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Natural Gas

The new 'green' resource curse?

While natural gas is considered a low-carbon alternative to other fossil fuels in the quest to transition to renewable energy, its exploration has security, environmental and geopolitical implications for the regions where it is found. In Mozambique, a large natural gas field has drawn in foreign investors, while construction of infrastructure has displaced thousands of people and violent insurgency related to the gas field is threatening the local population. A natural gas field off the coast of Cyprus is escalating tensions between Greece and Turkey, flaring up the tense relations between the EU and Turkey and around the unresolved divide of Cyprus. This Clingendael policy brief analyses and compares the implications of natural gas extraction in Mozambique and Cyprus. It concludes that natural gas does not necessarily imply a new form of the resource curse but framing it as 'less harmful' than other fossil fuels turns a blind eye on its political, security and environmental implications. Preferably, investments in natural gas should be redirected to renewable energy and transparency of financial and diplomatic ties between Mozambique and donor countries should be enhanced. Yet, natural gas at the same time could be an entry point to normalise relations between the EU and Turkey.

Natural gas in Mozambique and the Mediterranean: an opportunity or curse?

The discovery of natural gas reserves off the coast of Mozambique and Cyprus has sparked investments from international fossil fuel-companies into Liquefied Natural Gas (LNG), which has triggered debates among environmentalists, human rights advocates and governments. Oil company Total describes LNG as “the best option currently available for combating global warming while ensuring the world has access to the energy it needs”.¹ It is considered a low-carbon alternative to oil and coal, since

CO₂ emissions of gas extraction are lower.² Natural gas has previously been extracted in various places such as Australia, the Netherlands, Norway, Algeria and Trinidad and Tobago. The existence of natural gas reserves attracts foreign investment, but also draws in competing claims regarding the ownership of the resource and territorial disputes. In the Netherlands, for example, the gas extraction has led to small earthquakes and unrest in the affected territory.

In Mozambique, a natural gas field was discovered off the coast of Cabo Delgado a decade ago. It appeared an opportunity for the country to move away from its status as one of the world's poorest countries,

1 Total, 'Operating across the entire natural gas value chain', <https://www.total.com/commitment/climate-change/growing-natural-gas> (accessed October 2020)

2 While the gas itself may contribute less to CO₂ emissions than oil or coal, methane is a part of its production process and is a potent greenhouse gas.

ranking 181st on the Human Development Index.³ Several LNG-projects are currently being developed by oil companies Total, ExxonMobil, BP, China National Petroleum Corporation (CNPC) and Shell, worth in total \$60 billion dollars. However, in order to make way for onshore LNG-infrastructure, people have been displaced or relocated away from their farming and fishing livelihood sources. Additionally, inequality and dispossession are aggravated by the development of the natural gas fields, which attracts violent insurgents who exploit these conditions to recruit members.⁴ The region is increasingly experiencing violent attacks against civilians, causing further displacement.⁵

Another large natural gas field off the coast of Cyprus is also intensifying historical geopolitical tensions between Greece and Turkey, who both claim rights to the territory of the gas field. It brings back the territorial question of Cyprus that is still looming after years of ongoing dispute. The island is currently divided into a Greek Cypriot Administration in the south, and the Turkish Republic of Northern Cyprus, separated by a United Nations Buffer Zone. The location of the natural gas field, approximately 100 nautical miles (NM) off the south coast of Cyprus, adds further tensions among Greece and Turkey.

The problems surrounding natural gas fields in both Mozambique and Cyprus, raise questions about whether natural gas constitutes a new resource curse. This term, introduced by World Bank economist Paul

Collier in the 1990s, points to the paradox that countries not always benefit from new natural resources. Instead, these new natural resources may become a source of strife between different groups and can hinder the competitiveness of other sectors of the economy.⁶ Is natural gas, similar to the curse of oil, the next resource in line that plunges countries into turmoil, violence and despair rather than economic prosperity and stability? This policy brief dives deeper into these two cases of natural gas exploration and its security implications, compared to natural gas explorations elsewhere, looking particularly to Norway and Australia.

