



**Survey Results Summary by NATO's
Joint Analysis and Lessons Learned Centre**



JALLC/CG/10/181

16 July 2010



ISAF Economic Footprint

Survey Results

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FOREWORD FROM THE COMMANDER

I am pleased to release the results from JALLC's online survey that investigated issues relating to in-theatre procurement, local employment, and capacity building on behalf of the Deputy Assistant Secretary General for Regional, Economic and Multilateral Affairs. I hope the survey results presented in this paper will be of value to the ongoing study tasked by the Economic Committee and for the implementation of the Comprehensive Strategic Political-Military Plan for Achieving Enduring Progress in Afghanistan.



Peter SONNEBY
Brigadier General, Danish Air Force
Commander

ISAF Economic Footprint Survey Results

This report prepared by:

Project manager: LARSEN Kjetil – LTC NOR A – JALLC Staff Officer for Joint Plans

In cooperation with: FERNANDES Jose – LTC PRT A – JALLC Staff Officer for Intel

MEEHAN Robbie – GBR CIV– JALLC Contractor

EATON Jackie – GBR CIV– JALLC Senior Operations Research Analyst

This summary was prepared at the JALLC based on data collected from an online survey from 26 May 2010 to 02 July 2010.

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Introduction

REFERENCES

- A. SACT, 2010 JALLC Programme of Work, 25 November 2009
- B. JALLC, Analysis Project Order (revision 1), JALLC/CG/09/257, 12 March 2010

MISSION

1. In the context of the implementation of the Comprehensive Strategic Political-Military Plan (CSPMP) for Achieving Enduring Progress in Afghanistan, the NATO Economic Committee tasked the Defence and Security Economics Directorate (DSED) to analyse the economic impact of NATO and of the International Security Assistance Force (ISAF) Troop Contributing Nations on Afghanistan development, as well as to identify potential changes in NATO/ISAF and national procedures which would increase their positive economic impact.

2. The Joint Analysis and Lessons Learned Centre (JALLC) was tasked by Supreme Allied Commander Transformation to support the NATO HQ International Staff (IS) with their analysis (Reference A) and the following analysis requirement and analysis objectives were agreed with DSED (Reference B):

Analysis Requirement: Contribute to an analysis of the ISAF economic footprint in order to support ongoing efforts, by the NATO Economic Committee, to implement the tasking of the CSPMP for Achieving Enduring Progress in Afghanistan.

AO-1. Through selected national case studies, identify:

Sub AO-1.1. Best in-theatre procurement, local hiring, and other practices that increase support to the Afghan economy and assist Afghan capacity building.

Sub AO-1.2. Factors restricting nations' ability to support the Afghan economy and to assist Afghan capacity building

AO-2. Through selected ISAF and NATO in-theatre entities, identify:

Sub AO-2.1. Best in-theatre procurement, local hiring, and other practices that increase support to the Afghan economy and assist Afghan capacity building.

Sub AO-2.2. Factors restricting ISAF and NATO in-theatre entities' ability to support the Afghan economy and to assist Afghan capacity building.

3. Due to travel restrictions that were put on the JALLC team by HQ ISAF, data collection at the PRTs was not possible. Therefore JALLC could not conduct case studies and JALLC was re-tasked to conduct an online survey in order to provide supporting data to the ongoing study undertaken by the IS.

4. The purpose of this report is to provide the IS with a snapshot of the results of that online survey as of 02 July 2010. The online survey remains open and more responses may be received, but experience suggests that most people who wish to respond will do so almost immediately. The IS have been provided with the username and password to allow them direct access to any additional survey responses.

METHODOLOGY

5. JALLC designed a survey to be hosted on *QuestionPro*'s internet based services¹. Using this technology, the survey data is stored on *QuestionPro*'s server and for that reason the survey was designed to be unclassified.
6. The survey was distributed via unclassified email to individuals at various Provincial Reconstruction Teams (PRT) in ISAF. Of the 15 different nations providing 26 PRTs, the survey was able to target 12² of those nations, both NATO and non-NATO, the latter category including both a Partnership for Peace and a coalition partner nation. Furthermore, the survey was sent to PRTs in four of the regional commands (North, East, South and West).
7. As of the date of this report, the United States had not responded to JALLC's request to provide points of contact for survey distribution. As a result, only individuals from one US PRT have been requested to participate, leaving 11 US PRTs unrepresented. It was not possible to control exactly which individuals received the survey invitation since only approximately 200 were emailed directly by the JALLC to specific individuals. The rest were contacted indirectly via one or more national points of contacts. It is estimated that, in total, 300–400 individuals received the invitation to participate in the online survey.

