



2021

EXCEPTION REPORT

on Execution of the Federal Budget
and the Budgets of State
Non-Budgetary Funds

in January – July 2021

(Key Takeaways)

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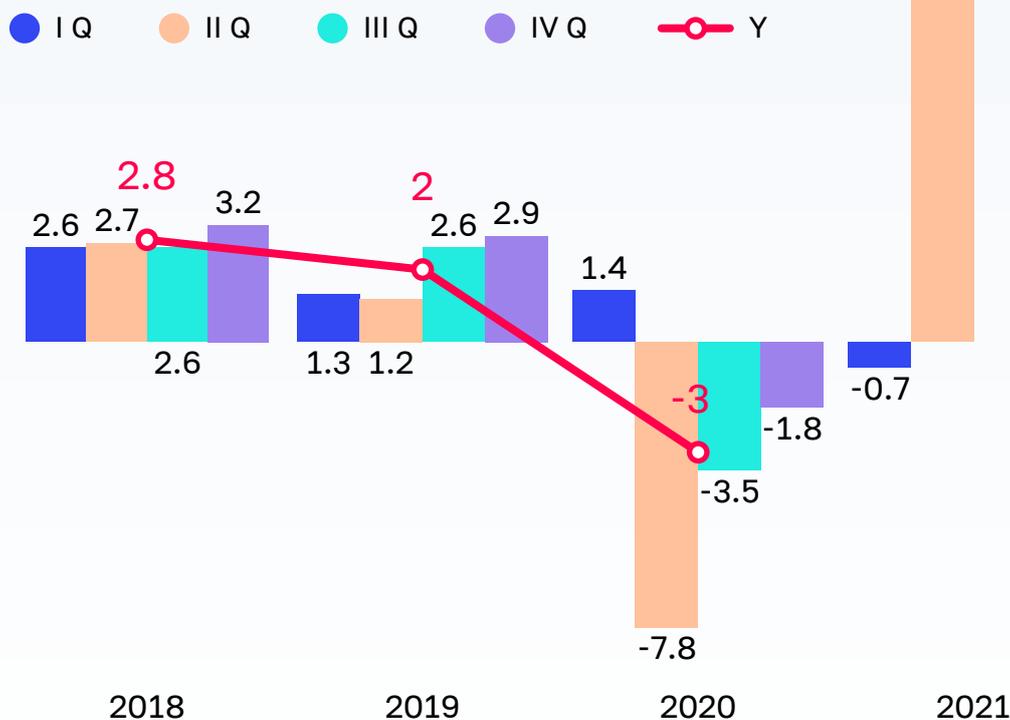
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Section I. Analysis of Progress in Federal Budget Execution in January – July 2021

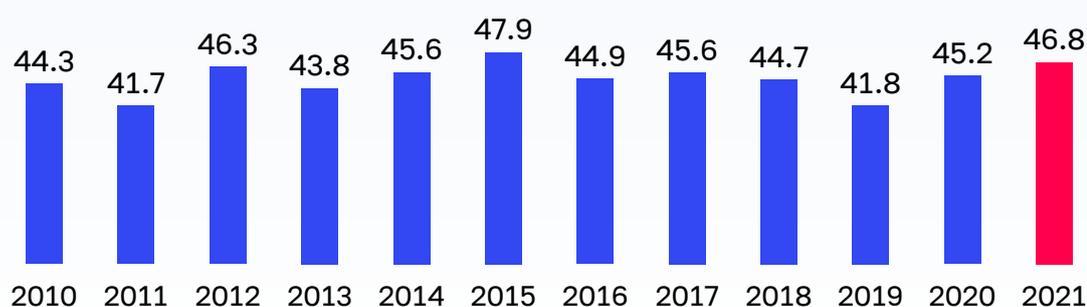
- 1) The Russian economy experienced a recovery growth in the first half of 2021. Therewith, the record high growth of most main macroeconomic indicators is largely due to the low base in the previous year. In terms of the initial economic conditions in the first half of 2021, there was a positive trend in oil prices against the backdrop of a volatile exchange rate of the national currency. The price of Urals crude oil rose to 63.5 US dollars per barrel in January–June, which was facilitated by the elimination of imbalances in the global energy market, as well as several short-term factors. The ruble exchange rate significantly strengthened in May and June, averaging 74.3 rubles per US dollar for the first half of the year, after some weakening in January–April. Inflation remained at a high level and reached 4.2% – since the start of the year to the end of June; it reached a five-year high of 6.5% in June, annualized.

GDP growth rate in 2018–2021 (year on year) %



- 2) The total volume of federal budget revenues amounted to 11,265.0 billion rubles, or 60% of the projected total revenues, and it increased by 2,173.1 billion rubles, or 23.9%, as to 2020 year on year, of which oil and gas revenues – by 1,115.0 billion rubles, or 41.9%, non-oil and gas revenues – by 1,058.1 billion rubles, or 16.5%.
- 3) The VAT, the tax on the extraction of minerals, on crude oil, the tax on additional revenues from the extraction of hydrocarbon raw materials, revenues from the management of the NWF funds, export customs duties on natural gas, recycling fees, payments paid as compensation for damage (a one-time payment from Norilsk-Taimyr Energy Company, JSC) account for the largest extra revenues; other uncompensated receipts to the federal budget displayed the greatest decrease.
- 4) As of July 1, 2021, the consolidated list with amendments amounted to 22,734.8 billion rubles and exceeded the expenditures approved by Federal Law No. 385-FZ by 1,214.7 billion rubles, or 5.6% (in the same period of 2020, the excess was 2,267.2 billion rubles or 11.5%). This excess was mainly due to the balances of outstanding funds in 2020, which are to be used in 2021 for the same purposes (400.5 billion rubles), funds allocated to the reserve fund of the Government of the Russian Federation (663.0 billion rubles).
- 5) The total volume of positive changes in the consolidated list amounted to 2,922.8 billion rubles, or 12.9%, which is 2,504.0 billion rubles, or 46.1%, less than in January–June 2020 (5,426.9 billion rubles).
- 6) The Government of the Russian Federation takes measures to make the performance of federal budget expenditures more even and reduce the risks of failure. Thus, the cash expenditure execution amounted to 10,639.0 billion rubles, or 46.8% of the indicator of the consolidated list with amendments, which is slightly higher than the execution over the past 6 years. At the same time, the limits of budget obligations in the amount of 918.2 billion rubles (4.3% of the completed limits) have not been distributed among the managers (recipients) of budget funds. The volume of blocked limits of budget obligations amounted to 697.3 billion rubles (3.1% of the indicator on the consolidated list with amendments).

