

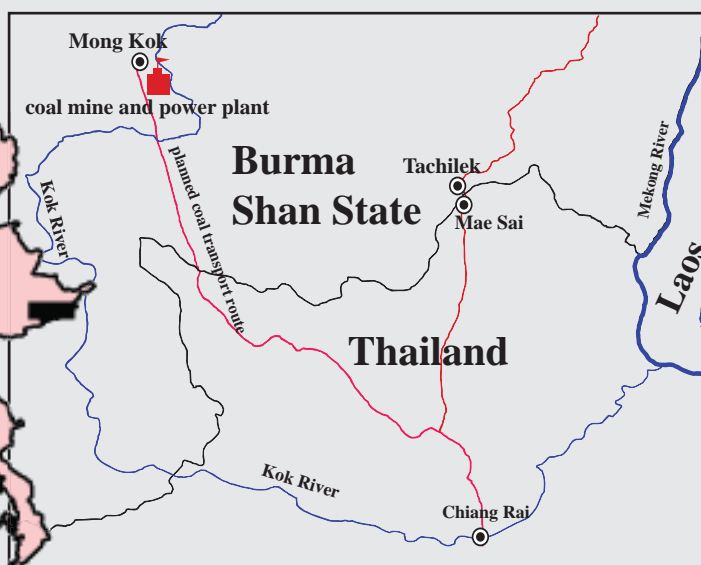


SAVE MONG KOK FROM COAL

Only 40 kms north of the Thai border in the mountains of eastern Shan State, Thai investors are poised to begin mining and burning large reserves of coal at Mong Kok. This project -- which will ravage a pristine valley and poison the Kok River, impacting countless Shan and northern Thai communities downstream – must be stopped immediately.

The Italian-Thai Power Company has entered into agreements with the Burmese military regime to develop an open-pit coal mine and power plant at Mong Kok in eastern Shan State, to export both coal and power to Thailand.

Home to over a thousand Shan, Lahu and Akha farmers, Mong Kok lies in a conflict zone, where troops of the Burmese junta clash regularly with ethnic resistance forces, and commit systematic abuses against the local peoples. The regime has poured troops into the area to secure the mining site. Villagers have been forced to sell their farmlands for a pittance, and are being forced into a resettlement site directly adjacent to the mining area. Many have fled to the Thai border.



Location of Mong Kok Coal Project

Conducted in secrecy and with armed intimidation, this project blatantly contradicts any standards of responsible investment. But if Thai investors think the project's impacts are going to stay safely outside their borders, they should think again. Hundreds of coal trucks a day and huge new power pylons will be blighting the scenic Chiang Rai landscape, while the mine and power plant will be flushing poisons into the Kok River – harming an ecosystem that sustains countless communities downstream in Thailand, and threatening the lucrative tourist trade along with it.

Project details

Open-pit coal mine: 120 million tons of lignite are deposited in a 30 sq km area. Italian-Thai subsidiary Saraburi Coal Co., Ltd. has a concession to extract 5,000 tons of lignite a day (1.5 million tons a year) for an initial 10 years (renewable for 5 years at a time), for export to Thailand

Coal-fired power plant: Italian-Thai Power Company will build a power-plant which will produce 405 MW (3 x 135 MW). 369 MW will be sold to the Electricity Generating Authority of Thailand (EGAT) over a period of 25 years. 80 km of 230 kV power lines will be built to send the electricity to Chiang Rai province in Thailand. Power is planned to come on line in 2016.



