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Via email

CC: The Rt Hon Jonathan Reynolds, Secretary of State for Business & Trade,
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Re: Financing for Mozambique Liquefied Natural Gas Project

The Center for International Environmental Law (CIEL) and Friends of the Earth US are writing in response to reports that UK Export Finance (UKEF) is in dialogue with the UK Government regarding the commitment of funding for the Mozambique Liquefied Natural Gas (LNG) Project.¹ We share the concerns outlined in the recent letter to UKEF from Friends of the Earth, England, Wales and Northern Ireland (FOE EWNI).² We write to identify additional reasons why new due diligence is warranted prior to any decision regarding financing for this project. We also briefly highlight arguments for you to consider in such an assessment, which shows why proceeding with funding would be inconsistent with UKEF's human rights and environmental obligations, policies, and commitments.

Given the time that has transpired since UKEF's initial decision regarding this project, and the intervening factual developments including the declaration of force majeure by the project operator, an ongoing conflict with reports of grave violations of human rights, as well as the escalating climate crisis, UKEF has both the opportunity and the obligation to reassess its support for a fossil fuel expansion project that jeopardizes human rights and the environment, directly and indirectly.

1. UKEF must conduct new due diligence and environmental assessment.

¹ Emma Gatten, [Labour Accused of Double Standards over Africa Gas Pipeline](#), The Telegraph (Sept. 16, 2024).

² [Letter](#) from Niall Toru, Senior Lawyer, Friends of the Earth, England, Wales and Northern Ireland to Tim Reid, Chief Executive, UK Export Finance (Oct. 7, 2024).

Prior to any decision on whether to proceed, UKEF must conduct comprehensive new due diligence—including a human rights and environmental assessment with public consultation—to properly assess the significant factual developments that have occurred since UKEF’s initial decision to provide funding to the Mozambique LNG project. These developments include TotalEnergies (Total), the parent company of the project operator, withdrawing all project personnel and declaring force majeure due to the “the evolution of the security situation in the north of the Cabo Delgado province,”³ significant reports of alleged grave human rights violations and atrocities connected with the conflict,⁴ as well reports of violations of human rights associated with land acquisition for the project.⁵ The gravity of the situation makes it imperative for UKEF to conduct heightened and comprehensive due diligence to ensure that it is not contributing to human rights violations through its financing.

First, we ask UKEF to provide an update on the status of its previous financing agreement for the Mozambique LNG project. UKEF should clarify the impact of Total’s declaration of force majeure on its previous financing agreement. As of August 2021, the UKEF website indicates that, “Force Majeure was called by TOTAL in April 2021 due to the deteriorating security situation and therefore IESC monitoring is currently on hold.”⁶ Over four years have passed since UKEF made its decision to provide financing to the Mozambique LNG project.⁷ Given this passage of time it is unclear whether UKEF’s agreement still remains in effect or whether it has since lapsed in light of the ongoing declaration of force majeure.

UKEF must undertake new comprehensive due diligence, including a public comment and consultation process, whether or not it is required to enter into a new contract. UKEF recognizes that it has a duty to respect and protect human rights.⁸ Complying with that duty requires UKEF to carry out due diligence before deciding on a course of action, to ensure it does not—through its

³ TotalEnergies, “[Total Declares Force Majeure on Mozambique LNG Project](#),” (Apr. 26, 2021).

⁴ See notes 35-37, 40.

⁵ UpRights, *Assessment of TotalEnergies’ Mozambique LNG Project Human Rights Due Diligence* pp. 40-46 (2023) [hereinafter, UpRights, Assessment of TotalEnergies’ Mozambique LNG Project HRDD; Friends of the Earth Europe *et al.*, [Fueling the Crisis in Mozambique](#), pp. 18-19 (May 16, 2022) [hereinafter, FOE Europe *et al.*, Fueling the Crisis in Mozambique].]

⁶ UK Export Finance (UKEF), “[Notice Category A project supported: Mozambique Liquefied Natural Gas \(LNG\) Project](#),” (Aug. 17, 2021).

