Israel-Hamas war

BCG chief admits Gaza work was 'reputationally very damaging'

Christoph Schweizer says consultancy's role has been 'profoundly disappointing' as Save the Children halts partnership



Nuseirat refugee camp, Gaza: Save the Children charity suspended its partnership with BCG soon after the consultancy first acknowledged involvement © Eyad Baba/AFP/Getty Images

Ellesheva Kissin and Mehul Srivastava in London and Stephen Foley in New York

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BCG's chief executive said its involvement with a postwar plan for Gaza that envisioned relocating a quarter of the population had been "reputationally very damaging", as the Save the Children charity halted a two-decade partnership with the firm.

As he tried to limit the fallout, Christoph Schweizer said the "profoundly disappointing" episode was the result of "deliberate individual misconduct and it was enabled by unwarranted process exceptions, missed warning signs and misplaced trust". He promised a "firm-wide remediation effort" in a letter to alumni.

The message came amid international criticism of the consulting firm and concern from clients.

Save the Children's chief executive Inger Ashing told the charity's staff on Monday that it was "appalled and deeply disturbed" to learn BCG had modelled the costs of relocating Palestinians out of the Strip.

Schweizer said: "This work was explicitly prohibited, and BCG disavows it." The partner involved "ignored a direct instruction and proceeded anyway, coordinating a small, off-the-books team and executing the work outside BCG systems and approvals. Even if this was not in any way, shape, or form a formal BCG project, our association with it is real, deeply troubling, and reputationally very damaging."

The two partners leading the project were fired in early June. The FT has revealed that their team <u>helped model the costs</u> of relocating Palestinians as part of a project to imagine a rebuilt postwar Gaza as a regional trading hub.

BCG staff had also been more involved with the Gaza Humanitarian Foundation than the firm had publicly acknowledged, the FT reported. Senior executives held multiple discussions about the project, which seeks to provide aid but has been marred by the killings of hundreds of Palestinians, according to Gaza's health ministry. BCG says its executives were misled about what was going on.

Save the Children told the FT it had suspended its partnership with BCG on June 13, shortly after the consultancy first acknowledged its work with the GHF.

Ashing said in her message to staff that the UK-based charity "moved quickly to meet with their leadership to demand an explanation when the news regarding their involvement in designing the GHF broke". BCG's involvement was first reported by the Washington Post in June.

"Following that, we suspended all ongoing work with BCG pending the outcome of their external investigation," Ashing said. She added that Save the Children was "awaiting a formal response" after following up with BCG at the weekend.

BCG has been a "proud partner" of Save the Children since 2006, according to a page on the consultancy's website, which details a "range of strategic, operational, and organisational issues" on which it has worked with the charity "side by side".

Its work with Save the Children has included pro bono and "low-bono" - or

significantly discounted – support, according to Ashing's memo.

BCG says it serves on multiple Save the Children boards globally, seconds its consultants to the charity and helps with "strategic, operational, and organisational issues" and specific programmes, including with refugee children.

The consultancy said: "BCG values our long-standing relationship with Save the Children and hope to continue supporting their valuable work in the future."

Save the Children said the charity "had repeatedly warned publicly that any militarised aid distribution system, such as that set up by the GHF, would carry catastrophic consequences".

"We continue to advocate for aid delivery in Gaza that is guided by humanitarian principles . . . free from political interference. Save the Children remains operational in Gaza, as we have been for decades, prepared to deliver life-saving support."

In his message to alumni, Schweizer wrote: "For many around the world, and in particular for those of you with Palestinian roots, this has been deeply painful and profoundly disappointing. We feel this too. And we deeply regret that we fell short — not only of our standards, but of the trust that you, our people, our clients, and our broader communities place in BCG."

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