



ENVIRONMENT GOVERNANCE INSTITUTE (EGI) UGANDA

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PRESS STATEMENT

For immediate release

Landmark report by Environmental Governance Institute shows that Export Credit Agencies invest predominantly in fossil fuels, deepening environmental and social challenges in affected communities

November 6, 2024

Kampala, Uganda; The Environment Governance Institute (EGI) Uganda is proud to release its groundbreaking report examining the influence of Export Credit Agencies (ECAs) on energy projects in Uganda, Tanzania, and the Democratic Republic of Congo (DRC). The report can be accessed [here](#)

Amid the escalating urgency to address climate change and shift towards sustainable energy solutions, this [report](#) sheds light on the continued influence of Export Credit Agencies (ECAs) in fossil fuel and large-scale hydroelectric projects in these regions, highlighting key concerns around transparency, accountability, and an equitable energy transition for Africa.

The report resulted from over six months of research, built upon the testimonies of affected communities and in-depth research from reliable sources, and reveals that the overwhelming support by ECAs largely from Global North and Asian countries focuses predominantly on fossil fuels with minimal investment in renewable energy. The findings also underscore significant socio-economic impacts, environmental degradation, human rights violations, and gender disparities caused by these large-scale projects.

Key Findings:

- 1. Fossil Fuel Dominance:** Between 2018 and 2025, ECAs from the Global North and Asia allocated nearly 88% of their support to fossil fuel projects, limiting progress toward a just energy transition.
- 2. Neglect of Renewable Energy:** Only 0.6% of ECA funding was allocated to renewable energy, with Tanzania receiving the highest support of US\$63.1 billion, while DRC received the least at US\$1.86 billion highlighting significant disparities in project distribution across countries.
- 3. Preference over Large Hydro Projects:** Large-scale hydroelectric projects appear to emerge as the preferred choice of ECAs. These types of projects received significant support and backing from ECAs, especially in Tanzania, despite their significant contribution to the mass displacement of communities and the loss of cultural heritage.

4. **Human Rights Violations:** Affected communities report severe socio-economic impacts, increased military presence, and human rights abuses, particularly in Uganda and the DRC.
5. **Gender Inequality:** Women face challenges, including neglect in compensation for land processes, heightened risks of sexual harassment, and loss of livelihoods, emphasizing the need for gender-sensitive approaches to project implementation.

The research highlights that 72% of total ECA assistance to energy projects in Uganda, Tanzania, and the DRC comes from Asian ECAs, such as the Exim Bank of China, Exim Bank of India, and Korean Exim Bank. This support primarily targets hydroelectric dams and fossil fuel projects, signalling a reliance on traditional energy sources that complicates Africa's transition to sustainable energy.

European ECAs, including UKEF (UK), Atradius (Netherlands), and SACE (Italy), predominantly support large hydro projects, with *at least 48% of their support directed towards electricity projects*, while 33% of their support in Uganda is directed towards renewable energy, with a bias over solar energy.

Large hydro dams specifically have resulted in mass displacement of people, disrupt livelihoods, and lead to the loss of biodiversity, disproportionately affecting marginalized groups and the surrounding communities.

The report calls on African governments, ECAs, and regional bodies to prioritize frameworks that support renewable energy, protect human rights, and ensure an equitable energy transition.

Key recommendations include:

- Establish a just transition fund to support communities impacted by energy projects.
- Enhance regulatory oversight to ensure transparency and accountability.
- Strengthen community engagement to ensure affected populations are adequately represented and compensated.

“This report reveals the significant, often hidden, impact of Export Credit Agencies on Africa's energy future. By prioritizing fossil fuels and large hydroelectric projects, these agencies are steering the region away from sustainable energy pathways and deepening environmental and social challenges in affected communities,” **said Samuel Okulony, Executive Director of Environment Governance Institute (EGI) Uganda.**

“We call on all stakeholders to embrace transparency, accountability, and an inclusive approach to energy development that truly benefits the people and ecosystems of Africa.” **Richard, Senkonko, Organization for Community Development Tanzania”**

EGI Uganda urges stakeholders to heed these findings and collaborate on sustainable development pathways for Africa's energy sector. This report serves as a call for

comprehensive, inclusive approaches to energy planning and implementation, aiming to secure a sustainable future for the continent.

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About EGI Uganda:

The Environment Governance Institute (EGI) is a non-governmental organization dedicated to promoting the sustainable management of the environment and natural resources in Uganda and the Great Lakes Region