

Chair's statement
1718 Committee Open briefing
New York, 22 June 2020

INTRODUCTION

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 this virtual open briefing on Security Council sanctions regarding the Democratic People's Republic of Korea (DPRK).

At the outset, I hope colleagues and their families are keeping well in these trying times. Unfortunately, we cannot meet in person this year given the very unusual circumstances. Therefore, in light of the alternate working modalities introduced in reaction to the COVID-19 pandemic, this meeting is taking place via VTC.

Before we begin, in order to facilitate our discussion, I would like to request that all participants mute their microphones and keep them muted for the duration of the meeting, unless you are speaking. If you wish to ask for the floor, please indicate as such in the chat box. The Secretariat will convey the speakers list to me, based on the order that they are received in the chat. Should you encounter technical issues, please flag this in the chat or send an email to the address provided last week in the technical guidance document. OICT colleagues are ready to assist – and we are grateful for their support.

The DPRK sanctions regime remains the most comprehensive sanctions regime to date. With this briefing we intend to inform Member States about the extent of the sanctions regime, the mandate and activities of the Committee, the main findings of the Panel of Expert's most recent Final Report, and how the Committee can assist Member States in carrying out their obligations under the relevant Security Council resolutions.

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 humanitarian exemption mechanism.

The Coordinator of the Panel of Experts will subsequently elaborate in more detail on the activities of the Panel, features of the DPRK sanctions regime and the recently published Final Report. While the Coordinator will be presenting on behalf of the Panel, we do have most of the other experts with us today. I would like to thank the Coordinator and the other Panel members for their time and presence here 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 in an interactive discussion with the Panel of Experts, as well as myself as Chair of the 1718 Committee, as necessary.

NATIONAL IMPLEMENTATION REPORTS

Ladies and gentlemen,

You may recall that the resolutions state that Member States shall report within 90 days of their adoption on the concrete measures undertaken to effectively implement the sanctions measures.

While we continue to receive national implementation reports from Member States, even after the deadline, there continues to be a large number of Member States who have yet to submit their reports. Some Member States have not submitted any reports so far.

I would like to stress that this reporting on the implementation of sanctions into domestic legislation is an obligation under the Security Council resolutions. Not doing so would signify non-compliance with the Security Council resolutions.

I therefore call on those Member States who have yet to submit these reports to do so promptly, even if the deadline for submission has expired. Implementation reports play an important role in helping the Committee and its Panel of Experts assist Member States to fully implement the resolutions.

Colleagues will recall that 22 March 2020 was the deadline of submission of the final report on the steps taken by Member States to repatriate to the DPRK nationals earning income in their jurisdictions and subject to repatriation under paragraph 8 of resolution 2397 (2017). To date, we have received 56 reports only, which are published on the Committee website. I thank Member States who have already submitted their final reports. It is, however, regrettable that the number of submitted reports remains so low, even after three months have passed since the deadline. I strongly encourage those Member States who have not yet done so to fulfill their obligations and submit any outstanding national implementation report as soon as possible.

All relevant information on the preparation and submission of implementation reports can be found on the 1718 Committee website, which also contains the relevant resolutions, an overview of all sanctions measures and press releases. On the webpage named 'implementation reports', Member States will find a consolidated table with submission deadlines per resolution, as well as the email address to send the reports to. Should there be any doubt as to whether your Government has fulfilled all reporting obligations, you can consult the table which reflects all the reports received so far.

Member States are also encouraged to use the optional checklist template contained in Implementation Assistance Notice No. 2: Guidelines on the Preparation and Submission of National Implementation Reports, also to be found on the Committee website. The checklist can be helpful in providing the required information.

Finally, my team, as well as the Panel of Experts, stand ready to assist Member States with the preparation and submission of such reports.

