Assessing the social impacts of the preparatory and development phases at Lydian International’s Amulsar mine in Armenia through surveys of neighbouring communities

Sociological research
Amulsar gold mine project, Armenia

2-6 October 2018

Implementer: Dr. Anahit Mkrtchyan
Head of “Community Mutual Assistance”, Social NGO

Yerevan 2018
The Amulsar gold mine is located in the Vayots Dzor Province of central Armenia. The province covers an area of 2,308 kilometres, 7.8 per cent of the total area of the country. It is one of the most sparsely populated provinces in the country with a population of only 53,230, according to the 2002 census, with three urban and 41 rural communities. The province has water and biodiversity-rich ecosystems, with a number of Red List species. Vayots Dzor is also home to the spa-town of Jermuk. It has a number of tributaries that form waterfalls.

The Amulsar mine presents a number of considerable health and social risks to local communities, the tourism potential of the nearby Jermuk spa resort and the surrounding villages’ orchards, pastures and water supplies. The company Lydian Armenia prepared a high-quality environmental and social impact assessment (ESIA) with several up-dates1, but the social impact has some gaps and the adequacy of the mitigation measures has been tested during the initial construction stage of the project. Local people have consistently raised concerns about the impacts on water, tourism and agriculture.

1 Amulsar project ESIA documents can be found here: https://www.lydianarmenia.am/index.php?m=publications&lang=eng&p=99
Objective

The objective of this research is to develop:

1. A survey of local communities’ perceptions of the Amulsar project’s impacts.
2. Recommendations to the relevant Armenian authorities and working groups created by the prime minister for resolving the Amulsar crisis.
3. Recommendations for the European Bank for Reconstruction and Development as an investor in the project.

Target audience

The report will target Lydian Armenia, the Armenian authorities and the EBRD.

The target communities of our survey are Jermuk, Kechut and Gndevaz.

Jermuk is a mountainous spa town and popular destination for medical tourism. The town is home to several high-quality health resorts and spas, with curing water pools, hotels and health spas and sanatoriums. Most of the population is involved in some form with health, sports and ecological tourism.

The village of Kechut is three kilometres from Jermuk and has a population of 1065. Most are involved in agriculture, including farming and cattle-breeding, and in tourism. Agricultural crops include apricots, cherries, pears, peaches, apples, quince, plums, walnuts, grapes and berries. Cattle-breeding is accompanied by wool rearing, and poultry farming.

The village of Gndevaz is twelve kilometres from Jermuk on the bank of Arpa river. In 2004 its population was 990. The population is involved in agriculture, including farming and cattle-breeding, and tourism, especially accommodation.

Executive summary

The purpose of this survey is to document the perceptions of respondents from communities next to Lydian International’s Amulsar mine. In order to achieve the goal, a survey questionnaire was used, with a number of indicators of social impact about the mining projects on the community. The questionnaire also includes a range of questions aimed at revealing the level of awareness among respondents and from where they source their information about the project. 35 households from the closest communities to the mine– Gndevaz, Kechut, and Jermuk – were surveyed. 40 per cent of respondents were female and 60 per cent male, and 42 per cent up to 35 years in age and 58 per cent 36 years and above.

The main findings of the survey are as follows:

1. The level of awareness about the positive and negative social consequences of the preparation and further development of the mine by Lydian is 3.1 on a 1 to 5 measuring scale (1-2-3-4-5). The highest level of awareness was in Gndevaz, with a score of 4.2.

   40 per cent of respondents took part in Lydian’s awareness-raising events. The level of awareness significantly affected their perception of facts.

   Kechut and Jermuk respondents were particularly less informed, and perceptions and assessments have been formed by unofficial sources, including impressions from dust, noise, inflation (price rises), intergroup conflicts in the region, and the activists protesting.
against the mining.

