

ISLAMIC REPUBLIC OF AFGHANISTAN

MINISTRY OF FINANCE

Fiscal Policy Directorate

QUARTERLY FISCAL BULLETIN

Quarter 2, 1392

Foreword and Acknowledgement

A budget is the policy instrument of a nation that provides a stable macroeconomic framework, guides the collection and mobilization of public revenues, and ensures that these resources are expended prudently to meet the policy priorities. Fiscal policy plays a pivotal role in a budget and serves as a tool to achieve economic and social objectives. From a macroeconomic perspective, one of the central insights from research on developing countries is that prudent fiscal policy is essential for reducing poverty and improving social outcomes.

Just as the design of robust fiscal policy is important, the openness of fiscal data is equally important. In line with the Government's commitment to more transparency, bridging the information gap between various stakeholders has been one of our top priorities and our latest Open Budget Index (2012) score is a testimony to our efforts. This bulletin presents an assessment of our public finances in the first quarter of fiscal year 1392. This edition of the bulletin highlights detailed assessments of recent fiscal and budgetary developments, including trends in domestic revenue and expenditures performance, transactions related to the acquisition of non-financial assets and the budget balance. The bulletin also provides a snapshot of the budget execution rates during the reporting period whilst section five includes an interesting article on **'Importance of Agriculture in Economic Development of Afghanistan'**.

I would like to commend the Fiscal Policy Directorate for preparing this very important bulletin. I would also like to extend my appreciation to Budget, Revenue and Treasury departments as well as individual colleagues for their input and support. We would very much welcome any comment or suggestion about this bulletin.

Please provide your comments to Mr. Hafizullah Momandi (hafizlm@yahoo.com). It will soon be available on the website (www.budgetmof.gov.af).

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Quarterly Fiscal Bulletin, Quarter 2, 1392

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1 SUMMARY OF FIRST QUARTER DEVELOPMENTS

Table 1.1 – Budget Summary

Code	In millions of Afghanis	1391	1391	1392	1392	1392	1392 Comparison to 1391 YTD		1392 Budget Revenue or Expenditure Target	1392 YTD as % of Targets/ Budget
		Qtr 2 Actual	Qtr 2 Actual YTD	Qtr 1 Prelim	Qtr 2 Prelim	Qtr 2 Prelim YTD	Change	% (+/-)		
OPERATING BUDGET										
Revenues		54,716.9	103,601.6	52,266.0	52,744.4	105,010.4	1,408.8	1.4	210,228.8	50.0
Domestic Revenues (1)		25,543.3	50,928.2	22,324.1	25,662.8	47,986.9	-2,941.3	-5.8	123,000.0	39.0
Operating Grants		29,173.6	52,673.5	29,941.9	27,081.6	57,023.5	4,350.0	8.3	87,228.8	65.4
Expenditures		44,526.3	75,362.2	34,003.9	48,045.7	82,049.6	6,687.4	8.9	196,327.0	41.8
Budget Balance										
Including Grants		10,190.5	28,239.4	18,262.1	4,698.7	22,960.8	-5,278.6	-18.7	13,901.8	
Excluding Grants		-18,983.1	-24,434.0	-11,679.7	-22,382.9	-34,062.7	-9,628.6	39.4	-73,327.0	
Fiscal sustainability indicator (%) (2)		57.4	67.6	65.7	53.4	58.5	-9.1	-13.5	62.7	
DEVELOPMENT BUDGET										
Grants (3)		10,450.8	15,423.6	6,614.9	7,857.8	14,472.8	-950.8	-6.2	121,921.6	N/A
Expenditures		19,276.1	26,834.0	7,299.4	16,364.8	23,664.3	-3,169.7	-11.8	157,750.1	15.0
Discretionary Budget		5,217.7	7,285.4	875.5	4,394.9	5,270.4	-2,015.0	-27.7	45,479.7	11.6
Non-discretionary Budget		14,058.3	19,548.5	6,424.0	11,969.9	18,393.9	-1,154.7	-5.9	112,270.3	16.4
Budget Balance (3)		-8,825.3	-11,410.4	-684.5	-8,507.0	-9,191.5	2,218.9	-19.4	-35,828.4	
INTEGRATED BUDGET										
Revenues (3)		65,167.7	119,025.2	58,880.9	60,602.2	119,483.1	457.9	0.4	332,150.4	N/A
Domestic Revenues		25,543.3	50,928.2	22,324.1	25,662.8	47,986.9	-2,941.3	-5.8	123,000.0	39.0
Grants (3)		39,624.4	68,097.0	36,556.8	34,939.4	71,496.2	3,399.2	5.0	209,150.4	
Expenditures		63,802.4	102,196.2	41,303.3	64,410.5	105,713.8	3,517.7	3.4	354,077.1	29.9
Balances										
Excluding Grants		-38,259.2	-51,268.0	-18,979.2	-38,747.7	-57,726.9	-6,458.9	12.6	-231,077.1	
Including Grants (3)		1,365.2	16,829.0	17,577.6	-3,808.3	13,769.3	-3,059.7	-18.2	-21,926.7	
Financing							0.0			
Balance Including Grants		1,365.2	16,829.0	17,577.6	-3,808.3	13,769.3	-3,059.7	-18.2		
Sale of Land and Buildings		57.8	156.1	13.2	11.7	25.0	-131.1	-84.0		
Sale of State Owned Enterprises		0.0	0.0	0.0	0.0	0.0	0.0	N/A		
Lending/Borrowing		1,423.1	16,985.1	17,590.9	-3,796.6	13,794.3	-3,190.8	-18.8		

Source: FPD using AFMIS data downloaded on the 4 August 2013

- In the published budget document, Afs 7.5 billion in domestic revenues are allocated to the development budget in 1392. 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.

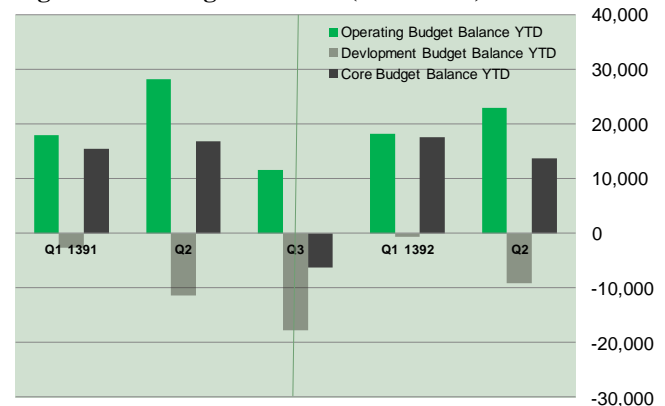
1.1 Overall fiscal position

Core budget balance for the second quarter of 1392 including grants stood at surplus of Afs 13.7 billion (16.8 billion Afs Q2 of 1391) while excluding grants the core budget balance was at deficit of Afs 57.7 billion (51.2 billion Afs Q2 of 1391).

The operating budget balance including grants during the Q2 of 1392 was at surplus of Afs 22.9 billion (Afs 28 billion Q2 of 1391) and excluding grants the budget balance was at deficit of Afs 34 billion (Afs 24 billion Q2 of 1391). The development budget balance for the same period stood at a deficit of Afs 9.1 billion.

The fiscal sustainability indicator decreased from 65.7 percent in Q1 of 1392 to 53.4 percent in Q2 of 1392 due to slower than projected revenue growth.

Figure 1.1 – Budget balances (Afs billion)



1.2 Domestic Revenues and Grants

Domestic Revenues

Total domestic revenue collected in the Q2 of 1392 were Afs 48 billion compared to Afs 50.9 billion Afs in second quarter of 1391, missing the quarterly target of Afs 55.3 billion by almost Afs 7 billion mainly attributed to lower economic activities and lower taxable imports. Tax revenues decreased by 4.9 percent and custom duties decreased by 11.3 percent whereas non-tax revenues decreased by 18 percent compared to the same period of 1391.

Grants

Total grants receipts to government budget in first two quarters of 1392 were Afs 71.5 billion of which operating grants were Afs 57 billion and development grants were Afs 14.5 billion showing an increase of 8.3 percent for operating grants and a decrease of 6 percent in development grants when compared to second quarter of FY 1391. The total grants receipt makes

1.3 Expenditures

Total core budget for FY 1392 was Afs 354 billion - Afs 196 billion is operating budget and Afs 157 billion is allocated to development budget. Total core expenditures by the end of Q2 of 1392 were Afs 105.7 billion or 30 percent of the total budget target showing an increase of 3.4 percent over last year's Q2 expenditures. Expenditures for operating budget were Afs 82 billion and for development budget were Afs 23 billion during Q2 of 1392 showing 9 percent increase in operating expenditures and 11 percent decrease in development expenditures when compared to Q2 of 1391.

Operating Budget

Total operating expenditures for Q2 of 1392 were Afs 82 billion or 41 percent of the total operating budget target of 196 billion Afs an increase of 9 percent over Q2 of 1391. Large share of the operating expenditures are directed to wages and salaries of civil servants and has continuously expanded during the last years due to reforms and increase in Tashkeel. With current execution rate of 41 percent for operating budget, it is projected that around 95 percent of operating budget will be spent by the end of Q4 1392.

Development Budget

Figure 1.2 – Total Domestic Revenues

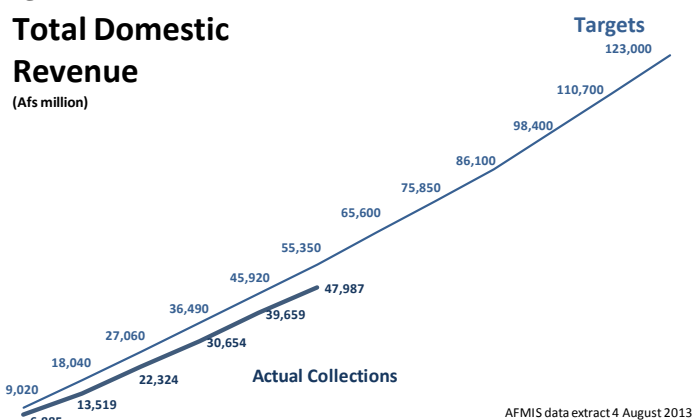
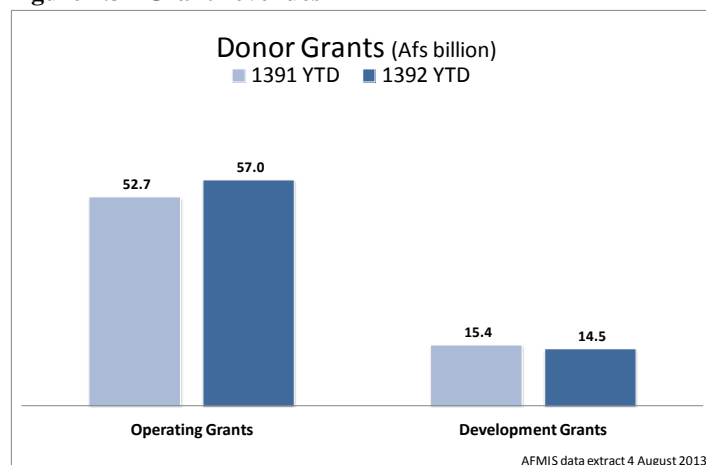


Figure 1.3 - Grant revenues



For Q2 FY 1392 total development expenditures were Afs 23 billion showing 11.8 percent decrease comparing to the same period of 1391. The decrease in expenditures occurred both for discretionary 27.7 percent and non-discretionary 6 percent comparing to Q2 of 1391. In terms of spending against total development budget target only 15 percent was spent by the end of Q2 of 1392. Given the current execution trend, it is assumed that the development budget execution rate would be around 45 percent by the end of Q4.

Figure 1.4 – Operating Budget

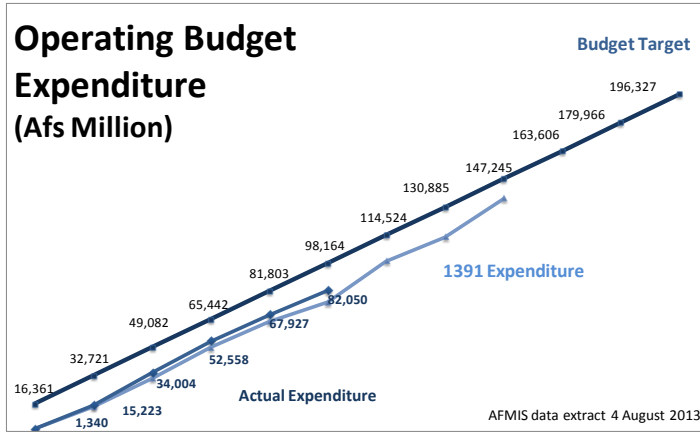
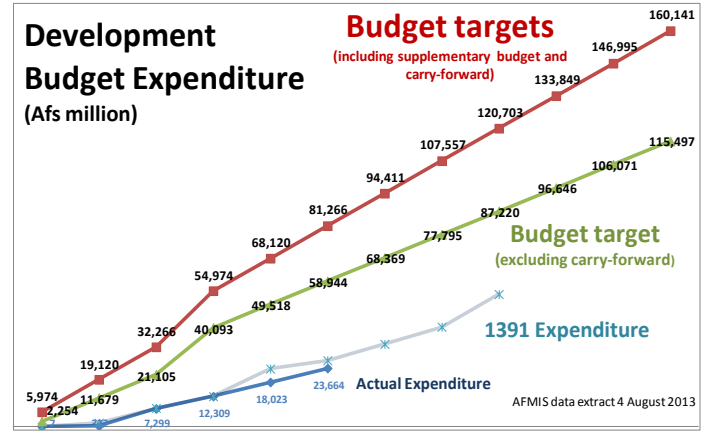


Figure 1.5 – Development Budget



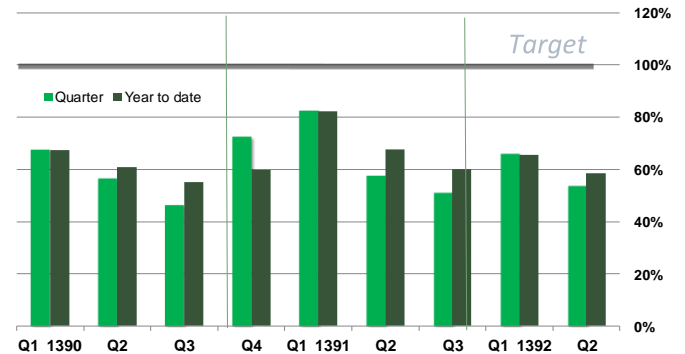
1.4 Fiscal sustainability

In Afghanistan’s context, fiscal sustainability is defined as total operating expenditures being covered / financed by total domestic revenues. Fiscal sustainability has remained to be one of the key Fiscal objectives of the Government and IMF’s proposed new economic program, the Extended Credit Facility.

Withdrawal of International forces and the transition in 2014 has an impact on the economic growth lowering economic activities and taxable imports causing lower than projected revenues collection for FY 2013. Lower revenues has affected the Fiscal sustainability indicator which has move downward from 65.7 percent in Q1 of 1392 to 58.5 percent in Q2 of 1392. While comparing to the same period of 1391, the Fiscal sustainability indicator is down by almost 9 percent from 67.5 percent to 58.5 percent showing a

decreasing trend. In case, the revenues growth is slower than projected for the rest of FY 1392, fiscal sustainability indicator is assumed to show further downward movement.

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



2 CORE BUDGET REVENUES

Table 2.1 – 1392 Q2 revenues

Code	(In millions of Afghanis)	1391	1391	1392	1392	1392	1392 Comparison to		YTD Target	Annual	%	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	1391 YTD		1392 Qtr 2 YTD	Target - Actual % (+/-)	Target (2)	Annual Target
							Change	% Increase				
CORE BUDGET												
1	REVENUES including grants (1)	65,167.7	119,025.2	58,880.9	60,602.2	119,483.1	457.9	0.4				
1-19	REVENUES excluding grants	25,543.3	50,928.2	22,324.1	25,662.8	47,986.9	-2,941.3	-5.8	55,350.0	-13.3	123,000.0	39.0
DOMESTIC REVENUES (2) (3)												
11	Tax Revenues	13,083.7	24,396.2	11,420.3	11,786.3	23,206.5	-1,189.7	-4.9	25,537.3	-9.1	56,749.5	40.9
111	Fixed Taxes	2,706.9	5,259.7	2,552.0	2,635.5	5,187.5	-72.2	-1.4	5,565.4	-6.8	12,367.6	41.9
112	Income Taxes	4,376.4	7,977.9	3,995.5	3,844.3	7,839.8	-138.1	-1.7	8,072.5	-2.9	17,938.9	43.7
113	Property Taxes	62.4	162.2	71.4	68.9	140.3	-21.8	-13.5	179.0	-21.6	397.7	35.3
114	Sales Taxes	5,425.3	9,705.1	3,789.0	4,046.7	7,835.7	-1,869.4	-19.3	10,211.6	-23.3	22,692.3	34.5
116	Other Taxes	404.0	1,091.5	842.9	1,022.9	1,865.8	774.3	70.9	1,245.9	49.8	2,768.7	67.4
117	Tax Penalties and Fines	108.7	199.8	169.5	167.9	337.4	137.6	68.9	262.9	28.4	584.2	57.8
12	Customs Duty, Import Taxes	7,080.9	14,283.0	6,388.6	6,283.2	12,671.8	-1,611.2	-11.3	15,699.4	-19.3	34,887.4	36.3
13	Non Tax Revenue	4,203.1	10,459.8	3,992.0	4,527.4	8,519.4	-1,940.3	-18.6	11,756.5	-27.5	26,125.5	32.6
131	Income from Capital Property	74.2	2,655.7	123.4	256.8	380.2	-2,275.5	-85.7	1,764.4	-78.5	3,921.0	9.7
132	Sales of Goods and Services	1,914.0	3,104.2	1,393.9	1,169.2	2,563.1	-541.1	-17.4	4,733.3	-45.8	10,518.4	24.4
133	Administrative Fees	1,968.1	4,184.3	2,179.1	2,721.6	4,900.7	716.3	17.1	4,699.2	4.3	10,442.6	46.9
134	Royalties	62.7	138.8	63.2	77.0	140.2	1.4	1.0	141.3	-0.8	314.0	44.6
135	Non Tax Fines and Penalties	143.0	277.1	108.4	121.0	229.4	-47.7	-17.2	324.0	-29.2	720.0	31.9
136	Extractive Industry	41.1	99.6	124.1	181.7	305.8	206.3	207.2	94.3	224.3	209.6	145.9
14	Miscellaneous Revenue	262.7	280.0	-209.9	2,332.0	2,122.1	1,842.1	657.9	661.6	220.7	1,470.3	144.3
17	Social Contributions	912.8	1,509.2	733.1	733.9	1,467.0	-42.2	-2.8	1,695.3	-13.5	3,767.3	38.9
GRANTS (1)												
191	Foreign Governments	32,194.3	55,856.5	29,941.9	27,081.6	57,023.5	1,167.0	2.1				
192	International Organisation	7,422.7	12,230.1	6,614.9	7,857.8	14,472.8	2,242.6	18.3				
193	Other Government Units	7.4	10.5	0.0	0.0	0.0	-10.5	-100.0				
TOTAL OPERATING BUDGET REVENUE												
		54,716.9	103,601.6	52,266.0	52,744.4	105,010.4	1,408.8	1.4			210,228.8	50.0
Domestic Revenues		25,543.3	50,928.2	22,324.1	25,662.8	47,986.9	-2,941.3	-5.8	55,350.0	-13.3	123,000.0	39.0
<i>as percentage of total</i>		46.7	49.2	42.7	48.7	45.7	-208.8					
External Grant Support		29,173.6	52,673.5	29,941.9	27,081.6	57,023.5	4,350.0	8.3			87,228.8	65.4
<i>as percentage of total</i>		53.3	50.8	57.3	51.3	54.3	308.8					

Source: FPD using AFMIS data downloaded on the 4 August 2013

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 13.9 billion in domestic revenues are allocated to the development budget in 1392. 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 revised revenue target for fiscal year 1392 is Afs 114 billion or 10.4 percent of GDP. Whereas the quarterly target was agreed at Afs 55.4 billion, which was 13 percent higher than the actual collection in the second quarter of Afs 48 billion. This shows that only 39 percent of the annual target has been attained.

