



*Islamic Republic of Afghanistan
Ministry of Finance
Macroeconomics and Fiscal Policy Directorate General*

Cash Management Committee
Meeting Minutes
August 28, 2019

The meeting was held to discuss revenue collection performance, budget execution, and foreseeable pressures on budget, expenditure control, and overall cash management issues.

The following decisions were made:

1. ACD and ARD to organize video conferences with the Directors of Customs and Mustofiats to resolve the challenges faced by the Customs and the Mustofiats;
2. The ACD to outline solutions for the problems related to tariffs on Gold in the next CMC meeting;
3. The ACD to design a concept to stop illegal shipments (BELTY) and hold a meeting with relevant security authorities to prevent smuggling of imported goods. The smuggled items and the transportation equipment used by the smugglers will be seized by the authorities. This decision will be implemented after 10 days of the announcement on banning the BELTY shipment;
4. The budget department to bring adjustments in the system according to the mid-year review and report about the budget performance of the agencies in the next CMC meeting;
5. PACT will follow-up on the benchmarks of the ARTF IPs and other donor programs with the government and solve any issues related to the execution of these benchmarks on timely basis.

جمهوری اسلامی افغانستان
وزارت مالیه



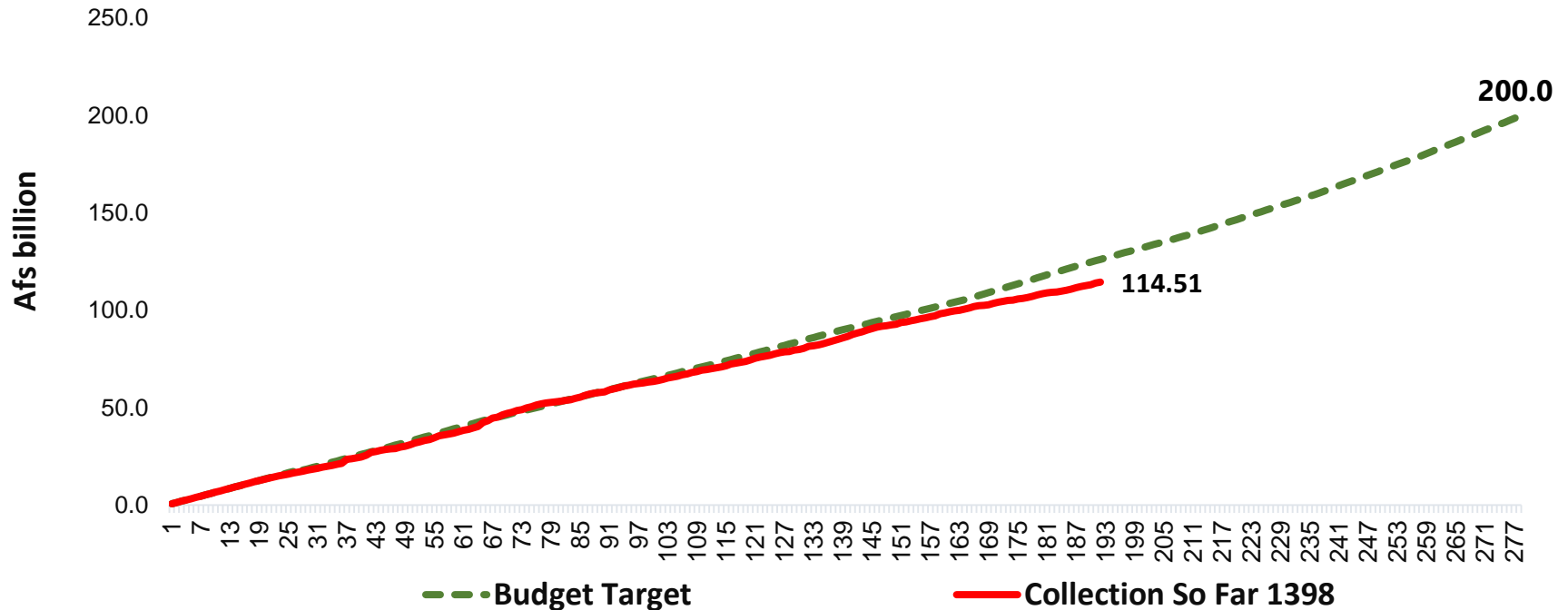
د افغانستان اسلامی جمهوریت
د مالیې وزارت

Islamic Republic of Afghanistan
Ministry of Finance
Macroeconomics and Fiscal Policy Directorate General

Fiscal Performance in 2019

as of August 28, 2019

Total revenue collection to date



Source: Afghanistan Financial Management Information System (AFMIS)

Budget target to date: Afs 126.1 billion;

