



Islamic Republic of Afghanistan

Ministry of Finance

Fiscal Policy Directorate

Quarterly Fiscal Bulletin

Quarter 3, 1393

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, ensuring that citizens, civil society and all areas of Government have access to information 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 **3rd quarter of fiscal year 1393**. This edition of the bulletin highlights detailed assessments of recent macroeconomic, 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, as well as information on the effects of the wider economy on the fiscal situation. The bulletin also provides a snapshot of the budget execution rates during the reporting period whilst section five includes an article on *'The Extractive Industry in Afghanistan'*.

I would like to commend the Fiscal Policy Directorate (FPD) 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). This bulletin is available in softcopy on the Budget website (www.budgetmof.gov.af).

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Summary

Key Points

- A slowdown in economic activities associated with uncertainties continued during the third quarter, which resulted into more aggravation of the macro-fiscal situation within the country. Political uncertainty (due to election) and transition has made the economic growth even slower (real growth about 1.9%), while in turn it adversely affected fiscal aggregates - revenues and expenditures during this period.
- Decline in revenue collection - revenue performed lower against the target (a shortfall by 30%) as well as the same level for previous year (by 17 percent), it further fell down, as not only the economic activity continued to decline but the volume of imported commodities also declined.
- Spending pressure and lower funds – shortfall in domestic revenues and funds by donors had dire impact on the government’s expenditures; it causes the government to continue its policy of austerity and spending cut for discretionary and non-discretionary expenditures, and even recurrent expenditures. Ultimately, this led to lower expenditure execution rate.

Q3 Actual	Compensation	G+S	Acquisition of NFA
Security	24952	9239	2100
Governance, Rule of Law and Human Rights	2558	673	103
Infrastructure and Natural Resources	548	568	109
Education	8461	1125	52
Health	482	483	22
Agriculture and Rural Development	350	98	12
Social Protection	355	191	3
Economic Gov. and Private Sector Devel't	504	616	6
Unclassified	225	102	4
TOTAL	38209	12994	2407

Q3 YTD Actual	Compensation	G+S	Acquisition of NFA
Security	72608	17096	3530
Governance, Rule of Law and Human Rights	7449	1926	282
Infrastructure and Natural Resources	1543	1475	1132
Education	21944	2304	74
Health	1313	1040	56
Agriculture and Rural Development	978	307	19
Social Protection	1066	554	13
Economic Gov. and Private Sector Devel't	1358	1548	9
Unclassified	632	247	5
TOTAL	108259	26251	5114

Sources and Uses of Funds Table	1392		1393	
	Budget	Q3 Actual	Budget	Q3 Actual
In millions of Afs				
Revenue	328383	94419	397670	50428
Domestic Revenue	119233	28180	129579	23269
Tax Revenue	91637	20801	98425	13820
<i>Fixed Taxes</i>	12368	3068	13807	1833
<i>Taxes on Income and Profits</i>	17939	4833	19741	3192
<i>Taxes on Property</i>	398	77	399	92
<i>Taxes on Goods and Services</i>	22692	4322	23246	3010
<i>Taxes on International Trade</i>	34887	7193	36074	4609
<i>Other Taxes</i>	3353	1307	5158	1084
Grants	209150	66239	268091	27158
<i>Foreign Governments</i>		52039		13905
<i>International Organisation</i>		14200		13253
Other Revenue	27596	6298	31153	8579
<i>Property Income</i>	3921	916	3315	186
<i>Sales of Goods and Services</i>	10518	2246	10746	1345
<i>Fines & Penalties</i>	11163	2550	12770	1835
<i>Extractive Industry - Royalties & Fees</i>	524	129	762	205
<i>Others</i>	1470	457	3560	5008
Social Contributions	3767	1081	4221	870
Expenditure	262104	61410	324342	67631
Compensation of Employees	143927	37380	157889	38434
Uses of Goods and Services	106583	20983	144700	23653
Consumption of Fixed Capital	0	0	0	0
Interest	394	76	812	140
Subsidies	11201	2971	20941	5404
Grants	0	0	0	0
Social Benefits	0	0	0	0
Other Expense	0	0	0	0
Net Operating Balance	66279	33009	73328	-17203
Net Acquisition of Non-Financial Assets	88118	12613	112984	9685
Fixed Assets	88118	12247	112984	9475
<i>Acquisition of Fixed Assets</i>	88118	12252	112984	9481
<i>Sale of Fixed Assets (-)</i>	0	5	0	6
Change in Inventories	0	0	0	0
Valuables	0	1	0	0
Non-Produced Assets	0	366	0	209
Net Lending/Borrowing	-21839	20395	-39656	-26888
Transactions in Financial Assets	21839	-20395	39656	26888
Net Acquisition of Financial Assets		-21864		27523
<i>Domestic</i>		-21864		27523
<i>Foreign</i>		0		0
Net Incurrence of Liabilities		1468		-635
<i>Domestic</i>		1080		-959
<i>Foreign</i>		389		323

Introduction

The impact from economic downturn and uncertainty (associated with political and security transition) will remain in the country unless concrete steps are not taken by the government to reverse the situation and improve confidence in the economy. Its impact on the fiscal sector was more observable (as measured GDP is only released at the end of the year) as it reduced the level of revenue collection even lower than what was collected in the previous year. The fall in revenue collection was unprecedented that constrained the funds available for government expenditures.

A large part of the decline in revenue was due to to fall in the volume of imports for high tariff commodities, and delays in the income tax payments by some businesses and firms. In a recession or a similar situation, the government will be looking to adopt countercyclical fiscal policies, or increase the expenditures. However, it will be difficult for the government to implement such policies while faced with significant shortfall of funds and constraints on borrowing. The lower revenue collection and dependency on foreign aid for development projects has limited the government's options to raise the level of expenditures; conversely, it had to cut expenditures for some of necessary items and projects. At the same time, there are few counter-cyclical social expenditures to act as a cushion against falls in incomes.

Until the new Unity Government is in place, and new ministers are appointed, it will be difficult for acting ministers to take remedial measures in order to change the existing policies during the interim. Thus in the third quarter there was a continuation of existing policies accompanied with more uncertainties, with no positive and remarkable impact on revenue collection. There is an additional risk that this may lead to more smuggling and leakage, reducing collection through the custom offices in the country. It is unlikely that acting ministers will change the policies related to new tax measures or rates in the short period of time or current fiscal year.

However, they will continue with policies to contain the financing gap or in other words, continue the austerity measures to control expenditure so that lessen the budget deficit. These measures to curtail over spending will be applied across expenditure items like use of goods and services, and acquisition of assets (code 22 and 25), and delays in issuing allotments for some development projects.

As was mentioned that political and security transition, and delay in signing the Bilateral Security Agreement (BSA), cease in foreign aid adversely affected the current macro-fiscal situation as well as the budget performance. The government's financing needs has sharply risen, and fewer funds were available to finance the government's essential projects as the donors were reluctant to provide their funds for disbursements.

The overall balance deficit reflects the fact that donor funds to the development budget expenditures have fallen which led to lower execution rate.

Macro-Fiscal Situation

Quarterly Macroeconomic Situation

During third quarter 1393 the Government of Afghanistan has seen a continuation of the slowdown in economic activity, which was the result of the uncertainty this year.

Table 1.1 Overview of Macro-Economy

	1392	1393	1393
In million Afs	Historic	Budget	Revised
GDP	1,149.9	1,245.6	1,215.9
Agriculture	294.2	295.2	288.2
Industry	236.1	255.5	249.4
Services	619.6	694.8	678.2
Real GDP Growth (%)	6.4	3.6	1.9
Imports	529.2	559.1	523.3
Exports	100.0	104.5	109.7

1393 Figures are Government of Afghanistan Forecasts

There have been revisions to the macroeconomic data to take into account the changing economic conditions through the year, including changes to the inflation, imports and growth forecasts.

The real growth rate was revised down to reflect the more subdued economic environment and changes in the international forecasts for Afghanistan. The smaller growth rate of 1.9 percent is the result of reductions in forecast activity in the retail sector, and in government services and manufacturing. Growth in each of these has been lowered by the economic downturn, and the retail and rental sectors have been particularly affected by the security situation. During the most recent quarter we have seen:

- A moderation in the rate of decline of the exchange rate
- A continuation of slow activity across most sectors as a result of the uncertainty
- A slowdown in Government activity in the economy with the cash crisis, and slowdown in revenues (this has reduced both Government direct services, as well as supplier payments).

Consumer price index data is available on a quarterly basis, and provides a running indicator of economic well-being.

During this quarter we have seen:

- Large falls in vegetable prices as a result of the harvest during the third quarter, leading to a dumping of goods on the market.
- Increases in both restaurant and hotel prices as a result of jumps in Kabul prices.

The inflation has been subdued throughout the entire year as a result of falls in the early part of the year in the prices for rental accommodation particularly in Kabul.

The low inflation is likely to continue to the end of the fiscal year, with forecasts for inflation now at 4.6%, down from the 5.0% in the budget for this year. Inflation is likely to pick up in the next fiscal year, as the one-off factors that have caused the moderation are unlikely to continue. The security situation however will continue to put pressure on rental prices in Kabul, and the depreciation of the Afghani creates a continued likelihood of inflation from imported foods.

Table 1.2 Consumer Price Index

	1392	1392	1393	1393	1393
	Q3	Q4	Q1	Q2	Q3
CPI Rate	0.6	4.2	-1.0	1.1	-0.1
Food	0.9	5.9	0.8	1.0	-1.0
Non-Food	0.3	2.4	-2.9	1.2	0.8
Exchange Rate (Afs/\$)	56.2	57.1	55.9	57.4	57.5

Macro-Fiscal Risks

The Government maintains track of likely risks that could occur in the next quarter, these are set out in **Table 1.3**.

As we are now approaching the end of the fiscal year it is likely that any underperformance in grants collection has already been accounted for, as a result this risk is not likely to have as much of an impact. Operational grants are on track with targets (particularly funding for the security sector under LOTFA and CSTC-A). The imports slowdown continues to present a risk as 1) it has continued into the third quarter and will likely continue for the remainder of the year, and 2) it is unclear whether or not the factors affecting the reduction will resolve themselves next year (slowdowns in both construction materials imports and fuel imports).

The exchange rate has depreciated less this quarter, however a continued depreciation remains a risk to costs as the fundamental problems causing weakness in the Afghani have not been resolved.

Table 1.3: Risk Matrix

Risk	Likelihood	Impact
Rating Maintained		
Fiscal: continued low imports suppress earnings from import taxes	HIGH	HIGH
Fiscal: Exchange rate depreciation causes cost increase for Government imports	LOW	MEDIUM
Fiscal: Interest rate increase creates additional debt costs	LOW	LOW
Fiscal: Aid slowdown (commitments don't materialize)	MEDIUM	HIGH
Macroeconomic: continued uncertainty through the election and transition reduces FDI	MEDIUM	LOW
Fiscal: O&M costs are calculated as higher than anticipated	LOW	MEDIUM
Macroeconomic: depreciation of the Afghani causes increases in food prices, and the CPI	LOW	MEDIUM
Unemployment: lower execution in the development budget will increase unemployment.	MEDIUM	HIGH
Rating Changed/Newly Added		
Fiscal: reduced retail activity causes underperformance to target in BRT collection	LOW	LOW

Revenue

Revenue Facts

- In tax revenues category, revenue from property taxes was collected at 92 percent of target, the high miscellaneous revenues reflects those revenues which have not yet been categorized, which may push up the performance among some lines.
- The worst performing revenue line was tax penalties and fines, the target for which was Afghani 169 million, to date however no collection has occurred on this line.
- Revenue collection was behind its target by 30 percent in the third quarter of 1393
- Overall the revenue collection has been significantly below the target due to lower GDP growth and uncertainties because of election, transition and international security forces withdrawal. This is expected to continue through to the end of the year, with some recovery in the next fiscal year.

Table 2.1 Key Revenue Lines

Millions Afs	1392 Q3 YTD Actual	1393 Q3 YTD Actual	% Change
BRT Sales	4,381	2,237	-49%
BRT Services	1,959	2,742	40%
BRT Customs	6,033	5,064	-16%
Tax on Wages	6,609	5,846	-12%
Tax on Profit	2,372	1,650	-30%
Construction Withholding Tax	1,966	2,009	2%

The above lines represent around 30% of the revenue collection during the year (30% in 1392, 27% in 1393 – as a result of these lines being more severely affected by the downturn). The BRT sales fall reflects the drop in consumption activity in the economy, partially as a result of falling incomes, but also likely as an effect of increased precautionary savings by households. This is not duplicated in BRT customs which increases, likely as a result of a differing market composition for services versus goods. The fall in BRT customs is the result of the downturn in imports, and decreases in wages and profits taxes reflects the overall fall in economic activity and likely slowdown in employment. Construction withholding tax has fortunately not decreased, indicating that construction activity may remain at around the same level as last year; however construction imports fell indicating that there may be a slowdown in the future in this line.

Revenue Performance by Category

Revenues performance in the third quarter of the year was below expectation, with collection

around 30 percent lower than the target. The current year's collection was 17 percent below

the previous year’s collection. The reason for the poor performance continues to be the economic uncertainties that were prevailing in the third quarter due to political and security transition as well as the prolonged election process.

Every major line item of the revenues and customs (except property tax) declined in this quarter, on the previous year’s performance. As the table below depicts, the worst declines were in those tax lines most tied to consumer activity (sales and import taxes), and those tied to overall economic activity (income taxes and fixed taxes).

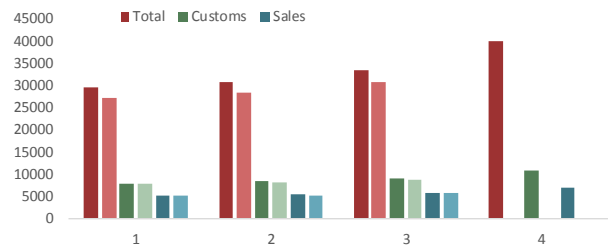
Collection in the third quarter of the current was also below the collection in same quarter of the previous year.

The low revenue collection was due to significantly sluggish economic growth during

the year. This resulted in revising forecasted real GDP growth to 1.9 percent from original 3.6 percent. However as overall revenue growth fell this only partially explains the problem: there were drops in imports, and likely drops in consumer sales beyond even the slowdown in growth.

