

Justification Study for the New Work Item Proposal - Management System for Quality of Private Security Company Operations - Requirements with Guidance

A management systems approach for quality of private security services and the assurance of human rights

Abstract

This standard builds on the *Montreux Document* and the *International Code of Conduct (ICoC) for Private Security Service Providers* to provide requirements and guidance for a management system with auditable criteria for quality assurance of private security company operations, consistent with respect for human rights, legal obligations and good practices related to operations of private security service provider companies in conditions where governance and the rule of law have been undermined by conflict or disaster. It provides auditable requirements based on the Plan-Do-Check-Act model for third-party certification of private security service providers working for any client.

Note: The *International Code of Conduct for Private Security Service Providers* (ICoC) (Section One) defines Private Security Companies and Private Security Service Providers as “any Company whose business activities include the provision of security services either on its own behalf or on behalf of another, irrespective of how such Company describes itself”. In this standard, a distinction is made between Private Military Companies (PMCs) which work in military and conflict settings to offer direct tactical military assistance and Private Security Companies (PSCs). This Standard **ONLY** applies to land-based PSCs and **DOES NOT** apply to PMCs.

1. Introduction

ISO/IEC Directives, Part 1: Consolidated ISO Supplement - Procedures specific to ISO (2012) for the justification and development of management systems standards, requires that proposals for new management system standards (MSS), or proposals for amendments/revisions to existing MSS, should be accepted through the justification process given in *Part 1: Consolidated ISO Supplement*.

This paper presents a Justification Study (JS) for a proposal for a new work item proposal in accordance with the *Part 1: Consolidated ISO Supplement* justification process.

Annex SL (normative) “*Proposals for management system standards*” of *Part 1: Consolidated ISO Supplement* stipulates that whenever a proposal is made to prepare a new management system standard (MSS), a justification study shall be carried out in accordance with Appendix 1 to Annex SL.

SL.6 outlines general principles to provide guidance to assess the market relevance of a proposed MSS and for the preparation of a JS. Appendix 1 “*Justification Criteria Questions*” provides a list of questions to be addressed in the justification study in line with the principles listed in SL.6. This Justification Study follows these recommendations.

The principles given in *ISO/IEC Directives, Part 1: Consolidated ISO Supplement - Procedures specific to ISO*, Clause SL.6, are as follows:

- 1) Market relevance - Any MSS should meet the needs of, and add value for, the primary users and other affected parties.

- 2) Compatibility - Compatibility between various MSS and within an MSS family should be maintained.
- 3) Topic coverage - An MSS should have sufficient application coverage to eliminate or minimize the need for sector-specific variances.
- 4) Flexibility - An MSS should be applicable to organizations in all relevant sectors and cultures and of every size. An MSS should not prevent organizations from competitively adding to or differentiating from others, or enhancing their management systems beyond the standard.
- 5) Free trade - An MSS should permit the free trade of goods and services in line with the principles included in the WTO Agreement on Technical Barriers to Trade.
- 6) Applicability of conformity assessment - The market need for first-, second- or third-party conformity assessment, or any combination thereof, should be assessed. The resulting MSS should clearly address the suitability of use for conformity assessment in its scope. An MSS should facilitate joint audits.
- 7) Exclusions - An MSS should not include directly related product (including services) specifications, test methods, performance levels (i.e. setting of limits) or other forms of standardization for products produced by the implementing organization.
- 8) Ease of use - It should be ensured that the user can easily implement one or more MSS. An MSS should be easily understood, unambiguous, free from cultural bias, easily translatable, and applicable to businesses in general.

The approach taken in preparing this Justification Study has been to address the basic information followed by each of the principles in turn with a presentation of answers to relevant Appendix 1 questions. Note that the Appendix 1 questions are given within a grey-shaded background, with the answers following, outside of the shading.

2. Basic information on the MSS proposal

2.1 What is the proposed purpose and scope of the MSS? Is the document supposed to be a guidance document or a document with requirements?

This proposed International Standard (*Standard*) provides the principles and requirements for a Quality Assurance Management System (QAMS) for Private Security Service Providers including Private Security Companies (collectively “PSCs”) to provide quality assurance in all security related activities and functions while demonstrating accountability to law and respect for human rights. The *Standard* provides auditable criteria and guidance consistent with the “*Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict*” of 17 September 2008 and the “*International Code of Conduct for Private Security Service Providers*” (ICoC) of 9 November 2010. This *Standard* provides a means for PSCs, and their clients, to provide demonstrable commitment and conformance with the aims of the Montreux Document and the principles outlined in the ICoC, as well as enhance the security and protection of stakeholders.

This *Standard* provides a framework for establishing, implementing, operating, monitoring, reviewing, maintaining and improving the management of their products and services. It is particularly applicable for any type of land-based PSC operating in circumstances of weakened governances where the rule of law has been undermined due to human or naturally caused events.

This *Standard* is applicable to any PSC that needs to:

- a) Establish, implement, maintain, and improve a QAMS;
- b) Assess its conformity with its stated quality assurance management policy;
- c) Demonstrate its ability to consistently provide services that meet client needs and are in conformance with applicable international law, local laws and human rights requirements;
- d) Demonstrate conformity with this Standard by:
 - I. Making a self-determination and self-declaration;
 - II. Seeking confirmation of its conformance by parties having an interest in the organization (such as clients);
 - III. Seeking confirmation of its self-declaration by a party external to the organization; or
 - IV. Seeking certification/registration of its QAMS by an independent and accredited external organization.

