

General Conference

GC(49)/17

Date: 23 September 2005

General Distribution

Original: English

Forty-ninth regular session

Item 16 of the provisional agenda
(GC(49)/1)

Nuclear Security - Measures to Protect Against Nuclear Terrorism

Progress Report and Nuclear Security Plan for 2006-2009

Report by the Director General

Summary

At its meeting in March 2002, the Board of Governors considered the report entitled *Protection Against Nuclear Terrorism: Specific Proposals* (GOV/2002/10), and approved in principle the proposals for Agency activities in the area of nuclear security. GOV/2002/10 anticipated that with the necessary financial and other resources many of the outputs could be delivered within a period of three years. Other activities were perceived to be ongoing. The Board requested that the Director General should report periodically on progress made in implementation of the proposals and the funding thereof. This request has been met by reports GC(47)/17, GOV/INF/2004/1 and GOV/2004/50-GC(48)/6 successively. The 48th General Conference in resolution (GC(48)/RES/11) *inter alia* encouraged the Director General to prepare an annual report highlighting significant accomplishments of the previous year and establishing goals and priorities for the year to come to be submitted to the General Conference at its 49th session. This report fulfils these requirements by providing a review of activities and achievements over the three-year period anticipated in GOV/2002/10 by describing a new nuclear security plan for the period 2006-2009. The Board in 2002 also requested a review of the funding mechanism established for the three-year plan. This report includes such a review.

On 19 September 2005, the Board considered this report. The Board:

- a. took note of the Director General's report;
- b. approved the Director General's proposal for a Nuclear Security Plan for 2006-2009;
- c. approved the continuation of voluntary funding, without targets, for the activities included in the Nuclear Security Plan for 2006-2009, and called upon all Member States to continue contributing, on a voluntary basis, to the Nuclear Security Fund which was established by the Board in March 2002 as a sub-fund of the Extrabudgetary Programme Fund of the General Fund;

- d. transmitted the report to the General Conference with a recommendation that the Conference: welcome the report by the Director General; take note of the Nuclear Security Plan for 2006-2009; and call upon States to contribute on a voluntary basis to the Nuclear Security Fund for the continuation of the Agency's activities related to measures to protect against nuclear terrorism.

Nuclear Security - Measures to Protect Against Nuclear Terrorism

Progress Report and Nuclear Security Plan for 2006-2009

Report by the Director General

A. Introduction

1. The Board of Governors approved in March 2002 a Plan of Activities to Protect against Nuclear Terrorism¹, envisioned to extend over a three-year period. It is clear that the imperatives that led the General Conference to request the Director General to develop enhanced measures to combat nuclear terrorism have not diminished. It is also clear from the implementation of the three-year plan, and from the results of recent conferences and meetings, that enhanced and accelerated efforts are required for improved nuclear security for which Member States need substantial support. A new plan for the Agency's nuclear security activities has now been developed. This report also provides a summary of the Agency's nuclear security activities over the three years up to 31 July 2005. A full progress report for the three-year period will be provided, upon request, by the Secretariat.

B. Nuclear Security

2. The overall goal of the Agency's nuclear security activities is to assist Member States, upon request, in improving their nuclear security, thereby reducing the risk of a successful act of nuclear terrorism. Its role in achieving this goal consists of the following broad areas: facilitating the development of, and adherence to, legally binding and non-binding international instruments; developing international guidelines and recommendations acceptable to the international community; providing related assessment services, training, equipment and technical advice; and providing or facilitating exchange of information and related services. In order to provide a common reference point for conceptual approaches and activities within and outside the Agency, the Advisory Group on Nuclear Security (AdSec) has established a working definition of nuclear security².

3. Responsibility for the security of nuclear and other radioactive materials rests entirely with the State. Adherence to Agency guidelines and recommendations related to enhancing security, respecting the primacy of the State in security issues, is voluntary. The role of the Agency in enhancing nuclear security, and the scope of its activities, is determined by the Member States and reflected in the decisions of the Board of Governors and the relevant General Conference resolutions. Thus, the Agency's nuclear security services are offered on a voluntary "upon request" basis.

¹ GOV/2002/10

² "Nuclear Security: The prevention and detection of and response to, theft, sabotage, unauthorized access, illegal transfer or other malicious acts involving nuclear material, other radioactive substances or their associated facilities."

