

## Foreword and Acknowledgement

I am pleased to share the 16<sup>th</sup> edition of the Quarterly Fiscal Bulletin for the second quarter of 1390. This edition of the bulletin provides a snapshot of the actual domestic revenues collection and core budget execution during the quarter. An attempt has been made to provide analytical analysis of the government's fiscal position over the quarter.

The section 5 of the bulletin includes an interesting article explaining **“Progress in Fiscal Transparency in Afghanistan”**. I hope you will find this article useful and informative.

I would like to take this opportunity to thank the Fiscal Policy Unit for researching and drafting the Quarterly Fiscal Bulletin for the second quarter of FY 1390. I would also like to extend my appreciations to the Budget Department, Revenue Department, Treasury Department and other departments for their valuable input and support. I also thank Making Budget & Aid Works (MBAW) project and Adam Smith International (ASI) for their continuous technical support to the Unit.

We would value your comments and queries on this publication. Please address your points to Mr. Zia-Ur-Rahman Haleemi, Head of the Fiscal Policy Unit of the Ministry of Finance at [ziahaleemi@gmail.com](mailto:ziahaleemi@gmail.com).

I hope you will find this publication useful and interesting. It will soon be available on the Ministry of Finance's website ([www.budgetmof.gov.af](http://www.budgetmof.gov.af)).

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# *Quarterly Fiscal Bulletin, Quarter 2, 1390*

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# 1 SUMMARY OF SECOND QUARTER DEVELOPMENTS

Table 1.1 – Budget Summary

Code (In millions of Afghanis)	1389	1389	1390	1390	1390	1390 Comparison to 1389 YTD		1390 Budget	1390 YTD as % of
	Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	Change	% Increase	Revenue or Expenditure Target	Targets/ Budget
<b>OPERATING BUDGET</b>									
<b>Revenues</b>	<b>34,876.8</b>	<b>63,730.9</b>	<b>40,953.7</b>	<b>37,460.9</b>	<b>78,414.7</b>	<b>14,683.7</b>	<b>123.0</b>	<b>160,374.8</b>	<b>48.9</b>
Domestic Revenues (1)	19,641.0	37,169.4	23,289.9	23,830.8	47,120.6	9,951.2	126.8	93,663.8	50.3
Operating Grants	15,235.7	26,561.5	17,663.8	13,630.2	31,294.0	4,732.5	117.8	66,710.9	46.9
<b>Expenditures</b>	<b>27,500.1</b>	<b>46,274.5</b>	<b>23,096.9</b>	<b>35,662.1</b>	<b>58,759.0</b>	<b>12,484.5</b>	<b>127.0</b>	<b>150,725.7</b>	<b>39.0</b>
<b>Budget Balance</b>									
Including Grants	7,376.7	17,456.4	17,856.8	1,798.8	19,655.6	2,199.2	112.6	9,649.1	
Excluding Grants	-7,859.1	-9,105.1	192.9	-11,831.3	-11,638.4	-2,533.3	127.8	-57,061.9	
<b>Fiscal sustainability indicator (%) (2)</b>	<b>71.4</b>	<b>80.3</b>	<b>100.8</b>	<b>66.8</b>	<b>80.2</b>	<b>-0.1</b>	<b>99.8</b>	<b>62.1</b>	
<b>DEVELOPMENT BUDGET</b>									
<b>Grants (3)</b>	<b>8,512.6</b>	<b>12,787.1</b>	<b>4,448.0</b>	<b>4,991.2</b>	<b>9,439.2</b>	<b>-3,347.8</b>	<b>73.8</b>	<b>70,072.5</b>	<b>N/A</b>
<b>Expenditures</b>	<b>13,811.6</b>	<b>16,671.6</b>	<b>5,115.3</b>	<b>11,730.6</b>	<b>16,845.9</b>	<b>174.3</b>	<b>101.0</b>	<b>101,243.6</b>	<b>16.6</b>
Discretionary Budget	1,888.8	2,506.3	1,247.9	2,885.6	4,133.5	1,627.2	164.9	26,504.0	15.6
Non-discretionary Budget	11,922.8	14,165.3	3,867.4	8,845.0	12,712.4	-1,452.9	89.7	74,739.6	17.0
<b>Budget Balance (3)</b>	<b>-5,299.1</b>	<b>-3,884.6</b>	<b>-667.3</b>	<b>-6,739.3</b>	<b>-7,406.7</b>	<b>-3,522.1</b>	<b>190.7</b>	<b>-31,171.2</b>	
<b>INTEGRATED BUDGET</b>									
<b>Revenues (3)</b>	<b>43,389.3</b>	<b>76,518.0</b>	<b>45,401.7</b>	<b>42,452.2</b>	<b>87,853.9</b>	<b>11,335.9</b>	<b>114.8</b>	<b>230,447.2</b>	<b>N/A</b>
Domestic Revenues	19,641.0	37,169.4	23,289.9	23,830.8	47,120.6	9,951.2	126.8	93,663.8	50.3
Grants (3)	23,748.3	39,348.6	22,111.9	18,621.4	40,733.3	1,384.7	103.5	136,783.4	N/A
<b>Expenditures</b>	<b>41,311.7</b>	<b>62,946.1</b>	<b>28,212.3</b>	<b>47,392.7</b>	<b>75,604.9</b>	<b>12,658.8</b>	<b>120.1</b>	<b>251,969.3</b>	<b>30.0</b>
<b>Balances</b>								0.0	
Excluding Grants	-21,670.7	-25,776.7	-4,922.4	-23,561.9	-28,484.3	-2,707.6	110.5	-158,305.5	
Including Grants (3)	2,077.6	13,571.9	17,189.5	-4,940.5	12,249.0	-1,322.9	90.3	-21,522.1	
<b>Financing</b>						0.0	N/A		
Balance Including Grants	2,077.6	13,571.9	17,189.5	-4,940.5	12,249.0	-1,322.9	90.3		
Sale of Land and Buildings	11.2	81.3	22.7	8.9	31.6	-49.7	38.9		
Sale of State Owned Enterprises	0.0	0.0	0.0	0.0	0.0	0.0	N/A		
<b>Lending/Borrowing</b>	<b>2,088.8</b>	<b>13,653.2</b>	<b>17,212.2</b>	<b>-4,931.6</b>	<b>12,280.6</b>	<b>-1,372.6</b>	<b>89.9</b>		

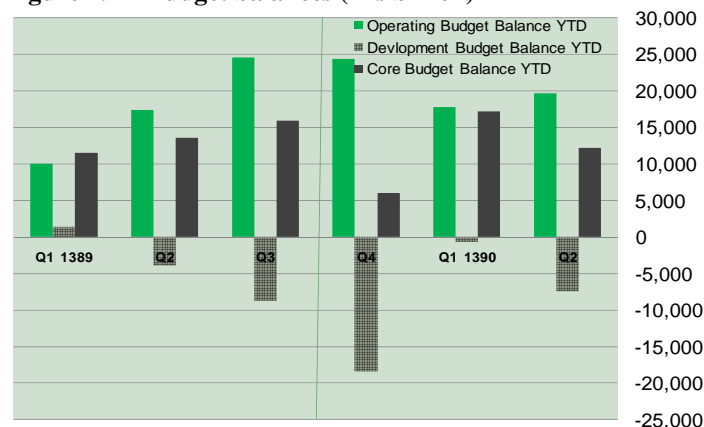
Source: FPU using AFMIS data downloaded on the 29 November 2011

- In the published budget document, Afs 13.2 billion in domestic revenues are allocated to the development budget in 1390. In order to ensure comparability with actuals, all domestic revenues shown under the development budget in the published budget document have been re-allocated to the operating budget in the above table.
- Fiscal sustainability is measured as domestic revenues as a percentage of operating budget expenditures
- Actual figures are not comparable to the development/integrated budget grants or balances shown in budget documentation, as grants/balance in budget documentation also includes loans. Loans are shown as a financing item in the above table.

## 1.1 Overall fiscal position

The core or integrated budget deficit (including grants) during the second quarter 1390 was Afs 4.9 billion. The operating budget surplus was Afs 1.8 billion. Meanwhile, the development budget balance had a deficit of Afs 6.7 billion. However, compared to the same YTD period over the past year, the core budget balance was Afs 1.3 billion or 9.7% lower; this decline was due to both higher operating and development expenditures (core expenditures were YTD 20.1% higher) during the second quarter 1390.

Figure 1.1 – Budget balances (Afs billion)



## 1.2 Domestic Revenues and Grants

### Domestic Revenues

The second quarter 1390 observed the same level of revenue performance as it did in 1<sup>st</sup> quarter. Total domestic revenue of Afs 23.8 billion were collected during this quarter, which shows an increase of Afs 2.3 billion or 11% against the quarterly target and Afs 4.2 billion or 26.0% compared to the same period 1389 respectively. Total YTD revenue collection was Afs 47.1 billion which implies that over half of the annual target was achieved so far up until 2<sup>nd</sup> quarter. Main components in tax revenues and custom duties and also non tax revenues contributed to the revenue growth in the 2<sup>nd</sup> quarter (that will be explained in the sections below).

### Grants

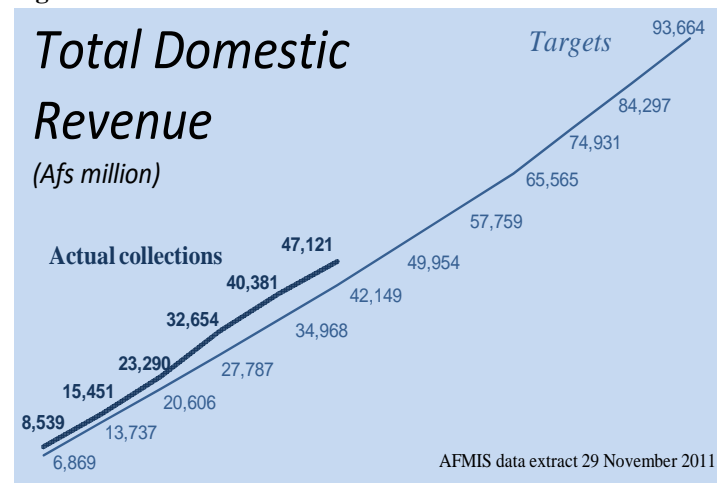
Total grants receipts in the second quarter 1390 were Afs 18.6 billion of which operating grants were Afs 13.6 billion and development grants were Afs 5.0 billion. Operating grants receipts in Q2 1390 decreased by about Afs 1.6 billion compared to Afs 15.2 the same period in 1389. Grants receipts from CSTC-A for ANA and ANP increased from Afs 3.0 billion in Q2 1389 to Afs 7.6 billion in Q2 of 1390. The increased operating grants from CSTCA and LOTFA continue to fund the budget as a result of the growth in Afghan Security Forces. These additional grants are used to fund the wages of the additional security forces. In order to ensure and sustain security in Afghanistan, donors will have to

## 1.3 Expenditures

Total core budget for FY 1390 is Afs 251.9 billion (or about 34% of the projected GDP), which includes an operating budget of Afs 150.7 billion and a development budget of some Afs 101.2 billion.

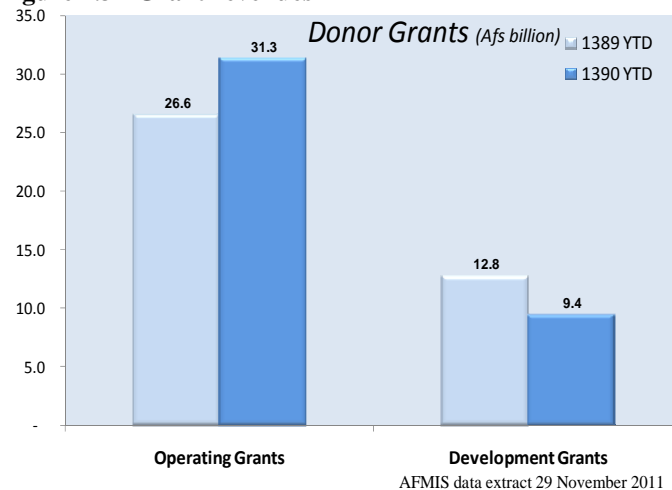
The core budget expenditures up until the end of Q2 1390 were Afs 75.6 billion or 30% of the allocated budget. However, comparing core budget expenditures YTD with those of 1389 YTD, it grew by around 20.1 percent from Afs 62.9 billion spent to Afs 75.6 billion in the first half of 1390. Furthermore these core expenditures have grown somewhat faster than the expected nominal annual GDP growth of around 18.5% in 1390.

Figure 1.2 – Total Domestic Revenues



continue funding the security sector in the medium to long term.

Figure 1.3 - Grant revenues



## Operating Budget

Operating expenditures consists of wages and salaries, goods and services, capital expenditures and interest payments to conduct day-to-day operations of the government. It should be kept in mind that operating expenditures has been increasing in the past couple of years as a result of the increase in the numbers of the school teachers and soldiers and the rapid implementation of Pay & Grading reforms.

The operating budget for 1390 increased to Afs 150.7 billion from Afs 110.5 billion in 1389. The increased amount (Afs 40.2 billion or 5.6% of GDP) was allocated for wages and other related expenditures of the increased security forces (ANA and ANP) and the further implementation of the Pay & Grading reforms of the Government.

## Development Budget

The total original development budget for the year 1390 was Afs 74 billion, which increased to Afs 101.2 billion after the inclusion of the supplementary projects from 1389, including Afs 24.2 billion discretionary and Afs 74.3 billion non-discretionary projects. The total revenue to finance the development expenditures is Afs 83.3 billion, including Afs 13.2 from the domestic revenues (including Aynak) and Afs 69.9 billion donor grants. There is a deficit of Afs 17.9 billion with an identified financing of Afs 5.8 billion and the rest, Afs 12.1 billion, is still unidentified.

The total development budget expenditures were Afs 11.7 billion or 11.6% of the total development budget for the year in the second quarter. Development expenditures is somewhat lower by 15% or nearly Afs 2.1 billion compared to the Afs 13.8 billion spent in Q2 of the previous year. The YTD development expenditures were Afs 16.8 billion in the first half of the year, around 1% higher compared to the development expenditures in the first half of 1389. The execution rate of 16.6% accounts for only 2.3% of the projected GDP for 1390.

Figure 1.4 – Operating Budget

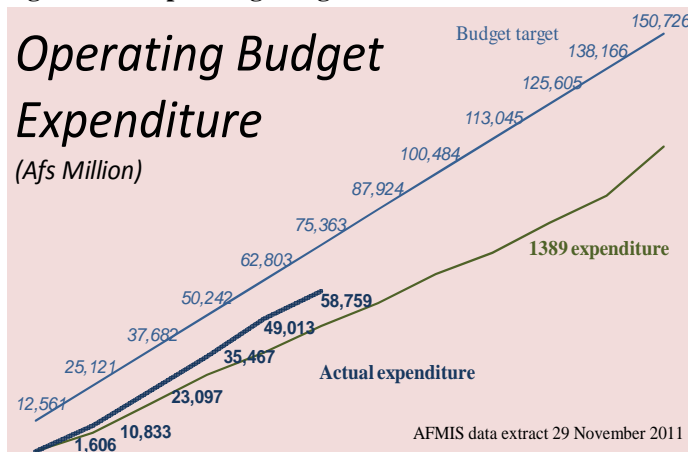
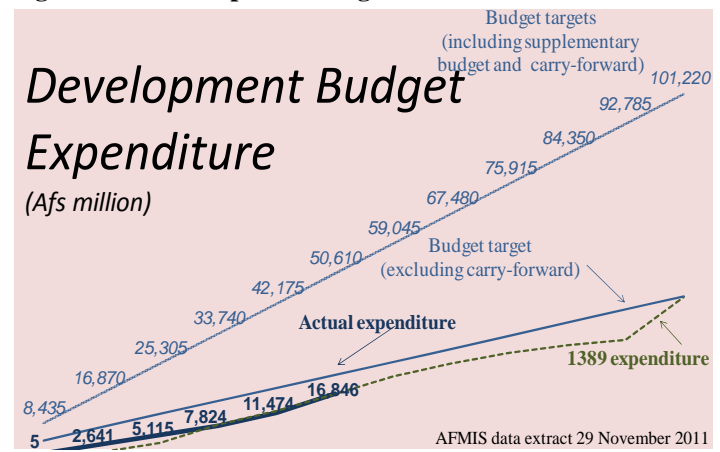


Figure 1.5 – Development Budget



## 1.4 Fiscal sustainability

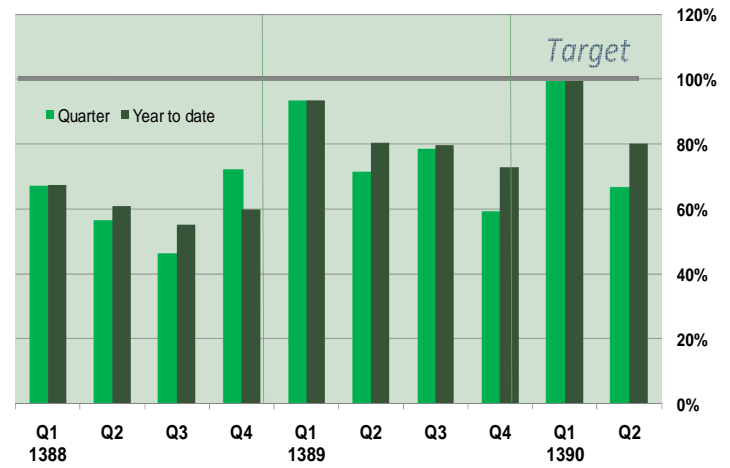
In Afghanistan's context, fiscal sustainability is defined as total operating expenditures being fully funded by total domestic revenues. Fiscal sustainability has remained as one of the key

objectives under the Government and IMF's proposed new economic program, the Extended Credit Facility.

During the second quarter of 1390, total domestic revenue collected were Afs 23.8 billion while total operating expenditures were Afs 35.7 billion. In other words only 66.8% of our operating

expenditures in Q2 of 1390 were financed using domestic revenues. Comparing Q2 of 1390 with Q2 of 1389, fiscal sustainability indicator remained around 80.2%. As expected, payments for most of the contracts for operating expenditures on goods and services made in Q1 of 1390 have started and it is estimated that operating expenditures will stay at this high level in the second half of 1390.

**Figure 1.6 – Fiscal sustainability: Domestic revenues as a percentage of Operating Expenditures**



## 2 CORE BUDGET REVENUES

Table 2.1 – 1390 Q2 revenues

Code (In millions of Afghani)	1389 Qtr 2 Actual Qtr	1389 Qtr 2 Actual YTD	1390 Qtr 1 Prelim Qtr	1390 Qtr 2 Prelim Qtr	1390 Qtr 2 Prelim YTD	1390 Comparison to 1389 YTD	YTD Target 1390 Qtr 2 YTD	Target - Actual % (+/-)	Annual Target (2)	% Annual Target
						Change % Increase				
<b>CORE BUDGET</b>										
<b>1 REVENUES including grants (1)</b>	<b>43,389.3</b>	<b>76,518.0</b>	<b>45,401.7</b>	<b>42,452.2</b>	<b>87,853.9</b>	<b>11,335.9</b>	<b>14.8</b>			
<b>1-19 REVENUES excluding grants</b>	<b>19,641.0</b>	<b>37,169.4</b>	<b>23,289.9</b>	<b>23,830.8</b>	<b>47,120.6</b>	<b>9,951.2</b>	<b>26.8</b>	<b>42,148.7</b>	<b>11.8</b>	<b>93,663.8</b>
<b>DOMESTIC REVENUES (2) (3)</b>	<b>19,641.0</b>	<b>37,169.4</b>	<b>23,289.9</b>	<b>23,830.8</b>	<b>47,120.6</b>	<b>9,951.2</b>	<b>26.8</b>	<b>42,148.7</b>	<b>11.8</b>	<b>93,663.8</b>
<b>11 Tax Revenues</b>	<b>9,366.1</b>	<b>17,933.1</b>	<b>9,346.8</b>	<b>10,455.7</b>	<b>19,802.5</b>	<b>1,869.5</b>	<b>10.4</b>	<b>20,787.5</b>	<b>-4.7</b>	<b>46,194.5</b>
111 Fixed Taxes	2,130.0	4,368.6	2,280.4	2,483.3	4,763.8	395.1	9.0	5,541.6	-14.0	12,314.6
112 Income Taxes	2,632.2	4,758.5	2,842.7	2,541.1	5,383.8	625.3	13.1	5,345.2	0.7	11,878.2
113 Property Taxes	51.2	111.5	102.9	85.7	188.6	77.2	69.2	148.4	27.1	329.8
114 Sales Taxes	3,900.7	7,339.0	3,597.2	4,561.9	8,159.1	820.1	11.2	8,548.2	-4.6	18,996.0
116 Other Taxes	524.2	1,109.8	388.3	628.8	1,017.0	-92.7	-8.4	882.9	15.2	1,962.0
117 Tax Penalties and Fines	127.8	245.7	135.3	154.9	290.2	44.5	18.1	321.2	-9.6	713.8
<b>12 Customs Duty, Import Taxes</b>	<b>6,672.2</b>	<b>13,195.3</b>	<b>7,810.1</b>	<b>7,939.7</b>	<b>15,749.7</b>	<b>2,554.4</b>	<b>19.4</b>	<b>14,644.1</b>	<b>7.5</b>	<b>32,542.6</b>
<b>13 Non Tax Revenue</b>	<b>2,624.3</b>	<b>5,166.6</b>	<b>5,701.9</b>	<b>4,286.8</b>	<b>9,988.7</b>	<b>4,822.0</b>	<b>93.3</b>	<b>5,465.0</b>	<b>82.8</b>	<b>12,144.3</b>
131 Income from Capital Property	67.2	152.6	2,480.4	68.0	2,548.4	2,395.8	1,569.7	166.9	1,426.7	370.9
132 Sales of Goods and Services	1,050.5	1,967.2	1,255.6	1,151.7	2,407.2	440.0	22.4	1,867.7	28.9	4,150.4
133 Administrative Fees	1,432.0	2,907.8	1,721.4	2,845.8	4,567.2	1,659.4	57.1	3,251.9	40.4	7,226.6
134 Royalties	10.1	16.5	41.7	67.1	108.8	92.3	560.0	55.5	95.8	123.4
135 Non Tax Fines and Penalties	64.5	122.5	190.5	126.0	316.5	194.0	158.4	122.9	157.6	273.0
136 Extractive Industry	0.0	0.0	12.3	28.2	40.5	40.5	N/A	526.2	-92.3	1,169.3
<b>14 Miscellaneous Revenue</b>	<b>533.4</b>	<b>163.7</b>	<b>-86.9</b>	<b>495.9</b>	<b>409.0</b>	<b>245.3</b>	<b>149.9</b>	<b>526.2</b>	<b>-22.3</b>	<b>1,169.3</b>
<b>17 Social Contributions</b>	<b>445.0</b>	<b>710.7</b>	<b>518.0</b>	<b>652.7</b>	<b>1,170.7</b>	<b>460.0</b>	<b>64.7</b>	<b>725.9</b>	<b>61.3</b>	<b>1,613.2</b>
<b>GRANTS (1)</b>	<b>23,748.3</b>	<b>39,348.6</b>	<b>22,111.9</b>	<b>18,621.4</b>	<b>40,733.3</b>	<b>1,384.7</b>	<b>3.5</b>			
191 Foreign Governments	16,723.6	28,237.5	18,035.6	14,296.6	32,332.1	4,094.6	14.5			
192 International Organisation	6,981.4	10,795.1	4,076.3	4,182.1	8,258.4	-2,536.8	-23.5			
193 Other Government Units	43.3	315.9	0.0	142.8	142.8	-173.1	-54.8			
<b>TOTAL OPERATING BUDGET REVENUE</b>	<b>34,876.8</b>	<b>63,730.9</b>	<b>40,953.7</b>	<b>37,460.9</b>	<b>78,414.7</b>	<b>14,683.7</b>	<b>23.0</b>			
Domestic Revenues	19,641.0	37,169.4	23,289.9	23,830.8	47,120.6	9,951.2	26.8	42,148.7	11.8	93,663.8
as percentage of total	56.3	58.3	56.9	63.6	60.1	67.8				
External Grant Support	15,235.7	26,561.5	17,663.8	13,630.2	31,294.0	4,732.5	17.8			66,710.9
as percentage of total	43.7	41.7	43.1	36.4	39.9	32.2				46.9

Source: FPU using AFMIS data downloaded on the 29 November 2011

1. Actual figures are not comparable to the development/ integrated budget grants or balances shown in budget documentation, as grants/balance in budget documentation also includes loans. Loans are shown as a financing item in above table.

2. Revenues exclude proceeds from the sale of fixed assets (150), and loans (18). These items are included under financing.

3. In the published budget document, Afs 13.2 billion in domestic revenues are allocated to the development budget in 1390. In order to ensure comparability with actuals, all domestic revenues shown under the development budget in the published budget document have been re-allocated to the operating budget in the above table.

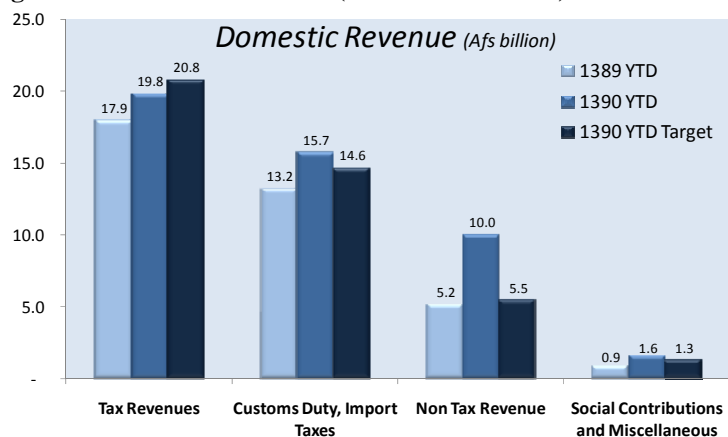
### 2.1 Domestic Revenues

Total revenue target for fiscal year 1390 is Afs 93.7 billion based on the Fiscal Policy Unit's revenue forecasting model that shows about 17% revenue growth over Afs 80.4 billion collected in 1389. The quarterly breakdown of the total revenue target is based on the quarterly distribution of actual domestic revenues collected in recent years. It is assumed that 22% of annual revenues will be collected in Q1, 23% in Q2, 25% in Q3 and 31% in Q4. This means that the 1390 second quarter target of total revenues of Afs 21.5 billion accounts for 23% of the annual revenue target. Total Quarterly and YTD revenue collection in Q2 1390 against their respective targets (Afs 21.5 billion and Afs

42.1 billion), were Afs 23.8 billion and Afs 47.1 billion, which shows increases of Afs 2.4 billion or (12%) and Afs 5.0 billion or (13%) respectively. While YTD revenue collection shows an increase around Afs 10.0 billion or (27%) compared to Afs 37.2 billion collected the same period 1389.