Coal-fired power plant at Mae Moh Thailand which according to villagers has caused more than 300 deaths

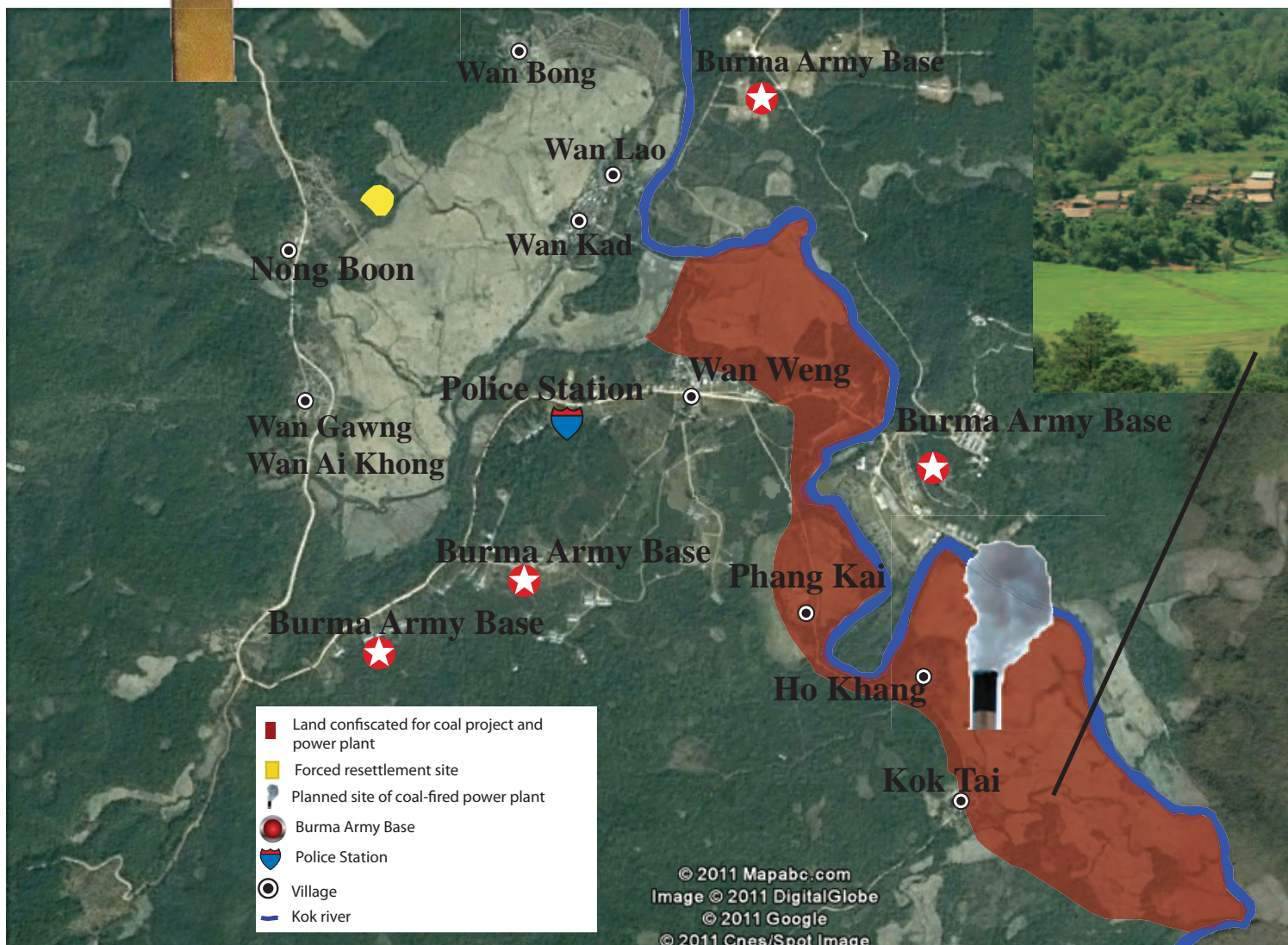
Italian-Thai: Thailand's construction giant

Italian Thai Development PLC is Thailand's largest construction company, which has been involved in numerous large-scale projects both in Thailand and the region. Several have been notorious for emitting high levels of pollution, such as the Mae Moh mine and power plant in Northern Thailand, and the Map Ta Phut industrial estate on Thailand's Eastern Seaboard.



