

# Afghan First

## Building a Stable Economy Through Strategic Acquisition

*Maj. Darren W. Rhyne, USAF*

**T**he policy called “Afghan First” has been in effect on paper since 2008. However, efforts to implement the policy really began in earnest in late 2009 and early 2010. This policy is part of the larger counterinsurgency (COIN) effort to help Afghans rebuild their country by providing legitimate, sustainable business opportunities to Afghan companies and jobs for







Air Force Maj. Darren Rhyne, on assignment to Camp Eggers, Kabul, Afghanistan, as the local acquisition chief visits Safi Apparel during production of Afghanistan National Police uniforms on April 13, 2010. An unidentified Safi Apparel security guard escorts Rhyne around the production department.

Afghan citizens. The Afghan First Policy was first codified in the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, Sections 886, January 2008) and is implemented by the Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 225.77.

### Origins of Afghan First

The Afghan First Policy was pontificated by U.S. Ambassador to Afghanistan Karl W. Eikenberry and Commander, U.S. Forces Afghanistan (USFOR-A) Army Gen. Stanley McChrystal in a mid-2009 white paper. The white paper was reaffirmed by Eikenberry and new USFOR-A Commander Army Gen. David Petraeus in July 2010. Petraeus, who is dual-hatted as commander of the International Security Assistance Force (COMISAF), reiterated the Afghan First Policy in his Sept. 8, 2010, "COMISAF's Counterinsurgency [COIN] Contracting Guidance" memo to commanders, contracting personnel, military personnel, and civilians of North Atlantic Treaty Organization International Security Assistance Force (NATO ISAF) and USFOR-A.

The USFOR-A Resource Management Directorate (J8) also supports the Afghan First Policy through its Publication 1-06, "Money As A Weapons System-Afghanistan," last updated January 2010. To permeate this guidance from the brigade to the company level, the U.S. Army's Center for Army Lessons Learned (CALL) published the "Commander's Guide to Money as a Weapons System" in a handbook in April 2009. Central

Command (CENTCOM) Contracting Command has also incorporated the Afghan First Policy and COIN Contracting Guidance into its "CENTCOM Contracting Command Acquisition Instruction," last updated Nov. 5, 2010. In April 2010, NATO joined with U.S. efforts by officially publishing its own Afghan First Policy. Thus, a wide and comprehensive legal, financial, and contracting foundation is available to deployed program managers through which to implement the Afghan First Policy.

The Local Acquisition Office within the Security Assistance Office-Afghanistan (SAO-A), in which I was deployed from February 2010 to February 2011, is part of the larger NATO Training Mission-Afghani-

stan/Combined Security Transition Command-Afghanistan (NTM-A/CSTC-A) led by Army Lt. Gen. William Caldwell IV. The SAO-A Local Acquisition Office is at the forefront of implementing the Afghan First Policy while executing over \$350 million in FY10 DoD Afghanistan Security Forces Funds (ASFF) to outfit and sustain the Afghanistan National Security Forces (ANSF), which comprise units of the Afghanistan National Army (ANA) and Afghanistan National Police (ANP). This is acquisition program management deployed at the pointy end of the spear.

### The Heart of Afghan First

In my view, four parts of this Afghan First Policy are occurring concurrently.

#### **Keep Money in Afghanistan**

First, U.S. and Coalition forces buy as many commodities, life support services, and construction services from Afghan companies as are practical and feasible. This helps employ Afghan citizens and keeps a large percentage of the money spent on Afghanistan here in Afghanistan. However, Afghan companies through which items are imported from other countries don't employ many Afghans, nor does much of the money spent with the Afghan company stay in Afghanistan; it goes to Pakistan, China, Turkey, or to wherever the Afghan company purchases the items. Life-support services, such as maintenance, housekeeping, and waste-water removal, can be predominantly purchased through and conducted by Af-

ghan companies using Afghan workers, and this is being done for many U.S., Coalition, and ANSF facilities. Construction using Afghan companies and workers is more challenging since the materials and skilled labor to build to international standards are scarce in Afghanistan. The nearest Underwriters Laboratory is located in India. However, this is beginning to change through some fledgling Afghan companies and trade schools with aid from the U.S. Agency for International Development, the DoD Commander's Emergency Relief Program, the U.S. Army Corps of Engineers, and the Afghan Builders Association.

### **Ramp Up Domestic Production**

The second part is taking this Afghan First Policy one step further and actually having Afghan companies make as many of the products we're buying as possible in Afghanistan instead of importing them from other countries. This way, even more of the money we're spending here actually stays in the country and, more importantly, even more jobs are directly created here. This has second-order effects in that these manufacturing companies and their employees support other businesses in their local communities, such as laundry services and restaurants, with the money they are making, thereby employing even more people and contributing more to their local economies. This gives these workers a real, legitimate, sustainable alternative to earning money from the insurgency. A joint venture between an Austrian company and an Afghan company was signed on Dec. 29, 2010, to make and test transformers certified to European standards in Kabul starting in March 2011.

### **Emphasis on Quality and Pride in Domestic Production**

The third part of Afghan First is proving to the Afghan government and its citizens that quality goods can be made here at reasonable prices so they don't have to buy these goods from other countries. In this effort, we are working shoulder to shoulder ("*shona ba shona*" in Dari) with our counterparts in the Ministries of Defense and Interior to include their inputs in the requirements for the items we buy for them, and invite them to attend our inspections of the businesses who make these items so they can see for themselves the quality and pride the companies put into these products. Our ANA and ANP counterparts are also there with U.S. advisors at the ANSF depots and other sites to help inspect and accept the deliveries. We are currently working to transfer responsibility and funding to buy some commodities to the Ministries of Defense and Interior for items we currently buy for them. That will really be an Afghan First accomplishment: products made by Afghans, for Afghans, procured by Afghans!