⁷ *R (on the application of Friends of the Earth Limited) v. Secretary of State for International Trade and others*, [2022] EWHC 568, para. 3 (*Admin*).

⁸ UKEF, “[Corporate Report: Note on Human Rights and Social Risks and Impacts](#),” (updated Sept. 26, 2022). See also U.N. Office of the High Commissioner for Human Rights (OHCHR), “[International Human Rights Law](#)” (last visited Oct. 24, 2024) [hereinafter, OHCHR, IHRL]; Committee on the Rights of the Child (CRC), [General Comment No. 26](#), U.N. Doc. CRC/C/GC.26, paras. 68-70 (Aug. 22, 2023) [hereinafter CRC, GC No. 26]; Committee on Economic Social and Cultural Rights (CESCR), [General Comment No. 24](#), U.N. Doc. E/C.12/GC/24, para. 12 (Aug. 10, 2017) [hereinafter, CESCR, GC No. 24]; OHCHR, [United Nations Guiding Principles on Business and Human Rights](#), adopted by the U.N. Human Rights Council, U.N. Doc. A/HRC/RES/17/4, (July 6, 2011) [hereinafter UNGPs].

financing—cause or contribute to adverse human rights impacts.⁹ If UKEF contributes, or may contribute, to adverse human rights impacts, UKEF should cease or prevent its contribution—which would mean its financing.¹⁰ UKEF should also seek to prevent or mitigate adverse human rights impacts that are directly linked to its services by its business relationships.¹¹ Moreover, UKEF also states that its approach to human rights risk includes, “protect[ing] against human rights abuses by business enterprises receiving their support.”¹²

Should UKEF be operating under its previous agreement, it must still carry out new and comprehensive due diligence before proceeding because due diligence obligations are ongoing throughout the life of a loan and business relationship.¹³ UKEF’s Policy and Practice on Environmental Social and Human Rights Due Diligence and Monitoring provides for ongoing due diligence, as it states, for example, that it “monitor[s] alignment of projects with relevant ESHR standards over the life of UKEF support.”¹⁴

Moreover, in light of the ongoing conflict in Mozambique, which, as noted above, was the basis for the force majeure declaration, UKEF must exercise heightened due diligence. As the U.N. Working Group on the issue of human rights and transnational corporations and other business enterprises [U.N. Working Group on Business and Human Rights] explains, “heightened due diligence [should be conducted] in conflict-affected contexts because of the increased risk of being involved in serious human rights abuses.”¹⁵ Such heightened due diligence in a conflict-

⁹ OHCHR, IRHL; CRC, [General Comment No. 16](#), U.N. Doc. CRC/C/GC/16, paras. 26-27, 45(c) (Apr. 17, 2013) [hereinafter CRC, GC No. 16]; CRC, [GC No. 26](#); Human Rights Committee (HRC), [General Comment No. 36](#), U.N. Doc. CCPR/C/GC/36, paras. 7, 63 (Sept. 3, 2019) [hereinafter HRC, GC No. 36]; CESCR, [GC No. 24](#), para. 12, 29; [UNGPs](#), Princips. 13(1), 18.

¹⁰ [Articles on Responsibilities of States for Internationally Wrongful Acts \(ARSIWA\)](#), with commentaries, ILC Report on the Work of its Fifty-Third Session, U.N. GAOR, 53rd Sess., U.N. Doc. A/56/10, art. 30(a) (2001); [UNGPs](#), Princips. 13(a), 19 (and associated Commentary) (also noting that the business should “use its leverage to mitigate any remaining impact to the greatest extent possible”); Organisation for Economic Co-operation and Development (OECD), [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#), Ch. II Commentary, para. 22, Ch. IV, paras. 1-2, Ch. IV Commentary, paras. 46- 47 (2023) [hereinafter OECD Guidelines]; HRC, [General Comment No. 31](#), U.N. Doc. CCPR/C/21/Rev.1/Add.13, paras. 17, 19 (Mar. 29, 2004).

