



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

Fifth Cash Management Committee Meeting Minutes July 24, 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:

There were no major points to discuss about the fiscal performance and the overall cash position, cash position of the government is in line with our projections. However, we discussed the distribution of the Afs 12 billion additional amount which is also agreed with the IMF to increase to the revenue target. In this regard, The MoF management instructed to reflect the increase in individual agency level targets in consultation with the departments of Customs and Revenues.

جمهوری اسلامی افغانستان
وزارت مالیه



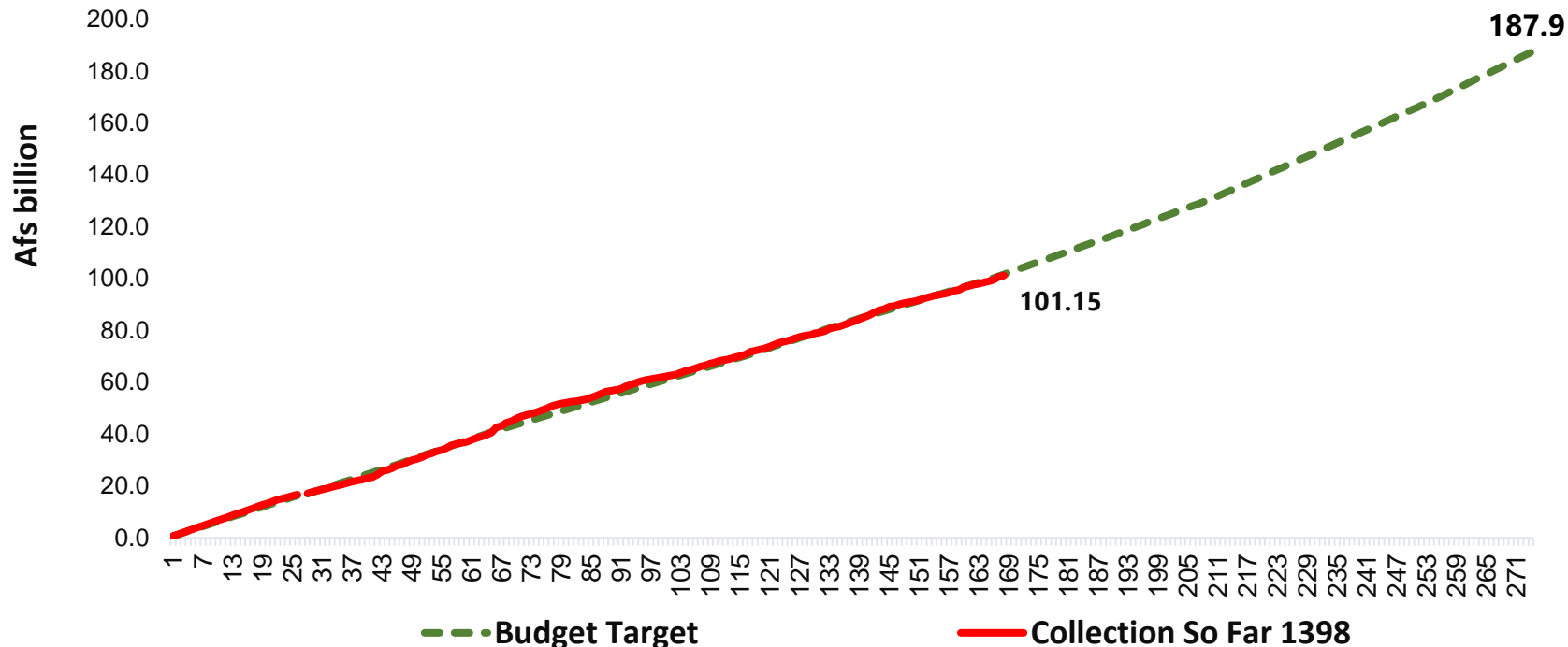
د افغانستان اسلامی جمهوریت
د مالیې وزارت

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

Fiscal Performance in 2019

as of July 24, 2019

Total revenue collection to date



Source: Afghanistan Financial Management Information System (AFMIS)

Budget target to date: Afs 101.6 billion;

