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Foreign Assistance to North Korea

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Summary

Between 1995 and 2008, the United States provided North Korea with over $1.3 billion in assistance: slightly more than 50% for food aid and about 40% for energy assistance. Since early 2009, the United States has provided virtually no aid to North Korea, though episodically there have been discussions about resuming large-scale food aid. Additionally, the Obama Administration officials have said that they would be willing to consider other types of aid if North Korea takes steps indicating that it will dismantle its nuclear program, a prospect that most analysts view as increasingly remote. As of March 2014, barring an unexpected breakthrough, there appears little likelihood the Obama Administration will provide large-scale assistance of any type to North Korea in the near future. Members of Congress have a number of tools they could use to influence the development and implementation of aid programs with North Korea.

Food Aid. Large swathes of North Korea's population have suffered from chronic malnutrition since the mid-1990s. Food aid—largely from China, South Korea, and the United States—has been essential in filling the gap between North Korea's supply and demand, though since 2009 donations from all countries except China have dwindled to a minimal amount. Observers and activists attribute the North Korea's malnutrition and occasional starvation problems to food shortages—which at times have been massive—and more fundamentally to the unequal distribution of food caused in large measure by the North Korean government's deliberate decisions and policies. In 2013, an improved harvest appeared to reduce North Korea's chronic grain shortfall to some of the lowest levels since the 1990s. Yet outside food groups reported continued malnutrition among vulnerable sectors of the population, especially children. In 2014, a United Nations Commission of Inquiry on North Korea's human rights conditions found that the North Korean government's "act of knowingly causing prolonged starvation" amounted to crimes against humanity.

Providing food to North Korea poses a number of dilemmas. Pyongyang has resisted reforms that would allow the equitable distribution of food and help pay for food imports. The North Korean government restricts the ability of donors to operate in the country. Additionally, multiple sources have asserted that some of the food assistance is routinely diverted for resale in private markets or other uses. However, it is likely that food aid has helped feed millions of North Koreans, at times possibly staving off a repeat of the famine conditions that existed in North Korea in the mid-late 1990s, when 5%-10% of the population died. South Korean President Park Geun-hye's government has indicated that it would be willing to offer North Korea food aid as part of her plan to foster a "new era" in inter-Korean relations. In 2013, the South Korean government donated around $12 million to United Nations humanitarian organizations that supply humanitarian aid, including some food, in North Korea.

Energy Assistance. Between 1995 and 2009, the United States provided around $600 million in energy assistance to North Korea. The aid was given over two time periods—1995-2003 and 2007-2009—in exchange for North Korea freezing its plutonium-related nuclear facilities. In 2008 and 2009, North Korea also took steps to disable these facilities. However, no additional energy assistance has been provided since 2009, when Pyongyang withdrew from the Six-Party Talks—involving North Korea, the United States, China, Japan, and Russia—over North Korea's nuclear program. The move followed condemnation and sanctions by the U.N. Security Council for North Korea's April 2009 launch of a suspected long-range missile and May 2009 test of a nuclear device.

Denuclearization Assistance. In 2007 and 2008, the United States gave technical assistance to North Korea's nuclear disablement process. In 2008, Congress took steps to legally enable the President to give expanded assistance for this purpose. However, following North Korea's actions in the spring of 2009, Congress rejected the Obama Administration's requests for supplemental funds to use in case of a return to denuclearization. Since then, Congress has not approved and the administration has not requested any funds for denuclearization since North Korea has not agreed to return to the nuclear disarmament process.

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Introduction

A Brief History of U.S. Aid to North Korea

For four decades after the end of the Korean War in 1953, U.S. strategy toward the Democratic People's Republic of Korea (DPRK, commonly referred to as North Korea) was relatively simple: deter an attack on South Korea. This included a freeze on virtually all forms of economic contact between the United States and North Korea in an attempt to weaken and delegitimize the North Korean government. In the 1990s, two developments led the United States to rethink its relationship with the DPRK: North Korea's progress in its nuclear weapons and missile programs and the onset of massive, chronic food shortages there. In response, the United States in 1995 began providing the DPRK with foreign assistance, which to date has totaled over $1.2 billion. This aid has consisted of energy assistance, food aid, and a small amount of medical supplies. (See **Table 1**.) The United States has provided virtually no assistance since early 2009, though episodically there have been discussions about resuming large-scale food aid. Additionally, the Obama Administration, like the George W. Bush Administration, has said that it would be willing to provide "significant" energy and economic assistance to North Korea if Pyongyang takes steps to irreversibly dismantle its nuclear program.[1] However, due to the deterioration in U.S.-North Korea relations, at the time of this writing there is little likelihood the Obama Administration will provide assistance to North Korea in the near future.

Energy and Denuclearization Assistance

In 1994, the United States and North Korea negotiated an Agreed Framework, under which Pyongyang agreed to shut down its nuclear program in exchange for two light water nuclear reactors (LWRs) and heavy fuel oil (HFO). Between 1995 and 2003, the United States provided over $400 million in HFO, which was channeled through the Korean Peninsula Energy Development Organization (KEDO), the organization established to implement the Agreed Framework. The George W. Bush Administration halted energy assistance in the fall of 2002, following North Korea's reported admission that it had secretly been developing a uranium-based nuclear program.[2]

The Bush Administration resumed energy assistance to North Korea in 2007. In July of that year, progress was made in multilateral negotiations, called the Six-Party Talks, over North Korea's nuclear programs. As a result, the United States and other countries once again began providing HFO in return for Pyongyang freezing and disabling its plutonium-based nuclear facilities in Yongbyon.[3] By December 2008, the United States had shipped its promised 200,000 tons of HFO. From July 2007 to April 2009, the United States provided technical assistance to North Korea to

[1] State Department Press Release, "Remarks at the ASEAN Regional Forum by Hillary Rodham Clinton, Secretary of State," Laguna Phuket, Thailand, July 23, 2009.

[2] See also CRS Report RL34256, *North Korea's Nuclear Weapons: Technical Issues*, by (name redacted). For its part, Pyongyang had expressed frustration at the slow pace of constructing the light-water nuclear reactor (LWR) that it had been promised under the Agreed Framework. LWRs do not produce weapons-grade nuclear materials, unlike the plutonium production reactor that North Korea had been operating.

[3] The Six–Party Talks involve North Korea, the United States, China, South Korea, Japan, and Russia. See also CRS Report R41259, *North Korea: U.S. Relations, Nuclear Diplomacy, and Internal Situation*, by (name redacted) and (name redacted).

help in the nuclear disablement process. North Korea's May 2009 nuclear test—its second—effectively halted discussion of U.S. energy assistance to North Korea. North Korea again tested a nuclear device in February 2013.

Table 1. U.S. Assistance to North Korea, 1995-2013

(As of December 2013)

Calendar or Fiscal Year (FY)	Food Aid (per FY)		KEDO Assistance (per calendar yr; $ million)	6-Party Talks-Related Assistance (per FY; $ million)		Medical Supplies & Other (per FY; $ million)	Total ($ million)
	Metric Tons	Commodity Value ($ million)		Fuel Oil	Nuclear Disablement		
1995	0	0.00	$9.50	—	—	0.20	9.70
1996	19,500	8.30	22.00	—	—	0.00	30.30
1997	177,000	52.40	25.00	—	—	5.00	82.40
1998	200,000	72.90	50.00	—	—	0.00	122.90
1999	695,194	222.10	65.10	—	—	0.00	287.20
2000	265,000	74.30	64.40	—	—	0.00	138.70
2001	350,000	58.07	74.90	—	—	0.00	132.97
2002	207,000	50.40	90.50	—	—	0.00	140.90
2003	40,200	25.48	2.30	—	—	0.00	27.78
2004	110,000	36.30	0.00	—	—	0.10	36.40
2005	25,000	5.70	—	—	—	—	5.70
2006	0	0.00	—	—	—	0.00	0.00
2007	0	0.00	—	25.00	20.00	0.10	45.10
2008	148,270	93.70	—	106.00	25.00	0.00	224.70
2009	21,000	5.60	—	15.00	—	4.00	24.60
2010	—	2.90[a]	—	—	—	0.60	3.50
2011	—	—	—	—	—	0.90	0.90
2012	—	—	—	—	—	—	—
2013	—	—	—	—	—	—	—
Total	**2,258,164**	**708.15**	**403.70**	**146.00**	**45.00**	**10.90**	**1,313.75**

Source: Compiled by CRS from USAID; US Department of Agriculture; State Department; KEDO (Korean Peninsula Energy Development Organization).

