

Highlights of [GAO-11-482T](#), a testimony before the Committee on Foreign Affairs, House of Representatives

## 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. While the vast majority of TC projects have not involved the transfer of sensitive nuclear materials and technology, TC assistance has been provided to countries of proliferation concern. In March 2009, GAO reported on potential proliferation and management concerns related to the program ([GAO-09-275](#)). This testimony discusses (1) GAO's findings and recommendations to the Department of State and IAEA in that report and (2) agency progress made to implement those recommendations to address these concerns. This testimony is based on GAO's 2009 report and updated in March 2011 by (1) reviewing documentation on actions taken by State and IAEA in response to the report's recommendations and (2) interviewing State and Department of Energy (DOE) officials.

GAO is making no new recommendations at this time and continues to believe that implementation of the recommendations in its March 2009 report could substantially reduce potential proliferation and management concerns related to the TC program.

View [GAO-11-482T](#) or key components. For more information, contact Gene Aloise at (202) 512-3841 or [aloisee@gao.gov](mailto:aloisee@gao.gov).

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## NUCLEAR NONPROLIFERATION

### More Progress Needed in Implementing Recommendations for IAEA's Technical Cooperation Program

## What GAO Found

As GAO reported in 2009, neither State nor IAEA seeks to systematically limit TC assistance to countries that (1) the United States has designated as state sponsors of terrorism—Cuba, Iran, Sudan, and Syria; (2) are not party to the Treaty on the Non-Proliferation of Nuclear Weapons—India, Israel, and Pakistan; and (3) have not completed comprehensive safeguards or additional protocol agreements with IAEA. The former head of the TC program told GAO that requests for TC assistance are evaluated strictly on technical merits. GAO found that the lack of sufficient and timely information provided by IAEA on project proposals limits the ability of DOE and the national laboratories to fully assess potential proliferation concerns associated with the program. In addition, GAO identified limitations in how the program is managed, including the failure of many member states to pay their full share of support to IAEA's Technical Cooperation Fund (TCF) and the use of outdated program metrics. GAO asked Congress to consider directing State to withhold a proportionate share of the U.S. voluntary contribution to the TC program that is equivalent to the amounts of TCF funding that would otherwise be made available to U.S.-designated state sponsors of terrorism, as the United States currently does with Cuba and has done in the past with other countries and territories. GAO recommended that State, working with IAEA, undertake eight actions to address proliferation and management concerns related to the program, such as establishing a mechanism to facilitate greater and more timely information sharing on proposals. GAO made two additional recommendations to State, including enhancing its record-keeping on project proposals identified as having potential proliferation concerns, and developing formal guidance to evaluate requests from TC fellows to study nuclear issues in the United States.

State and IAEA have made some progress in implementing several of the recommendations in GAO's report. This progress includes, among other things, (1) IAEA providing proposal information to the United States and other member states earlier in the project approval process; (2) IAEA pursuing efforts to promote results-based management of TC projects; (3) State doing better tracking of TC proposals that may contain proliferation concerns; and (4) State developing new guidance and criteria for accepting or denying requests by foreign TC fellows to study in the United States. State, however, continues to strongly oppose GAO's suggestion that Congress consider requiring State to withhold a proportionate share of U.S. voluntary contributions to the fund for TC program assistance provided to U.S.-designated state sponsors of terrorism. GAO continues to believe that Congress should give serious consideration to this matter because there is a precedent for such a withholding and because such action would foster a more consistent and cohesive U.S. policy toward such nations that the United States chooses not to engage directly in trade, assistance, and other forms of cooperation.