





Spa workers who support the blockade

The muddy tap water was the last straw. In May 2018, local people started protesting.

At this point, the political context had drastically changed. In April and May of 2018, Armenia's 'Velvet Revolution' saw mass protests overthrow the previous regime and led to a new democratic government. Previous attempts to protest about the mine had been quickly suppressed, but the new government took a different approach, allowing the right to protest, and the police were now fairly hands-off.

Since June 2018, local people, supported by activists from across the country, have blockaded the roads leading in to the mine preventing Lydian's constructive vehicles and equipment from entering.

Responding to a petition signed by the majority of the population of Jermuk, in December the local council passed a resolution declaring Jermuk to be an ecological area in which metal mining is banned.

This blockade has now been in place for a year. Construction has been completely halted and no gold has been mined.

## **CORPORATION'S COMPLAINT**

Not long after the blockade started, Lydian set up subsidiaries in the UK and in Canada. Then in March, the company took the first step toward an ISDS case, by issuing a formal notice to the government of Armenia. The notice said that one of the two subsidiaries would bring an ISDS case, using either a British or Canadian investment deal, if the dispute cannot be resolved within the timeframe specified in the deals (three months for the UK, six for Canada).

Lydian is basing its ISDS challenge on the government's 'failure' to remove the protest blockades.

Lydian is expected to sue not just for any investment that it has made so far, but for all the profit it could hope from the full life of the goldmine. The amount that has been mentioned in the media in Armenia is US\$2bn, an amount equivalent to two-thirds of the government's annual budget.

The deadline for resolving the dispute under the UK deal has now passed, and activists in the country have heard rumours that Lydian has gone ahead and started an ISDS case. The secrecy in which ISDS operates means there is no requirement for any public information on this.

## **OUR VERDICT**

Lydian is threatening an ISDS case to bully the Armenian government into an approach to public protest that would essentially be more repressive. The Velvet Revolution's transition to democracy in Armenia is barely a year old and still fragile. The amounts at stake are being used to undermine democracy and to push the new government to side with wealthy investors over its people.

In similar ISDS cases elsewhere in the world, we have seen mining companies transform themselves from a company whose main asset is a mine, to one whose asset is the ISDS case. Either way, the investor makes money. We may be seeing Lydian doing the same – cutting its losses in mining and seeking to win a jackpot, many times what it has spent, through ISDS.

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Investor-State Dispute Settlement (ISDS,) or 'corporate courts', gives corporations far reaching privileges and access to their own legal system to enforce them. This mechanism threatens society, democracy and the planet.  
**STOP ISDS!**