C. Advisory Group on Nuclear Security (AdSec)

4. AdSec continues to meet twice each year to advise the Director General on the Agency's activities related to preventing, detecting and responding to terrorist or other malicious acts involving nuclear and other radioactive materials and nuclear facilities. AdSec has provided advice on establishing a nuclear security series of guidance documents which could be used by all Member States in developing and enhancing their national nuclear security infrastructures at the State and facility levels. AdSec has also made recommendations on measures to strengthen the effectiveness of the Agency's activities in nuclear security and has provided guidance on priorities. AdSec has been closely involved in the development of the new Nuclear Security Plan for 2006-2009.

D. Implementation of the nuclear security plan of activities (2002-2005)

5. The Director General's proposals for activities in the area of nuclear security approved by the Board of Governors in document GOV/2002/10 set an ambitious agenda for the Agency. It combined the acceleration of existing Agency activities with the development of an extensive range of new measures to assist Member States, upon request, in the prevention, detection and response to malicious acts involving nuclear and other radioactive materials and their associated facilities and transports. Specific measures included effective management and control of materials through regulation and accountancy; prevention of theft; physical protection of materials, locations and transports against attacks; and detection of illicit trafficking; and radiological emergency response measures.

6. The activities included in document GOV/2002/10 have been implemented using a holistic and integrated approach. Where Agency activities contribute to both nuclear security and other Agency objectives such as verification or safety, synergies have been sought and exploited, recognizing established competences. The General Conference has recognised³ that the strengthening of the safety of radioactive sources also enhances the security of such sources. The General Conference⁴ has also noted the central contribution of Agency safeguards agreements and additional protocols, and of States' Systems of Accounting for and Control of Nuclear Materials (SSACs), in preventing illicit trafficking and deterring and detecting diversion of nuclear materials.

D.1. Progress in implementation

7. A full account of the progress made in implementing GOV/2002/10 for the three-year period will be provided, upon request, by the Secretariat. The following paragraphs provide a brief overview of the results obtained and experience gained.

8. In implementing the plan, *highest priority was given to activities showing immediate results in Member States*, with timely improvements to nuclear security at the national level.

³ GC(47)/RES/8

⁴ Ibid.

9. The *results and outcome* of these activities were: increased awareness in States of the importance of establishing an infrastructure, including regulatory systems, in support of nuclear security; improved preparedness in States to address the risk of malicious acts; increased legal commitments; more States joining the Illicit Trafficking Data Base; enhanced capacity of Member States to address nuclear security issues through training and education activities held in all regions and reaching some 1500 participants; enhanced radiation monitoring capabilities established at borders. More than 100 evaluation missions have been conducted, including for overall assessment of needs, physical protection evaluation, vulnerability assessment and follow-up to previous activities and missions. The needs assessment and evaluation missions have indicated the necessity for a significant number of improvements. As a result of the missions, the physical protection of several nuclear facilities has been improved, and complementary support has been provided through bilateral programmes. A substantial number of vulnerable, high-activity radioactive sources have been secured. Detection capacity has been improved at several border-crossing points.

10. Implementation of the Plan of Activities has involved all departments in the Secretariat. Extensive coordination has been necessary to ensure effective, consistent and coherent programme implementation. The coordination includes three broad functions: planning, monitoring, and evaluation and reporting. An information management system has been established. It provides the basis for monitoring implementation and for financial and narrative reporting to NSF donors on the usage of their funds or contributions.

11. The Technical Cooperation Programme has provided a mechanism for the delivery of some nuclear security activities in Member States. While the Plan of Activities constitutes the *programmatic context* for the Agency's nuclear security activities, projects established within the Technical Cooperation Programme provide the delivery vehicle for training courses and, in some cases, for technical assistance. By doing so, the technical cooperation mechanism for interaction with Member States has been integrated with the programmatic context producing beneficial results and avoiding duplication of efforts.

12. *Prioritization of tasks* remains important for programme implementation. However, the need for programmatic prioritization is, to a certain degree, overtaken by the specific conditions assigned by a State providing financial contributions to the Nuclear Security Fund (NSF). Separate contributions agreements have been negotiated with donors, taking into account programmatic considerations as well as wishes and conditions by the donor State or group of States.

D.2. International cooperation and coordination

13. The Agency interacts on a regular basis with those States providing financial and in-kind contributions to the implementation of the nuclear security plan. Meetings with all donor States are organized regularly. In addition, separate meetings are convened to review progress of individual contributions, in particular when the contribution includes substantial financial resources or in-kind contributions. The Agency intends to further strengthen the bilateral interaction between the Agency and individual donor States, in addition to the general interaction with donor States as a group.