Natural gas in Mozambique: Poverty, debt crisis and violent insurgency

Mozambique, a country on the southeast coast of Africa, was a Portuguese colony for over 400 years. It gained independence in 1975 after a decade-long war of independence.⁷ The independence fighters, Frente de Libertação de Moçambique (Frelimo), demanded the ceasefire from the Portuguese, which confirmed their right to assume power under a single-party system in independent Mozambique.⁸ The Frelimo government invested in common agricultural farms, education, health care and services, which was undermined by the Resistência Nacional Moçambicana (Renamo), an insurgency group trained and supported

3 *Human Development Report 2020: The Next Frontier, Human Development in the Anthropocene*, United Nations Development Programme, 2020, <http://report.hdr.undp.org/> (accessed December 2020).

4 Buchanan-Clarke, S., 2020. 'Going deep into Mozambique's Cabo Delgado extremism', *Good Governance Africa*, posted 29 October 2020, <https://gga.org/going-deep-into-mozambiques-cabo-delgado-extremism/> (accessed January 2021)

5 Van Beek, B., et al. 2019. 'The Curse of Natural Gas in Mozambique', *Down to Earth Magazine*, posted 10 January 2019, <https://downtoearthmagazine.nl/the-curse-of-natural-gas-in-mozambique/> (accessed October 2020).

6 Collier, P. and Hoeffler, A., 1998. 'On Economic Causes of Civil War', *Oxford economic papers*, 50(4), 563-573.; The premise of the resource curse has been debated and rephrased to fit other contexts, for an overview see: Badeeb, R.A., Lean, H.H. and Clark, J. 2017. 'The evolution of the natural resource curse thesis: A critical literature survey', *Resources Policy*, 51, 123-134.; See also: Di John, J., 2011. 'Is there really a resource curse? A critical survey of theory and evidence', *Global governance: A review of multilateralism and international organizations*, 17(2), 167-184.

7 Britannica., 'Mozambique under the new state regime', <https://www.britannica.com/place/Mozambique/Mozambique-under-the-New-State-regime> (accessed October 2020).

8 Ibid.

by white Rhodesia, apartheid South Africa, former Portuguese settlers and Mozambicans opposed to Frelimo.⁹ Although the civil war between the Frelimo and Renamo between 1977-1992 was an intra-state war, it was also a Cold War proxy battleground between the Soviet Union backing Frelimo, and the US supporting the insurgents from Renamo.¹⁰ It is estimated that one million people died during the conflict.¹¹

The parties agreed to end the conflict in 1992, which was followed by multiparty elections in 1994. Ever since the first elections, Frelimo has won the majority of the votes.¹² Tensions have remained, as Frelimo represents the political (elitist) centre in the south and Renamo represents the poorer sections of society, who have been victims of the unequal development and economic opportunities; consequences emanating from government policies of modernisation and industrialisation.¹³

Financially, Mozambique has been highly dependent on external support and has been enrolled in the IMF's Economic Adjustment Programme since the 1980s. It is one of the countries with the highest Overseas Development Aid (ODA) dependence in Africa. In 2015, the World Bank International Development Association and the United States were the largest donors, accounting for 648 million USD, over 50% of the total ODA. Mozambique has long been the 'darling of the donor community,' but discovery of an undisclosed state company debt amounting 2.2 billion USD in 2016 – equivalent to 15 percent of the GDP – has

resulted in donors withdrawing their support. These loans from Credit Suisse and a Russian investment bank were obtained to develop maritime security, a tuna fleet and offshore oil and gas operations, becoming effective under a state guarantee by the Ministry of Finance, without a vote in parliament. A debt crisis occurred when the debtholders incurred losses from collapsing international oil and gas prices. Mozambique's intimate relationship with the international donor community draws attention to how internationally imposed policies of liberalisation and privatisation potentially contributed to obscuring transparency and might have been conducive for this "deal".¹⁴ As a consequence of the debt crisis, the government needs to cut public spending, which is likely to affect the poorest in the country mostly.

