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Policy brief

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Pakistan's western borderlands at a mining crossroads: the need for conflict-sensitive governance of the extractive sector

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Introduction

Pakistan's conflict-affected western borderlands – encompassing Balochistan and the merged districts of Khyber Pakhtunkhwa (KP) – stand on the cusp of a mining boom. Amid the confirmation of substantial quantities of hydrocarbons, critical minerals and rare earth elements (REE), arrangements are rapidly being put in place to support infrastructure developments linked to the China–Pakistan Economic Corridor and other international investment, as well as to enhance domestic security.[1]

Two shifts are driving this boom: first, rising global demand for critical minerals and REE, fuelled by the energy transition and defence needs; and, second, Pakistan's own repositioning of mining as a major source of investment, revenue and strategic partnership. Against this backdrop, investment is converging around the Reko Diq copper and gold deposits in Balochistan; the Pakistan Mineral Investment Forum cycle; a landmark US–Pakistan critical minerals agreement; and new legislation. As a result, exploration, licensing and early extraction are all accelerating simultaneously.[2]

In the merged districts especially, this mining boom has far-reaching implications beyond the anticipated resource potential. At stake here are the institutional conditions under which extraction is established in what might be termed a 'forever frontier',[3] a space repeatedly constituted as a frontier through changing forms of state intervention – from exceptional governance and security to constitutional integration, development, and, increasingly, resource extraction. For over a century, the (now former) Federally Administered Tribal Areas were governed under distinct colonial and postcolonial arrangements that kept them formally separate from provincial law. Instead, they were subject to direct federal executive authority,

1 International Trade Administration, 'Mining', Pakistan Country Commercial Guide, pub. online 20 March 2026; Umer Ashraf, 'Dissent or desire for more development? Win-win discourse and power dynamics in the narratives of the Belt and Road Initiative in Pakistan', *Eurasian Geography and Economics* 67, 2026, pp. 591–613.

2 Barrick Gold Corporation, 'Reko Diq JV shareholders approve project, select Fluor as EPCM', pub. online 8 April 2025; Pakistan Mineral Development Corporation, Pakistan Mineral Investment Forum 2025 (2025); Zafar Bhutta, 'Minerals framework being finalised', *The Express Tribune*, pub. online 6 February 2025; U.S. Embassy Islamabad, 'U.S. Strategic Metals signs MOU on critical minerals in Pakistan', pub. online 8 September 2025.

3 Nivi Manchanda and Oliver Turner, 'From frontier-making to world-making: the enduring power of frontiers in South Asia', *Political Geography* 113, 2024, p. 5.

reinforced in the wake of post-2001 militancy by a heavy security force presence. A 2018 merger incorporated the former tribal areas (now termed merged districts) into KP's provincial legal framework, a change that extended to customary resource arrangements for mining.

Today, the KP government's assertion of authority over licensing, leases, regulation and royalties for solid minerals continues to be contested at the local level by customary ownership norms and tribal principles of consent. Thus, in attempting to unpack the dynamics driving the western borderlands' wider resource frontier, the merged districts offer an especially acute case. Here, verification, early licensing and initial extraction are taking place against a backdrop of recent legal incorporation, unresolved customary ownership, insecurity, displacement, and contested centre–periphery relations. North Waziristan alone has identified sites bearing copper, gold, nickel, manganese, chromite, magnesite, granite, and oil and gas (see Figure 1 on Page 5 for a map of mineral deposits). Altogether, 19 minerals have been identified for exploration across the merged areas.[4] For international financial institutions (IFIs), investors, bilateral donors and mining companies, as well as home and host governments, the decisions made over the next two to three years promise to shape arrangements that will be difficult to renegotiate once capital is committed and rents begin to flow.

