

Foreword and Acknowledgement

Quarterly Fiscal Bulletins are particularly important as they gave a snapshot of the trends in actual domestic revenue collection and core budget expenditures against what was budgeted for the quarter. At the same time, these reports enable the readers to assess fiscal and macroeconomic performance. In particular, reports provide an opportunity for citizens to assess and evaluate the Government's fiscal performance and hold the Government accountable for their management of public funds.

I am pleased to share the Quarterly Fiscal Bulletin for the 4th quarter of fiscal year 1389. This edition of the bulletin highlights detailed assessments of fiscal and budgetary developments, including domestic revenue collection and core budget expenditure performance together with measuring the fiscal balance. Section five of this edition includes an analytical Article on "*Trends in Wages Expenditures*".

I would like to extend my appreciation to the Fiscal Policy Unit for drafting this bulletin. I would also like to extend my gratitude to the Budget Department, Revenue Department, Treasury Department, and other departments for their input and support. We would value your comments and queries to Mr. Zia-Ur-Rahman Haleemi, Head of Fiscal Policy Unit of the Ministry of Finance at ziahaleemi@gmail.com.

I hope you will find this publication useful and interesting. It is available on the Budget Department's website (www.budgetmof.gov.af).

Mohammad Mustafa Mastoor

Deputy Minister for Finance, Ministry of Finance
Islamic Republic of Afghanistan

www.mof.gov.af

Quarterly Fiscal Bulletin, Quarter 4, 1389

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1 SUMMARY OF FOURTH QUARTER AND 1389 DEVELOPMENTS

Table 1.1 – Budget Summary

Code (In millions of Afghanis)	1388	1388	1388	1389	1389	1389	1389	1389 Comparison to 1388 YTD		1389 Budget or MYR	1389 YTD as % of Targets/ Budget
	Qtr 4 Actual Qtr	Annual Actual	%GDP	Qtr 3 Prelim Qtr	Qtr 4 Prelim Qtr	Annual Prelim	%GDP	Change	% Increase	Revenue or Expenditure Target	
OPERATING BUDGET											
Revenues	29,904.1	96,386.2	15.7	33,257.8	37,861.3	134,850.1	18.9	38,463.8	39.9	123,209.0	9.4
Domestic Revenues (1)	19,884.0	63,618.6	10.4	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0
Operating Grants	10,020.1	32,767.7	5.3	12,734.6	15,169.7	54,465.8	7.6	21,698.1	66.2	52,089.0	4.6
Expenditures	30,834.3	87,242.8	14.2	26,118.3	38,060.0	110,452.8	15.5	23,209.9	26.6	119,849.4	-7.8
Budget Balance											
Including Grants	-930.2	9,143.4	1.5	7,139.5	-198.6	24,397.3	3.4	15,253.9	166.8	3,359.6	
Excluding Grants	-10,950.3	-23,624.3	-3.8	-5,595.1	-15,368.3	-30,068.5	-4.2	-6,444.2	27.3	-48,729.4	
Fiscal sustainability indicator (%) (2)	64.5	72.9	0.0	78.6	59.6	72.8	0.0	-0.1	-0.2	59.3	
DEVELOPMENT BUDGET											
Grants (3)	12,824.8	35,418.7	5.8	6,888.8	5,846.9	25,522.7	3.6	-9,896.0	-27.9	93,347.6	-72.7
Expenditures	13,606.9	43,991.0	7.2	11,667.0	15,585.2	43,923.8	6.2	-67.2	-0.2	111,900.2	-60.7
Discretionary Budget	3,052.0	9,287.3	1.5	2,805.2	4,826.9	10,138.4	1.4	851.1	9.2	25,714.3	-60.6
Non-discretionary Budget	10,554.9	34,703.8	5.6	8,861.9	10,758.3	33,785.4	4.7	-918.3	-2.6	86,185.9	-60.8
Budget Balance (3)	-782.1	-8,572.3	-1.4	-4,778.3	-9,738.3	-18,401.1	-2.6	-9,828.8	114.7	-18,552.6	
INTEGRATED BUDGET											
Revenues (3)	42,728.9	131,805.0	21.5	40,146.6	43,708.2	160,372.8	22.5	28,567.8	21.7	216,556.6	-25.9
Domestic Revenues	19,884.0	63,618.6	10.4	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0
Grants (3)	22,844.9	68,186.4	11.1	19,623.4	21,016.5	79,988.5	11.2	11,802.1	17.3	145,436.6	-45.0
Expenditures	44,441.2	131,233.9	21.4	37,785.4	53,645.1	154,376.6	21.6	23,142.7	17.6	231,749.6	66.6
Balances											
Excluding Grants	-24,557.2	-67,615.3	-11.0	-17,262.2	-30,953.5	-73,992.3	-10.4	-6,377.0	9.4	-160,629.6	
Including Grants (3)	-1,712.3	571.1	0.1	2,361.2	-9,936.9	5,996.2	0.8	5,425.1	949.9	-15,192.9	
Financing											
Balance Including Grants	-1,712.3	571.1	0.1	2,361.2	-9,936.9	5,996.2	0.8	5,425.1	949.9		
Sale of Land and Buildings	185.0	215.1	0.0	13.9	12.3	107.6	0.0	-107.5	-50.0		
Sale of State Owned Enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A		
Lending/Borrowing	-1,527.2	786.2	0.1	2,375.2	-9,924.6	6,103.7	0.9	5,317.5	676.3		

Source: FPU using AFMIS data downloaded on the 29 May 2011

1. In the published budget document, Afs 3.47 billion in domestic revenues are allocated to the development budget in 1389. In order to ensure comparability with actuals, all domestic revenues shown under the development budget in the published budget document have been re-allocated to the operating budget in the above table.

2. Fiscal sustainability is measured as domestic revenues as a percentage of operating budget expenditures

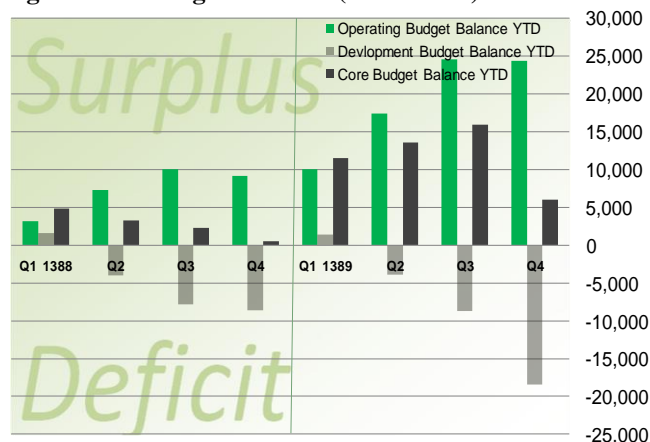
3. Actual figures are not comparable to the development/integrated budget grants or balances shown in budget documentation, as grants/balance in budget documentation also includes loans. Loans are shown as a financing item in the above table.

1.1 Overall Fiscal Position

The preliminary 1389 core (or integrated) budget balance was in surplus by around Afs 6.1 billion by the end of the year. This was mainly due to strong revenue collection and large operating budget surplus (that not only offset the development budget deficit, but also exceeded it). The operating budget surplus was Afs 24.4 billion, while the development budget was in deficit by Afs 18.4 billion. Because of high development budget deficit, the core budget surplus has declined by around Afs 9.9 billion in 1389. However, compared to the same period in 1388, the core budget surplus increased by Afs 5.4 billion. At the beginning of the year (earlier quarters), due to low development budget execution and more revenue collection, the core

budget surplus is greater, while by the end of the year, due to high execution of the development budget, much of the surplus was used to finance this high development budget deficit.

Figure 1.1 – Budget balances (Afs million)



1.2 Domestic Revenues and Grants

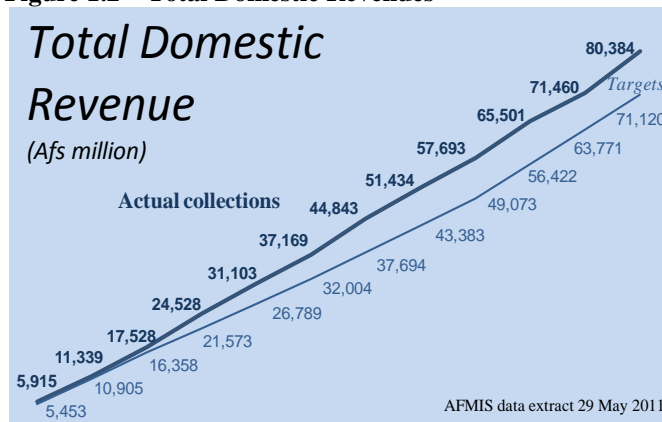
Domestic Revenues

Revenue performed well in the 4th quarter 1389 as has historically been the case in past years. Total domestic revenues of Afs 22.7 billion were collected in this quarter, which exceeded the quarterly target of Afs 22.0 billion by 3%. Total revenue for 1389 collection of Afs 80.4 billion exceeded both the budget target of Afs 71.1 billion (13.1 percent) and revised IMF target of Afs 75.3 billion (6.8 percent). At the same time, total revenue collected in 1389 was 26.4% above the Afs 63.6 billion in 1388.

The main contributors during this quarter were custom duties of Afs 7.1 billion and tax revenues of Afs 11.1 billion, which were 20.5% and 10.8% above Q4 1388 collections. While non-tax

revenues were 12.5% above collections in same quarter 1388.

Figure 1.2 – Total Domestic Revenues



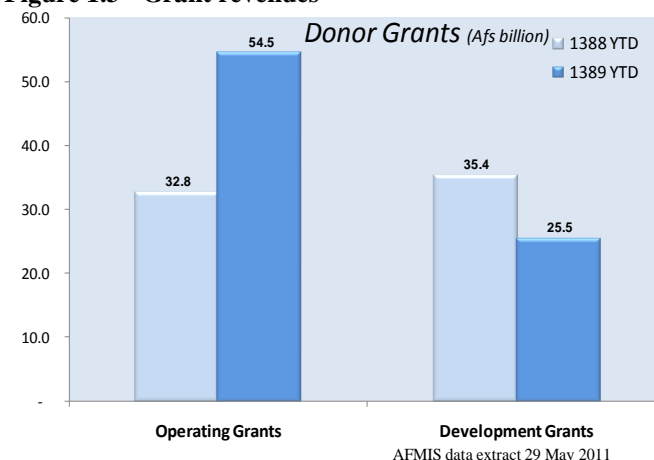
Similarly, Law and Order Trust Fund for Afghanistan (LOTFA) grants slightly increased from about Afs 5.2 billion in Q4 1388 to Afs 5.4 billion in the same stage 1389.

Grants

Total core budget grant receipts were Afs 21.0 billion in Q4 1389, which was 8.0% less than the same quarter of 1388. Total operating grants in 1389 were Afs 54.5 billion compared to Afs 32.8 billion in 1388, while total development grants in were Afs 25.5 billion compared to Afs 35.4 billion in 1388. In the 4th quarter 1389, the operating grant receipts were Afs 15.2 billion, compared to Afs 10.0 billion in the same period 1388.

Combined Security Transition Command–Afghanistan (CSTC-A) grants increased significantly from Afs 1.0 billion in Q4 1388 to about Afs 3.2 billion in Q4 1389. the Afghanistan Reconstruction Trust Fund (ARTF) grants increased form Afs 3.8 billion in Q4 1388 to Afs 5.4 billion in Q4 1389.

Figure 1.3 - Grant revenues



1.3 Expenditures

The total revised core budget for the fiscal year 1389 is Afs 231.7 billion. The operating budget is Afs 119.8 billion while Afs 111.9 billion is development budget. (The increase in the original budget is due to the inclusion of supplementary budget). Total core budget expenditures for the year 1389 were Afs 154.3 billion or 66.6% of the total annual core budget. Core budget expenditures for the year 1388 were Afs 131.3 billion. Thus 1389 expenditure was Afs 23 billion or 17.5% more than the year to date core budget expenditures of 1388.

Operating Budget

The total original operating budget for the year 1389 was Afs 116.3 billion which increased to Afs 119.8 billion with the inclusion of supplementary budget. The operating budget expenditures for 1389 were Afs 110.3 billion or 92.1% of the total operating budget of 1389. These expenditures increased by around Afs 23 billion compared to expenditures of 1388. This increase is mainly due to increase in size and wages expenditures in the security sector.

Development Budget

The revised development budget for the year 1389 was Afs 111.9 (including the supplementary budget). The development budget expenditures for the year 1389 were Afs 44 billion or 39.3% of the total development budget of the year. The development budget expenditures are almost same as the development expenditures of last year (1388).

Figure 1.4 – Operating Budget

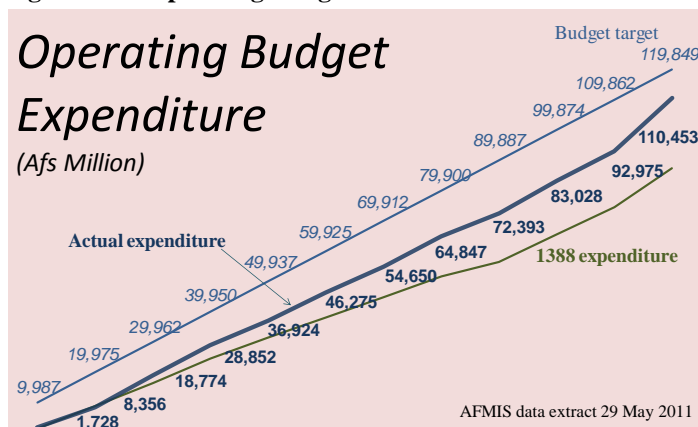
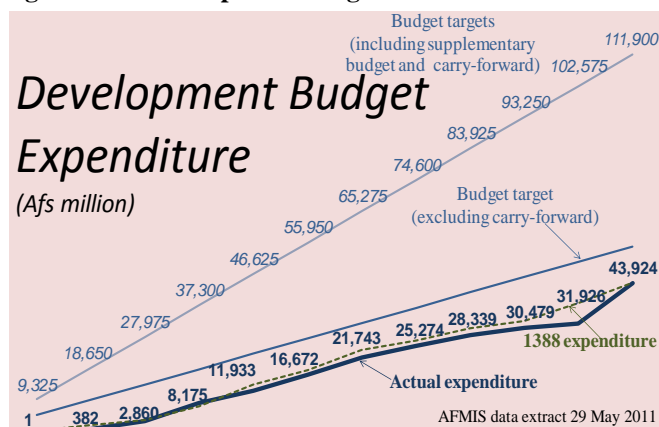


Figure 1.5 – Development Budget



1.4 Fiscal Sustainability

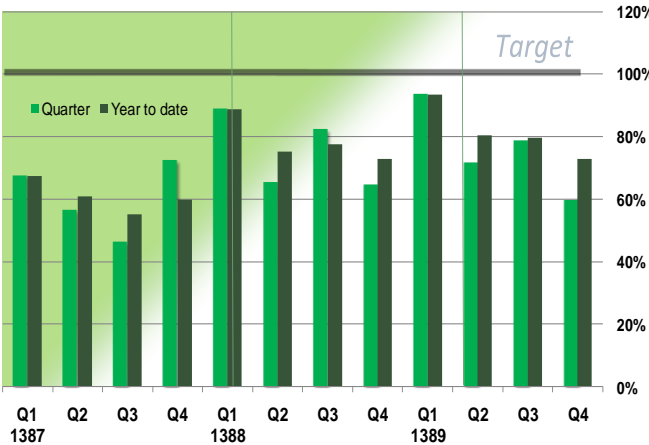
In Afghanistan's context, fiscal sustainability is defined as total operating expenditures being covered/financed by total domestic revenues. Fiscal Sustainability was a key objective under the IMF Poverty Reduction and Growth Facility (PRGF) program with Afghanistan. It has remained as one of the key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

The government plans to gradually take on the responsibility for the security in the future years. Over the transition period, these costs, particularly security spending will increase due to planned

increases in the size of the Afghan National Police (ANP) and Afghan National Army (ANA), and also other emerging fiscal pressures (such as taking over responsibility for the external recurrent budget). In the light of aforementioned rising expenditure, achieving fiscal sustainability is likely to take longer than what has been previously expected. However, it is also possible that fiscal sustainability may be able to be achieved sooner if the current trend for strong revenue performance continues, and the Government begins to collect more revenue from the mining sector in the near future. The target for the 1389 fiscal year was that domestic revenues would be able to finance 59 per cent of operating

budget expenditures. Based on preliminary data fiscal sustainability was about 73%. It shows that the actual operating expenditure is below the budgeted target while the domestic revenue is above its budgeted target of Afs 71.1 billion.

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



2 CORE BUDGET REVENUES

Table 2.1 – 1389 Q4 Revenues

Code (In millions of Afghanis)	1388 Qtr 4 Actual Qtr	1388 Annual Actual YTD	1388 %GDP	1389 Qtr 1 Prelim Qtr	1389 Qtr 2 Prelim Qtr	1389 Qtr 3 Prelim Qtr	1389 Qtr 4 Prelim Qtr	1389 Annual Prelim YTD	1389 %GDP	1389 Comparison to 1388 YTD	YTD Target 1389 Qtr 4 YTD	Target - Actual % (+/-)	% Annual Target
										Change % Increase			
CORE BUDGET													
1 REVENUES including grants (1)	42,728.9	131,805.0	21.5	33,128.7	43,389.3	40,146.6	43,708.2	160,372.8	22.5	28,567.8	21.7		
1-19 REVENUES excluding grants	19,884.0	63,618.6	10.4	17,528.4	19,641.0	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0
DOMESTIC REVENUES (2) (3)	19,884.0	63,618.6	10.4	17,528.4	19,641.0	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0
11 Tax Revenues	9,248.2	29,894.3	4.9	8,567.0	9,366.1	9,622.6	11,141.9	38,697.6	5.4	8,803.3	29.4	31,869.0	21.4
111 Fixed Taxes	2,776.5	8,185.0	1.3	2,238.6	2,130.0	2,359.2	2,353.1	9,080.9	1.3	895.9	10.9	5,913.0	53.6
112 Income Taxes	2,272.2	7,463.8	1.2	2,126.3	2,632.2	2,400.6	3,134.7	10,293.8	1.4	2,830.0	37.9	7,183.6	43.3
113 Property Taxes	72.7	207.2	0.0	60.3	51.2	51.7	82.2	245.4	0.0	38.1	18.4	96.1	155.4
114 Sales Taxes	3,319.2	12,356.8	2.0	3,438.3	3,900.7	4,251.5	4,712.0	16,302.5	2.3	3,945.7	31.9	17,181.3	-5.1
116 Other Taxes	635.2	1,232.8	0.2	585.6	524.2	389.2	653.2	2,152.2	0.3	919.4	74.6	1,657.5	29.8
117 Tax Penalties and Fines	172.3	448.5	0.1	117.9	127.8	170.4	206.6	622.7	0.1	174.2	38.8	-162.3	-483.6
12 Customs Duty, Import Taxes	6,425.2	21,796.9	3.5	6,523.1	6,672.2	7,311.2	7,116.7	27,623.2	3.9	5,826.3	26.7	25,105.2	10.0
13 Non Tax Revenue	3,055.8	10,050.9	1.6	2,542.4	2,624.3	2,917.7	3,437.4	11,521.8	1.6	1,470.8	14.6	12,022.7	-4.2
131 Income from Capital Property	74.4	313.7	0.1	85.5	67.2	71.1	57.4	281.1	0.0	-32.6	-10.4	534.9	-47.4
132 Sales of Goods and Services	992.1	3,398.7	0.6	916.7	1,050.5	1,061.7	1,477.5	4,506.4	0.6	1,107.8	32.6	3,380.2	33.3
133 Administrative Fees	1,909.4	6,013.9	1.0	1,475.8	1,432.0	1,688.7	1,758.0	6,354.5	0.9	340.6	5.7	7,738.4	-17.9
134 Royalties	6.5	101.1	0.0	6.3	10.1	6.8	17.1	40.4	0.0	-60.7	-60.1	111.5	-63.8
135 Non Tax Fines and Penalties	73.4	223.6	0.0	58.0	64.5	89.4	127.4	339.3	0.0	115.7	51.8	257.8	31.6
14 Miscellaneous Revenue	687.1	788.5	0.1	-369.8	533.4	252.9	317.0	733.6	0.1	-55.0	-7.0	837.5	-12.4
17 Social Contributions	467.7	1,087.8	0.2	265.7	445.0	418.7	678.7	1,808.1	0.3	720.3	66.2	1,285.6	40.6
GRANTS (1)	22,844.9	68,186.4	11.1	15,600.3	23,748.3	19,623.4	21,016.5	79,988.5	11.2	11,802.1	17.3		
191 Foreign Governments	12,974.5	37,233.2	6.1	11,513.9	16,723.6	14,445.8	16,663.1	59,346.3	8.3	22,113.1	59.4		
192 International Organisation	9,836.3	30,320.4	4.9	3,813.7	6,981.4	5,177.6	3,981.4	19,954.2	2.8	-10,366.2	-34.2		
193 Other Government Units	34.1	632.8	0.1	272.7	43.3	0.0	372.1	688.0	0.1	55.2	8.7		
TOTAL OPERATING BUDGET REVENUE	29,904.1	96,386.2	15.7	28,854.2	34,876.8	33,257.8	37,861.3	134,850.1	18.9	38,463.8	39.9		
Domestic Revenues	19,884.0	63,618.6	10.4	17,528.4	19,641.0	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0
as percentage of total	66.5	66.0		60.7	56.3	61.7	59.9	59.6		43.6			
External Grant Support	10,020.1	32,767.7	5.3	11,325.8	15,235.7	12,734.6	15,169.7	54,465.8	7.6	21,698.1	66.2		
as percentage of total	33.5	34.0		39.3	43.7	38.3	40.1	40.4		56.4			

Source: FPU using AFMIS data downloaded on the 29 May 2011

- Actual figures are not comparable to the development/integrated budget grants or balances shown in budget documentation, as grants/balance in budget documentation also includes loans. Loans are shown as a financing item in above table.
- Revenues exclude proceeds from the sale of fixed assets (150), and loans (18). These items are included under financing.
- In the published budget document, Afs 3.47 billion in domestic revenues are allocated to the development budget in 1389. In order to ensure comparability with actuals, all domestic revenues shown under the development budget in the published budget document have been re-allocated to the operating budget in the above table.

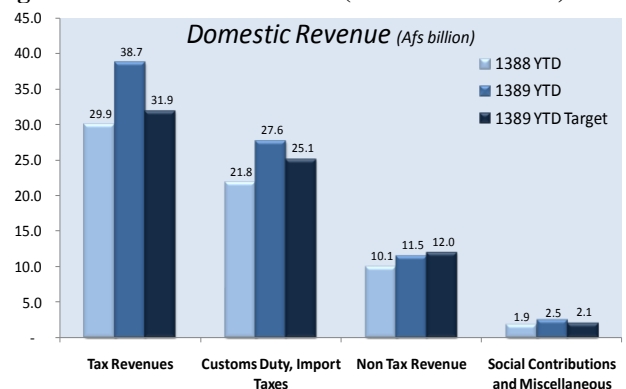
2.1 Domestic Revenues

The budgetary revenue target for fiscal year 1389 was Afs 71.1 billion, which was about 12 percent higher compared to actual revenue collections of Afs 63.6 billion in 1388.

The quarterly breakdown of the total revenue target is based on the quarterly distribution of actual domestic revenues over recent years. It is assumed that 23% of annual revenues would be collected in Q1, 22% in Q2, 24% in Q3 and 31% in Q4.

The total revenue collections for the 4th quarter of 1389 were Afs 22.7 billion, which is an increase of 14.0 percent compared to the same period last year and around 3.2 percent above the target for the fourth quarter 1389 (Afs 22 billion).