The major contributors to this increase were custom duties, tax revenues and non tax revenues. The increase in tax revenue were due to improvement in the collection of taxes by provinces (particularly through MTOs), while for custom duties the increases were partly attributed to good performance in some custom offices like Kandahar and Herat, and partly due to increase in the values of dutiable imports as a result of currency depreciation over last two quarters.

**Figure 2.1 Domestic Revenues (1390 vs. 1389 YTD)**



AFMIS data extract 29 November 2011

## 2.2 Provincial Distribution of Revenues

**Table 2.2 – 1390 Provincial Revenues**

(In millions of Afghanis)	Total Revenues			Taxation Revenues		Customs Duties		Non Tax Revenues		Other Revenues	
	1389	1390	%	1389	1390	1389	1390	1389	1390	1389	1390
	Qtr 2	Qtr 2	Increase	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2
	Actual	Prelim		Actual	Prelim	Actual	Prelim	Actual	Prelim	Actual	Prelim
	YTD	YTD		YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
<b>TOTAL REVENUE</b>	<b>37,169.4</b>	<b>47,120.6</b>	<b>26.8</b>	<b>17,933.1</b>	<b>19,802.5</b>	<b>13,195.3</b>	<b>15,749.7</b>	<b>5,166.6</b>	<b>9,988.7</b>	<b>874.4</b>	<b>1,579.7</b>
<b>Total Provinces</b>	<b>23,646.7</b>	<b>29,113.7</b>	<b>23.1</b>	<b>8,910.0</b>	<b>10,024.5</b>	<b>12,070.6</b>	<b>14,838.7</b>	<b>2,201.0</b>	<b>3,298.5</b>	<b>465.1</b>	<b>951.9</b>
Nangarhar	5,204.5	5,187.3	-0.3	1,972.8	1,813.9	2,966.7	2,981.6	226.4	317.3	38.6	74.5
Balkh	4,905.5	4,575.5	-6.7	1,633.5	1,589.9	2,902.9	2,562.2	315.6	315.1	53.4	108.2
Kandahar	1,716.6	1,648.7	-4.0	759.5	558.1	716.8	821.1	196.5	217.5	43.8	52.0
Herat	6,957.7	10,107.5	45.3	2,549.1	3,368.5	3,785.9	5,890.9	569.4	760.4	53.4	87.7
Nimroz	1,722.4	1,792.7	4.1	615.7	682.5	942.9	952.4	157.1	148.8	6.6	9.0
Other Provinces	3,140.0	5,802.0	84.8	1,379.3	2,011.6	755.4	1,630.6	736.0	1,539.4	269.3	620.4
<b>Central Ministries</b>	<b>13,522.7</b>	<b>18,006.9</b>	<b>33.2</b>	<b>9,023.1</b>	<b>9,778.0</b>	<b>1,124.7</b>	<b>911.0</b>	<b>2,965.6</b>	<b>6,690.1</b>	<b>409.3</b>	<b>627.8</b>

Source: FPU using AFMIS data downloaded on the 29 November 2011

Table 2.2 shows revenue collections by category based on a location classification (Provinces and Line Ministries). From the above table, it shows that both provinces and central ministries largely contributed to the overall increase in revenue for YTD Q2 1390. Total provinces collected Afs 29.1 billion that shows an increase by Afs 5.5 billion or 23.1% compared to Afs 23.6 billion in 1389, similarly total central ministries collected Afs 18.0 billion that shows an increase by Afs 4.5 billion or 33.2%.

- **Custom Duties:** The total provinces collected Afs 14.8 billion up to the 2<sup>nd</sup> quarter 1390 compared to Afs 12.1 billion collected the same period in 1389, an increase of Afs 2.8 billion or 23%.
- **Taxation Revenues:** Total provinces collected Afs 19.8 billion until 2<sup>nd</sup> quarter 1390, which shows an increase of Afs 1.1 billion or 13% over Afs 8.9 billion collected in the same period 1389. Total central ministries collected Afs 9.8 billion. This shows an increase of Afs 755 million or 8% over the same period 1389.
- **Non-Tax Revenues:** Total central ministries collected Afs 6.7 billion up until 2<sup>nd</sup> quarter 1390 compared to Afs 3.0 billion collected in the same period of 1389; most of the increase came through receipts of



Aynak (Afs 2.4 billion) by the Ministry of Mines in the first quarter. The provinces collected Afs 3.3 billion in totals compared to Afs 2.2 billion collected the same period in 1389.

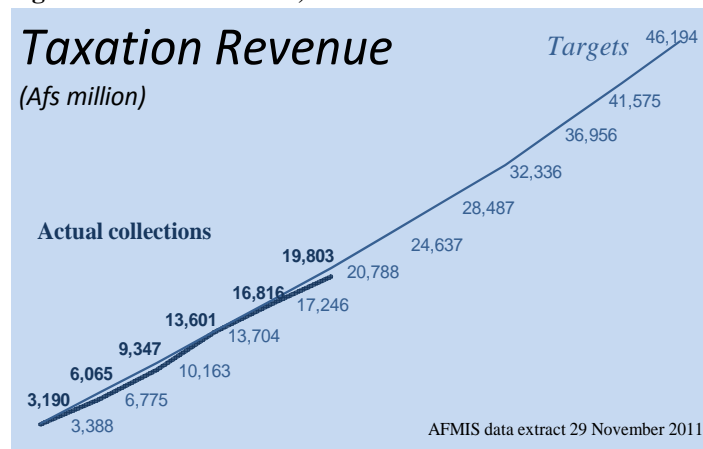
### 2.3 Tax revenues

Tax revenues which consist mainly of fixed taxes, income taxes, property taxes and tax penalties and fines collected Afs 19.8 billion until the 2<sup>nd</sup> quarter 1390, this shows an increase of Afs 1.9 billion or 10% over Afs 17.9 billion collected the same period 1389. While compared to its YTD target of Afs 20.8 billion, it shows a slight decline of about 4.7%.

- I. **Fixed taxes**, on year to date collected Afs 4.8 billion compared to Afs 4.4 billion collected the same period 1389, an increase by Afs 395 million or 9%. On a quarterly basis, revenue collection increased by Afs 353 million or 17% in Q2 1390 over Afs 2.1 billion collected the same period 1389. Its major component, **Imports by Licensed Business**, contributed Afs 176 million or 10.1% in 2<sup>nd</sup> quarter of 1390, as given by table below.
- II. **Income taxes**, collected Afs 5.4 billion compared to Afs 4.8 billion in YTD Q2 1389. This shows an increase of Afs 625.3 million or 13.1%. The main reason for this increase was increase in wages overall. However, on a quarterly basis, incomes tax collection was Afs 2.5 billion in Q2 1390 as compared to Afs 2.6 billion the same period 1389, which shows a shortfall of 3.0%. **Employees Salaries and Wages** contributed Afs 221 million or 18.6% in 2<sup>nd</sup> quarter 1390. Where as corporate income taxes decline compared to the same time 1389.

- III. **Sales taxes** collected Afs 8.2 billion in YTD Q2 1390 compared to Afs 7.3 billion collected in the same period 1389, an increase of Afs 820 million or 11%. While quarterly revenue increased by Afs 661 million or 17% in Q2 1390 compared to Afs 3.9 billion collected the same period 1389. Most of the increase was due to its main components, **Receipts Private Entities and 2% BRT**, in this quarter that collected Afs 356 million or 35.6% of increased revenues over Afs 998 million collected over the same period in 1389. While revenue from **BRT on Imports** increased by Afs 197 million or 11% over Afs 1.8 billion collected in the same period of 1389.

Figure 2.2 - Tax revenues, Afs billion



Major increases in specific tax revenues				
Main Components of Tax Revenues	1389	1390	Difference	% Increase
	2nd Quarter	2nd Quarter		
	All Values in million Afghanis			
Imports by Licensed Business (Fixed Taxes)	1,744	1,920	176	10.1%
Employees Salaries & Wages (Income Taxes)	1,186	1,407	221	18.6%
2% BRT on Imports (Sales Taxes)	1,810	2,007	197	10.9%
BRT on Services 10 % (Sales Taxes)	1,087	1,199	111	10.2%
Receipts Pvt Entities 2% BRT (Sales Taxes)	998	1,353	356	35.6%

## 2.4 Customs duties and import taxes

Total custom duties and import taxes that account for around 35% of the total budgeted revenue for 1390 were collected in the amount of Afs 15.8 billion up until 2<sup>nd</sup> quarter 1390 compared to Afs 27.6 billion collected in the same period in 1389. This shows that custom duties grew significantly, around 19.4% during this period.

Collection in the custom duties also exceeds its YTD Q2 target of Afs 14.6 billion, by 8.0 %. On quarterly, total custom duties of Afs 7.9 billion were collected compared to Afs 7.5 billion (an increase by 6.1%) of its quarter target, and Afs 6.7 billion (an increase by 19%) was collected the same period 1389. Due to change of trade pattern (i.e. fuel import from Turkmenistan instead of Uzbekistan), currency depreciation led to high growth in the value of dutiable imports, and more collection effort by some custom offices altogether led to this increase.

Around 87% of the total custom duties are collected by the five major custom offices mentioned below:

**Herat customs office** which recently observed an increase in the volume of imports collected Afs 2.9 billion in 2<sup>nd</sup> quarter 1390, which shows an increase by 41% compared to Afs 2.1 billion for the same period in 1389. It also exceeded its quarterly target of Afs 2.6 billion by 13%. The increase was due to increased imports of fuel, and less exemptions on dutiable imports.

**Kandahar customs office** improved its performance in 2nd quarter 1390 substantially, and collected Afs 487 million compared to Afs 337 million, an increase by 45%. Whereas against its quarterly target of Afs 373 million, it was increased by 31%. Improvement in the collection of duties was the reason for such increase.

**Nangarhar customs office** collected Afs 1.34 billion as compared to Afs 1.32 collected the same time in 1389, an increase of 2%. While compared to its somewhat “aggressive target” of Afs 1.8 billion, it fell short by 24%.

**Balkh customs office** collected Afs 1.3 billion which was less than Afs 1.4 billion collected in 2<sup>nd</sup> quarter 1389. This shows a 9.0% reduction in collection of custom duties. Similarly, revenue from custom duties also fell by 5.0% against the target Afs 1.4 billion. The change in the trade patterns and also granting more exemption rights in the dutiable imports are attributed to the decline in custom duties.

**Nimroz customs office** collected Afs 491.2 million that was less than Afs 540.0 million collected the same period of 1389, a 9.0% reduction in custom duties. Also, it was 14.0% below the target Afs 570.4 million.

Figure 2.3 – Custom duties

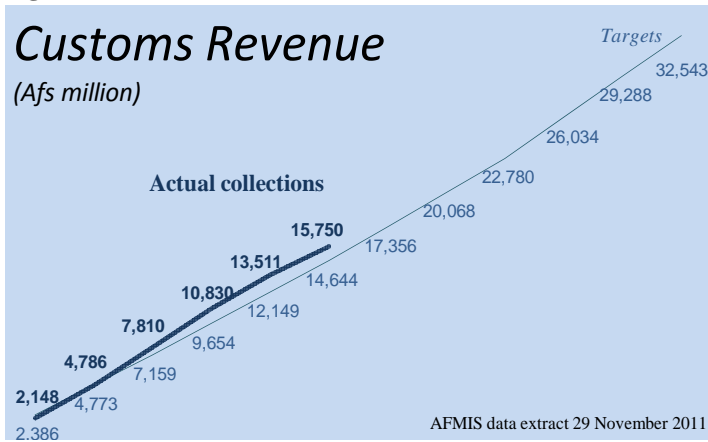
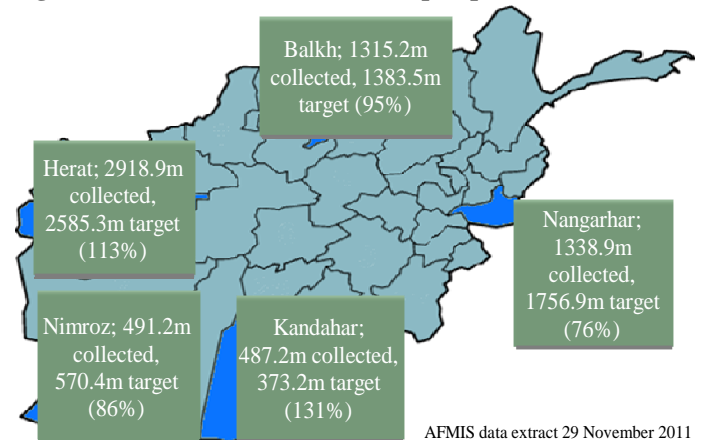


Figure 2.4 - Customs revenues in 'top 5' provinces, Q2



## 2.5 Non-tax revenues

Non-tax revenues consist of income from capital property, sales of goods and services, administrative fees, royalties and non-tax penalties and fines. Total non-tax revenues were Afs 4.3 billion in the 2<sup>nd</sup> quarter 1390, which was Afs 1.7 billion or 63% higher than Afs 2.6 billion collected the same period 1389. It also shows an increase about 54% against the target Afs 2.8 billion. While total YTD non-tax revenues were about Afs 10.0 billion up until 2<sup>nd</sup> quarter. This shows an increase of 93.0% compared to Afs 5.2 billion collected the same period in 1389. This high increase for YTD non tax revenues was attributed to both receipt of revenues of Afs 2.4 billion from the Aynak mine (Rights for Mineral Extraction), and contributions by the Administrative fees category.

**Administrative fees** that received Afs 2.8 billion in the 2nd quarter 1390, was the largest contributor to increased non tax revenues during this quarter. This shows an increase of Afs 1.4 billion or 99% over around Afs 1.4 billion collected the same period 1389. Most of the increase was due to revenue from the sales of the licenses, **Professional and Agricultural license** collected Afs 568.6 million, and revenues from the sale of **Licenses by SOEs** were Afs 520.8 million.

**Sales of Goods and Services** collected Afs 1.2 billion in the 2<sup>nd</sup> quarter 1390, an increase by 10% over Afs 1.1 billion collected the same period 1389. Most of the increase comes through collection of receipts from **Services Rendered** and **Truck commission** during this quarter.

Figure 2.5 – Non-tax revenues, Afs millions

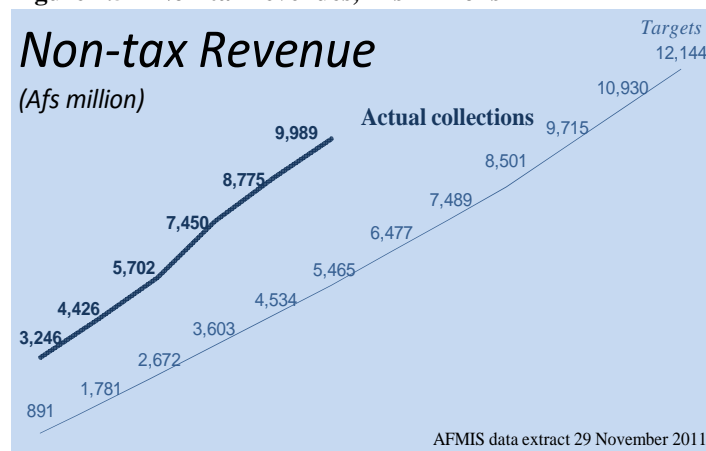
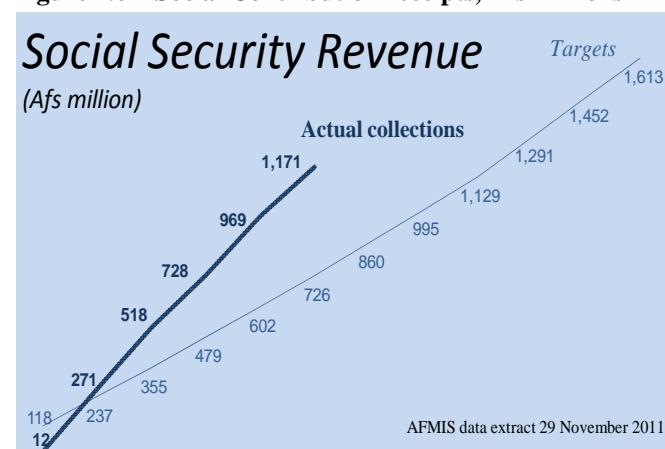


Figure 2.6 – Social Contribution receipts, Afs millions



## 2.6 Social Contributions

Social contributions include government employee contributions for retirement and pension purposes to fund the well being of retired employees in the future. Total revenues from Social Contributions were Afs 653 million in the 2<sup>nd</sup> quarter 1390 compared to Afs 445 million the same period 1389; an increase of 27%. It also shows a significant increase of 76% against the 2<sup>nd</sup> quarter target of Afs 371.0 million. The increase was attributed to new pension reforms in various ministries.

Table 2.3 – 1390 Revenues by Collection Agency

(In millions of Afghanis)	Total Revenues			Taxation Revenues		Customs Duties		Non Tax Revenues		Other Revenues	
	1389	1390	%	1389	1390	1389	1390	1389	1390	1389	1390
	Qtr 2	Qtr 2	Increase	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2
	Actual	Prelim		Actual	Prelim	Actual	Prelim	Actual	Prelim	Actual	Prelim
	YTD	YTD		YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
<b>11 TOTAL REVENUE</b>	<b>37,169.4</b>	<b>47,120.6</b>	<b>26.8</b>	<b>17,933.1</b>	<b>19,802.5</b>	<b>13,195.3</b>	<b>15,749.7</b>	<b>5,166.6</b>	<b>9,988.7</b>	<b>874.4</b>	<b>1,579.7</b>
<b>Ministry of Finance</b>	<b>32,213.3</b>	<b>38,198.2</b>	<b>18.6</b>	<b>17,201.5</b>	<b>19,419.1</b>	<b>13,157.2</b>	<b>15,743.3</b>	<b>1,432.7</b>	<b>2,172.5</b>	<b>421.9</b>	<b>863.3</b>
Mustofiats (1)	2,697.3	4,069.8	50.9	1,439.3	1,745.3	0.0	0.0	844.0	1,475.9	414.0	848.6
Customs (1)	21,420.1	24,541.4	14.6	7,749.9	8,170.5	13,157.2	15,743.3	505.5	616.2	7.5	11.3
Large Taxpayer Office (LTO)	5,374.1	6,099.8	13.5	5,346.0	6,094.2	0.0	0.0	28.1	5.5	0.0	0.2
Medium Taxpayer Office	2,702.8	3,425.9	26.8	2,665.7	3,409.1	0.0	0.0	37.1	16.8	0.1	-0.0
Small Taxpayer Office	0.6	0.0	-100.0	0.6	0.0	0.0	0.0	0.0	0.0	-0.0	0.0
Other Ministry of Finance	18.3	61.3	234.5	0.0	0.0	0.0	0.0	18.0	58.1	0.3	3.2
Total taxation collections by ARD (2)				10,183.1	11,632.0						
Total LTO collections as % of total taxation collections by ARD				52.8	52.4						
<b>Other Ministries</b>	<b>4,956.1</b>	<b>8,922.4</b>	<b>80.0</b>	<b>731.6</b>	<b>383.4</b>	<b>38.1</b>	<b>6.4</b>	<b>3,733.9</b>	<b>7,816.2</b>	<b>452.4</b>	<b>716.4</b>
Ministry of Transport and Aviation	1,524.8	1,873.1	22.8	0.7	1.6	0.0	0.0	1,524.1	1,871.5	0.0	0.0
Ministry of Interior	1,355.2	2,137.7	57.7	726.2	374.1	0.0	0.0	618.8	1,754.3	10.2	9.3
Ministry of Communication	725.7	759.7	4.7	0.0	0.0	0.0	0.0	725.7	759.6	0.0	0.0
Ministry of Foreign Affairs	298.8	184.7	-38.2	0.0	0.0	0.0	0.0	297.5	183.8	1.3	0.9
Ministry of Martyrs, Disabled and Social A	442.1	647.9	46.6	0.0	0.0	0.0	0.0	85.3	70.7	356.7	577.3
Other Budgetary Units	609.5	3,319.2	444.6	4.7	7.8	38.1	6.4	482.4	3,176.3	84.2	128.8

Source: FPU using AFMIS data downloaded on the 29 November 2011

(1) All revenue collections for Object codes 11106,11107,11109,11110,11404,12000-12007,13331,13348 have been reallocated to the Customs office given these revenues are collected at the border, however in AFMIS these revenues are sometimes allocated under Mustofiats.

(2) Afghanistan Revenue Department taxation revenues (ARD) are measured as total taxation revenues minus Customs Office taxation revenues

Table 2.3 above shows the revenue agencies that were primarily responsible for the changes in revenue collection between YTD Q2 1389 and YTD Q2 1390. Overall increase in the total revenues of Afs 9.9 billion or 26.8% (between these two periods) come from following agencies:

- The **Government Ministries** collected Afs 4.0 billion (about 40%) of additional revenues, of which Afs 2.7 billion collected by **Other Budgetary Units** (i.e. only Afs 2.4 billion Aynak revenues collected by Ministry of Mines) that were not listed in the table above.
- The **Custom Offices** was the second largest contributor that collected Afs 3.1 billion of additional revenues or 31% of the total increase. This was made up of Afs 2.6 billion custom duties and the rest taxation revenues.
- The **Larger Taxpayers Office (LTO)** and **Medium Taxpayers Office (MTO)** collected Afs 748 million (or 7.6% of the total increase) and Afs 743.4 million (or 7.5% of the total increase) respectively.

## 2.7 Grants

Donor grants comprise a crucial part of the National Budget. Donor grants finance major expenditures items in the operating budget, especially security related expenditures and almost all the development budget is donor financed (a small proportion of the development budget is also financed by concessional loans). Total grants receipts for the 2<sup>nd</sup> quarter 1390 were Afs 18.6 billion compared to Afs 23.7 billion the same period 1389, which shows a decline by Afs 5.1 billion or 22% of total grants provided to the core budget.

### *Operating Grants*

Total operating grants receipts in the 2<sup>nd</sup> quarter were Afs 13.6 billion. This shows a reduction of Afs 1.6 billion or 11% over Afs 15.2 billion receipts for Q1 1389. Most of the operating grants disbursed were through LOTFA (Afs 5.9 billion) and CSTC-A for MoD (Afs 7.6 billion). This shows an increase Afs 4.6 billion (or 155%) in disbursement of CSTC-A grants over grants totalled Afs 3.0 billion disbursed the same period 1389. And this increase was due to increase in the strength of ANA. While there was not any disbursement through ARTF in the 2<sup>nd</sup> quarter.

Figure 2.7 - Operating grant revenues, Afs billions

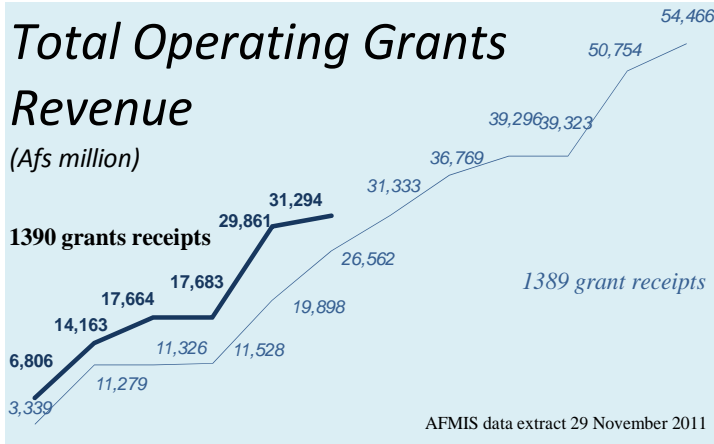


Table 2.4 - Operating grants, Afs millions

All Values are in Million Afs		1389 Qtr 2	1389 Qtr 2 YTD	1389 % of Total	1390 Qtr 1	1390 Qtr 2	1390 Qtr 2 YTD	1390 % of Total
10001	Afghanistan Reconstruction Trust Fund (ARTF)	6,664	9,994	38%	1,117	0	1,117	4%
10002	Law & Order Trust Fund (LOTFA)	5,579	10,934	41%	6,067	5,944	12,011	38%
10004	Combined Security Transitional Command Afghanistan (CSTC-A) MoD	2,990	5,629	21%	5,975	7,622	13,597	44%
10005	Combined Security Transitional Command Afghanistan (CSTC-A) MoI	0	0	0%	4,505	0	4,505	14%

AFMIS data extract 29 November 2011

### Development Grants

Total development grants receipts were around Afs 5.0 billion in the 2<sup>nd</sup> quarter 1390. Whereas it was Afs 8.5 billion the same time in 1389. This shows a decline in the grants disbursement for development projects.

The biggest grants recipients were: The **Third Emergency National Solidarity Project (ARTF)** which provided Afs 1.4 billion to the project. Another project, **MOPH Partnership Contracts for Health Service Program** funded by **US&USAID** provided Afs 486 million, and the **US&USAID** also funded the project, **The Civilian Technical Assistance Plan (CTAP)**. The **main objective** of the

program is: **(i)** to strengthen capacity development in Afghanistan by increasing resources and focus on capacity development programmes and activities and by complementing existing capacity development initiatives and programmes; **(ii)** to help build institutional capacity for facilitation and implementation of the Afghanistan National Development Strategy (ANDS) through line ministries and government agencies; and **(iii)** to enable public organizations to improve budget execution, both through better operations and better programming.

