



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

Cash Management Committee
Meeting Minutes
October 15, 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. The ARD to issue an official letter to the Ministry of Foreign Affairs and request for accounts clearance within one week.
2. The ARD to meet SOEs about transferring the recognized revenues to the government revenue accounts on an urgent basis.
3. The DM Finance to notify all line ministries and agencies that their budget allocations will be deducted if they did not execute their development budget as of the given target.
4. The HR to immediately hire interns or reshuffle staffs from the other departments of the ministry to STO for the remaining two months of the fiscal year to speed up with the revenue collection from areas where major revenues are pending due to work load.

جمهوری اسلامی افغانستان
وزارت مالیه



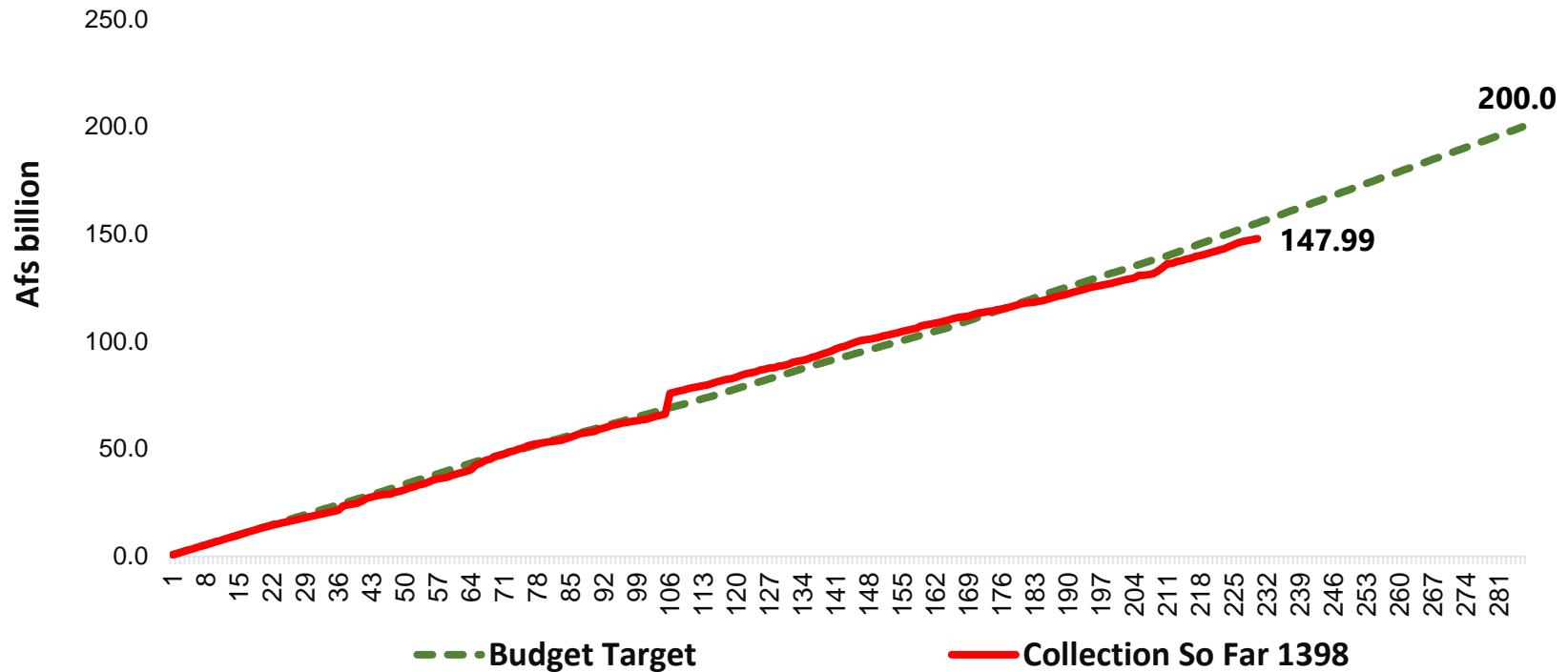
د افغانستان اسلامی جمهوریت
د مالیې وزارت

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

Fiscal Performance in 2019

October 15, 2019

Revenue collection to date



Source: Afghanistan Financial Management Information System (AFMIS)

Budget target to date: Afs 155.2 billion;

