



## 2014-2015 Annual Report

The Board of Directors of the International Code of Conduct for Private Security Service Providers Association (“ICoCA”), in accordance with Article 8.1.2 of the Articles of Association of the ICoCA (“Articles of Association”), hereby provides the following Annual Report to the Association General Assembly. In addition, since the Association Secretariat was not effectively staffed until 1 September 2014, this Annual Report also serves as the first ICoCA Annual Report, covering the time period from the constitution of the Association on 20 September 2013 until 30 September 2015.

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### 1. **GOVERNANCE**

#### 1.1. Legal Status of the ICoCA

##### 1.1.1. Registration of the ICoCA

At the direction of the Board, and with the assistance of outside counsel, the Secretariat submitted the requisite documentation for the ICoCA to be registered with the Registry of Commerce of the Canton of Geneva in April 2015. Registration was accepted on 26 May 2015, following which details concerning the ICoCA were officially published in the Registry and the ICoCA was assigned a registry number. Registry has been an important milestone for the ICoCA as it enables the Association to obtain required insurance contracts, hold a bank account, and enter into contracts and other transactions in Switzerland under its own name. Details concerning the ICoCA registration are available at <http://rc.ge.ch>, and a copy of the extract of publication is attached as **Annex A**.

##### 1.1.2. Status of Privileges and Immunities under Swiss Law

Shortly after the Constitutive General Assembly of the ICoCA in Geneva, Switzerland in September 2013, the Board prepared a draft submission to the Government of Switzerland seeking privileges and immunities under the Swiss Host State Act, RO 2007 6637, RS 192.12. In late March 2015, the Executive Director and the Chair met with legal counsel from the Swiss Department of Public



and International Law to review the ICoCA's request and discuss preliminary feedback from that and other departments regarding the request. The discussion also touched on the procedural requirements involved in granting privileges and immunities, emphasizing the requirement to obtain the consent of the Federal Council, and also noted the concern that the grant of privileges and immunities not constrain Switzerland in exercising its broader international obligations, for example before the European Court of Human Rights. Based on this preliminary consultation, it was recommended that the ICoCA consider reformulating the request, limiting it to those privileges and immunities that were essential to carrying out the Association's core functions and ensuring the integrity and security in information provided to it by its Members.

Recognizing the importance that privileges and immunities will play in enabling the ICoCA to collect and hold particularly sensitive data provided by Members (such as that obtained during the functions outlined in Article 12), without concern that such data may be subject to civil subpoena, the Legal Committee of the Board is in the process of developing a revised request. The Board expects to submit a reformulated request to the Swiss government in November or December 2015.

## 1.2. ICoCA Board of Directors

At the Constitutive General Assembly in September 2013, the Members voted in a full slate of Directors in accordance with Article 7 of the Articles of Association. At that time, the length of service of the various Directors was staggered in order to provide for continuity on the Board by ensuring that in any given year at least one half of the Board would have had a minimum of one year of service on the Board.

In August 2014, two Board Directors (Mark DeWitt and Andrew Nicholson) informed the Board of their changed employment circumstances. At that time, the Industry Pillar Directors noted that Directors from the Pillar had been elected, in part, because of their affiliation with Member companies that the Industry Members should, therefore, be offered the opportunity to consider the Directors' new affiliation. As a result, both Directors resigned, and a new election was held for the open seats on the Board. Andrew Nicholson ran and was reelected to a second three-year term under his new affiliation. Alan Donohue was also elected to the Board, filling the seat held by Mark DeWitt (who did not seek reelection).

In February 2015, two Board Directors (Patricia Feeney and Leo Gonzalez) representing the Civil Society Pillar resigned from the Board as a result of refocused professional efforts. An election was held to fill both seats, and Michael Posner and Margaret Roggensack were elected to the Board to serve terms expiring September 2017.

