

# QUARTERLY MACRO-FISCAL REPORT

Macro-Fiscal Performance Directorate General (MFPD)

Ministry of Finance



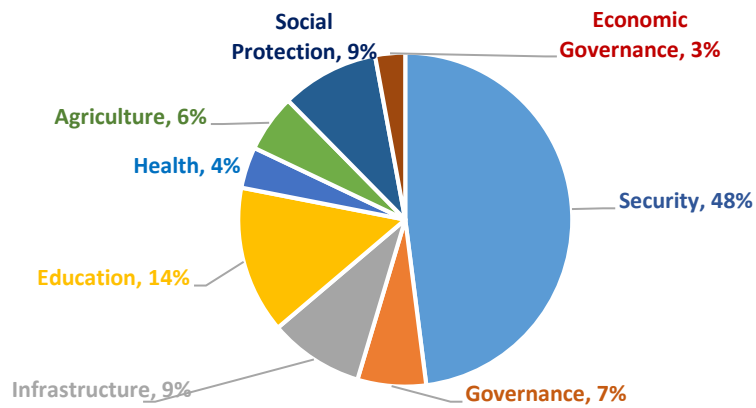
**Ministry of Finance**  
Islamic Republic of Afghanistan

Quarter 2, 1396

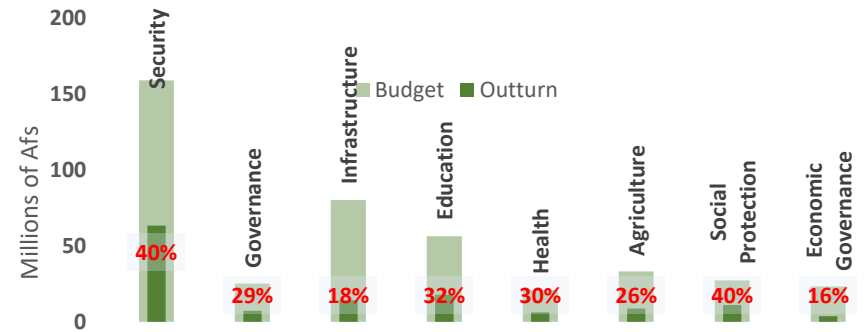
# Contents

Summary .....	2
Macro-Economic Overview .....	3
Revenue Collection .....	5
Revenues by Agencies.....	7
Revenues by Key Province .....	8
Grants.....	10
Expenditure.....	10
Operating and Development Expenditure.....	12
Expenditure by Policy Area .....	15
COFOG Expenditure .....	16
Expenditure Summary by Input .....	18
Debt.....	20
Fiscal Sustainability .....	21
Fiscal Balance .....	22
Transactions in Financial Assets and Liabilities.....	24
Annexure .....	27

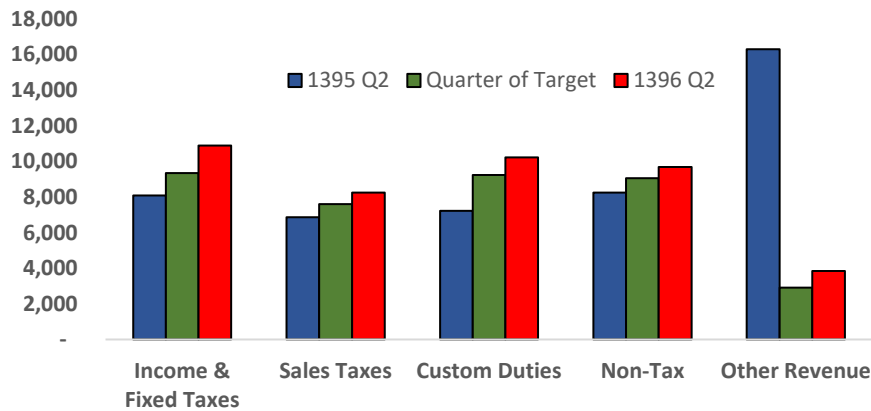
ANDS Expenditures



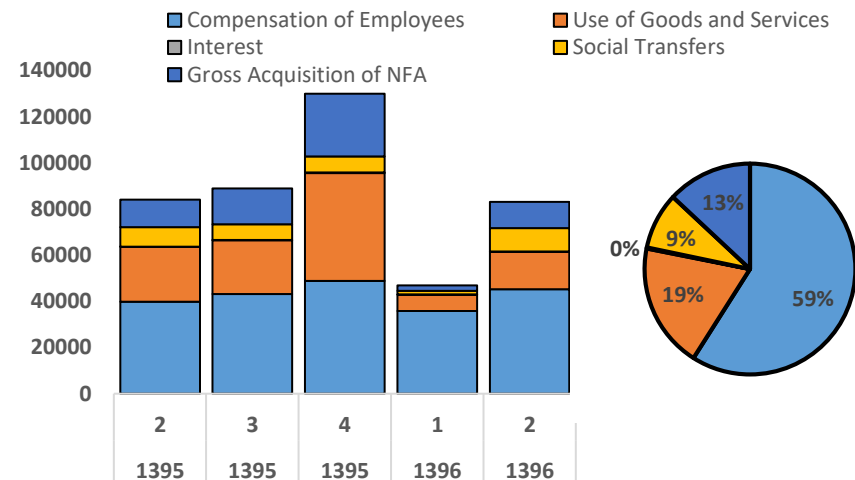
Budget Execution Rate



Revenue Summary



Expenditure Summary by Inputs



## Summary

Total revenue collection (including grants) till the end of the second quarter (YTD) of 1396 was Afs 141 billion, of which Afs 76.7 billion came from domestic revenue. The high portion of revenue was collected from the tax revenue as 47.7 percent, following non-tax revenue with 23.6 percent, and custom duties with 22.9 percent. In 1396, domestic revenue collection (excluding grants) till the end of second quarter was 3 percent less than the same period in 1395. Similarly, including grants, revenue collection has fallen by 24 percent as a result of reduction in grants. Total expenditure till the end of the second quarter amounted to Afs 119.3 billion, which constitutes 28 percent of the total adjusted budget for the year 1396. 67.8 percent of the total expenditure was spent on wages and salaries and 21.9 percent was spent on goods and services. Overall operating balance, which shows the difference between resources and spending, was positive in this period. Total operating budget for the year 1396 is Afs 268.4 billion, and until the end of the second quarter, the budget was adjusted by a subtraction of 15 percent on the original budget. In the adjusted budget there is a little increase in the use of goods and services, interest, and gross acquisition of NFA.

The second section, Table 2, shows adjustment in total budget for all the sectors. Total budget for most of the sectors increased by 7 percent during the year. Among the sectors, Economic Governance increased with 165 percent and health increased with 45 percent over the original budget, while only infrastructure sector decreased with 11 percent respectively. The remainder of the outturn examines the expenditures against the adjusted budget, to show the performance against the final spending plan.

**Table 1. GFS Summary**

	1395	1395	1396	1396	1396
	Q2	Q2 YTD	Budget	Q2	Q2 YTD
<b>Revenue</b>	111,756	186,171	152,576	71,998	141,017
Tax Revenue	23648	46742	110752	30419	54291
Non-Tax Revenue	21819	30109	37054	11122	20240
Grants	65048	107221	0	29130	64219
Social Contributions	1241	2100	4770	1328	2266
<b>Expenditure</b>	72186	116768	319740	74801	119379
Wages and Salaries	39843	72577	181297	45204	81000
Goods and Services	23753	33350	110644	19127	26257
Interest	58	192	1831	117	219
Grants and Transfers	8531	10650	25968	10353	11903

<b>Overall Operating Balance</b>	39570	69403	-167164	-2803	21638
<b>Primary Operating Balance</b>	39628	69595	-165333	-2686	21857
<b>Gross Acquisition of Fixed Assets</b>	11837	17020	107684	15525	17899
<b>Net Acquisition of Fixed Assets</b>	10749	15928	107684	15497	17865
<b>Overall Balance</b>	28821	53475	-274848	-18300	3773
<b>Primary Balance</b>	28879	53667	-273017	-18184	3992
<b>Gross Acquisition of Financial Assets</b>	-28821	-53475	274848	18300	-3773

\* 1. Q stands for quarter 2. YTD stands for Year to Date

**Table 2. Adjustments in the Budget**

<b>Operating Only</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Change %</b>
<b>TOTAL GROSS EXPENDITURES</b>	<b>236807.7</b>	<b>273407.2</b>	15%
<b>RECURRENT EXPENDITURES</b>	<b>229459.4</b>	<b>265047.4</b>	16%
Compensation of Employees	173250.1	181297.1	5%
Use of Goods and Services	36917.3	57100.7	55%
Interest	1094.5	1830.8	67%
Social Transfers	18197.5	24818.8	36%
<b>ACQUISITION OF ASSETS</b>			
<b>Gross Acquisition of NFA</b>	7348.3	10190.5	39%
<b>Operating and Development</b>			
Security	147676.3	159241.4	8%
Governance	21861.3	25299.0	16%
Infrastructure	90019.5	80171.3	-11%
Education	56325.8	56362.4	0%
Health	14406.6	20940.4	45%
Agriculture	30494.0	33274.0	9%
Social Protection	26419.9	27371.6	4%

Economic Governance	8799.0	23333.2	165%
Unclassified	3341.4	0.0	-100%
<b>TOTAL</b>	<b>399343.7</b>	<b>425993.4</b>	<b>7%</b>

## Macro-Economic Overview

### Summary

In 1395 the economy recovered slowly from its downturn and lower performances during 1394, and this satisfactory performance continued during the first and second quarter of 1396. 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 due to insecurity has been quite slow, the Government has started actual work on some major projects such as TAPI, launch of third phase of Kamal Khan dam, take-off of first Chinese cargo to Afghanistan, inauguration of India-Afghanistan air corridor, and other confidence building measures which will positively affect the growth. Inflation has increased by 1 percent during the second quarter as a result of increase in food prices. While exchange rate, continued to fall during the second quarter of 1396, and it is stabilized now to Afs 68.6/USD and this trend of depreciation is expected to continue until the end of the year. Depreciation against the dollar has been seen among multiple countries because of the strong US dollar. There have been revisions to the macroeconomic indicators to consider 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, to encourage and promote domestic investment.

The overall prices index rose by 1 percent between end of second quarter (112.5) and end first quarter (111.5) of 1396. The increase in the prices is mainly due to increases in the prices of food items. The huge increase in the price of food items are driven by increase in the prices of fresh and dried fruits, vegetables, spices and meat while the prices of non-food items remained almost the same as the previous quarter. For the third quarter of 1396, it is estimated that there will be a slight decline in CPI rate as a result of decrease in the prices of fruits and vegetables. The outlook for the consumer price index over the medium term is expected to remain stable between 5.0 to 8.0 percent; reflecting fundamental price pressures in the economy. The price of commodities may slightly

**Table 3. Inflation**

	1395 Q4	1396 Q1	1396 Q2
CPI	108.9	111.5	112.5
CPI Rate	5.6%	7.3%	7.6%

rise, and increases in the BRT and tariff for several imported items may affect the inflation in the immediate future.

**Table 4. Economic Growth**

	<b>Previous Year (1395)</b>	<b>Budget Forecast (1396)</b>	<b>Current Forecast (1396)</b>
GDP Growth	2.1%	3.8%	2.6%
Inflation	4.5%	5.6%	6.2%
Deflator	7.0%	10.0%	10.6%
NGDP Level (billion Afs)	1,237.99	1,337.64	1,447.70
Imports Growth	-15.4%	NA	NA

For 1396 GDP growth is estimated to reach 2.6 percent, 0.5 percent higher than 1395. This is driven by an improvement in the agriculture sector. Growth in agriculture is expected to have some increased contribution in the medium term, with a movement towards greater irrigated farming, building dams and a momentum in fruits harvest. 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. Import is expected to decrease after a large fall in 1395 due to border closure and political problems with Pakistan.

## Revenue Collection

Total revenue collection excluding grants till the second quarter of 1396 amounted to Afs 76.7 billion. This accounts for 50.3 percent of the total revenue target. The revenue collection in second quarter decreased by 3 percent compared with the same quarter last year. The main reason for the decrease are low collection of fixed tax, sales tax, and property tax. Significant portion of revenue collection was from tax revenue which was Afs 36.6 billion, followed by non-tax revenue and custom duty which were Afs 18.1 billion and Afs 17.6 billion respectively. In the second quarter of 1396, performance of tax revenue and custom duty are very good compared to the same quarter of the last year. The main reason for the increases on the tax revenues and custom duty are due to improved tax administration system and better collection in tax compenence.

