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# NAPSNet Forum #11 -- Monitoring the Agreed Framework

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### Northeast Asia Peace and Security Network

## "Monitoring the Agreed Framework"

#11 -- October 31, 1997

The is intended to provide expert analysis of contemporary peace and security issues in Northeast Asia, and an opportunity to participate in discussion of the analysis. The Forum is open to all participants of the <u>Northeast Asia Peace and Security Network (NAPSNet</u>). As always, NAPSNet invites your responses to this report. Please see <u>"NAPSNet Invites Your Responses,"</u> below, and send your responses to the NAPSNet Coordinator at: <u>napsnet-reply@nautilus.org</u>.

# MONITORING THE AGREED FRAMEWORK

Essay by Ralph A. Cossa

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#### I. Introduction

The following essay was originally distributed by the Pacific Forum CSIS as "PacNet #43" on October 24, 1997, and is redistributed by NAPSNet with permission. The article draws from a recent Pacific Forum CSIS Special Report on "Monitoring the Agreed Framework: A Third Anniversary `Report Card'", by Ralph A. Cossa.

Ralph Cossa is Executive Director of Pacific Forum CSIS in Honolulu, Hawaii, a policy-oriented research institute with programs on security, political, economic, and environmental issues that operates as the Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. He sits on the steering committee of the Multinational Council for Security Cooperation in the Asia Pacific, serves as executive director of the U.S. Committee of CSCAP, and is a board member of the Council on U.S.-Korean Security Studies. Cossa is a political-military affairs and national security strategy specialist with extensive experience in US security policy-making in the Asia-Pacific and Near East-South Asia regions, including service as a USAF colonel and former special assistant to the Commander-in-Chief, US Pacific Command.

Previous distributions of Cossa's writings through NAPSNet include his analysis of the thenupcoming four-party Korean peace talks preliminary meeting (see <u>Four-Party Peace Talks</u> <u>Preliminary Meeting" in the Analysis section of the August 4 Daily Report</u>) and his participation in the previous Forum discussion of the December 1996 DPRK statement of "regret" for the submarine incursion incident (see <u>Policy Forum Online #1b</u>).

#### II. Essay by Ralph A. Cossa

#### MONITORING THE AGREED FRAMEWORK: A THIRD ANNIVERSARY "REPORT CARD"

#### by Ralph A. Cossa

October 21st marks the third anniversary of the "Agreed Framework Between the United States of America and the Democratic People's Republic of Korea," brokered between Washington and Pyongyang in October 1994 to help end the nuclear stand-off between the two nations.

As part of the deal, North Korea agreed to freeze its nuclear "research" program and eventually dismantle its graphite nuclear reactors in return for interim deliveries of heavy fuel oil and the eventual construction of two light water nuclear reactors (LWRs) whose nuclear fuel is less susceptible to diversion for weapons purposes. While progress has been uneven and there have been occasional detours and roadblocks, both sides are continuing on a path aimed at achieving "an overall resolution of the nuclear issue on the Korean Peninsula."

The Agreed Framework contains both nuclear and non-nuclear objectives--the former aimed at

freezing and eventually eliminating suspected North Korean nuclear weapons capabilities, the latter aimed at eventual normalization of U.S.-DPRK relations and a resumption of North-South dialogue. This process is separate and distinct from the currently stalled Four-Party Talks proposal (aimed at crafting a peace treaty between South and North to replace the current Armistice) even though both are aimed at promoting peace and stability on the Peninsula, at least in part through direct North-South dialogue and cooperation.

If one were to provide an interim "report card" for the Agreed Framework process, assessing progress by all parties to date, it would likely include an A for effort, a B for its thus far successful attempts to freeze and eventually eliminate the North's suspected nuclear weapons capabilities, a C for its efforts to improve relations between Washington and Pyongyang, but a D (or worse) when it comes to promoting meaningful North-South dialogue.

But, while one can debate its merits and demerits, all concerned--the United States, South Korea, and Japan, as well as North Korea and the region at large--are better off with the Agreed Framework than without it.

First and foremost, this initiative froze the DPRK's suspected nuclear weapons program and allowed for the canning and safeguarding of the existing DPRK reactor's spent fuel. It also provides a vehicle for dialogue and a standard by which to measure DPRK sincerity and willingness to cooperate. (It also provides incentive for the North to cooperate--what are the odds that Pyongyang would have issued a statement of regret over last fall's submarine incursion were it not for their desire to prevent the Agreed Framework process from unraveling?) Most importantly, it ties ultimate success-and the provision of key LWR components--to specific future DPRK performance.

The success of the Agreed Framework is closely linked to the success of its implementing mechanism, the multilateral Korean Peninsula Energy Development Organization (KEDO). Thus far, KEDO has successfully accomplish its two primary objectives: arranging for fuel oil deliveries and arranging for the construction of the LWRs.

Since its inception, KEDO has also provided a meaningful way for South Korea to be directly involved in the Agreed Framework process. The ROK has been a member of KEDO's Executive Board and has had a direct role in KEDO's decision-making process and in all KEDO meetings with the DPRK. Earlier this year, KEDO officials (including senior ROK diplomats) officiated over the ground-breaking ceremonies for the first of the North Korean reactors, and a KEDO office, manned in large part by South Korean personnel, is now up and running in North Korea.

In short, one of the unsung successes of KEDO is that it has transformed the bilateral U.S.-DPRK Agreed Framework process into a multilateral dialogue in which the Republic of Korea now plays a leading role -- a role which North Korea, albeit begrudgingly, has come to accept. This has also helped restore South Korean confidence in the U.S. (that was shaken during the Agreed Framework negotiating process).

