

I. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations/Obligations

(In Thousand Pesos)

	(Cash-Based)		
<u>Description</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
New General Appropriations	<u>41,388,723</u>	<u>51,034,628</u>	<u>59,376,463</u>
General Fund	41,388,723	51,034,628	59,376,463
Automatic Appropriations	<u>311,505</u>	<u>42,132</u>	<u>53,338</u>
Customs Duties and Taxes, including Tax Expenditures	260,383		
Retirement and Life Insurance Premiums	51,122	42,132	53,338
Continuing Appropriations	<u>1,348,374</u>	<u>2,530,003</u>	
Unobligated Releases for Capital Outlays			
R.A. No. 11936	518,369		
R.A. No. 11975		1,646,602	
Unobligated Releases for MOOE			
R.A. No. 11936	830,005		
R.A. No. 11975		883,401	

Budgetary Adjustment(s)	1,900,810		
Release(s) from:			
Miscellaneous Personnel Benefits Fund	451,557		
Pension and Gratuity Fund	886,560		
Unprogrammed Appropriation			
Pension and Gratuity Fund	352,104		
For Payment of Personnel Benefits	210,589		
Total Available Appropriations	44,949,412	53,606,763	59,429,801
Unused Appropriations	(2,646,039)	(2,530,003)	
Unobligated Allotment	(2,646,039)	(2,530,003)	
TOTAL OBLIGATIONS	42,303,373	51,076,760	59,429,801
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EXPENDITURE PROGRAM
(in pesos)

	(Cash-Based)
	2024 Actual	2025 Current	2026 Proposed
GAS / STO / OPERATIONS / PROJECTS			
General Administration and Support	5,204,220,000	4,651,900,000	5,697,417,000
Regular	5,204,220,000	4,651,900,000	5,697,417,000
PS	4,441,961,000	4,111,969,000	5,087,477,000
MOOE	687,240,000	539,931,000	609,940,000
CO	75,019,000		
Operations	37,099,153,000	46,424,860,000	53,732,384,000
Regular	37,099,153,000	46,424,860,000	53,732,384,000
PS	18,976,810,000	21,286,225,000	22,420,600,000
MOOE	13,958,560,000	17,322,465,000	22,943,807,000
CO	4,163,783,000	7,816,170,000	8,367,977,000
TOTAL AGENCY BUDGET	42,303,373,000	51,076,760,000	59,429,801,000
Regular	42,303,373,000	51,076,760,000	59,429,801,000
PS	23,418,771,000	25,398,194,000	27,508,077,000
MOOE	14,645,800,000	17,862,396,000	23,553,747,000
CO	4,238,802,000	7,816,170,000	8,367,977,000

STAFFING SUMMARY

	2024	2025	2026
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,400	1,400	1,400
Total Number of Filled Positions	1,218	1,242	1,242
Military			
Total Number of Authorized Positions	27,930	27,930	29,288
Total Number of Filled Positions	27,890	27,890	27,890

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 59,376,463,000
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OPERATIONS BY PROGRAM	PROPOSED 2026 (Cash-Based)			
	PS	MOOE	CO	TOTAL
NAVAL FORCES DEFENSE PROGRAM	22,416,044,000	22,943,807,000	8,367,977,000	53,727,828,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2026 (Cash-Based)
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	27,454,739,000	23,553,747,000	8,367,977,000	59,376,463,000
National Capital Region (NCR)	27,454,739,000	23,553,747,000	8,367,977,000	59,376,463,000
TOTAL AGENCY BUDGET	27,454,739,000	23,553,747,000	8,367,977,000	59,376,463,000
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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 Philippine Navy hospitals shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements, subject to the following conditions: (i) 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; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines, and vaccines, including medical and dental supplies used in government health care facilities.

Likewise, all revenues derived from the Philippine Navy 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 shall be used to cover the expenses incurred in its operations. Any excess income from operations of the golf course may be used to augment the MOOE and Capital Outlay requirements of Philippine Navy hospitals and other Philippine Navy treatment facilities, subject to the guidelines issued by the DBM and the DND.

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 civil and criminal actions under existing 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's 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, 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.

3. Combat Expenses. An amount not exceeding Two Hundred Thousand Pesos (P200,000) 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. Rice Subsidy. The amount of Two Hundred Seventeen Million Five Hundred Forty Two Thousand Pesos (P217,542,000) appropriated herein shall be used for the provision of rice subsidy, equivalent to twenty (20) kilos of rice a month, in the form of financial assistance to the military personnel of the Philippine Navy.
6. 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 Philippine Navy shall be used exclusively for said purposes.
7. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by the Philippine Navy 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 Philippine Navy upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget Request, and other relevant budgetary requirements in accordance with applicable laws, rules, and regulations.
8. Reporting and Posting Requirements. The Philippine Navy shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) URS or other electronic means for reports not covered by the URS until such time that all agencies have fully migrated to the BTMS; and
 - (b) Philippine Navy's website.