**Table 5. Revenue Summary**

In millions of Afghanis	<b>1395</b>	<b>1395</b>	<b>1396</b>	<b>1396</b>	<b>1396</b>	<b>% Target</b>	<b>% Change</b>
	Q2	Q2 YTD	Budget	Q2	Q2 YTD		on 1395
<b>Revenues Including Grants</b>	<b>111,756</b>	<b>186,171</b>	<b>152,576</b>	<b>71,998</b>	<b>141,017</b>	<b>92%</b>	<b>-24%</b>
<b>Revenues Excluding Grants</b>	<b>46,707</b>	<b>78,951</b>	<b>152,576</b>	<b>42,868</b>	<b>76,798</b>	<b>50%</b>	<b>-3%</b>
<b>Revenue (without customs)</b>	<b>39,490</b>	<b>63,969</b>	<b>115,673</b>	<b>32,647</b>	<b>59,147</b>	<b>51%</b>	<b>-8%</b>

<b>Tax Revenues (without customs)</b>	<b>16,431</b>	<b>31,760</b>	<b>73,849</b>	<b>20,198</b>	<b>36,640</b>	<b>50%</b>	<b>15%</b>
Fixed Taxes	2,449	5,077	12,082	3,432	6,000	50%	18%
Income Taxes	5,638	10,609	25,311	7,458	13,903	55%	31%
Property Taxes	90	221	448	125	234	52%	6%
Sales Taxes	6,863	13,635	30,414	8,238	15,146	50%	11%
Other Taxes	1,391	2,218	5,594	-	-	0%	-100%
<b>Customs Duty, Import Taxes</b>	<b>7,217</b>	<b>14,981</b>	<b>36,903</b>	<b>10,221</b>	<b>17,651</b>	<b>48%</b>	<b>18%</b>
<b>Non Tax Revenue</b>	<b>8,250</b>	<b>16,280</b>	<b>36,230</b>	<b>9,681</b>	<b>18,138</b>	<b>50%</b>	<b>11%</b>
Income from Capital Property	352	684	1,924	456	874	45%	28%
Sales of Goods and Services	1,562	2,991	6,040	2,027	3,958	66%	32%
Administrative Fees	5,928	11,836	25,675	6,851	12,370	48%	5%
Royalties	52	102	282	104	189	67%	86%
Non Tax Fines and Penalties	307	562	1,181	169	304	26%	-46%
Extractive Industry	49	107	1,128	74	442	39%	315%
<b>Miscellaneous Revenue</b>	<b>13,569</b>	<b>13,829</b>	<b>824</b>	<b>1,441</b>	<b>2,103</b>	<b>255%</b>	<b>-85%</b>
<b>Social Contributions</b>	<b>1,241</b>	<b>2,100</b>	<b>4,770</b>	<b>1,328</b>	<b>2,266</b>	<b>48%</b>	<b>8%</b>
<b>Grants</b>	<b>65,048</b>	<b>107,221</b>	<b>-</b>	<b>29,130</b>	<b>64,219</b>	<b>-</b>	<b>-40%</b>
<b>Foreign Governments</b>	<b>51,070</b>	<b>83,076</b>	<b>-</b>	<b>18,424</b>	<b>46,143</b>	<b>-</b>	<b>-44%</b>
<b>International Organisation</b>	<b>13,979</b>	<b>24,145</b>	<b>-</b>	<b>10,706</b>	<b>18,077</b>	<b>-</b>	<b>-25%</b>
<b>Other Government Units</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Revenues by Agencies

Table 6 shows the revenue collection by agencies. 77.3 percent of the revenue was collected by the Ministry of Finance and the remaining revenue (22.6%) was collected by other agencies. 58.5 percent revenue collection of the Ministry of Finance was collected through the Customs departments, and followed by the Large taxpayer office with 18.3 percent. Ministry of Communication, Ministry of Transport, Ministry of Interior Affairs and Ministry of Foreign Affairs collect mainly non-tax revenue like the telecom and stamp fees.

**Table 6. Revenues by Agencies**

In millions of Afghanis	1395	1395	1396	1396	% Change on 1395
	Q2	Q2 YTD	Q2	Q2 YTD	
<b>Ministry of Finance</b>	<b>38492</b>	<b>63200</b>	<b>33262</b>	<b>59378</b>	-14%
Mustofiats	1523	1785	1502	2844	-1%
Customs	14486	30564	19929	34737	38%
Large Taxpayer Office	4672	8446	5882	10879	26%
Medium Taxpayer Office	3573	6340	4292	7787	20%
Small Taxpayer Office	1265	2702	831	1729	-34%
Other Ministry of Finance	12973	13364	826	1402	-94%
<b>Other Key Ministries</b>	<b>8216</b>	<b>15751</b>	<b>9605</b>	<b>17420</b>	17%
Ministry of Transport	452	826	439	795	-3%
Ministry of Interior	1620	3544	1816	3988	12%
Ministry of Communication	1317	3280	1293	2525	-2%
Ministry of Foreign Affairs	1207	1631	670	1060	-44%
Ministry of MDSA <sup>1</sup>	730	1240	1142	1793	56%
Other Budgetary Units	2889	5229	4244	7260	47%

1/ Martyrs, Disabled and Social Affairs

## Revenues by Key Province

Table 7 compares the second quarter of 1396 with the second quarter of 1395 on provincial level, while table 8 only show revenue collected by key provinces. Table 8 shows that Faryab province by collecting 42% of the target revenue, stands the top performer, and collected 114% more in the 2<sup>nd</sup> quarter of 1396 as compare with the same period of 1395. Followed by Nangarhar, and Herat in second, and third ranked respectively in revenue collection. Both provinces collected 47%, 37% more revenue compared with the same period of the last year. Expect for Balkh, the performance of most provinces have improved in the second quarter of 1396.

**Table 7. Revenue from All Provinces**

In millions of Afghanis	1395	1395	1396	1396	1396	% Target	% Change on 1395
	Q2	Q2 YTD	Est. Target	Q2	Q2 YTD		
<b>REVENUES exc. grants</b>	<b>95,573.9</b>	<b>158,953.9</b>	<b>152,575.5</b>	<b>85,620.3</b>	<b>153,510.7</b>	<b>101%</b>	<b>-3%</b>
Total Of Amount	47,796	80,043	76,831	42,896	76,832	100%	-4%
Badakhshan	80	160	153	86	173	113%	8%
Badghis	32	52	49	25	58	118%	13%
Baghlan	74	150	144	108	203	141%	36%
Balkh	3,214	5,996	5,756	3,424	6,781	118%	13%
Bamyan	31	-1,030	-989	18	95	-10%	-109%
Central Ministries	28,252	40,548	38,921	17,786	32,201	83%	-21%
Dikondy	22	43	41	38	52	127%	22%
Farah	1,132	2,351	2,256	1,482	2,588	115%	10%
Faryab	352	766	735	772	1,327	181%	73%
Ghazni	94	196	188	112	219	116%	11%
Ghor	39	71	68	39	65	95%	-9%
Helmand	109	262	252	191	344	136%	31%
Herat	4,508	9,546	9,163	6,224	10,360	113%	9%
Jawzjan	60	132	127	76	160	126%	21%
Kabul	670	1,397	1,341	784	1,622	121%	16%
Kandahar	1,657	3,148	3,022	2,024	3,528	117%	12%
Kapisa	40	79	76	62	89	118%	13%
Khost	183	356	342	80	167	49%	-53%

Kunar	45	97	94	96	138	148%	42%
Kunduz	192	377	362	369	590	163%	57%
Laghman	50	101	97	55	120	124%	19%
Logar	46	72	69	46	86	125%	20%
Nangarhar	3,090	6,669	6,402	4,563	7,612	119%	14%
Nimroz	3,071	5,987	5,746	3,526	5,979	104%	0%
Nuristan	17	20	19	26	27	139%	34%
Offshore Payments	0	0	0	0	0	-	-
Paktika	75	143	137	144	228	166%	59%
Paktiya	335	622	597	175	445	75%	-28%
Pangsher	23	46	45	23	85	191%	84%
Parwan	65	131	126	103	172	137%	31%
Samangan	35	71	68	47	774	1140%	994%
Saripul	31	64	62	38	74	120%	15%
Takhar	83	159	153	113	196	128%	23%
Uruzgan	18	23	23	21	28	125%	20%
Wardak	51	106	102	48	92	91%	-13%

**Table 8. Revenues by key province**

In millions of Afghanis	1395	1395	1396	1396	1396	% Target	% Change
	Q2	Q2 YTD	Est. Target	Q2	Q2 YTD		on 1395
Kabul	670	1397	3297	784	1615	24%	17%
Nangarhar	3090	6669	15738	4534	7582	29%	47%
Balkh	3214	5996	14150	3438	6795	24%	7%
Kandahar	1657	3148	7428	1992	3496	27%	20%
Faryab	352	766	1807	754	1309	42%	114%
Herat	4508	9546	22526	6194	11103	27%	37%
Nimroz	3071	5987	14127	3492	5904	25%	14%
Central Ministries	28216	40494	93103	17550	31901	19%	-38%

## Grants

Both the tables below show grants reimbursement. In Operational Grants, ARTF consisted 23% of total Grants in the second quarter of 1396 compared to 24 percent for the same period in 1395. ARTF spending is almost similar as the same period of 1395, where most of grants reward by IDA to support the Government of Afghanistan to stimulate growth during a time of uncertainty – when the economy is fragile. CSTC-A in the Ministry of Interior (MoI) decreased to 6 percent in 2<sup>nd</sup> quarter of 1396 from 11 percent in the same period of 1395. Funds released for LOTFA, 25 percent of the total released funds in the second quarter of 1396, increased from 16 percent in the second quarter of 1395. Funds released for CSTC-A in the Ministry of Defense (MoD) constituted 46 percent of total grants released in the second quarter of 1396, while it was 49 percent in the same period in 1395.

In the Development Grants, funds for Micro Finance constituted the largest portion of the total development grants released by the end the second quarter of 1396. Following by Capacity Building of Community Development Councils and Basic Package of Health Services are the second largest portion of development grants.

**Table 9a. Operating Grants**

All Values are in Million Afs	1395	1395	%	1396	1396	%
	Q2	Q2 YTD	Total	Q2	YTD	Total
<b>Afghanistan Reconstruction Trust Fund (ARTF)</b>	15,462	19,907	24%	2,804	10,770	23%
<b>Law &amp; Order Trust Fund (LOTFA)</b>	6,558	13,430	16%	8,654	13,761	30%
<b>CSTC-A<sup>1</sup> MoD</b>	25,427	40,771	49%	6,456	18,935	41%
<b>CSTC-A<sup>1</sup> MoI</b>	3,534	8,845	11%	503	2,634	6%

1/ Combined Security Transitional Command Afghanistan

**Table 9b. Largest Development Grants for the YTD**

All Values are in Million Afghanis	Code	1396 YTD
<b>Basic Package of Health Services and the Essential Package of Hospital Services</b>	30750	1,501
	35450	1,387
<b>School Grants</b>	30230	1,182

<b>Capacity Building of Community Development Councils (CDCs)</b>	30380	1,151
<b>Improvement and Maintenance of Secondary Road</b>	30640	931
<b>Reconstruction of Section 2 of the kabul Jalalabad Road ( 106 Km)</b>	35360	741
<b>Goods border Crossing Point equipment for CAREC Corridors 5 and 6</b>	35420	708
<b>A new 220 KV substation at each of Ankhoy and Sheberghan and Expansion 220 KV substation at Mazar E sharif</b>	35431	674
<b>Capacity Building Commercializatoion (CBC) Part 1 Distribution System</b>	38200	486
<b>Rehabilitation of Irrigation systems</b>	30581	462
<b>Small Development Program</b>	40430	446
<b>Rehabilitation and replacement of Government Furnished Equipment</b>	38190	442
<b>Reconstruction and Widening of the approximately 50 Km to Sapary Road</b>	35260	419
	30872	412
<b>Northern Basin Development</b>	35050	402
<b>Procurement Reform</b>	30620	380
<b>084-AFG Energy Sector Development Investment Program 2</b>	35240	377
<b>NSP Danish Support</b>	40190	366
<b>Sheberghan Gas Rehabilitation Project</b>	35210	346
<b>On Farm Water Management</b>	30610	325

---

## Expenditure

### Operating and Development Expenditure

Table 10 shows, that the total operating expenditure has increased by 4 percent compared to the same period in 1395. This increase is mainly due to increase in the compensation of employees, interest, and social transfers. Although, use of goods and services, and gross acquisition of NFA show a decrease of 34 percent, 23 percent respectively compared to the same period in 1395. Table 11 shows that the total development budget in 1396 has decreased by 17 percent compared to 1395 mainly due to less grants provided by the development partners. Major decline in the development expenditure was 24 percent decrease in non-discretionary budget, 30 percent decline in use of goods and services. Similarly, the net acquisition of NFA has decreased by 2 percent. 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. Details of expenditure are given in the following tables.

**Table 10. Operating Expenditure**

In millions of Afghanis	1395	1395	1396	1396	1396	1396	%	% Change
	Q2	Q2 YTD	Q2	Q2 YTD	Budget	Allocated	Budget.	on 1395
<b>TOTAL GROSS EXPENDITURES</b>	<b>63,161</b>	<b>104,554</b>	<b>64,698</b>	<b>106,758</b>	<b>273,407</b>	<b>270,819</b>	<b>24%</b>	<b>4%</b>
<b>TOTAL NET EXPENDITURES (2)</b>	<b>62,073</b>	<b>103,462</b>	<b>64,675</b>	<b>106,732</b>				
<b>RECURRENT EXPENDITURES</b>								-
<b>Compensation of Employees</b>	<b>39,843</b>	<b>72,577</b>	<b>45,223</b>	<b>81,015</b>	<b>181,297</b>	<b>181,064</b>	<b>25%</b>	<b>14%</b>
Wages and Salaries	39,044	71,365	44,336	79,630				14%
o/w Wages and Salaries in Cash	32,463	59,726	36,640	65,762				13%
o/w Wages and Salaries in Kind	5,228	9,059	5,744	10,223				10%
Social Benefits	858	1,317	939	1,472				10%
Other Compensation	-58	-106	-53	-87				
<b>Use of Goods and Services</b>	<b>12,520</b>	<b>18,868</b>	<b>8,296</b>	<b>12,814</b>	<b>57,101</b>	<b>56,407</b>		<b>-34%</b>
Travel	681	986	659	1,086				-3%
Food	786	1,028	724	960				-8%
Contracted Services	395	593	386	619				-2%

Repairs and Maintenance	1,582	1,858	1,000	1,191				-37%
Utilities	1,411	1,714	885	1,265				-37%
Fuel	5,720	10,289	2,823	5,297				-51%
Tools and Materials	558	696	773	915				38%
Other Use of Goods and Services	1,387	1,705	1,047	1,482				
<b>Interest</b>	<b>58</b>	<b>192</b>	<b>117</b>	<b>219</b>	<b>1,831</b>	<b>1,831</b>	<b>6%</b>	<b>101%</b>
To Non-Residents								
<b>Social Transfers</b>	<b>8,531</b>	<b>10,560</b>	<b>10,179</b>	<b>11,708</b>	<b>24,819</b>	<b>24,819</b>	<b>41%</b>	<b>19%</b>
Subsidies	350	700	350	700				0%
Grants	101	103	43	62				-57%
<i>Foreign Grants</i>	90	93	28	47				
<i>Current Grants</i>	11	11	15	15				
Social Security	8,074	9,358	9,461	10,616				17%
Other Social Transfers	6	399	326	331				5131%
o/w Social Assistance	6	6	6	6				-10%
o/w Advance Subsidies, Grants	0	392	320	325				-426767%
<b>ACQUISITION OF ASSETS</b>								
<b>Gross Acquisition of NFA</b>	<b>1,119</b>	<b>1,265</b>	<b>860</b>	<b>975</b>	<b>10,191</b>	<b>8,530</b>		<b>-23%</b>
<b>Net Acquisition of NFA <sup>1</sup></b>	<b>31</b>	<b>173</b>	<b>836</b>	<b>950</b>				<b>2642%</b>
Sale of Land and Buildings	-1,089	-1,092	-23	-26				-98%
Buildings and Structures	867	887	652	653				-25%
Machinery / Equipment (>50,000)	66	172	68	155				4%
Valuables	0	0	0	0				-100%
Land	186	205	129	156				-31%
Capital Advance Payments	1	1	10	11				1117%