Figure 2.8 - Development grant revenues, Afs billions

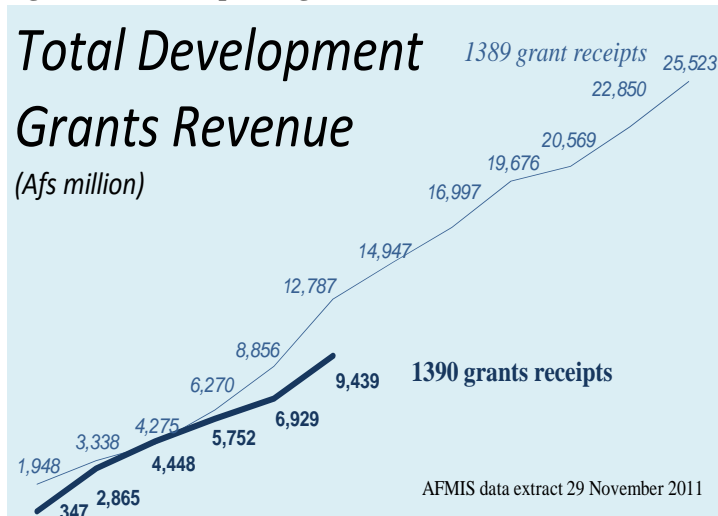


Table 2.5 - 10 largest development grant receipts in Q2, Afs million

TF098459-AF Third Emergency National Solidarity Project	ARTF	1,445
MOPH Partnership Contracts For Health Services Program ( SOAG 306-07-00 II#7 )	US & USAID	486
The Civilian Technical Assistance Plan (CTAP)	US & USAID	301
93962-Second Education Quality Improvement Project	ARTF	285
H4980-3rd Additional Financing Emergency Irrigation Rehabilitation Project	World Bank - Others	237
H3540-Education Quality Improvement Prgogram	World Bank - Others	189
0135-Road Network Development Investment Program Project 1	Asian Development Bank	175
91885-Horticulture and Live Stock Project	ARTF	171
0054-North - South Corridor Project	Asian Development Bank	168
H2980-Public Financial Management Reform Project	World Bank - Others	150

AFMIS data extract 29 November 2011

### 3 CORE BUDGET EXPENDITURES

**Table 3.1 – 1390 Q2 expenditures**

Code	(In millions of Afghanis)	1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison to	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	Original Budget Ceiling (3)	Current Allocated Budget (4)	% Allocated Budget	Change	% Increase
<b>2</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>41,311.7</b>	<b>62,946.1</b>	<b>28,212.3</b>	<b>47,392.7</b>	<b>75,604.9</b>	<b>251,969.8</b>	<b>251,969.8</b>	<b>30.0</b>	<b>12,658.8</b>	<b>20.1</b>
	Operating Budget	27,500.1	46,274.5	23,096.9	35,662.1	58,759.0	150,726.1	150,726.1	39.0	12,484.5	27.0
	Development Budget	13,811.6	16,671.6	5,115.3	11,730.6	16,845.9	101,243.6	101,243.6	16.6	174.3	1.0
	Discretionary Budget	1,888.8	2,506.3	1,247.9	2,885.6	4,133.5	26,504.0	26,504.0	15.6	1,627.2	64.9
	Non-discretionary Budget	11,922.8	14,165.3	3,867.4	8,845.0	12,712.4	74,739.6	74,739.6	17.0	-1,452.9	-10.3
<b>2*</b>	<b>TOTAL NET EXPENDITURES (2)</b>	<b>41,300.5</b>	<b>62,864.8</b>	<b>28,189.6</b>	<b>47,383.8</b>	<b>75,573.3</b>				<b>12,708.5</b>	<b>20.2</b>
<b>2-25</b>	<b>RECURRENT EXPENDITURES</b>	<b>32,406.0</b>	<b>52,663.4</b>	<b>24,293.6</b>	<b>40,031.8</b>	<b>64,325.4</b>	<b>N/A</b>	<b>195,338.3</b>	<b>32.9</b>	<b>11,662.1</b>	<b>22.1</b>
<b>21</b>	<b>Compensation of Employees</b>	<b>21,951.9</b>	<b>37,709.9</b>	<b>19,783.5</b>	<b>28,262.3</b>	<b>48,045.7</b>	<b>109,884.0</b>	<b>113,609.5</b>	<b>42.3</b>	<b>10,335.8</b>	<b>27.4</b>
	Operating Budget	21,951.9	37,709.9	19,783.5	28,262.3	48,045.7	109,884.0	113,609.5	42.3	10,335.8	27.4
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
<b>22</b>	<b>Use of Goods and Services</b>	<b>8,428.1</b>	<b>11,549.6</b>	<b>3,460.8</b>	<b>9,375.7</b>	<b>12,836.6</b>	<b>N/A</b>	<b>66,774.8</b>	<b>19.2</b>	<b>1,287.0</b>	<b>11.1</b>
	Operating Budget	3,680.5	5,254.2	2,091.6	4,650.5	6,742.1	22,960.3	27,510.7	24.5	1,487.9	28.3
	Development Budget	4,747.5	6,295.3	1,369.3	4,725.2	6,094.5	N/A	39,264.1	15.5	-200.9	-3.2
<b>23</b>	<b>Interest (1)</b>	<b>4.2</b>	<b>37.4</b>	<b>37.5</b>	<b>7.2</b>	<b>44.7</b>	<b>350.0</b>	<b>350.0</b>	<b>12.8</b>	<b>7.3</b>	<b>19.6</b>
	Operating Budget	4.2	37.4	37.5	7.2	44.7	350.0	350.0	12.8	7.3	19.6
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
<b>24</b>	<b>Subsidies and Transfers</b>	<b>2,021.8</b>	<b>3,366.5</b>	<b>1,011.8</b>	<b>2,386.6</b>	<b>3,398.4</b>	<b>14,604.0</b>	<b>14,604.0</b>	<b>23.3</b>	<b>31.9</b>	<b>0.9</b>
	Operating Budget	1,605.5	2,950.2	1,011.8	2,386.6	3,398.4	14,604.0	14,604.0	23.3	448.2	15.2
	Development Budget	416.3	416.3	0.0	0.0	0.0	0.0	0.0	N/A	-416.3	-100.0
<b>25</b>	<b>ACQUISITION OF ASSETS</b>										
<b>25</b>	<b>Gross Acquisition of Nonfinancial Assets</b>	<b>8,905.7</b>	<b>10,282.8</b>	<b>3,918.6</b>	<b>7,360.9</b>	<b>11,279.5</b>	<b>N/A</b>	<b>63,717.4</b>	<b>17.7</b>	<b>996.7</b>	<b>9.7</b>
	Operating Budget	257.9	322.8	172.6	355.5	528.1	2,927.4	3,709.5	14.2	205.3	63.6
	Development Budget	8,647.8	9,959.9	3,746.0	7,005.4	10,751.4	N/A	60,007.9	17.9	791.5	7.9
<b>25*</b>	<b>Net Acquisition of Nonfinancial Assets (2)</b>	<b>8,894.5</b>	<b>10,201.5</b>	<b>3,895.9</b>	<b>7,352.0</b>	<b>11,247.9</b>				<b>1,046.4</b>	<b>10.3</b>
	Operating Budget	246.7	241.5	149.9	346.6	496.5				255.0	105.6
	Development Budget	8,647.8	9,959.9	3,746.0	7,005.4	10,751.4				791.5	7.9

Source: FPU using AFMIS data downloaded on the 29 November 2011

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Budget and MYR figures of core budget are not available for goods and services (code 21) and capital (code 25) as the published development budget is not broken down into these categories.

4/ Total allocated budget is the same as the Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).

#### 3.1 Overview of Core Budget and Expenditures

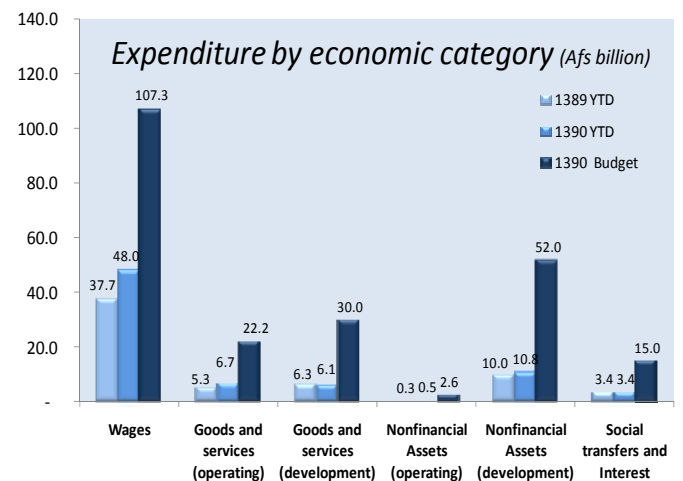
Total core budget for FY 1390 is Afs 251.9 billion (or about 34% of the projected GDP), which includes an operating budget of Afs 150.7 billion and a development budget of some Afs 101.2 billion.

The core budget expenditures up until the end of Q2 1390 were Afs 75.6 billion or 30% of the allocated budget. However, comparing core budget expenditures YTD with those of 1389 YTD, it grew by around 20.1 percent from Afs 62.9 billion spent to Afs 75.6 billion in the first half of 1390. Furthermore these core expenditures have grown somewhat faster than the expected nominal annual GDP growth of around 18.5% in 1390.

The annual growth in core budget expenditures is mainly due to the increased payments for wages and salaries and the purchases of goods and services during the quarter (also shown in Figure 3.1 below). Operating budget expenditures in the first half of 1390 were 78% of the total core budget. However, due to low execution rates in the first half of 1390, expenditures of the

development budget for 1390 YTD grew by only 1.0% compared to the same period last year.

**Figure 3.1 – Total Expenditures by Economic category (1389 and 1390 YTD)**



AFMIS data extract 29 November 2011



### **3.2 Operating Budget by Economic Category**

The operating budget for 1390 increased to Afs 150.7 billion from Afs 110.5 billion in 1389. The increased amount (Afs 40.2 billion or 5.6% of GDP) was again allocated for wages and other related expenditures of the increased security forces (ANA and ANP) and the further implementation of the Pay & Grading reforms of the Government.

Total YTD operating expenditures were Afs 58.8 billion or 39% of the total operating budget for the entire year. These expenditures increased by around Afs 12.5 billion compared to YTD expenditures of 1389. As was the case in 1389, most of the entire increase in total operating budget expenditures was paid in wages and salaries, with a small increase also in goods and services. In Q2 of 1390, the operating expenditures were Afs 35.7 billion—nearly 29.3% higher compared to what was spent in the same quarter last year.

#### ***Compensation of Employees***

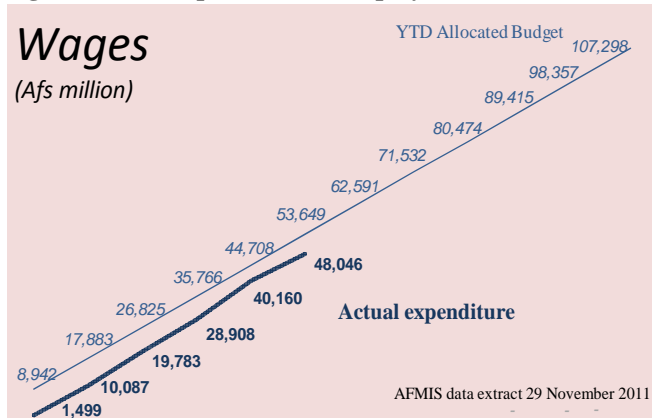
This category represents around 75% of the total operating budget and 15% of the projected GDP for 1390—this is high compared to international standards; on average countries in the region spend less than 10% of GDP on this category. Operating budget spending on wages, salaries, food for employees, advance payment, transportation and some other minor social benefits are included in this category.

In Q2 of 1390, Afs 28 billion was spent paying wages and salaries to civil servants, military officials and teachers. This is around 28.7% more than the Afs 22 billion spent on employee compensation in Q2 of last year. This increased spending on wages and salaries was, as noted also in the previous year, largely due to the additional security forces (ANA and ANP). The total YTD expenditures on employee compensation were Afs 48.0 billion as against the semi-annual target amount of Afs 53.0 billion. Comparing them with YTD expenditures at the same time in 1389, it shows a growth of Afs 10.3 billion or 27.4%. It is expected that almost all of the budgeted amount on employee compensation will be spent by the end of the year, as the implementation of wage reforms and recruitment of military personnel will continue in the second half of the year.

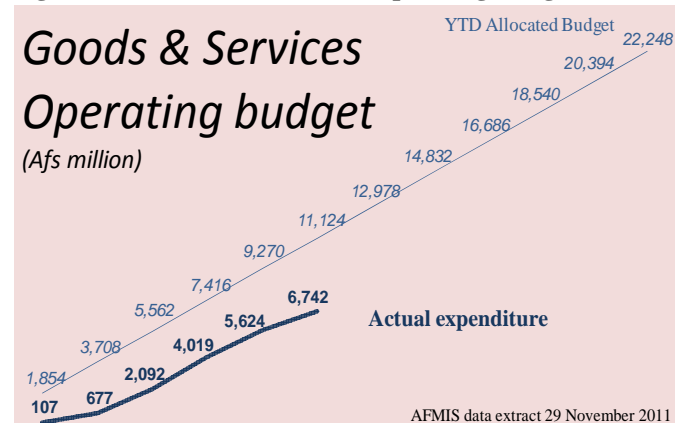
#### ***Goods and Services***

The total operating budget for goods and services is Afs 27.5 billion or 3.8% of GDP in 1390. This amount will be spent on repairs and maintenance, utilities, fuel, communications and travel across the government agencies. During Q2 of 1390, total operating budget expenditures were Afs 4.7 billion, or more than double the Afs 2.1 billion spent in the first quarter of the year. Total YTD operating expenditures on goods and services were Afs 6.7 billion, which is about 28.3% more than what was spent at the same stage of 1389.

**Figure 3.2 - Compensation of employees**



**Figure 3.3 Goods and Services (Operating Budget)**



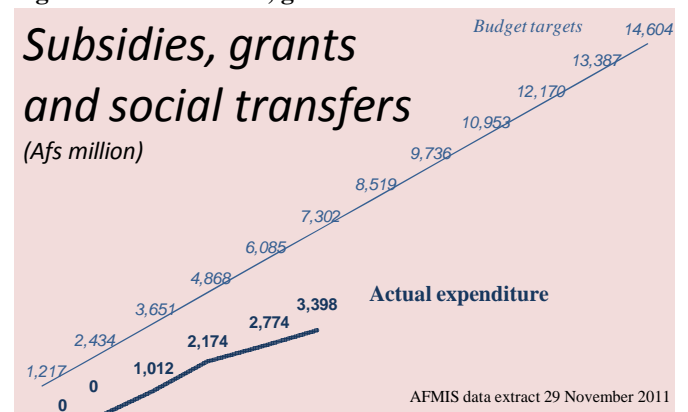
**Subsidies, Grants, Social Transfers**

Subsidies, grants and social transfers are budgeted to be Afs 14.6 billion in 1390. In Q2 of 1390 around Afs 2.4 billion was spent on this category of the operating budget. This is more than Afs 1.6 billion spent on this category in the Q2 of 1389, with the main increase being in social transfers. The YTD data shows that Afs 3.4 billion was spent on this category in 1390. The Ministry of Martyrs Disabled and Social Affairs has spent Afs 2.9 billion in social benefits during the first half of 1390.

Most of the expenditures under this category are for pension liabilities. Operating expenditures on social security are likely to increase in over the medium term period as the registration and number of retired civil

servants and army officials should continue to increase in the next few years.

**Figure 3.4 – Subsidies, grants and social transfers**



**Interest Payments**

Afghanistan is heavily dependent on foreign aid when it comes to financing the budget. Hence it only borrows a small portion of funds on highly concessional rates to finance its development projects. Interest payments will tend to be relatively larger in the long term as the grace period on the current loans expires. During Q2 1390, Afs 7.2 million was paid as interest payments on foreign loans, and YTD interest paid was Afs 44.7 million. There is a budget of Afs 350 million in 1390 for interest payments on foreign loans by the end of 1390.

**Acquisition of Non-Financial Assets**

Most of expenditure on this item is made in the development budget since it includes purchase of buildings, construction of roads, dwellings and construction and acquisition of other structures mostly of the development nature. The total operating expenditures on the item were only Afs 356 million during Q2 and Afs 528 million (or 14.2% increase) for the first half of 1390.

### 3.3 Operating Budget by ANDS Sector and Ministry

The Afghanistan National Development Strategy (ANDS) is the Government strategy for development to reduce poverty, accelerate economic growth and improve security and governance. The National Budget is aligned with these ANDS priorities. It has eight sectors which cover all the ministries and budgetary units.

Table 3.2 shows the operating budget expenditures at the same stage of 1389 and 1390 by ANDS sector and largest operating budget ministries. It also shows whether spending has increased or decreased for the major economic codes.

**Table 3.2 – Operating Expenditures by Sector and Largest Ministry (1389 and 1390 YTD)**

(In millions of Afghanis)	Total Operating Expenditures					Compensation of Employees		Goods and Services		Gross Acquisition of Non financial assets		Other Expenditures (1)	
	1389	1390	%	Current	1390	1389	1390	1389	1390	1389	1390	1389	1390
	Qtr 2	Qtr 2	Change	allocated	YTD as	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2	Qtr 2
	Actual	Prelim		Budget	% of	Actual	Prelim	Actual	Prelim	Actual	Prelim	Actual	Prelim
YTD	YTD		1389 (2)	Budget	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	
<b>TOTAL</b>	<b>46,274.5</b>	<b>58,759.0</b>	<b>27.0</b>	<b>150,726.1</b>	<b>39.0</b>	<b>37,709.9</b>	<b>48,045.7</b>	<b>5,254.2</b>	<b>6,742.1</b>	<b>322.8</b>	<b>528.1</b>	<b>2,987.6</b>	<b>3,443.2</b>
<b>Total Security</b>	<b>25,978.7</b>	<b>34,031.2</b>	<b>31.0</b>	<b>88,919.4</b>	<b>38.3</b>	<b>24,354.2</b>	<b>31,476.4</b>	<b>1,534.1</b>	<b>2,307.0</b>	<b>90.4</b>	<b>247.9</b>	<b>0.0</b>	<b>-0.0</b>
Ministry of Interior	11,410.4	14,445.6	26.6	36,765.9	39.3	11,007.4	13,538.8	385.8	821.8	17.3	85.0	0.0	-0.0
Ministry of Defence	12,101.2	16,154.8	33.5	44,694.5	36.1	11,571.1	15,557.8	465.0	454.2	65.1	142.8	0.0	0.0
General Directorate of National Security	1,357.9	2,032.1	49.7	4,132.3	49.2	1,039.0	1,501.1	318.9	524.0	0.0	7.0	0.0	0.0
Ministry of Foreign Affairs	684.8	959.0	40.0	2,346.8	40.9	396.4	527.5	280.4	419.7	8.0	11.9	0.0	0.0
Other Ministries	424.4	439.7	3.6	979.9	44.9	340.3	351.1	84.1	87.2	0.0	1.3	0.0	0.0
<b>Total Governance, Rule of Law and Human Rights</b>	<b>5,014.2</b>	<b>5,546.1</b>	<b>10.6</b>	<b>11,798.7</b>	<b>47.0</b>	<b>2,772.9</b>	<b>3,339.6</b>	<b>1,567.4</b>	<b>1,919.6</b>	<b>112.6</b>	<b>102.8</b>	<b>561.3</b>	<b>184.1</b>
Legal Training Center	1.6	4.1	157.8	11.6	35.6	1.2	2.9	0.4	1.2	0.0	0.0	0.0	-0.0
Presidents Office	639.1	692.1	8.3	1,533.6	45.1	397.5	461.9	237.0	223.1	4.6	7.1	0.0	0.0
Administrative Affairs	968.4	792.0	-18.2	1,358.9	58.3	154.2	242.2	240.9	283.9	12.1	86.5	561.2	179.4
Supreme Court	450.5	556.7	23.6	1,210.3	35.6	1.2	2.9	0.4	1.2	0.0	0.0	0.0	-0.0
Ministry of Justice	758.3	900.0	18.7	2,105.8	42.7	449.9	540.1	308.3	369.9	0.0	0.0	0.1	0.0
Other Ministries	2,196.4	2,601.1	-179.5	5,578.3	-170.3	1,768.9	2,089.6	780.4	1,050.3	95.9	9.1	0.0	4.7
<b>Total Infrastructure and Natural Resources</b>	<b>1,030.0</b>	<b>1,377.4</b>	<b>33.7</b>	<b>5,277.1</b>	<b>26.1</b>	<b>657.9</b>	<b>813.0</b>	<b>310.5</b>	<b>427.0</b>	<b>61.5</b>	<b>137.4</b>	<b>-0.0</b>	<b>-0.0</b>
<b>Total Education</b>	<b>8,817.0</b>	<b>11,061.0</b>	<b>25.5</b>	<b>25,960.9</b>	<b>42.6</b>	<b>7,894.3</b>	<b>9,900.5</b>	<b>895.9</b>	<b>1,146.1</b>	<b>26.7</b>	<b>14.3</b>	<b>-0.0</b>	<b>-0.0</b>
Ministry of Education	7,654.1	9,724.8	27.1	22,888.6	42.5	7,155.1	9,088.7	485.0	626.1	14.0	10.1	0.0	-0.0
Ministry of Higher Education	801.0	912.7	13.9	2,085.1	43.8	516.8	562.3	277.3	348.5	7.0	1.9	-0.0	-0.0
Other Ministries	361.9	423.4	-15.5	987.2	-43.7	222.5	249.5	133.7	171.5	5.8	2.3	-0.0	0.0
<b>Total Health</b>	<b>800.1</b>	<b>912.0</b>	<b>14.0</b>	<b>2,705.0</b>	<b>33.7</b>	<b>542.4</b>	<b>775.8</b>	<b>252.5</b>	<b>135.5</b>	<b>5.1</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>
Ministry of Public Health	800.1	912.0	14.0	2,705.0	33.7	542.4	775.8	252.5	135.5	5.1	0.7	0.0	0.0
<b>Total Agriculture and Rural Development</b>	<b>685.7</b>	<b>794.6</b>	<b>15.9</b>	<b>2,760.3</b>	<b>28.8</b>	<b>544.0</b>	<b>638.1</b>	<b>133.8</b>	<b>143.5</b>	<b>7.9</b>	<b>3.1</b>	<b>-0.0</b>	<b>10.0</b>
Ministry of Agriculture	447.6	523.1	16.9	2,123.1	24.6	383.8	451.3	60.8	61.6	3.0	0.2	-0.0	10.0
Other Ministries	238.1	271.5	-1.0	637.2	4.1	160.2	186.8	73.0	81.9	4.9	2.8	-0.0	-0.0
<b>Total Social Protection</b>	<b>2,881.3</b>	<b>3,809.1</b>	<b>32.2</b>	<b>7,118.0</b>	<b>53.5</b>	<b>395.6</b>	<b>426.2</b>	<b>213.3</b>	<b>272.5</b>	<b>4.4</b>	<b>11.3</b>	<b>2,268.1</b>	<b>3,099.0</b>
Ministry of Martyrs, Disabled and Social Affairs	2,584.3	3,450.2	33.5	6,250.5	55.2	207.9	213.7	107.4	134.0	1.0	3.5	2,268.1	3,099.0
Other Ministries	297.0	358.9	-1.3	867.5	-1.7	187.7	212.5	105.9	138.5	3.4	7.9	0.0	0.0
<b>Total Economic Gov. and Private Sector Devel't</b>	<b>1,062.9</b>	<b>1,219.0</b>	<b>14.7</b>	<b>7,517.7</b>	<b>16.2</b>	<b>545.9</b>	<b>665.5</b>	<b>344.6</b>	<b>388.2</b>	<b>14.2</b>	<b>10.6</b>	<b>158.2</b>	<b>154.8</b>
Ministry of Finance	802.8	926.7	15.4	5,136.0	18.0	368.7	460.7	266.5	305.0	9.4	6.3	158.2	154.8
Other Ministries	260.1	292.3	-0.8	2,381.7	-1.8	177.2	204.8	78.1	83.2	4.8	4.3	0.0	0.0

Source: FPU using AFMS data downloaded on the 29 November 2011

(1) Interest, and Subsidies and Transfers

The **Security** sector remains the largest sector in the operating budget accounting for more than 59% of the total operating budget in 1390. The total allocated budget for the security sector in 1390 amounts to 12.2% of GDP or Afs 88.9 billion, including funds in security contingencies. This is in addition to the in-kind support provided externally by donors, mainly to the Ministries of Defence and Interior. The allocated operating budget in 1390 will be spent on wages, salaries, food, transport and other related items to support the expansion of ANA and ANP forces. The total YTD operating expenditures in the security sector were Afs 34 billion or 38.3% of the total operating budget expenditures. The YTD operating expenditures in security sector are around 31% more than the Afs 27 billion spent in the first half of 1389. The increased expenditures are mainly due to the continued expansion of the security forces (Afghan National Army and Police). The YTD data shows that the Ministry of Defence spent nearly 36% (Afs 16.1 billion) of its annual budget whilst the Ministry of Interior spent Afs 14.4 billion or 39% of its annual budget in the

first half of the year. It is expected that the entire budget of Afs 88.9 billion budgeted for the security sector will be spent by the end of the year

The **Education** sector is the second largest sector in the operating budget for 1390. The current 1390 operating budget for this sector is Afs 26 billion (or 3.6% of GDP) and this sector accounts for around 17.2% of the total operating budget for the year. The YTD operating expenditures in the education sector were Afs 9.7 billion or 42.5% of the total allocated budget for the sector, accounting for 1.3% of the projected GDP for the year. These expenditures are around 27% more than Afs 7.7 billion spent in the first half of 1389.

The **Governance, Rule of Law and Human Rights** sector's YTD operating expenditures were Afs 5.5 billion or 47% of the total budget. The total operating expenditures in the sector were only 10.6% more than what was spent last year at the same time. Given the fair execution rate of the operating budget (47%), it is likely that the remaining amount will be spent by the end of the year.

The YTD operating expenditures in the **Social Protection** sector were Afs 3.8 billion or nearly 54% of the annual operating budget, while the **Economic Governance** sector spent only Afs 1.2 billion or 16% of its operating budget for the year. Similarly, the **Infrastructure & Natural Resources** sector spent about Afs 1.3 billion or 26% during the first half of the year. The **Health and Agriculture & Rural Development** sector spent Afs 912 million and Afs 795 million respectively.

The operating budget usually increases in the Mid Year Review of the current (1390) budget. Having observed the relatively higher execution rate for the operating budget, it is likely that more than 90% of the operating budget will be spent by the end of the current fiscal year.

### **3.4 Development Budget by Economic Category**

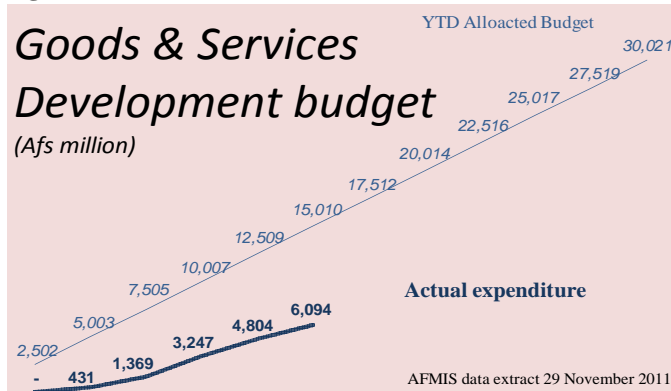
The total original development budget for the year 1390 was Afs 74 billion, which increased to Afs 101.2 billion after the inclusion of the supplementary projects from 1389, consisting of Afs 24.2 billion discretionary and Afs 74.3 billion non-discretionary projects. The total revenue to finance the development expenditures is Afs 83.3 billion, including 13.2 from the domestic revenues (including Aynak) and Afs 69.9 billion donor grants. There is a deficit of Afs 17.9 billion with an identified financing of Afs 5.8 billion and the rest, Afs 12.1 billion, is still unidentified.

The total development budget expenditures were Afs 11.7 billion or 11.6% of the total development budget for the year in the second quarter. Development expenditures is somewhat lower by 15% or nearly Afs 2.1 billion compared to the Afs 13.8 billion spent in Q2 of the previous year. The YTD development expenditures were Afs 16.8 billion in the first half of the year, around 1% higher compared to the development expenditures in the first half of 1389. The execution rate of 16.6% accounts for only 2.3% of the projected GDP for 1390.

