

CRS Report for Congress

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U.S. Assistance to North Korea: Fact Sheet

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Summary

Since 1995, the United States has provided over \$1 billion in foreign assistance to the Democratic People's Republic of North Korea (DPRK, also known as North Korea). About 60% has taken the form of food aid and about 40% was energy assistance channeled through the Korean Peninsula Energy Development Organization (KEDO), the multilateral organization established in 1994 to provide energy aid in exchange for North Korea's pledge of that year to halt its existing nuclear program. This report provides statistical details of U.S. aid to North Korea, including the \$100,000 pledged in April 2004 to help survivors of a massive train explosion in the northwestern town of Ryongchon. As the table in the report shows, U.S. assistance to North Korea has fallen significantly over the past two years. In the fall of 2004, the North Korean government began restricting the activities of many humanitarian activities, including some of those by the World Food Program (WFP). Administration officials, including President Bush, have indicated that United States assistance might be forthcoming if North Korea began dismantling its nuclear programs, a subject being discussed in the six-party talks. The 108th Congress passed, and President Bush signed, H.R. 4011 (P.L. 108-333), the North Korean Human Rights Act, which includes hortatory 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. Pyongyang has cited the Act as evidence of the United States' "hostile policy" toward North Korea and has used it as justification to suspend its participation in the six-party talks.

This report will be updated periodically to track changes in U.S. provision of aid to North Korea. A more extended description and analysis of aid to North Korea, including assistance provided by other countries, is provided in CRS Report RL31785, *U.S. Assistance to North Korea*, by Mark Manyin.

Food Aid

Since 1996, the United States has sent just over 2 million metric tons (MT) of food assistance, worth about \$675 million, to help North Korea alleviate chronic, massive food

shortages that began in the early 1990s and that led to severe famine in the mid-1990s, killing an estimated 600,000-2 million North Koreans. Over 90% of U.S. food assistance to Pyongyang has been channeled through the UN World Food Program (WFP), which has sent over 3.6 million metric tons (MT) of food to the DPRK since 1996. The U.S. is by far the largest contributor to the WFP's North Korea appeals. China is widely believed to have provided even more food than the United States. China sends its food aid directly to North Korea, rather than through the WFP. Since 2002, South Korea has been a major provider of food assistance, perhaps surpassing China in importance in some years. Most of Seoul's food shipments are provided bilaterally to Pyongyang. The WFP has said that although North Korea's domestic food production particularly has stabilized it appears to have become acute for certain groups of North Koreans, industrial workers living in the northern and northeastern provinces that historically have been discriminated against by the communist government in Pyongyang. This situation appears to have been worsened by the steep rise in food prices — the WFP estimates the cost of cereals such as rice to have tripled in 2004 — that have followed economic reforms enacted in 2002.

U.S. shipments of food aid have fallen significantly in the past two years, as have donations from most other contributors to the WFP's North Korea appeals. Assistance provided by the WFP has fallen by more than half since 2001, from over 900,000 MT in 2001 to about 360,000 MT in 2003. "Donor fatigue" is cited as the primary reason for the decline, as contributing nations have objected to the North Korean government's tight restrictions on the ability of donor agencies to monitor food shipments. Increased bilateral donations from China and South Korea, as well as improved harvests in North Korea, appear to have made up much of the gap, which is estimated to be in the range of one to two million MT per year. The Bush Administration announced in February 2003 that it would provide 40,000 MT of food assistance to North Korea, with up to an additional 60,000 MT to be provided if the DPRK allows greater access and monitoring. On December 24, 2003, the State Department announced that the United States had decided to donate 60,000 MT to the WFP's 2003 North Korea appeal. On July 23, 2004, the State Department announced a 50,000 MT contribution to the WFP's 2004 North Korea appeal. In both cases, the stated reason for providing the additional amount was the continued poor humanitarian situation in North Korea. The official announcements also referred to marginal improvements in North Korea's cooperation with the WFP on access and monitoring.

In the fall of 2004, the North Korean government began restricting the activities of many humanitarian activities, particularly those of non-governmental relief organizations. North Korea authorities also reportedly have pressured the WFP to curtail its post-distribution monitoring visits to North Korean households, and — after years of allowing increased access and monitoring — have begun denying monitoring visits in a number of geographic areas.¹ This has led the WFP, under its "no access, no food" policy, to suspend its operation in several counties; as of late January 2005, 154 of 203 counties were accessible, compared with 161 of 203 counties in early 2004. For 2005, the WFP says its goal is to reach the same number of vulnerable people, 6.5 million, as it did in 2004.²

¹ WFP Emergency Report No. 5 of 2005, January 28, 2005.

² WFP News Release, "6.5 Million Vulnerable North Koreans Still in Desperate Need of Food Aid," January 27, 2005.

