

Introduction

Chairman thank you for your introduction. I would also like to thank the Swiss Government, DCAF and the ICRC not only for this excellent conference but for your extraordinary energy and commitment that has brought us to this point.

The Security in Complex Environment Group or (SCEG) was formed for UK based private security companies working abroad often in dangerous, hostile and certainly complex environments. It was established to promote professional standards across the UK private security industry, sharing best practice and providing for rigorous third party accreditation against exacting standards.

Complexity

Let me dwell for a moment on that word complex. In this excellent report “Progress and Opportunities Five Years On” for which I commend the authors, you may have noticed on page 45 a reference to a shooting incident in Pristina involving British soldiers. The report states accurately two Kosovar Albanians were shot and killed by soldiers. The 3 soldiers who opened fire were immediately the subject of an extensive criminal investigation. The Kosovar Albanians were armed and the prosecuting authority decision was based on a fine legal judgement as to whether they were firing their weapons in celebratory fire as some argued or whether they posed a direct threat to the soldiers as they argued. This is a fine judgement for the soldiers and for those charged with reviewing their actions.

The prosecuting authority decided that the soldiers had acted in self defence.

In that same action two other Kosovar Albanians were wounded and 5 years later they brought an action against the Ministry of Defence. One Mohamet Bici had been shot through the jaw. The Judge rejected the Ministry of Defence’s assertion that the soldiers fired in self defence and the claimants reportedly received £2.4 million in compensation. This ruling has inspired many others to use the courts to seek redress for wrongs that would once have been considered part of the inevitable hazards of conflict.

I have amplified the detail in this case because it demonstrates the complexity of these issues but it also demonstrates the willingness of the UK justice system

to confront these difficult cases. I also speak as one who was intimately involved in the events, interviewed under police caution twice, and seated next to Mohamet Bici for much of the court proceedings.

To further emphasize the UK's willingness to tackle these issues a Sergeant who had served with the UK Armed Forces in Afghanistan has this month been found guilty of murder for a shooting incident in Helmand and is now serving a life sentence.

Both these incidents involved serving soldiers but the legal framework is equally applicable to those operating within the private sector.

SCEG History/Partnership

Within SCEG many of my colleagues have served with UK Armed Forces and without exception they are motivated to ensure that private security companies behave in an appropriate and transparent manner, operating within the rule of law and accountable for their actions.

The SCEG work focuses on the introduction and promotion of standards and related certification frameworks. It represents its members to UK government departments and wider stakeholders, including foreign governments and civil society organisations.

The SCEG was formed in January 2011, when we had representatives from just 3 companies working with ADS, a reputable and well established trade organization, to create a group that would define and introduce robust, widely recognized professional standards for the UK Private Security Sector. We now have well over 70 members, and represent the vast majority of the UK industry delivering security in challenging environments on land and at sea.

In June 2011, just 6 months after we were formed, and following a competitive selection process, the UK Government appointed the SCEG as its partner for the development and accreditation of standards for the UK private security industry. This was a significant achievement and created a unique construct whereby an industry body was trusted by government to be both a responsible partner and a lobbyist.

This decision was not taken lightly. Serious discussion on regulation had commenced in the 1990s and continued during the tumultuous events in Iraq and Afghanistan which saw an unprecedented use of private security companies. After lengthy and sustained engagement and consultations the Government decided that the best way forward was to encourage industry to be the catalyst for standards and regulation whilst maintaining very close links with the process. I believe that decision has been vindicated.

In autumn 2011, our remit was extended to include the Maritime sector as well as Land. Given the meteoric rise of armed counter-piracy operations, this was a significant decision, reflecting close consultation between the Foreign Office the Department for Transport and SCEG.

Standards

Central to our work is the identification of appropriate industry standards. PSC1 was developed after an extensive consultation process which was strongly supported by the SCEG. PSC1 was published in early 2012, and our unreserved recommendation to the UK Government was that PSC1 be accepted as the basis for our UK national standard, with the additional requirement for independent 3rd party certification.

We were therefore pleased that in December last year, a Written Ministerial Statement was issued by the Government advising of their intention to specify PSC 1 as the UK standard and supporting its adoption by ISO as an international standard.

Our work on the maritime regulatory front has been detailed and substantial, and I believe we have brought together a strong, objective and coherent UK industry voice, influencing the myriad of international, commercial and government agencies involved in this challenging and dynamic field.

In recognition of the increasing threat of piracy in the Indian Ocean, discussions between the International Maritime Organisation and ISO began in earnest in January 2012 to decide how best to develop an international standard for armed security guards on ships in the High Risk Area. Four months later IMO's Maritime Safety Committee approved MSC Circular 1443 - *Interim Guidance*

to Private Maritime Security Companies providing Privately Contracted Armed Security Personnel on board Ships in the High Risk Area. It also concluded that ISO should develop an international standard to be known as ISO 28007 and for it to be completed as a matter of urgency.