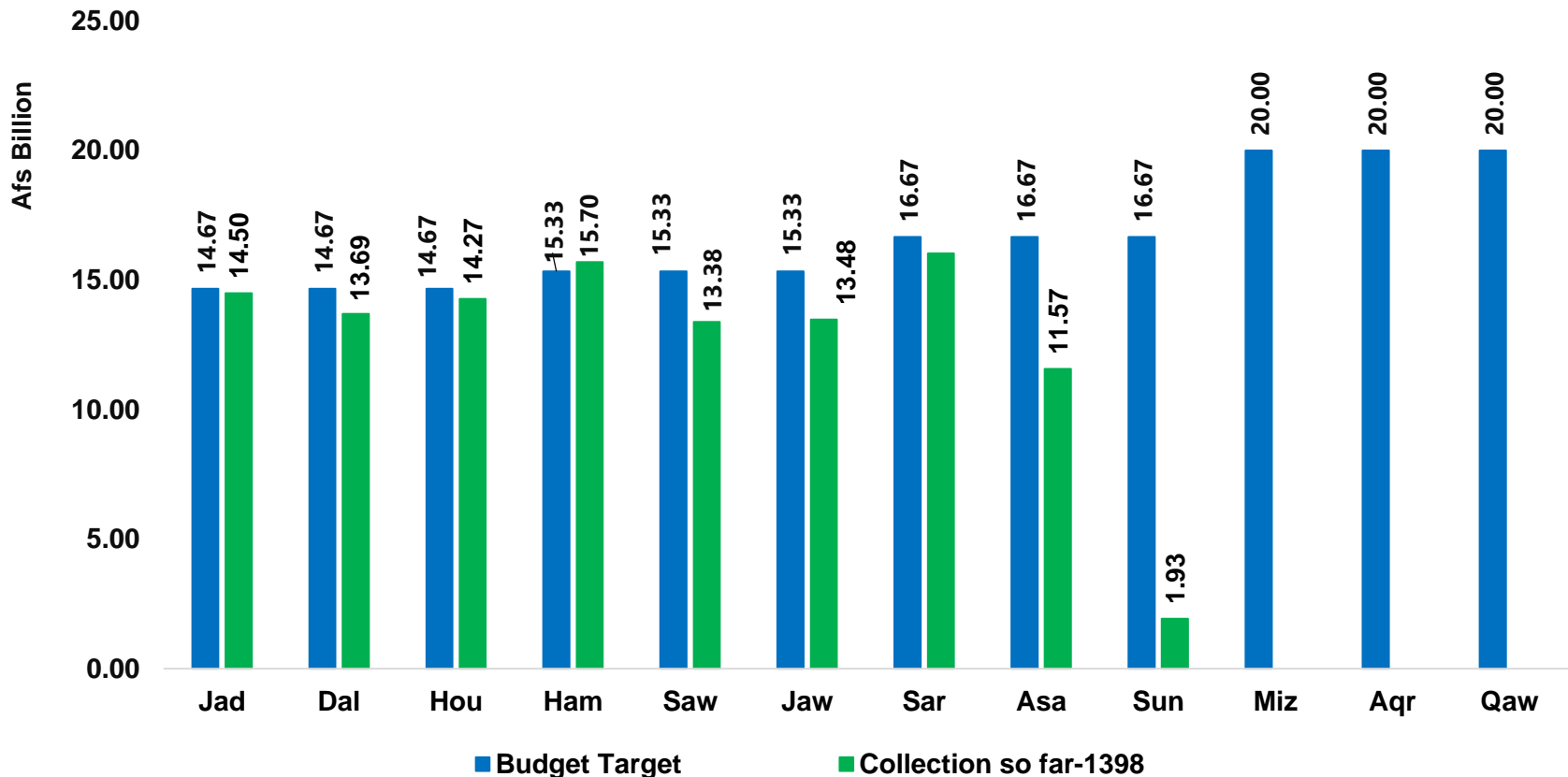
Collection to date: Afs 114.51 billion;

Collection is lower than the target by: Afs -11.64 billion.

Last year collection to date: Afs 109.85 billion.

Collection performance by month

On average, monthly collection is below the internal target by Afs 1.34 billion during the first eight months.



Source: Afghanistan Financial Management Information System (AFMIS)

Revenue Forecast: Based on the eight months' collection FY-1398

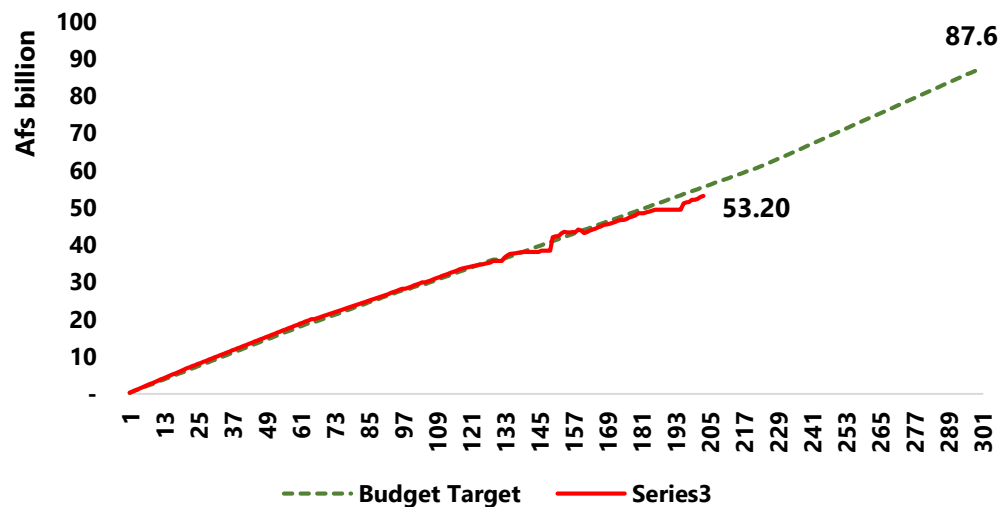
- **Linear Trend:** Afs 175.6 billion;
- **Growth Trend:** Afs 187.1 billion;
- **Pattern:** Afs 179.7 billion.

	Actual								Forecast				
Billion Afs	Jad	Dal	Hou	Ham	Saw	Jaw	Sar	Asa	Sun	Miz	Aqr	Qaw	TOTAL
Linear Trend	14.5	13.7	14.3	15.7	13.4	13.5	16.0	11.6	13.1	14.3	16.6	19.0	175.6
Growth Trend	14.5	13.7	14.3	15.7	13.4	13.5	16.0	11.6	13.9	16.7	20.0	24.0	187.1
Pattern	14.5	13.7	14.3	15.7	13.4	13.5	16.0	11.6	12.6	14.6	16.4	23.5	179.7
Actual FY-1397	13.3	11.0	13.6	14.7	12.4	14.7	15.5	13.0	17.8	16.6	23.5	23.8	189.9

Source: MFPD Staff forecast

Customs Collection Performance

Customs' collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 55.56 billion;