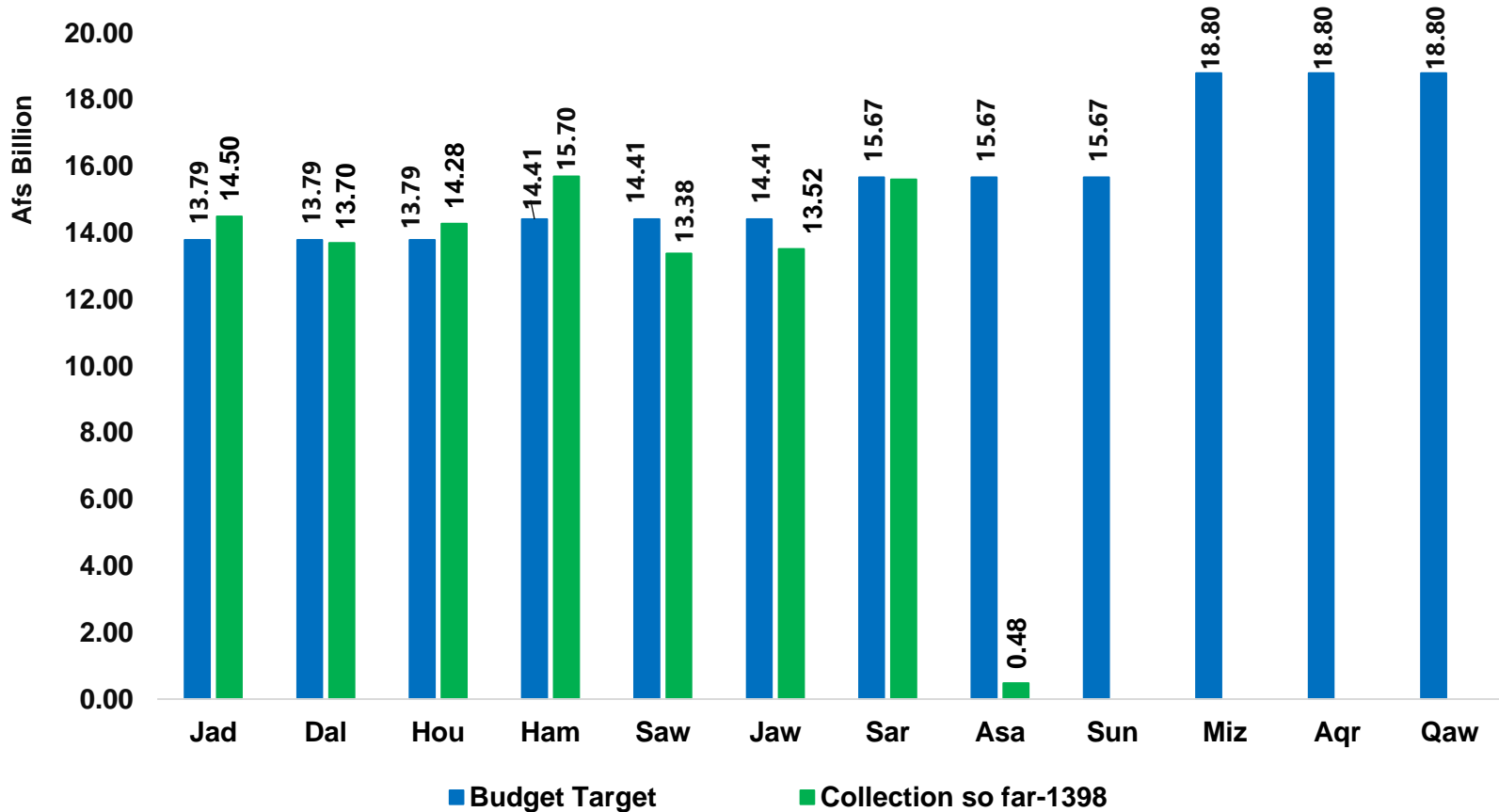
Collection to date: Afs 101.15 billion;

Collection is lower than the target by: Afs -0.48 billion.

Last year collection to date: Afs 94.23 billion.

Collection performance by month

On average, monthly collection is above the budget target by Afs 0.06 billion during the first seven months.



Source: Afghanistan Financial Management Information System (AFMIS)

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

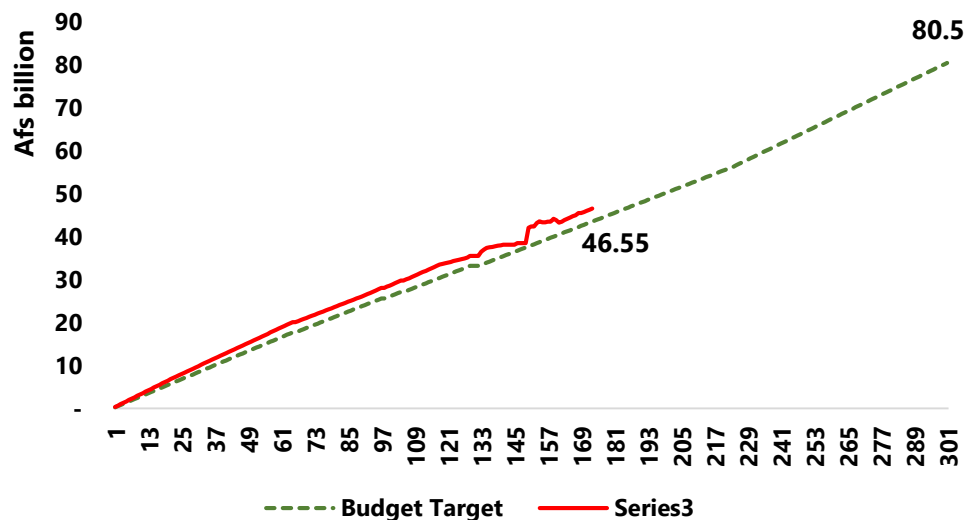
- **Linear Trend:** Afs 179.99 billion;
- **Growth Trend:** Afs 191.21 billion.
- **Pattern:** Afs 187.21 billion

	Actual							Forecast					
Billion Afs	Jad	Dal	Hou	Ham	Saw	Jaw	Sar	Asa	Sun	Miz	Aqr	Qaw	TOTAL
Linear Trend	14.50	13.70	14.28	15.70	13.38	13.52	15.60	14.51	15.62	16.12	16.13	16.93	179.99
Growth Trend	14.50	13.70	14.28	15.70	13.38	13.52	15.60	16.38	17.20	18.06	18.97	19.92	191.21
Pattern	14.50	13.70	14.28	15.70	13.38	13.52	15.60	14.84	15.00	16.03	16.71	23.95	187.21
Actual FY-1397	13.34	10.99	13.58	14.65	12.36	14.74	15.51	13.04	17.84	16.62	23.48	23.76	189.91