Figure 2.1 Domestic Revenues (1389 vs 1388 YTD)



AFMIS data extract 29 May 2011

2.2 Provincial Distribution of Revenues

Table 2.2 – 1389 Provincial Revenues

(In millions of Afghanis)	Total Revenues			Taxation Revenues		Customs Duties		Non Tax Revenues		Other Revenues	
	1388	1389	% Increase	1388	1389	1388	1389	1388	1389	1388	1389
	Qtr 4 Actual YTD	Qtr 4 Prelim YTD		Qtr 4 Actual YTD	Qtr 4 Prelim YTD	Qtr 4 Actual YTD	Qtr 4 Prelim YTD	Qtr 4 Actual YTD	Qtr 4 Prelim YTD	Qtr 4 Actual YTD	Qtr 4 Prelim YTD
TOTAL REVENUE	63,618.6	80,384.3	26.4	29,894.3	38,697.6	21,796.9	27,623.2	10,050.9	11,521.8	1,876.4	2,541.7
Total Provinces	41,118.4	49,998.0	21.6	16,063.3	18,430.6	20,047.0	25,401.2	4,091.2	4,688.9	916.9	1,477.3
Nangarhar	9,765.9	11,137.5	14.0	3,984.9	4,076.6	5,241.9	6,490.7	474.0	475.3	65.0	95.0
Balkh	9,143.2	9,138.5	-0.1	3,328.5	3,018.1	5,259.4	5,318.0	482.0	644.2	73.3	158.2
Kandahar	2,835.2	3,383.9	19.4	1,325.7	1,476.9	1,087.1	1,423.3	385.1	393.6	37.3	90.0
Herat	10,644.3	14,820.5	39.2	3,801.6	5,181.4	5,871.0	8,291.1	889.4	1,216.8	82.3	131.1
Nimroz	2,686.0	3,774.0	40.5	1,071.3	1,368.3	1,356.8	2,046.9	250.7	346.3	7.2	12.5
Other Provinces	6,043.8	7,743.6	28.1	2,551.2	3,309.3	1,230.8	1,831.1	1,610.0	1,612.7	651.7	990.6
Central Ministries	22,500.1	30,386.3	35.0	13,831.1	20,267.0	1,749.9	2,222.0	5,959.7	6,832.8	959.4	1,064.4

Source: FPU using AFMIS data downloaded on the 29 May 2011

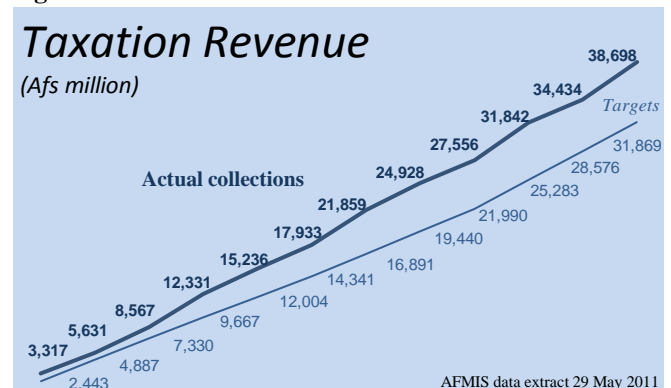
Table 2.2 shows revenue collections by location (Provinces and Line Ministries). Central Ministries collections accounted for Afs 30.4 billion in 1389 compared to Afs 22.5 billion last year. For the provinces, collections were Afs 50.0 billion in which was an increase of 21.6 percent compared to collections in 1388 (Afs 41.1 billion).

- **Taxation Category:** for provinces, tax revenue for 1389 increased by 15.0 percent compared to collections during 1388. Similarly, collections from central ministries increased by 47.0 percent compared to the same period in the previous year. Tax collections by the top five provinces were 39.0 percent of total revenues for 1389 compared to 45.2 percent in 1388.
- **Non-Tax Revenues:** the non-tax revenue collections from provinces in fourth quarter 1389 were Afs 4.7 billion, compared to 1388 of Afs 4.1 billion. For central ministries, about Afs 6.8 billion was collected in 1389, compared to about Afs 6.0 billion during 1388. Among the major provinces, Herat contributions to non-tax revenues increased by the most compared to 1388.

2.3 Tax Revenue

Tax revenue consists of various components such as fixed taxes, income taxes, property taxes, sales taxes, other taxes and tax penalties and fines. Tax revenues increased by about 20.0 percent compared to the same quarter last year, and 12.0 percent of the Q4 target (Afs 9.9 billion). For the 1389, total tax revenues collections are Afs 38.7 billion, whereas they were only Afs 31.9 billion last year. Tax collections also exceeded the target for 1389 by 21.4 percent (target of Afs 31.9 billion).

Figure 2.2 - Tax Revenues



- Fixed taxes in 1389 was Afs 896 million higher (or 11.0 percent) compared to 1388. This improvement was mainly due to good performance in imports by licensed business, which accounts for an extra Afs 437 million (or 6.4 %) over 1388.
- Income taxes in 1389 were Afs 2.8 billion higher (or 38.0 percent) compared to 1388. Employees' salaries & wages contributed the largest share of this increase about Afs 1.6 billion (50.4 percent) more during 1389 compared to 1388.
- Sales taxes were about Afs 3.9 billion higher (or 32.0 percent) in 1389 compared to the previous year. Overall the sales tax contributed significantly to the tax revenue, particularly the 10% BRT on Services

contributed Afs 1.1 billion more revenue (about 33.0 percent) than collected in 1388, and the 2% Business Receipts Tax on Imports, which increased from Afs 6.8 billion in 1388 to Afs 7.6 billion in 1389, an increase by Afs 731 million (10.8 percent).

Major increases in specific tax revenues					
	1388	1389	Difference		% Increase
	Actual	Actual			
	All Values in million Afghanis				
Imports by Licensed Business (Fixed Taxes)	6,827	7,264	437		6.4%
Employees Salaries & Wages (Income Taxes)	3,201	4,813	1,612		50.4%
2% BRT on Imports (Sales Taxes)	6,796	7,560	764		11.2%
BRT on Services 10 % (Sales Taxes)	3,310	4,393	1,083		32.7%

2.4 Custom Duties and Import Taxes

Total revenues from custom duties and import taxes for 1389 were Afs 27.6 billion, as compared to Afs 21.8 billion in the same period 1388, which shows an increase of Afs 5.8 billion (26.7 percent) or only one fourth of the total collected duties in 1388, which shows strong improvement. Quarterly, total custom collections were Afs 7.1 billion in the fourth quarter 1389, an increase of almost 11.0 percent compared to the same period for 1388 (Afs 6.4 billion).

In the fourth quarter, around 90% of custom duties revenues have been collected from the major customs offices in the top five provinces (Herat, Balkh, Nangarhar, Kandahar and Nimroz) and the remaining 10% were collected by other custom offices.

- Herat customs office collected custom duties of Afs 2.2 billion during the fourth quarter 1389, which was 34% more than collected in Q4 1388; however, because of more aggressive quarterly target, it stood below the target . Total duties in 1389 were Afs 8.3 billion that exceeded annual target of Afs 7.8 billion by 0.5 billion (6.4%).

- Nangarhar customs office performed well and collected Afs 1.9 billion in the fourth quarter 1389, which was 31% more than collected in Q4 1388, but it stood below the quarterly target. Total duties were Afs 6.5 billion in 1389 that achieved the annual target of Afs 6.5 billion.
- Balkh customs office collected Afs 1,035 million in fourth quarter 1389, which was 41% less than collected in Q4 1388. However, Balkh customs office did not perform well to achieve both its quarterly and annual targets.
- Kandahar customs office collected Afs 354 million, which was 7% more than collected in Q4 1388, total collected duties were Afs 1.4 billion in 1389 compared to the annual target of Afs 1.4 billion. Nimroz customs office collected Afs 506 million, which was 23% more than collected in Q4 1388. Total collected duties were about Afs 2.0 billion compared to annual target of Afs 1.9 billion, an increase by 8.5%.

Overall, for the year, the customs performed well despite some problems at the borders (i.e. border closure) during the year, particularly in custom offices bordered with Pakistan and Iran. Apart from Balkh, all other custom offices achieved their annual targets in 1389; however, as some of the 4th quarter targets were set more aggressively, the actual collection for some of the custom offices shows under performance against the 4th quarter targets as illustrated by the following figure 2.4.

Figure 2.3 – Custom duties

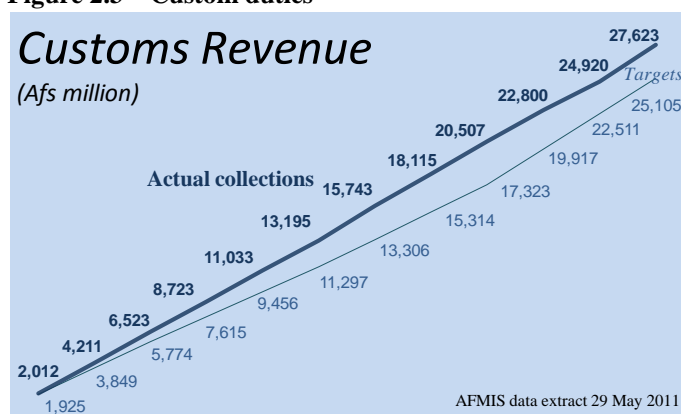


Figure 2.4 - Custom Revenues in 'top 5' provinces, Q4

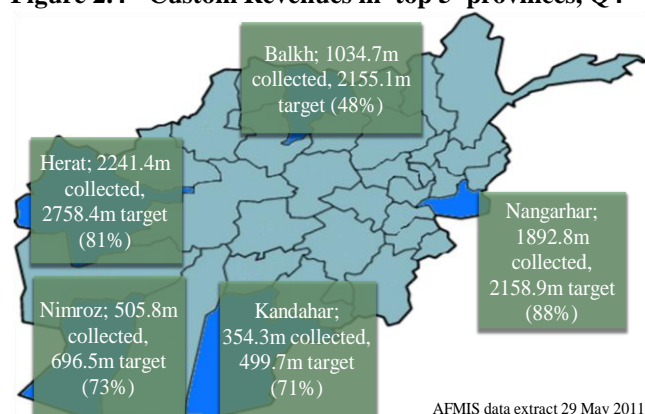


Figure 2.5 and 2.6 present the components of custom revenues by import type for 1388 and 1389, recorded by ASYCUDA and Eurotrace systems in the major provinces. As shown in the graphs, in 1389, the imports of Motor Vehicles (29% of the total duties in 1389 and 27% in 1388) and Mineral fuels and oil (21% in 1389 and 24% in 1388) were major components of dutiable imports and custom revenues. Electric machinery and equipment were 6% of total duties in 1389 against 7% in 1388.

The duties collection from vehicles imports increased in Q4 1389 as compared to the same period in 1388. The reason for this increase was mainly attributed to the increase in vehicle tariff in the beginning of fourth quarter 1389. However, the effect of this revenue increase (from vehicles) was not strong enough to offset the apparent reduction of the demand for vehicles due to the price increase. The change in tariff rates is for non-agricultural trucks and cars. Tariffs for non-agricultural trucks increased from 2.5% to 10%. The tariff regime for cars also shifted to be only based on engine size. The new tariff rates to be applied to vehicles are 25% for vehicles above 2000cc and 40% for vehicles below 2000cc. This increase in tariff rates may also change the composition of custom items. And in the future bulletin this change will closely be monitored since it is not unusual to see a temporary drop in demand for goods subject to increases in tariff rates.

Figure 2.5 - Custom Revenues by product types
Custom Duties, YTD Q4 1389

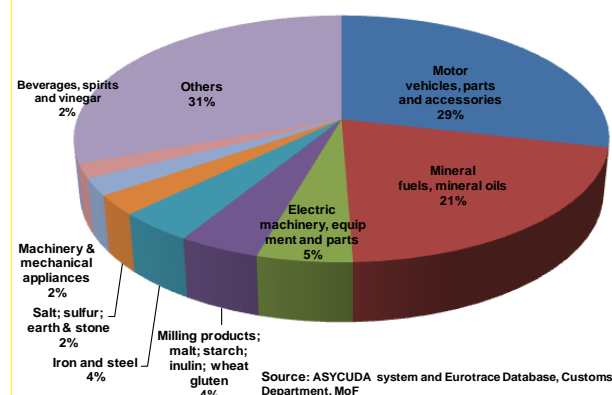
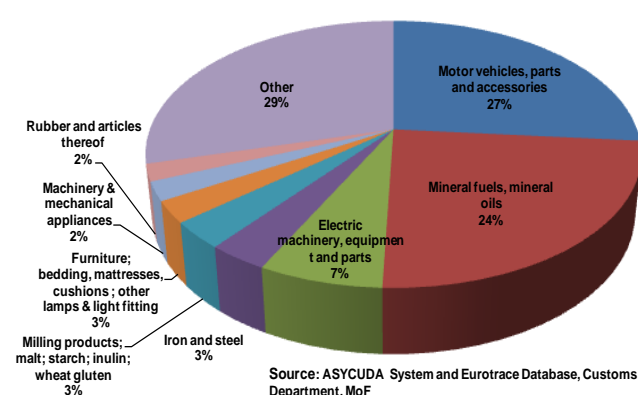


Figure 2.6 - Custom Revenues by product types
Custom Duties, YTD Q4 1388



2.5 Non-Tax Revenues

Non-tax revenues consist of income from capital property, sales of goods and services, administrative fees, royalties and non-tax penalties and fines. The non-tax revenue collections were Afs 11.5 billion in 1389. This is an increase of 14.6 percent compared to last year and was 10.0 percent more than the target. Non-tax revenue collections in the fourth quarter 1389 were Afs 3.4 billion, an increase by 12 percent compared to the fourth quarter 1388.

- Administrative fees (the important component of non-tax revenue) accounted for Afs 1.8 billion of collection in the fourth quarter 1389 compared to Afs 1.9 billion in the same period last year, which shows a reduction by 8.0 percent. This was partly due to not satisfactory performance in the Overflight

revenue which were Afs 378 million in fourth quarter 1389 compared to Afs 374 million the same quarter last year, and also decline in the Passport Revenue that was reduced from Afs 425 million in Q4 1388 to Afs 333 million the same period in 1389.

- Sales of Goods & Services (the 2nd major component of non tax revenue) accounted for Afs 1.5 billion of non tax revenue in the fourth quarter 1389 compared to Afs 992 million in the same period in 1388, which shows large increase of Afs 485 million 49 percent. An extra amount of Afs 622 million or 64% was collected from Mobile Telephone Services for 1389 compared to last year.

Figure 2.7 – Non-tax revenues

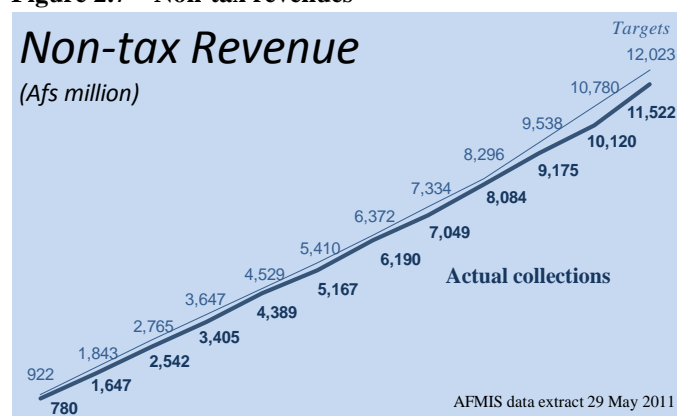
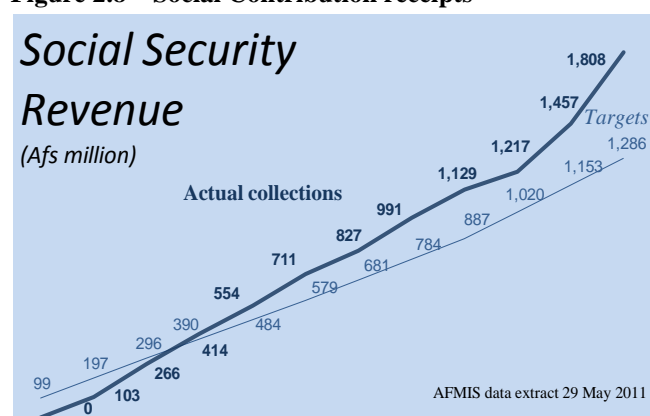


Figure 2.8 – Social Contribution receipts



2.6 Social Contributions

Social contributions include government employees' contributions for retirement and pension purposes to fund the social well being of retired employees in the future. In fourth quarter 1389, revenues from social contributions were Afs 679 million compared to Afs 468 million for the same period last year. For all of 1389 collections were Afs 1.8 million compared to Afs 1.1 billion in 1388, an increase of 66.2 percent, and exceeded the target of Afs 1.3 billion by 40.6 percent. The rise in revenue from social contribution may be attributed to the implementation of new pension laws, and it is expected that in the future, this revenue will further increase (although it comes with a future liability).

2.7 Domestic Revenues by Collection Agency

Table 2.3 – 1389 Revenues by Collection Agency

(In millions of Afghanis)	Total Revenues			Taxation Revenues		Customs Duties		Non Tax Revenues		Other Revenues	
	1388	1389	% Increase	1388	1389	1388	1389	1388	1389	1388	1389
	Annual Actual	Annual Prelim		Annual Actual	Annual Prelim	Annual Actual	Annual Prelim	Annual Actual	Annual Prelim	Annual Actual	Annual Prelim
11 TOTAL REVENUE	63,618.6	80,384.3	26.4	29,894.3	38,697.6	21,796.9	27,623.2	10,050.9	11,521.8	1,876.4	2,541.7
Ministry of Finance	55,620.8	69,464.9	24.9	29,395.7	37,524.2	21,796.9	27,585.1	3,561.4	2,888.6	866.8	1,467.0
Mustofiat (1)	6,473.2	6,464.2	-0.1	2,897.7	3,456.1	0.0	0.0	2,712.4	1,660.6	863.1	1,347.5
Customs (1)	36,594.4	44,336.4	21.2	14,130.7	15,673.4	21,796.9	27,585.1	665.4	1,061.8	1.5	16.1
Large Taxpayer Office (LTO)	8,163.0	12,727.6	55.9	8,133.2	12,689.5	0.0	0.0	29.8	34.9	0.0	3.1
Medium Taxpayer Office	4,387.9	5,771.1	31.5	4,234.2	5,704.5	0.0	0.0	153.8	66.5	0.0	0.1
Small Taxpayer Office	0.0	0.6	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	-0.0
Other Ministry of Finance	2.2	165.1	7,278.7	0.0	0.0	0.0	0.0	0.1	64.9	2.2	100.3
Total taxation collections by ARD (2)				15,763.7	23,024.1						
Total LTO collections as % of total taxation collections by ARD				51.8	55.3						
Other Ministries	7,997.7	10,919.4	36.5	498.6	1,173.3	0.0	38.1	6,489.5	8,633.2	1,009.6	1,074.7
Ministry of Transport and Aviation	2,814.3	3,395.9	20.7	0.0	2.1	0.0	0.0	2,814.3	3,393.8	0.0	0.0
Ministry of Interior	1,725.1	2,813.6	63.1	478.5	1,395.0	0.0	0.0	970.1	1,405.9	276.5	12.7
Ministry of Communication	1,094.7	1,743.9	59.3	0.0	0.0	0.0	0.0	1,093.1	1,736.1	1.6	7.9
Ministry of Foreign Affairs	818.9	714.7	-12.7	0.0	0.0	0.0	0.0	818.6	712.9	0.2	1.8
Ministry of Martyrs, Disabled and Social A	735.5	722.5	-1.8	0.0	0.0	0.0	0.0	180.1	162.8	555.4	559.8
Other Budgetary Units	809.2	1,528.7	88.9	20.1	-223.8	0.0	38.1	613.2	1,221.7	175.9	492.6

Source: FPU using AFMIS data downloaded on the 29 May 2011

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

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

Table 2.3 shows different revenue agencies that were responsible for the changes in revenue collections between Q4 1388 and Q4 1389. Compared to 1388, total revenue collection increased by Afs 16.8 billion of which:

- The Customs Office has collected an additional Afs 7.7 billion in revenues (or 45.8% of the total increase). This is made up of an additional Afs 1.5 billion in taxation revenues (such as the 2% Business Receipts Tax on imports) and Afs 5.8 billion in custom duties.
- The Large Taxpayers Office (LTO) has been responsible for collecting Afs 4.6 billion (or 27% of the total increase) in additional revenues in 1389. The Medium Taxpayer Office collected Afs 5.8 billion in 1389 compared to Afs 4.4 billion in 1388.
- Other Ministries collected the largest additional amount of Afs 2.9 billion of revenues, of which other budgetary units made up of an additional Afs 18.2 billion and Ministry of Interior made up of Afs 246 million. This is mainly made up of increases in tax revenue, non-tax revenues and other revenue.

2.8 Grants

Donor grants finance major expenditures items in the operating budget, especially security related expenditures and almost all the development budget is donor financed (a small proportion of the development budget is also financed by concessional loans).

Total grants for 1389 are about Afs 80.0 billion. This has increased by Afs 11.8 billion or (17.0 percent) compared to Afs 68.2 billion in 1388. Grants were around 50 percent of total revenues (including grants) for the 1389.

Operating Grants

The Government's main goal is to ultimately attain fiscal sustainability. This means that the Government proposes to gradually takeover more responsibility for financing its operating budget through internal revenues, and depend less on donor grants.

Operating budget grants in 1389 were revised and budgeted to be around Afs 54.5 billion. Operating budget grants receipts in the fourth quarter 1389 were Afs 15.2 billion and Afs 54.5 billion for all of 1389. However, in the same period in 1388, grants were Afs 10.0 billion for the quarter and Afs 32.8 billion for the year, an increase of 52 percent and 66.2 percent respectively.

These grants consist of Afghanistan Reconstruction Trust Fund (ARTF) - Afs 15.4 billion, Law & Order Trust Fund (LOTFA) - Afs 24.4 billion and Combined Security Transitional Command for Afghanistan (CSTC-A)-Afs 13.5 billion. This is an increase of 42%, 71% and 96.5% respectively compared to YTD in fourth quarter 1388. The increase in LOTFA and CSTC-A grants was mainly caused by the increase in the number of ANA and ANP.

Figure 2.9 - Operating grants revenue

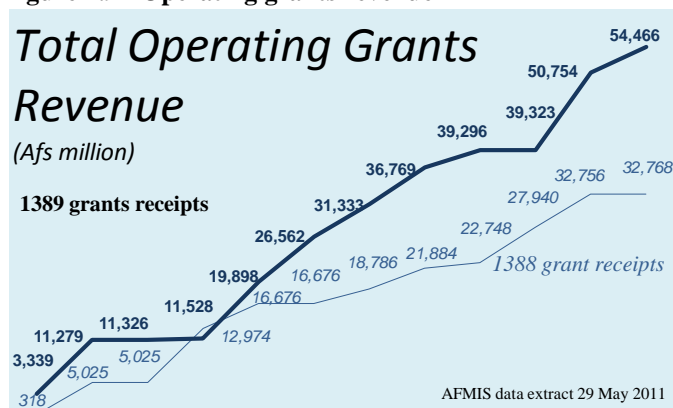


Table 2.4 - Operating grants, Afs millions

(Code)		1388 Qtr 4	1388 Qtr 4 YTD	1388 % of Total	1389 Qtr 3	1389 Qtr 4	1389 Qtr 4 YTD	1389 % of Total
10001	Afghanistan Reconstruction Trust Fund (ARTF)	3,795	10,898	34%	0	5,451	15,445	29%
10002	Law & Order Trust Fund (LOTFA)	5,178	14,297	45%	8,042	5,428	24,404	46%
10004	Combined Security Transitional Command Afghanistan (CSTC-A)	1,035	6,874	21%	4,640	3,238	13,507	25%

AFMIS data extract 29 May 2011

Development Grants

Development grants have decreased in 1389 compared to 1388 due to the lower execution of the development budget. Total development budget grants receipts for the fourth quarter 1389 were Afs 6.5 million, whereas in fourth quarter 1388 development grants were Afs 12.8 billion. Similarly, grants for all of 1389 were Afs 26.2 billion and Afs 35.4 billion in 1388. This shows reduction in development grants for 1389 compared to 1388.