As currently constituted, the following persons serve the ICoCA Board of Directors (pillar affiliation and term expiration date indicated for each):

Amol Mehra, representing Civil Society Organizations, serving until Sept 2016  
Aly Sagne, representing Civil Society Organizations, serving until Sept 2016  
Margaret Roggensack, representing Civil Society Organizations, serving until Sept 2017  
Michael Posner, representing Civil Society Organizations, serving until Sept 2017  
Alan Donohue, representing Industry, serving until Sept 2017  
Andrew Nicholson, representing Industry, serving until Sept 2017  
Mark Knight, representing Industry, resignation effective 08 Oct 2015  
Chris Sanderson, representing Industry, serving until Sept 2016



Rémy Friedmann (Board Chair), designated by Switzerland, serving until Sept 2016  
Maj. Gen. (Ret.) Charles Tucker, designated by the United States, serving until Sept 2015  
Sophia Willitts-King, designated by the United Kingdom, serving until Sept 2016  
Ambassador (Ret.) Bertil Roth, designated by Sweden, serving until Sept 2015

In August 2015, Mark Knight notified the Board of his pending resignation due to the increased demands of his professional responsibilities. An election commenced in September 2015, and is due to conclude at the ICoCA's Annual General Assembly on 08 October 2015. Thereafter, the new Director from the Industry Pillar will be announced.

### 1.3. Board Committees and Working Groups

In order to effectively address the multiple oversight functions and responsibilities assigned to the Board in the Articles of Association, the Board has subdivided itself into a number of Committees and Working Groups in order to develop particularized knowledge and expertise on certain topics. Board Committees are designed to be standing sub-groups of the Board charged with managing and making recommendations to the full Board regarding ongoing responsibilities (e.g, Finance, Membership, Certification). Working Groups, by contrast, are designed around particular development responsibilities and are temporary in nature, intended to be disbanded when the associated development task (e.g., development of Article 12 procedures) is completed.

As of the date of this report, the Board currently has the following Committees and Working Groups (membership designed after each). Of note, Board Directors not designated to particular Committee or Working Group assignments remain free to attend and participate in the various Committee or Working Group activities and meetings.

#### Executive Committee

Rémy Friedmann (Committee Chair)  
Margaret Roggensack  
Chris Sanderson

#### Finance Committee

Andrew Nicholson  
Michael Posner (Committee Chair)  
Bertil Roth

#### Membership Committee

Rémy Friedmann  
Mark Knight  
Amol Mehra (Committee Chair)

#### Legal Committee

Alan Donohue (Committee Chair)  
Amol Mehra  
Charles Tucker

#### Certification Committee

Andrew Nicholson (Committee Chair)  
Amol Mehra  
Sophia Willitts-King

#### Complaints Process Development Working Group

Aly Sagne  
Chris Sanderson  
Bertil Roth

#### Article 12 Development Working Group

Alan Donohue  
Rémy Friedmann  
Mark Knight  
Michael Posner  
Margaret Roggensack  
Charles Tucker

#### 1.4. Secretariat

Since early 2014, the ICoCA Secretariat, headquartered in Geneva, Switzerland, has steadily grown based in response to the operational demand, to a five-person staff, headed by its Executive Director. The Secretariat administers the day-to-day business needs of the Association, enables the membership application process, conducts preliminary evaluation of and due diligence concerning applicants, and maintains the Association's registry of Members and Observers. In addition, the Secretariat serves as the administrative support to the Board and to its Committees and Working Groups, both logistically and in terms of substantive process and procedure development.

Starting in October 2015, the Secretariat will also assume responsibility for administering the ICoCA's Certification Procedures, which were approved by the General Assembly on June 30, 2015. Presently, the Secretariat has one Project Officer and one Project Assistant assigned to carry out the associated due diligence and analysis activities, and to prepare the Board for its evaluation of requests ICoC Certification under Article 11.

The Secretariat plans to add additional staff upon the further development and approval by the General Assembly of procedures for the ICoCA's Reporting, Monitoring, and Assessment of Performance functions described in Article 12, and the Complaints Process described in Article 13 of the Articles of Association. The current budget approved by the Board reflects a plan for the Secretariat to increase by two staff members in 2016, assuming the sufficient development of additional functions and associated staffing requirements and revenue growth.