Signboard to Mong Kok in Thai language posted by the Thai company on the Mong Hsat-Mong Kok road.

Village that has been ordered to relocate

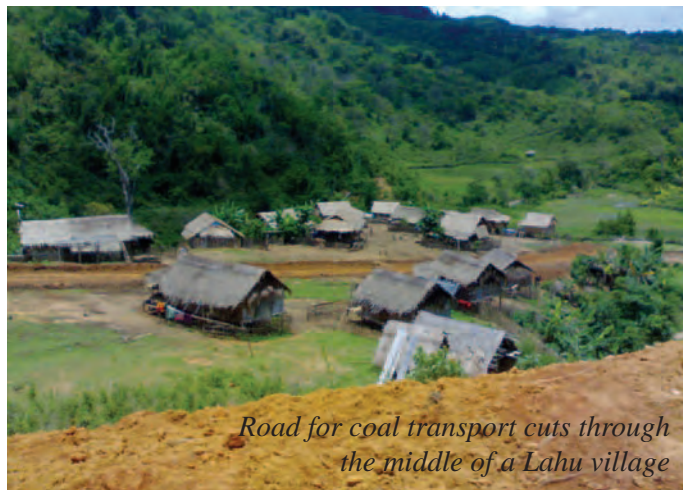


Current status of project

Saraburi Coal/Italian Thai has set up a company compound in Mong Kok, where Thai staff and workers stay. Over 100 Thai workers are being employed. One work team is using backhoes, ten-wheel trucks and drilling machines to dig for coal samples in different areas around Mong Kok. These samples have been sent regularly by truck to Thailand via Tachilek since 2010.

Another team has been using bulldozers and ten-wheel trucks to upgrade the road leading south from Mong Kok to the Thai border. The road is now almost completed, but work is still continuing on the last section linking to the Thai border at Mae Jok, opposite Mae Fah Luang district, Chiang Rai province. A large area has been cleared at Mae Jok that appears to be a storage site for coal.

A further team has been measuring and clearing land for the power plant in the west and south-east of Mong Kok. Trucks have been bringing in building materials, including stone, sand, steel and cement from Thailand to these sites since April 2011.



Road for coal transport cuts through the middle of a Lahu village



Construction takes place alongside villagers' daily activities



Forced relocation and seizure of land

In January 2011 the local Burma Army commander in Mong Kok called a meeting of local headmen and villagers, and ordered them to measure their farmlands. At the end of March 2011, he called a second meeting and gave the order that all the farmland south of the Nam Tud River (near Wan Kad) would be sold to the Thai company at a cost of 20,000 kyat per acre (approx 20 USD). All residents (over 80 families) of three villages in the south of Mong Kok (Kok Tai, Kok Kang and Wan Weng) were ordered to move north to new settlements that would be built for them near Wan Bong and Wan Nong Boon. There is no land available to farm at the new site. Lots will be drawn to assign the new houses for each family. Villagers were not allowed to say anything at the meeting.

Project time-line

2000	Burma Army starts setting up military bases in Mong Kok
2007	Saraburi Coal Co., Ltd. an Italian-Thai subsidiary, starts surveying for coal in Mong Kok
April 2008	Saraburi Coal receives concession from Burmese regime to mine for lignite at Mong Kok and export to Thailand
April 2008	Saraburi Coal requests approval to Chiang Rai authorities to open temporary border crossing opposite Thoed Thai, N. Chiang Rai, for import of coal
Nov 2009	Thai government approves Tariff MOU of Mong Kok project, under which the Electricity Generating Authority of Thailand and Italian-Thai Power Co. will develop coal-fired power plant at Mong Kok for export of 369 MW of electricity to Thailand
March 2010	The Mong Kok power plant appears in Thailand's Power Development Plan, stating electricity will start being sold to Thailand in early 2016

