



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

Cash Management Committee
Meeting Minutes
September 2, 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 Deputy Minister for Finance, Admin, Policy, and Revenue and Custom are responsible to present the figures with accuracy and responsibility, in order to present the correct information in the Cash Management meeting and the office of the high official of the presidency.
2. The office of chief of staff is responsible to hold the Cash Management Meeting on weekly basis.
3. The Deputy Minister for Finance, and Revenue and Custom should prepare a comprehensive analysis, in order to achieve the Revenue Target by the end of the current fiscal year.
4. Deputy Minister for Revenue and Custom is responsible to report the revenue collection figures with distinction of revenue sources, to share with media through the Directorate of Communications and Public Awareness.
5. Deputy Minister for Finance should have special attention on expenditure and avoid unnecessary and inefficient budget execution.
6. Deputy Minister for Finance, and Revenue and Custom should discuss with Ministry of Foreign Affairs regarding revenue collection from embassies and consulates.

7. Deputy Minister for the Admin, and Revenue and Customs are responsible to collect the bank statement of enterprises and companies to decide on the liquidation of their accounts based on the money available in the bank.
8. Deputy Minister for the Revenue and Customs should make necessary preparations for the process of vehicles without customs documents and its date should specified.
9. Deputy Minister for the Admin, and Revenue and Customs are responsible to discuss with Supreme Court about confiscated vehicles to decide which vehicles should use by government agencies and which should go on auction.
10. General Directorate of Chief of Staff is responsible to organize and coordinate meetings on liquidation of accounts, with ATRA and Afghan Telecom.

جمهوری اسلامی افغانستان
وزارت مالیه



د افغانستان اسلامی جمهوریت
د مالیې وزارت

Islamic Republic of Afghanistan
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Fiscal Performance in 2020

September 2, 2020

Actual Collections Comparison of 1398-1399

The total revenue collection of fiscal year 1399 were less compared to the total collection during the same period in1398.

Amount in Billion Afs

Agency	Actual		Change
	1398	1399	
Customs	54.57	45.51	-16.6%
Ministries	20.18	13.33	-33.9%
Mustofiats	12.13	8.40	-30.8%
Large Taxpayer Office	16.96	12.79	-24.6%
Medium Taxpayer Office	10.29	8.05	-21.8%
Small Taxpayer Office	2.29	1.72	-24.9%
Unclassified		5.37	
Total	116.42	95.17	-18.3%

DAB Transfer	8.99	12.70
Grand Total	125.41	107.87

Source: RMIS System

Revenue Target vs Actual Collection of 1399

The total revenue collection performance in fiscal year 1399 is substantially lower than the target for all collecting agencies.

Amount in Billion Afs

Agency	Actual	Target	Change
	1399	1399	
Customs	45.51	49.34	-7.8%
Ministries	13.33	20.12	-33.7%
Mustofiats	8.40	9.40	-10.7%
Large Taxpayer Office	12.79	18.73	-31.7%
Medium Taxpayer Office	8.05	8.79	-8.5%
Small Taxpayer Office	1.72	2.05	-16.2%
Unclassified	5.37		
Total	95.17	108.43	-12.2%

DAB Transfer	12.7
Grand Total	107.87

Source: RMIS System

Revenue Forecasting based on the initial 8 months of 1399 collection

Time hypothesis for Covid-19:

- *Significant reduction of existing epidemics*
 - *Activities will improve again*
- early in month of Asad*
early in month of Sunbula

Domestic Revenue in Covid -19 scenario : Afs 148.7 billion

Growth Trend (5% Growth): Afs 151.6 billion.

Pattern: Afs 143.3 billion

Amount in billion Afs	Actual								Forecast				
	Jad	Dal	Hou	Ham	Saw	Jaw	Sar	Asa	Sun	Mez	Aqr	Qaw	Total
Covid -19 Scenario	11.7	12.6	13.4	8.9	9.1	8.6	15.0	10.7	13.7	14.8	14.1	16.1	148.7
Growth Trend (5% growth)	11.7	12.6	13.4	8.9	9.1	8.6	15.0	10.7	14.4	15.5	14.8	16.9	151.6
Pattern	11.7	12.6	13.4	8.9	9.1	8.6	15.0	10.7	10.7	11.8	13.9	16.9	143.3
Actual - 1398	14.5	13.5	14.2	15.5	22.2	13.3	15.8	11.4	15.1	19.7	15.1	36.7	207.0

