Armenia hosts COP17: The Amulsar gold mine undermines its biodiversity credentials

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The Amulsar gold mine near the spa town of Jermuk and the village of Gndevaz, Armenia.

A host under scrutiny

Armenia is hosting the UN Biodiversity Conference – the 17th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP17) – from 19 to 30 October 2026. The summit has drawn scrutiny because the Armenian government is simultaneously backing the controversial Amulsar gold mine at home. While Armenia promotes a global green agenda under the official slogan 'Taking action for nature', civil society organisations argue that its domestic mining policy directly contradicts its international biodiversity commitments.[1]

Armenia presents itself as an international leader on biodiversity while supporting a major extractive project that Armenian experts say threatens the habitats of endangered species[2] and breaches laws protecting the area's strategic water

[1] Transparency International Anti-Corruption Center, EcoLur, Green Armenia et al., "The Government of the Republic of Armenia Pursuing Policy Contrary to Its International Environmental Obligations": Open Letter from Civil Society, 9 September 2025.

[2] WWF Armenia, WWF Armenia's position statement on Amulsar gold-bearing quartzite mine, 19 September 2019.

systems.[3] Located in one of Armenia's most biodiverse and hydrologically important areas, the Amulsar mine, developed by Lydian Armenia, poses significant environmental, social and political risks.[4]

A 2026 thematic paper published by United Nations Armenia suggests that the country could use its COP17 presidency to promote reforms that embed biodiversity priorities in mining practices.[5]

From sceptic to shareholder

Despite widespread public opposition, blockades of the site by local residents, and multiple independent expert reports highlighting gaps and uncertainties in environmental safety, Prime Minister Nikol Pashinyan declared in August 2019 that there were no legal grounds to stop the project.[6] This contradicted the promise he made in July 2018,[7] shortly after coming to power, to investigate comprehensively whether the existing permit complied with Armenian law.[8] It also marked a complete reversal of the government's position: from strict environmental scepticism to becoming a shareholder in the project and backing its financing.

Under a memorandum of understanding signed in February 2023 with the Eurasian Development Bank, Lydian Armenia undertook to donate a 12.5% stake in the company to the government, which accepted the donation in January 2024.[9] Under the memorandum, Lydian committed to attracting at least USD 250 million in investment: USD 150 million in loans, USD 100 million of it from the Eurasian Development Bank and USD 50 million from a local bank, plus a further USD 100 million from its shareholders.[10] The transfer was completed in December 2024.[11]

In February 2025, shortly after transferring the shares, the government approved a state guarantee of up to USD 150 million for bank loans to Lydian Armenia,[12] later amending it to name the Armenian commercial bank Ameriabank as the lender in place of the five banks originally listed.[13] In April 2025, civil society organisations and residents of affected communities filed a lawsuit asking the Administrative Court of Armenia to annul the decision.[14]

In December 2024, however, the Administrative Court issued a landmark ruling that identified serious deficiencies in the project's environmental impact assessment, a process criticised as flawed and overly

[3] EcoLur, EcoLur Starts Publishing Experts Opinions of Working Group on Amulsar Project Submitted to Armenian Prime Minister, 17 October 2018.

[4] CEE Bankwatch Network, Amulsar gold mine, Armenia, accessed 30 August 2026.

[5] United Nations Armenia, Thematic Paper on Mining and Biodiversity, 10 March 2026.

[6] EcoLur, Whether Amulsar Project To Undergo Expert Assessment Once Again?, 19 August 2019.

[7] ARKA News Agency, Pashinyan suggests establishing mechanism to look into Amulsar gold mine issue, 6 July 2018.

[8] Bellingcat, Protests and Tensions Escalate Around Amulsar Gold Project in Armenia, 15 August 2020.

[9] Prime Minister of the Republic of Armenia, The Armenian Government, that is the people, takes possession of 12.5 percent of the shares of "Lydian Armenia", Prime Minister, 18 January 2024. https://www.primeminister.am/hy/press-release/item/2024/01/18/Cabinet-meeting/?ref=oc-media.org

[10] Naira Badalian, Armenia`s government accepts 12.5% of the Lydian Armenia shares as gift, Finport, 18 January 2024.

