



GC

GC(40)/16
20 August 1996

International Atomic Energy Agency

GENERAL CONFERENCE

GENERAL Distr.
Original: ENGLISH

Fortieth regular session
Item 20 of the provisional agenda
(GC(40)/1)

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(39)/RES/3 of 22 September 1995, the General Conference, *inter alia*, decided:

"to include in the agenda for its fortieth 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 designed 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 THIRTY-NINTH REGULAR SESSION OF THE GENERAL CONFERENCE

2. The Director General's report to the General Conference in 1995 in document GC(39)/18 of 17 August 1995 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 Board of Governors' authorization to the Director General,

on 11 November 1994, to carry out the tasks which the United Nations Security Council had asked the Agency to undertake in the light of the "Agreed Framework" (see Annex 1); the discussions which subsequently took place between an Agency technical team and DPRK representatives; the visit to the DPRK by an IAEA technical team in November 1994, and the later visit by the team in January 1995.

3. The report last year referred to the further technical discussions between the Agency and DPRK scheduled for April 1995, but which had not taken place. This was because DPRK had informed the Agency that it continued to regard the IAEA activities in their country as being directly related to the implementation of the "Agreed Framework", and took the view that, when negotiations between the United States and the DPRK were at stalemate over aspects of the "Agreed Framework" there was little point in further technical discussions with the Agency. Notwithstanding, the Director General was subsequently able to inform last year's General Conference that further technical discussions between the IAEA team and the DPRK had taken place in September 1995, following US/DPRK bilateral discussions. Limited progress had been made on some issues.

4. In the light of this and of the Director General's report in document GC(39)18, the General Conference adopted resolution GC(39)/RES/3. By that resolution, the General Conference, *inter alia*, endorsed the actions and commended the efforts taken by the Secretariat to implement the Safeguards Agreement and to monitor the freeze in the DPRK; expressed concern over the continuing non-compliance of the DPRK with its Safeguards Agreement; and urged it to co-operate fully with the Agency in the implementation of that Agreement.

DEVELOPMENTS OVER SAFEGUARDS IMPLEMENTATION IN THE DPRK SINCE THE THIRTY-NINTH REGULAR SESSION OF THE GENERAL CONFERENCE

5. At the post-General Conference meeting of the Agency Board of Governors on 25 September 1995, the Director General reported on the talks held in the DPRK from 12-18 September 1995. He explained that although the DPRK had agreed to measurements of irradiated fuel rods in storage at the 5 MWe experimental reactor which would verify whether the rods were all irradiated fuel, it had not agreed to measures which would give information about the total amount of plutonium in the spent fuel. As a result, the information required about that plutonium would have to be obtained through measurements, with some limitations in accuracy, to be made at a much later date and could require opening the storage containers at significant additional cost. The Board of Governors was reminded that the Agency had envisaged taking the required measurements during the transfer of the spent fuel into containers for storage.

6. The Director General said that no agreement had been reached about installing additional Agency monitoring equipment at nuclear waste tanks in the DPRK's reprocessing plant, to enable the Agency to verify, on a continuous basis, the absence of any movement or operation involving those wastes. On the other hand, some implementation measures which had been agreed in January 1995 with the DPRK but not yet applied because of objections by the operator (e.g. photographing of the new process line of the reprocessing plant by inspectors) would now be implemented as soon as possible. The Director General also told the Board that a detailed technical paper on the subject of the preservation of information, which had been given to DPRK representatives at the beginning of the talks, had not been discussed; the DPRK intended to study the paper and discuss it with the Agency at a future meeting. The paper describes the information that the DPRK needs to preserve (and which the Agency requires) in connection with verifying the correctness and completeness of the DPRK's initial report.

7. At the meeting of the Board of Governors on 12 December 1995, the Director General said that in September 1995 the Agency had asked the DPRK to undertake minor but essential modifications to the design of the storage racks for the cans to contain spent fuel discharged from its Experimental Reactor. This was to allow the cans to be sealed effectively in the racks under water. The modifications requested would not cause delay in the canning operations, the timetable for which appeared to have slipped because of technical difficulties. The Director General also said that, despite the agreement reached with the DPRK about photographing the new process line and other areas of the Radiochemical Laboratory, DPRK operators had raised fresh objections and the photographing had still not been possible. The Agency's technical paper about the preservation of information was also on the agenda for the next technical meeting planned for January 1996.

8. In his report to the Board of Governors for its March 1996 meeting (GOV/2687/Add.11), the Director General reported that a fourth round of technical discussions had taken place in Pyongyang from 23-29 January 1996. Although discussion had resulted in limited progress in some areas, the DPRK had continued to decline a number of important measures. Thus, the DPRK had said that the Agency could now "resume ad-hoc and routine inspections" (required by the Safeguards Agreement) but had made clear that such inspections would be permitted only at facilities not subject to the freeze.

9. During the January talks, there was reconfirmation of agreement on Agency inspectors continuing baseline photographing at all facilities subject to the freeze. Reconfirmed too was that the DPRK would provide (as the freeze requires) advance notice to Agency inspectors about any maintenance work involving facilities and equipment. Also reconfirmed was that short notice inspections and visits by Agency inspectors already in the DPRK would continue

to take place at different parts of facilities subject to the freeze. This was as an interim measure, until agreement were reached about installing containment and surveillance and other monitoring devices (e.g. at certain parts of the Radiochemical Laboratory). Additionally, to help obviate delays in issuing visas for Agency inspectors, it was agreed that the Agency would give inspector notifications two weeks in advance so as to facilitate the timely issue of visas in Vienna.

