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The Africa First Initiative and Local Procurement

Rachel E. Herald

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THE AFRICA FIRST INITIATIVE AND LOCAL PROCUREMENT

THESIS

Rachel E. Herald, 1st Lt, USAF

AFIT-ENS-MS-18-M-126

**DEPARTMENT OF THE AIR FORCE
AIR UNIVERSITY**

AIR FORCE INSTITUTE OF TECHNOLOGY

Wright-Patterson Air Force Base, Ohio

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THESIS

Presented to the Faculty

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In Partial Fulfillment of the Requirements for the
Degree of Master of Science in Logistics and Supply Chain Management

Rachel E. Herald, BS

1st Lt, USAF

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THE AFRICA FIRST INITIATIVE AND LOCAL PROCURMENT

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Abstract

The strategic importance of Africa to the United States has grown significantly. Camp Lemonnier, a naval-led military installation, is located in Djibouti and is vital to the strategic success of the United States in Africa. In order to strengthen U.S.-Djibouti ties and solidify an enduring presence in Africa, the Department of Defense implemented the Djibouti First Initiative. Under the initiative, local vendors received preference for resources and products needed at Camp Lemonnier. In 2017, the Fiscal Year 2017 National Defense Authorization Act replaced the Djibouti First Initiative with Africa First.

The new policy extends the authority to limit competition and provide host nation preference to contracts awarded in support of U.S. operations in Africa. As Africa First expands its reach, the U.S. must first decipher which African countries can offer suppliers who are eligible, and second, work to standardize the processes for finding vendors within each country. The mixed methodology research focuses on the challenges and successes of the short-lived Djibouti First. The research findings are then used to create a framework which decision makers can use to help shape future supplier partnerships in Africa.

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Rachel E. Herald

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THE AFRICA FIRST INITIATIVE AND LOCAL PROCUREMENT

I. Introduction

Background

Over recent years, the strategic importance of Africa to the United States has grown significantly. The U.S. military has experienced rising concern over violent extremist activities and growing interest in the natural resources available in the area. Prior to the creation of United States Africa Command (USAFRICOM), the continent of Africa was controlled by three different commands. In 2008, strategic responsibility of the continent fell under the newest geographic combatant command, AFRICOM. The command hoped a centralized presence would allow for state building measures, including more stabilized governments, regional cooperation, and economic development.

Djibouti, located on the horn of Africa and bordered by Somalia, Ethiopia, and Eritrea, is one of the poorest countries in the world. However, their strategic position along the Gulf of Aden and the Red Sea holds economic promise for the future. Camp Lemonnier, a naval led military installation, is located in Djibouti and is vital to the strategic success of the United States in AFRICOM. Camp Lemonnier (CLDJ) is manned by approximately 4,000 Department of Defense members and also houses the Combined Joint Task Force-Horn of Africa as a tenant unit. The objectives at CLDJ are to enable, stage, and support U.S. military operations in the area. Operations on this part of the continent range from anti-pirating missions, counter-terrorism operations, and when needed, humanitarian aid and relief efforts.

In order to strengthen U.S.-Djibouti ties and solidify an enduring presence in Africa, DoD contractors have been instructed to give preference to local merchants for resources and products needed at Camp Lemonnier. The instruction was first known as the Djibouti First Initiative. Fiscal Year 2015 National Defense Authorization Act (FY15 NDAA), section 1263, launched the initiative and sought to “procure products and services of Djibouti” in support of operations on Camp Lemonnier. Guidance for the initiative was approved in February 2015 and officially implemented into AFRICOM policy on June 12 2015. Since this time, millions of dollars’ worth of products and services have been purchased under the name of Djibouti First. Local procurement of products and services helps establish relationships and deepen the strategic partnership between the U.S. and African countries, building their capacity and making them less dependent on U.S. support by cultivating local resources and capitalizing on local labor (memo, U.S. Air Force). The galley on Camp Lemonnier purchases items such as fresh fruits, vegetables, soft drinks, coffee products and baked goods from Coubeche Distributors, Tom Pouce Bakery and Bunna House Coffee to name a few. Telecommunications and internet services on Camp Lemonnier are acquired from Djibouti Telecom and Multivision. Construction service contracts have also been awarded to locals, for instance, a conference room refurbishment was awarded to NALCO Construction Co.- a project that included replacement of light fixtures, new flooring, and interior painting. The Djibouti First initiative has shown promise for the local community and in 2017 the Department of Defense looked to advance this local initiative by expanding its reach across the continent. Expanding these authorities to other regions in Africa can provide legitimate, sustainable business opportunities, promoting

stronger U.S.-Host Nation ties in support of Theater Campaign Plan military objectives (Memo, U.S. Air Force).

The Djibouti First initiative is similar to a previous U.S. policy called the Central Asian States (CAS) Procurement Initiative, sometimes known as Afghanistan First. In 2010, the National Defense Authorization Act for Fiscal Year 2010 provided preference to products or services from nine central Asian countries including Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. This policy is part of the larger counter insurgency effort to help Afghans rebuild their country by providing legitimate, sustainable business opportunities to Afghan companies and jobs for Afghan citizens (Rhyne, 2011). The policy was twofold, procuring locally would lessen the complexity and risk of importing needed products and services while also bolstering economic development in the area. In addition to finding needed products for military operations such as Operation Enduring Freedom, the policy looked to keep money in Afghanistan, ramp up domestic production, place greater emphasis on quality and pride in domestic production, as well as teaching businesses to compete in commercial and international markets (Rhyne, 2011). Several success stories have emerged from the CAS initiative; with the help of the policy local companies were able to improve business by working to create quality products and more efficient practices. Africa first hopes to mimic some of this success in Djibouti and throughout the continent in years to come.

On September 15 2017 section 899A of FY17 NDAA replaced the Djibouti First Initiative as Africa First. The policy extends the authority to limit competition and provide host nation preference to contracts awarded in support of U.S. operations in Africa. At the time of this writing, Djibouti is the only country with an enduring U.S.

presence. Therefore, Djibouti stands as the lone African nation with processes and procedures to satisfy the DoD guidelines of procuring local products and services to assist U.S. operations. The short-lived Djibouti First initiative was very specific, applying to only U.S. operations at Camp Lemonnier. The initiation of Africa First presents a number of challenges. With 54 sovereign nations, Africa boasts expansive landscapes, cultural differences, and geopolitical conflicts. All of these aspects place unique challenges upon military networks working to procure and distribute supplies for operational and sustainment missions.

To continue the success of Djibouti First through the newly branded Africa First, the U.S. must first decipher which countries can offer suppliers who are eligible, and second, work to standardize the processes for finding vendors in each country. In addition to finding suitable vendors, the U.S. must ensure the products and services being purchased satisfy the needs and standards of U.S. operational and strategic missions. Suppliers awarded contracts through Africa First should be economical, fulfill mission needs, and contribute to an efficient supply chain.

Problem Statement

Camp Lemonnier in Djibouti is a critical node of transport and resources for several U.S. commands, including USAFRICOM, USCENTCOM, and USTRANSCOM. DoD contractors are authorized to give price preference to local Djibouti businesses, in an effort to strengthen the weak local economy and improve U.S.-Djibouti ties. With the initiation of Africa First, USAFRICOM needs to better understand the supply chain and financial impacts of the Djibouti First initiative. Supplier partnerships are crucial to an

effective acquisitions process and by extension, a successful supply chain. Suppliers who reliably provide quality products or services eliminate the needs of rework, greatly reducing the need for timely product or service corrections. By purchasing locally, leaders need to discern whether or not locally procured products are an effective way to further U.S. strategic interests throughout Africa. Challenges and successes of Djibouti First should be closely examined in order to create a framework from which a sound basis of policy for Africa First can be established.

Research Objectives & Questions

The questions this research seeks to answer are: How does purchasing locally procured products contribute to the supply network at Camp Lemonnier? Furthermore, how can AFRICOM use this information to better inform their logistical decisions through Africa First? In order to answer the overarching research question, subsequent investigative questions will focus on quality, cost and measurement of locally procured products and services.

1. How will the successes and failures of Djibouti First help shape the framework and partnerships for Africa First?
2. Have suppliers or their products hindered U.S. operations in any way?
3. Diplomatic ties are often strengthened through diplomatic partnerships, how does purchasing locally create more advantages as opposed to outsourcing? What challenges does purchasing locally present to Djiboutians and the U.S.?
4. Does the initiative provide a cost-effective option for AFRICOM?
5. What metrics, if any, are being used to capture how the initiative may be helping the local economy?