EFFECTIVE IMPLEMENTATION

Ladies and gentlemen,

On effective implementation, I would like to stress that it is of utmost importance that the resolutions are fully implemented. To ensure full compliance, all Member States are urged to cooperate fully with the Committee and the Panel, and to supply, on a confidential basis if necessary, any information at their disposal on the implementation of the sanctions, including on any sanctions violation.

I wish to stress that the ultimate goal of the sanctions is to facilitate the achievement of a peaceful and comprehensive solution through dialogue. In this perspective the resolutions reaffirm the Council's support to the Six Party Talks and calling for their resumption. They also reiterate the goal of the verifiable 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 order to foster a better understanding of the DPRK sanctions regime, the 1718 Committee also continues to provide guidance to Member States, international organizations and NGOs on how to proceed when implementing sanctions. Requests for guidance can be submitted to the Committee Chair and the Secretariat, after which it will be brought to the attention of the Committee.

Finally, it is my intention to convene further outreach meetings with regional groups later this year, provided that circumstances allow, on important thematic and regional topics and Member States' capacity challenges, to identify and prioritize areas that would benefit from technical and capacity-building assistance to enable more effective implementation by Member States, in accordance with paragraph 44 of resolution 2321 (2016). I also wish to remind Member States of various bilateral capacity-building coordinating mechanisms and technical assistance programs in this regard; my team stands ready to provide the necessary guidance to interested Member States.

HUMANITARIAN EXEMPTION MECHANISM

Ladies and gentlemen,

I wish to emphasize that 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. To this end, the Security Council decided that the 1718 Committee may, on a case-by-case basis, grant exemptions on the basis of humanitarian grounds.

As you may be aware, the Committee has worked hard in the past years to streamline the process for obtaining humanitarian exemptions to facilitate the work of humanitarian actors and the delivery of aid to the DPRK. The Committee has furthermore made adjustments to its internal procedures to allow for the expeditious delivery of life-saving humanitarian assistance to benefit the vulnerable population of the DPRK, depending on the urgency of the exemption request.

In view of the current situation, for example, the Committee has accelerated the exemption process for COVID-19 related humanitarian assistance by using a two-day decision-making procedure to approve exemptions from organizations that are aimed at mitigating the risk of the spread of the COVID-19 outbreak in the DPRK and to enable effective prevention and response measures to the virus. Moreover, on an exceptional basis, the Committee has also recently granted exemptions for much longer timeframes, from the standard six months to up to one year, given the worldwide challenges related to the manufacturing and shipment of goods as a result of the ongoing COVID-19 pandemic.

I would like to note that the Committee continues to make significant progress in its work related to humanitarian exemptions. To date, the Committee has approved the vast majority of requests for humanitarian exemptions. So far, it has approved 64 humanitarian exemptions and continues to work on these important matters.

In this context, I would like to remind Member States of the guidance issued by the Committee under Implementation Assistance Notice No. 7 (IAN No. 7), which provides additional information on the mechanism to obtain humanitarian exemptions, the recommended format of exemption requests, information on routing to the 1718 Committee, and the approval process. IAN No. 7 can be found on the website of the 1718 Committee in the six official UN languages.

CONCLUSION

Ladies and gentlemen,

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.



UN sanctions regime on the DPRK, the Panel's March 2020 report

Coordinator, DPRK Panel of Experts
Open Briefing, 1718 Committee
United Nations, New York, 22 June 2020





Panel of Experts

Mandate

- **Assistance to the Committee:** assist the 1718 Committee in carrying out its mandate and functions
- **Investigations:** gather, examine and analyze information from States, relevant UN bodies and other interested parties, in particular on incidents of non-compliance
- **Recommendations:** make recommendations on actions the Council, Committee or Member States may consider to improve implementation; and
- **Reporting:** provide mid-term and final reports.