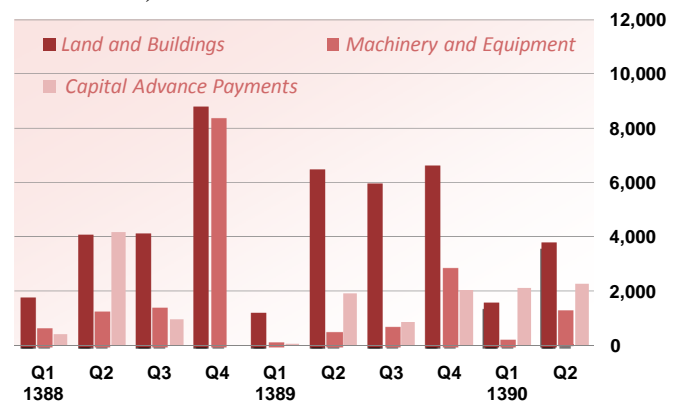
#### ***Acquisition of Non-financial Assets***

Total development budget expenditures made on Acquisition of Non-financial Assets were Afs 7.0 billion in Q2 of 1390. Expenditures on this item in the development projects represent around 41.6% of the total development expenditures in Q2 of the year. These expenditures are made up of construction of dwellings, roads, buildings, water supplies and other structures in the development budget. In Q2 1390, most spending was on land and buildings. The total YTD expenditures on this category of the development budget were Afs 10.8 billion or nearly 10.7% of the development budget for the year. These expenditure accounts for 1.5% of the projected GDP of the year.

**Figure 3.5 – Goods and Services in Afs millions**



**Figure 3.6 - Acquisition of non-financial assets by quarter, Afs millions, 1388- 1390.**



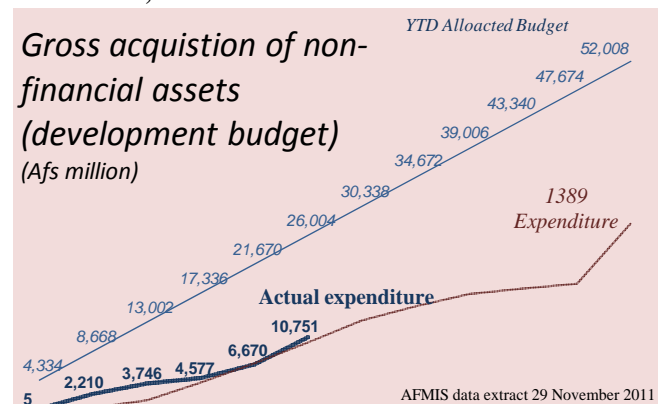
### Goods and services

The development budget expenditures on goods and services, includes fees of consulting firms, construction of equipments, engineering and design services, services of non-government organizations, tools and materials for project implementation, project management services and some administrative fees for implementing development projects.

Total development budget spending on Goods and Services in Q2 of 1390 was Afs 4.7 billion. The YTD expenditures on goods and services in the development budget were Afs 6.1 billion. This is 3.2% lower than Afs 6.3 billion being spent on this category in the first half of 1389. However, it should be recognized that this category usually has relatively higher spending in the second half of the year as most of the contractors are paid in the second half (particularly in fourth

quarter) for the services rendered in the 1<sup>st</sup> half of the year. However, it seems unlikely that the current allocated budget of Afs 39.3 billion will all be spent before end of 1390.

**Figure 3.7 - Acquisition of non-financial assets by quarter, Afs millions, 1389 - 1390**



### 3.5 Development Budget by ANDS Sector and Ministry

Table 3.3 considers the operating budget expenditures at the same stage of 1389 and 1390 by ANDS sector and largest development budget ministries.

**Table 3.3 – Development Expenditures by Sector and largest Ministry (1389 and 1390 YTD)**

(In millions of Afghanis)	1389 Approved Budget	1389 Qtr 2 Actual YTD	1389 YTD. as % of Budget	1390 Approved Budget	1390 Qtr 2 Prelim YTD	1390 YTD. as % of Budget	1390 Unspent Budget	1390 % of Total Unspent	1390 Comparison to 1389 YTD	Change	% Increase
<b>TOTAL</b>	<b>111,900.2</b>	<b>17,550.1</b>	<b>15.7</b>	<b>101,243.6</b>	<b>17,710.0</b>	<b>17.5</b>	<b>83,533.7</b>	<b>100.0</b>	<b>0.9</b>		<b>N/A</b>
<b>Total Infrastructure and Natural Resources</b>	<b>48,067.6</b>	<b>7,375.5</b>	<b>15.3</b>	<b>44,435.4</b>	<b>6,090.9</b>	<b>13.7</b>	<b>38,344.5</b>	<b>45.9</b>	<b>-1,284.7</b>		<b>-17.4</b>
Ministry of Public Works	23,514.1	5,141.0	21.9	18,076.4	2,326.4	12.9	15,749.9	18.9	-2,814.6		-54.7
Ministry of Transport and Aviation	1,486.3	251.3	16.9	1,456.4	247.6	17.0	1,208.9	1.4	-3.8		-1.5
Ministry of Energy and Water	14,365.7	852.1	5.9	12,394.5	2,853.1	23.0	9,541.4	11.4	2,001.0		234.8
Water Supply and Canalization Corporation	0.0	0.0	N/A	901.9	7.3	0.8	894.7	1.1	7.3		N/A
Ministry of Communication	1,679.6	247.5	14.7	1,817.1	64.8	3.6	1,752.2	2.1	-182.6		-73.8
Geodesy and Cartography Office	28.5	0.9	3.1	164.7	0.0	0.0	164.7	0.2	-0.9		-100.0
Other Ministries	6,993.4	882.7	12.6	9,624.4	591.7	6.1	9,032.7	10.8	-291.0		-22.2
<b>Total Agriculture and Rural Development</b>	<b>27,329.3</b>	<b>3,469.8</b>	<b>12.7</b>	<b>22,963.7</b>	<b>5,604.4</b>	<b>24.4</b>	<b>17,359.4</b>	<b>20.8</b>	<b>2,134.6</b>		<b>61.5</b>
Ministry of Agriculture	5,768.3	712.9	12.4	4,224.0	962.8	22.8	3,261.3	3.9	249.9		35.1
Ministry of Rural Rehabilitation and Development	21,139.0	2,691.0	12.7	18,500.1	4,612.4	24.9	13,887.7	16.6	1,921.3		71.4
Other Ministries	422.0	65.9	15.6	239.6	29.2	12.2	210.4	0.3	-36.6		-44.9
<b>Total Education</b>	<b>12,327.3</b>	<b>2,641.0</b>	<b>21.4</b>	<b>11,757.1</b>	<b>1,719.5</b>	<b>14.6</b>	<b>10,037.6</b>	<b>12.0</b>	<b>-921.5</b>		<b>-34.9</b>
Ministry of Education	9,986.8	2,278.2	22.8	9,269.9	1,379.5	14.9	7,890.4	9.4	-898.7		-39.4
Other Ministries	2,340.4	362.8	15.5	2,487.2	340.1	13.7	2,147.2	2.6	-22.8		4.6
<b>Total Economic Gov. and Private Sector Devel't</b>	<b>5,678.9</b>	<b>818.3</b>	<b>14.4</b>	<b>5,338.3</b>	<b>851.5</b>	<b>16.0</b>	<b>4,486.8</b>	<b>5.4</b>	<b>33.2</b>		<b>4.1</b>
Ministry of Finance	3,997.0	658.9	16.5	3,352.5	634.3	18.9	2,718.2	3.3	-24.6		-3.7
Other Ministries	1,681.8	159.5	9.5	1,985.8	217.2	10.9	1,768.6	2.1	57.7		7.8
<b>Total Health</b>	<b>7,316.0</b>	<b>1,578.6</b>	<b>21.6</b>	<b>7,741.1</b>	<b>1,772.4</b>	<b>22.9</b>	<b>5,968.7</b>	<b>7.1</b>	<b>193.8</b>		<b>12.3</b>
Ministry of Public Health	7,316.0	1,578.6	21.6	7,741.1	1,772.4	22.9	5,968.7	7.1	193.8		12.3
<b>Total Governance, Rule of Law and Human Rights</b>	<b>4,233.7</b>	<b>1,317.3</b>	<b>31.1</b>	<b>3,419.2</b>	<b>1,432.4</b>	<b>41.9</b>	<b>1,986.8</b>	<b>2.4</b>	<b>115.1</b>		<b>8.7</b>
Independent Directorate of Local Governance	1,476.6	1.6	0.1	23.5	4.1	17.6	19.4	0.0	2.5		157.8
Other Ministries	2,757.1	1,315.7	47.7	3,395.7	1,428.3	42.1	1,967.5	2.4	112.5		-149.0
<b>Total Social Protection</b>	<b>1,110.2</b>	<b>151.6</b>	<b>13.7</b>	<b>1,025.8</b>	<b>179.5</b>	<b>17.5</b>	<b>846.4</b>	<b>1.0</b>	<b>27.9</b>		<b>18.4</b>
<b>Total Security</b>	<b>993.3</b>	<b>197.9</b>	<b>19.9</b>	<b>1,038.6</b>	<b>59.4</b>	<b>5.7</b>	<b>979.1</b>	<b>1.2</b>	<b>-138.5</b>		<b>-70.0</b>
<b>Total Unclassified</b>	<b>4,843.9</b>	<b>0.0</b>	<b>0.0</b>	<b>3,524.4</b>	<b>0.0</b>	<b>0.0</b>	<b>3,524.4</b>	<b>4.2</b>	<b>0.0</b>		<b>N/A</b>

Source: FPU using AFMIS data downloaded on the 29 November 2011

**Infrastructure and Natural Resources** has the highest allocated development budget among all sectors. Afs 44.4 billion has been allocated to this sector or 44% of the total development budget in 1390. The YTD development budget expenditures were Afs 6.1 billion or 13.7% of the total allocated budget. The development expenditures in the sector in the first half of the year account for 6.1% of annual projected GDP. These expenditures are nearly 17.4% less than the YTD development expenditure (Afs 7.4 billion) in the sector during the first half of 1389. Expenditures in this sector included the design, survey and construction of highways, electric power generators, roads, communication other related projects. Many of the largest ministries in the development budget are in this sector. These include the following Ministries:

- The total development budget of the **Ministry of Public Works** is Afs 18.1 billion or 17.9% of the total development budget in 1390. The total YTD development expenditures were Afs 2.3 billion. The execution rate of this ministry was 12.9%. During Q2, development expenditures were lower with Afs 2.8 billion compared to Q2 of 1389. The YTD development expenditures were almost 55% less than what was spent than in the same period of 1389.
- The **Ministry of Energy & Water** has a total development budget of Afs 12.4 billion. It accounts for 12.2% of the total development budget in 1390. YTD development expenditures in this ministry were Afs 2.9 billion, which is 23% of its annual budget. Only Afs 852 million was spent by YTD in 1389.
- YTD development budget expenditures in the **Ministry of Transport and Aviation** were Afs 248 million or 17% of its annual development budget, and a decrease in development expenditures of 3.8% compared to the same time last year.

The **Agriculture & Rural Development** sector is the second largest sector in the development budget and accounts for almost 23% of the budget. The total allocated budget for the sector is Afs 23 billion. The YTD development expenditures in the sector were Afs 5.6 billion or 24.4% of the allocated budget. Compared to the same period last year, development expenditures increased by nearly 62%, with Afs 3.4 billion being spent by the same time last year.

The **Ministry of Rural Rehabilitation and Development** is the third largest ministry in the development budget for 1390. Its total development budget is Afs 18.5 billion or 18% of the total development budget for the year. The total YTD development expenditures in the ministry were Afs 4.6 billion or 25% of the allocated budget for the year. YTD expenditures were significantly higher than 1389 when YTD development expenditures were only Afs 2.7 billion.

- The YTD development expenditures in the **Ministry of Agriculture** were Afs 963 million or 22.5% of its annual budget. These expenditures is also higher compared to only Afs 713 million spent in the first half of 1389.

The **Education Sector** accounts for 11.6% of the total development budget. The total YTD development expenditures in the sector were only Afs 1.4 billion, with an execution rate of only 14.9%. Most of these expenditures were made in the Ministry of Education on construction of schools, building local education offices in provinces, technical teachings, capacity development of teachers, developing syllabi for schools, building universities in provinces, and purchasing necessary equipments etc. The YTD development budget expenditures were Afs 1.7 billion or 14.6% of its annual development budget. The YTD development expenditures are also 39% less than Afs 2.3 billion spent in the same period last year.

The **Ministry of Public Health** (or the **Health Sector**) accounts for nearly 8% of the total development budget (or 1% of GDP) in 1390 with the development budget of Afs 7.7 billion. Development expenditures were Afs 1.8 billion in the first half of the year, up by over Afs 190 million, or 12.3%, compared to development spending in the sector in the first half of 1389. This shows an execution rate of nearly 23%—similar to the rate in 1389.

Afs 852 million was spent on development projects in the **Economic Governance & Private Sector Development sector**, slightly higher than Afs 818 million or 16% compared to YTD development spending in 1389. The development expenditures were only 5.3% of the annual budget for the sector. The development budget of the **Ministry of Finance** is Afs 3.4 billion for 1389. The total YTD development expenditures were Afs 634 million or 18.9% of its annual development budget.

Development expenditures of Afs 1.4 billion were spent in the **Governance Rule of Law & Human Rights sector** or 42% of the annual budget of the sector. The **Security** and **Social Protection sectors** together account for only 2% in the 1390 development budget (or 0.3% of GDP). Total YTD development expenditures in the security sector were Afs 60 million or 5.7% of the allocated budget, while Afs 180 million was spent on development projects in the **Social Protection** sector.

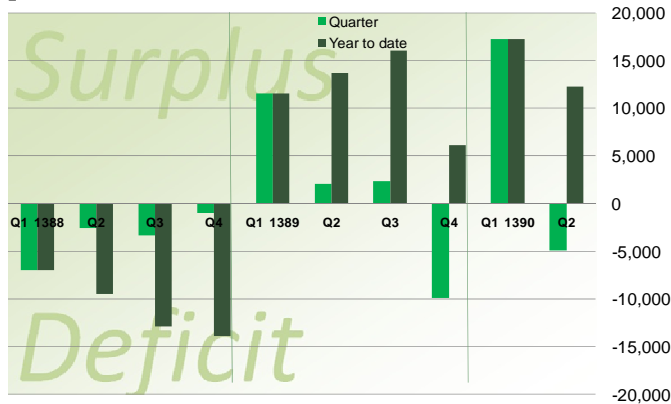
## 4 FINANCING OF THE CORE BUDGET

### 4.1 Public Sector Borrowing Requirement

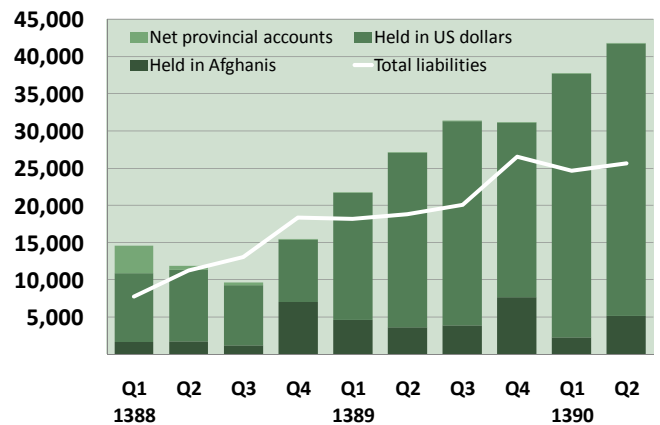
During the second quarter of 1390, Government ran a deficit of Afs 4.9 billion. This compares to the surplus of Afs 17.2 billion in the 1<sup>st</sup> quarter of 1390. The reason for the surplus in the 1<sup>st</sup> quarter was mainly due to the low execution of the operational expenditures and net acquisition of non-financial assets—this item has increased by 68% in the second quarter. At the same time domestic revenue decreased by 6%, both these changes, compared to the first quarter, resulted in the public sector borrowing requirement as shown in Figure 4.1 below. The balance calculated on the basis of Year to Date (YTD) has a net surplus of Afs12.3 billion in the second quarter of 1390, compared to a net surplus of Afs 13.7 billion realised in second quarter of 1389.

Government was in a net lending position of Afs 12.3 billion in the second quarter of 1390; with a net lending position of 17.2 billion in the first quarter. This decrease was caused by the fiscal deficit in second quarter.

**Figure 4.1 – Public Sector Borrowing Requirement by quarter, Afs millions**



**Figure 4.2 - Balance of Treasury Single Account, Afs million at end of quarter**



### 4.2 Treasury Single Account

Figure 4.2 represent the changes in the Treasury Single Account (TSA), which is the difference between cash and outstanding liabilities in the government account (TSA). The balance in the TSA has increased considerably from Afs 37.8 billion to Afs 41.8 billion in the second quarter of 1390; this is 11% increase over the last quarter. On the other hand liabilities are slightly increased from Afs 24.7 billion to Afs 25.7 billion over the last quarter due to the increase in the public sector deficit. Cash reserves have also improved to Afs 16.3 billion in the second quarter from Afs 13.3 billion in the first quarter.



## 5 A closer look at Progress in Fiscal Transparency in Afghanistan

### 5.1 What is Fiscal transparency?

Fiscal transparency entails being open to the public about the government's past, present, and future fiscal activities, and about the structure and functions of government that determine fiscal policies and outcomes. There is consensus that good governance is of central importance to achieving and sustaining macroeconomic stability and high-quality growth; and that sound fiscal management—including fiscal transparency—is a key aspect of good governance. Fiscal transparency allows for better-informed debate by both policymakers and the public about the design and results of fiscal policy, and establishes accountability for its implementation. In strengthening credibility and public understanding of macroeconomic policies and choices, fiscal transparency fosters more favourable access to domestic and international capital markets. It also helps to highlight potential risks to the fiscal outlook, resulting in an earlier and smoother fiscal policy response to changing economic conditions and thereby reducing the incidence and severity of crises. In order to know if a country has a high level of fiscal transparency, four important issues need to be considered:

1. Does the government produce comprehensive and timely information on all fiscal matters?
2. Does the government produce standard documents that cover the various phases of the budget cycle?
3. Does the government publish these budget documents?
4. Is the government held accountable for its fiscal decisions?

The objectives that guided the development of the fiscal transparency standards and assessments since the late 1990s remain valid today: (i) first, fiscal transparency requires providing comprehensive and reliable information about past, present, and future activities of government, and the availability of this information informs and improves the quality of economic policy decisions. Fiscal transparency highlights possible risks to the fiscal outlook that should result in an earlier and smoother fiscal policy response to changing economic conditions, thereby reducing the incidence and severity of crises; (ii) fiscal transparency furthermore benefits citizens by giving them the information they need to hold their government accountable for its economic policy decisions; (iii) more transparent governments also benefit from improved access to international capital markets.<sup>1</sup>

Fiscal transparency is now a well-accepted (and expected) a relevant aspiration for most countries. Interest in promoting fiscal transparency has grown considerably in recent years, as indicated in the box below.

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<sup>1</sup> See IMF, 2007, *Manual on Fiscal Transparency*, p. 8.

### Box 1. Timeline of Fiscal Transparency and Related Initiatives

Date	Initiative/Instrument
Late 1990s	The international community responds by developing more awareness and standards i.e. fiscal transparency after the Asian financial crisis of the late 1990s.
1998	IMF developed the <i>Code of Good Practices in Fiscal Transparency</i> and its accompanying <i>Manual on Fiscal Transparency</i> , which was intended to encourage widespread adoption of transparent fiscal management practices.
2001	OECD adopted their Best Practices for Budget Transparency
2001	International Public Sector Accounting Standards (IPSAS) was launched.
2002	The multi-stakeholder Extractive Industries Transparency Initiative (EITI) was launched to address resource revenue transparency issues in resource-rich countries.
2002	The Open Budget Index (OBI) is based on the IBP's <i>Open Budget Questionnaire</i> and assigns each country a score based on the average of the responses to questions related to public availability of information.
2004-05	A group of donor agencies and international finance institutions established the PEFA program and developed the <i>PEFA PFM Assessment</i> .
2004	Joint WB and OECD/DAC working party developed the <i>Methodology for Assessing Procurement Systems (MAPS)</i> intended to provide a common tool which developing countries and donors can use to assess the quality and effectiveness of procurement systems.
2005-07	The IMF developed its <i>Guide to Resource Revenue Transparency</i> , issued first in 2005, and revised in 2007. This document applied the principles of the fiscal transparency <i>Code</i> to the specific issues of the management of resource revenues, and developed a set of guidelines on good practices in this area.
2007	IMF's revised <i>Code on Fiscal Transparency</i> was issued.
2008	A new focus on aid transparency developed within the Accra Agenda for Action and the launch of the <i>International Aid Transparency Initiative (IATA)</i> . To meet their commitments under the Accra Agenda for Action, and in the context of growing calls for government transparency, donors are increasingly publishing more information about aid.
2010	The International Standards of Supreme Audit Institutions (ISSAI) has the purpose to advance principles of transparency and accountability for SAIs in order to assist them in leading by example in their own governance and practices. <i>Principles 20-21, that deals with transparency and accountability issues</i> , were accepted at their recent meeting in Johannesburg.
2010	" <i>Publish-What-You-Fund</i> " Initiative was launched.
2010	Development of the <i>Construction and Medicine Transparency Initiatives (CoST and MeTA)</i>

A number of transparency initiatives in the fiscal area have been established since the late 1990s. These include the IMF's Code on Fiscal Transparency in 1998, the OECD best practices for budget transparency, issued in 2001; the multi-stakeholder Extractive Industries Transparency Initiative (EITI), launched in 2002, to address resource revenue transparency issues in resource-rich countries; and publication by the Open Budget Initiative (OBI) of assessments of the information provided to citizens in key budget documents.<sup>2</sup>

<sup>2</sup> In addition, assessments under the multi-donor Public Expenditure and Financial Accountability (PEFA) program include a series of performance indicators covering aspects of fiscal transparency.

The International Budget Partnership (IBP) collaborates with civil society organizations around the world to use budget analysis and advocacy as a tool to improve effective governance and reduce poverty. The aim of the IBP is to ensure that government budgets are more responsive to the needs of the poor and low-income people in society, and, accordingly, to make budget systems more transparent and accountable to the public. The IBP believes that the public has a right to comprehensive, timely, and useful information on how the government manages public funds. Their experience shows that when ordinary people have the information, skills and opportunities to participate, broader public engagement in government budget processes can promote substantive improvements in governance and poverty.

IBP developed the Open Budget Survey as the first independent, comparative survey of budget transparency and accountability around the world. The IBP's Open Budget Survey is a comprehensive survey and analysis that evaluates access to the national budget information and opportunities to participate in the budget process. The quality of the survey is guaranteed by an independent and non-partisan country expert researcher, two independent anonymous peer reviewers per country and IBP oversight and management. It is therefore reliable and efficient. The survey analyses whether governments give the public access to budget information. It also examines the ability of legislatures and auditors to hold their governments accountable.

## **5.2 Afghanistan's Process in Improving the Transparency of its Budget**

Over the last two years Afghanistan has made impressive progress in its fiscal and budget transparency. This progress was recognized by the Open Budget Index (OBI), which compares the fiscal transparency of 94 different countries around the world. Afghanistan has improved its rating from 8 percent in 2008 to 21 percent in 2010. This increase could be explained largely due to the fact that the government now publishes more comprehensive In-Year Reports and a Mid-Year Review, and because it now makes publicly available an Audit Report that previously was only for internal use.<sup>3</sup>

According to the Open Budget Survey 2010, budget oversight provided by Afghanistan's legislature needs to be strengthened, because it does not yet:

- Have full power to amend the budget proposal presented to it at the start of the year before the budget is enacted; or
- Hold public hearings during budget discussions.

In addition, the Open Budget Survey 2010 indicates that budget oversight provided by Afghanistan's Supreme Audit Institution (the Control and Audit Office) also needs to be improved for the following reasons:

- It is not fully independent from the executive; the executive can remove the head of the Control and Audit Office without seeking final consent from the legislature or judiciary;
- It does not have complete discretion in law to choose what to audit;
- There is limited legislative scrutiny of audit reports;

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<sup>3</sup> See full results of the 2010 Survey, available at [www.openbudgetindex.org](http://www.openbudgetindex.org).

- It has inadequate channels of communication with the public; and
- It does not issue reports on the follow-up steps taken by the executive to address audit.

## **Conclusions**

The OBI recommended that Afghanistan should do the following in order to improve its fiscal transparency:

- Publish budget documents that are already being produced — the Executive’s Budget Proposal and the Pre-Budget Statement—on the government’s website in a timely manner;
- Produce and publish a “Citizens Budget”<sup>4</sup>;
- Provide opportunities for the public to testify at legislative hearings on the budget; and
- Increase the powers of the legislature and SAI to provide more comprehensive oversight of the execution of the budget.

The Ministry of Finance in Afghanistan is fully committed to improve fiscal transparency and is planning to publish the entire budget documents required under the Open Budget Index. The Budget Statement that has been sent to Parliament has already been published, and a Citizens Budget will be published when the next Budget is approved by Parliament.

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<sup>4</sup> A “Citizens Budget” is a nontechnical presentation of a government’s budget that is intended to enable the public—including those who are not familiar with public finance—to understand a government’s plans.