The summary values of revenue performance are set out in **Table 2.1**

Revenue Performance: Outturn vs Target
Afs Millions



Source: FPD, Ministry of Finance

Table 2.2 Summary Revenue Performance

In millions of Afghanis	1392	1392	1393	1393	1393	1393	% Target	% Change
	Q3	Q3 YTD	Budget	Target	Q3	Q3 YTD		on 1392
Revenues Including Grants	94419	214241	-	-	50428	176032	-	-47%
Revenues Excluding Grants	28180	76141	133800	33450	23269	70546	70%	-17%
Revenue (without customs)	20987	55560	97726	24432	18660	53867	76%	-11%
Tax Revenues (without customs)	13608	37452	62352	15588	9211	33749	59%	-32%
Fixed Taxes	3068	8516	13807	3452	1833	7232	53%	-40%
Income Taxes	4833	12821	19741	4935	3192	11692	65%	-34%
Property Taxes	77	222	399	100	92	487	92%	18%
Sales Taxes	4322	12374	23246	5812	3010	10556	52%	-30%
Other Taxes	1157	3029	4482	1121	1084	3782	97%	-6%
Tax Penalties and Fines	151	490	676	169	0	0	0%	-100%
Customs Duty, Import Taxes	7193	20581	36074	9018	4609	16679	51%	-36%
Non Tax Revenue	5841	14609	27593	6898	3571	11635	52%	-39%
Income from Capital Property	916	1298	3315	829	186	1038	22%	-80%
Sales of Goods and Services	2246	4880	10746	2686	1345	2804	50%	-40%
Administrative Fees	2364	7424	11996	2999	1637	6586	55%	-31%
Royalties	73	217	360	90	114	298	127%	56%
Non Tax Fines and Penalties	186	427	774	193	198	531	102%	6%
Extractive Industry	56	362	402	100	91	379	90%	63%
Miscellaneous Revenue	457	797	3560	890	5008	5652	563%	995%
Social Contributions	1081	2702	4221	1055	870	2831	82%	-19%
Grants	66239	138100	-	-	27158	105486	-	-59%
Foreign Governments	52039	109062	-	-	13905	62854	-	-73%
International Organisation	14200	29038	-	-	13253	42631	-	-7%
Other Government Units	0	0	-	-	0	0	-	-

Revenue Performance by Province

Revenue collection performance in the provinces was particularly affected because of the uncertainties prevailing in the macroeconomic environment of the country. Moreover, insecurity is also an important measure that contributes to low collections. Revenue target is below expected in a number of key provinces including Balkh, Faryab, and Herat

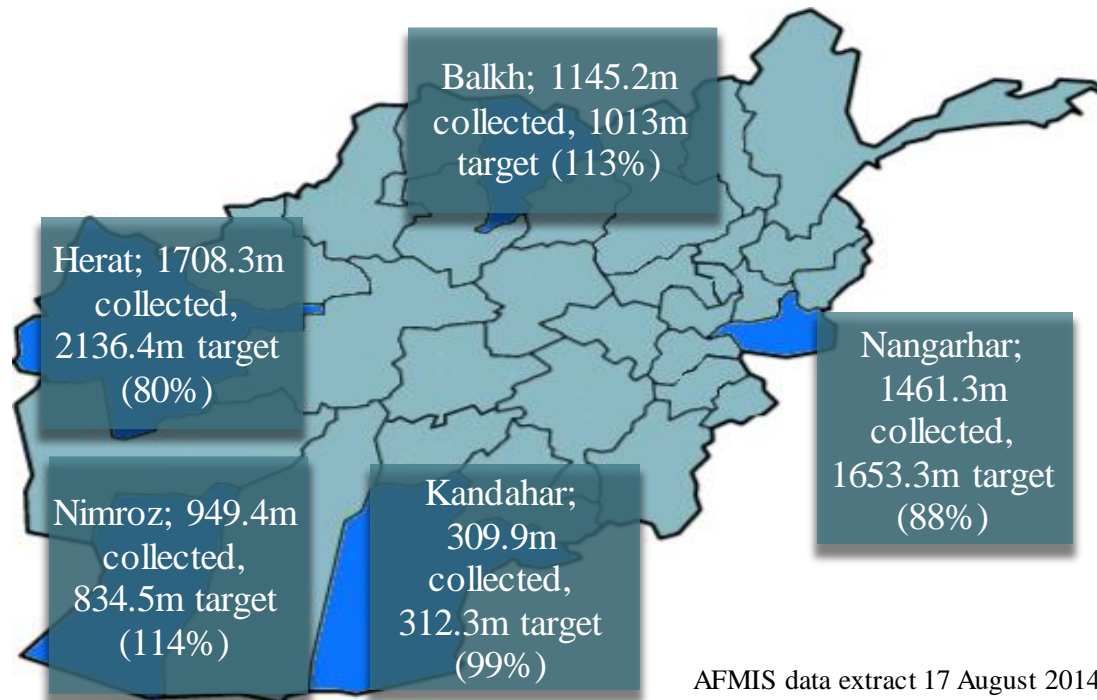
– each having collected less than 75% of the forecast revenue.

Table 2.3 below shows the revenue collection in Provinces that have historically made up the majority of revenue collected. In a large part this is because these provinces represent major border crossings with trading partners. In total 47 percent of total (non-grants) revenue was collected from these provinces.

Table 2.3 Revenue Collection by Key Provinces

In millions of Afghanis	1392	1392	1393	1393	1393	1393	% Target	% Change on 1392
	Q3	Q3 YTD	Budget	Target	Q3	Q3 YTD		
Kabul	505	1603	2876	719	522	1795	73%	3%
Nangarhar	2918	8521	13563	3391	2964	8267	87%	2%
Balkh	1899	5437	11112	2778	1447	4578	52%	-24%
Kandahar	761	2161	3319	830	752	2258	91%	-1%
Faryab	1623	4072	5035	1259	419	2323	33%	-74%
Herat	3409	11902	21627	5407	3332	9635	62%	-2%
Nimroz	1352	3924	6204	1551	1823	4935	118%	35%
Central Ministries	13062	31992	59147	14787	9774	30450	66%	-25%

Customs Duty Collection:



Revenue Performance by Collection Agency

The revenue data in **Table 2.4** shows the collection by agency (i.e. which area of the Government collects the revenue for transmission to the Treasury Single Account). A large portion of money is typically collected through the Customs unit of the Ministry of Finance; and collection from other Ministries and Agencies typically represents fees or fines paid.

Mustofiats (provincial collection offices) were the best performing agencies in revenues collections as they collected more than their given targets. The rest of the agencies which are shown in the table performed quite below the expectation. Among others, the reason to this could be weak administration and lack of will to meet their given targets.

Table 2.4 Collection by Agency

In millions of Afghanis	1392	1392	1393	1393	% Change
	Q3	Q3 YTD	Q3	Q3 YTD	on 1392
Ministry of Finance	22431	58107	17996	56176	-20%
Mustofiats	1353	3768	4465	7249	230%
Customs	12527	31977	7927	27917	-37%
Large Taxpayer Office	4845	12347	3029	11517	-37%
Medium Taxpayer Office	3279	8636	2327	7995	-29%
Small Taxpayer Office	291	1011	155	1164	-47%
Other Ministry of Finance	135	368	93	334	-31%
Other Ministries	2660	13001	1848	6637	-31%
Ministry of Transport and Aviation	1169	3210	308	1069	-74%
Ministry of Interior	621	2191	672	2269	8%
Ministry of Communication	340	1264	304	711	-11%
Ministry of Foreign Affairs	163	679	106	447	-35%
Ministry of MDSA ¹	707	1706	676	1985	-4%
Other Budgetary Units	-341	3950	-218	155	-36%

1/ Martyrs, Disabled and Social Affairs

Revenue Performance in Grants

Total revenues from grants were Afs 105.5 billion in the third quarter of 1393 in year to date basis. Off-which Afs 62.9 billion were from foreign governments and Afs 42.6 billion were from international organization contribution. However, when the grants flow in the current year is compared to the previous year's; the grants in total decreased by 59 percent among

which foreign government grants decreased by 73 percent and international organization's grants decreased by 7 percent.

Table 5.2 in the Appendix sets out the operating and development grants in detail.

Expenditure

Table 3.1 Expenditure Summary

	1392	1392	1393	1393	1393	1393	1393	1393
	Q3	Q3	Annual	Annual	Q3	Q3	%	
	Actual	YTD	Budget	Allocated	Prelim.	YTD	Growth on 1392	Of Alloc.
TOTAL GROSS EXPENDITURES	74029	179938	428379	422844	77322	208477	4%	18%
Operating Budget	53593	135657	280473	276810	59484	155734	11%	21%
Development Budget	20435	44281	147906	146034	17837	52743	-13%	12%
Discretionary Budget	5645	10961	0	46424	2515	8633	-55%	5%
Non-discretionary Budget	14790	33320	147906	99610	15323	44110	4%	15%
TOTAL NET EXPENDITURES	74024	179906	0	0	77316	208451	4%	
RECURRENT EXPENDITURES	61410	152725	N/A	321258	67631	177257	10%	21%
Compensation of Employees	37380	100499	162603	156013	38434	108891	3%	25%
Wages and Salaries	35943	96360	0	0	36921	104521	3%	
Social Benefits	1437	4140	0	0	1512	4369	5%	
Use of Goods and Services	20983	43359	N/A	143145	23653	53141	13%	17%
Travel	445	1411	0	0	471	1517	6%	
Communications	1183	2282	0	0	1192	2557	1%	
Contracted Services	6354	14339	0	0	6694	19213	5%	
Repairs and Maintenance	2309	4542	0	0	4542	8327	97%	
Utilities	745	1838	0	0	1692	3430	127%	
Fuel	1543	3618	0	0	1981	4112	28%	
Other Use of Goods and Services	8404	15330	0	0	7082	13985	-16%	
Interest	76	172	2400	2400	140	274	85%	6%
Social Transfers	2971	8695	19700	19700	5404	14952	82%	27%
Subsidies	251	501	0	0	0	450	-100%	
Grants	63	161	0	0	101	315	60%	
Social Security	2648	7923	0	0	5189	13983	96%	
Other Social Transfers	9	109	0	0	114	204	1187%	
ACQUISITION OF ASSETS		0				0		
Gross Acquisition of NFA	12618	27213	N/A	101586	9691	31220	-23%	10%
Net Acquisition of NFA ¹	12613	27181	0	0	9685	31193	-23%	
Sale of Land and Buildings	-5	-32	0	0	-6	-26	16%	
Buildings and Structures	7100	13562	0	0	5256	14384	-26%	
Machinery / Equipment	2072	3733	0	0	2024	3948	-2%	
Valuables	1	1	0	0	0	0	-100%	
Land	366	510	0	0	209	537	-43%	
Capital Advance Payments	3079	9407	0	0	2201	12350	-29%	

1/ Net of proceeds from Sale of Non-Financial Assets

Expenditure Facts

- Compensation of employees and social transfers are two of the highest performing execution lines, which is to be expected as neither can be easily reduced in the event of a cash shortage.
- The budget line of interest payment executed about 6 percent only, as a result of forgiveness
- Expenditure increased by 4% only in FY 1393 compared to FY 1392
- Low economic growth affected the revenue collection which in turn affected low allocation for discretionary development budget, as this is one of the easier lines to reduce in times of slowdown.
- As a result, development budget expenditures decreased by 11 percent compared to FY 1392.

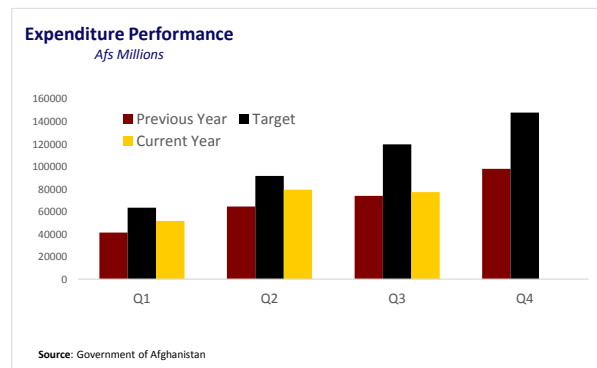
Macroeconomic conditions were very volatile during FY 1393. Revenue collection was low and similarly donors' grants performed poorly. Hence the dire fiscal situation posed lots of challenges for the government and the expenditure performance. As the Government was required by agreement under the IMF ECF (Extended Credit Facility) program to avoid borrowing non-concessionally, or short term, shortfalls in revenue have to be met by cuts in expenditure. Expenditures have flattened out (see Chart opposite) in response to the revenue constraints.

In FY 1393, the operating expenditures still increased by around 10 percent, however development expenditures decreased by 13 percent compared to FY 1392. Expenditures on

compensation of employees increased by about 3 percent, in line with inflation and government efforts to control the growth of salaries. Goods and services, while increasing by 13 percent on last year, have fallen below target – as this, along with capital expenditure, is one of the codes under which the Government has most had to find savings.

Of the entire expenditure profile, around 52% of expenditure constituted the salaries. This was 48% in third quarter of FY 1393. This also represents an improvement on last year when salaries made up 56% of the overall expenditure, a testament to the efforts to bring salary growth under control.

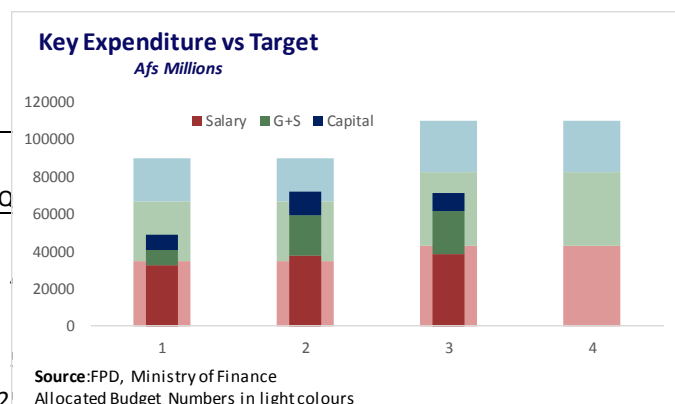
Contingency funds are used in subsidies and in social security and some other social transfers. By third quarter of 1392 Afs 501 million of the contingency funds were used in subsidies, while in 1393 during same time about Afs 450 million have been expended.



During the third quarter of fiscal year 1393, the wage pressure continued to pose challenges for the government. With the adverse economic condition due to political and security transition, the revenue collection performance was hit hard. This affected the available funds for wages in the operating budget.