Against the above backdrop, this policy brief sets out how extraction might be structured so as to ensure economic gains are shared more broadly; communities have a genuine voice; environmental risks are managed; and mining reinforces rather than erodes peace and stability. In doing so, the remainder of the brief proceeds as follows. The first section details how the current mining boom risks reinforcing, or even mutating, the existing political settlement. Next, the second section digs into what is driving the current mining boom and why extraction is accelerating at a pace faster than governance arrangements can keep up with. Building on this, the third section reveals why the present moment offers a critical point of leverage and what external actors can do to take advantage of this. Finally, the conclusion weighs the stakes of acting now against the costs of inaction.

This policy brief proposes an extraction–development–peace (EDP) approach. Rather than treating extraction as automatically positive, EDP asks how extraction can be organised in ways that do not undermine local development or deepen conflict.

Key findings

- **Pakistan's western borderlands are entering a mining boom before the rules of extraction have been settled.** Decisions made now will shape who gets to control land, licences, security, compensation, jobs and benefit-sharing once capital and rents begin to flow.
- **Extraction-first approaches deepen conflict risks.** In areas marked by unresolved ownership claims, weak local consent, militarised control, displacement and armed-group presence, mining can deepen elite capture, exclusion and environmental harm, as well as resentment over resources leaving without any meaningful returns.
- **External actors still have leverage.** International financial institutions, investors, donors, home governments and mining companies can exert pressure through finance, safeguards, due diligence, diplomacy and company regulation before extractive arrangements become locked in.

Pakistan's political settlement and the risks of expanded extraction

The merged districts' frontier condition is sustained by Pakistan's domestic political settlement,[5] which is competitive-clientelist and security-backed. In practice this means that, rather than rely on inclusive political or legal processes, access to rents is negotiated among shifting elite coalitions, with the security establishment playing an outsized role in adjudicating disputes and shaping the distribution of political and economic resources.[6]

In the case of the western borderlands, this settlement has historically been maintained through exclusion: local populations have had only limited formal voice in decisions concerning land, resources

4 See also International Trade Administration, 'Pakistan Country Commercial Guide: Mining'; U.S. Department of Commerce, pub. online 20 March 2026.

5 'Political settlement' is here defined as the informal bargain among ruling military, political and economic elites over how power and resources are distributed, as well as who is included or excluded from decision-making. Mushtaq H. Khan, 'Political settlements and the analysis of institutions', *African Affairs* 117: 469, 2018, pp. 636–55.

6 International Monetary Fund, *Pakistan: governance and corruption diagnostic assessment* (November 2025).

and security, leaving elite and security actors with wide-ranging discretion. Thus, rather than simply being a cost to be managed, instability in these areas has often served elite interests by justifying exceptional governance arrangements; sustaining the security sector's relevance; and suppressing community calls for redistribution.

It is this political order that forms the stage for Pakistan's prospective minerals boom. As elsewhere across the world, extraction holds the potential to either reinforce or reshape the political settlement it comes into contact with. In Pakistan's case, three key risks associated with the expansion of mining are already apparent.

First, it risks deepening elite capture rather than opening new avenues for distribution. Extractive industries function as rent hubs around which elite coalitions organise to secure profit and power. The arrival of large-scale mineral rents therefore provides existing elite coalitions with a lucrative new asset to capture, without requiring them to change how they govern or who they include. The post-2019 restructuring of ownership over the Reko Diq copper-gold project, whereby federal and provincial state actors and a multinational company have sought to renegotiate shares and terms with limited local community input, is illustrative of this pattern.[7]

Second, it risks mutating centre–periphery bargaining. The division of authority between Islamabad, Peshawar (KP's provincial capital) and local customary governance structures was already unsettled by the 2018 merger. Now, this political landscape of unresolved authority structures must contend with the sudden injection of high-value rents. Little wonder, then, that federal efforts to harmonise mineral regulation nationally (via the Special Investment Facilitation Council (SIFC) and the National Minerals Harmonisation Framework) are being read in KP and the merged districts as attempts to recentralise control.

