

XVII. DEPARTMENT OF NATIONAL DEFENSE
A. DND PROPER (OFFICE OF THE SECRETARY)

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	719,884	584,598	427,460
General Fund	719,884	584,598	427,460
Automatic Appropriations	9,268	9,695	12,810
Retirement and Life Insurance Premiums	9,268	9,695	12,810
Continuing Appropriations	321,797	382,510	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	189,234		
R.A. No. 10651		165,925	
Unobligated Releases for MOOE			
R.A. No. 10633	132,563		
R.A. No. 10651		216,585	
Budgetary Adjustment(s)	22,714		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	18,980		
Pension and Gratuity Fund	3,734		
Total Available Appropriations	1,073,663	976,803	440,270
Unused Appropriations	(447,145)	(382,510)	
Unobligated Allotment	(447,145)	(382,510)	
TOTAL OBLIGATIONS	626,518	594,293	440,270
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EXPENDITURE PROGRAM
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	273,430,000	250,459,000	295,505,000
	PS	131,849,000	114,838,000	157,177,000
	MOOE	141,581,000	135,621,000	138,328,000
000003000000000	Operations	353,088,000	343,834,000	144,765,000
	MOOE	196,124,000	211,834,000	144,765,000
	CO	156,964,000	132,000,000	
TOTAL AGENCY BUDGET		626,518,000	594,293,000	440,270,000
	PS	131,849,000	114,838,000	157,177,000
	MOOE	337,705,000	347,455,000	283,093,000
	CO	156,964,000	132,000,000	

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	321	321	321
Total Number of Filled Positions	246	252	252

Proposed New Appropriations Language
For general administration and support, and operations, as indicated hereunder.....P 427,460,000
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: DEFENSE POLICY SERVICES		144,765,000		144,765,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	144,367,000	283,093,000		427,460,000
National Capital Region (NCR)	144,367,000	283,093,000		427,460,000
TOTAL AGENCY BUDGET	144,367,000	283,093,000		427,460,000
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SPECIAL PROVISION(S)

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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	144,367,000	138,328,000		282,695,000
103001000100000	General management and supervision	P 142,811,000	P 138,328,000		P 281,139,000
103001000200000	Administration of Personnel Benefits	1,556,000			1,556,000
Sub-total, General Administration and Support		144,367,000	138,328,000		282,695,000

458 EXPENDITURE PROGRAM FY 2017 VOLUME II

0000030000000000	Operations	144,765,000	144,765,000
0000030100000000	MFO 1: DEFENSE POLICY SERVICES	144,765,000	144,765,000
1270030101000000	Development, implementation and monitoring of the Defense System of Management (DSOM)	112,529,000	112,529,000
1270030102000000	Development, implementation and monitoring of the International Defense Engagement (IDSE)	32,236,000	32,236,000
Sub-total, Operations		144,765,000	144,765,000
TOTAL NEW APPROPRIATIONS		P 144,367,000 P 283,093,000 =====	P 427,460,000 =====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	73,406	80,790	106,746
Total Permanent Positions	73,406	80,790	106,746
Other Compensation Common to All			
Personnel Economic Relief Allowance	5,052	5,664	6,048
Representation Allowance	3,584	3,240	3,408
Transportation Allowance	1,130	3,240	3,408
Clothing and Uniform Allowance	1,220	1,180	1,260
Productivity Incentive Allowance	342		
Mid-Year Bonus - Civilian			8,895
Year End Bonus	6,091	6,732	8,895
Cash Gift	1,058	1,180	1,260
Step Increment		379	638
Collective Negotiation Agreement	6,390		
Productivity Enhancement Incentive	6,937	1,180	1,260
Performance Based Bonus	1,800		
Total Other Compensation Common to All	33,604	22,795	35,072
Other Compensation for Specific Groups			
Other Personnel Benefits	10,432		
Total Other Compensation for Specific Groups	10,432		
Other Benefits			
Retirement and Life Insurance Premiums	9,235	9,695	12,810
PAG-IBIG Contributions	283	283	302
PhilHealth Contributions	820	687	760
Employees Compensation Insurance Premiums	282	283	302
Retirement Gratuity	1,441		
Terminal Leave	2,346	305	1,185
Total Other Benefits	14,407	11,253	15,359
TOTAL PERSONNEL SERVICES	131,849	114,838	157,177

Maintenance and Other Operating Expenses			
Travelling Expenses	19,597	24,522	23,366
Training and Scholarship Expenses	8,521	16,480	16,000
Supplies and Materials Expenses	62,095	47,621	47,662
Utility Expenses	21,558	26,780	32,200
Communication Expenses	14,419	13,881	14,121
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses	23,000	23,000	23,000
Extraordinary and Miscellaneous Expenses	2,954	3,072	3,072
Intelligence Expenses	10,000	10,000	10,000
Professional Services	18,215	14,922	19,450
General Services	10,571	11,856	11,854
Repairs and Maintenance	80,757	99,591	22,640
Taxes, Insurance Premiums and Other Fees	1,667	2,495	2,006
Other Maintenance and Operating Expenses			
Advertising Expenses	334	710	400
Printing and Publication Expenses	678	2,105	1,500
Representation Expenses	23,560	26,169	22,000
Rent/Lease Expenses	23,385	23,242	32,772
Subscription Expenses	800	759	800
Donations	59	250	250
Other Maintenance and Operating Expenses	15,535		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	337,705	347,455	283,093
TOTAL CURRENT OPERATING EXPENDITURES	469,554	462,293	440,270
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	3,678		
Buildings and Other Structures	63,910		
Machinery and Equipment Outlay	87,009	82,000	
Transportation Equipment Outlay	1,151	50,000	
Furniture, Fixtures and Books Outlay	1,216		
TOTAL CAPITAL OUTLAYS	156,964	132,000	
GRAND TOTAL	626,518	594,293	440,270

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL
OUTCOME : Defense and Security Policy and Strategy Direction Provided

PERFORMANCE INFORMATION

KEY STRATEGIES :

The DND Proper shall ensure the full implementation of The Defense System of Management (DSOM), through strict adherence to its master calendar as well as development of its Key Document Products, and the Philippine Defense Transformation (PDT) Roadmap..

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Defense and Security Policy and Strategy Direction Provided		
Percentage of policies and strategies accepted by the Office of the President and the Cabinet		80% of policies and strategies accepted by the Office of the President and the Cabinet

MFO / PIs	2017 Targets
MFO 1: DEFENSE POLICY SERVICES	
Number of defense policies developed and issued or reviewed, updated and disseminated	305
Percentage of defense policies reviewed and updated in the last three (3) years	100%

B. GOVERNMENT ARSENAL

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	944,794	1,076,164	1,219,362
General Fund	944,794	1,076,164	1,219,362
Automatic Appropriations	168,558	13,435	15,121
Customs Duties and Taxes, including Tax Expenditures	155,101		
Retirement and Life Insurance Premiums	13,457	13,435	15,121
Continuing Appropriations	118,021	34,200	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	338		
R.A. No. 10651		6,383	
Unobligated Releases for MOOE			
R.A. No. 10633	117,683		
R.A. No. 10651		27,817	
Budgetary Adjustment(s)	32,996		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	23,064		
Pension and Gratuity Fund	9,932		
Total Available Appropriations	1,264,369	1,123,799	1,234,483
Unused Appropriations	(40,209)	(34,200)	
Unobligated Allotment	(40,209)	(34,200)	
TOTAL OBLIGATIONS	1,224,160	1,089,599	1,234,483
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EXPENDITURE PROGRAM
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	117,939,000	92,835,000	109,966,000
	PS	82,558,000	54,342,000	70,392,000
	MOOE	35,381,000	38,493,000	39,574,000
000003000000000	Operations	1,106,221,000	996,764,000	1,124,517,000
	PS	159,933,000	152,140,000	175,834,000
	MOOE	923,332,000	795,624,000	895,683,000
	CO	22,956,000	49,000,000	53,000,000

TOTAL AGENCY BUDGET	1,224,160,000	1,089,599,000	1,234,483,000
PS	242,491,000	206,482,000	246,226,000
MOOE	958,713,000	834,117,000	935,257,000
CO	22,956,000	49,000,000	53,000,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	687	687	687
Total Number of Filled Positions	613	623	623

Proposed New Appropriations Language
For general administration and support, and operations, as indicated hereunder.....P 1,219,362,000
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	164,600,000	895,683,000	53,000,000	1,113,283,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	231,105,000	935,257,000	53,000,000	1,219,362,000
Region III - Central Luzon	231,105,000	935,257,000	53,000,000	1,219,362,000
TOTAL AGENCY BUDGET	231,105,000	935,257,000	53,000,000	1,219,362,000
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SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Government Arsenal (GA) infirmary shall be deposited in an authorized government depository bank and used to augment the infirmary's MOOE and Capital Outlay requirements: PROVIDED, That at least twenty five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital 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, s. 1987, and to appropriate criminal action under existing penal laws.

The GA shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Director of GA and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the GA website.

2. Authority to Barter and Sell Scrap Items. The Director of GA, upon approval of the Secretary of National Defense, may barter or sell scrap items in accordance with E.O. No. 888, s. 1983, as amended. The barter and sale of scrap items shall be subject to the COA rules on the disposal of government properties and sale through public auction. The items acquired from barter shall be recorded or booked-up as government property while proceeds from the sale shall accrue to the Revised AFP Modernization Act Trust Fund pursuant to Section 6 of R.A. No. 10349.
3. 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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	66,505,000	39,574,000		106,079,000
103001000100000	General management and supervision	P 53,484,000	P 39,574,000		P 93,058,000
103001000200000	Administration of Personnel Benefits	13,021,000			13,021,000
Sub-total, General Administration and Support		66,505,000	39,574,000		106,079,000
000003000000000	Operations	164,600,000	895,683,000	53,000,000	1,113,283,000
000003010000000	MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	164,600,000	895,683,000	53,000,000	1,113,283,000
121003010100000	Planning and development of arms manufacturing processes and procedures	10,724,000	6,902,000		17,626,000
121003010200000	Manufacture, storage and security of small arms ammunition	153,876,000	888,781,000	53,000,000	1,095,657,000
Sub-total, Operations		164,600,000	895,683,000	53,000,000	1,113,283,000
TOTAL NEW APPROPRIATIONS		P 231,105,000	P 935,257,000	P 53,000,000	P 1,219,362,000
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Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	113,702	111,958	126,008
Total Permanent Positions	113,702	111,958	126,008
Other Compensation Common to All			
Personnel Economic Relief Allowance	14,615	14,376	14,952
Representation Allowance	655	348	390

Transportation Allowance	505	348	390
Clothing and Uniform Allowance	2,980	2,995	3,115
Productivity Incentive Allowance	1,149		
Mid-Year Bonus - Civilian			10,500
Year End Bonus	9,512	9,330	10,500
Cash Gift	3,082	2,995	3,115
Step Increment	61	722	1,234
Collective Negotiation Agreement	15,235		
Productivity Enhancement Incentive	9,700	2,995	3,115
Performance Based Bonus	4,330		
Total Other Compensation Common to All	61,824	34,109	47,311
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	139	300	300
Magna Carta for Science & Technology Personnel	37,629	36,417	37,217
Quarters Allowance	947	1,347	1,347
Night Shift Differential Pay	1,486	804	3,917
Other Personnel Benefits	348		
Total Other Compensation for Specific Groups	40,549	38,868	42,781
Other Benefits			
Retirement and Life Insurance Premiums	13,648	13,435	15,121
PAG-IBIG Contributions	728	719	747
PhilHealth Contributions	1,341	1,285	1,408
Employees Compensation Insurance Premiums	730	718	747
Retirement Gratuity	837	798	
Terminal Leave	9,132	4,592	12,103
Total Other Benefits	26,416	21,547	30,126
TOTAL PERSONNEL SERVICES	242,491	206,482	246,226
Maintenance and Other Operating Expenses			
Travelling Expenses	7,963	6,400	6,592
Training and Scholarship Expenses	8,759	4,450	4,584
Supplies and Materials Expenses	638,133	746,719	829,948
Utility Expenses	19,103	36,000	42,377
Communication Expenses	7,223	1,686	1,736
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	128	130	130
Professional Services	5,092	10,505	10,505
General Services	54,078	15,382	20,794
Repairs and Maintenance	16,066	8,650	14,339
Taxes, Insurance Premiums and Other Fees	155,785	2,087	2,087
Other Maintenance and Operating Expenses			
Advertising Expenses	216	300	309
Printing and Publication Expenses	27	64	66
Representation Expenses	1,095	610	628
Transportation and Delivery Expenses	3,046	948	976
Subscription Expenses	134	186	186
Other Maintenance and Operating Expenses	41,865		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	958,713	834,117	935,257
TOTAL CURRENT OPERATING EXPENDITURES	1,201,204	1,040,599	1,181,483
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	22,618		
Machinery and Equipment Outlay	338	49,000	53,000
TOTAL CAPITAL OUTLAYS	22,956	49,000	53,000
GRAND TOTAL	1,224,160	1,089,599	1,234,483

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL
OUTCOME : Supply of small arms ammunition increased to the level of demand

PERFORMANCE INFORMATION

KEY STRATEGIES :

Manufacture components such as cases, bullets and primers, and fabrication of machine parts, tools, dies and gauges to support the small arms ammunition requirement of the Armed Forces of the Philippines (AFP).

