



# Mozambique's New Petroleum Law

## WHAT COMMUNITIES NEED TO KNOW



Mozambique is revising its Petroleum Law – the main law that governs how oil and gas projects are approved and run. Parliament has approved the changes in general terms; the detailed provisions are still being finalised. Communities in or near areas with oil and gas operations need to understand what is changing. This law directly affects land rights, fishing and farming livelihoods, housing, resettlement, benefit-sharing, and who gets a real say in decisions.

### WHY PAY ATTENTION NOW?

The Government says the revisions will make better use of Mozambique's energy resources, support economic development, and attract investment. Those goals are not new, and they are not wrong. But communities have heard similar promises before.

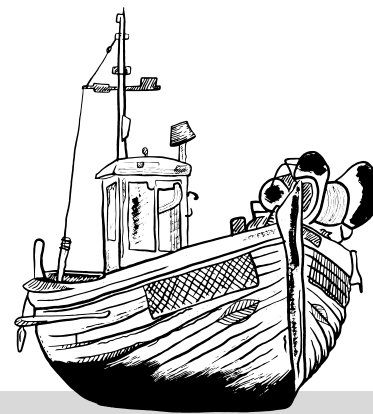
Mozambique has large natural gas reserves. That has not translated into wellbeing for most host communities. The pattern in comparable countries is consistent: extractive wealth concentrates at the top while the costs land on local people – land loss, displacement, pollution, broken promises. So communities are right to look past the Government's framing and ask what the law actually guarantees, specifically for them.

### WHAT IS CHANGING?

#### **Binding agreements with affected communities**

Companies holding petroleum rights may have to enter into legally binding agreements with people who hold rights in an affected area, or with communities affected by the project.

This matters because there is a long list of unfulfilled commitments in Mozambique's extractive sector – resettlement promises, compensation figures, social responsibility pledges – with nothing to enforce them. A binding agreement is at least the right structure. The problem is that binding does not mean fair. Companies arrive with lawyers, technical experts, and time. Communities typically arrive with none of those things.



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Before any agreement is signed, communities need answers:

- **Who speaks for the community and how were they chosen?**
- **What must the company disclose before negotiations begin?**
- **Is independent legal and technical support available to the community?**
- **What happens if the company fails to honour the agreement?**
- **Can communities challenge terms accepted under pressure or without proper information?**

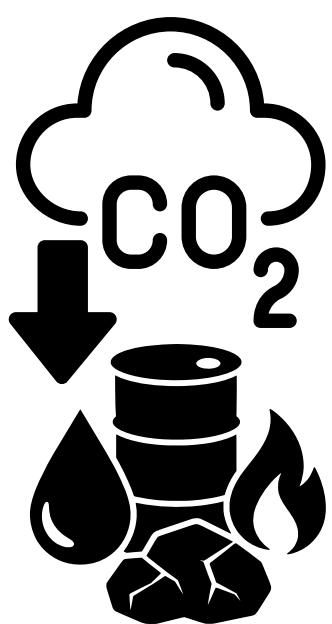
If these questions do not have clear answers, the agreement will protect the company more than the community.

### Human rights compliance reports

Companies may be required to prepare and submit human rights compliance reports. Disclosure requirements have value – they create a paper trail and establish a baseline for accountability. But a report means nothing unless there is a consequence when it shows problems. Communities need to know who reviews these reports, whether they will be publicly accessible, and what remedy exists when violations are found. If those answers are unclear, or left to the company, the reporting requirement is largely symbolic.



### Carbon Capture, Utilisation and Storage (CCUS)



CCUS – technology designed to capture emissions from fossil fuel operations and store or repurpose them.

CCUS is presented as a climate solution. It is also used routinely by the fossil fuel industry to justify continued and expanded extraction. Communities near storage sites need to know the safety and environmental risks, who regulates the technology, and who monitors it long-term. The deeper concern is this: CCUS does not change who bears the costs of extraction. It changes the industry's argument for why those costs are worth bearing.

### Legal certainty

The reforms emphasise "legal certainty" – clear, stable, predictable rules that give investors confidence. That is a legitimate concern. But a law that is precise about company rights and vague about community rights is a law that protects capital, not people. Legal certainty for communities means enforceable rules on land rights, fishing and livelihood protections, resettlement, participation, and access to remedy – with the same specificity as the investment provisions. If those are absent or vague, the law is incomplete regardless of what it says about investor confidence.



## WHAT SHOULD COMMUNITIES WATCH FOR?

### Consultation that is real



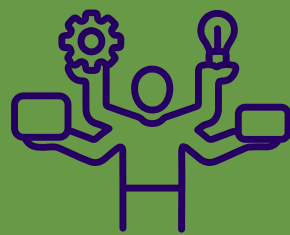
Communities should not be told about decisions that are already effectively made. Real consultation means timely, accessible information; the genuine chance to influence outcomes before they are locked in; and community views that are actually reflected in decisions, not just noted.

### Rights that hold in practice



A rights clause in a law is the starting point, not the end. Practical protection requires access to courts, working complaints procedures, protection from intimidation, and real remedies — not promises of review.

### Development that shows up in people's lives



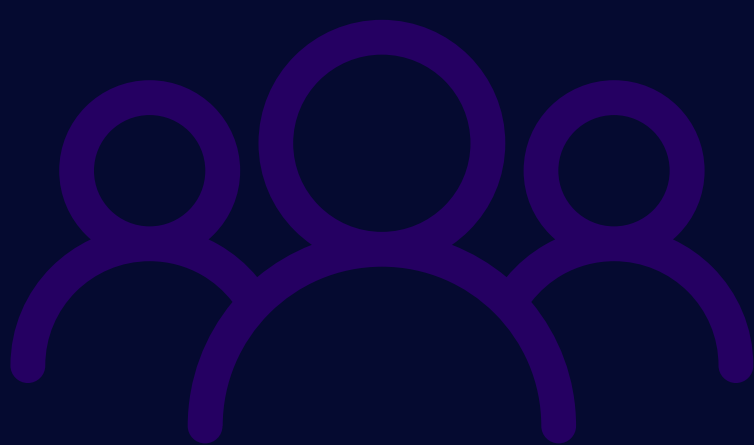
Revenue numbers mean nothing on their own. Ask specifically: what jobs go to local people, what services will improve, what compensation will be paid and when, who manages the money, and how communities will know if it is diverted.

### Benefit-sharing with teeth



Communities hosting extraction routinely receive very little of the revenue generated from their land. The law should specify how benefits are calculated, distributed, and verified. Without that, "benefit-sharing" is a phrase, not a legal commitment.

## THE BOTTOM LINE



Communities should not be asked to absorb the costs of petroleum development in exchange for vague promises of benefit. Clear, enforceable legal protections are not an unreasonable demand. They are the baseline.

**There is no legal certainty for investors without legal certainty for communities.**