



A World Beyond Cash

Electronic Payments & Public Private Partnerships:
A Path to Efficiency, Transparency & Economic Inclusion

April DuBois, Vice President, Public Private Partnerships



MasterCard

Case Study: MasterCard, National Bank of Egypt & Etisalat – Mobile Money



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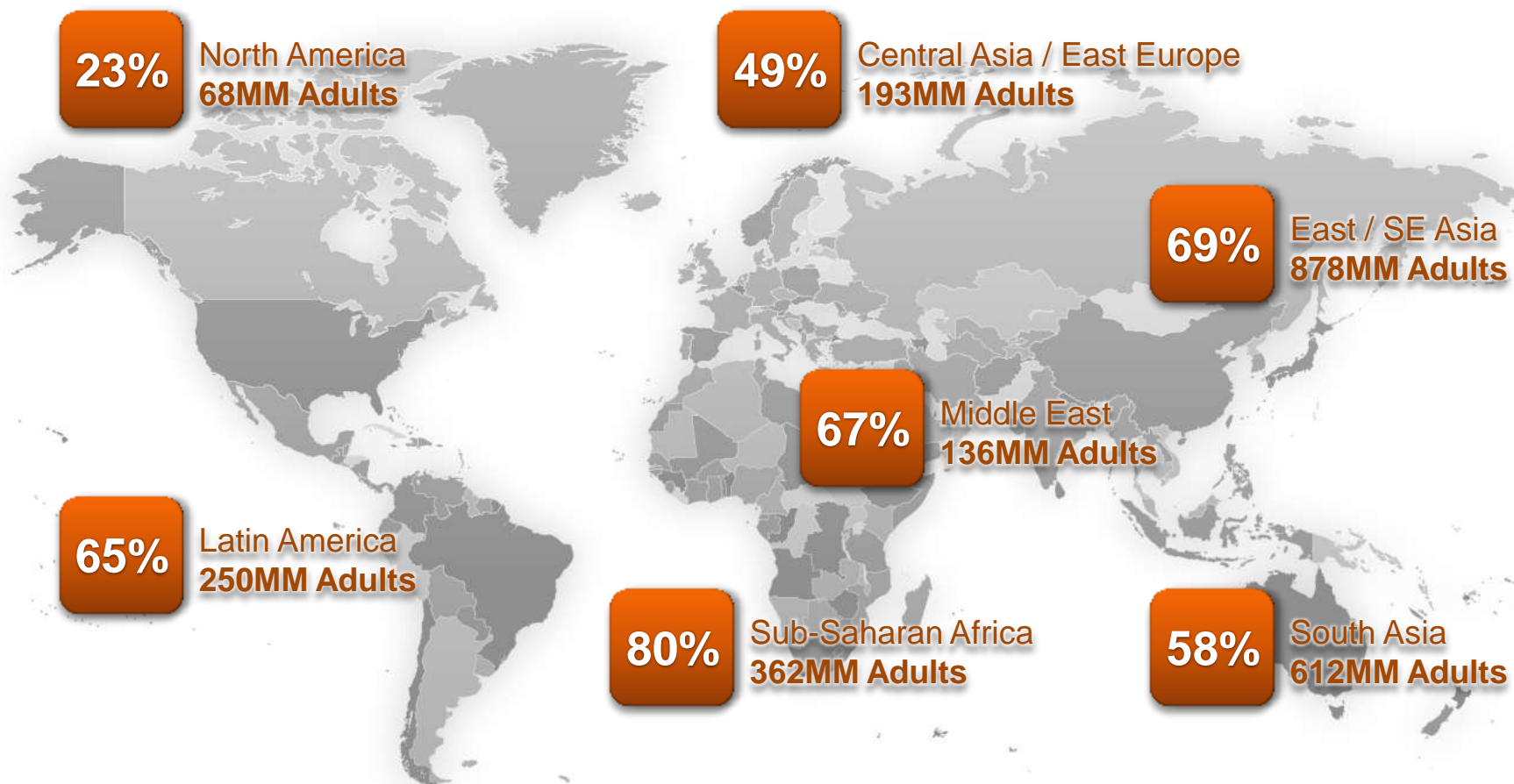
Flous video



More Than 1/2 of the World Unbanked & Using Cash



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Burden of Cash-Based Economies on Underserved