¹ www.questionpro.com

² Canada, Czech Republic, Hungary, Italy, Lithuania, Netherlands, New Zealand, Norway, Spain, Sweden, United Kingdom, United States (only PRT Zabul).

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Survey Results

8. Here is a summary of the survey results as of 02 July 2010. The results are presented under the following headings:

- a. Overall survey response
- b. In-Theatre Procurement: Importance, Major Obstacles, Afghan First Policy, and Best Practices.
- c. Local Hiring: Importance, Major Obstacles, Best Practices.
- d. Capacity Building: Importance, Major Obstacles, Best Practices.
- e. Summary of results.

OVERALL SURVEY RESPONSE

9. As of 02 July 2010, 49 persons have viewed, 38 have started it, and 21 have completed the survey. Of those who started the survey, 55.26% completed it in full. The average time taken to complete the survey was 22 minutes (Figure 1).

Survey Statistics		
Viewed		49
Started		38
Completed		21
Completion Rate		55.26%
Drop Outs (After Starting)		17
✦ Average time taken to complete survey : 22 minute(s)		

Figure 1: Survey Completion Summary

10. Over 75% of all survey respondents were members of PRTs (Figure 2).

1. Which description best represents your organisation?							
Frequency Analysis							
Answer	Count	Percent	20%	40%	60%	80%	100%
1. HQ ISAF or IJC	6	15.79%	<div></div>				
2. NTM-A	0	0.00%	<div></div>				
3. RC	0	0.00%	<div></div>				
4. PRT	29	76.32%	<div></div>				
5. APOD	0	0.00%	<div></div>				
6. NATO Agency	2	5.26%	<div></div>				
7. National element	1	2.63%	<div></div>				
8. Other	0	0.00%	<div></div>				
Total	38	100%					
Key Analytics							
Mean		3.711	<div>Key Facts</div> <div>➤ 92.11% chose the following options :</div> <div>➤ PRT</div> <div>➤ HQ ISAF or IJC</div>				
Confidence Interval @ 95%		[3.280 - 4.141] n = 38					
Standard Deviation		1.354					
Standard Error		0.220					

Figure 2: Profile of Survey Respondents

IN-THEATRE PROCUREMENT

11. Respondents were asked how important they felt in-theatre procurement was to the local Afghan economy, what were the major obstacles to conducting in-theatre procurement, what they thought about the Afghan First Policy and to recommend best practices for in-theatre procurement.

Importance of In-Theatre Procurement

12. 20 respondents answered the question regarding importance of in-theatre procurement to the local Afghan economy. Overall, it was rated as IMPORTANT (Figure 3).