Cash execution of expenditure in January – July 2010–2021 %



- 7) As of July 1, 2021, the volume of reserved budget allocations amounted to 426.4 billion rubles (the open part), which is lower than the indicator for the same period in 2020 by 430.9 billion rubles, or 2-fold.
- 8) The consolidated list has been amended to increase the volume of the reserve fund of the Government of the Russian Federation by 863.1 billion rubles and to use budget allocations in the amount of 717.8 billion rubles. Taking into account the level established by the legislation (107.0 billion rubles), it amounted to 252.3 billion rubles as of July 1, 2021.

Most funds are spent on transfers to the SIF budget to make payments to medical and other workers (118.1 billion rubles), ensure balance in case of temporary disability (68.6 billion rubles), and for other measures; on the construction and reconstruction of highways under the federal project “Development of the Federal Highway Network” (45.5 billion rubles); on inter-budget transfers to the budget of the PFR with a view to paying monthly allowances for children (36.2 billion rubles); on other measures.

- 9) Expenses were executed at the level above 50% under the sections “Environmental protection” (67.4%), “Housing and communal services” (59.1%), “Social policy” (52.3%), and below 40% under “Mass media” (38.2%) and “Physical Culture and sports” (28.9%).
- 10) Expenses are executed at a low level (less than 25%) (open part) under the following 7 main managers: the public law company “Unified Customer in the field of construction” – 4.4%; the Ministry for the Development of the Russian Far East and Arctic, and Federal Agency for Youth Affairs – 10.9% each; the Federal Agency for Ethnic Affairs of Russia – 19.9%; the Ministry of Natural Resources and Environment of the Russian Federation – 20.2%; the Ministry of Energy of the Russian Federation – 23.6%; Rosstat – 24.0%.

For these main managers, the expenses were executed below the projected indicator for the first half of 2021 according to the Projected Cash Payments for Expenses as of April 1, 2021 (from 11.4% to 44.9%).

- 11) The execution of contracted expenses amounted to 979.0 billion rubles, or 36.2% of the approved limits of budget obligations, which is by 2.6 percentage points higher as to 2020 year on year (33.6%). Budget obligations with respect to the procurement of goods, works and services at a level below 50% were accepted by the Ministry of Natural Resources of Russia (15.1% of the approved limits of budget obligations), the Ministry of Construction of Russia (20.6%), Rosstat (24.5%), Rosgidromet (26.4%), the Ministry of Economic Development of Russia (30.1%), Rossotrudnichestvo (37.9%), and Rosleskhoz (43.1%). According to these main managers, the expenses for the purchase of goods, works, and services were executed below the projected indicator for the first half of 2021 according to the Projected Cash Payments for Expenses as of April 1, 2021.
- 12) At a low level (less than 25%), expenditures (the open part) were executed to implement 6 state programs (development of the Arctic, development of the Far Eastern Federal District, of the electronic industry, national policy, development of pharmaceuticals, and development of rural areas).

- 13) The execution of expenses to implement the Federal Targeted Investment Program (FTIP) amounted to 30.5% of the indicator under the consolidated list with amendments, which is 5.5 percentage points higher as to 2020 year on year (25%). 5 of 52 main managers of federal budget funds (9.6% of the whole number) that were assigned the LBOs with respect to the FTIP implementation did not start spending (the Ministry of Energy, the Ministry of Natural Resources, the Ministry of Finance, the Federal Anti-Monopoly Service, the State Hermitage Museum, Federal State Budgetary Institution of Culture).

As of July 1, 2021, the FTIP has restrictions on financing and performing work due to the lack of regulations (acts, decisions) on facilities and activities or on-site detailing of measures (enlarged investment projects) for a total of 28.5 billion rubles, or 3.7% of the FTIP, which is 2.0 percentage points lower than the level of restrictions year on year (22.2 billion rubles).

According to the Rosstat operational data, in the first half of 2021, 18 FTIP facilities were commissioned, or only 5.2% of the number envisaged for commissioning in 2021 (346 facilities).

- 14) The expenses for providing subsidies to legal entities (except for state institutions, state corporations, and state companies) were executed in the amount of 1,002.3 billion rubles, or 57.2% of the indicator under the consolidated list with amendments (the open part). Budget obligations for providing subsidies to legal entities at a level below 50% were accepted by Rosmorrechflot (4.3% of the approved limits of budget obligations), Lomonosov Moscow State University (9.1%), the Ministry of Natural Resources of Russia (13.1%), the Ministry of Energy of Russia (19.3%), Roscosmos State Corporations (47%), and Rosatom (30.5%). Individual subsidies were not provided to legal entities due to the absence or late approval of the rules (procedures) for granting subsidies.

- 15) The size of inter-budget transfers provided to the regions amounted to 1,385.7 billion rubles, or 41.5% of the consolidated list with amendments, and increased by 0.6% as to 2020 year on year. Beyond that, there is a low level of execution of expenses for the provision of subsidies (34.2%). The expenses for the provision of inter-budget transfers for 10 main managers were executed at a low level (less than 25%). The Federal Air Transport Agency did not transfer inter-budget transfers.