Against this background, the discovery of one of the world's largest LNG reserves off the coast at Cabo Delgado in northern Mozambique (Figure 1), by the international gas and oil multinationals Anadarko (USA) and ENI (Italy) in 2010, promised a fortunate pathway to clear its debts. However, Mozambique is unlikely to receive its LNG revenues until the late 2020s, owing to delays resulting from political and economic instability.¹⁵ LNG projects are developed among others by Total, ENI, ExxonMobil and China National Petroleum Corporation (CNPC), but Mozambique's inability to independently support the industry leaves it unclear to what extent the country benefits from the natural gas revenues.¹⁶

In addition, development of onshore LNG infrastructure, including Shell's on-land liquefaction factories, has displaced local

9 Momodu, S., 2018. 'The Mozambican Civil War (1977-1992)', *Black Past*, posted 4 July 2018, <https://www.blackpast.org/global-african-history/the-mozambican-civil-war-1977-1992> (accessed 21 December 2020).

10 Ibid.

11 Ibid.

12 Britannica. 'Mozambique under the new state regime,' <https://www.britannica.com/place/Mozambique/Mozambique-under-the-New-State-regime>.

13 Hanlon, J., 2010. 'Mozambique: 'The war ended 17 years ago, but we are still poor'', *Conflict, Security & Development*, 10(1), 77-102.

14 Navarra, C. and Rodrigues, C.U., 2018. 'Debt, aid and poverty in Mozambique: Lessons learned from the debt crisis', *Nordic Africa Institute*, January 2018.

15 Ballard, B., 2018. 'Mozambique's dramatic economic reversal', *World Finance*. July 2018. <https://www.worldfinance.com/special-reports/the-mozambique-debt-crisis>.

16 Rawoot, I., 2020. 'Gas-rich Mozambique may be Headed for a Disaster', *Al Jazeera*, 24 February, Opinions section, <https://www.aljazeera.com/opinions/2020/2/24/gas-rich-mozambique-may-be-headed-for-a-disaster/> (accessed October 2020).



Figure 1 Natural Gas Field off the Coast of Mozambique (Source)

populations. The Quitupo community have been displaced from their cultivated land and fishermen lost their livelihoods as a result of offshore constructions. To secure land access and manage involuntary displacement, a special 'resettlement'-programme has been approved by the government.¹⁷ The replacement village, Quitunda, is being constructed and relocations are underway to restore and improve livelihoods of displaced people.

However, reports indicate that the gas industry is fuelling human rights abuses, poverty, corruption, violence and social injustice. Relocation efforts, such as the Quitunda resettlement village, do not meet the promises made, as arable land is located too far away from people's homes and the land is a tenth the size of the original plots.¹⁸ In addition, Cabo Delgado has seen

a rise in violent insurgency since 2017.¹⁹ The ISIS-affiliated armed group, Ahlu Sunnah Wa-Jama, has claimed responsibility for violent attacks and seized the port of Mocimboa da Praia for the third time in twelve months in August 2020. According to the United Nations (UN), around 355.000 people have been displaced since the start violent conflict in 2017.²⁰ While there is no direct proof of the link between the violent armed groups and the discovery of natural gas, the timing of the insurgency suggests a link, according to experts.²¹ The violent insurgency has disrupted the transportation of equipment through the port of Mocimboa da Praia, which is used for cargo deliveries

17 Mozambique LNG, 'Resettlement', <https://www.mzlng.total.com/en/sustainability/resettlement> (accessed November 2020).

18 Friends of the Earth International, 2020. 'Gas Rush, Human Rights Abuses, Climate Devastation, Insurgent Attacks, Covid Hotspot', posted 4 June 2020, <https://www.foei.org/take-action/gas-human-rights-covid-mozambique> (accessed October 2020).

19 NOS Nieuws, 2020. 'Jihadisten onthoofden tientallen mensen Mozambique, 'geweld neemt al langer toe'', Buitenland, last updated 10 November 2020, <https://nos.nl/artikel/2355947-jihadisten-onthoofden-tientallen-mensen-mozambique-geweld-neemt-al-langer-toe.html> (accessed November 2020).

20 United Nations Office for the Coordination of Humanitarian Affairs, 'Mozambique: Situation Report', last updated 30 October 2020, <https://reports.unocha.org/en/country/mozambique/> (accessed October 2020).