The DPRK sanctions regime

Implementation Assistance Notices and Fact Sheet on the measures imposed by the relevant Security Council resolutions

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

https://www.un.org/securitycouncil/sites/www.un.org.securitycouncil/files/subsidiary_organ_factsheets.pdf#page=18

Implementation Assistance Notices

Implementation Assistance Notice No. 1	15 November 2017	Information to assist UN Member States in carrying out their obligations under Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094(2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017) and 2375 (2017)
Implementation Assistance Notice No.2	24 April 2018	Guidelines on the Preparation and Submission of National Implementation Reports
Implementation Assistance Notice No. 3	20 January 2017	Guidelines for the implementation of measures regarding "Luxury Goods"
Implementation Assistance Notice No. 4	28 June 2017	Implementation of paragraphs 8 and 27 of resolution 2270 (2016)
Implementation Assistance Notice No. 5	28 July 2014	The M/V Chong Chon Gang Incident
Implementation Assistance Notice No. 6	15 November 2017	Diplomatic Missions in the Democratic People's Republic of Korea
Implementation Assistance Notice No. 7	6 August 2018	Guidelines for Obtaining Exemptions to Deliver Humanitarian Assistance to the Democratic People's Republic of Korea
Fact Sheet on measures imposed by relevant Security Council resolutions	17 April 2018	Compilation of measures imposed by the Security Council with respect to the DPRK in resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and 2397 (2017). The measures are grouped thematically in order to assist States in their implementation.



The DPRK sanctions regime

In summary, among other requirements and subject to provisos and qualifications, Member States are required to:

- Prevent the transfer to / from the DPRK of embargoed items (including new and used vessels), and prohibited commodities.
- Prevent the provision to the DPRK of financial transactions, technical training, advice, services and assistance related to arms, the DPRK's nuclear, ballistic missile or other WMD programmes or the evasion of sanctions.
- Prevent specialized teaching or training of DPRK nationals which could contribute to the DPRK's prohibited programmes or activities.
- Suspend scientific and technical cooperation involving persons or groups officially sponsored by the DPRK, unless relevant exemptions apply.
- Prohibit the transfer of any item to / from / facilitated by a designated entity or individual.
- Freeze the financial assets and economic resources of designated entities and individuals.



The DPRK sanctions regime

- Prevent the entry or transit of designated individuals, government representatives and its armed forces, among others, associated with the DPRK's nuclear or ballistic missiles programmes.
- Expel DPRK diplomats, government representatives, among others, assisting in sanctions evasion or violation of the resolutions, or working for DPRK financial institutions.
- Impose restrictions on DPRK diplomats and missions, including limiting staff, bank accounts and preventing misuse of diplomatic property.
- Prevent the provision of financial services, or the transfer of any other assets (including gold and bulk cash) through Member States' territories that could contribute to the DPRK's prohibited activities.
- Prohibit DPRK bank branches, subsidiaries and representative offices in their territories.
- Prohibit their financial institutions' representative offices etc. in the DPRK.
- Prohibit joint ventures or cooperative entities with DPRK entities or individuals.



The DPRK sanctions regime

- Inspect in their territory cargo to / from the DPRK.
- Under certain conditions and with certain exceptions, inspect vessels on the high seas based on reasonable grounds that the cargo contains prohibited items.
- Prohibit the provision of bunkering services to such DPRK vessels. Prohibit the leasing or chartering of vessels or aircraft or providing crew services.
- Prohibit the registration of vessels in the DPRK and the provision of insurance or re-insurance services to DPRK controlled vessels. Deregister, and not re-register, any such vessels.
- Prohibit port entry of designated vessels and any vessel controlled by a designated individual or entity, or which contains prohibited items.
- Prohibit ship-to-ship transfers with DPRK-flagged vessels.
- Under certain conditions, seize and dispose of prohibited items, and inspect and freeze vessels.
- Deny permission for take-off, landing or overflight of any aircraft based on reasonable grounds the aircraft contains prohibited items.
- Not provide work authorizations for DPRK nationals. Repatriate all DPRK nationals earning income and all DPRK government safety oversight attachés monitoring DPRK workers abroad immediately but no later than 24 months from 22 December 2017.



