



NATO PARLIAMENTARY ASSEMBLY

POLITICAL COMMITTEE (PC)

Sub-Committee on Transatlantic
Relations (PCTR)

NORTH KOREA'S CHALLENGE TO INTERNATIONAL SECURITY: IMPLICATIONS FOR NATO

Report

by **Gerald E. CONNOLLY** (United States)
Rapporteur

179 PCTR 18 E fin | Original: English | 18 November 2018

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	NORTH KOREA'S CHALLENGES TO REGIONAL AND INTERNATIONAL SECURITY	1
III.	THE ROLE OF CHINA AND RUSSIA	5
IV.	THE KINETIC OPTION.....	6
V.	IMPROVING DPRK SANCTIONS: IMPLEMENTATION, ENFORCEMENT, AND EXPANSION.....	7
VI.	NATO AND MARITIME INTERDICTION.....	9
VII.	CONCLUSIONS AND RECOMMENDATIONS	10
	BIBLIOGRAPHY	12

I. INTRODUCTION

1. The Democratic People's Republic of Korea (DPRK – North Korea) poses considerable challenges for regional and international security. Despite recent diplomatic engagement with the DPRK, the security situation on the Korean peninsula remains a global flashpoint. This report emphasises that the developments on the Korean peninsula and the policies pursued by the regime in Pyongyang pose a serious security threat to NATO and its partners. As a result, the threat demands greater engagement by NATO and NATO Allies.

2. The volatile security position in North-East Asia has direct security implications for NATO Allies. In addition to threatening the two NATO partner countries in the region – the Republic of Korea (ROK) and Japan – the DPRK has also directly threatened the United States. Additionally, Pyongyang is now capable of levelling credible military threats against all Allies. As NATO Secretary General Jens Stoltenberg stressed at the 2018 Munich Security Conference, “North Korea continues to develop its nuclear and ballistic missile programmes, which pose a threat to us all. All Allies are now within range of North Korean missiles. Pyongyang is closer to Munich than it is to Washington DC and therefore we must put maximum pressure on North Korea to abandon its nuclear programme, by political and diplomatic means and, not least, through effective economic sanctions.” Secretary General Stoltenberg also declared that North Korea's ballistic and nuclear weapons programmes “pose a global threat which requires a global response” (Kelly, 2017). At the 2018 Brussels Summit Allied Heads of State and Government expressed full solidarity with NATO partners in the region -- Australia, Japan, New Zealand, and the ROK – and called on all nations to maintain decisive pressure on the DPRK, including by fully implementing existing UN sanctions.

3. Additionally, the DPRK has established illicit arms smuggling networks throughout the Middle East and North Africa (MENA) that help Pyongyang finance its ballistic and nuclear weapons programmes. The funding derived from these operations sustains DPRK nuclear activities, which undermine non-proliferation efforts. The small arms and ballistic missiles technology trafficked throughout the Middle East by the DPRK threaten NATO's interest in regional stability.

4. This report first identifies the security threats emanating from the DPRK. It then examines how China and Russia have made only limited contributions to de-escalating the crisis, in part because of the ways in which they have undermined the international sanctions regime. The report explores the military, or kinetic, option for eliminating the DPRK threat – highlighting the grave consequences of a war on the Korean peninsula. While the recent diplomatic activities – including the Singapore Summit between US President Donald Trump and Chairman Kim Jong-un – are ongoing, it remains to be seen if the DPRK regime is willing to abandon its nuclear and missile programmes and if a negotiated settlement can be reached. The international community should therefore redouble all efforts to resolve this threat, which this report concludes should include a more forward-leaning approach from NATO and NATO Allies. The world must remain clear-eyed about the DPRK's record of violating previous nuclear agreements and stand ready to continue the campaign to isolate Pyongyang in the absence of verifiable progress towards denuclearisation and the ceasing of other destabilising behaviour. The report specifically identifies the enforcement and expansion of the DPRK sanctions regime as well as increased maritime interdiction efforts as areas where NATO and its member states can make valuable contributions to countering the DPRK threat. This report serves as a basis for discussion among members of the Political Committee and has been updated for the Assembly's 2018 Annual Session.

