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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 GOVERNMENT -

*Document prepared by the
Ministry of the Environment of Armenia*

- October 2023 -



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REPUBLIC OF ARMENIA
SECRETARY GENERAL OF MINISTRY OF ENVIRONMENT
РЕСПУБЛИКА АРМЕНИЯ
ГЕНЕРАЛЬНЫЙ СЕКРЕТАРЬ МИНИСТЕРСТВА ОКРУЖАЮЩЕЙ СРЕДЫ

№ 5/ՃԴ/14383
« 25 » « 10 » 2023

To: Mr. Mikaël Poutiers
Secretary of the Bern Convention
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Dear Mr. Poutiers,

The Ministry of Environment of the Republic of Armenia presents its compliments to the Secretariat of the Bern Convention.

Referring to the request of the Secretariat of the Bern Convention dated 17th of July 2023 pertaining to the complaint No. 2020/04: The Amulsar gold mine project and its impacts on Emerald Network sites, filed by "EcoLur" Informational NGO, Armenian Forests NGO, Green Armenia Environmental Education NGO, CEE Bankwatch Network, the Ministry of Environment (the "Ministry") hereby informs that the complaint has also been submitted to the Ministry of Territorial Administration and Infrastructure and the Ministry of Economy of the Republic of Armenia.

1. According to the compiled reports and conclusion, and based on the statements received from the responsible authorities regarding the possible negative impact of Amulsar gold mine project, we herewith inform you the following:

The Ministry states that the case No. VD/01049/05/15 has been under trial since 2015 based on the petition by Messrs. Tehmine, Goharik and Derenik Enokyan, Sevak and Arthur Mkrtchyan, Armen Hambardzumyan, Vanik Hovhannisyanyan, Aram Hovsepyan, Arthur Mkrtchyan, Aleksan Mnatsakanayan, Gagik Grigoryan, and Nairi Nersisyan, seeking to annul:

- The order of Minister of Territorial Administration and Infrastructures No. 188-A dated 11.11.2014,
- The permit No. SHATV29/245/ issued on 22.09.2012 and reformulated on 12.11.2014,
- The amendments to the Act No. LV-245 dated 12.11.2014 on reformulated mining distribution dated 26.09.2012



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- The order No. 286-A “On the expansion of the underground section and change of the permit period” of the Minister of Energy and Natural Resources dated 24.11. 2014,
- The amendment of the act No. LV-245 dated 25.11.2014 on the reformulated distribution of Mountain Territories, pursuant to the mentioned order dated 25.11.2014,
- The introduced amendment dated 29.11.2014 of reformulated permit No. SHATV-29-245 dated on 26.09.2012.

A 13-point position was composed within the framework of the case, and was filed with the Administrative Court of the Republic of Armenia.

The activities on the use of underground resources in the Republic of Armenia are subject to environmental impact assessment and expertise, during which each person and organization is free to participate in the expertise process and state its position on the planned event. Thus, in the process of obtaining permission for Lydian Armenia CJSC, each person was free to express their position.

Tehmine Yenokyan was a member of the Public Council adjunct to the Minister of Environment, thus she had the opportunity to address her concerns directly to the Minister. She has also participated in public hearings of the draft law “On Amendments to the Law on Assessment and Expertise of Environmental Impact”.

During 2022 the Minister of Environment held meetings with approximately thirty individuals involved in environmental protection, including stakeholders from environmental, non-governmental organizations and initiative groups, in which Ms. Yenokyan also took part. All the participants served as both partners and advisers to the Ministry, as well as conduits of public opinion.

On 17 March 2023, a workshop of “EU4Environment. Advancing the Establishment of the Emerald Network and Management of the Emerald Sites” project¹ was held, involving stakeholders and public participation, at the Institute of Botany after Armen Takhtajyan, the National Academy of Sciences of the Republic of Armenia. The project is part of the EU-funded EU4Environment program, and is being conducted with financial support provided by the World Bank. Representatives from various departments, experts, as well as non-governmental organizations were invited to the meeting, and each participant had opportunity to engage in discussions and voice their concerns.