Third, it risks exacerbating the security–development trade-off that has long characterised the frontier. Licensing is accelerating in areas with an active security presence, unresolved land ownership, and displaced or marginalised populations. Should security arrangements end up protecting projects rather than communities – replacing rather than accompanying local consent and benefit-sharing – then extraction risks reproducing the same pattern that has sustained militancy and distrust in these areas for decades: security without peace and investment without legitimacy.

What this mining boom means in practice – for local communities, for Pakistan as a whole, and for the environment – is not predetermined. Intensive extraction can expand national revenues, draw in investment, generate jobs and support much-needed infrastructure. Such benefits do not, however, follow automatically. In fact, faced with deepening exclusion, sharpened disputes over land and resource ownership, and chronic fuel insecurity, it is often the communities bearing the greatest social and environmental costs who see the fewest returns. These risks are most acute where questions of ownership, consent, benefit-sharing and security remain unresolved – which is precisely the case across much of the western borderlands, especially the merged districts.

Ultimately, extraction cannot be treated as a purely technical or economic matter, ignoring broader questions of peace and development. Here, the goal is not to halt extraction, but rather to shape it in ways that strengthen inclusive, sustainable development without compounding existing grievances, inequalities and insecurity.[8]

Drivers and consequences of the mining boom

Global demand and changing norms

Renewable energy, batteries, electric vehicles and advanced defence systems all require growing quantities of lithium, cobalt, nickel, copper and REE. Amid intense geopolitical competition, access to these minerals is increasingly becoming a strategic priority.[9] At the same time, global expectations

7 Reko Diq, in Pakistan's Balochistan province, is one of the world's largest undeveloped copper-gold deposits. Following a major international arbitration dispute, its ownership was restructured between Barrick Gold and Pakistani federal and provincial governments to enable the project to proceed. See Abbas Khan, Darian Cherneha and Shiza Triefus, 'More than a verdict: local perspectives on the Pakistan Reko Diq dispute', *Business and Human Rights Journal blog*, pub. online 1 May 2025; Ariba Shahid, 'Pakistan's Reko Diq mine to generate $74 billion in free cash flow over 37 years, Barrick CEO says', Reuters, pub. online 20 January 2025.

8 On conflict-sensitive extraction and business practice, see International Alert, *Conflict-sensitive business practice: guidance for extractive industries* (March 2005); OECD, *OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas*, 3rd ed. (Paris: OECD Publishing, 2016).

9 Peter Johnstone and Anabel Marín, 'Beyond the twin transition: military drivers of critical minerals' expansion', *The Extractive Industries and Society* 26, 2026; International Trade Administration, 'Pakistan[...]Mining'.

around ethical mining and a just transition have evolved. Investors, companies and host governments are coming under growing pressure to ensure distributive, procedural and intergenerational justice are accounted for when determining where, how and under what conditions mining should occur. Such concerns intersect with issues of resource nationalism and resistance to colonial-style extraction.[10]

In Pakistan's case, the government and military leadership have only selectively – and largely rhetorically – engaged with these emerging international norms. Despite adopting the language of responsible, investment-ready mining and participating in international critical minerals initiatives, there remain significant gaps when it comes to binding standards on human rights due diligence, environmental protection and benefit-sharing. These gaps are particularly consequential in the western borderlands, where the communities most exposed to extraction often lack the formal standing to assert their interests.

The UN Guiding Principles on Business and Human Rights makes clear that companies have a responsibility to respect human rights in fragile, conflict-affected settings even where governments fail to do so.[11] Added to this, the financial incentives arising from responsible business expectations are steering mining companies towards strengthening their human rights due diligence; supply-chain transparency; environmental and social performance standards; accountability mechanisms; and independent monitoring. Even so, conflict-sensitive extractive governance extends beyond mere corporate social responsibility (CSR). If the institutional rules governing extraction are to be effective, then participation, benefit-sharing, environmental protection, security and accountability need to be embedded within them.[12]

Pakistan's mineral wealth and the 'presource curse'