II. NORTH KOREA'S CHALLENGES TO REGIONAL AND INTERNATIONAL SECURITY

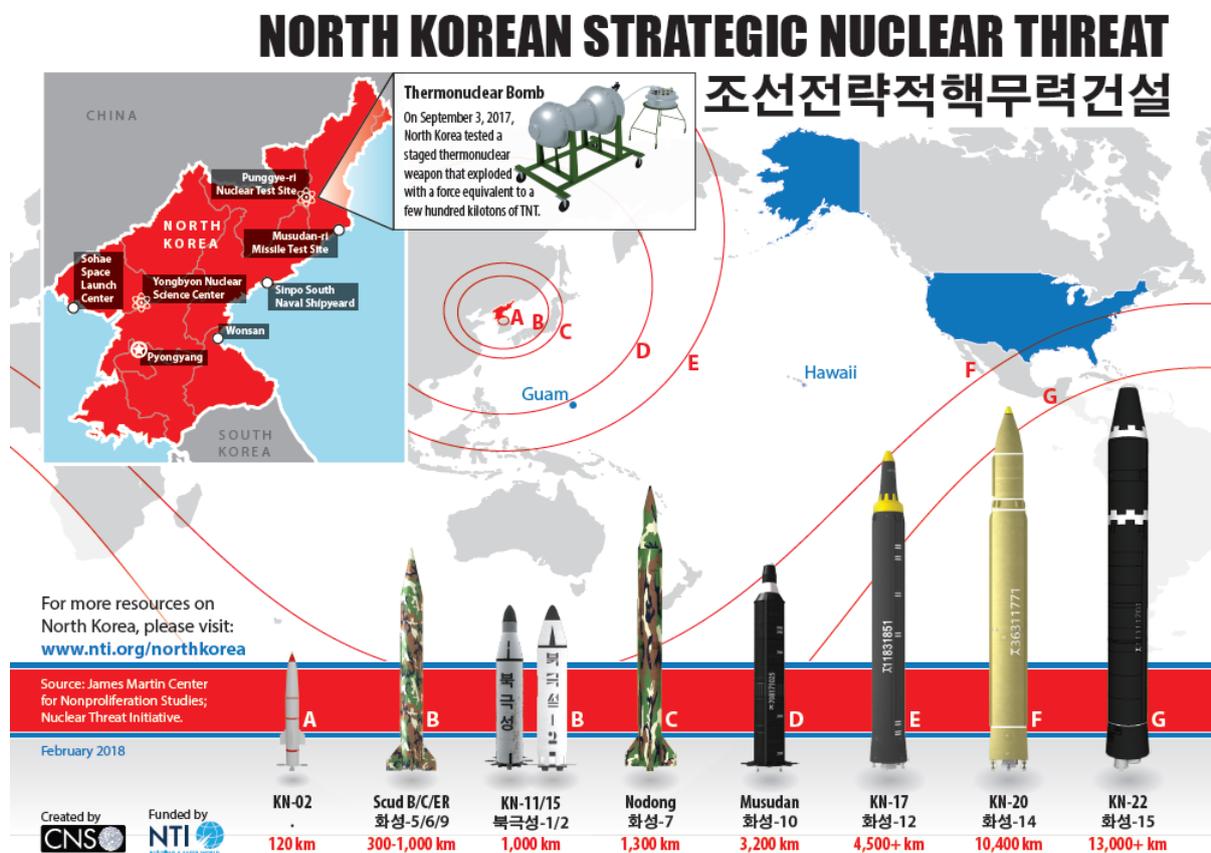
5. The spectre of conflict has loomed over the Korean peninsula since the early days of the Cold War. However, recent advances in the North Korean ballistic and nuclear weapons programmes coupled with the aggressive policies pursued by North Korean dictator Kim Jong-un have made the Peninsula a top issue on the international security agenda.

6. The DPRK has long been an outlier in the international arms control regime. The country withdrew unilaterally from the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in January 2003; never joined the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and has conducted six increasingly sophisticated nuclear tests since 2006.

7. In September 2017, North Korea carried out its sixth nuclear test, which the regime claimed was a test for a hydrogen bomb. Intelligence services estimate that the DPRK’s nuclear arsenal may comprise 20-30 nuclear weapons. The US Department of Defense (DoD) estimated the number to be greater than 50.

8. In addition to its increased nuclear testing under Kim Jong-un, the DPRK also accelerated its ballistic missile testing. Since 2012, the DPRK has conducted more than 80 ballistic missile tests. In 2017, North Korea conducted 20 ballistic missile launches, including three intercontinental ballistic missiles (ICBMs). The US intelligence community assesses that North Korea now has the capability to produce the engines for advanced ballistic missiles and is no longer reliant on importing engines (UN POE, 2018).

9. The latest missile test conducted in November 2017 represents a significant development for the DPRK ballistic missile programme. The Hwasong-15 reached an altitude of 4,475 kilometres with a flight time of 53 minutes. It is estimated that the Hwasong-15 has a range of 13,000 kilometres. The US Department of Defense has assessed that the DPRK is making steady progress toward having the technical ability to reconfigure a nuclear warhead for eventual deployment on a long-range ballistic missile.



10. Taken together, these developments in the DPRK's ballistic and nuclear weapons programmes soon will put the US mainland and European capitals within range of a North Korean nuclear-armed ballistic missile. It is important to note that the UN Panel of Experts – convened to assess, among other things, North Korea's illicit weapons programmes – found in its March 2018 report that the DPRK has yet to demonstrate the successful atmospheric re-entry of its ICBM technology.

11. In his New Year's address to the people of the DPRK in 2018, Kim Jong-un threatened to start mass-producing nuclear weapons and missiles. The DPRK has developed and expanded its nuclear programme in violation of international agreements and the regime in Pyongyang continues to defy UN Security Council resolutions. On several occasions in the past, the regime has threatened to attack South Korea, Japan, and the United States.

12. The DPRK arsenal also includes chemical and biological weapons. Pyongyang's chemical weapons development dates back to the 1950s. The DPRK is not a party to the Chemical Weapons Convention (CWC). The country is believed to have the third largest chemical weapons stockpile worldwide. The 2016 Defence White Paper of the Republic of Korea's Ministry of National Defence estimates the DPRK's arsenal to contain between 2,500 to 5,000 tons of nerve agents, blister agents, blood agents, and other chemical weapons. The DPRK used the nerve agent VX to assassinate Kim Jong-nam, Kim Jong-un's half-brother, in Kuala Lumpur Airport (Malaysia) in 2017.

13. In addition, it is suspected that the DPRK maintains an offensive biological weapons programme - despite being a party to the Biological and Toxin Weapons Convention (BTWC) and the Geneva Protocol. The DPRK is at the very least capable of producing and weaponizing biological weapons and the 2016 Defence White Paper from the ROK Ministry of National Defence estimates that Pyongyang has anthrax and smallpox agents, among others.

