

# Quarterly Macro-Fiscal Report

Macro-Fiscal Performance General Directorate (MFPD)

Ministry of Finance



**Ministry of Finance**  
Islamic Republic of Afghanistan

Quarter 1, 1395

# Contents

Summary ..... 1

Macro-Economic Overview ..... 3

Revenues ..... 5

Program Expenditures ..... 9

Expenditure by Policy Area ..... 14

Expenditure by Ministry ..... 23

Social Welfare ..... 29

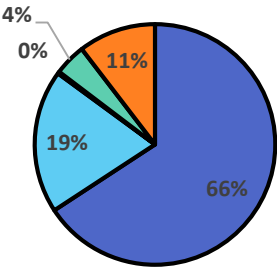
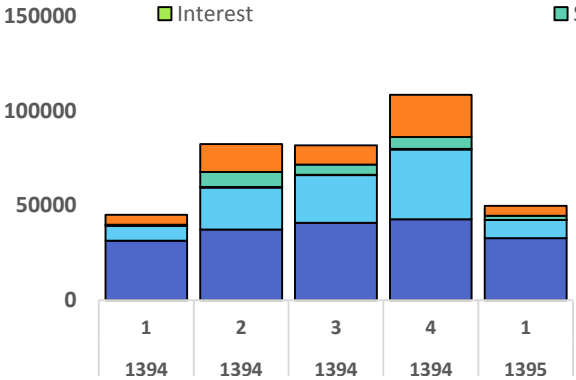
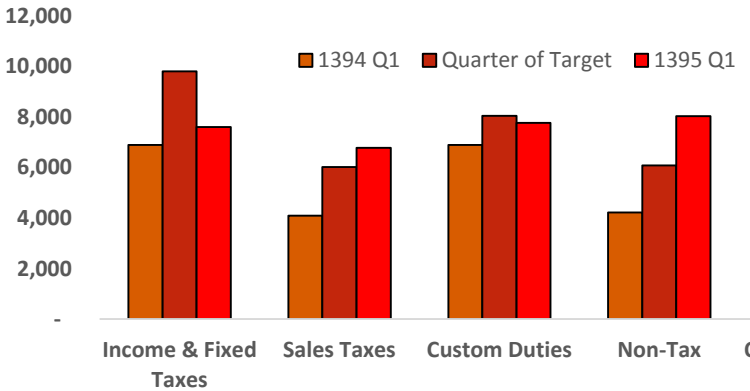
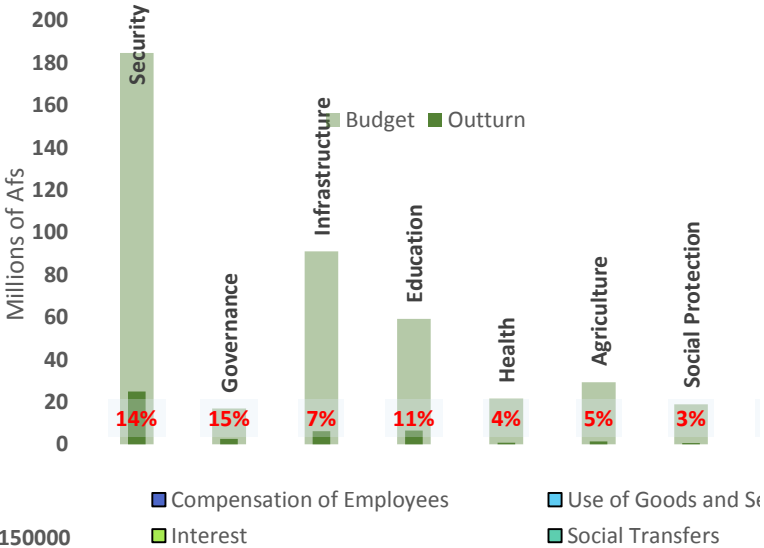
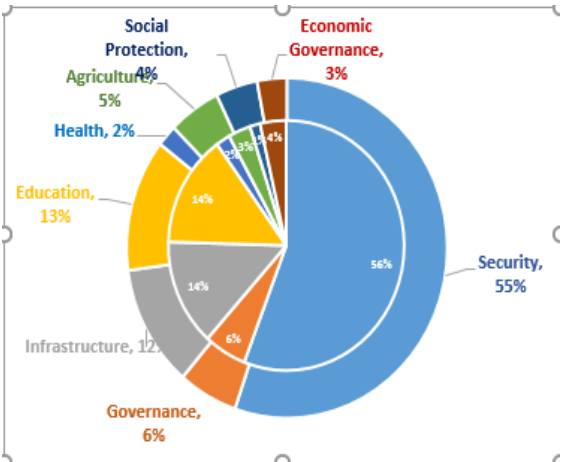
Provinces ..... 30

Debt ..... 33

Fiscal Sustainability ..... 34

# MACRO FISCAL OUTTURN REPORT

Quarter 1, 1395



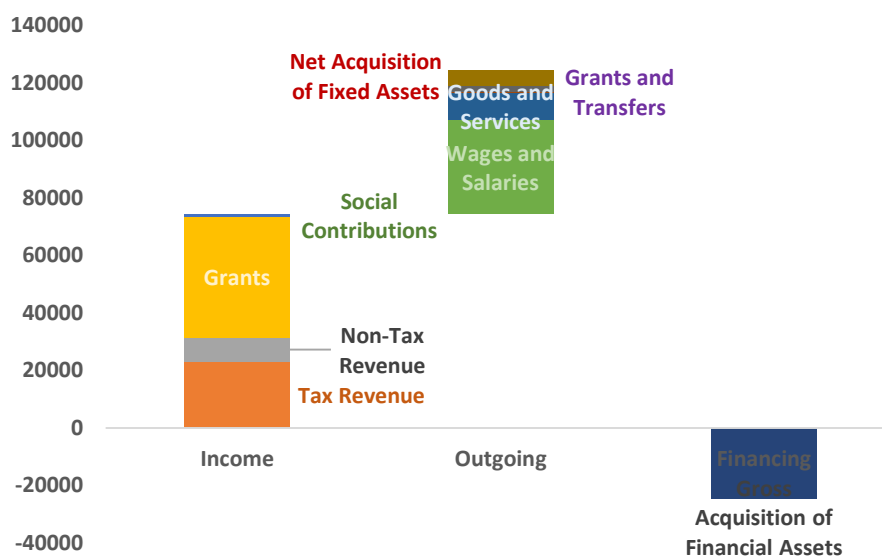
## Summary

Macroeconomic condition in the first quarter of 1395 inherited the worsened situation and sluggish growth from 1395. While in the first quarter exchange rate remained stable, consumer prices continued to slightly fall. The reason for stability in the exchange rate and fall in price is that in the first quarter government activity is lesser and hence demand for goods and services is relatively lesser. It is expected that in the following quarters with government activities taking off, exchange rate and prices would both rise.

Fiscal situation in the first quarter of 1395 was better. Total revenue collected in this quarter was Afs 74416 million, which is 4% more than the revenue collection in the same period in 1394. Operating expenditure was 11% more than the same period in 1394. Overall fiscal balance was positive in this quarter.

**Table 1. GFS Summary**

|  | 1394   | 1394   | 1395    | 1395   | 1395   |
|--|--------|--------|---------|--------|--------|
|  | Q1     | Q1 YTD | Budget  | Q1     | Q1 YTD |
| <b>Revenue</b>                               | 71258  | 71258  | 165069  | 74416  | 74416  |
| Tax Revenue                                  | 18904  | 18904  | 135400  | 23094  | 23094  |
| Non-Tax Revenue                              | 4536   | 4536   | 25357   | 8290   | 8290   |
| Grants                                       | 46929  | 46929  | 0       | 42172  | 42172  |
| Social Contributions                         | 889    | 889    | 4311    | 860    | 860    |
| <b>Expenditure</b>                           | 39841  | 39841  | 322149  | 44582  | 44582  |
| Wages and Salaries                           | 31349  | 31349  | 168880  | 32733  | 32733  |
| Goods and Services                           | 7870   | 7870   | 134909  | 9597   | 9597   |
| Interest                                     | 104    | 104    | 716     | 134    | 134    |
| Grants and Transfers                         | 519    | 519    | 17643   | 2118   | 2118   |
| <b>Overall Operating Balance</b>             | 31417  | 31417  | -157080 | 29834  | 29834  |
| <b>Primary Operating Balance</b>             | 31521  | 31521  | -156364 | 29968  | 29968  |
| <b>Gross Acquisition of Fixed Assets</b>     | 5237   | 5237   | 115639  | 5183   | 5183   |
| <b>Net Acquisition of Fixed Assets</b>       | 5227   | 5227   | 115639  | 5179   | 5179   |
| <b>Overall Balance</b>                       | 26190  | 26190  | -272719 | 24654  | 24654  |
| <b>Primary Balance</b>                       | 26294  | 26294  | -272003 | 24788  | 24788  |
| <b>Gross Acquisition of Financial Assets</b> | -26190 | -26190 | 272719  | -24654 | -24654 |



Tax revenue builds the major portion of domestic revenue in this quarter. Grants continues to be the major source of financing of the development expenditure and significant contributor to the operating budget as well. Wages and salaries, followed by acquisition of goods and services forms the major operating expenditure.

In the first quarter, there was an average increase of 2% over the original budget, except interest and social transfers. This is because of the expansionary fiscal policy of the government, to increase spending and stimulate growth and job. Interest payment and social transfer reduced, on the other hand. Similarly, the budget for the acquisition of assets, especially in priority sectors like infrastructure, agriculture and health increased till the end of this quarter.

The remainder of the outturn examines the expenditures against the adjusted budget, in order to show the performance against the final spending plan.

**Table 2. Adjustments in the Budget**

|                                  | <b>Original<br/>Budget</b> | <b>Adjusted<br/>Budget</b> | <b>Change<br/>%</b> |
|----------------------------------|----------------------------|----------------------------|---------------------|
| <b>Operating Only</b>            |                            |                            |                     |
| <b>TOTAL GROSS EXPENDITURES</b>  | <b>263864.1</b>            | <b>270316.2</b>            | 2%                  |
| <b>RECURRENT EXPENDITURES</b>    | <b>257655.9</b>            | <b>261743.7</b>            | 2%                  |
| Compensation of Employees        | 167099.5                   | 168880.2                   | 1%                  |
| Use of Goods and Services        | 67876.9                    | 76141.2                    | 12%                 |
| Interest                         | 3879.5                     | 716.1                      | -82%                |
| Social Transfers                 | 18800.0                    | 16006.2                    | -15%                |
| <b>ACQUISITION OF ASSETS</b>     |                            |                            |                     |
| Gross Acquisition of NFA         | 6208.3                     | 9288.7                     | 50%                 |
| <b>Operating and Development</b> |                            |                            |                     |
| Security                         | 176922.0                   | 184789.0                   | 4%                  |
| Governance                       | 16837.5                    | 16954.7                    | 1%                  |
| Infrastructure                   | 77824.9                    | 91150.6                    | 17%                 |
| Education                        | 55431.2                    | 59235.3                    | 7%                  |
| Health                           | 18508.2                    | 21612.3                    | 17%                 |
| Agriculture                      | 25177.0                    | 29416.5                    | 17%                 |
| Social Protection                | 22818.4                    | 18945.4                    | -17%                |
| Economic Governance              | 10645.3                    | 15011.8                    | 41%                 |
| Unclassified                     | 13479.4                    | 0.0                        | -100%               |
| <b>TOTAL</b>                     | <b>417643.8</b>            | <b>437115.6</b>            | 5%                  |

# Macro-Economic Overview

## Summary

In the first quarter of the FY 1395, the economy has been slowly recovering from its downturn and lower performances during 1394, with its adverse effects have still been observed in afterward fiscal year 1395. However, the recent improved fiscal performance, in the face of continued security difficulties, has created a more optimistic environment. While the rebound and recovery in economic performance has been quite slow the Government has achieved a number of key successes on vital projects such as Salma Dam, inauguration of Chabahar port, and other confidence building measures will positively affect the growth. Inflation remained low, with negative inflation at the beginning of year as a result of falls in international prices, while exchange rate, due to high demand for dollar as a result of migration to Europe, has depreciated. Depreciation against the dollar has been seen among multiple countries as a result of the strong US dollar.

This devaluation in currency has led to reduce confidence on local currency, as most people switched to do transaction and savings in USD rather than Afghani. There have been revisions to the macroeconomic indicators to take into account the changing economic conditions through the year, including changes to the inflation, imports and growth forecasts. The National Unity Government takes initiatives to rebound the confidence in the market to avoid capital outflow from the country, in order to encourage and promote domestic investment.

The overall prices index rose by only 0.1 percent by the end of FY 1394, though period average inflation was at -1.5 percent, with negative inflation across both food and non-food. The deflation was mainly due to declines in commodities prices particularly the levels of fuel prices which fed through into local markets. In the meantime, political uncertainty and reduction in the consumption in the country also contributed to pushing inflation lower; including falls in rental prices, particularly in Kabul, and falls in key food prices. The outlook for the consumer price index over the medium term expected to remain stable between 4.0 to 5.0 percent respectively; reflecting fundamental price pressures in the economy. The price of commodities may slightly rise, and increases in the BRT and tariff for a number of imported items as well as the depreciation of the currency may affect the inflation in the immediate future. In the first quarter of 1395 the prices slightly fall as compared to the last quarter of 1394.

**Table 3. Inflation**

|             | <b>1394<br/>Q3</b> | <b>1394<br/>Q4</b> | <b>1395<br/>Q1</b> | <b>1394<br/>Q1</b> |
|-------------|--------------------|--------------------|--------------------|--------------------|
| CPI         | 124.06             | 122.67             | 120.41             | 119.81             |
| CPI<br>Rate | 0.02%              | -1.21%             | -1.84%             | -0.5%              |

|                | <b>Previous<br/>Year</b> | <b>Budget<br/>Forecast</b> | <b>Current<br/>Forecast</b> |
|----------------|--------------------------|----------------------------|-----------------------------|
| GDP Growth     | 0.9%                     | 4.4%                       | 3.0%                        |
| Inflation      | 1.5%                     | 4.0%                       | 4.9%                        |
| Deflator       | 0.0%                     | 7.1                        | 2.5%                        |
| NGDP Level     | 1,209,710                | 1,361,946                  | 1,277,772                   |
| Imports Growth | 8.5%                     | 2%                         | -3.9%                       |

In the year 1394 real economic growth (estimated by the CSO) was 0.9 percent, with the non-opium sector falling to negative growth. This fall in economic performance was primarily the result of falls in the agriculture sector that had negative growth of around 14 percent due to drops in cereal production.

GDP growth for the FY1395 will be driven by the service and manufacturing sectors, the agriculture sector growth is expected to have some increased contribution in the medium term, with a movement towards greater irrigated farming. However, this year less snow and rain during the winter season will have its impact on the harvest for agriculture products. In the medium term growth is expected to pick up further; with industry remaining a small component of growth – reflecting the small size of the sector. It is unlikely, that growth and macroeconomic situation recovers in the first quarter of 1395. However, from large public and private investment it is expected that the growth recovers in the coming quarters. Due to increased prices it is expected that the import will slow down by 3.9% in the FY 1395.

# Revenues

**Table 5. Revenue Summary**

| In millions of Afghanis                 | 1394          | 1394          | 1395              | 1395          | 1395          | % Target   | % Change    |
|---|---------------|---------------|-------------------|---------------|---------------|------------|-------------|
|   | Q1            | Q1 YTD        | Budget            | Q1            | Q1 YTD        |            | on 1394     |
| <b>Total Revenue</b>                    | <b>17,443</b> | <b>17,443</b> | <b>132,927</b>    | <b>24,479</b> | <b>24,479</b> | <b>18%</b> | <b>40%</b>  |
| <b>Tax Revenues (including customs)</b> | <b>12,018</b> | <b>12,018</b> | <b>103,259</b>    | <b>15,330</b> | <b>15,330</b> | <b>15%</b> | <b>28%</b>  |
| Fixed Taxes                             | 2,407         | 2,407         | <b>13,343</b>     | 2,628         | 2,628         | 20%        | 9%          |
| Income Taxes                            | 4,486         | 4,486         | <b>25,855</b>     | 4,971         | 4,971         | 19%        | 11%         |
| Property Taxes                          | 233           | 233           | <b>859</b>        | 131           | 131           | 15%        | -44%        |
| Sales Taxes                             | 4,092         | 4,092         | <b>24,072</b>     | 6,772         | 6,772         | 28%        | 65%         |
| Other Taxes                             | 800           | 800           | <b>6,989</b>      | 827           | 827           | 12%        | 3%          |
| <b>Customs Duty, Import Taxes</b>       | <b>6,886</b>  | <b>6,886</b>  | <b>32,141</b>     | <b>7,764</b>  | <b>7,764</b>  | <b>24%</b> | <b>13%</b>  |
| <b>Non Tax Revenue</b>                  | <b>4,217</b>  | <b>4,217</b>  | <b>24,291</b>     | <b>8,031</b>  | <b>8,031</b>  | <b>33%</b> | <b>90%</b>  |
| Income from Capital Property            | 300           | 300           | <b>1,860</b>      | 332           | 332           | 18%        | 10%         |
| Sales of Goods and Services             | 965           | 965           | <b>6,287</b>      | 1,428         | 1,428         | 23%        | 48%         |
| Administrative Fees                     | 2,498         | 2,498         | <b>13,798</b>     | 5,908         | 5,908         | 43%        | 137%        |
| Royalties                               | 85            | 85            | <b>555</b>        | 50            | 50            | 9%         | -41%        |
| Non Tax Fines and Penalties             | 214           | 214           | <b>911</b>        | 255           | 255           | 28%        | 19%         |
| Extractive Industry                     | 156           | 156           | <b>880</b>        | 58            | 58            | 7%         | -63%        |
| <b>Miscellaneous Revenue</b>            | <b>319</b>    | <b>319</b>    | <b>1,066</b>      | <b>259</b>    | <b>259</b>    | <b>24%</b> | <b>-19%</b> |
| <b>Social Contributions</b>             | <b>889</b>    | <b>889</b>    | <b>4,311</b>      | <b>860</b>    | <b>860</b>    | <b>20%</b> | <b>-3%</b>  |
| <b>Grants</b>                           | <b>46,929</b> | <b>46,929</b> | <b>68,496,678</b> | <b>42,172</b> | <b>42,172</b> | <b>0%</b>  | <b>-10%</b> |
| Foreign Governments                     | 38,748        | 38,748        | -                 | 32,006        | 32,006        | -          | -17%        |
| International Organization              | 8,181         | 8,181         | -                 | 10,166        | 10,166        | -          | 24%         |
| Other Government Units                  | -             | -             | -                 | -             | -             | -          | -           |

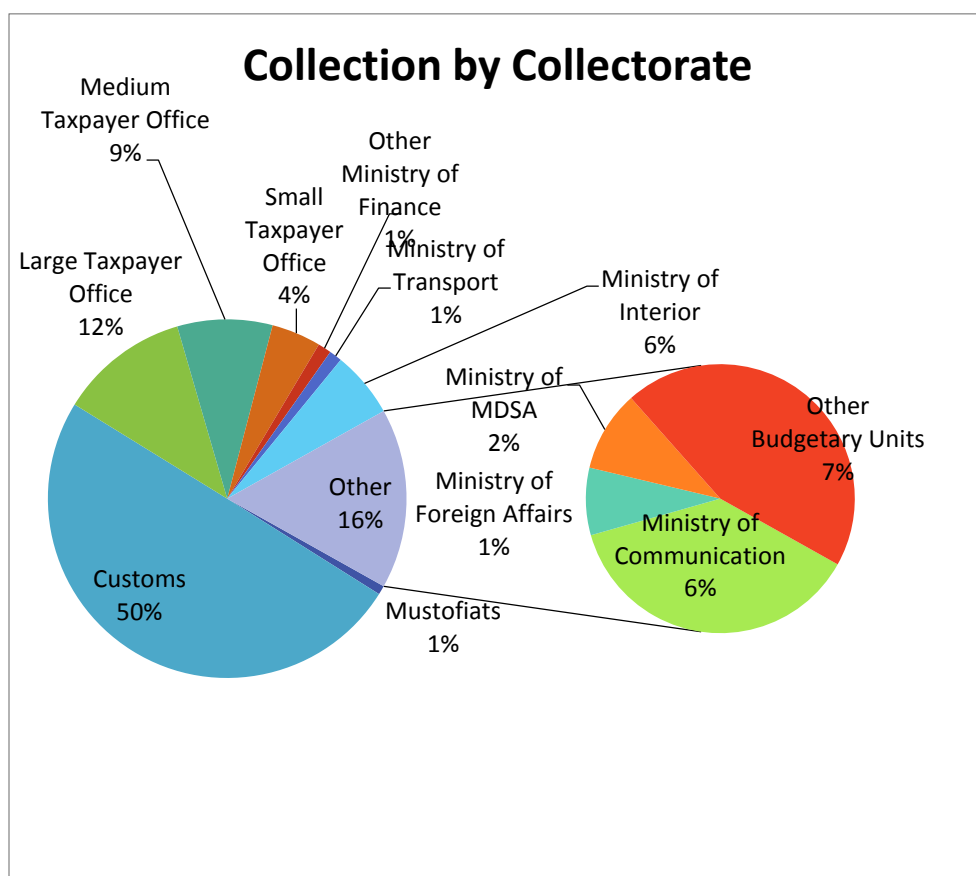
The overall revenue collection performance in the 1st quarter of 1395 was 40% more as compared to the same quarter in FY 1394 and the revenue collected until the end of the first quarter of 1395 builds up 18% of the target revenue for the whole year. The collected revenue in this quarter include 2.6 billion fixed taxes which shows 9% increase as compare to the 1st quarter of FY1394. Most of the tax revenue lines show an increase over the same period in 1394. However, the property tax has fallen by 44% as compared to the same period in 1394, because of fall in land taxes and sales tax on immovable properties. Land tax reduced to 9.35 million in 1395 as compared to 15.95 million in 1394. Similarly, sales on immovable properties reduced by 30% as compared to the same period in 1394.