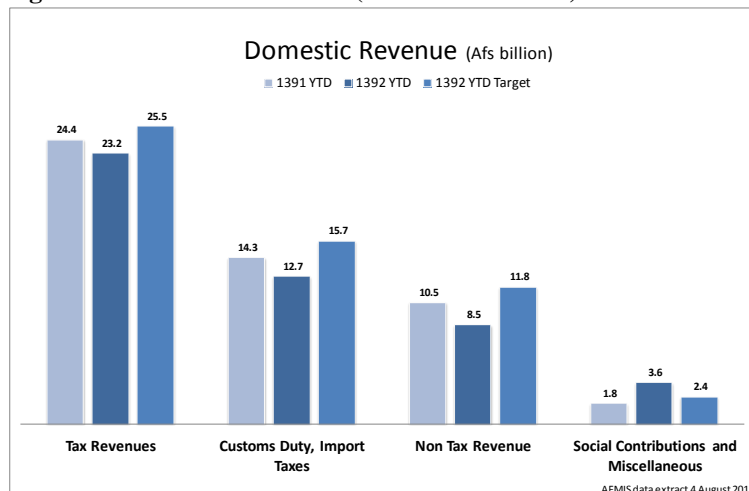
The composition of revenue items in 1392 remains the same as in 1391, however, for 1392 a new minor code is added (136 Extractive Industries) into non-tax revenue for revenue for mining sector.

The quarterly breakdown of the total revenue target is based on the quarterly distribution of actual domestic revenues over 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. Considering this, the actual revenue collection over the first and second quarter was below the target by Afs 7.4 billion that accounts for 6.5 percent of the annual target.

During the 2nd quarter of 1392, the total amount of Afs 25.7 billion (or 9.4 percent of GDP) was collected this is higher in monetary term compared to the actual collection of Afs 25.5 billion at the same period last year. But lower as a percentage of GDP, which is a good indicator for a decline in the revenue performance.

Based on the year to date, around Afs 48 billion (or 17.5 percent of GDP) were collected. Which is 5.8 percent lower as compare to the actual collection of Afs 50.9 billion till the end of the 2nd quarter in 1391. The decline in revenue collection is from the tax revenue by 9.1 percent, customs duties by 11 percent and non-tax revenue by 18.6 percent, though the revenue from the miscellaneous codes has slightly increased.

Figure 2.1 Domestic Revenues (1392 vs 1391 YTD)



2.2 Provincial Distribution of Revenues

Table 2.2 – 1392 Provincial Revenues

In millions of Afghanis	Total Revenues			Taxation Revenues		Customs Duties		Non Tax Revenues		Other Revenues	
	1391	1392	%	1391	1392	1391	1392	1391	1392	1391	1392
	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
TOTAL REVENUE	50,928.2	47,986.9	-5.8	24,396.2	23,206.5	14,283.0	12,671.8	10,459.8	8,519.4	1,789.2	3,589.2
Total Provinces	28,114.9	28,955.2	3.0	10,860.3	10,169.2	13,241.1	11,957.0	3,053.8	3,875.6	959.7	2,953.4
Nangarhar	5,393.6	5,604.3	3.9	2,194.8	2,232.1	2,801.1	2,894.9	307.7	369.2	90.1	108.1
Balkh	5,001.6	3,545.0	-29.1	1,850.6	1,311.6	2,590.0	1,534.3	392.4	537.0	168.6	162.1
Kandahar	806.3	1,413.0	75.3	357.6	643.1	285.2	524.6	118.8	166.6	44.6	78.6
Herat	8,845.8	8,514.3	-3.7	3,182.8	2,897.2	4,764.5	4,221.8	777.4	1,142.1	121.1	253.2
Nimroz	2,338.1	2,485.8	6.3	963.2	809.7	1,261.1	1,054.2	212.3	256.9	-98.6	365.1
Other Provinces	5,729.5	7,392.9	29.0	2,311.2	2,275.5	1,539.2	1,727.3	1,245.2	1,403.9	633.8	1,986.2
Central Ministries	22,813.3	19,031.7	-16.6	13,535.8	13,037.3	1,041.9	714.8	7,406.0	4,643.8	829.6	635.8

Source: FPD using AFMIS data downloaded on the 4 August 2013

Table 2.2 shows revenue collections by category based on location classification (Provinces and Line Ministries). The total YTD revenue collection by all provinces were Afs 28.9 billion compared to Afs 28.1 billion collected in 1391. This shows an increase of 2.8 percent. Whereas the central ministries collected Afs 19.0 billion until 2nd quarter of 1392 which shows a decline in the revenue collection by 16 percent than the actual collection of Afs 22.8 billion at the same period in 1391. The contributions of provinces were higher by 3 percent, and were mainly from Kandahar that increased by 75.3 percent, Nimroz by 6.3 percent and Nangarhar by 3.9, while the revenue for Balkh and Herat declined.

- **Taxation Category:** Total YTD tax revenue of Afs 10.1 billion were collected by the provinces until the 2nd quarter of 1392, lower than the actual collection of Afs 10.8 billion (or decline of 6.9 percent) as compare to the same period of collection of 1391. Similarly, the YTD tax collection of the central ministries has slightly decreased from Afs 13.5 billion in 1391 to Afs 13.0 billion in 1392.
- **Custom duties:** The provincial collection of the YDT custom duties was Afs 11.9 billion; this was lower than the actual revenue collection of Afs 13.2 billion in 1391 by 10.9 percent.
- **Non-Tax Revenues:** The YTD non-tax revenue has declined significantly to Afs 8.5 billion, the decline of Afs 2 billion from the 1391 same period was mainly from the decline in the non-tax revenue of the central ministries.

2.3 Tax revenues

Tax revenue consists of fixed taxes, income taxes, property taxes, sales taxes, other taxes and tax penalties and fines. Tax revenue is one main contributor item in to domestic revenue. Total tax revenue of Afs 23.2 billion (or 8.5 percent of GDP) was collected in the 2nd quarter of 1392, which

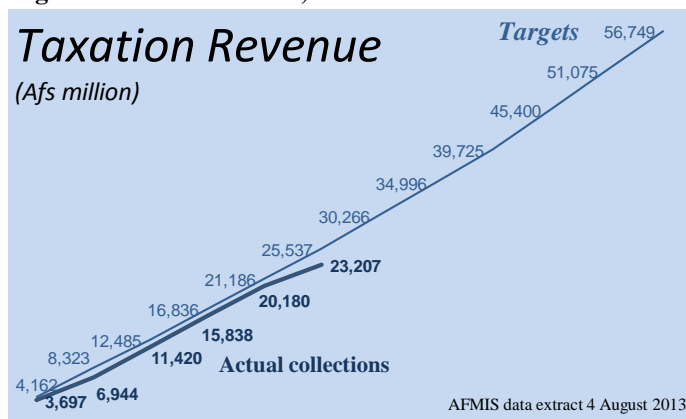
shows a decline of Afs 1.2 billion or 4.9 percent collected at the same period in 1391.

The decline was from the fixed tax and sales tax category of the tax revenue, income and sales tax and the other tax categories are the major contributor to domestic revenue, on the YTD Afs 7.8 billion was collected as an income tax, this is 1.7 percent lower than the actual income tax collected at the same

period in 1391. Total sales taxes of Afs 3.7 billion were collected in the 2nd quarter of 1392. On the YTD bases, its 19.3 percent lower than the sales tax collection of the same period in 1391.

Sales tax revenue from **Business receipt tax (BRT) on the private entities** decreased in the second quarter by Afs 465 million or 22.2 percent over Afs 2.1 billion collected during the same period in 1391 (as given by below table). Meanwhile, **BRT on import** and **BRT on services** had also decreased by 4.1 percent and 54.2 percent respectively.

Figure 2.2 - Tax revenues, Afs billion



Major increases in Specific Tax Revenues				
Main Components of Tax Revenues	1391	1392	Difference	% Increase
	2nd Quarter	2nd Quarter		
	All Values in million Afghanis			
Imports by Licensed Business (Fixed Taxes)	2,075	2,030	(45)	-2.2%
Employees Salaries & Wages (Income Taxes)	2,330	2,246	(84)	-3.6%
2% BRT on Imports (Sales Taxes)	2,123	2,035	(88)	-4.1%
BRT on Services 10 % (Sales Taxes)	1,203	551	(652)	-54.2%
Receipts Pvt Entities 2% BRT (Sales Taxes)	2,098	1,633	(465)	-22.2%

2.4 Customs duties and import taxes

Total of Afs 6.3 billion (or 23 percent of GDP) was collected as customs duties that accounted for 24.5 percent of the total domestic revenues in the 2nd quarter of 1392, lower as compared to custom duties of Afs 7.1 billion collected during the same period in 1391. Over the last two quarters, revenue from custom duties has largely declined compared to custom's collection in previous year. On year to date, custom duties of Afs 12.7 billion were collected till the end of the second quarter. This shows a reduction of around 11.3 percent compared to the total collection of Afs 14.3 billion at the same time in 1391. The main reasons given for this reduction was poor performance by administration, and also overall decline in imported goods at various custom offices. In addition, ban on vehicles (with 10 year old), decline in demand for certain imported goods (mainly luxury goods) and decline in imports for construction materials and others due to uncertainty involving transition in 2014 were some other causes for duties reduction. Almost 83% of the customs revenues come from the major custom offices in five provinces (Herat, Nangarhar, Balkh, Kandahar, Nimroz) and the remaining 17 percent is collected from the line ministries and other custom offices in the country.

- Herat customs office collected Afs 2.2 billion in the second quarter of 1392 compared to Afs 2.3 billion collected in the same period 1391; this was 85 percent of the total quarterly target to be collected by Herat custom offices. However, the decline in custom duties was partially attributed to the ban on old-model vehicles that were imported via Herat customs.

- Nangarhar customs office collected Afs 1.4 billion of custom duties compared to Afs 1.3 billion (same amount) during the same period in 1391; while the collection was about 89 percent of the quarterly target of Afs 1.6 billion.
- Balkh customs office collected Afs 0.8 billion, while its duties collection was Afs 1.2 billion at the same period in 1391. The custom duties also fell behind its quarterly target of Afs 1.1 billion by 32 percent.
- Kandahar customs collected Afs 304.7 million, while its duties collection was Afs 213.3 billion at the same period in 1391. The collection is increase both the actual collection in 2nd quarter of 1391 and the quarterly target by 42.8 percent and 9.5 percent respectively.
- Nimroz customs office collected Afs 454.7 million of custom duties which is lower compared to Afs 634.7 million collected at the same period in 1391 missing the quarterly target by 30 percent.

In view of poor performance by custom offices, the Government has taken remedial measures in order to improve custom collection for the current year as well as years to come. As this underperformance by custom will have negative impact on the overall good performance by revenue (had a positive trend over the past years), and it will also undermine the Government's initiative to mobilize more domestic resources for financing its overall expenditures (in particular recurrent expenditures) to achieve fiscal sustainability.

Figure 2.3 – Custom duties

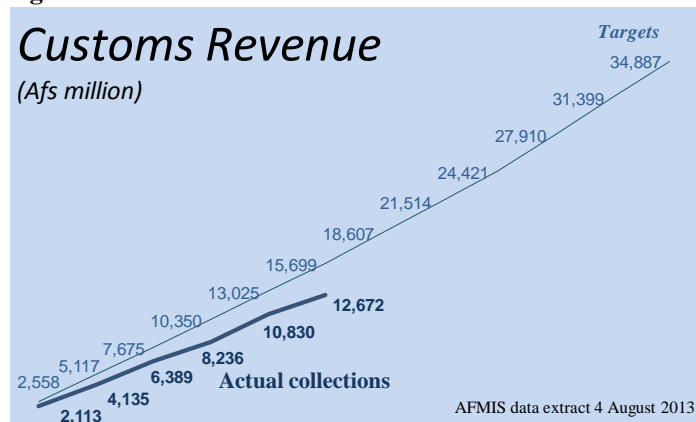
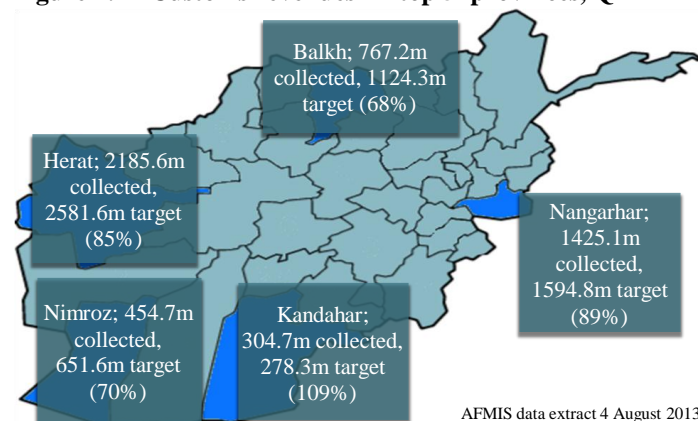


Figure 2.4 - Customs revenues in 'top 5' provinces, Q2



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. In the 2nd quarter of 1392, total non-tax revenue collection was around Afs 4.5 billion (or 1.6 percent of GDP) 7 percent higher as compared to Afs 4.2 billion collected during the same time in the previous year. However, on year to date basis the non-tax revenue collection was around Afs 8.5 billion, which was lower by Afs 1.9 billion (or decreased by 18.6 percent) compare to the actual of Afs 10.5 billion for the same period in 1391. The main contributors of non- tax revenues were *sales of goods and services* that collected Afs 1.2 billion (or decrease of 17.4 percent) compared to Afs 1.9 billion at the same period in 1391.

Figure 2.5 – Non-tax revenues, Afs millions

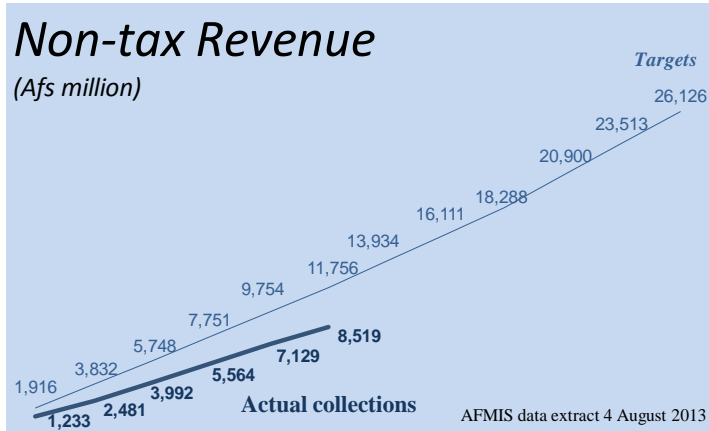
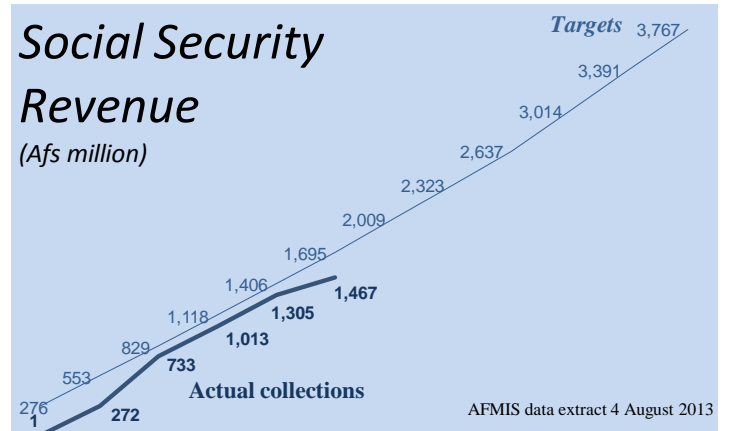


Figure 2.6– Social Contribution receipts, Afs millions



2.6 Social Contributions

Social contributions include government employees’ contributions for retirement and pension payments to fund the well being of retired employees. Revenue collected from the social contribution is Afs 734 million (or 0.3 percent of GDP) in the 2nd quarter of 1392; this shows 19.6 percent decline over Afs 913 million collected during the same period in 1391. While for the YTD, total amount of Afs 1.4 billion collected 2.8 percent lower as compared to Afs 1.5 billion for actual YTD Q2 1391. As given by Pension Regulation, there has to be a separate pool of funds for social contribution that will help a lot in bringing stability in the new pension scheme, this is done through keeping the surpluses built up (and saved) in earlier years in order to make them available to fund pension expenditure in the later years. The social contribution system is on pay as you go basis, it means that the surpluses which are built up in the early years are exhausted (not saved); the Government will be required to pay additional payments for the future years.

2.7 Domestic Revenues by Collection Agency

Table 2.3 – 1392 Revenues by Collection Agency

In millions of Afghanis	Total Revenues			Taxation Revenues		Customs Duties		Non Tax Revenues		Other Revenues	
	1391	1392	%	1391	1392	1391	1392	1391	1392	1391	1392
	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
11 TOTAL REVENUE	50,928.2	47,986.9	-5.8	24,396.2	23,206.5	14,283.0	12,671.8	10,459.8	8,519.4	1,789.2	3,589.2
Ministry of Finance	35,893.5	38,985.9	8.6	19,227.6	22,341.1	14,283.0	12,671.8	1,558.1	1,345.2	824.8	2,627.7
Mustofiats (1)	3,828.5	4,048.0	5.7	1,831.5	1,502.2	0.0	0.0	1,186.8	214.3	810.3	2,331.5
Customs (1)	19,049.4	21,356.7	12.1	4,438.1	7,413.8	14,283.0	12,671.8	314.8	1,104.3	13.5	166.8
Large Taxpayer Office (LTO)	8,129.1	7,501.4	-7.7	8,123.6	7,500.6	0.0	0.0	4.6	0.0	0.8	0.8
Medium Taxpayer Office	4,886.5	5,358.4	9.7	4,834.4	5,337.3	0.0	0.0	51.9	21.1	0.2	-0.0
Small Taxpayer Office	0.0	721.4	0.0	0.0	587.1	0.0	0.0	0.0	5.6	0.0	128.7
Other Ministry of Finance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total taxation collections by ARD (2)				19,958.0	15,792.7						
Total LTO collections as % of total taxation collections by ARD				40.7	47.5						
Other Ministries	15,034.7	9,001.1	-40.1	5,168.5	865.4	0.0	0.0	8,901.7	7,174.2	964.4	961.4
Ministry of Transport and Aviation	2,055.3	2,059.8	0.2	0.0	2.5	0.0	0.0	2,055.0	2,057.3	0.2	0.0
Ministry of Interior	1,372.2	1,573.8	14.7	732.7	621.7	0.0	0.0	638.6	939.9	1.0	12.3
Ministry of Communication	802.9	924.8	15.2	0.0	0.0	0.0	0.0	802.8	923.3	0.1	1.5
Ministry of Foreign Affairs	790.6	521.9	-34.0	0.0	0.0	0.0	0.0	789.7	520.3	1.0	1.6
Ministry of Martyrs, Disabled and Social A	848.5	956.1	12.7	0.0	0.0	0.0	0.0	91.4	107.9	757.1	848.2
Other Budgetary Units	4,640.8	174.7	-96.2	4,435.9	115.9	0.0	0.0	-0.1	0.0	205.0	58.8

Source: FPD using AFMIS data downloaded on the 4 August 2013

(1) All revenue collections for Object codes 11106,11107,11109,11110,11110,11404,12000-12007,13331,13348 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

Total YTD revenue collection by the *Ministry of Finance* was Afs 38.9 billion (81 percent of total collected revenues) this shows 8.6 percent increase compared to Afs 35.9 billion collected at the same period in 1391. Revenue collection by *Customs offices and Mustofiats* has increased during this period, and it shows a reduction by 12.1 percent and 5.7 percent respectively as compared to the previous year's level, however, similarly, *Medium Tax Payers Office (MTO)* contributed significantly that accounted for 13.9 percent of the total revenue and about 9.7 percent increases over actual collection for YTD Q2 1391, but the Large Taxpayers office collected Afs 7.5 billion at about 7.7 percent less than the actual collection of Afs 8.1 billion at the same period in 1391. Most of the increases in the ministry of finance revenue come from the customs offices, Medium taxpayer office by Afs 2.4 billion and Afs 0.5 billion respectively.

Total YTD revenue by *Other Ministries* were Afs 9 billion, and it shows a decline of 40 percent over Afs 15 billion collected during the same period in 1391. Large decrease comes from the *Ministry of Foreign Affairs* that mainly contributed to *Non tax* category and to the collection of the *Other Budgetary Units* by Afs 4.4 billion or 96.2 percent over Afs 4.6 billion collected the same period in 1391.

2.8 Grants

Donor support cover a big chunk of the National Budget. Donor grants finance major expenditures items in the operating budget, particularly security related expenditures with almost all the development budget is donor financed. In addition, a small proportion of the development budget is also financed through concessional loans and some domestic resources.

Total year-to-date core budget grants by the end of second quarter 1392 was Afs 71.5 billion which is almost 60 percent of total revenues, an increase of 3.5 billion Afs, when compared to Afs 68.0 billion over the same period in the 1391.

Operating Grants

Government over the past few years is working hard to boost up domestic revenue to cover government operating budget from domestic resources and achieve fiscal sustainability. However, donor grants still played a key role to finance and contribute to operating budget during fiscal year 1392.