Table 2.5 shows the largest development grants receipts in fourth quarter 1389.

- USAID provided Afs 675 million to MOPH for Health Service Program. In order to create conditions for stability in Afghanistan, USAID health programs are designed to improve the health status of the general population. The programs aim to train essential health care professionals, educate Afghans about better health habits, enhance provider performance, and develop and implement quality assurance systems. Basic health care for rural communities is a priority for USAID/Afghanistan, with a primary focus on women and children's health.
- The ARTF provided Afs 484 million for Second Education Quality Improvement Project. The proposed EQUIP II aims to increase equitable access to quality basic education especially for girls through school grants, teacher training and strengthened institutional capacity with support from communities and private providers.
- The World Bank and others provided Afs 507 million for the National Emergency Rural Access Project. In addition, the Bank also provided Afs 395 million for 2nd Customs Reform and Trade Facilitation Project. The objective of the project is to improve the release of legitimate goods in a fair and efficient manner and implementing reforms and modernization of custom process.

Figure 2.10 - Development grants revenue

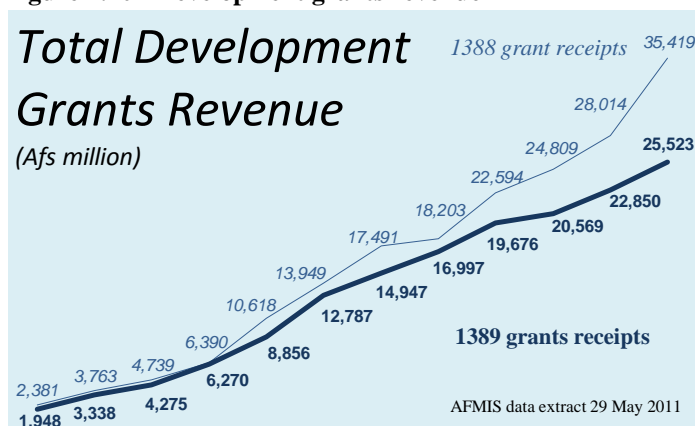


Table 2.5 - 10 largest development grant receipts in Q4 1389, Afs million

MOPH Partnership Contracts For Health Services Program (SOAG 306-07-00 II#7)	US & USAID	675
93962-Second Education Quality Improvement Project	ARTF	536
H3440 National Emergency Rural Access Project	World Bank - Others	507
H5680-2nd Customs Reform and Trad Facilitation	World Bank - Others	395
54729-Afghanistan Short-Term Urban Water Supply And Sanitation Project	ARTF	352
TF095297- National Emergency Rural Access Project	ARTF	309
Japan Non Project Grant Aid 2005	Japan Non Project Grant Aid 2005	227
91885-Horticulture and Live Stock Project	ARTF	209
00 January 1900	Multi Donor Grants	180
H603-Third National Solidarity Project	World Bank - Others	177

AFMIS data extract 29 May 2011

3 CORE BUDGET EXPENDITURES

Table 3.1 – 1389 Q4 Expenditures

Code (In millions of Afghanis)		1388	1388	1388	1389	1389	1389	1389	Comparison to Budget			1389 Comparison to 1388 YTD	
		Qtr 4	Annual	%GDP	Qtr 3	Qtr 4	Annual	%GDP	Revised	Current	%	Change	Increase
		Actual	Actual		Prelim	Prelim	Prelim		Budget	Allocated	Allocated		
		Qtr			Qtr	Qtr				Budget (4)	Budget		
2	TOTAL GROSS EXPENDITURES	44,441.2	131,233.9	21.4	37,785.4	53,645.1	154,376.6	21.6	231,749.6	231,749.6	66.6	23,142.7	17.6
	Operating Budget	30,834.3	87,242.8	14.2	26,118.3	38,060.0	110,452.8	15.5	119,849.4	119,849.4	92.2	23,209.9	26.6
	Development Budget	13,606.9	43,991.0	7.2	11,667.0	15,585.2	43,923.8	6.2	111,900.2	111,900.2	39.3	-67.2	-0.2
	Discretionary Budget	3,052.0	9,287.3	1.5	2,805.2	4,826.9	10,138.4	1.4	25,714.3	25,714.3	39.4	851.1	9.2
	Non-discretionary Budget	10,554.9	34,703.8	5.6	8,861.9	10,758.3	33,785.4	4.7	86,185.9	86,185.9	39.2	-918.3	-2.6
2*	TOTAL NET EXPENDITURES (2)	44,256.1	131,018.8	21.3	37,771.4	53,632.8	154,269.1	21.6			N/A	23,250.3	17.7
2-25	RECURRENT EXPENDITURES	36,223.5	101,188.1	16.5	30,262.9	42,163.9	125,090.1	17.5	N/A	174,625.1	71.6	23,902.0	23.6
21	Compensation of Employees	21,997.8	64,256.2	10.5	20,623.1	28,141.1	86,474.0	12.1	90,157.2	89,084.9	97.1	22,217.8	34.6
	Operating Budget	21,997.8	64,256.2	10.5	20,623.1	28,141.1	86,474.0	12.1	90,157.2	89,084.9	97.1	22,217.8	34.6
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
22	Use of Goods and Services	13,176.1	31,929.6	5.2	8,121.3	13,297.8	32,968.7	4.6	N/A	75,916.1	43.4	1,039.1	3.3
	Operating Budget	7,240.1	16,858.6	2.7	3,699.9	8,204.4	17,158.5	2.4	17,315.1	18,329.9	93.6	299.9	1.8
	Development Budget	5,936.0	15,071.0	2.5	4,421.4	5,093.4	15,810.2	2.2	N/A	57,586.3	27.5	739.3	4.9
23	Interest (1)	10.7	103.9	0.0	34.8	7.3	79.5	0.0	300.0	300.0	26.5	-24.4	-23.5
	Operating Budget	10.7	103.9	0.0	34.8	7.3	79.5	0.0	300.0	300.0	26.5	-24.4	-23.5
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A
24	Subsidies and Transfers	1,038.8	4,898.4	0.8	1,483.7	717.7	5,567.9	0.8	9,324.0	9,324.0	59.7	669.5	13.7
	Operating Budget	850.8	4,690.8	0.8	1,483.7	717.7	5,151.6	0.7	9,324.0	9,324.0	55.3	460.8	9.8
	Development Budget	188.0	207.6	0.0	0.0	0.0	416.3	0.1	0.0	0.0	N/A	208.8	100.6
25	ACQUISITION OF ASSETS												
25	Gross Acquisition of Nonfinancial Assets	8,217.7	30,045.8	4.9	7,522.5	11,481.2	29,286.5	4.1	N/A	55,136.0	53.1	-759.3	-2.5
	Operating Budget	734.9	1,333.3	0.2	276.9	989.5	1,589.2	0.2	2,753.0	1,694.4	93.8	255.9	19.2
	Development Budget	7,482.8	28,712.5	4.7	7,245.6	10,491.7	27,697.3	3.9	N/A	53,441.6	51.8	-1,015.2	-3.5
25*	Net Acquisition of Nonfinancial Assets (2)	8,032.7	29,830.7	4.9	7,508.6	11,468.9	29,178.9	4.1			N/A	-651.8	-2.2
	Operating Budget	549.9	1,118.2	0.2	263.0	977.1	1,481.6	0.2			N/A	363.5	32.5
	Development Budget	7,482.8	28,712.5	4.7	7,245.6	10,491.7	27,697.3	3.9			N/A	-1,015.2	-3.5

Source: FPU using AFMIS data downloaded on the 29 May 2011

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Budget and MYR figures of core budget are not available for goods and services (code 21) and capital (code 25) as the published development budget is not broken down into these categories.

4/ Total allocated budget is the same as the Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).

3.1 Overview of Core Budget and Expenditures

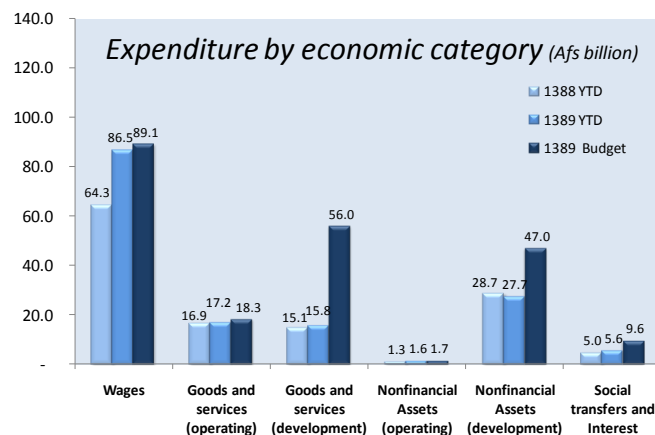
The total core budget consists of operating and development budgets. The total revised operating and development budgets for the year 1389 were Afs 119.9 billion and Afs 111.9 billion respectively. Compensation of employees constitutes 75% of the total operating expenditures (39% of the core budget) followed by goods and services accounted for 14.5% of the total operating expenditures for the year 1389.

The preliminary core expenditures were Afs 154.4 billion of which Afs 110.4 billion were operating budget expenditures and the remaining Afs 44 billion were development budget expenditures. In 1389 only 66.6% of the core budget has been spent. However the 1389 core budget expenditures grew by around Afs 23.1 billion or 17.6% relative to 1388.

The increase in the development budget was due to the inclusion of additional unspent funding

from the 1388 fiscal year. The increase in the operating budget was mainly due to the further expansion in the Afghan National Police to 122,000 (from the 109,000 originally expected in the original 1389 Budget).

Figure 3.1 – Total Expenditures by Economic category (1388 and 1389 YTD)



AFMIS data extract 29 May 2011

3.2 Operating Budget by Economic Category

The operating budget originally approved by Parliament for the year 1389 was Afs 116.3 billion. This increased to Afs 119.8 billion with the inclusion of supplementary budget. The operating budget for the year 1388 was Afs 97 billion or Afs 22.8 billion less than the operating budget for the year 1389. The increased budgeted amount in 1389 was primarily to pay the wages and other related expenditures of increased security forces (ANA and ANP) and implementing the Pay and Grading reforms of the Government. For 1389 preliminary data indicate operating expenditures were Afs 111 billion implying an execution rate of 92.1% compared to a 40% execution rate of development budget.

Compensation of Employees

Compensation of employees includes wages, salaries, food for employees, advance payment, transportation and some other minor social benefits. This category constitutes the highest portion of operating budget expenditures.

In 1389 Afs 86.5 billion was spent paying wages and salaries to civil servants, military officials and teachers. This expenditure constitutes 97% of its total allocated budget for the year 1389. It shows that almost all the budgeted amount on employees' compensation was spent in 1389. In 1388 expenditures on same category were Afs 64.2 billion. This is 34.5% less than the expenditures on wages and expenditures of this year.

Goods and Services

This category includes repairs and maintenance, utilities, fuel, communications and travel across the government agencies.

The allocated budget for this category was Afs 18.3 billion of which Afs 17.1 billion or 93.5% has been spent. This is only 3 percent more than the expenditure on goods and services of Afs 16.8 billion spent in 1388.

Figure 3.2 - Compensation of Employees

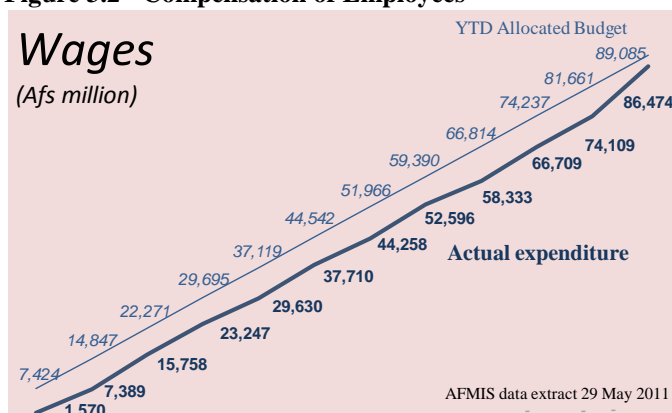
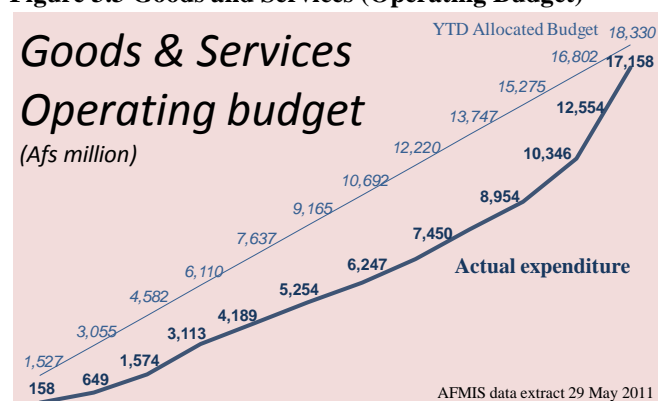


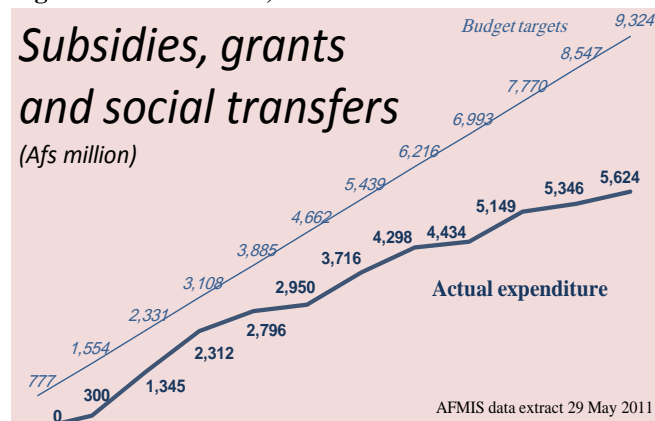
Figure 3.3 Goods and Services (Operating Budget)



Subsidies, Grants, Social Transfers

This category includes Subsidies, Grants, Social Security and other Social Transfers. The current allocated budget for this category was Afs 9.3 billion. The expenditures on subsidies, grants and social transfers were Afs 5.6 billion or 55% of its total allocated budget. This compares to expenditures of Afs 4.7 billion in 1388. This is the main reason for the increase in 1389 is more expenditure on social security of Afs 4.7 billion, mainly on pensions paid to families of martyrs and disabled.

Figure 3.4 – Subsidies, Grants and Social Transfers



Interest Payments

Interest constitutes only a small proportion of the total operating expenditures of the Government. It is paid on the external loans which are on highly concessional rates to finance the Afghan government's National Budget. For 1389 expenditures on this category was Afs 79.5 million. This was 26.5% of its total allocated budget. Compared to 1389, expenditures on same category were Afs 104 million in 1388.

Acquisition of Non-Financial Assets

Acquisition of Non-Financial Assets constitutes a small portion of the operating budget as this type of spending occurs mainly in the development budget. In 1389, this expenditure was Afs 1.6 billion while the expenditures in 1388 were Afs 1.3 billion.

3.3 Operating Budget by ANDS Sector and Ministry

Afghanistan National Development Strategy (ANDS) is the Government Strategy for development to reduce poverty, accelerate economic growth and improve security and governance. The ANDS has eight sectors which covers all the budgetary units. This is another way to present expenditures.

Figure 3.2 shows the operating expenditures by sectors and largest ministries and their execution rates, with comparisons with other quarters and years.

Table 3.2 – Operating Expenditures by Sector and Largest Ministries (1388 and 1389 YTD)

(In millions of Afghanis)													
	Total Operating Expenditures					Compensation of Employees		Goods and Services		Gross Acquisition of Non financial assets		Other Expenditures (1)	
	1388 Annual Actual	1389 Annual Prelim	% Change	Current allocated Budget 1389 (2)	1389 YTD as % of Budget	1388 Annual Actual	1389 Annual Prelim	1388 Annual Actual	1389 Annual Prelim	1388 Annual Actual	1389 Annual Prelim	1388 Annual Actual	1389 Annual Prelim
TOTAL	87,242.8	110,452.8	26.6	119,849.4	92.2	64,256.2	86,474.0	16,858.6	17,158.5	1,333.3	1,589.2	4,794.7	5,231.1
Total Security	43,762.1	61,697.8	41.0	63,746.0	96.8	37,937.4	55,338.2	5,256.8	5,748.2	567.9	611.4	-0.0	0.0
Ministry of Interior	19,915.2	28,230.0	41.8	29,575.0	95.5	17,640.1	25,860.0	2,106.2	1,983.0	168.9	387.1	0.0	0.0
Ministry of Defence	18,507.1	27,623.0	49.3	27,805.6	99.3	16,964.9	25,806.5	1,222.0	1,662.4	320.3	154.1	-0.0	0.0
General Directorate of National Security	2,726.2	2,913.1	6.9	2,913.1	100.0	1,803.3	2,078.1	923.0	835.1	0.0	0.0	-0.0	0.0
Ministry of Foreign Affairs	1,822.7	2,044.9	12.2	2,556.9	80.0	931.2	925.1	852.0	1,082.2	39.5	37.6	0.0	0.0
Other Ministries	790.8	886.8	12.1	895.3	99.0	597.9	668.6	153.7	185.5	39.2	32.7	0.0	0.0
Total Governance, Rule of Law and Human Rights	8,803.2	10,032.4	14.0	11,053.3	90.8	5,034.5	6,002.1	2,768.7	2,955.6	341.1	367.9	658.9	706.9
Independent Directorate of Local Governance	1,650.8	1,869.0	13.2	2,064.4	90.5	845.3	946.5	692.3	698.5	113.2	224.1	0.0	0.0
Presidents Office	1,140.7	1,270.3	11.4	1,397.2	90.9	708.2	846.7	383.6	393.9	49.0	29.7	0.0	-0.0
Administrative Affairs	1,635.0	1,591.8	-2.6	1,617.5	98.4	396.1	333.1	528.2	494.7	52.1	58.1	658.7	705.9
Supreme Court	690.2	1,094.9	58.6	1,154.1	90.5	845.3	946.5	692.3	698.5	113.2	224.1	0.0	0.0
Ministry of Justice	1,393.7	1,738.7	24.8	1,855.4	93.7	729.0	1,002.5	655.8	735.3	8.8	0.0	0.2	0.9
Other Ministries	2,292.7	2,467.7	-9.4	2,964.7	-37.3	1,510.7	1,926.9	-183.3	-65.1	4.8	-168.2	0.0	0.1
Total Infrastructure and Natural Resources	2,771.9	3,064.6	10.6	3,428.3	89.4	1,351.1	1,523.0	1,334.6	1,234.0	86.2	307.6	0.0	-0.0
Total Education	18,248.8	21,934.1	20.2	22,874.7	95.9	15,821.1	19,027.3	2,331.0	2,786.3	96.7	120.5	-0.0	-0.0
Ministry of Education	15,641.0	19,114.7	22.2	20,020.3	95.5	14,319.3	17,400.6	1,283.2	1,659.7	38.6	54.5	-0.0	-0.0
Ministry of Higher Education	1,676.2	1,850.3	10.4	1,867.3	99.1	997.8	1,104.1	645.8	718.8	32.7	27.3	-0.0	-0.0
Other Ministries	931.5	969.1	-12.4	987.0	-98.7	504.1	522.5	402.0	407.8	25.4	38.7	-0.0	0.0
Total Health	1,864.6	2,067.2	10.9	2,232.7	92.6	1,146.1	1,342.4	704.7	712.1	13.7	12.6	0.0	0.0
Ministry of Public Health	1,864.6	2,067.2	10.9	2,232.7	92.6	1,146.1	1,342.4	704.7	712.1	13.7	12.6	0.0	0.0
Total Agriculture and Rural Development	3,206.3	1,623.3	-49.4	1,720.4	94.4	1,118.5	1,187.1	2,066.8	410.1	21.0	26.1	0.0	-0.0
Ministry of Agriculture	2,466.4	1,061.5	-57.0	1,133.0	93.7	800.4	849.2	1,660.0	201.1	5.9	11.2	0.0	-0.0
Other Ministries	739.9	561.8	-23.3	587.4	-23.3	318.0	337.9	406.8	209.1	15.1	14.9	0.0	0.0
Total Social Protection	4,807.2	5,667.8	17.9	6,881.6	82.4	789.5	817.1	553.9	602.4	31.7	60.9	3,432.2	4,187.4
Ministry of Martyrs, Disabled and Social Affairs	4,147.8	4,925.8	18.8	6,096.6	80.8	424.8	404.5	291.0	303.1	0.0	30.9	3,432.0	4,187.4
Other Ministries	659.5	742.0	-9.9	785.1	1.6	364.7	412.6	262.9	299.3	31.7	30.0	0.2	0.0
Total Economic Gov. and Private Sector Devel't	3,778.8	4,365.6	15.5	4,584.8	95.2	1,058.0	1,236.9	1,842.1	2,709.7	175.0	82.2	703.7	336.7
Ministry of Finance	3,044.8	3,290.1	8.1	3,413.5	96.4	693.6	853.1	1,508.3	2,068.0	139.2	32.3	703.7	336.7
Other Ministries	734.0	1,075.5	46.3	1,171.3	-1.2	364.4	383.8	333.8	641.7	35.8	49.9	0.0	0.0

Source: FPU using AFMIS data downloaded on the 29 May 2011

(1) Interest, and Subsidies and Transfers

(2) For individual Ministries (not the total budget), allocated operating Budget may not equal the approved budget, as funds are allocated from contingency reserve during the year. Allocated budget for the development budget is the same as the latest approved budget. Total current allocated budget is the approved budget.

Security:

Security is the largest sector in the operating budget. It constitutes almost 53% of the total operating budget of Afs 119.8 billion. For 1389, expenditures were Afs 61.7 billion which is almost 97% of its total allocated budget of Afs 63.8 billion. Compensation of employees constitutes the highest portion of the total operating expenditures of this sector. The main reason for the increase is more salaries and wages for the increased size of ANA and ANP.

The Ministry of Interior and Ministry of Defence accounted for virtually all of the increased operating budget expenditures in the security sector. Combined expenditures of both these ministries constitute almost 91% of the total operating expenditures of this sector.

Ministry of Interior has the highest operating expenditure of any ministry in 1389. For 1389 operating expenditures was Afs 28.3 billion or 42% more than in 1388. It is mainly due to the increase in the size of ANA (from 109000 in 1388 to 150000 in 1389) and hence more wages and salaries have been paid for the additional soldiers.

Ministry of Defence had the second largest operating expenditures in 1389. In 1389 operating expenditures were Afs 27.7 billion with an execution rate of almost 99.5% of its total allocated budget of 27.8 billion. The operating expenditures in 1388 were Afs 18.5 billion or 50% less than what was spent this year.

The execution rate of the Ministry of Interior and Ministry of Defence were 97% and 99.5% respectively while the execution rate of General Directorate of National Security and Ministry of Foreign Affairs were 100% and 80% respectively.

Education:

Education is the second largest sector in the operating budget for the year 1389. The revised current allocated budget for this sector was Afs 22.9 billion. The 1389 expenditures of this sector were Afs 21.9 billion with an execution rate of 96% of its total allocated budget and were Afs 3.6 billion more than last year. The reason behind this increase is the implementation of new Pay and Grading scheme in the ministries related to this sector and the increase in number of teachers in the Ministry of Education. The execution rate of the Ministry Education was 95.5% while it was 99% for Ministry of Higher Education.

Governance, Rule of Law and Human Rights:

Governance, Rule of Law and Human Rights is the third largest sector in the operating budget. The 1389 operating expenditures were Afs 10 billion while this was Afs 8.8 billion in 1388. This is due to an increase in the operating expenditures of Supreme Courte (increase Afs 406 million), Ministry of Justice (increase Afs 347 million) and Independent Directorate of Local Governance (increase Afs 221 million). The largest ministries in this sector by the operating budget are the Independent Directorate of Local Governance and Ministry of Justice, with execution rates of 91% and 94% respectively.