Source: AFMIS

Daily collection in last 20 days FY-1399

Amount in Million Afs

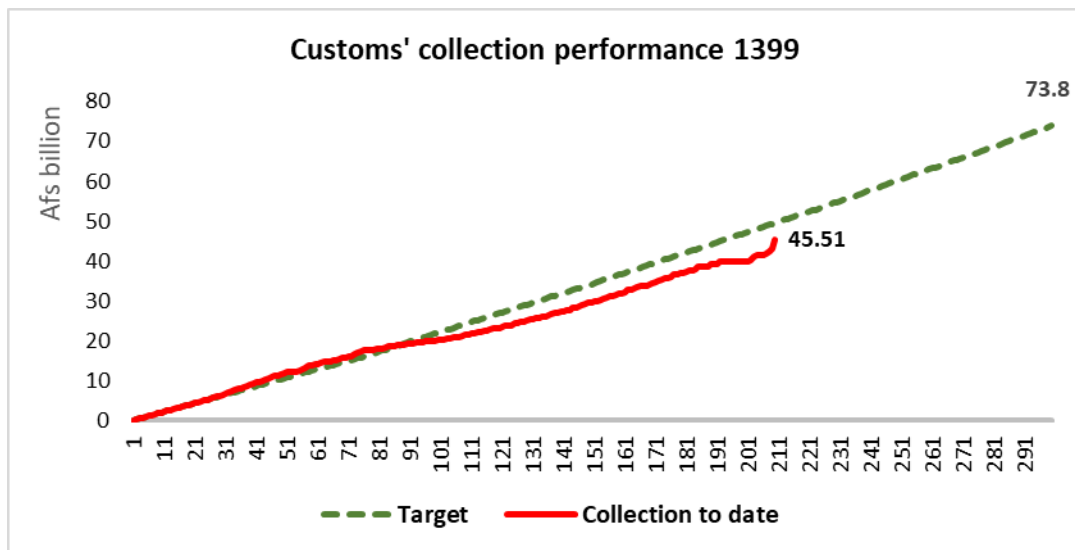
Last 20 days average	549.30
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Date	Total Collection	Daily Collection
Saturday, August 8, 2020	84,884	702
Sunday, August 9, 2020	85,286	402
Monday, August 10, 2020	85,393	107
Tuesday, August 11, 2020	86,272	879
Wednesday, August 12, 2020	86,911	639
Thursday, August 13, 2020	87,242	331
Saturday, August 15, 2020	87,476	234
Sunday, August 16, 2020	87,896	420
Monday, August 17, 2020	88,276	380
Wednesday, August 19, 2020	89,284	1008
Thursday, August 20, 2020	89,954	670
Saturday, August 22, 2020	90,246	292
Sunday, August 23, 2020	90,825	579
Monday, August 24, 2020	91,390	565
Tuesday, August 25, 2020	91,941	551
Wednesday, August 26, 2020	92,619	678
Saturday, August 29, 2020	93,390	771
Monday, August 31, 2020	94,279	889
Tuesday, September 1, 2020	94,602	323
Wednesday, September 2, 2020	95,168	566

To reach the Target	In Covid -19 situation
	Total
Required daily collection in 3th quarter	699.75
Required daily collection in 4th quarter	745.21

Source: AFMIS System

Customs Collection Performance



Source: Revenue Management Information System (RMIS)

Target to date: Afs 49.34 billion;

Collection to date: Afs 45.51 billion;