On average, residents in all three communities showed low participation in monitoring the social impacts of mining. Nothing was said about the negative social impacts during Lydian’s outreach campaign about the mine, and the main topic in the company’s contacts with community members was the promotion of land sales, promises of employment and social contributions to communities. During our interviews, most respondents were deeply disappointed with the first two items.

2. **85.7 per cent of respondents observed negative impacts on health**

This assessment has been formed based on the fact of increasing asthmatic attacks and lung diseases and dry skin. As a result of explosions and the operation of crushing stations during the construction stage 71.4 per cent of respondents mentioned nervous breakdown, headaches and insomnia. Over half of the respondents are concerned with the potential negative impacts of the mine on health in the future. Respondents from Gndevaz employed at Lydian do not support these ideas.

3. **In respondents’ opinions, the demographic changes caused by the migrant workforce affected the interpersonal and intergroup relationships (68.6 per cent), as well as an increase in food prices and housing rents. According to respondents, conflicts exist between a few local employees in the mine and those that have been dismissed versus those locals that have never been employed and migrant workers.**

4. **Lydian’s efforts to improve community infrastructure have been received mainly positively by respondents.** Despite the focus by the company on improving the irrigation system, half of respondents currently assess the purity of irrigated water as low, based on the refusal of cattle to drink it. They think that the situation will deteriorate in the future (73 per cent).

While assessments of repair works on the roads between the villages were positive, respondents were sure that they will be destroyed quickly because of heavy trucks covered with mud. 74.3 per cent of the respondents mention the current negative impacts of the mine on agricultural lands and pastures as the most important community resource.

5. **According to the respondents, a decrease in the number of animals is due to the sale or transfer of a part of pastures to the mine, and the loss of quality of fruit, vegetables and forage created problems for local and other markets of Armenia like resorts and sanatoriums. The income from fruit and vegetables sale increased for 77.1 percent of respondents, while 68.6 percent say that the income from wild berries, vegetables, herbal teas, and fish was negatively impacted.**

6. **68.6 per cent of respondents assess the hiring by mine of the locals during the preparatory stage as a positive for their incomes.** The mine company has become a warrantor for numerous loans for establishing greenhouses, fruit dryers, beauty salon, sewing workshop and a bakery. Nevertheless, only 40 per cent hope that locals will be provided a working place in three years, while the pessimism of the respondents in ten years’ time makes up 80 per cent.

Based on the findings of the survey, it can be concluded that the extremely positive and negative assessments of the respondents about the social impacts of the whole cycle of
mining operations are formed by insufficient levels of awareness, a denial of the negative consequences by a small group with a personal interest in the continuation of mining and by influence of emotionally-intense opinions of those who are not involved in mine activities.

For the purpose of enabling to overcome the distortion of perceptions, to overcome the low objectivity of both the positive and negative assessments, to mitigate conflicts and to give a reciprocal objective assessment to certain social impacts we are proposing to organize three-stage dialogues with the participation of all power keepers in this context with the following order:

First, Armenian government and an expert group established upon the initiative of the Armenian Government.

Second, the population living in the immediate and mediated social impact zone of Lydian’s administration and mining operations/administration.

Third, a joint (trilateral) expert group of the Armenian Government – an expert group of Lydian International and activist groups of the population (delegated based on the previous dialogues).

Methodology

In order to achieve the stated goals of the survey - to understand perceptions and opinions about the social impacts of Lydian mining activities by residents of target communities – a questionnaire was used covering the following areas:

1. The perceptions and assessments of the preparatory stages and further developments of mine activities by households in the selected communities by sector, including the economy, employment, land use and area, demographics, environment and health (today, in three years and ten years time);

2. Sources of respondents’ information about any positive and negative social impacts from the mine; See annex 1

Object – survey respondents in three communities: Gndevaz, Kechut, and Jermuk.

Sampling – 35 households in different neighborhoods in three communities

Representativeness – in each household, interviews were held with 14 females and 20 males, 15 under 35 years and 21 over 36 years. See table 1.

