

UK's \$1.15bn funding for Mozambique LNG project is lawful - court

By [Sam Tobin](#)

16 Jan 2023

The British government's funding of up to \$1.15bn for a liquefied natural gas (LNG) project in Mozambique is lawful, a London court ruled on late last week, dismissing an appeal by Friends of the Earth.



Source: Christian Duschinger © [123RF.com](#)

The environmental campaign group had asked London's Court of Appeal to rule the British government wrongly decided funding the project, led by French energy company Total Energies, was compatible with the Paris Agreement on climate change.

UK Export Finance (UKEF) has committed to provide direct loans and guarantees to banks to support the design, build and operation of the \$20bn project.

Friends of the Earth's legal action over the decision failed in a lower court and was dismissed by the Court of Appeal in a written ruling on Friday, 13 January.

Judge Geoffrey Vos said the Paris Agreement was "only one of a range of factors" UKEF took into account when reaching the decision to fund the project.

The judge added that UKEF's view that funding the project was aligned with the UK's obligations under the Paris Agreement was "tenable" and that there was no requirement for it to be "certain that the decision complied with those obligations".

Friends of the Earth described the ruling as "extremely disappointing" and said it is considering an appeal to the UK Supreme Court.



Israel's NewMed signs Morocco gas exploration deal

Ari Rabinovitch 7 Dec 2022



'Extremely disappointing'

"This extremely disappointing judgment doesn't alter our firm belief that the UK government should not be supporting the Mozambique gas project, or any fossil fuel project at home or abroad," Rachel Kennerley, an international climate campaigner with the group, said in a statement.

A UKEF spokesperson welcomed the court's decision.

"We remain confident that UK Export Finance follows robust and internationally recognised due diligence before providing any support for overseas projects," the spokesperson said.

A spokesperson for Total Energies also welcomed the ruling, saying the project "will deliver a range of social and economic benefits to Mozambique and is a key part of Mozambique's aim to diversify its economy".

"Total Energies supports the goals of the 2015 Paris Agreement, which calls for reducing greenhouse gas emissions in the context of sustainable development and the fight against poverty," the spokesperson added.

For more, visit: <https://www.bizcommunity.com>