

QUARTERLY MACRO-FISCAL REPORT

Macro-Fiscal Performance Directorate General (MFPD)

Ministry of Finance

FY 1397



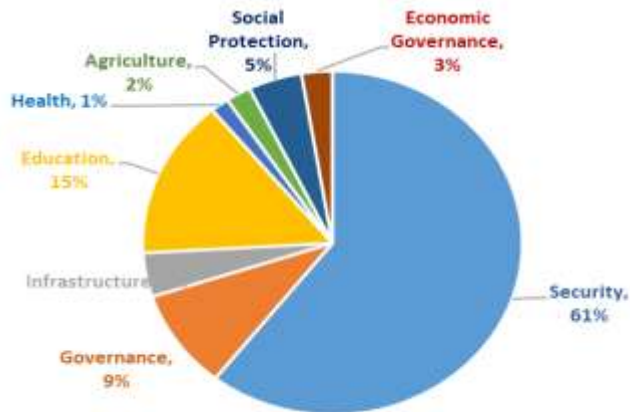
Ministry of Finance
Islamic Republic of Afghanistan

Quarter 1, 1397

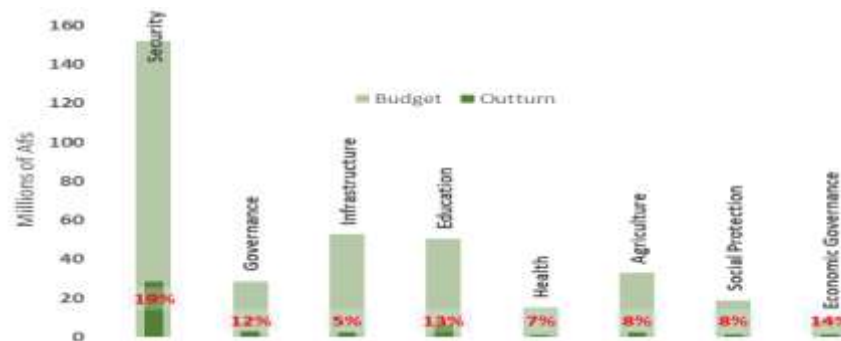
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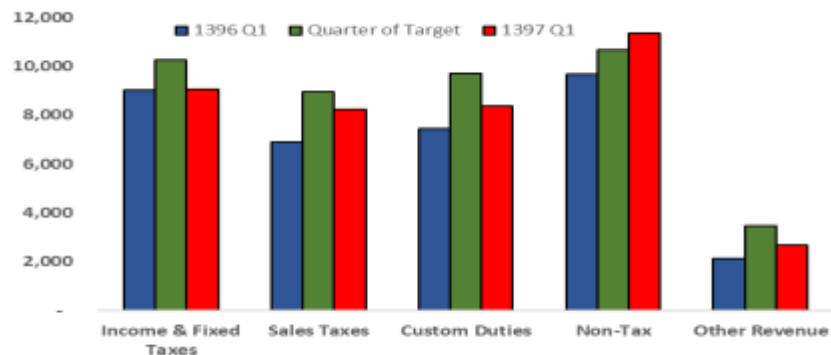
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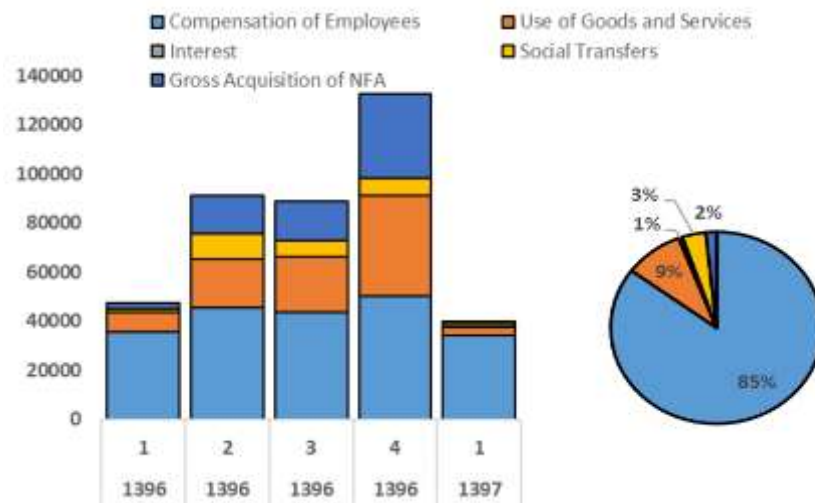
Budget Execution Rate



Revenue Summary



Expenditure Summary by Inputs



Executive Summary

During the last 3 years, Afghanistan has recovered its economic growth slowly through mobilizing higher amount of domestic revenue, implementing reforms, and reduction in government expenditures. Though the international grants declined and security situation worsened after the withdrawn of international security forces in 1393 (2014) that created a sustained economic slowdown. The average growth rate declined from 9 percent in FY1382 to FY1388 to 2.7 percent in FY1393 (2014). Since FY1394 (2015), the economy slightly recovered through increased in investment and business, infrastructure initiatives, accession in the WTO, and a range of reforms in tax administration and revenue mobilization.

Revenue mobilization during the last 3 years were improved and the collections were higher than the targets. In the beginning of the fiscal year 1397, government restored its confidence and set the internal revenue target of Afs 187.6 billion, and the IMF target was set to Afs 173.5 billion for the FY 1397. The performance of revenue collection in the first quarter of FY 1397 started stronger than the same period of FY 1396 due to more improvements in tax administration and collection in the start of the year. On expenditure side, the government spending was significantly less compared with the same period of the last year.

Total revenue collection (including grants) till the end of the first quarter (YTD) of 1397 was Afs 69.4 billion, of which Afs 39.6 billion came from domestic revenue. In 1397, domestic revenue collection (excluding grants) till the end of first quarter was 13 percent more than the same period in 1396. The major contributor in domestic revenue was tax revenue as 17.9 percent, following non-tax revenue with 11.3 percent, and customs duties with 8.3 percent. On the other hand, revenue collection including grants has fallen by 1 percent as a result of reduction in donor grants.

On the other side, total expenditure till the end of the first quarter amounted to Afs 39.3 billion, which constitutes 10.9 percent of the total adjusted budget for the year 1397. 86.5 percent of total expenditure was spent on wages and salaries and 9.1 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 1397 is Afs 240 billion, and until the end of the first quarter, the budget was adjusted by a subtraction of 4 percent on the original budget. In the adjusted budget there is a little increase in the use of compensation of employees.

The second section (table 2), shows adjustment in total budget for all the sectors. Total budget for most of the sectors decreased by 4 percent during the year. Among the sectors, Economic Governance increased with 46 percent and governance increased with 8 percent over the original budget, while only social protection sector decreased with 28 percent. 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

	1396	1396	1397	1397	1397
	Q1	Q1 YTD	Budget	Q1	Q1 YTD
Revenue	70,249	70,249	362,369	69,473	69,473
Tax Revenue	23874	23874	118948	26328	26328
Non-Tax Revenue	10347	10347	47857	12288	12288
Grants	35089	35089	190373	29831	29831
Social Contributions	939	939	5191	1025	1025
Expenditure	45090	45090	285243	39372	39372
Wages and Salaries	35889	35889	186358	34086	34086
Goods and Services	7549	7549	81607	3608	3608
Interest	103	103	957	241	241
Grants and Transfers	1550	1550	16322	1438	1438
Overall Operating Balance	25158	25158	77126	30100	30100
Primary Operating Balance	25261	25261	78082	30341	30341
Gross Acquisition of Fixed Assets	2403	2403	78620	654	654
Net Acquisition of Fixed Assets	2397	2397	78620	650	650
Overall Balance	22761	22761	-1494	29450	29450
Primary Balance	22864	22864	-537	29691	29691
Gross Acquisition of Financial Assets	-22074	-22074	1494	-26470	-26470

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

Table 2. Adjustments in the Budget

Operating Only	Original Budget	Adjusted Budget	Change %
TOTAL GROSS EXPENDITURES	240145.0	250882.9	4%
RECURRENT EXPENDITURES	240145.0	244678.3	2%
Compensation of Employees	174412.8	186357.5	7%
Use of Goods and Services	42059.6	41761.5	-1%

Interest	1802.9	956.6	-47%
Social Transfers	21869.8	15602.6	-29%
ACQUISITION OF ASSETS			
Gross Acquisition of NFA	0.0	7161.2	#DIV/0!
Operating and Development			
Security	147438.2	152127.8	3%
Governance	26528.6	28709.5	8%
Infrastructure	49540.2	52811.4	7%
Education	50308.2	50465.6	0%
Health	14811.0	15032.4	1%
Agriculture	32322.4	33023.4	2%
Social Protection	25951.8	18734.2	-28%
Economic Governance	6622.6	9689.0	46%
Unclassified	23667.2	0.0	-100%
TOTAL	377190.2	360593.3	-4%

Recent Macro-Economic Overview

Summary

Afghanistan has experienced an economy slowdown after the withdrawal of International Security Forces in 1393 (2014). But the slight recovery from its downturn and lower performance after economic slowdown started with a growth rate of 2.3 percent in 1395, reflecting increased investment and business confidence compared with 1394. Recovery continued in 1396, with the economy growing 2.7 percent, driven by expand of agriculture sector. The annual economic growth rate is projected to reach 2.4 percent in 1397, and is project to reach 2.8 percent in 1398. Both Agriculture and Industry are projected to 2 percent, following Service is projected to grow by 2.5 percent in 1397 (2018). Following an increase in the economic growth, the inflation rate dropped to 0.8 percent in the first quarter of 1397. The marginal decrease in the inflation rate in the first quarter was driven by a reduction in food prices, particularly of fruits and vegetables. Given that Afghanistan imports fuel and part of its cereals requirement, global fuel and grain prices have a substantial impact on domestic prices. On the other side, exchange rate continued to fall during the first quarter of 1397, and reached to an average of Afs 69.2/USD and it is expected to continue to depreciate to Afs 72/USD in the next quarter 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 overall price index declined by 0.4 percent between the fourth quarter of 1396 and the first quarter of 1397. This slight decrease is mainly due to a reduction in the prices of food items. The decrease in the price of food items are driven by a decrease in the prices of fresh and dried fruits, vegetables, spices and meat while the prices of non-food items remained almost the same. For the second quarter of 1397, it is estimated that the decline in CPI will continue as a result of continued 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 rise. The increase in the BRT and tariff for several imported items may affect the inflation in the immediate future.

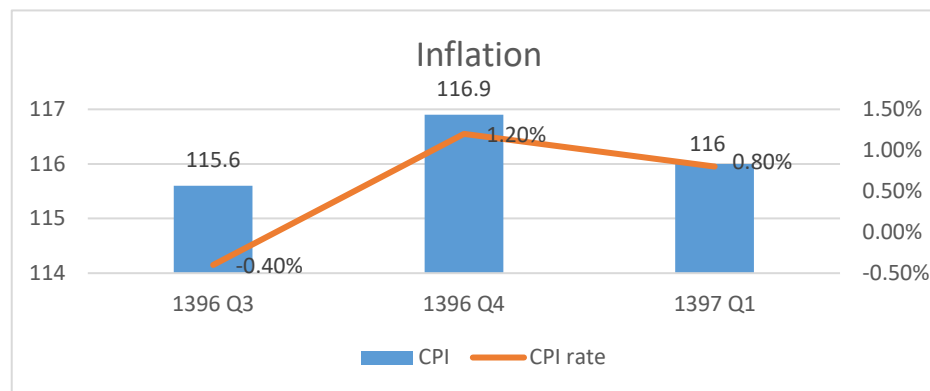
Table 3. Economic Growth

	Previous Year (1396)	Budget Forecast (1397)	Current Forecast (1397)
GDP Growth	2.7%	3.1%	3.2%
Inflation	5.0%	5%	6.2%
Deflator	3%	3%	3%
NGDP Level (billion Afs)	1,416	1,528	1,450

Exchange Rate

In the last quarter of 1396 (2017) the Afghani currency to US dollar exchange rate depreciated from 68.3 to 69.3, and it continued in the first month of 1397. In the first quarter of 1397, the exchange rate stabilized in average of 69Afs/USD. It is projected that in the second and third quarters of this year, the exchange rate will continue to depreciate and reach to 72

Figure 1. Inflation



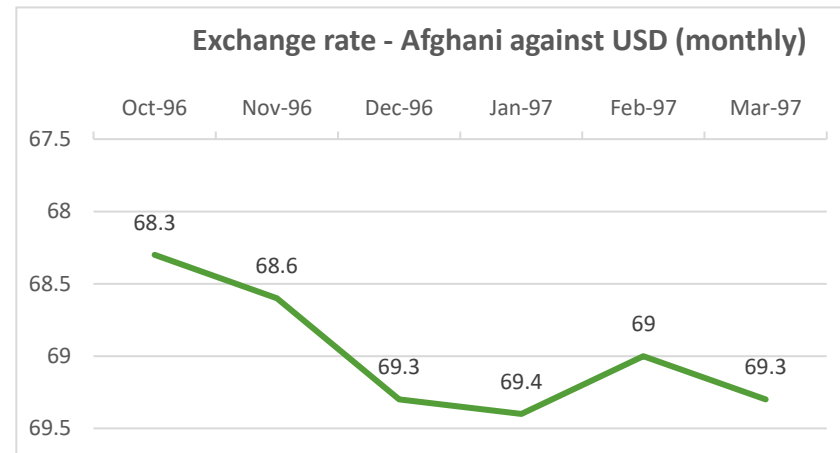
For the year 1397 GDP growth is estimated to reach 3.1 percent, 0.4 percent higher than 1396. This is driven by an improvement in the agriculture sector. Growth in agriculture is expected to have some increased contribution in the medium term, with a movement towards greater irrigated farming, building 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 was improved after the inauguration of Chabahar port.

