



2016-2017 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”), submits the following Annual Report to the Association General Assembly covering the time period from 1 October 2016 until 29 September 2017.

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International
Code of Conduct
Association

1. GOVERNANCE

1. Legal Status and Organization of the ICoCA

1.1.1. Registration with the Registry of Commerce

As an international non-governmental organization established under Swiss Association Law and headquartered in the Canton of Geneva, the ICoCA has maintained its registration with the Registry of Commerce of the Canton of Geneva since its acceptance by the Registry on 26 May, 2015. Registry enables the Association to enter into contracts and other transactions in Switzerland, obtain insurance contracts, and hold a bank account under its own name. Members and other interested parties can obtain details concerning the ICoCA's registration at <http://rc.ge.ch>.

1.1.2. Status of Privileges and Immunities under Swiss Law

The ICoCA continues to seek privileges and immunities under Swiss law pursuant to the Swiss Host State Act, RO 2007 6637, RS 192.12. After a period of further consultation with the Swiss FDFA Directorate of Public and International Law in late 2015, during which earlier drafts of the Association's application were reviewed, the Association submitted an amended request in early 2016. In June 2017, after a period of intra-governmental consultation, the Swiss Federal Council decided to approve in principle the request for privileges and immunities under Swiss law. Currently, the Association is engaging with the Swiss government to reach agreement on the terms and scope of the privileges and immunities granted.

1.2. ICoCA Board of Directors

Following the 2016 General Assembly and during the period covered by this report, the following have served on the ICoCA Board of Directors (Pillar affiliation and term expiration date indicated for each):

1.2.1. Government

Rémy Friedmann (Board Chair), designated by Switzerland and representing Governments, term expires Sept 2019;

Katherine Gorove, designated by the United States of America and representing Governments, term expires Sept 2018;

Joanna Vallat, designated by the United Kingdom of Great Britain and Northern Ireland and representing Governments, term expires Sept 2019; and

Jonas Westerlund, designated by Sweden and representing Governments, term expires Sept 2018.

1.2.2. Industry

Chris Sanderson, representing Industry, term expires Sept 2019;

John Howard Davies, representing Industry, term expires Sept 2019;

John "Alan" Donohue, representing Industry, term expires Sept 2017; and

Charlie Mayne, representing Industry, term expires Sept 2019.

1.2.3. Civil Society

Michael Posner, representing Civil Society Organizations, term expires Sept 2017;

Margaret Roggensack, representing Civil Society Organizations, term expires Sept 2017;
Josua Loots, representing Civil Society Organizations, term expires Sept 2019; and
Amol Mehra, representing Civil Society Organizations, term expires Sept 2019.

As a result of the normal expiration of Margaret Roggensack’s and Michael Posner’s current terms as Directors, the ICoCA will hold elections during September-October 2017 to fill these two open Board seats representing the Civil Society Organization Pillar. A call for nominations, information concerning eligibility, and profiles of nominated candidates were sent to eligible Members in September 2017.

As a result of the normal expiration of John “Alan” Donohue’s current term as Director, the ICoCA will hold elections during September-October 2017 to fill the open Board seat representing the Private Security Industry Pillar. A call for nominations, information concerning eligibility, and profiles of nominated candidates were sent to eligible Members in September 2017.

Voting will close, and the results of all elections will be announced, at the 2017 Annual General Assembly on 12 October in Geneva.

1.3. Board Committees and Working Groups

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 detailed 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, Monitoring, and Complaints). Working Groups, by contrast, are designed around particular development responsibilities and are temporary in nature, intended to be disbanded when the associated development task is completed.

During the 2016-2017 year, the Board constituted the following 6 Committees and 1 Working Group.