10. The report in GOV/2687/Add.11 recorded that the technical talks of January 1996 had also involved a detailed discussion about inspection activities to be carried out at specific locations. The report also covered other issues addressed, especially the preservation of information required to verify the correctness and completeness of the DPRK's initial declaration under its Safeguards Agreement.

11. In that regard, the report said that no agreement could be reached in January 1996 about the proposals in the Agency's technical paper. Agency representatives had reiterated that in the absence of early agreement on the measures required, any possibility for the Agency to verify the correctness and completeness of the DPRK's initial declaration in the future might be lost. The report also said that a fifth round of technical discussions between the Agency and the DPRK had been planned for the second half of May 1996.

12. In his introductory statement to the June 1996 meeting of the Board of Governors, the Director General said that "because of unforeseen reason", the DPRK had had to postpone the fifth round of technical discussions from May until mid-June. The Agency had proposed that the discussions focus on the need for early implementation of measures for the preservation of the information required in connection with the verification of the correctness and completeness of the DPRK's initial declaration. The consultations would also cover issues related to safeguards implementation in the DPRK, including the installation of monitoring equipment at nuclear waste tanks in the reprocessing plant and monitoring the freeze. The Director General reminded the Board that the Agency maintains a continuous inspector presence in the Nyongbyon area, and also said that canning of the spent fuel rods at the 5 MWe reactor had started at the end of April 1996. Agency inspectors were performing verification of the rods by measurements which, however, did not provide any information about the total amount of plutonium contained in the irradiated fuel.

13. Details of the sealing arrangements for the containers with spent fuel rods had not yet been agreed. Progress in canning was slow and the completion of the operation could be expected only by the beginning of 1997. Until then, three to four Agency inspectors would need to be stationed in the Nyongbyon area to cover all the required activities. This would increase the financial burden resulting from the Agency's work in the DPRK.

14. The fifth round of technical discussions between IAEA and DPRK representatives took place from 25 to 28 June 1996. Discussions resulted in some progress in certain areas but the DPRK still did not accept some important measures.

15. There was discussion about a paper from the IAEA on the status of Agency activities performed in the DPRK. This included clarification about issues regarding the implementation of the activities, agreement on procedures for short-notice inspections and visits and activities related to the canning operations. The June 1996 technical meeting did not result in agreement about the long-standing issue of reports by the DPRK on facilities subject to the freeze, or on installing monitoring equipment to allow the monitoring of nuclear waste tanks. Neither was there agreement about measuring or taking samples at locations in the Radiochemical Laboratory selected by the IAEA. As for monitoring the graphite blocks and other nuclear related equipment and components for the 50 MWe and 200 MWe reactors under construction at the inception of the freeze, the DPRK reiterated that manufacturing such equipment and components had been discontinued in 1993. The two sides agreed that this subject would again be addressed during the next technical meeting, after appropriate consultations.

16. During discussion about the Agency paper on the preservation of information the DPRK made the following comments:

- The Agency should not make excessive requirements even in the light of the contents of the US/DPRK Agreed Framework;
- IAEA proposals on the preservation of information should be linked to progress in the implementation of the Agreed Framework;
- verification of the correctness and completeness of the initial declaration of the DPRK's nuclear material is to be carried out following consultations between the IAEA and the DPRK when a significant portion of the LWR project is completed, but prior to the delivery of key, nuclear related components;
- the DPRK is now ready to discuss verification measures at facilities both subject to and not subject to the freeze. However, issues related to "other" facilities would be discussed when "the time comes";
- the monitoring activities which the Agency is currently undertaking at DPRK facilities both subject to and not subject to the freeze, are important for the

preservation of information. Additionally, a lot of information has previously been provided to the Agency.

17. During the discussions, the Agency team pointed out that the requirements in the Agency paper applied to all comprehensive safeguards agreements. The team also made clear that crucial to verifying the correctness and completeness of the DPRK's initial declaration is information about "other" facilities, that is nuclear waste sites and a pilot plant at which the first core of the 5 MWe reactor had been manufactured and which, the DPRK said, had been dismantled. The Agency could not agree to the DPRK's intention to split provision of the information into two parts. The data required needed to be preserved urgently and in its entirety.

18. The DPRK presented a paper dated 27 June 1996 on "Preservation of information relevant to verification of the correctness and completeness of initial declaration". Providing the paper which, to a limited degree, incorporates measures contained in the Agency paper on the same subject, is a step in the right direction. However, the DPRK paper does not include any proposal for implementing the measures required. Moreover, it includes only limited information about facilities subject to and not subject to the freeze, and does not cover "other" facilities and locations. Further discussions will take place during the next technical meeting. This was tentatively scheduled and later confirmed to take place in Vienna in September 1996.

19. In the light of increased technical activities, the DPRK agreed to take the measures necessary to improve communications from the DPRK. The DPRK also agreed to designate nine more Agency inspectors.