October 8, 2020

Anthony Zakel Inspector General United States International Development Finance Corporation 1100 New York Ave NW Washington, D.C. 20527

Sent via email: <u>Anthony.Zakel@dfc.gov</u>

Mr. Zakel:

We write regarding the increasing violence that is occurring surrounding the DFC-supported Rovuma LNG project in Cabo Delgado. DFC recently approved up to \$1.5 billion in political risk insurance to the project despite risks posed to the project and its personnel by violence caused by both insurgents and other actors, the health and safety risks posed by COVID-19, and the other negative impacts on local communities. Due to these most recent episodes of violence, the OIG must investigate DFC's support for Rovuma LNG and recommend DFC revoke its support if the OIG finds that the gas development in the region is encouraging violence and a repression of the freedom of speech.

DFC should not support a project that is clearly linked to violence against journalists and the freedom of expression. Friends of the Earth U.S., Friends of the Earth Mozambique/ Justiça Ambiental, and Center for Biological Diversity raised concerns with DFC about the project in our comments on the project's environmental and social impact statement in October 2019. Since then, the situation in northern Mozambique has only gotten worse. According to Amnesty International, in August, an unprecedented attack on the media occurred against a Mozambican independent weekly newspaper, Canal de Moçambique, demonstrating the human rights abuses and impinging upon the freedom of expression that journalists are experiencing in Mozambique. According to Amnesty International, the attack followed a March 2020 Canal de Mocambique investigation alleging an illegal secret contract between Mozambican government officials and the gas companies in Cabo Delgado, in which funds are alleged to have been paid to the personal account of the Minister of Defence instead of the Ministry of Defense. This was not the first attack on the media in Mozambique. In April 2020, a journalist covering the conflict in Cabo Delgado, Ibrahimo Abu Mbaruco, went missing and has not been seen since. The last text message he sent stated that he was surrounded by soldiers. A pattern of such attacks exists with many of the reporters working in Cabo Delgado or reporting on the gas projects there.

According to Amnesty International, evidence is mounting of alleged state-sponsored human rights violations. Video and photos appear to show Mozambican government soldiers torturing, attempting to behead, and otherwise treating prisoners poorly. In addition, it appears that the soldiers are possibly involved with extrajudicial killings, dismemberment of alleged opposition fighters, and the transporting and disposing of mass numbers of dead bodies. Most recently, government security forces <a href="mailto:brutally murdered a woman">brutally murdered a woman</a> as she was trying to flee north, demonstrating potential further evidence of human rights abuses.

These attacks are separate from the Islamic insurgency that has killed at least 1000 civilians and displaced more than 200,000 local residents since 2017. Most recently, these rebels <a href="https://have.seized.com/have.seized">have seized the Mocimboa da Praia port</a> in the region, which has disrupted the transit of oil and gas equipment. This more recent incident was the third time that the rebels have seized this vital port in the past 12 months. This situation is rapidly evolving, reportedly causing the gas and related companies to "wait and see," rather than moving full steam ahead with the gas development as they were doing earlier in August. With the gas development being so closely linked to the violence and a lack of clarity about the future of the project, DFC should, at a minimum, put its support on hold until assurances can be made that the violence has subsided and the lives of the communities and local journalists can be protected.

This increasing violence to the media and communities surrounding the projects, as well as alleged corruption, warrant an investigation into the financial and reputational risk of DFC investing in Mozambique. We also ask whether the Office of Inspector General will investigate these matters or refer to the appropriate U.S. Government legal authority such as the Department of Justice. We request to meet with you to discuss this matter further and ask for a reply within the next ten working days. To schedule a call, contact Kate DeAngelis at the information below. We appreciate you taking the time to review our concerns.

Sincerely,

Kate DeAngelis Senior International Policy Analyst Friends of the Earth U.S. 202-222-0747 kdeangelis@foe.org

Anabela Lemos Director Justiça Ambienta/Friends of the Earth Moçambique