In this quarter a total amount of AFS **7,764 million** was collected from customs; which shows that 24% the target for the customs was realized. Customs revenue collection shows 13% increase over the same period in 1394. collected in 1st Quarter which were 13% increase compare to the 1st quarter of the previous year.

**Table 6. Revenues by Collectorate**

| In millions of Afghanis       | 1394         | 1394         | 1395         | 1395         | % Change |
|-------------------------------|--------------|--------------|--------------|--------------|----------|
|                               | Q1           | Q1 YTD       | Q1           | Q1 YTD       | on 1394  |
| <b>Ministry of Finance</b>    | <b>19771</b> | <b>19771</b> | <b>24708</b> | <b>24708</b> | 25%      |
| Mustofiats                    | 1188         | 1188         | 261          | 261          | -78%     |
| Customs                       | 11392        | 11392        | 16078        | 16078        | 41%      |
| Large Taxpayer Office         | 3496         | 3496         | 3774         | 3774         | 8%       |
| Medium Taxpayer Office        | 2593         | 2593         | 2767         | 2767         | 7%       |
| Small Taxpayer Office         | 660          | 660          | 1437         | 1437         | 118%     |
| Other Ministry of Finance     | 441          | 441          | 391          | 391          | -11%     |
| <b>Other Key Ministries</b>   | <b>4558</b>  | <b>4558</b>  | <b>7536</b>  | <b>7536</b>  | 65%      |
| Ministry of Transport         | 354          | 354          | 374          | 374          | 5%       |
| Ministry of Interior          | 1354         | 1354         | 1924         | 1924         | 42%      |
| Ministry of Communication     | 363          | 363          | 1964         | 1964         | 441%     |
| Ministry of Foreign Affairs   | 177          | 177          | 424          | 424          | 140%     |
| Ministry of MDSA <sup>1</sup> | 597          | 597          | 510          | 510          | -15%     |
| Other Budgetary Units         | 1713         | 1713         | 2340         | 2340         | 37%      |

1/ Martyrs, Disabled and Social Affairs



the highest Value of revenue is collected by Custom which were 16%. Because our import is more on custom border especially in Torkham, Hayratan, Spibboldak and Islam Qala therefore Custom will collect more as compare to the other organization. 12% were collected by LTO, large taxpayer was collect large number of revenue from large company. MTO were collected 9% of revenue through overall collection. 4% were collected by STO in the first quarter of FY 1395. 6% were collected by Ministry of Interior and 7% will collect by Ministry of Communication in the 1<sup>st</sup> quarter of FY 1395.

## Note

The revenue collection against key lines highlights some important revenue lines for illustrating economic activity:

- **BRT:** gives an indication of the performance of retail sales in the economy.
- **BRT customs:** gives an indication of the performance of demand in the economy.
- **Taxes on Profit:** indicates the performance of firms.
- **Construction withholding:** gives an indication of the degree of construction ongoing.

**Table 7. Revenue Collection by Key Lines**

|                          | 1394<br>Q1 YTD | 1395<br>Q1 YTD | % Change |
|--------------------------|----------------|----------------|----------|
| BRT Sales                | 1,166          | 438            | -62%     |
| BRT Services             | 798            | 1,099          | 38%      |
| BRT Customs              | 2,100          | 1,708          | -19%     |
| Tax on Wages             | 2,053          | 2,371          | 15%      |
| Tax on Profit            | 535            | 334            | -38%     |
| Construction Withholding | 925            | 1,077          | 16%      |

**Table 8a. Operating Grants**

| All Values are in Million Afs                | 1394<br>Q1 | 1394<br>Q1 YTD | %<br>Total | 1395<br>Q1 | 1395<br>Q1 YTD | %<br>Total |
|--|------------|----------------|------------|------------|----------------|------------|
| Afghanistan Reconstruction Trust Fund (ARTF) | 1,978      | 1,978          | 5%         | 4,446      | 4,446          | 14%        |
| Law & Order Trust Fund (LOTFA)               | 7,139      | 7,139          | 18%        | 6,872      | 6,872          | 21%        |
| CSTC-A <sup>1</sup> MoD                      | 28,894     | 28,894         | 75%        | 15,344     | 15,344         | 48%        |
| CSTC-A <sup>1</sup> Mol                      | 629        | 629            | 2%         | 5,311      | 5,311          | 17%        |

1/ Combined Security Transitional Command Afghanistan

**Table 8b. Largest Development Grants for the YTD**

| All Values are in Million Afghanis   | Code  | 1395(YTD) |
|--|-------|-----------|
| Sheberghan Gas Field Development   | 38240 | 1,497     |
| Capacity Building Commercialization (CBC) Part 1 Distribution System                                       | 38200 | 1,043     |
| Basic Package of Health Services and the Essential Package of Hospital Services                            | 30750 | 783       |
| Capacity Building of Community Development Councils (CDCs)   | 30380 | 727       |
| Improvement and Maintenance of Secondary Road  | 30640 | 676       |
| Sheberghan Gas Rehabilitation Project  | 35210 | 634       |
| A new 220 KV substation at each of Ankhoi and Sheberghan and Expansion 220 KV substation at Mazar E Sharif | 35431 | 554       |
| Basic Package of Health Services and Essential Package of Hospital Services                                | 32641 | 422       |
| Horticultural Production   | 30650 | 317       |
| 0167/0170Nangarhar Valley Development Authority Ma   | 35200 | 294       |
| Retroactive Financing KMDP   | 30630 | 249       |
| Improvement and Maintenance of Secondary Road  | 32620 | 188       |
| On Farm Water Management   | 30610 | 182       |
| Economic and Social Development  | 48900 | 181       |
| Retroactive Financing _ KURIP -II  | 30570 | 175       |
| Procurement Reform   | 30620 | 173       |
| Improving Teacher Competencies   | 32632 | 158       |
| Northern Basin Development   | 35050 | 151       |
| Technical Assistance for Preparation and implementation of line Ministry Capacity Building programs        | 30591 | 143       |
| Improved wheat seed production   | 30680 | 139       |

In the Operational Grants, ARTF consisted 14% of total Grants in the first quarter of FY 1395 which was 5% for the same fiscal period in 1394. CSTC-A 1 MoI showing increase in 1395 as compare to the same period of FY 1393, CSTC-A 1 MoI 17% in 1395 and 2% were in 1394. The reason for increase of ARTF in 1395 over the same period in 1394 could be increase in the release of funds due to CBR recruitment, which is funded through the ARTF.

Funds released for LOTFA which was 21% of the total released funds in the first quarter of 1395 shows an increase over 18% in the same period in 1394. However, funds released for CSTC-A 1 in the Ministry of Defense constituted 48% of total grants released in the first quarter of 1395, while it was 75% in the same period in 1394.

In the Development Grants, funds released for Sheberghan Gas Field Development and CBC constituted the largest portion of the total development grants released by the end the first quarter of the 1395.

## Program Expenditures

**Table 9a. Worst Performing Programs**

| <i>By percentage of allotment expended</i>   | <b>Ministry</b>                                  | <b>YTD</b> | <b>Allotment</b> | <b>Ratio</b> |
|--|--|------------|------------------|--------------|
| Housing                                      | Ministry of Urban Development                    | 2.0        | 478.1            | 0.4%         |
| Urban Infrastructure                         | Ministry of Urban Development                    | 7.5        | 179.2            | 4.2%         |
| Health Services Provision                    | Ministry of Public Health                        | 578.6      | 10625.2          | 5.4%         |
| Martyrs and Disabled                         | Ministry of Martyrs, Disabled and Social Affairs | 624.9      | 9780.8           | 6.4%         |
| Agriculture production and productivity      | Ministry of Agriculture                          | 187.9      | 2799.8           | 6.7%         |
| Rural Infrastructure                         | Ministry of Rural Rehabilitation and Development | 345.6      | 5077.8           | 6.8%         |
| Educate & Train Skilled Graduates            | Ministry of Higher Education                     | 56.6       | 782.7            | 7.2%         |
| Road Maintenance                             | Ministry of Public Works                         | 170.5      | 2164.5           | 7.9%         |
| Economic Regeneration                        | Ministry of Agriculture                          | 110.1      | 1385.3           | 7.9%         |
| Curriculum Development and Teacher Education | Ministry of Education                            | 169.0      | 2100.9           | 8.0%         |

**Table 9b. Best Performing Programs**

| <i>By percentage of allotment expended</i>             | <b>Ministry</b>                                  | <b>YTD</b> | <b>Allotment</b> | <b>Ratio</b> |
|--|--|------------|------------------|--------------|
| Admin and regulatory                                   | Ministry of Commerce                             | 261.6      | 491.5            | 53.2%        |
| Revenue Management                                     | Ministry of Finance                              | 278.9      | 684.4            | 40.8%        |
| Administration and Finance                             | Ministry of Public Works                         | 24.5       | 61.6             | 39.8%        |
| Local Governance                                       | Ministry of Rural Rehabilitation and Development | 1223.5     | 3272.6           | 37.4%        |
| Women Support and Strengthening                        | Ministry of Women Affairs                        | 2.2        | 6.7              | 33.2%        |
| Economic Policy and Strategy and Monitoring and Ev ... | Ministry of Economy                              | 55.3       | 167.4            | 33.0%        |
| Natural Resource Management                            | Ministry of Agriculture                          | 453.5      | 1376.0           | 33.0%        |
| Management and Operations Program                      | Ministry of Martyrs, Disabled and Social Affairs | 163.5      | 509.3            | 32.1%        |
| Gender Development & monitoring of Policy              | Ministry of Women Affairs                        | 2.7        | 8.9              | 30.5%        |
| Institutional Support Program                          | Ministry of Rural Rehabilitation and Development | 97.7       | 324.3            | 30.1%        |

Table 9(a) shows that till the end of the first quarter, 10 programs have executed less than 10% of their allotted budget. Among those, housing program is being implemented by the Ministry of Urban Development, which stands at the execution rate of less 1%. The list indicates that Ministries such as MAIL, Public Work and Education are so far doing relatively better in executing their allocated budgets. Their execution rate stands at around 8% in the first quarter of 1395. Weaknesses in the public-sector administration, lengthy bureaucratic processes, poor planning and un-manageable number of small projects, cumbersome procurement system and related complexity of procedures are identified as the precise constraints which hamper the utilization of public resources. Moreover, around 200 projects in infrastructure sector still remain in the level of conception.

Table 9(b) shows that 10 top performing programs could execute the stipulated percentage of allocated budget. In best performing programs, administration and regulation in the Ministry of Commerce and Industries (MoCI) consumed the sizeable chunk of budget till the end of the first quarter of 1395. In addition, accession to WTO and rise in fruit exports and the strengthening trade relations with regional countries might be some factors for accelerating budget execution rate. Ministry of Finance and Ministry of Public Work in the programs of revenue management and administration, respectively, executed their budgets at almost 40% in the first quarter of 1395. Budget execution in remaining line ministries stays at around 30%.

Table 10a. Programs Expenditure

| In millions of Afghanis                                  | OPERATING BUDGET |                |                |            | DEVELOPMENT BUDGET |                |               |            | TOTAL BUDGET  |                |                |            |
|--|------------------|----------------|----------------|------------|--------------------|----------------|---------------|------------|---------------|----------------|----------------|------------|
|  | 1395             |                |                |            | 1395               |                |               |            | 1395          |                |                |            |
|  | Q1 YTD           | Budget         | Allotted       | % Allot.   | Q1 YTD             | Budget         | Allotted      | % Allot.   | Q1 YTD        | Budget         | Allotted       | % Allot.   |
| <b>Ministry of Education</b>                             | <b>5186.8</b>    | <b>31429.4</b> | <b>23623.1</b> | <b>22%</b> | <b>35.9</b>        | <b>13482.6</b> | <b>4023.3</b> | <b>1%</b>  | <b>5222.6</b> | <b>47796.4</b> | <b>27852.7</b> | <b>19%</b> |
| General & Islamic Education                              | 4523.3           | 26706.5        | 20080.8        | 23%        | 2.2                | 6897.7         | 1399.3        | 0%         | 4525.5        | 35462.4        | 21577.5        | 21%        |
| Curriculum development & teacher training                | 169.0            | 1182.9         | 887.2          | 19%        | 0.0                | 2583.1         | 1175.0        | 0%         | 169.0         | 4082.8         | 2100.9         | 8%         |
| Technical and vocational training program                | 195.6            | 1325.3         | 994.0          | 20%        | 6.8                | 2218.0         | 630.3         | 1%         | 202.4         | 4247.5         | 1692.6         | 12%        |
| Literacy and informal Education                          | 93.8             | 672.5          | 504.4          | 19%        | 3.5                | 706.3          | 242.2         | 1%         | 97.3          | 1384.1         | 748.4          | 13%        |
| Education management                                     | 205.8            | 1542.1         | 1156.8         | 18%        | 23.4               | 1077.5         | 576.5         | 4%         | 229.2         | 2619.6         | 1733.3         | 13%        |
| Other  | -0.8             | 0.0            | 0.0            | -          | 0.0                | 0.0            | 0.0           | -          | -0.8          | 0.0            | 0.0            | -          |
| <b>Ministry of Agriculture, Irrigation and Livestock</b> | <b>241.2</b>     | <b>1211.4</b>  | <b>927.3</b>   | <b>26%</b> | <b>593.4</b>       | <b>5549.8</b>  | <b>3893.0</b> | <b>15%</b> | <b>834.6</b>  | <b>9943.3</b>  | <b>5938.2</b>  | <b>14%</b> |
| Natural Resource Management                              | 32.5             | 176.7          | 134.6          | 24%        | 420.9              | 1287.4         | 868.3         | 48%        | 453.5         | 2669.5         | 1376.0         | 33%        |
| Agriculture Production and Productivity                  | 94.0             | 459.0          | 351.9          | 27%        | 93.8               | 2515.0         | 2255.6        | 4%         | 187.9         | 3769.3         | 2799.8         | 7%         |
| Economic Regeneration                                    | 32.0             | 155.4          | 115.1          | 28%        | 78.2               | 1745.4         | 767.5         | 10%        | 110.1         | 2980.4         | 1385.3         | 8%         |
| Reform and Capacity Building                             | 82.9             | 420.2          | 325.7          | 25%        | 0.5                | 2.0            | 1.6           | 29%        | 83.4          | 524.1          | 377.2          | 22%        |
| Other  | -0.2             |                |                | -          | 0.0                |                |               | -          | -0.2          |                |                | -          |
| <b>Ministry of Rural Rehabilitation and Development</b>  | <b>97.6</b>      | <b>482.3</b>   | <b>324.3</b>   | <b>30%</b> | <b>1594.4</b>      | <b>12667.9</b> | <b>7291.1</b> | <b>22%</b> | <b>1692.0</b> | <b>17027.4</b> | <b>8855.7</b>  | <b>19%</b> |
| Rural Infrastructure (RI)                                | 0.0              | 0.0            | 0.0            | -          | 345.6              | 6530.3         | 3852.4        | 9%         | 345.6         | 10355.3        | 5077.8         | 7%         |
| Economic Regeneration (ER)                               | 0.0              | 0.0            | 0.0            | -          | 25.3               | 319.5          | 181.0         | 14%        | 25.3          | 319.5          | 181.0          | 14%        |
| Local Governance   | 0.0              | 0.0            | 0.0            | -          | 1223.5             | 5818.1         | 3257.7        | 38%        | 1223.5        | 5870.4         | 3272.6         | 37%        |
| Institutional Support Program (ISP)                      | 97.7             | 482.3          | 324.3          | 30%        | 0.0                | 0.0            | 0.0           | -          | 97.7          | 482.3          | 324.3          | 30%        |
| Other  | -0.1             |                |                | -          | 0.0                |                |               | -          | -0.1          |                |                | -          |
| <b>Ministry of Energy &amp; Water</b>                    | <b>114.6</b>     | <b>569.9</b>   | <b>430.6</b>   | <b>27%</b> | <b>367.1</b>       | <b>5424.8</b>  | <b>1862.6</b> | <b>20%</b> | <b>481.7</b>  | <b>11598.1</b> | <b>3220.4</b>  | <b>15%</b> |
| Energy   | 13.4             | 61.1           | 46.0           | 29%        | 124.2              | 1233.0         | 215.0         | 58%        | 137.7         | 3276.6         | 987.4          | 14%        |
| Water  | 65.8             | 342.0          | 258.8          | 25%        | 242.9              | 4191.8         | 1647.6        | 15%        | 308.7         | 8154.7         | 2107.1         | 15%        |
| Admin & Finance  | 35.5             | 166.8          | 125.8          | 28%        | 0.0                | 0.0            | 0.0           | -          | 35.5          | 166.8          | 125.8          | 28%        |
| Other  | -0.1             |                |                | -          | 0.0                |                |               | -          | -0.1          |                |                | -          |
| <b>Ministry of Finance</b>                               | <b>637.8</b>     | <b>4209.8</b>  | <b>3539.5</b>  | <b>18%</b> | <b>302.0</b>       | <b>3627.1</b>  | <b>972.6</b>  | <b>31%</b> | <b>939.8</b>  | <b>9459.3</b>  | <b>4857.1</b>  | <b>19%</b> |
| Public Financial Management                              | 452.1            | 2439.8         | 2316.0         | 20%        | 100.4              | 2412.2         | 742.3         | 14%        | 552.5         | 5561.8         | 3203.7         | 17%        |
| Revenue Management                                       | 104.3            | 628.9          | 451.9          | 23%        | 174.6              | 687.2          | 172.5         | 101%       | 278.9         | 1634.9         | 684.4          | 41%        |
| Operation (General Administration)                       | 199.5            | 1061.0         | 701.0          | 28%        | 27.0               | 476.6          | 57.9          | 47%        | 226.5         | 2117.9         | 888.4          | 25%        |
| Policy Management  | 8.6              |                |                | -          | 0.0                | 51.1           | 0.0           | -          | 8.6           | 144.7          | 80.6           | 11%        |
| Other  | -126.7           |                |                | -          | 0.0                |                |               | -          | -126.7        |                |                | -          |
| <b>Ministry of Public Works</b>                          | <b>207.8</b>     | <b>2482.7</b>  | <b>2265.3</b>  | <b>9%</b>  | <b>1595.1</b>      | <b>27131.8</b> | <b>8404.8</b> | <b>19%</b> | <b>1802.8</b> | <b>37511.5</b> | <b>12512.4</b> | <b>14%</b> |
| Transportation Infrastructures                           | 12.9             | 68.7           | 39.1           | 33%        | 1595.1             | 27131.8        | 8404.8        | 19%        | 1608.0        | 35097.5        | 10286.2        | 16%        |
| Maintenance of Transport Infrastructure                  | 170.5            | 2308.9         | 2164.5         | 8%         | 0.0                | 0.0            | 0.0           | -          | 170.5         | 2308.9         | 2164.5         | 8%         |
| Admin & Finance  | 24.5             | 105.1          | 61.6           | 40%        | 0.0                | 0.0            | 0.0           | -          | 24.5          | 105.1          | 61.6           | 40%        |
| Other  | -0.1             |                |                | -          | 0.0                |                |               | -          | -0.1          |                |                | -          |
| <b>Ministry of Public Health</b>                         | <b>572.4</b>     | <b>3476.4</b>  | <b>2308.7</b>  | <b>25%</b> | <b>444.0</b>       | <b>14229.0</b> | <b>8673.5</b> | <b>5%</b>  | <b>1016.4</b> | <b>21612.3</b> | <b>12626.0</b> | <b>8%</b>  |
| Institutional Development and Assessment (IDA)           | 9.0              | 50.5           | 28.5           | 32%        | 83.9               | 1233.9         | 107.0         | 78%        | 93.0          | 3251.1         | 698.4          | 13%        |
| Health Service Provision                                 | 218.6            | 1440.6         | 977.7          | 22%        | 360.0              | 12995.1        | 8566.6        | 4%         | 578.6         | 16288.2        | 10625.2        | 5%         |
| Admin  | 346.5            | 1985.3         | 1302.4         | 27%        | 0.0                | 0.0            | 0.0           | -          | 346.5         | 2073.0         | 1302.4         | 27%        |
| Other  | -1.7             |                |                | -          | 0.0                |                |               | -          | -1.7          |                |                | -          |

|  |              |               |               |            |            |              |             |           |              |               |               |            |
|--|--------------|---------------|---------------|------------|------------|--------------|-------------|-----------|--------------|---------------|---------------|------------|
| <b>Independent Directorate of Local Governance</b> | <b>447.5</b> | <b>2888.0</b> | <b>1821.2</b> | <b>25%</b> | <b>0.0</b> | <b>7.2</b>   | <b>2.5</b>  | <b>0%</b> | <b>447.5</b> | <b>2942.9</b> | <b>1823.7</b> | <b>25%</b> |
| National Principals for Local Governance           | 2.1          | 107.4         | 98.4          | 2%         | 0.0        | 0.0          | 0.0         | -         | 2.1          | 107.4         | 98.4          | 2%         |
| Local Governance Management                        | 413.1        | 2360.7        | 1409.7        | 29%        | 0.0        | 7.2          | 2.5         | 0%        | 413.1        | 2415.7        | 1412.2        | 29%        |
| General Supporting Services                        | 32.5         | 419.9         | 313.0         | 10%        | 0.0        | 0.0          | 0.0         | -         | 32.5         | 419.9         | 313.0         | 10%        |
| Other  | -0.2         |               |               | -          | 0.0        |              |             | -         | -0.2         |               |               | -          |
| <b>Ministry of Urban Development</b>               | <b>49.7</b>  | <b>342.5</b>  | <b>202.8</b>  | <b>24%</b> | <b>1.3</b> | <b>366.0</b> | <b>26.7</b> | <b>5%</b> | <b>51.0</b>  | <b>2880.4</b> | <b>989.1</b>  | <b>5%</b>  |
| Planning & Urban Development                       | 6.1          | 31.1          | 18.1          | 33%        | 0.8        | 0.0          | 0.0         | -         | 6.9          | 140.8         | 82.6          | 8%         |
| Housing  | 2.0          | 16.5          | 9.5           | 21%        | 0.0        | 10.4         | 0.0         | -         | 2.0          | 1159.2        | 478.1         | 0%         |
| Urban Infrastructure                               | 7.0          | 45.5          | 26.1          | 27%        | 0.5        | 134.0        | 0.0         | -         | 7.5          | 880.7         | 179.2         | 4%         |
| Management & Operations                            | 34.6         | 249.3         | 149.2         | 23%        | 0.0        | 221.6        | 26.7        | 0%        | 34.6         | 699.7         | 249.2         | 14%        |
| Other  | 0.0          |               |               | -          | 0.0        |              |             | -         | 0.0          |               |               | -          |