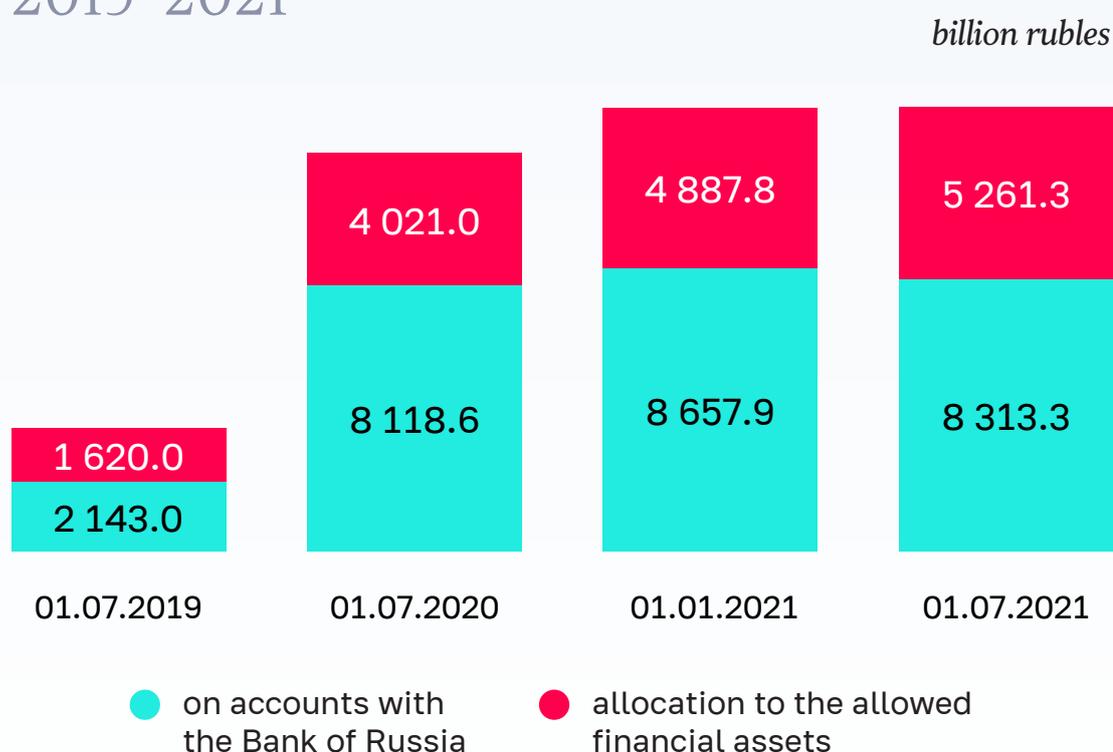
- 16) The federal budget was performed with a surplus in the amount of 625.9 billion rubles. Therewith, the sources of internal financing amounted to (-) 646.5 billion rubles and the sources of external financing – to 20.6 billion rubles. The fundraising with regards to state internal borrowings amounted to 1,536.0 billion rubles, or 41.9% of the projected amount, which is 76.6 billion rubles, or 4.8% less than in 2020 year on year, the repayment volume is (-) 262.0 billion rubles, or 11.7%, which is 254.4 billion rubles, or 2-fold less as to 2020 year on year.

According to the projections of the Ministry of Finance of the Russian Federation regarding cash receipts and cash payments by sources of funding the federal budget deficit for the current financial year, it is planned to cut the Program of Internal Borrowing by 875.0 billion rubles, or 32.6% (to 1,806.6 billion rubles), by reducing the volume of

placement to 2,792.8 billion rubles, or by 23.9%. Therewith, the total volume of demand from investors at auctions for the placement of Federal Loan Bonds decreased by 4.6%, and the yield at the weighted average price of the fixed-yield Federal Loan Bonds increased to amount 5.55–7.43% per annum (4.77–6.78% per annum, as to 2020 year on year).

17) Dynamics of balances of NWF accounts in the Bank of Russia in foreign currency lodged in authorized financial assets in 2019–2021

Dynamics of balances of NWF accounts in the Bank of Russia in foreign currency lodged in authorized financial assets in 2019–2021