The generic principles and requirements of this *Standard* are intended to be incorporated into any organization's management system based on the PDCA model; it is not intended to promote a uniform approach to all organizations in all sectors. The design and implementation of quality assurance plans, procedures and practices should take into account the particular requirements of each organization: its objectives, context, culture, structure, resources, operations, processes, products and services.

Note: Consistent with the aims of the Montreux Document, PSC clients should use this Standard when retaining the services of PSCs. PSC clients should use the Standard's management system principles and requirements to conduct their own due diligence and management of services retained from PSCs.

2.2 Would the proposed MSS work item result in an International Standard (IS), an ISO/(IEC) Guide, a Technical Specification (TS), a Technical Report (TR), a Publicly Available Specification (PAS), or an International Workshop Agreement (IWA)?

International Standard (IS)

2.3 Does the proposed purpose or scope include product (including service) specifications, product test methods, product performance levels, or other forms of guidance or requirements directly related to products produced or provided by the implementing organization?

No.

2.4 Is there one or more existing ISO committee or non-ISO organization that could logically have responsibility for the proposed MSS? If so, identify.

There are no existing ISO committees that could logically have responsibility for the proposed MSS. ISO does not have any technical committees that address issues related to the provision of private security services on land, particularly armed security services. Nor do any ISO technical committees contain the breadth of expertise from client, service provider and civil society communities necessary to successfully develop this *Standard*.

At the time of signing of the *International Code of Conduct (ICoC) for Private Security Service Providers* (2010), ASIS International was approached and requested to develop the national standards as called for in Clause C-10 of the *ICoC* document. ASIS International with members worldwide in 133 countries, and 218 Chapters in 60 countries, is the preeminent international

organization for security professionals. ASIS International is certified as an Accredited Standards Developer and Standards Development Organization by ANSI. Participation in the ASIS International standards development process is open to subject matter experts from any country in the world.

Concurrent with the submission of this document ASIS International is submitting a NWIP to conduct development within a new Project Committee. Given the nature and economic realities of key stakeholders affected by this *Standard* it is essential that a process be established to better facilitate direct participation of experts. Credibility and acceptance of the *Standard* depends on direct and balanced participation of all affected parties from the public, NGO and private parties that hire private security services; the providers of private security services; and civil society, international humanitarian law and human rights communities. The open process used by ASIS International, certified by ANSI as an SDO, facilitated an open and transparent process needed to attract a balanced committee of experts from around the globe. Over 200 technical committee members from 24 countries participated in the development of the ANSI/ASIS.PSC.1:2012 *Management System for Quality of Private Security Company Operations - Requirements with Guidance* standard.

ISO/TC 262 will be asked to liaise with this initiative given that the ISO 31000 was used as the basis for the risk management process described in the *Standard*. ISO/TC 176 will be asked to liaise with this initiative given that many PSCs use the ISO9001 and this *Standard*, while not a quality management standard, uses a risk management approach to assure quality of PSC services with respect for human rights and dignity. ISO/TC 8 will also be asked to liaise with this initiative since it is undertaking to develop a standard for providing security against piracy on the high seas, a tangentially related issue with different issues and legal codes than land-based operations. It should be noted that the proposed ISO/PAS 28007, while not applicable to land-based operations, used much of the ANSI/ASIS.PSC.1:2012 and ANSI/ASIS.PSC.2:2012 standards as a basis for its text and approach. Therefore, the proposed ISO/PAS 28007 can be used with the ANSI/ASIS.PSC.1:2012 in a maritime environment. Both the ANSI/ASIS.PSC.1:2012 and ANSI/ASIS.PSC.2:2012 standards are referenced in the draft ISO/PAS 28007. Other TCs will be asked to liaise as well, however, there are no ISO/TCs are seen as directly linked to the topics discussed in the *Standard*.

2.5 Have relevant reference materials been identified, such as existing guidelines or established practices?

The relevant reference materials are:

- 1) *Montreux Document On Pertinent International Legal Obligations and Good Practices for States Related to Operations of Private Military and Security Companies During Armed Conflict* (09/2008);
- 2) *International Code of Conduct for Private Security Service Providers (ICoC)* (11/2010);
- 3) ANSI/ASIS.PSC.1:2012 *Management System for Quality of Private Security Company Operations - Requirements with Guidance*;
- 4) ANSI/ASIS.PSC.2:2012 *Conformity Assessment and Auditing Management Systems for Quality of Private Security Company Operations*;
- 5) ISO 31000:2009, *Risk management – Principles and guidelines*.

Relevant documents relating to United Nations and International Human Rights publications are extensively referenced in the bibliography of ANSI/ASIS.PSC.1:2012.

No other national or international standards have been developed to address the issues addressed in this proposed standard.

2.6 Are there technical experts available to support the standardization work? Are the technical experts direct representatives of the affected parties from the different geographical regions?

The technical committee that developed the ANSI/ASIS.PSC.1:2012 was comprised of more than 200 experts from 24 countries. Given the global nature of the issues addressed, it was essential to have representation on the committee from experts worldwide. Furthermore, given the sensitive nature of the subject, it was important to assure balance of the stakeholders; therefore, the technical committee was evenly balanced with equal representation of:

- 1/3 Clients and users of security services (governmental and non-governmental, including NGOs, development and relief organizations, mining and extraction companies, businesses)
- 1/3 Providers of security services (large, medium and small companies)
- 1/3 Civil society, international humanitarian law, and human rights organizations (including NGOs, international lawyers, academics, rights advocates, community groups, etc.)