- Lack of formal, secure place to store & accumulate assets
- Target for crime & theft
- Financial illiteracy



- Shocks like fire/flood/theft can eliminate all stored assets
- Time away from income-generating activities to pay bills

Cost of Cash ~0.5%-1.5% of a Country's GDP



Print &
Distribute
Money



Security of
Cash



Handling
and
Transporting



Lost Time
for
Consumers

Cost of Cash: 0.5% to 1.5% of GDP

Burden of Cash-Based Economies on Government



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Consider these facts:

\$750 Million	Annual cost for U.S. Treasury to print money ¹
\$2.7 Trillion	Amount of European GDP (20%) ² in grey economy
\$1.03 vs. \$0.10	Cost to issue a check ³ vs. Cost for U.S. federal government to make an electronic payment
\$129 Billion	Estimated annual amount in uncollected taxes from cash transactions in Italy ⁴
\$100 per voucher	Cost of temporary labor to disburse vouchers in an emergency, according to the Red Cross ⁵
\$8 billion	The amount spent by recipients annually in non-bank check-cashing fees ⁶

¹ U.S. Federal Reserve, 2011

² A.T. Kearny Study, September 2010

³ U.S. Treasury, June 2008

⁴ 'Italy to Kick Cash Habit,' Bloomberg News, Dec. 2011

⁵ Jackie Brooks, Director of Accounting Services, American Red Cross, 2006

⁶ Go Direct Campaign, FMS, U.S. Treasury, 2009

What MasterCard does...



MasterCard is a technology company in the global payments business.



We connect consumers, financial institutions, merchants, governments and businesses worldwide, enabling them to use electronic forms of payment instead of cash and checks.



MasterCard does not issue cards, but develops advanced payment solutions and seamlessly processes billions of transactions around the world every year.



Our business has a global reach—extending to more than 210 countries and territories—and continues to experience growth in a world where 85% of retail transactions are still made in cash and checks.



Electronic payments drive

**COST
EFFICIENCY,
TRANSPARENCY
& ECONOMIC
EMPOWERMENT**



Case Study: MasterCard & World Food Programme - Assistance to Refugees



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MasterCard and The World Food Programme:
e-voucher program in Lebanon, Jordan & Kenya:

- Millions of refugees can now purchase food electronically.
- Merchants see ~6-12% increase in revenues
- Based on this groundbreaking work, MasterCard is transforming food and aid delivery in other countries and with other relief organizations.



“This is a real boon for Syrian refugees who have endured tremendous hardship over many months. The e-cards also bring business to local merchants, and they make WFP’s operations more time and cost effective. This is a win for all of us.” — Muhannad Hadi, WFP’s Emergency Coordinator for Syria

Case Study: MasterCard & SASSA – Social Benefits for South Africans



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MasterCard and the South African Social Services Agency (SASSA) have introduced a social benefits debit card solution coupled with biometrics that transformed the distribution of social security benefits in South Africa, consolidating seven social programs into one.



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**MILLION PEOPLE
ENROLLED**

10 million MasterCard
debit cards issued

8%

**INCREASE IN BANKED
POPULATION**

from 2012 to 2013, nearly
five million people added
to banked population*

\$375

**MILLION IN
COST SAVINGS**

expected in
five years

150K

**FRAUDULENT
APPLICATIONS**

eliminated in the **first year** –
saving the government
\$15MM

“Just a year after its implementation, we are already witnessing the positive spin-offs of the new biometric payment solution.” — Bathabilie Dlamini, Social Development Minister, in a speech to Parliament, May 2013

Case Study: MasterCard & NIMC – Nigeria’s national payment-enabled ID



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The Nigerian National Identity Management Commission (NIMC) and MasterCard will roll out National Identity Smart Prepaid Cards to impact ~100 million Nigerians. It is the broadest financial inclusion initiative of its kind on the African continent.



Financial inclusion made possible for 100 million Nigerians through a safe, simple and smart payment instrument.

Transparency facilitates GDP growth as fraud, grey economies, and other forms of leakage are eliminated from the ecosystem.

The government demonstrates financial leadership as they leverage cutting-edge technology for transparency & inclusion.