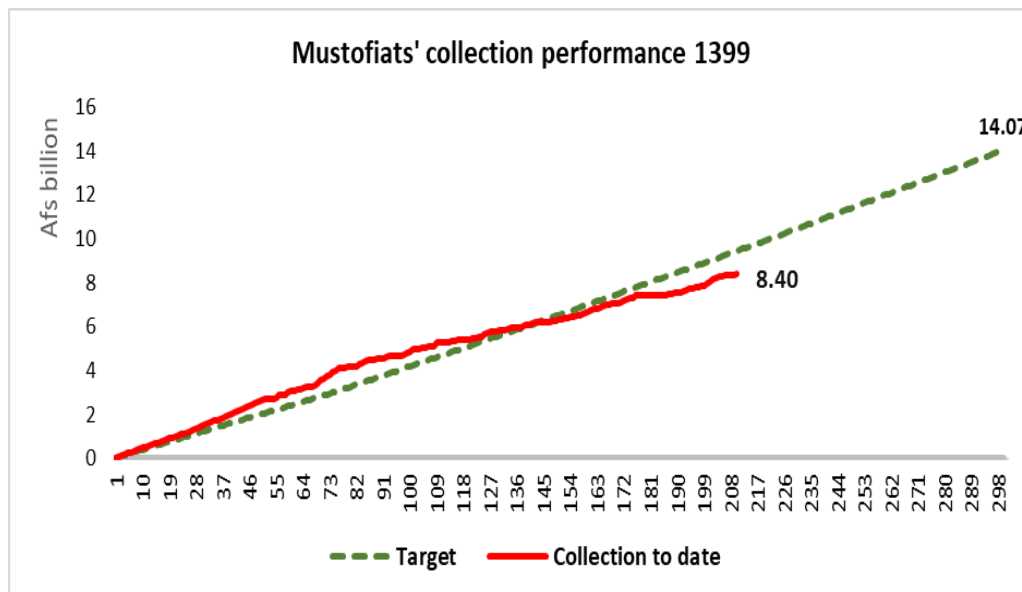
Collection is lower than the target by: Afs **-3.83** billion.

Last year collection to date: Afs 54.57 billion.

Areas to Focus on within the Next three months

1. Regular meetings between the MoF leadership and Customs Directors and establishment of work force for permanent monitoring from regulations and custom's Performances;
2. MoF leadership support for enforcement of law (seizures of goods , disciplinary action against corruption, and etc.) ;
3. Registration of vehicles without customs documents (one key) and auction of confiscated vehicles;

Mustofiats' collection performance



Source: Revenue Management Information System (RMIS)

Target to date : Afs 9.40 billion;

Collection to date: Afs 8.40 billion;

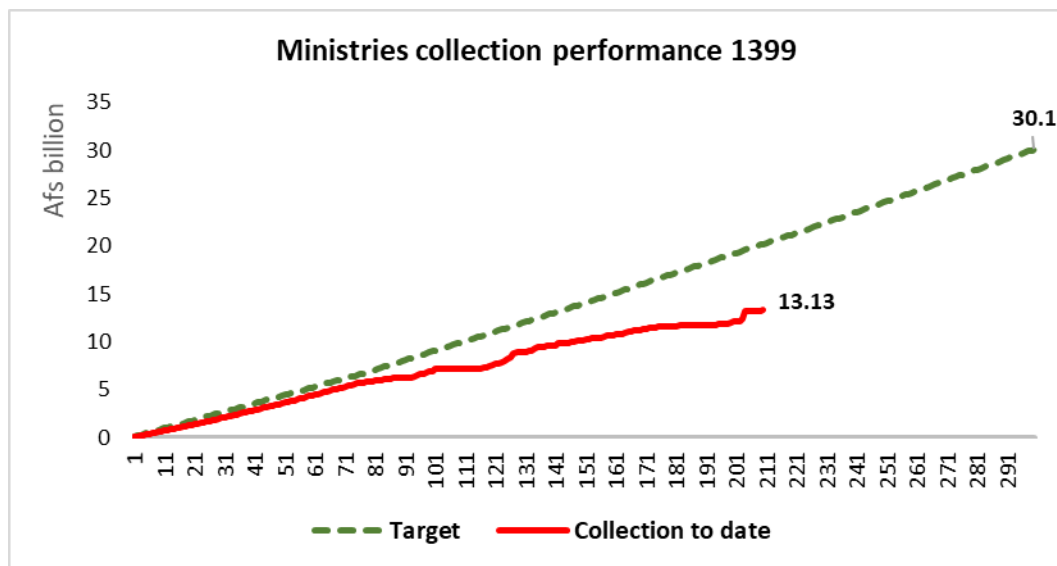
Collection is lower than the target by: Afs **-1.00** billion.

