

Safeguarding LNG operations in Mozambique

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With substantial offshore gas discoveries of over 100-trillion cubic feet, Mozambique has seen an influx in foreign investment in its liquified natural gas (LNG) developments. Although these major energy and infrastructure projects is spurring job creation and a rise in local activity, the risk of the [resource curse](#) presents a major challenge to both local communities and project developers.



Image: African Press Organisation

To safeguard LNG operations and ensure sustainable project development, oil and gas players must join forces with local government to co-implement standardised security regulations and foster community cooperation that showcases tangible benefits and prioritises local empowerment.

Standardised security regulations

In recent months, there has been a proliferation of security threats to Mozambique's LNG industry with the rise in militant Islamic group attacks in the Cabo Delgado region – home to the country's large-scale LNG developments. To mitigate the threat to its operations, French major Total even withdrew staff from its LNG site in January. The situation in the region has, therefore, emphasised the need for standardised security regulation which, if implemented effectively, can establish an investor-safe environment and safeguard operations.

According to C Derek Campbell, CEO of Energy & Natural Resources Security, a primary regulatory and operational challenge in Africa is the lack of a consistent security framework that guides owners and operators of critical energy infrastructure on how to ensure resiliency and continuity of assets and operations.

Through the implementation and execution of security-specific regulation, Mozambique can establish a protected business environment for stakeholders and stimulate sectoral growth. Additionally, the increase in physical security threats has brought attention to the benefits of government collaboration with LNG developers. In a bid to address rising attacks, Total signed a memorandum of understanding with the government of Mozambique in August 2020, which saw the in the establishment of a joint taskforce to ensure the security of LNG project activities. This form of collaboration demonstrates the advantages of security cooperation and has the potential to increase safety on-site.

Community cooperation and empowerment

In addition to institutionalising a security framework, dealing with security risks should go beyond established risk management protocols. One of the primary drivers of community unrest and retaliation concerns the lack of socioeconomic development directed towards the local population. To prevent this trend and ensure long-term, sustainable development, LNG projects have a critical role to play in establishing community cooperation through mutual beneficiation.

The oil and gas industry should work with the Mozambican government to ensure that benefits of natural gas monetisation extend beyond short-term job creation and projected government revenues. Instead, LNG projects should ensure immediate and tangible benefits for local communities through outreach programs and oil money-management strategies, including an agreed upon percentage of LNG revenue set aside for local communities.

Community outreach programmes and the establishment of mutual LNG benefits comprise effective strategies that will transition Mozambique from reacting to attacks and crises to proactively preventing violence and setting the stage for a more secure future.

The sustainability of LNG project developments can often be determined by community support, achieved through community empowerment and active participation. As mentioned, increases in physical security threats and vandalism can often be attributed to poverty alleviation, socioeconomic development and higher standards of living not being realised, despite significant energy potential.

Therefore, by prioritising local content and capacity building through the training of and outreach and skills transfer to the local community, LNG projects can not only safeguard operations, but also ensure long-term success of projects.

"I already believe that community members stand to benefit from Total's Mozambique LNG and other gas initiatives because of the long-term opportunities they will create to ease the area's widespread energy poverty, support capacity building and contribute to economic diversification and growth. Communities could invest fund returns into programmes that translate into improved quality of life and job opportunities. As a result, disenfranchisement, desperation and violence would decrease," says NJ Ayuk, executive chairman of the African Energy Chamber.

Mozambique's ongoing security threats can be addressed through community participation and cooperation, as well as reinforced through security regulation and government support. In this way, LNG projects can not only ensure the safe continuity of operations, but also facilitate increased investment in the country and long-term industry success. The success of the country lies not only in the success of its energy industry, but in the energy industry's ability to translate LNG revenues into tangible socioeconomic benefits.