

*(We sent this letter to NEXI **only in Japanese**, this English version is a tentative one.)*

Mr. Atsuo Kuroda, Chairman and CEO,
Nippon Export and Investment Insurance

July 8, 2026

**Subject: Call for not to provide insurance for the Coral North FLNG project in
Mozambique**

We are a group of civil society organizations working on environmental and social issues. We have serious concerns regarding the environmental and human rights issues on the gas development project in Mozambique.

The "Coral North FLNG" project, planned for the offshore Cabo Delgado Region in northern Mozambique, is a floating liquefied natural gas (LNG) project designed to extract natural gas from a subsea gas field, process it into LNG at an offshore plant, and export it. We understand that this project is similar to the "Coral South FLNG" project, which has been in operation since 2022. According to NEXI's website, this project was classified as Category A on April 20, 2026¹, and is currently undergoing an environmental review based on the "Guidelines for Environmental and Social Considerations in Trade Insurance" (hereinafter referred to as the "Guidelines").

The Coral North FLNG project faces numerous issues regarding environmental and social impacts as well as human rights violations, prompting experts in these fields to voice their concerns. While the Environmental Impact Assessment (EIA) has been conducted, multiple stakeholders and independent experts have pointed out significant flaws in both the process and the content of the assessment. Regarding environmental and social impacts and human rights violations, human rights experts appointed by the UN Human Rights Council have expressed serious concerns²—citing issues such as the exacerbation of human rights violations and the impact on climate change—concerning the African Development Bank's (AfDB) decision to provide financial support for the project.

We urge NEXI to thoroughly scrutinize concerns regarding environmental and social impacts, as well as human rights violations described below during your environmental review, and to refrain from underwriting this project, given its failure to comply with the guidelines. Furthermore, you should recognize that providing support for this project—which is under close international scrutiny—would significantly impact the reputational risk faced by Japanese public institutions.

Impacts on valuable marine ecosystems

The Coral North FLNG project is located near Quirimbas National Park, which was designated a UNESCO Biosphere Reserve in July 2018.³

¹ <https://www.nexi.go.jp/en/environment/a/202604151138.html>

² <https://www.ohchr.org/en/press-releases/2026/03/mozambique-un-experts-concerned-african-development-bank-funding-floating>

³ <https://quirimbas.info/the-quirimbas-national-park/#:~:text=The%20Quirimbas%20National%20Park%20was,coral%20and%20vast%20sand%20flats>

The project's EIA⁴ identifies a wide variety of marine life inhabiting these waters. Among the species surveyed in the EIA⁵, several are classified under the "IUCN Red List of Threatened Species⁶": five as Critically Endangered (CR)—facing an extremely high risk of extinction in the immediate future; twelve as Endangered (EN)—facing a high risk of extinction in the near future; and nine as Vulnerable (VU)—facing an increased risk of extinction. Furthermore, the EIA notes that, based on these global standards, specific species have been designated for protection, including five of the thirty-three marine mammal species present (Sei whale, Blue whale, Sperm whale, Fin whale, and Indian Ocean humpback dolphin), all five sea turtle species, and five of the forty-five seabird species. The EIA also describes the deep-sea environment as hosting a sparse distribution of benthic communities, including protozoa (xenophyophores), sea pens, and other invertebrates (annelids, arthropods, mollusks, and echinoderms). Even acknowledging the limitations of the project's EIA, the information it provides indicates that the project is situated in an ecologically significant area characterized by a rich marine ecosystem and the presence of numerous species requiring protection.

This project is expected to have a significant impact on this valuable marine area, primarily due to the following factors: offshore construction, operational activities, and frequent LNG vessel traffic will generate underwater anthropogenic noise and pollution. The impact of artificial noise is particularly critical for marine life; some species, such as whales, rely on sound for communication, while others, including zooplankton can suffer internal injuries or cellular damage leading to injury or death⁷. Furthermore, there are serious concerns regarding marine pollution caused by potential leaks of gas or gas condensate from project-related infrastructure, such as wells and pipelines and fuel spills resulting from possible vessel accidents. While gas condensate adversely affects various marine organisms, it is considered twice as toxic as crude oil to copepods, a type of arthropod.⁸ Additionally, the introduction of invasive species into the area via vessel ballast water could severely impact seagrass beds, coral reefs, and mangrove forests, potentially leading to ecosystem alterations. The EIA also notes the potential for a rise in seawater temperatures in the surrounding area due to discharge from FLNG.

