



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

Cash Management Committee
Meeting Minutes
November 05, 2019

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

Actions to be taken:

Revenue collection for the year 2019 were expected to have a deficit in the budget target. The revenue collection to date is Afs 162.4 billion and there is a possibility of an additional collection of Afs 33.1 billion by the end of the year 2019. The total possible collection till the year-end is expected to be at around Afs 193.6 billion whereas the budget target for the year is Afs 209 billion. A budget deficit of Afs 15.4 billion is expected to happen by end 2019.

The revenue collection units have shown their commitments to cover the deficit. This deficit is supposed to be managed from the following sources:

1. Following measure will be taken to manage the deficit in future. However, the DAB should help transfer the Afs 10 billion from its profit.
AND
2. Generate revenues through any other possible sources, which are pending due to external problems to be resolved.
OR
3. At the same time, expenditure should be managed to avoid any possible cash crisis.

The following decisions were made:

1. The ACD to give 2-hours of extra time allowance for the employees of the revenue collection units until the end of the fiscal year.
2. Revenues of the Ministry of Foreign Affairs (MOFA), Da Afghanistan Brishna Shirkat (DABS) and the National Public Protection Force (NPPF) should be critically followed by the Customs and Revenues Departments to transfer the revenue collected in their account to the government accounts without any delay.



3. The DG Chief of Staff to prepare a meeting on the one-off payments during the start of next week where the Minister of finance will hold meetings with relevant agencies.

جمهوری اسلامی افغانستان
وزارت مالیه



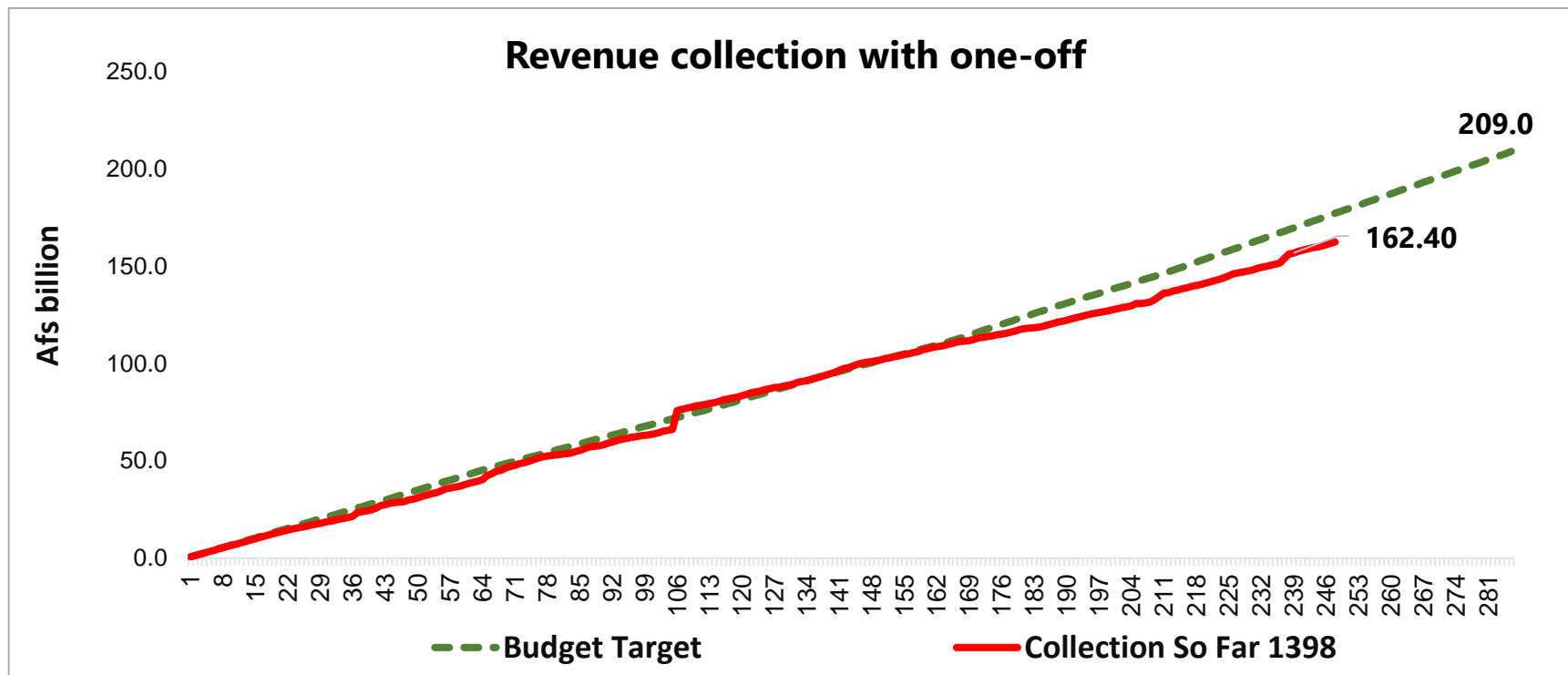
د افغانستان اسلامي جمهوریت
د مالیې وزارت

Islamic Republic of Afghanistan
Ministry of Finance
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Fiscal Performance in 2019

November 5, 2019

Revenue collection to date



Budget target to date: Afs 177.2 billion;

Collection to date: Afs 162.40 billion

Collection is lower than the target by: Afs -14.83 billion (*among which Afs 6.69 billion is belong to custom and the rest is belong to Revenue*)

Last year collection to date: Afs 152.71 billion.

