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CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

Standing Committee

44th meeting
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Bureau of the Standing Committee

10-12 September 2024
Strasbourg

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*

~~- July 2024-~~

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

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.

We recall that the Committee in its [decision from 1 December 2023](#):

- *reiterated the calls of the Bureau for the Armenian authorities to halt the construction of the gold mine,*
- *invited the Armenian authorities to revise the existing ESIA for the gold mine,*
- *asked to speed up the declaration process of Jermuk National Park,*
- *welcomed the statement of the authorities that they were taking steps to involve CSOs, more closely in the processes: urged strong efforts in this regard,*
- *took note of the request of the complainant to mandate an on-the-spot appraisal (OSA) to the site. However, due to the ongoing processes and assurances of the Armenian government, decided to postpone a decision on this until 2024.*

From March till July, the authorities have again taken steps in exactly the opposite direction which has not only created uncertainty for the Emerald sites, species and habitats protected by the Bern Convention, but puts in risk the safety of the civil society in the country. Moreover, the revision of the Emerald sites was not consulted with the complainants nor the general public.

Issue 1: the Amulsar Gold Mine

Since our last update in February 2024, the [preparation for reopening of the gold mine](#) has continued.

On 27 June 2024, the Senior Managing Director of the [Eurasian Development Bank \(EDB\) Denis Ilyin](#) [said](#) that the mine could start operation in 2025. He explained that there are developments regarding three components:

1. In July, new environmental requirements by the bank should be fulfilled by the investor. These requirements are not public, there is no new EIA procedure started and the public has not been consulted.
2. The week of the interview EDB sent the final version of their “document with the government”, and they hoped that “next week we will fix it”. We assume this was related with the memorandum signed with the Government of Armenia in February 2023.
3. The submission of loan documentation would need an agreement between the old investors (American fund), a new operating partner (not named) and the bank.

If all these issues are resolved, in August EDB could move forward with financing of the project!

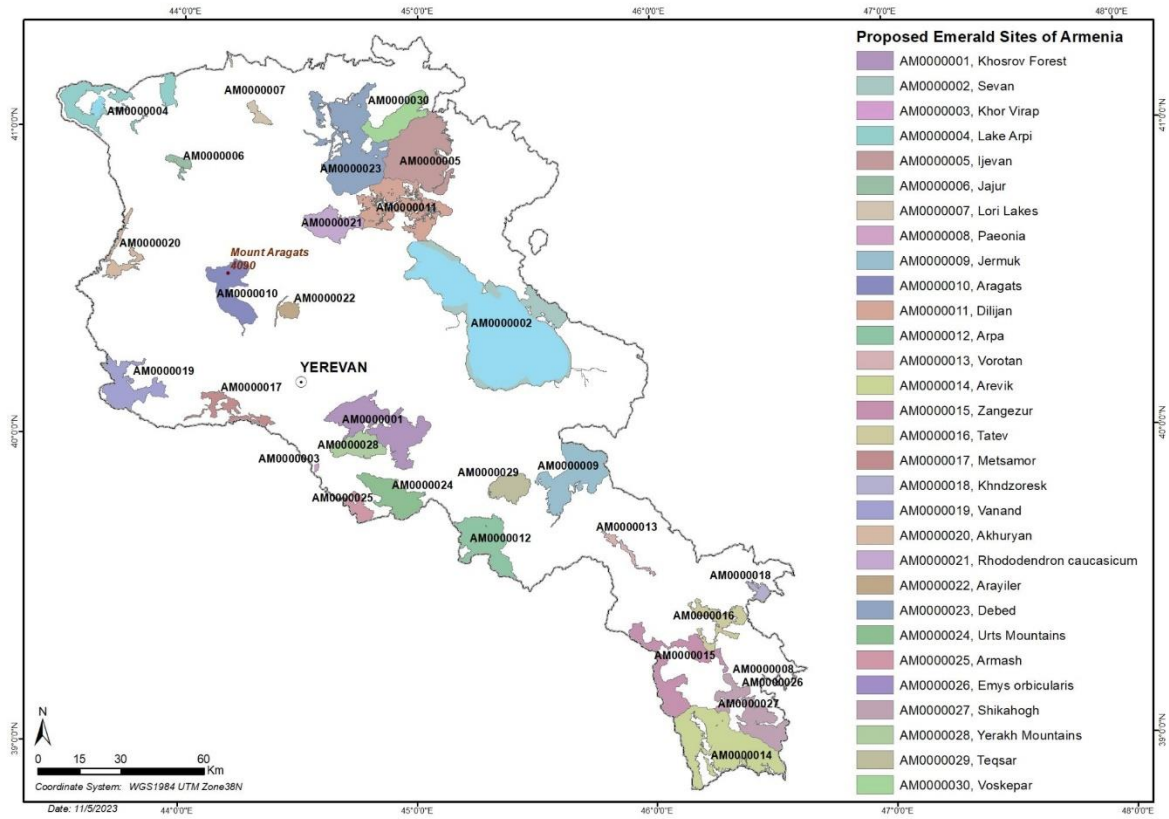
In July 2024, [Friends of the Earth Europe published a declaration of support](#) to Armenian activists against the use of SLAPPs. It was stated that not only Lydian Armenia started litigation against activists, but also “ZCMC mining company, in which the Armenian government has a stake as well, lodged an additional 10 SLAPPs between 2023 and 2024, demanding much higher monetary compensations.”

