Procurement Outreach in Revealing Proliferation Networks

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Background

• Late 2003 – awareness of clandestine trade in sensitive nuclear technology was suddenly heightened
• 2004 – BoG requested investigations
• Agency intensified analysis of fuel cycle
  • Equipment, materials, services, know-how
  • Nuclear related trade
  • State declarations, verification activities, open and other information sources
• 2004 – Nuclear Trade Analysis Unit (NUTRAN)

✓ Safeguards challenges trans-national (non-state actors)
Drawing safeguards conclusions

All information available to the Agency is used for State evaluation

- State declarations
- Data – open & other sources

Plan verification activities

Safeguards Conclusions* (SIR)

Results of verification activities

Conduct verification activities

✓ Conclusions – (a) all nuclear material remained in peaceful activities or (b) declared nuclear material remained in peaceful activities

IAEA

Atoms for Peace: The First Half Century

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Objectives of nuclear trade analysis

NUTRAN renamed 2007 Nuclear Trade and Technology Analysis Unit (TTA)

- Centralize analysis of all procurement networks related information available to Agency
- Investigate and accumulate knowledge of known networks
- Search and reveal presently unknown networks
- Maintain institutional memory on covert nuclear related procurement activities

✓ Nuclear trade analysis supports safeguards State evaluation (completeness)
Effective nuclear trade analysis
Nuclear Trade and Technology Analysis Unit (TTA)

Mandate
Information
Resources
Expertise
Co-operation
IT system and tools
Work processes
TTA
Resolution GC(49)/RES/13, para 21

Resolution GC(50)/RES/14, para 24

… “Welcomes efforts to strengthen safeguards, including the Secretariat’s activities in verifying and analysing information provided by Member States on nuclear supply and procurement, taking into account the need for efficiency, and invites all States to cooperate with the Agency in this regard”

✓ Clear mandate for nuclear trade analysis
Procurement Tracking System (PTS)
Supports analysis, visualization and reporting of structured data

✓ IT system for analysis and institutional memory
Cooperation and information

• No verification tools available for trans-national proliferation challenges
• IAEA relies on Member States’ support
  • Safeguards relevant nuclear trade related information
  • Expertise, R&D, training, best practices, etc.
• Procurement outreach
  • Mechanism to acquire suspicious procurement enquiry data from companies
  • Voluntary, bilateral cooperation with States

✓ Member States’ support of crucial importance
Procurement outreach – premise

- Entities leave visible traces when trying to acquire nuclear related goods and services
  - Can be related to single, dual, or multi-use items
- Access can be gained to such visible traces by contacting the industrial base
- Choice of companies based on nuclear related industrial processes rather than control lists or States

✓ Outreach – new source of information
Suspicious enquiries

• Communications from potential purchasers to companies
  • Faxes, emails, other contact data
  • Usually thrown away as useless contacts
  • Goods in themselves may not be dubious
  • Agency helps to identify suspicious enquiries

• IAEA asks for
  • Full original documents or copies
  • Relevant details will be extracted, stored and analysed

✓ Suspicious enquiries provide valuable data
Procurement outreach

- Complementary mechanism to
  - Obtain unique information from diverse primary sources
  - Early recognition of current & possible future covert nuclear trade – what goods are being sought by which suspicious organizations

- Targets intermediate traders to find both State and non-State players

- Not focused on States, not controlling exports

✓ Outreach introduced to 15 States
Conclusions

• Nuclear trade and technology analysis aims at further improving IAEA’s possibilities to respond to transnational proliferation risks
  • Member States’ support remains of crucial importance
  • Information, expertise, training, R&D

• Procurement outreach responds to IAEA General Conference invitation for all States to cooperate with the Agency to strengthen safeguards