¹¹ [UNGPs](#), Princips. 13(b), 19; [OECD Guidelines](#), Ch. II, para. 12, Ch. IV, para. 3, Ch. IV Commentary, para. 43.

¹² UKEF, “[Corporate Report: Note on Human Rights and Social Risks and Impacts](#).”

¹³ [UNGPs](#), Princip. 18 Commentary; [OECD Guidelines](#), Ch. IV Commentary, p. 27, para. 50 (2023); OECD, [Due Diligence for Responsible Corporate Lending and Securities Underwriting: Key Considerations for Banks Implementing the OECD Guidelines for Multinational Enterprises](#), p. 39 (2019); CRC, [GC No. 26](#), paras. 76-77.

¹⁴ UKEF, “[Policy and Practice on Environmental Social and Human Rights Due Diligence and Monitoring](#),” (updated Sept. 26, 2022).

¹⁵ UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, [Business, Human Rights and Conflict-Affected Regions: Towards Heightened Action](#), U.N. Doc. A/75/212, para. 22 (July 21, 2020) [hereinafter U.N. WG BHR, Business, Human Rights and Conflict-Affected Regions]; *id.* at paras. 13, 72. The need for heightened human rights due diligence is also recognized in the OECD Common Approaches, which states, “where there is a high likelihood of severe project-related human rights impacts occurring, the environmental and social review of a project may need to be complemented by specific human rights due diligence.” OECD, [Recommendation of the Council on Common Approaches for Officially Supported Export](#)

affected context requires broad stakeholder engagement including consultation with local communities.¹⁶

2. Proper Due Diligence Must Consider Why Financing the Mozambique LNG Project is Inconsistent with UKEF’s Environmental and Human Rights Obligations, Policies and Commitments.

- a. Financing the Mozambique LNG Project today would be inconsistent with UKEF’s commitments to end financing to the international fossil fuel sector

The UK government has committed to end financing for the international fossil fuel energy sector. The UK government is the Chair of the Clean Energy Transition Partnership (CETP).¹⁷ Through this partnership, the government has committed to use its resources to support the clean energy transition, do no significant harm to the goals of the Paris Agreement, local communities and local environments, and to end new direct public support for the international unabated fossil fuel energy sector.¹⁸ This policy applies to UKEF, which has also affirmed it is implementing the government’s policy.¹⁹ Providing financing to the Mozambique LNG project today is contrary to the letter and spirit of this policy.

- b. Financing would be inconsistent with UKEF’s commitments to the Paris Agreement, aligning with the best available science, and reaching net zero by 2050

As a government agency, UKEF’s financing should be consistent with the UK government’s obligations under the Paris Agreement. Moreover, UKEF has committed to aligning itself with the goals of the Paris Agreement, including limiting global temperature increase to 1.5°C in line with best available science, and achieving net zero by 2050. It has done so through its membership in the Net Zero Export Credit Agencies Alliance and Export Finance for Future Initiative,²⁰ as well as its commitment to the CETP. Moreover, as set out in *R (on the application of Friends of the Earth Limited) v. Secretary of State for International Trade and*

[Credits and Environmental and Social Due Diligence \(The “Common Approaches”\)](#), OECD/LEGAL/0393, para. 14 (2024).

¹⁶ U.N. WG BHR, [Business, Human Rights and Conflict-Affected Regions](#), paras. 53, 80.

¹⁷ Clean Energy Transition Partnership, [“Who We Are”](#) (last visited Oct. 20, 2024).

¹⁸ Clean Energy Transition Partnership, [“Statement on International Public Support for the Clean Energy Transition”](#) (last visited Oct. 20, 2024); U.K. Dept. for Energy Security and Net Zero, [Aligning UK International Support for the Clean Energy Transition: Guidance](#) (Mar. 2021, revised Dec. 2023)[hereinafter, “UK DESNZ, Clean Energy Transition Guidance”].

