## **Contacts**

**Armenian Environmental Front Civic Initiative, Save Teghut Civic Initiative**

**Levon Galstyan Anna Shahnazaryan**

## **About the company responsible for the incident**

**EKF, Lautrupsgade 11 DK-2100 Copenhagen**

## **If you complain on behalf of others?**

**Yes, members of rural communities of Teghut and Shnogh in Armenia, Yes**

## **What has happened?**

This complaint is in reference to the financing of a metal mine in Armenia by Pension Denmark, mining equipment supply of FLSmith company based in Denmark and EKF's mediation and acting as a guarantee to the financing agreement with Teghut CJSC, an Armenia-based subsidiary of an unknown offshore company.

In 2013, a local grassroots environmental group Save Teghut Civic Initiative, of which Anna Shahnazaryan, one of the complaintants here, addressed a detailed letter to Denmark's Foreign Ministry with details of environmental, human rights (land rights, rights to health, clean water etc) violations and grave corruption related to the operation of the newly opened (yet not operational in 2013) open-pit copper mine in the north of Armenia. This letter contained not only references to breaches of local and international law, but also of OECD guidelines. Please see this letter in the attachment.

In response to this letter, the concerned Armenian public was offered a brief meeting only more than 6 months later with the CSR responsible of EKF, during which most of the claims of the letter were dismissed. For several years we did not hear from EKF's CSR office until March 2017, a request to meet and discuss the situation around the mine (tailing leakages from the mine, continuous land and compensation disputes etc) which we declined as the situation is so grave that a meeting with no legal consequences is not desirable for us. Documentation of communication with EKF can be provided upon request.

In December 2014, the community members organized a petition addressed to EKF and Pension Denmark, outlining their grievances and requesting withdrawal or cancellation of the financing project (please see the english translation in the attachment). They never received an answer, one reason could be that their letter was confiscated in the postal office. This is an assumption based on the general political situation in the country, described as authoritarian, almost totally controlled in mining communities, criminal-oligarchic. While some community members were advised to also email this petition, we are not sure if this was done. However, the grassroots groups based in yerevan helped to disseminate this information in media (for example http://www.aravot.am/2014/12/18/526498/), including their website http://teghut.am/2014/12/community-petition-teghut-arm/. (please note that the website of the grassroots environmental group Save Teghut was hacked in 2016 and destroyed to an extent that it was not possible to recover its english pages any more).

In 2015, citizens of Armenia, including community members and grassroots environmental organization filed a suit in the Administrative Court of Armenia to oblige the government to conduct inspections in the mine concerned due to evidences of grave new violations, including changes of the mine project and concession obligations of the mining company, overcutting of the forests etc, however the government of Armenia made a decree to suspend all inspections in business entities in Armenia. This suspension is extended every year.

In 2014 local internet news outlet CivilNet wrote an article about the "investments" from Denmark in Armenia https://www.civilnet.am/news/2014/09/26/pension-denmark-teghout-armenia-investment/244899.

In 2016 a journalistic investigation was carried out for Danish media, which was published in mid 2017 (please see the links in the section below).

We find that all three entities based in Denmark - EKF, FLSmith and Pension Denmark are in violation of OECD guidelines for multinational operations, however since this deal was primarily headed by EKF, as EKF has acted as a guarantor of the financing to the mining company (or its Russian financier VTB bank, the details have never become clear to us), EKF has been requiring reports from Valex, including environmental assessments which have always been flawed. EKF is also boasting on its website of its 'environmentally and socially responsible' project in Teghut, Armenia, while in reality the situation is legally, socially and environmentally simply disastrous and with serious transboundary consequences, the polluted river flowing into neighbouring Georgia (via Debed river). It is particularly bothersome that after every time EKF is informed of a particular person's land seizure issue, they raise an alarm to the company and the company starts informal negotiations with these people offering money that they would never pay earlier, which means hundreds of people affected by the company continue remaining unnoticed and only those whose names are mentioned in some articles, their issues are whitewashed. EKF has overall demonstrated a marked whitewashing policy.

Here is a most recent shooting of the massive pollution by the mining company with no legal consequence, taking place every single day. The video is provided by community members https://www.facebook.com/pg/armecofront/videos/?ref=page\_internal.

We will be grateful if you initiate investigation of this case from the perspective of OECD guideline violations, especially that these guidelines were noted in our earliest complaint to EKF. We are also available to discuss more details via other means of communication and especially in a live meeting. Please refer to the journalistic investigation and mentioned documentation in the next section.

## **Documentation**

http://www.eftertrykket.dk/2017/08/23/danske-virksomheder-truer-mennesker-og-miljoe-i-armenien-del-1/

http://www.eftertrykket.dk/2017/08/24/et-fattigt-lands-natur-oedelagt-med-hjaelp-fra-den-danske-stat-del-2/

http://www.eftertrykket.dk/2017/08/25/armenien-ender-for-den-europaeiske-menneskerettighedsdomstol-paa-grund-af-dansk-mineprojekt-armenien-del-3/

http://www.eftertrykket.dk/2017/08/27/kobbersmelteri-udgoer-alvorlig-sundhedsfare-armenien-del-4/

http://www.eftertrykket.dk/2017/08/28/eksperter-danske-aktoerer-har-et-stort-ansvar-armenien-del-5/

http://www.eftertrykket.dk/2017/08/29/ingen-kvaler-de-fattige-betaler/

Attachment 1 - Letter to Denmark's Foreign Affairs Ministry, referred to and accepted by the Export Credit Fund (EKF)

Attachment 2 - Petition to EKF and PEnsion Denmark by community members

Attachment 3 - Latest communication with EKF representative

## **Part 2: Supplementary information (Information which you are asked to provide as best you can)**

## **About your interest**

Affected by mining pollution, economic plunder, corruption

Charging entities in breach of OECD guidelines, as well as laws in Denmark with full responsibility.

## **If your organisation has complained on behalf of others:**

Yes, see above.

How would you describe your organization's mandate to represent the offended in this case?

Grassroots environmental group.

## **About the complaint**

General policies, Disclosure guidelines, Human Rights guidelines, Environmental Guidelines. See detailed description of each category in Section 8 of the attached Letter to Ministry of Foreign Affairs of Denmark.

Full investigation of the breaches of EKF, as well as Pension Denmark and FLSmith, cessation of the contract between EKF and Teghut CJSC.

Much of the documentation between EKF and Teghut CJSC is not accessible to us. The government of Armenia is not democratically accountable, we are not able to access neither information, nor justice in Armenia.

Multiple international bodies have studies the grave violations in relation to this mining project, including the Compliance Committe of the Aarhus Convention and the European Human Rights Court.

FLSmith high officials received high honors from Armenia's President in late 2016, a sign of serious corruption.

Please see above.

## **About the contact with the offended**

Yes, EKF's CSR office Claus Primdal Sørensen. Please see attached latest communication with them in 2017. We are ready to forward communication from 2013-2014 as well.