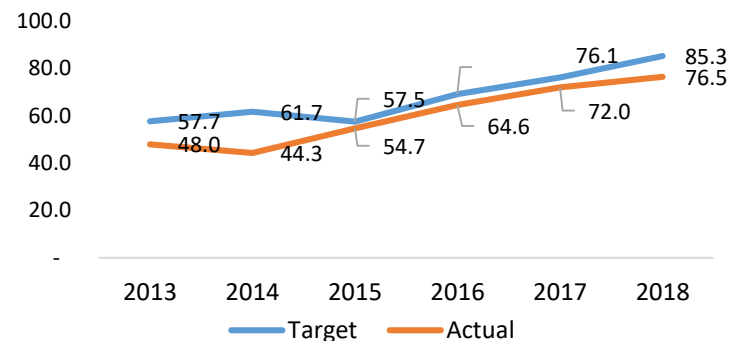
Collection to date: Afs 53.20 billion;

Collection is lower than the target by: Afs **-2.36** billion.

Last year collection to date: Afs 49.99 billion.

Note: Afs 3.44 billion of total domestic revenue is unclassified.

Customs historical performance



Customs collection continued to underperform.
As on average:

- Collection were than the target by Afs 7.9 billion over the last 6 years;
- The collections were lower than the target by Afs 5.9 billion over the last 3 years;
- Collections were not improved when compared to GDP.

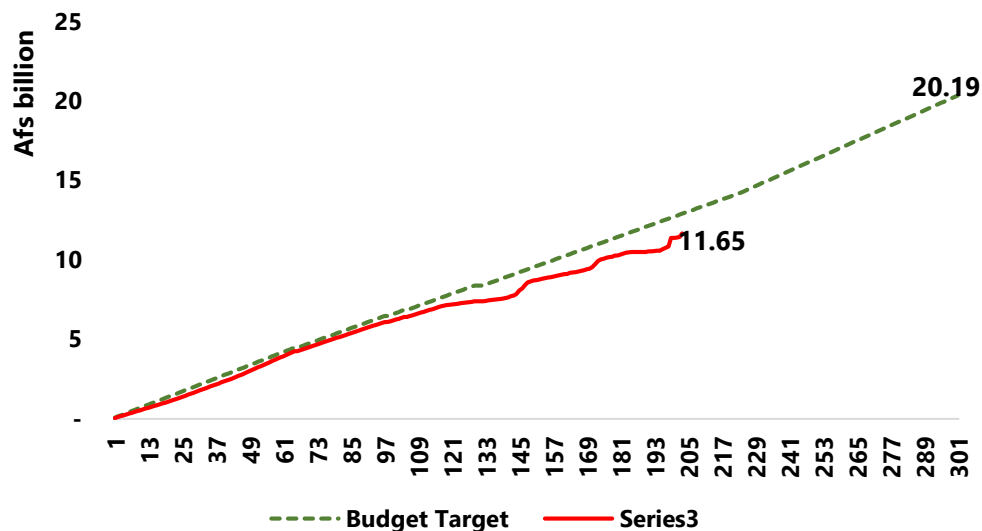
Individual Customs House's revenue performance - 1398

Values are in Million Afghanis					
Customs House	Annual Budget Target	BudgetTarget so far	Collection so far	Collection Vs Target	Above/Below Target (%)
HERAT	23,938.61	15,186.06	12,592.28	(2,593.78)	-17.1%
NANGARHAR	19,024.68	12,068.78	11,732.11	(336.68)	-2.8%
BALKH	13,810.59	8,761.09	6,544.62	(2,216.47)	-25.3%
KANDAHAR	8,171.70	5,183.92	7,430.06	2,246.14	43.3%
NIMROZ	7,930.54	5,030.93	4,958.73	(72.21)	-1.4%
FARYAB	4,206.70	2,668.63	2,992.79	324.17	12.1%
FARAH	4,127.67	2,618.49	2,041.89	(576.60)	-22.0%
Custom Airport	2,432.71	1,543.25	1,402.09	(141.16)	-9.1%
Kabul Customs	1,084.52	688.00	647.76	(40.24)	-5.8%
KUNDUZ	937.45	594.70	535.55	(59.15)	-9.9%
KHOST	862.73	547.30	780.45	233.16	42.6%
PAKTYA	607.27	385.23	786.65	401.41	104.2%
PAKTIKA	403.32	255.86	719.45	463.59	181.2%
TAKHAR	23.18	14.71	15.29	0.59	4.0%
KUNARHA	8.90	5.64	1.69	(3.95)	-70.1%
Custom Post Porcel	7.00	4.4	19.16	14.71	331.4%
BADAKHSHAN	6.31	4.00	1.86	(2.14)	-53.5%
Total	87,583.89	55,561.03	53,202.43	(2,358.61)	-4.2%

Source: Revenue Management Information System (RMIS)

Mustofiats' collection performance

Mustofiats' collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date : AfS 12.91 billion;

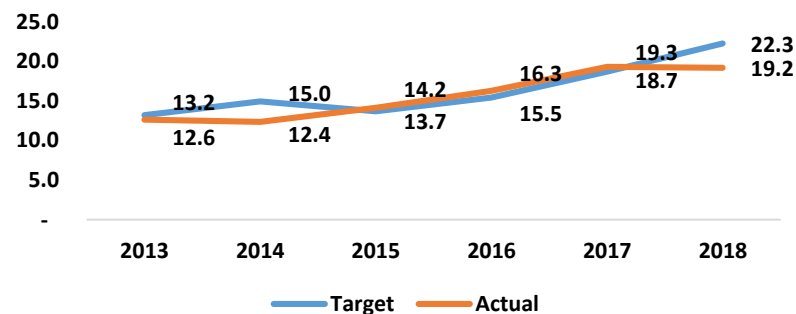
Collection to date: AfS 11.65 billion;

Collection is lower than the target by: AfS – 1.25 billion.

Last year collection to date: AfS 11.79 billion.

