



Highlights of [GAO-09-275](#), a report to the Chairman, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

A key mission of the International Atomic Energy Agency (IAEA) is promoting the peaceful uses of nuclear energy through its Technical Cooperation (TC) program, which provides equipment, training, fellowships, and other services to its member states. The United States provides approximately 25 percent of the TC program's annual budget. This report addresses the (1) extent to which the United States and IAEA have policies limiting member states' participation in the TC program on the basis of nuclear proliferation and related concerns; (2) extent to which the United States and IAEA evaluate and monitor TC projects for proliferation concerns; and (3) any limitations and challenges in IAEA's management of the TC program. To address these issues, GAO interviewed relevant officials at the Departments of State (State) and Energy (DOE) and IAEA; analyzed IAEA, DOE, and national laboratory data; and assessed State and IAEA policies toward the TC program.

## What GAO Recommends

GAO is asking Congress to consider requiring State to withhold a proportionate share of its contributions to the TCF for TC program assistance provided to U.S.-designated state sponsors of terrorism or to report to Congress on its rationale for not withholding a proportionate share of its TCF contribution for such countries. State opposed a proportionate withholding requirement. State agreed with the majority of GAO's other recommendations.

To view the full product, including the scope and methodology, click on [GAO-09-275](#). For more information, contact Gene Aloise at (202) 512-3841 or [aloise@gao.gov](mailto:aloise@gao.gov).

# NUCLEAR NONPROLIFERATION

## Strengthened Oversight Needed to Address Proliferation and Management Challenges in IAEA's Technical Cooperation Program

### What GAO Found

Neither State nor IAEA seeks to systematically limit TC assistance to countries the United States has designated as state sponsors of terrorism—Cuba, Iran, Sudan, and Syria—even though under U.S. law these countries are subject to sanctions. Together, these four countries received more than \$55 million in TC assistance from 1997 through 2007. In addition, TC funding has been provided to states that are not party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)—India, Israel, and Pakistan—and neither the United States nor IAEA has sought to exclude these countries from participating in the TC program. Finally, IAEA member states are not required to complete comprehensive safeguards or additional protocol agreements with IAEA—which allow IAEA to monitor declared nuclear activities and detect clandestine nuclear programs—to be eligible for TC assistance, even though U.S. and IAEA officials have stressed the need for all countries to bring such arrangements into force as soon as possible.

The proliferation concerns associated with the TC program are difficult for the United States to fully identify, assess, and resolve for several reasons. While State has implemented an interagency process to review proposed TC projects for proliferation risks, the effectiveness of these reviews is limited because IAEA does not provide the United States with sufficient or timely information on TC proposals. Of the 1,565 TC proposals reviewed by DOE and the U.S. national laboratories for possible proliferation risks from 1998 through 2006, information for 1,519 proposals, or 97 percent, consisted of only project titles.

IAEA faces several limitations and challenges in effectively managing the TC program. First, the TC program's impact in meeting development and other needs of member states is unclear because IAEA has not updated and revised the program's performance metrics since 2002. Second, the TC program is limited by financial constraints, including the failure of many member states to pay their full share of support to the program's Technical Cooperation Fund (TCF). In 2007, the TCF experienced a shortfall of \$3.5 million, or 4 percent, of the \$80 million total target budget, because 62 member states did not pay their full expected contributions, including 47 states that made no payment at all. Furthermore, IAEA has not developed a policy for determining when countries should be graduated from receiving TC assistance, including those defined by the UN as high-income countries. Finally, the TC program's long-term viability is uncertain because of limitations in IAEA efforts to track how project results are sustained and because of shortcomings in strategies to develop new TC program partners and donors.