

XI. DEPARTMENT OF FINANCE
A. OFFICE OF THE SECRETARY

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	1,616,668	1,231,448	843,339
General Fund	1,616,668	1,231,448	843,339
Automatic Appropriations	280,789	24,973	32,739
Retirement and Life Insurance Premiums	24,306	24,973	32,739
Special Account	256,483		
Continuing Appropriations	357,603		
Unobligated Releases for Capital Outlays			
R.A. No. 10717	301,385		
Unobligated Releases for MOOE			
R.A. No. 10717	56,218		
Budgetary Adjustment(s)	8,051		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	7,117		
Pension and Gratuity Fund	934		
Total Available Appropriations	2,263,111	1,256,421	876,078
Unused Appropriations	(570,285)		
Unreleased Appropriation	(6,483)		
Unobligated Allotment	(563,802)		
TOTAL OBLIGATIONS	1,692,826	1,256,421	876,078

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	908,534,000	182,686,000	304,936,000
Regular	908,534,000	182,686,000	304,936,000
PS	96,595,000	87,787,000	127,186,000
MOOE	202,111,000	94,899,000	177,750,000
CO	609,828,000		
Support to Operations	125,874,000	334,891,000	181,899,000
Regular	125,874,000	334,891,000	181,899,000
PS	30,173,000	45,653,000	67,648,000
MOOE	38,933,000	30,478,000	71,736,000
CO	56,768,000	258,760,000	42,515,000

Operations	639,628,000	738,844,000	389,243,000
Regular	639,628,000	466,127,000	386,563,000
PS	200,900,000	193,248,000	220,015,000
MOOE	434,745,000	271,787,000	166,460,000
CO	3,983,000	1,092,000	88,000
Projects / Purpose		272,717,000	2,680,000
MOOE		3,460,000	2,680,000
CO		269,257,000	
Projects / Purpose	18,790,000		
MOOE	12,157,000		
CO	6,633,000		
TOTAL AGENCY BUDGET	1,692,826,000	1,256,421,000	876,078,000
Regular	1,674,036,000	983,704,000	873,398,000
PS	327,668,000	326,688,000	414,849,000
MOOE	675,789,000	397,164,000	415,946,000
CO	670,579,000	259,852,000	42,603,000
Projects / Purpose	18,790,000	272,717,000	2,680,000
MOOE	12,157,000	3,460,000	2,680,000
CO	6,633,000	269,257,000	

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Total Number of Authorized Positions	828	828	828
Total Number of Filled Positions	395	428	428

Proposed New Appropriations Language

For general administration and support, support to operations and operations, including locally-funded and foreign-assisted projects, as indicated hereunder.....P 843,339,000
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OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)			
	PS	MOOE	CO	TOTAL
FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM	126,395,000	134,049,000	88,000	260,532,000
ASSET AND LIABILITY MANAGEMENT PROGRAM	76,796,000	35,091,000		111,887,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	382,110,000	418,626,000	42,603,000	843,339,000
National Capital Region (NCR)	382,110,000	418,626,000	42,603,000	843,339,000
TOTAL AGENCY BUDGET	382,110,000	418,626,000	42,603,000	843,339,000
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SPECIAL PROVISION(S)

1. Municipal Development Fund. The Municipal Development Fund (MDF), administered by the Municipal Development Fund Office (MDFO), constituted from the proceeds of foreign loans, grants and assistance shall be used for the loaning and relending operations to LGUs in accordance with P.D. No. 1914, COA-DOF-DBM J.C. No. 6-87 dated August 17, 1987 and E.O. No. 41, s. 1998. Any interest earnings of the MDF shall be deposited as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of E.O. No. 292, s. 1987 and Section 65 of P.D. No. 1445.

Disbursements or expenditures by the MDFO in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

2. Reporting and Posting Requirements. The MDFO shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:

- (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
- (b) MDFO's website.