As of 2025, Pakistan's mining sector accounts for just 3.2 per cent of the country's GDP – a figure that is expected to rise considerably over the coming years. At present, Pakistan holds the world's second-largest salt deposits and the fifth-largest copper and gold fields. Added to this, preliminary studies suggest significant deposits of lithium, nickel, uranium, zinc and REE, while Balochistan's geological proximity to Afghanistan's Helmand Province – assessed by the US Geological Survey as containing world-class deposits of lanthanum, cerium and lithium – indicates that deposits of comparable quality may exist on both sides of the border. Altogether, the estimated potential of the country's mineral wealth is valued at US$6–8 trillion.[13]

The Reko Diq copper-gold project (50 per cent owned by Canada's Barrick Gold and 50 per cent by the federal government of Pakistan and the provincial government of Balochistan, with support from IFIs and multilateral funding) is set to start production in 2028–29, with the expectation being that this will shift the investment landscape significantly. In 2025, Finance Minister Muhammad Aurangzeb called minerals the 'real game changer' for the national economy. Pakistan's Army Chief, meanwhile, pledged robust security for investors, his presentation of a wooden box containing rare earth minerals to President Trump in the Oval Office signalling just how central the resource extraction agenda has become to Pakistan's strategic positioning.[14]

In general, elite coalitions organise around rent capture only once a resource has become commercially significant. However, the current state of affairs risks invoking a 'presource curse', whereby the discovery or revaluation of a resource prompts elites to position themselves around anticipated rents – that is, before revenues flow.[15] Amid the contested

10 On ethics, see David Brereton, Sarah Flynn and Deanna Kemp, 'An essay on mining and the moral obligation not to harm others', *Resources Policy* 98, 2024. On resource nationalism, see John Childs, 'Geography and resource nationalism: a critical review and reframing', *The Extractive Industries and Society* 3: 2, 2016: pp. 539–46; Sam Pryke, 'Explaining resource nationalism', *Global Policy* 8: 4, 2017: pp. 474–82.

