



ISLAMIC REPUBLIC OF AFGHANISTAN
MINISTRY OF FINANCE

1386 BUDGET PREPARATION TIMETABLE

May	<p>Finalize the 1386 budget calendar in consultation with the Budget Committee, inform primary budgetary units, and publish the official calendar on the MoF website.</p> <p>Review the main government policies and priorities established in the medium-term fiscal strategy and IANDS; various stakeholders, including MoF, line ministries, provinces, donors, NGOs and civil society will participate in the process through the Consultative Group mechanism.</p>
June/July	<p>MoF in consultation with the Budget Committee prepares the Fiscal Strategy Report for 1386 to 1388 with key economic assumptions, aggregate fiscal forecasts (consistent with proposed Medium Term Fiscal Framework (MTFF)) and estimates of aggregate resources, including donor financing for 1386 and indicative forecasts for 2 more years.</p> <p>The Fiscal Strategy Report establishes the “base envelope” of the ministries and sectors based on preliminary costings (available mid July) of the I-ANDS prioritized and sequenced in line with overall fiscal policy and priorities of the Government.</p>
August	<p>Conduct a Mid Year Review examining the first 5 months of expenditure of the 1385 budget. Conduct a Donor Financial Review to gain updated information from donors on their expected level of support.</p> <p>Submit the final Fiscal Strategy Report to the Cabinet for approval and send the approved report for information and discussion to the National Assembly. The report will include:</p> <ul style="list-style-type: none">• Actual and estimated outturns and budgets for years preceding 1386 (1384 and 1385)• The medium-term fiscal strategy and aggregate macroeconomic figures until 1388• Domestic and core donor revenue budget for 1386 and indicative forecast for 2 more years<ul style="list-style-type: none">○ Main tax and customs policies, assumptions and projections○ Donor financing and estimates of availability• Global core expenditure resource envelope for 1386 and indicative forecast for 2 more years identifying:<ul style="list-style-type: none">○ “base” budget envelope for each line ministry and sectors;○ expected envelope for new programs or policies based on available resourcing• Suggested ceilings for the External Budget by sector based
Early September	<p>Issue Budget Circular (drawing from the Fiscal Strategy Report) to the line ministries informing them of:</p> <ul style="list-style-type: none">• “base budget” envelope by economic category and province• ‘new policy/program’ envelope• Indicative <i>Tashkeel</i>• Analysis and discussions of expenditure performance after 5 months (‘Mid Year Review’)

	<ul style="list-style-type: none"> • Rules and criteria for prioritizing between alternative projects/programs • Submit Budget Guidelines (and hold workshops) for ministries for preparing budget submissions in a format that includes: <ul style="list-style-type: none"> • the overall sector policy and strategy for next 3 years, together with the role of the participating ministries and agencies, for the medium term, if possible, in alignment with IANDS • Past performance for 1383 and 1384 and projection for 1385 – financial and physical outputs (i.e. development projects) • Propose new initiatives, indicating possible donor financing, and providing information on expected outputs • Develop program approach in budget formulation for selected ministries (Public Health, Rural Rehabilitation and Development, and another ministry)
Early October	Donor Conference and Financial Review – discuss outcomes of Mid Year Review and availability of donor funding to external and core for 1386 (update of information received in August).
Early November	Line ministries and budgetary units to submit their 1386 proposals and indicative forecast for 2 more years. Budget proposals should include the medium-term strategy of each ministry in the context of IANDS sector priorities and cross cutting issues such as gender, counter narcotics and environment.
November/December	Discussions between line ministries and MOF, both on the allocation of the “base budget envelope” and on the proposals for new initiatives within the envelope provided. Update of Donor Financial Reviews for external and core budgets.
January	MOF presents a budget proposal (after consultations with the Budget Committee) to the Cabinet. Proposing final budget allocation and establishment to line ministries including both “base budget” envelope and proposals for allocation to new programs arising from the Budget Committee hearings. Cabinet decide on the 1386 budget and forecasts of ministries’ aggregates for 2 more years.
February	Presentation of the budget to the legislature in early February (Public Finance and Expenditure Management law (PFEML) requires 45 days before the end of the fiscal year)
March	Approval of the budget and establishment of appropriation by the legislature in the timescale set out in the Constitution and the PFEML

Budget Countdown: A Timeline for 1386 Budget Preparation