The MDFO shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

3. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
1000000000000000	General Administration and Support	117,022,000	177,750,000		294,772,000
100000100001000	General Management and Supervision	116,520,000	177,750,000		294,270,000
100000100002000	Administration of Personnel Benefits	502,000			502,000
Sub-total, General Administration and Support		117,022,000	177,750,000		294,772,000
2000000000000000	Support to Operations	61,897,000	71,736,000	42,515,000	176,148,000
200000100001000	Legal Services	10,603,000	4,756,000		15,359,000
200000100002000	Management of Information Systems	27,278,000	58,922,000	42,515,000	128,715,000
200000100003000	Revenue Integrity Protection Service (RIPS) activities	24,016,000	8,058,000		32,074,000
Sub-total, Support to Operations		61,897,000	71,736,000	42,515,000	176,148,000
3000000000000000	Operations	203,191,000	169,140,000	88,000	372,419,000
3100000000000000	00 : Fiscal sustainability attained	126,395,000	134,049,000	88,000	260,532,000
3101000000000000	FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM	126,395,000	134,049,000	88,000	260,532,000
310100100001000	Financial and fiscal planning and programming, consolidation, analysis, generation of reports, project formulation on revenue statistics and policy research	18,990,000	9,262,000		28,252,000

310100100003000	Philippine Extractive Industries Transparency Initiative (PH-EITI)		43,811,000		43,811,000
310100100004000	Tax policy research and formulation (Direct Tax)	12,132,000	6,871,000		19,003,000
310100100005000	Tax policy research and formulation (Indirect Tax)	2,753,000	237,000		2,990,000
310100100006000	Preparation of inputs of financial and economic policies in various international fora	20,878,000	60,384,000	88,000	81,350,000
310100100007000	Oversight of tax law implementation and processing of tax exemption requests	42,317,000	8,954,000		51,271,000
310100100008000	Operation of One-Stop Shop Inter-Agency Tax Credit and Duty Draw-Back Center	29,325,000	4,530,000		33,855,000
320000000000000	00 : Asset and debt effectively managed	<u>76,796,000</u>	<u>35,091,000</u>		<u>111,887,000</u>
320100000000000	ASSET AND LIABILITY MANAGEMENT PROGRAM	<u>76,796,000</u>	<u>35,091,000</u>		<u>111,887,000</u>
320100100001000	Privatization Group and Council Secretariat support	24,337,000	3,558,000		27,895,000
320100100002000	Negotiation of international financing transactions	10,885,000	18,168,000		29,053,000
320100100003000	Monitoring and evaluation of financial performance of the government corporate sector	18,120,000	7,077,000		25,197,000
320100100004000	Administration of funds for municipal development	23,454,000	3,608,000		27,062,000
	Project(s)				
	Locally-Funded Project(s)		<u>2,680,000</u>		<u>2,680,000</u>
320100200001000	Support to the People's Survival Fund		<u>2,680,000</u>		<u>2,680,000</u>
Sub-total, Operations		<u>203,191,000</u>	<u>169,140,000</u>	<u>88,000</u>	<u>372,419,000</u>
TOTAL NEW APPROPRIATIONS		P 382,110,000	P 418,626,000	P 42,603,000	P 843,339,000
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Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	(Obligation-Based)		(Cash-Based)
	2017	2018	2019
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	194,064	208,104	272,819
Total Permanent Positions	<u>194,064</u>	<u>208,104</u>	<u>272,819</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	9,369	8,880	10,272
Representation Allowance	7,010	6,276	7,206

