

XVII. DEPARTMENT OF NATIONAL DEFENSE

A. OFFICE OF THE SECRETARY

For general administration and support, support to operations, and operations, including locally-funded project, as indicated hereunder..... P 141,169,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 24,273,000	P 13,112,000		P 37,385,000
b. Productivity Incentive Benefits	590,000			590,000
Sub-Total, General Administration and Support	24,863,000	13,112,000		37,975,000
II. Support to Operations				
a. Information Systems Development and Maintenance	516,000	1,483,000		1,999,000
Sub-Total, Support to Operations	516,000	1,483,000		1,999,000
III. Operations				
a. Supervision, Coordination and Direction of National Security Operations	36,162,000	40,439,000	6,000,000	82,601,000
b. Supervision, Coordination and Direction of Defense Support Activities		11,756,000		11,756,000
c. Conduct of peace and order activities involving the suppression of insurgency and other serious threats due to the passage of R.A. No. 8551, known as the "PNP Reform and Reorganization Act of 1998"		3,488,000		3,488,000
Sub-Total, Operations	36,162,000	55,683,000	6,000,000	97,845,000
Total, Programs	61,541,000	70,278,000	6,000,000	137,819,000
B. PROJECT(s)				
I. Locally-Funded Project(s)				
a. Confirmation of the services of World War II Veterans	1,200,000	2,150,000		3,350,000
Sub-Total, Locally-Funded Project(s)	1,200,000	2,150,000		3,350,000
Total, Project	1,200,000	2,150,000		3,350,000
TOTAL NEW APPROPRIATIONS	P 62,741,000	P 72,428,000	P 6,000,000	P 141,169,000

Special Provisions

1. **Restriction on the Use of Funds Allotted for Petroleum, Oil and Lubricants and Medicines.** The amounts herein appropriated for petroleum, oil and lubricants and medicines outlay for the Department of National Defense, including all its offices and the AFP major services, shall be used exclusively for the purchase/acquisition of such petroleum, oil and lubricants and medicines, and in no case shall any portion thereof be utilized for any other purpose: PROVIDED, That amounts not exceeding three percent (3%) of the allocation for petroleum, oil and lubricants may be used for the maintenance and upgrading of storage, transport and dispensing facilities for petroleum, oil and lubricants.

The Secretary of National Defense may authorize Department personnel, subject to appropriate internal control measures and safeguards, to inspect deliveries of petroleum, oil and lubricants serviced directly to aircrafts, vessels and motor vehicles utilized by the Armed Forces of the Philippines.

2. **Augmentation of Appropriations.** The Secretary of National Defense is authorized, subject to the approval of the President of the Philippines, to augment the appropriations for any program, project or activity of the Office of the Secretary of National Defense from savings in the appropriations of another bureau, office or agency within the Department of National Defense, included in this Act or approved after its enactment.

3. **Use of Savings.** The Secretary of National Defense is authorized, subject to the approval of the President of the Philippines, to use savings in the appropriations herein provided for the Department of National Defense for: (a) subsistence, hospitalization, transportation, rehabilitation and resettlement of destitute military personnel discharged honorably, including captured or surrendered dissidents and their families; (b) necessary expenses incurred during the peace and order campaign; (c) financial assistance to government informers who are killed or injured in the performance of their duties; (d) payment for damage to properties and compensation for injuries or death of civilians resulting from the Armed Forces of the Philippines operations.

4. **Public Bidding and Consultation.** The amounts herein appropriated for aviation navigational facilities, radars, control towers and other similar equipment shall be subject to public bidding.

The Department shall institute control measures governing the receipts, disbursements, and use of funds and property, consistent with the total economic development effort of the government, and those that facilitate the keeping, and enhance the information value of its accounts through the promulgation of generally accepted accounting and auditing rules and regulations.

5. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 24,273,000	P 13,112,000		P 37,385,000
1. General management and supervision	23,250,000	12,952,000		36,202,000
2. Legislative liaison services	1,023,000	160,000		1,183,000
b. Productivity Incentive Benefits	590,000			590,000
Sub-Total, General Administration and Support	24,863,000	13,112,000		37,975,000
II. Support to Operations				
a. Information Systems Development and Maintenance				
1. Management of defense information	516,000	1,483,000		1,999,000
Sub-Total, Support to Operations	516,000	1,483,000		1,999,000
III. Operations				
a. Supervision, Coordination and Direction of National Security Operations	36,162,000	40,439,000	6,000,000	82,601,000
1. Supervision, coordination and direction of national security operations	30,068,000	20,463,000	6,000,000	56,531,000
2. Supervision, coordination and direction of defense and security activities	5,038,000	12,544,000		17,582,000

3. Supervision, coordination and direction of the activities for the enhancement and modernization of military equipage and training of the armed forces for external defense operations		3,000,000		3,000,000				
4. Supervision, coordination and direction of Civil-military activities	1,056,000	4,432,000		5,488,000				
b. Supervision, Coordination and Direction of Defense Support Activities		11,756,000		11,756,000				
1. Conduct of external defense relations activities, including supervision, coordination and direction of the operations related to the maintenance of beneficial relations with allied/neighborly countries		5,208,000		5,208,000				
2. Conduct of security operations and related activities		4,908,000		4,908,000				
3. Participation in the rehabilitation program for dissident returnees		1,500,000		1,500,000				
4. Implementation of the DND program for soldiers who incurred service connected disability (Project KAPAGDAXA)		140,000		140,000				
c. Conduct of peace and order activities involving the suppression of insurgency and other serious threats due to the passage of R.A. No. 8551, known as the "PNP Reform and Reorganization Act of 1998"		3,488,000		3,488,000				
Sub-Total, Operations		36,162,000	55,683,000	6,000,000	97,845,000			
TOTAL, PROGRAMS AND ACTIVITIES	P	61,541,000	P	70,278,000	P	6,000,000	P	137,819,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	32,799
Contractual, Casual and Emergency Personnel	17,933

Total Salaries/Wages	50,732
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Other Compensation

Terminal Leave Benefits	663
PAG-IBIG Contributions	355
Medicare Premiums	134
Employees Compensation Insurance Premiums (ECIP)	108

Representation and Transportation Allowances	1,364
Year-End Bonus and Cash Gift	4,210
Personnel Economic Relief Allowance	1,770
Additional P500 Allowance	1,770
Clothing/Uniform Allowance	885
Productivity Incentive Benefits	590
Magna Carta of Public Health Workers per R.A. 7305	160
Total Other Compensation	12,009
01 Total Personal Services	62,741
Maintenance and Other Operating Expenses	
02 Travelling Expenses	6,445
03 Communication Services	2,440
04 Repair and Maintenance of Government Facilities	2,350
05 Repair and Maintenance of Government Vehicles	900
07 Supplies and Materials	7,754
10 Grants, Subsidies and Contributions	520
14 Water, Illumination and Power Services	8,050
15 Social Security Benefits, Rewards and Other Claims	2,160
17 Training and Seminar Expenses	1,290
18 Extraordinary and Miscellaneous Expenses	922
19 Confidential and Intelligence Expenses	23,001
23 Gasoline, Oil and Lubricants	7,412
24 Fidelity Bonds and Insurance Premiums	450
29 Other Services	8,734
Total Maintenance and Other Operating Expenses	72,428
Total Current Operating Expenditures	135,169
Capital Outlays	
36 Furniture, Fixtures, Equipment and Books Outlay	6,000
Total Capital Outlays	6,000
TOTAL NEW APPROPRIATIONS	141,169

B. ARMED FORCES OF THE PHILIPPINES

B.1 GENERAL HEADQUARTERS

For general administration and support, support to operations, and operations, as indicated hereunder.....P 4,172,176,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 462,047,000	P 32,539,000		P 494,586,000

b. Productivity Incentive Benefits	21,136,000		21,136,000
Sub-Total, General Administration and Support	483,183,000	32,539,000	515,722,000
II. Support to Operations			
a. Command and Management Services	1,198,092,000	152,598,000	1,350,690,000
b. Health Services	82,738,000	93,207,000	175,945,000
c. Operations Services	18,664,000	49,167,000	67,831,000
d. Strategic Planning and International Commitment		27,634,000	27,634,000
e. Education and Training Services	56,943,000	50,284,000	107,227,000
Sub-Total, Support to Operations	1,356,437,000	372,890,000	1,729,327,000
III. Operations			
a. Operations Services	234,694,000	150,771,000	385,465,000
b. Military Intelligence Services	217,962,000	116,223,000	334,185,000
c. Civil Military Operations	65,489,000	111,686,000	177,175,000
d. Logistical Services	105,631,000	625,561,000	731,192,000
e. Communication-Electronic Service	179,357,000	119,753,000	299,110,000
Sub-Total, Operations	803,133,000	1,123,994,000	1,927,127,000
Total, Programs	2,642,753,000	1,529,423,000	4,172,176,000
TOTAL NEW APPROPRIATIONS	P 2,642,753,000	P 1,529,423,000	P 4,172,176,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 462,047,000	P 32,539,000		P 494,586,000
1. General management and supervision	443,958,000	8,158,000		452,116,000
2. Operation and maintenance of AFP Finance Center	18,089,000	9,688,000		27,777,000
3. Morale and welfare activities		14,693,000		14,693,000
b. Productivity Incentive Benefits	21,136,000			21,136,000
Sub-Total, General Administration and Support	483,183,000	32,539,000		515,722,000