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

**Table 11. Development Expenditure Summary**

In millions of Afghanis	1395	1395	1396	1396	1396	1396	%	% Change
	Q2	Q2 YTD	Q2	Q2 YTD	Budget	Allotted	Budget.	on 1395
<b>TOTAL GROSS EXPENDITURES</b>	<b>21,951</b>	<b>30,326</b>	<b>25,675</b>	<b>30,571</b>	<b>0</b>	<b>0</b>	-	<b>17%</b>
Discretionary Budget	5,641	7,703	9,319	11,418			-	65%
Non-discretionary Budget	16,310	22,623	16,356	19,153			-	0%
<b>TOTAL NET EXPENDITURES (2)</b>	<b>20,862</b>	<b>29,234</b>	<b>25,647</b>	<b>30,537</b>				
<b>Use of Goods and Services</b>	<b>11,233</b>	<b>14,482</b>	<b>10,838</b>	<b>13,457</b>	<b>0</b>	<b>0</b>	-	<b>-4%</b>
Travel	151	212	131	171				
Communications	0	0	0	0				
Contracted Services	7,691	9,348	7,571	9,410				
Repairs and Maintenance	0	0	0	0				
Utilities	0	0	0	0				
Fuel	24	28	24	25				
Other Use of Goods and Services	3,367	4,894	3,112	3,851				
o/w Tools and materials (< 50,000)	0	0	0	0				
o/w Other Expenses	113	162	103	129				
o/w Advances and Return of Expenditure	2,960	4,338	2,518	3,143				
<b>Subsides, Grants, Social Expenditures</b>	<b>0</b>	<b>89</b>	<b>174</b>	<b>194</b>	<b>0</b>	<b>0</b>		
<b>ACQUISITION OF ASSETS</b>								
<b>Gross Acquisition of NFA</b>	<b>10,718</b>	<b>15,755</b>	<b>14,664</b>	<b>16,919</b>	<b>0</b>	<b>0</b>	-	<b>37%</b>
<b>Net Acquisition of NFA <sup>1</sup></b>	<b>9,629</b>	<b>14,663</b>	<b>14,636</b>	<b>16,885</b>				
Sale of Land and Buildings	-1,089	-1,092	-28	-34				
Buildings and Structures	6,810	9,331	10,200	11,442				
Machinery / Equipment (>50,000)	2,398	4,129	3,024	3,120				
Valuables	0	0	0	0				
Land	6	264	2	2				
Capital Advance Payments	1,504	2,030	1,438	2,355				

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



## Expenditure by Policy Area

Table 12 presents sector-wise expenditure for and up to quarter second of 1396. As per the ANDS, there are eight sectors. These are Security, Governance, Education, Health, Agriculture, Social Protection, Infrastructure and Economic Governance. The sector-wise expenditure is provided both for operating and development budget. Among all sectors, the Social Protection Sector by spending 45 percent of its total budget attained the highest execution rate and the Economic governance sector by spending 18 percent of its total budget, remains the lowest performing sector. The table also compares execution rate in the second quarter of 1396 with the same quarter in the previous year. Looking at the expenditure in this perspective, the table shows that the gross expenditure in the second quarter of 1396 is 7 percent more than the same quarter in 1395; and its development expenditure is 17 percent more than the previous year, similarly its operating spending is 4 percent more than the same quarter in 1395. Overall budget spending of all sectors was significantly more than the same period last year, it is due to the strong execution capacity (at various stages of the execution cycle), over-optimistic budgeting. Spending on Health, agriculture and security decreased in the second quarter of 1396 which is not in line with the ANDS priorities.

**Table 12. ANDS Expenditures**

In millions of Afghanis	1395	1395	1396	1396	1396	1396	%	% Change on 1395
	Q2	Q2 YTD	Q2	Q2 YTD	Budget	Allocated		
<b>TOTAL GROSS EXPENDITURES</b>	<b>83,780</b>	<b>133,362</b>	<b>89,985</b>	<b>136,738</b>	<b>425,993</b>	<b>387,704</b>	<b>35%</b>	<b>7%</b>
Operating Budget	61,829	103,036	64,390	106,275	274,105	271,519	39%	4%
Development Budget	21,951	30,326	25,595	30,464	0	0	#DIV/0!	17%
<b>Security</b>	<b>36,016</b>	<b>63,418</b>	<b>33,937</b>	<b>62,340</b>	<b>159,241</b>	<b>156,533</b>	<b>40%</b>	<b>-6%</b>
Operating Budget	35,701	63,038	33,513	61,816	157,051	154,622	40%	-6%
Development Budget	316	380	424	524	0	0	#DIV/0!	34%
<b>Governance</b>	<b>4,238</b>	<b>7,219</b>	<b>5,187</b>	<b>8,612</b>	<b>25,299</b>	<b>24,389</b>	<b>35%</b>	<b>22%</b>
Operating Budget	4,011	6,928	4,900	8,205	20,526	20,485	40%	22%
Development Budget	227	290	287	407	0	0	#DIV/0!	27%
<b>Infrastructure</b>	<b>9,159</b>	<b>14,921</b>	<b>14,590</b>	<b>16,802</b>	<b>80,171</b>	<b>59,416</b>	<b>28%</b>	<b>59%</b>
Operating Budget	1,696	2,389	1,895	2,561	6,861	6,819	38%	12%
Development Budget	7,463	12,532	12,695	14,241	0	0	#DIV/0!	70%
<b>Education</b>	<b>11,609</b>	<b>17,846</b>	<b>12,275</b>	<b>18,586</b>	<b>56,362</b>	<b>48,786</b>	<b>38%</b>	<b>6%</b>
Operating Budget	8,878	15,026	10,458	16,596	40,570	40,562	41%	18%

Development Budget	2,730	2,821	1,817	1,991	0	0	#DIV/0!	-33%
<b>Health</b>	<b>5,296</b>	<b>6,312</b>	<b>4,126</b>	<b>5,180</b>	<b>20,940</b>	<b>19,385</b>	<b>27%</b>	<b>-22%</b>
Operating Budget	977	1,549	1,125	1,733	4,297	4,291	40%	15%
Development Budget	4,319	4,763	3,001	3,447	0	0	#DIV/0!	-31%
<b>Agriculture</b>	<b>6,435</b>	<b>9,044</b>	<b>6,361</b>	<b>8,817</b>	<b>33,274</b>	<b>29,726</b>	<b>30%</b>	<b>-1%</b>
Operating Budget	512	927	686	1,124	2,943	2,937	38%	34%
Development Budget	5,923	8,117	5,676	7,692	0	0	#DIV/0!	-4%
<b>Social Protection</b>	<b>8,884</b>	<b>10,977</b>	<b>10,743</b>	<b>12,261</b>	<b>27,372</b>	<b>27,023</b>	<b>45%</b>	<b>21%</b>
Operating Budget	8,607	10,687	10,446	11,942	25,709	25,708	46%	21%
Development Budget	277	290	296	319	0	0	#DIV/0!	7%
<b>Economic Governance</b>	<b>2,142</b>	<b>3,624</b>	<b>2,767</b>	<b>4,139</b>	<b>23,333</b>	<b>22,444</b>	<b>18%</b>	<b>29%</b>
Operating Budget	1,447	2,491	1,368	2,297	16,148	16,095	14%	-5%
Development Budget	695	1,133	1,399	1,842	0	0	#DIV/0!	101%
<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	-	-

## COFOG Expenditure

Table 13 presents expenditures based on the COFOG -Classification of Functions of the Government, which is a classification of core government activities by the UN, applicable for all countries. It covers 10 core functions of the government. Unlike the ANDS, in which expenditure is segregated into operating and development expenditure, in the COFOG expenditure is classified into recurrent and capital expenditure. Major portion of development spending is capital in nature and majority of operating spending are recurrent in nature. However, there is some spending in development spending such as salary of technical assistants which are recurrent in nature and similarly there is some operating spending which is capital in nature (example?).

Total gross expenditure in the second quarter of 1396 was Afs 90.2 billion of which 87 percent was recurrent expenditure and 13 percent was capital expenditure. Total net expenditure increased 9 percent compared to the same period in the previous year. Similarly recurrent expenditure increased by 4 percent and capital expenditure increased by 31 percent only. In the second quarter spending on the Defense Sector which constitutes 25 percent of total spending had the largest share among of total gross spending; environmental protection, and housing and communal amenities with 1 percent share in total spending had the lowest share. However, those sectors which have lesser share in total spending, has increased significantly as compared to the same period last year.

**Table 13. COFOG Expenditure**

In millions of Afghanis	1395	1395	1395	1396	1396	1396	
	Q2	Q2 YTD	% Total	Q2	Q2 YTD	% Total	% Change
<b>TOTAL NET EXPENDITURE</b>	<b>82,934</b>	<b>132,920</b>	<b>99%</b>	<b>90,191</b>	<b>137,624</b>	<b>100%</b>	<b>9%</b>
Sale of Land and Buildings	-1,089	-1,092	-1%	-28	-34	0%	-97%
<b>TOTAL GROSS EXPENDITURE</b>	<b>84,023</b>	<b>134,012</b>	<b>100%</b>	<b>90,219</b>	<b>137,658</b>	<b>100%</b>	<b>7%</b>
RECURRENT EXPENDITURE	72,186	116,992	87%	74,724	119,790	87%	4%
CAPITAL EXPENDITURE	11,837	17,020	13%	15,495	17,868	13%	31%
<b>General Public Services</b>	<b>10,865</b>	<b>17,080</b>	<b>13%</b>	<b>14,131</b>	<b>19,408</b>	<b>14%</b>	<b>30%</b>
Recurrent Expenditure	7,399	11,521	9%	9,909	15,054	11%	34%
Capital Expenditure	3,466	5,559	4%	4,222	4,354	3%	22%
<b>Defence</b>	<b>19,654</b>	<b>35,333</b>	<b>26%</b>	<b>18,775</b>	<b>35,092</b>	<b>25%</b>	<b>-4%</b>
Recurrent Expenditure	19,318	34,953	26%	18,716	34,932	25%	-3%
Capital Expenditure	336	380	0%	59	160	0%	-82%
<b>Public Order and Safety</b>	<b>15,848</b>	<b>28,868</b>	<b>22%</b>	<b>15,636</b>	<b>27,962</b>	<b>20%</b>	<b>-1%</b>
Recurrent Expenditure	15,678	28,575	21%	15,459	27,735	20%	-1%
Capital Expenditure	170	293	0%	178	227	0%	5%
<b>Economic Affairs</b>	<b>11,400</b>	<b>17,531</b>	<b>13%</b>	<b>13,320</b>	<b>17,531</b>	<b>13%</b>	<b>17%</b>
Recurrent Expenditure	5,403	8,740	7%	5,229	7,755	6%	-3%
Capital Expenditure	5,997	8,791	7%	8,091	9,776	7%	35%
<b>Environmental Protection</b>	<b>237</b>	<b>274</b>	<b>0%</b>	<b>420</b>	<b>725</b>	<b>1%</b>	<b>77%</b>
Recurrent Expenditure	46	82	0%	51	91	0%	12%
Capital Expenditure	191	191	0%	368	634	0%	92%
<b>Housing and Communal Amenities</b>	<b>503</b>	<b>573</b>	<b>0%</b>	<b>1,660</b>	<b>1,777</b>	<b>1%</b>	<b>230%</b>
Recurrent Expenditure	206	262	0%	278	393	0%	35%
Capital Expenditure	297	311	0%	1,382	1,384	1%	365%
<b>Health</b>	<b>5,327</b>	<b>6,363</b>	<b>5%</b>	<b>4,163</b>	<b>5,232</b>	<b>4%</b>	<b>-22%</b>
Recurrent Expenditure	4,825	5,773	4%	3,803	4,799	3%	-21%
Capital Expenditure	501	590	0%	360	433	0%	-28%

<b>Recreation, Culture and Religion</b>	<b>564</b>	<b>883</b>	<b>1%</b>	<b>748</b>	<b>1,115</b>	<b>1%</b>	<b>33%</b>
Recurrent Expenditure	517	829	1%	679	1,011	1%	31%
Capital Expenditure	47	54	0%	69	104	0%	45%
<b>Education</b>	<b>11,384</b>	<b>17,412</b>	<b>13%</b>	<b>11,871</b>	<b>17,960</b>	<b>13%</b>	<b>4%</b>
Recurrent Expenditure	10,588	16,597	12%	11,142	17,200	12%	5%
Capital Expenditure	796	815	1%	729	760	1%	-8%
<b>Social Protection</b>	<b>8,242</b>	<b>9,695</b>	<b>7%</b>	<b>9,493</b>	<b>10,856</b>	<b>8%</b>	<b>15%</b>
Recurrent Expenditure	8,206	9,659	7%	9,456	10,819	8%	15%
Capital Expenditure	36	36	0%	37	38	0%	2%

## Expenditure Summary by Input

Table 14 presents expenditure based on the major code level. In the second quarter of 1396, 40 percent of gross expenditure was the largest spending on Social transfers, while the lowest spending was on interest with a share of 6 percent in total expenditure. Spending for some major codes decreased as compared to the same quarter in 1395.