Transportation Allowance	5,174	6,144	7,074
Clothing and Uniform Allowance	2,010	1,850	2,568
Honoraria	6,401		
Overtime Pay	483		
Mid-Year Bonus - Civilian	15,442	17,341	22,734
Year End Bonus	16,575	17,341	22,734
Cash Gift	2,000	1,850	2,140
Productivity Enhancement Incentive	1,969	1,850	2,140
Performance Based Bonus	6,961		
Step Increment		519	680
Collective Negotiation Agreement	10,325		
Total Other Compensation Common to All	83,719	62,051	77,548
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	332	248	248
Overseas Allowance		8,112	4,796
Anniversary Bonus - Civilian	3,360		
Total Other Compensation for Specific Groups	3,692	8,360	5,044
Other Benefits			
Retirement and Life Insurance Premiums	23,032	24,973	32,739
PAG-IBIG Contributions	470	444	514
PhilHealth Contributions	1,466	1,472	2,356
Employees Compensation Insurance Premiums	468	444	514
Retirement Gratuity		731	
Loyalty Award - Civilian	210		255
Terminal Leave	11,138	1,578	502
Total Other Benefits	36,784	29,642	36,880
Non-Permanent Positions	9,409	18,531	22,558
TOTAL PERSONNEL SERVICES	327,668	326,688	414,849
Maintenance and Other Operating Expenses			
Travelling Expenses	58,479	89,623	50,654
Training and Scholarship Expenses	37,600	18,179	20,179
Supplies and Materials Expenses	56,257	25,840	19,052
Utility Expenses	26,930	16,049	33,616
Communication Expenses	18,749	10,199	12,273
Awards/Rewards and Prizes	10		
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses	500	1,000	1,000
Extraordinary and Miscellaneous Expenses	3,278	3,860	3,860
Professional Services	138,396	91,874	141,797
General Services	25,370	13,718	38,665
Repairs and Maintenance	12,342	7,278	14,339
Taxes, Insurance Premiums and Other Fees	1,708	2,419	8,589
Other Maintenance and Operating Expenses			
Advertising Expenses	186,899	2,368	3,444
Printing and Publication Expenses	6,051	1,238	6,086
Representation Expenses	6,173	5,948	6,060
Transportation and Delivery Expenses	31	653	402
Rent/Lease Expenses	40,027	66,889	24,811
Membership Dues and Contributions to Organizations	100	15	20
Subscription Expenses	4,321	5,391	14,759
Other Maintenance and Operating Expenses	64,725	38,083	19,020
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	687,946	400,624	418,626
TOTAL CURRENT OPERATING EXPENDITURES	1,015,614	727,312	833,475

Capital Outlays			
Investment Outlay		265,657	
Property, Plant and Equipment Outlay			
Infrastructure Outlay		3,600	
Buildings and Other Structures	500,670	200,000	
Machinery and Equipment Outlay	31,907	56,200	42,603
Transportation Equipment Outlay	13,750		
Furniture, Fixtures and Books Outlay	88,164	252	
Intangible Assets Outlay	42,721	3,400	
TOTAL CAPITAL OUTLAYS	677,212	529,109	42,603
GRAND TOTAL	1,692,826	1,256,421	876,078

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Sound, stable and supportive macroeconomic environment sustained

ORGANIZATIONAL
OUTCOME : Fiscal sustainability attained
Asset and debt effectively managed

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	2017 GAA Targets	2017 Actual
Fiscal sustainability attained		
Improved tax effort	17.5%	14.2% DBCC Approved Medium Term Fiscal Program, December 22, 2017 Meeting
Sustained country's position at the forefront of international and regional economic finance cooperation, through participation in international meetings/ treaty negotiations (e.g. APEC and ASEAN)	6	6
Transparency initiative for mining industry	100%	100%
Asset and debt effectively managed		
Sustained dividend collection from GOCCs	P10 Billion	P30.462 Billion
Amount of loans with concessional terms increased or amount of concessional loans maximized	Values of foreign loans and grants (> or = US\$ 500 Million) Number of foreign loans and grants negotiated (> = 7)	Values of foreign loans and grants negotiated (P2,502.61 Million) Number of foreign loans and grants negotiated (34)
MFO / Performance Indicators	2017 GAA Targets	2017 Actual

MFO 1: FINANCIAL SECTOR AND FISCAL POLICY SERVICES (DOMESTIC AND INTERNATIONAL)

Number of plans and policy advisories developed and issued or updated and disseminated	5	14.75
Percentage of stakeholders who rate DOF plans/policy advisories as good or better	80%	100%
Percentage of plans and policy advisories that have been updated, issued and disseminated within the last 3 years	80%	100%