Source: Afghanistan Financial Management Information System (AFMIS)

Revenue Collection

| Organization | Revenue Collection to date | | Additional Possible Collection in rest of 2019 | Total end-2019 | Budget Target 2019 | Expected Revenue Deficit by end-2019 |
|-----------------|----------------------------|--------------|--|----------------|--------------------|--------------------------------------|
| | 2018 | 2019 | | | | |
| Customs | 64.51 | 67.58 | 11.4 | 79.0 | 87.6 | -8.6 |
| Mustofiates | 15.37 | 15.31 | 4.3 | 19.6 | 20.4 | -0.7 |
| Ministries(NTR) | 29.84 | 38.67 | 7.3 | 46.0 | 47.7 | -1.7 |
| LTO | 26.94 | 23.31 | 5.5 | 28.8 | 32.3 | -3.5 |
| MTO | 13.49 | 12.77 | 3.7 | 16.5 | 16.9 | -0.4 |
| STO | 2.56 | 2.77 | 0.9 | 3.7 | 4.1 | -0.5 |
| Unclassified | | 1.95 | | | | |
| Total | 152.71 | 162.4 | 33.1 | 193.6 | 209.0 | -15.4 |

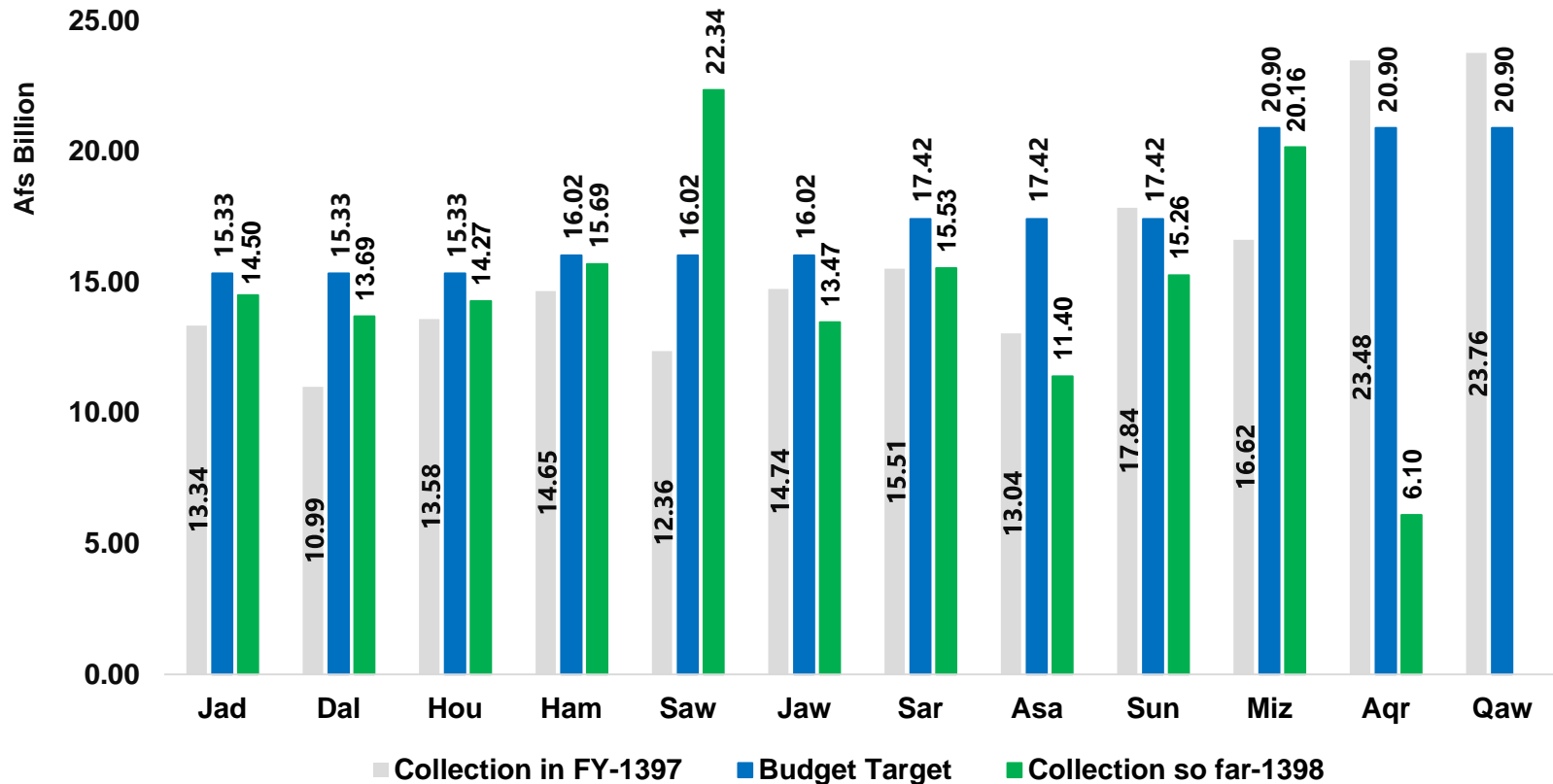
Source: Revenue Management Information System (RMIS)