Panel of Experts

Investigations

Investigations are the primary focus of the Panel, material from which are published in the Panel's reports to the Security Council:

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



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Selected Documents

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Reports

S/2020/151	2 March 2020	Final report of the Panel of Experts submitted pursuant to resolution 2464 (2019)
S/2019/691	30 August 2019	Midterm report of the Panel of Experts submitted pursuant to resolution 2464 (2019)
S/2019/171	5 March 2019	Final report of the Panel of Experts submitted pursuant to resolution 2407 (2018)
S/2019/171/Corr.1		
S/2018/171	5 March 2018	Final report of the Panel of Experts submitted pursuant to resolution 2345 (2017)
S/2018/171/Corr.1		
S/2017/742	5 September 2017	Midterm report of the Panel of Experts submitted pursuant to resolution 2345 (2017)
S/2017/742/Corr.1		
S/2017/150	27 February 2017	Final report of the Panel of Experts submitted pursuant to resolution 2276 (2016)



2020 Final Report Overview

DPRK Nuclear and Ballistic Missile Programmes

- No declared nuclear test, but enhancement of facilities and programme;
- No ICBM launch, but 13 other launch tests including new types of SRBM and a new SLBM;
- Procurement of components and technology.



2020 Final Report Overview

Maritime: Imports of Refined Petroleum Products; exports of commodities; sale of fishing rights

- Large-scale illicit imports of refined petroleum products through ship-to-ship transfers with DPRK vessels and direct deliveries by foreign-flagged tankers;
- The 500,000 barrel annual cap: Member State estimated calculations;
- Large-scale illicit DPRK exports of coal and sand, using self-propelled ocean going barges and bulk tankers. Ship-to-ship transfers and direct deliveries;
- Comprehensive evasion techniques by vessels and owners;
- DPRK sale of fishing rights.



2020 Final Report Overview

Imports of luxury goods and other sanctioned items; designated entities

- Imports of luxury goods: alcohol, vehicles;
- Robotic machinery;
- Entities subordinate to designated Munitions Industry Department participate in trade fairs within DPRK;
- Other designated entities: Mansudae Art Studio, KOMID (221 General Bureau), Saeng Pil.



2020 Final Report Overview

Financial violations, cyber

- Continued access to international banking channels mainly through third-party intermediaries;
- Cyber attacks orchestrated by RGB to obtain fiat currency and virtual assets in evasion of financial sanctions;
- Cyber attacks against national critical assets and infrastructure and against the UN Security Council / Panel of Experts.



2020 Final Report Overview

DPRK overseas workers

- IT workers dispatched by designated Munitions Industry Department;
- Requirement to repatriate by 22 December 2019 DPRK Workers earning income overseas irrespective of visa categories or nature of income: includes specialists as well as general labour;
- 22 March 2020 deadline for Member State final reports.



2020 Final Report Overview

Unintended consequences of sanctions

- Unintended impact on civilian population not precisely quantifiable and cannot readily be disaggregated from other factors, including DPRK domestic factors;
- Humanitarian operations in DPRK of humanitarian organisations: continued absence of a banking channel;
- Significant progress by Committee in reducing processing time for humanitarian exemption requests.



2020 Final Report Overview

Recommendations

<https://undocs.org/S/2020/151> (Annex 73: Consolidated List of Recommendations)

- Recommendations for the Security Council, the Committee, Member States;
- Maritime and sectoral, luxury goods, finance, nuclear and ballistic missiles, unintended consequences;
- Recommendations on reporting requirements, for designation of vessels, for Committee guidance, on information-sharing, on continued vigilance.



The Panel

View the Panel as a resource

- The Panel is here to help Member States with their questions
- The Panel engages in dialogue with cooperative Member States
- The Panel also investigates and reports



For more information:

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

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