

VISA GOVERNMENT SOLUTIONS



PARTNERING WITH GOVERNMENTS TO TRANSFORM PAYMENTS



FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



For more than 25 years, Visa has worked closely with our government partners to demonstrate the power of digital currency. Together, we have increased efficiencies, promoted financial inclusion and driven economic growth. Today, we continue this tradition and push it even further with payment innovations that bring the same levels of convenience, access and security to new channels and the latest devices.

Through our collaborations all over the world, we have seen benefits accrue at every level of government. You can apply our solutions for everything from disbursing aid and paying for products and services, to receiving payments for taxes, public transit or other services. In every use, Visa Government Solutions can help you do more with fewer resources and increased accountability.

We are proud to be helping our government partners use digital currency to transform day-to-day operations, give citizens easier access to the financial mainstream, and offer all constituents greater convenience. I invite you to explore how Visa Government Solutions can help your government transform.

A handwritten signature in black ink that reads "Joe Saunders".

Joseph W. Saunders

Visa Inc. Chairman and Chief Executive Officer

INNOVATION



PROGRESS

Transformation is where possibility
and reality come together.
Where things move forward.
Where improvements are made.
Where citizens, businesses, governments and
economies all benefit.

TRANSFORMATION

For governments wanting to get more out of making, receiving and disbursing payments, digital currency is the innovation that makes transformation possible. The government of Western Australia has gained operational efficiencies and cost savings using digital currency for procurement and travel. In Peru, municipal governments have turned to digital currency to make it easier for citizens and businesses to pay taxes. And in South Africa, the government uses digital currency to increase the convenience and safety of delivering critical social benefits. This is the value of innovation, leading to transformation and enabling progress.

Digital currency includes credit, debit and prepaid accounts that can be accessed through a mobile phone, a computer or a card to facilitate electronic payments.

For more than 25 years, Visa has been a trusted partner in helping governments around the world transition to digital currency. We know the value it can bring by increasing efficiency, promoting inclusion and facilitating economic growth. We understand the importance of helping countries around the world leave behind the inconvenience of cheques and the risk of cash. We've seen the advantages of moving away from paper-based payments and processes to digital currency. This is the motivation behind our every innovation.

+ Learn more about the benefits of digital currency at www.currencyofprogress.com.

PROGRESS STARTS WITH YOU



Around the globe, governments are the biggest generators of payments. Government expenditures contributed nearly 39 per cent of the US\$61.7 trillion global gross domestic product (GDP) in 2010¹ while global government payment flows were estimated at over US\$40 trillion in 2009.² But according to the World Bank's 2008 Global Payment Systems Survey, **90 per cent of governments see the need to improve the overall efficiency of their payment systems.**³

This is an opportunity for transformation, for progress.

1. ©Euromonitor International 2011.

2. The Future of Government Payments, McKinsey on Payments, McKinsey & Company, September 2011. Government payment flows include payments made by government to consumers and businesses, payments received by government from consumers and businesses, and intra-government payments.

3. Payment Systems Worldwide, A Snapshot, Outcomes of the Global Payment Systems Survey 2008, The World Bank, Page 95.



EFFICIENCY

We understand that you have to do more with fewer resources. Accountability for your expenditures is of the utmost importance and saving even a little bit can have an impact. According to a study of electronic payments in Europe, **if a country can shift from a paper-based payments system to an electronic one, it can save up to one per cent of its GDP.**⁴ For many governments, Visa digital currency solutions can deliver savings that can make a dramatic difference.

GROWTH

If your objective is to increase financial inclusion, to minimise the impact of the shadow or informal economy, or simply to improve the flow of funds between the public and private sectors, electronic payments can make a difference. According to the World Bank, from 1999 through 2007, shadow economies represented a weighted average of 17.2 per cent of total GDP in 162 countries studied.⁵ Research has shown that electronic payments have proven effective in curbing shadow transactions, which reduces lost government revenues.⁶ In fact, a study by Moody's Economy.com found that the **migration to electronic payments contributed US\$1.1 trillion to the global economy from 2003 through 2008**, representing a 0.5 per cent increase in global GDP over this period.⁷ Visa digital currency solutions can help you facilitate economic growth in the most appropriate way for your situation.

4. Cost Savings from Electronic Payments and ATMs in Europe, David Humphrey, Florida State University, USA, Magnus Willeson, Göran Bergendahl, Ted Lindblom, University of Gothenburg, Sweden, August 2003.

5. Shadow Economies All Over the World, New Estimates for 162 Countries from 1999 to 2007, Friedrich Schneider, Andreas Buehn, Claudio E. Montenegro, The World Bank Development Research Group Poverty and Inequality Team and Europe and Central Asia Region Human Development Economics Unit, July 2010.

6. The Shadow Economy in Europe, Using Payment Systems to Combat the Shadow Economy, AT Kearney, 2009.

7. The Impact of Electronic Payments on Economic Growth, Moody's Economy.com, March 2010.



TRANSPARENCY

Like every government organisation, you have to clearly demonstrate accountability in managing public money. Electronic payments, like those enabled by Visa, have clear advantages in this effort. Whether you look at a card programme's **enhanced ability to enforce procurement policies** through spend management and reporting tools that increase visibility and control, or how online and mobile technologies are helping governments reduce transaction costs, improve traceability and increase the safety of paying and getting paid, Visa digital currency solutions present extensive opportunities for more transparent governance.



The Kenyan government plans to introduce regulations to help develop a technology-driven, "cash-light" economy over five years to enable **lower financial transaction costs, increase transparency, and include the more than three-quarters of Kenyans outside of the formal banking system.**⁸

8. Kenya to Move to 'Cash-Light' Economy Over Next Five Years, Bloomberg News (Kenya), September 16, 2011.

SECURITY

When it comes to financial activities, security is one of your top concerns. At Visa, security is one of our top priorities. Our vision is to be the world's most trusted currency, which is why we implement smart technologies such as chip, Verified by Visa, Visa Advanced Authorisation and Visa Mobile Alerts to fight fraud. We have strict policies in place to prevent purchases of illegal products or services using Visa-branded products. And we are also committed to protecting sensitive account information through our efforts as contributors to the Payment Card Industry Security Standards Council (PCI SSC). As a result of our technical innovations and advances in risk management, **fraud rates have declined by more than two-thirds in the past two decades** and have remained steady near historic lows, so you can feel confident using Visa digital currency solutions.



To help minimise fraud, Visa and its partner banks deliver near real-time notification of card activity directly to cardholders' mobile phones. Programmes like this are why **fraud today is at an all-time low of five cents per US\$100 transacted on the Visa system.**⁹

9. Visa TC40 Client Fraud Reporting, Visa Inc. For year ended June 2011.

+ For us, helping you reach your objectives, address your concerns and advance your country's economy is the goal of transformation and the essence of progress.

PARTNERING WITH GOVERNMENTS FOR PROGRESS

Every government is different. For transformation to succeed, we realise that digital currency solutions need to be tailored to the realities of the public sector and flexible enough to address unique situations. Visa has led the transition to digital currency by building a global payment technology network, VisaNet, that facilitates a more connected, more powerful digital economy that benefits everyone.

Visa Government Solutions helps governments at every level put VisaNet to work in the way it can best serve their unique needs. We offer a range of products and services for all types of government payments in three key areas: disbursing payments to citizens, making payments to businesses and receiving payments from citizens and businesses. Across all of them, Visa electronic payment solutions deliver efficiency, convenience and security for all.



