

XVII. DEPARTMENT OF NATIONAL DEFENSE

A. DND PROPER (OFFICE OF THE SECRETARY)

For general administration and support, support to operations, and operations, including locally-funded projects, as indicated hereunder..... P 520,331,000

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

Current_Operating_Expenditures

	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. PROGRAMS				
I. General Administration and Support				
a. Force-level, Central Command and Control	P 84,137,000	P 69,896,000		P 154,033,000
Sub-Total, General Administration and Support	84,137,000	69,896,000		154,033,000
II. Support to Operations				
a. Force-level, Training and Support		4,200,000		4,200,000
Sub-Total, Support to Operations		4,200,000		4,200,000
III. Operations				
a. Supervision, Coordination and Direction of Internal Security Operations		78,700,000		78,700,000
b. Supervision, Coordination and Direction of Territorial Defense		27,900,000		27,900,000
c. Supervision, Coordination and Direction of Disaster (Response) Management		1,700,000		1,700,000
d. Supervision, Coordination and Direction of Support to National Development		1,500,000		1,500,000
e. Supervision, Coordination and Direction of International Defense and Security Engagements		29,000,000		29,000,000
f. Supervision, Coordination and Direction of International Humanitarian Assistance and Peacekeeping Operations		2,900,000		2,900,000
Sub-Total, Operations		141,700,000		141,700,000
Total, Programs	84,137,000	215,796,000		299,933,000

B. PROJECT(s)

I. Locally-Funded Project(s)

1. Self-Reliant Defense Posture Program	21,665,000	21,665,000
2. Supervision, Coordination and Direction of Philippine Defense Reform	198,733,000	198,733,000
	-----	-----
Sub-total, Locally-Funded Project(s)	220,398,000	220,398,000
	-----	-----
Total, Project(s)	220,398,000	220,398,000
	-----	-----
TOTAL NEW APPROPRIATIONS	P 84,137,000 P 436,194,000	P 520,331,000
	=====	=====

Special Provision(s)

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

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

2. Use of Savings. Notwithstanding Section 60 of the General Provisions of this Act, the Secretary of National Defense is authorized, subject to the approval of the President of the Philippines, to use savings in the appropriations of the Department or any of its attached agencies to augment any program, project, or activity of the Department or any of its attached agencies for: (i) subsistence, hospitalization, transportation, rehabilitation and resettlement of destitute military personnel discharged honorably, as well as captured or surrendered dissidents and their families; (ii) necessary expenses incurred during the peace and order campaign; (iii) financial assistance to government informers who are killed or injured in the performance of their duties; (iv) payment for damage to properties and compensation for injuries or death of civilians resulting from the duly authorized operations of the AFP; and (v) modernization and upgrading of equipment: PROVIDED, That in the use of savings, priority shall be given to items (i) to (iv) of this section. It is understood that the foregoing authority is without prejudice to Special Provision No. 6 under the Special Provisions Applicable to the AFP.

3. Use of Income. All income generated from hospital operations of the DND or AFP, including the Armed Forces of the Philippines Medical Center, Veterans Memorial Medical Center and hospitals or medical centers under the DND or AFP, shall be retained by said hospitals or medical centers, constituted as a Trust Fund, and deposited in an authorized government depository bank for the use of said hospitals or medical centers: PROVIDED, That said income shall be utilized for MOOE and Capital Outlays including equipment and infrastructure projects to improve the delivery of health services: PROVIDED, FURTHER, That no amount of said income shall be used for the payment of salaries and other allowances.

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

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

PROGRAMS AND ACTIVITIES

Current_Operating_Expenditures			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays
			Total
I. General Administration and Support			
a. Force-level, Central Command and Control	P 84,137,000	P 69,896,000	P 154,033,000
1. General management and supervision	84,137,000	69,896,000	154,033,000
Sub-Total, General Administration and Support	84,137,000	69,896,000	154,033,000
II. Support to Operations			
a. Force-level, Training and Support		4,200,000	4,200,000
1. Information systems development and maintenance		4,200,000	4,200,000
Sub-Total, Support to Operations		4,200,000	4,200,000
III. Operations			
a. Supervision, Coordination and Direction of Internal Security Operations		78,700,000	78,700,000
b. Supervision, Coordination and Direction of Territorial Defense		27,900,000	27,900,000

c.	Supervision, Coordination and Direction of Disaster (Response) Management		1,700,000		1,700,000
d.	Supervision, Coordination and Direction of Support to National Development		1,500,000		1,500,000
e.	Supervision, Coordination and Direction of International Defense and Security Engagements		29,000,000		29,000,000
f.	Supervision, Coordination and Direction of International Humanitarian Assistance and Peacekeeping Operations		2,900,000		2,900,000
			-----		-----
	Sub-Total, Operations		141,700,000		141,700,000
			-----		-----
	TOTAL, PROGRAMS AND ACTIVITIES	P	84,137,000	P	215,796,000
			=====		=====
				P	299,933,000
					=====