Overview

Subsequent chapters will seek to answer the research questions through a literature review, interviews conducted in Djibouti with U.S. government, military, and contracting officials as well as local Djiboutians. As Africa First expands its reach, the U.S. must first decipher which African countries can offer suppliers who are eligible, and second, work to standardize the processes for finding vendors within each country. The mixed methodology research focuses on the challenges and successes of the short-lived Djibouti First. The research findings are then used to create a framework which decision makers can use to help shape future supplier partnerships in Africa.

II. Literature Review

Chapter Overview

The following chapter covers an analytical review of literature surrounding the desired research objectives. Currently, there is a gap in literature in regards to how supply chain management and procurement can work in conjunction with foreign policy to further U.S. national objectives and help support local growth. Complicating the review further, there are even fewer pieces of literature on how to initiate the creation of supply chains in developing countries with weak economies. The literature review covers challenges of logistics execution in Africa, considerations when creating supplier relationships, and what to consider when working in the bottom of the socio-economic pyramid. Logistics competence, supplier relationships and bottom of the pyramid execution will help to expose what and how the U.S. should approach supply chain management in Africa. When investigated and pieced together the overall review should give a clearer picture as to how success in Djibouti and the Africa First Initiative should be evaluated.

Bottom of the Pyramid Suppliers

The bottom of the pyramid is a term that scholars use to describe the largest and poorest socio-economic group. The base of the socio-economic pyramid encompasses approximately 4 billion people who earn and live on roughly five dollars per day. The bottom of the pyramid has become a strategic focal point for operational managers, corporations, and governments alike (Fawcett & Waller, 2015). Success operating at the bottom of the pyramid has been elusive due to the challenges of supply and distribution

in extremely deprived economies. Sourcing from bottom-of-the-pyramid producers is not easy either (Karamchandani et al., 2011). Few companies, research shows, have successfully integrated large numbers of small, disaggregated suppliers into their value chains (Karamchandani et al., 2011). The vast majority of the research surrounding the bottom of the pyramid focuses on how to create profits by selling products to its customer base. Literature examining suppliers from this economic group is incredibly small, however, there seems to be a growing interest in creating profits by including this group as suppliers and producers. If Africa First is to achieve success, the research surrounding bottom of the pyramid must be taken into account as this is where the majority of the African continent lies.

When micro-entrepreneurs serve as upstream suppliers in a supply chain, the business opportunity for them is to access a new market or to get better prices for their output in existing markets; the opportunity for the enterprise is to buy goods more cheaply than they could otherwise and, at the same time, be seen as contributing toward poverty alleviation (Sodhi & Tang, 2014). While the idea seems simple in theory there are a number of challenges that stand in the way of poverty alleviation and accessing new markets. Culture, infrastructure, and government and business regulations often times are large obstacles to success.

Operating across borders has always required that companies evaluate how country culture influences product and process adaptation; operating at the bottom of the pyramid requires additional analysis (Fawcett & Waller, 2015). Culture and the local way of life can have an impact on what types of products are needed, as well as what the

country can produce. In turn, these factors will have an impact on the development of a prosperous supply chain and should be considered carefully.

Small suppliers rarely have access to high quality inputs (or the credit to buy them), they often lack training, and their output can be unreliable (Karamchandani et al., 2011). When sourcing from underdeveloped countries, education and training need to be an integral part of the supply chain proposal as the resources needed to support businesses are often missing. The poor often lack relevant information to improve productivity and to increase selling opportunities (Sodhi & Tang, 2014).

Suppliers within the bottom of the pyramid remain largely untapped due to numerous economic barriers. Literature surrounding the bottom of the pyramid proposes several research opportunities to better understand the dynamics of suppliers who are located at the lowest end of the socio-economic pyramid. Sodhi and Tang, two leading researchers in this area state that it would be useful to examine different ways for social enterprises or companies to create supply chain with micro-entrepreneurs who would otherwise lack market access, market information, and selling opportunities (Sodhi & Tang, 2014). They go on to say that modeling the value of direct purchase and direct market access, as well as modeling the value of search cost reduction, would be useful to see how supply and selling opportunities could be improved at this level (Sodhi & Tang, 2014).

Still others promote the idea of creativeness and inventive thinking in order to generate opportunities for poor suppliers. Karamchandani, Kubzansky, and Lalwani of the Harvard Business Review assert that corporations who chose to do business at the bottom of the pyramid must have a long-range mindset, be able to work in informal markets, and

ensure that their organizational culture will not stifle any bottom of the pyramid innovation (Karamchandani et al., 2011). Originality and invention in the supply chain culture is necessary when trying to create business in a poor market. The most encouraging business-model innovations at the bottom of the pyramid manage to surmount multiple barriers at the same time; they represent not incremental adaptations but new, groundbreaking end-to-end strategies (Karamchandani et al., 2011). The potential for success in countries who lie at the bottom of the pyramid is feasible but requires patience and a commitment to educating and training suppliers, customers and producers alike.

Distribution Networks and Logistics Execution in Africa

After AFRICOM was created in 2008, there was an initial hesitation as to what U.S. interests on the continent would bring for the African people. Djibouti First sought to show U.S. dedication and long-term commitment to the Djiboutian government and people. The War on Terror, Africa's vast natural resources and widespread instability across the continent are all factors that play a role for the new foreign policy of the United States (Cruz & Stephens, 2010). The United States must be cognizant of the rising sentiment of Anti-Americanism in the world, as the efforts in foreign nations will become increasingly difficult without the support of local populations. Thus, foreign nations are less likely to value cooperation with the United States, if public unpopularity of the U.S. is high (Cruz & Stephens, 2010). It would seem the initiative, as it stands now, is considered to be more of an outreach program than an advantageous supplier program. Considering Djibouti's weak economy, it is of great importance the United States places

emphasis on the proper mix of both smart and hard power. Not only should plans be put into place to advance military interests, but on increasing the economy, education, and health of the country to ensure a continuing cooperation between Djibouti and the interests of USAFRICOM.

As Djibouti First extends and expands its reach under the name of Africa First, it's important to note the challenges presented by the continent as a whole when considering how to create new supplier relationships outside of Djibouti. While Africa has, and continues to face a number of political and economic difficulties, the entirety of the continent offers an incredible amount of potential and opportunities for positive growth. However, challenges present themselves in a number of areas including our main area of focus, logistical networks. In order to help facilitate efficient material support across the Horn of Africa, the CJTF-HOA Logistics directorate (CJ4), a tenant unit at Camp Lemonnier, has tried to establish greater distribution networks to monitor and control logistics execution (King et al., 2013). Africa is comprised of 54 countries which each have their own unique cultures and customs. Cultural differences create problems for moving supplies over such a large region of space.

On top of social and cultural cooperation issues, perhaps the most pressing challenge is the 'tyranny of distance', which is a vast landscape of diverse terrain spanning more than 1,500 miles (King et al., 2013). The "tyranny of distance" places demanding tasks on U.S. personnel seeking to move materials and products to their final destinations. The term "tyranny of distance" was coined due to the challenges faced in a theater that is far greater in land mass than any other theater the US Armed Forces have ever operated in (King et al., 2013).

Sound infrastructure is an important basis of any supply chain operation. Sturdy roads, reliable sources of power, and stable construction help information and products flow with ease. In addition to huge areas of land, African countries, in general, lack infrastructure and have degraded road conditions that often make traveling very difficult (King et al., 2013). A seemingly simple transportation route through Africa is often deceiving, many times proving to be problematic due to an absence of adequate infrastructure. The ability to move products quickly on trustworthy infrastructure is extremely important when military operations are involved. Contingency missions may require supplies and services that are needed on short notice. The closer reliable suppliers are to the mission, the better chances the U.S. has for operational success. It's incorrect to think all reliable suppliers will be short distances away from the mission, therefore U.S. stakeholders must consider the responsiveness and availability of logistics networks in Africa. A successful education of suppliers under Africa First will do no good if suppliers are unable to move their products or services in a timely and cost-efficient manner to their customer base.

On the surface, Africa First may seem relatively easy to implement, but when the geographic, economic, and cultural issues of the continent are taken into account it becomes increasingly complex. U.S. policy makers must be attentive to the challenges presented when choosing qualified countries as suppliers in Africa First.

