Chairman: Please let me introduce and welcome Seongwhun Cheon. He studied at the University of Waterloo in Canada, receiving a Ph.D in Management Sciences. He has been with the Korea Institute of National Unification (KINU) since 1991. He has had a distinguished career as a visiting research scholar at Sandia National Laboratories Cooperative Monitoring Center, and then with the RAND Corporation, in the United States. His research interests are quite broad: conventional arms control verification, missile defense, and promoting a peaceful regime on the Korean peninsula.

Seongwhun Cheon: Thank you very much for that introduction. The theme of my paper is “Applying ABACC Experiences to the Korean Peninsula: Possibilities and Action Plans.” This is not a new issue by any means. It goes back to the early 1990s when ABACC was created.

When the United States and North Korea started to talk about the mishap of North Korea’s nuclear programs, the idea of applying the ABACC experience to the Korean peninsula was raised by many experts, including David Albright, and other officials from ABACC. That caught my attention and my interest on this issue grew. I conducted my own research in the mid-1990s. This paper was originally based on that research, but I have since updated it, given the recent events on the Korean peninsula. However, the major theme of my paper and my ideas have not changed that much.

My paper presents both opposing and favorable views of the possibilities for applying the ABACC experience to the Korean peninsula. For the sake of time, I will explain only the favorable views, and then show some detailed steps that can, hopefully, be taken by the two Koreas in the future.

There are many arguments favoring the application of the ABACC experience. I am in favor of the pro-application argument. One fundamental perspective is that South America is different from the Korean peninsula—regionally, geo-politically, and in certain security aspects. Thus, a complete copy of the ABACC experience to the Korean peninsula might not be feasible. I don’t think this is particularly desirable either. On the other hand, political, military, and security problems caused by nuclear weapons development are generic in certain aspects, and are perceived as a serious threat by every country, regardless of their historical or geopolitical backgrounds.

In terms of conventional arms control, South Koreans appreciate the lessons that can be drawn from the European experience. In a similar context, one can utilize the steps already taken by Argentina and Brazil for future inter-Korean nuclear talks. That is my fundamental argument for the application of ABACC experiences to the Korean peninsula.

Second, I think that North and South Korea were mistaken to agree to reciprocal inspections without any prior confidence-building efforts in place. South Korea, in the 1990s, first followed inspection arrangements, and then later followed confidence building. There was too much emphasis in the beginning on an inspection regime. But this was the opposite approach of ABACC’s experiences. In that respect, I think we can follow the ABACC track.
Third, during the early 1990s, when North and South Korea met to discuss a mutual nuclear inspection regime, some progress was made on agreements with respect to nuclear materials and how to inspect nuclear facilities. But at that time, we struggled with how to deal with the harder demands. North Korea asked to inspect U.S. military bases in the Korean peninsula, and South Korea wanted to inspect key military facilities in North Korea. This was a contentious issue between the two sides. In the future, if we ask for unreasonable demands again, then we risk failure. If we start from the basics and draw reasonable demands, then there is a strong chance that we can reach some modest inspection arrangements. This is a step-by-step approach. That is a lesson from ABACC’s experiences.

Fourth, from a regional security and political environment point of view, the Korean peninsula is not as favorable an environment as Latin America was in the early 1990s. Argentina and Brazil had the Tlatelolco Treaty, which created a nuclear-weapons-free zone (NWFZ) in Latin America. But in Northeast Asia, we do not have such a region-wide effort to delegitimize nuclear weapons. South and North Korea signed the Joint Denuclearization Declaration in 1991, but that has not been implemented. In that respect, I think that the circumstances around the Korean peninsula are not as auspicious as was the case in South America.

Yet, we cannot underestimate the importance of the Joint Declaration, which was the first effort to make this region exempt from nuclear threat. I think it was the first international, interstate effort, and no other country—including China, Japan, Russia, or even the United States—has made any such proposals. Despite its non-implementation, we made the proposal and signed the document. From the South Korean perspective the declaration is still valued. South Korea would like to implement the declaration as soon as possible.

