

Chair's statement
1718 Committee Open briefing
New York, 28 October 2022

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| INTRODUCTION |
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Excellencies, distinguished delegates, ladies and gentlemen,

On behalf of the Security Council Committee established pursuant to resolution 1718 (2006), its Panel of Experts, and the Secretariat, it is my pleasure to welcome you to the second open briefing this year on Security Council sanctions regarding the Democratic People's Republic of Korea (DPRK).

The 1718 sanctions regime remains the most comprehensive sanctions regime to date. We are aware that the regime asks a lot from Member States and can pose various implementation challenges. The Committee stands ready to assist in carrying out their obligations under the relevant Security Council resolutions and to offer guidance to Member States when requested. In this regard, with the support of the Secretariat, it also makes sure to keep the 1718 Committee website up to date. This includes the webpage on Implementation Assistance Notices, where various provisions of the regime are clarified in guidelines to Member States.

With this briefing, we intend to inform Member States about the scope of the sanctions regime, the mandate and activities of the Committee, and the main findings and recommendations of the Panel of Experts' most recent midterm report. The report, dated 7 September 2022, was published in early October and is now available on the 1718 Committee website under "Panel of Experts" and "Reports" (https://www.un.org/securitycouncil/sanctions/1718/panel_experts/reports).

As Chair of the 1718 Committee, I wish to touch upon three points in my opening remarks:

1. Member States' obligations to submit national implementation reports,
2. The need for effective implementation of the sanctions measures, and
3. The Committee's efforts in facilitating the work of humanitarian organizations in the DPRK, in particular through its humanitarian exemption mechanism.

The Coordinator of the Panel of Experts will subsequently elaborate in more detail on the main features of the DPRK sanctions regime and the Panel's most recent findings and recommendations. I would like to take this opportunity to reiterate my great appreciation to the Panel of Experts for their work. Their work is crucial to the success of the Committee. Its reports continue to offer invaluable insights. I strongly advise all to read them and to positively consider all recommendations addressed to Member States, including those contained in annex 72. I also would like to thank the Member States that have responded to requests for information by the Panel and provided substantive contributions to the Panel's work in this regard.

While the Coordinator will be presenting on behalf of the Panel, we have most have the other experts with us today. Following the Coordinator's presentation, I will open the floor for questions and answers, and encourage Member States to make full use of this opportunity to engage with the Committee.

NATIONAL IMPLEMENTATION REPORTS

Ladies and gentlemen,

With regard to national implementation reports, you may recall that various resolutions require that Member States shall report within 90 days of their adoption on the concrete measures undertaken to effectively implement the 1718 sanctions regime. In resolution 2397 (2017), the Security Council decided that Member States should submit, in addition to the usual implementation reports, another type of reports, namely on the obligation to repatriate DPRK nationals who are gaining income in other Member States.

While the Committee continues to receive implementation reports, a large number of Member States have yet to submit their reports. I would like to remind Member States that reporting on the incorporation of sanctions into domestic legislation is an obligation under the relevant Security Council resolutions, and call on Member States who have not yet done so, to report to the Committee promptly. Implementation reports play a crucial role in helping the Committee and its Panel of Experts assist Member States in the comprehensive implementation of the resolutions.

A full list of all reporting requirements can be found on the 1718 Committee website. Under the tab ‘implementation reports’, you will find a table with all submission deadlines. Implementation Assistance Notice No. 2, also available on the Committee’s website, contains an optional checklist template, which can be helpful in providing the required information.

Finally, my team, as well as the Panel of Experts, and the Committee’s Secretariat, stand ready to assist Member States with the preparation and submission of their implementation reports. Please do reach out to us with any questions.

EFFECTIVE IMPLEMENTATION

Dear colleagues,

On effective implementation, I would like to stress that it is of utmost importance that the resolutions are fully implemented in order to ensure that the Security Council’s measures are effective. All Member States are urged to cooperate fully with the Committee and the Panel to ensure full compliance. They should supply, on a confidential basis if necessary, any information at their disposal on the implementation of the sanctions, including on any sanctions violation. The Security Council most recently renewed its call to all Member States to do so in its resolution 2627 (2022).

In order to foster a better understanding of the DPRK sanctions regime, the 1718 Committee continues to provide advice and guidance to Member States, international organizations and NGOs on how to proceed when implementing sanctions. Requests for guidance can be submitted to the Committee through the Chair and the Secretariat. They will then be brought to the attention of the Committee.