Investing in a war-zone

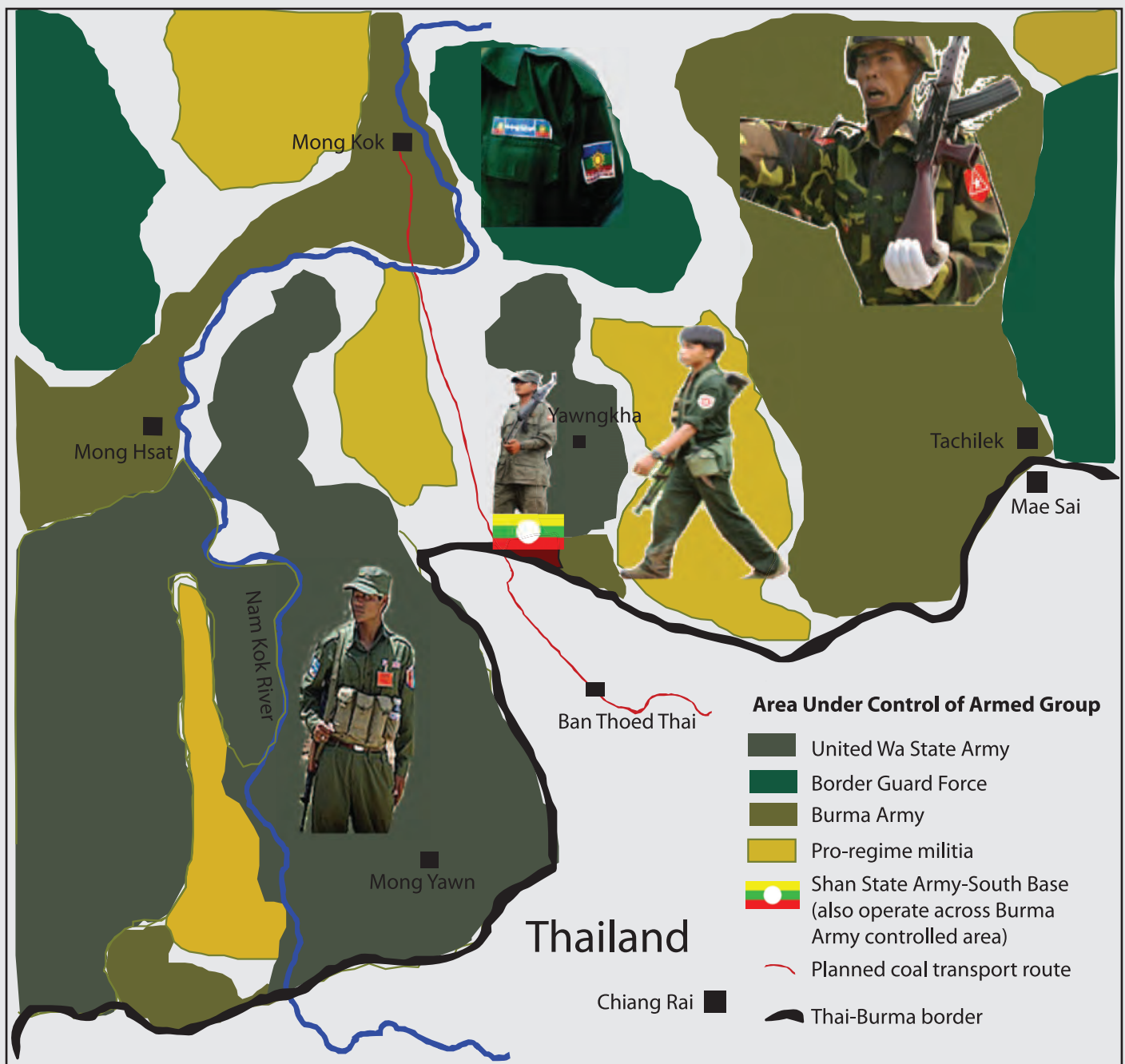
Mong Kok is an active war zone, where various armed groups are operating. The area is nominally under the control of the Burma Army, which has two infantry battalions (LIB 579 and LIB 580) and one artillery force (387) based in this small village tract, whose forces are regularly supplemented by other battalions from nearby Mong Hsat and Mong Tum. The Burma Army also relies on local militia forces to guard against resistance activity.