Source: MFPD Staff forecast

Customs Collection Performance

Customs' collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 43.50 billion;

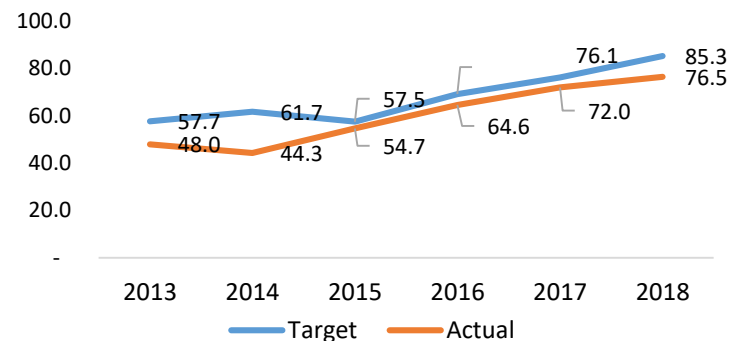
Collection to date: Afs 45.55 billion;

Collection is higher than the target by: Afs 3.05 billion.

Last year collection to date: Afs 43.33 billion.

Note: Afs 3.20 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.

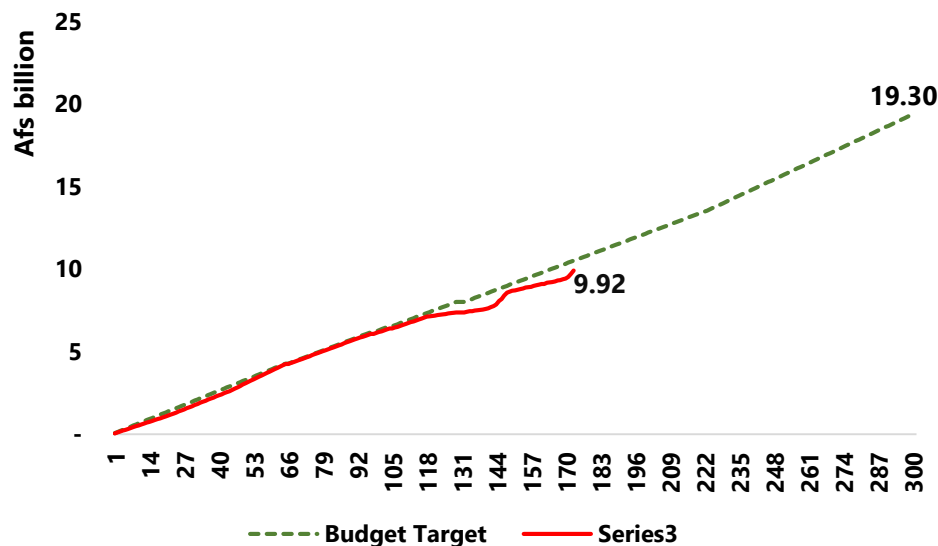
Individual Customs House's revenue performance - 1398

Values are in Million Afghanis					
Customs House	Annual Budget Target	BudgetTarget so far	Collection so far	Collection Vs Target	Above/Below Target (%)
NANGARHAR	17,343.44	9,382.92	10,279.67	896.76	9.6%
PAKTIKA	367.68	198.92	663.18	464.27	233.4%
PAKTYA	786.49	425.50	738.01	312.51	73.4%
KHOST	553.60	299.50	713.27	413.77	138.2%
KUNARHA	8.11	4.39	1.69	(2.70)	-61.5%
BADAKHSHAN	5.75	3.11	1.65	(1.47)	-47.1%
TAKHAR	21.14	11.43	13.72	2.29	20.0%
KUNDUZ	988.68	534.88	583.66	48.78	9.1%
BALKH	12,590.13	6,811.34	5,723.09	(1,088.26)	-16.0%
KANDAHAR	7,449.56	4,030.26	6,602.86	2,572.60	63.8%
FARYAB	3,834.95	2,074.73	2,577.09	502.35	24.2%
HERAT	21,823.12	11,806.45	11,064.44	(742.01)	-6.3%
FARAH	3,762.90	2,035.76	1,490.01	(545.74)	-26.8%
NIMROZ	7,229.70	3,911.32	4,444.48	533.16	13.6%
Kabul - Custom Airport	2,217.73	1,199.80	1,144.88	(54.93)	-4.6%
Kabul - Custom	1,423.34	770.04	491.88	(278.16)	-36.1%
Kabul - Custom Post Porcel	6.38	3.5	16.59	13.14	380.5%
Kabul - Custom	-	-	0.003	0.00	
Total	80,412.72	43,503.81	46,550.18	3,046.37	7.0%

Source: Revenue Management Information System (RMIS)

Mustofiats' collection performance

Mustofiats' collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date : Afs 10.52 billion;

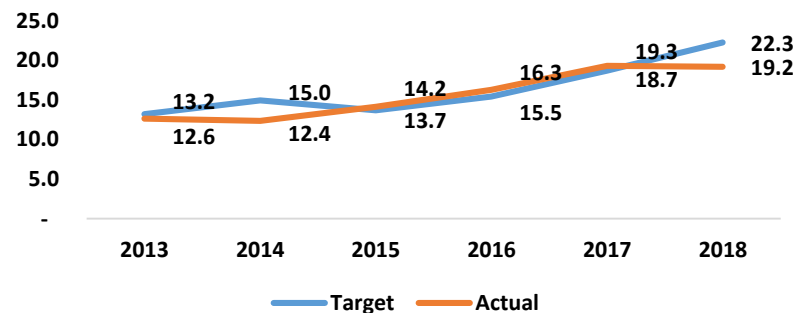
Collection to date: Afs 9.92 billion;

Collection is lower than the target by: Afs - 0.59 billion.

