

## Summary report of the LSE IDEAS x Human Impact Pathway Webinar series on “Risks and Rewards: The calculus of working in countries affected by conflict and crisis”

In a series of two webinars, the [Human Impact Pathway](#) at LSE IDEAS looks at how responsible business can navigate a world increasingly characterised by geopolitical turmoil and conflict.

**In the first webinar** (5<sup>th</sup> of November), we looked at the principles of International Humanitarian Law (IHL) for avoiding and mitigating risks. Main questions included: What legal and normative obligations do you as a business have when operating in conflict zones, and what strategies have companies adopted to manage conflict risks?

### Key messages on IHL, human rights, and due diligence

- **Embrace complexity and respect both human rights and IHL.** Commitments to human rights are necessary but not sufficient. In conflict zones, IHL exists to regulate behaviour of armies, armed groups and businesses. IHL applies also to belligerent occupation, such as the Western Sahara, West Bank and Gaza, and Crimea and the Donbas in Ukraine.
- **Risk factors: IHL opens up the possibility of being accused of supporting war crimes.** Current court cases against Lundin Energy and BNP Paribas related to the conflict in Sudan, and Lafarge in Syria can lead to many more.
- **IHL can protect the personnel and assets of private companies from the effects of armed conflicts.** Among others, civilian personnel and assets of a business are protected against direct attack.
- **Use Heightened Human Rights Due Diligence (HHRDD) and a conflict-sensitive approach** to prevent fuelling conflict and human rights abuses. However, translating guidelines to practical tools can be challenging.
- **Core features of Heightened Human Rights Due Diligence** include
  1. understand the conflict context (triggers of violence, conflict actors, political agendas, on the national and the local level),
  2. integrate HHRDD into governance systems to prevent and minimise negative impacts and positively contribute to peacebuilding
  3. engage with stakeholders while taking care not to place them in danger,
  4. apply continuous monitoring as conflict evolves.

### Lessons from working with conflict-affected communities in Colombia: Grupo Energía Bogota (GEB) and their stakeholder engagement

- **Corporate presence in Colombia covers more than 300 municipalities, of which many are still characterised as high-risk.** Regions are dealing with poverty, social exclusion, organized crime, as well as being affected by conflict (ELN, FARC dissidents).
- **GEB applies conflict-sensitivity and past learnings to all regions** as if there is a presence of armed groups. Staff are prepared to handle restrictions and risks related to extortion, kidnappings, and carry out risk assessments and safety measures before site visits (e.g., satellite phones, geo-location trackers, security escort).

- **Adapt how to engage with communities.** With armed groups present, field visits can be unsafe. Ways to mitigate these risks include meetings in urban centres, use of digital tools like social media and WhatsApp for communications, and working through local leaders when engaging with communities.
- **There is growing interest in HHRDD** among companies in Colombia; IHL is an area that still needs more attention from companies.

### **Discussion takeaways**

- **IHL and HHRDD are necessary to take decisions about responsible exit.** Investors and companies increasingly need a deep understanding of the operational context.
- **Addressing both business opportunities and peacebuilding is complex but possible,** key is to work from a bottom-up approach with local communities and institutions.
- **Example “Energy for Peace”,** a programme in Colombia aimed to advance peacebuilding and promote economic opportunities in territories affected by armed conflict, working together with local communities, the Colombian Army and NGOs. Understanding needs of different community groups was essential to build trust and ensure engagement.
- **Help indigenous communities** by communicating about the laws that protect them. Local communities may have different views from global organisations about exit; understanding both global and local views on staying versus exiting is helpful.
- **How to use data effectively?** Considering investment and operational decisions, accurate local data is key. The Human Impact Pathway uses around 300 indicators of human rights and security, and expert interpretation to complement existing assessments on risks in conflict settings. This offers a panorama of developments in real-time, which is what investors need in their decision making.

*In sum*, IHL provides obligations and protections to civilians and organisations in conflict situations, including communities and businesses. Working with IHL requires an understanding of indirect impacts, including conflict-risks beyond the company's direct operations and at the community level. IHL also requires conflict-sensitive practices and monitoring in stakeholder engagement. Yet, with local data and collaborations it is possible to contribute to security and business opportunities.

