

Post-Conflict Countries Series: Key Capacity Building Issues for the Private Sector to Address

This note is the fourth in a series of notes assessing the role of public-private partnerships and private sector participation in post-conflict reconstruction and infrastructure development. This series is extracted from a PPIAF-funded review of policy and institutional capacity to facilitate private participation in infrastructure for Sudan, which was prepared by Castalia Limited in November 2006. The full report is available from the [PPIAF website](#).

In post-conflict countries, key private sector organizations should implement or commence the following capacity building tasks to complement the work of the government in expanding opportunities for the private sector in infrastructure development:

- **Review the adequacy of management courses for training managers** with universities and technical schools and implement a program of reform with government assistance as appropriate
- Review, with assistance from the international body of the Institute of Directors (IoD)¹, **the adequacy of governance education for company directors and senior level management**, and seek assistance from the IoD to establish appropriate courses and an organization to establish good governance practices in businesses. Universities could be encouraged to partner with overseas universities to establish business management and technical courses to rapidly promote new knowledge
- **Establish a joint government-private sector commission of inquiry** into the barriers in the banking and finance sectors, and in the capital markets, to the growth of larger private sector business entities, and request actionable recommendations to address these barriers
- Investigate, develop, and implement a policy where **private sector companies partner with foreign investors in infrastructure service delivery contracts**, to ensure technical knowledge and management skills can be passed to domestic personnel. The policy should have the following characteristics:
 - *It is not an agency relationship, where a foreign investor is required to have a local partner in order to secure a contract*
 - *The local company would have to provide personnel to “partner” with the foreign company service provider as part of a technical assistance program agreed before the head contract is signed. In return the local company—or the foreign contractor—would receive a grant or other form of government assistance, perhaps financed from the revenue flow of the infrastructure asset, against agreed outcomes*
 - *The business management faculties of the universities should be closely involved in the program ex-post to ensure the lessons learned by individual companies can be passed more widely to the business community and to students.*
 - *The business organizations should also be encouraged with initial government assistance, to conduct extension programs to local businesses to pass on the experiences and knowledge gained by the companies which are part of the program.*
- The business organizations should investigate **establishing a post-graduate Higher Business Education Trust** with shared funding, to provide grants and scholarships to suitable business graduates to proceed to Masters and PhD level courses, both in local and at overseas universities

¹ IoD International, based in London at www.iod.com.