21 BBC, 2020. 'Mocimboa da Praia: Mozambique battles for port seized by IS', posted 13 August 2020, World section, <https://www.bbc.com/news/world-africa-53764943> (accessed October 2020).

to the offshore constructions. Economic and development disparities between political elites and the population fuel violence in Cabo Delgado, as the armed group instrumentalizes the population's grievances about poor governance, corruption and inequality.²² By engaging youth, targeting civilians to elicit a government response and gaining control over territory, Ahlu Sunnah Wa-Jama delegitimises the government's authority.²³

The presence of natural gas in Mozambique, has in the first decade, not resulted in any positive outcomes for local people as its potential had indicated. The combination of poor governance, high national debts and sustained political unrest have turned natural gas into a kind of resource curse, in which the presence of resources brings despair instead of prosperity.

Natural gas in the Mediterranean: adding fuel to Cyprus' unresolved geopolitical tensions

The island of Cyprus in the Eastern Mediterranean became an independent republic in 1960 after being part of the Ottoman and the British Empire respectively. This history resulted in the island's population consisting of both Turkish and Greek Cypriots at independence, which soon led to communal violence that landed the longest running United Nations peacekeeping mission still present on the island today.

In 1974, Greek Cypriots attempted a military coup with support from the military junta in Greece, which was followed by the invasion of the northern shores by Turkey. Despite efforts at reconciliation and peacebuilding, the island remains divided between the Republic of Cyprus (Greek Cypriot Administration), which is internationally recognised and an EU-member state, and the Turkish Republic of Northern Cyprus, whose sovereignty is not recognised internationally.

Adding to this geopolitical context, is Cyprus' proximity to Egypt, Israel, Lebanon, Syria and Turkey, which all share in the natural resource wealth of the Mediterranean Sea. Natural gas reserves in the Eastern Mediterranean are allocated according to the measurement of Exclusive Economic Zones (EEZs), between countries bordering the sea (Figure 2). In 2019, a new large natural gas reserve was discovered in close proximity to Cyprus (located in block 10, Figure 2). Greece and Turkey both claim ownership of this gas reserve, as a consequence of the different legal standards used for determining a country's rights at sea.

Greece adheres to the *12 nautical miles (NM)-rule* as defined in the United Nations Convention on the Law of the Sea of 1985. The convention also determines that the EEZ of a country extends 200NM off the coast.²⁴ Turkey, however, is not a signatory to this convention and uses the basis of the *continental shelf* to determine rights at sea. In that vein, Turkey argues that islands do not have rights to a continental shelf and can thus only assert power within the 12NM. As the natural gas field is located outside 12NM but within the EEZ of Cyprus, at around 100NM off the coast, it is located within the Greek Cypriot definition of its EEZ but not inside Turkey's definition of Greek Cypriot rights at sea.

22 Columbo, E., 2020. 'The Secret to the Northern Mozambique Insurgency's Success', *War on the Rocks*, posted 8 October 2020, <https://warontherocks.com/2020/10/the-secret-to-the-northern-mozambique-insurgencys-success/> (accessed 21 December 2020).

23 Bukarti, A.B. and Munasinghe, S., 2020. 'The Mozambique Conflict and Deteriorating Security Situation', *Tony Blair Institute for Global Change*, <https://institute.global/policy/mozambique-conflict-and-deteriorating-security-situation>.

24 Al Jazeera, 2020. 'What is behind the Eastern Mediterranean oil and gas rush?', *Al Jazeera Counting the Cost*, posted 29 August 2020, <https://www.aljazeera.com/programmes/countingthecost/2020/08/eastern-mediterranean-oil-gas-rush-200829100835753.html> (accessed September 2020).