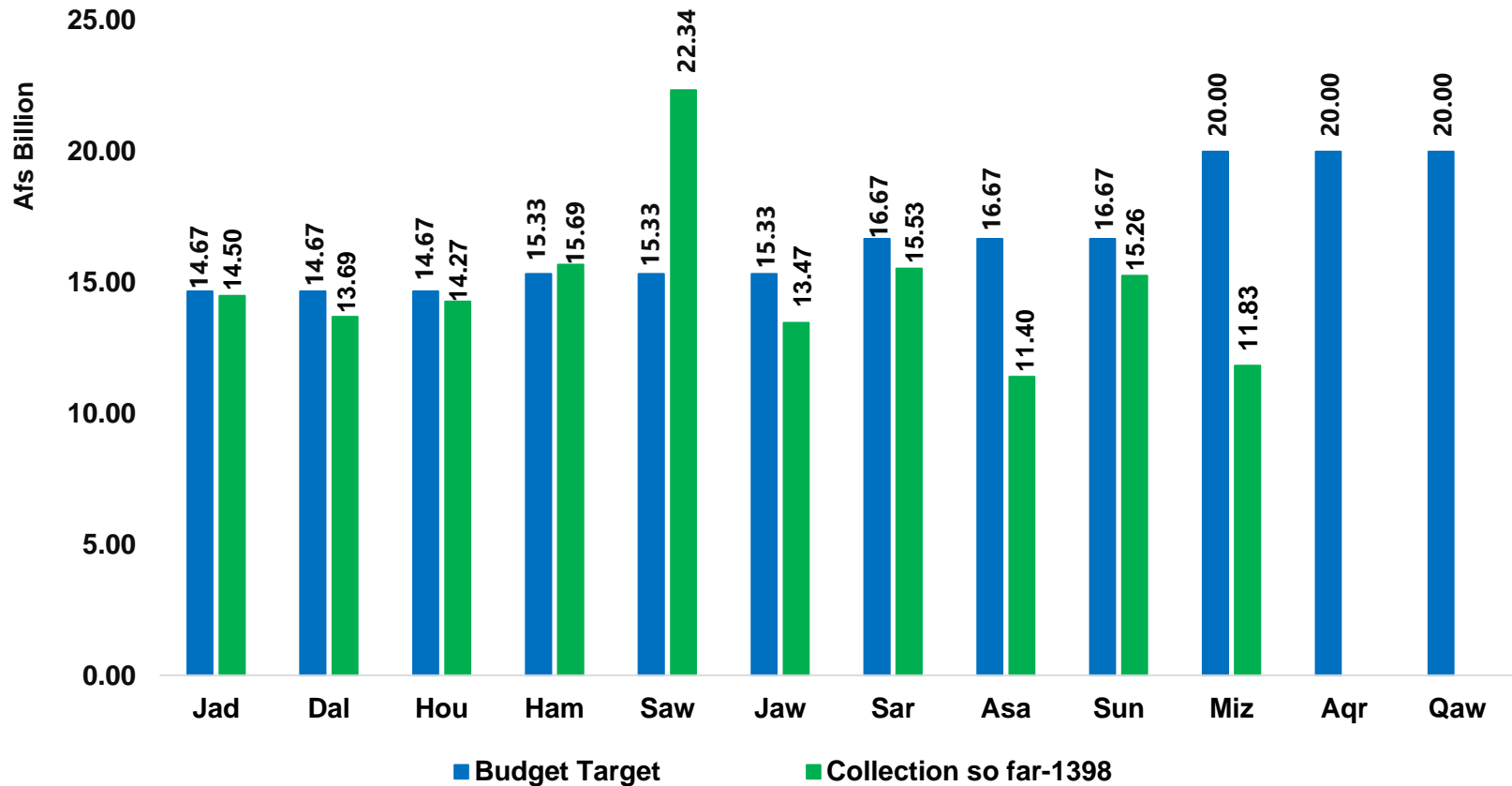
Collection to date: Afs 147.99 billion;

Collection is lower than the target by: Afs -7.22 billion.

Last year collection to date: Afs 137.41 billion.

Collection performance by month

On average, monthly collection is below the budget target by Afs 0.43 billion during the nine months.



Source: Afghanistan Financial Management Information System (AFMIS)

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

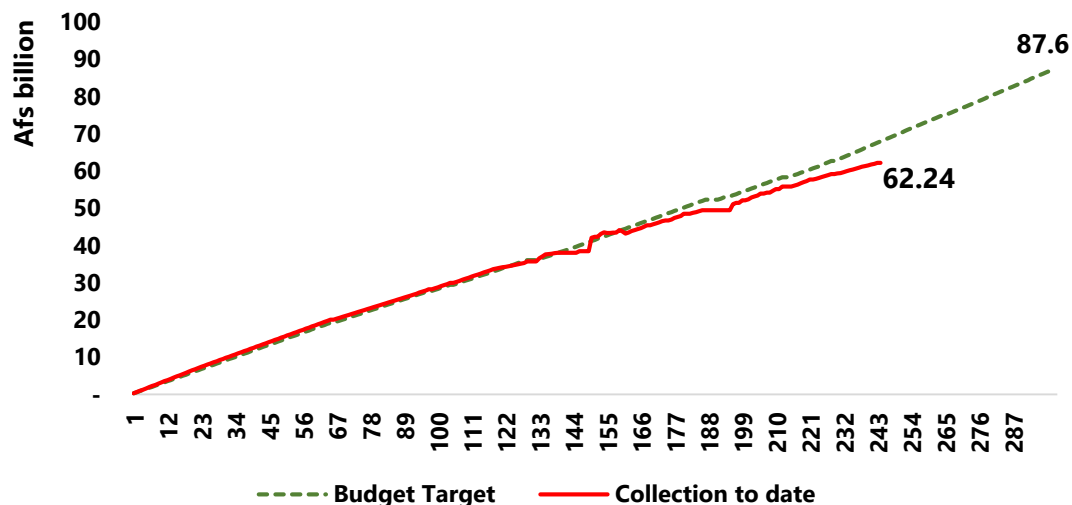
- **Linear Trend:** Afs 184.4 billion;
- **Growth Trend:** Afs 191.7 billion;
- **Pattern:** Afs 193.8 billion.

| | 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 | 22.3 | 13.5 | 15.5 | 11.4 | 15.3 | 15.7 | 15.5 | 17.1 | 184.4 |
| Growth Trend | 14.5 | 13.7 | 14.3 | 15.7 | 22.3 | 13.5 | 15.5 | 11.4 | 15.3 | 16.8 | 18.5 | 20.3 | 191.7 |
| Pattern | 14.5 | 13.7 | 14.3 | 15.7 | 22.3 | 13.5 | 15.5 | 11.4 | 15.3 | 16.3 | 17.0 | 24.4 | 193.8 |
| 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



Areas to Focus on within the Next three months

1. Regular meetings between the MoF leadership and Customs Directors;
2. MoF leadership support for enforcement of law (seizures of goods, disciplinary action against corrupt officers, etc.);
3. Assign task force to work with underperforming large custom houses;

Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 67.97 billion;

Collection to date: Afs 62.24 billion;

Collection is lower than the target by: Afs **-5.73** billion.

