

Pre-project Planning and Design

There are several stages in the early development of a donor-funded advisory services corporate governance project, starting with the initial concept, which should be aimed at addressing a specific market failure (a systematic problem that is creating obstacles to private sector development).

Determining which challenge to address involves asking a number of questions:

- What in the market needs to change?
- How will we change it?
- How can success be measured?
- Have others tried to do the same thing?
- Are there existing services in this market niche?

Answering such questions requires some in-depth research: into the specific sector, such as banking; on existing regulations in the country relating to corporate governance; about the level of corporate governance awareness in the country; and on which donors are active in the country, what their country strategies are, and whether they are already funding any corporate governance related projects.

While this may prove a time-consuming exercise, a thorough job here can avoid significant problems down the road. In fact, information gathered during this early stage will help determine the feasibility of a potential project.

A well-planned, three-to-five-day feasibility study, conducted on the ground in the country, will solidify the information already gathered, and help separate what has been written from the truth: Are regulations really enforced? Is there an appetite for corporate governance? Is there a sense that business, government players and donors have an appetite for implementing reforms? Would there be a reliable funding source for the duration of the project?

The information learned from both activities—desk research and insight from meetings on the ground—will help verify assumptions and refine initial ideas, so that the project, if it does move forward, will have a well-defined mission and objective, based on the reality in the country.

The SmartLesson in this section addresses a key aspect of this pre-planning work: conducting a corporate governance practices survey.