

## MEDIA BRIEFING

# MAJOR DEVELOPMENT BANKS TO FUND DESTRUCTIVE MINE IN CONFLICT-RIDDEN BALOCHISTAN, PAKISTAN

Two of the world's biggest public development banks — the International Finance Corporation (IFC) and the Asian Development Bank (ADB) — are set to provide \$1 billion to support a destructive copper mining project in Balochistan, a conflict-ridden region in Pakistan.

Over 30 civil society organizations signed a letter (*available [here](#)*) to sound the alarm and to call on the international financiers not to fund this project. Located in an intensely militarised region, where civic space is extremely closed and where reprisals against civil society actors are systematic, the Reko Diq mine risks exacerbating social tensions, attacks against peaceful activists, and environmental and social destruction.

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## About the company and the financing

The Reko Diq mining project is owned and developed by [Reko Diq Mining Company \(RDMC\)](#), a joint venture owned by the Canadian corporation Barrick Gold (50%), the Pakistan's federal government (25%), and the Balochistan provincial government (25%).

In 2011, [Tethyan Copper Company Pty Limited \(TCC\)](#) - a joint venture including Barrick Gold and the Islamic Republic of Pakistan - had opened an [international arbitration court case](#), which had slapped a penalty of \$11 billion on Pakistan for blocking the planned Reko Diq project and suspending the contracts of the company and its

partners. The case was [withdrawn](#) in 2022, when a court allowed Barrick Gold to resume the project.

A long list of development finance institutions and export credit agencies have lined up to support the project:

- [International Finance Corporation \(IFC\)](#), the World Bank's private sector arm.

In June 2025, the IFC approved a [\\$300 million loan](#) and a subordinated loan of up to \$400m from IFC as the implementing entity of two International Development Association (IDA) financing lines (IDA20 Private Sector Window and IFC's [Concessional Capital Window](#) for IDA20).

- [Asian Development Bank \(ADB\)](#).

On 20 August 2025, the ADB [will vote](#) on a \$300 million package (\$180 million loan + \$120 million guarantee)

Several [media](#) report that other donors who have shown interest include:

- [US Exim Bank](#) (currently in talks for an investment between \$500 million to \$1 billion)
- Islamic Development Bank (IDB)
- Japan Bank for International Cooperation
- Export Development Canada
- Development agencies from Germany, Sweden and Denmark.

## Key concerns

Civil society groups have been raising concerns around the serious social, health and environmental risks associated with this controversial project, including:

### 1. [The impossibility of ensuring effective stakeholder engagement](#)

The systematic attacks against human rights defenders, journalists and other dissenting voices in Balochistan have created a pervasive climate of fear. In its project [disclosure page](#), IFC claims that RDMC has undertaken four rounds of stakeholder engagement. However, in such a context, no consultations can be considered meaningful, as local communities cannot safely express their concerns, seek information, or oppose the project. When civic space is so closed, development financiers cannot comply with their

own policies and commitments on public participation (for further details on how civic space restrictions limit participation, see the report "[Financing Repression](#)").

Furthermore, in its [Environmental and Social Impact Assessment \(ESIA\)](#) RDMC - a company where the regional and national governments hold a 50 % share - indicates that it will "*collaborate with the Government of Balochistan to ensure that the Baloch and other marginalised groups are sufficiently represented in the Project's decision making process*", while acknowledging that the Baloch people have suffered "*conflicts with state security agencies*" and detentions by state forces. This proposal to rely on the very state agencies for the stakeholder engagement - despite state forces are most often the perpetrators of violence against the Indigenous Baloch people - is highly problematic.

## 2. Impacts on Indigenous Peoples

In its [Environmental and Social Impact Assessment \(ESIA\)](#), RDMC has classified the Baloch people only as an "ethnic minority", despite they are widely recognised as Indigenous Peoples in academic literature.

By denying the impacts that this project will have on Indigenous Peoples, RDMC is denying the Baloch people their rights to Free, Prior and Informed Consent (FPIC), stakeholder engagement, land rights and cultural heritage.

## 3. Impacts on water, air, health and livelihoods

Serious concerns have been raised about Reko Diq's risks of:

- [exacerbating water scarcity](#) (a risk also recognized by the [Supreme Court](#)), as the mine risks depleting or contaminating scarce groundwater sources
- impacts on human health (respiratory illnesses, neurological disorders and other chronic diseases) and animal health (poisoning, reduced fertility, stunted growth and increased mortality)
- loss of livelihoods, particularly for those dependent on pastoralism and small-scale agriculture (water shortages will affect crop irrigation and drinking water for animals; while pollution can damage pasture vegetation, reduce crop yields, contaminate fodder with heavy metals, and harm animal health).
- [water and air pollution](#) (emission of significant particulate matter)
- significant land acquisition, with restricted access to grazing lands and seasonal migration routes critical for livestock herders.