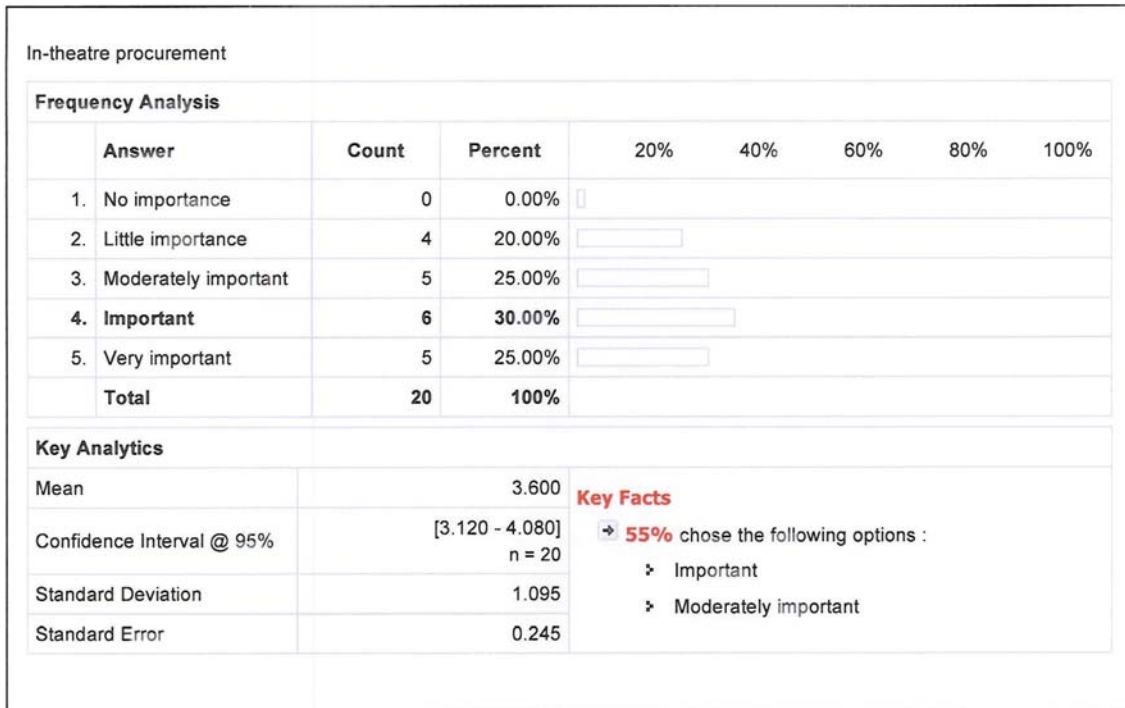


Figure 3: Importance of in-theatre procurement

Major Obstacles to In-Theatre Procurement

13. 24 respondents answered the question regarding major obstacles to in-theatre procurement.

14. The three most voted for major obstacles preventing in-theatre procurement were (Figure 4):

- a. Lack of quality products (18 votes)
- b. Lack/scarcity of products available (14 votes)
- c. Force protection concerns (14 votes)

15. Additional major obstacles preventing in-theatre procurement were:

- a. Incompetence in the procurement process (1 mention)
- b. Procurement regulations (1 mention)
- c. Fear of interacting with Afghans (1 mention)

2a. Procurement. In your view, what are currently the major obstacles preventing in-theatre procurement? Here is a list of some obstacles to local procurement that ISAF and ISAF nations have previously identified. You may select many.

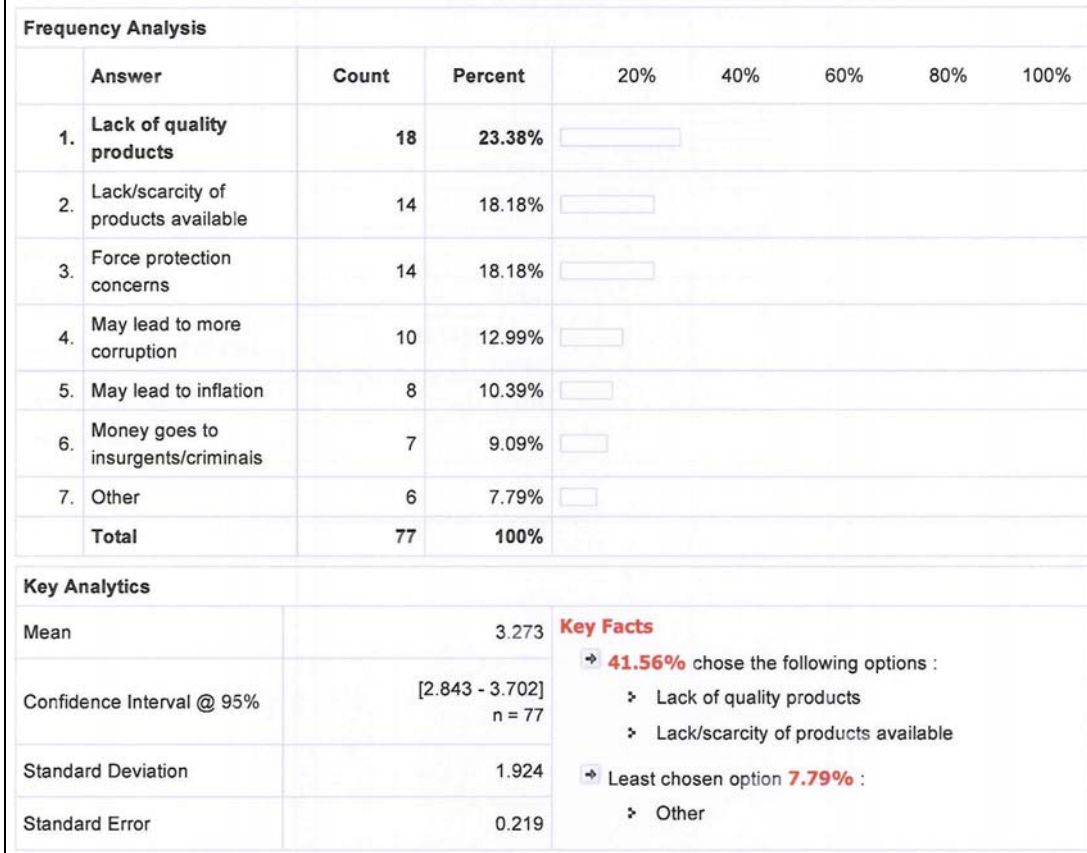


Figure 4: Obstacles to local procurement

The Afghan First Policy Awareness and Feasibility

16. Respondents were asked whether they were aware of the Afghan First Policy and whether they felt it could be feasible to apply for their organization.