Table 3.2 Fiscal Sustainability

	1392	1392	1393	1393	
	Q3	Q4	Q1	Q2	Q3
Domestic Revenue/Total	30%	37%	42%	34%	
Customs Revenue/Total	8%	8%	11%	8%	
Grants/Total	70%	63%	58%	66%	
Op. Spending/Dom. Rev.	190%	185%	164%	242%	2
Salaries/Total Expenditure	50%	40%	63%	48%	50%
Interest/Expenditure	0.1%	0.1%	0.1%	0.1%	0.2%
Financing/Expenditure	17%	22%	17%	16%	



Expenditure by Ministry

For Afghanistan, the definition of fiscal sustainability is that the domestic revenue should be sufficient enough to cover all of the operating expenditures. Afghanistan is still struggling with fiscal sustainability and due to numerous events this has been affected further. The operating expenditure to revenue ratio was 185 percent during third quarter of FY 1392, this has now further increased to about 256 percent in third quarter of FY 1393, as a result of the falls in the revenue. While this large figure represents the result of a series of one-off factors there is still an underlying sustainability problem even in better periods.

The performance of fiscal sustainability is connected with revenue collection performance. This could be reversed back by reforming the revenue collection. A number of efforts are planned for this, including increases to certain fees, and efforts to improve compliance with tax filing by businesses. As well as this, the revenue authority will become an independent authority which will help in collecting the required revenues.

Ministry of Rural rehabilitation and development continues to be of high importance. It executed about 67 percent of overall expenditure that was budgeted for this ministry during first three quarters of FY 1393.

Table 5.5 in the Appendix sets out expenditure by Ministry in detail.

There are also some large scale development projects that considered by the government in order to improve service delivery, governance and social welfare as a whole. Increased spending on education has raised the literacy rate 28.5 percent, access to clean drinking water increased to 60.5 percent, 30 percent of the population is linked to electricity, and around 18 million people of the country has mobile phones. Which are considered key indicators of development.

The Government also targets expenditures towards improving social welfare generally, and has a general policy of expenditure aimed at reducing poverty. There are also specific expenditures directly targeted towards poverty and social welfare, some of these key expenditures are set out in **Table 3.3**.

Spending on Technical and Vocational Education and Training (**TVET**) is targeted to ensure that

skills vital to building the economy and reducing poverty are as widely disseminated as possible. The Directorate of Kochis finances social welfare for Kochis, and youth targeted spending is a crucial portion of efforts to reduce poverty generation to generation.

Table 3.3 Key Poverty Targeting Expenditures

	1392	1393		
	Q3	Budget	Q3	% Budget
Directorate of Kochis	54	93	35	38%
Ministry of Education				
Technical and Vocational Training	929	3553	2344	66%
Ministry of Information and Culture				
Broadcasting and Youth	0	136	0	0%
Ministry of Frontiers and Tribal Affairs				
Social Protection of Tribes and Borders Management	0	563	0	0%
Micro Finance Investment Support Facility	0	46	0	0%

Debt and Financing

Total external debt during the second quarter 1393 is Afs 135.4 billion, we estimate this should have fallen further during Q3 as a result of Russian debt forgiveness. The main stakeholders from International organizations are World Bank and Asian Development Bank as they continue to provide concessional loans.

We have loans outstanding equivalent to around 50 percent of our IMF quota as a result of borrowing under two ECF programs. In this second program however we have not borrowed the full entitlement, maintain a low debt to the Fund.

Table 4.1 Debt Stock

Central Government Debt Stock					
In Million Afs	Actual		Estimated	Change	
	1393 Q1	1393 Q2	1393 Q3	On Q1	QoQ
EXTERNAL	134,558	135,434	82,879	-38%	-39%
International Organisations	72,452	73,345	76,262	5%	4%
IMF	7,374	7,472	9,286	26%	24%
World Bank	23,841	24,096	24,343	2%	1%
Islamic Development Bank	2,044	2,158	2,517	23%	17%
Asian Development Bank	39,090	39,516	40,013	2%	1%
Others	103	103	103	0%	0%
Foreign Governments	62,106	62,089	6,617	-89%	-89%
Russian Federation	54,520	54,520	0	-100%	100%
Saudi Fund	2,696	2,669	3,009	12%	13%
Others	4,890	4,899	3,608	-26%	-26%
DOMESTIC	30,996	30,996	30,996	0%	0%
Bonds (Non-Tradable)	30,996	30,996	30,996	0%	0%
Commercial Banks	-	-	-	-	-
TOTAL CENTRAL GOVERNMENT DEBT	165,554	166,430	113,875	-31%	-32%
<i>In Percent</i>					
Portion Short Term Debt ¹	0	0	0	-	-
Implied Maturity of Debt (Years)	245.0	206.6	-	-	-
Implied Interest Rate of Debt	0.1%	0.1%	0.0%	-13.7%	43.4%

1/ Less than one year

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. If there are any net sales of non-financial assets, the public sector borrowing requirement will be higher than the core budget balance.

The high Treasury Single Account (TSA) financing reflects the use of “cash in the bank” in order to

make up for the revenue shortfall. Although donor accounts have still accumulated funds during the year.

The high positive transactions represents the need to raise resources this year to meet the deficit; the high negative value in 1392 represents, in large part, a saving made to the accounts that was carried forward in to 1393.

Table 4.2 Transactions in Financial Assets and Liabilities

In millions of Afghanis	1392	1393	
	Q3	Q3	
	Actual	Prelim.	% Change
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES	-20,395	26,888	-232%
NET ACQUISITION OF FINANCIAL ASSETS	-21,864	27,523	-226%
Domestic	-21,864	27,523	-226%
Currency and Deposits	-18,915	23,987	-227%
Treasury Single Account	-18,257	19,107	-205%
Donor Accounts	-658	4,879	-841%
Other Deposit Accounts (1)	0	2	12997%
Loans	-43	257	-697%
Other Accounts Receivable	-158	269	-270%
Other Assets	-2,747	3,011	-210%
Foreign	0	0	-
NET ACQUISITION OF FINANCIAL LIABILITIES	1,468	-635	-143%
Domestic	1,080	-959	-189%
Accounts Payable	-1,079	-1,275	18%
Pension Liabilities	0	7	26703%
Other Payables	0	0	-
Other Liabilities (1)	2,159	309	-86%
Foreign	389	323	-17%
Foreign Currency	-16	13	-179%
Loans	405	311	-23%

Source: FPD using AFMIS data downloaded on the 17 August 2014

Table 4.3 Transactions in Non-Financial Assets and Liabilities

In millions of Afghanis	1392	1393	
	Q1	Q1	% Change
	Actual	Prelim.	
NET ACQUISITION OF NONFINANCIAL ASSETS	12,613	9,685	-23%
Land and Buildings	7,461	5,460	-27%
Purchase of Land and Buildings	7,466	5,466	-27%
Buildings and Structures	7,100	5,256	-26%
Land	366	209	-43%
Sale of Land and Buildings	-5	-6	16%
Sale of State-Owned Enterprises	0	0	-
Machinery and Equipment (>50,000)	2,072	2,024	-2%
Valuables	1	0	-100%
Other Acquisitions	3,079	2,201	-29%
Capital Advance Payments	3,079	2,201	-29%

Source: FPD using AFMIS data downloaded on the 17 August 2014

As indicated in table 4.3 during third quarter 1393 there were less expenditures on purchase of land and buildings when compared to the same period in 1392, and this declined by 27 percent (from Afs 7.4 billion to Afs 5.7 billion). Other acquisitions and capital advance payment also declined by 29 percent compared to third quarter 1392.

Meanwhile, expenditures on Machinery and Equipment has declined by 2 percent or Afs 48 million compared to the 3rd quarter in 1392. This reflects the decrease of the capital expenditure, because of the economic slowdown. The Government's capital investment has likely reduced some of the impact of the slowdown, offsetting some of the fall in private capital spending.

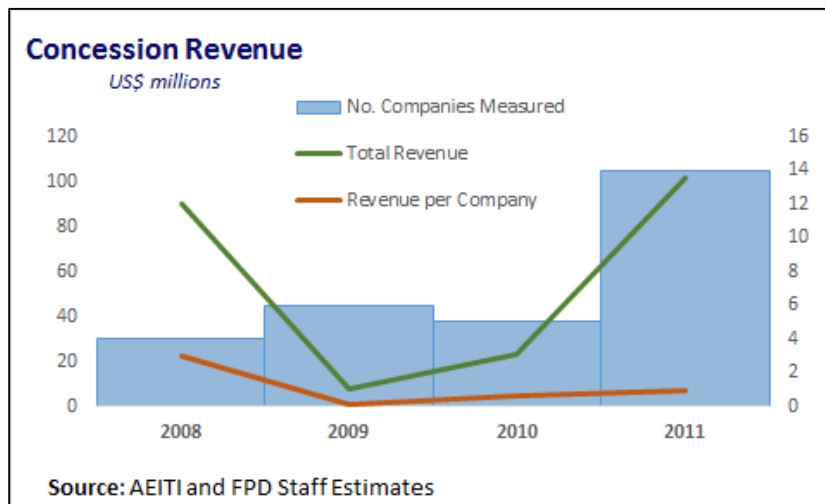
The Extractive Industry in Afghanistan

Revenue to Date from Extractive Industry

The Afghanistan Extractive Industry Transparency Initiative¹ (AEITI) report collects information on multiple tax and non-tax revenues that are collected as a result of the concessions industry in Afghanistan; this includes those direct, specialist revenues (including royalty, surface fees, license fees etc.), direct, general revenues (including corporate income tax, export and import duties) and less direct tax like withholding on employee salaries.

In 2011 the total collection from these sources was estimated at Afs 4.8 billion (\$84 million), despite no concessions operating actual extraction on any scale. This was largely as a result of payments by Aynak Copper and Northern Coal; with a large portion of the total collection the result of one-off or bonus payments.

The chart below shows the AEITI reported collection (and the number of companies contacted for the reconciliation by AEITI, which explains some of the considerable variance year-to-year). The years in which large bonus payments occurred are the years in which large spikes in revenue have been measured (2008, and 2011). The one-off bonus payments have made up the larger portion of revenue collected to date by the Government. Given no large scale operations have started by concessions the revenue collection has remained relatively stagnant, but with significant volatility. The one-off payments are put in place in order to improve collection early in the process, prior to any of the extraction taking place.



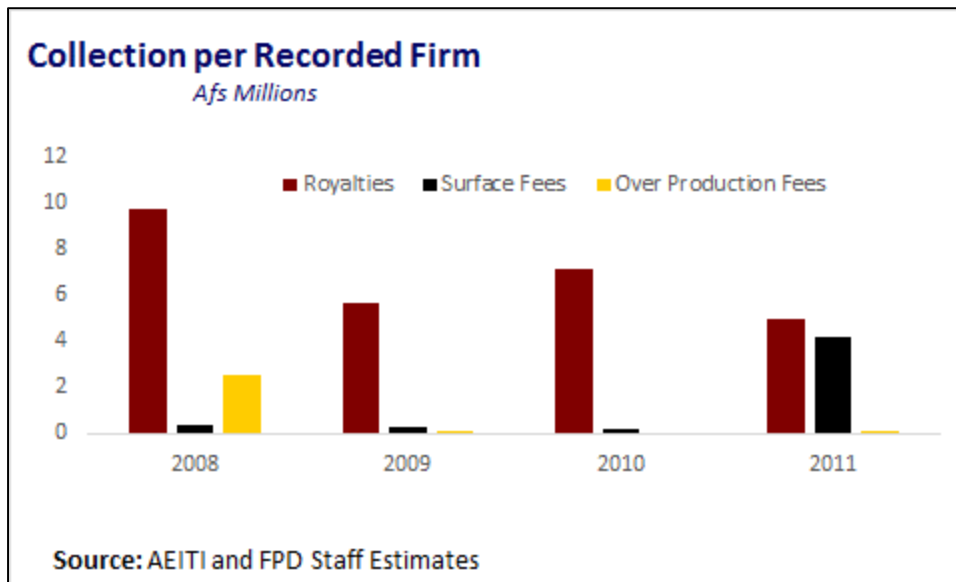
In many years the largest sources of revenue, exempting bonuses, have been the 2% BRT and the Income tax receipts.

Collection has been mainly from the copper and coal firms (Aynak and Northern Coal), this higher collection is less to do with their operations currently and more a result of their planned expansion –Aynak employs a sizable number of staff, paying Afs 54.7 million in

withholding tax in 2011. Northern Coal paid a large Afs 1.1 bn in excess profit tax.

The inclusion of Gas companies (Afghan Gas), as well as Mining, in the reconciliation report increased the surface rental collection per firm.

¹ EITI is an international effort to institute standards of transparency in reporting on the extractive industry. As part of this an annual report is produced, usually with a time lag, detailing collections made and received by companies and the Government. Afghanistan signed up in support of the principles of EITI in March, 2009.



Aggregate lines are captured for the key payments made by extractive industry firms. Over the recent years the collection of royalties has increased from concessions.

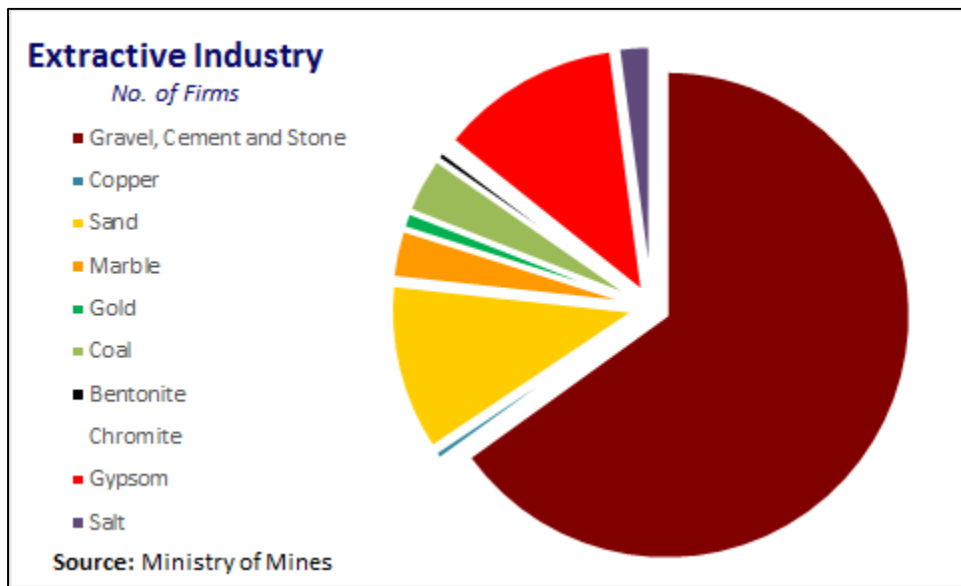
Afs Millions	2011	2012	2013	2014
	1390	1391	1392	1393
Royalty Fee	105.0	99.1	348.4	392.2
Penalty Fee	0.6	1.1	2.9	4.5
Land Fee	60.3	4.1	141.2	122.8
Rental Fee		2.9	2.9	2.8
Bid Fee	0.8	34.2	3.7	20.9
TOTAL	166.7	141.3	499.1	543.2

Concessions within Afghanistan

Afghanistan's natural resources include large deposits of copper, petroleum, rare earth elements, coal, amongst multiple other minerals and resources. While only a small portion of the overall GDP at the moment (around 0.9 percent), the sector is projected to grow significantly over the next decade, once contracting issues have been resolved, and the security situation improves enough to allow for firm operations. While the largest set of concessions have been granted to firms extracting materials for construction (gravel, cement and stone), the high value and quantity of rare earth elements in Afghanistan makes this one of the potentially most economically and politically important areas of the extractive industry.

