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United States Department of State

Washington, D.C. 20520

*R21*

**ACTION MEMORANDUM**

**S/S**

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RELEASED IN PART  
B1, 1.4(D)

DECL: 06/01/2015

TO: The Secretary

FROM: EAP - Winston Lord

SUBJECT: PL 480 Title II Emergency Food Aid for North Korea

ISSUE FOR DECISION

Whether the U.S. should contribute \$6.2 million in PL 480 Title II Emergency Food Aid to North Korea pursuant to a World Food Program (WFP) Special Alert and upcoming Emergency Appeal. We would also retain an option to contribute to the medical portion of the appeal and fund USG food aid monitors.

ESSENTIAL FACTORS

WFP Special Alert and Emergency Appeal

According to a recent on-the-spot review by a WFP/FAO assessment team, North Korea's food situation has deteriorated more seriously than anticipated. The DPRK government has been unable to import food commercially and international government and private food assistance provided to date has covered only a minimal part of the deficit, leaving a WFP/FAO estimated shortfall of 1.04 million tons of cereal. Only very limited food assistance and commercial imports are in the pipeline. At present supply levels, the DPRK government may only be able to provide some 25 percent of normal food requirements until the main October harvest. Through WFP and USG intelligence it appears that civilian food consumption has dropped from 650 grams/day to as low as 250 grams/day in affected areas (the military has largely maintained its ration). Consumption at these levels could bring serious malnutrition to the affected populations, and WFP officials anticipate that, without further assistance, the DPRK will soon have to reduce these levels further. However, we note that chances for death by starvation remain remote.

The WFP is coordinating with the UN Department of Humanitarian Assistance to issue an emergency appeal. The appeal will appear in early-mid June. WFP has asked that

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UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: DONALD A JOHNSTON  
DATE/CASE ID: 30 JUN 2004 200302200

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governments make immediate commitments because of the severity of the food emergency. WFP Executive Director, Catherine Bertini has written to NSC Advisor Lake to seek a U.S. commitment in advance of the formal UN appeal (Tab 3).

## Potential U.S. Response

North Korea is on the terrorist list, and there are statutory restrictions on assistance. Nevertheless, the U.S. could respond to the WFP appeal using International Disaster Assistance through the Office of Foreign Disaster Assistance (OFDA) or emergency food aid under Title II of PL 480 because this assistance is authorized "notwithstanding any other provision of the law." The most appropriate USG program for this response is PL 480 Title II. The total WFP appeal for emergency food assistance includes 33,750 tons of cereal for distribution to flood victims and 11,800 tons of corn soy blend (CSB) for a special feeding program for children under age 5. In addition, WFP will probably be seeking 25,000 tons of grain to support a food for work program to repair flood damaged fields, and some 500,000 tons of grain in program food aid or balance of payments supports for commercial imports. The UN appeal may also include a request for medical and agricultural supplies. The proposed USG contribution would comprise about 18 percent of the total WFP request under emergency food assistance and food for work.

We recommend a contribution of \$6.2 million broken into contributions of 5,900 tons of CSB and 6,600 tons of rice. CSB production is a U.S. specialty and is targeted to meet relief needs of children. The rice contribution addresses broader emergency relief needs and Congressional concerns that we use U.S. rice. We would also like to retain the option of contributing to the medical component of the appeal and funding USG monitors for our food assistance.

## Long Term Needs

While the USG has been responding to the food shortfall resulting from flooding in summer 1995, the DPRK has had chronic food production shortfalls, largely brought on by economic policy failures. The current WFP appeal, if fully met, would help the DPRK cope until the autumn harvests but analysts agree that the government needs to make major agricultural reforms to prevent future shortfalls. The WFP has started to address this issue with an anticipated request for some 500,000 tons in program food aid/balance of payments support. NGOs like the Carter Center and the Rockefeller Foundation are also meeting with DPRK officials to discuss agricultural reform. WFP has asked the ROKG to take a leading role in this area.