Managing the Afs 15.4 billion revenue deficit:

1. The DAB should help transfer the same amount of money from the DAB 2019 Profit without waiting for the audit. This needs a direct instruction of H.E. the President to the DAB; **OR**
2. Generate revenues through any other possible source, if any; **AND**
3. **At the same time**, expenditure should be managed to avoid any possible cash crisis.

Collection performance by month

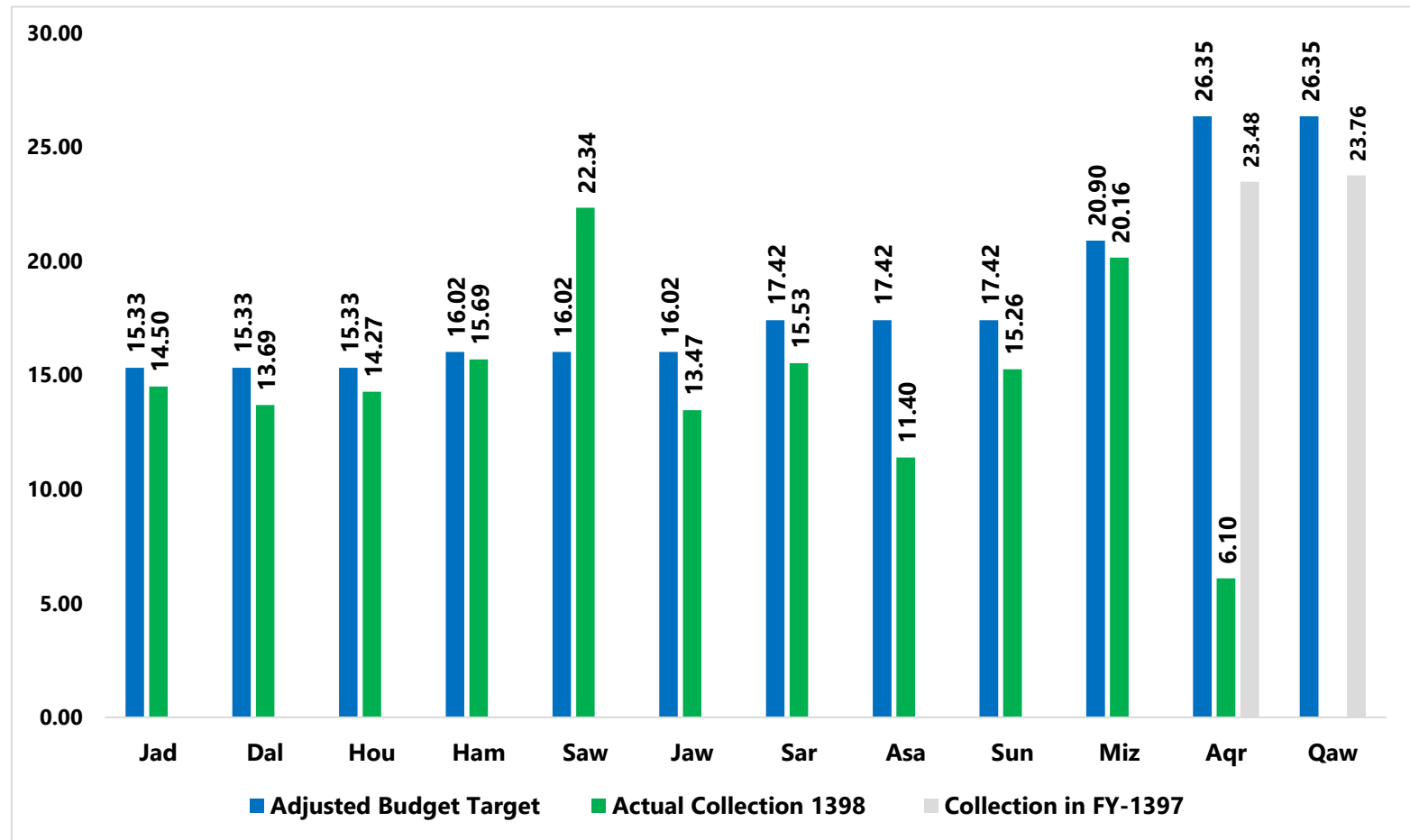
On average, monthly collection is below the budget target by Afs 1.09 billion during the ten months.