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Supply of small arms ammunition increased to the level of demand		
Percentage of Small Arms Ammunition requirement supplied (at 2 basic load)		116.25%
MFO / PIs		2017 Targets
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION		
Number of small arms ammunition (SAA) manufactured		40.0 M Rounds
Percent supportability to AFP SAA requirements (combat requirements)		116.25%
Percentage acceptance based on standards		98.00%

C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	149,783	67,247	73,143
General Fund	149,783	67,247	73,143
Automatic Appropriations	2,135	2,150	2,465
Retirement and Life Insurance Premiums	2,135	2,150	2,465
Continuing Appropriations	2,074	92,284	
Unobligated Releases for Capital Outlays			
R.A. No. 10651		88,472	
Unobligated Releases for MOOE			
R.A. No. 10633	2,074		
R.A. No. 10651		3,812	
Budgetary Adjustment(s)	2,692		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	2,639		
Pension and Gratuity Fund	53		
Total Available Appropriations	156,684	161,681	75,608
Unused Appropriations	(95,096)	(92,284)	
Unobligated Allotment	(95,096)	(92,284)	
TOTAL OBLIGATIONS	61,588	69,397	75,608
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No. / Code	GASS / STO / OPERATIONS / PROJECTS	EXPENDITURE PROGRAM (in pesos)		
		2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	31,496,000	35,447,000	39,226,000
	PS	17,300,000	16,096,000	20,247,000
	MOOE	14,196,000	19,351,000	16,179,000
	CO			2,800,000
000003000000000	Operations	30,092,000	33,950,000	36,382,000
	PS	13,592,000	15,177,000	17,210,000
	MOOE	16,500,000	18,773,000	19,172,000
TOTAL AGENCY BUDGET		61,588,000	69,397,000	75,608,000
	PS	30,892,000	31,273,000	37,457,000
	MOOE	30,696,000	38,124,000	35,351,000
	CO			2,800,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	66	66	66
Total Number of Filled Positions	59	57	57

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 73,143,000
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES	16,074,000	19,172,000		35,246,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	34,992,000	35,351,000	2,800,000	73,143,000
National Capital Region (NCR)	34,992,000	35,351,000	2,800,000	73,143,000
TOTAL AGENCY BUDGET	34,992,000	35,351,000	2,800,000	73,143,000
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SPECIAL PROVISION(S)

- 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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	18,918,000	16,179,000	2,800,000	37,897,000
103001000100000	General management and supervision	P 16,301,000	P 16,179,000	P 2,800,000	P 35,280,000
103001000200000	Administration of Personnel Benefits	2,617,000			2,617,000
Sub-total, General Administration and Support		18,918,000	16,179,000	2,800,000	37,897,000
000003000000000	Operations	16,074,000	19,172,000		35,246,000
000003010000000	MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES	16,074,000	19,172,000		35,246,000
264003010100000	Conduct of national defense and strategic international studies	8,049,000	4,978,000		13,027,000
264003010200000	Conduct of graduate level and other courses of studies	8,025,000	14,194,000		22,219,000
Sub-total, Operations		16,074,000	19,172,000		35,246,000
TOTAL NEW APPROPRIATIONS		P 34,992,000	P 35,351,000	P 2,800,000	P 73,143,000
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Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	17,593	17,921	20,541
Total Permanent Positions	17,593	17,921	20,541
Other Compensation Common to All			
Personnel Economic Relief Allowance	1,397	1,416	1,368
Representation Allowance	455	450	450
Transportation Allowance		450	450
Clothing and Uniform Allowance	290	295	285
Productivity Incentive Allowance	118		
Honoraria	2,274	4,930	4,930
Mid-Year Bonus - Civilian			1,712
Year End Bonus	1,465	1,493	1,712
Cash Gift	288	295	285

Step Increment		89	135
Collective Negotiation Agreement	1,450		
Productivity Enhancement Incentive	1,462	295	285
Performance Based Bonus	1,107		
Total Other Compensation Common to All	10,306	9,713	11,612
Other Compensation for Specific Groups			
Lump-sum for filling of Positions - Civilian		1,178	2,533
Other Personnel Benefits	497		
Total Other Compensation for Specific Groups	497	1,178	2,533
Other Benefits			
Retirement and Life Insurance Premiums	2,111	2,150	2,465
PAG-IBIG Contributions	70	70	68
PhilHealth Contributions	192	171	170
Employees Compensation Insurance Premiums	70	70	68
Terminal Leave	53		
Total Other Benefits	2,496	2,461	2,771
TOTAL PERSONNEL SERVICES	30,892	31,273	37,457
Maintenance and Other Operating Expenses			
Travelling Expenses	8,326	6,666	6,865
Training and Scholarship Expenses	673	1,351	1,391
Supplies and Materials Expenses	6,805	11,265	11,603
Utility Expenses	401	202	208
Communication Expenses	1,422	1,483	1,528
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	108	108	108
Professional Services	1,883	4,337	4,337
General Services	2,961	3,570	3,570
Repairs and Maintenance	804	5,162	1,699
Taxes, Insurance Premiums and Other Fees	439	440	440
Labor and Wages	26		
Other Maintenance and Operating Expenses			
Printing and Publication Expenses	250	412	425
Representation Expenses	1,735	1,643	1,692
Rent/Lease Expenses	1,023	1,150	1,150
Membership Dues and Contributions to Organizations	34	5	5
Subscription Expenses	115	330	330
Other Maintenance and Operating Expenses	3,691		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	30,696	38,124	35,351
TOTAL CURRENT OPERATING EXPENDITURES	61,588	69,397	72,808
Capital Outlays			
Property, Plant and Equipment Outlay			
Transportation Equipment Outlay			2,800
TOTAL CAPITAL OUTLAYS			2,800
GRAND TOTAL	61,588	69,397	75,608

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL

OUTCOME : Defense and security leader's capacity improved

PERFORMANCE INFORMATION

KEY STRATEGIES :

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Defense and security leader's capacity improved		
Percentage of Senior Leaders provided with MNSA/SECNS program		86%
<u>MFO / PIs</u>		<u>2017 Targets</u>
MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES		
Conduct of graduate level and other courses of studies		
Number of scholars		65
Percentage of scholars who rate the program as good or better		92%
Percentage of program which commenced within 1 day of schedule		100%

D. OFFICE OF CIVIL DEFENSE

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	1,016,014	1,028,110	481,156
General Fund	1,016,014	1,028,110	481,156
Automatic Appropriations	7,591	7,449	9,877
Retirement and Life Insurance Premiums	7,591	7,449	9,877
Continuing Appropriations	508,480	529,840	
Unobligated Releases for MOOE			
R.A. No. 10633	508,480		
R.A. No. 10651		529,840	
Budgetary Adjustment(s)	15,705		
Transfer(s) from:			
Contingent Fund	2,069		
Miscellaneous Personnel Benefits Fund	10,490		
Pension and Gratuity Fund	3,146		
Total Available Appropriations	1,547,790	1,565,399	491,033
Unused Appropriations	(539,150)	(529,840)	
Unobligated Allotment	(539,150)	(529,840)	
TOTAL OBLIGATIONS	1,008,640	1,035,559	491,033
	=====	=====	=====

EXPENDITURE PROGRAM (in pesos)				
No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	81,485,000	78,977,000	83,373,000
	PS	42,576,000	32,354,000	35,736,000
	MOOE	38,909,000	46,623,000	47,637,000
000003000000000	Operations	927,155,000	956,582,000	407,660,000
	PS	120,981,000	122,787,000	92,598,000
	MOOE	806,174,000	833,795,000	312,262,000
	CO			2,800,000
TOTAL AGENCY BUDGET		1,008,640,000	1,035,559,000	491,033,000
	PS	163,557,000	155,141,000	128,334,000
	MOOE	845,083,000	880,418,000	359,899,000
	CO			2,800,000

STAFFING SUMMARY			
	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	622	622	622
Total Number of Filled Positions	263	271	271

Proposed New Appropriations Language
For general administration and support, and operations, as indicated hereunder.....P 481,156,000
=====

OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES	84,943,000	312,262,000	2,800,000	400,005,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017 (in pesos)				
REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	118,457,000	359,899,000	2,800,000	481,156,000
National Capital Region (NCR)	118,457,000	359,899,000	2,800,000	481,156,000
TOTAL AGENCY BUDGET	118,457,000	359,899,000	2,800,000	481,156,000
	=====	=====	=====	=====

- SPECIAL PROVISION(S)
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:

New Appropriations, by Programs/Activities/Projects

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
000001000000000	General Administration and Support	<u>33,514,000</u>	<u>47,637,000</u>		<u>81,151,000</u>
103001000100000	General management and supervision	P 25,865,000	P 47,637,000	P	73,502,000
103001000300000	Administration of Personnel Benefits	<u>7,649,000</u>			<u>7,649,000</u>
Sub-total, General Administration and Support		<u>33,514,000</u>	<u>47,637,000</u>		<u>81,151,000</u>
000003000000000	Operations	<u>84,943,000</u>	<u>312,262,000</u>	<u>2,800,000</u>	<u>400,005,000</u>
000003010000000	MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES	<u>84,943,000</u>	<u>312,262,000</u>	<u>2,800,000</u>	<u>400,005,000</u>
122003010100000	Planning, direction and coordination for civil defense	<u>84,943,000</u>	<u>312,262,000</u>	<u>2,800,000</u>	<u>400,005,000</u>
Sub-total, Operations		<u>84,943,000</u>	<u>312,262,000</u>	<u>2,800,000</u>	<u>400,005,000</u>
TOTAL NEW APPROPRIATIONS		P 118,457,000	P 359,899,000	P 2,800,000	P 481,156,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	67,716	62,075	82,311
Total Permanent Positions	<u>67,716</u>	<u>62,075</u>	<u>82,311</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	5,899	5,568	6,504
Representation Allowance	1,782	1,050	1,296
Transportation Allowance	474	1,050	1,296
Clothing and Uniform Allowance	1,260	1,160	1,355
Productivity Incentive Allowance	442		
Mid-Year Bonus - Civilian			6,859
Year End Bonus	5,738	5,173	6,859
Cash Gift	1,328	1,160	1,355
Step Increment	33	333	604
Productivity Enhancement Incentive	8,925	1,160	1,355
Performance Based Bonus	1,565		
Total Other Compensation Common to All	<u>27,446</u>	<u>16,654</u>	<u>27,483</u>
Other Compensation for Specific Groups			
Longevity Pay	45		
Total Other Compensation for Specific Groups	<u>45</u>		

Other Benefits			
Retirement and Life Insurance Premiums	7,591	7,449	9,877
PAG-IBIG Contributions	313	278	325
PhilHealth Contributions	880	636	763
Employees Compensation Insurance Premiums	297	278	325
Terminal Leave	3,146	4,015	7,250
Total Other Benefits	12,227	12,656	18,540
Non-Permanent Positions	56,123	63,756	
TOTAL PERSONNEL SERVICES	163,557	155,141	128,334
Maintenance and Other Operating Expenses			
Travelling Expenses	24,472	59,220	40,168
Training and Scholarship Expenses	120,974	182,161	173,590
Supplies and Materials Expenses	570,863	503,141	34,643
Utility Expenses	7,631	5,570	6,397
Communication Expenses	15,013	38,453	22,206
Awards/Rewards and Prizes	8,347	12,816	12,816
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	162	167	167
Professional Services		3,414	2,520
General Services	7,342	5,110	6,990
Repairs and Maintenance	6,970	2,169	9,941
Taxes, Insurance Premiums and Other Fees	2,340	2,741	3,141
Other Maintenance and Operating Expenses			
Advertising Expenses	981	863	1,418
Printing and Publication Expenses	5,024	8,645	4,645
Representation Expenses	33,292	45,006	20,787
Transportation and Delivery Expenses	582	800	950
Rent/Lease Expenses	7,757	9,621	11,121
Subscription Expenses	392	446	546
Donations		75	75
Other Maintenance and Operating Expenses	32,941		7,778
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	845,083	880,418	359,899
TOTAL CURRENT OPERATING EXPENDITURES	1,008,640	1,035,559	488,233
Capital Outlays			
Property, Plant and Equipment Outlay			
Transportation Equipment Outlay			2,800
TOTAL CAPITAL OUTLAYS			2,800
GRAND TOTAL	1,008,640	1,035,559	491,033