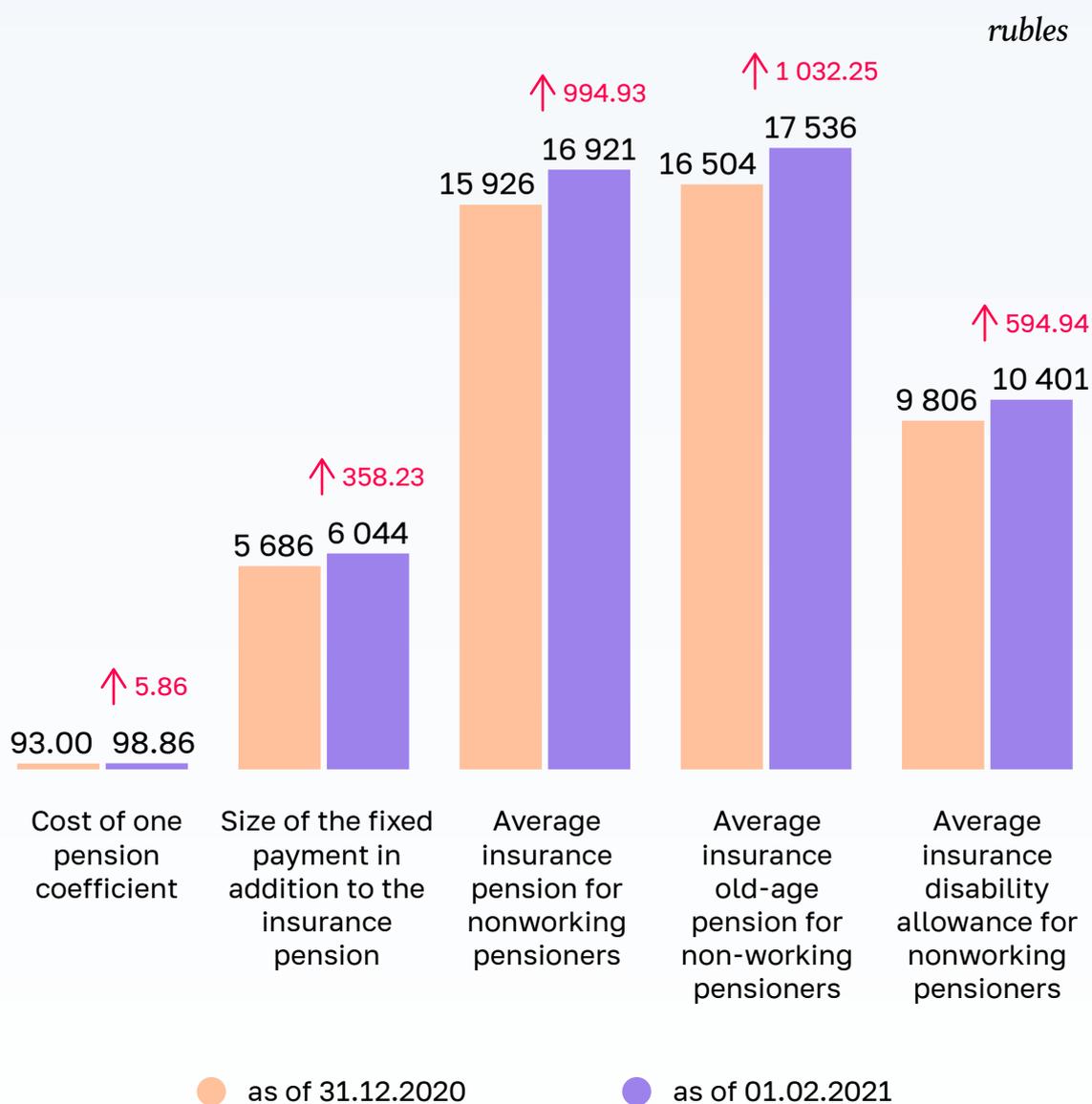


The volume of the National Welfare Fund in ruble equivalent increased by 28.9 billion rubles, or 0.2%, to amount 13,574.6 billion rubles (11.7% of GDP), of which the volume of funds of the National Welfare Fund in accounts with the Bank of Russia amounts to 8,313.3 billion rubles (7.2% of GDP), with the amount of 5,261.3 billion rubles (4.6% of GDP) invested in other financial assets. The use of the NWF funds amounted to 14.1 billion rubles, including 11.1 billion rubles for financing the federal budget deficit and 3.0 billion rubles for co-financing pension savings.

Section II. Analysis of Progress in Execution of the Russian Federation Pension Fund Budget in January – July 2021

- 1) The budget of the Pension Fund of the Russian Federation (hereinafter, the “PFR”) is executed in the first half of 2021 within the planned indicators. During the analyzed period, the PFR was given new powers to provide state support measures to certain categories of citizens, namely, a monthly allowance for a woman who registered with a medical organization in the early stages of pregnancy, a monthly allowance for a single parent of a child aged 8–17 years, as well as a one-time allowance for school-age children, disabled persons, and persons with disabilities studying under basic general education programs.

The main parameters of pension coverage



- 2) The budget of the PFR for January–June 2021 received 4,464,682.30 million rubles (49% of the projected amount). This is less than the receipts for the first half of 2020 by 375,866.77 million rubles (7.8%). It was inter-budget transfers revenues that mainly decreased, since in the same period of 2020, the budget of the PFR received inter-budget transfers for additional payments to families with children during the COVID-19 pandemic. There are no such transfers in 2021.
- 3) From the federal budget, the budget of the PFR received 1,654,864.74 million rubles (49.4% of the projected annual amount). This is by 560,171.64 million rubles (25.3%) less than in 2020 year on year. The share of federal budget funds in the PFR's revenues decreased from 45.8% in the first half of 2020 to 37.1% in the first half of 2021. The main share in the total amount of funds received (51.9%) is made up of transfers intended for payments financed by federal budget funds in accordance with the legislation of the Russian Federation. Inter-budget transfers allocated to pay insurance pensions in the first half of 2021 were by 62,520.26 million rubles (7.3%) less than in 2020 year on year.
- 4) The size of insurance contributions received as a whole amounted to 2,784,088.15 million rubles, which is by 190,282.91 million rubles (7.3%) more than in 2020 year on year. The insurance contributions received amounted to 49% of their projected annual amount. Only additional insurance contributions for a funded pension were less than those last year, which is due to a decrease in the number of insured persons who want to have a funded pension by utilizing additional funds. The share of insurance contributions in the revenues of the PFR increased by 8.8 percentage points to amount 62.4%.
- 5) The total debt to the budget of the PFR on insurance contributions for January–June 2021 increased by 39,145.96 million rubles (14.7%) and to amount 304,977.36 million rubles as of June 1, 2021.
- 6) The size of the consolidated budget list of the PFR budget for 6 months of 2021 increased by 15,896.97 million rubles (0.17%) to amount 9,612,580.20 million rubles as of July 1, 2021.
- 7) In January–June 2021, 4,444,861.43 million rubles were spent (46.3% of the indicator of the consolidated budget list of the PFR). Compared to the same period last year, expenses decreased by 349,343.98 million rubles (7.3%). The decrease in expenses is due to the absence in 2021 of expenses for additional payments to families with children provided for as part of the support for the population during the coronavirus pandemic and made in the same period of 2020.
- 8) Expenses for the payment of insurance pensions increased by 141,531.26 million rubles (4.1%) – through increasing the size of insurance pensions for nonworking pensioners due to their indexation by 6.3%, social pensions due to their indexation by 3.4% as well as a decrease in the number of working recipients of insurance pensions by 266.41 thousand