II. Support to Operations

a. Command and Management Services	1,198,092,000	152,598,000	1,350,690,000
1. Command, staff direction and coordination of GHQ, Area Commands and AFP Wide Support and Separate Units, Major Services and Specified Units	1,017,298,000	74,221,000	1,091,519,000
2. Operations and maintenance of Headquarters Services Command and other attached GHQ Units	180,794,000	78,377,000	259,171,000
b. Health Services	82,738,000	93,207,000	175,945,000
1. Operation and maintenance of Dental Dispensaries and Clinics of GHQ, Area Commands and AFP Wide Support and Separate Units	21,511,000	11,917,000	33,428,000
2. Operation and maintenance of hospitals and Medical Dispensaries and Clinics of GHQ, Area Commands and AFP Wide Support and Separate Units	61,227,000	81,290,000	142,517,000
c. Operations Services	18,664,000	49,167,000	67,831,000
1. Operation and maintenance of Headquarters, Commands and support to special operations Area Commands and AFP Wide Support and Separate Units	18,664,000	49,167,000	67,831,000
d. Strategic Planning and International Commitment		27,634,000	27,634,000
1. Support to strategic planning, capability development planning and international commitment		27,634,000	27,634,000
e. Education and Training Services	56,943,000	50,284,000	107,227,000
1. Operation and maintenance of training Institutions	54,817,000	15,941,000	70,758,000
2. Special training activities	2,126,000	34,343,000	36,469,000
Sub-Total, Support to Operations	1,356,437,000	372,890,000	1,729,327,000

III. Operations

a. Operation Services	234,694,000	150,771,000	385,465,000
1. Operations and maintenance of Area Commands	234,694,000	150,771,000	385,465,000
a. NOLCOM	47,499,000	32,768,000	80,267,000
b. SOLCOM	35,978,000	22,530,000	58,508,000
c. VISCOM	42,324,000	30,148,000	72,472,000
d. SOUTHCOM	75,372,000	49,860,000	125,232,000
e. WESCOM	33,521,000	15,465,000	48,986,000

Magna Carta of Public Health Workers per R.A. 7305	16,059
Special Group Term Insurance	936
Total Other Compensation	397,429
01 Total Personal Services	2,642,753
Maintenance and Other Operating Expenses	
02 Travelling Expenses	55,273
03 Communication Services	18,597
04 Repair and Maintenance of Government Facilities	121,908
05 Repair and Maintenance of Government Vehicles	52,639
06 Transportation Services	21,593
07 Supplies and Materials	710,212
08 Rents	11,380
10 Grants, Subsidies and Contributions	7,071
11 Awards and Indemnities	400
14 Water, Illumination and Power Services	152,952
15 Social Security Benefits, Rewards and Other Claims	8,158
17 Training and Seminar Expenses	7,376
18 Extraordinary and Miscellaneous Expenses	22,143
19 Confidential and Intelligence Expenses	33,601
20 Anti-Insurgency/Contingency/Emergency Expenses	6,090
23 Gasoline, Oil and Lubricants	189,326
24 Fidelity Bonds and Insurance Premiums	6,059
29 Other Services	104,645
Total Maintenance and Other Operating Expenses	1,529,423
Total Current Operating Expenditures	4,172,176
TOTAL NEW APPROPRIATIONS	4,172,176

B.2 PHILIPPINE AIR FORCE

For general administration and support, support to operations, and operations, including locally-funded project, as indicated hereunder..... P 5,646,601,000

New Appropriations, by Program/Project
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	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 87,305,000	P 8,856,000		P 96,161,000
b. Productivity Incentive Benefits		34,344,000		34,344,000
Sub-Total, General Administration and Support	121,649,000	8,856,000		130,505,000

b. Military Intelligence Services	217,962,000	116,223,000	334,185,000
1. Operation and Maintenance of Military Intelligence and Other Related Activities including FOREX Differential of Military Attaches in the amount of P42,769,000 subject to Section 35, Chapter 5, Book VI of Executive Order No. 292	217,962,000	116,223,000	334,185,000
c. Civil Military Operations	65,489,000	111,686,000	177,175,000
1. Operation and maintenance of civil military activities	65,489,000	111,686,000	177,175,000
d. Logistical Services	105,631,000	625,561,000	731,192,000
1. Operation and maintenance of AFP Logistics Command	105,631,000	31,213,000	136,844,000
2. Logistical management and service for Area Commands and AFP Wide Support and other Service Units		594,348,000	594,348,000
e. Communication-Electronic Service	179,357,000	119,753,000	299,110,000
1. Operation and maintenance of communication-electronics facilities	179,357,000	119,753,000	299,110,000
Sub-Total, Operations	803,133,000	1,123,994,000	1,927,127,000
TOTAL, PROGRAMS AND ACTIVITIES	P 2,642,753,000	P 1,529,423,000	P 4,172,176,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	63,458
Military Pay and Allowances	1,870,011
Contractual, Casuals and Emergency Personnel	311,855

Total Salaries/Wages

2,245,324

Other Compensation

Terminal Leave Benefits	65,964
PAG-IBIG Contributions	12,685
Medicare Premiums	4,757
Employees Compensation Insurance Premiums (ECIP)	3,807
Representation and Transportation Allowances	288
Year-End Bonus and Cash Gift	133,967
Personnel Economic Relief Allowance	63,408
Additional P500 Allowance	63,408
Clothing/Uniform Allowance	1,872
Productivity Incentive Benefits	21,136
Others	9,142

II. Support to Operations

a. Command and Management Services	54,185,000	4,498,000	58,683,000
b. Health Services	27,655,000	25,958,000	53,613,000
c. Strategic Planning and International Commitment	2,808,000	5,264,000	8,072,000
d. Education and Training Services	31,370,000	16,697,000	48,067,000
Sub-Total, Support to Operations	116,018,000	52,417,000	168,435,000

III. Operations

a. Operations Services	3,192,045,000	25,191,000	3,217,236,000
b. Military Intelligence Services	485,000	44,139,000	44,624,000
c. Civil Military Operations	485,000	8,180,000	8,665,000
d. Logistical Services	63,617,000	1,708,754,000	1,772,371,000
Sub-Total, Operations	3,256,632,000	1,786,264,000	5,042,896,000

Total, Programs	3,494,299,000	1,847,537,000	5,341,836,000
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B. PROJECT(s)

I. Locally-Funded Project(s)

a. Amortization Payment of Agusta II Contract		304,765,000	304,765,000
Sub-Total, Locally-Funded Project(s)		304,765,000	304,765,000

Total, Project		304,765,000	304,765,000
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TOTAL NEW APPROPRIATIONS	3,494,299,000	1,847,537,000 P	304,765,000 P	5,646,601,000
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Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 87,305,000	P 8,856,000		P 96,161,000
1. General management and supervision	57,677,000	4,674,000		62,351,000
2. Morale and welfare activities	29,628,000	4,182,000		33,810,000
b. Productivity Incentive Benefits	34,344,000			34,344,000
Sub-Total, General Administration and Support	121,649,000	8,856,000		130,505,000

II. Support to Operations

a. Command and Management Services	54,185,000	4,498,000	58,683,000
1. Command, staff direction and coordination of air force-wide units	54,185,000	4,498,000	58,683,000
b. Health Services	27,655,000	25,958,000	53,613,000
1. Operation and maintenance of Dental Dispensaries and Clinics of air force-wide units	3,367,000	3,994,000	7,361,000
2. Operation and maintenance of hospitals and Medical Dispensaries and Clinics of air force-wide units	24,288,000	21,964,000	46,252,000
c. Strategic Planning and International Commitment	2,808,000	5,264,000	8,072,000
1. Support to strategic planning, capability development planning and international commitments	2,808,000	5,264,000	8,072,000
d. Education and Training Services	31,370,000	16,697,000	48,067,000
1. Operation and maintenance of Air Force Training Wings and Units	31,370,000	16,697,000	48,067,000
Sub-Total, Support to Operations	116,018,000	52,417,000	168,435,000

III. Operations

a. Operations Services	3,192,045,000	25,191,000	3,217,236,000
1. Operation and maintenance of air force divisions	11,730,000	7,107,000	18,837,000
a. 1st Air Division	1,700,000	2,086,000	3,786,000
b. 2nd Air Division	1,094,000	2,521,000	3,615,000
c. 3rd Air Division	8,936,000	2,500,000	11,436,000
2. Operations and maintenance of wings and units	3,180,315,000	18,084,000	3,198,399,000
b. Military Intelligence Services	485,000	44,139,000	44,624,000
1. Operation and maintenance of air force intelligence activities	485,000	44,139,000	44,624,000
c. Civil Military Operations	485,000	8,180,000	8,665,000
1. Operation and maintenance of civil military operations	485,000	8,180,000	8,665,000
d. Logistical Services	63,617,000	1,708,754,000	1,772,371,000
1. Logistical management and services for air force wide units	63,617,000	1,345,487,000	1,409,104,000

2. Inspection, repair as necessary for aircraft engines, overhaul of deadline aircraft component including the upgrading of the engine shop		363,267,000	363,267,000
Sub-Total, Operations	3,256,632,000	1,786,264,000	5,042,896,000
TOTAL, PROGRAMS AND ACTIVITIES	P 3,494,299,000	P 1,847,537,000	P 5,341,836,000

New Appropriations, by Object of Expenditures
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 (In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	128,998
Military Pay and Allowances	2,733,986
Contractual, Casual and Emergency Personnel	94,965

Total Salaries/Wages

2,957,949

Other Compensation

Terminal Leave Benefits	21,391
PAG-IBIG Contributions	20,612
Medicare Premiums	7,734
Employees Compensation Insurance Premiums (ECIP)	6,189
Representation and Transportation Allowances	192
Year-End Bonus and Cash Gift	215,997
Personnel Economic Relief Allowance	103,032
Additional P500 Allowance	103,032
Clothing/Uniform Allowance	4,506
Productivity Incentive Benefits	34,344
Magna Carta of Public Health Workers per R.A. 7305	18,232
Special Group Term Insurance	1,089

Total Other Compensation

536,350

01 Total Personal Services

3,494,299

Maintenance and Other Operating Expenses

02 Travelling Expenses	54,611
03 Communication Services	4,000
04 Repair and Maintenance of Government Facilities	41,354
05 Repair and Maintenance of Government Vehicles	5,409
06 Transportation Services	5,196
07 Supplies and Materials	773,939
08 Rents	10,509
10 Grants, Subsidies and Contributions	473
11 Awards and Indemnities	450
14 Water, Illumination and Power Services	131,370
15 Social Security Benefits, Rewards and Other Claims	4,674
17 Training and Seminar Expenses	10,659
18 Extraordinary and Miscellaneous Expenses	2,622
19 Confidential and Intelligence Expenses	6,680