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Broad Policy Context

While such a contribution is justified on humanitarian grounds, it would also be supportive of our overall policy goals toward North Korea. The DPRK deeply appreciated our humanitarian donation in February. Since the donation, the DPRK has held a first round of missile talks and concluded an agreement on Korean War remains. We believe that an unconditional contribution to this new appeal could encourage further progress on bilateral issues and also act as an inducement for a positive DPRK response to the Four Party Peace Proposal. As such, our contribution would parallel the ROK's decision this spring to donate cooking oil and approve economic projects in the North in the context of our joint peace proposal.

Anticipated ROK Response

[REDACTED]

Indications in the ROK press suggest that the ROKG is beginning to prepare its press for the prospect that the US and other governments will provide some aid when the appeal is announced.

[REDACTED]

We have already alerted the ROKG to the possibility of a positive USG response to the WFP appeal. WFP has also begun consultations to convince the ROKG to participate in a large "food for work" land rehabilitation/feeding program, or at the least, to not block other potential donors. If the Administration decides to pursue further assistance, we would want to consult with the ROKG before announcing our decision and urge it to make its own contribution. In doing so, we would emphasize that our modest humanitarian contribution is limited to emergency assistance and would not significantly undercut ROK leverage, since Seoul would still be the only country that could immediately provide large scale food and economic assistance to the DPRK.

Japanese Response

[REDACTED]

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[redacted] While we certainly don't need another formal tripartite meeting now, we should consult closely with both partners.

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Congressional Response

During consultations on the U.S. \$ 2 million food aid proposal in January, Rep. Gilman expressed concerns over verification of the shortfalls and military diversion issues. In the end, Gilman and others acceded to the donation and monitoring plan. WFP representative, Doug Coutts briefed Congressional staff from May 20 - 22 on the ongoing North Korea food shortfall and distribution of the \$2 million USG contribution. Before announcing any U.S. contribution, State and USAID should hold Congressional consultations with the eight committees with jurisdiction over the PL 480 program. These are the foreign relations and agricultural committees of both Houses, and foreign operations subcommittees of the Appropriations and Agriculture Committees. We would also target individual members with a special Korea or humanitarian relief interests, such as Rep. Jay Kim, Rep. Tony Hall, Senator Paul Simon, Rep. Bill Richardson and Rep. Robert Livingston. We anticipate that members will be concerned that during our consultations on previous contributions, we did not forewarn them of a further contribution.

[redacted] We would make clear to the ROK that our donation is modest and humanitarian. Any large scale assistance will have to come from South Korea and Japan. Given North Korea's major, long term needs, Seoul will still retain its leverage with the North.

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PL 480 prohibits military handling or distribution of donated commodities. The USAID Administrator may approve an exception to this restriction if non-military channels are unavailable. A recent amendment has deleted the requirement for notification of an exception. Our recent experiences with food distribution suggests that the use of military vehicles may be required in deliveries to some remote areas because of civilian fuel shortages. While the WFP does not plan to use military vehicles in its distribution plan and we no longer are required to inform the Congress, we should alert them to the possible practical need for military vehicles because of political sensitivities.

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U.S. Media Coverage

There has been some positive press coverage of this issue including a May 22 New York Times and a May 20 Washington Post editorial. The NYT piece urged the Clinton Administration to provide humanitarian food assistance divorced from political considerations.

Effect of a U.S. Donation

WFP and DPRK officials have told us separately that any U.S. contribution to the ongoing relief effort will provide a significant boost to attracting further government and private sector contributions. While the U.S. contribution will not address major food needs, we anticipate that it will help and advance our overall interests in North Korea.

RECOMMENDATION

That you approve a USG contribution to the WFP of \$6.2 million to be used for North Korea. We should also retain an option to contribute to the medical portion of the appeal and fund USG food aid monitors.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Attachments:

- Tab 1 - WFP Emergency Alert
- Tab 2 - NYT and Washington Post Editorials
- Tab 3 - Letter from WFP Executive Director Bertini

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