Executive Committee

Rémy Friedmann
Margaret Roggensack
Alan Donohue
Joanna Vallat

Finance Committee

Amol Mehra
Joanna Vallat
Chris Sanderson

Membership Committee

Rémy Friedmann
Chris Sanderson
Amol Mehra

Monitoring Committee

Alan Donohue
Rémy Friedmann
Michael Posner
Margaret Roggensack
Jonas Westerlund

Certification Committee

Amol Mehra
John Howard Davies
Katherine Gorove

Complaints Committee

Josua Loots
Charlie Mayne
Katherine Gorove



Communications Working Group

Rémy Friedmann
Amol Mehra
Josua Loots
Joanna Vallat
Chris Sanderson

1.4. Secretariat

Since September 2016, the ICoCA Secretariat has grown to a nine-person staff. Following the resignation of the Executive Director Mr. Andrew Orsmond in March 2017, Ms. Anne-Marie Buzatu served as Interim Director. Mr. Jamie Williamson was named the Association's new Executive Director in July and assumed the position on 1 October 2017.

The Secretariat administers the day-to-day business 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 process and procedure development. Two Administrative Assistants—one temporary and one permanent—support the day-to-day business of the Association.

The Secretariat is responsible for administering the ICoCA's Certification Procedures, which were approved by the General Assembly in June 2015. Presently, the Secretariat has two Project Officers assigned to carry out Certification of ICoCA Member companies, as well as preparation of the Board for its Certification-related decision-making functions. Further information on Certification activities in 2016-2017 can be found in Section 4.2 in this report.

The Secretariat is also responsible for the implementation of the Article 12 Procedures for Reporting, Monitoring, and Assessing of Performance. These Procedures guide the Association's oversight of Member companies' performance under the Code and were approved by the General Assembly in September 2016. One Monitoring Manager, one Law and Policy Manager and one Research Trainee are involved in implementing these Procedures and the Association's monitoring activities, including the planning and implementation of Field-Based Reviews, Remote Monitoring and the Company Self-Assessment reporting system. Further information on the implementation of the Article 12 Procedures can be found in Section 4.3 of this report.

Additionally, and following the approval of the Article 13 Procedures for receiving and processing complaints by the General Assembly in September 2016, the Secretariat implements these Procedures. One Project Officer under the supervision of the Law and Policy Manager is responsible for developing standard operating procedures to receive and address complaints and to develop thematic guidance for Member companies in discharging their commitments under the Code. Further information on the implementation of the Article 13 Procedures can be found in Section 4.4 of this report.

In an effort to build greater understanding of and continued support for the work and mandate of the Association and the commitments of Member companies, the Secretariat dedicates significant staff resources to engaging the public and private sector stakeholders. The Law and Policy Manager, together

with one Project Officer, support the Executive Director in outreach to Governments and other stakeholders.

The Secretariat regularly hosts and benefits from the participation of student researchers and interns in supporting the implementation of the Association's functions, communications, and day-to-day administration.

Finally, and since its founding, the Secretariat continues to receive strategic and personnel support from the Geneva Centre for the Democratic Control of Armed Forces (DCAF), particularly in the areas of outreach to governments and civil society, and in the research and development of thematic guidance. The Association renewed its MOU with DCAF in mid-2017.

2. MEMBERSHIP

2.1. Industry Membership

The Association's current membership is 101 Industry Members. A list of current Members can be located on the ICoCA website at <http://www.icoca.ch/en/membership>.

The Board has approved 23 new Members since September 2016. The Secretariat continues to receive applications for membership at a steady rate. The Secretariat has received 13 applications since September 2016. At present, 33 applications are under review or awaiting approval at the next Membership Committee meeting of the Board.

2.2. Industry Membership Distribution

While the ICoCA continues to reflect a strong locus of operations of Private Security Companies in the United Kingdom and United States, more recently the strongest increases in membership have come from outside of those countries. As of end of August 2017, ICoCA Industry Members and applicants were headquartered in 35 countries, and had operations in a greater number of locations.

The Board recognizes the continuing importance of demonstrating and communicating the value of the Association, not only to current and prospective Members, but to external stakeholders, including private sector and government clients, host governments, affected communities and civil society organizations.

2.3. CSO Membership and Distribution

Currently, the Association has 22 Civil Society Organization Members, representing 4 continents. The Association has received expressions of interest from additional potential Members of the CSO Pillar, and continues to look for opportunities to expand the involvement of both regional and international Civil Society Organizations. 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.

As with the need to show the continuing value of the Association to its Industry Members, the Board acknowledges the importance of continued development and demonstration of the Association's

capacity to contribute to the increased respect for Human Rights and International Humanitarian Law, and the consequent benefit this brings to civil society stakeholders.