Mustofiats Historic Performance

Billion AfS



Collection continued to underperform. As on average:

- Collection were than the target by AfS 0.73 billion over the last 6 years;
- The collection were lower than the target by AfS 0.56 billion over the last 3 years;
- Collections were not improved when compared to GDP.

Individual Mustofiat's revenue collection performance - 1398

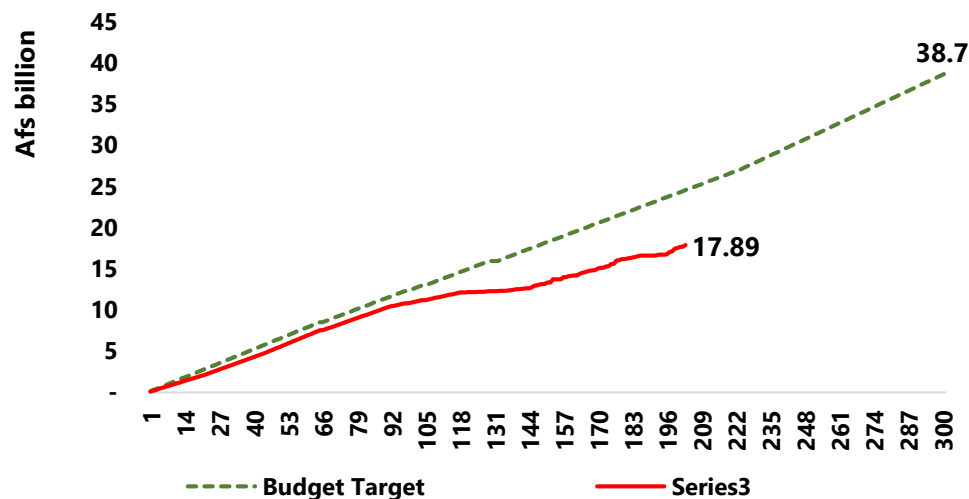
Values are in Million Afghanis

Mustofiats'	Annual Budget Target	Budget Target so far	Collection so far	Collection Vs Target	Above/Below Target (%)
HERAT	3,484.01	2,210.2	2,213.05	2.88	0.1%
BALKH	2,661.53	1,688.4	1,417.99	(270.42)	-16.0%
NANGARHAR	2,563.33	1,626.1	1,427.79	(198.33)	-12.2%
KANDAHAR	1,501.89	952.8	885.33	(67.43)	-7.1%
HELMAND	834.03	529.1	409.99	(119.10)	-22.5%
PAKTYA	752.39	477.3	401.35	(75.95)	-15.9%
KUNDUZ	585.93	371.7	354.27	(17.43)	-4.7%
KHOST	535.30	339.6	328.31	(11.27)	-3.3%
FARYAB	535.01	339.4	270.62	(68.78)	-20.3%
GHAZNI	520.84	330.4	292.25	(38.15)	-11.5%
PARWAN	516.78	327.8	315.18	(12.65)	-3.9%
TAKHAR	506.51	321.3	286.95	(34.37)	-10.7%
BAGHLAN	504.31	319.9	294.27	(25.65)	-8.0%
NIMROZ	437.55	277.6	285.59	8.02	2.9%
JAWZJAN	430.03	272.8	246.88	(25.92)	-9.5%
FARAH	411.31	260.9	247.53	(13.40)	-5.1%
BADAKHSHAN	404.46	256.6	181.55	(75.03)	-29.2%
KUNARHA	320.90	203.6	162.94	(40.64)	-20.0%
LAGHMAN	296.94	188.4	152.18	(36.19)	-19.2%
WARDAK	283.60	179.9	145.01	(34.90)	-19.4%
SAMANGAN	238.78	151.5	153.46	1.98	1.3%
BAMYAN	237.21	150.5	140.01	(10.47)	-7.0%
KAPISA	235.70	149.5	127.76	(21.76)	-14.6%
SAR-E- PUL	207.65	131.7	138.91	7.18	5.5%
LOGAR	203.37	129.0	97.08	(31.93)	-24.8%
GHOR	199.90	126.8	93.16	(33.65)	-26.5%
BADGHIS	178.98	113.5	106.49	(7.05)	-6.2%
DAYKUNDI	167.89	106.5	106.14	(0.36)	-0.3%
PAKTIKA	160.68	101.9	97.40	(4.53)	-4.4%
PANJSHER	143.19	90.8	75.50	(15.34)	-16.9%
ZABUL	128.66	81.6	89.23	7.61	9.3%
UROZGAN	80.61	51.1	63.16	12.02	23.5%
NOORISTAN	76.95	48.8	46.59	(2.23)	-4.6%
Total	20,346.23	12,907.14	11,653.93	(1,253.21)	-9.7%

Source: Revenue Management Information System (RMIS)

Ministries collection performance

Ministries collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 24.56 billion;

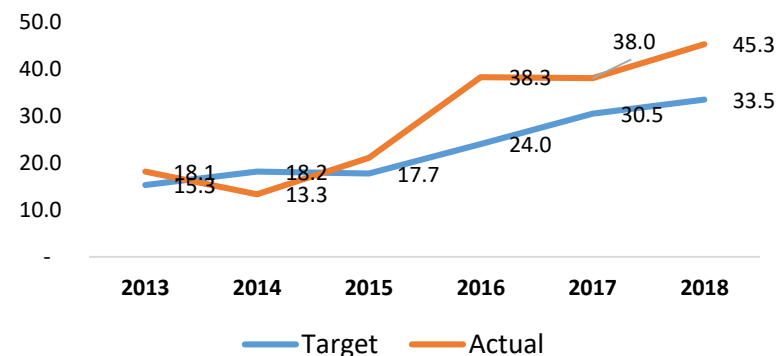
Collection to date: Afs 17.89 billion;

Collection is lower than the target by: Afs -6.67 billion.

Last year collection to date: Afs 21.09 billion.