In the long run, if the Joint Denuclearization Declaration is implemented, I think it can be a prototype where North and South Korea can play a balance-of-power game in the region. In the meantime, we should participate in multilateral institutions and diplomacy, in which we could arbitrate conflicts among the countries in Northeast Asia. We would like to see the Joint Declaration and the two Korea’s efforts to denuclearize the Korean peninsula act as a stepping stone to better balance the region.

Fifth, in the case of ABACC, Brazil and Argentina were not members of the NPT, and so they rejected the legitimacy of international inspections even before they signed a bilateral agreement. On the other hand, both North and South Korea are already members of the NPT. Granted, North Korea has declared it has a special status with the NPT, but it has signed the treaty and its withdrawal has been stopped. At least, North Korea has accepted IAEA inspections. South Korea has even accepted full-scope safeguards. Therefore, from this perspective, the Korean peninsula is in much better shape than Latin America was.

The sixth argument for the application of the ABACC experience to the two Koreas is that it reduces suspicion about each other’s nuclear activities. Even though the IAEA does an excellent job reducing suspicions and increasing transparency, it is more desirable for the two Koreas to directly get access to each other’s nuclear facilities and data and then establish confidence. I think that bilateral and quadripartite regimes, similar to those that were developed by Argentina and Brazil, can facilitate North and South Korean access to each other’s facilities. In the future, we would like
to formulate a regime in which North and South Korea can have much more confidence in each other’s nuclear programs, and with their own access to each other’s nuclear facilities and equipment.

In practical and economic terms, if inter-Korean cooperation increases, I think this poses an advantage to unify the two Koreas’ technical systems in the science and technology fields, including the nuclear area. Combining the two separate systems in many ways will improve efficiency in the industries and, of course, solidify the relations between the scientists in each area. Our ultimate goal is unification, and I think we can pursue our unification process by uniting each area if feasible.

We begin this unity process in piecemeal, but as more is achieved, we can achieve the entire unification of the Koreas. In terms of unification, I believe that if we apply the ABACC experience, then the nuclear area can be a forerunner of this unification process.

In short, applying the ABACC experiences to the Korean peninsula is feasible, desirable, and worth trying. Based on this premise, let me elaborate on some of the action plans. I propose four step-by-step stages, beginning first with confidence-building measures (CBMs). The second stage would involve reciprocal inspections between North and South Korea. The third stage is a period that I call the “Inter-Korean Regional Cooperation Agreement” stage, which I see as being very similar to ABACC’s bilateral stage. Finally, we move to the four-party inspections agreement by involving the IAEA.

The CBM stage is first—coming before mutual inspections—because it is politically very difficult, at the moment, to resume the Joint Nuclear Control Commission (JNCC) and negotiate the mutual inspections regime. Implementing some modest CBMs is necessary in order to reinitiate this process. I propose some “soft” CBMs, which can be easily agreed to and implemented. I also propose some “hard” CBMs, which will take some time and effort.

Under the assumption that there will be cooperative movement between the two Koreas, I propose that North and South Korea subsequently talk about inspections regimes. South-North mutual inspections have many important merits. From the inter-Korean relations perspective, it is important for Seoul and Pyongyang to maintain an independent nature for reciprocal inspections, thereby establishing the principle that problems on the Korean peninsula should and can be resolved by the Koreans themselves, instead of by relying on others. This is a matter of principle for both peoples on the Korean peninsula. Regardless of the effectiveness or implications of the inspections regime, I think this inter-Korean inspection regime is worth trying.

Let me address the trilateral relationship between South Korea, North Korea, and the United States. In the 1990s, the United States was interested in instituting a strong bilateral inspections regime on the Korean peninsula in order to complement IAEA inspections. U.S. interest in these negotiations leads me to a hypothetical scenario: if inter-Korean relations had moved ahead in the nuclear field, and South Korea decided not to have an inter-Korean inspections regime, I think the United States would have opposed it. I think the United States would push North and South Korea to implement their inspection commitments under the nuclear declaration, a few components of which would include very rigid and strong nuclear inspections.

We would like inter-Korean inspections to complement IAEA inspections in some technical, economic, and other perspectives. From an economic point of view, establishing bilateral nuclear
cooperation and increasing exchanges and cooperation between the two nuclear industries won’t be possible without a solid and broad understanding of each other’s nuclear programs. Thus, before the benefits of economic cooperation in the nuclear field are realized, there needs to be a transparent exchange of programs and mutual understanding of each other’s nuclear entities. This won’t be possible without bilateral nuclear inspections.