DISBURSING PAYMENTS

Social Benefits

Subsidies/Conditional Cash Transfers

Disaster Relief

Pension/Social Security

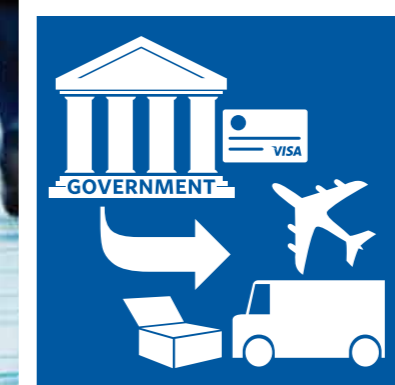
Income Tax Refunds

Grants/Scholarships

Development Loans

Healthcare Benefits

Employee Wages/Benefits



MAKING PAYMENTS

Procurement

Travel

Sales Tax/VAT Refunds

Business Loans

Grants/Subsidies



RECEIVING PAYMENTS

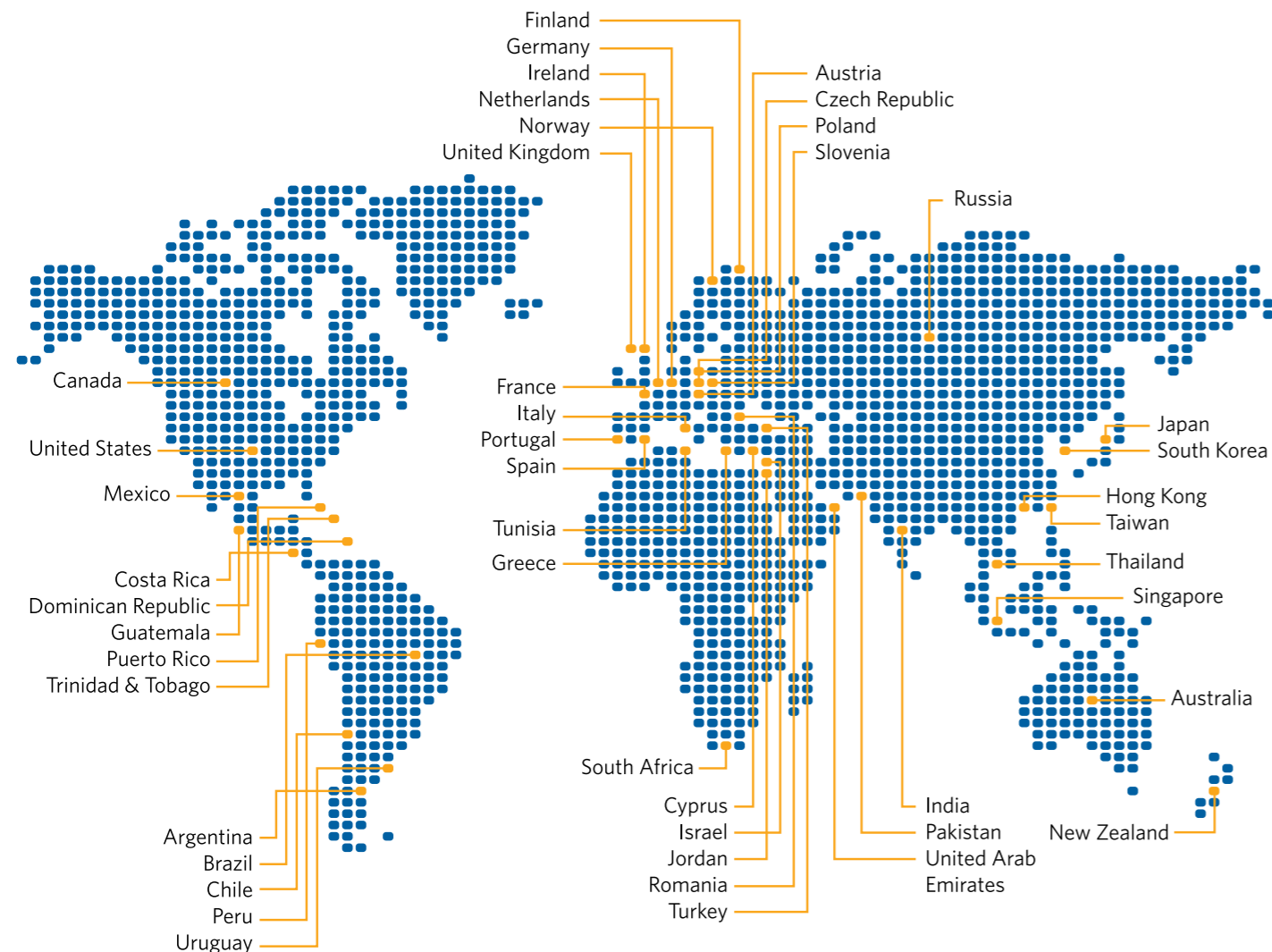
Tax Payments

Social Security/Other Contributions

Transit Payments

Government Service Fees

Drawing upon Visa's wide range of credit, debit and prepaid products, as well as a wealth of supporting technologies and services, Visa Government Solutions can help you transition to digital currency, increase efficiencies, improve service, expand inclusion and keep up with the latest technologies. We can help you transform.



Over 5,000 government programmes in 47 countries enjoy the advantages of Visa Government Solutions.¹⁰

10. Visa Inc., October 2011; based on programme information reported by client financial institutions and available through public sources, and therefore may be subject to change. Includes countries in Visa Europe territory.

TRANSFORMATION IN ACTION — A VISA GOVERNMENT SOLUTIONS SUCCESS STORY



A MORE EFFECTIVE METHOD FOR DELIVERING RELIEF.

SITUATION

In recent years, Pakistan has experienced rapid economic development at the same time it has had to contend with serious armed border conflicts and an environmental crisis that affected millions. In 2009, more than 1.5 million people living in the Northwest Frontier Province of Pakistan fled their homes to escape ethnic fighting. Then again in 2010, nearly 20 million people were affected by massive flooding.

SOLUTION

With millions in need, NADRA, Pakistan's national identity agency, had to act quickly and efficiently. NADRA approached Visa and its partner banks to use electronic payments to help distribute aid rapidly, securely and transparently, while ensuring that the financial assistance reached the people in need. In 2009, United Bank Limited and Visa distributed over 300,000 Visa prepaid cards loaded with 25,000 Pakistani rupees (US\$300) to internally displaced persons (IDPs) for purchasing food and medicine. With the success of its initial relief aid cards, the Pakistani government once again turned to United Bank Limited, Habib Bank Limited, Bank Alfalah and Visa to distribute 1.6 million Watan Visa prepaid cards loaded with 20,000 Pakistani rupees (US\$230) during the floods in 2010.

RESULT

In addition to simplifying distribution of aid through the issuance of nearly two million Visa prepaid cards in 2009 and 2010, Visa and its partner banks also helped make using the aid monies easier by installing mobile point-of-sale (POS) terminals in local businesses. Not only did this give affected citizens immediate access to essential goods and services, it also resulted in the added benefit of increased sales for Pakistani merchants. Visa worked with the government and banks to develop infomercials and radio programmes throughout the affected areas teaching cardholders new to the banking system how to correctly use their cards. All subsequent financial aid can now be routed through the Visa prepaid card programme.

In the short term, the programme has helped rebuild lives. Longer-term it is helping to build a stronger economy by enabling financial inclusion.

"We selected Visa because we wanted to show the world that the systems we are using are absolutely transparent."

—Ali Arshad Hakeem, Chairman, NADRA

ENABLING FAST, SAFE AND EFFICIENT INCLUSION



DISBURSING PAYMENTS



MAKING PAYMENTS



RECEIVING PAYMENTS

When it comes to disbursements, electronic payments are easier for everyone. In fact, 45 per cent of the 40 conditional cash transfer social programmes launched around the world between 1999 and 2009 took advantage of this by using an electronic payment mechanism.¹¹ Whether for social benefits, disaster relief, tax refunds, grants and scholarships, payroll or even government loans, **Visa debit and prepaid cards offer an easy-to-implement solution with valuable advantages for citizens and governments.**

- Social Benefits
- Subsidies/Conditional Cash Transfers
- Disaster Relief
- Pension/Social Security
- Income Tax Refunds
- Grants/Scholarships
- Development Loans
- Healthcare Benefits
- Employee Wages/Benefits

- Procurement
- Travel
- Sales Tax/VAT Refunds
- Business Loans
- Grants/Subsidies

- Tax Payments
- Social Security/Other Contributions
- Transit Payments
- Government Service Fees

11. CGAP-DFID Focus Notes: Banking the Poor via G2P Payments, December 2009.



INCREASED EFFICIENCY FOR ALL

Paper-based payments like cash and cheques are time-consuming, costly and inherently less traceable than electronic payments. According to a 2010 study of India's social benefits system, conducted by McKinsey & Company, the Indian government could save an estimated US\$22.4 billion a year, almost 10 per cent of payment flows between the government and households, by transitioning to electronic payments.¹² **Digital currency is safer than cash and gives recipients faster access to their money** because they no longer have to wait for mailed cheques or find a place to cash them. And for the approximately 2.5 billion people—or half the world's adult population¹³—who do not use formal financial services to save or borrow, this can be an important step towards financial inclusion.



FLEXIBILITY YOUR CITIZENS WILL APPRECIATE

Visa prepaid cards are a convenient alternative to cash and cheque disbursements because they **can be used anywhere Visa is accepted, including at ATMs for access to cash.** Alternatively, to ensure adherence to a specific benefit programme's requirements, you can restrict their use to certain kinds of merchants. Your agencies have the flexibility to use them for one-time payments or to provide a reloadable card for ongoing payments to the same individual. Cards also offer a security advantage because access to funds can be blocked if the card is lost or stolen, preventing unauthorised or fraudulent transactions.

With increasing immigration and global mobility of the workforce, sending money to family members in other countries is a common and growing practice. By 2013, worldwide recorded remittance flows are expected to reach nearly US\$536 billion.¹⁴ These incoming monies are key to many countries' economies and vital for the quality of life for many people. Visa makes cross-border remittances easy and more affordable by enabling money to be sent directly to a Visa account via Visa Personal Payments or digital money transfer. This service also **provides governments an efficient and secure way to disburse payments to citizens with existing Visa cards.**



SINGLE CARD— MULTIPLE USES

Visa card technology helps simplify government operations by enabling a variety of services via a single card. Now citizens can use their government-issued Visa cards for official identification, receipt of social benefits, mass transit, health insurance, merchant discounts, even secure building access. With Visa's unique multi-function chip technology, these powerfully convenient cards can **help governments streamline operations, reduce expenses and offer citizens a smart, easy-to-use solution for a variety of needs.**



As part of **India's Unique Identification Programme** (Aadhaar, which means "foundation" or "support" in Hindi), a projected 600 million citizens are expected to receive biometric-based unique identification numbers by 2014,¹⁵ which could potentially be linked to bank accounts for delivery of social benefits. According to the Unique Identification Authority of India (UIDAI) website (www.uidai.gov.in), Aadhaar-enabled services will support the efforts of the government in **promoting inclusive growth and bringing greater efficiency and transparency in governance.** Visa is collaborating with UIDAI and partner banks to extend the various benefits of electronic payments to the unbanked and underbanked communities in the country. By providing the infrastructure to process payment transactions using biometric authentication from Aadhaar, **Visa is enabling financial institutions to execute on the Indian government's financial inclusion objectives.**

12. Inclusive Growth and Financial Security, The Benefits of E-Payments to Indian Society, McKinsey & Company, November 2010.