Last year collection to date: Afs 10.13 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.

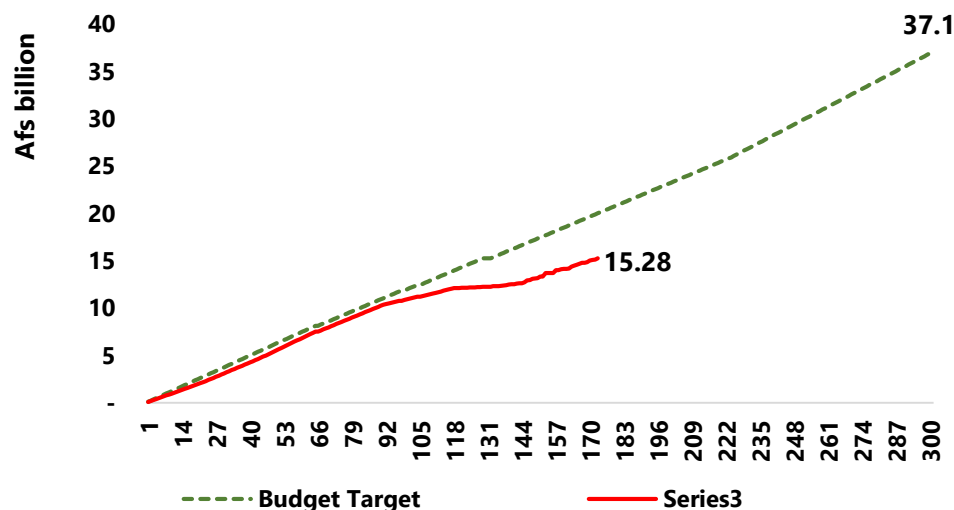
Individual Mustofiat's revenue collection performance - 1398

Values are in Million Afghanis					
Mustofiats'	Annual Budget Target	BudgetTarget so far	Collection so far	Collection Vs Target	Above/Below Target (%)
KAPISA	225.22	121.8	107.28	(14.56)	-12.0%
PARWAN	493.82	267.2	263.68	(3.48)	-1.3%
WARDAK	271.00	146.6	127.90	(18.71)	-12.8%
LOGAR	194.33	105.1	81.93	(23.20)	-22.1%
NANGARHAR	2,449.42	1,325.2	1,187.56	(137.59)	-10.4%
LAGHMAN	283.74	153.5	135.32	(18.19)	-11.8%
PANJSHER	136.83	74.0	62.53	(11.50)	-15.5%
BAGHLAN	481.90	260.7	255.27	(5.44)	-2.1%
BAMYAN	226.67	122.6	113.04	(9.59)	-7.8%
GHAZNI	497.69	269.3	255.33	(13.93)	-5.2%
PAKTIKA	153.54	83.1	85.57	2.50	3.0%
PAKTYA	718.95	389.0	347.87	(41.08)	-10.6%
KHOST	511.51	276.7	269.82	(6.91)	-2.5%
KUNARHA	306.64	165.9	140.71	(25.18)	-15.2%
NOORISTAN	73.53	39.8	34.58	(5.20)	-13.1%
BADAKHSHAN	393.03	212.6	192.22	(20.42)	-9.6%
TAKHAR	484.00	261.8	245.47	(16.38)	-6.3%
KUNDUZ	559.89	302.9	310.99	8.09	2.7%
SAMANGAN	228.17	123.4	134.13	10.69	8.7%
BALKH	2,543.25	1,375.9	1,187.51	(188.40)	-13.7%
SAR-E- PUL	198.42	107.3	115.21	7.86	7.3%
GHOR	191.02	103.3	79.01	(24.33)	-23.5%
DAYKUNDI	160.42	86.8	88.46	1.67	1.9%
UROZGAN	77.03	41.7	49.95	8.27	19.9%
ZABUL	122.94	66.5	78.49	11.98	18.0%
KANDAHAR	1,435.14	776.4	756.36	(20.06)	-2.6%
JAWZJAN	410.92	222.3	219.14	(3.17)	-1.4%
FARYAB	511.23	276.6	242.61	(33.97)	-12.3%
HELMAND	796.97	431.2	353.44	(77.72)	-18.0%
BADGHIS	171.03	92.5	86.00	(6.53)	-7.1%
HERAT	3,329.18	1,801.1	1,918.53	117.43	6.5%
FARAH	386.48	209.1	158.52	(50.57)	-24.2%
NIMROZ	418.11	226.2	238.89	12.69	5.6%
Total	19,442.01	10,518.26	9,923.31	(594.95)	-5.7%

Source: Revenue Management Information System (RMIS)

Ministries collection performance

Ministries collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 20.03 billion;