¹⁹ UK DESNZ, [Clean Energy Transition Guidance](#), p.4; UKEF, [UK Export Finance Sustainability Strategy 2024-2029](#), p.4 (Apr. 2024) [hereinafter, UKEF Sustainability Strategy].

²⁰ U.N. Environmental Programme Finance Initiative, [The Net Zero Export Credit Agencies Alliance: Commitment Document](#), p. 1 (Nov. 2021) [hereinafter UNEP FI, [NZECAA Commitment Document](#)]; Credendo, [“Export Finance for Future \(E3F\)”](#) (last visited Oct. 23, 2024); UKEF, [Sustainability Strategy](#), p.4.

others, UKEF considered the Paris Agreement in its previous decision to provide funding for the Mozambique LNG.²¹

It was already clear in 2020, when UKEF made its initial decision, that financing new fossil fuel production was inconsistent with the best available science, a path to keep warming under 1.5°C, and the goals of the Paris Agreement, namely arts. 2(1)(a) and (c).²² The most recent IPCC reports only further affirm the gravity of the climate crisis and the necessity of urgently and equitably phasing out fossil fuels to avoid further catastrophic harm. The reports are very clear – if the world is to prevent warming from reaching or exceeding 1.5°C, there is no room for new fossil fuel projects and existing fossil fuel infrastructure will have to be shuttered.²³

As a Global North country, and one of the largest cumulative emitters, the UK has heightened obligations to phase out fossil fuels and to provide financial, technical, and capacity building support for developing countries, like Mozambique, to take ambitious climate action, including by transitioning away from fossil fuels.²⁴ In line with the findings in the IPCC reports, the International Energy Agency has declared that “there is no need for investment in new fossil fuel supply” in its scenario for achieving net zero emissions by 2050.²⁵ The conclusions in the IPCC and IEA—that there is no room for new fossil fuel supply—are supported by other studies and models.²⁶ In light of the science, financing for a new LNG project—with estimated lifecycle

²¹ See *R (on the application of Friends of the Earth Limited) v. Secretary of State for International Trade and others*, [2022] EWHC 568 (Admin).

²² See Brief of the Proposed Intervener, Center for International Environmental Law in *R (on the application of Friends of the Earth Limited) v. Secretary of State for International Trade and others*, [2023] EWCA Civ 14. Although our brief was not accepted by the Court of Appeal, we understand UKEF has a copy of it and therefore will not reiterate the arguments contained therein here. Suffice to say, the Court of Appeal’s decision notwithstanding, we maintain that financing expanded production of fossil fuels is presumptively inconsistent with the goals of the Paris Agreement, for the reasons set out in our brief.

²³ See Intergovernmental Panel on Climate Change (IPCC), [Climate Change 2022: Mitigation of Climate Change](#), Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, at *Summary for Policymakers*, paras. B.7 - B.7.1, C.1.2, C.2-C.4, fig. SPM.5, Table SPM.2, *Technical Summary*, Box. TS.8, Ch. 17 at para. 17.5. (P.R. Shukla et al., eds. 2022); IPCC, [Climate Change 2023: Synthesis Report](#), Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, Summary for Policymakers, para. B.5.3 (Hoesung Lee et al., eds., 2023); see also Kelly Trout et al., [Existing Fossil Fuel Extraction would Warm the World Beyond 1.5°C](#), 17 Environ. Res. Lett. 064010, p. 9 (May 17, 2022) (“Based on our median estimate, almost 40% of developed reserves cannot be burned (or must be abated) to stay within the 1.5 °C budget (50%).”).

²⁴ [Paris Agreement](#), arts. 4.5, 7.13, 8-12, 3156 U.N.T.S. 79 (Dec. 15, 2015); U.N. Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy and Sustainable Environment (UN SR on Human Rights and the Environment), et al., [Fossil Fuels at the Heart of the Planetary Environmental Crisis: UN experts](#) (Nov. 30, 2023) [hereinafter U.N. Experts Joint Statement on Fossil Fuels]; CRC, [GC No. 26](#), para. 95.