**In the second webinar** (26<sup>th</sup> of November), we looked at the rewards and opportunities for companies who do business in conflict-affected contexts. Main questions included: What are the unexpected upsides of having business operations in conflict zones, and how can you contribute to positive social impacts on stability and human security in conflict countries?

### **Key messages on managing operations and contributing to social impact in conflict-affected countries**

- **In both Ukraine and Gaza the tech sector is extremely important.** The tech sector provides work opportunities while physical trade meets more severe problems; tech also allows conflict-zones to connect to international markets, and it is relatively easy to recover after ceasefires or peace agreements are put in place.
- **Business in conflict areas goes beyond care for employees.** Families and communities are often dependent on the salaries of company employees, hence when violence escalates, businesses are needed to provide wider support. Online work complements humanitarian aid. Every individual who can earn online is less dependent on aid, brings income from outside which is then spent locally in the community which stimulates local economic activity to help the wider community.

- **Despite operational and moral difficulties, there is a strong determination to work in conflict zones by some companies.** Conflict puts populations and businesses at risk, often through displacement, mass-destruction, and mobilisation as part of conflict. Navigating such problems is inherently challenging, while at the same time, people under conflict show a strong motivation, resilience and creativity.

#### **Lessons from Ukraine – creating valuable jobs and overcoming challenges: SFox, a global IT outsourcing company**

- **Consequences of the invasion.** SFox started in Ukraine in 2018 because of the presence of IT talent and because of the business environment and hospitality. When the invasion came, management had to switch from typical IT tasks to providing care for workers and their families – through creating a support hub in Lviv, help at the Polish border, and mobilising networks to house people in Ukraine.
- **Ongoing operational challenges.** As Ukraine infrastructure is often targeted, the company has had difficulties with electricity cuts. Clients were understanding but also needed their work delivered, some flexibility was therefore needed. Regulations made it hard to use the Ukrainian banking system, so the company moved HQ to Switzerland, to where foreign banks were able to transfer money and set up a subsidiary company in Ukraine.
- **The future.** Customers increasingly want to return to Ukraine. Despite ongoing fighting on the frontlines, public transport is operating, and people are safe in most of the country. Internally the company is discussing how to position itself in regard to issues such as mobilisation which affects its workforce, and how to operate with positive impact, with IT being an important part of the Ukrainian economy, and crucial for its recovery.

#### **Lessons from Gaza and the West Bank – learning and earning online: Gaza Sky Geeks (GSG), a Mercy Corps initiative to incubate and match IT talent**

- **Before Oct. 7<sup>th</sup> 2023.** GSG was primarily a Gaza-based organisation with a large team in Gaza and three coworking and training centres, and a small team in the West Bank, providing specialist IT skills training and matchmaking for graduates to internships and jobs, with roughly 4000 participants annually and supporting 40 tech companies. Since Oct 2023, GSG operates from a large team in the West Bank while trying to preserve its presence in Gaza. The past years have been extremely difficult in keeping everyone safe; despite the situation in Gaza, the large tech community in Gaza have created coworking spaces from tents and from the rubble, with solar panels and generators, so they can continue to connect to the world. GSG continues its mission of providing specialised IT training and matchmaking in order to help create job opportunities in Palestine.
- **Revival.** The tech sector has always been extremely important in Gaza as it is one of the limited livelihood opportunities. Online work can overcome the restrictions on movement of people and goods which other sectors need. Online work is ever more important because it can recover quickly with limited investment. While other sectors may need much more time and resources, online work requires human capital, relatively basic equipment, and internet. To revive the pool of talent in Gaza, there is now urgent need for coworking spaces, refresher trainings, psycho-social support, and help for single mothers and people with disabilities.
- **What international companies and organisations can do:** Encourage your employees to be mentors, provide remote internships for Palestinians to gain work experience, sponsor a co-working space, hire Palestinian tech talent.

*In sum*, companies need policies that reflect a duty of care, adaptability, resilience and multi-actor collaboration to operate in conflict-affected countries. Alongside dilemmas and

challenges, not least associated with the obligations of international humanitarian law (IHL) and heightened human rights due diligence (HRDD), there are important business motivations and positive impacts from operating in conflict-affected countries through offering livelihood opportunities and connecting with international markets, which can lay the ground for post-war reconstruction and economic recovery. Online services and digital technology are particularly relevant in this respect as remote talent could fill important shortages in multinational companies globally.

For more information, please connect directly with SFox and Gaza Sky Geeks

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