Accession of the Euratom to the Korean Peninsula Energy Development Organisation, KEDO

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This document comprises of a draft communication to the Council which sets out the results of the negotiations between EURATOM an the Korean Peninsula Energy Development Organisation (KEDO). This document also includes a proposal for a Council decision to approve the conclusion of the Agreement by the Commission (COS/2001/2252). This is a renewal agreement and its justification was stated in the Commission communication to the Council for adoption of the negotiating directives in June 2000. As the EU is a member of the KEDO Board, it has the access necessary to gather the required information for the evaluation. The results of the first agreement and the objectives pursued as set out in this communication justified the renewal of EU participation in KEDO. In view of the significant contribution of KEDO to non-proliferation and safety, the Commission adopted on 02.02.2000 a recommendation to the Council to negotiate the renewal of the Accession Agreement for a further 5 years under enhanced terms. The Council, in view of competing demands for finance of external projects and the level of cooperation with KEDO on certain matters, reduced the financial support proposed by the Commission from EUR 30 million pa to EUR 17.5 million pa but then a figure of EUR 20 million was retained for negotiation purposes at the COREPER II meeting of 31.12.2000. Therefore, the total allocation shall be EUR 100 million, i.e EUR 20 million for 5 years. The main terms of the directives were no financial liability (beyond the annual contribution), no nuclear liability, confirmation that consensus would remain the basis for decision-making in the Executive Board, a high level post in the KEDO Secretariat and improved access for EU companies to contracts. As for the Accession Agreement, the Council will adopt a Common Position on KEDO which underlines the non-proliferation aspects. The Commission considers that the attached Euratom/KEDO Renewal Agreement and its Side Letters (on liability, representation of the Community, industrial aspects and on payment procedures and accounting and audit requirements) constitute a beneficial agreement for the Community which meets the the goals set out in the negotiating directives. It will be an important instrument for political and industrial cooperation with KEDO. It provides a strong encouragement from the EU to the DPRK to develop its engagement with the international community and implement its commitment to non-proliferation, including, in particular, coming into compliance with its nuclear safeguards agreement. It should also be noted that as for other important international matters concerning nuclear non-proliferation the European Parliament has been duly informed.