



Public Statement to Financiers of the Mozambique Liquefied Natural Gas Project (Mozambique LNG):

Cancel financing for disastrous Mozambique LNG

The gas industry in Cabo Delgado, northern Mozambique, has been disastrous for the country and its people, and since its emergence, has created nothing but devastation and suffering. Fossil fuel companies involved, such as Eni, ExxonMobil, Total, the Chinese National Petroleum Corporation and others have shown themselves to care little for the impacts of their current and planned projects, which were being seen even before a drop of gas had been extracted.

But these corporations do not operate in a silo – it is only through the support of financiers like you, private and public, that these projects can develop in the first place. By providing financing, guarantees and financial advisory services to Mozambique Liquefied Natural Gas (LNG), you are contributing to the devastating effects of the Mozambique gas industry.

Now is a crucial moment. The pause on Total's Mozambique LNG created by the company's *force majeure* has provided a space for you to reevaluate and reassess your agreements with the consortium, for you to reconsider your involvement in a project that has been disastrous even before it has completed its construction phase. We, the Say No to Gas! Campaign and civil society from Mozambique and around the world, call on you to use this opportunity to actively cancel your agreements with Mozambique LNG, not only to disengage from your role in the enabling of suffering, but to actively help stop human rights violations and your direct contribution to the climate crisis.

Putin's war in Ukraine has shown how European countries have not committed to energy sovereignty, but have instead been perpetuating colonial systems of exploiting Africa, importing fossil fuels at the expense of African peoples. The war has generated an even greater push for gas exploration in Africa. This is your time to step up and show that your promises to reduce emissions and ensure that the global average temperature rise remains under 1.5 degrees celsius and adhere to the Paris Agreement, and that your concern for the wellbeing of economies and peoples of the global South, are more than just lip service. This extractivist model cannot continue – these peoples and their lands are not just resources available to corporations and global North governments and banks to exploit to serve their own needs.

While much of Europe is bracing for a cold winter which will be exacerbated by less heating capacity, most rural Mozambicans have never had electricity at all. Even though the country has been producing and exporting power for decades, only about [30% of people](#) have access to electricity, and it is the third poorest country in the world. Surely, you knew that this project will not change that when you decided to finance it – over 90% of the gas will be exported to China, India and Europe, information that was readily available, leaving behind stranded assets and infrastructure in which billions of dollars had been sunk. You must also be aware, as is written in the project's environmental impact assessment (EIA), that the climate impact will be massive: the emissions from just the construction of one LNG train will increase the greenhouse gas emissions of the whole of Mozambique by up to 10% in the first few years, a country that is one of the world's most [climate-vulnerable](#). When operating at full capacity it is estimated the project will produce around [18MtCO2 per year](#).

You have not been able to show any evidence that any potential revenues from Mozambique LNG would trickle down to the population. Already, Total has opened a special purpose vehicle in the [United Arab Emirates](#) that will lose Mozambique billions of dollars in withholding tax.

Financiers must also have been aware of the 'debt scandal' of 2016, when the Mozambican government took a [secret loan of \\$2 billion](#) from Credit Suisse and VTB Bank which it promised to pay back in gas revenues. It is obvious that with this level of corruption directly involving the [gas projects](#), there are no plans for any potential gas revenue to go further than the pockets of the local and international political and economic elites. By continuing to do business as usual with corrupt governments, you encourage this corruption.

Thousands of fishing and farming people have lost their homes and their livelihoods. They are living in dire poverty, many in refugee camps, and after ruining their lives, Total merely abandoned them by stopping the compensation process, and leaving people in limbo, when they announced *force majeure*.

Journalists reporting on the gas industry have been arrested, and community journalist [Ibrahim Abu Mbaruco](#), who disappeared in 2020, has not been seen since. If you are not aware of this, your system of assessment and monitoring is clearly not working, or you are simply not listening. There is no other explanation for your negligence in seeing that this industry has fuelled a war that has created [nearly one million refugees](#) – an insurgency that has left [thousands of innocent civilians](#) dead and the subsequent [mass militarisation](#) of the area by local and international armies and mercenaries, who were also exposed for committing human rights violations, including extortion and sexual assault, on civilians. It is clear that this violence is intertwined with Mozambique LNG and the gas industry: it has been widely published that when the attack that

pushed Total to pause the project took place in Palma village in 2021, there were [800 soldiers](#) protecting Total and a handful protecting the people.