“MasterCard has pioneered large scale card schemes that combine biometric functionality with electronic payments and we want to capitalize on their experience in this field..” — Chris E. Onyemenam, Director General and Chief Executive of the National Identity Management Commission (NIMC)

Case Study: MasterCard, CAIXA & TIM - Mobile financial services in Brazil



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Economic inclusion for millions of Brazilians through mobile financial services

MasterCard, CAIXA, and TIM are revolutionizing the current banking model through digital finance. The program will aim to eliminate high fees for services, reduce administrative costs, and fast track registration to transform the lives of millions.

- Money in/out at CAIXA's 45,000 agents
- Person-to-person transfers
- Mobile top up

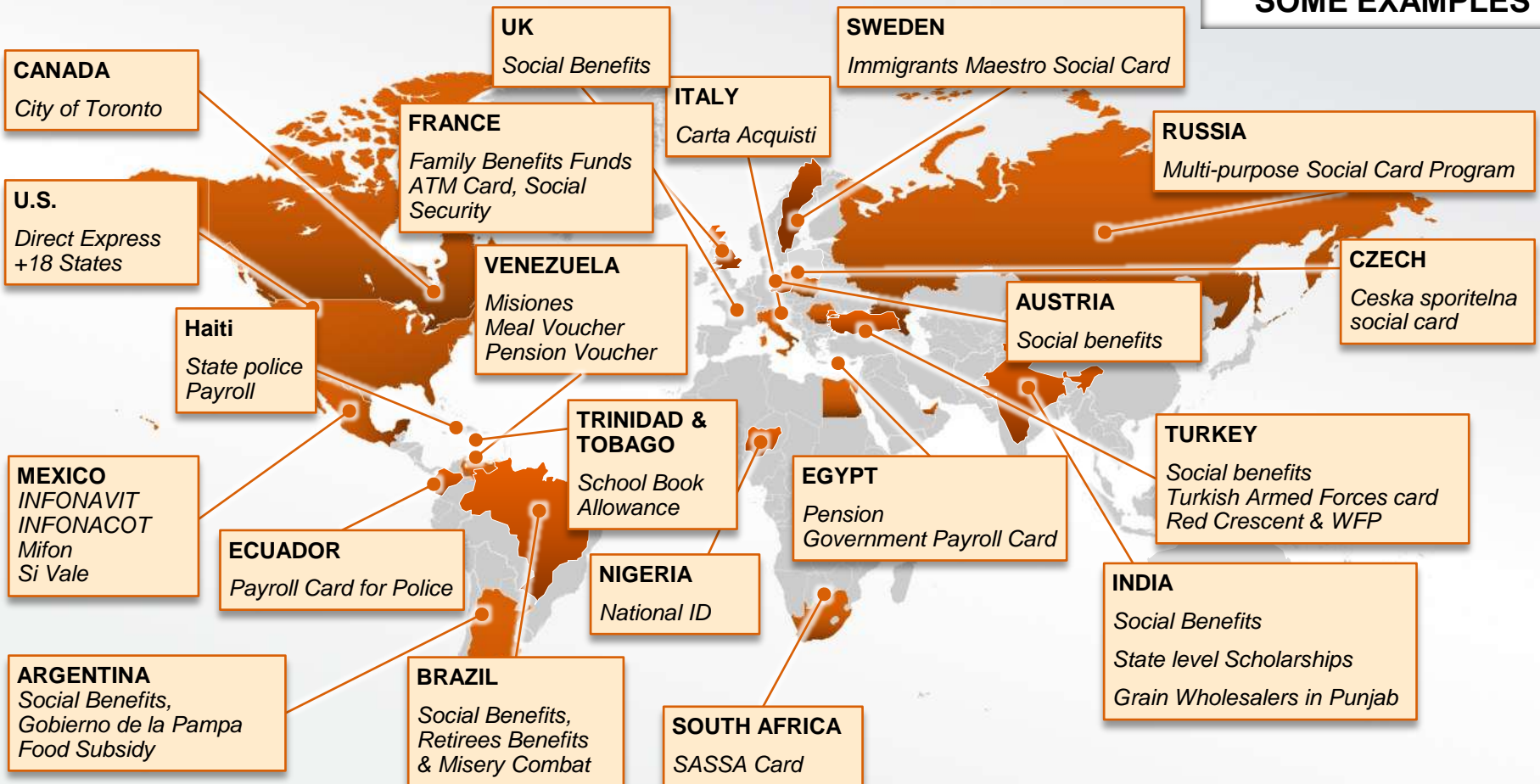


Hundreds of MasterCard Public Private Partnerships Driving Transparency, Efficiency and Economic Growth

