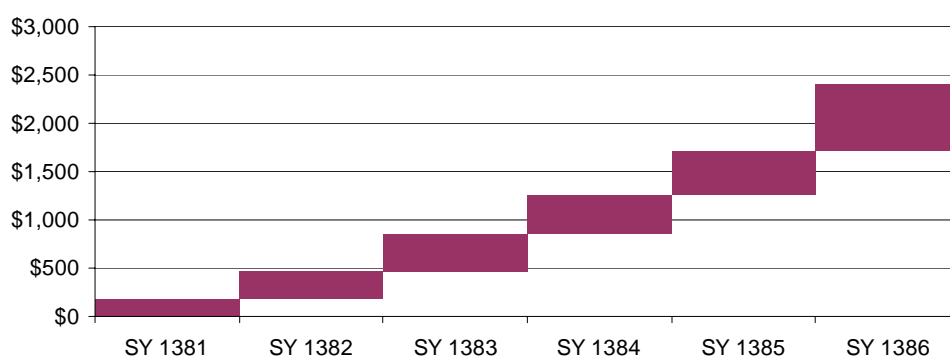


## ARTF SY1386 Financial Highlights & Outlook for SY1387

### DONOR CONTRIBUTIONS

- 1386 donor contributions increased nearly 40 percent over 1385, from \$454m to \$700m.
- As of February 19, 2008 donors had paid in 91 percent of the total pledged. 100 percent is expected to be paid in by the year end.
- Seventeen donors active in SY. Top 5 donors accounted for 80 percent of total pledges. Spain joined as new donor.
- Total value of contributions received by ARTF 1381-1386: \$2.4bn.

**Cumulative Donor Contributions: 1381-1386**



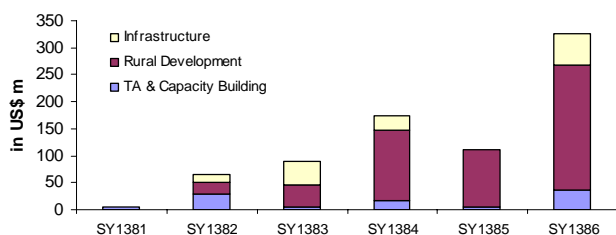
### COMMITMENTS AND DISBURSEMENTS

- The Management Committee discussed and approved proposals for eight investment projects in 1386. Rural development accounts for the majority of investments in the portfolio.

Rural Development & Livelihoods	Actual	Pending transfer	Proposed (18 Mar)	Total
Microfinance for Poverty Reduction	\$33.00	\$14.00	\$0.00	\$47.00
National Solidarity Program	\$103.10	\$81.50	\$0.00	\$184.60
Horticulture & Livestock Program	\$0.00	\$0.00	\$11.00	\$11.00
<b>Total</b>	<b>\$136.10</b>	<b>\$95.50</b>	<b>\$11.00</b>	<b>\$242.60</b>
<b>Economic Infrastructure</b>				
Kabul/Aybak/Mazar Power Distribution	\$0.00	\$57.00	\$0.00	\$57.00
Kabul Urban Reconstruction Project	\$0.00	\$0.00	\$5.60	\$5.60
<b>Total</b>	<b>\$0.00</b>	<b>\$57.00</b>	<b>\$5.60</b>	<b>\$62.60</b>
<b>Human &amp; Institutional Capacity</b>				
Education Quality Improvement P.	\$12.00	\$15.00	\$0.00	\$27.00
Management Capacity Program	\$10.00	\$0.00	\$0.00	\$10.00
National Justice Program	\$0.00	\$0.00	\$27.00	\$27.00
<b>Total</b>	<b>\$22.00</b>	<b>\$15.00</b>	<b>\$27.00</b>	<b>\$64.00</b>
<b>Total approved by MC</b>	<b>\$158.10</b>	<b>\$167.50</b>	<b>\$43.60</b>	<b>\$369.20</b>

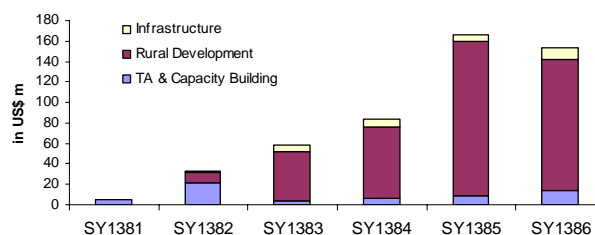
- Investment commitments increased from \$112m in 1385 to \$326m in 1386. \$43.6m are expected to be approved at the final MC meeting of this SY, March 18, 2008.
- The investment window continues to disburse smoothly: \$185m in 1386.

### Investment Commitments by Sector



Note: SY1386 is full year estimate

### Investment Disbursements by Sector



Note: SY1386 is year to date

- The recurrent window is expected to disburse \$291m as per the ceiling agreed with MoF at the start of the SY. Of this amount \$14.6m was for expenses paid in SY1385.
- Year end unallocated cash balance is expected to be \$155m. Of this balance, pending transfers remain of \$44m for three programs approved by the MC March 18, 2008.

