

Pakistan and World Bank Settlement of Investment Disputes - Do not pay the unfair fine; oppose the unjust decision of ICSID

Thursday 18 July 2019, by [TARIO Farooq](#) (Date first published: 17 July 2019).

This is a story of the dodgy deal by a multi national company and then earning massive amount of money through the so-called process of Settlement of Investment Disputes, a World Bank institution acting against developing countries.

This is a new way of exploitation of the under developed countries by these foreign investors where corruption is a way of life and lobbying for forcing the government to sign unjust contracts through retired military officers are done in routine. And If you dare to cancel these dodgy deals, then the World Bank comes to rescue you through its various institutions.

Here is some details of this unprecedented fine imposed on Pakistan.

World Bank's International Centre for Settlement of Investment Disputes (ICSID) has imposed a penalty of \$5.976 billion on Pakistan — one of the biggest in its history — for the “unlawful denial of a mining lease” to a company in 2011.

The Tethyan Copper Company (TCC) — a joint venture between Chilean mining company Antofagasta and Canada's Barrick Gold Corporation — had filed claims for international arbitration in 2012 after the Balochistan government rejected a leasing request from the company for the Reko Diq project had claimed \$11.43 billion in damages.

The Chagai Hills Exploration Joint Venture Agreement (Chejva) was signed between the Balochistan Development Authority (BDA) and BHP Minerals, incorporated in Delaware, United States.

The agreement stated that BHP and BDA would form a joint venture for prospecting and exploring gold and copper in Reko Diq. The joint venture was to “apply for up to ten” prospecting licences “covering an area of up to fifty square kilometres in the aggregate” with the provision that it could relinquish the whole or part of this area and apply for licences “over other areas”.

In another major provision of the agreement, BHP and BDA were to make a respective contribution of 75 per cent and 25 per cent to the money required for the project; they would share the revenues also by the same proportion.

However, the agreement was changed again and again in favour of the company after it was signed.

Finally, TCC proposed that only two percent of the total revenue would be given to Balochistan government and rest is for them.

The Supreme Court of Pakistan had in January 2013 declared the Reko Diq agreement void and in conflict with the country's laws.

The government of Balochistan had in 2011 refused to grant a mining licence to TCC for the Reko Diq gold-cum-copper project.

The Balochistan government alleged that the company had not mentioned anything in its report about the processing of gold and copper, which was the main concern of the Balochistan government.

We demand from the Pakistani government not to pay this unfair fine. Pakistan must use all its sources to launch a campaign against this decision nationally and internationally. This unfair and unjust decision must be opposed on all platforms.

Farooq Tariq

General secretary

Pakistan Kissan Rabita Committee