17. 70% (of 23 respondents) were aware of the NATO Afghan First Policy. 78% (of 18 respondents) thought it could be feasible to apply for their organization (Figure 5 and Figure 6).

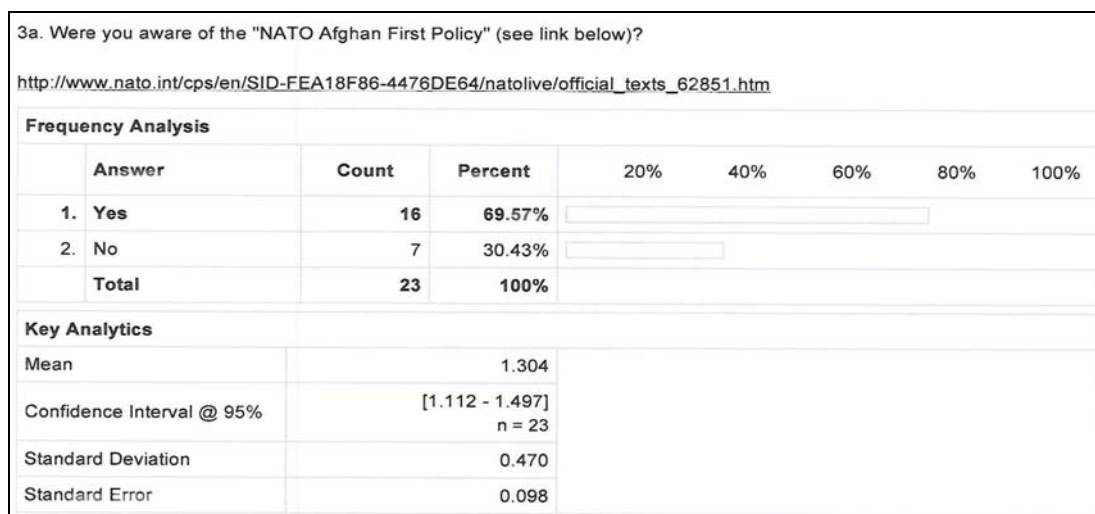


Figure 5: Awareness of NATO Afghan First Policy

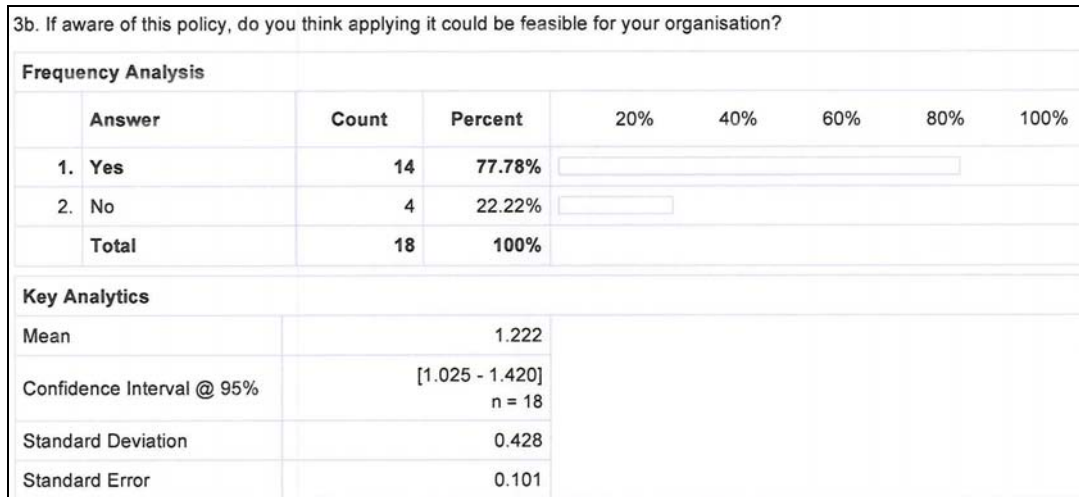


Figure 6: Feasibility of NATO Afghan First Policy

18. Major obstacles to implementing the Afghan First Policy included the major obstacles to in-theatre procurement already mentioned, as well as:

- a. Internal bureaucratic resistance to buying local products and services. (one mention)
- b. Short-term expedience of using established vendors and pre-existing contracts. (two mentions)
- c. Existing management practices. (one mention)
- d. Higher local prices. (one mention)
- e. Variations in national procurement rules. (one mention)