14. The DPRK is the most militarised society in the world. Approximately half of the population is either actively serving in the two-million strong armed forces, in the reserves, or supporting the military sector. The DPRK has the world's fourth largest military and the largest artillery force. Most of the estimated 13,000 artillery pieces are within striking distance of Seoul. With an estimated defence spending that surpasses 25 % of the country's GDP, the DPRK has the world's largest military both in terms of manpower and defence spending proportional to population and national income. Between 2004 and 2014, it spent an annual average of USD 3.5 billion on military expenditures.

15. The DPRK's nuclear, ballistic, chemical, biological, and conventional weapons programmes pose a direct threat to global and regional security, but the illegal smuggling of these weapon technologies to state and non-state actors adds another dimension to the DPRK threat.

16. North Korea has supplied ballistic missile technology and missile parts to countries in the Middle East and North Africa region, including Egypt, in violation of international sanctions. After being notified by the United States of potentially illicit North Korean cargo aboard the shipping vessel the Jie Shun, Egyptian authorities in 2017 were compelled to intercept the ship, which was carrying 30,000 rocket-propelled grenades and components worth USD 26 million. This constituted the largest seizure of munitions in the history of the DPRK sanctions regime. The UN Panel of Experts March 2018 report notes that the crates containing the weapons "were prominently marked 'Al-Sakr Cairo' followed by an address identical to that on the shipping documentation, which listed the consignee as Al-Sakr Factory for Developed Industries," which is Egypt's primary missile research and development company.

17. Numerous African countries reportedly have purchased arms and other military equipment from North Korea in recent years, in contravention of UN sanctions. These include Angola, Burundi, the Republic of Congo, the Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Libya, Mozambique, Sudan, Tanzania, and Uganda. Additionally, North Korea has provided military training to a handful of African countries, also in violation of UN sanctions. This cooperation dates back

several decades. For example, during the 1980s, North Korean troops backed Angola's left-wing People's Movement for the Liberation of Angola (MPLA) government, supported President Robert Mugabe in Zimbabwe against Joshua Nkomo, and assisted the Democratic Republic of Congo's President Joseph Kabila's efforts to regain control over the country.

18. Recent reports, including that of the UN Panel of Experts, highlight the continuing trade in weapons between North Korea and Syria. Pyongyang and Damascus have a longstanding relationship dating back to the Cold War. Current trade between the two countries includes the sale of items to Syria that could be used for the production of chemical weapons. The Syrian civil war has been particularly profitable for North Korea as it has generated additional demand for North Korean weapons. Pyongyang is suspected to have sent technical advisers, engineers, and possibly combat troops to Syria to assist the Assad regime against the opposition. Cooperation with the DPRK also allowed Syria to construct a nuclear reactor based on the design of North Korea's Yongbyon reactor. Israeli airstrikes destroyed this reactor in 2007.

19. Experts estimated that the revenues from the DPRK's cooperation with Iran on nuclear and missile technology and arms sales alone could be as high as USD 2-3 billion annually. There is also evidence of DPRK arms sales to the Houthi insurgents in Yemen and to Hezbollah in Lebanon. Around the world DPRK embassies and diplomats continue to use a broad range of deceptive measures to generate revenue for the regime, according to UN reports. For example, recent reports highlight the pivotal role of the DPRK embassy in Cairo in selling missiles, military hardware and services to many countries in the MENA region.

20. In August 2018, a UN report noted that "[North Korea] has not stopped its nuclear and missile programs and continued to defy Security Council resolutions through a massive increase in illicit ship-to-ship transfers of petroleum products, as well as through transfers of coal at sea during 2018." The report also highlighted that North Korea has been cooperating militarily with Syria as well as attempting to sell weapons to Houthi rebels for their fight in Yemen. The independent experts also found evidence of Pyongyang's violation of an export ban on textiles by sending more than USD 100 million in goods to China, Ghana, India, Mexico, Sri Lanka, Turkey, and Uruguay between October 2017 and March 2018.

21. Though not directly within the scope of the security challenges posed by North Korea, your Rapporteur would be remiss if this paper did not mention the DPRK regime's abhorrent treatment of the North Korean population of 25 million people as well as the abuse and imprisonment of foreign visitors.

22. The oppressive regime in Pyongyang has a human rights record that is among the worst in the world for continued systematic, wide spread, and gross human rights violations. The Commission of Inquiry (COI) established by the United Nations Human Rights Council concluded that the regime in Pyongyang has committed multiple crimes against humanity, including extermination, murder, enslavement, and torture. Hundreds of thousands of North Koreans have perished in prison camps (International Bar Association, 2017). The DPRK regime diverts domestic resources and sometimes blocks international aid from reaching vulnerable North Korean populations. North Korea is the only country in the world where a literate, industrialised, urbanised population suffered a famine in peacetime.

23. For many years, the North Korean regime has imprisoned foreign nationals and used their cases for political leverage. In January 2016, DPRK authorities arrested US citizen Otto Frederick Warmbier, an American student studying in the Rapporteur's home state of Virginia and sentenced him to 15 years of hard labour for "anti-state acts" allegedly committed during a visit to North Korea. Mr. Warmbier died shortly after being released from detention due to systematic mistreatment while incarcerated in the DPRK. The North Korean government continues to imprison foreign nationals, including a large number of Japanese and South Korean citizens (Ryall, 2018).

