I. **COURSE DESCRIPTION**

Microfinance is known worldwide as the provision of financial services – credit, savings, insurance, etc. – for the poor to enable them to finance income-producing activities, build assets, stabilize consumption, and protect against risks. As an industry, it has matured from the early days in the 1970s when it was commonly known as microcredit with pioneer institutions like the Grameen Bank, ACCION International and FINCA International providing small loans primarily to poor women living on an average of less than $2 per day. Microfinance’s growth and popularity has lifted millions of households living in abject poverty but it has also contentious topic – charges of usurious interest rates, over-indebtedness of borrowers and lack of transparency have been levied against microfinance institutions (MFIs) throughout the world from India to Bosnia to Nicaragua. Can microfinance do more harm than good for the poor? Should access to credit be a human right? What is the appropriate role for donor agencies, governments and multilateral institutions in supporting microfinance?

These are amongst the many questions that will be addressed during an intensive one-week course. The course will include a combination of daily modules, case studies and insights from practitioners so that students can gain a foundational understanding of microfinance and assess how MFIs are becoming key financial intermediaries in promoting financial inclusion for the world’s poor. This course is an intensive, three-credit course taught over a one-week period during spring break with one Friday evening session to enable students to gain full immersion to microfinance.

II. **LEARNING OBJECTIVES**

1. Gain conceptual understanding of microfinance in terms of its origins, lending models, governing structures, investment strategies and challenges for scaling up microfinance institutions (MFIs).
2. Enhance financial and analytical skills through case studies and SEEP FRAME tool to measure social and financial performance of MFIs.

III. **ATTENDANCE AND PARTICIPATION**

Course attendance is required for all class sessions. A request for an excused absence must be submitted in writing to the Professor prior to class session and an assignment will be given in order to earn the missed points. Class participation is expected from all students. Each of you may be called upon to provide summaries, critiques and explanations of the readings and relevant topic for the week. Please note that participation will be evaluated based on the quality of responses.

IV. **COURSE STRUCTURE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Lecture</th>
<th>Assignment</th>
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<tbody>
<tr>
<td></td>
<td>Lecture #1: Introduction to Microfinance – History and Context</td>
<td>No Assignment for Lecture #1</td>
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What is microfinance and when did it truly originate? What are the
Friday, March 4th
6:00 – 9:30 pm

**different lending models of micro-credit? How is the industry structured and who are the key players?**
(6:00 – 7:30 pm)

Break: 7:30 – 7:45 pm

**Group Exercise (7:45 – 9:30 pm)***

Readings for Session #1:
- Key Principles of Microfinance, Prepared by Consultative Group to Assist the Poorest (CGAP), Endorsed by the G8 Sea Island Summit 2006.

Assignment: Due on Monday, March 14th by 9:00 a.m.

https://cb.hbsp.harvard.edu/cbmp/access/35290043

Monday, March 14th
9:00 – 5:00 pm

**Lecture #2: Microfinance at a Crossroads**
What were some of the root causes of the microfinance crisis in India, Nicaragua, Bosnia, etc.in the last decade? Did industry practitioners become too focused on making profits instead of the financial well-being of their poor clients? Is transparency and accountability lacking in the microfinance industry? With so much criticism centered on ‘high’ interest rates, how should an MFI determine its interest rate?
(9:00 – 12 noon)

Break: 10:30 – 10:45 am
- Class Exercise: Calculating A Sustainable Interest Rate

Lunch Break: 12:00 – 1:00 pm

Afternoon Session
- Review of Case #1

Guest Lecture:
TBD
(2:00 – 3:00 pm)