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL

OUTCOME : Province/City/Municipality (PCM) Disaster Risk Reduction and Management (DRRM) Councils Strengthened

PERFORMANCE INFORMATION

KEY STRATEGIES :

The Office of Civil Defense shall accomplish its targets through a strategy of convergence and close collaboration and coordination with the Local Government Units (LGUs), National Government Agencies (NGAs), international partners and other stakeholders with the end in view of accomplishing its mandate with utmost dedication and most desired outputs.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Province/City/Municipality (PCM) Disaster Risk Reduction and Management (DRRM) Councils Strengthened		
Percentage (1,715) including ARMM and NCR) increase in the capability, preparedness and responsiveness of PCM to DRRM		80% of the total DRRM Councils of the 22 highly vulnerable provinces, 443 municipalities, 48 cities and 12,391 communities strategically located in the Major River Basins (MRBs)

MFO / PIs	2017 Targets
MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES	
Number of disaster risk management policies and plan developed and issued or reviewed, updated, and disseminated	29
Percentage of stakeholders who rate the policies and plans as satisfactory or better	70%
Percentage of policies and plan developed and issued or reviewed, updated, and disseminated in the last 3 years	70%
Number of persons provided with disaster risk reduction management training	14,400
Percentage of trainees who rate the quality of training as good or better	70%
Number of training days	1,181
Number of assignments for technical advisory assistance undertaken	1,296
Percentage of request for training or technical advice acted upon within 3 days	70%

E. PHILIPPINE VETERANS AFFAIRS OFFICE (PROPER)

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	376,538	489,173	489,978
General Fund	376,538	489,173	489,978
Automatic Appropriations	9,804	9,339	11,191
Retirement and Life Insurance Premiums	9,804	9,339	11,191
Continuing Appropriations	18,724	4,628	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	12,421		
Unobligated Releases for MOOE			
R.A. No. 10633	6,303		
R.A. No. 10651		4,628	
Budgetary Adjustment(s)	9,914,579		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	16,580		
Pension and Gratuity Fund	9,897,999		
Total Available Appropriations	10,319,645	503,140	501,169
Unused Appropriations	(7,034)	(4,628)	
Unobligated Allotment	(7,034)	(4,628)	
TOTAL OBLIGATIONS	10,312,611	498,512	501,169
	=====	=====	=====

		EXPENDITURE PROGRAM (in pesos)		
No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	86,475,000	86,062,000	86,162,000
	PS	49,333,000	33,995,000	39,563,000
	MOOE	37,142,000	42,709,000	46,599,000
	CO		9,358,000	
000003000000000	Operations	10,213,996,000	392,979,000	406,844,000
	PS	9,983,083,000	82,642,000	101,866,000
	MOOE	230,632,000	308,137,000	304,978,000
	CO	281,000	2,200,000	
	Projects	12,140,000	19,471,000	8,163,000
	MOOE		6,466,000	163,000
	CO	12,140,000	13,005,000	8,000,000
TOTAL AGENCY BUDGET		10,312,611,000	498,512,000	501,169,000
	PS	10,032,416,000	116,637,000	141,429,000
	MOOE	267,774,000	357,312,000	351,740,000
	CO	12,421,000	24,563,000	8,000,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	406	406	406
Total Number of Filled Positions	356	356	356

Proposed New Appropriations Language

For general administration and support, operations, including locally-funded project, as indicated hereunder...P 489,978,000
=====

OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM	81,814,000	277,092,000		358,906,000
MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES	11,767,000	27,886,000		39,653,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	130,238,000	351,740,000	8,000,000	489,978,000
National Capital Region (NCR)	130,238,000	351,740,000	8,000,000	489,978,000
TOTAL AGENCY BUDGET	130,238,000	351,740,000	8,000,000	489,978,000
	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. Revolving Fund for Military Shrine Installation and Facilities. The revolving fund constituted from the entrance fees and rentals from military shrine installation and facilities, and board and lodging shall be used to cover the MOOE and Capital Outlay requirements of said facilities. Disbursements shall be made in accordance with guidelines issued by DND and budgeting, accounting and auditing rules and regulations.
- Disbursements or expenditures by the Philippine Veterans Affairs Office (PVAO) 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.
- The PVAO shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on income and expenditures. The Administrator of PVAO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the PVAO website.
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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	36,657,000	46,599,000		83,256,000
103001000100000	General management and supervision	P 34,624,000	P 46,599,000	P	81,223,000
103001000200000	Administration of Personnel Benefits	2,033,000			2,033,000
Sub-total, General Administration and Support		36,657,000	46,599,000		83,256,000
000003000000000	Operations	93,581,000	304,978,000		398,559,000
000003010000000	MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM	81,814,000	277,092,000		358,906,000
000003010100000	Processing of veterans pensions' and other benefits	81,814,000	277,092,000		358,906,000
282003010100001	Processing of veterans' claims	61,725,000	32,284,000		94,009,000
282003010100002	For educational benefits, expanded hospitalization program and burial benefits of veterans, their wives and dependents pursuant to R.A. Nos. 6948 and 7696		216,598,000		216,598,000
282003010100003	For the investigation, verification of records, strengthening of internal control system and conduct of management and system audit	16,682,000	19,183,000		35,865,000
282003010100004	Policy formulation for the promotion of veterans' welfare	3,407,000	9,027,000		12,434,000

000003020000000	MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES	11,767,000	27,886,000	39,653,000
000003020100000	Administration and development of national military shrines	11,767,000	27,886,000	39,653,000
242003020100001	Administration and management of national military shrines' including the maintenance of the PEFTOK Korean War Memorial Hall.	11,767,000	22,429,000	34,196,000
242003020100002	Celebration of veteran-related events		5,457,000	5,457,000
Sub-total, Operations		93,581,000	304,978,000	398,559,000
TOTAL PROGRAMS AND ACTIVITIES		P 130,238,000 =====	P 351,577,000 =====	P 481,815,000 =====
000004000000000	Locally-Funded Projects		163,000 8,000,000	8,163,000
000004100000000	Governance		163,000 8,000,000	8,163,000
000004100100000	General Public Services		163,000 8,000,000	8,163,000
103004100100009	Implementation of ISSP		163,000 8,000,000	8,163,000
Sub-total, Locally-Funded Project(s)			163,000 8,000,000	8,163,000
TOTAL PROJECTS			P 163,000 P 8,000,000	P 8,163,000 =====
TOTAL NEW APPROPRIATIONS		P 130,238,000 =====	P 351,740,000 =====	P 8,000,000 P 489,978,000 =====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	82,376	77,825	93,266
Total Permanent Positions	82,376	77,825	93,266
Other Compensation Common to All			
Personnel Economic Relief Allowance	8,293	8,160	8,544
Representation Allowance	665	600	768
Transportation Allowance	664	600	768
Clothing and Uniform Allowance	1,730	1,700	1,780
Productivity Incentive Allowance	647		
Honoraria	1,800	1,800	1,800
Mid-Year Bonus - Civilian			7,772
Year End Bonus	6,724	6,485	7,772
Cash Gift	1,728	1,700	1,780
Step Increment	71	446	758
Collective Negotiation Agreement	7,625		
Productivity Enhancement Incentive	6,730	1,700	1,780
Performance Based Bonus	3,979		
Total Other Compensation Common to All	40,656	23,191	33,522
Other Compensation for Specific Groups			
Longevity Pay	180		
Other Personnel Benefits	100	150	150
Total Other Compensation for Specific Groups	280	150	150

Other Benefits			
Retirement and Life Insurance Premiums	9,485	9,339	11,191
PAG-IBIG Contributions	415	409	427
PhilHealth Contributions	867	845	938
Employees Compensation Insurance Premiums	413	407	427
Retirement Gratuity		3,186	
Terminal Leave	973	1,285	1,508
Total Other Benefits	<u>12,153</u>	<u>15,471</u>	<u>14,491</u>
Military/Uniformed Personnel			
Other Personnel Benefits			
Pension, Veterans	9,896,951		
Total Other Personnel Benefits	<u>9,896,951</u>		
TOTAL PERSONNEL SERVICES	<u>10,032,416</u>	<u>116,637</u>	<u>141,429</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	3,396	2,700	2,780
Training and Scholarship Expenses	2,599	2,938	2,910
Supplies and Materials Expenses	24,199	27,445	28,404
Utility Expenses	11,210	15,921	16,669
Communication Expenses	8,697	16,421	19,290
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	366	380	380
Professional Services	17,263	20,403	14,403
General Services	15,398	21,303	16,030
Repairs and Maintenance	8,602	13,086	13,779
Taxes, Insurance Premiums and Other Fees	236	500	500
Other Maintenance and Operating Expenses			
Advertising Expenses	336	373	385
Printing and Publication Expenses	3,492	3,957	4,076
Representation Expenses	7,490	8,240	8,487
Transportation and Delivery Expenses	68	70	72
Rent/Lease Expenses	6,097	6,227	6,227
Subscription Expenses	750	750	750
Donations	157,575	216,598	216,598
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>267,774</u>	<u>357,312</u>	<u>351,740</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>10,300,190</u>	<u>473,949</u>	<u>493,169</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay	10,000		
Buildings and Other Structures	1,567		
Machinery and Equipment Outlay	321	12,765	8,000
Transportation Equipment Outlay	281		
Furniture, Fixtures and Books Outlay	252		
Heritage Assets		2,200	
Intangible Assets Outlay		9,598	
TOTAL CAPITAL OUTLAYS	<u>12,421</u>	<u>24,563</u>	<u>8,000</u>
GRAND TOTAL	<u>10,312,611</u>	<u>498,512</u>	<u>501,169</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved.

ORGANIZATIONAL
OUTCOME : Filipinos' appreciation and gratitude for veterans' service demonstrated.

PERFORMANCE INFORMATION

KEY STRATEGIES :

Immediate and adequate care, benefits and other forms of assistance to war veterans and veterans of military campaigns, their surviving spouses and orphans.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Filipinos' appreciation and gratitude for veterans' service demonstrated.		
Timely payment of regular pension and benefits		100% of regular pension paid on or before the end of the corresponding pension month

MFO / PIs	2017 Targets
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM	
Number of pension and other benefit payments made	212,618
Number of pensioners and beneficiaries	185,506
Percentage of payments made over the last three (3) years that are found to be invalid	0.50%
Percentage of valid benefit claims made within ten (10) working days of receipt of completed documents	90%
Percentage of regular pension payments made into beneficiaries accounts on due date	100%
MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES	
Number of shrines maintained	7
Number of veteran commemorative events managed	13
Percentage of stakeholders who rated the commemorative events as good or better	90%
Percentage of shrine visitors who rated the facility maintenance and customer services as good or better	90%
Percentage of commemorative events that are completed within program schedule	100%
Percentage of shrines that are maintained on a daily basis	100%

F. VETERANS MEMORIAL MEDICAL CENTER

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	884,248	1,068,085	1,189,765
General Fund	884,248	1,068,085	1,189,765
Automatic Appropriations	41,062	42,076	47,814
Retirement and Life Insurance Premiums	41,062	42,076	47,814
Continuing Appropriations	53,578	19,629	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	52,405		
R.A. No. 10651		2,931	
Unobligated Releases for MOOE			
R.A. No. 10633	1,173		
R.A. No. 10651		16,698	

Budgetary Adjustment(s)	<u>241,092</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	<u>161,196</u>		
Pension and Gratuity Fund	<u>79,896</u>		
Total Available Appropriations	1,219,980	1,129,790	1,237,579
Unused Appropriations	(20,966)	(19,629)	
Unobligated Allotment	(20,966)	(19,629)	
TOTAL OBLIGATIONS	<u>1,199,014</u>	<u>1,110,161</u>	<u>1,237,579</u>
	=====	=====	=====

EXPENDITURE PROGRAM
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	<u>255,991,000</u>	<u>343,254,000</u>	<u>302,888,000</u>
	PS	103,070,000	167,539,000	113,660,000
	MOOE	123,403,000	152,839,000	174,228,000
	CO	29,518,000	22,876,000	15,000,000
000003000000000	Operations	<u>943,023,000</u>	<u>766,907,000</u>	<u>934,691,000</u>
	PS	582,530,000	422,484,000	576,976,000
	MOOE	296,639,000	306,423,000	315,415,000
	CO	63,854,000	38,000,000	42,300,000
TOTAL AGENCY BUDGET		<u>1,199,014,000</u>	<u>1,110,161,000</u>	<u>1,237,579,000</u>
	PS	685,600,000	590,023,000	690,636,000
	MOOE	420,042,000	459,262,000	489,643,000
	CO	93,372,000	60,876,000	57,300,000

STAFFING SUMMARY

	<u>2015</u>	<u>2016</u>	<u>2017</u>
TOTAL STAFFING			
Total Number of Authorized Positions	1,405	1,405	1,405
Total Number of Filled Positions	1,323	1,307	1,307

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,189,765,000
=====

OPERATIONS BY MFO	<u>PROPOSED 2017</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS	534,680,000	315,415,000	42,300,000	892,395,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	642,822,000	489,643,000	57,300,000	1,189,765,000
National Capital Region (NCR)	642,822,000	489,643,000	57,300,000	1,189,765,000
TOTAL AGENCY BUDGET	642,822,000	489,643,000	57,300,000	1,189,765,000
	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. Hospital Income and Other Revenues from Golf Course Operations. In addition to the amounts appropriated herein, all income generated from the operations of the Veterans Memorial Medical Center (VMMC) shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements: PROVIDED, That at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services.