13. Half the World is Unbanked, Financial Access Initiative, October 2009.

14. Outlook for Remittance Flows 2011-2013, Migration and Development Brief, The World Bank, May 23, 2011.

15. Another Significant Milestone for UIDAI: One Crore Aadhaar Numbers Issued, June 30, 2011, www.uidai.gov.in.



OPPORTUNITIES FOR SUCCESS IN DISBURSING PAYMENTS

Social Benefits – Visa debit and prepaid cards are currently in use by governments around the world to deliver a wide range of social benefits that provide for basic needs such as pensions, food and fuel subsidies, unemployment, disability assistance, child support, health services and educational scholarships.



Bansefi Bank estimates it will have issued six million Visa debit and prepaid social benefits cards by the end of 2012 to support the **distribution of government subsidies** for food, education, health services and other necessities through the Oportunidades programme in Mexico.



1 MILLION **Almost one million Argentines** have benefited from social benefits provided by several provincial governments on Visa prepaid cards through the Visa Vale Social programmes.¹⁶



The Brazilian government has partnered with six Visa issuing banks to cost-effectively disburse social security payments to pensioners and retirees through Instituto Nacional do Seguro Social (INSS) bank accounts which may be linked to Visa Electron debit cards.



The state of Nebraska began issuing the Visa Reliacard in 2004 for child support benefits. Today, 97 per cent of disbursements from the Nebraska Child Support Payment Centre are done electronically either by direct deposit or prepaid debit cards. Since the centre introduced electronic payments, the **cost of paper, printing and postage has been reduced by 93 per cent.**¹⁷



Following the 2008 bushfires and 2011 floods in Victoria, Australia, Westpac and Australia and New Zealand Banking Group (ANZ) helped the government disburse emergency relief on Visa prepaid cards.



Disaster Relief – Issuing relief monies and humanitarian aid on a Visa prepaid card enables faster access to funds and reduces stress during a crisis. Visa prepaid card inventories can be stocked in advance so that when disaster strikes, **cards can be instantly activated and distributed.** For example, after flooding in the U.S. state of Tennessee in 2010, the Navy-Marine Corps Relief Society was able to provide military families with interest-free loans on Visa prepaid cards within 24 hours.

Payroll – With the Visa Payroll card, government employees have an electronic pay option beyond direct deposit for salaries and wages. Employees get the convenience and utility of a Visa card, while **governments can enjoy cost savings by eliminating cheque processing.** Visa prepaid cards can also be issued to full-time employees and contractors for bonuses, incentives and reimbursement of expenses.

Tax Refunds – For many local, state and federal governments, delivering tax refunds via prepaid cards has proven both **cost-effective and convenient for constituents.** In fact, for the 2010 tax season, the U.S. Internal Revenue Service (IRS)-sponsored Volunteer Income Tax Assistance (VITA) programme used Visa prepaid cards to deliver tax refunds electronically to low-to-moderate income wage earners at 73 VITA sites across the United States.¹⁸

Loans – Expanding economic opportunities is easy with government-issued loans provided on Visa cards.

16. Visa Argentina, September 2011.

17. Nebraska's Prepaid Debit Card Praised in Washington, D.C., April 28, 2011, www.treasurer.org/news/treasurer/20110428.asp.

18. VITA Programme Uses Visa Prepaid Cards to Speed Tax Refunds and Empower Underbanked Clients, Visa Government Disbursement Card Success Story, 2011.



TRANSFORMATION IN ACTION — A VISA GOVERNMENT SOLUTIONS SUCCESS STORY



MORE EFFICIENT BENEFITS DELIVERY IN THE DOMINICAN REPUBLIC.

SITUATION

The Dominican Republic is a small, densely populated country with a large, impoverished population dependent on welfare benefits. Because many eligible recipients are unbanked, the government previously distributed benefits manually. Trucks with food baskets would park at central points and the food was offered to whoever was there. With no electronic records or tracking mechanisms, food was often provided to ineligible people, leaving many who should have received food empty-handed. In addition to being inefficient, this process was also costly. The magnitude of the problem was compounded by a severe recession in the Dominican Republic in 2003.

SOLUTION

In 2004, the Dominican Administradora de Subsidios Sociales (ADESS) partnered with Visa and four financial institutions to launch the Solidaridad prepaid card to beneficiaries of the Comer es Primero (“Eat First”) subsidy. Since then, Visa has helped install more than 4,500 terminals at participating corner stores and local merchants, so they can accept and process grocery transactions using the cards. The card can only be used at participating merchant locations and funds cannot be withdrawn at ATMs. With the success of this payment system, ADESS added the Incentivo a la Asistencia Escolar (“School Attendance Incentive”) to provide grants that encourage attendance among school-aged children.

RESULT

Thanks to its Visa prepaid card programme, the Dominican Republic can now track and control benefits distribution to ensure it helps those who need them most while reducing subsidy distribution costs. Because this system has proven to be easy and effective, the Dominican Republic now uses the Visa Solidaridad card to disburse funds for nine subsidies including support to low-income university students, fuel, gas and electricity subsidies. According to the ADESS website (www.adess.gov.do), as of November 2011, over 33 billion Dominican pesos (approximately US\$846 million) have been distributed to nearly 850,000 beneficiaries on Visa Solidaridad cards. In addition to greater social responsibility, this effort has resulted in economic advantage for everyone involved.

“I can go to the store and they swipe the card . . . the whole process is very easy for me. I am able to buy my milk, oatmeal, sugar, rice, oil, pasta . . . I am way better than before.”

—Maria Alta Gracia Reyes Alberria, Solidaridad Card User



A Focus on Financial Literacy

Knowledge is power, especially when that knowledge is shared. Ensuring your citizens manage their money wisely is important to your economy. That is why Visa offers financial literacy programmes to teach people how to spend, save and budget responsibly. Visa’s global financial literacy initiative is localised across more than 20 countries. Visit www.practicalmoneyskills.com to see how Visa is helping to educate people of all ages about the essentials of personal finance.



Explore our success stories to learn more about how governments around the world are increasing efficiencies and promoting financial inclusion through digital disbursements:

- + **UNITED STATES** - Delivering Unemployment Insurance - p. 42
- + **SOUTH AFRICA** - Social Benefits Distribution - p. 43
- + **RUSSIA** - The Multi-Use Moscow Social Card - p. 44
- + **PERU** - Funding Home Construction Loans - p. 45
- + **UNITED STATES** - Public School Payroll - p. 46

CHANGING THE WAY GOVERNMENTS PAY



DISBURSING PAYMENTS

MAKING PAYMENTS

RECEIVING PAYMENTS

Electronic payments can help governments **simplify payment processes, increase accountability and lower costs**. By partnering with Visa, you have the flexibility to make electronic payments to your suppliers and businesses the way that best suits your situation — via credit (either with a revolving line or as a charge card), debit or prepaid accounts. Plus, with Visa’s powerful spend and performance management tools, you can keep track of who is buying what, from whom and when, with the detailed audit trail and transparency Visa programmes offer.

Social Benefits

Subsidies/Conditional Cash Transfers

Disaster Relief

Pension/Social Security

Income Tax Refunds

Grants/Scholarships

Development Loans

Healthcare Benefits

Employee Wages/Benefits

Procurement

Travel

Sales Tax/VAT Refunds

Business Loans

Grants/Subsidies

Tax Payments

Social Security/Other Contributions

Transit Payments

Government Service Fees



OPPORTUNITIES FOR SUCCESS IN MAKING PAYMENTS

Procurement – Bring efficiency, flexibility and security to your purchasing processes. A Visa Purchasing card or virtual account can streamline acquisition of supplies, equipment, materials and professional services. You'll have the convenience of buying directly from the source, which **reduces time-consuming paperwork and approvals**, and allows your staff to use their time more efficiently.

Robust transaction reporting enables effective management of your organisation's budget and provides a valuable tool for negotiating supplier pricing. Pre-defined spending parameters regulate card usage, increasing flexibility and control, and limited liability provides you protection from possible card misuse by employees. Plus, with Visa programmes, you may enjoy a longer settlement period with your issuing bank while your suppliers are paid promptly. This offers opportunities to generate income from interest-bearing deposits, **increase liquidity and strengthen cash flow**.