Table 10b. Programs Expenditure

| (In millions of Afghanis)                                      |                  |                |                |            |                    |              |              |             |                |                |                |            |
|--|------------------|----------------|----------------|------------|--------------------|--------------|--------------|-------------|----------------|----------------|----------------|------------|
|  | OPERATING BUDGET |                |                |            | DEVELOPMENT BUDGET |              |              |             | TOTAL BUDGET   |                |                |            |
|  |                  | 1395           |                |            |                    | 1395         |              |             |                | 1395           |                |            |
|  | Q1 YTD           | Budget         | Allocated      | % Alloc.   | Q1 YTD             | Budget       | Allocated    | % Alloc.    | Q1 YTD         | Budget         | Allocated      | % Alloc.   |
| <b>Ministry of Transport</b>                                   | <b>36.3</b>      | <b>263.0</b>   | <b>155.5</b>   | <b>23%</b> | <b>0.0</b>         | <b>0.0</b>   | <b>0.0</b>   | <b>-</b>    | <b>36.3</b>    | <b>387.6</b>   | <b>179.7</b>   | <b>20%</b> |
| Land Transport Services  | 36.4             | 263.0          | 155.5          | 23%        | 0.0                | 0.0          | 0.0          | -           | 36.4           | 387.6          | 179.7          | 20%        |
| Other  | -0.1             |                |                | -          | 0.0                |              |              | -           | -0.1           |                |                | -          |
| <b>Ministry of Communication and Information Technology</b>    | <b>97.7</b>      | <b>597.0</b>   | <b>425.3</b>   | <b>23%</b> | <b>28.3</b>        | <b>745.1</b> | <b>317.5</b> | <b>9%</b>   | <b>125.9</b>   | <b>2380.9</b>  | <b>755.4</b>   | <b>17%</b> |
| E - Afghanistan  | 22.8             | 127.7          | 87.9           | 26%        | 28.3               | 745.1        | 317.5        | 9%          | 51.0           | 1911.6         | 418.0          | 12%        |
| ICT Literacy   | 4.5              | 25.1           | 17.7           | 25%        | 0.0                | 0.0          | 0.0          | -           | 4.5            | 25.1           | 17.7           | 25%        |
| General Administration & Management                            | 70.4             | 444.1          | 319.7          | 22%        | 0.0                | 0.0          | 0.0          | -           | 70.4           | 444.1          | 319.7          | 22%        |
| Other  | -0.1             |                |                | -          | 0.0                |              |              | -           | -0.1           |                |                | -          |
| <b>Ministry of Commerce and Industry</b>                       | <b>297.9</b>     | <b>876.0</b>   | <b>724.5</b>   | <b>41%</b> | <b>12.2</b>        | <b>760.6</b> | <b>76.5</b>  | <b>16%</b>  | <b>310.1</b>   | <b>1772.4</b>  | <b>835.6</b>   | <b>37%</b> |
| Private Sector and Industry Development                        | 6.5              | 55.1           | 41.2           | 16%        | 3.0                | 760.6        | 76.5         | 4%          | 9.5            | 815.7          | 117.7          | 8%         |
| Trade Policy and Transit                                       | 35.4             | 304.8          | 212.2          | 17%        | 3.8                | 0.0          | 0.0          | -           | 39.2           | 364.7          | 226.5          | 17%        |
| Admin and Regulatory Services                                  | 256.2            | 516.1          | 471.1          | 54%        | 5.4                | 0.0          | 0.0          | -           | 261.6          | 592.0          | 491.5          | 53%        |
| Other  | -0.1             |                |                | -          | 0.0                |              |              | -           | -0.1           |                |                | -          |
| <b>Ministry of Labor, Social Affairs, Martyrs and Disabled</b> | <b>1525.0</b>    | <b>15487.0</b> | <b>14955.7</b> | <b>10%</b> | <b>9.8</b>         | <b>949.5</b> | <b>367.7</b> | <b>3%</b>   | <b>1534.8</b>  | <b>16768.2</b> | <b>15494.0</b> | <b>10%</b> |
| Labor Support Program  | 677.7            | 4476.8         | 4452.0         | 15%        | 9.8                | 947.0        | 367.7        | 3%          | 687.5          | 5755.5         | 4990.3         | 14%        |
| Social services  | 60.1             | 362.4          | 213.6          | 28%        | 0.0                | 2.5          | 0.0          | -           | 60.1           | 364.9          | 213.6          | 28%        |
| Martyrs and Disabled   | 624.9            | 9802.9         | 9780.8         | 6%         | 0.0                | 0.0          | 0.0          | -           | 624.9          | 9802.9         | 9780.8         | 6%         |
| Administration & Finance                                       | 163.5            | 844.9          | 509.3          | 32%        | 0.0                | 0.0          | 0.0          | -           | 163.5          | 844.9          | 509.3          | 32%        |
| Other  | -1.2             |                |                | -          | 0.0                |              |              | -           | -1.2           |                |                | -          |
| <b>Ministry of Defense</b>                                     | <b>11736.6</b>   | <b>95493.6</b> | <b>92667.2</b> | <b>13%</b> | <b>0.0</b>         | <b>0.0</b>   | <b>0.0</b>   | <b>-</b>    | <b>11736.6</b> | <b>95493.6</b> | <b>92667.2</b> | <b>13%</b> |
| Combat forces  | 9339.6           | 78150.8        | 75324.4        | 12%        | 0.0                | 0.0          | 0.0          | -           | 9339.6         | 78150.8        | 75324.4        | 12%        |
| Supportive forces  | 2433.8           | 17342.8        | 17342.8        | 14%        | 0.0                | 0.0          | 0.0          | -           | 2433.8         | 17342.8        | 17342.8        | 14%        |
| Other  | -36.8            |                |                | -          | 0.0                |              |              | -           | -36.8          |                |                | -          |
| <b>Ministry of Women Affairs</b>                               | <b>34.8</b>      | <b>193.8</b>   | <b>121.4</b>   | <b>29%</b> | <b>0.0</b>         | <b>0.0</b>   | <b>0.0</b>   | <b>-</b>    | <b>34.8</b>    | <b>231.4</b>   | <b>143.3</b>   | <b>24%</b> |
| Women Support and Strengthening                                | 2.2              | 11.4           | 6.7            | 33%        | 0.0                | 0.0          | 0.0          | -           | 2.2            | 11.4           | 6.7            | 33%        |
| Gender Development and policy monitoring                       | 2.7              | 13.6           | 7.9            | 34%        | 0.0                | 1.9          | 0.0          | -           | 2.7            | 17.0           | 8.9            | 30%        |
| Administration & Finance                                       | 29.9             | 168.9          | 106.8          | 28%        | 0.0                | 0.0          | 0.0          | -           | 29.9           | 205.0          | 127.7          | 23%        |
| Other  | 0.0              |                |                | -          | 0.0                |              |              | -           | 0.0            |                |                | -          |
| <b>Ministry of Economy</b>                                     | <b>43.7</b>      | <b>275.6</b>   | <b>164.0</b>   | <b>27%</b> | <b>26.4</b>        | <b>0.0</b>   | <b>0.0</b>   | <b>-</b>    | <b>70.1</b>    | <b>570.0</b>   | <b>222.2</b>   | <b>32%</b> |
| Economic Policy and Strategy and Monitoring and Evaluation     | 31.2             | 193.2          | 115.6          | 27%        | 24.1               | 0.0          | 0.0          | -           | 55.3           | 309.6          | 167.4          | 33%        |
| Management & Operations  | 12.6             | 82.4           | 48.4           | 26%        | 2.3                | 0.0          | 0.0          | -           | 14.9           | 260.4          | 54.7           | 27%        |
| Other  | -0.1             |                |                | -          | 0.0                |              |              | -           | -0.1           |                |                | -          |
| <b>President's Office</b>                                      | <b>0.0</b>       | <b>0.0</b>     | <b>0.0</b>     | <b>-</b>   | <b>0.0</b>         | <b>0.0</b>   | <b>0.0</b>   | <b>-</b>    | <b>#N/A</b>    | <b>0.0</b>     | <b>0.0</b>     | <b>-</b>   |
| Providing Services to the President                            | #N/A             | 0.0            | 0.0            | -          | #N/A               | 0.0          | 0.0          | -           | #N/A           | 0.0            | 0.0            | -          |
| Other  | #N/A             |                |                | -          | #N/A               |              |              | -           | #N/A           |                |                | -          |
| <b>Ministry of Higher Education</b>                            | <b>745.1</b>     | <b>5063.6</b>  | <b>3356.6</b>  | <b>22%</b> | <b>54.2</b>        | <b>994.7</b> | <b>74.8</b>  | <b>72%</b>  | <b>799.3</b>   | <b>9144.7</b>  | <b>4120.2</b>  | <b>19%</b> |
| Providing higher education opportunities                       | 2.4              | 33.6           | 19.1           | 12%        | 54.2               | 927.7        | 74.8         | 72%         | 56.6           | 4047.7         | 782.7          | 7%         |
| Leadership & Management of Higher Education System             | 744.7            | 5030.0         | 3337.5         | 22%        | 0.0                | 67.0         | 0.0          | -           | 744.7          | 5097.0         | 3337.5         | 22%        |
| Other  | -2.0             |                |                | -          | 0.0                |              |              | -           | -2.0           |                |                | -          |
| <b>IARCSC</b>  | <b>62.8</b>      | <b>348.9</b>   | <b>204.7</b>   | <b>31%</b> | <b>30.9</b>        | <b>35.6</b>  | <b>26.7</b>  | <b>116%</b> | <b>93.7</b>    | <b>525.3</b>   | <b>262.5</b>   | <b>36%</b> |
| Appointments & Appeals   | 11.0             | 51.4           | 30.7           | 36%        | 0.0                | 0.0          | 0.0          | -           | 11.0           | 51.4           | 30.7           | 36%        |
| Public Administrative Reforms                                  | 8.9              | 40.8           | 24.7           | 36%        | 0.0                | 0.0          | 0.0          | -           | 8.9            | 40.8           | 24.7           | 36%        |

|                                 |               |                |                |            |              |                |               |            |               |                |                |          |
|---------------------------------|---------------|----------------|----------------|------------|--------------|----------------|---------------|------------|---------------|----------------|----------------|----------|
| Capacity Development            | 6.4           | 38.4           | 22.5           | 28%        | 0.0          | 0.0            | 0.0           | -          | 6.4           | 38.4           | 22.5           | 28%      |
| Supportive Program              | 36.5          | 218.3          | 126.8          | 29%        | 30.9         | 35.6           | 26.7          | 116%       | 67.4          | 394.7          | 184.6          | 37%      |
| Other                           | 0.0           |                |                | -          | 0.0          |                |               | -          | 0.0           |                |                | -        |
| <b>OTHERS</b>                   | <b>19,072</b> | <b>104,669</b> | <b>86,194</b>  |            | <b>3,280</b> | <b>33,681</b>  | <b>22,766</b> |            | <b>22,352</b> | <b>138,350</b> | <b>108,960</b> |          |
| <b>TOTAL GROSS EXPENDITURES</b> | <b>41,207</b> | <b>270,360</b> | <b>234,412</b> | <b>18%</b> | <b>8,375</b> | <b>119,652</b> | <b>58,779</b> | <b>14%</b> | <b>#N/A</b>   | <b>426,396</b> | <b>302,315</b> | <b>-</b> |

Table 10 (a) & 10 (b) both indicate that operating expenditures in the first quarter are substantially higher than development expenditures. Despite the improvements in budget formulation (e.g. more detailed project proposals), the execution rates of core budget development expenditures remain low, leading to slower than expected development. Low execution rates are caused by a combination of the low absorption capacity of line ministries, late disbursements by donors and overly optimistic budget projections. Moreover, deteriorating security situations and misalignment of the appropriation of national budget and national priorities are discernable factors for low expenditures in development sphere.

## Expenditure by Policy Area

**Table 11. ANDS Expenditures**

| In millions of Afghanis         | 1394          | 1394          | 1395          | 1395          | 1395           | 1395           | %          | %              |
|---------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|------------|----------------|
|                                 | Q1            | Q1 YTD        | Q1            | Q1 YTD        | Budget         | Allocated      |            | Change on 1394 |
| <b>TOTAL GROSS EXPENDITURES</b> | <b>44,717</b> | <b>44,717</b> | <b>49,582</b> | <b>49,582</b> | <b>437,116</b> | <b>304,517</b> | <b>16%</b> | <b>11%</b>     |
| Operating Budget                | 36,600        | 36,600        | 41,207        | 41,207        | 270,360        | 233,808        | 18%        | 13%            |
| Development Budget              | 8,117         | 8,117         | 8,375         | 8,375         | 119,652        | 58,779         | 14%        | 3%             |
| <b>Security</b>                 | <b>24,957</b> | <b>24,957</b> | <b>27,402</b> | <b>27,402</b> | <b>184,789</b> | <b>167,730</b> | <b>16%</b> | <b>10%</b>     |
| Operating Budget                | 24,845        | 24,845        | 27,337        | 27,337        | 183,199        | 167,179        | 16%        | 10%            |
| Development Budget              | 112           | 112           | 64            | 64            | 62             | 33             | 196%       | -43%           |
| <b>Governance</b>               | <b>2,609</b>  | <b>2,609</b>  | <b>2,981</b>  | <b>2,981</b>  | <b>16,955</b>  | <b>10,261</b>  | <b>29%</b> | <b>14%</b>     |
| Operating Budget                | 2,508         | 2,508         | 2,917         | 2,917         | 15,184         | 9,813          | 30%        | 16%            |
| Development Budget              | 101           | 101           | 64            | 64            | 541            | 155            | 41%        | -37%           |
| <b>Infrastructure</b>           | <b>6,177</b>  | <b>6,177</b>  | <b>5,762</b>  | <b>5,762</b>  | <b>91,151</b>  | <b>41,971</b>  | <b>14%</b> | <b>-7%</b>     |
| Operating Budget                | 776           | 776           | 693           | 693           | 5,553          | 4,337          | 16%        | -11%           |
| Development Budget              | 5,401         | 5,401         | 5,069         | 5,069         | 62,606         | 32,251         | 16%        | -6%            |
| <b>Education</b>                | <b>6,506</b>  | <b>6,506</b>  | <b>6,238</b>  | <b>6,238</b>  | <b>59,235</b>  | <b>32,882</b>  | <b>19%</b> | <b>-4%</b>     |
| Operating Budget                | 6,078         | 6,078         | 6,147         | 6,147         | 37,937         | 27,815         | 22%        | 1%             |
| Development Budget              | 428           | 428           | 90            | 90            | 14,578         | 4,122          | 2%         | -79%           |
| <b>Health</b>                   | <b>867</b>    | <b>867</b>    | <b>1,016</b>  | <b>1,016</b>  | <b>21,612</b>  | <b>12,626</b>  | <b>8%</b>  | <b>17%</b>     |
| Operating Budget                | 523           | 523           | 572           | 572           | 3,476          | 2,309          | 25%        | 9%             |
| Development Budget              | 344           | 344           | 444           | 444           | 14,229         | 8,674          | 5%         | 29%            |
| <b>Agriculture</b>              | <b>1,376</b>  | <b>1,376</b>  | <b>2,609</b>  | <b>2,609</b>  | <b>29,416</b>  | <b>15,675</b>  | <b>17%</b> | <b>90%</b>     |
| Operating Budget                | 385           | 385           | 415           | 415           | 2,161          | 1,543          | 27%        | 8%             |
| Development Budget              | 992           | 992           | 2,194         | 2,194         | 19,744         | 11,683         | 19%        | 121%           |
| <b>Social Protection</b>        | <b>626</b>    | <b>626</b>    | <b>2,093</b>  | <b>2,093</b>  | <b>18,945</b>  | <b>16,762</b>  | <b>12%</b> | <b>234%</b>    |
| Operating Budget                | 609           | 609           | 2,080         | 2,080         | 17,120         | 16,153         | 13%        | 241%           |
| Development Budget              | 17            | 17            | 13            | 13            | 981            | 372            | 4%         | -21%           |
| <b>Economic Governance</b>      | <b>1,598</b>  | <b>1,598</b>  | <b>1,481</b>  | <b>1,481</b>  | <b>15,012</b>  | <b>6,611</b>   | <b>22%</b> | <b>-7%</b>     |
| Operating Budget                | 874           | 874           | 1,044         | 1,044         | 5,731          | 4,659          | 22%        | 19%            |
| Development Budget              | 724           | 724           | 437           | 437           | 6,911          | 1,490          | 29%        | -40%           |
| <b>Unclassified</b>             | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>       | <b>-</b>   | <b>-</b>       |
| Operating Budget                | 0             | 0             | 0             | 0             | 0              | 0              | -          | -              |
| Development Budget              | 0             | 0             | 0             | 0             | 0              | 0              | -          | -              |

Table 11 shows that the expenditure on agriculture and social protection in 1<sup>st</sup> quarter of 1395 increased by 90% and 234% respectively as compared to 1394. However, the breakdown of the budget for both sector shows that the operating budget increased by 8% and 241%. Similarly, the development budget of agriculture increased by 121%, while the development budget of social protection has fallen down by 21%. Increased expenditure on agriculture and social protection is in line with the ANDS priorities. On the other hand, expenditure on infrastructure and education has declined to 7% and 4% respectively, as compared to 1394. It was explained in tables 9(a) that most of the poor performing programs belongs to the education and training, which has been reflected here as well.