Last year collection to date: Afs 59.18 billion.

Note: Afs 4.07 billion of total domestic revenue is unclassified.

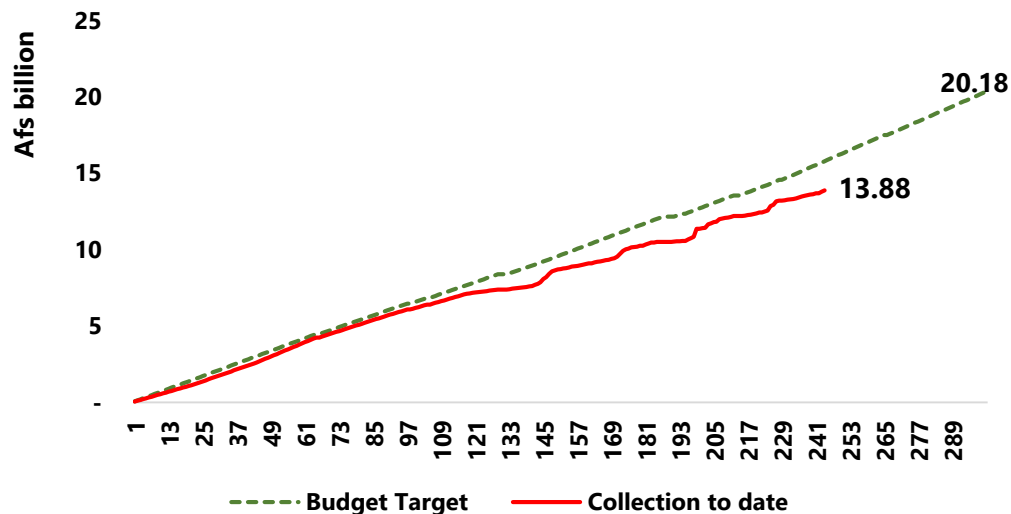
Individual Customs House's revenue performance - 1398

| 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 | 18,576.36 | 14,618.29 | (3,958.08) | -21.3% |
| NANGARHAR | 19,024.68 | 14,763.15 | 13,645.03 | (1,118.12) | -7.6% |
| BALKH | 13,810.59 | 10,717.02 | 7,660.85 | (3,056.16) | -28.5% |
| KANDAHAR | 8,171.70 | 6,341.24 | 8,875.90 | 2,534.66 | 40.0% |
| NIMROZ | 7,930.54 | 6,154.10 | 5,768.86 | (385.23) | -6.3% |
| FARYAB | 4,206.70 | 3,264.40 | 3,528.99 | 264.58 | 8.1% |
| FARAH | 4,127.67 | 3,203.07 | 2,482.95 | (720.13) | -22.5% |
| Custom Airport | 2,432.71 | 1,887.78 | 1,681.86 | (205.92) | -10.9% |
| Kabul Customs | 1,084.52 | 841.59 | 747.25 | (94.34) | -11.2% |
| KUNDUZ | 937.45 | 727.46 | 645.31 | (82.16) | -11.3% |
| KHOST | 862.73 | 669.48 | 808.22 | 138.74 | 20.7% |
| PAKTYA | 607.27 | 471.24 | 903.76 | 432.52 | 91.8% |
| PAKTIKA | 403.32 | 312.98 | 825.55 | 512.57 | 163.8% |
| TAKHAR | 23.18 | 17.99 | 18.12 | 0.13 | 0.7% |
| KUNARHA | 8.90 | 6.90 | 2.12 | (4.78) | -69.2% |
| Custom Post Porcel | 7.00 | 5.4 | 23.73 | 18.30 | 336.9% |
| BADAKHSHAN | 6.31 | 4.90 | 2.07 | (2.82) | -57.7% |
| JAWZJAN | - | - | 0.69 | 0.69 | |
| Total | 87,583.89 | 67,965.10 | 62,239.55 | (5,726.24) | -8.4% |

Source: Revenue Management Information System (RMIS)

Mustofiats' collection performance

Mustofiats' collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date : Afs 15.79 billion;

Collection to date: Afs 13.88 billion;

Collection is lower than the target by: Afs – 1.91 billion.

Last year collection to date: Afs 13.77 billion.