The extractive industry sector is likely to see significant growth in the coming years. The GDP growth arising from this sector over the medium term is forecast to rise to 18%; this could be even higher should the concessions start in earnest. The current forecasts however remain relatively conservative with only 1.2% of GDP being as a result of the extraction sector in 1399; this is because a large amount of uncertainty remains over how quickly and on what scale concessions will start operations (see below – *Difficulties Facing the Industry*).

The current legal framework within Afghanistan is set out under the May 2014 Mineral Law, splitting licenses into reconnaissance, exploration, exploitation, and artisanal mining.



Difficulties Facing the Industry

Commodity	Main Area of Exploration
Coal	Herat, Badakhshan
Natural Gas	Helmand, Kundar-Urgun, Saripul and Karakum and Afghan-Tajik areas
Limestone	Badakhshan, Samangan, Baghlan, Herat, Jabal Serz and Kandahar
Marble	Chesht and Khogiani
Onyx	Helmand and Maymana
Granite	Nooristan, Badakhshan, Panjsher, Jalalabad, Herat and Konar

Security Concerns

For investors investing in the mining sector in Afghanistan, good security and political stability will always be the pre-conditions before making any decisions. Unless the security situation is improved in different parts of Afghanistan, the investors will not be interested in expending their resources in risky projects. In terms of natural resources endowments, Afghanistan is a rich country with large deposits of gas, oils and other rare and precious metals which are scattered around various geographical locations. The government in order to draw in potential investors for extraction contracts, is working on additional efforts to bring full security and order, particularly insecure regions. The major concern for investors will be lack of security in areas with large mining investments, and their surrounding locations – which could inhibit transport of anything extracted. For example, the Aynak mine which is the largest copper mine in Afghanistan, located in the south of Kabul. Insecurity in Logar province is posing great threat to MCC firm's operation and its extraction of copper.

Difficulties in contract negotiation

In addition to security problems, delays in finalization of legislation for mineral extraction and mining has also created difficulties for contract negotiation between the government and mining investors. As negotiation for most of the large contracts are contingent upon approval and amendment in mining and tax administration laws by the parliament. Geographical location and unavailability of infrastructure like railways are other factors that lengthen discussion or delay the agreement for some of the contracts. Mining and development of extractive industries is a new area that is intact and need the government's utter attention for exploration and exploitation, as the government are looking to find new resources for its rising expenditures. Lack of expertise in mining sector is another factor that creates hurdles for contract negotiation. However, the government intends to establish a number of vocational institutes that will train students in mining areas.

Reforms to the law, and changes in the mineral law, and concession contracts

Interpretation of articles in the mineral law is the key issue, which needs to be discussed and resolved by legal experts. One of the areas is a correct interpretation of Article 87 of the original Dari version Minerals Law and the meaning and intent of "all extracted or other exploited Mineral Substances".

Previously, the Ministry has taken the view that this wording could be interpreted to mean that a royalty should be paid as soon as ore is extracted - but there are practical difficulties with this approach, and that consideration should be given to payment once the ore / semi-refined product passes the mine gate (or later). In other discussions with the Ministry, it has been suggested that the Minerals Law might be capable of being interpreted to include this alternative approach.

In the end, this issue must be decided by the Ministry's Legal Directorate because it is a question of the correct interpretation of the Dari original of the Minerals Law under Afghan law.

Article 87: Mineral Royalties

(1) Holders of Exploitation Licenses...shall pay Mineral Royalties on all extracted or other exploited Mineral Substances.

Article 73 - Obligation to Pay Mineral Royalties

(2) The obligation to pay mineral royalties commences as of the first date of commercial production, unless provided otherwise by a specific mining contract.

(3) Royalties shall be paid in United States Dollars or such other currency as may be mutually agreed....

Mineral royalties in neighboring countries

Tajikistan Mineral Royalties

Tajikistan Laws related to royalties are a good example of the range of clarity to opaqueness that can be seen between mining royalty laws (oftentimes, within the same legislation).

The below excerpts make it very clear that mining royalties in Tajikistan will be set on a contract-by-contract basis for each mineral extracted (subject to a 0.5% minimum rate), are payable monthly, and that a fixed percentage royalty rate will apply for the life of the contract.

The royalties do appear to be value-based, but where things get vague is determining the point in the production cycle where the units of production are matched up with the price.

For example, Article 291(2)(2) refers to "volume of minerals extracted" (which could be interpreted as contained metals in ores mined) as well as "the volume of initial commercial product obtained from minerals actually extracted" (which suggests at least post-processing, recovered metals).

Analysis of Laws & Regulations Concerning Calculation of Mineral Royalty Payments in Afghanistan Page 6 Likewise, Article 292(1) makes reference to a "delivery price", but one is left wondering if this refers to final sale of refined metals, or just the first arms-length transaction (e.g., selling doré or concentrates to a smelter / refiner), and further sections of the Law [Articles 292(2) and 292(3)] are also somewhat ambiguous.

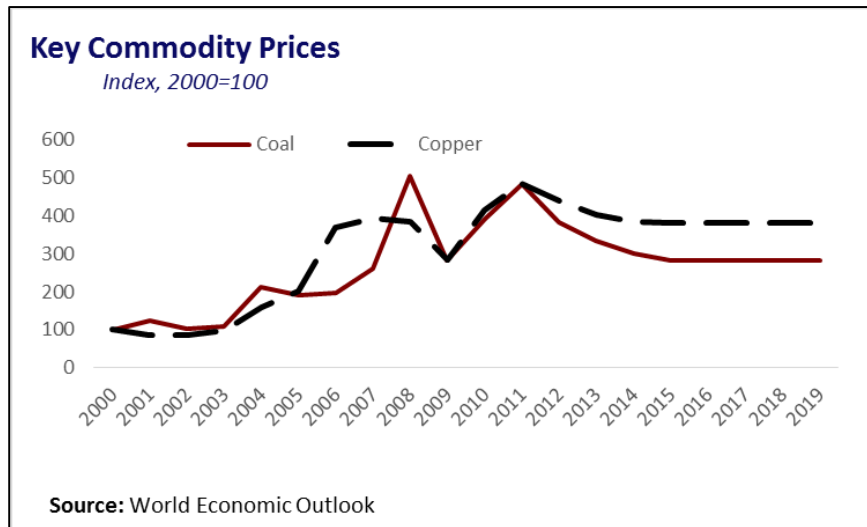
Mongolia Mineral Royalties

Mongolia will charge a 5% royalty on precious and base metals, payable quarterly on the “sales value”, with the assumption that “sales value” is referring to metals in a marketable / deliverable form - e.g., refined copper, gold and silver.

Analysis of Laws & Regulations Concerning Calculation of Mineral Royalty Payments in Afghanistan Page 7 If so, then Mongolia’s current royalty regime is probably close to a traditional Net Smelter Returns royalty, calculated on the payable (sellable) metals produced, but without the deductions for transportation and refining costs. In contrast to Mongolia and Tajikistan excellent guidelines with high degrees of clarity were found in the policies, laws and regulations for two Australian states - New South Wales and Queensland.

The Immediate Future of the Industry

World Copper and Coal prices, two of the key commodities like to yield revenues in the nearer future, saw prices peak around 2011, since then prices have steadily fallen and are expected to stabilize in the immediate future. This will likely present some difficulty to revenue raising: 1) reducing directly the revenue collected as prices falls, and 2) reducing the likelihood that projects will go ahead (particularly under costly terms).



The Tajikistan Afghanistan Pakistan India (TAPI) Project will transfer natural gas from Central Asia to Pakistan and India through Afghanistan. This is a big project that will have more economic Implication benefits for Afghanistan. It will not only generate new employment, but also bring about other benefits such as power generation while using TAPI gas or transit fee in Kind,

transit revenues, improving security in the south region, economic Stability and political Stability. As expected, Afghanistan will be receiving annual cash flows above than 400 million USD revenues as transit fees. In addition, CASA 100 is other power project that will transmit 1300 MWH power from Qerghezistan and Tajikistan through Afghanistan to Pakistan. Afghanistan will also get revenue cash flows in addition to economic benefits and power supply to places through which the line pass through.

Annex

Table 5.1 Revenue Collection by All Provinces

In millions of Afghanis	1392	1393	% Increase	YTD Target		Annual Target	% Annual Target
	Q3 Actual	Q3 Prelim.		1393 Q3 YTD	Target - Actual % (+/-)		
REVENUES exc. grants	28,029.3	23,269.5	-17%	70,546.0	-67%	133,800.0	17%
Kabul	505	522	3%	1,795	-71%	2,876	18%
Kapisa	25	35	42%	87	-60%	136	26%
Parwan	63	52	-18%	148	-65%	254	20%
Wardak	35	47	36%	109	-57%	200	23%
Logar	26	26	-2%	111	-77%	161	16%
Nangarhar	2,918	2,964	2%	8,267	-64%	13,563	22%
Laghman	32	29	-8%	91	-68%	168	17%
Pangsher	11	19	64%	46	-60%	87	21%
Baghlan	79	63	-20%	179	-65%	331	19%
Bamyan	34	23	-32%	80	-71%	119	19%
Ghazni	56	72	29%	195	-63%	335	22%
Paktika	38	44	15%	103	-57%	183	24%
Paktiya	215	322	50%	786	-59%	801	40%
Khost	221	143	-35%	469	-70%	1,410	10%
Kunar	35	52	48%	135	-61%	398	13%
Nuristan	13	12	-14%	26	-55%	47	25%
Badakhshan	66	84	27%	184	-54%	336	25%
Takhar	75	83	10%	201	-59%	355	23%
Kunduz	255	214	-16%	555	-61%	1,497	14%
Samangan	21	34	59%	96	-65%	128	26%
Balkh	1,899	1,447	-24%	4,578	-68%	11,112	13%
Saripul	21	31	49%	78	-60%	103	30%
Ghor	27	35	30%	72	-52%	166	21%
Dikondy	20	18	-7%	42	-56%	80	23%
Uruzgan	16	15	-6%	36	-57%	80	19%
Zabul	17	21	21%	53	-60%	120	17%
Kandahar	761	752	-1%	2,258	-67%	3,319	23%
Jawzjan	43	52	20%	133	-61%	278	19%
Faryab	1,623	419	-74%	2,323	-82%	5,035	8%
Helmand	134	144	7%	391	-63%	720	20%
Badghis	24	35	46%	77	-54%	101	35%
Herat	3,409	3,332	-2%	9,635	-65%	21,627	15%
Farah	897	531	-41%	1,823	-71%	2,324	23%
Nimroz	1,352	1,823	35%	4,935	-63%	6,204	29%
Central Ministries	13,062	9,774	-25%	30,450	-68%	59,147	17%
Offshore Payments	0	0	-	0	-	0	-

Source: FPD using AFMIS data downloaded on the 17 August 2014

Table 5.2 Operational and Development Grants

All Values are in Million Afs	1392	1392	1392	1393	1393	1393
	Qtr 3	Qtr 3	% of	Qtr 3	Qtr 3	% of
	Qtr	YTD	Total	Qtr	YTD	Total
Afghanistan Reconstruction Trust Fund (ARTF)	3,204	11,621	11%	0	0	0%
Law & Order Trust Fund (LOTFA)	6,975	21,765	20%	7,067	7,067	34%
CSTC-A ¹ MoD	32,582	56,879	52%	11,417	11,417	55%
CSTC-A ¹ MoI	9,152	18,198	17%	2,409	2,409	12%

1/ Combined Security Transitional Command Afghanistan

Source: AFMIS data extract 17 August 2014

All Values are in Million Afghani		
	RECURRENT BUDGET	11,417
	RECURRENT BUDGET	7,067
TF098459-AF Third Emergency National Solidarity Project	ARTF	5,215
	RECURRENT BUDGET	2,409
93962-Second Education Quality Improvement Project	ARTF	1,049
H792- Afghanistan Rural Access Project	World Bank	540
15005 System Enhancement for Health Action in Transition Project (SEGAT)	ARTF	423
National Solidarity Program (Italy)	Multi Donor Grants	385
10024 AF-Second Public Financial Management Reform Project	ARTF	384
13093- Afghanistan Rural Access Project	ARTF	214

