



# **BUDGET**

## **FACTS AND TRENDS 2020**

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**The Ministry of Defence of the Czech Republic**





## INTRODUCTION

The Ministry of Defence of the Czech Republic, in compliance with Act No. 106/1999 Coll., on Freedom of Information, issued this publication in order to inform the general public and partner nations about the basic data in the State Budget Chapter 307 – Ministry of Defence (MoD budget chapter) for the year 2020, including trends, structure, main expenditure categories and their proportions.

### **Summary of the main documents used for 2020 MoD Budget Draft preparation:**

- *Act No. 355/2019 Coll., on the Czech Republic State Budget for the year 2020, dated 4<sup>th</sup> December 2019,*
- *Act No. 129/2020 Coll. amending Act No. 355/2019 Coll., on the Czech Republic State Budget for the year 2020, dated 24<sup>th</sup> March 2020,*
- *The Government Resolution No. 447 dated 24<sup>th</sup> June 2019 for the preparation of the 2019 State Budget Draft and the Mid-term State Budget Outlook for the years 2021 and 2022,*
- *The Government Resolution No. 652 dated 16<sup>th</sup> September 2019 on the Czech Republic State Budget Draft for the year 2020 including the Mid-term State Budget Outlook for the years 2021-2022,*
- *The 2019 Draft State Final Account – Chapter 307 – Ministry of Defence,*
- *The Ministry of Finance's Instruction for the preparation of the 2020 Czech Republic State Budget and the Mid-term Outlook for the years 2021 and 2022 – Budget Chapter 307 – Ministry of Defence,*

- *The Government Resolution No. 352 dated 20<sup>th</sup> May 2019, on the Czech Republic State Budget Draft-expenditure for research, experimental development and innovation for 2020 with the Mid-term Outlook for 2021 and 2022 and the Long-term Outlook until 2026,*
- *The Government Resolution No. 221 dated 11<sup>th</sup> April 2018 concerning the Plan of MoD Forces and Assets Deployment in Foreign Operations in 2018-2020 with the Outlook for 2021,*
- *The Government Resolution No. 167 dated 9<sup>th</sup> March 2011 on the Concept of State Support of Sport in the Czech Republic,*
- *The Government Resolution No. 66 dated 25<sup>th</sup> January 2016 on the Strategy of a Crime Prevention in the Czech Republic for the years 2016-2020,*
- *The Government Resolution No. 705 dated 27<sup>th</sup> July 2016 on the Action Plan to a Crime Prevention for the years 2016-2020,*
- *The Government Resolution No. 341 dated 13<sup>th</sup> May 2019 on the Structure of the Czech Army Soldiers Quantity of the Czech Armed Forces.*

The Draft 2020 State Budget - Ministry of Defence Chapter was prepared in accordance with Act No. 218/2000 Coll., Budgetary Rules and regulation No. 133/2013 Coll., which determines scope and structure of the data needed for preparation of the Draft State Budget and Mid-term Outlook and deadlines for their presentation (as subsequently amended) and in accordance with objectives set in the Government Resolution No. 447 dated 24<sup>th</sup> June 2019 and the Ministry of Finance's Instruction for the preparation of the 2020 Czech Republic State Budget and the Mid-term Outlook for the years 2021 and 2022 – Budget Chapter 307 – Ministry of Defence.

The basic budgetary limits for the Ministry of Defence for the year 2020 were set by the Government Resolution No. 447/2019 as follows:

(CZK thousand)			
Year	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total revenues	5,153.890	5,208.355	5,550.263
Total expenditures	74,478.868	85,316.000	95,160.000

These limits were updated during the State Budget preparation in the State Treasury Integrated Information System – Budget IS, Budget Preparation Part (IISSP – RISPR). In total there were five versions of the Czech Republic State Budget Draft from 31<sup>th</sup> July till 23<sup>th</sup> September 2019.

Basic parameters of the 2020 Czech Republic State Budget Draft and the Mid-term Outlook for the years 2021 and 2022 – Budget Chapter 307 – Ministry of Defence were finally as follows (set by the Government Resolution No. 652/2019):

(CZK thousand)			
Year	2020	2021	2022
Total revenues	5,393.185	5,529.405	5,801.685
Total expenditures	75,500.366	85,316.000	95,160.000

Total Expenditure Limit of the MoD budget chapter for the year 2020 was set in amount of CZK million 75,500, i.e. 13,13 % higher compared to approved budget in 2019 (CZK million 66,735). Further increase is planned for the Mid-term Outlook, growth of 13,00 % in 2021 compared to 2020 and growth of 11,54 % in 2022 compared to 2021.