With the launch of trade via Chabahar port, trade relations would improve not only between India and Afghanistan, but with Iran and other central Asian countries, which will affect positively in the economy of the country.

Afs/USD. The Afghani currency will depreciate further and by the end of the fiscal year 1397, the exchange rate will presumably reach to 74 Afs/USD.

A weaker exchange rate tends to make exports more competitive, as Afghan products will be less expensive for foreigners to buy. However, in Afghanistan, the exchange rate plays an insignificant role to balance the BoP, as the export is constraint to supply deficiencies. In the medium term, due to unexpected decline in the foreign aid, we assume that the exchange rate will depreciate by around 1.5 percent annually.

Figure 2: Currency exchange rate



Revenue Performance

Domestic Revenue grew strongly in the 1st quarter of 1397, reaching Afs 39.6 billion. Afghanistan’s domestic revenue collection during the first quarter of 1397 was improved, compared to the first quarter of 1396. The increase in revenue collection was attributed to the government’s set of reforms, in particular improvements in tax administration and tax compliance, and measures against corruptions in customs. The improvement in business activities also led to the growth in revenue, reflected by rising in retails activities from the lower base in 1396. These improvements led to increasing in the average value of customs and taxes.

In the absence of major tax policy changes, the impartment largely attributable to tax and customs administration and enforcement and increased non-tax revenue associated with new fee and charges. Total revenue collection (excluding grants) till the 1st quarter of FY1397 was Afs 39.6 billion, an increase of 13 percent over the same period (till 1st quarter) of 1396. The total YTD revenue collections for the first quarter of 1397 were 23 percent of the total revenue targeted. The major contribution to revenue collection was from tax revenue of Afs 17.9 billion (large increases were from property tax, and sales taxes, as of 86 percent and 44 percent respectively). Non-tax revenue and Customs duties were the other largest contributors, with the total collections of Afs 11.3 billion, and Afs 8.3 billion respectively.

Table 4. Revenue Summary

In millions of Afghanis	1396	1396	1397	1397	1397	% Target	% Change
	Q1	Q1 YTD	Budget	Q1	Q1 YTD		on 1396
Revenues Including Grants	70,249	70,249	362,369	69,473	69,473	19%	-1%
Revenues Excluding Grants	35,159	35,159	171,996	39,642	39,642	23%	13%
Revenue (without customs)	27,729	27,729	133,153	31,289	31,289	23%	13%
Tax Revenues (without customs)	16,443	16,443	80,105	17,975	17,975	22%	9%
Fixed Taxes	2,568	2,568	13,723	2,966	2,966	22%	15%
Income Taxes	6,446	6,446	27,246	6,076	6,076	22%	-6%
Property Taxes	109	109	464	202	202	44%	86%
Sales Taxes	6,908	6,908	35,772	8,216	8,216	23%	19%
Other Taxes	-	-	2,900	-	-	0%	-
Customs Duty, Import Taxes	7,430	7,430	38,843	8,353	8,353	22%	12%
Non Tax Revenue	9,685	9,685	42,603	11,348	11,348	27%	17%
Income from Capital Property	656	656	2,003	786	786	39%	20%
Sales of Goods and Services	1,937	1,937	8,776	1,541	1,541	18%	-20%
Administrative Fees	6,503	6,503	28,248	8,753	8,753	31%	35%
Royalties	85	85	448	53	53	12%	-38%
Non Tax Fines and Penalties	136	136	927	135	135	15%	0%
Extractive Industry	367	367	2,201	79	79	4%	-78%
Miscellaneous Revenue	662	662	5,253	940	940	18%	42%
Social Contributions	939	939	5,191	1,025	1,025	20%	9%
Grants	35,089	35,089	190,373	29,831	29,831	16%	-15%
Foreign Governments	27,719	27,719	115,699	27,565	27,565	24%	-1%
International Organisation	7,370	7,370	74,674	2,266	2,266	3%	-69%
Other Government Units	-	-	-	-	-	-	-

International Organisation	13,536	37,681	-	21,637	39,714	-	5%
Other Government Units	-	-	-	-	-	-	-

Revenues Collection by Agencies

Revenue growth is expected to moderate in 1397. Following a quarter of rapid revenue growth within a slow-growing economy. The potential to further achieve revenue improvement from an administration and enforcement improvements is near exhaustion. Customs control may come under pressure in the context of the upcoming election based on the experience of past election period. Revenue data for the first quarter of 1397 by agencies shows only a slight improvement over collection for the same period of 1396, with the difference only slightly exceeding the rate of inflation. There are a number of key agencies that were involved in the collection of revenue (see table 5). Ministry of Finance was the largest and leading revenue collecting agency, collected Afs 28.9 billion by the end of the first quarter of 1397, which shows an increase of 11 percent over the same period in 1396. Customs as the major revenue collector under Ministry of Finance, have collected the total amount of 17.7 billion by the end of the first quarter 1397, while collection for 1396 was Afs 14.8 billion, an increase by 20 percent. Mustofiats's collection on quarterly basis decreased by 18 percent, while LTO increased by 6 percent, as compared to same period collections in 1396.

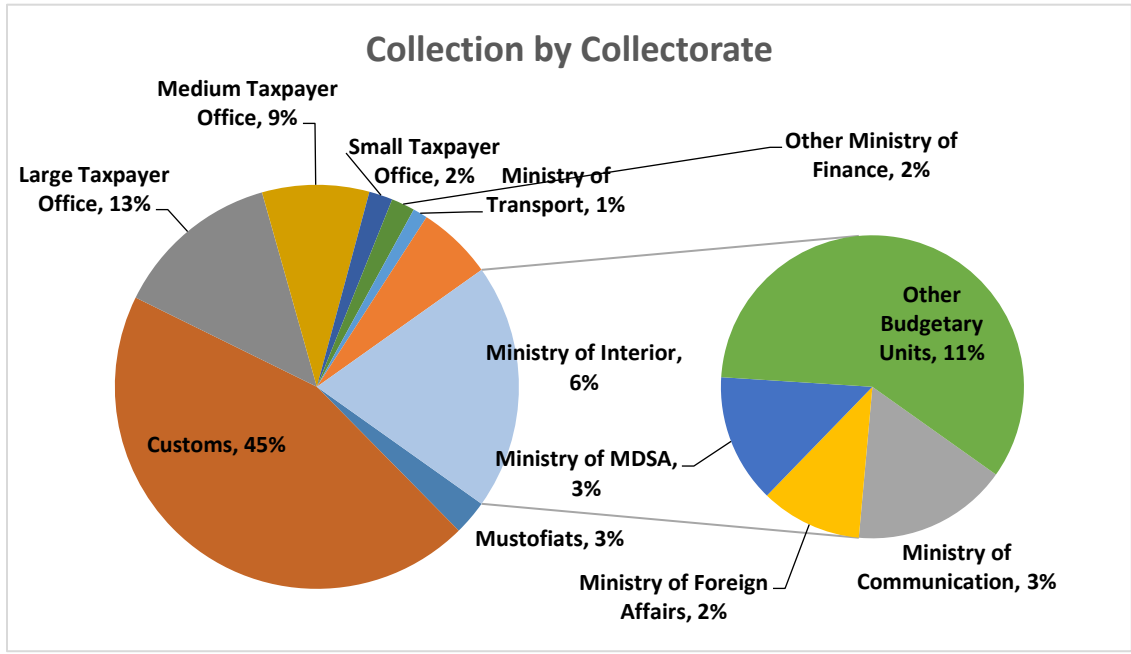
Among other ministries, the Ministry for Foreign Affairs collection rose up to 117 percent, similarly, Ministry Martyrs, Disabled and Social Affairs revenue collection was 65 percent more than the same period (first quarter) collection in 1396 respectively. The increase in other ministries revenue was mainly due to an increase in the fees and fine, which were implemented over the past two years. These figures will more likely be changed after reconciliation and reclassification.

Table 5. Revenues by Agencies

In millions of Afghanis	1396	1396	1397	1397	% Change
	Q1	Q1 YTD	Q1	Q1 YTD	on 1396
Ministry of Finance	26115	26115	28991	28991	11%
Mustofiats	1342	1342	1102	1102	-18%
Customs	14807	14807	17709	17709	20%
Large Taxpayer Office	4997	4997	5287	5287	6%
Medium Taxpayer Office	3495	3495	3399	3399	-3%

Small Taxpayer Office	898	898	750	750	-17%
Other Ministry of Finance	576	576	744	744	29%
Other Key Ministries	9044	9044	10651	10651	18%
Ministry of Transport	356	356	465	465	31%
Ministry of Interior	2171	2171	2393	2393	10%
Ministry of Communication	1232	1232	1294	1294	5%
Ministry of Foreign Affairs	390	390	844	844	117%
Ministry of MDSA ¹	651	651	1072	1072	65%
Other Budgetary Units	4245	4245	4583	4583	8%

1/ Martyrs, Disabled and Social Affairs



Revenues Collection by Key Provinces

Revenue by province shows the collection of all types of revenues, as given in Table 6 below. Typically, the provinces close to borders collected higher revenue than the other provinces because of large amount of export and import (without the customs offices). The collection by the key provinces bordered by neighbor countries has higher collections compared with non-border provinces, as was given in Table 7. Among these provinces, Faryab had the highest collection, with an increase of 75% percent (36 percent of the target) over the same quarter in 1396. Herat and Kandahar were the other largest contributors, with 36 percent and 32 percent increase in the collection over the same period in 1396. Nimroz and Kabul provinces had lower collections, as compared with other key provinces due to political and insecurity situation in those provinces.