**Table 14. Expenditure Summary by Input**

In millions of Afghanis	1395	1395	1396	1396	1396	1396	% Growth	%
	Q2	Q2 YTD	Budget	Allocated	Q2	Q2 YTD	on 1395	Budget.
<b>TOTAL GROSS EXPENDITURES</b>	<b>84023</b>	<b>133788</b>	<b>427423</b>	<b>389131</b>	<b>90326</b>	<b>137278</b>	8%	21%
<b>Operating Budget</b>	<b>62073</b>	<b>103462</b>			<b>64923</b>	<b>106708</b>	5%	
<b>Development Budget</b>	<b>21951</b>	<b>30326</b>			<b>25675</b>	<b>30571</b>	17%	
Discretionary Budget	5641	7703			9319	11418	65%	
Non-discretionary Budget	16310	22623			16356	19153	0%	
<b>TOTAL NET EXPENDITURES</b>	<b>82934</b>	<b>132696</b>			<b>90298</b>	<b>137244</b>	9%	
<b>RECURRENT EXPENDITURES</b>	<b>72186</b>	<b>116768</b>			<b>74801</b>	<b>119379</b>	4%	
<b>Compensation of Employees</b>	<b>39843</b>	<b>72577</b>	<b>181297</b>	<b>181064</b>	<b>45204</b>	<b>81000</b>	13%	25%
Wages and Salaries	39044	71365			44241	79494	13%	
Social Benefits	858	1317			1035	1617	21%	

Other Compensation	-58	-106			-72	-110		
<b>Use of Goods and Services</b>	<b>23753</b>	<b>33350</b>	<b>110644</b>	<b>100469</b>	<b>19127</b>	<b>26257</b>	-19%	17%
Travel	832	1198			785	1251	-6%	
Food	786	1028			727	966	-8%	
Contracted Services	8086	9941			7973	10066	-1%	
Repairs and Maintenance	1582	1858			1004	1214	-37%	
Utilities	1411	1714			886	1267	-37%	
Fuel	5744	10317			2862	5347	-50%	
Tools and Materials	852	1089			1349	1623	58%	
Other Use of Goods and Services	4460	6205			3541	4523	-21%	
<b>Interest</b>	<b>58</b>	<b>192</b>	<b>1831</b>	<b>1831</b>	<b>117</b>	<b>219</b>	101%	6%
<b>Social Transfers</b>	<b>8531</b>	<b>10650</b>	<b>25968</b>	<b>25733</b>	<b>10353</b>	<b>11903</b>	21%	40%
Subsidies	350	700			349	699	0%	
Grants	101	103			83	107	-17%	
<i>Foreign Grants</i>	90	93			44	67		
<i>Current Grants</i>	11	11			39	39		
Social Security	8074	9358			9459	10615	17%	
Other Social Transfers <sup>1</sup>	6	488			461	482	7313%	
<b>ACQUISITION OF ASSETS</b>								
<b>Gross Acquisition of NFA</b>	<b>11837</b>	<b>17020</b>	<b>107684</b>	<b>80034</b>	<b>15525</b>	<b>17899</b>	31%	14%
<b>Net Acquisition of NFA <sup>2</sup></b>	<b>10749</b>	<b>15928</b>			<b>15497</b>	<b>17865</b>	44%	
Sale of Land and Buildings <sup>3</sup>	-1089	-1092			-28	-34	-97%	
Buildings and Structures	7677	10218			10852	12096	41%	
Machinery / Equipment	2463	4301			3096	3282	26%	
Valuables	0	1			0	0	-100%	
Land	192	470			131	158	-32%	
Capital Advance Payments	1504	2031			1446	2363	-4%	

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

## Debt

Debt financing builds up a small portion of financing of projects in Afghanistan. Table 15 shows that change in debt stock from end of the first quarter of 1396 to the end of the second quarter of 1396 has changed very minimal with 4.2 percent. However, it can be seen in the table that debt stock has increased by only 7 percent over the same period in 1395.

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 Asian Development Bank. These international organizations have provided Afs 77,757 million. The foreign governments provided Afs 61,871 million, and among countries, debt from the Russian Federation is the largest amount of debt.

**Table 15. Government Debt Stock**

In Million Afs	1395	1396	1396	% Change	
	Q2	Q1	Q2	YoY	QoQ
<b>EXTERNAL</b>	<b>129,469</b>	<b>133,352</b>	<b>139,629</b>	8%	4.7%
<b>International Organisations</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>13052910%</b>	<b>13443713%</b>	<b>14076977%</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%

## Fiscal Sustainability

Fiscal sustainability indicators show a mixed picture, as shown in table 16. As compared to the first quarter of 1396, the share of domestic revenue in total revenue has dramatically increased by 15%. Similarly custom revenue share in total revenue increased by 5% in the second quarter of 1396. Owing to the economic transition in Afghanistan, the contribution of grant in sustaining the fiscal side of the economy is understandably on the decreasing trend. The share of grants in total revenue has slipped by 15 percent points in the second quarter of 1396. Fiscal sustainability ratio (FSR), or the ratio of domestic revenues to operating expenditures, expressed as a percentage has also improved in the second quarter of the current year.

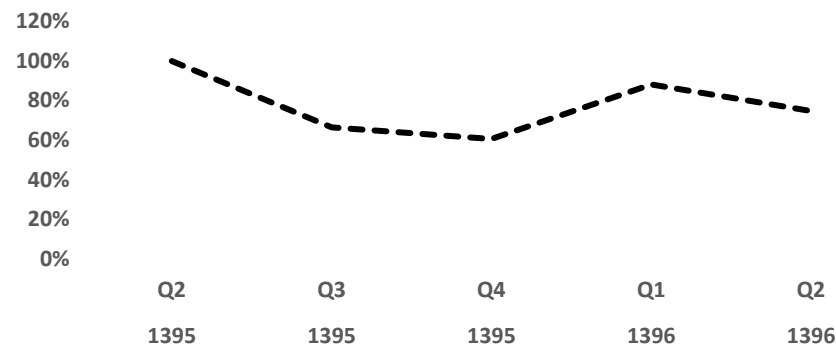
This shows significant improvement in revenue collection in the current year and it is an important step towards fiscal sustainability of the country. Another important step towards fiscal sustainability is progress towards meeting operating expenditure from domestic sources. In the second quarter of the current year, government has been able to finance 50 percent of salaries. As the grants and donor assistance is gradually draining for Afghanistan, the government, to finance some of its expenditures need to resort to debt. Therefore, 4 percent interest payment has been made from the total expenditures in the second quarter of 1396. Under the existing political and aid framework, the aid is likely to decrease. Therefore, it is expected that the share of interest payment in total expenditures will increase. Overall, fiscal sustainability has slightly improved in the second quarter of 1396.

**Table 16. Fiscal Sustainability**

	1395	1395	1395	1396	1396
	Q2	Q3	Q4	Q1	Q2
Domestic Revenue/Total	48%	61%	51%	55%	70%
Customs Revenue/Total	7%	11%	11%	12%	17%
Grants/Total	52%	39%	49%	45%	30%
Op. Spending/Dom. Rev.	130%	190%	232%	125%	152%
Salaries/Total Expenditure	47%	48%	37%	76%	50%
Interest/Expenditure	0.2%	0.6%	0.5%	0.7%	0.4%
Financing/Expenditure	34.1%	-19.9%	-23.3%	46.5%	-20.4%

The overall indicator depicts this mix picture. (owing to increase in tax and arrear collections) strong and stable macroeconomic framework is important for fiscal sustainability. The indicator index has declined between the first quarter of 1396 and end of the second quarter of 1396. The mobilization of domestic revenues through changes in tax policy is the preferred policy response for Afghan government. Such a response helps to place its finances on a sustainable path and preserve most of the growth potential. Cutting expenditures balances finances, but causes the economy to permanently shrink. In the medium to long run, with concerted action on both revenue and expenditure fronts, the government should be able to cover its financing gap.

### Sustainability Indicator



### Fiscal Balance

Table 17 shows that government financing consisted of domestic grants, domestic revenue, borrowing and sale of assets. As of quarter second of 1396, considerable changes have occurred in the transactions which affect net worth. Net operating balance (revenue minus expenditures) has considerably reduced compared to the same period in 1395. The gap between lending and borrowing has also widened. Table 18 captures the depressing picture of transaction in non-financial sectors or property market. The performance of almost all indicators has worsened mainly because of prevalent insecurity and hardly hit consumer expectations.



## 17. Summary Transactions Affecting Net Worth

In millions of Afghanis	1395	1395	1396	1396	%
	Q2	Q2 YTD	Q2	Q2 YTD	Change on 1395
<b>TRANSACTIONS AFFECTING NET WORTH</b>					
Revenues including Grants	111,756	186,171	71,998	141,017	67%
Expenditures (Recurrent)	72,186	116,768	74,801	119,379	62%
Interest	58	192	117	219	231%
<b>Net Operating Balance</b>	<b>39,570</b>	<b>69,403</b>	<b>-2,803</b>	<b>21,638</b>	<b>75%</b>
<b>Primary Operating Balance</b>	<b>39,628</b>	<b>69,595</b>	<b>-2,686</b>	<b>21,857</b>	<b>-69%</b>
<b>TRANSACTIONS IN NONFINANCIAL ASSETS</b>					
Net Acquisition of Nonfinancial Assets	10,749	15,928	15,497	17,865	48%
<b>Net Lending-Borrowing</b>	<b>28,821</b>	<b>53,475</b>	<b>18,300</b>	<b>3,773</b>	<b>86%</b>
<b>Financing</b>	<b>-28,821</b>	<b>-53,475</b>	<b>18,300</b>	<b>-3,773</b>	<b>86%</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b>					
Net Acquisition of Financial Assets	-28,751	-52,823	15,550	-4,565	84%
Net Acquisition of Financial Liabilities	-70	-652	2,750	791	829%
<b>RETAINED EARNINGS</b>					
<b>Discrepancies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Table 18. Transactions in Non-Financial Assets**

In millions of Afghanis	1395	1395	1396	1396	% Change
	Q2	Q2 YTD	Q2	Q2 YTD	on 1395
<b>NET ACQUISITION OF NONFINANCIAL ASSETS</b>	<b>10,749</b>	<b>15,928</b>	<b>15,497</b>	<b>17,865</b>	<b>44%</b>
Land and Buildings	6,780	9,596	10,955	12,220	62%
Purchase of Land and Buildings	7,869	10,688	10,983	12,254	40%
Buildings and Structures	7,677	10,218	10,852	12,096	41%
Land	192	470	131	158	-32%
Sale of Land and Buildings	-1,089	-1,092	-28	-34	-97%
Sale of State-Owned Enterprises	0	0	0	0	-
Machinery and Equipment (>50,000)	2,463	4,301	3,096	3,282	26%
Valuables	0	1	0	0	-100%
Other Acquisitions	1,504	2,031	1,446	2,363	-4%
Capital Advance Payments	1,504	2,031	1,446	2,363	-4%

## Transactions in Financial Assets and Liabilities

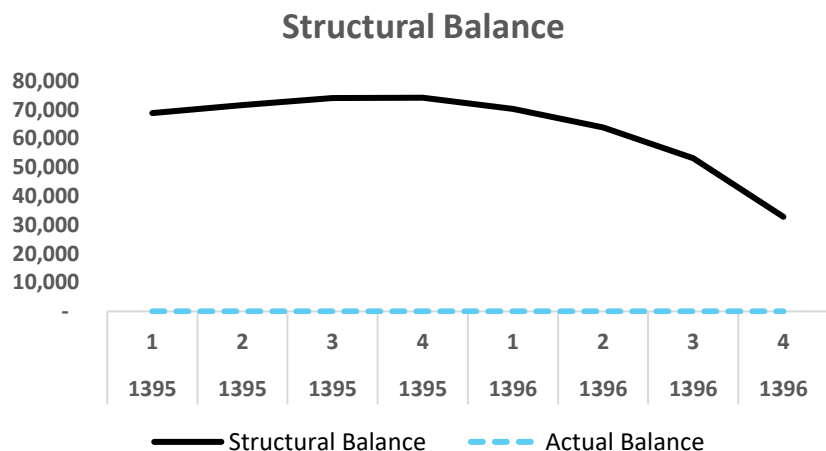
Table 19 shows that compared to the second quarter of 1395, the transaction of financial assets has decreased in the second quarter of 1396. Net acquisition of financial assets has decreased by almost 154 percent in the second quarter of 1396. The reduction in the account payable is due to a fall in payment to suppliers. Loans in the second quarter of 1396 have increased by 41 percent compared to the same quarter in 1395. The purchasing power to gain foreign currency in financial market has also eroded because of the massive depreciation in Afghani.