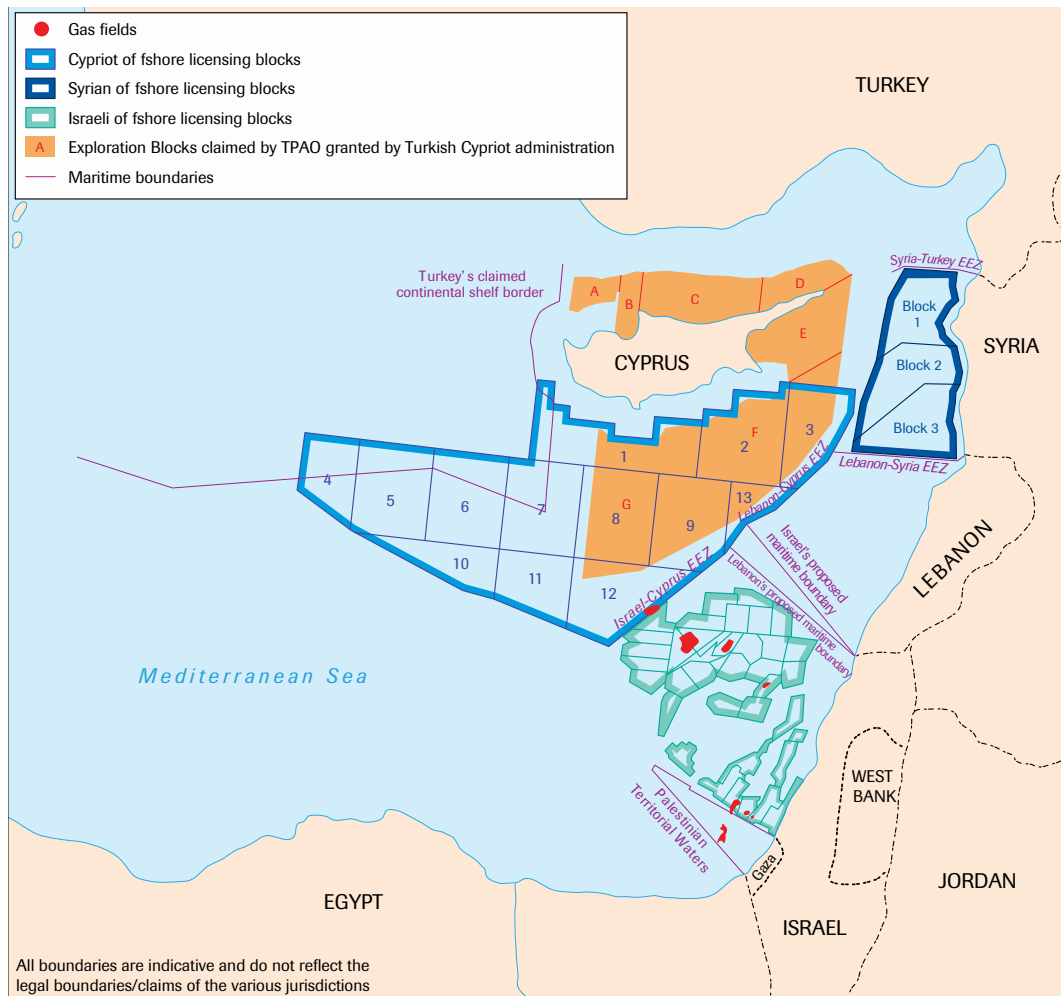


Figure 2 LNG reserves divided among EEZ's in Eastern Mediterranean. Source.

This natural gas dispute follows from the inherent geopolitical and economic problems that arise from Cyprus' unresolved territorial conflict and it poses additional risks to security and stability of the island and the region. Just days after the discovery of the reserve, Turkish military vessels intervened in the Cypriot waters to stop drilling companies – that were licensed by the government of the Republic of Cyprus – from exploring the gas reserve.²⁵ Not dissimilar to frictions about unilateral actions on the Aphrodite gas field (in block 12) – which violated the spirit of

peace talks a decade ago – unilateral action on the new gas reserve is not supported this time either.²⁶ In 2019, Turkey's foreign ministry's spokesperson Hami Aksoy warned the Greek Cypriot administration against unilateral exploration of the natural gas fields as “Turkish Cypriots are as much the equal owners of the island.”²⁷

25 Andrei, R., 2019. 'The Cyprus Issue and Natural Gas in the Eastern Mediterranean', *Geopolitical Monitor*, posted 2 September 2019, <https://www.geopoliticalmonitor.com/the-cyprus-issue-and-natural-gas-in-the-eastern-mediterranean/> (accessed September 2020).