Total operating grants receipts disbursed during second quarter of 1392 were Afs 27.1 billion, which shows Afs 5 billion decrease in operating grants receipts when compared to the same period in 1391 (Afs 32.2 billion), the main contributors for operating grants are ARTF, Afs 7.3 billion, LOTFA, Afs 9.7 billion, CSTC-A for Ministry of Defence Afs 6.3 billion and CSTC-A for Ministry of Interior Afs 3.8 billion.

Figure 2.7 - Operating grant revenues, Afs billions

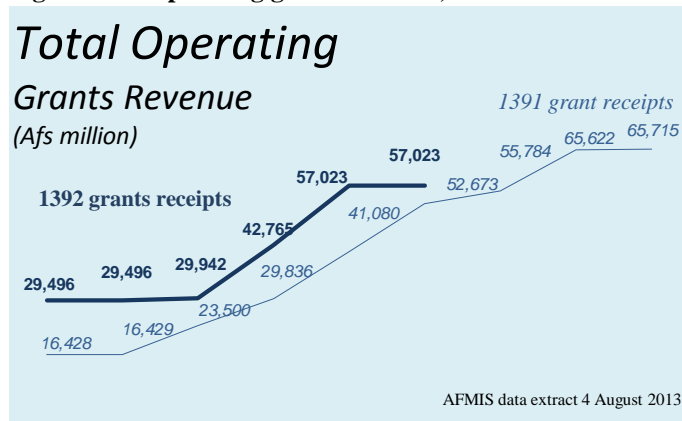


Table 2.4 - Operating grants, Afs millions

All Values are in Million Afs		1391	1391	1391	1392	1392	1392
		Qtr 2	Qtr 2	% of Total	Qtr 1	Qtr 2	Qtr 2
		Qtr	YTD		Qtr	Qtr	YTD
10001	Afghanistan Reconstruction Trust Fund (ARTF)	5,178	10,244	19%	1,161	7,256	8,417
10002	Law & Order Trust Fund (LOTFA)	9,436	12,994	25%	5,106	9,684	14,790
10004	Combined Security Transitional Command Afghanistan (CSTC-A) MoD	10,936	25,034	48%	18,019	6,279	24,298
10005	Combined Security Transitional Command Afghanistan (CSTC-A) MoI	3,603	4,380	8%	5,211	3,836	9,047

AFMIS data extract 4 August 2013

Development Grants

Total development grants receipts during second quarter 1392 was about Afs 8.0 billion, this is slightly higher compared to second quarter of 1391 where the grants receipts were only Afs 7.4 billion. Table 2.4 shows ten largest and vital development projects financed through grants during second quarter of 1392.

World Bank was the main donor which disbursed almost Afs 1.5 billion through the ARTF for **Afghanistan Third Emergency National Solidarity Project**. The objectives of this project are; a) continue to build and strengthen the capacity of Community Development Councils; and b) support the continued program roll-out to additional rural communities. World Bank and other donors also provide about Afs 576 million for strengthening Health Activities for the rural areas .

The second largest project which received highest grants during second quarter 1392 was health services program. Through a partnership between Ministry of Public Health and USAID, total disbursement was Afs 811 million. Asian development bank also granted Afs 343 million for the Transport Network Development Investmetn Program and Afs 229 million for the Road Network Development Project as well. There are multi donor grants (Afs 278 million) which support primary education program.

Figure 2.5 - Development grant revenues, Afs billions

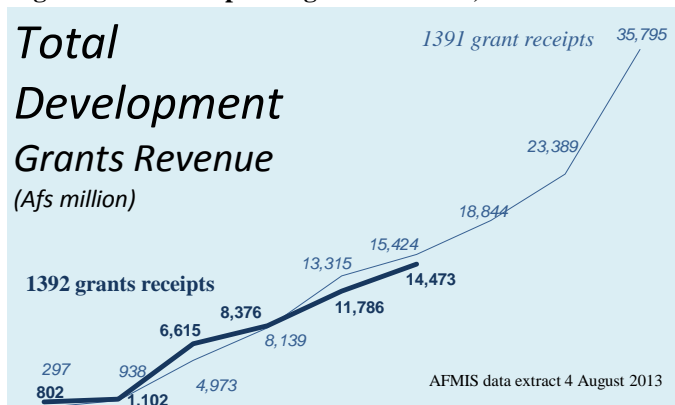


Table 2.5 - 10 largest development grant receipts in Q2, Afs million

TF098459-AF Third Emergency National Solidarity Project	ARTF	1,350
MOPH Partnership Contracts For Health Services Program (SOAG 306-07-00 II#7)	US & USAID	811
93962-Second Education Quality Imporvement Project	ARTF	736
H581 AF add fin for strengthening Health Activities for the rural Poor (Sharp)	World Bank - Others	576
96362-Strength Health Activ For The Rural Poor Project	ARTF	432
00261-Transport Network Development Investment Program Tranche 1	Asian Development Bank	343
10024 AF-Second Public Financail Management Reform Projet	ARTF	327
H61 Af Irrigation Restoration and Development Project	Multi Donor Grants	278
H603-Third National Solidarity Project	World Bank - Others	250
0081- Road Network Development Project 1	Asian Development Bank	229

AFMIS data extract 4 August 2013

3 CORE BUDGET EXPENDITURES

Table 3.1 – 1392 Q2 expenditures

Code	(In millions of Afghanis)	1391	1391	1392	1392	1392	Comparison to Budget			1392 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
2	TOTAL GROSS EXPENDITURES	63,802.4	102,196.2	41,303.3	64,410.5	105,713.8	354,077.1	364,530.4	29.0	3,517.7	3.4
	Operating Budget	44,526.3	75,362.2	34,003.9	48,045.7	82,049.6	196,327.0	225,376.3	36.4	6,687.4	8.9
	Development Budget	19,276.1	26,834.0	7,299.4	16,364.8	23,664.3	157,750.1	139,154.1	17.0	-3,169.7	-11.8
	Discretionary Budget	5,217.7	7,285.4	875.5	4,394.9	5,270.4	45,479.7	43,047.2	12.2	-2,015.0	-27.7
	Non-discretionary Budget	14,058.3	19,548.5	6,424.0	11,969.9	18,393.9	112,270.3	96,106.9	19.1	-1,154.7	-5.9
2*	TOTAL NET EXPENDITURES (2)	63,744.6	102,040.1	41,290.1	64,398.8	105,688.9				3,648.8	3.6
2-25	RECURRENT EXPENDITURES	53,208.2	87,031.9	36,308.9	54,962.7	91,271.6	N/A	276,832.5	33.0	4,239.8	4.9
21	Compensation of Employees	34,388.8	59,900.1	28,916.1	34,191.3	63,107.3	142,156.1	145,115.2	43.5	3,207.3	5.4
	Operating Budget	34,388.8	59,900.1	28,916.1	34,191.3	63,107.3	142,156.1	145,115.2	43.5	3,207.3	5.4
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
22	Use of Goods and Services	15,866.5	21,549.5	5,570.6	16,774.1	22,344.7	N/A	107,486.9	20.8	750.2	3.5
	Operating Budget	6,353.5	8,910.1	3,178.1	8,051.5	11,229.6	27,495.7	44,417.7	25.3	2,319.4	26.0
	Development Budget	9,512.9	12,684.4	2,392.5	8,722.7	11,115.1	N/A	63,069.1	17.6	-1,569.2	-12.4
23	Interest (1)	6.3	46.7	50.2	46.2	96.3	1,500.0	1,500.0	6.4	49.6	106.1
	Operating Budget	6.3	46.7	50.2	46.2	96.3	1,500.0	1,500.0	6.4	49.6	106.1
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
24	Subsidies and Transfers	2,946.6	5,490.5	1,772.1	3,951.1	5,723.2	22,730.4	22,730.4	25.2	232.7	4.2
	Operating Budget	2,946.6	5,490.5	1,772.1	3,951.1	5,723.2	22,730.4	22,730.4	25.2	232.7	4.2
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
25	ACQUISITION OF ASSETS										
25	Gross Acquisition of Nonfinancial Assets	10,594.2	15,164.3	4,994.4	9,447.8	14,442.2	N/A	87,697.9	16.5	-722.1	-4.8
	Operating Budget	831.0	1,014.7	87.4	1,805.7	1,893.1	2,444.8	11,613.0	16.3	878.4	86.6
	Development Budget	9,763.1	14,149.6	4,907.0	7,642.1	12,549.1	N/A	76,084.9	16.5	-1,600.5	-11.3
25*	Net Acquisition of Nonfinancial Assets (2)	10,536.3	15,008.2	4,981.2	9,436.1	14,417.3				-591.0	-3.9
	Operating Budget	773.2	858.7	74.2	1,794.0	1,868.1				1,009.5	117.6
	Development Budget	9,763.1	14,149.6	4,907.0	7,642.1	12,549.1				-1,600.5	-11.3

Source: FPD using AFMIS data downloaded on the 4 August 2013

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).

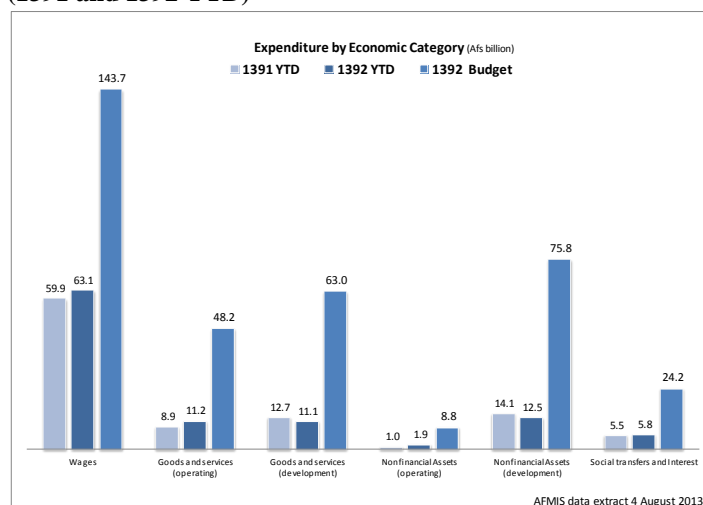
3.1 Overview of Core Budget and Expenditures

Core budget for the FY 1392 is Afs 354.1 billion, (about 32 percent of GDP), of which Afs 195.2 billion is allocated to operating budget and Afs 157.8 billion is allocated to development budget. The year to date core expenditures during the second quarter 1392 was Afs 105.7 billion or 30 percent of total core budget for the year. However, expenditures for the second quarter of 1392 were Afs 64.4 billion, while expenditures over the same period last year were Afs 63.8 billion, it shows an increase of around 1 percent.

Gross operating expenditures in the second quarter 1392 were Afs 36.3 billion, which shows a decline of 32 percent compared to the same period last year (Afs 53.2 billion). The decline in the operating expenditure is due to the decrease in the domestic revenue collection as well as the downfall in the level of

international aid coming to country..

Figure 3.1 – Total Expenditures by Economic category (1391 and 1392 YTD)



3.2 Operating Budget by Economic Category

Operating budget has been increasing over the past years. Total operating budget for the FY 1392 is Afs 196.3 billion, this raised by 24 percent when compared to the actual operating expenditures of Afs 157.9 billion for the FY 1391. However, the operating budget for the 1392 is Afs 38.4 billion more than the budget of the previous year, this is because the the last (1391) financial year was only for 9 months. A big chunk of the operating expenditure goes to the pension in military and civil servants personnel and implementation of other reforms in the government agencies.

Compensation of Employees

Compensation of employee includes wages and salaries, food, transportations, advance payments, and other social benefits. In the second quarter of 1392, the wage bill reached Afs 63.1 billion or about 22 percent of GDP, this has increased by Afs 3.2 billion or 5.4 percent compared to the same period 1391, the increase in wage bill is also caused by the expansion of civil servants tashkeel, implementation of reforms and winding up in wage expenses for the security personnel. During the second quarter 1392, the year to date wage expenses of the Ministry of Defense and Ministry of Interior are increased by 1.6 and 1.7 percents respectively.

Goods and Services

This category includes travel, communication, contracted services, repairs and maintenance, utilities and fuel. Operating expenses on goods and services in the second quarter of 1392 were Afs 6.6 billion, while this was Afs 4.3 billion in the same quarter of 1391, the increase was 53.5 percent in this category, this is due to higher expenses on travels, fuel, communication and other use of goods and services.

Figure 3.2 - Compensation of employees

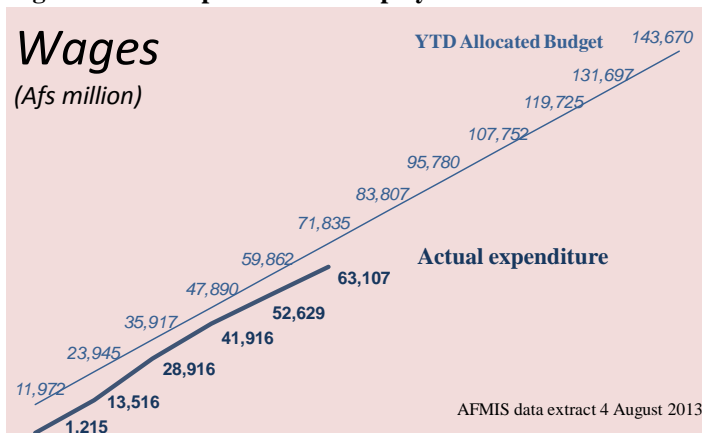
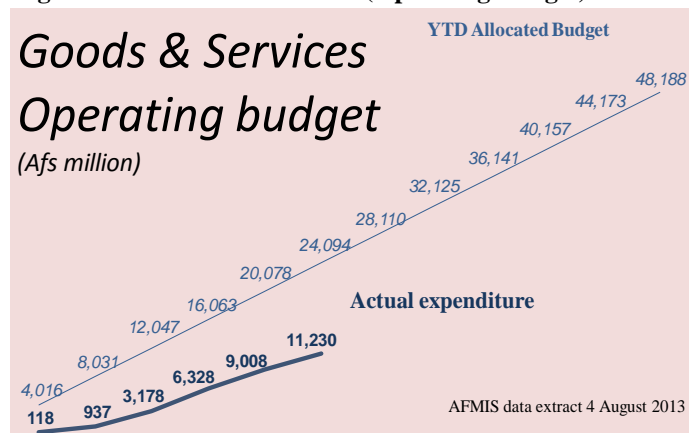


Figure 3.3 Goods and Services (Operating Budget)

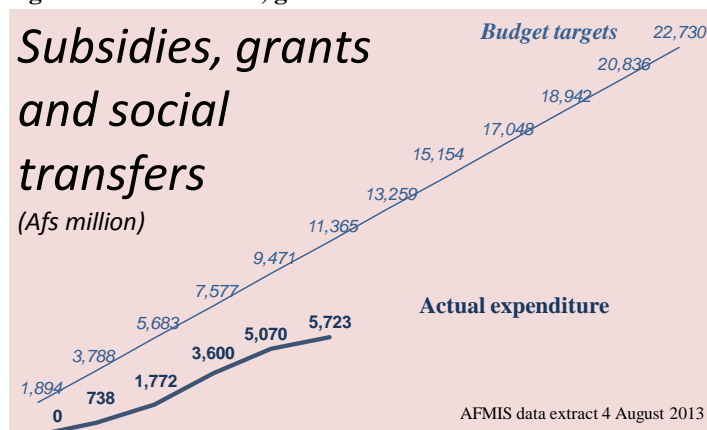


Subsidies, Grants, Social Transfers

This category includes pension payments to both civil servants and military retired personnel, subsidies to state owned enterprises and capital transfers to municipalities. In the second quarter of 1392, total expenditures on this category were Afs 5.7 billion. Although, this was Afs 2.9 billion at the

same period last year, this shows an increase of 96.5 percent when compared to the second quarter 1391.

Figure 3.4 – Subsidies, grants and social transfers



Interest Payments

This category is only a small portion of the total operating expenditures of the Government, specified that, Government has only small amount of concessional loans. These loans are mostly given to the Afghan Government on concessional basis to finance its development projects. This excludes principal repayments. During the second quarter 1392, YTD spending on this category was Afs 46.2 million. Interest payment for the second quarter 1392 is almost the same as it was in same period 1391.

Acquisition of Non-Financial Assets

Spending on this category occurs mainly from development budget. Meanwhile, there is also some small amount of expenditures on the acquisition of non-financial assets from operating budget. During the second quarter 1392, gross acquisition of non-financial assets from the operating budget was about Afs 9.4 billion, however, this was Afs 10.6 billion in second quarter 1391.

3.3 Operating Budget by ANDS Sector and Ministry

Afghanistan National Development Strategy (ANDS) is Afghan Government development strategy to reduce poverty, accelerate economic growth, strengthen security and good governance to the public. Afghanistan National Budget is aligned with ANDS priorities; this is classified in eight sectors which covers all the budgetary units and ministries to show volume of spending by major economic codes.

Table 3.2 – Operating Expenditures by Sector and Largest Ministry (1391 and 1392 YTD)

In millions of Afghanis	Total Operating Expenditures					Compensation of Employees		Goods and Services		Gross Acquisition of Non financial assets		Other Expenditures (1)	
	1391 Qtr 2 Actual YTD	1392 Qtr 2 Prelim YTD	% Change	Current allocated Budget 1391 (2)	1392 YTD as % of Budget	1391 Qtr 2 Actual YTD	1392 Qtr 2 Prelim YTD	1391 Qtr 2 Actual YTD	1392 Qtr 2 Prelim YTD	1391 Qtr 2 Actual YTD	1392 Qtr 2 Prelim YTD	1391 Qtr 2 Actual YTD	1392 Qtr 2 Prelim YTD
TOTAL	75,362.2	82,049.6	8.9	196,800.8	41.7	59,900.1	63,107.3	8,910.1	11,229.6	1,014.7	1,893.1	5,537.3	5,819.6
Total Security	46,928.8	51,265.2	9.2	135,915.5	37.7	40,808.2	42,807.1	4,336.2	6,654.3	784.3	1,553.8	1,000.0	250.0
Ministry of Interior	20,006.0	19,729.2	-1.4	53,843.3	36.6	16,741.4	17,011.7	1,868.8	2,201.9	395.7	265.5	1,000.0	250.0
Ministry of Defence	21,911.7	24,652.8	12.5	68,398.5	36.0	20,334.2	20,669.8	1,218.0	2,716.8	359.4	1,266.3	0.0	-0.0
General Directorate of National Security	3,313.7	4,890.1	47.6	9,792.7	49.9	2,715.7	4,008.9	582.0	875.0	16.0	6.3	0.0	0.0
Ministry of Foreign Affairs	1,197.6	1,439.9	20.2	2,843.7	50.6	601.7	655.7	583.2	771.3	12.7	12.9	-0.0	0.0
Other Ministries	499.9	553.3	10.7	1,037.3	53.3	415.3	461.0	84.2	89.4	0.5	2.9	0.0	0.0
Total Governance, Rule of Law and Human F	5,219.3	5,136.1	-1.6	12,907.6	39.8	3,529.0	3,667.4	1,253.8	1,118.9	114.8	142.1	321.6	207.8
Legal Training Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Presidents Office	741.8	792.0	6.8	1,860.6	42.6	536.9	571.8	196.9	213.4	8.0	6.8	0.0	0.0
Administrative Affairs	927.7	654.8	-29.4	1,641.7	39.9	248.9	288.5	330.0	173.3	27.3	4.6	321.6	188.4
Supreme Court	623.6	635.6	1.9	1,508.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ministry of Justice	236.9	254.0	7.2	624.7	40.7	183.0	192.7	53.3	61.0	0.5	0.3	-0.0	0.0
Other Ministries	2,689.3	2,799.8	11.9	7,272.0	-83.3	2,560.2	2,614.4	673.6	671.2	79.0	130.4	0.0	19.4
Total Infrastructure and Natural Resources	1,720.1	2,061.8	19.9	4,871.7	42.3	951.2	1,025.0	738.0	924.6	30.9	112.2	-0.0	-0.0
Total Education	13,352.4	13,366.1	0.1	34,599.8	38.6	11,887.5	12,250.8	1,427.8	1,076.3	37.1	39.0	-0.0	-0.0
Ministry of Education	11,666.1	11,690.2	0.2	30,023.4	38.9	10,901.4	11,116.1	746.6	544.0	18.2	30.1	-0.0	-0.0
Ministry of Higher Education	1,184.3	1,127.5	-4.8	3,250.8	34.7	696.5	798.1	474.9	324.9	12.9	4.5	-0.0	-0.0
Other Ministries	501.9	548.5	4.7	1,325.6	-35.0	289.6	336.6	206.3	207.4	6.0	4.5	0.0	0.0
Total Health	1,010.0	1,164.8	15.3	3,537.6	32.9	772.6	869.4	230.4	276.5	7.1	18.8	0.0	-0.0
Ministry of Public Health	1,010.0	1,164.8	15.3	3,537.6	32.9	772.6	869.4	230.4	276.5	7.1	18.8	0.0	-0.0
Total Agriculture and Rural Development	828.6	1,037.3	25.2	2,482.1	41.8	657.4	683.3	165.0	345.4	6.1	8.5	0.0	0.0
Ministry of Agriculture	517.7	728.5	40.7	1,602.7	45.5	441.9	472.7	72.4	253.1	3.4	2.8	0.0	0.0
Other Ministries	310.9	308.8	-15.5	879.4	-3.7	215.5	210.7	92.6	92.3	2.7	5.7	0.0	-0.0
Total Social Protection	5,001.5	6,270.3	25.4	10,587.3	59.2	595.1	646.2	317.0	364.8	6.0	3.3	4,083.4	5,255.9
Ministry of Martyrs, Disabled and Social Affairs	4,636.8	5,872.1	26.6	9,551.5	61.5	381.1	408.1	170.7	205.2	1.7	2.8	4,083.4	5,255.9
Other Ministries	364.7	398.2	-1.3	1,035.8	-2.3	214.1	238.1	146.3	159.6	4.3	0.6	0.0	0.0
Total Economic Gov. and Private Sector	1,301.6	1,747.9	34.3	5,852.2	29.9	699.0	1,138.7	442.0	468.6	28.3	15.2	132.3	125.3
Ministry of Finance	963.0	1,346.3	39.8	4,858.2	27.7	470.8	867.1	335.4	343.1	24.4	10.9	132.3	125.3
Other Ministries	338.6	401.5	-5.5	994.0	2.2	228.1	271.7	106.5	125.5	3.9	4.4	0.0	0.0

Source: FPD using AFMIS data downloaded on the 4 August 2013

(1) Interest, and Subsidies and Transfers

(2) 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. Total current allocated budget is the approved budget.