You have repeatedly claimed that you are unaware of these impacts, but surely this cannot be the case. This information has been extensively covered in the mainstream international media and in reports by respected groups such as [Amnesty International](#) for years. For many of you, Mozambican and international civil society has informed you in detail about the repercussions of your support. It is disingenuous to claim you are uninformed about projects in which you are spending billions in clients', investors' and tax-payers' money.

The basis of assessing the financing of this project was flawed right from the start: the project's EIA contracted by Eni and Anadarko, upon which most of you relied, was published in 2014, years before the beginning of the war, and is obsolete. Furthermore, the [climate assessment](#) used by public financiers, by market consultancy Wood Mackenzie is greatly flawed, as was shown in a judicial review by Friends of the Earth England, Wales and Northern Ireland, with the support of JA!, against United Kingdom Export Finance (UKEF) for financing the project with \$1 billion – a report that one of two UK high court judges found to be inadequate to make a financing decision. We also know that ECAs based their final due diligence on the review of project documentation, including impact assessments, produced by the consulting firm RINA, who was contracted by a single ECA.

Your narrative of 'gas for development' is not sustained by any means, and in fact is debunked by respected academics. There is no evidence that fossil fuel investment in the global South has brought any benefit to its people – neither at the social nor economic level, but rather, it has only left these countries in further debt and distress. Bilateral agreements between many of your governments, as well as loans from the World Bank and International Monetary Fund hold Southern countries hostage to providing you with resources. Mozambique is the second most vulnerable country to Investor State Dispute Mechanism (ISDS) claims, at risk of losing up to \$30 billion. Real development would mean cancelling sovereign debt and billions of dollars in liability for ISDS, investment in people-centred renewable energy, and sincerely supporting a just transition in these countries.

Right now, finally taking into account the human rights violations, militarisation and ever worsening economic crisis, you have a second opportunity to convert your words into actions, by withdrawing from Mozambique LNG. We also call on your financial institution to stop all planned and current financial services for the Rovuma LNG project. This project is still seeking financing, and you can make an active decision to refuse to contribute to the climate crisis and to the insurgency and conflict in Cabo Delgado by rejecting financing for this project, which will only exacerbate the suffering created by the Mozambique LNG project, and instead, centre human life into your decision-making.

How many more lives have to be lost, how many more livelihoods will be destroyed and how many more people must be left without hope before you stop financing destructive projects? How much more climate damage and environmental devastation needs to happen? How much more corruption must be enabled, before you divest from Mozambique LNG, and all fossil fuel projects?

We, civil society from Mozambique, Africa and around the world call on you to remove yourselves from this project, to protect our earth and our climate, and to sincerely work to make the world a better place for all people.

Public and Development Finance Institutions

We demand that you:

- Undertake reassessment of your financial support and guarantees for Mozambique LNG, and any companies involved, and all gas projects in Mozambique, requiring an updated independent environmental and social impact assessment, including ensuring recent meaningful community participation.
- Cancel any current agreements with Mozambique LNG and Rovuma LNG and do not make any new agreements with Mozambique LNG.
- Do not finance, provide guarantees or have any other involvement in Rovuma LNG.

Private financial institutions

We demand that you:

- Undertake reassessment of your financial support and guarantees for Mozambique LNG and any companies involved, and all gas projects in Mozambique, requiring an updated independent environmental and social impact assessment, including ensuring recent meaningful community participation.
- Cancel any current agreements with Mozambique LNG and Rovuma LNG and do not make any new agreements with Mozambique LNG.
- Do not finance, provide guarantees or have any other involvement in Rovuma LNG

Home governments of financial institutions and companies involved in Mozambique LNG

We demand that you:

- Put pressure on your public and private financial institutions to reassess involvement in Mozambique LNG and to not develop any involvement in Rovuma LNG
- Put pressure on companies from your country involved in Mozambique LNG and Rovuma LNG, to cancel involvement in the projects, with particular reference to France, Italy and the US, regarding Total, Eni and ExxonMobil, respectively
- Do not develop any involvement with Rovuma LNG
- Hold private financiers and fossil fuel companies registered in your country accountable by among other means, supporting a United Nations Binding Treaty on Business and Human Rights
- Cancel Mozambique's sovereign debt to your country and terminate all billions of dollars of liability with ISDS mechanisms.
- Uphold commitments made at COP 26 in Glasgow to end overseas fossil fuel financing, beginning with support for LNG development in northern Mozambique

For more information contact: stopmozgas@protonmail.com

www.stopmozgas.org

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