Overall, the project accelerates the degradation of marine habitats, leading to the displacement of organisms and the destruction of ecosystems. However, the associated risks and impacts have been underestimated across all aspects of the EIA. In other words, the assessment and estimation have been limited in scope, failing to fully predict and address the project's adverse impacts as required by international standards. Consequently, the EIA does not present adequate measures for avoidance or mitigation.⁹

Exhibit 1, "(3) Scope of Impacts to be Examined," of NEXI's guidelines¹⁰ lists "air, water, soil, waste, accidents, and water usage"; in addition to these, items in Category "2. Anti-pollution

⁴ https://www.nexi.go.jp/environment/info/pdf/26-002-EIA1_eis_nts_final.pdf

⁵ https://www.nexi.go.jp/environment/info/pdf/26-002-EIA5_Final_EIS_Vol_IV_Annexes.pdf

⁶ <https://www.iucnredlist.org/ja>

⁷ https://www.oceancare.org/wp-content/uploads/2022/05/Underwater-Noise-Pollution_Impact-on-fish-and-invertebrates_Report_OceanCare_EN_36p_2018.pdf

⁸ https://stopmozgas.org/wp-content/uploads/2025/09/True_Risk_digital_Jul2025_EN.pdf

⁹ <https://naturaljustice.org/comments-on-coral-north-floating-gas-project-show-eia-shortcomings-and-expose-its-harmful-impacts/>

¹⁰ https://www.nexi.go.jp/en/environment/pdf/ins_kankyuu_gl-e.pdf

Measures" in the guideline checklist¹¹ includes factors such as "Noise and Vibration". For the environmental review, it is necessary to verify in advance that measures to avoid or mitigate risks and impacts associated with each of these items will be reliably implemented. Proceeding with financial support as currently planned could result in a violation of the provisions regarding the avoidance of significant conversion or degradation of natural habitats or appropriate impact mitigation measures as outlined in Exhibit 1, "(6) Ecosystems and Biota," of the guidelines.

Impacts on the livelihoods of local communities

Changes in the marine environment have serious repercussions for people who rely on fishing for their livelihoods and food security. In the areas neighboring the project site, agriculture and fishing have traditionally served as the primary means of livelihood. The EIA states that the artisanal fishing practiced in the region is "limited to nearby coastal areas—including coral reef ecosystems and coastal islands (within a maximum of 15–20 km of the local coastline)—and will not be affected by project activities."¹² However, even slight alterations to the marine environment or ecosystem can trigger changes across the broader marine ecosystem, potentially leading to shifts in the composition and population of fish species inhabiting coastal waters. Such changes would profoundly impact the lives of people who depend on fishing for their livelihoods and food. As an organization from Japan—a country where fishing is a thriving industry and marine resources form a vital foundation for the economy and culinary culture—you can easily imagine the gravity of this situation.

Category "4. Social Environment," of the guideline checklist stipulates that the project must not adversely affect the lives or livelihoods of local residents and must not impact the ecosystem services that underpin the local community's living infrastructure. Furthermore, Category "5 Other (2) Accident Prevention Measures," of the checklist requires verification of measures to prevent accident risks, such as an increase in vessel accidents, leaks of gas or other substances, or well blowouts in the case of offshore developments; however, the project's EIA fails to give this matter sufficient consideration.

There are also concerns regarding job creation. The EIA states that the majority of project operations will be carried out by international vessel crews possessing highly specialized expertise, limiting the number of direct jobs created within Mozambique. A situation where local residents lack access to employment opportunities despite the project significantly impacting their means of livelihood and food security could lead to human rights violations affecting their very survival.