Likewise, all revenues derived from the VMMC golf club membership dues, green fees, concession fees, and such other income from business-related operations of the golf course shall be deposited in an authorized government depository bank and used to cover the expenses incurred in its operations. Any excess income from the operations of the golf course may be used to augment the hospital's MOOE and Capital Outlay requirements.

In no case shall income from hospital and golf course operations be used for the payment of salaries and allowances of the hospital's permanent and regular employees.

Disbursements or expenditures by the VMMC 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.

The VMMC shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Director of VMMC and the hospital's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the VMMC website.

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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	108,142,000	174,228,000	15,000,000	297,370,000
103001000100000	General management and supervision	P 75,489,000 P	174,228,000 P	15,000,000 P	264,717,000
103001000200000	Administration of Personnel Benefits	32,653,000			32,653,000
Sub-total, General Administration and Support		108,142,000	174,228,000	15,000,000	297,370,000

000003000000000	Operations	534,680,000	315,415,000	42,300,000	892,395,000
000003010000000	MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS	534,680,000	315,415,000	42,300,000	892,395,000
000003010100000	Hospitalization and Medical Care and Treatment	534,680,000	315,415,000	42,300,000	892,395,000
223003010100001	In-Patient care	506,469,000	273,259,000	42,300,000	822,028,000
222003010100002	Out-Patient care	28,211,000	42,156,000		70,367,000
Sub-total, Operations		534,680,000	315,415,000	42,300,000	892,395,000
TOTAL NEW APPROPRIATIONS		P 642,822,000 P	489,643,000 P	57,300,000 P	1,189,765,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	342,592	350,630	398,452
Total Permanent Positions	342,592	350,630	398,452
Other Compensation Common to All			
Personnel Economic Relief Allowance	30,961	31,680	31,344
Representation Allowance	450	432	432
Transportation Allowance	450	432	432
Clothing and Uniform Allowance	6,545	6,605	6,535
Productivity Incentive Allowance	2,131		
Mid-Year Bonus - Civilian			33,204
Year End Bonus	28,085	29,219	33,204
Cash Gift	6,410	6,605	6,535
Step Increment		1,850	2,922
Productivity Enhancement Incentive	29,111	6,605	6,535
Performance Based Bonus	14,846		
Total Other Compensation Common to All	118,989	83,428	121,143
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	96,003	76,863	83,183
Night Shift Differential Pay			2,532
Lump-sum for filling of Positions - Civilian		17,154	25,523
Total Other Compensation for Specific Groups	96,003	94,017	111,238
Other Benefits			
Retirement and Life Insurance Premiums	41,062	42,076	47,814
PAG-IBIG Contributions	1,586	1,586	1,569
PhilHealth Contributions	3,900	3,529	3,647
Employees Compensation Insurance Premiums	1,573	1,580	1,569
Terminal Leave	79,895	13,177	5,204
Total Other Benefits	128,016	61,948	59,803
TOTAL PERSONNEL SERVICES	685,600	590,023	690,636

Maintenance and Other Operating Expenses

Travelling Expenses	51	150	150
Training and Scholarship Expenses	991	1,800	1,800
Supplies and Materials Expenses	280,103	324,512	337,624
Utility Expenses	78,308	94,043	94,043
Communication Expenses	1,304	1,515	1,525
Awards/Rewards and Prizes	256	250	300
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	110	110	110
Professional Services	27,902	6,656	5,560
General Services	17,418	17,551	36,048
Repairs and Maintenance	4,531	4,360	3,756
Taxes, Insurance Premiums and Other Fees	2,028	732	732
Other Maintenance and Operating Expenses			
Advertising Expenses	106	50	110
Representation Expenses	592	250	572
Rent/Lease Expenses	6,313	7,250	7,250
Membership Dues and Contributions to Organizations			30
Subscription Expenses	29	33	33
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	420,042	459,262	489,643
TOTAL CURRENT OPERATING EXPENDITURES	1,105,642	1,049,285	1,180,279
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay		15,000	15,000
Buildings and Other Structures	70,261	17,500	15,000
Machinery and Equipment Outlay	23,094	28,376	26,357
Furniture, Fixtures and Books Outlay			943
Other Property Plant and Equipment Outlay	17		
TOTAL CAPITAL OUTLAYS	93,372	60,876	57,300
GRAND TOTAL	1,199,014	1,110,161	1,237,579

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL OUTCOME : Quality health care services to the veterans and their dependents

PERFORMANCE INFORMATION

KEY STRATEGIES :

Adequate medical support and services to the veterans and their dependents by providing the needed medicines and diagnostic services and by upgrading hospital facilities and equipment.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Quality health care services to the veterans and their dependents		
Adherence to DOH quality control standards of hospital operations		85% of the admitted patient recovered/improved

MFO / PIs	2017 Targets
MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS	
In Patient Care	
Number of In-Patients treated	7,500
Percentage of hospital separations that are due to discharge	85%
Percentage of discharged patients who returned unscheduled within 3 months with the same condition	15%
Out-Patient Care	
Number of out-patients treated	146,000
Number of emergency department treatments	15,000
Percentage of patients attended to within 30 minutes upon arrival	80%
Percentage of triage 3 or less urgent emergency department patients who are attended to within 30 minutes	100%

G. PHILIPPINE ARMY (LAND FORCES)

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	41,459,781	47,537,259	56,884,255
General Fund	41,459,781	47,537,259	56,884,255
Automatic Appropriations	106,631	25,803	30,927
Customs Duties and Taxes, including Tax Expenditures	85,929		
Retirement and Life Insurance Premiums	20,702	25,803	30,927
Continuing Appropriations	644,001	2,062,881	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10651		1	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	57,915		
R.A. No. 10651		282,653	
Unobligated Releases for MOOE			
R.A. No. 10633	586,086		
R.A. No. 10651		1,780,227	
Budgetary Adjustment(s)	8,693,902		
Transfer(s) from:			
Contingent Fund	73,079		
Miscellaneous Personnel Benefits Fund	5,237,425		
Pension and Gratuity Fund	3,383,398		
Total Available Appropriations	50,904,315	49,625,943	56,915,182
Unused Appropriations	(2,075,392)	(2,062,881)	
Unreleased Appropriation	(1)	(1)	
Unobligated Allotment	(2,075,391)	(2,062,880)	
TOTAL OBLIGATIONS	48,828,923	47,563,062	56,915,182

EXPENDITURE PROGRAM (in pesos)				
No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	12,132,971,000	5,005,332,000	5,361,676,000
	PS	11,274,482,000	4,064,157,000	4,402,336,000
	MOOE	858,489,000	887,014,000	959,340,000
	CO		54,161,000	
000002000000000	Support to Operations	1,985,173,000	2,549,873,000	2,565,955,000
	PS	1,388,928,000	1,904,634,000	1,920,674,000
	MOOE	596,245,000	633,539,000	606,183,000
	CO		11,700,000	39,098,000
000003000000000	Operations	34,706,086,000	39,991,857,000	48,987,551,000
	PS	30,546,338,000	33,686,290,000	37,759,967,000
	MOOE	4,060,240,000	6,088,167,000	8,772,695,000
	CO	99,508,000	217,400,000	2,454,889,000
	Projects	4,693,000	16,000,000	
	MOOE		1,000,000	
	CO	4,693,000	15,000,000	
TOTAL AGENCY BUDGET		48,828,923,000	47,563,062,000	56,915,182,000
	PS	43,209,748,000	39,655,081,000	44,082,977,000
	MOOE	5,514,974,000	7,609,720,000	10,338,218,000
	CO	104,201,000	298,261,000	2,493,987,000

STAFFING SUMMARY			
	2015	2016	2017
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,670	1,670	1,670
Total Number of Filled Positions	1,069	1,174	1,174
Military			
Total Number of Authorized Positions	85,825	85,825	85,825
Total Number of Filled Positions	85,825	85,825	85,825

Proposed New Appropriations Language
For general administration and support, support to operations, and operations, as indicated hereunder.....P 56,884,255,000
=====

OPERATIONS BY MFO		PROPOSED 2017			
		PS	MOOE	CO	TOTAL
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	44,052,050,000	10,338,218,000	2,493,987,000	56,884,255,000
National Capital Region (NCR)	44,052,050,000	10,338,218,000	2,493,987,000	56,884,255,000
TOTAL AGENCY BUDGET	44,052,050,000	10,338,218,000	2,493,987,000	56,884,255,000
	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Fort Bonifacio General Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements: PROVIDED, That at least twenty five percent (25%) of the said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital 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.

The Philippine Army shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Commanding General of the Philippine Army and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the Philippine Army website.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Army shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said fees and charges shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s.1996.

The Philippine Army shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. The Commanding General of the Philippine Army and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the Philippine Army website.

3. Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units. The amount of Three Billion Four Hundred Thirteen Million Five Hundred Fifty Three Thousand Pesos (P3,413,553,000) shall be used for the payment of compensation of Citizen Armed Forces Geographical Unit (CAFGU) members and separation benefits, not exceeding one (1) year subsistence allowance in accordance with the IRR of E.O. No. 264, s. 1987 and DND Circular No. 4 dated October 27, 2005.

The number of existing CAFGU members recruited for training and the corresponding costs attendant thereto shall not be increased and be gradually scaled down in anticipation of its planned demobilization in view of the implementation of the Revised AFP Modernization Program.

The Philippine Army shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, an annual report indicating the number of existing CAFGU members and the year of their recruitment. The Commanding General of the Philippine Army and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the Philippine Army website.

4. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company of the Philippine Army may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.
5. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Army.
6. 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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	4,371,409,000	959,340,000		5,330,749,000
103001000100000	General management and supervision	P 3,245,949,000	P 959,340,000		P 4,205,289,000
103001000200000	Administration of Personnel Benefits	1,125,460,000			1,125,460,000
Sub-total, General Administration and Support		4,371,409,000	959,340,000		5,330,749,000
000002000000000	Support to Operations	1,920,674,000	606,183,000	39,098,000	2,565,955,000
121002000100000	Force-Level Support Services	1,920,674,000	606,183,000	39,098,000	2,565,955,000
Sub-total, Support to Operations		1,920,674,000	606,183,000	39,098,000	2,565,955,000
000003000000000	Operations	37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000
000003010000000	MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000
121003010100000	Force Development		792,275,000		792,275,000
121003010200000	Force Sustainment	37,759,967,000	7,980,420,000	2,454,889,000	48,195,276,000
Sub-total, Operations		37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000
TOTAL NEW APPROPRIATIONS		P 44,052,050,000	P 10,338,218,000	P 2,493,987,000	P 56,884,255,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	220,532	215,023	257,721
Total Permanent Positions	220,532	215,023	257,721
Other Compensation Common to All			
Personnel Economic Relief Allowance	21,576	25,632	28,176
Representation Allowance	227	240	180
Transportation Allowance	227	240	180
Clothing and Uniform Allowance	4,495	5,340	5,870
Productivity Incentive Allowance	1,608		
Honoraria	8	106	106
Overtime Pay	560		
Mid-Year Bonus - Civilian			21,477
Year End Bonus	18,094	17,919	21,477
Cash Gift	5,593	5,340	5,870