Supplier Selection and Monitoring Supplier Performance

Supplier selection is an integral part of the overall supply chain process. Evaluation criteria and benchmarks can vary widely from product to product and service

to service; effectively making supplier selection a somewhat puzzling task. Selection is made even more difficult when selecting sources of supply in a developing country. Basically, the term “developing countries” describes nations with a lower stage of development than industrialized countries in economic, political and sociocultural respects (Akamp & Muller, 2013). Djibouti is considered a developing country and the US must be willing to face risks that are not present in the supply chain of those in developed countries. Firms have to cope with problems caused by ecological, social, and qualitative gaps between the desired and the provided performance of their surroundings (Akamp & Muller, 2013). Social and ecological gaps can cause repercussions throughout the supply chain that the U.S. should take into consideration. Societal problems affecting a population such as a lack of education, rampant drug use, or corruption can lead to low quality products and services. The ecological environment must also be taken into account, a scarcity of natural resources or using resources in excess can create complications throughout supply chains. To minimize the likelihood of problems and disruptions, the new Africa First policy should include guidelines and procedures for both local suppliers and the U.S. to follow. Simple rules provide a way for organizations to deal with uncertainty and hence are likely a component of how they approach the inherent uncertainty in supply chain decisions (Wu & Pagell, 2011).

Once suppliers have been chosen, supplier management is key in preserving quality supplier relationships. The relationship between supplier selection and supplier management should be explored to maintain a high supply chain resiliency. Which measures of supplier management are sufficient to safeguard the performance of suppliers regarding the specific challenges in developing countries with respect to

economic, and in particular social, and environmental issues to ultimately satisfy the buying firm (Akamp & Muller, 2013)? The question posed by Akamp and Muller has no fast and easy answer. Yet, it is one that must be taken into account by the Department of Defense when expanding the initiative across country lines.

Supplier selection is often a painstaking process, but the stamina to continually monitor supplier performance will be key to the success of Africa First. If the U.S. is to establish a long-term commitment in Africa, the dedication to the education of suppliers will help to grow the number of reliable providers in the area. It will ensure that certain products and services will be able to be purchased in the future and may be more cost efficient in the future.

Current Logistical Conditions in Djibouti

Although Djibouti is still working to develop sturdy infrastructure and a more diversified economy, their distinguishing feature, as mentioned previously, is its location. A spot along the Gulf of Aden has made Djibouti a prime location for not only American military interests but for several of the world's powers as well. Djibouti has few natural resources and little industry. The nation is, therefore, heavily dependent on foreign assistance to help support its balance of payments and to finance development projects (Coleman, 2015). China, France, Saudi Arabia and Japan have also claimed real estate in Djibouti for reasons similar to the U.S.. Djibouti's assets include a strategic geographic location, an open trade regime, a stable currency, substantial tax breaks and other incentives (Coleman, 2015). These assets in particular create a sound environment for the objectives and intents of the Djibouti First policy to hopefully flourish. A lack of natural

resources means Djibouti's economy is dominated by the services sector, providing services as both a transit port for the region and an international transshipment and refueling center (Coleman, 2015). No surprise then, that the service sector dominates the Djibouti First Initiative as well.

In order to determine the ability of a country's logistical environment, the World Bank maintains a Logistics Performance Report (LPI) comparing 160 countries. The LPI is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics (The Logistics Performance Index, 2017). The LPI consists therefore of both qualitative and quantitative measures and helps build profiles of logistics friendly countries (The Logistics Performance Index, 2017). The LPI is currently the most robust and thorough report detailing the logistical limitations and strengths of countries, and geographical region. According to the World Bank's LPI website, countries are analyzed in the following six components:

- The efficiency of customs and border management clearance
- The quality of trade and transport infrastructure
- The ease of arranging competitively priced shipments
- The competence and quality of logistics services
- The ability to track and trace consignments
- The frequency with which shipments reach consignees within scheduled or expected delivery times

The report combines both qualitative and quantitative aspects to acquire a sizeable amount of data. The LPI uses standard statistical techniques to aggregate the data into a single indicator that can be used for cross-country comparisons (The Logistics

Performance Index, 2017). The single indicator is a number on a scale of one to five, with one being the lowest rating a country can achieve, and a five the highest. The comparison of these indicators allows for a simpler assessment of the skills and proficiencies available in individual countries by industry experts. The simple comparison of the six key components will no doubt be an advantage to policy makers when deciding which countries to target next for Africa First.

The country of Djibouti ranks 134th on the list of 160 countries with an average score of 2.32. Policy makers, not only in the best performing countries, but also in emerging economies, increasingly see the need to implement coherent and consistent policies to foster seamless and sustainable supply chain operations as an engine of growth (Arvis et al., 2016). The Initiative seeks to be part of this ‘engine of growth’ however, the U.S. must use caution as lower LPI scores often involve greater supply chain risks. Low LPI scores are not unique to Djibouti but to the majority of the continent. Figure 1 can be found in the 2016 Logistics Performance Report.

Figure 1 shows the average score by geographical region, Djibouti’s score of 2.32 is slightly below that of the East Africa Region, however most of the continent has a low average LPI, no higher than 2.75. Supply chains are complex, but their performance is largely dependent on country characteristics, especially the soft and hard infrastructure and institutions that logistics requires to operate well, such as imports, regulations, procedures, and behaviors (Arvis et al., 2016). The low LPI in both Djibouti and the geographical region can be explained by the lack of economic strength that covers the majority of the continent.

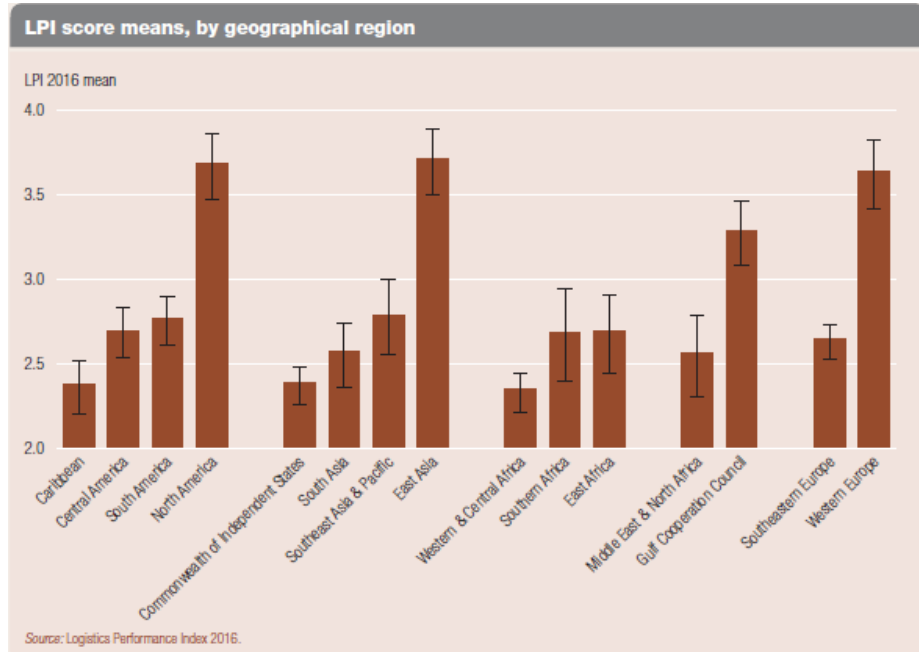


Figure 1: LPI score means (Arvis et al., 2016)

The information gathered by examining the data found within the Logistics Performance Index will help stakeholders in the Africa First initiative by providing a picture of what to expect when trying to procure products from a certain region or country. The overall and component LPI scores illustrate the logistics environment and the level of capability the identified area has. The ability to distinguish certain strengths and weaknesses of a region or country's logistics network will allow initiative stakeholders to better identify probabilities of success.

Conclusion

The purpose of the literature review was to briefly examine the intricate issues surrounding the development of a supply chain, as well as the complicated task of developing suppliers in weak economies such as those in Africa. For our purposes, it is important to focus on the bottom of the pyramid; supplier selection and current logistical

conditions through performance measures such as the LPI, to better understand how to advance strategic interests while developing local supply chains. By bringing together the areas of research mentioned in this chapter, one should be able to address the lack of organized supply chain information surrounding Africa First. The ability to create a better framework for Africa First will require an analysis of the lessons learned in Djibouti as well as taking concepts from the bottom of the pyramid, distribution networks in Africa and supplier selection to create a lasting impactful program.

