Public statement of 124 NGOs to the 28 financial institutions supporting TotalEnergies’ Mozambique LNG project

To:

- Public financial institutions: Export Import Bank of the United States (US EXIM); Japan Bank for International Cooperation (JIBC); UK Export Finance (UKEF); Export-Import Bank of Thailand (Thai Exim); Servizi Assicurativi del Commercio Estero (SACE); Nippon Export and Investment Insurance (NEXI); Export Credit Insurance Corporation of South Africa (ECIC); Atradius; Cassa Depositi e Prestiti; African Development Bank (AfDB); African Export Import Bank; Development Bank of Southern Africa; Industrial Development Corporation of South Africa.
- Private financial institutions: Société Générale; Crédit Agricole; Mizuho Bank; JP Morgan; Standard Chartered Bank; MUFG Bank; Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Holdings; Shinsei Bank; Nippon Life Insurance; ABSA Bank; NBSA; Rand Merchant Bank; Standard Bank; ICBC.

Subject: Mozambique LNG – Call to withdraw your support

We, a group of 124 civil society organisations from Mozambique and across the world, write to you to urge you to withdraw from TotalEnergies’ Mozambique LNG project. With this letter we set out the reasons why we consider such a withdrawal necessary, including the continuation of insurgent attacks and the failure of the Mozambican government and TotalEnergies to tackle the drivers of the conflict, the ongoing human rights violations as a result of these attacks and of the relocation of families to make way for the project, a concerning lack of benefits from the project for the Mozambican population, and irreversible climate and environmental impacts.

Two and a half years after TotalEnergies declared force majeure on Mozambique LNG, its CEO Patrick Pouyanné announced last September its goal to restart the project by year-end. In addition, it was reported that the Mozambican government met in October with the export credit agencies (ECAs) that supported Mozambique LNG, and expects them to reaffirm their commitment to the project by year-end. In 2020, your 28 financial institutions took part in the loan agreement and committed to provide a total of 14.9 billion dollars. As financial partners of TotalEnergies for this project, the coming weeks and months will be critical for you to take a position on the continuation or cessation of this support. This decision represents a crucial opportunity for you to conduct a truly comprehensive assessment of the risks of Mozambique LNG and, in light of the dramatic situation on the ground and the already irreversible impacts of the project, withdraw your support.

Ongoing human rights violations

1 Club of Mozambique, September 2023. Mozambique: TotalEnergies to restart Cabo Delgado LNG project later this year – Lusa.
2 360 Mozambique, October 2023. Government and International Agencies Update Financing Conditions for LNG.
3 TotalEnergies, July 2020. Total announces the signing of Mozambique LNG project financing.
Since the start of the project, the sponsors of Mozambique LNG, first Anadarko followed by TotalEnergies, have been underestimating the humanitarian and security risks, and the complexity of operating in a conflict zone. The human rights due diligence carried out by TotalEnergies was incomplete and contained flaws that have not been adequately addressed. As a result, the risks our organisations have been warning you about became a dramatic reality on the ground in the past years. The flaws and inadequacies in the due diligence process were identified in, among others, an assessment conducted by the independent Dutch human rights expert organisation Uprights\(^4\), as well as a report requested by the Dutch House of Representatives.\(^5\)

These flaws had direct and fatal consequences when insurgent attacks intensified in Cabo Delgado in early 2021. When insurgent groups attacked the city of Palma on the 24\(^{th}\) of March 2021, TotalEnergies had already been pressuring the Mozambican government to guarantee the security of the gas area. This resulted in a situation in which over 800 soldiers were protecting TotalEnergies’ Afungi site, while there were very few security forces protecting the town and the civilians.\(^6\) Worse still, civilian victims were allegedly refused refuge at TotalEnergies’ well-protected site. Despite being aware of the deteriorating security situation in Cabo Delgado and the likelihood of a terrorist attack, the company had not adopted an evacuation plan. In addition, it allegedly refused to provide assistance to subcontractors and community members at risk of being killed in such an attack. This is why a criminal complaint was filed last month in France against TotalEnergies, for involuntary manslaughter and failure to assist its subcontractors in danger, by survivors and family members of the victims of this devastating terrorist attack.\(^7\) An in-depth investigation of the Palma massacre conducted by independent journalist Alex Perry concludes that 1,193 people were killed or are missing and presumed dead and 209 were kidnapped.\(^8\) Neither the Mozambican government nor TotalEnergies have published any research on this: they cannot claim to have the situation under control while they do not even seem to know how many people were affected.

