Private security contracting in humanitarian operations

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Key messages

- Over the last five years, humanitarian organisations have increased their contracting of security and security-related services from commercial companies.
- Armed security contracting remains the exception (most contracts are for unarmed guards and security consultants). However, all major humanitarian actors report having used armed guards in at least one context.
- Most organisations have not developed detailed policies or guidelines on whether, when and how to hire and manage private security services.
- Sensitivities around the issue have hindered frank examination and communication on private security contracting, both within and between organisations. This has prevented the development of common approaches, informed decision-making and safe practices.

Trends in private security contracting by humanitarians

Increasing insecurity and attacks against aid workers continue to challenge international humanitarian operations. In response, aid organisations have adopted a number of measures, including the contracting of external commercial entities to provide security services. Up to now, it has been difficult to obtain an accurate picture of how and how much these entities are used in humanitarian operations, primarily because very few aid organisations will discuss the subject openly.

A 2008 global survey of aid organisations conducted for this research revealed that the contracting of certain security functions to external professionals has become increasingly common among humanitarian operations worldwide. This trend has followed both the rise in aid worker violence and the proliferation of international private security companies around the operations in Iraq and Afghanistan. Despite alarming predictions, however, the use of *armed* protection, by security contractors, remains the exception, and is confined to a small number of contexts. The most commonly contracted services from private security providers (PSPs) are unarmed guards (from local companies) and security training, risk assessment and security management consulting (from international companies).

Local PSPs are used much more frequently and in many more environments than international PSPs, with the most commonly used service being unarmed guards for facilities and premises. Some of the most frequently expressed concerns from humanitarian field staff regarding security service contracting had to do with the overall poor quality of skills and

training, high turnover, weak oversight, low payment and poor incentive structures.

Exceptional though it may be, the use of contracted armed security is nevertheless a reality for the international humanitarian community. No major humanitarian provider – UN, NGO or Red Cross – can claim that it has never paid for armed security. According to their headquarters respondents, over the past year at least 41% of the major humanitarian organisations contracted some form of armed protective services (guards, escorts or bodyguards) for one or more of their operations. In some of the most insecure contexts, such as Darfur, Sudan and Iraq, humanitarian agencies have used private security in only very limited ways if at all, relying more on the tactic of withdrawing, suspending operations and remotely managing their programmes to deal with security threats. The particulars of the security environment, the supply of PSPs and the security stance of the major humanitarian actors present in-country all determine the extent of PSP usage; in extremely insecure environments, the large-scale privatis-ation of security was decidedly not the observed response. Moreover, a growing chorus of practitioners is insisting that the use of arms in general in humanitarian operations is more of a problem than a solution.

Somalia, which has the highest percentage of humanitarian organisations using armed protection to run their operations, has evolved a kind of informal local PSP sector, and paid security services are typically based on arrangements with local groups. These include the direct hire of armed guards from these groups, who then serve and appear as staff members. In some areas of the country, particularly south-central Somalia, armed guards and escorts are omnipresent, and using them is widely viewed as the only possible way in which work can continue. In these cases, as in Chechnya/Ingushetia, humani-tarian organisations are given to understand that failure to hire armed protection from local groups will result in attacks. In other settings, more subtle, less coercive security arrangements exist with local authorities that nevertheless require humanitarian groups to adopt security measures that they might not otherwise have chosen for themselves, such as some areas in Somaliland, South Sudan (Juba), Pakistan, the North Caucasus and Kenya, where the authorities require humanitarian actors to use (and provide compensation for) national military or police protection. A few organisations reported that their only use of armed protection was in the politically stable development context of Central America, where the practice was dictated by the local security culture, in which doing without arms would render organisations 'soft targets'.

