

Outline of feasibility study report (the analysis part is a repeat of what is above)

1. Executive summary
2. Research methodology
3. Demand side research: what kind of products are migrants/family members willing and able to invest in?
 - 3.1. Segmentation of migrant/migrant families (by income, time abroad or other relevant characteristics).
For each segment:
 - 3.1.1. Understand their hopes/dreams/goals to be achieved through migration
 - 3.1.2. Understand their current household financial behavior (savings, remittances)
 - 3.1.3. Understand their perception of “investment” – what it means to them, past experiences, etc.
 - 3.1.4. Understand their risk appetite
 - 3.1.5. Estimate the amount of investable funds available, desired rate of return, expected term of investment (years)
4. Supply side research: what investment products exist currently?
 - 4.1. Inventory of existing funds and other investments targeting migrants (including non-traditional funds such as MLM, coop local investment funds, etc.)
 - 4.1.1. Object of investment
 - 4.1.2. Underlying asset
 - 4.1.3. Disbursement and collection methodology
 - 4.1.4. Sales channels
 - 4.1.5. Legal structure
 - 4.1.6. Governance
 - 4.1.7. Financial issues
 - 4.1.8. Risk and return
5. Analysis
 - 5.1. Gap analysis
 - 5.1.1. Identify unmet investment needs among migrants
 - 5.1.2. Identify unmet capital needs in rural areas and why these gaps exist (what types of enterprises/sectors need financing, how much do they need, and why they cannot currently obtain it)
6. Conclusion: what is the recommended investment vehicle and what is its investment strategy?
 - 6.1. Determine what type of financing (senior debt, subordinated debt, credit, equity, preferred shares, etc.) can overcome these gaps
 - 6.2. Estimate the level of risk inherent in each type of financing and each type of enterprise/sector
 - 6.3. Determine the mechanism for allocating fund resources to each type of enterprise/sector
 - 6.4. Regulation analysis: what structure and delivery channels can be mobilized given current regulations?
 - 6.4.1. Available fund structures (mutual fund, unit investment trust, endowment fund, revolving fund, sinking fund, etc.)
 - 6.4.2. Requirements for managing each type of fund (board, fund management, pricing, size, audit, licensing, tax, etc.)

This is where we end Phase I and present our findings to NATCCO for input and hopefully approval. Phase II (the details of setting the investment product up) follows:

7. Options for investment product(s)
 - 7.1. Objective
 - 7.1.1. What the fund offers to migrants/migrant families
 - 7.1.2. What the fund offers to the originator/seller
 - 7.1.3. What the fund offers to the macro/local economy

- 7.2. Fund structure
 - 7.2.1. Object of investment
 - 7.2.2. Investing instrument (the asset underlying the fund)
 - 7.2.3. Disbursement and collection methodology (how funds are provided to investees and how payments are collected)
 - 7.2.4. Sales distribution channels
- 7.3. Legal Structure
- 7.4. Governance (functional) structure
 - 7.4.1. Board of directors/trustees
 - 7.4.2. Fund management
 - 7.4.3. Audit
- 7.5. Financial issues
 - 7.5.1. Funding requirement (size)
 - 7.5.2. Pricing
 - 7.5.3. Investment period
 - 7.5.4. Operating costs
 - 7.5.5. Tax issues
 - 7.5.6. Financial projections
 - 7.5.7. Expected return
 - 7.5.8. Risk profile (risk/return and sensitivity analysis)
 - 7.5.9. Income distribution
 - 7.5.10. Life (term) of fund
- 7.6. Other issues relevant to Philippines/Nepal
- 7.7. Associated organizations (government, private sector, NGOs, international organizations)

- 8. Setting up the fund
 - 8.1. Main steps
 - 8.2. Required legal instruments (e.g., articles, by-laws, other licensing requirements)
 - 8.3. Required operational and strategic instruments (e.g., strategic plan, investment strategy, fundraising strategy, operations manual)
 - 8.4. Implementation structure

- 9. Action plan

- 10. Estimated budget for establishing the fund

Annexes

- 1. List of persons interviewed
- 2. List of reference documents