14. The Agency has continued to seek liaisons, collaboration and coordination with other regional, transnational and international organizations, including, but not limited to: the UN Security Council's Counter Terrorism Committee (CTC), Interpol, the World Customs Organization (WCO), Europol, the United Nations Interregional Crime and Justice Research Institute (UNICRI), the Organization for Security and Co-operation in Europe (OSCE), the European Union (EU), and the Universal Postal Union (UPU).

E. International Instruments⁵

15. Recent developments have resulted in a strengthened set of international instruments that are relevant for nuclear security. GOV/INF/2005/10 – GC(49)/INF/6 provides information on the result of recent efforts to amend and strengthen the *Convention on the Physical Protection of Nuclear Material (the CPPNM)*. The *Code of Conduct for the Safety and Security of Radioactive Sources* is a non-binding international instrument, which more than 70 States have made political commitment to implement. The *Code* provides guidance for the development and harmonization of policies, laws and regulations on the safety and security of radioactive sources. Supporting the implementation of the *Code*, in particular the specific security guidance for radioactive sources, is an important function of the Agency's *Nuclear Security Plan*.

16. The adoption in April 2005 of the *International Convention for the Suppression of Acts of Nuclear Terrorism (Nuclear Terrorism Convention)* by the UN General Assembly is also relevant. The *Nuclear Terrorism Convention* will be opened for signature as of 14 September 2005. The *Convention* details offences relating to unlawful and intentional possession and use of radioactive material⁶ or a radioactive device, and use or damage of nuclear facilities. States Parties will be required to adopt measures as necessary to criminalize these offences. It also requires "States Parties to make every effort to adopt appropriate measures to ensure the protection of radioactive material, taking into account relevant recommendations and functions of the Agency".

17. In April 2004, the United Nations Security Council, acting under Chapter VII of the UN Charter, adopted resolution 1540 dealing with weapons of mass destruction (these include nuclear, chemical and biological weapons) and non-State actors. The resolution obliges all States to adopt and enforce appropriate effective laws which prohibit any non-State actor to manufacture, acquire, possess, develop, transport, transfer or use (among other things) nuclear weapons, in particular for terrorist purposes, and to establish domestic controls to prevent the proliferation of nuclear weapons, including the establishment of appropriate controls over related materials. To this end, States are obliged to implement a variety of accountancy and control measures; physical protection measures; border controls; measures to detect, deter, prevent and combat illicit trafficking; and import and export control measures. These measures closely mirror the structure and activities of the Agency's *Nuclear Security Plan*. In particular, the resolution focuses on the prevention/detection element of nuclear security.

18. UN Security Council resolution 1373 (2001) calls for all States to become parties as soon as possible to the relevant international conventions and protocols relating to terrorism, of which the *CPPNM* is one. The resolution also emphasizes the need to strengthen a global response to the challenge of illegal movement of nuclear material — implying the need for States to establish a national infrastructure to combat illicit nuclear trafficking. The Agency's *Nuclear Security Plan* already includes measures to assist States, on request, for this purpose.

⁵ This section lists both legally binding and non-binding international instruments.

⁶ For the purposes of this convention, "Radioactive material" means: Nuclear material and other radioactive substances which contain nuclides which undergo spontaneous disintegration (a process accompanied by emission of one or more types of ionising radiation, such as alpha-, beta-, neutron particles and gamma rays) and which may, owing to their radiological and fissile properties, cause death, serious bodily injury, or substantial damage to property or to the environment.

F. Nuclear Security Plan for 2006-2009⁷

19. Extensive consultations have been held with Member States in the course of drafting the new Plan. An Open-Ended Meeting took place on 21 June 2005 at which a first draft of the *Nuclear Security Plan* (the Plan) was presented and discussed. Based on proposals for revisions and amendments given by participants, a revised Plan was drafted and an informal consultation was held on 2 August with interested Member States. AdSec has also been a major partner in this consultation process, offering advice and expertise.

F.1. Foundations

20. A sustained process of consultation on the implementation of the GOV/2002/10 Nuclear Security Plan of Activities has taken place with recipient countries, donors, programme delivery partners from within and outside the Agency, international and regional organizations since 2002. Yearly progress reports to the Board of Governors and General Conference have ensured a regular dialogue with Member States. Regular meetings with Member States on the implementation of the present plan have provided useful input to the formulation of the new Plan.

