

- Thank you for inviting me today to address the Security in Complex Environments Group annual conference.
- Since being announced as the industry partner to Government in June 2011, the SCEG has formed a strong partnership with Government to define and deliver for high standards across the UK PSC industry.
- This industry is important to the UK. Around a third of signatory companies to the International Code of Conduct on Private Security Providers are based in the UK: this demonstrates the UK's domination, along with the US, of the global PSC market.
- Not only do we recognise that the UK is the leader in this market, but also that the work of PSCs is vital, in protecting diplomatic missions and the work of companies and NGOs in complex and dangerous environments around the world.
- And the challenge for companies working in these environments is great. The nature of your work means there is always a global reputational risk to the industry, with pressures for global legislation – which we in the UK concluded was not the most effective way to raise standards.

- Structural changes in the market, including a shift of business away from Iraq and Afghanistan to new areas, also represent a challenge for the industry.
- But when the industry is under pressure it is higher standards that can be a commercial differentiator, demonstrating the quality and values of a PSC.
- And in the UK we are seeing the positive engagement of industry in meeting these challenges, including leading on how UK companies can meet new, high standards, including on human rights
- Against that backdrop, I want to start today by thanking the SCEG for its active involvement with Government, its commitment, and its ideas. Our close engagement has led to a number of real successes, both at the national and international level, in driving forward high industry standards - including standards on human rights - over the past year.
- Today I want to recognise those achievements, and talk about the next steps that both Government and industry need to take to ensure that momentum is not lost. I want to focus in particular on two challenges: ensuring that there is a level playing field for British firms operating internationally, and engaging clients, who will be crucial to helping you make higher standards work.

- Until now there has been no international regulation or effective licensing of the private security sector working in dangerous or complex environments. It has been difficult for potential employers, including governments and international organisations, to know how to distinguish between security companies - to know which ones consider carefully the human rights implications of their work and which ones have effective procedures in place to vet and train their staff or have procedures for the escalation of the use of force.
- It is important for HMG that there is a regulatory system that is effective, practical and affordable. A system that raises the standards of private security companies globally, that drives less responsible companies out of business rather than just underground or off-shore; a system that works at a national level and is recognised at an international level.
- Together, we have taken important steps towards making this a reality.
- We have approved a professional standard for land-based PSC activities, against which companies can soon be certified in the UK. This sets out the high professional standards to which we want to see PSCs working globally. For the first time, it also includes a wide human rights standard – as you all know, this is a new approach, a new way to try to improve human rights standards, recognising that national or global legislation may

not be effective for an industry which operates, by definition, in complex environments, where the rule of law is often compromised.

- We have also recognised the important step forward which an industry-led standard for the maritime sector brings. The Foreign Office and the Department for Transport are working with the SCEG and the UK Accreditation Service to ensure that this also delivers high standards, including on human rights.
- The UK Accreditation Service will shortly launch a pilot scheme to approve the certification bodies that will be able to independently audit and monitor PSCs to these standards.
- This pilot will finish towards the end of the year. We therefore envisage that UK PSCs will be able to start the process of certification very soon thereafter.
- These are important steps forward nationally, but our aim must be global.
- We want to ensure that the UK standards system we are building not only delivers high industry standards, including on human rights, but is widely recognised as having done so, including internationally.

- But I don't want this to mean that PSCs from other countries can undercut those high standards without paying a commercial price.
- I believe that the best answer to both of these challenges lies in putting in place global validation of effective national standards and oversight of the industry's performance.
- Together, we are making progress on this work.
- The UK Government was closely involved in the drafting of the International Code of Conduct for Private Security Service Providers (ICOC), which was inaugurated in November 2010. As you know, this is a set of principles relating to the conduct of PSCs in complex environments in which companies commit themselves to respect the human rights of, and fulfil humanitarian responsibilities towards, all those affected by their business activities.
- Effective national standards, independently audited, are an essential part of turning the Code into higher standards on the ground.
- The other element is setting up a mechanism to validate which national standards meet the Code, and to ensure that this is being fully implemented on the ground.

- In February this year, following a consultation process, governments, industry and civil society agreed on a framework for a global oversight mechanism, to be based in Geneva.
- The industry, through SCEG in the UK, alongside Government officials and civil society, is now engaged in working through the details of how the mechanism will operate to add value and build confidence globally in the rising standards.
- The UK Government wants the international oversight mechanism to work, complementing our national efforts. We have put forward £300,000 towards setting up the organisation, working with our generous Swiss colleagues, the US, and Australia. This reflects the importance the Government attaches to getting this right.
- I would encourage all PSCs to join the emerging mechanism and help ensure that it contributes to demonstrating the credibility of this effort to raise standards.
- The Government wants this to be a model of how our Business and Human Rights Action Plan can make a real difference in practice. Nowhere is more difficult than where you work. If this new approach can succeed in raising standards in that context, it will send a powerful message around the world.

- But none of this will work without support from the clients. Their insistence on PSCs demonstrating that they meet the new standards, nationally and internationally, provides the commercial driver that will reward those companies who are taking the raising of standards seriously.
- We have work to do to ensure that this happens. From our perspective, the Government has two roles. Firstly, to ensure our own contracting power supports the new national and international system. Secondly, to act as advocate with other clients – other States, companies and NGOs – to follow suit.
- We will do both. And I hope for your support in this work.
- By working together we have already achieved impressive results, and these give us a real foundation to build on as we seek further recognition of the importance of high standards across the PSC industry. We will continue to work with the SCEG to drive forward this work.
- Finally, I would like to thank you all again for your commitment, and to thank the SCEG for hosting this event.
- The UK Government really values the partnership we have built up with the SCEG and with industry. The SCEG is a crucial partner to Government, helping inform Government policy with industry insight.

- We recognise the vital role of PSCs in commercial, diplomatic and development work in some of the most difficult environments across the world. We also recognise the genuine efforts being made by the industry, under SCEG leadership to deliver robust standards, independently audited and monitored, with global credibility.
- That is our aim too, and I look forward to working with you further to deliver real progress over the coming years.