23 Gasoline, Oil and Lubricants	528,187
24 Fidelity Bonds and Insurance Premiums	4,514
29 Other Services	262,890

Total Maintenance and Other Operating Expenses	1,847,537

Total Current Operating Expenditures	5,341,836

Capital Outlays	
36 Furniture, Fixtures, Equipment and Books Outlay	304,765

Total Capital Outlays	304,765

TOTAL NEW APPROPRIATIONS	5,646,601
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B.3 PHILIPPINE ARMY

For general administration and support, support to operations, and operations, as indicated hereunder.....P12,402,343,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>		
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>
			<u>Total</u>
A. PROGRAMS			
I. General Administration and Support			
a. General Administration and Support Services	P 121,274,000	P 55,977,000	P 177,251,000
b. Productivity Incentive Benefits	137,968,000		137,968,000
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Sub-Total, General Administration and Support	259,242,000	55,977,000	315,219,000
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II. Support to Operations			
a. Command and Management Services	18,047,000	53,389,000	71,436,000
b. Health Services	41,443,000	84,210,000	125,653,000
c. Logistical Services		10,759,000	10,759,000
d. Strategic Planning and International Commitments		4,798,000	4,798,000
e. Education and Training Services	7,599,000	114,326,000	121,925,000
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Sub-Total, Support to Operations	67,089,000	267,482,000	334,571,000
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III. Operations			
a. Operations Services	10,559,332,000	46,930,000	10,606,262,000
b. Military Intelligence Services		83,716,000	83,716,000

c. Logistical Services	24,844,000	987,114,000	1,011,958,000
d. Civil-Military Operations		50,617,000	50,617,000
Sub-Total, Operations	10,584,176,000	1,168,377,000	11,752,553,000
Total, Programs	10,910,507,000	1,491,836,000	12,402,343,000
TOTAL NEW APPROPRIATIONS	P10,910,507,000	P 1,491,836,000	P12,402,343,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 121,274,000	P 55,977,000		P 177,251,000
1. General management and supervision	121,274,000	15,308,000		136,582,000
2. Morale and welfare activities		40,669,000		40,669,000
b. Productivity Incentive Benefits	137,968,000			137,968,000
Sub-Total, General Administration and Support	259,242,000	55,977,000		315,219,000
II. Support to Operations				
a. Command and Management Services	18,047,000	53,389,000		71,436,000
1. Command, staff direction and coordination of army-wide units	18,047,000	53,389,000		71,436,000
b. Health Services	41,443,000	84,210,000		125,653,000
1. Operation and maintenance of dental dispensaries and clinics of army-wide units	3,475,000	23,699,000		27,174,000
2. Operation and maintenance of hospital and medical dispensaries and clinics of army-wide units	37,968,000	60,511,000		98,479,000
c. Logistical Services		10,759,000		10,759,000
1. Operation and maintenance of the Libingan ng Mga Bayani		10,759,000		10,759,000
d. Strategic Planning and International Commitment		4,798,000		4,798,000
1. Support to strategic planning, capability development planning and international commitment		4,798,000		4,798,000

e. Education and Training Services	7,599,000	114,326,000	121,925,000
1. Conduct of Army training activities	7,599,000	74,633,000	82,232,000
2. Operation and maintenance of army training institution		39,693,000	39,693,000
Sub-Total, Support to Operations	67,089,000	267,482,000	334,571,000
III. Operations			
a. Operations Services	10,559,332,000	46,930,000	10,606,262,000
1. Direction of army operations	10,559,332,000	46,930,000	10,606,262,000
b. Military Intelligence Services		83,716,000	83,716,000
1. Operation and maintenance of Army intelligence activities		83,716,000	83,716,000
c. Logistical Services	24,844,000	987,114,000	1,011,958,000
1. Logistical management services for army-wide units	24,844,000	987,114,000	1,011,958,000
d. Civil-Military Operations		50,617,000	50,617,000
1. Operation and maintenance of army civil-military activities		50,617,000	50,617,000
Sub-Total, Operations	10,584,176,000	1,168,377,000	11,752,553,000
TOTAL, PROGRAMS AND ACTIVITIES	P10,910,507,000	P 1,491,836,000	P12,402,343,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	92,491
Military Pay and Allowances	8,786,120
Contractual, Casual and Emergency Personnel	75,039

Total Salaries/Wages

8,953,650

Other Compensation

Terminal Leave Benefits	36,953
PAG-IBIG Contributions	82,784
Medicare Premiums	31,048
Employees Compensation Insurance Premiums (ECIP)	24,838
Representation and Transportation Allowances	240
Honoraria	106
Year-End Bonus and Cash Gift	791,405

Personnel Economic Relief Allowance	413,904
Additional P500 Allowance	413,904
Clothing/Uniform Allowance	2,949
Productivity Incentive Benefits	137,968
Magna Carta of Public Health Workers per R.A. 7305	15,584
Special Group Term Insurance	5,174
Total Other Compensation	1,956,857
01 Total Personal Services	10,910,507
Maintenance and Other Operating Expenses	
02 Travelling Expenses	36,314
03 Communication Services	14,974
04 Repair and Maintenance of Government Facilities	41,767
05 Repair and Maintenance of Government Vehicles	57,482
06 Transportation Services	19,557
07 Supplies and Materials	834,665
08 Rents	19,848
11 Awards and Indemnities	500
14 Water, Illumination and Power Services	95,262
15 Social Security Benefits, Rewards and Other Claims	5,114
17 Training and Seminar Expenses	6,578
18 Extraordinary and Miscellaneous Expenses	245
19 Confidential and Intelligence Expenses	2,903
20 Anti-Insurgency/Contingency/Emergency Expenses	8,261
23 Gasoline, Oil and Lubricants	230,000
24 Fidelity Bonds and Insurance Premiums	12,203
29 Other Services	106,163
Total Maintenance and Other Operating Expenses	1,491,836
Total Current Operating Expenditures	12,402,343
TOTAL NEW APPROPRIATIONS	12,402,343

B.4 PHILIPPINE NAVY

For general administration and support, support to operations, and operations, as indicated hereunder.....P 5,792,989,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 116,996,000	P 16,589,000		P 133,585,000
b. Productivity Incentive Benefits	42,122,000			42,122,000
Sub-Total, General Administration and Support	159,118,000	16,589,000		175,707,000

II. Support to Operations

a. Command and Management Services	3,679,245,000	69,162,000	3,748,407,000
b. Health Services	15,011,000	37,156,000	52,167,000
c. Strategic Planning and International Commitments		3,692,000	3,692,000
d. Education and Training Services	3,268,000	26,863,000	30,131,000
Sub-Total, Support to Operations	3,697,524,000	136,873,000	3,834,397,000

III. Operations

a. Direction of Naval Operations	17,570,000	171,719,000	189,289,000
b. Military Intelligence Services		9,928,000	9,928,000
c. Logistics Services	45,529,000	1,528,166,000	1,573,695,000
d. Civil-Military Operations		9,973,000	9,973,000
Sub-Total, Operations	63,099,000	1,719,786,000	1,782,885,000
Total, Programs	3,919,741,000	1,873,248,000	5,792,989,000
TOTAL NEW APPROPRIATIONS	P 3,919,741,000	P 1,873,248,000	P 5,792,989,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	116,996,000	16,589,000		133,585,000
1. General Management and Supervision	116,996,000	4,433,000		121,429,000
2. Morale and Welfare activities		12,156,000		12,156,000
b. Productivity Incentive Benefits	42,122,000			42,122,000
Sub-Total, General Administration and Support	159,118,000	16,589,000		175,707,000
II. Support to Operations				
a. Command and Management Services	3,679,245,000	69,162,000		3,748,407,000
1. Command, staff direction and coordination of navy-wide units	3,679,245,000	69,162,000		3,748,407,000

b. Health Services	15,011,000	37,156,000	52,167,000
1. Operation and maintenance of Dental Dispensaries and Clinics of navy-wide units	2,363,000	10,403,000	12,766,000
2. Operation and maintenance of hospitals and Medical Dispensaries and Clinics of navy-wide units	12,648,000	26,753,000	39,401,000
c. Strategic Planning and International Commitment		3,692,000	3,692,000
1. Support to strategic planning, capability development planning and international commitments		3,692,000	3,692,000
d. Education and Training Services	3,268,000	26,863,000	30,131,000
1. Operation and maintenance of Naval Training Centers	3,268,000	26,863,000	30,131,000
Sub-Total, Support to Operations	3,697,524,000	136,873,000	3,834,397,000
III. Operations			
a. Direction of Naval Operations	17,570,000	171,719,000	189,289,000
1. Operation and maintenance of naval districts		15,886,000	15,886,000
2. Operation and maintenance of other naval units	17,570,000	155,833,000	173,403,000
b. Military Intelligence Services		9,928,000	9,928,000
1. Operation and maintenance of naval intelligence activities		9,928,000	9,928,000
c. Logistics Services	45,529,000	1,528,166,000	1,573,695,000
1. Logistical management and services of navy-wide units	18,939,000	1,175,829,000	1,194,768,000
2. Maintenance of vessels/craft	13,402,000	157,835,000	171,237,000
3. Maintenance of other naval facilities	13,188,000	194,502,000	207,690,000
d. Civil-Military Operations		9,973,000	9,973,000
1. Operation and maintenance of civil-military operations		9,973,000	9,973,000
Sub-Total, Operations	63,099,000	1,719,786,000	1,782,885,000
TOTAL, PROGRAMS AND ACTIVITIES	P 3,919,741,000	P 1,873,248,000	P 5,792,989,000

New Appropriations, by Object of Expenditures

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(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	65,234
Military Pay and Allowances	3,076,891
Contractual, Casual and Emergency Personnel	108,322

Total Salaries/Wages	3,250,447
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Other Compensation

Terminal Leave Benefits	42,569
PAG-IBIG Contributions	25,277
Medicare Premiums	9,482
Employees Compensation Insurance Premiums (ECIP)	7,586
Representation and Transportation Allowances	192
Year-End Bonus and Cash Gift	252,294
Longevity Pay	6,095
Personnel Economic Relief Allowance	126,366
Additional P500 Allowance	126,366
Clothing/Uniform Allowance	1,983
Productivity Incentive Benefits	42,122
Others	951
Magna Carta of Public Health Workers per R.A. 7305	26,543
Special Group Term Insurance	1,468