[11] Armenpress, 12.5 percent of Lydian Armenia CJSC shares transferred to Armenian Government, 27 December 2024.

[12] Government of the Republic of Armenia Որոշում 27 փետրվարի 2025 թվականի N 220-Ա Բյուջետային երաշխիք տրամադրելու մասին, 27 February 2025.

[13] Government of the Republic of Armenia, Decision N 534-Ա amending Decision N 220-Ա (consolidated text), 30 April 2025.

[14] Transparency International Anti-Corruption Center, Lawsuit Filed with the RA Administrative Court Against the Government Decision to Provide a Budgetary Guarantee for the Operation of the Amulsar Mine, 4 May 2025.

formalistic.[15] The ruling echoes numerous lawsuits and complaints brought by local communities and civil society organisations. Yet on 10 October 2026, nine days before COP17 opened, the government officially launched operations at the mine without these underlying issues having been addressed.[16]

Endangered species protections bypassed

As early as July 2014, the government adopted a decision allowing businesses to relocate newly discovered populations of plant species listed in the Red Book of Armenia to protected areas or botanical gardens when they cannot be protected on site,[17] even though Article 26 of the Mining Code prohibits mining on land that is home to plant or animal species listed in the Red Book.[18] Although general in scope, the decision was applied to *Potentilla porphyrantha*,[19] a plant listed in the Red Book as critically endangered,[20] which had been discovered in the project's area of direct influence. The decision was adopted weeks before the project's second public hearing in August 2014.[21]

Critics argue that the decision was designed to clear the way for the mine, which could not otherwise have gone ahead.[22] Of an estimated 7,500 or more plants on Amulsar, 1,264 were moved to the Sevan and Yerevan botanical gardens in 2015 and 2016 under a Lydian-funded research programme that aims to restore the population to pre-mining levels after the mine closes.[23]

Environmental groups argue, however, that the decision is incompatible both with domestic legislation of higher legal force and with Armenia's international environmental commitments, including the Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention).[24] At a meeting with Armenian civil society organisations on 17 August 2018, Lydian's biodiversity experts confirmed that they had been aware of the legal limitations and had managed to resolve them.[25]

In 2018, Armenia's Environmental Protection and Mining Inspection Body formally asked the Ministry of Environment to revoke its approval of the environmental impact assessment, issued by the then Ministry of

[15] EcoLur, Court Published Ruling on Amulsar Case Ongoing Since 2015, 4 December 2024.

[16] Siranush Adamyan, Armenia officially launches Amulsar gold mine after years of delays, CivilNet, 10 October 2026.

[17] Government of the Republic of Armenia, Հայաստանի Հանրապետության բուսական աշխարհի օբյեկտների պահպանության և բնական պայմաններում վերարտադրության նպատակով դրանց օգտագործման կարգը սահմանելու մասին, 31 July 2014.

[18] EcoLur, Environmentalists: Amulsar Project Implemented under Political and Financial Pressures, 2 December 2014.

[19] Karine Janjughazyan, Anahit Ghukasyan, Lilit Khachatryan et al., Biological characteristics of the extremely rare, narrow-range plant species *Potentilla porphyrantha* (Rosaceae), Regulatory Mechanisms in Biosystems, 599–604, 9 August 2024.

[20] Karine Janjughazyan, Conservation of *Potentilla porphyrantha* Juz. (Rosaceae) in Armenia, Conservation of Plant Diversity, 36, June 2017.

[21] EcoLur, Environmentalists: Amulsar Project Implemented under Political and Financial Pressures.

[22] Ibid.

[23] Karine Janjughazyan, Conservation of *Potentilla porphyrantha* Juz. (Rosaceae) in Armenia, 36.

[24] Armenian Environmental Front Civil Initiative, Armenian Forests, Transparency International Anti-Corruption Center et al., Ամուլսարի ծրագիրը դադարեցնելու հիմքերը. նամակ ՀՀ կառավարությանը, 29 May 2018.