Present concerns of the Bureau regarding the expected large reduction in the size of Emerlad Network coverage are not justified as the re-evaluation process based on evidence,

¹ The “European Union for Environment” (EU4Environment) Action is structured around five thematic areas/clusters of work, called “Results”:

- Greener decision-making;
- Circular economy and new growth opportunities;
- An environmental level playing field;
- Ecosystem services and livelihoods;
- Regional knowledge sharing and coordination.

Each Result contains a number of outputs with country-specific and regional activities, as specified in the work plans and the Description of the Action, which are the key guiding documents of the Action.

rigorous and relevant data pertaining to candidate sites is ongoing and the Ministry will send the official letter to the Secretariat once it is finalized.

2. *Concerning the current Environmental and Social Impact Assessment (ESIA) of the Amulsar Gold Project, the Ministry presents the following information:*

Under Environmental and Social Impact Assessment documents (EIA and ESIA) Lydian Armenia committed to follow:

- Equator Principles
- IFC performance Standards
- EBRD performance requirements
- Extractive Industries Transparency Initiative (EITI)
- The International Cyanide Management Code
- The Voluntary Principles on Security and Human Rights
- Guidance of the International Council on Mining & Metals (ICMM)

Geoteam CJSC (*later renamed Lydian Armenia CJSC*) submitted a report on the environmental impact assessment (the "EIA") of the comprehensive development project of the Amulsar gold-quartzite mine and accompanying documents to the Ministry of Energy Infrastructures and Natural Resources of the Republic of Armenia (*the current Ministry of Territorial Administration and Infrastructure*). These documents were transmitted to the Ministry of Nature Protection of the Republic of Armenia (the current Ministry of Environment) in order to solicit the requisite evaluation of the report. In turn, the Ministry of Nature Protection of the Republic of Armenia submitted the EIA report to the "Environmental Impact Expertise Centre" SNCO for expert assessment. The EIA (No. BP-35) was approved on April 29, 2016 by the Ministry of Nature Protection of the Republic of Armenia following four public hearings as per the current Armenian Legislation.

Following the approval of EIA and after commencement of construction an Independent Environmental and Social consultant was retained to assess compliance with environmental, social, health and safety (ESHS) requirements and to report any non-compliant issues and opportunities for improvement and identify any ESHS factors, including human right issues that may adversely affect the future performance of the Project.

The Project reviews indicate that Lydian Armenia has assessed human impacts, engaged with affected communities and has a comprehensive record of stakeholder engagement. The reviews have shown that the Company has developed acceptable policies reflecting human rights and the UN guiding principles of business and human rights.

In terms of Stakeholder engagement Lydian Armenia commenced informal engagements with interested stakeholders back in 2006, and as the project progress this engagement was formalized. The first formal Stakeholder Engagement plan (SEP) was developed in 2011. An additional SEP update was done in 2020, which shows how the Company continued its engagement including with stakeholders in Jermuk. A total of 145 meetings have been held with Jermuk between 2017-2019 and over 476 visit logs have taken place at Amulsar information center (AIC) by Jermuk community members. Stakeholder engagement is implemented through various platforms annual meetings in community, public hearings and/or meeting around ESIA, EIA other topic, monthly CLC meetings in each affected community, other consultation/ focus group meeting in communities,

monthly community newsletter disseminated in the affected communities, AIC visitors: logs for all visits, grievances and community requests.

On 20 July 2018, based on Mr. Gagik Ambartsumyan's application and materials prepared by the Investigative Committee of the Republic of Armenia, criminal case No. 69104218 was initiated, citing a suspected instance of officials withholding information related to environmental contamination from radioactive and chemical substances hazardous to human life and health, as per Article 282(1) of the Criminal Code of the Republic of Armenia. In order to conduct a complete, objective and comprehensive investigation aimed at exploring potential criminal activities involving individuals in the process, numerous investigative and other judicial actions were undertaken, in particular extensive interrogations of individuals and the seizure, acquisition, and scrutiny of substantial documents from governmental and non-governmental entities.

On March 18, 2019 an ecological, geological, hydrological, geophysical, chemical, construction-technical and economic complex examination was ordered to find out a number of circumstances of essential importance for the criminal case, the implementation of which was entrusted to a third party (third party assessment) by experts from the "ELARD" and the "TRC" companies, and an amount of EUR 400,000 was allocated from the state budget of the Republic of Armenia to address the costs associated with the requested services.