The force majeure worsened the situation of the 586 families who had to give up space for the land facilities at Afungi Park.\(^9\) Among them, at least 310 families came from the village of Quitupo. Out of these families, 149 had already been resettled before the attack. With the attack by insurgents on the Palma village in 2021, the resettlement process was interrupted and the remaining 161 families only finished being resettled in July 2023. The families displaced to the village of Quitunda lost their agricultural land, access to the sea to fish and their means of subsistence throughout this resettlement process. Since the force majeure was declared in April 2021, compensation payments have been interrupted and affected communities have been left living in uncertainty about when or if the process will resume.\(^10\) The loss of their livelihoods and the fact that many have had to flee to refugee camps means that these families now live in extreme poverty. The farm compensation process is now underway. With the updates that occurred between 2019 and 2020, 1,847 families


\(^6\) Mail & Guardian, April 2021. Frelimo gambled everything on gas – and lost.

\(^7\) Financial Times, October 2023. Total accused of involuntary manslaughter over 2021 Mozambique attack.

\(^8\) Alex Perry, June 2023. Palma Massacre.

\(^9\) In the 2015 Resettlement Plan, 556 families were scheduled to be physically resettled, but this number increased due to the emergence of new families.

\(^10\) Justicia Ambiental, February 2023. Encurralados – Como quebrar uma comunidade que resiste?
were affected, but this number could increase due to the complexity and conflicts that characterise the entire farm compensation process.\textsuperscript{11} In addition, even before the force majeure was declared and because of a critical lack of confidentiality during TotalEnergies’ compensation process, some of the family members who had already received compensation became the target of extortion by Mozambican security forces or were kidnapped and are today still missing.

**A still highly dangerous and unstable region**

In order to justify a restart of Mozambique LNG, TotalEnergies is currently claiming that the security situation is under control in Cabo Delgado. However, the reality on the ground tells a very different story. The security did improve compared to the last couple of years, when insurgents were controlling entire towns and mass killings were happening daily. However, this does not mean that the region is safe, nor that civilians feel safe. Security forces are still failing in securing entire areas where insurgents remain present and active. In September 2023, violence escalated across the districts of Mocimboa da Praia and Macomia. Civilians and security forces were targeted in a series of attacks: at least 10 villagers were killed, 30 people were kidnapped, others were savagely beaten, and at least 888 people were displaced.\textsuperscript{12} In October, attacks continued, even within the Rwanda-controlled security area\textsuperscript{13}, forcing more than 2,500 people to flee the village of Chinda in Mocimboa da Praia after a dozen houses were burned.\textsuperscript{14} The situation is well known by Foreign Affairs departments and embassies of many countries, that acknowledge that terrorist groups in Northern Mozambique continue to be active and advise not to travel to Cabo Delgado. UNICEF reports that 338,086 displaced children are in need of humanitarian assistance and that over 5,600 children were on the move just during the month of September in Northern Mozambique due to attacks or fear of attacks.\textsuperscript{15}

Resuming the Mozambique LNG project is unwise and irresponsible if it means continuing to operate in, and fueling, such an unstable context. Insurgents have been targeting the Mozambican government, whose interests are very much connected to those of TotalEnergies. It is therefore highly likely that the insurgents will react to TotalEnergies’ next steps, including lifting of the force majeure and restarting the operations. The only way for TotalEnergies to safeguard the construction and operation of Mozambique LNG would be through the massive and continuous mobilisation of security forces around the project site and several strategic areas, for example highway routes. Even in the case where this “solution” is effective in protecting the Afungi site, it will never be a solution for the populations and the communities surrounding the project site. For years these same communities have already been the victim of insurgent groups, as well as of local and international armies and mercenaries who have been exposed for committing human rights violations, including extortion and sexual assault, on civilians.\textsuperscript{16} Even the report commissioned by

\textsuperscript{11} In the 2015 Resettlement Plan, 918 families were expected to be economically resettled, but due to new land requests being requested in Macala and Monjane, the number of those affected increased.