Since its founding, the Secretariat has also received administrative and personnel support from the Geneva Center for the Democratic Control of Armed Forces (DCAF), particularly in the areas of accounting, human resources, strategic continuity, research, and outreach to governments and civil society. With the further development of the ICoCA Secretariat, the Association's reliance on DCAF for administrative functions has decreased, however the Association will enter into an MOU with DCAF for continued support in key research, development, and strategic outreach functions and expects its ongoing cooperation with DCAF to remain strong.

## **2. MEMBERSHIP**

### 2.1. Industry Membership Growth

In May 2014, pursuant to Article 3.2 of the Articles of Association the Board proposed membership requirements for all three stakeholder pillars to the General Assembly. The General Assembly approved the membership requirements in June 2014. The membership requirements, among their provisions, require Members (both previously-existing Members and new applicants) to complete an application using forms prepared by the Secretariat, submitting the required information for consideration and confirmation or approval of Membership by the Board. Accordingly, previously-existing Members were notified of the requirement to complete applications and given one year to do so prior to the May 2015 deadline. Thereafter, previously-existing Members who had not completed applications were removed from the Membership registry.

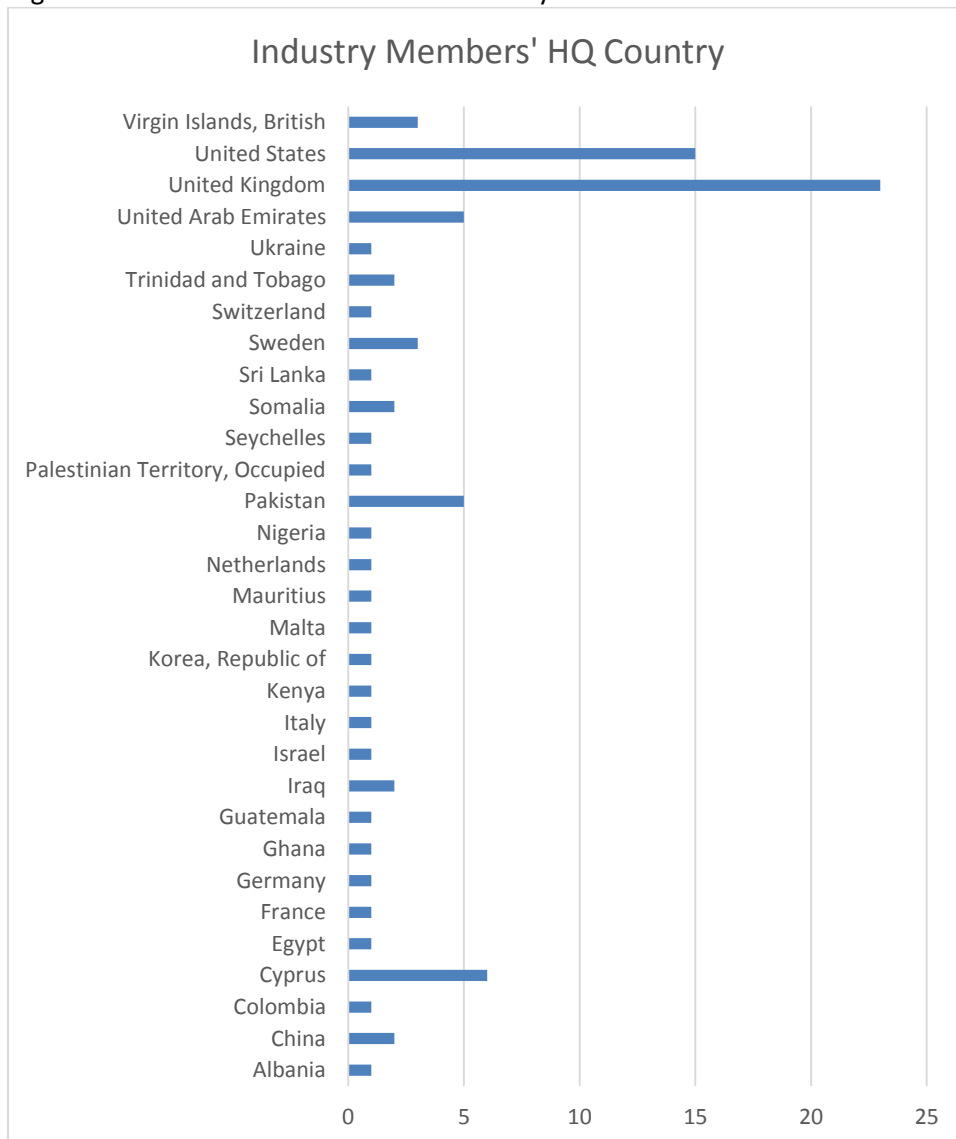
Since the Board and the Secretariat began administering the application process in October 2014, the Association has steadily grown to a current membership of 88 Industry Members. A list of current members can be located on the ICoCA website at <http://www.icoca.ch/en/membership>.