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

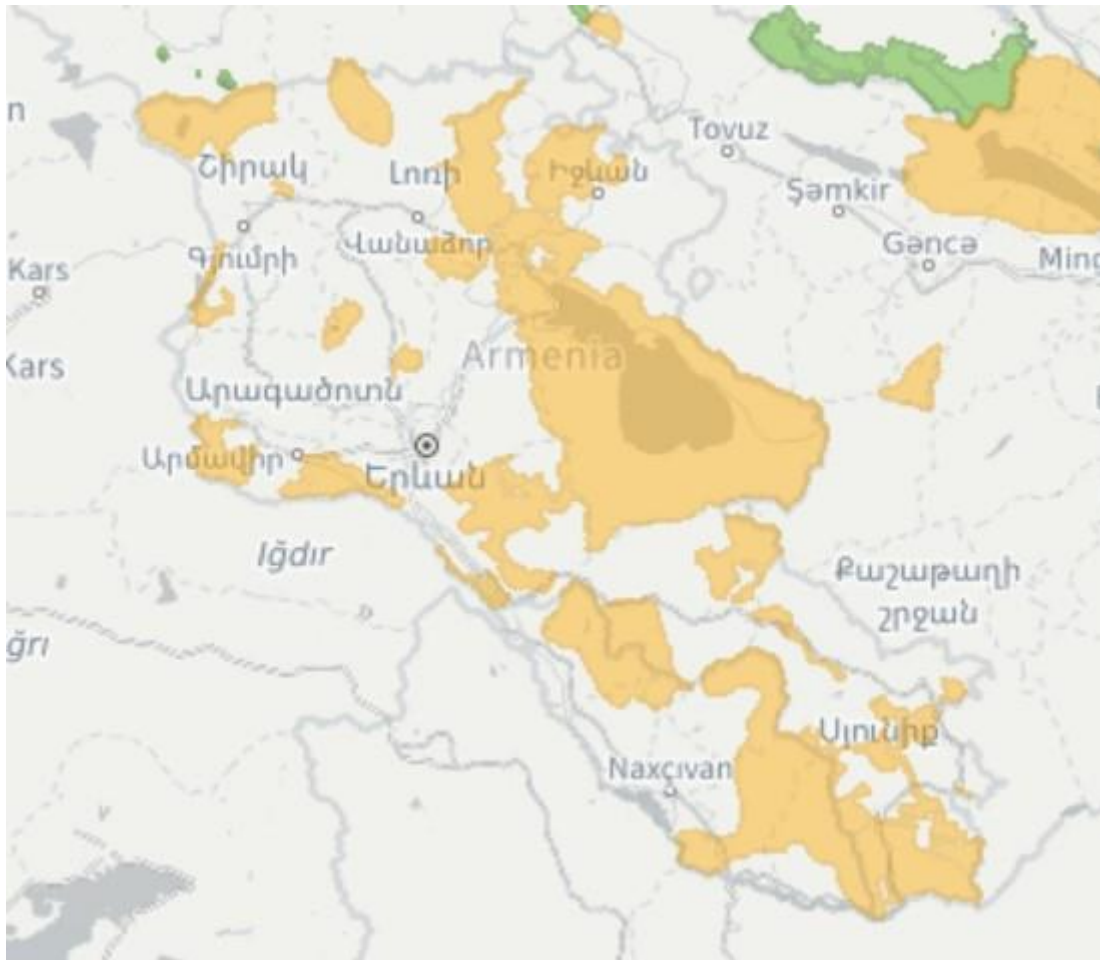
A map of proposed Emerald sites in Armenia was shared with some NGOs in Armenia before May 2024. We assume that these are the revised borders of the Emerald sites proposed by the government and/or the EU4Environment project experts. None of the complainants received this map nor were invited to discuss it besides our wish to be involved expressed during the 2023 Standing Committee and the 2024 spring report.

