

**ARTF**  
**Administrator's Report on Financial Status**  
**as of July 22, 2006 (end of Saratan 1385)**

**1. Donor contributions for SY1385**

Total donor pledges for SY1385 amount to US\$407 million comprising US\$297 million (73%) without preference and US\$110 million with preferences. As of July 22, 2006, the paid-in donor contributions amount to US\$112.6 million. Subsequently an amount of US\$59 million has been received, bringing the total paid in donor contribution to US\$171.6 million as of August 21, 2006.

**Table 1: ARTF Contributions for SY1385, as of July 22, 2006 (in US\$ million)**

Main Donors	Total Contributions	of which without preference	% of total pledges	paid-in	% of total paid-in
UK	\$139.42	\$92.26	34%	\$79.10	70%
USA	\$73.90	\$48.90	18%	\$15.00	13%
EC	\$49.99	\$37.50	12%	\$0.00	0%
Germany	\$44.99	\$38.74	11%	\$0.00	0%
Canada	\$22.06	\$10.59	5%	\$0.00	0%
Netherlands	\$31.25	\$31.25	8%	\$0.00	0%
Norway	\$19.65	\$14.15	5%	\$14.20	13%
Sweden	\$13.49	\$13.49	3%	\$0.00	0%
Others	\$12.10	\$10.43	3%	\$4.30	4%
	<b>\$406.85</b>	<b>\$297.30</b>	<b>100%</b>	<b>\$112.59</b>	<b>100%</b>



**2. Projected Consolidated ARTF Sources and Uses of Funds for SY1385**

Table 2 presents projected sources and uses of funds for SY1385 on a consolidated basis. The sources of funds are net donor contributions (contributions less IDA fees plus investment income). Cash balance at the end of SY1384 is carried over to SY1385.

Uses of funds comprise: (a) funding of the recurrent budget, set at US\$280 million plus a funding cushion; (b) disbursements under the ARTF investment window, estimated at US\$122 million for the year; and (c) fees for the Monitoring Agent of about US\$3.5 million<sup>1</sup>.

Based on the donor pledges for SY1385, the cash balance carried forward from SY1384 and the uses noted above, the SY1385 end of year cash balance position is shown in the last column of Table 2.

<sup>1</sup> This includes basic services of USD 2.5 million and Special Work, for 1385 only, of USD 1 million.

## Financials as of July 22, 2006

As of July 22, 2006 the cash balance of ARTF stood at US\$320 million comprising: (a) a US\$143.8 million cash balance in the recurrent cost window; (b) combined undisbursed balance of the ARTF active investment portfolio of US\$112.6 million; and (c) US\$2.2 million reserved for the Monitoring Agent, leaving an uncommitted cash balance of US\$61.4 million.

**Table 2: ARTF Consolidated Sources and Uses of Funds (US\$ million, July 22, 2006)**

	SY 1381 Actual	SY 1382 Actual	SY 1383 Actual	SY 1384 Actual	SY 1385 Actual	SY 1385 Forecast <sup>2</sup>
<b>SOURCES OF FUNDS (A+B)</b>						
<b>A. Net donors contributions (A1-A2)</b>	<b>184.2</b>	<b>284.4</b>	<b>378.6</b>	<b>404.1</b>	<b>113.7</b>	<b>406.4</b>
A.1. Donors contributions	184.8	286.5	380.4	404.1	112.6	406.9
A.2. IDA fees minus Investment income	0.5	2.1	1.8	0.0	-1.1	0.5
<b>B. Cash carried-over from previous year (=D previous year)</b>		<b>119.5</b>	<b>147.7</b>	<b>237.9</b>	<b>234.3</b>	<b>234.3</b>
<b>USES OF FUNDS (C+D)</b>						
<b>C. Disbursements (C1+C2+C3+C4) <sup>1</sup></b>	<b>64.7</b>	<b>256.2</b>	<b>288.4</b>	<b>407.7</b>	<b>27.9</b>	<b>405.5</b>
C.1. Recurrent window	59.2	214.1	235.2	288.0	17.7	280.0
Wages	41.0	145.8	179.3	201.5	12.6	
O&M	13.7	51.2	55.3	86.5	5.2	
Other	4.6	17.2	0.6	0.0	0.0	
C.2. Investment window	0.0	23.9	50.6	117.6	9.5	122.0
C.3. Pass-through to LOTFA (UNDP Police)	4.8	16.8	0.0	0.0	0.0	0.0
C.4. Fees to monitoring agent	0.7	1.4	2.6	2.2	0.6	3.5
<b>D. Cash Balance (end-of-period) (A+B-C=D1+D2)</b>	<b>119.5</b>	<b>147.7</b>	<b>237.9</b>	<b>234.3</b>	<b>320.0</b>	<b>235.1</b>
D.1 Committed cash balance	41.1	40.7	98.8	217.0	258.6	215.4
to recurrent window	0.0	0.0	0.0	91.2	143.8	120.0
undisbursed investment window balance	39.7	40.0	98.4	123.0	112.6	93.0
to Monitoring Agent	1.3	0.7	0.4	2.9	2.2	2.5
D.2 Unallocated cash balance	78.5	107.0	139.1	17.2	61.4	19.7