Expenditure Budget Draft and Mid-term Outlook of the MoD budget chapter for the years 2020-2022 present increase trend in nominal value and also in defence expenditures as a share of GDP. Defence expenditures as a share of predicted GDP in a time of State Budget Draft for the year 2020 submission for approval is supposed to be in amount of 1,28 %, for the year 2021 in amount of 1,39 % and for the year 2022 in amount of 1,49 %. It means that expenditure amounts of Budget Proposal and Mid-term Outlook comply with Government Policy Statement which declares pledge to achieve defence expenditures in amount of 1.40 % of GDP till the year 2021 (Ministry of Finance: Macroeconomic Prediction, July 2019).

The Budget Draft and the Mid-term Outlook include a total expenditure growth of the Ministry of Defence by almost 10 CZK billion each year compared to the previous year, i.e. by CZK billion 28,5 between 2020-2022. These amounts allow the Ministry of Defence to substantially strengthen the area of investment, while the bulk of it is allocated in accordance with the Concept of Build-Up of the Army of the Czech Republic in order to meet the needs of the Army of the Czech Republic.

The MoD Budget Draft for 2020 is lower by CZK billion 0.98 after the negotiations with the Ministry of Finance in comparison with the limit originally set for the Ministry of Defence within the Mid-term Outlook 2018 approved by the Government. Following further decisions at the government level (wage growth and pension indexation), it was necessary to restructure the planned chapter expenditures in favour of mandatory expenditures at the expense of expenditures originally allocated within the planning processes for investment development and other current expenditures.

Act No. 355/2019 Coll. dated 4<sup>th</sup> December 2019, On the State Budget of the Czech Republic for 2020, approved for 2020 the total revenues of the MoD chapter in the amount of 5,393,185 thousand CZK and total expenses in the amount of CZK 75,500,366 thousand according to the prepared budget proposal.

The situation about COVID-19 in 2020 brought a significant decline in economic activity, and thus a reduction in state budget tax revenues and the need to spend from the state budget increased spending to combat the spread of the epidemic and support the economy. In this context, the Act on the State Budget was amended by Act No. 129/2020 Coll., of 24<sup>th</sup> March 2020, amending Act No. 355/2019 Coll., On the State Budget of the Czech Republic for 2020.

The first amendment to the State Budget Act reduced the budget of the Ministry of Defense on the expenditure side by CZK 2.9 billion as part of the necessary austerity measures. In particular, purchases of military equipment, which were not essential for the country's defenses due to the situation, were postponed. Further savings were obtained by reducing mandatory expenditures (funds were released for vacant posts) and internal reserves, which were intended for a possible year-on-year increase in prices for investment projects in real estate and movable property.

The amendment to the Act on the State Budget newly set the total revenues of the MoD chapter for 2020 at CZK 5,393,185 thousand and total expenses in the amount of CZK 72,600,366 thousand.

The total revenues of the MoD chapter in the approved budget for 2020 are higher by CZK 205,590 thousand compared to 2019, i.e. by 3.97%.

Non-tax revenues, capital revenues and received transfers in the total amount of CZK 373,661 thousand include non - tax revenues in the total amount of CZK 241,809 thousand (funds from own activities, from property rental, income from sale of short - term and small long - term assets and other non - tax revenues), received transfers from EU sources in the total amount of CZK 51,852 thousand (non - investment transfers from the National Fund - pre - financed and investment transfers from the National Fund originating from the EU), capital revenues in the total amount of CZK 80,000 thousand (income from the sale of land, other real estate and other tangible fixed assets).

Tax revenues in the total amount of CZK 5,019,424 thousand include pension insurance in the amount of CZK 4,490,220 thousand and health insurance and a contribution to the state employment policy in the amount of 529,204 thousand CZK. Other tax revenues in the amount of CZK 100 thousand represent revenues from taxes and fees from selected activities and services (e.g. administrative fees stipulated by Act No. 634/2004 Coll. for issued permits and decisions at the district office of a military district).



Compared to 2019, the total expenditures of the MoD chapter in the approved budget for 2020 are higher by CZK 5,865,565 thousand, i.e. by 8.79%.

Structure of expenditures of the 2020 budget in the amount approved by the Act on the State Budget, as amended, broken down into basic areas of expenditures:

The 2020 Budget Draft expenditure structure – main expenditure areas:

<b>1. Total MoD expenditures(in CZK million)</b>	<b>72 600</b>
<i>Out of which: personal mandatory expenditures of the state organizational unit (incl. pensions, social benefits)</i>	35 393
<i>Programme financing – State Subsidy System of State/Property Management in State ownership (EDS/SMVS)</i>	16 141
<i>Other expenditures(current expenditures and capital expenditures outside EDS/SMVS)</i>	21 066
<b>2. Total MoD expenditures index 2020/2019</b>	<b>1,09</b>

The MoD budget for 2020 is allocated to seven expenditure blocks – specific indicators. Expenditure blocks are the highest level of aggregation of goals of the Ministry of Defense, the organization structure is a tool for their fulfillment.