In line with the New Zealand Government's Carbon Neutral Public Service programme, sustainability and environmental responsibility is a major focus for the New Zealand Department of Conservation – Te Papa Atawhai.¹⁹ One of its key initiatives, to improve resource utilisation, reporting and efficiency, is the implementation of a Visa Purchasing card programme for low-value, high-volume expenditures, which saves paper, time and, in turn, taxpayer dollars. **Visa Purchasing cards are now used for over 55 per cent of purchases under NZ\$1,000**, which has reduced manual input of supplier invoices by over 65,000 per annum and the number of one-off suppliers and expense claims by 50 per cent.²⁰



The U.S. state of Florida has found its Visa Purchasing cards to be invaluable tools during emergencies such as hurricanes because they can be used with out-of-state vendors and merchants have the confidence they will be paid promptly.

Budget management. Pricing negotiations. Pre-defined spending parameters. Limited liability. Visa Purchasing incorporates a range of features to boost organisational effectiveness and prevent card misuse.

Travel Expenses – Give your employees the convenience of a specific card for their business travel needs. Your staff can use their Visa Travel card anywhere Visa is accepted. It can even eliminate the need for cash advances if authorised by your agency for use at ATMs for cash withdrawals. And employees will no longer need to pay for travel expenses using personal funds or wait for reimbursements. Limits can be set at the individual, group or department level, as well as by merchant type, transaction value or cumulative spend. Plus, the robust transaction data provided makes expense report filing easy, simplifies compliance with expense policies, protects against misuse, and **facilitates spend analysis to inform term and pricing negotiations with service providers**.

All-in-one Card – Enjoy the advantages of a single, integrated card for all your travel, procurement and fleet expenses. With the Visa Commercial card, you'll have the flexibility to make any kind of purchase or restrict purchases and spending limits by department, division or employee.



Your staff is protected with Visa. Visa Travel cardholders have access to assistance at all times for help with lost or stolen card reporting and replacement and other travel and emergency assistance services provided by your issuing bank.

Realise the benefits of using Visa to pay for travel for non-cardholders with a Central Travel Account. This complement to a Visa Travel or Visa Commercial card programme offers a single, centrally billed account to pay for, monitor and control all official travel expenses with preferred suppliers.



¹⁹. The New Zealand Government's Carbon Neutral Public Service programme aims to demonstrate government leadership on sustainability by reducing government's environmental impact. The programme objective is to make the six lead agencies carbon neutral with the other 28 agencies being on the path to carbon neutrality by 2012.

²⁰. New Zealand Department of Conservation, Visa Commercial Card Case Study, July 2008.



Fleet Expenses – Increase your control over fleet-related expenses with Visa Fleet. You can **assign individual cards to specific drivers or vehicles and set spending limits** by transaction, usage frequency or supplier type.

Loan Payments – Automate the administration of government-sponsored loans for businesses by making lines of credit available on Visa cards. Interest rates, repayment terms and parameters for the use of funds can be built into the card system.



When professional truck drivers in South Korea

purchase fuel using a Visa or other payment card, government fuel subsidies are automatically credited to their card. According to the Korean Ministry of Construction and Transportation, this efficient, paperless system has **reduced the cost of administering the fuel subsidy programme by 90 per cent** with an estimated US\$2.3 million in process cost savings a year for the Korean government.²¹



Mexico's development bank, Nacional Financiera (NAFIN),

provides incentives to financial institutions for granting financing to small- and medium-sized establishments (SMEs) through its Guarantees on Credit programme. With this backing, several banks in Mexico are extending credit to SMEs through various payment channels, including Visa Business cards. **In 2010, financial institutions disbursed a total of nearly 200 billion pesos in loans to assist 135,704 SMEs.**²²

Intelligent Payment Solutions – With Visa's information management solutions, you have a range of user-friendly, web-based tools to **simplify access to your financial information.** This includes Visa IntelliLink Spend Management, a powerful spend and performance management tool to help you keep track of who is buying what, from whom and when.

Custom reports generated by Visa IntelliLink Compliance Management can help you identify trends and anomalies, meet reporting and regulatory requirements, **simplify monitoring of compliance with spending policies,** and detect, analyse and manage potential misuse and fraud. Visa also offers services to help automate your payables process, identify suppliers that accept Visa, manage supplier relationships, and optimise your programme and purchasing processes based on Visa's best practice experience. Flexible, customised data delivery options provided by Visa enable data integration with procurement, expense management and enterprise resource planning systems.



Visa has helped governments worldwide with payment solutions for key sectors such as defence, education, energy, agriculture, healthcare and transportation.

Agriculture – Many governments use solutions like the Visa Agro card to make it easier for farmers to access government-sponsored financial aid or loans to buy the products, equipment and resources they need to run their farms. In addition to providing easier access to money, simplifying payment processes and improving cash flow for farmers, Visa Agro also helps governments by **streamlining approvals and tracking of funds.**



Transportation – Visa Cargo offers an efficient and secure method of freight payment to independent truck drivers. Funds credited to the Visa Cargo card can be used to conveniently pay for transportation-related expenses such as fuel, lodging, food and maintenance. Visa Cargo enables truck drivers to build credit history, access government financing programmes and share funds with family members more easily. It also helps governments **ensure compliance with regulations, facilitate greater transparency** and promote financial inclusion.



Healthcare – Since the early 1990s, Visa has helped improve the delivery of healthcare-related payments with flexible card-based payment solutions for various health benefit, wellness and flu care/vaccination programmes, resulting in **greater efficiency, cost savings and convenience** for all constituents.



21. Korea Streamlines Distribution of Government Funds with Visa, Visa Case Study, 2006.

22. Nacional Financiera S.N.C., Annual Report, 2010, Page 27.



TRANSFORMATION IN ACTION — A VISA GOVERNMENT SOLUTIONS SUCCESS STORY



U.S. GOVERNMENT FINDS IT'S SMART TO SAVE.

SITUATION

As one of the largest governments in the world, the United States generates hundreds of millions of transactions each year. In an effort to save money and create a more efficient procurement process, the U.S. government was one of the first to integrate electronic payment methods for internal purchases.

SOLUTION

For more than 25 years, Visa has partnered with the U.S. government to provide innovative, highly-efficient electronic payments solutions. Through the U.S. Government SmartPay® programme which is managed by the General Services Administration (GSA), purchase, travel, fleet and integrated charge cards are provided to government employees for procurement, travel and vehicle expenses.

RESULT

According to the GSA website (www.smartpay.gsa.gov), there are currently over 350 agencies and organisations participating in the SmartPay programme, spending US\$30 billion annually through 100 million transactions on over three million cards. The GSA estimates US\$1.7 billion in annual savings (US\$70 per transaction) when purchase cards are used in place of written purchase orders and US\$3.6 billion in annual savings from airfare discounts when travel cards are used to purchase air tickets through the GSA City Pairs programme. For every dollar spent by U.S. government agencies on purchase and travel cards, approximately 90 cents is on a Visa card.²³ Just by using Visa cards instead of cheques or cash, the United States is putting the taxpayers' money to work wisely.

23. Visa Inc.; Based on spend volume on Visa cards under the SmartPay programme for year ended September 30, 2011.



Bringing the Benefits of Electronic Payments and Banking to Rwanda

In December 2011, Visa and the government of Rwanda announced a Charter of Collaboration²⁴ to modernise the nation's payments system and connect its 11 million citizens to the global economy by extending access to electronic financial services. This partnership is a step in the Rwandan government's Vision 2020 plan, the country's blueprint to become a middle-income nation within the next decade.

The Charter encompasses 12 key initiatives, including streamlining government payments through the use of purchase and travel cards. Visa is deploying its expertise and assets to bring the benefits of electronic payments and banking to the Rwandan government and its constituents by **helping increase efficiency, promote financial inclusion and facilitate economic growth**. Full details of the Charter can be found at www.corporate.visa.com/_media/rwanda-charter.pdf.



Explore our success stories to learn more about how making payments using digital currency can save you time and money:

- + **UNITED KINGDOM** - Government Procurement Card - p. 47
- + **BRAZIL** - Government Employee Purchase Programme - p. 48
- + **AUSTRALIA** - A Single Card Solution - p. 49
- + **ARGENTINA** - Government Fleet Card - p. 50
- + **BRAZIL** - Small and Medium Business Loans - p. 51

24. www.corporate.visa.com/media-center/press-releases/press1174.jsp.

ADVANCING THE WAY YOU GET PAID



DISBURSING PAYMENTS



MAKING PAYMENTS



RECEIVING PAYMENTS

In today's digital world, your constituents appreciate when their government takes card payments. By accepting Visa payments in person, over the Internet and by phone or mail for taxes, pension contributions, tickets, tolls, parking, fines and other service fees, **your government can be available 24/7**, making life easier for citizens as well as businesses.