Total Other Compensation	669,294
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01 Total Personal Services	3,919,741
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Maintenance and Other Operating Expenses

02 Travelling Expenses	22,884
03 Communication Services	5,263
04 Repair and Maintenance of Government Facilities	48,494
05 Repair and Maintenance of Government Vehicles	49,172
06 Transportation Services	55,159
07 Supplies and Materials	660,398
08 Rents	3,436
14 Water, Illumination and Power Services	137,976
15 Social Security Benefits, Rewards and Other Claims	4,433
17 Training and Seminar Expenses	1,050
18 Extraordinary and Miscellaneous Expenses	6,324
19 Confidential and Intelligence Expenses	9,928
20 Anti-Insurgency/Contingency/Emergency Expenses	2,215
21 Taxes, Duties and Fees	23,850
23 Gasoline, Oil and Lubricants	665,620
24 Fidelity Bonds and Insurance Premiums	7,440
29 Other Services	169,606

Total Maintenance and Other Operating Expenses	1,873,248
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Total Current Operating Expenditures	5,792,989
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TOTAL NEW APPROPRIATIONS	5,792,989
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B.5 PRESIDENTIAL SECURITY GROUP

For general administration and support, and operations, as indicated hereunder.....	P 294,623,000
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New Appropriations, by Program/Project

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Current Operating Expenditures

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 33,369,000			P 33,369,000
b. Productivity Incentive Benefits	2,400,000			2,400,000
Sub-Total, General Administration and Support	35,769,000			35,769,000
II. Operations				
a. Presidential Security Services	177,155,000	81,699,000		258,854,000
Sub-Total, Operations	177,155,000	81,699,000		258,854,000
Total, Programs	212,924,000	81,699,000		294,623,000
TOTAL NEW APPROPRIATIONS	P 212,924,000	P 81,699,000		P 294,623,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. General Administration and Support				
a. General Administration and Support Services	P 33,369,000			P 33,369,000
1. General Management and Supervision	33,369,000			33,369,000
b. Productivity Incentive Benefits	2,400,000			2,400,000
Sub-Total, General Administration and Support	35,769,000			35,769,000
II. Operations				
a. Presidential Security Services				
1. Presidential Security Services	177,155,000	81,699,000		258,854,000
Sub-Total, Operations	177,155,000	81,699,000		258,854,000
TOTAL, PROGRAMS AND ACTIVITIES	P 212,924,000	P 81,699,000		P 294,623,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Military Pay and Allowances	170,949
Contractual, Casual and Emergency Personnel	6,206
Total Salaries/Wages	177,155

Other Compensation

PAG-IBIG Contributions	1,440
Medicare Premiums	540
Employees Compensation Insurance Premiums (ECIP)	432
Year-End Bonus and Cash Gift	14,441
Personnel Economic Relief Allowance	7,200
Additional P500 Allowance	7,200
Clothing/Uniform Allowance	96
Productivity Incentive Benefits	2,400
Magna Carta of Public Health Workers per R.A. 7305	1,906
Special Group Term Insurance	114

Total Other Compensation	35,769
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01 Total Personal Services	212,924
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Maintenance and Other Operating Expenses

02 Travelling Expenses	5,994
03 Communication Services	2,006
04 Repair and Maintenance of Government Facilities	4,521
05 Repair and Maintenance of Government Vehicles	7,555
07 Supplies and Materials	24,095
08 Rents	940
14 Water, Illumination and Power Services	14,937
17 Training and Seminar Expenses	1,283
18 Extraordinary and Miscellaneous Expenses	504
19 Confidential and Intelligence Expenses	2,453
20 Anti-Insurgency/Contingency/Emergency Expenses	1,612
23 Gasoline, Oil and Lubricants	8,319
29 Other Services	7,480

Total Maintenance and Other Operating Expenses	81,699
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Total Current Operating Expenditures	294,623
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TOTAL NEW APPROPRIATIONS	294,623
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B.6 PHILIPPINE MILITARY ACADEMY

For general administration and support, and operations, as indicated hereunder	P 459,505,000
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New Appropriations, by Program/Project

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Current Operating Expenditures

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services		P 3,830,000		P 3,830,000
b. Productivity Incentive Benefits	P 3,962,000			3,962,000
Sub-Total, General Administration and Support	3,962,000	3,830,000		7,792,000
II. Operations				
a. Military Education and Training	358,963,000	92,750,000		451,713,000
Sub-total, Operations	358,963,000	92,750,000		451,713,000
Total, Programs	362,925,000	96,580,000		459,505,000
TOTAL NEW APPROPRIATIONS	P 362,925,000	P 96,580,000		P 459,505,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. General Administration and Support				
a. General Administration and Support Services		P 3,830,000		P 3,830,000
b. Productivity Incentive Benefits	P 3,962,000			P 3,962,000
Sub-Total, General Administration and Support	3,962,000	3,830,000		7,792,000
II. Operations				
a. Military Education and Training	358,963,000	92,750,000		451,713,000
Sub-Total, Operations	358,963,000	92,750,000		451,713,000
TOTAL, PROGRAMS AND ACTIVITIES	P 362,925,000	P 96,580,000		P 459,505,000

New Appropriations, by Object of Expenditures

=====

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	22,741
Military Pay and Allowances	262,806
Contractual, Casuals and Emergency Personnel	14,016

Total Salaries/Wages	299,563
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Other Compensation

PAG-IBIG Contributions	2,378
Medicare Premiums	892
Employees Compensation Insurance Premiums (ECIP)	714
Year-End Bonus and Cash Gift	27,854
Personnel Economic Relief Allowance	11,886
Additional P500 Allowance	11,886
Clothing/Uniform Allowance	663
Productivity Incentive Benefits	3,962
Magna Carta of Public Health Workers per R.A. 7305	3,000
Special Group Term Insurance	127

Total Other Compensation	63,362
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01 Total Personal Services	362,925
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Maintenance and Other Operating Expenses

02 Travelling Expenses	3,407
03 Communication Services	514
04 Repair and Maintenance of Government Facilities	9,964
05 Repair and Maintenance of Government Vehicles	2,140
06 Transportation Services	300
07 Supplies and Materials	43,223
08 Rents	300
14 Water, Illumination and Power Services	11,106
15 Social Security Benefits, Rewards and Other Claims	3,830
17 Training and Seminar Expenses	374
18 Extraordinary and Miscellaneous Expenses	3,102
19 Confidential and Intelligence Expenses	1,100
23 Gasoline, Oil and Lubricants	7,420
29 Other Services	9,800

Total Maintenance and Other Operating Expenses	96,580
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Total Current Operating Expenditures	459,505
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TOTAL NEW APPROPRIATIONS	459,505
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8.7 ARMED FORCES OF THE PHILIPPINES MEDICAL CENTER

For general administration and support, and operations, as indicated hereunder.....P	660,136,000
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 New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 131,837,000	P 1,997,000		P 133,834,000
b. Productivity Incentive Benefits	2,148,000			2,148,000
Sub-Total, General Administration and Support	133,985,000	1,997,000		135,982,000
II. Operations				
a. Hospitalization and Medical Care Services	221,636,000	302,518,000		524,154,000
Sub-Total, Operations	221,636,000	302,518,000		524,154,000
Total, Programs	355,621,000	304,515,000		660,136,000
TOTAL NEW APPROPRIATIONS	P 355,621,000	P 304,515,000		P 660,136,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	<u>Maintenance and Other Operating Expenses</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Capital Outlays</u>	<u>Maintenance and Other Operating Expenses</u>	
I. General Administration and Support				
a. General Administration and Support Services	P 131,837,000	P 1,997,000		P 133,834,000
1. General management and supervision	131,837,000	1,997,000		133,834,000
b. Productivity Incentive Benefits	2,148,000			2,148,000
Sub-Total, General Administration and Support	133,985,000	1,997,000		135,982,000
II. Operations				
a. Hospitalization and Medical Care Services	221,636,000	302,518,000		524,154,000
1. Hospitalization and medical care services to AFP personnel and their dependents	221,636,000	302,518,000		524,154,000
Sub-Total, Operations	221,636,000	302,518,000		524,154,000
TOTAL, PROGRAMS AND ACTIVITIES	P 355,621,000	P 304,515,000		P 660,136,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	29,506
Military Pay and Allowances	159,218
Contractual, Casual and Emergency Personnel	72,489
Fees and Allowances of Consultants/Specialists	14,733

Total Salaries/Wages	275,946
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Other Compensation

Terminal Leave Benefits	3,346
PAG-IBIG Contributions	1,289
Medicare Premiums	485
Employees Compensation Insurance Premiums (ECIP)	388
Year-End Bonus and Cash Gift	14,372
Personnel Economic Relief Allowance	6,444
Additional P500 Allowance	6,444
Clothing/Uniform Allowance	972
Productivity Incentive Benefits	2,148
Magna Carta of Public Health Workers per R.A. 7305	43,739
Special Group Term Insurance	48

Total Other Compensation	79,675
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01 Total Personal Services	355,621
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Maintenance and Other Operating Expenses

02 Travelling Expenses	500
03 Communication Services	800
04 Repair and Maintenance of Government Facilities	8,625
05 Repair and Maintenance of Government Vehicles	1,000
07 Supplies and Materials	255,155
08 Rents	80
14 Water, Illumination and Power Services	18,000
15 Social Security Benefits, Rewards and Other Claims	3,994
17 Training and Seminar Expenses	1,000
18 Extraordinary and Miscellaneous Expenses	138
23 Gasoline, Oil and Lubricants	1,524
24 Fidelity Bonds and Insurance Premiums	2,000
29 Other Services	11,699

Total Maintenance and Other Operating Expenses	304,515
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Total Current Operating Expenditures	660,136
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TOTAL NEW APPROPRIATIONS	660,136
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8.8 CITIZEN ARMED FORCES GEOGRAPHICAL UNITS

For organization of reservists for security and development activities in support of the counter-insurgency program as indicated hereunder.....P 511,860,000

New Appropriations, by Program/Project
 =====

Current Operating Expenditures

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. Operations				
a. Organization of Reservists for Security and Development activities in support of the Counter -Insurgency Program	P 489,435,000	P 22,425,000		P 511,860,000
Sub-Total, Operations	489,435,000	22,425,000		511,860,000
Total, Programs	489,435,000	22,425,000		511,860,000
TOTAL NEW APPROPRIATIONS	P 489,435,000	P 22,425,000		P 511,860,000

Special Provisions

1. CAFGU Compensation and Separation Benefits. The appropriation authorized herein shall be used for the compensation of CAFGUs including the payment of their separation benefits not exceeding one (1) year subsistence allowance for the members who will be deactivated in 1999. The Chief of Staff, AFP, shall, subject to the approval of the Secretary of National Defense, promulgate policies and procedures for the payment of separation benefits.