A large pool of technical experts who are direct representatives of the affected parties from the different geographical regions have been identified and contributed to the efforts to develop the ANSI/ASIS.PSC series of standards.

2.7 What efforts are anticipated as being necessary to develop the document in terms of experts needed and number/duration of meetings?

As noted in Section 2.6 of this document, an extensive group of global experts was identified for the development of the ANSI/ASIS.PSC.1:2012 standard. The balanced group of technical experts represented:

- 1/3 Clients and users of security services (governmental and non-governmental)
- 1/3 Providers of security services (large, medium and small companies)
- 1/3 Civil society, international humanitarian law, and human rights organizations (including NGOs, international lawyers, academics, rights advocates, community groups, impacted parties, etc.)

The ISO initiative would likewise need to be comprised of a balanced group of stakeholders. Furthermore, the meetings would require the use of the WebEx on-line meeting platform, as was used in the development of the ANSI/ASIS.PSC.1:2012 due to the impracticality and economic constraints on travel for many, if not most of the key experts.

Given that the document was developed by a technical committee of over 200 international experts from 24 countries, the document is being submitted to ISO within the framework of Project Committee process for DIS ballot. It is anticipated that, there will be approximately two three-hour monthly or bi-monthly WebEx meetings of the responsible Working Group to address any issues that may arise.

2.8 What is the anticipated completion date?

Quarter 4, 2013

2.9 Is the MSS intended to be a guidance document, contractual specification or regulatory specification for an organization?

The *Standard* provides auditable requirements based on the Plan-Do-Check-Act model for third-party certification of private security service providers working for any client.

It should be noted that the United States Department of Defense has revised its contracting procedures to require conformance to the ANSI/ASIS.PSC.1:2012 for any PSC of any nationality, operating in any country who is party to a contract.

At the 35th Roundtable on Current Issues on Humanitarian Law sponsored by the International Institute of Humanitarian Law and the International Committee of the Red Cross in Sanremo, Italy the 2012 focus topic was private military and security companies. The ANSI/ASIS.PSC.1:2012 and ANSI/ASIS.PSC.2:2012 were extensively discussed and praised for providing a practical mechanism for management and accountability of PSCs. Representatives from major client bodies such as the United Kingdom Foreign and Commonwealth Office, the European Union and NATO all stated they are reviewing the standards for adoption as is, without modifications, to avoid contracting conflicts.

3. Principle 1: market relevance

3.1 Have all the affected parties been identified? For example:

- a) organizations (of various types and sizes): the decision-makers within an organization who approve work to implement and achieve conformance to the MSS;
- b) customers/end-users, i.e. individuals or parties that pay for or use a product (including service) from an organization;
- c) supplier organizations, e.g. producer, distributor, retailer or vendor of a product, or a provider of a service or information;
- d) MSS service provider, e.g. MSS certification bodies, accreditation bodies or consultants;
- e) regulatory bodies;
- f) non-governmental organizations.

Yes, the parties that participated in the *Montreux Document* (42 signature countries) and the *ICoC* process (464 signature companies) from around the globe were invited participate in the development of the ANSI/ASIS.PSC.1:2012. These would be identified for the ISO process. In addition to this, approximately 1000 international experts representing organizations of all types and sizes representing governments, non-governmental organizations, human rights organizations, aid and development agencies, service providers, security service providers, national and international regulatory and oversight bodies, international agencies, academics, management systems auditors, and international legal experts were invited to participate in the development of the ANSI/ASIS.PSC.1:2012. All groups were represented on the technical committee. Therefore, a large database has been compiled of all the affected parties from around the globe.

3.2 What is the need for this MSS? Does the need exist at a local, national, regional or global level? Does the need apply to developing countries? Does it apply to developed countries? What is the added value of having an ISO document (e.g. facilitating communication between organizations in different countries)?

Private Security Service Providers including Private Security Companies (collectively “PSCs”) play an important role in protecting state and non-state clients engaged in relief, recovery, and reconstruction efforts; commercial business operations; diplomacy; and military activity. This

Standard is applicable for any type of land-based PSC operating in circumstances of weakened governance where the rule of law has been undermined due to human or naturally caused events. In unstable and dangerous environments where security and military operations are on-going, PSCs are engaged to provide enhanced security services in support of humanitarian, diplomatic and military efforts, and to protect commercial activities including rebuilding of infrastructure. The PSC, in close coordination with legitimate clients and state actors, must adopt and implement the standards necessary to ensure that human rights and fundamental freedoms are adhered to in order to safeguard lives and property, and untoward, illegal and excessive acts are prevented; while working under high risk conditions with the utilization of tactics, techniques, procedures and equipment, including weapons. The value added of this *Standard* is to improve and demonstrate the quality of services provided by PSCs while maintaining the safety and security of their operations and clients within a framework that aims to ensure respect for human rights, national and international laws, and fundamental freedoms.