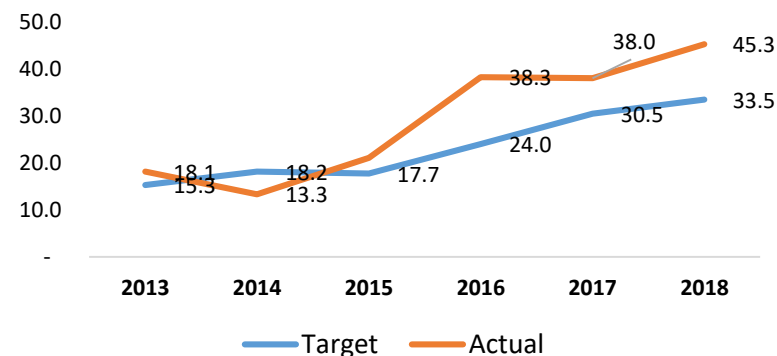
Collection to date: Afs 15.28 billion;

Collection is lower than the target by: Afs -4.75 billion.

Last year collection to date: Afs 18.69 billion.

Ministries historic performance

Billion (Afs)



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

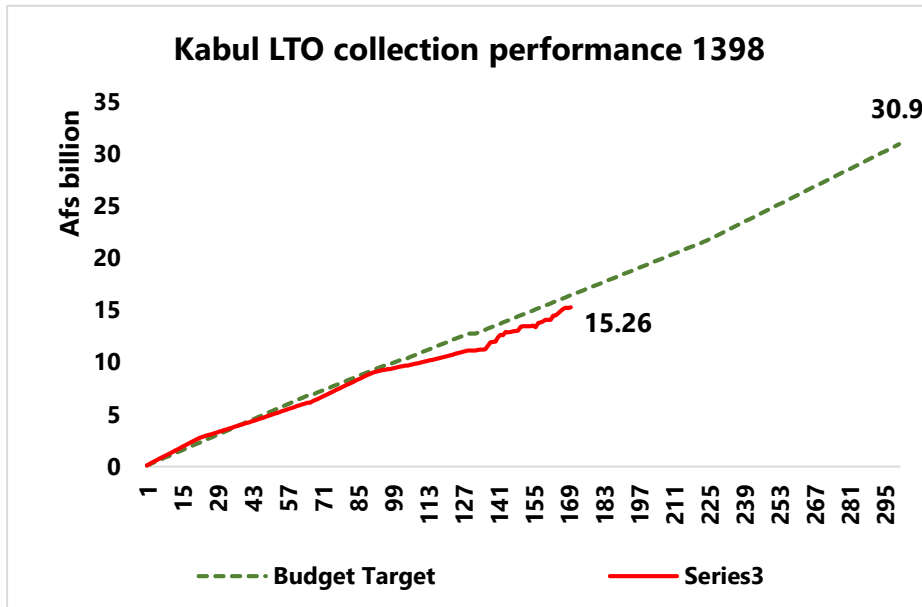
- NTR exceeded the target by Afs 5.8 billion over the last 6 years;
- The target was exceeded by Afs 11.2 billion over the last 3 years;
- NTR collection doubled (1.6% to 3.2%) in the last 6 years when compared to GDP;
- Increasing NTRs reduces national assets, purchasing power, and increases burden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

Ministry/agency revenue performance

Values are in Million Afghanis					
Ministries	Annual Budget Target	Budget Target so far	Collection so far	Collection Vs Target	Above/Below Target (%)
Civil Aviation Authority	8,233.1	4,454.2	2,473.9	(1,980.2)	-44.5%
Ministry of Communication Information Technology	5,794.6	3,134.9	3,516.4	381.5	12.2%
Ministry of Interior Affairs	4,437.4	2,400.7	2,695.5	294.8	12.3%
Ministry of Foreign Affairs	4,003.4	2,165.8	1,886.8	(279.0)	-12.9%
Afghanistan Railway Authority	2,663.9	1,441.2	1,167.7	(273.5)	-19.0%
Ministry of Mines and Petroleum	2,565.1	1,387.7	579.0	(808.7)	-58.3%
Ministry of Finanace	2,462.9	1,332.4	491.8	(840.6)	-63.1%
Ministry of Commerece and Industry	1,046.2	566.0	89.1	(476.9)	-84.3%
Ministry. of Trasport	663.7	359.1	247.7	(111.4)	-31.0%
Supreme Court	555.3	300.4	261.0	(39.4)	-13.1%
Ministry of Higher Education	185.7	100.5	81.9	(18.6)	-18.5%
Ministry of Public Health	142.0	76.8	145.9	69.0	89.9%
Others	4,269.2	2,309.6	1,641.8	(667.8)	3082.9%
Total	37,022.5	20,029.4	15,278.7	(4,750.7)	-23.7%

Source: Revenue Management Information System (RMIS)

LTO collection performance



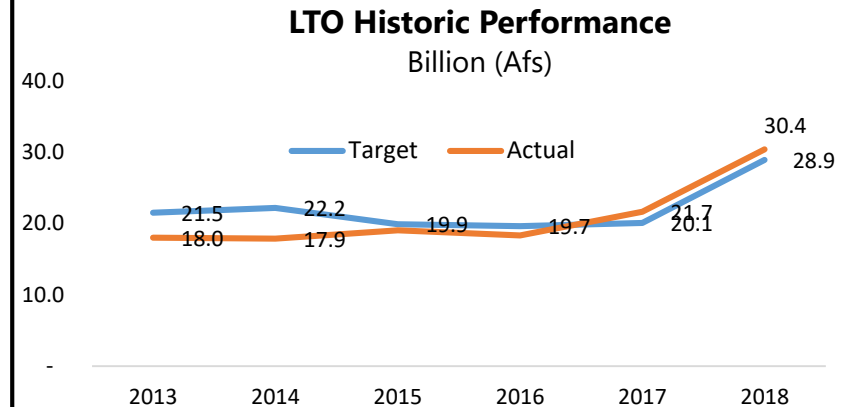
Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 16.72 billion;

Collection to date: Afs 15.22 billion;

Collection is lower than the target by: Afs -1.46 billion.

