





TO:

Sumitomo Corporation Mr. Shingo Ueno, President and CEO OTEMACHI PLACE EAST TOWER 3-2 Otemachi 2-Chome, Chiyoda-ku, Tokyo 100-8601, Japan

CC:

Mr. HAYASHI Nobumitsu, Governor of Japan Bank for International Cooperation (JBIC)

Mr. Atsuo Kuroda, Chairman and CEO of Nippon Export and Investment Insurance (NEXI)

Dr. Akihiko Tanaka, President of the Japan International Cooperation Agency (JICA).

Maputo / Tokyo, OCTOBER 30th, 2024

Subject: Enquiry on Sumitomo Corporations's involvement on Mphanda Nkuwa mega-dam in Mozambique

Greetings,

Justiça Ambiental (JA!), a Mozambican civil society organisation, CCFD-Terre Solidaire, and FoE Japan, an environmental organization are working to protect and defend the environment and the rights of communities that depend on the environment.

For the past 22 years, JA! has been working in the province of Tete, in central Mozambique, undertaking studies, monitoring and documenting the impacts of the Mphanda Nkuwa mega-dam project and working alongside the local communities that are under threat of being displaced by this project. As you are aware, the Mphanda Nkuwa dam belongs to a colonial era and it has been promoted over and again, and has also failed over and again. The concerns around the risks and impacts of this project have been raised by several actors, including independent experts, academics, multilateral institutions, local communities and civil society organisations, throughout the different stages of the project.

We understand that Sumitomo Corporation joined the consortium with EDF and TotalEnergies to develop this mega-dam project. The press release states "the project will implement the highest international standards in environmental, social and governance criteria. In particular, the consortium will follow rigorously the required steps and methodology as well as work closely with all stakeholders prior to project implementation." We hereby write this letter in which we raise our questions and concerns related to the dam project.

1. What are the measures taken by Sumitomo Corporation to identify and effectively address the human rights and physical safety violations that have been reportedly linked to the development and construction of the Mphanda Nkuwa mega-dam project since 2022?

The communities that will be mostly affected by the Mphanda Nkuwa dam are fisherfolk, artisanal miners, and farmers, who rely on fishing, cattle, and agriculture on a daily basis for their subsistence and on the river and its banks for all their needs. Since the international partners, potential funders, and companies interested in the development of the dam project started visiting the area in August 2022, community members started reporting the threats and intimidations faced by anyone who raised criticism about the dam. Community members who have participated in meetings to discuss their legal rights have been threatened and called by the police, and the local government has tried to restrict their freedom of movement. Some community members have been expelled from community meetings about the dam, by government officials. A local leader that traveled to Maputo to participate in a training meeting was arbitrarily detained in police custody, and was denied his right of being accompanied and defended by a lawyer.

2. What is Sumitomo Corporation doing to identify and prevent the risks for the environment linked to the Mphanda Nkuwa project, considered as one of the most environmentally destructive dam projects in Africa, in particular on the biodiversity hotspot, the Zambezi delta?

The Mphanda Nkuwa dam will once again influence the flow of the Zambezi River, which already supports Kariba and several other dams and is expected to host more - such as the 2,400 MW Batoka Gorge dam in Zimbabwe / Zambia. One of the most direct consequences is the impact on biodiversity due to the destruction of irrigation systems downstream of the dam. This disruption will affect aquaculture in the Zambezi River Delta. The lack of analysis of the cumulative impacts of the Mphanda Nkuwa dam in the context of numerous existing and planned dams on the Zambezi basin is also a big concern. Receding delta, wetlands drying up, and major erosion are some of the visible impacts one can see along the Zambezi already, and Mphanda Nkuwa will contribute significantly to worsen this scenario, potentially causing what environmentalists have called "death by a thousand cuts".

3. How is Sumitomo Corporation taking into account previous environmental and social impact studies, in light of weaknesses that have been highlighted by civil society organisations, researchers and academics? Will the terms of reference of future studies associated with this project be fully disclosed to the public?