This *Standard* builds on the principles found in international human rights law and international humanitarian law. It provides auditable criteria and guidance that support the objectives of the “*Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict*” of 17 September 2008 and the “*International Code of Conduct for Private Security Service Providers*” (ICoC) of 9 November 2010. This *Standard* provides a means for PSCs, and their clients, to implement the recommendations of the *Montreux Document* and to provide demonstrable commitment, conformance and accountability to respect the principles outlined in the *ICoC*. PSCs operate from most countries in the world. Clients from both developing and developed countries extensively use their services. However, the services themselves are commonly provided in developing countries due to the higher incidents of major disasters and regions of conflict being predominately in developed countries. Therefore, affected local populations are typically in developing countries. Subcontracting is a widespread practice, with PSCs from developed countries, with PSCs both from third-party countries and with local PSCs used in the subcontracting process. Clearly, this global issue that transcends jurisdictional and economic development boundaries.

3.3 Does the need exist for a number of sectors and is thus generic? If so, which ones? Does the need exist for small, medium or large organizations?

Private Security Service Providers of all sizes and types, play an important role in protecting public, private, and not-for-profit sector clients operating in circumstances of weakened governance where the rule of law has been undermined due to human or naturally caused events. Clients from the public, private and NGO sectors engage a broad-range of services from PSCs in support of commercial, humanitarian, diplomatic and military efforts, and to protect other activities including rebuilding of infrastructure. The scope and scale of the activities of PSCs include guarding and protection of persons and objects, such as convoys, facilities, designated sites, property or other placed (whether armed or unarmed), or any other activity for which the personnel of companies are required to carry or operate a weapon in the performance of their duties. This *Standard* provides auditable criteria for PSCs, and their clients, to demonstrate accountability that human rights and fundamental freedoms are adhered to, and untoward, illegal, and excessive acts prevented.

The use of private security services exists across all sectors, types and sizes of organizations, both domestically and internationally. There is a need for assure quality of services, manage risks and respect human rights and dignity by all sectors. This *Standard* will provides a sound basis for small and medium sized enterprises as well as large organizations to benchmark and improve their security service performance, and demonstrate good management practices.

3.4 Is the need important? Will the need continue? If yes, will the target date of completion for the proposed MSS satisfy this need? Are viable alternatives identified?

Yes. The primary role of PSCs is to protect the fundamental and universal human right of people to be secure in their persons and property in conditions of weakened governance. In many parts of the world, this basic right is under attack. In many cases, these attacks are directed against people who are working to alleviate the suffering of affected populations, to restore critical infrastructure necessary for the well-being of individuals and society, or engaged in other activities that will lead to long term stability and development of the population. These attacks may be for the purpose of immediate financial gain, they may be politically motivated, or for reasons of hatred, bigotry and/or revenge. These attacks not only violate the human rights of the individuals targeted by that violence but also affect the broader population who are consequently denied food, water, medical treatment, electricity, employment, and peace.

Both the need and use of PSCs is growing. Clients are not only governments (approximately 30% of the market) but also non-governmental organizations, aid and development agencies, private companies (particularly mining, drilling and extraction companies) and transport industries.

Recent incidents with problems involving rights violations and poor quality of services lead to development of the “*Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict*” of 17 September 2008 and the “*International Code of Conduct for Private Security Service Providers*” (ICoC) of 9 November 2010. Subsequently, the ANSI.ASIS.PSC.1:2012 was developed consistent with Clause C-10 of the ICoC document to develop the national standards to demonstrate accountability of PSCs.

The ANSI.ASIS.PSC.1:2012 was published in March 2012 and has already been adopted by clients for use in their contracting processes with PSCs. Internationalization of the standard will expedite its acceptance and use. Furthermore, given that the ANSI.ASIS.PSC.1:2012 was developed by an international technical committee representing the breadth of stakeholders, and currently is the only national standard addressing this issue, rapid adoption by ISO will avoid duplication and a potential for confusion in international contracting processes. So, given that the ANSI.ASIS.PSC.1:2012 has already been published and is being used in contracting processes, the proposed date of completion for the proposed MSS will satisfy this need.

3.5 Describe how the need and importance were determined. List the affected parties consulted and the major geographical or economical regions in which they are located.

The rapid expansion of the use of PSCs by governments, NGOs and the private sector took place in an environment devoid of codes of conduct and standard for quality of services provided. There has been repeated calls for standards for PSCs, particularly from local communities (in many cases developing countries) impacted by their services as well as among civil society groups and the human rights community. In addition to this, government studies conducted by client nations have repeatedly called for standards for provision of PSC services and protection of the rights of persons working on behalf of PSCs and affected communities. These issues have received wide coverage in the international press.

Given that PSCs have become important elements for supporting peace and stability efforts in regions where the capacity of societal institutions have become overwhelmed by human and natural

caused disruptive events, their operations face a certain amount of risk. The challenge is to determine how to cost-effectively manage risk while meeting the organization's strategic and operational objectives within a framework that protects the safety, security, and human rights of internal and external stakeholders, including clients and affected communities. PSCs need to conduct their business and provide services in a manner that respects human rights and laws. Therefore, they – and their clients – have an obligation to carry out due diligence to prevent incidents, mitigate, and remedy the consequences of incidents, report them when they occur, and take corrective and preventive actions to avoid a reoccurrence.

The need for standards for private security service providers have been recognized for some time, yet until the ANSI.ASIS.PSC.1:2012 no national or international standards existed. Established in 2000, the *Voluntary Principles on Security and Human Rights* - an initiative by governments, NGOs, and companies - provides guidance to extractives companies on maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.