## 6 Tables

**Table 6.1 - Core Budget Revenues**

Code (In millions of Afghanis)	1389	1389	1390	1390	1390	1390 Comparison to		YTD Target		Annual Target (2)	% Annual Target
	Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	1389 YTD		1390 Qtr 2 YTD	Target - Actual % (+/-)		
						Change	% Increase				
<b>CORE BUDGET</b>											
<b>1 REVENUES including grants (1)</b>	<b>43,389.3</b>	<b>76,518.0</b>	<b>45,401.7</b>	<b>42,452.2</b>	<b>87,853.9</b>	<b>11,335.9</b>	<b>14.8</b>				
<b>1-19 REVENUES excluding grants</b>	<b>19,641.0</b>	<b>37,169.4</b>	<b>23,289.9</b>	<b>23,830.8</b>	<b>47,120.6</b>	<b>9,951.2</b>	<b>26.8</b>	<b>42,148.7</b>	<b>11.8</b>	<b>93,663.8</b>	<b>50.3</b>
<b>DOMESTIC REVENUES (2) (3)</b>	<b>19,641.0</b>	<b>37,169.4</b>	<b>23,289.9</b>	<b>23,830.8</b>	<b>47,120.6</b>	<b>9,951.2</b>	<b>26.8</b>	<b>42,148.7</b>	<b>11.8</b>	<b>93,663.8</b>	<b>50.3</b>
<b>11 Tax Revenues</b>	<b>9,366.1</b>	<b>17,933.1</b>	<b>9,346.8</b>	<b>10,455.7</b>	<b>19,802.5</b>	<b>1,869.5</b>	<b>10.4</b>	<b>20,787.5</b>	<b>-4.7</b>	<b>46,194.5</b>	<b>42.9</b>
111 Fixed Taxes	2,130.0	4,368.6	2,280.4	2,483.3	4,763.8	395.1	9.0	5,541.6	-14.0	12,314.6	38.7
112 Income Taxes	2,632.2	4,758.5	2,842.7	2,541.1	5,383.8	625.3	13.1	5,345.2	0.7	11,878.2	45.3
113 Property Taxes	51.2	111.5	102.9	85.7	188.6	77.2	69.2	148.4	27.1	329.8	57.2
114 Sales Taxes	3,900.7	7,339.0	3,597.2	4,561.9	8,159.1	820.1	11.2	8,548.2	-4.6	18,996.0	43.0
116 Other Taxes	524.2	1,109.8	388.3	628.8	1,017.0	-92.7	-8.4	882.9	15.2	1,962.0	51.8
117 Tax Penalties and Fines	127.8	245.7	135.3	154.9	290.2	44.5	18.1	321.2	-9.6	713.8	40.7
<b>12 Customs Duty, Import Taxes</b>	<b>6,672.2</b>	<b>13,195.3</b>	<b>7,810.1</b>	<b>7,939.7</b>	<b>15,749.7</b>	<b>2,554.4</b>	<b>19.4</b>	<b>14,644.1</b>	<b>7.5</b>	<b>32,542.6</b>	<b>48.4</b>
<b>13 Non Tax Revenue</b>	<b>2,624.3</b>	<b>5,166.6</b>	<b>5,701.9</b>	<b>4,286.8</b>	<b>9,988.7</b>	<b>4,822.0</b>	<b>93.3</b>	<b>5,465.0</b>	<b>82.8</b>	<b>12,144.3</b>	<b>82.2</b>
131 Income from Capital Property	67.2	152.6	2,480.4	68.0	2,548.4	2,395.8	1,569.7	186.9	1,426.7	370.9	687.0
132 Sales of Goods and Services	1,050.5	1,967.2	1,255.6	1,151.7	2,407.2	440.0	22.4	1,867.7	28.9	4,150.4	58.0
133 Administrative Fees	1,432.0	2,907.8	1,721.4	2,845.8	4,567.2	1,659.4	57.1	3,251.9	40.4	7,226.6	63.2
134 Royalties	10.1	16.5	41.7	67.1	108.8	92.3	560.0	55.5	95.8	123.4	88.1
135 Non Tax Fines and Penalties	64.5	122.5	190.5	126.0	316.5	194.0	158.4	122.9	157.6	273.0	115.9
136 Extractive Industry	0.0	0.0	12.3	28.2	40.5	40.5	N/A	526.2	-92.3	1,169.3	3.5
<b>14 Miscellaneous Revenue</b>	<b>533.4</b>	<b>163.7</b>	<b>-86.9</b>	<b>495.9</b>	<b>409.0</b>	<b>245.3</b>	<b>149.9</b>	<b>526.2</b>	<b>-22.3</b>	<b>1,169.3</b>	<b>35.0</b>
<b>17 Social Contributions</b>	<b>445.0</b>	<b>710.7</b>	<b>518.0</b>	<b>652.7</b>	<b>1,170.7</b>	<b>460.0</b>	<b>64.7</b>	<b>725.9</b>	<b>61.3</b>	<b>1,613.2</b>	<b>72.6</b>
<b>GRANTS (1)</b>	<b>23,748.3</b>	<b>39,348.6</b>	<b>22,111.9</b>	<b>18,621.4</b>	<b>40,733.3</b>	<b>1,384.7</b>	<b>3.5</b>				
191 Foreign Governments	16,723.6	28,237.5	18,035.6	14,296.6	32,332.1	4,094.6	14.5				
192 International Organisation	6,981.4	10,795.1	4,076.3	4,182.1	8,258.4	-2,536.8	-23.5				
193 Other Government Units	43.3	315.9	0.0	142.8	142.8	-173.1	-54.8				
<b>TOTAL OPERATING BUDGET REVENUE</b>	<b>34,876.8</b>	<b>63,730.9</b>	<b>40,953.7</b>	<b>37,460.9</b>	<b>78,414.7</b>	<b>14,683.7</b>	<b>23.0</b>			<b>160,374.8</b>	<b>48.9</b>
Domestic Revenues	19,641.0	37,169.4	23,289.9	23,830.8	47,120.6	9,951.2	26.8	42,148.7	11.8	93,663.8	50.3
as percentage of total	56.3	58.3	56.9	63.6	60.1	67.8					
External Grant Support	15,235.7	26,561.5	17,663.8	13,630.2	31,294.0	4,732.5	17.8			66,710.9	46.9
as percentage of total	43.7	41.7	43.1	36.4	39.9	32.2					

Source: FPU using AFMIS data downloaded on the 29 November 2011

- Actual figures are not comparable to the development/ integrated budget grants or balances shown in budget documentation, as grants/ balance in budget documentation also includes loans. Loans are shown as a financing item in above table.
- Revenues exclude proceeds from the sale of fixed assets (150), and loans (18). These items are included under financing.
- In the published budget document, Afs 13.2 billion in domestic revenues are allocated to the development budget in 1390. In order to ensure comparability with actuals, all domestic revenues shown under the development budget in the published budget document have been re-allocated to the operating budget in the above table.

**Table 6.2 - Core Budget Domestic Revenues by Province**

Code (In millions of Afghanis)		1389	1389	1390	1390	1390	1390 Comparison to		YTD Target		Annual Target	% Annual Target
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	1389 YTD		1390	Target -		
		Actual	Actual	Prelim	Prelim	Prelim	Change	% Increase	Qtr 2	Actual		
		Qtr	YTD	Qtr	Qtr	YTD			YTD	% (+/-)		
<b>1-19</b>	<b>REVENUES excluding grants</b>	<b>19,641.0</b>	<b>37,169.4</b>	<b>23,289.9</b>	<b>23,830.8</b>	<b>47,120.6</b>	<b>9,951.2</b>	<b>26.8</b>	<b>42,148.7</b>	<b>11.8</b>	<b>93,663.8</b>	<b>50.3</b>
01	Kabul	516.2	813.1	417.2	596.7	1,013.9	200.8	24.7	3,213.5	-68.4	7,141.1	14.2
02	Kapisa	15.6	19.7	10.0	32.1	42.1	22.4	113.5	26.5	58.7	59.0	71.4
03	Panwan	29.5	34.6	15.6	42.9	58.5	23.9	69.1	58.7	-0.4	130.5	44.8
04	Wardak	17.4	25.9	24.3	28.8	53.1	27.3	105.5	30.7	73.1	68.2	77.9
05	Logar	17.3	24.8	12.1	26.3	38.4	13.6	54.7	32.8	17.0	72.9	52.7
06	Nangarhar	2,322.2	5,204.5	2,795.6	2,391.7	5,187.3	-17.2	-0.3	6,567.3	-21.0	14,593.9	35.5
07	Laghman	23.3	34.0	22.6	40.3	62.9	28.9	85.2	41.2	52.6	91.6	68.7
08	Pangsher	9.6	12.5	7.6	23.1	30.7	18.2	144.7	15.0	105.1	33.3	92.3
09	Baghlan	39.6	55.9	28.5	56.3	84.8	28.9	51.7	70.8	19.7	157.4	53.9
10	Bamyan	13.5	19.0	6.8	21.0	27.8	8.8	46.3	25.1	10.6	55.9	49.8
11	Ghazni	46.0	70.8	35.5	63.6	99.1	28.2	39.8	84.9	16.7	188.7	52.5
12	Paktika	17.8	30.4	13.2	25.7	38.9	8.4	27.8	40.9	-4.9	90.8	42.8
13	Paktiya	41.1	82.2	79.4	103.9	183.3	101.1	123.0	99.9	83.5	222.0	82.6
14	Khost	130.6	234.8	306.2	336.3	642.6	407.8	173.7	326.1	97.1	724.7	88.7
15	Kunar	15.4	22.2	17.7	61.1	628.8	606.5	2,729.5	30.9	1,933.3	68.7	915.0
16	Nuristan	6.2	6.2	0.0	4.6	4.7	-1.5	-24.1	14.0	-66.5	31.1	15.1
17	Badakhshan	28.7	36.1	13.9	59.4	73.2	37.1	102.7	55.5	31.9	123.4	59.4
18	Takhar	30.1	44.6	27.2	91.5	118.7	74.1	166.2	66.3	79.0	147.3	80.6
19	Kunduz	219.6	373.1	367.8	374.9	742.7	369.6	99.1	485.8	52.9	1,079.6	68.8
20	Samangan	18.7	29.1	16.1	26.4	42.5	13.4	46.0	32.2	32.2	71.5	59.5
21	Balkh	2,414.1	4,905.5	2,273.0	2,302.5	4,575.5	-330.0	-6.7	6,037.9	-24.2	13,417.5	34.1
22	Saripul	10.7	16.1	5.8	20.2	26.0	9.9	61.2	23.3	11.5	51.7	50.2
23	Ghor	16.0	21.4	8.9	26.1	35.0	13.6	63.8	23.5	49.1	52.1	67.1
24	Dikondy	9.2	10.7	2.7	10.0	12.7	2.0	18.8	15.1	-15.8	33.5	37.9
25	Uruzgan	5.9	7.8	4.7	12.2	16.9	9.1	115.8	11.0	53.8	24.5	69.2
26	Zabul	9.5	11.7	8.5	37.9	46.4	34.6	294.8	14.1	228.4	31.4	147.8
27	Kandahar	832.8	1,716.6	729.8	918.9	1,648.7	-68.0	-4.0	1,872.2	-11.9	4,160.5	39.6
28	Jawzjan	28.9	44.7	37.2	40.0	77.2	32.6	72.9	57.5	34.3	127.8	60.5
29	Faryab	473.0	716.2	368.9	555.2	924.1	207.9	29.0	765.5	20.7	1,701.1	54.3
30	Helmand	87.2	133.8	64.5	183.2	247.7	113.9	85.1	79.1	213.3	175.7	141.0
31	Badghis	11.5	16.4	6.9	20.1	27.1	10.7	65.0	18.5	46.4	41.1	65.9
32	Herat	3,691.6	6,957.7	5,031.4	5,076.1	10,107.5	3,149.8	45.3	7,028.7	43.8	15,619.3	64.7
33	Farah	143.0	192.0	164.4	237.9	402.3	210.3	109.5	68.2	489.6	151.6	265.3
34	Nimroz	1,079.0	1,722.4	859.2	933.5	1,792.7	70.3	4.1	1,773.7	1.1	3,941.6	45.5
90	Central Ministries	7,270.5	13,522.7	9,506.3	8,500.6	18,006.9	4,484.2	33.2	13,042.3	38.1	28,982.9	62.1
95	Offshore Payments	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A	0.0	N/A

Source: FPU using AFMIS data downloaded on the 29 November 2011

**Table 6.3a - Core Budget Expenditures**

Core	(In millions of Afghanis)	1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison to		
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	Budget	Current	%	1389 YTD		
		Actual	Actual	Prelim	Prelim	Prelim	Ceiling (3)	Allocated	Allocated		Change	% Increase
		Qtr	YTD	Qtr	Qtr	YTD		Budget (4)	Budget			
<b>2</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>41,311.7</b>	<b>62,946.1</b>	<b>28,212.3</b>	<b>47,392.7</b>	<b>75,604.9</b>	<b>251,970</b>	<b>251,970</b>	<b>30.0</b>	<b>12,658.8</b>	<b>20.1</b>	
	<b>Operating Budget</b>	<b>27,500.1</b>	<b>46,274.5</b>	<b>23,096.9</b>	<b>35,662.1</b>	<b>58,759.0</b>	<b>150,726</b>	<b>150,726</b>	<b>39.0</b>	<b>12,484.5</b>	<b>27.0</b>	
	<b>Development Budget</b>	<b>13,811.6</b>	<b>16,671.6</b>	<b>5,115.3</b>	<b>11,730.6</b>	<b>16,845.9</b>	<b>101,244</b>	<b>101,244</b>	<b>16.6</b>	<b>174.3</b>	<b>1.0</b>	
	Discretionary Budget	1,888.8	2,506.3	1,247.9	2,885.6	4,133.5	26,504	26,504	15.6	1,627.2	64.9	
	Non-discretionary Budget	11,922.8	14,165.3	3,867.4	8,845.0	12,712.4	74,740	74,740	17.0	-1,452.9	-10.3	
<b>2*</b>	<b>TOTAL NET EXPENDITURES</b>	<b>41,300.5</b>	<b>62,864.8</b>	<b>28,189.6</b>	<b>47,383.8</b>	<b>75,573.3</b>				<b>12,708.5</b>	<b>20.2</b>	
<b>2-25</b>	<b>RECURRENT EXPENDITURES</b>	<b>32,406.0</b>	<b>52,663.4</b>	<b>24,293.6</b>	<b>40,031.8</b>	<b>64,325.4</b>	<b>N/A</b>	<b>195,338</b>	<b>32.9</b>	<b>11,662.1</b>	<b>22.1</b>	
<b>21</b>	<b>Compensation of Employees</b>	<b>21,951.9</b>	<b>37,709.9</b>	<b>19,783.5</b>	<b>28,262.3</b>	<b>48,045.7</b>	<b>109,884</b>	<b>113,609</b>	<b>42.3</b>	<b>10,335.8</b>	<b>27.4</b>	
	<i>of which operating budget</i>	<b>21,951.9</b>	<b>37,709.9</b>	<b>19,783.5</b>	<b>28,262.3</b>	<b>48,045.7</b>	<b>109,884.0</b>	<b>113,609</b>	<b>42.3</b>	<b>10,335.8</b>	<b>27.4</b>	
211-3	Wages and Salaries	21,784.9	37,407.7	19,646.7	28,038.0	47,684.7				10,277.0	27.5	
214-5	Social Benefits	167.0	302.1	136.7	224.2	361.0				58.8	19.5	
<b>22</b>	<b>Use of Goods and Services</b>	<b>8,428.1</b>	<b>11,549.6</b>	<b>3,460.8</b>	<b>9,375.7</b>	<b>12,836.6</b>	<b>N/A</b>	<b>66,775</b>	<b>19.2</b>	<b>1,287.0</b>	<b>11.1</b>	
	<i>of which operating budget</i>	<b>3,680.5</b>	<b>5,254.2</b>	<b>2,091.6</b>	<b>4,650.5</b>	<b>6,742.1</b>	<b>22,960.3</b>	<b>27,511</b>	<b>24.5</b>	<b>1,487.9</b>	<b>28.3</b>	
221	Travel	283.7	504.1	265.2	355.9	621.1				117.0	23.2	
222	Communications	169.7	252.9	89.9	193.5	283.4				30.5	12.1	
223	Contracted Services	3,592.0	4,778.3	1,103.6	3,438.7	4,542.3				-236.0	-4.9	
224	Repairs and Maintenance	392.1	610.5	154.9	588.5	743.4				132.8	21.8	
225	Utilities	426.2	598.2	262.6	825.3	1,087.9				489.7	81.9	
226	Fuel	380.7	579.8	253.4	589.8	843.2				263.4	45.4	
227-9	Other Use of Goods and Services	3,183.8	4,225.7	1,331.1	3,384.2	4,715.3				489.6	11.6	
<b>23</b>	<b>Interest (1) - operating budget</b>	<b>4.2</b>	<b>37.4</b>	<b>37.5</b>	<b>7.2</b>	<b>44.7</b>	<b>350.0</b>	<b>350</b>	<b>12.8</b>	<b>7.3</b>	<b>19.6</b>	
<b>24</b>	<b>Social Transfers - operating budget</b>	<b>2,021.8</b>	<b>3,366.5</b>	<b>1,011.8</b>	<b>2,386.6</b>	<b>3,398.4</b>	<b>14,604.0</b>	<b>14,604</b>	<b>23.3</b>	<b>31.9</b>	<b>0.9</b>	
242	Subsidies	18.0	18.0	0.0	0.0	0.0				-18.0	-100.0	
245	Grants	100.6	101.5	5.9	22.7	28.6				-72.9	-71.8	
247	Social Security	1,468.9	2,285.6	990.3	1,937.0	2,927.3				641.8	28.1	
248-9	Other Social Transfers	434.4	961.5	15.6	426.9	442.5				-519.0	-54.0	
<b>25</b>	<b>ACQUISITION OF ASSETS</b>											
<b>25</b>	<b>Gross Acquisition of Nonfinancial Assets</b>	<b>8,905.7</b>	<b>10,282.8</b>	<b>3,918.6</b>	<b>7,360.9</b>	<b>11,279.5</b>	<b>N/A</b>	<b>63,717</b>	<b>17.7</b>	<b>996.7</b>	<b>9.7</b>	
	<i>of which operating budget</i>	<b>257.9</b>	<b>322.8</b>	<b>172.6</b>	<b>355.5</b>	<b>528.1</b>	<b>2,927.4</b>	<b>3,709</b>	<b>14.2</b>	<b>205.3</b>	<b>63.6</b>	
<b>25*</b>	<b>Net Acquisition of Nonfinancial Assets (2)</b>	<b>8,894.5</b>	<b>10,201.5</b>	<b>3,895.9</b>	<b>7,352.0</b>	<b>11,247.9</b>				<b>1,046.4</b>	<b>10.3</b>	
150	Sale of Land and Buildings	-11.2	-81.3	-22.7	-8.9	-31.6				49.7	-61.1	
251	Buildings and Structures	6,399.7	7,584.4	1,563.0	3,668.8	5,231.8				-2,352.5	-31.0	
252	Machinery / Equipment (>50,000)	476.1	602.7	224.0	1,298.7	1,522.7				920.0	152.6	
257	Valuables	0.7	2.7	0.1	3.0	3.1				0.4	13.6	
258	Land	114.4	125.2	13.5	115.7	129.2				4.0	3.2	
259	Capital Advance Payments	1,914.8	1,967.7	2,118.0	2,274.6	4,392.7				2,425.0	123.2	

Source: FPU using AFMS data downloaded on the 29 November 2011

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Budget and MYR figures of core budget are not available for goods and services (code 21) and capital (code 25) as the published development budget is not broken down into these categories.

4/ Total allocated budget is the same as the approved Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).

**Table 6.3b - Operating Budget Expenditures**

Core (In millions of Afghanis)		1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison to	
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	Original	Current	%	1389 YTD	
		Actual	Actual	Prelim	Prelim	Prelim	Budget	Allocated	Allocated	Change	% Increase
		Qtr	YTD	Qtr	Qtr	YTD	Ceiling	Budget (3)	Budget		
<b>2</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>27,500.1</b>	<b>46,274.5</b>	<b>23,096.9</b>	<b>35,662.1</b>	<b>58,759.0</b>	<b>150,725.7</b>	<b>150,725.7</b>	<b>39.0</b>	<b>12,484.5</b>	<b>27.0</b>
<b>2*</b>	<b>TOTAL NET EXPENDITURES (2)</b>	<b>27,488.9</b>	<b>46,193.2</b>	<b>23,074.2</b>	<b>35,653.2</b>	<b>58,727.4</b>					
<b>2-25</b>	<b>RECURRENT EXPENDITURES</b>	<b>27,242.2</b>	<b>45,951.7</b>	<b>22,924.3</b>	<b>35,306.6</b>	<b>58,231.0</b>	<b>147,798.3</b>	<b>141,534.7</b>	<b>41.1</b>	<b>12,279.3</b>	<b>26.7</b>
<b>21</b>	<b>Compensation of Employees</b>	<b>21,951.9</b>	<b>37,709.9</b>	<b>19,783.5</b>	<b>28,262.3</b>	<b>48,045.7</b>	<b>109,884.0</b>	<b>113,609.5</b>	<b>42.3</b>	<b>10,335.8</b>	<b>27.4</b>
211-3	Wages and Salaries	21,784.9	37,407.7	19,646.7	28,038.0	47,684.7				10,277.0	27.5
214-5	Social Benefits	167.0	302.1	136.7	224.2	361.0				58.8	19.5
<b>22</b>	<b>Use of Goods and Services</b>	<b>3,680.5</b>	<b>5,254.2</b>	<b>2,091.6</b>	<b>4,650.5</b>	<b>6,742.1</b>	<b>22,960.3</b>	<b>27,510.7</b>	<b>24.5</b>	<b>1,487.9</b>	<b>28.3</b>
221	Travel	255.3	461.7	244.5	301.5	546.0				84.2	18.2
222	Communications	151.7	225.8	75.8	159.3	235.2				9.4	4.2
223	Contracted Services	65.0	105.3	47.0	61.5	108.5				3.2	3.0
224	Repairs and Maintenance	352.8	555.8	138.0	538.6	676.6				120.8	21.7
225	Utilities	424.3	596.3	262.4	824.1	1,086.5				490.2	82.2
226	Fuel	371.4	570.2	250.0	575.1	825.1				254.9	44.7
227-9	Other Use of Goods and Services	2,060.0	2,739.1	1,073.8	2,190.6	3,264.4				525.3	19.2
<b>23</b>	<b>Interest (1)</b>	<b>4.2</b>	<b>37.4</b>	<b>37.5</b>	<b>7.2</b>	<b>44.7</b>	<b>350.0</b>	<b>64.5</b>	<b>69.3</b>	<b>7.3</b>	<b>19.6</b>
<b>24</b>	<b>Social Transfers</b>	<b>1,605.5</b>	<b>2,950.2</b>	<b>1,011.8</b>	<b>2,386.6</b>	<b>3,398.4</b>	<b>14,604.0</b>	<b>350.0</b>	<b>971.0</b>	<b>448.2</b>	<b>15.2</b>
242	Subsidies	1.7	1.7	0.0	0.0	0.0				-1.7	-100.0
245	Grants	100.6	101.5	5.9	22.7	28.6				-72.9	-71.8
247	Social Security	1,468.9	2,285.6	990.3	1,937.0	2,927.3				641.8	28.1
248-9	Other Social Transfers	34.4	561.5	15.6	426.9	442.5				-119.0	-21.2
248	Social Assistance	34.4	454.4	15.6	59.5	75.1				-379.3	-83.5
249	Advance Subsidies, Grants	0.0	107.1	0.0	367.4	367.4				260.3	243.0
<b>25</b>	<b>ACQUISITION OF ASSETS</b>										
<b>25</b>	<b>Gross Acquisition of Nonfinancial Assets</b>	<b>257.9</b>	<b>322.8</b>	<b>172.6</b>	<b>355.5</b>	<b>528.1</b>	<b>2,927.4</b>	<b>3,709.5</b>	<b>14.2</b>	<b>205.3</b>	<b>63.6</b>
<b>25*</b>	<b>Net Acquisition of Nonfinancial Assets (2)</b>	<b>246.7</b>	<b>241.5</b>	<b>149.9</b>	<b>346.6</b>	<b>496.5</b>				<b>255.0</b>	<b>105.6</b>
150	Sale of Land and Buildings	-11.2	-81.3	-22.7	-8.9	-31.6				49.7	-61.1
251	Buildings and Structures	18.7	32.2	72.2	97.2	169.4				137.1	425.3
252	Machinery / Equipment (>50,000)	122.8	171.8	39.8	105.6	145.4				-26.4	-15.4
257	Valuables	0.0	0.0	0.1	0.0	0.1				0.1	328.0
258	Land	114.2	115.8	13.5	106.1	119.6				3.7	3.2
259	Capital Advance Payments	2.2	2.9	47.0	46.6	93.6				90.7	3,165.0

Source: FPU using AFMS data downloaded on the 29 November 2011, and Central Statistical Office for GDP data.

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Total allocated budget is the same as the approved Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).



**Table 6.3c - Development Budget Expenditures**

Core	(In millions of Afghanis)	1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison to	
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	Original	Current	%	1389 YTD	
		Actual	Actual	Prelim	Prelim	Prelim	Budget	Allocated	Allocated	Change	% Increase
		Qtr	YTD	Qtr	Qtr	YTD	Ceiling (3)	Budget (4)	Budget		
<b>2</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>13,811.6</b>	<b>16,671.6</b>	<b>5,115.3</b>	<b>11,730.6</b>	<b>16,845.9</b>	<b>101,243.6</b>	<b>101,243.6</b>	<b>16.6</b>	<b>174.3</b>	<b>1.0</b>
	Discretionary Budget	1,888.8	2,506.3	1,247.9	2,885.6	4,133.5	26,504.0	26,504.0	15.6	1,627.2	64.9
	Non-discretionary Budget	11,922.8	14,165.3	3,867.4	8,845.0	12,712.4	74,739.6	74,739.6	17.0	-1,452.9	-10.3
<b>2*</b>	<b>TOTAL NET EXPENDITURES (2)</b>	<b>13,811.6</b>	<b>16,671.6</b>	<b>5,115.3</b>	<b>11,730.6</b>	<b>16,845.9</b>				<b>174.3</b>	<b>1.0</b>
<b>2-25</b>	<b>RECURRENT EXPENDITURES</b>	<b>5,163.9</b>	<b>6,711.7</b>	<b>1,369.3</b>	<b>4,725.2</b>	<b>6,094.5</b>	<b>N/A</b>	<b>53,803.6</b>	<b>11.3</b>	<b>-617.2</b>	<b>-9.2</b>
	<b>Compensation of Employees</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
211-3	Wages and Salaries	0.0	0.0	0.0	0.0	0.0					
214-5	Social Benefits	0.0	0.0	0.0	0.0	0.0					
	<b>Use of Goods and Services</b>	<b>4,747.5</b>	<b>6,295.3</b>	<b>1,369.3</b>	<b>4,725.2</b>	<b>6,094.5</b>	<b>N/A</b>	<b>39,264.1</b>	<b>15.5</b>	<b>-200.9</b>	<b>-3.2</b>
221	Travel	28.4	42.4	20.7	54.4	75.2				32.8	77.5
222	Communications	17.9	27.1	14.1	34.2	48.2				21.1	77.8
223	Contracted Services	3,527.0	4,673.0	1,056.6	3,377.2	4,433.8				-239.2	-5.1
224	Repairs and Maintenance	39.3	54.7	16.9	49.9	66.8				12.1	22.1
225	Utilities	1.9	1.9	0.2	1.2	1.4				-0.5	-25.6
226	Fuel	9.3	9.6	3.4	14.7	18.1				8.5	88.4
227-9	Other Use of Goods and Services	1,123.8	1,486.6	257.3	1,193.6	1,450.9				-35.7	-2.4
<b>23</b>	<b>Interest (1)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>285.5</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
<b>24</b>	<b>Social Transfers</b>	<b>416.3</b>	<b>416.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14,254.0</b>	<b>0.0</b>	<b>-416.3</b>	<b>-100.0</b>
242	Subsidies	16.3	16.3	0.0	0.0	0.0				-16.3	-100.0
245	Grants	0.0	0.0	0.0	0.0	0.0				0.0	N/A
247	Social Security	0.0	0.0	0.0	0.0	0.0				0.0	N/A
248-9	Other Social Transfers	400.0	400.0	0.0	0.0	0.0				-400.0	-100.0
	<b>Gross Acquisition of Nonfinancial Assets</b>	<b>8,647.8</b>	<b>9,959.9</b>	<b>3,746.0</b>	<b>7,005.4</b>	<b>10,751.4</b>	<b>N/A</b>	<b>60,031.4</b>	<b>17.9</b>	<b>791.5</b>	<b>7.9</b>
<b>25*</b>	<b>Net Acquisition of Nonfinancial Assets (2)</b>	<b>8,647.8</b>	<b>9,959.9</b>	<b>3,746.0</b>	<b>7,005.4</b>	<b>10,751.4</b>				<b>791.5</b>	<b>7.9</b>
150	Sale of Land and Buildings	0.0	0.0	0.0	0.0	0.0				0.0	N/A
251	Buildings and Structures	6,381.0	7,552.1	1,490.8	3,571.6	5,062.4				-2,489.7	-33.0
252	Machinery / Equipment (>50,000)	353.3	430.9	184.2	1,193.1	1,377.3				946.4	219.7
257	Valuables	0.7	2.7	0.0	3.0	3.0				0.3	10.7
258	Land	0.2	9.4	0.0	9.6	9.6				0.2	2.3
259	Capital Advance Payments	1,912.5	1,964.8	2,071.0	2,228.1	4,299.1				2,334.2	118.8

Source: FPU using AFMIS data downloaded on the 29 November 2011

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Budget and MYR figures of core budget are not available for goods and services (code 21) and capital (code 25) as the published development budget is not broken down into these categories.