Note: For the purposes of this report, U.S. government democracy promotion and refugee support programs are not included as forms of assistance to North Korea.

a. $2.9 million in FY2010 represents a budgetary adjustment for contributions provided in FY2008.

Food and Other Humanitarian Aid

Since the 1980s, North Korea has experienced massive food shortages of varying degrees of severity. For a decade after DPRK authorities' 1995 appeal for outside help, the United States was one of the largest providers of food assistance. The request was unprecedented; by choice, North Korea was and still remains one of the world's most reclusive countries. U.S. and United Nations aid officials have continuously wrestled with DPRK authorities over how much freedom foreign workers should be allowed to distribute and monitor food assistance. The regime's restrictions have ebbed and flowed, usually in accordance with the government's desperation for outside food. Twice since 1995 Pyongyang has significantly tightened restrictions. In both periods—FY2006-FY2007 and from the beginning of FY2010 until the time this report was being written—the United States responded by providing virtually no food aid. In February 2012, the Obama Administration agreed to resume large-scale food assistance in return for North Korean promises to take certain steps on its nuclear and long-range missile programs. As described in the text box below, however, the agreement unraveled less than a month after it was reached.

In March 2014, Assistant Secretary of State for East Asia and Pacific Affairs Danny Russel testified before the Senate Foreign Relations Committee that the Obama Administration and the South Korean government of Park Geun-hye believe that "humanitarian actions can be pursued" with North Korea. Russel, however, gave no indication that the United States is considering food or other humanitarian assistance. As discussed in the U.S. Food Assistance section below, Members of Congress have a number of tools they could use to influence the implementation of future aid programs with North Korea.

According to the WFP and the U.N.'s Food and Agriculture Organization, in 2013, an improved harvest appeared to reduce North Korea's chronic grain shortfall to some of the lowest levels since the 1990s. Despite the improved harvest, and signs that North Korea's economy is improving, especially in Pyongyang, the WFP has reported that malnutrition rates remain high, particularly among young children. The WFP and FAO reports, if they reflect the actual situation in North Korea, indicate that the malnutrition problem is likely due less to food shortages and more to inequities in the distribution system and governmental priorities. On the latter point, Economist Marcus Noland, a North Korean expert with the Peterson Institute of International Economics, estimates that the roughly 40,000 MT gap in grain supply and demand could be filled by less than $20 million in imported food.[4]

[4] The FAO/WFP grain estimates are from the two organizations' Special Report, "FAO/WFP Crop and Food Security Assessment Mission to the Democratic People's Republic of Korea," November 28, 2013. The malnutrition estimates are from the FAO/WFP November 2013 Special Report and a WFP publication, *PRRO 200532 Quarterly M&E Bulletin, October to December 2013*, "Protracted Relief and Recovery Operation (PRRO) 200532 'Nutrition Support for Children and Women' in DPR Korea." Marcus Noland's estimates are from a February 13, 2014, entry to the *Witness to Transformation* blog entitled "Food Insecurity, Prioritization, and Aid Fatigue," at http://blogs.piie.com/nk.

The 2012 "Leap Day" Agreement

For much of 2011 and in the first months of 2012, it appeared likely that the 112th Congress would confront the issue of whether to support or reject proposals for resuming food assistance programs to North Korea, as the Obama Administration studied and debated how to respond to North Korean requests for large-scale food donations. On February 29, 2012, the Obama Administration and North Korea announced they had reached two related agreements. In the first, North Korea announced it would abide by a moratorium on testing and allow international monitoring of key parts of its nuclear program. The second was a U.S. announcement that it would provide North Korea with 240,000 metric tons (MT) of food aid—termed "nutritional assistance." North Korea also agreed in principle to accept tougher conditions on monitoring and that the food assistance would take the form of food products (such as corn-soy blends) that are less likely to be diverted from their intended recipients, namely pregnant women and young children. The agreement appears to have been largely worked out in bilateral meetings in 2011. The December 2011 death of Kim Jong-il, North Korea's former supreme leader, halted the talks for a few months.

However, the movement toward a restart of U.S.-North Korean diplomacy was halted less than three weeks after the "Leap Day deal" was reached. On March 16, 2012, North Korea announced that it would launch an "earth observation satellite" in April. During their discussions with North Korea in 2011, U.S. officials reportedly warned their North Korean counterparts that the United States would regard a satellite launch as a violation of the agreement the two sides were negotiating. Such a launch would defy a number of United Nations resolutions, which demand North Korea refrain from "any launch using ballistic missile technology." After North Korea proceeded with the launch on April 13, the United States suspended its portion of the Leap Day arrangement. Thereafter, North Korea followed suit.

South Korean Food and Other Humanitarian Aid

One development Members of Congress may want to monitor is the food aid policy adopted by the government of South Korean President Park Geun-hye. Park has called for creating a "new era" on the Korean Peninsula by adopting confidence-building measures with Pyongyang, including the delinking of humanitarian assistance from other diplomatic developments. In 2013, Seoul donated around $6 million (around $12 million in total) to both the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO), to help fund their programs that provide North Korean children, breast-feeding women, and senior citizens with vaccines, medicine, and food. The Park government has also adopted greater leniency in allowing South Korean non-governmental organizations (NGOs) to provide aid to North Korea; in 2013 and the first two months of 2014, over a dozen groups were allowed to provide around 9 billion *won* (more than $8 million) in assistance to North Korea. In a variety of settings, President Obama and other senior Administration officials have indicated their support for Park's general approach toward North Korea, which she has called "trustpolitik," including its humanitarian aid policy.[5] The fact that as of March 2014, such South Korean government aid has been relatively small-scale and has not been provided directly to North Korea may be a factor in U.S. support for South Korea's policy. Park also has held out the prospect of South Korean investments in North Korean infrastructure projects, to help lay the groundwork for an eventual reunification of the two Koreas. She appears to have linked such large-scale to a North Korean decision to "choose the path of denuclearization."[6]

[5] For instance, a May 7, 2013, U.S.-ROK joint statement, issued in conjunction with President Obama and Park's first summit meeting in Washington, stated that "the United States and the Republic of Korea will continue to work ... to bring North Korea in to compliance with its international obligations and promote peace and prosperity on the Korean Peninsula, *including through the trust-building process initiated by President Park*." (emphasis added) The White House Office of the Press Secretary, "2013 Official Joint Declaration," May 7, 2013.

[6] Park Geun-hye, "An Initiative for Peaceful Unification on the Korean Peninsula," March 28, 2014, Speech at the Dresden University of Technology.

Medical Assistance

From time to time, the United States also has provided small amounts of medical assistance to North Korea. In 2008, for instance, the Bush Administration allocated $4 million in assistance to U.S. NGOs to help several North Korean rural and provincial hospitals by improving their electrical supplies and by providing medical equipment and training. More recently, following localized floods in North Korea in the summer of 2010, the Obama Administration spent about $600,000 on the provision of relief items, such as medicine, to North Korea.

U.S. Energy Assistance

Korean Peninsula Energy Development Organization (KEDO)

From 1995 to 2002, the United States provided over $400 million in energy assistance to North Korea under the terms of the U.S.-North Korean 1994 Agreed Framework, in which the DPRK agreed to halt its existing plutonium-based nuclear program in exchange for energy aid from the United States and other countries.[7] After Washington and Pyongyang reached their agreement, the United States, Japan, and the Republic of Korea formed an international consortium, the Korean Peninsula Energy Development Organization (KEDO), to manage the assistance.[8] The planned aid consisted of the construction of two light-water nuclear reactors (LWRs) and the provision of 500,000 metric tons of heavy fuel oil annually while the reactors were being built.[9] U.S. contributions covered only heavy fuel oil shipments and KEDO administrative costs.