**Table 12. COFOG Expenditure**

| In millions of Afghanis                 | 1394          | 1394          | 1394        | 1395          | 1395          | 1395        |             |
|---|---------------|---------------|-------------|---------------|---------------|-------------|-------------|
|   | Q1            | Q1            | %           | Q1            | Q1            | %           | %           |
|   | Q1            | YTD           | Total       | Q1            | YTD           | Total       | Change      |
| <b>TOTAL NET EXPENDITURE</b>            | <b>45,068</b> | <b>45,106</b> | <b>100%</b> | <b>49,761</b> | <b>49,888</b> | <b>100%</b> | <b>10%</b>  |
| Sale of Land and Buildings              | -10           | -10           | 0%          | -3            | -3            | 0%          | -69%        |
| <b>TOTAL GROSS EXPENDITURE</b>          | <b>45,078</b> | <b>45,116</b> | <b>100%</b> | <b>49,765</b> | <b>49,891</b> | <b>100%</b> | <b>10%</b>  |
| RECURRENT EXPENDITURE                   | 39,841        | 39,880        | 88%         | 44,582        | 44,708        | 90%         | 12%         |
| CAPITAL EXPENDITURE                     | 5,237         | 5,237         | 12%         | 5,183         | 5,183         | 10%         | -1%         |
| <b>General Public Services</b>          | <b>6,830</b>  | <b>6,830</b>  | <b>15%</b>  | <b>6,215</b>  | <b>6,215</b>  | <b>12%</b>  | <b>-9%</b>  |
| Recurrent Expenditure                   | 5,260         | 5,260         | 12%         | 4,122         | 4,122         | 8%          | -22%        |
| Capital Expenditure                     | 1,569         | 1,569         | 3%          | 2,093         | 2,093         | 4%          | 33%         |
| <b>Defence</b>                          | <b>14,180</b> | <b>14,180</b> | <b>31%</b>  | <b>15,679</b> | <b>15,679</b> | <b>31%</b>  | <b>11%</b>  |
| Recurrent Expenditure                   | 13,943        | 13,943        | 31%         | 15,635        | 15,635        | 31%         | 12%         |
| Capital Expenditure                     | 237           | 237           | 1%          | 45            | 45            | 0%          | -81%        |
| <b>Public Order and Safety</b>          | <b>10,553</b> | <b>10,553</b> | <b>23%</b>  | <b>13,020</b> | <b>13,020</b> | <b>26%</b>  | <b>23%</b>  |
| Recurrent Expenditure                   | 10,500        | 10,500        | 23%         | 12,897        | 12,897        | 26%         | 23%         |
| Capital Expenditure                     | 53            | 53            | 0%          | 122           | 122           | 0%          | 130%        |
| <b>Economic Affairs</b>                 | <b>5,501</b>  | <b>5,539</b>  | <b>12%</b>  | <b>5,907</b>  | <b>6,033</b>  | <b>12%</b>  | <b>7%</b>   |
| Recurrent Expenditure                   | 2,363         | 2,402         | 5%          | 3,113         | 3,239         | 6%          | 32%         |
| Capital Expenditure                     | 3,137         | 3,137         | 7%          | 2,794         | 2,794         | 6%          | -11%        |
| <b>Environmental Protection</b>         | <b>47</b>     | <b>47</b>     | <b>0%</b>   | <b>36</b>     | <b>36</b>     | <b>0%</b>   | <b>-23%</b> |
| Recurrent Expenditure                   | 38            | 38            | 0%          | 36            | 36            | 0%          | -5%         |
| Capital Expenditure                     | 9             | 9             | 0%          | 0             | 0             | 0%          | -100%       |
| <b>Housing and Communal Amenities</b>   | <b>153</b>    | <b>153</b>    | <b>0%</b>   | <b>70</b>     | <b>70</b>     | <b>0%</b>   | <b>-54%</b> |
| Recurrent Expenditure                   | 50            | 50            | 0%          | 57            | 57            | 0%          | 13%         |
| Capital Expenditure                     | 103           | 103           | 0%          | 14            | 14            | 0%          | -87%        |
| <b>Health</b>                           | <b>880</b>    | <b>880</b>    | <b>2%</b>   | <b>1,036</b>  | <b>1,036</b>  | <b>2%</b>   | <b>18%</b>  |
| Recurrent Expenditure                   | 832           | 832           | 2%          | 947           | 947           | 2%          | 14%         |
| Capital Expenditure                     | 48            | 48            | 0%          | 89            | 89            | 0%          | 86%         |
| <b>Recreation, Culture and Religion</b> | <b>305</b>    | <b>305</b>    | <b>1%</b>   | <b>319</b>    | <b>319</b>    | <b>1%</b>   | <b>4%</b>   |
| Recurrent Expenditure                   | 271           | 271           | 1%          | 312           | 312           | 1%          | 15%         |
| Capital Expenditure                     | 34            | 34            | 0%          | 6             | 6             | 0%          | -81%        |
| <b>Education</b>                        | <b>6,291</b>  | <b>6,291</b>  | <b>14%</b>  | <b>6,029</b>  | <b>6,029</b>  | <b>12%</b>  | <b>-4%</b>  |
| Recurrent Expenditure                   | 6,245         | 6,245         | 14%         | 6,009         | 6,009         | 12%         | -4%         |
| Capital Expenditure                     | 46            | 46            | 0%          | 19            | 19            | 0%          | -58%        |
| <b>Social Protection</b>                | <b>339</b>    | <b>339</b>    | <b>1%</b>   | <b>1,453</b>  | <b>1,453</b>  | <b>3%</b>   | <b>329%</b> |
| Recurrent Expenditure                   | 339           | 339           | 1%          | 1,453         | 1,453         | 3%          | 329%        |
| Capital Expenditure                     | 0             | 0             | 0%          | 0             | 0             | 0%          | -           |

**Table 13. Expenditure Summary by Input**

| In millions of Afghanis                    | 1394<br>Q1   | 1394<br>Q1 YTD | 1395<br>Budget | 1395<br>Allocated | 1395<br>Q1   | 1395<br>Q1 YTD | % Growth<br>on 1394 | %<br>Budget. |
|--|--------------|----------------|----------------|-------------------|--------------|----------------|---------------------|--------------|
| <b>TOTAL GROSS EXPENDITURES</b>            | <b>45078</b> | <b>45078</b>   | <b>437788</b>  | <b>305121</b>     | <b>49765</b> | <b>49765</b>   | 10%                 | 11%          |
| <b>Operating Budget</b>                    | <b>36961</b> | <b>36961</b>   |                |                   | <b>41390</b> | <b>41390</b>   | 12%                 |              |
| <b>Development Budget</b>                  | <b>8117</b>  | <b>8117</b>    |                |                   | <b>8375</b>  | <b>8375</b>    | 3%                  |              |
| Discretionary Budget                       | 2535         | 2535           |                |                   | 2063         | 2063           | -19%                |              |
| Non-discretionary Budget                   | 5582         | 5582           |                |                   | 6312         | 6312           | 13%                 |              |
| <b>TOTAL NET EXPENDITURES</b>              | <b>45068</b> | <b>45068</b>   |                |                   | <b>49761</b> | <b>49761</b>   | 10%                 |              |
| <b>RECURRENT EXPENDITURES</b>              | <b>39841</b> | <b>39841</b>   |                |                   | <b>44582</b> | <b>44582</b>   | 12%                 |              |
| <b>Compensation of Employees</b>           | <b>31349</b> | <b>31349</b>   | <b>168880</b>  | <b>142489</b>     | <b>32733</b> | <b>32733</b>   | 4%                  | 19%          |
| Wages and Salaries                         | 31190        | 31190          |                |                   | 32321        | 32321          | 4%                  |              |
| Social Benefits                            | 218          | 218            |                |                   | 460          | 460            | 111%                |              |
| Other Compensation                         | -59          | -59            |                |                   | -47          | -47            |                     |              |
| <b>Use of Goods and Services</b>           | <b>7870</b>  | <b>7870</b>    | <b>134909</b>  | <b>95832</b>      | <b>9597</b>  | <b>9597</b>    | 22%                 | 7%           |
| Travel                                     | 295          | 295            |                |                   | 366          | 366            | 24%                 |              |
| Food                                       | 290          | 290            |                |                   | 242          | 242            | -17%                |              |
| Contracted Services                        | 2350         | 2350           |                |                   | 1855         | 1855           | -21%                |              |
| Repairs and Maintenance                    | 313          | 313            |                |                   | 276          | 276            | -12%                |              |
| Utilities                                  | 305          | 305            |                |                   | 303          | 303            | -1%                 |              |
| Fuel                                       | 2777         | 2777           |                |                   | 4573         | 4573           | 65%                 |              |
| Tools and Materials                        | 289          | 289            |                |                   | 236          | 236            | -18%                |              |
| Other Use of Goods and Services            | 1250         | 1250           |                |                   | 1746         | 1746           | 40%                 |              |
| <b>Interest</b>                            | <b>104</b>   | <b>104</b>     | <b>716</b>     | <b>716</b>        | <b>134</b>   | <b>134</b>     | 29%                 | 19%          |
| <b>Social Transfers</b>                    | <b>519</b>   | <b>519</b>     | <b>17643</b>   | <b>16327</b>      | <b>2118</b>  | <b>2118</b>    | 308%                | 12%          |
| Subsidies                                  | 97           | 97             |                |                   | 350          | 350            | 262%                |              |
| Grants                                     | 44           | 44             |                |                   | 3            | 3              | -94%                |              |
| <i>Foreign Grants</i>                      | 44           | 44             |                |                   | 3            | 3              |                     |              |
| <i>Current Grants</i>                      | 0            | 0              |                |                   | 0            | 0              |                     |              |
| Social Security                            | 228          | 228            |                |                   | 1284         | 1284           | 463%                |              |
| Other Social Transfers <sup>1</sup>        | 150          | 150            |                |                   | 482          | 482            | 221%                |              |
| <b>ACQUISITION OF ASSETS</b>               |              |                |                |                   |              |                |                     |              |
| <b>Gross Acquisition of NFA</b>            | <b>5237</b>  | <b>5237</b>    | <b>115639</b>  | <b>49756</b>      | <b>5183</b>  | <b>5183</b>    | -1%                 | 4%           |
| <b>Net Acquisition of NFA <sup>2</sup></b> | <b>5227</b>  | <b>5227</b>    |                |                   | <b>5179</b>  | <b>5179</b>    | -1%                 |              |
| Sale of Land and Buildings <sup>3</sup>    | -10          | -10            |                |                   | -3           | -3             | -69%                |              |
| Buildings and Structures                   | 3443         | 3443           |                |                   | 2541         | 2541           | -26%                |              |
| Machinery / Equipment                      | 1655         | 1655           |                |                   | 1838         | 1838           | 11%                 |              |
| Valuables                                  | 0            | 0              |                |                   | 0            | 0              | -                   |              |
| Land                                       | 0            | 0              |                |                   | 277          | 277            | -                   |              |
| Capital Advance Payments                   | 139          | 139            |                |                   | 526          | 526            | 279%                |              |

1/ Repayment of Advances can cause this line to be negative

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

3/ Negative as this represents a revenue line

**Table 14. Operating Expenditure**

| In millions of Afghanis                    | 1394<br>Q1    | 1394<br>Q1 YTD | 1395<br>Q1    | 1395<br>Q1 YTD | 1395<br>Budget | 1395<br>Allocated | %<br>Budget. | % Change<br>on 1394 |
|--|---------------|----------------|---------------|----------------|----------------|-------------------|--------------|---------------------|
| <b>TOTAL GROSS EXPENDITURES</b>            | <b>36,971</b> | <b>36,971</b>  | <b>41,393</b> | <b>41,393</b>  | <b>270,316</b> | <b>233,695</b>    | <b>15%</b>   | <b>12%</b>          |
| <b>TOTAL NET EXPENDITURES (2)</b>          | <b>36,961</b> | <b>36,961</b>  | <b>41,390</b> | <b>41,390</b>  |                |                   |              |                     |
| <b>RECURRENT EXPENDITURES</b>              |               |                |               |                |                |                   |              | -                   |
| <b>Compensation of Employees</b>           | <b>31,349</b> | <b>31,349</b>  | <b>32,733</b> | <b>32,733</b>  | <b>168,880</b> | <b>142,489</b>    | <b>19%</b>   | <b>4%</b>           |
| Wages and Salaries                         | 31,190        | 31,190         | 32,321        | 32,321         |                |                   |              | 4%                  |
| o/w Wages and Salaries in                  |               |                |               |                |                |                   |              |                     |
| Cash                                       | 26,800        | 26,800         | 27,263        | 27,263         |                |                   |              | 2%                  |
| o/w Wages and Salaries in                  |               |                |               |                |                |                   |              |                     |
| Kind                                       | 3,151         | 3,151          | 3,831         | 3,831          |                |                   |              | 22%                 |
| Social Benefits                            | 218           | 218            | 460           | 460            |                |                   |              | 111%                |
| Other Compensation                         | -59           | -59            | -47           | -47            |                |                   |              |                     |
| <b>Use of Goods and Services</b>           | <b>4,693</b>  | <b>4,693</b>   | <b>6,347</b>  | <b>6,347</b>   | <b>76,141</b>  | <b>66,995</b>     |              | <b>35%</b>          |
| Travel                                     | 264           | 264            | 304           | 304            |                |                   |              | 15%                 |
| Food                                       | 290           | 290            | 242           | 242            |                |                   |              | -17%                |
| Contracted Services                        | 122           | 122            | 198           | 198            |                |                   |              | 63%                 |
| Repairs and Maintenance                    | 313           | 313            | 276           | 276            |                |                   |              | -12%                |
| Utilities                                  | 305           | 305            | 303           | 303            |                |                   |              | -1%                 |
| Fuel                                       | 2,773         | 2,773          | 4,569         | 4,569          |                |                   |              | 65%                 |
| Tools and Materials                        | 125           | 125            | 138           | 138            |                |                   |              | 10%                 |
| Other Use of Goods and                     |               |                |               |                |                |                   |              |                     |
| Services                                   | 500           | 500            | 318           | 318            |                |                   |              |                     |
| <b>Interest</b>                            | <b>104</b>    | <b>104</b>     | <b>134</b>    | <b>134</b>     | <b>716</b>     | <b>716</b>        | <b>19%</b>   | <b>29%</b>          |
| To Non-Residents                           |               |                |               |                |                |                   |              |                     |
| <b>Social Transfers</b>                    | <b>519</b>    | <b>519</b>     | <b>2,029</b>  | <b>2,029</b>   | <b>16,006</b>  | <b>16,006</b>     | <b>13%</b>   | <b>291%</b>         |
| Subsidies                                  | 97            | 97             | 350           | 350            |                |                   |              | 262%                |
| Grants                                     | 44            | 44             | 3             | 3              |                |                   |              | -94%                |
| <i>Foreign Grants</i>                      | 44            | 44             | 3             | 3              |                |                   |              |                     |
| <i>Current Grants</i>                      | 0             | 0              | 0             | 0              |                |                   |              |                     |
| Social Security                            | 228           | 228            | 1,284         | 1,284          |                |                   |              | 463%                |
| Other Social Transfers                     | 150           | 150            | 393           | 393            |                |                   |              | 162%                |
| o/w Social Assistance                      | 0             | 0              | 0             | 0              |                |                   |              | -                   |
| o/w Advance Subsidies,                     |               |                |               |                |                |                   |              |                     |
| Grants                                     | 150           | 150            | 393           | 393            |                |                   |              | 162%                |
| <b>ACQUISITION OF ASSETS</b>               |               |                |               |                |                |                   |              |                     |
| <b>Gross Acquisition of NFA</b>            | <b>296</b>    | <b>296</b>     | <b>146</b>    | <b>146</b>     | <b>9,289</b>   | <b>8,205</b>      |              | <b>-51%</b>         |
| <b>Net Acquisition of NFA <sup>1</sup></b> | <b>286</b>    | <b>286</b>     | <b>143</b>    | <b>143</b>     |                |                   |              | <b>-50%</b>         |
| Sale of Land and Buildings                 | -10           | -10            | -3            | -3             |                |                   |              | -69%                |
| Buildings and Structures                   | 23            | 23             | 20            | 20             |                |                   |              | -14%                |
| Machinery / Equipment                      |               |                |               |                |                |                   |              |                     |
| (>50,000)                                  | 270           | 270            | 106           | 106            |                |                   |              | -61%                |
| Valuables                                  | 0             | 0              | 0             | 0              |                |                   |              | -                   |
| Land                                       | 0             | 0              | 19            | 19             |                |                   |              | -                   |
| Capital Advance Payments                   | 2             | 2              | 0             | 0              |                |                   |              | -100%               |

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

**Table 15. Development Expenditure Summary**

| In millions of Afghanis                      | 1394         | 1394         | 1395         | 1395         | 1395           | 1395          | %          | %         |
|--|--------------|--------------|--------------|--------------|----------------|---------------|------------|-----------|
|  | Q1           | Q1           | Q1           | Q1           | Budget         | Allotted      | Budget.    | Change    |
|  | Q1           | YTD          | Q1           | YTD          |                |               |            | on 1394   |
| <b>TOTAL GROSS EXPENDITURES</b>              | <b>8,117</b> | <b>8,117</b> | <b>8,375</b> | <b>8,375</b> | <b>119,652</b> | <b>58,779</b> | <b>7%</b>  | <b>3%</b> |
| Discretionary Budget                         | 2,535        | 2,535        | 2,063        | 2,063        |                |               | -          | -19%      |
| Non-discretionary Budget                     | 5,582        | 5,582        | 6,312        | 6,312        |                |               | -          | 13%       |
| <b>TOTAL NET EXPENDITURES (2)</b>            | <b>8,107</b> | <b>8,107</b> | <b>8,372</b> | <b>8,372</b> |                |               |            |           |
| <b>Use of Goods and Services</b>             | <b>3,176</b> | <b>3,176</b> | <b>3,249</b> | <b>3,249</b> | <b>45,945</b>  | <b>24,036</b> | <b>14%</b> | <b>2%</b> |
| Travel                                       | 31           | 31           | 61           | 61           |                |               |            |           |
| Communications                               | 0            | 0            | 0            | 0            |                |               |            |           |
| Contracted Services                          | 2,228        | 2,228        | 1,657        | 1,657        |                |               |            |           |
| Repairs and Maintenance                      | 0            | 0            | 0            | 0            |                |               |            |           |
| Utilities                                    | 0            | 0            | 0            | 0            |                |               |            |           |
| Fuel   | 4            | 4            | 4            | 4            |                |               |            |           |
| Other Use of Goods and Services              | 914          | 914          | 1,527        | 1,527        |                |               |            |           |
| o/w Tools and materials (< 50,000)           | 0            | 0            | 0            | 0            |                |               |            |           |
| o/w Other Expenses                           | 11           | 11           | 50           | 50           |                |               |            |           |
| o/w Advances and Return of Expenditure       | 739          | 739          | 1,378        | 1,378        |                |               |            |           |
| <b>Subsides, Grants, Social Expenditures</b> | <b>0</b>     | <b>0</b>     | <b>89</b>    | <b>89</b>    | <b>1,637</b>   | <b>321</b>    |            |           |
| <b>ACQUISITION OF ASSETS</b>                 |              |              |              |              |                |               |            |           |
| <b>Gross Acquisition of NFA</b>              | <b>4,941</b> | <b>4,941</b> | <b>5,037</b> | <b>5,037</b> | <b>72,070</b>  | <b>34,422</b> | <b>15%</b> | <b>2%</b> |
| <b>Net Acquisition of NFA <sup>1</sup></b>   | <b>4,931</b> | <b>4,931</b> | <b>5,034</b> | <b>5,034</b> |                |               |            |           |
| Sale of Land and Buildings                   | -10          | -10          | -3           | -3           |                |               |            |           |
| Buildings and Structures                     | 3,420        | 3,420        | 2,521        | 2,521        |                |               |            |           |
| Machinery / Equipment (>50,000)              | 1,384        | 1,384        | 1,732        | 1,732        |                |               |            |           |
| Valuables                                    | 0            | 0            | 0            | 0            |                |               |            |           |
| Land   | 0            | 0            | 258          | 258          |                |               |            |           |
| Capital Advance Payments                     | 137          | 137          | 526          | 526          |                |               |            |           |

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

Table 14 shows operating expenditure. Total operating expenditure has increased by 12% as compared to the same period in 1394. This increase is driven by more than two-fold increase in social transfers. However, some items in the acquisition of assets category show an average reduction of 50% as compared to the same period in 1394. Table 15 shows that the total development budget in 1395 has increased by 3% as compared to 1394. Major part on the increase in development expenditure was due to 13% increase in non-discretionary budget, even though the discretionary budget has fall by 19%. The spending of the goods and services has increased by 2%. In the acquisition of assets category, the spending on the building and structures and acquisition of machinery and equipment, which were the largest expenditure items, were Afs 2.5 billion and Afs 1.7 billion expenditure respectively. Details of expenditure is given in the following tables.