[25] Armenian Environmental Front Civil Initiative, Ինչպես օրենքին հակասող Ամուլսարի ծրագիրը դառավ «օրինական», YouTube, 24 September 2020.https://www.youtube.com/watch?v=Z7pHmhQLnpc&t=1s

Nature Protection in 2016.[26] The Inspection Body also recommended that the operating company halt mining operations until a new assessment had been carried out.[27]

The Ministry did not formally invalidate the assessment. However, in 2019, it identified 13 serious instances of non-compliance and submitted its findings to the Office of the Prime Minister, which did not respond.[28] Although the Ministry's own examination concluded that a completely new assessment was required,[29] the Prime Minister's spokesperson said in September 2019 that no final decision had been made and that discussions were continuing.[30] No new assessment was ever launched.

In 2019, the Investigative Committee of Armenia commissioned a separate audit from the Lebanese consultancy Earth Link & Advanced Resources Development (ELARD), working with TRC Environmental Corporation. The audit found gaps in the project's baseline studies on flora and fauna. It also noted the lack of a list of key species of concern and of a detailed map of the 30 habitat types referred to in the impact assessment, which would be needed to identify the ecological functions of the key species on site. The auditors concluded that the proposed mitigation and offsetting measures did not convincingly achieve the no net loss of biodiversity that the project claimed, and that the added value of Jermuk National Park, the project's main offset, was 'yet to be demonstrated'.[31]

During a conference call hosted by the Armenian government on 29 August 2019, ELARD clarified that it could not definitively guarantee the project's safety because Lydian's baseline data was flawed and incomplete.[32] Nevertheless, public officials cited only the report's favourable findings when announcing that the mine should go ahead.[33]

Bern Convention complaint unresolved

On 18 March 2020, CEE Bankwatch Network and three Armenian civil society organisations filed a complaint with the Bern Convention Secretariat, contending that the Armenian government disregarded the procedures for assessing projects that affect Emerald Network sites. According to the complaint, the authorities failed to properly assess protected species and habitats, and the environmental impact assessment used methodologies that violate the Bern Convention and run counter to the Emerald Network.[34]

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[26] Radio Free Europe/Radio Liberty – Armenia, «Լիդիան Արմենիա»-ին հանձնարարվել է ձեռնպահ մնալ Ամուլսարում ընդերքօգտագործման հետ կապված որևէ գործողություն կատարելուց, 27 August 2018.

[27] ARKA News Agency, Armenian inspectorate suggests that Amulsar gold mine stop mining operations, 27 August 2018.

[28] Minister of Environment of the Republic of Armenia, Correspondence from the Minister of Environment to the Chief of Staff of the Prime Minister of the Republic of Armenia, 4 September 2019.

[29] Caucasus Watch, Armenian Environmental Ministry submits report on the Amulsar Mine issue: new environmental impact assessment is required, 5 September 2019.

[30] Armenpress, No final decision yet over Amulsar mine – Armenian PM's spokesman, 5 September 2019.

[31] Earth Link & Advanced Resources Development, TRC Environmental Corporation, Amulsar Gold Mine | ESIA Review | Independent 3rd Party Assessment of the Impacts on Water Resources and Geology, Biodiversity and Air Quality, 85, 87, 93, 135, 22 July 2019.

[32] Susan Badalian, Pashinian Wants Further Scrutiny Of Amulsar Mining Project, Radio Free Europe/Radio Liberty – Armenia, 30 August 2019.

[33] Marine Khachatrian, Ruzanna Stepanian, Amulsar Operator Slams Environmental Auditors, Radio Free Europe/Radio Liberty – Armenia, 2 September 2019.

[34] EcoLur, Armenian Forests, Green Armenia et al., Complaint Form, 18 March 2020.

The organisations argue that by permitting the mine, the government directly breached several articles of the Convention safeguarding natural habitats, flora and fauna: the mine overlaps with the Jermuk area, a candidate Emerald site, and severely threatens adjacent candidate sites, including Sevan National Park.

The complaint has steadily escalated, putting Armenia under international scrutiny as it hosts COP17. The Bern Convention Bureau has repeatedly urged the Armenian government to halt all development activities at the site that could harm protected species and habitats.[35]

Amid signs that the mine could reopen, the Bureau elevated the case to a possible file, keeping it under active, high-level review. In April 2025, the Bureau reiterated its request for the authorities to conduct a new environmental impact assessment covering all species and habitats in the area, and called for all subsoil exploitation permits to be suspended until it is completed.[36] This echoes the Inspection Body's 2018 recommendation to halt operations pending a new assessment.

