



Strasbourg, 7th November 2023



T-PVS/Files(2023)07

CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

Standing Committee

43rd meeting

Strasbourg, 27 November - 1 December 2023

Possible File: 2020/4

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

- REPORT BY THE COMPLAINANT -

*Document prepared by the
"EcoLur" Informational NGO, Armenian Forests NGO, Green Armenia Environmental Education
NGO, CEE Bankwatch Network*

- November 2023 -

Delegates of the Standing Committee of the Bern Convention
Mr. Mikaël Poutiers - Secretary of the Bern Convention
Mr. Eoghan Kelly - Programme coordinator

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

DEAR DELEGATES,
DEAR MR. POUTIERS,
DEAR MR. KELLY,

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 are grateful that the case was elevated to a possible file. In the update reports we sent before the 2023 spring and autumn Bureau meetings we gave more details on the following developments:

- the article *Distribution and status of the [Persian leopard](#) in the Caucasus Ecoregion* was published in August 2022 proving leopard recovery in the Southern Caucasus and the importance of the Amulsar mountain for the species;
- unprecedented number of [SLAPPs](#), strategic litigation against public participation, against independent experts, lawyers and journalists that opposed the project and [violation of human right](#);
- in June 2022, new amendments in the country's Mining Code went into force, despite a [joint statement against these from 44 non-governmental organisations](#), allowing mining with environmental impact assessments more than a year old, as long as the delay was caused by reasons that include "civil disobedience" (the only company which applied for renewal of the environmental permit till the November 2022 deadline was Lydian Armenia);
- in February 2023, the Amulsar gold mine secured funding from the [Eurasian Development Bank](#) with the Russian state as majoritarian owner;
- in March, at a workshop part of the [EU4Environment project](#) it was confirmed that there is ongoing work on reducing the area of Emerald sites in Armenia, some of the experts even mentioned that this reduction could bring the area of the Emerald Network to as low as 15% of the territory of the country (currently it is 35%);
- in May, the government of Armenia adopted the Mining Sector Development Strategy and Action Plan which facilitates the continuation of mining activities in the Amulsar mountain, for example by allowing mining in protected areas;
- in June, the promoters of the project (Lydian) [met Deputy Prime Minister](#) Mher Grigoryan and discussed the timeframes for resumption of the construction of this mine.

Before the Standing Committee meeting we would like to additionally explain some developments.

The government confirmed that no new Environmental and Social Impact Assessment (ESIA) will be done for the Amulsar gold mine

In the [report by the government](#) from October 2023 it was finally confirmed that according to the government “*there was no necessity to conduct a new environmental impact assessment*”. We would like to point out that International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD) withdrew from the Amulsar gold mine project. Moreover, many international experts, including from the ELARD company hired by the government to review the ESIA, recommended that a new ESIA should be elaborated. In August 2019, at a [video conference](#) with the Prime Minister, experts from ELARD said “*The EIA of 2016 and the project are not enough to safely exploit the mine ... a new assessment needs to be made for the project ...EIA needs to be updated, mitigation measures to be properly designed ...Assessments, be social or environmental are undeniably defective and are not reliable.*”. The National Academy of Sciences of the Republic of Armenia did not give any opinion on the ELARD report. To the best of our knowledge no independent experts gave an opinion that the ESIA approved in 2016 is good enough to tackle the impacts of the Amulsar gold mine. Currently, the government is taking all the necessary steps to resume the mining activities in violation of the September 2020 decision by the Bureau to “*halt any developments that can negatively affect the habitats and species protected under the Convention, whether it pertains to an Emerald Network site or not*”.

Jermuk National Park and false mitigation measures in violation of the Bern Convention.

The establishment of Jermuk National Park was proposed as biodiversity offsetting for the biodiversity impacts of the Amulsar gold mine in the [ESIA](#). In 2016, Lydian Armenia (the promoters of the mine) and the Ministry of Nature Protection signed a [memorandum of understanding for the establishment of the park](#). Lydian anticipated investing 5 million USD in the national park in 5 years. As CEE Bankwatch Network wrote in a [report in 2019](#), the proposed as a offsetting measure to establish a national park partially on the territory of the “Djermuk Area” Emerald site will prevent Armenia from fulfilling its national designation obligations to legally protect the entire Emerald site. The proposed boundaries of Jermuk National Park were changed to exclude all areas of Amulsar Gold Project after signing the memorandum between Lydian Armenia and the Ministry of Nature Protection. The [initial boundaries](#) proposed in 2012 by WWF in a feasibility study were identical with “Djermuk Area” Emerald site and included significant part of Amulsar Gold Project (barren rock storage facility, Erato open pit mine, transportation line/facility).