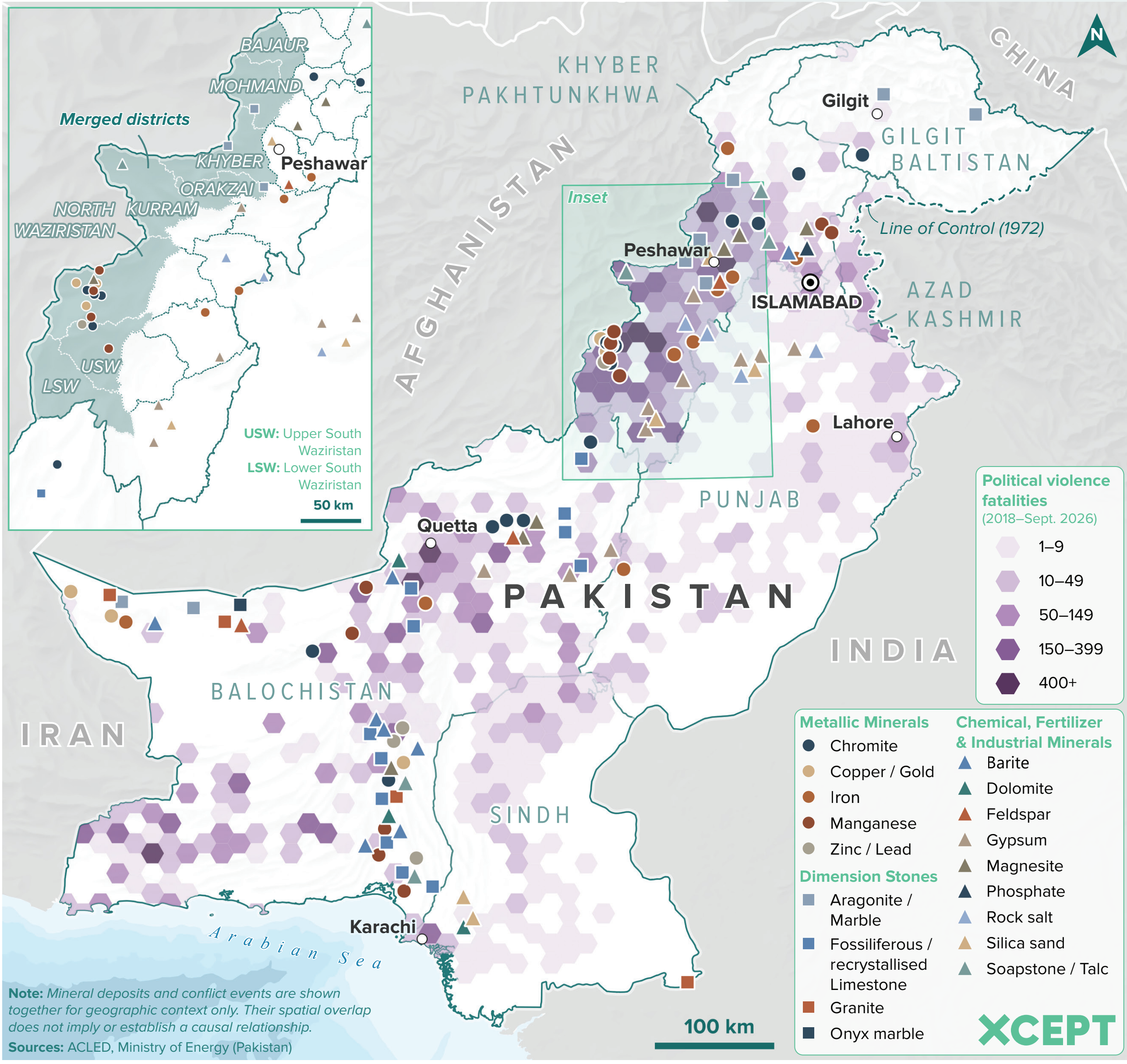
11 John Ruggie, *Guiding principles on business and human rights: implementing the United Nations 'Protect, Respect and Remedy' framework*, A/HRC/17/31 (United Nations Human Rights Council, 2011); OECD, *OECD due diligence*.

12 International Alert, *Conflict sensitivity and supply chain due diligence* (2018); International Finance Corporation, Performance standards on environmental and social sustainability (2012); Global Reporting Initiative, GRI 14: Mining Sector 2024 (2024).

13 M. Sania B. Khetran, 'Unlocking Pakistan's mineral wealth for sustainable economic growth', Institute of Strategic Studies Islamabad, Issue Brief, 19 May 2025.

14 International Trade Administration, 'Pakistan [...] Mining'; U.S. Department of State, 'Opportunities in Pakistan's'; Barrick Gold Corporation, 'Reko Diq JV shareholders'; Barrick Mining Corporation, 'Barrick provides an update on Reko Diq', pub. online 2 April 2026; Ariba Shahid, 'Barrick's Reko Diq project in Pakistan aims new financing', Reuters, pub. online 8 April 2025.

15 David Mihalyi and Tom Scurfield, 'How Africa's prospective petroleum producers fell victim to the presource curse', *The Extractive Industries and Society* 8: 1, 2021, pp. 220–32.



Map: Jules Duhamel

Figure 1. Map of conflict events and mineral deposits in Pakistan (2018–26).

political settlement touched on above, the momentum driving expanded extraction is racing ahead of the governance arrangements needed to realise local development and facilitate peace. As a result, licensing is proceeding apace despite unresolved issues of land ownership; absent or inadequate environmental assessments; and contested regulatory frameworks. Figure 1 maps known mineral deposits against conflict events recorded since 2018, showing that much of Pakistan's prospective mineral wealth lies in areas already affected by conflict.[16]

A genuinely conflict-sensitive, economically inclusive approach to extraction in Pakistan's western borderlands requires that extractive rents be channelled into public goods, royalty-sharing arrangements, community development schemes and local value retention. In such a scenario, 'good governance' reform plans, benefit-sharing frameworks, community consultation requirements and environmental safeguards need to be placed at the heart of implementation, rather than left as skin-deep strategies crafted to satisfy IFIs, bilateral