Table 16. Detailed Development Expenditure

2

3

6

4

5

| In millions of Afghanis                               | 1394           | 1394           | 1395            | 1395           | 1395           | 1395                   | 1395              | %           |
|---|----------------|----------------|-----------------|----------------|----------------|------------------------|-------------------|-------------|
|   | Q1             | Q1 YTD         | Budget          | Q1             | Q1 YTD         | Unspent<br>t<br>Budget | Unspent/Tot<br>al | Increase    |
| <b>TOTAL</b>  | <b>8,117</b>   | <b>8,117</b>   | <b>437,116</b>  | <b>8,375</b>   | <b>8,375</b>   | <b>428,741</b>         | <b>98%</b>        | <b>3%</b>   |
| <b>Total Infrastructure and Natural Resources</b>     | <b>5,400.8</b> | <b>5,400.8</b> | <b>91,150.6</b> | <b>5,068.6</b> | <b>5,068.6</b> | <b>86,082</b>          | <b>94%</b>        | <b>-6%</b>  |
| Ministry of Public Works                              | 2,644.1        | 2,644.1        |                 | 1,595.1        | 1,595.1        |                        |                   | -40%        |
| Ministry of Transport and Aviation                    | 1.6            | 1.6            |                 | 0.0            | 0.0            |                        |                   | -100%       |
| Ministry of Energy and Water                          | 479.1          | 479.1          |                 | 367.1          | 367.1          |                        |                   | -23%        |
| Water Supply and Canalization Corporation             | 137.1          | 137.1          |                 | 0.0            | 0.0            |                        |                   | -100%       |
| Ministry of Communication                             | 23.1           | 23.1           |                 | 28.3           | 28.3           |                        |                   | 23%         |
| Ministry of Mines and Industries                      | 66.8           | 66.8           |                 | 48.3           | 48.3           |                        |                   | -28%        |
| Other Ministries                                      | 2,049.0        | 2,049.0        |                 | 3,029.9        | 3,029.9        |                        |                   | 48%         |
| <b>Total Agriculture and Rural Development</b>        | <b>991.5</b>   | <b>991.5</b>   | <b>29,416.5</b> | <b>2,193.6</b> | <b>2,193.6</b> | <b>27,223</b>          | <b>6%</b>         | <b>121%</b> |
| Ministry of Agriculture                               | 560.1          | 560.1          |                 | 593.4          | 593.4          |                        |                   | 6%          |
| Ministry of Rural Rehabilitation and Development      | 431.4          | 431.4          |                 | 1,594.4        | 1,594.4        |                        |                   | 270%        |
| Other Ministries                                      | 0.0            | 0.0            |                 | 5.8            | 5.8            |                        |                   | -           |
| <b>Total Education</b>                                | <b>427.8</b>   | <b>427.8</b>   | <b>59,235.3</b> | <b>90.2</b>    | <b>90.2</b>    | <b>59,145</b>          | <b>14%</b>        | <b>-79%</b> |
| Ministry of Education                                 | 290.0          | 290.0          |                 | 35.9           | 35.9           |                        |                   | -88%        |
| Other Ministries                                      | 137.8          | 137.8          |                 | 54.3           | 54.3           |                        |                   | -61%        |
| <b>Total Economic Gov. and Private Sector Devel't</b> | <b>723.8</b>   | <b>723.8</b>   | <b>15,011.8</b> | <b>437.4</b>   | <b>437.4</b>   | <b>14,574</b>          | <b>3%</b>         | <b>-40%</b> |
| Ministry of Finance                                   | 281.8          | 281.8          |                 | 302.0          | 302.0          |                        |                   | 7%          |
| Other Ministries                                      | 442.0          | 442.0          |                 | 135.3          | 135.3          |                        |                   | -69%        |
| <b>Total Health</b>                                   | <b>343.6</b>   | <b>343.6</b>   | <b>21,612.3</b> | <b>444.0</b>   | <b>444.0</b>   | <b>21,168</b>          | <b>5%</b>         | <b>29%</b>  |
| Ministry of Public Health                             | 343.6          | 343.6          |                 | 444.0          | 444.0          |                        |                   | 29%         |
| <b>Total Governance, Rule of Law and Human Rights</b> | <b>101.1</b>   | <b>101.1</b>   | <b>16,954.7</b> | <b>63.8</b>    | <b>63.8</b>    | <b>16,891</b>          | <b>4%</b>         | <b>-37%</b> |
| Independent Directorate of Local Governance           | 19.5           | 19.5           |                 | 0.0            | 0.0            |                        |                   | -100%       |
| Other Ministries                                      | 81.6           | 81.6           |                 | 63.8           | 63.8           |                        |                   | -22%        |
| <b>Total Social Protection</b>                        | <b>16.8</b>    | <b>16.8</b>    | <b>18,945.4</b> | <b>13.3</b>    | <b>13.3</b>    | <b>18,932</b>          | <b>4%</b>         | <b>-21%</b> |
|   |                |                | <b>184,789.</b> |                |                |                        |                   |             |
| <b>Total Security</b>                                 | <b>111.9</b>   | <b>111.9</b>   | <b>0</b>        | <b>64.2</b>    | <b>64.2</b>    | <b>184,725</b>         | <b>43%</b>        | <b>-43%</b> |
| <b>Total Unclassified</b>                             | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>      | <b>0.0</b>     | <b>0.0</b>     | <b>0</b>               | <b>0%</b>         | <b>-</b>    |

**Table 17. Detailed Operating Expenditure**

| In millions of Afghanis  | Total Operating Expenditures |               |               |                |            | Wages         |               | G+S          |              | NFA        |            | Others     |              |
|--|------------------------------|---------------|---------------|----------------|------------|---------------|---------------|--------------|--------------|------------|------------|------------|--------------|
|  |                              |               | %             |                |            |               |               |              |              |            |            |            |              |
|  | 1394                         | 1395          | Change        | 1395           | %          | 1394          | 1395          | 1394         | 1395         | 1394       | 1395       | 1394       | 1395         |
|  | Q1                           | YTD           |               | Budget         |            | Q1            | Q1            | Q1           | Q1           | Q1         | Q1         | Q1         | Q1           |
|  | YTD                          |               |               | t              |            | YTD           | YTD           | YTD          | YTD          | YTD        | YTD        | YTD        | YTD          |
| <b>TOTAL</b>   | <b>36,600</b>                | <b>41,207</b> | <b>12.6%</b>  | <b>270,360</b> | <b>15%</b> | <b>31,084</b> | <b>32,573</b> | <b>4,597</b> | <b>6,324</b> | <b>296</b> | <b>146</b> | <b>623</b> | <b>2,163</b> |
| <b>Total Security</b>  | <b>24,845</b>                | <b>27,337</b> | <b>10.0%</b>  | <b>183,199</b> | <b>15%</b> | <b>21,333</b> | <b>22,128</b> | <b>3,041</b> | <b>4,714</b> | <b>230</b> | <b>145</b> | <b>241</b> | <b>350</b>   |
| Ministry of Interior   | 10,583                       | 11,858        | 12.1%         | 69,118         |            | 8,954         | 8,681         | 1,527        | 2,705        | 5          | 122        | 97         | 350          |
| Ministry of Defense  | 10,740                       | 11,737        | 9.3%          | 95,494         |            | 9,471         | 10,390        | 902          | 1,326        | 223        | 20         | 144        | 0            |
| Ministry of Foreign Affairs                                      | 311                          | 267           | -14.1%        | 4,199          |            | 204           | 137           | 107          | 130          | 0          | 0          | 0          | 0            |
| National Security Council  | 34                           | 131           | 284.6%        | 773            |            | 19            | 102           | 15           | 30           | 0          | 0          | -0         | 0            |
| Presidential Protective Service                                  | 211                          | 258           | 22.0%         | 1,256          |            | 201           | 245           | 10           | 13           | 0          | 0          | -0         | 0            |
| General Directorate of National Security                         | 2,966                        | 3,086         | 4.1%          | 12,359         |            | 2,485         | 2,573         | 479          | 511          | 2          | 3          | 0          | 0            |
| <b>Total Governance, Rule of Law and Human Rights</b>            | <b>2,508</b>                 | <b>2,917</b>  | <b>16.3%</b>  | <b>15,184</b>  | <b>19%</b> | <b>2,023</b>  | <b>2,426</b>  | <b>408</b>   | <b>489</b>   | <b>47</b>  | <b>0</b>   | <b>31</b>  | <b>2</b>     |
| Presidents Office  | 0                            | 0             | -             | 0              |            | 0             | 0             | 0            | 0            | 0          | 0          | 0          | 0            |
| National Assembly Meshanro Jirga                                 | 92                           | 97            | 6.4%          | 440            |            | 81            | 90            | 11           | 8            | 0          | 0          | -0         | 0            |
| National Assembly Wolesi Jirga                                   | 315                          | 359           | 13.9%         | 1,364          |            | 273           | 319           | 43           | 40           | 0          | 0          | -0         | 0            |
| Supreme Court  | 699                          | 726           | 3.9%          | 3,026          |            | 669           | 697           | 28           | 29           | 1          | 0          | 0          | -0           |
| Ministry of Justice  | 101                          | 102           | 0.6%          | 637            |            | 83            | 84            | 18           | 18           | 0          | 0          | 0          | 0            |
| Administrative Affairs   | 419                          | 668           | 59.5%         | 3,763          |            | 210           | 482           | 132          | 184          | 46         | 0          | 31         | 2            |
| Ministry of State and Parliamentary Affairs                      | 12                           | 15            | 24.1%         | 140            |            | 11            | 14            | 1            | 1            | 0          | 0          | 0          | -0           |
| Ministry of Haj and Religious Affairs                            | 109                          | 135           | 24.1%         | 892            |            | 104           | 128           | 5            | 7            | 0          | 0          | -0         | 0            |
| Attorney General   | 242                          | 236           | -2.3%         | 1,155          |            | 223           | 221           | 19           | 15           | 0          | 0          | 0          | 0            |
| Election Commission  | 22                           | 24            | 9.1%          | 201            |            | 17            | 19            | 5            | 4            | 0          | 0          | 0          | 0            |
| IARCSC   | 64                           | 63            | -2.3%         | 349            |            | 53            | 55            | 11           | 8            | 0          | 0          | 0          | -0           |
| Independent Commission for Overseeing the Implementation of Cons | 8                            | 11            | 30.3%         | 52             |            | 7             | 9             | 1            | 2            | 0          | 0          | 0          | -0           |
| The High office of Oversight and Anti-Corruption                 | 25                           | 25            | -0.8%         | 118            |            | 20            | 21            | 6            | 5            | 0          | 0          | -0         | 0            |
| Independent Directorate of Local Governance                      | 393                          | 447           | 13.7%         | 2,888          |            | 267           | 283           | 126          | 164          | 0          | 0          | 0          | 0            |
| Afghanistan Independent Human Rights Commission                  | 0                            | 0             | -             | 41             |            | 0             | 0             | 0            | 0            | 0          | 0          | 0          | 0            |
| Independent Electoral Complaints Commission                      | 6                            | 8             | 30.7%         | 118            |            | 5             | 5             | 1            | 3            | 0          | 0          | 0          | 0            |
| <b>Total Infrastructure and Natural Resources</b>                | <b>776</b>                   | <b>693</b>    | <b>-10.7%</b> | <b>5,553</b>   | <b>12%</b> | <b>493</b>    | <b>513</b>    | <b>283</b>   | <b>181</b>   | <b>0</b>   | <b>0</b>   | <b>-0</b>  | <b>-0</b>    |

|  |              |              |               |               |            |              |              |            |            |           |          |            |              |
|--|--------------|--------------|---------------|---------------|------------|--------------|--------------|------------|------------|-----------|----------|------------|--------------|
| Ministry of Public Works                         | 282          | 208          | -26.4%        | 2,483         |            | 91           | 97           | 191        | 111        | 0         | 0        | 0          | 0            |
| Ministry of Transport and Aviation               | 49           | 36           | -25.9%        | 263           |            | 39           | 30           | 10         | 7          | 0         | 0        | 0          | 0            |
| Ministry of Communication                        | 84           | 98           | 16.4%         | 597           |            | 74           | 85           | 10         | 13         | 0         | 0        | -0         | -0           |
| Ministry of Energy and Water                     | 113          | 115          | 1.4%          | 570           |            | 91           | 98           | 22         | 16         | 0         | 0        | -0         | 0            |
| Water Supply and Canalization Corporation        | 0            | 0            | -             | 0             |            | 0            | 0            | 0          | 0          | 0         | 0        | 0          | 0            |
| Da Brishna Shirkat                               | 0            | 0            | -             | 0             |            | 0            | 0            | 0          | 0          | 0         | 0        | 0          | 0            |
| Ministry of Urban Development                    | 46           | 50           | 7.8%          | 343           |            | 38           | 44           | 9          | 6          | 0         | 0        | 0          | -0           |
| Civil Aviation Authority                         | 36           | 31           | -14.8%        | 391           |            | 28           | 28           | 8          | 3          | 0         | 0        | -0         | 0            |
| Independent Board of new Kabul                   | 0            | 0            | -             | 0             |            | 0            | 0            | 0          | 0          | 0         | 0        | 0          | 0            |
| Ministry of Mines and Industries                 | 98           | 84           | -14.1%        | 535           |            | 76           | 72           | 22         | 12         | 0         | 0        | 0          | -0           |
| Geodesy and Cartography Office                   | 24           | 29           | 23.6%         | 134           |            | 20           | 23           | 4          | 6          | 0         | 0        | -0         | 0            |
| Directorate of Environment                       | 38           | 36           | -5.5%         | 191           |            | 30           | 30           | 8          | 6          | 0         | 0        | 0          | 0            |
| Afghanistan High Atomic Energy Commission        | 6            | 7            | 12.8%         | 46            |            | 5            | 6            | 1          | 1          | 0         | 0        | 0          | 0            |
| Municipalities                                   | 0            | 0            | -             | 0             |            | 0            | 0            | 0          | 0          | 0         | 0        | 0          | 0            |
| <b>Total Education</b>                           | <b>6,078</b> | <b>6,147</b> | <b>1.1%</b>   | <b>37,937</b> | <b>16%</b> | <b>5,800</b> | <b>5,954</b> | <b>260</b> | <b>193</b> | <b>18</b> | <b>0</b> | <b>0</b>   | <b>-0</b>    |
| Ministry of Education                            | 5,138        | 5,187        | 0.9%          | 31,429        |            | 5,002        | 5,102        | 119        | 85         | 18        | 0        | 0          | -0           |
| Ministry of Higher Education                     | 749          | 745          | -0.5%         | 5,064         |            | 642          | 675          | 106        | 70         | 0         | 0        | 0          | -0           |
| Ministry of Information and Culture              | 68           | 83           | 21.7%         | 509           |            | 63           | 71           | 5          | 12         | 0         | 0        | -0         | 0            |
| Science Academy                                  | 29           | 41           | 38.0%         | 203           |            | 29           | 39           | 1          | 2          | 0         | 0        | 0          | -0           |
| National Olympic Committee                       | 21           | 14           | -33.0%        | 275           |            | 11           | 8            | 9          | 6          | 0         | 0        | -0         | 0            |
| Cricket Board                                    | 0            | 0            | -             | 0             |            | 0            | 0            | 0          | 0          | 0         | 0        | 0          | 0            |
| Afghanistan football federation                  | 0            | 0            | -             | 0             |            | 0            | 0            | 0          | 0          | 0         | 0        | 0          | 0            |
| Radio and television of Afghanistan              | 73           | 78           | 6.4%          | 457           |            | 54           | 59           | 20         | 19         | 0         | 0        | 0          | 0            |
| <b>Total Health</b>                              | <b>523</b>   | <b>572</b>   | <b>9.4%</b>   | <b>3,476</b>  | <b>16%</b> | <b>404</b>   | <b>448</b>   | <b>119</b> | <b>124</b> | <b>0</b>  | <b>0</b> | <b>0</b>   | <b>0</b>     |
| Ministry of Public Health                        | 523          | 572          | 9.4%          | 3,476         |            | 404          | 448          | 119        | 124        | 0         | 0        | 0          | 0            |
| <b>Total Agriculture and Rural Development</b>   | <b>385</b>   | <b>415</b>   | <b>7.9%</b>   | <b>2,161</b>  | <b>19%</b> | <b>323</b>   | <b>348</b>   | <b>62</b>  | <b>67</b>  | <b>0</b>  | <b>0</b> | <b>-0</b>  | <b>0</b>     |
| Ministry of Agriculture                          | 214          | 241          | 12.8%         | 1,211         |            | 193          | 218          | 21         | 23         | 0         | 0        | -0         | 0            |
| Ministry of Counter Narcotics                    | 32           | 36           | 12.4%         | 197           |            | 24           | 26           | 8          | 9          | 0         | 0        | 0          | -0           |
| Ministry of Rural Rehabilitation and Development | 105          | 98           | -7.1%         | 482           |            | 79           | 73           | 26         | 24         | 0         | 0        | 0          | 0            |
| Afghanistan Independent Land Authority           | 34           | 41           | 19.1%         | 270           |            | 28           | 30           | 6          | 11         | 0         | 0        | 0          | 0            |
| <b>Total Social Protection</b>                   | <b>609</b>   | <b>2,080</b> | <b>241.4%</b> | <b>17,120</b> | <b>12%</b> | <b>299</b>   | <b>324</b>   | <b>62</b>  | <b>80</b>  | <b>0</b>  | <b>0</b> | <b>248</b> | <b>1,676</b> |
| Ministry of Frontiers and Tribal Affairs         | 47           | 58           | 23.2%         | 462           |            | 36           | 41           | 11         | 17         | 0         | 0        | 0          | 0            |

|   |            |              |              |              |            |            |            |            |            |          |          |            |            |
|---|------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|----------|----------|------------|------------|
| Ministry of Martyrs, Disabled and Social Affairs          | 301        | 1,525        | 406.3%       | 15,487       |            | 186        | 197        | 30         | 44         | 0        | 0        | 84         | 1,284      |
| Ministry of Refugees and Repatriates                      | 40         | 42           | 6.9%         | 273          |            | 32         | 37         | 7          | 6          | 0        | 0        | -0         | 0          |
| Ministry of Women Affairs                                 | 33         | 35           | 5.5%         | 194          |            | 27         | 28         | 6          | 7          | 0        | 0        | 0          | 0          |
| Office of Disaster Preparedness                           | 179        | 409          | 128.8%       | 625          |            | 10         | 13         | 5          | 3          | 0        | 0        | 164        | 393        |
| Directorate of Kochis                                     | 10         | 11           | 13.5%        | 79           |            | 8          | 9          | 2          | 3          | 0        | 0        | -0         | -0         |
| <b>Total Economic Gov. and Private Sector Devel't</b>     | <b>874</b> | <b>1,044</b> | <b>19.4%</b> | <b>5,731</b> | <b>18%</b> | <b>409</b> | <b>433</b> | <b>362</b> | <b>477</b> | <b>0</b> | <b>0</b> | <b>104</b> | <b>135</b> |
| Ministry of Finance                                       | 706        | 638          | -9.6%        | 4,210        |            | 272        | 291        | 329        | 212        | 0        | 0        | 104        | 135        |
| Ministry of Commerce                                      | 65         | 298          | 355.2%       | 876          |            | 50         | 49         | 16         | 249        | 0        | 0        | 0          | -0         |
| Ministry of Economy                                       | 38         | 44           | 13.5%        | 276          |            | 33         | 37         | 5          | 7          | 0        | 0        | 0          | -0         |
| Control and Audit Office                                  | 24         | 25           | 4.3%         | 130          |            | 18         | 21         | 6          | 4          | 0        | 0        | -0         | 0          |
| Central Statistics Office                                 | 31         | 29           | -6.6%        | 165          |            | 27         | 26         | 4          | 3          | 0        | 0        | 0          | 0          |
| Micro Finance Investment Support Facility for Afghanistan | 0          | 0            | -            | 0            |            | 0          | 0          | 0          | 0          | 0        | 0        | 0          | 0          |
| Afghanistan National Standard Authority                   | 10         | 11           | 10.9%        | 74           |            | 8          | 9          | 1          | 1          | 0        | 0        | 0          | -0         |
| <b>Total Unclassified</b>                                 | <b>0</b>   | <b>0</b>     | <b>-</b>     | <b>0</b>     | <b>-</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b> | <b>0</b> | <b>0</b>   | <b>0</b>   |
| Unallocated Reserves                                      | 0          | 0            | -            | 0            |            | 0          | 0          | 0          | 0          | 0        | 0        | 0          | 0          |
| Unspecified   | 0          | 0            | -            | 0            |            | 0          | 0          | 0          | 0          | 0        | 0        | 0          | 0          |