4/ Total allocated budget is the same as the approved Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).

**Table 6.4 – Total Core Budget Expenditures by Afghanistan National Development Strategy Pillar**

(In millions of Afghanis)	1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison	
	Qtr 2 Actual	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	Original Budget Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	to 1389 YTD Increase %
<b>TOTAL GROSS EXPENDITURES</b>	<b>41,342.8</b>	<b>62,980.4</b>	<b>28,212.5</b>	<b>47,422.4</b>	<b>75,687.8</b>	<b>251,969.8</b>	<b>251,969.8</b>	<b>30.0</b>	<b>12,707.4</b>	<b>20.2</b>
Operating Budget	27,464.9	45,430.3	23,096.9	35,662.1	57,977.8	150,726.1	150,726.1	38.5	12,547.6	27.6
Development Budget	13,877.8	17,550.1	5,115.6	11,760.3	17,710.0	101,243.6	101,243.6	17.5	159.9	0.9
<b>Security</b>	<b>15,347.8</b>	<b>26,176.6</b>	<b>13,444.3</b>	<b>20,646.4</b>	<b>34,090.7</b>	<b>87,475.0</b>	<b>89,958.0</b>	<b>37.9</b>	<b>7,914.1</b>	<b>30.2</b>
Operating Budget	15,196.4	25,978.7	13,444.3	20,586.9	34,031.2	86,436.4	88,919.4	38.3	8,052.6	31.0
Development Budget	151.4	197.9	0.0	59.4	59.4	1,038.6	1,038.6	5.7	-138.5	-70.0
<b>Total Governance, Rule of Law and Human Rights</b>	<b>3,033.0</b>	<b>5,538.8</b>	<b>2,687.7</b>	<b>3,456.6</b>	<b>6,197.3</b>	<b>13,683.3</b>	<b>14,796.0</b>	<b>41.9</b>	<b>658.5</b>	<b>11.9</b>
Operating Budget	2,643.3	4,221.4	2,513.2	3,032.8	4,764.9	10,264.1	11,376.8	41.9	543.4	12.9
Development Budget	389.7	1,317.3	174.5	423.7	1,432.4	3,419.2	3,419.2	41.9	115.1	8.7
<b>Total Infrastructure and Natural Resources</b>	<b>6,835.2</b>	<b>8,358.6</b>	<b>2,002.4</b>	<b>5,474.5</b>	<b>7,476.9</b>	<b>48,257.8</b>	<b>49,712.5</b>	<b>15.0</b>	<b>-881.8</b>	<b>-10.5</b>
Operating Budget	633.0	983.1	442.7	943.4	1,386.0	3,822.3	5,277.1	26.3	402.9	41.0
Development Budget	6,202.2	7,375.5	1,559.8	4,531.1	6,090.9	44,435.4	44,435.4	13.7	-1,284.7	-17.4
<b>Total Education</b>	<b>7,888.8</b>	<b>11,458.0</b>	<b>4,529.4</b>	<b>8,251.1</b>	<b>12,780.5</b>	<b>36,847.6</b>	<b>37,717.9</b>	<b>33.9</b>	<b>1,322.5</b>	<b>11.5</b>
Operating Budget	5,589.9	8,817.0	4,273.3	6,787.7	11,061.0	25,090.5	25,960.9	42.6	2,243.9	25.5
Development Budget	2,298.9	2,641.0	256.1	1,463.4	1,719.5	11,757.1	11,757.1	14.6	-921.5	-34.9
<b>Total Health</b>	<b>1,767.4</b>	<b>2,378.6</b>	<b>695.0</b>	<b>1,989.4</b>	<b>2,684.3</b>	<b>10,404.7</b>	<b>10,446.1</b>	<b>25.7</b>	<b>305.7</b>	<b>12.9</b>
Operating Budget	504.2	800.1	384.2	527.8	912.0	2,663.6	2,705.0	33.7	111.9	14.0
Development Budget	1,263.2	1,578.6	310.8	1,461.6	1,772.4	7,741.1	7,741.1	22.9	193.8	12.3
<b>Total Agriculture and Rural Development</b>	<b>3,214.8</b>	<b>4,155.5</b>	<b>2,783.7</b>	<b>3,615.3</b>	<b>6,399.0</b>	<b>24,731.9</b>	<b>25,724.0</b>	<b>24.9</b>	<b>2,243.4</b>	<b>54.0</b>
Operating Budget	400.0	685.7	284.5	510.1	794.6	1,768.2	2,760.3	28.8	108.9	15.9
Development Budget	2,814.8	3,469.8	2,499.2	3,105.2	5,604.4	22,963.7	22,963.7	24.4	2,134.6	61.5
<b>Total Social Protection</b>	<b>1,964.3</b>	<b>3,032.9</b>	<b>1,310.3</b>	<b>2,678.3</b>	<b>3,988.6</b>	<b>2,792.4</b>	<b>8,143.8</b>	<b>49.0</b>	<b>955.7</b>	<b>31.5</b>
Operating Budget	1,845.9	2,881.3	1,266.7	2,542.5	3,809.1	1,766.6	7,118.0	53.5	927.8	32.2
Development Budget	118.4	151.6	43.7	135.8	179.5	1,025.8	1,025.8	17.5	27.9	18.4
<b>Total Economic Governance and Private Sector Development</b>	<b>1,291.5</b>	<b>1,881.3</b>	<b>759.6</b>	<b>1,311.0</b>	<b>2,070.6</b>	<b>9,298.2</b>	<b>12,856.0</b>	<b>16.1</b>	<b>189.3</b>	<b>10.1</b>
Operating Budget	652.3	1,062.9	488.0	731.0	1,219.0	3,959.9	7,517.7	16.2	156.1	14.7
Development Budget	639.2	818.3	271.6	579.9	851.5	5,338.3	5,338.3	16.0	33.2	4.1
<b>Total Unclassified</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18,478.8</b>	<b>3,524.4</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
Operating Budget	0.0	0.0	0.0	0.0	0.0	14,954.4	0.0	-	0.0	N/A
Development Budget	0.0	0.0	0.0	0.0	0.0	3,524.4	3,524.4	0.0	0.0	N/A

Source: FPU using AFMIS data downloaded on the 29 November 2011

(1) For individual Ministries (not the total budget), allocated operating Budget may not equal the approved budget, as funds are allocated from contingency reserve during the year. Allocated budget for the development budget is the same as the latest approved budget.

**Table 6.5a – Total Core Budget Gross Expenditures by Ministry**

Code	(In millions of Afghanis)	1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	Original Budget Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	% to 1389 YTD
<b>25</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>41,342.8</b>	<b>62,980.4</b>	<b>28,212.5</b>	<b>47,422.4</b>	<b>75,687.8</b>	<b>251,969.8</b>	<b>251,969.8</b>	<b>30.0</b>	<b>12,707.4</b>	<b>20.2</b>
	Operating Budget	27,464.9	45,430.3	23,096.9	35,662.1	57,977.8	150,726.1	150,726.1	38.5	12,547.6	27.6
	Development Budget	13,877.8	17,550.1	5,115.6	11,760.3	17,710.0	101,243.6	101,243.6	17.5	159.9	0.9
<b>26</b>	<b>Ministry of Interior</b>	<b>6,970.9</b>	<b>11,575.9</b>	<b>4,621.7</b>	<b>9,841.5</b>	<b>14,463.2</b>	<b>36,294.2</b>	<b>37,003.6</b>	<b>39.1</b>	<b>2,887.3</b>	<b>24.9</b>
	Operating Budget	6,827.2	11,410.4	4,621.7	9,823.9	14,445.6	36,066.5	36,765.9	39.3	3,035.2	26.6
	Development Budget	143.7	165.4	0.0	17.6	17.6	237.7	237.7	7.4	-147.8	-89.4
<b>22</b>	<b>Ministry of Defence</b>	<b>7,040.7</b>	<b>12,101.2</b>	<b>7,421.5</b>	<b>8,733.4</b>	<b>16,154.8</b>	<b>43,282.2</b>	<b>44,774.3</b>	<b>36.1</b>	<b>4,053.6</b>	<b>33.5</b>
	Operating Budget	7,040.7	12,101.2	7,421.5	8,733.4	16,154.8	43,202.4	44,694.5	36.1	4,053.6	33.5
	Development Budget	0.0	0.0	0.0	0.0	0.0	79.8	79.8	0.0	0.0	N/A
<b>23</b>	<b>Ministry of Foreign Affairs</b>	<b>420.4</b>	<b>690.2</b>	<b>230.1</b>	<b>730.6</b>	<b>960.7</b>	<b>2,871.3</b>	<b>2,934.8</b>	<b>32.7</b>	<b>270.5</b>	<b>39.2</b>
	Operating Budget	414.9	684.8	230.1	728.9	959.0	2,283.2	2,346.8	40.9	274.2	40.0
	Development Budget	5.4	5.4	0.0	1.7	1.7	588.1	588.1	0.3	-3.7	-69.0
<b>15</b>	<b>Presidential Protective Service</b>	<b>234.6</b>	<b>424.4</b>	<b>206.6</b>	<b>267.1</b>	<b>473.7</b>	<b>872.9</b>	<b>1,088.8</b>	<b>43.5</b>	<b>49.3</b>	<b>11.6</b>
	Operating Budget	234.6	424.4	206.6	233.1	439.7	764.0	979.9	44.9	15.3	3.6
	Development Budget	0.0	0.0	0.0	34.0	34.0	108.9	108.9	31.2	34.0	N/A
<b>64</b>	<b>General Directorate of National Security</b>	<b>681.2</b>	<b>1,385.0</b>	<b>964.5</b>	<b>1,073.8</b>	<b>2,038.3</b>	<b>4,154.5</b>	<b>4,156.4</b>	<b>49.0</b>	<b>653.3</b>	<b>47.2</b>
	Operating Budget	678.9	1,357.9	964.5	1,067.6	2,032.1	4,130.4	4,132.3	49.2	674.2	49.7
	Development Budget	2.3	27.1	0.0	6.2	6.2	24.1	24.1	25.7	-20.9	-77.1
	<b>Total Security</b>	<b>15,347.8</b>	<b>26,176.6</b>	<b>13,444.3</b>	<b>20,646.4</b>	<b>34,090.7</b>	<b>87,475.0</b>	<b>89,958.0</b>	<b>37.9</b>	<b>7,914.1</b>	<b>30.2</b>
	Operating Budget	15,196.4	25,978.7	13,444.3	20,586.9	34,031.2	86,436.4	88,919.4	38.3	8,052.6	31.0
	Development Budget	151.4	197.9	0.0	59.4	59.4	1,038.6	1,038.6	5.7	-138.5	-70.0
<b>10</b>	<b>Presidents Office</b>	<b>382.5</b>	<b>686.2</b>	<b>348.5</b>	<b>365.1</b>	<b>713.6</b>	<b>1,847.9</b>	<b>1,913.0</b>	<b>37.3</b>	<b>27.5</b>	<b>4.0</b>
	Operating Budget	335.4	639.1	341.4	350.7	692.1	1,468.6	1,533.6	45.1	53.1	8.3
	Development Budget	47.1	47.1	7.1	14.4	21.5	379.4	379.4	5.7	-25.6	-54.3
<b>11</b>	<b>National Assembly Meshanro Jirga</b>	<b>66.8</b>	<b>187.2</b>	<b>118.8</b>	<b>77.2</b>	<b>195.9</b>	<b>464.2</b>	<b>465.6</b>	<b>42.1</b>	<b>8.7</b>	<b>4.7</b>
	Operating Budget	53.7	174.0	106.6	73.3	179.8	357.1	358.4	50.2	5.8	3.3
	Development Budget	13.2	13.2	12.2	3.9	16.1	107.1	107.1	15.0	2.9	22.1
<b>12</b>	<b>National Assembly Wolesi Jirga</b>	<b>147.9</b>	<b>344.8</b>	<b>241.2</b>	<b>205.2</b>	<b>446.4</b>	<b>903.1</b>	<b>903.1</b>	<b>49.4</b>	<b>101.7</b>	<b>29.5</b>
	Operating Budget	147.9	342.8	241.2	205.2	446.4	895.8	895.8	49.8	103.6	30.2
	Development Budget	0.0	1.9	0.0	0.0	0.0	7.3	7.3	0.0	-1.9	-100.0
<b>14</b>	<b>Supreme Court</b>	<b>311.9</b>	<b>484.3</b>	<b>285.7</b>	<b>316.1</b>	<b>601.8</b>	<b>1,445.9</b>	<b>1,463.5</b>	<b>41.1</b>	<b>117.5</b>	<b>24.3</b>
	Operating Budget	283.1	450.5	271.4	285.3	556.7	1,192.7	1,210.3	46.0	106.2	23.6
	Development Budget	28.8	33.8	14.3	30.9	45.1	253.2	253.2	17.8	11.3	33.4
<b>50</b>	<b>Ministry of Justice</b>	<b>477.7</b>	<b>787.9</b>	<b>348.2</b>	<b>616.9</b>	<b>965.1</b>	<b>2,417.7</b>	<b>2,419.4</b>	<b>39.9</b>	<b>177.2</b>	<b>22.5</b>
	Operating Budget	458.5	758.3	326.9	573.1	900.0	2,104.1	2,105.8	42.7	141.7	18.7
	Development Budget	19.3	29.6	21.3	43.8	65.1	313.6	313.6	20.8	35.5	119.7
<b>13</b>	<b>Administrative Affairs</b>	<b>224.2</b>	<b>968.4</b>	<b>307.4</b>	<b>484.5</b>	<b>792.0</b>	<b>640.0</b>	<b>1,435.7</b>	<b>55.2</b>	<b>-176.4</b>	<b>-18.2</b>
	Operating Budget	224.2	968.4	307.4	484.5	792.0	563.3	1,358.9	58.3	-176.4	-18.2
	Development Budget	0.0	0.0	0.0	0.0	0.0	76.8	76.8	0.0	0.0	N/A
<b>21</b>	<b>Ministry of State and Parliament Affairs</b>	<b>13.7</b>	<b>18.9</b>	<b>13.7</b>	<b>26.9</b>	<b>40.6</b>	<b>80.0</b>	<b>100.2</b>	<b>40.5</b>	<b>21.7</b>	<b>114.5</b>
	Operating Budget	13.7	18.9	13.7	26.9	40.6	80.0	100.2	40.5	21.7	114.5
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
<b>24</b>	<b>Ministry of Haj and Religious Affairs</b>	<b>418.1</b>	<b>485.4</b>	<b>372.8</b>	<b>326.0</b>	<b>698.9</b>	<b>729.0</b>	<b>843.7</b>	<b>82.8</b>	<b>213.5</b>	<b>44.0</b>
	Operating Budget	389.9	457.2	361.7	292.8	654.5	595.9	710.5	92.1	197.3	43.1
	Development Budget	28.1	28.1	11.1	33.2	44.3	133.2	133.2	33.3	16.2	57.6
<b>51</b>	<b>Attorney General</b>	<b>148.4</b>	<b>255.1</b>	<b>157.4</b>	<b>203.5</b>	<b>360.9</b>	<b>826.7</b>	<b>838.5</b>	<b>43.0</b>	<b>105.8</b>	<b>41.5</b>
	Operating Budget	144.9	251.1	128.7	163.9	292.7	643.5	655.2	44.7	41.6	16.6
	Development Budget	3.5	4.0	28.6	39.6	68.2	183.2	183.2	37.2	64.2	1,594.1
<b>72</b>	<b>Election Commission</b>	<b>22.0</b>	<b>38.9</b>	<b>13.6</b>	<b>24.2</b>	<b>37.8</b>	<b>106.5</b>	<b>108.0</b>	<b>35.0</b>	<b>-1.1</b>	<b>-2.9</b>
	Operating Budget	22.0	38.9	13.6	24.2	37.8	106.5	108.0	35.0	-1.1	-2.9
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
<b>62</b>	<b>IARCSC</b>	<b>182.8</b>	<b>290.2</b>	<b>88.9</b>	<b>192.8</b>	<b>281.7</b>	<b>257.0</b>	<b>297.5</b>	<b>94.7</b>	<b>-8.5</b>	<b>-2.9</b>
	Operating Budget	53.6	99.4	53.0	67.8	120.8	242.1	282.5	42.7	21.4	21.5
	Development Budget	129.2	190.7	36.0	124.9	160.9	15.0	15.0	1,075.7	-29.9	-15.7
<b>85</b>	<b>Independent Commission for Overseeing the Implement</b>	<b>53.6</b>	<b>99.4</b>	<b>0.0</b>	<b>67.8</b>	<b>120.8</b>	<b>711.3</b>	<b>704.4</b>	<b>17.1</b>	<b>21.4</b>	<b>21.5</b>
	Operating Budget	0.0	0.0	0.0	9.2	9.2	62.0	55.1	16.6	9.2	N/A
	Development Budget	53.6	99.4	0.0	58.7	111.6	649.3	649.3	17.2	12.2	12.3
<b>67</b>	<b>The High office of Oversight and Anti Corruption</b>	<b>582.1</b>	<b>890.5</b>	<b>389.8</b>	<b>547.9</b>	<b>937.7</b>	<b>143.2</b>	<b>149.1</b>	<b>629.1</b>	<b>47.2</b>	<b>5.3</b>
	Operating Budget	13.1	22.8	16.6	25.7	42.3	89.4	95.3	44.4	19.5	85.7
	Development Budget	569.0	867.7	373.2	522.2	895.4	53.8	53.8	1,663.9	27.7	3.2
<b>59</b>	<b>Independent Directorate of Local Governance</b>	<b>1.1</b>	<b>1.6</b>	<b>1.7</b>	<b>2.4</b>	<b>4.1</b>	<b>1,875.1</b>	<b>1,918.8</b>	<b>0.2</b>	<b>2.5</b>	<b>157.8</b>
	Operating Budget	502.1	0.0	329.3	447.8	0.0	1,851.6	1,895.3	0.0	0.0	N/A
	Development Budget	-501.0	1.6	-327.6	-445.3	4.1	23.5	23.5	17.6	2.5	157.8
<b>74</b>	<b>Legal Training Center</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,235.6</b>	<b>1,235.6</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	1.1	0.0	1.7	2.4	0.0	11.6	11.6	0.0	0.0	N/A
	Development Budget	-1.1	0.0	-1.7	-2.4	0.0	1,223.9	1,223.9	0.0	0.0	N/A
	<b>Total Governance, Rule of Law and Human Rights</b>	<b>3,033.0</b>	<b>5,538.8</b>	<b>2,687.7</b>	<b>3,456.6</b>	<b>6,197.3</b>	<b>13,683.3</b>	<b>14,796.0</b>	<b>41.9</b>	<b>658.5</b>	<b>11.9</b>
	Operating Budget	2,643.3	4,221.4	2,513.2	3,032.8	4,764.9	10,264.1	11,376.8	41.9	543.4	12.9
	Development Budget	389.7	1,317.3	174.5	423.7	1,432.4	3,419.2	3,419.2	41.9	115.1	8.7

Source: FPU using AFMIS data downloaded on the 29 November 2011

(1) For individual Ministries (not the total budget), allocated operating Budget may not equal the approved budget, as funds are allocated from contingency reserve during the year. Allocated budget for the development budget is the same as the latest approved budget.