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. For example:

- All the Amulsar mountain was excluded from AM0000009 Jermuk;
- AM0000002 Sevan was reduced to less than half of the proposed Emerald site excluding important mountains on the border with Vayotz Dzor province and Khosrov State Reserve (habitat of Persian leopard) and marshland areas to the southeast of lake Sevan;
- AM0000004 Lake Arpi, AM0000007 Lori Lakes and AM0000017 Metsamor are significantly reduced - leaving important wetlands and grassland habitats outside the Emerald Network or fragmented, including the shores of the lake Arpi which is a national park and many wetlands that can be easily restored with better water management.



Map 1: Emerald sites in Armenia - proposed changes in 2024



Map 2: Emerald sites in Armenia - current map in the Emerald Viewer.

On 19 July 2024, a brochure called *Recommendations for a National Action Plan to Advance the Establishment of the Emerald Network in Armenia (2024–2030)* was published on the [E4Environment website](#). But up to 30 July the brochure nor the plan was not made available for the public.

We would like to ask the Bureau and the Secretariat to:

- 1. To inform the Eurasian Development Bank (EDB) about the violations of international obligations by the Amulsar Gold Mine if there is no new EIA. We recall that the Secretariat of the Bern Convention was instructed to get in touch with the EDB but we have no feedback if that was possible;**
- 2. Ask the government to involve the complainant NGOs and the wider public in discussions and consultations related to the Amulsar gold mine and the Emerald Network in Armenia;**
- 3. To inform the EU4Environment project financier (the European Commission) and implementing partners (OECD, UNECE, UNEP, UNIDO, the World Bank) about the possible problems with reducing the areas of the Emerald Network.**

4. **To recommend 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;**
5. **To recommend the government to resume the declaration process of Jermuk National Park;**
6. **Ask the government to find ways to protect the NGOs, local residents and independent experts from the SLAPP and smear campaigns;**
7. **To prepare with stakeholders an on-the-spot appraisal mission to Armenia in 2025 as agreed during the 2023 Standing Committee.**

Best regards,

Andrey Ralev

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

- February 2024-

Mr. Mikaël Poutiers - Secretary of the Bern Convention
Mr. Eoghan Kelly - Coordinator
Mr. Marc Hory - Project Manager
Mr. Michaël Nguyen - Administrative and Project Manager

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 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). As required by the 2023 Standing Committee we send our report on two separate issues: the Amulsar Gold mine, and the Revision of the candidate Emerald sites in Armenia.