---

1/ Interest, and Subsidies and Transfers

# Expenditure by Ministry

Table 18a. Detailed Ministry Expenditure

| In millions of Afghanis                         | 1394          |               | 1395          |               | 1395           | 1395           | % Alloc.   | % Increase  |
|---|---------------|---------------|---------------|---------------|----------------|----------------|------------|-------------|
|   | Q1            | Q1 YTD        | Q1            | Q1 YTD        | Budget         | Allocated      |            |             |
| <b>TOTAL GROSS EXPENDITURES</b>                 | <b>44,717</b> | <b>44,717</b> | <b>49,582</b> | <b>49,582</b> | <b>437,116</b> | <b>304,517</b> | <b>16%</b> | <b>11%</b>  |
| <b>Operating Budget</b>                         | 36,600        | 36,600        | 41,207        | 41,207        | 270,360        | 233,808        | <b>18%</b> | <b>13%</b>  |
| <b>Development Budget</b>                       | 8,117         | 8,117         | 8,375         | 8,375         | 119,652        | 58,779         | <b>14%</b> | <b>3%</b>   |
| <br><b>Ministry of Interior</b>                 | <b>10,680</b> | <b>10,680</b> | <b>11,901</b> | <b>11,901</b> | <b>69,685</b>  | <b>61,554</b>  | <b>19%</b> | <b>11%</b>  |
| Operating Budget                                | 10,583        | 10,583        | 11,858        | 11,858        | 69,118         | 61,368         | 19%        | 12%         |
| Development Budget                              | 98            | 98            | 42            | 42            | 15             | 9              | 459%       | -57%        |
| <b>Ministry of Defence</b>                      | <b>10,740</b> | <b>10,740</b> | <b>11,737</b> | <b>11,737</b> | <b>95,494</b>  | <b>92,667</b>  | <b>13%</b> | <b>9%</b>   |
| Operating Budget                                | 10,740        | 10,740        | 11,737        | 11,737        | 95,494         | 92,667         | 13%        | 9%          |
| Development Budget                              | 0             | 0             | 0             | 0             | 0              | 0              | -          | -           |
| <b>Ministry of Foreign Affairs</b>              | <b>313</b>    | <b>313</b>    | <b>267</b>    | <b>267</b>    | <b>4,891</b>   | <b>2,740</b>   | <b>10%</b> | <b>-15%</b> |
| Operating Budget                                | 311           | 311           | 267           | 267           | 4,199          | 2,486          | 11%        | -14%        |
| Development Budget                              | 2             | 2             | 0             | 0             | 33             | 16             | 0%         | -100%       |
| <b>National Security Council</b>                | <b>34</b>     | <b>34</b>     | <b>131</b>    | <b>131</b>    | <b>773</b>     | <b>432</b>     | <b>30%</b> | <b>285%</b> |
| Operating Budget                                | 34            | 34            | 131           | 131           | 773            | 432            | 30%        | 285%        |
| Development Budget                              | 0             | 0             | 0             | 0             | 0              | 0              |            | -           |
| <b>Presidential Protective Service</b>          | <b>211</b>    | <b>211</b>    | <b>258</b>    | <b>258</b>    | <b>1,412</b>   | <b>1,016</b>   | <b>25%</b> | <b>22%</b>  |
| Operating Budget                                | 211           | 211           | 258           | 258           | 1,256          | 945            | 27%        | 22%         |
| Development Budget                              | 0             | 0             | 0             | 0             | 0              | 0              | -          | -           |
| <b>General Directorate of National Security</b> | <b>2,978</b>  | <b>2,978</b>  | <b>3,108</b>  | <b>3,108</b>  | <b>12,535</b>  | <b>9,321</b>   | <b>33%</b> | <b>4%</b>   |
| Operating Budget                                | 2,966         | 2,966         | 3,086         | 3,086         | 12,359         | 9,281          | 33%        | 4%          |
| Development Budget                              | 13            | 13            | 22            | 22            | 14             | 8              | 294%       | 74%         |
| <b>Total Security</b>                           | <b>24,957</b> | <b>24,957</b> | <b>27,402</b> | <b>27,402</b> | <b>184,789</b> | <b>167,730</b> | <b>16%</b> | <b>10%</b>  |
| Operating Budget                                | 24,845        | 24,845        | 27,337        | 27,337        | 183,199        | 167,179        | 16%        | 10%         |
| Development Budget                              | 112           | 112           | 64            | 64            | 62             | 33             | 196%       | -43%        |
| <b>Presidents Office</b>                        | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>       | -          | -           |
| Operating Budget                                | 0             | 0             | 0             | 0             | 0              | 0              | -          | -           |
| Development Budget                              | 0             | 0             | 0             | 0             | 0              | 0              | -          | -           |
| <b>National Assembly Meshanro Jirga</b>         | <b>110</b>    | <b>110</b>    | <b>97</b>     | <b>97</b>     | <b>470</b>     | <b>265</b>     | <b>37%</b> | <b>-12%</b> |
| Operating Budget                                | 92            | 92            | 97            | 97            | 440            | 265            | 37%        | 6%          |
| Development Budget                              | 19            | 19            | 0             | 0             | 0              | 0              | -          | -100%       |
| <b>National Assembly Wolesi Jirga</b>           | <b>315</b>    | <b>315</b>    | <b>359</b>    | <b>359</b>    | <b>1,364</b>   | <b>829</b>     | <b>43%</b> | <b>14%</b>  |
| Operating Budget                                | 315           | 315           | 359           | 359           | 1,364          | 829            | 43%        | 14%         |
| Development Budget                              | 0             | 0             | 0             | 0             | 0              | 0              | -          | -           |
| <b>Supreme Court</b>                            | <b>699</b>    | <b>699</b>    | <b>729</b>    | <b>729</b>    | <b>3,212</b>   | <b>2,018</b>   | <b>36%</b> | <b>4%</b>   |
| Operating Budget                                | 699           | 699           | 726           | 726           | 3,026          | 2,003          | 36%        | 4%          |
| Development Budget                              | 0             | 0             | 3             | 3             | 151            | 13             | 27%        | -           |
| <b>Ministry of Justice</b>                      | <b>133</b>    | <b>133</b>    | <b>107</b>    | <b>107</b>    | <b>996</b>     | <b>503</b>     | <b>21%</b> | <b>-20%</b> |

|   |              |              |              |              |               |               |            |             |
|---|--------------|--------------|--------------|--------------|---------------|---------------|------------|-------------|
| Operating Budget  | 101          | 101          | 102          | 102          | 637           | 384           | 27%        | 1%          |
| Development Budget  | 31           | 31           | 5            | 5            | 264           | 107           | 4%         | -85%        |
| <b>Administrative Affairs</b>   | <b>419</b>   | <b>419</b>   | <b>668</b>   | <b>668</b>   | <b>4,115</b>  | <b>2,802</b>  | <b>24%</b> | <b>59%</b>  |
| Operating Budget  | 419          | 419          | 668          | 668          | 3,763         | 2,682         | 25%        | 59%         |
| Development Budget  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>Ministry of State and Parliamentary Affairs</b>                      | <b>12</b>    | <b>12</b>    | <b>32</b>    | <b>32</b>    | <b>166</b>    | <b>119</b>    | <b>27%</b> | <b>163%</b> |
| Operating Budget  | 12           | 12           | 15           | 15           | 140           | 102           | 15%        | 24%         |
| Development Budget  | 0            | 0            | 17           | 17           | 0             | 0             | -          | -           |
| <b>Ministry of Haj and Religious Affairs</b>                            | <b>109</b>   | <b>109</b>   | <b>141</b>   | <b>141</b>   | <b>1,140</b>  | <b>579</b>    | <b>24%</b> | <b>30%</b>  |
| Operating Budget  | 109          | 109          | 135          | 135          | 892           | 529           | 26%        | 24%         |
| Development Budget  | 0            | 0            | 6            | 6            | 0             | 0             | -          | -           |
| <b>Attorney General</b>   | <b>247</b>   | <b>247</b>   | <b>238</b>   | <b>238</b>   | <b>1,345</b>  | <b>714</b>    | <b>33%</b> | <b>-4%</b>  |
| Operating Budget  | 242          | 242          | 236          | 236          | 1,155         | 684           | 35%        | -2%         |
| Development Budget  | 5            | 5            | 2            | 2            | 83            | 6             | 27%        | -66%        |
| <b>Election Commission</b>  | <b>22</b>    | <b>22</b>    | <b>24</b>    | <b>24</b>    | <b>201</b>    | <b>128</b>    | <b>18%</b> | <b>9%</b>   |
| Operating Budget  | 22           | 22           | 24           | 24           | 201           | 128           | 18%        | 9%          |
| Development Budget  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>IARCSC</b>   | <b>72</b>    | <b>72</b>    | <b>94</b>    | <b>94</b>    | <b>525</b>    | <b>263</b>    | <b>36%</b> | <b>30%</b>  |
| Operating Budget  | 64           | 64           | 63           | 63           | 349           | 205           | 31%        | -2%         |
| Development Budget  | 8            | 8            | 31           | 31           | 36            | 27            | 116%       | 295%        |
| <b>Independent Commission for Overseeing the Implementation of Cons</b> | <b>8</b>     | <b>8</b>     | <b>11</b>    | <b>11</b>    | <b>52</b>     | <b>36</b>     | <b>31%</b> | <b>30%</b>  |
| Operating Budget  | 8            | 8            | 11           | 11           | 52            | 36            | 31%        | 30%         |
| Development Budget  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>The High office of Oversight and Anti-Corruption</b>                 | <b>45</b>    | <b>45</b>    | <b>25</b>    | <b>25</b>    | <b>202</b>    | <b>90</b>     | <b>28%</b> | <b>-44%</b> |
| Operating Budget  | 25           | 25           | 25           | 25           | 118           | 70            | 36%        | -1%         |
| Development Budget  | 19           | 19           | 0            | 0            | 0             | 0             | -          | -100%       |
| <b>Independent Directorate of Local Governance</b>                      | <b>413</b>   | <b>413</b>   | <b>447</b>   | <b>447</b>   | <b>2,943</b>  | <b>1,824</b>  | <b>25%</b> | <b>8%</b>   |
| Operating Budget  | 393          | 393          | 447          | 447          | 2,888         | 1,821         | 25%        | 14%         |
| Development Budget  | 19           | 19           | 0            | 0            | 7             | 2             | 0%         | -100%       |
| <b>Afghanistan Independent Human Rights Commission</b>                  | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>105</b>    | <b>27</b>     | <b>0%</b>  | <b>-</b>    |
| Operating Budget  | 0            | 0            | 0            | 0            | 41            | 10            | 0%         | -           |
| Development Budget  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>Independent Electoral Complaints Commission</b>                      | <b>6.09</b>  | <b>6.09</b>  | <b>7.96</b>  | <b>7.96</b>  | <b>118</b>    | <b>64</b>     | <b>12%</b> | <b>31%</b>  |
| Operating Budget  | 6.09         | 6.09         | 7.96         | 7.96         | 118           | 64            | 12%        | 31%         |
| Development Budget  | 0.00         | 0.00         | 0.00         | 0.00         | 0             | 0             | -          | -           |
| <b>Total Governance, Rule of Law and Human Rights</b>                   | <b>2,609</b> | <b>2,609</b> | <b>2,981</b> | <b>2,981</b> | <b>16,955</b> | <b>10,261</b> | <b>29%</b> | <b>14%</b>  |
| Operating Budget  | 2,508        | 2,508        | 2,917        | 2,917        | 15,184        | 9,813         | 30%        | 16%         |
| Development Budget  | 101          | 101          | 64           | 64           | 541           | 155           | 41%        | -37%        |

Table 18b. Detailed Ministry Expenditure

| (In millions of Afghanis)                        |  | 1394         |              | 1395         |              | 1395          | 1395          | % Alloc.   | %Change      |
|--|--|--------------|--------------|--------------|--------------|---------------|---------------|------------|--------------|
|  |  | Q1 YTD       |              | Q1 YTD       | Budget       | Allocated     |               |            |              |
| <b>Ministry of Public Works</b>                  |  | <b>2,926</b> | <b>2,926</b> | <b>1,803</b> | <b>1,803</b> | <b>37,511</b> | <b>12,512</b> | <b>14%</b> | <b>-38%</b>  |
| Operating Budget                                 |  | 282          | 282          | 208          | 208          | 2,483         | 2,265         | 9%         | -26%         |
| Development Budget                               |  | 2,644        | 2,644        | 1,595        | 1,595        | 27,132        | 8,405         | 19%        | -40%         |
| <b>Ministry of Transport and Aviation</b>        |  | <b>51</b>    | <b>51</b>    | <b>36</b>    | <b>36</b>    | <b>388</b>    | <b>180</b>    | <b>20%</b> | <b>-28%</b>  |
| Operating Budget                                 |  | 49           | 49           | 36           | 36           | 263           | 156           | 23%        | -26%         |
| Development Budget                               |  | 2            | 2            | 0            | 0            | 0             | 0             | -          | -100%        |
| <b>Ministry of Communication</b>                 |  | <b>107</b>   | <b>107</b>   | <b>126</b>   | <b>126</b>   | <b>2,381</b>  | <b>755</b>    | <b>17%</b> | <b>18%</b>   |
| Operating Budget                                 |  | 84           | 84           | 98           | 98           | 597           | 425           | 23%        | 16%          |
| Development Budget                               |  | 23           | 23           | 28           | 28           | 745           | 317           | 9%         | 23%          |
| <b>Ministry of Energy and Water</b>              |  | <b>592</b>   | <b>592</b>   | <b>482</b>   | <b>482</b>   | <b>11,598</b> | <b>3,220</b>  | <b>15%</b> | <b>-19%</b>  |
| Operating Budget                                 |  | 113          | 113          | 115          | 115          | 570           | 431           | 27%        | 1%           |
| Development Budget                               |  | 479          | 479          | 367          | 367          | 5,425         | 1,863         | 20%        | -23%         |
| <b>Water Supply and Canalization Corporation</b> |  | <b>137</b>   | <b>137</b>   | <b>0</b>     | <b>0</b>     | <b>500</b>    | <b>67</b>     | <b>0%</b>  | <b>-100%</b> |
| Operating Budget                                 |  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -            |
| Development Budget                               |  | 137          | 137          | 0            | 0            | 0             | 0             | -          | -100%        |
| <b>Da Brishna Shirkat</b>                        |  | <b>1,464</b> | <b>1,464</b> | <b>2,009</b> | <b>2,009</b> | <b>21,263</b> | <b>18,155</b> | <b>11%</b> | <b>37%</b>   |
| Operating Budget                                 |  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -            |
| Development Budget                               |  | 1,464        | 1,464        | 2,009        | 2,009        | 21,143        | 18,155        | 11%        | 37%          |
| <b>Ministry of Urban Development</b>             |  | <b>133</b>   | <b>133</b>   | <b>51</b>    | <b>51</b>    | <b>2,880</b>  | <b>989</b>    | <b>5%</b>  | <b>-62%</b>  |
| Operating Budget                                 |  | 46           | 46           | 50           | 50           | 343           | 203           | 24%        | 8%           |
| Development Budget                               |  | 87           | 87           | 1            | 1            | 366           | 27            | 5%         | -98%         |
| <b>Civil Aviation Authority</b>                  |  | <b>454</b>   | <b>454</b>   | <b>590</b>   | <b>590</b>   | <b>5,183</b>  | <b>2,534</b>  | <b>23%</b> | <b>30%</b>   |
| Operating Budget                                 |  | 36           | 36           | 31           | 31           | 391           | 231           | 13%        | -15%         |
| Development Budget                               |  | 418          | 418          | 559          | 559          | 2,339         | 1,249         | 45%        | 34%          |
| <b>Independent Board of new Kabul</b>            |  | <b>14</b>    | <b>14</b>    | <b>22</b>    | <b>22</b>    | <b>107</b>    | <b>57</b>     | <b>39%</b> | <b>51%</b>   |
| Operating Budget                                 |  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -            |
| Development Budget                               |  | 14           | 14           | 22           | 22           | 0             | 0             | -          | 51%          |
| <b>Ministry of Mines and Industries</b>          |  | <b>164</b>   | <b>164</b>   | <b>132</b>   | <b>132</b>   | <b>5,069</b>  | <b>1,186</b>  | <b>11%</b> | <b>-20%</b>  |
| Operating Budget                                 |  | 98           | 98           | 84           | 84           | 535           | 407           | 21%        | -14%         |
| Development Budget                               |  | 67           | 67           | 48           | 48           | 2,164         | 419           | 12%        | -28%         |
| <b>Geodesy and Cartography Office</b>            |  | <b>36</b>    | <b>36</b>    | <b>34</b>    | <b>34</b>    | <b>179</b>    | <b>96</b>     | <b>35%</b> | <b>-5%</b>   |
| Operating Budget                                 |  | 24           | 24           | 29           | 29           | 134           | 80            | 37%        | 24%          |
| Development Budget                               |  | 12           | 12           | 5            | 5            | 0             | 0             | -          | -61%         |
| <b>Directorate of Environment</b>                |  | <b>38</b>    | <b>38</b>    | <b>36</b>    | <b>36</b>    | <b>232</b>    | <b>151</b>    | <b>24%</b> | <b>-6%</b>   |
| Operating Budget                                 |  | 38           | 38           | 36           | 36           | 191           | 114           | 32%        | -6%          |
| Development Budget                               |  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -            |
| <b>Afghanistan High Atomic Energy Commission</b> |  | <b>6</b>     | <b>6</b>     | <b>7</b>     | <b>7</b>     | <b>46</b>     | <b>26</b>     | <b>27%</b> | <b>13%</b>   |
| Operating Budget                                 |  | 6            | 6            | 7            | 7            | 46            | 26            | 27%        | 13%          |
| Development Budget                               |  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -            |
| <b>Irrigation and canalization Shirkat</b>       |  | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>-</b>   | <b>-</b>     |
| Operating Budget                                 |  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -            |

|   |              |              |              |              |               |               |            |             |
|---|--------------|--------------|--------------|--------------|---------------|---------------|------------|-------------|
| Development Budget                                | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>Municipalities</b>                             | <b>53</b>    | <b>53</b>    | <b>434</b>   | <b>434</b>   | <b>3,813</b>  | <b>2,041</b>  | <b>21%</b> | <b>712%</b> |
| Operating Budget                                  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| Development Budget                                | 53           | 53           | 434          | 434          | 3,293         | 1,817         | 24%        | 712%        |
| <b>Total Infrastructure and Natural Resources</b> | <b>6,177</b> | <b>6,177</b> | <b>5,762</b> | <b>5,762</b> | <b>91,151</b> | <b>41,971</b> | <b>14%</b> | <b>-7%</b>  |
| Operating Budget                                  | 776          | 776          | 693          | 693          | 5,553         | 4,337         | 16%        | -11%        |
| Development Budget                                | 5,401        | 5,401        | 5,069        | 5,069        | 62,606        | 32,251        | 16%        | -6%         |
| <b>Ministry of Education</b>                      | <b>5,428</b> | <b>5,428</b> | <b>5,223</b> | <b>5,223</b> | <b>47,796</b> | <b>27,853</b> | <b>19%</b> | <b>-4%</b>  |
| Operating Budget                                  | 5,138        | 5,138        | 5,187        | 5,187        | 31,429        | 23,623        | 22%        | 1%          |
| Development Budget                                | 290          | 290          | 36           | 36           | 13,483        | 4,023         | 1%         | -88%        |
| <b>Ministry of Higher Education</b>               | <b>853</b>   | <b>853</b>   | <b>799</b>   | <b>799</b>   | <b>9,145</b>  | <b>4,120</b>  | <b>19%</b> | <b>-6%</b>  |
| Operating Budget                                  | 749          | 749          | 745          | 745          | 5,064         | 3,357         | 22%        | 0%          |
| Development Budget                                | 104          | 104          | 54           | 54           | 995           | 75            | 72%        | -48%        |
| <b>Ministry of Information and Culture</b>        | <b>102</b>   | <b>102</b>   | <b>83</b>    | <b>83</b>    | <b>873</b>    | <b>334</b>    | <b>25%</b> | <b>-19%</b> |
| Operating Budget                                  | 68           | 68           | 83           | 83           | 509           | 300           | 28%        | 22%         |
| Development Budget                                | 34           | 34           | 0            | 0            | 25            | 3             | 0%         | -100%       |
| <b>Science Academy</b>                            | <b>29</b>    | <b>29</b>    | <b>41</b>    | <b>41</b>    | <b>223</b>    | <b>119</b>    | <b>34%</b> | <b>38%</b>  |
| Operating Budget                                  | 29           | 29           | 41           | 41           | 203           | 118           | 34%        | 38%         |
| Development Budget                                | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>National Olympic Committee</b>                 | <b>21</b>    | <b>21</b>    | <b>14</b>    | <b>14</b>    | <b>574</b>    | <b>149</b>    | <b>9%</b>  | <b>-33%</b> |
| Operating Budget                                  | 21           | 21           | 14           | 14           | 275           | 127           | 11%        | -33%        |
| Development Budget                                | 0            | 0            | 0            | 0            | 39            | 21            | 0%         | -           |
| <b>Cricket Board</b>                              | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>-</b>   | <b>-</b>    |
| Operating Budget                                  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| Development Budget                                | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>Afghanistan football federation</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>-</b>   | <b>-</b>    |
| Operating Budget                                  | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| Development Budget                                | 0            | 0            | 0            | 0            | 0             | 0             | -          | -           |
| <b>Radio and television of Afghanistan</b>        | <b>73</b>    | <b>73</b>    | <b>78</b>    | <b>78</b>    | <b>624</b>    | <b>307</b>    | <b>25%</b> | <b>6%</b>   |
| Operating Budget                                  | 73           | 73           | 78           | 78           | 457           | 290           | 27%        | 6%          |
| Development Budget                                | 0            | 0            | 0            | 0            | 37            | 0             | -          | -           |
| <b>Total Education</b>                            | <b>6,506</b> | <b>6,506</b> | <b>6,238</b> | <b>6,238</b> | <b>59,235</b> | <b>32,882</b> | <b>19%</b> | <b>-4%</b>  |
| Operating Budget                                  | 6,078        | 6,078        | 6,147        | 6,147        | 37,937        | 27,815        | 22%        | 1%          |
| Development Budget                                | 428          | 428          | 90           | 90           | 14,578        | 4,122         | 2%         | -79%        |
| <b>Ministry of Public Health</b>                  | <b>867</b>   | <b>867</b>   | <b>1,016</b> | <b>1,016</b> | <b>21,612</b> | <b>12,626</b> | <b>8%</b>  | <b>17%</b>  |
| Operating Budget                                  | 523          | 523          | 572          | 572          | 3,476         | 2,309         | 25%        | 9%          |
| Development Budget                                | 344          | 344          | 444          | 444          | 14,229        | 8,674         | 5%         | 29%         |
| <b>Total Health</b>                               | <b>867</b>   | <b>867</b>   | <b>1,016</b> | <b>1,016</b> | <b>21,612</b> | <b>12,626</b> | <b>8%</b>  | <b>17%</b>  |
| Operating Budget                                  | 523          | 523          | 572          | 572          | 3,476         | 2,309         | 25%        | 9%          |
| Development Budget                                | 344          | 344          | 444          | 444          | 14,229        | 8,674         | 5%         | 29%         |