After the negotiations have concluded, and the two Koreas have implemented some modest nuclear inspections, we should deliberately skip the former, previous demands of inspecting military facilities. We should not mix nuclear inspections with military inspections by targeting conventional military sites. We should use our wisdom to make the program easier to resolve, not more difficult.

The third stage is more or less a copy of the ABACC experience for the Korean peninsula. We would establish a similar organization like ABACC, called the Korean Peninsula Agency for Nuclear Accounting and Control, hereafter termed the “KANAC.”

This Korean version of ABACC is my own idea. There are two things that make it different from ABACC. First, the Korean version has the right to initiate its own special inspections. That is important because KANAC would have more independence from the two governments, which would increase the organization’s credibility and reduce international suspicions of the two Korea’s nuclear programs.

I also propose the establishment of a division in charge of nuclear materials, which North and South Korea would create, called the Nuclear Material Supply Division (NMSD). The NMSD would take control of all nuclear materials and equipment imported, exported, or produced by the two Koreas and would distribute them to nuclear operators in each side. This would establish a single unified system of accounting, control, and supply of nuclear materials and equipment in Korea.

Before moving to the final stage, international suspicions over the past nuclear activities of North Korea will have to be resolved. I think we can devise a compromise based on what North Korea and the IAEA have said previously, and also what the U.S. and South Korean governments had intended to do in the early 1990s. One format could be that the IAEA and South Korea inspect the two undeclared sites, which were announced to be a nuclear military site by North Korea. In return, North Korea could inspect two U.S. bases in South Korea. This is one format and it is based on the arguments made by the concerned parties in the early 1990s. I am unsure if the concerned parties still stick to the arguments they made before. When the issue is discussed anew, there may be different positions on this issue. If that occurs, then we can formulate other compromises.

The last stage is also a copy of the ABACC experience. We would invite the IAEA to create a quadripartite inspections regime. The other parties would be North Korea, South Korea, and KANAC.

The establishment of a regional inspection system on the Korean peninsula must incorporate the international inspection mechanism into the KANAC system. The four-party inspection system among the two Koreas, the KANAC, and the IAEA would ensure that inter-Korean nuclear cooperation and the KANAC inspection regime contribute to peace and security in Northeast Asia.

In conclusion, this multiparty inspection system can be instituted in Korea if the following three conditions are met: first, international suspicions about North Korea’s past should be resolved.
to the satisfaction of the international society; second, this bilateral inspections regime between North and South Korea should obtain credibility from the international community for its technical effectiveness and political integrity; and third, the command for a bilateral inspections regime or for a quadripartite inspections regime should make it very clear that it is an organization supplementing—not replacing—the IAEA inspections regime. If these conditions are met, I think international suspicions about North Korea and suspicions of the South Korean nuclear program will lessen.

Both bilateral and multilateral inspection regimes can be a basis for developing inter-Korean nuclear confidence building, and also directly contribute to inter-Korean unification, regional peace and prosperity.

Thank you.

Participant: Regarding the inspections, you mentioned several sites. We have to look very carefully about what we mean when we say “undeclared sites.” By looking at it, inspecting it, what do we get? What do we confirm? What do we verify? North Korea takes these demands as if we are asking to see its hideouts. If we are really going to look at these sites, then we have to inform North Korea what we are verifying. Fundamentally, we must understand what we get by doing certain things. Is it worthwhile? Can we convince North Korea that what we are doing is worthwhile for them as well? I think these areas must be clarified and stated very clearly so that North Korea understands this.

Seongwhun Cheon: Regarding the two undeclared sites, North Korea cannot avoid allowing international inspections on these two sites because these are the primary targets of the IAEA. These have also been mentioned in the Agreed Framework, which already has been delayed for several years. The phrase in the Agreed Framework says that North Korea is supposed to accept all the measures that the IAEA wants at this stage. We interpret that phrase to mean the IAEA has a right to go ahead and see these two sites, including others, which are the two undeclared sites. Both are related to the waste disposal site.