We recall that the Committee in its [decision from 1 December 2023](#):

- *reiterated the calls of the Bureau for the Armenian authorities to halt the construction of the gold mine,*
- *invited the Armenian authorities to revise the existing ESIA for the gold mine,*
- *asked to speed up the declaration process of Jermuk National Park,*
- *welcomed the statement of the authorities that they were taking steps to involve CSOs, more closely in the processes: urged strong efforts in this regard,*
- *took note of the request of the complainant to mandate an on-the-spot appraisal (OSA) to the site. However, due to the ongoing processes and assurances of the Armenian government, decided to postpone a decision on this until 2024.*

Unfortunately, in the last two months since this decision, the authorities have taken steps in exactly the opposite direction which has not only created uncertainty for the Emerald sites, species and habitats protected by the Bern Convention, but puts in risk the safety of the civil society in the country.

Issue 1: the Amulsar Gold Mine

Quick development in Armenia since the last Standing Committee meeting may indicate the restart of the Amulsar project despite all the environmental and social concerns.

On 18 January 2024, the Armenian government announced getting [a stake](#) in the Amulsar project. The work on infrastructure repair, equipment purchasing, and worker recruitment has already started. According to the decision of the executive, 12.5% of the shares of "Lidian Armenia" CJSC, which implements the Amulsar project, were donated to the Armenian government. This decision stems from the [memorandum](#) of understanding signed on February 22, 2023 between the Government of the

Republic of Armenia, the Eurasian Development Bank and "Lydian Armenia" CJSC. The authority to manage the shares donated by "Lydian Armenia" CJSC was assigned to the Ministry of Economy.

According to Deputy Minister of Economy Ani Ispiryan, 12.5 percent shares of the authorised capital of "Lydian Armenia" are donated to the Armenian government without any obligation on the part of the government. Reminder: before the signing of the memorandum of understanding between the RA government, the Eurasian Development Bank and "Lydian Armenia" CJSC, the construction of the Amulsar project was at a standstill.

The Armenian civil society organisations, jointly with the Jermuk residents (172 signatures), have published a [statement](#) reiterating environmental and social concerns around the project:

1. A full expertise (examination) of the environmental impact assessment was not ensured, and [the results and conclusions of the audit conducted by ELARD and TRC](#) (original [English reports taken down](#)) consulting firms, for which 454.000 US dollars were paid from the state budget, were not taken into account in 2019.
2. The negative impact on water resources - Lake Sevan, Arpa river's and Vorotan river's catchment basins, Spandaryan and Kechut reservoirs, as well as underground water, the perpetual contamination of surface and underground water due to acid drainage - was not taken into account.
3. The risks associated with radioactive elements present on the mining site, i.e. uranium, thorium, as well as radon, and the pollution of the environment with the dust containing huge amounts of toxic elements arising from the operation of the mine have been ignored. The risks associated with the use of cyanide heap-leaching technology, banned in many countries around the world, have also been ignored.
4. The loss of the town of Jermuk as a spa resort of international significance was not taken into account. In the event of the exploitation of the mine, Jermuk will turn into a mining town, the natives of Jermuk will be forced to emigrate, and the workers in the mine will leave Jermuk after mine operation expiry date. In the EIA carried out by Lydian, and in the state environmental examination process, Jermuk was not listed as an affected community, and the destructive impact of the mining operation on it was not taken into account.
5. Health risks were not taken into account, and an appropriate expertise and mid-term and long-term assessments of this risk were not carried out.
6. The possible negative impact on "Jermuk" mineral water, the international obligations undertaken by the Bern Convention on the Protection of European Wildlife and Natural Environment in the field of biodiversity protection, were not taken into account.
7. The opinion and resistance of the population of the affected communities and the wider public against the Amulsar gold mine project has not been taken into account. In particular, in the fall of 2018, the predominant majority of Jermuk enlarged community, around 3 thousand inhabitants, expressed their [opposition to the metal mining industry in a petition](#).
8. Company due diligence was not conducted, in other words, insufficient effort was made to evaluate the way Lydian Armenia operates, the practices involving unlawfulness, violence against citizens, legal harassment of citizens. Once again, public resources were entrusted to a company registered in tax heavens (offshore zone), with unknown owners and enduring a financial crisis. The phenomenon of legal harassment of citizens is called "strategic lawsuit against public participation" (SLAPP), a practice that brings dishonor to any state, especially to a state that declares itself democratic. Meanwhile, the state structures of Armenia have never attempted to prevent this vicious practice, to protect citizens and human rights activists who support local democracy and environmental protection.