The need to bring order to the industry was recognized by 17 countries which worked together to develop and sign the “*Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict*” on 17 September 2008. The signature countries to the Montreux Document has grown from the original 17 signatures (Afghanistan, Angola, Australia, Austria, Canada, France, Germany, Iraq, Peoples Republic of China, Poland, Sierra Leone, South Africa, Sweden, Switzerland, Ukraine, United Kingdom, United States) to a current total of 42 signature countries.

Working together clients, PSCs and civil society groups developed the “*International Code of Conduct for Private Security Service Providers*” (*ICoC*). The *ICoC* was a Swiss government convened, multi-stakeholder initiative with the aim to both clarify codes of conduct for the private security industry operating in complex environments, as well as to improve oversight and accountability of these companies. The *ICoC* was signed by 58 private security companies from fifteen countries at a signing ceremony in Geneva on 9 November 2010. The *ICoC* has remained open for signature since the initial signing, and by 1 August 2012, the number of Signatory Companies had risen to 464 from 60 countries. By signing, the companies publicly affirm their responsibility to respect the human rights of, and fulfill humanitarian responsibilities towards, all those affected by their business activities.

At the time of signing of the *International Code of Conduct for Private Security Service Providers*, ASIS International was approached and requested to develop the national standards - as called for in Clause C-10 of the *ICoC* document. Rather than just have a public affirmation of conformance to the *ICoC*, clients felt a management system standard with auditable criteria would provide the appropriate mechanism to demonstrate conformance to specific criteria and hold PSCs accountable. A document with audible criteria could then be used in contracts with PSCs.

The *Montreux Document*, *ICoC* and ANSI.ASIS.PSC.1:2012 were products of an extensive consultative process with all affected parties, including governments, NGOs, impacted communities, PSCs, civil society and human rights organizations, international bodies, international and national law practices, international humanitarian law experts, ancillary businesses and academics from around the globe.

3.6 Is there known or expected support for the proposed MSS? List those bodies that have indicated support. Is there known or expected opposition to the proposed MSS? List those bodies that have indicated opposition.

There is wide support for the proposed MSS as evidenced by the fact that more than 200 experts from 24 countries were members of the ANSI/ASIS.PSC.1:2012 standard technical committee with equal representation of:

- 1/3 Clients and users of security services (governmental and non-governmental)
- 1/3 Providers of security services (large, medium and small companies)
- 1/3 Civil society, international humanitarian law, and human rights organizations (including NGOs, international lawyers, academics, rights advocates, community groups, MSS auditors, etc.)

Examples of some bodies involved in the development of the ANSI/ASIS.PSC standards and implementation mechanisms and that would be approached to support the ISO initiative includes:

- Amnesty International
- ASIS International
- Department of Defense - Australian Army
- European External Action Service
- Geneva Academy of International Humanitarian Law and Human Rights
- Geneva Centre for the Democratic Control of Armed Forces (DCAF)
- International Committee of the Red Cross (ICRC)
- International Institute of Humanitarian Law (IIHL)
- International Stability Operations Association (ISOA)
- Korean Red Cross
- NATO
- Office of the Legal Services Commissioner, New South Wales, Australia
- Pan African Security Association (PASA)
- Security Association for the Maritime Industry (SAMI)
- Security in Complex Environments Group (UK industry association)
- The Fund for Peace
- United Nations
- U.K Foreign and Commonwealth Office
- U.K. Ministry of Defense
- U.S. Department of Defense
- U.S. Department of State

Given the high exposure of issues related to private security service providers in the press, there appears to be extensive support for a *Standard* to manage the risks of PSCs operating in high risk environments to assure quality of services and the protection of human rights and dignity. There is no known opposition to the proposed MSS, however, it has been noted that implementing a management system may be more challenging to organizations that currently do not have a formal management system or risk management program of any type in place. The *Standard* has received particular support among organizations familiar with MSSs due to their adoption of the ISO 9001 and/or use of the ISO31000.

3.7 What are the expected benefits and costs to organizations, differentiated for small, medium and large organizations if applicable?

Describe how the benefits and the costs were determined. Provide available information on geographic or economic focus, industry sector and size of the organization. Provide information on the sources consulted and their basis (e.g. proven practices), premises, assumptions and conditions (e.g. speculative or theoretical), and other pertinent information.

The sanctity of human life is the paramount underlying principle of this Standard. PSCs, and their clients, have an obligation to protect the lives and safety of both internal and external stakeholders (including the community at large). By using this *Standard*, PSCs can better understand the risks they face and preemptively develop strategies that will:

- a) Manage risk posed to the lives and property of those whom they are contractually obligated to protect;
- b) Support the objectives of the *Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict* and the *International Code of Conduct for Private Security Service Providers (ICoC)*;
- c) Demonstrate commitment, conformance, and accountability to respect human rights, laws, and fundamental freedoms;
- d) Reduce risk and support the business and operational mission; and
- e) Successfully manage an undesirable or disruptive event by developing a strategy and action plans to safeguard its interest and those of its clients and other stakeholders.