The government has disregarded the Bureau's concerns, claiming that the original 2016 assessment and related environmental permits remain valid and enforceable, and that there is no legal obligation to hold new public hearings, since the project design has not changed. The project continues to operate under previously approved environmental management plans and monitoring programmes.[37]

The unresolved complaint creates an awkward paradox. As COP17 host, Armenia is expected to champion the Kunming-Montreal Global Biodiversity Framework, which calls for at least 30% of the planet's land and sea to be protected and for meaningful public participation in decision-making – principles also enshrined in the Aarhus Convention. At the same time, it faces repeated calls from the Council of Europe's main wildlife treaty over sacrificing its own candidate protected areas to an open-pit gold mine.[38]

Renewed exposure for the EBRD

The International Finance Corporation withdrew from the Amulsar project in 2017, citing Lydian's success in raising private funding, before acting on its ombudsman's findings of non-compliance.[39] In 2020, the European Bank for Reconstruction and Development (EBRD) exited the project following the restructuring of Lydian International.[40] However, the EBRD's Independent Project Accountability Mechanism is still investigating whether the EBRD complied with its Environmental and Social Policy in relation to the project.[41] This unresolved legacy makes the EBRD's renewed, indirect exposure to the mine in 2026 highly problematic.

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[35] Council of Europe, The Amulsar gold mine project and its impacts on Emerald Network sites, accessed 13 October 2026.

[36] Secretariat of the Bern Convention, Convention on the Conservation of European Wildlife and Natural Habitats | Standing Committee | 45th meeting | Bureau meeting | 8th-10th April 2025 | (Strasbourg) | Meeting Report, 14 May 2025.

[37] Ministry of the Environment of the Republic of Armenia, Convention on the Conservation of European Wildlife and Natural Habitats | Standing Committee | 46th meeting | Strasbourg, 7-11 December 2026 | Bureau of the Standing Committee | 7-9 April 2026 | Strasbourg | Possible File: 2020/04 | The Amulsar gold mine project and its impacts on Emerald Network sites (Armenia), 12, 26 February 2026.

[38] Secretariat of the Bern Convention, Convention on the Conservation of European Wildlife and Natural Habitats | Standing Committee | 45th meeting | Bureau meeting | 8th-10th April 2025 | (Strasbourg) | Meeting Report.

[39] International Federation for Human Rights, CEE Bankwatch Network, Civil Society Institute Armenia, Amulsar: Human Rights Violations and Environmental Negligence in the Search for Gold, 21, 50, June 2022.

[40] Ibid., 20.

[41] European Bank for Reconstruction and Development, Lydian (Amulsar Gold Mine) - Extension, accessed 13 October 2026.

Through Ameriabank's involvement in the mine, the EBRD has once again become entangled in the project, this time indirectly. The EBRD acquired a stake of around 20% in Ameriabank in 2016,[42] reducing it to 10% when Bank of Georgia Group acquired 90% of the bank in 2024.[43] Ameriabank's majority owner is Lion Finance Group (formerly Bank of Georgia Group), which also owns Bank of Georgia, another long-standing EBRD client.[44]

The EBRD is therefore not merely a passive investor: it is a shareholder in a financial intermediary that is now directly financing a highly controversial project. This raises serious concerns about the Bank's compliance with its own Environmental and Social Policy, particularly given the unresolved legacy issues from its previous involvement.

Ameriabank is also a client of other multilateral development banks, including the European Investment Bank (EIB)[45] and the Asian Development Bank (ADB).[46] Under a put and call option agreement, Lion Finance Group can buy the EBRD's remaining stake in Ameriabank for around USD 30 million.[47]

The Policy sets out specific due diligence requirements for financial intermediaries that receive EBRD investment, including through equity acquisitions, and dedicated environmental and social requirements for projects in their portfolios. There is no publicly available information confirming that these steps have been taken or that Ameriabank fully complies with EBRD safeguards.

On 15 July 2025, Armenian civil society organisations issued a statement urging the EBRD to disclose to its partner banks the technical and environmental grounds for its exit from the project.[48] They highlighted the project's significant environmental and social risks and called on the EBRD to ensure that its financing of Armenian banks does not directly or indirectly support the mine.

