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Highlights

Highlights of [GAO-06-93](#), a report to congressional requesters

Why GAO Did This Study

The International Atomic Energy Agency's (IAEA) safeguards system has been a cornerstone of U.S. efforts to prevent nuclear weapons proliferation since the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) was adopted in 1970. IAEA has strengthened its safeguards system and increased efforts to combat nuclear terrorism by helping countries secure nuclear and radioactive material and facilities. This report (1) identifies the steps IAEA has taken to strengthen safeguards, (2) assesses the challenges in implementing strengthened safeguards, (3) identifies U.S. financial support for safeguards, and (4) describes IAEA's efforts to help secure nuclear material and facilities.

What GAO Recommends

GAO recommends, among other things, that the Department of State work with IAEA to consider (1) eliminating or reducing the number of agreements that limit IAEA's authority to implement strengthened safeguards in countries with small quantities of nuclear material, (2) establishing better measures to evaluate the effectiveness of safeguards and nuclear security activities, and (3) rectifying human capital practices that negatively impact IAEA's ability to recruit and retain critical safeguards staff. The Department of State generally agreed with our recommendations. IAEA provided technical comments, which we incorporated into the report.

www.gao.gov/cgi-bin/getrpt?GAO-06-93.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gene Aloise at (202) 512-3841 or aloise@gao.gov.

NUCLEAR NONPROLIFERATION

IAEA Has Strengthened Its Safeguards and Nuclear Security Programs, but Weaknesses Need to Be Addressed

What GAO Found

IAEA has taken steps to strengthen safeguards, including conducting more intrusive inspections, to seek assurances that countries are not developing clandestine weapons programs. IAEA has begun to develop the capability to independently evaluate all aspects of a country's nuclear activities rather than only verifying the peaceful use of a country's declared nuclear material. IAEA is also taking steps to improve the management of the safeguards program. However, despite successes in uncovering some countries' undeclared nuclear activities, safeguards experts cautioned that a determined country can still conceal a nuclear weapons program.

IAEA faces challenges that limit its ability to implement strengthened safeguards. First, about two-thirds of NPT signatories have not brought the Additional Protocol, which is designed to give the agency new authority to search for clandestine nuclear activities, into force. Second, safeguards are significantly limited or not applied to many NPT signatories because they possess small quantities of nuclear material or they have not concluded a comprehensive safeguards agreement. Third, IAEA faces a looming human capital crisis caused by the large number of inspectors and safeguards management personnel expected to retire in the next 5 years. Finally, IAEA does not have a system in place to measure how effective its strengthened safeguards system is in detecting undeclared nuclear activities.

For 2004, the United States is providing \$45.3 million to support IAEA safeguards in assessed and voluntary cash contributions—over 34 percent of IAEA's safeguards budget. In addition, various U.S. agencies provided an estimated \$27.2 million in technical support. IAEA's reliance on voluntary contributions, particularly from the United States, will continue despite the agency's recent budget increase. Finally, the agency does not have a process in place to systematically evaluate long-term resource requirements.

IAEA has increased its efforts to help countries improve the physical protection of nuclear materials and facilities, secure other radioactive materials, and respond to acts of terrorism. In 2002, IAEA established a Nuclear Security Fund to which countries have voluntarily contributed \$36.7 million. However, IAEA's reliance on these voluntary funds creates budgetary challenges, and State Department officials raised concerns about the agency's inability to measure the results of its efforts.

IAEA Inspectors Performing Safeguards Duties



Source: IAEA.