2.4. Government Membership

Presently, the ICoCA has seven Government Members: Australia, Canada, Norway, Sweden, Switzerland, the United Kingdom and the United States. While the ICoCA continues its outreach efforts to Montreux Document Forum members and other states, and has had some positive discussions in relation to potential membership among other countries, at present there are no further applications for membership from Governments.

The contribution from and needs of governments, as potential funders, regulators and clients of the industry, is critical to the continued development and effectiveness of the ICoCA. The Board recognizes in particular the significant steps taken by Switzerland and the United States to incorporate ICoCA membership as an important element of their regulatory and procurement policies and/or laws, and the steps taken by other Member governments to similarly encourage Association membership. The Board looks forward to continuing to work with Member and other governments to help support and expand these and other potential approaches.

3. BUDGET AND FINANCES

The ICoCA receives its financial support from three principal sources: 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 modest revenue comes from an annual fee for Observers.

As reflected in the audited 2016 financial statements (see item 3.1), in 2016-7 the ICoCA continued to receive direct and indirect contributions from Switzerland. Furthermore, the Association received a significant extension of the grant from the United States to enable the development and implementation of the Monitoring function in 2016 and 2017. Two distinct grants were awarded to the Association in May and September 2017 by the United Kingdom for the implementation of the different ICoCA functions, the second one will be implemented through the DCAF Security and Human Rights Implementation Mechanism. Finally, the Association received financial support from the Government of Sweden in December 2016. These contributions were added to approximately CHF 500,000 in Annual Dues and Joining Fees paid by existing and new Member companies. As in the past, the Association also continued to benefit from in-kind direct contributions from DCAF which supplemented the Secretariat's governance and oversight team. Furthermore, the ICoCA recognizes the importance of continuing to grow its funding base to ensure its long-term sustainability as it enters into a more active operational future in 2018 and beyond.

3.1. Audit of 2016 Finances

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 01 January until 31 December 2016 were audited by its auditors in May 2017. A copy of the audit letter and the audited financials is attached as **Annex A**.

3.2. 2017 and 2018 Budgets

The ICoCA Board of Directors approved an operating budget for 2017 in mid-2016 (summarized in the 2015-2016 Annual Report). The Board and its Finance Committee normally reviews performance against the budget on a quarterly basis, and the Board can adjust the budget for the year based on that performance. An adjustment to the 2017 operating budget was approved in May 2017 to reflect the implementation of activities.

In mid-2017 the Board considered an operating budget for 2018. The 2018 budget is based on projected membership dues revenues as well as target contributions and grants from governments and other funding sources. As with 2016 and 2017 budgets, the 2018 budget has been prepared using conservative estimates of revenue growth from membership dues. This will be an important focus for the new Executive Director and Board in the latter part of 2017 and early 2018.

3.3. In-kind Contributions

As reflected in the 2016 audited Financial Statements and 2017 Budget, the Association has also benefited from substantial “in-kind” contributions provided principally by the Government of Switzerland via DCAF.

The Association also benefits from other in-kind contributions, particularly in the form of staffing or other personnel support. The Association recognizes and appreciates the contribution of Boston University and University of Denver for their support to the operations of the Secretariat through the assignment of student researchers and interns.

4. SECRETARIAT UPDATE AND OPERATIONS

4.1. Administration and Membership Application

4.1.1. Administration

The Secretariat maintains the ICoCA’s headquarters and is responsible for administration of the Association’s business operations, financial management, and budgeting, membership, and governance and oversight functions. The Secretariat also supports the Board’s activities by handling logistical planning, travel support, meeting administration, and project management for the Board’s and its Committees’ and Working Groups’ operations and functions as described in the ICoCA’s Articles of Association and Procedures.

As the scope of its operations and personnel have grown, the Association has developed more robust financial management systems and controls. Operating in collaboration with a consultant on financial and grant management procedures, the Secretariat adopted new finance and accounting policies that enable the ICoCA and its Board to maintain improved financial situational awareness as well as qualify for and operate in compliance with financial management requirements of U.S. and other donors’ grant programs.