Therefore, regarding this project, the project proponent fails to comply with the provisions of Exhibit 1, Item "(7) Involuntary Resettlement" of the Guidelines. This is because, despite the potential for serious impacts on the livelihoods of local residents, including fishers, the proponent has neglected efforts to avoid the loss of means of livelihood "where feasible, exploring all viable alternatives" and has failed to consider providing sufficient compensation and support. Furthermore, the consideration of measures to ensure that "people whose

¹¹ https://www.nexi.go.jp/en/environment/pdf/ins_kankyou02e.pdf

¹² Original Portuguese sentences in EIA: A pesca artesanal praticada no distrito está restrita às zonas costeiras próximas, incluindo os ecossistemas de coral e as ilhas costeiras (ou seja, no máximo até 15-20 km da linha de costa do distrito), que também não serão afectadas pelas actividades do Projecto. (p.4)

means of livelihood will be hindered or lost" can "improve their standard of living, income opportunities, and production levels, or at least to restore them to pre-project levels" is insufficient, which also constitutes a violation of the provisions of the same item.

Issues with the Mozambique LNG Project

NEXI is also providing support for the Mozambique LNG project—led by France's TotalEnergies and currently under development near this project—yet not a single one of the issues regarding the environment, society, and human rights violations that we have raised has been resolved. As previously mentioned, human rights experts appointed by the UN Human Rights Council have expressed serious concerns¹³ regarding the Coral North FLNG project, particularly in light of its connection to the Mozambique LNG project. In their statement, the experts warn that “The project risks exacerbating human rights harms, contributing to climate change, and diverting scarce public funds away from urgently needed investments in sustainable renewable energy” and “The offshore project could compound long-standing human rights challenges that have emerged across the gas sector in Mozambique's Cabo Delgado province.”

According to the project's EIA, almost all onshore activities are to be conducted within the confines of existing facilities (such as ports and airports), and the project proponent maintains that there will be no onshore environmental or social impacts; however, the possibility remains that the Coral North FLNG project could give rise to onshore issues similar to those already caused by the Mozambique LNG project. As Guideline Exhibit 1, “(3) "Scope of Impacts to be Examined" stipulates that “In addition to the direct and immediate impacts of projects, derivative, secondary, and cumulative impacts and impacts associated facilities” must also be examined and investigated, NEXI should ensure that this aspect is appropriately verified.

Continuing involvement in the Mozambique LNG project and considering new insurance coverage for the Coral North FLNG amount to complicity in these serious issues. It is entirely unacceptable that new insurance coverage is being considered while NEXI, as a public financial institution, fails to fulfill your accountability obligations, even as the human rights of local communities—who are suffering immense harm from the project—are violated and the destruction of precious ecosystems continues. Instead, the proper course of action is to conduct appropriate due diligence and fully discharge accountability regarding the Mozambique LNG project, followed by a withdrawal from all LNG-related operations in Mozambique; under no circumstances should new insurance coverage be considered for LNG projects that impose a heavy environmental burden.

LNG is a harmful fossil fuel

This project also poses significant risks regarding adverse impacts on climate change. LNG is a fossil fuel; not only does it emit large amounts of carbon dioxide during combustion, but it is also an energy source with a massive environmental footprint due to the substantial emissions of methane, a potent greenhouse gas throughout its lifecycle. While some promote LNG as a "clean" bridge fuel—citing its relatively lower carbon dioxide emissions

¹³ same as footnote 2

during combustion—greenhouse gases contributing to climate change are not limited to the carbon dioxide released when the fuel is burned. In fact, regarding the “Coral South FLNG” project—a twin project to the Coral North FLNG, official data and satellite imagery have confirmed the occurrence of gas flaring (the burning off of surplus gas extracted alongside other hydrocarbons) and associated emissions; yet, it has been pointed out that the project operator failed to report these significant emissions¹⁴. Furthermore, the processes of extraction, liquefaction, storage, and transport associated with LNG inevitably result in the release and leakage of methane. It is projected that the 25-year operation of these two projects will generate one billion tonnes of CO₂e¹⁵—an amount comparable to Japan's total annual emissions¹⁶.

