



**ISLAMIC REPUBLIC OF AFAHSNISTAN**

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**MINISTRY OF FINANCE**

**FISCAL POLICY DIRECTORATE**

**QUARTERLY FISCAL BULLETIN**

**QUARTER 4, 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 fourth 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 '*Value Added Tax in 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](http://www.budgetmof.gov.af)).

Mohammad Mustafa Mastoor  
Deputy Minister for Finance, Ministry of Finance

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# *Quarterly Fiscal Bulletin, Quarter 4, 1392*

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# 1 SUMMARY OF THIRD QUARTER DEVELOPMENTS

**Table 1.1 – Budget Summary**

Code	In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	1392 Comparison to 1391 YTD		1392 Budget or MYR Revenue or Expenditure Target	1392 YTD as % of Targets/ Budget
		Qtr 3 Actual YTD	Annual Actual	%GDP	Qtr 4 Prelim Qtr	Qtr 4 Prelim YTD	Annual Prelim	%GDP	Change	% (+/-)		
<b>OPERATING BUDGET</b>												
<b>Revenues</b>		<b>147,386.9</b>	<b>147,386.9</b>	<b>13.6</b>	<b>66,602.7</b>	<b>251,416.1</b>	<b>251,416.1</b>	<b>22.0</b>	<b>104,029.3</b>	<b>70.6</b>	<b>210,228.8</b>	<b>19.6</b>
Domestic Revenues (1)		81,671.5	81,671.5	7.5	32,658.9	108,410.2	108,410.2	9.5	26,738.7	32.7	123,000.0	-11.9
Operating Grants		65,715.4	65,715.4	6.1	33,943.8	143,006.0	143,006.0	12.5	77,290.6	117.6	87,228.8	63.9
<b>Expenditures</b>		<b>135,779.9</b>	<b>135,779.9</b>	<b>12.5</b>	<b>62,124.3</b>	<b>197,767.0</b>	<b>197,767.0</b>	<b>17.3</b>	<b>61,987.2</b>	<b>45.7</b>	<b>196,327.0</b>	<b>0.7</b>
<b>Budget Balance</b>												
Including Grants		11,607.0	11,607.0	1.1	4,478.4	53,649.1	53,649.1	4.7	42,042.1	362.2	13,901.8	
Excluding Grants		-54,108.4	-54,108.4	-5.0	-29,465.4	-89,356.9	-89,356.9	-7.8	-35,248.5	65.1	-73,327.0	
<b>Fiscal sustainability indicator (%) (2)</b>		<b>60.1</b>	<b>60.1</b>	<b>0.0</b>	<b>52.6</b>	<b>54.8</b>	<b>54.8</b>		<b>-5.3</b>	<b>-8.9</b>	<b>62.7</b>	
<b>DEVELOPMENT BUDGET</b>												
<b>Grants (3)</b>		<b>35,794.5</b>	<b>35,794.5</b>	<b>3.3</b>	<b>20,753.6</b>	<b>48,808.3</b>	<b>48,808.3</b>	<b>4.3</b>	<b>13,013.8</b>	<b>36.4</b>	<b>121,921.6</b>	<b>-60.0</b>
<b>Expenditures</b>		<b>53,609.9</b>	<b>53,609.9</b>	<b>4.9</b>	<b>35,654.8</b>	<b>80,011.9</b>	<b>80,011.9</b>	<b>7.0</b>	<b>26,402.0</b>	<b>49.2</b>	<b>157,750.1</b>	<b>-49.3</b>
Discretionary Budget		15,049.9	15,049.9	1.4	7,946.3	18,929.1	18,929.1	1.7	3,879.2	25.8	45,479.7	-58.4
Non-discretionary Budget		38,560.0	38,560.0	3.6	27,708.5	61,082.8	61,082.8	5.4	22,522.8	58.4	112,270.3	-45.6
<b>Budget Balance (3)</b>		<b>-17,815.4</b>	<b>-17,815.4</b>	<b>-1.6</b>	<b>-14,901.3</b>	<b>-31,203.6</b>	<b>-31,203.6</b>	<b>-2.7</b>	<b>-13,388.2</b>	<b>75.1</b>	<b>-35,828.4</b>	
<b>INTEGRATED BUDGET</b>												
<b>Revenues (3)</b>		<b>183,181.4</b>	<b>183,181.4</b>	<b>16.9</b>	<b>87,356.3</b>	<b>300,224.4</b>	<b>300,224.4</b>	<b>26.3</b>	<b>117,043.0</b>	<b>63.9</b>	<b>332,150.4</b>	<b>-9.6</b>
Domestic Revenues		81,671.5	81,671.5	7.5	32,658.9	108,410.2	108,410.2	9.5	26,738.7	32.7	123,000.0	-11.9
Grants (3)		101,509.9	101,509.9	9.3	54,697.3	191,814.3	191,814.3	16.8	90,304.4	89.0	209,150.4	-8.3
<b>Expenditures</b>		<b>189,389.7</b>	<b>189,389.7</b>	<b>17.4</b>	<b>97,779.1</b>	<b>277,778.9</b>	<b>277,778.9</b>	<b>24.4</b>	<b>88,389.2</b>	<b>46.7</b>	<b>354,077.1</b>	<b>78.5</b>
<b>Balances</b>												
Excluding Grants		-107,718.2	-107,718.2	-9.9	-65,120.2	-169,368.8	-169,368.8	-14.8	-61,650.5	57.2	-231,077.1	
Including Grants (3)		-6,208.3	-6,208.3	-0.6	-10,422.9	22,445.5	22,445.5	2.0	28,653.9	-461.5	-21,926.7	
<b>Financing</b>		<b>0.0</b>			<b>0.0</b>	<b>0.0</b>						
Balance Including Grants		-6,208.3	-6,208.3	-0.6	-10,422.9	22,445.5	22,445.5	2.0	28,653.9	-461.5		
Sale of Land and Buildings		176.8	176.8	0.0	4.2	34.1	34.1	0.0	-142.7	-80.7		
Sale of State Owned Enterprises		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A		
<b>Lending/Borrowing</b>		<b>-6,031.5</b>	<b>-6,031.5</b>	<b>-0.6</b>	<b>-10,418.7</b>	<b>22,479.6</b>	<b>22,479.6</b>	<b>2.0</b>	<b>28,511.1</b>	<b>-472.7</b>		

Source: FPD using AFMIS data downloaded on the 3 February 2014

- 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.

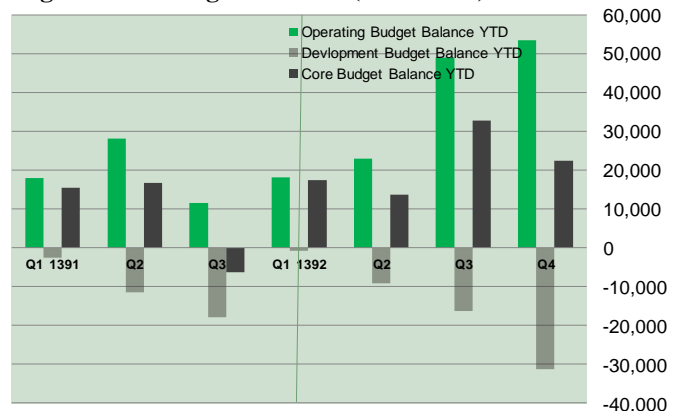
## 1.1 Overall fiscal position

The core budget balance including grants for the 4<sup>th</sup> quarter 1392, showed a deficit of Afs 10.4 billion<sup>1</sup>, while for the YTD it showed a surplus of Afs 22.4 billion. The surplus was partially due to increase in the receipts of development grants.

The operating budget balance was at surplus, Afs 4.5 billion for Q4 1392, and Afs 53.6 billion for the YTD 1392.

The development budget showed a deficit, Afs 14.9 billion for Q4 1392, and Afs 31 billion for the YTD 1392. The increase was due to receipt of large amount of development grants during the 4<sup>th</sup> quarter.

**Figure 1.1 – Budget balances (Afs billion)**



<sup>1</sup> There was no 4<sup>th</sup> quarter for comparison in 1391 as it was a transition year.

## 1.2 Domestic Revenues and Grants

### Domestic Revenues

The total preliminary domestic revenues collected were Afs 32.7 billion during the 4<sup>th</sup> quarter 1392, while for the YTD, total amount of Afs 108.4 billion (9.5 percent of GDP) were collected by end of Q4 1392. This YTD actual collection was far behind the initial revenue target of Afs 123 billion. However, it missed the revised target Afs 114 billion by around 5 billion (or 5 percent).

The shortfall is mainly attributed to slowdown in economic activities associated with Transition in 2014, and its adverse impact on importable goods.

### Grants

Total grants receipts for the 4<sup>th</sup> quarter 1392 were Afs 57.4 billion, of which operating grants were Afs 33.9 billion, and Afs 20.8 billion. Total YTD grants were Afs 191.8 billion (16.8 percent of GDP). Most of the increase in total grants were from operating grants (Afs 143 billion) that were channelled through CSTC-A for Ministry of Defence (Afs 73 billion), and Ministry of Interior (Afs 25 billion), and LOTFA (Afs 27.5 billion).

Figure 1.2 – Total Domestic Revenues

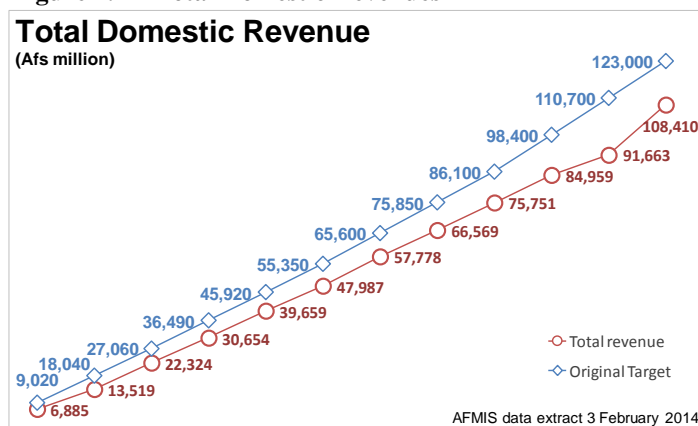
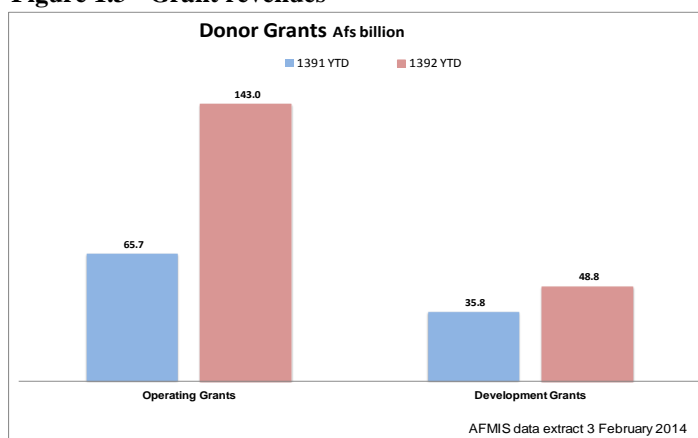


Figure 1.3 - Grant revenues



## 1.3 Expenditures

The total final core budget for 1392 was Afs 348 billion (30 percent of GDP), which was revised down from Afs 354 billion in Mid Year Review. Total core budget expenditures in Q4 1392 were Afs 97.8 billion, while for the YTD 1392, the total spending was Afs 277.8 billion (24.4 percent of GDP).

### Operating Budget

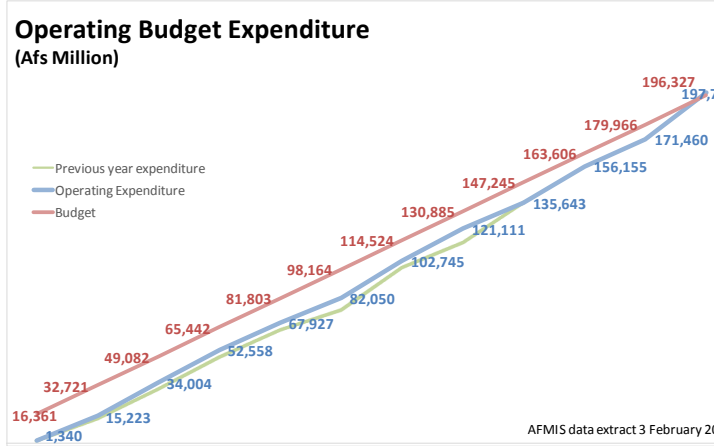
The operating budget was Afs 206.6 billion (18 percent of GDP), which was revised up from Afs 196.3 billion in Mid Year Review. The increase was due to fund transfer from development budget to operating budget during the review of mid year. During the 4<sup>th</sup> quarter, total operating spending was Afs 62.1 billion, while spending on wages and salaries was large portion which made up 63 percent of the total operating spending.

### Development Budget

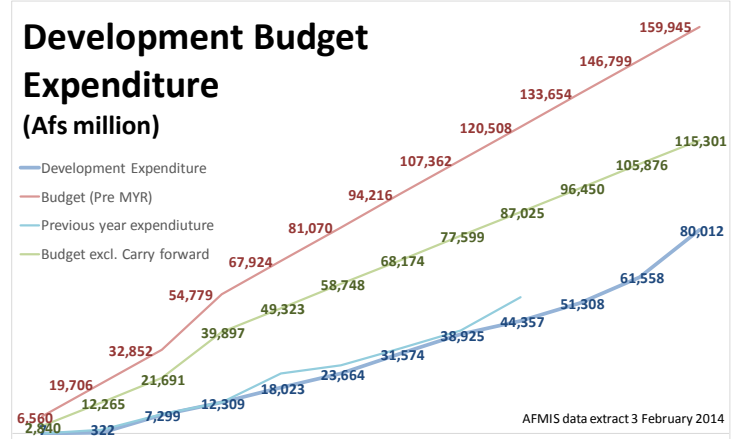
The total development budget was Afs 141.7 billion (12.4 percent of GDP), which was revised down from Afs 157.8 billion. The total development spending during 4<sup>th</sup> quarter 1392 was Afs 35.7 billion, of which discretionary

was Afs 7.9 billion, while non-discretionary was Afs 27.7 billion. The total YTD development spending was Afs 80 billion (7 percent of GDP), which made up 56 percent of total development budget.

**Figure 1.4 – Operating Budget**



**Figure 1.5 – Development Budget**



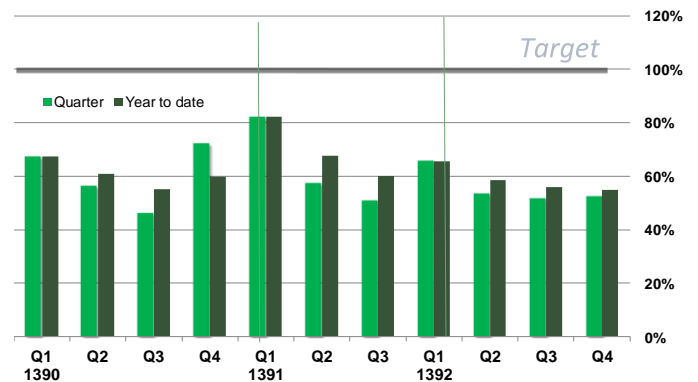
**1.4 Fiscal sustainability**

In Afghanistan’s context, fiscal sustainability is defined as total operating expenditures being covered /financed by total domestic revenues. Fiscal sustainability was a key objective under the IMF and World Bank’s Poverty Reduction and Growth Facility (PRGF) program with Afghanistan. It has remained as one of the key objectives under the Government and IMF’s current economic program, the Extended Credit Facility.

The trend for fiscal sustainability indicator moved down over the last few years (as given by Figure 1.6). the indicator was at 53 percent in Q4 1392 as compared to 72 percent the same period in 1390. Overall, this downward movement was attributed to reduction in revenue growth, and increase in recurrent spending during the period. Since improvement in

fiscal sustainability indicator depends on faster growth in revenue collection compared to the operating spending.

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



## 2 CORE BUDGET REVENUES

Table 2.1 – 1392 Q4 revenues

Code	In millions of Afghanis	1391 Qtr 3 Actual YTD	1391 Annual Actual YTD	1391 %GDP	1392 Qtr 1 Prelim Qtr	1392 Qtr 2 Prelim Qtr	1392 Qtr 3 Prelim Qtr	1392 Qtr 4 Prelim Qtr	1392 Annual Prelim YTD	1392 %GDP	1392 Comparison to 1391 YTD	YTD Target 1392 Qtr 4 YTD	Target - Actual % (+/-)	% Annual Target
<b>CORE BUDGET</b>														
1	REVENUES including grants (1)	183,181.4	183,181.4	16.9	58,880.9	60,602.2	93,385.0	87,356.3	300,224.4	26.3	117,043.0	63.9		
1-19	REVENUES excluding grants	81,671.5	81,671.5	7.5	22,324.1	25,662.8	27,764.3	32,658.9	108,410.2	9.5	26,738.7	32.7	122,790.4	-11.7 88.3
<b>DOMESTIC REVENUES (2) (3)</b>														
11	Tax Revenues	38,505.6	38,505.6	3.5	11,420.3	11,786.3	13,477.1	14,455.7	51,139.3	4.5	12,633.7	32.8	56,749.5	-9.9 90.1
111	Fixed Taxes	8,166.6	8,166.6	0.8	2,552.0	2,635.5	3,012.7	3,340.0	11,540.2	1.0	3,373.6	41.3	12,367.6	-6.7 93.3
112	Income Taxes	13,500.0	13,500.0	1.2	3,995.5	3,844.3	4,791.0	3,591.7	16,222.5	1.4	2,722.6	20.2	17,938.9	-9.6 90.4
113	Property Taxes	221.3	221.3	0.0	71.4	68.9	77.4	72.8	290.5	0.0	69.2	31.3	397.7	-27.0 73.0
114	Sales Taxes	14,840.3	14,840.3	1.4	3,789.0	4,046.7	4,292.5	5,267.9	17,396.1	1.5	2,555.8	17.2	22,692.3	-23.3 76.7
116	Other Taxes	1,449.6	1,449.6	0.1	842.9	1,022.9	1,156.1	2,080.5	5,102.4	0.4	3,652.7	252.0	2,768.7	84.3 184.3
117	Tax Penalties and Fines	327.8	327.8	0.0	169.5	167.9	147.4	102.8	587.6	0.1	259.8	79.3	584.2	0.6 100.6
12	Customs Duty, Import Taxes	21,219.1	21,219.1	2.0	6,388.6	6,283.2	7,128.4	7,551.1	27,351.3	2.4	6,132.1	28.9	34,887.4	-21.6 78.4
13	Non Tax Revenue	18,129.2	18,129.2	1.7	3,992.0	4,527.4	5,811.7	7,199.4	21,530.6	1.9	3,401.4	18.8	25,915.9	-16.9 83.1
131	Income from Capital Property	2,925.2	2,925.2	0.3	123.4	256.8	915.5	440.8	1,736.5	0.2	-1,188.7	-40.6	3,921.0	-55.7 44.3
132	Sales of Goods and Services	7,907.3	7,907.3	0.7	1,393.9	1,169.2	2,229.4	3,218.2	8,010.7	0.7	103.4	1.3	10,518.4	-23.8 76.2
133	Administrative Fees	6,563.9	6,563.9	0.6	2,179.1	2,721.6	2,355.5	3,099.7	10,355.8	0.9	3,791.9	57.8	10,442.6	-0.8 99.2
134	Royalties	187.2	187.2	0.0	63.2	77.0	69.7	101.1	311.0	0.0	123.8	66.1	314.0	-1.0 99.0
135	Non Tax Fines and Penalties	404.4	404.4	0.0	108.4	121.0	185.7	202.4	617.5	0.1	213.2	52.7	720.0	-14.2 85.8
136	Extractive Industry	141.3	141.3	0.0	124.1	181.7	55.9	137.3	499.1	0.0	357.8	253.2	209.6	138.1 367.0
14	Miscellaneous Revenue	1,268.8	1,268.8	0.1	-209.9	2,332.0	293.6	2,430.1	4,845.8	0.4	3,576.9	281.9	1,470.3	229.6 329.6
17	Social Contributions	2,548.7	2,548.7	0.2	733.1	733.9	1,053.5	1,022.7	3,543.2	0.3	994.5	39.0	3,767.3	-5.9 94.1
<b>GRANTS (1)</b>														
191	Foreign Governments	71,720.6	71,720.6	6.6	29,941.9	27,081.6	52,038.7	33,943.8	143,006.0	12.5	71,285.3	99.4		
192	International Organisation	28,781.5	28,781.5	2.7	6,614.9	7,857.8	13,582.0	20,753.6	48,808.3	4.3	20,026.8	69.6		
193	Other Government Units	1,007.7	1,007.7	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-1,007.7	-100.0		
<b>TOTAL OPERATING BUDGET REVENUE</b>		<b>147,386.9</b>	<b>147,386.9</b>	<b>13.6</b>	<b>52,266.0</b>	<b>52,744.4</b>	<b>79,803.1</b>	<b>66,602.7</b>	<b>251,416.1</b>	<b>22.0</b>	<b>104,029.3</b>	<b>70.6</b>		
	Domestic Revenues	81,671.5	81,671.5	7.5	22,324.1	25,662.8	27,764.3	32,658.9	108,410.2	9.5	26,738.7	32.7	122,790.4	-11.7 88.3
	as percentage of total	55.4	55.4		42.7	48.7	34.8	49.0	43.1		25.7			
	External Grant Support	65,715.4	65,715.4	6.1	29,941.9	27,081.6	52,038.7	33,943.8	143,006.0	12.5	77,290.6	117.6		
	as percentage of total	44.6	44.6		57.3	51.3	65.2	51.0	56.9		74.3			

Source: FPD using AFMIS data downloaded on the 3 February 2014

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.

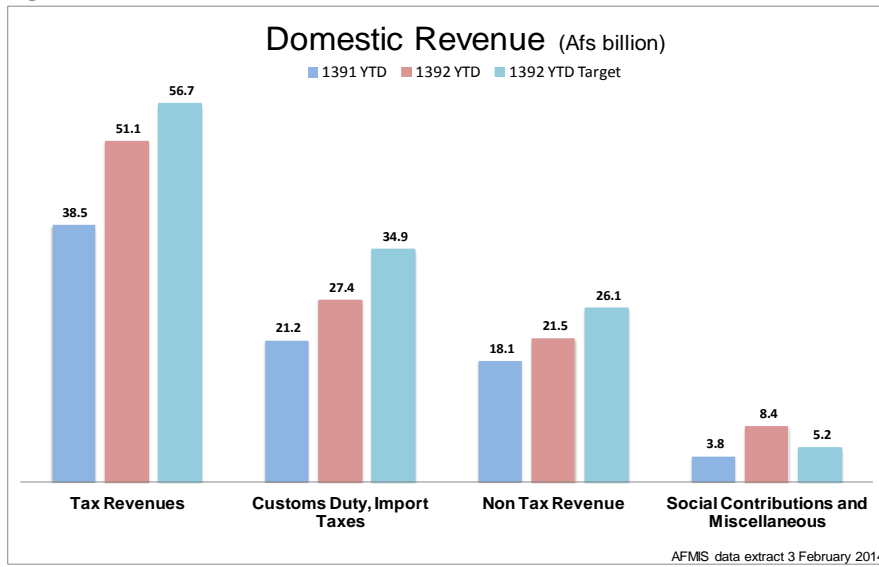
3. In the published budget document, Afs 13.9 billion in domestic revenues are allocated to the development budget in 1392. In order to ensure comparability with actuals, all domestic revenues shown under the development budget in the published budget document have been re-allocated to the operating budget in the above table.

### 2.1 Domestic Revenues

Total domestic revenues were budgeted at Afs 123 billion for 1392, and later revised to Afs 114 billion. This revised target is almost 10 percent of GDP. Of this target Afs 32.7 billion is being collected during fourth quarter of FY 1392. Total year to date revenue till the end of the fourth quarter was Afs 108.4 billion (or 9.5 percent of GDP). This is an increase of Afs 26.7 billion (or 32.7 percent) over the same period in FY 1391 (9-months). However, it shows an increase from the YTD revenue target of Afs 122.8 billion for the four quarters by Afs 14.4 billion (or 11.7 percent). The composition of revenues for FY 1392 is the same as it was for FY 1391. However a new code has been added for the extractive industry for FY 1392. Moreover, the annual revenue target has been broken down to quarterly targets. It is assumed that 22% of the total revenue target will be collected in the first quarter,

23% in the second quarter, 25% in the third quarter and 30% in the fourth quarter. To conclude all 88 percent of the targeted revenue of Afs 122.8 billion was collected in the FY 1392.