²⁵ International Energy Association (IEA), [Net Zero by 2050: A Roadmap for the Global Energy Sector](#), p. 21 (2021); see also *id.* pp. 101-03; IEA, [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach](#), p. 16 (2023); IEA, [World Energy Outlook 2024](#), pp. 50, 53, 239 (2024).

²⁶ Mohamed Adow et al., [Navigating Energy Transitions: Mapping the Road to 1.5°C](#), International Institute for Sustainable Development (IISD), pp. 17-18 (Oct. 2022) (finding this conclusion supported from a review of “other well known pathways” from intergovernmental organizations, academic institutions, and the private sector, p. 10); Olivier Bois von Kursk et al., [Transitioning Away From Oil and Gas: A Production Phase-out Primer](#), IISD, pp. iii,

emissions between 3.3 - 4.5 billion tonnes of CO₂ equivalent²⁷ cannot be in line with keeping warming under 1.5°C, or aligning financial flows with low-GHG pathways, and thus cannot align with the goals of the Paris Agreement, or achieving net zero by 2050.

All of the above should be duly considered by UKEF prior to proceeding with any funding for the Mozambique LNG project.

- c. Financing new fossil fuel projects contributes to climate change and its adverse human rights impacts.

It is indisputable that climate change is already adversely impacting the full range of human rights. Due to climate change's ongoing and foreseeable harm, human rights bodies and courts have held that climate change engages states' and companies' human rights obligations.²⁸

Financing that enables continued dependence on, and exploitation of, fossil fuels—the main driver of climate change—adversely affects the full range of human rights.²⁹ As five U.N. Special Rapporteurs and one Independent Expert explained in a recent joint statement, “coal, oil and gas literally fuel the climate emergency, which is already preventing the full enjoyment of a range of human rights with disproportionate impacts on certain groups and communities.”³⁰ International human rights bodies and experts have affirmed that to respect human rights and

4 (2024) (mitigation scenarios show that oil and gas production must decline between 58% and 99% by 2050 to limit warming to 1.5°C by the end of the century).

²⁷ Friends of the Earth Policy, “[Tip of the Iceberg: The Future of Fossil Fuel Extraction](#),” (Oct. 26, 2021). In addition to the legal bases for calculating scope 3 emissions, as set out in FOE EWNI, through its membership in the Net Zero Export Credit Agencies Alliance, UKEF has committed to assessing the scope 3 emissions for this type of project, where the scope 3 emissions are significant and data allows their calculation. See [UNEP NZECAA Commitment Document](#), pp. 1-2.

²⁸ See, e.g., HRC, [Daniel Billy v. Australia](#), U.N. Doc. CCPR/C/135/D/3624/2019, paras. 8.3, 8.9, 8.12, 8.14 (Sept. 18, 2023); [Case of Verein Klimaseniorinnen Schweiz and Others v. Switzerland](#), App. No. 53600/20, ECTHR, Judgment, Grand Chamber, paras. 435-436, 509-510, 544, 548, 573 (Apr. 9, 2024); [Urgenda Foundation v. The State of the Netherlands \(Ministry of Infrastructure and the Environment\) \(English translation\)](#), ECLI:NL:HR:2019:2007, Supreme Court of the Netherlands, paras. 5.6.2, 5.7.1 (Dec. 20, 2019); [Neubauer and Others v. Germany \(English translation\)](#), BvR 2656/18, 1 BvR 96/20, 1 BvR 78/20, 1 BvR 288/20, 1 BvR 96/20, 1 BvR 78/20, Federal Constitutional Court of Germany, p. 43, para. 148 (Mar. 24, 2021); [Milieudéfensie et al v. Royal Dutch Shell](#), District Court of the Hague, case no. C/09/571932 / HA ZA 19-379, paras. 4.1.3, 4.4.10, 4.4.16, 4.4.37 (May 26, 2021), (Shell has appealed the decision and the appeal is pending); Commission on Human Rights of the Philippines (CHRP), [National Inquiry on Climate Change Report](#), pp. 94, 112-113, 131 (2022) [hereinafter [CHRP Climate Change Report](#)].