(1) Advance disbursements reported following standard World Bank practice

(2) Assumes all pledges collected, and estimates of future allocations and disbursements are met.

(3) SY1385 forecasted balance (previous balance + new commitments - disbursements) is based on projected contributions, commitments and disbursements.

### 3. Recurrent Cost Financing requirements

The recurrent cost funding requirements for SY1385 are set at US\$280 million. The estimate of funding allocations to the recurrent cost window for a specific quarter is determined by comparing the balance of the Recurrent Cost window trust fund<sup>2</sup> to the estimated disbursement requirement for the quarter in question, plus a reserve equal to the next quarter disbursement requirements.

<sup>2</sup> This excludes an advance of US\$50 million for working capital which must be maintained at all time.

**Table 3: Recurrent Cost Window Requirement for the 1st and 2nd Quarter SY1385 (in US\$ million)**

	SY1385 Estimate	Requirements for the first six months of SY1385
Opening Fund Balance	41	41
Less:		
1) Recurrent Expenditures to be funded by ARTF	280	140
2) Reserve for following quarter	70	70
Required Transfer from Parent TF	309	169

*The opening balance does not include Special Account balance of US\$50 million. Transfer of US\$70 million was approved by the Management Committee in the meeting held on June 27, 2006; US\$ 99 million will have to be allocated by September 21, 2006. The Monitoring Agent will be submitting withdrawal requests for US\$ 50 million by August 31, 2006. This will cover expenditure related to Q4 SY1384 and Q1 SY1385. SOE's for July and August 2006 will be submitted shortly thereafter.*

#### 4. Investment Window

As of July 22, 2006, the ARTF investment window comprises 11 active investment projects, with combined commitments of US\$305 million (this does not include USD 20 million for Microfinance and USD 24 million for NSP, approved by the Management Committee but not yet allocated), of which US\$193.6 million has been disbursed (63%). Disbursements from the ARTF investment window for SY1385 are expected to reach US\$122 million. Based on donor pledges with preference, preferenced pledges in SY 1385 for NSP, Microfinance and NEEP are projected to be about US\$92 million. It is possible that some donor preferences for SY1385 may not be met, given that SY1385's requirement for the Recurrent Window is presently greater than the projected contribution amount without preference. The Administrator is following up with several donors to obtain contribution data.

**Table 4: Management Committee Approvals (in US\$ million) for Investment Projects, as of July 22, 2006**

	SY1381	SY1382	SY1383	SY1384	SY1385	Total	SY1385 projected
<b>Open Projects</b>							
TF053940 - Civil Service Capacity Building	5.0		3.0	5.0		13.0	
TF050970 - Technical Assistance & Feasibility Studies	8.0	6.0	4.5			18.5	
TF050973 - National Emergency Employment Program	25.4	-8.8		20.2		36.8	14.0
TF052452 - Microfinance for Poverty Reduction		8.7	11.4	34.2	20.0	74.3	
TF052475 - Telecom & Microwave Link	0.3	2.7	3.1			6.1	
TF052541 - Kabul Power Supply		7.4				7.4	
TF053939 - National Solidarity Program			52.0	45.9	24.0	121.9	34.0
TF054718 - Rehabilitation of Naghlu Hydropower Plant			20.0			20.0	
TF054729 - Urban Water Supply and Sanitation			20.0	21.0		41.0	
TF054730 - Education Quality Improvement Project			5.0			5.0	
TF055447 - Rural Water Supply				5.0		5.0	
<b>Closed Projects</b>							
TF050855 - UNDP Police Pr. 1 & 2	4.8					4.8	
TF052366 - UNDP Police 3		16.8				16.8	
TF052081 - Microfinance for Poverty Reduction	1.0					1.0	
TF052482 - Kabul Roads & drainage System		3.0				3.0	
TF052735 - Strengthening Financial Capacity of the Government		5.1				5.1	
	<b>44.6</b>	<b>40.9</b>	<b>119.0</b>	<b>131.3</b>	<b>44.0</b>	<b>379.8</b>	<b>48.0</b>

