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## efense budget of Latvia

### **The investment share in defense budget is growing**

Significantly growing defense budget will permit an adequate level of capital investment for equipment and infrastructure modernization, enhancement of interoperability, deployability, combat effectiveness, sustainability and survivability of the National Armed Forces.

Over the past years the share of defense budget devoted to investment projects has grown. In 2003 it reached 21.88 million Lats while in 1999 it was only 3.62million Lats thus growing in average 4.57million Lats or 65% a year. The share of operating costs has decreased from 89% in 1999 to 80% in 2003 or an average of 2% per year.

In 2003, major investments will cover development of National Armed Forces Communications System, implementation of Host Nation Support Concept with the construction of new military apron at the Riga International Airport as main project for current year, further development of Divers' School in Liepāja and procurement of NBC equipment, air defense battery equipment and a sea surveillance system.

In 2002, the main focus was put on infrastructure, procurement of C4I equipment, weapons systems and 3D radar.



The Baltic States Divers Training Centre  
in Liepāja, Latvia, March 2003  
/Photo: Anda Kukemilka/

### **Efficiency in resources management is based on the Planning, Programming and Budgeting System**

Introduction of Planning, Programming and Budgeting Systems (PPBS) similar to those used by a number of NATO allied countries has provided for the creation of efficient resource planning and spending system in Latvia. The establishment of PPBS was completed in 2002; it is well integrated and reflects the NATO-compatible defense planning process.

The organization of annual seminars on PPBS for planners and financial experts - both civilians and military - is underway. To provide for wider understanding and introduction of PPBS at all the levels of National Armed Forces, the National Defense Academy has incorporated courses on PPBS in the cadet-training program in 2003.