

# WebMemo



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## North Korea Nuclear Weapons Agreement Falls Short

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Barely four months after exploding a nuclear weapon, North Korea has again foiled attempts to penalize it for violating international commitments. Kim Jong-il used his characteristic mixture of military provocations, brinkmanship, and crisis diplomacy to gain benefits for a return to the status quo ante and promises of future steps. The Beijing Agreement, announced on February 13 by the Six-Party Talks participants, rewards Pyongyang for its bad behavior and reflects America's abandonment of several previously intractable negotiating positions.

Although some might view the agreement as another step toward North Korea's eventual nuclear disarmament, its vague provisions and deferred requirements give Pyongyang loopholes that it will seek to exploit. Moreover, the accord sends a dangerously accommodating signal not only to North Korea, but also to Iran and any other aspiring nuclear weapons state.

**Closing the Barn Door.** The agreement initially constrains, rather than resolves, the North Korean nuclear issue. If the agreement is fully implemented, North Korea will negotiate away its nuclear weapons-building capability for immediate aid and promises of future benefits. But the accord does not specifically address North Korea's uranium-based nuclear weapons program, which triggered the current imbroglio, or the steps by which North Korea will divest itself of existing nuclear weapons. Also left for future negotiations are the details of verification requirements for facilities other than those at

Yongbyon and the sequencing of benefits with North Korea's steps toward denuclearization.

North Korea has agreed to "shut down and seal for the purpose of eventual abandonment" plutonium processing operations at the Yongbyon nuclear facility and allow International Atomic Energy Agency inspectors to monitor the cessation of activity. The document carefully avoided the term "freeze," which would have elicited direct comparisons with President Clinton's Agreed Framework, much maligned by the incoming Bush Administration. Elsewhere in the document, North Korea is required to disable its existing facilities.

Left unclear is whether the language "all necessary monitoring and verifications as agreed between IAEA and the DPRK" includes pre-existing authority for challenge inspections of suspect sites and any additional measures needed to verify the parameters of the uranium program and monitor stockpiles of nuclear weapons and radioactive material outside of the Yongbyon facility. North Korea should also commit to returning to the Non-Proliferation Treaty.

### Other Provisions

- North Korea agreed to "discuss with other parties a list of all its nuclear programs." Still unre-

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solved is whether this will resemble the data declarations required under other arms control agreements, which can be verified through on-site inspections.

- The U.S. agreed to talks aimed at moving toward full diplomatic relations and at removing North Korea from the list of state sponsors of terrorism and Trading with the Enemy Act coverage. Separate discussions will be held between North Korea and Japan to move toward normalization of diplomatic relations, including addressing “outstanding issues of concern” (i.e., the kidnapping of Japanese citizens by Pyongyang).
- All parties agreed to “cooperate in economic, energy and humanitarian assistance” to North Korea, with an immediate shipment of 50,000 tons of heavy fuel oil and further shipments of up to one million tons.
- “Directly related parties”—presumably the U.S., South Korea, North Korea, and China—will negotiate a permanent peace treaty to formally end the Korean War.
- The six nations agreed to establish five working groups to set out implementation steps. The groups will address denuclearization of the Korean Peninsula, normalization of DPRK–U.S. relations, normalization of DPRK–Japan relations, economy and energy cooperation, and a Northeast Asia peace and security mechanism.

**Agreed Framework Redux?** Lost in the details of the agreement was that North Korea achieved a significant strategic objective by having gained international acquiescence to its agenda. Although many of the broader benefits (e.g., the non-aggression pledge, normalization of relations, and economic aid) had been previously promised to North Korea, few had been forthcoming due to Pyongyang’s actions over the past decade.

Despite that its covert nuclear weapons program violated the North-South Denuclearization Accord,

the Agreed Framework, the Non-Proliferation Treaty, and the International Atomic Energy Agency Safeguards Agreement, North Korea was able to win benefits, rather than suffer penalties, to halt its nuclear programs.

Conspicuously absent from the agreement is any direct reference to North Korea’s uranium-based weapons program, which was what caused both sides to abrogate the Agreed Framework. Pyongyang used the intervening years to build its stockpile from an estimated one to two nuclear weapons at the end of the 1990s to enough fissile material for approximately ten weapons today. The U.S. decision to defer confrontation of North Korea over its uranium program weakens the rationale for the Bush Administration’s diplomatic approach over the past five years. Moreover, it calls into question the necessity of instigating the crisis in 2002 when it was unwilling to stay the course.