In October 2002, KEDO board members decided to halt fuel oil shipments following a dispute over North Korea's alleged clandestine uranium enrichment program. In December, North Korea expelled inspectors from its Yongbyon nuclear site, withdrew from the Nuclear Non-proliferation Treaty (NPT), and resumed operations at Yongbyon. The Bush Administration thereafter sought to permanently end the KEDO program.[10] In 2003 and 2004, KEDO's Executive Board (the United States, South Korea, Japan, and the European Union) decided to suspend construction on the LWRs for one-year periods. In the fall of 2005, the KEDO program was formally terminated. In January 2006, the last foreign KEDO workers left the LWR construction site at Kumho, North Korea.

[7] See "Total Financial Support by Country: March 1995 to December 2005," Table B, Appendix 1, KEDO 2005 Annual Report. http://www.kedo.org/pdfs/KEDO_AR_2005.pdf.

[8] Membership in KEDO expanded to include additional states and international organizations that contributed funds, goods or services: Argentina, Australia, Canada, Chile, the Czech Republic, the European Union (as an executive board member), Indonesia, New Zealand, Poland, and Uzbekistan. KEDO also received material and financial support from nineteen other nonmember states. Details at http://www.kedo.org/au_history.asp.

[9] Full text of the KEDO-DPRK supply agreement at http://www.kedo.org/pdfs/SupplyAgreement.pdf.

[10] State Department Daily Press Briefing by Adam Ereli, Deputy Spokesman, November 5, 2003.

Assistance Related to the Six-Party Talks

After the collapse of the Agreed Framework arrangement in 2002, the Bush Administration and the Chinese government worked to create a multilateral forum of the six major countries in Northeast Asia to discuss and resolve the North Korean nuclear problem. As with KEDO, the Bush Administration and other members of the Six-Party Talks—South Korea, Japan, China, and Russia—promised energy assistance to North Korea as an inducement to end its nuclear program. In September 2005, the six parties issued a joint statement agreeing to "promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally." The United States, China, South Korea, Japan, and Russia also stated their "willingness to provide energy assistance to the DPRK." The agreement said that the parties would discuss the provision of a light water nuclear power reactor to North Korea "at the appropriate time." This document serves as the foundation for subsequent agreements.[11]

Talks were stalled after North Korea tested a nuclear device in October 2006. After a return to talks, a Denuclearization Action Plan was reached in February 2007. It called for a first phase to include the shut-down of key nuclear facilities and initial provision of 50,000 metric tons of heavy fuel oil to North Korea. In the second phase, the parties agreed to provide North Korea with "economic, energy and humanitarian assistance up to the equivalent of 1 million tons of heavy fuel oil, including the initial shipment of 50,000 tons of heavy oil."

Heavy Fuel Oil Shipments

The shipments of fuel oil or equivalent (e.g., steel products to renovate aging power plants) assistance were to happen on an "action for action" basis, as North Korea made progress on denuclearization.[12] The shipments of 1 million MT of heavy fuel oil or equivalent were to be divided equally by the five parties (i.e., 200,000 MT each). HFO shipments were delivered in a start-and-stop manner, slowed primarily by disagreements between Pyongyang and Washington over how and whether to verify North Korea's disablement, and over whether the United States would remove North Korea from its State Sponsors of Terrorism list. Before the Six Party Talks broke down in March 2009, the DPRK had received 500,000 MT of heavy fuel oil and equipment and 245,110 MT of fuel equivalent assistance.[13]

[11] Joint Statement of the Fourth Round of the Six-Party Talks Beijing, September 19, 2005. http://www.state.gov/r/pa/prs/ps/2005/53490.htm.

[12] These commitments were reaffirmed in the October 3, 2007 Agreement on "Second-Phase Actions for the Implementation of the Joint Statement." http://www.state.gov/r/pa/prs/ps/2007/oct/93223.htm.

[13] Japan said it would not provide its share of energy assistance to Pyongyang until North Korea had satisfactorily resolved the issue of Japanese citizens abducted by North Korea. For more on this topic, see CRS Report RS22845, *North Korea's Abduction of Japanese Citizens and the Six-Party Talks*, by (name redacted). In 2008, press reports said that the United States was arranging for other countries such as Australia, New Zealand, and European states to provide Japan's portion of HFO aid. Australia and New Zealand had each reportedly agreed to donate $10 million, approximately equal to 30,000 metric tons of heavy fuel oil. See "Japan mulls funding N. Korea denuclearization, others to give oil aid," Japan Economic Newswire, October 21, 2008. Japan also reportedly was considering the contribution of technical assistance related to North Korea's nuclear dismantlement in the amount of 200,000 metric tons of HFO (approximately 16 billion yen or $164 million). See "Japan may pay cash for North Korea's denuclearization, says report," BBC Monitoring Asia Pacific, October 22, 2008.

Table 2. Six-Party Talks-Related Energy Assistance to North Korea

(July 2007-March 2009)

Donor Country	Amount of HFO (MT) Delivered	Amount of HFO Equivalent (MT) Delivered	Amount Left to be Delivered
China	50,000	150,000	0
Japan	0	0	200,000
Russia	200,000	0	0
South Korea	50,000	95,110	55,000 HFO equivalent
United States	200,000	0	0
Total	**500,000**	**245,110**	**310,000**

Source: Compiled by the Congressional Research Service.

Notes: Japan has stated it will not deliver energy assistance to North Korea until the issue of abductions of Japanese citizens by North Korea is resolved. MT = metric tons.

Congress and Energy Assistance

Over time, Congress has influenced administration policy by placing conditions on aid to North Korea. From 1998 until the United States halted funding for KEDO in FY2003, Congress included in each Foreign Operations Appropriation requirements that the President certify progress in nuclear and missile negotiations with North Korea before allocating money to KEDO operations. To support the Six-Party Talks, Congress provided funds for energy assistance in the FY2008 Supplemental Appropriations Act (P.L. 110-252). This act also gave the President authority to waive Arms Export Control Act sanctions on Pyongyang for the purpose of providing aid in connection with denuclearization (see ""Glenn Amendment" Restrictions" below). However, this waiver was not used, and was no longer in effect following the May 2009 North Korean nuclear test. Congress has supported funding for the denuclearization of North Korea, for example in the FY2008 Defense Authorization Act (see "U.S. Denuclearization Assistance" section below).

No energy assistance for North Korea was proposed in the Administration's FY2011-FY2015 budget requests. Previously, in its FY2009 Supplemental Appropriations budget request, the Obama Administration sought over $150 million for North Korea-related energy and denuclearization assistance to use in the event of a breakthrough with North Korea.[14] In separate committee actions, House and Senate appropriators rejected these requests, in large part due to North Korea's withdrawal from the Six-Party process and subsequent missile and nuclear tests in the spring of 2009.[15] Since the 2009 tests, Congress has specifically prohibited energy assistance to North Korea. Section 8042 of the FY2014 Consolidated Appropriations Act (P.L. 113-76) says that "None of the funds appropriated or otherwise made available in this Act may be obligated or

[14] The funds included $95 million under the Economic Support Funds (ESF) to potentially pay for heavy fuel oil (HFO) and $81.5 million to be available to potentially pay for the dismantlement of nuclear facilities and other denuclearization work in North Korea (for details, see "Heavy Fuel Oil Shipments" and "U.S. Denuclearization Assistance" below).

[15] As in the past, funds from the State Department's Nonproliferation and Disarmament Fund may be used in North Korea.

expended for assistance to the Democratic People's Republic of Korea unless specifically appropriated for that purpose."