Other Sectors:

The 1389 operating expenditures in the Social Protection sector were Afs 5.7 billion (19% increase on 1388), the Economic Governance sector spent Afs 4.4 billion (16% increase on 1388), the Infrastructure & Natural Resources sector spent Afs 3 billion (7% increase on 1388), and the Health sector spent Afs 2 billion (7.5% increase on 1388).

The Agriculture & Rural Development sector spent Afs 1.6 billion, which is Afs 1.6 billion less than what was spent on same sector last year.

3.4 Development Budget by Economic Category

Total development budget for the year 1389 was Afs 99.2 billion. However, this was increased to Afs 111.9 billion as a result of funds that were unspent from 1388 budget. The approved budget for 1389 declined by almost Afs 7 billion compared the development budget for 1388 (Afs 118 billion).

This decline in development budget was mainly due to low execution rates by line ministries, and to ensure and set a more realistic level of development budget in order to improve the development budget execution rate and capacity in implementation of development projects by line ministries and agencies.

This is important to note that, the development budget does not include the breakdown of expenditures between the different economic categories (e.g. goods & service, acquisition of assets etc), but does report on development expenditures by sector.

Acquisition of Non-financial Assets

The acquisition of non-financial assets is usually known as “Capital Expenditure”. It typically includes the purchase of land, the construction or refurbishment of buildings and purchases of machinery and equipment valued above Afs 50,000. The current allocated budget available for this category in 1389 is Afs 47 billion.

Total development budget for the year 1389 was Afs111.9 billion which includes Afs 12.7 billion as carry forward from the fiscal year 1388 as it was unspent.

The expenditures in 1389 for this category were almost Afs 28 billion, about 60% of the current allocated budget (Afs 47 billion). However these expenditures increased almost by 50% in 1389 compared to last year. Acquisition of land and building fell by 20.4% compared to 1388. However, machines & equipments slightly rose by .04% in 1389 and capital advance payment reached to Afs 3.2 billion as shown below in figure 3.9.

Figure 3.5 – Acquisition of non-financial (capital) assets

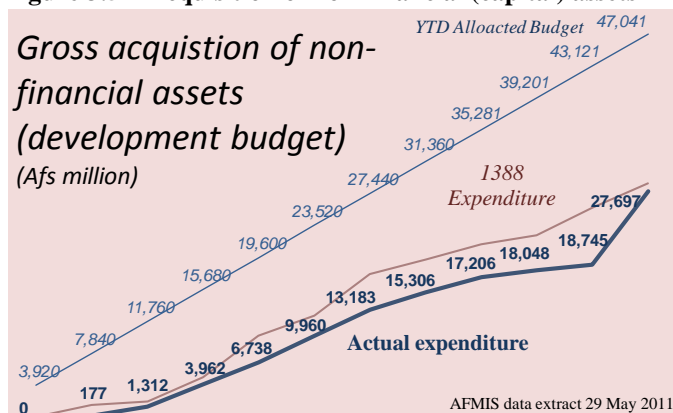
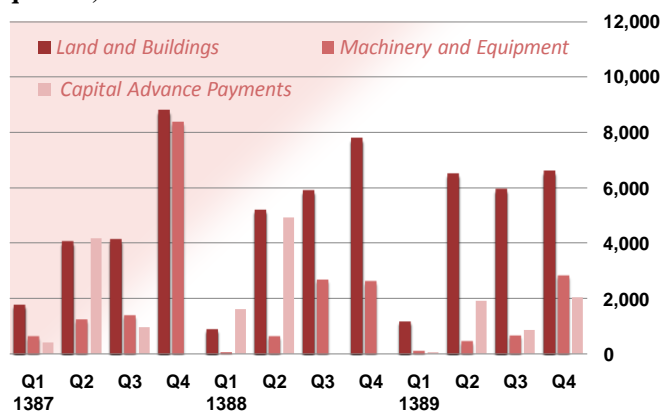


Figure 3.6 - Acquisition of non-financial assets by quarter, Afs millions

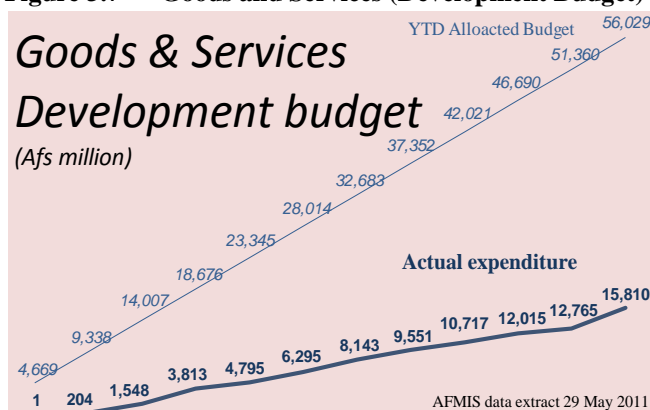


Goods and services

This category includes expenditures on fees for consulting firm, engineering and design services, services of non-government organizations, tools and materials for project implementation, project management services and some administrative fee for implementation development projects.

In 1389 expenditures on Goods and Services for the development budget were Afs 15.8 billion, almost 29 percent of its allocated budget. The 1389 execution rate for Goods & services was higher by 6% compared to 1388 although this is still very low.

Figure 3.7 – Goods and Services (Development Budget)



3.5 Development Budget by ANDS Sector and Ministry

Table 3.3 considers the operating budget expenditures at the same stage of 1388 and 1389 by ANDS sector and largest development budget ministries.

Table 3.3 – Development Expenditures by Sector and Largest Ministry (1388 and 1389 YTD)

(In millions of Afghanis)	1388 Approved Budget	1388 Annual Actual	1388 YTD. as % of Budget	1389 Approved Budget	1389 Annual Prelim	1389 YTD. as % of Budget	1389 Unspent Budget	1389 % of Total Unspent	1389 Comparison to 1388 YTD	
									Change	% Increase
TOTAL	118,853.1	43,954.0	37.0	111,900.2	43,923.8	39.3	67,976.3	100.0	-0.1	N/A
Total Infrastructure and Natural Resources	47,751.4	15,375.6	32.2	48,067.6	20,740.7	43.1	27,326.9	40.2	5,365.1	34.9
Ministry of Public Works	23,897.9	8,277.0	34.6	23,514.1	12,112.5	51.5	11,401.6	16.8	3,835.5	46.3
Ministry of Transport and Aviation	1,838.0	429.9	23.4	1,486.3	495.3	33.3	991.1	1.5	65.4	15.2
Ministry of Energy and Water	12,501.8	3,633.2	29.1	14,365.7	3,903.1	27.2	10,462.7	15.4	269.9	7.4
Ministry of Urban Development	3,732.5	987.5	26.5	3,095.9	1,304.2	42.1	1,791.7	2.6	316.7	32.1
Ministry of Mines and Industries	1,543.6	447.2	29.0	1,696.3	692.8	40.8	1,003.4	1.5	245.7	54.9
Ministry of Communication	1,220.8	635.7	52.1	1,679.6	1,411.0	84.0	268.6	0.4	775.3	122.0
Municipalities	2,882.7	915.1	31.7	2,149.2	762.8	35.5	1,386.4	2.0	-152.3	-16.6
Other Ministries	134.1	50.2	37.4	80.5	59.1	73.3	21.5	0.0	8.9	-226.4
Total Agriculture and Rural Development	32,199.4	14,473.5	44.9	27,329.3	9,341.6	34.2	17,987.7	26.5	-5,131.9	-35.5
Ministry of Agriculture	4,582.7	1,702.2	37.1	5,768.3	1,806.5	31.3	3,961.8	5.8	104.3	6.1
Ministry of Rural Rehabilitation and Development	27,042.0	12,551.5	46.4	21,139.0	7,432.3	35.2	13,706.7	20.2	-5,119.2	-40.8
Other Ministries	574.8	219.8	38.2	422.0	102.7	24.3	319.3	0.5	-117.1	-0.8
Total Education	13,428.9	5,438.3	40.5	12,327.3	4,891.1	39.7	7,436.1	10.9	-547.1	-10.1
Ministry of Education	10,247.9	3,867.2	37.7	9,986.8	4,097.3	41.0	5,889.6	8.7	230.1	6.0
Other Ministries	3,181.0	1,571.1	49.4	2,340.4	793.8	33.9	1,546.6	2.3	-777.3	-16.0
Total Economic Gov. and Private Sector Devel't	8,648.2	1,667.0	19.3	5,678.9	2,208.3	38.9	3,470.6	5.1	541.3	32.5
Ministry of Finance	6,191.3	1,245.7	20.1	3,997.0	1,819.7	45.5	2,177.3	3.2	574.0	46.1
Other Ministries	2,456.8	421.3	17.1	1,681.8	388.6	23.1	1,293.2	1.9	-32.7	-13.6
Total Health	7,738.4	3,688.7	47.7	7,316.0	4,333.4	59.2	2,982.7	4.4	644.7	17.5
Ministry of Public Health	7,738.4	3,688.7	47.7	7,316.0	4,333.4	59.2	2,982.7	4.4	644.7	17.5
Total Governance, Rule of Law and Human Rights	4,147.0	1,308.6	31.6	4,233.7	1,297.3	30.6	2,936.4	4.3	-11.3	-0.9
Independent Directorate of Local Governance	549.8	230.6	41.9	1,476.6	386.5	26.2	1,090.1	1.6	155.9	67.6
Other Ministries	3,597.2	1,078.0	30.0	2,757.1	910.8	33.0	1,846.3	2.7	-167.2	-68.5
Total Social Protection	1,343.6	615.4	45.8	1,110.2	489.1	44.1	621.1	0.9	-126.2	-20.5
Total Security	1,612.5	995.6	61.7	993.3	441.9	44.5	551.3	0.8	-553.6	-55.6
Total Unclassified	1,983.7	391.3	19.7	3,198.3	180.4	5.6	3,017.9	4.4	-210.9	-53.9

Source: FPU using AFMIS data downloaded on the 29 May 2011

The **Infrastructure and Natural Resources** sector is the largest sector in the development budget. The approved budget for this sector was Afs 48 billion which accounted for around 43% of the total development budget. Although total expenditures for the infrastructure sector in 1389 were only Afs 20.7 billion the budget execution rate for this sector did improve compared to the past year, (From 32.2% in 1388 to 43.1% in 1389).

The **Agriculture and Rural Development** sector was the second largest sector in the development budget. Total approved budget for this sector was Afs 27.3 billion in 1389, which shows a decline of 15% compared to the budget of 1388 (Afs 32.2 billion). Total development expenditures by this sector were 34.2% (Afs 9.34 billion). This reflects a decline of 10.7 percentage points in the budget execution rate as compared to last year. This could be mainly due to low capacity in some line ministries to implement the development projects and presumably due to security constraints in some part of the country.

Expenditures in the **Education** sector were about Afs 5.0 billion on the development projects. Furthermore, total development budget for education sector was allocated Afs 12.3 billion in 1389 which shows a fall of 8.2% compared to the 1388 development budget (Afs 13.4 billion).

The **Health** sector was also a key sector in implementation of development budget. Total development budget for the year 1389 was Afs 7.3 billion which shows a short fall of 5.5% compared to 1388 (Afs 7.7 billion). The development expenditures on health sector were Afs 4.3 billion during the year 1389. The development budget execution rate for the health sector was improved and raised to 59.2% compared to 47.7% in 1388. The total development budget for the remaining ministries in 1389 was Afs 2.7 billion. However, this declined by 23% compared to 1388 development budget (Afs 3.6 billion).

4 FINANCING OF THE CORE BUDGET

4.1 Public Sector Borrowing Requirement

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

Figure 2.1 shows that government expenditures in Q4 1389 has increased due to slow procurement for the projects at the beginning of the year. , thus the expenditure pressure affected the cash balance to go down and the deficit on cash balance was about Afs 10 billion while there was savings of Afs 2.4 billion in Q3 1389.

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

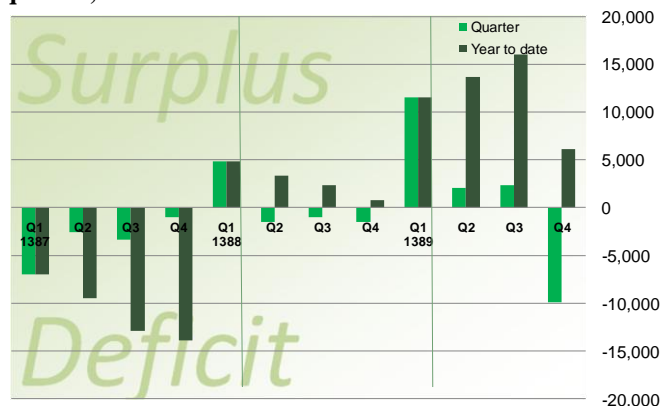
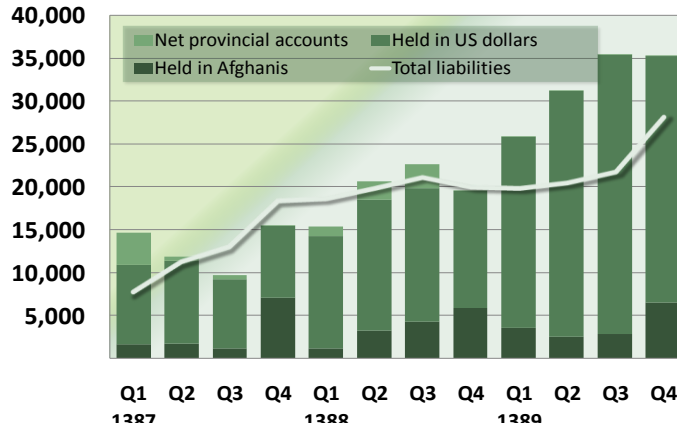


Figure 4.2 - Balance of Treasury Single Account, Afs million at the end of quarter



4.2 Treasury Single Account (TSA)

Figure 4.2 reflects the change in Treasury Single Account (TSA) between 1387 and 1389. The balance increases if there is surplus and decreases if there is deficit. However, liabilities are also important to keep the pace of TSA, the same time some of funds might be used to pay outstanding loans and arrears.

The Treasury single account by the fourth quarter 1389 stands at Afs 35.3 billion, which is a slight decline compared to third quarter of 1389. Moreover, liabilities have been increased to Afs 6.5 billion compared to third quarter 1389.

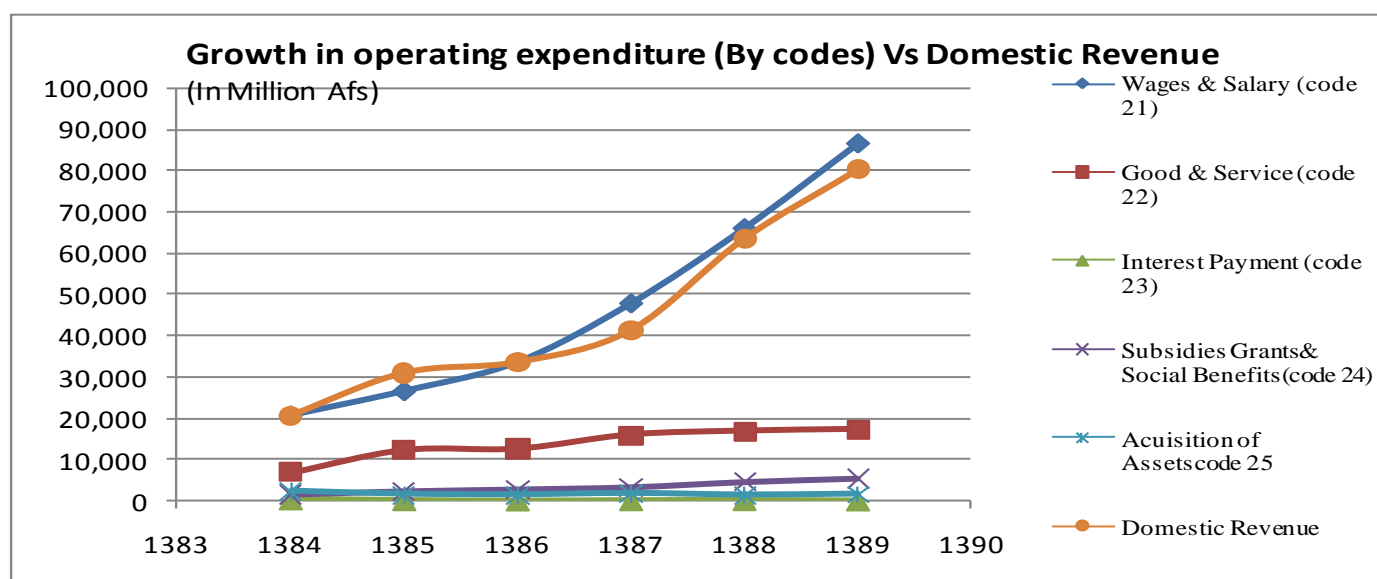
5 Trends in wages expenditures

Wages Expenditures

A number of reforms have been introduced concerning the Employee Compensation and other employment social benefits that caused a considerable increase in the operating expenditures over the past three years.

Wage expenditures that do not appear to be aligned with increase in tax collection will have fiscal implications over the medium to long run. The past trends in Wage expenditures indicate an average growth of 34% between fiscal year 1385 to 1389. Meanwhile the growth in operating expenditures over this period was around 27%. In order to improve the indicator of fiscal sustainability, the government should ensure similar growth rates in domestic revenue collection.

The Operating expenditures were Afs 120 billion in 1389 which shows an increase of 38% compare to Afs 87.2 billion in 1388. Furthermore looking at the operating expenditures in 1388, it reflects an increase of 26% compare to Afs 69 billion expended in 1387. Total expenditures on Employees compensation (code 21, i.e. salaries, wages and other wage related expenditures) were Afs 90 billion in 1389 budget level that represents around 75% of the operating expenditures as compared to Afs 64 billion and Afs 48 billion in 1388 and 1387 respectively. Looking at the above trend, expenditures on Employee Compensation is growing rapidly in the operating expenditures constituting for around 75% of total annual operating expenditure. The table below shows the relatively steeper trend over the past five years.



Operating expenditures on Goods and service (code 22) is the second largest spending component in operating expenditure after Wages and Salaries. These include spending on travel, communications, maintenance, fuel, utilities and other related items. These expenditures have increased from Afs 15.9 billion in 1387 to Afs 17.3 billion in 1389 in absolute terms. Expenditures on Goods and Services in operating budget compare to Wages Expenditures has decreased in from 33% in 1387 to around 19% in 1389.

It should be noted that the rapidly growing spending on salaries and wages is outpacing the growth in domestic revenue collection. This is particularly true If the donor support is ceased in the medium term, the Government would only be able to pay wages and salaries form domestic revenues.

The growing security forces, number of teachers and rapid implementation of Pay and Grading reform were the key factors that contributed to the relatively higher growth in wage expenditures. It increasingly seems that wages expenditures will continue to grow in the future years as additional security forces and teachers

will be recruited. The number of ANP is expected to increase from 122,000 in 1389 to 160 thousand in 1392 while ANA is also expected to grow from 150,000 in 1389 to 240,000 in 1392.

The wage expenditures are expected to increase for ANP and ANA in the coming two years to Afs 26 billion and Afs 38 billion respectively. Furthermore, rapid implementation of pay and grading reforms for the civil servants and teachers also contributed to the increase in employee compensation in 1389.

The table below demonstrates that wage expenditures have a positive correlation with the tashkeel.

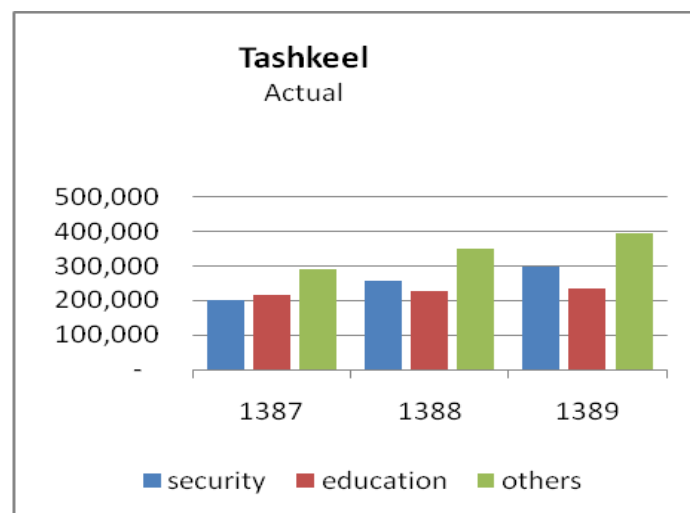
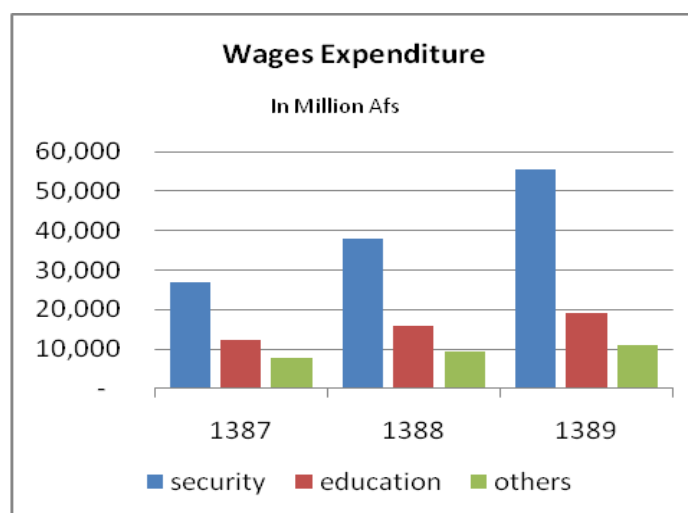
	WAGES EXPENDITURE (In Million Afs)			TASHKEEL (Actual)		
	1387	1388	1389	1387	1388	1389
Total Security	26,762	37,937	55,338	201,494	258,052	299,070
Ministry of Interior	11,242	17,640	25,860	85,429	102,484	118,430
Ministry of Defence	12,538	16,965	25,806	98,758	137,092	161,664
General Directorate of National Security	1,471	1,803	2,078	15,225	16,000	16,500
Ministry of Foreign Affairs	984	931	925	1,219	1,234	1,234
Other Ministries	526	598	669	863	1,242	1,242
Total Governance, Rule of Law and Human Rights	4,058	5,034	6,002	40,052	41,247	44,089
Independent Directorate of Local Governance	636	845	946	6,767	6,785	6,785
Presidents Office	597	708	847	2,908	3,042	3,297
Administrative Affairs	243	396	333	1,083	1,150	1,206
Supreme Court	400	523	903	5,761	6,289	6,542
Ministry of Haj and Religious Affairs	305	322	355	7,044	7,044	7,044
Attorney General	302	402	480	4,500	4,500	4,831
Ministry of Justice	591	729	1,002	7,150	7,181	9,004
Other Ministries	985	1,109	1,137	4,839	5,256	5,380
Total Infrastructure and Natural Resources	1,139	1,351	1,523	14,330	14,831	14,680
Ministry of Public Works	191	210	306	2,600	2,600	2,566
Ministry of Transport and Aviation	164	211	232	2,104	2,104	2,104
Ministry of Communication	286	331	324	3,048	3,108	2,793
Ministry of Energy and Water	154	195	221	2,333	2,697	2,697
Other Ministries	343	403	440	4,245	4,322	4,520
Total Education	12,419	15,821	19,027	215,119	228,034	233,822
Ministry of Education	11,307	14,319	17,401	204,103	216,568	222,000
Ministry of Higher Education	695	998	1,104	6,300	6,750	7,100
Other Ministries	417	504	523	4,716	4,716	4,722
Total Health	961	1,146	1,342	14,000	14,000	16,098
Ministry of Public Health	961	1,146	849	9,300	14,000	9,299
Total Agriculture and Rural Development	943	1,118	1,187	11,768	11,767	11,767
Ministry of Agriculture	671	800	849	9,300	9,299	9,299
Other Ministries	272	318	338	2,468	2,468	2,468
Total Social Protection	692	789	817	10,649	10,808	10,793
Ministry of Martyrs, Disabled and Social Affairs	367	425	404	7,335	7,335	7,235
Other Ministries	325	365	413	3,314	3,473	3,558
Total Economic Governance and Private Sector Development	858	1,058	1,237	9,431	10,332	10,713
Ministry of Finance	552	694	853	6,100	6,780	7,180
Other Ministries	306	364	384	3,331	3,552	3,533
TOTAL	47,831	64,256	86,474	516,843	589,071	641,032
TOTAL (Excl. security)	21,069	26,319	31,136	315,349	331,019	341,962

Source: Fiscal Policy Unit, MoF

Looking at the operating expenditures on wages and salaries, Education sector wage spending has grown by 9% over the past two years. The main driver of the increased spending in this sector was the growth in number of teachers. The total tashkeel of the Education sector (including teachers) increased from 215,000 in 1387 to 228,000 in 1388, and 234,000 in 1389. This has led to around 53% growth in wage

expenditure for the Education sector. Meanwhile for the other budgetary units (excluding Security) wage expenditures has grown with the increase in their tashkeel and new pay reform in the civil and uniform personnel. Total wages have increased from Afs 8.6 billion in 1387 to Afs 10.5 billion in 1388 and to Afs 12.2 billion in 1389 indicating nearly 41% increase for the past two years.