Selected expenditure areas and priorities in the approved 2020 MoD budget:

Salaries, other payments related to performed work, compulsory insurance and contribution to the Cultural and Social Needs Fund (CSNF) paid by the employer, the number of personnel used for the MoD budget preparation. The funds committed for this area amount CZK 18,330.770 thousand (CZK 17,917.158 thousand for the state organizational unit, salary cista of On-Vote organizations established by the MoD under the MoF regulation in the amount of CZK 413.612 thousand. The number of personnel used for the MoD budget preparations 35 690, of which 34 657 for the state organizational unit (1 035 more compared to 2019) and 1 033 for on-vote organizations.

**Research and development expenditures.** CZK 439.363 thousand was earmarked for defense research and development support (2 ongoing and 1 new programme). CZK 106.123 thousand was earmarked for the institutional support within the programme 907930 MoD research institutes development, of which CZK 94.489 thousand is earmarked for the institutional support of research organizations and CZK 3.100 thousand for other research, development and innovation activities support. Institutional support for international cooperation amounting CZK 8.534 thousand is included (operating expenditures for international projects and programmes insert the auspices of EDA).

Within a specific support, the amount of CZK 323.240 million is earmarked for two armed forces development programmes.

**Expenditure on projects co-financed by the EU budget.** CZK 71.899 thousand was allocated for the projects within the individual EU operational programmes, of which CZK 20.047 thousand is covered by the MoD budget and CZK 51.852 thousand by EU funds.

**Programme financing.** Total expenditure limit of CZK 16,141.585 thousand was set in this area (including CZK 36.578 thousand of EU funds).

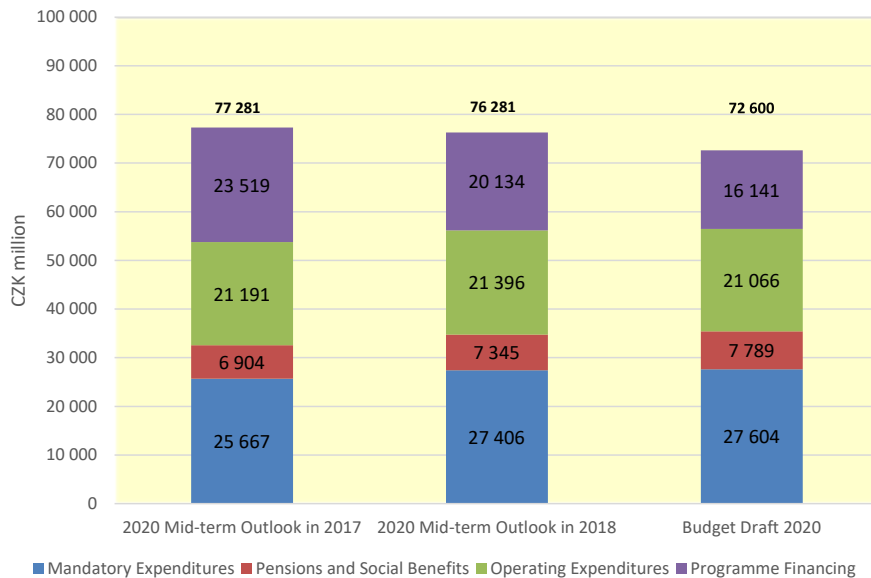
**Expenditures for missions abroad.** In accordance with the Government Resolution No. 221 dated 11<sup>th</sup> April 2018, concerning the Plan of MoD Forces and Assets Deployment in Foreign Operations in 2018-2019 with the Outlook for 2021, the amount of CZK 1,995.494 thousand was earmarked for ACR participation in missions abroad in 2020 (i.e. 2,74% of total MoD expenditures).

**On-vote organizations established by MoD.** The Ministry is the founder of 9 on-vote organizations. Total contribution of CZK 2,907.940 thousand for 2020 was earmarked, of which CZK 2,332.012 thousand is the operating part and CZK 575.928 thousand is the investment part.

**CZK 6.526 thousand is allocated for social prevention and crime prevention programme** and CZK 780 thousand for drug policy programme in 2020.

Summary of basic 2020 MoD draft budget parameters and development trends are presented in the following tables and graphs.

## 2020 MoD budget drafts based on previous Mid-term Outlooks



## Comparison of Basic Macroeconomic Indicators

	2019	2020	Index 2020/2019
Gross domestic product in current prices (CZK billion)*)	5 653,00	5 530,00	0,98
State Budget expenditure (CZK billion)	1 505,40	1 688,32	1,12
Total MoD expenditures (CZK billion)	66,74	72,60	1,09
Average inflation rate (in %)*)	2,8	3,2	1,14
Share of MoD expenditure on GDP (in %)	1,18	1,31	1,11
Share of MoD expenditure on State Budget expenditure (in %)	4,43	4,30	0,97

**Basic macroeconomic indicators - source:**

\*) Macroeconomic forecast of the Czech Republic, issued by the MoF of the Czech Republic, April 2020