Table 18c. Detailed Ministry Expenditure

| (In millions of Afghanis)                               | 1394         |              | 1395         |              | 1395          | 1395          | %<br>Alloc. | %Chan<br>ge |
|---|--------------|--------------|--------------|--------------|---------------|---------------|-------------|-------------|
|   | Q1 YTD       |              | Q1 YTD       |              | Budget        | Allocate<br>d |             |             |
| <b>Ministry of Agriculture</b>                          | <b>774</b>   | <b>774</b>   | <b>835</b>   | <b>835</b>   | <b>9,943</b>  | <b>5,938</b>  | <b>14%</b>  | <b>8%</b>   |
| Operating Budget  | 214          | 214          | 241          | 241          | 1,211         | 927           | 26%         | 13%         |
| Development Budget                                      | 560          | 560          | 593          | 593          | 5,550         | 3,893         | 15%         | 6%          |
| <b>Ministry of Counter Narcotics</b>                    | <b>32</b>    | <b>32</b>    | <b>37</b>    | <b>37</b>    | <b>1,913</b>  | <b>656</b>    | <b>6%</b>   | <b>16%</b>  |
| Operating Budget  | 32           | 32           | 36           | 36           | 197           | 136           | 26%         | 12%         |
| Development Budget                                      | 0            | 0            | 1            | 1            | 1,526         | 499           | 0%          | -           |
| <b>Ministry of Rural Rehabilitation and Development</b> | <b>536</b>   | <b>536</b>   | <b>1,692</b> | <b>1,692</b> | <b>17,027</b> | <b>8,856</b>  | <b>19%</b>  | <b>215%</b> |
| Operating Budget  | 105          | 105          | 98           | 98           | 482           | 324           | 30%         | -7%         |
| Development Budget                                      | 431          | 431          | 1,594        | 1,594        | 12,668        | 7,291         | 22%         | 270%        |
| <b>Afghanistan Independent Land Authority</b>           | <b>34</b>    | <b>34</b>    | <b>45</b>    | <b>45</b>    | <b>532</b>    | <b>225</b>    | <b>20%</b>  | <b>32%</b>  |
| Operating Budget  | 34           | 34           | 41           | 41           | 270           | 155           | 26%         | 19%         |
| Development Budget                                      | 0            | 0            | 5            | 5            | 0             | 0             |             | -           |
| <b>Total Agriculture and Rural Development</b>          | <b>1,376</b> | <b>1,376</b> | <b>2,609</b> | <b>2,609</b> | <b>29,416</b> | <b>15,675</b> | <b>1</b>    | <b>90%</b>  |
| Operating Budget  | 385          | 385          | 415          | 415          | 2,161         | 1,543         | 1           | 8%          |
| Development Budget                                      | 992          | 992          | 2,194        | 2,194        | 19,744        | 11,683        | 0           | 121%        |
| <b>Ministry of Frontiers and Tribal Affairs</b>         | <b>47</b>    | <b>47</b>    | <b>58</b>    | <b>58</b>    | <b>596</b>    | <b>290</b>    | <b>20%</b>  | <b>23%</b>  |
| Operating Budget  | 47           | 47           | 58           | 58           | 462           | 282           | 21%         | 23%         |
| Development Budget                                      | 0            | 0            | 0            | 0            | 0             | 0             | -           | -           |
| <b>Ministry of Martyrs, Disabled and Social Affairs</b> | <b>315</b>   | <b>315</b>   | <b>1,535</b> | <b>1,535</b> | <b>16,768</b> | <b>15,494</b> | <b>10%</b>  | <b>387%</b> |
| Operating Budget  | 301          | 301          | 1,525        | 1,525        | 15,487        | 14,956        | 10%         | 406%        |
| Development Budget                                      | 14           | 14           | 10           | 10           | 949           | 368           | 3%          | -31%        |
| <b>Ministry of Refugees and Repatriates</b>             | <b>40</b>    | <b>40</b>    | <b>42</b>    | <b>42</b>    | <b>524</b>    | <b>193</b>    | <b>22%</b>  | <b>6%</b>   |
| Operating Budget  | 40           | 40           | 42           | 42           | 273           | 167           | 25%         | 7%          |
| Development Budget                                      | 0            | 0            | 0            | 0            | 9             | 0             | -           | -100%       |
| <b>Ministry of Women Affairs</b>                        | <b>33</b>    | <b>33</b>    | <b>35</b>    | <b>35</b>    | <b>231</b>    | <b>143</b>    | <b>24%</b>  | <b>6%</b>   |
| Operating Budget  | 33           | 33           | 35           | 35           | 194           | 121           | 29%         | 6%          |
| Development Budget                                      | 0            | 0            | 0            | 0            | 0             | 0             | -           | -           |
| <b>Office of Disaster Preparedness</b>                  | <b>179</b>   | <b>179</b>   | <b>409</b>   | <b>409</b>   | <b>652</b>    | <b>585</b>    | <b>70%</b>  | <b>129%</b> |
| Operating Budget  | 179          | 179          | 409          | 409          | 625           | 580           | 70%         | 129%        |
| Development Budget                                      | 0            | 0            | 0            | 0            | 22            | 5             | 0%          | -           |
| <b>Directorate of Kochis</b>                            | <b>12</b>    | <b>12</b>    | <b>15</b>    | <b>15</b>    | <b>174</b>    | <b>57</b>     | <b>26%</b>  | <b>21%</b>  |
| Operating Budget  | 10           | 10           | 11           | 11           | 79            | 47            | 24%         | 14%         |
| Development Budget                                      | 2            | 2            | 4            | 4            | 0             | 0             | -           | 50%         |
| <b>Total Social Protection</b>                          | <b>626</b>   | <b>626</b>   | <b>2,093</b> | <b>2,093</b> | <b>18,945</b> | <b>16,762</b> | <b>12%</b>  | <b>234%</b> |
| Operating Budget  | 609          | 609          | 2,080        | 2,080        | 17,120        | 16,153        | 13%         | 241%        |

|  |              |              |              |              |               |              |            |             |
|--|--------------|--------------|--------------|--------------|---------------|--------------|------------|-------------|
| Development Budget   | 17           | 17           | 13           | 13           | 981           | 372          | 4%         | -21%        |
| <b>Ministry of Finance</b>                                       | <b>988</b>   | <b>988</b>   | <b>940</b>   | <b>940</b>   | <b>9,459</b>  | <b>4,857</b> | <b>19%</b> | <b>-5%</b>  |
| Operating Budget   | 706          | 706          | 638          | 638          | 4,210         | 3,540        | 18%        | -10%        |
| Development Budget   | 282          | 282          | 302          | 302          | 3,627         | 973          | 31%        | 7%          |
| <b>Ministry of Commerce</b>                                      | <b>172</b>   | <b>172</b>   | <b>310</b>   | <b>310</b>   | <b>1,772</b>  | <b>836</b>   | <b>37%</b> | <b>81%</b>  |
| Operating Budget   | 65           | 65           | 298          | 298          | 876           | 724          | 41%        | 355%        |
| Development Budget   | 106          | 106          | 12           | 12           | 761           | 76           | 16%        | -89%        |
| <b>Ministry of Economy</b>                                       | <b>78</b>    | <b>78</b>    | <b>70</b>    | <b>70</b>    | <b>570</b>    | <b>222</b>   | <b>32%</b> | <b>-10%</b> |
| Operating Budget   | 38           | 38           | 44           | 44           | 276           | 164          | 27%        | 13%         |
| Development Budget   | 39           | 39           | 26           | 26           | 0             | 0            | -          | -32%        |
| <b>Control and Audit Office</b>                                  | <b>57</b>    | <b>57</b>    | <b>29</b>    | <b>29</b>    | <b>824</b>    | <b>211</b>   | <b>14%</b> | <b>-50%</b> |
| Operating Budget   | 24           | 24           | 25           | 25           | 130           | 86           | 29%        | 4%          |
| Development Budget   | 33           | 33           | 3            | 3            | 637           | 113          | 3%         | -90%        |
| <b>Central Statistics Office</b>                                 | <b>34</b>    | <b>34</b>    | <b>33</b>    | <b>33</b>    | <b>499</b>    | <b>108</b>   | <b>31%</b> | <b>-4%</b>  |
| Operating Budget   | 31           | 31           | 29           | 29           | 165           | 96           | 30%        | -7%         |
| Development Budget   | 4            | 4            | 4            | 4            | 276           | 6            | 67%        | 19%         |
| <b>Afghanistan Investment Support Agency</b>                     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>-</b>   | <b>-</b>    |
| Operating Budget   | 0            | 0            | 0            | 0            | 0             | 0            | -          | -           |
| Development Budget   | 0            | 0            | 0            | 0            | 0             | 0            | -          | -           |
| <b>Micro Finance Investment Support Facility for Afghanistan</b> | <b>257</b>   | <b>257</b>   | <b>89</b>    | <b>89</b>    | <b>1,610</b>  | <b>321</b>   | <b>28%</b> | <b>-65%</b> |
| Operating Budget   | 0            | 0            | 0            | 0            | 0             | 0            | -          | -           |
| Development Budget   | 257          | 257          | 89           | 89           | 1,610         | 321          | 28%        | -65%        |
| <b>Afghanistan National Standard Authority</b>                   | <b>12</b>    | <b>12</b>    | <b>11</b>    | <b>11</b>    | <b>277</b>    | <b>56</b>    | <b>19%</b> | <b>-14%</b> |
| Operating Budget   | 10           | 10           | 11           | 11           | 74            | 49           | 21%        | 11%         |
| Development Budget   | 3            | 3            | 0            | 0            | 0             | 0            | -          | -100%       |
| <b>Total Economic Gov. and Private Sector Devel't</b>            | <b>1,598</b> | <b>1,598</b> | <b>1,481</b> | <b>1,481</b> | <b>15,012</b> | <b>6,611</b> | <b>22%</b> | <b>-7%</b>  |
| Operating Budget   | 874          | 874          | 1,044        | 1,044        | 5,731         | 4,659        | 22%        | 19%         |
| Development Budget   | 724          | 724          | 437          | 437          | 6,911         | 1,490        | 29%        | -40%        |
| <b>Unallocated Reserves</b>                                      | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>-</b>   | <b>-</b>    |
| Operating Budget   | 0            | 0            | 0            | 0            | 0             | 0            | -          | -           |
| Development Budget   | 0            | 0            | 0            | 0            | 0             | 0            | -          | -           |
| <b>Unspecified</b>   | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>-</b>   | <b>-</b>    |
| Operating Budget   | 0            | 0            | 0            | 0            | 0             | 0            | -          | -           |
| Development Budget   | 0            | 0            | 0            | 0            | 0             | 0            | -          | -           |
| <b>Total Unclassified</b>  | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>     | <b>-</b>   | <b>-</b>    |
| Operating Budget   | -            | -            | -            | -            | -             | -            | -          | -           |
| Development Budget   | -            | -            | -            | -            | -             | -            | -          | -           |

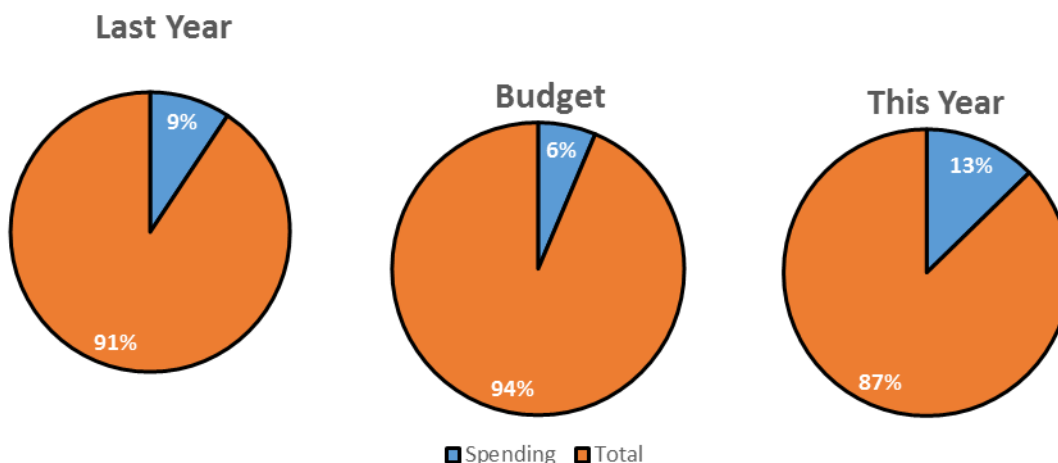
## Social Welfare

**Table 19. Key Poverty Targeting Expenditures**

|  | 1394<br>Q1<br>YTD | 1395<br>Budget | Q1<br>YTD   | %<br>Budget |
|--|-------------------|----------------|-------------|-------------|
| <b>Total Poverty Targeting Expenditure</b>                       | <b>1162</b>       | <b>29842</b>   | <b>1813</b> | <b>6%</b>   |
| <b>Directorate of Kochis</b>                                     | <b>12</b>         | <b>174</b>     | <b>15</b>   | <b>8%</b>   |
| <b>Ministry of Education</b>                                     | <b>5428</b>       | <b>47796</b>   | <b>5223</b> | <b>11%</b>  |
| Technical and Vocational Training                                | 265               | 4248           | 202         | 5%          |
| <b>Ministry of Frontiers and Tribal Affairs</b>                  | <b>47</b>         | <b>596</b>     | <b>58</b>   | <b>10%</b>  |
| <b>Ministry of Urban Development</b>                             | <b>133</b>        | <b>2880</b>    | <b>51</b>   | <b>2%</b>   |
| Housing  | 2                 | 1159           | 2           | 0%          |
| Urban Infrastructure   | 93                | 881            | 7           | 1%          |
| <b>Ministry of Rural Rehabilitation and Development</b>          | <b>536</b>        | <b>17027</b>   | <b>1692</b> | <b>10%</b>  |
| Rural Infrastructure   | 190               | 10355          | 346         | 3%          |
| <b>Ministry of Martyrs, Disabled and Social Affairs</b>          | <b>315</b>        | <b>16768</b>   | <b>1535</b> | <b>9%</b>   |
| Social Support Program   | 80                | 365            | 60          | 16%         |
| Martyrs and Disabled   | 36                | 9803           | 625         | 6%          |
| <b>Office of Disaster Preparedness</b>                           | <b>179</b>        | <b>652</b>     | <b>409</b>  | <b>63%</b>  |
| <b>Micro Finance Investment Support Facility for Afghanistan</b> | <b>257</b>        | <b>1610</b>    | <b>89</b>   | <b>6%</b>   |

Table 19 shows that overall poverty targeting expenditure in the first quarter of 1395 has increased as compared to the same period in 1394. Among all poverty targeting programs budget execution of the Office of Disaster Preparedness, Ministry of Frontiers and Tribal Affairs and Directorate of Kochis, Ministry of Rural Rehabilitation and Development, Ministry of Martyrs, Disabled and Social Affairs has improved as compared to the same period in 1394, while the rest of the expenditures have declined. Social and vocational training, housing, rural and urban infrastructure are the priority areas under ANDS and critical for poverty reduction. Therefore, serious attention should be made to improve execution of the plans in those areas.

**Note:** the above spending does not represent all of the Government's anti-poverty spending, but instead represents the Ministries/programs carrying out anti-poverty activity as the major component of their work.



## Provinces

**Table 20. Revenues by Key Province**

| In millions of Afghanis | 1394 | 1394   | 1395           | 1395  | 1395   | % Target | % Change |
|-------------------------|------|--------|----------------|-------|--------|----------|----------|
|                         | Q1   | Q1 YTD | Est.<br>Target | Q1    | Q1 YTD |          | on 1394  |
| Kabul                   | 636  | 636    | 4366           | 728   | 728    | 17%      | 14%      |
| Nangarhar               | 3002 | 3002   | 20370          | 3579  | 3579   | 18%      | 19%      |
| Balkh                   | 1756 | 1756   | 11911          | 2782  | 2782   | 23%      | 58%      |
| Kandahar                | 1061 | 1061   | 7198           | 1491  | 1491   | 21%      | 41%      |
| Faryab                  | 579  | 579    | 3928           | 414   | 414    | 11%      | -29%     |
| Herat                   | 4005 | 4005   | 27170          | 5039  | 5039   | 19%      | 26%      |
| Nimroz                  | 1679 | 1679   | 11392          | 2916  | 2916   | 26%      | 74%      |
| Central Ministries      | 9364 | 9364   | 63626          | 12278 | 12278  | 19%      | 31%      |

Table 20 presents revenue collection by the provinces. The table shows that Nimroz province by realizing 26% of the target revenue for that period stands the top performer, followed by Balkh and Kandahar in the second and third rank respectively. Almost all provinces listed in the table, except Faryab which has collected 29% less, has collected more revenue as compared to the same quarter in the previous financial year. The reason for the relatively higher revenue collection in Nimroz province could be increased imports of oil through that province which has led to increased customs collection. Revenue collection in Kabul was relatively lesser because of border issues at Torkham.

Security situation at Torkham border deteriorated and due to that revenue collection in Nangarhar and Kabul was lower as compare to the other provinces. Revenue collection in Kandahar province has relatively increased due to improved efficiency at Spen Boldak port.

Detailed information on the revenue collection is provided in the following tables.

**Table 21. Development Expenditure on Provinces**

| In millions of Afghanis | 1394           | 1394           | 1395           | 1395           | % Change  |
|-------------------------|----------------|----------------|----------------|----------------|-----------|
|                         | Q1             | Q1 YTD         | Q1             | Q1 YTD         | on 1394   |
| <b>TOTAL</b>            | <b>8,117.4</b> | <b>8,117.4</b> | <b>8,375.1</b> | <b>8,375.1</b> | <b>3%</b> |
| Badakhshan              | 60             | 60             | 272            | 272            | 351%      |
| Badghis                 | 15             | 15             | 16             | 16             | 5%        |
| Baghlan                 | 603            | 603            | 888            | 888            | 47%       |
| Balkh                   | 360            | 360            | 406            | 406            | 13%       |
| Bamyan                  | 417            | 417            | 38             | 38             | -91%      |
| Central Ministries      | 1,418          | 1,418          | 1,784          | 1,784          | 26%       |
| Dikondy                 | 7              | 7              | 65             | 65             | 802%      |
| Farah                   | 264            | 264            | 27             | 27             | -90%      |
| Faryab                  | 15             | 15             | 71             | 71             | 372%      |
| Ghazni                  | 129            | 129            | 47             | 47             | -63%      |
| Ghor                    | 119            | 119            | 72             | 72             | -39%      |
| Helmand                 | 325            | 325            | 127            | 127            | -61%      |
| Herat                   | 139            | 139            | 242            | 242            | 74%       |
| Jawzjan                 | 17             | 17             | 59             | 59             | 244%      |
| Kabul                   | 1,929          | 1,929          | 1,976          | 1,976          | 2%        |
| Kandahar                | 359            | 359            | 178            | 178            | -50%      |
| Kapisa                  | 85             | 85             | 97             | 97             | 14%       |
| Khost                   | 31             | 31             | 65             | 65             | 110%      |
| Kunar                   | 64             | 64             | 48             | 48             | -26%      |
| Kunduz                  | 285            | 285            | 64             | 64             | -78%      |
| Laghman                 | 6              | 6              | 34             | 34             | 421%      |
| Logar                   | 54             | 54             | 38             | 38             | -30%      |
| Nangarhar               | 133            | 133            | 416            | 416            | 212%      |
| Nimroz                  | 391            | 391            | 59             | 59             | -85%      |
| Nuristan                | 93             | 93             | 37             | 37             | -60%      |
| Offshore Payments       | 75             | 75             | 29             | 29             | -61%      |
| Paktika                 | 123            | 123            | 139            | 139            | 13%       |
| Paktiya                 | 31             | 31             | 73             | 73             | 132%      |
| Pangsher                | 68             | 68             | 107            | 107            | 58%       |
| Parwan                  | 68             | 68             | 208            | 208            | 208%      |
| Samangan                | 152            | 152            | 298            | 298            | 96%       |
| Saripul                 | 14             | 14             | 46             | 46             | 231%      |
| Takhar                  | 77             | 77             | 239            | 239            | 211%      |
| Uruzgan                 | 22             | 22             | 75             | 75             | 242%      |
| Wardak                  | 138            | 138            | 16             | 16             | -89%      |
| Zabul                   | 30             | 30             | 21             | 21             | -30%      |

**Table 22. Revenue from All Provinces**

| In millions of Afghanis     | 1394            | 1394            | 1395             | 1395            | 1395            | % Target   | % Change   |
|-----------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------|------------|
|                             | Q1              | Q1 YTD          | Est. Target      | Q1              | Q1 YTD          |            | on 1394    |
| <b>REVENUES exc. grants</b> | <b>24,329.0</b> | <b>24,329.0</b> | <b>165,068.6</b> | <b>32,243.3</b> | <b>32,243.3</b> | <b>20%</b> | <b>33%</b> |
| Badakhshan                  | 63              | 63              | 426              | 79              | 79              | 19%        | 27%        |
| Badghis                     | 15              | 15              | 102              | 20              | 20              | 19%        | 31%        |
| Baghlan                     | 74              | 74              | 505              | 76              | 76              | 15%        | 2%         |
| Balkh                       | 1,756           | 1,756           | 11,911           | 2,782           | 2,782           | 23%        | 58%        |
| Bamyan                      | 23              | 23              | 159              | 31              | 31              | 20%        | 34%        |
| Central Ministries          | 9,378           | 9,378           | 63,626           | 12,293          | 12,293          | 19%        | 31%        |
| Dikondy                     | 15              | 15              | 102              | 20              | 20              | 20%        | 34%        |
| Farah                       | 575             | 575             | 3,898            | 1,218           | 1,218           | 31%        | 112%       |
| Faryab                      | 579             | 579             | 3,928            | 414             | 414             | 11%        | -29%       |
| Ghazni                      | 90              | 90              | 609              | 102             | 102             | 17%        | 13%        |
| Ghor                        | 23              | 23              | 159              | 32              | 32              | 20%        | 37%        |
| Helmand                     | 95              | 95              | 646              | 153             | 153             | 24%        | 61%        |
| Herat                       | 4,005           | 4,005           | 27,170           | 5,039           | 5,039           | 19%        | 26%        |
| Jawzjan                     | 65              | 65              | 439              | 72              | 72              | 16%        | 11%        |
| Kabul                       | 643             | 643             | 4,366            | 728             | 728             | 17%        | 13%        |
| Kandahar                    | 1,061           | 1,061           | 7,198            | 1,491           | 1,491           | 21%        | 41%        |
| Kapisa                      | 33              | 33              | 221              | 39              | 39              | 18%        | 21%        |
| Khost                       | 137             | 137             | 927              | 173             | 173             | 19%        | 26%        |
| Kunar                       | 46              | 46              | 312              | 52              | 52              | 17%        | 13%        |
| Kunduz                      | 137             | 137             | 933              | 185             | 185             | 20%        | 34%        |
| Laghman                     | 47              | 47              | 318              | 51              | 51              | 16%        | 9%         |
| Logar                       | 41              | 41              | 279              | 26              | 26              | 9%         | -37%       |
| Nangarhar                   | 3,002           | 3,002           | 20,370           | 3,579           | 3,579           | 18%        | 19%        |
| Nimroz                      | 1,679           | 1,679           | 11,392           | 2,916           | 2,916           | 26%        | 74%        |
| Nuristan                    | 3               | 3               | 20               | 4               | 4               | 18%        | 20%        |
| Offshore Payments           | 0               | 0               | 0                | 0               | 0               | -          | -          |
| Paktika                     | 100             | 100             | 680              | 68              | 68              | 10%        | -32%       |
| Paktiya                     | 306             | 306             | 2,078            | 286             | 286             | 14%        | -7%        |
| Pangsher                    | 40              | 40              | 270              | 23              | 23              | 9%         | -42%       |
| Parwan                      | 56              | 56              | 380              | 66              | 66              | 17%        | 18%        |
| Samangan                    | 32              | 32              | 218              | 36              | 36              | 16%        | 10%        |
| Saripul                     | 29              | 29              | 197              | 33              | 33              | 17%        | 14%        |
| Takhar                      | 96              | 96              | 650              | 76              | 76              | 12%        | -21%       |
| Uruzgan                     | 24              | 24              | 164              | 6               | 6               | 4%         | -76%       |
| Wardak                      | 46              | 46              | 312              | 55              | 55              | 18%        | 19%        |
| Zabul                       | 15              | 15              | 102              | 21              | 21              | 20%        | 38%        |

## Debt

Debt financing forms very small portion of the government financing. Table 23 shows that change in debt stock from end of the last quarter of 1394 to the end of the first quarter of 1395 has changed very minimal. However, it can be seen in the table that debt stock has increased by an average of 4% over the same period in 1394.