21. In March 2005, the *International Conference on Nuclear Security: Global Directions for the Future*, held in London, recognized, *inter alia*, that the risk of successful acts of nuclear terrorism remains high. The findings of the Conference identified priorities for reducing the risk and pointed to continued and enhanced efforts for prevention: physical protection of and accountability for radioactive material in use, storage and transport, throughout the life cycle, in a comprehensive and coherent manner. The Conference also recognized that the Agency had a leading role in the effort to improve the global nuclear security framework and to promote its implementation.

22. In June 2005, the *International Conference on the Safety and Security of Radioactive Sources: Towards a Global System for the Continuous Control of Sources throughout their Life Cycle* was held in Bordeaux, France. The findings recognized that safety and security were an integral part of effective and comprehensive regulatory infrastructures for ensuring the continuous control of radioactive sources throughout their life cycle. The Conference further recognized the need for international efforts to combat illicit trafficking in radioactive sources.

23. Other international and regional initiatives are directly relevant for the *Nuclear Security Plan*. These initiatives, which provide an important context through which the Agency can coordinate its programmes, establish priorities and, above all, gain support with the objective of improving nuclear security worldwide, include the G8 *Global Partnership Programme*, the European Union's *Strategy against the Proliferation of Weapons of Mass Destruction*, the United States' *Global Threat Reduction Initiative* and Australia's *Regional Security of Radioactive Sources* project.

F.2. Structure

24. It is important that the new *Nuclear Security Plan* respond to emerging priorities and rapidly changing events. To achieve this, a simplified structure that emphasizes efficiency and flexibility has been adopted.

25. In the *Agency's Programme and Budget 2006-2007* nuclear security related activities were mostly consolidated into the Nuclear Security Programme with established nuclear security objectives.

⁷ Further details on activities, outputs and means of implementation of the Plan will be provided, upon request, by the Secretariat.

Although the Nuclear Safety and Safeguards programmes were originally established to reach safety and safeguards objectives, they include activities that are essential to support nuclear security. Activities included in the Nuclear Security Programme are primarily funded from extrabudgetary contributions to the NSF and from a limited regular budget. Activities that belong to the Nuclear Safety and Safeguards programmes have regular budget and other extrabudgetary contributions for their established purposes. Enhanced or accelerated implementation of these activities for nuclear security purposes will be supported with funding from the NSF.

26. The Plan covers four years, to encompass two cycles of the Agency's Programme and Budget.

F.3. Activities

Activity Area I: Needs Assessment, Analysis and Coordination

27. The first activity area - *Needs Assessment, Analysis and Coordination* - contains activities that underpin the entire plan. With significantly increased attention on the broad range of activities related to nuclear security, relevant information to support these activities is paramount. The structured approach to nuclear security implementation requires effective information to support prioritisation, to monitor progress and to target new activities. At the same time, effective management of resources, such as information, necessitates enhanced internal and external coordination. A systematic approach to programme implementation and the optimum use of resources is necessary to avoid duplication of efforts. Activities in this area correspond to Subprogramme M.1. of the Agency's Programme and Budget for 2006-2007.

28. The objectives of this Activity Area are:

- To have a comprehensive set of information which effectively supports implementation of the Nuclear Security Plan;
- To understand nuclear security needs on a global scale to identify areas of cooperation between and among the Agency and Member States;
- To understand illicit global trafficking trends and patterns, including theft and other malicious acts involving radioactive material;
- To fully protect sensitive nuclear security information from disclosure;
- To fully coordinate the nuclear security support programmes of Member States and international organizations with those of the Agency; and
- To have effective mechanisms of interaction with other international organizations.

29. The activities include identifying nuclear security needs, analysis and exchange of nuclear security information, coordination with Member States and coordination with other international organizations.

Activity Area II: Prevention

30. The second activity area - *Prevention* - contains activities that protect nuclear and other radioactive material from malicious acts.