## Basic Data on the State Budget - MoD Budget Chapter

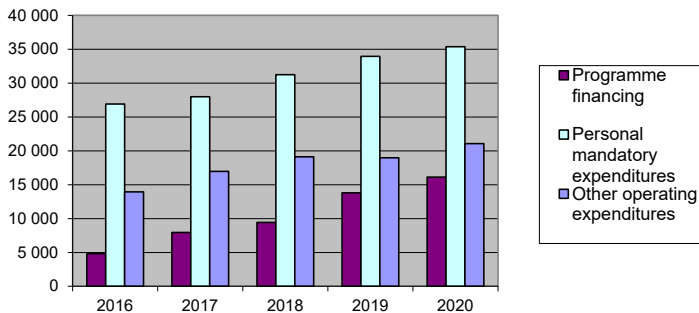
CZK million

Expenditures	Approved Budget*)		Index 2020/2019
	2019	2020	
<b>I. Capital expenditures</b>	<b>12 342,0</b>	<b>14 616,0</b>	<b>1,18</b>
<b>Operating expenditures</b>	<b>54 393,0</b>	<b>57 984,0</b>	<b>1,07</b>
II.1. Salaries and other payments related to performed work	17 314,0	17 917,0	1,03
II.2. Compulsory insurance and transfer to CSNF	6 383,0	6 593,0	1,03
II.3. Social benefits	7 315,0	7 789,0	1,06
II.4. Non-investment transfers to subsidiary organizations	2 332,0	2 341,0	1,00
II.5. Non-investment transfers to business entities	313,0	371,0	1,19
II.6. Other non-investment expenditures (programme financing included)	20 736,0	22 973,0	1,11
<b>III. Total MoD expenditures ( I. + II.)</b>	<b>66 735,0</b>	<b>72 600,0</b>	<b>1,09</b>
<b>MoD Budget Chapter expenditures (based on 2011 constant prices)</b>	<b>66 735,0</b>	<b>70 348,8</b>	<b>1,05</b>
<b>Revenues</b>			
IV.1. Insurance revenues and other tax revenues	4 459,4	5 019,4	1,13
IV.2. Non-tax revenues, capital revenues and transfers received	728,2	373,8	0,51
<b>IV. Total MoD revenues (IV.1. + 2.)</b>	<b>5 187,6</b>	<b>5 393,2</b>	<b>1,04</b>
<b>RESULTING BUDGET BALANCE</b>	<b>61 547,4</b>	<b>67 206,8</b>	<b>1,09</b>

\*) Act No. 355/2019 Coll., dated 4<sup>th</sup> December 2019, on the 2020 Czech Republic State Budget, Act No. 336/2018 Coll., dated 19<sup>th</sup> December 2018, on the 2019 Czech Republic State Budget

## Structure of MoD Budgetary Expenditures 2016 - 2020

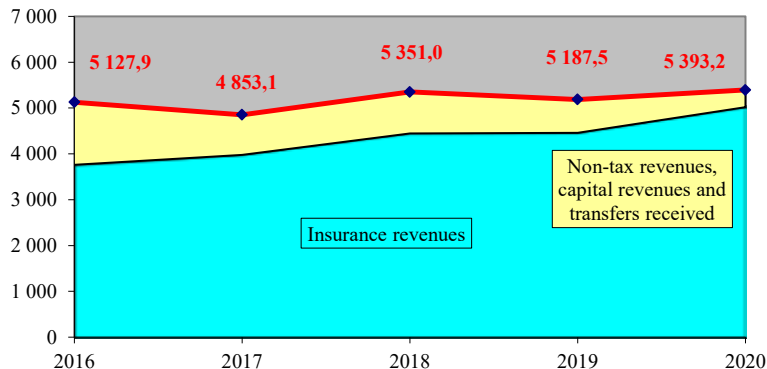
CZK milion



Expenditure category (CZK million)	Real expenditures (incl.extra-budgetary sources)			Approved budget	
	2016	2017	2018	2019	2020
Programme financing	4 805,4	7 953,5	9 443,8	13 795,5	16 141,6
Personal mandatory expenditures	26 913,0	27 983,5	31 241,5	33 961,1	35 392,7
Other operating expenditures	13 952,4	16 971,7	19 114,1	18 978,2	21 066,1

## Development of the MoD Budgetary Revenues in 2016 - 2020

CZK million

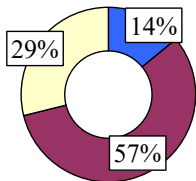


	2016	2017	2018	2019	2020
Total revenues	5 127,9	4 853,1	5 351,0	5 187,5	5 393,2
Insurance revenues	3 761,6	3 978,1	4 446,0	4 459,3	5 019,4
Non-tax revenues, capital revenues and transfers received	1 366,3	875,0	905,0	728,2	373,8

