



## 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 The card can only be used at participating merchant locations and funds cannot be withdrawn at ATMs.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](http://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](http://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