

TOOLS: Tips to partner with the private sector and sample contract clauses

KEY ACTIONS

- Build trust with Financial Service Providers to improve customer services by taking time to explain humanitarian ways of working.
- Clarify expectations around the services requested, be transparent about the capacity to deliver, work in a spirit of partnership to manage operational challenges and share information transparently.
- Include measures to mitigate risks of abuses of power in the Financial Service Provider's contract template, paying attention to ensuring client protection principles are also included in the contract Financial Service Providers have with their third-party agents and that data processing at field agent level is practiced in line with data protection clauses signed in the main contract.

TOOL: [ELAN's Partnering for success](#)

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| What is in this tool? | This report discusses common factors that underpin successful partnerships between Financial Service Providers and humanitarian organisations delivering cash assistance electronically. |
| How? | Review this report to structure your conversations with Financial Service Providers. |
| When? | During the procurement phase and throughout implementation. |

The findings most relevant to mitigating abuse of power in cash assistance are:

- **Successful programs required strong relationships with Financial Service Provider's head office staff and field agents.** Financial Service Provider's head offices handles contracting and manage key processes such as beneficiary registration, data reconciliation and beneficiary account activation. However, program managers also invest considerable time and resources coordinating with individual field agents for day-to-day implementation planning and to ensure the availability of adequate cash prior to disbursements.
- **Financial Service Providers can creatively meet program-specific requirements when equipped with sufficient resources and a proper understanding of user needs.** Financial Service Providers were able to identify and implement creative solutions in partnership with humanitarian agencies when they understood the program's urgency and the unique vulnerabilities of the target populations. In cases where communication was poor, the sense of partnership was weaker and implementation suffered.



GUIDANCE: Sample clauses for contracts with Financial Service Providers

WFP sample clauses

Financial Service Providers [] undertakes to WFP that it shall:

- (a) **Redemption Arrangements:** maintain: (i) sufficient cash liquidity at relevant locations to ensure Benefit redemption requests by Beneficiaries are met in full, and (ii) suitably qualified and trained personnel to serve Beneficiaries and, in particular, to ensure that Benefits are available for secure, timely, orderly and efficient redemption;
- (b) **Security Interest over Beneficiaries' entitlement:** not hold, create or permit to subsist any Security Interest over the Beneficiaries Accounts or the Beneficiaries' entitlement to receive Benefits in accordance with this Agreement;
- (c) **Commissions or fees:** not charge the Beneficiaries any commissions, fees, charges or expenses in connection with the opening, use, maintenance or closure of any Beneficiary Account except those specified herein;
- (d) **Beneficiary assistance:** promptly assist Beneficiaries in resolving any Services-related issues they may have, if and when they arise;
- (e) **Relationship with Beneficiary:** not take advantage of the relationship established with the Beneficiaries under this Agreement to engage in unsolicited marketing practices, whether during the term of this Agreement or thereafter;
- (f) **Set-off:** not set off its obligation to deliver Benefits to Beneficiaries under this Agreement against any debt that is owed or may become owed by WFP or the Beneficiaries to Financial Service Providers or third parties, notwithstanding any express agreement to the contrary by any Beneficiary;
- (g) **Third party claims:** not deliver Benefits to any person, other than the Beneficiary or his/her Alternate if applicable, including any third-party purporting to assert its right as the holder of any Security Interest over any Benefits received by the Beneficiary hereunder;
- (h) **Most favoured customer:** ensure that Beneficiaries benefit from terms and conditions of service that are no less favourable than those provided to general customers of Financial Service Providers [].

UN General Conditions of Contract

The Contractor shall be responsible for the professional and technical competence of the personnel it assigns to perform work under the Contract and will select reliable and competent individuals who will be able to effectively perform the obligations under the Contract and who, while doing so, will respect the local laws and customs and conform to a high standard of moral and ethical conduct.

UNHCR sample clauses

[] **Treatment of Beneficiaries with dignity:** The Bank shall ensure that Beneficiaries are treated with dignity when withdrawing Cash Assistance within the Bank Disbursement Network. The Bank will respond promptly to any reports of a breach of this Clause, [] shall inform UNHCR immediately of any such reports and shall take such action as necessary to ensure that such risks are mitigated.