Source: Afghanistan Financial Management Information System (AFMIS)

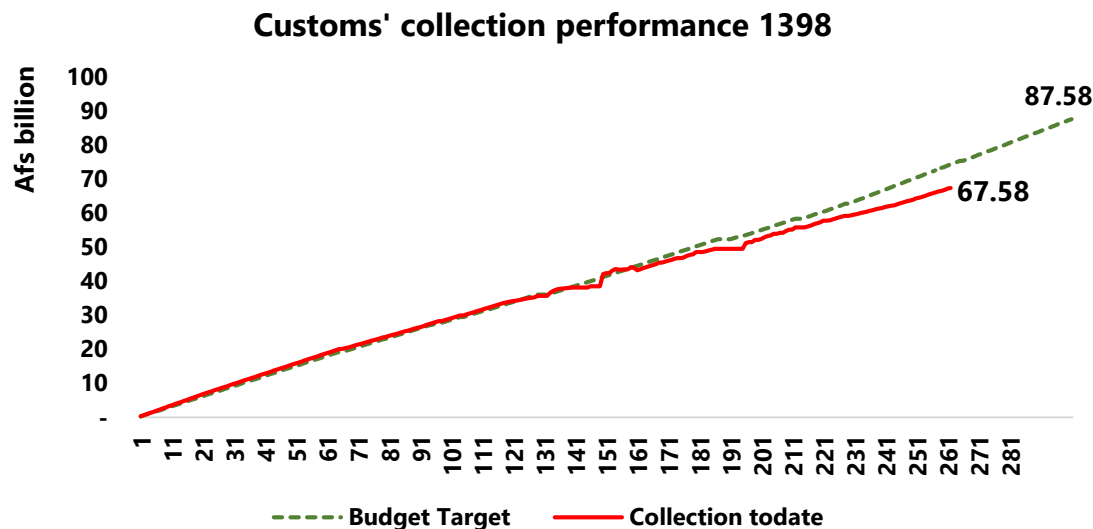
Domestic Revenue includes Regular Revenue stream, amount of Afs 8.991 billion dividend from Da Afghanistan Bank and expected for transfer of additional Afs 10.0 billion from Da Afghanistan Bank

Monthly Adjusted Target



To achieve the budget target Afs 26.35 billion is required per month to be collected in last two months of the year.

Customs Collection Performance



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 74.27 billion;

Collection to date: Afs 67.58 billion;

Collection is lower than the target by: Afs – 6.69 billion.

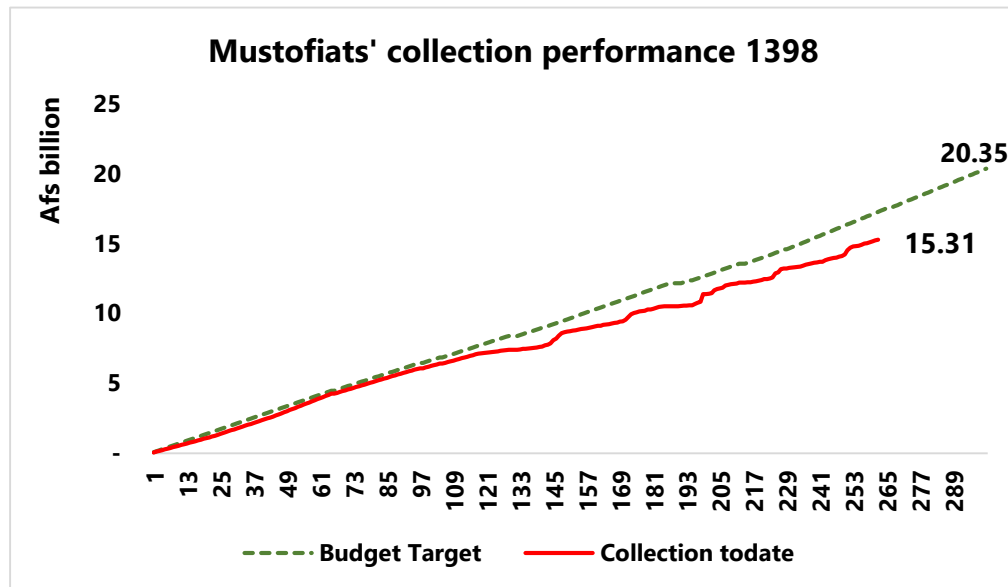
Last year collection to date: Afs 63.03 billion.

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 | 20,299.94 | 15,699.28 | (4,600.67) | -22.7% |
| NANGARHAR | 19,024.68 | 16,132.93 | 15,056.31 | (1,076.62) | -6.7% |
| BALKH | 13,810.59 | 11,711.38 | 8,494.17 | (3,217.22) | -27.5% |
| KANDAHAR | 8,171.70 | 6,929.60 | 9,630.05 | 2,700.45 | 39.0% |
| NIMROZ | 7,930.54 | 6,725.09 | 6,166.57 | (558.52) | -8.3% |
| FARYAB | 4,206.70 | 3,567.28 | 3,746.53 | 179.24 | 5.0% |
| FARAH | 4,127.67 | 3,500.27 | 2,821.84 | (678.43) | -19.4% |
| Custom Airport | 2,432.71 | 2,062.94 | 1,769.01 | (293.93) | -14.2% |
| Kabul Customs | 1,084.52 | 919.68 | 821.88 | (97.80) | -10.6% |
| KUNDUZ | 937.45 | 794.96 | 687.41 | (107.55) | -13.5% |
| KHOST | 862.73 | 731.60 | 833.23 | 101.64 | 13.9% |
| PAKTYA | 607.27 | 514.96 | 962.76 | 447.79 | 87.0% |
| PAKTIKA | 403.32 | 342.01 | 843.50 | 501.48 | 146.6% |
| TAKHAR | 23.18 | 19.66 | 19.03 | (0.63) | -3.2% |
| KUNARHA | 8.90 | 7.54 | 2.20 | (5.35) | -70.9% |
| Custom Post Porcel | 7.00 | 5.9 | 24.76 | 18.82 | 317.0% |
| BADAKHSHAN | 6.31 | 5.35 | 3.90 | (1.45) | -27.0% |
| JAWZJAN | - | - | 0.03 | 0.03 | |
| Total | 87,583.89 | 74,271.14 | 67,582.44 | (6,688.73) | -9.0% |

