

## XVIII. DEPARTMENT OF NATIONAL DEFENSE

## A. OFFICE OF THE SECRETARY - PROPER

For general administration and support, and operations, as indicated hereunder.....P 427,460,000

New Appropriations, by Program/Projects

<u>Current Operating Expenditures</u>				
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>
				<u>Total</u>
General Administration and Support	P 144,367,000	P 138,328,000		P 282,695,000
Operations		144,765,000		144,765,000
MFO 1: DEFENSE POLICY SERVICES		144,765,000		144,765,000
Total, Programs	144,367,000	283,093,000		427,460,000
TOTAL NEW APPROPRIATIONS	P 144,367,000	P 283,093,000		P 427,460,000

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>Financial Expenses</u>	<u>Capital Outlays</u>
				<u>Total</u>
PROGRAMS				
General Administration and Support				
General management and supervision	P 142,811,000	P 138,328,000		P 281,139,000
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
Operations				
MFO 1: DEFENSE POLICY SERVICES		144,765,000		144,765,000
Development, implementation and monitoring of the Defense System of Management (DSOM)		112,529,000		112,529,000
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 Programs and Activities	144,367,000	283,093,000		427,460,000
TOTAL NEW APPROPRIATIONS	P 144,367,000	P 283,093,000	P	427,460,000

# New Appropriations, by Object of Expenditures

(In Thousand Pesos)

## A. Programs/Locally-Funded Project(s)

### Current Operating Expenditures

#### Personnel Services

##### Civilian Personnel

##### Permanent Positions

##### Basic Salary

106,746

##### Total Permanent Positions

106,746

##### Other Compensation Common to All

##### Personnel Economic Relief Allowance

6,048

##### Representation Allowance

3,408

##### Transportation Allowance

3,408

##### Clothing and Uniform Allowance

1,260

##### Mid-Year Bonus - Civilian

8,895

##### Year End Bonus

8,895

##### Cash Gift

1,260

##### Step Increment

638

##### Productivity Enhancement Incentive

1,260

##### Total Other Compensation Common to All

35,072

##### Other Benefits

##### PAG-IBIG Contributions

302

##### PhilHealth Contributions

760

##### Employees Compensation Insurance Premiums

302

##### Terminal Leave

1,185

##### Total Other Benefits

2,549

#### Total Personnel Services

144,367

#### Maintenance and Other Operating Expenses

##### Travelling Expenses

23,366

##### Training and Scholarship Expenses

16,000

##### Supplies and Materials Expenses

47,662

##### Utility Expenses

32,200

##### Communication Expenses

14,121

##### Confidential, Intelligence and Extraordinary Expenses

##### Confidential Expenses

23,000

##### Extraordinary and Miscellaneous Expenses

3,072

##### Intelligence Expenses

10,000

Professional Services	19,450
General Services	11,854
Repairs and Maintenance	22,640
Taxes, Insurance Premiums and Other Fees	2,006
Other Maintenance and Operating Expenses	
Advertising Expenses	400
Printing and Publication Expenses	1,500
Representation Expenses	22,000
Rent/Lease Expenses	32,772
Subscription Expenses	800
Donations	250
<b>Total Maintenance and Other Operating Expenses</b>	<b>283,093</b>
<b>Total Current Operating Expenditures</b>	<b>427,460</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>427,460</b>

**B. GOVERNMENT ARSENAL**

For general administration and support, and operations, as indicated hereunder.....P 1,219,362,000

**New Appropriations, by Program/Projects**

=====

**Current Operating Expenditures**

PROGRAMS	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
General Administration and Support	P 66,505,000	P 39,574,000		P	P 106,079,000
Operations	164,600,000	895,683,000		53,000,000	1,113,283,000
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	164,600,000	895,683,000		53,000,000	1,113,283,000
<b>Total, Programs</b>	<b>231,105,000</b>	<b>935,257,000</b>		<b>53,000,000</b>	<b>1,219,362,000</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 231,105,000</b>	<b>P 935,257,000</b>		<b>P 53,000,000</b>	<b>P 1,219,362,000</b>

**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 or 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

<u>Current Operating Expenditures</u>					
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>					
General Administration and Support					
General management and supervision	P 53,484,000	P 39,574,000		P	P 93,058,000
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
Operations					
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	164,600,000	895,683,000		53,000,000	1,113,283,000
Planning and development of arms manufacturing processes and procedures	10,724,000	6,902,000			17,626,000
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 Programs and Activities	231,105,000	935,257,000		53,000,000	1,219,362,000
TOTAL NEW APPROPRIATIONS	P 231,105,000	P 935,257,000		P 53,000,000	P 1,219,362,000

