

[REDACTED]

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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PAKISTAN: A SAFEGUARDS EXEMPTION AS A BACKDOOR TO REPROCESSING? [REDACTED]

Summary

Pakistan has made preparations to request permission from the International Atomic Energy Agency to remove a small quantity of spent nuclear fuel from the Karachi power reactor under an exemption provision in its safeguards agreement. [REDACTED]

[REDACTED] Islamabad may try to use the exemption (which would allow it to accumulate up to one kilogram of fissile material) as a means to initiate separation of plutonium at the PINSTECH-New Labs reprocessing plant for use in nuclear weapons. [REDACTED]

[REDACTED]

Without access to the exemption, Pakistan will face a choice when the New Labs plant is completed next year between proceeding with its nuclear weapons program, which would then require violation of safeguards to obtain spent fuel for reprocessing, or maintaining the security relationship with the United States and delaying its weapons program until another source of fissile material was available. [REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

A Pakistani request for a safeguards exemption would significantly heighten international suspicions that Pakistan was acquiring plutonium for nuclear weapons, increase Indian anxieties, and raise doubts about the effectiveness of the IAEA safeguards system. [REDACTED]

[REDACTED]

Zia's Tough Choice

We believe that the expected completion next year of the New Labs reprocessing plant at the Pakistan Institute of Nuclear Science and Technology (PINSTECH) will put strong pressure on Pakistani President Zia to choose between delaying fissile material production indefinitely (thus risking loss of momentum in the nuclear weapons program) or moving forward with production plans [REDACTED]

[REDACTED] In our view, Zia and his advisers continue to believe that they must acquire nuclear weapons because they have concluded that their existing military capabilities, including the promise of US military equipment, will not adequately protect Pakistan against Indian aggression. Since President Zia's visit to the United States in December 1982, we have detected continuation of longstanding efforts to acquire components for nuclear devices and to bring into successful operation the only two facilities capable of producing fissile material for nuclear weapons in Pakistan, the PINSTECH-New Labs reprocessing plant and the Kahuta enrichment p[REDACTED]

-- [REDACTED]

-- [REDACTED]

-- [REDACTED]

[REDACTED]

Buying Time with a Safeguards Exemption

[REDACTED] Pakistan has explored the possibilities for acquiring small quantities of fissile material from spent fuel legally obtained from the Karachi power reactor under an exemption clause in Islamabad's safeguards agreement with the IAEA. The Pakistani leadership may believe that, as long as the safeguards agreement is not technically violated, it can bring the New Labs reprocessing plant through its shakedown period by using spent fuel from the Karachi reactor [REDACTED]

The exemption clause would permit Pakistan to test its reprocessing plant with a quantity of spent nuclear fuel removed from the Karachi reactor which, when reprocessed, would yield up to one kilogram of plutonium for the purposes of "processing, reprocessing, research, or development." This provision, which is contained in the IAEA document that establishes general conditions for safeguards in countries that have not signed the Nuclear Non-Proliferation Treaty, was intended to allow states to conduct limited tests and experiments, such as examining the performance of reactor fuel, that did not involve enough fissionable material to make a nuclear weapon. Many countries have used this exemption for such legitimate purposes. The IAEA would not require that Pakistan state the purpose of its exemption request, and according to officials in the IAEA Secretariat, the IAEA would be legally obligated to approve at least an initial Pakistani request. [REDACTED]

[REDACTED] the IAEA would attempt to limit the scope of any

[REDACTED]

Pakistani request for a safeguards exemption. Safeguards inspectors at the Karachi reactor would insist on measuring the actual plutonium content of the spent fuel to be exempted and taking the highest possible estimate of its plutonium content in order to limit the quantity available to Pakistan. [REDACTED]

In November and December 1982, [REDACTED] Pakistan might attempt to convert an initial request for an exemption into a "serial exemption." Under a serial exemption Pakistan would return to safeguards one kilogram of separated plutonium and then claim the right to remove a new quantity of spent fuel from the Karachi reactor. In this manner Islamabad, [REDACTED] could acquire a stockpile of plutonium under safeguards and later abrogate safeguards to use the material for nuclear weapons. [REDACTED] the Legal Department is still studying the serial exemption issue, but it would be likely to reject such Pakistani requests if the United States and the Soviet Union objected strongly. [REDACTED]

[REDACTED]

[REDACTED]

We believe that Pakistan may have settled its longstanding dispute with the IAEA over the adequacy of safeguards at the Karachi reactor partly to lessen the adverse international reaction to an exemption request. Islamabad can point to its new safeguards compliance as evidence of its peaceful nuclear intent and observance of international obligations. Settlement of the safeguards dispute also removes a diplomatic pretext that the United States or other countries might have used to oppose any Pakistani exemption request. [REDACTED]

Advantages as Seen by Pakistan

[REDACTED] the Pakistani leadership may perceive some important advantages in resorting to a safeguards exemption once it is technically prepared to initiate reprocessing.

[REDACTED] Islamabad believes that the United States would terminate the security relationship only over unsafeguarded reprocessing or actual production and testing of a nuclear weapon. Such a belief is consistent with Pakistan's scrupulously legalistic approach in its recent public statements on nuclear energy and its negotiations over safeguards at the Karachi reactor with the IAEA.

- By acting openly, Islamabad might also hope to reinforce its claims of peaceful nuclear intent. A request to remove only a few spent fuel bundles, less than the full amount allowed by the exemption, would be presented as proof to the world that legitimate scientific pursuits were indeed the objective. Pakistani diplomats at the IAEA would probably compare the fuel removal with similar actions taken by countries with advanced nuclear programs.
- Pakistan may see the exemption request as buying time to complete operational testing of its reprocessing facility. The unfavorable report issued by the Belgonuclaire technical team could make Islamabad even more disposed to testing its reprocessing plant thoroughly before initiating unsafeguarded reprocessing.
- Islamabad may also calculate that legal reprocessing under the exemption clause could provide limited cover for diverting larger quantities of spent fuel to New Labs. Because the plutonium content of spent nuclear fuel varies widely, depending on the length of time a particular bundle has been in a reactor, the IAEA might

[REDACTED]

not be able to verify that only enough spent fuel to produce one kilogram of plutonium had actually been removed from Karachi under the exemption procedure.

[REDACTED]

Disadvantages of Other Options

We believe that the disadvantages of Pakistan's other options for obtaining fissile material for nuclear weapons production make reprocessing spent fuel under the exemption clause attractive in the short run. There are serious problems with attempts to:

- Divert spent fuel clandestinely from the Karachi reactor. Spent fuel removed in violation of safeguards would provide the most certain and largest source of plutonium. Zia, however, is probably persuaded that the United States would terminate the security relationship if it became aware of such a violation, now more likely because of the stricter safeguards at the reactor.
 - Obtain weapons-usable material from the Kahuta enrichment plant. [REDACTED] we estimate that continuing technical problems will delay production of highly enriched uranium required for nuclear weapons at the Kahuta enrichment plant until 1985 at the earliest.
 - Obtain weapons-usable material from another country. We believe that China, which has provided some assistance to the Pakistani nuclear program, is the only possible foreign source of weapons-usable material or spent fuel for processing. As far as we know, however, China has never given Pakistan such material and it is an unlikely future source. In our view, Beijing will not raise the level of its involvement--until now probably limited primarily to technical advice--because of its concern that this would further adversely affect nuclear energy cooperation with Western countries and Beijing's efforts to improve relations with New Delhi.
- [REDACTED]