Source: Revenue Management Information System (RMIS)

Mustofiats' collection performance



Source: Revenue Management Information System (RMIS)

Budget target to date : Afs 17.25 billion;

Collection to date: Afs 15.31 billion;

Collection is lower than the target by: Afs **-1.94** billion.

Last year collection to date: Afs 15.37 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;

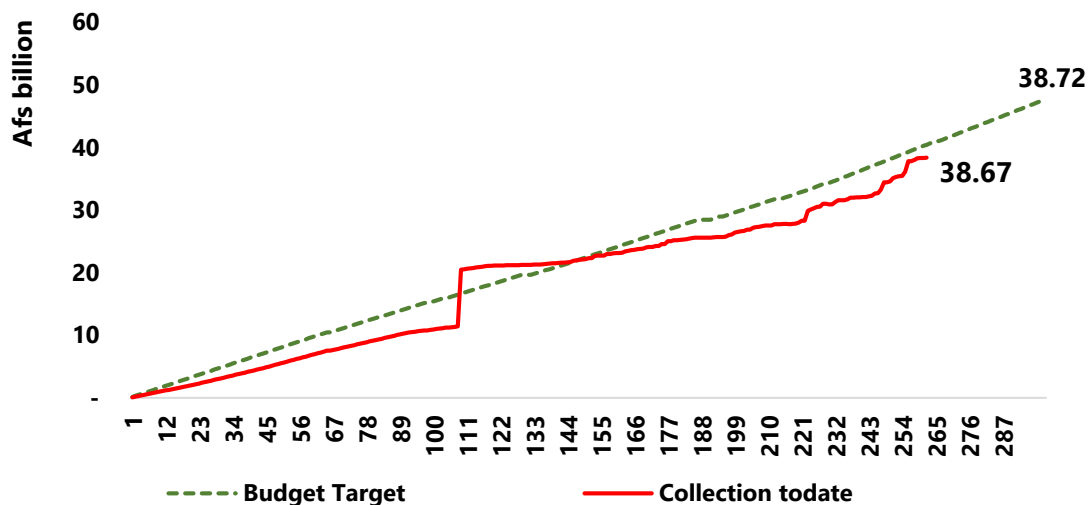
Individual Mustofiat's revenue collection performance - 1398

| Values are in Million Afghanis | | | | | |
|--------------------------------|----------------------|----------------------|-------------------|----------------------|------------------------|
| Mustofiats' | Annual Budget Target | Budget Target so far | Collection so far | Collection Vs Target | Above/Below Target (%) |
| HERAT | 3,484.01 | 2,954.4 | 2,910.43 | (44.02) | -1.5% |
| BALKH | 2,661.53 | 2,257.0 | 1,867.63 | (389.35) | -17.3% |
| NANGARHAR | 2,563.33 | 2,173.7 | 1,785.95 | (387.76) | -17.8% |
| KANDAHAR | 1,501.89 | 1,273.6 | 1,250.91 | (22.69) | -1.8% |
| HELMAND | 834.03 | 707.3 | 531.60 | (175.65) | -24.8% |
| PAKTYA | 752.39 | 638.0 | 520.50 | (117.52) | -18.4% |
| KUNDUZ | 585.93 | 496.9 | 467.20 | (29.67) | -6.0% |
| KHOST | 535.30 | 453.9 | 426.90 | (27.04) | -6.0% |
| FARYAB | 535.01 | 453.7 | 348.96 | (104.72) | -23.1% |
| GHAZNI | 520.84 | 441.7 | 390.00 | (51.67) | -11.7% |
| PARWAN | 516.78 | 438.2 | 418.30 | (19.93) | -4.5% |
| TAKHAR | 506.51 | 429.5 | 392.14 | (37.38) | -8.7% |
| BAGHLAN | 504.31 | 427.7 | 370.91 | (56.75) | -13.3% |
| NIMROZ | 437.55 | 371.0 | 350.40 | (20.65) | -5.6% |
| JAWZJAN | 430.03 | 364.7 | 323.83 | (40.83) | -11.2% |
| FARAH | 411.31 | 348.8 | 312.65 | (36.15) | -10.4% |
| BADAKHSHAN | 404.46 | 343.0 | 250.38 | (92.60) | -27.0% |
| KUNARHA | 320.90 | 272.1 | 210.75 | (61.37) | -22.6% |
| LAGHMAN | 296.94 | 251.8 | 200.76 | (51.04) | -20.3% |
| WARDAK | 283.60 | 240.5 | 214.65 | (25.84) | -10.7% |
| SAMANGAN | 238.78 | 202.5 | 195.04 | (7.45) | -3.7% |
| BAMYAN | 237.21 | 201.2 | 194.23 | (6.92) | -3.4% |
| KAPISA | 235.70 | 199.9 | 164.90 | (34.97) | -17.5% |
| SAR-E- PUL | 207.65 | 176.1 | 186.63 | 10.54 | 6.0% |
| LOGAR | 203.37 | 172.5 | 136.07 | (36.38) | -21.1% |
| GHOR | 199.90 | 169.5 | 132.36 | (37.16) | -21.9% |
| BADGHIS | 178.98 | 151.8 | 145.63 | (6.15) | -4.1% |
| DAYKUNDI | 167.89 | 142.4 | 141.84 | (0.53) | -0.4% |
| PAKTIKA | 160.68 | 136.3 | 122.44 | (13.82) | -10.1% |
| PANJSHER | 143.19 | 121.4 | 98.58 | (22.85) | -18.8% |
| ZABUL | 128.66 | 109.1 | 120.68 | 11.58 | 10.6% |
| UROZGAN | 80.61 | 68.4 | 76.21 | 7.85 | 11.5% |
| NOORISTAN | 76.95 | 65.3 | 53.33 | (11.93) | -18.3% |
| Total | 20,346.23 | 17,253.60 | 15,312.76 | (1,940.84) | -11.2% |

