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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(40)/RES/4 of 20 September 1996, the General Conference, inter alia, decided:

“to include in the agenda for its forty-first 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 prepared to provide information to the General Conference in its consideration of this item of its agenda.

THE SITUATION PREVAILING WITH REGARD TO SAFEGUARDS IMPLEMENTATION IN THE DPRK AT THE TIME OF THE FORTIETH REGULAR SESSION OF THE GENERAL CONFERENCE

2. The Director General’s report to the General Conference in 1996, in document GC(40)/16 of 20 August 1996, gave the background to the developments which had taken place during the previous year in safeguards implementation in the DPRK pursuant to the DPRK’s Safeguards Agreement with the Agency (INFCIRC/403) and described those developments. They included the resumption of ad hoc and routine inspections (required by the Safeguards Agreement), as of March 1996, but only at facilities not subject to the freeze;

the start in April 1996 of operations on the canning of the spent fuel rods at the 5 MWe Experimental Power Reactor; the verification of these rods by the Agency inspectors by measurement which, however, did not provide any information about the total amount of plutonium contained in the irradiated fuel rods; the initial discussion in June 1996 about the Agency paper, provided in September 1995, on the preservation of information which must remain available to enable the Agency to verify in the future the correctness and completeness of the DPRK's initial declaration under its Safeguards Agreement; the provision by the DPRK in June 1996 of its proposal on preservation of information, which, however, covered only facilities already being inspected by the Agency and not other facilities and locations, and did not cover all the information required and did not include measures for the preservation of such information.

3. The report last year referred to the further technical discussions between the Agency and the DPRK which were scheduled for September 1996 in Vienna, but had not yet taken place by the time of the 1996 General Conference. The report in GC(40)/16 recorded that, while the initial technical discussions resulted in some progress in certain areas, the DPRK had continued to decline a number of important measures which had been left open since the first technical meeting.

4. In light of this and of the Director General's report in document GC(40)/16, the General Conference adopted resolution GC(40)/RES/4. By that resolution, the General Conference, inter alia, strongly endorsed the actions and commended the efforts taken by the Secretariat to implement the Safeguards Agreement and to monitor the freeze in the DPRK; it also expressed concern over the continuing non-compliance of the DPRK with its Safeguards Agreement, called upon the DPRK to comply fully with the Safeguards Agreement and urged it to cooperate fully with the Agency in the implementation of that Agreement.

DEVELOPMENTS OVER SAFEGUARDS IMPLEMENTATION IN THE DPRK SINCE THE FORTIETH REGULAR SESSION OF THE GENERAL CONFERENCE

5. At the meeting of the Agency Board of Governors on 3 December 1996, the Director General reported on the sixth round of technical discussions between the IAEA and the DPRK which took place in Vienna from 23-27 September 1996. The Director General noted that, regrettably, no progress was made on important issues such as the preservation of information; and that, in light of this situation, he had informed the Security Council of the United Nations on 7 November 1996 that the Agency cannot provide any assurance that the required information is actually being preserved.

6. At the meeting of the Board of Governors on 17 March 1997, the Director General reported that the seventh round of technical discussions, which took place on 20-24 January 1997 in Pyongyang, also gave meager results. No progress was made regarding the preservation of information, or on the issue of the reprocessing plant where the DPRK continued to decline to accept measures such as the measurement of liquid wastes to verify that there is no movement or any operation involving such wastes. The DPRK was of the view that the Agency requirements were "excessive" and not in line with the progress in the implementation of the Agreed Framework between the US and the DPRK. The Director General informed the Board that the Agency inspectors remain on a continuous basis in the Nyongbyon area to monitor the freeze of operations at technical buildings where the Agency is implementing its verification measures and visits periodically. Such buildings are at the sites of the reprocessing plant, the fuel fabrication plant, the 5 MW Reactor and the two larger 50 MW and 200 MW reactors, which had been under construction at the time of the freeze. He also said that about 60% of the spent fuel rods at the 5 MWe reactor had been canned, but that the operation would not be completed before Summer 1997, and that until that time there continued to be a need for 3-4 inspectors at Nyongbyon.