MFO 2: PUBLIC SECTOR FINANCIAL RESOURCES
MANAGEMENT SERVICES

Revenue Integrity Protection and Services		
Number of personnel investigated	108	86
Number of personnel charged with OMB or CSC	55	11
Percentage of personnel charged by appropriate authority over the number of personnel investigated	51%	13%
Percentage of investigation completed within the prescribed period	100%	100%
GOCC Monitoring		
Amount collected as dividend from GOCCs	P10 Billion	P30.462 Billion
Percentage of dividend collected over target dividend	100%	305%
Dividend from GOCCs collected within the prescribed period	100% collection by 4th Q	304.59% collection of the target dividend for the period
Negotiation of International Loans		
Value of foreign loans and grants negotiated	>or =US\$ 500M	US\$ 2,502.61 M
Number of foreign loans and grants negotiated	>=7	34
Percentage of ODA loans obtained annually compliant to the Weighted Average Grant Element as set under the law	100%	100%

MFO 3: MUNICIPAL DEVELOPMENT FUND
ADMINISTRATION SERVICES

Number of applications for grants and loans acted upon	40	284
Number of grants and loans approved	30	58
Number of loans and grants under management	170	968
Value of loans and grants under management	P850.82 M	P1,331.06 M
Percentage of loans with one or more interest payments in arrears by 30 days or more	10%	6.18%
Percentage of applications acted upon within 2 weeks	100%	100%
Percentage of borrowers that are default on an interest or principal repayment after one (1) month grace period	10%	7.46%

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)

2018 GAA Targets

Baseline

2019 Targets

Fiscal sustainability attained

FINANCIAL SUSTAINABILITY AND REVENUE
STRENGTHENING PROGRAM

Outcome Indicator(s)

1. Improved tax effort 15.7%

FY 2011-12.4%,
FY 2012-12.9%,
FY 2013-13.3%,
FY 2014-13.6%,
FY 2015-13.7%*,
FY 2016-13.8%*
*Figures are based
on Tax Revenues Gross
of Tax Refund/GDP

15.8% DBCC Approved Medium
Term Fiscal Program,
April 24, 2018 Meeting

2. Improved government system that ensure transparency in all extractive industry transactions 100%

FY 2014-100%,
FY 2015-100%,
FY 2016-100%

100%

3. Sustained country's position at the forefront of international and regional economic finance cooperation	5	FY 2011-4, FY 2012-4, FY 2013-4, FY 2014-4 FY 2015-5, FY 2016-6	5
Output Indicator(s)			
1. Number of plans and policy advisories developed and issued or updated and disseminated	5	FY 2014-10, FY 2015-6.5 FY 2016-9.75	4
2. Recommended policies on information disclosure and to address barriers to the full implementation of EITI	4	FY 2014-1, FY 2015-1 FY 2016-1	4
3. Number of offers provided by the Philippines in various fora/ international agreements	2	FY 2014-2, FY 2015-2 FY 2016-2	2
Asset and debt effectively managed			
ASSET AND LIABILITY MANAGEMENT PROGRAM			
Outcome Indicator(s)			
1. Percentage of dividends collected from GOCC/ collection targets	100%	FY 2014-436%, FY 2015-524%, FY 2016-462%	100%
2. Percentage of foreign loans and grants negotiated over targets	+15 to 20% of Target (subject to change depending on DBCC targets/NG financial requirements)	FY 2014-434%, FY 2015-956%, FY 2016-127%	+15 to 20% of Target (subject to change depending on DBCC targets/NG financial requirements)
3. Percentage of released fund over the target	105%	FY 2014-303.30%, FY 2015-105.94%, FY 2016-131.90%	105%
Output Indicator(s)			
1. Amount collected as dividend from GOCCs	P10.0 B	FY 2014- P 23.966 B, FY 2015- P 31.458 B, FY 2016- P 27.735 B	P16.0 B
2. Value of foreign loans and grants negotiated	> or = US\$ 500 M	FY 2014-US\$ 3,038.97 M, FY 2015-US\$ 4,780 M, FY 2016-US\$ 634.03 M	> or = US\$700 M
3. Number of grants and loans approved	40	FY 2014-40, FY 2015-108, FY 2016-26	30