In April 2026, responding to an enquiry from Bankwatch, the EBRD confirmed that once it became aware of Ameriabank's involvement in the transaction, its Environment and Sustainability Department engaged with Ameriabank to review its environmental and social management system and its approach to identifying and managing higher-risk (category A) exposures.[49] However, the EBRD has disclosed neither the findings of this review nor whether any measures were required to strengthen Ameriabank's system for such a high-risk project. This raises broader questions about the adequacy of the EBRD's due diligence on Ameriabank and its overall compliance with its Environmental and Social Policy.

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[42] Loretta Martikian, EBRD buys equity stake in Ameriabank, European Bank of Reconstruction and Development, 21 January 2016.

[43] Bank of Georgia Group PLC, Completion of Acquisition of Ameriabank, 3 April 2024.

[44] Loretta Martikian, EBRD partners with Ameriabank to support green finance for Armenia's private sector, European Bank for Reconstruction and Development, 13 November 2025.

[45] European Investment Bank, Armenia: EIB Global and Ameriabank join forces to provide €105 million loan to support small businesses, 3 February 2025.

[46] Asian Development Bank, Ameriabank Expanding sustainable lending and access to finance for Micro, Small, and Medium-Sized Enterprises Lending Project, accessed 22 October 2026.

[47] Bank of Georgia Group PLC, Proposed acquisition of Ameriabank CJSC, 19 February 2024.

[48] Transparency International Anti-Corruption Center, Civil Society Appeals to EBRD Urges Armenian Banks to Disclose Reasons for Exiting Amulsar Project, 16 July 2025.

[49] European Bank for Reconstruction and Development, Email to CEE Bankwatch Network, 28 April 2026.

Ameriabank is one of the EBRD's long-standing partner banks. In 2025 alone, the EBRD signed a EUR 50 million risk-sharing framework agreement with Ameriabank[50] and approved a loan package of up to EUR 150 million to support micro, small and medium-sized enterprises.[51] This relationship is particularly significant because Ameriabank is now the primary financer of the project: its loan facility is financing the project's revival.

Integrity concerns

Since the project's launch, Lydian International has been linked to a series of donations to entities connected with the government and local communities. In 2013 and 2014, Lydian's predecessor, Geoteam, provided approximately USD 120 000 to a foundation supporting the socio-economic development of Jermuk, the community most affected by the mine. The foundation was headed by the son of Jermuk's then mayor. The mayor had been a vocal critic of the mine until 2013,[52] when he publicly switched to supporting it and called for an end to further public consultations.[53]

In 2014, Geoteam also donated around USD 256 000 to the Luys Foundation, whose founders included then President Serzh Sargsyan and then Prime Minister Tigran Sargsyan.[54] Around the same time, the government removed legal barriers to the project, most notably through the July 2014 decision on relocating endangered plant species (described above), adopted weeks before a critical public hearing.[55]

Allegations of irregular land acquisition have also persisted for years. Lydian acquired 278 plots of land, covering some 150 hectares, from 145 landowners for a total of more than USD 2.8 million.[56]

However, evidence suggests that a disproportionate share of the payments went to a small group of beneficiaries, including the family of the head of Gndevaz village, local officials and their relatives.[57] According to calculations by the Armenian Environmental Front, 22 of the 145 landowners received approximately 75% of the total compensation. The village head was subsequently charged in a criminal case over the sale of community land.[58]

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[50] Loretta Martikian, EBRD expands cooperation with Ameriabank in Armenia, European Bank for Reconstruction and Development, 14 May 2025.

[51] Loretta Martikian, EBRD partners with Ameriabank to support green finance for Armenia's private sector, European Bank for Reconstruction and Development.

[52] EcoLur, Open Letter by Jermuk Mayor Vardan Hovhannisyan to Geoteam Company, 12 June 2012.

[53] Grisha Balasanyan, Ջերմուկի քաղաքապետը՝ Ամուլսարի հանքի վերաբերյալ. «ապացուցում են, որ դա Ջերմուկին չի խանգարում», Hetq, 3 July 2013.

[54] International Federation for Human Rights, CEE Bankwatch Network, Civil Society Institute Armenia, Amulsar: Human Rights Violations and Environmental Negligence in the Search for Gold, 26.