The Philippine Navy shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules, and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.
9. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

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

		Current Operating Expenditures		
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays
				Total
A.REGULAR PROGRAMS				
1000000000000000	General Administration and Support	5,038,695,000	609,940,000	5,648,635,000
100000100001000	General management and supervision	2,453,129,000	609,940,000	3,063,069,000
	National Capital Region (NCR)	2,453,129,000	609,940,000	3,063,069,000
	Philippine Navy	2,453,129,000	609,940,000	3,063,069,000
100000100002000	Administration of Personnel Benefits	2,585,566,000		2,585,566,000
	National Capital Region (NCR)	2,585,566,000		2,585,566,000
	Philippine Marine Corps	80,396,000		80,396,000
	Philippine Navy	2,505,170,000		2,505,170,000
Sub-total, General Administration and Support		5,038,695,000	609,940,000	5,648,635,000

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3000000000000000	Operations	22,416,044,000	22,943,807,000	8,367,977,000	53,727,828,000
3101000000000000	NAVAL FORCES DEFENSE PROGRAM	22,416,044,000	22,943,807,000	8,367,977,000	53,727,828,000
310100100001000	Force-Level Support Services	7,938,429,000	6,082,782,000	4,003,384,000	18,024,595,000
	National Capital Region (NCR)	7,938,429,000	6,082,782,000	4,003,384,000	18,024,595,000
	Philippine Navy	7,938,429,000	6,082,782,000	4,003,384,000	18,024,595,000
310100100002000	Force Development	13,833,481,000	14,913,248,000	4,039,893,000	32,786,622,000
	National Capital Region (NCR)	13,833,481,000	14,913,248,000	4,039,893,000	32,786,622,000
	Philippine Marine Corps	8,260,949,000	3,149,733,000	2,486,209,000	13,896,891,000
	Philippine Navy	5,572,532,000	11,763,515,000	1,553,684,000	18,889,731,000
310100100003000	Force Sustainment	644,134,000	1,947,777,000	324,700,000	2,916,611,000
	National Capital Region (NCR)	644,134,000	1,947,777,000	324,700,000	2,916,611,000
	Philippine Navy	644,134,000	1,947,777,000	324,700,000	2,916,611,000
Sub-total, Operations		22,416,044,000	22,943,807,000	8,367,977,000	53,727,828,000
TOTAL NEW APPROPRIATIONS		P 27,454,739,000	P 23,553,747,000	P 8,367,977,000	P 59,376,463,000
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Obligations, by Object of Expenditures

CYs 2024-2026
(In Thousand Pesos)

	(Cash-Based)		
	2024	2025	2026
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	386,825	351,097	444,480
Total Permanent Positions	386,825	351,097	444,480
Other Compensation Common to All			
Personnel Economic Relief Allowance	28,661	27,432	29,808
Representation Allowance	279	288	288
Transportation Allowance	72	288	288
Clothing and Uniform Allowance	7,082	8,001	8,694
Mid-Year Bonus - Civilian	30,380	29,258	37,040
Year End Bonus	32,381	29,258	37,040
Cash Gift	6,002	5,715	6,210
Productivity Enhancement Incentive	6,013	5,715	6,210
Performance Based Bonus	13,773		
Step Increment		878	1,111
Total Other Compensation Common to All	124,643	106,833	126,689

Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	22,608	18,263	18,263
Longevity Pay	4,256	4,229	4,229
Lump-sum for filling of Positions - Civilian		9,829	9,829
Other Personnel Benefits	470,410		
Total Other Compensation for Specific Groups	497,274	32,321	32,321
Other Benefits			
Retirement and Life Insurance Premiums	51,009	42,132	53,338
PAG-IBIG Contributions	2,759	2,743	2,981
PhilHealth Contributions	9,673	8,778	11,102
Employees Compensation Insurance Premiums	1,424	1,371	1,490
Loyalty Award - Civilian	545	2,890	2,890
Terminal Leave	7,293	6,584	6,513
Total Other Benefits	72,703	64,498	78,314
Military/Uniformed Personnel			
Basic Pay			
Base Pay	11,173,560	10,968,741	11,427,495
Creation of New Positions		718,615	849,641
Total Basic Pay	11,173,560	11,687,356	12,277,136
Other Compensation Common to All			
Personnel Economic Relief Allowance	651,862	640,320	676,392
Clothing/ Uniform Allowance	500,486	280,772	286,944
Subsistence Allowance	1,524,688	3,415,769	3,559,465
Laundry Allowance	10,679	15,796	16,736
Quarters Allowance	143,949	141,718	144,384
Longevity Pay	2,248,837	2,657,275	2,861,428
Mid-Year Bonus - Military/Uniformed Personnel	901,843	914,064	952,541
Year-end Bonus	934,352	914,064	952,541
Cash Gift	135,984	133,400	140,950
Productivity Enhancement Incentive	134,937	133,400	140,950
Performance Based Bonus	410,775		
Total Other Compensation Common to All	7,598,392	9,246,578	9,732,331
Other Compensation for Specific Groups			
Hazardous Duty Pay	429,613	711,801	717,992
Flying Pay	113,430	157,368	157,368
Overseas Allowance	16,254	15,964	25,339
Sea Duty Pay	325,347	633,725	673,915
Hazard Duty Pay	176,018	176,709	182,671
Hardship Allowance	16,098	302,041	309,722
Combat Duty Pay	470,144	408,708	428,724
Instructor's Duty Pay	80,143	107,299	107,299
Reservist's Pay	50,917	52,287	52,287
Medal of Valor Award	10,875	12,000	12,000
Specialist's Pay		305	305
Parachutist Pay	5,703	38,979	38,979
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		714,247	1,207,397
Total Other Compensation for Specific Groups	1,694,542	3,331,433	3,913,998
Other Benefits			
Special Group Term Insurance	1,956	1,921	2,027
PAG-IBIG Contributions	60,090	64,033	66,936
PhilHealth Contributions	283,767	274,255	287,830
Employees Compensation Insurance Premiums	21,883	32,016	33,829
Terminal Leave	1,503,136	205,853	512,186
Total Other Benefits	1,870,832	578,078	902,808
TOTAL PERSONNEL SERVICES	23,418,771	25,398,194	27,508,077

700 EXPENDITURE PROGRAM FY 2026 VOLUME II

Maintenance and Other Operating Expenses

Travelling Expenses	221,399	294,990	337,216
Training and Scholarship Expenses	198,075	411,298	452,675
Supplies and Materials Expenses	7,146,312	8,338,366	13,045,044
Utility Expenses	779,251	923,559	991,926
Communication Expenses	243,310	289,403	327,956
Awards/Rewards and Prizes	436	2,691	2,691
Survey, Research, Exploration and Development Expenses	895	895	895
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	39,749	39,749	39,749
Professional Services	70,743	59,853	254,969
General Services	172,619	382,937	403,302
Repairs and Maintenance	3,680,570	4,531,724	4,895,814
Financial Assistance/Subsidy	200,557	229,986	243,590
Taxes, Insurance Premiums and Other Fees	378,133	77,994	79,910
Other Maintenance and Operating Expenses			
Advertising Expenses		144	144
Printing and Publication Expenses	16,438	17,248	18,415
Representation Expenses	391,947	494,048	556,087
Transportation and Delivery Expenses	2,669	1,576	2,923
Rent/Lease Expenses	1,022,206	1,033,075	1,059,827
Subscription Expenses	31,958	139,994	231,962
Bank Transaction Fee	2		
Other Maintenance and Operating Expenses	48,531	592,866	608,652
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	14,645,800	17,862,396	23,553,747
TOTAL CURRENT OPERATING EXPENDITURES	38,064,571	43,260,590	51,061,824
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay	31,746	75,677	
Infrastructure Outlay	157,908	688,632	322,808
Buildings and Other Structures	238,163	743,848	377,336
Machinery and Equipment Outlay	3,474,855	5,332,638	7,210,943
Transportation Equipment Outlay	305,430	974,846	432,890
Furniture, Fixtures and Books Outlay	5,040	529	
Other Property Plant and Equipment Outlay	14,931		24,000
Intangible Assets Outlay	10,729		
TOTAL CAPITAL OUTLAYS	4,238,802	7,816,170	8,367,977
GRAND TOTAL	42,303,373	51,076,760	59,429,801

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL

OUTCOME : Level of mission capability of navy units in naval operations attained

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	2024 GAA Targets	Actual
Level of mission capability of navy units in naval operations attained		P 37,099,153,000
NAVAL FORCES DEFENSE PROGRAM		P 37,099,153,000
Outcome Indicator(s)		
1. Percentage of Naval units provided to unified commands	100%	118.24%

Output Indicator(s)

1. Number of Philippine Navy (PN) units deployed and sustained for utilization/employment	120	156
2. Number of PN units prepared for deployment	39	39
3. Number of Force-Level Support Services Units sustained	139	148

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2025 Targets</u>	<u>2026 NEP Targets</u>
Level of mission capability of navy units in naval operations attained		P 46,424,860,000	P 53,732,384,000
NAVAL FORCES DEFENSE PROGRAM		P 46,424,860,000	P 53,732,384,000
Outcome Indicator(s)			
1. Percentage of Naval units provided to unified commands	100%	100%	100%
Output Indicator(s)			
1. Number of Philippine Navy (PN) units deployed and sustained for utilization/employment	127	127	134
2. Number of PN units prepared for deployment	43	43	46
3. Number of Force-Level Support Services Units sustained	140	140	140