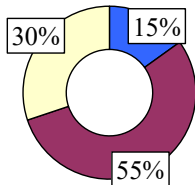


## Development of Proportions among Main MoD Expenditures in 2016-2019

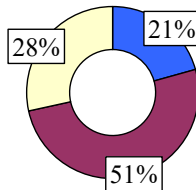
**Real expenditures 2017**



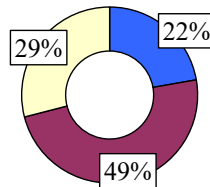
**Real expenditures 2018**



**Approved expenditures 2019**



**Approved expenditures 2020**

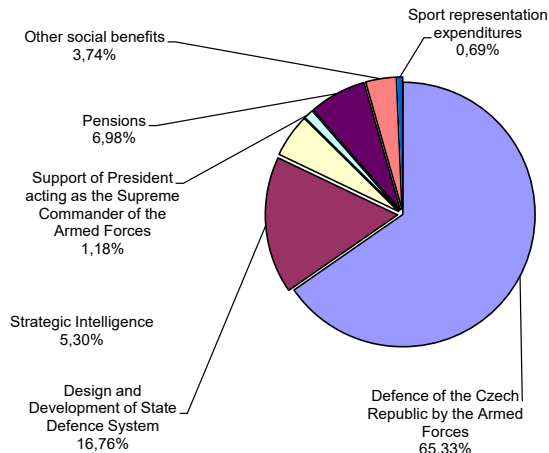


		Real expenditures *)		Approved expenditures	
		2017	2018	2019	2020
<span style="color: blue;">■</span>	Property reproduction programmes	6 884,5	8 540,3	13 795,5	16 141,6
<span style="color: maroon;">■</span>	Personal mandatory expenditures	27 891,4	31 019,6	33 961,1	35 392,7
<span style="color: yellow;">■</span>	Other operating expenditures	14 116,3	17 063,0	18 978,2	21 066,1

\*) excluding extrabudgetary resources and carry forwards

## 2020 MoD approved budget structured in accordance with objective based budget structure

(Breakdown by 1st level objectives „expenditure blocks“)



1st level objective	CZK thousand	
	Approved expenditures	Share on total MoD expenditures
Defence of the Czech Republic by the Armed Forces	47 432 773	65,33%
Design and Development of State Defence System	12 170 119	16,76%
Strategic Intelligence	3 848 771	5,30%
Support of President acting as the Supreme Commander of the Armed Forces	859 706	1,18%
Pensions	5 071 000	6,98%
Other social benefits	2 718 000	3,74%
Sport representation expenditures	499 997	0,69%
<b>Total</b>	<b>72 600 366</b>	<b>100,00%</b>

## Structure of 2020 MoD Operating Expenditures

CZK million

Budget	72 600,4
Capital expenditures	14 616,4
<b>Operating expenditures *)</b>	<b>57 984,0</b>
<b>I. Personal mandatory expenditures</b>	<b>35 392,7</b>
<b>1.Salaries, other payments related to performed work and directly related expenditures</b>	<b>24 510,9</b>
a) Salaries	16 173,0
b) Other payments related to performed work	1 744,1
c) Insurance	6 272,0
d) CSNF	321,8
<b>2.Other mandatory expenditures</b>	<b>10 881,8</b>
a) Social benefits	7 789,0
b) Housing allowance and stabilization allowance	3 055,0
c) Other (scholarship etc.)	37,8
<b>II. Other operating expenditures</b>	<b>22 591,3</b>
1. Current life support	16 739,1
2. Transfers and Subsidies	3 420,3
3. Other operating expenditures	2 431,9

\*) incl.  
related operating  
expenditures  
of programme  
financing and  
defence research,  
development  
and innovations  
expenditures



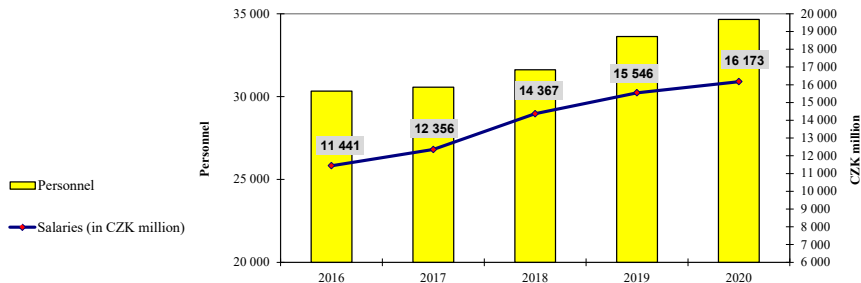
## MANDATORY PERSONAL EXPENDITURES

(pensions and social benefits included)

Mandatory personal expenditures represent 47,99% of the total 2020 MoD expenditures (of which 22,00% are pensions and social benefits). Major part is allocated for mandatory expenditure in relation to staff (salaries, other payments related to performed work, compulsory insurance and contribution to the Cultural and Social Needs Fund (CSNF) paid by the employer, stabilization allowance and housing allowance, etc.). The number of personnel used for the MoD budget preparation is 35 690, of which 34 657 for the state organizational unit and 1 033 for on-vote organizations.