**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 3	Qtr 4	Increase	Qtr 3	Qtr 4	Qtr 3	Qtr 4	Qtr 3	Qtr 4	Qtr 3	Qtr 4
	Actual	Prelim		Actual	Prelim	Actual	Prelim	Actual	Prelim	Actual	Prelim
	YTD	YTD		YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
<b>TOTAL REVENUE</b>	<b>81,671.5</b>	<b>108,410.2</b>	<b>32.7</b>	<b>38,505.6</b>	<b>51,139.3</b>	<b>21,219.1</b>	<b>27,351.3</b>	<b>18,129.2</b>	<b>21,530.6</b>	<b>3,817.5</b>	<b>8,389.0</b>
<b>Total Provinces</b>	<b>43,234.9</b>	<b>60,061.3</b>	<b>38.9</b>	<b>16,807.2</b>	<b>21,352.8</b>	<b>19,623.3</b>	<b>25,971.6</b>	<b>4,728.8</b>	<b>7,656.8</b>	<b>2,075.5</b>	<b>5,080.1</b>
Nangarhar	7,987.0	11,436.8	43.2	3,317.5	4,550.1	4,046.0	5,896.8	465.1	757.4	158.4	232.4
Balkh	7,244.7	7,847.4	8.3	2,727.9	2,910.4	3,690.8	3,613.0	560.0	981.1	266.1	342.9
Kandahar	1,459.4	2,297.2	57.4	658.1	1,054.4	504.9	875.0	205.7	255.1	90.7	112.7
Herat	13,299.8	15,416.4	15.9	4,709.9	5,332.6	7,120.6	7,619.6	1,282.0	1,861.0	187.3	603.1
Nimroz	3,553.8	5,703.9	60.5	1,393.3	1,857.9	1,814.3	2,740.5	326.9	683.0	19.3	422.5
Other Provinces	9,690.1	17,359.8	79.1	4,000.5	5,647.5	2,446.8	5,226.6	1,889.2	3,119.2	1,353.6	3,366.5
<b>Central Ministries</b>	<b>38,436.6</b>	<b>48,348.8</b>	<b>25.8</b>	<b>21,698.4</b>	<b>29,786.5</b>	<b>1,595.8</b>	<b>1,379.7</b>	<b>13,400.4</b>	<b>13,873.8</b>	<b>1,742.0</b>	<b>3,308.9</b>

Source: FPD using AFMIS data downloaded on the 3 February 2014

Table 2.2 shows revenue collections by category based on geographic classification (Provinces and Line Ministries). The total YTD revenue collection by all provinces were Afs 60.1 billion higher compared to Afs 43.2 billion collected in 1391. This shows an increase of 38.9 percent. Whereas the central ministries collected Afs 48.3 billion up till the end of fourth quarter, 1392 which shows an increase in the revenue collection by 25.8 percent than the actual collection of Afs 38.4 billion at the same period in 1391 (9-months). The contributions of provinces were higher by 38.9 percent, and were mainly from Nimroz that increased by 60.5 percent, Kandahar by 57.4 percent and Nangarhar by 43.2 percent, and revenue for Herat and Balkh were increased by 15.9 percent and 8.3 percent respectively.



## Tax Categories:

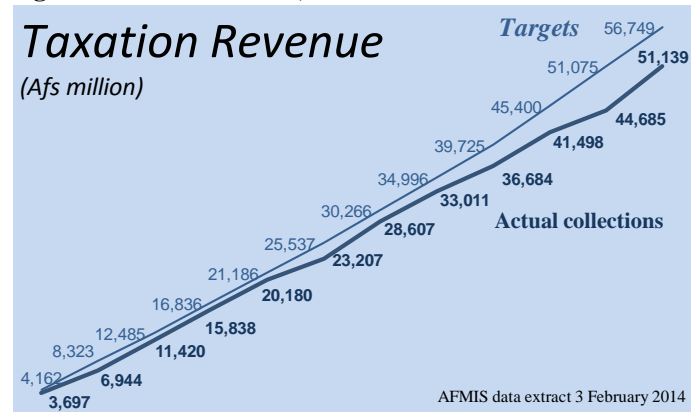
- **Taxation revenue:** Total YTD tax revenue of Afs 51.1 billion were collected by the provinces until the fourth quarter of 1392, lower than the actual collection of Afs 38.5 billion (or decline of 32.8 percent) compared to the same period collection of 1391.
- **Custom duties:** The provincial collection of the YTD custom duties was Afs 27.4 billion; this was higher than the actual revenue collection of Afs 21.2 billion in 1391 by 28.9 percent.
- **Non-Tax Revenues:** The YTD non-tax revenue has increased significantly to Afs 21.5 billion, increase of Afs 3.4 billion from the 1391 same period.

### 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 of the main contributor item in to domestic revenue. Total tax revenue of Afs 51.1 billion (or 4.5 percent of GDP) was collected till fourth quarter of 1392, which shows an increase of Afs 12.6 billion or 32.8 percent collected at the same period in 1391 (9 months). The increase was because of the fixed tax by 41.3 percent and from the sales tax category by 20.2 percent, income and sales tax and the other tax categories were also increased slightly compared to the tax collection in 1391. The tax collection in the fourth quarter was Afs 14.5 billion where income tax made the highest contribution of Afs 3.5 billion.

Income tax was a major contributor to the total tax 32 percent which is higher than the actual income tax collected at the same period in 1391. Total sales taxes of Afs 3.3 billion were collected in the fourth quarter of 1392.

Figure 2.2 - Tax revenues, Afs billion



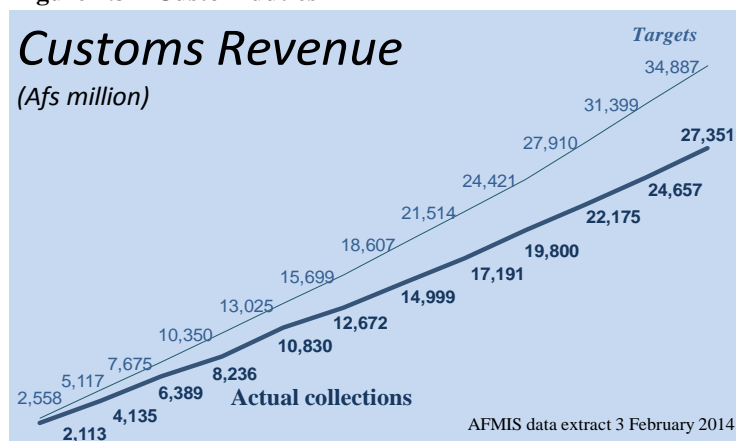
### 2.4 Customs duties and import taxes

Total of Afs 7.6 billion (or 2.6 percent of GDP) was collected as customs duties that accounted for 23.2 percent of the total domestic revenues in the 4th quarter of 1392, higher compared to custom duties of Afs 7.1 billion collected during the 3th quarter of the same year. On year to date, custom duties of Afs 27.4 billion (2.4 percent of GDP) were collected till the end of the fourth quarter. This shows a increase of around 28.9 percent compared to the total collection of Afs 21.2 billion at the same time in 1391. The main reasons given for the increase was from the transition in the fiscal year, however, the overall imported goods at various custom offices has been declined. 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.

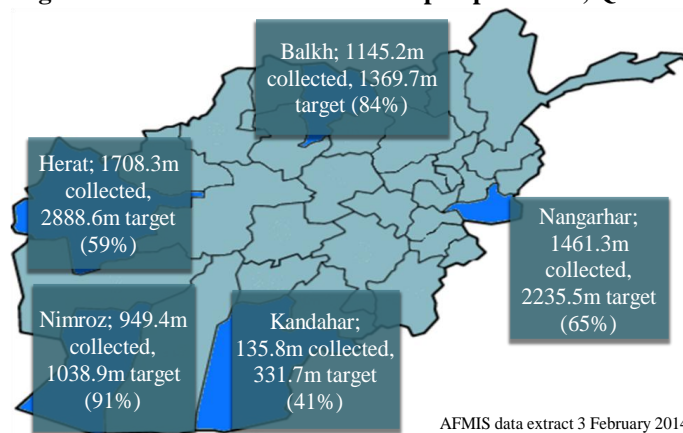
- Herat customs office collected Afs 1.7 billion in the fourth quarter of 1392, this was 59 percent of the total quarterly target to be collected by Herat custom offices. However, the decline in custom duties was partially attributed to the ban on old-model vehicles that were imported via Herat customs.
- Balkh customs office collected Afs 1.1 billion. The custom duties in Balkh custom also fell behind its quarterly target of Afs 1.4 billion by 16 percent.
- Kandahar customs collected Afs 135.8 million. The custom duties from the Kandahar customs also fell behind its quarterly target by 41 percent.
- Nimroz customs office collected Afs 949.4 million of custom duties and missing the quarterly target by 9 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, Q4**



## 2.5 Non-tax revenues

Non-tax revenues consist of income from capital property, sales of goods and services, administrative fees, royalties, non-tax penalties and fines and extractive industries.

Total non-tax revenues during first four quarters of FY 1392 amounted to Afs 21.5 billion, compared to the target of Afs 25.9 billion, which is short by Afs 4.4 billion (or 16.9 percent). During the fourth quarter of FY 1392 only Afs 7.2 billion were collected. About Afs 3.1 billion of the fourth quarter non-tax revenue came from Administrative Fees, while Afs 3.2 billion came from Sales of Goods and Services.

Figure 2.5 – Non-tax revenues, Afs millions

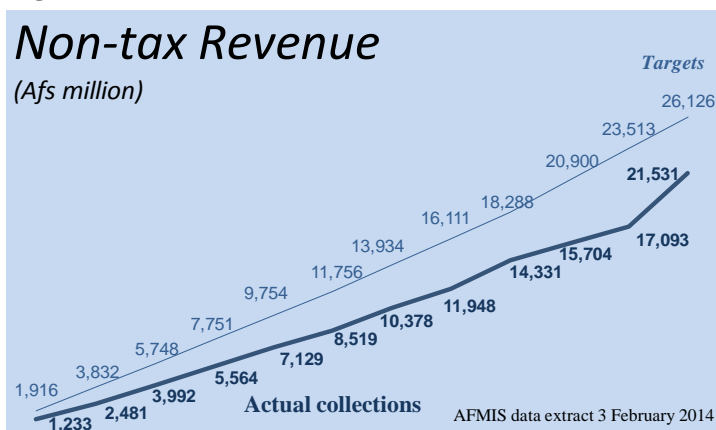
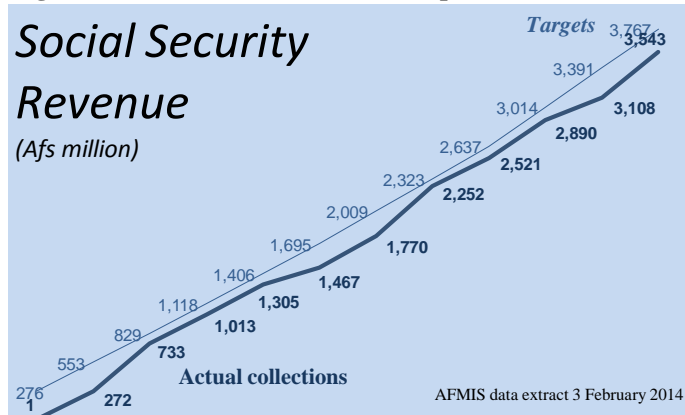


Figure 2.6 – Social Contribution receipts, Afs millions



## 2.6 Social Contributions

Social contribution is revenue collected from government employees for retirement and pension purposes. Revenue collected during the fourth quarter of FY 1392 was about Afs 1 billion. This is slightly more than what was collected during the fourth quarter of the previous fiscal year. The year-to-date revenue collected during the period amounted to Afs 3.5 billion which is lower against the target of Afs 3.7 billion by 6 percent. The year-to-date collection of FY 1392 was being increase by almost Afs 1 billion (or increase of 39 percent) than the revenue collection in FY 1391.

## 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 3 Actual YTD	Qtr 4 Prelim YTD	Increase	Qtr 3 Actual YTD	Qtr 4 Prelim YTD	Qtr 3 Actual YTD	Qtr 4 Prelim YTD	Qtr 3 Actual YTD	Qtr 4 Prelim YTD	Qtr 3 Actual YTD	Qtr 4 Prelim YTD
<b>11 TOTAL REVENUE</b>	<b>81,671.5</b>	<b>108,410.2</b>	<b>32.7</b>	<b>38,505.6</b>	<b>51,139.3</b>	<b>21,219.1</b>	<b>27,351.3</b>	<b>18,129.2</b>	<b>21,530.6</b>	<b>3,817.5</b>	<b>8,389.0</b>
<b>Ministry of Finance</b>	<b>58,988.1</b>	<b>79,547.4</b>	<b>34.9</b>	<b>33,606.8</b>	<b>45,150.6</b>	<b>21,219.1</b>	<b>27,351.2</b>	<b>2,304.9</b>	<b>2,820.6</b>	<b>1,857.2</b>	<b>4,224.9</b>
Mustofiats (1)	6,717.1	7,137.2	6.3	3,098.5	3,203.0	0.0	0.0	1,802.5	374.9	1,816.1	3,559.3
Customs (1)	31,134.6	41,572.1	33.5	9,457.4	11,333.3	21,219.1	27,351.2	437.0	2,402.4	21.0	485.3
Large Taxpayer Office (LTO)	13,431.1	17,919.5	33.4	13,406.4	17,916.1	0.0	0.0	4.8	0.9	19.9	2.5
Medium Taxpayer Office	7,705.3	11,725.0	52.2	7,644.5	11,693.6	0.0	0.0	60.6	31.4	0.2	-0.0
Small Taxpayer Office	0.0	1,193.5	0.0	0.0	1,004.6	0.0	0.0	0.0	11.1	0.0	177.8
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)				29,048.2	39,806.1						
Total LTO collections as % of total taxation collections by ARD				46.2	45.0						
<b>Other Ministries</b>	<b>22,683.4</b>	<b>28,862.8</b>	<b>27.2</b>	<b>4,898.8</b>	<b>5,988.8</b>	<b>0.0</b>	<b>0.0</b>	<b>15,824.3</b>	<b>18,710.0</b>	<b>1,960.3</b>	<b>4,164.1</b>
Ministry of Transport and Aviation	3,058.5	4,520.3	47.8	0.0	4.5	0.0	0.0	3,058.3	4,515.8	0.2	0.0
Ministry of Interior	2,262.3	2,860.6	26.4	974.8	1,071.8	0.0	0.0	1,245.1	1,774.0	42.4	14.8
Ministry of Communication	3,972.2	3,256.9	-18.0	0.0	0.0	0.0	0.0	3,972.0	3,253.7	0.2	3.2
Ministry of Foreign Affairs	1,035.0	1,495.0	44.5	-3.9	0.0	0.0	0.0	1,037.1	1,491.8	1.7	3.2
Ministry of Martyrs, Disabled and Social A	1,243.6	2,346.9	88.7	-0.6	0.0	0.0	0.0	140.4	207.3	1,103.8	2,139.6
Other Budgetary Units	4,740.4	11,593.1	144.6	3,928.4	4,787.0	0.0	0.0	-0.0	4,841.7	811.9	1,964.4

Source: FPD using AFMIS data downloaded on the 3 February 2014

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

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

The Ministry of Finance was able to collect about Afs 79.5 billion of revenues during the 4th quarter through its Customs offices, Taxpayer offices, Mustofiats and other departments. This revenue collection was higher when compared to the collection of Afs 59 billion of the previous fiscal year by 34.9 percent. Revenue collected by MoF makes up about 73 percent of total revenues collected.

Revenues from Mustofiats, Customs office, the Large Taxpayer Office, Medium Taxpayer Office has increased compared to the previous fiscal year by 6.3 percent, 33.5 percent, 33.4 percent and 52.2 percent respectively.

Revenues from other ministries increased till the fourth quarter by Afs 6.2 billion to Afs 28.9 billion in FY 1392 compared to the previous fiscal year. The total revenue collected by other line ministries till the fourth quarter was 27.2 percent higher. Of this revenue, the Ministry of Transport and Aviation collected about Afs 4.5 billion, while Afs 2.9 billion was collected by the Ministry of Interior Affairs and Afs 3.3 billion by the Ministry of Communication which showed a decline of 18 percent compared to the previous year.

## **2.8 Grants**

Donor grants support to the major part of the core budget which finance major expenditures items in the operating budget, such as security related expenditures and this almost covers a huge part of the development budget where as a small proportion of the development budget is also financed by concessional loans and domestic resources.

During fourth quarter of 1392, total year to date core budget grants received Afs 191.8 billion which accounts for about 75 percent of total domestic revenue by the end of fiscal year 1392, meanwhile this shows an increase of Afs 90.3 billion when compared to grants receipts in 1391, this increase is mainly because of 9 months in the previous year.

### ***Operating Grants***

The Government of Afghanistan is working hard on domestic resources with new tax measures to improve domestic revenues collection in order to finance the public operating expenditure to a greater extent and achieve fiscal sustainability. However, still there is big gap between government domestic resource and huge expenditures, thus this gap has been filled up by donor grants and concessional loans.

Total operating grants which was disbursed during the fourth quarter of 1392 is Afs 33.9 billion, This was mainly contributed for operating grants by the Afghanistan Reconstruction Trust Fund (ARTF), (Afs 2.5 billion), Law and Order Trust Fund for Afghanistan (LOTFA), (Afs 5.8 billion), Combined Security Transition Command –Afghanistan (CSTC-A) for Ministry of Defence (Afs 16.2 billion) and CSTC-A for Ministry of Interior (Afs 6.4 billion).

Figure 2.7 - Operating grant revenues, Afs billions

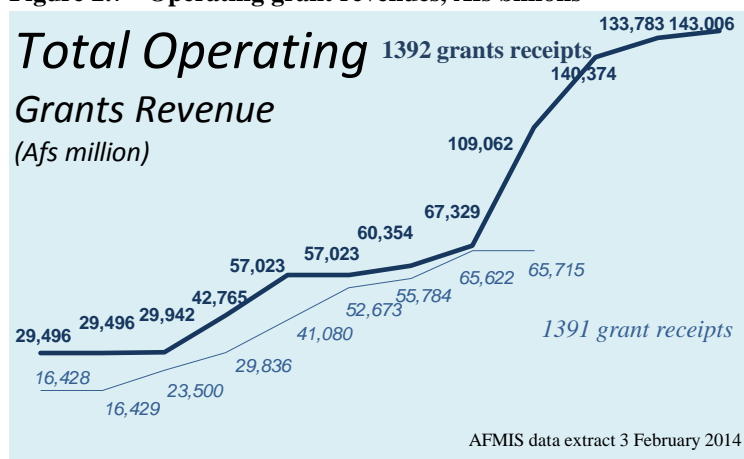


Table 2.4 - Operating grants, Afs millions

All Values are in Million Afs		1391	1391	1391	1392	1392	1392	1392
		Qtr 3	Qtr 3	% of Total	Qtr 3	Qtr 4	Qtr 4	% of Total
		Qtr	YTD		Qtr	Qtr	YTD	
10001	Afghanistan Reconstruction Trust Fund (ARTF)	3,994	14,239	22%	3,204	2,536	14,157	10%
10002	Law & Order Trust Fund (LOTFA)	5,844	18,837	29%	6,975	5,760	27,525	20%
10004	Combined Security Transitional Command Afghanistan (CSTC-A) MoD	962	25,996	40%	32,582	16,232	73,111	52%
10005	Combined Security Transitional Command Afghanistan (CSTC-A) Mol	2,128	6,508	10%	9,152	6,392	24,590	18%

AFMIS data extract 3 February 2014

### Development Grants

The total development grant receipts for the fourth quarter 1392 was about Afs 20.8 billion. Table 2.4 shows the ten largest development projects which have been financed through grants during the fourth quarter of FY1392.

World Bank is amongst the main donors which disbursed Afs 3.8 billion through the ARTF for the **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 provided about Afs 576 million for improving health services for the rural areas .

The second largest project which received development grants during the fourth quarter of 1392, is **The Rehabilitation of the Maidan Shar Bamyan Road** which is funded by various donors. The third largest development grant received for the **Second Education Quality improvement project** is funded by the Afghanistan Reconstruction Fund (ARTF) was Afs 1.5 billion. The remaining projects such as Agriculture Development Fund, Energy Sector Development Program, Health Services also funded by US&USAID and Multi donors to support and improve education quality and agriculture programs for the people.

Figure 2.8 - Development grant revenues, Afs billions

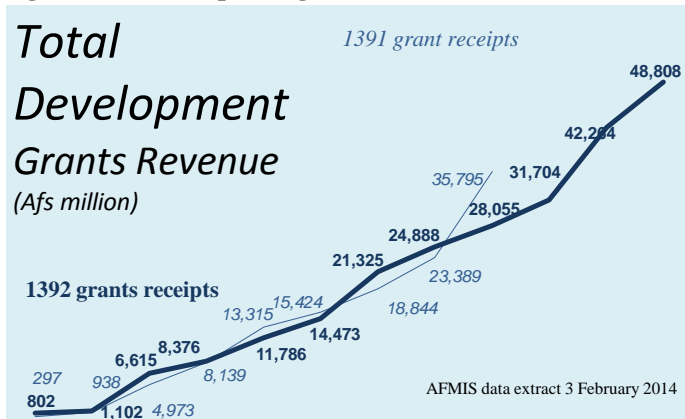


Table 2.5 - 10 largest development grant receipts in Q4, Afs million

TF098459-AF Third Emergency National Solidarity Project	ARTF	3,779
Rehabilitaion Of The Maidan Shar-Bamyan Road (Remambar)	Multi Donor Grants	1,676
93962-Second Education Quality Imporvement Project	ARTF	1,456
IL#16 Agricultural Development Fund	US & USAID	1,150
INL on budget disbursements for good Performers Initiative 5-6-2012	US & USAID	1,049
Q134-AFG Engery Sector Development Program	Asian Development Bank	935
MOPH Partnership Contracts For Health Services Program ( SOAG 306-07-00 II#7 )	US & USAID	900
H61 Af Irrigation Restoration and Development Project	Multi Donor Grants	858
Primary Education Program Support (Moe) - Denmark	Multi Donor Grants	721
H792- Aghanistan Rural Access Project	World Bank - Others	574

AFMIS data extract 3 February 2014

### 3 CORE BUDGET EXPENDITURES

Table 3.1 – 1392 Q4 expenditures

Code	In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	Comparison to Budget			1392 Comparison to 1391 YTD	
		Qtr 3 Actual YTD	Annual Actual	%GDP	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	%GDP	Revised Budget	Current Allocated Budget (4)	% Allocated Budget	Change	Increase %
2	<b>TOTAL GROSS EXPENDITURES</b>	189,389.7	189,389.7	17.4	74,286.0	97,779.1	277,778.9	24.4	348,244.0	367,065.8	75.7	88,389.2	46.7
	Operating Budget	135,779.9	135,779.9	12.5	53,593.2	62,124.3	197,767.0	17.3	206,585.0	223,596.5	88.4	61,987.2	45.7
	Development Budget	53,609.9	53,609.9	4.9	20,692.8	35,654.8	80,011.9	7.0	141,659.0	143,469.4	55.8	26,402.0	49.2
	Discretionary Budget	15,049.9	15,049.9	1.4	5,712.4	7,946.3	18,929.1	1.7	44,810.6	43,184.9	43.8	3,879.2	25.8
	Non-discretionary Budget	38,560.0	38,560.0	3.6	14,980.4	27,708.5	61,082.8	5.4	96,848.4	100,284.4	60.9	22,522.8	58.4
2*	<b>TOTAL NET EXPENDITURES (2)</b>	189,212.9	189,212.9	17.4	74,281.0	97,774.9	277,744.8	24.4			N/A	88,531.9	46.8
2-25	<b>RECURRENT EXPENDITURES</b>	153,781.5	153,781.5	14.2	61,616.0	76,196.1	229,083.7	20.1	N/A	274,923.2	83.3	75,302.2	49.0
21	<b>Compensation of Employees</b>	98,369.4	98,369.4	9.1	37,377.5	38,990.4	139,475.2	12.2	138,866.5	143,525.8	97.2	41,105.8	41.8
	Operating Budget	98,369.4	98,369.4	9.1	37,377.5	38,990.4	139,475.2	12.2	138,866.5	143,525.8	97.2	41,105.8	41.8
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
22	<b>Use of Goods and Services</b>	47,001.0	47,001.0	4.3	21,191.3	34,357.6	77,893.6	6.8	N/A	107,166.9	72.7	30,892.6	65.7
	Operating Budget	25,183.8	25,183.8	2.3	10,746.9	16,217.9	38,194.3	3.3	41,202.4	44,658.3	85.5	13,010.5	51.7
	Development Budget	21,817.2	21,817.2	2.0	10,444.4	18,139.7	39,699.3	3.5	N/A	62,508.6	63.5	17,882.1	82.0
23	<b>Interest (1)</b>	90.4	90.4	0.0	75.8	95.9	268.1	0.0	1,300.0	1,500.0	17.9	177.7	196.6
	Operating Budget	90.4	90.4	0.0	75.8	95.9	268.1	0.0	1,300.0	1,500.0	17.9	177.7	196.6
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
24	<b>Subsidies and Transfers</b>	8,320.7	8,320.7	0.8	2,971.4	2,752.1	11,446.8	1.0	21,515.4	22,730.4	50.4	3,126.1	37.6
	Operating Budget	8,320.7	8,320.7	0.8	2,971.4	2,752.1	11,446.8	1.0	21,515.4	22,730.4	50.4	3,126.1	37.6
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
25	<b>ACQUISITION OF ASSETS</b>												
25	<b>Gross Acquisition of Nonfinancial Assets</b>	35,608.3	35,608.3	3.3	12,670.0	21,583.1	48,695.2	4.3	N/A	92,142.7	52.8	13,087.0	36.8
	Operating Budget	3,815.6	3,815.6	0.4	2,421.6	4,068.0	8,382.6	0.7	3,700.8	11,181.9	75.0	4,567.1	119.7
	Development Budget	31,792.7	31,792.7	2.9	10,248.4	17,515.1	40,312.6	3.5	N/A	80,960.8	49.8	8,519.9	26.8
25*	<b>Net Acquisition of Nonfinancial Assets (2)</b>	35,431.4	35,431.4	3.3	12,665.0	21,578.9	48,661.1	4.3			N/A	13,229.7	37.3
	Operating Budget	3,638.7	3,638.7	0.3	2,416.6	4,063.8	8,348.5	0.7			N/A	4,709.8	129.4
	Development Budget	31,792.7	31,792.7	2.9	10,248.4	17,515.1	40,312.6	3.5			N/A	8,519.9	26.8

Source: FPD using AFMIS data downloaded on the 3 February 2014

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.