Source: AFMIS data extract 17 August 2014

Table 5.3 Operating Budget Expenditure

In millions of Afghanis	1392	1392	1393	1393	Budget	Allocated	% Alloc.	% Change
	Q3	Q3 YTD	Q3	Q3 YTD				
	Actual	Actual	Prelim.	Prelim.				
TOTAL GROSS EXPENDITURES	53,593	135,657	59,484	155,734	280,472	276,810	21%	11%
TOTAL NET EXPENDITURES (2)	53,588	135,626	59,479	155,708				
RECURRENT EXPENDITURES	51,171	131,372	57,074	150,615	268,376	263,606	22%	12%
Compensation of Employees	37,380	100,499	38,434	108,891	162,603	156,013	25%	3%
<i>of which operating budget</i>	37,380	100,499	38,434	108,891				3%
Wages and Salaries	35,943	96,360	36,921	104,521				3%
Wages and Salaries in Cash	29,665	81,886	31,711	90,285				7%
Wages and Salaries in Kind	6,341	14,654	5,175	14,257				-18%
Social Benefits	1,437	4,140	1,512	4,369				5%
Social Benefits - in Cash	412	1,234	330	856				-20%
Social Benefits - in Kind	0	0	0	0				-
Use of Goods and Services	10,744	22,006	13,096	26,499	83,673	85,493	15%	22%
Travel	383	1,152	400	1,224				4%
Communications	1,171	2,191	1,181	2,521				1%
Contracted Services	383	908	423	1,002				11%
Repairs and Maintenance	2,293	4,474	4,467	8,086				95%
Utilities	695	1,708	1,589	3,190				129%
Fuel	1,479	3,521	1,958	4,065				32%
Other Use of Goods and Services	4,342	8,052	3,078	6,411				-29%
Interest (1)	76	172	140	274	2,400	2,400	6%	85%
To Non-Residents	76	172	140	274				
Social Transfers	2,971	8,695	5,404	14,952	19,700	19,700	27%	82%
Subsidies	251	501	0	450				-100%
Grants	63	161	101	315				60%
Social Security	2,648	7,923	5,189	13,983				96%
Other Social Transfers	9	109	114	204				1187%
Social Assistance	5	8	114	114				2327%
Advance Subsidies, Grants	4	101	0	90				-100%
ACQUISITION OF ASSETS								
Gross Acquisition of NFA	2,422	4,285	2,410	5,119	12,096	13,204	18%	0%
Net Acquisition of NFA ¹	2,417	4,254	2,405	5,093				-1%
Sale of Land and Buildings	-5	-32	-6	-26				16%
Buildings and Structures	1,073	1,867	1,271	2,970				18%
Machinery / Equipment (>50,000)	988	1,945	1,032	1,572				5%
Valuables	1	1	0	0				-100%
Land	360	469	100	427				-72%
Capital Advance Payments	1	3	8	149				921%

Source: FPD using AFMIS data downloaded on the 17 August 2014

1/ Net of proceeds from Sale of Non-Financial Assets

Table 5.4 Development Budget Expenditure

In millions of Afghanis	1392 Q3 Actual	1392 Q3 YTD Actual	1393 Q3 Prelim.	1393 Q3 YTD Prelim.	Allocated	% Alloc.	% Change
TOTAL GROSS EXPENDITURES	20,435	44,281	17,837	52,743	147,410	12%	-13%
Discretionary Budget	5,645	10,961	2,515	8,633	46,424	5%	-55%
Non-discretionary Budget	14,790	33,320	15,323	44,110	100,986	15%	4%
TOTAL NET EXPENDITURES (2)	20,435	44,281	17,837	52,743			
Use of Goods and Services	10,239	21,353	10,557	26,642	58,549	18%	3%
Travel	63	259	71	293			
Communications	12	90	11	37			
Contracted Services	5,971	13,431	6,271	18,211			
Repairs and Maintenance	17	68	75	241			
Utilities	49	130	103	240			
Fuel	64	98	22	47			
Other Use of Goods and Services	4,063	7,278	4,003	7,574			
Tools and materials (< 50,000)	1,488	2,487	442	745			
Other Expenses	138	277	1,764	2,299			
Advances and Return of Expenditure	2,436	4,514	1,797	4,529			
ACQUISITION OF ASSETS							
Gross Acquisition of NFA	10,196	22,927	7,280	26,101	88,861	8%	-29%
Net Acquisition of NFA ¹	10,196	22,927	7,280	26,101			
Sale of Land and Buildings	0	0	0	0			
Buildings and Structures	6,027	11,695	3,986	11,414			
Machinery / Equipment (>50,000)	1,085	1,788	992	2,376			
Valuables	0	0	0	0			
Land	6	40	110	110			
Capital Advance Payments	3,078	9,404	2,193	12,201			

Source: FPD using AFMIS data downloaded on the 17 August 2014

1/ Net of proceeds from Sale of Non-Financial Assets

Table 5.5 Ministry Expenditure

In millions of Afghanis	1392	1392	1393	1393	1393	1393	Budget	Allocated	% Alloc.	% Change
	Q3 Actual	Q3 YTD Actual	Q1 Prelim	Q2 Prelim	Q3 Prelim	Q3 YTD Prelim				
TOTAL GROSS EXPENDITURES	74,039.5	180,017.4	51,613.9	79,016.8	77,097.2	207,779.1	427,934.6	418,206.0	50%	1.0
Operating Budget	53,593.3	135,657.5	38,326.4	57,485.2	59,224.0	155,041.6	280,340.2	270,611.6	57%	1.1
Development Budget	20,446.1	44,359.9	13,287.5	21,531.6	17,873.3	52,737.5	147,594.4	147,594.4	36%	0.9
Ministry of Interior	13,802.4	33,612.6	10,091.9	12,246.3	15,890.4	38,228.6	66,824.9	71,037.4	54%	115%
Operating Budget	13,700.6	33,434.0	10,066.1	12,089.9	15,767.3	37,923.2	62,037.5	66,250.0	57%	115%
Development Budget	101.7	178.7	25.8	156.4	123.1	305.3	4,787.4	4,787.4	6%	121%
Ministry of Defence	16,466.2	41,126.7	10,128.0	17,664.4	17,062.0	44,854.4	101,676.0	106,470.8	42%	104%
Operating Budget	14,899.5	39,557.7	10,128.0	17,503.6	16,691.2	44,322.7	98,570.5	103,365.3	43%	112%
Development Budget	1,566.7	1,569.0	0.0	160.9	370.8	531.7	3,105.4	3,105.4	17%	24%
Ministry of Foreign Affairs	839.8	2,308.1	550.3	1,540.0	921.2	3,011.5	4,446.7	4,500.7	67%	110%
Operating Budget	656.3	2,096.2	500.5	990.2	913.8	2,404.5	3,200.0	3,254.0	74%	139%
Development Budget	183.5	211.9	49.7	549.8	7.4	607.0	1,246.7	1,246.7	49%	4%
National Security Council	0.0	0.0	62.8	64.3	64.2	191.3	227.9	362.8	53%	-
Operating Budget	0.0	0.0	62.8	64.3	64.2	191.3	88.5	223.3	86%	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	139.5	139.5	0%	-
Presidential Protective Service	341.1	907.7	232.4	390.0	251.8	874.2	944.5	1,105.8	79%	74%
Operating Budget	291.6	844.5	232.2	390.0	232.6	845.9	944.5	1,105.8	76%	80%
Development Budget	49.5	63.2	9.2	0.0	19.2	28.3	0.0	0.0	-	39%
General Directorate of National Security	2,528.0	7,447.4	2,706.9	2,825.8	2,820.4	8,353.0	11,419.5	11,219.5	74%	112%
Operating Budget	2,448.2	7,338.3	2,706.9	2,801.1	2,785.3	8,293.3	11,271.4	11,071.4	75%	114%
Development Budget	79.8	109.1	0.0	24.7	35.1	59.7	148.1	148.1	40%	44%
Total Security	33,977.5	85,402.5	23,709.4	34,666.6	36,945.7	95,321.7	185,311.5	194,334.3	49%	109%
Operating Budget	31,996.2	83,270.6	23,624.7	33,774.8	36,390.1	93,789.7	176,023.9	185,046.6	51%	114%
Development Budget	1,981.3	2,131.9	84.7	891.8	555.6	1,532.0	9,287.6	9,287.6	16%	28%
Presidents Office	447.9	1,285.2	442.1	449.5	472.2	1,363.8	2,097.6	2,346.3	58%	105%
Operating Budget	422.5	1,214.4	394.4	428.6	466.6	1,289.6	1,783.5	2,032.2	63%	110%
Development Budget	25.4	70.7	47.7	20.8	5.6	74.2	314.1	314.1	24%	22%
National Assembly Mesharho Jirga	152.5	429.8	127.6	145.5	133.1	406.3	588.8	616.3	66%	87%
Operating Budget	140.4	378.3	127.6	145.5	133.1	406.3	518.8	546.4	74%	95%
Development Budget	12.0	51.5	0.0	0.0	0.0	0.0	69.9	69.9	0%	0%
National Assembly Wolesi Jirga	311.4	945.7	358.9	289.2	385.8	1,034.0	1,293.7	1,371.6	75%	124%
Operating Budget	310.5	944.9	358.9	289.2	385.8	1,034.0	1,252.0	1,329.9	78%	124%
Development Budget	0.9	0.9	0.0	0.0	0.0	0.0	41.7	41.7	0%	0%
Supreme Court	459.6	1,147.4	743.7	859.9	746.6	2,350.2	3,321.7	3,324.4	71%	162%
Operating Budget	434.8	1,070.4	737.7	819.5	732.7	2,289.9	3,000.9	3,003.7	76%	169%
Development Budget	24.8	77.1	6.0	40.4	13.9	60.3	320.7	320.7	19%	56%
Ministry of Justice	176.1	442.7	120.0	167.4	150.3	437.7	1,100.4	1,119.2	39%	85%
Operating Budget	147.6	401.9	102.0	157.7	136.0	395.6	601.2	620.1	64%	92%
Development Budget	28.5	40.7	18.0	9.8	14.4	42.1	499.2	499.2	8%	50%
Administrative Affairs	761.5	1,429.6	370.7	740.0	275.7	1,386.4	939.2	1,647.9	84%	36%
Operating Budget	730.8	1,385.6	370.7	625.5	222.1	1,218.3	750.0	1,458.7	84%	30%
Development Budget	30.7	44.0	0.0	114.5	53.5	168.1	189.2	189.2	89%	174%
Ministry of State and Parliament Affairs	20.5	71.8	13.5	30.7	24.1	68.3	117.0	135.3	51%	118%
Operating Budget	20.5	71.8	13.5	30.1	24.1	67.7	79.2	97.5	69%	118%
Development Budget	0.0	0.0	0.0	0.6	0.0	0.6	37.8	37.8	2%	-
Ministry of Haj and Religious Affairs	311.4	574.6	126.4	184.0	308.1	618.4	1,093.8	1,116.2	55%	99%
Operating Budget	257.4	490.4	112.3	154.9	287.9	555.1	789.9	812.2	68%	112%
Development Budget	54.0	84.2	14.0	29.1	20.2	63.3	303.9	303.9	21%	37%
Attorney General	292.5	754.5	240.5	313.2	285.9	839.6	1,430.3	1,437.2	58%	98%
Operating Budget	261.8	713.9	228.4	297.3	273.2	799.0	1,163.9	1,170.8	68%	104%
Development Budget	30.7	40.6	12.1	15.9	12.6	40.6	266.4	266.4	15%	41%
Election Commission	35.1	86.0	23.1	29.4	31.2	83.7	153.5	194.0	43%	89%
Operating Budget	31.4	77.3	23.1	29.4	31.2	83.7	153.5	194.0	43%	99%
Development Budget	3.8	8.7	0.0	0.0	0.0	0.0	0.0	0.0	-	0%
IARCS	195.9	492.4	85.0	157.7	118.6	361.3	706.2	718.6	50%	61%
Operating Budget	81.6	221.3	11.6	90.7	90.0	244.6	336.2	69.3	353%	110%
Development Budget	114.3	271.1	0.0	67.1	28.6	116.6	370.1	370.1	32%	25%
Independent Commission for Overseeing the Implementation of Cons	81.6	221.3	11.6	90.7	90.0	244.6	67.3	69.3	353%	110%
Operating Budget	17.3	48.7	57.9	20.5	14.0	46.2	67.3	69.3	67%	81%
Development Budget	64.3	172.6	28.3	70.1	76.0	198.5	0.0	0.0	-	118%
The High office of Oversight and Anti Corruption	52.7	135.0	57.9	35.2	34.4	127.5	307.9	308.7	41%	65%
Operating Budget	44.0	104.3	29.6	35.2	34.4	99.2	156.7	157.5	63%	78%
Development Budget	8.7	30.7	28.3	0.0	0.0	28.3	151.2	151.2	19%	0%
Independent Directorate of Local Governance	926.5	2,051.1	455.2	608.5	607.0	1,670.7	4,410.1	4,454.7	38%	66%
Operating Budget	785.6	1,699.8	406.1	536.1	554.9	1,497.0	2,431.7	2,476.2	60%	71%
Development Budget	140.9	351.3	49.2	72.4	52.1	173.7	1,978.4	1,978.4	9%	37%
Afghanistan Independent Human Rights Commission	20.6	24.4	0.0	0.0	0.0	0.0	97.2	53.2	0%	0%
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	44.0	0.0	-	-
Development Budget	20.6	24.4	0.0	0.0	0.0	0.0	53.2	53.2	0%	0%
Independent Electoral Complaints Commission	0.0	0.0	0.0	0.0	0.0	0.0	175.4	175.4	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0%	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	75.4	75.4	0%	-
Total Governance, Rule of Law and Human Rights	4,225.2	10,067.3	3,176.1	4,100.9	3,662.9	10,992.3	17,802.7	19,035.1	58%	87%
Operating Budget	3,686.2	8,823.1	2,973.7	3,660.3	3,386.1	10,026.1	13,184.8	14,137.9	71%	92%
Development Budget	539.1	1,244.2	203.6	440.7	276.8	966.2	4,617.9	4,617.9	21%	51%