### **Teaching Businesses to Compete in Commercial and International Markets**

The final part and ultimate goal of the Afghan First effort is to work with Afghan businesses to help them improve the



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quality of their products and business management skills to sustain themselves and eventually compete in the commercial and international markets. We—NTM-A/CSTC-A—can't buy the manufacturing equipment for the companies, but we can provide business opportunities for which they can compete. We do not want them to be focused on just making products for the Afghanistan National Security Forces, but to also take the experience and working capital they have earned through our contracts and apply them to the commercial markets in Afghanistan and the international commercial and military markets. This will help Afghanistan better support itself and contribute more to the regional and international communities.

### **Teamwork**

My office—SAO-A Local Acquisition Office—grew from five to 12 military people in 2010 and is at the forefront of implementing the Afghan First Policy. It is a joint team comprising officers and enlisted personnel from the U.S. Army, Navy, and Air Force, plus three Afghan local nationals who provide accounting and interpreter services. The SAO-A Local Acquisition Office is responsible for buying some, but not all, of the locally procured products to outfit and sustain the units of the ANA and the ANP. The commodities purchased by the SAO-A Local Acquisition Office on behalf of the ANA and



Air Force Maj. Darren Rhyne, a DAU professor deployed as the Local Acquisition Chief, Camp Eggers, Kabul, Afghanistan, visits a new sewing machine factory Oct. 21, 2010, built by the Afghan Vision Group (AVG) in anticipation of winning future contracts. AVG purchased its sewing machines from the Juki company in Japan.

ing Center conducted a source selection to select more Afghan combat boot manufacturers. As a result, we expect two more IDIQ contracts to be awarded with two more Afghan companies to make boots to U.S. specifications in Afghanistan in early 2011. Also in 2011, we plan to fund IDIQ contracts with several Afghan companies to make nylon-based tactical gear items such as 3-day packs, ruck sacks, hydration packs, and tactical vests, plus field jackets. We also plan to fund IDIQ contracts with several companies to make Conex storage container-based temporary shelters. All of these items will be made to specifications provided by the U.S. Government in the contract instead of with little to no specifications on BPAs as was done in the past.

ANP are: uniforms; boots; organizational clothing and individual equipment (OCIE)—except for Kevlar helmets, armor plates, weapons, and ammunition; tents; Conex storage container-based temporary shelters (offices, living quarters, showers, kitchens, etc.); generators; force protection materials (barriers, t-walls, gravel, etc.); office supplies; cleaning supplies; kitchen supplies; and furniture. Our FY10 budget from the DoD's Afghanistan National Security Forces Fund for March 2010 to March 2011 is approximately \$350 million.

Prior to 2010, while we bought the mentioned items from Afghan companies, hardly any of them, except uniforms, were actually made in Afghanistan. With the influx of personnel to the office in 2010, we concentrated on transitioning items purchased via Blanket Purchase Agreements (BPAs) with Afghan companies, which were free to import those items made to non-standard specifications, to have the items made by Afghan companies in-country. Now we fund Indefinite Delivery, Indefinite Quantity (IDIQ) contracts with one company making boots, five companies making uniforms, and three women-owned companies making 23 other OCIE items. We also fund BPAs with six Afghan companies who refurbish Conex storage/shipping containers into temporary shelters such as offices, living quarters, kitchens, guard towers, latrine/shower/shave units, and mobile armory and repair containers. In addition, we fund two Afghan companies making tents and two Afghan companies making some furniture, such as beds, mattresses, and wooden chairs, tables, and desks. We estimate that over 6,000 Afghans are directly employed through these IDIQ contracts and BPAs.

In the summer of 2010, my footwear program manager and the contracting officer from Kabul Regional Contract-

### Partners Make the Difference

The SAO-A Local Acquisition Office hasn't done all of this on its own. We have had great support, both through reach-back and temporary duty visits from personnel at Natick Soldier Research Development and Engineering Center (NSRDEC). NSRDEC also contracted with Clemson Apparel Research and brought two of their experts along with two of Clemson's to Afghanistan on a 2-week Afghan clothing and textile industry assessment in August 2010. We also obtained government-owned uniform, boot, and other OCIE specifications from Defense Supply Center Philadelphia (DSCP, now Defense Logistics Agency Troop Support). We also enjoy a great working relationship with the deployed contracting professionals at Kabul Regional Contracting Center and the deployed representatives from Defense Contract Management Agency. The support from these agencies makes this effort possible.

### Helping Afghans Help Themselves

We are proud of the accomplishments of our office and our Afghan government and business partners in helping Afghans rebuild their economy and their country. The products purchased by the SAO-A Local Acquisition Office and other NTM-A/CSTC-A organizations from Afghan companies, especially those made here by Afghan workers, directly contribute to the Afghanistan National Security Forces' efforts to restore security and economic prosperity to all Afghan citizens.

**Rhyne** is a professor of systems engineering management, Engineering and Technology Department, Capital and Northeast Region, Defense Acquisition University, Fort Belvoir, Va. He wrote this article while on assignment from February 2010 to February 2011, to Camp Eggers, Kabul, Afghanistan, as Local Acquisition Chief. The author welcomes questions or comments and can be contacted at [darren.rhyne@dau.mil](mailto:darren.rhyne@dau.mil).