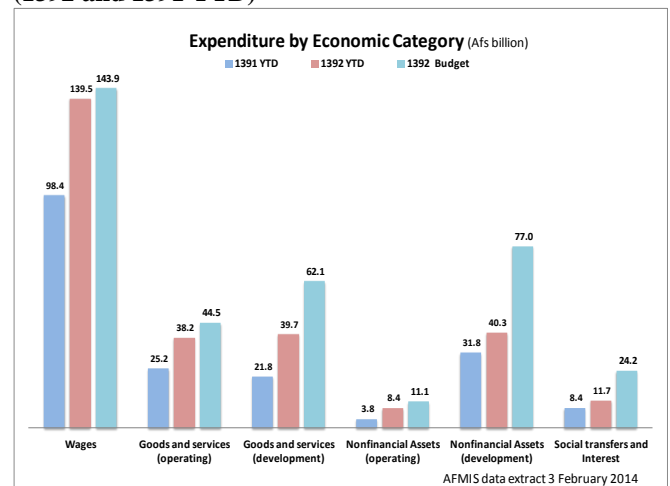
4/ Total allocated budget is the same as the Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget

#### 3.1 Overview of Core Budget and Expenditures

Core Budget for the fiscal year 1392 was Afs 354 billion. However, this was revised down during the Mid Year Review and reduced to Afs 348.2 billion which is 30.5 percent of GDP. The core budget is split into the operating and development budgets, of which Afs 206.6 billion has been allocated to the operating budget and Afs 141.7 billion to the development budget. The preliminary year-to-date gross expenditures up to the fourth quarter of 1392 was almost Afs 277.8 billion or about 80 percent of the revised budget for the year. Whereas, expenditures for the fourth quarter of 1392 was about Afs 97.8 billion. This shows an increase of 32 percent compared to the third quarter of the same period of Afs 74.2 billion. To compare this with the year-to-date expenditures of Afs 189.4 billion in 1391, this shows an increase of 46.7 percent by an Afs 88.4 billion. The increase in budget execution is mainly due to the expenditure cuts of 3 percent across-the-board of all line ministries to better implement their planned activities. However,

the overall year-to-date development budget expenditures of 1392 remained lower at an Afs 80 billion with a 56 percent execution rate.

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



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

The Operating budget has gradually increased over the past decade. The original operating budget of Afs 196.3 billion was revised during the mid year review and increased to Afs 206.6 billion or 18.0 percent of GDP. Our preliminary estimates show that Afs 197.8 billion of the operating budget was spent till the end of the fourth quarter, this year operating expenditure was Afs 61.9 billion or 45 percent higher compared to actual expenditures in FY1391. However, it should be noted that the last fiscal year was only nine months. Additionally, across-the-board 3.0 percent cut from all ministries budget caused a reduction of government operating expenses by almost 4.0 billion. However, the increase of Afs 11.7 billion in the operating budget during the mid-year review was due to transfers from the development budget to the operating budget for the Ministry of Interior and the Ministry of Defense where the increased amount will be allocated to goods & services (code 22) for MoI and capital expenditures (code 25) for MoD.

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

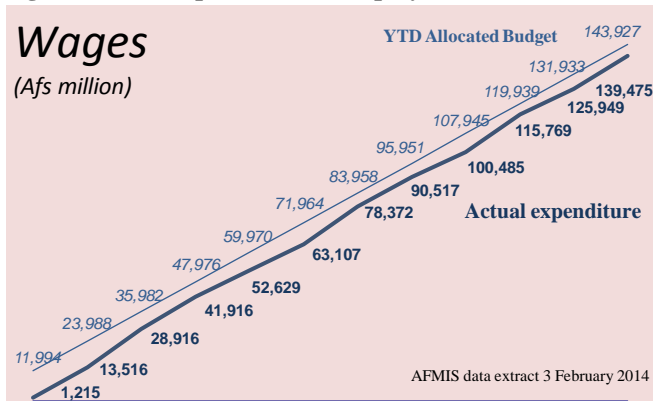
Compensation of employees include wages and salaries, food for employees, transportation, advance payments and some minor social benefits. Wages and salaries cover huge portion of 67 percent of the operating budget. Wages and salaries were Afs 39 billion in 4th quarter of 1392. While the YTD Wages and salaries were at about Afs 138.9 billion (or 12.2 percent of GDP). This is 41.8 percent or Afs 41.1 billion higher over the previous year spending on wages and salaries. Reason for high increase in wages and salaries is due to the implementation of the Pay and Grading reforms which lead to increase civil servants employees and pension benefits. To ensure that Afghanistan is to approach its MDG objectives is to increase spending on its education, health and justice sector and to reach the service in to unsecured areas of the country. Therefore, government hires 10,000 new teachers and some recruitment in the health and justice to smoothly deliver the service geared up to population increase each year. Similarly, Civil Service tashkeel for other sector is also projected to grow with the increase in the population growth. These are some of the many pressures on our operating expenditures.

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

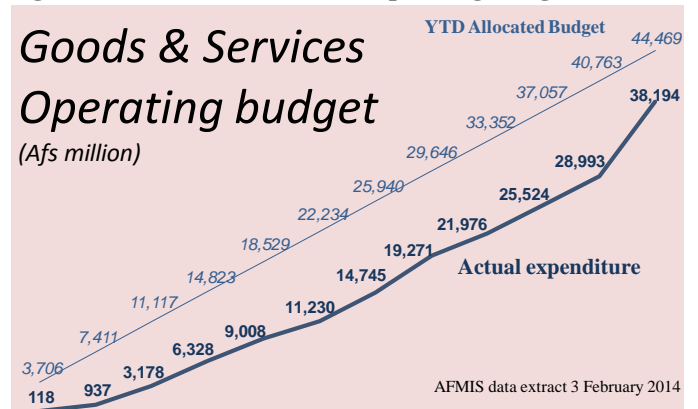
This category includes travel, communication, contracted services, repairs and maintenance, utilities, and fuel. In 1392 budget, Total spending on Goods and Services were at about Afs 38.2 billion or 3.3 percent of GDP. Spending on goods and services in the fourth quarter of 1392 were about Afs 16.2 billion. Looking at the aggregate YTD execution level this year we spending was Afs 13 billion or 51.7 percent higher compared to last year, but still lower than the YTD allocated budget target.



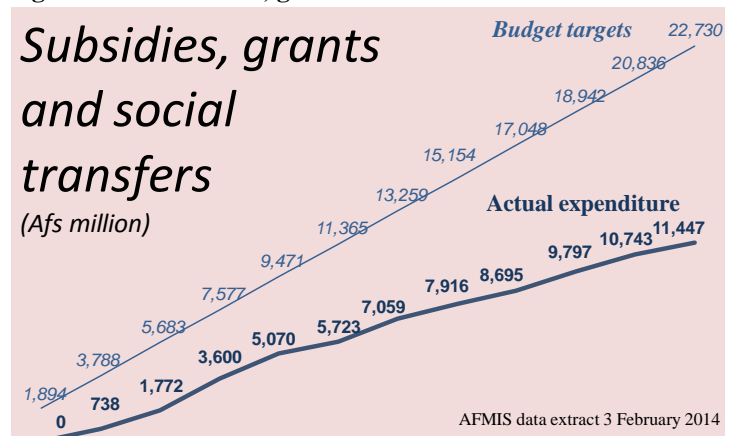
**Figure 3.2 - Compensation of employees**



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



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



**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 fourth quarter of 1392, total expenditures on this category were Afs 2.8 billion. Although, on the YTD basis this was Afs 11.4 billion 37.6 percent higher compared to spending at the same period last year.

**Interest Payments**

This category is only a small portion of the total operating expenditures of the Government, mainly because the Government has only a small amount of concessional loans in terms of foreign debt. These loans are most of the time given to the Afghan Government on a concessional basis to finance its development projects. This excludes principal repayments.

In the fourth quarter of 1392, expenditures on this category was an Afs 95.9 million. While the year-to-date expenses on this category was Afs 268.1 million, which is almost a two-fold increase compared to the interest payment in 1392 (Afs 90.4 million).

## Acquisition of Non-Financial Assets

Expenditures on this category usually occurs from the development budget. In addition, there are also some small amount of expenditures on the acquisition of non-financial assets from the operating budget. During fourth quarter of 1392, gross acquisition of non-financial assets from the operating budget was Afs 4.1 billion, while, on the YTD basis spending was an Afs 8.3 billion which doubled compared to spending in 1391.

### 3.3 Operating Budget by ANDS Sector and Ministry

Expenditures on this category usually occurs from the development budget. In addition, there are also some small amount of expenditures on the acquisition of non-financial assets from the operating budget. During fourth quarter of 1392, gross acquisition of non-financial assets from the operating budget was Afs 4.1 billion, while, on the YTD basis spending was an Afs 8.3 billion which doubled compared to spending in 1391.

**Table 3.2 – Operating Expenditures by Sector and Largest Ministry (1392 and 1391 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 3	1392 Qtr 4	% Change	Current allocated Budget	1392 YTD as % of Budget	1391 Qtr 3	1392 Qtr 4	1391 Qtr 3	1392 Qtr 4	1391 Qtr 3	1392 Qtr 4	1391 Qtr 3	1392 Qtr 4
	Actual YTD	Prelim YTD		1391 (2)	Budget	Actual YTD	Prelim YTD	Actual YTD	Prelim YTD	Actual YTD	Prelim YTD	Actual YTD	Prelim YTD
<b>TOTAL</b>	<b>135,779.9</b>	<b>197,767.0</b>	<b>45.7</b>	<b>206,585.0</b>	<b>95.7</b>	<b>98,369.4</b>	<b>139,475.2</b>	<b>25,183.8</b>	<b>38,194.3</b>	<b>3,815.6</b>	<b>8,382.6</b>	<b>8,411.1</b>	<b>11,714.9</b>
<b>Total Security</b>	<b>81,660.6</b>	<b>122,342.6</b>	<b>49.8</b>	<b>133,979.7</b>	<b>91.3</b>	<b>66,680.4</b>	<b>92,990.6</b>	<b>11,050.7</b>	<b>21,734.0</b>	<b>2,929.5</b>	<b>6,718.0</b>	<b>1,000.0</b>	<b>900.0</b>
Ministry of Interior	36,207.0	50,271.0	38.8	52,996.0	94.9	28,266.5	37,355.0	5,196.2	8,686.3	1,744.2	3,329.8	1,000.0	900.0
Ministry of Defence	37,465.2	58,084.7	55.0	67,247.7	86.4	32,485.3	45,199.2	3,841.3	9,548.7	1,138.6	3,336.9	0.0	-0.0
General Directorate of National Security	5,089.3	9,596.9	88.6	9,596.9	100.0	4,133.4	7,857.4	931.9	1,715.0	24.0	24.5	0.0	0.0
Ministry of Foreign Affairs	2,094.3	3,250.4	55.2	3,077.0	105.6	1,146.9	1,645.9	932.0	1,583.5	15.4	21.0	0.0	0.0
Other Ministries	804.7	1,139.6	41.6	1,062.2	107.3	648.2	933.2	149.3	200.6	7.3	5.8	0.0	0.0
<b>Total Governance, Rule of Law and Human F</b>	<b>8,820.9</b>	<b>12,572.8</b>	<b>42.5</b>	<b>13,124.1</b>	<b>95.8</b>	<b>5,666.5</b>	<b>8,071.1</b>	<b>2,225.4</b>	<b>3,195.3</b>	<b>509.9</b>	<b>980.4</b>	<b>419.2</b>	<b>326.1</b>
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	1,324.3	1,773.6	33.9	1,816.3	97.7	858.3	1,221.1	333.1	499.0	133.0	53.5	0.0	0.0
Administrative Affairs	1,312.4	1,949.1	48.5	1,890.3	103.1	376.8	741.8	468.5	612.5	48.3	288.1	418.7	306.7
Supreme Court	1,034.4	1,510.7	46.0	1,507.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ministry of Justice	411.7	581.8	41.3	612.9	94.9	304.9	411.4	101.7	165.3	4.6	5.0	0.4	-0.0
Other Ministries	4,738.0	6,757.6	-127.3	7,297.1	-199.9	4,126.5	5,696.8	1,322.1	1,918.5	323.9	633.7	0.0	19.4
<b>Total Infrastructure and Natural Resources</b>	<b>3,121.3</b>	<b>4,956.4</b>	<b>58.8</b>	<b>5,293.9</b>	<b>93.6</b>	<b>1,574.5</b>	<b>2,235.9</b>	<b>1,446.1</b>	<b>2,443.4</b>	<b>100.7</b>	<b>277.0</b>	<b>-0.0</b>	<b>-0.0</b>
<b>Total Education</b>	<b>23,340.4</b>	<b>33,701.8</b>	<b>44.4</b>	<b>34,020.2</b>	<b>99.1</b>	<b>19,985.7</b>	<b>29,094.1</b>	<b>3,225.6</b>	<b>4,529.8</b>	<b>129.1</b>	<b>77.9</b>	<b>-0.0</b>	<b>-0.0</b>
Ministry of Education	20,232.7	29,195.6	44.3	29,457.8	99.1	18,321.3	26,489.1	1,826.0	2,653.1	85.4	53.4	-0.0	-0.0
Ministry of Higher Education	2,212.1	3,152.9	42.5	3,195.2	98.7	1,162.9	1,824.3	1,030.5	1,316.2	18.8	12.4	0.0	-0.0
Other Ministries	895.6	1,353.4	-42.4	1,367.2	-98.7	501.5	780.8	369.1	560.5	24.9	12.1	0.0	0.0
<b>Total Health</b>	<b>1,799.1</b>	<b>3,115.9</b>	<b>73.2</b>	<b>3,475.2</b>	<b>89.7</b>	<b>1,261.2</b>	<b>1,941.9</b>	<b>507.4</b>	<b>1,102.6</b>	<b>30.5</b>	<b>71.5</b>	<b>0.0</b>	<b>0.0</b>
Ministry of Public Health	1,799.1	3,115.9	73.2	3,475.2	89.7	1,261.2	1,941.9	507.4	1,102.6	30.5	71.5	0.0	0.0
<b>Total Agriculture and Rural Development</b>	<b>1,427.1</b>	<b>2,303.5</b>	<b>61.4</b>	<b>2,472.9</b>	<b>93.1</b>	<b>1,061.6</b>	<b>1,475.4</b>	<b>357.0</b>	<b>706.9</b>	<b>8.5</b>	<b>121.2</b>	<b>0.0</b>	<b>-0.0</b>
Ministry of Agriculture	923.7	1,487.7	61.1	1,611.4	92.3	719.4	1,004.0	199.5	463.2	4.7	20.5	0.0	0.0
Other Ministries	503.4	815.8	0.4	861.5	0.8	342.2	471.4	157.4	243.8	3.8	100.6	0.0	-0.0
<b>Total Social Protection</b>	<b>8,041.2</b>	<b>12,416.3</b>	<b>54.4</b>	<b>12,636.3</b>	<b>98.3</b>	<b>983.8</b>	<b>1,377.5</b>	<b>558.6</b>	<b>865.8</b>	<b>36.0</b>	<b>24.0</b>	<b>6,462.8</b>	<b>10,149.0</b>
Ministry of Martyrs, Disabled and Social Affairs	7,410.4	11,470.0	54.8	11,625.2	98.7	623.2	840.3	298.7	476.6	25.7	4.2	6,462.8	10,149.0
Other Ministries	630.8	946.3	-0.4	1,011.1	-0.4	360.6	537.2	259.9	389.2	10.2	19.9	0.0	0.0
<b>Total Economic Gov. and Private Sector</b>	<b>7,569.3</b>	<b>6,357.7</b>	<b>-16.0</b>	<b>6,256.0</b>	<b>101.6</b>	<b>1,155.8</b>	<b>2,269.4</b>	<b>5,812.9</b>	<b>3,616.4</b>	<b>71.3</b>	<b>112.7</b>	<b>529.2</b>	<b>359.2</b>
Ministry of Finance	5,928.3	5,455.5	-8.0	5,286.8	103.2	780.2	1,685.1	4,575.6	3,336.6	43.3	74.7	529.2	359.2
Other Ministries	1,641.0	902.1	-8.0	969.3	-1.6	375.6	584.3	1,237.3	279.8	28.0	38.0	0.0	0.0

Source: FPD using AFMIS data downloaded on the 3 February 2014

(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.

following are the main sectors which have highest expenditures by the end of the fourth quarter of 1392.

Security Sector: is the main spending sector in this category with a total allocated budget of Afs 133.9 billion (11.8 percent of GDP). Total year-to-date expenditures by the end of fourth quarter of 1392 was Afs 122.3 billion, which is highest among all sectors and also compared to the previous year spending. Ministry of Defense and Ministry of Interior covered about 88 percent of expenditures in this sector and expenditures by this key

ministries were Afs 58.1 and Afs 50.3 billion respectively. From the total budget in the security sector, almost 76 percent was spent on wages and salaries and 18 percent was spent on goods and services.

Education Sector: is the second highest in terms of spending after security, total year-to-date expenditures by the end of the fourth quarter 1392 was Afs 33.7 billion which is 44.4 percent higher compared to the same period in FY1391. The Ministry of Education is the highest in terms of spending in this sector which covered almost 87 percent of overall spending (Afs 29.2 billion). The increase in the Ministry of Education operating expenditure is mainly due to the additional recruitment of teachers and civil servants, implementation of some reforms and the increase in the number of schools in some remote areas of the country. From the Afs 33.7 billion expenditures in this sector, almost 86 percent is spent on wages and salaries and 13 percent on goods and services.

Governance, Rule of Law and Human Rights Sector: is the third largest sector in terms of expenditure with a year-to-date total operating spending for this sector amounting to Afs 12.6 billion. Of this amount, the President's Office spent Afs 1.2 billion, the Administrative Affairs Office spent Afs 1.9 billion and the Supreme Court spent Afs 1.5 billion. The rest of the budgetary units in this sector spent Afs 6.7 billion. Almost 64 percent of this spending was on wages and salaries.

Social Protection Sector: is the fourth largest sector with expenditures reaching Afs 12.4 billion by the end of the fourth quarter 1392. Included in this sector is the Ministry of Martyrs, Disabled and Social Affairs consuming almost Afs 11.5 billion. The higher expenditures by this Ministry are mainly due to the increase in the number of martyrs and disabled, both military and civil servants pension rights because of the new pension law. The rest of the ministries in this sector spent only Afs 946 million during the fourth quarter of 1392.

Other sectors, such as, Economic Governance, Health and Agriculture and Rural development sectors year-to-date expenditures by the end of the fourth quarter 1392 amounted to Afs 6.4 billion, Afs 3.1 billion and Afs 2.3 billion respectively.

Overall by the end of the fiscal year, operating expenses cover more than 90 percent of the execution rate as most of the budget goes to the employees wage bill.

### **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 the discretionary budget and Afs 112.3 billion was allocated under the Non-discretionary budget.

Of the total development budget allocated in 1392, Afs 80.11 billion was spent by the end of quarter 4 of 1392 in YTD terms. Economic category includes expenditure on goods and services, and acquisition of non-financial assets and etc, each of which is explained below.

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

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 equipment valued above Afs 50,000.

In the year 1392 Afs 92 billion was budgeted for the Acquisition of Non-financial Assets, of which Afs 48.7 billion was spent over the year. While in the fourth quarter of 1392 Afs 21.5 billion was spent on this category, which an increase of Afs 8.9 billion compared to the third of the year. The 1391 expenditure on this category was Afs 35.6 billion, which was less than the expenditure of 1392 by 13.1 billion or 36.7 percent.

Of the executed budget more than Afs 32.2 billion was spent on Buildings and Structures while Afs 7.9 billion was spent on the purchase of capital advance payment followed by the expenditures on machinery and equipment which amounted to Afs 7.7 billion.

Figure 3.5 – Goods and services, Afs millions

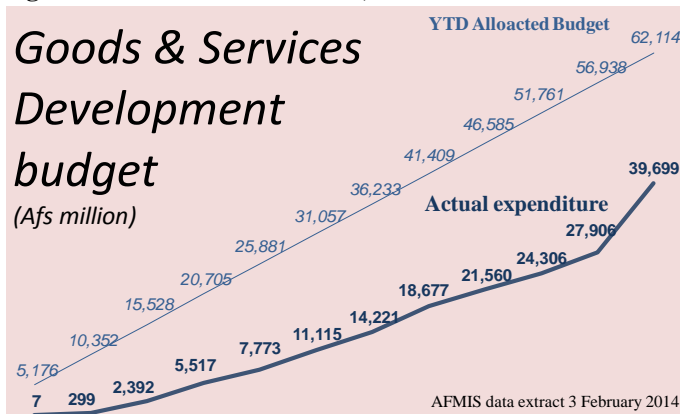
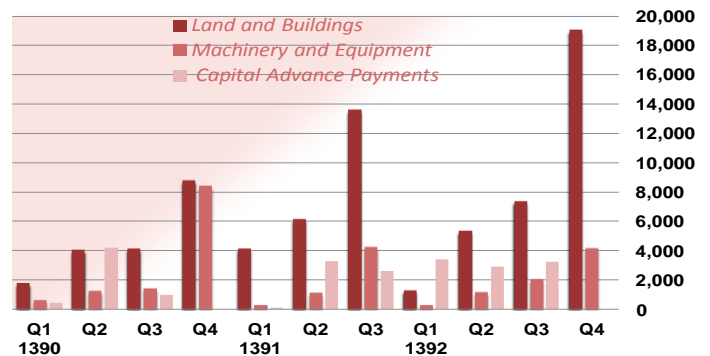


Figure 3.6 - Acquisition of non-financial assets by quarter, Afs millions, 1391- 1392

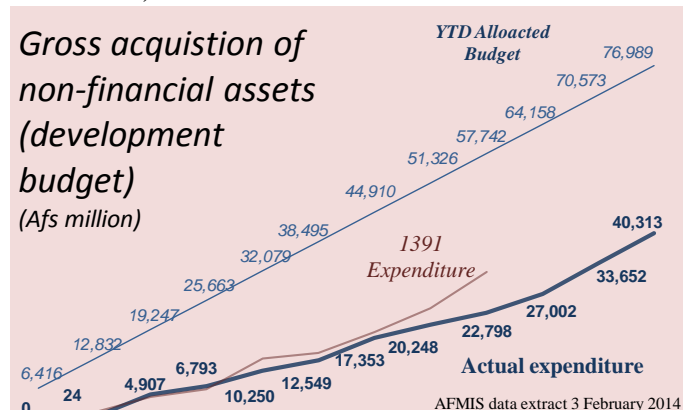


**Goods and services**

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 fourth quarter of 1392, total expenditures were Afs 34.4 billion. However, when compared to the development budget expenditures of 1391 on goods and services it has increased by Afs 30.9 billion in YTD

terms.

Figure 3.7 - Acquisition of non-financial assets by quarter, Afs millions, 1391 - 1390



**3.5 Development Budget by ANDS Sector and Ministry**

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.