These two undeclared sites are famous. This was an issue in the early 1990s when North Korea and South Korea were negotiating inspection regimes and they could not find a proper format. It is going to be an issue again when the time comes, and I think it is better to devise some kind of compromise.

We cannot demand unilaterally that North Korea accept only IAEA inspections to these two sites. We should provide some “carrots”; South Korea should also do something. We cannot just observe, as an outsider, what is going on with the IAEA, North Korea, and the United States. We should have some role in this process.

Actually, I was very dissatisfied that South Korea had such a minimal role in the Agreed Framework. The proper role of South Korea in this process is resolving North Korean nuclear suspicions. We should do something at this stage. South Korea contributes 70 percent to the KEDO project. Without becoming more involved, the South Korean public will not accept these large financial contributions to the KEDO project. South Korea should be a part of the inspections team. This could be one of the reasonable suggestions we make to the other concerned parties.

Participant: Since I am the only political scientist here, I may be the right person to raise these kinds of problems. What Dr. Cheon proposed is very valuable. He clarified the stages that we can
take for confidence building. There are a lot of lessons that we have to learn from. My question can be compared to a bride and a bridegroom. Do you think there are any brides or bridegrooms who do not marry because they do not know how to get married, because they don’t know the procedure of the wedding ceremony? I think that story can be compared to the kind of situation with North Korea. We know procedures can prepare North Korea for the inspections. We can take lessons from Brazil and Argentina. But if North Korea does not want these lessons, then what shall we do? As a political scientist, I think there are more important questions that have not been answered yet. I know this is a very vague question, but I will elaborate more this afternoon.

Secondly, Dr. Cheon admitted that the geo-political situation on the Korean peninsula is different from that of Brazil and Argentina. But still he is arguing that we should imitate or study the cases of Brazil and Argentina. I would like to raise a couple of questions here. First, do either Brazil or Argentina feel threatened by an outbreak of war or state extinction? It is an entirely different situation there. In the case of Brazil and Argentina, they competed during the 1970s over nuclear areas, but they did not feel the threat of state extinction or the outbreak of war.

Second, Brazil and Argentina have a bigger framework—the Treaty of Tlatelolco—under which they can pursue their own national interests as well as gain security. The situation on the Korean peninsula is entirely different. So, without considering these kind of geo-political elements, what is the wisdom of talking about procedure?

**Participant:** From the Brazilian point of view, we do have very different situations. However, the point is that if you can apply something from ABACC’s experiences to the Korean case, then I think that the first decision must be the political one. This regime of inspections was important, but I absolutely agree that the first step should be confidence-building measures.

I also want to make a comment about the paper. I think that ABACC’s experience can be applied to the Korean case. If you have a mutual inspections regime, you must have a way to solve problems. Otherwise, you end up with more problems. No serious inspection process exists without difficulties. In this aspect, our experience with military people is a good example, because they think in different ways based on their different missions in society.

The mutual inspection mechanism is needed to solve problems. It is a very different situation for Brazil and Argentina. If Argentina finds something in a Brazilian installation that’s not right by his understanding, it is not the inspector who reacts. The inspector makes note of it, but the decision about what to do is made in ABACC headquarters, where both Brazilian and Argentine people participate.

There was a mistake made earlier. We have two organizations. One is ABACC and the other is Mercosul, which started at the same time. Mercosul has no physical, permanent organization, and does not provide a means to resolve disputes. In ABACC, however, we have both the technical and political ways to do so. Thus, I think that the inter-Korean nuclear cooperation stage should be moved to the second stage. I do not think it is a good idea to use South Korea to prove that North Korea was wrong. It would not be a good start.

I think that the U.S. position in the Agreed Framework recognized that North Korea needed energy. That is the first thing that’s important in this process. There are other strong motivations
that can solve having a political solution for the Korean case. I think that North and South Korea have been divided for more than 50 years. If there were no external interest, then this situation would remain between the Koreans.

**Participant:** I would like to discuss this issue more. Through our work, we have found that there is a dissatisfaction with international approaches in regions of tension. When we did a series of workshops in the Middle East on the lessons of ABACC, the country most interested was Israel. It was actually quite an intense interest at the Ministry of Defense and at the Atomic Energy Commission. They are well aware of the differences in the security environments, but they felt that there were many paths to transparency. They wanted to maximize the tools available to them in dealing with their security environment.