Best Practice Suggestions for In-Theatre Procurement

19. The following suggestions to increase in-theatre procurement were proposed:

- a. Teach locals how to manufacture goods.
- b. Help build transportation infrastructure to move raw materials and finished goods into and out of the country.
- c. Use direct purchase capability to make decisions on the ground and simplify the procurement process.
- d. Only buy from Afghan companies that are registered with Afghanistan Investment Support Agency (AISA). Hold a database of reputable suppliers. Establish system for pre-qualified list of vendors.
- e. Fund Peace Dividend Trust Afghan First proposals.
- f. Permit advance payments so that local businesses can establish an inventory.
- g. Offer incentives/preferences for using local suppliers.
- h. Conduct workshops for Afghan owned businesses so that they are capable of meeting Request for Proposal requirements and understanding that time is of the essence. Provide bid development support to local businesses in preparing their bids.
- i. Break down large contracts into smaller segments that could be fulfilled by local contracting.
- j. Maintain the ability to fall back on-local contracts if necessary.

- k. Conduct patrols to the bazaar to purchase local goods, which would simultaneously demonstrate a sense of security for the villagers and stimulate their economy.
- l. Keep local supplier prices low and monitor work progress.
- m. Fund development projects through Afghan institutions so they become responsible for all procurement.
- n. Encourage procurement from local area small businesses rather than Kabul- or further afield-based businesses.
- o. The Hungarian PRT uses 99% local materials and labour and may be a model for best practice in this area.

LOCAL HIRING/EMPLOYMENT

20. Respondents were asked how important they felt local hiring/employment was to the local Afghan economy, what were the major obstacles to conducting local hiring/employment and to recommend best practices for local hiring/employment.

Importance of Local Hiring/Employment

21. 20 respondents answered the question regarding importance of local hiring/employment to the local Afghan economy. Overall it was rated as MODERATELY IMPORTANT (Figure 7).

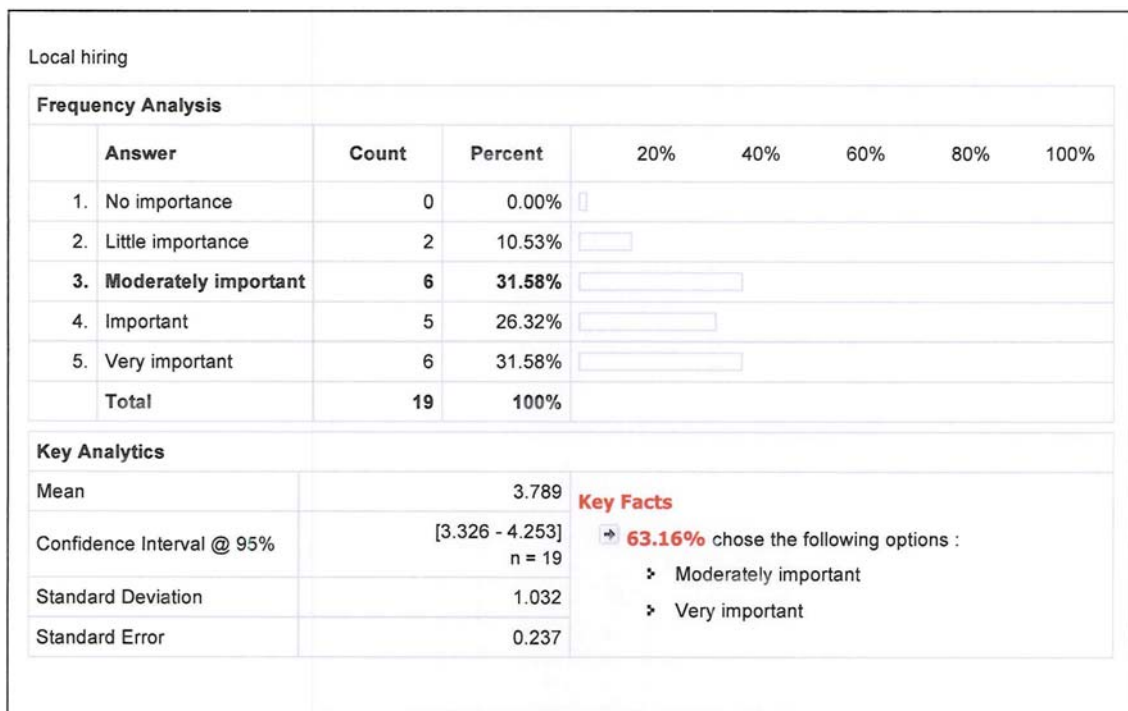


Figure 7: Importance of local hiring

Major Obstacles to Local Hiring/Employment

- 22. 18 respondents answered the question regarding major obstacles to local hiring/employment.
- 23. The two most voted for major obstacles preventing local hiring/employment were (Figure 8):
 - a. Lack of skilled local personnel (16 votes)

