



CENTRO DE INTEGRIDADE PÚBLICA  
Anticorrupção - Transparência - Integridade

# EXTRACTIVE INDUSTRY

Edition Nº 8 - 23th May 2023 - Free Distribution

## TotalEnergies report does not answer the essential question – are there conditions to resume Mozambique LNG project?

By: Rui Mate, Aldemiro Bande and Gift Essinalo

The report released by TotalEnergies, produced by the consultants Jean-Christophe Rufin and Ingrid Glowacki, addresses many issues related to humanitarian, development and security questions in Cabo Delgado, but does not answer the essential question, as to whether and to what extent there are conditions for the resumption of gas exploration in Area 1 of the Rovuma Basin, suspended since April 2021 due to attacks of the insurgents in the district of Palma.

According to the TotalEnergies spokesperson, there are three necessary conditions for the restart of the project, namely: i) guarantees about security in Cabo Delgado; ii) guarantees as regards human rights and; iii) the issue of project costs after a break of more than two years. Jean-Christophe Rufin was commissioned to carry out the assessment in Cabo Delgado following a visit by the CEO of TotalEnergies, in February this year, to assess the security and humanitarian situation, with a view to resuming the project <sup>[1]</sup>.

According to the Government of Mozambique, there are conditions for the restart of the project in Cabo Delgado, and the last time President Filipe Nyusi addressed the subject, last April, he said: “*we have been working in coordination and cooperation with TotalEnergies, what is very favourable, the work environment is also favourable and enabling for the resumption of this activity at any time*”<sup>[2]</sup>.

Without addressing the central issue about the existence or not of the necessary conditions to restart the gas exploration project, the TotalEnergies report gives rise to various speculations about the future of the project.

The main purpose for the appointment of Jean-Christophe Rufin was to investigate the security and humanitarian situation in Cabo Delgado and propose complementary actions to be implemented. The findings of this report will be used by the Mozambique LNG project partners for determining whether the conditions for resuming the project activities are fulfilled.

The report shows that the security and humanitarian situation has improved since the company’s activities were suspended, but there are still enormous challenges related to the dynamics of the project for the communities directly and indirectly affected. Therefore, he proposes a change of approach of TotalEnergies’ interventions, moving away from a security based towards an integrated development logic and a break of the links between the company and public institutions, including the Armed Forces.

However, Jean-Christophe Rufin’s report does not present the authors’ opinion concerning the existence of conditions for the project to be resumed, which creates some uncertainty for the negotiations between the Government and the project partners.

## TotalEnergies report contradicts the Government's official version of the causes of the conflict

The official version of the Mozambican government is that the attacks in Cabo Delgado are an external aggression aimed at destabilizing Frelimo governance. *“Because the wave of protests and other attempts to create disorder did not succeed in weakening Frelimo and the people, our enemies set up the terrorist aggression”*, said Filipe Nyusi in one of several comments on the war in Cabo Delgado<sup>[3]</sup>.

The report published by TotalEnergies contradicts this idea of the Government. As the authors of the report argue, the conflict in Cabo Delgado cannot be attributed to “foreign contamination” since the participation of local elements is undeniable. They point out the following as the main probable causes of the conflict: i. Inequalities between the north and the south of the country; ii. Ethnic rivalries; iii. The legacy of the civil war between FRELIMO and RENAMO; iv. The lack of public services; v. Issues related to the exploitation of natural resources; vi. The presence of organized crime activity in the area; vii. Regional influences; and viii. The role of international jihadist terrorism.

The perspective adopted in the TotalEnergies report about the causes of the conflict in Cabo Delgado is not new, as it has already been pointed out in other studies on the probable reasons for the conflict<sup>[4]</sup>.

## TotalEnergies' response to the causes of the conflict

Having identified the causes of the conflict, the report commissioned by TotalEnergies recommends that the Mozambique LNG consortium should take economic and social development actions to respond to the conflict. The initiatives must be comprehensive in the sense that they should not only cover TotalEnergies' zones of influence, but include also the surrounding regions, and even all areas across the province.

One of the mechanisms for the implementation of this initiative is to transform the project called “Pamoja Tunaweza” (Together We Can) into a foundation that will ensure coherence, coordination and visibility of the socio-economic actions of Mozambique LNG.

The foundation will have a budget of US\$200 million for several years (the number of years was not mentioned) and should be supervised by a board of directors that will include international organizations, Mozambique LNG partners and representatives of civil society – there is no reference to the presence of the Government in the supervision of the foundation.

