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Keynote Address

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Thank you Madam Chair.

Your excellencies, ladies and gentlemen.

Linking the three core processes of any business –the strategy, its implementation and the people doing the work –determines the success or failure of every organization. And the strength of the link between these three processes determines the degree to which a business is able to deliver what it wants to achieve. The IAEA is no exception.

So, what do we want to achieve?

Our starting point can be taken from the Safeguards Resolution adopted by the General Conference last month. That resolution reconfirmed that the Agency's safeguards are a fundamental component of nuclear non-proliferation and that they promote greater confidence among States by providing assurance that States are complying with their obligations under relevant safeguards agreements. It went on to say that Agency safeguards also contribute to strengthening collective security and help to create an environment conducive to nuclear cooperation.

Further to that statement, I would add my personal vision for the future of Agency safeguards: it is a future in which our Member States and their nuclear industries see us as not as adversaries, but as important partners; a future in which the independence of our work and soundness of our conclusions remains paramount; and a future in which any non-compliance is firmly dealt with.

To achieve this vision, meet our obligations and fulfil the expectation of our Member States requires the careful and successful linking of strategy, implementation and people.

Let me take each of these components in turn.

Strategy

Essentially, a strategy is a plan for obtaining a specific goal –the means by which aspiration is translated into achievement. The purpose of safeguards strategy is to deliver the overall organizational goal through the pursuit and accomplishment of specific objectives.

However, strategy cannot be a pre-ordained blueprint. Instead, a strategy has to be a system of options. This requires preparation of many plausible outcomes. We need to recognize that safeguards strategy is not made and implemented in isolation: there is a wider context. The nuclear world is changing: as are the political, economic and social worlds –and the Agency interacts within this multi-dimensional context.

Today –right across the world –we see more nuclear facilities and material coming under IAEA safeguards. The use of nuclear power continues to expand: with the geographical focus of these expanding programmes continuing to change. At the same time, many older nuclear plants are being modernized and becoming more technologically sophisticated. Over the past five years alone, the number of nuclear facilities and quantity of nuclear material under safeguards has risen by over 10 per cent. With many more nuclear facilities being built, this global trend looks set to continue. International nuclear cooperation between States is intensifying with an expansion of trade and services in nuclear and related equipment, items and materials. And this is not only a macro-level phenomenon; it is an everyday reality for us in the IAEA.

We also need to be responsive to changes in these domains –changes which are sometimes unforeseen and occurring at very short notice.

For example, if there were to be a comprehensive agreement with Iran over its nuclear programme, or if the IAEA were to be invited back into the DPRK, a large additional verification responsibility would quickly fall on our shoulders. This would have significant resource implications, not just in financial terms but also in terms of staff time. Many of our best and most experienced inspectors and analysts would be needed for such work, meaning that they would not be available to work on other files.

So our strategy must be sufficiently flexible to be able to cope with sometimes dramatic alterations in the external environment, without losing sight of our overall objectives.

Which leads to my second point about strategy: it must be realistic. An astonishing number of business strategies all over the world fail because of a lack of realism and, therefore, the inability of people to implement them. In turn, this leads to disillusionment and the strategy being ignored or forgotten altogether.

A good strategy is one that is easily translatable into implementation plans by people who clearly understand what is expected from them. This means that the strategy should be built on a clear and shared understanding of how our operating environment is changing, where we want to go, why and how.

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In the Safeguards Department we recognize the importance of strategic planning. That is why –alone of all the Departments within the IAEA –we have developed a long-term Strategic Plan covering the period 2012-2023. We also adhere to the Agency's Medium-Term Strategy, which is adopted by the Board of Governors. And we have developed a Long-Term R&D Plan within the Department of Safeguards - also covering the period 2012-2023. Indeed, it is that plan that has helped to shape much of the programme of this symposium. The plan identifies the capabilities that the Department needs to achieve its strategic objectives and the key milestones towards achieving those capabilities. In the shorter timeframe, each biennium we also produce a Development and Implementation Support Programme for Nuclear Verification. This programme, which is integrated within the Long-Term R&D Plan, aims to inform Member States and other stakeholders about the Department's short-term development objectives, as well as its projects and plans to support safeguards implementation.

In developing these strategies we have had to be realistic about our current and future working environment and plan accordingly.

As the nuclear world continues to change, the further enhancement of Safeguards implementation becomes a central driver of safeguards'strategy. Through an evolutionary process, consistent with well-established principles and in close consultation with Member States, we are constantly seeking to increase our productivity. There are three main ways in which we can do so:

• Firstly, by optimizing our processes. Doing things more smartly and efficiently in-house and in the field can bring improvements in effectiveness as well as cost savings;
• Secondly, by making better use of modern technology we can identify ways of implementing safeguards most cost-effectively. For example, the use of remote monitoring technologies can serve to partially reduce the need to for some routine in-field inspection activities; and
• Thirdly, we can improve our productivity by Member States themselves improving their performance in safeguards implementation. Here, I am talking about such matters as ensuring the timeliness and accuracy of reporting, and improvements to the provision of non-discretionary access.