26 Pope, H., 2012. 'Natural gas can power progress in Cyprus', *International Crisis Group*, posted 14 April 2012, <https://www.crisisgroup.org/europe-central-asia/western-europemediterranean/cyprus/natural-gas-can-power-progress-cyprus> (accessed September 2020).

27 Daily Sabah, 2019. 'Exxon Mobil discovers huge natural gas reserve off Cyprus', *Daily Sabah*, posted 28 February 2019, <https://www.dailysabah.com/energy/2019/02/28/exxon-mobil-discovers-huge-natural-gas-reserve-off-cyprus> (accessed September 2020).

Since then, Turkey has sent drilling ships to the waters of northern Cyprus, followed by sanctions from the EU that acted in solidarity with Greece and Cyprus. In August 2020, Turkey's drilling vessels explored the coast of southern Cyprus, breaching Cyprus' EEZ and triggering EU sanctions on Turkish officials again.

Turkey's natural gas exploration in Cypriot waters is not an isolated event in creating friction between the EU and Turkey. It takes place in a broader historical context of waves of cooperation and distrust, with the current state of relations on a downward slope. Although the process of Turkey's accession into the bloc was already moving at a very slow pace, the EU has effectively frozen pre-accession negotiations.²⁸ This is the result of recurring causes for concern, including Turkey's democratic track record and imprisonment of members of the political opposition, in addition to Turkey's unilateral military intervention in Syria and President Erdogan's threat to dismantle the 2016 migration with the EU.²⁹ Discovery of natural gas around Cyprus thus represents the most tangible tension that could spark conflict in the sensitive geopolitical relations between the EU, Greece, Cyprus and Turkey.

Natural gas: Another resource curse?

Although the two cases illustrate different security implications, intrastate extremist violence in a context of poverty and debt on the one hand and geopolitical tensions on the other hand, both are related to the exploration and existence of large natural gas fields. Richness of natural resources has plunged countries into deadly civil conflict

before, for example in the Democratic Republic of Congo, where mineral wealth was considered a resource curse.³⁰ The resource curse links the presence of large volumes of non-renewable natural resources to the emergence of turmoil, violence and civil war in the context of poor governance. Although the direct link between conflict and natural resources is not always explicit, natural resources can contribute to violent conflicts. As is the case in Mozambique, where governance is fragile and financial stability is absent, natural resources such as natural gas can play a role in fuelling conflict. However, Mozambique also indicates that a complex set of circumstances determine a situation, in which governance, power and financial capabilities play an important role.

In Mozambique, the structural problems have not improved as a result of enhanced gas exploration and financial investments, and therefore continue to create a breeding ground for insurgents to capitalise on. Additionally, the presence of the gas field raises suspicion among the general population that only the political elite benefits from this, further turning the general population against the governing authorities. As the LNG is proposed to be shipped out of Mozambique towards Europe and Asia, there is doubt about whether Mozambicans will benefit from the increased production to tackle the country's energy scarcity.³¹ Crucially, the role of external donors and investors in the creation of Mozambique's current financial, social and political situation should be critically examined.

The natural gas issue in the eastern Mediterranean has a different security dimension: a frozen civil conflict on an island still dominated by the unresolved political

28 European Commission. 'European Neighbourhood Policy And Enlargement Negotiations: Turkey', https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/turkey_en (accessed February 2021).

29 For ways forwards on EU-Turkey cooperation on migration see: Van Heukelingen, N. 2021. 'A new momentum for EU-Turkey cooperation on migration', *Clingendael Policy Brief*.

30 Collier, P. and Hoeffler, A., 1998. 'On Economic Causes of Civil War', *Oxford Economic Papers*, vol. 50, no. 4, 1998, pp. 563–573.

31 Louw-Vaudran, L., 2020. 'What peace in Cabo Delgado means for Mozambique and its neighbours', *Institute for Security Studies Africa*, posted 14 October 2020, <https://issafrica.org/iss-today/what-peace-in-cabo-delgado-means-for-mozambique-and-its-neighbours> (accessed November 2020).

and geopolitical tensions between Greece and Turkey. This case highlights the external dimension of resource-richness, where no internal strife occurs but two countries and a regional block are entangled in a sensitive 'political dance' to exert their power over the resource wealth. Although the conflict over Cyprus' natural gas field is so far less violent than in Mozambique, escalation can spark further conflict in the Eastern Mediterranean. Similar to Mozambique, the contested authority and governance on the island of Cyprus is at the heart of the geopolitical conflict around the new natural gas field in the Eastern Mediterranean.

