

June 20, 2025

U.S. International Development Finance Corporation

1100 New York Ave NW, Washington, DC 20527

Subject: Concerns About DFC's Potential Support of the Reko Diq Mine in Pakistan

To Whom It May Concern:

Thank you for the opportunity to comment on the U.S. International Development Finance Corporation's (DFC) consideration of support for the Reko Diq Mine in Pakistan. Friends of the Earth is concerned about the agency potentially investing in this project based on issues raised in the environmental and social impact assessment (ESIA):

Regional Political Instability:

The Reko Diq project is located in Pakistan and is expected to be one of the world's largest suppliers of transition metals¹. It is just 50 miles from Afghanistan and 40 miles from Iran, positioning the project in a region with long-standing conflicts that have recently escalated¹. When the Taliban retook power in Afghanistan in late 2021, terrorist attacks in the region rose around 27% from the previous year, according to the Pak Institute for Peace Studies¹. People involved with the Reko Diq project have stated that it will undoubtedly be a target of the Taliban, especially if it is financially supported by the United States by an agency like the DFC.

There are also internal conflicts within the Balochistan province, where the Reko Diq project is located, that the DFC should remain cognizant of before committing its financial support. This province has been subject to militant insurgencies for decades, and the situation recently worsened, prompting Pakistani officials to take immediate measures to enhance security². The ESIA for this project found that "[i]t is likely that additional mining projects increase the overall security risks in the region and may attract more insurgency," which aligns with what has been seen in the province throughout 2025³. Independent experts earlier this year wrote that "despite expensive security operations, Pakistan's least developed province remains inhospitable to investors,"⁴ which reflects the current political environment in the region.

The Pakistani government has also made significant investments directed at reinforcing the security of the Reko Diq mining site. It has been reported that over \$43.2 million was approved

¹ <https://www.ft.com/content/7a1db3cf-a61b-4ef5-b90d-ea98fe530295>

² <https://www.dawn.com/news/amp/1917722>

³ <https://www3.dfc.gov/environment/eia/rekodiq/Appendix-V-Stakeholder-Engagement-Report.pdf>

⁴ <https://www.dawn.com/news/1893990>

by the country's federal government to protect the project amid rising security concerns from insurgencies in Balochistan⁵. The DFC must account for the significant financial risks of investing in a project that has already had its stability threatened by terrorism and regional political unrest. Investing in this project may not be financially feasible given the region's current political environment.

Additionally, there has been limited reporting to suggest that Iran has been a threat to the Reko Diq project. However, given the country's involvement in the ongoing Middle Eastern conflict and the United States Government's opposition to the country's regime, Iranian officials may be more likely to engage in targeted attacks against the project site if it is provided with U.S. public financial support.

Indigenous Peoples' Concerns:

Equally important in the consideration of financially supporting this project are the concerns of Indigenous Peoples in the Balochistan region. As outlined above, the Pakistani government made significant investments in providing more security to Balochistan and the area surrounding the Reko Diq project. This increase in security has been described by many Baloch Indigenous community leaders as militarization that will only cause more tension and unrest in the region. Community advocates have stated:

“[E]ven if the government fulfils the Frontier Corps' financial demands for guarding the Reko Diq Project, the security challenges will persist. (...) Lasting peace and a truly investor-friendly environment will only be achieved by respecting the aspiration of the local people, addressing their grievances with empathy and taking meaningful steps to earn their trust”⁶

“The biggest concerns of the Indigenous locals and human rights advocates are transparency, access to the documents and data regarding the project, and the militarization of the area around the mine with associated human rights abuses”⁶.

These excerpts from Indigenous community leaders demonstrate that the measures taken by the Pakistani government to increase regional security are not only likely to be ineffective, but also disrespect the input of Indigenous Peoples, which the ESIA considered in its assessment. This same source also describes how many Indigenous community members are afraid to speak out against the project because of the history of violence in the region⁶. The DFC must consider the input of Indigenous Peoples, the likely ineffectiveness of militarization in the region in

⁵ <https://www.brecorder.com/news/40367507/rs3743bn-spent-on-security-of-reko-diq-project>

⁶ <https://miningwatch.ca/news/2025/5/6/unable-access-barrick-shareholder-meeting-mining-impacted-communities-speak-out#:~:text=Analysts%20express%20scepticism%20that%20further,with%20associated%20human%20rights%20abuses%E2%80%9D>

protecting investments, and the potential lack of input from diverse Indigenous stakeholders because of fears of retaliation.

Local Environmental Concerns

Finally, the DFC should consider the environmental concerns of community members that were identified through community engagement in the ESIA. The main concern of communities near the Reko Diq project is that people's environmental health will be negatively affected. Based on the historical impacts of mining, there are concerns that air pollution will increase and lead to worse health outcomes⁷. Additionally, many residents fear that drinking water will become contaminated from mining waste runoff, further contributing to the deterioration of community health⁷. These are concerns that must be approached with empathy in a region that is already managing other pressing socioeconomic and political issues. Failing to do so is likely to create more tension with community members and increase the risk of insurgent attacks on the Reko Diq mining site⁶.

Other concerns outlined in the ESIA include the economic uncertainty the project will bring if some of the jobs created are only temporary and eventual layoffs lead to increased conflict among community members in a region that is already politically and economically unstable. The DFC must consider the importance of community members' concerns, especially within the broader context of the political instability of the region.

We ask that the DFC approach its consideration of publicly financing this project with extreme caution and suggest it not move forward for the reasons outlined above.

We thank you for your consideration on this important topic and would welcome a meeting with you and your team to discuss this further.

Sincerely,

Friends of the Earth U.S.

⁷ <https://www3.dfc.gov/environment/eia/rekodiq/Appendix-V-Stakeholder-Engagement-Report.pdf>