In the report from 2019, Bankwatch also warned that the establishment of the park is stopped. In the October 2023 government report this was confirmed: “*Regarding the establishment of the Jermuk National Park, the Ministry states that it reflected in the 2014 strategic plan for the specially protected areas of the Republic of Armenia. However, the initiative has been postponed due to prevailing state priorities and regional instability caused by Azerbaijan's repeated aggressions since mid-2021*”.

Seven years after the memorandum was signed, the park is not established and the “Djermuk Area” Emerald site continues unprotected and threatened by the expansion of the mining facilities.

Lack of dialogue of the government with the civil society on Amulsar gold mine and Emerald network changes

All the latest initiatives by the government to facilitate and resume mining activities at Amulsar were not properly consulted with the civil society. The same refers to the process of changes anticipated in the Emerald Network. Moreover, there is no publicly-available data nor meaningful consultations on any government decisions in the last year. Regarding the EU-funded project *EU4Environment*:

Advancing the Establishment of the Emerald Network and Management of the Emerald Sites in Armenia, after the March 2023 workshop there is no information regarding the work on Emerald sites. As the [EU4Environment project site](#) explains, verifying or reducing the borders of the Emerald sites in Armenia is not in the project activities. If there is a reduction of the Emerald sites to exclude Amulsar gold mine or other damaging activities this would be a violation of article 4 of the Bern Convention:

Article 4

1. Each Contracting Party shall take appropriate and necessary legislative and administrative measures to ensure the conservation of the habitats of the wild flora and fauna species, especially those specified in Appendices I and II, and the conservation of endangered natural habitats.

2. The Contracting Parties in their planning and development policies shall have regard to the conservation requirements of the areas protected under the preceding paragraph, so as to avoid or minimise as far as possible any deterioration of such areas.

In the ESIA report and in additional research by CEE Bankwatch Network, WWF Armenia and other organisations and experts, it was confirmed that the area around Amulsar holds important habitats of species protected under the convention.

We would like to ask the Standing Committee to:

1. Plan an on-spot-appraisal (OSA) mission to Armenia as currently there is no possible involvement of NGOs and independent experts in the discussions related to the Amulsar gold mine and the Emerald Network in Armenia and all decisions are taken behind closed doors;

2. To recommend the government to cancel the outdated environmental permits of the Amulsar Gold Project and to ask the investor to produce a new Environmental and Social Impact Assessment (ESIA) taking in consideration the Bern Convention obligations;

3. To recommend the government to resume the declaration process of Jermuk National Park;

4. To make sure that the recommendation of the Bureau from September 2020 is followed: *“in the meantime, it recommended that the authorities halt any developments that can negatively affect the habitats and species protected under the Convention, whether it pertains to an Emerald Network site or not”*.

Best regards,

Andrey Ralev

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

- August 2023 -

Mr. Mikaël Poutiers - Secretary of the Bern Convention
Mr. Eoghan Kelly - Programme Coordinator
Ms. Nadia Saporito - Project Officer

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 MR. KELLY,
DEAR MS. SAPORITO,

Hereby we send you an update by the complainants relevant to the Complaint on stand-by 2020/04 The Amulsar gold mine project and its impacts on Emerald Network sites (Armenia).

Further steps to resume the construction of the Amulsar mine

As we informed in the previous report, the mine got financing from the [Eurasian Development Bank](#) with the Russian state as majoritarian owner. Recently, in June 2023, the promoters of the project (Lydian) [met Deputy Prime Minister](#) Mher Grigoryan and discussed the timeframes for resumption of the construction of this mine, the expected timeframes for the start of its operation, the funding process of the respective investment project, and matters related to the collaboration between the Armenian state and the company. The civil society was not involved in any discussion on the resumption of the mine and no new environmental impact assessment (EIA) is foreseen.