4.1.2. Information Management

The ICoCA's information management architecture also continues to develop in parallel with its operational development. In 2016 and 2017, the Secretariat, working with an outside IT consultant, expanded the IT infrastructure that supports the Association's communications, membership administration, certification, monitoring and complaints processes. The Secretariat continues to work to ensure that its document management and analytical database capabilities provide the functionality needed to store and process sensitive materials while minimizing exposure to data theft or loss. These information management systems are currently used to support the membership and certification processes, and will be expanded to support monitoring and complaints functions. As reflected in the Association's Information Security Policy, the ICoCA recognizes the sensitivity of information its Members are called upon to provide and will continue to take steps to ensure, both through its operating practices and systems architecture, that such information is provided appropriate security.

4.1.3. Membership Application Process

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. As well as 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 September 2016, the Secretariat has reviewed approximately 30 applications for membership in the Industry Pillar and 5 applications for membership in the CSO Pillar. Review has also included significant due diligence on applicants' exposure to human rights and humanitarian risks, and the steps taken by the applicant to comply with and implement the Code.

4.2. Implementation of Certification Procedures (Article 11)

In September 2016, the General Assembly voted to approve an amendment to Article 3.3.1 of the Articles of Association to extend for a 2-year period the deadline for Members to obtain ICoCA Certification using a Board recognized standard. After the approval of the amendment, all Members need to achieve ICoCA Certification by September 2018. The Certification function of the Association officially opened 01 November 2016 and since then, more than 15 Member companies have applied to become ICoCA certified and 9 of those have achieved ICoCA Certification.

With regard to recognition of national and international standards, the Association completed its analysis and formally recognized ISO 18788:2015 (Management system for private security operations - Requirements with guidance for use) in the 4th Quarter of 2016. Member Companies are now able to apply for ICoCA Certification using ISO 18788.

Furthermore, following the 2017 AGA Board's statement regarding Certification, the Secretariat conducted consultations with Member and non-Member companies on their views, experiences and potential challenges in accessing third-party certification to recognized standards. The Secretariat also engaged with clients, Certification Bodies, Accreditation Bodies and other experts on certification.

The information from those consultations was presented to the Board at its 1st Quarter 2017 Board Meeting, and resulted in the Board deciding to continue to work, together with the Secretariat, to ensure

that ICoCA Certification is open to a global and diverse private security industry and continues to explore opportunities to improve access to certification for those PSCs that are able to demonstrate their strong commitment to the principles of the Code and achievement of the required standards.

The Board, at its 2nd Quarter 2017 Meeting, also agreed and mandated the Secretariat to continue working on the development of an approach to improve access to ICoCA Certification, which includes opening up ICoCA Certification to PSCs that have been certified to Board recognized standards by CBs meeting competency requirements set and approved by the Board. The Board also examined Transitional Membership arrangements. Two approaches were presented to the Board at an exceptional Board Meeting in August 2017. The Board decided to socialize the approaches with the Membership through webinars in advance of the 2017 AGA and to seek Membership feedback.

The Board decided to present the ICoCA Transitional Membership Process to Members for a vote. The Board decided not to submit the proposal on an ICoCA Recognition Process for Certification Bodies to the AGA at this time. The Board is considering the feedback received on that proposal, and intends to continue consultation at the upcoming AGA and beyond.

Finally, in late 2016 and 2017, the Secretariat participated in the PSC.1 Standard Review process led by ASIS International (American Society for Industry Security).

4.3. Implementation of the Procedures for Reporting, Monitoring and Assessing Performance (Article 12)

Following the approval of the Article 12 Procedures for Reporting, Monitoring, and Assessing Performance at the September 2016 General Assembly, the Secretariat actively undertook measures to implement the oversight activities set out in the Procedures and to dedicate resources and personnel to establishing the Association's Monitoring function.

4.3.1. Remote Monitoring

Consistent with AoA Article 12.2.1 and Section II of the Article 12 Procedures, the Secretariat implemented and maintains a regular system for searching for, receiving, and reviewing information about Member company compliance with the Code. As part of this effort, in early 2017 the Secretariat commenced a weekly screening of public sources including media and other reports to efficiently and remotely monitor developments in the security industry and any publicly reported compliance concerns involving Member companies.