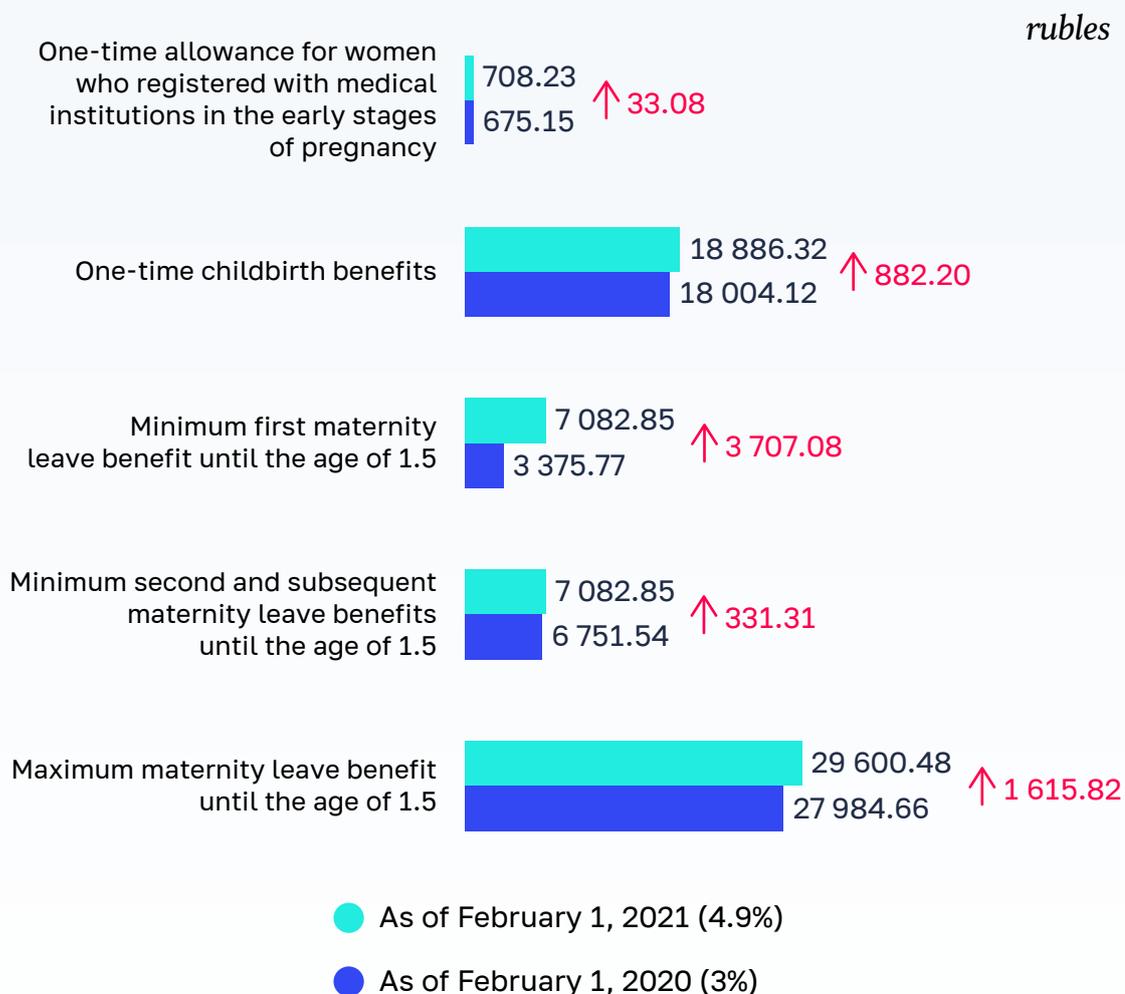
people to whom the payment of insurance pensions has started taking into account all previously missed indexations.

- 9) In the first half of 2021, year-on-year expenses for the implementation of maternal (family) capital (hereinafter also, the “MFC”) increased by 84,895.45 million rubles (1.8-fold). In total, 194,855.55 million rubles were spent for these purposes in 2021. The number of families with children who received the certificate decreased by 54.6 thousand (9.5%) as to 2020 year on year. The number of applications for the use of MFC funds increased by 212.12 thousand (1.5-fold). As of July 1, 2021, a total of 11,388.12 thousand families with children, including 634.34 thousand families with one child, have received MFC certificates since the start of the MFC implementation.
- 10) Expenses for monthly cash payments (hereinafter, the “MCP”) increased by 5,387.53 million rubles (2.8%). The increase in expenses is due to an increase in the size of MCP due to their indexation from April 2021 by 4.9%. Therewith, the number of recipients decreased by 381.02 thousand people (2.6%) as to 2020 year on year.
- 11) The budget of the PFR for the first half of 2021 was executed with a surplus of 19,820.87 million rubles. The remaining balance on the accounts of the budget of the PFR in the Federal Treasury as a whole increased by 12,020.20 million rubles (1.3%) to amount 918,292.60 million rubles as of July 1, 2021.

Section III. Analysis of Progress in Execution of the Russian Federation Social Insurance Fund Budget in January – July 2021

- 1) The main feature of the implementation of the SIF budget in 2021 is the termination of the offset mechanism for the payment of state benefits. Since this year, in all constituent entities of the Russian Federation, the appointment and payment of benefits shall be performed by the SIF territorial agencies. Employers pay insurance contributions to the SIF budget in the full amount accrued.
- 2) Since February 1, 2021, state benefits and social benefits have been indexed by 4.9%.