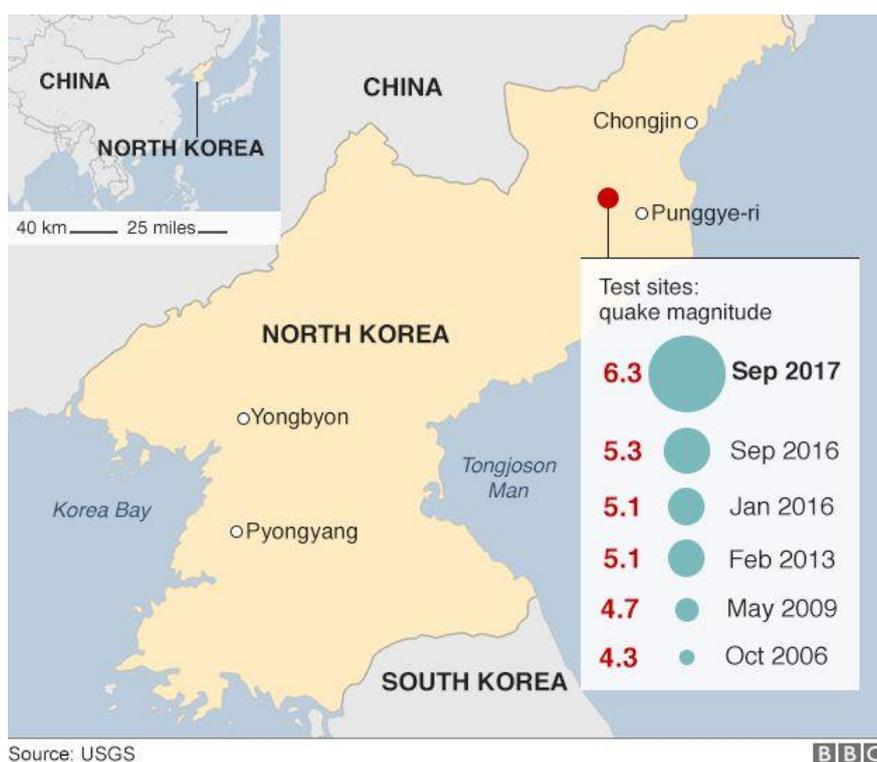
III. THE ROLE OF CHINA AND RUSSIA

24. In the case of North Korea, the People's Republic of China (PRC) has a wolf by the ear, and it can neither hold him, nor safely let him go.

25. Recent demonstrations of independence from Beijing by Kim Jong-un showcase how unwieldy the DPRK-PRC relationship can be: Kim Jong-un has purged pro-Chinese North Korean officials, including the brutal execution of his uncle Jang Song-thaek. Kim Jong-un also chose the week of the BRICS (Brazil, Russia, China and South Africa) summit in Beijing to detonate a nuclear weapon. In addition, he had North Korean agents assassinate his half-brother Kim Jong-nam, who had been living in Macao under Chinese protection.

26. That being said, the relationship has also developed into one of necessity: Pyongyang is economically dependent on China. The PRC accounts for 80-90 % of the DPRK's foreign trade, and in 2016, China provided 6,000 of the 15,000 barrels of crude oil North Korea consumed per day (Energy Information Administration, 2017). Moreover, diplomatic relations between the DPRK and the PRC have increased considerably immediately before and after Kim Jong-un's summits with South Korean President Moon Jae-in and US President Donald Trump. While Kim Jong-un had not visited China since he took power in 2011, he visited Beijing three times in 2018 to meet with Chinese President Xi Jinping.

27. China has a significant interest in the stability of the Korean peninsula. The PRC is particularly concerned about a collapse of the DPRK that would likely result in huge refugee flows across the border. Moreover, an imploding North Korea would have a serious negative economic and social impact on the regions of north-eastern China that are dependent on cross-border trade. China also considers the DPRK as a buffer against the democratic ROK and, by extension, the United States. Additionally, Chinese officials and scientists have expressed fear over possible radioactive material leaking from the now closed Punggye-ri nuclear testing facility, which could contaminate neighbouring Chinese provinces of Heilongjiang, Jilin, and Liaoning (Taylor, 2018). For these reasons, China may support the cessation of nuclear testing in the DPRK.



Map of North Korea and DPRK nuclear sites

28. Although the PRC generally implements its obligations under the United Nations Security Council resolutions targeting the DPRK, Chinese companies and banks are suspected of assisting the DPRK regime in circumventing existing sanctions, thereby enabling the latter to finance its nuclear and missile programmes. Chinese companies continue to facilitate DPRK exports of coal and iron ore and the import of vital fuel products. China blocked US efforts in 2017 to place an oil embargo on North Korea.

29. There are some recent signals that China is willing to use its immense leverage over North Korea to influence the current crisis. China appears to have reduced imports from North Korea by 78.5% and 86.1% in January and February of 2018 (CNBC, 2018). However, these actions may be meant to signal to Kim Jong-un that this crisis will be resolved on China's terms. It was not until Kim Jong-un agreed to meet with ROK President Moon Jae-in and US President Donald Trump that Kim Jong-un rushed to Beijing for a meeting with President Xi.