9. The bombardment of Jermuk town by Azerbaijan on September 13, 2022 was not taken into account. Extraction of gold in Amulsar means disposal of tens of thousands of tons of perpetually toxic and hazardous chemicals, as well as storage and use of explosives in the vicinity of Jermuk. In the event of military operations, these will become an additional hazard not only for Jermuk but also Lake Sevan (due to the contamination of Arpa-Sevan water tunnel), the entire regions of Vayots Dzor, Syunik and Ararat.

In December 2023, the local activists from the [Jermuk community sent an open letter to Nikolay Podguzov, the chairman of the Eurasian Development Bank \(EDB\) board](#), Denis Ilyin, the deputy chairman of the EDB board, and Armen Melkikyan, the director of the EDB representation in Armenia saying that they disagree with the mind and won't let it happen.



In 2024, a smear campaign against prominent civil society activists in Armenia has significantly intensified. The local civil society organisations [Ecolur](#) and [Centre for Community Mobilization and Support NGO](#) have been targeted in the media and accused of being “a threat to national security” due to their involvement in environmental monitoring, the data of which may be used by Azerbaijan. Although the allegation is not directly linked to the Amulsar project, it was triggered by the social resistance movement against it. A smear campaign approach had already been used against the Amulsar activists in the past.

On 6 February 2024, a group of non-governmental organisations issued a [statement about suppression of environmental organisations](#), individual activists, human rights defenders, anti-democratic processes and de-democratization attempts in the Republic of Armenia: “*For a long time now, pressure has been going on in RA against environmental activists, environmental organisations, human rights defenders, residents of affected communities who oppose harmful mining projects. It is expressed in the form of hate speech, insults, fake attacks of slanderous publications, and already in the form of some speeches and interviews given by state officials.*”

Considering the ongoing SLAPPs and smear campaign against the Amulsar activists, the current escalation significantly restricts the environment for civil society in the country.

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

There has been no new scientific analysis, revised borders, revised standard data forms nor any other information provided to the civil society on the Emerald Network work by the authorities or by the EU4Environment project. There has been no new follow-up on the promise made during the Standing Committee meeting by the authorities to take steps to involve CSOs.

On 15 December 2023, a brochure [Recommendations for Guidelines for preparing management plans of Emerald sites in Armenia](#) was published on the EU4Environment project website. This brochure has no relation to the revision of borders of Emerald sites and it does not provide information on which two management plans of Emerald sites will be developed from the project team. But it provides important information on how the stakeholders (including CSOs) should be involved in the management of Emerald sites: *“Lack of information, communication, and involvement of stakeholders can be a major source of conflict. Therefore, it is advised to involve stakeholders in the planning process from the outset, to achieve long-term conservation objectives and enable sustainable natural resource management”*. To the best of our knowledge, none of the stakeholder engagement recommendations have been followed yet for the management nor for the revision of the Emerald sites in Armenia.

In February 2024, the European Bank for Reconstruction and Development Independent Project Accountability Mechanism (EBRD IPAM) announced that the Amulsar case is now the team’s top priority and is aiming to have the consultation draft of the Compliance Review of 2020/02 complaint issued before the end of March.

We would like to ask the Bureau and the Secretariat to:

- 1. Ask the government to protect the NGOs, local residents and independent experts from the SLAPP and smear campaigns;**
- 2. To find ways to involve them in the discussions related to the Amulsar gold mine and the Emerald Network in Armenia;**
- 3. To recommend 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;**
- 4. To recommend the government to resume the declaration process of Jermuk National Park.**
- 5. To coordinate with the European Bank for Reconstruction and Development (EBRD) and their IPAM mechanism.**
- 6. To inform the Eurasian Development Bank (EDB) on the violations of international obligations by the Amulsar Gold Mine if there is no new EIA.**

Best regards,

Andrey Ralev

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