Source: Revenue Management Information System (RMIS)

Ministries collection performance

Ministries collection performance 1398



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 40.46 billion;

Collection to date: Afs 38.67 billion;

Collection is lower than the target by: Afs -1.79 billion.

Last year collection to date: Afs 29.84 billion.

Areas to Focus on within the Next three months

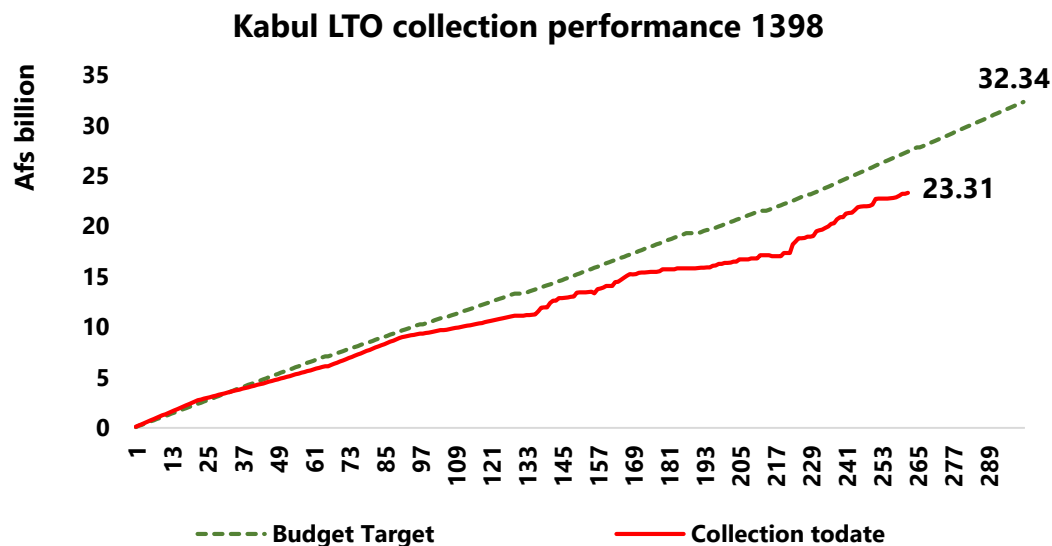
1. Meetings with relevant Ministers on revenue performance and seek their cooperation;
2. Additional deductions in license and other fees should be avoided;
3. MoF leadership cooperation is sought on the timely transfer of one-offs from the Government agencies.

Ministry/agency revenue performance

| Values are in Million Afghanis | | | | | |
|--|----------------------|----------------------|-------------------|----------------------|------------------------|
| Ministries | Annual Budget Target | Budget Target so far | Collection so far | Collection Vs Target | Above/Below Target (%) |
| Civil Aviation Authority | 8,616.0 | 9,003.2 | 5,030.5 | (3,972.7) | -44.1% |
| Ministry of Communication Information Technology | 6,064.1 | 6,336.6 | 7,473.1 | 1,136.5 | 17.9% |
| Ministry of Finance | 5,415.5 | 5,658.8 | 12,795.2 | 7,136.4 | 126.1% |
| Ministry of Interior Affairs | 4,643.8 | 4,852.4 | 4,207.3 | (645.1) | -13.3% |
| Ministry of Foreign Affairs | 4,189.5 | 4,377.8 | 2,739.3 | (1,638.5) | -37.4% |
| Afghanistan Railway Authority | 2,787.8 | 2,913.1 | 2,051.6 | (861.5) | -29.6% |
| Ministry of Mines | 2,684.4 | 2,805.0 | 1,018.3 | (1,786.8) | -63.7% |
| Ministry of Commerce and Industry | 1,094.9 | 1,144.1 | 156.3 | (987.8) | -86.3% |
| Ministry. of Transport | 694.6 | 725.8 | 292.4 | (433.4) | -59.7% |
| Supreme Court | 581.1 | 607.2 | 375.7 | (231.5) | -38.1% |
| Ministry of Urban Development Affairs | 578.3 | 604.3 | 176.1 | (428.2) | -70.9% |
| Ministry of Higher Education | 194.4 | 203.1 | 134.0 | (69.2) | -34.0% |
| Others | 1,172.0 | 1,224.6 | 2,219.4 | 994.8 | 81.2% |
| Total | 38,716.3 | 40,456.0 | 38,669.2 | (1,786.8) | -4.4% |