U.S. Denuclearization Assistance

Nuclear Disablement Expenditures

As part of Phase Two under the Six-Party agreements, the Departments of State and Energy worked on disabling the nuclear facilities at the Yongbyon complex in North Korea until April 2009.[16] This effort was funded through the State Department's Nonproliferation and Disarmament Fund (NDF). The State Department paid the North Korean government for the labor costs of disablement activities, and related equipment and fuel. Approximately $20 million in FY2007 and $25 million in FY2008 was approved for this purpose. NDF funds may be used "notwithstanding any other provision of law," and are available until expended.

The Department of Energy's (DOE) National Nuclear Security Administration (NNSA) contributed personnel as technical advisors to the U.S. Six-Party delegation and as technical teams on the ground at Yongbyon overseeing disablement measures. NNSA spent approximately $15 million by July 2008 in support of Phase Two (Yongbyon disablement) implementation.[17] NNSA estimated that disablement costs could have totaled up to $360 million if North Korea had agreed to the packaging and disposition of separated plutonium and spent fuel at Yongbyon. The Congressional Budget Office estimated that full nuclear dismantlement in North Korea would cost approximately $575 million and take about four years to complete.[18]

"Glenn Amendment" Restrictions

North Korea's 2006 nuclear test triggered sanctions under Section 102 (b) (the "Glenn Amendment" 22 *U.S.C. 2799aa-1*) of the Arms Export Control Act, which prohibits assistance to a non-nuclear weapon state under the NPT that has detonated a nuclear explosive device. Due to this restriction, DOE funds could not be spent in North Korea without a waiver. Therefore, funding for the disablement efforts came from the State Department's NDF fund which has "notwithstanding" authority. Congress passed language in the FY2008 Supplemental Appropriations Act (P.L. 110-252) that would have allowed the President to waive the Glenn Amendment restrictions and stipulated that funds may only be used for the purpose of eliminating North Korea's WMD and missile-related programs.[19] The waiver's purpose was to allow DOE "to

[16] Nuclear disablement should be distinguished from nuclear dismantlement, the former referring to a process that could be reversed. For discussion of what was accomplished, see Table 2 in CRS Report RL34256, *North Korea's Nuclear Weapons: Technical Issues*, by (name redacted).

[17] Statement of William H. Tobey, National Nuclear Security Administration, U.S. Department of Energy, to the Senate Committee on Armed Services, July 31, 2008.

[18] The CBO's cost estimate takes into account the dismantling of the reactor and three associated plants at Yongbyon as well as the transport and reprocessing of the spent fuel outside North Korea. Congressional Budget Office, "Cost Estimate: S. 3001 National Defense Authorization Act for Fiscal Year 2009," June 13, 2008. http://www.cbo.gov/ftpdocs/93xx/doc9390/s3001.pdf.

[19] Similar language appeared in the Senate version of the FY2009 Duncan Hunter National Defense Authorization Act (P.L. 110-417), but was not included in the House version. The final act includes it under "legislative provisions not adopted" under Title XII, since the waiver authority was passed earlier in the FY2008 Supplemental. See joint (continued...)

procure, ship to North Korea, and use equipment required to support the full range of disablement, dismantlement, verification, and material packaging and removal activities that Phase Three will likely entail."[20] The Bush Administration notified Congress of its intent to waive these sanctions for the purpose of denuclearization aid on November 14, 2008, but did not exercise the waiver authority. Because North Korea conducted an underground nuclear test on May 25, 2009, the waiver may no longer be issued under P.L. 110-252. The law stipulates that a nuclear test after the date of enactment would nullify the waiver authority.[21]

Cooperative Threat Reduction Funds

As with the Department of Energy and State Department funding, there are no proposals for Department of Defense funds to be used in North Korea in FY2015. In 2008, Senator Richard Lugar proposed that the Department of Defense's Cooperative Threat Reduction (CTR) program be granted "notwithstanding authority"[22] for denuclearization work in North Korea. Authorization was given for CTR funds to be used globally for the first time in the FY2008 Defense Authorization Act (P.L. 110-181, see §1305), which expressly encourages "activities relating to the denuclearization of the Democratic People's Republic of Korea." The FY2010 Defense Authorization bill (P.L. 111-84) gave the CTR program notwithstanding authority for a limited amount of funds to be used globally in response to urgent proliferation threats, which could include work in North Korea. Any DOD CTR work in North Korea would need to have the concurrence of the Secretary of State. To date, no DOD CTR funds have been used in North Korea.

Assistance to the IAEA

The United States provided $1.8 million in 2007 and $1.5 million in 2008 to the International Atomic Energy Agency (IAEA) for its monitoring activities at Yongbyon. Japan has provided the agency with $500,000 for this purpose.[23] The European Union in 2008 contributed approximately $1.6 million (1.025 million euros) to the IAEA for Yongbyon monitoring and verification activities. North Korea expelled the IAEA inspectors in April 2009. North Korea had initially invited the IAEA to monitor the moratorium of enrichment activities at Yongbyon as part of the February 29, 2012, agreement with the United States. If IAEA verification is required in the future, the agency might need extra-budgetary contributions for this work.

(...continued)

explanatory note: http://armedservices.house.gov/pdfs/fy09ndaa/FY09conf/FY2009NDAAJointExplanatoryStatement.pdf.

[20] Tobey testimony, ibid.

[21] In P.L. 110-252 §1405 (b)(3), there is an exception for activities described in Subparas A or B of §102(b)1 of AECA. This includes "transfers to a non-nuclear weapon state a nuclear explosive device," and "is a non-nuclear-weapon state and either (i) receives a nuclear explosive device, or (ii) detonates a nuclear explosive device."

[22] So that funds may be used "notwithstanding any other provision of law." Senator Richard Lugar, Remarks to National Defense University, October 2, 2008. http://lugar.senate.gov/record.cfm?id=304026&&.

[23] Christopher R. Hill, Assistant Secretary for Bureau of East Asian and Pacific Affairs Testimony before House Committee on Foreign Affairs Subcommittee on Asia, the Pacific and the Global Environment and Subcommittee on Terrorism, Nonproliferation, and Trade Washington, DC, October 25, 2007.

Congress and Denuclearization Assistance

The last time the Obama Administration requested funds specifically for denuclearization work in North Korea was in the FY2009 Supplemental Appropriations Request: $47 million for the State Department's Nonproliferation and Disarmament Fund (NDF) "to support dismantlement of nuclear facilities in North Korea" and $34.5 million for Department of Energy (DOE). The House Appropriations Committee halved the NDF request to $23.5 million, but did not exclude the use of these funds in North Korea. The Senate Appropriations Committee report also did not specifically mention North Korea in its description of NDF funding, but also did not exclude it. The committee approved $77 million for the NDF, of which $50 million is for border security in Gaza.[24] The NDF could choose to use other funds in North Korea. Since then, funding requests for NDF have not referenced North Korea.

The FY2009 Supplemental request for the Department of Energy's work in North Korea included $25 million for the Global Threat Reduction Initiative to "complete disablement tasks and to initiate spent fuel disposition and other denuclearization efforts" in North Korea, and $9.5 million for the Nonproliferation and International Security Program's "disablement and dismantlement support" in the DPRK. The House and Senate Appropriations Committees deleted all the DOE monies for North Korea, saying in reports that should North Korea reverse its policies, then denuclearization assistance could be considered.

The FY2011-FY2015 budget requests did not provide specifically for any denuclearization funding for North Korea. The 2010 Consolidated Appropriations Act (P.L. 111-117) and the continuing appropriations for FY2011 forward did not address denuclearization assistance to North Korea since the process was stalled. Sections 8042 of the FY2014, FY2013, FY2012, FY2011, and FY2010 appropriations bills say that, "None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of Korea unless specifically appropriated for that purpose."