The Burma Army and militia have been carrying out anti-insurgency operations around Mong Kok, forcibly relocating villages and torturing civilians, accusing them of supporting the Shan State Army-South (SSA-S), which operates in this area. In 2007, 20 villages south of Mong

Kok, numbering over 3,000 people, mostly Palaung, were forcibly relocated from their homes.

The United Wa State Army (UWSA), which entered into a ceasefire agreement with the Burmese regime in 1989, controls large areas of territory between Mong Kok and the Thai border. Before the 2010 election, the regime tried to force UWSA to come under its control as a Border Guard Force, but it refused. This has led to increased tension and military build-up around UWSA territories, including in this area. Any roads or power lines from Mong Kok to Thailand would cross or pass close to UWSA territory.

Armed groups in project area



***"Before, there were so many forests around our villages. We could go to our farms freely and grow enough food. Now the forests are almost gone, our fields have been confiscated, and there are checkpoints everywhere. People can't survive and are leaving."
- refugee from Mong Kok***

Militarization of Mong Kok

Mong Kok is a cluster of villages in a fertile valley near the source of the Kok River. These farming communities have been self-reliant for generations, growing rice for their own consumption, and taking surplus rice to trade for other commodities in Mong Hsat and Tachileik. There was formerly only a dirt track to Tachileik, and villagers would take three days to walk there. There was plentiful fish in the river, and abundant surrounding forests, providing villagers with timber to build houses, firewood, edible fruits and plants, and traditional medicines.

After the Burma Army set up bases in Mong Kok in 2000, life changed dramatically. Lands were seized to build barracks and to plant crops for the army. Villagers were forced to work for the army without pay, and water sources were diverted to the army's fields. The troops have cut down most of the trees around the valley, to obtain wood for their own use as well as for sale. The destruction of watersheds has caused streams in the area to dry up.

Since mid-2010, the military authorities have been confiscating land east of Mong Kok and forcing villagers to clear land to build a new railway link to Kengtung.

Due to the militarization and abuses, about half of the over 2,000 original inhabitants of Mong Kok have now fled, mostly to Thailand. Some have sought refuge in a camp for displaced persons on the Thai border opposite Mae Fah Luang district of Chiang Rai.

Burmese soldiers, police and their families now outnumber the native population of Mong Kok. In the November 2010 election, all residents were forced to vote for the military-backed Union Solidarity and Development Party.