2. Appropriations for Programs and Specific Activities. The amounts herein appropriated for the programs of the agency shall be used specifically of the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. Operations				
a. Organization of Reservists for Security and Development activities in support of the Counter -Insurgency Program	P 489,435,000	P 22,425,000		P 511,860,000
Sub-Total, Operations	489,435,000	22,425,000		511,860,000
TOTAL, PROGRAMS AND ACTIVITIES	P 489,435,000	P 22,425,000		P 511,860,000

New Appropriations, by Object of Expenditures
 =====

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

 Personal Services

 Other Compensation

 Subsistence Allowance

 Total Other Compensation

01 Total Personal Services

489,435

489,435

489,435

Maintenance and Other Operating Expenses

02 Travelling Expenses	171
07 Supplies and Materials	14,588
29 Other Services	7,666

Total Maintenance and Other Operating Expenses	22,425
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TOTAL NEW APPROPRIATIONS	511,860
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8.9 AFP PENSION AND GRATUITY FUND

For payment of pension and gratuity of AFP pensioners and retirees, as indicated hereunder.....P 8,476,346,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAMS				
I. General Administration and Support				
a. For payment of pension and gratuity of AFP pensioners and retirees	P 8,304,119,000	P 172,227,000		P 8,476,346,000
Sub-Total, General Administration and Support	8,304,119,000	172,227,000		8,476,346,000
Total, Programs	8,304,119,000	172,227,000		8,476,346,000
TOTAL NEW APPROPRIATIONS	P 8,304,119,000	P 172,227,000		P 8,476,346,000

Special Provisions

1. Administration of the Fund. The amounts herein authorized for this program shall be administered by the General Headquarters, AFP.

2. Appropriations for Programs and Specific Activities. The amounts herein appropriated for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	<u>Maintenance and Other Operating Expenses</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Operating Expenses</u>	<u>Capital Outlays</u>	
I. General Administration and Support				
a. For payment of pension and gratuity of AFP pensioners and retirees	P 8,304,119,000	P 172,227,000		P 8,476,346,000
Sub-Total, General Administration and Support	8,304,119,000	172,227,000		8,476,346,000
TOTAL, PROGRAMS AND ACTIVITIES	P 8,304,119,000	P 172,227,000		P 8,476,346,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/locally-funded Projects

Current Operating Expenditures	Personal Services	Other Compensation	Pensions	Total Other Compensation	01 Total Personal Services	Maintenance and Other Operating Expenses	15 Social Security Benefits, Rewards and Other Claims	Total Maintenance and Other Operating Expenses	TOTAL NEW APPROPRIATIONS
			8,304,119	8,304,119	8,304,119		172,227	172,227	8,476,346

B.10 RETIREES AND RESERVIST AFFAIRS PROGRAM

For operation and maintenance of retirees and reservist affairs activities, as indicated hereunder P 97,864,000

New Appropriations, by Program/Project

Current Operating Expenditures	Maintenance and Other	Personal	Services	Expenses	Capital	Outlays	Total

A. PROGRAMS

I. Operations	a. Operation and maintenance of Retirees Affairs Activities	19,157,000	P	19,157,000
	b. Operation and Maintenance of Reservist Affairs Activities	78,707,000		78,707,000
	Sub-total, Operations	97,864,000		97,864,000
	Total, Programs	97,864,000		97,864,000
	TOTAL NEW APPROPRIATIONS	97,864,000	P	97,864,000

Special Provisions

1. Administration of the fund. The amounts herein authorized for this program shall be administered by the General Headquarters, AFP.
 2. Appropriations for Programs and Specific Activities. The amounts herein appropriated for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. Operations				
a. Operation and maintenance of Retirees Affairs Activities	P	19,157,000		P 19,157,000
1. General Headquarters		8,471,000		8,471,000
2. Philippine Air Force		1,717,000		1,717,000
3. Philippine Army		6,769,000		6,769,000
4. Philippine Navy		2,200,000		2,200,000
b. Operation and maintenance of Reservist Affairs Activities		78,707,000		78,707,000
1. General Headquarters		35,961,000		35,961,000
2. Philippine Air Force		6,867,000		6,867,000
3. Philippine Army		27,079,000		27,079,000
4. Philippine Navy		8,800,000		8,800,000
Sub-Total, Operations		97,864,000		97,864,000
TOTAL, PROGRAMS AND ACTIVITIES	P	97,864,000		P 97,864,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Maintenance and Other Operating Expenses

02 Travelling Expenses	361
03 Communication Services	385
04 Repair and Maintenance of Government Facilities	11,416
05 Repair and Maintenance of Government Vehicles	704
07 Supplies and Materials	80,019
08 Rents	53
14 Water, Illumination and Power Services	596
18 Extraordinary and Miscellaneous Expenses	204
29 Other Services	4,126

Total Maintenance and Other Operating Expenses	97,864
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Total Current Operating Expenditures	97,864
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TOTAL NEW APPROPRIATIONS	97,864
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B.11 ON-BASE HOUSING PROGRAM

For on-base housing of military personnel as indicated hereunderP 30,000,000

New Appropriations, by Program/Project
=====

Current Operating Expenditures

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
B. PROJECT				
I. Locally-Funded Project				
a. On-Base Housing of Military Personnel			P 30,000,000	P 30,000,000
Sub-Total, Locally-Funded Project			30,000,000	30,000,000
Total, Projects			30,000,000	30,000,000
TOTAL NEW APPROPRIATIONS			P 30,000,000	P 30,000,000

Special Provision

1. Administration of the Fund. The amounts herein authorized for this project shall be administered by the General Headquarters, AFP.

New Appropriations, by Object of Expenditures
=====

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Capital Outlays				
35 Buildings and Structures Outlay				30,000
Total Capital Outlays				30,000
TOTAL NEW APPROPRIATIONS				30,000

B.12 SELF-RELIANT DEFENSE POSTURE PROGRAM

For Self-Reliant Defense Posture Program, as indicated hereunderP 25,000,000

New Appropriations, by Program/Project
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Current Operating Expenditures

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
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A. PROGRAM

I. Support to Operations

1. Self-Reliant Defense Posture Program	P	25,000,000	P	25,000,000
Sub-Total, Support to Operations		25,000,000		25,000,000
Total, Programs		25,000,000		25,000,000
TOTAL NEW APPROPRIATIONS	P	25,000,000	P	25,000,000

Special Provisions

1. Administration of the Fund. The amounts herein authorized for this program shall be administered by the General Headquarters, AFP.

2. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. Program				
I. Support to Operations				
1. Self-Reliant Defense Posture Program	P	25,000,000		P 25,000,000
Sub-Total, Support to Operations		25,000,000		25,000,000
TOTAL PROGRAMS AND ACTIVITIES	P	25,000,000		P 25,000,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Maintenance and Other Operating Expenses

05 Repair and Maintenance of Government Vehicles	300
07 Supplies and Materials	23,600
29 Other Services	1,100

Total Maintenance and Other Operating Expenses 25,000

Total Current Operating Expenditures 25,000

TOTAL NEW APPROPRIATIONS 25,000

B.13 MNLF INTEGRATION PROGRAM

For administration and operational requirements for the training and deployment of MNLF integrees, as indicated hereunder..... P 1,050,915,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAM				
I. Operations				
a. Administration and Operational Requirements for the Training and Deployment of MNLF Integrees	P 681,074,000	P 369,841,000		P 1,050,915,000
Sub-Total, Operations	681,074,000	369,841,000		1,050,915,000
Total, Programs	681,074,000	369,841,000		1,050,915,000
TOTAL NEW APPROPRIATIONS	P 681,074,000	P 369,841,000		P 1,050,915,000

Special Provisions

1. Administration of the Fund. The amounts herein authorized for this program shall be administered by the General Headquarters, AFP.
2. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. Operations				
a. Administration and Operational Requirements for the Training and Deployment of MNLF Integrees	P 681,074,000	P 369,841,000		P 1,050,915,000
Sub-Total, Support to Operations	681,074,000	369,841,000		1,050,915,000
TOTAL PROGRAMS AND ACTIVITIES	P 681,074,000	P 369,841,000		P 1,050,915,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/locally-Funded Projects

Current Operating Expenditures

Personal Services

Military Pay Allowances

681,074

Total Salaries/Wages	681,074
01 Total Personal Services	681,074
Maintenance and Other Operating Expenses	
02 Travelling Expenses	29,672
04 Repair and Maintenance of Government Facilities	6,632
07 Supplies and Materials	304,299
17 Training and Seminar Expenses	7,667
23 Gasoline, Oil and Lubricants	7,697
29 Other Services	13,874
Total Maintenance and Other Operating Expenses	369,841
Total Current Operating Expenditures	1,050,915
TOTAL NEW APPROPRIATIONS	1,050,915

C. GOVERNMENT ARSENAL

For general administration and support, support to operations, and operations, as indicated hereunder.....P 252,853,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 42,998,000	P 16,197,000		P 59,195,000
b. Productivity Incentive Benefits	1,692,000			1,692,000
Sub-Total, General Administration and Support	44,690,000	16,197,000		60,887,000
II. Support to Operations				
a. Formulation of Plans and Programs for the Development and Manufacture of Arms and Ammunition	6,658,000	376,000		7,034,000
Sub-Total, Support to Operations	6,658,000	376,000		7,034,000
III. Operations				
a. Manufacture of Arms and Ammunition and Maintenance and Security of Arsenal	84,832,000	100,100,000		184,932,000
Sub-Total, Operations	84,832,000	100,100,000		184,932,000
Total, Programs	136,180,000	116,673,000		252,853,000
TOTAL NEW APPROPRIATIONS	P 136,180,000	P 116,673,000		P 252,853,000

Special Provisions

1. Authority to Barter Scrap. The Director of the Government Arsenal, upon notice to the Commission on Audit and prior approval of the Secretary of National Defense, is authorized to barter scrap with essential facilities in the operation of the Government Arsenal: PROVIDED, That the money value of the scrap items bartered shall be recorded as income of the Government Arsenal and the equipment shall be recorded as government property.