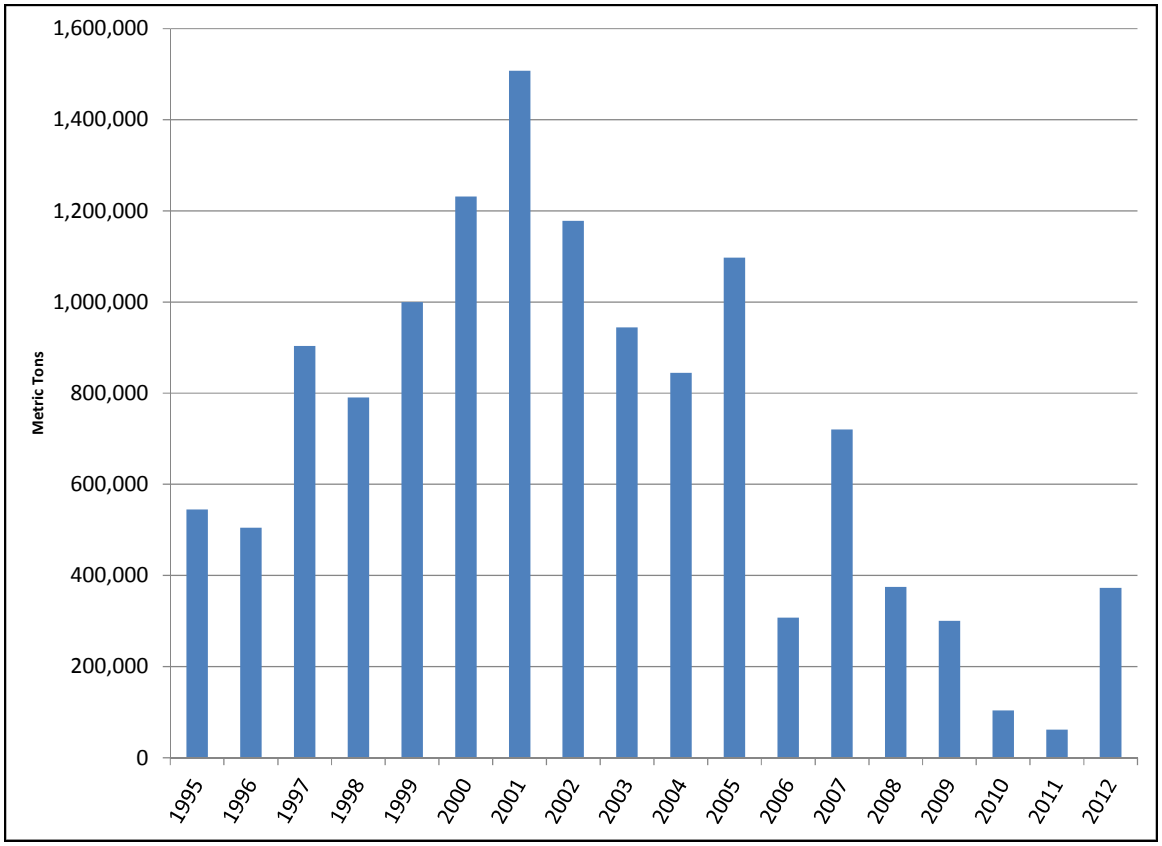
U.S. Food Assistance

Since 1995, the international community has donated over 12.5 million MT of food aid to North Korea to help North Korea alleviate chronic, massive food shortages that began in the early 1990s. A severe famine in the mid-1990s killed an estimated 600,000 to 3 million North Koreans.[25] As **Figure 1** shows, the amount of food aid has varied from year to year and has declined dramatically since a decade ago. Over 90% of U.S. food assistance to Pyongyang has been channeled through the WFP. The United States has been by far the largest cumulative contributor to the WFP's North Korea appeals.

[24] U.S. Congress, Senate Appropriations Committee, 111th Cong., May 14, 2009, S.Rept. 111-20.

[25] For a short review of the estimates of the famine's death toll, see Stephan Haggard and Marcus Noland, *Famine in North Korea. Markets, Aid, and Reform*, (New York: Columbia University Press, 2007), p. 73-76.

Figure 1. Total Estimated Food Aid to North Korea, 1995-2012



Source: World Food Program's International Food Aid Information System (INTERFAIS) database, accessed March 31, 2014.

Four countries, China, South Korea, the United States, and Japan, have dominated the provision of food aid, contributing over 75% of the total since 1995, though only China has provided assistance since 2009. In 2012, according to the World Food Programme (WFP), China provided nearly two-thirds of the 372,000 MT in food assistance provided to North Korea. North Korea has been adept at turning from one donor to another, opportunistically seeking out the least stringent terms.[26]

For instance, unlike the WFP, Beijing historically has made few requests for access and monitoring. The same was true of South Korea for much of the 1995-2008 period. When both countries increased their food contributions to North Korea in the mid-2000s, this arguably allowed North Korea's central government authorities to roll back the highly intrusive (from North Korea's perspective) WFP in the mid-2000s (see "North Korea's 2006 Restrictions and the Decline in the WFP's Program" below). Conversely, in 2008, when inter-Korean relations began to sour and humanitarian assistance from South Korea dried up, North Korea turned back to the United States for food aid and accepted Washington's demands for expanded access and improved monitoring conditions.

[26] For more, see Haggard and Noland, *Famine in North Korea*, Chapter 6.

Congress and Food Assistance

Over the years some Members of Congress have supported continued donations to help the North Korean people, on humanitarian grounds, regardless of the actions of the North Korean regime. These voices, which were perhaps loudest during North Korea's famine years, have dwindled over time. Other Members have voiced their opposition to food aid to the DPRK. In the 112th Congress, the House passed an amendment by voice vote (H.Amdt. 453) in June 2011 that in effect would have prohibited the U.S. government from providing food assistance to North Korea. The amendment was included in the House version of H.R. 2112, the FY2012 Agriculture Appropriations Act. The Senate version of the bill, passed on November 1, contained no such measure. Participants in the House-Senate conference committee decided to strip the amendment's tougher restrictions, replacing it with language (§741) that food assistance may only be provided if "adequate monitoring and controls" exist. President Obama signed H.R. 2112 (P.L. 112-55) into law on November 18, 2011.

In 2012, the Senate passed by a vote of 59-40 an amendment to S. 3240, the Agriculture Reform, Food, and Jobs Act of 2012 (the "farm bill"), that prohibited federal food aid to North Korea (amendment no. 2454, roll call vote 144). The amendment, incorporated into the bill as Section 3015, would allow the President to waive the prohibition if he finds that providing food aid to North Korea is in the "national interest." The same day, by a vote of 43-56, the Senate rejected a similar amendment that lacked waiver authority (amendment no. 2354, roll call vote 145). The House version of the farm bill, the Federal Agriculture Reform and Risk Management Act of 2012 (H.R. 6083) contained no provisions related to food aid to North Korea. The 112th Congress ended without the House-reported bill ever being brought to the floor of the House for a vote. In the 113th Congress, the Senate again passed a version of the farm bill (H.R. 2642) that included a prohibition on food aid to North Korea (once again, contained in Section 3015). The House version of the bill contained no such provision, and in February 2014 the conference committee to the bill adopted the House position. Both chambers passed the bill, and President Obama signed it into law (P.L. 113-79) on February 7, 2014.

Over the past decade, many Members have called for food assistance to be conditioned upon North Korean cooperation on monitoring and access. The 111th Congress included in the FY2010 omnibus appropriations act (P.L. 111-117) language that called for the State Department to determine how much Pyongyang "owes" the United States for the approximately 21,000 MT in U.S. food aid that the North Korean government had distributed after it had halted a U.S. food assistance program being implemented by a consortium of U.S. nongovernmental organizations (NGOs).[27] The act also required the State Department to reduce any aid to North Korea by this amount unless it was found that the North Korean government provided the food to the intended recipients (generally, vulnerable women and children in the northwestern parts of the country).[28]

[27] See §7071(f)(6)) of P.S. 111-117, The FY2010 Consolidated Appropriations Act.

[28] Other examples of Congressional attention on the monitoring issue include the following: The North Korean Human Rights Act (P.L. 108-333) included nonbinding language calling for "significant increases" above current levels of U.S. support for humanitarian assistance to be conditioned upon "substantial improvements" in transparency, monitoring, and access. The reauthorized act (P.L. 110-346) does not include this language, and drops the extensive discussion of humanitarian assistance that was included in P.L. 108-333. Both the original and the reauthorized act require annual reports to Congress on U.S. humanitarian assistance to North Korea. See CRS Report RS22973, *Congress and U.S. Policy on North Korean Human Rights and Refugees: Recent Legislation and Implementation*, by (name redacted).