**TABLE 5 - ACTUAL AND EXPECTED DONOR CONTRIBUTIONS**

As of July 22, 2006

Paid-In, Committed, Pledged  
US\$ million

Donor	SY 1381	SY 1382	SY 1383	SY 1384	SY1385					TOTAL	% of	Total paid-in	% of total
	Total Paid-In	Total Paid-In	Total Paid-In	Total Paid-In	Total Paid-In	Signed Pledges	Un-signed Pledges	Total SY1385	% of Total SY 1385	SY1382-85	TOTAL	SY1381-85	paid-in
Australia	0.00	2.63	6.27	7.65	0.00	0.00	0.00	0.00	0.0%	16.56	1.0%	16.56	1.2%
Bahrain	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.50	0.0%	0.50	0.0%
Canada	12.00	50.09	5.49	72.34	0.00	22.06	0.00	22.06	5.4%	161.98	9.7%	139.92	10.2%
Denmark	5.00	5.00	3.16	3.92	0.00	0.00	3.85	3.85	0.9%	20.93	1.3%	17.08	1.2%
EC	15.87	52.69	47.60	58.77	0.00	0.00	49.99	49.99	12.3%	224.92	13.5%	174.92	12.8%
Finland	2.79	2.45	5.95	0.00	2.42	0.00	0.00	2.42	0.6%	13.61	0.8%	13.61	1.0%
Germany	10.07	11.44	15.94	1.23	0.00	20.00	25.00	44.99	11.1%	83.68	5.0%	38.68	2.8%
India	0.20	0.20	0.00	0.40	0.00	0.00	0.20	0.20	0.0%	1.00	0.1%	0.80	0.1%
Iran	0.00	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.99	0.1%	0.99	0.1%
Ireland	1.00	1.73	1.81	0.61	0.00	0.00	0.00	0.00	0.0%	5.16	0.3%	5.16	0.4%
Italy	17.00	0.00	6.54	0.00	0.00	0.00	0.00	0.00	0.0%	23.54	1.4%	23.54	1.7%
Japan	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	5.00	0.3%	5.00	0.4%
Korea	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.0%	6.00	0.4%	6.00	0.4%
Kuwait	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.0%	15.00	0.9%	15.00	1.1%
Luxembourg	1.02	0.00	0.00	0.61	0.00	0.00	0.00	0.00	0.0%	1.62	0.1%	1.62	0.1%
Netherlands	33.67	41.15	46.41	29.66	0.00	31.25	0.00	31.25	7.7%	182.14	11.0%	150.90	11.0%
New Zealand	0.00	0.00	0.00	0.00	0.63	0.00	0.00	0.63	0.2%			0.63	0.0%
Norway	6.82	29.63	9.91	22.54	14.20	5.45	0.00	19.65	4.8%	88.55	5.3%	83.10	6.1%
Portugal	0.00	0.46	0.73	0.00	0.00	0.00	0.00	0.00	0.0%	1.18	0.1%	1.18	0.1%
Saudi Arabia	10.00	5.00	5.00	0.00	1.25	3.75	0.00	5.00	1.2%	25.00	1.5%	21.25	1.6%
Sweden	3.10	5.98	25.90	12.84	0.00	0.00	13.49	13.49	3.3%	61.32	3.7%	47.83	3.5%
Switzerland	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.67	0.0%	0.67	0.0%
Turkey	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.50	0.0%	0.50	0.0%
UK	15.08	47.10	103.06	131.47	79.10	0.00	60.33	139.42	34.3%	436.13	26.2%	375.81	27.5%
USA	38.00	20.00	89.59	62.00	15.00	0.00	58.90	73.90	18.2%	283.49	17.1%	224.59	16.4%
UNDP	0.00	2.41	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	2.41	0.1%	2.41	0.2%
<b>TOTAL</b>	<b>184.79</b>	<b>286.46</b>	<b>380.37</b>	<b>404.05</b>	<b>112.59</b>	<b>82.50</b>	<b>211.76</b>	<b>406.85</b>	<b>100.0%</b>	<b>1661.89</b>	<b>100.0%</b>	<b>1368.26</b>	<b>100.0%</b>



**TABLE 6 - EXPRESSED DONOR PREFERENCES BY PROJECTS**

As of July 22, 2006 (US\$ million)