2. Appropriations for Programs and Specific Activities. The amounts herein appropriated for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 42,998,000	P 16,197,000		P 59,195,000
1. General management and supervision	42,998,000	16,197,000		59,195,000
b. Productivity Incentive Benefits	1,692,000			1,692,000
Sub-Total, General Administration and Support	44,690,000	16,197,000		60,887,000
II. Support to Operations				
a. Formulation of Plans and Programs for the Development and Manufacture of Arms and Ammunition	6,658,000	376,000		7,034,000
1. Formulate plans and programs to develop and manufacture arms and ammunition	6,658,000	376,000		7,034,000
Sub-Total, Support to Operations	6,658,000	376,000		7,034,000
III. Operations				
a. Manufacture of Arms and Ammunition and Maintenance and Security of Arsenals	84,832,000	100,100,000		184,932,000
1. Manufacture and storage of arms and ammunition and the assurance of quality thereof	84,832,000	100,100,000		184,932,000
Sub-Total, Operations	84,832,000	100,100,000		184,932,000
TOTAL, PROGRAMS AND ACTIVITIES	P 136,180,000	P 116,673,000		P 252,853,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	78,574
Contractual, Casuals and Emergency Personnel	1,071
Total Salaries/Wages	79,645

Other Compensation

Terminal Leave Benefits	1,048
PAG-IBIG Contributions	1,016
Medicare Premiums	382
Employees Compensation Insurance Premiums (ECIP)	305
Representation and Transportation Allowances	522
Year-End Bonus and Cash Gift	10,780
Personnel Economic Relief Allowance	5,076
Additional P500 Allowance	5,076
Laundry Allowance	300
Quarters Allowance	1,347
Clothing/Uniform Allowance	2,538
Hazard Pay	25,325
Productivity Incentive Benefits	1,692
Others	804
Magna Carta of Public Health Workers per R.A. 7305	324

Total Other Compensation 56,535

01 Total Personal Services 136,180

Maintenance and Other Operating Expenses

02 Travelling Expenses	615
03 Communication Services	80
04 Repair and Maintenance of Government Facilities	2,584
05 Repair and Maintenance of Government Vehicles	482
07 Supplies and Materials	101,549
14 Water, Illumination and Power Services	7,203
15 Social Security Benefits, Rewards and Other Claims	1,332
17 Training and Seminar Expenses	482
18 Extraordinary and Miscellaneous Expenses	68
19 Confidential and Intelligence Expenses	300
23 Gasoline, Oil and Lubricants	1,191
24 Fidelity Bonds and Insurance Premiums	11
29 Other Services	776

Total Maintenance and Other Operating Expenses 116,673

Total Current Operating Expenditures 252,853

TOTAL NEW APPROPRIATIONS 252,853

D. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES

For general administration and support, support to operations, and operations, as indicated hereunderP 27,496,000

New Appropriations, by Program/Project

=====

Current Operating Expenditures

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 5,791,000 P	4,661,000 P		P 10,452,000

b. Productivity Incentive Benefits	128,000			128,000
Sub-Total, General Administration and Support	5,919,000	4,661,000		10,580,000
II. Support to Operations				
a. National Defense and Strategic International Policy Studies	942,000	650,000		1,592,000
Sub-Total, Support to Operations	942,000	650,000		1,592,000
III. Operations				
a. Advanced and Higher Education Services	9,698,000	4,626,000	1,000,000	15,324,000
Sub-Total, Operations	9,698,000	4,626,000	1,000,000	15,324,000
Total, Programs	16,559,000	9,937,000	1,000,000	27,496,000
TOTAL, NEW APPROPRIATIONS	P 16,559,000 P	9,937,000 P	1,000,000 P	27,496,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services				
1. General management and supervision	P 5,791,000 P	4,661,000 P		P 10,452,000
b. Productivity Incentive Benefits	128,000			128,000
Sub-Total, General Administration and Support	5,919,000	4,661,000		10,580,000
II. Support to Operations				
a. National Defense and Strategic International Policy Studies				
1. Conduct of national defense and strategic international studies	942,000	650,000		1,592,000
Sub-Total, Support to Operations	942,000	650,000		1,592,000
III. Operations				
a. Advanced and Higher Education Services				
1. Conduct of graduate level and other courses of studies for development	9,698,000	4,626,000	1,000,000	15,324,000
Sub-Total, Operations	9,698,000	4,626,000	1,000,000	15,324,000
TOTAL, PROGRAMS AND ACTIVITIES	P 16,559,000 P	9,937,000 P	1,000,000 P	27,496,000

New Appropriations, by Object of Expenditures

=====

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	8,159
Contractual, Casual and Emergency Personnel	1,014

Total Salaries/Wages	9,173
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Other Compensation

PAG-IBIG Contributions	78
Medicare Premiums	31
Employees Compensation Insurance Premiums (ECIP)	24
Representation and Transportation Allowances	234
Honoraria	4,930
Year-End Bonus and Cash Gift	1,001
Personnel Economic Relief Allowance	384
Additional P500 Allowance	384
Clothing/Uniform Allowance	192
Productivity Incentive Benefits	128

Total Other Compensation	7,386
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01 Total Personal Services	16,559
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Maintenance and Other Operating Expenses

02 Travelling Expenses	2,241
03 Communication Services	471
04 Repair and Maintenance of Government Facilities	300
05 Repair and Maintenance of Government Vehicles	370
07 Supplies and Materials	1,730
14 Water, Illumination and Power Services	664
17 Training and Seminar Expenses	130
18 Extraordinary and Miscellaneous Expenses	390
19 Confidential and Intelligence Expenses	420
23 Gasoline, Oil and Lubricants	1,000
24 Fidelity Bonds and Insurance Premiums	100
27 Library Books and Materials	500
29 Other Services	1,621

Total Maintenance and Other Operating Expenses	9,937
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Total Current Operating Expenditures	26,496
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Capital Outlays

36 Furniture, Fixtures, Equipment and Books Outlay	1,000
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Total Capital Outlays	1,000
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TOTAL NEW APPROPRIATIONS	27,496
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E. OFFICE OF CIVIL DEFENSE

For general administration and support, and operations, as indicated hereunder.....P 56,497,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 9,067,000	P 4,160,000		P 13,227,000
b. Productivity Incentive Benefits	462,000			462,000
Sub-Total, General Administration and Support	9,529,000	4,160,000		13,689,000
II. Operations				
a. Planning, Direction and Coordination for Civil Defense	31,023,000	6,785,000	5,000,000	42,808,000
Sub-Total, Operations	31,023,000	6,785,000	5,000,000	42,808,000
Total, Programs	40,552,000	10,945,000	5,000,000	56,497,000
TOTAL NEW APPROPRIATIONS	P 40,552,000	P 10,945,000	P 5,000,000	P 56,497,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. General Administration and Support				
a. General Administration and Support Services	P 9,067,000	P 4,160,000		P 13,227,000
1. General management and supervision	9,067,000	4,160,000		13,227,000
b. Productivity Incentive Benefits	462,000			462,000
Sub-Total, General Administration and Support	9,529,000	4,160,000		13,689,000
II. Operations				
a. Planning, Direction and Coordination for Civil Defense	31,023,000	6,785,000	5,000,000	42,808,000

1. Supervision, direction and coordination of the national civil defense program	31,023,000	6,785,000	5,000,000	42,808,000
Sub-Total, Operations	31,023,000	6,785,000	5,000,000	42,808,000
TOTAL, PROGRAMS AND ACTIVITIES	P 40,552,000 P	10,945,000 P	5,000,000 P	56,497,000
New Appropriations, by Object of Expenditures				
=====				
(In Thousand Pesos)				
A. Programs/Locally-Funded Projects				
Current Operating Expenditures				
Personal Services				
Salaries of Permanent Positions				28,197
Contractual, Casuals and Emergency Personnel				2,771
Total Salaries/Wages				30,968
Other Compensation				
Terminal Leave Benefits				560
PAG-IBIG Contributions				278
Medicare Premiums				105
Employees Compensation Insurance Premiums (ECIP)				84
Representation and Transportation Allowances				815
Year-End Bonus and Cash Gift				3,506
Personnel Economic Relief Allowance				1,386
Additional P500 Allowance				1,386
Clothing/Uniform Allowance				693
Productivity Incentive Benefits				462
Others				309
Total Other Compensation				9,584
01 Total Personal Services				40,552
Maintenance and Other Operating Expenses				
02 Travelling Expenses				1,334
03 Communication Services				1,133
04 Repair and Maintenance of Government Facilities				188
05 Repair and Maintenance of Government Vehicles				250
06 Transportation Services				100
07 Supplies and Materials				1,820
08 Rents				1,035
10 Grants, Subsidies and Contributions				21
14 Water, Illumination and Power Services				850
15 Social Security Benefits, Rewards and Other Claims				1,348
17 Training and Seminar Expenses				487
18 Extraordinary and Miscellaneous Expenses				21
21 Taxes, Duties and Fees				100
23 Gasoline, Oil and Lubricants				650
24 Fidelity Bonds and Insurance Premiums				150
29 Other Services				1,458
Total Maintenance and Other Operating Expenses				10,945
Total Current Operating Expenditures				51,497