*Interviewing in Jermuk*
Demographic data

Table 1

<table>
<thead>
<tr>
<th>Community</th>
<th>Woman</th>
<th>Man</th>
<th>Total HH</th>
<th>Dates of information collection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>age</td>
<td>age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 35</td>
<td></td>
<td></td>
<td>Up to 35</td>
<td></td>
</tr>
<tr>
<td>36 and over</td>
<td></td>
<td></td>
<td>36 and over</td>
<td></td>
</tr>
<tr>
<td>Kechut</td>
<td>28, 33</td>
<td>45, 62, 62</td>
<td>34, 35</td>
<td>44, 66</td>
</tr>
<tr>
<td>Jermuk</td>
<td>29, 35, 33</td>
<td>45, 56</td>
<td>23, 24, 28, 33, 33, 35</td>
<td>43, 59, 48, 67, 72</td>
</tr>
<tr>
<td>Gndevaz</td>
<td>0</td>
<td>38, 45, 48, 48</td>
<td>26</td>
<td>52, 53, 53, 62</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>9</td>
<td>9</td>
<td>11</td>
</tr>
</tbody>
</table>

There was no opportunity to ensure gender and age proportions, as in the context of tense conflicts between the groups in the target communities, each party was aware of the interviewers, as they were concerned the interviewers had been hired by the mining company.

The low number of households surveyed in Gndevaz was related to the tense situation in the village: many villagers refused to give an interview, and in some cases felt offended by the interviewers.

The correlation of age and gender variables are not presented in the report, as, first of all, it was not planned to process the data with the SPSS program. Second, there were no essential differences in the perceptions and assessments of different genders and ages in all the communities. Differences have been observed only in the perceptions of the respondents that were or were not hired by the mine, which is presented in details in the report.
Findings

Community member awareness about the social impacts of mining, awareness level

The level of the respondents' awareness about the positive and negative social impacts from the preparation and further development of mining by Lydian was assessed 3.1 on a scale of one to five, a bit higher than the average. Nevertheless, the level of awareness in the communities differed drastically: thus, the self-assessment of awareness of Kechut residents is 2.1 on a scale of one to five, 3.0 for Jermuk residents and 4.2 for Gndevaz residents. Moreover, the Gndevaz respondents employed at the mine assessed their awareness level at 5, while non-employed respondents assessed it as 4.

Interviews and individual observations showed that the level of awareness significantly influenced adequate assessments or huge differences in the answers given to the same question between well-aware and low-aware respondents, as well as among those that did not respond to a part of the questions at all: 8.5 per cent of respondents found it difficult to answer about the current stage of social impacts of mining, and 15.5 per cent and 20.8 per cent of the respondents about the impact in three and ten years, respectively.

The most aware households included workers hired by Lydian who had participated in informational meetings, discussions conducted by Lydian staff, or trainings. Apart from these, only 14 (40 per cent) of all respondents took part in a Lydian awareness-raising event (community meetings, dissemination of information leaflets, analytic reports and organised discussions). 9 from those 14 informed were Gndevaz residents. During the interviews, all three residential areas shared the opinion that Lydian had organised awareness raising, informational campaigns only for small groups. No viewpoint will be expressed to approve or deny this, as it needs verification.

The perceptions and assessments of the relatively-less informed Kechut and Jermuk respondents' have been formed from informal sources, their own impressions from observed phenomena like dust, noise, inflation, inter-group conflicts and the views of activists protesting against the mine. Citing one Jermuk resident, "Many of us have been quarrelling because of unawareness and we don't know who is right."

In the Gndevaz households with Lydian employees, three males and one female denied even the apparent negative social impacts. For example, our research group personally felt the impact of dust and its drying and irritating impact, which remained for several days even after our return to Yerevan.