Areas to Focus on within the Next three months

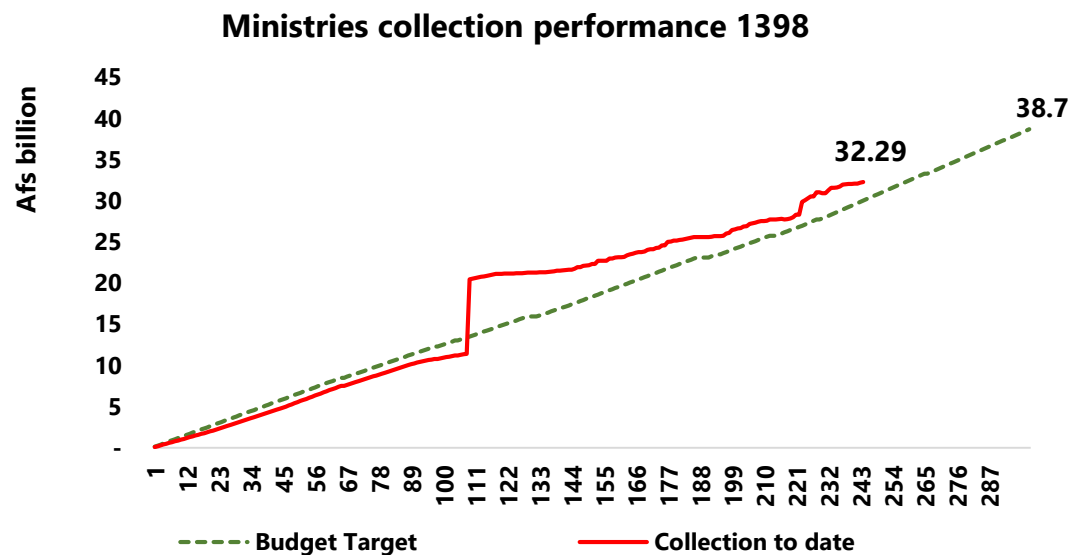
1. On-time audit of cases;
2. Governors' cooperation has to be sought in both tax and non-tax collections. Major reductions have happened in non-tax revenue where the Governors can be of major help;
3. Seek assistance from Ministry of Interior in collecting arrears;

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 (%) |
| HERAT | 3,484.01 | 2,703.6 | 2,657.33 | (46.26) | -1.7% |
| BALKH | 2,661.53 | 2,065.3 | 1,686.57 | (378.78) | -18.3% |
| NANGARHAR | 2,563.33 | 1,989.1 | 1,651.88 | (337.26) | -17.0% |
| KANDAHAR | 1,501.89 | 1,165.5 | 1,147.30 | (18.16) | -1.6% |
| HELMAND | 834.03 | 647.2 | 477.33 | (169.88) | -26.2% |
| PAKTYA | 752.39 | 583.9 | 467.11 | (116.74) | -20.0% |
| KUNDUZ | 585.93 | 454.7 | 422.43 | (32.25) | -7.1% |
| KHOST | 535.30 | 415.4 | 382.11 | (33.28) | -8.0% |
| FARYAB | 535.01 | 415.2 | 313.07 | (102.10) | -24.6% |
| GHAZNI | 520.84 | 404.2 | 352.15 | (52.02) | -12.9% |
| PARWAN | 516.78 | 401.0 | 382.92 | (18.10) | -4.5% |
| TAKHAR | 506.51 | 393.1 | 355.60 | (37.45) | -9.5% |
| BAGHLAN | 504.31 | 391.3 | 328.47 | (62.88) | -16.1% |
| NIMROZ | 437.55 | 339.5 | 328.80 | (10.74) | -3.2% |
| JAWZJAN | 430.03 | 333.7 | 291.29 | (42.41) | -12.7% |
| FARAH | 411.31 | 319.2 | 282.41 | (36.76) | -11.5% |
| BADAKHSHAN | 404.46 | 313.9 | 216.40 | (97.46) | -31.1% |
| KUNARHA | 320.90 | 249.0 | 184.04 | (64.98) | -26.1% |
| LAGHMAN | 296.94 | 230.4 | 177.65 | (52.78) | -22.9% |
| WARDAK | 283.60 | 220.1 | 184.23 | (35.84) | -16.3% |
| SAMANGAN | 238.78 | 185.3 | 181.70 | (3.60) | -1.9% |
| BAMYAN | 237.21 | 184.1 | 170.79 | (13.29) | -7.2% |
| KAPISA | 235.70 | 182.9 | 148.33 | (34.57) | -18.9% |
| SAR-E- PUL | 207.65 | 161.1 | 169.13 | 8.00 | 5.0% |
| LOGAR | 203.37 | 157.8 | 119.68 | (38.14) | -24.2% |
| GHOR | 199.90 | 155.1 | 111.60 | (43.53) | -28.1% |
| BADGHIS | 178.98 | 138.9 | 126.38 | (12.51) | -9.0% |
| DAYKUNDI | 167.89 | 130.3 | 128.30 | (1.98) | -1.5% |
| PAKTIKA | 160.68 | 124.7 | 112.20 | (12.49) | -10.0% |
| PANJSHER | 143.19 | 111.1 | 89.50 | (21.61) | -19.5% |
| ZABUL | 128.66 | 99.8 | 106.20 | 6.36 | 6.4% |
| UROZGAN | 80.61 | 62.6 | 70.72 | 8.17 | 13.1% |
| NOORISTAN | 76.95 | 59.7 | 52.69 | (7.03) | -11.8% |
| Total | 20,346.23 | 15,788.67 | 13,876.33 | (1,912.35) | -12.1% |

Source: Revenue Management Information System (RMIS)

Ministries collection performance



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 30.04 billion;

Collection to date: Afs 32.29 billion;

Collection is higher than the target by: Afs 2.24 billion.

Last year collection to date: Afs 28.22 billion.