Table 6. Revenue from All Provinces

In millions of Afghanis	1396	1396	1397	1397	1397	% Target	% Change
	Q1	Q1 YTD	Est. Target	Q1	Q1 YTD		
REVENUES exc. grants	35,165.6	35,159.4	171,996.2	39,642.9	39,646.7	23%	13%
Badakhshan	87	87	426	81	81	19%	-8%
Badghis	33	33	163	40	40	25%	20%
Baghlan	96	96	468	111	111	24%	16%
Balkh	3,365	3,365	16,463	3,802	3,802	23%	13%
Bamyan	49	49	241	101	101	42%	105%
Central Ministries	15,606	15,600	76,312	17,101	17,104	22%	10%
Dikondy	15	15	75	23	23	31%	51%
Farah	1,107	1,107	5,414	1,103	1,103	20%	0%
Faryab	555	555	2,715	970	970	36%	75%
Ghazni	107	107	522	104	104	20%	-2%
Ghor	25	25	125	35	35	28%	37%
Helmand	165	165	806	193	193	24%	17%
Herat	4,142	4,142	20,260	5,645	5,645	28%	36%
Jawzjan	87	87	424	103	103	24%	18%
Kabul	839	839	4,102	757	757	18%	-10%
Kandahar	1,506	1,506	7,368	1,994	1,994	27%	32%
Kapisa	28	28	135	47	47	34%	68%
Khost	86	86	422	106	106	25%	22%

Kunar	42	42	205	60	60	29%	43%
Kunduz	221	221	1,082	309	309	29%	40%
Laghman	66	66	322	74	74	23%	12%
Logar	40	40	194	28	28	14%	-30%
Nangarhar	3,049	3,049	14,914	3,922	3,922	26%	29%
Nimroz	2,454	2,454	12,003	2,095	2,095	17%	-15%
Nuristan	1	1	3	3	3	100%	388%
Offshore Payments	0	0	0	0	0	-	-
Paktika	84	84	409	75	75	18%	-11%
Paktiya	270	270	1,323	341	341	26%	26%
Pangsher	64	64	315	31	31	10%	-51%
Parwan	71	71	349	83	83	24%	17%
Samangan	726	726	3,553	56	56	2%	-92%
Saripul	36	36	174	50	50	29%	40%
Takhar	83	83	408	116	116	29%	40%
Uruzgan	7	7	35	18	18	52%	152%
Wardak	44	44	216	47	47	22%	6%
Zabul	10	10	50	21	21	42%	108%

Table 7. Revenues by key province

In millions of Afghanis	1396	1396	1397	1397	1397	% Target	% Change
	Q1	Q1 YTD	Est. Target	Q1	Q1 YTD		on 1396
Kabul	839	839	4102	757	757	18%	-10%
Nangarhar	3049	3049	14914	3922	3922	26%	29%
Balkh	3365	3365	16463	3802	3802	23%	13%
Kandahar	1506	1506	7368	1994	1994	27%	32%
Faryab	555	555	2715	970	970	36%	75%
Herat	4142	4142	20260	5645	5645	28%	36%
Nimroz	2454	2454	12003	2095	2095	17%	-15%
Central Ministries	15542	15542	76312	17104	17104	22%	10%

Grants

Despite improvements in revenue performance and less spending, the 1396 fiscal deficit was equal to around 0.5 percent of GDP, up from a roughly balanced budget in 1396. This outcome reflects declines in both discretionary and non-discretionary on-budget grants, with a discretionary grants decline by more than 2 percent of GDP in 1396. The total grants in 1396 budget fell short of budgeted levels by around \$ 600 million, reflecting both a shortfall of discretionary grants and weak execution in the development project. Both the tables below show grants reimbursement. In Operational Grants, ARTF consisted of 25% of total grants in the 1st quarter of 1397 compared to 29 percent for the same period in 1396. ARTF spending is slightly less as the same period of 1396, 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) increased to 9 percent in the 1st quarter of 1397 from 8 percent in the same period of 1396. Funds released for LOTFA, 18 percent of the total released funds in the first quarter of 1397, as it was the same percent in the first quarter of 1396. Funds released for CSTC-A in the Ministry of Defense (MoD) constituted 48 percent of total grants released in the 1st quarter of 1397, while it was 45 percent in the same period in 1396.

In the Development Grants, Reconstruction and Rehabilitation of road on Herat province constituted the largest portion of the total development grants released by the end of first quarter of 1397. Following by Basic Package of Health Services is the second largest portion of development grants.

Table 8a. Operating Grants

All Values are in Million Afs	1396	1396	%	1397	1397	%
	Q1	Q1 YTD	Total	Q1	Q1 YTD	Total
Afghanistan Reconstruction Trust Fund (ARTF)	7,966	7,966	29%	6,872	6,872	25%
Law & Order Trust Fund (LOTFA)	5,107	5,107	18%	4,884	4,884	18%
CSTC-A ¹ MoD	12,479	12,479	45%	13,245	13,245	48%
CSTC-A ¹ MoI	2,131	2,131	8%	2,527	2,527	9%

1/ Combined Security Transitional Command Afghanistan

Table 8b. Largest Development Grants for the YTD

All Values are in Million Afghanis	Code	1397 YTD
Reconstruction and Rehabilitation of Road on Herat Province	40831	989
Basic Package of Health Services and the Essential Package of Hospital Services	30750	491
On Farm Water Management	30610	231
Improved wheat seed production	30680	209
Procurement Reform	30620	80

Pension	32660	70
Reconstruction of Section 2 of the Kabul Jalalabad Road (106 Km)	35360	55
Audits of Commercial banks	32550	54
Community Development Including Productive Infrastructures and Institutional Strengthening	40750	47
0167/0170Nangarhar Valley Development Authority Ma	35200	11
	30900	11
Northern Basin Development	35050	9
Sheberghan Gas Rehabilitation Project	35210	7
Operating Fund	10000	4

Expenditure Performance

Operating and Development Expenditure

The Government budget consists of operating and development budgets. The operating budget consists of the day-to-day expenses of the Government, i.e. the cost of salaries, fuel, textbooks, and medicines. The development budget covers expenditures on development projects such as road building and irrigation systems. Table 9 presents comparison of operating expenditures in the first quarter of 1397 and 1396. The total operating expenditure has decreased by 9 percent compared to the same period in 1396. However, some components of the operating expenditures witnessed considerable reduction, while the decline in others is mild. For instance, expenditures on the compensation of employees declined by 5%, whereas use of goods and services has reduced by 46 percent. Expenditures on Goods and services include spending on communications, travel, fuel, utilities, and maintenance etc., so the decline in this type of expenditures may indicate the reduction in overall daily activities. In addition, acquisition of assets has massively reduced by 52 percent. Similarly, Table 10 shows that the development expenditures also decreased by 67% compared to the first quarter of 1396. Discretionary expenditures decreased by 81 percent and non-discretionary expenditure decreased by 55 percent. The decline in development expenditures adversely affect economic growth and employment opportunities in the country.

Usually, the main reasons behind the low execution rate of the budget are start of the fiscal year, deteriorating security situation, over budgeting, low absorption capacity and late disbursement.

Table 9. Operating Expenditure

In millions of Afghanis	1396	1396	1397	1397	1397	1397	%	% Change
	Q1	Q1 YTD	Q1	Q1 YTD	Budget	Allocated	Budget.	on 1396
TOTAL GROSS EXPENDITURES	42,171	42,171	38,267	38,267	250,883	250,218	15%	-9%
TOTAL NET EXPENDITURES (2)	42,164	42,164	38,263	38,263				
RECURRENT EXPENDITURES								-
Compensation of Employees	35,889	35,889	34,086	34,086	186,358	185,833	18%	-5%
Wages and Salaries	35,345	35,345	33,602	33,602				-5%

o/w Wages and Salaries in Cash	29,419	29,419	31,244	31,244				6%
o/w Wages and Salaries in Kind	4,515	4,515	1,616	1,616				-64%
Social Benefits	582	582	533	533				-8%
Other Compensation	-39	-39	-50	-50				
Use of Goods and Services	4,525	4,525	2,442	2,442	41,762	41,640		-46%
Travel	432	432	249	249				-42%
Food	239	239	60	60				-75%
Contracted Services	254	254	199	199				-22%
Repairs and Maintenance	215	215	145	145				-32%
Utilities	382	382	646	646				69%
Fuel	2,486	2,486	687	687				-72%
Tools and Materials	187	187	130	130				-30%
Other Use of Goods and Services	332	332	325	325				
Interest	103	103	241	241	957	957	25%	135%
To Non-Residents								
Social Transfers	1,529	1,529	1,438	1,438	15,603	15,603	9%	-6%
Subsidies	350	350	0	0				-100%
Grants	24	24	24	24				1%
<i>Foreign Grants</i>	24	24	24	24				
<i>Current Grants</i>	0	0	0	0				
Social Security	1,155	1,155	1,414	1,414				22%
Other Social Transfers	0	0	0	0				-
o/w Social Assistance	0	0	0	0				-
o/w Advance Subsidies, Grants	0	0	0	0				-
ACQUISITION OF ASSETS								
Gross Acquisition of NFA	119	119	57	57	7,161	7,142		-52%
Net Acquisition of NFA ¹	112	112	53	53				-53%
Sale of Land and Buildings	-6	-6	-4	-4				-40%
Buildings and Structures	1	1	0	0				-100%
Machinery / Equipment (>50,000)	90	90	30	30				-67%
Valuables	0	0	0	0				-
Land	27	27	27	27				-2%
Capital Advance Payments	0	0	0	0				-100%

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

Table 10. Development Expenditure Summary

In millions of Afghanis	1396	1396	1397	1397	1397	1397	%	% Change
	Q1	Q1 YTD	Q1	Q1 YTD	Budget	Allotted	Budget.	on 1396
TOTAL GROSS EXPENDITURES	5,329	5,329	1,763	1,763	112,023	111,580	2%	-67%
Discretionary Budget	2,503	2,503	487	487			-	-81%
Non-discretionary Budget	2,826	2,826	1,276	1,276			-	-55%
TOTAL NET EXPENDITURES (2)	5,323	5,323	1,760	1,760				
Use of Goods and Services	3,024	3,024	1,166	1,166	39,846	39,766	3%	-61%
Travel	40	40	3	3				
Communications	0	0	1	1				
Contracted Services	2,234	2,234	1,141	1,141				
Repairs and Maintenance	0	0	1	1				
Utilities	0	0	0	0				
Fuel	1	1	0	0				
Other Use of Goods and Services	749	749	20	20				
o/w Tools and materials (< 50,000)	0	0	0	0				
o/w Other Expenses	36	36	0	0				
o/w Advances and Return of Expenditure	625	625	20	20				
Subsides, Grants, Social Expenditures	21	21	0	0	719	719		-100%
ACQUISITION OF ASSETS								
Gross Acquisition of NFA	2,285	2,285	597	597	71,458	71,095	1%	-74%
Net Acquisition of NFA ¹	2,279	2,279	594	594				
Sale of Land and Buildings	-6	-6	-4	-4				
Buildings and Structures	1,272	1,272	514	514				
Machinery / Equipment (>50,000)	96	96	84	84				
Valuables	0	0	0	0				
Land	0	0	0	0				
Capital Advance Payments	917	917	0	0				

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

Expenditure by Economic Sectors

Table 11 presents comparison of sector-wise expenditures for the first quarter of 1397 and 1396. These sectors include Security, Governance, Education, Health, Agriculture, Social Protection, Infrastructure and Economic Governance. Looking at the expenditure in this perspective, the table shows that the gross expenditure in the first quarter of 1397 is 17 percent less than the same quarter in 1396. The sector-wise expenditure is provided both for operating and development budget. Operating budget expenditure shows 10 percent less, and development budget expenditure shows massively 67 percent less compared with last year, though we need to increase the development expenditure in order to create employment opportunities and reduce the poverty rate in the country. Among all sectors, expenditures on social protection increased by 19 percent, which might have improved the wellbeing of, aged people and deprived civilians. The performance of all other sectors in expenditures declined highly both in operating and development side. The expenditure in Agriculture sector declined by 66 percent, health sector by 41 percent. In the 1st quarter of 1397, the lowest execution rate comes from the development budget of health and agriculture sectors by 88 percent and 83 percent less; this is due to less spending performance by Ministry of Public Health, and Ministry of Agriculture. The two sectors can play vital role in economic growth, employment and human development. In order to achieve target growth and create more job opportunities, government needs to spend more on agriculture sector i.e. investment on the rehabilitation of irrigated land. The reasons behind the lower execution rate is the start of the fiscal year and low performance by the sector agencies. The overall budget spending on each sector in the first quarter are not in line with the government priorities.