The international private security industry: exploring new roles and markets
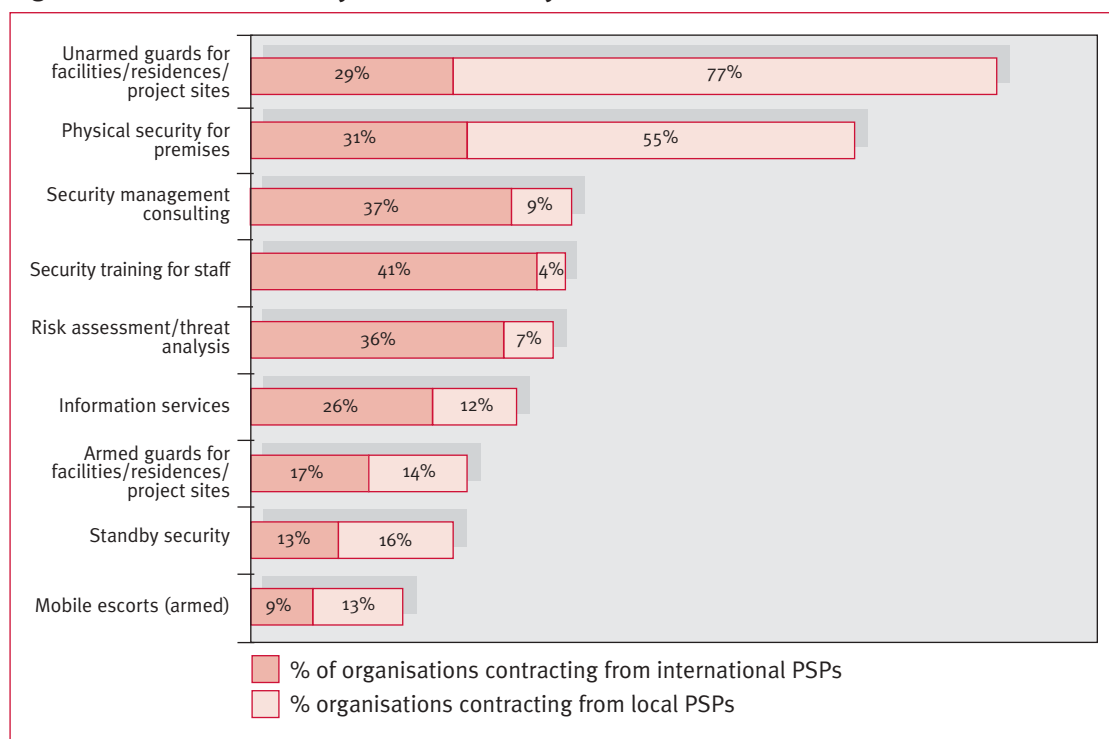
The private security industry has seen a dramatic increase in the number of providers and services offered over the last decade, as well as intensified press and public scrutiny of the industry's approach to operating in conflict contexts. Although their efforts to solicit work from individual humanitarian organisations appear to have declined over the past couple of years, companies have made clear their ongoing interest in exploring humanitarian organis-ations as clients, as well as other potential roles in humanitarian contexts. Many are attempting to be a 'one-stop-shop', offering a full range of risk, security and logistics services. Others are moving into new areas and taking on new roles in risk management, governance and reconstruction.

Humanitarian organisations for the most part have avoided the more militarised and controversial private companies, but the use of international private security providers for humanitarian oper-ations at all has caused concern. Several senior humanitarian security personnel have questioned the efficacy and suitability of some PSPs' products and services. A consensus appears to be growing among these humanitarian professionals that private security might not play a significant role in the humanitarian sector in the future, not only because of the risks involved but also because the added value international PSPs have brought often does not justify the cost of their services.

In September 2008, under the steerage of the Swiss government and the International Com-mittee of the Red Cross (ICRC), 17 countries agreed to the Montreux Document, a set of recommen-dations designed to enhance state control over private military and security companies, including reaffirming the obligations of states to ensure that private contractors abide by international humanitarian law. This state-centred initiative has not yet been matched by a similar effort among international humanitarian organisations.

A critical absence of policy and guidance on security contracting

Although many organisations have policies on the use of armed protection, these tend to be very general and revolve mainly around the need to obtain headquarters permission. Guidance and procedures on whether, when and how to contract and manage private security companies, as a unique category of vendor requiring special criteria and oversight, are sorely lacking. Due diligence on companies is not being performed, despite the

Figure 1: Contracted security services used by humanitarians

Unarmed guards for facilities/residences/project sites — 29% / 77%
Physical security for premises — 31% / 55%
Security management consulting — 37% / 9%
Security training for staff — 41% / 4%
Risk assessment/threat analysis — 36% / 7%
Information services — 26% / 12%
Armed guards for facilities/residences/project sites — 17% / 14%
Standby security — 13% / 16%
Mobile escorts (armed) — 9% / 13%

☐ % of organisations contracting from international PSPs
☐ % organisations contracting from local PSPs

potential implications and vulnerabilities associated with the practice.

Organisations' headquarters staff are often less informed about PSP usage in the field than they believe themselves to be. Field staff reports to this study contradicted headquarters statements on a number of occasions.

Overall, policy and guidance from humanitarian organisations on private security contracting is not promoted at the interagency level, and for the most part organisations operate with little understanding of the decision-making of others. In volatile and unstable environments, this presents considerable risks. Humanitarian organisations operate in a mutually dependent system, and the lack of shared security information and policy approaches has an impact on the entire community.