Break: 3:00 – 3:15 pm

Class Exercise TBD

Readings for Lecture #2:
| Tues. Mar 15th 9:00-5:00 pm | Lecture #3: Measuring Finance and Social Performance  
*Has microfinance really helped lift people out of poverty? What indicators do MFIs utilize to determine if there are achieving the double bottom line of financial sustainability and enhancing social welfare of clients?*  
(9:00 – 10:30 am)  
Break: 10:30 – 10:45 am  
Introduction to SEEP FRAME Tool  
(10:45 am – 12 noon)  
Lunch Break: 12:00 – 1:00 pm  
Readings for Session #3:  
SEEP FRAME guide (1:00 – 5:00 pm)  
- Class Exercise: Financial Statements Analysis utilizing SEEP FRAME Tool (1:00 – 3:00 pm)  
Break: 3:00 – 3:15 pm  
Guest Lecture:  
TBD  
(3:15 – 4:15 pm) |
| --- | --- |
| Wed, Mar 16th 9:00-5:00 pm | Lecture #4: Innovations in Microfinance  
*What are the latest innovations being in the microfinance industry to enable MFIs to lower their cost of capital or reach millions of clients? Can MFI securitizations be a solution to bridge the microfinance supply-demand gap?*  
Have mobile banking and mwallets changed the provision of microfinance and enabled financial inclusion for the poor?  
(9:00 – 10:30 am)  
Guest Lecture:  
TBD - USAID Office of Development Credit Authority  
(10:45 – 12 noon)  
Lunch Break: 12:00 – 1:00 pm  
Lecture #5: Product Differentiation in Microfinance  
*What new microfinance products are being developed for the Base of Pyramid (BoP) populations? A look into housing microfinance, microinsurance, etc.*  
1:00 – 2:30 pm  | Submit Case #2 Assignment by 9 a.m. |
V. **GRADING**

<table>
<thead>
<tr>
<th>Component</th>
<th>Individual Component</th>
<th>Team Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance</td>
<td>50</td>
<td>200</td>
</tr>
<tr>
<td>Class Participation</td>
<td>100</td>
<td>250</td>
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<tr>
<td>Assignment #1 Individual Write up</td>
<td>150</td>
<td>250</td>
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<tr>
<td>Assignment #2 Individual Write up</td>
<td>200</td>
<td>250</td>
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| Total                      | 750                  |

VI. **Professor’s policies**

Academic Integrity. The professor will strictly abide by the academic integrity policies as stated at [http://www.gwu.edu/~ntegrity/code.html#definition](http://www.gwu.edu/~ntegrity/code.html#definition). Any Assignment or work output containing plagiarized material (see Academic Integrity Code for definition) will receive an ‘F’. No exceptions will be made.

- **Grading Disputes:** If a mistake occurs in grading, students are requested to submit a written request for a meeting with the Professor and must cite what is believed to be the error in grading.
- **Students with Disabilities:** Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss specific needs. Please contact the Disability Support Services office at 202-994-8250 in the Marvin Center, Suite 242, to establish eligibility and to coordinate reasonable accommodations. For additional information, please refer to: [http://gwired.gwu.edu/dss/](http://gwired.gwu.edu/dss/)

VII. **COURSE INSTRUCTOR**
Romi Bhatia is a Senior Investment Officer and Team Lead for Latin America & Caribbean/ Eastern Europe and Eurasia (LAC/E&E) regions with the Office of Development Credit at the US Agency for International Development. Mr Bhatia has been the Agency Lead for Diaspora Engagement for the past four years focused on creating public-private partnerships and developing programs with diaspora organizations in order to achieve development objectives of the Agency.

Prior to joining the Agency, Mr. Bhatia was V.P. of International Operations at Microfinance International Corporation managing their debt lending facility and other programs with microfinance institutions (MFI) in Latin America. He launched the transnational mortgage/SME loan program for Latin American immigrants in the US that sought to channel remittances for home improvement and small and medium enterprise (SME) development in their country of origin.

Since 2009, Mr. Bhatia has been an adjunct faculty member at The George Washington University School of Business where he has taught courses to MBA students focused on microfinance, remittances and financial inclusion for the poor. Prior to moving to Washington, D.C. in 2004, Mr. Bhatia consulted for the UNDP in Trinidad and Tobago and was a Fulbright Scholar in India with SKS Microfinance.

Mr. Bhatia holds a M.A. degree in International Affairs with a concentration on International Finance and Business from Columbia University’s School of International and Public Affairs and a B.A. in Political Science and Economics from UC Berkeley.