Last year collection to date: Afs 12.13 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;

Ministries collection performance



Source: Revenue Management Information System (RMIS)

Target to date: Afs 20.12 billion;

Collection to date: Afs 13.33 billion;

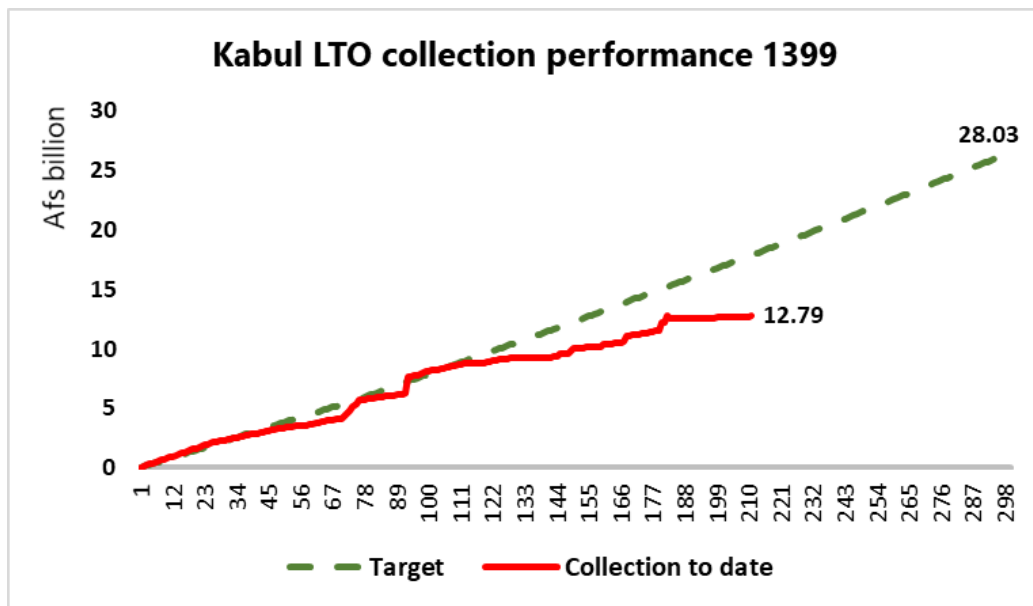
Collection is lower than the target by: Afs -6.79 billion.

Last year collection to date: Afs 20.18 billion.

Areas to Focus on within the Next three months

1. Meetings with relevant departments on revenue performance and seek their cooperation;
2. MoF leadership cooperation is sought on the timely transfer of one-offs from the Government agencies.

LTO Collection Performance



Source: Revenue Management Information System (RMIS)

Target to date: Afs 18.73 billion;

Collection to date: Afs 12.79 billion;

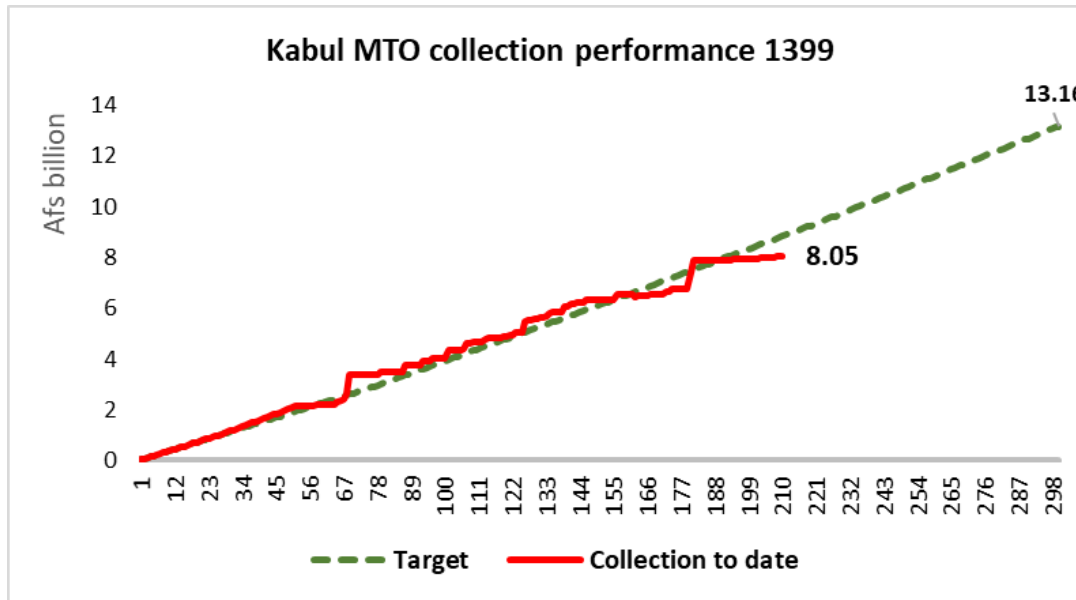
Collection is lower than the target by: Afs -5.94 billion.