[55] Government of the Republic of Armenia, Որոշում 31 հուլիսի 2014 թվականի N 781-Ն | Հայաստանի Հանրապետության բուսական աշխարհի օբյեկտների պահպանության և բնական պայմաններում վերարտադրության նպատակով դրանց օգտագործման կարգը սահմանելու մասին.

[56] International Federation for Human Rights, CEE Bankwatch Network, Civil Society Institute Armenia, Amulsar: Human Rights Violations and Environmental Negligence in the Search for Gold, 27.

[57] Levon Hayrapetyan, Ովքեր են սեփականաշնորհել և վաճառել Գնդեվազի հողերը, Hetq, 29 January 2021.

[58] International Federation for Human Rights, CEE Bankwatch Network, Civil Society Institute Armenia, Amulsar: Human Rights Violations and Environmental Negligence in the Search for Gold, 27.

Lawsuits against critics

In 2018, Lydian filed at least 20 strategic lawsuits against public participation targeting human rights and environmental defenders and journalists. These lawsuits, ranging from defamation to claims for material damages, have been accompanied by active smear campaigns against critics of the project.[59]

In early 2026, Lydian Armenia sued environmental lawyer Nazeli Vardanyan, seeking a retraction of what the company considers 'defamatory statements' made in an interview with the media outlet Panorama in January 2026.[60]

Conclusion

The Amulsar project is moving ahead while the basis of its approval remains contested. The environmental impact assessment on which the mining permit rests has been found deficient by the Administrative Court, questioned by the Ministry of Environment's own examination and criticised by the audit the government itself commissioned. The Bern Convention Bureau has asked for a new assessment and for all subsoil exploitation permits to be suspended until it is completed. None of these concerns has been resolved.

Instead, the state has become a shareholder in the project and guaranteed the loan that is financing its revival, while the company has pursued its critics through the courts. Successive governments have eased the mine's path: one by allowing protected plants to be moved out of the way, the other by setting aside the findings of its own institutions.

The project's timeline has also slipped repeatedly. In 2023, Lydian Armenia said it had brought in United Gold, a partner of Allied Gold Corp, to invest up to USD 100 million, and expected the first ore to be mined at the end of 2024.[61] In January 2025, the Minister of Economy said full-scale operations would begin in autumn 2025.[62] Even after the October 2026 launch, Lydian acknowledges that USD 100 million is still missing to complete the investment.[63]

For investors and financial institutions, these unresolved legal, environmental and integrity issues add up to significant risk. For Armenia, which holds the COP presidency until the next conference, they raise a question of credibility: it cannot convincingly lead global efforts on biodiversity while disregarding its obligations under the Bern Convention at home.

Recommendations

- **The Armenian government** should carry out a new, comprehensive environmental impact assessment of the Amulsar project, as the Bern Convention Bureau has requested, and suspend subsoil exploitation permits until it is completed.

[59] International Federation for Human Rights, Amulsar gold mine: a test for Armenian democracy, a failure for development banks, 28 June 2022.

[60] Panorama.am, Lydian Armenia sues environmental lawyer over Panorama.am interview, 7 March 2026.

[61] Alexandr Avanesov, Amulsar`s first mine to be mined at the end of 2024, Lydian Armenia, Finport, 27 June 2023.

[62] Arshaluis Mgdesyan, One of Armenia's largest Gold Mines to Begin Operations in Fall 2025 – Minister, Business Media, 13 January 2025.

[63] Amélie Poinssot, En Arménie, à l'ombre de la COP biodiversité, l'extraction minière prospère, Mediapart, 24 October 2026.

- **The Bern Convention's Bureau and Standing Committee** should open a case file on Amulsar if Armenia continues to disregard the Bureau's requests.
- **The EBRD** should disclose the findings of its review of Ameriabank's environmental and social management system, ensure that none of its financing supports the Amulsar project directly or indirectly, and set out how it will use its position as a shareholder to address these risks.
- **The EIB and the ADB** should verify that their loans to Ameriabank cannot support the project and that Ameriabank's due diligence meets their standards for high-risk exposures.
- **Investors and lenders** considering involvement in Amulsar should first require an independent assessment of its legal, environmental and integrity risks.