\textsuperscript{12} The conflict observatory Cabo Ligado from the Armed Conflict Location & Event Data Project (ACLED), Zitamar News and MediaFax, monitors political violence in Mozambique. See its latest update.

\textsuperscript{13} Zitamar, October 2023. IS-backed insurgents attacked the village of Chinda in the Mocimboa da Praia district of Cabo Delgado province.

\textsuperscript{14} And Armed Conflict Location & Event Data Project (ACLED), Zitamar News, and MediaFax. Cabo Ligado Update: 16-29 October 2023.


\textsuperscript{16} Uprights, July 2023. Assessment of TotalEnergies' Mozambique LNG Project Human Rights due diligence.
TotalEnergies itself and conducted by Jean-Christophe Rufin highlights the human rights violations carried out by the same army contracted by TotalEnergies. According to Rufin, the direct relationship between the oil and gas company and the military should be terminated, as under the Geneva Convention TotalEnergies would be seen as a party to the conflict. The continued protection of the project site will inevitably entail additional security costs, which should not be borne by Mozambique, nor should it be supported by banks and export credit agencies.

The dangerous situation on the ground should also be taken into account when obtaining information for a reassessment of the Mozambique LNG project. Due to the ongoing attacks and the militarisation of the region, visitors likely still have to be accompanied and supervised by security forces and TotalEnergies’ staff in the area. However, since community members have been subjected to violence and intimidation from security forces as well, it will be difficult and potentially dangerous for them to speak freely, undermining their freedom of expression.

**A gas development not designed to benefit Mozambique and local communities**

The narrative that the Mozambique LNG project, and gas in general, will contribute to economic development as maintained by TotalEnergies is not well supported. In fact, it has been debunked by several experts and academics. On top of the severe human right violations, the economic model of the project was set up in such a way as to concentrate the benefits in the hands of the gas industry. The German analysis firm OpenOil used financial models to show that the gas industry in Cabo Delgado will not benefit Mozambique, and in fact, will drastically hurt its economy and hence the wellbeing of its people. The expected earnings for Mozambique will be much lower in reality and there is no evidence that the potential revenues from Mozambique LNG would trickle down to the population. Furthermore, TotalEnergies has set up an aggressive tax avoidance structure with a letterbox company in the United Arab Emirates, a well-known tax haven. This enables the company to avoid up to $1.45 billion in taxes in Mozambique. In addition, the stake of Mozambican public oil and gas company ENH in the Mozambique LNG project is virtually worthless and could even be a liability.

There is also no evidence that communities are profiting from the project in terms of job creation or access to energy. Very few permanent jobs are expected: while the construction phase will be the most labour-intensive, the jobs in this phase will only be temporary. Furthermore, the job positions were never designed to reach community members. Most of them cannot read and write and no training and capacity building has been provided. This is a repetition of what is happening in South African company Sasol’s gas project in Inhassoro, in Mozambique’s Inhambane Province, where local communities are protesting against the lack of job opportunities the project provides for local community members. Energy access remains an important challenge for Mozambique,

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18 Mozambique LNG. Local Content.
20 SOMO, July 2023. The treaty trap: The gas companies. Tax avoidance in Mozambique’s extractive industries.
Carta de Moçambique, August 2022. Sasol e Governo continuam a não cumprir promessas – acusa organização juvenil de Inhassoro.
even though the country has been producing and exporting hydro power for decades. However, TotalEnergies’ project will do very little to improve energy access for the Mozambican population since over 90% of the gas will be exported to Europe, Middle-East and Asia.\(^\text{23}\)