Looking at the significant increase in operating expenditures on wages and salaries, this poses a question on whether the Government could sustain these expenditures. Can the government afford these increases and what will be the impact of a declining ratio of other operating expenditures to wage expenditures?



Pay and Grading

The Pay & Grading scheme is a part of Public Administrative Reform. The implementation of the reform was started in early 1388 by the Independent Administrative Reform and Civil Service Commission (IARCSC) while the Ministry of Finance regularly monitor the progress made as they have fiscal and budgetary implications.

The following table shows the implementation of Pay & Grading Reform by line ministries.

Ministries/Agencies	Tashkeel	Number of P&G employees in 1388	Number of P&G Employees in 1389	Total P&G Employees	Entrance % in new System
Finance	6,251	5,264	817	6,081	97.3
Justice	2,877	2,191	-	2,191	76.2
Public Work	2,576	2,248	97	2,345	91.0
IARCS	473	407	-	407	86.0
MRRD	2,122	2,040	-	2,040	96.1
Education	36,480	2,470	3,389	5,859	16.1
Teachers	180,088	42,534	67,350	109,884	61.0
Public Health	14,000	6,567	3,215	9,782	69.9
Communication	2,784	2,532	41	2,573	92.4
Agriculture	8,268	7,996	98	8,094	97.9
Energy and Water	1,123	931	38	969	86.3
Anti Corruption	473	10	271	281	59.4
Interior	5,652	-	640	640	11.3
Economy	947	30	482	512	54.1
Parliamentary Affairs	131	4	110	114	87.0
Directorate of HR	-	-	107	107	-
Labor and social Affairs	6,599	-	57	57	0.9
Transport	1,878	21	683	704	37.5
Total	272,722.05	75,245.00	77,395.00	152,640.00	

Source: IARCSC

On average around 58% of the Pay and Grading reform has been implemented by the end of 1389. The average wage of the ministries where Pay and Grading scheme is implemented, was higher than the average wage in non pay and grading ministries. In 1389 Monthly average wage in the pay and grading ministries were Afs 5,872, while for non-pay and grading ministries was Afs 3,500. This has led to increase the wages expenditures by 68% compared to non pay and grading civil servants.

Overall the fiscal impact of the P&G by end of 1391 will be Afs 6.6 billion. The fiscal cost coming from Pay and Grading implementation in 1390 is Afs 3 billion. These funds will be used to fund the Pay and Grading salaries of around 70,000 Teachers and Civil Servants.

A Closer look at 1389 wages expenditures against Budget.

Looking at the actual expenditures of budget compared to the allocated budget for wages in 1389, the largest ministries by operating budget could spent an average of 94 percent of their annual budget on the wages. Wage expenditures have increased over the past few years due to increase in number of civil servants tashkeel and implementation of new reforms such as, pay and grading (P&G) and PRR.

Looking to the wages budget for the year 1389, the security sector has spent 99 percent of the allocated budget for the wages in 1389, of which General Directorate of National Security has spent 100% of its wages budget, while Ministry of Foreign Affairs in this sector spent only 82% of the wages budget. The second largest sector was Education sector which spent almost 96% of total wages budget during the year 1389, followed by Agriculture and Rural Development which has spent 94.2% of its budget. In addition, the remaining sectors also spent over 90% of the wages budget compared to allocated budget as shown in the following table.

1389 Wages Expenditure Against Budget (In Million Afs)				
	Revised Budget	Allocated Budget	Wages Expenditure	% of Allocated Budget
TOTAL				
Total Security	35,894.6	55,919.7	55,391.3	99.1
Ministry of Interior	19,569.9	26,096.3	25,905.4	99.3
Ministry of Defence	12,596.0	25,934.7	25,808.0	99.5
General Directorate of National Security	2,078.0	2,078.1	2,078.1	100.0
Ministry of Foreign Affairs	1,117.1	1,138.9	929.2	81.6
Other Ministries	533.6	671.8	670.6	99.8
Total Governance, Rule of Law and Human Rights	5,153.8	6,548.9	6,008.4	91.7
Independent Directorate of Local Governance	1,004.5	1,112.6	948.1	85.2
Presidents Office	862.9	935.1	847.3	90.6
Administrative Affairs	164.5	338.4	333.3	98.5
Ministry of Justice	505.2	1,109.1	1,003.6	90.5
Other Ministries	2,616.7	3,053.8	2,876.2	94.2
Total Infrastructure and Natural Resources	1,533.7	1,720.1	1,524.4	88.6
Total Education	17,615.7	19,897.0	19,050.9	95.7
Ministry of Education	16,062.6	18,257.9	17,423.4	95.4
Ministry of Higher Education	1,078.6	1,109.3	1,104.7	99.6
Other Ministries	474.6	529.8	522.8	98.7
Total Health	1,194.3	1,460.1	1,344.6	92.1
Ministry of Public Health	1,194.3	1,460.1	1,344.6	92.1
Total Agriculture and Rural Development	1,243.1	1,262.4	1,188.9	94.2
Ministry of Agriculture	905.9	916.8	850.5	92.8
Other Ministries	337.2	345.6	338.4	97.9
Total Social Protection	844.8	904.6	827.7	91.5
Ministry of Martyrs, Disabled and Social Affairs	438.5	465.8	414.8	89.1
Other Ministries	406.3	438.9	412.9	94.1
Total Economic Gov. and Private Sector Devel't	1,282.4	1,372.0	1,246.9	90.9
Ministry of Finance	866.1	938.3	862.7	91.9

Source: Fiscal Policy Unit, MoF

Conclusion

Considering the need for further expansion of our national security forces (ANA and ANP), it increasingly seems that expenditures on wages and salaries will grow further in the medium term. In addition, the wage expenditures will continue to grow till the Pay & Grading reform is fully implemented. The importance of the concern lies in the fact that the growing wage expenditure will require the government to increase domestic revenue through mobilizing resource and reforms. The higher annual growth in domestic revenue relative to growth in operating expenditures will ensure moving on a right path towards achieving fiscal sustainability. Fast growth in the wages and some reforms associated with employees' compensation such as pay and grading reform and the proposed Golden hand shake will increase the operating expenditures over the medium term. Of course the argument behind these reforms is that they will enhance efficiency in the public administration that will not only improve their activities but also lead to delivering the public with the quality service and products.

The new proposed administrative reform (i.e. Golden hand shake) has been proposed by IARCSC. The idea behind this program is to provide a significant severance package in the form of lump-sum cash or instalment payments to those employees that lose their jobs during the implementation of this reform through retrenchment or restructuring. In order to control the rising operating cost of the program, the government needs to implement additional reforms in the government organization that eliminate functions and activities that are overlapping. The aforementioned reforms (e.g. like Golden Handshake) will reduce the tashkeel and wage costs, although the program itself has a budgetary impact. As a result, these will decline additional operating costs in the budget.

It remains to be proved if the reduction in the tashkeel will not harm the delivery of government services while reducing total government costs. At the same time the government must maintain control over other components of operating expenditure in order to prevent total operating expenditures from further growing that may be considered a threat to fiscal sustainability.

As the pressure on operating budget seems to be continued in the medium term (growing security forces, implementation of reforms etc), the government should further improve the domestic revenue collection in the medium term.

6 Tables

Table 6.1 - Core Budget Revenues

Code (In millions of Afghanis)		1388 Qtr 4 Actual Qtr	1388 Annual Actual YTD	1388 %GDP	1389 Qtr 1 Prelim Qtr	1389 Qtr 2 Prelim Qtr	1389 Qtr 3 Prelim Qtr	1389 Qtr 4 Prelim Qtr	1389 Annual Prelim YTD	1389 %GDP	1389 Comparison to 1388 YTD		YTD 1389 Qtr 4 YTD	Target Actual - Target - % (+/-)	% Annual Target
											Change	% Increase			
CORE BUDGET															
1	REVENUES including grants (1)	42,728.9	131,805.0	21.5	33,128.7	43,389.3	40,146.6	43,708.2	160,372.8	22.5	28,567.8	21.7			
1-19	REVENUES excluding grants	19,884.0	63,618.6	10.4	17,528.4	19,641.0	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0	113.0
DOMESTIC REVENUES (2) (3)		19,884.0	63,618.6	10.4	17,528.4	19,641.0	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0	113.0
11	Tax Revenues	9,248.2	29,894.3	4.9	8,567.0	9,366.1	9,622.6	11,141.9	38,697.6	5.4	8,803.3	29.4	31,869.0	21.4	121.4
111	Fixed Taxes	2,776.5	8,185.0	1.3	2,238.6	2,130.0	2,359.2	2,353.1	9,080.9	1.3	895.9	10.9	5,913.0	53.6	153.6
112	Income Taxes	2,272.2	7,463.8	1.2	2,126.3	2,632.2	2,400.6	3,134.7	10,293.8	1.4	2,830.0	37.9	7,183.6	43.3	143.3
113	Property Taxes	72.7	207.2	0.0	60.3	51.2	51.7	82.2	245.4	0.0	38.1	18.4	96.1	155.4	255.4
114	Sales Taxes	3,319.2	12,356.8	2.0	3,438.3	3,900.7	4,251.5	4,712.0	16,302.5	2.3	3,945.7	31.9	17,181.3	-5.1	94.9
116	Other Taxes	635.2	1,232.8	0.2	585.6	524.2	389.2	653.2	2,152.2	0.3	919.4	74.6	1,657.5	29.8	129.8
117	Tax Penalties and Fines	172.3	448.5	0.1	117.9	127.8	170.4	206.6	622.7	0.1	174.2	38.8	-162.3	-483.6	-383.6
12	Customs Duty, Import Taxes	6,425.2	21,796.9	3.5	6,523.1	6,672.2	7,311.2	7,116.7	27,623.2	3.9	5,826.3	26.7	25,105.2	10.0	110.0
13	Non Tax Revenue	3,055.8	10,050.9	1.6	2,542.4	2,624.3	2,917.7	3,437.4	11,521.8	1.6	1,470.8	14.6	12,022.7	-4.2	95.8
131	Income from Capital Property	74.4	313.7	0.1	85.5	67.2	71.1	57.4	281.1	0.0	-32.6	-10.4	534.9	-47.4	52.6
132	Sales of Goods and Services	992.1	3,398.7	0.6	916.7	1,050.5	1,061.7	1,477.5	4,506.4	0.6	1,107.8	32.6	3,380.2	33.3	133.3
133	Administrative Fees	1,909.4	6,013.9	1.0	1,475.8	1,432.0	1,688.7	1,758.0	6,354.5	0.9	340.6	5.7	7,738.4	-17.9	82.1
134	Royalties	6.5	101.1	0.0	6.3	10.1	6.8	17.1	40.4	0.0	-60.7	-60.1	111.5	-63.8	36.2
135	Non Tax Fines and Penalties	73.4	223.6	0.0	58.0	64.5	89.4	127.4	339.3	0.0	115.7	51.8	257.8	31.6	131.6
14	Miscellaneous Revenue	687.1	788.5	0.1	-369.8	533.4	252.9	317.0	733.6	0.1	-55.0	-7.0	837.5	-12.4	87.6
17	Social Contributions	467.7	1,087.8	0.2	265.7	445.0	418.7	678.7	1,808.1	0.3	720.3	66.2	1,285.6	40.6	140.6
GRANTS (1)		22,844.9	68,186.4	11.1	15,600.3	23,748.3	19,623.4	21,016.5	79,988.5	11.2	11,802.1	17.3			
191	Foreign Governments	12,974.5	37,233.2	6.1	11,513.9	16,723.6	14,445.8	16,663.1	59,346.3	8.3	22,113.1	59.4			
192	International Organisation	9,836.3	30,320.4	4.9	3,813.7	6,981.4	5,177.6	3,981.4	19,954.2	2.8	-10,366.2	-34.2			
193	Other Government Units	34.1	632.8	0.1	272.7	43.3	0.0	372.1	688.0	0.1	55.2	8.7			
TOTAL OPERATING BUDGET REVENUE		29,904.1	96,386.2	15.7	28,854.2	34,876.8	33,257.8	37,861.3	134,850.1	18.9	38,463.8	39.9			112.7
Domestic Revenues		19,884.0	63,618.6	10.4	17,528.4	19,641.0	20,523.2	22,691.6	80,384.3	11.3	16,765.7	26.4	71,120.0	13.0	113.0
as percentage of total		66.5	66.0		60.7	56.3	61.7	59.9	59.6		43.6				
External Grant Support		10,020.1	32,767.7	5.3	11,325.8	15,235.7	12,734.6	15,169.7	54,465.8	7.6	21,698.1	66.2			112.3
as percentage of total		33.5	34.0		39.3	43.7	38.3	40.1	40.4		56.4				

Source: FPU using AFMIS data downloaded on the 29 May 2011

- Actual figures are not comparable to the development/ integrated budget grants or balances shown in budget documentation, as grants/balance in budget documentation also includes loans. Loans are shown as a financing item in above table.
- Revenues exclude proceeds from the sale of fixed assets (150), and loans (18). These items are included under financing.
- In the published budget document, Afs 3.47 billion in domestic revenues are allocated to the development budget in 1389. In order to ensure comparability with actuals, all domestic revenues shown under the development budget in the published budget document have been re-allocated to the operating budget in the above table.

Table 6.2 - Core Budget Domestic Revenues by Province

Code (In millions of Afghanis)		1388 Qtr 4 Actual Qtr	1388 Qtr 4 Actual YTD	1389 Qtr 1 Prelim Qtr	1389 Qtr 2 Prelim Qtr	1389 Qtr 3 Prelim Qtr	1389 Qtr 4 Prelim Qtr	1389 Qtr 4 Prelim YTD	1389 Comparison to 1388 YTD		Annual Target	% Annual Target
									Change	% Increase		
1-19 REVENUES excluding grants		19,884.0	63,618.7	17,528.4	19,641.0	20,523.2	22,691.6	80,384.3	16,765.6	26.4	71,120.0	113.0
01	Kabul	701.2	2,100.4	296.9	516.2	424.4	615.2	1,852.7	-247.8	-11.8	5,422.3	34.2
02	Kapisa	17.4	40.2	4.1	15.6	12.6	22.4	54.8	14.6	36.3	44.8	122.3
03	Parwan	35.3	84.2	5.1	29.5	29.1	46.6	110.3	26.1	31.0	99.1	111.3
04	Wardak	16.3	46.5	8.4	17.4	14.1	27.4	67.3	20.8	44.7	51.8	129.9
05	Logar	21.1	49.7	7.5	17.3	11.6	30.1	66.5	16.8	33.9	55.3	120.1
06	Nangarhar	2,922.9	9,765.9	2,882.2	2,322.2	2,791.2	3,141.8	11,137.5	1,371.6	14.0	11,081.3	100.5
07	Laghman	23.9	58.3	10.6	23.3	18.3	32.6	84.9	26.6	45.6	69.5	122.1
08	Pangsher	11.8	22.7	3.0	9.6	5.5	15.2	33.3	10.6	46.7	25.2	131.7
09	Baghlan	36.0	106.7	16.4	39.6	37.5	62.5	156.0	49.2	46.1	119.5	130.5
10	Bamyan	14.8	38.1	5.5	13.5	16.6	23.3	58.9	20.9	54.8	42.4	138.9
11	Ghazni	52.7	128.6	24.8	46.0	27.0	52.7	150.6	22.0	17.1	143.3	105.1
12	Paktika	16.9	61.9	12.6	17.8	9.2	35.9	75.5	13.6	22.0	69.0	109.5
13	Paktiya	61.9	151.3	41.1	41.1	79.4	70.7	232.4	81.1	53.6	168.6	137.9
14	Khost	140.1	492.5	104.2	130.6	193.6	251.0	679.4	186.9	38.0	550.2	123.5
15	Kunar	25.3	46.8	6.8	15.4	15.6	27.7	65.5	18.6	39.8	52.2	125.5
16	Nuristan	10.2	21.2	0.0	6.2	5.2	18.2	29.6	8.4	39.4	23.6	125.1
17	Badakhshan	39.8	84.0	7.4	28.7	29.8	63.8	129.7	45.7	54.3	93.7	138.5
18	Takhar	47.0	100.4	14.5	30.1	31.9	58.3	134.8	34.4	34.3	111.8	120.5
19	Kunduz	173.3	733.9	153.5	219.6	225.0	352.9	951.0	217.0	29.6	819.7	116.0
20	Samangan	18.0	48.7	10.5	18.7	20.8	19.8	69.8	21.1	43.2	54.3	128.5
21	Balkh	3,148.6	9,143.2	2,491.4	2,414.1	2,310.8	1,922.3	9,138.5	-4.7	-0.1	10,188.1	89.7
22	Saripul	14.5	35.3	5.4	10.7	9.3	20.5	45.8	10.6	30.0	39.3	116.6
23	Ghor	12.9	35.2	5.4	16.0	15.9	13.8	51.0	15.9	45.1	39.6	128.9
24	Dikondy	9.3	22.8	1.5	9.2	7.8	11.9	30.4	7.6	33.2	25.4	119.6
25	Uruzgan	8.8	16.6	2.0	5.9	7.2	8.5	23.5	6.9	41.4	18.6	126.7
26	Zabul	5.0	21.4	2.3	9.5	8.7	9.4	29.9	8.5	39.6	23.8	125.3
27	Kandahar	893.7	2,835.2	883.8	832.8	815.8	851.5	3,383.9	548.7	19.4	3,159.1	107.1
28	Jawzjan	36.7	87.1	15.8	28.9	37.9	51.0	133.6	46.6	53.5	97.0	137.8
29	Faryab	298.1	1,159.1	243.3	473.0	356.5	513.7	1,586.4	427.3	36.9	1,291.7	122.8
30	Helmand	51.6	119.7	46.7	87.2	80.7	97.6	312.1	192.4	160.8	133.4	233.9
31	Badghis	11.1	28.0	4.9	11.5	11.2	15.7	43.3	15.3	54.8	31.2	138.9
32	Herat	3,038.6	10,644.3	3,266.1	3,691.6	3,925.3	3,937.5	14,820.5	4,176.2	39.2	11,859.9	125.0
33	Farah	44.0	102.6	49.0	143.0	145.3	147.5	484.7	382.1	372.4	115.1	421.0
34	Nimroz	849.2	2,686.0	643.3	1,079.0	1,094.6	957.0	3,774.0	1,088.0	40.5	2,992.9	126.1
90	Central Ministries	7,075.9	22,500.2	6,252.3	7,270.5	7,698.0	9,165.5	30,386.3	7,886.0	35.0	22,007.1	138.1
95	Offshore Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	N/A

Source: FPU using AFMIS data downloaded on the 29 May 2011

Table 6.3a - Core Budget Expenditures

Core	(In millions of Afghanis)	1388 Qtr 4 Actual	1388 Annual Actual	1388 %GDP	1389 Qtr 3 Prelim	1389 Qtr 4 Prelim	1389 Annual Prelim	1389 %GDP	Comparison to Budget Budget or MYR Ceiling (3)	Current Allocated Budget (4)	% Allocated Budget	1389 Change	Comparison to 1388 YTD % Increase
2	TOTAL GROSS EXPENDITURES	44,441.2	131,233.9	21.4	37,785.4	53,645.1	154,376.6	21.6	231,750	231,750	66.6	23,142.7	17.6
	Operating Budget	30,834.3	87,242.8	14.2	26,118.3	38,060.0	110,452.8	15.5	119,849	119,849	92.2	23,209.9	26.6
	Development Budget	13,606.9	43,991.0	7.2	11,667.0	15,585.2	43,923.8	6.2	111,900	111,900	39.3	-67.2	-0.2
	Discretionary Budget	3,052.0	9,287.3	1.5	2,805.2	4,826.9	10,138.4	1.4	25,714	25,714	39.4	851.1	9.2
	Non-discretionary Budget	10,554.9	34,703.8	5.6	8,861.9	10,758.3	33,785.4	4.7	86,186	86,186	39.2	-918.3	-2.6
2*	TOTAL NET EXPENDITURES	44,256.1	131,018.8	21.3	37,771.4	53,632.8	154,269.1	21.6				23,250.3	17.7
2-25	RECURRENT EXPENDITURES	36,223.5	101,188.1	16.5	30,262.9	42,163.9	125,090.1	17.5	N/A	174,625	71.6	23,902.0	23.6
21	Compensation of Employees	21,997.8	64,256.2	10.5	20,623.1	28,141.1	86,474.0	12.1	90,157	89,085	97.1	22,217.8	34.6
	of which operating budget	21,997.8	64,256.2	10.5	20,623.1	28,141.1	86,474.0	12.1	90,157.2	89,085	97.1	22,217.8	34.6
211-3	Wages and Salaries	21,756.3	63,431.4	10.3	20,490.1	27,962.7	85,860.5	12.0				22,429.1	35.4
214-5	Social Benefits	241.6	824.8	0.1	133.0	178.4	613.5	0.1				-211.3	-25.6
22	Use of Goods and Services	13,176.1	31,929.6	5.2	8,121.3	13,297.8	32,968.7	4.6	N/A	75,916	43.4	1,039.1	3.3
	of which operating budget	7,240.1	16,858.6	2.7	3,699.9	8,204.4	17,158.5	2.4	17,315.1	18,330	93.6	299.9	1.8
221	Travel	429.6	1,327.9	0.2	329.6	476.6	1,310.3	0.2				-17.6	-1.3
222	Communications	233.4	656.9	0.1	198.6	258.5	710.0	0.1				53.1	8.1
223	Contracted Services	4,430.8	11,820.7	1.9	3,535.3	5,321.0	13,634.6	1.9				1,813.9	15.3
224	Repairs and Maintenance	1,033.2	2,430.4	0.4	491.3	1,124.6	2,226.4	0.3				-204.1	-8.4
225	Utilities	354.6	841.7	0.1	851.0	1,270.0	2,719.2	0.4				1,877.5	223.1
226	Fuel	2,078.3	3,884.9	0.6	359.3	631.8	1,570.9	0.2				-2,314.0	-59.6
227-9	Other Use of Goods and Services	4,616.3	10,967.0	1.8	2,356.3	4,215.3	10,797.3	1.5				-169.7	-1.5
23	Interest (1) - operating budget	10.7	103.9	0.0	34.8	7.3	79.5	0.0	300.0	300	26.5	-24.4	-23.5
24	Social Transfers - operating budget	1,038.8	4,898.4	0.8	1,483.7	717.7	5,567.9	0.8	9,324.0	9,324	59.7	669.5	13.7
242	Subsidies	19.5	19.8	0.0	0.0	0.0	18.0	0.0				-1.9	-9.4
245	Grants	54.8	77.0	0.0	9.6	56.1	167.2	0.0				90.2	117.1
247	Social Security	555.4	3,490.7	0.6	1,325.2	1,121.2	4,732.0	0.7				1,241.3	35.6
248-9	Other Social Transfers	409.1	1,310.8	0.2	148.9	-459.6	650.8	0.1				-660.0	-50.4
25	ACQUISITION OF ASSETS												
25	Gross Acquisition of Nonfinancial Assets	8,217.9	30,045.8	4.9	7,522.5	11,481.2	29,286.5	4.1	N/A	55,136	53.1	-759.3	-2.5
	of which operating budget	734.9	1,333.3	0.2	276.9	989.5	1,589.2	0.2	2,753.0	1,694	93.8	255.9	19.2
25*	Net Acquisition of Nonfinancial Assets (2)	8,032.7	29,830.7	4.9	7,508.6	11,468.9	29,178.9	4.1				-651.8	-2.2
150	Sale of Land and Buildings	-185.0	-215.1	0.0	-13.9	-12.3	-107.6	0.0				107.5	-50.0
251	Buildings and Structures	7,603.8	19,607.0	3.2	5,051.3	7,360.8	19,996.5	2.8				389.5	2.0
252	Machinery / Equipment (>50,000)	2,630.0	6,080.4	1.0	691.9	2,849.0	4,143.6	0.6				-1,936.8	-31.9
257	Valuables	1.9	4.9	0.0	2.0	-2.8	1.9	0.0				-3.0	-60.6
258	Land	178.3	202.6	0.0	905.2	-760.7	269.7	0.0				67.1	33.1
259	Capital Advance Payments	-2,196.3	4,150.8	0.7	872.1	2,034.8	4,874.7	0.7				723.9	17.4

Source: FPU using AFMIS data downloaded on the 29 May 2011

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Budget and MYR figures of core budget are not available for goods and services (code 21) and capital (code 25) as the published development budget is not broken down into these categories.