The number of employees is influenced by the gradual increase of the number of personnel in line with the Concept of Build-Up of the Army of the Czech Republic.

## MoD Personnel and Salaries 2016 - 2020

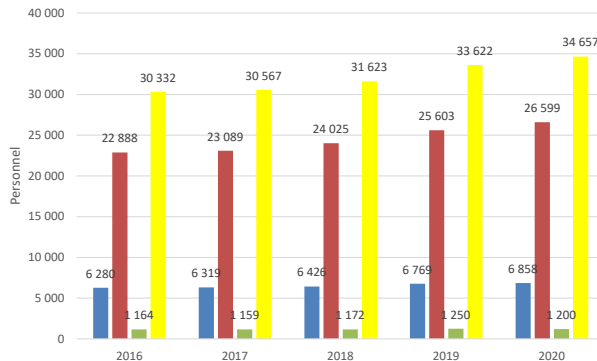


## MoD Personnel and Salaries 2016 - 2020 (excluding On-Vote organizations)

Personnel Category	Reality			Plan	
	2016	2017	2018	2019	2020
MoD positions under the Labour Code	6 280	6 319	*) 6 426	6 769	6 858
Professional soldiers	22 888	23 089	*) 24 025	25 603	26 599
MoD service positions under the Civil Service Act	1 164	1 159	1 172	1 250	1 200
<b>Total personnel</b>	<b>30 332</b>	<b>30 567</b>	<b>31 623</b>	<b>33 622</b>	<b>34 657</b>
<b>Salaries (in CZK million)</b>	<b>11 441</b>	<b>12 356</b>	<b>14 367</b>	<b>15 546</b>	<b>16 173</b>

\*) Since 2018 excluding Military Intelligence expenditures due to the Exemption of Military Intelligence from the employment regulation based on the government resolution No. 435/T (ref.no. T35/2001), specific procedures for government funds management reporting for the implementation of Section § 20 of the Act No. 153/1194 Coll., on Intelligence Services of the Czech Republic

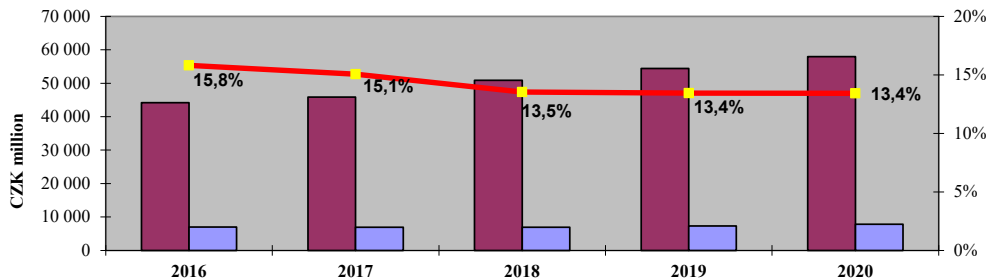
## Development of Personnel (categories) in 2016 - 2020



		Reality			Planned numbers	
		2016	2017	2018	2019	2020
	MoD positions under the Labour Code *	6 280	6 319	6 426	6 769	6 858
	Professional soldiers *	22 888	23 089	24 025	25 603	26 599
	MoD service positions under the Civil Service Act	1 164	1 159	1 172	1 250	1 200
	<b>Počty osob celkem</b>	<b>30 332</b>	<b>30 567</b>	<b>31 623</b>	<b>33 622</b>	<b>34 657</b>

\*) Since 2018 excluding Military Intelligence expenditures due to the Exemption of Military Intelligence from the employment regulation based on the government resolution No. 435/T (ref.no. T35/2001), specific procedures for government funds management reporting for the implementation of Section § 20 of the Act No. 153/1194 Coll., on Intelligence Services of the Czech Republic

## Expenditures for Pensions and Other Social Benefits as a% share of the Total MoD Operating Expenditures in 2016 - 2020 (approved budgets)



■ Operating expenditures\*  
■ Pensions and other social benefits  
—●— Pensions and Social Benefits as a% share of the Total MoD Operating Expenditures

	2016	2017	2018	2019	2020
Operating expenditures*	44 195,5	45 838,1	50 907,5	54 393,0	57 984,0
Pensions and other social benefits	6 991,0	6 908,0	6 892,0	7 315,0	7 789,0
<b>Pensions and Social Benefits as a% share of the Total MoD Operating Expenditures</b>	<b>15,8%</b>	<b>15,1%</b>	<b>13,5%</b>	<b>13,4%</b>	<b>13,4%</b>

\* including related operating expenditures of programme financing and defence research, development and innovations expenditures



## PROGRAMME FINANCING EXPENDITURES

Based on Act No. 355/2019 Coll., on the Czech Republic State Budget for 2020, programme financing budgetary expenditure is approved in the amount of CZK 16,141.585 thousand (EU funds CZK 36.578 thousand included).