The publication of the ISO/PAS was in my view a game changer and it is recognised by the UK government as an important contributor to the promotion of high professional standards amongst maritime security providers,

Of course, the key to the success of these standards is the identification of independent 3rd party accreditors who will ensure that companies claiming to comply with the standard do so fully and in a properly auditable fashion.

The United Kingdom Accreditation Service is well underway in the process of accrediting suitably qualified independent third party auditors to certify companies against PSC1 and ISO 28007.

Supporting Activity

In support of these international standards SCEG has undertaken additional work to improve the training and vetting of those employed in the industry.

We now have an enhanced vetting process for individuals seeking employment as armed security personnel using a highly credible and respected national body the Disclosure and Barring Service.

City and Guilds supported by SCEG members has now developed a Maritime Security Operative Qualification which encapsulates all the core competencies required by ISO 28007 so that clients can have confidence that the armed security personnel are properly trained.

Frustrations

I have spoken in glowing terms about our relationship with the UK government but it would not being giving you the full picture if I did not point some of the inevitable frictions in that relationship. Industry is impatient for change and to embrace regulation but in an industry that until recently was completely unregulated, with complex legal and presentational issues at every turn the government approach has understandably been cautious

Floating armouries are a feature of maritime security operations in the Indian Ocean and the industry represented by SCEG were determined to have

appropriate licenses authorising the use of these maritime platforms for the storage of weapons. Understandably the UK government had been concerned about the risks associated with these armouries. However without these licenses British Companies had a stark choice either cease trading or run the very serious risk of being in breach of UK trade laws. I took every opportunity to make this point to government, in the strongest possible terms, including at Ministerial level. After several months of engagement with the relevant government departments the Department for Business Innovation and Skills announced in July that it would now issue UK trade licences authorising the use of floating armouries for the storage of controlled equipment, particularly firearms. Whilst there is more to be done in this area it is a significant step by government.

Firearms training in the UK

Let me turn to firearms training in the UK – another problematic issue we are tackling with the UK Government. In the autumn of 2011 Prime Minister David Cameron announced that the UK would be putting privately contracted armed guards on British flagged ships transiting the Indian Ocean off the Horn of Africa.

Industry set about to deliver well trained individuals and teams for the task but the UK's firearms legislation is very restrictive and it has not been possible to conduct appropriate firearms training in the UK for this task. This in my view is unacceptable. SCEG has repeatedly and doggedly raised this issue with Government and we are expecting a Ministerial announcement from our interior ministry before Christmas.

International

On the international front before joining all SCEG applicants were required to be signatories of the ICOC and SCEG members played a constructive and influential role in the development of the ICOC Articles of Association. SCEG has been very supportive of the Association and 3 out of the 4 industry board members are SCEG members. SCEG will wish to remain fully engaged with the Association to encourage others to develop coherent transparent affordable standards and oversight. Duplication must be avoided.

Evolution of the Industry

The security landscape is changing and those changes are radical and are having a dynamic impact on the private security sector. In 2014 NATO Combat operations will cease in Afghanistan. Additionally and critically Western defence spending is declining without a commensurate decline in political ambition. The UK's National Security Strategy rejected any notion of the shrinkage of the UK's influence despite significant cuts in the Ministry of Defence and Foreign Office budgets. We are creating a strategic deficit which will have to be filled by the private sector. All be it reluctantly governments will increasingly outsource contracts to the private sector in areas that until recently were considered to be the sole jurisdiction of the military. SPEG companies are already involved in capacity building and wide range of risk consultancy activity. This trend will continue.

Money

Let me talk briefly about money – vulgar as it might seem in these magnificent surroundings – but private security companies are in the business of making a profit. It is vital that the costs of increasing regulation and standards being embraced by many do not make companies uncompetitive. Otherwise we risk penalizing the good guys.

The key to this is the understanding of clients both state and private sector. We collectively and here I refer to everybody in this room have a responsibility to draw the client into a full understanding of - and commitment to - regulation. It is their recognition of the relevance of standards to local communities and to their own exposure to risk that will ensure that security companies investing in quality are not disadvantaged commercially.

As a community we need to communicate effectively with clients ranging from governments, international organisations and development agencies ... to the extractives sector, the shipping industry - and humanitarian and development organisations. We then need to persuade them that the additional costs implicit in high standards are worth accepting. Without that acceptance, the dynamics of the market will move against widespread improvement of standards, especially where regulatory systems are based on voluntary participation.

And finally within industry we recognise that we have still some way to go to build the necessary trust with civil society but we would ask at least for recognition that we are heading firmly in the right direction and that some of the key components underpinning the ICOC Association have been achieved in a remarkably short time frame due in no small part to the efforts of industry.

Thank you