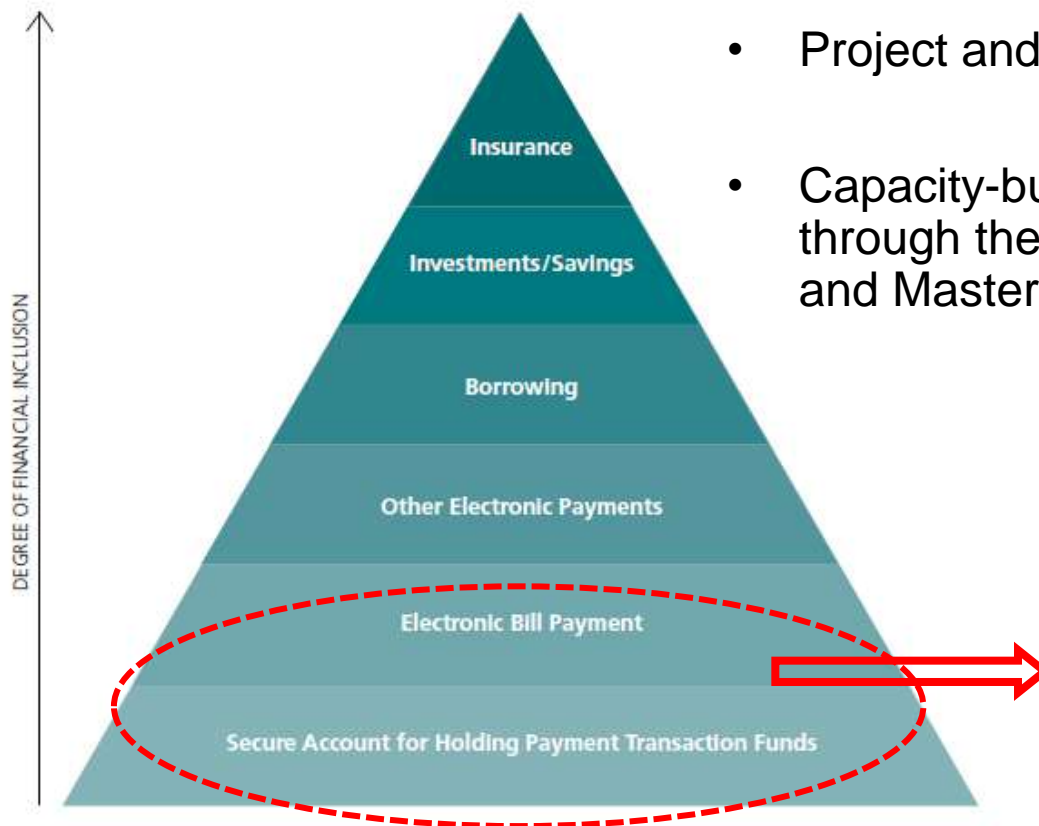


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SOME EXAMPLES



MasterCard works alongside governments to build more effective e-government payment systems and can support ICTD-ASP efforts.



- Project and partner identification
- Capacity-building knowledge products through the Center for Inclusive Growth and MasterCard Advisors

The unserved and underserved have a hierarchy of basic financial needs. Last-mile connectivity and more effective government use of technology can promote economic inclusion.

Open Loop, Interoperable e-Payments Can Help Governments Achieve e-gov, Transparency & Inclusive Growth Objectives



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**Public
Transportation**

Pensions

**Public Sector
Payroll**

**Health Care and
Insurance**

**Food
Subsidies**

Education

Interoperability Across Public and Private Institutions

**Single Payments
Infrastructure
Platform**

**Biometric Proof
of Life Capability**

**Reduced
Administrative
Burden for Gov't**

**Increased
Transparency
and Efficiency**

**A Leap Towards
Inclusive
Economic
Growth**

**Citizen Peace of
Mind**

.....
Public Private Partnerships &
Inclusive Electronic Payments
can

DELIVER ON THE PROMISE

of greater economic
empowerment for everyone
.....