31. The amended *CPPNM* — when in force —, the *Code of Conduct*⁸ and associated *Export/Import Guidelines*, and the future *Nuclear Terrorism Convention* provide a much strengthened international platform for the Agency's *Nuclear Security Plan*. The Agency's assistance to States, on request, in implementing their undertakings can contribute to preventing nuclear or other radioactive material

⁸ It is recognized that the Code of Conduct on the Safety and Security of Radioactive Sources is a non-binding international instrument (see also GC(47)/RES/7.B).

from coming into the hands of terrorists or criminals through theft or sabotage. During the four years of the *Plan*, an increasing number of States Parties are expected to ratify the amendment to the *CPPNM*, declare their intention to commit to the *Code of Conduct* and become parties to the *Nuclear Terrorism Convention*. By becoming parties or declaring political commitments to these or other relevant international instruments, States accept obligations or make political commitments to meet international norms for nuclear security. Consequently, it can be foreseen that additional requests for Agency assistance and guidance in this area will be made. The *Nuclear Security Plan* will improve States' capabilities through the provision of guidelines and recommendations, human resource development, expert services and implementation support, including public outreach and the promotion of an overall nuclear security culture. An updated and broader set of guidance documents is required to assist States, on request, in the implementation of these international instruments. Activities in this area, besides support activities, correspond to Subprogramme M.2. of the Agency's Programme and Budget for 2006-2007.

32. The objectives of this Activity Area are:

- To enhance adherence or political commitments by States to the amended *CPPNM*, the *Code of Conduct* and other relevant international instruments;
- To achieve effective protection, control, accountancy and registry of all nuclear and other radioactive material and associated facilities, as requested, within a State.

33. The activities include assistance, upon request, to improve or establish national legislative and regulatory frameworks, physical protection, accounting and control, transport security, and nuclear security culture and sustainability.

Activity Area III: Detection and Response

34. The third activity area - *Detection and Response* - relates to "second line of defence" for security and emergency response.

35. There are a number of relevant provisions for Member States in the area of detection and response included in the amendment to the *CPPNM*, the *Code of Conduct* and other relevant international instruments that point to enhanced Agency activities in this area. In addition, continued reports of illicit trafficking in nuclear and other radioactive material demonstrate the need for States to have detection and response capabilities in place. Since illicit trafficking and theft of nuclear material can lead to nuclear proliferation and the possible construction of improvised nuclear devices or RDDs, measures to detect and respond to such acts are necessary components of a comprehensive nuclear security programme. Activities in this area, besides support activities, correspond to Subprogramme M.3. of the Agency's Programme and Budget for 2006-2007.

36. The objectives are:

- To enhance capabilities of States to detect, interdict and respond to illegal acts involving nuclear and other radioactive material and associated facilities;
- To make internationally accepted guidance and technical information available to States that will assist them, upon request, in their efforts to detect and respond to unlawful use/possession of nuclear and other radioactive material; and in their efforts to protect against and respond to nuclear terrorism at large public events.

37. The activities include assistance, upon request, to improve or establish: capabilities for detection of radioactive materials at borders and other locations, capabilities to respond to nuclear security incidents, and to establish improved nuclear security at major public events.

Activities supporting nuclear security

38. Activities in the Agency's Nuclear Safety and Safeguards programmes are also recognized for their contribution to nuclear security. Implementation of these activities may be enhanced or accelerated for nuclear security purposes, respecting existing competencies throughout the Agency with a view to avoiding duplication and promoting effectiveness sustainability.

39. The objectives of these activities are:

- To achieve an effective and sustainable level of control of radioactive sources, commensurate with the risks that they pose while not impeding their beneficial use
- To achieve effective identification of sensitive targets for malicious acts in nuclear installations and the engineering measures that would reduce the risk
- To achieve effective State systems of accounting for and control of nuclear material

40. The nuclear safety activities in support of nuclear security are defined in the Agency's Programme and Budget 2006-2007, namely: control of radiation sources (Subprogramme K.5), the establishment of radiation safety infrastructures (Subprogramme K.2), the development of radiation safety standards (Subprogramme K.1), safety of transport of radioactive material (Subprogramme K.6), for disposable waste: management of radioactive waste and disused sealed sources (Subprogramme L.2) and safety of nuclear installations (Programme J). These activities aim to minimize radiation exposure and to protect people and the environment from a radiological release. Minimizing the risk of exposures and accidents involves safety control measures to prevent unauthorized access/damage to or loss/unauthorized transfer of radioactive sources. Safety measures, therefore, provide a foundation for additional security measures that would prevent malicious acts. Depending on the material, risks, and potential consequences, additional measures above those that are warranted to prevent inadvertent access or loss may be required.