If the Obama Administration resumes food aid to North Korea, two options would be to use food aid that has not been committed or to tap the Bill Emerson Humanitarian Trust. The latter, which was used for the original 2008 program, is a financial reserve that may be used when the United States Agency for International Development (USAID) Administrator makes a determination that other statutory sources of aid are unavailable. While the Administrator is not required by law to notify Congress of such a determination, he very likely would consult with House and Senate agriculture and foreign affairs committees as this decision is made.[29]

U.S. Food Aid Policy

Officially, U.S. policy de-links food and humanitarian aid from strategic interests. Although diplomatic factors have always affected decisions over aid to North Korea, the degree to which they have been linked has varied over time. It has been well documented that the Clinton Administration used food aid to secure North Korea's participation and increased cooperation in a variety of security-related negotiations.[30] The George W. Bush Administration arguably weakened the linkage and made improved monitoring and access one of three explicit conditions for providing food aid to North Korea. The other two were the need in North Korea and competing needs for U.S. food assistance.[31] Although Obama Administration officials say that these three criteria remains their policy, diplomatic factors appear to be rising in importance alongside humanitarian considerations. In the eyes of many observers, the Obama Administration's February 2012 understanding with North Korea on the resumption of food assistance appears to have been directly linked to the concessions that North Korea was expected to make on the nuclear issue before the death of supreme leader Kim Jong-il.

The Food Aid Dilemma

Providing food to North Korea poses a number of moral and policy dilemmas for the United States. Pyongyang has resisted making economic reforms that would help pay for food imports or increase domestic production, as well as the political reforms that would allow for a more equitable distribution of food. Additionally, the North Korean government restricts the ability of

[29] For more, see CRS Report R41072, *International Food Aid Programs: Background and Issues*, by (name redac ted). Historically, P.L. 480 has been the main vehicle for providing U.S. agricultural commodities as food aid overseas, and from FY2003-FY2005 was the program that funded nearly all of the U.S. food commitments to North Korea. When commodities or cash are released from the Emerson Trust, they are provided under the authority of P.L. 480 Title II. The Emerson Trust statute essentially authorizes the use of commodities or cash in the Trust to be used as a backup to Title II when there are unanticipated humanitarian needs. Congress directly appropriates P.L. 480 aid, and therefore could, although it rarely does, direct how the food should or should not be disbursed.

[30] Andrew Natsios, *The Great North Korean Famine. Famine, Politics, and Foreign Policy* (Washington, DC: United States Institute of Peace Press), Chapter 7; Marcus Noland, *Avoiding the Apocalypse. The Future of the Two Koreas* (Washington, DC: Institute for International Economics), 182-91.

[31] USAID Press Release, June 7, 2002. In practice, some have argued that the timing for U.S. pledges from 2001-2005 sometimes appeared to be motivated also by a desire to influence talks over North Korea's nuclear program, and that the linkage between U.S. donations and improvements in North Korea's cooperation with the WFP occasionally has been tenuous. As discussed below, events in 2008, when the Bush Administration resumed food assistance, appear to indicate a tighter link to issues of access and monitoring of food shipments. In late 2008, when Bush Administration officials felt North Korea was violating its agreement with the WFP, they halted food shipments through the WFP but continued sending food through the consortium of NGOs that were handling one-fifth of the United States' 500,000 MT pledge. Mark Noland, "Avoiding the Apocalypse: The Future of the Two Koreas," Peterson Institute of International Economics, June 2000, pp. 159, 186, 189. Stephen Haggard, Marcus Noland, and Erik Weeks "Markets and Famine in North Korea," *Global Asia*, Vol. 3, No.2, August 2008.

donors to monitor shipments of aid. Multiple sources have asserted that a sizeable amount of the food assistance going to North Korea is routinely diverted for resale in private markets or other uses.[32] Although there has been much public concern about diversion to the North Korean military, WFP officials and other experts said they have seen little to no evidence that the military is systemically diverting U.N. food donations, and further, that the North Korean military has no need for WFP food, since it receives the first cut of North Korea's national harvest. Moreover, the assistance is fungible, in that funds that the government otherwise would have spent on food can be spent on other items. Compounding the problem, China, currently believed to be North Korea's largest source of food aid, has no known monitoring systems in place.

The North Korean government's desire to maintain control over the country is inextricably linked to the food crisis and its chronic reliance on food aid. Residency in North Korea is tightly controlled and highly politicized, with the elite permitted to live in or around Pyongyang, where food shortages are less acute than in the country's more remote areas, where politically less desirable families live. Additionally, North Korea is believed to expend little of its foreign currency to import food, relying instead upon the international community. Moreover, since 2007, the government episodically has taken many steps to reimpose state controls over farmers and markets.[33]

In a February 2014 report, a United Nations Commission of Inquiry on North Korea's human rights conditions stated that the North Korean government "has used food as a means of control over the population." The Commission argued that the "decisions, actions, and omissions" by North Korea's leaders and government "caused the death of at least hundreds of thousands of people and inflicted permanent physical and psychological injuries on those who survived." North Korea's rulers, according to the Commission, by "knowingly causing prolonged starvation" were found to have committed to crimes against humanity.[34]In part because of the North Korean government's unwillingness or inability to ensure a more equitable distribution of food, some contend that it is likely that food aid has helped feed millions of North Koreans who may not otherwise have had sufficient access. According to this line of reasoning, food aid possibly staved off a repeat of the famine conditions that existed in the mid- to late 1990s. A number of observers argue that the North Korean people should not be unduly punished for their government's behavior, that diversion to markets helps ordinary North Koreans by lowering food prices, and that measures can be taken to limit the Kim Jong-il regime's abuses of food aid. For instance, the United States generally has shipped its food aid to the Northern provinces, where less desirable classes of people tend to live. In another example, Obama Administration officials said in late 2011 that if they decided to resume food aid, the shipments would be "nutritional" products such as high-protein biscuits that are less likely to be diverted than traditional food staples.[35]

[32] See, for instance, Stephan Haggard and Marcus Noland, "Hunger and Human Rights: The Politics of Famine in North Korea" (Washington, DC: U.S. Committee for Human Rights in North Korea, 2005), in which the authors argue that up to half of the WFP's aid deliveries did not reach their intended recipients.

[33] Stephen Haggard, Marcus Noland, and Erik Weeks, "Markets and Famine in North Korea," *Global Asia*, Vol. 3, No.2, August 2008.

[34] United Nations General Assembly Human Rights Council, "Report of the Commission of Inquiry on Human Rights in the Democratic People's Republic of Korea," A/HRC/25/63, February 7, 2014. For a useful discussion of the Commission's findings on North Korea's food distribution policies, see the "Commission of Inquiry" tag on the Witness to Transformation blog at http://blogs.piie.com/nk.

[35] State Department Daily Press Briefing by Spokesperson Victoria Nuland, December 13 and December 14, 2011.

Additionally, some contend that a well-designed food aid program can facilitate the expansion of markets, which over time will erode the Kim regime's hold over the country, while helping to reduce food prices in North Korea's most vulnerable provinces.[36] Providing food aid also can be used to serve larger diplomatic goals, though many experts caution against explicitly linking food to concessions in the security arena, such as in the Six-Party Talks over North Korea's nuclear programs.

The Ebbs and Flows of U.S. Food Aid to North Korea, 2006-2010

North Korea's 2006 Restrictions and the Decline in the WFP's Program

After peaking at over 900,000 MT in 2001, assistance provided by the WFP fell dramatically over the following years until 2008, when a large U.S. contribution brought up the WFP total. There were two primary reasons for the decline in WFP assistance. The first was "donor fatigue," as contributing nations objected to the North Korean government's continued development of its nuclear and missile programs as well as tightened restrictions on donor agencies' monitoring of shipments to ensure that food is received by the neediest. The emergence of other emergency food situations around the globe also stretched the food aid resources of the United States and other donors. Whatever the causes, the WFP was unable to fill its goal of 150,000 MT for the 2006-2008 period. During this time, increased bilateral assistance—outside the WFP's program—that China and South Korea shipped directly to North Korea, as well as improved harvests in North Korea, appear to have made up much of the gap, which generally is estimated to be in the range of 1 million MT per year.