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

In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	1392	1392 Comparison to 1391	
	Approved Budget	Qtr 3 Actual YTD	YTD. as % of Budget	Approved Budget	Qtr 4 Prelim YTD	YTD. as % of Budget	Unspent Budget	% of Total Unspent	Change	% Increase
<b>TOTAL</b>	<b>107,350.1</b>	<b>55,454.7</b>	<b>51.7</b>	<b>141,659.0</b>	<b>79,900.6</b>	<b>56.4</b>	<b>61,758.4</b>	<b>100.0</b>	<b>24,445.9</b>	<b>44.1</b>
<b>Total Infrastructure and Natural Resources</b>	<b>45,830.8</b>	<b>23,555.1</b>	<b>51.4</b>	<b>46,099.0</b>	<b>27,208.9</b>	<b>59.0</b>	<b>18,890.1</b>	<b>30.6</b>	<b>3,653.8</b>	<b>15.5</b>
Ministry of Public Works	22,123.4	12,708.7	57.4	23,106.3	13,894.5	60.1	9,211.8	14.9	1,185.8	9.3
Ministry of Transport and Aviation	1,613.5	818.3	50.7	1,822.0	1,196.2	65.7	625.8	1.0	377.9	46.2
Ministry of Energy and Water	10,627.7	5,339.5	50.2	10,581.3	5,458.8	51.6	5,122.5	8.3	119.3	2.2
Water Supply and Canalization Corporation	759.9	0.0	0.0	561.2	0.0	0.0	561.2	0.9	0.0	N/A
Ministry of Communication	1,953.2	866.3	44.4	2,504.2	1,169.9	46.7	1,334.3	2.2	303.6	35.0
Geodesy and Cartography Office	185.1	71.0	38.3	70.0	55.1	78.7	14.9	0.0	-15.9	-22.3
Other Ministries	8,568.0	3,751.3	43.8	7,454.0	5,434.5	72.9	2,019.5	3.3	1,683.2	-54.9
<b>Total Agriculture and Rural Development</b>	<b>27,500.9</b>	<b>15,900.2</b>	<b>57.8</b>	<b>25,980.6</b>	<b>22,393.3</b>	<b>86.2</b>	<b>3,587.3</b>	<b>5.8</b>	<b>6,493.2</b>	<b>40.8</b>
Ministry of Agriculture	5,766.4	3,084.9	53.5	6,194.4	5,059.8	81.7	1,134.6	1.8	1,974.9	64.0
Ministry of Rural Rehabilitation and Development	20,982.1	12,418.2	59.2	19,073.9	16,460.9	86.3	2,613.0	4.2	4,042.7	32.6
Other Ministries	752.5	397.1	52.8	712.3	872.6	122.5	-160.3	-0.3	475.5	-55.7
<b>Total Education</b>	<b>12,066.3</b>	<b>4,258.7</b>	<b>35.3</b>	<b>18,466.1</b>	<b>7,860.3</b>	<b>42.6</b>	<b>10,605.7</b>	<b>17.2</b>	<b>3,601.7</b>	<b>84.6</b>
Ministry of Education	8,462.6	2,816.3	33.3	14,544.5	6,041.3	41.5	8,503.2	13.8	3,225.0	114.5
Other Ministries	3,603.6	1,442.4	40.0	3,921.5	1,819.0	46.4	2,102.5	3.4	376.7	-29.9
<b>Total Economic Gov. and Private Sector Deve</b>	<b>4,854.7</b>	<b>2,819.4</b>	<b>58.1</b>	<b>5,306.1</b>	<b>3,351.4</b>	<b>63.2</b>	<b>1,954.7</b>	<b>3.2</b>	<b>532.0</b>	<b>18.9</b>
Ministry of Finance	3,411.8	2,097.2	61.5	3,784.8	2,438.9	64.4	1,345.9	2.2	341.7	16.3
Other Ministries	1,442.8	722.2	50.1	1,521.3	912.5	60.0	608.8	1.0	190.3	2.6
<b>Total Health</b>	<b>8,250.5</b>	<b>4,560.4</b>	<b>55.3</b>	<b>9,072.1</b>	<b>7,201.7</b>	<b>79.4</b>	<b>1,870.4</b>	<b>3.0</b>	<b>2,641.4</b>	<b>57.9</b>
Ministry of Public Health	8,250.5	4,560.4	55.3	9,072.1	7,201.7	79.4	1,870.4	3.0	2,641.4	57.9
<b>Total Governance, Rule of Law and Human Ri</b>	<b>2,666.0</b>	<b>3,108.2</b>	<b>116.6</b>	<b>3,844.4</b>	<b>2,050.3</b>	<b>53.3</b>	<b>1,794.1</b>	<b>2.9</b>	<b>-1,057.9</b>	<b>-34.0</b>
Independent Directorate of Local Governance	718.3	2,074.4	288.8	1,275.7	511.0	40.1	764.7	1.2	-1,563.4	-75.4
Other Ministries	1,947.7	1,033.7	53.1	2,568.6	1,539.2	59.9	1,029.4	1.7	505.5	41.3
<b>Total Social Protection</b>	<b>1,139.9</b>	<b>686.8</b>	<b>60.3</b>	<b>980.4</b>	<b>751.2</b>	<b>76.6</b>	<b>229.2</b>	<b>0.4</b>	<b>64.4</b>	<b>9.4</b>
<b>Total Security</b>	<b>889.1</b>	<b>566.0</b>	<b>63.7</b>	<b>26,402.9</b>	<b>9,083.3</b>	<b>34.4</b>	<b>17,319.6</b>	<b>28.0</b>	<b>8,517.3</b>	<b>1,504.8</b>
<b>Total Unclassified</b>	<b>4,152.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5,507.3</b>	<b>0.0</b>	<b>0.0</b>	<b>5,507.3</b>	<b>8.9</b>	<b>0.0</b>	<b>N/A</b>

Source: FPD using AFMIS data downloaded on the 3 February 2014

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 46.1 billion however of the total allocated budget year to date expenditures is Afs 27.2 billion (59.0 percent of the allocated budget) in over the course of year 1392. On the other hand this expenditure was 23.6 billion in the last quarter of 1391. Comparing the last quarters of the financial years 1391 and 1392, the expenditure in last quarter of 1392 was Afs 3.7 billion higher than the expenditure in the last quarter of 1391. This contributes to an increasing execution rate of the development budget over the length of the years. The development execution rate was 51.7 percent in 1391 which raised to 56.4 percent in 1392.

Within the **Infrastructure and Natural Resources** Sector the Ministry of Public Works received 50.1 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 23.12 billion and has executed Afs 13.9 billion or 60.1 percent of its allocated budget. Execution during the the year 1392 was more than that of 1391, such that 1391 the ministry spent Afs 12.71 billion which resulted in 57.4 percent of execution rate. However, the execution rate is still low then the desired level, the reasons of which 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 10.6 billion within this sector, of which only Afs 5.5 billion or 51.6 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 2.2 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 1.2 billion in 1392 or 46.7 percent of the allocated budget. Considering the execution of MoIC in previous years, the MoIC was expected to reach a higher execution rate during 1392. However, the ministry's performance in executing development budget is decreasing over the recent years.

**Agriculture and Rural Development** sector is also one of the leading sector with respect to the development budget allocation in 1392. Total allocated budget in 1392 was Afs 26 billion for this sector, which is Afs 1.5 billion lower than the sector's last year budget. In 1392, the sector's overall expenditures were Afs 22.4 billion equivalent to 86 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 6.2 billion while in 1391 this budget was Afs 5.8 billion. Of the allocated development budget in 1392, Afs 5.1 billion was spent over the course of the year, which represents 81.7 percent of the execution rate, the execution rate for the same period last year was 53.5 percent this shows an increase of 28.2 percent over the last year's execution rate.

The **Ministry of Rural Rehabilitation and Development** (MRRD) has allocated budget of Afs 19.1 billion in 1392, which is 73.5 percent of the entire allocated budget to the sector and has the highest budget within the sector and second highest among all ministries. MRRD has spent Afs 16.5 billion in 1392, an increase of 27.1 percent over the execution rate of 59.2 percent (Afs 12.4 billion) in 1391.

The **Education** sector has a budget of Afs 18.5 billion in 1392, of which only Afs 7.9 billion (or 42.6 percent of the budget allocated to it) has been spent over the year. This shows an increase of 7.3 percent in execution rate, 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 41.5 percent in the current 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 9.1 billion in 1392. Its budget was higher by Afs 1.4 billion when compared to previous fiscal year. By the end of 1392, around 79.4 percent of the allocated budget was executed. This is more by 43.5 percent when compared to the fiscal year 1391.

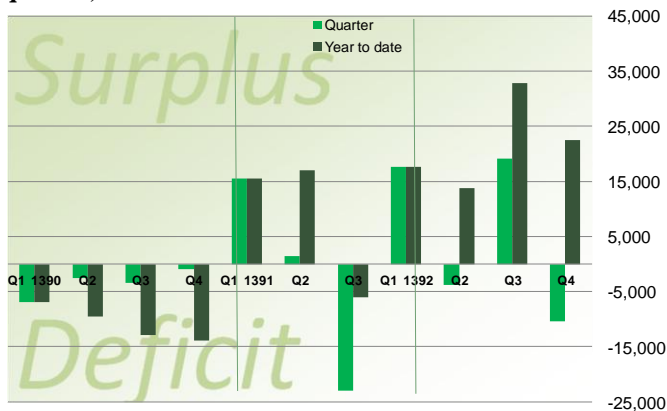
## 4 FINANCING OF THE CORE BUDGET

### 4.1 Public Sector Borrowing Requirement

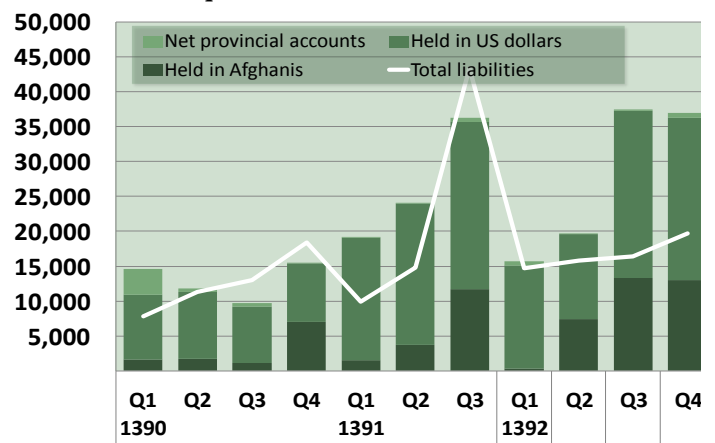
The public sector borrowing requirement is the integrated budget balance. However, it also adds any revenues from the sale of non-financial assets to obtain a true picture of the budget financing requirement. In comparison, the core budget balance presented in chapter one only considers the *gross* acquisition of non-financial assets. Unless there are major asset sales, the public sector financing requirement will be very similar to the core budget balance (including grants). If there are any net sales of non-financial assets, the public sector borrowing requirement will be higher than the core budget balance.

Figure 4.1 below shows a core budget deficit of Afs 10.4 billion in the fourth quarter of 1392. However, for the previous quarter, there was a surplus of Afs 19 billion. The YTD balance was in surplus of Afs 22.5 billion by end of Q4 1392, while for the YTD 3<sup>rd</sup> quarter, there was a large surplus of Afs 32.9 billion.

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



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



### 4.2 Treasury Single Account

Figure 4.2 reflects the changes in the Treasury Single Account between 1390 and 1392. The balance increases if there is surplus and decreases if there is deficit. The liabilities are also important because some of funds are being paid for outstanding loans and arrears during each quarter of the financial year.

The TSA stood at Afs 36.9 billion by the fourth quarter of 1392 while for the previous quarter it was Afs 37.5 billion, a fall of Afs 0.6 billion. Meanwhile, total liabilities stood at Afs 19.6 billion during the same period while for the previous quarter it was Afs 16.4 billion, showing an increase of As 3.2 billion.

## **5 Value Added Tax in Afghanistan**

### **Introduction:**

Afghanistan faces a shrinking resource envelope in light of decreasing grants and increasing expenditures for both development and operating in coming years. To curb this problem the government is putting into work several tools to expand its resource base and take the country toward self-sufficiency. Beside mineral resources, which government has in its arsenal, the government also would like to introduce Value Added Tax (or VAT) in Fiscal Year 1394. This tax will bring in Afs 22.1 billion in revenues the first year and will further increase in later years as the implementation of this tax will take some time.

With the introduction of VAT, a number of other taxes will be entirely or partially replaced. Business Receipt Tax (or BRT) on imports which is currently levied in borders will be replaced by VAT entirely. On the other hand BRT which is levied domestically will be limited to only those who are not registered for VAT.

Value Added Tax (or VAT) is an indirect tax levied on a supply of taxable goods, services and imports. With the imposition of this law, a person is required to register for VAT if her annual turnover exceeds Afs 200 million. However one can also voluntarily apply for VAT registration after two years of the enactment of this law, verifying certain prerequisites listed in Article 8 of VAT law.

VAT is a tax on consumption levied whenever the value of goods and services increases as they change hands in the course of production, distribution, and final sale to the consumer. With each phase of production, value is being added to the product by an intermediary producer. VAT is only levied on the value added and not on the value of whole product. Hence, during the production of a good a preceding producer in production cycle will apply for a tax credit or refund if applicable. This gives rise to two concepts in VAT – zero-rating and exemption of goods and services. The VAT law has provided special provisions in this regard for certain goods and services which are discussed in detail below.

### **Exempted Goods**

If a good is exempted from VAT, then business do not charge VAT when they sell the good. However they do not get a credit for the VAT that they have paid on the inputs into producing this good. In this case, the VAT does not add to the price at the point of sale, but it does add to the cost of production. The price impact, in this case, depends on the amount of VAT embedded in the cost of inputs. Exempted goods are listed in detail in Article 5 of VAT law and includes goods and services such as health services, educational services, religious services, humanitarian aid etc.

### **Zero-Rate Goods**

If a good is zero-rate, then businesses do not charge VAT when they sell the good. However they get a credit for the VAT that they have paid on the inputs into producing that good. In this case, the VAT does not add to the price at the point of sale and nor does it add to the cost of production hence no VAT revenue is raised from a zero-rate good. These goods and services are detailed in Article 6 of VAT law and includes exports, basic foodstuff, books, basic materials for household consumption, passenger goods, etc.

### **Tax Analysis Model**

Predicting revenues from VAT is a complicated task. Recently the Fiscal Policy Directorate (or FPD) has developed a comprehensive economy wide model to assess the effects of VAT and the revenue it will generate



for government. Not only that, this model can also assess the effects of any other tax policy measure on macroeconomic indicators, revenue collection, price level, household consumption etc. This model uses the input-output approach of modeling. It is based on the data of 29 different industries for FY 1390. The FY 1390 was chosen for this model for several reason.

First, FY 1390 was a normal year considering the economic indicators. Overall economic growth was smooth and had a reasonable trend without any extreme difference. Agriculture harvest wasn't much higher as was the case during preceding years. Afghanistan's international trade – imports/exports also showed a normal behavior.

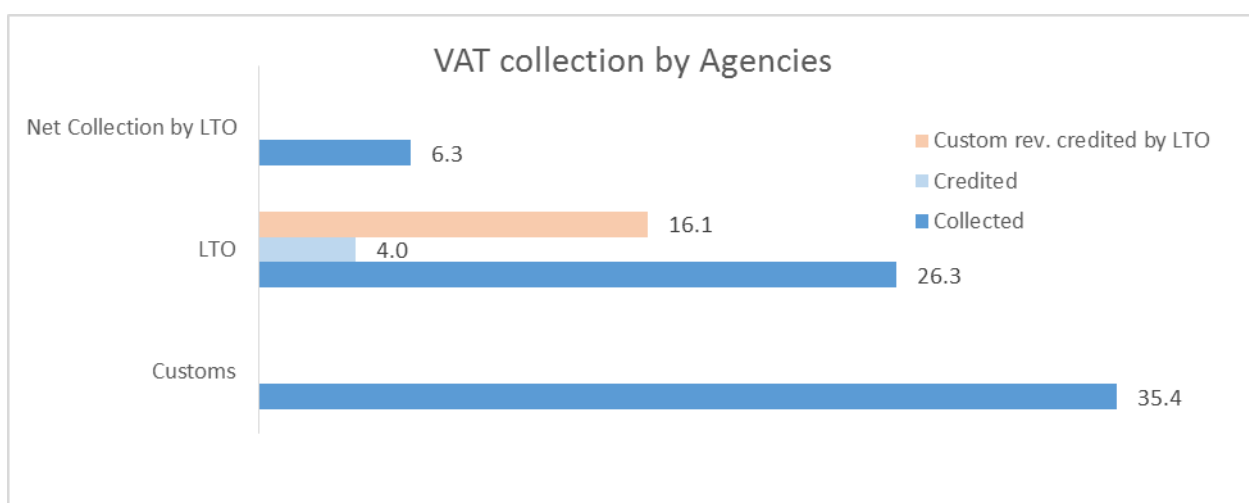
Second, the FY 1390 was the latest year for which data could be properly derived. Unlike FY 1391 which was 9 month due to shifting of FY from Hamal-Hoot to Jadi-Qaws, data for government accounts was only consolidated for 9 months. Moreover, data for FY 1392 is not yet finalized on different measure to be used for this model.

## Effects of VAT

### Revenues

With the introduction of VAT into Afghan economy, it will bring in revenues of about Afs 43 billion. However, the overall increase into domestic revenue will be Afs 22.1 billion which is an increment of 23.5% over the project revenues in FY 2014. Since the introduction of VAT partly replaces the current BRT tax, an increment of Afs 43 billion from VAT will be partially counterbalanced by a decrease of Afs 21.3 billion coming in from BRT.

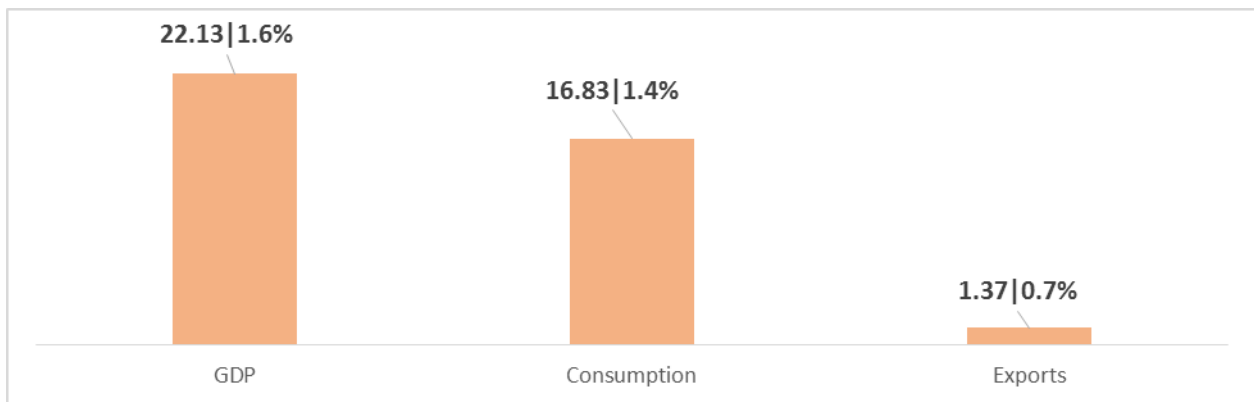
Within the Ministry of Finance, Only two agencies will be involved with the collection of VAT – customs and Large Taxpayer Office. Of the Afs 43 billion that will be collected in domestic revenues, most of it will be collected from imports in custom offices. Afs 35.4 will be collected in FY 1394 in customs while 26.3 billion will be collected in Large Taxpayer Office (or LTO). However of the revenue that is collected in LTO, Afs 20.1 billion will be credited back to taxpayers which will result in Afs 6.3 billion in net collection by LTO which will in overall revenue of Afs 43.4 billion in VAT.



## Macroeconomic

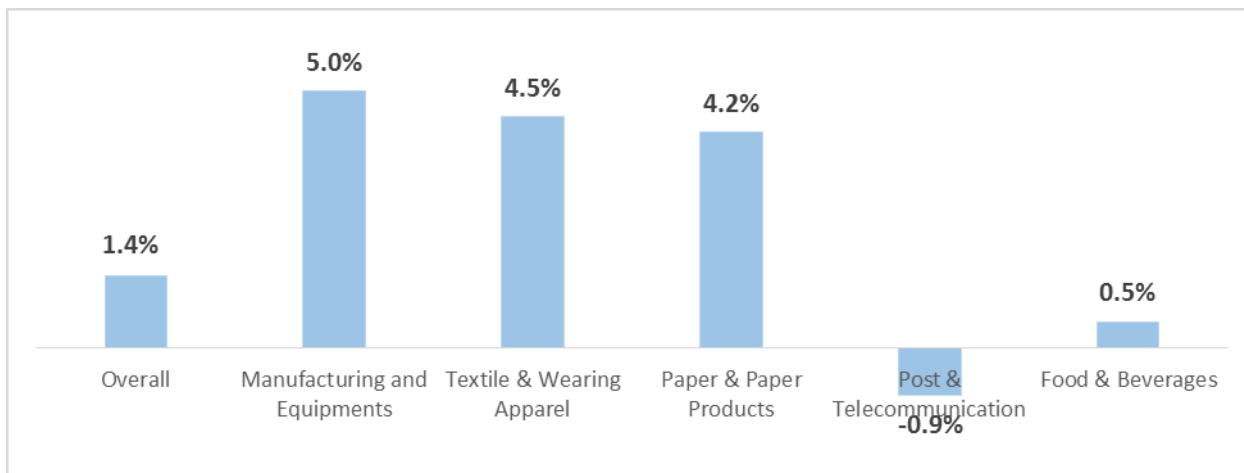
With the introduction of VAT, nominal GDP will increase by Afs 22.1 billion while real GDP remains the same as without a VAT. This is due to the fact that only the price level will change while other factors remain the same. Private consumption will increase by Afs 16.83 billion (or 1.4%), while exports will grow by 1.37 billion (or 0.7%).

In short run it is believed that the consumption of private household would not be affected by VAT since the household cannot change their consumption pattern in short time. In long term it is assumed that the overall demand for certain goods might be affected by VAT. However, the government has zero-rated certain goods while exempting certain other goods which are essential to household consumption.



## Prices

Overall price level will increase by 1.4% with the introduction of VAT. This increment varies among certain industries and goods. The prices of Manufacturing and Equipment will increase 5 percent. The prices of textile and Wearing apparel will increase by 3.5 percent while Paper and Paper products will increase by 4.2 percent and food and beverages will only increase by 0.5 percent. On the other hand the prices of telecommunication services will decrease by 0.9 percent.



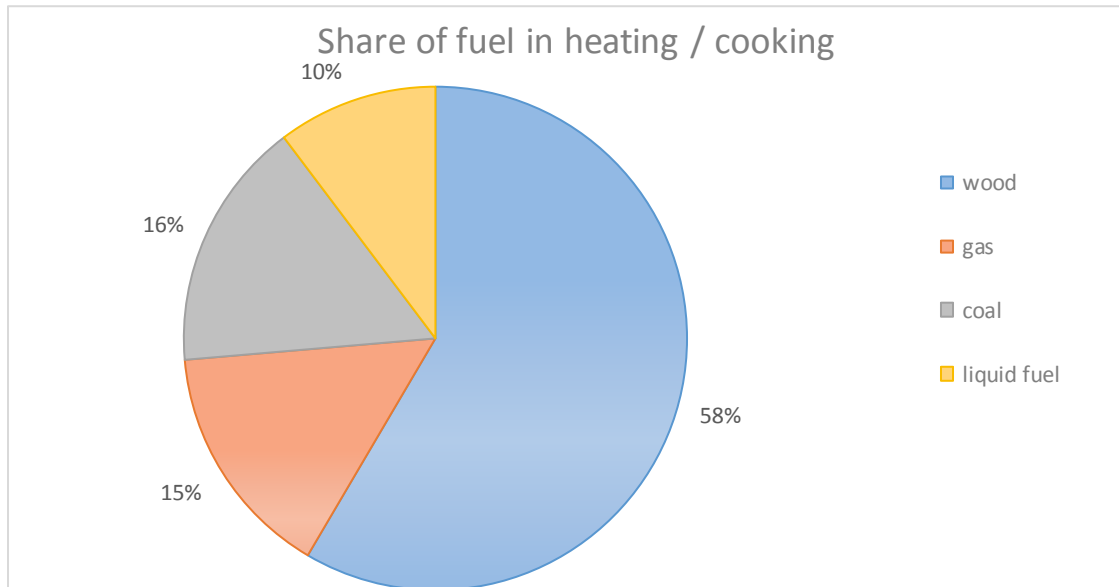
**Zero-Rating Fuel**

The Fiscal Policy

Directorate has also assessed an alternative scenario to zero-rate fuels and gauge its effects on poor households. We were most interested in assessing how this will benefit the consumption of poor household. If zero-rating

fuel reduces the cost of heating and cooking for poor household, a proposal would made to senior management to zero-rate fuels. However, our analysis resulted against it.

Zero-rating fuel will marginally benefit the poor household however it will cost government Afs 1.8 billion in revenues which is 0.1 percent of GDP. This is further supported by looking into the consumption pattern of using fuel and cooking by poor household. As indicated in the following chart, poor households use less of fuels and liquid gas for heating and cooking purpose. They use more of wood and coal for household purposes which are already zero-rated by VAT. Hence, zero rating fuel will benefit them very less while cost government a huge chunk in revenues.



## Conclusion

The Value Added Tax will be implemented in FY 1394 for the first time in Afghanistan. VAT is a complicated tax and hence will be a challenge for the tax administration and the revenue department of Ministry of Finance. VAT will add Afs 22.1 billion to domestic revenue during first year of its implementation. This will grow further in later years as the tax base expands. VAT implementation will also decrease government's dependency on grants and mining revenues which are at times very volatile.