The Nationally Determined Contribution (NDC)¹⁷ submitted by the Government of Mozambique uses 2020 figures (annual emissions of 30.6 million tonnes of CO₂e) as a baseline and projects a 15–25% reduction by 2035, although specific target figures are still being formulated. Dividing the total emissions from the aforementioned Coral North and South projects by their 25-year operational lifespan yields an average annual emission of 40 million tonnes of CO₂e—a figure that alone exceeds Mozambique's current total annual emissions. This fails to meet the criteria set out in the G7 Elmau Declaration¹⁸—to which the Japanese government has committed—regarding the limited circumstances under which support is permissible: specifically, cases where a project is deemed consistent with the policies and plans of the recipient country in a manner aligned with the 1.5°C goal and the objectives of the Paris Agreement. Providing public financial support for this project violates the Declaration's commitment to “end new direct public support for the international unabated fossil fuel energy sector by the end of 2022.”

On July 23, 2025, the International Court of Justice (ICJ) unanimously adopted an advisory opinion¹⁹ on climate change, clarifying that the right to a clean, healthy, and sustainable environment is a fundamental human right and that states have an obligation to achieve the 1.5°C target. On May 20, 2026, the UN General Assembly adopted a resolution welcoming this advisory opinion, with 141 countries, including Japan, voting in favor²⁰. As a Japanese public institution, NEXI plays a pivotal role in climate action and is expected to drive a shift in energy sources away from fossil fuels with high environmental impact, including LNG toward the reduction of overall greenhouse gas emissions. Rather than providing additional financial support for fossil fuel projects that further imperil people in Japan and around the world suffering from extreme summer heat and other extreme weather, you should take the lead in providing financial support for environmentally and socially responsible, sustainable projects.

Lack of transparency regarding Japanese interests in the project

¹⁴<https://www.recommon.org/en/eni-has-not-revealed-the-true-extent-of-greenhouse-gas-emissions-in-mozambique/>

¹⁵ See report on footnote 14. The note 10 (p.3) of that report says: The estimates account for the potential scope 3 CO₂ emissions from the terminals and the reservoir throughout the entire lifespan, as well as the estimated methane leaks, with a 20-year methane to CO₂ equivalence (Global Warming Potential 20).

¹⁶ <https://www.nies.go.jp/gio/archive/ghgdata/index.html>

¹⁷ https://unfccc.int/sites/default/files/2025-11/Mozambique%20ProvNDC_ENG.pdf

¹⁸ <https://www.mofa.go.jp/mofaj/files/100433088.pdf>

¹⁹ <https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf>

²⁰ <https://news.un.org/en/story/2026/05/1167561>

This project is characterized by a high degree of opacity, particularly from the perspective of involved parties. It is led by the Italian company Eni, with China National Petroleum Corporation (CNPC), Empresa Nacional de Hidrocarbonetos (ENH), XRG (a subsidiary of the Abu Dhabi National Oil Company, ADNOC), and the Korea Gas Corporation (KOGAS) participating as investors. Although the Final Investment Decision (FID) was reached in October 2025, information regarding the financial institutions involved has not been disclosed. From Japan, JGC France—a local subsidiary of JGC Holdings Corporation—was awarded the contract for the construction of liquefaction facilities in a joint venture with two companies from France and South Korea; however, the extent of any other Japanese public or private sector involvement remains unclear.

Furthermore, no clear information has been disclosed regarding the destination of the produced gas. It remains unclear whether the gas produced by this project will actually contribute to Japan's energy security, or—given the absence of Japanese equity investors—whether NEXI's public underwriting will truly benefit the Japanese economy. In fact, more than 30% of the LNG handled by Japan is resold to Europe and other Asian nations rather than being used for domestic consumption, and the Japanese government is expected to maintain this policy.²¹ Given that significant volumes of LNG are already being resold, a clear explanation is required as to how new support for LNG projects contributes to Japan's energy security. Beyond the question of national interest, considering the magnitude of the negative impacts this project would have on the global environment and on Mozambique, involvement in the project could ultimately leave a negative legacy for Japan itself by contributing to the acceleration of climate change and implicating the country in human rights violations.

The unequal structure for Mozambique

Mozambique is considered a major resource-rich nation, possessing some of the world's most significant amounts of natural resources. Despite this, access to electricity is not guaranteed locally, for example. Although the figure has been rising year by year, the national electricity access rate stood at just 36%²² as of 2023. Furthermore, significant disparities exist within the country; energy is not distributed equitably, with an access rate of 78.9%²³ in urban areas compared to only 8.9%²⁴ in rural regions.