In millions of Afghani	1392	1392	1393	1393	1393	1393	Comparison to			
	Q3	Q3 YTD	Q1	Q2	Q3	Q3 YTD	Budget or MYR	Current	% Allocated	% Change
	Actual	Actual	Prelim	Prelim	Prelim	Prelim				
Ministry of Public Works	6,248.7	10,362.1	2,587.2	3,352.0	3,620.2	9,559.3	23,570.0	26,902.5	36%	58%
Operating Budget	582.9	1,505.8	409.1	1,436.2	589.1	2,434.3	529.7	3,862.1	63%	101%
Development Budget	5,665.8	8,856.3	2,178.1	1,915.9	3,031.1	7,125.1	23,040.4	23,040.4	31%	53%
Ministry of Transport and Aviation	361.4	890.5	46.4	350.7	283.8	680.9	401.2	406.2	168%	79%
Operating Budget	161.6	381.9	46.4	72.7	64.3	183.5	278.0	283.0	65%	40%
Development Budget	199.7	508.5	0.0	278.0	219.5	497.4	123.2	123.2	404%	110%
Ministry of Communication	443.8	877.9	113.8	177.1	360.9	651.7	2,811.4	2,816.0	23%	81%
Operating Budget	115.5	330.0	88.6	126.5	114.8	329.9	473.0	477.6	69%	99%
Development Budget	328.3	547.9	25.1	50.6	246.1	321.8	2,338.4	2,338.4	14%	75%
Ministry of Energy and Water	1,197.3	2,825.8	723.9	1,553.3	1,375.6	3,652.8	10,969.3	11,028.6	33%	115%
Operating Budget	137.4	356.2	101.8	139.2	169.3	410.3	530.0	589.3	70%	123%
Development Budget	1,060.0	2,469.6	622.1	1,414.2	1,206.3	3,242.5	10,439.3	10,439.3	31%	114%
Water Supply and Canalization Corporation	0.0	0.0	0.0	0.0	0.0	0.0	795.3	795.3	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	795.3	795.3	0%	-
Da Brishna Shirkat	347.5	716.3	183.0	861.8	1,294.2	2,339.0	7,266.1	7,266.1	32%	372%
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	347.5	716.3	183.0	861.8	1,294.2	2,339.0	7,266.1	7,266.1	32%	372%
Ministry of Urban Development	334.7	741.8	53.7	182.4	104.9	341.0	1,433.5	1,450.6	24%	31%
Operating Budget	56.9	157.2	32.3	66.7	70.5	169.5	2,326.6	2,476.9	7%	124%
Development Budget	277.8	584.6	32.3	66.7	70.5	169.5	366.0	366.0	46%	25%
Civil Aviation Authority	0.0	0.0	32.3	66.7	70.5	169.5	2,326.6	2,476.9	7%	-
Operating Budget	0.0	0.0	28.7	13.5	27.1	69.3	0.0	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Independent Board of New Kabul	38.8	110.6	28.7	13.5	27.1	69.3	0.0	0.0	-	70%
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	38.8	110.6	28.7	13.5	27.1	69.3	0.0	0.0	-	70%
Ministry of Mines and Industries	494.1	1,179.8	276.2	239.8	468.7	984.6	2,331.7	2,382.3	41%	95%
Operating Budget	117.2	349.6	93.7	153.4	134.7	381.7	495.0	545.5	70%	115%
Development Budget	376.9	830.1	182.5	86.4	334.0	602.9	1,836.7	1,836.7	33%	89%
Geodesy and Cartography Office	36.7	97.1	24.1	30.3	36.5	90.9	138.0	141.2	64%	99%
Operating Budget	36.0	95.1	24.1	30.3	29.3	83.7	132.0	135.1	62%	81%
Development Budget	0.8	2.0	0.0	0.0	7.2	7.2	6.1	6.1	120%	954%
Directorate of Environment	46.6	126.9	37.9	45.9	47.5	131.3	272.3	283.0	46%	102%
Operating Budget	46.6	126.9	37.9	45.9	47.5	131.3	180.0	190.7	69%	102%
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	92.3	92.3	0%	-
Afghanistan High Atomic Energy Commission	6.8	19.8	6.5	5.4	9.9	21.9	39.5	40.1	55%	147%
Operating Budget	6.8	19.8	6.5	5.4	9.9	21.9	39.5	40.1	55%	147%
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Irrigation and canalization Shirkat	0.0	0.0	0.0	0.0	0.0	0.0	3,495.0	3,495.0	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	3,495.0	3,495.0	0%	-
Municipalities	253.7	444.4	324.8	198.0	240.8	763.6	0.0	0.0	-	95%
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	253.7	444.4	324.8	198.0	240.8	763.6	0.0	0.0	-	95%
Total Infrastructure and Natural Resources	9,810.3	18,393.0	4,438.5	7,076.9	7,940.6	19,455.9	55,849.9	59,483.8	33%	81%
Operating Budget	1,260.9	3,322.7	883.7	2,142.4	1,296.4	4,322.4	3,273.1	6,907.0	63%	103%
Development Budget	8,549.4	15,070.3	3,554.8	4,934.5	6,644.2	15,133.5	52,576.9	52,576.9	29%	78%
Ministry of Education	8,711.0	22,781.5	6,226.7	9,182.0	10,641.4	26,050.0	44,257.8	45,479.5	57%	122%
Operating Budget	7,886.7	19,576.9	5,554.3	7,339.7	8,217.6	21,111.7	30,390.0	31,611.7	67%	104%
Development Budget	824.3	3,204.6	672.4	1,842.2	2,423.7	4,938.3	13,867.8	13,867.8	36%	294%
Ministry of Higher Education	1,126.7	2,644.3	1,110.1	1,124.9	1,720.1	3,955.1	8,099.0	8,130.9	49%	153%
Operating Budget	844.8	1,972.5	646.0	790.3	1,197.3	2,633.6	4,000.0	4,031.9	65%	142%
Development Budget	281.9	671.8	464.1	334.6	522.8	1,321.5	4,099.0	4,099.0	32%	185%
Ministry of Information and Culture	265.5	683.3	89.4	151.4	144.1	384.9	665.1	684.0	56%	54%
Operating Budget	234.3	598.1	89.4	125.4	116.7	331.5	464.3	483.2	69%	50%
Development Budget	31.2	85.2	0.0	26.0	27.4	53.4	200.8	200.8	27%	88%
Science Academy	52.4	156.7	34.7	48.3	35.4	118.4	190.9	196.3	60%	68%
Operating Budget	40.9	135.6	34.7	47.0	32.0	113.7	170.6	176.0	65%	78%
Development Budget	11.5	21.1	0.0	1.3	3.4	4.7	20.4	20.4	23%	30%
National Olympic Committee	184.8	309.2	14.1	66.8	75.0	155.8	312.0	317.2	49%	41%
Operating Budget	119.9	209.9	14.1	43.2	73.7	131.0	228.0	233.2	56%	61%
Development Budget	64.9	99.3	0.0	23.6	1.3	24.9	84.0	84.0	30%	2%
Cricket Board	0.0	0.0	0.0	0.0	0.0	0.0	56.0	56.0	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	56.0	56.0	0%	-
Football Federation	0.0	0.0	0.0	0.0	0.0	0.0	226.8	226.8	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	38.0	38.0	0%	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	188.8	188.8	0%	-
General Directorate of Radio & Television	0.0	0.0	79.8	126.7	122.1	328.7	707.9	810.7	41%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	343.0	445.8	0%	-
Development Budget	0.0	0.0	79.8	126.7	122.1	328.7	364.9	364.9	90%	-
Total Education	10,340.4	26,575.0	7,554.7	10,700.1	12,738.0	30,992.9	54,515.4	55,901.3	55%	123%
Operating Budget	9,126.6	22,493.0	6,338.5	8,345.6	9,637.4	24,321.4	35,633.9	37,019.8	66%	106%
Development Budget	1,213.8	4,082.0	1,216.3	2,354.5	3,100.7	6,671.4	18,881.5	18,881.5	35%	255%
Ministry of Public Health	2,693.4	6,553.9	1,418.0	4,695.1	1,979.5	8,092.6	17,186.9	18,184.7	45%	73%
Operating Budget	830.0	1,994.3	660.6	762.0	987.3	2,409.8	2,525.2	3,523.0	68%	119%
Development Budget	1,863.4	4,559.6	757.5	3,933.2	992.1	5,682.8	14,661.7	14,661.7	39%	53%
Total Health	2,693.4	6,553.9	1,418.0	4,695.1	1,979.5	8,092.6	17,186.9	18,184.7	45%	73%
Operating Budget	830.0	1,994.3	660.6	762.0	987.3	2,409.8	2,525.2	3,523.0	68%	119%
Development Budget	1,863.4	4,559.6	757.5	3,933.2	992.1	5,682.8	14,661.7	14,661.7	39%	53%

In millions of Afghanis	1392	1392	1393	1393	1393	1393	Budget	Allocated	% Alloc.	% Change
	Q3	Q3 YTD	Q1	Q2	Q3	Q3 YTD				
	Actual	Actual	Prelim	Prelim	Prelim	Prelim				
Ministry of Agriculture	1,484.3	3,560.3	871.6	1,194.7	2,938.7	5,005.0	8,383.4	8,482.6	59%	198%
Operating Budget	337.5	1,066.0	230.2	313.5	281.3	825.0	1,046.0	1,145.1	72%	83%
Development Budget	1,146.8	2,494.3	641.4	881.2	2,657.4	4,180.0	7,337.4	7,337.4	57%	232%
Ministry of Counter Narcotics	218.3	558.1	262.5	288.0	332.1	882.5	1,064.1	1,066.1	83%	152%
Operating Budget	36.5	107.7	31.7	41.2	41.3	114.2	155.0	157.0	73%	113%
Development Budget	181.8	450.4	230.8	246.8	290.7	768.3	909.1	909.1	85%	160%
Ministry of Rural Rehabilitation and Development	4,392.1	12,236.9	6,261.6	6,728.8	2,642.6	15,633.1	23,244.9	23,270.3	67%	60%
Operating Budget	151.8	389.3	108.0	120.9	136.4	365.2	510.0	535.4	68%	90%
Development Budget	4,240.3	11,847.5	6,153.6	6,608.0	2,506.3	15,267.9	22,734.9	22,734.9	67%	59%
Afghanistan Independent Land Authority	0.0	0.0	10.5	58.4	62.5	131.4	347.2	347.2	38%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	250.0	250.0	0%	-
Development Budget	0.0	0.0	10.5	58.4	62.5	131.4	97.2	97.2	135%	-
Total Agriculture and Rural Development	6,094.7	16,355.2	7,406.3	8,269.8	5,975.9	21,652.0	33,039.7	33,166.2	65%	98%
Operating Budget	525.8	1,563.1	369.9	475.5	459.0	1,304.5	1,961.0	2,087.5	62%	87%
Development Budget	5,568.9	14,792.1	7,036.3	7,794.3	5,516.9	20,347.6	31,078.7	31,078.7	65%	99%
Ministry of Frontiers and Tribal Affairs	129.4	287.5	71.8	112.2	98.0	282.0	562.7	586.6	48%	76%
Operating Budget	107.9	248.0	62.7	112.2	88.5	263.4	425.3	449.2	59%	82%
Development Budget	21.5	39.5	9.1	0.0	9.5	18.6	137.4	137.4	14%	44%
Ministry of Martyrs, Disabled and Social Affairs	3,111.7	9,220.3	2,473.5	7,117.3	5,574.2	15,165.1	2,382.5	17,160.7	88%	179%
Operating Budget	3,007.9	8,880.1	2,438.6	7,022.5	5,514.1	14,975.2	1,536.6	16,314.8	92%	183%
Development Budget	103.8	340.2	34.9	94.8	60.1	189.8	846.0	846.0	22%	58%
Ministry of Refugees and Repatriates	67.6	205.0	46.7	57.5	104.3	208.4	331.8	452.0	46%	154%
Operating Budget	59.4	190.7	42.7	57.5	85.5	185.7	209.1	329.4	56%	144%
Development Budget	8.2	14.3	4.0	0.0	18.8	22.8	122.6	122.6	19%	230%
Ministry of Women Affairs	56.5	151.6	36.5	44.8	41.9	123.2	236.0	237.1	52%	74%
Operating Budget	44.2	124.0	36.5	43.5	40.7	120.7	187.0	188.2	64%	92%
Development Budget	12.3	27.5	0.0	1.3	1.3	2.6	49.0	49.0	5%	10%
Office of Disaster Preparedness	23.2	58.0	13.3	21.1	22.4	56.8	125.9	128.3	44%	96%
Operating Budget	23.2	54.2	13.3	21.1	20.1	54.5	95.5	97.8	56%	87%
Development Budget	0.0	3.8	0.0	0.0	2.3	2.3	30.5	30.5	8%	-
Directorate of Kochis	15.9	53.5	9.9	12.9	12.1	34.9	90.4	92.5	38%	76%
Operating Budget	10.0	28.7	9.9	12.9	12.1	34.9	59.2	61.4	57%	121%
Development Budget	5.9	24.9	0.0	0.0	0.0	0.0	31.1	31.1	0%	0%
Total Social Protection	3,404.3	9,975.9	2,651.6	7,365.9	5,852.9	15,870.4	3,729.3	18,657.3	85%	172%
Operating Budget	3,252.6	9,525.7	2,603.6	7,269.8	5,760.9	15,634.3	2,512.8	17,440.7	90%	177%
Development Budget	151.7	450.2	48.0	96.1	92.0	236.1	1,216.5	1,216.5	19%	61%
Ministry of Finance	3,072.7	5,486.3	974.9	1,663.7	1,371.9	4,010.5	6,421.6	7,822.5	51%	45%
Operating Budget	2,687.9	4,036.4	706.9	800.7	863.5	2,371.1	1,847.0	3,247.9	73%	32%
Development Budget	384.8	1,449.9	268.0	863.0	508.4	1,639.4	4,574.6	4,574.6	36%	132%
Ministry of Commerce	125.8	374.4	106.6	166.4	379.8	652.8	754.4	968.2	67%	302%
Operating Budget	90.5	264.4	61.0	115.3	299.2	475.5	390.0	603.8	79%	331%
Development Budget	35.3	109.9	45.6	51.1	80.6	177.3	364.4	364.4	49%	229%
Ministry of Economy	138.2	387.2	97.0	145.3	106.5	348.8	608.9	610.0	57%	77%
Operating Budget	54.9	148.6	44.2	58.3	53.3	155.8	259.0	260.1	60%	97%
Development Budget	83.3	238.6	52.8	87.0	53.2	193.0	349.9	349.9	55%	64%
Control and Audit Office	73.9	205.5	38.2	105.5	89.2	232.9	721.0	735.0	32%	121%
Operating Budget	32.6	86.7	21.3	30.9	42.5	94.7	110.7	124.7	76%	130%
Development Budget	41.2	118.8	16.9	74.6	46.7	138.2	610.3	610.3	23%	113%
Central Statistics Office	40.3	178.5	31.4	46.2	41.3	118.9	433.4	435.3	27%	102%
Operating Budget	33.0	92.8	28.5	35.2	35.2	98.9	142.5	144.4	68%	107%
Development Budget	7.3	85.7	3.0	11.0	6.1	20.0	290.9	290.9	7%	83%
Afghanistan National Standard Authority	42.8	62.7	10.0	14.4	13.1	37.4	110.9	113.9	33%	31%
Operating Budget	16.1	36.1	10.0	14.4	13.1	37.4	65.1	68.1	55%	81%
Development Budget	26.6	26.6	0.0	0.0	0.0	0.0	45.8	45.8	0%	0%
Total Economic Gov. and Private Sector Devel't	3,493.6	6,694.7	1,258.1	2,141.5	2,001.8	5,401.3	9,050.2	10,685.0	51%	57%
Operating Budget	2,915.0	4,665.0	871.8	1,054.8	1,306.7	3,233.3	2,814.2	4,449.0	73%	45%
Development Budget	578.6	2,029.6	386.3	1,086.7	695.0	2,168.0	6,236.0	6,236.0	35%	120%
Afghanistan Investment Support Agency	0.0	0.0	0.0	0.0	0.0	0.0	532.3	532.3	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	532.3	532.3	0%	-
Micro Finance Investment Support Facility for Afghanistan	0.0	0.0	0.0	0.0	0.0	0.0	161.3	161.3	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	161.3	161.3	0%	-
Unallocated Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Unspecified	0.0	0.0	0.0	0.0	0.0	0.0	50,755.3	8,344.0	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	42,411.3	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	8,344.0	8,344.0	0%	-
Total Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	51,449.0	9,037.6	0%	-
Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	42,411.3	0.0	-	-
Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	9,037.6	9,037.6	0%	-