Table 11. ANDS Expenditures

In millions of Afghanis	1396	1396	1397	1397	1397	1397	%	% Change
	Q1	Q1 YTD	Q1	Q1 YTD	Budget	Allocated		on 1396
TOTAL GROSS EXPENDITURES	47,293	47,293	39,431	39,431	360,593	359,489	11%	-17%
Operating Budget	41,990	41,990	37,698	37,698	249,633	248,972	15%	-10%
Development Budget	5,303	5,303	1,733	1,733	8,323	7,176	24%	-67%
Security	28,403	28,403	23,890	23,890	152,128	151,578	16%	-16%
Operating Budget	28,303	28,303	23,798	23,798	150,052	149,502	16%	-16%
Development Budget	100	100	92	92	2,076	930	10%	-7%
Governance	3,425	3,425	3,689	3,689	28,710	28,655	13%	8%
Operating Budget	3,305	3,305	3,645	3,645	22,463	22,408	16%	10%
Development Budget	120	120	44	44	6,247	6,247	1%	-63%
Infrastructure	2,688	2,688	1,633	1,633	52,811	52,558	3%	-39%
Operating Budget	708	708	643	643	4,629	4,626	14%	-9%
Development Budget	1,980	1,980	991	991	0	0	#DIV/0!	-50%
Education	6,312	6,312	5,916	5,916	50,466	50,450	12%	-6%
Operating Budget	6,137	6,137	5,877	5,877	42,979	42,963	14%	-4%

Development Budget	174	174	39	39	0	0	#DIV/0!	-78%
Health	1,054	1,054	618	618	15,032	15,026	4%	-41%
Operating Budget	608	608	563	563	3,935	3,935	14%	-7%
Development Budget	446	446	56	56	0	0	#DIV/0!	-88%
Agriculture	2,519	2,519	849	849	33,023	32,964	3%	-66%
Operating Budget	503	503	504	504	3,167	3,160	16%	0%
Development Budget	2,017	2,017	345	345	0	0	#DIV/0!	-83%
Social Protection	1,518	1,518	1,803	1,803	18,734	18,572	10%	19%
Operating Budget	1,496	1,496	1,798	1,798	17,424	17,394	10%	20%
Development Budget	23	23	5	5	0	0	#DIV/0!	-80%
Economic Governance	1,372	1,372	1,032	1,032	9,689	9,687	11%	-25%
Operating Budget	929	929	871	871	4,985	4,983	17%	-6%
Development Budget	443	443	161	161	0	0	#DIV/0!	-64%
Unclassified	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	-	-

Expenditure by COFOG

Table 12 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.

Total gross expenditure in the first quarter of 1397 was Afs 38.7 billion. This shows a considerable decrease of 18% from the same quarter of 1396. Contrary to the first quarter in 1396, both recurrent expenditure and capital expenditure have decreased due to the beginning of the fiscal year and security issues. Spending on all the functions such as 'General Public Services, Defense, Public order and safety, Health, and Education have decreased in the first quarter of 1397, whereas spending on social protection has increased. Overall, total net expenditure in the first quarter has decreased as compared to the same period in 1396.

Table 12. COFOG Expenditure

In millions of Afghanis	1396	1396	1396	1397	1397	1397	
	Q1	Q1 YTD	% Total	Q1	Q1 YTD	% Total	% Change
TOTAL NET EXPENDITURE	47,460	47,703	100%	38,710	38,880	100%	-18%
Sale of Land and Buildings	-6	-6	0%	-4	-4	0%	-40%
TOTAL GROSS EXPENDITURE	47,466	47,709	100%	38,714	38,884	100%	-18%
RECURRENT EXPENDITURE	45,062	45,305	95%	38,104	38,273	98%	-15%
CAPITAL EXPENDITURE	2,403	2,403	5%	610	610	2%	-75%
General Public Services	5,818	5,818	12%	4,568	4,568	12%	-21%
Recurrent Expenditure	5,657	5,657	12%	4,536	4,536	12%	-20%
Capital Expenditure	161	161	0%	32	32	0%	-80%
Defence	16,317	16,317	34%	15,218	15,218	39%	-7%
Recurrent Expenditure	16,216	16,216	34%	15,189	15,189	39%	-6%
Capital Expenditure	101	101	0%	29	29	0%	-71%
Public Order and Safety	12,326	12,326	26%	8,910	8,910	23%	-28%
Recurrent Expenditure	12,277	12,277	26%	8,903	8,903	23%	-27%
Capital Expenditure	49	49	0%	6	6	0%	-87%
Economic Affairs	3,695	3,938	8%	1,541	1,711	4%	-58%
Recurrent Expenditure	2,010	2,253	5%	1,054	1,223	3%	-48%
Capital Expenditure	1,685	1,685	4%	487	487	1%	-71%
Environmental Protection	305	305	1%	42	42	0%	-86%
Recurrent Expenditure	39	39	0%	42	42	0%	6%
Capital Expenditure	266	266	1%	0	0	0%	-100%
Housing and Communal Amenities	117	117	0%	82	82	0%	-29%
Recurrent Expenditure	115	115	0%	82	82	0%	-28%
Capital Expenditure	2	2	0%	0	0	0%	-100%
Health	1,069	1,069	2%	632	632	2%	-41%
Recurrent Expenditure	996	996	2%	576	576	1%	-42%
Capital Expenditure	73	73	0%	56	56	0%	-23%
Recreation, Culture and Religion	367	367	1%	337	337	1%	-8%
Recurrent Expenditure	332	332	1%	337	337	1%	1%
Capital Expenditure	35	35	0%	0	0	0%	-100%
Education	6,090	6,090	13%	5,657	5,657	15%	-7%

Recurrent Expenditure	6,058	6,058	13%	5,657	5,657	15%	-7%
Capital Expenditure	31	31	0%	0	0	0%	-100%
Social Protection	1,363	1,363	3%	1,726	1,726	4%	27%
Recurrent Expenditure	1,362	1,362	3%	1,726	1,726	4%	27%
Capital Expenditure	1	1	0%	0	0	0%	-100%

Expenditure Summary by Inputs

Table 13 presents expenditure based on the major code level. In first quarter of 1397, 18 percent of gross expenditure was the largest spending in compensation of employees, while the lowest spending was on ‘gross acquisition of NFA’ with a share of 1 percent in total expenditure. Spending for some major codes decreased as compared to the same quarter in 1396.

Table 13. Expenditure Summary by Input

In millions of Afghanis	1396	1396	1397	1397	1397	1397	% Growth	%
	Q1	Q1 YTD	Budget	Allocated	Q1	Q1 YTD	on 1396	Budget.
TOTAL GROSS EXPENDITURES	47494	47494	363863	362755	40027	40027	-16%	11%
Operating Budget	42164	42164	251840		38433	38263	-9%	15%
Development Budget	5329	5329	112023		1763	1763	-67%	2%
Discretionary Budget	2503	2503			487	487	-81%	
Non-discretionary Budget	2826	2826			1276	1276	-55%	
TOTAL NET EXPENDITURES	47487	47487			40023	40023	-16%	
RECURRENT EXPENDITURES	45090	45090			39372	39372	-13%	
Compensation of Employees	35889	35889	186358	185833	34086	34086	-5%	18%
Wages and Salaries	35345	35345			33602	33602	-5%	
Social Benefits	582	582			533	533	-8%	
Other Compensation	-39	-39			-50	-50		
Use of Goods and Services	7549	7549	81607	81406	3608	3608	-52%	4%
Travel	472	472			252	252	-47%	
Food	239	239			61	61	-74%	
Contracted Services	2488	2488			1340	1340	-46%	
Repairs and Maintenance	215	215			146	146	-32%	

Utilities	382	382			646	646	69%	
Fuel	2487	2487			687	687	-72%	
Tools and Materials	274	274			130	130	-52%	
Other Use of Goods and Services	993	993			345	345	-65%	
Interest	103	103	957	957	241	241	135%	25%
Social Transfers	1550	1550	16322	16322	1438	1438	-7%	9%
Subsidies	350	350			0	0	-100%	
Grants	24	24			24	24	1%	
<i>Foreign Grants</i>	24	24			24	24		
<i>Current Grants</i>	0	0			0	0		
Social Security	1155	1155			1414	1414	22%	
Other Social Transfers ¹	21	21			0	0	-100%	
ACQUISITION OF ASSETS								
Gross Acquisition of NFA	2403	2403	78620	78238	654	654	-73%	1%
Net Acquisition of NFA ²	2397	2397			650	650	-73%	
Sale of Land and Buildings ³	-6	-6			-4	-4	-40%	
Buildings and Structures	1273	1273			514	514	-60%	
Machinery / Equipment	186	186			113	113	-39%	
Valuables	0	0			0	0	-	
Land	27	27			27	27	-2%	
Capital Advance Payments	917	917			0	0	-100%	

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

So far the debt financing in the fiscal framework of Afghanistan plays a minor role, which is mainly funding the development projects. Understandably, the debt stock has reduced by 1 percentage point as compared to the same quarter in the last year. It is estimated that the debt stock of Afghanistan will increase in future, (and will gradually replace the grants and donations) because the government of Afghanistan will officially start borrowing from the International Financial Institutions on a larger scale for financing the domestic economy.

International organizations like IMF, WB, IDB and ADB and the foreign governments mainly the Russian Federation and the Saudi Fund, so far remain the main lenders. The external debt of Afghanistan increased to Afs 149,153 million after 4 percent increase as compared to the same quarter in 1396. Islamic Development Bank and International Monetary Fund are still the largest lenders to Afghanistan. Similarly, the foreign governments' debt ratio in the Afghan economy also increased by 3 percent in comparison to the same quarter in the last year. The increasing trend of bilateral and multilateral debt in the Afghan economy shows the future course of this indicator in the overall macroeconomic framework.

Table 14. Government Debt Stock

In Million Afs	1396	1396	1397	% Change	
	Q1	Q4	Q1	YoY	QoQ
EXTERNAL	143,952	150,729	149,153	4%	-1.0%
International Organizations	76,309	81,066	79,793	5%	-1.6%
IMF	5322.9	5,246	4,962	-5%	-
World Bank	23622.9	25,214	25,705	2%	-
Islamic Development Bank	3,117	3,327	3,304	6%	-0.7%
Asian Development Bank	44,129	47,162	45,705	4%	-3.1%
Others	117	117	116	-1%	-0.6%
Foreign Governments	67,643	69,663	69,360	3%	-0.4%
Russian Federation	61,278	62,425	62,076	1%	-0.6%
Saudi Fund	3,596	4,372	4,495	25%	2.8%
Others	2,769	2,865	2,790	1%	-2.6%
DOMESTIC	22,999	15,070	15,070	-	0.0%
Bonds (Non-Tradable)	22,999	15,070	15,070	34%	0.0%
Commercial Banks	0%	0%	0%	-	-
TOTAL CENTRAL GOVERNMENT DEBT	166,951	165,799	164,223	-2%	-1.0%

Fiscal Sustainability

Fiscal sustainability is going to take a central place in the discussion between the government of Afghanistan and International Community. Afghan government has intended to gradually phase out the donor support to key government operations. Instead, the government of Afghanistan tries to bring in more on-budget and ensure the growth in domestic revenue at a rate sufficient to cover a major part of the government operations. For the first quarter of 1397, fiscal sustainability shows a mixed picture. This is in line with the long run aim of covering the security expenditure fully by 2024. The fiscal sustainability indicators show a mixed picture, as shown in table 15. Compared to the first quarter of 1396, the share of domestic revenue in total revenue has decreased by 12 percent. It is expected that the streams of revenue will come under pressure as the debt stock increases, because that will create additional debt costs in the form of interest payment. In this discussion, exchange rate is also an important factor. The trend line shows that exchange rate is going to depreciate in the future, which will increase the import costs to the government. . The pension payment is another important factor which can undermine the fiscal sustainability Similarly, the share of customs revenue in total revenue has also decreased by 6 percent in the third quarter of 1396 as compared to the previous quarter. Owing to the economic transition in Afghanistan, the contribution of grants in sustaining the fiscal side of the economy is understandably on the decreasing trend, and its share in total grants decreased by 20 percent in third quarter 1396.

Given the improvements in the above ratios, we can see that in the first quarter 1397, revenue collection over total revenue has increased significantly compared with the same period of last year. However, the government's efforts to finance its operating expenses from the domestic sources have not been very successful. In this quarter, the operating expenditures financed by domestic revenue have significantly decreased.