- b. Force protection concerns (12 votes)
24. Additional major obstacles preventing local hiring/employment were:
- a. Lack of security clearance for locals (2 mentions)
- b. Safety of employed locals (3 mentions)

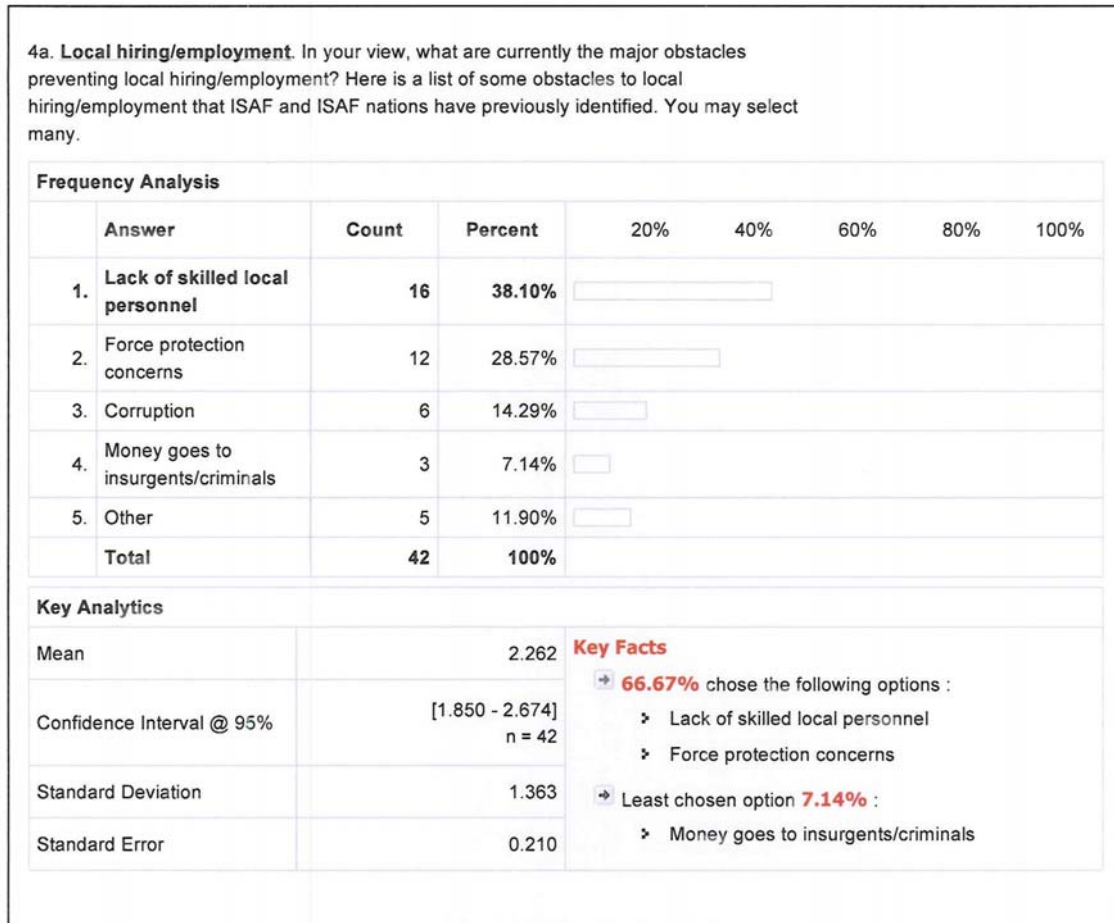


Figure 8: Obstacles to local hiring/employment

Best Practice Suggestions for Local Hiring/Employment

25. The following suggestions to increase local hiring/employment were proposed:
- a. (Free, government-offered) Training and education programmes for local markets. Set up internships, apprenticeship programmes, etc. to get locals up to acceptable (if possible, industry) standards. Training and partnering before starting the job. Offer vocational training in areas in advance of planned infrastructure projects.
- b. Long term emphasis on/commitment to literacy and numeracy education.
- c. Require prime contractors to hire a specified percentage of locals and to mentor and develop skills of the locals working for them.
- d. Cleaning, general maintenance, waste removal, etc. can be done by vetted locals.
- e. Full security screening of locals before employment and initial hiring on probation.
- f. Pool of escorts to speed up and improve access to bases by locals.
- g. Fund the government to increase its Afghan staff.

- h. Hire Afghan staff from outside of the local area if there is a local skills shortage.
- i. Good connections with local entrepreneurs and local NGOs and social organizations.
- j. Hire locals to conduct surveys on issues important to the government and ISAF. Simultaneously getting more truthful answers (probably Afghans will be more truthful when responding to questions from other Afghans) and providing jobs to locals.