Table 5.6 Program Expenditure

	OPERATING BUDGET			DEVELOPMENT BUDGET			TOTAL BUDGET		
	1393			1393			1393		
	Q3 YTD Prelim	Allocated	% Alloc.	Q3 YTD Prelim	Allocated	% Alloc.	Q3 YTD Prelim	Allocated	% Alloc.
Ministry of Education	29,237.3	31,611.7	92%	9,478.8	14,473.1	65%	38,716.1	46,084.8	84%
General & Islamic Education	25,039.6	26,625.8	94%	1,839.1	6,200.5	30%	26,878.6	32,826.2	82%
Curriculum development & teacher training	962.3	1,166.4	82%	3,824.9	3,637.1	105%	4,787.1	4,803.5	100%
Technical and vocational training program	1,151.9	1,226.4	94%	1,191.7	2,358.9	51%	2,343.7	3,585.3	65%
Literacy and informal Education	503.2	623.8	81%	665.6	450.3	148%	1,168.8	1,074.0	109%
Education management	1,580.3	1,969.3	80%	1,957.6	1,826.4	107%	3,537.9	3,795.7	93%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Agriculture, Irrigation and Livestock	1,493.1	1,145.1	130%	7,755.7	9,211.1	84%	9,248.9	10,356.3	89%
Natural Resource Management	235.5	132.2	178%	418.2	1,957.0	21%	653.8	2,089.2	31%
Agriculture Production and Productivity	701.0	423.7	165%	2,809.3	2,491.3	113%	3,510.3	2,915.0	120%
Economic Regeneration	151.5	123.7	122%	4,400.3	4,563.7	96%	4,551.8	4,687.4	97%
Reform and Capacity Building	405.1	465.5	87%	127.8	199.1	64%	533.0	664.7	80%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Rural Rehabilitation and Development	1,508.2	535.4	282%	20,455.3	22,994.7	89%	21,963.5	23,530.1	93%
Rural Infrastructure (RI)	858.6	0.0	-	4,867.4	8,052.8	60%	5,726.0	8,052.8	71%
Economic Regeneration (ER)	0.0	0.0	-	916.1	1,443.7	63%	916.1	1,443.7	63%
Local Governance	0.0	0.0	-	14,671.8	13,498.1	109%	14,671.8	13,498.1	109%
Institutional Support Program (ISP)	649.6	535.4	121%	0.0	0.0	-	649.6	535.4	121%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Energy & Water	567.4	589.3	96%	10,200.7	10,657.1	96%	10,768.1	11,246.4	96%
Energy	30.9	47.0	66%	2,895.6	4,457.5	65%	2,926.5	4,504.5	65%
Water	376.7	380.0	99%	7,258.5	6,199.5	117%	7,635.2	6,579.6	116%
Admin & Finance	159.8	162.3	98%	46.6	0.0	-	206.4	162.3	127%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Finance	5,776.9	3,247.9	178%	4,630.3	4,784.7	97%	10,407.3	8,032.6	130%
Public Financial Management	4,145.6	1,644.1	252%	1,012.1	2,718.2	37%	5,157.7	4,362.3	118%
Revenue Management	547.6	523.4	105%	1,863.8	620.3	300%	2,411.4	1,143.6	211%
Operation (General Administration)	1,058.0	1,052.6	101%	499.7	740.8	67%	1,557.7	1,793.5	87%
Policy Management	25.8	27.8	93%	1,254.7	705.3	178%	1,280.5	733.1	175%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Public Works	3,044.4	3,862.1	79%	25,892.3	23,081.4	112%	28,936.7	26,943.5	107%
Transportation Infrastructures	761.5	71.8	1061%	25,892.3	23,081.4	112%	26,653.9	23,153.2	115%
Maintenance of Transport Infrastructure	2,149.5	3,652.9	59%	0.0	0.0	-	2,149.5	3,652.9	59%
Admin & Finance	133.4	137.5	97%	0.0	0.0	-	133.4	137.5	97%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Public Health	3,127.2	3,523.0	89%	15,864.4	14,665.6	108%	18,991.6	18,188.6	104%
Institutional Development and Assessment (IDA)	55.0	47.2	117%	1,624.3	3,294.3	49%	1,679.3	3,341.4	50%
Health Service Provision	1,536.5	1,518.2	101%	14,238.9	11,310.9	126%	15,775.4	12,829.1	123%
Admin	1,535.6	1,957.6	78%	1.2	60.4	2%	1,536.8	2,018.1	76%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Independent Directorate of Local Governance	2,576.0	2,476.2	104%	695.9	2,032.8	34%	3,272.0	4,509.0	73%
National Principals for Local Governance	17.9	22.3	81%	0.0	0.0	-	17.9	22.3	81%
Local Governance Management	2,068.5	1,986.8	104%	695.9	2,032.8	34%	2,764.5	4,019.6	69%
General Supporting Services	489.6	467.2	105%	0.0	0.0	-	489.6	467.2	105%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Urban Development	237.8	267.1	89%	1,193.4	1,183.5	101%	1,431.2	1,450.6	99%
Planning & Urban Development	20.2	22.0	92%	67.7	233.2	29%	88.0	255.2	34%
Housing	9.3	10.2	92%	560.7	146.0	384%	570.0	156.2	365%
Urban Infrastructure	26.2	32.4	81%	524.4	690.2	76%	550.7	722.6	76%
Management & Operations	182.1	202.6	90%	40.6	114.1	36%	222.6	316.7	70%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-

Source: FPD using AFMIS data downloaded on the 17 August 2014

In millions of Afghanis	OPERATING BUDGET			DEVELOPMENT BUDGET			TOTAL BUDGET		
	1393			1393			1393		
	Q3 YTD Prelim	Allocated	% Alloc.	Q3 YTD Prelim	Allocated	% Alloc.	Q3 YTD Prelim	Allocated	% Alloc.
Ministry of Transport	239.5	283.0	85%	471.3	2,181.7	22%	710.8	2,464.7	29%
Land Transport Services	239.5	283.0	85%	471.3	2,181.7	22%	710.8	2,464.7	29%
Ministry of Communication and Information Technology	462.4	477.6	97%	2,088.5	2,338.6	89%	2,550.9	2,816.2	91%
E - Afghanistan	95.7	99.7	96%	2,088.5	2,338.6	89%	2,184.2	2,438.3	90%
ICT Literacy	21.6	27.1	80%	0.0	0.0	-	21.6	27.1	80%
General Administration & Management	345.1	350.9	98%	0.0	0.0	-	345.1	350.9	98%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Commerce and Industry	375.9	603.8	62%	353.9	365.6	97%	729.8	969.4	75%
Private Sector and Industry Development	23.3	30.3	77%	300.4	253.6	118%	323.7	283.9	114%
Trade Policy and Transit	264.6	269.5	98%	9.9	17.3	58%	274.5	286.7	96%
Admin and Regulatory Services	88.0	304.0	29%	43.6	94.6	46%	131.6	398.7	33%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Labour, Social Affairs, Martyrs and Disabled	11,715.2	16,314.8	72%	796.6	846.1	94%	12,511.9	17,160.9	73%
Labor Support Program	6,185.9	4,981.0	124%	736.4	804.8	92%	6,922.2	5,785.8	120%
Social services	390.3	442.3	88%	4.5	13.5	33%	394.7	455.8	87%
Martyrs and Disabled	4,270.7	9,907.5	43%	37.8	13.4	282%	4,308.5	9,920.9	43%
Administration & Finance	868.4	984.0	88%	18.0	14.5	124%	886.4	998.4	89%
Expenditure returns	0.0	157.0	0%	0.0	907.1	0%	0.0	1,064.1	0%
Ministry of Defence	58,286.5	103,365.3	56%	16,928.8	3,105.4	545%	75,215.3	106,470.8	71%
Cambat forces	43,121.2	63,344.2	68%	16,924.9	3,105.4	545%	60,046.1	66,449.6	90%
Supportive forces	15,165.3	40,021.1	38%	3.9	0.0	-	15,169.2	40,021.1	38%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Women's Affairs	189.1	188.2	100%	41.1	49.0	84%	230.2	237.1	97%
Women Support and Strengthening	10.8	8.5	126%	0.0	0.0	-	10.8	8.5	126%
Gender Development and policy monitoring	12.9	10.2	127%	7.3	5.8	126%	20.2	16.0	126%
Administration & Finance	165.4	169.5	98%	33.8	43.2	78%	199.3	212.7	94%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Economy	226.4	260.1	87%	342.3	349.9	98%	568.7	610.0	93%
Economic Policy and Strategy and Monitoring and Evaluation	139.7	168.3	83%	238.3	234.1	102%	378.0	402.5	94%
Management & Operations	86.7	91.8	94%	104.0	115.8	90%	190.7	207.5	92%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
President's Office	1,766.2	2,032.2	87%	154.2	314.2	49%	1,920.5	2,346.5	82%
Providing Services to the Prisedent	1,766.2	2,032.2	87%	154.2	314.2	49%	1,920.5	2,346.5	82%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Ministry of Higher Education	3,162.5	4,031.9	78%	1,823.5	5,008.4	36%	4,986.0	9,040.4	55%
Providing higher education opportunities	24.2	33.6	72%	1,823.5	5,008.4	36%	1,847.7	5,042.0	37%
Leadership & Management of Higher Education System	3,138.3	3,998.4	78%	0.0	0.0	-	3,138.3	3,998.4	78%
Expenditure returns	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Civil Service Commissoin	317.1	348.5	91%	749.8	370.1	203%	1,067.0	718.6	148%
Appointments & Appeals	50.8	52.7	96%	0.0	0.0	-	50.8	52.7	96%
Public Administrative Reforms	39.5	41.3	96%	0.0	0.0	-	39.5	41.3	96%
Capacity Development	35.1	33.2	106%	23.8	0.0	-	58.9	33.2	177%
Supportive Program	191.8	221.3	87%	726.0	370.1	196%	917.8	591.3	155%
Expenditure returns	11.2	0.0	-	0.0	0.0	-	11.2	0.0	-
TOTAL GROSS EXPENDITURES		269,898.6			150,192.0			420,090.6	

Source: FPD using AFMIS data downloaded on the 17 August 2014

Table 5.7 Detailed Operating Expenditure

In millions of Afghanis													
All Data Year to Date	Total Operating Expenditures					Wages		G+S		NFA		Other Expenditures	
	1392	1393	% Change	Budget	% Budget	1392	1393	1392	1393	1392	1393	1392	1393
	Qtr 3	Qtr 3				Qtr 3	Qtr 3	Qtr 3	Qtr 3	Qtr 3	Qtr 3	Qtr 3	Qtr 3
	Actual	Prelim				Actual	Prelim	Actual	Prelim	Actual	Prelim	Actual	Prelim
TOTAL	135,657	155,734	15%	280,473	56%	100,499	108,891	22,006	26,499	4,285	5,119	8,867	15,226
Total Security	83,271	93,790	13%	182,155	51%	67,848	72,608	11,692	17,096	3,230	3,530	500	556
Ministry of Interior	33,434	37,923	13%	66,250	57%	27,285	29,658	4,472	6,782	1,177	1,033	500	450
Ministry of Defence	39,558	44,323	12%	103,365	43%	32,851	33,966	4,687	8,008	2,020	2,324	0	25
General Directorate of National Security	7,338	8,293	13%	11,071	75%	6,013	6,935	1,313	1,346	13	11	0	0
Ministry of Foreign Affairs	2,096	2,405	15%	363	663%	1,000	1,439	1,079	876	17	9	0	81
Other Ministries	844	846	0%	1,106	76%	699	609	143	84	3	153	0	0
Total Governance, Rule of Law and Human Rights	8,823	10,026	14%	11,615	86%	5,891	7,449	1,964	1,926	709	282	259	369
Presidents Office	1,214	1,290	6%	2,032	63%	874	990	317	267	23	33	-0	0
Administrative Affairs	1,386	1,218	-12%	1,459	84%	571	415	277	348	279	105	259	349
Supreme Court	1,070	2,290	114%	3,004	76%	0	0	0	0	0	0	0	0
Ministry of Justice	402	396	-2%	620	64%	295	306	106	89	0	0	0	0
Other Ministries	4,751	4,833	2%	4,500	107%	4,151	5,738	1,263	1,222	407	143	0	20
Total Infrastructure and Natural Resources	#N/A	#N/A	-	8,600	#N/A	1,593	1,543	1,534	1,478	196	1,132	#N/A	#N/A
Total Education	22,493	24,321	8%	36,359	67%	20,122	21,944	2,325	2,304	46	74	0	0
Ministry of Education	19,577	21,112	8%	31,612	67%	18,355	19,687	1,191	1,358	31	67	0	0
Ministry of Higher Education	1,973	2,634	34%	4,032	65%	1,224	1,875	743	752	6	6	0	0
Other Ministries	944	576	-39%	715	81%	543	381	392	194	9	1	-0	0
Total Health	1,994	2,410	21%	3,523	68%	1,390	1,313	574	1,040	30	56	0	0
Ministry of Public Health	1,994	2,410	21%	3,523	68%	1,390	1,313	574	1,040	30	56	0	0
Total Agriculture and Rural Development	1,563	1,304	-17%	1,649	79%	1,048	978	496	307	19	19	0	0
Ministry of Agriculture	1,066	825	-23%	1,145	72%	739	646	323	171	4	8	0	0
Other Ministries	497	479	-4%	504	95%	309	331	173	137	14	11	0	-0
Total Social Protection	9,526	15,634	64%	17,441	90%	1,016	1,066	611	554	5	13	7,894	14,002
Ministry of Martyrs, Disabled and Social Affairs	8,880	14,975	69%	16,315	92%	634	658	349	346	3	2	7,894	13,970
Other Ministries	646	659	2%	1,126	59%	382	408	262	208	2	11	0	32
Total Economic Gov. and Private Sector Develt	4,665	3,233	-31%	4,449	73%	1,591	1,358	2,809	1,548	51	9	214	318
Ministry of Finance	4,036	2,371	-41%	3,248	73%	1,169	912	2,621	1,140	33	1	214	318
Other Ministries	629	862	37%	1,201	72%	422	446	188	408	18	8	0	0