The ultimate goal of the sanctions regime is to facilitate the achievement of a peaceful and comprehensive solution to the situation in the DPRK through dialogue. The resolutions reaffirm the Council’s support to the Six Party Talks and call for their resumption. They also reiterate the

goal of the complete, verifiable and irreversible denuclearization of the Korean Peninsula in a peaceful manner and the return of the DPRK to the Non-proliferation Treaty (NPT) and International Atomic Energy Agency safeguards. In that connection, the Committee remains committed to facilitating the implementation of relevant sanctions measures, with a view to contributing to a peaceful and comprehensive solution to reduce tensions in the Korean Peninsula.

HUMANITARIAN EXEMPTION MECHANISM

Colleagues,

When sanctions were imposed, the Security Council reaffirmed that the measures are not intended to have adverse humanitarian consequences for the civilian population of the DPRK. As stipulated in paragraph 25 of resolution 2397 (2017), the 1718 Committee may, on a case by case basis, grant exemptions on humanitarian grounds. Since 2018, the Committee has approved the vast majority of humanitarian requests received, a total of 93, while approving numerous extensions and adjustments.

The Committee has streamlined the process for obtaining humanitarian exemptions to facilitate the work of humanitarian actors and the delivery of aid to the DPRK. Implementation Assistance Notice No. 7 (IAN No. 7), accessible on the Committee website, provides up-to-date information on the mechanism to obtain humanitarian exemptions, including the recommended format of exemption requests, information on routing to the 1718 Committee, and the approval process.

In view of the ongoing global pandemic, the Committee continues to use an expedited decision-making procedure of two working days to approve exemptions that are aimed at mitigating the risk of the spread of the COVID-19 in the DPRK. The Committee has approved all of the COVID-related exemption requests received under the expedited procedure, a total of 14. This expedited procedure has also been used for numerous extension and amendment requests, as well as urgent requests for onset emergencies such as pandemic outbreaks and natural disasters. The Committee has also approved, on an exceptional basis, a number of requests for longer exemption timeframes to allow for the import of essential items.

All relevant information regarding the humanitarian exemption mechanism, as well as letters of approval, can be found on the 1718 Committee website. Should any Member State have any questions while preparing exemption requests, my team as well as the Secretariat stand ready to provide further clarifications.

CONCLUSION

Dear colleagues,

In closing, on behalf of the 1718 Committee, I thank you for your kind attention. I now give the floor to the Coordinator of the Panel of Experts. Following his presentation, I plan to open up the floor for you to pose any questions that you may have regarding the DPRK sanctions regime and the implementation of Member State obligations, as well as the work of the 1718 Committee and the Panel of Experts.

Mr. Coordinator, the floor is yours.



The UN DPRK sanctions regime and the Panel's 2022 Midterm Report (S/2022/668)

Coordinator
UN DPRK Panel of Experts
New York, 28 October 2022





Panel of Experts

Who are we?

- **Eight experts** on DPRK and sanctions implementation, each employed by the UN as an independent authority with a specific portfolio.
- Those portfolios are: finance/economics; missiles and other technologies; conventional arms and other WMD; non-proliferation, procurement and trade; non-proliferation and regional security; nuclear issues; customs and export controls; maritime issues. We don't have formal cyber or humanitarian experts but cover these issues by sharing them.
- **One expert is appointed as a coordinator.**
- We are **appointed on an annual basis**, but our contracts can be renewed for up to five years.



Panel of Experts

What do we do?

https://www.un.org/securitycouncil/sanctions/1718/panel_experts/work_mandate

- **To provide assistance to the 1718 Committee** in carrying out its mandate and functions;
- **To investigate:** we gather, examine and analyze information about alleged breaches of the sanctions regime from States, relevant UN bodies and other interested parties;
- **To report:** to write and submit to the Security Council (via the 1718 Committee) midterm and final reports, based on our investigations, in August and February each year;
- **To make recommendations:** we recommend actions the Council, Committee or Member States might take to improve implementation of the sanctions regime.