4/ Total allocated budget is the same as the approved Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).

Table 6.3b - Operating Budget Expenditures

Core	(In millions of Afghanis)	1388 Qtr 4 Actual	1388 Annual Actual	1388 %GDP	1389 Qtr 3 Prelim	1389 Qtr 4 Prelim	1389 Annual Prelim	1389 %GDP	Comparison to Budget Budget or MYR Ceiling	Current Allocated Budget (3)	% Allocated Budget	1389 Change	Comparison to 1388 YTD % Increase
2	TOTAL GROSS EXPENDITURES	30,834.3	87,242.8	14.2	26,118.3	38,060.0	110,452.8	15.5	119,849.4	119,849.4	92.2	23,209.9	26.6
2*	TOTAL NET EXPENDITURES (2)	30,649.3	87,027.7	14.2	26,104.4	38,047.6	110,345.2	15.5				23,317.5	26.8
2-25	RECURRENT EXPENDITURES	30,099.4	85,909.5	14.0	25,841.4	37,070.5	108,863.6	15.3	117,096.4	117,038.8	93.0	22,954.0	26.7
21	Compensation of Employees	21,997.8	64,256.2	10.5	20,623.1	28,141.1	86,474.0	12.1	90,157.2	89,084.9	97.1	22,217.8	34.6
211-3	Wages and Salaries	21,756.3	63,431.4	10.3	20,490.1	27,962.7	85,860.5	12.0				22,429.1	35.4
214-5	Social Benefits	241.6	824.8	0.1	133.0	178.4	613.5	0.1				-211.3	-25.6
22	Use of Goods and Services	7,240.1	16,858.6	2.7	3,699.9	8,204.4	17,158.5	2.4	17,315.1	18,329.9	93.6	299.9	1.8
221	Travel	323.7	1,131.2	0.2	270.4	410.1	1,142.3	0.2				11.0	1.0
222	Communications	200.1	584.2	0.1	176.4	212.4	614.5	0.1				30.3	5.2
223	Contracted Services	115.0	500.2	0.1	137.2	527.3	769.8	0.1				269.6	53.9
224	Repairs and Maintenance	893.5	2,033.7	0.3	453.6	1,028.9	2,038.3	0.3				4.6	0.2
225	Utilities	348.8	831.5	0.1	850.7	1,267.9	2,714.9	0.4				1,883.4	226.5
226	Fuel	2,057.2	3,847.0	0.6	335.8	606.9	1,512.9	0.2				-2,334.1	-60.7
227-9	Other Use of Goods and Services	3,301.8	7,930.7	1.3	1,475.8	4,151.0	8,365.9	1.2				435.2	5.5
23	Interest (1)	10.7	103.9	0.0	34.8	7.3	79.5	0.0	300.0	300.0	26.5	-24.4	-23.5
24	Social Transfers	850.8	4,690.8	0.8	1,483.7	717.7	5,151.6	0.7	9,324.0	9,324.0	55.3	460.8	9.8
242	Subsidies	0.0	0.0	0.0	0.0	0.0	1.7	0.0				1.7	N/A
245	Grants	16.0	38.2	0.0	9.6	56.1	167.2	0.0				129.0	337.3
247	Social Security	555.4	3,490.7	0.6	1,325.2	1,121.2	4,732.0	0.7				1,241.3	35.6
248-9	Other Social Transfers	279.4	1,161.9	0.2	148.9	-459.6	250.8	0.0				-911.1	-78.4
248	Social Assistance	116.1	477.4	0.1	148.9	13.0	616.3	0.1				138.8	29.1
249	Advance Subsidies, Grants	163.3	684.4	0.1	0.0	-472.6	-365.5	-0.1				-1,049.9	-153.4
25	ACQUISITION OF ASSETS												
25	Gross Acquisition of Nonfinancial Assets	734.9	1,333.3	0.2	276.9	989.5	1,589.2	0.2	2,753.0	1,694.4	93.8	255.9	19.2
25*	Net Acquisition of Nonfinancial Assets (2)	549.9	1,118.2	0.2	263.0	977.1	1,481.6	0.2				363.5	32.5
150	Sale of Land and Buildings	-185.0	-215.1	0.0	-13.9	-12.3	-107.6	0.0				107.5	-50.0
251	Buildings and Structures	227.4	343.6	0.1	41.5	384.6	458.3	0.1				114.7	33.4
252	Machinery / Equipment (>50,000)	345.4	715.9	0.1	218.6	463.2	853.6	0.1				137.7	19.2
257	Valuables	0.0	1.0	0.0	0.0	1.2	1.2	0.0				0.2	18.0
258	Land	149.9	158.0	0.0	13.5	131.4	260.7	0.0				101.9	64.2
259	Capital Advance Payments	12.2	114.0	0.0	3.4	9.1	15.4	0.0				-98.6	-86.5

Source: FPU using AFMIS data downloaded on the 29 May 2011, and Central Statistical Office for GDP data.

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Total allocated budget is the same as the approved Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).

Table 6.3c - Development Budget Expenditures

Core	(In millions of Afghanis)	1388 Qtr 4 Actual Qtr	1388 Annual Actual	1388 % GDP	1389 Qtr 3 Prelim Qtr	1389 Annual Prelim	1389 % GDP	Comparison to Budget			1389 Comparison to 1388 YTD	
								Original Budget Ceiling (3)	Current Allocated Budget (4)	% Allocated Budget	Change	% Increase
2	TOTAL GROSS EXPENDITURES	13,606.9	43,991.0	7.2	11,667.0	43,923.8	6.2	111,900.2	111,900.2	39.3	-67.2	-0.2
	Discretionary Budget	3,052.0	9,287.3	1.5	2,805.2	10,138.4	1.4	25,714.3	25,714.3	39.4	851.1	9.2
	Non-discretionary Budget	10,554.9	34,703.8	5.6	8,861.9	33,785.4	4.7	86,185.9	86,185.9	39.2	-918.3	-2.6
2*	TOTAL NET EXPENDITURES (2)	13,606.9	43,991.0	7.2	11,667.0	43,923.8	6.2				-67.2	-0.2
2-25	RECURRENT EXPENDITURES	6,124.1	15,278.5	2.5	4,421.4	16,226.5	2.3	N/A	56,028.6	29.0	948.0	6.2
	Compensation of Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
211-3	Wages and Salaries	0.0	0.0	0.0	0.0	0.0	0.0					
211	Wages and Salaries in Cash	0.0	0.0	0.0	0.0	0.0	0.0					
212	Wages and Salaries in Kind	0.0	0.0	0.0	0.0	0.0	0.0					
213	Wages and Salary Advance	0.0	0.0	0.0	0.0	0.0	0.0					
214-5	Social Benefits	0.0	0.0	0.0	0.0	0.0	0.0					
	Use of Goods and Services	5,936.0	15,071.0	2.5	4,421.4	15,810.2	2.2	N/A	56,028.6	28.2	739.3	4.9
221	Travel	105.9	196.7	0.0	59.2	168.1	0.0				-28.6	-14.5
222	Communications	33.4	72.7	0.0	22.3	95.5	0.0				22.8	31.4
223	Contracted Services	4,315.8	11,320.5	1.8	3,398.1	12,864.8	1.8				1,544.3	13.6
224	Repairs and Maintenance	139.7	396.7	0.1	37.7	188.1	0.0				-208.6	-52.6
225	Utilities	5.7	10.2	0.0	0.3	4.3	0.0				-6.0	-58.1
226	Fuel	21.0	37.9	0.0	23.5	58.0	0.0				20.2	53.3
227-9	Other Use of Goods and Services	1,314.6	3,036.3	0.5	880.5	2,431.4	0.3				-604.9	-19.9
23	Interest (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
24	Social Transfers	188.0	207.6	0.0	0.0	416.3	0.1	0.0	0.0	-	208.8	100.6
242	Subsidies	19.5	19.8	0.0	0.0	16.3	0.0				-3.5	-17.7
245	Grants	38.8	38.8	0.0	0.0	0.0	0.0				-38.8	-100.0
247	Social Security	0.0	0.0	0.0	0.0	0.0	0.0				0.0	N/A
248-9	Other Social Transfers	129.7	148.9	0.0	0.0	400.0	0.1				251.1	168.6
25	ACQUISITION OF ASSETS											
	Gross Acquisition of Nonfinancial Assets	7,482.8	28,712.5	4.7	7,245.6	27,697.3	3.9	N/A	47,040.7	58.9	-1,015.2	-3.5
25*	Net Acquisition of Nonfinancial Assets (2)	7,482.8	28,712.5	4.7	7,245.6	27,697.3	3.9				-1,015.2	-3.5
150	Sale of Land and Buildings	0.0	0.0	0.0	0.0	0.0	0.0				0.0	N/A
251	Buildings and Structures	7,376.4	19,263.4	3.1	5,009.9	19,538.2	2.7				274.8	1.4
252	Machinery / Equipment (>50,000)	2,284.6	5,364.5	0.9	473.3	3,290.0	0.5				-2,074.5	-38.7
257	Valuables	1.9	3.9	0.0	2.0	0.7	0.0				-3.2	-81.7
258	Land	28.3	43.8	0.0	891.7	9.0	0.0				-34.8	-79.4
259	Capital Advance Payments	-2,208.5	4,036.8	0.7	868.7	4,859.3	0.7				822.5	20.4

Source: FPU using AFMIS data downloaded on the 29 May 2011

1/ Interest Only. Does not include loan principal payments

2/ Proceeds from sale of fixed assets are netted off from the total

3/ Budget and MYR figures of core budget are not available for goods and services (code 21) and capital (code 25) as the published development budget is not broken down into these categories.

4/ Total allocated budget is the same as the Budget ceiling. However, individual items for current allocated Budget do not add up to total published budget as they do not include contingency reserves not yet transferred to budgetary units. Published budget figures are used for interest (code 23) and subsidies and transfers (code 24).

Table 6.4 – Total Core Budget Expenditures by Afghanistan National Development Strategy Pillar

(In millions of Afghanis)	1388 Qtr 4 Actual Qtr	1388 Annual Actual	1389 Qtr 3 Prelim Qtr	1389 Qtr 4 Prelim Qtr	1389 Annual Prelim	Comparison to Budget			1389 Comparison to 1388 YTD	
						Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	Change	% Increase
TOTAL GROSS EXPENDITURES	44,441.2	131,233.9	37,785.4	53,645.1	154,376.6	231,749.6	231,749.6	66.6	23,142.7	17.6
Operating Budget	30,834.3	87,279.9	26,118.3	38,060.0	110,452.8	119,849.4	119,849.4	92.2	23,172.8	26.6
Development Budget	13,606.9	43,954.0	11,667.0	15,585.2	43,923.8	111,900.2	111,900.2	39.3	-30.1	-0.1
Security	16,542.9	44,757.6	14,703.9	21,259.3	62,139.7	42,731.4	64,739.3	96.0	17,382.1	38.8
Operating Budget	16,255.9	43,762.1	14,640.0	21,079.1	61,697.8	41,738.1	63,746.0	96.8	17,935.7	41.0
Development Budget	287.0	995.6	63.9	180.1	441.9	993.3	993.3	44.5	-553.6	-55.6
Total Governance, Rule of Law and Human Rights	3,526.6	10,148.9	2,359.7	3,501.1	11,329.8	12,412.7	15,287.0	74.1	1,180.8	11.6
Operating Budget	2,930.2	8,840.3	2,020.6	2,997.7	10,032.4	8,179.0	11,053.3	90.8	1,192.1	13.5
Development Budget	596.3	1,308.6	339.1	503.5	1,297.3	4,233.7	4,233.7	30.6	-11.3	-0.9
Total Infrastructure and Natural Resources	6,853.5	18,147.5	6,770.5	8,676.2	23,805.3	50,237.2	51,495.9	46.2	5,657.8	31.2
Operating Budget	1,019.4	2,771.9	693.1	1,336.9	3,064.6	2,169.6	3,428.3	89.4	292.7	10.6
Development Budget	5,834.1	15,375.6	6,077.4	7,339.3	20,740.7	48,067.6	48,067.6	43.1	5,365.1	34.9
Total Education	7,524.9	23,687.0	6,873.1	8,494.2	26,825.2	32,927.0	35,201.9	76.2	3,138.2	13.2
Operating Budget	6,351.1	18,248.8	5,287.4	7,829.7	21,934.1	20,599.7	22,874.7	95.9	3,685.3	20.2
Development Budget	1,173.7	5,438.3	1,585.6	664.5	4,891.1	12,327.3	12,327.3	39.7	-547.1	-10.1
Total Health	2,161.1	5,553.2	1,635.5	2,386.4	6,400.5	9,362.3	9,548.7	67.0	847.3	15.3
Operating Budget	494.0	1,864.6	511.3	755.8	2,067.2	2,046.3	2,232.7	92.6	202.6	10.9
Development Budget	1,667.1	3,688.7	1,124.1	1,630.6	4,333.4	7,316.0	7,316.0	59.2	644.7	17.5
Total Agriculture and Rural Development	3,960.5	17,679.8	2,194.6	4,614.7	10,964.9	28,993.4	29,049.7	37.7	-6,714.9	-38.0
Operating Budget	1,115.6	3,206.3	438.0	499.6	1,623.3	1,664.1	1,720.4	94.4	-1,583.0	-49.4
Development Budget	2,844.9	14,473.5	1,756.6	4,115.2	9,341.6	27,329.3	27,329.3	34.2	-5,131.9	-35.5
Total Social Protection	1,200.9	5,422.6	1,809.3	1,314.7	6,156.9	2,816.7	7,991.8	77.0	734.3	13.5
Operating Budget	962.4	4,807.2	1,696.3	1,090.2	5,667.8	1,706.4	6,881.6	82.4	860.6	17.9
Development Budget	238.5	615.4	113.0	224.5	489.1	1,110.2	1,110.2	44.1	-126.2	-20.5
Total Economic Governance and Private Sector Development	2,521.6	5,445.8	1,337.8	3,354.8	6,573.8	7,775.4	10,263.7	64.0	1,128.0	20.7
Operating Budget	1,705.7	3,778.8	831.5	2,471.1	4,365.6	2,096.6	4,584.8	95.2	586.8	15.5
Development Budget	815.9	1,667.0	506.2	883.7	2,208.3	5,678.9	5,678.9	38.9	541.3	32.5
Total Unclassified	149.3	391.3	101.1	43.8	180.4	44,493.4	N/A	-	-210.9	-53.9
Operating Budget	0.0	0.0	0.0	0.0	0.0	39,649.5	N/A	-	0.0	N/A
Development Budget	149.3	391.3	101.1	43.8	180.4	4,843.9	N/A	-	-210.9	-53.9

Source: FPU using AFMIS data downloaded on the 29 May 2011

(1) For individual Ministries (not the total budget), allocated operating Budget may not equal the approved budget, as funds are allocated from contingency reserve during the year. Allocated budget for the development budget is the same as the latest approved budget.

Table 6.5a – Total Core Budget Gross Expenditures by Ministry

Code	(In millions of Afghanis)	1388 Qtr 4 Actual Qtr	1388 Annual Actual	1389 Qtr 3 Prelim Qtr	1389 Qtr 4 Prelim Qtr	1389 Annual Prelim	Comparison to Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	1389 Comparison to 1388 YTD Change	1389 Comparison to 1388 YTD Increase %
25	TOTAL GROSS EXPENDITURES	44,441.2	131,233.9	37,785.4	53,645.1	154,376.6	231,749.6	231,749.6	66.6	23,142.7	17.6
	Operating Budget	30,834.3	87,279.9	26,118.3	38,060.0	110,452.8	119,849.4	119,849.4	92.2	23,172.8	26.6
	Development Budget	13,606.9	43,954.0	11,667.0	15,585.2	43,923.8	111,900.2	111,900.2	39.3	-30.1	-0.1
26	Ministry of Interior	8,156.4	20,108.8	6,652.2	10,237.5	28,465.6	22,214.7	29,943.8	95.1	8,356.8	41.6
	Operating Budget	8,046.8	19,915.2	6,635.0	10,184.6	28,230.0	21,845.9	29,575.0	95.5	8,314.8	41.8
	Development Budget	109.5	193.6	17.3	52.9	235.6	368.8	368.8	63.9	42.0	21.7
22	Ministry of Defence	6,693.5	18,566.2	6,681.6	8,889.1	27,671.9	14,124.5	27,867.7	99.3	9,105.7	49.0
	Operating Budget	6,634.3	18,507.1	6,681.6	8,840.2	27,623.0	14,062.5	27,805.6	99.3	9,115.9	49.3
	Development Budget	59.1	59.1	0.0	48.9	48.9	62.0	62.0	78.9	-10.2	-17.3
23	Ministry of Foreign Affairs	600.3	2,533.6	413.4	1,031.0	2,134.7	2,637.8	2,969.9	71.9	-399.0	-15.7
	Operating Budget	503.0	1,822.7	412.6	947.5	2,044.9	2,224.9	2,556.9	80.0	222.2	12.2
	Development Budget	97.3	710.9	0.8	83.5	88.8	412.9	412.9	21.7	-621.2	-87.4
15	Presidential Protective Service	243.7	790.8	259.1	225.4	908.8	776.6	982.8	92.5	118.0	14.9
	Operating Budget	243.7	790.8	231.8	230.6	886.8	689.0	895.3	99.0	96.0	12.1
	Development Budget	0.0	0.0	27.2	-5.2	22.0	87.6	87.6	25.1	22.0	N/A
64	General Directorate of National Security	849.0	2,758.1	697.5	876.3	2,958.8	2,977.7	2,975.1	99.5	200.7	7.3
	Operating Budget	828.0	2,726.2	678.9	876.3	2,913.1	2,915.8	2,913.1	100.0	186.9	6.9
	Development Budget	21.0	31.9	18.6	0.0	45.7	61.9	61.9	73.7	13.8	43.1
	Total Security	16,542.9	44,757.6	14,703.9	21,259.3	62,139.7	42,731.4	64,739.3	96.0	17,382.1	38.8
	Operating Budget	16,255.9	43,762.1	14,640.0	21,079.1	61,697.8	41,738.1	63,746.0	96.8	17,935.7	41.0
	Development Budget	287.0	995.6	63.9	180.1	441.9	993.3	993.3	44.5	-553.6	-55.6
10	Presidents Office	399.5	1,238.6	298.7	405.1	1,389.9	1,636.4	1,709.4	81.3	151.3	12.2
	Operating Budget	334.3	1,140.7	279.5	351.7	1,270.3	1,324.2	1,397.2	90.9	129.5	11.4
	Development Budget	65.1	97.9	19.2	53.4	119.7	312.2	312.2	38.3	21.8	22.3
11	National Assembly Meshanro Jirga	80.3	283.7	94.8	55.1	337.1	355.1	391.6	86.1	53.4	18.8
	Operating Budget	69.6	273.0	89.2	51.2	314.4	293.2	329.7	95.4	41.5	15.2
	Development Budget	10.7	10.7	5.6	3.9	22.6	61.9	61.9	36.6	11.9	111.7
12	National Assembly Wolesi Jirga	216.8	807.2	137.2	219.3	701.3	859.2	860.8	81.5	-105.8	-13.1
	Operating Budget	194.6	740.7	132.4	215.2	690.5	767.3	768.9	89.8	-50.3	-6.8
	Development Budget	22.2	66.4	4.8	4.1	10.9	91.9	91.9	11.8	-55.6	-83.7
14	Supreme Court	298.2	791.8	298.6	366.3	1,149.3	1,252.9	1,553.1	74.0	357.4	45.1
	Operating Budget	217.2	690.2	293.0	351.5	1,094.9	854.0	1,154.1	94.9	404.7	58.6
	Development Budget	80.9	101.6	5.7	14.8	54.3	398.9	398.9	13.6	-47.3	-46.5
50	Ministry of Justice	606.9	1,482.9	531.4	568.0	1,887.4	1,702.0	2,316.7	81.5	404.4	27.3
	Operating Budget	585.6	1,393.7	438.3	542.1	1,738.7	1,240.7	1,855.4	93.7	345.0	24.8
	Development Budget	21.3	89.2	93.1	26.0	148.7	461.3	461.3	32.2	59.5	66.6
13	Administrative Affairs	534.2	1,635.0	351.5	318.7	1,638.5	505.2	1,722.5	95.1	3.5	0.2
	Operating Budget	534.2	1,635.0	326.8	296.6	1,591.8	400.2	1,617.5	98.4	-43.2	-2.6
	Development Budget	0.0	0.0	24.7	22.0	46.7	105.0	105.0	44.5	46.7	N/A
21	Ministry of State and Parliament Affairs	17.3	45.1	12.1	20.7	51.7	41.4	56.0	92.4	6.6	14.6
	Operating Budget	17.3	45.1	12.1	20.7	51.7	41.4	56.0	92.4	6.6	14.6
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
24	Ministry of Haj and Religious Affairs	158.2	495.3	-193.1	228.7	520.9	597.1	966.6	53.9	25.6	5.2
	Operating Budget	111.9	379.2	-196.8	192.3	452.7	388.0	757.5	59.8	73.5	19.4
	Development Budget	46.2	116.1	3.7	36.3	68.2	209.1	209.1	32.6	-47.9	-41.3
51	Attorney General	223.0	568.4	163.4	191.1	609.6	1,050.2	1,076.7	56.6	41.2	7.3
	Operating Budget	167.1	481.0	151.2	173.9	576.2	592.1	618.6	93.1	95.2	19.8
	Development Budget	55.9	87.3	12.2	17.1	33.4	458.1	458.1	7.3	-53.9	-61.8
72	Election Commission	27.6	92.3	19.2	33.3	91.4	127.9	129.3	70.7	-1.0	-1.0
	Operating Budget	27.6	92.3	19.2	25.0	83.1	103.6	105.1	79.1	-9.2	-9.9
	Development Budget	0.0	0.0	0.0	8.2	8.2	24.3	24.3	33.9	8.2	N/A
62	IARCSC	307.5	781.1	142.8	170.4	603.5	774.4	797.7	75.6	-177.6	-22.7
	Operating Budget	70.2	273.0	53.4	68.7	221.6	212.8	236.2	93.8	-51.4	-18.8
	Development Budget	237.3	508.1	89.4	101.7	381.9	561.6	561.6	68.0	-126.3	-24.8
67	The High office of Oversight and Anti Corruption	18.6	42.9	20.9	35.1	85.6	137.9	152.8	56.0	42.7	99.5
	Operating Budget	18.0	42.2	18.2	28.3	69.3	65.1	80.0	86.7	27.1	64.2
	Development Budget	0.7	0.7	2.7	6.8	16.2	72.9	72.9	22.3	15.6	2,384.8
59	Independent Directorate of Local Governance	635.7	1,881.4	480.8	884.2	2,255.6	3,360.4	3,541.0	63.7	374.1	19.9
	Operating Budget	579.6	1,650.8	402.8	675.1	1,869.0	1,883.8	2,064.4	90.5	218.2	13.2
	Development Budget	56.1	230.6	78.0	209.1	386.5	1,476.6	1,476.6	26.2	155.9	67.6
74	Legal Training Center	2.9	3.2	1.3	5.1	8.1	12.7	12.7	63.6	4.9	155.6
	Operating Budget	2.9	3.2	1.3	5.1	8.1	12.7	12.7	63.6	4.9	155.6
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Total Governance, Rule of Law and Human Rights	3,526.6	10,148.9	2,359.7	3,501.1	11,329.8	12,412.7	15,287.0	74.1	1,180.8	11.6
	Operating Budget	2,930.2	8,840.3	2,020.6	2,997.7	10,032.4	8,179.0	11,053.3	90.8	1,192.1	13.5
	Development Budget	596.3	1,308.6	339.1	503.5	1,297.3	4,233.7	4,233.7	30.6	-11.3	-0.9