Areas to Focus on within the Next three months

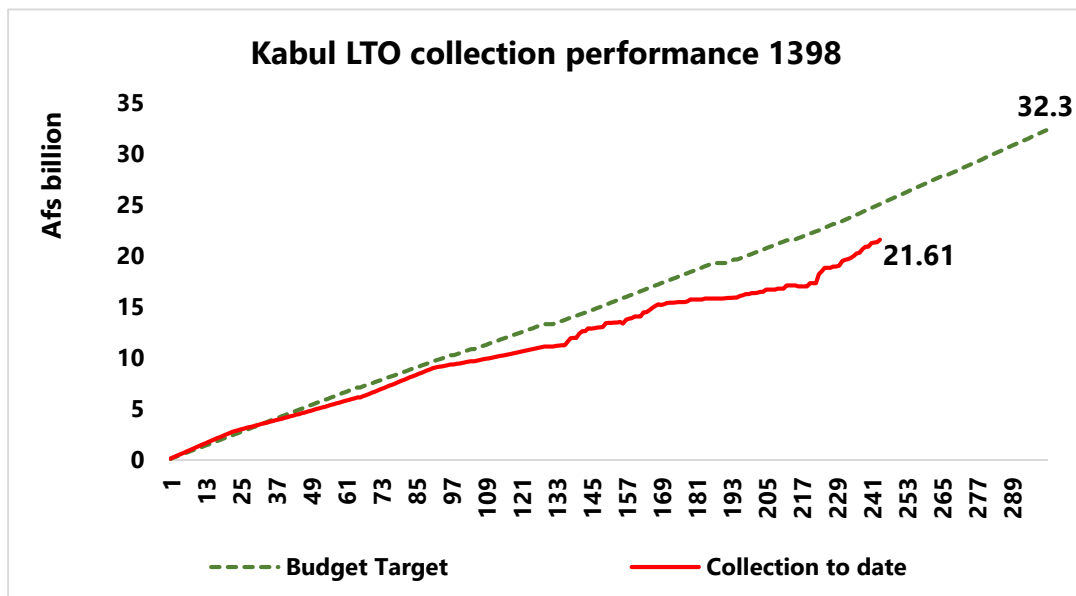
1. Meetings with relevant Ministers on revenue performance and seek their cooperation;
2. Additional deductions in license and other fees should be avoided;
3. MoF leadership cooperation is sought on the timely transfer of one-offs from the Government agencies.

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 | 6,686.0 | 4,381.0 | (2,305.1) | -34.5% |
| Ministry of Communication Information Technology | 6,064.1 | 4,705.7 | 4,915.4 | 209.6 | 4.5% |
| Ministry of Finance | 5,415.5 | 4,202.4 | 11,485.1 | 7,282.7 | 173.3% |
| Ministry of Interior Affairs | 4,643.8 | 3,603.6 | 3,651.9 | 48.4 | 1.3% |
| Ministry of Foreign Affairs | 4,189.5 | 3,251.1 | 2,466.5 | (784.6) | -24.1% |
| Afghanistan Railway Authority | 2,787.8 | 2,163.3 | 1,688.3 | (475.1) | -22.0% |
| Ministry of Mines | 2,684.4 | 2,083.1 | 625.4 | (1,457.7) | -70.0% |
| Ministry of Commerce and Industry | 1,094.9 | 849.6 | 130.1 | (719.6) | -84.7% |
| Ministry. of Transport | 694.6 | 539.0 | 247.7 | (291.3) | -54.0% |
| Supreme Court | 581.1 | 450.9 | 355.4 | (95.5) | -21.2% |
| Ministry of Urban Development Affairs | 578.3 | 448.8 | 117.9 | (330.9) | -73.7% |
| Ministry of Higher Education | 194.4 | 150.8 | 115.5 | (35.3) | -23.4% |
| Others | 1,172.0 | 909.4 | 2,106.3 | 1,196.9 | 131.6% |
| Total | 38,716.3 | 30,043.8 | 32,286.5 | 2,242.7 | 7.5% |

Source: Revenue Management Information System (RMIS)

LTO Collection Performance



Areas to Focus on within the Next three months

1. Pending cases should be rapidly audited;
2. The issue of low capacity staff should be resolved;

Source: Revenue Management Information System (RMIS)

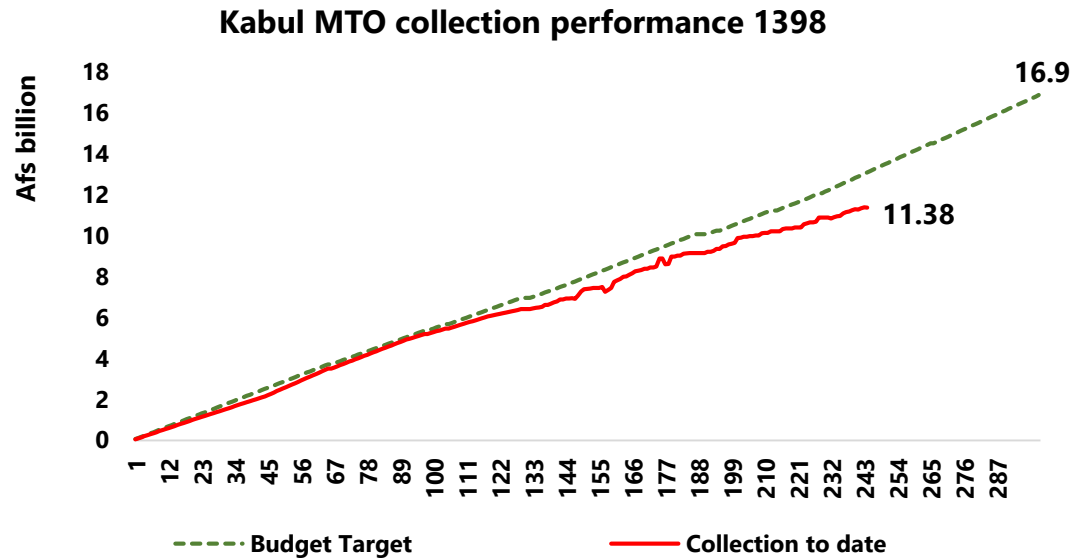
Budget target to date: Afs 25.10 billion;

Collection to date: Afs 21.61 billion;

Collection is lower than the target by: Afs -3.49 billion.