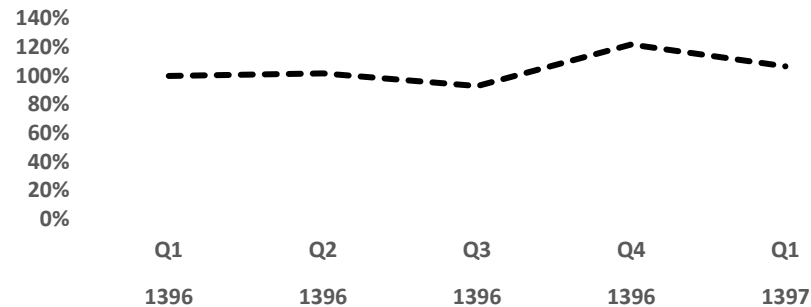
As the grants and donor assistance is gradually draining, the government needs to resort to borrowing to finance some of its development projects. Therefore, it is expected that the share of interest payment in total expenditures will presumably increase over the longer term. The current composition of interest/total expenditures is at around 1 percent.

Table 15. Fiscal Sustainability

	1396	1396	1396	1396	1397
	Q1	Q2	Q3	Q4	Q1
Domestic Revenue/Total	56%	71%	51%	63%	59%
Customs Revenue/Total	12%	16%	11%	7%	12%
Grants/Total	44%	29%	49%	37%	41%
Op. Spending/Dom. Rev.	121%	147%	160%	149%	97%
Salaries/Total Expenditure	75%	50%	49%	38%	85%
Interest/Expenditure	0.7%	0.4%	0.7%	0.4%	1.0%
Financing/Expenditure	47.4%	-19.5%	14.1%	-15.8%	72.8%

The future course of fiscal sustainability depends on strong macroeconomic framework and fundamentals. The mobilization of domestic revenue through changes in the tax policy and tax administration is the preferred policy response for the Afghan government to sustain the fiscal sustainability if properly applied in. Cutting unnecessary expenditures on the operating side in the new budget document is an important step towards the efficient allocation of public finance, and that may help the Afghan government to achieve sustain the fiscal sustainability in the medium term.

Sustainability Indicator



Fiscal Balance

As Afghanistan goes more on a borrowing track, it is likely that the fiscal balance outlook will be negatively impacted. Right now, debt-to-GDP ratio remains far below the threshold for risk. But in the future, high fertility rate, increase interest payment and the increasing pressure on non-performing loans can severely undermine the fiscal balance. The first quarter of 1397 shows some signs. For instance, revenue including grants has decreased by 1 percentage point, and interest payment increased by 135%. As of the first quarter of 1397, considerable changes have occurred in the transactions which affect net worth. The net operating balance (revenue minus expenditures) has increased compared to the same period in 1396. The gap between lending and borrowing has also widened. Table 26 captures the depressing picture of transactions in non-financial sector or property market. The performance of almost all indicators has worsened mainly because of the prevalent insecurity and hardly hit consumer expectations.

Table 16 shows that the government financing consisted of domestic grants, domestic revenue, borrowing and sale of assets. As of the first quarter of 1397, considerable changes have occurred in the transactions which affect net worth. The net operating balance (revenue minus expenditures) has increased compared to the same period in 1396. The gap between lending and borrowing has also widened. Table 17 captures the depressing

picture of transactions in non-financial sector or property market. The performance of almost all indicators has worsened mainly because of the prevalent insecurity and hardly hit consumer expectations.

Table 16: Summary Transactions Affecting Net Worth

In millions of Afghanis	1396	1396	1397	1397	% Change
	Q1	Q1 YTD	Q1	Q1 YTD	on 1396
TRANSACTIONS AFFECTING NET WORTH					
Revenues including Grants	70,249	70,249	69,473	69,473	-1%
Expenditures (Recurrent)	45,090	45,090	39,372	39,372	-13%
Interest	103	103	241	241	135%
Net Operating Balance	25,158	25,158	30,100	30,100	20%
Primary Operating Balance	25,261	25,261	30,341	30,341	20%
TRANSACTIONS IN NONFINANCIAL ASSETS					
Net Acquisition of Nonfinancial Assets	2,397	2,397	650	650	-73%
Net Lending-Borrowing	22,761	22,761	29,450	29,450	29%
Financing	-22,074	-22,074	-26,470	-26,470	20%
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES					
Net Acquisition of Financial Assets	-20,115	-20,115	-23,785	-23,785	18%
Net Acquisition of Financial Liabilities	-1,959	-1,959	-2,686	-2,686	37%
RETAINED EARNINGS					
Discrepancies	687	687	2,979	2,979	

Table 17. Transactions in Non-Financial Assets

In millions of Afghanis	1396	1396	1397	1397	% Change
	Q1	Q1 YTD	Q1	Q1 YTD	on 1396
NET ACQUISITION OF NONFINANCIAL ASSETS					
Land and Buildings	1,294	1,294	537	537	-59%
Purchase of Land and Buildings	1,301	1,301	541	541	-58%
Buildings and Structures	1,273	1,273	514	514	-60%
Land	27	27	27	27	-2%
Sale of Land and Buildings	-6	-6	-4	-4	-40%

Sale of State-Owned Enterprises	0	0	0	0	-
Machinery and Equipment (>50,000)	186	186	113	113	-39%
Valuables	0	0	0	0	-
Other Acquisitions	917	917	0	0	-100%
Capital Advance Payments	917	917	0	0	-100%

Transactions in Financial Assets and Liabilities

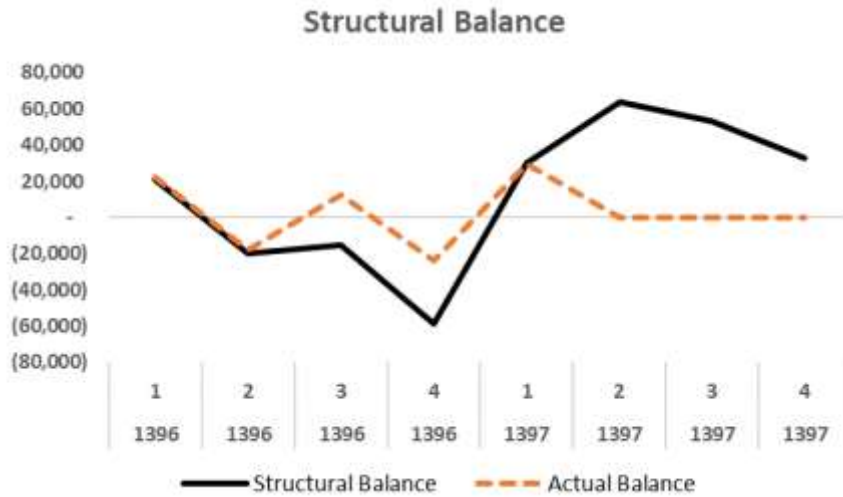
The net acquisition of financial assets also decreased by 18% in the first quarter of 1397 compared to the same quarter of the last year. Table 18 indicates that some important indicators have been negatively affected in the first quarter of 1397. For instance, the Treasury Single Account got a hit of 6%, which reduced the ability to acquire financial assets. In the same way, provincial revenue accounts and donor accounts a dramatic change, which resulted into the reduction in financial assets. Payment to suppliers brought the payable account under pressure. Moreover, the depreciation of the currency also eroded the purchasing power of the people, which caused the reduction in financial assets and liabilities.

Table 18: Transactions in Financial Assets and Liabilities

In millions of Afghanis	1396	1396	1397	1397	% Change
	Q1	Q1 YTD	Q1	Q1 YTD	on 1396
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES	-22,074	-22,074	-26,470	-26,470	20%
TOTAL FINANCING					-
Net Acquisition of Financial Assets	-20,115	-20,115	-23,785	-23,785	18%
<i>Domestic</i>	-20,115	-20,115	-23,785	-23,785	18%
Currency and Deposits	-21,459	-21,459	-18,519	-18,519	-14%
Treasury Single Account	-17,410	-17,410	-18,519	-18,519	6%
Provincial Revenue Accounts	-40	-40	0	0	-100%
Donor Accounts	-4,008	-4,008	0	0	-100%
Other Deposit Accounts	-1	-1	0	0	-100%
Loans	18	18	0	0	-100%
Loans	1	1	0	0	-100%
Advances	17	17	0	0	-100%
Other Accounts Receivable	35	35	-803	-803	-2382%
Clearing Accounts	0	0	0	0	-
Other Current Assets	35	35	-803	-803	-2382%

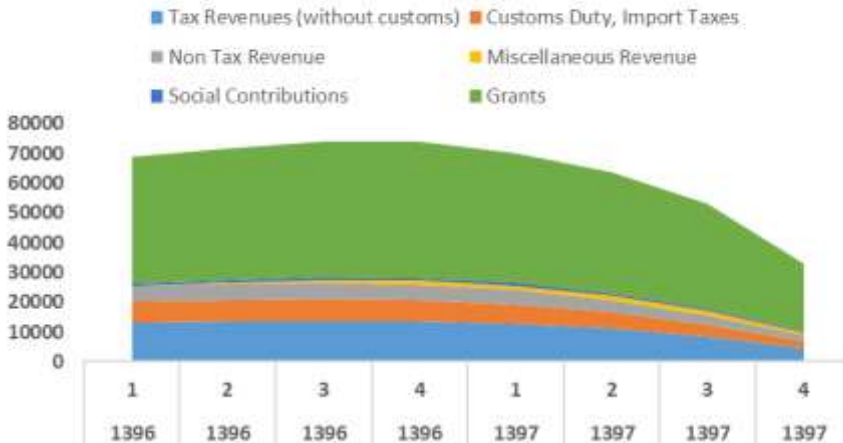
Other Assets	1,291	1,291	-4,462	-4,462	-446%
Provincial Expenditure Accounts	1,291	1,291	-4,462	-4,462	-446%
Other	0	0	0	0	-
Foreign					-
					-
Net Acquisition of Financial Liabilities	-1,959	-1,959	-2,686	-2,686	37%
Domestic	-1,827	-1,827	-2,500	-2,500	37%
Accounts Payable	101	101	185	185	83%
Accounts Payable - Suppliers	166	166	167	167	1%
Accounts Payable - Other	-64	-64	19	19	-129%
Pension Liabilities	38	38	116	116	207%
Other Payables	0	0	0	0	-
Other Liabilities	-1,966	-1,966	-2,801	-2,801	42%
Foreign	-132	-132	-186	-186	40%
Foreign Currency	0	0	0	0	-
Loans	-118	-118	-170	-170	44%
Currency Gain/Loss	-14	-14	-16	-16	10%

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 1396, 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 19. Detailed Operating Expenditure

In millions of Afghanis	Total Operating Expenditures					Wages		G+S		NFA		Others		
	1396	1397	%	1397	%	1396	1397	1396	1397	1396	1397	1396	1397	
	Q1 YTD		Change	Budget	Budget	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
						YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
TOTAL	41,990	37,698	-10.2%	249,633	15%	35,735	33,563	4,505	2,399	119	57	1,631	1,679	
Total Security	28,303	23,798	-15.9%	150,052	16%	24,828	22,158	3,016	1,605	105	35	355	-0	
Ministry of Interior	11,061	7,560	-31.6%	55,633		10,203	6,996	499	558	9	6	350	0	
Ministry of Defence	11,927	10,465	-12.3%	70,190		10,430	10,457	1,478	8	19	0	0	-0	
Ministry of Foreign Affairs	973	1,070	9.9%	5,292		655	726	318	344	0	0	-0	0	
National Security Council	157	189	20.7%	794		129	172	23	17	0	0	5	0	
Presidential Protective Service	332	347	4.6%	1,801		312	340	20	7	0	0	-0	0	
General Directorate of National Security	3,854	4,166	8.1%	16,342		3,100	3,466	677	671	76	29	0	-0	
Total Governance, Rule of Law and Human Rights	3,305	3,645	10.3%	22,463	16%	2,710	3,253	574	368	3	0	18	23	
President's Office	0	415	-	3,340		0	402	0	12	0	0	0	-0	
National Assembly Meshrano Jirga	105	101	-4.2%	520		95	97	10	4	0	0	-0	0	
National Assembly Wolesi Jirga	350	329	-6.1%	1,606		313	324	37	5	0	0	-0	-0	
Supreme Court	714	827	15.9%	3,478		689	808	24	20	0	0	0	0	
Ministry of Justice	100	104	3.9%	746		93	96	8	9	0	0	-0	0	
Administrative Affairs	869	509	-41.4%	2,733		621	416	227	70	3	0	18	23	
Ministry of State and Parliamentary Affairs	20	31	55.8%	181		15	29	5	3	0	0	-0	0	
Ministry of Haj and Religious Affairs	143	159	10.9%	1,356		131	155	12	4	0	0	0	0	
Attorney General	297	465	56.6%	2,406		279	440	18	25	0	0	-0	-0	
Election Commission	26	18	-31.0%	491		20	15	6	3	0	0	-0	0	
IARCSC	59	82	38.0%	493		56	75	4	6	0	0	0	0	
Independent Commission for Overseeing the Implementation of Cons	12	12	4.3%	78		10	11	1	1	0	0	0	0	
The High office of Oversight and Anti-Corruption	23	25	9.4%	46		20	22	3	3	0	0	0	0	
Independent Directorate of Local Governance	574	547	-4.7%	4,715		361	347	212	200	0	0	0	-0	
Afghanistan Independent Human Rights Commission	0	0	-100.0%	41		0	0	0	0	0	0	0	0	