41. Activities in the safeguards programme supporting nuclear security focus on an effective State system of accounting for and control of nuclear material (SSAC) (Project N.2.15). An effective SSAC is a fundamental prerequisite for safeguards and a requirement for all States having comprehensive safeguards agreements based on INFCIRC/153 (Corrected). The Agency will support Member States in their efforts to implement effective SSACs, in particular for effective interfacing between the Agency and the State authority for safeguards purposes. A number of General Conference resolutions⁹ have recognized the dual purpose of SSACs for safeguards and security.

⁹ e.g. GC(48)/RES/11

G. Funding of nuclear security activities

G.1. Resources for the period 2002-2005

42. GOV/2002/10 listed the estimated funding requirements for the Agency's nuclear security programme for the period 2002–2005¹⁰, specifically: \$11.5 million for the first year, \$11.4 million in year two, and \$10.7 million in year three — a total of \$33.6 million.

43. The Nuclear Security Fund (NSF), was created for the receipt of such contributions. As of 31 July 2005, a total of \$42.4 million had been pledged by 26 Member States and one non-governmental organization, and in total \$36.7 million has been received. 18 Member States have thus far made 'in-kind' contributions to the programme by providing cost free experts, offers of services, equipment and/or the use of facilities. Both financial and in-kind contributions are essential for effective and efficient implementation of the nuclear security plan of activities. More details on these contributions will be provided, upon request, by the Secretariat.

Pledges and contributions to the NSF were made as follows:

- In 2002, \$9.54 million was pledged and \$8.08 million was received by the end of the year, for a receipt rate of 85%. The balance of these pledges, \$1.46 million, was received in 2003 and 2004.
- In 2003, \$18.55 million was pledged of which \$10.05 million was received by the end of the year. This included receipts related to both 2002 and 2003 pledges. As of 31 July 2005, 9% of funds pledged in 2003 remain outstanding.
- In 2004, \$8.99 million was pledged and \$17.58 million was received by the end of the year. Again, these receipts related to pledges made since 2002. By the end of 2004, \$35.7 million¹¹ had been received against a three-year total of \$37.1 million in pledges.
- In 2005, as of 31 July 2005, \$5.29 million had been pledged of which \$1.04 million had been received.

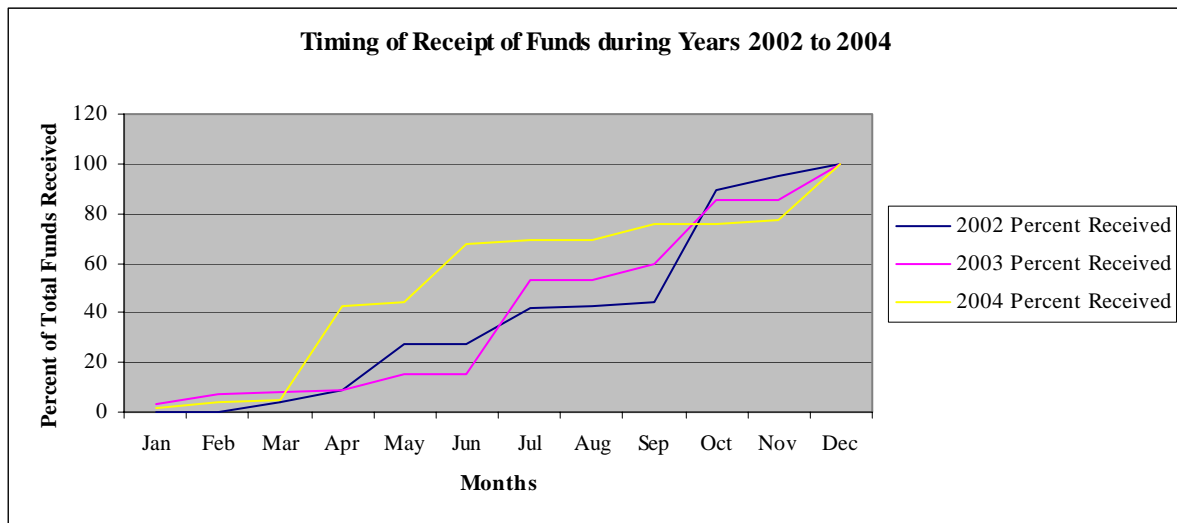
As can be seen in Figure 1, most funds were received during the second semester of the year. As a result, it was not possible to distribute funds evenly among the various activity areas throughout the year.