Last year collection to date: Afs 22.22 billion.

MTO collection performance



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 13.10 billion;

Collection to date: Afs 11.38 billion;

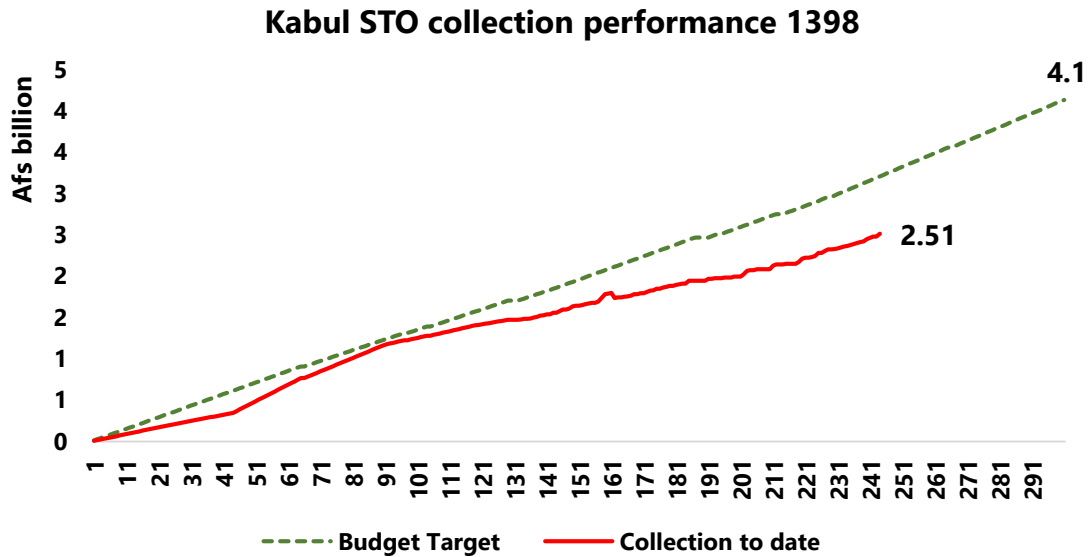
Collection is lower than the target by: Afs -1.72 billion.

Last year collection to date: Afs 11.81 billion.

Areas to Focus on within the Next three months

1. Separate the audit tashkeel from MTO;

STO collection performance



Areas to Focus on within the Next three months

1. Temporary transfer of staff or additional internees are required to clear the work load in STO;

Source: Revenue Management Information System (RMIS)

Budget Target to date: Afs 3.21 billion;

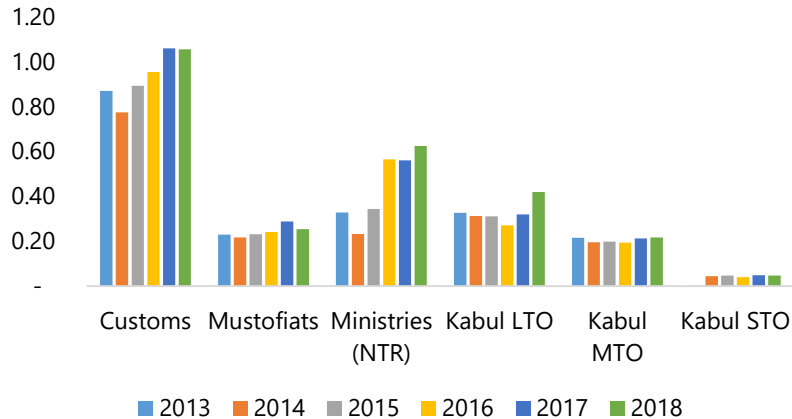
Collection to date: Afs 2.51 billion;

Collection is lower than the target by: Afs -0.69 billion.

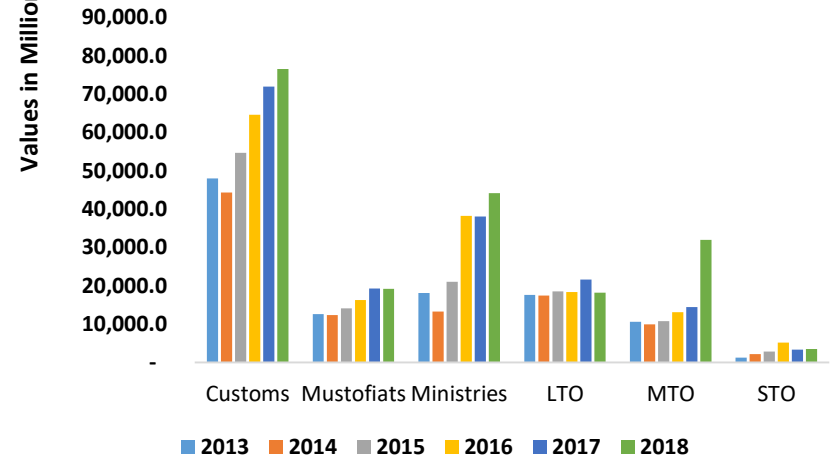
Last year collection to date: Afs 2.21 billion.