### 19. Transactions in Financial Assets and Liabilities

In millions of Afghanis	1395	1395	1396	1396	% Change
	Q2	Q2 YTD	Q2	Q2 YTD	on 1395
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b>	<b>-28,821</b>	<b>-53,475</b>	<b>18,300</b>	<b>-3,773</b>	<b>-163%</b>
<b>TOTAL FINANCING</b>					-

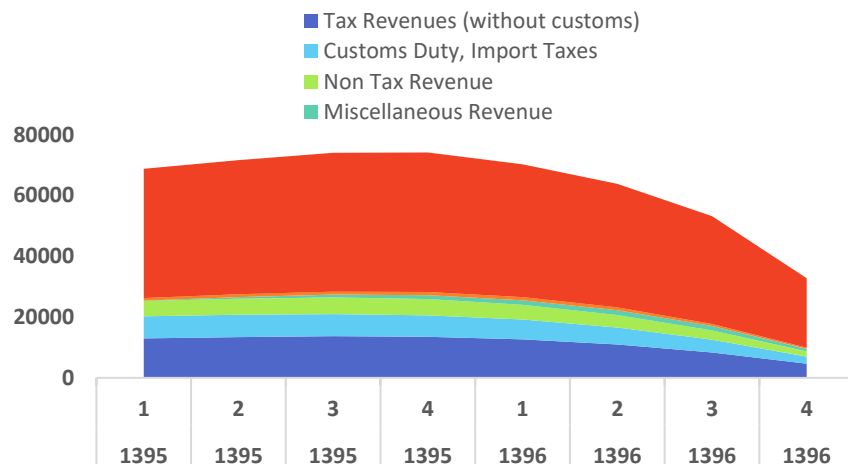
<b>Net Acquisition of Financial Assets</b>	<b>-28,751</b>	<b>-52,823</b>	<b>15,550</b>	<b>-4,565</b>	<b>-154%</b>
<b>Domestic</b>	<b>-28,751</b>	<b>-52,823</b>	<b>15,550</b>	<b>-4,565</b>	<b>-154%</b>
Currency and Deposits	-22,698	-44,376	25,804	4,345	-214%
Treasury Single Account	-25,113	-41,142	23,976	6,566	-195%
Provincial Revenue Accounts	-28	-37	-150	-190	434%
Donor Accounts	2,443	-3,200	1,977	-2,031	-19%
Other Deposit Accounts	0	3	1	0	3591%
Loans	1	12	1	19	41%
Loans	1	2	1	2	41%
Advances	0	10	0	17	-
Other Accounts Receivable	-89	88	-119	-84	33%
Clearing Accounts	-89	-88	-130	-130	46%
Other Current Assets	0	176	11	46	-
Other Assets	-5,964	-8,548	-10,136	-8,845	70%
Provincial Expenditure Accounts	-5,964	-8,548	-10,124	-8,833	70%
Other	0	0	-12	-12	-
<b>Foreign</b>					-
					-
<b>Net Acquisition of Financial Liabilities</b>	<b>-70</b>	<b>-652</b>	<b>2,750</b>	<b>791</b>	<b>-4018%</b>
<b>Domestic</b>	<b>26</b>	<b>-448</b>	<b>2,965</b>	<b>1,139</b>	<b>11275%</b>
Accounts Payable	-759	1,144	313	415	-141%
Accounts Payable - Suppliers	-762	1,137	219	385	-129%
Accounts Payable - Other	2	7	94	30	3721%
Pension Liabilities	-7	2	5	42	-165%
Other Payables	0	0	0	0	-
Other Liabilities	793	-1,594	2,647	682	234%
<b>Foreign</b>	<b>-96</b>	<b>-205</b>	<b>-215</b>	<b>-348</b>	<b>124%</b>
Foreign Currency	0	0	0	0	-
Loans	-98	-224	-196	-314	99%
Currency Gain/Loss	2	20	-20	-34	-1064%

## Structural Balance



A structural balance (in our case deficit) is one which exists regardless of 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.

## Structural Components of Revenue



Throughout 1395, the structural balance has improved, which signifies improvement in revenue collection and reduced share of grants to meet operating expenditure. Major portion of the structural imbalance in Afghanistan is financed by foreign grants. The structure balance will improve further as domestic revenue performance improves.

## Annexure

**Table 20. Detailed Operating Expenditure**

In millions of Afghanis	Total Operating Expenditures					Wages		G+S		NFA		Others	
	1395	1396	% Change	1396	% Budget	1395	1396	1395	1396	1395	1396	1395	1396
						Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
						YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
<b>TOTAL</b>	<b>103,036</b>	<b>106,299</b>	<b>3.2%</b>	<b>274,105</b>	<b>39%</b>	<b>72,264</b>	<b>80,683</b>	<b>18,754</b>	<b>12,741</b>	<b>1,265</b>	<b>975</b>	<b>10,752</b>	<b>11,900</b>
<b>Total Security</b>	<b>63,038</b>	<b>61,824</b>	<b>-1.9%</b>	<b>157,051</b>	<b>39%</b>	<b>48,453</b>	<b>53,595</b>	<b>13,372</b>	<b>7,259</b>	<b>468</b>	<b>265</b>	<b>745</b>	<b>705</b>
Ministry of Interior	26,380	24,874	-5.7%	64,786		19,722	21,389	5,768	2,672	190	113	700	700
Ministry of Defence	27,581	26,061	-5.5%	69,454		21,543	23,606	5,721	2,407	272	47	45	-0
Ministry of Foreign Affairs	1,991	2,286	14.8%	5,008		1,270	1,468	722	812	0	5	0	-0
National Security Council	307	407	32.7%	1,099		238	328	69	75	0	0	0	5
Presidential Protective Service	595	697	17.2%	1,602		535	640	59	56	1	1	0	-0
General Directorate of National Security	6,185	7,499	21.3%	15,103		5,146	6,164	1,034	1,237	5	98	-0	-0
<b>Total Governance, Rule of Law and Human Rights</b>	<b>6,928</b>	<b>8,208</b>	<b>18.5%</b>	<b>20,526</b>	<b>40%</b>	<b>5,251</b>	<b>6,477</b>	<b>1,503</b>	<b>1,674</b>	<b>141</b>	<b>23</b>	<b>33</b>	<b>33</b>
Presidents Office	0	0	-	0		0	0	0	0	0	0	0	0
National Assembly Meshanro Jirga	208	240	15.0%	532		187	214	22	25	0	0	-0	-0
National Assembly Wolesi Jirga	714	793	11.0%	1,647		630	668	85	125	0	0	-0	-0
Supreme Court	1,491	1,571	5.4%	3,403		1,409	1,503	81	64	0	4	-0	0
Ministry of Justice	253	282	11.6%	740		203	229	50	54	0	0	-0	-0
Administrative Affairs	1,819	2,127	17.0%	5,605		1,102	1,516	552	579	131	0	33	33
Ministry of State and Parliament Affairs	67	47	-29.5%	153		58	35	6	10	3	1	0	0
Ministry of Haj and Religious Affairs	387	430	11.0%	1,360		292	354	90	75	5	0	0	-0
Attorney General	525	903	72.0%	2,138		474	826	51	77	0	0	0	-0
Election Commission	75	113	50.5%	415		57	81	18	32	0	0	0	0
IARCSC	151	161	7.0%	434		120	122	30	26	0	13	0	0
Independent Commission for Overseeing the Implementation of Cons	26	30	15.0%	72		21	24	5	6	0	0	0	-0
The High office of Oversight and Anti Corruption	55	54	-1.9%	152		43	46	12	7	0	0	-0	0
Independent Directorate of Local Governance	1,124	1,402	24.7%	3,687		635	823	486	574	3	5	0	-0

Afghanistan Independent Human Rights Commission	1	2	257.8%	40		0	0	1	2	0	0	0	0
Independent Electoral Complaints Commission	34	53	57.7%	148		19	35	14	17	0	0	-0	0
<b>Total Infrastructure and Natural Resources</b>	<b>2,389</b>	<b>2,573</b>	<b>7.7%</b>	<b>6,861</b>	<b>37%</b>	<b>1,134</b>	<b>1,182</b>	<b>606</b>	<b>764</b>	<b>649</b>	<b>626</b>	<b>-0</b>	<b>-0</b>
Ministry of Public Works	1,193	1,023	-14.2%	3,199		201	209	346	322	646	492	0	0
Ministry of Transport and Aviation	96	136	41.1%	313		74	79	21	34	2	23	0	0
Ministry of Communication	233	246	5.6%	582		176	182	57	64	0	0	0	-0
Ministry of Energy and Water	263	445	69.0%	936		210	232	53	213	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	128	235	84.0%	472		99	103	28	29	1	104	-0	0
Civil Aviation Authority	111	124	12.2%	377		88	98	23	26	0	0	-0	0
Independent Board of new Kabul	0	19	-	119		0	2	0	11	0	7	0	0
Ministry of Mines and Industries	202	226	11.7%	566		158	182	44	44	0	0	0	-0
Geodesy and Cartography Office	64	7	-88.4%	13		49	7	15	0	0	0	-0	0
Directorate of Environment	83	91	9.7%	227		65	74	17	17	1	0	-0	0
Afghanistan High Atomic Energy Commission	16	19	23.3%	59		14	15	2	4	0	0	-0	-0
Municipalities	0	0	-	0		0	0	0	0	0	0	0	0
<b>Total Education</b>	<b>15,026</b>	<b>16,598</b>	<b>10.5%</b>	<b>40,570</b>	<b>41%</b>	<b>14,032</b>	<b>15,538</b>	<b>993</b>	<b>1,037</b>	<b>1</b>	<b>22</b>	<b>0</b>	<b>-0</b>
Ministry of Education	12,568	13,955	11.0%	33,356		12,051	13,394	517	560	0	0	0	-0
Ministry of Higher Education	1,928	1,969	2.1%	5,409		1,573	1,679	355	291	0	0	0	-0
Ministry of Information and Culture	216	258	19.5%	633		168	194	48	55	0	10	0	0
Science Academy	90	98	9.5%	239		85	90	5	7	0	1	0	0
National Olympic Committee	58	101	72.9%	362		25	32	33	59	0	10	-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	165	216	30.9%	570		130	150	35	66	0	1	0	-0
<b>Total Health</b>	<b>1,549</b>	<b>1,736</b>	<b>12.1%</b>	<b>4,297</b>	<b>40%</b>	<b>991</b>	<b>1,122</b>	<b>556</b>	<b>589</b>	<b>2</b>	<b>25</b>	<b>0</b>	<b>0</b>
Ministry of Public Health	1,549	1,736	12.1%	4,297		991	1,122	556	589	2	25	0	0

<b>Total Agriculture and Rural Development</b>	<b>927</b>	<b>1,119</b>	<b>20.7%</b>	<b>2,943</b>	<b>38%</b>	<b>748</b>	<b>895</b>	<b>178</b>	<b>221</b>	<b>2</b>	<b>3</b>	<b>-0</b>	<b>0</b>
Ministry of Agriculture	540	591	9.3%	1,376		468	502	72	86	0	3	0	0
Ministry of Counter Narcotics	88	89	0.7%	239		58	64	30	25	0	0	0	0
Ministry of Rural Rehabilitation and Development	210	239	14.2%	777		159	179	50	60	1	0	-0	-0
Afghanistan Independent Land Authority	89	200	124.7%	550		64	150	25	51	0	0	-0	0
<b>Total Social Protection</b>	<b>10,687</b>	<b>11,943</b>	<b>11.8%</b>	<b>25,709</b>	<b>46%</b>	<b>712</b>	<b>778</b>	<b>262</b>	<b>269</b>	<b>1</b>	<b>7</b>	<b>9,712</b>	<b>10,888</b>
Ministry of Frontiers and Tribal Affairs	162	190	17.5%	481		98	110	64	80	0	0	-0	0
Ministry of Martyrs, Disabled and Social Affairs	9,833	11,134	13.2%	23,690		419	435	138	113	0	0	9,276	10,586
Ministry of Refugees and Repatriates	104	130	24.7%	301		82	101	22	29	1	0	0	0
Ministry of Women Affairs	82	93	13.1%	234		63	71	19	16	0	6	0	0
Office of Disaster Preparedness	480	354	-26.1%	843		31	34	13	18	0	1	436	302
Directorate of Kochis	26	42	60.2%	159		20	29	6	13	0	0	0	-0
<b>Total Economic Gov. and Private Sector Devel't</b>	<b>2,491</b>	<b>2,299</b>	<b>-7.7%</b>	<b>16,148</b>	<b>14%</b>	<b>944</b>	<b>1,095</b>	<b>1,284</b>	<b>926</b>	<b>1</b>	<b>4</b>	<b>262</b>	<b>275</b>
Ministry of Finance	1,802	1,755	-2.6%	14,823		628	782	913	698	0	1	262	275
Ministry of Commerce	428	253	-40.7%	628		118	97	309	156	0	1	0	-0
Ministry of Economy	103	112	9.4%	270		79	82	23	30	1	1	-0	0
Control and Audit Office	67	75	12.7%	164		45	50	21	25	0	0	0	-0
Central Statistics Office	62	68	9.7%	171		53	57	9	10	0	1	0	-0
Micro Finance Investment Support Facility for Afghanistan	0	0	-	0		0	0	0	0	0	0	0	0
Afghanistan National Standard Authority	30	36	20.6%	92		21	27	9	9	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

**Table 21a. Programs Expenditure**

In millions of Afghanis	OPERATING BUDGET				DEVELOPMENT BUDGET				TOTAL BUDGET			
	1396				1396				1396			
	Q2 YTD	Budget	Allotted	% Allot.	Q2 YTD	Budget	Allotted	% Allot.	Q2 YTD	Budget	Allotted	% Allot.
<b>Ministry of Education</b>	<b>13954.6</b>	<b>33355.6</b>	<b>33354.6</b>	<b>42%</b>	<b>1452.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>15407.2</b>	<b>45251.4</b>	<b>38817.0</b>	<b>40%</b>
General & Islamic Education	12092.0	28481.7	28481.7	42%	1109.9	0.0	0.0	-	13201.9	35834.2	32167.0	41%
Curriculum development & teacher training	455.3	1161.4	1161.4	39%	47.0	0.0	0.0	-	502.3	3530.4	1754.3	29%
Technical and vocational training program	530.1	1453.8	1452.8	36%	112.2	0.0	0.0	-	642.3	2425.5	1918.9	33%
Literacy and informal Education	265.7	653.0	652.9	41%	11.2	0.0	0.0	-	276.9	1019.8	944.2	29%
Education management	612.2	1605.8	1605.8	38%	172.5	0.0	0.0	-	784.7	2441.6	2032.7	39%
Other	-0.8	0.0	0.0	-	0.0	0.0	0.0	-	-0.8	-0.1	0.0	-
<b>Ministry of Agriculture, Irrigation and Livestock</b>	<b>590.9</b>	<b>1376.1</b>	<b>1376.0</b>	<b>43%</b>	<b>1981.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>2572.8</b>	<b>11710.1</b>	<b>11298.0</b>	<b>23%</b>
Natural Resource Management	89.0	194.2	194.2	46%	538.3	0.0	0.0	-	627.3	2408.0	2339.4	27%
Agriculture Production and Productivity	245.4	530.0	530.0	46%	967.6	0.0	0.0	-	1213.0	4363.7	4296.9	28%
Economic Regeneration	73.3	217.4	217.3	34%	485.9	0.0	0.0	-	559.3	3799.2	3545.5	16%
Reform and Capacity Building	183.2	434.4	434.4	42%	49.4	0.0	0.0	-	232.6	1139.2	1116.3	21%
Other	0.0			-	-59.4			-	-59.4			-
<b>Ministry of Rural Rehabilitation and Development</b>	<b>239.3</b>	<b>777.3</b>	<b>777.3</b>	<b>31%</b>	<b>3817.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>4056.4</b>	<b>19065.3</b>	<b>16298.2</b>	<b>25%</b>
Rural Infrastructure (RI)	0.0	0.0	0.0	-	2481.2	0.0	0.0	-	2481.2	15576.2	13154.8	19%
Economic Regeneration (ER)	0.0	0.0	0.0	-	111.3	0.0	0.0	-	111.3	378.7	302.4	37%
Local Governance	0.0	0.0	0.0	-	1265.5	0.0	0.0	-	1265.5	2333.2	2063.7	61%
Institutional Support Program (ISP)	239.5	777.3	777.3	31%	0.0	0.0	0.0	-	239.5	777.3	777.3	31%
Other	-0.2			-	-41.0			-	-41.2			-
<b>Ministry of Energy &amp; Water</b>	<b>444.7</b>	<b>935.5</b>	<b>935.2</b>	<b>48%</b>	<b>695.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>1140.4</b>	<b>8675.7</b>	<b>6449.7</b>	<b>18%</b>
Energy	27.9	71.4	71.1	39%	55.5	0.0	0.0	-	83.4	1760.8	890.1	9%
Water	315.4	649.4	649.4	49%	641.8	0.0	0.0	-	957.2	6700.3	5345.0	18%
Admin & Finance	101.5	214.7	214.7	47%	0.0	0.0	0.0	-	101.5	214.7	214.7	47%
Other	-0.1			-	-1.6			-	-1.7			-
<b>Ministry of Finance</b>	<b>1754.8</b>	<b>14823.1</b>	<b>14784.6</b>	<b>12%</b>	<b>1225.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>2980.1</b>	<b>19663.4</b>	<b>19491.2</b>	<b>15%</b>
Public Financial Management	1315.2	12099.7	12099.7	11%	714.2	0.0	0.0	-	2029.4	14280.7	14201.2	14%