Conditions for use of extrabudgetary funds — The majority of contributions have conditions for use. However, specific use of the donations is discussed and agreed with a donor State before the contribution, in order to preclude gaps in funding of activities and overlapping donations. The Agency's external auditor indicated in 2004 that the number and extent of 'restrictions' limiting flexibility in the use of the funds were cause for concern. The Secretariat will continue to approach donors to discuss maximum flexibility for the Agency to use their contributions within the framework of the *Nuclear Security Plan*.

¹⁰ GC(47)/3, The Agency's Programme and Budget for 2004-2005, paragraph 34 of the overview, explained that as the Board of Governors approved the plan of activities only in March 2002, and since the financial contributions to the NSF came only later in 2002, 2003, extended with the last part of 2002, counts as the first year of the three-year programme of GOV/2002/10. The second and third years are 2004 and 2005, respectively.

¹¹ This amount includes interest income.

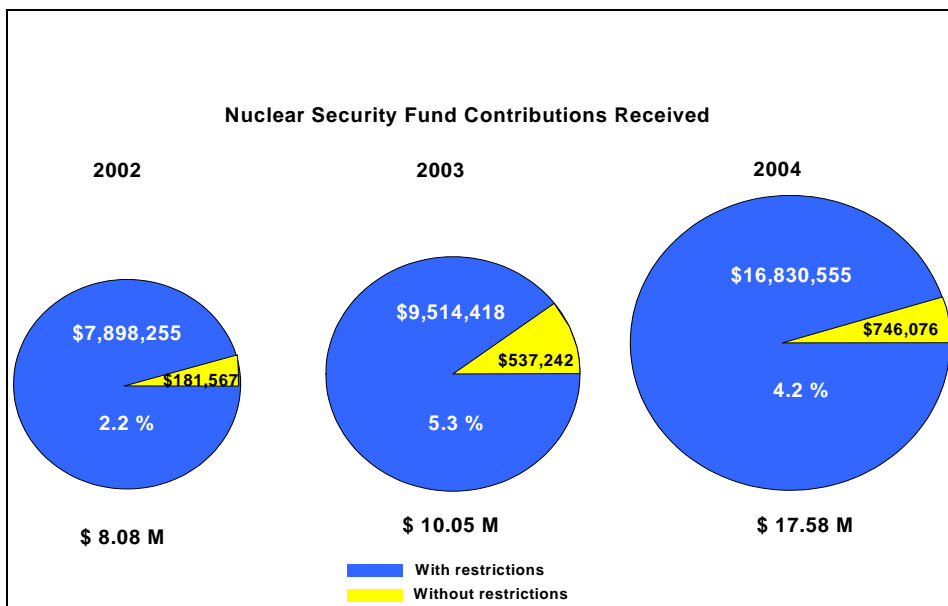
Figure 1.



Reliance on a small number of donors —About 20% of the Agency’s Member States provided funds to the NSF. There was high reliance on a small number of major donors, which provided more than 90% of the NSF funding. This reliance may be a risk for continued implementation of the programme.

44. Figure 2 provides information on the financial resources received, with or without conditions for use. This was the case for 2.2% (\$181,567) of the resources received to the NSF in 2002, 5.3% (\$537,242) in 2003, and 4.2% (\$746,076) in 2004.

Figure 2



45. The conditions attached to donations received by the NSF from States require the Secretariat to track the expenditures of funds. Upon request, periodic reports are provided to donor States, with financial and narrative information on the use of their contributions.

G.2. Expenditures

46. Since its inception in 2002, and until 31 July 2005, \$23.4 million has been spent or pre-committed through contracts or other binding arrangements (Table 1).

Table 1. Summary of NSF expenditures & pre-commitments 2002-July 2005

Area	Activity Area Description	2002/2003	2004	2005		TOTAL 2002-Jul 2005
		Expenditure (A)	Expenditure (A)	Expenditure as at end Jul 2005 (A)	Pre-Commitments (B)	
I	Physical Protection of Nuclear Materials and Facilities	2,374,321	2,041,981	1,092,498	933,310	6,442,111
V	Assessment of Safety/Security Related Vulnerability of Nuclear Facilities					
II	Detection of Malicious Activities Involving Nuclear & Other Radioactive Materials	2,120,121	2,929,683	1,314,236	1,079,156	7,443,197
III	State Systems for Nuclear Material Accounting and Control	148,511	552,819	133,125	0	834,456
IV	Security of Radioactive Material Other than Nuclear Material	1,743,937	1,781,840	1,671,171	563,122	5,760,070
VI	Response to Malicious Acts, or Threats Thereof	188,958	195,229	139,660	54,078	577,925
VII	Adherence to and Implementation of International Agreements, Guidelines and Recommendations	3,000	159,111	78,164	90,308	330,583
VIII	Nuclear Security Coordination & Information Management	283,867	470,407	705,352	548,360	2,007,986
TOTAL OF ALL ACTIVITIES		6,862,715	8,131,070	5,134,208	3,268,334	23,396,327