Throughout 2017, either as part of field activities, external outreach, or through Member CSOs, the Secretariat used opportunities to explain and promote the role of civil society in supporting the capacity of the ICoCA to monitoring Member companies' compliance with the Code. The Secretariat continued to emphasize the need to establish and maintain networks ("monitoring networks") to assist in remote monitoring. As part of that effort, in 2017 the Secretariat continued to collaborate with DCAF in their promotion and development of Private Security Governance Observatories and a CSO Network in Africa, to ensure a coordinated approach when promoting CSO participation in the ICoCA's monitoring work.

4.3.2. Company Self-Assessment Reporting

Pursuant to AoA Article 12.2.2 and Section III of the Article 12 Procedures, Member companies are to conduct and submit to the Secretariat of the Association an annual written assessment of their performance—a “Company Self-Assessment” or “CSA” Report—with the format and content guided annually by the Secretariat. In 2017, the Secretariat prepared the launch of the first CSA Report of the Association with the development of a questionnaire aimed at assessing Member company compliance with Code requirements guiding the Selection and Vetting of Personnel. In preparing the content and structure of the CSA, the Secretariat used revised performance and compliance Indicators following field-testing in addition to consultations with more than 27 Member companies. The Secretariat also developed a secure online platform and information management system for distributing and receiving the CSA Report.

4.3.3. Information Management Platform

In 2017 the Secretariat developed a Minimal Viable Product for a Membership Information Management Platform for the ICoCA (MIMPI). The Information Management Platform permits Member companies to easily complete and submit the CSA Report, the Secretariat to efficiently review the Report and to provide feedback to Member companies, and for all information to be securely submitted and stored.

In developing and testing the Information Management Platform the Secretariat also tested and prepared an online Membership application. The user-friendly and secure Membership application is available from October 2017 and will assist new Members in easily and efficiently applying for ICoCA Membership. Finally, the Information Management Platform will ultimately expand to facilitate greater access to the ICoCA functions, including ICoCA Certification, and Membership management.

4.3.4. Field-Based Review

In June 2017, following on the lessons learned from the 2016 East Africa Pilot Field-Based Review, the Association presented a Field-Based Review plan to the ICoCA Board of Directors. Consistent with AoA Article 12.2.3 and the Article 12 Procedures, the Plan included two (2) Reviews in 2017 in identified operational areas of additional monitoring. These operational environments include Nigeria, Iraq and Pakistan. The Reviews aim to assist the Association in better understanding Member company efforts to comply with the Code related challenges.

On that basis in August 2017, the Association either reviewed or consulted six Member companies operating in Nigeria. The Review focused on the Code provisions addressing Member company obligations in selecting, vetting and training personnel, as set out in Paragraphs 45-49, and 55 of the Code, and as applicable the subcontracting of personnel as set out in Paragraphs 50 and 51. Participating companies had complete visibility of all aspects of the process and exercise, as well as assurances of complete confidentiality. While compliance concerns with the Code may ordinarily be one impetus for a Field-Based Review, no suspicion or allegation of non-compliance existed in this instance. Consistent with the Association’s modalities participating Companies receive a report with the confidential results of the Review and guidance for improved performance.

As part of the Review, and efforts to establish a CSO monitoring network in Nigeria, the Association also held an information session for 14 national and international CSOs. The information session resulted in four new CSOs applying for ICoCA Membership. The Association also engaged twelve clients of Member

companies (private corporations, diplomatic missions, humanitarian organizations and NGOs), and a national industry association, and presented the value of the ICoCA to a roundtable of an in-country implementation group of the Voluntary Principles (VPs) hosted by the Swiss Embassy.

4.3.5. Ongoing analysis of compliance concerns

Finally, 2017 brought various occasions to engage Member companies in a confidential dialogue to discuss and address identified potential compliance concerns or areas of improved performance. Consistent with the Article 12 Procedures, the Association continues to assess Member company compliance, and to develop tools and guidance to bring Company performance into compliance with the Code.

4.4. Implementation of the Procedures for Receiving and Processing Complaints (Article 13)

Following the approval of the Article 13 Procedure for Receiving and Processing Complaints at the September 2016 General Assembly, the Secretariat actively implemented the Procedure and dedicated significant resources and personnel to establishing the Association's Complaints function.