Independent Electoral Complaints Commission	12	20	74.9%	233		5	16	6	4	0	0	0	-0
Total Infrastructure and Natural Resources	708	643	-9.2%	4,629	14%	545	554	163	68	0	21	0	-0
Ministry of Public Works	168	96	-43.2%	878		90	89	78	6	0	0	0	0
Ministry of Transport and Aviation	36	35	-3.9%	306		31	32	5	3	0	0	0	-0
Ministry of Communication	100	93	-6.8%	682		81	85	20	9	0	0	0	-0
Ministry of Energy and Water	127	139	9.5%	932		105	104	22	14	0	21	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	50	52	4.0%	397		45	47	6	5	0	0	-0	-0
Civil Aviation Authority	87	79	-9.4%	380		75	70	13	9	0	0	-0	-0
Independent Board of new Kabul	1	1	150.2%	123		1	1	0	0	0	0	0	0
Ministry of Mines and Industries	93	97	4.2%	642		79	82	14	15	0	0	0	-0
Geodesy and Cartography Office	0	0	-	0		0	0	0	0	0	0	0	0
Directorate of Environment	39	42	5.8%	232		35	36	5	6	0	0	0	-0
Afghanistan High Atomic Energy Commission	6	9	40.5%	57		5	8	1	0	0	0	-0	-0
Municipalities	0	0	-	0		0	0	0	0	0	0	0	0
Total Education	6,137	5,877	-4.2%	42,979	14%	5,957	5,805	171	72	9	0	0	-0
Ministry of Education	5,096	4,806	-5.7%	35,778		5,010	4,780	86	27	0	0	0	-0
Ministry of Higher Education	796	850	6.7%	5,585		752	825	44	25	0	0	-0	-0
Ministry of Information and Culture	85	85	-0.2%	597		73	77	12	7	0	0	-0	0
Science Academy	47	44	-5.1%	237		45	43	2	1	0	0	-0	-0
National Olympic Committee	27	22	-19.5%	293		11	14	7	7	9	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	86	70	-19.1%	489		65	64	21	5	0	0	-0	0
Total Health	608	563	-7.5%	3,935	14%	512	482	95	81	1	0	-0	-0
Ministry of Public Health	608	563	-7.5%	3,935		512	482	95	81	1	0	-0	-0
Total Agriculture and Rural Development	503	504	0.3%	3,167	16%	432	441	70	63	0	0	0	0
Ministry of Agriculture	244	243	-0.5%	1,610		215	220	28	23	0	0	0	0
Ministry of Counter Narcotics	33	35	5.1%	249		27	32	6	3	0	0	-0	0

Ministry of Rural Rehabilitation and Development	98	88	-9.9%	654		78	70	20	18	0	0	0	-0
Afghanistan Independent Land Authority	128	138	8.4%	655		112	120	16	18	0	0	-0	0
Total Social Protection	1,496	1,798	20.2%	17,424	10%	299	353	41	31	0	0	1,156	1,414
Ministry of Frontiers and Tribal Affairs	57	49	-12.9%	562		48	45	8	4	0	0	0	-0
Ministry of Martyrs, Disabled and Social Affairs	1,322	1,621	22.6%	15,469		155	198	12	9	0	0	1,155	1,414
Ministry of Refugees and Repatriates	49	55	13.8%	329		41	47	8	8	0	0	-0	0
Ministry of Women Affairs	35	37	5.1%	226		30	32	5	5	0	0	-0	0
Office of Disaster Preparedness	18	19	4.4%	682		14	15	4	4	0	0	0	0
Directorate of Kochis	14	16	14.3%	157		11	15	4	1	0	0	-0	0
Total Economic Gov. and Private Sector Devel't	929	871	-6.3%	4,985	17%	452	518	375	112	0	0	103	241
Ministry of Finance	659	701	6.4%	3,563		316	373	240	87	0	0	103	241
Ministry of Commerce	153	54	-64.9%	708		37	46	116	8	0	0	0	0
Ministry of Economy	46	47	0.4%	282		38	36	9	10	0	0	0	-0
Control and Audit Office	28	26	-8.5%	169		23	25	5	1	0	0	-0	0
Central Statistics Office	30	30	1.3%	167		26	27	3	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	13	14	6.5%	95		12	12	1	3	0	0	-0	0
Total Unclassified	0	0	-	0	-	0	0	0	0	0	0	0	0
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 20a. Programs Expenditure

In millions of Afghanis	OPERATING BUDGET				DEVELOPMENT BUDGET				TOTAL BUDGET			
	1397				1397				1397			
	Q1 YTD	Budget	Allotted	% Allot.	Q1 YTD	Budget	Allotted	% Allot.	Q1 YTD	Budget	Allotted	% Allot.
Ministry of Education	4806.4	35778.4	35772.4	13%	0.0	4665.8	4665.8	0%	4806.4	40444.2	40438.2	12%
General & Islamic Education	20.6	30419.2	30419.2	0%	7.6	2713.0	2713.0	0%	28.2	33132.2	33132.2	0%
Curriculum development & teacher training	4205.7	1277.7	1277.7	329%	0.0	1213.5	1213.5	0%	4205.7	2491.2	2491.2	169%

Technical and vocational training program	157.3	1578.8	1572.8	10%	0.0	481.1	481.1	0%	157.3	2059.9	2053.9	8%
Literacy and informal Education	184.3	703.4	703.4	26%	0.0	158.8	158.8	0%	184.3	862.2	862.2	21%
Education management	83.2	1799.3	1799.3	5%	0.0	99.3	99.3	0%	83.2	1898.6	1898.6	4%
Other	155.3	0.0	0.0	-	-7.6	0.0	0.0	-	147.7	0.0	0.0	-
Ministry of Agriculture, Irrigation and Livestock	242.7	1609.7	1609.7	15%	36.9	9457.1	9452.5	0%	279.6	11066.8	11062.1	3%
Natural Resource Management	3.2	200.3	200.3	2%	0.0	2139.0	2139.0	0%	3.2	2339.3	2339.3	0%
Agriculture Production and Productivity	31.3	770.5	770.5	4%	0.0	4214.2	4213.9	0%	31.3	4984.7	4984.4	1%
Economic Regeneration	31.6	218.7	218.7	14%	36.9	2991.0	2986.7	1%	68.5	3209.7	3205.4	2%
Reform and Capacity Building	93.6	420.1	420.1	22%	0.0	112.9	112.9	0%	93.6	533.0	533.0	18%
Other	83.0			-	0.0	0.0	0.0	-	83.0			-
Ministry of Rural Rehabilitation and Development	88.4	654.0	654.0	14%	308.4	19045.6	0.0	-	396.8	19699.6	19651.2	2%
Rural Infrastructure (RI)	62.0	0.0	0.0	-	0.0	6607.7	6559.3	0%	62.0	6607.7	6559.3	1%
Economic Regeneration (ER)	22.8	0.0	0.0	-	0.0	410.0	410.0	0%	22.8	410.0	410.0	6%
Local Governance	0.0	0.0	0.0	-	130.0	12027.8	12027.8	1%	130.0	12027.8	12027.8	1%
Institutional Support Program (ISP)	0.0	0.0	0.0	-	35.2	0.0	0.0	-	35.2	0.0	0.0	-
Other	3.6			-	143.3	0.0	0.0	-	146.9			-
Ministry of Energy & Water	138.9	931.8	931.8	15%	28.0	4480.3	4457.3	1%	166.9	5412.1	5389.1	3%
Energy	36.6	61.5	61.5	59%	0.0	594.7	594.7	0%	36.6	656.3	656.3	6%
Water	81.3	681.6	681.6	12%	0.0	3885.6	3862.6	0%	81.3	4567.1	4544.1	2%
Admin & Finance	10.3	188.7	188.7	5%	0.0	0.0	0.0	-	10.3	188.7	188.7	5%
Other	10.7			-	28.0	0.0	0.0	-	38.8			-
Ministry of Finance	700.8	3563.3	3563.3	20%	107.1	3087.3	3087.3	3%	807.9	6650.5	6650.5	12%
Public Financial Management	829.2	1516.3	1516.3	55%	0.0	1020.1	1020.1	0%	829.2	2536.3	2536.3	33%
Revenue Management	483.9	726.0	726.0	67%	29.7	834.6	834.6	4%	513.6	1560.6	1560.6	33%
Operation (General Administration)	157.9	1252.4	1252.4	13%	5.3	1167.0	1167.0	0%	163.2	2419.4	2419.4	7%
Policy Management	220.1			-	70.4	65.6	65.6	107%	290.6	134.2	134.2	216%
Other	-990.2			-	1.6	0.0	0.0	-	-988.6			-
Ministry of Public Works	95.7	877.6	877.6	11%	419.3	14287.8	14086.8	3%	515.0	15165.5	14964.5	3%
Transportation Infrastructures	98.8	65.2	65.2	152%	28.0	14287.8	14086.8	0%	126.9	14353.0	14152.0	1%
Maintenance of Transport Infrastructure	29.9	675.3	675.3	4%	0.0	0.0	0.0	-	29.9	675.3	675.3	4%
Admin & Finance	11.2	137.2	137.2	8%	419.3	0.0	0.0	-	430.5	137.2	137.2	314%
Other	-44.2			-	-28.0	0.0	0.0	-	-72.2			-
Ministry of Public Health	562.6	3935.3	3935.3	14%	55.7	11097.0	11090.5	1%	618.4	15032.4	15025.8	4%
Institutional Development and Assessment (IDA)	32.4	53.5	53.5	60%	46.4	2194.2	2194.2	2%	78.8	2247.8	2247.8	4%

Health Service Provision	14.4	1537.2	1537.2	1%	0.0	8773.0	8766.4	0%	14.4	10310.2	10303.6	0%
Admin	3.2	2344.6	2344.6	0%	0.0	129.8	129.8	0%	3.2	2474.4	2474.4	0%
Other	512.7			-	9.3	0.0	0.0	-	522.0			-
Independent Directorate of Local Governance	546.6	4715.2	4715.1	12%	0.0	3218.9	3218.9	0%	546.6	7934.2	7934.1	7%
National Principals for Local Governance	3.2	90.4	90.4	4%	0.0	0.0	0.0	-	3.2	90.4	90.4	4%
Local Governance Management	6.6	4030.3	4030.2	0%	0.0	3218.9	3218.9	0%	6.6	7249.2	7249.1	0%
General Supporting Services	37.7	594.6	594.6	6%	34.8	0.0	0.0	-	72.5	594.6	594.6	12%
Other	499.1			-	-34.8	0.0	0.0	-	464.4			-
Ministry of Urban Development	52.3	396.6	396.6	13%	69.1	4810.6	4784.1	1%	121.4	5207.2	5180.7	2%
Planning & Urban Development	64.8	36.3	36.3	179%	0.0	268.0	268.0	0%	64.8	304.3	304.3	21%
Housing	4.0	27.3	27.3	15%	0.0	1626.0	1619.5	0%	4.0	1653.4	1646.8	0%
Urban Infrastructure	122.0	58.5	58.5	209%	0.0	783.5	763.5	0%	122.0	842.0	822.0	15%
Management & Operations	4.8	274.5	274.5	2%	34.4	2133.1	2133.1	2%	39.2	2407.6	2407.6	2%
Other	-143.3			-	34.8			-	-108.6			-

