

## THE MASTERCARD FOUNDATION EXPANDS SAVINGS SERVICES FOR THE POOR

*Programs with Aga Khan Foundation Canada and CARE Canada to benefit an estimated  
900,000 people in Tajikistan and Rwanda*

**TORONTO — February 25, 2009 —** The MasterCard Foundation has announced two new programs to expand savings initiatives in Tajikistan and Rwanda with Aga Khan Foundation Canada and CARE Canada. With a total investment of \$9 million, these programs will strengthen and create innovations within the Village Savings and Loan Association (VSLA) model, benefiting approximately 900,000 people in remote communities, many of whom live on less than \$2 a day.

VSLAs are self-managed savings groups that receive no external funding. The accumulated savings within each group is made available in small loans to members. Each group sets its own rules about membership, savings and loans. The model, pioneered by CARE in 1991 in West Africa and adapted over the years, has proven to be a cost-effective means to ensure poor populations have access to appropriate financial services.

“The MasterCard Foundation aims to help the poor, especially those in isolated places, save money and build assets,” said Reeta Roy, President and CEO of The MasterCard Foundation. “Working with leaders like Aga Khan Foundation Canada and CARE, our programs will create economic opportunities for people to improve their own lives.”

Over the next five years, Aga Khan Foundation Canada will adapt and introduce VSLAs to the mountainous regions of Tajikistan, benefitting more than 350,000 people. Based on local needs, this \$5 million program – \$4 million from The MasterCard Foundation and \$1 million from Aga Khan Foundation Canada – will help villagers identify and develop viable businesses and connect them to markets.

“Working with The MasterCard Foundation, we will offer poor rural households new ways to manage their cash and invest in income-generating activities,” said Khalil Z. Shariff, CEO of Aga Khan Foundation Canada. “This initiative will be an important aspect of our long-term, holistic effort in Tajikistan and will inform our plans to introduce VSLAs across ten other developing countries.”

Concurrently, over the next three years, CARE will found new VSLAs in Rwanda, where 37 percent of the population is too poor to meet even their basic nutritional needs. This \$4 million program – \$2 million from The MasterCard Foundation and \$2 million from the Canadian International Development Agency – will allow some 540,000 people to build sustainable livelihoods with access to financial resources they never had before. The program will test several innovations to enhance CARE's already successful VSLA model. For example, CARE will help banks and microfinance institutions to customize their products and services to serve VSLA groups who need more diverse products and are ready for larger loans.

“Throughout Africa, VSLAs have proven their ability to lift people out of poverty,” said Kevin McCort, President and CEO of CARE Canada. “With The MasterCard Foundation’s support, thousands will have opportunities they never had before and Rwanda will take another step toward its goal of reducing extreme poverty by 17 percent by the year 2012.”

Both programs will experiment with a variety of approaches to ensure high quality, cost-effective replication. The programs will be joined with other savings-led initiatives funded by international donors to compare learnings about sustainable ways to provide financial services to the remote poor.

## **ABOUT THE MASTERCARD FOUNDATION**

The MasterCard Foundation is an independent, private foundation based in Toronto, Canada. It was established through the generosity of MasterCard Worldwide customer financial institutions at the time of the company’s initial public offering in 2006. The Foundation has more than \$1 billion in assets. Its vision is to make the economy work for everybody by advancing effective and innovative programs in the areas of microfinance and youth education. For more information, go to [www.themastercardfoundation.org](http://www.themastercardfoundation.org).

## **ABOUT CARE CANADA**

For more than 60 years, CARE Canada has worked on the front lines, fighting poverty and defending dignity throughout the developing world. Working with the world’s neediest people, we provide long-term development and economic empowerment to communities facing challenges like HIV and AIDS, poverty, gender inequality, environmental degradation, natural disasters and conflict. They place a special focus on working alongside vulnerable women because, equipped with the proper resources, women have the power to help whole families and communities escape poverty. For more information, go to <http://care.ca/>.

## **ABOUT AGA KHAN FOUNDATION CANADA**

Aga Khan Foundation Canada is a nonprofit international and non-denominational agency that supports social development programs in Asia and Africa. As a member of the worldwide Aga Khan Development Network, the Foundation works to address the root causes of poverty: finding and sharing effective and lasting solutions that help improve the quality of life for poor communities. Established in 1980, the Foundation has built a reputation in Canada as an effective development organization that acts as a catalyst for increasing awareness and understanding of key global issues. For more information, go to [www.akfc.ca](http://www.akfc.ca).

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