4.4.1. Complaints form and guidance

In 2017 the Association developed and launched a complaints form to guide Complainants in submitting complaints to ICoCA.

The online form and corresponding guidance differentiates between two types of complaints: 1) complaints alleging harm resulting from alleged Code violations by a Member company, and 2) complaints including credible evidence of alleged Code violations. When receiving and processing complaints the Association may apply either or both the Article 12 and Article 13 Procedures depending on the nature of the complaint and the parties involved.

The publishing of the final complaints form and guidance to distinguish the types of complaints and applicable procedures marks the launch of the Association's complaints function.

4.4.1. Standard operating procedures

In 2017 the Association additionally began to establish and refine internal standard operating procedures, based on the Article 13 Procedures, for receiving and processing complaints received by the Association.

4.4.2. Grievance Mechanism Guidance

In February 2017 as part of the Association's mandate to assist Member companies in discharging their commitments to establish fair and accessible grievance procedures that offer effective remedies (Paragraphs 66-68 of the Code), the Association initiated with the support of DCAF a project to develop guidance for Member companies.

As part of this process, in May 2017 the Secretariat researched best practices and existing company grievance mechanisms across the business and human rights community and consulted 14 volunteer Member companies. The research and consultations informed the Secretariat's understanding of current practices and operational challenges and issues to be addressed in the draft Guidance. In June 2017, the Secretariat hosted an expert CSO roundtable on the draft Guidance. Since June the Complaints Committee, with the assistance of the Secretariat and DCAF, continues to seek expert feedback and to finalize the Guidance. The Guidance is expected to launch for Member companies in late 2017.

The Board and Secretariat will continue to work on ensuring accessibility of the ICoCA Complaints function and to develop the Association's capacity to help resolve complaints.

5. COMMUNICATIONS, OUTREACH AND DEVELOPMENT

In 2017, in an effort to build greater understanding of and continued support for the work and mandate of the Association and the commitments of Member companies, the Secretariat dedicated significant resources to engaging public and private stakeholders. A Board-approved Outreach and Communication Strategy developed by the Communications Working Group of the Board guided the Association's outreach efforts. In relevant part, the Association endeavoured in 2017 to grow the number of clients who recognize ICoCA Membership and Certification as a key factor in procuring private security.

Additionally, as part of this effort to diversify contributions to the Association's operating budget, the Association also dedicated significant resources to engaging governments and other contributors to seek and encourage support for the Association in implementing the various oversight functions.

5.1. Governments, Institutions and Forums

5.1.1. *Governments*

In 2017, the Association actively engaged ICoCA Member Governments, including the United Kingdom, Sweden, Australia, Canada and Norway in an effort to build greater support for and understanding of the ICoCA. In particular, the ICoCA either through the Board of Directors or Secretariat, maintained a regular dialogue with representatives from the United Kingdom and Sweden to build upon the significant contributions from these Governments which enabled the implementation of the various oversight functions in 2016 and 2017.

5.1.2. *European Union*

In 2017, the Association expanded its engagement with European Union institutions, including the EU Parliament. In particular, the ICoCA welcomed a Resolution adopted by the Parliament in July 2017 recommending that the EU Commission propose common guidelines based on the International Code of Conduct for contracting private security companies. The Resolution was adopted after the publication of the Draft Report of the Committee on Foreign Affairs. Both urge the EU Commission and the European External Action Service to give clear preference to ICoC-certified providers.

The Association aims to expand the dialogue with European Union institutions and Member governments to build greater support for and understanding of the ICoCA.

5.1.3. *Switzerland*

The Association continues to benefit from the continued and significant financial support of the Swiss Government which enables the development and implementation of the Association's key functions. The Association also continues to welcome the Swiss Government's leadership in regulating private security through the Federal Act on Private Security Services provided Abroad (PSSA) and, in particular, the inclusion of ICoCA Membership as a prominent factor in contracting.

In 2017, the ICoCA continued to hold regular meetings with the Swiss regulatory authority to enhance communication around the development of the ICoCA's key functions.