Donor	Program	1382	1383	1384	1385				Total 1382 - 1385		
		Paid in US\$	Paid in US\$	Paid in US\$	Pledged		Paid in		Total 1385	Expressed Preference	Of which, paid in
					Own Curr.	US\$ Estimatio	Own Curr.	US\$			
USA	USD			\$2.000						\$2.000	\$2.000
UK	GBP			\$18.238	8.000	\$14.625	8.000	\$13.909	\$28.534	\$46.772	\$32.147
<b>Total NEEP</b>				<b>\$20.238</b>		<b>\$14.625</b>		<b>\$13.909</b>	<b>\$28.534</b>	<b>\$48.772</b>	<b>\$34.147</b>
USA	USD		\$10.000		10.000	\$10.000	\$15.000	\$15.000	\$25.000	\$35.000	\$25.000
EC	EUR		\$9.694	\$21.568	10.000	\$12.499			\$12.499	\$43.761	\$31.262
Canada	CAD	\$10.985		\$14.339	13.000	\$11.470			\$11.470	\$36.794	\$25.324
UK	GBP	\$5.723		\$16.394			5.000	\$9.312	\$9.312	\$31.429	\$31.429
Germany	EUR		\$6.131						\$0.000	\$6.131	\$6.131
Norway	NOK			\$3.102	34.000	\$5.500			\$5.500	\$8.602	\$3.102
<b>Total NSP</b>		<b>\$16.707</b>	<b>\$25.825</b>	<b>\$55.403</b>		<b>\$39.469</b>		<b>\$24.312</b>	<b>\$63.781</b>	<b>\$161.717</b>	<b>\$122.248</b>
Norway	NOK		\$2.918	\$3.102						\$6.020	\$6.020
USA	USD		\$2.000							\$2.000	\$2.000
<b>Total LEP</b>			<b>\$4.918</b>	<b>\$3.102</b>						<b>\$8.020</b>	<b>\$8.020</b>
Sweden	SEK		\$2.220							\$2.220	\$2.220
Denmark	DKK			\$1.499	10.000	\$1.675			\$1.675	\$3.174	\$1.499
UK	GBP		\$3.782	\$14.542			5.000	\$9.312	\$9.312	\$27.636	\$27.636
USA	USD		\$5.000							\$5.000	\$5.000
Canada	CAD	\$4.708	\$5.491	\$12.847	12.000	\$10.588				\$23.046	\$23.046
<b>Total Microfinance</b>		<b>\$4.708</b>	<b>\$16.493</b>	<b>\$28.888</b>		<b>\$12.264</b>		<b>\$9.312</b>	<b>\$10.988</b>	<b>\$61.077</b>	<b>\$59.402</b>
USA	USD		\$2.300							\$2.300	\$2.300
Canada	CAD			\$9.733						\$9.733	\$9.733
USA	USD		\$1.500							\$1.500	\$1.500
Norway	NOK		\$4.607							\$4.607	\$4.607
Norway	NOK		\$0.921	\$2.326						\$3.248	\$3.248
Germany	EUR				2.500	\$3.125			\$3.125	\$3.125	\$0.000
Germany	EUR				2.500	\$3.125			\$3.125	\$3.125	\$0.000
<b>TOTAL</b>		<b>\$21.415</b>	<b>\$56.565</b>	<b>\$119.691</b>		<b>\$72.606</b>		<b>\$47.534</b>	<b>\$109.553</b>	<b>\$307.223</b>	<b>\$245.205</b>

**TABLE 7 - ARTF COMMITMENTS & DISBURSEMENTS**

As of July 22, 2006 (US\$ million)