In reply to the question “If you have taken part in meetings or discussion, please say whether the participants have made proposals or expressed criticisms and how have these been accepted by Lydian Armenia?” the following range of answers was received: “Listened to and discussed on the spot” by four Gndevaz residents employed at the mine;

1. “Listened to and discussed on the spot” by four Gndevaz residents employed at the mine;
2. “Listened to, took notes and then later responded,” response by one Jermuk resident and four Gndevaz residents. Gndevaz residents noted that the company conducted discussions and explanatory works with the help of professionals.
3. Another five Gndevaz residents informed that, for example, in reply to their question on water purity, Lydian demanded lab analyses, which naturally couldn’t have been provided by the villagers.

4. “Listened to, took notes and ignored” complaints by two Jermuk and two Gndevaz residents.

All respondents shared the same opinion that Lydian hadn’t warned the residents about the negative social impact of its activities. During the meetings organized by Lydian only positive benefits were presented, like social improvements in the village: a kindergarten, school, greenhouse, nursery, hairdresser and a bakery.

The following comment was echoed by some respondents, “We didn’t possess all the information, didn’t understand many things, but our entire life has been disrupted. We regret selling our land.”

It can be concluded from the level of awareness among the respondents and the number of discussion participants that opportunities for participation in discussion about the current state of mining has been low. In the communication between the mine company and community members, the prevailing view is that the promotion of land sales, promises of employment and community social contributions dominated. At the moment of our interviews, most respondents were deeply disappointed with the first two items.

Perceptions and assessments of current and future development activities of the Lydian mine

Impacts on community members’ health and the environment

30 respondents, or 85.7 per cent, have observed negative impacts to their health, with is seen as follows:

✓ Dust: in the preparatory stage of the mining – frequent occurrences of asthmatic attacks, exacerbation of suffocation, increase in lung diseases, dry skin, dust on fruit.

Households hired by Lydian wrote in their comments that in the course of the work, dust was controlled with the help of water trucks. Although not denying this fact, other households, 88.5 per cent, added that there have been many violations, while in regard to stopping the works every day there were clouds of dust in case of even a light wind.

✓ Noise: six households from Jermuk and Kechout didn’t complain of the noise (their houses were far from the mine), as well as four Gndevaz residents that had been hired by Lydian.

In other cases, explosions, the operation of crushing stations, “the monotonous sound of a heavy tool hitting something at night” caused nervous tensions, headaches and insomnia.

Several respondents mentioned that the large vehicles with loud sounds and braking made them nervous.
✓ **Purity of drinking water**: 70 per cent of respondents expressed an opinion that probably the water has acquired new composition, but they can’t present proof about it. This opinion is evident from the “animals refuse to drink this water.”

This viewpoint is not supported by the four Gndevaz residents hired by Lydian. They assured that the water cannot cause any damages to health during preparation stages for the mine, as it has been checked daily. Moreover, the residents “were supplied with clean water” for two days in bottles over the course of repairing damaged pipes.

The following is an assessment by households of the potential impacts of residents’ health in the third and tenth years of mining operations:

✓ **Quality of drinking water**: 53 per cent of the respondents expect potential negative influence and its impact on people’s health to the passage of toxic substances into drinking water as a result of mining operations and the “flowing of this water into the Kechout reservoir from Amulsar slopes through the Spandaryan- Kechout tunnel.”

✓ **Air quality**: the negative impacts mentioned by 81 per cent of the respondents are summarised in the following responses: “In all stages, air will be polluted as the nature of work is like this”; “Such works must be accompanied with dust with unspecified composition”; 5.8 per cent answered that “Now not all neighborhoods in Jermuk are covered with dust, we don’t know what will happen after mining starts”.

✓ **Noise**: community members think that the current migration of rodents to the residential area is due to the noise, while the migration will increase later.

It is worth noting that people hired by Lydian consider the generation of diseases and the deterioration of the existing diseases as something that can be overcome, if health insurance and some health treatments are paid. See Table 2 and Attachment N 2.

