



EH
EliteHoldings

 Elite Construction

 **ELITE** P&L
PROCUREMENT & LOGISTIC

NAVIA DESIGN
Architectural Engineering



INTRODUCTION

Elite Holdings is a 100% Afghan Owned Kabul situs company

Elite Comprises three wholly owned subsidiaries

Elite Construction Company

Elite Procurement & Logistic

Navia Design

INTRODUCTION

- Elite differentiates itself from other Afghan Companies
- Strong Afghan Leadership & Community Connections
- Knowledge of respective industries & Contracting methods
- Ethical business practices
- Highly competent and experienced staff
- Expatriates in key corporate & project positions

The Key Challenge Facing Afghan Companies

Capitalization

- Most small & medium sized Afghan companies are undercapitalized
- Access to capital through normal channels is limited
- Unable to build larger, long term capacities
- “Pay check to Pay check” payment, bookkeeping and invoicing

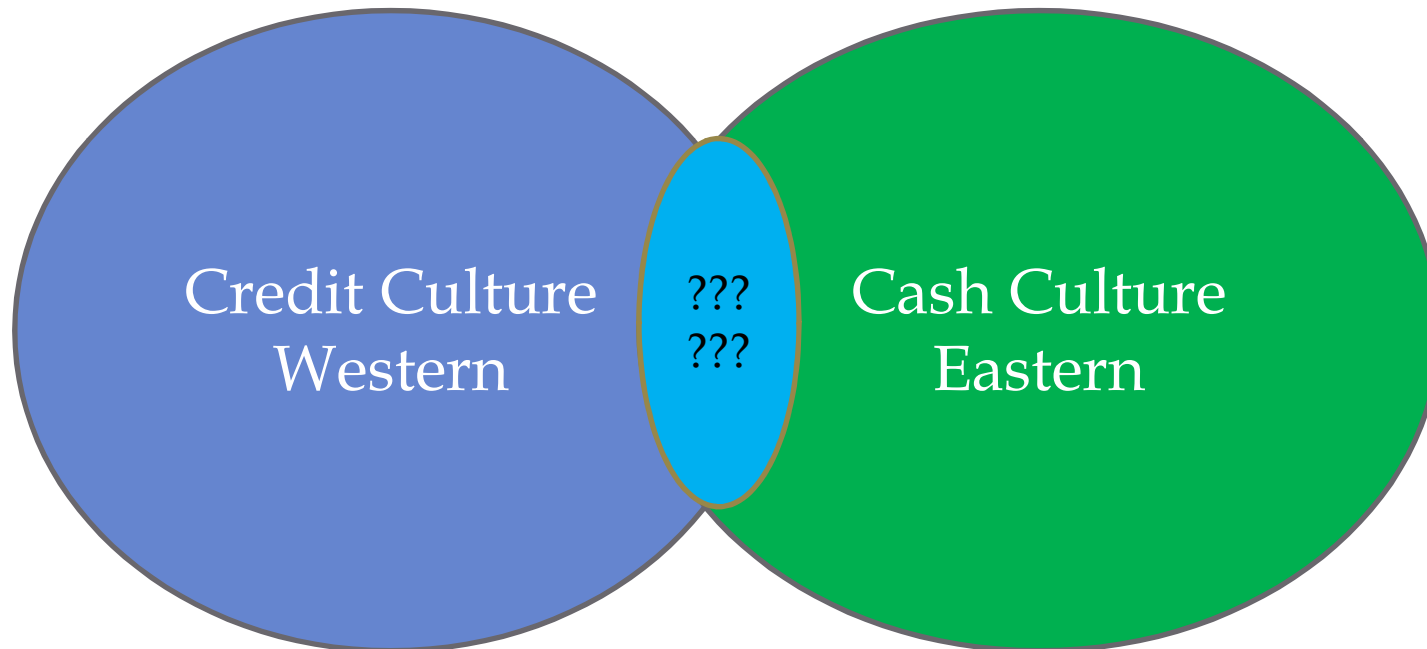
Challenges Facing Afghan Companies

This capital challenge is exacerbated by:

- Net 30 (Really Net 40-60)
- Failure of Primes to pay subs
 - “When paid by” Contract Clauses
 - Delay tactics
 - Delayed notice of rejection of invoice submittals
- Failure of Primes to timely invoice government on time
- Government delays in paying Net 30

Cash- Credit Culture Conundrum

Incongruent Systems - Cultural Biased in Favor of West
- Result - East Suffers- "Golden Rule"



Counter Contracting for COIN

Here's the Problem

- Commercial Sector and Government large scale objectives not necessarily aligned
- “Noblesse Oblige” vs. Business realities and pecuniary responsibility to shareholders
- Some Contractor behavior creating just the opposite effect than that of national and coalition strategy
- Tendency of contracting office and contractors to get overly focused on process and product – What is the end result really supposed to be?
- What good is constructing a building or base if 20,000 people around the project remain unpaid directly or indirectly? Your building is now a constant reminder of that fact.
- COIN Strategy states that it's often a good idea to keep the people on side in the community that you intend to live in and operate in!

Short Term Effects of Non-Payment

Quick Illustration

Not just the workers affected!

Patrilineal Kin-ship based society

Approximately a 1:7/8 Ratio

Push whole communities “off-sides”

“Run off” Industries compounds the problem!



“COIN” for COIN Strategy

Gen Petraeus developed contracting for COIN guidance.

We have to ask ourselves are we really following its intent?

Mainly aimed at Contracting Offices but where does private Industry play a part?- What is our corporate responsibility?

To the Taxpayers?

To Our Local Implementation Partners?

To the Afghan Community?



“COIN” for COIN Strategy

Only in Economic Development lie the seeds of real success in Afghanistan.

Formation and development of small and medium size Afghan business is elemental in moving forward.

Small & Medium sized business are the key employers as in most economies

Small & Medium sized businesses are developed and sustained by the entrepreneurial class






“COIN” for COIN Strategy

Formation of a “Middle Class” is built upon a healthy small to medium sized business community and economic opportunity

Afghan society is bifurcated- Very Wealthy – Very poor.

Middle Classes historically have been the drivers of both economic and also importantly social and political change. (US, India, China etc)



“COIN” for COIN Strategy

Need to develop better oversight over who gets paid and if and when!

Need to establish capital access to develop capacity across all industry groups

Afghan First- Kind of working?

Privity of Contract Clause- Boy does that steam me!
We have got to get involved

Its our MONEY!- Our MISSION- Our COUNTRY!