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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(44)/RES/26 of 22 September 2000, the General Conference, inter alia, decided to include in the agenda for its forty-fifth 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 provides information to the General Conference in its consideration of this agenda item.

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

2. The Director General's report (GC(44)/16 of 04 August 2000) to the General Conference in 2000, noted that the Agency was continuing to monitor the freeze on the DPRK's graphite-moderated reactors and related facilities. In April 2000, the US and the DPRK team had completed the canning of the fuel rods, which could be retrieved from the spent fuel pond of the 5MWe Experimental Reactor. Nevertheless, co-operation efforts from the DPRK had remained limited. Although two further rounds of technical discussions with the DPRK had resolved some day-to-day problems, no progress had been made on a number of important issues, which had remained outstanding since the Agency had started to monitor the freeze in November 1994. 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); the DPRK's refusal to accept certain safeguards measures at its reprocessing plant; and, the limitations imposed on inspectors' access to technical support buildings at facilities subject to the freeze. Furthermore, the DPRK had not

permitted the Agency to measure the total amount of plutonium contained in the spent fuel rods from the 5MWe reactor. In his report, the Director General also noted that no agreement had been reached on any of these outstanding issues, and he expressed particular concern with regard to the preservation of all information required for the verification of the DPRK's initial declaration. In this context, the report of the Director General mentioned that in case of a country with significant nuclear facilities, the verification process could take a number of years to complete. Furthermore, the report made clear that, as foreseen in the "Agreed Framework" between the DPRK and the United States of October 1994, the DPRK must come into full compliance with its safeguards agreement when a significant portion of the LWR project would be completed, but before the delivery of the key components. This would of course require that the DPRK co-operate with the Agency to allow verification of the correctness and completeness of the DPRK's initial declaration. In his report, the Director General also noted that pursuant to the "Agreed Framework", construction work on the LWR project started in February 2000. In light of these developments, the Director General reiterated again the wish of the Secretariat for progress concerning the outstanding issues.

3. Pursuant to the Director General's report in document GC(44)/16, the General Conference adopted resolution GC(44)/RES/26. This resolution noted with continuing concern that although the DPRK remains a party to the NPT, the Agency continues to be unable to verify the correctness and completeness of the initial declaration of nuclear material made by the DPRK and is therefore unable to conclude that there has been no diversion of nuclear material in the DPRK. It also urged the DPRK to come into full compliance with its safeguards agreement with the Agency, to co-operate fully and promptly with the Agency in the implementation of the safeguards 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 the inventory of nuclear material subject to safeguards until the DPRK comes into full compliance with its safeguards agreement.

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

- 4. Since last year's General Conference, the Agency has continued to maintain a continuous inspector presence in the DPRK to monitor the freeze and has also been focusing on the preparatory work related to the verification of the correctness and completeness of the DPRK's initial declaration. Two further rounds of discussions have taken place in Vienna from 6 to 9 November 2000, and in the DPRK from 23 to 25 May 2001. There have been no major developments that would necessitate modifying the assessments, which the Director General gave to the Board of Governors in December 2000, March 2001, and June 2001. The Agency is still unable to verify the correctness and completeness of the initial report of nuclear material made by the Democratic People's Republic of Korea (DPRK).
- 5. During the two rounds of technical discussions referred to above, the DPRK agreed to the resolution of some day-to-day problems. For example, the repackaging of slags and ashes containing uranium for long-term safe storage at the fuel rod fabrication plant has been completed. The DPRK has also provided access for Agency inspectors to certain technical buildings at facilities subject to the freeze, an activity that had been pending for a long time. In addition, with regard to the issue of preservation of information for verification of the DPRK's initial declaration, the Agency inspectors have been shown some technical records kept at facilities subject and not subject to the freeze. A request that the records be placed

under Agency seal has so far been rejected by the DPRK. The Agency reiterated to the DPRK its requirements regarding the preservation of information and action now rests with the DPRK. In addition, the DPRK has continued to restrict the implementation of important safeguards measures, e.g. at the reprocessing plant.

- 6. At the technical discussions held in May 2001, the Agency presented a detailed proposal for the verification of the correctness and completeness of the DPRK's initial declaration with respect to the Isotope Production Laboratory (IPL) and the verification of plutonium in spent fuel stored in canisters at the 5MWe reactor facility. These constitute the first concrete steps that need to be taken in the implementation of the generic requirements for the verification of the correctness and completeness of the DPRK's initial declaration which had been presented during the technical meetings in November 1999 and May 2000. The Agency hopes that it will be soon able to begin implementing these first steps and anticipates that completing of this task should take up to one year. It may be recalled that at the December 2000 Board Meeting, the Director General indicated "that the work required to verify that all nuclear materials subject to safeguards in the DPRK have been declared to the Agency and placed under safeguards will take 3-4 years, and will require full co-operation on the part of the DPRK".
- 7. During the technical discussions the Secretariat has stated its readiness to start this work without delay so as to be able to verify compliance by the DPRK with its safeguards agreement at an early date.