The DPRK sanctions regime 1

- There are ten DPRK sanctions resolutions, all of them unanimously agreed by the Security Council. All of them on the Committee's website.
- This adds up to a complex and comprehensive series of sanctions measures.
- Detail best understood through the resolutions themselves, and the Committee's Implementation Assistance notices at:

<https://www.un.org/securitycouncil/sanctions/1718/implementation-notices>



The DPRK sanctions regime 2

The DPRK sanctions regime comprises:

- an arms and related materiel embargo;
- a nuclear, ballistic missiles and other WMD programmes-related embargo;
- Sectoral sanctions, banning the export/import of coal, minerals, fuel, food and agricultural products, earth, stone, wood, industrial machinery, transportation vehicles, seafood, fishing licenses in DPRK waters, textiles and luxury goods;
- places restrictions on the DPRK's access to energy sources such as crude oil and refined petroleum products;
- financial sanctions, including a ban on the provision of financial services that could contribute to prohibited programmes or the evasion of sanctions, and the opening of DPRK banking subsidiaries;



The DPRK sanctions regime 3

- interdiction, inspection and transportation-related measures;
- a travel ban and/or assets freeze on designated individuals and entities;
- a ban on specialized teaching and training and the suspension of scientific and technical cooperation;
- a ban on providing work authorizations for DPRK nationals and a requirement to repatriate DPRK nationals earning income overseas;
- a ban on the supply, sale or transfer of new helicopters and new and used vessels;
- a ban on procuring statues from the DPRK;
- sanctions provisions targeted at proliferation networks, including restrictions on the activities of DPRK diplomats overseas.



Panel of Experts

Investigations

- The Panel investigates alleged breaches of all of these sanctions measures and publishes details from a wide range of sources where breaches are confirmed.
- We are grateful to MSs for the information they provide as lead material.
- Requests for Information.
- Evidentiary standards.
- Confidential process. But Panel reports are public, here:
- https://www.un.org/securitycouncil/sanctions/1718/panel_experts/reports



2022 Midterm Report Overview

Nuclear Programme

- Preparations at Tunnel 3 of the Punggye-ri nuclear test site
- Re-excavation of tunnel partially destroyed in May 2018, construction of a number of support buildings
- Tests of nuclear triggering devices reported by a MS.
- Probable continuous production of nuclear fissile materials continues at Yongbyon.





2022 Midterm Report Overview

Ballistic Missiles

27 Jan. 2022

SRBM KN-23 from a tracked TEL

16 Apr. 2022

New SRBM derived from the KN-23 and KN-24, a ground-based version of the new small SLBM; from quadruple canister mounted on a small 3-axle wheeled TEL

Launch pad near private Majon Beach (39° 48' 45" N 127° 39' 50" E) see also S/2020/151annex 58.3

30 Jan. 2022

Hwasong-12 from 6-axle wheeled TEL

Images reportedly taken from cameras mounted on the head of Hwasong-12



Launch pad in Jonchon-Mupyong-ni No 65 factory (40° 36' 41" N 126° 25' 33" E) see also S/2020/840 annex 12.9

27 Feb. 2022

The images were reportedly taken from cameras mounted on the reconnaissance satellite carried by a rocket

No detail provided by the DPRK on these launches:
- 27 February 2022 test of a reconnaissance satellite (the DPRK) carried by a rocket whose flight characteristics resemble those of an ICBM, according to Member States.
- 5 March 2022 test, idem.

No information was released by the DPRK on the 16 March BM test which failed and was considered an ICBM test by Member States. In contrast, DPRK released many details about the 24 March test of a "Hwasong-17" ICBM launch test from a 11-axle wheeled TEL. Analysis of those false claims are contained in Annex 17. (Location of the launch pad 39°11'18"N125°40'00"E)







Published on 25 March 2022 but probably picturing the launch of 16 March rather than of 24 March