III. Methodology

Chapter Overview

The following chapter describes the methods used to reveal how the initiative is affecting the supply network at Camp Lemonnier and how it may affect AFRICOM in the future. The chapter will present the methodology used and the approaches to both data collection and analysis.

Mixed Methods Approach

In order to best answer the research questions presented in chapter 1, a mixed methods approach was determined to be the best fit for this particular study. Both qualitative and quantitative measures will be used in the analysis to better clarify the uncertainty surrounding the research questions. Typically, findings inductively derived from the data in a qualitative study are in the form of themes, categories, typologies, concepts, tentative hypotheses and even theory about a particular aspect of practice (Merriam & Tisdell, 2016). Qualitative researchers typically gather multiple forms of data, such as interviews, observations, documents, and audiovisual information rather than a single source (Creswell, 2014). The qualitative portion of the mixed method design will be collected in the form of semi structured interviews whereas the quantitative portion will be data collected through the 2017 Logistics Performance Index and the 2017 Doing Business Report.

The qualitative portion, the semi-structured interviews, will be analyzed, coded and then compared to the data gathered from the Logistics Performance Index and Doing Business Report. The key assumption of this approach is that both qualitative and

quantitative data provide different types of information-often detailed views of participants qualitatively and scores on instruments quantitatively-and together they yield results that should be the same (Creswell, 2014). The results from each of the qualitative and quantitative portions will then be reviewed through merging both sections of the data. Merging the data involves combining the quantitative and qualitative data through the procedures of a side-by-side comparison, data transformation or a joint display (Creswell, 2014). A side-by-side comparison of the findings from Africa First will allow for the analysis of the qualitative data to build into the following data sets of quantitative figures. The comparison of qualitative and quantitative measures allows for a more thorough explanation of Africa First, and the research will be enhanced by using various data sets.

Semi-Structured Interviews

Semi-structured interviews were conducted with willing participants who had knowledge of or worked directly with the Africa First program. A semi-structured interview was used with participants to create a discussion-based environment in order to elicit the most information possible. Semi-structured interviews allow for the researcher to determine the format and timeline of the questions being asked. Typically, the semi - structured format allows for more flexibility and the opportunity to formulate additional questions throughout the discussion. The questions asked of the respondents are the basis of the findings and through a series of steps constitute the input for the conclusions of the research (Kumar, 2011). The interview format included several focused and open-ended questions. The open-ended questions can provide a wealth of information provided the respondents feel comfortable about expressing their opinions (Kumar, 2011). Due to the

wide variety of participants involved in the study, the semi-structured format allowed for a wider scope of answers and information than a structured interview or a questionnaire would have provided.

Data Collection

The data collection for the interview process began with participants from the Department of Defense J4. The J4 offices had a hand in implementing the Djibouti First Initiative as well as educating U.S. stakeholders. The J4 office gave the researcher a list of members from several offices that had worked with the Djibouti First Initiative and would be willing to provide further insight. The researcher also contacted the U.S. Department of State to interview State Department members who were involved with the local procurement process in Djibouti. After using references and contacts of both offices, the researcher was able to conduct 13 interviews. Each interview participant was placed into one of three stakeholder groups.

Table 1: Stakeholder Groups

Group	Participants
Policy Creation and Procedure	<ul style="list-style-type: none"> - J4 Operational Support Contract Cell - Economic Office Djibouti - Office of General Counsel Djibouti - Office of the Secretary of Defense for Policy- African Affairs
Afghanistan First/CAS Initiative	<ul style="list-style-type: none"> - European Bank for Reconstruction and Development - TWI - GSA (2 Participants)
Policy Execution	<ul style="list-style-type: none"> - DLA - Noble Logistics Contractor - Cozzmezz Construction Company - Navy Supply Fleet Sigonella - CJTF Contractor - Bakery Owner

The first group, Policy Creation and Procedure, is comprised of participants that have a hand in establishing or designing the Africa First Policy. The group encompassed participants from J4, military legal offices, and U.S. State Department participants. The second group included participants who had involvement in the Afghanistan First Initiative or Central Asian States procurement policy. The third group included participants who were involved in the Djibouti First policy execution. Participants in this group worked directly with the local organizations and vendors.

The majority of the data collection for the study took place at Camp Lemonnier in the form of sit down semi-structured interviews. The remaining interviews were conducted in the same semi structured format over the phone. Each participant was given details, objectives, and their rights as a respondent of the research prior to the interviews taking place. Participants were given a similar set of questions however, questions may have slightly varied due to position or experience. The interview was structured as three sections: positioning questions, strategic questions and open questions. The interviews were recorded and then transcribed by the researcher. If interviewees opted not to have their interviews recorded, attentive notes were taken and then transcribed based upon the notes.

Data Analysis

After each interview was fully transcribed, the interview transcripts were loaded into the qualitative analyzation software Dedoose. Through the use of the software each interview was thoroughly coded. A code in qualitative inquiry is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing and/or

evocative attribute for a portion of language based or visual data (Saldana, 2016). In qualitative research the responses are examined, common themes are identified, the themes are named (or categories are developed) and the responses given by respondents are classified under these themes (Kumar, 2011). After reviewing the interview transcripts, the researcher began with a list of preset codes. The preset codes were derived from the literature review as well as the research and investigative questions. If there were any emergent codes that appeared through the coding process, the researcher would recode each interview with the same code list to ensure continuity throughout the coding process. Through the coding process each interview was examined and significant quotes were categorized and grouped. Coding enables one to organize and group similarly coded data into categories or “families” because they share some characteristic—the beginning of a pattern (Saldana, 2016). The Dedoose software allows the researcher to examine the data, identify portions which include content meaningful to their research focus and research questions, block these portions, and then apply any number of appropriate codes or tags (Dedoose, 2018). The program then allows the researcher to view a number of different visualization tools to help identify larger themes or patterns located within the interview data.

Following the coding process, data and statistics from the Logistics Performance Index and the Doing Business Report were analyzed to determine if the codes and themes identified from the interviews paralleled the quantitative data available from these reports.

Logistics Performance Report

The data for the quantitative part of the analysis was taken from the 2016 Logistics Performance Index as well as the 2017 Doing Business Report. Now in its fifth edition, the Logistics Performance Index (LPI) embodies the experience of logistics professionals worldwide and tries to capture the complexity of supply chains in synthetic indicators that are comparable across countries (Arvis et al., 2016). The LPI uses six components to evaluate a country's logistical performance.

The six components and their definitions as listed in the 2016 Logistics Performance Report are:

- Customs: the efficiency of customs and border management clearance
- Infrastructure: the quality of both trade and transport infrastructure
- Logistics Competence: the quality and ability of logistics services
- Timeliness: ease of arranging competitively priced shipments
- International Shipments: the frequency with which shipments reach consignees within scheduled or expected delivery time
- Tracking and Tracing: ability to track and trace consignments

The LPI uses standard statistical techniques to aggregate data into a single indicator for each component as well as an overall LPI score (Arvis et al., 2016). The overall LPI and component scores for several countries in the African continent were extracted to be analyzed for this research. The LPI has provided valuable information for policy makers, traders, and other stakeholders, including researchers and academics on the role logistics for growth and the policies needed to support logistics in areas such as infrastructure planning, service provision, and cross border trade and transport facilitation (Arvis, et al., 2016).

Doing Business Report

The Doing Business report measures aspects of regulation that enable or prevent private sector businesses from starting, operating and expanding (World Bank, 2017). The Doing Business Report presents results for two aggregate measures: the distance to frontier score and the ease of doing business ranking, which is based on the distance to frontier score (World Bank, 2017). Each score will help determine the logistics and business environment within the specified country. The ease of doing business ranking compares economies with one another; the distance to frontier score benchmarks economies with respect to regulatory best practice, showing the absolute distance to the best performance on each doing business indicator (World Bank, 2017). The report ranks 190 countries with an overall “Ease of Doing Business Ranking” and subsequent indicator sets. For example, a rank of ‘1’ on ‘Ease of doing business” would indicate a country as the world leader whereas a country with a score of 190 would indicate the lowest possible ranking. The aspects of regulation found in the report are measured using 11 indicator sets, 4 of these indicator sets were used in the analysis portion; starting a business, getting electricity, getting credit and trading across borders. The data taken from the four indicator sets included each indicator sets ranking and its distance to frontier score.