30. Russia and the DPRK have a longstanding relationship stemming from proximity and close Cold War ties. Recently, Moscow has made overtures to Pyongyang that it seeks a closer relationship consistent with Russia's intentions to increase trade with North Korea and promote its own Far East development agenda. Moscow is a primary aid donor to the DPRK and it recently forgave USD 10 billion of Soviet-era debt. Russia is also host to 40,000 North Korean labourers (Ha and Zilberman, 2018). Bilateral trade between Russia and North Korea doubled in the first quarter of 2017. In 2017, Russia emerged as North Korea's second-largest trading partner. Trade was around USD 78 million. Although this is down from a peak of USD 112 million in 2013, it was a slight increase on 2016 despite a dramatic expansion of international sanctions against Pyongyang.

31. The Russian ports of Nakhodka and Kholmsk have been used for the transshipping of North Korean coal exports after the UN Security Council banned them in August 2017. There are also reports that Russian oil exports to North Korea are much higher than publicly known. According to unconfirmed reports in December 2017, gasoline prices dropped in North Korea and some suggest that increased Russian exports were behind the drop in prices. North Korea's illicit procurement activities and increased trade with Russia have somewhat reduced Pyongyang's economic dependence on China. The UN Panel of Experts has published findings on possible Russian sanction violations involving imported DPRK iron, steel and coal; the operation of DPRK bank and arms sales representatives in Russia; and extensive shipping related violations beyond the transshipment of North Korean coal.

32. From South Ossetia and Abkhazia to Crimea and Syria, Russia has pursued a geopolitical strategy of fomenting conflict, uncertainty, and instability abroad. It is consistent with this strategy to work against the resolution of the crisis on the Korean peninsula if Russia perceives the North Korean threat as a source of strategic uncertainty. Though it has supported DPRK sanctions at the UN, Russian enforcement of UN sanctions is weak to say the least. In late August 2018 Russia blocked the original report of the UN Security Council Sanctions Committee on North Korea on the implementation of sanctions against North Korea and its nuclear programme, which had initially named Russian ships when citing "a massive increase in illicit ship-to-ship transfers of petroleum products," for North Korea (The Guardian, 2018).

IV. THE KINETIC OPTION

33. Increased provocation and threats by Pyongyang, advances in DPRK ballistic and nuclear weapons technology, and the inability or unwillingness of North Korea's two largest patrons to convince the regime to pursue denuclearisation has produced grave concerns and immense frustration among the international community.

34. In August 2017, after two ICBM tests by North Korea, US President Donald Trump publicly threatened to consider a military strike against the DPRK. The kinetic option would have profound global security implications. More than 25 million people living in and around Seoul are within range of North Korean artillery. Casualty estimates for a conflict involving only conventional weapons are as high as 300,000 in the opening days of a large-scale conflict with the DPRK. Those estimates only grow if one considers the DPRK's potential deployment of its arsenal of nuclear, chemical, and biological weapons. The costs of recovery and reconstruction following a military conflict could be astronomical and would likely generate requests for massive amounts of assistance from NATO countries.

35. The Korean peninsula is one of the most militarised regions in the world and any security crisis would have the potential to spill over into neighbouring countries, particularly Japan and China, as well as Russia. One does not need to enumerate the various military operations from surgical strikes to the deployment of ground combat troops into North Korea to appreciate that the military option is fraught with unintended consequences and risks immense death and destruction. It should be an option of last resort and remains the least preferred alternative to resolving the crisis on the Peninsula.

V. IMPROVING DPRK SANCTIONS: IMPLEMENTATION, ENFORCEMENT, AND EXPANSION

36. One alternative to the kinetic option that has received a degree of international support is the establishment and development of a robust sanctions regime targeting North Korea. The UN Security Council (UNSC) adopted 11 resolutions between 2006 and March 2018 addressing North Korea's malign activities and illicit weapons programmes. Seven of those resolutions have been adopted since 2016 as the pace and intensity of work on UN DPRK sanctions has increased. As permanent members of the Security Council, China and Russia have supported the adoption of these resolutions and the associated sanctions.

37. The resolutions adopted before 2016 primarily targeted the DPRK's activities directly related to its arms programmes and proliferation. Among other restrictions, the resolutions implemented an embargo on arms trade as well as nuclear and missile dual-use technologies, and established cargo inspections for shipments to and from North Korea suspected of carrying prohibited products. The continued development of North Korean nuclear and ballistic missile technologies have proved that the weapons-related bans were insufficient.

38. Therefore, sanctions have been imposed on several sectors of the North Korean economy and have further limited the DPRK's access to international financial systems. Starting with Resolution 2270 of 2 March 2016, the UNSC adopted sectoral sanctions, which currently cover more than 90 % of North Korean exports.

39. Financial services sanctions prohibit, among other things, new joint ventures with DPRK entities or individuals, the transfer of gold to or from the DPRK, public or private financial support for trade with the DPRK, any relationship with DPRK banks, and the provision of insurance to DPRK vessels or vessels believed to be involved in prohibited activities.

40. Asset freezes have been authorised against individuals trading bulk cash, evading sanctions, or supporting the DPRK's nuclear-, missile-, or weapons of mass destruction (WMD)-related programmes. UN Member States have also been asked to expel DPRK diplomats engaged in sanctions evasion, DPRK nationals who represent certain designated entities, and any foreign national working for a DPRK bank or financial institution.

41. Interdiction and inspection-related sanctions have been expanded to include the designation of additional shipping vessels subject to assets freeze, seizure, or denial of entry into port. Since 2017, UN Member States are now required to de-register, seize, inspect, and impound vessels that are believed to be involved in prohibited activities.