The major challenges currently facing the Department –that our strategy will need to tackle –are numerous, sizeable and varied in nature. They include:

Implementing safeguards in Iran in line with that country's safeguards agreement, the resolutions of the UN Security Council and of the Agency's Board of Governors, the Framework for Cooperation, and the Joint Plan of Action agreed between the E3+3 and Iran. We have already re-directed a significant proportion of our resources to meeting the demands required of us in these respects. As we approach the 24 November deadline, it is too soon to predict the outcome. Whatever happens, will have further implications for –and possibly impose additional demands upon - the Agency.

A second major challenge has involved calibrating how we intend to improve the effective and efficiency of safeguards implementation under the State-level concept, and then explaining what we are doing to our Member States. Following a lengthy and substantive engagement with them, I believe we have now reached a new and broad understanding of the way forward –involving greater cooperation, consultation and transparency. This is very important and we need to keep working at it to ensure that we –the Secretariat –and our Member States remain in step with each other.

A third major challenge involves the modernization of the safeguards information technology system. Many of the various day-to-day activities related to safeguards implementation rely heavily on IT and it is also central to the recording and evaluation of all data and safeguards-relevant information necessary for the drawing

of soundly based safeguards conclusions. However, the Agency's safeguards IT system has steadily become outdated and begun to struggle to cope with the volume and complexity of the information it is required to process. In order to improve the effective and efficient implementation of Agency safeguards, it is essential that the Agency modernize its increasingly outdated safeguards IT system. In the absence of remedial action, the Agency faces a number of heightened risks –relating to operational performance, disaster recovery and IT security.

In addition to these three, there are other issues that need to be addressed at the strategic level –including resolving outstanding questions concerning Syria's nuclear programme, remaining on standby for a possible return to the DPRK and coping with the major technological challenge posed by new nuclear plants, such as JMOX.

Let me turn now to Implementation.

Of course, developing a first rate strategy counts for little, unless it is effectively implemented. And that can only happen if those responsible for implementation fully understand the strategy, are given the necessary tools, follow a systematic plan and are held to account for delivering results.

It is all too easy for everyone involved to give a sigh of relief once a grand new strategy has been devised. The danger is that the sense of achievement attaches to the completion of the strategy document, rather than the implementation of the strategy itself. I'm sure that many impressive strategy documents are now sitting in filing cabinets in countless organizations around the world, forgotten and decaying, instead of being living documents that shape organizational direction.

That is why I have instructed the department to re-visit our strategic plan. To give it a health check. See where it needs updating and then, more importantly, ensuring that it is an integral part of the Department's future planning.

To ensure that the strategy is implemented requires implementation plans involving milestones and interim objectives. It requires managers to keep abreast of how the implementation is proceeding and taking remedial action when things stray off course. And it requires accountability of those driving the process to those directing the process.

As far as our long-term R&D plan is concerned, it can only be implemented with the assistance of Member States. The Department relies on Member State Support Programmes.

People

This brings me to the final, but most important, component of a successful business enterprise –namely, the people who comprise the workforce.

The key characteristics that I look for in the staff of the Department of Safeguards are:

• Competence –can they do the job and do it well?
• Judgement –can they apply their skills in the right way at the right time according to circumstances and context?
• Cooperative spirit –can they work with others to solve problems and produce results.

From my side, I need to provide the tools, the means and the guidance for staff to do their jobs effectively. That includes providing them with the proper training –an area that I take seriously and will seek to develop under my tenure.

For me, management really matters. Managers within the Safeguards Department must not only be leaders, who inspire confidence and instil motivation, but also collaborators, who can work together in pursuit of a streamlined and unified Departmental policy.

I stress the role of communication.

Internal communication is vital in order to keep the workforce informed, on the same page and, therefore, working in the same direction. For the exercise to work, we need all staff to "buy in"to the plan.

External communication is also vital in order to keep our stakeholders aware of what we are doing and why. Without that support –we cannot succeed. That is why we need to engage, listen, explain and, where necessary, adapt.

Especially in safeguards, we rely on the trust and confidence of our Member States. Trust that what we are doing is fair and fully consistent with the legal agreements in force: and confident that we work objectively in pursuit of independent and soundly-based conclusions. Our credibility is essential to our work, for if we lose it, we are lost too.

All communication needs to be clear, consistent and delivered on a regular basis.

All IAEA staff are international civil servants, not allied to any nation or region, but serving the international community in a common cause.

We are a truly international organization. At the last count, safeguards staff herald from over 80 countries. They conduct inspections, carry out analysis and participate in state evaluation work.

The staff in my own office come from a dozen countries spread all over the world.

The commitment and energy of safeguards staff drives our success. I am very proud of the people working in the Department - at all levels.

Conclusion

In conclusion, Madam Chair.

I emphasize the importance of synchronizing strategy, implementation and people in a way that achieves more "bang for the buck". Higher productivity in the delivery of independent, soundly-based safeguards conclusions.

We have been charged with a heavy responsibility by the international community: to verify the peaceful use of nuclear energy and to prevent the proliferation of nuclear weapons.

Working together –the IAEA with States, regional organizations, the nuclear industry and with civil society –I believe we can uphold that responsibility in the common interests of all humankind.

Thank you.

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