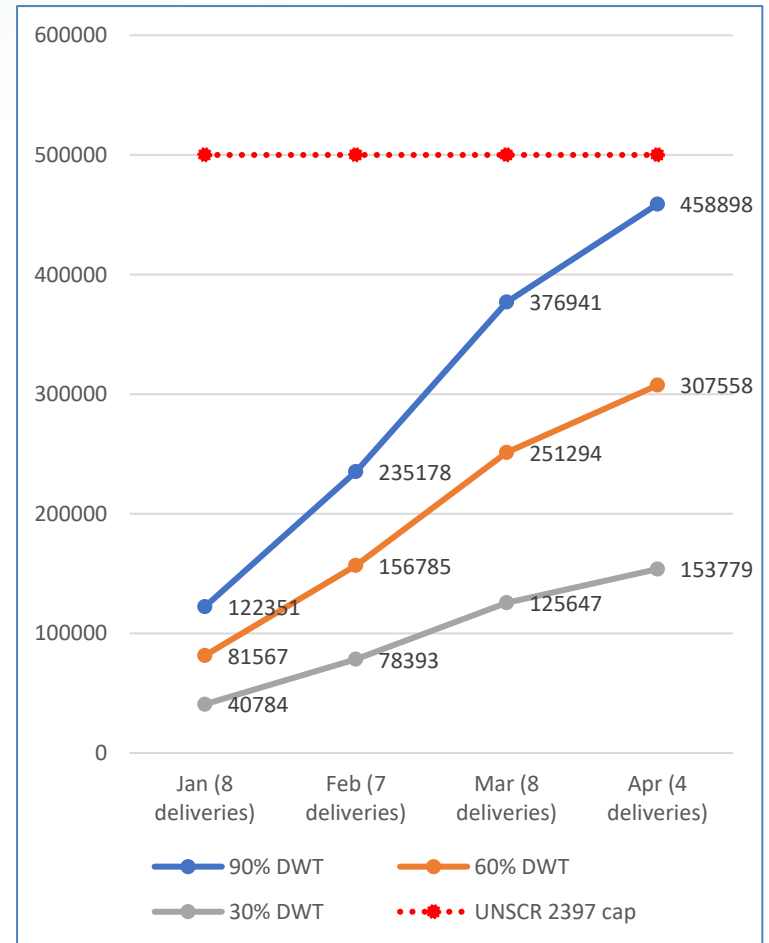
- BM programme continued to accelerate.
- 31 ballistic missiles launched, including 6 ICBMs and 2 explicitly described by DPRK as BMs.
- Acceleration of ICBM programme, including several launches of Hwasong-17.
- Reported development of tactical nuclear capabilities with tests of short-range ballistic missiles.
- Reconnaissance satellite tests improve coherence of DPRK's comprehensive deterrence.



2022 Midterm Report Overview

Sectoral and maritime sanctions

- MS observed 27 deliveries of refined petroleum products to Nampo Jan-April. Almost 460k barrels if fully laden.
- Low level of deliveries officially reported to Committee; only just over 8% of permitted total delivered by end of July.
- New methodology reportedly involves cargo ships being refitted to carry oil products.





2022 Midterm Report Overview

Sectoral and maritime sanctions



- UNICA, HAI JUN, DIAMOND 8 and NEW KONK all still involved in the process of delivering refined petroleum to DPRK. Here they are in Sansha Bay on 30 June.
- Report looks at disguise, AIS manipulation, chains of transfers of oil from ports on the island of Taiwan to tankers in DPRK EEZ, and the companies facilitating this trade.



2022 Midterm Report Overview

Finance and cyber

- RGB cyberactors continued a range of attacks helping DPRK to evade sanctions, to obtain information of value to DPRK, including its WMD programmes, and to generate revenue.
- The Panel has worked with MS and cybersecurity companies to improve its coverage of this activity.
- Of particular note are two huge hacks, on the Ronin Network and the Horizon Bridge, which shared methodologies to a marked degree and resulted in the theft of huge sums of cryptocurrency.
- Methodologies involve social engineering and the use of mixers in laundering process.



2022 Midterm Report Overview

Trade, embargoes, designated entities and individuals and overseas workers

- DPRK's recorded foreign trade further decreased in 2021. Slight increase in the first quarter of 2022 associated with the reopening of Dandong/Sinuiju rail traffic. But Covid 19 outbreak brought that to a very rapid end at the end of April.
- Varying interpretation of resolutions, and KR/KP coding issues continue to affect monitoring of the statistics.
- DRPK workers continue to earn currency overseas: medical workers in Africa, construction workers in Russia, and (particularly) IT workers in China, Laos, and UAE of interest.



2022 Midterm Report Overview

Unintended impact of sanctions

- Humanitarian situation in DPRK declining.
- Covid 19 outbreak in May will not have helped, but there is a dearth of reliable data about the outbreak.
- The Panel asked MS for empirical data about the unintended impact of sanctions on the humanitarian situation in DPRK.
- Survey of NGOs and UN humanitarian organisations noted little or no improvement in their ability to conduct their work.
- Objective empirical information on the subject is scant, but UN sanctions are likely to continue to have some unintended effects on the humanitarian situation.



UN sanctions and the DPRK

Contacts

For more information:

Visit the webpage of the 1718 Committee

<https://www.un.org/securitycouncil/sanctions/1718>

Contact the Panel of Experts

dppa-poe1874@un.org