Other companies involved in the project in previous stages have carried out environmental and social impact studies. However, several weaknesses and inaccuracies were identified in these studies, by experts, academics and civil society organisations, in particular around the overall lack of scientific rigour, not considering climate impacts, not assessing the cumulative impacts of the different dams in the Zambezi river, not adequately assessing the seismic risks, not considering the full spectrum of impacts on the local communities, etc. In the current stage of the process, the government is aiming to merely update the existing studies from 10 years ago. Will Sumitomo Corporation carry out additional independent studies prior to commencing the project? If yes, can you detail which and share the Terms of Reference for these studies?

4. Is Sumitomo Corporation aware of the serious risk of cost overruns on this project, due to insufficient climate and seismic adjustments to the project design?

In Richard Beilfuss's analysis back in 2012 "A Risky Climate for Southern African Hydro", he looked at the hydrological risks and consequences of dams in the Zambezi, and explained why it is so

crucial that any dam project incorporates climate change scenarios into hydropower design and operation. The Zambezi River Basin has one of the most variable climates of any major river basin in the world and the runoff is highly sensitive to variations in climate, as small changes in rainfall produce large changes in runoff. Despite this scenario, climate change considerations have never been incorporated into the Mphanda Nkuwa dam project design in previous years. If this context is adequately incorporated in the project, costs might increase substantially. Similarly, Chris Hartnady, a world-renowned seismologist from the University of Cape Town and considered one of the top experts of southern Africa's seismology, raised concerns around the estimated seismic risk for the Mphanda Nkuwa project. A responsible approach to Mphanda Nkuwa dam would be to ensure that the dam's maximum-design earthquake is prudently determined. In this case, such action would likely require the "over-design" of the dam for seismic safety, and an increase in the project's costs.

5. Is Sumitomo Corporation aware of the failures of the government to provide local communities with relevant information on the project; and the pending petition signed by more than 2,600 Mozambicans to the Mozambican Parliament, to stop the Mphanda Nkuwa dam project?

Instead of clarifying all the issues that have been raised over many years by local communities, experts and civil society organisations, the government's strategy so far, and in particular in the most recent stage of the project, has been to obstruct access to information and manipulate or intimidate local communities. In December 2022, JA! submitted a petition to stop the MNK project, to the Assembly of the Republic, on behalf of more than 2.600 Mozambicans, who believe that the project cannot advance until all the burning questions have been answered. A decision on this petition is still awaited. Additionally, a petition has been filed at the Administrative Court in Maputo in April 2024 demanding the government to provide information about the project, in particular about how the project will safeguard local communities' rights. The case is still ongoing.

6. What is Sumitomo Corporation's contractual link with TotalEnergies for this particular project, and how is Sumitomo Corporation planning to ensure that TotalEnergies's involvement does not contribute to further Human Rights violations and social conflict?

TotalEnergies's reputation with regards to Human Rights violations and environmental destruction associated with its projects is well reported. In Cabo Delgado, northern Mozambique, TotalEnergies conducted incomplete and flawed Human Rights Due Diligence assessments, failed to address the human rights impact of its operations and, as a result, the rights of local communities were violated. The families who were resettled by TotalEnergies' gas projects received inadequate or over-time compensation. The links between TotalEnergies's gas projects and the violent insurgency in northern Mozambique have also been widely discussed. We would like to understand in which conditions is Sumitomo associating itself with TotalEnergies and EDF.

The previous elements are just some of the concerns around this project, and we invite you to read these and other issues related to Mphanda Nkuwa in the document attached to this letter, entitled "Summary/overview of concerns around the Mphanda Nkuwa hydroelectric dam project, proposed for the Zambezi river, Tete province, Mozambique".

Also attached to this letter are some of the many studies that have been made throughout the years, and which sustain the concerns highlighted above and in attachment.

We hope to hear from you soon, as well as to receive any relevant documents that might be connected to the issues raised above by the end of November.

Best regards,

Anabela Lemos, Director of the Board

Ayumi Fukakusa, Climate change and energy campaigner / Deputy Executive Director

Jean-François Dubost, Advocacy Director, CCFD-Terre Solidaire

JUSTIÇA AMBIENTAL (JA!)

Rua Willy Waddington, Bairro da Coop Nr. 102 – Maputo – Moçambique Contact: +258 823061275 / 843106010 / 21496668 ; E-mail: jamoz2010@gmail.com

FoE Japan

1-21-9, Komone, Itabashi, Tokyo - Japan Contact: +81-3-6909-5983; E-mail: info@foejapan.org