Source: FPU using AFMIS data downloaded on the 29 May 2011

Table 6.5b – Total Core Budget Gross Expenditures by Ministry (continued)

Code	(In millions of Afghanis)	1388 Qtr 4 Actual Qtr	1388 Annual Actual	1389 Qtr 3 Prelim Qtr	1389 Qtr 4 Prelim Qtr	1389 Annual Prelim	Comparison to Budget Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	1389 Comparison to 1388 YTD Change	Increase %
42	Ministry of Public Works	3,754.2	9,133.7	3,444.7	4,445.6	13,291.3	24,031.6	24,994.3	53.2	4,157.6	45.5
	Operating Budget	413.2	856.7	264.8	654.0	1,178.8	517.5	1,480.2	79.6	322.1	37.6
	Development Budget	3,341.0	8,277.0	3,179.9	3,791.6	12,112.5	23,514.1	23,514.1	51.5	3,835.5	46.3
45	Ministry of Transport and Aviation	304.2	801.5	207.4	256.6	857.7	1,803.2	1,862.5	46.1	56.2	7.0
	Operating Budget	152.6	371.6	85.7	134.4	362.4	316.9	376.2	96.3	-9.2	-2.5
	Development Budget	151.6	429.9	121.7	122.2	495.3	1,486.3	1,486.3	33.3	65.4	15.2
34	Ministry of Communication	336.5	1,063.0	110.7	1,293.4	1,840.4	2,119.3	2,127.9	86.5	777.4	73.1
	Operating Budget	118.8	427.3	102.7	137.8	429.4	439.7	448.4	95.8	2.1	0.5
	Development Budget	217.7	635.7	8.0	1,155.6	1,411.0	1,679.6	1,679.6	84.0	775.3	122.0
41	Ministry of Energy and Water	1,502.1	4,136.0	2,158.6	1,061.1	4,204.1	14,642.3	14,674.1	28.6	68.1	1.6
	Operating Budget	129.2	502.8	79.2	89.5	301.0	276.6	308.3	97.6	-201.8	-40.1
	Development Budget	1,372.9	3,633.2	2,079.4	971.6	3,903.1	14,365.7	14,365.7	27.2	269.9	7.4
49	Ministry of Urban Development	407.4	1,123.8	232.1	735.3	1,543.4	3,196.6	3,343.3	46.2	419.6	37.3
	Operating Budget	68.2	136.3	23.5	151.8	239.3	100.7	247.4	96.7	102.9	75.5
	Development Budget	339.2	987.5	208.6	583.5	1,304.2	3,095.9	3,095.9	42.1	316.7	32.1
32	Ministry of Mines and Industries	214.6	698.5	264.6	417.6	990.5	1,966.5	1,997.2	49.6	292.0	41.8
	Operating Budget	69.7	251.3	68.0	86.6	297.6	270.2	301.0	98.9	46.3	18.4
	Development Budget	144.9	447.2	196.6	330.9	692.8	1,696.3	1,696.3	40.8	245.7	54.9
65	Geodesy and Cartography Office	43.7	140.8	32.6	57.9	144.1	144.1	148.3	97.2	3.4	2.4
	Operating Budget	32.6	117.5	29.6	35.4	117.8	115.6	119.9	98.3	0.3	0.2
	Development Budget	11.1	23.3	3.0	22.5	26.4	28.5	28.5	92.6	3.1	13.3
60	Directorate of Environment	39.0	130.2	38.3	64.5	149.6	158.7	172.1	86.9	19.5	15.0
	Operating Budget	33.1	103.2	34.6	38.0	119.5	111.5	124.9	95.6	16.2	15.7
	Development Budget	5.9	26.9	3.7	26.5	30.2	47.2	47.2	63.9	3.2	12.0
75	Afghanistan High Atomic Energy Commission	2.0	5.1	5.0	11.7	21.4	25.8	26.9	79.6	16.3	322.6
	Operating Budget	2.0	5.1	5.0	9.1	18.8	21.0	22.0	85.6	13.8	272.7
	Development Budget	0.0	0.0	0.0	2.5	2.5	4.9	4.9	52.1	2.5	N/A
79	Municipalities	249.8	915.1	276.5	332.4	762.8	2,149.2	2,149.2	35.5	-152.3	-16.6
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	249.8	915.1	276.5	332.4	762.8	2,149.2	2,149.2	35.5	-152.3	-16.6
	Total Infrastructure and Natural Resources	6,853.5	18,147.5	6,770.5	8,676.2	23,805.3	50,237.2	51,495.9	46.2	5,657.8	31.2
	Operating Budget	1,019.4	2,771.9	693.1	1,336.9	3,064.6	2,169.6	3,428.3	89.4	292.7	10.6
	Development Budget	5,834.1	15,375.6	6,077.4	7,339.3	20,740.7	48,067.6	48,067.6	43.1	5,365.1	34.9
27	Ministry of Education	6,293.9	19,508.2	5,828.6	7,451.2	23,212.0	27,821.2	30,007.2	77.4	3,703.8	19.0
	Operating Budget	5,545.8	15,641.0	4,506.4	6,954.3	19,114.7	17,834.3	20,020.3	95.5	3,473.7	22.2
	Development Budget	748.0	3,867.2	1,322.2	496.9	4,097.3	9,986.8	9,986.8	41.0	230.1	6.0
28	Ministry of Higher Education	887.2	3,115.7	676.0	608.0	2,308.6	3,317.3	3,308.3	69.8	-807.1	-25.9
	Operating Budget	528.3	1,676.2	500.7	548.6	1,850.3	1,876.3	1,867.3	99.1	174.1	10.4
	Development Budget	358.9	1,439.5	175.3	59.4	458.3	1,441.0	1,441.0	31.8	-981.1	-68.2
36	Ministry of Information and Culture	200.4	652.1	189.0	256.7	726.4	998.0	1,071.6	67.8	74.4	11.4
	Operating Budget	183.8	613.1	167.1	216.1	626.9	567.9	641.5	97.7	13.7	2.2
	Development Budget	16.6	38.9	22.0	40.6	99.6	430.1	430.1	23.2	60.7	156.0
61	Science Academy	45.9	152.5	62.3	64.5	193.2	202.5	213.1	90.6	40.6	26.6
	Operating Budget	39.0	143.2	39.2	44.2	141.0	131.2	141.8	99.4	-2.2	-1.5
	Development Budget	6.9	9.4	23.1	20.3	52.2	71.3	71.3	73.2	42.8	457.7
63	National Olympic Committee	97.4	258.5	117.1	113.8	385.0	588.0	601.7	64.0	126.5	48.9
	Operating Budget	54.1	175.2	74.1	66.6	201.2	190.1	203.7	98.8	26.1	14.9
	Development Budget	43.3	83.4	43.0	47.2	183.8	398.0	398.0	46.2	100.4	120.4
	Total Education	7,524.9	23,687.0	6,873.1	8,494.2	26,825.2	32,927.0	35,201.9	76.2	3,138.2	13.2
	Operating Budget	6,351.1	18,248.8	5,287.4	7,829.7	21,934.1	20,599.7	22,874.7	95.9	3,685.3	20.2
	Development Budget	1,173.7	5,438.3	1,585.6	664.5	4,891.1	12,327.3	12,327.3	39.7	-547.1	-10.1
37	Ministry of Public Health	2,161.1	5,553.2	1,635.5	2,386.4	6,400.5	9,362.3	9,548.7	67.0	847.3	15.3
	Operating Budget	494.0	1,864.6	511.3	755.8	2,067.2	2,046.3	2,232.7	92.6	202.6	10.9
	Development Budget	1,667.1	3,688.7	1,124.1	1,630.6	4,333.4	7,316.0	7,316.0	59.2	644.7	17.5
	Total Health	2,161.1	5,553.2	1,635.5	2,386.4	6,400.5	9,362.3	9,548.7	67.0	847.3	15.3
	Operating Budget	494.0	1,864.6	511.3	755.8	2,067.2	2,046.3	2,232.7	92.6	202.6	10.9
	Development Budget	1,667.1	3,688.7	1,124.1	1,630.6	4,333.4	7,316.0	7,316.0	59.2	644.7	17.5

Table 6.5c - Total Core Budget Gross Expenditures by Ministry (continued)

Code	(In millions of Afghanis)	1388 Qtr 4 Actual Qtr	1388 Annual Actual	1389 Qtr 3 Prelim Qtr	1389 Qtr 4 Prelim Qtr	1389 Annual Prelim	Comparison to Budget Budget or MYR Ceiling	Current Allocated Budget (1)	% Allocated Budget	1389 Comparison to 1388 YTD Change	Increase %
39	Ministry of Agriculture	2,071.1	4,168.5	731.8	975.7	2,868.0	6,850.7	6,901.3	41.6	-1,300.6	-31.2
	Operating Budget	965.9	2,466.4	288.8	325.1	1,061.5	1,082.4	1,133.0	93.7	-1,404.9	-57.0
	Development Budget	1,105.1	1,702.2	443.0	650.7	1,806.5	5,768.3	5,768.3	31.3	104.3	6.1
48	Ministry of Counter Narcotics	46.8	296.5	36.7	51.3	184.5	508.8	511.7	36.1	-112.0	-37.8
	Operating Budget	23.1	76.7	23.1	28.0	81.8	86.8	89.7	91.2	5.1	6.6
	Development Budget	23.7	219.8	13.5	23.3	102.7	422.0	422.0	24.3	-117.1	-53.3
43	Ministry of Rural Rehabilitation and Development	1,842.6	13,214.7	1,426.2	3,587.7	7,912.4	21,634.0	21,636.7	36.6	-5,302.4	-40.1
	Operating Budget	126.5	663.2	126.0	146.6	480.0	495.0	497.7	96.4	-183.2	-27.6
	Development Budget	1,716.1	12,551.5	1,300.1	3,441.2	7,432.3	21,139.0	21,139.0	35.2	-5,119.2	-40.8
	Total Agriculture and Rural Development	3,960.5	17,679.8	2,194.6	4,614.7	10,964.9	28,993.4	29,049.7	37.7	-6,714.9	-38.0
	Operating Budget	1,115.6	3,206.3	438.0	499.6	1,623.3	1,664.1	1,720.4	94.4	-1,583.0	-49.4
	Development Budget	2,844.9	14,473.5	1,756.6	4,115.2	9,341.6	27,329.3	27,329.3	34.2	-5,131.9	-35.5
46	Ministry of Frontiers and Tribal Affairs	86.1	336.9	86.1	120.7	344.4	394.3	403.7	85.3	7.5	2.2
	Operating Budget	78.9	275.6	85.2	102.3	324.3	321.0	330.5	98.1	48.7	17.7
	Development Budget	7.3	61.2	0.9	18.5	20.0	73.3	73.3	27.4	-41.2	-67.3
47	Ministry of Martyrs, Disabled and Social Affairs	914.4	4,586.1	1,564.5	952.6	5,219.1	1,595.8	6,743.9	77.4	633.0	13.8
	Operating Budget	747.3	4,147.8	1,498.7	842.8	4,925.8	948.5	6,096.6	80.8	778.0	18.8
	Development Budget	167.1	438.3	65.8	109.8	293.3	647.3	647.3	45.3	-145.0	-33.1
29	Ministry of Refugees and Repatriates	67.6	177.0	63.6	106.3	245.8	379.2	393.9	62.4	68.9	38.9
	Operating Budget	42.3	136.2	48.2	51.2	158.3	147.1	161.8	97.9	22.1	16.2
	Development Budget	25.3	40.7	15.3	55.0	87.5	232.1	232.1	37.7	46.8	114.8
38	Ministry of Women Affairs	66.3	184.2	53.5	80.6	202.3	272.5	274.5	73.7	18.1	9.8
	Operating Budget	49.3	139.1	35.2	47.5	141.5	156.7	158.7	89.2	2.4	1.7
	Development Budget	17.1	45.1	18.3	33.1	60.8	115.8	115.8	52.5	15.7	34.8
68	Office of Disaster Preparedness	32.2	66.7	19.3	30.3	75.7	85.6	86.3	87.7	9.0	13.5
	Operating Budget	32.2	66.7	19.3	30.3	75.7	85.6	86.3	87.7	9.0	13.5
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
76	Directorate of Kochis	34.2	71.8	22.4	24.1	69.6	89.2	89.6	77.7	-2.2	-3.0
	Operating Budget	12.5	41.8	9.7	16.0	42.1	47.5	47.8	88.0	0.3	0.8
	Development Budget	21.8	30.0	12.7	8.1	27.5	41.7	41.7	65.9	-2.5	-8.3
	Total Social Protection	1,200.9	5,422.6	1,809.3	1,314.7	6,156.9	2,816.7	7,991.8	77.0	734.3	13.5
	Operating Budget	962.4	4,807.2	1,696.3	1,090.2	5,667.8	1,706.4	6,881.6	82.4	860.6	17.9
	Development Budget	238.5	615.4	113.0	224.5	489.1	1,110.2	1,110.2	44.1	-126.2	-20.5
20	Ministry of Finance	2,215.2	4,290.5	1,052.6	2,595.5	5,109.8	5,402.9	7,410.6	69.0	819.3	19.1
	Operating Budget	1,532.0	3,044.8	654.6	1,832.7	3,290.1	1,405.9	3,413.5	96.4	245.3	8.1
	Development Budget	683.2	1,245.7	398.0	762.8	1,819.7	3,997.0	3,997.0	45.5	574.0	46.1
25	Ministry of Commerce	83.9	411.7	69.3	504.7	692.3	516.7	941.1	73.6	280.6	68.1
	Operating Budget	74.5	383.0	52.3	489.1	636.7	230.0	654.3	97.3	253.7	66.2
	Development Budget	9.4	28.7	17.0	15.6	55.6	286.7	286.7	19.4	26.9	93.6
35	Ministry of Economy	96.1	336.9	80.5	111.5	305.8	843.2	850.5	36.0	-31.1	-9.2
	Operating Budget	36.1	138.7	50.1	54.7	172.8	220.6	227.9	75.8	34.0	24.5
	Development Budget	60.0	198.2	30.4	56.8	133.1	622.6	622.6	21.4	-65.1	-32.9
66	Control and Audit Office	81.2	200.1	67.7	58.7	249.0	521.8	524.6	47.5	49.0	24.5
	Operating Budget	17.8	68.1	23.1	18.6	73.6	71.4	74.2	99.2	5.5	8.1
	Development Budget	63.3	131.9	44.6	40.1	175.4	450.4	450.4	38.9	43.5	32.9
73	Central Statistics Office	37.1	114.4	57.6	72.5	182.9	227.8	271.4	67.4	68.5	59.8
	Operating Budget	37.1	114.4	41.5	64.1	158.4	122.6	166.2	95.3	43.9	38.4
	Development Budget	0.0	0.0	16.1	8.4	24.5	105.2	105.2	23.3	24.5	N/A
58	Afghanistan National Standard Authority	8.2	92.1	10.0	11.9	33.9	263.0	265.5	12.8	-58.1	-63.1
	Operating Budget	8.2	29.6	10.0	11.9	33.9	46.1	48.6	69.8	4.3	14.6
	Development Budget	0.0	62.4	0.0	0.0	0.0	216.9	216.9	0.0	-62.4	-100.0
	Total Economic Gov. and Private Sector Devel't	2,521.6	5,445.8	1,337.8	3,354.8	6,573.8	7,775.4	10,263.7	64.0	1,128.0	20.7
	Operating Budget	1,705.7	3,778.8	831.5	2,471.1	4,365.6	2,096.6	4,584.8	95.2	586.8	15.5
	Development Budget	815.9	1,667.0	506.2	883.7	2,208.3	5,678.9	5,678.9	38.9	541.3	32.5
78	Transfers to Municipalities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
80	Extrabudgetary Agencies	149.3	391.3	101.1	43.8	180.4	3,198.3	3,198.3	5.6	-210.9	-53.9
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	149.3	391.3	101.1	43.8	180.4	3,198.3	3,198.3	5.6	-210.9	-53.9
90	Unallocated Reserves	0.0	0.0	0.0	0.0	0.0	41,295.1	N/A	-	0.0	N/A
	Operating Budget	0.0	0.0	0.0	0.0	0.0	39,649.5	N/A	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	1,645.6	N/A	-	0.0	N/A
99	Unspecified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Operating Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Development Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	N/A
	Total Unclassified	149.3	391.3	101.1	43.8	180.4	44,493.4	N/A	-	-210.9	-53.9
	Operating Budget	0.0	0.0	0.0	0.0	0.0	39,649.5	N/A	-	0.0	N/A

Table 6.6a – Core Budget Gross Expenditures by Program (Ministries implementing Program Budgeting in 1389)

Code	(In millions of Afghanis)	OPERATING BUDGET				DEVELOPMENT BUDGET			TOTAL BUDGET		
		Comparison to Budget				Comparison to Budget			Comparison to Budget		
		1389 Annual Prelim	Original Budget Ceiling	Current Allocated Budget (1)	% Allocated Budget	1389 Annual Prelim	Current Allocated Budget (1)	% Allocated Budget	1389 Annual Prelim	Current Allocated Budget (1)	% Allocated Budget
27 Ministry of Education		19,114.7	17,484.3	20,020.3	95.5	4,097.3	9,502.7	43.1	23,212.0	29,523.0	78.6
271 General Islamic Education		16,532.6	15,289.0	17,018.7	97.1	382.5	1,079.0	35.4	16,915.1	18,097.6	93.5
272 Curriculum Development & Teacher Education		703.1	659.3	825.5	85.2	1,707.6	3,447.0	49.5	2,410.8	4,272.5	56.4
273 Technical & Vocational Education & Training		610.8	571.8	686.9	88.9	250.8	781.3	32.1	861.6	1,468.2	58.7
274 Literacy		332.0	279.1	391.2	84.9	129.5	254.3	50.9	461.4	645.5	71.5
275 Education Management		993.1	685.2	1,098.1	90.4	1,626.9	3,941.1	41.3	2,620.0	5,039.2	52.0
999 Expenditure returns		-56.9	0.0	0.0	N/A	0.0	0.0	N/A	-56.9	0.0	N/A
39 Ministry of Agriculture, Irrigation and Livestock		1,061.5	1,082.4	1,133.0	93.7	1,806.5	5,090.4	35.5	2,868.0	6,223.4	46.1
391 Natural Resources Management		231.4	217.5	244.7	94.6	134.8	215.0	62.7	366.2	459.7	79.7
392 Agriculture Production & Productivity		349.6	367.3	382.0	91.5	908.1	2,974.7	30.5	1,257.7	3,356.7	37.5
393 Economic Regeneration		192.3	137.6	207.2	92.8	502.4	1,431.3	35.1	694.7	1,638.6	42.4
394 Change Management Process		292.0	359.9	299.0	97.6	261.2	469.4	55.6	553.2	768.4	72.0
999 Expenditure returns		-3.7	0.0	0.0	N/A	0.0	0.0	N/A	-3.7	0.0	N/A
43 Ministry of Rural Rehabilitation and Development		480.0	475.0	497.7	96.4	7,432.3	21,105.3	35.2	7,912.4	21,603.0	36.6
431 Local Governance		0.6	4.0	0.6	100.0	5,743.4	16,919.7	33.9	5,744.1	16,920.4	33.9
432 Rural Infrastructure		0.0	7.4	0.0	N/A	1,548.8	3,594.9	43.1	1,548.8	3,594.9	43.1
433 Economic Regeneration		0.0	0.0	0.0	N/A	140.1	526.8	26.6	140.1	526.8	26.6
434 Social Protection		0.0	3.2	0.0	N/A	0.0	64.0	0.0	0.0	64.0	0.0
435 Institutional Support Program		480.7	460.4	497.1	96.7	0.0	0.0	N/A	480.7	497.1	96.7
999 Expenditure returns		-1.3	0.0	0.0	N/A	0.0	0.0	N/A	-1.3	0.0	N/A
41 Ministry of Energy & Water		301.0	276.6	308.3	97.6	3,903.1	12,141.5	32.1	4,204.1	12,449.9	33.8
411 Availability of Competitively Priced Electricity for community li		21.9	170.9	23.1	95.1	1,535.1	5,457.0	28.1	1,557.0	5,480.1	28.4
412 Availability of and accessibility to water for community livelihc		103.4	27.4	107.5	96.2	2,334.3	6,585.8	35.4	2,437.7	6,693.3	36.4
413 General Administration		177.5	78.2	177.8	99.9	33.8	98.7	34.2	211.3	276.5	76.4
999 Expenditure returns		-1.9	0.0	0.0	N/A	0.0	0.0	N/A	-1.9	0.0	N/A
20 Ministry of Finance		3,323.0	1,357.7	3,413.5	97.3	1,819.7	6,509.8	28.0	5,142.7	9,923.3	51.8
201 Public Finance Management		525.7	203.3	529.6	99.3	566.4	960.3	59.0	1,092.1	1,490.0	73.3
202 Revenue Management		369.8	342.9	421.6	87.7	545.6	789.2	69.1	915.4	1,210.9	75.6
203 Institutional Development		2,390.1	735.5	2,391.6	99.9	660.3	4,595.0	14.4	3,050.4	6,986.5	43.7
204 Governance		68.5	76.0	70.7	96.9	47.4	165.2	28.7	115.9	235.9	49.1
999 Expenditure returns		-31.2	0.0	0.0	N/A	0.0	0.0	N/A	-31.2	0.0	N/A
42 Ministry of Public Works		1,178.8	489.8	1,480.2	79.6	12,112.5	23,428.0	51.7	13,291.3	24,908.2	53.4
421 Infrastructure		19.1	38.4	47.8	39.9	12,112.5	23,428.0	51.7	12,131.6	23,475.7	51.7
422 Maintenance		1,047.2	334.2	1,215.0	86.2	0.0	0.0	N/A	1,047.2	1,215.0	86.2
423 General Administration & Finance		114.7	117.3	217.4	52.8	0.0	0.0	N/A	114.7	217.4	52.8
999 Expenditure returns		-2.1	0.0	0.0	N/A	0.0	0.0	N/A	-2.1	0.0	N/A
37 Ministry of Public Health		2,067.2	1,994.8	2,232.7	92.6	4,333.4	6,752.0	64.2	6,400.5	8,984.7	71.2
371 Institutional Development & Assessment		73.5	81.9	81.9	89.7	442.5	941.2	47.0	516.1	1,023.1	50.4
372 Health Service Provision		841.9	846.1	927.1	90.8	3,889.7	5,810.9	66.9	4,731.6	6,738.0	70.2
373 Administrative Support		1,163.1	1,066.8	1,223.6	95.1	1.2	0.0	N/A	1,164.3	1,223.6	95.2
999 Expenditure returns		-11.4	0.0	0.0	N/A	0.0	0.0	N/A	-11.4	0.0	N/A
59 Independent Directorate of Local Governance		1,869.0	1,839.6	2,064.4	90.5	386.5	1,426.0	27.1	2,255.6	3,490.4	64.6
591 Policy Service		10.7	15.0	12.0	88.9	0.0	0.0	N/A	10.7	12.0	88.9
592 Institutional Development Services		9.2	21.7	17.8	51.5	386.5	1,426.0	27.1	395.7	1,443.8	27.4
593 Broader Governance Services		1,518.3	1,299.7	1,690.9	89.8	0.0	0.0	N/A	1,518.3	1,690.9	89.8
594 Options & Management Services		333.8	503.2	343.7	97.1	0.0	0.0	N/A	333.8	343.7	97.1
999 Expenditure returns		-2.9	0.0	0.0	N/A	0.0	0.0	N/A	-2.9	0.0	N/A
49 Ministry of Urban Development		239.3	95.7	247.4	96.7	1,304.2	3,017.9	43.2	1,543.4	3,265.3	47.3
491 Urban Governance & Planning		17.4	16.9	17.4	99.8	235.7	785.8	30.0	253.1	803.3	31.5
492 Urban Development & Housing Policy		2.9	2.8	2.9	99.9	240.9	394.7	61.0	243.8	397.6	61.3
493 Urban Infrastructure & Services		17.6	16.7	17.6	99.9	827.6	1,837.4	45.0	845.2	1,855.0	45.6
494 Management & Options		202.7	59.3	209.5	96.8	0.0	0.0	N/A	202.7	209.5	96.8
999 Expenditure returns		-1.3	0.0	0.0	N/A	0.0	0.0	N/A	-1.3	0.0	N/A

Source: FPU using AFMIS data downloaded on the 29 May 2011

(1) Official data on the revised development budget by program are not available. Figures on allocated budget for the development budget are taken from budget allocations shown in AFMIS data, which differs from published data shown in Tables 6.5.