<table>
<thead>
<tr>
<th></th>
<th>positive influence</th>
<th>to some extent positive influence</th>
<th>no influence</th>
<th>negative influence</th>
<th>D/A</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purity of drinking water</td>
<td>2.9</td>
<td>8.6</td>
<td>28.6</td>
<td>57.1</td>
<td>2.9</td>
<td>100.0</td>
</tr>
<tr>
<td>2. Clean air</td>
<td>0.00</td>
<td>5.7</td>
<td>8.6</td>
<td>85.7</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>3. Quality of fruit and vegetables</td>
<td>0.00</td>
<td>2.9</td>
<td>2.9</td>
<td>77.1</td>
<td>17.1</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 2: Current influences of Amulsar mine activities on quality of water, air, noise and agricultural products
The conservation of their own health is of primary importance for our respondents, as it has been specifically mentioned among the answers to another question, “What do you think Amulsar mining will give to your family?”

- <Harm health> 29 per cent Kechout
- deterioration of health, sick generations – four respondents Jermuk
- damage to health – four respondents Gndevaz
- damage to health - three respondents

“What do you think Amulsar mining will give to your community?”

- <Harm health of community members> - 29% Kechout
- sick generations, residents – five respondents Jermuk
- epidemic, impact of sulfur and heavy metals on health – five respondents

“What do you think Amulsar mining will give to our country?”

- 8.5 per cent answered: Kechout – wealth to elite, but diseases and poverty to people – three respondents.

Demographic changes and socio-psychological atmosphere in communities

It has been revealed that the employment of a migrant workforce and interrelated demographic changes had a negative impact both on interpersonal and intergroup relations, as well as on rising living coast.

Though inflation is a positive for people that rent their houses, these prices are not accessible for locals. Moreover, flats in a poor condition are not able to increase their prices. The inflation in the flat rent prices caused damage to particularly young families in the community, who had plans to rent a house and to live separately from their parents. Shop owners initiated an increase in prices based on the high salaries of migrant specialists, which is not affordable for locals at all.

As a party of conflict, migrant workers have demonstrated unacceptable behaviour in the eyes of the communities. They have been driving recklessly, drinking alcohol in public places and getting drunk. Several respondents mentioned that “even their working uniforms had an adverse impact on us and the resuming of the mine works will boost the conflicts.”

The mine reports as an expected negative outcome of the demographic change mine the possible growth of prostitution. The community men were angered at the news about the distribution of condoms to the newly arriving workers. They perceived it as if their women and girls were already doomed to have sexual relations with the single men having arrived from other places. In this regard, the respondent women didn’t express any view as rural women usually don’t speak about such topics. Moreover, premarital and extra-marital sexual life is condemned by public opinion.
68.6 per cent of respondents expressed an opinion that the relations among the community members have become tenser, conflicts ‘have increased’, while 20 per cent think that “they have partially increased.” Moreover, 100 per cent of Kechout residents and 94 per cent of Jermuk residents hold this opinion.

Based on the viewpoints and comments about the causes of the conflicts among different community groups, the parties to the conflict are a few local employees in the mine and people that have been dismissed versus those that have never been employed, and the migrant workers. Moreover, those not employed at Lydian saw their enemy as villagers employed at Lydian and Lydian Company administration.

One opinion summed this up, “one of the parties to the conflict is fighting against the elimination of nature and for the future of their children, the other party is fighting with an expectation to have a job.”

49 per cent of the respondents have mentioned an increase in crimes.

A special focus should be paid to the comments of Gndevaz residents employed at Lydian on the causes of the conflicts having emerged among different groups (males aged 52, 53, 53 and one female aged 48):

✓ “The unemployed group is interested in their health and harvest, purity of water, and we are interested in our working places and income”; “In the preparatory stage, no damage has been caused to our health, if something happens in the future, our treatment will be financed by the employer.”

✓ “The conflict is between non-informed and informed people: it’s a result of unawareness of one party.”

As a way to reduce conflicts, this group is proposing to employ only locals instead of employing not local people. See Table 3 and Attachment 2.