Step Increment	203	1,320	2,374
Productivity Enhancement Incentive		5,340	5,870
Total Other Compensation Common to All	<u>52,591</u>	<u>61,477</u>	<u>91,580</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	57,468	15,855	15,855
Longevity Pay		4,896	4,896
Other Personnel Benefits	483,440		
Total Other Compensation for Specific Groups	<u>540,908</u>	<u>20,751</u>	<u>20,751</u>
Other Benefits			
Retirement and Life Insurance Premiums	20,702	25,803	30,927
PAG-IBIG Contributions	1,282	1,282	1,409
PhilHealth Contributions	2,559	2,513	2,942
Employees Compensation Insurance Premiums	1,242	1,279	1,409
Retirement Gratuity	3,228	10,371	26,454
Terminal Leave	7,491	3,424	10,563
Total Other Benefits	<u>36,504</u>	<u>44,672</u>	<u>73,704</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	18,340,272	18,747,122	18,755,239
Total Basic Pay	<u>18,340,272</u>	<u>18,747,122</u>	<u>18,755,239</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,059,705	2,059,800	2,059,800
Clothing/ Uniform Allowance	781,942	795,943	795,941
Subsistence Allowance	7,657,132	8,112,476	8,112,475
Laundry Allowance	41,826	33,268	33,285
Quarters Allowance	397,340	437,104	436,755
Productivity Incentive Allowance	171,650		
Longevity Pay	3,537,785	3,765,825	3,870,565
Mid-Year Bonus - Military/Uniformed Personnel			1,562,936
Officers' Allowance - Military/Uniformed Personnel			239,442
Provisional Allowance - Military/Uniformed Personnel			2,217,001
Year-end Bonus	1,489,408	1,562,261	1,562,936
Cash Gift	402,887	429,125	429,125
Productivity Enhancement Incentive	1,580,129	429,125	429,125
Performance Based Bonus	788,746		
Total Other Compensation Common to All	<u>18,908,550</u>	<u>17,624,927</u>	<u>21,749,386</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	118,650	133,179	133,179
Hazard Duty Pay	280,307	247,176	556,147
Flying Pay	14,087	10,410	10,410
Hardship Allowance	1,791		
Combat Duty Pay	421,337	345,486	345,486
Instructor's Duty Pay	152,305	145,268	145,268
Reservist's Pay	196,102	253,306	253,306
Medal of Valor Award	7,326	6,600	6,600
Hospitalization Expenses	60		
Specialist's Pay	310		
Parachutist Pay	115,782	170,475	170,475
Total Other Compensation for Specific Groups	<u>1,308,057</u>	<u>1,311,900</u>	<u>1,620,871</u>
Other Benefits			
Special Group Term Insurance	8,106	6,179	6,180
PAG-IBIG Contributions	95,411	102,990	102,989
PhilHealth Contributions	229,823	214,855	214,854
Employees Compensation Insurance Premiums	96,316	102,990	102,989
Terminal Leave	3,372,678	1,202,195	1,086,713
Total Other Benefits	<u>3,802,334</u>	<u>1,629,209</u>	<u>1,513,725</u>
TOTAL PERSONNEL SERVICES	<u>43,209,748</u>	<u>39,655,081</u>	<u>44,082,977</u>

Maintenance and Other Operating Expenses

Travelling Expenses	257,358	280,579	291,971
Training and Scholarship Expenses	285,029	243,908	264,311
Supplies and Materials Expenses	2,629,111	3,735,262	5,315,907
Utility Expenses	428,128	478,530	503,696
Communication Expenses	103,574	137,875	151,758
Awards/Rewards and Prizes	8,281	1,450	1,450
Survey, Research, Exploration and Development Expenses	4,881	5,000	5,000
Demolition/Relocation and Desilting/Dredging Expenses	280		
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	44,000	64,000	144,000
Professional Services	32,938	27,664	36,664
General Services	6,714	7,600	7,600
Repairs and Maintenance	1,141,958	1,883,621	2,283,802
Financial Assistance/Subsidy			669,436
Taxes, Insurance Premiums and Other Fees	162,299	96,107	96,906
Labor and Wages	33,433	15,533	15,533
Other Maintenance and Operating Expenses			
Advertising Expenses	4,044	5,664	5,834
Printing and Publication Expenses	10,886	16,645	17,357
Representation Expenses	328,805	485,617	447,942
Transportation and Delivery Expenses	14,142	58,673	60,649
Rent/Lease Expenses	10,725	24,373	12,475
Membership Dues and Contributions to Organizations	93	538	578
Subscription Expenses	2,543	5,081	5,096
Other Maintenance and Operating Expenses	5,752	36,000	253
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	5,514,974	7,609,720	10,338,218
TOTAL CURRENT OPERATING EXPENDITURES	48,724,722	47,264,801	54,421,195
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	693	5,910	119,379
Buildings and Other Structures	22,968	51,000	488,378
Machinery and Equipment Outlay	80,056	238,001	1,312,065
Transportation Equipment Outlay	70		574,165
Furniture, Fixtures and Books Outlay	414		
Intangible Assets Outlay		3,350	
TOTAL CAPITAL OUTLAYS	104,201	298,261	2,493,987
GRAND TOTAL	48,828,923	47,563,062	56,915,182

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL

OUTCOME : Level of mission capability of Army Units in Ground Operations attained

PERFORMANCE INFORMATION

KEY STRATEGIES :

Alignment with the Army Transformation Roadmap (ATR) and the Defense System of Management (DSOM) thru the PA Strategic Management System (SMS).

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Level of mission capability of Army Units in Ground Operations attained		
Percentage of Ground Force Units Provided to Unified Commands		90%
MFO / PIs		2017 Targets
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number and Readiness level of tactical units		
Number of tactical battalions maintained		190
Percentage of operational readiness of tactical battalions		79%
Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities		90%
Number and Readiness level of reserve units		
Number of ready reserve battalions maintained		82
Percentage of operational readiness of ready reserve battalions		60%

H. PHILIPPINE AIR FORCE (AIR FORCE)

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	14,687,813	16,363,367	18,896,952
General Fund	14,687,813	16,363,367	18,896,952
Automatic Appropriations	22,510	20,969	27,203
Retirement and Life Insurance Premiums	22,510	20,969	27,203
Continuing Appropriations		1,474,153	
Unobligated Releases for Capital Outlays			
R.A. No. 10651		804,607	
Unobligated Releases for MOOE			
R.A. No. 10651		669,546	
Budgetary Adjustment(s)	2,023,604		
Transfer(s) from:			
Contingent Fund	2,776		
Miscellaneous Personnel Benefits Fund	1,139,800		
Pension and Gratuity Fund	881,028		
Total Available Appropriations	16,733,927	17,858,489	18,924,155
Unused Appropriations	(1,477,315)	(1,474,153)	
Unobligated Allotment	(1,477,315)	(1,474,153)	
TOTAL OBLIGATIONS	15,256,612	16,384,336	18,924,155
	=====	=====	=====

EXPENDITURE PROGRAM
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	2,921,590,000	1,381,169,000	1,445,040,000
	PS	2,489,168,000	894,032,000	985,250,000
	MOOE	432,422,000	446,456,000	459,790,000
	CO		40,681,000	
000002000000000	Support to Operations	1,910,734,000	2,204,352,000	2,740,624,000
	PS	1,655,236,000	1,941,499,000	2,432,281,000
	MOOE	255,498,000	262,853,000	308,343,000
000003000000000	Operations	10,424,288,000	12,788,815,000	14,738,491,000
	PS	5,255,137,000	5,554,148,000	6,231,714,000
	MOOE	5,117,243,000	5,901,027,000	7,939,299,000
	CO	51,908,000	1,333,640,000	567,478,000
	Projects		10,000,000	
	CO		10,000,000	
TOTAL AGENCY BUDGET		15,256,612,000	16,384,336,000	18,924,155,000
	PS	9,399,541,000	8,389,679,000	9,649,245,000
	MOOE	5,805,163,000	6,610,336,000	8,707,432,000
	CO	51,908,000	1,384,321,000	567,478,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,827	1,827	1,827
Total Number of Filled Positions	1,022	1,063	1,063
Military			
Total Number of Authorized Positions	17,612	17,612	17,612
Total Number of Filled Positions	16,393	16,982	16,663

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 18,896,952,000
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OPERATIONS BY MFO

	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	6,222,235,000	7,939,299,000	567,478,000	14,729,012,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	9,622,042,000	8,707,432,000	567,478,000	18,896,952,000
National Capital Region (NCR)	9,622,042,000	8,707,432,000	567,478,000	18,896,952,000
TOTAL AGENCY BUDGET	9,622,042,000	8,707,432,000	567,478,000	18,896,952,000
	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Philippine Air Force General Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements: PROVIDED, That at least twenty five percent (25%) of the said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital 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.

The Philippine Air Force shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Commanding General of the Philippine Air Force and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the Philippine Air Force website.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Air Force shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said fees and charges shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

The Philippine Air Force shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. The Commanding General of the Philippine Air Force and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the Philippine Air Force website.

3. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each Philippine Air Force squadron may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.
4. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Air Force.
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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	972,525,000	459,790,000		1,432,315,000
103001000100000	General management and supervision	P 474,295,000	P 459,790,000	P	934,085,000
103001000200000	Administration of Personnel Benefits	498,230,000			498,230,000
Sub-total, General Administration and Support		972,525,000	459,790,000		1,432,315,000
000002000000000	Support to Operations	2,427,282,000	308,343,000		2,735,625,000
121002000100000	Force-Level Support Services	2,427,282,000	308,343,000		2,735,625,000
Sub-total, Support to Operations		2,427,282,000	308,343,000		2,735,625,000
000003000000000	Operations	6,222,235,000	7,939,299,000	567,478,000	14,729,012,000
000003010000000	MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	6,222,235,000	7,939,299,000	567,478,000	14,729,012,000
121003010100000	Force Development	3,097,933,000	3,807,050,000	89,313,000	6,994,296,000
121003010200000	Force Sustainment	3,124,302,000	4,132,249,000	478,165,000	7,734,716,000
Sub-total, Operations		6,222,235,000	7,939,299,000	567,478,000	14,729,012,000
TOTAL NEW APPROPRIATIONS		P 9,622,042,000	P 8,707,432,000	P 567,478,000	P 18,896,952,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	188,839	174,746	226,692
Total Permanent Positions	188,839	174,746	226,692
Other Compensation Common to All			
Personnel Economic Relief Allowance	21,722	22,536	25,512
Representation Allowance	180	60	120
Transportation Allowance	180	60	120
Clothing and Uniform Allowance	4,970	4,695	5,315
Productivity Incentive Allowance	1,726		
Mid-Year Bonus - Civilian			18,891

Year End Bonus	15,197	14,563	18,891
Cash Gift	4,773	4,695	5,315
Step Increment		1,131	2,132
Productivity Enhancement Incentive	15,813	4,695	5,315
Performance Based Bonus	7,651		
Total Other Compensation Common to All	<u>72,212</u>	<u>52,435</u>	<u>81,611</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	23,710	15,036	26,312
Longevity Pay	2,960	3,305	3,305
Other Personnel Benefits	97,738		
Anniversary Bonus - Civilian			3,189
Total Other Compensation for Specific Groups	<u>124,408</u>	<u>18,341</u>	<u>32,806</u>
Other Benefits			
Retirement and Life Insurance Premiums	22,124	20,969	27,203
PAG-IBIG Contributions	1,415	1,127	1,276
PhilHealth Contributions	1,890	2,036	2,524
Employees Compensation Insurance Premiums	1,159	1,121	1,276
Retirement Gratuity	4,043	14,773	15,728
Terminal Leave	13,500	5,624	6,929
Total Other Benefits	<u>44,131</u>	<u>45,650</u>	<u>54,936</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	4,006,599	3,999,831	3,981,896
Total Basic Pay	<u>4,006,599</u>	<u>3,999,831</u>	<u>3,981,896</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	395,128	407,568	399,912
Clothing/ Uniform Allowance	190,687	188,394	229,431
Subsistence Allowance	941,056	929,766	912,300
Laundry Allowance	7,334	6,844	6,778
Quarters Allowance	91,050	91,298	92,415
Productivity Incentive Allowance	31,468		
Longevity Pay	828,028	834,954	824,466
Mid-Year Bonus - Military/Uniformed Personnel			331,825
Officers' Allowance - Military/Uniformed Personnel			70,542
Provisional Allowance - Military/Uniformed Personnel			569,498
Year-end Bonus	329,017	333,319	331,825
Cash Gift	83,611	84,910	83,315
Productivity Enhancement Incentive	332,073	84,910	83,315
Performance Based Bonus	124,936		
Total Other Compensation Common to All	<u>3,354,388</u>	<u>2,961,963</u>	<u>3,935,622</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	104,536	91,517	100,879
Hazard Duty Pay	51,058	48,908	107,977
Flying Pay	369,870	370,518	405,757
Hardship Allowance	11,793	6,190	9,868
Combat Duty Pay	33,549	33,744	33,744
Instructor's Duty Pay	34,053	33,675	33,675
Reservist's Pay	38,518	28,584	28,584
Medal of Valor Award	600	1,200	1,200
Hospitalization Expenses	7,879		
Specialist's Pay	2,571	153	153
Parachutist Pay	3,119	3,726	3,726
Anniversary Bonus - Military/Uniformed Personnel			49,989
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		225,536	326,165
Total Other Compensation for Specific Groups	<u>657,546</u>	<u>843,751</u>	<u>1,101,717</u>

