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AFGHANISTAN PUBLIC FINANCIAL MANAGEMENT (APFM)

JULY 2015 – JULY 2018

\$22.1 MILLION

OVERVIEW

The United States Agency for International Development's (USAID) Afghanistan Public Financial Management (APFM) project supports Ministry of Finance (MoF) efforts to achieve fiscal sustainability by providing advisory services and training support to generate revenues and to improve planning, execution, and monitoring of the national budget. The project also works with the Ministries of Agriculture, Irrigation and Livestock, Public Health, Education, and Rural Rehabilitation and Development to build their budgeting capacity in order to improve execution of the development budget. The project also will assist the Afghanistan Revenue Department in the

collection of non-tax revenue from the Civil Aviation Authority, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Commerce and Industries and the Ministry of Public Works.

The project's main components are: 1) Domestic Revenue mobilization; 2) Budget Planning and Execution; and 3) Cross-cutting Public Financial Management (PFM) priorities, a flexible component of the project that allows the contractor to address emerging National Unity Government's priorities for achieving PFM reform objectives. APFM is fully aligned with the National Unity Government's Second Public Financial Management Roadmap PFMRII, a reform-driven agenda aimed at consolidating donors' public finance management reform efforts.

ACTIVITIES

- Support the Afghanistan Revenue Department in areas such as non-tax revenue, tax public outreach and awareness, and tax policy and legislation
- Provide embedded national advisors to train civil servants in the Ministry of Finance and selected line ministries
- Support the Non-Tax Revenue Directorate to streamline non-tax revenues from sources such as vehicle registration, traffic fines, driver's license registration, and state-owned enterprises
- Improve non-tax revenue collection system to reduce non-compliance by ministries, state owned enterprises, and the private sector
- Advisory support to strengthen the Medium-Term Budgeting Framework processes and work with the Budget Department to develop a Medium-Term Expenditure Framework
- Provide training to the Ministry of Finance and selected line ministries on budget planning and formulation, project planning and design, provincial budgeting, and monitoring and evaluation

EXPECTED RESULTS

- Increased domestic revenue
- Improvements in the national budgeting process leading to a more realistic budget, as measured by the Public Expenditure and Financial Accountability or other international standards.
- Increased government non-tax revenue over the life of the project.
- Increase the tax compliance rate, filed and paid voluntarily on a timely basis over the term of the project.
- Better linkages between budgeting process and government's development priorities
- Better development budget execution

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