Table 6.6b – Core Budget Gross Expenditures by Program (Ministries implementing Program Budgeting in 1389) – continued

Code	(In millions of Afghanis)	OPERATING BUDGET				DEVELOPMENT BUDGET			TOTAL BUDGET		
		1389 Annual Prelim	Comparison to Original Budget Ceiling	Current Allocated Budget (1)	% Allocated Budget	1389 Annual Prelim	Comparis Current Allocated Budget (1)	% Allocated Budget	1389 Annual Prelim	Comparis Current Allocated Budget (1)	% Allocated Budget
45	Ministry of Transport & Civil Aviation	362.4	296.9	376.2	96.3	495.3	1,387.4	35.7	857.7	1,763.6	48.6
451	Air Transport Services	169.5	141.3	174.8	97.0	49.0	1,363.0	3.6	654.4	1,537.7	42.6
452	Land Transport Services	69.2	71.7	73.7	93.9	0.8	24.5	3.1	79.6	98.2	81.1
453	Management & Optional Services	124.2	83.9	127.7	97.3	0.0	0.0	N/A	124.2	127.7	97.3
999	Expenditure returns	-0.6	0.0	0.0	N/A	0.0	0.0	N/A	-0.6	0.0	N/A
34	Ministry of Communication and Information Technolo	429.4	439.7	448.4	95.8	-9,911.9	959.0	-1,033.5	1,840.4	1,407.4	130.8
341	E-Afghanistan	94.4	97.1	98.2	96.1	-7,751.9	959.0	-808.3	1,505.4	1,057.3	142.4
342	ICT Literacy	20.4	22.5	20.9	97.4	-128.9	0.0	N/A	20.4	20.9	97.4
343	General Administration & Management	316.0	320.1	329.2	96.0	-2,031.1	0.0	N/A	316.0	329.2	96.0
999	Expenditure returns	-1.4	0.0	0.0	N/A	0.0	0.0	N/A	-1.4	0.0	N/A
25	Ministry of Commerce and Industry	636.7	230.0	654.3	97.3	1.4	286.5	0.5	692.3	940.8	73.6
251	Private Sector Development	34.7	31.2	36.4	95.4	0.0	214.3	0.0	47.9	250.7	19.1
252	Trade Policy & Transit	88.3	116.8	99.9	88.3	0.0	0.0	N/A	88.3	99.9	88.3
253	Admin & Regulatory Service	514.3	82.0	518.0	99.3	1.4	72.1	2.0	556.6	590.1	94.3
999	Expenditure returns	-0.5	0.0	0.0	N/A	0.0	0.0	N/A	-0.5	0.0	N/A
47	Ministry of Labour, Social Affairs, Martyrs and Disabl	4,925.8	948.5	6,096.6	80.8	33.2	658.4	5.0	5,219.1	6,755.0	77.3
471	Labor Affairs	4,723.5	42.7	5,218.5	90.5	27.4	597.5	4.6	4,992.9	5,815.9	85.8
472	Social Protection	216.1	308.9	294.0	73.5	0.0	0.0	N/A	216.1	294.0	73.5
473	Martyrs & Disable	15.5	15.4	17.5	88.3	0.0	0.0	N/A	15.5	17.5	88.3
474	General Administration	475.0	581.5	566.6	83.8	5.8	60.9	9.6	499.0	627.5	79.5
999	Expenditure returns	-504.3	0.0	0.0	N/A	0.0	0.0	N/A	-504.3	0.0	N/A
22	Ministry of Defence	27,623.0	14,062.5	27,805.6	99.3	0.0	62.0	0.0	27,671.9	27,867.7	99.3
221	Provide Combat Forces	17,945.7	8,588.7	18,075.6	99.3	0.0	62.0	0.0	17,994.6	18,137.7	99.2
222	Provide Management & Support	9,713.6	5,473.7	9,730.0	99.8	0.0	0.0	N/A	9,713.6	9,730.0	99.8
999	Expenditure returns	-36.3	0.0	0.0	N/A	0.0	0.0	N/A	-36.3	0.0	N/A
38	Ministry of Women's Affairs	141.5	156.7	158.7	89.2	0.0	111.9	0.0	202.3	270.5	74.8
381	Governance & Rule of Law	23.5	27.7	27.9	84.3	0.0	0.9	0.0	23.5	28.8	81.6
382	Women Economical and Social Development	15.7	23.0	22.2	70.9	0.0	1.9	0.0	16.5	24.1	68.5
383	General Administration	102.5	106.1	108.6	94.4	0.0	109.0	0.0	162.5	217.6	74.7
999	Expenditure returns	-0.2	0.0	0.0	N/A	0.0	0.0	N/A	-0.2	0.0	N/A
35	Ministry of Economy	172.8	217.6	227.9	75.8	16.2	569.9	2.8	305.8	797.8	38.3
351	Economic Policy, Strategy, Monitoring & Evaluation	98.1	117.1	124.8	78.6	15.7	248.1	6.3	229.1	372.9	61.4
352	Administration & Management Services	74.9	100.5	103.2	72.7	0.5	321.8	0.1	77.1	424.9	18.1
999	Expenditure returns	-0.3	0.0	0.0	N/A	0.0	0.0	N/A	-0.3	0.0	N/A
10	President's Office	1,270.3	1,296.1	1,397.2	90.9	-	243.3	-	1,389.9	1,640.5	84.7
101	Policies Coordination & Program Management	1,271.8	1,296.1	1,397.2	91.0	0.0	243.3	0.0	1,391.5	1,640.5	84.8
999	Expenditure returns	-1.6	0.0	0.0	N/A	0.0	0.0	N/A	-1.6	0.0	N/A
28	Ministry of Higher Education	1,850.3	1,876.3	1,867.3	99.1	26.5	1,246.2	2.1	2,308.6	3,113.5	74.1
281	Educate & Train Skilled Graduates	169.1	30.3	171.1	98.9	26.5	1,246.2	2.1	627.4	1,417.3	44.3
282	Lead & Manage System of Higher Education	1,684.6	1,845.9	1,696.2	99.3	0.0	0.0	N/A	1,684.6	1,696.2	99.3
999	Expenditure returns	-3.4	0.0	0.0	N/A	0.0	0.0	N/A	-3.4	0.0	N/A
62	Civil Service Commissoin	221.6	212.8	236.2	93.8	61.5	592.9	10.4	603.5	829.0	72.8
621	Appointments and Appeals	37.9	37.4	38.8	97.6	0.0	0.0	N/A	37.9	38.8	97.6
622	Administrative Reforms	27.3	27.9	31.7	86.3	19.7	238.5	8.3	180.3	270.2	66.7
623	Capacity Development	23.2	23.1	25.7	90.4	41.9	354.4	11.8	252.2	380.1	66.3
624	Management and Operations	133.5	124.5	139.9	95.4	0.0	0.0	N/A	133.5	139.9	95.4
999	Expenditure returns	-0.3	0.0	0.0	N/A	0.0	0.0	N/A	-0.3	0.0	N/A

Source: FPU using AFMIS data downloaded on the 29 May 2011

(1) Official data on the revised development budget by program are not available. Figures on allocated budget for the development budget are taken from budget allocations shown in AFMIS data, which differs from published data shown in Tables 6.5.

Table 6.7 – Total Core Budget Expenditures by COFOG Sector

Code	(In millions of Afghanis)	1388 Qtr 4 Actual	1388 Annual Actual	1388 Percent of Total	1389 Qtr 1 Prelim	1389 Qtr 2 Prelim	1389 Qtr 3 Prelim	1389 Qtr 4 Prelim	1389 Annual Prelim	1389 Percent of Total	1389 Comparison to 1388 YTD Change	% Increase
2	TOTAL NET EXPENDITURE	44,256.1	131,018.8		21,564.3	41,300.5	37,771.4	53,632.8	154,269.1		23,250.3	17.7
150	Sale of Land and Buildings	185.0	215.1		70.1	11.2	13.9	12.3	107.6		-107.5	-50.0
2+150	TOTAL GROSS EXPENDITURE	44,441.2	131,233.9	100.0	21,634.4	41,311.7	37,785.4	53,645.1	154,376.6	100.0	23,142.7	17.6
	RECURRENT EXPENDITURE	36,223.5	101,188.1	77.1	20,257.3	32,406.0	30,262.9	42,163.9	125,090.1	81.0	23,902.0	23.6
	CAPITAL EXPENDITURE	8,217.7	30,045.8	22.9	1,377.1	8,905.7	7,522.5	11,481.2	29,286.5	19.0	-759.3	-2.5
701	General Public Services (1)	6,109.3	15,152.2	11.5	2,577.3	3,181.1	2,802.6	5,321.2	13,882.3	9.0	-1,270.0	-8.4
	Recurrent Expenditure	4,046.4	11,839.5	9.0	2,494.8	2,915.2	2,458.5	4,644.2	12,512.7	8.1	673.2	5.7
	Capital Expenditure	2,062.8	3,312.7	2.5	82.5	265.9	344.1	677.0	1,369.6	0.9	-1,943.1	-58.7
702	Defence	7,649.0	21,703.1	16.5	5,967.7	7,979.7	7,681.0	10,024.0	31,652.4	20.5	9,949.3	45.8
	Recurrent Expenditure	7,395.6	21,247.4	16.2	5,915.3	7,940.0	7,608.9	9,898.2	31,362.4	20.3	10,115.0	47.6
	Capital Expenditure	253.4	455.6	0.3	52.4	39.8	72.1	125.8	290.0	0.2	-165.6	-36.3
703	Public Order and Safety	9,588.7	23,818.6	18.1	5,215.0	7,945.1	7,695.0	11,423.8	32,278.8	20.9	8,460.2	35.5
	Recurrent Expenditure	9,190.8	23,125.4	17.6	5,188.5	7,749.9	7,538.8	11,016.0	31,493.1	20.4	8,367.7	36.2
	Capital Expenditure	397.8	693.2	0.5	26.5	195.2	156.2	407.8	785.7	0.5	92.4	13.3
704	Economic Affairs	9,054.4	33,774.2	25.7	2,476.9	10,224.8	9,308.7	13,223.6	35,234.1	22.8	1,459.9	4.3
	Recurrent Expenditure	4,794.5	12,743.8	9.7	1,638.6	3,540.2	3,560.4	4,468.7	13,207.8	8.6	464.1	3.6
	Capital Expenditure	4,259.9	21,030.5	16.0	838.4	6,684.7	5,748.3	8,754.9	22,026.3	14.3	995.8	4.7
705	Environmental Protection	92.1	221.3	0.2	15.4	185.3	314.5	397.3	912.6	0.6	691.3	312.3
	Recurrent Expenditure	31.4	109.6	0.1	15.4	31.3	29.1	38.3	114.1	0.1	4.5	4.1
	Capital Expenditure	60.6	111.7	0.1	0.0	154.0	285.5	359.0	798.5	0.5	686.7	614.6
706	Housing and Communal Amenities	603.2	1,720.4	1.3	306.1	444.0	263.2	809.6	1,823.0	1.2	102.6	6.0
	Recurrent Expenditure	117.7	413.9	0.3	72.5	148.4	133.7	175.0	529.6	0.3	115.8	28.0
	Capital Expenditure	485.5	1,306.5	1.0	233.6	295.5	129.5	634.7	1,293.3	0.8	-13.2	-1.0
707	Health	2,150.2	5,599.7	4.3	646.9	1,832.3	1,674.5	2,442.9	6,596.6	4.3	996.9	17.8
	Recurrent Expenditure	2,011.1	5,281.0	4.0	622.7	1,672.9	1,601.4	2,285.5	6,182.4	4.0	901.4	17.1
	Capital Expenditure	139.1	318.7	0.2	24.1	159.4	73.1	157.5	414.2	0.3	95.4	29.9
708	Recreation, Culture and Religion	535.5	1,704.1	1.3	193.8	727.1	405.2	600.8	1,926.9	1.2	222.7	13.1
	Recurrent Expenditure	426.1	1,436.9	1.1	190.2	570.4	327.4	459.7	1,547.6	1.0	110.8	7.7
	Capital Expenditure	109.4	267.2	0.2	3.6	156.7	77.8	141.1	379.2	0.2	112.0	41.9
709	Education	7,220.8	22,559.3	17.2	3,502.5	7,729.0	6,682.9	8,309.0	26,223.3	17.0	3,664.0	16.2
	Recurrent Expenditure	6,799.1	20,047.7	15.3	3,386.6	6,802.1	6,083.8	8,183.7	24,456.3	15.8	4,408.5	22.0
	Capital Expenditure	421.7	2,511.6	1.9	115.9	926.8	599.1	1,253.3	1,767.1	1.1	-744.5	-29.6
710	Social Protection	1,438.0	4,980.9	3.8	732.7	1,063.2	957.8	1,093.0	3,846.6	2.5	-1,134.2	-22.8
	Recurrent Expenditure	1,410.6	4,942.9	3.8	732.7	1,035.7	920.9	994.7	3,683.9	2.4	-1,258.9	-25.5
	Capital Expenditure	27.4	38.0	0.0	0.0	27.5	36.9	98.3	162.7	0.1	124.7	328.1

Source: FPU using AFMIS data downloaded on the 29 May 2011

1/ Recurrent expenditure in the General Public Services sector excludes interest payments on loans.

Table 6.8 - Transactions in Nonfinancial Assets in the Core Budget

Code	(In millions of Afghanis)	1388 Qtr 4 Actual	1388 Annual Actual	1388 %GDP	1389 Qtr 1 Prelim	1389 Qtr 2 Prelim	1389 Qtr 3 Prelim	1389 Qtr 4 Prelim	1389 Annual Prelim	1389 %GDP	1389 Comparison to 1388 YTD	
											Change	% Increase
25	NET ACQUISITION OF NONFINANCIAL ASSETS	8,032.7	29,830.7	4.9	1,307.0	8,894.5	7,508.6	11,468.9	29,178.9	4.1	-651.8	-2.2
	Land and Buildings	7,597.0	19,594.5	3.2	1,125.4	6,502.9	5,942.6	6,587.8	20,158.7	2.8	564.2	2.9
251/8	Purchase of Land and Buildings	7,782.1	19,809.7	3.2	1,195.5	6,514.2	5,956.5	6,600.1	20,266.3	2.8	456.6	2.3
150	Sale of Land and Buildings	-185.0	-215.1	0.0	-70.1	-11.2	-13.9	-12.3	-107.6	0.0	107.5	-50.0
151	Sale of State-Owned Enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
252	Machinery and Equipment (>50,000)	2,630.0	6,080.4	1.0	126.7	476.1	691.9	2,849.0	4,143.6	0.6	-1,936.8	-31.9
257	Valuables	1.9	4.9	0.0	2.0	0.7	2.0	-2.8	1.9	0.0	-3.0	-60.6
259	Other Acquisitions	-2,196.3	4,150.8	0.7	52.9	1,914.8	872.1	2,034.8	4,874.7	0.7	723.9	17.4

Source: FPU using AFMIS data downloaded on the 29 May 2011

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

Code	(In millions of Afghanis)	1388 Qtr 4 Actual	1388 Annual Actual	1388 %GDP	1389 Qtr 1 Prelim	1389 Qtr 2 Prelim	1389 Qtr 3 Prelim	1389 Qtr 4 Prelim	1389 Annual Prelim	1389 %GDP	1389 Comparison to 1388 YTD	
											Change	% Increase
3+4	TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES	1,484.3	-829.1	-0.1	-11,567.4	-1,860.7	-2,603.5	9,924.5	-6,107.0	-0.9	-5,277.9	636.6
3	NET ACQUISITION OF FINANCIAL ASSETS	763.0	-7,099.4	-1.2	-11,743.0	-3,543.6	-4,426.9	2,680.8	-17,032.6	-2.4	-9,933.2	139.9
	Domestic	763.0	-7,099.4	-1.2	-11,743.0	-3,543.6	-4,426.9	2,680.8	-17,032.6	-2.4	-9,933.2	139.9
	Currency and Deposits	982.3	-7,429.7	-1.2	-8,413.4	-3,277.7	-5,279.6	-927.6	-17,898.3	-2.5	-10,468.6	140.9
311	Treasury Single Account	3,090.3	-4,094.2	-0.7	-6,295.7	-5,352.5	-4,239.6	-939.7	-16,827.5	-2.4	-12,733.4	311.0
313	Donor Accounts	-1,906.9	-2,065.1	-0.3	-2,117.7	2,279.5	-693.7	1,010.6	478.7	0.1	2,543.9	-123.2
314/90	Other Deposit Accounts (1)	-201.2	-1,270.4	-0.2	0.0	-204.7	-346.3	-998.5	-1,549.5	-0.2	-279.1	22.0
317	Loans	10.5	-200.0	0.0	254.8	29.7	-38.1	-0.1	246.2	0.0	446.2	-223.2
319	Other Accounts Receivable	21,622.4	577.9	0.1	31.2	-228.0	774.3	41.9	619.5	0.1	41.5	7.2
	Other Assets	-21,852.1	-47.6	0.0	-3,615.5	-67.6	116.5	3,566.7	0.0	0.0	47.6	-100.0
	Foreign	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
4	NET ACQUISITION OF LIABILITIES	721.3	6,270.2	1.0	175.5	1,682.9	1,823.4	7,243.7	10,925.5	1.5	4,655.3	74.2
	Domestic	-640.9	1,298.6	0.2	-164.7	613.8	1,238.0	6,467.7	8,154.9	1.1	6,856.3	528.0
411	Accounts Payable	-1.8	1.6	0.0	60.0	-50.5	-23.5	4.4	-9.6	0.0	-11.3	-684.6
413	Pension Liabilities	0.0	0.0	0.0	2.7	2.5	4.7	-9.9	0.0	0.0	0.0	N/A
423	Other Payables	-1,667.6	-552.5	-0.1	0.0	432.5	1,001.1	2,573.4	4,007.0	0.0	4,559.5	-825.3
451	Other Liabilities (1)	1,028.5	1,849.4	0.3	-227.4	229.3	255.7	3,899.9	4,157.5	0.6	2,308.0	124.8
	Foreign	1,362.2	4,971.6	0.8	340.2	1,069.1	585.4	776.0	2,770.7	0.4	-2,200.9	-44.3
431	Foreign Currency	-891.4	-890.4	0.0	1.1	15.1	-10.6	-4.2	1.4	0.0	891.9	-100.2
181-2	Loans	2,253.6	5,862.1	1.0	339.2	1,053.9	596.0	780.2	2,769.3	0.4	-3,092.8	-52.8

Source: FPU using AFMIS data downloaded on the 29 May 2011

1. Deposits on Letter of Credits (321) are netted out with Letter of Credit Commitment Accounts (451). The net amount is included under either 'Other Deposit Accounts' or 'Other Liabilities' depending on the direction of net transactions during the period.

Table 6.10 – Alternative Measures of Deficit/Surplus and Financing in the Core Budget

Code	(In millions of Afghanis)	1388 Qtr 4 Actual	1388 Annual Actual	1388 %GDP	1389 Qtr 1 Prelim	1389 Qtr 2 Prelim	1389 Qtr 3 Prelim	1389 Qtr 4 Prelim	1389 Annual Prelim	1389 %GDP	1389 Comparison to 1388 YTD	
											Change	% Increase
TRANSACTIONS AFFECTING NET WORTH												
1	Revenues including Grants	42,728.9	131,805.0	21.5	33,128.7	43,389.3	40,146.6	43,708.2	160,372.8	22.5	28,567.8	21.7
2-25	Expenditures (Recurrent)	36,223.5	101,188.1	16.5	20,257.3	32,406.0	30,262.9	42,163.9	125,090.1	17.5	23,902.0	23.6
23	Interest	10.7	103.9	0.0	33.2	4.2	34.8	7.3	79.5	0.0	-24.4	-23.5
	Net Balance (1-2-25)	6,505.4	30,616.9	5.0	12,871.3	10,983.3	9,883.7	1,544.3	35,282.7	4.9	4,665.8	15.2
	Primary Balance (1-2-25+23)	6,516.1	30,720.8	5.0	12,904.5	10,987.5	9,918.5	1,551.6	35,362.2	5.0	4,641.3	15.1
TRANSACTIONS IN NONFINANCIAL ASSETS												
25	Net Acquisition of Nonfinancial Assets	8,032.7	29,830.7	4.9	1,307.0	8,894.5	7,508.6	11,468.9	29,178.9	4.1	-651.8	-2.2
	Net Lending-Borrowing (1-2)	-1,527.2	786.2	0.1	11,564.4	2,088.8	2,375.2	-9,924.6	6,103.7	0.9	5,317.5	676.3
	Financing (3+4+5)	1,527.2	-786.2	-0.1	-11,564.4	-2,088.8	-2,375.2	9,924.6	-6,103.7	-0.9	-5,317.5	676.3
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES												
3	Net Acquisition of Financial Assets	763.0	-7,099.4	-1.2	-11,743.0	-3,543.6	-4,426.9	2,680.8	-17,032.6	-2.4	-9,933.2	139.9
4	Net Acquisition of Financial Liabilities	721.3	6,270.2	1.0	175.5	1,682.9	1,823.4	7,243.7	10,925.5	1.5	4,655.3	74.2
5	RETAINED EARNINGS	42.9	42.9	0.0	3.1	-228.1	228.3	0.1	3.3	0.0		
	Discrepancies (Financing-3-4-5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Source: FPU using AFMIS data downloaded on the 29 May 2011

7 Glossary

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

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