As described in a [recent article by Accountability Console](#), the exit of European Bank of Reconstruction and Development (EBRD) from the project didn't solve any of the problems for local communities. The EBRD's "do no harm" mandate means that, at a minimum, communities around Amulsar should not be worse off as a result of the EBRD's involvement and exit. As Lydian plans to re-start the project, the communities continue their fight for the protection of their environment, biodiversity, water sources, health and safety, and livelihoods, without any remedy, all while dealing with continued SLAPPs, legal costs, and retaliatory attacks from Lydian.

Reducing Emerald site areas in Armenia and around Amulsar

On March 17, 2023, a stakeholder and public engagement workshop took place in the Botany Institute in Yerevan as part of the EU-funded project "EU4Environment: Advancing the Establishment of the Emerald Network and Management of the Emerald Sites in Armenia". At this workshop [some of the complainants participated](#) and understood that the project has been misused to reduce the area of the Emerald sites in the country. Some project team members said during the seminar in Yerevan:

"It will be very difficult to manage these areas, and there are no species protected by the Bern Convention in these areas. That is why in 2018-2019 we started the optimization process of these areas. We propose to have 28 territories, which will cover 15% of Armenia".

Having in mind that the current Emerald Network in Armenia covers almost 35% of the territory of the country, this would mean reducing the area to less than half of the current. Many of the species and habitats would then be insufficiently protected.

There was no possibility to discuss these changes with civil society organisations at the workshop, nor during any other meeting which makes the whole process opaque. Please note that some of the project members participated in the Amulsar Gold Mine assessments during its approval. From the updates of the government to the complaint we know that one of the goals of reducing Emerald sites is to exclude the areas of the gold mine from Djermuk Emerald site.

As the [EU4Environment project site](#) explains, verifying or reducing the borders of the Emerald sites in Armenia is not in the project activities:

“EU4Environment supports the Eastern Partnership countries in preparing draft action plans for selected sites to advance the establishment of the Emerald Network and in managing existing sites, as well as in advancing regional collaboration and the exchange of data with EU member states, and communication and awareness raising about the Emerald Network in the Eastern Partnership countries.”

All the Emerald sites in Armenia have passed biogeographical seminars and many of the above-mentioned experts have defended them to achieve sufficient protection of the species and habitats.

If the project resources are used to reduce the Emerald Network it will be a step backwards in the obligations of Armenia towards the Bern Convention and possible misuse of EU funding.

Mining Sector Development Strategy adopted which facilitates the Amulsar project

On May 11, 2023, the government of Armenia adopted the resolution "On Approving Mining Sector Development Strategy and Action Plan Arising from It". However, the recommendations of the civil society aimed at solving the problems of the sector were left out of this important document.

The civil society faction of the Multi-Stakeholder Group of the Extractive Industries Transparency Initiative (EITI) issued a [statement](#) demanding the annulment of the adopted resolution. “Four drafts of the strategy were circulated. We studied all those voluminous documents, gave recommendations, but our numerous recommendations were not considered. There was no discussion with the authorised body regarding our latest recommendations. And today we see a document already adopted at the government session. We open the public discussion sheet attached to the project, we see zero comments, even though we sent a 33-page document that has been published. We have been very constructive, and this way of working is not acceptable for us”, said in a [media interview](#) Victoria Burnazyan, Deputy President of "EcoLur" Informational NGO, one of the complainants to the Bern Convention.

A [detailed analysis](#) of the new strategy shows that it will facilitate the continuation of mining activities in the Amulsar mountain. According to the logic of this document, it should be allowed to exploit any mine without any real restrictions. It is true that it should be done by observing "high international standards", but there are no real prerequisites that these standards will be observed. For example, it would be possible to operate mines in protected areas (including Emerald sites) which is currently unacceptable. It is proposed to compare the benefits from the specially protected area with the benefits from subsoil use using a commercial methodology, and then make an appropriate decision. The

calculation will be carried out on the basis of a simple cost-benefit financial calculation, with very predictable results.

The strategy action plan also includes "a clear procedure for the legal consequences of the failure of hearings" which allows the promoter to bypass the mechanism for ensuring public participation in the decision-making process defined by the Aarhus Convention. This is one of the unique mechanisms that allows the public to express their opposition to the implementation of problematic environmental projects in their community through public discussions. Public participation was already a problem related to the Amulsar Gold Project - people from the town of Jermuk were not consulted when the project was approved and a new environmental impact assessment (EIA) should include a meaningful process and not create an alternative process.