Ministries historic performance

Billion (Afs)



Collections have significantly improved through Non-tax revenues. As on average:

- NTR exceeded the target by Afs 5.8 billion over the last 6 years;
- The target was exceeded by Afs 11.2 billion over the last 3 years;
- NTR collection doubled (1.6% to 3.2%) in the last 6 years when compared to GDP;
- Increasing NTRs reduces national assets, purchasing power, and increases burden on the general public.

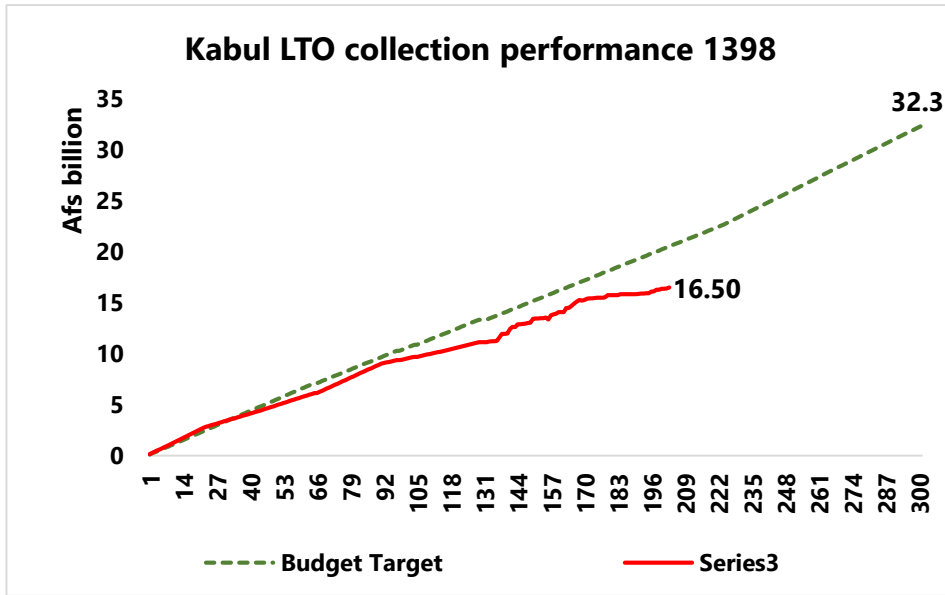
Ministry/agency revenue performance

Values are in Million Afghanis

Ministries	Annual BudgetTarget	Budget Target so far	Collection so far	Collection Vs Target	Above/Below Target (%)
Civil Aviation Authority	8,616.0	5,465.8	2,674.4	(2,791.4)	-51.1%
Ministry of Communication Information Technology	6,064.1	3,846.9	4,276.7	429.8	11.2%
Ministry of Finanace	5,415.5	3,435.4	1,042.7	(2,392.7)	-69.6%
Ministry of Interior Affairs	4,643.8	2,945.9	2,913.5	(32.4)	-1.1%
Ministry of Foreign Affairs	4,189.5	2,657.7	2,150.7	(507.0)	-19.1%
Afghanistan Railway Authority	2,787.8	1,768.5	1,519.2	(249.3)	-14.1%
Ministry of Mines	2,684.4	1,702.9	579.2	(1,123.7)	-66.0%
Ministry of Commerece and Industry	1,094.9	694.6	112.7	(581.8)	-83.8%
Ministry. of Trasport	694.6	440.6	247.7	(192.9)	-43.8%
Supreme Court	581.1	368.6	304.7	(64.0)	-17.4%
Ministry of Urban Development Affairs	578.3	366.9	38.3	(328.6)	-89.6%
Ministry of Higher Education	194.4	123.3	97.6	(25.7)	-20.9%
Others	1,172.0	743.5	1,936.1	1,192.6	160.4%
Total	38,716.3	24,560.6	17,893.5	(6,667.2)	-27.1%

Source: Revenue Management Information System (RMIS)

LTO collection performance



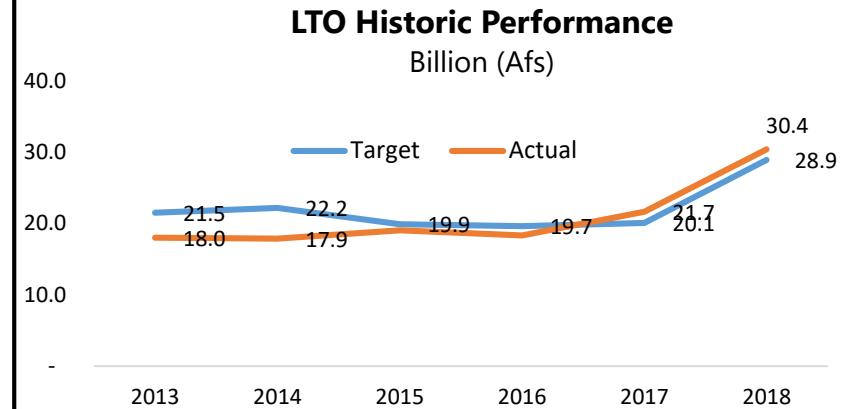
Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 20.52 billion;

Collection to date: Afs 16.50 billion;

Collection is lower than the target by: Afs -4.02 billion.