- Social Benefits
- Subsidies/Conditional Cash Transfers
- Disaster Relief
- Pension/Social Security
- Income Tax Refunds
- Grants/Scholarships
- Development Loans
- Healthcare Benefits
- Employee Wages/Benefits

- Procurement
- Travel
- Sales Tax/VAT Refunds
- Business Loans
- Grants/Subsidies

- Tax Payments
- Social Security/Other Contributions
- Transit Payments
- Government Service Fees



ENHANCED OPERATIONS— ADDED CONVENIENCE

Card payments deliver both operational and service advantages. Accepting electronic payments simplifies administration by automating receiving and reconciling payments, reduces payment processing costs, and increases security with Visa's industry-leading fraud prevention and authentication measures. Quicker processing and the flexibility card payments offer your citizens can also mean **faster access to funds and improved cash flow for your government**. In fact, the Taiwan Ministry of Finance found that taxes paid by card were collected 30 days sooner than those made with other payment methods.²⁵ Plus, your citizens will enjoy the flexibility to pay for their services in a way that best fits their financial situation, whether they pay ahead with a Visa prepaid card, pay now with a Visa debit card, or pay later with a Visa credit card.

Visa Advanced Authorisation is a global risk tool that extends the power of VisaNet by helping issuers optimise loss prevention and better manage risk through effective risk decisioning capabilities. Using this tool, Visa monitors multiple payment channels for fraud whether the transaction is conducted online, over the phone, face-to-face or at an ATM. Visa Advanced Authorisation has identified over US\$1 billion in annual fraud globally.²⁶



The Indian government has implemented a five-year plan for the complete migration of payments for government services to online and mobile platforms to combat corruption and increase transparency.²⁷



25. Taiwan Ministry of Finance, August 2003.

26. Performance is quoted at a 25:1 account level False Positive Ratio (FPR). Visa Advanced Authorisation does not apply to Visa Europe issued cards. Source: Visa Advanced Authorisation Product Profile Sheet, 2010.

27. India to Establish a Payment Gateway for Government Services, CardLine (India), September 2011.



OPPORTUNITIES FOR SUCCESS IN RECEIVING PAYMENTS

Tax Payments – For income, vehicle, sales or VAT, and other tax payments, accepting Visa cards as a payment method gives your payers greater flexibility, while **streamlining administrative processes** and allowing faster access to funds. In fact, use of electronic payments helped South Korea increase its tax revenues from US\$46 billion to US\$76 billion between 1998 and 2002.²⁸

Governments around the world accept Visa cards for various tax payments. For example:

- + **ARGENTINA** – National and municipal taxes
- + **AUSTRALIA** – Personal and business taxes
- + **BRAZIL** – State and municipal taxes
- + **CHILE** – National taxes and municipal vehicle taxes
- + **GUATEMALA** – National income taxes
- + **JAPAN** – Vehicle and light vehicle taxes
- + **MEXICO** – National income and state vehicle taxes
- + **PERU** – Municipal, vehicle and other taxes
- + **ROMANIA** – Local taxes
- + **TAIWAN** – Income, land, housing, property and vehicle taxes
- + **UNITED STATES** – Federal and some state income taxes, state business taxes and property taxes

For many years, the only way to pay both business and personal taxes in



Australia was through cheques, cash, direct bank transfers and BPAY (Australia's domestic bill payment system). Not having the option to pay taxes with a credit card was inconvenient for some people and caused cash flow problems for some businesses. **Small business owners wanted the option to pay for all of their expenses, including taxes, with a card.** In response to the needs of the taxpayers, the Australian Taxation Office (www.ato.gov.au) started accepting credit cards as a payment method for taxes in June 2010. Businesses and individuals can now pay their tax liabilities using credit cards, including Visa cards, either online or by phone, which gives them greater financial control.



Various incentive programmes to promote electronic payments have been implemented by

governments around the world. For example, the **Mexican government** established a fund to subsidise the cost of electronic payment terminals in small shops. **Colombia** and **Argentina** instituted a sales tax discount for retail purchases made using electronic payment cards. In **Italy**, the Decreto Bersani law has encouraged widespread electronic payments.²⁹

28. The Shadow Economy in Europe, Using Payment Systems to Combat the Shadow Economy, AT Kearney, 2009.

29. Ibid.



Transit Payments - Visa cards are an efficient payment option for mass transit tickets, tolls, parking meters and even fines. **With Visa payWave contactless technology, commuters can enjoy the speed and convenience** of simply waving their Visa card in front of a secure reader in taxis, buses, trains and ferries to pay their fare. Since 2003, Singaporean public transportation users have enjoyed the convenience of being able to automatically top-up their transit cards using a Visa credit or debit card when the balance falls below the minimum fare.



Public transit authorities have been able to **cut operational costs by 20 to 30 per cent** by moving to cashless systems.³⁰



30. The Future of Government Payments, McKinsey on Payments, McKinsey & Company, September 2011.



Fee Payments - Paying for government services such as utilities, business licences, registration and other services through Visa digital currency solutions can be **convenient, secure and reliable**.



In October 2011, UAE's Ministry of Finance launched the second-generation G2 E-Dirham system, as part of a continuous effort to enhance government e-payment methods and better manage financial resources. The G2 E-Dirham is a Visa-branded prepaid card that can be used to expedite online payments for various government services, including Emirates ID cards, visa renewals, court cases and utility bills, as well as e-commerce. The G2 E-Dirham cards are issued by the National Bank of Abu Dhabi (NBAD) and have security features such as smart-chip technology. In the near future, G2 E-Dirham users will be able to complete payment transactions using mobile phones and e-wallets. **The successful collaboration between the Ministry of Finance and NBAD demonstrates the positive impact that public and private sector partnerships can have on economic development and growth.**³¹



The Singapore government's one-stop online portal, eCitizen

(www.ecitizen.gov.sg), enables fast, secure and convenient electronic delivery of government services and information to citizens and businesses. **Through eCitizen, online payments can be made using Visa credit cards for over 70 government services**³² such as business registration fees, donations and charitable contributions, fees for various licences, certificates, applications, permits, subscriptions and courses, traffic, parking and court fines, replacement fees for cards and documents, and more.

31. Source: "Federal Ministries Begin Implementing the G2 E-Dirham System", Dubai City Guide Online Portal, October 2011; "New E-Dirham Card Helps to Pay Bills", the National Online Portal, October 11, 2011.
32. www.ecitizen.gov.sg/govbill/index.html, October 2011.



TRANSFORMATION IN ACTION — A VISA GOVERNMENT SOLUTIONS SUCCESS STORY



INDIAN RAILWAYS GETS ON TRACK WITH VISA.

SITUATION

Indian Railways is one of the largest rail systems in the world and plays a central role in daily Indian life and the country's economy. Previously, purchasing a ticket required lining up early in the morning and incurring transportation costs to get to the reservation centre. Besides being difficult for travellers, this process cost Indian Railways millions of rupees for infrastructure and staffing.

SOLUTION

In 2002, Indian Railways partnered with Visa and others to give customers the option of reserving and buying tickets online. This advance made ticketing less expensive and much more convenient for travellers, which has boosted ticket sales overall.

RESULT

The new ticketing system has revolutionised rail travel in India. In 2010, customer satisfaction was at a new high and online ticket sales were up to almost 350,000 tickets per day, making it a key driver of e-commerce in India.

“The online system really makes life convenient and you can make transactions in a few minutes.”

—Sanjay Aggarwal, Deputy Chief Materials Manager, Indian Railways



To help reduce fraud risk and make e-commerce transactions more secure for all participants, in August 2009 the Reserve Bank of India (RBI) mandated the use of two-factor authentication for all domestic e-commerce transactions in India. To comply with this requirement, Indian payment card issuers and merchants are using Verified by Visa passwords to authenticate a cardholder's identity for all online transactions and Visa Short Message System (SMS) notifications for high-value transactions. **Verified by Visa has helped to build customer confidence** by enabling secure and convenient electronic payments via the Internet. For participating issuers, Verified by Visa has contributed to **nearly 80 per cent reduction in domestic e-commerce fraud and an 80 per cent increase in e-commerce spending.**³³



Explore our success stories to learn more about how receiving payments electronically can help improve your cash flow and streamline operations:

- + **UNITED STATES** - New York Transit Accepts Visa payWave - p. 52
- + **TUNISIA** - Paying University Registration Fees - p. 53
- + **ROMANIA** - Simplifying Tax Payments - p. 54
- + **SINGAPORE** - One Card for the Youth Olympics - p. 55
- + **BRAZIL** - Road Toll Collection - p. 56

33. Enabling E-commerce; Verified by Visa - Market Implementation in India, Case Study Findings and Results, June 2011.

A PROVEN SOURCE FOR GOVERNMENT PAYMENT SOLUTIONS

Visa is one of the world's most recognised and trusted payment brands. Through Visa Government Solutions, we connect citizens, businesses, financial institutions and governments by enabling them to use digital currency instead of cash and cheques.

Our primary objective is to provide a better way to pay and get paid. Visa doesn't issue cards, set cardholder fees and interest rates, or make loans to cardholders. This is done by our financial institution clients who package and deliver Visa products and services to their customers.