## 6 Tables

**Table 6.1 - Core Budget Revenues**

Code	In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	1392	1392	1392 Comparison to		YTD	Target	%
		Qtr 3 Actual YTD	Annual Actual YTD	%GDP	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim YTD	%GDP	1391 YTD	Change	% (+/-)	1392 Qtr 4 YTD	Target - Actual % (+/-)
<b>CORE BUDGET</b>															
1	REVENUES including grants (1)	183,181.4	183,181.4	16.9	58,880.9	60,602.2	93,385.0	87,356.3	300,224.4	26.3	117,043.0	63.9			
1-19	REVENUES excluding grants	81,671.5	81,671.5	7.5	22,324.1	25,662.8	27,764.3	32,658.9	108,410.2	9.5	26,738.7	32.7	122,790.4	-11.7	88.3
<b>DOMESTIC REVENUES (2) (3)</b>															
11	Tax Revenues	38,505.6	38,505.6	3.5	11,420.3	11,786.3	13,477.1	14,455.7	51,139.3	4.5	12,633.7	32.8	56,749.5	-9.9	90.1
111	Fixed Taxes	8,166.6	8,166.6	0.8	2,552.0	2,635.5	3,012.7	3,340.0	11,540.2	1.0	3,373.6	41.3	12,367.6	-6.7	93.3
112	Income Taxes	13,500.0	13,500.0	1.2	3,995.5	3,844.3	4,791.0	3,591.7	16,222.5	1.4	2,722.6	20.2	17,938.9	-9.6	90.4
113	Property Taxes	221.3	221.3	0.0	71.4	68.9	77.4	72.8	290.5	0.0	69.2	31.3	397.7	-27.0	73.0
114	Sales Taxes	14,840.3	14,840.3	1.4	3,789.0	4,046.7	4,292.5	5,267.9	17,396.1	1.5	2,555.8	17.2	22,692.3	-23.3	76.7
116	Other Taxes	1,449.6	1,449.6	0.1	842.9	1,022.9	1,156.1	2,080.5	5,102.4	0.4	3,652.7	252.0	2,768.7	84.3	184.3
117	Tax Penalties and Fines	327.8	327.8	0.0	169.5	167.9	147.4	102.8	587.6	0.1	259.8	79.3	584.2	0.6	100.6
12	Customs Duty, Import Taxes	21,219.1	21,219.1	2.0	6,388.6	6,283.2	7,128.4	7,551.1	27,351.3	2.4	6,132.1	28.9	34,887.4	-21.6	78.4
13	Non Tax Revenue	18,129.2	18,129.2	1.7	3,992.0	4,527.4	5,811.7	7,199.4	21,530.6	1.9	3,401.4	18.8	25,915.9	-16.9	83.1
131	Income from Capital Property	2,925.2	2,925.2	0.3	123.4	256.8	915.5	440.8	1,736.5	0.2	-1,188.7	-40.6	3,921.0	-55.7	44.3
132	Sales of Goods and Services	7,907.3	7,907.3	0.7	1,393.9	1,169.2	2,229.4	3,218.2	8,010.7	0.7	103.4	1.3	10,518.4	-23.8	76.2
133	Administrative Fees	6,563.9	6,563.9	0.6	2,179.1	2,721.6	2,355.5	3,099.7	10,355.8	0.9	3,791.9	57.8	10,442.6	-0.8	99.2
134	Royalties	187.2	187.2	0.0	63.2	77.0	69.7	101.1	311.0	0.0	123.8	66.1	314.0	-1.0	99.0
135	Non Tax Fines and Penalties	404.4	404.4	0.0	108.4	121.0	185.7	202.4	617.5	0.1	213.2	52.7	720.0	-14.2	85.8
136	Extractive Industry	141.3	141.3	0.0	124.1	181.7	55.9	137.3	499.1	0.0	357.8	253.2	209.6	138.1	367.0
14	Miscellaneous Revenue	1,268.8	1,268.8	0.1	-209.9	2,332.0	293.6	2,430.1	4,845.8	0.4	3,576.9	281.9	1,470.3	229.6	329.6
17	Social Contributions	2,548.7	2,548.7	0.2	733.1	733.9	1,053.5	1,022.7	3,543.2	0.3	994.5	39.0	3,767.3	-5.9	94.1
<b>GRANTS (1)</b>															
191	Foreign Governments	71,720.6	71,720.6	6.6	29,941.9	27,081.6	52,038.7	33,943.8	143,006.0	12.5	71,285.3	99.4			
192	International Organisation	28,781.5	28,781.5	2.7	6,614.9	7,857.8	13,582.0	20,753.6	48,808.3	4.3	20,026.8	69.6			
193	Other Government Units	1,007.7	1,007.7	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-1,007.7	-100.0			
<b>TOTAL OPERATING BUDGET REVENUE</b>															
	Domestic Revenues	81,671.5	81,671.5	7.5	22,324.1	25,662.8	27,764.3	32,658.9	108,410.2	9.5	26,738.7	32.7	122,790.4	-11.7	88.3
	as percentage of total	55.4	55.4		42.7	48.7	34.8	49.0	43.1		25.7				
	External Grant Support	65,715.4	65,715.4	6.1	29,941.9	27,081.6	52,038.7	33,943.8	143,006.0	12.5	77,290.6	117.6			163.9
	as percentage of total	44.6	44.6		57.3	51.3	65.2	51.0	56.9		74.3				

Source: FPD using AFMIS data downloaded on the 3 February 2014

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.

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

Code	In millions of Afghanis	1391	1391	1392	1392	1392	1392	1392	1392 Comparison to		Annual Target	% Annual Target
		Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 4	1391 YTD			
		Actual	Actual	Prelim	Prelim	Prelim	Prelim	Prelim	Change	% Increase		
		YTD	YTD	Qtr	Qtr	Qtr	Qtr	YTD				
<b>1-19</b>	<b>REVENUES excluding grants</b>	<b>81,434.8</b>	<b>81,434.8</b>	<b>22,324.1</b>	<b>25,662.8</b>	<b>27,764.3</b>	<b>32,658.9</b>	<b>108,410.2</b>	<b>26,975.4</b>	<b>33.1</b>	<b>123,000.0</b>	<b>88.1</b>
01	Kabul	1,739.4	1,739.4	528.2	591.0	530.2	539.0	2,188.4	449.1	25.8	2,773.6	78.9
02	Kapisa	76.3	76.3	12.8	34.2	25.2	37.2	109.5	33.2	43.5	126.1	86.8
03	Panwan	154.3	154.3	21.0	55.4	63.0	62.3	201.7	47.4	30.7	237.1	85.1
04	Wardak	140.9	140.9	42.9	31.1	34.7	48.3	157.0	16.1	11.4	188.0	83.5
05	Logar	84.0	84.0	17.6	29.4	46.1	36.8	129.9	45.9	54.6	149.0	87.2
06	Nangarhar	7,978.8	7,978.8	2,801.2	2,803.0	2,920.0	2,912.5	11,436.8	3,457.9	43.3	12,056.6	94.9
07	Laghman	98.1	98.1	17.6	37.2	31.7	35.8	122.3	24.3	24.8	166.8	73.3
08	Pangsher	45.9	45.9	9.1	22.6	11.3	25.4	68.4	22.5	49.1	82.5	82.9
09	Baghlan	180.8	180.8	30.3	68.4	78.5	90.8	267.9	87.1	48.2	305.3	87.8
10	Bamyan	65.8	65.8	21.9	13.3	32.4	32.4	100.0	34.1	51.9	105.8	94.5
11	Ghazni	210.4	210.4	41.5	99.6	55.8	78.9	275.8	65.5	31.1	303.8	90.8
12	Paktika	105.7	105.7	18.4	35.1	38.1	69.9	161.5	55.8	52.7	156.1	103.4
13	Paktiya	454.9	454.9	148.9	182.9	214.7	224.6	771.1	316.2	69.5	624.5	123.5
14	Khost	741.1	741.1	206.4	263.2	221.7	246.2	937.5	196.4	26.5	1,484.9	63.1
15	Kunar	87.4	87.4	16.1	40.1	35.3	56.7	148.1	60.7	69.4	525.7	28.2
16	Nuristan	28.3	28.3	0.0	7.5	13.4	19.9	40.8	12.5	44.1	40.0	102.0
17	Badakhshan	184.4	184.4	22.2	95.9	66.8	93.0	278.0	93.6	50.8	304.2	91.4
18	Takhar	188.9	188.9	44.5	71.7	75.3	84.3	275.9	87.0	46.0	337.0	81.8
19	Kunduz	880.5	880.5	193.3	313.3	255.0	256.1	1,017.8	137.3	15.6	1,556.2	65.4
20	Samangan	77.3	77.3	14.4	34.3	25.5	32.6	106.8	29.5	38.2	114.8	93.0
21	Balkh	7,226.3	7,226.3	1,636.7	1,908.3	1,916.9	2,385.5	7,847.4	621.1	8.6	11,277.0	69.6
22	Saripul	65.5	65.5	10.3	26.7	21.0	29.8	87.7	22.2	34.0	90.1	97.4
23	Ghor	67.6	67.6	12.8	117.0	26.5	32.6	188.9	121.3	179.5	102.3	184.6
24	Dikondy	51.4	51.4	9.2	15.2	19.7	25.4	69.5	18.1	35.2	68.8	101.0
25	Uruzgan	41.6	41.6	6.1	13.3	16.3	27.8	63.6	22.0	52.9	74.9	84.8
26	Zabul	41.1	41.1	12.4	10.7	17.4	20.6	61.1	20.0	48.7	144.1	42.4
27	Kandahar	1,447.4	1,447.4	618.5	794.5	518.6	365.7	2,297.2	849.8	58.7	3,410.7	67.4
28	Jawzjan	182.7	182.7	33.7	76.0	43.9	72.5	226.1	43.4	23.7	255.0	88.7
29	Faryab	2,369.9	2,369.9	840.2	1,645.2	1,623.2	1,718.9	5,827.5	3,457.6	145.9	3,022.4	192.8
30	Helmand	359.6	359.6	86.8	149.3	134.1	171.1	541.4	181.8	50.5	700.7	77.3
31	Badghis	62.0	62.0	10.9	21.1	24.1	28.1	84.3	22.3	35.9	90.9	92.7
32	Herat	13,259.0	13,259.0	4,044.3	4,470.0	3,427.7	3,474.3	15,416.4	2,157.4	16.3	21,817.3	70.7
33	Farah	832.2	832.2	437.6	424.9	897.2	1,091.7	2,851.4	2,019.2	242.6	1,245.6	228.9
34	Nimroz	3,550.0	3,550.0	1,132.4	1,353.4	1,352.7	1,865.4	5,703.9	2,153.9	60.7	5,080.5	112.3
90	Central Ministries	38,355.4	38,355.4	9,223.7	9,808.0	12,950.3	16,366.8	48,348.8	9,993.4	26.1	53,981.5	89.6
95	Offshore Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A

Source: FPD using AFMS data downloaded on the 3 February 2014

**Table 6.3a - Core Budget Expenditures**

Core	In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	Comparison to Budget			1392 Comparison to	
		Qtr 3 Actual YTD	Annual Actual	%GDP	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	%GDP	Budget or MYR Ceiling (3)	Current Allocated Budget (4)	% Allocated Budget	Change	% Increase
<b>2</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>189,389.7</b>	<b>189,389.7</b>	<b>17.4</b>	<b>74,286.0</b>	<b>97,779.1</b>	<b>277,778.9</b>	<b>24.4</b>	<b>348,244</b>	<b>367,066</b>	<b>75.7</b>	<b>88,389.2</b>	<b>46.7</b>
	Operating Budget	135,779.9	135,779.9	12.5	53,593.2	62,124.3	197,767.0	17.3	206,585	223,596	88.4	61,987.2	45.7
	Development Budget	53,609.9	53,609.9	4.9	20,692.8	35,654.8	80,011.9	7.0	141,659	143,469	55.8	26,402.0	49.2
	Discretionary Budget	15,049.9	15,049.9	1.4	5,712.4	7,946.3	18,929.1	1.7	44,811	43,185	43.8	3,879.2	25.8
	Non-discretionary Budget	38,560.0	38,560.0	3.6	14,980.4	27,708.5	61,082.8	5.4	96,848	100,284	60.9	22,522.8	58.4
<b>2*</b>	<b>TOTAL NET EXPENDITURES</b>	<b>189,212.9</b>	<b>189,212.9</b>	<b>17.4</b>	<b>74,281.0</b>	<b>97,774.9</b>	<b>277,744.8</b>	<b>24.4</b>				<b>88,531.9</b>	<b>46.8</b>
<b>2-25</b>	<b>RECURRENT EXPENDITURES</b>	<b>153,781.5</b>	<b>153,781.5</b>	<b>14.2</b>	<b>61,616.0</b>	<b>76,196.1</b>	<b>229,083.7</b>	<b>20.1</b>	<b>N/A</b>	<b>274,923</b>	<b>83.3</b>	<b>75,302.2</b>	<b>49.0</b>
<b>21</b>	<b>Compensation of Employees of which operating budget</b>	<b>98,369.4</b>	<b>98,369.4</b>	<b>9.1</b>	<b>37,377.5</b>	<b>38,990.4</b>	<b>139,475.2</b>	<b>12.2</b>	<b>138,866</b>	<b>143,526</b>	<b>97.2</b>	<b>41,105.8</b>	<b>41.8</b>
	Wages and Salaries	97,613.1	97,613.1	9.0	35,962.5	37,376.0	133,772.7	11.7				36,159.7	37.0
214-6	Social Benefits	756.3	756.3	0.1	1,415.0	1,614.4	5,702.5	0.5				4,946.2	654.0
<b>22</b>	<b>Use of Goods and Services of which operating budget</b>	<b>47,001.0</b>	<b>47,001.0</b>	<b>4.3</b>	<b>21,191.3</b>	<b>34,357.6</b>	<b>77,893.6</b>	<b>6.8</b>	<b>N/A</b>	<b>107,167</b>	<b>72.7</b>	<b>30,892.6</b>	<b>65.7</b>
	Travel	1,534.6	1,534.6	0.1	451.0	788.9	2,209.3	0.2				674.7	44.0
	Communications	0.0	0.0	0.0	1,183.6	1,710.4	3,989.8	0.3				3,989.8	N/A
	Contracted Services	16,501.0	16,501.0	1.5	6,343.9	10,502.1	24,814.2	2.2				8,313.2	50.4
	Repairs and Maintenance	1,296.1	1,296.1	0.1	2,298.2	5,047.0	9,474.0	0.8				8,177.8	630.9
	Utilities	7,185.7	7,185.7	0.7	744.9	1,382.0	3,216.9	0.3				-3,968.7	-55.2
	Fuel	4,718.7	4,718.7	0.4	1,533.2	2,182.1	5,777.7	0.5				1,058.9	22.4
227-9	Other Use of Goods and Services	15,764.8	15,764.8	1.5	8,636.5	12,745.2	28,411.7	2.5				12,646.9	80.2
<b>23</b>	<b>Interest (1) - operating budget</b>	<b>90.4</b>	<b>90.4</b>	<b>0.0</b>	<b>75.8</b>	<b>95.9</b>	<b>268.1</b>	<b>0.0</b>	<b>1,300.0</b>	<b>1,500</b>	<b>17.9</b>	<b>177.7</b>	<b>196.6</b>
<b>24</b>	<b>Social Transfers - operating budget</b>	<b>8,320.7</b>	<b>8,320.7</b>	<b>0.8</b>	<b>2,971.4</b>	<b>2,752.1</b>	<b>11,446.8</b>	<b>1.0</b>	<b>21,515.4</b>	<b>22,730</b>	<b>50.4</b>	<b>3,126.1</b>	<b>37.6</b>
242	Subsidies	1,000.0	1,000.0	0.1	251.0	403.4	904.4	0.1				-95.6	-9.6
245	Grants	194.9	194.9	0.0	41.4	51.5	229.3	0.0				34.4	17.7
247	Social Security	6,804.7	6,804.7	0.6	2,648.3	2,383.4	10,306.3	0.9				3,501.6	51.5
248-9	Other Social Transfers	321.1	321.1	0.0	30.8	-86.2	6.7	0.0				-314.4	-97.9
<b>25</b>	<b>ACQUISITION OF ASSETS</b>												
<b>25</b>	<b>Gross Acquisition of Nonfinancial Assets of which operating budget</b>	<b>35,608.3</b>	<b>35,608.3</b>	<b>3.3</b>	<b>12,670.0</b>	<b>21,583.1</b>	<b>48,695.2</b>	<b>4.3</b>	<b>N/A</b>	<b>92,143</b>	<b>52.8</b>	<b>13,087.0</b>	<b>36.8</b>
	Net Acquisition of Nonfinancial Assets (2)	3,815.6	3,815.6	0.4	2,421.6	4,068.0	8,382.6	0.7	3,700.8	11,182	75.0	4,567.1	119.7
<b>25*</b>		<b>35,431.4</b>	<b>35,431.4</b>	<b>3.3</b>	<b>12,665.0</b>	<b>21,578.9</b>	<b>48,661.1</b>	<b>4.3</b>				<b>13,229.7</b>	<b>37.3</b>
150	Sale of Land and Buildings	-176.8	-176.8	0.0	-4.9	-4.2	-34.1	0.0				142.7	-80.7
251	Buildings and Structures	23,594.5	23,594.5	2.2	7,010.4	18,921.6	32,424.2	2.8				8,829.7	37.4
252	Machinery / Equipment (>50,000)	5,662.8	5,662.8	0.5	2,053.7	4,162.5	7,720.0	0.7				2,057.1	36.3
257	Valuables	13.1	13.1	0.0	0.7	0.0	1.4	0.0				-11.7	-89.2
258	Land	318.6	318.6	0.0	365.7	96.6	606.3	0.1				287.7	90.3
259	Capital Advance Payments	6,019.3	6,019.3	0.6	3,239.5	-1,597.6	7,943.3	0.7				1,924.1	32.0

Source: FPD using AFMIS data downloaded on the 3 February 2014

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	1391	1392	1392	1392	1392	Comparison to Budget			1392 Comparison to	
		Qtr 3 Actual YTD	Annual Actual	%GDP	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	%GDP	Budget or MYR Ceiling	Current Allocated Budget (3)	% Allocated Budget	Change	% Increase
<b>2</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>135,779.9</b>	<b>135,779.9</b>	<b>12.5</b>	<b>53,593.2</b>	<b>62,124.3</b>	<b>197,767.0</b>	<b>17.3</b>	<b>206,585.0</b>	<b>223,596.5</b>	<b>88.4</b>	<b>61,987.2</b>	<b>45.7</b>
<b>2*</b>	<b>TOTAL NET EXPENDITURES (2)</b>	<b>135,603.0</b>	<b>135,603.0</b>	<b>12.5</b>	<b>53,588.2</b>	<b>62,120.1</b>	<b>197,732.9</b>	<b>17.3</b>				<b>62,129.9</b>	<b>45.8</b>
<b>2-25</b>	<b>RECURRENT EXPENDITURES</b>	<b>131,964.3</b>	<b>131,964.3</b>	<b>12.2</b>	<b>51,171.6</b>	<b>58,056.3</b>	<b>189,384.4</b>	<b>16.6</b>	<b>202,884.2</b>	<b>212,414.6</b>	<b>89.2</b>	<b>57,420.1</b>	<b>43.5</b>
<b>21</b>	<b>Compensation of Employees</b>	<b>98,369.4</b>	<b>98,369.4</b>	<b>9.1</b>	<b>37,377.5</b>	<b>38,990.4</b>	<b>139,475.2</b>	<b>12.2</b>	<b>138,866.5</b>	<b>143,525.8</b>	<b>97.2</b>	<b>41,105.8</b>	<b>41.8</b>
211-3	Wages and Salaries	97,613.1	97,613.1	9.0	35,962.5	37,376.0	133,772.7	11.7				36,159.7	37.0
214-6	Social Benefits	756.3	756.3	0.1	1,415.0	1,614.4	5,702.5	0.5				4,946.2	654.0
<b>22</b>	<b>Use of Goods and Services</b>	<b>25,183.8</b>	<b>25,183.8</b>	<b>2.3</b>	<b>10,746.9</b>	<b>16,217.9</b>	<b>38,194.3</b>	<b>3.3</b>	<b>41,202.4</b>	<b>44,658.3</b>	<b>85.5</b>	<b>13,010.5</b>	<b>51.7</b>
221	Travel	1,149.2	1,149.2	0.1	388.8	685.3	1,851.7	0.2				702.5	61.1
222	Communications	0.0	0.0	0.0	1,171.0	1,694.3	3,882.7	0.3				3,882.7	N/A
223	Contracted Services	525.7	525.7	0.0	365.8	635.1	1,510.0	0.1				984.3	187.2
224	Repairs and Maintenance	1,141.5	1,141.5	0.1	2,281.2	5,011.8	9,371.0	0.8				8,229.5	720.9
225	Utilities	6,977.0	6,977.0	0.6	695.0	1,317.1	3,024.5	0.3				-3,952.5	-56.7
226	Fuel	4,647.0	4,647.0	0.4	1,469.5	2,113.2	5,611.5	0.5				964.5	20.8
227-9	Other Use of Goods and Services	10,743.5	10,743.5	1.0	4,375.6	4,761.1	12,943.0	1.1				2,199.5	20.5
<b>23</b>	<b>Interest (1)</b>	<b>90.4</b>	<b>90.4</b>	<b>0.0</b>	<b>75.8</b>	<b>95.9</b>	<b>268.1</b>	<b>0.0</b>	<b>1,300.0</b>	<b>1,500.0</b>	<b>17.9</b>	<b>177.7</b>	<b>196.6</b>
<b>24</b>	<b>Social Transfers</b>	<b>8,320.7</b>	<b>8,320.7</b>	<b>0.8</b>	<b>2,971.4</b>	<b>2,752.1</b>	<b>11,446.8</b>	<b>1.0</b>	<b>21,515.4</b>	<b>22,730.4</b>	<b>50.4</b>	<b>3,126.1</b>	<b>37.6</b>
242	Subsidies	1,000.0	1,000.0	0.1	251.0	403.4	904.4	0.1				-95.6	-9.6
245	Grants	194.9	194.9	0.0	41.4	51.5	229.3	0.0				34.4	17.7
247	Social Security	6,804.7	6,804.7	0.6	2,648.3	2,383.4	10,306.3	0.9				3,501.6	51.5
248-9	Other Social Transfers	321.1	321.1	0.0	30.8	-86.2	6.7	0.0				-314.4	-97.9
<b>25</b>	<b>ACQUISITION OF ASSETS</b>												
<b>25</b>	<b>Gross Acquisition of Nonfinancial Assets</b>	<b>3,815.6</b>	<b>3,815.6</b>	<b>0.4</b>	<b>2,421.6</b>	<b>4,068.0</b>	<b>8,382.6</b>	<b>0.7</b>	<b>3,700.8</b>	<b>11,181.9</b>	<b>75.0</b>	<b>4,567.1</b>	<b>119.7</b>
<b>25*</b>	<b>Net Acquisition of Nonfinancial Assets (2)</b>	<b>3,638.7</b>	<b>3,638.7</b>	<b>0.3</b>	<b>2,416.6</b>	<b>4,063.8</b>	<b>8,348.5</b>	<b>0.7</b>				<b>4,709.8</b>	<b>129.4</b>
150	Sale of Land and Buildings	-176.8	-176.8	0.0	-4.9	-4.2	-34.1	0.0				142.7	-80.7
251	Buildings and Structures	1,503.3	1,503.3	0.1	1,072.3	2,533.3	4,430.1	0.4				2,926.7	194.7
252	Machinery / Equipment (>50,000)	2,105.9	2,105.9	0.2	986.9	1,432.3	3,370.8	0.3				1,264.9	60.1
257	Valuables	11.9	11.9	0.0	0.7	0.0	1.4	0.0				-10.5	-88.2
258	Land	186.7	186.7	0.0	359.9	96.2	565.4	0.0				378.8	202.9
259	Capital Advance Payments	7.7	7.7	0.0	1.7	6.1	14.9	0.0				7.2	93.1

Source: FPD using AFMIS data downloaded on the 3 February 2014, 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	1391	1392	1392	1392	Comparison to Budget			1392 Comparison to	
		Qtr 3 Actual YTD	Annual Actual	%GDP	Qtr 3 Prelim Qtr	Annual Prelim	%GDP	Original Budget Ceiling (3)	Current Allocated Budget (4)	% Allocated Budget	1391 YTD Change	% Increase
<b>2</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>53,609.9</b>	<b>53,609.9</b>	<b>4.9</b>	<b>20,692.8</b>	<b>80,011.9</b>	<b>7.0</b>	<b>141,659.0</b>	<b>143,469.4</b>	<b>55.8</b>	<b>26,402.0</b>	<b>49.2</b>
	Discretionary Budget	15,049.9	15,049.9	1.4	5,712.4	18,929.1	1.7	44,810.6	43,184.9	43.8	3,879.2	25.8
	Non-discretionary Budget	38,560.0	38,560.0	3.6	14,980.4	61,082.8	5.4	96,848.4	100,284.4	60.9	22,522.8	58.4
<b>2*</b>	<b>TOTAL NET EXPENDITURES (2)</b>	<b>53,609.9</b>	<b>53,609.9</b>	<b>4.9</b>	<b>20,692.8</b>	<b>80,011.9</b>	<b>7.0</b>				<b>26,402.0</b>	<b>49.2</b>
<b>2-25</b>	<b>RECURRENT EXPENDITURES</b>	<b>21,817.2</b>	<b>21,817.2</b>	<b>2.0</b>	<b>10,444.4</b>	<b>39,699.3</b>	<b>3.5</b>	<b>N/A</b>	<b>62,508.6</b>	<b>63.5</b>	<b>17,882.1</b>	<b>82.0</b>
	<b>Compensation of Employees</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
211-3	Wages and Salaries	0.0	0.0	0.0	0.0	0.0	0.0					
214-5	Social Benefits	0.0	0.0	0.0	0.0	0.0	0.0					
	<b>Use of Goods and Services</b>	<b>21,817.2</b>	<b>21,817.2</b>	<b>2.0</b>	<b>10,444.4</b>	<b>39,699.3</b>	<b>3.5</b>	<b>N/A</b>	<b>62,508.6</b>	<b>63.5</b>	<b>17,882.1</b>	<b>82.0</b>
221	Travel	385.4	385.4	0.0	62.2	357.6	0.0				-27.8	-7.2
222	Communications	0.0	0.0	0.0	12.6	107.1	0.0				107.1	N/A
223	Contracted Services	15,975.3	15,975.3	1.5	5,978.1	23,304.2	2.0				7,328.9	45.9
224	Repairs and Maintenance	154.6	154.6	0.0	17.0	103.0	0.0				-51.6	-33.4
225	Utilities	208.7	208.7	0.0	49.9	192.5	0.0				-16.2	-7.8
226	Fuel	71.8	71.8	0.0	63.7	166.1	0.0				94.4	131.5
227-9	Other Use of Goods and Services	5,021.3	5,021.3	0.5	4,260.9	15,468.7	1.4				10,447.4	208.1
<b>23</b>	<b>Interest (1)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
<b>24</b>	<b>Social Transfers</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
242	Subsidies	0.0	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				0.0	N/A
247	Social Security	0.0	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				0.0	N/A
	<b>Gross Acquisition of Nonfinancial Assets</b>	<b>31,792.7</b>	<b>31,792.7</b>	<b>2.9</b>	<b>10,248.4</b>	<b>40,312.6</b>	<b>3.5</b>	<b>N/A</b>	<b>80,960.8</b>	<b>49.8</b>	<b>8,519.9</b>	<b>26.8</b>
<b>25*</b>	<b>Net Acquisition of Nonfinancial Assets (2)</b>	<b>31,792.7</b>	<b>31,792.7</b>	<b>2.9</b>	<b>10,248.4</b>	<b>40,312.6</b>	<b>3.5</b>				<b>8,519.9</b>	<b>26.8</b>
150	Sale of Land and Buildings	0.0	0.0	0.0	0.0	0.0	0.0				0.0	N/A
251	Buildings and Structures	22,091.2	22,091.2	2.0	5,938.1	27,994.1	2.5				5,903.0	26.7
252	Machinery / Equipment (>50,000)	3,556.9	3,556.9	0.3	1,066.8	4,349.2	0.4				792.2	22.3
257	Valuables	1.1	1.1	0.0	0.0	0.0	0.0				-1.1	-100.0
258	Land	131.9	131.9	0.0	5.8	40.9	0.0				-91.0	-69.0
259	Capital Advance Payments	6,011.5	6,011.5	0.6	3,237.7	7,928.4	0.7				1,916.9	31.9

Source: FPD using AFMIS data downloaded on the 3 February 2014

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).