Table 20b. Programs Expenditure

(In millions of Afghanis)	OPERATING BUDGET				DEVELOPMENT BUDGET				TOTAL BUDGET			
	1397				1397				1397			
	Q1 YTD	Budget	Allocated	% Alloc.	Q1 YTD	Budget	Allocated	% Alloc.	Q1 YTD	Budget	Allocated	% Alloc.
Ministry of Transport	34.7	306.4	306.4	11%	0.0	120.5	120.5	0%	34.7	426.9	426.9	8%
Land Transport Services	0.0	306.4	306.4	0%	143.3	0.0	0.0	-	143.3	426.9	426.9	34%
Other	34.7			-	-143.3	0.0	0.0	-	-108.6			-
Ministry of Communication and Information Technology	93.5	682.5	682.0	14%	0.0	2413.4	2413.4	0%	93.5	3095.9	3095.4	3%
E - Afghanistan	648.1	136.0	136.0	477%	0.0	0.0	0.0	-	648.1	2549.4	2549.4	25%
ICT Literacy	0.0	46.4	46.4	0%	36.7	0.0	0.0	-	36.7	46.4	46.4	79%
General Administration & Management	20.7	500.1	499.6	4%	0.0	0.0	0.0	-	20.7	500.1	499.6	4%
Other	-575.4			-	-36.7	0.0	0.0	-	-612.1			-
Ministry of Commerce and Industry	53.7	708.4	708.1	8%	7.6	308.3	308.3	2%	61.3	1016.7	1016.3	6%
Private Sector and Industry Development	325.8	50.7	50.7	643%	0.0	0.0	0.0	-	325.8	210.9	210.9	155%
Trade Policy and Transit	7.2	440.7	440.4	2%	0.0	0.0	0.0	-	7.2	521.3	521.0	1%

Admin and Regulatory Services	26.1	217.1	217.1	12%	0.0	0.0	0.0	-	26.1	284.5	284.5	9%
Other	-305.4			-	7.6	0.0	0.0	-	-297.8			-
Ministry of Labour, Social Affairs, Martyrs and Disabled	1620.8	15468.6	15446.1	10%	0.0	906.5	834.7	0%	1620.8	16375.1	16280.9	10%
Labor Support Program	88.7	6346.7	6346.7	1%	0.0	0.0	0.0	-	88.7	7114.6	7111.1	1%
Social services	0.0	427.9	406.8	0%	0.0	0.0	0.0	-	0.0	492.2	471.1	0%
Martyrs and Disabled	34.8	7802.5	7801.1	0%	0.0	0.0	0.0	-	34.8	7802.5	7801.1	0%
Administration & Finance	1430.3	891.5	891.5	160%	0.0	0.0	0.0	-	1430.3	965.8	897.5	159%
Other	66.9			-	0.0	0.0	0.0	-	66.9			-
Ministry of Defence	10464.7	70189.7	70189.7	15%	0.0	68.3	68.3	0%	10464.7	70258.1	70258.1	15%
Combat forces	9.3	65677.9	65677.9	0%	1.6	0.0	0.0	-	10.9	65746.2	65746.2	0%
Supportive forces	10170.3	4511.9	4511.9	225%	0.0	0.0	0.0	-	10170.3	4511.9	4511.9	225%
Other	285.1			-	-1.6	0.0	0.0	-	283.5			-
Ministry of Women Affairs	37.2	226.4	226.3	16%	0.0	54.0	42.2	0%	37.2	280.4	268.5	14%
Women Support and Strengthening	292.5	11.9	11.9	2449%	55.7	0.0	0.0	-	348.3	23.8	11.9	2915%
Gender Development and policy monitoring	269.3	13.9	13.9	1931%	0.0	0.0	0.0	-	269.3	27.6	27.6	975%
Administration & Finance	2.7	200.5	200.4	1%	0.0	0.0	0.0	-	2.7	229.0	228.9	1%
Other	-527.3			-	-55.7	0.0	0.0	-	-583.1			-
Ministry of Economy	46.5	282.5	281.7	17%	46.4	349.1	349.1	13%	92.9	631.6	630.8	15%
Economic Policy and Strategy and Monitoring and Evaluation	5.0	182.7	182.0	3%	0.0	0.0	0.0	-	5.0	458.1	457.4	1%
Management & Operations	68.0	99.7	99.7	68%	0.0	0.0	0.0	-	68.0	173.4	173.4	39%
Other	-26.4			-	46.4	0.0	0.0	-	20.0			-
President's Office	414.6	3340.2	3340.2	12%	0.0	0.0	0.0	-	0.0	3340.2	3340.2	0%
Providing Services to the President	0.0	3340.2	3340.2	0%	0.0	0.0	0.0	-	0.0	3340.2	3340.2	0%
Other	414.6			-	0.0	0.0	0.0	-	0.0	0.0		-
Ministry of Higher Education	850.0	5585.3	5585.3	15%	36.7	2325.9	2325.9	2%	886.7	7911.1	7911.1	11%
Providing higher education opportunities	176.0	1363.7	1363.7	13%	0.0	0.0	0.0	-	176.0	2165.6	2165.6	8%
Leadership & Management of Higher Education System	203.2	3605.0	3605.0	6%	0.0	0.0	0.0	-	203.2	3605.0	3605.0	6%
Other	470.7			-	36.7	0.0	0.0	-	507.5			-
IARCSC	81.9	492.5	492.1	17%	44.0	890.2	890.2	5%	125.9	1382.7	1382.3	9%
Appointments & Appeals	16.9	81.9	81.9	21%	0.0	0.0	0.0	-	16.9	81.9	81.9	21%
Public Administrative Reforms	505.2	69.3	69.3	729%	0.0	0.0	0.0	-	505.2	89.8	89.8	562%
Capacity Development	24.7	46.0	46.0	54%	0.0	0.0	0.0	-	24.7	46.0	46.0	54%
Supportive Program	17.7	295.3	294.9	6%	0.0	0.0	0.0	-	17.7	1165.0	1164.6	2%

Other	-482.7			-	44.0			-	-438.7			-
OTHERS	16,766	99,889	101,461		604	30,437	49,385		17,370	130,325	150,845	
TOTAL GROSS EXPENDITURES	37,698	249,633	251,175	15%	1,763	112,023	111,580	2%	39,047	361,656	381,752	10%

Table 21. Detailed Development Expenditure

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In millions of Afghanis	1396	1396	1397	1397	1397	1397	1397	% Increase
	Q1	Q1 YTD	Budget	Q1	Q1 YTD	Unspent Budget	Unspent/Total	
TOTAL	5,303	5,303	360,593	1,733	1,733	358,861	100%	-67%
Total Infrastructure and Natural Resources	1,980.2	1,980.2	52,811.4	990.8	990.8	51,821	98%	-50%
Ministry of Public Works	816.6	816.6		419.3	419.3			-49%
Ministry of Transport and Aviation	0.0	0.0		0.0	0.0			-
Ministry of Energy and Water	78.5	78.5		28.0	28.0			-64%
Water Supply and Canalization Corporation	0.0	0.0		0.0	0.0			-
Ministry of Communication	5.1	5.1		0.0	0.0			-100%
Ministry of Mines and Industries	42.2	42.2		16.9	16.9			-60%
Other Ministries	1,037.8	1,037.8		526.6	526.6			-49%
Total Agriculture and Rural Development	2,016.8	2,016.8	33,023.4	345.3	345.3	32,678	9%	-83%
Ministry of Agriculture	321.8	321.8		36.9	36.9			-89%
Ministry of Rural Rehabilitation and Development	1,687.1	1,687.1		308.4	308.4			-82%
Other Ministries	7.9	7.9		0.0	0.0			-100%
Total Education	174.1	174.1	50,465.6	38.7	38.7	50,427	14%	-78%
Ministry of Education	61.5	61.5		0.0	0.0			-100%
Other Ministries	112.5	112.5		38.7	38.7			-66%
Total Economic Gov. and Private Sector Devel't	443.0	443.0	9,689.0	161.1	161.1	9,528	3%	-64%
Ministry of Finance	346.9	346.9		107.1	107.1			-69%
Other Ministries	96.2	96.2		54.0	54.0			-44%
Total Health	446.4	446.4	15,032.4	55.7	55.7	14,977	4%	-88%
Ministry of Public Health	446.4	446.4		55.7	55.7			-88%
Total Governance, Rule of Law and Human Rights	119.9	119.9	28,709.5	44.0	44.0	28,666	8%	-63%

Independent Directorate of Local Governance	15.8	15.8		0.0	0.0			-100%
Other Ministries	104.1	104.1		44.0	44.0			-58%
Total Social Protection	22.7	22.7	18,734.2	4.6	4.6	18,730	5%	-80%
Total Security	99.8	99.8	152,127.8	92.4	92.4	152,035	42%	-7%
Total Unclassified	0.0	0.0	0.0	0.0	0.0	0	0%	-

Table 22a. Detailed Ministry Expenditure

In millions of Afghanis	1396		1397		1397	1397	% Alloc.	% Increase
	Q1	Q1 YTD	Q1	Q1 YTD	Budget	Allocated		
TOTAL GROSS EXPENDITURES	47,293	47,293	39,431	39,431	360,593	359,489	11%	-17%
Operating Budget	41,990	41,990	37,698	37,698	249,633	248,972	15%	-10%
Development Budget	5,303	5,303	1,733	1,733	8,323	7,176	24%	-67%
Ministry of Interior	11,152	11,152	7,651	7,651	56,780	56,230	14%	-31%
Operating Budget	11,061	11,061	7,560	7,560	55,633	55,084	14%	-32%
Development Budget	91	91	91	91	1,146	0	-	0%
Ministry of Defence	11,927	11,927	10,465	10,465	70,258	70,258	15%	-12%
Operating Budget	11,927	11,927	10,465	10,465	70,190	70,190	15%	-12%
Development Budget	0	0	0	0	68	68	0%	-
Ministry of Foreign Affairs	976	976	1,071	1,071	5,914	5,914	18%	10%
Operating Budget	973	973	1,070	1,070	5,292	5,292	20%	10%
Development Budget	2	2	1	1	622	622	0%	-44%
National Security Council	157	157	189	189	794	794	24%	21%
Operating Budget	157	157	189	189	794	794	24%	21%
Development Budget	0	0	0	0	0	0		-
Presidential Protective Service	337	337	347	347	1,938	1,938	18%	3%
Operating Budget	332	332	347	347	1,801	1,801	19%	5%
Development Budget	5	5	0	0	137	137	0%	-100%
General Directorate of National Security	3,855	3,855	4,166	4,166	16,444	16,444	25%	8%
Operating Budget	3,854	3,854	4,166	4,166	16,342	16,342	25%	8%
Development Budget	1	1	0	0	103	103	0%	-100%
Total Security	28,403	28,403	23,890	23,890	152,128	151,578	16%	-16%

Operating Budget	28,303	28,303	23,798	23,798	150,052	149,502	16%	-16%
Development Budget	100	100	92	92	2,076	930	10%	-7%
President's Office	0	0	415	415	3,340	3,340	12%	-
Operating Budget	0	0	415	415	3,340	3,340	12%	-
Development Budget	0	0	0	0	0	0	-	-
National Assembly Meshrano Jirga	105	105	101	101	526	526	19%	-4%
Operating Budget	105	105	101	101	520	520	19%	-4%
Development Budget	0	0	0	0	7	7	0%	-
National Assembly Wolesi Jirga	350	350	329	329	1,634	1,633	20%	-6%
Operating Budget	350	350	329	329	1,606	1,606	20%	-6%
Development Budget	0	0	0	0	27	27	0%	-
Supreme Court	715	715	827	827	3,580	3,580	23%	16%
Operating Budget	714	714	827	827	3,478	3,478	24%	16%
Development Budget	1	1	0	0	102	102	0%	-100%
Ministry of Justice	107	107	104	104	933	933	11%	-3%
Operating Budget	100	100	104	104	746	746	14%	4%
Development Budget	7	7	0	0	187	187	0%	-100%
Administrative Affairs	920	920	509	509	3,967	3,918	13%	-45%
Operating Budget	869	869	509	509	2,733	2,684	19%	-41%
Development Budget	51	51	0	0	1,234	1,234	0%	-100%
Ministry of State and Parliamentary Affairs	20	20	31	31	181	181	17%	56%
Operating Budget	20	20	31	31	181	181	17%	56%
Development Budget	0	0	0	0	0	0	-	-
Ministry of Haj and Religious Affairs	169	169	159	159	1,793	1,793	9%	-6%
Operating Budget	143	143	159	159	1,356	1,356	12%	11%
Development Budget	26	26	0	0	437	437	0%	-100%
Attorney General	317	317	465	465	2,522	2,518	18%	47%
Operating Budget	297	297	465	465	2,406	2,402	19%	57%
Development Budget	20	20	0	0	116	116	0%	-100%
Election Commission	26	26	18	18	491	491	4%	-31%
Operating Budget	26	26	18	18	491	491	4%	-31%
Development Budget	0	0	0	0	0	0	-	-
IARCSC	59	59	126	126	1,383	1,382	9%	112%
Operating Budget	59	59	82	82	493	492	17%	38%