POWERED BY VISANET

Visa makes digital currency possible. To accomplish this, we built one of the world's most advanced processing platforms — **VisaNet**. This powerful, global network enables the transfer of value and information among consumers, businesses, merchants, financial institutions and governments. It can handle more than 20,000 transaction messages a second³⁴ and connects 200 countries and territories. **Using VisaNet, we are able to give everyone more options for both domestic and international payments** — whether they want to pay before with prepaid, pay now with debit, or pay later with credit. And we continue to develop new payment products and technologies that give everyone who uses VisaNet greater choice and access to value-added services.

VisaNet is a centralised and modular payments network providing three essential functions in one complete, flexible package: domestic and international transaction processing services, risk management services and information services.



VisaNet offers governments and central banks an integrated payments system that powers domestic processing, delivering the efficiencies and convenience of digital currency throughout a nation's economy, while linking domestic economies instantly into the larger, global economy.

Fast	Secure	Reliable	Scalable	Flexible
Transactions processed in less than one second	Multiple, advanced defence layers	Near 100 per cent network availability in 15 years	Processing 76 billion ³⁵ transactions annually	Domestic processing in more than 100 countries

34. Based on testing conducted in August 2010 with IBM.

35. Includes payment and cash transactions globally for the four quarters ended September 30, 2011.



GOVERNMENT PAYMENTS GO MOBILE

Visa is at the forefront of mobile payment technologies, enabling mobile devices to act as virtual cards and helping to extend the convenience and security of digital currency to government payments around the world. This **empowers citizens and businesses to electronically receive or make government payments**, transfer funds, top-up wireless air time, or receive transaction alerts in near real-time. It also enables merchants to accept payments using mobile devices. Many governments are also using mobile technology to more cost-effectively update their payment infrastructure.

THE BENEFIT OF VISA SPONSORSHIPS

Visa's sponsorships of the world's most beloved and celebrated sporting events, such as the Olympic and Paralympic Games and the FIFA World Cup™, allow us to initiate programmes that **facilitate the development and advancement of the payment infrastructure** in host cities and help enable growth in emerging economies.

 **According to a 2011 global payments report** published by Capgemini and the Royal Bank of Scotland, **mobile payments are expected to grow from US\$4.6 billion in 2010 to US\$15.3 billion in 2013 — 48.8 per cent per year.** By 2013, mobile payments will represent 15 per cent of all card transactions and will likely grow faster in emerging economies because the lack of wired infrastructure will make payments with a mobile device more convenient.



A PROVEN PARTNER IN TRANSFORMING PAYMENTS

When it comes to transforming government payments, Visa can offer you outstanding expertise. As one of the world's most recognised brands, **Visa understands the importance of trust.** Our objective is to ensure we deliver solutions you can depend on to help you increase accountability, efficiency and convenience.

Partnering with Visa puts experience to work for you. We have 1.9 billion cards in the market, a network that processes 76 billion annual transactions for a total volume of US\$5.9 trillion, 15,300 associated financial institutions, millions of merchant outlets and 1.9 million ATMs that accept Visa worldwide, and more than 5,000 government programmes already in place.³⁶ That all adds up to an understanding of what it takes to make transformation happen. And **with a dedicated, global team of government experts, you have a partner with years of knowledge and experience to help you address your government's most pressing challenges.**

At Visa, we have seen the value digital currency has brought to governments around the globe. Are you ready to bring those advantages to your economy? We welcome the opportunity to partner with you in that transformation.



EVERYONE WINS WITH ELECTRONIC PAYMENTS

- + **National Economies**
Become more efficient, save money and reduce shadow economy losses.
- + **Businesses and Citizens**
Give your constituents the convenience, safety and immediacy of electronic payments.
- + **Agencies and Organisations**
Streamline making and receiving payments so you can do more with less and better serve your citizens and businesses.
- + **Suppliers**
Strengthen your relationships by providing fast payment and increased controls.



+ **If you're ready to transform payments in your government, contact your financial institution or Visa today. You can also visit www.visagovernmentsolutions.com or email governmentsolutions@visa.com. We look forward to partnering with you.**



36. Figures are rounded, exclude Visa Europe and are as of September 30, 2011 unless otherwise noted. Total volume and transactions includes payments and cash transactions. Number of cards and ATMs are as of June 30, 2011. Number of ATMs are as reported by client financial institutions and therefore may be subject to change; includes ATMs in the Visa Europe territory. Number of programmes is based on information reported by client financial institutions and available through public sources as of October 2011, and therefore may be subject to change. Includes countries in Visa Europe territory.

TRANSFORMATION IN ACTION



Innovations are only impactful if they can provide a real-world benefit. Digital currency delivers. **Visa has partnered with governments worldwide to create programmes that have generated powerful returns.** We are sharing some of these successes here to help you envision what electronic payments could enable in your economy.

Visa Government Solutions Success Stories



United States



A SMART DELIVERY OPTION FOR UNEMPLOYMENT INSURANCE.

SITUATION

Administrative costs and processes for distributing unemployment insurance can be expensive. While exploring ways to cut operational expenses and optimise unemployment insurance processes, one U.S. state found that it cost approximately US\$4 to issue a cheque to an unemployment recipient. This included bank fees, paper handling, reconciliation and postage costs. Despite an attempt to increase direct deposit participation, over 55 per cent of payments were still being made by cheque. With over 1.3 million cheques issued each year, the cost was adding up for the state and the inefficient processes delayed payment for recipients.

SOLUTION

Partnering with Visa and a U.S. bank, the state gave existing benefit recipients a new electronic payment option — the Visa® Government Disbursement card. Existing recipients were encouraged to switch from paper cheques to the new prepaid card, while new claimants were only offered the choice between direct deposit and a prepaid card.

RESULT

Since implementing a Visa Government Disbursement card programme in late 2006, this state has successfully grown electronic disbursement of unemployment insurance benefits from 45 per cent to 99.5 per cent, saved more than US\$32 million and issued over 470,000 Visa prepaid cards to unemployment benefit recipients.³⁷ Recipients have also enjoyed the advantages of fewer cheque cashing fees, which can vary from a flat fee of US\$3 to 2-6 per cent of the cheque value,³⁸ as well as the ability to make purchases and pay bills anywhere Visa debit cards are accepted.

Today, approximately 39 U.S. states are using or are in the process of implementing Visa prepaid cards to disburse government benefits for more than 80 programmes with over 14 million Visa prepaid cards issued.³⁹

³⁷. State Significantly Reduces Unemployment Insurance Disbursement Costs and Achieves 99.5% E-Pay, Visa Government Disbursement Card Success Story, 2010.
³⁸. Alpha Group Cheque Cashing Study, February 2010.
³⁹. Visa Inc. reporting and U.S. state agency websites, November 2011. Number of Visa prepaid cards is based on data reported by client financial institutions in Visa Operating Certificates for quarter ended June 30, 2011.

South Africa



STREAMLINED, SAFER BENEFITS DISTRIBUTION IN SOUTH AFRICA.

SITUATION

Provincial governments in South Africa are responsible for distributing social grants for pensions, disability benefits and child support. Historically, this payment distribution involved cash payments that were costly and difficult to manage. People had to wait in long lines to receive their benefits, and the cash-in-hand made them easy targets for theft.

SOLUTION

Working with the South African government's Department of Social Development, Absa, a leading financial institution in South Africa, and Visa introduced a more efficient payment process — the Absa Sekulula Visa debit card. Sekulula literally means 'it's easier'. In four South African provinces where it is used for payment distribution, the Absa Sekulula Visa card definitely lives up to its name. On the first working day of each month, the accounts of Absa Sekulula users are automatically credited and the cardholders can add additional money with cash or electronic transfers. The cards can be used at any merchant that accepts Visa cards, as well as at ATMs to withdraw cash.

RESULT

Benefit recipients appreciate the convenience and increased safety the card offers, while the provincial governments have seen significant savings because they no longer have to transport, secure and disburse cash. One additional benefit of the programme has been its promotion of financial inclusion. With over 1.2 million cards distributed, the Absa Sekulula Visa card has opened up banking to thousands of people who have never previously experienced the advantages of modern financial management.



Russia



ONE POWERFUL CARD. MANY CONVENIENT USES.

SITUATION

Following a radical change to Russia's political and economic environment in the 1990s, the Moscow government needed to find an efficient way to control the distribution of 350 different social benefits to the citizens of Moscow. By partnering with various agencies, an accurate database of residents and benefits was created, allowing the government to issue a single card for multiple uses.

SOLUTION

Each beneficiary card had a unique social number and originally provided access to medical and transit benefits. With the success of these applications, more functions were added to the card — including railways and over-ground transport — and merchants began to offer discounts for use of the card. In early 2002, a proprietary banking application was added to the cards and all cards have since been issued with the Visa Electron acceptance mark. The card has a magnetic stripe for purchases and a contactless chip containing cardholder information, which enables it to combine payment functionality and identification on a single card.

RESULT

According to the Bank of Moscow, nearly eight million Visa cards had been issued to pensioners, students, school children, war veterans, expectant mothers and other eligible citizens by May 2010, offering them a secure, convenient and reliable way to receive social benefits. The card has resulted in significant savings for the Moscow government, including fraud reduction and lower distribution costs.

Peru



REBUILDING PERU WITH THE BANMAT CONSTRUCTION LOAN CARD.