Revenue Management	360.2	967.9	932.7	39%	291.6	0.0	0.0	-	651.9	2420.3	2379.3	27%
Operation (General Administration)	566.4	1686.4	1685.9	34%	194.0	0.0	0.0	-	760.4	2760.4	2711.3	28%
Policy Management	28.7			-	25.5	0.0	0.0	-	54.2	202.4	199.3	27%
Other	-515.7			-	0.0			-	-515.7			-
<b>Ministry of Public Works</b>	<b>1023.5</b>	<b>3199.1</b>	<b>3192.4</b>	<b>32%</b>	<b>4463.0</b>	<b>0.0</b>	<b>0.0</b>	-	<b>5486.4</b>	<b>27681.0</b>	<b>20536.6</b>	<b>27%</b>
Transportation Infrastructures	27.3	62.4	62.4	44%	4499.3	0.0	0.0	-	4526.6	24544.3	17406.6	26%
Maintenance of Transport Infrastructure	938.3	3011.1	3004.4	31%	0.0	0.0	0.0	-	938.3	3011.1	3004.4	31%
Admin & Finance	57.9	125.7	125.7	46%	0.0	0.0	0.0	-	57.9	125.7	125.7	46%
Other	-0.1			-	-36.3			-	-36.3			-
<b>Ministry of Public Health</b>	<b>1736.0</b>	<b>4296.7</b>	<b>4290.6</b>	<b>40%</b>	<b>3421.3</b>	<b>0.0</b>	<b>0.0</b>	-	<b>5157.3</b>	<b>20940.4</b>	<b>19384.8</b>	<b>27%</b>
Institutional Development and Assessment (IDA)	22.6	49.9	49.9	45%	442.7	0.0	0.0	-	465.3	3467.5	2569.1	18%
Health Service Provision	632.6	1164.9	1163.1	54%	2978.5	0.0	0.0	-	3611.2	14361.6	13736.5	26%
Admin	1083.2	3081.8	3077.7	35%	0.0	0.0	0.0	-	1083.2	3111.3	3079.2	35%
Other	-2.5			-	0.0			-	-2.5			-
<b>Independent Directorate of Local Governance</b>	<b>1401.5</b>	<b>3687.0</b>	<b>3686.7</b>	<b>38%</b>	<b>92.6</b>	<b>0.0</b>	<b>0.0</b>	-	<b>1494.1</b>	<b>5274.3</b>	<b>5008.8</b>	<b>30%</b>
National Principals for Local Governance	51.1	149.1	148.8	34%	0.0	0.0	0.0	-	51.1	149.1	148.8	34%
Local Governance Management												
	1258.2	3015.9	3015.9	42%	92.6	0.0	0.0	-	1350.7	4603.2	4338.0	31%
General Supporting Services	92.4	522.0	522.0	18%	0.0	0.0	0.0	-	92.4	522.0	522.0	18%
Other	-0.1			-	0.0			-	-0.1			-
<b>Ministry of Urban Development</b>	<b>235.3</b>	<b>472.0</b>	<b>472.0</b>	<b>50%</b>	<b>383.4</b>	<b>0.0</b>	<b>0.0</b>	-	<b>618.7</b>	<b>4863.1</b>	<b>4430.8</b>	<b>14%</b>
Planning & Urban Development	11.8	32.6	32.6	36%	53.0	0.0	0.0	-	64.9	483.6	372.5	17%
Housing	6.9	18.8	18.8	37%	241.4	0.0	0.0	-	248.3	2301.0	2199.8	11%
Urban Infrastructure	20.0	51.0	51.0	39%	40.9	0.0	0.0	-	61.0	866.3	851.9	7%
Management & Operations	196.6	369.5	369.5	53%	134.5	0.0	0.0	-	331.1	1212.2	1006.5	33%
Other	-0.1			-	-86.5			-	-86.5			-

**Table 10b. Programs Expenditure**

(In millions of Afghanis)	OPERATING BUDGET				DEVELOPMENT BUDGET				TOTAL BUDGET			
	1396				1396				1396			
	Q2 YTD	Budget	Allocated	% Alloc.	Q2 YTD	Budget	Allocated	% Alloc.	Q2 YTD	Budget	Allocated	% Alloc.
<b>Ministry of Transport</b>	<b>135.9</b>	<b>312.5</b>	<b>312.5</b>	<b>43%</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>144.9</b>	<b>383.1</b>	<b>327.7</b>	<b>44%</b>
Land Transport Services	136.3	312.5	312.5	44%	9.0	0.0	0.0	-	145.3	383.1	327.7	44%
Other	-0.4			-	0.0			-	-0.4			-
<b>Ministry of Communication and Information Technology</b>	<b>246.4</b>	<b>582.2</b>	<b>582.2</b>	<b>42%</b>	<b>35.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>281.6</b>	<b>2675.1</b>	<b>2034.3</b>	<b>14%</b>
E - Afghanistan	56.8	118.8	118.8	48%	35.3	0.0	0.0	-	92.0	2211.8	1570.9	6%
ICT Literacy	11.5	28.1	28.1	41%	0.0	0.0	0.0	-	11.5	28.1	28.1	41%
General Administration & Management	178.4	435.2	435.2	41%	0.0	0.0	0.0	-	178.4	435.2	435.2	41%
Other	-0.3			-	0.0			-	-0.3			-
<b>Ministry of Commerce and Industry</b>	<b>253.4</b>	<b>627.7</b>	<b>624.1</b>	<b>41%</b>	<b>69.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>323.0</b>	<b>929.5</b>	<b>874.3</b>	<b>37%</b>
Private Sector and Industry Development	26.6	58.2	54.7	49%	51.0	0.0	0.0	-	77.6	243.9	224.8	35%
Trade Policy and Transit	74.0	351.0	351.0	21%	5.8	0.0	0.0	-	79.7	378.9	378.9	21%
Admin and Regulatory Services	153.0	218.5	218.5	70%	12.8	0.0	0.0	-	165.7	306.7	270.6	61%
Other	-0.1			-	0.0			-	-0.1			-
<b>Ministry of Labour, Social Affairs, Martyrs and Disabled</b>	<b>11133.6</b>	<b>23689.7</b>	<b>23689.2</b>	<b>47%</b>	<b>222.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>11356.3</b>	<b>24634.5</b>	<b>24480.5</b>	<b>46%</b>
Labor Support Program	3223.8	6816.6	6816.6	47%	218.6	0.0	0.0	-	3442.5	7688.0	7597.2	45%
Social services	174.8	424.1	424.1	41%	4.0	0.0	0.0	-	178.8	450.9	434.1	41%
Martyrs and Disabled	7412.0	15550.2	15550.2	48%	0.0	0.0	0.0	-	7412.0	15550.2	15550.2	48%
Administration & Finance	323.0	898.8	898.3	36%	0.0	0.0	0.0	-	323.0	945.5	899.1	36%
Other	0.0			-	0.0			-	0.0			-
<b>Ministry of Defence</b>	<b>26060.6</b>	<b>69454.5</b>	<b>69425.7</b>	<b>38%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>26060.6</b>	<b>69588.5</b>	<b>69538.8</b>	<b>37%</b>
Cambat forces	23490.9	64206.9	64178.1	37%	0.0	0.0	0.0	-	23490.9	64340.9	64291.3	37%
Supportive forces	2629.8	5247.5	5247.5	50%	0.0	0.0	0.0	-	2629.8	5247.5	5247.5	50%
Other	-60.1			-	0.0			-	-60.1			-
<b>Ministry of Women Affairs</b>	<b>92.9</b>	<b>234.4</b>	<b>234.4</b>	<b>40%</b>	<b>1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>94.2</b>	<b>273.1</b>	<b>264.9</b>	<b>36%</b>

Women Support and Strengthening	5.8	12.2	12.2	48%	0.0	0.0	0.0	-	5.8	12.2	12.2	48%
Gender Development and policy monitoring	7.0	14.8	14.8	48%	0.2	0.0	0.0	-	7.3	20.7	20.6	35%
Administration & Finance	80.1	207.4	207.4	39%	1.1	0.0	0.0	-	81.1	240.1	232.1	35%
Other	0.0			-	0.0			-	0.0			-
<b>Ministry of Economy</b>	<b>112.4</b>	<b>270.5</b>	<b>265.9</b>	<b>42%</b>	<b>100.6</b>	<b>0.0</b>	<b>0.0</b>	-	<b>213.0</b>	<b>626.9</b>	<b>571.9</b>	<b>37%</b>
Economic Policy and Strategy and Monitoring and Evaluation	73.9	179.4	179.4	41%	75.1	0.0	0.0	-	149.1	415.6	389.5	38%
Management & Operations	38.7	91.1	86.5	45%	25.5	0.0	0.0	-	64.1	211.3	182.4	35%
Other	-0.2			-	0.0			-	-0.2			-
<b>Presidents Office</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	-	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	-	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	-
Providing Services to the Prisedent	0.0	0.0	0.0	-	0.0	0.0	0.0	-	0.0	0.0	0.0	-
Other	0.0			-	0.0			-	0.0	0.0		-
<b>Ministry of Higher Education</b>	<b>1969.4</b>	<b>5409.3</b>	<b>5407.8</b>	<b>36%</b>	<b>334.9</b>	<b>0.0</b>	<b>0.0</b>	-	<b>2304.3</b>	<b>8272.1</b>	<b>7612.2</b>	<b>30%</b>
Providing higher education opportunities	4.3	31.7	31.7	14%	334.9	0.0	0.0	-	339.2	2894.5	2236.1	15%
Leadership & Management of Higher Education System	1965.3	5377.6	5376.1	37%	0.0	0.0	0.0	-	1965.3	5377.6	5376.1	37%
Other	-0.2			-	0.0			-	-0.2			-
<b>IARCSC</b>	<b>161.4</b>	<b>433.9</b>	<b>433.9</b>	<b>37%</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	-	<b>167.2</b>	<b>1188.3</b>	<b>1185.4</b>	<b>14%</b>
Appointments & Appeals	27.3	63.6	63.6	43%	0.0	0.0	0.0	-	27.3	63.6	63.6	43%
Public Administrative Reforms	22.5	58.4	58.4	38%	0.0	0.0	0.0	-	22.5	58.4	58.4	38%
Capacity Development	15.7	45.2	45.2	35%	0.0	0.0	0.0	-	15.7	45.2	45.2	35%
Supportive Program	95.8	266.7	266.7	36%	5.8	0.0	0.0	-	101.6	1021.1	1018.2	10%
Other	0.0			-	0.0			-	0.0			-
<b>OTHERS</b>	<b>44,753</b>	<b>110,168</b>	<b>108,805</b>		<b>4,764</b>	-	-		<b>49,517</b>	<b>110,168</b>	<b>108,805</b>	
<b>TOTAL GROSS EXPENDITURES</b>	<b>106,299</b>	<b>274,105</b>	<b>272,650</b>	<b>39%</b>	<b>23,076</b>	-	-	-	<b>129,375</b>	<b>381,864</b>	<b>357,410</b>	<b>36%</b>

