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# Highlights

Highlights of [GAO-07-923](#), a report to the Ranking Member, Subcommittee on National Security and Foreign Affairs, Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

In 1986, an explosion at the Chernobyl nuclear power plant in Ukraine destroyed the reactor building and released massive amounts of radioactive contamination. A temporary shelter was built over the damaged reactor to prevent further contamination. The United States is a major donor to an international project to build a new shelter to replace the existing one, which is badly deteriorating. GAO was asked to (1) assess the progress toward completing the new shelter, (2) review the cost estimates to complete the project, and (3) assess the U.S. role in overseeing and funding the project. To carry out its work, GAO analyzed program documents, interviewed U.S. and international program officials, and visited the Chernobyl nuclear power plant.

## What GAO Recommends

GAO recommends, among other things, that the Secretary of State consider, in consultation with other donor governments and the EBRD, establishing benchmarks for the project that need to be met before making additional pledges of funds in the future. State generally agreed with our recommendations. However, State cautioned that the use of benchmarks could lead to further project delays or increase costs. We strongly believe that benchmarks could encourage timely project completion at agreed upon costs.

[www.gao.gov/cgi-bin/getrpt?GAO-07-923](http://www.gao.gov/cgi-bin/getrpt?GAO-07-923).

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

## NUCLEAR SAFETY

# Construction of the Protective Shelter for the Chernobyl Nuclear Reactor Faces Schedule Delays, Potential Cost Increases, and Technical Uncertainties

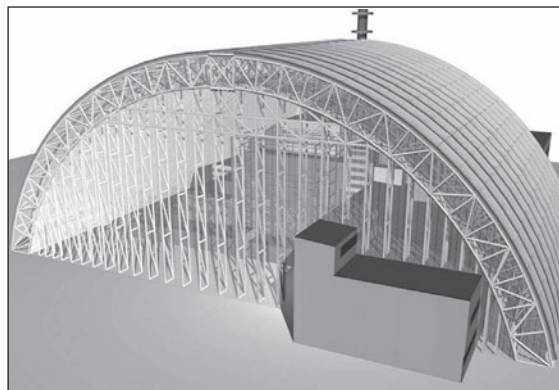
## What GAO Found

Although two of three construction components—site preparation and stabilization of the existing shelter—are nearly finished, construction of the new shelter has fallen about 7 years behind schedule. Over the past couple of years, the main reason for schedule slippage has been the failure to award a construction contract. The lack of a contract is partly the result of a lengthy disagreement between Ukraine and the European Bank for Reconstruction and Development (EBRD). In late 2006, the Chernobyl nuclear power plant director told GAO that the donors should not make any additional contributions to the project until contracting issues were resolved. These problems contributed to donors' concerns about when and at what cost the project will be completed. In addition, technical uncertainties associated with the construction of the new shelter have also contributed to schedule slippages and threaten to further delay the project.

The estimated cost to complete the Chernobyl Shelter Project is currently \$1.2 billion. However, a higher cost estimate is likely due to, among other things, escalating prices for labor and materials. Also, many other factors, such as expanding the project's scope to include the removal of the radioactive reactor fuel, could raise costs further.

The Department of State, which has the lead role for the U.S. government, relies on the EBRD to directly manage the project, including the disbursement of funds. The United States has pledged \$203 million for the project but still has to provide \$49 million to meet its current commitment. In addition, the United States will likely be requested to provide funds beyond the \$203 million pledged because some donor governments may not have the resources or may no longer be willing to provide additional funds. To date, the United States has not placed conditions or benchmarks tied to tangible progress toward project completion on its contributions to the Chernobyl Shelter Fund.

### Conceptual Design of the New Shelter



Source: Chernobyl Shelter Project Management Unit.