*Burma Army
troops near Kok
River*

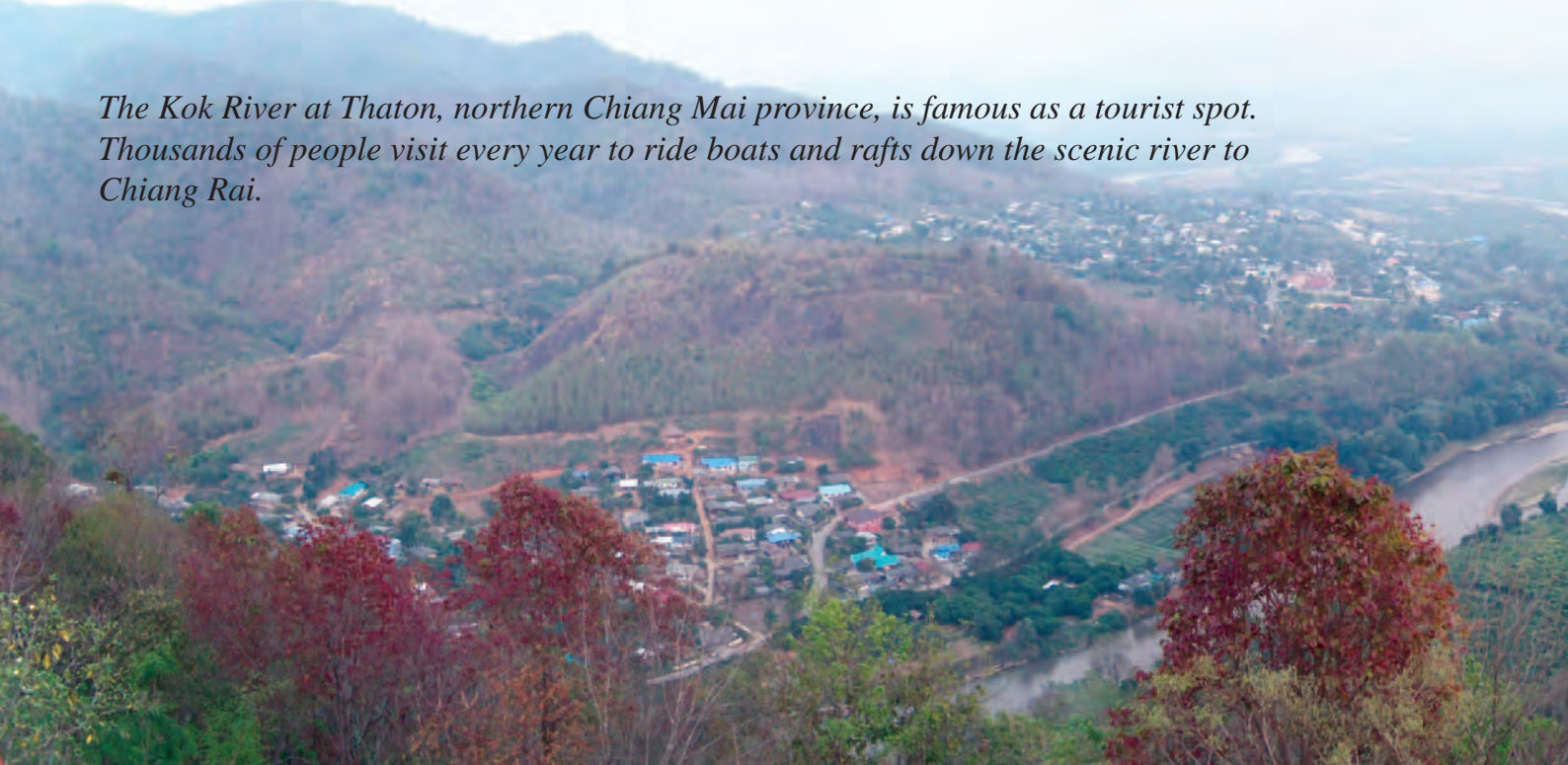


*Ministry of Forestry Logging Department signboard
at logging area in Keng Tung, eastern Shan State*



*Deforestation is causing loss
of wildlife habitat, including
for rare species such as this
leopard recently killed near
Mong Kok*

The Kok River at Thaton, northern Chiang Mai province, is famous as a tourist spot. Thousands of people visit every year to ride boats and rafts down the scenic river to Chiang Rai.



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Air pollution

Communities living around the mine and power plant will suffer from inhaling coal dust particles from the mine, coal storage and transportation, as well as piles of fly-ash waste near the power plant. Toxic gases from burning of coal will also greatly increase the risk of respiratory illnesses, and will cause acid rain, damaging crop production.

Around the Mae Moh coal mine and power plant in northern Thailand, over 300 people have died of respiratory diseases and lung cancer since the project started, and thousands have developed severe respiratory problems, mainly from sulfur dioxide emissions.

(Greenpeace, *The True Cost of Coal*, 2008)

Photo: *Patient with respiratory illness, Mae Moh, Thailand.*

Lessons from Tigyit

What lies in store for Mong Kok can be seen clearly in Tigyit, south-west Shan State, where Burma's largest open-pit coal mine and coal-fired power plant are situated. But the impacts will be much worse, as the Mong Kok project will produce more than twice the amount of coal, and burn three times as much.