SITUATION

Receiving construction loans in Peru used to be a lengthy and inefficient process. For borrowers, funding took as long as six months from the time of application, and banks could not accurately account for the actual purchases.

SOLUTION

In November 2005, the Banco de Materiales, a government development bank, together with InterBank, launched the BanMat Visa Electron prepaid card programme for home construction loans for low-income individuals. The new card programme delivered loans ranging between US\$600 and US\$14,000, 80 per cent of which could be used for construction materials purchased from over 1,300 pre-approved suppliers. Up to 30 per cent of the loan amount could be used as cash advances for labour.

RESULT

Now low-income participants can receive construction funds quickly on a Visa prepaid card with a clearer evaluation process. Additionally, Banco De Materiales can account for where and how the money is being spent while reducing costs and improving processes. More than 10,000 BanMat Visa cards have been issued since the programme was launched and over US\$40 million has been disbursed in loans. The programme has been so successful that in 2007, the BanMat card was an integral tool in helping the population affected by the earthquake in the Pisco region.



United States



CHICAGO DELIVERS MORE THAN JUST PAYROLL.

SITUATION

Chicago Public Schools (CPS) is the third largest school district in the United States and employs approximately 50,000 teachers, administrators and support staff, as well as about 4,000 student workers. Reducing costs for a major public school system is not easy, but in recent years due to budget cuts and layoffs, it has become increasingly important. For CPS, managing payroll costs was a key area for reductions.

SOLUTION

The district turned to Visa and the Visa® ADP TotalPay® card programme to provide employees and student workers with a safe and convenient payroll solution at a lower cost to the district. Delivering payroll on a Visa prepaid card streamlined the payment process, generated costs savings for the district, offered convenience for employees, and gave student workers who did not have a bank account greater flexibility.

RESULT

With the Visa Payroll card, cardholders enjoy the security and convenience of making purchases, paying bills and accessing cash everywhere Visa debit cards are accepted. Today, nearly 100 per cent of the district's payroll is distributed electronically, including more than 5,000 district employees and student workers who use the Visa Payroll card.⁴⁰ With ADP handling all issuance and customer service responsibilities, Chicago school officials can now spend their time on the most important aspect of their jobs — educating the youth.

“The Visa Payroll card programme has met all our objectives. We are very happy with our choice.”

—Tom Miller, Compliance Manager, Chicago Public Schools

40. Chicago Public Schools Achieve 99.8% E-Pay, Visa Payroll Card Success Story, 2011.

United Kingdom



ADDING VALUE AND INCREASED ACCOUNTABILITY TO PUBLIC PROCUREMENT IN THE UNITED KINGDOM.

SITUATION

Government organisations in every country are under pressure to deliver services as efficiently, transparently and cost-effectively as possible. The United Kingdom is no exception. Replacing outdated, inefficient, manual procurement methods has been a priority for the nation's public sector for over a decade.

SOLUTION

In 1997, Visa created a Government Procurement Card programme known as GPC Visa (www.purchasingcard.info). Using either a charge card or a virtual account for purchasing has helped streamline employee procurement of government supplies, equipment, professional services and materials. GPC Visa gives supervisors flexible parameters to regulate spend and usage. Additionally, management may now keep track of who is buying what, from whom and when, with intelligent software proactively identifying and suggesting performance improvements.

RESULT

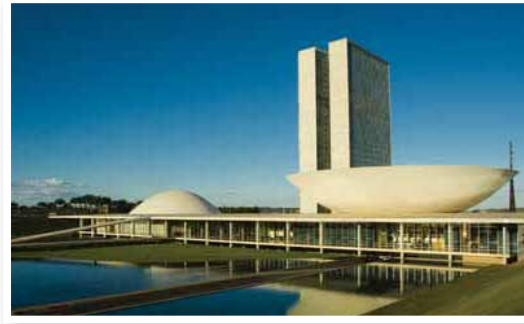
To date, more than 2,000 public sector organisations have spent over €7 billion via GPC Visa. With proven monetary savings and accountability, taxpayers have benefited from an estimated €1 billion in efficiency savings since the programme began in 1997.⁴¹

Government organisations have also integrated their GPC Visa programme with e-procurement, electronic invoicing and other back-office systems, to take advantage of the automation made possible with Visa's enhanced data services. This has brought substantial savings by reducing paperwork and man-hours, and providing fast transaction reconciliation and management systems to identify best practices.

41. 2009 GPC Visa Annual Report and Visa Europe.



Brazil



ACHIEVING EFFICIENCY AND TRANSPARENCY IN BRAZIL.

SITUATION

In an effort to modernise and streamline government purchasing across federal agencies, the Brazilian government needed a procurement solution that was easy to implement, flexible and provided greater transparency to the public.

SOLUTION

Partnering with Banco do Brasil, the Brazilian government introduced the Cartão de Pagamento do Governo Federal (CPGF) in 2001. Designed by the Ministry of Planning, Budget and Administration, the Visa card programme covered travel expenditures, as well as purchase of low-value goods and services. While it provided a government-wide solution, it also gave each agency the flexibility to determine eligibility and spending limits per card.

RESULT

The CPGF programme changed the way federal agencies, including the Presidency and 24 ministries, make purchases. The programme includes a significant effort to increase accountability and transparency. In fact, all card transactions with detail about the value of the transaction, date and type of merchant can be tracked by agency and individual cardholder on the federal government's transparency website (www.transparencia.gov.br). According to the site, by September 2011, nearly R\$398 million was spent and over 1.2 million transactions were made using Visa cards.

Australia



ONE CARD TO SAVE MILLIONS.

SITUATION

Through a statewide review of procurement processes among its 138 public authorities, the government of Western Australia discovered that it did not have a standardised procedure for purchasing high-volume, low-value items (under A\$5,000). The existing fragmented approach was causing inconsistencies and inefficiencies that impacted the state's annual budget and prevented achieving maximum savings.

SOLUTION

In May 2004, the government of Western Australia partnered with one of Australia's largest Visa-issuing banks to implement an interlinked Visa Purchasing card and Central Travel Account (virtual card) programme for government procurement and travel expenses. Using a single card allowed the government to provide a uniform, cost-effective method for purchasing low-value items and to centralise accounts payable for all public authorities. The solution also enabled public authorities to use a Central Travel Account to purchase air travel from a government nominated service provider for staff who travel frequently. This account helped improve reconciliation, control and visibility of spend, as well as reduce paperwork and administrative costs associated with purchase orders and petty cash requests.

RESULT

With no revolving interest payments and a simplified, cost-effective purchasing process, the government of Western Australia saved time and money through the reduction of petty cash, purchase orders, invoices and cheques. In the programme's first two years, the state boosted annual transaction savings by over A\$368,000 and gained estimated efficiency savings in excess of A\$9.6 million.⁴²

42. Government of Western Australia, Visa Commercial Card Case Study, 2007.



Argentina



FUELING A POSITIVE CHANGE.

SITUATION

Buenos Aires has a large and complex government structure comprising of 135 municipalities, 15 ministries and numerous agencies, each with an extensive fleet of vehicles. This fleet includes approximately 15,000 government cars, boats, trucks and aircraft. The previous system of paper-based fuel vouchers (COPRES) made effectively managing fleet fueling challenging. It was nearly impossible to determine who was using funds when, which left the system open to fraud and created payment cycles for merchants of 15–20 days.

SOLUTION

Through a partnership with the Banco de la Provincia de Buenos Aires (BAPRO) and Visa Argentina, the government of the Argentine Province of Buenos Aires launched the BAPRO COPRES Visa prepaid card in 2004 to help streamline the payment process for their fleet of vehicles. The cards are issued either to drivers of government-owned vehicles or to the vehicles themselves and can be used at any of the 4,000 petrol stations that accept Visa cards. To ensure greater transparency and ease of administration, Visa Argentina created a web-based, dual-module application to facilitate electronic fund distribution and provide reporting and information tools to simplify expense monitoring and compliance. A critical success factor for the programme was educating and training the administrators, cardholders and employees at the petrol stations.

RESULT

With the new card programme, the government can now track when, where and how vehicles are fueled, which has led to a decrease in expenses of 15 per cent despite a 20 per cent increase in the number of fleet vehicles. The card programme also reduced the payment cycle to three days, which puts money back into the local community significantly faster, for an all-around economic benefit. With over 34,000 accounts and 100,000 transactions per month in 2011, the BAPRO COPRES Visa programme is used by more than 72 agencies and departments for up to 19 million Argentine pesos in fuel purchases each month, putting it well on the road to success.⁴³

43. Banco de la Provincia de Buenos Aires, December 2011.

Brazil



BUILDING THE ECONOMY THROUGH BETTER BUSINESS LOANS.

SITUATION

The Brazilian economy is largely driven by the 16 million small and micro businesses that contribute approximately 20 per cent of the country's GDP. These companies employ 60 million people according to Brazil's small business support agency, Sebrae.⁴⁴ Helping them grow is vital to the country, and a high priority for the Brazilian government. To drive economic growth, Brazil's National Bank of Economic and Social Development (BNDES) distributes low-interest loans to small and micro businesses.