Dynamics of the size of maternity benefits



- 3) The budget of the SIF for January–June 2021 received revenues in the amount of 657,932.82 million rubles (80.7% of the revenue volume approved by the Law on 2021 SIF Budget). Compared to the same period in 2020, revenues increased by 243,085.08 million rubles (1.6-fold). The growth is due to the receipts of inter-budget transfers from the federal budget and the reserve fund of the Government of the Russian Federation, which was not the case during the same period in 2020.
- 4) Inter-budget transfers from the federal budget and the reserve fund of the Government of the Russian Federation were received in the amount of 332,262.43 million rubles, which is an 11-fold increase as to 2020 year on year and a 2.4-fold increase as to the indicator approved by the Law on 2021 SIF Budget. The amount of transfers increased due to the proceeds intended for payments to certain categories of citizens during the COVID-19 pandemic, to ensure the SIF's budget balance, compensation for lost revenues due to reduced rates of insurance contributions for mandatory social insurance in case of temporary disability and in connection with maternity (hereinafter also, the "TDM"), to provide subsidies to legal entities and individual entrepreneurs to support the employment of unemployed citizens.
- 5) Insurance contributions for 2 types of compulsory social insurance for January–June 2021 amounted to 352,115.74 million rubles (49.6% of the projected amount). Their volume decreased by 13,084.58 million rubles (3.6%) as to 2020 year on year. Therewith, the receipts of insurance contributions for social insurance against industrial accidents and occupational diseases (hereinafter also, "IAOD") increased by 6,477.79 million rubles (10.6%), and for TDM insurance — decreased by 19,562.37 million rubles (6.4%). Insurance contributions in the SIF budget revenues accounted for the main share — 53.5%.
- 6) The total debt to the SIF budget with regards to insurance contributions for TDM insurance has increased by 2,405.23 million rubles (20.4%) since the start of the year to amount 14,211.09 million rubles as of June 1, 2021; for insurance against IAOB (according to the data available to the SIF at the time of the operational analysis) — by 888.84 million rubles to amount 12,278.88 million rubles as of April 1, 2021.
- 7) As of January 1, 2021, the reserve with regards to the IAOB social insurance contributions amounted to 37,029.54 million rubles. The revenues from its placement in credit institutions amounted to 477.96 million rubles (27.2% of the projected revenues).
- 8) The SIF transferred to the payers of insurance contributions accounts payable (reimbursement of the expenses incurred by them to pay benefits in 2020 and earlier periods) in the amount of 33,916.63 million rubles. According to the updated data, the specified accounts payable amounted to 132,429.53 million rubles as of January 1, 2021.
- 9) As of July 1, 2021, the amount of budget allocations under the consolidated budget list of the SIF budget (hereinafter also, the "CBL") amounted to 1,021,368.33 million rubles and increased by 188,075.02 million rubles (22.6%) since the start of the year.

- 10) In January–June 2021, the SIF spent 579,981.69 million rubles (69.6% of the indicator approved by the Law on 2021 SIF Budget, and 56.8% of the CBL indicator). This exceeds the expenses in 2020 year on year by 159,106.67 million rubles (1.4-fold).
- 11) Social insurance expenses for the TDM case account for the majority of expenditures intended for social benefits, the same as in 2020. The payment of temporary disability benefits accounts for the most significant increase in expenses for this type of insurance. The expenses for its payment increased 2.2-fold and to amount 243,510.80 million rubles; as of July 1, 2021, they amounted to 73.8% of the indicator approved by the Law on 2021 SIF Budget.
- 12) 15,578.87 million rubles (36.8% of the indicator approved in the CBL) were transferred to the SIF territorial agencies to provide disabled persons with technical means of rehabilitation. The transferred funds have been disbursed by 94%. In June 2021, the SIF budget received an additional 9 580.84 million rubles from the reserve fund of the Government of the Russian Federation. These funds should cover the existing debt to disabled persons.
- 13) During the year, the queue for obtaining vouchers for sanatorium treatment decreased by 15.1% (94.53 thousand people) to comprise only 530.78 thousand people as of July 1, 2021.

In the first half of 2021, 75.20 thousand people were referred for sanatorium-resort treatment (a 4-fold increase year on year).
- 14) The SIF budget for January–June 2021 was executed with a surplus in the amount of 77 951.13 million rubles. The remaining funds on the accounts of the SIF budget have increased 1.8-fold since the start of the year to amount 165,394.25 million rubles as of July 1, 2021.

Section IV. Analysis Progress in Execution of the Russian Federation Federal Mandatory Medical Insurance Fund Budget in January – July 2021

- 1) In January–June 2021, the Federal Compulsory Medical Insurance Fund (hereinafter also, the “Fund,” the “FCMIF”) implemented efforts to fulfill the budgetary powers of the state extra-budgetary fund against the backdrop of the coronavirus (COVID-19) pandemic and the regulation changes associated therewith in terms of state support measures to ensure the financial stability of medical organizations.

In the first half of 2021, the financial support of medical care for patients with the novel coronavirus (COVID-19) infection at the expense of compulsory medical insurance (hereinafter also, the “CMI”) amounted to 218.1 billion rubles, of which 95.7%, or 208.8 billion rubles, were allocated to pay for medical care in a round-the-clock hospital.

The amount of medical care provided to patients with the novel coronavirus infection (COVID-19) in a round-the-clock hospital amounted to 1.5 million hospitalizations, or 15.6% of the total number of hospitalizations in a round-the-clock hospital (9.6 million hospitalizations). Therewith, the average cost of hospitalizations of patients with the novel coronavirus infection COVID-19 (taking into account the regional differentiation coefficients) was 135.4 thousand rubles, the cost of hospitalizations of patients with noncommunicable diseases was 41.5 thousand rubles.

