

FROM:

Fidanka Bacheva-McGrath

CEE Bankwatch Network

TO:

Mr D. Prasek

Copy to:
Mr M. Green
Mrs Biljana Radonjic Ker-
Lindsay

EBRD

Bulgaria:

Centre for Environmental
Information and Education
(CEIE)
For the Earth!

Czech Republic:

Centrum pro dopravu a
energetiku
Hnutí Duha

Estonia:

Estonian Green Movement-FoE

Georgia:

Green Alternative

Hungary:

Nature Protection Club of
Eotvos Lorand University
(ETK)
National Society of
Conservationists-FoE (NSC)

Lithuania:

Atgaja

Macedonia:

Eko-svest

Poland:

Polish Green Network (PGN)
Institute of Environmental
Economics (IEE)

Russia:

Sakhalin Environment Watch

Slovakia:

Friends of the Earth - Center
for Environmental Public
Advocacy (FoE-CEPA)

Ukraine:

National Ecological Centre of
Ukraine (NECU)

CEE Bankwatch Network's
mission is to prevent
environmentally and socially
harmful impacts of
international development
finance, and to promote
alternative solutions and
public participation.

10 December 2009

Dear Mr Prasek,

Following from the meeting on Kapan that we had before the workshop "Environmental and Social Responsibility in Mining" I am sending here several photos from the 3 villages near Kapan - Geganush, Syunik and Shahumyan, as well as several questions that still need answers.

The photos from Geganush show that there were uncovered tailings when we visited the site in the start of May. We referred to them as "old TMF" in our letter (of 25th June), because this is what local people called them. The reply we received from the Bank (28th September) said that the Geganush TMF is in fact an up-graded facility, distinguishing it from the "old" Arstvanik facility.

As you can see from the pictures, the dry tailings are separated from the rest with an earth embankment at the Geganush site. The question then remains is, if these dry tailings are on Deno Gold's up-graded TMF or not? If they are on Deno Gold's TMF, why are they uncovered? If they are not part of the company's new TMF, whose responsibility is the recultivation of the site?

We will be really grateful if you will clarify the above questions and will ensure that appropriate measures are taken to prevent further pollution from the site. People in Geganush are complaining that, in dry and windy weather, toxic dust from the TMF is blown around and settles on their village and gardens. Please, see a video testimony here: <http://www.youtube.com/watch?v=sk8oyZ674h0>

The other photos show tailings in a little rivulet downstream from the Artsvanik TMF, where recultivation has not been done, and an inhabited house in Shahumyan, where severe earth subsidence poses threat to normal life. Mrs Zarafyan has presented you with more recent photos from Shahumyan that show 30 meters deep holes in the village.

On the meeting in London Mrs Zarafyan also showed and left a copy with you of an Environmental Action Plan of Deno Gold that was provided by the Armenian Ministry of Nature Defense. Can you please confirm if this is indeed the EAP that was financed by the EBRD, or not? In case that there is another EAP, we would really appreciate receiving a copy of it. We have simultaneously requested from Deno Gold to make the EAP public, according to the best practices in stakeholders engagement that were discussed on the mining workshop in London.

Looking forward to your reply!

Sincere regards,

Fidanka Bacheva-McGrath

Pictures from Bankwatch fact-finding mission to Kapan, Armenia, 4-8 May 2009



1-2) Dry tailings at the Geganush Tailings Management Facility, 7 May 2009





3) Dry tailings at the Geganush TMF, 7 May 2009



4) The up-stream part of the Geganush TMF, separated by earth embankment from the dry part



5-6) Tailings downstream from the Artsvanik TMF, across the street from houses in the Syunik village





4) Shahumyan village, 7 May 2009