The sectors of education and governance, rule of law and human rights come second and third in this category. The ranking is based on the level of allocated budget for the current fiscal year.

Security is the largest spending sector in this category with a total allocated budget of Afs 135.9 billion (12 percent of GDP) which shows a 38.4 percent increase compared to Afs 100.4 billion (10 percent of GDP) allocated to this sector last year, its worth mentioning that 1391 was a 9 month year and because of this reason the allocated budget for the current fiscal year is 38.4 percent higher. The Ministry of Defense and Ministry of Interior covered above 90 percent of expenditures in this sector and spent Afs 24.6 and Afs 19.7 billion respectively, while their expenditure was Afs 21.9 billion and Afs 20 billion respectively in same period last year.

Education is the second highest spending sector, the year to date expenditures during the second quarter 1392 is Afs 13.4 billion which is the almost the same amount that the sector spent in second quarter of 1391. Ministry of Education spending was higher in this sector compared to other ministries which reached Afs 11.7 billion, this is mainly due to recruitment of additional 10,000 new teachers per year, and implementation of Pay and Grading reform which covered almost 90 percent of teachers and currently they receive their salaries under pay and grading scheme.

Governance, Rule of Law and Human Rights is the third largest sector in term of spending under ANDS pillar, the year to date expenditures were Af 5.1 billion out of total allocated budget (Afs 12.9 billion), however, this shows a decrease of 2.0 percent compared to the year to date expenditures during second quarter 1391, while at the end of the year major part of allocated budget in the sector will be spent.

The remaining sectors such as, Social Protection, Infrastructure, Economic Governance, Health and Agriculture have spent Afs 6.3 billion, Afs 2.1 billion, Afs 1.8 billion, Afs 1.2 billion, and Afs 1.0 billion respectively, looking at the trend of operating budget expenditures, almost above 90 percent of operating budget by sectors has been executed by the end of the fiscal year, because about 65 percent of total operating budget has been allocated for employees compensation.

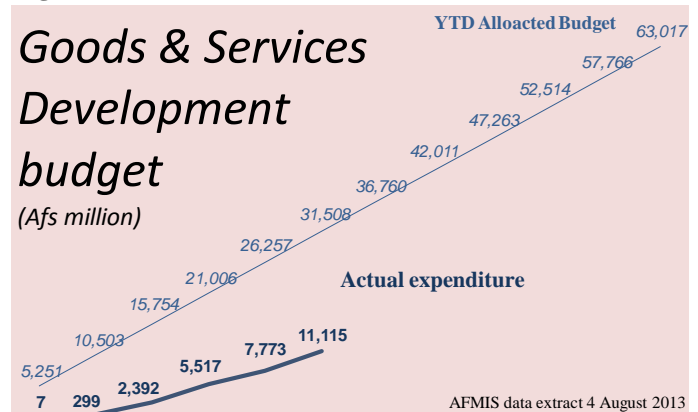
3.4 Development Budget by Economic Category

The total development budget for year 1392 is Afs 157.8 billion which accounts for 14.1 percent of GDP. Of this Afs 45.5 billion was allocated under discretionary budget and Afs 112.3 billion was allocated under the Non-discretionary budget.

Of the total development budget allocated in 1392, Afs 23.7 billion was spent by end of second quarter of 1392 in YTD terms, comparing it to the same period of 1391, the expenditure in quarter two of 1392 was lesser than that of 1391, such that Afs 27.8 billion was spent in 1391 while Afs 23.7 billion was spent in 1392, showing a decrease of Afs 4.1 billion or 14.8 percent. Economic category includes expenditure on goods and services, and acquisition of non-financial assets and etc, each of which is explained below.

Goods and services include expenses incurred on construction equipments, engineering and design services, consulting firms, services of Non-governmental organization, tools and materials for project implementation, project management services and project monitoring and evaluations. During the second quarter of 1392, total expenditures were Afs 8.1 billion, compared to Afs 3.1 billion spent in same category in the second quarter of 1391, expenditures in this quarter were higher by almost more than double. However, when campered to the development budget expenditures of 1391 on goods and services it increased by Afs 2.3 billion in YTD terms. It is likely that by the end of fiscal year 1392, whole budget under this category will not be spent and we will have some surplus.

Figure 3.6 – Goods and Services, Afs millions



Acquisition of Non-financial Assets which can be also called as “Capital Expenditure” include expenses incurred on purchase of land, construction or refurbishment of buildings, machinery and all other equipments valued above Afs 50,000.

Figure 3.5 - Acquisition of non-financial assets by quarter, Afs millions, 1391 - 1392

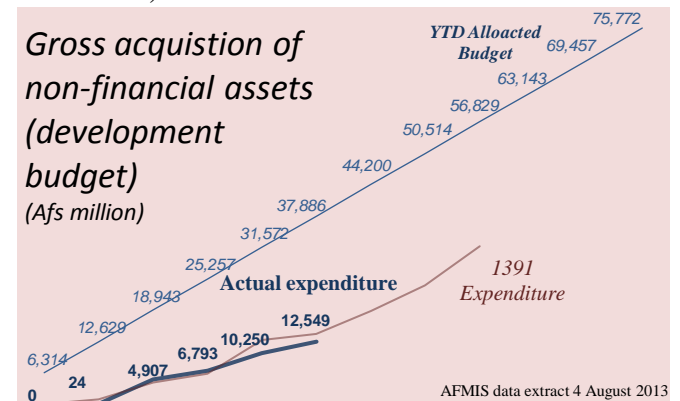
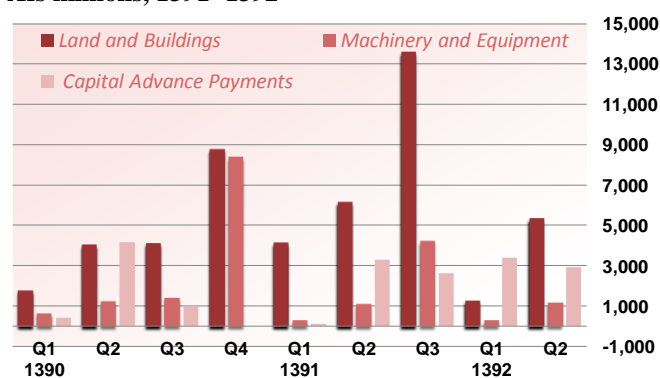


Figure 3.7- Acquisition of non-financial assets by quarter, Afs millions, 1391- 1392



In first two quarters of 1392 more than Afs 38 billion was budgeted for the acquisition on non-financial assets, of which about Afs 12.6 billion (or 33.2 percent of allocated budget) was executed during the past six months. During second quarter Afs 19 billion was allocated for acquisition of non-financial assets out of which only Afs 7.6 billion was spent. However, there was significant increase while comparing it to the first quarter of this year, while decreased from Afs 14.1 billion to Afs 12.6 billion when comparing this to the expenditures incurred on the acquisition of non-financial assets during the same period in 1391.

Of the executed budget more than Afs 6.3 billion was spent on Capital Advance Payments while Afs 5.6 billion was spent on the purchase of building and structures followed by the expenditures on machinery and equipment which amounted to Afs 552 million.

3.5 Development Budget by ANDS Sector and Ministry

Table 3.3 considers the operating budget expenditures at the same stage of 1391 and 1392 by ANDS sector and largest development budget ministries.

Table 3.3 – Development Expenditures by Sector and largest Minsitry (1391 and 1392 YTD)

In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	1392	1392 Comparison to 1391 YTD	
	Approved Budget	Qtr 2 Actual YTD	YTD. as % of Budget	Approved Budget	Qtr 2 Prelim YTD	YTD. as % of Budget	Unspent Budget	% of Total Unspent	Change	% Increase
TOTAL	107,350.1	27,819.3	25.9	157,750.1	23,732.5	15.0	134,017.5	100.0	-4,086.8	-14.7
Total Infrastructure and Natural Resources	45,830.8	12,826.0	28.0	46,893.4	6,333.1	13.5	40,560.2	30.3	-6,492.9	-50.6
Ministry of Public Works	22,123.4	9,005.5	40.7	23,050.8	3,189.0	13.8	19,861.8	14.8	-5,816.5	-64.6
Ministry of Transport and Aviation	2,976.6	453.5	15.2	1,822.2	308.5	16.9	1,513.7	1.1	-144.9	-32.0
Ministry of Energy and Water	1,953.2	1,403.1	71.8	11,996.9	1,409.6	11.7	10,587.3	7.9	6.6	0.5
Water Supply and Canalization Corporation	10,627.7	0.0	0.0	513.1	0.0	0.0	513.1	0.4	0.0	N/A
Ministry of Communication	1,613.5	53.1	3.3	2,464.6	73.3	3.0	2,391.3	1.8	20.2	38.0
Geodesy and Cartography Office	57.8	0.0	0.0	2,087.0	1.2	0.1	2,085.8	1.6	1.2	N/A
Other Ministries	6,478.6	1,910.9	29.5	4,958.6	1,351.5	27.3	3,607.1	2.7	-559.4	7.5
Total Agriculture and Rural Development	27,500.9	7,432.5	27.0	26,245.6	9,218.8	35.1	17,026.8	12.7	1,786.3	24.0
Ministry of Agriculture	5,766.4	1,658.6	28.8	6,607.5	1,347.1	20.4	5,260.4	3.9	-311.5	-18.8
Ministry of Rural Rehabilitation and Development	20,982.1	5,654.9	27.0	18,914.9	7,603.2	40.2	11,311.7	8.4	1,948.3	34.5
Other Ministries	752.5	119.0	15.8	723.2	268.5	37.1	454.7	0.3	149.5	8.4
Total Education	12,066.3	1,785.1	14.8	19,435.5	2,871.8	14.8	16,563.8	12.4	1,086.6	60.9
Ministry of Education	8,462.6	1,419.8	16.8	14,535.3	2,386.3	16.4	12,149.1	9.1	966.5	68.1
Other Ministries	3,603.6	365.3	10.1	4,900.2	485.5	9.9	4,414.7	3.3	120.1	-7.2
Total Economic Gov. and Private Sector Deve	4,854.7	1,199.1	24.7	6,014.1	1,459.9	24.3	4,554.2	3.4	260.8	21.7
Ministry of Finance	3,411.8	889.0	26.1	4,444.6	1,074.6	24.2	3,370.0	2.5	185.5	20.9
Other Ministries	1,442.8	310.0	21.5	1,569.5	385.3	24.5	1,184.2	0.9	75.2	0.9
Total Health	8,250.5	2,488.7	30.2	9,746.0	2,696.4	27.7	7,049.6	5.3	207.6	8.3
Ministry of Public Health	8,250.5	2,488.7	30.2	9,746.0	2,696.4	27.7	7,049.6	5.3	207.6	8.3
Total Governance, Rule of Law and Human Ri	2,666.0	1,452.9	54.5	3,927.4	704.8	17.9	3,222.6	2.4	-748.1	-51.5
Independent Directorate of Local Governance	718.3	1,035.2	144.1	1,230.3	210.1	17.1	1,020.2	0.8	-825.1	-79.7
Other Ministries	1,947.7	417.6	21.4	2,697.0	494.7	18.3	2,202.4	1.6	77.0	28.2
Total Social Protection	1,139.9	399.8	35.1	1,109.9	297.8	26.8	812.0	0.6	-102.0	-25.5
Total Security	889.1	235.2	26.5	39,245.1	150.0	0.4	39,095.1	29.2	-85.2	-36.2
Total Unclassified	4,152.0	0.0	0.0	5,133.2	0.0	0.0	5,133.2	3.8	0.0	N/A

Source: FPD using AFMIS data downloaded on the 4 August 2013

Table 3.3 considers the operating budget expenditures by the sectors of Afghanistan National Development Strategy (ANDS) and by the ministries with largest development budget. According to the Afghanistan National Development Strategy, national budget is also allocated among eight different sectors. Among these sectors the Infrastructure and Natural Resources Sector is allocated a big chunk of the national budget and with an amount of Afs 40.6 billion however of the total allocated budget year to date expenditures is Afs 6.3 billion (13.5 percent of the allocated budget) in first two quarters of 1392. On the other hand this expenditure was 12.8 billion in same period of the year 1391, which was Afs 6.3 billion higher in comparison to the expenditure in the current year. This shows a decrease in execution rate of the development budget from 28 percent in 1391 to 13.5 percent in 1392.

Within the **Infrastructure and Natural Resources** Sector the Ministry of Public Works received 49.2 percent of the sector's allocated budget and has the highest allocated development budget among all other ministries. Total allocated budget in 1392 for MoPW was Afs 23.1 billion and has executed Afs 3.2 billion or 13.8 percent of its allocated budget. Execution during these two quarters was less than that of 1391, such that in the first two quarters of 1391 the ministry spent Afs 9 billion which resulted in 40.7 percent of execution rate. The reasons of the low execution rate are:-

- 1- Projects with not yet completed procurement procedure;
- 2- Low availability of financial resources because of which most of the projects are approved with lesser than required budget;
- 3- Bad security situations in remote areas that sluggish the progress of these development projects;
- 4- Land acquisition issues that hampered the progress of the projects.

Ministry of Energy and Water has the second highest development budget of Afs 12 billion within this sector, of which only Afs 1.4 billion or 11.7 percent of its allocated budget has been executed. When compared to the expenditure in the same period of last year, MoEW year to date execution increased by 0.5 percent. The recurring lower execution rate by MoEW is mainly due to lower absorption capacity of the ministry, poor financial planning, security threats in remote areas and etc.

Ministry of Information and Communication has third highest allocated budget of Afs 2.5 billion within this sector. MoIC has spent Afs 73 million in first two quarters of 1392 or 3 percent of the allocated budget. Considering the execution of MoIC in previous years, the MoIC is expected to reach a higher execution rate in the final quarter of 1392.

Agriculture and Rural Development sector is also one of leading sector with respect to the allocated budget in 1392. Total allocated budget in 1392 was Afs 26.2 billion for this sector, which is Afs 1.3 billion lower than the sector's last year budget. In the first two quarters of 1392, the sector's overall expenditures were Afs 9.2 billion equivalent to 35.1 percent of the total allocated budget in this sector, below are the main ministries operating under this sector.

Total allocated development budget for **Ministry of Agriculture, Irrigation and Livestock** in 1392 was Afs 6.6 billion while in 1391 this budget was Afs 5.7 billion. Of the allocated development budget in 1392, Afs 1.3 billion was spent in the first two quarters of current year, which represents a 20 percent of the execution rate, the execution rate for the same period last year was 29 percent this shows a decrease of 9 percent over the last year's execution rate.

The **Ministry of Rural Rehabilitation and Development** (MRRD) has allocated budget of Afs 18.9 billion in 1392, which has the highest budget within the sector and second highest among all ministries. MRRD has spent Afs 7.6 billion in first two quarters of 1392, which is 40.2 percent of the entire allocated budget and increase of 13 percent over the execution rate of 27 percent (Afs 5.7 billion) in 1391. The MRRD is expected to increase the execution rate in third quarter of fiscal year because most of the payments to contractors are made in final quarter of the year.

The **Education** sector has a budget of Afs 19.4 billion in 1392, of which only Afs 2.9 billion (or 14.9 percent of the budget allocated to it) has been spent in the first two quarters. This shows an increase of 3 percent in execution rate, however, in absolute term there is no significant increase in expenditures when compared to the first two quarters of 1391, in this sector, Ministry of Education is one of the main ministries which has allocated budget of Afs 14.5 billion in 1392, where this ministry has executed its development budget by about 16.4 percent in first two quarters of this fiscal year.

Health sector is another main sector to which a higher portion of development budget has been allocated. Health sector was assigned a budget of Afs 9.7 billion in 1392. Its budget was higher by Afs 1.4 billion when compared to previous fiscal year. During the first two quarter 27.7 percent of the allocated budget was executed. This is lower by 2.5 percent when compared to the same period of fiscal year 1391.

4 FINANCING OF THE CORE BUDGET

4.1 Public Sector Borrowing Requirement

Referring to figure 4.1, a deficit of Afs 3.8 billion was incurred during second quarter of 1392. This explains that during second quarter there was an increase of Afs 23 billion in expenditures on operating and acquisition of non-financial assets. On the other hand the financing envelope (revenue and grants) performed poorly during this period, an increase of Afs 2 billion only. Even though there was a financing gap of Afs 3.8 billion during second quarter of 1392, on YTD basis a surplus of Afs 13.8 was maintained due to a robust surplus in the previous quarter of 1392.

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

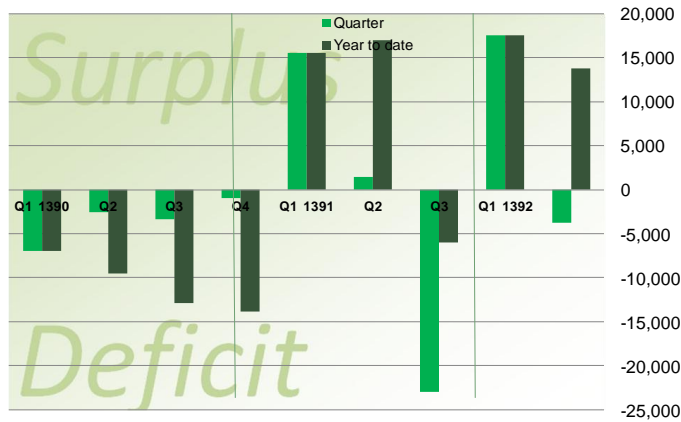
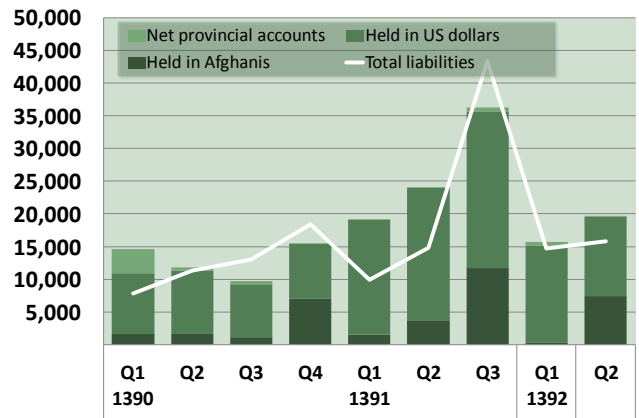


Figure 4.2 - Balance of Treasury Single Account, Afs million at end of quarter



4.2 Treasury Single Account

The Treasury Single Account (or TSA) financial assets were Afs 19.8 billion during second quarter of 1392, an increase of Afs 3.1 billion compared to the total assets held in previous quarter of FY1392. The TSA assets are held in three different denominations. Of Afs 19.8 billion, Afs 7.5 billion were held in Afghani, Afs 14.8 billion were held in US dollars and the remaining Afs 0.6 billion were held in Net Provincial Accounts.

