



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

Cash Management Committee
Meeting Minutes
April 22, 2020

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 Department of Customs should confiscate and put for auction all smuggled goods, that are captured, according to the applicable laws, rules and regulations so that traders are discouraged and avoid such actions in future.
2. Deputy Minister for the Revenue and Customs should work on the short-term revenue measures to compensate for the decline in the revenue collection. The following short-term measures were discussed in the meeting:
 - a. Registration of the one key vehicles
 - b. 4G Spectrum license fees

The Customs Department has prepared the proposal for the registration of the one key vehicles which also includes anti-armor vehicles. The proposal is going to be presented to the next high economic council for the final approval.

The DM for Revenue and Customs updated the management of the MOF on the status of the selling of the 4G licenses. He mentioned that the 4G spectrum license awards are in the procurement stage and he has held a meeting with Director of the National Procurement Authority to accelerate with the procurement process of the 4G license contracts. As planned, the MOF will make every effort to collect the fees from the 4G licenses this year so as to avoid cash crisis.

3. The MFPD will present developments in the fiscal accounts of the government due to the COVID -19 to the next cash management meeting. The management wants to track the disbursements of the amounts promised by the donors in response to the COVID 19 and the expected amounts expected from the short-term revenue measures. The tracking will allow the management to monitor the changes in fiscal accounts and properly manage the public finances.
4. MFPD will revise the revenue targets taking into consideration the impacts of the COVID-19 outbreak and distribute these to the collecting agencies.

جمهوری اسلامی افغانستان
وزارت مالیه



د افغانستان اسلامی جمهوریت
د مالیې وزارت

Islamic Republic of Afghanistan
Ministry of Finance
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Fiscal Performance in 2020

April 22, 2020

Actual Collections Comparison of 1398-1399

The total revenue collections during the initial months of 1399 were less compared to the total collections during the same period in 1398.

Amount in Billion Afs

Agency	Actual		%age change (1398-1399)
	1398	1399	
Customs	26.98	20.53	-23.9%
Ministries	10.58	5.81	-45.1%
Mustofiats	5.90	4.96	-15.9%
Large Taxpayer Office	9.13	7.26	-20.5%
Medium Taxpayer Office	4.88	3.91	-19.9%
Small Taxpyer Office	1.17	1.23	5.1%
Unclassified		4.26	
Total	58.64	47.96	-18.2%
DAB Transfer		12.7	
Grand Total	58.64	60.66	

Source: RMIS System

Revenue Target vs Actual Collection of 1399

Not only the total revenue collection performance in the initial months of 1399 is substantially lower than the budgeted target for all collecting agencies, but also the collection is slight lower compared to the COVID-19 scenario.

Amount in Billion Afs

Agency	Actual	Target		% Change (Actual vs Target)	
	1399	COVID-19	Budget Target	COVID-19	Budget Target
Customs	20.53	22.08	30.1	-7%	-31.7%
Ministries	5.81	9.00	12.3	-35%	-52.6%
Mustofiats	4.96	4.21	5.7	18%	-13.4%
Large Taxpayer Office	7.26	8.38	11.4	-13%	-36.4%
Medium Taxpayer Office	3.91	3.94	5.4	-1%	-27.0%
Small Taxpyer Office	1.23	0.92	1.3	34%	-1.6%
Unclassified	4.26				
Total	47.96	48.52	66.08	-1%	-27.4%
DAB Transfer	12.7				
Grand Total	60.66				

Source: RMIS System

Revenue Forecasting: Based on the 4 months of 1399 collection

Duration Assumptions for Mild COVID-19:

- *Pandemic abates significantly* *Month of Asad*
- *Activity recovers by* *Month of Sunbula*

Mild COVID-19: Afs 153.38 billion

Growth Trend (10% Growth after the month of Sunbula): Afs 159.66 billion.

Pattern (Historical Trend): Afs 145.79 billion

Amount in billion Afs	Actual				Forecast								
	Jad	Dal	Hou	Ham	Saw	Jaw	Sar	Asa	Sun	Mez	Aqr	Qaw	Total
Mild COVID -19	11.81	12.65	12.90	10.02	10.51	10.71	10.91	11.11	14.31	15.21	16.12	17.12	153.38
Growth Trend (10% growth after activity recovers)	11.81	12.65	12.90	10.02	10.51	10.71	10.91	11.11	15.74	16.74	17.73	18.83	159.66
Pattern (historical trend after activity recovers)	11.81	12.65	12.90	10.02	10.51	10.71	10.91	11.11	11.08	12.16	14.41	17.52	145.79
Actual – 1398	14.45	13.52	14.23	15.50	22.17	13.32	15.84	11.37	15.14	19.69	15.07	36.67	206.97

