBERS OF THE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES WHO SIGNED THE MINORITY REPORT ON THE EAST AFRICAN CRUDE OIL PIPELINE (EACOP) (SPECIAL PROVISIONS) BILL, 2021

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