Other Benefits			
Special Group Term Insurance	1,235	1,223	1,199
PAG-IBIG Contributions	19,733	20,378	19,996
PhilHealth Contributions	46,962	45,405	44,932
Employees Compensation Insurance Premiums	20,003	20,378	19,996
Retirement Gratuity	12,889		
Terminal Leave	850,596	205,578	147,842
Total Other Benefits	<u>951,418</u>	<u>292,962</u>	<u>233,965</u>
TOTAL PERSONNEL SERVICES	<u>9,399,541</u>	<u>8,389,679</u>	<u>9,649,245</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	172,093	249,518	257,003
Training and Scholarship Expenses	66,073	83,358	85,859
Supplies and Materials Expenses	1,564,860	2,048,480	2,849,173
Utility Expenses	339,099	344,351	354,681
Communication Expenses	40,705	40,206	41,413
Awards/Rewards and Prizes	1,550	1,550	1,550
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	3,985		
Intelligence Expenses	17,000	17,000	17,000
Professional Services	7,830	5,662	5,662
General Services	7,282	13,821	13,741
Repairs and Maintenance	3,379,510	3,582,658	4,724,474
Financial Assistance/Subsidy			129,972
Taxes, Insurance Premiums and Other Fees	18,752	19,166	19,166
Other Maintenance and Operating Expenses			
Advertising Expenses	825	1,597	1,645
Printing and Publication Expenses	7,653	5,727	5,899
Representation Expenses	163,086	177,861	183,197
Transportation and Delivery Expenses	9,293	9,571	9,858
Rent/Lease Expenses	2,171	2,171	2,171
Membership Dues and Contributions to Organizations	69	45	45
Subscription Expenses	3,327	3,420	3,420
Donations		1,500	1,500
Other Maintenance and Operating Expenses		2,674	3
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>5,805,163</u>	<u>6,610,336</u>	<u>8,707,432</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>15,204,704</u>	<u>15,000,015</u>	<u>18,356,677</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Outlay			80,100
Infrastructure Outlay		237,834	152,250
Buildings and Other Structures		266,603	266,445
Machinery and Equipment Outlay	49,908	629,484	29,069
Transportation Equipment Outlay		250,400	38,823
Furniture, Fixtures and Books Outlay	2,000		
Other Property Plant and Equipment Outlay			791
TOTAL CAPITAL OUTLAYS	<u>51,908</u>	<u>1,384,321</u>	<u>567,478</u>
GRAND TOTAL	<u>15,256,612</u>	<u>16,384,336</u>	<u>18,924,155</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL

OUTCOME : Level of mission capability of Air Force Units in Air Operations attained

PERFORMANCE INFORMATION

KEY STRATEGIES :

Increasing PAF readiness to achieve the Command thrusts of POWER-UP PAF consistent with the Defense Planning Guidance 2014-2019

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Level of mission capability of Air Force Units in Air Operations attained		
Percentage of Air Force Units Provided to Unified Commands		85%
MFO / PIs		2017 Targets
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number of Supportable Aircraft Maintained		154
Aircraft Maintenance Readiness Rate		70%
% Accomplishment of 1-hour Response to Flight-directed Mission		90%

I. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations/Obligations

(In Thousand Pesos)

Description	2015	2016	2017
New General Appropriations	13,450,574	16,273,018	20,592,379
General Fund	13,450,574	16,273,018	20,592,379
Automatic Appropriations	20,715	19,413	25,282
Retirement and Life Insurance Premiums	20,715	19,413	25,282
Continuing Appropriations	648,595	1,166,876	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	240,377		
R.A. No. 10651		496,113	
Unobligated Releases for MOOE			
R.A. No. 10633	408,218		
R.A. No. 10651		670,763	
Budgetary Adjustment(s)	3,349,110		
Transfer(s) from:			
National Disaster Risk Reduction and Management Fund (Calamity Fund)	124,766		
Contingent Fund	28,709		
Miscellaneous Personnel Benefits Fund	2,059,485		
Pension and Gratuity Fund	1,136,150		
Total Available Appropriations	17,468,994	17,459,307	20,617,661
Unused Appropriations	(1,268,580)	(1,166,876)	
Unobligated Allotment	(1,268,580)	(1,166,876)	
TOTAL OBLIGATIONS	16,200,414	16,292,431	20,617,661
	=====	=====	=====

		EXPENDITURE PROGRAM (in pesos)		
No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	3,861,303,000	2,837,466,000	3,799,720,000
	PS	3,241,622,000	2,180,134,000	3,067,315,000
	MOOE	619,681,000	657,332,000	711,593,000
	CO			20,812,000
000002000000000	Support to Operations	2,918,254,000	2,143,386,000	1,758,097,000
	PS	2,224,085,000	1,532,194,000	695,063,000
	MOOE	644,169,000	591,192,000	627,384,000
	CO	50,000,000	20,000,000	435,650,000
000003000000000	Operations	9,420,857,000	11,262,779,000	15,059,844,000
	PS	6,096,968,000	6,594,238,000	8,667,346,000
	MOOE	3,085,155,000	4,503,952,000	5,234,510,000
	CO	238,734,000	164,589,000	1,157,988,000
	Projects		48,800,000	
	CO		48,800,000	
TOTAL AGENCY BUDGET		16,200,414,000	16,292,431,000	20,617,661,000
	PS	11,562,675,000	10,306,566,000	12,429,724,000
	MOOE	4,349,005,000	5,752,476,000	6,573,487,000
	CO	288,734,000	233,389,000	1,614,450,000

STAFFING SUMMARY

		2015	2016	2017
TOTAL STAFFING				
Civilian Personnel				
Total Number of Authorized Positions		1,419	1,419	1,419
Total Number of Filled Positions		866	937	937
Military				
Total Number of Authorized Positions		23,312	23,312	23,312
Total Number of Filled Positions		19,508	21,810	22,771

Proposed New Appropriations Language
For general administration and support, support to operations, and operations, as indicated hereunder.....P 20,592,379,000
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	8,667,346,000	5,234,510,000	1,157,988,000	15,059,844,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017 (in pesos)				
REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	12,404,442,000	6,573,487,000	1,614,450,000	20,592,379,000
National Capital Region (NCR)	12,404,442,000	6,573,487,000	1,614,450,000	20,592,379,000
TOTAL AGENCY BUDGET	12,404,442,000	6,573,487,000	1,614,450,000	20,592,379,000
	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Philippine Navy Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements: PROVIDED, That at least twenty five percent (25%) of the said income shall be used to purchase and upgrade hospital equipment used directly in the delivery of health services.

In no case shall said income be used for the payment of salaries and other allowances.

Disbursements or expenditures by the hospital 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.

The Philippine Navy shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Flag-Officer-In-Command of the Philippine Navy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the Philippine Navy website.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Navy shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002. Said fees and charges shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

The Philippine Navy shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. The Commanding Flag-Officer-In-Command of the Philippine Navy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the Philippine Navy website.

3. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company or its equivalent in the Philippine Navy may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.
4. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Navy.
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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
0000010000000000	General Administration and Support	3,043,468,000	711,593,000	20,812,000	3,775,873,000
103001000100000	General management and supervision	P 2,514,558,000	P 711,593,000	P 20,812,000	P 3,246,963,000
103001000200000	Administration of Personnel Benefits	528,910,000			528,910,000
Sub-total, General Administration and Support		3,043,468,000	711,593,000	20,812,000	3,775,873,000
0000020000000000	Support to Operations	693,628,000	627,384,000	435,650,000	1,756,662,000
121002000100000	Force-Level Support Services	693,628,000	627,384,000	435,650,000	1,756,662,000
Sub-total, Support to Operations		693,628,000	627,384,000	435,650,000	1,756,662,000

0000030000000000	Operations	8,667,346,000	5,234,510,000	1,157,988,000	15,059,844,000
0000030100000000	MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	8,667,346,000	5,234,510,000	1,157,988,000	15,059,844,000
1210030101000000	Force Development	7,351,166,000	3,698,421,000	1,157,988,000	12,207,575,000
1210030102000000	Force Sustainment	1,316,180,000	1,536,089,000		2,852,269,000
Sub-total, Operations		8,667,346,000	5,234,510,000	1,157,988,000	15,059,844,000
TOTAL NEW APPROPRIATIONS		P 12,404,442,000	P 6,573,487,000	P 1,614,450,000	P 20,592,379,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	138,144	161,775	210,681
Total Permanent Positions	138,144	161,775	210,681
Other Compensation Common to All			
Personnel Economic Relief Allowance	16,094	18,840	22,488
Representation Allowance	15	180	180
Transportation Allowance	5	180	180
Clothing and Uniform Allowance	2,645	3,925	4,685
Productivity Incentive Allowance	972		
Mid-Year Bonus - Civilian			17,557
Year End Bonus	5,113	13,481	17,557
Cash Gift	1,492	3,925	4,685
Step Increment		981	1,908
Productivity Enhancement Incentive	10,180	3,925	4,685
Performance Based Bonus	4,957		
Total Other Compensation Common to All	41,473	45,437	73,925
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	45,431	11,975	13,276
Longevity Pay	3,698	3,643	3,643
Other Personnel Benefits	1,484,531		
Total Other Compensation for Specific Groups	1,533,660	15,618	16,919
Other Benefits			
Retirement and Life Insurance Premiums	18,364	19,413	25,282
PAG-IBIG Contributions	720	942	1,125
PhilHealth Contributions	1,463	1,857	2,330
Employees Compensation Insurance Premiums	720	942	1,125
Retirement Gratuity	18,054	13,918	
Terminal Leave	2,174	3,682	5,478
Total Other Benefits	41,495	40,754	35,340
Military/Uniformed Personnel			
Basic Pay			
Base Pay	4,511,625	5,329,847	5,462,214
Total Basic Pay	4,511,625	5,329,847	5,462,214

Other Compensation Common to All			
Personnel Economic Relief Allowance	450,178	525,840	546,504
Clothing/ Uniform Allowance	87,924	91,594	143,058
Subsistence Allowance	1,031,275	1,199,573	1,246,713
Laundry Allowance	8,199	8,947	9,253
Quarters Allowance	99,314	124,559	125,729
Productivity Incentive Allowance	39,330		
Longevity Pay	1,012,104	1,096,579	1,157,868
Mid-Year Bonus - Military/Uniformed Personnel			455,184
Officers' Allowance - Military/Uniformed Personnel			94,554
Provisional Allowance - Military/Uniformed Personnel			789,879
Year-end Bonus	209,271	444,154	455,184
Cash Gift	52,970	109,550	113,855
Productivity Enhancement Incentive	441,908	109,550	114,115
Performance Based Bonus	176,845		
Total Other Compensation Common to All	<u>3,609,318</u>	<u>3,710,346</u>	<u>5,251,896</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	148,596	81,945	155,355
Overseas Allowance	9,192	12,000	12,344
Hazard Duty Pay	54,046	63,101	147,556
Flying Pay	28,543	30,356	30,253
Sea Duty Pay	155,867	127,690	170,902
Reenlistment Pay	42,545	19,010	19,010
Hardship Allowance	14,889	10,000	57,935
Combat Duty Pay	48,985	18,894	54,768
Instructor's Duty Pay	32,077	20,211	32,302
Reservist's Pay	2,770	3,106	39,677
Medal of Valor Award	2,063	720	2,100
Specialist's Pay	77		636
Parachutist Pay	1,188	10,000	15,885
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		258,794	229,787
Total Other Compensation for Specific Groups	<u>540,838</u>	<u>655,827</u>	<u>968,510</u>
Other Benefits			
Special Group Term Insurance	1,274	1,578	1,639
PAG-IBIG Contributions	20,212	26,292	27,325
PhilHealth Contributions	49,911	60,096	61,686
Employees Compensation Insurance Premiums	23,410	26,292	27,325
Retirement Gratuity			19,825
Terminal Leave	1,051,315	232,704	272,439
Total Other Benefits	<u>1,146,122</u>	<u>346,962</u>	<u>410,239</u>
TOTAL PERSONNEL SERVICES	<u>11,562,675</u>	<u>10,306,566</u>	<u>12,429,724</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	52,592	78,742	99,224
Training and Scholarship Expenses	37,272	72,831	105,816
Supplies and Materials Expenses	2,510,588	3,153,059	3,470,623
Utility Expenses	378,123	367,064	387,018
Communication Expenses	52,809	66,292	101,107
Awards/Rewards and Prizes	204		
Survey, Research, Exploration and Development Expenses	185		
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	6,268		
Intelligence Expenses	34,749	34,749	34,749
Professional Services	65,183	27,506	21,506
General Services	6,000	13,422	13,422
Repairs and Maintenance	1,079,219	1,761,525	1,949,601
Financial Assistance/Subsidy			177,614
Taxes, Insurance Premiums and Other Fees	37,855	44,730	42,330
Other Maintenance and Operating Expenses			
Advertising Expenses		142	146
Printing and Publication Expenses	6,170	12,735	13,117
Representation Expenses	3,491	67,693	107,184

Transportation and Delivery Expenses	40,149	2,973	3,062
Rent/Lease Expenses	15,832	22,935	12,935
Subscription Expenses	2,000	8,337	18,293
Other Maintenance and Operating Expenses	20,316	17,741	15,740
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	4,349,005	5,752,476	6,573,487
TOTAL CURRENT OPERATING EXPENDITURES	15,911,680	16,059,042	19,003,211
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Outlay	50,000		
Land Improvements Outlay		9,050	1,250
Infrastructure Outlay		21,869	271,435
Buildings and Other Structures	235	128,787	34,529
Machinery and Equipment Outlay	221,000	73,683	476,595
Transportation Equipment Outlay	15,500		822,321
Furniture, Fixtures and Books Outlay	1,999		
Intangible Assets Outlay			8,320
TOTAL CAPITAL OUTLAYS	288,734	233,389	1,614,450
GRAND TOTAL	16,200,414	16,292,431	20,617,661

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved.