Last year collection to date: Afs 16.96 billion.

Areas to Focus on within the Next three months

1. On-time audit of cases;
2. Temporary transfer of staff or additional internees are required to clear the work load in LTO;

MTO collection performance



Source: Revenue Management Information System (RMIS)

Target to date: Afs 8.79 billion;

Collection to date: Afs 8.05 billion;

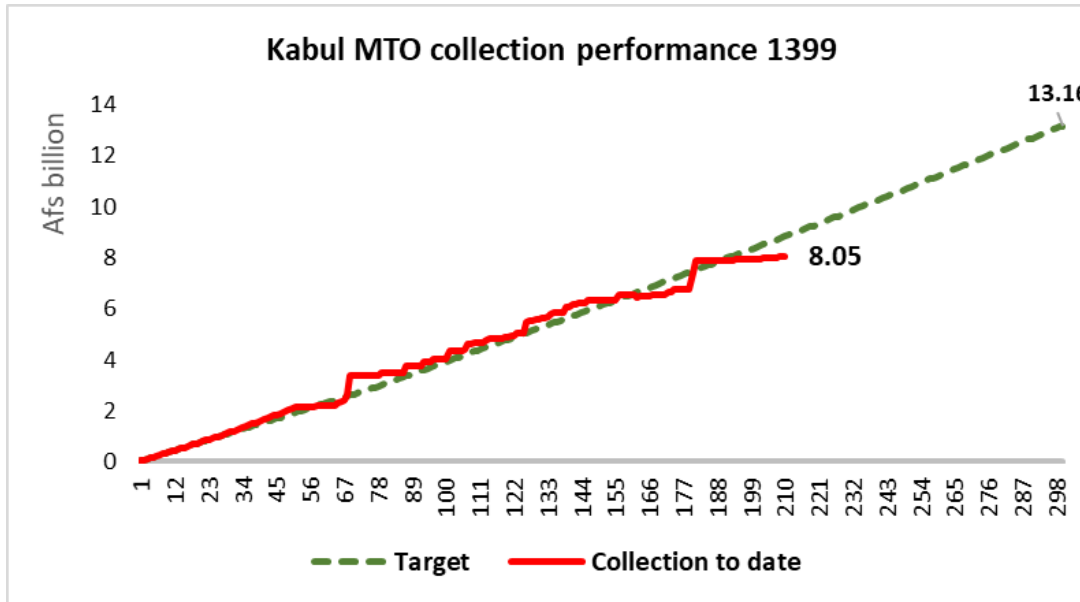
Collection is higher than the target by: Afs -0.74 billion.

Last year collection to date: Afs 10.29 billion.

Areas to Focus on within the Next three months

1. On-time audit of cases;
2. Temporary transfer of staff or additional internees are required to clear the work load in MTO;

STO collection performance



Areas to Focus on within the Next three months

1. Pending cases should be rapidly audited;

Source: Revenue Management Information System (RMIS)

Target to date: Afs 2.05 billion;

Collection to date: Afs 1.72 billion;

Collection is lower than the target by: Afs -0.33 billion.

Last year collection to date: Afs 2.29 billion.

List of One-off Revenue

figures are in million Afs

One-off Revenue						
#	Source	Amount	Received	Sensitivity	likelihood	Responsible
1	Sale of 4G Frequency	7,700.0		Minister & Deputy Minister	Low	Deputy Minister of Custom & Revenue
2	Ministry of Agriculture, Irrigation & Livestock	382.5	382.5	Directore		General Directorate of Revenue/ Mr. Baheej & Mr. Khaliq
3	Afghanistan Railway Authority	252.0	252.0	Directore		
4	Afghan Telecom	3,000.0		Directore	High	
5	Roshan Telecom	2,300.0		Minister & Deputy Minister	medium	Ministry Leadership
6	KAM Air Airlines	512.6		Minister & Deputy Minister	medium	
7	ATRA	2,000.0		Minister & Deputy Minister	High	Deputy Minister of Finance
8	New Kabul Bank	612.0		Minister & Deputy Minister	High	
9	North Coal Enterprise	2,000.0		Minister & Deputy Minister	medium	Deputy Minister of Admin & General Directorate of SOE/ Mr. Shahrani
10	Public Protection	500.0		Minister & Deputy Minister	medium	
11	Afghan Gas	861.0		Directore	medium	
12	House building	600.0		Directore	medium	
13	Spare Parts	34.0		Directore	medium	
14	One-key car registration	3,500.0		Deputy Minister	High	General Directorate of Custom/ Mr. Saleh Zada
15	confiscation cars	200.0		Directore	High	
Total		24,454.1	634.5			