## 4. The construction of a heavy fuel oil (HFO) power plant to power the project.

The project [ESIA also acknowledges](#) that the project will generate "*approximately 850,000 tons of carbon dioxide equivalent (tCO2e), with approximately 75% attributable to direct emissions from the combustion of HFO and diesel fuel*" to power the mine. This

will increase Pakistan's national greenhouse gas emissions and contribute to further exacerbating the country's vulnerability to climate change.

Despite this, RDMC has made no robust commitments to mitigate these emissions. The company claims only that a solar plant will help in future to reduce the need for HFO, that as a transition mineral project the mine "could contribute to GHG emission reductions in other sectors", and that other emissions mitigation technologies are constrained by cost. This does not meet the claims made by IFC and ADB, and their shareholders, to only finance projects that are aligned with the Paris Agreement on Climate Change.

#### 5. Barrick Gold's irresponsible approach to mining and civil society engagement

In the past, Barrick Gold's operations have been linked to cases of reprisals and human rights abuses. For example, in the [North Mara Gold Mine](#) in Tanzania violence by the police and private mine security led to several deaths, while in the [Porgera Gold Mine](#) in Papua New Guinea private security forces employed by the mine have committed abuse and sexual violence. Despite these abuses have been widely documented, Barrick Gold has so far escaped accountability and refused to meaningfully engage with civil society.

## Context: about Balochistan

Balochistan - bordering Iran and Afghanistan - is the largest province in Pakistan, but also the least populated. It is home to the Baloch, an Indigenous ethnic group who have inhabited the area for centuries and who have their own distinct language and culture.

For decades, Balochistan has been affected by an internal conflict, characterised by heavy political suppression and violence. The conflict [traces back to 1948](#), when the region was annexed by Pakistan, and it has been fueled by factors including economic disparities, political marginalization, and discrimination against the Baloch people. Since 2006, there has been an escalation of the conflict, with various Baloch separatist groups fighting for greater autonomy or an independent Baloch state.

Under the pretext of suppressing the insurgency, Pakistani government has been [violently targeting](#) peaceful movements, human rights defenders and journalists.

Since March 2025, several UN experts and human rights organizations have sounded the alarm about the criminalization of the [Baloch Yakjehti Committee \(BYC\)](#), a peaceful grassroots movement that has mobilized thousands to demand justice, accountability, and an end to enforced disappearances. Pakistani authorities have consistently

weaponized the public order and anti-terror laws to criminalize Baloch civic resistance and unlawfully detain leaders and members of the BYC.

Laws like the 1960 *Maintenance of Public Order Ordinance*, 2016 *Prevention of Electronic Crimes Act* and 1997 *Anti-Terrorism Act*, along with tactics such as travel bans have been repeatedly instrumentalized to silence peaceful dissent, marking a dangerous erosion of the rule of law. [UN human rights experts](#) have classified the situation as a "serious human rights violation and an international crime".

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.

## Context: geopolitical interests at stake

Balochistan is [rich in natural resources](#), particularly natural gas, copper, and gold, with many reserves still unexplored. Yet, the province remains mired in profound poverty and economic disparity, as local communities have received minimal or no benefits in return for the extraction of these resources. As a result, large-scale projects (such as Reko Diq or the [Gwadar port](#)) have been largely been seen as "[acts of pillage and plundering](#)".

As the rush towards critical minerals intensifies, both China and the United States have sought to increase their influence in Pakistan and invest in the country. Under Trump's administration, in particular, the US has been increasingly looking at exploiting Pakistan's resources. In July 2025, the US and Pakistan signed a new [trade deal](#), expected to spur increased US investment in Pakistan's infrastructure and development projects.

Reko Diq - one of the world's largest undeveloped copper and gold deposits - is at the centre of these geopolitical interests.

## Quotes

*"Regardless of its potential contribution to sustainable energy sectors, the Reko Diq mine is a highly dangerous project to be involved in. Financing this project would go against all of the commitments made by ADB, IFC and their shareholders to invest sensitively in fragile contexts, preserve the rights of Indigenous Peoples and prevent harms to local communities. There can be no just transition if mining projects like this*

*trample human rights and exacerbate insecurities being faced by local people and the environment.*" Daniel Willis, Finance Campaign Manager, Recourse

*"In a highly militarized region, where critical voices are routinely silenced, investing in such a large-scale, controversial project is a recipe for disaster. The International Finance Corporation and the Asian Development Bank are claiming to be consulting local communities. But when people are too afraid to even speak out or raise questions, consultations can't be considered meaningful."* (Tala Batangan, Asia Regional Coordinator, Coalition for Human Rights in Development)

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