16 Methodological note: The overlay of conflict events and mineral deposits is intended to illustrate their geographic distribution and provide broader contextual information. Spatial coincidence or proximity between the datasets should not be interpreted as evidence of causation, nor should the absence of spatial overlap be interpreted as evidence that no relationship exists. Establishing any association or causal mechanism would require separate analysis using appropriate methods and additional contextual evidence. Borders on this map are based on UN Geospatial data. XCEPT takes no position on issues of sovereignty or territorial disputes.

donors and investors bound by environment, social and governance (ESG) concerns.

Several challenges stand in the way of these aims: power and rents need to be redistributed away from the coalitions currently in control; resource nationalism decoupled from security-backed business interests and centralised decision-making; and conflict sensitivity built into licensing from the outset rather than treated as an afterthought. None of these conditions is likely to be met in the near term, given how firmly the current settlement rewards those who benefit from it. Even partial progress, however, would make instability less useful to elites and reduce the attendant risks (excessive administrative discretion in licensing; environmental approvals following rather than preceding licensing; royalty underreporting and leakage; inadequate redistribution to local communities).

Resource governance and contestation in a 'forever frontier'

Subsoil resource ownership in Pakistan is shaped by the interplay of constitutional provisions, provincial legislation, customary tenure and political settlements. Although the 18th Amendment mandates that oil and natural gas are jointly owned by the federal government and the relevant province, most solid minerals fall under provincial jurisdiction. Thus, by extending KP's mining legislation to the merged districts, the 2018 merger brought customary tribal arrangements and ownership into a provincial regulatory framework. Whereas prior to the merger (sub)tribes exercised customary ownership over mineral-bearing land and played a central role in determining access to mineral extraction, the provincial government is now able to assert its authority to issue exploration licences, grant mining leases, regulate mineral development and collect royalties.

This shift accords with the KP government's ambition to transform mining from a predominantly small-scale, administratively driven activity into an investment-oriented sector. In pursuit of this aim, the KP government launched its Mineral Development Policy in 2022, followed by a Mines and Minerals Bill in 2025. The legitimacy of this regulatory push is, however, contested. The 2025 bill proposed, among other things, new licensing arrangements, a Mineral Investment Facilitation Authority, and a provincial mines and minerals force to combat illegal extraction, while remaining silent on compensation or royalty arrangements for communities and customary owners in planned mining areas. In the merged districts especially, local communities continue to hold on to customary ownership and principles of tribal consent as the basis for mining rights and leases, resulting in an uneasy coexistence between the new provincial framework and older customary claims.[17]

Beyond a mere legal transition, such measures represent a further iteration of statebuilding through resource governance. In Pakistan's western borderlands, weak rule-of-law adherence has led to elite agreements that largely ignore local populations' needs and economic interests. The result is a pattern familiar from other contested borderlands: frontier governance as elite capture; security-dominated control; environmental harm; weak local employment; and conditions that sustain militancy. As a consequence, the 'presource curse' is already unfolding in parts of the 'forever frontier', risking further community fragmentation, distrust and violence. The following incidents provide early indicators of what happens when licensing outpaces inclusive governance, leaving extraction to undermine both development and peace:

- *North Waziristan, January 2023:* Following the discovery of gas reserves, tribal elders ask the government to facilitate locals' access to gas from local reserves and set up an oil refinery in their division.[18]

- *Hangu/North Waziristan border, May 2023:* Militants attack Hungarian MOL Oil and Gas production facilities, killing six, before retreating into North Waziristan.[19]

- *Balochistan/Harnai, February 2025:* A roadside bomb strikes a vehicle carrying coal miners, killing at least 11 people.[20]

- *South Waziristan, June 2025:* Tribal elders demand cancellation of a coal-mining tender in Shana Khowara, arguing the land is collective tribal property with no formal ownership distribution.