Conclusion

The methodology used for the research surrounding the Africa First Initiative included both qualitative and quantitative methods, leading to a mixed methods design. The convergent parallel mixed method design provided the best structure for evaluating

semi structured interviews as well as examining data collected from the Logistics Performance Index and Doing Business Report.

IV. Analysis and Results

Introduction

The following chapter analyzes the findings from the Logistics Performance Index, components from the Doing Business Report and the major themes that emerged from the coded interviews. The quantitative data from the reports and the qualitative data obtained from the interviews are interconnected and can be used to create a framework that will help decision makers better understand the capabilities of the countries being considered for the expansion of Africa First.

Logistics Performance Index

Figure 2 highlights Djibouti's overall LPI rank, overall LPI score, and the corresponding component scores.

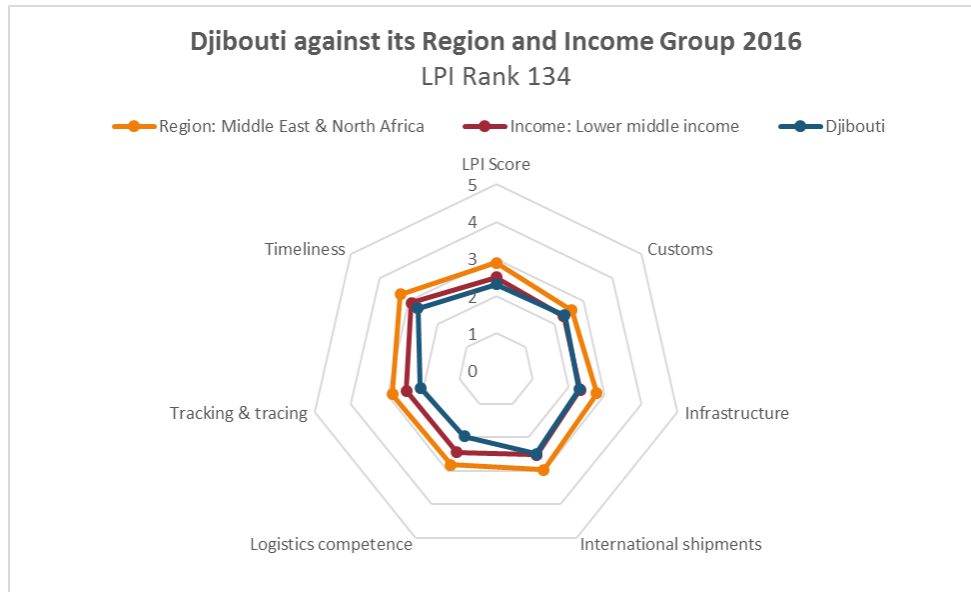


Figure 2: 2016 Djibouti LPI (Arvis et al., 2016)

As the World Bank ranks 160 countries for the LPI, Djibouti's position at 134th certainly has room for improvement. Djibouti's scores are also compared to the overall LPI and component scores for the region, as well as the similar income groups.

Comparatively, Djibouti performs slightly worse than countries within their region, Middle East & North Africa, as well as their income group, lower middle income. The radar chart indicates there is not a single component that rises above a score of 3 for Djibouti. While the similar region and income groups fair slightly better, it is significant to note that Djibouti lags slightly behind both groups in overall performance levels. The component scores indicate that completing any type of logistics or supply chain related task may be hampered by any one of the component scores.

Logistics Performance Index Country Comparison

There are roughly 6,000 servicemen and women stationed in 50 of 54 countries on the African continent, with approximately 4,000 residing at Djibouti's Camp Lemonnier (Neuhaus, 2017). With a presence throughout the majority of the continent, decision makers will need to determine the locations with the most potential for success with the expansion of Africa First. Algeria, Cameroon, Ethiopia, Libya, Mali, Niger, Nigeria, Somalia and Uganda are a sampling of the countries where there is an American military presence. The countries listed for comparison were chosen for a variety of reasons. Algeria is one of the U.S.' top trade partners on the continent, while Nigeria boasts Africa's largest economy and Ethiopia is one of the world's fastest growing economies. The United States has strategic interests in the stability and prosperity of both Cameroon and Libya. Finally, the U.S. has recently conducted military operations in Mali, Niger,

and Somalia. The countries offer diversity in a number of areas and will offer a wide range of logistics competencies for the Africa First Initiative.

Figure 3: LPI country comparison depicts each country’s LPI score and component score. We see that all 10 countries’ overall LPI scores and component scores are rather low. Uganda, Nigeria, and Algeria are the best performers of the group outpacing the others with slightly higher overall and component scores.

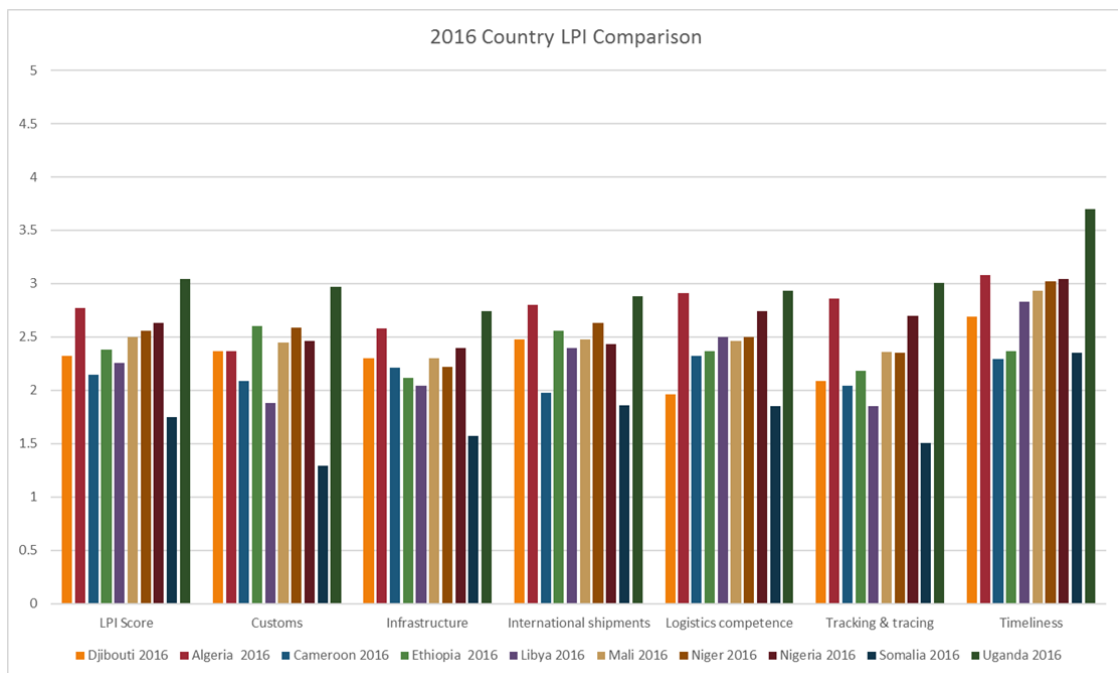


Figure 3: LPI Country Comparison (Arvis et al., 2016)

Doing Business Report

The Doing Business Report rates economies on how business friendly their regulatory systems are using the distance to frontier score and the ease of doing business ranking (World Bank, 2017). The same 10 countries analyzed in the LPI portion are listed in Table 2; the top number indicates the country’s ranking in each component. A rank of 1 is the very best number a country can receive while 190 is the worst.

Selecting Doing Business Categories

The four most important scores selected with regards to the expansion of the Africa First policy are starting a business, getting electricity, getting credit, and trading across borders. The ability to operate and expand is dependent upon the regulations that must be complete in order to start a business. If Africa First aims to push money into weak economies by creating employment opportunities, businesses must be able to start, develop and increase in size. Getting electricity indicators measure the reliability of electricity supply. Africa has widespread infrastructure problems and the ability to receive and maintain reliable sources of energy allows connectivity to produce, move, and receive products and information from a supply network. The ability to get credit is incredibly important for businesses and startups alike. It enables a business to acquire funding for its numerous operations. Finally, trading across borders is an important factor that must be taken into consideration when expanding Africa First. Due to the vast nature of military and state department operations, materials and products will need to be moved across borders. Regulations or protocols complicating these movements will affect the efficiency and effectiveness of any supply network seeking to import or export.