5 Importance of Agriculture in Economic Development of Afghanistan

Theodore Schultz an American Agriculture Economist began his acceptance speech for the 1979 Nobel Prize in Economics observing:

“Most of the people in the world are poor, so if we knew the economics of being poor we would know much of the economics that really matters. Most of the world's poor people earn their living from agriculture, so if we knew the economics of agriculture we would know much of the economics of being poor” (Shultz, 1979).

While 75 percent of the world's poor live in rural areas, a mere 4 percent of official development assistance goes to agriculture in developing countries (world Bank 2008)

In the era of globalization and technological advancements poverty still remains a big problem for the policy makers around the world. We still find that people in poor and developing countries who depend on agriculture for their living are typically much poorer than people who work in other sectors of the economy and that they represent a significant share, often the majority, of the total number of poor people in the countries where they live. It is the case in Afghanistan i.e. huge majority of the poor live in rural areas and are highly dependent on agriculture.

For the poorest people, GDP growth originating in agriculture is about four times more effective in raising incomes of extremely poor people than GDP growth originating outside the sector (World Bank Report 2008)

For Afghanistan achieving the Millennium Development Goal (MDG) of halving poverty by 2015 requires finding ways to increase the incomes of those people living under poverty line. Afghanistan a post conflict poor country faces issues such as poor infrastructure, low productivity, bad marketing, and low competitiveness in agriculture trade, weak institutional efficiency, security, poor governance and sustainability that have been hindering agricultural development.

“Agricultural growth has been highly successful in reducing rural poverty in East Asia over the past 15 years,” (Francois Bourguignon, World Bank Chief Economist and Senior Vice President,)

Afghanistan where more than 75 percent of the labor force is employed in agriculture sector needs a new paradigm that recognizes agriculture's multiple functions for development in triggering economic growth and poverty reduction.

Most empirical studies show that agricultural growth is relatively more important than growth in other sectors.

Past research suggests that agricultural income growth is more effective in reducing poverty than growth in other sectors because: 1) the incidence of poverty tends to be higher in agricultural and rural populations than elsewhere, and 2) most of the poor live in rural areas and a large share of them depend on agriculture for a living (World Bank, 2008).

Agriculture growth requires improvement in production. There are two ways. One is the horizontal expansion in production by increasing the resource base or factors of production. Through this more arable land can be brought under cultivation. The other is vertical increase in productivity, thus getting more

yields per unit area. Both options are difficult but high economic growth rate is impossible without giving high priority to agriculture growth in a post conflict and poor country like Afghanistan. For poverty reduction as well, GDP growth originating from agriculture is at least twice as effective in reducing poverty as that originating in other sectors of the economy.

The only way to increase the resource base i.e., arable land is to increase water storage capacity by constructing dams and improving the irrigation systems.

To increase the resource base i.e. arable land, construction of dams and improving irrigation systems resulting in ample supply of water to the water scarce agriculture lands. Is very important.

The alternative approach is to ensure water security at farm level by constructing water storages, which can be refilled by rainwater harvesting and canal water during lean period. This will ensure water supply and give ample opportunities to the farmer to plan his agricultural activities on the basis of quantity of water available.

From these on-farm water storages, land may be irrigated by using natural gradient, installing pumps, high efficiency irrigation system like drip and sprinkler or by using tractor-driven water tankers. The on-farm water storages may be constructed with the help of developmental projects on cost-sharing basis. This will enhance water use efficiency with less dependence on irrigation system and an increase in agricultural productivity.

For vertical increase in production, there is a need to increase the usage of technology in agriculture system.

To give impulse to research and development, there is a need to increase investment in the sector. On the contrary, Afghanistan has made little investment in agricultural research. This has not developed the national capacity for research. Many of the research programs pursued by the donors in agricultural sector have not kept pace with the needs of the farmers and economy. There was less emphasis on innovations and technology development. Research in Afghanistan also suffered from budgetary constraint, brain drain, outdated research infrastructure and a service structure providing little incentive for creative research and innovations.

In the short these issues can be addressed through import of modern technology in the sector. As a long-term measure, revamping and strengthening of the entire research system along with enhanced budgetary allocations from local resources is urgently required to develop cutting edge technologies indigenously.

To sum up the following arguments amplifies the importance of agriculture sector in the development of any poor country and economy, besides providing raw materials to the industrial sector.

Food security and self-sufficiency in Agriculture

For a poor country like Afghanistan the production of food and food security plays an important role. Poor people are first to be affected by food shortages and food related prices. Chronic malnutrition kills, blinds, and otherwise weakens, reducing physical capacity, lowering productivity, stunting growth, and constraining learning.

According to previous researches, in the world's poorest regions and countries, one-third of deaths among children are due to malnutrition. Improving access to food and nutrition increases learning capacity and school performance and leads to longer school attendance, fewer school and work days lost to sickness, higher earnings, longer work lives and a more productive work force

As a result of land reforms or increase in productivity due to better use of inputs etc. the incomes of the farmers will increase. Increase in income of the farmers result in increase demand for food items.

In case of UDCs the income elasticity of demand for food items is very high (ranging between 0.6 to 0.8%). Again, due to industrialization, the mobility of labor to cities increases leading to increase in income of people. As a result, they increase the demand for consumables. In such cases, if agri. sector remains passive and agri. production fails to respond to the prices of food will increase. Therefore, they will have to be imported from other countries having a pressure on the foreign exchange reserves of the country.

Increase in Demand for Industrial Products

When surplus is generated in agri. sector the purchasing power of the farmers will increase which will lead to increase the demand for industrial goods. In case of under developed countries the market is limited as the incomes of farmers and the labor are limited. Therefore, the demand for manufactured goods remains limited. But when the agri. productivity increases the incomes of farmers etc., will increase leading to expand the demand for manufactured goods.

In this way, the market will be extended. The manufactured sector will gain momentum. Moreover, in such, situation the demand for agri. inputs like fertilizers, tractors and harvesters will increase. This will also provide a stimulus to industrial sector. The expansion of industrial sector will have the effects on the means of transportation and communication. Therefore, agriculture sector has backward and forward linkages to other sectors of the economy. Many sectors of the economy will grow and producer's profits will increase leading to enhance capital formation. This is the contribution of agriculture sector to the other sectors of the economy when it trades with other sectors, according to Prof. Kuznets.

Foreign Exchange Earnings:

The developing countries specialize in certain products, which are to be exported. As the production and productivity of these goods increases their exports increase. With this the foreign exchange earnings of such countries increase which can be utilized to import the capital goods. Such capital goods can be used for industrialization. In this way, the domestic use of raw material will increase leading to reduce the export surplus. But the domestic industrialization will become helpful in the production of import-substitutes. In this way, the foreign exchange could be saved. Thus, it is the agri. Development that results in foreign exchange earnings. The capital goods could be imported and industrialization process will be supported. In this way, not only foreign exchange will be saved, but foreign exchange will also be earned when the manufactured exports increase. This is called 'Production Contribution' of agriculture sector, according to Prof Kuznets. As a result of this effect, in the first phase the production of the economy increases, while in the second phase the per capita output rises.

Mobilization of Capital by State

In the initial stage of economic development the capital accumulation can be made with the help of agri. surplus. As Prof. Johnson and Mellor Write:

"When the productivity increases in agri. sector, it means that either inputs are being used in lesser amount or agri. yields have been increased".

It is the labor, which is the biggest input in the agriculture sector, which can be used for capital formation. If laborers are withdrawn from farms and they are utilized in the constructional fields the capital mobilization can be increased. Thus when agri. sector contributes to other sectors of the economy and shifts resources to other sectors of the economy it is called Factor Contribution of agri. sector, according to Prof. Kuznets.

Employment Opportunities

Vast majority of the poor people in rural areas are directly or indirectly employed in agriculture sector. It is the agriculture sector, which not only provides employment opportunities, but it also gives rise to diversification in such job opportunities. Whenever, the agri. productivity and incomes increase the demand in the rural sector increases. For example, the demands for small farmers, weavers, cobblers, carpenters, plumbers, masons and black smiths etc. will increase. In this way, the agri. development will promote the development of other sectors.

Increase in the overall Welfare of the Rural People

Agriculture provides basic subsistence occupations for millions and permits people to supply themselves with the three fundamental human needs food, clothing and shelter as agriculture surplus increases the welfare of rural people will increase. On the basis of increased income the farmers will be able to consume high calories food and will improve their standard of living; will build better houses; will acquire basic luxuries of life . Thus we simply say that growth of agri. sector will lead to uplift the life-standard of the people.

If the agricultural sector remains unattended, a developed and prosperous Afghanistan will be difficult to realize.

6 Tables

Table 6.1 - Core Budget Revenues

Code	(In millions of Afghanis)	1391	1391	1392	1392	1392	1392 Comparison to		YTD	Target	Annual	%
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	1391 YTD		1392 Qtr 2 YTD	Target - Actual % (+/-)	Target (2)	Annual Target
CORE BUDGET												
1	REVENUES including grants (1)	65,167.7	119,025.2	58,880.9	60,602.2	119,483.1	457.9	0.4				
1-19	REVENUES excluding grants	25,543.3	50,928.2	22,324.1	25,662.8	47,986.9	-2,941.3	-5.8	55,350.0	-13.3	123,000.0	39.0
DOMESTIC REVENUES (2) (3)		25,543.3	50,928.2	22,324.1	25,662.8	47,986.9	-2,941.3	-5.8	55,350.0	-13.3	123,000.0	39.0
11	Tax Revenues	13,083.7	24,396.2	11,420.3	11,786.3	23,206.5	-1,189.7	-4.9	25,537.3	-9.1	56,749.5	40.9
111	Fixed Taxes	2,706.9	5,259.7	2,552.0	2,635.5	5,187.5	-72.2	-1.4	5,565.4	-6.8	12,367.6	41.9
112	Income Taxes	4,376.4	7,977.9	3,995.5	3,844.3	7,839.8	-138.1	-1.7	8,072.5	-2.9	17,938.9	43.7
113	Property Taxes	62.4	162.2	71.4	68.9	140.3	-21.8	-13.5	179.0	-21.6	397.7	35.3
114	Sales Taxes	5,425.3	9,705.1	3,789.0	4,046.7	7,835.7	-1,869.4	-19.3	10,211.6	-23.3	22,692.3	34.5
116	Other Taxes	404.0	1,091.5	842.9	1,022.9	1,865.8	774.3	70.9	1,245.9	49.8	2,768.7	67.4
117	Tax Penalties and Fines	108.7	199.8	169.5	167.9	337.4	137.6	68.9	262.9	28.4	584.2	57.8
12	Customs Duty, Import Taxes	7,080.9	14,283.0	6,388.6	6,283.2	12,671.8	-1,611.2	-11.3	15,699.4	-19.3	34,887.4	36.3
13	Non Tax Revenue	4,203.1	10,459.8	3,992.0	4,527.4	8,519.4	-1,940.3	-18.6	11,756.5	-27.5	26,125.5	32.6
131	Income from Capital Property	74.2	2,655.7	123.4	256.8	380.2	-2,275.5	-85.7	1,764.4	-78.5	3,921.0	9.7
132	Sales of Goods and Services	1,914.0	3,104.2	1,393.9	1,169.2	2,563.1	-541.1	-17.4	4,733.3	-45.8	10,518.4	24.4
133	Administrative Fees	1,968.1	4,184.3	2,179.1	2,721.6	4,900.7	716.3	17.1	4,699.2	4.3	10,442.6	46.9
134	Royalties	62.7	138.8	63.2	77.0	140.2	1.4	1.0	141.3	-0.8	314.0	44.6
135	Non Tax Fines and Penalties	143.0	277.1	108.4	121.0	229.4	-47.7	-17.2	324.0	-29.2	720.0	31.9
136	Extractive Industry	41.1	99.6	124.1	181.7	305.8	206.3	207.2	94.3	224.3	209.6	145.9
14	Miscellaneous Revenue	262.7	280.0	-209.9	2,332.0	2,122.1	1,842.1	657.9	661.6	220.7	1,470.3	144.3
17	Social Contributions	912.8	1,509.2	733.1	733.9	1,467.0	-42.2	-2.8	1,695.3	-13.5	3,767.3	38.9
GRANTS (1)		39,624.4	68,097.0	36,556.8	34,939.4	71,496.2	3,399.2	5.0				
191	Foreign Governments	32,194.3	55,856.5	29,941.9	27,081.6	57,023.5	1,167.0	2.1				
192	International Organisation	7,422.7	12,230.1	6,614.9	7,857.8	14,472.8	2,242.6	18.3				
193	Other Government Units	7.4	10.5	0.0	0.0	0.0	-10.5	-100.0				
TOTAL OPERATING BUDGET REVENUE		54,716.9	103,601.6	52,266.0	52,744.4	105,010.4	1,408.8	1.4			210,228.8	50.0
	Domestic Revenues	25,543.3	50,928.2	22,324.1	25,662.8	47,986.9	-2,941.3	-5.8	55,350.0	-13.3	123,000.0	39.0
	as percentage of total	46.7	49.2	42.7	48.7	45.7	-208.8					
	External Grant Support	29,173.6	52,673.5	29,941.9	27,081.6	57,023.5	4,350.0	8.3			87,228.8	65.4
	as percentage of total	53.3	50.8	57.3	51.3	54.3	308.8					

Source: FPD using AFMIS data downloaded on the 4 August 2013

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, Af\$ 13.9 billion in domestic revenues are allocated to the development budget in 1392. 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)	1391	1391	1392	1392	1392	1392 Comparison to		YTD Target		Annual Target	% Annual Target
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	1391 YTD	Change % Increase	1392 Qtr 2 YTD	Target - Actual % (+/-)		
1-19	REVENUES excluding grants	25,543.3	50,928.2	22,324.1	129,658.4	151,982.5	101,054.4	198.4	55,350.0	174.6	123,000.0	123.6
01	Kabul	440.1	1,001.6	528.2	2,923.9	3,452.1	2,450.5	244.7	1,248.1	176.6	2,773.6	124.5
02	Kapisa	22.1	42.3	12.8	123.9	136.7	94.5	223.5	56.8	140.9	126.1	108.4
03	Parwan	54.8	75.9	21.0	230.7	251.7	175.8	231.8	106.7	135.9	237.1	106.1
04	Wardak	52.1	90.2	42.9	215.1	258.0	167.8	185.9	84.6	205.0	188.0	137.2
05	Logar	25.9	42.7	17.6	131.0	148.6	105.9	247.7	67.1	121.6	149.0	99.7
06	Nangarhar	2,601.9	5,393.6	2,801.2	13,591.3	16,392.5	10,998.9	203.9	5,425.5	202.1	12,056.6	136.0
07	Laghman	37.9	59.8	17.6	152.9	170.5	110.8	185.3	75.1	127.2	166.8	102.2
08	Pangsher	8.2	14.4	9.1	77.6	86.7	72.3	501.7	37.1	133.5	82.5	105.1
09	Baghlan	63.7	103.9	30.3	281.1	311.4	207.5	199.7	137.4	126.6	305.3	102.0
10	Bamyan	22.6	33.5	21.9	101.2	123.1	89.5	267.1	47.6	158.6	105.8	116.4
11	Ghazni	65.6	132.4	41.5	351.8	393.3	260.9	197.0	136.7	187.7	303.8	129.5
12	Paktika	33.9	51.4	18.4	159.5	177.9	126.5	246.0	70.3	153.2	156.1	113.9
13	Paktiya	162.2	296.7	148.9	786.8	935.7	639.0	215.3	281.0	233.0	624.5	149.8
14	Khost	251.4	492.5	206.4	1,212.4	1,418.7	926.2	188.0	668.2	112.3	1,484.9	95.5
15	Kunar	37.5	52.0	16.1	143.6	159.7	107.7	207.2	236.6	-32.5	525.7	30.4
16	Nuristan	7.3	7.4	0.0	35.8	35.8	28.4	381.2	18.0	99.0	40.0	89.5
17	Badakhshan	84.6	106.0	22.2	302.7	324.9	218.9	206.5	136.9	137.3	304.2	106.8
18	Takhar	70.3	111.5	44.5	305.1	349.7	238.2	213.7	151.7	130.5	337.0	103.7
19	Kunduz	280.9	580.0	193.3	1,387.7	1,581.0	1,001.0	172.6	700.3	125.8	1,556.2	101.6
20	Samangan	25.8	44.9	14.4	125.9	140.3	95.4	212.6	51.6	171.6	114.8	122.2
21	Balkh	2,347.4	5,001.6	1,636.7	10,789.7	12,426.4	7,424.8	148.5	5,074.6	144.9	11,277.0	110.2
22	Saripul	19.5	36.2	10.3	102.4	112.7	76.5	211.6	40.5	178.1	90.1	125.1
23	Ghor	19.3	38.0	12.8	197.4	210.2	172.1	452.4	46.0	356.5	102.3	205.4
24	Dikondy	20.8	25.5	9.2	75.9	85.1	59.6	233.5	31.0	174.9	68.8	123.7
25	Uruzgan	13.4	16.3	6.1	61.0	67.1	50.8	311.8	33.7	98.9	74.9	89.5
26	Zabul	15.3	23.0	12.4	64.2	76.6	53.6	232.9	64.8	18.2	144.1	53.2
27	Kandahar	621.2	806.3	618.5	2,872.4	3,490.9	2,684.6	333.0	1,534.8	127.4	3,410.7	102.4
28	Jawzjan	64.4	109.8	33.7	293.5	327.2	217.5	198.1	114.7	185.2	255.0	128.3
29	Faryab	898.5	1,461.3	840.2	4,855.3	5,695.5	4,234.2	289.8	1,360.1	318.8	3,022.4	188.4
30	Helmand	129.6	196.1	86.8	595.7	682.6	486.5	248.1	315.3	116.5	700.7	97.4
31	Badghis	23.1	38.2	10.9	94.0	105.0	66.8	175.0	40.9	156.6	90.9	115.5
32	Herat	4,280.0	8,845.8	4,044.3	21,814.1	25,858.4	17,012.5	192.3	9,817.8	163.4	21,817.3	118.5
33	Farah	237.1	445.9	437.6	1,694.7	2,132.3	1,686.4	378.2	560.5	280.4	1,245.6	171.2
34	Nimroz	1,181.0	2,338.1	1,132.4	6,039.6	7,172.1	4,834.0	206.7	2,286.2	213.7	5,080.5	141.2
90	Central Ministries	11,324.0	22,813.3	9,223.7	57,468.3	66,692.1	43,878.8	192.3	24,291.7	174.5	53,981.5	123.5
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: FPD using AFMIS data downloaded on the 4 August 2013