Cyprus and Mozambique appear to present natural gas as a resource curse. However, similar to other non-renewable natural resources, the mere presence of natural gas does not always pose security risks. Governance, in terms of uncontested sovereignty and solid finances, is the main ingredient lacking in Cyprus and Mozambique. In comparison, other countries such as Norway, which is among the world's largest gas exporters, are not experiencing immediate negative security implications such as poverty or political (violent) conflict as a consequence of natural gas fields. Similarly, Australia, a country rich in natural resources such as minerals, natural gas and coal, is also not entangled in conflict over these resources. Both Norway and Australia are unopposed in their right to claim these natural resources, as their sovereignty is not contested. Moreover, both countries are financially able to invest in natural gas exploration and liquefaction without relying on foreign investments, resulting in revenues flowing back into the country.

In both Cyprus and Mozambique, governance, sovereignty, ownership and human development are issues that give rise to conflict around the natural gas fields. Interestingly, both Cyprus and Mozambique were former imperial colonies, gutting them of any kind of experience or technical knowledge regarding central governance and especially, management of natural resources. Although Australia was also colonised, the country is still settler colony, where the colonisers never left and are thus currently still running central government.

Although limited by the scope of this paper, further research on the link between colonial histories and the resource curse would be of substantial value to generate further understanding of the natural resources curse.

Non-violent security implications of natural gas

While the resource curse draws attention to economic and political security implications of natural resources, it is accompanied by additional implications on environmental security. As liquefied natural gas is considered a low-carbon alternative to other fossil fuels, it is important to understand the environmental implications of natural gas in order to be able to define its security impact.

Calculations of natural gas carbon footprint indicating that it is lower than that of oil, do not account for the methane emissions that occur from leakage during natural gas production. As methane is a potent greenhouse gas (GHG) that can absorb heat more efficiently than carbon dioxide (CO₂), its warming potential is also much higher than that of CO₂. Consequently, using natural gas as a 'transition' energy to substitute oil and coal before committing to renewable energy means swapping carbon emissions for methane emissions – both GHGs that contribute to climate change. Emissions from natural gas are generally lower than that of coal or oil, leading scientists to calculate the maximum amount of gas leakage that is allowed for natural gas to be less-polluting than other fossil fuels. The climate cost of natural gas breaks even to oil and coal when the leakage rate of natural gas is 1 percent.³² However, leakages rates are expected to be much higher, meaning that natural gas is effectively not a cleaner energy source and

32 Borunda, A., 2020. 'Natural gas is a much 'dirtier' energy source than we thought', *National Geographic*, posted 19 February 2020, <https://www.nationalgeographic.com/science/2020/02/super-potent-methane-in-atmosphere-oil-gas-drilling-ice-cores/> (accessed November 2020).

thus does not represent a perfect transition energy, as Total claims.

The security implications of natural gas therefore constitute more than just its political and economic consequences. While countries such as Australia and Norway may not experience violent conflict as a result of natural gas fields, both do have to cope with the impact of increasing greenhouse gases in the atmosphere. GHG-emissions have already contributed to climate change to such an extent that Australia's population and security is affected by extreme bushfires and water scarcity.³³ Similarly, climate change will increase competition and geopolitical tension in the Arctic, which can be considered a security risk to Norway.³⁴ Therefore, assessing the impact of natural gas should include risks linked to its contribution to climate change and subsequent impact on security too. Only then the true costs of natural resources are accounted for.

Recommendations

Five recommendations for international actors follow from the analysis:

First, framing LNG as another resource curse does not do justice to the broader context of security implications of fossil fuel extraction. Therefore, in order to judge the potential impact of LNG, not only (geo)political or

economic dimensions should be considered, but also its (future) environmental and subsequent (human) security implications.

