Chair’s statement
Open briefing of the 1718 Committee
New York, 2 February 2017

OPENING REMARKS

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

At the outset, I wish to pay tribute to my predecessor, Ambassador Oyarzun Marchesi of Spain, whose team did an excellent work during his two years chairing of the 1718 Committee, including by holding a similar briefing last March. I would also like to thank the Secretariat for its assistance in the organization of this briefing.

This briefing will focus on Security Council resolution 2321 (2016), introducing new sanctions regarding the DPRK.

As Chair of this Committee, I will limit my remarks to a general overview of the measures adopted by the Council in light of the new resolution. The Coordinator of the Panel of Experts, Mr. Hugh Griffiths, will subsequently inform you in more detail on the DPRK sanctions regime and the activities of the Panel. I will finally open the floor to a Q&A session for further technical clarifications.

INTRODUCTION

Member States will recall that the DPRK, in violation of multiple Security Council resolutions, conducted two nuclear tests and more than 20 ballistic missile launches in 2016. In response, the Security Council held nine urgent sessions to discuss the situation and unanimously adopted resolution 2270 of 2 March 2016 and resolution 2321 of 30 November 2016.
Resolution 2270 (2016) has been widely publicized since its adoption. 75 Member States have submitted their national reports on the implementation of the resolution. This is a significant increase when compared to prior implementation report submissions.

Resolution 2321 (2016) builds on resolution 2270 (2016) to further curtail the DPRK’s capability to pursue prohibited programs and activities and reiterates the importance of maintaining peace and stability on the Korean Peninsula and in north-east Asia at large. Given its length and complexity, I will now focus on three main areas of resolution 2321 (2016): (1) where it establishes new specific provisions on DPRK coal export; (2) where it clarifies and strengthens existing measures; and (3) where it introduces new measures.

I wish to stress that the ultimate goal of the sanctions is to facilitate the achievement of a peaceful and comprehensive solution, and in this perspective resolution 2321 (2016) reaffirms the Council’s support to the Six Party Talks, calling for their resumption. The resolution aims to persuade the DPRK to return to the Treaty on Non-Proliferation of Nuclear Weapons (NPT) and to halt its nuclear weapons and ballistic missile programs by agreeing to the complete, verifiable, and irreversible denuclearization of the Korean Peninsula. It should also be recalled that the targeted measures are not intended to have adverse humanitarian consequences for the civilian population of the DPRK.

RESOLUTION 2321

1. Establishes new specific provisions on DPRK coal export

Resolution 2270 (2016) introduced a sectoral ban on procuring coal, iron and iron ore originating in the DPRK. These measures were designed to reduce the DRPK export of such materials related to the DPRK’s nuclear and ballistic missile programs or other activities prohibited by the resolutions. Resolution 2321 (2016) overhauls and expands the previous measures by introducing a binding annual cap on the DPRK’s coal exports, the largest source of external revenue of the country. It provides that beginning 1 January 2017, total exports to all Member States of coal originating in the DPRK should in the aggregate not exceed about 401 million US dollars or 7,5 million metric ton per years, whichever is lower.
The procurement cannot: 1) involve individuals or entities associated with the DPRK’s nuclear or ballistic missile programs or other activities prohibited by the resolutions; 2) generate revenue for these programs or activities.

To that end, the procuring States, the Committee, the Panel and the Secretariat are each given specific tasks.

Member States have to: notify the Committee of the aggregate amount of the volume of the procurement of coal for each month; review the Committee’s website to ensure that they do not exceed the mandatory aggregate annual limit.

The Committee has to: make publicly available on its website the volume and the calculated value of procurement of coal reported by Member States; update this information on a real-time basis.

The Committee Secretary has to: notify all Member States when an aggregate value or volume of coal procurements of 75, 90 and 95 per cent of the aggregate yearly amount has been reached; in the latter, States must immediately cease procuring coal for the year.

2. Clarifies and strengthens existing measures

Resolution 2321 (2016) expands the mandatory inspection of cargo destined for or originating from the DPRK by including personal luggage and checked baggage of individuals entering into or departing from the DPRK and by noting that cargo being transported by rail and by road is also subject to inspection. It also includes restrictions on specialized teaching and training, including advanced materials science, chemical, mechanical, electrical and industrial engineering.