**Table 6.5b – Total Core Budget Gross Expenditures by Ministry (continued)**

Code	(In millions of Afghanis)	1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	Original Budget Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	%
<b>42</b>	<b>Ministry of Public Works</b>	<b>4,702.5</b>	<b>5,401.0</b>	<b>636.4</b>	<b>2,138.8</b>	<b>2,775.2</b>	<b>19,871.3</b>	<b>20,915.8</b>	<b>13.3</b>	<b>-2,625.9</b>	<b>-48.6</b>
	Operating Budget	195.0	260.0	73.4	375.3	448.7	1,794.9	2,839.4	15.8	188.7	72.6
	Development Budget	4,507.5	5,141.0	563.0	1,763.4	2,326.4	18,076.4	18,076.4	12.9	-2,814.6	-54.7
<b>45</b>	<b>Ministry of Transport and Aviation</b>	<b>291.0</b>	<b>393.7</b>	<b>133.8</b>	<b>354.1</b>	<b>487.9</b>	<b>1,896.0</b>	<b>2,176.0</b>	<b>22.4</b>	<b>94.2</b>	<b>23.9</b>
	Operating Budget	89.4	142.4	87.8	152.6	240.4	439.6	719.6	33.4	98.0	68.9
	Development Budget	201.6	251.3	46.0	201.6	247.6	1,456.4	1,456.4	17.0	-3.8	-1.5
<b>34</b>	<b>Ministry of Communication</b>	<b>329.6</b>	<b>436.3</b>	<b>86.7</b>	<b>173.1</b>	<b>259.8</b>	<b>2,269.0</b>	<b>2,269.3</b>	<b>11.4</b>	<b>-176.5</b>	<b>-40.5</b>
	Operating Budget	104.3	188.8	80.7	114.2	194.9	451.9	452.2	43.1	6.1	3.2
	Development Budget	225.3	247.5	5.9	58.9	64.8	1,817.1	1,817.1	3.6	-182.6	-73.8
<b>41</b>	<b>Ministry of Energy and Water</b>	<b>727.2</b>	<b>984.4</b>	<b>859.8</b>	<b>2,152.3</b>	<b>3,012.1</b>	<b>12,761.6</b>	<b>12,767.0</b>	<b>23.6</b>	<b>2,027.7</b>	<b>206.0</b>
	Operating Budget	78.8	132.3	73.4	85.6	159.0	367.1	372.5	42.7	26.7	20.1
	Development Budget	648.4	852.1	786.4	2,066.7	2,853.1	12,394.5	12,394.5	23.0	2,001.0	234.8
<b>82</b>	<b>Water Supply and Canalization Corporation</b>	<b>0.0</b>	<b>0.0</b>	<b>3.1</b>	<b>4.1</b>	<b>7.3</b>	<b>901.9</b>	<b>901.9</b>	<b>0.8</b>	<b>7.3</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	3.1	4.1	7.3	901.9	901.9	0.8	7.3	N/A
<b>83</b>	<b>Da Brishna Shirkat</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>26.6</b>	<b>26.6</b>	<b>3,726.3</b>	<b>3,726.3</b>	<b>0.7</b>	<b>26.6</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	26.6	26.6	3,726.3	3,726.3	0.7	26.6	N/A
<b>49</b>	<b>Ministry of Urban Development</b>	<b>347.4</b>	<b>576.0</b>	<b>67.4</b>	<b>184.2</b>	<b>251.6</b>	<b>1,275.3</b>	<b>1,385.0</b>	<b>18.2</b>	<b>-324.4</b>	<b>-56.3</b>
	Operating Budget	42.9	63.9	19.8	35.0	54.8	120.1	229.8	23.8	-9.1	-14.3
	Development Budget	304.5	512.0	47.6	149.2	196.8	1,155.2	1,155.2	17.0	-315.2	-61.6
<b>84</b>	<b>Independent Board of new Kabul</b>	<b>0.0</b>	<b>0.0</b>	<b>29.5</b>	<b>23.9</b>	<b>53.3</b>	<b>240.4</b>	<b>240.4</b>	<b>22.2</b>	<b>53.3</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	29.5	23.9	53.3	240.4	240.4	22.2	53.3	N/A
<b>32</b>	<b>Ministry of Mines and Industries</b>	<b>218.1</b>	<b>308.2</b>	<b>112.1</b>	<b>238.6</b>	<b>350.7</b>	<b>3,422.4</b>	<b>3,422.4</b>	<b>10.2</b>	<b>42.4</b>	<b>13.8</b>
	Operating Budget	93.1	143.0	57.0	108.1	165.1	359.0	359.0	46.0	22.1	15.5
	Development Budget	125.0	165.3	55.1	130.4	185.6	3,063.4	3,063.4	6.1	20.3	12.3
<b>65</b>	<b>Geodesy and Cartography Office</b>	<b>30.3</b>	<b>53.6</b>	<b>24.8</b>	<b>31.1</b>	<b>55.9</b>	<b>288.0</b>	<b>288.9</b>	<b>19.4</b>	<b>2.3</b>	<b>4.4</b>
	Operating Budget	29.4	52.7	24.8	31.1	55.9	123.3	124.2	45.0	3.2	6.1
	Development Budget	0.9	0.9	0.0	0.0	0.0	164.7	164.7	0.0	-0.9	-100.0
<b>60</b>	<b>Directorate of Environment</b>	<b>31.4</b>	<b>46.8</b>	<b>21.8</b>	<b>38.2</b>	<b>60.0</b>	<b>187.8</b>	<b>200.7</b>	<b>29.9</b>	<b>13.2</b>	<b>28.1</b>
	Operating Budget	0.0	0.0	21.8	36.7	58.5	138.6	151.5	38.6	58.5	N/A
	Development Budget	31.4	46.8	0.0	1.5	1.5	49.1	49.1	3.0	-45.4	-96.9
<b>75</b>	<b>Afghanistan High Atomic Energy Commission</b>	<b>3.8</b>	<b>4.7</b>	<b>3.9</b>	<b>4.7</b>	<b>8.6</b>	<b>29.9</b>	<b>30.8</b>	<b>27.9</b>	<b>3.9</b>	<b>84.4</b>
	Operating Budget	0.0	0.0	3.9	4.7	8.6	27.8	28.8	29.9	8.6	N/A
	Development Budget	3.8	4.7	0.0	0.0	0.0	2.1	2.1	0.0	-4.7	-100.0
<b>77</b>	<b>Provincial Municipalities</b>	<b>0.0</b>	<b>0.0</b>	<b>22.0</b>	<b>0.0</b>	<b>22.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>22.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	22.0	0.0	22.0	0.0	0.0	-	22.0	N/A
<b>79</b>	<b>Municipalities</b>	<b>153.9</b>	<b>153.9</b>	<b>1.2</b>	<b>104.9</b>	<b>106.0</b>	<b>1,387.9</b>	<b>1,387.9</b>	<b>7.6</b>	<b>-47.9</b>	<b>-31.1</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	153.9	153.9	1.2	104.9	106.0	1,387.9	1,387.9	7.6	-47.9	-31.1
	<b>Total Infrastructure and Natural Resources</b>	<b>6,835.2</b>	<b>8,358.6</b>	<b>2,002.4</b>	<b>5,474.5</b>	<b>7,476.9</b>	<b>48,257.8</b>	<b>49,712.5</b>	<b>15.0</b>	<b>-881.8</b>	<b>-10.5</b>
	Operating Budget	633.0	983.1	442.7	943.4	1,386.0	3,822.3	5,277.1	26.3	402.9	41.0
	Development Budget	6,202.2	7,375.5	1,559.8	4,531.1	6,090.9	44,435.4	44,435.4	13.7	-1,284.7	-17.4
<b>27</b>	<b>Ministry of Education</b>	<b>6,832.5</b>	<b>9,932.2</b>	<b>3,918.2</b>	<b>7,186.1</b>	<b>11,104.3</b>	<b>31,332.3</b>	<b>32,158.5</b>	<b>34.5</b>	<b>1,172.1</b>	<b>11.8</b>
	Operating Budget	4,867.8	7,654.1	3,779.8	5,945.1	9,724.8	22,062.4	22,888.6	42.5	2,070.8	27.1
	Development Budget	1,964.6	2,278.2	138.4	1,241.1	1,379.5	9,269.9	9,269.9	14.9	-898.7	-39.4
<b>28</b>	<b>Ministry of Higher Education</b>	<b>711.9</b>	<b>1,024.6</b>	<b>406.8</b>	<b>752.5</b>	<b>1,159.2</b>	<b>3,502.7</b>	<b>3,507.9</b>	<b>33.0</b>	<b>134.6</b>	<b>13.1</b>
	Operating Budget	514.9	801.0	328.4	584.3	912.7	2,079.9	2,085.1	43.8	111.7	13.9
	Development Budget	197.1	223.6	78.4	168.1	246.5	1,422.8	1,422.8	17.3	22.9	10.3
<b>36</b>	<b>Ministry of Information and Culture</b>	<b>171.0</b>	<b>280.7</b>	<b>107.7</b>	<b>180.8</b>	<b>288.5</b>	<b>1,325.7</b>	<b>1,362.7</b>	<b>21.2</b>	<b>7.7</b>	<b>2.8</b>
	Operating Budget	136.0	243.7	105.8	152.7	258.6	600.4	637.4	40.6	14.8	6.1
	Development Budget	35.0	37.0	1.8	28.1	29.9	725.3	725.3	4.1	-7.1	-19.1
<b>61</b>	<b>Science Academy</b>	<b>36.0</b>	<b>66.4</b>	<b>35.3</b>	<b>39.1</b>	<b>74.4</b>	<b>193.4</b>	<b>194.4</b>	<b>38.3</b>	<b>8.1</b>	<b>12.2</b>
	Operating Budget	27.2	57.6	35.3	37.7	73.0	143.5	144.6	50.5	15.4	26.7
	Development Budget	8.8	8.8	0.0	1.4	1.4	49.8	49.8	2.9	-7.3	-83.7
<b>63</b>	<b>National Olympic Committee</b>	<b>137.4</b>	<b>154.1</b>	<b>61.5</b>	<b>92.5</b>	<b>154.0</b>	<b>493.5</b>	<b>494.4</b>	<b>31.1</b>	<b>-0.1</b>	<b>0.0</b>
	Operating Budget	43.9	60.6	24.0	67.9	91.8	204.2	205.2	44.8	31.3	51.6
	Development Budget	93.5	93.5	37.5	24.7	62.2	289.2	289.2	21.5	-31.3	-33.5
	<b>Total Education</b>	<b>7,888.8</b>	<b>11,458.0</b>	<b>4,529.4</b>	<b>8,251.1</b>	<b>12,780.5</b>	<b>36,847.6</b>	<b>37,717.9</b>	<b>33.9</b>	<b>1,322.5</b>	<b>11.5</b>
	Operating Budget	5,889.9	8,817.0	4,273.3	6,787.7	11,061.0	25,090.5	25,960.9	42.6	2,243.9	25.5
	Development Budget	2,298.9	2,641.0	256.1	1,463.4	1,719.5	11,757.1	11,757.1	14.6	-921.5	-34.9
<b>37</b>	<b>Ministry of Public Health</b>	<b>1,767.4</b>	<b>2,378.6</b>	<b>695.0</b>	<b>1,989.4</b>	<b>2,684.3</b>	<b>10,404.7</b>	<b>10,446.1</b>	<b>25.7</b>	<b>305.7</b>	<b>12.9</b>
	Operating Budget	504.2	800.1	384.2	527.8	912.0	2,663.6	2,705.0	33.7	111.9	14.0
	Development Budget	1,263.2	1,578.6	310.8	1,461.6	1,772.4	7,741.1	7,741.1	22.9	193.8	12.3
	<b>Total Health</b>	<b>1,767.4</b>	<b>2,378.6</b>	<b>695.0</b>	<b>1,989.4</b>	<b>2,684.3</b>	<b>10,404.7</b>	<b>10,446.1</b>	<b>25.7</b>	<b>305.7</b>	<b>12.9</b>
	Operating Budget	504.2	800.1	384.2	527.8	912.0	2,663.6	2,705.0	33.7	111.9	14.0
	Development Budget	1,263.2	1,578.6	310.8	1,461.6	1,772.4	7,741.1	7,741.1	22.9	193.8	12.3

**Table 6.5c - Total Core Budget Gross Expenditures by Ministry (continued)**

Code	(In millions of Afghanis)	1389	1389	1390	1390	1390	Comparison to Budget			1390 Comparison	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim	Qtr 2 Prelim	Qtr 2 Prelim YTD	Original Budget Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	% Increase
<b>39</b>	<b>Ministry of Agriculture</b>	<b>745.2</b>	<b>1,160.5</b>	<b>405.8</b>	<b>1,080.0</b>	<b>1,485.9</b>	<b>5,353.6</b>	<b>6,347.1</b>	<b>23.4</b>	<b>325.4</b>	<b>28.0</b>
	Operating Budget	259.0	447.6	177.2	345.9	523.1	1,129.5	2,123.1	24.6	75.5	16.9
	Development Budget	486.2	712.9	228.6	734.2	962.8	4,224.0	4,224.0	22.8	249.9	35.1
<b>48</b>	<b>Ministry of Counter Narcotics</b>	<b>62.6</b>	<b>96.6</b>	<b>18.8</b>	<b>56.8</b>	<b>75.5</b>	<b>362.1</b>	<b>363.9</b>	<b>20.8</b>	<b>-21.0</b>	<b>-21.8</b>
	Operating Budget	17.8	30.7	18.8	27.5	46.3	122.5	124.3	37.3	15.6	50.8
	Development Budget	44.8	65.9	0.0	29.2	29.2	239.6	239.6	12.2	-36.6	-55.6
<b>43</b>	<b>Ministry of Rural Rehabilitation and Development</b>	<b>2,407.0</b>	<b>2,898.5</b>	<b>2,359.1</b>	<b>2,478.5</b>	<b>4,837.6</b>	<b>19,016.2</b>	<b>19,013.0</b>	<b>25.4</b>	<b>1,939.1</b>	<b>66.9</b>
	Operating Budget	123.2	207.4	88.5	136.7	225.2	516.2	513.0	43.9	17.8	8.6
	Development Budget	2,283.7	2,691.0	2,270.5	2,341.8	4,612.4	18,500.1	18,500.1	24.9	1,921.3	71.4
	<b>Total Agriculture and Rural Development</b>	<b>3,214.8</b>	<b>4,155.5</b>	<b>2,783.7</b>	<b>3,615.3</b>	<b>6,399.0</b>	<b>24,731.9</b>	<b>25,724.0</b>	<b>24.9</b>	<b>2,243.4</b>	<b>54.0</b>
	Operating Budget	400.0	685.7	284.5	510.1	794.6	1,768.2	2,760.3	28.8	108.9	15.9
	Development Budget	2,814.8	3,469.8	2,499.2	3,105.2	5,604.4	22,963.7	22,963.7	24.4	2,134.6	61.5
<b>46</b>	<b>Ministry of Frontiers and Tribal Affairs</b>	<b>81.2</b>	<b>137.5</b>	<b>70.4</b>	<b>114.2</b>	<b>184.6</b>	<b>431.7</b>	<b>468.0</b>	<b>39.4</b>	<b>47.1</b>	<b>34.2</b>
	Operating Budget	80.5	136.9	70.4	99.9	170.3	367.9	394.2	43.2	33.4	24.4
	Development Budget	0.7	0.7	0.0	14.3	14.3	73.8	73.8	19.4	13.6	2,089.0
<b>47</b>	<b>Ministry of Martyrs, Disabled and Social Affairs</b>	<b>1,754.0</b>	<b>2,702.1</b>	<b>1,160.9</b>	<b>2,407.1</b>	<b>3,567.9</b>	<b>1,616.7</b>	<b>6,921.0</b>	<b>51.6</b>	<b>865.9</b>	<b>32.0</b>
	Operating Budget	1,669.5	2,584.3	1,125.5	2,324.7	3,450.2	946.2	6,250.5	55.2	865.9	33.5
	Development Budget	84.5	117.7	35.4	82.3	117.7	670.5	670.5	17.6	0.0	0.0
<b>29</b>	<b>Ministry of Refugees and Repatriates</b>	<b>53.1</b>	<b>76.0</b>	<b>34.7</b>	<b>73.5</b>	<b>108.3</b>	<b>314.9</b>	<b>321.0</b>	<b>33.7</b>	<b>32.3</b>	<b>42.5</b>
	Operating Budget	36.0	58.8	29.3	50.3	79.7	171.5	177.6	44.9	20.8	35.4
	Development Budget	17.1	17.1	5.4	23.2	28.6	143.4	143.4	19.9	11.5	67.1
<b>38</b>	<b>Ministry of Women Affairs</b>	<b>43.7</b>	<b>68.2</b>	<b>26.9</b>	<b>52.3</b>	<b>79.1</b>	<b>259.6</b>	<b>263.5</b>	<b>30.0</b>	<b>10.9</b>	<b>16.0</b>
	Operating Budget	34.2	58.8	26.9	39.3	66.2	158.7	162.6	40.7	7.4	12.6
	Development Budget	9.5	9.5	0.0	12.9	12.9	100.8	100.8	12.8	3.5	36.7
<b>68</b>	<b>Office of Disaster Preparedness</b>	<b>15.3</b>	<b>26.1</b>	<b>10.3</b>	<b>16.4</b>	<b>26.7</b>	<b>112.0</b>	<b>112.3</b>	<b>23.7</b>	<b>0.6</b>	<b>2.3</b>
	Operating Budget	15.3	26.1	10.3	16.4	26.7	88.5	88.8	30.0	0.6	2.3
	Development Budget	0.0	0.0	0.0	0.0	0.0	23.5	23.5	0.0	0.0	N/A
<b>76</b>	<b>Directorate of Kochis</b>	<b>17.0</b>	<b>23.1</b>	<b>7.2</b>	<b>14.9</b>	<b>22.0</b>	<b>57.6</b>	<b>58.1</b>	<b>37.9</b>	<b>-1.0</b>	<b>-4.4</b>
	Operating Budget	10.3	16.4	4.3	11.8	16.1	43.8	44.3	36.4	-0.3	-1.8
	Development Budget	6.7	6.7	2.8	3.1	5.9	13.8	13.8	43.0	-0.7	-10.9
	<b>Total Social Protection</b>	<b>1,964.3</b>	<b>3,032.9</b>	<b>1,310.3</b>	<b>2,678.3</b>	<b>3,988.6</b>	<b>2,792.4</b>	<b>8,143.8</b>	<b>49.0</b>	<b>955.7</b>	<b>31.5</b>
	Operating Budget	1,845.9	2,881.3	1,266.7	2,542.5	3,809.1	1,766.6	7,118.0	53.5	927.8	32.2
	Development Budget	118.4	151.6	43.7	135.8	179.5	1,025.8	1,025.8	17.5	27.9	18.4
<b>20</b>	<b>Ministry of Finance</b>	<b>1,039.7</b>	<b>1,461.7</b>	<b>591.6</b>	<b>969.4</b>	<b>1,561.1</b>	<b>4,941.3</b>	<b>8,488.5</b>	<b>18.4</b>	<b>99.4</b>	<b>6.8</b>
	Operating Budget	503.6	802.8	369.4	557.4	926.7	1,588.8	5,136.0	18.0	123.9	15.4
	Development Budget	536.1	658.9	222.3	412.0	634.3	3,352.5	3,352.5	18.9	-24.6	-3.7
<b>25</b>	<b>Ministry of Commerce</b>	<b>78.6</b>	<b>118.3</b>	<b>44.7</b>	<b>83.0</b>	<b>127.6</b>	<b>2,313.0</b>	<b>2,310.3</b>	<b>5.5</b>	<b>9.3</b>	<b>7.9</b>
	Operating Budget	57.1	95.4	37.9	63.3	101.3	1,887.1	1,884.3	5.4	5.9	6.2
	Development Budget	21.5	22.9	6.7	19.6	26.3	425.9	425.9	6.2	3.4	14.9
<b>35</b>	<b>Ministry of Economy</b>	<b>65.6</b>	<b>113.9</b>	<b>70.7</b>	<b>87.1</b>	<b>157.8</b>	<b>1,006.5</b>	<b>1,006.4</b>	<b>15.7</b>	<b>44.0</b>	<b>38.6</b>
	Operating Budget	36.0	68.0	37.1	46.8	83.8	230.4	230.3	36.4	15.9	23.3
	Development Budget	29.7	45.9	33.6	40.3	74.0	776.1	776.1	9.5	28.1	61.3
<b>66</b>	<b>Control and Audit Office</b>	<b>69.5</b>	<b>122.6</b>	<b>17.6</b>	<b>88.7</b>	<b>106.3</b>	<b>507.9</b>	<b>515.0</b>	<b>20.6</b>	<b>-16.3</b>	<b>-13.3</b>
	Operating Budget	17.6	32.0	12.4	21.5	33.9	75.3	82.4	41.2	2.0	6.2
	Development Budget	51.9	90.7	5.2	67.2	72.4	432.6	432.6	16.7	-18.3	-20.2
<b>73</b>	<b>Central Statistics Office</b>	<b>31.4</b>	<b>52.8</b>	<b>27.7</b>	<b>35.8</b>	<b>63.6</b>	<b>263.0</b>	<b>265.2</b>	<b>24.0</b>	<b>10.8</b>	<b>20.4</b>
	Operating Budget	31.4	52.8	23.9	29.6	53.5	122.0	124.2	43.1	0.8	1.4
	Development Budget	0.0	0.0	3.8	6.2	10.0	141.0	141.0	7.1	10.0	N/A
<b>58</b>	<b>Afghanistan National Standard Authority</b>	<b>6.6</b>	<b>12.1</b>	<b>7.3</b>	<b>46.9</b>	<b>54.2</b>	<b>266.6</b>	<b>270.7</b>	<b>20.0</b>	<b>42.1</b>	<b>349.5</b>
	Operating Budget	6.6	12.1	7.3	12.4	19.7	56.4	60.5	32.5	7.6	63.4
	Development Budget	0.0	0.0	0.0	34.5	34.5	210.2	210.2	16.4	34.5	N/A
	<b>Total Economic Gov. and Private Sector Devel't</b>	<b>1,291.5</b>	<b>1,881.3</b>	<b>759.6</b>	<b>1,311.0</b>	<b>2,070.6</b>	<b>9,298.2</b>	<b>12,856.0</b>	<b>16.1</b>	<b>189.3</b>	<b>10.1</b>
	Operating Budget	652.3	1,062.9	488.0	731.0	1,219.0	3,959.9	7,517.7	16.2	156.1	14.7
	Development Budget	639.2	818.3	271.6	579.9	851.5	5,338.3	5,338.3	16.0	33.2	4.1
<b>80</b>	<b>Afghanistan Investment Support Agency</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>380.2</b>	<b>380.2</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	380.2	380.2	0.0	0.0	N/A
<b>81</b>	<b>Micro Finance Investment Support Facility for Afghanistan</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>446.5</b>	<b>446.5</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	446.5	446.5	0.0	0.0	N/A
<b>86</b>	<b>Extrabudgetary Agencies</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
<b>90</b>	<b>Unallocated Reserves</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>17,652.0</b>	<b>2,697.7</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	14,954.4	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	2,697.7	2,697.7	0.0	0.0	N/A
<b>99</b>	<b>Unspecified</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	<b>Total Unclassified</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18,478.8</b>	<b>3,524.4</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	14,954.4	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	3,524.4	3,524.4	0.0	0.0	N/A

**Table 6.6a – Core Budget Gross Expenditures by Program (Ministries implementing Program Budgeting in 1390)**

Code	(In millions of Afghanis)	OPERATING BUDGET			DEVELOPMENT BUDGET			TOTAL BUDGET		
		1390	Comparison to Budget		1390	Comparison to Budget		1390	Comparison to Budget	
		Qtr 2	Current	%	Qtr 2	Current	%	Qtr 2	Current	%
		Prelim	Allocated	Allocated	Prelim	Allocated	Allocated	Prelim	Allocated	Allocated
		YTD	Budget (1)	Budget	YTD	Budget (1)	Budget	YTD	Budget (1)	Budget
<b>27</b>	<b>Ministry of Education</b>	<b>8,064.8</b>	<b>22,888.6</b>	<b>35.2</b>	<b>4,519.5</b>	<b>9,227.4</b>	<b>49.0</b>	<b>12,584.3</b>	<b>32,116.0</b>	<b>39.2</b>
271	General and Islamic Education	6,923.1	19,103.4	36.2	566.2	4,367.8	13.0	7,489.3	23,471.2	31.9
272	Curriculum Development ,Teacher Education and Education Science	298.8	1,071.9	27.9	1,715.6	2,539.7	67.6	2,014.4	3,611.6	55.8
273	Technical and Vocational Education & Trainings (TVET)	253.7	914.3	27.8	155.2	826.5	18.8	408.9	1,740.9	23.5
274	Literacy	141.8	454.7	31.2	152.3	679.0	22.4	294.2	1,133.7	25.9
275	Education Management	459.8	1,344.2	34.2	1,930.1	814.3	237.0	2,389.9	2,158.5	110.7
999	Expenditure returns	-12.5	0.0	N/A	0.0	0.0	N/A	-12.5	0.0	N/A
<b>39</b>	<b>Ministry of Agriculture, Irrigation and Livestock</b>	<b>447.6</b>	<b>2,123.1</b>	<b>21.1</b>	<b>712.9</b>	<b>4,726.7</b>	<b>15.1</b>	<b>1,160.5</b>	<b>6,849.8</b>	<b>16.9</b>
391	Natural Resource Management	102.6	253.6	40.4	52.5	269.5	19.5	155.0	523.1	29.6
392	Agriculture production and productivity	153.5	1,371.4	11.2	426.3	1,821.9	23.4	579.9	3,193.3	18.2
393	Economic Regeneration	64.5	175.4	36.8	159.5	1,719.0	9.3	224.0	1,894.3	11.8
394	Change Management	128.1	322.7	39.7	74.6	916.3	8.1	202.7	1,239.1	16.4
999	Expenditure returns	-1.1	0.0	N/A	0.0	0.0	N/A	-1.1	0.0	N/A
<b>43</b>	<b>Ministry of Rural Rehabilitation and Development</b>	<b>0.6</b>	<b>513.0</b>	<b>0.1</b>	<b>2,691.0</b>	<b>18,646.1</b>	<b>14.4</b>	<b>2,691.7</b>	<b>19,159.1</b>	<b>14.0</b>
431	Local Governance	0.6	0.0	N/A	1,885.1	14,993.5	12.6	1,885.8	14,993.5	12.6
432	Rural Infrastructure	0.0	0.0	N/A	753.4	2,829.4	26.6	753.4	2,829.4	26.6
433	Economic Regeneration	0.0	0.0	N/A	52.6	823.2	6.4	52.6	823.2	6.4
434	Institutional Support Program	0.0	513.0	0.0	0.0	0.0	N/A	0.0	513.0	0.0
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>41</b>	<b>Ministry of Energy &amp; Water</b>	<b>132.3</b>	<b>372.5</b>	<b>35.5</b>	<b>852.1</b>	<b>12,499.4</b>	<b>6.8</b>	<b>984.4</b>	<b>12,871.9</b>	<b>7.6</b>
411	Availability of competitively priced electricity for community livelihood and industry development	9.6	24.8	38.8	290.7	5,875.6	4.9	300.3	5,900.4	5.1
412	Availability of and accessibility to water for community livelihood and industrial development.	44.4	135.7	32.7	551.4	6,525.4	8.5	595.9	6,661.1	8.9
413	General Administration	78.3	212.0	36.9	10.0	98.4	10.2	88.3	310.4	28.4
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>20</b>	<b>Ministry of Finance</b>	<b>817.0</b>	<b>5,136.0</b>	<b>15.9</b>	<b>658.9</b>	<b>3,432.0</b>	<b>19.2</b>	<b>1,475.9</b>	<b>8,568.0</b>	<b>17.2</b>
201	Public Finance Management	264.6	2,908.9	9.1	143.7	975.6	14.7	408.3	3,884.5	10.5
202	Revenue Management	155.0	486.0	31.9	49.9	1,166.9	4.3	204.9	1,653.0	12.4
203	Policy Management	370.7	84.6	437.9	455.9	758.4	60.1	826.6	843.0	98.1
204	General Administration	32.6	1,656.4	2.0	9.3	531.0	1.8	41.9	2,187.5	1.9
999	Expenditure returns	-5.9	0.0	N/A	0.0	0.0	N/A	-5.9	0.0	N/A
<b>42</b>	<b>Ministry of Public Works</b>	<b>260.0</b>	<b>2,839.4</b>	<b>9.2</b>	<b>5,141.0</b>	<b>17,903.2</b>	<b>28.7</b>	<b>5,401.0</b>	<b>20,742.6</b>	<b>26.0</b>
421	Infrastructure	8.3	33.7	24.6	5,141.0	17,190.8	29.9	5,149.3	17,224.5	29.9
422	Road Maintenance	207.0	2,637.5	7.8	0.0	23.5	0.0	207.0	2,661.0	7.8
423	Administration and Finance	44.9	168.2	26.7	0.0	688.8	0.0	44.9	857.1	5.2
999	Expenditure returns	-0.1	0.0	N/A	0.0	0.0	N/A	-0.1	0.0	N/A
<b>37</b>	<b>Ministry of Public Health</b>	<b>800.1</b>	<b>2,705.0</b>	<b>29.6</b>	<b>1,578.6</b>	<b>7,745.5</b>	<b>20.4</b>	<b>2,378.6</b>	<b>10,450.5</b>	<b>22.8</b>
371	Institutional Development	22.0	81.2	27.0	129.4	845.0	15.3	151.4	926.2	16.3
372	Health Services Provision	311.0	1,180.7	26.3	1,449.2	6,900.5	21.0	1,760.2	8,081.3	21.8
373	Administrative Support	471.0	1,443.1	32.6	0.0	0.0	N/A	471.0	1,443.1	32.6
999	Expenditure returns	-3.9	0.0	N/A	0.0	0.0	N/A	-3.9	0.0	N/A
<b>59</b>	<b>Independent Directorate of Local Governance</b>	<b>791.1</b>	<b>0.0</b>	<b>N/A</b>	<b>99.4</b>	<b>0.0</b>	<b>N/A</b>	<b>890.5</b>	<b>0.0</b>	<b>N/A</b>
591	IDLG Policy	0.9	0.0	N/A	0.0	0.0	N/A	0.9	0.0	N/A
592	Institutional Development	0.7	0.0	N/A	99.4	0.0	N/A	100.1	0.0	N/A
593	Broader Governance	673.1	0.0	N/A	0.0	0.0	N/A	673.1	0.0	N/A
594	Support Services	116.6	0.0	N/A	0.0	0.0	N/A	116.6	0.0	N/A
999	Expenditure returns	-0.2	0.0	N/A	0.0	0.0	N/A	-0.2	0.0	N/A
<b>49</b>	<b>Ministry of Urban Development</b>	<b>94.0</b>	<b>229.8</b>	<b>40.9</b>	<b>933.4</b>	<b>860.9</b>	<b>108.4</b>	<b>1,027.5</b>	<b>1,090.7</b>	<b>94.2</b>
491	Planning and Urban Development	15.7	18.6	84.7	307.4	360.0	85.4	323.1	378.6	85.4
492	Housing	1.3	14.0	9.6	155.0	194.5	79.7	156.3	208.5	75.0
493	Urban Infrastructure	8.9	5.1	175.7	471.1	277.3	169.9	479.9	282.4	170.0
494	Operation and Management	68.0	192.2	35.4	0.0	29.0	0.0	68.0	221.3	30.7
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A

(1) Official data on the revised development budget by program are not available. Figures on allocated budget for the development budget are taken from budget allocations shown in AFMS data, which differs from published data shown in Tables 6.5. Source: FPU using AFMS data downloaded on the 29 November 2011

**Table 6.6b – Core Budget Gross Expenditures by Program (Ministries implementing Program Budgeting in 1390) – continued**