In addition, the Secretariat continues to receive applications for membership as a reasonably steady rate, and 36 such applications are currently under review or awaiting approval at the next Board Membership Committee meeting. Secretariat processing time for applications has decreased to less than two weeks, not counting the time for applicants to respond to requests for missing/additional required information following the Secretariat’s review of applications and due diligence process. At present, all 36 pending applications have received an initial contact from the Secretariat and a preliminary evaluation of their application, and the Secretariat is either awaiting receipt of the requested additional information or preparing for submission of the application for Board review.

## 2.2. Industry Membership Distribution

While the ICoCA continues to reflect a strong locus of operations of Private Security Companies in the United Kingdom (23) and United States (15), more recently the strongest increases in membership have come from outside those countries (50). As of 30 September 2015, ICoCA Industry Members were headquartered in 31 countries, and had operations in a greater number of locations. The following shows the relative distribution of Industry Members:





### 2.3. CSO Membership and Distribution

Currently, the Association has 13 Civil Society Organization Members, representing 4 different continents. An additional two (2) applications for membership in the CSO Pillar are under review, and a decision is expected shortly from the CSO Pillar in accordance with the process described in the Membership Requirements document. A current list of the CSO Members can be found at: [http://www.icoca.ch/en/membership?civil\\_society\\_organizations=csos&op=Search&view\\_type=list&form\\_id=search\\_for\\_members\\_filter\\_form](http://www.icoca.ch/en/membership?civil_society_organizations=csos&op=Search&view_type=list&form_id=search_for_members_filter_form).

### 2.4. Government Membership

The ICoCA began in September, 2013 with five (5) members: Australia, Sweden, Switzerland, the United Kingdom, and the United States. In December 2013, Norway joined the ICoCA, bringing the total Government Membership to six (6). While the ICoCA continues its outreach efforts to other Montreux Document and other states, and has had some positive discussions in relation to potential membership among other countries, at present there are no additional formal applications for membership from Governments.

## 3. BUDGET AND FINANCES

The ICoCA received its financial support from three principal sources: voluntary contributions from Member Governments, Annual Membership Dues from Industry Members, and a one-time Joining Fee assessed to applying members (largely covering the cost of administering the application and due diligence process by the Secretariat and Board). Additional revenue has been derived from an annual fee for Observers and from gains to the Association's Strategic Reserves as a result of currency fluctuation.

As reflected in the audited 2013-2014 financial statements (see item 3.1), in 2013 the ICoCA received initial unrestricted contributions from Australia, the United Kingdom, and Sweden, and also benefitted from direct and in-kind contributions from Switzerland. These contributions were supplemented by Joining Fees paid by approximately 140 initial member companies. These contributions were used for 2014 operating expenses and in addition constitute the Association's Strategic Reserve to enable continuity of operations as the organization grows and seeks to develop sustainable funding for its long-term future.