Table 2: Doing Business Country Comparison (World Bank, 2017)

COUNTRY	EASE OF DOING BUSINESS RANK	STARTING A BUSINESS	GETTING ELECTRICITY	GETTING CREDIT	TRADING ACROSS BORDERS
Djibouti	171	172	172	181	155
Algeria	156	142	118	175	178
Cameroon	166	149	89	133	186
Ethiopia	159	179	127	170	167
Libya	188	163	128	185	114
Mali	141	108	152	139	89
Niger	150	88	166	139	132
Nigeria	169	138	180	44	181
Somalia	190	184	188	185	156
Uganda	115	165	161	44	136

Djibouti's is ranked very low on their overall score and subsequent component scores. The scores indicate there are likely to be issues with opening a business, the infrastructure, and moving products through customs. Analyzing the remaining nine countries, we see the same is true of the Doing Business reports and the LPI scores, Djibouti as well as the other countries selected, consistently fall in the bottom quarter of the overall rankings when it comes to logistics and business performance. The scores signify the success of Africa First will not be successful if our purchases are simply transactional with the local organizations. By comparing and contrasting the two reports it is evident that logistics and business operations in this region of the world are going to face considerable challenges. For a successful initiative our dealings with the local organizations must become more of a partnership in order to overcome the difficulties shown in these reports.

Semi-Structured Interviews

After coding the interviews, there were three major themes that emerged: logistics competence and infrastructure, contextual importance, and initiation of Africa First and risk mitigation. These themes were mentioned the highest number of times by the 13 participants throughout the course of the interviews. Logistics competence and infrastructure relates to anything involving the ability and ease of logistics services available such as, unreliable vendors, order accuracy, contrasting business standards or transportation. Contextual importance relates to anything involving U.S. or Djiboutian government regulations, local customs and culture, or corruption and bribery. The final theme, initiation of Africa First and risk mitigation encompasses all suggestions the participants had for furthering local procurement initiatives as well as the risks posed by sourcing locally. Table 3 shows the overarching conclusion presented by each group for each corresponding theme.

Table 3: Stakeholder Group Theme Conclusion

	Logistics Competence and Infrastructure	Contextual Importance	Initiation of Africa First and Risk Mitigation
Policy Creation and Procedure	Acknowledges lack of logistics capability but stressed the initiative furthers engagement and outreach	Contextual issues and concerns will heavily influence the success of Africa First	Emphasized the need for improved communication between key stakeholder groups; centralized strategy is needed
Afghanistan First/CAS Initiative	Stressed the importance of education and training for local vendors on how to approach Western standards	Focused on understanding local customs and culture in order to enhance business relationships	Stated local procurement initiatives are needed for building strategic relationships between militaries and countries
Policy Execution	Poor logistics competence and inadequate infrastructure for U.S. needs	Government regulations and cultural differences have played a substantial role in the interactions of U.S. and local vendors	Requested an education or training plan for all stakeholders; understanding the objectives of the program is necessary for improvement

Once again, the Policy Creation and Procedure Group had a hand in designing and implementing the policy. The participants in the second group participated in the Afghanistan First/CAS initiative. Finally, the Policy Execution group worked directly with the Djiboutian companies or with the U.S. government as a local vendor. The following sections describe each group's thoughts on the three major themes in greater detail.

Logistics Competence and Infrastructure

Group 1: Policy Creation and Procedure

The Policy Creation and Procedure Group indicated while there are certainly issues with logistics competence and infrastructure, the larger idea was to use the initiative as a platform for continued engagement. A participant from J4 stated that:

“Really the program is a springboard for engagement and outreach...work on education, teach them how to write a successful bid, and use it as a communication platform for some of the larger contractors, explain what our upcoming needs are and help them to be competitive.” (J4 Participant)

Overall, the group focused more on the overarching goals of the program as opposed to specific incidences with logistics competence and infrastructure. The group collectively acknowledged that a lower level of logistics competence was to be expected and the purpose of the initiative is to help Djibouti and other African countries improve their knowledge and familiarity with logistics operations.

Group 2: Afghanistan First/CAS initiative

Group 2 highlighted a number of different issues concerning logistics competence and infrastructure. The participants who worked with Afghanistan First stated many of the local companies did not know how to approach western standards of logistics and lacked the experience and education to do so. A GSA participant stated:

“And they have several programs but their basic package to me, is quite interesting, and I think quite useful, especially in a place like this, where there are companies who approach Western technical standards, Western quality, but need a little bit of help to kind of get over that line and with that help I think there’s a bunch of companies over there that can break through and begin to supply multinationals and conglomerates in Europe other parts of Asia the oil industries, etc with just a little more help.” (GSA Participant)

Another participant from GSA who worked with a local company to purchase mattresses for military members discussed the importance of outside agencies helping the local companies improve their logistics competency:

“We knew that it was going to take a little bit of work to get them up to speed, to get them up to the quality of what we could actually start buying. So, that’s actually where the EBRD (European Bank for Reconstruction and Development) did the most work with them. They brought in supply chain experts, and

manufacturing experts to Lina, helped them, loaned them money to bring in the process experts to actually streamline their manufacturing process first.” (GSA Participant)

The issue of logistics competence mentioned by each of the participants throughout the course of the interviews was the dramatic difference in quality and business standards as compared to U.S. standards. A TWI participant spoke of the quality inconsistencies as one of the problems when working with a local company.

“One was kind of the spec problem. Another was quality problems, you know, I mean they don’t produce things, typically, to the same quality specs that the U.S. customers are used to.” (Third Party Logistics Contractor)

Largely, Group 2 focused on the complications of working with companies who cannot produce or do not have the knowledge to produce products or services that are up to U.S. standards.

Group 3: Policy Execution

The group that most closely worked with the local companies again emphasized the difficulty in finding companies who were dependable and able to meet the industry standards necessary for continued business. Noble is a logistics company that works closely with DLA at Camp Lemonnier. One of the Noble participants explained the difficulty of finding dependable companies:

“I’m always looking for products locally that will help cut delivery times, but it is always so difficult to find reliable vendors. I keep a running list of vendors that are unreliable, my list of reliable vendors...is about 2 companies long.” (Third Party Logistics Provider)

Another participant from DLA stressed the importance of infrastructure in the ability to move shipments in a timely and reliable manner:

“I’ve been here for almost 6 months and not once have we done any ground movements or shipments. The roads and infrastructure here are horrendous.” (DLA participant)

The policy execution group focused on the infrastructure of the country much more heavily than the other two groups. They discussed the difficulty of the ground shipments, U.S. construction codes and permits, as well as the challenges of obtaining U.S. standard certified materials in the region.

Conclusion

It’s interesting to note the differences between the Policy Implementation and Policy Execution groups. Policy Implementation acknowledges the lack of logistics competence in Djibouti but states the initiative is more of a springboard for engagement while the Policy Execution group heavily discussed the challenges of working in such an environment. While the focus of the initiative may be outreach and engagement, it is

important to remember the impact a lack of logistics competence can have on the operational mission.

Contextual Importance

Group 1: Policy Creation and Procedure

Group 1 spoke often of the many issues holding contextual importance that one should consider when working with the Djiboutians. A wide array of issues were highlighted including the culture and local customs, government corruption, and the government's policies and citizenship processes.

A participant working for a legal office discussed the challenges presented by working in the country of Djibouti when trying to secure contracts:

“Most of the population is illiterate and there are struggles with teaching them these processes. We have seen those who are more educated and can read, take advantage of those who can't read.” (General Counsel Participant)

Another official mentioned that one of the challenges being faced right now is the citizenship process in Djibouti. The path to becoming a Djiboutian is quite liberal. The official says:

“An interesting issue with the policy is that Djibouti has a very liberal citizenship process. They've have been complaints from the Djiboutian government saying we're giving business to citizens who are “too new” and they're not “real Djiboutians.” (Pentagon Participant)

The citizenship process has caused some strife between U.S. government officials and Djiboutian government officials as to which businesses should qualify for the Djibouti First, now Africa First policy. Due to the lack of stringent citizenship regulations as well as ambiguous direction in the policy have allowed businesses from Djibouti as well as surrounding countries to find loopholes in the policy, giving them unfair advantages to win contracts from the program. They are hoping to find solutions to these problems before the same issues occur in the initiation of Africa First.