It is important to note that the application of US\$200 million in investment initiatives for the various districts of the province will represent a substantial reinforcement to the current investment channeled through the State Budget. For example, for 2023, an amount of approximately 5 million dollars is planned for investments in the districts of the province. If, for example, the 200 million are invested in 10 years, which correspond to 20 million dollars per year<sup>1</sup>, the Mozambique LNG project would be investing 400% more than the Government's investment that is channeled through the State Budget. This situation represents a risk of weakening the role of the Government in the province since the direct contribution of the project would be greater than that of the Government. This risk is still increased by the proposal of the report to break of some links between the company and public institutions and civil servants.

The foundation proposed by TotalEnergies to carry out an activity similar to that assigned to Agência de Desenvolvimento Integrado do Norte (ADIN), which was created by the Government to promote development projects in Cabo Delgado and other northern provinces, shows that the government agency is unable to meet the needs and challenges of the province in terms of economic development.

The “distancing” between TotalEnergies and ADIN was noticed since the beginning of the implementation of initiatives

---

<sup>1</sup> Jean-Christophe Rufin's report and the plan of action of Mozambique LNG do not mention the period for the implementation if the budget.

to recover basic services in Palma and Mocímboa da Praia. Many of these TotalEnergies initiatives were implemented in Palma and Mocímboa, under “Pamoja Tunaweza” project, but without much ADIN involvement. Essentially, Total’s decision seems to be a response to ADIN’s lack of action and to the need to make development projects more flexible with minimal government intervention.

Therefore, the report’s recommendations result from the understanding that these cross-cutting issues neglected by the Government can negatively impact the development of projects and cause enormous losses of the company’s investments.

## **Criticism to ANADARKO and proposal to withdraw the Defense and Security Forces from Afungi**

The report states that the project has inherited from Anadarko, the former concessionaire, a limited relationship, essentially defensive and based on security concerns. The company’s contact with the local environment was limited to five communities covered by the assignment of DUAT. With the beginning of the consortium headed by TotalEnergies, the approach changed to a greater openness and reach with the local population. However, the implementation was affected by the events that occurred until the suspension of activities.

The TotalEnergies report recommends the break of any direct connection between Mozambique LNG project and the Mozambican Armed Defense Forces (FADM), on the grounds that the Mozambican army does not have the means and war-fighting capability, and the intervention of the Rwandan forces contributed to maintaining security in Afungi. According to the report, a permanent link between the gas projects (Mozambique LNG) and the FADM would have a negative effect in terms of the International Humanitarian Law (Geneva Conventions of 1949 and Additional Protocols of 1977), as this could make the project a party to the conflict.

The FADM has a contingent of approximately 600 men stationed in Afungi to protect the gas projects. The deployment of the FADM to Afungi results from an agreement between the Government and Anadarko, which was inherited and amended by TotalEnergies.

The report refers that from the end of 2021 and through 2022, there have been some improvements in terms of security conditions which allowed the gradual return of the displaced people and the implementation of some projects by various organizations, but it has been noted that the projects are concentrated in Afungi. As we move further away from this place, this concentration reduces. Typically, the project finances 4 categories of projects, namely: *i) To support and give opportunity to the local production channels; ii) To support trading and mobility, the development of small and medium size enterprises; iii) Support infrastructure recovery and public works; and iv) Support to training and education.*

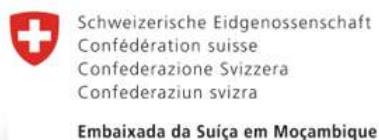
The report concludes that the general philosophy of this support is to promote local development of small enterprises and local employment, what favours mobility and trading and connects the Mozambique LNG project to its environment. With this approach, the conditions are created to make Afungi and its people a local strong market that offers opportunities to local producers. However, this approach poses a question of coherence and global coordination, since all the actions of Mozambique LNG are mostly guided by security concerns than a real development logic.

According to the report, the spatial distribution of the programmes is organized in three levels concentrated around Afungi base, which correspond to the three security zones drawn around the Mozambique LNG project.



CENTRO DE INTEGRIDADE PÚBLICA  
Anticorrupção - Transparência - Integridade

Parceiros:



Norwegian Embassy



Reino dos Países Baixos



## Editorial Information

**Director:** Edson Cortez

**Autores:** Rui Mate, Aldemiro Bande e Gift Essinalo

**Peer Review:** Borges Nhamirre, Edson Cortez e Estrela Charles

**Language Review:** Samuel Monjane

**Propriety:** Centro de Integridade Pública

Rua Fernão Melo e Castro,  
Bairro da Sommerschild, nº 124  
Tel: (+258) 21 499916 | Fax: (+258) 21 499917  
Cel: (+258) 82 3016391  
[f](#)@CIP.Mozambique [t](#)@CIPMoz  
[www.cipmoz.org](http://www.cipmoz.org) | Maputo - Moçambique