In 2006, the WFP drastically scaled down its program after the North Korean government imposed new restrictions, constraining the organization's size and ability to distribute and monitor its shipments. The WFP and Pyongyang then negotiated a new agreement that would feed 1.9 million people, less than a third of the 6.4 million people the WFP previously had targeted. North Korea's total population is approximately 22 million. In the deal, the WFP expatriate staff was cut by 75%, to 10 people, all of whom were based in Pyongyang. Before 2006, the WFP had over 40 expatriate staff and six offices around the country conducting thousands of monitoring trips every year.[37] The North Korean government did not allow any Korean speakers to serve on the WFP's in-country staff.

The U.S. Resumes Food Aid in 2008

In 2008, the WFP warned that food shortages and hunger had worsened to levels not seen since the late 1990s, because of decades of poor agricultural planning, large-scale floods in 2007, and also the significant decline of aid from the two largest bilateral food providers, China and South Korea. North Korea began seeking a new outside source of food. In May 2008, the United States Agency for International Development announced that the United States would resume food assistance to North Korea by providing 500,000 MT for one year beginning in June 2008. Of this

[36] Stephan Haggard and Marcus Noland, *Witness to Transformation. Refugee Insights into North Korea* (Peterson Institute for International Economics: Washington, DC, 2011). See also the "aid" and "food" tags on the Witness to Transformation blog at http://blogs.piie.com/nk.

[37] WFP Press Release, "WFP Set to Resume Operations in North Korea," 11 May 2006; undated WFP document, Projected 2007 Needs for WFP Projects and Operations, Korea, DPR.

amount, 400,000 MT was to be channeled through the WFP. Approximately 100,000 tons would be funneled through nongovernmental organizations (NGOs), including World Vision, Mercy Corps, Samaritan's Purse, Global Resource Services and Christian Friends of Korea. The announcement stated that the resumption was made possible by an agreement reached with Pyongyang that allowed for "substantial improvement in monitoring and access in order to allow for confirmation of receipt by the intended recipients."[38] The U.S. move came not long after a breakthrough was reached in the Six-Party Talks. Bush Administration officials repeatedly stated their policy that decisions on food assistance were unrelated to the nuclear negotiations.

In June 2008, the WFP signed an agreement with Pyongyang that stipulated terms for increased WFP personnel and access for monitoring the delivery of the food aid. It allowed WFP to expand its operations into 131 counties, versus an earlier 50, in regions at particular risk of famine.[39] The agreement also expanded the WFP's rights and ability to monitor the shipments of food aid, in order to better ensure that the food was not diverted from its target recipients. Following the agreement, the WFP issued a new emergency appeal for over 600,000 MT for 6.2 million North Koreans. The NGO consortium, which targeted around 900,000 people, operated in the country's two northwestern provinces.[40]

Cessation of the 2008-2009 Program

The WFP Component

Beginning in the late summer of 2008, operating conditions for the WFP appear to have worsened. The North Korean government reportedly did not allow the U.N. agency to fully implement parts of its WFP agreement. In particular, the Bush Administration disagreed with Pyongyang over the number of Korean speakers and Americans allowed in the country. Due in part to these difficulties, after August 2008 the United States halted shipments of food to the WFP's North Korea appeal. In March 2009 the WFP announced it was scaling back its program to "a core minimum" that would allow the organization to rapidly expand its operations if it receives more donations in the future. The announcement stated that the WFP was feeding incomplete rations to only 2 million of the 6.2 million people it had originally targeted.[41] Ultimately, donors provided the WFP with less than 25% of the target for its 2008-2010 emergency appeal.[42] There have been reports that the WFP program suffered from lapses in the management of the North Korea office's finances and commodities.[43] The charges followed incidents of misuse and diversion of funds during the mid-2000s by the North Korea offices of another U.N. agency, the U.N. Development Program (UNDP).

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[38] USAID Press Release, "Resumption of U.S. Food Assistance to the North Korean People," May 16, 2008.

[39] WFP, "Operational Priorities, September 2008, D.P.R. Korea," EMOP 10757.0–Emergency Assistance to Population Groups Affected by Floods and Rising Food and Fuel Prices. In 2005, the WFP had access to 158 of 203 counties and districts, representing approximately 83% of the population. USAID, *Report on U.S. Humanitarian Assistance to North Koreans*, April 25, 2005; March and April 2005 e-mail exchanges and phone conversations with WFP and USAID.

[40] "Aid Agencies Send Fourth U.S. Food Shipment to North Korea," Mercy Corps and World Vision press release, October 16, 2008.

[41] "WFP does what little it can for North Koreans," WFP Press Release, March 5, 2009.

[42] WFP, "Resource Situation" February 3, 2011, Recipient Country: Korea, Democratic People's Republic of, Project Number 107570.

[43] George Russell, "EXCLUSIVE: U.N. Audit Finds 'Lapses' in Managing Food Program Aid to N. Korea," *FoxNews.com*, September 28, 2010.

The NGO Component

According to U.S. officials and representatives of the NGO consortium, the NGO portion of the U.S. program continued to proceed smoothly, with marked improvements in cooperation between the aid providers and their North Korean counterparts. For this reason, throughout the winter of 2008-2009, the United States continued to send shipments via the consortium. However, in March 2009, North Korea asked the United States and the NGOs to shut down their portion of the U.S. program by the end of the month. The program had been scheduled to run until May 2009. Many speculated that North Korea had closed the program in part due to the overall deterioration in relations with the United States and South Korea. The consortium delivered 71,000 MT of food during its 10-month tenure, reaching more than 900,000 people.[44]

WFP Programs from 2010-2014

In 2010, the WFP began a new food aid operation in North Korea to help vulnerable populations deal with North Korea's chronic food gap. Several months later, however, reports began emerging from North Korea that the food situation was worsening considerably. North Korea then began asking outside donors—including the United States and South Korea—for additional aid. A number of groups operating inside North Korea reported that the prices for staples in semi-official markets, which are the main source of food for those outside the cadre of elite, were soaring due to a severe winter and drops in commercial food imports and bilateral food donations. Some observers speculated that the North Korean government was also motivated by a desire to stockpile food in preparation for celebrations in 2012 to celebrate the 100th birthday of the late founder of the country, Kim Il-sung (the grandfather of the current leader, Kim Jong-un). While the Obama Administration, as well as many Members of Congress, began debating whether to resume U.S. food aid to North Korea, the WFP in April 2011 launched a new, one-year emergency appeal for over 300,000 MT to feed over 3.5 million vulnerable people. The WFP negotiated a new agreement with its North Korean counterpart that was similar to the 2008 agreement between the two sides in terms of access and monitoring.[45] However, due to a lack of support from donors, the WFP provided approximately 100,000 MT, less than one third the original target.[46]

After the one-year emergency operation concluded in 2012, the WFP resumed its 2010 operation, targeting about 2.4 million women and children. In early June 2013, three weeks before the program's expiration date, the WFP reported that it was 40% short of its funding goals for the North Korea appeal.[47] Later that month, the WFP decided to launch a new two-year operation in North Korea. Its goal is to help 2.9 million people, primarily children as well as pregnant and breastfeeding women, with slightly over 200,000 MT of food. In a February 2014 report on the

[44] "Statement of NGO Partners on Cessation of Food Aid Program in the Democratic People's Republic of Korea (DPRK)," Mercy Corps, Samaritan's Purse, World Vision, March 19, 2009.

[45] For a detailed analysis of the agreement, see the May 17, 2011, "Monitoring Aid" entry to the *Witness to Transformation* blog, by Stephan Haggard and Marcus Noland, available at http://www.piie.com/blogs/nk/?p=1329.