SOLUTION

By transitioning from a paper-based lending process to a Visa card solution in 2003, the government has streamlined its back-office processing and can give these vital engines of the Brazilian economy faster access to funds. Businesses can conveniently apply for loans distributed through Visa cards from BNDES' Internet portal (www.cartaobndes.gov.br). Visa cards with a credit line of up to R\$1 million are issued by participating banks based on each business' credit risk. Using their cards, loan recipients can make purchases at an online marketplace of approximately 250 government-approved suppliers offering products ranging from computer software and hardware to general office supplies and even vehicles.

RESULT

With this system, the government has the assurance that funds are being invested appropriately while recipients benefit from access to additional discounts provided by participating merchants for cardholders. The BNDES Visa distribution programme is now offered through several issuing banks, giving small and micro businesses even more options and more opportunities for growth and savings. Since the launch of the programme, BNDES has delivered over R\$16 billion in business loans using Visa cards.

“The BNDES card project is very important to the country, because it allows business financing to be distributed more efficiently. The credit card is efficient, fast and eliminates bureaucracy.”

—Ricardo Albano Dias Rodrigues, Card Manager, BNDES

44. TIPS Summary Report, How South Africa can boost support to small businesses: Lessons from Brazil and India, February 2011.



United States



VISA PAYWAVE KEEPS NEW YORKERS ON THE MOVE.

SITUATION

New Yorkers are always on the go, navigating the city's 305 square miles via a complex system of taxis, trains, ferries, subways and buses. Over the years, paying for these rides has transitioned from cash to tokens to fare cards. While fare cards offer greater convenience, they require agencies like the New York Metropolitan Transportation Authority (MTA) to spend millions of dollars a year on processing. As a result, MTA was looking for a better way to collect fare payments.

SOLUTION

In 2010, Visa partnered with MTA to demonstrate the use of Visa payWave contactless technology for fare payments. Both cards and mobile devices were successfully tested over a period of four months. Once contactless readers are fully deployed by MTA, commuters and tourists will be able to simply wave or tap their Visa card on a secure terminal to pay for a subway ride, bus fare or a commuter train trip. And they will no longer need to dig for transportation cards, wait in line at MTA refill stations or fumble for cash at stores.

RESULT

MTA is planning a full-scale rollout of the new fare payment system which will allow commuters and tourists to pay using Visa payWave technology on buses and subways by 2015, with commuter railroads to follow. Visa payWave will not only help people save time, it could also reduce the cost of fare collection, potentially savings tens of millions of dollars annually for MTA, while improving service to its customers. Together, MTA and Visa are continuing to improve the way commuters can pay by utilising mobile and chip technology as the way of the future.

“Contactless technology can save us on the order of US\$50 million a year in fare collection costs, and that’s pretty significant.”

—Amy Linden, Senior Director, New Fare Payment Systems, MTA

Tunisia



REGISTERING STUDENTS FOR SUCCESS.

SITUATION

As part of its national development strategy, Tunisia has been actively modernising its technology infrastructure to stimulate electronic payments. The Tunisian postal service, the Office National des Postes (ONP), has been at the heart of this effort because in addition to mail service, it provides logistics and financial services to over three million account holders.

SOLUTION

To help deliver on the government's mandate to promote cashless payments, ONP launched the Visa Electron *e-dinar universel* prepaid card in 2003. The new card is inexpensive, easy to obtain and load, and can be used by citizens to make payments for goods and services online or by phone. ONP has also built a website (www.fatouranet.poste.tn) to facilitate online payment of public utilities and telecommunications bills using cards, which is faster, secure and more convenient than standing in line to pay bills at ONP branches.

A key factor in the success of the Visa Electron *e-dinar universel* card has been the Tunisian government's decision to enable online registration for university students with a payment card. At programme launch, ONP held promotions at university orientation days, giving away 100 cards pre-loaded with TND200. By connecting 200 ONP branches to the Internet, the Post Office has made it easy for students to register. ONP's website gives a direct link to online registration and its telephone help centre has a dedicated line to help students use the registration system.

RESULT

ONP's efforts to provide online registration to Tunisia's 420,000 students resulted in issuance of approximately 80,000 cards per year. Online registration grew from 30,000 students in 2005 to 170,000 students in 2007. In recent years, registrations ran as high as 10,000 students per day. In fact, university registration fees account for more than 80 per cent of ONP web-based transactions.⁴⁵

45. The *Universel Appeal of Visa Prepaid*, ONP Tunisia, Visa Case Study, 2008.



Romania



MAKING PAYMENTS LESS TAXING.

SITUATION

The Romanian government receives approximately €7 billion annually in tax payments from its citizens. Simplifying tax payments for Romanian citizens offered important benefits for banks, Visa cardholders, local government and the national economy.

SOLUTION

Under the guidance of Visa Europe and its acquiring banks, 56 municipalities signed up to accept Visa cards for tax payments by the end of 2009. Following a national campaign in early 2010 promoting the idea of using Visa cards to pay local taxes and government fees, more than 100 municipalities had joined the effort, with 16 accepting online payments.⁴⁶

RESULT

Seeing this success, the Romanian Ministry of Communications and Informational Society publicly committed to launching a national portal allowing online card payments to local municipalities. The municipalities are required to accept card payments within three years. In just over a year, card payments became both proven best practice and national policy.

As a result, accepting card payments has helped cut cash-handling costs, improve income collection and realise other efficiencies for local municipalities. Web-based payments allow local governments to remain open for business 24 hours a day with no extra staff costs. This has also made making payments more convenient for the two million Romanians who work abroad. Citizens also benefit from discounts of up to 10 per cent if they pay their taxes early (between January and March). Additionally, card payments will help the Romanian government to reduce cash and the shadow economy which was estimated at €28 million per annum or 35 per cent of GDP in 2005.⁴⁷

46. Romania: Tax Payments Flow Better with Visa, Visa Europe Case Study, 2011.
47. The Shadow Economy in Europe, Using Payment Systems to Combat the Shadow Economy, AT Kearney, 2009.

Singapore



YOUTH OLYMPICS SHOWCASES THE ALL-IN-ONE VISA CARD.

SITUATION

In 2010, Singapore hosted athletes, fans and officials for the first Youth Olympic Games, an event that showcased the next generation of elite athletes. The scope and importance of the event challenged organisers to solve numerous problems, from payments to transport to managing crowds.

SOLUTION

The government sought an all-in-one solution to keep people moving on the transit systems, enable seamless entry into stadiums, and provide a secure and convenient payment method at stores throughout the city. Organisers also wanted a solution that would reduce the risk of counterfeit ticketing and issues with lost or forgotten tickets. Visa worked with its banking partner DBS and event organisers to develop a multi-application Visa prepaid card that allowed consumers to load funds on the card and make purchases anywhere that Visa was accepted.

RESULT

The same card also served as the payment mechanism for fares and fees on public transit, eliminating the need to carry cash or wait in line to buy tickets. As an added benefit, the Visa card was used for ticketless entry into the opening and closing ceremonies of the Games themselves, making Visa the only ticket that was needed.

“As part of our ongoing innovations to increase convenience for our cardholders, we worked with partners to incorporate transit, ticketing and payment into one single prepaid card to celebrate the inaugural Youth Olympic Games. The card was the first of its kind in the world and has garnered positive feedback.”

—Ooi Huey Tyng, Senior Vice President and Head of Cards, DBS Bank



Brazil



PUTTING TOLL PAYMENTS ON THE FAST TRACK.

SITUATION

In Brazil, carrying cargo across the country is a significant industry and all major federal and state highways are toll roads. Previously, transportation companies were using cash to pay for use of the country's highways, which was difficult to monitor, left companies vulnerable to fraud, and was expensive to manage. Because many truck drivers were not reimbursed by customers for their toll fees, they opted to stay off the major highways, putting a strain on local roads and decreasing important revenue to maintain the highway system. After implementing a prepaid voucher system for truckers, the Brazilian federal government sought a more efficient way to administer this kind of programme.

SOLUTION

In 2001, the Brazilian National Ground Transportation Agency (ANTT), an agency of the Ministry of Transportation, regulated the use of Visa Vale Pedágio as an official method of toll payment. Developed jointly by Visa do Brasil and Banco Bradesco, Visa Vale Pedágio is a prepaid chip card that can be used by truck drivers to pay exclusively for tolls on state and federal highways. Transportation companies load the appropriate funds onto the cards based on their trucking routes. When a truck passes through a toll booth, the exact amount is deducted from the card balance in under six seconds. The Visa Vale Pedágio card records the time and date of the transaction on the chip, and the trucking company can then download the data from the card or the Internet.

RESULT

Visa Vale Pedágio has been a huge success for both the Brazilian government and the Brazilian transportation industry. By June 2011, three of Visa's partner banks had issued more than 700,000 Visa Vale Pedágio cards. Drivers now have fewer delays at tolls, companies are able to better monitor and manage the movement of their fleet throughout Brazil, pressure is relieved on local roads, and the government is receiving the revenue it needs to maintain highways.

 To learn more, visit www.visagovernmentsolutions.com or email governmentsolutions@visa.com.