What the project will do is leave Mozambique with stranded assets and lock the country into a fossil fuel dependency it does not have today, for decades to come. Instead of corruption, militarisation and repression, the only solution to bring back peace and create development in Mozambique is to tackle the real socio-economic drivers of the crisis and give the country a chance to address its energy access needs in a way which promotes a just economy based on renewable energy that benefits the local population.\(^\text{24}\)

**A project threatening local ecosystems and the global climate**

Besides the major humanitarian and social impacts of the gas developments, the LNG terminals will also significantly worsen climate change. The project’s own 2014 EIA estimates the project emissions can increase Mozambique’s global contribution to greenhouse gas emissions by up to 10% per year.\(^\text{25}\) When operating at full capacity it is estimated the project will produce around 18MtCO\(_2\) per year.\(^\text{26}\) The Mozambique LNG project will produce between 3.3 and 4.5 billion tonnes of CO\(_2\) equivalent over its lifecycle, more than the combined annual greenhouse gas emissions of all 27 EU countries.\(^\text{27}\) However, the assessment underestimates the impact of methane that will be released. The amount of greenhouse gas emissions is therefore likely to be much higher than estimated. The scientific consensus, supported by the International Energy Agency’s (IEA) Net Zero Emissions (NZE) scenario, recommends that new natural gas fields should not be exploited.

Unlocking a new carbon bomb like Mozambique LNG will not only ruin our chances of staying below 1.5 degrees warming, it also has real effects on the ground in Mozambique, a country already suffering from major climate change impacts.\(^\text{28}\) Changing weather patterns are causing extreme events like severe storms and droughts across the country. In 2019, Cyclone Idai and Cyclone Kenneth killed at least 1,500 people in Mozambique, Zimbabwe and Malawi and caused over US$ 3 billion in damage.\(^\text{29}\) Cyclone Freddy, which happened earlier this year, caused devastation in Malawi and Mozambique, killing over 500 people and injuring many more.\(^\text{30}\)

In addition to aggravating climate change, the gas projects also threaten the unique and vulnerable ecosystems in which they are located, including the Quirimbas National Park, a UNESCO Biosphere Reserve.\(^\text{31}\) The ecosystems consist of mangrove forests, coral reefs and seagrass beds which are


\(^{26}\) Friends of the Earth EWN, June 2021. [UK Export Finance – climate litigation](https://www.foe.co.uk/analyse/export-finance-climate-litigation).

\(^{27}\) Friends of the Earth EWN and the New Economics Foundation, October 2021. [Tip of the iceberg: the future of fossil fuel extraction](https://www.foe.co.uk/analyze/export-finance-climate-litigation).


\(^{31}\) UNESCO. [Quirimbas Biosphere Reserve, Mozambique](https://whc.unesco.org/en/list/890).
extremely important for biodiversity. The project puts these ecosystems\(^{32}\) and endangered animals\(^{33}\) like sei whales and leatherback and hawksbill turtles at risk.

**Time to take your responsibility**

This is a crucial moment. The Mozambique LNG *force majeure* provides banks and export credit agencies with an opportunity to reconsider its involvement in a project that has been disastrous even before it has completed construction, and in which TotalEnergies proved to be completely untrustworthy. We, civil society from Mozambique and around the world, are aware that TotalEnergies is currently approaching banks and export credit agencies in order to secure their renewed support in view of a lifting of the *force majeure*. We also know that such renewed support cannot and should not happen without conducting a reassessment of the project.

As a critical financial supporter of the project, you bear a direct and important responsibility in its dreadful impacts. However, this can change today. In light of the evidence summarised in this letter, we call on you to use this opportunity to commit to:

- undertake a truly comprehensive and independent reassessment of the project as a prerequisite to any decision, including ensuring meaningful community and civil society participation;
- stop your contribution to these human rights violations and the climate crisis by cancelling your support for Mozambique LNG;
- publicly rule out support for the other gas projects in Mozambique, namely Rovuma LNG and Coral North FLNG.