### 3.1. Audit of 2014 Budget

In accordance with Article 8.1.6 of the Articles of Association, and the applicable Swiss Association Law, the ICoCA's finances for the period from 20 September, 2013 until 31 December, 2014 were audited by its external auditor, PricewaterhouseCoopers SA, in May 2015. A copy of the audit letter and the audited financials is attached as **Annex B**.

### 3.2. 2015 and 2016 Budgets

As a result of the requirement to complete the initial external audit, and to reconcile with DCAF certain accounts representing direct and indirect contributions from Switzerland, the ICoCA was unable to set and approve a budget for 2015 until after the start of the fiscal year. Thereafter, however, the Board Finance Committee recommended and the Board approved budgets for 2015 and 2016. Executive-level copies of the approved budgets are attached as **Annex C**.



Of note, the 2015 and 2016 budgets are prepared using estimates of revenue growth from membership dues. In addition, as a reflection of the fact that the ICoCA was unable to formally process membership applications until late 2014 and did not have an approved Certification Procedure until June 2015, the Board determined that it would not invoice Year One Membership Dues from companies until August/September 2015. Accordingly, Membership Dues were invoiced for existing approved Members and Observers on 4 September, 2015 in accordance with the Membership Dues schedule approved by the General Assembly at the 20 September, 2013 Constitutive General Assembly:

<b>Subscription Level</b>	<b>Annual Revenue</b>	<b>Year 1 Dues</b>	<b>Year 2 Dues</b>
Level 1	\$ 0-3m	\$2,500	\$3,000
Level 2	\$ 3-20m	\$5,000	\$6,000
Level 3	\$ 20m+	\$9,000	\$10,000

Given the current and estimated levels of Member dues and contributions, the ICoCA Board has forecasted a need to rely on its Strategic Reserves to cover projected operating deficits in 2015 and 2016. While this need may be mitigated to some degree if dues receipts are higher than forecasted, it highlights the need to seek additional sustaining contributions and revenue. This will be an important item for discussion prior to and approval at the 2016 Annual General Assembly.

### 3.3. In-Kind Contributions

As reflected in the 2014 audited Financial Statements and 2015 and 2016 budgets, the Association has also benefitted from substantial “in-kind” contributions provided principally by the Government of Switzerland (via DCAF) and from DCAF (from its core operating budget). The total value of these contributions in 2013 and 2014, as provided by DCAF, can be found in Note 7 to the 2014 financial statements. Estimated future in-kind contributions are included in the 2015 and 2016 budgets.

The Association can benefit from additional in-kind contributions, including especially staffing or other personnel support, and in that regard notes with appreciation the additional efforts of various of its members to support the participation on the Board by their respective Directors. The Association welcomes consideration of additional in-kind staffing support where feasible for Members.

## **4. ADMINISTRATION AND OVERSIGHT FUNCTION DEVELOPMENT**

### 4.1. Administration and Membership Application

#### 4.1.1. Administration

The Secretariat maintains the ICoCA’s headquarters office in Geneva, Switzerland, and is responsible for the day-to-day administration of the Association’s business operations, financial management and budgeting, membership, and oversight functions. In addition, the Secretariat supports the Board’s activities by handling logistical planning, travel support, meeting administration, and project management for all of the Board’s development and other responsibilities as described in the Articles of Association.

Between July and October 2014, the Secretariat, working with an outside IT consultant, established a first-phase IT infrastructure that also included designing and implementing an electronic communications network and general membership database. In September 2015, the ICoCA began implementation of its own Microsoft Exchange server, which will free the Association from reliance on external email service providers and enable enhanced and more efficient electronic communications and information sharing among the Board, staff, and Members.

In addition, the Secretariat has designed and implemented a secure database, disconnected from any internet link, that enables the ICoCA to store and process sensitive materials with minimal exposure to data theft or loss. As reflected in the Association's Information Security Policy, the ICoCA recognizes the sensitivity of information its members are called upon to provide and seeks to ensure that such information is provided appropriate security.

In May 2015, the Secretariat completed a redesign and update of the ICoCA website, including updated membership application information, a redesigned register of Members and Observers, updated links to reference documents, and online availability of the Minutes of the quarterly Board meetings and Board calls (see <http://icoca.ch/en/resources>).