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)

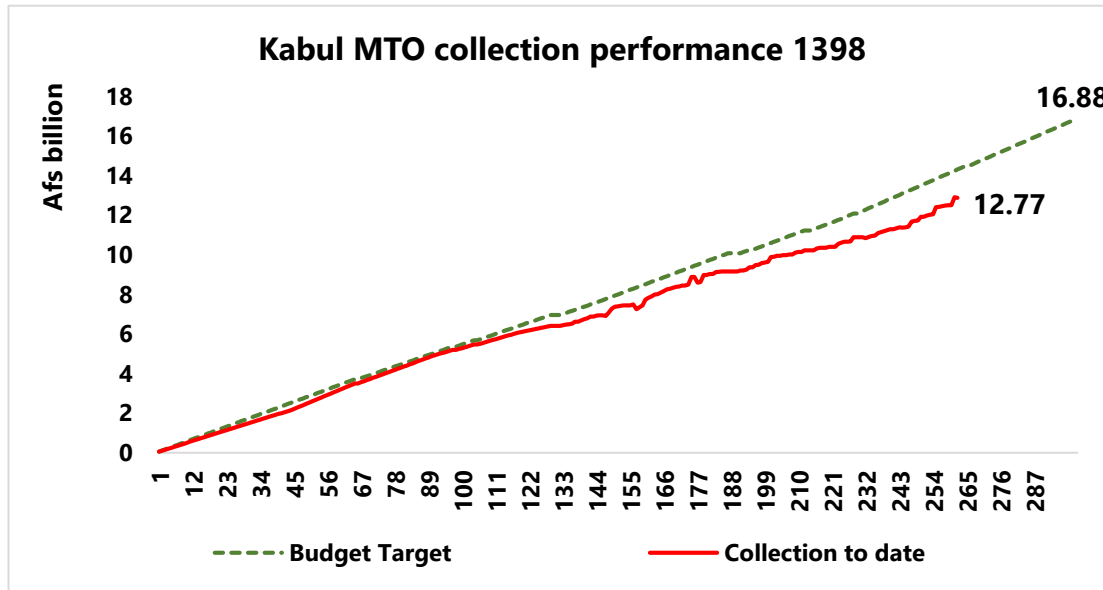
Budget target to date: Afs 27.42 billion;

Collection to date: Afs 23.31 billion;

Collection is lower than the target by: Afs -4.11 billion.

Last year collection to date: Afs 26.94 billion.

MTO collection performance



Source: Revenue Management Information System (RMIS)

Budget target to date: Afs 14.31 billion;

Collection to date: Afs 12.77 billion;

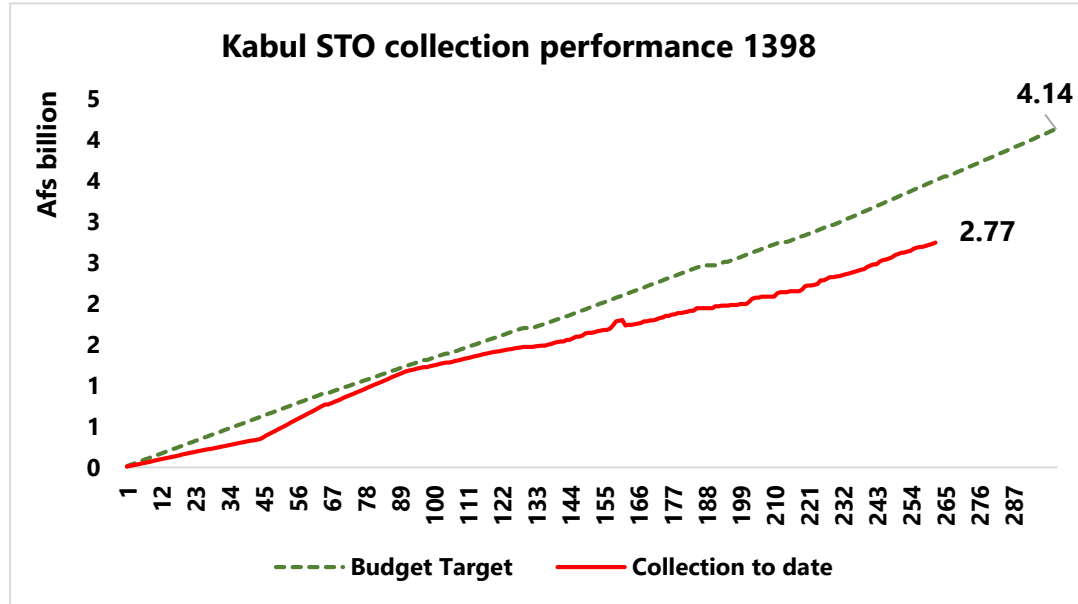
Collection is lower than the target by: Afs -1.54 billion.