Largely the Policy Creation group recognized a large number of contextual issues which are presenting challenges. They acknowledged that many of the contextual issues faced in Djibouti such as government policies, culture and customs, and lack of natural resources will likely be concerns in other African countries as well.

Group 2: Afghanistan First/CAS initiative:

Group 2 only mentioned issues surrounding contextual importance a few times however, participants did mention the importance of considering local customs and culture when trying to implement a policy such as Afghanistan First or Africa First.

“In order to do business with people, and this seems fairly universal between west and east Africa, you know, the whole sub-Saharan area, you have to build a relationship with people before you can do business. And you have to be very careful in engaging, because you don’t want to give them false or inflated expectations.” (DLA Participant)

Group 2 reiterated the importance of understanding the local customs in order to create more successful business and strategic relationships. These working relationships are critical to establish lines of communication regarding the improvement of local products and strategy.

Group 3: Policy Execution

Group 3 identified a wider range of issues falling under the category of contextual importance. The group mentioned the troubles cause by a corrupt government, customs clearances, and the challenges presented by both U.S. and Djiboutian government policies. A participant from a Djiboutian construction company that has been awarded several contracts under Djibouti First, discussed the struggles of U.S. requirements and the problems caused by Djiboutian Customs:

“The US requires certified material, they are difficult to find. Company will need to import them but Djibouti customs is notoriously slow, they are always a problem. Import costs more money and more taxes for the projects, must think about both indirect and direct costs as well as the timing of the project.” (Local Construction Company Participant)

A participant from Noble, a logistics company that works closely with DLA at Camp Lemonnier, acknowledged local companies don't always get a fair chance at contract eligibility. The participant recognized there have been problems of corruption and exploitation throughout the course of Djibouti First:

“For example, on the vendor days put on by the embassy, the local chamber of commerce will invite their “friends”, the government is a bit corrupt so you have to be careful with who you are dealing with.” (Third Party Logistics Provider)

The Policy Execution group discussed a range of contextual topics that presented issues for the Djibouti First Initiative. The main take away from this group was that contextual issues such as government regulations and cultural differences have played a substantial role in the interactions of U.S. officials and local vendors.

Conclusion

Each group was very similar in their response to the importance of contextual issues when working outside of the continental U.S.. They all agreed customs and government regulations can greatly affect the success of the initiative and the U.S. must be intimately aware of these issues in order to help facilitate businesses and logistics services for operational missions.

Africa First Initiation and Risk Mitigation

Group 1: Policy Creation and Procedure

Participants in Group 1 spent a significant amount of time discussing the changes needed for the implementation of Africa First. They discussed the need for better communication strategies between all stakeholders. A state department official reports:

“We need to come up with a more centralized communication strategy. What are the main talking points and goals of this program? Every post cannot create their own talking points for a policy that is centralized, all of the embassies need to be

on the same page and right now we are not. There needs to be a more well-defined implementation guide. Right now, it's difficult because it is too vague, because companies are able to find legal loopholes; but you can't make it too rigid either.” (U.S. Department of State Participant)

Another state department official agrees the lack of a defined implementation guide adds difficulty when seeking eligible companies:

“I worked with the former economic officer to implement the policy, it was very difficult because the law didn't express how to vet or select the eligible companies, we had to come up with that on our own.” (U.S. Department of State Participant)

Group 1 also discussed the need for improved metrics, or how they should evaluate the measure of success the initiative is having.

“We look to measure the utilization, sort of the number of actions, and not necessarily the contracts. We would then want to see how these contracts are used and to what extent. But, we need to make sure it's not a burden on their very weak economy. Have to try not to make the initiative too unattractive or overly burdensome on the locals.” (J4 participant)

In general, the sentiment surrounding the initiation of Africa First involved an improvement in communication. Improved communication is needed to ensure stakeholders are aware of the initiative and what it is the initiative is trying to accomplish. Furthermore, it will enable embassy's and future policy makers to develop the initiative by ensuring proper communication strategies between all stakeholder groups.

Group 2: Afghanistan First/ CAS Initiative

The Afghanistan First group stressed the importance of these initiatives when it comes to building strategic relationships between militaries and countries:

“You know, the focus on central Asian sourcing diminished, you know, as well. And so, it kind of fizzled away, that problem. But I can see that becoming an issue again in the future because, you know, the local sourcing, and developing local sources, is a tool in any combatant commander's toolbox. You know, and it's a pretty powerful one.” (Third Party Logistics Provider)

The Afghanistan First/CAS initiative group had little to say about improvements that could be made for similar initiatives in the future. Instead, they focused on how these initiatives can help propel companies into new markets. With the right amount of education and patience, companies are able to improve their products by enhancing their production lines and business understanding.

Group 3: Policy Execution

Participants in the Policy Execution Group also focused on the need for better communication between stakeholder groups. All of the participants expressed frustrations

at the lack of information and interactions between stakeholder groups. A contracting participant deployed to Camp Lemonnier reported their office never received any information regarding the initiative. They only learned of the initiative after a request was sent requiring the latest number of Djibouti First actions.

“Right now, it’s just a challenge for the contracting office. The policy needs to be easier to read and to understand. I didn’t hear anything about it when I first arrived, then I was told I needed to send reports, now the policy has shifted to Africa First and we’re still in the dark as to what is required of us.” (Contracting Participant)

A participant from a local construction company also explained the lack of education for local companies prevents them from becoming eligible. The participant noted the program:

“Would be better if the U.S. embassy could better teach companies what needs to be done, there needs to be someone there to support companies through the process if the program is going to expand due to challenging process of working with the U.S. government.” (Local Construction Company)

Some participants mentioned the challenges of local procurement initiatives when working in a contingency environment:

“Often times in a contingency environment we need things now. And it’s frustrating when pushes to buy locally can slow the process down by even a week.” (Contracting Participant)

The Policy Execution Group reiterated the need for an education plan that includes all stakeholders. Local companies suggested the embassy have workshops or appoint a dedicated employee to help the locals understand the needs of the U.S. government as well as how to compete for bids. Contractors and other military members also proposed some sort of training to help incoming members learn the objectives of the initiative.

Conclusion

The need for a more formal education and training plan was central to each group. In order to prepare for the upcoming expansion of the initiative, each stakeholder group must thoroughly understand the objectives and goals of the initiative. This holds true for both U.S. stakeholders and local vendors. As Camp Lemonnier is a deployed environment, the turnover of personnel is quite high, occurring every 6-9 months. Incoming and outgoing members should ensure turnover of information in order to continue our local procurement efforts. Local vendors also need education on how to approach U.S. contracting. The Department of Defense contracting process can be quite lengthy and tedious. A local training or education system would be beneficial in allowing more vendors to understand the process and offer them a chance to win bids. Education and training would give each stakeholder group the knowledge to further develop the program into something that is more productive.

Conclusion

After examining the challenges and successes of Djibouti First through both quantitative and qualitative data, there is a clear need for enhanced communication, education, and awareness among each stakeholder group. Although there were not specific incidences of local suppliers or their products hindering operations mentioned, the interviewees discussed the challenges presented by the local initiative. Items did not have the specified quality, orders have been stuck in customs, reorders were not uncommon due to inaccurate shipments and untimeliness of locally procured products have caused delays. It was found that purchasing locally and the continued presence of the U.S. military has created employment opportunities but specifics on how the U.S. or the Djibouti First Initiative has affected the economy cannot yet be determined due to a lack of data. Due to the multiple challenges presented by purchasing in Djibouti, the Africa First Initiative does not yet present a cost-effective option for the U.S. In the future, it will be important to further define a set of metrics that measure success for the initiative.

V. Conclusions and Recommendations

Chapter Overview

The overarching objective of the research was to determine how purchasing locally procured products contribute to the supply network at Camp Lemonnier, and how to use this information to better inform future logistical decisions for Africa First. How will the information acquired from the research be useful moving forward? The Logistics Performance Index, Doing Business Report, and qualitative data obtained from interviews provide enough information to establish a basic framework for decision makers looking to expand into new countries. By using country and interview data, the framework will allow leaders to compare countries by identifying the factors most important for success. First, decision makers must look at where the U.S. is operating within the continent. What areas or operational missions would benefit from a local procurement initiative? Second, U.S. decision makers must examine how they are looking to operate. For example, are they looking to grow a company that is already in business? Are they focusing on the procurement of a specific product? The U.S. must understand their objectives and use the information from the reports to benefit both U.S. and local stakeholders. Finally, once we have decided on a particular region or country we should look at the Logistics Performance Index or the Doing Business Report to see how they are performing in terms of business and logistics ability. Are there any trends? Have the countries made any reforms or regulations in the past few years to hinder or improve business or supply chains?