**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 3 Actual YTD	Annual Actual	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	Increase %
<b>TOTAL GROSS EXPENDITURES</b>	<b>189,417.4</b>	<b>189,417.4</b>	<b>74,296.9</b>	<b>97,588.7</b>	<b>277,420.3</b>	<b>348,244.0</b>	<b>348,244.0</b>	<b>79.7</b>	<b>88,002.9</b>	<b>46.5</b>
Operating Budget	133,962.7	133,962.7	53,593.2	62,124.3	197,767.0	206,585.0	206,585.0	95.7	63,804.3	47.6
Development Budget	55,331.7	55,454.7	20,703.7	35,464.4	79,653.3	141,659.0	141,659.0	56.2	24,198.6	43.6
<b>Security</b>	<b>82,226.6</b>	<b>82,226.6</b>	<b>33,983.8</b>	<b>46,026.9</b>	<b>131,425.9</b>	<b>152,970.4</b>	<b>160,382.6</b>	<b>81.9</b>	<b>49,199.3</b>	<b>59.8</b>
Operating Budget	81,660.6	81,660.6	31,995.6	39,081.7	122,342.6	126,567.4	133,979.7	91.3	40,682.0	49.8
Development Budget	566.0	566.0	1,988.2	6,945.1	9,083.3	26,402.9	26,402.9	34.4	8,517.3	1,504.8
<b>Total Governance, Rule of Law and Human Rights</b>	<b>10,272.1</b>	<b>10,272.1</b>	<b>4,230.1</b>	<b>4,552.0</b>	<b>14,375.7</b>	<b>14,653.4</b>	<b>16,703.3</b>	<b>86.1</b>	<b>4,103.7</b>	<b>39.9</b>
Operating Budget	7,163.9	7,163.9	3,687.0	3,749.7	12,572.8	10,809.1	13,124.1	95.8	5,408.9	75.5
Development Budget	2,985.2	3,108.2	543.1	802.3	1,802.9	3,844.4	3,844.4	46.9	-1,305.3	-42.0
<b>Total Infrastructure and Natural Resources</b>	<b>26,516.3</b>	<b>26,516.3</b>	<b>9,740.7</b>	<b>14,029.7</b>	<b>32,165.4</b>	<b>49,234.7</b>	<b>51,392.9</b>	<b>62.6</b>	<b>5,649.1</b>	<b>21.3</b>
Operating Budget	2,961.2	2,961.2	1,260.8	1,633.8	4,956.4	3,135.7	5,293.9	93.6	1,995.3	67.4
Development Budget	23,555.1	23,555.1	8,479.9	12,395.9	27,208.9	46,099.0	46,099.0	59.0	3,653.8	15.5
<b>Total Education</b>	<b>27,599.1</b>	<b>27,599.1</b>	<b>10,578.0</b>	<b>14,746.3</b>	<b>41,562.2</b>	<b>51,494.4</b>	<b>52,486.3</b>	<b>79.2</b>	<b>13,963.1</b>	<b>50.6</b>
Operating Budget	23,340.4	23,340.4	9,126.6	11,209.1	33,701.8	33,028.3	34,020.2	99.1	10,361.4	44.4
Development Budget	4,258.7	4,258.7	1,451.5	3,537.1	7,860.3	18,466.1	18,466.1	42.6	3,601.7	84.6
<b>Total Health</b>	<b>6,359.5</b>	<b>6,359.5</b>	<b>2,719.4</b>	<b>3,737.2</b>	<b>10,317.7</b>	<b>12,366.1</b>	<b>12,547.4</b>	<b>82.2</b>	<b>3,958.2</b>	<b>62.2</b>
Operating Budget	1,799.1	1,799.1	830.0	1,121.1	3,115.9	3,294.0	3,475.2	89.7	1,316.9	73.2
Development Budget	4,560.4	4,560.4	1,889.3	2,616.0	7,201.7	9,072.1	9,072.1	79.4	2,641.4	57.9
<b>Total Agriculture and Rural Development</b>	<b>17,327.3</b>	<b>17,327.3</b>	<b>6,142.7</b>	<b>8,298.0</b>	<b>24,696.8</b>	<b>27,956.0</b>	<b>28,453.5</b>	<b>86.8</b>	<b>7,369.6</b>	<b>42.5</b>
Operating Budget	1,427.1	1,427.1	525.8	740.4	2,303.5	1,975.4	2,472.9	93.1	876.4	61.4
Development Budget	15,900.2	15,900.2	5,616.9	7,557.6	22,393.3	25,980.6	25,980.6	86.2	6,493.2	40.8
<b>Total Social Protection</b>	<b>8,728.0</b>	<b>8,728.0</b>	<b>3,404.4</b>	<b>3,195.0</b>	<b>13,167.6</b>	<b>3,236.2</b>	<b>13,616.7</b>	<b>96.7</b>	<b>4,439.6</b>	<b>50.9</b>
Operating Budget	8,041.2	8,041.2	3,252.6	2,893.3	12,416.3	2,255.8	12,636.3	98.3	4,375.1	54.4
Development Budget	686.8	686.8	151.8	301.7	751.2	980.4	980.4	76.6	64.4	9.4
<b>Total Economic Governance and Private Sector Development</b>	<b>10,388.6</b>	<b>10,388.6</b>	<b>3,497.8</b>	<b>3,003.6</b>	<b>9,709.1</b>	<b>8,010.1</b>	<b>11,562.1</b>	<b>84.0</b>	<b>-679.6</b>	<b>-6.5</b>
Operating Budget	7,569.3	7,569.3	2,914.7	1,695.1	6,357.7	2,704.0	6,256.0	101.6	-1,211.6	-16.0
Development Budget	2,819.4	2,819.4	583.0	1,308.5	3,351.4	5,306.1	5,306.1	63.2	532.0	18.9
<b>Total Unclassified</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>28,322.7</b>	<b>10,105.3</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
Operating Budget	0.0	0.0	0.0	0.0	0.0	22,815.4	4,598.0	0.0	0.0	N/A
Development Budget	0.0	0.0	0.0	0.0	0.0	5,507.3	5,507.3	0.0	0.0	N/A

Source: FPU using AFMIS data downloaded on the 3 February 2014

(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 3 Actual YTD	Annual Actual	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	Increase %
<b>25</b>	<b>TOTAL GROSS EXPENDITURES</b>	<b>189,417.4</b>	<b>189,417.4</b>	<b>74,296.9</b>	<b>97,588.7</b>	<b>277,420.3</b>	<b>348,244.0</b>	<b>348,244.0</b>	<b>79.7</b>	<b>88,002.9</b>	<b>46.5</b>
	Operating Budget	133,962.7	133,962.7	53,593.2	62,124.3	197,767.0	206,585.0	206,585.0	95.7	63,804.3	47.6
	Development Budget	55,331.7	55,454.7	20,703.7	35,464.4	79,653.3	141,659.0	141,659.0	56.2	24,198.6	43.6
<b>26</b>	<b>Ministry of Interior</b>	<b>36,337.6</b>	<b>36,337.6</b>	<b>13,799.8</b>	<b>16,960.8</b>	<b>50,566.7</b>	<b>58,730.0</b>	<b>61,230.1</b>	<b>82.6</b>	<b>14,229.1</b>	<b>39.2</b>
	Operating Budget	36,207.0	36,207.0	13,698.1	16,843.8	50,271.0	50,496.0	52,996.0	94.9	14,064.0	38.8
	Development Budget	130.6	130.6	101.7	117.1	295.7	8,234.0	8,234.0	3.6	165.1	126.5
<b>22</b>	<b>Ministry of Defence</b>	<b>37,487.7</b>	<b>37,487.7</b>	<b>16,473.6</b>	<b>25,269.1</b>	<b>66,397.8</b>	<b>80,062.6</b>	<b>84,261.8</b>	<b>78.8</b>	<b>28,910.1</b>	<b>77.1</b>
	Operating Budget	37,465.2	37,465.2	14,899.3	18,532.6	58,084.7	63,048.4	67,247.7	86.4	20,619.5	55.0
	Development Budget	22.4	22.4	1,574.3	6,736.5	8,313.1	17,014.2	17,014.2	48.9	8,290.6	36,937.3
<b>23</b>	<b>Ministry of Foreign Affairs</b>	<b>2,452.9</b>	<b>2,452.9</b>	<b>839.2</b>	<b>1,204.0</b>	<b>3,510.8</b>	<b>3,428.2</b>	<b>3,934.7</b>	<b>89.2</b>	<b>1,057.9</b>	<b>43.1</b>
	Operating Budget	2,094.3	2,094.3	656.3	1,154.2	3,250.4	2,570.5	3,077.0	105.6	1,156.1	55.2
	Development Budget	358.6	358.6	182.8	49.8	260.4	857.7	857.7	30.4	-98.1	-27.4
<b>15</b>	<b>Presidential Protective Service</b>	<b>812.3</b>	<b>812.3</b>	<b>343.2</b>	<b>318.0</b>	<b>1,228.2</b>	<b>1,022.2</b>	<b>1,228.7</b>	<b>100.0</b>	<b>415.9</b>	<b>51.2</b>
	Operating Budget	804.7	804.7	293.7	292.6	1,139.6	855.7	1,062.2	107.3	334.8	41.6
	Development Budget	7.5	7.5	49.5	25.4	88.7	166.5	166.5	53.2	81.1	1,075.1
<b>64</b>	<b>General Directorate of National Security</b>	<b>5,136.2</b>	<b>5,136.2</b>	<b>2,528.0</b>	<b>2,275.0</b>	<b>9,722.4</b>	<b>9,727.3</b>	<b>9,727.3</b>	<b>99.9</b>	<b>4,586.1</b>	<b>89.3</b>
	Operating Budget	5,089.3	5,089.3	2,448.2	2,258.6	9,596.9	9,596.9	9,596.9	100.0	4,507.5	88.6
	Development Budget	46.9	46.9	79.8	16.4	125.5	130.5	130.5	96.2	78.6	167.7
	<b>Total Security</b>	<b>82,226.6</b>	<b>82,226.6</b>	<b>33,983.8</b>	<b>46,026.9</b>	<b>131,425.9</b>	<b>152,970.4</b>	<b>160,382.6</b>	<b>81.9</b>	<b>49,199.3</b>	<b>59.8</b>
	Operating Budget	81,660.6	81,660.6	31,995.6	39,081.7	122,342.6	126,567.4	133,979.7	91.3	40,682.0	49.8
	Development Budget	566.0	566.0	1,988.2	6,945.1	9,083.3	26,402.9	26,402.9	34.4	8,517.3	1,504.8
<b>10</b>	<b>Presidents Office</b>	<b>1,533.5</b>	<b>1,533.5</b>	<b>448.6</b>	<b>641.9</b>	<b>1,927.8</b>	<b>2,079.1</b>	<b>2,229.6</b>	<b>86.5</b>	<b>394.3</b>	<b>25.7</b>
	Operating Budget	1,324.3	1,324.3	423.2	558.4	1,773.6	1,665.8	1,816.3	97.7	449.3	33.9
	Development Budget	209.2	209.2	25.4	83.5	154.2	413.3	413.3	37.3	-54.9	-26.3
<b>11</b>	<b>National Assembly Meshanro Jirga</b>	<b>384.7</b>	<b>384.7</b>	<b>152.6</b>	<b>148.7</b>	<b>578.7</b>	<b>642.3</b>	<b>662.3</b>	<b>87.4</b>	<b>194.0</b>	<b>50.4</b>
	Operating Budget	370.0	370.0	140.5	134.9	513.3	515.0	535.0	95.9	143.2	38.7
	Development Budget	14.6	14.6	12.0	13.9	65.4	127.3	127.3	51.4	50.8	346.8
<b>12</b>	<b>National Assembly Wolesi Jirga</b>	<b>917.3</b>	<b>917.3</b>	<b>311.4</b>	<b>329.3</b>	<b>1,275.0</b>	<b>1,214.4</b>	<b>1,253.6</b>	<b>101.7</b>	<b>357.8</b>	<b>39.0</b>
	Operating Budget	917.3	917.3	310.5	314.4	1,259.3	1,185.9	1,225.2	102.8	342.0	37.3
	Development Budget	0.0	0.0	0.9	14.9	15.8	28.5	28.5	55.4	15.8	N/A
<b>14</b>	<b>Supreme Court</b>	<b>1,117.4</b>	<b>1,117.4</b>	<b>459.3</b>	<b>467.9</b>	<b>1,615.1</b>	<b>1,613.0</b>	<b>1,800.8</b>	<b>89.7</b>	<b>497.7</b>	<b>44.5</b>
	Operating Budget	1,034.4	1,034.4	434.8	440.4	1,510.7	1,319.8	1,507.6	100.2	476.3	46.0
	Development Budget	83.0	83.0	24.5	27.6	104.4	293.3	293.3	35.6	21.4	25.8
<b>50</b>	<b>Ministry of Justice</b>	<b>465.2</b>	<b>465.2</b>	<b>176.2</b>	<b>242.4</b>	<b>684.7</b>	<b>905.5</b>	<b>930.2</b>	<b>73.6</b>	<b>219.5</b>	<b>47.2</b>
	Operating Budget	411.7	411.7	147.6	180.2	581.8	588.2	612.9	94.9	170.1	41.3
	Development Budget	53.5	53.5	28.6	62.2	102.9	317.4	317.4	32.4	49.4	92.3
<b>13</b>	<b>Administrative Affairs</b>	<b>1,396.9</b>	<b>1,396.9</b>	<b>761.5</b>	<b>711.2</b>	<b>2,140.8</b>	<b>959.7</b>	<b>2,147.3</b>	<b>99.7</b>	<b>743.9</b>	<b>53.3</b>
	Operating Budget	1,312.4	1,312.4	730.8	563.5	1,949.1	702.7	1,890.3	103.1	636.7	48.5
	Development Budget	84.5	84.5	30.7	147.6	191.7	257.1	257.1	74.6	107.1	126.7
<b>21</b>	<b>Ministry of State and Parliament Affairs</b>	<b>121.3</b>	<b>121.3</b>	<b>20.5</b>	<b>45.4</b>	<b>117.2</b>	<b>112.2</b>	<b>129.3</b>	<b>90.6</b>	<b>-4.2</b>	<b>-3.4</b>
	Operating Budget	121.3	121.3	20.5	28.4	100.2	86.2	103.3	97.0	-21.1	-17.4
	Development Budget	0.0	0.0	0.0	16.9	16.9	26.0	26.0	65.1	16.9	N/A
<b>24</b>	<b>Ministry of Haj and Religious Affairs</b>	<b>610.5</b>	<b>610.5</b>	<b>311.4</b>	<b>288.0</b>	<b>862.6</b>	<b>979.9</b>	<b>1,022.6</b>	<b>84.3</b>	<b>252.1</b>	<b>41.3</b>
	Operating Budget	494.1	494.1	257.4	220.3	710.8	720.4	763.1	93.1	216.7	43.9
	Development Budget	116.4	116.4	54.0	67.6	151.8	259.5	259.5	58.5	35.4	30.4
<b>51</b>	<b>Attorney General</b>	<b>734.1</b>	<b>734.1</b>	<b>292.5</b>	<b>326.0</b>	<b>1,080.1</b>	<b>1,205.3</b>	<b>1,224.0</b>	<b>88.2</b>	<b>346.0</b>	<b>47.1</b>
	Operating Budget	706.8	706.8	261.8	284.9	998.4	986.5	1,005.3	99.3	291.6	41.3
	Development Budget	27.3	27.3	30.7	41.0	81.7	218.7	218.7	37.3	54.3	199.0
<b>72</b>	<b>Election Commission</b>	<b>82.6</b>	<b>82.6</b>	<b>35.2</b>	<b>42.7</b>	<b>128.8</b>	<b>123.2</b>	<b>123.8</b>	<b>104.0</b>	<b>46.2</b>	<b>55.9</b>
	Operating Budget	81.2	81.2	31.4	34.6	112.0	123.2	123.8	90.4	30.8	37.9
	Development Budget	1.4	1.4	3.8	8.1	16.8	0.0	0.0	-	15.4	1,122.5
<b>62</b>	<b>IARCSC</b>	<b>458.0</b>	<b>458.0</b>	<b>198.4</b>	<b>179.7</b>	<b>674.6</b>	<b>336.7</b>	<b>351.6</b>	<b>191.9</b>	<b>216.6</b>	<b>47.3</b>
	Operating Budget	231.4	231.4	81.6	95.1	316.3	312.3	592.3	53.4	85.0	36.7
	Development Budget	226.6	226.6	116.8	84.6	358.2	24.4	24.4	1,467.4	131.6	58.1
<b>85</b>	<b>Independent Commission for Overseeing the Implemen</b>	<b>231.4</b>	<b>231.4</b>	<b>81.6</b>	<b>95.1</b>	<b>69.0</b>	<b>586.2</b>	<b>592.3</b>	<b>11.6</b>	<b>-162.4</b>	<b>-70.2</b>
	Operating Budget	54.2	54.2	17.3	20.3	69.0	79.8	86.0	80.3	14.8	27.3
	Development Budget	177.2	177.2	64.3	74.8	0.0	506.4	506.4	0.0	-177.2	-100.0
<b>67</b>	<b>The High office of Oversight and Anti Corruption</b>	<b>144.7</b>	<b>144.7</b>	<b>52.7</b>	<b>38.0</b>	<b>173.0</b>	<b>161.2</b>	<b>173.7</b>	<b>99.6</b>	<b>28.2</b>	<b>19.5</b>
	Operating Budget	104.7	104.7	44.0	36.5	140.8	129.0	141.5	99.5	36.1	34.5
	Development Budget	40.0	40.0	8.7	1.4	32.2	32.2	32.2	100.0	-7.9	-19.6
<b>59</b>	<b>Independent Directorate of Local Governance</b>	<b>2,074.4</b>	<b>2,074.4</b>	<b>928.3</b>	<b>995.8</b>	<b>3,048.5</b>	<b>3,670.0</b>	<b>3,997.2</b>	<b>76.3</b>	<b>974.1</b>	<b>47.0</b>
	Operating Budget	0.0	0.0	785.6	837.6	2,537.5	2,394.3	2,721.5	93.2	2,537.5	N/A
	Development Budget	2,074.4	2,074.4	142.8	158.1	511.0	1,275.7	1,275.7	40.1	-1,563.4	-75.4
<b>74</b>	<b>Legal Training Center</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>64.7</b>	<b>64.7</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	64.7	64.7	0.0	0.0	N/A
	<b>Total Governance, Rule of Law and Human Rights</b>	<b>10,272.1</b>	<b>10,272.1</b>	<b>4,230.1</b>	<b>4,552.0</b>	<b>14,375.7</b>	<b>14,653.4</b>	<b>16,703.3</b>	<b>86.1</b>	<b>4,103.7</b>	<b>39.9</b>
	Operating Budget	7,163.9	7,163.9	3,687.0	3,749.7	12,572.8	10,809.1	13,124.1	95.8	5,408.9	75.5
	Development Budget	2,985.2	3,108.2	543.1	802.3	1,802.9	3,844.4	3,844.4	46.9	-1,305.3	-42.0