Item	Disbursed SY1381 Year End	Disbursed SY1382 Year End	Disbursed SY1383 Year End	Disbursed SY1384 Year End	Committed YTD <sup>3</sup> SY1385 (d)	Disbursed YTD <sup>1</sup> SY1385	SY1381-85 Total Committed (e)	as of July 22 Total Disbursed (f)	Last Month Disbursed 22-Jun-06 22-Jul-06	Available (e) - (f)
<b>TF050577 - Recurrent &amp; Capital Costs Component</b>										
Wages	40.953	145.769	179.321	201.506	128.368	12.561	695.918	580.111	0.000	115.807
O&M	13.655	51.164	55.277	86.455	32.972	5.181	239.523	211.732	0.000	27.791
Bulk Contracts	1.067	12.782	0.557	0.000	0.190	0.000	14.595	14.405	0.000	0.190
Debt Service, IDA	2.770	3.870	0.000	0.000	0.000	0.000	6.640	6.640	0.000	0.000
Debt Service, IMF	0.767	0.000	0.000	0.000	0.000	0.000	0.767	0.767	0.000	0.000
Debt Service, ADB	0.000	0.557	0.000	0.000	0.000	0.000	0.557	0.557	0.000	0.000
<b>Subtotal TF050577 [1]</b>	<b>59.212</b>	<b>214.144</b>	<b>235.155</b>	<b>287.961</b>	<b>161.529</b>	<b>17.742</b>	<b>958.000</b>	<b>814.213</b>	<b>0.000</b>	<b>143.787</b>
<b>TF050578 - Monitoring Agent [2]</b>	<b>0.668</b>	<b>1.407</b>	<b>2.641</b>	<b>2.158</b>	<b>0.000</b>	<b>0.646</b>	<b>9.728</b>	<b>7.520</b>	<b>0.000</b>	<b>2.208</b>
<b>Closed Investment Projects [3]</b>										
TF050855 - UNDP Police Pr. 1 & 2	4.836	0.000	0.000	0.000	0.000	0.000	4.836	4.836	0.000	0.000
TF052366 - UNDP Police 3	0.000	16.800	0.000	0.000	0.000	0.000	16.800	16.800	0.000	0.000
TF052081 - Microfinance 1	0.000	0.358	0.335	0.306	0.000	0.000	1.000	1.000	0.000	0.000
TF052482 - Kabul Roads	0.000	0.000	2.910	0.000	0.000	0.000	3.000	2.910	0.000	0.090
TF052735 - CCFO Project	0.000	2.046	0.255	1.380	0.000	0.400	5.100	4.081	0.000	1.019
<b>Subtotal Closed Investment Projects [3]</b>	<b>4.836</b>	<b>19.204</b>	<b>3.500</b>	<b>1.686</b>	<b>0.000</b>	<b>0.400</b>	<b>30.736</b>	<b>29.627</b>	<b>0.000</b>	<b>1.109</b>
<b>Current Investment Projects [4]</b>										
TF050970 - Technical Assistance Feasibility Studies	0.000	2.523	3.897	2.889	0.000	0.775	18.500	10.083	0.172	8.417
TF050973 - National Emergency Employment Program	0.000	16.620	0.000	0.000	0.000	4.407	36.820	21.027	4.407	15.793
TF052452 - Microfinance Program	0.000	2.202	12.635	33.233	0.000	1.385	54.300	49.456	0.000	4.844
TF052475 - Telecom & Microwave Link	0.000	0.150	1.029	3.069	0.000	0.615	6.130	4.863	0.000	1.267
TF052541 - Kabul Power Supply	0.000	0.000	2.901	1.508	0.000	0.150	7.435	4.558	0.150	2.877
TF053939 - National Solidarity Program	0.000	0.000	26.618	69.201	0.000	0.124	97.900	95.942	0.088	1.958
TF053940 - Civil Service Capacity Building	0.000	0.000	0.000	2.384	0.000	0.475	13.000	2.858	0.234	10.142
TF054718 - Rehabilitation of Naghlu Hydropower Plant	0.000	0.000	0.000	0.000	0.000	0.000	20.000	0.000	0.000	20.000
TF054729 - Urban Water Supply and Sanitation	0.000	0.000	0.000	3.628	0.000	0.684	41.000	4.312	0.684	36.688
TF054730 - Education Quality Improvement	0.000	0.000	0.000	0.000	0.000	0.000	5.000	0.000	0.000	5.000
TF055447 - Rural Water Supply & Sanitation	0.000	0.000	0.000	0.000	0.000	0.500	5.000	0.500	0.500	4.500
<b>Subtotal Current Investment Projects [4]</b>	<b>0.000</b>	<b>21.495</b>	<b>47.080</b>	<b>115.911</b>	<b>0.000</b>	<b>9.115</b>	<b>305.085</b>	<b>193.600</b>	<b>6.235</b>	<b>111.485</b>
<b>TOTAL COMMITMENTS &amp; DISBURSEMENTS [1+2+3+4]</b>	<b>64.717</b>	<b>256.250</b>	<b>288.376</b>	<b>407.716</b>	<b>161.529</b>	<b>27.903</b>	<b>1303.550</b>	<b>1044.960</b>	<b>6.235</b>	<b>258.589</b>

1. Disbursements made in 1382, 1383, 1384 include expenses incurred respectively in 1381, 1382, 1383

2. Commitments for Recurrent & Capital Costs are based on Government estimates and prior years disbursements

3. Commitments for Investment Projects are based on amounts transferred from the ARTF parent fund