ORGANIZATIONAL OUTCOME : Level of mission capability of Navy units in Naval Operations attained

PERFORMANCE INFORMATION

KEY STRATEGIES :

To provide the Operational Commanders with the best mix of forces, equipment, and support attainable within fiscal constraints through a systematic, strategy-driven, capability-based processes in order to perform prompt and sustained naval operations.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Level of mission capability of Navy units in Naval Operations attained		
Percentage of Naval units provided to unified commands		100%
MFO / PIs		2017 Targets
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number of mission-ready fleet marine units		179
Percentage of readiness of fleet marine units		80.76%
Number of mission-ready support and sustainment units		34
Percentage of readiness of support and sustainment units		73.15%
Average response time of fleet units that can be mobilized as instructed by higher authorities		24 hours
Average response time of marine units that can be mobilized as instructed by higher authorities		6 hours

J. GENERAL HEADQUARTERS, AFP AND AFP WIDE SERVICE SUPPORT UNITS (AFPWSSUS)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	<u>26,235,210</u>	<u>33,034,095</u>	<u>34,033,053</u>
General Fund	26,235,210	33,034,095	34,033,053
Automatic Appropriations	<u>1,405,738</u>	<u>62,215</u>	<u>72,265</u>
Customs Duties and Taxes, including Tax Expenditures	558,105		
Retirement and Life Insurance Premiums	42,745	62,215	72,265
Special Account	804,888		
Continuing Appropriations	<u>421,820</u>	<u>4,358,831</u>	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10633	200,000		
R.A. No. 10651		3,876,058	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	38,998		
R.A. No. 10651		39,976	
Unobligated Releases for MOOE			
R.A. No. 10633	182,822		
R.A. No. 10651		442,797	
Budgetary Adjustment(s)	<u>37,535,673</u>		
Transfer(s) from:			
Contingent Fund	222,634		
Miscellaneous Personnel Benefits Fund	605,463		
Pension and Gratuity Fund	36,707,576		
Total Available Appropriations	65,598,441	37,455,141	34,105,318
Unused Appropriations	(8,539,650)	(4,358,831)	
Unreleased Appropriation	(4,076,058)	(3,876,058)	
Unobligated Allotment	(4,463,592)	(482,773)	
TOTAL OBLIGATIONS	<u>57,058,791</u>	<u>33,096,310</u>	<u>34,105,318</u>
	=====	=====	=====

EXPENDITURE PROGRAM
(in pesos)

<u>No./</u> <u>Code</u>	<u>GASS / STO /</u> <u>OPERATIONS / PROJECTS</u>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Current</u>	<u>2017</u> <u>Proposed</u>
000001000000000	General Administration and Support	<u>38,889,222,000</u>	<u>2,666,989,000</u>	<u>3,306,410,000</u>
	PS	37,892,810,000	2,224,719,000	2,850,230,000
	MOOE	994,283,000	442,270,000	456,180,000
	CO	2,129,000		
000003000000000	Operations	<u>5,130,760,000</u>	<u>5,337,321,000</u>	<u>5,798,908,000</u>
	PS	1,668,566,000	1,752,697,000	2,098,247,000
	MOOE	3,206,215,000	3,528,769,000	3,612,113,000
	FinEx		19,000	19,000
	CO	255,979,000	55,836,000	88,529,000

Projects	13,038,809,000	25,092,000,000	25,000,000,000
MOOE		11,000,000	
CO	13,038,809,000	25,081,000,000	25,000,000,000
TOTAL AGENCY BUDGET	57,058,791,000	33,096,310,000	34,105,318,000
PS	39,561,376,000	3,977,416,000	4,948,477,000
MOOE	4,200,498,000	3,982,039,000	4,068,293,000
FinEx		19,000	19,000
CO	13,296,917,000	25,136,836,000	25,088,529,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	3,945	3,945	3,945
Total Number of Filled Positions	2,663	2,731	2,731
Military			
Total Number of Authorized Positions	3,031	3,031	3,031
Total Number of Filled Positions	2,279	2,463	2,693

Proposed New Appropriations Language

For general administration and support, and operations, including locally-funded project, as indicated hereunder.....
P 34,033,053,000
 =====

OPERATIONS BY MFO	PROPOSED 2017				
	PS	MOOE	FinEx	CO	TOTAL
MFO 1: MILITARY POLICY ADVISORY SERVICES	290,966,000	435,788,000			726,754,000
MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES	438,831,000	1,646,743,000	19,000	33,805,000	2,119,398,000
MFO 3: TERTIARY HEALTH CARE SERVICES	470,256,000	1,071,654,000		45,106,000	1,587,016,000
MFO 4: MILITARY EDUCATION SERVICES	701,298,000	200,839,000		8,418,000	910,555,000
MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES	169,284,000	257,089,000		1,200,000	427,573,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	FinEx	CO	TOTAL
Regional Allocation (net of Central Office):	4,876,212,000	4,068,293,000	19,000	25,088,529,000	34,033,053,000
National Capital Region (NCR)	4,078,597,000	3,907,363,000	19,000	25,080,111,000	33,066,090,000
Cordillera Administrative Region (CAR)	797,615,000	160,930,000		8,418,000	966,963,000
TOTAL AGENCY BUDGET	4,876,212,000	4,068,293,000	19,000	25,088,529,000	34,033,053,000
	=====	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the AFP Medical Center shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements: PROVIDED, That at least twenty five percent (25%) of the said income shall be used to purchase and upgrade hospital equipment used directly in the delivery of health services.

In no case shall said income be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital 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.

The General Headquarters of the AFP shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The AFP Chief of Staff and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the AFP website.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the AFP shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002. Said fees and charges shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s.1996.

The General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. The AFP Chief of Staff and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the AFP website.

3. Trust Receipts from Firearms License Fees. Thirty percent (30%) net proceeds of the firearms license fees collected by the PNP shall be used for the scholarship privileges to surviving children of deceased or permanently incapacitated military personnel in accordance with R.A. No. 6963. Said fees shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338.

The General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury, including the list of beneficiaries of the scholarship program. The AFP Chief of Staff and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the AFP website.

4. Trust Receipts for the United Nations Peacekeeping Operations. The funds provided by the United Nations for the peacekeeping operations shall be used to cover the allowance, uniform, gear and equipment, weaponry and training ammunition, pre-deployment expenses, and maintenance of the Peacekeeping Training Center: PROVIDED, That said funds shall first be used to reimburse any advances made by the National Government to fund the foregoing requirements. Said funds shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338.

The General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. The AFP-Chief of Staff and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the AFP website.

5. Armed Forces of the Philippines Modernization Program. The amount of Twenty Five Billion Pesos (P25,000,000,000) appropriated herein for the Revised AFP Modernization Program shall be used exclusively to support the funding requirements for the modernization projects in accordance with R.A. No. 10349.

The allotment for the purpose shall be issued only upon submission by the DND of the recommendation by the appropriate bids and awards committee for the award of contracts for the modernization projects.

The General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly Program Accountability Report. The Secretary of National Defense and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the DND website.

6. Intelligence and Confidential Funds. No appropriations authorized under the AFP shall be released or disbursed for intelligence activities, including amounts sourced from savings, unless approved by the President of the Philippines, or specifically identified and authorized as intelligence fund.

The use of savings to augment intelligence funds is subject to prior approval of the President of the Philippines, upon joint recommendation by the Secretary of National Defense and the Secretary of Budget and Management.

Confidential funds authorized under the AFP shall be released or disbursed only upon approval of the Secretary of National Defense.

Implementation of this provision shall be subject to COA-DBM-DILG-GCG-DND JC No. 2015-01 dated January 8, 2015 and such other guidelines issued by agencies concerned.

- 7. Bilateral Engagements. The amount appropriated for bilateral engagements shall be administered by the General Headquarters of the AFP. Any materiel, supplies, equipment, facilities and other property received by the General Headquarters in connection with the activities undertaken pursuant to said bilateral engagements shall be recorded or booked-up as government property.
- 8. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company or its equivalent in the General Headquarters of the AFP may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.
- 9. Restriction on Use of Funds Allotted for Petroleum, Oil and Lubricants. The amounts appropriated herein for the purchase or acquisition of petroleum, oil and lubricants for the Major Services and the General Headquarters of the AFP shall be used exclusively for said purposes.
- 10. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the General Headquarters of the AFP.
- 11. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by the Major Services and the General Headquarters of 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 upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 and budgeting, accounting and auditing rules and regulations.
- 12. 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:

/ Appropriations, by Programs/Activities/Projects, by Operating Units

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays
					Total
GRAMS					
001000000000	General Administration and Support	2,805,577,000	456,180,000		3,261,757,000
001000100000	General management and supervision	P 1,348,998,000	P 456,180,000		P 1,805,178,000
	National Capital Region (NCR)	1,348,998,000	456,180,000		1,805,178,000
	General Headquarters - Proper	1,348,998,000	456,180,000		1,805,178,000
001000200000	Administration of Personnel Benefits	1,456,579,000			1,456,579,000
	National Capital Region (NCR)	1,356,434,000			1,356,434,000
	Armed Forces of the Philippines Medical Center	71,461,000			71,461,000
	General Headquarters - Proper	1,270,135,000			1,270,135,000
	Presidential Security Group	14,838,000			14,838,000
	Cordillera Administrative Region (CAR)	100,145,000			100,145,000
	Philippine Military Academy	100,145,000			100,145,000
-total, General Administration and Support		2,805,577,000	456,180,000		3,261,757,000

504 EXPENDITURE PROGRAM FY 2017 VOLUME II

000003000000000	Operations	2,070,635,000	3,612,113,000	19,000	88,529,000	5,771,296,000
000003010000000	MFO 1: MILITARY POLICY ADVISORY SERVICES	290,966,000	435,788,000			726,754,000
127003010100000	Military policy and plans formulation	290,966,000	435,788,000			726,754,000
	National Capital Region (NCR)	290,966,000	435,788,000			726,754,000
	General Headquarters - Proper	290,966,000	435,788,000			726,754,000
000003020000000	MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES	438,831,000	1,646,743,000	19,000	33,805,000	2,119,398,000
127003020100000	Strategic lift and mobility		109,916,000			109,916,000
	National Capital Region (NCR)		109,916,000			109,916,000
	General Headquarters - Proper		109,916,000			109,916,000
121003020200000	Joint force preparedness (Bilateral Engagements)		48,483,000			48,483,000
	National Capital Region (NCR)		48,483,000			48,483,000
	General Headquarters - Proper		48,483,000			48,483,000
121003020300000	Ordnance Build-up		4,120,000			4,120,000
	National Capital Region (NCR)		4,120,000			4,120,000
	General Headquarters - Proper		4,120,000			4,120,000
000003020400000	Planning, Command and Management of Joint Military Operations	438,831,000	1,484,224,000	19,000	33,805,000	1,956,879,000
127003020400001	Military strategic planning	202,055,000	120,745,000	19,000		322,819,000
	National Capital Region (NCR)	202,055,000	120,745,000	19,000		322,819,000
	General Headquarters - Proper	202,055,000	120,745,000	19,000		322,819,000
121003020400002	Joint operational command and control	235,780,000	385,582,000		33,805,000	655,167,000
	National Capital Region (NCR)	235,780,000	385,582,000		33,805,000	655,167,000
	General Headquarters - Proper	235,780,000	385,582,000		33,805,000	655,167,000
123003020400003	International humanitarian and peacekeeping operations		8,860,000			8,860,000
	National Capital Region (NCR)		8,860,000			8,860,000
	General Headquarters - Proper		8,860,000			8,860,000
121003020400004	Joint special operation	996,000	969,037,000			970,033,000
	National Capital Region (NCR)	996,000	969,037,000			970,033,000
	General Headquarters - Proper	996,000	969,037,000			970,033,000