Source: FPD using AFMIS data downloaded on the 3 February 2014

(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	
		Qtr 3 Actual YTD	Annual Actual	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	Increase
<b>42 Ministry of Public Works</b>		<b>13,912.3</b>	<b>13,912.3</b>	<b>6,160.4</b>	<b>5,947.5</b>	<b>16,219.8</b>	<b>23,624.0</b>	<b>25,508.1</b>	<b>63.6</b>	<b>2,307.5</b>	<b>16.6</b>
Operating Budget		1,203.5	1,203.5	582.9	819.5	2,325.3	517.6	2,401.7	96.8	1,121.8	93.2
Development Budget		12,708.7	12,708.7	5,577.5	5,128.0	13,894.5	23,106.3	23,106.3	60.1	1,185.8	9.3
<b>45 Ministry of Transport and Aviation</b>		<b>1,306.5</b>	<b>1,306.5</b>	<b>361.4</b>	<b>850.8</b>	<b>1,741.0</b>	<b>2,342.4</b>	<b>2,384.0</b>	<b>73.0</b>	<b>434.5</b>	<b>33.3</b>
Operating Budget		488.1	488.1	161.6	162.9	544.8	520.4	562.0	96.9	56.6	11.6
Development Budget		818.3	818.3	199.7	687.9	1,196.2	1,822.0	1,822.0	65.7	377.9	46.2
<b>34 Ministry of Communication</b>		<b>1,225.6</b>	<b>1,225.6</b>	<b>443.8</b>	<b>899.8</b>	<b>1,631.4</b>	<b>2,992.5</b>	<b>3,001.9</b>	<b>54.3</b>	<b>405.8</b>	<b>33.1</b>
Operating Budget		359.3	359.3	115.5	131.6	461.6	488.4	497.7	92.7	102.3	28.5
Development Budget		866.3	866.3	328.3	768.3	1,169.9	2,504.2	2,504.2	46.7	303.6	35.0
<b>41 Ministry of Energy and Water</b>		<b>5,671.1</b>	<b>5,671.1</b>	<b>1,214.6</b>	<b>3,174.9</b>	<b>6,018.1</b>	<b>11,110.0</b>	<b>11,289.9</b>	<b>53.3</b>	<b>347.0</b>	<b>6.1</b>
Operating Budget		331.5	331.5	137.4	203.0	559.3	528.7	708.6	78.9	227.7	68.7
Development Budget		5,339.5	5,339.5	1,077.3	2,971.9	5,458.8	10,581.3	10,581.3	51.6	119.3	2.2
<b>82 Water Supply and Canalization Corporation</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>561.2</b>	<b>561.2</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
Operating Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
Development Budget		0.0	0.0	0.0	0.0	0.0	561.2	561.2	0.0	0.0	N/A
<b>83 Da Brishna Shirkat</b>		<b>940.7</b>	<b>940.7</b>	<b>349.0</b>	<b>1,374.9</b>	<b>2,054.0</b>	<b>2,389.7</b>	<b>2,389.7</b>	<b>86.0</b>	<b>1,113.3</b>	<b>118.3</b>
Operating Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
Development Budget		940.7	940.7	349.0	1,374.9	2,054.0	2,389.7	2,389.7	86.0	1,113.3	118.3
<b>49 Ministry of Urban Development</b>		<b>931.7</b>	<b>931.7</b>	<b>334.7</b>	<b>584.4</b>	<b>1,326.2</b>	<b>1,712.9</b>	<b>1,727.7</b>	<b>76.8</b>	<b>394.5</b>	<b>42.3</b>
Operating Budget		147.3	147.3	56.9	80.0	237.2	242.0	256.8	92.3	89.8	60.9
Development Budget		784.3	784.3	277.8	504.4	1,089.1	1,470.9	1,470.9	74.0	304.7	38.9
<b>84 Independent Board of new Kabul</b>		<b>151.1</b>	<b>151.1</b>	<b>38.8</b>	<b>44.6</b>	<b>155.1</b>	<b>213.5</b>	<b>213.5</b>	<b>72.7</b>	<b>4.0</b>	<b>2.7</b>
Operating Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
Development Budget		151.1	151.1	38.8	44.6	155.1	213.5	213.5	72.7	4.0	2.7
<b>32 Ministry of Mines and Industries</b>		<b>1,658.4</b>	<b>1,658.4</b>	<b>494.1</b>	<b>563.5</b>	<b>1,742.9</b>	<b>2,219.9</b>	<b>2,236.2</b>	<b>77.9</b>	<b>84.6</b>	<b>5.1</b>
Operating Budget		333.4	333.4	117.2	136.3	485.9	495.7	511.9	94.9	152.5	45.7
Development Budget		1,324.9	1,324.9	376.9	427.2	1,257.1	1,724.2	1,724.2	72.9	-67.9	-5.1
<b>65 Geodesy and Cartography Office</b>		<b>168.9</b>	<b>168.9</b>	<b>36.7</b>	<b>93.5</b>	<b>190.6</b>	<b>212.8</b>	<b>213.5</b>	<b>89.3</b>	<b>21.8</b>	<b>12.9</b>
Operating Budget		97.9	97.9	36.0	40.4	135.5	142.8	143.5	94.4	37.6	38.4
Development Budget		71.0	71.0	0.8	53.1	55.1	70.0	70.0	78.7	-15.9	-22.3
<b>60 Directorate of Environment</b>		<b>155.8</b>	<b>155.8</b>	<b>46.6</b>	<b>51.6</b>	<b>178.5</b>	<b>235.3</b>	<b>243.6</b>	<b>73.3</b>	<b>22.7</b>	<b>14.6</b>
Operating Budget		0.0	0.0	46.6	51.6	178.5	164.9	173.2	103.1	178.5	N/A
Development Budget		155.8	155.8	0.0	0.0	0.0	70.4	70.4	0.0	-155.8	-100.0
<b>75 Afghanistan High Atomic Energy Commission</b>		<b>25.7</b>	<b>25.7</b>	<b>6.8</b>	<b>8.6</b>	<b>28.4</b>	<b>35.2</b>	<b>38.4</b>	<b>73.9</b>	<b>2.7</b>	<b>10.6</b>
Operating Budget		0.0	0.0	6.8	8.6	28.4	35.2	38.4	73.9	28.4	N/A
Development Budget		25.7	25.7	0.0	0.0	0.0	0.0	0.0	-	-25.7	-100.0
<b>#REF! #REF!</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
Operating Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
Development Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
<b>79 Municipalities</b>		<b>368.7</b>	<b>368.7</b>	<b>253.7</b>	<b>435.6</b>	<b>879.1</b>	<b>1,585.3</b>	<b>1,585.3</b>	<b>55.5</b>	<b>510.4</b>	<b>138.4</b>
Operating Budget		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
Development Budget		368.7	368.7	253.7	435.6	879.1	1,585.3	1,585.3	55.5	510.4	138.4
<b>Total Infrastructure and Natural Resources</b>		<b>26,516.3</b>	<b>26,516.3</b>	<b>9,740.7</b>	<b>14,029.7</b>	<b>32,165.4</b>	<b>49,234.7</b>	<b>51,392.9</b>	<b>62.6</b>	<b>5,649.1</b>	<b>21.3</b>
Operating Budget		2,961.2	2,961.2	1,260.8	1,633.8	4,956.4	3,135.7	5,293.9	93.6	1,995.3	67.4
Development Budget		23,555.1	23,555.1	8,479.9	12,395.9	27,209.0	46,099.0	46,099.0	59.0	3,653.8	15.5
<b>27 Ministry of Education</b>		<b>23,049.0</b>	<b>23,049.0</b>	<b>8,948.8</b>	<b>12,211.8</b>	<b>35,236.9</b>	<b>43,248.8</b>	<b>44,002.3</b>	<b>80.1</b>	<b>12,187.9</b>	<b>52.9</b>
Operating Budget		20,232.7	20,232.7	7,886.6	9,618.8	29,195.6	28,704.2	29,457.8	99.1	8,962.9	44.3
Development Budget		2,816.3	2,816.3	1,062.1	2,592.9	6,041.3	14,544.5	14,544.5	41.5	3,225.0	114.5
<b>28 Ministry of Higher Education</b>		<b>3,351.9</b>	<b>3,351.9</b>	<b>1,126.5</b>	<b>2,033.1</b>	<b>4,674.8</b>	<b>6,022.8</b>	<b>6,122.9</b>	<b>76.3</b>	<b>1,322.8</b>	<b>39.5</b>
Operating Budget		2,212.1	2,212.1	844.8	1,180.6	3,152.9	3,095.1	3,195.2	98.7	940.8	42.5
Development Budget		1,139.8	1,139.8	281.7	852.5	1,521.9	2,927.7	2,927.7	52.0	382.1	33.5
<b>36 Ministry of Information and Culture</b>		<b>731.0</b>	<b>731.0</b>	<b>265.5</b>	<b>381.4</b>	<b>1,064.6</b>	<b>1,308.8</b>	<b>1,432.3</b>	<b>74.3</b>	<b>333.6</b>	<b>45.6</b>
Operating Budget		579.8	579.8	234.3	304.5	902.6	811.9	935.4	96.5	322.7	55.7
Development Budget		151.1	151.1	31.2	76.9	162.0	496.9	496.9	32.6	10.9	7.2
<b>61 Science Academy</b>		<b>139.2</b>	<b>139.2</b>	<b>52.4</b>	<b>44.0</b>	<b>200.8</b>	<b>188.1</b>	<b>189.9</b>	<b>105.7</b>	<b>61.6</b>	<b>44.3</b>
Operating Budget		121.8	121.8	40.9	41.9	177.5	151.3	153.1	116.0	55.7	45.7
Development Budget		17.3	17.3	11.5	2.1	23.2	36.8	36.8	63.1	5.9	34.0
<b>63 National Olympic Committee</b>		<b>328.0</b>	<b>328.0</b>	<b>184.8</b>	<b>75.9</b>	<b>385.1</b>	<b>725.9</b>	<b>738.9</b>	<b>52.1</b>	<b>57.1</b>	<b>17.4</b>
Operating Budget		193.9	193.9	119.9	63.3	273.3	265.8	278.8	98.0	79.3	40.9
Development Budget		134.1	134.1	64.9	12.6	111.9	460.1	460.1	24.3	-22.2	-16.6
<b>Total Education</b>		<b>27,599.1</b>	<b>27,599.1</b>	<b>10,578.0</b>	<b>14,746.3</b>	<b>41,562.2</b>	<b>51,494.4</b>	<b>52,486.3</b>	<b>79.2</b>	<b>13,963.1</b>	<b>50.6</b>
Operating Budget		23,340.4	23,340.4	9,126.6	11,209.1	33,701.8	33,028.3	34,020.2	99.1	10,361.4	44.4
Development Budget		4,258.7	4,258.7	1,451.5	3,537.1	7,860.3	18,466.1	18,466.1	42.6	3,601.7	84.6
<b>37 Ministry of Public Health</b>		<b>6,359.5</b>	<b>6,359.5</b>	<b>2,719.4</b>	<b>3,737.2</b>	<b>10,317.7</b>	<b>12,366.1</b>	<b>12,547.4</b>	<b>82.2</b>	<b>3,958.2</b>	<b>62.2</b>
Operating Budget		1,799.1	1,799.1	830.0	1,121.1	3,115.9	3,294.0	3,475.2	89.7	1,316.9	73.2
Development Budget		4,560.4	4,560.4	1,889.3	2,616.0	7,201.7	9,072.1	9,072.1	79.4	2,641.4	57.9
<b>Total Health</b>		<b>6,359.5</b>	<b>6,359.5</b>	<b>2,719.4</b>	<b>3,737.2</b>	<b>10,317.7</b>	<b>12,366.1</b>	<b>12,547.4</b>	<b>82.2</b>	<b>3,958.2</b>	<b>62.2</b>
Operating Budget		1,799.1	1,799.1	830.0	1,121.1	3,115.9	3,294.0	3,475.2	89.7	1,316.9	73.2
Development Budget		4,560.4	4,560.4	1,889.3	2,616.0	7,201.7	9,072.1	9,072.1	79.4	2,641.4	57.9

**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 3 Actual YTD	Annual Actual	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	Increase
<b>39</b>	<b>Ministry of Agriculture</b>	<b>4,008.6</b>	<b>4,008.6</b>	<b>1,525.8</b>	<b>2,946.1</b>	<b>6,547.5</b>	<b>7,447.2</b>	<b>7,805.8</b>	<b>83.9</b>	<b>2,538.9</b>	<b>63.3</b>
	Operating Budget	923.7	923.7	337.5	421.7	1,487.7	1,252.8	1,611.4	92.3	564.0	61.1
	Development Budget	3,084.9	3,084.9	1,188.3	2,524.4	5,059.8	6,194.4	6,194.4	81.7	1,974.9	64.0
<b>48</b>	<b>Ministry of Counter Narcotics</b>	<b>502.9</b>	<b>502.9</b>	<b>218.3</b>	<b>482.0</b>	<b>1,040.1</b>	<b>848.9</b>	<b>861.1</b>	<b>120.8</b>	<b>537.2</b>	<b>106.8</b>
	Operating Budget	105.8	105.8	36.5	59.8	167.5	136.6	148.8	112.5	61.7	58.4
	Development Budget	397.1	397.1	181.8	422.3	872.6	712.3	712.3	122.5	475.5	119.7
<b>43</b>	<b>Ministry of Rural Rehabilitation and Development</b>	<b>12,815.8</b>	<b>12,815.8</b>	<b>4,398.6</b>	<b>4,869.9</b>	<b>17,109.2</b>	<b>19,659.9</b>	<b>19,786.6</b>	<b>86.5</b>	<b>4,293.4</b>	<b>33.5</b>
	Operating Budget	397.6	397.6	151.8	259.0	648.3	586.0	712.7	91.0	250.7	63.0
	Development Budget	12,418.2	12,418.2	4,246.8	4,610.9	16,460.9	19,073.9	19,073.9	86.3	4,042.7	32.6
	<b>Total Agriculture and Rural Development</b>	<b>17,327.3</b>	<b>17,327.3</b>	<b>6,142.7</b>	<b>8,298.0</b>	<b>24,696.8</b>	<b>27,956.0</b>	<b>28,453.5</b>	<b>86.8</b>	<b>7,369.6</b>	<b>42.5</b>
	Operating Budget	1,427.1	1,427.1	525.8	740.4	2,303.5	1,975.4	2,472.9	93.1	876.4	61.4
	Development Budget	15,900.2	15,900.2	5,616.9	7,557.6	22,393.3	25,980.6	25,980.6	86.2	6,493.2	40.8
<b>46</b>	<b>Ministry of Frontiers and Tribal Affairs</b>	<b>338.3</b>	<b>338.3</b>	<b>129.4</b>	<b>190.4</b>	<b>475.3</b>	<b>563.5</b>	<b>585.1</b>	<b>81.2</b>	<b>137.0</b>	<b>40.5</b>
	Operating Budget	282.3	282.3	107.9	124.5	369.8	390.3	411.9	89.8	87.5	31.0
	Development Budget	56.0	56.0	21.5	65.9	105.4	173.2	173.2	60.9	49.4	88.2
<b>47</b>	<b>Ministry of Martyrs, Disabled and Social Affairs</b>	<b>7,862.9</b>	<b>7,862.9</b>	<b>3,111.8</b>	<b>2,776.3</b>	<b>11,996.0</b>	<b>1,988.2</b>	<b>12,269.2</b>	<b>97.8</b>	<b>4,133.0</b>	<b>52.6</b>
	Operating Budget	7,410.4	7,410.4	3,007.9	2,590.0	11,470.0	1,344.2	11,825.2	98.7	4,059.6	54.8
	Development Budget	452.5	452.5	103.9	186.4	526.0	644.0	644.0	81.7	73.5	16.2
<b>29</b>	<b>Ministry of Refugees and Repatriates</b>	<b>224.8</b>	<b>224.8</b>	<b>67.6</b>	<b>69.4</b>	<b>274.3</b>	<b>222.9</b>	<b>282.2</b>	<b>97.2</b>	<b>49.5</b>	<b>22.0</b>
	Operating Budget	135.4	135.4	59.4	68.0	258.6	199.1	258.3	100.1	123.2	91.0
	Development Budget	89.4	89.4	8.2	1.4	15.7	23.9	23.9	65.5	-73.8	-82.5
<b>38</b>	<b>Ministry of Women Affairs</b>	<b>192.5</b>	<b>192.5</b>	<b>56.5</b>	<b>78.4</b>	<b>229.9</b>	<b>228.1</b>	<b>243.1</b>	<b>94.6</b>	<b>37.4</b>	<b>19.4</b>
	Operating Budget	121.3	121.3	44.2	64.8	188.8	183.1	198.1	95.3	67.5	55.6
	Development Budget	71.2	71.2	12.3	13.6	41.1	45.0	45.0	91.4	-30.1	-42.3
<b>68</b>	<b>Office of Disaster Preparedness</b>	<b>74.3</b>	<b>74.3</b>	<b>23.2</b>	<b>62.0</b>	<b>120.1</b>	<b>135.3</b>	<b>135.3</b>	<b>88.7</b>	<b>45.7</b>	<b>61.5</b>
	Operating Budget	60.0	60.0	23.2	27.6	81.8	94.8	94.8	86.3	21.8	36.4
	Development Budget	14.3	14.3	0.0	34.4	38.2	40.5	40.5	94.4	23.9	166.7
<b>76</b>	<b>Directorate of Kochis</b>	<b>35.1</b>	<b>35.1</b>	<b>15.9</b>	<b>18.5</b>	<b>72.1</b>	<b>98.0</b>	<b>101.8</b>	<b>70.8</b>	<b>37.0</b>	<b>105.6</b>
	Operating Budget	31.7	31.7	10.0	18.5	47.2	44.3	48.0	98.2	15.5	48.7
	Development Budget	3.3	3.3	5.9	0.0	24.9	53.8	53.8	46.2	21.6	649.7
	<b>Total Social Protection</b>	<b>8,728.0</b>	<b>8,728.0</b>	<b>3,404.4</b>	<b>3,195.0</b>	<b>13,167.6</b>	<b>3,236.2</b>	<b>13,616.7</b>	<b>96.7</b>	<b>4,439.6</b>	<b>50.9</b>
	Operating Budget	8,041.2	8,041.2	3,252.6	2,893.3	12,416.3	2,255.8	12,636.3	98.3	4,375.1	54.4
	Development Budget	686.8	686.8	151.8	301.7	751.2	980.4	980.4	76.6	64.4	9.4
<b>20</b>	<b>Ministry of Finance</b>	<b>8,025.5</b>	<b>8,025.5</b>	<b>3,073.8</b>	<b>2,399.7</b>	<b>7,894.4</b>	<b>5,565.7</b>	<b>9,071.5</b>	<b>87.0</b>	<b>-131.1</b>	<b>-1.6</b>
	Operating Budget	5,928.3	5,928.3	2,687.6	1,421.6	5,455.5	1,780.9	5,286.8	103.2	-472.8	-8.0
	Development Budget	2,097.2	2,097.2	386.2	978.1	2,438.9	3,784.8	3,784.8	64.4	341.7	16.3
<b>25</b>	<b>Ministry of Commerce</b>	<b>1,438.3</b>	<b>1,438.3</b>	<b>125.8</b>	<b>215.4</b>	<b>589.2</b>	<b>796.3</b>	<b>819.1</b>	<b>71.9</b>	<b>-849.1</b>	<b>-59.0</b>
	Operating Budget	1,282.3	1,282.3	90.5	106.7	371.1	356.0	378.8	98.0	-911.2	-71.1
	Development Budget	156.0	156.0	35.3	108.7	218.1	440.3	440.3	49.5	62.1	39.8
<b>35</b>	<b>Ministry of Economy</b>	<b>443.2</b>	<b>443.2</b>	<b>141.2</b>	<b>181.2</b>	<b>571.4</b>	<b>667.6</b>	<b>672.6</b>	<b>85.0</b>	<b>128.2</b>	<b>28.9</b>
	Operating Budget	162.8	162.8	54.9	77.6	226.2	244.8	249.8	90.5	63.4	39.0
	Development Budget	280.5	280.5	86.3	103.6	345.2	422.7	422.7	81.7	64.8	23.1
<b>66</b>	<b>Control and Audit Office</b>	<b>145.3</b>	<b>145.3</b>	<b>73.9</b>	<b>85.8</b>	<b>291.3</b>	<b>513.4</b>	<b>525.1</b>	<b>55.5</b>	<b>146.1</b>	<b>100.6</b>
	Operating Budget	63.8	63.8	32.6	34.2	120.9	116.4	128.1	94.4	57.1	89.6
	Development Budget	81.5	81.5	41.2	51.6	170.4	397.0	397.0	42.9	88.9	109.2
<b>73</b>	<b>Central Statistics Office</b>	<b>148.7</b>	<b>148.7</b>	<b>40.3</b>	<b>52.9</b>	<b>231.4</b>	<b>292.8</b>	<b>295.0</b>	<b>78.5</b>	<b>82.7</b>	<b>55.7</b>
	Operating Budget	98.8	98.8	33.0	40.5	133.4	137.7	139.9	95.3	34.5	34.9
	Development Budget	49.8	49.8	7.3	12.4	98.1	155.0	155.0	63.3	48.2	96.8
<b>58</b>	<b>Afghanistan National Standard Authority</b>	<b>187.7</b>	<b>187.7</b>	<b>42.8</b>	<b>68.6</b>	<b>131.3</b>	<b>174.4</b>	<b>178.8</b>	<b>73.4</b>	<b>-56.4</b>	<b>-30.0</b>
	Operating Budget	33.2	33.2	16.1	14.5	50.6	68.2	72.6	69.7	17.4	52.3
	Development Budget	154.4	154.4	26.6	54.0	80.7	106.2	106.2	76.0	-73.8	-47.8
	<b>Total Economic Gov. and Private Sector Devel't</b>	<b>10,388.6</b>	<b>10,388.6</b>	<b>3,497.8</b>	<b>3,003.6</b>	<b>9,709.1</b>	<b>8,010.1</b>	<b>11,562.1</b>	<b>84.0</b>	<b>-679.6</b>	<b>-6.5</b>
	Operating Budget	7,569.3	7,569.3	2,914.7	1,695.1	6,357.7	2,704.0	6,256.0	101.6	-1,211.6	-16.0
	Development Budget	2,819.4	2,819.4	583.0	1,308.5	3,351.4	5,306.1	5,306.1	63.2	532.0	18.9
<b>80</b>	<b>Afghanistan Investment Support Agency</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>52.0</b>	<b>52.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	52.0	52.0	0.0	0.0	N/A
<b>81</b>	<b>Micro Finance Investment Support Facility for Afghanist</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>42.5</b>	<b>42.5</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	42.5	42.5	0.0	0.0	N/A
<b>90</b>	<b>Unallocated Reserves</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
<b>99</b>	<b>Unspecified</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>28,228.2</b>	<b>5,412.8</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	22,815.4	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	5,412.8	5,412.8	0.0	0.0	N/A
	<b>Total Unclassified</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>28,322.7</b>	<b>10,105.3</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>
	Operating Budget	0.0	0.0	0.0	0.0	0.0	22,815.4	4,598.0	0.0	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	5,507.3	5,507.3	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 Annual	Comparison to Budget Current	%	1392 Annual	Comparison to Budget Current	%	1392 Annual	Comparison to Budget Current	%
		Prelim	Allocated Budget (1)	Allocated Budget	Prelim	Allocated Budget (1)	Allocated Budget	Prelim	Allocated Budget (1)	Allocated Budget
<b>27 Ministry of Education</b>		<b>29,238.1</b>	<b>29,457.8</b>	<b>99.3</b>	<b>6,041.3</b>	<b>14,885.6</b>	<b>40.6</b>	<b>35,279.4</b>	<b>44,343.4</b>	<b>79.6</b>
271 General & Islamic Education		25,043.1	24,812.0	100.9	1,470.1	5,724.3	25.7	26,513.1	30,536.3	86.8
272 Curriculum development & teacher training		962.3	1,103.9	87.2	2,593.5	4,717.6	55.0	3,555.8	5,821.5	61.1
273 Technical and vocational training program		1,152.0	1,170.6	98.4	460.1	1,571.9	29.3	1,612.1	2,742.6	58.8
274 Literacy and informal Education		499.9	515.3	97.0	356.0	450.0	79.1	855.9	965.3	88.7
275 Education management		1,580.7	1,856.0	85.2	1,161.7	2,421.8	48.0	2,742.5	4,277.7	64.1
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>39 Ministry of Agriculture, Irrigation and Livestock</b>		<b>1,493.2</b>	<b>1,611.4</b>	<b>92.7</b>	<b>5,059.8</b>	<b>6,345.8</b>	<b>79.7</b>	<b>6,553.1</b>	<b>7,957.2</b>	<b>82.4</b>
391 Natural Resource Management		235.6	253.2	93.0	372.6	470.7	79.2	608.2	723.9	84.0
392 Agriculture Production and Productivity		701.0	777.4	90.2	2,545.1	3,686.5	69.0	3,246.1	4,463.8	72.7
393 Economic Regeneration		151.5	163.1	92.9	2,014.2	1,898.4	106.1	2,165.7	2,061.6	105.1
394 Reform and Capacity Building		405.2	417.7	97.0	127.8	290.1	44.1	533.0	707.9	75.3
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>43 Ministry of Rural Rehabilitation and Development</b>		<b>1,030.6</b>	<b>712.7</b>	<b>144.6</b>	<b>16,079.9</b>	<b>20,922.6</b>	<b>76.9</b>	<b>17,110.5</b>	<b>21,635.3</b>	<b>79.1</b>
431 Rural Infrastructure (RI)		381.0	0.0	N/A	1,957.3	4,943.7	39.6	2,338.3	4,943.7	47.3
432 Economic Regeneration (ER)		0.0	0.0	N/A	391.7	1,235.9	31.7	391.7	1,235.9	31.7
433 Local Governance		0.0	0.0	N/A	13,731.0	14,743.1	93.1	13,731.0	14,743.1	93.1
435 Institutional Support Program (ISP)		649.6	712.7	91.2	0.0	0.0	N/A	649.6	712.7	91.2
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>20 Ministry of Finance</b>		<b>5,752.3</b>	<b>5,286.8</b>	<b>108.8</b>	<b>2,427.9</b>	<b>4,044.3</b>	<b>60.0</b>	<b>8,180.1</b>	<b>9,331.1</b>	<b>87.7</b>
201 Public Financial Management		4,119.6	3,624.5	113.7	946.4	1,755.3	53.9	5,066.0	5,379.8	94.2
202 Revenue Management		547.7	561.7	97.5	602.0	735.1	81.9	1,149.7	1,296.8	88.7
203 Operation (General Administration)		1,059.2	1,071.9	98.8	431.8	867.2	49.8	1,491.0	1,939.1	76.9
204 Policy Management		25.8	28.6	90.1	447.7	686.8	65.2	473.5	715.4	66.2
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>42 Ministry of Public Works</b>		<b>2,613.3</b>	<b>2,401.7</b>	<b>108.8</b>	<b>13,611.8</b>	<b>23,715.7</b>	<b>57.4</b>	<b>16,225.1</b>	<b>26,117.4</b>	<b>62.1</b>
421 Transportation Infrastructures		330.2	41.5	795.1	13,611.8	23,715.7	57.4	13,942.0	23,757.2	58.7
422 Maintenance of Transport Infrastructure		2,149.6	2,223.2	96.7	0.0	0.0	N/A	2,149.6	2,223.2	96.7
423 Admin & Finance		133.5	137.0	97.4	0.0	0.0	N/A	133.5	137.0	97.4
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>37 Ministry of Public Health</b>		<b>3,128.5</b>	<b>3,475.2</b>	<b>90.0</b>	<b>7,201.7</b>	<b>9,945.1</b>	<b>72.4</b>	<b>10,330.3</b>	<b>13,420.4</b>	<b>77.0</b>
371 Institutional Development and Assessment (IDA)		55.0	55.2	99.7	833.3	2,259.7	36.9	888.3	2,314.8	38.4
372 Health Service Provision		1,537.8	1,721.2	89.3	6,367.3	7,628.2	83.5	7,905.1	9,349.4	84.6
373 Admin		1,535.7	1,698.9	90.4	1.2	57.3	2.1	1,536.9	1,756.2	87.5
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>59 Independent Directorate of Local Governance</b>		<b>2,553.8</b>	<b>2,721.5</b>	<b>93.8</b>	<b>499.6</b>	<b>1,699.7</b>	<b>29.4</b>	<b>3,053.4</b>	<b>4,421.2</b>	<b>69.1</b>
591 National Principals for Local Governance		17.9	20.0	89.7	0.0	0.0	N/A	17.9	20.0	89.7
592 Local Governance Management		2,046.3	2,205.9	92.8	499.6	1,699.7	29.4	2,545.9	3,905.6	65.2
593 General Supporting Services		489.6	495.5	98.8	0.0	0.0	N/A	489.6	495.5	98.8
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>49 Ministry of Urban Development</b>		<b>237.8</b>	<b>256.8</b>	<b>92.6</b>	<b>1,089.1</b>	<b>1,526.4</b>	<b>71.3</b>	<b>1,326.9</b>	<b>1,783.3</b>	<b>74.4</b>
491 Planning & Urban Development		20.2	20.3	99.7	67.7	224.7	30.1	88.0	245.0	35.9
492 Housing		9.3	9.5	97.4	456.7	488.3	93.5	466.0	497.8	93.6
493 Urban Infrastructure		26.2	26.3	99.8	524.4	771.3	68.0	550.7	797.6	69.0
494 Management & Operations		182.1	200.7	90.7	40.2	42.2	95.3	222.3	242.9	91.5
999 Expenditure returns		0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A

Source: FPD using AFMIS data downloaded on the 3 February 2014

(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.