²⁹ See [CHRP Climate Change Report](#), p. 132 (“Although their direct emissions are negligible, their role as financiers of the sectors and projects that generate GHG emissions, including and most significantly, the fossil fuel industry, make them similarly accountable for global warming and climate change.”), p. 134 (“investors should be more circumspect in making investment decisions and mindful of their obligation under the UNGP to respect human rights by ensuring that the companies they invest in do not tolerate, propagate or contribute to human rights violations in all phases of their operations and broader value chains.”).

³⁰ [U.N. Experts Joint Statement on Fossil Fuels](#). See also U.N. WG on BHR et al., [Communication to TCenergy](#), Ref.: AL OTH 123/2022, p. 6 (Jan. 13, 2023) (letter sent from U.N. WG on BHR and 7 U.N. Special Rapporteurs and 1 Independent Expert).

prevent foreseeable threats to human rights from climate change, states and businesses must urgently reduce emissions including phasing out fossil fuels.³¹ This, at minimum, requires a State not to finance a *new* fossil fuel supply project in 2024 – especially not one destined chiefly for export, rather than expanding energy access or addressing energy poverty in the host State.³² For instance, in their joint statement on fossil fuels, the U.N. Special Rapporteurs and Independent Expert explained, “[w]ealthy States and high emitters should lead the phase out of fossil fuels, beginning with avoiding new investments and terminating fossil fuel subsidies.”³³ In financing the Mozambique LNG project, UKEF would be contributing to climate change and its adverse human rights impacts, contrary to its duty to respect human rights.

- d. In financing the Mozambique LNG, UKEF may be contributing or directly linked to the ongoing conflict and associated human rights violations.

As set out above, heightened due diligence is required as UKEF would be providing funding to a project in a conflict-affected context. Total declared *force majeure* in 2021 due to the “security situation in the north of the Cabo Delgado province.”³⁴ Reports published in the years since UKEF’s initial decision and Total’s declaration, indicate that the conflict, at its height, displaced

³¹ Human Rights Council Advisory Committee, [Impact of New Technologies Intended for Climate Protection on the Enjoyment of Human Rights](#), U.N. Doc. A/HRC/54/47, paras. 4, 71 (Aug. 10, 2023); Joint Statement by the Committee on the Elimination of Discrimination Against Women (CEDAW), CESCR, the Committee on the Protection of the Rights of All Migrant Workers and Members of Their Families, CRC and the Committee on the Rights of Persons with Disabilities, [Statement on Human Rights and Climate Change](#), U.N. Doc. HRI/2019/1, paras. 5, 12 (May 14, 2020, originally released Sept. 16, 2019); CRC, [GC No. 26](#), paras. 96-98(b)-(e); CESCR, [General Comment No. 26](#), U.N. Doc. E/C.12/GC/26, para. 56 (Jan. 24, 2023); [U.N. Experts Joint Statement on Fossil Fuels](#); U.N. Special Rapporteur on the Promotion and Protection of Human Rights in the Context of Climate Change, [Promotion and Protection of Human Rights in the Context of Climate Change Mitigation, Loss and Damage and Participation](#), U.N. Doc. A/77/226, para. 9 (July 26, 2022) [hereinafter SR Human Rights and Climate Change, Promotion and Protection Report]; U.N. Special Rapporteur on the Implications for Human Rights of the Environmentally Sound Management and Disposal of Hazardous Substances and Wastes (Marcos Orellana), [The Toxic Impacts of Some Proposed Climate Change Solutions](#), U.N. Doc. A/HRC/54/25, paras. 71, 90 (July 13, 2023) [hereinafter, SR on Toxics, Climate Change Solutions Report]; U.N. Meetings Coverage and Press Releases, “[Secretary-General Calls on States to Tackle Climate Change ‘Time Bomb’ through New Solidarity Pact, Acceleration Agenda, at Launch of Intergovernmental Panel Report](#),” U.N. Doc. SG/SM/21730 (Mar. 20, 2023) [hereinafter Secretary-General Calls on States to Tackle Climate Change]; [UN Chief Says Ending Fossil Fuel Use is Only Way to Save Burning Planet](#), Reuters (Dec. 1, 2023); U.N. WG BHR, [Information Note on Climate Change and the Guiding Principles on Business and Human Rights](#), para. 19(b) (June 2023) [hereinafter U.N. WG on BHR, Info Note on Climate Change].