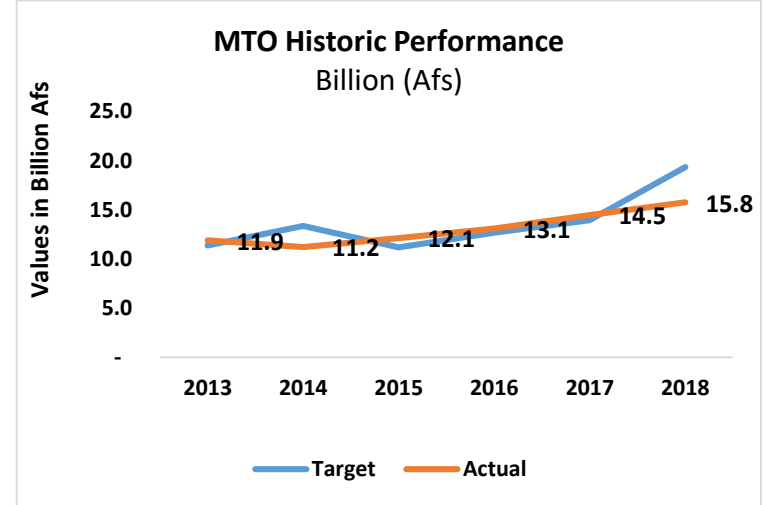
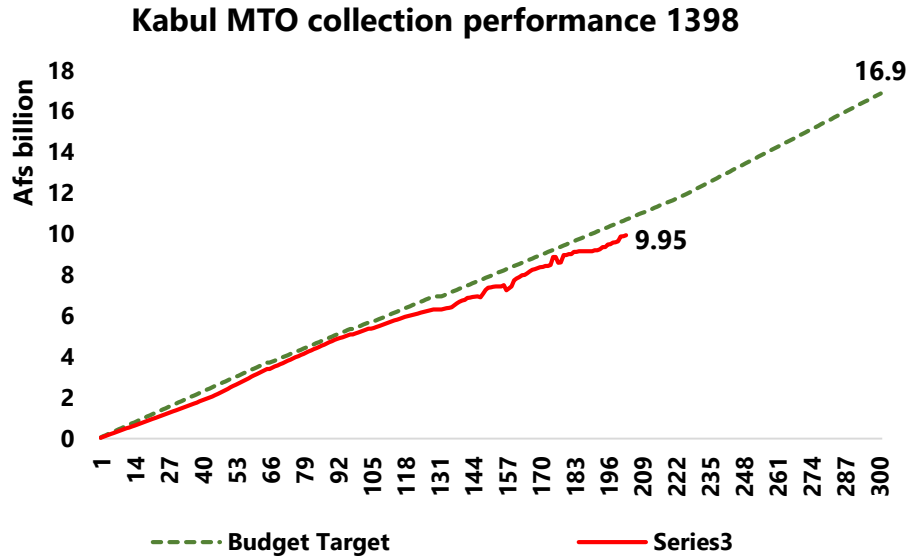
Last year collection to date: Afs 15.24 billion.



LTO continued to underperform on average by:

- Afs 1.2 billion over the last 6 years;
- Afs 600 million over the last 3 years;
- Collection remained stagnant when compared to GDP;
- LTO currently collects 28% of tax revenues against the international standard of 45%.

MTO collection performance



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 10.71 billion;

Collection to date: Afs 9.95 billion;

Collection is lower than the target by: Afs -0.76 billion.

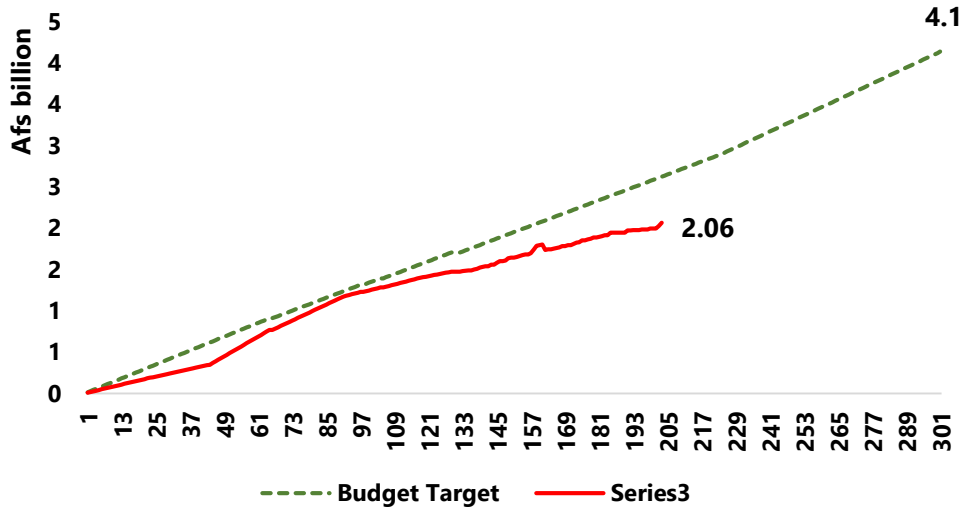
Last year collection to date: Afs 9.55 billion.

MTO collection continued to underperform. As on average:

- Collection were lower than the target by Afs 0.56 billion over the last 6 years;
- The collection were lower than the target by Afs 0.89 billion over the last 3 years;
- Collections were not improved when compared to GDP.

STO collection performance

Kabul STO collection performance 1398



Source: Revenue Management Information System (RMIS)

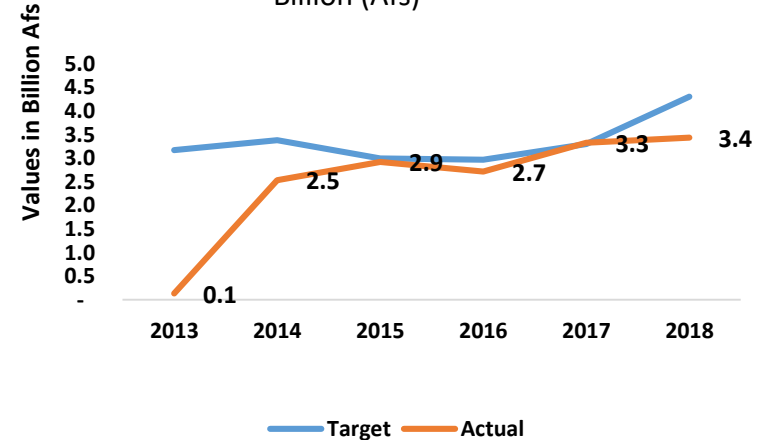
Budget Target to date: Afs 2.62 billion;

Collection to date: Afs 2.06 billion;

Collection is lower than the target by: Afs -0.56 billion.