Resolution 2321 (2016) strengthens the travel ban and asset freeze by designating additional 11 individuals and 10 entities, bringing the total of individuals and entities subject to sanctions to 39 and 42, respectively. It also requires Member States to restrict the entry into, or transit through, their territory of DPRK government and military officials associated with the prohibited programs or activities of the DPRK.
Resolution 2321 (2016) states that the existing arms embargo measures also apply to a list of weapons of mass destruction- and missile-related items contained in its Annex III, and a new conventional arms dual-use list (S/2016/1069) adopted last December.

Resolution 2321 (2016) expands the ban on the leasing, chartering or provision of crew services to the DPRK to all cases unless approved by the Committee in advance on a case-by-case basis. It also strengthens the existing measures on chartering of DPRK vessels and aircraft as well as operating DPRK vessels or using DPRK flags, including by prohibiting the provision of insurance services to any vessels owned, controlled, or operated, including through illicit means, by the DPRK.

The resolution expands the scope of financial measures by requiring Member States to close their existing representative offices, subsidiaries or banking accounts in the DPRK within 90 days, unless decided otherwise by the Committee, and to expel individuals working on behalf of or at the direction of DPRK banks or financial institutions from their territories. It prohibits public and private financial support for trade with the DPRK, except as approved in advance by the Committee on a case-by-case basis.

Resolution 2321 (2016) also introduces procedures to designate vessels based on reasonable grounds that the vessels are or have been related to prohibited programmes or activities.

3. Introduces new elements

Resolution 2321 (2016) introduces a ban on the DPRK export of copper, nickel, silver and zinc; as well as the direct or indirect supply, sale or transfer to the DPRK of new helicopters and vessels and procurement of statues from the DPRK, except as approved in advance by the Committee on a case-by-case basis.

It authorizes Member States to seize and dispose of prohibited items that are identified in inspections, in a manner consistent with their obligations under the Council’s resolutions and other international norms.
It calls upon Member States to reduce the number of staff at DRPK diplomatic missions and consular posts, and decides that States shall limit the bank accounts and property usage by DPRK diplomatic and consular representations.

The resolution also urges Member States to be vigilant about the practice of the DPRK sending its nationals to work in other States for the purpose of earning hard currency for its nuclear and ballistic missile programs, as well as using bulk cash to evade sanctions.

**IMPLEMENTATION**

It is crucial that resolution 2321 (2016) is fully implemented. For that purpose, it is necessary that both the Committee 1718 and the Member States take action to ensure compliance with the resolution. In this regard, all Member States are required to supply to the Committee or the Panel, on a confidential basis if necessary, information at their disposal regarding any non-compliance with the sanctions measures regarding the DPRK, and to submit national implementation reports in a timely manner.

The Committee looks forward to receiving your national reports on the implementation of resolution 2321 (2016) by the end of this month in accordance with paragraph 36 of the resolution. I would also ask you to respond promptly to any letters from the Committee and the Panel and to consider favorably requests for visits by the Panel.

Italy, as chair of the Committee 1718, is committed to the effective implementation of the resolution. In this regard, we stand ready to engage in outreach activities, to foster a better understanding of the DPRK sanctions regime and the exchange of information with UN Member States on a regular basis. Also, as mandated by OP 44 of resolution of 2321 (2016), we are committed to holding special meetings to address Member States’ capacity challenges in their implementation of sanctions measures. At the same time, we will make sure that the Committee provides guidance to international organizations, especially the UN agencies, and States on how to proceed when implementing sanctions.

For a comprehensive compilation of all the measures imposed in resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016), I invite you to visit the website of the Committee, where you can find documentation updated by the Committee earlier.
this year, including “Implementation Assistance Notices”, “Fact Sheet on measures imposed by relevant Security Council resolutions” and other information on Security Council sanctions regarding the DPRK.

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, Mr. Hugh Griffiths. Following his presentation, you will be given the opportunity to pose any questions that you may have.