U.S. Assistance to North Korea, 1995-2005

Calendar or Fiscal Year (FY)	Food Aid (per FY)		KEDO Assistance (per calendar yr; \$ million)	Medical Supplies & Other (per FY; \$ million)	Total (\$ million)
	Metric Tons	Commodity Value (\$ million)			
1995	0	\$0.0	\$9.5	\$0.2	\$9.7
1996	19,500	\$8.3	\$22.0	\$0.0	\$30.3
1997	177,000	\$52.4	\$25.0	\$5.0	\$82.4
1998	200,000	\$72.9	\$50.0	\$0.0	\$122.9
1999	695,194	\$222.1	\$65.1	\$0.0	\$287.2
2000	265,000	\$74.3	\$64.4	\$0.0	\$138.7
2001	350,000	\$102.8	\$74.9	\$0.0	\$177.6
2002	207,000	\$82.4	\$90.5	\$0.0	\$172.9
2003	40,200	\$25.5	\$2.3	\$0.0	\$27.8
2004	110,000	\$52.8	\$0.0	\$0.1	\$52.9
2005	—	—	—	—	—
Total	2,063,894	\$693.5	\$403.7	\$5.3	\$1,102.4

Sources: Figures for food aid and medical supplies from USAID and US Department of Agriculture; KEDO (Korean Peninsula Energy Development Organization) figures from KEDO.

Energy and Other Forms of Assistance

The Korean Peninsula Energy Development Organization (KEDO). Since 1995, the United States has provided over \$400 million in energy assistance to North Korea under the terms of the 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. Aid to the (KEDO was dramatically curtailed after October 2002, when North Korea reportedly admitted that it had a secret uranium enrichment program. In response, North Korea demanded new negotiations with the United States and restarted a number of nuclear facilities that were mothballed under the Agreed Framework, creating a major foreign policy problem for the United States and the DPRK's neighbors. Anticipated U.S. funding for KEDO has been cut to zero in FY2004. In November 2003, KEDO's Executive Board (the United States, South Korea, Japan, and the European Union) decided to suspend the KEDO project for one year, a decision that was repeated in November 2004. The Bush Administration's position is that it would like to permanently end the KEDO program.³

Proposals Linked to North Korea's Nuclear Program and the Six-Party Talks. Administration officials, including President Bush, have indicated that U.S. assistance might be forthcoming if North Korea began dismantling its nuclear programs. In January 2003, President Bush said that he would consider offering the DPRK a "bold

³ State Department Daily Press Briefing by Adam Ereli, Deputy Spokesman, Nov. 5, 2003.

initiative” including energy and agricultural development aid if the country first verifiably dismantles its nuclear program and satisfies other U.S. security concerns dealing with missiles and the deployment of conventional forces.⁴ In June 2004, during the third round of six-party talks to resolve the North Korean nuclear crisis, the United States tabled a proposal that envisioned a freeze of North Korea’s weapons program, followed by a series of measures to ensure complete dismantlement and, eventually, a permanent security guarantee, negotiations to resolve North Korea’s energy problems, and discussions on normalizing U.S.-North Korean relations that would include lifting the remaining U.S. sanctions and removing North Korea from the list of terrorist-supporting countries. In the interim, Japan and South Korea would provide the North with heavy oil.

The North Korean Human Rights Act

In the fall of 2004, the 108th Congress passed and President Bush signed H.R. 4011 (P.L. 108-333), the North Korean Human Rights Act. The act:

- calls for human rights in North Korea to be “a key element in future negotiations between the United States, North Korea, and other concerned parties in Northeast Asia;”
- requires the President to appoint a special envoy for human rights in North Korea;
- requires that U.S. non-humanitarian assistance to North Korea be contingent upon North Korea making “substantial progress” on a number of specific human rights issues.
- includes hortatory 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;
- requires the United States Agency for International Development (USAID) to issue a report to Congress on humanitarian assistance activities to North Korea and North Koreans in China that receive U.S. funding, and any changes in the transparency, monitoring, and access of food aid and other humanitarian activities;
- authorizes but does not appropriate a total of \$24 million annually for the next four years for programs that promote human rights and democracy, freedom of information, and assistance to North Koreans in China, including the dissemination of transistor radios inside North Korea;
- clarifies that North Koreans living outside of North Korea are eligible for refugee status or asylum in the United States

Pyongyang has cited P.L.108-333 as evidence of the United States’ “hostile policy” toward North Korea, and has used it as justification to suspend its participation in the six-party talks.

⁴ The Administration reportedly was preparing to offer a version of this plan to North Korea in the summer of 2002, but pulled it back after acquiring more details of Pyongyang’s clandestine uranium nuclear weapons program. Testimony of Richard Armitage, State Department Deputy Secretary, before the Senate Foreign Relations Committee, Feb. 4, 2003.