Therefore, we would like to ask the Bureau to instruct the authorities:

1. To involve NGOs and experts in all discussions related to the Amulsar gold mine and the Emerald Network in Armenia;
2. To cancel the current Environmental and Social Impact Assessment (ESIA) of the Amulsar Gold Project and to ask the investor to produce a new report taking in consideration the Bern Convention;
3. To inform about the current status of the declaration process of Jermuk National Park;
4. To make sure that the recommendation of the Bureau from September 2020 is followed: "in the meantime, it recommended that the authorities halt any developments that can negatively affect the habitats and species protected under the Convention, whether it pertains to an Emerald Network site or not".
5. To produce an update report before the 2024 Spring Bureau meeting, as there is a chance that the Amulsar mine resumes work before that.

Best regards,

Andrey Ralev

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

- February 2023-

Ms. Ursula Sticker - Secretary of the Bern Convention

Mr. Eoghan Kelly - Project Assistant

Ms. Nadia Saporito – Project Officer

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

DEAR MS. STICKER,

DEAR MR. KELLY,

DEAR MS. SAPORITO,

Hereby we send you an update by the complainants relevant to the Complaint on stand-by 2020/04 The Amulsar gold mine project and its impacts on Emerald Network sites (Armenia).

New information about Persian leopard from the area of Amusar

The article [Distribution and status of the Persian leopard in the Caucasus Ecoregion](#) was published in August 2022 proving leopard recovery in the Southern Caucasus due to long-term leopard conservation and monitoring and prey base restoration (especially bezoar ibex *Capra aegagrus*). Nevertheless, the Persian leopard (*Panthera pardus tulliana* = *P. p. saxicolor* = *P. p. ciscaucasica*) remains critically endangered and the authors recommend creation and maintenance of transboundary and in-country connectivity of leopard habitats, and the continuation of support to protected areas, anti-poaching activities, and awareness-raising.



A Persian leopard caught on camera in Armenia on 14 April 2022 (Photo WWF Armenia).

The area of Amulsar gold mine is shown in the article as possibly extant, with proof of nearby leopard presence from Arpa Protected Areas, Vayk Ridge and Caucasus Wildlife Refuge. The article indicates that from the mid-2000s onwards, leopards appear to be threatened predominantly by fragmentation of habitat patches intensified by socio-economic development and politically challenging conditions. Before allowing any new development at the Amulsar area, special research on the leopard and its main prey (bezoar ibex and Armenian mouflon) should be carried out. Most of the citations of leopard in Armenia have been reported after the Amulsar environmental and social impact assessment (ESIA) was produced.

Once stalled, work on Amulsar set to start again

The Amulsar gold mine project has appeared dormant, but new evidence shows that it can move forward very soon. Since 2018 the investor Lydian International collapsed, the EBRD exited the project, Armenia began investigating and promised a new ESIA, a criminal case against Lydian was launched by the prosecutor general's office. With the onset of the COVID-19 pandemic in 2020 and the violation of the cease-fire on the Armenia-Azerbaijan border in 2021, it was not clear where Amulsar was headed. A decision on a complaint filed with the EBRD's Independent Project Accountability Mechanism (IPAM) is still on the way.

In December 2021, the criminal case against Lydian Armenia was [terminated](#). No new environmental impact assessment was ever carried out. Sources in the current and former governments [have told the independent news organisation Eurasianet](#), on condition of anonymity, that economic needs in the post-war period have meant the likelihood of the mine reopening has significantly increased.

In 2022, Lydian Armenia applied for a new water use permit. On June 18, [new amendments](#) in the country's Mining Code went into force, despite a [joint statement](#) against these from 44 non-governmental organisations. Among other things, they allow companies to carry out mining with environmental impact assessments more than a year old, as long as the delay was caused by reasons that include "civil disobedience". The only company which applied for renewal of the environmental permit till the deadline (November 2022) was Lydian Armenia.

In October 2022, **Chaarat Gold Holdings Limited**, a British Virgin Islands-based gold mining company with assets in the Kyrgyz Republic (Tulkubash and Kyzyltash gold projects) and Armenia (Kapan mine), noted recent media speculation and [confirmed](#) that it is in discussions regarding the potential acquisition of Lydian Armenia CJSC from Lydian Canada Ventures Corporation..

It looks like it's just a matter of time before [work on Amulsar starts again](#).