Agency performance since 2013

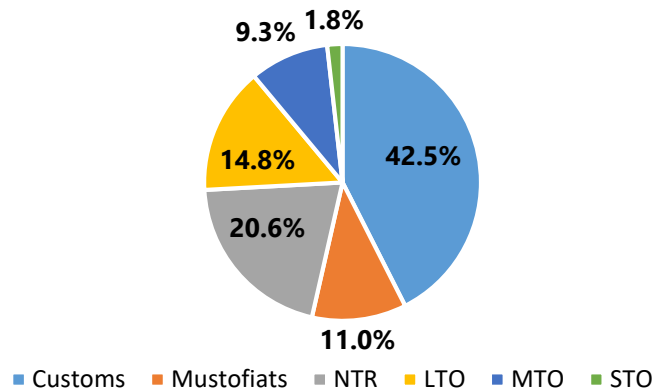
Agency performance since 2013
in million US\$



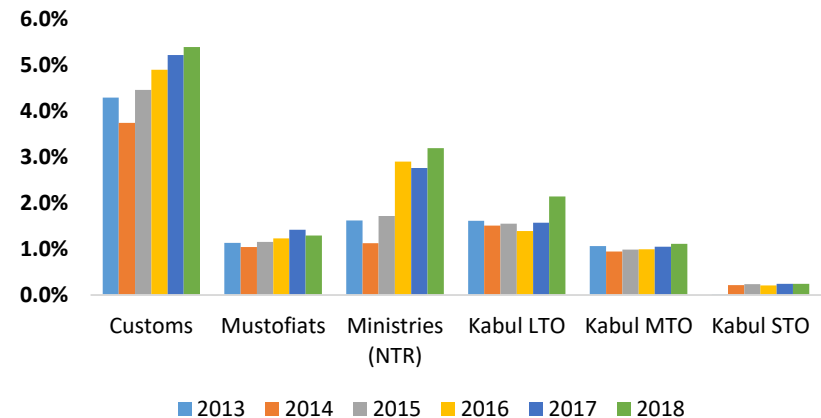
Agency Performance Since 2013 in Million
Afs



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 | 76,241.8 | 86,197.5 | 9,955.6 | 272.85 |
| Execution to date (% of total Dev... Budget) | 56.2% | 57.6% | 1.5% | 0.2% |

| Operating Expenditure (Afs million) | | | | Amount Executed Today |
|----------------------------------------------|-----------|-----------|------------|-----------------------|
| | 1397 | 1398 | Difference | 1398 |
| Operating Expenditure | 189,406.1 | 215,709.1 | 26,303.0 | 1005.61 |
| Execution to date (% of total Opr... Budget) | 67.5% | 73.8% | 6.2% | 0.3% |

| Total Expenditure (Afs million) | | | | Amount Executed Today |
|---------------------------------|-----------|-----------|------------|-----------------------|
| | 1397 | 1398 | Difference | 1398 |
| Total Expenditure | 265,647.9 | 301,906.5 | 36,258.6 | 1278.47 |
| Execution to date % | 63.8% | 68.3% | 4.5% | 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 | | | Projections | Budget |
| Total | 14.7 | 18.1 | 29.6 | 28.7 | 41.6 | 36.9 | 46.8 | 24.0 | 24.0 | 61.4 | 39.0 | 67.8 | 432.5 | 424.5 |
| 1. Domestic Revenues | 14.5 | 13.7 | 14.3 | 15.7 | 22.3 | 13.5 | 15.5 | 11.4 | 15.3 | 18.9 | 19.5 | 25.4 | 200.0 | 200.0 |
| 2. Total Grants | 0 | 4.4 | 15.3 | 13.0 | 19.3 | 23.4 | 31.3 | 12.6 | 8.7 | 42.5 | 19.5 | 42.3 | 193.0 | 224.5 |
| a. Operating grants | 0 | 2.0 | 9.9 | 7.0 | 15.9 | 1.8 | 2.4 | 8.8 | 2.4 | 18.3 | 13.9 | 19.2 | 101.6 | 98.8 |
| 1. Security | 0 | 2.0 | 9.9 | 7.0 | 15.9 | 1.8 | 2.4 | 8.8 | 2.4 | 15.6 | 13.9 | 19.2 | 98.8 | 98.8 |
| 2. Non-security | - | - | - | - | - | - | - | - | - | 2.7 | - | - | 2.7 | - |
| b. Development Grants | 0.2 | 2.4 | 5.4 | 5.9 | 3.4 | 12.9 | 16.1 | 3.8 | 6.3 | 14.4 | 5.7 | 14.1 | 91.4 | 125.6 |
| 1. Discretionary | - | - | - | - | - | 8.7 | 12.8 | - | - | 9.8 | - | 9.0 | 41.0 | 62.6 |
| Operating surplus from the last year | - | - | - | - | - | - | - | - | - | - | - | - | - | 10.0 |
| 2. Non-discretionary | 0.2 | 2.4 | 5.4 | 5.9 | 3.4 | 4.2 | 3.3 | 3.8 | 6.3 | 4.5 | 5.7 | 5.1 | 50.3 | 63.0 |
| | | | | | | | | | | | | | | |
| Uses of Funds | | | | | | | | | | end-year Total | | | | |
| Total | 4.7 | 20.7 | 26.7 | 42.3 | 32.1 | 37.9 | 33.6 | 33.1 | 32.6 | 44.7 | 43.0 | 48.9 | 400.4 | 424.4 |
| 1. Operating Expenditures | 4.7 | 18.0 | 19.6 | 27.3 | 22.1 | 22.2 | 25.4 | 21.6 | 24.4 | 31.8 | 30.2 | 31.3 | 278.7 | 297.4 |
| 2. Development Expenditures | - | 2.7 | 7.0 | 15.0 | 10.0 | 15.7 | 8.2 | 11.5 | 8.2 | 12.9 | 12.8 | 17.6 | 121.7 | 127.0 |
| 1. Discretionary | - | 1.2 | 3.8 | 5.4 | 4.1 | 7.7 | 3.9 | 5.4 | 3.6 | 8.6 | 5.7 | 9.3 | 58.8 | 64.0 |
| 2. Non-Discretionary | - | 1.5 | 3.2 | 9.6 | 5.9 | 8.0 | 4.3 | 6.2 | 4.5 | 4.3 | 7.1 | 8.3 | 62.8 | 63.0 |
| | | | | | | | | | | | | | | |
| Surplus/Deficit | 10.0 | (2.6) | 2.9 | (13.6) | 9.5 | (1.1) | 13.2 | (9.1) | (8.6) | 16.8 | (4.1) | 18.9 | 32.1 | 0.1 |