7. At the meeting of the Board of Governors on 11 June 1997, the Director General underlined that the Safeguards Implementation Report (SIR) for 1996 reported the continuing inability of the Agency to verify the correctness and completeness of the initial declaration of the DPRK and the Agency's inability to conclude that there has been no diversion of nuclear material. The Director General reiterated the lack of progress on important issues and said that no dates had been fixed for the next round of technical discussions.

8. As of the date of this report there have been no new developments to alter the assessments of March and June. As progress in discussions has been repeatedly linked by the DPRK with progress in the implementation of the Agreed Framework, e.g., the ground breaking at the light water reactor site, the Secretariat is of the view that a meaningful meeting of the technical teams will not occur until after such an event.

9. Regrettably, there continues to exist a fundamental difference of view between the Agency and the DPRK regarding the current status of the Safeguards Agreement. The DPRK regards acceptance of measures required to enable the Agency to monitor the freeze as being solely within the context of the Agreed Framework rather than as a part of the implementation of the Safeguards Agreement. The Agency regards the Safeguards Agreement with the DPRK as binding and in force. The DPRK has indicated that until a significant portion of the light water project is completed, but before delivery of key nuclear components, the Agency can carry out ad hoc and routine inspections under the Safeguards Agreement only at facilities not covered by the freeze. In this context, since 1996, the DPRK had permitted ad hoc inspections at the locations outside facilities, which contain small quantities of nuclear material, in addition to inspections at facilities not subject to the freeze.

10. Co-operation from the DPRK side remains limited. The DPRK has accepted some verification activities, such as containment and surveillance measures which the Agency needs to carry out to monitor the freeze, but has declined other measures, such as the installation of Agency monitoring equipment at nuclear waste tanks or any sampling or measurements by

the Agency at any location in the reprocessing plant and others as indicated in the text above. Moreover, the DPRK declined measurements for assessing the total amount of plutonium in spent fuel rods from the DPRK's 5 MWe reactor.

11. Also, it has become apparent over the last twelve months that there are differences between the Agency and DPRK interpretations regarding the conditions of the freeze for the 5 MWe reactor, the fabrication plant and the reprocessing plant. The issue concerns access by inspectors for visiting from time to time technical buildings, at a particular facility site, which were not placed under the freeze in November 1994 because the DPRK had stated at that time that they had changed their scope of operations. The Agency has been of the view that such visits are required for monitoring the freeze of the nuclear program involving the graphite moderated reactors and related facilities. The procedures agreed with the DPRK foresee visits of technical buildings which have changed their scope of operations. Monitoring the freeze without such visits would be limited to only certain buildings where Agency safeguards measures, including inspections, are applied. The DPRK stated that it had agreed to freeze technical buildings which are directly related to the nuclear programme, but not those buildings which are indirectly related to the programme. Therefore, the DPRK could consider access for visits by Agency inspectors only on the basis of a case-by-case request by the Agency, but not as a right of the inspectors. The issue remains, so far, unresolved.

12. During 1997, there has been improvement in the means of communication between Agency inspectors in the DPRK and Agency Headquarters as well as between the Departments of Safeguards of the General Department of Atomic Energy of the DPRK and of the Agency. The DPRK has also accepted the designation of additional inspectors.

13. Furthermore, in January 1997, the DPRK clarified that the nuclear graphite which was manufactured for use at the 50 MWe power reactor is subject to monitoring by the Agency. About half of the required graphite blocks were presented to the Agency and it was stated that manufacturing of such blocks and other nuclear-related equipment and components had been stopped since July 1993. This statement awaits formal confirmation by the DPRK.

14. The canning operation for the irradiated fuel rods from the 5 MWe reactor, which started in April 1996, is about 90% complete. The rods have been placed in containers which are now under Agency seals, supplementing the existing surveillance. The rest of the rods, mainly in dry storage, are expected to be placed in containers later in the year. Normally, four inspectors are continuously present in the Nyongbyon area and are being rotated every few weeks. When the canning operation is completed, at least two inspectors will remain in Nyongbyon to continue carrying out the required activities.