There will be a wide variety of benefits to organizations. Implementing this *Standard* will enable organizations to create a framework for better business management that may, in turn, provide:

- Commercial differentiator and advantage by demonstrating the existence of good quality assurance management to clients
- Ability to demonstrate compliance to legal and regulatory requirements
- Ability to demonstrate commitment, conformance, and accountability to respect the principles outlined in the *ICoC*
- Support of national legislation in many countries, particularly developing countries
- Improved commitment to employees, clients, local communities and other stakeholders
- Improved business performance and demonstrate reliability in a supply chain
- A more responsible image in the market place
- Improved satisfaction to employees, regulators, insurers and others
- Increased management commitment
- Effective management reviews
- Enhanced business performance

These benefits and costs are applicable to all sizes and types of organization. The costs of implementation of the proposed *Standard* are not anticipated to be high, as the financial costs incurred will be outweighed by the benefits that the implementation of the *Standard* would incur. These include a global “level-playing field”, effective risk management, and international transparency in provision of private security services.

The costs to organizations in using the standard include:

- planning
- implementation
- employee training
- review and audit

The *Standard* was written to be compatible with the ISO 9001 and ISO 31000, as well as other ISO MSSs. Many PSCs involved in government contracting already have to demonstrate they have some sort of quality management system in place. Furthermore, well run PSCs recognize that working in high risk environments requires a robust risk management program. The cost of

implementation for organizations that already have elements of quality and risk management programs will have little difficulty and lower costs in adopting the *Standard*.

A major intangible cost/benefit factor is the protection of reputation of the industry, clients and governments. PSCs that conduct activities not consistent with the *ICoC* are quickly spotlighted by the international media and bring ill repute on themselves, their clients and the entire private security service provider industry. Given the critical nature of many of the services PSCs provide to both governments and NGOs, poor management of PSCs and infractions of human rights can result in contraction of services and protections for vulnerable communities.

The primary benefit of this Standard is the managing of risks in high risk environments and for the protection of life and rights, an intangible asset that cannot be valued in monetary terms. The risk management aspects of the *Standard* covers several things:

- a) Risks related to security and protection of the client, assets and persons being protected
- b) Risks related to the security and safety of the security providers
- c) Risk related to human rights
- d) Security management risks related to services including protection of assets (human, tangible and intangible – reputational and information risk is huge in this industry)
- e) Risks related to affected communities

3.8 What are the expected benefits and costs to other affected parties (including developing countries)?

Describe how the benefits and the costs were determined. Provide any information regarding the affected parties indicated.

A primary focus of the standard is the protection of local communities in regions of weakened governance. A disproportionate number of developing countries are impacted by natural and made-made disasters. Clients from the public, private and NGO sectors engage a broad-range of services from PSCs in support of commercial, humanitarian, diplomatic and military efforts, and to protect other activities including rebuilding of infrastructure, all activities that benefit the affected parties. Furthermore, many developing countries provide the staffing of multi-national security companies. The *Standard* also provides protections for persons working on behalf of the organization.

It is anticipated that any affected parties not yet identified will have the same benefits when implementing the standard as those previously identified. The generic nature of the *Standard* will allow developing countries to tailor their implementation strategy to their priorities and business environment, while managing risks and respecting human rights and dignity.

3.9 What will be the expected value to society?

The use of PSCs is ubiquitous around the globe. They are widely used by governments, NGOs, business and industry, relief organizations, aid and development agencies, and human rights organizations. By its very nature, PSCs work in high-risk environments. Therefore, this *Standard* provides an essential societal value of managing the risks associated with providing security services in high-risk environments in a manner conducive to protecting human rights and dignity.

At a workshop at the International Institute of Humanitarian Law in Sanremo, Italy in October 2011, international lawyers pointed out that what the ANSI.ASIS.PSC.1 has done is create a global benchmark for managing risks to assurance quality of private security services and the assurance of human rights. Given that one of the largest client organizations (U.S. Department of Defense) has

announced it will use the *Standard* for contracting, in any country for any company, there is now a de-facto industry best practice that requires PSCs to protect human rights and dignity.

At the 35th Roundtable on Current Issues on Humanitarian Law sponsored by the International Institute of Humanitarian Law and the International Committee of the Red Cross the ANSI/ASIS.PSC.1:2012 and ANSI/ASIS.PSC.2:2012 were extensively discussed and praised for providing a practical mechanism for management and accountability of PSCs to manage risks and protect life and human rights. Representatives from major client bodies such as the United Kingdom Foreign and Commonwealth Office, the European Union and NATO all stated they are reviewing the standards for adoption as is, without modifications, to avoid contracting conflicts.

3.10 Have any other risks been identified (e.g. timeliness or unintended consequences to a specific business)?

No other risks have been identified.

4. Principle 2: compatibility

4.1 Is there potential overlap or conflict with other existing or planned ISO or non-ISO international standards, or those at the national or regional level? Are there other public or private actions, guidance, requirements and regulations that seek to address the identified need, such as technical papers, proven practices, academic or professional studies, or any other body of knowledge?

There is no potential overlap or conflict with other existing or planned ISO or non-ISO international standards, or those at the national or regional level, as there are no initiatives on any of these levels to develop a MSS to address private security service providers. Rather after the announcement by the U.S. Department of Defense that they will use the ANSI.ASIS.PSC.1 for contracting, other governments and some private companies are likewise considering adopting the Standard to avoid conflicts. There was broad agreement at the 35th Roundtable on Current Issues on Humanitarian Law that the ANSI.ASIS.PSC.1 standard does an excellent job of providing a mechanism for accountability to the *ICoC* and *Montreux Document* and should therefore be adopted for contracting by governments, NGOs and the private sector.

