

REPORT ON U.S. HUMANITARIAN ASSISTANCE TO NORTH KOREANS

April 15, 2006

I. Introduction and Background

Section 201 of the North Korean Human Rights Act of 2004 (P.L. 108-333) requires the Administrator of the United States Agency for International Development (USAID), in conjunction with the Secretary of State, to submit a report to Congress that describes, for the previous year, all activities to provide humanitarian assistance to North Koreans; any improvements in humanitarian transparency, monitoring, and access inside the Democratic People's Republic of Korea (DPRK or North Korea); and specific efforts to secure improved humanitarian transparency, monitoring, and access inside the DPRK. This is the second USAID report submitted under the requirements of the North Korean Human Rights Act.

The North Korea Human Rights Act states that the North Korean government still denies the United Nations (UN) World Food Programme (WFP) sufficient access to monitor delivery of food aid properly. The Administration agrees with this finding. Over the last year, U.S. officials have closely followed the changing monitoring and access situation in the DPRK, and have continued active efforts to encourage the DPRK government to address transparency, monitoring, and access issues.

II. Activities to Provide Humanitarian Assistance

The primary means of U.S. assistance to North Koreans inside the DPRK over the last year has been emergency food aid provided on a humanitarian basis. The U.S. does not link humanitarian aid decisions with concerns about a regime's political or security policies, whether in the DPRK or any other nation. Food aid decisions are based on three criteria – demonstrated need, competing needs elsewhere, and the ability of humanitarian groups to assess needs and monitor distribution.

Based on these criteria, in June 2005, the U.S. pledged 50,000 metric tons (MT) toward WFP's 2005 appeal. The commodities, valued at \$18.5 million, included 16,800 MT of wheat, 16,800 MT of maize, 12,000 MT of soybeans, and 4,400 MT of vegetable oil. Following consultations with WFP on the timing of

deliveries, the U.S. agreed to deliver 25,000 MT of food to the DPRK between September and December 2005 and an additional 25,000 MT after December 2005. Due to the higher levels of malnutrition in the northeastern portions of DPRK, our agreement with WFP continued to stipulate that at least 75 percent of food aid provided to WFP for the DPRK be shipped to the northeast ports of Chongjin or Hungnam.

In addition to food aid, the U.S. stated in its June, 2005 announcement that it was prepared to support targeted health interventions for children and small-scale food security projects in North Korea. On July 14, 2005, USAID and State Department representatives met with InterAction's North Korea Working Group to outline the objectives of U.S. support in these new areas and to encourage the submission of proposals that would meet those goals. In particular, USAID stressed:

- a) the needs of the urban poor in the northeastern cities who have no opportunity for employment and no access to the countryside to obtain food;
- b) the impact of the failed health services sector, particularly on the development of children; and,
- c) the importance of establishing small "pilot" well monitored activities with experienced NGOs who could demonstrate the viability of humanitarian activities in these critical new sectors.

A number of NGOs expressed interest in pursuing activities in these new humanitarian sectors, but none to date have been able to negotiate an agreement with the government of DPRK that would meet the basic requirements outlined above.

III. Improvements in Transparency, Monitoring and Access

When providing emergency food aid, the U.S. objective is to ensure that food aid reaches those who need it the most. To promote the effectiveness and transparency of food aid programs, humanitarian organizations generally require all recipient countries to comply with international standards related to monitoring and access. UN agencies, NGOs, and most traditional donors of emergency food aid worldwide agree on these international standards.

Even under the arrangements in place in DPRK at the beginning of the reporting period, however, that government's refusal to meet international standards makes it difficult to determine how much food aid was reaching intended

beneficiaries and how successfully WFP was helping those most in need. Four standards, which are common to almost all other WFP programs around the world, were still not being met at the beginning of the reporting period in the DPRK:

- Beneficiary list – DPRK officials have not provided WFP a list of beneficiary institutions, which is required to undertake random monitoring.
- Unannounced visits – WFP is not allowed to make unannounced field visits and select interviewees at random, but must seek approval from the DPRK government up to five days in advance of any monitoring visit.
- Access – WFP does not have access to all 203 counties/districts to assess needs and determine the areas and beneficiaries of greatest need.
- Native Korean speakers – WFP is not allowed to recruit Korean speakers as international staff.

Rather than realizing improvements in any of these critical areas during the last year, the humanitarian programs in the DPRK have suffered comprehensive setbacks in programming, monitoring, and access. Consistent with the DPRK government's earlier decision in August 2004 to seek a reduction in the number of monitoring visits and international staff presence, the North Koreans formally advised the international community in August 2005 that "the humanitarian assistance work of the international organizations" must end by the end of the calendar year.

In both written correspondence and direct discussions with U.N. officials, North Korean officials described the potential continuation of United Nations assistance in the following context:

- 1) UN offices may remain open in the DPRK, but all expatriate staff must leave;
- 2) All future assistance must be developmental;
- 3) All future programs must be implemented entirely by North Korean nationals with expatriate visits only two or three times per year.

North Korean officials cited three major issues that prompted their decision to end the humanitarian programs of international organizations:

- 1) The decline in the level of aid (through the UN);
- 2) The improving humanitarian situation in the country and the anticipated “bumper” harvest;
- 3) The fear that continued assistance would promote dependency.