**Table 16. Detailed Development Expenditure**

2 3 6 4 5

In millions of Afghanis	1395	1395	1396	1396	1396	1396	1396	% Increase
	Q2	Q2 YTD	Budget	Q2	Q2 YTD	Unspent Budget	Unspent/Total	
<b>TOTAL</b>	<b>21,951</b>	<b>30,326</b>	<b>425,993</b>	<b>25,595</b>	<b>30,464</b>	<b>395,530</b>	<b>93%</b>	<b>17%</b>
<b>Total Infrastructure and Natural Resources</b>	<b>7,463.2</b>	<b>12,531.8</b>	<b>80,171.3</b>	<b>12,694.7</b>	<b>14,240.9</b>	<b>65,930</b>	<b>82%</b>	<b>70%</b>
Ministry of Public Works	2,900.2	4,495.3		5,087.7	5,904.2			75%
Ministry of Transport and Aviation	18.9	18.9		9.0	9.0			-52%
Ministry of Energy and Water	850.8	1,217.9		1,179.8	1,258.4			39%
Water Supply and Canalization Corporation	59.2	59.2		44.8	44.8			-24%
Ministry of Communication	103.5	131.7		43.6	48.7			-58%
Ministry of Mines and Industries	241.1	289.4		264.9	307.1			10%
Other Ministries	3,289.5	6,319.4		6,065.0	6,668.7			84%
<b>Total Agriculture and Rural Development</b>	<b>5,923.2</b>	<b>8,116.8</b>	<b>33,274.0</b>	<b>5,675.5</b>	<b>7,692.3</b>	<b>25,582</b>	<b>6%</b>	<b>-4%</b>
Ministry of Agriculture	1,493.5	2,086.9		3,210.6	3,532.3			115%
Ministry of Rural Rehabilitation and Development	4,176.4	5,770.7		2,184.8	3,871.9			-48%
Other Ministries	253.4	259.2		280.2	288.1			11%
<b>Total Education</b>	<b>2,730.4</b>	<b>2,820.6</b>	<b>56,362.4</b>	<b>1,816.5</b>	<b>1,990.6</b>	<b>54,372</b>	<b>14%</b>	<b>-33%</b>
Ministry of Education	2,124.8	2,160.6		1,500.0	1,561.5			-29%
Other Ministries	605.6	660.0		316.6	429.1			-48%
<b>Total Economic Gov. and Private Sector Devel't</b>	<b>695.4</b>	<b>1,132.7</b>	<b>23,333.2</b>	<b>1,398.9</b>	<b>1,841.9</b>	<b>21,491</b>	<b>5%</b>	<b>101%</b>
Ministry of Finance	544.9	846.9		1,084.4	1,431.3			99%
Other Ministries	150.5	285.8		314.5	410.6			109%
<b>Total Health</b>	<b>4,319.3</b>	<b>4,763.3</b>	<b>20,940.4</b>	<b>3,000.9</b>	<b>3,447.3</b>	<b>17,493</b>	<b>4%</b>	<b>-31%</b>
Ministry of Public Health	4,319.3	4,763.3		3,000.9	3,447.3			-31%
<b>Total Governance, Rule of Law and Human Rights</b>	<b>226.6</b>	<b>290.4</b>	<b>25,299.0</b>	<b>287.5</b>	<b>407.4</b>	<b>24,892</b>	<b>6%</b>	<b>27%</b>
Independent Directorate of Local Governance	2.4	2.4		76.8	92.6			3065%
Other Ministries	224.2	288.0		210.7	314.8			-6%

<b>Total Social Protection</b>	<b>277.0</b>	<b>290.4</b>	<b>27,371.6</b>	<b>296.4</b>	<b>319.1</b>	<b>27,053</b>	<b>7%</b>	<b>7%</b>
<b>Total Security</b>	<b>315.5</b>	<b>379.8</b>	<b>159,241.4</b>	<b>424.2</b>	<b>524.0</b>	<b>158,717</b>	<b>40%</b>	<b>34%</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 18a. Detailed Ministry Expenditure**

In millions of Afghanis	1395		1396		1396	1396	% Alloc.	% Increase
	Q2	Q2 YTD	Q2	Q2 YTD	Budget	Allocated		
<b>TOTAL GROSS EXPENDITURES</b>	<b>83,780</b>	<b>133,362</b>	<b>89,985</b>	<b>136,738</b>	<b>425,993</b>	<b>387,704</b>	<b>35%</b>	<b>3%</b>
<b>Operating Budget</b>	61,829	103,036	64,390	106,275	274,105	271,519	<b>39%</b>	<b>3%</b>
<b>Development Budget</b>	21,951	30,326	25,595	30,464	0	0	-	<b>0%</b>
<b>Ministry of Interior</b>	<b>14,625</b>	<b>26,526</b>	<b>13,912</b>	<b>25,064</b>	<b>65,711</b>	<b>63,165</b>	<b>40%</b>	<b>-6%</b>
Operating Budget	14,522	26,380	13,817	24,878	64,786	62,386	40%	-6%
Development Budget	104	146	95	186	0	0	-	28%
<b>Ministry of Defence</b>	<b>15,844</b>	<b>27,581</b>	<b>14,123</b>	<b>26,050</b>	<b>69,588</b>	<b>69,539</b>	<b>37%</b>	<b>-6%</b>
Operating Budget	15,844	27,581	14,123	26,050	69,454	69,426	38%	-6%
Development Budget	0	0	0	0	0	0	-	-
<b>Ministry of Foreign Affairs</b>	<b>1,848</b>	<b>2,115</b>	<b>1,634</b>	<b>2,610</b>	<b>5,868</b>	<b>5,789</b>	<b>45%</b>	<b>23%</b>
Operating Budget	1,724	1,991	1,312	2,285	5,008	5,008	46%	15%
Development Budget	124	124	322	325	0	0	-	163%
<b>National Security Council</b>	<b>175</b>	<b>307</b>	<b>250</b>	<b>407</b>	<b>1,099</b>	<b>1,098</b>	<b>37%</b>	<b>33%</b>
Operating Budget	175	307	250	407	1,099	1,098	37%	33%
Development Budget	0	0	0	0	0	0	-	-
<b>Presidential Protective Service</b>	<b>408</b>	<b>665</b>	<b>366</b>	<b>703</b>	<b>1,748</b>	<b>1,722</b>	<b>41%</b>	<b>6%</b>
Operating Budget	337	595	365	697	1,602	1,602	44%	17%
Development Budget	71	71	1	6	0	0	-	-92%
<b>General Directorate of National Security</b>	<b>3,116</b>	<b>6,224</b>	<b>3,651</b>	<b>7,506</b>	<b>15,226</b>	<b>15,220</b>	<b>49%</b>	<b>21%</b>
Operating Budget	3,098	6,185	3,645	7,499	15,103	15,103	50%	21%
Development Budget	18	40	6	7	0	0	-	-82%

<b>Total Security</b>	<b>36,016</b>	<b>63,418</b>	<b>33,937</b>	<b>62,340</b>	<b>159,241</b>	<b>156,533</b>	<b>40%</b>	<b>-2%</b>
Operating Budget	35,701	63,038	33,513	61,816	157,051	#####	40%	-2%
Development Budget	316	380	424	524	-	-	-	38%
<b>Presidents Office</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>National Assembly Meshanro Jirga</b>	<b>111</b>	<b>208</b>	<b>133</b>	<b>239</b>	<b>557</b>	<b>548</b>	<b>44%</b>	<b>15%</b>
Operating Budget	111	208	133	239	532	532	45%	15%
Development Budget	0	0	0	0	0	0	-	-
<b>National Assembly Wolesi Jirga</b>	<b>355</b>	<b>714</b>	<b>449</b>	<b>799</b>	<b>1,735</b>	<b>1,675</b>	<b>48%</b>	<b>12%</b>
Operating Budget	355	714	443	793	1,647	1,647	48%	11%
Development Budget	0	0	7	7	0	0	-	-
<b>Supreme Court</b>	<b>774</b>	<b>1,504</b>	<b>893</b>	<b>1,608</b>	<b>3,594</b>	<b>3,565</b>	<b>45%</b>	<b>7%</b>
Operating Budget	765	1,491	857	1,571	3,403	3,402	46%	5%
Development Budget	9	13	36	37	0	0	-	186%
<b>Ministry of Justice</b>	<b>186</b>	<b>293</b>	<b>205</b>	<b>312</b>	<b>1,198</b>	<b>1,129</b>	<b>28%</b>	<b>7%</b>
Operating Budget	151	253	183	283	740	734	39%	12%
Development Budget	35	40	22	29	0	0	-	-28%
<b>Administrative Affairs</b>	<b>1,270</b>	<b>1,939</b>	<b>1,345</b>	<b>2,265</b>	<b>6,499</b>	<b>6,194</b>	<b>37%</b>	<b>17%</b>
Operating Budget	1,151	1,819	1,257	2,126	5,605	5,591	38%	17%
Development Budget	120	120	88	139	0	0	-	16%
<b>Ministry of State and Parliament Affairs</b>	<b>52</b>	<b>84</b>	<b>27</b>	<b>47</b>	<b>166</b>	<b>165</b>	<b>29%</b>	<b>-44%</b>
Operating Budget	52	67	27	47	153	153	31%	-30%
Development Budget	0	17	0	0	0	0	-	-100%
<b>Ministry of Haj and Religious Affairs</b>	<b>262</b>	<b>403</b>	<b>313</b>	<b>482</b>	<b>1,881</b>	<b>1,782</b>	<b>27%</b>	<b>20%</b>
Operating Budget	252	387	286	430	1,360	1,360	32%	11%
Development Budget	10	16	27	53	0	0	-	228%
<b>Attorney General</b>	<b>304</b>	<b>542</b>	<b>631</b>	<b>948</b>	<b>2,333</b>	<b>2,289</b>	<b>41%</b>	<b>75%</b>
Operating Budget	289	525	605	903	2,138	2,119	43%	72%
Development Budget	15	17	25	45	0	0	-	170%

<b>Election Commission</b>	<b>51</b>	<b>75</b>	<b>87</b>	<b>113</b>	<b>415</b>	<b>415</b>	<b>27%</b>	<b>50%</b>
Operating Budget	51	75	87	113	415	415	27%	50%
Development Budget	0	0	0	0	0	0	-	-
<b>IARCSC</b>	<b>105</b>	<b>198</b>	<b>108</b>	<b>167</b>	<b>1,188</b>	<b>1,185</b>	<b>14%</b>	<b>-16%</b>
Operating Budget	88	151	102	161	434	434	37%	7%
Development Budget	17	47	6	6	0	0	-	-88%
<b>Independent Commission for Overseeing the Implementation of Cons</b>	<b>15</b>	<b>26</b>	<b>18</b>	<b>30</b>	<b>72</b>	<b>72</b>	<b>41%</b>	<b>15%</b>
Operating Budget	15	26	18	30	72	72	41%	15%
Development Budget	0	0	0	0	0	0	-	-
<b>The High office of Oversight and Anti Corruption</b>	<b>48</b>	<b>73</b>	<b>31</b>	<b>54</b>	<b>165</b>	<b>158</b>	<b>34%</b>	<b>-26%</b>
Operating Budget	30	55	31	54	152	152	35%	-2%
Development Budget	18	18	0	0	0	0	-	-100%
<b>Independent Directorate of Local Governance</b>	<b>679</b>	<b>1,126</b>	<b>904</b>	<b>1,494</b>	<b>5,274</b>	<b>5,009</b>	<b>30%</b>	<b>33%</b>
Operating Budget	676	1,124	827	1,401	3,687	3,687	38%	25%
Development Budget	2	2	77	93	0	0	-	3716%
<b>Afghanistan Independent Human Rights Commission</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>72</b>	<b>56</b>	<b>4%</b>	<b>258%</b>
Operating Budget	1	1	2	2	40	39	5%	258%
Development Budget	0	0	0	0	0	0	-	-
<b>Independent Electoral Complaints Commission</b>	<b>25.58</b>	<b>33.54</b>	<b>41.26</b>	<b>52.77</b>	<b>148</b>	<b>148</b>	<b>36%</b>	<b>57%</b>
Operating Budget	25.58	33.54	41.26	52.77	148	148	36%	57%
Development Budget	0.00	0.00	0.00	0.00	0	0	-	-
<b>Total Governance, Rule of Law and Human Rights</b>	<b>4,238</b>	<b>7,219</b>	<b>5,187</b>	<b>8,612</b>	<b>25,299</b>	<b>24,389</b>	<b>35%</b>	<b>19%</b>
Operating Budget	4,011	6,928	4,900	8,205	20,526	20,485	40%	18%
Development Budget	227	290	287	407	-	-	-	40%

Table 18b. Detailed Ministry Expenditure

(In millions of Afghanis)	1395		1396		1396	1396		% Alloc.	%Change
	Q2	YTD	Q2	YTD	Budget	Allocated			
<b>Ministry of Public Works</b>	<b>3,885</b>	<b>5,688</b>	<b>5,938</b>	<b>6,923</b>	<b>27,681</b>	<b>20,537</b>	<b>34%</b>	<b>22%</b>	
Operating Budget	985	1,193	851	1,019	3,199	3,192	32%	-15%	
Development Budget	2,900	4,495	5,088	5,904	0	0	-	31%	
<b>Ministry of Transport and Aviation</b>	<b>79</b>	<b>115</b>	<b>109</b>	<b>145</b>	<b>383</b>	<b>328</b>	<b>44%</b>	<b>26%</b>	
Operating Budget	60	96	100	136	313	313	44%	41%	
Development Budget	19	19	9	9	0	0	-	-52%	
<b>Ministry of Communication</b>	<b>239</b>	<b>365</b>	<b>190</b>	<b>295</b>	<b>2,675</b>	<b>2,034</b>	<b>15%</b>	<b>-19%</b>	
Operating Budget	136	233	146	246	582	582	42%	6%	
Development Budget	103	132	44	49	0	0	-	-63%	
<b>Ministry of Energy and Water</b>	<b>999</b>	<b>1,481</b>	<b>1,498</b>	<b>1,703</b>	<b>8,676</b>	<b>6,450</b>	<b>26%</b>	<b>15%</b>	
Operating Budget	149	263	318	445	936	935	48%	69%	
Development Budget	851	1,218	1,180	1,258	0	0	-	3%	
<b>Water Supply and Canalization Corporation</b>	<b>59</b>	<b>59</b>	<b>45</b>	<b>45</b>	<b>433</b>	<b>150</b>	<b>30%</b>	<b>-24%</b>	
Operating Budget	0	0	0	0	0	0	-	-	
Development Budget	59	59	45	45	0	0	-	-24%	
<b>Da Brishna Shirkat</b>	<b>2,191</b>	<b>4,200</b>	<b>2,979</b>	<b>3,028</b>	<b>20,203</b>	<b>15,148</b>	<b>20%</b>	<b>-28%</b>	
Operating Budget	0	0	0	0	0	0	-	-	
Development Budget	2,191	4,200	2,979	3,028	0	0	-	-28%	
<b>Ministry of Urban Development</b>	<b>456</b>	<b>507</b>	<b>1,357</b>	<b>1,474</b>	<b>4,863</b>	<b>4,431</b>	<b>33%</b>	<b>191%</b>	
Operating Budget	78	128	185	235	472	472	50%	84%	
Development Budget	378	379	1,172	1,239	0	0	-	227%	
<b>Civil Aviation Authority</b>	<b>651</b>	<b>1,242</b>	<b>792</b>	<b>1,270</b>	<b>5,455</b>	<b>3,887</b>	<b>33%</b>	<b>2%</b>	
Operating Budget	80	111	80	124	377	377	33%	12%	
Development Budget	572	1,131	712	1,146	0	0	-	1%	
<b>Independent Board of new Kabul</b>	<b>21</b>	<b>43</b>	<b>310</b>	<b>338</b>	<b>1,800</b>	<b>1,225</b>	<b>28%</b>	<b>688%</b>	
Operating Budget	0	0	19	19	119	84	23%	-	
Development Budget	21	43	291	319	0	0	-	643%	