We will pay very close attention to your decisions. Given the urgency of the situation and the imminence of the decision, we request an answer to this letter before the 30th of November.

Signed,

**Organisations from Africa:**

AbibiNsroma Foundation
Africa Center for Energy and Environmental Sustainability (ACEES)
Africa Institute for Energy Governance
Africa Unite
Alternactiva - Acção pela Emancipação Social
Appui aux Initiatives Communautaires pour la Conservation de l'Environnement et de Développement, AICED
Association Paix et Environnement


Bio Vision Africa (BiVA)
Centre for Alternative Development
Centre for Citizens COnserving Environment & Management (CECIC)
Centre for Social Change (University of Johannesburg)
Centre pour la Justice Environnementale-Togo
Centro para Desenvolvimento Alternativo
Comité de lutte contre le zircon en Casamance
Community Action Against Plastic Waste (CAPws)
Don’t Gas Africa
Environment Governance Institute Uganda
Environmental Rights Action/Friends of the Earth Nigeria (ERA/FOEN)
Fund Our Future
GAIA
Green leaf Advocacy and Empowerment Center
groundWork/ Friends of the Earth South Africa
IRTECO - Irrigation Training and Economic Empowerment Organization
JAIJustica Ambiental
Just Share
Les Amis de la Terre Togo
Missão Tabita
Oil Watch Africa
Society for Women and Youths Affairs (SWAYA)
South Durban Community Environmental Alliance ce
Sustainable Development Institute (SDI)
The Green Connection

International solidarity sign-ons:

~ le mouvement
350.org
350 Colorado
350 Silicon Valley
350 Wisconsin
350 Hawaii
7 Directions of Service
Academia Cidadã
ActionAid Denmark
ActionAid France
ActionAid International
Afrikagrupperna
Alofa Tuvalu
Alternatiba Paris
Amigos de la Tierra
Andy Gheorghiu Consulting
AnsvarligFremtid
Bank Climate Advocates
Bank on our Future
Bank.Green
BankTrack
BLOOM Association
Both ENDS
Carrizo/Comerucdo Tribal Nation of Texas
CCFD-Terre Solidaire
Climate Action Network
Collectif BreakFree Suisse
Corner House
Corporate Europe Observatory
Counter Balance
Earth Action, Inc.
Ecologistas en Acción
EKOenergy ecolabel
Environics Trust
Extinction Rebellion France
FairFin
Fédération Artisans du Monde
Focus Association for Sustainable Development
FoE Japan
Fossielvrij NL
Friends of the Earth England, Wales and Northern Ireland
Friends of the Earth Europe
Friends of the Earth Finland
Friends of the Earth France / Les Amis de la Terre France
Friends of the Earth Netherlands / Milieufensie
Friends of the Earth US
FSU
Gas No Es Solución
Geres
Global Justice Now
Greenpeace France
Indigenous Environmental Network International
Japan Center for a Sustainable Environment and Society (JACSES)
Jordens Vänner / Friends of the Earth Sweden
Klimastreik Basel
Latinoamérica Sustentable
Laudato Si Movement
LDH (Ligue des droits de l'Homme)
Leave it in the Ground Initiative (LINGO)
Louisiana Bucket Brigade
MARBE, SA
Market Forces
Mekong Watch
Money Rebellion
New Weather institute
NOAH - Friends of the Earth Denmark
Not Here Not Anywhere
Oil Change International
Positive Money UK
PowerShift e.V.
Profundo
Rainforest Action Network
Re-set: platform for socio-ecological transformation
Reclaim Finance
ReCommon
Recourse
Réseau Action Climat France
Scientifiques en rébellion
Society of Native Nations
SOLIDAR & SOLIDAR Foundation
Solutions for Our Climate
South Texas Environment
Stand.earth
Texas Campaign for the Environment
Tipping Point UK
Uplift
urgewald
WECF (Women Engage for a Common Future) International
Women Engage for a Common Future - WECF
XR Carnage Total
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Endorsed by