000003030000000	MFO 3: TERTIARY HEALTH CARE SERVICES	470,256,000	1,071,654,000		45,106,000	1,587,016,000
223003030100000	Tertiary Health Care (AFP Medical Center)	470,256,000	1,071,654,000		45,106,000	1,587,016,000
	National Capital Region (NCR)	470,256,000	1,071,654,000		45,106,000	1,587,016,000
	Armed Forces of the Philippines Medical Center	470,256,000	1,071,654,000		45,106,000	1,587,016,000
000003040000000	MFO 4: MILITARY EDUCATION SERVICES	701,298,000	200,839,000		8,418,000	910,555,000
264003040100000	Pre-Commission Officer Training (Philippine Military Academy)	697,470,000	160,930,000		8,418,000	866,818,000
	Cordillera Administrative Region (CAR)	697,470,000	160,930,000		8,418,000	866,818,000
	Philippine Military Academy	697,470,000	160,930,000		8,418,000	866,818,000
121003040200000	Joint education and training	2,643,000	29,559,000			32,202,000
	National Capital Region (NCR)	2,643,000	29,559,000			32,202,000
	General Headquarters - Proper	2,643,000	29,559,000			32,202,000
121003040300000	Reserve force administration and training	1,185,000	10,350,000			11,535,000
	National Capital Region (NCR)	1,185,000	10,350,000			11,535,000
	General Headquarters - Proper	1,185,000	10,350,000			11,535,000
000003050000000	MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES	169,284,000	257,089,000		1,200,000	427,573,000
141003050100000	Presidential Security and Protection (Presidential Security Group)	169,284,000	257,089,000		1,200,000	427,573,000
	National Capital Region (NCR)	169,284,000	257,089,000		1,200,000	427,573,000
	Presidential Security Group	169,284,000	257,089,000		1,200,000	427,573,000
Sub-total, Operations		2,070,635,000	3,612,113,000	19,000	88,529,000	5,771,296,000
TOTAL PROGRAMS AND ACTIVITIES		P 4,876,212,000	P 4,068,293,000	P 19,000	P 88,529,000	P 9,033,053,000
		=====	=====	=====	=====	=====
000004000000000	Locally-Funded Projects				25,000,000,000	25,000,000,000
000004100000000	Governance				25,000,000,000	25,000,000,000
000004100200000	Defense				25,000,000,000	25,000,000,000
121004100200001	Revised AFP Modernization Program				25,000,000,000	25,000,000,000
	National Capital Region (NCR)				25,000,000,000	25,000,000,000
	General Headquarters - Proper				25,000,000,000	25,000,000,000
Sub-total, Locally-Funded Project(s)					25,000,000,000	25,000,000,000
TOTAL PROJECTS					P 25,000,000,000	P 25,000,000,000
					=====	=====
TOTAL NEW APPROPRIATIONS		P 4,876,212,000	P 4,068,293,000	P 19,000	P 25,088,529,000	P 34,033,053,000
		=====	=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2015-2017

(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	497,309	518,464	602,211
Total Permanent Positions	497,309	518,464	602,211
Other Compensation Common to All			
Personnel Economic Relief Allowance	40,950	61,368	65,544
Representation Allowance	240	540	540
Transportation Allowance	240	540	540
Clothing and Uniform Allowance	8,886	12,785	13,655
Productivity Incentive Allowance	3,392		
Mid-Year Bonus - Civilian			50,184
Year End Bonus	28,962	43,205	50,184
Cash Gift	8,645	12,785	13,655
Step Increment		3,184	5,528
Productivity Enhancement Incentive	1,060	12,785	13,655
Total Other Compensation Common to All	92,375	147,192	213,485
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	74,642	63,578	64,380
Longevity Pay	9,142	9,142	9,142
Lump-sum for filling of Positions - Civilian		61,396	68,974
Other Personnel Benefits	38,981		
Total Other Compensation for Specific Groups	122,765	134,116	142,496
Other Benefits			
Retirement and Life Insurance Premiums	40,252	62,215	72,265
PAG-IBIG Contributions	1,995	3,069	3,278
PhilHealth Contributions	3,895	5,934	6,767
Employees Compensation Insurance Premiums	1,987	3,060	3,278
Retirement Gratuity		24,717	26,983
Terminal Leave	4,819	6,217	20,300
Total Other Benefits	52,948	105,212	132,871
Non-Permanent Positions	1,097		
Military/Uniformed Personnel			
Basic Pay			
Base Pay	1,032,576	958,169	1,046,450
Total Basic Pay	1,032,576	958,169	1,046,450
Other Compensation Common to All			
Personnel Economic Relief Allowance	36,830	58,968	64,632
Clothing/ Uniform Allowance	4,771	5,895	6,463
Subsistence Allowance	210,032	187,086	200,007
Laundry Allowance	1,202	1,769	1,606
Quarters Allowance	10,967	11,434	12,190
Productivity Incentive Allowance	3,098		
Longevity Pay	128,115	138,204	160,891
Mid-Year Bonus - Military/Uniformed Personnel			87,205
Officers' Allowance - Military/Uniformed Personnel			63,846
Provisional Allowance - Military/Uniformed Personnel			292,777

Year-end Bonus	66,488	79,847	87,205
Cash Gift	12,508	12,285	13,465
Productivity Enhancement Incentive	115,635	12,285	13,465
Performance Based Bonus	135,960		
Total Other Compensation Common to All	725,606	507,773	1,003,752
Other Compensation for Specific Groups			
Hazardous Duty Pay	13,741	17,055	17,055
Overseas Allowance	202,055	202,055	202,055
Hazard Duty Pay	6,652	7,077	17,451
Special Duty Allowance	77,346	78,612	78,612
Combat Incentive Pay	10,000	10,000	10,000
Combat Duty Pay	21,167	21,167	21,167
Incentive Pay	84,430	95,677	95,677
Instructor's Duty Pay	14,631	12,140	12,140
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		113,223	314,603
Total Other Compensation for Specific Groups	430,022	557,006	768,760
Other Benefits			
Special Group Term Insurance	197	178	194
PAG-IBIG Contributions	1,888	2,948	3,232
PhilHealth Contributions	9,031	9,215	10,099
Employees Compensation Insurance Premiums	2,717	2,948	3,232
Retirement Gratuity	3,432,785	1,034,195	1,021,695
Terminal Leave	90,866		
Total Other Benefits	3,537,484	1,049,484	1,038,452
Other Personnel Benefits			
Pension, Military/Uniformed Personnel	33,069,194		
Total Other Personnel Benefits	33,069,194		
TOTAL PERSONNEL SERVICES	39,561,376	3,977,416	4,948,477
Maintenance and Other Operating Expenses			
Travelling Expenses	177,277	231,956	231,838
Training and Scholarship Expenses	125,301	140,451	133,443
Supplies and Materials Expenses	1,554,051	1,767,750	1,827,711
Utility Expenses	518,792	550,807	565,425
Communication Expenses	98,655	108,403	111,419
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	32,033		
Intelligence Expenses	136,648	140,648	140,648
Professional Services	57,222	45,306	43,410
General Services	62,267	74,539	74,250
Repairs and Maintenance	346,311	389,630	387,268
Financial Assistance/Subsidy			13,736
Taxes, Insurance Premiums and Other Fees	586,944	31,260	30,410
Labor and Wages	13,167	14,600	14,600
Other Maintenance and Operating Expenses			
Advertising Expenses	1,297	1,959	2,060
Printing and Publication Expenses	9,879	10,273	10,657
Representation Expenses	362,728	395,333	403,546
Transportation and Delivery Expenses	8,336	8,586	8,844
Rent/Lease Expenses	57,617	54,795	55,298
Membership Dues and Contributions to Organizations	512	981	981
Subscription Expenses	5,287	4,978	11,337
Other Maintenance and Operating Expenses	46,174	9,784	1,412
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	4,200,498	3,982,039	4,068,293

Financial Expenses			
Bank Charges		19	19
TOTAL FINANCIAL EXPENSES		19	19
TOTAL CURRENT OPERATING EXPENDITURES	43,761,874	7,959,474	9,016,789
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	39,542	78,836	45,106
Machinery and Equipment Outlay	13,198,647	25,015,522	25,043,423
Transportation Equipment Outlay	58,726	39,200	
Furniture, Fixtures and Books Outlay		3,278	
Intangible Assets Outlay	2		
TOTAL CAPITAL OUTLAYS	13,296,917	25,136,836	25,088,529
GRAND TOTAL	57,058,791	33,096,310	34,105,318

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL
OUTCOME : Sovereignty of the State and the Filipino people protected

PERFORMANCE INFORMATION

- KEY STRATEGIES :
- a) GHQ : AFP Internal Peace and Security Plan "Bayanihan"
 - b) AFPMC: To sustain quality health care and allied medical services to the members of the AFP and other beneficiaries
 - c) PMA : To attain the institutional vision to be the premier leadership school of the country
 - d) PSG : To sustain security services provided to the President of the Republic of the Philippines, official First Family and visiting Heads of States and Governments

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Sovereignty of the State and the Filipino people protected		
Sovereign area covered for detection and identification of intrusions in the West Philippine Sea		33% Air Domain in WPS 40% Maritime Domain
Number of Provinces normalized where the LGU can be primarily responsible for law and order		17
Operational readiness of AFP Units for Humanitarian Assistance and Disaster Response		80%
MFO / PIs		2017 Targets
MFO 1: MILITARY POLICY ADVISORY SERVICES		
Number of military plans and policies formulated and adopted/issued		43
Percentage of adopted/issued military plans and policies rated satisfactory or better by both external and internal clients		90%
Percentage of adopted/issued military plans and policies implemented within fifteen (15) days after official issuance thereof		90%

MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES		
COMMAND AND CONTROL (C2) ACTIVITIES		
Number of command and control activities undertaken		82,573
Percentage of C2 activities successfully undertaken		90%
Average number of hours spent in a day to fully implement a single C2 activity		24 hours
MFO 3: TERTIARY HEALTH CARE SERVICES		
TREATMENT PROCEDURES		
Number of patients that received treatment		10,852
Percentage of patients treated and return to duty		90%
Percentage of patients treated within the accepted Length of Stay (LOS) per case		90%
HEALTH SERVICE EDUCATION & TRAINING		
Number of trainings conducted		211
Percentage of trainings conducted that contribute to training readiness		90%
Percentage of trainings conducted within the prescribed training procedures		100%
JOINT MEDICAL SERVICE SUPPORT OPERATIONS		
Number of Medical and Surgical Team Dispatch		50
Percentage of readiness of team dispatched		90%
Percentage of team dispatched within 24 hours upon notice		80%
MFO 4: MILITARY EDUCATION SERVICES		
PRE-COMMISSION TRAINING AND EDUCATION		
Number of cadets/students trained		1,100
Percentage of cadets who rated the course satisfactory or better		95%
POST-COMMISSION TRAINING		
Number of personnel trained		150
Number of reservist training to be conducted		60
MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES		
SECURITY OPERATIONS DURING PRESIDENTIAL ENGAGEMENTS		
Number of security operations for presidential engagement		432
Percentage of successful security operations for presidential engagement		100%
Percentage of presidential engagement wherein security have been deployed on the required period in accordance with the Command's SOP		100%
SECURITY OPERATIONS DURING FIRST FAMILY ENGAGEMENTS		
Number of security operations for first family engagement		5,500
Percentage of successful security operations for first family engagements		100%
SECURITY OPERATIONS FOR FOREIGN VISITING HEADS OF STATE/GOVERNMENT		
Number of security operations during head of state/government visit		12
Percentage of successful security operations during head of state/government visit		100%

GENERAL SUMMARY
DEPARTMENT OF NATIONAL DEFENSE

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays
					Total
A. OFFICE OF THE SECRETARY - PROPER	P	144,367,000	P 283,093,000		P 427,460,000
B. GOVERNMENT ARSENAL		231,105,000	935,257,000		53,000,000 1,219,362,000
C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES		34,992,000	35,351,000		2,800,000 73,143,000
D. OFFICE OF CIVIL DEFENSE		118,457,000	359,899,000		2,800,000 481,156,000
E. PHILIPPINE VETERANS AFFAIRS OFFICE (PVAO) - PROPER		130,238,000	351,740,000		8,000,000 489,978,000
F. VETERANS MEMORIAL MEDICAL CENTER		642,822,000	489,643,000		57,300,000 1,189,765,000
G. PHILIPPINE ARMY (LAND FORCES)		44,052,050,000	10,338,218,000		2,493,987,000 56,884,255,000
H. PHILIPPINE AIR FORCE (AIR FORCES)		9,622,042,000	8,707,432,000		567,478,000 18,896,952,000
I. PHILIPPINE NAVY (NAVAL FORCES)		12,404,442,000	6,573,487,000		1,614,450,000 20,592,379,000
J. GENERAL HEADQUARTERS, AFP AND AFP-WIDE SERVICE SUPPORT UNITS (AFPWSSUS)		4,876,212,000	4,068,293,000	19,000	25,088,529,000 34,033,053,000
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF NATIONAL DEFENSE	P	72,256,727,000	P 32,142,413,000	P 19,000	P 29,888,344,000 P134,287,503,000