17 Provincial Assembly of Khyber Pakhtunkhwa, 'The Khyber Pakhtunkhwa Mines and Minerals Bill, 2025'; *Dawn*, 'KP CM aide rules out possibility of giving mines' control to centre', pub. online 11 April 2025; Dawn, 'Multi-party conference in KP rejects minerals bill as "direct attack" on provincial autonomy', pub. online 24 April 2025; *The Express Tribune*, 'K-P halts mineral bill after backlash', pub. online 25 January 2026.

18 *Dawn*, 'Jirga seeks gas supply from reserves found in North Waziristan', pub. online 23 January 2023.

19 Jibran Ahmad and Ariba Shahid, 'Islamist militants in Pakistan kill six at oil and gas production site', Reuters, pub. online 23 May 2023.

20 AP News, 'A roadside bomb struck a vehicle carrying miners in southwestern Pakistan, killing 11 people', pub. online 14 February 2025.

Elders warn that proceeding risks inter-tribal conflict.[21]

- *Balochistan/Chagai, April 2026:* Armed assailants attack a copper and gold project site, killing workers and security personnel.[22]
- *Upper South Waziristan, April 2026:* Clashes between two Mehsud sub-clans over gold deposits near Kaniguram leave four people seriously injured.[23]

The momentum building in Pakistan's minerals sector is inseparable from the political conflicts erupting around mineral ownership, control and marketisation. On the one hand, the establishment of the SIFC, the Pakistan Minerals Investment Forum 2025 and the National Minerals Harmonisation Framework all signal an effort to streamline investment across mining clusters. On the other, a growing number of disputes are surfacing between federal and provincial governments over harmonisation and control, as well as between communities, mining companies and lease-holders over ownership, consent and benefit-sharing. It is precisely because early extraction and licensing unsettle the existing regimes of access, authority and resource control that these struggles are emerging.

From the perspective of customary owners and affected communities, the federal government's attempt to harmonise federal and provincial regulations is fraught with pitfalls. The declaration of minerals as strategic at the federal level, the preference for large investors over local mining companies, and a conspicuous silence on community benefit-sharing have all become recurrent points of contention between the (sub)provincial level and the centre. Here, reforms presented as modernisation risk centralising control in ways that marginalise the very communities whose buy-in is the most reliable long-term guarantee of project viability.

Recommendations for external actors

If external actors are to exert the greatest leverage, they must act now: before capital is fully committed, before rents begin to flow, and before the political settlement around extraction consolidates. Mining itself cannot be conflict-sensitive because it redistributes land, revenues and power. What can be made conflict-sensitive, however, are the arrangements around licensing, concession design, revenue-sharing, infrastructure routing, security control, community consultation and local value retention. This is where an extraction–development–peace (EDP) approach – which treats the three constituent elements as interconnected policy objectives rather than separate concerns – comes in. Ultimately, any settlement that centralises rents without accountability poses a threat to project viability, loan portfolios, donor credibility, social licences to operate, and local peace.

With this in mind, this policy brief offers the following recommendations for external actors:

- **Investors** hold one of the most powerful external levers for ensuring the domestic settlement takes greater account of development and peace: making access to capital conditional on governance standards. Investors should therefore account for governance and security risks; make enhanced due diligence on ESG risks a precondition for financing; and offer preferential financing terms for projects with binding community development agreements. They can use shareholder voting rights and direct engagement with companies to demand higher standards, better contract transparency, and stronger community safeguards.
- **IFIs and donors** should apply their safeguards, conflict-sensitivity assessments and political-economy analysis at the initial licensing and framework design stages of projects taking place in Pakistan's western conflict-affected borderlands. IFI-funded projects that proceed without such measures risk being complicit in rent-centralisation dynamics that pose a threat to peace.
- **Bilateral donors and home governments** of mining companies hold a dual lever: shaping governance standards through development cooperation with Pakistan while also ensuring their own companies apply due diligence. Towards this end, conflict-sensitivity standards should be embedded in all bilateral investment treaties with Pakistan, ensuring investor protection does not override community rights in conflict-affected areas. At the same time, home governments

21 *Dawn*, 'Wana elders call for cancellation of mining tender over ownership row', pub. online 15 June 2025.

