

Five Keys to Developing Fulfilling and Lasting Country-Level Donor Relations: Lessons from the Azerbaijan Corporate Governance Project

Much of IFC's advisory services work is funded through partnerships with donor governments and other multilateral institutions. Such donors are vital partners for IFC, and maintaining good donor relations is paramount to making IFC's advisory services work even better. The Azerbaijan Corporate Governance Project, for example, is implemented with the financial support of the State Secretariat for Economic Affairs of Switzerland.²⁴ Its goal is to improve the corporate governance practices of Azerbaijani joint-stock companies and banks, thereby helping them gain easier access to capital. At the April 2007 IFC-SECO semiannual meeting in Lviv, Ukraine, SECO commended ACGP as a model for maintaining a good donor relationship. This SmartLesson shares some of what we've learned from this relationship over the last three years.

LESSONS LEARNED

1) Establish and maintain a good working relationship with all of the donor's representatives related to your project.

In general, the IFC-SECO partnership is managed at the senior level primarily by the General Manager of IFC Advisory Services in Europe and Central Asia, with semiannual reporting to SECO's office in Bern. However, a good, and perhaps overlooked, practice is for the project manager and other staff to establish a relationship with the country representatives. These representatives can be great allies, since they constantly communicate with the head office, and your successes are their successes as well.

When ACGP started, there was no Swiss representative in Azerbaijan, but shortly thereafter SECO announced that it would post a Swiss national in Baku. Even before the representative's arrival, the project manager established a relationship with

him and served as a source of information, both on work-related matters and on life in Baku. Moreover, the IFC team strategically planned the date of the project's official launch to coincide with an initial visit by the SECO representative, making it possible for him to speak at the event. This association has grown into a professional and congenial relationship.

2) Be sure the donor representatives know they are members of the team.

The project organizes regular "meet the staff" meetings with the country representatives, so they can get to know the staff and understand each person's role. These meetings also ensure that every member of the project team understands the importance of the donor, and that each member knows the donor country representatives by face and name. Before staff met the SECO regional director for the first time, the ACGP project manager circulated his photo via e-mail, along with the correct spelling and pronunciation of his name.

During the meetings, each team member gives a concise update on his or her current work, providing a good opportunity for the donor to express any concerns about the project activities. ACGP found this to be a more efficient way to discuss concerns than doing so at the formal semiannual meetings.

Another team-building effort is the practice of discussing any major undertaking with the donor before commencing the activity. For example, ACGP discussed beforehand with SECO a plan to execute a Memorandum of Understanding with a project partner and the selection of various pilot companies. Even though SECO always agreed with the project's undertakings, its representatives felt informed and provided better support than they might have if they had found out about the changes after the fact. Moreover, SECO's representatives often offer sound advice that can make a good initiative even better.

To promote the spirit of collaboration even more, we started sending jointly signed cover letters to recipients of major ACGP publications. For example, the project manager and the SECO regional director signed cover letters accompanying the official Azerbaijani translation of the Organisation for Economic Co-operation and Development Principles of Corporate Governance and the ACGP Corporate Governance Survey Results that were sent to over 250 companies, banks, and other project partners.

Also, it is important to make sure the donor is aware of changes in staffing and recruiting. When someone leaves the team, the ACGP project manager promptly informs the SECO regional director.

3) Keep your donor informed.

We found that the local SECO representatives appreciated periodic updates, but given all of the administrative reporting in IFC, we did not want to add another layer. So the project manager and the local representative agreed that an informal e-mail every other month would be sufficient. They chose this schedule to coincide with the project's

preparation of information for the IFC Advisory Services in Europe and Central Asia internal bulletin, which is circulated every two months.

Keep the donor informed about future events well in advance.

Along with the update e-mail, the ACGP project manager sends the SECO country representative a list of planned and tentative events. In addition, monthly informal luncheons with the donor representatives help keep them informed.

Become a source of additional information for the donor.

Occasionally, SECO country representatives request information beyond the scope of the project area. For example, ACGP is a good source of information on the banking and financial sector in Azerbaijan, due to its work with clients in this sector. Without divulging any confidential client details, the project has provided information that SECO country representatives have found helpful in the funding of other projects in the sector. Additionally, we often refer SECO to other contacts who are better suited to answer certain questions.

4) Allow the donor to use the project as a vehicle to promote its presence and visibility.

Invite the donor to all project events, and, if warranted, ask one of the donor's country representatives to speak at or participate in any formal opening ceremony.