CAPACITY BUILDING

26. Respondents were asked how important they felt capacity building was to the local Afghan economy, what were the major obstacles to conducting capacity building and to give a recent example of best practice in capacity building.

Importance of Capacity Building

27. 20 respondents answered the question regarding importance of capacity building to the local Afghan economy. Overall it was rated as VERY IMPORTANT (Figure 9).

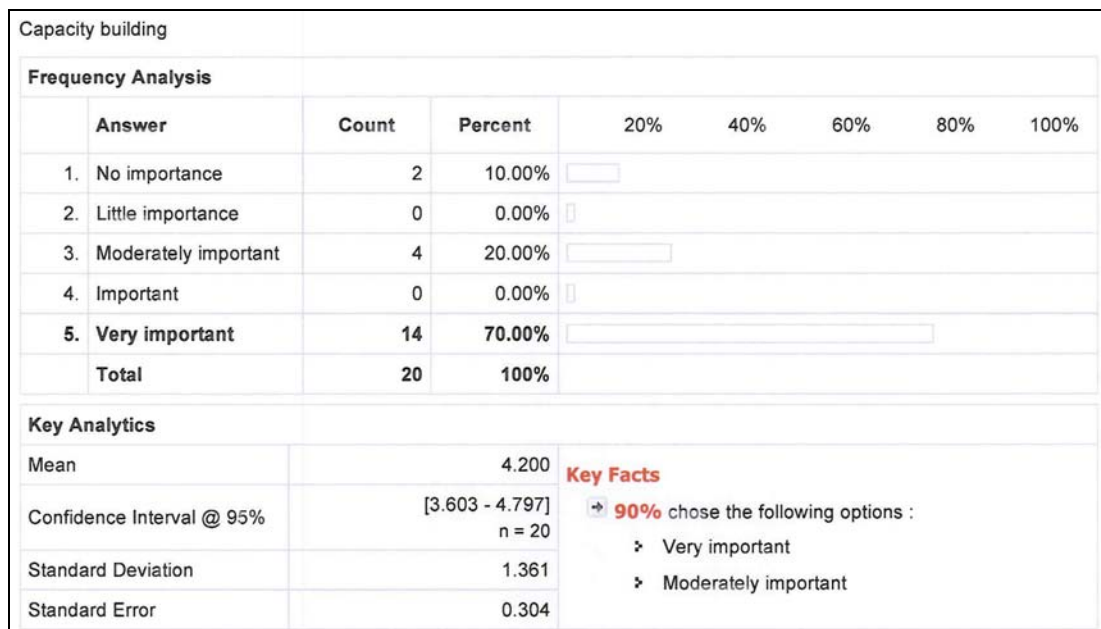


Figure 9: Importance of capacity building

Major Obstacles to Capacity Building

28. 19 respondents answered the question regarding major obstacles to capacity building.

29. The two most voted for major obstacles preventing Afghan capacity building were (Figure 10):

- a. Lack of skilled local personnel (14 votes)
- b. Corruption (11 votes)

30. Additional major obstacles preventing capacity building were:

- a. Isolation of province (1 mention)
- b. Few implementing partners (1 mention)
- c. Limited time to complete projects (1 mention)