22 *Dawn*, '9 killed in armed attack at mining site in Balochistan's Chagai', pub. online 23 April 2026.

23 *Dawn*, 'Four injured in clash over ownership of Waziristan gold mine', pub. online 26 April 2026.

should make adherence to conflict-sensitive business guidance mandatory for all investment and mining firms under their jurisdiction.[24]

- **Mining companies** carry the greatest operational exposure in the merged districts and wider borderlands, as well as the most direct responsibility for how the licensing boom unfolds at the extraction-community interface. EDP-consistent operating procedures include publishing regular ESG reports based on internationally recognised standards; setting measurable sustainability targets, followed up by public progress reports; and establishing independent oversight, anti-corruption and grievance-redress mechanisms. Such mechanisms should be independent enough to gain the trust of communities in conflict-affected borderlands, rather than merely compliant enough to satisfy investors. While acknowledging that company-centred approaches have their limits, meaningful governance commitments nevertheless have a useful role to play in encouraging a more just settlement, on the basis that community buy-in is commercially safer than an environment riven by exclusion and contested legitimacy.[25]

- At the **company-community interface**, proactive engagement is key. This encompasses baseline social mapping; seeking to understand local meanings of community; respecting customary ownership and tribal consent principles; rejecting licences in areas with unresolved ownership structures; requiring contractual community development agreements as binding annexes to mining contracts (instead of voluntary CSR); and working with relevant federal, provincial and district authorities to ensure that licensing, compensation, security and benefit-sharing arrangements are transparent and consistent with local rights. Companies should also follow the Voluntary Principles on Security and Human Rights, including human rights risk assessments of state and private security providers.[26]

Conclusion: Treating policy on the extractive sector as integral to stability

The emerging mining boom in Pakistan's western borderlands presents huge opportunities, as well as major risks. There is currently a window of opportunity to do things differently: by acting before licences, capital and security arrangements lock in, external actors can facilitate extraction arrangements that share rents equitably; recognise customary ownership; and treat communities as parties to be consulted rather than obstacles to be managed. In doing so, investors, donors and mining companies must hold themselves accountable while consistently reminding Pakistan's authorities – both federal and provincial – of the standards required for conflict-sensitive extraction.

Should the present opportunity slip, the risks go beyond a failure to deliver development. Left unchecked, Pakistan's mining boom will likely entrench the very political order currently driving instability in the country's western borderlands. For external actors, this is not a peripheral concern. Projects built on unresolved ownership claims and militarised access are not just commercially fragile, but vulnerable to protest, sabotage, litigation, reputational damage and donor criticism. For local communities, extraction without credible benefit-sharing and local value creation serves to confirm longstanding grievances: that whereas resources leave the borderlands, their attendant risks, violence and environmental costs remain.

Ultimately, in the absence of the measures outlined above, Pakistan's mining boom is headed towards a familiar frontier outcome: extraction without development, security without peace, and investment without legitimacy.

24 See note 11.

25 International Finance Corporation, *Performance standards*; Global Reporting Initiative, *GRI 14*.

26 Voluntary Principles on Security and Human Rights Initiative, *Voluntary Principles on Security and Human Rights* (2000); International Alert, *Conflict Sensitivity*.

Further reading

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About this project

This brief is part of the XCEPT project 'Contested Borderland Elite Trajectories' (CBET), which explores how political and economic elites shape authority, resource extraction, governance and everyday life in contested borderlands. Empirical research focuses on three case studies representing distinct borderland configurations: Northern Bahr el-Ghazal (South Sudan); North and South Waziristan (Pakistan); and the Kurdistan Region of Iraq (KRI).

About XCEPT

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