Source: FPD using AFMIS data downloaded on the 17 August 2014

1/ Interest, and Subsidies and Transfers

Table 5.8 Detailed Development Expenditure

In millions of Afghanis	1392 Approved Budget	1392 Qtr 3 Actual YTD	1392 % Budget	1393 Budget	1393 Qtr 3 Prelim YTD	1393 % Budget	1393 Unspent Budget	1393 % of Total Unspent Budget	% Increase
TOTAL	157,750.1	44,384.3	28%	147,787.1	52,737.5	36%	95,050	100%	19%
Total Infrastructure and Natural Resources	46,893.4	15,070.3	32%	52,576.9	15,133.5	29%	37,443	39%	0%
Ministry of Public Works	23,050.8	8,856.3	38%	23,040.4	7,125.1	31%	15,915	17%	-20%
Ministry of Transport and Aviation	179.6	508.5	283%	123.2	497.4	404%	-374	0%	-2%
Ministry of Energy and Water	2,464.6	2,469.6	100%	10,439.3	3,242.5	31%	7,197	8%	31%
Water Supply and Canalization Corporation	11,996.9	0.0	0%	795.3	0.0	0%	795	1%	-
Ministry of Communication	1,822.2	547.9	30%	2,338.4	321.8	14%	2,017	2%	-41%
Ministry of Mines and Industries	2,087.0	830.1	40%	1,836.7	602.9	33%	1,234	1%	-27%
Other Ministries	5,292.1	1,857.8	35%	14,003.6	3,343.8	24%	10,660	11%	80%
Total Agriculture and Rural Development	26,245.6	14,792.1	56%	31,078.7	20,347.6	65%	10,731	11%	38%
Ministry of Agriculture	6,607.5	2,494.3	38%	7,337.4	4,180.0	57%	3,157	3%	68%
Ministry of Rural Rehabilitation and Development	18,914.9	11,847.5	63%	22,734.9	15,267.9	67%	7,467	8%	29%
Other Ministries	723.2	450.4	62%	1,006.3	899.7	89%	107	0%	100%
Total Education	19,435.5	4,082.0	21%	18,881.5	6,671.4	35%	12,210	13%	63%
Ministry of Education	14,535.3	3,204.6	22%	13,867.8	4,938.3	36%	8,929	9%	54%
Other Ministries	4,900.2	877.4	18%	5,013.7	1,733.1	35%	3,281	3%	98%
Total Economic Gov. and Private Sector Devel't	6,014.1	2,029.6	34%	6,236.0	2,168.0	35%	4,068	4%	7%
Ministry of Finance	4,444.6	1,449.9	33%	4,574.6	1,639.4	36%	2,935	3%	13%
Other Ministries	1,569.5	579.7	37%	1,661.4	528.6	32%	1,133	1%	-9%
Total Health	9,746.0	4,559.6	47%	14,661.7	5,682.8	39%	8,979	9%	25%
Ministry of Public Health	9,746.0	4,559.6	47%	14,661.7	5,682.8	39%	8,979	9%	25%
Total Governance, Rule of Law and Human Rights	3,927.4	1,268.6	32%	4,671.1	966.2	21%	3,705	4%	-24%
Independent Directorate of Local Governance	1,230.3	351.3	29%	1,978.4	173.7	9%	1,805	2%	-51%
Other Ministries	2,697.0	917.3	34%	2,692.7	792.6	29%	1,900	2%	-14%
Total Social Protection	1,109.9	450.2	41%	1,216.5	236.1	19%	980	1%	-48%
Total Security	39,245.1	2,131.9	5%	9,427.1	1,532.0	16%	7,895	8%	-28%
Total Unclassified	5,133.2	0.0	0%	9,037.6	0.0	0%	9,038	10%	-

Source: FPD using AFMIS data downloaded on the 17 August 2014

Table 5.9 ANDS Expenditure

In millions of Afghanis	1392	1392	1393	1393	Budget	Allocated	% Alloc.	% Change
	Q3	Q3 YTD	Q3	Q3 YTD				
	Actual	Actual	Prelim	Prelim				
TOTAL GROSS EXPENDITURES	74,039	180,017	77,097	207,779	427,935	418,206	50%	4%
Operating Budget	53,593	135,657	59,224	155,042	280,340	270,612	57%	11%
Development Budget	20,446	44,360	17,873	52,738	147,594	147,594	36%	-13%
Security	33,977	85,402	36,946	95,322	185,312	194,334	49%	9%
Operating Budget	31,996	83,271	36,390	93,790	176,024	185,047	51%	14%
Development Budget	1,981	2,132	556	1,532	9,288	9,288	16%	-72%
Governance	4,225	10,067	3,663	10,992	17,803	19,035	58%	-13%
Operating Budget	3,686	8,823	3,386	10,026	13,185	14,138	71%	-8%
Development Budget	539	1,244	277	966	4,618	4,618	21%	-49%
Infrastructure	9,810	18,393	7,941	19,456	55,850	59,484	33%	-19%
Operating Budget	1,261	3,323	1,296	4,322	3,273	6,907	63%	3%
Development Budget	8,549	15,070	6,644	15,133	52,577	52,577	29%	-22%
Education	10,340	26,575	12,738	30,993	54,515	55,901	55%	23%
Operating Budget	9,127	22,493	9,637	24,321	35,634	37,020	66%	6%
Development Budget	1,214	4,082	3,101	6,671	18,882	18,882	35%	155%
Health	2,693	6,554	1,979	8,093	17,187	18,185	45%	-27%
Operating Budget	830	1,994	987	2,410	2,525	3,523	68%	19%
Development Budget	1,863	4,560	992	5,683	14,662	14,662	39%	-47%
Agriculture	6,095	16,355	5,976	21,652	33,040	33,166	65%	-2%
Operating Budget	526	1,563	459	1,304	1,961	2,088	62%	-13%
Development Budget	5,569	14,792	5,517	20,348	31,079	31,079	65%	-1%
Social Protection	3,404	9,976	5,853	15,870	3,729	18,657	85%	72%
Operating Budget	3,253	9,526	5,761	15,634	2,513	17,441	90%	77%
Development Budget	152	450	92	236	1,217	1,217	19%	-39%
Economic Governance	3,494	6,695	2,002	5,401	9,050	10,685	51%	-43%
Operating Budget	2,915	4,665	1,307	3,233	2,814	4,449	73%	-55%
Development Budget	579	2,030	695	2,168	6,236	6,236	35%	20%
Unclassified	0	0	0	0	51,449	9,038	0%	-
Operating Budget	0	0	0	0	42,411	0	-	-
Development Budget	0	0	0	0	9,038	9,038	0%	-

Source: FPD using AFMIS data downloaded on the 17 August 2014

Table 5.10 COFOG Categorisation of Expenditure

In millions of Afghanis	1392 Q3 Actual	1392 Percent of Total	1392 Q3 YTD Actual	1393 Q3 Prelim.	1393 Percent of Total	1393 Q3 YTD Prelim.	Percent Change
TOTAL NET EXPENDITURE	74,024		179,906	77,316		208,451	4%
Sale of Land and Buildings	5		32	6		26	16%
TOTAL GROSS EXPENDITURE	74,029	100%	179,938	77,322	100%	208,477	4%
RECURRENT EXPENDITURE	61,410	83%	152,725	67,631	87%	177,257	10%
CAPITAL EXPENDITURE	12,618	17%	27,213	9,691	13%	31,220	-23%
			0			0	
General Public Services	9,114	12%	21,905	11,129	14%	26,053	22%
Recurrent Expenditure	8,180	11%	20,104	8,924	12%	21,533	9%
Capital Expenditure	934	1%	1,801	2,205	3%	4,520	136%
Defence	16,852	23%	41,963	20,200	26%	54,285	20%
Recurrent Expenditure	15,698	21%	39,513	18,569	24%	51,174	18%
Capital Expenditure	1,154	2%	2,450	1,631	2%	3,111	41%
Public Order and Safety	15,357	21%	37,417	12,625	16%	34,772	-18%
Recurrent Expenditure	13,895	19%	35,112	12,544	16%	34,561	-10%
Capital Expenditure	1,462	2%	2,306	82	0%	211	-94%
Economic Affairs	15,829	21%	34,920	12,777	17%	38,706	-19%
Recurrent Expenditure	7,804	11%	16,810	7,949	10%	17,250	2%
Capital Expenditure	8,025	11%	18,109	4,828	6%	21,456	-40%
Environmental Protection	32	0%	88	41	0%	117	27%
Recurrent Expenditure	31	0%	87	30	0%	83	-2%
Capital Expenditure	1	0%	2	11	0%	34	649%
Housing and Communal Amenities	328	0%	721	269	0%	608	-18%
Recurrent Expenditure	82	0%	225	98	0%	288	19%
Capital Expenditure	246	0%	496	171	0%	321	-31%
Health	2,731	4%	6,666	1,998	3%	8,145	-27%
Recurrent Expenditure	2,624	4%	6,484	1,945	3%	7,972	-26%
Capital Expenditure	108	0%	182	54	0%	173	-50%
Recreation, Culture and Religion	940	1%	1,839	527	1%	1,159	-44%
Recurrent Expenditure	603	1%	1,377	482	1%	1,023	-20%
Capital Expenditure	337	0%	462	45	0%	136	-87%
Education	10,006	14%	25,797	12,371	16%	30,030	24%
Recurrent Expenditure	9,694	13%	24,477	11,709	15%	28,778	21%
Capital Expenditure	312	0%	1,319	661	1%	1,252	112%
Social Protection	2,839	4%	8,621	5,385	7%	14,601	90%
Recurrent Expenditure	2,800	4%	8,535	5,381	7%	14,595	92%
Capital Expenditure	38	0%	86	4	0%	6	-91%

Source: FPD using AFMIS data downloaded on the 17 August 2014

Table 5.11 Summary of Transactions

In millions of Afghanis	1392 Q3 Actual	1393 Q3 Prelim.	% Change
TRANSACTIONS AFFECTING NET WORTH			
Revenues including Grants	94,419	50,428	-47%
Expenditures (Recurrent)	61,410	67,631	10%
Interest	76	140	85%
Net Operating Balance (1-2-25)	33,009	-17,203	-152%
Primary Balance (1-2-25+23)	33,084	-17,063	-152%
TRANSACTIONS IN NONFINANCIAL ASSETS			
Net Acquisition of Nonfinancial Assets	12,613	9,685	-23%
Net Lending-Borrowing (1-2)	20,395	-26,888	-232%
Financing (3+4+5)	-20,395	26,888	-232%
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES			
Net Acquisition of Financial Assets	-21,864	27,523	-226%
Net Acquisition of Financial Liabilities	1,468	-635	-143%
RETAINED EARNINGS	0	0	
Discrepancies (Financing-3-4-5)	0	0	

Source: FPD using AFMIS data downloaded on the 17 August 2014

Revisions and Notes

1. TSA values were revised from historic figures.
2. The GFS mapping maintains the Fixed Taxes revenue line.
3. The Other Taxes under the GFS mapping includes miscellaneous revenue (this typically would be small, as miscellaneous revenue is typically distributed among appropriate revenue lines over time).
4. Retained earnings, and equity are included under Transactions in Financial Assets in the Sources and Uses of Funds Summary table.
5. Debt data is presented, along with financing data and the revenue and expenditure data in order to illustrate consistency among the different sources of data.
6. The institutions covered in this report include Central Government and Provincial Government.
7. Capital Expenditure on Machinery and Equipment is any spending above the value of Afs 50,000; otherwise it is recorded under Goods and Services.
8. The label Budget in the tables refers to the Original Budget figures, as published in the Budget Statement. The label "Allocated" is the amount of funds allocated from the Budget, and the Actual is the Cash value of transactions during the quarter.
9. TSA balances and transactions are recorded on the AFMIS system, these values should reflect the balance of available funds in the account at the end of the quarter, and this report uses reconciled ledger data.
10. Net Expenditures are Total Expenditures minus the income earned from the Sale of Assets.
11. **Table 5.5:** 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.

Glossary

Budget	An itemised summary of estimated intended expenditures for a given period along with proposals for financing them.
Operating Budget	The budget for operating budget expenditures. These are mainly recurrent expenditures (and some capital), and include wages and salaries for all public servants, running costs for Ministries, etc.
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.
Core Budget	The operating budget plus the development budget
External Budget	The budget for all donor activities that are funded directly by donors, rather than channelling the funding through the Government
Integrated Budget	The core budget plus the external budget
Expenditure/Expense	The purchase of goods, services, assets. It also includes interest payments, and subsidies and transfers.
Recurrent spending	Expenditure that is ongoing rather than one off, and does not result in the acquisition of a fixed asset. For example payments for electricity or fuel, the payment for salaries etc.
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 (not including contractors etc.) for work done during the accounting period. It consists of wages, salaries, and social contributions.
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	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, but not tangible assets such as gold. These are below the line as financing items.
Revenues	Domestically raised revenues and donor grants (excludes loans).
Domestic Revenues	Revenues raised by the Government (excludes donor grants). Typically revenues raised by the Revenue Department (taxes, customs duties etc.), and revenues raised by other Government agencies (fees etc.)
Grants	Funds received from donors. Often the money can only be spent on a certain project or activities, but sometimes can be spent at the discretion of the recipient Government

Balances	The difference between revenues and expenditures
Operating Balance (excluding grants)	Domestic revenues (excluding donor grants to the operating budget) minus operating budget expenditures
Operating 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
Balance (excluding and including grants)	Total revenues (excluding and including grants) minus total expenditures
Net operating balance	Revenues (including donor grants) minus recurrent expenditures. It measures the change in net worth resulting from transactions (excluding capital expenditure)
Primary operating balance	Net operating balance plus interest expenditures
Surplus	A positive balance (revenues are greater than expenditures)
Deficit	A negative balance (revenues are less than expenditures)
Financing	How the government funds its deficit (or invests its surplus). For example drawing down on foreign loans or withdrawing funds from the Central Bank. 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.

Third Quarter Fiscal Bulletin

Fiscal Year 1393

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