[46] WFP, *Performance Assessment of Emergency Operation 200266. Delivering Food Assistance in the Democratic People's Republic of Korea*, undated document, available at http://www.wfp.org/content/performance-assessment-wfps-emergency-operation-200266-dpr-korea.

[47] WFP, "Resource Situation," June 5, 2013, Recipient Country: Korea, Democratic People's Republic of, Project Number 200114.

status of the program, the WFP stated that donations continued to less than 40% of targeted amounts.[48]

Options and Considerations for Future Food Aid to North Korea

Along the spectrum of continuing the status quo (i.e., no food aid) and providing food without any conditions, the Administration and Congress face a number of options and considerations when deciding whether and how to resume food aid to North Korea, including the following:

- **Establish explicit "diplomatic" linkages** by conditioning food aid on progress in security-related talks, such as negotiations regarding the North's nuclear programs. As mentioned above, this appears to be the direction the Obama Administration was following until the breakdown of the Leap Day deal, although officials insist the linkage was made by North Korea, not the United States. In the past, emphasizing geostrategic concerns as a condition for food aid has led to some short-term successes, such as persuading North Korea to return to the bargaining table. However, in nearly all of these cases, it is not clear that the provision of food has induced significant changes in North Korea's long-term behavior on security issues. Additionally, this approach runs the risk of encouraging the North Korean government to believe that concessions on other issues, such as the denuclearization talks, are more important to the United States than demands for improved monitoring of the delivery of food aid. Yet another variant of this approach would be to link food aid to North Korean concessions in the human rights sphere, such as releasing political prisoners.[49]
- **Set explicit "humanitarian" linkages** by conditioning future food aid on improvements in access and monitoring.[50] For instance, after several years where the United States did not provide food to North Korea, the 2008 program was initiated after Pyongyang and Washington reached an agreement on improved monitoring that provided greater confidence that the food was being received by the intended recipients, women and young children. The U.S. program also shipped only to North Korea's historically poorer and politically marginalized Northern provinces, to help ensure that even if diversion did occur, food would be diverted to markets likely to be used by the most vulnerable, rather than to markets in the wealthier and politically connected locations of Pyongyang and its surroundings. The Administration could also insist that Pyongyang abide by concessions made in 2008, but apparently not fully implemented, such as granting relief workers the ability to bring emergency communications equipment into the country.
- **Decide on whether and how to harmonize policy with Seoul.** U.S. and South Korean approaches on food aid to North Korea have not always been in harmony. For much of the 2000s, attempts to convince North Korean authorities to conform to international aid standards were often undermined by large-scale,

[48] WFP, PRRO 200532 Quarterly M&E Bulletin, October to December 2013, "Protracted Relief and Recovery Operation (PRRO) 200532 "Nutrition Support for Children and Women" in DPR Korea."

[49] Chol-hwan Kang, "Unconditional Aid to N.Korea Is Poison for its People," English.chosun.com, April 27, 2011.

[50] For one argument in this vein, see Nicholas Eberstadt, "Outside Aid Has Failed. Only an 'Intrusive Aid' Approach Will Work," *Global Asia*, September 2011, http://www.globalasia.org/.

largely unconditional food aid from Seoul (as well as from Beijing). In contrast, the former South Korean government of Lee Myung-bak (2008-2013) made tougher humanitarian demands on North Korea. It also asked North Korea to make improvements in North-South relations before it would consider providing large amounts of food and fertilizer, a demand that has become firmer in the aftermath of North Korea's November 2010 shelling of a South Korean island that killed four South Koreans. Park Geun-hye's government has indicated that it is willing to provide humanitarian assistance to the North Korean people regardless of the diplomatic situation. It is not clear to what extent Seoul would continue the Lee government's insistence on improved access and monitoring of its assistance. Members of Congress may want to probe whether U.S. and South Korean officials have discussed developing minimum requirements for any humanitarian assistance the two countries provide.

- **Should China be pressured on food aid?** Members of Congress and Obama Administration officials could publically and/or privately urge China to insist on some monitoring for its food aid, a topic that does not appear to have been on either the Obama or Bush Administration's crowded list of talking points with China. A fallback position with Beijing could be to call for a continuation of its current policy, which appears to be to provide food assistance only at a subsistence level needed to maintain stability in North Korea. According to the WFP, in 2012, China provided North Korea with over 240,000 MT in food assistance, after providing less than 3,000 MT in 2010 and 2011 combined.[51]
- **Select the mix between the WFP and NGO Channels.** If the Obama Administration decides to resume food aid to North Korea, about 30,000 MT will remain from the 2008 program's NGO component and 300,000 from the WFP component. U.S. officials may wish to change this allocation. Since 1995, more than 90% of the 2.2 million MT of food aid the U.S. has provided to North Korea has been shipped via donations to the WFP. One reason the Bush Administration decided to channel one-fifth of the 2008 aid package through NGOs was because several of these private groups appear to have had more success than the WFP in monitoring their assistance, particularly in gaining access to aid recipients and using their own Korean-speaking staff. The smaller operations of these NGOs allow them to deal principally with local North Korean officials, who often have greater incentives to be more cooperative than the central government. The WFP operates nationally and targets millions more.

Other Forms of U.S. Assistance

Medical Assistance

From time to time, the United States has responded to humanitarian disasters in North Korea by sending medicines and other emergency equipment. For instance, after floods struck parts of North Korea in the summer of 2010, the Obama Administration sent North Korea about $600,000

[51] World Food Program's International Food Aid Information System (INTERFAIS) database, accessed March 31, 2014.

worth of pharmaceuticals and other assistance. The aid was channelled through two U.S. NGOs: Samaritan's Purse and Mercy Corps. The aforementioned 2011 $900,000 flood relief package was distributed by Samaritan's Purse, which along with other NGOs paid for the costs of transporting the assistance.

In an example of a broader aid program, in 2008, the Bush Administration allocated $4 million in assistance to U.S. NGOs to help several North Korean rural and provincial hospitals by improving their electrical supplies and by providing medical equipment and training. The four recipient NGOs are Mercy Corps, the Eugene Bell Foundation, Global Resource Services, and Samaritan's Purse.[52]

Development Assistance

During the Bush Administration, various officials, including the President, issued vague pledges of more extensive U.S. assistance that might be forthcoming if North Korea dismantled its nuclear programs and satisfied other U.S. security concerns dealing with missiles and the deployment of conventional forces.[53] The Obama Administration has indicated a "comprehensive" aid package would be forthcoming if North Korea takes positive steps on the nuclear front.

With regard to U.S. development assistance programs, in the near term, the President has considerable flexibility to offer some forms of development assistance. The Foreign Assistance Act of 1961, for instance, allows the President annually to provide up to $50 million per country for any purpose.[54] Longer-term initiatives, however, would likely require changes in U.S. law and thereby require congressional action. For instance, the 2014 Consolidated Appropriations Act (P.L. 113-76) specifically bans many forms of direct aid to the North Korean government.[55] Many health and emergency disaster relief aid programs are exempt from such legislative restrictions because they have "notwithstanding" clauses in their enacting legislation. Additionally, if the Administration were to designate North Korea as a country involved in drug production and trafficking—as some have advocated—then by law North Korea would be ineligible for receiving most forms of U.S. development assistance.[56] Finally, by law, U.S. representatives in the international financial institutions (IFI) are required to vote against any support for North Korea due to its nuclear weapons programs.

[52] "U.S. Spends $4 Million on Medical Aid for N.Korea In 2008," *Korea Herald*, December 21, 2008; December 2008 communication with U.S. State Department.

[53] Testimony of Richard Armitage, State Department Deputy Secretary, before the Senate Foreign Relations Committee, February 4, 2003.

[54] §614 of the Foreign Assistance Act of 1961, P.L. 87-195.

[55] §7007 and 7043 of P.L. 113-76.

[56] See CRS Report RL32167, *Drug Trafficking and North Korea: Issues for U.S. Policy*, by (name redacted).

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