The Israelis felt that the IAEA approach was flat out unacceptable, and so they looked at both options by examining how the process unfolded and what it meant for them. Is it possible to have it unfold in the Middle East? They would certainly like to see democracies in the Arab states before they make a resolution of this problem, but that could be 50 years from now. They also wanted to see how the treaties were negotiated and what language was used. They were very interested in avoiding any potential problems. Studying the actual language of the agreements was very interesting to them. They also were interested in the lack of preparation, because I think Marco Marzo made the point of how quickly they had to organize all of this in Latin America.

The Israelis did not and do not want to be caught unprepared. They don’t want to have to create an agency in two months. ABACC had a very short amount of time to get organized, maybe six months?

**Participant:** Yes, but it was being prepared from the time when Brazil and Argentina started discussions.

**Participant:** I would like to make a last point on this. Politically, the Israelis cannot depend on the IAEA. If the Agency says, “Iran is free of nuclear weapons in essence,” Israel simply doesn’t believe it. So if their people aren’t there inspecting, whatever is created will have no credibility. In that case, it is a credibility problem. Whatever is developed, they have to be part of. There are practical reasons.

**Participant:** How do we interest North Korea in a regional system like this?

**Participant:** Certainly that’s the big question. We would phrase it as “how to open the door.” What we were hoping was that we could have a discussion on incentives. Inspecting military sites, if the North Koreans would accept that, would be very useful. But we would like to see a broader discussion of incentives for the North Koreans to accept a bilateral approach. Incentives, whatever the area, could be very simple or very complex. There is no proper incentive structure for a bilateral approach. There is one for the IAEA approach, but we see it as so long that there will be too many opportunities for disruption along the way. We would like to see a path laid out that could encourage North Korea to participate.

**Seongwhun Cheon:** A North Korean positive response is really important, and I think that all of the things that we are going to talk about today and tomorrow are based on the very premise that North Korea will respond positively. But the reality is we would be very suspicious if North Korea showed a positive response to any of our initiatives. We have to test whether North Korea would respond to our initiatives.
I can think of three ways. The first one is to use international gatherings to push North Korea internationally. For example, at the present G-8 summit, they issued a statement praising inter-Korean cooperation and encouraging North Korean Chairman Kim Jong-il to pay a visit to Seoul soon. If the G-8 summit statement had included a sentence encouraging inter-Korean nuclear cooperation, it would have been really nice. I think this is a way to utilize international gatherings and statements to induce North Korea to accept our demands and international criteria.

The second route would be through linkages. North Korea wants economic cooperation and humanitarian aid. In some way we should link our aid to North Korea with matters to reduce their military threats, one of which would be nuclear cooperation. Finally, there is the top down approach, as discussed yesterday with David Albright and others. I think that North Korea is a system entirely commanded by the top man, Kim Jong-il. If we have a way to influence him, then it would be easy to control North Korea. One way would be to directly raise this issue with Kim Jong-il. If the second summit would happen in the coming days, then I think this would be a good opportunity for us to raise this issue with North Korea. From the South Korean side, we could prepare a modest list of confidence-building measures in the nuclear field and present this to Kim Jong-il as part of the entire package.

Participant: It is impossible to apply the situation of South America to this situation. It is completely different. I would like to make some observations to your paper.

At one point, you state: “Since the two Koreas are accepting IAEA inspections, in order to apply the ABACC’s four party safeguards experiences to the Korean peninsula, the existing full-scope safeguards agreements should be replaced by a new multilateral safeguards arrangement. Substituting two separate safeguards agreements with a combined one and inviting the IAEA’s participation is an unprecedented event.”

In some ways it seems like you are conditioning a mutual inspection system to a negotiation of the safeguards agreement. I disagree that this needs to be done. I don’t see any need to discuss the safeguards agreement before you have a mutual inspection system in operation.

Subsequently in your paper, you state: “the inter-Korean inspection organization becomes a prime inspection authority and the IAEA plays a supplementing role.” That is not the case in ABACC. It is not true that the IAEA plays a supplementary role in ABACC’s situation.