<b>Ministry of Mines and Industries</b>	<b>360</b>	<b>492</b>	<b>398</b>	<b>533</b>	<b>2,299</b>	<b>1,388</b>	<b>38%</b>	<b>8%</b>
Operating Budget	119	202	133	226	566	566	40%	12%
Development Budget	241	289	265	307	0	0	-	6%
<b>Geodesy and Cartography Office</b>	<b>40</b>	<b>74</b>	<b>0</b>	<b>2</b>	<b>13</b>	<b>13</b>	<b>13%</b>	<b>-98%</b>
Operating Budget	35	64	0	2	13	13	13%	-97%
Development Budget	5	10	0	0	0	0	-	-100%
<b>Directorate of Environment</b>	<b>51</b>	<b>87</b>	<b>53</b>	<b>92</b>	<b>309</b>	<b>307</b>	<b>30%</b>	<b>6%</b>
Operating Budget	47	83	51	91	227	227	40%	10%
Development Budget	5	5	2	2	0	0	-	-65%
<b>Afghanistan High Atomic Energy Commission</b>	<b>9</b>	<b>16</b>	<b>12</b>	<b>19</b>	<b>59</b>	<b>59</b>	<b>32%</b>	<b>21%</b>
Operating Budget	9	16	12	19	59	59	32%	21%
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>118</b>	<b>552</b>	<b>909</b>	<b>934</b>	<b>5,324</b>	<b>3,460</b>	<b>27%</b>	<b>69%</b>
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	118	552	909	934	0	0	-	69%
<b>Total Infrastructure and Natural Resources</b>	<b>9,159</b>	<b>14,921</b>	<b>14,590</b>	<b>16,802</b>	<b>80,171</b>	<b>59,416</b>	<b>28%</b>	<b>13%</b>
Operating Budget	1,696	2,389	1,895	2,561	6,861	6,819	38%	7%
Development Budget	7,463	12,532	12,695	14,241	-	-	-	14%
<b>Ministry of Education</b>	<b>9,506</b>	<b>14,729</b>	<b>10,359</b>	<b>15,517</b>	<b>45,251</b>	<b>38,817</b>	<b>40%</b>	<b>5%</b>
Operating Budget	7,381	12,568	8,859	13,955	33,356	33,355	42%	11%
Development Budget	2,125	2,161	1,500	1,562	0	0	-	-28%
<b>Ministry of Higher Education</b>	<b>1,752</b>	<b>2,551</b>	<b>1,427</b>	<b>2,335</b>	<b>8,272</b>	<b>7,612</b>	<b>31%</b>	<b>-8%</b>
Operating Budget	1,183	1,928	1,171	1,968	5,409	5,408	36%	2%
Development Budget	569	623	255	368	0	0	-	-41%
<b>Ministry of Information and Culture</b>	<b>152</b>	<b>235</b>	<b>211</b>	<b>296</b>	<b>1,230</b>	<b>1,030</b>	<b>29%</b>	<b>26%</b>
Operating Budget	133	216	173	258	633	633	41%	19%
Development Budget	19	19	37	37	0	0	-	96%

<b>Science Academy</b>	<b>50</b>	<b>90</b>	<b>56</b>	<b>102</b>	<b>273</b>	<b>250</b>	<b>41%</b>	<b>13%</b>
Operating Budget	49	90	51	98	239	239	41%	9%
Development Budget	1	1	4	4	0	0	-	424%
<b>National Olympic Committee</b>	<b>58</b>	<b>72</b>	<b>84</b>	<b>111</b>	<b>606</b>	<b>407</b>	<b>27%</b>	<b>54%</b>
Operating Budget	44	58	73	100	362	357	28%	72%
Development Budget	14	14	11	11	0	0	-	-21%
<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>91</b>	<b>169</b>	<b>139</b>	<b>225</b>	<b>729</b>	<b>669</b>	<b>34%</b>	<b>33%</b>
Operating Budget	87	165	130	216	570	570	38%	31%
Development Budget	4	4	9	9	0	0	-	148%
<b>Total Education</b>	<b>11,609</b>	<b>17,846</b>	<b>12,275</b>	<b>18,586</b>	<b>56,362</b>	<b>48,786</b>	<b>38%</b>	<b>4%</b>
Operating Budget	8,878	15,026	10,458	16,596	40,570	40,562	41%	10%
Development Budget	2,730	2,821	1,817	1,991	-	-	-	-29%
<b>Ministry of Public Health</b>	<b>5,296</b>	<b>6,312</b>	<b>4,126</b>	<b>5,180</b>	<b>20,940</b>	<b>19,385</b>	<b>27%</b>	<b>-18%</b>
Operating Budget	977	1,549	1,125	1,733	4,297	4,291	40%	12%
Development Budget	4,319	4,763	3,001	3,447	0	0	-	-28%
<b>Total Health</b>	<b>5,296</b>	<b>6,312</b>	<b>4,126</b>	<b>5,180</b>	<b>20,940</b>	<b>19,385</b>	<b>27%</b>	<b>-18%</b>
Operating Budget	977	1,549	1,125	1,733	4,297	4,291	40%	12%
Development Budget	4,319	4,763	3,001	3,447	-	-	-	-28%

Table 18c. Detailed Ministry Expenditure

(In millions of Afghanis)	1395		1396		1396	1396		% Alloc.	%Change
	Q2 YTD	Q2 YTD	Q2 YTD	Budget	Allocated				
<b>Ministry of Agriculture</b>	<b>1,793</b>	<b>2,627</b>	<b>3,557</b>	<b>4,123</b>	<b>11,710</b>	<b>11,298</b>	<b>36%</b>	<b>57%</b>	
Operating Budget	299	540	347	591	1,376	1,376	43%	9%	
Development Budget	1,494	2,087	3,211	3,532	0	0	-	69%	
<b>Ministry of Counter Narcotics</b>	<b>247</b>	<b>284</b>	<b>311</b>	<b>352</b>	<b>1,499</b>	<b>1,265</b>	<b>28%</b>	<b>24%</b>	
Operating Budget	53	88	56	89	239	239	37%	1%	
Development Budget	194	196	255	263	0	0	-	35%	
<b>Ministry of Rural Rehabilitation and Development</b>	<b>4,288</b>	<b>5,980</b>	<b>2,326</b>	<b>4,111</b>	<b>19,065</b>	<b>16,298</b>	<b>25%</b>	<b>-31%</b>	
Operating Budget	112	210	141	239	777	777	31%	14%	
Development Budget	4,176	5,771	2,185	3,872	0	0	-	-33%	
<b>Afghanistan Independent Land Authority</b>	<b>107</b>	<b>153</b>	<b>167</b>	<b>231</b>	<b>999</b>	<b>865</b>	<b>27%</b>	<b>51%</b>	
Operating Budget	48	89	142	206	550	545	38%	131%	
Development Budget	59	64	25	25	0	0		-61%	
<b>Total Agriculture and Rural Development</b>	<b>6,435</b>	<b>9,044</b>	<b>6,361</b>	<b>8,817</b>	<b>33,274</b>	<b>29,726</b>	<b>1</b>	<b>-3%</b>	
Operating Budget	512	927	686	1,124	2,943	2,937	1	21%	
Development Budget	5,923	8,117	5,676	7,692	-	-	#####	-5%	
<b>Ministry of Frontiers and Tribal Affairs</b>	<b>112</b>	<b>169</b>	<b>141</b>	<b>198</b>	<b>620</b>	<b>598</b>	<b>33%</b>	<b>17%</b>	
Operating Budget	104	162	133	190	481	481	39%	17%	
Development Budget	8	8	8	9	0	0	-	10%	
<b>Ministry of Martyrs, Disabled and Social Affairs</b>	<b>8,544</b>	<b>10,078</b>	<b>10,050</b>	<b>11,382</b>	<b>24,635</b>	<b>24,481</b>	<b>46%</b>	<b>13%</b>	
Operating Budget	8,308	9,833	9,811	11,133	23,690	23,689	47%	13%	
Development Budget	236	245	239	248	0	0	-	1%	
<b>Ministry of Refugees and Repatriates</b>	<b>70</b>	<b>113</b>	<b>107</b>	<b>160</b>	<b>597</b>	<b>587</b>	<b>27%</b>	<b>42%</b>	
Operating Budget	62	104	81	130	301	301	43%	25%	
Development Budget	9	9	26	31	0	0	-	253%	
<b>Ministry of Women Affairs</b>	<b>68</b>	<b>103</b>	<b>59</b>	<b>94</b>	<b>273</b>	<b>265</b>	<b>36%</b>	<b>-9%</b>	
Operating Budget	47	82	57	93	234	234	40%	13%	

Development Budget	21	21	1	1	0	0	-	-94%
<b>Office of Disaster Preparedness</b>	<b>71</b>	<b>480</b>	<b>336</b>	<b>354</b>	<b>843</b>	<b>843</b>	<b>42%</b>	<b>-26%</b>
Operating Budget	71	480	336	354	843	843	42%	-26%
Development Budget	0	0	0	0	0	0	-	-
<b>Directorate of Kochis</b>	<b>19</b>	<b>34</b>	<b>50</b>	<b>72</b>	<b>404</b>	<b>250</b>	<b>29%</b>	<b>114%</b>
Operating Budget	15	26	27	42	159	159	26%	59%
Development Budget	4	7	23	30	0	0	-	311%
<b>Total Social Protection</b>	<b>8,884</b>	<b>10,977</b>	<b>10,743</b>	<b>12,261</b>	<b>27,372</b>	<b>27,023</b>	<b>45%</b>	<b>12%</b>
Operating Budget	8,607	10,687	10,446	11,942	25,709	25,708	46%	12%
Development Budget	277	290	296	319	-	-	-	10%
<b>Ministry of Finance</b>	<b>1,710</b>	<b>2,649</b>	<b>2,180</b>	<b>3,185</b>	<b>19,663</b>	<b>19,491</b>	<b>16%</b>	<b>20%</b>
Operating Budget	1,165	1,802	1,095	1,754	14,823	14,785	12%	-3%
Development Budget	545	847	1,084	1,431	0	0	-	69%
<b>Ministry of Commerce</b>	<b>174</b>	<b>484</b>	<b>142</b>	<b>323</b>	<b>929</b>	<b>874</b>	<b>37%</b>	<b>-33%</b>
Operating Budget	130	428	100	253	628	624	41%	-41%
Development Budget	44	57	42	70	0	0	-	24%
<b>Ministry of Economy</b>	<b>88</b>	<b>158</b>	<b>130</b>	<b>213</b>	<b>627</b>	<b>572</b>	<b>37%</b>	<b>34%</b>
Operating Budget	59	103	66	112	270	266	42%	9%
Development Budget	29	56	64	101	0	0	-	80%
<b>Control and Audit Office</b>	<b>110</b>	<b>139</b>	<b>87</b>	<b>126</b>	<b>566</b>	<b>434</b>	<b>29%</b>	<b>-9%</b>
Operating Budget	41	67	47	75	164	164	46%	13%
Development Budget	69	72	41	51	0	0	-	-30%
<b>Central Statistics Office</b>	<b>34</b>	<b>67</b>	<b>38</b>	<b>68</b>	<b>235</b>	<b>178</b>	<b>38%</b>	<b>0%</b>
Operating Budget	33	62	38	67	171	170	40%	9%
Development Budget	1	6	0	0	0	0	-	-94%
<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>0</b>	<b>89</b>	<b>150</b>	<b>170</b>	<b>1,007</b>	<b>775</b>	<b>22%</b>	<b>91%</b>

Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	89	150	170	0	0	-	91%
<b>Afghanistan National Standard Authority</b>	<b>26</b>	<b>36</b>	<b>41</b>	<b>54</b>	<b>304</b>	<b>120</b>	<b>45%</b>	<b>48%</b>
Operating Budget	19	30	22	36	92	87	41%	20%
Development Budget	7	7	18	18	0	0	-	176%
<b>Total Economic Gov. and Private Sector Devel't</b>	<b>2,142</b>	<b>3,624</b>	<b>2,767</b>	<b>4,139</b>	<b>23,333</b>	<b>22,444</b>	<b>18%</b>	<b>14%</b>
Operating Budget	1,447	2,491	1,368	2,297	16,148	16,095	14%	-8%
Development Budget	695	1,133	1,399	1,842	-	-	-	63%
<b>Unallocated Reserves</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>Unspecified</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>Total Unclassified</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-	-
Operating Budget	-	-	-	-	-	-	-	-
Development Budget	-	-	-	-	-	-	-	-

*Quarterly Fiscal Bulletin, 2<sup>nd</sup> Quarter, 1396*

---

*Editor-in-Chief*

Shamsul Haq Noor - Director General MFPD, Ministry of Finance

*Contact Person*

Tamim Karimi, Macro Fiscal Performance General Directorate (MFPD)  
Email: tamim.karimi@mof.gov.af

---

*Co-authors*

*Hafizullah Momandi*

Senior Economist - Macro Forecasting

*Abdul Rahman Rahimi*

Senior Economist - Macroeconomic Policy

*Yama Ahmadi*

Senior Economist - Macroeconomic Forecasting

*Haseenulah Ahmadzai*

Senior Economist, Revenue and Tax

*Lutfullah Lutf*

Senior Fiscal Policy Analyst

*Mahdi Frough*

Senior Macro Fiscal Analyst

*Waseem Usman*

Senior Fiscal Policy Analyst

*Tamim Karimi*

Senior Macro Fiscal Policy Analyst