Additionally in 2017, the Association provided feedback to the Swiss regulatory authority in their development of training requirements and modules for companies falling under the PSSA and its accompanying Ordinance. The Association aims to promote the training tool as a resource for Member companies in complying with the Code of Conduct and in particular those companies falling under the PSSA.

As a founding ICoCA Member, the Association sees the continued support from and ongoing collaboration with the Swiss Government as critical to the success of the Association.

5.1.4. United States

The Association continues to welcome and develop a strong relationship with the United States Government, both in terms of continued financial support and measures to require or consider ICoCA Membership as a prominent factor in contracting private security.

In 2017, the Association continued to benefit from a significant grant to enable the development and implementation of the Monitoring function. The Association also welcomed the continued requirement by the U.S. Department of State's Bureau of Diplomatic Security (DS) that private security companies be ICoCA Members in order to qualify for contracts under its Worldwide Protective Services II program, which provides comprehensive protective security services to support Department operations around the world. The Association continues to encourage other U.S. Government Departments and Bureaus to adopt similar measures.

To that end, in 2017 the Association continued to regularly engage key offices at the Department of State, including the Bureau of Democracy, Human Rights and Labor (DRL) and DS—and the Department of Defense. The Association also expanded its outreach efforts to the U.S. Congress. As part of these efforts the Association now maintains a dialogue with the following Congressional Committees: Senate and House Committees on Foreign Relations/Affairs, Armed Services, and Appropriations.

As a result of these efforts, the Association welcomed the inclusion in the Report of the Appropriations Committee accompanying the 2017 Department of State, Foreign Operations and Related Programs Appropriations bill, language in support of the Association's mission and mandate and the participation of private security companies contracted by the Department in the ICoCA. The Association welcomed the reappearance of similar language in the 2017 Report of the Committee and efforts by other Committees with jurisdiction over Defense Department activities to consider parallel measures.

As a founding ICoCA Member, the Association continues to see unified support from all applicable U.S. Government branches, Departments and Bureaus as critical to the full achievement of the Association's mission and mandate.

5.1.5. Montreux Document Forum (MDF)

Since the MDF's establishment in December 2014, the ICoCA has regularly met with and provided updates to the participants in the Montreux Document Forum's Working Group on the ICoCA, currently chaired by ICoCA Member State, the United States.^[1] Several consultative meetings with the ICoCA Working Group have taken place since October 2016, the most recent of which involved an opportunity for Working Group participants to reflect on and provide feedback regarding the Board's proposed items put for a vote at the 2017 AGA. The Association also organized a side event in the margins of the MDF Meeting in April 2017 in which approximately 20-25 MDF participating governments were updated about the latest activities of the ICoCA and opportunities for involvement in the Association. The Association and Board regards its interactions with the MDF Working Group as a key, though not exclusive, forum in which to engage with and obtain feedback from states in the development of the ICoCA, its oversight functions and its contributions to improved private security standards and performance under the Code.

^[1] Further information about the MDF Working Group on the ICoCA, as well as links to minutes of the Working Group's consultations, can be found at <http://www.mdforum.ch/en/working-groups>.

5.2. Voluntary Principles on Security and Human Rights

The Voluntary Principles is a multi-stakeholder initiative bringing together governments, civil society organizations, and companies from the extractive sector to promote the implementation by Member companies of guidance on providing security for their operations in accordance with human rights-based principles. Building on its status of Observer to the Voluntary Principles, the Association has continued to engage with the organization with and its Members, which include many important commercial clients of private security.

In March 2017, the Association was invited to present on the Association and its benefits for clients at a side event to the Annual Plenary of the Voluntary Principles held in Ottawa, Canada. The Association additionally participated in a breakout session on applying human rights principles to maritime private security services.

5.3. Engagement with Non-State Clients

The Association also recognizes the role that non-state clients play and their strong interest in the nexus between security and human rights. Non-state actors –which include multinational corporations from a range of industries and humanitarian organizations – utilize private security services to support their operations, and therefore have significant influence and control over private security companies. Civil society, like governments, has legitimate expectations of these actors on how they carry out this role. In the context, the ICoCA has been working to help non-state actors understand the key role it is positioned to play, not just as a governance and oversight mechanism for the Code but, more importantly, as a benchmark of the highest standards in operational performance and respect for human rights and IHL.