Mr. Griffiths, the floor is yours.
SECURITY COUNCIL
RESOLUTION 2321 (2016)

Open Briefing
Amb. Sebastiano Cardi
Chair of the Security Council Committee
established pursuant to resolution 1718 (2006)

New York, 2 February 2017
Resolution 2321 (2016) builds on resolution 2270 (2016) to further curtail the DPRK’s capability to pursue prohibited programs and activities by:

- establishing new specific provisions on DPRK coal export
- clarifying and strengthening existing measures
- introducing new measures
SCOPE

The goals of the sanctions are:

- to facilitate a **peaceful and comprehensive solution**
- to persuade the DPRK to return to the **Treaty on Non-Proliferation of Nuclear Weapons (NPT)**
- to halt its nuclear weapons and ballistic missile programs by agreeing to the complete, verifiable, and **irreversible denuclearization of the Korean Peninsula**

Targeted measures are not intended to have adverse humanitarian consequences
Resolution 2270 (2016) introduced a sectoral ban on procuring coal, iron and iron ore originating in the DPRK.

Resolution 2321 (2016) introduces a binding annual cap on the DPRK’s coal exports.

Beginning 1 January 2017, total exports of coal should not exceed about 401 million US dollars or 7.5 million metric ton per year.

The procurement cannot: (i) involve individuals or entities associated with the DPRK’s nuclear or ballistic missile programmes or other activities prohibited by resolutions; (ii) generate revenue for these programmes or activities.
NEW PROVISIONS ON DPRK COAL EXPORT (II)

**Member States have to:**
- notify the Committee of the aggregate amount of the volume of the procurement of coal for each month (no later than 30 days after the conclusion of that month)
- review the Committee’s website to ensure that they do not exceed the mandatory aggregate annual limit

**The Committee has to:**
- make publicly available on its website the volume and the calculated value of procurement of coal reported by Member States
- update this information on a real-time basis

**The Committee Secretary has to:**
- notify all Member States when an aggregate value or volume of coal procurements of 75, 90 and 95 per cent of the aggregate yearly amount has been reached; in the latter, States must immediately cease procuring coal for the year
MEASURES AIMED AT STRENGTHENING EXISTING PROVISIONS

1. **Mandatory inspection of cargo destined for or originating from the DPRK**
   - It includes:
     - personal luggage and checked baggage of individuals
     - cargo being transported by rail and by road
     - the prohibition of specialized teaching and training

2. **Travel ban and asset freeze**
   - Resolution 2321 (2016) strengthens the travel ban and asset freeze by:
     - designating additional 11 individuals and 10 entities
     - restricting the entry into, or transit through other States’ territories of DPRK government and military officials

3. **Arms embargo**
   - The measure also applies to:
     - a list of weapons of mass destruction- and missile-related items contained in its Annex III
     - a new conventional arms dual-use list (S/2016/1069)
4. **Ban on the leasing, chartering or provision of crew services to the DPRK**
   - applies to all cases unless approved by the Committee in advance on a case-by-case basis
   - strengthens the existing measures on chartering of DPRK vessels and aircraft as well as operating DPRK vessels or using DPRK flags

5. **Financial measures**
   - Member States are required to close their existing representative offices, subsidiaries or banking accounts in the DPRK within 90 days (unless decided otherwise by the Committee); to expel individuals working on behalf of or at the direction of DPRK banks or financial institutions; and to prohibit public and private financial support for trade with the DPRK (except as approved in advance by the Committee on a case-by-case basis)

6. **Designated vessels**
   The Committee may require:
   - to de-flag a designated vessel
   - the Flag State to direct the designated vessel to a port identified by the Committee itself, in coordination with the port State
   - Member States to prohibit a designated vessel from entering their ports (except in certain cases)
   - the designated vessel to be subject to the asset freeze
MEASURES AIMED AT INTRODUCING NEW ELEMENTS

Resolution 2321 (2016)

- introduces a ban on the DPRK export of copper, nickel, silver and zinc; the direct or indirect supply, sale or transfer to the DPRK of new helicopters and vessels and procurement of statues from the DPRK (except as approved in advance by the Committee on a case-by-case basis)

- calls upon Member States to reduce the number of staff at DRPK diplomatic missions and consular posts, and decides that States shall limit the bank accounts and property usage by DPRK diplomatic and consular representations
**IMPLEMENTATION**

Member States are required to supply information regarding any non-compliance with the sanctions measures and to submit national implementation reports in a timely manner.

Italy stands ready to engage in outreach activities; to foster a better understanding of the DPRK sanctions regime; and to hold special meetings to address Member States’ capacity challenges.

Italy will make sure that the Committee provides guidance to international organizations and States on how to proceed when implementing sanctions.
For a comprehensive compilation of all the measures imposed in resolutions


please visit the page of “Implementation Assistance Notices” on the website of the Committee