Following the acceptance of the ICoCA's registration with the Geneva Registry of Commerce, the Secretariat has also worked to establish the Association's financial management capabilities and processes. Significant among these has been the completion of the audit of 2014 financials, establishment of independent bank accounts (the accounts had previously been established by DCAF), and the development of 2015 and 2016 budgets. Working under the oversight of the Finance Committee, the Secretariat proposed comprehensive budgets for the 2015 and 2016 fiscal years, and presented them for approval by the Board. Following a period of due diligence, the Board approved the proposed budgets in June 2015.

#### 4.1.2. Membership Application Process

In August 2014, in accordance with the Association's Membership Requirements, the Secretariat designed membership application forms for approval by the Board. Following Board approval in September 2014, the application materials were made available to members and the Secretariat began to receive completed applications in October 2014. The application forms closely track the information detailed in the Association Membership Requirements document (available at: <http://www.icoca.ch/en/get-involved>).

In accordance with the Membership Requirements and the Articles of Association, the Secretariat supports the Board's consideration of membership applications by conducting a preliminary review of applications (to ensure satisfaction of all membership requirements) and due diligence on applicants. In addition to interacting with and answering questions from applicants about the application process, the Secretariat prepares a summary of each applicant for the Board's consideration and acts as an interface between the Board and the applicant. Since October 2014, the Secretariat has reviewed approximately 140 applications for membership, with 88 Industry applications currently approved by the Board and approximately 36 in the review process or awaiting additional information. Secretariat review time for applications has been reduced to 2 weeks or less, not counting time required by applicants to supply missing or supplemental information or to respond to inquiries from the Board.





#### 4.2. Development of Certification Procedures (Article 11)

In 2014 and early 2015, the Association focused considerable energy on the development of the Certification Procedures called for in Article 11. A Certification Working Group within the Board conducted extensive research and consultation with Members and stakeholders, and spent significant time developing consensus around how the Association could best leverage, and interface with, existing national and international standards and audit systems already being employed within the private security industry and some of its government clients. In late 2014, a draft Certification Procedure was shared with the Membership at the 2014 Annual General Assembly, and further refined through consultation with Members and other stakeholders in spring 2015.

In March and April 2015, the ICoCA and its then-Certification Working Group also formally developed an analytical matrix to be used to compare the content of national and international standards to the requirements of the International Code of Conduct (“the Code”). This effort, carried out by the Secretariat and reviewed and approved by the Board, provided the Board with a tool that it can use to carry out its mandate, under Article 11, to recognize national or international standards that are consistent with and capable of being used as a basis for certification to the Code.

On 3 July 2015, the General Assembly approved the Certification Procedure, formally establishing a methodology for the ICoCA to recognize existing national and international standards as pathways to certification under the International Code of Conduct, and to grant such certification to its Industry Members. Approval of the Certification Procedure was a significant step in the development of the ICoCA, both as it represents the establishment of the first of the ICoCA’s three major oversight functions, and because it formally commenced the one-year time period described in the Articles of Association for Industry Members to become certified under the Code.

In September 2015, the ICoCA issued a Recognition Statement for ANSI/ASIS PSC.1-2012 (“PSC.1”), the first national standard to be recognized by the ICoCA as a basis for ICoC certification. The Recognition Statement, which also defined additional information to be provided to the Board by Members having obtained certification to PSC.1, included a copy of the matrix representing the Board’s analysis of PSC.1 against the Code. Among the requested additional information, the Board also included a requirement for Members to demonstrate a human right risk and impact assessment process (HRRIA), and provided guidance on the minimum content to be included within that process. In doing so, the Board recognized the need for Member companies to have deliberate risk assessment practices, and to specifically include the human rights and humanitarian law content of the Code in those processes, but also recognized the enterprise-specific nature of each company risk assessment process.