Methodological Contribution

Assuming all permissions and international agreements are in place, let's suppose decision makers for Africa First have narrowed the list of possible countries under consideration down to three; Algeria, Uganda, and Nigeria. These three countries will answer the first question, where are we looking to operate? While these countries are hypothetical they do offer some interesting advantages. According to the U.S. Department of State the United States and Algeria have "signed a trade and investment framework agreement, establishing common principles on which the economic relationship is founded and forming a platform for negotiating other bilateral agreements" (U.S. Department of State, 2017). Nigeria is the largest economy and most populous country in Africa with an estimated population of more than 180 million and an estimated gross domestic product of 510 billion USD in 2013 (U.S. Department of State, 2017). Uganda has been a reliable partner with the U.S. in promoting stability in the Horn and East/Central Africa and combatting terror (U.S. Department of State, 2017) Let's assume our objectives for these areas are similar to the objectives in Djibouti, the U.S. is looking to promote growth in their economies by capitalizing on local resources and cultivating labor.

In order to decide which is the best option, we will begin with the data from the logistics performance index comparing their component scores. In Djibouti, the most relevant scores from the logistics performance index were the logistics competence and infrastructure component scores. Both of these components are highlighted in green on Figure 4. Comparing the three countries, it seems all three countries have very similar logistics competence and infrastructure scores, while Uganda outperforms Algeria and

Nigeria on the other four component scores. Given the fact that the three countries have similar scores in our areas of focus, we will now further dissect the logistics performance index scores.

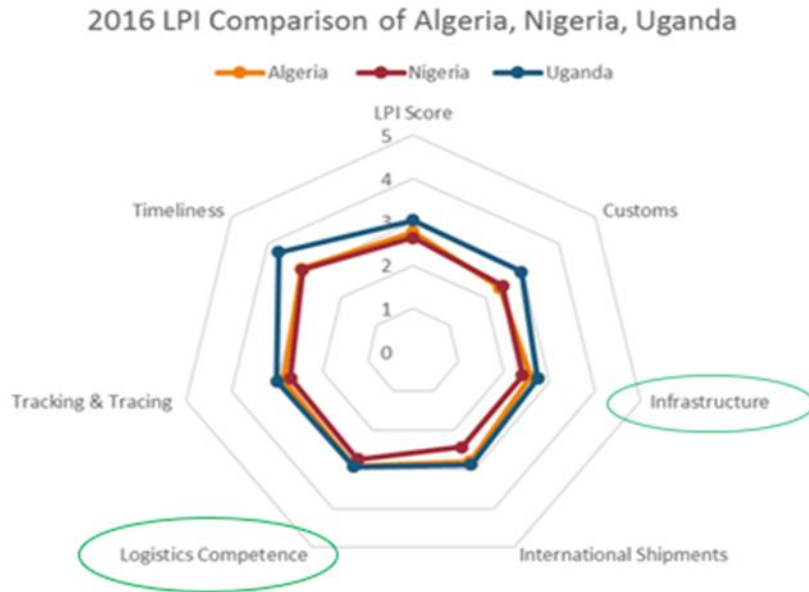


Figure 4: LPI Comparison of Algeria, Nigeria, Uganda (Arvis et al., 2016)

The data from the logistics performance index table shows Uganda’s LPI component scores are consistently the highest.

Table 4: LPI Framework Comparison (Arvis et al., 2016)

Country 2016	LPI Rank	LPI Score	Customs	Infrastructure	International Shipments	Logistics Competence	Tracking & Tracing	Timeliness
Algeria	75	2.77	2.37	2.58	2.8	2.91	2.86	3.08
Nigeria	90	2.63	2.46	2.4	2.43	2.74	2.7	3.04
Uganda	58	3.04	2.97	2.74	2.88	2.93	3.01	3.7

Choosing a country off of LPI data alone suggests that Uganda would be the best choice. However, let’s look at the data in table 5 from the Doing Business Report.

Table 5: Doing Business Framework Comparison (World Bank, 2017)

Country 2017	Ease of Doing Business Rank	Starting a Business	Getting Electricity	Getting Credit	Trading Across Borders
Algeria	156	✓ 142	✓ 118	175	178
Nigeria	169	✓ 138	180	✓ 44	181
Uganda	115	✓ 165	161	44	✓ 136

✓ Reform making it easier to do business

Uganda shows the best overall ease of doing business ranking but trails Algeria and Nigeria in the starting a business ranking, and trails Algeria in the ability to get electricity. Uganda also has made reform in starting a business and trading across borders which indicates an improvement in performance. Depending upon the goals or specific objectives the decision makers foresee it may be important to further analyze the ability to start a business or get electricity. We know from the interviews in Djibouti that regulations and policies surrounding startups have caused some issues. We also know the lack of sufficient infrastructure in Djibouti has affected shipping times and the availability of products. Getting electricity would be considered part of a country's infrastructure network, however, looking back at the LPI scores, we see that Uganda scores higher in infrastructure than both Algeria and Nigeria. Therefore, of the three countries selected, Uganda has the ability to perform at the highest level.

The data collected from these reports combined with the information learned from our experiences in Djibouti provide a good deal of information to be used when selecting the next countries to introduce to Africa First. A simple framework allows decision makers to compare and contrast a number of different logistics factors that they can tailor to their specific objectives. The ability to consider various component scores and linking the associated scores to our objectives will allow decision makers to focus our attention

on certain areas and determine how they can improve local procurement. The reports capture the complexity of supply chains and doing business and present them in a way that is comparable across countries (Arvis, et al., 2016).

Future Research Opportunities

In order to make future local procurement initiatives prosperous, there are a number of topics to be researched that would increase our knowledge of how to make the Africa First Initiative succeed. The data from Djibouti First is very limited and not centralized. Research should be conducted to further examine the supplier relationships in Djibouti. What types of products are we buying? How much are we buying and when do we purchase? Determining how to establish long term relationships with the suppliers in Djibouti will allow the U.S. to create education and training programs for our stakeholders in other countries. No information was given throughout the course of the research as to where the U.S. is looking to expand next. Identifying which regions or countries are areas of interest would allow for an in depth analysis of the quality and ability to create logistics networks. This information would allow the U.S. to leverage our efforts with the logistics or doing business components of focus. We could then better focus our efforts to identify specific opportunities or challenges within the country of choice.

Conclusion

In order for Africa First to outperform the Djibouti First Initiative, the U.S. must better manage the implementation in new regions and provide improved educational resources for both U.S. stakeholders and local vendors. The Djiboutian economy benefits

from the mere presence of a permanent U.S. military base, if we are to hoping to build their economy through an initiative like Africa First, we must create reliable suppliers who provide dependable products routinely. It is certainly a long-term commitment but will help the Djiboutians and other countries to create new business by selling to new markets as well as to the U.S. for military operations. U.S. decision makers must provide education for U.S. members on the objectives and goals of the initiative. They must also be willing to supply the locals with training on how to approach Western standards of business. Local vendors must understand the U.S. contracting process in order for them to win bids and work under the Africa First Initiative.

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14. ABSTRACT The strategic importance of Africa to the United States has grown significantly. Camp Lemonnier, a naval-led military installation, is located in Djibouti and is vital to the strategic success of the United States in Africa. In order to strengthen U.S.-Djibouti ties and solidify an enduring presence in Africa, the Department of Defense implemented the Djibouti First Initiative. Under the initiative, local vendors received preference for resources and products needed at Camp Lemonnier. In 2017, the FY17 National Defense Authorization Act replaced the Djibouti First Initiative with Africa First. The new policy extends the authority to limit competition and provide host nation preference to contracts awarded in support of US operations in Africa. As Africa First expands its reach, the U.S. must first decipher which African countries can offer suppliers who are eligible, and second, work to standardize the processes for finding vendors within each country. The mixed methodology research focuses on the challenges and successes of the short-lived Djibouti First. The research findings are then used to create a framework which decision makers can use to help shape future supplier partnerships in Africa.					
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