Seongwhun Cheon: The two points you have raised are raised by those who are against the application of ABACC to the Korean peninsula. This is one argument. That is not my argument, that is an argument that I attack.

Participant: Yes, I know. I am only noting that that has not been the case, and never has been the case for ABACC. Perhaps, that is the case for EURATOM. I was thinking about the process of confidence-building first, inspections later. As far as I know, there is a commitment already signed to have mutual inspections. Why not try to speed the implementation of those first? In order to start mutual inspections, you need to have first a declaration of facilities and then a declaration of nuclear materials, some preliminary visits, and assistance for dealing with questions that arise from dealing with inspections.
There was a very important point, made by a previous participant, that this is a political mechanism for dealing with controversial issues. By discussing all these facts, and exchanging information about facilities, materials, and so on, in order to be prepared to carry out mutual inspections, you are building confidence.

I am not a politician. If you told the other side that in order to be prepared for mutual inspections, the following steps must be taken: inventory declaration, facility declaration, preliminary visits in order to find the safeguards approach that should be applied to this facility, etc. These are the steps that should be taken prior to any inspection. It is a great deal of work to do before mutual inspections can begin, but the process builds confidence. This mechanism of trust will also help deal with future problems.

First, the two Koreas should build confidence, and then have inspections. But both sides must commit together if politically possible. Technically, these two issues are linked. Brazil and Argentina started by exchanging information about facilities and nuclear inventories, and everything was done to be prepared for this system of inspections.

Seongwhun Cheon: Let me make one clarification. The second stage, which is the mutual inspection stage, involves restarting negotiations and talking about this exchange of data. This process is started first and then evolves into an agreement on the inspection regime. Afterwards, inspections activities can start. The Korean case does not have an inspection regime yet. We only have the Joint Declaration itself, and the declaration says the two sides should inspect the object chosen by one side, but agreed by both sides. It also says that the detailed inspection procedures will be negotiated by the JNCC.

The JNCC was formed in early March 1992. Negotiations began on a host of topics, such as which nuclear facilities, how to exchange data, and the creation of a database. Unfortunately, the issue of inspecting U.S. bases and inspecting North Korean military sites became mixed in with nuclear inspections. It became more complicated when the IAEA made its special inspection request, and the U.S.-South Korean “Team Spirit” joint military exercise resumed. All of these things exacerbated the political environment. The negotiation finally stopped in early 1993. Then North Korea renounced its membership with the NPT. We tried to have this inspection regime, but it failed. If the second stage starts in the future, I would suggest we restart the negotiation process from the beginning, from this question.

Participant: This is a clarification point for me. In your paper, you say: “the limitation of the inspection system.” What does that mean? What kind of limitations are you talking about? The IAEA will release a report to you and they will release a report to North Korea. The Agency is not against North and South Korea exchanging reports. The same thing happened in our case—the Agency sent a report to Argentina, Brazil, and to ABACC. It is important for the countries to share this information. I don’t see that this is a limitation of inspections.

Seongwhun Cheon: What is a better alternative to inspections?

Participant: It is important to have inspections in North Korea.

Participant: That is the advantage of having a third party organization, because it can be done indirectly. The Agency brings confidence to the process so that we know what our neighbor is
doing. Brazil knew that ABACC was looking for Argentinean activities. Argentina knew that Brazil was looking for Brazilian activities. There are many stages and many technical levels and ABACC has many expert advisers. We also have the commission on ABACC. This creates confidence between the two governments.

**Participant:** I had a second question. You write in your paper that: “The KANAC would apply the principle of joint inspection teams and observation and verification.” I was around EURATOM in the 1980s. Even EURATOM people at the time remember it was not convenient for the Agency—this principle of observation and verification and joint inspection. After ten years, we are moving toward a relationship of joint inspections. We are making inspections at the same time. We are sharing most of the safeguards equipment. We are sharing most of the measurements. But we are not yet, after ten years, making “joint inspections.” In the field—yes, maybe in several cases there is practice with joint inspections, but there needs to be joint inspections. From a formal point of view, we have just started to discuss inspections in order to be able to apply and carry out joint inspection activities. It is not easy. This is hard work.

**Chairman:** We will close this morning’s session and will continue after lunch.