More recently, the Certification Committee has also been working on its assessment of ISO 28007-1 (Guidance for Private Maritime Security Companies (PMSC) providing privately contracted armed security personnel (PCASP) on board ships). Completion of that assessment is expected to take place by October 15, with the Certification Committee recommending a Draft Recognition Statement to the Board shortly thereafter.

In the coming months, the Board also acknowledges the need to consider additional standards that may enable ICoC certification, particularly among PSCs providing land-based services. A number of proposals have been submitted to the Certification Committee in this regard, and the Committee has begun its analysis of them.

#### 4.3. Development of Reporting, Monitoring and Performance Assessment Procedures (Article 12)

In addition to developing Certification Procedures, the Board has also focused significant effort on the development of an architecture for the functions described in Article 12 (Reporting, Monitoring, and Assessing Performance). After developing a broad concept paper and sharing it with the General Assembly in London in December 2014, the Board expanded membership in its Article 12 Development Working Group (“Article 12 WG”) to include six (6) directors, and began working on a development process and timeline for the Article 12 functions.

In December 2014, the Secretariat, on behalf of the ICoCA (and with the approval of the Board), also submitted an application for US \$200,000 grant funding from the United States Department of State’s Bureau of Democracy, Human rights and Labor (DRL) in response to the latter’s Request for Proposals. The application, which sought funding for key elements in the Article 12 development process, was accepted by the United States Department of State and the grant was formally awarded in July 2015. In September 2015 the Secretariat completed the steps to enable funding of the grant, which is reflected in the 2015 and 2016 budgets.

The members of the Article 12 WG have agreed on a broad development process and timeline, which was included in the Association’s agreement with the United States State Department for the administration of its grant. The first step in the process, which the Working Group is currently engaged in, calls for the development of performance benchmarks for each of the principal Code requirements or prohibitions. These benchmarks would not only form the objective criteria for any performance assessment inquiry by the ICoCA, but would also focus the design and content of required Company Reporting, and guide the Secretariat and Board’s efforts in the conduct of Remote and In-field Monitoring.

#### 4.4. Development of Complaints Procedures (Article 13)

Development of the ICoCA’s Complaints Procedures began in June 2015 with the first meeting of the ICoCA’s Process Development Working Group (“Grievance WG”). Recognizing the challenges faced by other multi-stakeholder and multi-lateral organizations in the development of grievance processes, particularly around managing the scope of grievances that can be filed as well as access to remedy, the Grievance WG requested that the Secretariat, working with DCAF, develop information on how other organizations have designed and implemented grievance processes and how the ICoCA might learn from those efforts. Based on that study, the Grievance WG should be in a position to begin drafting complaints procedures in early 2016.

In the interim period, the Board recognizes the need to have some capability to address inquiries and complaints from external stakeholder and other members about potential violations of the Code. Accordingly, the Board has requested that the Executive Director serve as a point of contact for and to conduct initial inquiry into such complaints, relaying information and recommendations to the Board and serving as a conduit between the Board and affected claimants.

### **5. OUTREACH TO EXTERNAL STAKEHOLDERS**

#### 5.1. Montreux Document Forum

Participants to the Montreux Document established the Montreux Document Forum on 16 December 2014 to continue working on implementation of the objectives of the Montreux Document.

Among their activities, the participants also established a voluntary Working Group on the International Code of Conduct for Private Security Service Providers Association (the MDF Working Group).

The Board is optimistic that the Montreux Document Working Group can play the role envisioned in Article 10 of the Articles of Association, which envisions the establishment of an Advisory Forum of Montreux Document Participants to provide advice to the Association on national and international policy and regulatory matters relating to states' employment and regulation of PSCs. To that end, the ICoCA Chair and Executive Director addressed and took questions from the Working Group at its constitutive meeting, and the ICoCA looks forward to continued consultations with the Working Group on subjects of common concern.

## 5.2. Non-State Clients

Recognizing the critical role that non-state clients of PSCs play, through contracting and enabling the oversight functions of the Association, the Board and Secretariat have endeavored to find opportunities to engage with them on the development of the Association and its oversight functions.