In 2016 and 2017, the ICoCA has continued its work to engage with non-state clients to both understand their needs and to communicate regarding the Association’s continued development. For example, in March 2017 the Association was invited to present information about the ICoCA and how its oversight functions are beneficial to private security clients to the European Inter-Agency Security Forum, an organization bringing together security managers from over 90 humanitarian agencies. In addition, in June 2017 the Association met with Board Members of the International Security Managers Association (ISMA), an organization of senior security managers from multinational corporations, to discuss the requirements of ICoCA membership, and how this provides additional assurances to clients. Following these discussions, ISMA has invited the Association to participate in its January 2018 meeting.

The Association also had a number of bilateral meetings with non-state clients, from both the commercial and humanitarian sectors, to support the inclusion of ICoCA membership as a requirement or important factor in procurement. These events afforded the Association an opportunity to raise awareness among non-state clients about how ICoCA membership and oversight supports more responsible provision of private security services.

6. ADDITIONAL STAKEHOLDER ENGAGEMENT AND OTHER MATTERS

6.1. Civil Society Organizations (CSOs)

The Association continues to recognize the critical role that civil society actors play in its success. CSOs, both members and non-members, whether engaged in research, monitoring, advocacy, or policy development, represent not only the broader public perspective but, often also represent or have access to communities directly affected by private security operations. As such, engagement with and incentivizing the direct involvement of civil society actors remains a key objective for the ICoCA.

In 2016-2017, the ICoCA continued its outreach efforts and engagement with key civil society initiatives. Conference and workshops attended by Board Members and/or Secretariat staff include the Fifth Annual United Nations Forum on Business and Human Rights held in Geneva, 14-16 November 2016 and the Quarterly Meeting of the Human Rights and Business Roundtable organized by Fund for Peace in Washington DC, 8 December 2016.

6.2. United Nations Office of the High Commissioner for Human Rights (UN OHCHR)

In April 2017, at the invitation of the UN Working Group on the Use of Mercenaries, the ICoCA Secretariat met with the Working Group and participated in a public panel event entitled “Private security companies in places of deprivation of liberty, and their impact on human rights.” The Secretariat also participated on a CSO discussion meeting on the topic. The Board extends its appreciation both for the invitation and the collaborative relationship that the Association continues to develop with the Working Group. This constituted a valuable opportunity for the ICoCA to highlight the significant work that the Board and the Members of the Association are engaged in and to share the role of the ICoCA within a broader international effort to ensure that the private security industry operates with respect for international human rights and humanitarian law. The Association looks forward to more opportunities to engage with the Working Group.

6.3. Observers

Finally, the Board also recognizes the important contributions that the Association continues to receive from Observers, particularly those from academic institutions, non-state (corporate) clients of the private security industry, accredited certification bodies, and other non-state certification. 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 continued success.

In particular, over the course of the past year Observers have commented on proposed changes to the procedure for ICoCA Certification and other ICoCA Certification initiatives, the development of the Monitoring function and Company Self-Assessment Report, and the ICoCA Grievance Mechanism Guidance.

6.3.1. International Commission of Jurists (ICJ)

In mid-April 2017 the ICoCA, together with the Geneva Centre for the Democratic Control of Armed Forces (DCAF) presented to an expert panel of ICoCA Observer organization, the International



Commission of Jurists (ICJ). Established in February 2017, the expert panel is mandated to study and provide guidance on the effectiveness of grievance procedures provided by businesses to address and remedy harms arising from their operations. The ICoCA provided an update on the development of the Guidance on Company Grievance Mechanisms for ICoCA Member companies. The Association continues to welcome dialogue with the ICJ and the sharing of best practices and expertise in developing tools and guidance.

6.3.2 Industry Associations, Certifying Bodies and Accrediting Bodies

Additionally, the Association continues to value and prioritize the ongoing dialogue and engagement with various Associations, including the International Stability Operations Association (ISOA), based in Washington, DC, the Security in Complex Environments Group (SCEG) in London, UK. Engagement with these and other organizations, certifying and accrediting bodies, continues to assist the Association in better understanding and addressing the needs of its Members.

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