Development Budget	0	0	44	44	890	890	5%	-
Independent Commission for Overseeing the Implementation of Cons	12	12	12	12	78	78	16%	4%
Operating Budget	12	12	12	12	78	78	16%	4%
Development Budget	0	0	0	0	0	0	-	-
The High office of Oversight and Anti-Corruption	23	23	25	25	46	46	54%	9%
Operating Budget	23	23	25	25	46	46	54%	9%
Development Budget	0	0	0	0	0	0	-	-
Independent Directorate of Local Governance	590	590	547	547	7,934	7,934	7%	-7%
Operating Budget	574	574	547	547	4,715	4,715	12%	-5%
Development Budget	16	16	0	0	3,219	3,219	0%	-100%
Afghanistan Independent Human Rights Commission	0	0	0	0	68	68	0%	-100%
Operating Budget	0	0	0	0	41	41	0%	-100%
Development Budget	0	0	0	0	27	27	0%	-
Independent Electoral Complaints Commission	11.51	11.51	20.14	20.14	233	233	9%	75%
Operating Budget	11.51	11.51	20.14	20.14	233	233	9%	75%
Development Budget	0.00	0.00	0.00	0.00	0	0	-	-
Total Governance, Rule of Law and Human Rights	3,425	3,425	3,689	3,689	28,710	28,655	13%	8%
Operating Budget	3,305	3,305	3,645	3,645	22,463	22,408	16%	10%
Development Budget	120	120	44	44	6,247	6,247	1%	-63%

Table 22b. Detailed Ministry Expenditure

(In millions of Afghanis)	1396		1397		1397		1397	
	Q1 YTD	Q1 YTD	Q1 YTD	Budget	Allocated	% Alloc.	%Change	
Ministry of Public Works	985	985	515	515	15,165	14,964	3%	-48%
Operating Budget	168	168	96	96	878	878	11%	-43%
Development Budget	817	817	419	419	0	0	-	-49%
Ministry of Transport and Aviation	36	36	35	35	427	427	8%	-4%
Operating Budget	36	36	35	35	306	306	11%	-4%
Development Budget	0	0	0	0	0	0	-	-

Ministry of Communication	105	105	93	93	3,096	3,095	3%	-11%
Operating Budget	100	100	93	93	682	682	14%	-7%
Development Budget	5	5	0	0	0	0	-	-100%
Ministry of Energy and Water	205	205	167	167	5,412	5,389	3%	-19%
Operating Budget	127	127	139	139	932	932	15%	10%
Development Budget	79	79	28	28	0	0	-	-64%
Water Supply and Canalization Corporation	0	0	0	0	597	597	0%	-
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	-	-
Da Brishna Shirkat	49	49	31	31	13,159	13,159	0%	-38%
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	49	49	31	31	0	0	-	-38%
Ministry of Urban Development	117	117	121	121	5,207	5,181	2%	3%
Operating Budget	50	50	52	52	397	397	13%	4%
Development Budget	67	67	69	69	0	0	-	3%
Civil Aviation Authority	955	955	506	506	3,949	3,949	13%	-47%
Operating Budget	87	87	79	79	380	380	21%	-9%
Development Budget	868	868	427	427	0	0	-	-51%
Independent Board of new Kabul	28	28	1	1	1,565	1,565	0%	-96%
Operating Budget	1	1	1	1	123	123	1%	150%
Development Budget	28	28	0	0	0	0	-	-100%
Ministry of Mines and Industries	135	135	114	114	1,683	1,683	7%	-16%
Operating Budget	93	93	97	97	642	642	15%	4%
Development Budget	42	42	17	17	0	0	-	-60%

Geodesy and Cartography Office	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	-	-
Directorate of Environment	39	39	42	42	313	312	13%	6%
Operating Budget	39	39	42	42	232	232	18%	6%
Development Budget	0	0	0	0	0	0	-	-
Afghanistan High Atomic Energy Commission	6	6	9	9	57	56	16%	40%
Operating Budget	6	6	9	9	57	56	16%	40%
Development Budget	0	0	0	0	0	0	-	-
Irrigation and canalization Shirkat	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	-	-
Municipalities	25	25	0	0	2,181	2,181	0%	-100%
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	25	25	0	0	0	0	-	-100%
Total Infrastructure and Natural Resources	2,688	2,688	1,633	1,633	52,811	52,558	3%	-39%
Operating Budget	708	708	643	643	4,629	4,626	14%	-9%
Development Budget	1,980	1,980	991	991	-	-	-	-50%
Ministry of Education	5,158	5,158	4,806	4,806	40,444	40,438	12%	-7%
Operating Budget	5,096	5,096	4,806	4,806	35,778	35,772	13%	-6%
Development Budget	62	62	0	0	0	0	-	-100%
Ministry of Higher Education	909	909	887	887	7,911	7,911	11%	-2%
Operating Budget	796	796	850	850	5,585	5,585	15%	7%
Development Budget	113	113	37	37	0	0	-	-67%

Ministry of Information and Culture	85	85	87	87	867	865	10%	2%
Operating Budget	85	85	85	85	597	594	14%	0%
Development Budget	0	0	2	2	0	0	-	-
Science Academy	47	47	44	44	254	254	17%	-5%
Operating Budget	47	47	44	44	237	237	19%	-5%
Development Budget	0	0	0	0	0	0	-	-
National Olympic Committee	27	27	22	22	381	373	6%	-19%
Operating Budget	27	27	22	22	293	285	8%	-19%
Development Budget	0	0	0	0	0	0	-	-
Cricket Board	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	-	-
Afghanistan football federation	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	-	-
Radio and television of Afghanistan	86	86	70	70	609	609	11%	-19%
Operating Budget	86	86	70	70	489	489	14%	-19%
Development Budget	0	0	0	0	0	0	-	-
Total Education	6,312	6,312	5,916	5,916	50,466	50,450	12%	-6%
Operating Budget	6,137	6,137	5,877	5,877	42,979	42,963	14%	-4%
Development Budget	174	174	39	39	-	-	-	-78%
Ministry of Public Health	1,054	1,054	618	618	15,032	15,026	4%	-41%
Operating Budget	608	608	563	563	3,935	3,935	14%	-7%
Development Budget	446	446	56	56	0	0	-	-88%

Total Health	1,054	1,054	618	618	15,032	15,026	4%	-41%
Operating Budget	608	608	563	563	3,935	3,935	14%	-7%
Development Budget	446	446	56	56	-	-	-	-88%

Table 22c. Detailed Ministry Expenditure

(In millions of Afghanis)	1396		1397		1397		1397	
	Q1 YTD	Q1 YTD	Q1 YTD	Q1 YTD	Budget	Allocated	% Alloc.	%Change
Ministry of Agriculture	566	566	280	280	11,067	11,062	3%	-51%
Operating Budget	244	244	243	243	1,610	1,610	15%	0%
Development Budget	322	322	37	37	0	0	-	-89%
Ministry of Counter Narcotics	41	41	35	35	945	945	4%	-15%
Operating Budget	33	33	35	35	249	249	14%	5%
Development Budget	8	8	0	0	0	0	-	-100%
Ministry of Rural Rehabilitation and Development	1,785	1,785	397	397	19,700	19,651	2%	-78%
Operating Budget	98	98	88	88	654	654	14%	-10%
Development Budget	1,687	1,687	308	308	0	0	-	-82%
Afghanistan Independent Land Authority	128	128	138	138	1,312	1,306	11%	8%
Operating Budget	128	128	138	138	655	648	21%	8%
Development Budget	0	0	0	0	0	0		-
Total Agriculture and Rural Development	2,519	2,519	849	849	33,023	32,964	0	-66%
Operating Budget	503	503	504	504	3,167	3,160	1	0%
Development Budget	2,017	2,017	345	345	-	-	##### #	-83%

Ministry of Frontiers and Tribal Affairs	58	58	52	52	661	661	8%	-10%
Operating Budget	57	57	49	49	562	562	9%	-13%
Development Budget	1	1	3	3	0	0	-	128%
Ministry of Martyrs, Disabled and Social Affairs	1,332	1,332	1,621	1,621	16,375	16,281	10%	22%
Operating Budget	1,322	1,322	1,621	1,621	15,469	15,446	10%	23%
Development Budget	9	9	0	0	0	0	-	-100%
Ministry of Refugees and Repatriates	54	54	57	57	458	408	14%	7%
Operating Budget	49	49	55	55	329	328	17%	14%
Development Budget	5	5	2	2	0	0	-	-61%
Ministry of Women Affairs	35	35	37	37	280	268	14%	5%
Operating Budget	35	35	37	37	226	226	16%	5%
Development Budget	0	0	0	0	0	0	-	-
Office of Disaster Preparedness	18	18	19	19	682	675	3%	4%
Operating Budget	18	18	19	19	682	675	3%	4%
Development Budget	0	0	0	0	0	0	-	-
Directorate of Kochis	22	22	16	16	279	279	6%	-24%
Operating Budget	14	14	16	16	157	157	11%	14%
Development Budget	7	7	0	0	0	0	-	-100%
Total Social Protection	1,518	1,518	1,803	1,803	18,734	18,572	10%	19%
Operating Budget	1,496	1,496	1,798	1,798	17,424	17,394	10%	20%
Development Budget	23	23	5	5	-	-	-	-80%
Ministry of Finance	1,006	1,006	808	808	6,651	6,651	12%	-20%
Operating Budget	659	659	701	701	3,563	3,563	20%	6%

Development Budget	347	347	107	107	0	0	-	-69%
Ministry of Commerce	181	181	61	61	1,017	1,016	6%	-66%
Operating Budget	153	153	54	54	708	708	8%	-65%
Development Budget	28	28	8	8	0	0	-	-73%
Ministry of Economy	83	83	93	93	632	631	15%	12%
Operating Budget	46	46	47	47	282	282	17%	0%
Development Budget	37	37	46	46	0	0	-	26%
Control and Audit Office	38	38	26	26	481	481	5%	-33%
Operating Budget	28	28	26	26	169	169	15%	-8%
Development Budget	10	10	0	0	0	0	-	-100%
Central Statistics Office	30	30	30	30	220	220	14%	1%
Operating Budget	30	30	30	30	167	167	18%	1%
Development Budget	0	0	0	0	0	0	-	-
Afghanistan Investment Support Agency	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	-	-
Micro Finance Investment Support Facility for Afghanistan	21	21	0	0	558	558	0%	-100%
Operating Budget	0	0	0	0	0	0	-	-
Development Budget	21	21	0	0	0	0	-	-100%
Afghanistan National Standard Authority	13	13	14	14	132	132	11%	7%
Operating Budget	13	13	14	14	95	95	15%	7%
Development Budget	0	0	0	0	0	0	-	-
Total Economic Gov. and Private Sector Devel't	1,372	1,372	1,032	1,032	9,689	9,687	11%	-25%

Operating Budget	929	929	871	871	4,985	4,983		17%	-6%
Development Budget	443	443	161	161		-	-	-	-64%
Unallocated Reserves	0	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	0	-	-
Unspecified	0	0	0	0	0	0	0	-	-
Operating Budget	0	0	0	0	0	0	0	-	-
Development Budget	0	0	0	0	0	0	0	-	-
Total Unclassified	0	0	0	0	0	0	0	-	-
Operating Budget	-	-	-	-	-	-	-	-	-
Development Budget	-	-	-	-	-	-	-	-	-

Quarterly Fiscal Bulletin, 1st Quarter, 1397

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