Second, natural gas is not the only dispute between Turkey and the EU, as the relations are characterised by the strategic cards both sides hold. Turkey on the one hand, can open up migration routes from the Middle East to the EU, giving them a stronger bargaining position to make demands on other issues. The EU, on the other hand, can sanction the Turkish economy. De-escalating the natural gas dispute could however serve as an entry point to normalise relations between Turkey and the EU. Especially as cooperation on this front could benefit the Cyprus question and other EU-Turkey geopolitical disputes in the long run.

Third, the role played by international donors in stimulating the financial deterioration of Mozambique requires introspection, as well as the role played by foreign governments supporting and promoting their national oil companies with the government of Mozambique.³⁵ Not only should foreign aid and investment not do harm, but governments also have the responsibility to reach their climate goals. Actively promoting a liquefaction plant and supporting new extraction of fossil fuels does not reconcile with the obligations of developed countries, to carry the bigger share of the climate adaptation and mitigation burden and assist developing nations in accessing sustainable energy. Therefore, stronger regulations and transparency on financial flows and diplomatic ties between governments and private fossil fuel companies is necessary.

33 Climate Council, 2020. 'NSW Inquiry: Climate Change Fuelled Bushfires', posted 25 August 2020, https://www.climatecouncil.org.au/resources/nsw-inquiry-climate-change-fuelled-bushfires/?utm_source=Climate+Council+of+Australia&utm_campaign=66139e96350920_Sept_News_ND&utm_medium=email&utm_term=0_03ddbdd2e5-66139e9635-157656938 (accessed October 2020); Planetary Security Initiative, 2020. 'Worldwide wildfires threaten security', posted 16 December 2020, <https://www.planetarysecurityinitiative.org/news/worldwide-wildfires-threaten-stability> (accessed December 2020).

34 Zandee, D., Kruijver, K. and Stoetman, A., 2020. 'The future of Arctic security: The geopolitical pressure cooker and the consequences for the Netherlands', *Clingendael Policy Brief*, April 2020.

35 The Netherlands Embassy, for example, has actively promoted the Royal Dutch Shell to the government of Mozambique for the liquefaction plant and created "development policies in which aid relations became trade relations." (Van Beek, B., et al. 2019. 'The Netherlands helps Shell profit from gas in dirt-poor Mozambique', *Down to Earth Magazine*, posted 10 January 2019, <https://downtoearthmagazine.nl/the-netherlands-helps-shell-profit-from-gas-in-dirt-poor-mozambique/> (accessed December 2020).

Fourth, both cases of natural gas in Cyprus and Mozambique represent a broader trend of externalising the security implications of energy supply and other polluting practices. As the EU's Green Deal aims to decarbonize the economy, stricter climate rules apply to European businesses that produce on European soil. The European Council Conclusions on Energy Diplomacy in January 2021 stated that further investment into fossil fuel-based energy infrastructure in third countries is discouraged and no new coal infrastructure should be constructed.³⁶ However, the Conclusions do not regulate existing fossil fuel infrastructure, leaving room for European-based energy companies to continue harmful practices of natural gas extraction and production in third countries. Fossil fuel infrastructure should not only be discouraged through climate policies in the EU, but European energy companies should also be made to bear the consequences of their business in third countries. The EU has the responsibility to regulate this in order to avoid outsourcing the environmental, social and economic implications of its own Green Deal by pushing companies to continue their businesses outside the EU.





Fifth and related, with regard to policy debates on LNG, the question whether investing in fossil fuels is still a good idea at this point is often not posed. Arguably it is not in line with the objective of the Paris Agreement on Climate Change to keep temperature rise well below two degrees. Neither is it commensurate with recently announced pledges of several countries and blocs to become carbon neutral by 2050 or 2060. Energy investments might better be directed to renewable energy, leaving the resource curse further behind since such investments tend to go down with lower profit margins and elite captures.

36 Council of the European Union, 'Council conclusions on Climate and Energy Diplomacy -Delivering on the external dimension of the European Green Deal', 25 January 2021.

About the Planetary Security Initiative

The Planetary Security Initiative sets out best practice, strategic entry points and new approaches to reducing climate-related risks to conflict and stability, thus promoting sustainable peace in a changing climate. The PSI is operated by the Clingendael Institute in partnership with Free Press Unlimited and The Hague Center for Strategic Studies.





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