Majority of debt financing by the Afghanistan government is sourced from the international organizations such as the IMF, the World Bank, Islamic Development Bank and ADB. Among countries, debt from the Russian Federation is the largest amount of debt.

**Table 23. Government Debt Stock**

|                                      | 1394           | 1394           | 1395           | % Change |      |
|--------------------------------------|----------------|----------------|----------------|----------|------|
| In Million Afs                       | Q1             | Q4             | Q1             | YoY      | QoQ  |
| <b>EXTERNAL</b>                      | <b>129,469</b> | <b>133,352</b> | <b>139,629</b> | 8%       | 4.7% |
| <b>International Organizations</b>   | <b>71,654</b>  | <b>74,545</b>  | <b>77,757</b>  | 9%       | 4.3% |
| IMF                                  | 6,472          | 6,112          | 6,384          | -1%      | 4.5% |
| World Bank                           | 23,437         | 23,176         | 24,153         | 3%       | 4.2% |
| Islamic Development Bank             | 2,458          | 3,107          | 3,252          | 32%      | 4.7% |
| Asian Development Bank               | 39,185         | 42,043         | 43,855         | 12%      | 4.3% |
| Others                               | 102            | 108            | 114            | 11%      | 5.1% |
| <b>Foreign Governments</b>           | <b>57,815</b>  | <b>58,806</b>  | <b>61,871</b>  | 7%       | 5.2% |
| Russian Federation                   | 53,901         | 54,556         | 57,363         | 6%       | 5.1% |
| Saudi Fund                           | 2,587          | 2,947          | 3,078          | 19%      | 4.5% |
| Others                               | 1,328          | 1,304          | 1,430          | 8%       | 9.7% |
| <b>DOMESTIC</b>                      | <b>161,525</b> | <b>165,433</b> | <b>171,766</b> | 6%       | 3.8% |
| <b>Bonds (Non-Tradable)</b>          | <b>30,996</b>  | <b>30,996</b>  | <b>30,996</b>  | 0%       | 0.0% |
| <b>Commercial Banks</b>              | <b>130,529</b> | <b>134,437</b> | <b>140,769</b> | 8%       | 4.7% |
| <b>TOTAL CENTRAL GOVERNMENT DEBT</b> | <b>290,995</b> | <b>298,785</b> | <b>311,394</b> | 7%       | 4.2% |

*In Percent*

Portion Short Term Debt <sup>1</sup>  
 Implied Maturity of Debt (Years)  
 Implied Interest Rate of Debt

1/ Less than one year

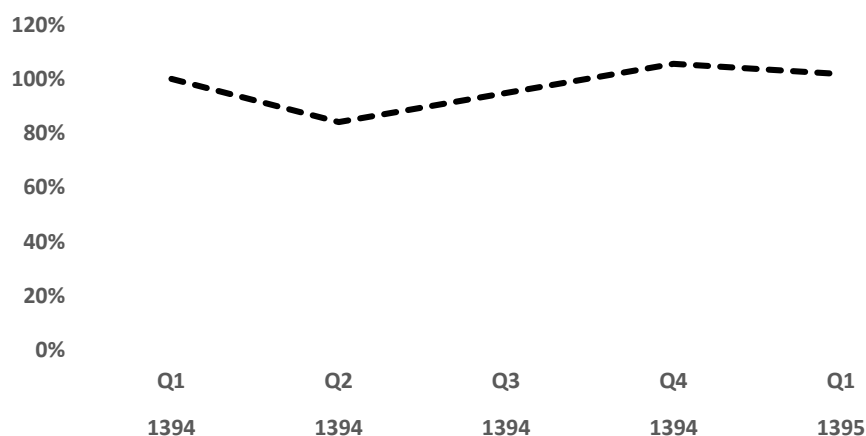
## Fiscal Sustainability

**Table 24. Fiscal Sustainability**

|                            | 1394<br>Q1 | 1394<br>Q2 | 1394<br>Q3 | 1394<br>Q4 | 1395<br>Q1 |
|----------------------------|------------|------------|------------|------------|------------|
| Domestic Revenue/Total     | 39%        | 44%        | 54%        | 63%        | 50%        |
| Customs Revenue/Total      | 11%        | 12%        | 15%        | 12%        | 12%        |
| Grants/Total               | 61%        | 56%        | 46%        | 37%        | 50%        |
| Op. Spending/Dom. Rev.     | 152%       | 204%       | 231%       | 182%       | 129%       |
| Salaries/Total Expenditure | 69%        | 45%        | 50%        | 39%        | 66%        |
| Interest/Expenditure       | 0.3%       | 0.6%       | 0.2%       | 0.4%       | 0.5%       |
| Financing/Expenditure      | 58.3%      | -6.8%      | -21.2%     | -16.8%     | 49.2%      |

Fiscal sustainability indicators show a mixed picture, as shown in the table depict that it improved in some areas and worsened slightly in other areas. Compared to last year salaries make up a larger portion of total expenditures reflecting increase in bonuses and overtime payments. The financing gap the first quarter of 1395 is 49.2% which shows an excess of financing over expenditure, which is common in the first quarter of the year. Operating spending to domestic revenue ratio has declined as compared to the same quarter in the previous year as well as compared to the last quarter of 1394. Improvement in the financing gap is important for fiscal sustainability and improvement towards meeting the IP benchmark.

### Sustainability Indicator



The overall indicator duplicates this mix picture. The indicator index has improved as compared to the same period last year, but was very stable. In general, we expect some cyclical movement through the year as we tend to spend very little in the first quarter and see a spike in revenues in the last quarter. A fall in the indicator suggests a worsening of sustainability, and increase suggests and improvement.

A fall in the indicator suggests a worsening of sustainability, and increase suggests and improvement.

## Fiscal Balance

### 25. Summary Transactions Affecting Net Worth

| In millions of Afghanis                                 | 1394<br>Q1     | 1394<br>Q1 YTD | 1395<br>Q1     | 1395<br>Q1 YTD | % Change<br>on 1394 |
|---|----------------|----------------|----------------|----------------|---------------------|
| <b>TRANSACTIONS AFFECTING NET WORTH</b>                 |                |                |                |                |                     |
| Revenues including Grants                               | 71,258         | 71,258         | 74,416         | 74,416         | 4%                  |
| Expenditures (Recurrent)                                | 39,841         | 39,841         | 44,582         | 44,582         | 12%                 |
| Interest  | 104            | 104            | 134            | 134            | 29%                 |
| <b>Net Operating Balance</b>                            | <b>31,417</b>  | <b>31,417</b>  | <b>29,834</b>  | <b>29,834</b>  | -5%                 |
| <b>Primary Operating Balance</b>                        | <b>31,521</b>  | <b>31,521</b>  | <b>29,968</b>  | <b>29,968</b>  | -5%                 |
| <b>TRANSACTIONS IN NONFINANCIAL ASSETS</b>              |                |                |                |                |                     |
| Net Acquisition of Nonfinancial Assets                  | 5,227          | 5,227          | 5,179          | 5,179          | -1%                 |
| <b>Net Lending-Borrowing</b>                            | <b>26,190</b>  | <b>26,190</b>  | <b>24,654</b>  | <b>24,654</b>  | -6%                 |
| <b>Financing</b>  | <b>-26,190</b> | <b>-26,190</b> | <b>-24,654</b> | <b>-24,654</b> | -6%                 |
| <b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b> |                |                |                |                |                     |
| Net Acquisition of Financial Assets                     | -25,978        | -25,978        | -24,072        | -24,072        | -7%                 |
| Net Acquisition of Financial Liabilities                | -212           | -212           | -582           | -582           | 175%                |
| <b>RETAINED EARNINGS</b>                                |                |                |                |                |                     |
| <b>Discrepancies</b>                                    | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |                     |

Table 25 shows that government financing consisted of domestic grants, domestic revenue, borrowing and sale of assets. Revenue including grants increased by 4% as compared to the same quarter in 1394. In the first quarter the net and primary balance showed a deficit of 5%. Table 26 shows transaction in non-financial sectors. The large portion of expenditures on capital was on the purchase of buildings. Acquisition of machinery has increased by 11% as compared the same period in 1394.

Table 26. Transactions in Non-Financial Assets

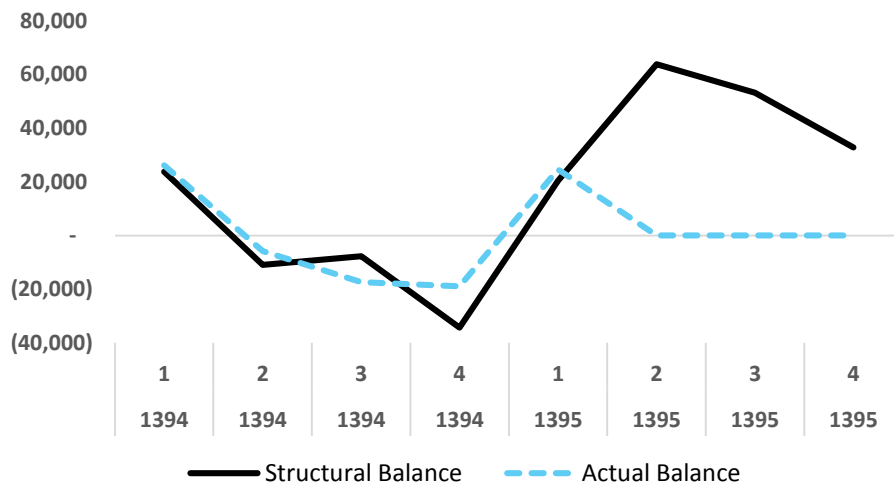
| In millions of Afghanis                       | 1394<br>Q1   | 1394<br>Q1 YTD | 1395<br>Q1   | 1395<br>Q1 YTD | % Change<br>on 1394 |
|---|--------------|----------------|--------------|----------------|---------------------|
| <b>NET ACQUISITION OF NONFINANCIAL ASSETS</b> | <b>5,227</b> | <b>5,227</b>   | <b>5,179</b> | <b>5,179</b>   | <b>-1%</b>          |
| Land and Buildings                            | 3,433        | 3,433          | 2,815        | 2,815          | -18%                |
| Purchase of Land and Buildings                | 3,443        | 3,443          | 2,818        | 2,818          | -18%                |
| Buildings and Structures                      | 3,443        | 3,443          | 2,541        | 2,541          | -26%                |
| Land  | 0            | 0              | 277          | 277            | -                   |
| Sale of Land and Buildings                    | -10          | -10            | -3           | -3             | -69%                |
| Sale of State-Owned Enterprises               | 0            | 0              | 0            | 0              | -                   |
| Machinery and Equipment (>50,000)             | 1,655        | 1,655          | 1,838        | 1,838          | 11%                 |
| Valuables                                     | 0            | 0              | 0            | 0              | -                   |
| Other Acquisitions                            | 139          | 139            | 526          | 526            | 279%                |
| Capital Advance Payments                      | 139          | 139            | 526          | 526            | 279%                |

## 27. Transactions in Financial Assets and Liabilities

| In millions of Afghanis                                 | 1394           | 1394           | 1395           | 1395           | % Change  |
|---|----------------|----------------|----------------|----------------|-----------|
|   | Q1             | Q1 YTD         | Q1             | Q1 YTD         | on 1394   |
| <b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b> | <b>-26,190</b> | <b>-26,190</b> | <b>-24,654</b> | <b>-24,654</b> | -6%       |
| <b>TOTAL FINANCING</b>                                  |                |                |                | -              |           |
| <b>Net Acquisition of Financial Assets</b>              | <b>-25,978</b> | <b>-25,978</b> | <b>-24,072</b> | <b>-24,072</b> | -7%       |
| <b>Domestic</b>   | <b>-25,978</b> | <b>-25,978</b> | <b>-24,072</b> | <b>-24,072</b> | -7%       |
| Currency and Deposits                                   | -19,221        | -19,221        | -21,678        | -21,678        | 13%       |
| Treasury Single Account                                 | -14,034        | -14,034        | -16,029        | -16,029        | 14%       |
| Provincial Revenue Accounts                             | -53            | -53            | -9             | -9             | -83%      |
| Donor Accounts  | -5,134         | -5,134         | -5,643         | -5,643         | 10%       |
| Other Deposit Accounts                                  | 0              | 0              | 3              | 3              | -         |
| Loans   | 7              | 7              | 11             | 11             | 71%       |
| Loans   | 1              | 1              | 1              | 1              | 52%       |
| Advances  | 6              | 6              | 10             | 10             | 74%       |
| Other Accounts Receivable                               | 0              | 0              | 178            | 178            | -3550474% |
| Clearing Accounts                                       | 0              | 0              | 1              | 1              | -29861%   |
| Other Current Assets                                    | 0              | 0              | 176            | 176            | -         |
| Other Assets  | -6,764         | -6,764         | -2,583         | -2,583         | -62%      |
| Provincial Expenditure Accounts                         | -6,764         | -6,764         | -2,583         | -2,583         | -62%      |
| Other   | 0              | 0              | 0              | 0              | -100%     |
| <b>Foreign</b>  |                |                |                | -              |           |
|   |                |                |                | -              |           |
| <b>Net Acquisition of Financial Liabilities</b>         | <b>-212</b>    | <b>-212</b>    | <b>-582</b>    | <b>-582</b>    | 175%      |
| <b>Domestic</b>   | <b>-341</b>    | <b>-341</b>    | <b>-474</b>    | <b>-474</b>    | 39%       |
| Accounts Payable  | 2,228          | 2,228          | 1,904          | 1,904          | -15%      |
| Accounts Payable - Suppliers                            | 2,237          | 2,237          | 1,899          | 1,899          | -15%      |
| Accounts Payable - Other                                | -9             | -9             | 5              | 5              | -154%     |
| Pension Liabilities                                     | 8              | 8              | 9              | 9              | 10%       |
| Other Payables  | 0              | 0              | 0              | 0              | -         |
| Other Liabilities                                       | -2,578         | -2,578         | -2,386         | -2,386         | -7%       |
| <b>Foreign</b>  | <b>129</b>     | <b>129</b>     | <b>-108</b>    | <b>-108</b>    | -184%     |
| Foreign Currency  | 0              | 0              | 0              | 0              | -         |
| Loans   | 135            | 135            | -126           | -126           | -194%     |
| Currency Gain/Loss                                      | -5             | -5             | 18             | 18             | -440%     |

Table 27 shows that the deposit in TSA has increased by 14% as compared to the same period in 1394, while for the same period the deposit by the donors has reduced by 10%. Overall net acquisition of financial liabilities shows 175% increase as compared to the same period in FY 1394. The increase in the account payable is due to increase in pensions of the public employees.

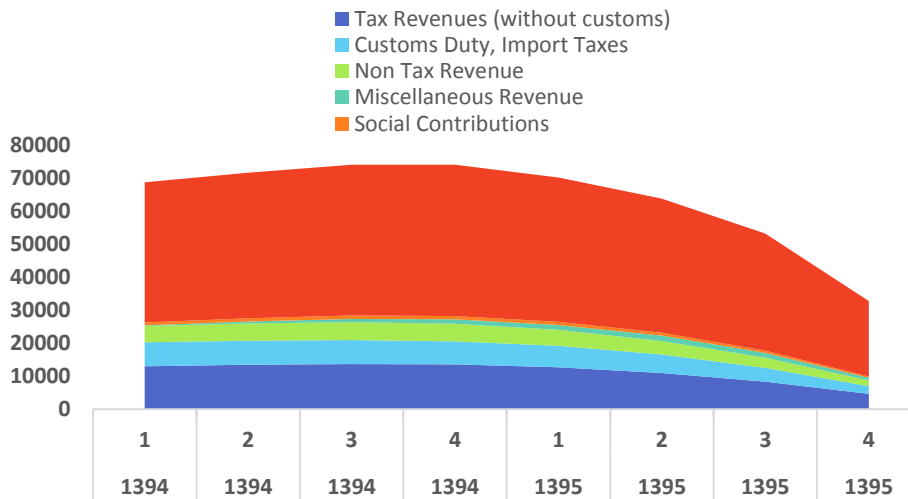
## Structural Balance



A structural balance (in our case deficit) is one which exists regardless to an underlying imbalance in government revenues and expenditures. For Afghanistan, we can see from the graph that the structural balance is in tandem with that of the actual balance, which means the fiscal deficit is structural in nature and not cyclical.

Major portion of the structural imbalance in Afghanistan is financed by foreign grants. However, this trend has fallen since the first quarter of 1394 reaching to minimum in last quarter of 1394. The decline in grants has been compensated by increase in domestic revenue, particularly tax revenue. In the first quarter the balance has improved significantly.

## Structural Components of Revenue



*Quarterly Fiscal Report, 1<sup>st</sup> Quarter, 1395*

|                                |  |
|--------------------------------|--|
| <i>Editor-in-Chief</i>         | Khalid Payenda, Director General MFPD, Ministry of Finance   |
| <i>Coordinating Department</i> | Macro Fiscal Performance General Directorate, Ministry of Finance  |
| <i>Contact Person</i>          | Ahmad Shah Mobariz, Macro Fiscal Performance General Directorate (MFPD)<br>Email: <a href="mailto:ahmadshah.mobariz@mof.gov.af">ahmadshah.mobariz@mof.gov.af</a> |

*Co-authors*

|                            |  |
|----------------------------|--|
| <i>Hafizullah Momandi</i>  | Senior Economist – Macro Forecasting   |
| <i>Shams-Ul-Haq Noor</i>   | Senior Economist – Expenditure Policy  |
| <i>Ahmad Shah Mubariz</i>  | Senior Economist – Fiscal Reporting    |
| <i>Abdul Rahman Rahimi</i> | Senior Economist- Macroeconomic Policy |
| <i>Haseenulah Ahmadzai</i> | Sub-Directorate, Revenue and Tax       |
| <i>Shah Zaman Farahi</i>   | Economist- Macroeconomic Forecasting   |
| <i>Lutfullah Lutf</i>      | Fiscal Policy Analyst                  |
| <i>Tamim Karimi</i>        | Fiscal Policy Analyst                  |
| <i>Waseem Usman</i>        | Fiscal Policy Analyst                  |