³² See SR Human Rights and Climate Change, [Promotion and Protection Report](#), para. 90(d); SR on Toxics, [Climate Change Solutions Report](#), para. 106(e); [Secretary-General Calls on States to Tackle Climate Change](#); U.N. Secretary General, [Secretary-General’s Video Message to the Sixth Austrian World Summit](#), Amina J. Mohammed, Deputy Secretary-General (June 14, 2022); [CHRP Climate Change Report](#), p. 132; U.N. WG BHR, [Info Note on Climate Change](#), para. 20; CRC, [Concluding Observations on the Combined Fifth and Sixth Periodic Reports of Canada](#), U.N. Doc. CRC/C/CAN/CO/5-6, para. 37 (June 23, 2022).

³³ [U.N. Experts Joint Statement on Fossil Fuels](#)

³⁴ Total Energies, “[Total declares Force Majeure on Mozambique LNG project](#)” (Apr. 26, 2021).

more than a million people,³⁵ and document recurrent violence, human rights violations, and violations of international humanitarian law.³⁶ Recent investigative reporting from Politico, for example, details allegations of atrocities by “a Mozambican military unit operating out of the TotalEnergies gatehouse.”³⁷ We note that Total has issued a statement in response to the article, including a response by Mozambique LNG to Politico, wherein it acknowledges the seriousness of the allegations and states it had no knowledge of the alleged events.³⁸ Politico also reports that the government has issued a statement denying the allegations and welcoming an investigation.³⁹ These recent allegations require a thorough and independent investigation. The reports of grave alleged human rights violations and violations of international humanitarian law only underscore the need for UKEF to conduct heightened due diligence—informed by the outcomes of any independent investigations into those allegations—before taking any decision to approve, authorize, or disburse funds, or otherwise renew its commitment to providing funding for the project.

As part of its heightened due diligence, UKEF should take into account the U.N. Working Group on Business and Human Rights’s report on “Business, human rights and conflict-affected regions: towards heightened action.”⁴⁰ In its due diligence, UKEF should consider the relationship between the project and the conflict. As the Working Group explains, businesses operating in conflict-affected contexts are not neutral actors:

“... acting in an apparently human rights-compatible way might in fact fuel conflict dynamics. For example, a company is likely to resort to public or private security due to the presence of a conflict. Even if these security forces behave in an exemplary

³⁵ See Hélène Caux, [Displaced People in Mozambique's Cabo Delgado Plead for Peace](#), United Nations High Commissioner for Refugees (UNHCR) Africa (Mar. 1, 2024).

³⁶ See e.g., *id.*; 360 Mozambique, [Cabo Delgado: Inhabitants of Naduli flee insurgent attack](#) (May 2024); Human Rights Watch, [World Report 2024: Mozambique \(Events of 2023\)](#) (last visited Oct. 31, 2024); Amnesty International, [Mozambique 2023](#) (last visited Oct. 31, 2024); Human Rights Watch, [World Report 2023: Mozambique \(Events of 2022\)](#) (last visited Oct. 23, 2024); Amnesty International, [Submission to the U.N. Human Rights Committee, 132nd Sessions, 28 June - 23 July 2021, List of Issues Prior to Reporting](#); Amnesty International, [Mozambique: “What I saw is Death”: War Crimes in Mozambique’s Forgotten Cape](#) (2021); UpRights, [Assessment of TotalEnergies’ Mozambique LNG Project HRDD](#); FOE Europe, *et al.*, [Fueling the Crisis on Mozambique](#); RTP News, [Mozambique: People Abandon Homes in Muidumbe after Saturday’s Attack](#) (Oct. 29, 2024); U.N. Special Rapporteur on the Human Rights of Internally Displaced Persons [SR on IDPs], Paula Gaviria Betancur, [Report of the SR on IDPs: Visit to Mozambique](#), U.N. Doc. A/HRC/45/XX, pp. 3-4,10 (April 2024)(Advance unedited version); U.N. Regional Directors Statement for East and Southern Africa, [Joint UN statement on humanitarian crisis and escalating violence in Northern Mozambique](#) (Jan. 2021); OHCHR, [Mozambique: Bachelet Appalled by Escalating Conflict in Cabo Delgado Province](#) (Nov. 2020).