Daily collection in last 20 days FY-1399

Amount in Million Afs

Last 20 days average

368.35

Date	Custom		ARD		Total	
	Collection	Daily Collection	Collection	Daily Collection	Collection	Daily Collection
Monday, March 30, 2020	18,240	123	22,712	234	40,952	357
Tuesday, March 31, 2020	18,327	88	22,829	116	41,156	204
Wednesday, April 1, 2020	18,405	78	23,147	318	41,552	396
Thursday, April 2, 2020	18,467	62	23,090	-57	41,557	5
Saturday, April 4, 2020	18,614	147	23,458	368	42,072	515
Monday, April 6, 2020	18,715	101	23,625	167	42,340	268
Tuesday, April 7, 2020	18,935	220	23,655	30	42,590	250
Wednesday, April 8, 2020	19,032	97	24,233	578	43,265	675
Thursday, April 9, 2020	19,145	113	25,260	1027	44,405	1140
Saturday, April 11, 2020	19,235	90	25,386	126	44,621	216
Sunday, April 12, 2020	19,334	99	25,533	147	44,867	246
Monday, April 13, 2020	19,434	100	25,623	90	45,057	190
Tuesday, April 14, 2020	19,579	145	25,664	41	45,243	186
Wednesday, April 15, 2020	19,713	134	26,016	352	45,729	486
Thursday, April 16, 2020	19,835	121	26,074	58	45,908	179
Saturday, April 18, 2020	19,972	138	26,759	685	46,731	823
Sunday, April 19, 2020	20,129	157	26,829	70	46,958	227
Monday, April 20, 2020	20,224	95	27,236	407	47,460	502
Tuesday, April 21, 2020	20,416	192	27,289	53	47,705	245
Wednesday, April 22, 2020	20,530	114	27,432	143	47,962	257

To reach the Target

In Mild Covid -19 situation

To reach the Target 208.9

Required daily collection in 2nd quarter

526.74

802.44

Required daily collection in 3th quarter

531.54

809.75

Required daily collection in 4th quarter

573.52

873.70

Note: An extra amount of Afs 12.7 billion was transferred by DAB in month of Hamal.

Budget execution summary

Amounts are in Million Afs

	Actual Expenditure		Difference
	1398	1399	(1398-1399)
Development Expenditure	25,272.1	20,490.9	-4,781.2
Execution to date (% of total Dev... Budget)	16.9%	15.1%	-1.9%
Operating Expenditure	72,404.3	77,754.8	5,350.5
Execution to date (% of total Opr... Budget)	24.0%	26.8%	2.9%
Total Expenditure	97,676.4	98,245.7	569.3
Execution to date %	21.6%	23.1%	1.4%

Source: AFMIS System

Short Term Revenue Measures – the current status...

- **Customs**

- One Key Vehicles
- Reduction of custom duty on gold
- 100% Tariff Increase on the Steel Rods

- **ARD**

- 4G Frequency fees
- USD 5 million – from MAIL

- **Other possible short term measures ?**

TREASURY DAILY CASH POSITION REPORT

	April 22, 2020	(Mn Afs)
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	April 22, 2020	(Mn Afs)
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	OPENING	CURRENT
Unrestricted Funds in TSA	15,159	113
Discretionary Development Funds (Code 20,000)	(344)	(3,559)
Balance in Provinces (Unspent Funds)	0	8,271
Cash Reserves / Exchange Gain	10,624	10,624
Floor limit (minimum threshold of Treasury Funds)	10,000	10,000
AGGREGATE BALANCE - UNRESTRICTED FUNDS	35,439	25,449

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Opening Balance Of Unrestricted Funds (FY 1399)	Excl Floor Limit	15,159
Daily Revenue Collection		259
Total Domestic Revenues collected (Operating Budget)		60,662
Donors Grants (Operating Budget Grants)	25,302	
Less: Security Sector Advances (MOD & MOI grants)	<u>(4,603)</u>	
Net Receipts - Donor Grands (1399)		20,699
Total Recurrent Budget (Includig donors grands)		81,361
Less : Transfers to Discretionary Development Budget Expenditures		(9,913)
Total Recurrent Budget Expenditures (Including Cash Transfer To Province)		(86,495)
Excess / (Shortfall) in Receipts VS Payments		(15,047)
BALANCE OF UNRESTRICTED FUNDS (OPERATING BUDGET)		113

	CASH POSITION	BUDGET AND ALLOTMENT
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CASH POSITION		BUDGET AND ALLOTMENT	
Opening Balance (1399 balance)	(344)	Total Approved Budget	63,650
Receipts	9,913	Total Allotments released	59,807
Other Receipts		Expenditures	13,127
Total Funds Available	9,568	Unspent Allotment	46,680
Expenditures	13,127	Net Funds available	(3,559)
Net Funds Available	(3,559)	Allotments without financing	50,239

SOURCES					Budget	Receipts	Balance
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SOURCES		Budget	Receipts	Balance		
A	Operating Budget		289,100	85,964	203,136	
	Domestic revenues (Operating budget)		208,900	60,662	148,238	
	Grants (Operating)		91,953	25,302	66,651	
	LOTFA		28,000	9,487	18,513	
	CSTC-A MOD		58,347	12,692	45,655	
	CSTC-A MOI		5,606	3,022	2,584	
	ARTF (Ad Hoc)			101	(101)	
	B	Grants (Disc - Development)	Budget	Receipts	Transfers + Direct Receipts	Balance
61,626			0	9,913	51,713	
Cash Reserves		10,000	0	0	10,000	
Domistic Revenue (1399)		11,753	0	9,913	1,840	
European Commission		8,700	0	0	8,700	
US - Development Aids		373	0	0	373	
ARTF (IP +)		30,800	0	0	30,800	
ARTF (IP +) Direct Reciepts to Disc. Dev Bank Acc			0	0		
C		Grants (Non-Disc - Development)	Budget	Expenditure		Balance
			75,257	7,364		67,893
	ARTF / World Bank		47,097	4,564	42,533	
	Asian Development Bnak (ADB)		20,074	2,138	17,936	
	US & USAID		1,810	254	1,557	
	Other Donors		6,276	408	5,868	