In Tigyit, huge piles of toxic fly-ash from the power plant are towering above the homes of 3,000 people, blocking streams and contaminating fields. Dust and emissions, including from poisonous waste scattered on roads, are causing serious air pollution. Over 50% of the local population are suffering from skin rashes. An estimated 12,000 people living within a five-mile radius of the project may be driven from their homes by pollution and expansion of the mine.

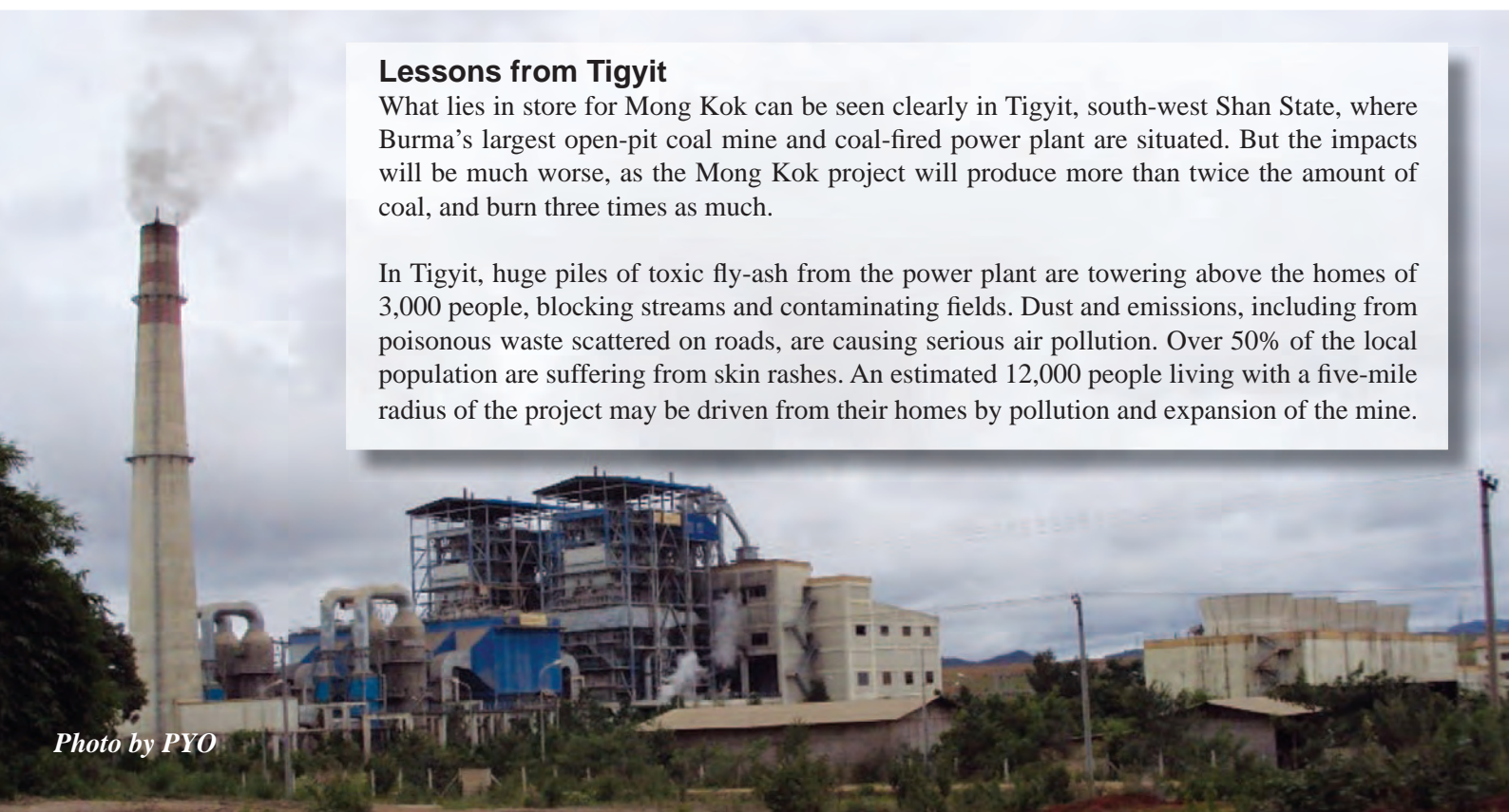


Photo by PYO



Water pollution

The power plant will need large amounts of water from the Kok River to create steam for turning turbines. The used water will be discharged back into the river, usually at a high temperature and containing toxic chemicals, which will seriously damage the river ecosystem. Run-off from mine tailings and fly-ash piles will also contain toxins such as arsenic, mercury, chromium and cadmium. This will poison ground water supplies, and also flow into the river.

Impact of power transmission lines

A 40-meter wide corridor will be cleared for high voltage power lines, causing thousands of acres of farmlands and forest to be cleared on both sides of the border.

- Farmers will lose lands with little or no compensation.
- Forests will be destroyed, increasing flooding and erosion and destroying wildlife habitat.
- Danger of increased cancer rates for communities living near high voltage power lines.
- In Burma, land mines are laid to protect power lines, and villagers are forced to take security for them.



Transmission lines to a mining project in Shan State

Communities oppose coal road in Thailand

Since Saraburi Coal began surveying to develop a coal-transport road through Mae Fah Luang, northern Chiang Rai province, concerns have been growing among local Thai villagers about the impacts on their communities. The plans to use 200 10-wheel trucks a day to transport coal down to Chiang Rai, have raised fears of coal dust pollution along the route, as well as congestion, noise and visual pollution through this famed scenic tourist destination. The road will also pass through a protected forest area.



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| July 2009 | Thai villagers write complaint letter to Thai National Human Rights Commission and Thailand Lawyers' Council |