Table 6.3a - Core Budget Expenditures

Core	(In millions of Afghanis)	1391	1391	1392	1392	1392	Comparison to Budget			1392 Comparison to	
		Qtr 2 Actual	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	Budget Ceiling (3)	Current Allocated Budget (4)	% Allocated Budget	Change	% Increase
2	TOTAL GROSS EXPENDITURES	63,802.4	102,196.2	41,303.3	64,410.5	105,713.8	354,077	364,530	29.0	3,517.7	3.4
	Operating Budget	44,526.3	75,362.2	34,003.9	48,045.7	82,049.6	196,327	225,376	36.4	6,687.4	8.9
	Development Budget	19,276.1	26,834.0	7,299.4	16,364.8	23,664.3	157,750	139,154	17.0	-3,169.7	-11.8
	Discretionary Budget	5,217.7	7,285.4	875.5	4,394.9	5,270.4	45,480	43,047	12.2	-2,015.0	-27.7
	Non-discretionary Budget	14,058.3	19,548.5	6,424.0	11,969.9	18,393.9	112,270	96,107	19.1	-1,154.7	-5.9
2*	TOTAL NET EXPENDITURES	63,744.6	102,040.1	41,290.1	64,398.8	105,688.9				3,648.8	3.6
2-25	RECURRENT EXPENDITURES	53,208.2	87,031.9	36,308.9	54,962.7	91,271.6	N/A	276,832	33.0	4,239.8	4.9
21	Compensation of Employees	34,388.8	59,900.1	28,916.1	34,191.3	63,107.3	142,156	145,115	43.5	3,207.3	5.4
	<i>of which operating budget</i>	34,388.8	59,900.1	28,916.1	34,191.3	63,107.3	142,156.1	145,115	43.5	3,207.3	5.4
211-3	Wages and Salaries	34,127.8	59,457.2	27,870.2	32,564.1	60,434.2				977.1	1.6
214-6	Social Benefits	261.0	442.9	1,045.9	1,627.2	2,673.1				2,230.2	503.5
22	Use of Goods and Services	15,866.5	21,594.5	5,570.6	16,774.1	22,344.7	N/A	107,487	20.8	750.2	3.5
	<i>of which operating budget</i>	6,353.5	8,910.1	3,178.1	8,051.5	11,229.6	27,495.7	44,418	25.3	2,319.4	26.0
221	Travel	640.0	914.0	404.0	565.4	969.4				55.4	6.1
222	Communications	0.0	0.0	256.0	839.9	1,095.8				1,095.8	N/A
223	Contracted Services	7,679.2	9,488.0	1,857.2	6,111.0	7,968.2				-1,519.7	-16.0
224	Repairs and Maintenance	286.6	416.1	439.4	1,689.4	2,128.7				1,712.7	411.6
225	Utilities	2,301.0	3,071.9	325.3	764.8	1,090.1				-1,981.8	-64.5
226	Fuel	1,125.7	1,563.9	670.8	1,391.6	2,062.4				498.5	31.9
227-9	Other Use of Goods and Services	3,834.0	6,140.7	1,618.0	5,412.1	7,030.1				889.4	14.5
23	Interest (1) - operating budget	6.3	46.7	50.2	46.2	96.3	1,500.0	1,500	6.4	49.6	106.1
24	Social Transfers - operating budget	2,946.6	5,490.5	1,772.1	3,951.1	5,723.2	22,730.4	22,730	25.2	232.7	4.2
242	Subsidies	1,000.0	1,000.0	0.0	250.0	250.0				-750.0	-75.0
245	Grants	13.8	14.9	3.6	132.9	136.5				121.6	815.8
247	Social Security	1,910.4	4,146.8	1,759.9	3,514.8	5,274.7				1,127.9	27.2
248-9	Other Social Transfers	22.5	328.9	8.7	53.5	62.1				-266.8	-81.1
25	ACQUISITION OF ASSETS										
25	Gross Acquisition of Nonfinancial Assets	10,594.2	15,164.3	4,994.4	9,447.8	14,442.2	N/A	87,698	16.5	-722.1	-4.8
	<i>of which operating budget</i>	831.0	1,014.7	87.4	1,805.7	1,893.1	2,444.8	11,613	16.3	878.4	86.6
25*	Net Acquisition of Nonfinancial Assets (2)	10,536.3	15,008.2	4,981.2	9,436.1	14,417.3				-591.0	-3.9
150	Sale of Land and Buildings	-57.8	-156.1	-13.2	-11.7	-25.0				131.1	-84.0
251	Buildings and Structures	6,168.2	10,302.3	1,286.5	5,205.7	6,492.2				-3,810.1	-37.0
252	Machinery / Equipment (>50,000)	1,119.2	1,423.3	322.0	1,181.9	1,503.8				80.5	5.7
257	Valuables	12.2	12.2	0.6	0.1	0.7				-11.5	-94.2
258	Land	3.7	25.8	1.8	142.2	144.0				118.2	458.5
259	Capital Advance Payments	3,290.8	3,400.7	3,383.5	2,918.0	6,301.5				2,900.8	85.3

Source: FPD using AFMIS data downloaded on the 4 August 2013

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)	1391	1391	1392	1392	1392	Comparison to Budget			1392 Comparison to	
		Qtr 2 Actual	Qtr 2 Actual YTD	Qtr 1 Prelim	Qtr 2 Prelim	Qtr 2 Prelim YTD	Original Budget Ceiling	Current Allocated Budget (3)	% Allocated Budget	1391 YTD Change	% Increase
2	TOTAL GROSS EXPENDITURES	44,526.3	75,362.2	34,003.9	48,045.7	82,049.6	196,327.0	225,376.3	36.4	6,687.4	8.9
2*	TOTAL NET EXPENDITURES (2)	44,468.5	75,206.2	33,990.6	48,034.0	82,024.6					
2-25	RECURRENT EXPENDITURES	43,695.3	74,347.5	33,916.4	46,240.0	80,156.5	193,882.2	213,763.4	37.5	5,809.0	7.8
21	Compensation of Employees	34,388.8	59,900.1	28,916.1	34,191.3	63,107.3	142,156.1	145,115.2	43.5	3,207.3	5.4
211-3	Wages and Salaries	34,127.8	59,457.2	27,870.2	32,564.1	60,434.2				977.1	1.6
214-6	Social Benefits	261.0	442.9	1,045.9	1,627.2	2,673.1				2,230.2	503.5
22	Use of Goods and Services	6,353.5	8,910.1	3,178.1	8,051.5	11,229.6	27,495.7	44,417.7	25.3	2,319.4	26.0
221	Travel	532.3	761.9	320.7	456.9	777.6				15.7	2.1
222	Communications	0.0	0.0	251.6	765.7	1,017.4				1,017.4	N/A
223	Contracted Services	190.7	295.5	113.2	395.9	509.0				213.6	72.3
224	Repairs and Maintenance	241.2	363.0	433.5	1,644.5	2,077.9				1,714.9	472.4
225	Utilities	2,210.0	2,970.3	313.3	699.1	1,012.4				-1,957.9	-65.9
226	Fuel	1,105.0	1,539.2	666.7	1,362.1	2,028.8				489.6	31.8
227-9	Other Use of Goods and Services	2,074.2	2,980.2	1,079.2	2,727.3	3,806.4				826.3	27.7
23	Interest (1)	6.3	46.7	50.2	46.2	96.3	1,500.0	1,500.0	6.4	49.6	106.1
24	Social Transfers	2,946.6	5,490.5	1,772.1	3,951.1	5,723.2	22,730.4	22,730.4	25.2	232.7	4.2
242	Subsidies	1,000.0	1,000.0	0.0	250.0	250.0				-750.0	-75.0
245	Grants	13.8	14.9	3.6	132.9	136.5				121.6	815.8
247	Social Security	1,910.4	4,146.8	1,759.9	3,514.8	5,274.7				1,127.9	27.2
248-9	Other Social Transfers	22.5	328.9	8.7	53.5	62.1				-266.8	-81.1
25	ACQUISITION OF ASSETS										
25	Gross Acquisition of Nonfinancial Assets	831.0	1,014.7	87.4	1,805.7	1,893.1	2,444.8	11,613.0	16.3	878.4	86.6
25*	Net Acquisition of Nonfinancial Assets (2)	773.2	858.7	74.2	1,794.0	1,868.1				1,009.5	117.6

Source: FPD using AFMIS data downloaded on the 4 August 2013, 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)	1391	1391	1392	1392	1392	Comparison to Budget			1392 Comparison to	
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	Original	Current	%	1391 YTD	
		Actual	Actual	Prelim	Prelim	Prelim	Budget	Allocated	Allocated	Change	% Increase
		Qtr	YTD	Qtr	Qtr	YTD	Ceiling (3)	Budget (4)	Budget		
2	TOTAL GROSS EXPENDITURES	19,276.1	26,834.0	7,299.4	16,364.8	23,664.3	157,750.1	157,750.1	15.0	-3,169.7	-11.8
	Discretionary Budget	5,217.7	7,285.4	875.5	4,394.9	5,270.4	45,479.7	45,479.7	11.6	-2,015.0	-27.7
	Non-discretionary Budget	14,058.3	19,548.5	6,424.0	11,969.9	18,393.9	112,270.3	112,270.3	16.4	-1,154.7	-5.9
2*	TOTAL NET EXPENDITURES (2)	19,276.1	26,834.0	7,299.4	16,364.8	23,664.3				-3,169.7	-11.8
2-25	RECURRENT EXPENDITURES	9,512.9	12,684.4	2,392.5	8,722.7	11,115.1	N/A	63,069.1	17.6	-1,569.2	-12.4
	Compensation of Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
211-3	Wages and Salaries	0.0	0.0	0.0	0.0	0.0				39.7	26.1
214-5	Social Benefits	0.0	0.0	0.0	0.0	0.0				78.5	N/A
	Use of Goods and Services	9,512.9	12,684.4	2,392.5	8,722.7	11,115.1	N/A	63,069.1	17.6	-1,569.2	-12.4
221	Travel	107.7	152.0	83.3	108.5	191.8					
222	Communications	0.0	0.0	4.4	74.1	78.5					
223	Contracted Services	7,488.5	9,192.5	1,744.0	5,715.1	7,459.2				-1,733.3	-18.9
224	Repairs and Maintenance	45.3	53.0	5.9	44.9	50.8				-2.2	-4.2
225	Utilities	91.0	101.6	12.0	65.7	77.7				-23.9	-23.5
226	Fuel	20.7	24.7	4.1	29.5	33.6				8.9	35.9
227-9	Other Use of Goods and Services	1,759.8	3,160.5	538.8	2,684.8	3,223.6				63.1	2.0
23	Interest (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
24	Social Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
242	Subsidies	0.0	0.0	0.0	0.0	0.0				0.0	N/A
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	0.0	0.0	0.0	0.0	0.0				0.0	N/A
	Gross Acquisition of Nonfinancial Assets	9,763.1	14,149.6	4,907.0	7,642.1	12,549.1	N/A	76,149.1	16.5	-1,600.5	-11.3
25*	Net Acquisition of Nonfinancial Assets (2)	9,763.1	14,149.6	4,907.0	7,642.1	12,549.1				-1,600.5	-11.3
150	Sale of Land and Buildings	0.0	0.0	0.0	0.0	0.0				0.0	N/A
251	Buildings and Structures	6,004.5	10,106.6	1,255.4	4,412.4	5,667.8				-4,438.8	-43.9
252	Machinery / Equipment (>50,000)	468.9	646.8	270.3	282.0	552.2				-94.6	-14.6
257	Valuables	1.1	1.1	0.0	0.0	0.0				-1.1	-100.0
258	Land	-0.4	0.0	1.1	33.6	34.7				34.7	N/A
259	Capital Advance Payments	3,289.0	3,395.0	3,380.2	2,914.2	6,294.4				2,899.4	85.4

Source: FPD using AFMIS data downloaded on the 4 August 2013

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	1391	1391	1392	1392	1392	Comparison to Budget			1392 Comparison	
	Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	Original	Current	%	to 1391 YTD	
	Actual	Actual	Prelim	Prelim	Prelim	Budget	Allocated	Allocated		
	Qtr	YTD	Qtr	Qtr	YTD	Ceiling	Budget (1)	Budget	Change	Increase
TOTAL GROSS EXPENDITURES	63,782.6	102,205.1	41,303.3	64,428.1	105,782.1	354,550.8	354,550.8	29.8	3,577.0	3.5
Operating Budget	44,476.1	74,385.8	34,003.9	48,045.7	82,049.6	196,800.8	196,800.8	41.7	7,663.8	10.3
Development Budget	19,306.5	27,819.3	7,299.4	16,382.4	23,732.5	157,750.1	157,750.1	15.0	-4,086.8	-14.7
Security	28,323.6	47,164.0	21,694.0	29,721.3	51,415.3	152,336.2	175,160.6	29.4	4,251.2	9.0
Operating Budget	28,090.6	46,928.8	21,661.0	29,604.3	51,265.2	113,091.1	135,915.5	37.7	4,336.4	9.2
Development Budget	233.0	235.2	33.0	117.0	150.0	39,245.1	39,245.1	0.4	-85.2	-36.2
Total Governance, Rule of Law and Human Rights	3,206.9	5,779.9	2,318.4	3,471.8	5,840.9	15,104.9	16,583.4	35.2	61.0	1.1
Operating Budget	2,780.2	4,327.0	2,236.2	2,900.0	5,136.1	11,177.5	12,656.0	40.6	809.1	18.7
Development Budget	426.7	1,452.9	82.3	571.8	704.8	3,927.4	3,927.4	17.9	-748.1	-51.5
Total Infrastructure and Natural Resources	9,350.2	14,461.9	2,699.4	5,695.5	8,394.9	50,126.0	51,765.1	16.2	-6,067.0	-42.0
Operating Budget	1,079.5	1,635.9	798.8	1,263.0	2,061.8	3,232.7	4,871.7	42.3	425.9	26.0
Development Budget	8,270.7	12,826.0	1,900.6	4,432.5	6,333.1	46,893.4	46,893.4	13.5	-6,492.9	-50.6
Total Education	9,604.1	15,137.5	6,243.9	9,994.0	16,237.9	53,485.3	54,035.3	30.1	1,100.4	7.3
Operating Budget	8,265.1	13,352.4	5,691.6	7,674.5	13,366.1	34,049.8	34,599.8	38.6	13.8	0.1
Development Budget	1,339.0	1,785.1	552.3	2,319.5	2,871.8	19,435.5	19,435.5	14.8	1,086.6	60.9
Total Health	2,712.2	3,498.7	646.5	3,214.7	3,861.1	13,141.8	13,283.6	29.1	362.4	10.4
Operating Budget	600.4	1,010.0	480.7	684.1	1,164.8	3,395.9	3,537.6	32.9	154.8	15.3
Development Budget	2,111.8	2,488.7	165.8	2,530.6	2,696.4	9,746.0	9,746.0	27.7	207.6	8.3
Total Agriculture and Rural Development	6,304.7	8,261.1	4,494.2	5,761.9	10,256.1	28,282.0	28,727.7	35.7	1,995.0	24.1
Operating Budget	474.0	828.6	381.3	656.0	1,037.3	2,036.5	2,482.1	41.8	208.7	25.2
Development Budget	5,830.7	7,432.5	4,112.9	5,105.9	9,218.8	26,245.6	26,245.6	35.1	1,786.3	24.0
Total Social Protection	2,703.2	5,401.3	2,185.0	4,383.1	6,568.1	3,435.4	11,697.1	56.2	1,166.8	21.6
Operating Budget	2,409.8	5,001.5	2,152.3	4,118.0	6,270.3	2,325.6	10,587.3	59.2	1,268.8	25.4
Development Budget	293.4	399.8	32.7	265.1	297.8	1,109.9	1,109.9	26.8	-102.0	-25.5
Total Economic Governance and Private Sector Development	1,577.7	2,500.7	1,021.9	2,185.8	3,207.7	8,801.7	11,866.3	27.0	707.1	28.3
Operating Budget	776.5	1,301.6	602.0	1,145.8	1,747.9	2,787.7	5,852.2	29.9	446.3	34.3
Development Budget	801.2	1,199.1	419.9	1,040.0	1,459.9	6,014.1	6,014.1	24.3	260.8	21.7
Total Unclassified	0.0	0.0	0.0	0.0	0.0	29,837.4	9,731.2	0.0	0.0	N/A
Operating Budget	0.0	0.0	0.0	0.0	0.0	24,704.2	4,598.0	0.0	0.0	N/A
Development Budget	0.0	0.0	0.0	0.0	0.0	5,133.2	5,133.2	0.0	0.0	N/A

Source: FPD using AFMIS data downloaded on the 4 August 2013

(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	1391	1391	1392	1392	1392	Comparison to Budget			1392 Comparison	
		Qtr 2 Actual	Qtr 2 Actual	Qtr 1 Prelim	Qtr 2 Prelim	Qtr 2 Prelim	Original Budget Ceiling	Current Allocated Budget (1)	% Allocated	Change	YTD Increase
25	TOTAL GROSS EXPENDITURES	63,782.6	102,205.1	41,303.3	64,428.1	105,782.1	354,550.8	354,550.8	29.8	3,577.0	3.5
	Operating Budget	44,476.1	74,385.8	34,003.9	48,045.7	82,049.6	196,800.8	196,800.8	41.7	7,663.8	10.3
	Development Budget	19,306.5	27,819.3	7,299.4	16,382.4	23,732.5	157,750.1	157,750.1	15.0	-4,086.8	-14.7
26	Ministry of Interior	13,171.2	20,041.8	8,418.6	11,387.5	19,806.1	59,602.4	70,778.0	28.0	-235.7	-1.2
	Operating Budget	13,135.7	20,006.0	8,389.4	11,339.7	19,729.2	42,667.7	53,843.3	36.6	-276.8	-1.4
	Development Budget	35.4	35.8	29.1	47.8	76.9	16,934.7	16,934.7	0.5	41.1	114.6
22	Ministry of Defence	12,372.1	21,917.2	9,750.3	14,904.8	24,655.1	78,603.9	89,894.9	27.4	2,738.0	12.5
	Operating Budget	12,367.6	21,911.7	9,750.3	14,902.5	24,652.8	57,107.5	68,398.5	36.0	2,741.2	12.5
	Development Budget	4.5	5.5	0.0	2.3	2.3	21,496.4	21,496.4	0.0	-3.2	-58.5
23	Ministry of Foreign Affairs	836.0	1,378.3	799.7	667.9	1,467.6	3,117.4	3,311.1	44.3	89.3	6.5
	Operating Budget	656.0	1,197.6	799.7	640.1	1,439.9	2,650.0	2,843.7	50.6	242.3	20.2
	Development Budget	180.0	180.7	0.0	27.8	27.8	467.4	467.4	5.9	-153.0	-84.6
15	Presidential Protective Service	255.1	504.5	273.4	293.7	567.0	1,091.5	1,255.7	45.2	62.5	12.4
	Operating Budget	250.5	499.9	273.4	279.9	553.3	873.1	1,037.3	53.3	53.4	10.7
	Development Budget	4.6	4.6	0.0	13.8	13.8	218.4	218.4	6.3	9.1	197.8
64	General Directorate of National Security	1,689.2	3,322.2	2,452.0	2,467.4	4,919.4	9,921.0	9,921.0	49.6	1,597.2	48.1
	Operating Budget	1,680.7	3,313.7	2,448.2	2,441.9	4,890.1	9,792.7	9,792.7	49.9	1,576.4	47.6
	Development Budget	8.5	8.5	3.8	25.4	29.3	128.3	128.3	22.8	20.8	243.8
	Total Security	28,323.6	47,164.0	21,694.0	29,721.3	51,415.3	152,336.2	175,160.6	29.4	4,251.2	9.0
	Operating Budget	28,090.6	46,928.8	21,661.0	29,604.3	51,265.2	113,091.1	135,915.5	37.7	4,336.4	9.2
	Development Budget	233.0	235.2	33.0	117.0	150.0	39,245.1	39,245.1	0.4	-85.2	-36.2
10	Presidents Office	492.7	820.6	372.1	465.2	837.3	2,188.1	2,331.5	35.9	16.7	2.0
	Operating Budget	421.6	741.8	372.1	419.9	792.0	1,717.3	1,860.6	42.6	50.2	6.8
	Development Budget	71.1	78.8	0.0	45.3	45.3	470.9	470.9	9.6	-33.4	-42.5
11	National Assembly Meshanro Jirga	103.3	245.9	135.8	141.5	277.3	657.4	657.5	42.2	31.4	12.8
	Operating Budget	103.3	241.2	113.7	124.2	237.9	530.9	530.9	44.8	-3.3	-1.4
	Development Budget	0.0	4.7	22.1	17.3	39.5	126.5	126.5	31.2	34.8	739.7
12	National Assembly Wolesi Jirga	253.4	587.0	301.9	332.5	634.3	1,251.1	1,260.3	50.3	47.4	8.1
	Operating Budget	253.4	587.0	301.9	332.5	634.3	1,222.6	1,231.8	51.5	47.4	8.1
	Development Budget	0.0	0.0	0.0	0.0	0.0	28.5	28.5	0.0	0.0	N/A
14	Supreme Court	359.9	657.1	308.2	379.6	687.8	1,609.0	1,797.8	38.3	30.8	4.7
	Operating Budget	330.2	623.6	305.3	330.3	635.6	1,319.8	1,508.6	42.1	12.0	1.9
	Development Budget	29.7	33.5	3.0	49.3	52.3	289.2	289.2	18.1	18.8	56.1
50	Ministry of Justice	150.7	262.7	108.4	157.8	266.2	1,025.7	1,044.0	25.5	3.5	1.3
	Operating Budget	140.4	236.9	104.4	149.6	254.0	606.4	624.7	40.7	17.1	7.2
	Development Budget	10.3	25.8	3.9	8.3	12.2	419.3	419.3	2.9	-13.6	-52.8
13	Administrative Affairs	429.0	942.6	218.1	450.0	668.1	977.0	1,894.4	35.3	-274.5	-29.1
	Operating Budget	420.3	927.7	215.4	439.4	654.8	724.4	1,641.7	39.9	-273.0	-29.4
	Development Budget	8.7	14.9	2.8	10.6	13.3	252.6	252.6	5.3	-1.5	-10.2
21	Ministry of State and Parliament Affairs	32.3	49.0	18.5	32.8	51.4	114.9	132.0	38.9	2.4	4.8
	Operating Budget	32.3	49.0	18.5	32.8	51.4	88.9	106.0	48.5	2.4	4.8
	Development Budget	0.0	0.0	0.0	0.0	0.0	26.0	26.0	0.0	0.0	N/A
24	Ministry of Haj and Religious Affairs	151.3	238.8	110.0	153.2	263.2	997.5	1,028.5	25.6	24.3	10.2
	Operating Budget	135.7	223.2	108.1	124.9	233.0	742.7	773.8	30.1	9.8	4.4
	Development Budget	15.6	15.6	1.9	28.2	30.1	254.7	254.7	11.8	14.5	93.1
51	Attorney General	247.0	433.9	213.4	248.2	461.6	1,234.8	1,247.2	37.0	27.6	6.4
	Operating Budget	244.1	427.1	211.1	240.6	451.7	1,017.1	1,029.5	43.9	24.5	5.7
	Development Budget	2.9	6.8	2.3	7.6	9.9	217.7	217.7	4.5	3.1	45.5
72	Election Commission	24.4	45.1	22.4	28.5	50.9	127.0	127.6	39.9	5.8	12.9
	Operating Budget	24.4	45.1	19.6	26.3	45.9	127.0	127.6	36.0	0.9	1.9
	Development Budget	0.0	0.0	2.7	2.2	4.9	0.0	0.0	-	4.9	N/A
62	IARCSC	166.9	264.9	101.8	194.7	296.5	341.0	353.5	83.9	31.6	11.9
	Operating Budget	86.1	140.0	62.9	76.7	139.7	321.9	334.3	41.8	-0.3	-0.2
	Development Budget	80.7	124.9	38.8	118.0	156.8	19.1	19.1	819.3	31.9	25.5
85	Independent Commission for Overseeing the Implement	86.1	140.0	12.2	76.7	139.7	579.7	585.9	23.8	-0.3	-0.2
	Operating Budget	14.8	27.3	12.2	19.2	31.4	82.3	88.4	35.5	4.1	15.1
	Development Budget	71.3	112.7	0.0	57.5	108.2	497.4	497.4	21.8	-4.4	-3.9
67	The High office of Oversight and Anti Corruption	34.9	57.2	28.9	53.4	82.3	163.8	170.3	48.3	25.1	43.8
	Operating Budget	34.9	57.2	28.9	53.4	82.3	133.0	139.6	43.1	3.0	5.3
	Development Budget	0.0	0.0	0.0	22.1	22.1	30.7	30.7	71.7	22.1	N/A
59	Independent Directorate of Local Governance	674.9	1,035.2	366.8	757.6	1,124.4	3,773.7	3,888.9	28.9	89.2	8.6
	Operating Budget	538.7	0.0	362.0	552.3	914.3	2,543.4	2,658.5	34.4	914.3	N/A
	Development Budget	136.2	1,035.2	4.8	205.3	210.1	1,230.3	1,230.3	17.1	-825.1	-79.7
74	Legal Training Center	0.0	0.0	0.0	0.0	0.0	64.2	64.2	0.0	0.0	N/A
	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	64.2	64.2	0.0	0.0	N/A
	Total Governance, Rule of Law and Human Rights	3,206.9	5,779.9	2,318.4	3,471.8	5,840.9	15,104.9	16,583.4	35.2	61.0	1.1
	Operating Budget	2,780.2	4,327.0	2,236.2	2,900.0	5,136.1	11,177.5	12,656.0	40.6	809.1	18.7
	Development Budget	426.7	1,452.9	82.3	571.8	704.8	3,927.4	3,927.4	17.9	-748.1	-51.5