The *ICoC* also set the foundation for establishing of external independent mechanisms for effective governance and oversight of the *ICoC*. Since the ANSI.ASIS.PSC.1 fulfils Clause C-10 of the *ICoC* document, this will complement rather than conflict with the proposed ISO standard.

4.2 Is the MSS or the related conformity assessment activities (e.g. audits, certifications) likely to add to, replace all or parts of, harmonize and simplify, duplicate or repeat, conflict with, or detract from the existing activities identified above? What steps are being considered to ensure compatibility, resolve conflict or avoid duplication?

The ANSI.ASIS.PSC.1 uses the Plan-Do-Check-Act (PDCA) cycle and is written to be consistent with the risk management framework and process of the ISO 31000. Furthermore, it is compatible with other ISO management systems standards, such as ISO 9001, ISO 14001, ISO 27001 and ISO 28000. PSCs already using the ISO 9001 and the ISO 31000 can seamlessly integrate their existing management system standards with this *Standard*. One suitably designed management system can satisfy the requirements of all these standards. The synergy of the various management system standards provides for a more effective overall business management strategy for the organization.

This results in efficiency of scale, flexibility of application and cost savings. It provides a business-friendly approach to managing various risks.

The ANSI/ASIS PSC.2-2012 *Conformity Assessment and Auditing Management Systems for Quality of Private Security Company Operations*, also developed by an international Technical Committee comprised of members from civil society organizations, PSCs and their clients, as well as MSS auditors, provides requirements and guidance for conducting a conformity assessment of the ANSI/ASIS PSC.1-2012.

To promote consistency with existing MSS conformity assessment processes, the ANSI/ASIS PSC.2-2012 Standard:

- a) Is a sector specific standard based on the ISO/IEC 17021:2011 *Conformity assessment -- Requirements for bodies providing audit and certification of management systems*
- b) Provides requirements and guidance for independent Certification Bodies conducting conformity assessment of the standard ANSI/ASIS PSC.1-2012, Management System for Quality of Private Security Company Operations – Requirements with Guidance
 - Builds on the existing ISO/IEC conformity assessment process to address the need for civil society organizations, local communities and clients to be assured that the assessment process is both thorough and credible
 - Provides requirements and criteria for the competence and evaluation of auditors
 - Provides confidence and information to internal and external stakeholders that the requirements of the ANSI/ASIS PSC.1-2012 are being met
 - Provides a mechanism for civil society organizations, local communities and clients to address issues that might arise with regard to certification of a PSC
 - Assures all PSCs are evaluated using a defined, repeatable, equal and transparent process without surprises
 - Can also be used by PSCs to develop their internal auditing programs to evaluate their performance and drive continual improvement.

4.3 Is the proposed MSS likely to promote or stem proliferation of MSS at the national or regional level, or by industry sectors?

The proposed MSS is likely stem proliferation of MSS at the national or regional level, or by industry sectors. The ANSI/ASIS PSC.1-2012 filled a vacuum for a MSS for private security service providers. Currently it is the first and only national or regional standard addressing quality of services and risk management of private security service providers. Rapid adoption of the standard will stem proliferation of standards that may cause confusion in contracting processes.

Given the breadth and depth of the participation of international affected stakeholders, it is unlikely that any other initiatives will be able to replicate the process used in developing the ANSI/ASIS PSC.1-2012 which is critical for credibility.

5. Principle 3: topic coverage

5.1 Is the MSS for a single specific sector?

No, it is expected to be globally applicable to all sectors that use and are affected by private security service providers.

5.2 Will the MSS reference or incorporate an existing, non-industry-specific ISO MSS (e.g. from

the ISO 9000 series of quality management standards)? If yes, will the development of the MSS conform to the ISO/IEC Sector Policy (see 6.8.2 of ISO/IEC Directives, Part 2), and any other relevant policy and guidance procedures (e.g. those that may be made available by a relevant ISO committee)?

The *Standard* references the ISO 31000 and follows the principles, framework and process described in the ISO 31000 for generic risk management. It follows the flow and logical thought process of the ISO 31000 since the predominant concept underlying the standard is managing risks of PSC operations. Although it is not a quality management system standard, it was written to be consistent with the ISO 9001 to enable seamless integration. The Standard follows much of the high level structure of Appendix 3 and 4 of the Consolidated ISO Supplement, but does not use the identical core text as the Technical Committee deemed the language too difficult to understand within the context of this sector.

5.3 What steps have been taken to remove or minimize the need for particular sector-specific deviations from a generic MSS?

This generic standard addresses the unique requirements of private security service providers. Given the diversity of the PSC members of the Technical Committee developing the ANSI/ASIS.PSC.1, in terms of types of services provided, geographic locations, objectives of clients, and legal jurisdictions it was critical at all times to make sure the document was generic and country-neutral. There may be a desire to use the standard for domestic private security services and/or non-land based operations. The core elements of the standard were written to directly apply to these situations, however local jurisdictional laws and regulations in these cases would replace references to the *ICoC* and *Montreux Document*, as well as humanitarian and international laws.

5. Principle 4: flexibility

5.1 Will the MSS allow an organization competitively to add to, differentiate or encourage innovation of its management system beyond the standard?

