

Donor Relations

Even in the best case scenario, client fees will only cover the portion of corporate governance advisory services projects focused on direct work with companies. So, donors will always remain an important piece of the funding puzzle. It is a mistake to treat donors as simply an open check book—not only will this not help accomplish the goal of getting the project funded, but it also means losing out on the opportunity to capitalize on donor knowledge of the local environment and key players. Failure to engage with donors beyond merely cashing the check also could make it harder to attract new rounds of funding.

As arms of their representative governments, donors are motivated by their nations' own strategic interests—and they are influenced by the public opinion of their countries.

But in an environment where budgets are tight and the list of needs in the developing world seems to grow longer by the day, it is understandable that the value of allocating resources to something that cannot always be captured in a quick sound bite may not be readily apparent.

Thus, an important aspect of the work here is on making the case for the value of prioritizing corporate governance issues. In effect, this can involve a concerted effort to “connect the dots”—showing donors why they should care about these issues.

“Donors need ammunition to convince their own authorities that they should be spending money

on such projects,” notes IFC Director Christian Grossmann. “You can have the best-planned project in the world, but if there isn't a compelling story that you can tell to highlight the value, or if there is no mega-trend that has catapulted the issue into the limelight—like Enron or Lehman Brothers—donors may not be interested.”

Success stories and case studies with outcomes of other projects—including quantitative data from monitoring and evaluations, if available—can help in this regard, as part of a broader presentation package that also includes:

- A well-structured proposal;
- Specific deliverables;
- A summary of the donor's strategies in the targeted country and how the project aligns with the strategy (this requires some preliminary research to narrow down the field of donors to those that have interest in the country and in the issues); and
- Information on why IFC is uniquely positioned to carry out this work: as an investor, we know what investors are looking for. We have relationships with companies and with policy makers, enabling us to work from the bottom up within companies and from the top down at the policy level and at the educational level to effect change.

The SmartLesson here offers additional insight into maintaining positive donor relations.