If you ask the donor to speak, provide adequate background information on the event, and clearly outline the issue and the message that the project hopes to deliver. For example, when the ACGP asks SECO representatives to speak at its events, the project manager sends them an agenda, speaking points or a "scene setter" that explains the event, and mentions who else will be speaking and attending the event. As a follow-up, ACGP always sends thank you e-mails to donor representatives for their



A reception for clients and partners gives the donor an opportunity to meet the people we work with.

participation, along with copies of any newspaper stories about the event.

During project events, the appropriate staff should introduce the donor's clients and partners.

Make sure your clients and partners, and especially government officials, understand how important your donor is for the success of your project and, ultimately, its clients and stakeholders.

At a client-and-partner reception for SECO representatives from Switzerland during the April 2006 Baku semiannual meeting, these representatives had the opportunity to meet such individuals as Naida Saidigova, who was the first lecturer in Azerbaijan to deliver a corporate governance course based on ACGP's model university course. SECO representatives expressed appreciation for the chance to match a face and a person with the plethora of stories and numbers contained in written periodic reports.

The Baku team prepared the clients before SECO's visit by giving them a one-page note on SECO and how SECO had benefited their company. Such preparatory work can pay huge dividends. For example, during an official Memorandum of Understanding signing ceremony, a frequent client of ACGP thanked SECO and its regional director, by name, on national television. Donors greatly appreciate such recognition.

Ensure the donor's visibility at your events and in your office.

The ACGP prominently displays the donor's banner in its office conference room, and we have placed a number of small Swiss flags on desks and in common areas throughout the Baku office. So, clients who come to the office for meetings are well aware of the donor's place in the project.

SECO banners and flags are always on display at project events—and strategically placed for events that will be televised. At the last joint meeting in Lviv, the project manager showed SECO a video montage of the project's television news coverage in Azerbaijan, and the donor was pleased to see its banner so prominently displayed.

If you invite outside experts to present at seminars or conferences, make sure you provide them with sufficient information about the donor, so they understand who sponsored their participation. Also, always provide information about the donor in your press releases and other communication with the media, to increase the likelihood that the journalists will mention the donor and its activities. For example, whenever staff open or moderate a project event, the speaker acknowledges and thanks SECO (at least once by its full name, the State Secretariat for Economic Affairs of Switzerland), and if SECO representatives are present, we thank them individually by name.

Reminder: Be sure to include the donor's name and current logo on presentations, project publications, and conference or seminar banners and agendas.

5) Be honest, available and sincere.

Donors will respect you and trust you for your honesty.

If you make a mistake, admit it, apologize, and make sure it won't happen again. Don't make excuses or try to cover up an error. For example, during a particularly busy period with several consecutive events, the project

failed to send SECO an agenda for one of the events that we had invited them to attend. The day before the event, we contacted the donor to remind them of their participation. When the representative said they had not received the agenda, the project manager promptly apologized for the oversight and accepted responsibility. The donor representative understood and was happy to receive the agenda shortly thereafter. Due to the project's regular communication with the donor, the representative was already aware of the event and it was not a big surprise. And, the project's record of open communication and good faith led the donor to see this misstep as a minor oversight, soon to be forgotten.

Be available, responsive, and punctual.

Regardless of the travel demands that go with the job, the project manager or a designee should always be available to the donor. If travel takes a project manager away from the project for a significant amount of time, let the donor know who the contact person is during this period. Also, the donor will appreciate it if you can be easily reached. The same approach should be applied to donor requests. Moreover, don't be late to meetings or cause delays in starting events on schedule—especially with the Swiss!

Be cheerful and sincere.

ACGP staff members feel lucky to have a donor such as SECO, whose representatives are reasonable and easy to deal with. The relationship should be based on a genuine desire to cooperate—not just going through the motions to secure funding. Remember that it truly is a partnership and should be managed as such.

CONCLUSION

Good donor relations ensure the smooth running of the project—and benefit IFC in general, since it periodically proposes new projects to SECO and often requests extensions of existing projects. For example, following the April meeting, SECO granted a 14-month extension to ACGP. The SECO country representative noted that it was an easy give to extend such a project.

ABOUT THE AUTHORS

Charles Canfield, Project Manager for the IFC Azerbaijan Corporate Governance Project.

Rasmina Gurbatova, Communications Associate for ACGP.

Sevinj Ibrahimova, Team Assistant for ACGP.

APPROVING MANAGER

Motria Onyschuk-Morozov, Principal Operations Manager, Corporate Governance, IFC Advisory Services in Europe and Central Asia

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