Expenditure registered in the programme financing information system EDS/SMVS for 2020 is calculated within 22 property reproduction programmes. The amount of CZK 12.309 thousand is allocated for subsidy titles and CZK 16,129.276 thousand for expenditure titles. In line with the Budget Structure the expenditure registered in the programme financing IS are divided as follows:

- *Capital expenditures CZK 14,435.068 thousand, i.e. 89,43 % of total expenditures*
- *Operating expenditures CZK 1,706.517 thousand, i.e. 10,57 % of total expenditures (of which 80 % is for supersonic aircraft JAS-39 C/D Gripen lease).*

New investment activities represent 45,51 % and ongoing activities represent 54,49 % of total programme financing limit.

27 main investment activities are planned in 2020 with the assumed total expenditures exceeding CZK 200 million for the life cycle. These main activities are supposed to be financed in the form of individually assessed expenditures of the organizational unit of the state.

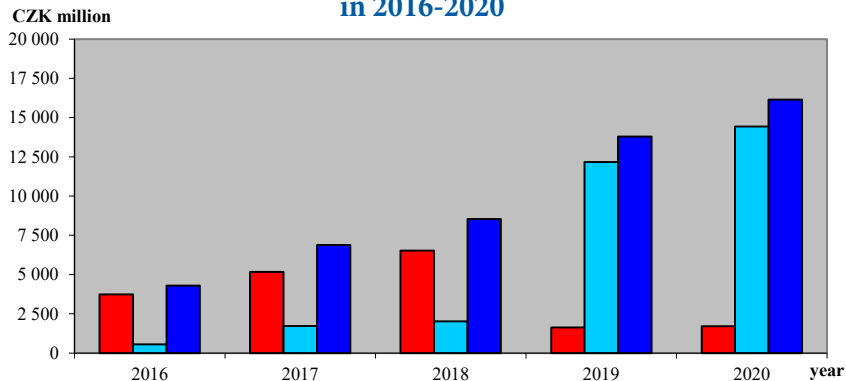


**The amount of CZK 8,493.137 thousand was allocated for these main activities (representing 52,62 % of programme financing activities in 2020) within the following programmes:**

- *Land Force Strategic Programme*
- *Land Force Command and Control Mobile Communication Device Compatibility*
- *Air Force Sustainability and Development Strategic Programme*
- *Medical Support Sustainability and Development*
- *Communication and Information Support Sustainability and Development*
- *Supersonic Aircraft Sustainability and Development*
- *Land Force Sustainability and Development*
- *Logistics Capabilities Sustainability and Development*
- *Management of the MoD Civilian-Administrative Part and State On-Vote Organizations*
- *State Sport representation II*

The total amount for the property reproduction programmes for the year 2020 is CZK 17,087.219 thousand. This amount is covered by: the MoD budgetary resources amounting CZK 16,105.006 thousand, EU structural funds amounting CZK 36.578 thousand, reserve fund CZ 770.076 thousand (of which CZK 42.185 thousand are NATO funds), programme participant own resources (CZK 155.066 thousand) and other domestic funds (expenditures budgeted in the New Green Savings Programme) amounting CZK 20.493 thousand.

## Comparison of programme financing expenditures in 2016-2020



CZK million

		Real expenditures*)			Approved expenditures	
		2016	2017	2018	2019	2020
<span style="color: red;">■</span>	Capital expenditures	3 740,2	5 163,6	6 518,1	1 632,8	1 706,5
<span style="color: cyan;">■</span>	Operating expenditures	556,5	1 720,9	2 022,2	12 162,7	14 435,1
<span style="color: blue;">■</span>	<b>Total</b>	<b>4 296,7</b>	<b>6 884,5</b>	<b>8 540,3</b>	<b>13 795,5</b>	<b>16 141,6</b>

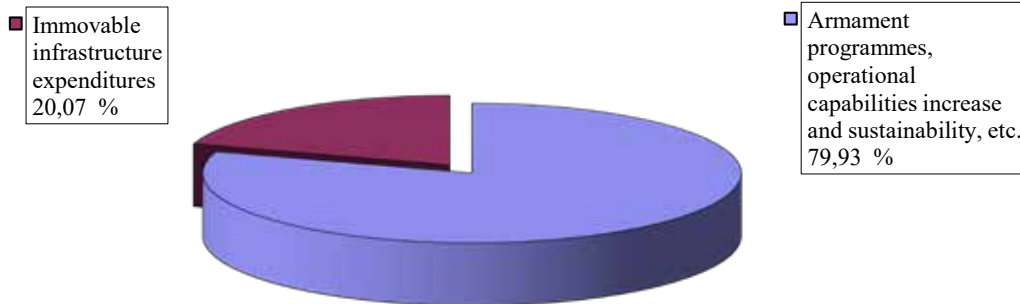
\*) excl. extra-budgetary resources and carry forwards