Source: FPD using AFMIS data downloaded on the 4 August 2013

(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	1391	1391	1392	1392	1392	Comparison to Budget			1392 Comparison	
		Actual Qtr	Actual YTD	Prelim Qtr	Prelim Qtr	Prelim YTD	Original Budget Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	Increase
42	Ministry of Public Works	6,099.9	9,648.3	1,344.1	2,767.8	4,111.9	23,584.5	25,062.1	16.4	-5,536.4	-57.4
	Operating Budget	505.3	642.8	309.3	613.6	922.9	533.7	2,011.3	45.9	280.1	43.6
	Development Budget	5,594.7	9,005.5	1,034.8	2,154.2	3,189.0	23,050.8	23,050.8	13.8	-5,816.5	-64.6
45	Ministry of Transport and Aviation	426.1	711.6	100.2	428.6	528.8	2,358.7	2,390.6	22.1	-182.8	-25.7
	Operating Budget	135.9	258.1	99.7	120.6	220.3	536.5	568.4	38.8	-37.9	-14.7
	Development Budget	290.2	453.5	0.5	308.0	308.5	1,822.2	1,822.2	16.9	-144.9	-32.0
34	Ministry of Communication	168.6	276.1	126.1	161.7	287.8	2,968.1	2,975.3	9.7	11.7	4.3
	Operating Budget	130.9	223.0	93.4	121.1	214.5	503.5	510.7	42.0	-8.4	-3.8
	Development Budget	37.7	53.1	32.7	40.5	73.3	2,464.6	2,464.6	3.0	20.2	38.0
41	Ministry of Energy and Water	1,103.7	1,580.9	586.5	1,042.0	1,628.5	12,541.9	12,625.8	12.9	47.6	3.0
	Operating Budget	111.4	177.8	93.1	125.8	218.9	545.0	628.9	34.8	41.1	23.1
	Development Budget	992.3	1,403.1	493.4	916.2	1,409.6	11,996.9	11,996.9	11.7	6.6	0.5
82	Water Supply and Canalization Corporation	0.0	0.0	0.0	0.0	0.0	513.1	513.1	0.0	0.0	N/A
	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	513.1	513.1	0.0	0.0	N/A
83	Da Brishna Shirkat	198.4	342.2	125.4	204.8	330.2	179.6	179.6	183.8	-12.0	-3.5
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	198.4	342.2	125.4	204.8	330.2	179.6	179.6	183.8	-12.0	-3.5
49	Ministry of Urban Development	434.1	659.5	41.8	365.2	407.0	1,445.4	1,458.5	27.9	-252.4	-38.3
	Operating Budget	48.1	74.5	41.8	58.5	100.3	249.5	262.6	38.2	25.8	34.6
	Development Budget	386.0	585.0	0.0	306.8	306.8	1,195.9	1,195.9	25.7	-278.2	-47.6
84	Independent Board of new Kabul	47.4	63.0	29.4	42.3	71.7	69.6	69.6	103.0	8.7	13.8
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	47.4	63.0	29.4	42.3	71.7	69.6	69.6	103.0	8.7	13.8
32	Ministry of Mines and Industries	702.0	900.7	200.2	485.1	685.3	2,334.8	2,348.8	29.2	-215.4	-23.9
	Operating Budget	115.8	200.0	92.4	139.9	232.4	511.0	525.0	44.3	32.4	16.2
	Development Budget	586.3	700.7	107.8	345.2	453.0	1,823.8	1,823.8	24.8	-247.8	-35.4
65	Geodesy and Cartography Office	32.1	59.6	27.3	33.1	60.4	2,234.3	2,235.0	2.7	0.7	1.2
	Operating Budget	32.1	59.6	27.3	31.9	59.2	147.3	147.9	40.0	-0.5	-0.8
	Development Budget	0.0	0.0	0.0	1.2	1.2	2,087.0	2,087.0	0.1	1.2	N/A
60	Directorate of Environment	60.1	89.4	36.2	44.1	80.3	288.8	296.2	27.1	-9.1	-10.2
	Operating Budget	0.0	0.0	36.2	44.1	80.3	170.0	177.5	45.2	80.3	N/A
	Development Budget	60.1	89.4	0.0	0.0	0.0	118.8	118.8	0.0	-89.4	-100.0
75	Afghanistan High Atomic Energy Commission	5.9	10.6	5.5	7.6	13.1	36.3	39.5	33.0	2.4	22.8
	Operating Budget	0.0	0.0	5.5	7.6	13.1	36.3	39.5	33.0	13.1	N/A
	Development Budget	5.9	10.6	0.0	0.0	0.0	0.0	0.0	-	-10.6	-100.0
77	Provincial Municipalities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	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
79	Municipalities	71.7	120.0	76.5	113.4	189.9	1,570.9	1,570.9	12.1	69.9	58.2
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	71.7	120.0	76.5	113.4	189.9	1,570.9	1,570.9	12.1	69.9	58.2
Total Infrastructure and Natural Resources		9,350.2	14,461.9	2,699.4	5,695.5	8,394.9	50,126.0	51,765.1	16.2	-6,067.0	-42.0
	Operating Budget	1,079.5	1,635.9	798.8	1,263.0	2,061.8	3,232.7	4,871.7	42.3	425.9	26.0
	Development Budget	8,270.7	12,826.0	1,900.6	4,432.5	6,333.1	46,893.4	46,893.4	13.5	-6,492.9	-50.6
27	Ministry of Education	8,224.7	13,085.9	5,526.8	8,549.6	14,076.4	44,127.3	44,558.7	31.6	990.5	7.6
	Operating Budget	7,163.4	11,666.1	5,056.6	6,633.6	11,690.2	29,592.0	30,023.4	38.9	24.0	0.2
	Development Budget	1,061.2	1,419.8	470.2	1,916.0	2,386.3	14,535.3	14,535.3	16.4	966.5	68.1
28	Ministry of Higher Education	998.7	1,472.8	514.7	1,000.4	1,515.1	6,997.1	7,057.1	21.5	42.3	2.9
	Operating Budget	782.3	1,184.3	441.6	686.0	1,127.5	3,190.8	3,250.8	34.7	-56.8	-4.8
	Development Budget	216.4	288.5	73.1	314.5	387.6	3,806.3	3,806.3	10.2	99.1	34.4
36	Ministry of Information and Culture	210.7	329.0	150.2	267.5	417.6	1,353.8	1,402.7	29.8	88.6	26.9
	Operating Budget	191.9	303.5	150.2	213.6	363.8	837.0	885.9	41.1	60.2	19.9
	Development Budget	18.8	25.5	0.0	53.9	53.9	516.8	516.8	10.4	28.4	111.0
61	Science Academy	49.5	88.5	44.1	60.3	104.4	192.5	193.9	53.8	15.9	18.0
	Operating Budget	44.6	82.9	35.1	59.6	94.7	156.0	157.5	60.2	11.8	14.3
	Development Budget	4.9	5.6	9.0	0.7	9.6	36.4	36.4	26.4	4.0	72.3
63	National Olympic Committee	120.6	161.3	8.2	116.2	124.4	814.6	822.8	15.1	-36.9	-22.9
	Operating Budget	82.9	115.6	8.2	81.8	90.0	274.0	282.2	31.9	-25.6	-22.1
	Development Budget	37.7	45.7	0.0	34.4	34.4	540.6	540.6	6.4	-11.4	-24.8
Total Education		9,604.1	15,137.5	6,243.9	9,994.0	16,237.9	53,485.3	54,035.3	30.1	1,100.4	7.3
	Operating Budget	8,265.1	13,352.4	5,691.6	7,674.5	13,366.1	34,049.8	34,599.8	38.6	13.8	0.1
	Development Budget	1,339.0	1,785.1	552.3	2,319.5	2,871.8	19,435.5	19,435.5	14.8	1,086.6	60.9
37	Ministry of Public Health	2,712.2	3,498.7	646.5	3,214.7	3,861.1	13,141.8	13,283.6	29.1	362.4	10.4
	Operating Budget	600.4	1,010.0	480.7	684.1	1,164.8	3,395.9	3,537.6	32.9	154.8	15.3
	Development Budget	2,111.8	2,488.7	165.8	2,530.6	2,696.4	9,746.0	9,746.0	27.7	207.6	8.3
Total Health		2,712.2	3,498.7	646.5	3,214.7	3,861.1	13,141.8	13,283.6	29.1	362.4	10.4
	Operating Budget	600.4	1,010.0	480.7	684.1	1,164.8	3,395.9	3,537.6	32.9	154.8	15.3
	Development Budget	2,111.8	2,488.7	165.8	2,530.6	2,696.4	9,746.0	9,746.0	27.7	207.6	8.3

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

Code	(In millions of Afghanis)	1391	1391	1392	1392	1392	Comparison to Budget			1392 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	% Increase
39	Ministry of Agriculture	1,142.9	2,176.3	360.4	1,715.2	2,075.6	7,899.0	8,210.2	25.3	-100.7	-4.6
	Operating Budget	290.2	517.7	239.1	489.4	728.5	1,291.5	1,602.7	45.5	210.8	40.7
	Development Budget	852.7	1,658.6	121.3	1,225.8	1,347.1	6,607.5	6,607.5	20.4	-311.5	-18.8
48	Ministry of Counter Narcotics	157.5	183.3	34.0	305.7	339.8	864.0	872.2	39.0	156.5	85.4
	Operating Budget	38.4	64.2	34.0	37.2	71.2	140.8	149.0	47.8	7.0	10.9
	Development Budget	119.0	119.0	0.0	268.5	268.5	723.2	723.2	37.1	149.5	125.6
43	Ministry of Rural Rehabilitation and Development	5,004.3	5,901.5	4,099.8	3,740.9	7,840.7	19,519.0	19,645.3	39.9	1,939.3	32.9
	Operating Budget	145.4	246.6	108.2	129.4	237.5	604.1	730.4	32.5	-9.1	-3.7
	Development Budget	4,858.9	5,654.9	3,991.6	3,611.6	7,603.2	18,914.9	18,914.9	40.2	1,948.3	34.5
	Total Agriculture and Rural Development	6,304.7	8,261.1	4,494.2	5,761.9	10,256.1	28,282.0	28,727.7	35.7	1,995.0	24.1
	Operating Budget	474.0	828.6	381.3	656.0	1,037.3	2,036.5	2,482.1	41.8	208.7	25.2
	Development Budget	5,830.7	7,432.5	4,112.9	5,105.9	9,218.8	26,245.6	26,245.6	35.1	1,786.3	24.0
46	Ministry of Frontiers and Tribal Affairs	103.5	181.5	48.3	107.2	155.5	599.5	620.1	25.1	-26.0	-14.3
	Operating Budget	93.3	171.3	48.3	89.2	137.5	402.4	423.1	32.5	-33.8	-19.7
	Development Budget	10.2	10.2	0.0	18.0	18.0	197.1	197.1	9.1	7.8	76.4
47	Ministry of Martyrs, Disabled and Social Affairs	2,397.2	4,916.9	2,028.9	4,078.9	6,107.8	2,100.5	10,266.2	59.5	1,190.9	24.2
	Operating Budget	2,203.8	4,636.8	2,012.0	3,860.0	5,872.1	1,385.8	9,551.5	61.5	1,235.3	26.6
	Development Budget	193.4	280.1	16.9	218.9	235.7	714.7	714.7	33.0	-44.4	-15.8
29	Ministry of Refugees and Repatriates	81.9	124.8	40.4	97.0	137.4	246.2	304.0	43.0	12.6	10.1
	Operating Budget	43.0	75.1	37.6	93.7	131.3	205.2	263.1	49.9	56.2	74.9
	Development Budget	38.9	49.7	2.8	3.3	6.1	40.9	40.9	14.9	-43.6	-87.8
38	Ministry of Women Affairs	86.1	118.3	32.7	62.3	95.0	226.1	240.7	39.5	-23.3	-19.7
	Operating Budget	40.3	69.8	32.7	47.1	79.8	188.8	203.4	39.2	10.0	14.3
	Development Budget	45.8	48.5	0.0	15.2	15.2	37.3	37.3	40.8	-33.3	-68.7
68	Office of Disaster Preparedness	24.4	39.9	13.2	21.6	34.8	163.8	163.8	21.2	-5.1	-12.7
	Operating Budget	19.4	31.9	13.2	17.8	31.0	97.8	97.8	31.7	-0.9	-2.9
	Development Budget	5.1	7.9	0.0	3.8	3.8	66.1	66.1	5.8	-4.1	-52.0
76	Directorate of Kochis	9.9	19.9	21.5	16.1	37.6	99.4	102.3	36.8	17.7	88.8
	Operating Budget	9.9	16.6	8.4	10.2	18.7	45.6	48.5	38.5	2.1	12.4
	Development Budget	0.0	3.3	13.0	5.9	19.0	53.8	53.8	35.2	15.6	471.5
	Total Social Protection	2,703.2	5,401.3	2,185.0	4,383.1	6,568.1	3,435.4	11,697.1	56.2	1,166.8	21.6
	Operating Budget	2,409.8	5,001.5	2,152.3	4,118.0	6,270.3	2,325.6	10,587.3	59.2	1,268.8	25.4
	Development Budget	293.4	399.8	32.7	265.1	297.8	1,109.9	1,109.9	26.8	-102.0	-25.5
20	Ministry of Finance	1,128.5	1,852.0	721.7	1,699.2	2,420.9	6,280.6	9,302.8	26.0	568.9	30.7
	Operating Budget	586.0	963.0	430.1	916.2	1,346.3	1,836.0	4,858.2	27.7	383.3	39.8
	Development Budget	542.5	889.0	291.6	783.0	1,074.6	4,444.6	4,444.6	24.2	185.5	20.9
25	Ministry of Commerce	118.1	185.7	90.4	157.6	248.0	795.5	817.6	30.3	62.4	33.6
	Operating Budget	78.2	137.6	76.0	98.0	173.9	367.0	389.1	44.7	36.4	26.4
	Development Budget	39.8	48.1	14.5	59.6	74.1	428.5	428.5	17.3	26.0	54.1
35	Ministry of Economy	185.7	255.5	112.2	136.8	249.0	657.2	662.2	37.6	-6.5	-2.6
	Operating Budget	52.2	91.9	43.9	49.8	93.7	252.4	257.4	36.4	1.8	2.0
	Development Budget	133.5	163.6	68.3	87.0	155.3	404.8	404.8	38.4	-8.3	-5.1
66	Control and Audit Office	73.0	94.7	52.5	79.1	131.6	526.8	536.3	24.5	36.9	38.9
	Operating Budget	16.7	31.8	18.8	35.3	54.1	120.0	129.4	41.8	22.3	70.0
	Development Budget	56.4	62.9	33.7	43.8	77.6	406.8	406.8	19.1	14.6	23.2
73	Central Statistics Office	42.1	75.6	37.7	100.5	138.2	295.0	297.0	46.5	62.6	82.8
	Operating Budget	30.8	57.9	25.9	33.9	59.9	142.0	144.0	41.6	1.9	3.3
	Development Budget	11.3	17.6	11.8	66.6	78.4	153.0	153.0	51.2	60.7	344.2
58	Afghanistan National Standard Authority	30.3	37.1	7.3	12.6	19.9	246.6	250.4	8.0	-17.1	-46.2
	Operating Budget	12.6	19.3	7.3	12.6	19.9	70.3	74.1	26.9	0.6	3.1
	Development Budget	17.8	17.8	0.0	0.0	0.0	176.3	176.3	0.0	-17.8	-100.0
	Total Economic Gov. and Private Sector Devel't	1,577.7	2,500.7	1,021.9	2,185.8	3,207.7	8,801.7	11,866.3	27.0	707.1	28.3
	Operating Budget	776.5	1,301.6	602.0	1,145.8	1,747.9	2,787.7	5,852.2	29.9	446.3	34.3
	Development Budget	801.2	1,199.1	419.9	1,040.0	1,459.9	6,014.1	6,014.1	24.3	260.8	21.7
80	Afghanistan Investment Support Agency	0.0	0.0	0.0	0.0	0.0	52.0	52.0	0.0	0.0	N/A
	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	52.0	52.0	0.0	0.0	N/A
81	Micro Finance Investment Support Facility for Afghanistan	0.0	0.0	0.0	0.0	0.0	262.9	262.9	0.0	0.0	N/A
	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	262.9	262.9	0.0	0.0	N/A
86	Extrabudgetary Agencies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	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
90	Unallocated Reserves	0.0	0.0	0.0	0.0	0.0	29,522.4	4,818.3	0.0	0.0	N/A
	Operating Budget	0.0	0.0	0.0	0.0	0.0	24,704.2	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	4,818.3	4,818.3	0.0	0.0	N/A
99	Unspecified	0.0	0.0	0.0	0.0	0.0	0.0	4,598.0	0.0	0.0	N/A
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	4,598.0	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
	Total Unclassified	0.0	0.0	0.0	0.0	0.0	29,837.4	9,731.2	0.0	0.0	N/A
	Operating Budget	0.0	0.0	0.0	0.0	0.0	24,704.2	4,598.0	0.0	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	5,133.2	5,133.2	0.0	0.0	N/A

Table 6.6a – Core Budget Gross Expenditures by Program (Ministries implementing Program Budgeting in 1392)

