

AFGHAN FIRST POLICY

**One Team,
One Mission**

Background and Context



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Why *Afghan First*?

Purpose:

- Afghan Leadership
- Participation
- Capacity
- Sustainability



The U.S. Embassy and U.S. Forces Afghanistan (USFOR-A) *Afghan First* policy encourages local procurement of Afghan products made by Afghans to benefit and improve the well-being of the Afghan people. The ways to implement the ideas put forward in this document may be varied, but taken together as a strategy, policy and collective effort can mark a step forward to lay a new foundation for growth in Afghanistan. And growth creates Afghan jobs and income.

Procuring goods and services from Afghan companies promotes economic development, supports the growth of a modern and competitive business sector, and boosts Afghan employment. The coalition military and development agencies are significant players in the Afghan economy. Our influence will be more positive to the extent we actively partner with Afghans and Afghan companies to create jobs. Abating unemployment requires full use of USG resources.

Local procurement makes good business sense from the buyer's perspective. Afghan firms know the market and can often provide goods and services with comparable quality, at competitive prices. With a shorter supply chain, local procurement is often the best way for the buyer to maximize value and timely delivery of needed goods and services. Such business engagement can broaden Afghan support for our mutual strategic objectives in Afghanistan. But most importantly, it helps local businesses to grow, gain experience, and generate jobs in the industrial, commercial, and agriculture sectors.

While looking for the best value for the USG, establishing an *Afghan First* policy can make sense:

1. **Afghan Leadership and Ownership:** Helps ensure that procurement responds to the needs of Afghans and is accountable to the Afghans it is meant to support.
2. **Afghan Participation:** Promotes the Afghan private sector in their management and delivery of goods and services while fostering entrepreneurship.
3. **Afghan Capacity Development:** Develops the Afghan labor force.
4. **Afghan Sustainability:** Over time, local procurement reduces support for the insurgency, makes foreign assistance more effective, and ultimately reduces the dependence of development assistance.

AFGHAN FIRST POLICY

What is the Policy?

Local procurement by all USG and other foreign organizations can contribute directly to both stability and economic development which are critically important to accomplish our shared purpose: to support Afghan leadership, capacity, and sustainability. Therefore, the USG's procurement policy in Afghanistan is: *Afghan First*.

Think Afghan sustainability (of the people, by the people, and for the people of Afghanistan)

Local procurement can be faster, easier, and less expensive than purchasing from vendors outside Afghanistan. For many products and services, local quality standards may already meet import standards, or with focused and sustained effort, they may be raised to international standards.

Increasing local procurement, at acceptable standards for quality, price and reliability of supply will require sustained, senior management attention, and the dedication of those at all levels regarding procurement decisions. In this purpose, all of us must be innovative, proactive, and creative to implement *Afghan First*.

What are the procedures?

The U.S. Mission will work with UNAMA, USFOR-A, ISAF and international organizations and companies to increase procurement within Afghanistan of supplies for civilian and military activities. USG procurement offices (including Human Resources Offices) should record the procurement of all goods and services, and analyze and report this data quarterly using existing WebPass, eServices systems, etc. Each quarterly analysis should identify prospective ways and means to increase local procurement of goods and services.

The top priority for all USG procurement to implement *Afghan First* is as follows:

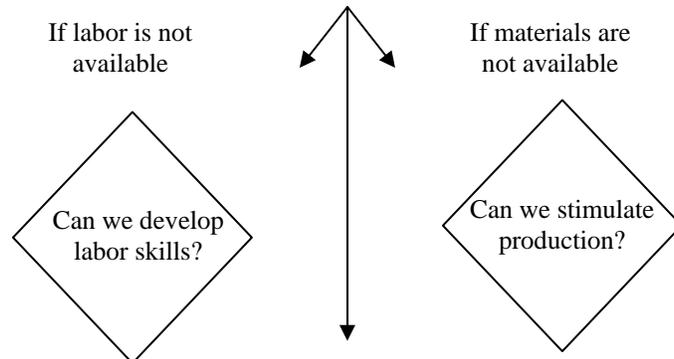
For
Afghans,
Buy
Afghan

Is there justification NOT to buy and hire locally?

Step 1:

Afghan First: Hire Afghans and develop the labor force; purchase Afghan materials/services to expand the industrial, commercial and agricultural bases.

Step 2:



Step 3:

(A) Replace American or Third Country National direct hires with Afghans wherever possible, or

Step 4:

- (B) Write contracts that reward/incentivize:
- Using Afghan contractors/sub-contractors;
 - Skilled/Semi-skilled and other Afghan labor; and
 - Local procurement of Afghan products.

Are there incentives in weighting and evaluation of proposals?

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Procurement



To contact Peace Dividend Trust, contact USAID's Economic Growth Office or GSO Management

USFOR-A and USAID procured more than \$4 billion in local goods and services from 2005-2009, -- we can do more

Human Resources

The USG employs more than 20,000 staff – who represent the future of Afghanistan

Whether it's implementing development projects, procuring furniture, contracting services, hiring staff, etc., all USG staff can make a difference to implement *Afghan First*. Here is an illustrative 'menu' of options on how to implement *Afghan First*:

1. Use existing local resources and Afghan business directories

- Peace Dividend Trust (PDT) is a non-profit organization that fosters and implements innovations in peacekeeping and economic development. Their goal is to make missions efficient, effective, and equitable.
- The USG supports local partners such as PDT, who have been working in Afghanistan since January 2006 to increase local procurement, by connecting international buyers to Afghan sellers. In particular, PDT manages a database of Afghan suppliers -- currently about 4,600 -- that one can find on PDT's webpage: www.buildingmarkets.org. PDT also trains Afghan companies about bidding and performance issues.

2. Encourage a greater response from Afghan businesses

- Advertise in Dari and Pashto in local communities.
- Simplify documents and identify points of contact that are fluent in Dari and Pashto.
- Make vendor registration procedures and key forms available in Dari and Pashto.
- Provide free bid invitations and tender documents to local Afghan businesses.
- Pay local Afghan companies within 30 days.
- Establish local Afghan vendor lists.
- Prequalify Afghan businesses.

3. Support the local currency

- Pay contracts in Afghanis wherever possible.
- Pay wages in Afghanis wherever possible.

4. Develop Afghan skills

- Retain Afghan firms wherever possible.
- Reduce size of contracts, dividing them by geography or by sector.
- Coordinate training programs for suppliers.
- Refer suppliers to an existing program with incentives to participate.

5. Hire / Recruit / Retain Afghan staff

- Hire national Afghan staff wherever possible.
- Build capacity of national staff.
- Provide mentorship and training opportunities.
- Motivate staff via formal recognition of work well done.
- Provide recognition of achievements and recommendations for their professional development.