No Advertising, Publicity, Offers: The Bank shall avoid contacting Beneficiaries by any means, including SMS, multimedia message or telephone, for the purpose of advertising, publicising or otherwise making offers in relation to its or any third-party services or products, unless such communications are sent to all customers of the Bank (other than the issuance of communications which are made to all customers of the Bank using services of the same or similar nature as Beneficiaries).

The Bank shall not:

- (a) set-off its obligations to make payments to Beneficiaries against any debt that is owed or may become owed by a Beneficiary to the Bank or to any third parties, notwithstanding any express agreement to the contrary by a Beneficiary;
- (b) create, hold or permit to subsist any security interest over any amount standing to the credit of a [Beneficiary Prepaid Card Account, Beneficiary Bank Account or Beneficiary E-Wallet, or over the Mobile Electronic Money Platform], or over any other entitlement of a Beneficiary to receive payments in accordance with this Agreement; and
- (c) make payment of funds provided by UNHCR to any person that is not a Beneficiary identified hereunder in accordance with payment instructions issued by UNHCR, including payment to any third party asserting a security interest or any other right over the Beneficiary's entitlement to receive payments in accordance with this Agreement;

UNHCR sample clauses

The UN has the Supplier Code of Conduct that is attached to any procurement and legal contract. Article 11 contains the following:

11. Harassment, Harsh or Inhumane Treatment: The UN expects its suppliers to create and maintain an environment that treats all employees with dignity and respect. The UN further expects that its suppliers, their parent, subsidiary and affiliated entities as well as any subcontractors, will neither use or engage in, nor allow their employees or other persons engaged by them to use or engage in, any: threats of violence, verbal or psychological harassment or abuse, and/or sexual exploitation and abuse. Sexual exploitation and abuse violate universally recognized international legal norms and standards and have always been unacceptable behaviour and prohibited conduct for the UN. Prior to entering into agreements with the UN, suppliers are informed of the standards of conduct with respect to the prohibition of sexual exploitation and abuse, expected by the UN. Such standards include, but are not limited to, the prohibition of: (1) engaging in any sexual activity with any person under the age of 18, regardless of any laws of majority or consent, (2) exchanging any money, employment, goods, services, or other things of value, for sex, and/or (3) engaging in any sexual activity that is exploitive or degrading to any person. The UN expects its suppliers to take all appropriate measures to prohibit their employees or other persons engaged by the suppliers, from engaging in sexual exploitation and abuse. The UN also expects its suppliers to create and maintain an environment that prevents sexual exploitation and abuse. United Nations contracts will contain provisions concerning a supplier’s obligation to take appropriate measures to prevent sexual exploitation and abuse. The failure by a supplier to take preventive measures against sexual exploitation or abuse, to investigate allegations thereof, or to take corrective action when sexual exploitation or abuse has occurred, constitute grounds for termination of any agreement with the United Nations. Moreover, no harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

CASE STUDY: [GSMA’s Navigating the Shift to Digital Humanitarian Assistance: Lessons from the International Rescue Committee’s Experience](#)

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| What is in this tool? | The case study explores the International Rescue Committee’s experience partnering with Mobile Network Operators (MNOs) in six countries, and the experiences of clients who receive cash assistance via mobile money. |
| How? | Review this report to structure your conversations with Financial Service Providers. |
| When? | During the procurement phase and throughout implementation. |

The key success factors identified are:

1. [Building relationships early](#) sped up project implementation.
2. [Documenting lessons](#) and [embedding them in future projects](#) with Mobile Network Operators (MNOs).
3. Projects were more likely to succeed when both parties were [agile and committed](#).
4. Clearly [aligned roles and responsibilities](#), established [lines of communication](#) and [good planning](#) are essential to address challenges openly and effectively.

Meanwhile, it is equally important to keep **challenges** in mind, influenced by the operational context:

1. [Contracting was delayed](#) due to [insufficient information in Requests for Proposals](#) and [inflexible or inadequate systems](#).
2. The IRC and MNOs faced [challenges creating long-term partnerships](#). The partnerships they did create were rarely commercially viable for MNOs.
3. [Digital and financial inclusion opportunities](#) for clients were not fully maximised.