After consultations with UN partners and other donors, the United States believes that a different set of factors motivated the North Korean decision to end humanitarian programs. These factors include:

- 1) Agricultural productivity in the DPRK has improved significantly since its collapse in the mid-1990’s. Agricultural production has increased from about 2.7 million metric tons in 1997 to 4.2 million metric tons in 2004;
- 2) Large scale bilateral aid from the Republic of Korea (ROC or South Korea) and China, with minimal or no monitoring requirements, reduces the pressure on the DPRK to work with the broader humanitarian community;
- 3) UN access and monitoring requirements (which are supported by donors) are considered highly invasive by the DPRK;
- 4) Declining aid levels through the UN system to the DPRK (partially due to donor fatigue after ten years of assistance and the lack of improvements in monitoring and access).

IV. Efforts to Secure Improved Transparency, Monitoring and Access

The United States recognizes that the food security situation in the DPRK is significantly better today than it was at the peak of the crisis period in 1997. Particularly as a result of generous humanitarian food aid contributions in the early years of the crisis and from substantial bilateral assistance today from the ROK, in the form of food and fertilizer, the DPRK’s current per capita availability of food does not support the development of large-scale general food distribution programs. On the contrary, the generally improving food security situation in the country over the last few years requires humanitarian interventions (both food and non-food) that are much more focused on the disenfranchised groups in the DPRK who have little access to food or income.

Prior to the DPRK’s August announcement that humanitarian programs would end, the U.S. had continued its efforts to improve transparency, monitoring, and access for humanitarian aid organizations in the DPRK.

U.S. officials had continued to hold bilateral meetings with governments that provide the DPRK with food and other assistance to discuss transparency,

monitoring, and access issues. In discussions with the ROK, Japan, China, Russia and the European Union, U.S. officials explained in detail the reasons for our concerns, and urged those governments to press the DPRK to allow better access and monitoring, consistent with international standards. U.S. officials also strongly encouraged those governments to give food and other assistance destined for the DPRK through WFP or other aid organizations that make serious efforts to undertake regular monitoring visits.

U.S. officials had engaged UN counterparts on DPRK aid issues. UN officials told us they shared U.S. humanitarian objectives and agreed on the importance of transparency, monitoring, and access. U.S. officials had been in particularly close contact with WFP officials through almost continuous working-level contacts and a series of discussions with the senior WFP leadership.

Following the DPRK's announcement regarding the ending of humanitarian programs, the U.S. expanded its contact with the donor community and U.N. organizations in an effort to promote a coherent approach to continued humanitarian assistance in the DPRK.

In September, the U.S. met with senior representatives of the WFP to outline U.S. concerns regarding continued assistance to the DPRK. First, the U.S. recognized that while the large countrywide WFP program may no longer be required, there were still vulnerable groups in the DPRK in need of continued humanitarian assistance. Orphans, pregnant women, the elderly, and the urban poor in the northeastern cities are all “at risk” populations. Second, the U.S. stressed that, contrary to the objectives of the DPRK’s planned closure of the humanitarian activities, any new, smaller, more targeted humanitarian activities would require improvements in monitoring and access – not reduced monitoring and access. WFP acknowledged and agreed with these concerns and agreed to prepare a proposal for the DPRK’s consideration.

Over the next three months, WFP consulted with other members of the donor community and the DPRK government to determine the range of issues that would need to be addressed in a program that would meet the requirements of both groups. WFP’s consultations with the DPRK included two visits by its Executive Director, James Morris. In January, WFP released a proposal for a Protracted Relief and Recovery Operation in North Korea (PRRO 10488.0). The draft PRRO for the DPRK outlined a “Recovery Assistance” program as follows:

- Duration: 2 years (April 1, 2006 – March 31, 2008);
- Beneficiaries: 1.9 million (children under five in institutions, pregnant/nursing women, school feeding, food for work);
- Tonnage: 150,000 metric tons (75,000 metric tons per year);
- Geographic coverage: 160 out of 203 counties;
- Monitoring: PRRO 10488.0 will rely more on skilled national staff because the number of international staff will be much lower than in 2005.

WFP presented the DPRK PRRO at its February, 2006 Executive Board meeting for consideration and potential approval by the member States. Executive Board members, including the U.S., widely shared concerns about the deficiencies of the DPRK PRRO with a particular focus on the severe limitations placed on humanitarian monitoring and access by the DPRK. In its presentation to the board, the U.S. made the following points:

- The improvements in the DPRK's food availability, both from domestic production and bilateral assistance, validate the reduced scope of the proposed program;
- Those same improvements in food availability also demand commensurate improvements in the assessment of humanitarian needs, the targeting of food aid to the most vulnerable, and the monitoring of food aid programs;
- These improvements are not evident in the DPRK PRRO;
- WFP acknowledges in the PRRO document that its assessment and monitoring capabilities would be severely constrained – no baseline needs assessment, monitoring visits limited to perhaps only one-third of the proposed counties and only on a quarterly basis, and possibly no regional sub-offices.

After extensive discussion, the Executive Board did reach a consensus to approve the DPRK PRRO, on the understanding that it would not go into effect until WFP and the DPRK sign a Letter of Understanding (LOU) that would clarify the monitoring and access conditions under which WFP would be allowed to operate. WFP also agreed to consult with Executive Board members regarding its negotiations on the LOU and to submit a written report to the Executive Board in June, 2006.

In March, 2006, WFP sent a senior level delegation to the DPRK to begin negotiations on the LOU. WFP has informed the U.S. that it made some modest

progress in negotiating improved monitoring and access terms for its program, but the finalization of the LOU would require additional negotiations in the near future. The U.S. remains prepared to consider contributions to WFP's activities in the DPRK once they have finalized their LOU with appropriate monitoring provisions.

The Department of State will submit a separate report on assistance to North Koreans outside of the DPRK, in accordance with Section 201(b) of the North Korea Human Rights Act.