42. Bans have been placed on selling or supplying North Korea with aviation fuel, gasoline, jet fuel, rocket fuel, and all condensates and natural gas liquids. Security Council resolutions adopted in 2017 also limit refined petroleum products and crude oil.

43. UN bans on natural resources have had an impact on the North Korean economy. North Korea is rich in natural resources, but UN sanctions now prohibit the trade of DPRK lead and lead ore, copper, nickel, silver, zinc, gold, titanium ore, vanadium ore, rare earth elements, agriculture, wood, and coal.

44. Sanctions also prohibit the trade of DPRK seafood and fishing rights, the export of DPRK textiles, and the sale to the DPRK of industrial machinery, transportation vehicles, iron, and steel. Some important humanitarian exemptions exist in the UN sanctions regime.

45. Despite the myriad restrictions (of which this report only includes a partial list) on the North Korean economy intended to punish its threatening behaviour and deter the pursuit of illicit weapons programmes, the regime in Pyongyang remains a pariah state committed to the development of increasingly sophisticated ballistic and nuclear weapons technology. There are several reasons the international sanctions regime has thus far failed to bring about the desired results.

46. First, the North Korean economy is relatively isolated and the DPRK has developed methods of effectively evading sanctions. It has used a broad range of measures, including the use of shell companies and foreign-flagged vessels, the transshipment of DPRK goods for export, sending North Korean workers abroad to produce revenue from remittances. The regime also engages in overtly criminal operations, such as drug trafficking, counterfeiting foreign currencies, and the digital hijacking of bank accounts. According to the UN Panel of Experts' latest report, the DPRK managed to generate USD 200 million in 2017 through the export of coal and other commodities on the sanctions list, mostly to China, Russia, Malaysia, and Vietnam. Despite NATO countries' support for and compliance with UN sanctions, Europe remains a locus for North Korean sanctions-evasion activities. Several recent incidents were documented in the Panel of Experts 2018 report. In 2017, Austria closed 12 bank accounts associated with North Korean embassy personnel; DPRK iron and steel exports were sent to France, Germany, and Slovakia throughout 2016 and 2017; and DPRK embassy property in several European countries has been advertised as available for lease as recently as 2018.

47. Second, enforcement of and compliance with the DPRK sanctions regime can be improved. The Russian transshipping hubs mentioned earlier in this report could be shuttered. The 2017 Panel of Experts report included a list of 16 banks – several of them operating out of China – that have not been designated by the UN but which the Panel implicated in several violations of UN sanctions. This list includes, among others, First Eastern Bank, Rason; First Trust Bank Corporation; Ryugyong Commercial Bank; Koryo Commercial Bank; Haedong Bank; Hana Banking Corporation; and Kumgyo International Commercial Bank. These banks could be sanctioned.

48. Oversight and regulation of the maritime insurance industry should be strengthened. As recently as January 2017, the Luxembourg- and London-based company West of England P&I and the US-based company American Club P&I provided insurance to DPRK ships and ships travelling to the DPRK in violation of UNSCR 2270 (2016) and UNSCR 2321 (2016) (Huish, 2017). The UN Panel of Experts has recommended that, "maritime protection and indemnity insurers include a clause in all contracts, stipulating that all transfers involving violations of the resolutions, in particular prohibited ship-to-ship transfers and petroleum products transferred to the Democratic People's Republic of Korea, be voided." However, self-regulation of the industry is not the most effective

method of sanctions enforcement. Denying maritime insurance to North Korean shipping can be one of the most effective tools to deter North Korea's behaviour.

49. Third, there is still room to expand the DPRK sanctions regime. NATO Allies could be encouraged to expedite the repatriation of DPRK labour ahead of the 24-month timeline included in UNSCR 2397 (2017). Maritime insurance restrictions could be expanded to all DPRK vessels and vessels engaged in trade with the DPRK. Instead of limits on refined petroleum products and crude oil, the UN could pursue outright bans similar to those placed on the sale of some natural resources. Countries could also adopt and enforce secondary sanctions targeting the banks that continue to support trade and business with North Korea. This would effectively cut off those banks from the international financial system and impose a cost few would be willing to bear.

50. Finally, the international community must make clear once again the carrot it is willing to offer to convince North Korea to abandon its nuclear weapons programme. Such incentives are essential to the success of sanctions regimes intended to deter undesirable behaviour. In response to illicit Iranian nuclear activities, the UN established a robust sanctions regime that drove Iran to the negotiating table. But it was the promise of relaxed sanctions and increased international trade that convinced Iran to reverse its nuclear programme and adopt the Joint Comprehensive Plan of Action (JCPOA), with which it is in compliance to this day. Articulating incentives for denuclearisation is an essential component of any diplomatic engagement with North Korea. The recent meetings and declarations between US President Donald Trump and North Korean leader Kim Jong-un as well as between Chairman Kim Jong-un and South Korean President Moon Jae-in are intended to secure the verified denuclearisation of the DPRK in a peaceful manner. Secretary of State Mike Pompeo has visited North Korea at least four times to further this diplomatic effort and in October 2018 reportedly came to an agreement during a meeting with Kim Jong-un to plan a second meeting between President Trump and Kim Jong-un.