Upon receipt of the expert conclusion on 6 September 2019, the Minister of Environment addressed a letter to the Chairman of the Investigative Committee of the Republic of Armenia. In the letter, the Minister indicated that, in compliance with the Prime Minister's order from 21 August 2019, and in response to public concerns, regarding the necessity for a fresh evaluation of the environment impact related to the Amulsar gold quartzite mine's operations, the results of the independent examination carried out by "ELARD" and "TRC" were disseminated to the National Academy of Sciences of the Republic of Armenia and relevant government agencies for their expert appraisal.

The Ministry has also studied the information available on the official websites of Lydian Armenia CJSC, "Lydian international" Ltd, Golder Associates "Global Resources Engineering", and has identified certain discrepancies in information concerning, inter alia, water quality, evaporation, temperature, wind speed, water quantity, and seismic risk assessment. The company provided additional clarifications on the aforesaid matters, which were accepted by the relevant authorities and the "Environmental Impact Expertise Center". Within the framework of the criminal case, no findings have been made regarding the dereliction of duties, engagement in actions for personal or group benefits, intentional abuse of official positions contrary to official interests, or the improper execution of official duties.

The criminal proceedings were terminated on 21 December 2021 based on the decision rendered by the Prosecutor, in compliance with Articles 35, 55(4)(28) and 261-263 of the Criminal Procedure Code of the Republic of Armenia.

Considering the above mentioned facts, there was no necessity to conduct a new environmental impact assessment.

3. *Regarding the establishment of Jermuk National Park*, the Ministry states that it was reflected in the 2014 strategic plan for the specially protected areas of nature 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.

Best regard,



Sergo Atanesyan

- February 2023 -



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REPUBLIC OF ARMENIA
DEPUTY MINISTER OF ENVIRONMENT
РЕСПУБЛИКА АРМЕНИЯ
ЗАМЕСТИТЕЛЬ МИНИСТРА ОКРУЖАЮЩЕЙ СРЕДЫ

№ 2/274/1239
« 09 » « 02 » 2023

To: Ms. Ursula Sticker
Secretary of the Bern Convention
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Dear Ms. Sticker,

The Ministry of the Environment of the Republic of Armenia presents its compliments to the continues efforts of the Bern Convention in biodiversity conservation and support of Armenia in implementation of the convention in the country.

This letter provides an update on the overall optimization process while providing a response to the Bureau decision on 5th of May 2022 regarding the «Complaint No. 2020/04: Armenia: The Amulsar gold mine project and its impact on Emerald sites».

Within the framework of EU4Environment Regional Project's Result 4-Ecosystem services and livelihoods being implemented by the World Bank the revision of the potential Emerald sites is undergoing. Under the coordination of the Ministry the results will be incorporated with the respective information and data from the relevant state institutions in order to ensure evidence based, rigorous and relevant data pertaining to these sites.

The overall optimization process of the potential Emerald sites is a very complex and time intensive process. There are up to 23 potential Emerald sites spread across Armenia and extensive field work is required.

After the mentioned activities are implemented the Ministry of Environment will officially communicate the optimized list of candidate sites of Emerald Network to the Secretariat of the Convention.

Referring to the concern related with the lack of transparency and participation of NGOs and experts in the revision process, I would like to inform you that the Ministry is highly



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recognizing the importance to follow a transparent and open approach through engaging different stakeholder groups.

In light of this, a series of discussions with the involvement of diverse range of stakeholders will be initiated in order to bring together respective specialists, organizations to share ideas and harmonize the objectives.

Concerns of the Bureau regarding the expected large reduction in size of Emerald Network coverage cannot be shared as the actual size of the proposed Emerald network is still under review and the Ministry is not in a position to provide any official data on this matter.

Regarding the Amulsar gold mine project and its impact on Emerald sites, we have emphasized in our earlier progress reports that the Amulsar gold mine currently is not operational and all the possible risks defined by the environment legislation are counted in the environmental and social impact assessment of the Amulsar Gold Mine project done according to the legislation of the Armenia. However, in the ongoing optimization work those considerations will be taken into account.

Any further inputs from the Bureau would be greatly appreciated in this overall complex optimization process.

Sincerely,

Aram Meymaryan



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