

that the source of the enriched uranium was not Iran. If and when Iran's Additional Protocol is implemented, the Agency stands to gain experience for the first time of applying the measures provided for in that agreement to a state that is already widely suspected of non-compliance.

Excess fissionable material verification (IAEA/US/UK Trilateral Initiative)

Moves have been underway for almost a decade to have the IAEA verify fissile material removed from dismantled weapons in both the US and Russia. Launched in 1996, the so-called Trilateral Initiative involved the three parties in examining the technical, legal and financial implications of the Agency assuming the task of verifying that such material was not returned to weapons use and that other fissile material declared surplus to defence programmes was also not diverted. Under its voluntary offer the US already has some such materials under safeguards. A Model Verification Agreement was finalized in September 2002 as the basis for bilateral accords between the Agency and the two states. A deadlock remains, however, over funding for the programme.

Verification funding: increased resource demands

In the past decade the verification burden on the IAEA has increased substantially, leading to increased pressure on resources and finances. New verification burdens have included:

- the placing under IAEA supervision of considerable quantities of fissile material and numbers of nuclear facilities in the Soviet successor states, many of them verification-intensive due to their former military nature
- intensive verification activities in Iraq, Iran and now Libya
- involvement in monitoring US efforts to repatriate poorly protected fissionable material in unstable countries such as the states of the former Yugoslavia and former Soviet Union
- the implementation of strengthened safeguards, including Additional Protocols (while integrated safeguards are intended to cut the costs of strengthened safeguards, and still promise eventually to do so, their introduction necessitates an initial investment of time and resources).

For more than a decade the IAEA operated under zero real growth restrictions imposed by the Western states. In 2003 the Agency at last had the first significant boost to its verification budget since the 1980s when the Board of Governors agreed a \$US15 million increase to \$245 million. The bulk of the increase went to verification. The IAEA budget for 2004 is \$268.5 million. These increases enable the Agency to fund safeguards activities without having to resort to supplemental funding (up to \$19 million in recent years). It will also provide an improved financial basis for strengthened nuclear safeguards. The increase, moreover, as helped de-link verification spending from spending on technical cooperation to developing countries.²²

Compliance mechanisms

Strangely for such an important legal instrument, the NPT makes no mention of compliance and establishes no compliance mechanism of its own. Review conferences are provided for to review the general implementation of the treaty, but no mention is made of convening special sessions in case of non-compliance. This is a major lacuna in such an important treaty and compares unfavourably with, for instance, the nuclear weapon-free zone treaties. Although Canada and others have proposed

²² Another financial challenge was solved recently when Japan agreed to end the withholding of its assessed annual financial contribution to protest the IAEA's decision to stop asking recipients of technical cooperation to contribute 5% of the value of their projects.