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U.S. Pakistani Diaspora's Potential for Impact Investment in Pakistan

In-Depth Interview Protocol for Informed Experts

[Note for Interviewers: An informed expert is an experienced individual who has conducted research concerning Pakistani Diaspora investment practices and trends (e.g. an academic or researcher from a think tank or government official) or is an experienced practitioner. A practitioner may be affiliated with a non-for-profit or profit agency involved in the investment space (e.g. fund managers, investment companies, etc.).]

Introduction and Consent

Thank you for agreeing to be a key informant to provide insight regarding the financial and social impact activities of the U.S. Pakistani diaspora community. USAID/Washington's Office of Pakistan and Afghanistan Affairs (OAPA) and USAID/Pakistan seek to conduct a study to better understand the capacity and interest of the U.S. Pakistani diaspora to engage in and impact the current and future development agenda of Pakistan through social impact investment, economic impact investment, commercial return investment, mentorship and knowledge transfer, advocacy, and volunteerism. Based on the results of this study, USAID/Pakistan will consider designing financial products/SPVs and/or other mechanisms to engage the diaspora community.

Toward this end the questions focus on your views and attitudes regarding various financial activities and issues. Your responses will help us to:

- Learn more about your views and attitudes on investment risk and return, opportunities and innovation, investment preferences, and views on the types of organizations and mechanisms through which investment and other related activities might be undertaken.
- Learn more about the capacity and interest of the diaspora to engage in and impact the current and future development agenda of Pakistan through social impact investment, economic impact investment, commercial or market return investment, mentorship and knowledge transfer, advocacy, and volunteerism;
- And identify individuals who could be considered "leaders" and "connectors" within the diaspora community that have both funds to invest and/or have robust connections to other potential diaspora investors.

USAID would like to contact interview respondents who are interested in being part of their network of investors and experts. The network will be used to help USAID develop strategies to encourage different types of investment. If you are interested in becoming part of that network and being contacted by USAID, you may provide your name and contact information at the end of this interview by filling out a form that we will provide you.

If you do not want to USAID to contact you, your identity and answers will remain anonymous. Your responses will be reported along with other respondents like yourself, but your identity will not be disclosed. Because of your position and the small group of people we are interviewing, however, we cannot guarantee your results will be completely anonymous. At the end of the study, we will keep our notes and your contact information on file for two years in case additional research questions arise.

If you have questions about your rights as a research participant, you may call the NORC Institutional Review Board Manager toll-free at 1-866-309-0542, or contact Project Manager Audra Grant at 301-634-9383 or Grant-Audra@norc.org.

In-Depth Interview Protocol for: Informed Experts

1. First, what are some of the trends in economic and commercial investment among the Pakistani Diaspora community in the U.S.?
 - Probe: What are notable sector trends (agricultural, energy, financial inclusion, education, health, technology, entrepreneurship)?
 - What is the typical demographic profile of an economic and commercial Diaspora investor?
 - What is role of family ties, social and religious obligation, social-economic status, education level, and regional affiliation or identity?
 - Probe: Are there differences between men and women in terms of engaging in either type of financing/investment? If yes, what are these differences and how do men and women invest differently? Would this carry over to investing in Pakistan?

2. What are the motivations for social impact investment vs. economic and commercial investment?
 - Probe: Corporate social responsibility
 - Probe: Corporate philanthropy
 - Probe: Individual Philanthropy
 - Probe: Prestige
 - Probe: Personal fulfillment
 - Probe: Advocacy. What kind of advocacy?
 - Probe: Poverty alleviation
 - Probe: Training people in economic/financial/business activities.
 - Probe: economic / financial returns
 - Probe: Creation of business alliances
 - Probe: transition into commercial business

3. What sectors tend to be most attractive for Diaspora economic and commercial investors (for example, agriculture, energy, economic growth, education, health, technology, and entrepreneurship, communications)?
 - Probe: Why?
 - Probe: What requirements do economic and commercial investors have?
 - Probe: How important is the reputation of the institution / organization / firm?
 - Probe: How important is trust in institution / firm leadership?

4. And what sectors tend to be most attractive for social impact investors (for example, agriculture, economic growth, energy, education, health, technology, and entrepreneurship, communications)?
 - Probe: Why?
 - Probe: What requirements exist in terms of outcomes for social impact investors?
 - Probe: What about the society groups people what to affect?
 - Probe: Are there any geographic/regional preferences?
 - Probe: How important is the reputation of the institution / organization / firm?