It is puzzling that North Korea did not insist upon inclusion of its demand for receiving a light-water reactor or the annual provision of two million megawatt-hours from South Korea to compensate for the supposed loss of Yongbyon’s electrical generating capacity (though the facility was never connected to the country’s electrical power grid). Pyongyang had previously conditioned its agreement on a follow-on agreement to the September 19, 2005, Joint Statement that provided for construction of the reactors—a 10-year process—prior to any dismantlement of its nuclear facilities.

Also unmentioned in the agreement is the dispute over seized North Korean financial assets in the Banco Delta Asia. U.S. defense measures taken against the regime’s illicit activities prevented resumption of nuclear talks for 13 months and were the likely reason for the collapse of the December 2006 negotiating round.<sup>1</sup> North Korea’s acceptance of the Beijing Agreement either means it has relaxed its earlier demands or believes the U.S. has provided

1. Although the amount of North Korea assets seized is relatively small (\$24 million), the crackdown had far-reaching and debilitating ramifications for North Korea. Banco Delta Asia appears to have been a major North Korean conduit for legal and illicit financial transactions. The U.S. designation of the bank as a money laundering concern led other countries to impose restrictions on North Korean transactions, which impeded Pyongyang’s access to the international financial system. It also led countries and businesses to question the utility of conducting legitimate business activity with North Korea for fear of being designated an accomplice in illegal activities by the U.S.

sufficient assurances that a satisfactory resolution will be forthcoming—perhaps release of funds assessed to be from legitimate business activity. *The Chosun Shinbo*, a pro-North Korean newspaper in Japan, claimed the U.S. had promised during the bilateral Berlin talks to lift the financial restrictions against Banco Delta Asia within one month.

The Beijing accord marks a resurrection of the Agreed Framework process, in which North Korea committed to previously agreed-upon obligations in exchange for resumption of cancelled benefits or discussions over future concessions. North Korea will accelerate or impede progress in the five working groups in correlation to how they fulfill Pyongyang's objectives. North Korea will presumably focus on obtaining energy and economic assistance while obfuscating on denuclearization, verification, and resolution of the Japanese abductee issues.

Without success in those working groups, the Beijing Agreement would appear to provide little not already included in the Agreed Framework. As such, the Bush Administration will be vulnerable to criticism that it has not only abandoned its principles, but that it did so while allowing North Korea to augment its nuclear weapons inventory.

#### Ramifications

- **Japan's Reaction:** Tokyo may feel abandoned since it predicated the resumption of talks on Pyongyang's prior commitment to denuclearize and argued that no energy assistance should be provided without resolution of the abductee issue. Little progress is expected on the latter because it has been relegated to a bilateral North Korean–Japanese working group.
- **The Bill for Energy Assistance:** Even before the announcement of an agreement, South Korea was already worried about the bill, foreseeing that it would foot the lion's share. Seoul has been the most eager to engage North Korea to resolve the nuclear impasse, and then-Minister of Unification Chung Dong-young offered North Korea two million won in June 2005,

which Kim Jong-il deftly pocketed. The political opposition and populace may, however, balk at the expected cost of the new agreement if it later includes large-scale energy assistance.

- **South Korean Engagement:** Seoul may see the release of fuel oil as a green light to resume deliveries of humanitarian aid that it reluctantly halted after North Korea's nuclear test. President Roh Moo-hyun may be encouraged to resume outreach to the North, including rumored preparations for a meeting with Kim Jong-il. Roh would be motivated by perceptions that an inter-Korean summit could reverse his plummeting approval ratings, improve the potential for a progressive candidate to win the December 2007 presidential election, and secure his legacy.
- **Waning Support for Sanctions:** Beijing, Moscow, and Seoul will see the agreement as a vindication of their calls for greater U.S. flexibility to resolve the nuclear impasse. They will be even more reluctant to impose the sanctions against North Korea called for by U.N. Resolution 1718. They will likely call upon Washington to minimize efforts against North Korea's illicit activities, such as economic restrictions on financial institutions, lest these derail the Six-Party Talks.

**Conclusion.** Crafting a diplomatic agreement that serves a country's national interests is similar to building a house, with both requiring painstakingly careful construction of components. In both endeavors, it is critically important to start with a sound foundation, or instability will result. The Beijing Agreement makes this mistake. It may be possible, however, to salvage the end results. The U.S. must insist upon stricter measures in follow-on negotiations to ensure that North Korea divests itself of nuclear weapons in an expeditious and rigorously verifiable manner.

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