BP holds the exclusive right to purchase 100% of the gas produced by the Coral South FLNG facility²⁵, which is already in operation; consequently, this gas does not contribute to resolving energy issues within Mozambique.

This vividly illustrates the contemporary unequal global order and economic structure in which multinational corporations and the Global North nations collude to exploit and plunder

²¹ https://foejapan.org/wp-content/uploads/2025/10/FoE.LNG-Trade.EN_.pdf

²² <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=MZ>

²³ <https://data.worldbank.org/indicator/EG.ELC.ACCS.UR.ZS?locations=MZ>

²⁴ <https://data.worldbank.org/indicator/EG.ELC.ACCS.RU.ZS?locations=MZ>

²⁵ <https://www.bp.com/en/global/bp-supply-trading-and-shipping/news/press-releases/bp-begins-shipping-liquefied-natural-gas-from-mozambique-first-lng-project.html>

resources from Mozambique. As a Japanese public institution, there should be no involvement in perpetuating such a structure.

Request

On November 25, 2024, we sent an email—jointly with civil society organizations from relevant countries, including Mozambique—requesting that NEXI refrain from providing financial support for this project; however, we have received no response from you. Furthermore, despite our repeated requests for information regarding the various issues arising from the aforementioned Mozambique LNG project, NEXI has failed to provide an adequate explanation. It is deeply regrettable that the provision of insurance for fossil fuel projects in the region is being considered without such adequate and meaningful engagement with stakeholders; indeed, we are compelled to question the rationale behind even considering such coverage. In light of the above, we strongly urge you to take the following actions:

- Commit not to provide insurance coverage if, following an appropriate review of the Coral North FLNG project, non-compliance with the guidelines is identified;
- Commit not to provide direct financial support for other gas projects in Mozambique, including the Mozambique LNG project;
- Align NEXI's financial support with the ambitious goal of limiting the global temperature rise caused by global warming to less than 1.5°C—specifically, by excluding support for companies involved in new oil and gas projects.

We would like to inquire about the following four points.

- Regarding NEXI's Approaches for Carbon Neutrality, "2. Approaches Towards Net Zero by 2050"²⁶—in which you announced on October 29, 2021, that you would study on measures to cut greenhouse gas emissions in the conduct of your trade insurance business—how do you view the consistency of this stance with the Coral North FLNG project, which is expected to result in substantial greenhouse gas emissions?
- International Finance Corporation (IFC) Performance Standard²⁷ 6, "Biodiversity Conservation and Sustainable Management of Living Natural Resources"—which your company uses as a criterion to verify compliance during the environmental review process—defines "Critical Habitat" to include areas that are crucial for species listed as Critically Endangered and/or Endangered on the IUCN Red List of Threatened Species; it further stipulates that no project activities may be undertaken if the conditions set forth in Paragraph 17 are not met. As previously mentioned, given the presence of numerous endangered species, this project is considered to be located within a "Critical Habitat"; how does your company view this project from the perspective of biodiversity?
- What benefits would Japan derive from NEXI's support to this project?

²⁶ <https://www.nexi.go.jp/en/topics/newsrelease/2021102804.html>

²⁷ <https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standards-en.pdf>

- Regarding the Mozambique LNG project—which is being developed in the same region as the Coral North FLNG—serious human rights violations have been highlighted; consequently, export credit agencies from the UK and the Netherlands withdrew from the project last December, citing these various risks. Furthermore, a report commissioned by the Dutch Ministry of Finance regarding human rights violations linked to the project²⁸ was released that same month. Amidst these international movements, what information and criteria are you using to determine whether to continue financial support for Mozambique LNG and whether to provide financial support for Coral North FLNG?

We would appreciate it if you could provide answers to the above questions by Friday, July 24. We would also be grateful for the opportunity to meet with you to discuss this matter further.

We look forward to your prompt and appropriate response.
Thank you.

Signatures:

Friends of the Earth Japan

Japan Center for a Sustainable Environment and Society (JACSES)

Mekong Watch

Justica Ambiental (Friends of the Earth Mozambique)

ReCommon

Oil Change International

urgewald

Reclaim Finance

²⁸<https://www.clingendael.org/publication/human-rights-violations-mozambican-security-forces-context-mozambique-lng-project>