**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 Annual	Comparison to Current	% Budget	1392 Annual	Comparison to Current	% Budget	1392 Annual	Comparison to Current	% Budget
		Prelim	Allocated Budget (1)	Allocated Budget	Prelim	Allocated Budget (1)	Allocated Budget	Prelim	Allocated Budget (1)	Allocated Budget
<b>45</b>	<b>Ministry of Transport &amp; Civil Aviation</b>	<b>546.2</b>	<b>562.0</b>	<b>97.2</b>	<b>1,196.2</b>	<b>2,050.7</b>	<b>58.3</b>	<b>1,742.4</b>	<b>2,612.7</b>	<b>66.7</b>
451	Air Transport Services	239.8	245.8	97.6	448.4	1,282.4	35.0	688.2	1,528.1	45.0
452	Land Transport Services	150.4	160.1	94.0	0.0	0.0	N/A	150.4	160.1	94.0
453	Management & Operations	156.0	156.1	100.0	747.8	768.3	97.3	903.8	924.4	97.8
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>34</b>	<b>Ministry of Communication and Information Technolo</b>	<b>462.4</b>	<b>497.7</b>	<b>92.9</b>	<b>1,169.9</b>	<b>2,543.2</b>	<b>46.0</b>	<b>1,632.3</b>	<b>3,040.9</b>	<b>53.7</b>
341	E - Afghanistan	95.7	107.8	88.8	1,169.9	2,543.2	46.0	1,265.6	2,651.0	47.7
342	ICT Literacy	21.6	26.6	81.4	0.0	0.0	N/A	21.6	26.6	81.4
343	General Administration & Management	345.1	363.3	95.0	0.0	0.0	N/A	345.1	363.3	95.0
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>25</b>	<b>Ministry of Commerce and Industry</b>	<b>375.9</b>	<b>378.8</b>	<b>99.2</b>	<b>218.1</b>	<b>441.7</b>	<b>49.4</b>	<b>594.0</b>	<b>820.5</b>	<b>72.4</b>
251	Private Sector and Industry Development	23.3	23.4	99.8	165.1	350.5	47.1	188.4	373.9	50.4
252	Trade Policy and Transit	264.6	266.9	99.1	9.4	13.2	70.9	274.0	280.1	97.8
253	Admin and Regulatory Services	88.0	88.6	99.4	43.6	77.9	55.9	131.6	166.5	79.0
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>47</b>	<b>Ministry of Labour, Social Affairs, Martyrs and Disabl</b>	<b>11,643.9</b>	<b>11,625.2</b>	<b>100.2</b>	<b>457.7</b>	<b>784.2</b>	<b>58.4</b>	<b>12,101.6</b>	<b>12,409.4</b>	<b>97.5</b>
471	Labor Support Program	6,126.7	6,071.8	100.9	401.8	693.0	58.0	6,528.4	6,764.7	96.5
472	Social services	390.5	399.1	97.8	0.2	1.5	9.8	390.6	400.7	97.5
473	Martyrs and Disabled	4,270.9	4,289.0	99.6	37.8	45.0	83.9	4,308.6	4,334.0	99.4
474	Administration & Finance	855.9	865.3	98.9	18.0	44.7	40.2	873.9	910.0	96.0
999	Expenditure returns	0.0	148.8	0.0	0.0	715.2	0.0	0.0	864.0	0.0
<b>22</b>	<b>Ministry of Defence</b>	<b>58,287.6</b>	<b>67,247.7</b>	<b>86.7</b>	<b>8,313.1</b>	<b>17,014.2</b>	<b>48.9</b>	<b>66,600.7</b>	<b>84,261.8</b>	<b>79.0</b>
221	Cambat forces	43,122.0	50,908.8	84.7	8,309.2	17,008.2	48.9	51,431.1	67,917.0	75.7
222	Supportive forces	15,165.7	16,338.8	92.8	3.9	5.9	65.0	15,169.5	16,344.8	92.8
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>38</b>	<b>Ministry of Women's Affairs</b>	<b>189.1</b>	<b>198.1</b>	<b>95.5</b>	<b>41.1</b>	<b>45.0</b>	<b>91.4</b>	<b>230.2</b>	<b>243.1</b>	<b>94.7</b>
381	Women Support and Strengthening	10.8	11.0	98.0	0.0	0.0	N/A	10.8	11.0	98.0
382	Gender Development and policy monitoring	12.9	13.1	98.1	7.3	7.5	97.5	20.2	20.6	97.9
383	Administration & Finance	165.5	173.9	95.1	33.8	37.5	90.2	199.3	211.4	94.2
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>35</b>	<b>Ministry of Economy</b>	<b>226.7</b>	<b>249.8</b>	<b>90.7</b>	<b>345.2</b>	<b>426.6</b>	<b>80.9</b>	<b>571.9</b>	<b>676.5</b>	<b>84.5</b>
351	Economic Policy and Strategy and Monitoring and Evaluatior	139.9	151.3	92.5	238.2	270.8	87.9	378.1	422.1	89.6
352	Management & Operations	86.8	98.6	88.0	107.1	155.8	68.7	193.8	254.4	76.2
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>10</b>	<b>President's Office</b>	<b>1,775.0</b>	<b>1,816.3</b>	<b>97.7</b>	<b>154.2</b>	<b>418.0</b>	<b>36.9</b>	<b>1,929.2</b>	<b>2,234.2</b>	<b>86.3</b>
101	Providing Services to the Prisedent	1,775.0	1,816.3	97.7	154.2	418.0	36.9	1,929.2	2,234.2	86.3
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>28</b>	<b>Ministry of Higher Education</b>	<b>3,162.6</b>	<b>3,195.2</b>	<b>99.0</b>	<b>1,521.9</b>	<b>3,441.6</b>	<b>44.2</b>	<b>4,684.5</b>	<b>6,636.8</b>	<b>70.6</b>
281	Providing higher education opportunities	24.2	25.7	94.1	1,521.9	3,441.6	44.2	1,546.0	3,467.2	44.6
282	Leadership & Management of Higher Education System	3,138.5	3,169.5	99.0	0.0	0.0	N/A	3,138.5	3,169.5	99.0
999	Expenditure returns	0.0	0.0	N/A	0.0	0.0	N/A	0.0	0.0	N/A
<b>62</b>	<b>Civil Service Commissoin</b>	<b>334.4</b>	<b>327.2</b>	<b>102.2</b>	<b>358.2</b>	<b>506.4</b>	<b>70.7</b>	<b>692.6</b>	<b>833.6</b>	<b>83.1</b>
621	Appointments & Appeals	50.8	51.8	97.9	0.0	0.0	N/A	50.8	51.8	97.9
622	Public Administrative Reforms	39.5	39.0	101.3	0.0	0.0	N/A	39.5	39.0	101.3
623	Capacity Development	35.1	35.3	99.6	23.8	36.3	65.6	58.9	71.6	82.3
624	Supportive Program	191.8	201.1	95.4	334.4	470.1	71.1	526.2	671.2	78.4
999	Expenditure returns	17.3	0.0	N/A	0.0	0.0	N/A	17.3	0.0	N/A

Source: FPD using AFMIS data downloaded on the 3 February 2014

(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.

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

Code	In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	1392	1392	1392 Comparison to 1391 YTD	Change	% Increase
		Qtr 3 Actual YTD	Annual Actual	Percent of Total	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	Percent of Total			
<b>2</b>	<b>TOTAL NET EXPENDITURE</b>	<b>189,212.9</b>	<b>189,212.9</b>		<b>41,290.1</b>	<b>64,398.8</b>	<b>74,281.0</b>	<b>97,774.9</b>	<b>277,744.8</b>		<b>88,531.9</b>		<b>46.8</b>
150	Sale of Land and Buildings	176.8	176.8		13.2	11.7	4.9	4.2	34.1		-142.7		-80.7
<b>2+150</b>	<b>TOTAL GROSS EXPENDITURE</b>	<b>189,389.7</b>	<b>189,389.7</b>	<b>100.0</b>	<b>41,303.3</b>	<b>64,410.5</b>	<b>74,286.0</b>	<b>97,779.1</b>	<b>277,778.9</b>	<b>100.0</b>	<b>88,389.2</b>		<b>46.7</b>
	RECURRENT EXPENDITURE	153,781.5	153,781.5	81.2	36,308.9	54,962.7	61,616.0	76,196.1	229,083.7	82.5	75,302.2		49.0
	CAPITAL EXPENDITURE	35,608.3	35,608.3	18.8	4,994.4	9,447.8	12,670.0	21,583.1	48,695.2	17.5	13,087.0		36.8
<b>701</b>	<b>General Public Services (1)</b>	<b>24,603.6</b>	<b>24,603.6</b>	<b>13.0</b>	<b>4,920.6</b>	<b>7,860.6</b>	<b>9,111.5</b>	<b>9,175.7</b>	<b>31,068.3</b>	<b>11.2</b>	<b>6,464.7</b>		<b>26.3</b>
	Recurrent Expenditure	22,852.3	22,852.3	12.1	4,843.5	7,061.6	8,175.5	7,945.8	28,026.3	10.1	5,174.1		22.6
	Capital Expenditure	1,751.3	1,751.3	0.9	77.1	799.0	936.0	1,229.9	3,042.0	1.1	1,290.7		73.7
<b>702</b>	<b>Defence</b>	<b>35,615.9</b>	<b>35,615.9</b>	<b>18.8</b>	<b>10,544.5</b>	<b>14,567.7</b>	<b>16,862.5</b>	<b>25,251.6</b>	<b>67,226.2</b>	<b>24.2</b>	<b>31,610.3</b>		<b>88.8</b>
	Recurrent Expenditure	34,324.7	34,324.7	18.1	10,524.5	13,261.9	15,701.1	23,530.1	63,017.6	22.7	28,693.0		83.6
	Capital Expenditure	1,291.2	1,291.2	0.7	20.0	1,305.8	1,161.4	1,721.5	4,208.6	1.5	2,917.3		225.9
<b>703</b>	<b>Public Order and Safety</b>	<b>40,408.0</b>	<b>40,408.0</b>	<b>21.3</b>	<b>9,259.7</b>	<b>12,762.0</b>	<b>15,358.2</b>	<b>19,956.2</b>	<b>57,336.1</b>	<b>20.6</b>	<b>16,928.1</b>		<b>41.9</b>
	Recurrent Expenditure	37,240.5	37,240.5	19.7	9,141.7	12,076.5	13,896.1	16,131.7	51,245.9	18.4	14,005.4		37.6
	Capital Expenditure	3,167.5	3,167.5	1.7	118.0	685.5	1,462.2	3,824.6	6,090.3	2.2	2,922.7		92.3
<b>704</b>	<b>Economic Affairs</b>	<b>44,747.0</b>	<b>44,747.0</b>	<b>23.6</b>	<b>7,474.6</b>	<b>11,455.6</b>	<b>15,810.0</b>	<b>20,950.5</b>	<b>55,690.8</b>	<b>20.0</b>	<b>10,943.8</b>		<b>24.5</b>
	Recurrent Expenditure	18,602.1	18,602.1	9.8	2,772.7	6,224.6	7,856.9	8,051.4	24,905.7	9.0	6,303.6		33.9
	Capital Expenditure	26,144.9	26,144.9	13.8	4,701.9	5,231.0	7,953.2	12,899.1	30,785.1	11.1	4,640.2		17.7
<b>705</b>	<b>Environmental Protection</b>	<b>113.4</b>	<b>113.4</b>	<b>0.1</b>	<b>25.2</b>	<b>31.2</b>	<b>32.1</b>	<b>50.6</b>	<b>139.1</b>	<b>0.1</b>	<b>25.7</b>		<b>22.7</b>
	Recurrent Expenditure	92.5	92.5	0.0	25.1	31.0	30.7	50.6	137.3	0.0	44.8		48.5
	Capital Expenditure	20.9	20.9	0.0	0.1	0.2	1.4	0.0	1.7	0.0	-19.1		-91.7
<b>706</b>	<b>Housing and Communal Amenities</b>	<b>909.9</b>	<b>909.9</b>	<b>0.5</b>	<b>46.2</b>	<b>346.5</b>	<b>328.1</b>	<b>569.8</b>	<b>1,290.7</b>	<b>0.5</b>	<b>380.8</b>		<b>41.9</b>
	Recurrent Expenditure	301.4	301.4	0.2	40.9	101.7	82.3	115.5	340.4	0.1	39.0		12.9
	Capital Expenditure	608.4	608.4	0.3	5.4	244.8	245.8	454.3	950.2	0.3	341.8		56.2
<b>707</b>	<b>Health</b>	<b>6,468.4</b>	<b>6,468.4</b>	<b>3.4</b>	<b>679.5</b>	<b>3,255.8</b>	<b>2,757.4</b>	<b>3,801.0</b>	<b>10,493.7</b>	<b>3.8</b>	<b>4,025.3</b>		<b>62.2</b>
	Recurrent Expenditure	6,170.3	6,170.3	3.3	662.8	3,198.4	2,646.4	3,623.7	10,131.3	3.6	3,961.0		64.2
	Capital Expenditure	298.1	298.1	0.2	16.7	57.4	111.0	177.3	362.4	0.1	64.3		21.6
<b>708</b>	<b>Recreation, Culture and Religion</b>	<b>2,230.8</b>	<b>2,230.8</b>	<b>1.2</b>	<b>302.7</b>	<b>596.5</b>	<b>943.2</b>	<b>811.5</b>	<b>2,654.0</b>	<b>1.0</b>	<b>423.1</b>		<b>19.0</b>
	Recurrent Expenditure	1,464.6	1,464.6	0.8	299.4	475.3	606.0	622.2	2,002.9	0.7	538.3		36.8
	Capital Expenditure	766.3	766.3	0.4	3.3	121.2	337.2	189.3	651.0	0.2	-115.2		-15.0
<b>709</b>	<b>Education</b>	<b>28,421.0</b>	<b>28,421.0</b>	<b>15.0</b>	<b>6,111.0</b>	<b>9,683.3</b>	<b>10,244.2</b>	<b>14,507.7</b>	<b>40,546.3</b>	<b>14.6</b>	<b>12,125.3</b>		<b>42.7</b>
	Recurrent Expenditure	27,049.2	27,049.2	14.3	6,072.3	8,715.5	9,820.5	13,504.1	38,112.4	13.7	11,063.2		40.9
	Capital Expenditure	1,371.8	1,371.8	0.7	38.7	967.9	423.7	1,003.7	2,433.9	0.9	1,062.1		77.4
<b>710</b>	<b>Social Protection</b>	<b>5,871.7</b>	<b>5,871.7</b>	<b>3.1</b>	<b>1,939.3</b>	<b>3,851.4</b>	<b>2,838.7</b>	<b>2,704.5</b>	<b>11,333.8</b>	<b>4.1</b>	<b>5,462.1</b>		<b>93.0</b>
	Recurrent Expenditure	5,683.9	5,683.9	3.0	1,926.0	3,816.3	2,800.6	2,621.0	11,163.8	4.0	5,479.9		96.4
	Capital Expenditure	187.8	187.8	0.1	13.3	35.1	38.1	83.5	170.0	0.1	-17.8		-9.5

Source: FPD using AFMIS data downloaded on the 3 February 2014

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	1391	1392	1392	1392	1392	1392	1392	1392	1392 Comparison to	
		Qtr 3	Annual	%GDP	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Annual	%GDP	1391 YTD	Change	% Increase
		Actual	Actual		Prelim	Prelim	Prelim	Prelim	Prelim				
		YTD			Qtr	Qtr	Qtr	Qtr					
<b>25</b>	<b>NET ACQUISITION OF NONFINANCIAL ASSETS</b>	<b>35,431.4</b>	<b>35,431.4</b>	<b>3.3</b>	<b>4,981.2</b>	<b>9,436.1</b>	<b>12,665.0</b>	<b>21,578.9</b>	<b>48,661.1</b>	<b>4.3</b>	<b>13,229.7</b>	<b>37.3</b>	
	Land and Buildings	23,736.3	23,736.3	2.2	1,275.1	5,336.2	7,371.2	19,014.0	32,996.4	2.9	9,260.2	39.0	
251/8	Purchase of Land and Buildings	23,913.1	23,913.1	2.2	1,288.3	5,347.9	7,376.1	19,018.2	33,030.5	2.9	9,117.4	38.1	
150	Sale of Land and Buildings	-176.8	-176.8	0.0	-13.2	-11.7	-4.9	-4.2	-34.1	0.0	142.7	-80.7	
151	Sale of State-Owned Enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	
252	Machinery and Equipment (>50,000)	5,662.8	5,662.8	0.5	322.0	1,181.9	2,053.7	4,162.5	7,720.0	0.7	2,057.1	36.3	
257	Valuables	13.1	13.1	0.0	0.6	0.1	0.7	0.0	1.4	0.0	-11.7	-89.2	
259	Other Acquisitions	6,019.3	6,019.3	0.6	3,383.5	2,918.0	3,239.5	-1,597.6	7,943.3	0.7	1,924.1	32.0	

Source: FPD using AFMIS data downloaded on the 3 February 2014

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

Code	In millions of Afghanis	1391	1391	1391	1392	1392	1392	1392	1392	1392	1392	1392 Comparison to	
		Qtr 3	Annual	%GDP	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Annual	%GDP	1391 YTD	Change	% Increase
		Actual	Actual		Prelim	Prelim	Prelim	Prelim	Prelim				
		YTD			Qtr	Qtr	Qtr	Qtr					
<b>3+4</b>	<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b>	<b>6,051.9</b>	<b>6,051.9</b>	<b>0.6</b>	<b>-17,758.6</b>	<b>3,799.9</b>	<b>-19,104.0</b>	<b>10,418.7</b>	<b>-22,644.0</b>	<b>-2.0</b>	<b>-28,696.0</b>	<b>-474.2</b>	
<b>3</b>	<b>NET ACQUISITION OF FINANCIAL ASSETS</b>	<b>-21,019.3</b>	<b>-21,019.3</b>	<b>-1.9</b>	<b>10,690.7</b>	<b>2,622.1</b>	<b>-20,188.9</b>	<b>6,764.0</b>	<b>-112.2</b>	<b>0.0</b>	<b>20,907.2</b>	<b>-99.5</b>	
	<b>Domestic</b>	<b>-21,019.3</b>	<b>-21,019.3</b>	<b>-1.9</b>	<b>10,690.7</b>	<b>2,622.1</b>	<b>-20,188.9</b>	<b>6,764.0</b>	<b>-112.2</b>	<b>0.0</b>	<b>20,907.2</b>	<b>-99.5</b>	
	Currency and Deposits	-23,610.3	-23,610.3	-2.2	17,499.4	328.4	-17,077.7	-1,907.3	-1,157.1	-0.1	22,453.2	-95.1	
311	Treasury Single Account	-21,357.4	-21,357.4	-2.0	21,170.9	-3,956.8	-17,750.9	532.2	-4.6	0.0	21,352.8	-100.0	
313	Donor Accounts	-845.2	-845.2	-0.1	-3,671.5	4,285.2	673.2	-2,439.0	-1,152.2	-0.1	-307.0	36.3	
314/90	Other Deposit Accounts (1)	-1,407.7	-1,407.7	-0.1	0.1	0.0	0.0	-0.5	-0.4	0.0	1,407.4	-100.0	
317	Loans	14.5	14.5	0.0	13.2	0.9	0.9	41.5	56.6	0.0	42.1	291.4	
319	Other Accounts Receivable	2,434.0	2,434.0	0.2	27.5	-157.1	-364.9	5,737.6	5,243.1	0.5	2,809.1	115.4	
	Other Assets	142.6	142.6	0.0	-6,849.5	2,449.9	-2,747.3	2,892.1	-4,254.7	-0.4	-4,397.3	-3,084.5	
	<b>Foreign</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>	
<b>4</b>	<b>NET ACQUISITION OF LIABILITIES</b>	<b>27,071.3</b>	<b>27,071.3</b>	<b>2.5</b>	<b>-28,449.2</b>	<b>1,177.8</b>	<b>1,084.9</b>	<b>3,654.7</b>	<b>-22,531.9</b>	<b>-2.0</b>	<b>-49,603.2</b>	<b>-183.2</b>	
	<b>Domestic</b>	<b>21,823.0</b>	<b>21,823.0</b>	<b>2.0</b>	<b>-28,654.2</b>	<b>1,109.9</b>	<b>698.9</b>	<b>3,222.4</b>	<b>-23,623.0</b>	<b>-2.1</b>	<b>-45,446.0</b>	<b>-208.2</b>	
411	Accounts Payable	7.6	7.6	0.0	1,076.0	1,015.4	-1,188.2	-606.2	297.1	0.0	289.4	3,784.0	
413	Pension Liabilities	0.0	0.0	0.0	0.7	-0.6	0.0	-0.1	0.0	0.0	0.0	1,489.6	
423	Other Payables	1,085.8	1,085.8	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-1,085.8	-100.0	
451	Other Liabilities (1)	20,729.5	20,729.5	1.9	-29,730.9	95.0	1,887.1	3,828.7	-23,920.1	-2.1	-44,649.6	-215.4	
	<b>Foreign</b>	<b>5,248.3</b>	<b>5,248.3</b>	<b>0.5</b>	<b>204.9</b>	<b>68.0</b>	<b>385.9</b>	<b>432.3</b>	<b>1,091.1</b>	<b>0.1</b>	<b>-4,157.2</b>	<b>-79.2</b>	
431	Foreign Currency	2,221.8	2,221.8	0.0	-10.1	-15.7	-18.6	-6.6	-51.0	0.0	-2,272.9	-102.3	
181-2	Loans	3,026.4	3,026.4	0.3	215.0	83.7	404.6	438.9	1,142.1	0.1	-1,884.3	-62.3	

Source: FPD using AFMIS data downloaded on the 3 February 2014

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	1391	1392	1392	1392	1392	1392	1392	1392 Comparison to	
		Qtr 3 Actual YTD	Annual Actual	%GDP	Qtr 1 Prelim Qtr	Qtr 2 Prelim Qtr	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	%GDP	1391 YTD	Change
<b>TRANSACTIONS AFFECTING NET WORTH</b>												
1	Revenues including Grants	183,181.4	183,181.4	16.9	58,880.9	60,602.2	93,385.0	87,356.3	300,224.4	26.3	117,043.0	63.9
2-25	Expenditures (Recurrent)	153,781.5	153,781.5	14.2	36,308.9	54,962.7	61,616.0	76,196.1	229,083.7	20.1	75,302.2	49.0
23	Interest	90.4	90.4	0.0	50.2	46.2	75.8	95.9	268.1	0.0	177.7	196.6
	<b>Net Balance (1-2-25)</b>	<b>29,399.9</b>	<b>29,399.9</b>	<b>2.7</b>	<b>22,572.0</b>	<b>5,639.5</b>	<b>31,769.0</b>	<b>11,160.2</b>	<b>71,140.8</b>	<b>6.2</b>	<b>41,740.8</b>	<b>142.0</b>
	<b>Primary Balance (1-2-25+23)</b>	<b>29,490.3</b>	<b>29,490.3</b>	<b>2.7</b>	<b>22,622.2</b>	<b>5,685.7</b>	<b>31,844.8</b>	<b>11,256.2</b>	<b>71,408.8</b>	<b>6.3</b>	<b>41,918.5</b>	<b>142.1</b>
<b>TRANSACTIONS IN NONFINANCIAL ASSETS</b>												
25	Net Acquisition of Nonfinancial Assets	35,431.4	35,431.4	3.3	4,981.2	9,436.1	12,665.0	21,578.9	48,661.1	4.3	13,229.7	37.3
	<b>Net Lending-Borrowing (1-2)</b>	<b>-6,031.5</b>	<b>-6,031.5</b>	<b>-0.6</b>	<b>17,590.9</b>	<b>-3,796.6</b>	<b>19,104.0</b>	<b>-10,418.7</b>	<b>22,479.6</b>	<b>2.0</b>	<b>28,511.1</b>	<b>-472.7</b>
	<b>Financing (3+4+5)</b>	<b>6,031.5</b>	<b>6,031.5</b>	<b>0.6</b>	<b>-17,590.9</b>	<b>3,796.6</b>	<b>-19,104.0</b>	<b>10,418.7</b>	<b>-22,479.6</b>	<b>-2.0</b>	<b>-28,511.1</b>	<b>-472.7</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b>												
3	Net Acquisition of Financial Assets	-21,019.3	-21,019.3	-1.9	10,690.7	2,622.1	-20,188.9	6,764.0	-112.2	0.0	20,907.2	-99.5
4	Net Acquisition of Financial Liabilities	27,071.3	27,071.3	2.5	-28,449.2	1,177.8	1,084.9	3,654.7	-22,531.9	-2.0	-49,603.2	-183.2
5	<b>RETAINED EARNINGS</b>	<b>-20.5</b>	<b>-20.5</b>	<b>0.0</b>	<b>167.7</b>	<b>-3.3</b>	<b>0.0</b>	<b>0.0</b>	<b>164.4</b>	<b>0.0</b>		
	<b>Discrepancies (Financing-3-4-5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Source: FPD using AFMIS data downloaded on the 3 February 2014

## 7 Glossary

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

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