| July 2010 | Public Discussion held at Mae Fah Luang University about coal-road, attended by Chiang Rai Deputy Governor |
| Aug 2010 | Community leaders and Thai actress Preeyanuch Parnpradap, hold public protest against coal road in Chiang Rai |
| Nov 2010 | About 50 village leaders protest against road in front of Chiang Rai Provincial Office, and Local Thai Association submits letter of protest about road to Governor of Chiang Rai and Deputy Chair of House of Representatives |
| May 2011 | Saraburi Coal representative Pakon Ruamthong tells Chiang Rai authorities in a sub-committee meeting that plans to build the road through Mae Fah Luang have been scrapped |

Community groups will continue to monitor and oppose all plans to transport coal through Chiang Rai province.



We make the following calls:

To Burma's military rulers

To immediately stop the Mong Kok mining and power plant project and withdraw troops from the area.

To the investors

To immediately stop investment in the project, as it is located in an active war-zone where it is impossible to conduct meaningful, participatory impact assessments, and investment is fuelling militarization, abuses against civilians, and displacement to Thailand.

To the Thai government

To publicly disclose all information about the Mong Kok coal mining project and power plant, including any EIAs and SIAs, in accordance with the Thai constitution and Thailand's environmental laws, as the Mong Kok power plant lies near the source of the Kok River, which flows into Thailand, through Mae Ai district of Chiang Mai province and Chiang Rai province, before flowing into the Mekong River. As Thailand relies on water from the Kok River for agriculture, fisheries, tourism and mains supplies, it is important to mitigate impacts on these sectors.

To review all economic activities in Burma, in particular cross-border investments such as the Mong Kok project, to ensure they comply with international human rights and environmental standards and conventions, and give priority to communities' livelihoods, ecosystems and biodiversity.

Published in July 2011

By Hark Mong Kok

Contact: harkmongkok@gmail.com