Of particular note, the Board recognizes the issues of common concern that the ICoCA shares with the Initiative for the Voluntary Principles on Security and Human Rights (the "Voluntary Principles Initiative"), and is grateful for the contributions already provided by various members of the Voluntary Principles Initiative. The Board is pleased to have developed a good working exchange with the Voluntary Principles Initiative and appreciates the invitation in 2014 and 2015 to address the Voluntary Principles Plenary in the development of the ICoCA. On 18 September 2015 the Secretariat received an application for observer status from the Voluntary Principles Initiative, and the Board approved that application shortly thereafter. The Board anticipates applying for similar status with the Voluntary Principles Initiative in the immediate future.

## 5.3. Civil Society

The Board recognizes the critical role of civil society in the multi-stakeholder spirit of the Association, and the consequent need to continue strengthening and expanding civil society understanding of and participation in the Association. For that reason, the Board and Executive Director dedicated time in 2014 and 2015 to stakeholder outreach events, including participation in the UN Forum on Business and Human Rights, and multi-stakeholder workshops organized by the NYU Stern School and Denver University.

Looking forward, the Association has included outreach to broader civil society as one of the key elements in its cooperative MOU with DCAF, seeking to leverage DCAF's considerable experience organizing and convening events for civil society participation around security sector reform. DCAF is already involved in significant related work in South America, Sub-Saharan Africa, Eastern Europe, and elsewhere, thus a strategic partnership with DCAF will significantly enhance the ICoCA's reach.

## **6. OTHER MATTERS**

### 6.1. Implementation of National Regulation and Procurement Policies

As the first participants in the Montreux Document realized, governments play a key role in raising standards and increasing respect across the private security industry for human rights and

international humanitarian law. Governments can do this both as industry regulators and clients of PSC services, and the ICoCA is in a position to play an important role in helping to encourage and enable effective regulation and procurement policies. Principally, the ICoCA accomplishes this by developing and maintaining effective measures of industry commitment to respect for human rights and international humanitarian law, and by encouraging governments to include the Code and the ICoCA as a component of their regulatory and procurement policies.

In this regard, the ICoCA is especially pleased to have played a role in 2014 and 2015 in helping to enable the efforts of governments to implement new regulations and procurement policies and practices that both incorporate heightened standards for PSCs or require membership in the ICoCA. For example, Switzerland's Federal Act on Private Security Services provided Abroad requires, among other things, membership in the ICoCA for Swiss private security companies offering services abroad. In addition, it requires that PSCs providing security services to Switzerland in complex environments be members of the ICoCA. Similarly, the United States Department of State made membership in good standing in the ICoCA a requirement to participate in its five-year Worldwide Protective Services (WPS II) contracts, and is evaluating other opportunities to incorporate or encourage ICoCA membership through its procurement programs, as appropriate. In addition, the United States Department of Defense, which has been a significant contributor of intellectual capital to the ICoCA, informed the Members at the 2014 General Assembly of its recognition of ICoCA membership as an indicator of compliance with the Code during its procurement decisions. In the UK, government contracting asks for compliance with the ICoC and any resulting standards. In Sweden, ICoCA membership is a deciding factor in the award of government contracts.

The Board is very appreciative of government efforts to implement these regulatory and procurement programs with the ICoCA, and looks forward to continuing to enable the implementation of these laws as well as to encourage uptake to these approaches and requirements with other governments.

## 6.2. Observers

The Board recognizes the contributions received from Observers to the ICoCA, particularly those from academic institutions, non-state clients of the private security industry, other non-governmental organizations, and certification experts. Many of these organizations and institutions have been regularly contributing to the development of the ICoCA's oversight structure and capacity since its inception, and are key stakeholders in ensuring its future success.

The Board looks forward to further development of structures for more regular stakeholder input, starting with the regular interaction with both non-state clients and non-governmental organizations during the development and pilot testing of Article 12 functions. The Board also welcomes further input from Observers and other stakeholders regarding opportunities to include Observer input.

**Geneva, Switzerland  
7 October 2015**