Last year collection to date: Afs 14.27 billion.

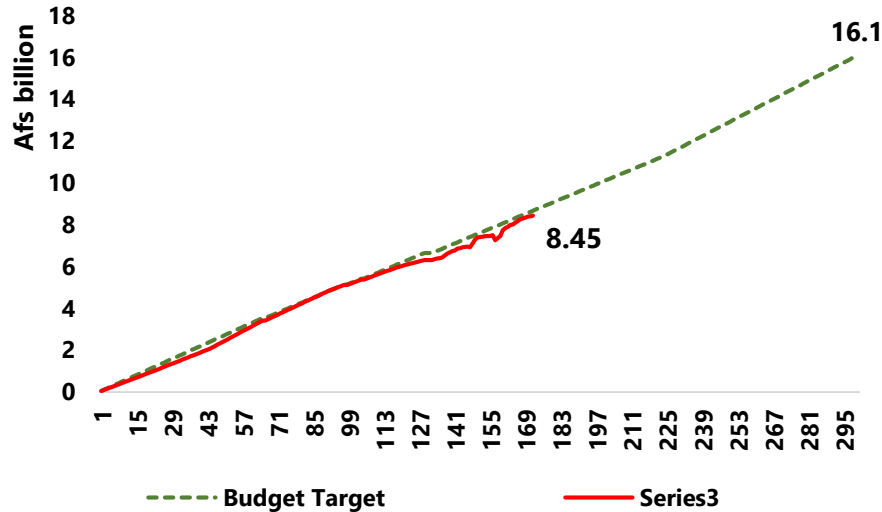


LTO continued to underperform on average by:

- 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

Kabul MTO collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 8.73 billion;

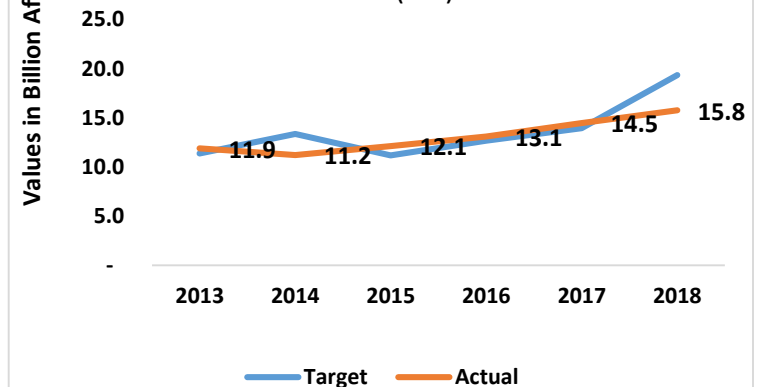
Collection to date: Afs 8.45 billion;

Collection is lower than the target by: Afs -0.34 billion.

Last year collection to date: Afs 8.17 billion.

MTO Historic Performance

Billion (Afs)

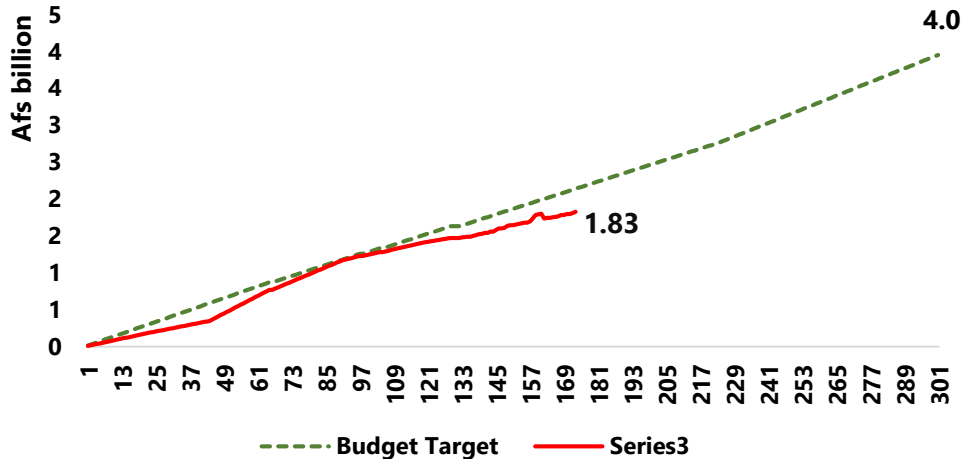


MTO collection continued to underperform. As on average:

- 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 2.14 billion;

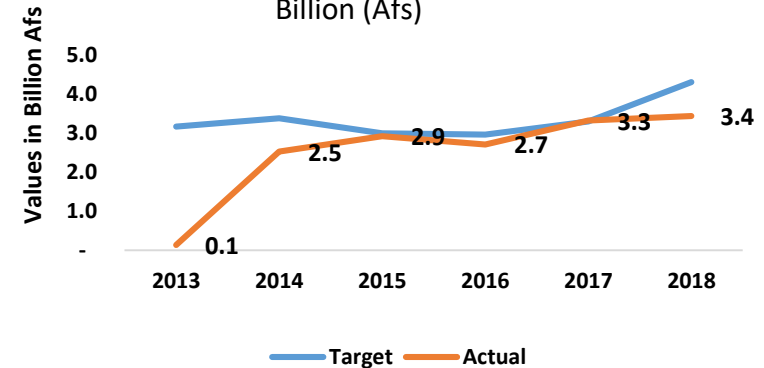
Collection to date: Afs 1.83 billion;

Collection is lower than the target by: Afs -1.31 billion.