KEDO has also brought Japan fully into the Agreed Framework process and has also successfully expanded its membership beyond Northeast Asia, most recently bringing in the European Union and, earlier, seven other member countries. This broad-based participation underscores the international significance of the Agreed Framework (and the global ramifications if it should fail). This outside support is also critical to the major task that lies ahead for the U.S., ROK, and Japan: the continued financing of both the fuel deliveries and the LWR construction project itself.

To fulfill its obligations, it is estimated that KEDO will have to raise between \$4-5 billion. The ROK and Japan are expected to provide the bulk of the money needed to construct the two LWRs but the

future U.S. contribution is also expected to be in the tens of millions of dollars.

As a result of progress to date, the Agreed Framework process continues to receive a passing grade (while KEDO, by itself, probably deserves an A). However, many obstacles still lie ahead, not the least of which is North Korea's willingness to fully account for its past nuclear activities. The critical question that, while initially deferred, must be answered before U.S. delivery of key nuclear components can begin is, "How much plutonium has the DPRK diverted (i.e., how many potential bombs worth)?" For the process to succeed, North Korea must come into full compliance with IAEA safeguards, which requires (among other things) a complete answer to this key question. This will be a critical "moment of truth" both for North Korea and for the Agreed Framework process.

Should North Korea come into full compliance, then the U.S. will face a moment of truth of its own, as it will become necessary to craft and gain Congressional approval of a nuclear cooperation agreement in order to transfer key LWR components to North Korea. In the interim, the U.S. has also promised to provide North Korea with regular fuel oil deliveries (500,000 metric tons per year) to offset the potential energy loss caused by freezing their existing program. This also requires continued Congressional funding as well as outside financial support.

The current "Perils of Pauline" approach, that keeps KEDO constantly struggling to pay for the next oil shipment (it is currently severely in debt with no funds available for future promised shipments), must end. Were the Agreed Framework to fail because of partisan U.S. domestic politics, this would be unforgivable.

Meanwhile, South Korean politicians must also make an honest attempt to keep KEDO and the Agreed Framework out of partisan politics as this December's presidential election approaches. History has proven that presidential campaigns and the conduct of sound foreign policy are not always compatible and that candidates often make statements that can come back to haunt them later. While it may be too much to hope for, a joint statement by all the South Korean presidential candidates endorsing the Agreed Framework and KEDO would ease the situation (while providing the winner with some flexibility in handling the challenges that lie ahead).

For its part, the United States must ensure that its other bilateral initiatives with the DPRK do not impede or undermine the Agreed Framework process and that they do not give Pyongyang false hopes that it can isolate Seoul from the Peninsula peace process. Most importantly, Washington (in close consultation with Seoul) needs to clearly articulate its long-term objectives for the Peninsula and explain how initiatives like the Agreed Framework (and, for that matter, the Four-Party Talks) fit into this overall scheme.

The U.S. and ROK must also more closely coordinate their positions, not just under the Agreed Framework, but as regards U.S.-DPRK and ROK-DPRK relations in general, while still realizing that, at times, each will pursue alternate paths toward the same common goal. The ROK and U.S. also have to more clearly specify what constitutes sufficient progress in South-North dialogue and make a greater effort to reconcile differing views regarding the appropriate response to North Korean provocations or transgressions.

Washington and Seoul must also emphatically stress the importance of their bilateral alliance and together assert that the presence of U.S. troops in the ROK is for the U.S. and ROK alone to decide, based on Seoul's security needs. It must be clear that the alliance and force presence are not bargaining chips.

There are other things that North Korea can also do to help keep the process alive. For example, Pyongyang could announce a dismantling schedule for its existing frozen facilities. The Agreed

Framework merely calls for the North's current reactors to be dismantled "when the LWR project is completed," while side agreements reportedly call for dismantlement to begin only upon completion of the first LWR. However, the longer after construction begins on the first LWR that there is no action to dismantle current facilities, the louder will be the critics and the less assured will be the U.S. Congressional dollars needed to see the agreement through. A good faith North Korean effort to begin the dismantlement process now would be a very important signal of Pyongyang's sincerity and commitment to the process.

North Korea should also accept responsibility for providing the necessary infrastructure to handle the LWRs' electrical output. North Korea's existing transmission and distribution system is inadequate to handle the electricity generated by the new LWRs; much of the North's existing equipment will need to be replaced or modernized. The U.S. State Department and KEDO maintain that North Korea is responsible. However, the North has persistently sought KEDO's agreement to provide the grid upgrade. If it is not capable of doing so on its own, Pyongyang should seek other means of funding outside the KEDO process.

North Korea must also honor its promise to insure the safety and security of the ROK workers that will be there to help them build the reactors. Harassment of these workers would seriously jeopardize the agreement. Even minor incidents will likely be exaggerated in the press and will seriously chip away at public support in the ROK (and U.S.) for the process.

In short, "so far, so good," but many challenges lie ahead, and renewed effort on the part of the U.S., South Korea, and especially North Korea is essential if the LWR project is to succeed. At this point in time, a final passing grade is by no means assured. It must also be noted that successful accomplishment of the Agreed Framework alone is not sufficient to insure peace on the Korean Peninsula, even though its failure will certainly set back (if not destroy) the process.

#### **III. NAPSNet Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: napsnet-reply@nautilus.org (preferably using "response to forum #11" as the subject). Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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