15 September 2020

Dear Mr. Dlamini,

A call on the Development Bank of Southern Africa (DBSA) to withdraw from financing the Mozambique LNG Project.

We the undersigned, are deeply concerned about the DBSA’s commitment to finance the controversial Mozambique LNG Project. We urge the development bank to not ignore the social, economic, and climate risks associated with this project which directly undermines the DBSA’s mission towards progressively eradicating poverty and promoting sustainable economic development. Covid-19 has made it all the more urgent to not invest in projects that intensify pollution and put frontline communities at risk. We are calling on the DBSA to make the right choice; stay away from this destructive fossil fuel project and come out with a policy that excludes coal, oil, and gas financing.

The project is not consistent with a Paris Agreement Pathway

Climate scientists have warned that rising production of natural gas is fast becoming one of the largest drivers of the climate crisis, and that plans to extract natural gas could stall efforts towards limiting temperature rise to 1.5C. It is already known that the already-operating oil and gas fields alone would take the world beyond the 1.5 Celcius Paris Agreement target. The Mozambique gas field is one the largest gas fields in the world, and with a lifetime of around 30 years, the project does not fit in a 1.5 C pathway.

Mozambique is already facing the impacts of climate change and is consistently ranked as a country that will be one of the hardest hit from the risks associated with climate change. In
2019, the country was hit by two devastating cyclones, Idai and Kenneth, which left 1.6 million in Mozambique in need of urgent assistance. It is projected that climate change will have a significant impact on food security and livelihoods due to more frequent and intense droughts, floods, and cyclones.

If the DBSA is serious about the Paris Agreement goals, the bank has to reconcile with the idea that gas can not be seen as a ‘bridge fuel’ to a low-carbon future. This project is not a ‘transition project’ – it is locking a developing country, where about 80% of people lack access to electricity, into fossil fuel development. Oil Change International has released a report showing that there is not only no room for any more fossil fuels, but that new gas capacity is actually displacing renewable energy.

Given the climate-related risks, violence in the region, and the negative impacts this project will have on local communities, continued support for this projects would make the DBSA’s financial flows inconsistent with the Paris Agreement goals, undermining the bank’s mission towards promoting sustainable economic development through investments in renewable energy, energy efficiency and increasing clean energy access.

We urge you to end your involvement in the Mozambique LNG project and take into account the concern we raise in this letter about the incompatibility between the DBSA’s intention to finance the controversial project and the objectives of the Paris goals. Additionally, we would like you to inform us of the ways in which you took into account the issues surrounding this project in your decision-making process, and urge you to come out with a policy that excludes coal, oil, and gas financing.

Yours sincerely,