

## **DFC Management Response to Comments on Environmental and Social Impact Assessment (ESIA) Disclosure**

Comments received from Friends of the Earth on June 20th in response to the [Reko Diq ESIA posting](#) from April 21-June 20, 2025.

### **Comment: 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 metals<sup>1</sup>. 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<sup>1</sup>. 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 Studies<sup>1</sup>. 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 security<sup>2</sup>. 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<sup>3</sup>. Independent experts earlier this year wrote that “despite expensive security operations, Pakistan’s least developed province remains inhospitable to investors,”<sup>4</sup> 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<sup>5</sup>. 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.

**Response:** To address security concerns in the immediate term, a comprehensive security plan has been developed for the project which will be managed in accordance with the Voluntary Principles on Security and Human Rights and the IFC PS on Community Health, Safety, and Security. Equity participation by the Government of Pakistan and provincial Government of

Balochistan are expected to mitigate political violence risks as the positive economic benefits support peace and security in the region.

To mitigate long term political violence risks, the project operator's objective is to develop a solid, long-term relationship and development strategy with stakeholders based on trust, respect, transparency and partnership. It is this primacy of partnership that is central to the Reko Diq project's community development initiatives, focused on five sustainable development pillars – Education, Access to healthcare, Water and environment, Food security, and Local economic development.

Furthermore, during peak construction, the project is expected to employ over 10,000 people prioritizing the employment of local people and Pakistani nationals. Local participation in the economic benefits of the project will further mitigate long term political violence risks.

### **Comment: 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”<sup>6</sup>

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

The DFC 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.

**Response:** Reko Diq has developed a Stakeholder Engagement Plan and Grievance Mechanism compliant with the IFC Performance Standards. The Grievance Mechanism is and will continue to be available to all stakeholders including the Balochi Peoples to communicate any concerns they have regarding the Project, and data and processes to access it is available in both Urdu and Balochi. Per the Stakeholder Engagement Plan, Community Liaison Officers will continue

meeting proactively with stakeholders, and will also be available for stakeholders to engage with directly. Feedback from stakeholders via both channels will be addressed in all living documents throughout the life of the Project. In parallel, the Project is in the process of finalizing a Human Rights Management Plan, and the Project has developed a Security Services Framework aligned with the Voluntary Principles on Security and Human Rights. The Project has also established an MOU with relevant public and private security parties, which will be the basis for all security policies and procedures.

**Comment: 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 outcomes.<sup>7</sup> Additionally, many residents fear that drinking water will become contaminated from mining waste runoff, further contributing to the deterioration of community health.<sup>7</sup> 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.<sup>6</sup>

**Response:** RDMC has committed to ensure that the Project's impacts on ambient air quality and drinking water are within the Pakistani and local regulations and IFC's EHS Guidelines. Current modeling has indicated that the Project's impacts on both ambient air quality and drinking water at the receptor sites are non-detectable and not significant. In addition, RDMC has agreed to monitor both ambient air quality and drinking water at the receptor sites to confirm that the Project has no detectable or significant community health impacts. In case on any community health or other impact (including those on ambient air quality or drinking water) are detected, RDMC will be required to undertake corrective measures to ensure that these are reduced to acceptable levels. In order to ensure this information is shared in an accessible manner, RDMC has developed a Stakeholder Engagement Plan appropriate in size and nature for a Project of this scope, designed to allow dialogue between stakeholders and the Company, and address community concerns in a timely and transparent way. Both of these tools are intended to allow the Company to understand stakeholder concerns or impacts and address them before they escalate. DFC will require the Stakeholder Engagement Plan explicitly address public reporting of environmental monitoring.

**Comment:** 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.

**Response:** Reko Diq has committed to establishing a procedure for maximizing direct and indirect local employment. The procedure will include support to direct and indirect employees and local businesses so that individuals are supported in managing the temporary income associated with the Project. RDMC is also working to provide formal certification where possible, increasing the likelihood income of individuals to find formal employment elsewhere after their employment with the Project ends.

**Comment:** The DFC must consider the importance of community members' concerns, especially within the broader context of the political instability of the region.

**Response:** Reko Diq has established a robust Stakeholder Engagement Plan and Grievance Mechanism that has been determined to align with the IFC Performance Standards, and the Project has committed to taking the feedback it receives from stakeholders into account in the ongoing and continuous improvement plan as the Project proceeds.

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>

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>

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