



LAC-IEE-04-17

### CATEGORICAL EXCLUSION

**Activity Location** : LAC Regional  
**Activity Title** : ADCOH: Delivering Superior Microfinance by FINCA  
**Activity Number** : 598-021  
**Funding** : \$300,000  
**Life of Activity** : continuing  
**IEE Prepared by** : Jolyne Sanjak, LAC/RSD/BBEG  
**Recommended Threshold Decision** : Categorical Exclusion  
**Bureau Threshold Decision** : Concur with Recommendation

**Comments:**

This activity will support a financial training unit in FINCA's Latin America Regional Hub to create a standardized, customer-focused training program. Pursuant to 22 CFR 216.2(c)(2)(i), a **Categorical Exclusion** is granted for this activity. It is evident that it will not have an impact on the natural or physical environment.

\_\_\_\_\_  
Date \_\_\_\_\_  
George R. Thompson, P.E.  
Bureau Environmental Officer  
Bureau for Latin America & the Caribbean

Copy to : Beth Cypser, Director, LAC/SPO  
Copy to : Jolyne Sanjak, LAC/RSD/BBEG  
Copy to : Janet Rudasill-Allen, LAC/SPO  
Copy to : IEE File

## REQUEST FOR A CATEGORICAL EXCLUSION

**Activity Location** : LAC Regional

**Activity Title** : ADCOH: Delivering Superior Microfinance by FINCA

**Activity Number** : 598-021

**Funding** : \$300,000

**Life of Activity** : continuing

**IEE Prepared by** : Jolyne Sanjak, LAC/RSD/BBEG

**Recommended Threshold Decision** : Categorical Exclusion

**Date Prepared** : December 8, 2003

### RECOMMENDATION FOR THRESHOLD DECISION:

Pursuant to 22 CFR part 216.2 (c)(2)(i), a Categorical Exclusion is permitted for “Education, technical assistance, or training programs, except to the extent such programs include activities directly affecting the environment...” “Delivering Superior Microfinance by FINCA” is a training activity that does not effect the physical environment. Therefore the SO team requests a **Categorical Exclusion** for this activity.

### *BACKGROUND AND DESCRIPTION*

The Advancing Development Cooperation Opportunities in the Hemisphere (ADCOH) Strategic Objective provides the Bureau for Latin America and the Caribbean (LAC) with the programming vehicle to respond to special development opportunities, foreign policy issues, legislative earmarks, and initiatives not presently covered by LAC Bureau strategic objectives. Activities under this strategic objective support: (a) innovative approaches to promoting cooperation among regional partners; (b) organizational strengthening efforts designed to improve the regional capacity to carry out development efforts; (c) special initiatives that respond to foreign policy issues but do not fall under an approved strategic plan; (d) organizations with the objective of expanding the USAID network of partners working on development problems in LAC. This Strategic Objective was approved in FY 2001.

**DISCUSSION:** LAC/RSD-BBEG has received an unsolicited proposal, “Delivering Superior Microfinance: Building the Capabilities of Frontline Staff in Latin America” from FINCA. Since its establishment in 1984 by Dr. John K. Hatch, FINCA International’s mission has been to provide financial services to the world’s poorest families so they can create their own jobs, raise household incomes, and improve their standard of living. FINCA delivers these services through

a global network of locally managed, self-supporting institutions. This network has grown to encompass 23 organizations in 22 countries throughout Latin America, Africa, Eastern Europe, and the Newly Independent States of the Former Soviet Union.

The “Delivering Superior Microfinance” proposal outlines an innovative approach involving the corporate partners Citi-financial and Citibank to support the development of a Latin America Customer Service Training Unit and a customer-focused training program to help improve skills and technical knowledge of micro-finance credit officers and supervisors. This in turn will lead to increased efficiency by strengthening client retention and improving outreach of the micro-finance sector.

The requested funding will allow FINCA to establish, with the support of Citi-Financial, a Training Unit at FINCA’s Latin America Regional Hub to create a standardized, customer-focused training program. FINCA trainers will deliver this training to 70 percent of the region’s 425 field staff. FINCA will train the remaining 30 percent of field staff in Latin America after the grant period. FINCA is also in the process of negotiating collaboration with Citibank, building on lessons learned in Citibank Zambia and Citibank Haiti to deliver staff training, in areas such as treasury management, fraud prevention, and customer satisfaction – critical core competencies for all MFIs. This public-private collaboration is anticipated to lead to further philanthropic support by Citi-financial and Citibank in the future.

Pursuant to 22 CFR 216.2 (c) (2) (i) a **Categorical Exclusion** is requested for these activities.

*Approved:*

\_\_\_\_\_  
Beth Cypser  
Director, LAC/SPO

*Date:*

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Clearances:

Janet Rudasill-Allen, LAC/SPO \_\_\_\_\_

Date \_\_\_\_\_