SLAPPs

An unprecedented number of [SLAPPs](#), strategic litigation against public participation, were initiated against independent experts, lawyers and journalists that opposed the project. Between 2018 and 2020 Lydian has launched about 20 lawsuits with defamation appeals against environmental activists, impacted community members who opposed the Amulsar mining project, MPs and media outlets. The subject of litigations was often related to Facebook posts or comments of those people on their personal pages about corrupt activities of Lydian, as well as their public speeches in media or at protest actions.

The courts of Armenia have reacted in different ways, but mostly partly satisfied the claims of Lydian. The loudest case happened with Tehmine Yenokyan (complainant to the Bern Convention complaint)

when in November 2022 the court [ruled against her](#) and demanded that she denounces her words and pays the maximum amount of compensation demanded, as well as compensates all the legal fees of the claimant. The Armenian civil society has [raised the issue publicly](#) as well as through appeals to the government and parliament, but there has been no reaction from their side. There is a high risk that this can become a precedent, as similar SLAPPs against other activists are ongoing at the moment, and this will become a tool used by companies to silence activists. The government and the court system of Armenia need to take urgent measures to make sure that similar litigations be qualified as measures against free speech and public participation and be rejected by courts.

Therefore, we would like to ask the Bureau to instruct the authorities:

1. To involve NGOs and experts in all discussions related to the Amulsar gold mine and the Emerald Network in Armenia;
2. To cancel the current Environmental and Social Impact Assessment (ESIA) of the Amulsar Gold Project and to ask the investor to produce a new report taking in consideration the Bern Convention;
3. To inform about the current status of the declaration process of Jermuk National Park;
4. To make sure that the recommendation of the Bureau from September 2020 is followed: “in the meantime, it recommended that the authorities halt any developments that can negatively affect the habitats and species protected under the Convention, whether it pertains to an Emerald Network site or not”.
5. To produce an update report before the Autumn Bureau meeting.

Best regards,

Andrey Ralev

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

DEAR MS. STICKER,
DEAR MR. KELLY,
DEAR MS. SAPORITO,

After sending you the update on the case on 31 January 2023 it has developed very quickly in the last few days and we need to send this additional information. Please refer to it as part of the previous report. **As you will see below, Armenia is moving very quickly towards restarting the mining activities at Amulsar without any new assessment and disregarding its obligations to the Bern Convention and the recommendations of the Bureau from September 2020. Therefore, we request updating the status of the case to a possible file and asking for an update report before the Autumn Bureau meeting.**

On February 22, 2023, a tripartite memorandum of understanding was signed between Armenian government, Eurasian Development Bank (EDB) and "Lydian Armenia" CJSC, which will allow the development of the Amulsar mine.

[The EDB intends to extend a loan of up to US \\$100 million](#) in addition to US 150 million mobilised by Lydian. The Bank's loan will finance the completion of construction which is scheduled to resume this year.

The document was signed by Armenian government - Minister of Economy, Vahan Qerobyan. *"Today, a memorandum of understanding was signed, by which the parties express their intentions to attract 150 million US dollars through this contract, but outside of this contract, another 100 million dollars will be invested in the direction of the reactivation of Amulsar mine. The government will get a 12.5 percent stake in the new company and will not pay anything in return, but will instead insure certain risks of the deal as a shareholder as well,"* the minister said.

The news about signing a memorandum on Amulsar project with "Lydian Armenia" and thus giving the green light to the project was presented to the public at the very last moment during one of the discussions held in the National Assembly today. As a sign of protest, the representatives of [Armenian civil society gathered](#) in front of the government building at the moment of signing the memorandum.

Actually, the Government has broken the promises given to the public that they will carefully examine the opinions and conclusions presented by the experts related to Amulsar project in order to make an informed decision. In addition, these steps towards reopening the mine are a violation of the September 2020 recommendation by the Bern Convention Bureau: *"halt any developments that can negatively affect the habitats and species protected under the Convention, whether it pertains to an Emerald Network site or not"*, as well as of the obligations of Armenia to protect "Djermuk" area Emerald site (Site Code: AM0000009).

After changes in December 2022, [the EDB is owned 44.8% by Russia](#), 37.3% by Kazakhstan, and smaller shares of Armenia, Belarus, Kyrgyzstan and Tajikistan.

Best regards,

Andrey Ralev

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