The decision to contract out security

On average, humanitarians report that their organisations turn to private provision because they lack the organisational know-how and time to adequately meet the challenges of deteriorating security environments. They also cite the cost and administrative burdens of managing security functions in-house, and the larger organisations report that contracting these functions to an external agent also provides a buffer against liability.

Arguments against hiring PSPs covered a wider range of issues than arguments in favour. One common concern was that the decision to contract out security services led to a tendency to externalise the organisation's security thinking, working against developing in-house capacities. Thus, one of the motivating factors in hiring PSPs ironically also left organisations less able to manage their security providers in a responsible way.

Another area of critical concern was the perceived association of these entities – and by extension their humanitarian clients – with military and political actors, given the links these organisations often have with state security, police or military services. This association can compromise the perception of neutrality, and therefore jeopardise security. According to some NGO security staff, humanitarian organisations face two information deficits: a lack of transparent information on the PSP being considered, and the NGOs' reluctance to share with others what knowledge and experience they do possess.

Because PSP contracting decisions are being made in conditions of limited information and communication, the rationales for using PSPs may not be fully thought through, or might not stand up to close scrutiny. The lack of harmonised and transparent accounting methods for security costs, for instance, should lead organisations to question the common assumption that contracting out security functions is more cost-effective. A cost analysis for an

individual agency might lead to the opposite conclusion. For example, if the fees paid to an agency that provides guards are taken in overheads, resulting in poorly paid and poorly trained personnel who turn over frequently and cannot adequately perform the job, an argument could be made that the organisation would be better served by investing in their own recruitment and training. More extensive examination and cost–benefit analysis needs to go into the decision-making process. Efforts to rationalise accounting systems within the United Nations are working in this direction, and would benefit from additional, specific guidelines for budgeting and reporting security costs. Donors potentially have a role to play in this area by working together to establish common principles of security funding.

In terms of liability, organisations may benefit by carefully considering potential scenarios and taking into account all dimensions of the issue; in other words, beyond strictly legal liability, to encompass political, ethical and reputational implications. Legal cover should be secondary to the organisation's responsibility to prevent and mitigate any possible negative outcomes. If it is determined that this is better achieved by having the direct control and oversight that comes from retaining security functions in-house, the decision would then have to be not to contract private entities.

Conclusions

Although debate continues on the appropriateness of using externally contracted private security services in the humanitarian realm, the global survey of organisations made clear that, for better or worse, private security providers already play significant roles. Any discussion of a community-wide approach to PSPs must begin by acknowledging this empirical reality, and accepting that these entities cannot be treated as equivalent to other vendors or contractors; using PSPs creates particular vulnerabilities for humanitarian organisations, and requires special consideration in regard to contracting, management and oversight.

At the individual organisation level, if the decision is made to contract a PSP, the organisation must be guided by policies establishing the PSP's role, and both parties should have a clear understanding from the outset of the entity's scope of work, its 'rules of engagement' (if the contract involves guarding services or other protection functions), accountabilities and procedures for reporting incidents. Before hiring, due diligence must be

performed on the potential contractor to ensure that there are no conflicts of interest or associations with parties that might compromise an organisation's neutrality or jeopardise its relations with the local community. This is all the more important given the weak regulatory environment for PSPs, both at the state and international levels.

For the UN agencies, any further development of policies on private security use would need to be part of a UN-wide security initiative. It would be important to ensure, however, that any new initiatives in this area are not taken in isolation from the non-UN segments of the humanitarian community. Also, the official humanitarian donors have only a late and limited presence in this discussion. Without their active and sustained engagement resolution is likely to remain a long way off.

As has often been observed, humanitarian organisations operate in a mutually dependent system. Although autonomous, no one agency or organisation is able to effectively meet needs in most crises without the coordinated work of many others. Nowhere is this mutual dependence more critical than in the area of security. One organisation's security stance inevitably affects the others around it; its sharing (or otherwise) of security information has knock-on effects for the entire community. Yet thus far, only very limited discussion has taken place at the interagency level on the use of private security providers. It is notable that country-based security consortia for NGOs, such as the Afghanistan NGO Security Office (ANSO) and the NGO Coordination Committee in Iraq (NCCI), have played an important role in bringing these issues to the fore. NCCI's code of conduct on the use of armed guards and escorts has proven to be a valuable tool in giving organisations a common platform for operational decision-making.

Efforts to discuss and develop a shared understanding of good practices, codes or common guidelines for contracting and management would seem an important policy initiative, particularly given the potential cost of doing nothing in an area with such critical consequences. Consensus-building on good practice, codes or common guidelines for contracting and management, and possibly identifying lists of 'approved' services and providers, are all valid areas for humanitarian organisations to explore. To do so, they must break the silence and begin a policy dialogue on this issue.