Last year collection to date: Afs 1.99 billion.

STO Historic Performance
Billion (Afs)

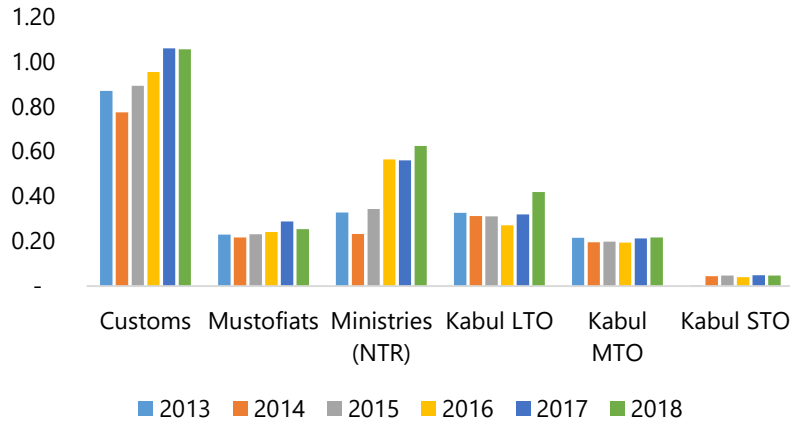


STO collection continued to underperform. As on average:

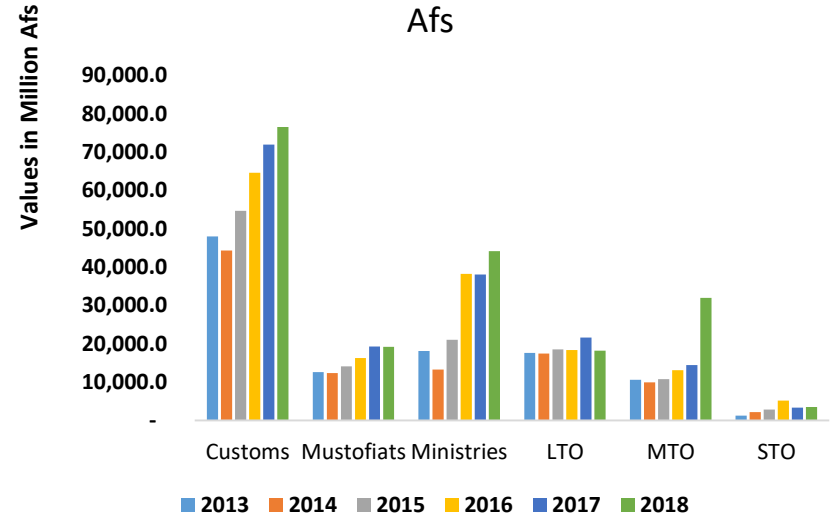
- Collection were lower than the target by Afs 0.84 billion over the last 6 years;
- The collection were lower than the target by Afs 0.36 billion over the last 3 years;
- Collections were not improved when compared to GDP.

Agency performance since 2013

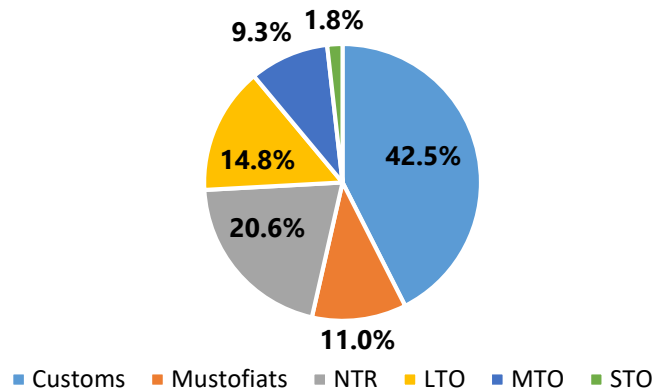
Agency performance since 2013
in million US\$



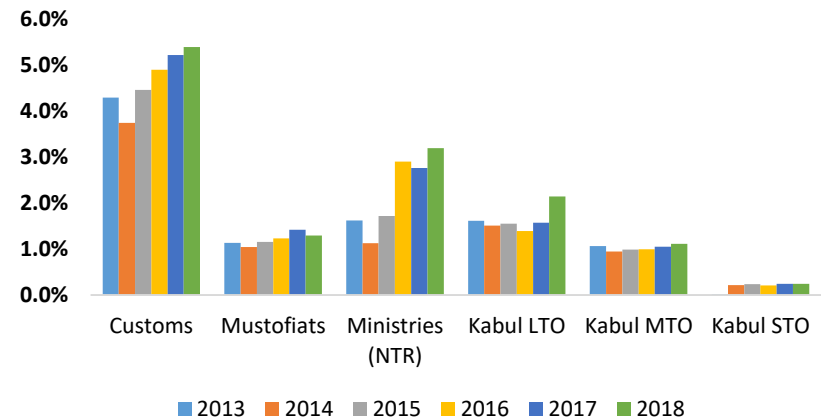
Agency Performance Since 2013 in Million Afs



Share in revenues (6 year average)



Agency Performance as a percentage of GDP since 2013



Budget execution summary

Development Expenditure (Afs million)			
	1397	1398	Difference
Development Expenditure	57,570.2	70,005.9	12,435.7
Execution to date (% of total Dev... Budget)	42.4%	52.1%	9.7%

Operating Expenditure (Afs million)			
	1397	1398	Difference
Operating Expenditure	158,746.8	39,145.5	(119,601.2)
Execution to date (% of total Opr... Budget)	56.6%	44.5%	-12.1%

Total Expenditure (Afs million)			
	1397	1398	Difference
Total Expenditure	216,316.9	109,151.5	(107,165.5)
Execution to date %	52.0%	51.4%	-0.5%