51. However, at the point of writing it is too early to tell if the DPRK leadership is prepared to implement its international obligations in exchange for a declaration that ends the Korean War and a roll back of the international sanctions' regime. After the Singapore Summit, there were widespread reports that the US intelligence community (IC) had confirmed that the DPRK was expanding activities at the factory that produced the country's first ICBM. Another US IC report detailed DPRK efforts in the wake of the Summit to conceal its nuclear activities. There is significant concern that the DPRK is misleading the international community regarding the magnitude and content of its illicit nuclear program. (Washington Post, June 2018). With these setbacks in mind, it is necessary to enforce a robust sanctions regime until the DPRK demonstrates a verifiable commitment to denuclearisation. And just as was the case with the JCPOA, NATO countries could play a role supporting, financing, or brokering an agreement on denuclearisation.

VI. NATO AND MARITIME INTERDICTION

52. Beyond sanctions and directly relevant to the NATO mission is the need for more robust maritime interdiction activities targeting shipments in violation of UN DPRK sanctions – particularly interdiction efforts that disrupt North Korea's arms distribution networks in the MENA region.

53. To increase the pressure on the DPRK, the international community has sanctioned companies and vessels that are involved in illicit trade. In this context, the UN announced a new round of sanctions in March 2018 against 21 companies and 28 vessels involved in smuggling prohibited goods in and out of the DPRK (Nichols, 2018). Other recent measures introduced to prevent North Korea's illicit shipping activities include US sanctions of six cargo ships in January 2018 and the UN Security Council blacklisting of four vessels in December 2017. To help enforce sanctions against illicit shipments, the US Treasury Department issued a global shipping advisory that identifies the methods North Korean vessels use to evade sanctions, including turning off transponders, changing ship identities, and conducting ship-to-ship transfers. The restrictions

placed on the sale of DPRK goods and arms are only effective if they are enforced, which will require global maritime operations that intercept, inspect, and impound illicit DPRK shipments.

54. NATO and NATO Allies have an interest in supporting these enforcement efforts and countering the proliferation of WMDs. The recent Panel of Experts report details the illegal cooperation between Syria and North Korea on chemical and ballistic missile weapons programmes. The report includes information on “more than 40 previously unreported shipments from the Democratic People’s Republic of Korea to the Syrian Arab Republic between 2012 and 2017 by entities designated by Member States as front companies for the Scientific Studies Research Centre of the Syrian Arab Republic.” The Panel of Experts also published findings that DPRK technicians continue to “operate at chemical weapons and missile facilities at Barzah, Adra and Hama,” and that 13 shipping containers bound for Syria were concealing enough DPRK acid-resistant tiles for a large-scale industrial chemical weapons project.

55. Syrian dictator Bashar al-Assad has repeatedly used chemical weapons on Syrian civilian populations. The attacks constitute a particularly horrific and condemnable aspect of Assad’s brutality and are in violation of the Chemical Weapons Convention. The use of chemical weapons has escalated the war and contributes to the ensuing humanitarian crisis in Syria, which has already resulted in more than 400,000 deaths and the displacement of 11 million Syrians – four million of whom are in NATO member Turkey and one million of whom have sought refuge in Europe (Syrian Refugees, 2016).

56. In October 2016, NATO launched Operation *Sea Guardian* to, among other things, perform maritime interdiction, and counter the proliferation of weapons of mass destruction. For the performance of maritime interdiction, assets may be “assigned for quick-response actions and may use Special Operations Forces and experts in chemical, biological, radiological and nuclear (CBRN) weapons to board suspect vessels.”

57. NATO has Standing Naval Forces (SNF) that provide the Alliance with a continuous naval presence and carry out scheduled exercises, manoeuvres and port visits. They have been deployed in the past. For example, Operation *Unified Protector* was critical to the implementation of a maritime arms embargo on Libya in 2011. NATO has also been assisting Frontex (the European Union’s border management agency), and Greek and Turkish national authorities in their efforts to tackle the migrant and refugee crisis in the Aegean. Between 2009 and 2016, Operation *Ocean Shield* contributed to international efforts to suppress piracy and protect humanitarian aid shipments off the Horn of Africa. A similar operation could and should be established to counter illicit DPRK trade and proliferation activities.

VII. CONCLUSIONS AND RECOMMENDATIONS

58. North Korea continues to present a grave security risk for international security as long as it does not fully implement its international obligations, including the elimination of its nuclear, chemical, and biological warfare capabilities and ballistic missiles, and the termination of all related programmes. The area of the world within range of North Korea’s ballistic and nuclear weapons continues to grow, and the DPRK’s illicit weapons programmes undermine existing non-proliferation regimes and international arms control agreements. Pyongyang is also destabilising the highly volatile MENA region in Europe’s neighbourhood. This is primarily due to its continuing proliferation activities, which include the sale of conventional and nonconventional arms and the provision of weapons-related technical expertise. In fact, the 2018 UN report states that “prohibited military cooperation with the Syrian Arab Republic has continued unabated.” Therefore, Allies, and NATO as an organisation, must clearly and directly focus on dealing with the threats emanating from the DPRK.

59. This report recommends that NATO Allies improve enforcement of existing DPRK sanctions as well as support the expansion of the DPRK sanctions regime at the UN and/or through their own national legislation.

- a) NATO Allies should support the adoption of comprehensive restrictions on maritime insurance for DPRK vessels and vessels engaged in trade with the DPRK.
- b) NATO Allies should target banks that violate UN sanctions with secondary sanctions – effectively cutting them off from the international financial system.
- c) NATO Allies should increase their already-enhanced scrutiny over the actions of North Korean diplomats operating in their countries, to ensure that they are not abusing their diplomatic status by engaging in commercial or other activities.
- d) NATO Allies should immediately implement the restrictions on North Korean labourers adopted in 2017.