Code	(In millions of Afghanis)	OPERATING BUDGET			DEVELOPMENT BUDGET			TOTAL BUDGET		
		1392	Comparison to Budget		1392	Comparison to Budget		1392	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
27	Ministry of Education	11,693.8	30,023.4	38.9	2,386.3	14,735.3	16.2	14,080.1	44,758.7	31.5
271	General & Islamic Education	10,162.1	25,379.0	40.0	808.9	5,651.3	14.3	10,971.0	31,030.4	35.4
272	Curriculum development & teacher training	355.2	1,117.6	31.8	717.2	4,736.8	15.1	1,072.4	5,854.4	18.3
273	Technical and vocational training program	359.4	1,187.4	30.3	109.8	1,525.2	7.2	469.2	2,712.7	17.3
274	Literacy and informal Education	195.4	512.1	38.1	268.5	442.2	60.7	463.9	954.4	48.6
275	Education management	621.8	1,827.2	34.0	481.9	2,379.7	20.2	1,103.7	4,206.9	26.2
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
39	Ministry of Agriculture, Irrigation and L	729.2	1,602.7	45.5	1,347.1	6,625.2	20.3	2,076.3	8,228.0	25.2
391	Natural Resource Management	105.1	259.8	40.5	318.0	477.4	66.6	423.1	737.2	57.4
392	Agriculture Production and Productivity	381.7	745.1	51.2	816.4	3,999.4	20.4	1,198.0	4,744.5	25.3
393	Economic Regeneration	64.9	169.0	38.4	186.4	1,754.4	10.6	251.3	1,923.4	13.1
394	Reform and Capacity Building	177.5	428.9	41.4	26.3	394.1	6.7	203.8	823.0	24.8
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
43	Ministry of Rural Rehabilitation and De	470.0	730.4	64.3	7,371.1	19,740.7	37.3	7,841.1	20,471.1	38.3
431	Rural Infrastructure (RI)	232.1	0.0	N/A	519.0	4,819.9	10.8	751.1	4,819.9	15.6
432	Economic Regeneration (ER)	0.0	0.0	N/A	205.3	1,070.5	19.2	205.3	1,070.5	19.2
433	Local Governance	0.0	0.0	N/A	6,646.8	13,850.3	48.0	6,646.8	13,850.3	48.0
435	Institutional Support Program (ISP)	237.9	730.4	32.6	0.0	0.0	N/A	237.9	730.4	32.6
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
20	Ministry of Finance	1,435.5	4,858.2	29.5	1,070.0	4,521.2	23.7	2,505.5	9,379.4	26.7
201	Public Financial Management	744.7	3,302.8	22.5	404.2	2,131.2	19.0	1,148.9	5,434.0	21.1
202	Revenue Management	216.8	530.7	40.9	345.9	695.7	49.7	562.7	1,226.4	45.9
203	Operation (General Administration)	466.1	995.6	46.8	130.6	1,021.4	12.8	596.8	2,017.0	29.6
204	Policy Management	7.9	29.1	27.2	189.2	672.8	28.1	197.2	702.0	28.1
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
42	Ministry of Public Works	1,003.8	2,011.3	49.9	3,110.2	23,260.3	13.4	4,114.0	25,271.6	16.3
421	Transportation Infrastructures	98.8	40.8	241.9	3,110.2	23,260.3	13.4	3,209.0	23,301.2	13.8
422	Maintenance of Transport Infrastructure	849.5	1,829.2	46.4	0.0	0.0	N/A	849.5	1,829.2	46.4
423	Admin & Finance	55.6	141.3	39.4	0.0	0.0	N/A	55.6	141.3	39.4
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
37	Ministry of Public Health	1,168.9	3,537.6	33.0	2,696.4	9,795.9	27.5	3,865.2	13,333.5	29.0
371	Institutional Development and Assessment (25.6	55.2	46.3	144.8	2,063.6	7.0	170.3	2,118.8	8.0
372	Health Service Provision	506.8	1,853.0	27.4	2,551.6	7,649.0	33.4	3,058.4	9,502.1	32.2
373	Admin	636.4	1,629.4	39.1	0.0	83.3	0.0	636.4	1,712.7	37.2
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
59	Independent Directorate of Local Gov	921.6	2,658.5	34.7	203.3	1,239.1	16.4	1,124.9	3,897.6	28.9
591	National Principals for Local Governance	6.9	20.0	34.3	0.0	0.0	N/A	6.9	20.0	34.3
592	Local Governance Management	777.3	2,074.5	37.5	203.3	1,239.1	16.4	980.6	3,313.6	29.6
593	General Supporting Services	137.5	564.0	24.4	0.0	0.0	N/A	137.5	564.0	24.4
49	Ministry of Urban Development	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
49	Ministry of Urban Development	100.3	262.6	38.2	306.8	1,227.0	25.0	407.1	1,489.6	27.3
491	Planning & Urban Development	9.4	20.3	46.4	27.2	239.7	11.3	36.6	260.0	14.1
492	Housing	3.9	9.5	41.3	158.2	418.8	37.8	162.1	428.4	37.9
493	Urban Infrastructure	10.3	26.3	39.1	102.8	538.1	19.1	113.1	564.4	20.0
494	Management & Operations	76.7	206.5	37.1	18.6	30.3	61.3	95.3	236.8	40.2
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 AFMIS data, which differs from published data shown in Tables 6.5.

Source: FPD using AFMIS data downloaded on the 4 August 2013

Table 6.6b – Core Budget Gross Expenditures by Program (Ministries implementing Program Budgeting in 1392) – continued

Code	In millions of Afghanis	OPERATING BUDGET			DEVELOPMENT BUDGET			TOTAL BUDGET		
		1392	Comparison to Budget	%	1392	Comparison to Budget	%	1392	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		
45	Ministry of Transport & Civil Aviation	221.5	568.4	39.0	308.5	2,032.9	15.2	530.1	2,601.3	20.4
451	Air Transport Services	92.1	242.3	38.0	34.1	1,255.6	2.7	126.2	1,497.9	8.4
452	Land Transport Services	61.7	160.6	38.4	0.0	0.0	N/A	61.7	160.6	38.4
453	Management & Operations	67.7	165.6	40.9	274.5	777.3	35.3	342.2	942.9	36.3
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
34	Ministry of Communication and Informa	214.9	510.7	42.1	73.3	2,484.2	2.9	288.2	2,994.9	9.6
341	E - Afghanistan	47.6	106.5	44.7	73.3	2,484.2	2.9	120.9	2,590.7	4.7
342	ICT Literacy	9.7	26.6	36.5	0.0	0.0	N/A	9.7	26.6	36.5
343	General Administration & Management	157.6	377.6	41.7	0.0	0.0	N/A	157.6	377.6	41.7
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
25	Ministry of Commerce and Industry	178.1	389.1	45.8	74.1	429.1	17.3	252.2	818.2	30.8
251	Private Sector and Industry Development	11.2	25.0	44.6	54.0	344.1	15.7	65.1	369.1	17.6
252	Trade Policy and Transit	128.5	272.3	47.2	1.1	7.9	14.2	129.6	280.2	46.2
253	Admin and Regulatory Services	38.5	91.8	41.9	19.0	77.1	24.6	57.5	169.0	34.0
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
47	Ministry of Labour, Social Affairs, Mart	5,928.0	9,551.5	62.1	180.6	854.6	21.1	6,108.7	10,406.1	58.7
471	Labor Support Program	3,335.7	5,024.8	66.4	166.9	778.8	21.4	3,502.6	5,803.5	60.4
472	Social services	190.2	416.1	45.7	0.2	1.3	11.9	190.3	417.3	45.6
473	Martyrs and Disabled	2,018.0	3,230.5	62.5	3.9	44.5	8.7	2,021.9	3,275.0	61.7
474	Administration & Finance	384.1	880.2	43.6	9.7	30.1	32.3	393.8	910.3	43.3
999	Expenditure returns	0.0	149.0	0.0	0.0	715.0	0.0	0.0	864.0	0.0
22	Ministry of Defence	24,727.6	68,398.5	36.2	2.3	14,413.4	0.0	24,729.9	82,811.9	29.9
221	Cambat forces	18,684.8	50,917.5	36.7	0.0	14,408.2	0.0	18,684.8	65,325.7	28.6
222	Supportive forces	6,042.8	17,481.0	34.6	2.3	5.2	44.1	6,045.0	17,486.2	34.6
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
38	Ministry of Women's Affairs	79.9	203.4	39.3	15.2	37.3	40.8	95.1	240.7	39.5
381	Women Support and Strengthening	4.7	10.7	43.7	0.0	0.0	N/A	4.7	10.7	43.7
382	Gender Development and policy monitoring	6.1	13.1	46.4	5.6	5.7	97.0	11.7	18.8	61.8
383	Administration & Finance	69.1	179.6	38.5	9.6	31.6	30.6	78.8	211.2	37.3
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
35	Ministry of Economy	93.8	257.4	36.4	155.3	407.1	38.1	249.1	664.5	37.5
351	Economic Policy and Strategy and Monitorir	61.2	158.8	38.5	108.0	254.1	42.5	169.2	412.9	41.0
352	Management & Operations	32.6	98.6	33.0	47.3	153.1	30.9	79.8	251.6	31.7
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
10	President's Office	792.4	1,860.6	42.6	45.3	470.9	9.6	837.7	2,331.5	35.9
101	Providing Services to the Prisedent	792.4	1,860.6	42.6	45.3	470.9	9.6	837.7	2,331.5	35.9
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
28	Ministry of Higher Education	1,129.7	3,250.8	34.8	387.6	4,299.0	9.0	1,517.3	7,549.9	20.1
281	Providing higher education opportunities	9.1	25.7	35.4	387.6	4,299.0	9.0	396.7	4,324.7	9.2
282	Leadership & Management of Higher Educa	1,120.6	3,225.2	34.7	0.0	0.0	N/A	1,120.6	3,225.2	34.7
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
62	Civil Service Commissoin	157.0	334.3	47.0	156.8	497.4	31.5	313.8	831.8	37.7
621	Appointments & Appeals	23.6	53.6	44.1	0.0	0.0	N/A	23.6	53.6	44.1
622	Public Administrative Reforms	17.8	39.0	45.7	0.0	0.0	N/A	17.8	39.0	45.7
623	Capacity Development	15.8	33.3	47.4	7.4	36.0	20.7	23.3	69.3	33.5
624	Supportive Program	82.5	208.4	39.6	149.4	461.4	32.4	231.9	669.8	34.6
999	Expenditure returns	17.3	0.0	N/A	0.0	0.0	N/A	17.3	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 AFMIS data, which differs from published data shown in Tables 6.5.

Source: FPD using AFMIS data downloaded on the 4 August 2013

Table 6.7 – Total Core Budget Expenditures by COFOG Sector

Code	(In millions of Afghanis)	1391	1391	1391	1392	1392	1392	1392	1392 Comparison to	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Percent of Total	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	Percent of Total	1391 YTD Change	% Increase
2	TOTAL NET EXPENDITURE	63,744.6	102,040.1		41,290.1	64,398.8	105,688.9		3,648.8	3.6
150	Sale of Land and Buildings	57.8	156.1		13.2	11.7	25.0		-131.1	N/A
2+150	TOTAL GROSS EXPENDITURE	63,802.4	102,196.2	100.0	41,303.3	64,410.5	105,713.8	100.0	3,517.7	3.4
	RECURRENT EXPENDITURE	53,208.2	87,031.9	85.2	36,308.9	54,962.7	91,271.6	86.3	4,239.8	4.9
	CAPITAL EXPENDITURE	10,594.2	15,164.3	14.8	4,994.4	9,447.8	14,442.2	13.7	-722.1	-4.8
		0.0								
701	General Public Services (1)	6,610.8	12,032.9	11.8	4,920.6	7,860.6	12,781.2	12.1	748.2	6.2
	Recurrent Expenditure	6,089.6	11,429.7	11.2	4,843.5	7,061.6	11,905.0	11.3	475.3	4.2
	Capital Expenditure	521.2	603.2	0.6	77.1	799.0	876.1	0.8	272.9	45.2
702	Defence	11,675.8	20,619.8	20.2	10,544.5	14,567.7	25,112.2	23.8	4,492.3	21.8
	Recurrent Expenditure	11,405.7	20,222.6	19.8	10,524.5	13,261.9	23,786.4	22.5	3,563.8	17.6
	Capital Expenditure	270.1	397.2	0.4	20.0	1,305.8	1,325.8	1.3	928.6	233.8
703	Public Order and Safety	14,373.9	22,051.2	21.6	9,259.7	12,762.0	22,021.7	20.8	-29.5	-0.1
	Recurrent Expenditure	13,667.7	21,190.3	20.7	9,141.7	12,076.5	21,218.2	20.1	27.8	0.1
	Capital Expenditure	706.3	860.9	0.8	118.0	685.5	803.5	0.8	-57.4	-6.7
704	Economic Affairs	15,555.7	22,743.1	22.3	7,474.6	11,455.6	18,930.3	17.9	-3,812.9	-16.8
	Recurrent Expenditure	7,660.4	10,942.6	10.7	2,772.7	6,224.6	8,997.3	8.5	-1,945.2	-17.8
	Capital Expenditure	7,895.3	11,800.6	11.5	4,701.9	5,231.0	9,932.9	9.4	-1,867.7	-15.8
705	Environmental Protection	45.9	70.0	0.1	25.2	31.2	56.4	0.1	-13.7	-19.5
	Recurrent Expenditure	30.0	54.2	0.1	25.1	31.0	56.1	0.1	1.9	3.4
	Capital Expenditure	15.8	15.8	0.0	0.1	0.2	0.3	0.0	-15.5	-98.1
706	Housing and Communal Amenities	433.1	644.5	0.6	46.2	346.5	392.7	0.4	-251.7	-39.1
	Recurrent Expenditure	122.7	172.2	0.2	40.9	101.7	142.6	0.1	-29.6	-17.2
	Capital Expenditure	310.5	472.3	0.5	5.4	244.8	250.1	0.2	-222.2	-47.0
707	Health	2,748.5	3,560.9	3.5	679.5	3,255.8	3,935.3	3.7	374.4	10.5
	Recurrent Expenditure	2,664.9	3,440.2	3.4	662.8	3,198.4	3,861.2	3.7	421.1	12.2
	Capital Expenditure	83.6	120.7	0.1	16.7	57.4	74.1	0.1	-46.7	-38.6
708	Recreation, Culture and Religion	735.8	1,017.5	1.0	302.7	596.5	899.2	0.9	-118.3	-11.6
	Recurrent Expenditure	481.7	739.6	0.7	299.4	475.3	774.7	0.7	35.1	4.7
	Capital Expenditure	254.1	277.9	0.3	3.3	121.2	124.5	0.1	-153.4	-55.2
709	Education	9,623.6	16,374.5	16.0	6,111.0	9,683.3	15,794.3	14.9	-580.2	-3.5
	Recurrent Expenditure	9,178.5	15,862.7	15.5	6,072.3	8,715.5	14,787.8	14.0	-1,074.9	-6.8
	Capital Expenditure	445.2	511.8	0.5	38.7	967.9	1,006.5	1.0	494.7	96.7
710	Social Protection	1,999.2	3,081.7	3.0	1,939.3	3,851.4	5,790.6	5.5	2,708.9	87.9
	Recurrent Expenditure	1,907.1	2,977.8	2.9	1,926.0	3,816.3	5,742.3	5.4	2,764.5	92.8
	Capital Expenditure	92.1	103.9	0.1	13.3	35.1	48.4	0.0	-55.6	-53.5

Source: FPD using AFMIS data downloaded on the 4 August 2013

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	1391	1391	1392	1392	1392	1392 Comparison to	
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	1391 YTD	
		Actual	Actual	Prelim	Prelim	Prelim	Change	% Increase
		Qtr	YTD	Qtr	Qtr	YTD		
25	NET ACQUISITION OF NONFINANCIAL ASSETS	10,536.3	15,008.2	4,981.2	9,436.1	14,417.3	-591.0	-3.9
	Land and Buildings	6,114.0	10,172.0	1,275.1	5,336.2	6,611.2	-3,560.8	-35.0
251/8	Purchase of Land and Buildings	6,171.9	10,328.1	1,288.3	5,347.9	6,636.2	-3,691.9	-35.7
150	Sale of Land and Buildings	-57.8	-156.1	-13.2	-11.7	-25.0	131.1	-84.0
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)	1,119.2	1,423.3	322.0	1,181.9	1,503.8	80.5	5.7
257	Valuables	12.2	12.2	0.6	0.1	0.7	-11.5	-94.2
259	Other Acquisitions	3,290.8	3,400.7	3,383.5	2,918.0	6,301.5	2,900.8	85.3

Source: FPD using AFMIS data downloaded on the 4 August 2013

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

Code	In millions of Afghanis	1391	1391	1392	1392	1392	1392 Comparison to	
		Qtr 2	Qtr 2	Qtr 1	Qtr 2	Qtr 2	1391 YTD	
		Actual	Actual	Prelim	Prelim	Prelim	Change	% (+/-)
		Qtr	YTD	Qtr	Qtr	YTD		
3+4	TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES	-1,443.7	-17,005.7	-17,758.6	3,799.9	-13,958.7	3,047.0	-17.9
3	NET ACQUISITION OF FINANCIAL ASSETS	-7,012.0	-14,396.4	10,690.7	2,622.1	13,312.7	27,709.1	-192.5
	Domestic	-7,012.0	-14,396.4	10,690.7	2,622.1	13,312.7	27,709.1	-192.5
	Currency and Deposits	-7,781.9	-9,069.3	17,499.4	328.4	17,827.8	26,897.1	-296.6
311	Treasury Single Account	-4,904.7	-8,600.5	21,170.9	-3,956.8	17,214.1	25,814.6	-300.2
313	Donor Accounts	-1,329.2	1,079.2	-3,671.5	4,285.2	613.6	-465.5	-43.1
314/90	Other Deposit Accounts (1)	-1,548.0	-1,548.0	0.1	0.0	0.1	1,548.1	-100.0
317	Loans	4.8	15.5	13.2	0.9	14.1	-1.3	-8.7
319	Other Accounts Receivable	-225.9	190.5	27.5	-157.1	-129.6	-320.0	-168.0
	Other Assets	990.9	-5,533.0	-6,849.5	2,449.9	-4,399.6	1,133.4	-20.5
	Foreign	0.0	0.0	0.0	0.0	0.0	0.0	N/A
4	NET ACQUISITION OF LIABILITIES	5,568.3	-2,609.3	-28,449.2	1,177.8	-27,271.4	-24,662.1	945.2
	Domestic	3,935.5	-4,518.8	-28,654.2	1,109.9	-27,544.3	-23,025.5	509.5
411	Accounts Payable	-165.5	-106.3	1,076.0	1,015.4	2,091.5	2,197.8	-2,067.8
413	Pension Liabilities	-30.4	1.1	0.7	-0.6	32.8	31.6	2,784.1
423	Other Payables	1,633.7	1,633.7	0.0	0.0	0.0	-1,633.7	-100.0
451	Other Liabilities (1)	2,497.7	-6,047.4	-29,730.9	95.0	-29,635.9	-23,588.5	390.1
	Foreign	1,632.9	1,909.5	204.9	68.0	272.9	-1,636.7	-85.7
431	Foreign Currency	-6.6	-6.3	-10.1	-15.7	-25.8	-19.5	307.9
181-2	Loans	1,639.5	1,915.9	215.0	83.7	298.7	-1,617.2	-84.4

Source: FPD using AFMIS data downloaded on the 4 August 2013

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	1391	1391	1392	1392	1392	1392 Comparison to	
		Qtr 2 Actual Qtr	Qtr 2 Actual YTD	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 2 Prelim YTD	1391 YTD Change	% Increase
TRANSACTIONS AFFECTING NET WORTH								
1	Revenues including Grants	65,167.7	119,025.2	58,880.9	60,602.2	119,483.1	457.9	0.4
2-25	Expenditures (Recurrent)	53,208.2	87,031.9	36,308.9	54,962.7	91,271.6	4,239.8	4.9
23	Interest	6.3	46.7	50.2	46.2	96.3	49.6	106.1
	Net Balance (1-2-25)	11,959.4	31,993.3	22,572.0	5,639.5	28,211.5	-3,781.8	-11.8
	Primary Balance (1-2-25+23)	11,965.7	32,040.1	22,622.2	5,685.7	28,307.9	-3,732.2	-11.6
TRANSACTIONS IN NONFINANCIAL ASSETS								
25	Net Acquisition of Nonfinancial Assets	10,536.3	15,008.2	4,981.2	9,436.1	14,417.3	-591.0	-3.9
	Net Lending-Borrowing (1-2)	1,423.1	16,985.1	17,590.9	-3,796.6	13,794.3	-3,190.8	-18.8
	Financing (3+4+5)	-1,423.1	-16,985.1	-17,590.9	3,796.6	-13,794.3	3,190.8	-18.8
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES								
3	Net Acquisition of Financial Assets	-7,012.0	-14,396.4	10,690.7	2,622.1	13,312.7	27,709.1	-192.5
4	Net Acquisition of Financial Liabilities	5,568.3	-2,609.3	-28,449.2	1,177.8	-27,271.4	-24,662.1	945.2
5	RETAINED EARNINGS	20.6	20.6	167.7	-3.3	164.4		
	Discrepancies (Financing-3-4-5)	0.0	0.0	0.0	0.0	0.0		

Source: FPD using AFMIS data downloaded on the 4 August 2013

7 Glossary

Budget	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
Expenditure/Expense	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.
Revenues	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 raised 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
Balances	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)
Financing	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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