Capital Outlays	
35 Buildings and Structures Outlay	5,000
Total Capital Outlays	5,000
TOTAL NEW APPROPRIATIONS	56,497

F. PHILIPPINE VETERANS AFFAIRS OFFICE

F.1 PHILIPPINE VETERANS AFFAIRS OFFICE (PROPER)

For general administration and support, and operations, including locally-funded project, as indicated hereunder....P10,921,847,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 40,954,000	P 26,264,000		P 67,218,000
b. Productivity Incentive Benefits	702,000			702,000
Sub-Total, General Administration and Support	41,656,000	26,264,000		67,920,000
II. Operations				
a. Administration of Veterans' Pensions and Other Benefits	10,603,299,000	245,867,000		10,849,166,000
Sub-Total, Operations	10,603,299,000	245,867,000		10,849,166,000
Total, Programs	10,644,955,000	272,131,000		10,917,086,000
B. PROJECTS				
I. Locally-Funded Project(s)				
a. Operational Requirements of the Ad-hoc Veterans Affairs Office in Washington, D.C.	2,179,000	2,582,000		4,761,000
Sub-Total, Locally-Funded Project(s)	2,179,000	2,582,000		4,761,000
Total, Projects	2,179,000	2,582,000		4,761,000
TOTAL NEW APPROPRIATIONS	P10,647,134,000	P 274,713,000		P10,921,847,000

Special Provisions

1. **Funding Priority.** Of the amount herein appropriated for pension benefits, priority shall be given to the old-age pension of war veterans and shall not be subject to budgetary reserve, until such time as additional funds will be available to cover all benefits covered by R.A. No. 6948 and R.A. No. 7696.

2. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 40,954,000	P 26,264,000		P 67,218,000
1. General management and supervision	40,954,000	26,264,000		67,218,000
b. Productivity Incentive Benefits	702,000			702,000
Sub-Total, General Administration and Support	41,656,000	26,264,000		67,920,000
II. Operations				
a. Administration of Veterans' Pensions and Other Benefits	10,603,299,000	245,867,000		10,849,166,000
1. Processing of veterans' claims	25,099,000	35,867,000		60,966,000
2. For pensions, educational benefits, expanded hospitalization program and burial benefits of veterans, their wives and dependents pursuant to RA 6948 and RA 7696	10,578,200,000	200,000,000		10,778,200,000
3. For the investigation, verification of records, strengthening of internal control system and the conduct of management and systems audit		10,000,000		10,000,000
Sub-Total, Operations	10,603,299,000	245,867,000		10,849,166,000
TOTAL, PROGRAMS AND ACTIVITIES	P10,644,955,000	P 272,131,000		P10,917,086,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	36,589
Contractual, Casuals and Emergency Personnel	17,113
Total Salaries/Wages	53,702

Other Compensation

Terminal Leave Benefits	1,026
PAG-IBIG Contributions	424
Medicare Premiums	160
Employees Compensation Insurance Premiums (ECIP)	128
Representation and Transportation Allowances	839
Honoraria	1,800

Year-End Bonus and Cash Gift	4,810
Pensions	10,578,200
Personnel Economic Relief Allowance	2,112
Additional P500 Allowance	2,106
Clothing/Uniform Allowance	1,056
Productivity Incentive Benefits	702
Magna Carta of Public Health Workers per R.A. 7305	69
Total Other Compensation	10,593,432
01 Total Personal Services	10,647,134
Maintenance and Other Operating Expenses	
02 Travelling Expenses	2,250
03 Communication Services	22,500
04 Repair and Maintenance of Government Facilities	4,000
05 Repair and Maintenance of Government Vehicles	800
06 Transportation Services	94
07 Supplies and Materials	23,000
08 Rents	360
10 Grants, Subsidies and Contributions	70,000
11 Awards and Indemnities	120,000
14 Water, Illumination and Power Services	2,100
15 Social Security Benefits, Rewards and Other Claims	2,747
17 Training and Seminar Expenses	400
18 Extraordinary and Miscellaneous Expenses	42
19 Confidential and Intelligence Expenses	10,000
23 Gasoline, Oil and Lubricants	700
24 Fidelity Bonds and Insurance Premiums	402
29 Other Services	15,318
Total Maintenance and Other Operating Expenses	274,713
Total Current Operating Expenditures	10,921,847
TOTAL NEW APPROPRIATIONS	10,921,847

F.2 MILITARY SHRINE SERVICES

For general administration and support, and operations, as indicated hereunder..... P 14,220,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 1,322,000 P	800,000 P	1,500,000 P	3,622,000
b. Productivity Incentive Benefits	110,000			110,000
Sub-Total, General Administration and Support	1,432,000	800,000	1,500,000	3,732,000

II. Operations

a. Administration and Development of National Military Shrines	5,420,000	5,068,000		10,488,000
Sub-Total, Operations	5,420,000	5,068,000		10,488,000
Total, Programs	6,852,000	5,868,000	1,500,000	14,220,000
TOTAL NEW APPROPRIATIONS	P 6,852,000	P 5,868,000	P 1,500,000	P 14,220,000

Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 1,322,000	P 800,000	P 1,500,000	P 3,622,000
1. General management and supervision	1,322,000	800,000	1,500,000	3,622,000
b. Productivity Incentive Benefits	110,000			110,000
Sub-Total, General Administration and Support	1,432,000	800,000	1,500,000	3,732,000
II. Operations				
a. Administration and Development of National Military Shrines	5,420,000	5,068,000		10,488,000
1. Administration of National Military Shrines	2,684,000	3,038,000		5,722,000
2. Development of National Military Shrines	2,736,000	1,030,000		3,766,000
3. Celebration of Araw ng Kagitingan		1,000,000		1,000,000
Sub-Total, Operations	5,420,000	5,068,000		10,488,000
TOTAL, PROGRAMS AND ACTIVITIES	P 6,852,000	P 5,868,000	P 1,500,000	P 14,220,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	4,477
Contractual, Casual and Emergency Personnel	28

Total Salaries/Wages	4,505
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Other Compensation

Terminal Leave Benefits	600
PAG-IBIG Contributions	67
Medicare Premiums	26
Employees Compensation Insurance Premiums (ECIP)	21
Representation and Transportation Allowances	48
Year-End Bonus and Cash Gift	650
Personnel Economic Relief Allowance	330
Additional P500 Allowance	330
Clothing/Uniform Allowance	165
Productivity Incentive Benefits	110

Total Other Compensation 2,347

01 Total Personal Services 6,852

Maintenance and Other Operating Expenses

02 Travelling Expenses	180
03 Communication Services	30
04 Repair and Maintenance of Government Facilities	400
05 Repair and Maintenance of Government Vehicles	350
07 Supplies and Materials	1,500
08 Rents	78
14 Water, Illumination and Power Services	550
15 Social Security Benefits, Rewards and Other Claims	800
17 Training and Seminar Expenses	15
18 Extraordinary and Miscellaneous Expenses	20
23 Gasoline, Oil and Lubricants	350
24 Fidelity Bonds and Insurance Premiums	40
29 Other Services	1,555

Total Maintenance and Other Operating Expenses 5,868

Total Current Operating Expenditures 12,720

Capital Outlays

35 Buildings and Structures Outlay 1,500

Total Capital Outlays 1,500

TOTAL NEW APPROPRIATIONS 14,220

F.3 VETERANS MEMORIAL MEDICAL CENTER

For general administration and support, and operations, as indicated hereunder.....P 539,220,000

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New Appropriations, by Program/Project

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Current Operating Expenditures

Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
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A. PROGRAMS

I. General Administration and Support

a. General Administration and Support Services	P 68,178,000	P 23,176,000	P 50,000	P 91,404,000
b. Productivity Incentive Benefits	2,716,000			2,716,000
Sub-Total, General Administration and Support	70,894,000	23,176,000	50,000	94,120,000

II. Operations

a. Hospitalization and Medical Care and Treatment	207,811,000	217,939,000	19,350,000	445,100,000
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Sub-Total, Operations	207,811,000	217,939,000	19,350,000	445,100,000
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Total, Programs	278,705,000	241,115,000	19,400,000	539,220,000
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TOTAL NEW APPROPRIATIONS	P 278,705,000	P 241,115,000	P 19,400,000	P 539,220,000
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Special Provision

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

PROGRAMS AND ACTIVITIES

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 68,178,000	P 23,176,000	P 50,000	P 91,404,000
1. General Management and Supervision	68,178,000	23,176,000	50,000	91,404,000
b. Productivity Incentive Benefits	2,716,000			2,716,000
Sub-Total, General Administration and Support	70,894,000	23,176,000	50,000	94,120,000
II. Operations				
a. Hospitalization and Medical Care and Treatment	207,811,000	217,939,000	19,350,000	445,100,000
1. In - Patient Care	164,886,000	203,378,000	19,330,000	387,594,000
2. Out - patient services	42,925,000	14,561,000	20,000	57,506,000
Sub-Total, Operations	207,811,000	217,939,000	19,350,000	445,100,000
TOTAL, PROGRAMS AND ACTIVITIES	P 278,705,000	P 241,115,000	P 19,400,000	P 539,220,000

New Appropriations, by Object of Expenditures

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(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Salaries of Permanent Positions	140,479
Contractual, Casuals and Emergency Personnel	72,119

Total Salaries/Wages	212,598

Other Compensation

Terminal Leave Benefits	2,749
PAG-IBIG Contributions	1,630
Medicare Premiums	613
Employees Compensation Insurance Premiums (ECIP)	489
Representation and Transportation Allowances	404
Year-End Bonus and Cash Gift	18,499
Personnel Economic Relief Allowance	8,148
Additional P500 Allowance	8,148
Clothing/Uniform Allowance	4,074
Productivity Incentive Benefits	2,716
Others	1,667
Magna Carta of Public Health Workers per R.A. 7305	16,970