60. The DPRK's limited international trade is primarily through shipping vessels. It has approximately 240 vessels in its merchant fleet. Therefore, interdiction of illicit shipping emanating from North Korea would increase significantly the pressure on the DPRK's political leadership. Interdiction efforts would also help restrict North Korea's proliferation of WMDs. Maritime forces will be needed to effectively implement interdiction efforts and it would be in the interest of all Allies, and indeed the international community, to contribute to global maritime operations that seek to disrupt illicit North Korean trade.

61. Therefore, NATO should:

- a) implement the interdiction and counter-proliferation components of Operation *Sea Guardian* in order to help address the DPRK threat to international security.
- b) help prevent illicit trade with North Korea through the deployment of naval assets much like the United Kingdom's recent deployment of a British warship to the waters around North Korea (Kelly, 2018).

BIBLIOGRAPHY

- CNBC, "China applies its own maximum pressure policy on Pyongyang", 7 April 2018, www.cnbc.com/2018/04/07/china-applies-its-own-maximum-pressure-policy-on-pyongyang.html
- Energy Information Administration, "Korea, North", May 2017, www.eia.gov/beta/international/analysis.cfm?iso=PRK
- The Guardian, "UN experts 'caved in' to Russia on North Korea sanctions report – US", 14 September 2018 <https://www.theguardian.com/world/2018/sep/14/un-experts-caved-in-to-russia-on-north-korea-sanctions-report-us>
- Ha, Mathew and Zilberman, Boris, "President Trump Calls Out Russia for Helping North Korean Sanctions Evasion", *Foundation for Defense of Democracies*, Policy Brief, 18 January 2018, www.defenddemocracy.org/media-hit/mathew-ha-president-trump-calls-out-russia-for-helping-north-korean-sanctions-evasion/
- Huish, Robert, "The Failure of Maritime Sanctions Enforcement against North Korea", *Asia Policy*, no. 3, January 2017, www.nbr.org/publications/asia_policy/free/03312017/AsiaPolicy23_Huish_January2017.pdf
- International Bar Association, "Report: Inquiry on Crimes Against Humanity in North Korea's Political Prisons", 12 December 2017 www.ibanet.org/Article/NewDetail.aspx?ArticleUid=8ae0f29d-4283-4151-a573-a66b2c1ab480
- Kelly, Tim, "British warship to help police North Korean sanctions", *Reuters*, 11 April 2018, www.reuters.com/article/us-northkorea-missiles-britain/british-warship-to-help-police-north-korean-sanctions-idUSKBN1HI1HW
- Kelly, Tim, "NATO chief urges full implementation of North Korean sanctions to counter global threat", *Reuters*, 31 October 2017, www.reuters.com/article/us-northkorea-missiles-nato/nato-chief-urges-full-implementation-of-north-korean-sanctions-to-counter-global-threat-idUSKBN1D007J
- Nichols, Michelle, "UN blacklists dozens of ships, companies over North Korea smuggling", *Reuters*, 30 March 2018, www.reuters.com/article/us-northkorea-missiles-un/u-n-blacklists-dozens-of-ships-companies-over-north-korea-smuggling-idUSKBN1H61OZ
- Ryall, Julian, "Don't forget about other foreigners trapped in North Korea's prison camps, human rights activists warn," *The Telegraph*, 10 May 2018, <https://www.telegraph.co.uk/news/2018/05/10/dont-forget-foreigners-trapped-north-koreas-prison-camps-human/>
- Syrian Refugees, "The Syrian refugee crisis and its repercussions for the EU", September 2016, <http://syrianrefugees.eu/>
- Taylor, Adam, "North Korea's mountain mystery: Is Punggye-ri Nuclear Test Site still functional?," *The Washington Post*, 25 April 2018, https://www.washingtonpost.com/news/worldviews/wp/2018/04/25/north-koreas-mountain-mystery-is-punggye-ri-nuclear-test-site-still-functional/?noredirect=on&utm_term=.94e3187e7d68.
- UN POE (United Nations Panel of Experts), "Report of the Panel of Experts established pursuant to resolution 1874 (2009)", S/2018/171, <http://undocs.org/S/2018/171>
- Warrick, Joby and Simon Denyer, "A 'massive' spike in oil smuggling has eased the economic pressure on North Korea." *The Washington Post*, September 20, 2018, https://www.washingtonpost.com/world/national-security/a-massive-spike-in-oil-smuggling-has-eased-the-economic-pressure-on-north-korea/2018/09/20/1f6b684a-bc35-11e8-8792-78719177250f_story.html?utm_term=.26138dbd2368
- Washington Post, *Pompeo, Kim Jong Un Agree To Hold 2nd Summit With Trump As Soon As Possible*, by Simon Denyer, 7 October 2018 https://www.washingtonpost.com/world/pompeo-meets-kim-jong-un-in-north-korea-for-talks-on-denuclearization/2018/10/07/d9832280-c997-11e8-9c0f-2ffaf6d422aa_story.html?utm_term=.6afed817c304
- Washington Post, *North Korea Working To Conceal Key Aspects Of Its Nuclear Program U.S. Officials Say*, by Ellen Nakashima and Joby Warrick, 30 June 2018 https://www.washingtonpost.com/world/national-security/north-korea-working-to-conceal-key-aspects-of-its-nuclear-program-us-officials-say/2018/06/30/deba64fa-7c82-11e8-93cc-6d3becdd7a3_story.html?noredirect=on&utm_term=.ece8b8efdf25