Code	(In millions of Afghanis)	OPERATING BUDGET			DEVELOPMENT BUDGET			TOTAL BUDGET				
		1390	Comparison to Budget		1390	Comparison to Budget		1390	Comparison to Budget			
		Qtr 2	Current	%	Qtr 2	Current	%	Qtr 2	Current	%		
		Prelim YTD	Allocated Budget (1)	Allocated Budget	Prelim YTD	Allocated Budget (1)	Allocated Budget	Prelim YTD	Allocated Budget (1)	Allocated Budget		
<b>45 Ministry of Transport &amp; Civil Aviation</b>		<b>142.4</b>	<b>719.6</b>	<b>19.8</b>		<b>251.3</b>	<b>1,524.6</b>	<b>16.5</b>		<b>393.7</b>	<b>2,244.2</b>	<b>17.5</b>
451 Air Transport Service		74.9	429.0	17.5		247.5	1,430.1	17.3		322.4	1,859.1	17.3
452 Land Transport Services		23.8	119.2	20.0		3.8	85.1	4.5		27.7	204.4	13.5
453 Management and Operation Services		43.9	171.4	25.6		0.0	9.3	0.0		43.9	180.7	24.3
999 Expenditure returns		-0.3	0.0	N/A		0.0	0.0	N/A		-0.3	0.0	N/A
<b>34 Ministry of Communication and Information Technology</b>		<b>33,086.1</b>	<b>452.2</b>	<b>7,316.2</b>		<b>-32,307.7</b>	<b>1,844.0</b>	<b>-1,752.1</b>		<b>778.4</b>	<b>2,296.2</b>	<b>33.9</b>
341 Electronic Afghanistan (E- Afghanistan)		28,036.7	84.7	33,084.2		-27,412.6	1,792.3	-1,529.5		624.1	1,877.0	33.2
342 ICT literacy		420.2	21.4	1,960.2		-410.8	37.6	-1,092.5		9.4	59.0	16.0
343 General Administration & Management		4,629.4	346.1	1,337.8		-4,484.3	14.1	-31,899.1		145.1	360.1	40.3
999 Expenditure returns		-0.1	0.0	N/A		0.0	0.0	N/A		-0.1	0.0	N/A
<b>25 Ministry of Commerce and Industry</b>		<b>114.7</b>	<b>1,884.3</b>	<b>6.1</b>		<b>46.7</b>	<b>425.9</b>	<b>11.0</b>		<b>161.4</b>	<b>2,310.3</b>	<b>7.0</b>
251 Private sector and industry development		18.5	47.8	38.7		10.4	165.7	6.3		28.8	213.5	13.5
252 Trade Policy and Transit		41.4	99.2	41.7		0.0	159.8	0.0		41.4	259.0	16.0
253 Admin and regulatory services		54.9	1,737.3	3.2		36.4	100.4	36.2		91.3	1,837.8	5.0
999 Expenditure returns		-0.1	0.0	N/A		0.0	0.0	N/A		-0.1	0.0	N/A
<b>47 Ministry of Labour, Social Affairs, Martyrs and Disabled</b>		<b>2,667.9</b>	<b>6,250.5</b>	<b>42.7</b>		<b>228.7</b>	<b>670.5</b>	<b>34.1</b>		<b>2,896.5</b>	<b>6,921.0</b>	<b>41.9</b>
471 Labor Support Program		2,329.9	2,688.1	86.7		206.4	550.8	37.5		2,536.4	3,238.9	78.3
472 Social Support Program		93.8	294.2	31.9		0.0	29.6	0.0		93.8	323.8	29.0
473 Martyrs and Disabled		6.7	2,613.3	0.3		0.0	53.6	0.0		6.7	2,666.8	0.3
474 Mangagment and Operations Program		237.7	654.8	36.3		22.2	36.7	60.6		259.9	691.5	37.6
999 Expenditure returns		0.0	0.0	N/A		0.0	0.0	N/A		0.0	0.0	N/A
<b>22 Ministry of Defence</b>		<b>6.0</b>	<b>13.4</b>	<b>44.4</b>		<b>0.0</b>	<b>10.8</b>	<b>0.0</b>		<b>6.0</b>	<b>24.3</b>	<b>24.5</b>
221 Combat forces		38.5	136.7	28.2		9.5	88.4	10.7		48.0	225.1	21.3
222 Supportive forces		68.0	230.3	29.5		45.9	776.1	5.9		113.9	1,006.4	11.3
999 Expenditure returns		38.7	136.1	28.4		45.1	279.5	16.1		83.8	415.6	20.2
<b>38 Ministry of Women's Affairs</b>		<b>29.4</b>	<b>94.2</b>	<b>31.2</b>		<b>0.8</b>	<b>496.6</b>	<b>0.2</b>		<b>30.1</b>	<b>590.8</b>	<b>5.1</b>
381 Women Support and Strengthening		639.1	1,533.6	41.7		47.1	379.4	12.4		686.2	1,913.0	35.9
382 Gender Development & monitoring of Plicy		639.7	1,533.6	41.7		47.1	379.4	12.4		686.8	1,913.0	35.9
383 Administration and Finance		0.0	1,210.3	0.0		0.0	253.4	0.0		0.0	1,463.7	0.0
999 Expenditure returns		0.0	1,210.3	0.0		0.0	253.4	0.0		0.0	1,463.7	0.0
<b>35 Ministry of Economy</b>		<b>0.0</b>	<b>979.9</b>	<b>0.0</b>		<b>0.0</b>	<b>108.9</b>	<b>0.0</b>		<b>0.0</b>	<b>1,088.8</b>	<b>0.0</b>
351 Economic Policy and Strategy and Monitoring and Evaluation		0.0	680.1	0.0		0.0	108.9	0.0		0.0	789.0	0.0
352 Administration and Management Services		0.0	299.8	0.0		0.0	0.0	N/A		0.0	299.8	0.0
999 Expenditure returns		0.0	44.7	0.0		0.0	0.0	N/A		0.0	44.7	0.0
<b>10 President's Office</b>		<b>-</b>	<b>44.7</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>N/A</b>		<b>-</b>	<b>44.7</b>	<b>-</b>
101 Services to president		0.0	358.4	0.0		0.0	107.1	0.0		0.0	465.6	0.0
999 Expenditure returns		0.0	358.4	0.0		0.0	107.1	0.0		0.0	465.6	0.0
<b>28 Ministry of Higher Education</b>		<b>0.0</b>	<b>1,358.9</b>	<b>0.0</b>		<b>0.0</b>	<b>76.8</b>	<b>0.0</b>		<b>0.0</b>	<b>1,435.7</b>	<b>0.0</b>
281 Educate & Train Skilled Graduates		0.0	0.0	N/A		0.0	67.3	0.0		0.0	67.3	0.0
282 Lead and Manage system of Higher Education		0.0	0.0	N/A		0.0	0.0	N/A		0.0	0.0	N/A
999 Expenditure returns		0.0	1,358.9	0.0		0.0	9.5	0.0		0.0	1,368.4	0.0
<b>62 Civil Service Commissoin</b>		<b>0.0</b>	<b>895.8</b>	<b>0.0</b>		<b>0.0</b>	<b>7.3</b>	<b>0.0</b>		<b>0.0</b>	<b>903.1</b>	<b>0.0</b>
621 Appointments and Appeals		0.0	895.8	0.0		0.0	7.3	0.0		0.0	903.1	0.0
622 Public Administration Reform		0.0	2,346.8	0.0		0.0	588.1	0.0		0.0	2,934.8	0.0
623 Capacity Building		0.0	1,085.6	0.0		0.0	0.0	N/A		0.0	1,085.6	0.0
624 Adm & operations		0.0	19.4	0.0		0.0	0.0	N/A		0.0	19.4	0.0
999 Expenditure returns		0.0	1,241.8	0.0		0.0	588.1	0.0		0.0	1,829.9	0.0

(1) Official data on the revised development budget by program are not available. Figures on allocated budget for the development budget are taken from budget allocations shown in AFMS data, which differs from published data shown in Tables 6.5.

Source: FPU using AFMS data downloaded on the 29 November 2011

**Table 6.7 – Total Core Budget Expenditures by COFOG Sector**

Code	(In millions of Afghanis)	1389 Qtr 2 Actual Qtr	1389 Qtr 2 Actual YTD	1389 Percent of Total	1390 Qtr 1 Prelim Qtr	1390 Qtr 2 Prelim Qtr	1390 Qtr 2 Prelim YTD	1390 Percent of Total	1390 Comparison to 1389 YTD Change	% Increase
<b>2</b>	<b>TOTAL NET EXPENDITURE</b>	<b>41,300.5</b>	<b>62,864.8</b>		<b>28,189.6</b>	<b>47,383.8</b>	<b>75,573.3</b>		<b>12,708.5</b>	<b>20.2</b>
150	Sale of Land and Buildings	11.2	81.3		22.7	8.9	31.6		-49.7	-61.1
										N/A
<b>2+150</b>	<b>TOTAL GROSS EXPENDITURE</b>	<b>41,311.7</b>	<b>62,946.1</b>	<b>100.0</b>	<b>28,211.9</b>	<b>47,392.0</b>	<b>75,603.9</b>	<b>100.0</b>	<b>12,657.8</b>	<b>20.1</b>
	RECURRENT EXPENDITURE	32,406.0	52,663.4	83.7	24,293.3	40,031.1	64,324.4	85.1	11,661.1	22.1
	CAPITAL EXPENDITURE	8,905.7	10,282.8	16.3	3,918.6	7,360.9	11,279.5	14.9	996.7	9.7
			<b>0.0</b>							
<b>701</b>	<b>General Public Services (1)</b>	<b>3,181.1</b>	<b>5,758.5</b>	<b>9.1</b>	<b>2,435.3</b>	<b>3,796.0</b>	<b>6,231.3</b>	<b>8.2</b>	<b>472.8</b>	<b>8.2</b>
	Recurrent Expenditure	2,915.2	5,410.0	8.6	2,226.9	3,517.9	5,744.8	7.6	334.7	6.2
	Capital Expenditure	265.9	348.5	0.6	208.4	278.1	486.5	0.6	138.1	39.6
<b>702</b>	<b>Defence</b>	<b>7,979.7</b>	<b>13,947.5</b>	<b>22.2</b>	<b>8,620.1</b>	<b>10,114.6</b>	<b>18,734.7</b>	<b>24.8</b>	<b>4,787.2</b>	<b>34.3</b>
	Recurrent Expenditure	7,940.0	13,855.3	22.0	8,526.2	10,017.1	18,543.4	24.5	4,688.0	33.8
	Capital Expenditure	39.8	92.2	0.1	93.9	97.5	191.4	0.3	99.2	107.6
<b>703</b>	<b>Public Order and Safety</b>	<b>7,945.1</b>	<b>13,160.1</b>	<b>20.9</b>	<b>5,454.2</b>	<b>11,065.4</b>	<b>16,519.6</b>	<b>21.9</b>	<b>3,359.5</b>	<b>25.5</b>
	Recurrent Expenditure	7,749.9	12,938.3	20.6	5,431.5	10,899.2	16,330.7	21.6	3,392.3	26.2
	Capital Expenditure	195.2	221.8	0.4	22.7	166.2	188.9	0.2	-32.9	-14.8
<b>704</b>	<b>Economic Affairs</b>	<b>10,224.8</b>	<b>12,701.8</b>	<b>20.2</b>	<b>4,830.1</b>	<b>9,114.0</b>	<b>13,944.1</b>	<b>18.4</b>	<b>1,242.3</b>	<b>9.8</b>
	Recurrent Expenditure	3,540.2	5,178.7	8.2	1,438.4	3,325.0	4,763.4	6.3	-415.4	-8.0
	Capital Expenditure	6,684.7	7,523.1	12.0	3,391.7	5,789.1	9,180.8	12.1	1,657.7	22.0
<b>705</b>	<b>Environmental Protection</b>	<b>185.3</b>	<b>200.8</b>	<b>0.3</b>	<b>23.0</b>	<b>44.4</b>	<b>67.4</b>	<b>0.1</b>	<b>-133.4</b>	<b>-66.4</b>
	Recurrent Expenditure	31.3	46.7	0.1	21.8	34.3	56.1	0.1	9.4	20.1
	Capital Expenditure	154.0	154.0	0.2	1.2	10.1	11.2	0.0	-142.8	-92.7
<b>706</b>	<b>Housing and Communal Amenities</b>	<b>444.0</b>	<b>750.1</b>	<b>1.2</b>	<b>72.8</b>	<b>228.6</b>	<b>301.4</b>	<b>0.4</b>	<b>-448.7</b>	<b>-59.8</b>
	Recurrent Expenditure	148.4	221.0	0.4	42.0	141.8	183.7	0.2	-37.2	-16.8
	Capital Expenditure	295.5	529.2	0.8	30.8	86.9	117.7	0.2	-411.5	-77.8
<b>707</b>	<b>Health</b>	<b>1,832.3</b>	<b>2,479.1</b>	<b>3.9</b>	<b>705.2</b>	<b>2,032.9</b>	<b>2,738.1</b>	<b>3.6</b>	<b>259.0</b>	<b>10.4</b>
	Recurrent Expenditure	1,672.9	2,295.6	3.6	676.6	1,973.5	2,650.1	3.5	354.5	15.4
	Capital Expenditure	159.4	183.5	0.3	28.6	59.4	88.0	0.1	-95.5	-52.0
<b>708</b>	<b>Recreation, Culture and Religion</b>	<b>727.1</b>	<b>920.9</b>	<b>1.5</b>	<b>542.3</b>	<b>600.7</b>	<b>1,143.0</b>	<b>1.5</b>	<b>222.1</b>	<b>24.1</b>
	Recurrent Expenditure	570.4	760.6	1.2	493.0	525.9	1,018.9	1.3	258.3	34.0
	Capital Expenditure	156.7	160.3	0.3	49.3	74.8	124.1	0.2	-36.2	-22.6
<b>709</b>	<b>Education</b>	<b>7,729.0</b>	<b>11,231.4</b>	<b>17.8</b>	<b>4,424.4</b>	<b>8,072.6</b>	<b>12,497.1</b>	<b>16.5</b>	<b>1,265.6</b>	<b>11.3</b>
	Recurrent Expenditure	6,802.1	10,188.7	16.2	4,336.6	7,309.2	11,645.8	15.4	1,457.1	14.3
	Capital Expenditure	926.8	1,042.7	1.7	87.9	763.4	851.3	1.1	-191.4	-18.4
<b>710</b>	<b>Social Protection</b>	<b>1,063.2</b>	<b>1,795.9</b>	<b>2.9</b>	<b>1,104.5</b>	<b>2,322.7</b>	<b>3,427.2</b>	<b>4.5</b>	<b>1,631.3</b>	<b>90.8</b>
	Recurrent Expenditure	1,035.7	1,768.4	2.8	1,100.3	2,287.3	3,387.7	4.5	1,619.3	91.6
	Capital Expenditure	27.5	27.5	0.0	4.2	35.4	39.5	0.1	12.0	43.6

Source: FPU using AFMIS data downloaded on the 29 November 2011

1/ Recurrent expenditure in the General Public Services sector excludes interest payments on loans.



**Table 6.8 - Transactions in Nonfinancial Assets in the Core Budget**

Code	(In millions of Afghanis)	1389	1389	1390	1390	1390	1390 Comparison to	
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	1389 YTD	
		Actual	Actual	Prelim	Prelim	Prelim	Change	% Increase
		Qtr	YTD	Qtr	Qtr	YTD		
<b>25</b>	<b>NET ACQUISITION OF NONFINANCIAL ASSETS</b>	<b>8,894.5</b>	<b>10,201.5</b>	<b>3,895.9</b>	<b>7,352.0</b>	<b>11,247.9</b>	<b>1,046.4</b>	<b>10.3</b>
	Land and Buildings	<b>6,502.9</b>	<b>7,628.3</b>	<b>1,553.8</b>	<b>3,775.6</b>	<b>5,329.4</b>	<b>-2,298.9</b>	<b>-30.1</b>
251/8	Purchase of Land and Buildings	6,514.2	7,709.6	1,576.5	3,784.5	5,361.0	-2,348.6	-30.5
150	Sale of Land and Buildings	-11.2	-81.3	-22.7	-8.9	-31.6	49.7	-61.1
151	Sale of State-Owned Enterprises	0.0	0.0	0.0	0.0	0.0	0.0	N/A
252	Machinery and Equipment (>50,000)	476.1	602.7	224.0	1,298.7	1,522.7	920.0	152.6
257	Valuables	0.7	2.7	0.1	3.0	3.1	0.4	13.6
259	Other Acquisitions	1,914.8	1,967.7	2,118.0	2,274.6	4,392.7	2,425.0	123.2

Source: FPU using AFMIS data downloaded on the 29 November 2011

**Table 6.9 - Transactions in Financial Assets and Liabilities in the Core Budget**

Code	(In millions of Afghanis)	1389	1389	1390	1390	1390	1390 Comparison to	
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	1389 YTD	
		Actual	Actual	Prelim	Prelim	Prelim	Change	% Increase
		Qtr	YTD	Qtr	Qtr	YTD		
<b>3+4</b>	<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b>	<b>-1,860.7</b>	<b>-13,428.1</b>	<b>-17,212.2</b>	<b>4,931.6</b>	<b>-12,280.6</b>	<b>1,147.6</b>	<b>-8.5</b>
<b>3</b>	<b>NET ACQUISITION OF FINANCIAL ASSETS</b>	<b>-3,543.6</b>	<b>-15,286.6</b>	<b>-15,448.0</b>	<b>3,327.9</b>	<b>-12,120.1</b>	<b>3,166.5</b>	<b>-20.7</b>
	<b>Domestic</b>	<b>-3,543.6</b>	<b>-15,286.6</b>	<b>-15,448.0</b>	<b>3,327.9</b>	<b>-12,120.1</b>	<b>3,166.5</b>	<b>-20.7</b>
	Currency and Deposits	-3,277.7	-11,691.1	-7,794.5	-287.8	-8,082.3	3,608.8	-30.9
311	Treasury Single Account	-5,352.5	-11,648.2	-5,438.5	-4,029.5	-9,467.9	2,180.3	-18.7
313	Donor Accounts	2,279.5	161.8	-2,447.7	4,084.5	1,636.8	1,475.0	911.6
314/90	Other Deposit Accounts (1)	-204.7	-204.7	91.7	-342.8	-251.2	-46.5	22.7
317	Loans	29.7	284.5	17.9	1.2	19.2	-265.3	-93.3
319	Other Accounts Receivable	-228.0	-196.8	367.4	-42.6	324.8	521.6	-265.0
	Other Assets	-67.6	-3,683.2	-8,038.8	3,657.1	-4,381.7	-698.5	19.0
	<b>Foreign</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
<b>4</b>	<b>NET ACQUISITION OF LIABILITIES</b>	<b>1,682.9</b>	<b>1,858.4</b>	<b>-1,764.2</b>	<b>1,603.7</b>	<b>-160.5</b>	<b>-2,018.9</b>	<b>-108.6</b>
	<b>Domestic</b>	<b>613.8</b>	<b>449.2</b>	<b>-1,843.1</b>	<b>1,020.9</b>	<b>-822.1</b>	<b>-1,271.3</b>	<b>-283.0</b>
411	Accounts Payable	-50.5	9.5	7.1	-18.8	-11.7	-21.2	-223.1
413	Pension Liabilities	2.5	5.2	3.1	-2.7	18.3	13.1	250.6
423	Other Payables	432.5	432.5	0.0	850.1	850.1	417.6	96.5
451	Other Liabilities (1)	229.3	1.9	-1,853.3	192.4	-1,660.9	-1,662.8	-87,403.3
	<b>Foreign</b>	<b>1,069.1</b>	<b>1,409.3</b>	<b>78.9</b>	<b>582.8</b>	<b>661.6</b>	<b>-747.7</b>	<b>-53.1</b>
431	Foreign Currency	15.1	16.2	-4.9	-8.8	-13.7	-29.9	-184.9
181-2	Loans	1,053.9	1,393.1	83.8	591.6	675.4	-717.7	-51.5

Source: FPU using AFMIS data downloaded on the 29 November 2011

1. Deposits on Letter of Credits (321) are netted out with Letter of Credit Commitment Accounts (451). The net amount is included under either 'Other Deposit Accounts' or 'Other Liabilities' depending on the direction of net transactions during the period.

**Table 6.10 – Alternative Measures of Deficit/Surplus and Financing in the Core Budget**

Code	(In millions of Afghanis)	1389	1389	1390	1390	1390	1390 Comparison to	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	1389 YTD	Change % Increase
<b>TRANSACTIONS AFFECTING NET WORTH</b>								
1	Revenues including Grants	43,389.3	76,518.0	45,401.7	42,452.2	87,853.9	11,335.9	14.8
2-25	Expenditures (Recurrent)	32,406.0	52,663.4	24,293.6	40,031.8	64,325.4	11,662.1	22.1
23	Interest	4.2	37.4	37.5	7.2	44.7	7.3	19.6
	<b>Net Balance (1-2-25)</b>	<b>10,983.3</b>	<b>23,854.6</b>	<b>21,108.1</b>	<b>2,420.4</b>	<b>23,528.5</b>	<b>-326.2</b>	<b>-1.4</b>
	<b>Primary Balance (1-2-25+23)</b>	<b>10,987.5</b>	<b>23,892.1</b>	<b>21,145.6</b>	<b>2,427.6</b>	<b>23,573.2</b>	<b>-318.9</b>	<b>-1.3</b>
<b>TRANSACTIONS IN NONFINANCIAL ASSETS</b>								
25	Net Acquisition of Nonfinancial Assets	8,894.5	10,201.5	3,895.9	7,352.0	11,247.9	1,046.4	10.3
	<b>Net Lending-Borrowing (1-2)</b>	<b>2,088.8</b>	<b>13,653.2</b>	<b>17,212.2</b>	<b>-4,931.6</b>	<b>12,280.6</b>	<b>-1,372.6</b>	<b>-10.1</b>
	<b>Financing (3+4+5)</b>	<b>-2,088.8</b>	<b>-13,653.2</b>	<b>-17,212.2</b>	<b>4,931.6</b>	<b>-12,280.6</b>	<b>1,372.6</b>	<b>-10.1</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b>		0.0						
3	Net Acquisition of Financial Assets	-3,543.6	-15,286.6	-15,448.0	3,327.9	-12,120.1	3,166.5	-20.7
4	Net Acquisition of Financial Liabilities	1,682.9	1,858.4	-1,764.2	1,603.7	-160.5	-2,018.9	-108.6
5	<b>RETAINED EARNINGS</b>	<b>-228.1</b>	<b>-225.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
	<b>Discrepancies (Financing-3-4-5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

## 7 Glossary

<b>Budget</b>	An itemised summary of estimated intended expenditures for a given period along with proposals for financing them.
Operating Budget	The budget for operating budget expenditures. These are mainly recurrent expenditures, and include wages and salaries for all public servants, running costs for Ministries, schools, barracks etc. A small amount of capital expenditure is also included in the Operating Budget in Afghanistan. The Operating Budget is sometimes referred to as the Recurrent Budget in other countries.
Development Budget	The Government budget for development projects implemented by Government agencies. It contains recurrent and capital expenditure in Afghanistan. These projects are mainly donor funded. The Development Budget is sometimes referred to as the Capital Budget in other countries.
Core Budget	The operating budget plus the development budget
External Budget	The budget for all donor activities that are funded directly by donors, rather than channelling the funding through the Government
Integrated Budget	The core budget plus the external budget
<b>Expenditure/Expense</b>	The purchase of goods, services, assets. It also includes interest payments, and subsidies and transfers.
Recurrent spending	Expenditure that is ongoing rather than one off, and does not result in the acquisition of a fixed asset. For example payments for electricity or fuel, the payment for salaries etc. Often equated with the operating budget, however development budget spending contains recurrent items and vice versa
Capital spending	Spending on a capital asset, for example a tractor or irrigation pump.
Compensation of Employees	The total remuneration, in cash or kind, payable to an employee for work done during the accounting period. It consists of wages, salaries, and social contributions made on behalf of employees to social insurance schemes. Excluded are amounts paid to contractors, self-employed outworkers, and other workers who are not employees.
Goods and Services (use of)	Expenditure items such as electricity costs, maintenance and repair, consultancy services and items with a purchase value below Afs 50,000
Subsidies	Payments made to State Owned Enterprises to help them cover their costs
Transfers	Payments to a person or organisation for which no service is received, for which pension payments and subsidies.
Interest payments	The interest paid on outstanding loans
Contingency Funds	Items listed in the operating and development budgets that may require funding. Throughout the year, funding from contingency reserve items may be allocated to the budgets of budgetary units during the year (increasing their original budget).
Assets	An entity over which ownership rights are enforced, and from which economic benefits may be derived by its owners by holding it or using it over a period of time.
Non-financial assets	Physical assets such as real estate and machinery
Financial assets	A financial claim on an asset that is usually documented by some type of legal representative. Examples include bonds and shares of stock, but not tangible assets such as real estate or gold. These are included below the line as financing items.
<b>Revenues</b>	Domestically raised revenues and donor grants (excludes loans).
Domestic Revenues	Revenues raised by the Government of Afghanistan (excludes donor grants). These are mainly revenues raised by the Afghanistan Revenue Department (taxes, customs duties etc.), and revenues rose by other Government agencies (fees and fines etc.)
Grants	Funds received from donors. Often the money can only be spent on a certain project or activities, but sometimes can be spent at the discretion of the recipient Government
<b>Balances</b>	The difference between revenues and expenditures
Operating Budget Balance (excluding grants)	Domestic revenues (excluding donor grants to the operating budget) minus operating budget expenditures
Operating Budget Balance (including grants)	Domestic revenues plus donor grants to the operating budget, minus operating budget expenditures
Development Budget Balance	Donor Grants to development budget minus development budget expenditures
Core Budget balances	
Balance (excluding and including grants)	Total revenues (excluding and including grants) minus total expenditures
Net operating balance (Table 6.10)	Revenues (including donor grants) minus recurrent expenditures. It measures the change in net worth resulting from transactions (excluding capital expenditure)
Primary operating balance (Table 6.10)	Net operating balance plus interest expenditures
Surplus	A positive balance (revenues are greater than expenditures)

Deficit	A negative balance (revenues are less than expenditures)
<b>Financing</b>	How the government funds its deficit (or invests its surplus). For example drawing down on foreign loans or withdrawing funds from the Central Bank. More generally, it describes transactions in financial assets.
Above the line	Refers to 'real' expenditure and revenue activities, for example the paying of salaries, the purchase of school books, the building of a dam etc.
Below the line	Refers to financing transactions, and transactions in financial assets, for example loan disbursements and repayments, transactions on the Treasury Single Account
Loans	Loans of money from foreign Governments, international organisation and development banks. Afghanistan's debt strategy allows only concessional loans to be taken out.
Concessional loans	Loans that are offered at below market rates (e.g. a low interest rate and with a long grace period).
Principal repayment	Repayment of the principal of a loan (as distinct from an interest payment)
Gross Domestic Product	The value of all the goods and services produced by a country in one year. This excludes the opium economy for Afghanistan
Budget target	The level of revenue or expenditure expected over a quarter or during the year. For expenditures we assume that the budget target for the quarter is 25% of the annual budget
Budget variance	The difference between the actual outcome and the budget target
Treasury Single Account (TSA)	The main bank account of the Government. In Afghanistan, the TSA consists of the Afghani account, the US dollar account, provincial revenue and expenditure accounts, and ARTF and LOTFA accounts.
AFMIS	Afghanistan Financial Management Information System. The central database that records every transaction made by Government
Eurotrace	The computer database system for recording and classifying customs transactions.

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