Budget execution summary

Amounts are in Million Afs

	Actual Expenditure		Difference
	1398	1399	(1398-1399)
Development Expenditure	70,675.1	67,040.9	-3,634.2
Execution to date (% of total Dev... Budget)	47.3%	41.1%	-6.2%
Operating Expenditure	167,513.1	171,855.8	4,342.7
Execution to date (% of total Opr... Budget)	55.4%	57.3%	1.8%
Total Expenditure	238,188.2	238,896.7	708.5
Execution to date %	52.7%	51.6%	-1.2%

TREASURY DAILY CASH POSITION REPORT							
	September 2, 2020			(Mn Afs)			
I	SUMMARY OF DISCRETIONARY FUNDS (UNRESTRICTED)						
		OPENING	CURRENT				
	Unrestricted Funds in TSA	16,048	20,692				
	Discretionary Development Funds (Code 20,000)	(344)	(336)				
	Balance in Provinces (Unspent Funds)	0	5,710				
	Cash Reserves / Exchange Gain	10,624	10,624				
	Floor limit (minimum threshold of Treasury Funds)	10,000	10,000				
	AGGREGATE BALANCE - UNRESTRICTED FUNDS		36,328	46,690			
II	SUMMARY OF SOURCES AND USE OF OPERATING BUDGET FUNDS DURING THE YEAR						
	Opening Balance Of Unrestricted Funds (FY 1399) Excl Floor Limit			16,048			
	Daily Revenue Collection			889			
	Total Domestic Revenues collected (Operating Budget)			107,868			
	Donors Grants (Operating & Dev)			93,863			
	Less: Security Sector Advances (MOD & MOI grants)			(148)			
	Net Receipts - Donor Grants (1399)			93,715			
	Loan from IMF			17,194			
	Total Recurrent Budget Receipts (Including donors grants & loan)			218,777			
	Less : Transfers to Discretionary Development Budget Expenditures			(36,729)			
	Total Recurrent Budget Expenditures (Including Cash Transfer To Province)			(177,403)			
	Excess / (Shortfall) in Receipts VS Payments			4,644			
BALANCE OF UNRESTRICTED FUNDS (OPERATING BUDGET)			20,692				
III	FUNDS AVAILABLE UNDER THE DISCRETIONARY DEVELOPMENT BUDGET						
	CASH POSITION		BUDGET AND ALLOTMENT				
	Opening Balance (1399 balance)	(344)	Total Approved Budget	75,787			
	Receipts	36,729	Total Allotments released	73,386			
	Other Receipts		Expenditures	36,721			
	Total Funds Available	36,385	Unspent Allotment	36,664			
	Expenditures	36,721	Net Funds available	(336)			
	Net Funds Available	(336)	Allotments without financing	37,001			
	IV	FUNDS RECEIVABLE AGAINST BUDGET AND DONOR COMMITMENTS					
	SOURCES		Budget	Receipts	Balance		
	Operating Budget		267,753	162,231	105,522		
	Domestic revenues (Operating budget)		175,800	107,868	67,932		
	A	Grants (Operating)		91,953	54,363	37,590	
		LOTFA		28,000	16,859	11,141	
		CSTC-A MOD		58,347	30,973	27,374	
		CSTC-A MOI		5,606	4,782	824	
		ARTF			1,749	(1,749)	
		IMF - Loan			17,194	(17,194)	
		B	Internal Resources & Grants (Disc - Development)		Budget	Receipts + Trasnfers	Balance
					77,026	49,412	27,614
	Cash Reserves		10,000	9,913	87		
	Domestic Revenue (1399)		11,753	0	11,753		
	European Commission		8,700	8,724	(24)		
	US - Development Aids		373	0	373		
	ARTF (IP +)		46,200	30,775	15,425		
	C		Grants (Non-Disc - Development)		Budget	Expenditure	Balance
				88,409	30,300	58,109	
		ARTF / World Bank		59,884	20,572	39,311	
Asian Development Bnak (ADB)		20,261	6,673	13,588			
US & USAID		1,842	732	1,109			
Other Donors		6,423	2,323	4,100			