Last year collection to date: Afs 1.76 billion.

STO Historic Performance

Billion (Afs)

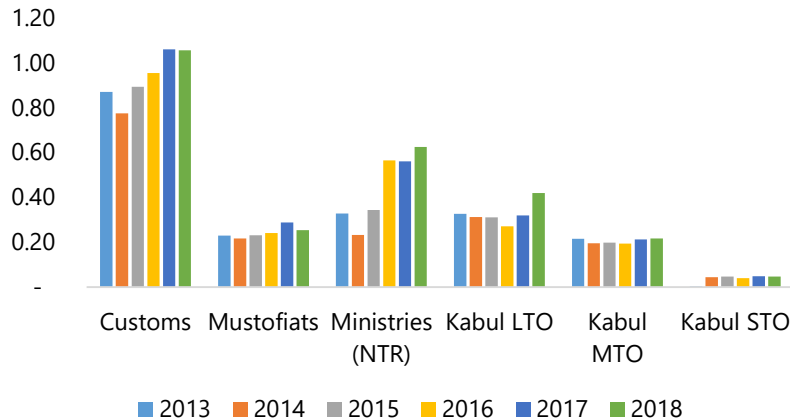


STO collection continued to underperform. As on average:

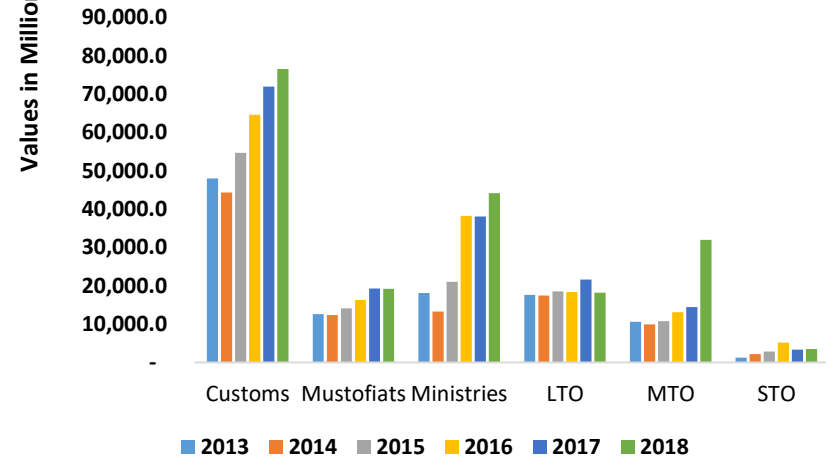
- Collection were lower than the target by Afs 0.84 billion over the last 6 years;
- The collection were lower than the target by Afs 0.36 billion over the last 3 years;
- Collections were not improved when compared to GDP.

Agency performance since 2013

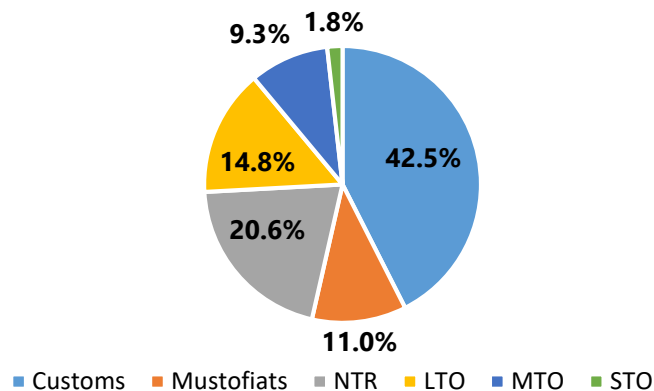
Agency performance since 2013
in million US\$



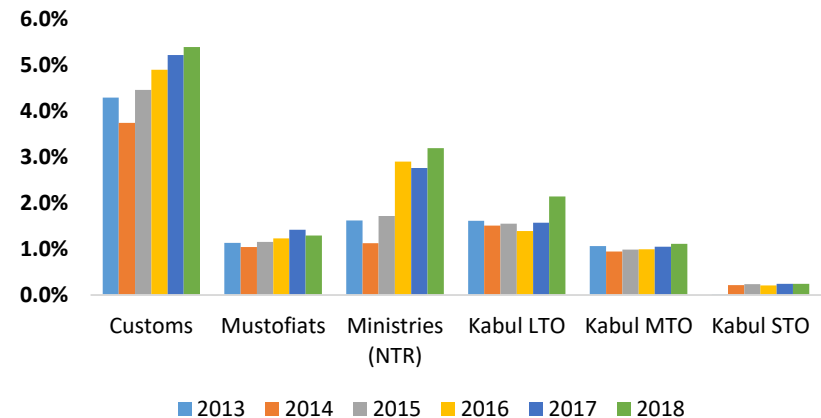
Agency Performance Since 2013 in Million
Afs