³⁷ Alex Perry, [All Must be Beheaded: Revelations of Atrocities at French Energy Giant’s African Stronghold](#),” Politico, Sept. 26, 2024.

³⁸ TotalEnergies, [Article in Politico: TotalEnergies Publishes Mozambique LNG Response](#)” (Sept. 26, 2024).

³⁹ Giovanna Coi, [Mozambique Government Welcomes Probe into Massacre at Total Energies Gas Plant](#),” Politico, Oct. 13, 2024.

⁴⁰ U.N. WG BHR, [Business, Human Rights and Conflict-Affected Regions](#); *cf* UpRights, [Assessment of TotalEnergies’ Mozambique LNG Project HRDD](#) (highlighting concerns with Total Energies’ human rights due diligence for the Mozambique LNG project and discussing necessary considerations and approach for any human rights due diligence going forward).

manner, their presence affects the local context and can lead to an escalation of violence. Adopting fully human rights compliant practices can fuel a perception of advantage for a specific group over another and lead to an escalation of grievances and violence. ... This highlights one of the biggest mistakes companies make when operating in a conflict-affected environment. Companies are not neutral actors; their presence is not without impact. Even if companies do not take sides in the conflict, the impact of their activities will necessarily influence the dynamics of the conflict.”⁴¹

Moreover, the U.N. Working Group report explains that the same heightened due diligence must apply to reconstruction and peacebuilding phases and warns that even during this stage, it may not be possible to invest in a way that complies with international standards. “The reconstruction and peacebuilding phases that a country undergoes after a conflict are clearly part of the conflict, and business and States should apply the same principles, in particular, heightened due diligence, as during the active phase of a conflict.”⁴² It goes on to explain, “After the conflict, businesses will often have to partner with companies and individuals that have been parties to the conflict, or people who have committed human rights abuses. Screening of relationships is therefore particularly important. ... It is essential for businesses to consult with local communities and to develop appropriate tools for screening business partners as part of human rights due diligence, as well as to recognize that, in many cases, it will hardly be possible to invest in a way that is compliant with international standards.”⁴³

In light of the above, UKEF should proceed with utmost caution and be sure it has fully assessed and considered the impacts and risks of financing a project in a conflict-affected context, in addition to the risks the project poses to the local environment and global climate.

Conclusion

We respectfully urge you to take this letter and the above-detailed concerns into consideration if UKEF is contemplating providing funding to the Mozambique Liquefied Natural Gas Project. We ask that you clarify the current status of your commitment to, or decision-making process regarding, this project in a response to this letter and/or public statement. While we maintain that proceeding with financing for this project is not in line with UKEF’s human rights and environmental obligations, policies, and commitments, should UKEF consider providing such funding, it must not do so without reassessing the associated human rights and environmental risks. Before any decision is taken to fund Mozambique LNG, we urge UKEF to carry out new and comprehensive due diligence including broad consultation with stakeholders and local communities.

⁴¹ U.N. WG BHR, [Business, Human Rights and Conflict-Affected Regions](#) paras. 42-43.

⁴² *Id.* at para. 72.

⁴³ *Id.* at para. 80.

We would welcome an opportunity to discuss this matter further.

Sincerely,

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