October 2, 2025

U.S. Export-Import Bank 811 Vermont Ave, NW Washington, DC 20571

Subject: Concerns About EXIM'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. Export-Import Bank's (EXIM) consideration of support for the Reko Diq Mine in Pakistan. We are 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 <u>is expected to be</u> one of the world's largest suppliers of transition metals. 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 escalated. When the Taliban retook power in Afghanistan in late 2021, terrorist attacks in the region <u>rose around 27%</u> from the previous year, according to the Pak Institute for Peace Studies. PThe Reko Diq project is likely to become a <u>target of the Taliban</u>, especially if it is financially supported by the United States by an agency like EXIM.

There are also internal conflicts within the Balochistan province, where the Reko Diq project is located, that EXIM 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 security. 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 2025. Independent experts earlier this year wrote that "despite expensive security operations, Pakistan's least developed province remains inhospitable to investors," 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 by the country's federal government to protect the project amid rising security concerns from insurgencies in Balochistan. EXIM 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.

Repression and fear of reprisals

Located in an intensely militarised region, where civic space is very closed and where reprisals against civil society actors have increased in recent months, this project risks exacerbating the insecurity of human rights defenders and contributing to environmental and social destruction. In April 2025 alone, human rights advocates reported the suspension of communication services, intimidation, and repression by security forces, the forced disappearance of 168 people, and the extrajudicial killing of 67 people. This has also been accompanied by a broader crackdown against human rights defenders in the region. UN human rights experts have classified the situation as a "serious human rights violation and an international crime".

Therefore, effective stakeholder engagement in such an atmosphere of fear and repression. Those who have raised concerns about the project previously, such as the <u>Human Rights Council of Balochistan</u>, have seen their members <u>detained</u>, in what UN experts classify as reprisals by state forces (bearing in mind that 50% of RDMC shares are owned by regional and national governments). Most recently, a lawyer, who has been vocal in opposing the project <u>was targeted</u>. It is clear, given the current situation in Balochistan, that it would be impossible for EXIM to uphold safeguards against reprisals.

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

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.

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 region. EXIM must consider the input of Indigenous Peoples, the likely ineffectiveness of militarization in the region in

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

Local Environmental Concerns

Finally, EXIM 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 outcomes. Additionally, many residents fear that drinking water will become contaminated from mining waste runoff, further contributing to the deterioration of community health. 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 site.

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. EXIM must consider the importance of community members' concerns, especially within the broader context of the political instability of the region.

We ask that EXIM 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,

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