In accordance with Assignment No. TG-P12–8850kv of T. Golikova, Deputy Prime Minister of the Russian Federation, dated July 6, 2021, the Fund estimated possible additional federal budget expenditures for providing medical care to patients with the novel coronavirus infection, as well as compensation for employees’ wages, taxes, and fees, insurance contributions, utility bills, payment of expenses related to the maintenance of the property — during the spread of the novel coronavirus infection.

According to the Fund, the financial support of medical care to patients with the novel coronavirus infection for the second half of 2021 will amount to 111.4 billion rubles, including 106.3 billion rubles for patients in round-the-clock hospitals, based on the projections of the Ministry of Health of the Russian Federation with regards to the number of active cases of the novel coronavirus infection for July–December 2021 in the amount of 3,924.7 thousand people, of which 20% will be provided medical care in a round-the-clock hospital (784,9 thousand hospitalizations).

According to the Fund, the additional need for financial support for the second half of 2021 to provide medical care to insured persons with the novel coronavirus infection will amount to 65.4 billion rubles. In addition to the above, according to the Fund’s estimate, the additional need for funds to compensate for employees’ wages, taxes, and fees, insurance contributions, utility bills, payment of expenses related to the maintenance of the property — during the spread of the novel coronavirus infection in 2021 — will amount to 55.9 billion rubles.

- 2) The revenue part of the FCMIF budget in the first half of 2021 was fulfilled in the total amount of 1,304,678.3 million rubles (51.5% of the projected annual amount), which exceeds the indicator achieved for the same period in 2020 – by 37,969.4 million rubles, or 3%.
- 3) As of the end of the first half of the year, the largest share (53.8%) in the total structure of the budget revenues of the FCMIF consists of receipts administered by the Federal Tax Service: insurance contributions for the compulsory medical insurance of the working population, taxes on total income, arrears, and recalculations for canceled taxes and fees.

The cash execution of the revenue part of the FCMIF budget with regards to payments administered by the Federal Tax Service of Russia amounted to 702,662.4 million rubles, which is generally 11.2% more than in 2020 year on year, including:

- Insurance contributions for the CMI of the working population were credited in the amount of 685,919.1 million rubles (48.1% of the annual indicators) and increased by 64,901.9 million rubles, or 10.4%, as to the first half of 2020 year on year;
 - Insurance contributions for CMI of the working population in a fixed amount were received by the FCMIF budget in the amount of 13,728.9 million rubles (50.8% of the projection data), which by is 3,401.2 million rubles, or 32.9%, more than in 2020 year on year;
 - Taxes on total income and arrears on canceled taxes, fees, and other mandatory payments were credited to the FCMIF budget in the amount of 2,988.4 million rubles and 26.0 million, respectively.
- 4) In terms of arrears on insurance contributions for CMI of the working population, the following should be noted.

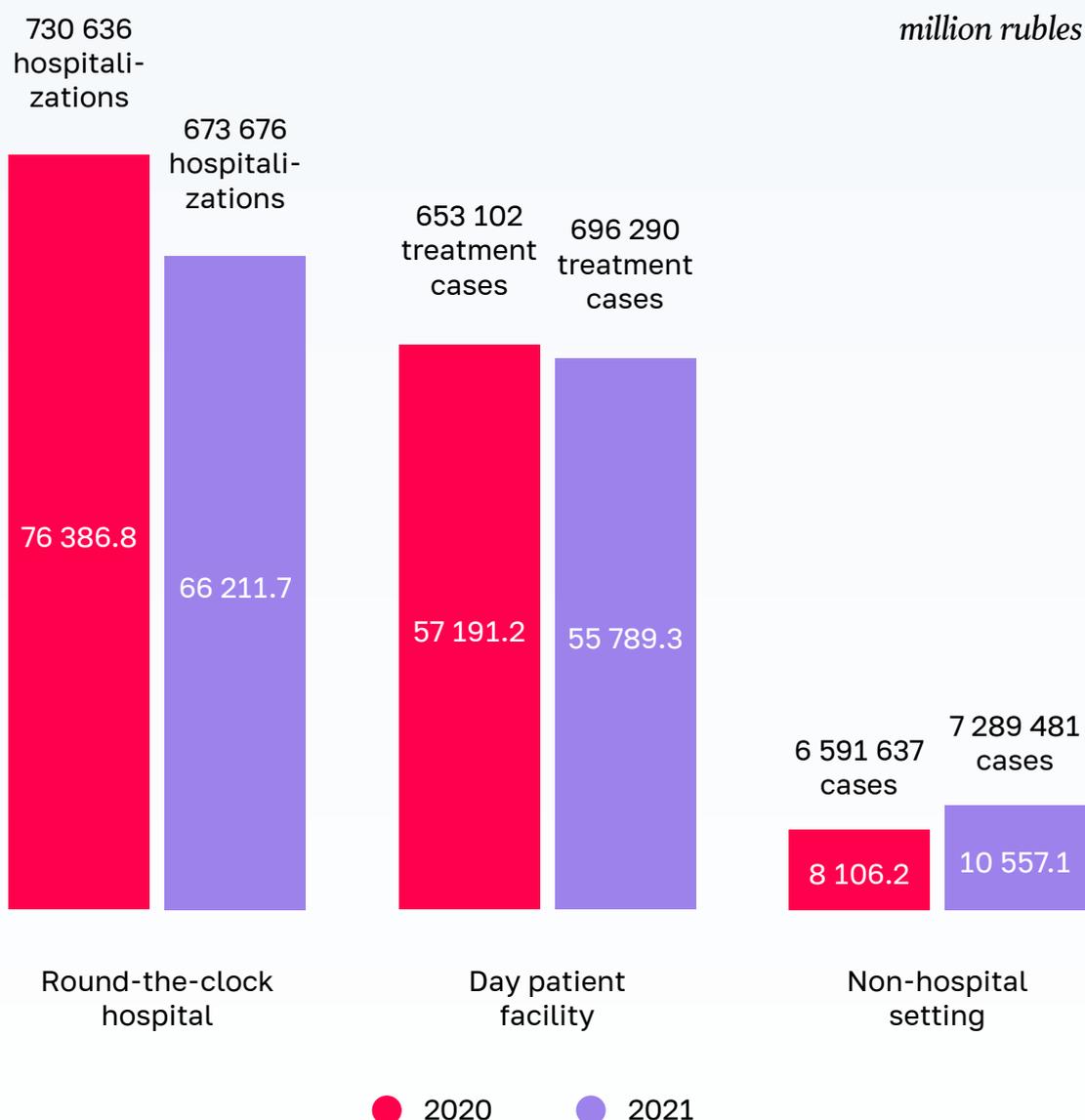
According to the Federal Tax Service of Russia, as of June 1, 2021, the total debt with regards to the payment of insurance contributions for compulsory health insurance of the working population, as well as to penalties and fines credited to the Fund's budget, amounted to 87,386.6 million rubles, that is, it has increased by 10,499.9 million rubles, or 12.0%, since the start of 2021. Therewith, 30,305.5 million rubles, or 34.7%, is the debt accrued during the accounting periods before January 1, 2017, when the Pension Fund of the Russian Federation was the administrator of insurance contributions for the CMI.