Table 3: Current influences of Amulsar mine activity on community relations

<table>
<thead>
<tr>
<th></th>
<th>increased to a high extent</th>
<th>to some extent increased</th>
<th>not increased</th>
<th>decreased</th>
<th>D/A</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conflicts among community members, different groups</td>
<td>68.6</td>
<td>20.0</td>
<td>0.0</td>
<td>8.6</td>
<td>2.9</td>
<td>100.0</td>
</tr>
<tr>
<td>2. Crime</td>
<td>31.43</td>
<td>17.14</td>
<td>31.43</td>
<td>0.00</td>
<td>20.0</td>
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</tr>
</tbody>
</table>
Economy and income

Water quality

The assessments of mining’s impact in the economic development of communities showed that 54.3 per cent thinks the water quality has already been reduced, while on average, 73 per cent thinks it will be adversely impacted in the future. See Table 4.

With regards to water for irrigation, 25.7 per cent complained about the supply of irrigation water because the channel of water under the asphalt in one neighborhood in Gndevaz was disrupted when repairing the roads leading to the mine.

When asked about the most important piece of community infrastructures, 57.2 per cent of respondents pointed to the quality of roads, as mine administration has repaired them. But around 80 per cent of respondents assume that the roads will not remain repaired long because of heavy traffic related to the mine. A special opinion has been expressed that “the direction of road lighting by miners causes accidents.”

Land use

74.3 per cent of respondents mention the current negative impacts of the mine on the agricultural land and pastures.

The comments are as follows: “several hectares of pasture has turned into a construction square, which cannot be recovered later”; “we have sold our lands without realising what we are doing”; “most apricot orchards and pastures are being destroyed under the impact of the dust”; “cattle refuse to eat grass spoiled by the dust”; and “if the mine fully operates, the nearby communities will turn into a desert area.” See Table 4 and Attachment 2.

Table 4: Current influences of Amulsar mine activity on community infrastructures

<table>
<thead>
<tr>
<th></th>
<th>positive influence</th>
<th>to some extent positive influence</th>
<th>no influence</th>
<th>negative influence</th>
<th>D/A</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purity of irrigation water</td>
<td>2.9</td>
<td>2.9</td>
<td>22.9</td>
<td>54.3</td>
<td>17.1</td>
<td>100.0</td>
</tr>
<tr>
<td>2. Service of irrigation water pipelines</td>
<td>2.9</td>
<td>25.7</td>
<td>37.1</td>
<td>25.7</td>
<td>8.6</td>
<td>100.0</td>
</tr>
<tr>
<td>3. Quality of community and intercommunity roads</td>
<td>28.6</td>
<td>28.6</td>
<td>8.6</td>
<td>25.7</td>
<td>8.6</td>
<td>100.0</td>
</tr>
<tr>
<td>4. Volumes of agricultural land</td>
<td>0.00</td>
<td>14.3</td>
<td>11.4</td>
<td>74.3</td>
<td>0.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
In contrast, four Gndevaz residents hired by the mine expressed the opinion that their community members have sold their land voluntarily, and that these were infertile lands, so that with the received money they have constructed good houses and greenhouses and feel materially secure.

It should be added that the community members mentioned that the nursery yards, fertilisers, and seedlings provided by the mine have gone dry or bad but for unspecified reasons.

Only four Gndevaz residents hired by Lydian specifically mentioned protected areas and the prevention of poaching. Others did not mention this because they were either unaware of it or intentionally did not say anything.

Tourism

Respondents said there has been a gradual decrease in the number of visitors to the sanatoriums and resort since the preparatory stages of the mine, and there is a danger that these will come to an end in the future: “Who would like to visit a resort area next to the mine?” Several respondents informed that 70 per cent of resort employees receive unpaid holiday, which is why some men already migrated for work to other countries.

In reply to the question, “Over the last eight to ten years, what is the role of local health and other kinds of tourism on the income of your household?” 65.7 per cent of the respondents replied that it had “a big role” for their families. Particularly, such an answer was given by four Kechut residents, eleven Jermuk residents and eight Gndevaz residents. 34.3 per cent of respondents did not work in tourism (but rather in education and administration.)