Yes, the *Standard* although written for practices related to operations of private security service provider companies in conditions where governance and the rule of law have been undermined by conflict or disaster is in fact relevant to all types and operations of private security service provider companies. Any PSC, providing armed or unarmed services in a domestic or international setting will find the requirements and guidance of the standard directly applicable to their organization. Although the *Standard* directly references the *ICoC* and *Montreux Document*, as well as international humanitarian and human rights laws, it can still be used in jurisdictions where these laws do not directly apply but where the principles of these documents are subsumed by domestic laws and regulations for the protection of individuals' rights.

The Standard contains fundamental principles and good practices for quality assurance, risk, and supply chain management that are critical for any organization to improve its business management processes.

6. Principle 5: free trade

6.1 How would the MSS facilitate or impact global trade? Could the MSS create or prevent a technical barrier to trade?

By reducing the need for different national or regional for private security service providers standards, this *Standard* will facilitate global trade and remove technical barriers to trade. PSC operations are a global industry; this *Standard* will help to bring conformity to quality and risk management within the industry and better assure the protection of human rights and dignity. It will create a level playing field for comparing services of PSCs.

6.2 Could the MSS create or prevent a technical barrier to trade for small, medium or large organizations?

No, the *Standard* should not impose additional requirements on them, but assist them to better meet, human rights, legislative and business requirements.

6.3 Could the MSS create or prevent a technical barrier to trade for developing or developed countries?

No, the *Standard* will not create or prevent a technical barrier to trade for either developing or developed countries. It will help to bring conformity to quality and risk management within the industry and better assure the protection of human rights and dignity to the benefit of both developing or developed countries.

6.4 If the proposed MSS is intended to be used in government regulations, is it likely to add to, duplicate, replace, enhance or support existing governmental regulations?

The purpose of this *Standard* is to improve and demonstrate consistent and predictable quality of services provided by PSCs while maintaining the safety and security of their operations and clients within a framework that aims to ensure respect for human rights, national and international laws, and fundamental freedoms. This *Standard* builds on the principles found in existing international human rights law and international humanitarian law. It provides auditable criteria for PSCs, and their clients, to demonstrate accountability that human rights and fundamental freedoms are adhered to, and untoward, illegal, and excessive acts prevented.

The Standard enhances or supports the objectives of the *ICoC* and *Montreux Document*. It will be used in government regulations to hold PSCs accountable to the principles and good practices of the *ICoC* and *Montreux Document*.

7. Principle 6: applicability of conformity

7.1 If the intended use is for contractual or regulatory purposes, what are the potential methods to demonstrate conformance (e.g. first party, second party or third party)? Does the MSS enable organizations to be flexible in choosing the method of demonstrating conformance, and to accommodate for changes in its operations, management, physical locations and equipment?

A major intended use is for contractual or regulatory purposes. To this end, the preferred method to demonstrate conformance is via the third party method carried out independent certification bodies in accordance with ISO conformity assessment standards. In contractual relationships, second party auditing, preferably using ISO conformity assessment standards, may be the sufficient for attestation to the *Standard's* requirements. In some cases, relying parties may be content to accept first party evidence of conformance in order to avoid the cost of third party audits that may cause an increase in the cost of the service and/or the effort and hence cost of their own second party audit.

The method of demonstrating conformance will be largely a function of the sensitivity of operations and the need to assure the public and clients that the PSC can indeed protect human rights of affected parties. Civil society groups and human rights organizations will call for third party certification, using auditors familiar with international humanitarian law as well as with the PSC industry and their operations, to assure credibility of the process.

The Standard enables organizations to be flexible in choosing the method of demonstrating conformance, and to accommodate for changes in its operations, management, physical locations and equipment. The range and nature of operations conducted by PSCs requires that they clearly define the scope of their implementation and build in flexibility to their management systems to consider operations in an ever-changing environment. The nature of the contract with the client and the relationship with the affected communities will determine the method of demonstrating conformance.

7.2 If third-party registration/certification is a potential option, what are the anticipated benefits and costs to the organization? Will the MSS facilitate joint audits with other management system standards or promote parallel assessments?

Third-party registration/certification is a potential option. The anticipated benefit of third party registration/certification is that it removes the perception of bias towards PSCs and their clients by other affected parties. Given the history and nature of this industry, there is significant suspicion of first and second party validation of conformance to the *Standard* by civil society and human rights groups. Third party certification by competent auditors, with demonstrated competence in international humanitarian law and the PSC industry, will alleviate the perception of bias.

By aligning the management systems approach of this *Standard* with the ISO 31000 as well as other ISO management system standards such as ISO 9001, ISO 14001, ISO 22001, ISO 27001 and ISO 28000 in addition to the OHSAS 18001, organizations can integrate implementation as well as facilitate joint audits with other management system standards allowing for parallel assessments.

Costs for registration/certification will likely be somewhat higher for this Standard than ISO 9001, ISO 14001, ISO 22001, ISO 27001 and ISO 28000 due to the need for a team of auditors having specialized competence to adequately evaluate conformity and effectiveness of the *Standard*, as well as the costs associated with auditing in high risk environments.

8. Principle 7: exclusions

8.1 Does the proposed purpose or scope include product (including service) specifications, product test methods, product performance levels, or other forms of guidance or requirements directly related to products produced or provided by the implementing organization?

The standard only focuses on issues related to quality assurance and risk management of private security service providers and does not include specifications, product test methods, product performance levels, or other forms of guidance or requirements directly related to products produced or provided by the implementing organization.