





Strasbourg, 20 February 2025

TPVS/Files(2025)2020-04_comp

CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE AND NATURAL HABITATS

Standing Committee 45th meeting Strasbourg, 8-12 December 2025

Bureau of the Standing Committee 8-10 April 2025 Strasbourg

Possible File: 2020/04

The Amulsar gold mine project and its impacts on Emerald Network sites (Armenia)

- REPORT BY THE COMPLAINANT-

Document prepared by Bankwatch, on behalf of "EcoLur" Informational NGO, Armenian Forests NGO, Green Armenia NGO, CEE Bankwatch Network. Mr. Mikaël Poutiers - Secretary of the Bern Convention Ms. Marta Medlinska - Programme Manager Mr. Marc Hory - Project Manager Mr. Michaël Nguyen - Administrative and Project Manager

February 2025 report by the complainants: Complaint No. 2020/04: The Amulsar gold mine project and its impacts on Emerald Network sites (Armenia)

DEAR MR. POUTIERS, DEAR MS. MEDLINSKA, DEAR MR. HORY, DEAR MR. NGUYEN,

Hereby we send you an update report by the complainants relevant to the case 2020/04 The Amulsar gold mine project and its impacts on Emerald Network sites (Armenia). We send our report on two separate issues: the Amulsar Gold mine, and the Revision of the candidate Emerald sites in Armenia.

Issue 1: the Amulsar Gold Mine

In spite of all the decisions of the Bern Convention Bureau and Standing Committee, the Armenian government continues to push forward the reopening of the Amulsar mine. On 27 December 2024, Lydian Armenia signed an agreement to <u>transfer 12.5%</u> of its shares to the Armenian government. In January 2025, the <u>Armenian Economy Minister Gevorg Papoyan</u> announced that "*mining operations at the Amulsar gold deposit in Armenia are anticipated to begin in September-October 2025*".

He stated, "We believe the financing issue will be resolved shortly. With \$500 million already invested, an additional \$100 million will be contributed by the company, and the remaining \$150 million will be financed by our financial institutions."

Hayk Aloyan, CEO of Lydian Armenia, the company holding the license for the Amulsar gold deposit, revealed that 70-80% of the required work to commence operations has already been completed. An additional \$250 million is needed to finalise the project.

The Eurasian Development Bank (EDB) has not made a decision regarding the financing of the Amulsar gold mine project, as Yaroslav Mandron, Deputy Chairman of EDB Management Board, informs in his letter dated 28 October 2024, <u>responding to inquiries</u> from representatives of Armenian civil society.

Issue 2: the revision of the candidate Emerald sites in Armenia and dialogue with civil society

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As part of the EU4Environment project (financed by the EU and implemented by the World Bank) a drastic reduction of more than 30% of the Emerald Network in Armenia has been proposed. In January 2025, the complainant NGOs for the Amulsar case received by the Ministry of Environment a letter: "In the context of the above circumstances and the official proposals submitted by the Secretariat of the Convention, in order to review the Emerald areas, discuss the issue related to the Amulsar mine, as well as to outline the necessary steps and develop a roadmap within the framework of fulfilling the obligations assumed under the Convention, with the involvement of all stakeholders, it is planned to organise a discussion at the Ministry of Environment.

Taking into account the above and the urgency of implementing the necessary work, I kindly request you to submit your proposals on the report on the proposals for the review of the candidate Emerald areas under discussion as soon as possible, as well as to provide candidates (also indicating the candidate's contact details) to participate in the discussion. The planned date of the discussion and you will be informed about the time."

The letter was accompanied by an Armenian translation of the report: '<u>Recommendations for</u> review of the Candidate Emerald sites in Armenia'.

Two of the complainants participated in a meeting with the Ministry experts on 7 February 2025 in which they clearly disagreed with the proposal to exclude the Amulsar mountain from the Emerald Network. Furthermore, they said they would be ready to discuss the other Emerald sites.

Attached to this report are our initial comments to some selected Emerald sites. Our general comments are the following:

1. The goal of the <u>EU4Environment project</u> in Armenia is "advancing the establishment of the Emerald Network and management of the Emerald sites", so it is quite problematic that the project staff is working for more than a year in reducing the area of the Emerald Network in Armenia and changing the borders of <u>all</u> the Emerald sites. This puts Armenia one step backwards in the process of establishment of the Emerald Network - all sites have to go through a new biogeographical seminar. This can happen not earlier than 2026 and only after that (if the change proposals get approved) the sites can become nominated candidate sites again, and be officially protected and managed. This would most probably not allow Armenia to reach the <u>target</u> of 40% of Emerald sites with management plans until 2030. Moreover, as <u>host of the next</u> <u>Conference of the Parties (COP17)</u> to the Convention on Biodiversity (CBD) in 2026, Armenia will be lagging way behind in its commitments to the CBD targets to protect 30% of its land area until 2030.

- 2. There is a <u>31.5% proposed reduction of the Emerald Network</u> for the whole territory of Armenia! Currently, the country has the highest sufficiency index (68.7%) of all signatories to the Bern Convention, only after the United Kingdom. This means that the candidate Emerald sites are well designed and ready to be designated, unlike Georgia and Azerbaijan for example, which have a sufficiency index of 30.9% and 21.7% respectively. The proposed reduction of the network would certainly decrease the index and make many species and habitats insufficiently protected, for example the lesser kestrel (*Falco naumanni*), the common crane (*Grus grus*) and several other birds, the orchid *Dactylorhiza chuhensis* and other plants, natural and seminatural grasslands and other habitats. Large areas for these species and habitats are proposed for exclusion.
- 3. We support some of the changes in the Emerald Network, for example the increase of the area of AM0000010 Aragats or the new AM0000029 Teqsar site, but believe some of the other changes are very problematic. In violation of the text of the Bern Convention and the <u>Recommendations</u> related to the Emerald Network, some borders have been changed not based on scientific reasons (presence or absence of species and habitats), but on possible future harmful activities (AM0000009 Jermuk excluding Amulsar gold mine, AM0000004 Lake Arpi excluding private lands). Moreover some of the borders are modified in a way that makes the site impossible to manage (AM0000011 Dilijan).

Although we see a positive development in that the authorities are sharing information with and willing to involve the complainants in the consultations, we hope the changes to all Emerald sites will not be proposed. If approved, the revised borders would be a very worrying development which may lead to **Insufficiency** assessment for many species and habitats that were assessed as **Sufficient** during the last two biogeographical seminars.

We therefore call on the Bureau to:

- 1. Request from the Government of Armenia that the Emerald Network review is consulted with the broader civil society and conservation community in a meaningful period of time;
- 2. Inform the EU4Environment project financier (the European Commission) and the implementing partners (OECD, UNECE, UNEP, UNIDO, the World Bank) about the possible problems with reducing the areas of the Emerald Network;
- 3. Reiterate to the government to cancel the outdated environmental permits of the Amulsar Gold Project and, now that the government is a shareholder, initiate a new Environmental and Social Impact Assessment (ESIA) taking in consideration the Bern Convention obligations and decisions;
- 4. Recommend the government to resume the declaration process of Jermuk National Park.

Best regards,

Andrey Ralev

On behalf of the complainants "EcoLur" Informational NGO, Armenian Forests NGO, Green Armenia NGO, CEE Bankwatch Network.