In January–June 2021, the tax authorities ensured a reduction in the volume of the total debt on insurance contributions for the CMI of the working population, accrued during the accounting periods up to January 1, 2017, by 2,484.5 million rubles, or by 7.6% (as of January 1 and June 1, 2021, the specified debt amounted to 32,790.0 million rubles and 30,305.5 million rubles, respectively).

- 5) The expenditure part of the FCMIF budget in the first half of 2021 was fulfilled in the total amount of 1,257,189.5 million rubles (49.4% of the approved annual volume), which is 78,177.1 million rubles, or 6.6%, more than the indicator achieved in 2020 year on year.
- 6) Most expenses (99.9%) incurred by the Fund in the reporting period were expenses under section 09 “Healthcare” (1,256,722.5 million rubles). Of these, the largest share (90.6%) was the Fund’s expenses for providing subventions to the budgets of territorial compulsory medical insurance funds (hereinafter also, “TCMIFs”) to render financial support to the organization of compulsory medical insurance in the constituent entities of the Russian Federation in the amount of 1,138,412.3 million rubles, or 50.0% of the approved annual indicator (2,276,824.5 million rubles), which is similar to the level of execution in the first half of 2020 (50.0%).
- 7) Under the departmental target program “Technologically Advanced Medical Care and Medical Care Provided during Clinical Testing of Prevention, Diagnosis, Treatment, and Rehabilitation Methods” for January–June 2021, the Fund executed expenditures in the total amount of 44,814.7 million rubles, or 40.9% of the approved annual indicator (109,690.3 million rubles), including:
 - For the financial support of technologically advanced medical care (hereinafter, the “TAMC”), outside the basic CMI program, provided to the citizens of the Russian Federation by federal state institutions – 44,025.5 million rubles, or 41.1% of the approved annual indicator (107,190.3 million rubles). According to the Fund, the failure to achieve the level of execution of up to 50% was due to the change of state tasks to federal state institutions;
 - For the financial support of TAMC, outside the basic CMI program, provided to the citizens of the Russian Federation by medical organizations in the private healthcare system – 789.3 million rubles, or 31.6% of the approved annual indicator (2,500.0 million rubles). Therewith, according to the FCMIF, in January–June 2021, subsidies were provided and used only in one medical organization: Medical and Diagnostic Center of the Medical Institute of Biological Systems n.a. S.M. Berezin, LLC, Saint Petersburg (hereinafter, “Berezin Medical and Diagnostic Center”).

Due to the failure of the Fund and the Ministry of Health of the Russian Federation to completely exercise their powers in the first half of 2021 to provide financial support for TAMC outside the basic CMI program, provided to the citizens of the Russian Federation by medical organizations of the private healthcare system, as defined by Article 501 of Federal Law No. 326-FZ On Compulsory Medical Insurance in the Russian Federation dated November 29, 2010 (hereinafter also, “Federal Law No. 326-FZ”), the risk is created that patients will not receive technologically advanced medical care in medical organizations of the private healthcare system.

Medical care provided to oncology patients in January-July 2021 compared to the same period in 2020



- 8) As of July 1, 2021, the normalized insurance reserve of the FCMIF (hereinafter also, the “NIR FCMIF”) was created in the amount of 75,479.9 million rubles.

The funds of the NIR FCMIF were allocated for the purposes approved by Federal Law No. 391-FZ On Budget of 2021 Federal Compulsory Medical Insurance Fund and for 2022 and 2023 Planning Period dated December 8, 2020 (hereinafter also, “Federal Law No. 391-FZ”) in the amount of 67,011.9 million rubles.

By Direction No. 1733-r of the Government of the Russian Federation dated June 26, 2021 (hereinafter, the “direction”), as of January 1, 2021, the remaining funds of the FCMIF are set to be allocated to increase the NIR FCMIF in the amount of 25,000,000.00 thousand rubles to ensure additional financial support in order for insured persons to receive specialized, including technologically advanced, medical care, from medical organizations towards which the Government of the Russian Federation or federal executive authorities perform the functions and exercise the power of founders, in accordance with the uniform requirements of the basic CMI program.

As of July 1, 2021, the Fund has not fulfilled the direction and no changes have been made to the consolidated budget list in terms of increasing budget allocations in the amount of 25,000,000.00 thousand rubles (under the expenditure item “Social Security and Other Payments to the Population” (budget classification code: 09 09 01 K 10 90059 300)).