Total Other Compensation

66,107

01 Total Personal Services

278,705

Maintenance and Other Operating Expenses

02 Travelling Expenses	12
03 Communication Services	354
04 Repair and Maintenance of Government Facilities	922
05 Repair and Maintenance of Government Vehicles	84
07 Supplies and Materials	206,227
14 Water, Illumination and Power Services	12,299
15 Social Security Benefits, Rewards and Other Claims	5,081
17 Training and Seminar Expenses	48
18 Extraordinary and Miscellaneous Expenses	53
23 Gasoline, Oil and Lubricants	2,240
24 Fidelity Bonds and Insurance Premiums	221
29 Other Services	13,574

Total Maintenance and Other Operating Expenses

241,115

Total Current Operating Expenditures

519,820

Capital Outlays

35 Buildings and Structures Outlay	9,000
36 Furniture, Fixtures, Equipment and Books Outlay	10,400

Total Capital Outlays

19,400

TOTAL NEW APPROPRIATIONS

539,220

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Special Provisions applicable to the Armed Forces of the Philippines:

1. **Limitation on the Use of Training Appropriations for Payment of Death Gratuity and Disability Pensions of ROTC Cadets and Reservists.** The appropriations allotted for training outlay in the Armed Forces of the Philippines shall be made available for the payment of death gratuity or disability benefits of ROTC cadets and Reservists on active duty training on account of death or injury suffered as a direct and proximate result of summer cadre training or participation in military operations of the AFP, except those incurred through misconduct, gross negligence or willful disobedience: PROVIDED, That payment shall be made to the beneficiaries as provided in R.A. No. 610, as amended, subject to special rules and regulations prescribed by the Secretary of National Defense: PROVIDED, FINALLY, That death compensation shall not be less than Twelve Thousand Pesos (P12,000.00).

2. **Allowances of Civilians Utilized During Military Operations.** The AFP is authorized to grant, chargeable against the appropriations authorized for the purpose, subsistence allowances and other emoluments to civilians who are not employees of the Department of National Defense but utilized during duly authorized military operations and similar activities of the AFP in the maintenance of peace and order, subject to such rules and regulations prescribed by the Secretary of National Defense.

3. **Purchase of Medicines.** The purchase of medicines by all Armed Forces of the Philippines units, hospitals and clinics shall strictly comply with the formula embodied in the National Drug Policy of the Department of Health.

4. **Intelligence and Confidential Funds.** No amount herein appropriated shall be released or disbursed for intelligence or confidential funds unless specifically identified and authorized as such intelligence and confidential fund in this Act.

Savings may be used to augment said funds, subject to prior approval of the President of the Philippines upon recommendation of the Secretary of National Defense.

5. **Purchase of Security Information.** The Secretary of National Defense, upon certification of the Chief of Staff, AFP, may recommend for the approval of the President of the Philippines the disbursement of funds for payment of rewards to informers or for the purchase of security information on national security projects other than those already approved under authorized operating programs of the AFP.

The amount approved by the President for payment of rewards to informers or for the purchase of security information on national security projects shall be released to the Office of the President for its administration, sub-allotment and programming of its utilization or implementation.

6. **Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations.** Upon recommendation of the Secretary of National Defense and approval of the President of the Philippines, expenses incurred by the AFP in anti-smuggling, economic subversion or similar operations may be reimbursed out of the proceeds from the sale of items seized or confiscated by the AFP, subject to Section 35, Book VI of E.O. No. 292, and to pertinent budgetary, accounting and auditing regulations.

7. **Use of Savings.** The Chief of Staff, AFP, is authorized, subject to the approval of the President to use any savings in the appropriations provided herein for the AFP, for: (a) payment of valid prior years obligations; (b) acquisition of sites under lease or currently used by the Armed Forces; payment of boundary, relocation and subdivision surveys for titling of AFP real estates, development and improvement of on-base housing facilities for military personnel and payments for the amortization of housing loans contracted by the AFP exclusively for military housing; (c) purchase or manufacture of ammunitions and components to build up the reserve stocks of the AFP Reserve Force; (d) payment of gratuities and pensions of military personnel pursuant to P.D. No. 1638; (e) payments for damages to properties and compensation for injuries or death of civilians resulting from Armed Forces of the Philippines operations; (f) procurement of foodstuffs for units actually engaged in security/counter-insurgency operations in combat areas; (g) adjustments in flying pay, sea duty pay, hazardous duty pay, instructor's duty pay, hardship allowance and subsistence allowance and overseas pay and allowances of military personnel performing peacekeeping duties abroad as may be authorized by law; (h) hospitalization of military dependents; (i) subsistence of military personnel serving sentence; (j) funding deficiencies for clothing and quarter allowances of military personnel; (k) funding deficiencies due to increased charges for petroleum, oil and lubricants, light, power, water, telephone and rentals and for payment of rewards; (l) funding deficiencies for separation benefits of CAFGU; and (m) insurance coverage of Reservists during regular active duty training: PROVIDED, That a quarterly report on the use of savings is submitted to the House Committee on Appropriations, the Senate Committee on Finance and the Department of Budget and Management.

8. **Research, Feasibility Studies, Development Projects and Test and Evaluation.** The Chief of Staff, AFP, subject to the approval of the Secretary of National Defense, and upon direction of the President of the Philippines, is authorized to conduct research, feasibility studies and development studies for projects planned and approved under the Self-Reliant Defense Posture Project (SRDP), including materiel requirements of the AFP on weapons and armaments, air and naval armaments, air and naval materiel requirements, ammunition, communication-electronics and quartermaster items, the cost of which shall be chargeable to the appropriations provided for the Self-Reliant Defense Posture Project, R & D Program and other Special Funds as provided for by law. The Chief of Staff is, likewise, authorized, subject to the approval of the Secretary of National Defense, to farm out R & D projects to private entrepreneurs and/or government scientific agencies when these are not within the capability of the AFP to undertake: PROVIDED, That the amount to be spent for such research, feasibility and development studies shall not exceed four percent (4%) of the contract price of the direct cost of each project.

9. **Use of Appropriations Allotment for Longevity Pay.** Longevity pay shall be charged against the specific appropriations allotted for the purpose: PROVIDED, That in determining entitlement to longevity pay, the period of trainee service, ROTC Cadre Training, probationary training and cadet service in Service Academies and in the PAF Flying School not exceeding four years, shall be considered as active military service.

10. **Restriction of AFP Expenditures.** No amount herein authorized for the Armed Forces of the Philippines shall be used to fund

expenditure requirements for military personnel in excess of the authorized troop strength of each major services provided herein: PROVIDED, That any savings generated as a consequence thereof may be used to augment the training, supply and equipment support for the existing troops, subject to Sections 53 and 54 of the General Provisions of this Act and Section 35, Book VI of E.O. No. 292.

11. Allowances. The Chief of Staff, AFP, is authorized, subject to the approval of the President upon the recommendation of the Secretary of National Defense, and Secretary of Budget and Management to adjust the clothing allowance and quarters allowance of AFP military personnel to equalize with the approved rates for the uniformed members of the Philippine National Police under NAPOLCOM Memorandum Circular Number 89-001 dated January 5, 1989 as authorized in Section 6, Republic Act No. 6648 and to use savings in AFP appropriations for the purpose: PROVIDED, That the Chief of Staff, AFP, shall, subject to the approval of the President upon the joint recommendation of the Secretary of National Defense and the Secretary of Budget and Management determine and recommend adjustments as necessary in existing allowances such as but not limited to flying pay, sea duty pay, combat pay, instructor's duty pay, hospital subsistence allowance and subsistence allowance of AFP military personnel undergoing training in local training institutions and PMA and PAFFS cadets, in order to improve the moral and effectiveness of a well disciplined military organization.

12. Reservist Quota in Education and Training Program. The Reservists who are on a regular annual active duty training and are duly qualified, shall compose a minimum of three percent (3%) of the total number of participants in training and education, both local and abroad.

13. Hospitalization. AFP hospitals shall also serve Reservists during regular active duty training.

14. Prohibition on the Imposition of Reserve. No reserve shall be imposed on the amounts herein appropriated.

GENERAL SUMMARY
DEPARTMENT OF NATIONAL DEFENSECurrent Operating Expenditures

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. Office of the Secretary	P 62,741,000	P 72,428,000	P 6,000,000	P 141,169,000
B. Armed Forces of the Philippines	31,373,398,000	7,912,195,000	334,765,000	39,620,358,000
B.1 General Headquarters	2,642,753,000	1,529,423,000		4,172,176,000
B.2 Philippine Air Force	3,494,299,000	1,847,537,000	304,765,000	5,646,601,000
B.3 Philippine Army	10,910,507,000	1,491,836,000		12,402,343,000
B.4 Philippine Navy	3,919,741,000	1,873,248,000		5,792,989,000
B.5 Presidential Security Group	212,924,000	81,699,000		294,623,000
B.6 Philippine Military Academy	362,925,000	96,580,000		459,505,000
B.7 Armed Forces of the Philippines Medical Center	355,621,000	304,515,000		660,136,000
B.8 Citizen Armed Forces Geographical Units	489,435,000	22,425,000		511,860,000
B.9 AFP Pension and Gratuity Fund	8,304,119,000	172,227,000		8,476,346,000
B.10 Retirees and Reservist Affairs Program		97,864,000		97,864,000
B.11 On-Base Housing Program			30,000,000	30,000,000
B.12 Self-Reliant Defense Posture Program		25,000,000		25,000,000
B.13 MNLF Integration Program	681,074,000	369,841,000		1,050,915,000
C. Government Arsenal	136,180,000	116,673,000		252,853,000
D. National Defense College of the Philippines	16,559,000	9,937,000	1,000,000	27,496,000
E. Office of Civil Defense	40,552,000	10,945,000	5,000,000	56,497,000
F. Philippines Veterans Affairs Office	10,932,691,000	521,696,000	20,900,000	11,475,287,000
F.1 Philippine Veterans Affairs Office (Proper)	10,647,134,000	274,713,000		10,921,847,000
F.2 Military Shrine Services	6,852,000	5,868,000	1,500,000	14,220,000
F.3 Veterans Memorial Medical Center	278,705,000	241,115,000	19,400,000	539,220,000
Total New Appropriations, Department of National Defense	P42,562,121,000	P 8,643,874,000	P 367,665,000	P51,573,660,000