



The Korean Peninsula Energy Development Organization
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**Statement by the ROK Representative and
Chair of the KEDO Executive Board
Ambassador Sun-Sup Chang**

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First of all, I would like to welcome all of you to the General Conference of KEDO and extend my deep appreciation to all KEDO members and contributing countries for their continuous support to KEDO during last one year.

Today we are here to assess KEDO's achievements to date and discuss its future tasks. It is a great pleasure for me to speak before all of you about these important issues.

Before presenting the status of the KEDO project, I would like to briefly touch upon the recent developments on the Korean Peninsula. The inter-Korean relations have been brought back on a positive track by the visit of the special envoy of President Kim Dae-jung to North Korea in early April. The visit has brought the atmosphere of reconciliation to the Korean Peninsula once again and provided a constructive ground for further developments in inter-Korean relations.

As a first follow-up to the agreement reached at the visit, the fourth reunion of separated families took place at Mt. Kumgang in late April. More recently, North Korea postponed the second inter-Korean economic cooperation talks scheduled for early this month. However, I hope this temporary pause in inter-Korean dialogue will soon come to an end.

The overall landscape for the resumption of bilateral dialogues between North Korea and the other Executive Board Member countries seems to be improving. Such resumption of dialogues with North Korea will greatly contribute to creating a favorable environment for building peace on the Korean Peninsula, in general, and for the LWR project, in particular.

Over the past seven years after the foundation of the KEDO, the LWR project has undergone many ups and downs, but it has nevertheless made substantial

progress. After successfully completing grading of the power plant site and its infrastructure work, KEDO has been implementing power block excavation from last September. As a result, this August we are expecting the first concrete pouring, a crucial milestone in constructing the main building of the power plants.

Looking at KEDO's recent offsite work, one can also recognize that KEDO has made significant accomplishments in the field of finance and contractual infrastructure. At the special session of the KEDO Executive Board last month, the Executive Board members agreed on an arrangement to resolve the 8 percent shortage of monthly costs for the LWR project for the next couple of years. In addition, the Turbine/Generator issue, which remained unsolved for almost five years in the past, was finally settled at the end of April this year by the conclusion of a contract between Hitachi/Toshiba consortium and Doosan Heavy Industry & Construction Corporation. This will further facilitate the manufacturing process of major parts of the LWR plants.

Meanwhile, in spite of unexpected price hikes in the international oil market, heavy fuel oil deliveries have been made without any serious interruption. Moreover, once-delayed KEDO-DPRK meetings resumed with the High-Level Expert Meeting held in early this month. Further negotiations with North Korea will continue to resolve the pending issues and result in the conclusion of the remaining protocols.

In addition to these tangible progress, there are other not-so-visible achievements of KEDO. In the long process of interaction, KEDO and North Korea have together built mutual trust and cooperation. Through frequent contacts and cooperation with KEDO, North Korea seems to have come to understand international norms and practices. The multilateral cover of KEDO has served as a useful tool of engaging North Korea with the Republic of Korea and other KEDO members even at a time when no direct channel of communication was available at the governmental level.

At this very moment, 10 North Koreans are visiting South Korea for the pre-flight inspection of airports as part of the negotiation for opening a direct air-route between South and North Korea. This is a second KEDO-related visit to South Korea by North Korean delegation after 19 North Korean high-ranking government officials visited South Korean training facilities in December of last year. This kind of visit is one of many significant examples which show KEDO's accomplishments in addition to the construction of the plants.

All of these achievements notwithstanding, we should not lose sight of KEDO's primary mission, achieving the ultimate goal of non-proliferation intended by the KEDO LWR project and improving the prospects for securing peace and stability

on the Korean Peninsula by successfully resolving the North Korean nuclear problem.

I am inclined to admit that the future challenges associated with North Korea's full compliance with the IAEA safeguards agreement will be more difficult and complicated than any other issues KEDO has been confronted with so far. However, at the same time, I have no doubt that KEDO and its members will successfully deal with the future tasks with our tradition of collective wisdom and close consultations.

Again, on behalf of the KEDO Executive Board and the Government of the Republic of Korea, I would like to express my deep gratitude for your unwavering support to KEDO.

Thank you for your kind attention.