Last year collection to date: Afs 13.49 billion.

Areas to Focus on within the Next three months

1. Separate the audit tashkeel from MTO;

STO collection performance



Source: Revenue Management Information System (RMIS)

Budget Target to date: Afs 3.51 billion;

Collection to date: Afs 2.77 billion;

Collection is lower than the target by: Afs -0.74 billion.

Last year collection to date: Afs 2.56 billion.

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;

Budget execution summary

| Development Expenditure (Afs million) | | | | Amount Executed Today |
|--|----------|----------|------------|-----------------------|
| | 1397 | 1398 | Difference | 1398 |
| Development Expenditure | 85,666.1 | 93,920.5 | 8,254.4 | 814.66 |
| Execution to date (% of total Dev... Budget) | 63.1% | 62.7% | -0.4% | 0.5% |

| Operating Expenditure (Afs million) | | | | Amount Executed Today |
|--|-----------|-----------|------------|-----------------------|
| | 1397 | 1398 | Difference | 1398 |
| Operating Expenditure | 205,598.5 | 230,514.5 | 24,916.0 | 1110.65 |
| Execution to date (% of total Opr... Budget) | 73.3% | 78.1% | 4.8% | 0.4% |

| Total Expenditure (Afs million) | | | | Amount Executed Today |
|---------------------------------|-----------|-----------|------------|-----------------------|
| | 1397 | 1398 | Difference | 1398 |
| Total Expenditure | 291,264.6 | 324,435.0 | 33,170.5 | 1925.32 |
| Execution to date % | 70.0% | 72.9% | 3.0% | 0.4% |

| TREASURY DAILY CASH POSITION REPORT | | | | |
|---|--|------------------------------|-----------------------------|-----------|
| November 5, 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 | | 510 | | |
| Total Domestic Revenues collected (Operating Budget) | | 162,403 | | |
| Donor Revenues (Operating Budget Grants) | 88,666 | | | |
| Less: Security Sector Advances (MOD & MOI grants) | (6,638) | | | |
| Excess / (Shortfall) in Donor Funds (1398) | | 82,027 | | |
| Total Recurrent Budget Revenues | | | | 244,430 |
| Less : Transfers to Discretionary Development Budget Expenditures | | | | (19,419) |
| Total Recurrent Budget Expenditures (Including Cash Transfer To Province) | | | | (232,064) |
| Excess / (Shortfall) in Receipts VS Payments | | | | (7,052) |
| BALANCE OF AVAILABLE FUNDS (Without Restrictions) | | | | 19,695 |
| 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 | | | | 49,103 |
| 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 | | 65,013 |
| Other Receipts | 823 | Expenditures | | 40,712 |
| Total Funds Available | 41,312 | Unspent Allotment | | 24,301 |
| Expenditures | 40,712 | Net Funds available | | 600 |
| Net Funds Available | 600 | Allotments without financing | | 23,701 |
| 1- Unspent cash balance in provinces (Operating) | 1,490 | Bn Afs | | |
| 2- Total available cash balances (incl Disc Dev & Province) | 21,784 | Bn Afs | | |
| III | FUNDS RECEIVABLE AGAINST BUDGET AND DONOR COMMITMENTS | | | |
| Sources | | Afs Million | | |
| | | Budget | Receipts | Balance |
| Operating Budget | | 304,489 | 234,618 | 69,871 |
| Domestic revenues (Operating budget) | | 208,906 | 162,403 | 46,503 |
| Grants (Operating) | | 98,844 | 72,215 | 26,629 |
| LOTFA | | 28,000 | 20,708 | 7,292 |
| 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 | Balance |
| Grants (Disc - Development) | 51,019 | 16,451 | 32,174 | 11,814 |
| Cash Reserves | 10,000 | 0 | 10,000 | 0 |
| European Commission | 8,678 | 8,702 | 8,702 | (24) |
| European Commission (Refugee Return) | 741 | 717 | 717 | 24 |
| ARTF (IP +) | 31,600 | 7,032 | | 11,813 |
| ARTF (IP +) Direct Reciepts to Disc | | | 12,755 | |
| | Budget | Expenditure | | Balance |
| Grants (Non-Disc - Development) | 84,640 | 53,222 | | 31,418 |
| ARTF / World Bank | 51,521 | 33,482 | | 18,039 |
| Asian Development Bnak (ADB) | 20,454 | 11,794 | | 8,661 |
| US & USAID | 5,039 | 4,585 | | 455 |
| Other Donors | 7,625 | 3,362 | | 4,263 |