(A) Expenditures include disbursements and unliquidated obligations

(B) Pre-commitments represent known contracts or other binding arrangements which have not yet been included in the Agency's accounts

47. The programme delivery mechanisms established for the Technical Cooperation Fund are also used, when appropriate, for the Nuclear Security Programme. The prevailing principle is that the TCF is the primary source of funding for projects related to sustainable development while the NSF is the primary source of funding for building nuclear security infrastructure in Member States. In this way, optimum and consistent use of resources is ensured in a coherent programmatic context. Between 2002–2003, TC implementation mechanisms were utilised to carry out activities included in the Plan of Activities in an amount of \$713,656. In 2004, this figure rose to \$740,550; and to some \$1.3 million thus far during 2005.

G.3. Funding of the Nuclear Security Plan for 2006-2009

48. The ability of the Agency to implement the nuclear security programme depends on sustained funding from Member States and organizations. The above review of the funding of the plan of activities for 2002-2005 revealed the usual difficulties associated with voluntary extrabudgetary funding. However, on the basis of Member States' declarations of the high priority that they assign to the nuclear security, and the need to urgently implement the nuclear security plan, continued voluntary funding is expected for subsequent years, in addition to the available regular budget.

49. Although many donors to the NSF are constrained by national budgetary considerations from pledging support beyond a one-year horizon, efforts should be made to increase predictability and flexibility of funding with a view of minimizing the number of conditions placed on the voluntary contributions.

G.4. Funding requirements

50. The Agency's ability to help Member States, on request, enhance their measures to combat the threat of nuclear and radiological terrorism is clearly needed and is likely to remain so for the foreseeable future. The primary objective of the *Nuclear Security Plan for 2006-2009* is to provide such assistance by supporting Member States, upon request, in their efforts to establish, maintain and

sustain effective national nuclear security framework. Successful implementation will result in improved worldwide nuclear security. Implementation of the Plan is dependent on the availability of extrabudgetary funds for that purpose. The extent to which these are available, and the conditions under which they are provided, govern the extent to which the plan can be implemented as described. The planning and programming of future nuclear security activities continues to be contingent on assumptions of future levels of extrabudgetary funds.

51. The implementation of the new Plan is estimated at \$15.5 million annually (see Table 2). Member States are encouraged to provide voluntary contributions to the Nuclear Security Fund to finance its implementation.

Table 2. Proposed Yearly Nuclear Security Fund Budget for the period 2006-2009

Proposed Yearly Nuclear Security Fund Budget for the period 2006 - 2009	
Activity Area I: Needs Assessment, Analysis and Coordination	Proposed NSF Budget
Identifying Nuclear Security Needs	\$550,000
Analysis and Exchange of Nuclear Security Information	\$750,000
Information Security	\$450,000
Coordination with Member States	\$450,000
Coordination with Other International Organizations	<u>\$200,000</u>
Subtotal	\$2,400,000
Activity Area II: Prevention	
Legal and Regulatory Infrastructure	\$950,000
Physical Protection	\$3,400,000
Control and Accountancy	\$1,200,000
Transport Security	\$700,000
Nuclear Security Culture, its Management and Sustainability	<u>\$400,000</u>
Subtotal	\$6,650,000
Activity Area III: Detection and response	
Detection of Radioactive Material at Borders and Other Locations	\$2,900,000
Response to Nuclear Security Incidents	\$1,100,000
Improved Nuclear Security at Major Public Events	<u>\$200,000</u>
Subtotal	\$4,200,000
Activities supporting nuclear security¹²	
Control of radiation sources	\$600,000
Radiation Safety Infrastructures	\$900,000
Radiation Safety Standards	\$400,000
Safety of Transport of Radioactive Materials	\$150,000
Disposable Waste	<u>\$220,000</u>
Subtotal	\$2,270,000
TOTAL PROPOSED ANNUAL NSF BUDGET	\$15,520,000

¹² Funds for Safety of Nuclear Installations and SSACs are included under Activity Area II: Prevention.