Monthly cash projection

Annex: Monthly Cashflow projections														
Values are in Afs billion	1	2	3	4	5	6	7	8	9	10	11	12	End-year total	
Sources of Funds	Actuals							Forecasts					Projections	Budget
Total	14.7	18.1	29.6	28.7	41.6	28.2	24.1	47.4	34.3	38.0	33.9	46.3	384.8	408.6
1. Domestic Revenues	14.5	13.7	14.3	15.7	22.4	13.5	16.0	16.2	17.4	14.9	17.2	21.2	197.0	188.0
2. Total Grants	0	4.4	15.3	13.0	19.3	14.7	8.1	31.2	16.9	23.1	16.7	25.0	187.8	220.6
a. Operating grants	0	2.0	9.9	7.0	15.9	1.8	2.4	13.9	10.6	11.5	11.0	15.2	101.2	98.8
1. Security	0	2.0	9.9	7.0	15.9	1.8	2.4	11.2	10.6	11.5	11.0	15.2	98.5	98.8
2. Non-security	-	-	-	-	-	-	-	2.7	-	-	-	-	2.7	-
b. Development Grants	0.2	2.4	5.4	5.9	3.4	12.9	5.7	17.3	6.2	11.6	5.7	9.8	86.6	121.8
1. Discretionary	-	-	-	-	-	8.7	-	15.0	-	7.1	-	4.7	35.6	58.8
Operating surplus from the last ye	-	-	-	-	-	-	-	-	-	-	-	-	-	10.0
2. Non-discretionary	0.2	2.4	5.4	5.9	3.4	4.2	5.7	2.3	6.2	4.5	5.7	5.1	51.0	63.0
Uses of Funds													end-year Total	
Total	4.7	20.7	26.7	42.3	32.1	37.9	33.6	37.6	32.5	35.5	39.8	46.6	390.1	406.5
1. Operating Expenditures	4.7	18.0	19.6	27.3	22.1	22.2	25.4	28.0	23.2	24.9	27.4	29.5	272.4	282.3
2. Development Expenditures	-	2.7	7.0	15.0	10.0	15.7	8.2	9.7	9.3	10.6	12.4	17.1	117.7	124.2
1. Discretionary	-	1.2	3.8	5.4	4.1	7.7	3.9	4.8	5.5	6.3	5.3	8.8	56.9	61.2
2. Non-Discretionary	-	1.5	3.2	9.6	5.9	8.0	4.3	4.9	3.8	4.3	7.1	8.3	60.7	63.0
Surplus/Deficit	10.0	(2.6)	2.9	(13.6)	9.5	(9.7)	(9.6)	9.7	1.8	2.5	(5.9)	(0.3)	(5.3)	2.1

TREASURY DAILY CASH POSITION REPORT				
August 28, 2019				
I	SUMMARY REPORT OF FUNDS AVAILABLE UNDER THE OPERATING BUDGET			
		(Mn Afs)	(Mn Afs)	(Mn Afs)
	Opening Balance Of Unrestricted Funds (FY 1398)			16,747
	Restricted 1397 balance (1398 budget allocation Disc Development)			10,000
	Daily Revenue Collection		570	
	Total Domestic Revenues collected (Operating Budget) Excluding Restricted		114,507	
	One off Revenues (DAB Dividend)		8,991	
	Donor Revenues (Recurrent Budget Grants)	63,002		
	Less: Security Sector Advances (MOD & MOI grants)	(4,435)		
	Excess / (Shortfall) in Donor Funds (1398)		58,566	
	Total Recurrent Budget Revenues			182,064
	Less : Transfers to Discretionary Development Budget Expenditures			(18,017)
	Recurrent Budget Expenditures (Including Cash Transfer To Province)			(178,555)
	Excess / (Shortfall) in Funds (1398)			(14,507)
	BALANCE OF AVAILABLE FUNDS (Without Restrictions)			12,240
	Currency Exchange Gain (Realised)		10,624	
	Currency Exchange Gain (Unrealised Reserve) holding forex balance		5,980	
	PRGF Funds (153.043 Mn USD)		10,304	
	ARTF Advance Payment (50 Mn USD)		2,500	29,408
	TOTAL AVAILABLE BALANCE OF FUNDS			41,648
II	SUMMARY OF FUNDS AVAILABLE AND BUDGET UNDER THE DISCRETIONARY DEVELOPMENT BUDGET			
	CASH POSITION		BUDGET AND ALLOTMENT	
	Particulars	Mn Afs		Mn Afs
	Opening Balance (1398 balance)	8,315	Total Approved Budget	61,222
	Receipts	30,771	Total Allotments issued	55,027
	Other Receipts		Expenditures	32,213
	Total Funds Available	39,086	Balance of Unspent Allotment	22,815
	Expenditures	32,213	Net Funds available	6,874
	Net Funds Available	6,874	Allotments without financing	15,941
	Note:			
	1- Unspent cash balance in provinces	13,842	Bn Afs	
	2- Total available cash balances (incl Disc Dev & Province)	32,955	Bn Afs	
III	BALANCE OF FUNDS RECEIVABLE AGAINST ESTIMATED BUDGET AND DONOR COMMITMENTS FOR 1398			
	Sources	Afs Million		
		Budget	Receipts	Balance
	Operating Budget	275,224	168,806	106,417
	Domestic revenues (Operating budget)	188,006	114,507	73,499
	Donor Financing Commitments - Operating	98,844	54,300	44,544
	LOTFA	28,000	16,556	11,444
	CSTC-A MOD	60,520	31,461	29,059
	CSTC-A MOI	10,299	6,260	4,039
	NATFO - NSC	25	23	2
		Budget	Receipts	Transfers + Direct receipts
	Donor Financing Commitments - Discretionary Development	58,826	8,702	30,771
	Revenue Surplus (1397)	10,000	0	10,000
	Revenue Surplus (1398)	11,626	0	11,626
	European Commission	7,440	8,702	8,017
	ARTF (IP +)	29,760	12,755	12,755
				17,005