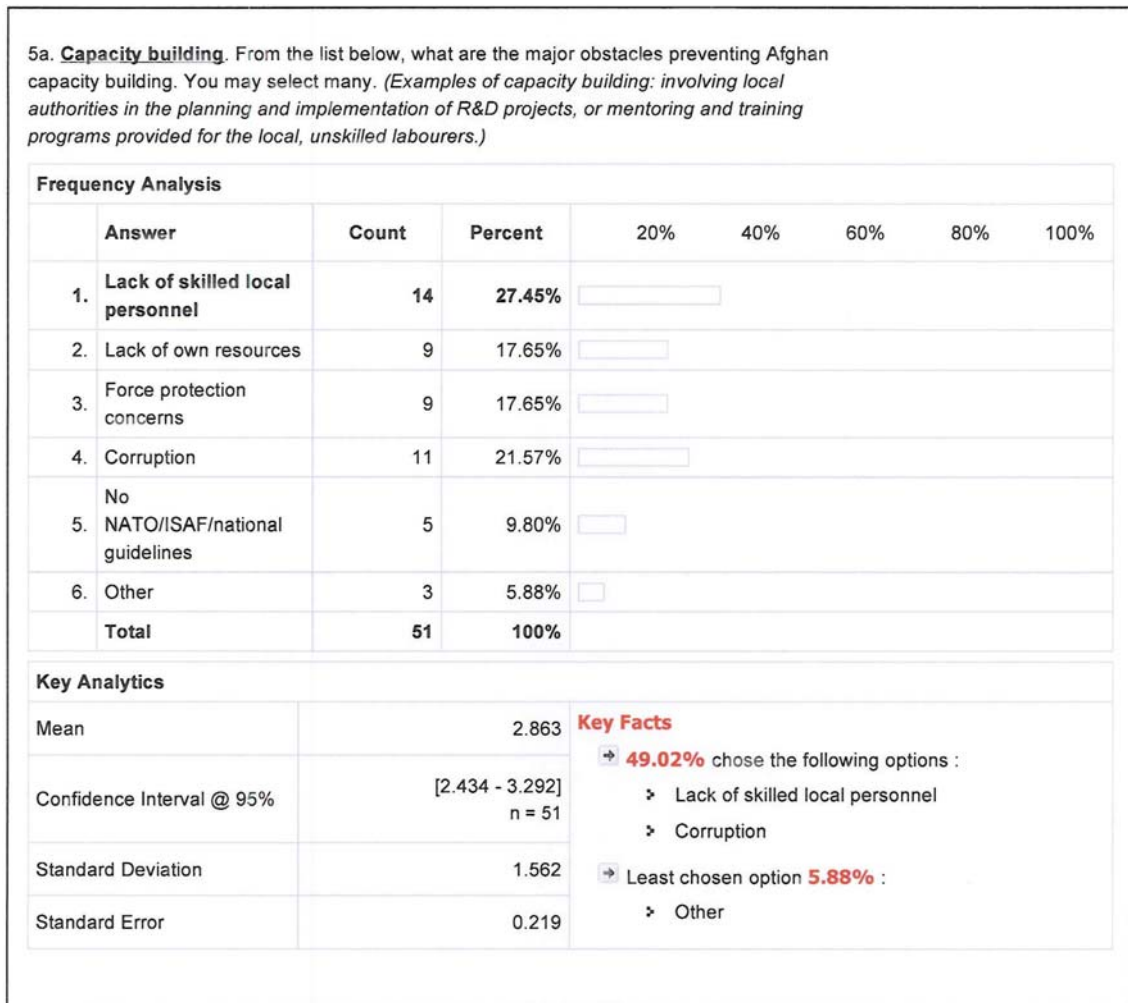


Figure 10: Major Obstacles to Capacity Building

Best Practice Examples for Capacity Building

31. The following best practices for capacity building were reported:

- a. Hiring local contractors for civic clean-up projects.
- b. Developing local authority plans with PRT and Independent Directorate of Local Governance (IDLG) support to channel increased resources for services and infrastructure through the government budget.
- c. Partnering initiative between PRT, USAID and Agri-Business Development Team (ADT) to establish/develop a provincial network/capacity of Ministry of Agriculture Irrigation and Livestock (MAIL) agriculture extension agents.
- d. Working with engineering students at the University of Kandahar to build long-term sustainability of the irrigation system.
- e. Training para-vets through a combined ADT/PRT initiative to and arranging medicines for the para-vets to take back to their districts to keep livestock healthy (especially goats).
- f. PRTs working in accordance with Afghan procedures and giving Afghan authorities the lead in the decision-making process.

SUMMARY OF RESULTS

32. Importance. The respondents felt that capacity building was the most important activity of the topics of in-theatre procurement, local hiring/employment and capacity building for contributing to the local Afghan economy.

33. Major Obstacles. The three major obstacles to making positive contributions to the Afghan economy, considered across all activities, appear to be:

- a. Availability of local materials and employees of sufficient quality;
- b. Corruption; and
- c. Force protection issues.

34. Afghan First Policy. Awareness of the Afghan First Policy is high among the PRT community and most respondents felt that it was feasible to apply for their organization.

35. Best Practices. Staff from the PRTs and other entities in Afghanistan have numerous and varied suggestions and best practices to share regarding the use of in-theatre procurement, local hiring/employment and capacity building to support the Afghan economy. In most cases, partnering with the Afghan authorities, institutions and locals is considered best practice. Training and mentoring is needed to bring local materials and employees up to a standard that can be used cost-effectively by ISAF.

Annex A

Glossary of Acronyms

AISA	Afghan Investment Support Strategy
CSPMP	Comprehensive Strategic Political-Military Plan
DSED	Defence and Security Economics Directorate
IDLG	Independent Directorate of Local Government
IS	International Staff
ISAF	International Security Assistance Force
JALLC	Joint Analysis and Lessons Learned Centre
PfP	Partnership for Peace
PRT	Provincial Reconstruction Team
TCN	Troop Contributing Nation