Share in revenues (6 year average)



Agency Performance as a percentage of GDP since
2013



Budget execution summary

Development Expenditure (Afs million)				Amount Executed Today
	1397	1398	Difference	1398
Development Expenditure	48,117.6	58,734.3	10,616.7	344.23
Execution to date (% of total Dev... Budget)	35.4%	45.1%	9.6%	0.3%

Operating Expenditure (Afs million)				Amount Executed Today
	1397	1398	Difference	1398
Operating Expenditure	132,448.5	140,882.5	8,434.0	941.53
Execution to date (% of total Opr... Budget)	47.2%	53.0%	5.8%	0.4%

Total Expenditure (Afs million)				Amount Executed Today
	1397	1398	Difference	1398
Total Expenditure	180,566.0	199,616.8	19,050.8	1285.76
Execution to date %	43.4%	51.8%	8.4%	0.3%

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						Projection Budget	
Total	14.6	17.2	25.7	26.7	32.7	46.6	26.1	36.2	31.2	40.9	32.0	46.8	376.7	397.0
1. Domestic Revenues	14.6	13.8	14.4	15.9	13.4	13.7	12.5	16.9	17.4	16.2	17.8	21.2	188.0	188.0
2. Total Grants	0	3.3	11.3	10.8	19.3	32.9	13.6	19.3	13.8	24.7	14.2	25.5	181.2	209.0
a. Operating grants	0	2.0	9.9	7.0	15.9	15.7	7.9	9.6	7.6	8.9	8.5	9.2	102.1	98.8
1. Security	0	2.0	9.9	7.0	15.9	13.0	7.9	9.6	7.6	8.9	8.5	9.2	99.4	98.8
2. Non-security	-	-	-	-	-	2.7	-	-	-	-	-	-	2.7	-
b. Development Grants	-	1.4	1.4	3.7	3.4	17.2	5.7	2.3	6.2	15.8	5.7	16.4	79.1	110.2
1. Discretionary	-	-	-	-	-	8.7	-	-	-	11.3	-	11.3	31.2	47.2
Operating surplus from the last year	-	-	-	-	-	-	-	-	-	-	-	-	-	10.0
2. Non-discretionary	-	1.4	1.4	3.7	3.4	8.5	5.7	2.3	6.2	4.5	5.7	5.1	47.9	63.0
Uses of Funds													end-year Total	
Total	4.7	20.7	26.7	42.3	32.1	41.4	32.7	34.0	30.5	33.5	37.8	44.6	381.3	406.5
1. Operating Expenditures	4.7	18.0	19.6	27.4	22.1	25.8	24.3	24.4	21.3	22.9	25.4	27.5	263.5	282.3
2. Development Expenditures	-	2.7	7.0	15.0	10.0	15.6	8.5	9.7	9.3	10.6	12.4	17.1	117.8	124.2
1. Discretionary	-	1.2	3.8	5.4	4.1	7.7	4.7	4.8	5.5	6.3	5.3	8.8	57.7	61.2
2. Non-Discretionary	-	1.5	3.2	9.6	5.9	7.9	3.8	4.9	3.8	4.3	7.1	8.3	60.2	63.0
Surplus/Deficit	9.9	(3.6)	(0.9)	(15.6)	0.6	5.2	(6.6)	2.2	0.7	7.3	(5.8)	2.1	(4.5)	(9.5)

TREASURY DAILY CASH POSITION REPORT

July 24, 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
	Domestic Revenues (Operating Budget) Excluding Restricted		101,154	
	One off Revenues (DAB Dividend)		8,991	
	Donor Revenues (Recurrent Budget Grants)	54,238		
	Less: Security Sector Advances (MOD & MOI grants)	(2,678)		
	Excess / (Shortfall) in Donor Funds (1398)		51,560	
	Total Recurrent Budget Revenues			161,705
	Less : Transfers to Discretionary Development Budget Expenditures			(18,017)
	Recurrent Budget Expenditures (Including Cash Transfer To Province)			(142,761)
	Excess / (Shortfall) in Funds (1398)			928
	BALANCE OF AVAILABLE FUNDS (Without Restrictions)			27,675
	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			57,083
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	54,606
	Other Receipts		Expenditures	26,403
	Total Funds Available	39,086	Balance of Unspent Allotment	28,202
	Expenditures	26,403	Net Funds available	12,683
	Net Funds Available	12,683	Allotments without financing	15,520
	Note:			
	1- Unspent cash balance in provinces	2,411	Bn Afs	
	2- Total available cash balances (incl Disc Dev & Province)	42,768	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	146,691	128,533
	Domestic revenues (Operating budget)	188,006	101,154	86,851
	Donor Financing Commitments - Operating	98,844	45,537	53,307
	LOTFA	28,000	14,481	13,519
	CSTC-A MOD	60,520	25,581	34,939
	CSTC-A MOI	10,299	5,452	4,847
	NATFO - NSC	25	22	3
	Donor Financing Commitments - Discretionary Development	58,826	8,702	23,389
	Revenue Surplus (1397)	10,000	0	0
	Revenue Surplus (1398)	11,626	0	7,645
	European Commission	7,440	8,702	(1,262)
	ARTF (IP +)	29,760	12,755	17,005