11.4 per cent of respondents, who introduced themselves as Gndevaz residents employed at Lydian, think that the resort complex will remain as a source of income for the locals, as the roads are in a better state now and the mining operations will not affect the safe functioning of the resort in any manner. The remaining 88.6 per cent think that tourism, as a source of income for local residents, will suffer, as the inflow of tourists has already decreased from the news about the mine and that tourists will not want to come for safety reasons.

68.6 per cent of respondents assess the employments of locals in the preparatory stage of the mine as a positive effect on their income, as the mine has become a warrantor for numerous loans for establishing greenhouses, dryers, a beauty salon, a sewing workshop and a bakery. Nevertheless, only 40 per cent hope that locals will be provided a working place in three years, while the pessimism about employment prospects in ten years’ time was shared by 80 per cent of respondents. See table 5 and Attachment 2.

Table 5: Current influences of Amulsar mine on income and poverty

<table>
<thead>
<tr>
<th></th>
<th>positive influence</th>
<th>to some extent positive influence</th>
<th>no influence</th>
<th>negative influence</th>
<th>D/A</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Job places for community residents</td>
<td>25.7</td>
<td>42.9</td>
<td>0.0</td>
<td>25.7</td>
<td>5.7</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>increased totally</td>
<td>in some extent increased</td>
<td>not increased</td>
<td>decreased</td>
<td>D/A</td>
<td>Total %</td>
</tr>
<tr>
<td>2. Inflation</td>
<td>54.3</td>
<td>20.0</td>
<td>17.1</td>
<td>0.0</td>
<td>8.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Based on the findings of the survey, it can be concluded that the extremely positive and extremely negative opinions of the respondents are formed by insufficient awareness and personal interests with regards to the mine.

A small group of respondents interested in the continuation of the mining operations are in complete denial of the negative consequences, while those uninvolved in mine activities intensely oppose any developments.

**Recommendations**

To overcome the distortion of perceptions and low objectivity of both the positive and negative assessments, to mitigate conflicts, and to give a reciprocal objective assessment to certain social impacts, we are proposing to organise a three-stage dialogue with participation on all levels in the following order:

1. the Armenian government and an expert group established upon the initiative of the Armenian government;

2. the population living in the immediate and surrounding social impact zone of Lydian mine administration and mining operations; and

3. a joint (trilateral) expert group of the Armenian government, Lydian International and activist groups in the population (delegated based on previous dialogues).

In this context is important to add that the United Nations Special Rapporteur visited Yerevan on 16 November 2018. After his meetings with environmental groups protesting unsustainable natural resources exploitation, he concluded that in past years there were restrictions for communities to access information, to participate meaningfully in public discussions and to provide consent when mining concessions were granted. In the case of Amulsar there is a lot of frustration around governance of natural resources, especially in communities who feel directly affected by impacts of activities, for example on water and local livelihoods, that are carried out in breach of national legislation. The protest of activists who blocked access to the mine demonstrates that the Government must consult with community members on the social and environmental impacts of the mine as well as on its benefits.

As a first step the United Nations Special Rapporteur suggested that the government should carry out genuine consultations so that mining projects align with the Guiding Principles on Business and Human Rights and respect human rights and Sustainable Development Goals.
The project is executed by a consortium of 11 organisations: Swedwatch (project lead), CEE Bankwatch Network, University of Edinburgh, CATAPA, Le Monde Diplomatic, Towards Sustainability Association, People and Planet, Electronic Watch, SETEM Catalunya, Südwind and ICLEI. CEE Bankwatch Network

Minerals mining, increasingly driven by the need to supply the ICT industry, inevitably leads to biodiversity loss and harm to communities.

Attachments

This report has been produced with the financial assistance of the European Union. The contents of this report are the sole responsibility of CEE Bankwatch Network and can under no circumstances be regarded as reflecting the position of the European Union.