Additional expected one-off revenue sources

| No. | Agency | Amount in Million Afs |
|--------------|---------------------------------------------------|-----------------------|
| 1 | Northern Coal | 800 |
| 2 | Bank-e-Milli Afghan | 750 |
| 3 | Afghan Telecom | 900 |
| 4 | ATRA | 2,000 |
| 5 | Ministry of ICT | 1,200 |
| 6 | Ministry of Foreign Affairs | 850 |
| 7 | Ministry of Interior | 723 |
| 8 | Ministry of Mines and Petroleum | 250 |
| 9 | Ministry of Labor and Social Affairs | 122 |
| 10 | Fuel and Liquid Gas Regulatory Authority | 400 |
| 11 | Fuel and Liquid Gas Enterprise | 2,100 |
| 12 | Ministry of Agriculture, Irrigation and Livestock | 400 |
| 13 | Civil Aviation Authority | 3,356 |
| 14 | Afghanistan Railways Authority | 160 |
| 15 | Ministry of Urban Development and Land | 220 |
| Total | | 14,231 |

| TREASURY DAILY CASH POSITION REPORT | | | | |
|-------------------------------------|-----------------------------------------------------------------------------|-------------|------------------------------|-----------------------------|
| October 15, 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 | | 432 | |
| | Total Domestic Revenues collected (Operating Budget) | | 147,985 | |
| | Donor Revenues (Operating Budget Grants) | 86,595 | | |
| | Less: Security Sector Advances (MOD & MOI grants) | (8,481) | | |
| | Excess / (Shortfall) in Donor Funds (1398) | | 78,114 | |
| | Total Recurrent Budget Revenues | | | 226,099 |
| | Less : Transfers to Discretionary Development Budget Expenditures | | | (19,419) |
| | Total Recurrent Budget Expenditures (Including Cash Transfer To Province) | | | (218,606) |
| | Excess / (Shortfall) in Receipts VS Payments | | | (11,926) |
| | BALANCE OF AVAILABLE FUNDS (Without Restrictions) | | | 14,821 |
| | Currency Exchange Gain (Realised/ Reserved) | | 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 | | | 44,229 |
| II | FUNDS AVAILABLE UNDER THE DISCRETIONARY DEVELOPMENT BUDGET | | | |
| | CASH POSITION | | BUDGET AND ALLOTMENT | |
| | Particulars | Mn Afs | | Mn Afs |
| | Opening Balance (1398 balance) | 8,315 | Total Approved Budget | 64,036 |
| | Receipts | 32,174 | Total Allotments released | 64,861 |
| | Other Receipts | | Expenditures | 38,410 |
| | Total Funds Available | 40,489 | Unspent Allotment | 26,451 |
| | Expenditures | 38,410 | Net Funds available | 2,079 |
| | Net Funds Available | 2,079 | Allotments without financing | 24,373 |
| | Note: | | | |
| | 1- Unspent cash balance in provinces (Operating) | 3,051 | Bn Afs | |
| | 2- Total available cash balances (incl Disc Dev & Province) | 19,951 | Bn Afs | |
| III | FUNDS RECEIVABLE AGAINST BUDGET AND DONOR COMMITMENTS | | | |
| | Sources | Afs Million | | |
| | | Budget | Receipts | Balance |
| | Operating Budget | 297,389 | 218,129 | 79,260 |
| | Domestic revenues (Operating budget) | 200,006 | 147,985 | 52,021 |
| | | | | |
| | Grants (Operating) | 98,844 | 70,144 | 28,700 |
| | LOTFA | 28,000 | 18,637 | 9,363 |
| | CSTC-A MOD | 60,520 | 42,799 | 17,721 |
| | CSTC-A MOI | 10,299 | 8,684 | 1,615 |
| | NATFO - NSC | 25 | 24 | 1 |
| | | Budget | Receipts | Transfers + Direct receipts |
| | Grants (Disc - Development) | 51,019 | 16,451 | 32,174 |
| | Revenue Surplus (1397) | 10,000 | 0 | 10,000 |
| | European Commission | 8,678 | 8,702 | 8,702 |
| | European Commission (Refugee Return) | 741 | 717 | 717 |
| | ARTF (IP +) | 31,600 | 19,787 | 12,755 |
| | | | | 11,813 |