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IMPLEMENTATION OF THE AGREEMENT BETWEEN THE AGENCY AND THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Report by the Director General to the General Conference

1. In resolution GC(43)/RES/3 of 1 October 1999, the General Conference, inter alia, decided to include in the agenda for its forty-fourth regular session an item entitled:

“Implementation of the Agreement between the Agency and the Democratic People's Republic of Korea for the application of safeguards in connection with the Treaty on the Non-Proliferation of Nuclear weapons.”

This report is to provide information to the General Conference in its consideration of item of its agenda.

THE SITUATION PREVAILING AT THE TIME OF THE FORTY-THIRD REGULAR SESSION OF THE GENERAL CONFERENCE

2. The Director General's report (GC(43)/23 of 25 August 1999) to the General Conference in 1999 made clear that the Agency was continuing to monitor the freeze on the DPRK's graphite-moderated reactors and related facilities. It also made clear that co-operation from the DPRK remained limited. Although technical discussions had enabled some day-to-day problems to be solved, there was still no progress on a number of important issues which had remained outstanding since the Agency started, in November 1994, to monitor the freeze. Such issues included the preservation of information required for verifying the accuracy and completeness of the DPRK's initial declaration under its Safeguards Agreement (INFCIRC/403); its refusal to accept certain safeguards measures at its reprocessing plant; and the limitations which the DPRK had imposed on inspector access to technical support buildings at facilities subject to the freeze. The DPRK had also not enabled the Agency to assess the total amount of plutonium in the spent fuel rods from the 5 MW(e) reactor. The Director General's report also gave an account of the two rounds of technical discussions with the DPRK which had taken place since the 1998 General Conference, and noted the conclusion, in the Safeguards Implementation Report (SIR) for 1998, with regard to the

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DPRK. It said also that, at a time when the canning operation at the DPRK's 5 MW(e) Experimental Power Reactor was nearing completion, and the time envisaged under the Agreed Framework for the delivery of key nuclear components of the Light Water Reactor (LWR) project was drawing nearer, the Secretariat would be focusing on the preparatory work required for the verification of the correctness and completeness of DPRK's initial declaration. The overall conclusion in the Director General's report was that the co-operation from the DPRK side remained limited and continued to be linked, as in the past, to the DPRK's perception on progress in implementing the Agreed Framework between the DPRK and the United States of America.

3. In the light of the lack of progress on important issues, and of the Director General's report in document GC(43)/23, the General Conference adopted resolution GC(43)/RES/3. This, inter alia, expressed concern over the continuing non-compliance of the DPRK with its Safeguards Agreement. It also urged the DPRK to co-operate fully with the Agency in the implementation of that agreement and to take all steps that the Agency may deem necessary to preserve all information relevant to verifying the accuracy and completeness of the DPRK's initial report on its inventory of nuclear material subject to safeguards until it comes into full compliance with its Safeguards Agreement.

DEVELOPMENTS SINCE THE FORTY-THIRD REGULAR SESSION OF THE GENERAL CONFERENCE

4. Since last year's General Conference, the Agency has maintained a continuous inspector presence in the DPRK to monitor the freeze. At the end of April 2000, the US and DPRK teams completed the canning of the fuel rods which could be retrieved from the spent fuel pond of the 5MW(e) Experimental Power Reactor. However, there have been no major new developments to change the assessments which the Director General gave to the Board of Governors in December 1999, March 2000, and June 2000. Thus, co-operation from the DPRK side remains limited. At the December 1999 Board meeting, the Director General expressed the hope that the DPRK would soon be in a position to expand the level of its co-operation and also to normalise its relations with the Agency.

5. The technical discussions with the DPRK (see paragraphs 6 - 7 below) have enabled further, day-to-day problems to be resolved. For example, the DPRK has agreed to the installation of digital surveillance to replace the analogue systems, which the Agency is phasing out worldwide. It has also agreed to Agency proposals for repackaging slags and ashes containing uranium for long-term storage at the fuel rod fabrication plant. However, the DPRK still needs to provide all of the access required for Agency inspectors to certain technical buildings at facilities subject to the freeze. It also continues to refuse certain safeguards measures at its reprocessing plant, and to allow the Agency to make measurements to assess the total plutonium in the spent fuel rods of the 5 MW(e) Experimental Power Reactor. The DPRK also declines sampling of graphite blocks for the DPRK's 50 MW(e) Power Reactor under construction, a measure which could confirm whether the graphite is of nuclear grade, and hence a key component of the reactor subject to the freeze. Additionally, the Agency has not been allowed to take environmental samples even at nuclear facilities in the DPRK which are not subject to the freeze.

6. Two more rounds of technical discussions with the DPRK have taken place since last year's General Conference: on 13-16 December 1999 in Vienna and on 10-12 May 2000 at

Mt Myohan in the DPRK. At the meeting of the Board of Governors on 20 March 2000, the Director General reported that the thirteenth round of technical talks had not resulted in any progress on key issues and that little that was tangible had been achieved with regard to the preservation of information. Regarding the latter, the Agency inspectors have had access, since February 2000, to the records at facilities subject to and not subject to the freeze in order to identify, list and describe their contents. Work on establishing a baseline of records continues, but there has been no progress on the preservation of information other than records, or on the methods to be used to preserve information. In the Board of Governors meeting the Director General reiterated again the wish of the Secretariat for better progress on this, and other outstanding issues, and noted that construction work on the LWR project had started in February 2000 after site preparation. He stated that, as foreseen in the Agreed Framework, the DPRK must come into full compliance with its Safeguards Agreement when a significant portion of the LWR project has been completed but before the delivery of key nuclear components. This, in turn, means that the DPRK must co-operate with the agency with regard to the verification of the correctness and completeness of its initial declaration.

7. In his statement to the Board of Governors on 5 June 2000, the Director General again noted that no agreement had been reached on any of the long-standing issues during the fourteenth round of technical talks. He also stressed, *inter alia*, that the DPRK must preserve all of the information required for the verification of the initial declaration and also that the verification process in the case of a country with significant nuclear facilities can take a number of years to complete.

8. In the Final Document of the 2000 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the Conference noted with concern that, while the DPRK remained a party to the Non-Proliferation Treaty, the IAEA continued to be unable to verify the correctness and completeness of the DPRK's initial declaration and was therefore unable to conclude that there had been no diversion of nuclear material in the DPRK. The Conference also stated that it looked forward to the fulfilment by the DPRK of its stated intention to come into full compliance with its Safeguards Agreement, which remains binding and in force. The Conference also emphasised the importance of action by the DPRK to preserve and to make available to the IAEA all information needed to verify its initial inventory.