- Probe: How important is trust in institution / firm leadership?
5. Are there differences between men and women when choosing economic and commercial and social impact investing? If yes, how do you see men and women investing differently?
 6. What are common processes for identifying recipient organizations?
 - Probe: Do investors prefer an intermediary? If so, what is the typical profile of the intermediary?
 7. What are popular means of investing for social impact investors -- what are preferred means or mechanisms for social impact investing? Could you give us your considered opinions as to why any of these generic investment types might find favor with male and or female diaspora investors?
 - Probe: Women-only funds. Do you believe these have a chance of working out for investors? Why or why not?
 - Probe: Mutual funds. Why?
 - Probe: Diaspora bond / Notes. Why?
 - Probe: Bond and bond-like instruments paying interest? Why?
 - Probe: Sector-oriented fund initiatives. Why?
 - Probe: Impact Fund. Why?
 8. What are popular means of investing for economic and commercial investors -- what are preferred means or mechanisms economic and commercial investing?
 - Probe:
 - Probe: Mutual funds. Why?
 - Probe: Diaspora bond / Notes. Why?
 - Probe: Bond or bond-like instruments? Why?
 - Probe: Sector-oriented fund initiatives. Why?
 - Probe: ETFs? Why?
 - Probe: Close-ended funds. Why?
 - Sovereign bonds? Why?
 - Domestic equities? Why?
 9. For economic and commercial investors, what types of conditions contribute to these investors' ability to invest in institutions?
 - Probe: Availability of funds
 - Probe: Education and experience
 - Probe: Support and encouragement from peers and family
 - Probe: Access to information
 - Probe: Access to individuals or networks that have: provide funding / are informative / provide guidance / provide information / offer access to other networks or resourceful individuals

- Probe: For economic and commercial investors, are you aware of any individuals or networks in particular are influential in terms of linking up investors?
 - Probe: For economic and commercial investors, are there any individuals, organizations or networks are influential in shaping current investors and potential investor decisions?
 - Probe: Do diaspora typically have brokers and investment accounts?
 - Probe: Do you/they invest in the PAK ETF? The MSCI emerging and frontier indices?
 - Probe: What about ADRs for Pakistani companies on other exchanges around the world?
 - Probe: Participation in sovereign issuances?
 - Probe: Alternatives such as private equity placements as limited partner investors, whether as individuals or as part of an institutional investment?
 - Probe: Real estate, commercial or residential. REITs?
10. And what about social impact investors -- what types of conditions contribute to these investors' ability to invest in institutions?
- Probe: Availability of funds
 - Probe: Education and experience
 - Probe: Support and encouragement from peers and family
 - Probe: Access to information
 - Probe: Access to individuals or networks that have: provided funding / been informative / provided guidance / provided information / access to other networks or people
 - Are there any individuals or networks in particular are influential in terms of linking up social impact investors?
 - Are there individuals, organizations or networks are influential in shaping current investors and potential investor decisions?
11. Some people are open to risk, while others are less comfortable with risk. How does risk aversion or acceptance effect decisions to engage in economic and commercial investors versus social impact investment?
- Probe: How does one's level of risk influence the *types* of investment mechanisms they select?
12. How do investors learn about investment opportunities and how to make choices?
- Probe: How accessible is information?
 - Probe: Who or what are key sources of information and guidance?
 - Probe: To what extent are investors more likely to trust peers, family or colleagues in making decisions regarding where to invest?
 - Probe: What about trust in Pakistani government institutions?
 - Are international organizations trusted sources of information and guidance? The IMF, IFC, World Bank, USAID information etc? How about Reuters? Thompson?
 - Bloomberg? Do you know of any diaspora that have and use a Bloomberg terminal?

13. What kinds of investment partners and arrangements might Diaspora investors find attractive to work with to maximize impact activities?
- Probe: International donor organizations? Which ones and why?
 - Probe: What jointly funded ventures with donors such as the World Bank, USAID?
 - Probe: Private financial and economic actors such as fund management organizations, banks? Why?
 - Probe: Islamic banks with Sharia compliant mechanisms? Why?
 - Probe: Pakistani government institutions? Why?
14. What would you say are the most significant obstacles for economic and commercial and social impact investment in Pakistan?
- Probe: The regulatory environment in Pakistan. Tell me more about this
 - Probe: The political environment in Pakistan. Please explain. What are examples?
 - Probe: The economic environment in Pakistan. Explain?
 - Social norms and expectations
 - Probe: Presence of family support. Please explain
 - Probe: Alternative investments with a perceived higher risk return payoff?
 - Probe: Domestic investments in the US as a safe haven from Middle East and South Asia instability?
15. I have a list of potential investment vehicles. Can you review this for a few minutes? When you are done, I would like to discuss them briefly. [INTERVIEWER, WAIT A FEW MINUTES, THEN PROCEED WITH QUESTIONS]
16. If you can comment, which of these vehicles would be more attractive to diaspora investors? Why? Which would be least attractive? Why?
- Probe: Women-only funds
 - Probe: Side car funds attached to private equity funds where you/diaspora would effectively be a limited partner investor
 - Probe: Mutual funds
 - Probe: Diaspora bond / Notes
 - Probe: NGO-operated Challenge Grant funds
 - Probe: Donor-created loan funds, such as the USAID DCA is the probe question)
 - Probe: Debt investment
 - Probe: Institutional support to semi-private or private institutions
 - Probe: Custom designed structured financed vehicles
 - Probe: Donor advised investment funds
 - Probe: Creation of a new bond such as the Calvert Fund India Bond initiative
 - Probe: Mechanisms or bond-like funds with interest rates
 - Probe: Sector-oriented fund initiatives
 - Probe: Any investment from whatever source that has a seemingly reliable cash flow throw-off profile?
17. What lessons are provided from Canada and the United Kingdom, where there are similarly large Pakistani Diaspora populations?

- Probe: What investment types in these commonwealth markets seem attractive to you/the diaspora?

That's all I have. Thank you very much, for taking the time to talk with me today!