### CONSOLIDATED SOURCES AND USES OF ARTF: 1385 & 1386

	1385	1386
<b>Sources of funds</b>		
Donor contributions	454	701
Investment income (net of fee)	6	5
Cash carried over	22	66
<b>Total</b>	<b>482</b>	<b>772</b>
<b>Uses of funds (Commitments approved by MC)</b>		
<i>Recurrent window allocations</i>	<b>299</b>	<b>286</b>
<i>Investment window allocations</i>	<b>112</b>	<b>326</b>
<i>of which:</i>		
Rural development	107	232
Infrastructure	0	57
TA & Capacity Development	5	37
<b>Fee committed to Monitoring Agent</b>	<b>7</b>	<b>4</b>
<b>Unallocated Cash Balance</b>	<b>64</b>	<b>157</b>

## OUTLOOK FOR 1387

- Donors have pledged a total of \$494m to date for 1387 (see annex). The analysis below assumes total contributions reach \$700m.
- Initial discussions with MoF have indicated a recurrent window requirement of \$276m.

Consolidated Estimated Cash Flow for ARTF Parent Account - SY1387					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Totals
<b>Sources of Funds - Assumes \$700m in donor contributions for full year</b>					
Opening Balance	157	120	85	58	
Donor Contributions	280	210	140	70	700
<i>Assumptions</i>	40%	30%	20%	10%	100%
<b>Sources of funds</b>	<b>437</b>	<b>330</b>	<b>225</b>	<b>128</b>	
<b>Uses of Funds: (allocations made by the MC)</b>					
Recurrent Cost Financing	(70)	(70)	(115)	(21)	(276)
<b>Investment proposals</b>					
<i>New financing for existing investments</i>					
NRAP	(5)	(35)	(20)	0	(60)
Microfinance	(50)	0	0	0	(50)
NSP	(70)	(70)	(19)	(19)	(178)
EQUIP	(30)	0	0	0	(30)
MCP	0	0	(10)	0	(10)
Sub-total	(155)	(105)	(49)	(19)	(328)
<b>Financing for new ARTF proposals</b>					
National Justice Program	(27)	0	0	0	(27)
Kabul Urban Reconstruction Project	(6)	0	0	0	(6)
Horticulture & Livestock Project	(11)	0	0	(9)	(20)
Power generation & distribution project	0	(30)	0	0	(30)
Strengthening higher education	(30)	0	0	0	(30)
Technical education training institute	0	(10)	0	0	(10)
Kabul Roads Project	(18)	0	0	0	(18)
Rural Enterprise Development (AREDP)	0	(30)	0	0	(30)
Private Sector Development	0	0	(3)	0	(3)
Sub-total	(92)	(70)	(3)	(9)	(121)
Total Investment Window Allocations	(247)	(175)	(52)	(28)	(502)
<i>Q'ly allocations as % of total</i>	49%	35%	10%	6%	
<b>Total allocations out of parent account</b>	<b>(317)</b>	<b>(245)</b>	<b>(167)</b>	<b>(49)</b>	<b>(778)</b>
<b>Balance at end of quarter</b>	<b>120</b>	<b>85</b>	<b>58</b>	<b>79</b>	

Recurrent Window Model					
Starting Balance	70	115	80	70	
Disbursements	(25)	(105)	(125)	(21)	(276)
Transfers	70	70	115	21	276
Ending Balance	115	80	70	70	

**Note: This analysis is illustrative and for planning purposes only. Actual figures will depend on funds available and the appraisal of projects.**

Annex

Donors Pledges Information for 1387 in millions

Donors/Projects, FY	TAFS	NEEP	MISFA	KPS	CSCB	RNHP	UWSS	EQUIP	RWSS	MCP	NSP	NRAP	ETRP	NJP	HLP	NIMA	Un-preferenced	Total	Un-preferenced as % of total	Total
Australia																		\$ -		
Bahrain																		\$ -		
Canada			\$ 19.6					\$ 9.8			\$ 39.3				\$ 5.9		\$ 29.7	\$ 104.3	28%	21%
Denmark																		\$ -		
EC/EU												\$ 16.1						\$ 16.1	0%	3%
Finland																		\$ -		
Germany								\$ 14.7			\$ 11.7						\$ 17.3	\$ 43.7	40%	9%
India																		\$ -		
Iran																		\$ -		
Ireland																		\$ -		
Italy																		\$ -		
Japan																		\$ -		
Korea																		\$ -		
Kuwait																		\$ -		
Luxembourg																		\$ -		
Netherlands			\$ 3.9														\$ 36.8	\$ 40.7	90%	8%
New Zealand																		\$ -		
Norway								\$ 1.8						\$ 2.2		\$ 1.8	\$ 16.9	\$ 22.7	74%	5%
Poland																		\$ -		
Portugal																		\$ -		
Saudi Arabia																		\$ -		
Spain																		\$ -		
Sweden											\$ 5.4						\$ 11.7	\$ 17.1	68%	3%
Switzerland																		\$ -		
Turkey																		\$ -		
UNDP																		\$ -		
United Kingdom			\$ 29.4							\$ 9.8				\$ 1.9			\$ 120.0	\$ 161.1	74%	33%
United States											\$ 50.0			\$ 10.0			\$ 45.0	\$ 105.0	43%	21%
<b>Total</b>	\$ -	\$ -	\$ 52.9	\$ -	\$ -	\$ -	\$ -	\$ 26.3	\$ -	\$ 9.8	\$ 106.4		\$ -	\$ 14.1	\$ 5.9	\$ 1.8	<b>\$ 277.4</b>	<b>\$ 494.6</b>	56%	100%
<b>Pledges %</b>			24%					12%		5%	49%			6%	3%	1%				

Summary of pledges

Total pledged preferences	\$ 217.15	44%
Total pledged unpreferenced	\$ 277.40	56%
Total pledged	\$ 494.55	100%