## Expenditures breakdown in property reproduction programmes 2020

CZK million

Armament acquisition, operational capabilities enhancement and sustainment, etc.	12 901,7	79,93%
Immovable Infrastructure	3 239,9	20,07%
<b>Total</b>	<b>16 141,6</b>	<b>100,00%</b>

### Breakdown of Programme Financing Expenditures in 2020





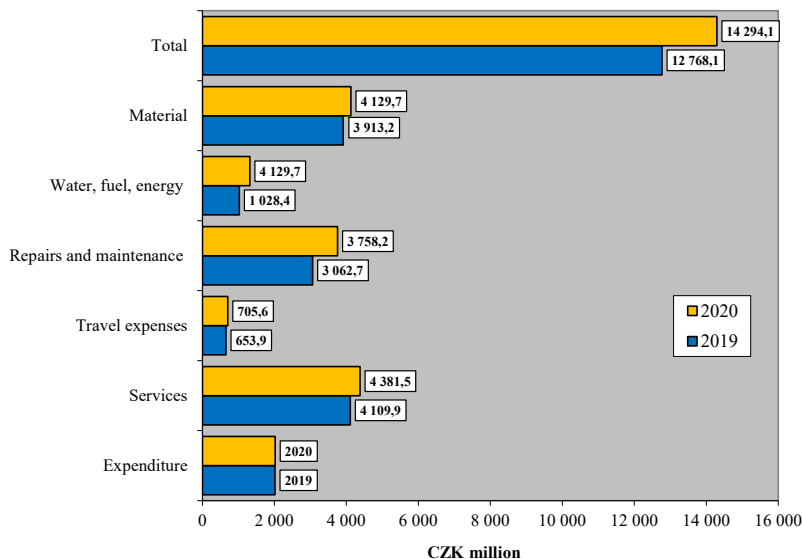
## OTHER EXPENDITURE

The MoD other expenditures for the year 2020 (excluding related current expenditures of programme financing and defence research, development and innovation expenditures) were approved in the amount of CZK 21,066.143 thousand, which represents 27,90% of the total MoD budget expenditures.

These expenditures will be used to ensure the operability of equipment, purchase of material and services to provide training, provision of facilities (serviceable real estate), purchase of water, fuels and energy, etc. Furthermore, these funds will be used for foreign activities arising from international obligations, including missions abroad, for the participation of staff units in military exercises in the country and abroad, to ensure the activities of foreign workplaces, to ensure the activities of Military Intelligence and for subsidies, transfers and contributions (especially transfers and contributions to NATO, EU budgets, etc.). Another part of these funds will also be used to ensure the activities of on-vote organizations established by the Ministry of Defense to perform specific tasks for the benefit of the Ministry.

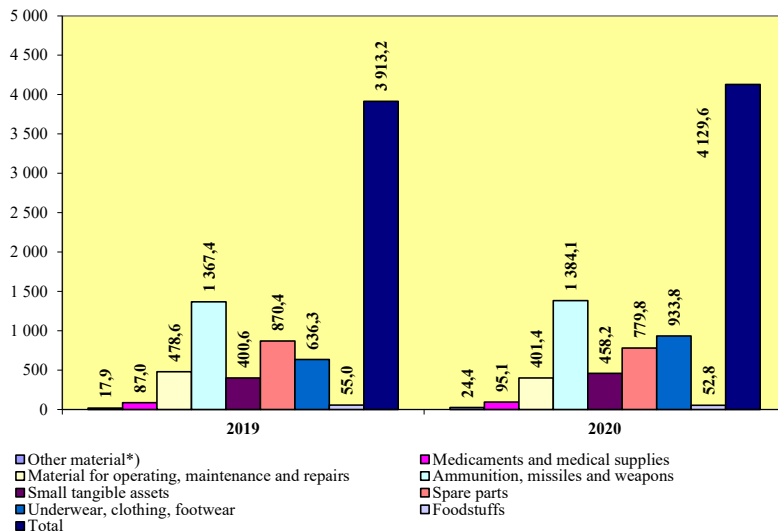
## Comparison of Main Categories of Operating Expenditures in 2019 - 2020

(approved budgets, excl. operating expenditures of programme financing)



## Comparison of expenditures allocated for Purchase of Material in 2019-2020 (approved budgets excluding Programme Financing expenditures)

CZK million



\*) oprotective equipment, schoolbooks, books and school supplies provided for free



## USED ABBREVIATIONS

ACR	Armed Forces of the Czech Republic
CSNF	Cultural and Social Needs Fund
GDP	Gross domestic product
EDS/SMVS	Registration system of subsidies/Management of state-owned property
MoD	Ministry of Defence of the Czech Republic
NATO	North Atlantic Treaty Organisation
EU	European Union
UN	United Nations
MoF	Ministry of Finance



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