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Project(s)

Current Operating Expenditures

Personnel Services

Civilian Personnel

Permanent Positions

Basic Salary 126,008

Total Permanent Positions 126,008

Other Compensation Common to All

Personnel Economic Relief Allowance 14,952

Representation Allowance 390

Transportation Allowance	390
Clothing and Uniform Allowance	3,115
Mid-Year Bonus - Civilian	10,500
Year End Bonus	10,500
Cash Gift	3,115
Step Increment	1,234
Productivity Enhancement Incentive	3,115
<b>Total Other Compensation Common to All</b>	<b>47,311</b>
<b>Other Compensation for Specific Groups</b>	
Magna Carta for Public Health Workers	300
Magna Carta for Science & Technology Personnel	37,217
Quarters Allowance	1,347
Night Shift Differential Pay	3,917
<b>Total Other Compensation for Specific Groups</b>	<b>42,781</b>
<b>Other Benefits</b>	
PAG-IBIG Contributions	747
PhilHealth Contributions	1,408
Employees Compensation Insurance Premiums	747
Retirement Gratuity	
Terminal Leave	12,103
<b>Total Other Benefits</b>	<b>15,005</b>
<b>Total Personnel Services</b>	<b>231,105</b>
<b>Maintenance and Other Operating Expenses</b>	
Travelling Expenses	6,592
Training and Scholarship Expenses	4,584
Supplies and Materials Expenses	829,948
Utility Expenses	42,377
Communication Expenses	1,736
Confidential, Intelligence and Extraordinary Expenses	
Extraordinary and Miscellaneous Expenses	130
Professional Services	10,505
General Services	20,794
Repairs and Maintenance	14,339
Taxes, Insurance Premiums and Other Fees	2,087
Other Maintenance and Operating Expenses	
Advertising Expenses	309
Printing and Publication Expenses	66
Representation Expenses	628
Transportation and Delivery Expenses	976
Subscription Expenses	186
<b>Total Maintenance and Other Operating Expenses</b>	<b>935,257</b>
<b>Total Current Operating Expenditures</b>	<b>1,166,362</b>
<b>Capital Outlays</b>	
Property, Plant and Equipment Outlay	
Machinery and Equipment Outlay	53,000

Total Capital Outlays	53,000
Total Programs/Locally-Funded Project(s)	1,219,362
<b>TOTAL NEW APPROPRIATIONS</b>	<b>1,219,362</b>

**C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES**

For general administration and support, and operations, as indicated hereunder.....P 78,143,000

**New Appropriations, by Program/Projects**

<u>Current Operating Expenditures</u>					
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
<b>PROGRAMS</b>					
General Administration and Support	P 18,918,000	P 16,179,000		P 2,800,000	P 37,897,000
Operations	16,074,000	24,172,000			40,246,000
<b>NFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES</b>	16,074,000	24,172,000			40,246,000
<b>Total, Programs</b>	<b>34,992,000</b>	<b>40,351,000</b>		<b>2,800,000</b>	<b>78,143,000</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 34,992,000</b>	<b>P 40,351,000</b>		<b>P 2,800,000</b>	<b>P 78,143,000</b>

**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>					
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
<b>PROGRAMS</b>					
General Administration and Support					
General management and supervision	P 16,301,000	P 16,179,000		P 2,800,000	P 35,280,000
Administration of Personnel Benefits	2,617,000				2,617,000
<b>Sub-total, General Administration and Support</b>	<b>18,918,000</b>	<b>16,179,000</b>		<b>2,800,000</b>	<b>37,897,000</b>
Operations					
<b>NFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES</b>	16,074,000	24,172,000			40,246,000

Conduct of national defense and strategic international studies	8,049,000	4,978,000		13,027,000
Conduct of graduate level and other courses of studies	8,025,000	19,194,000		27,219,000
Sub-total, Operations	16,074,000	24,172,000		40,246,000
Total Programs and Activities	34,992,000	40,351,000	2,800,000	78,143,000
TOTAL NEW APPROPRIATIONS	P 34,992,000 P	40,351,000	P 2,800,000 P	78,143,000

# New Appropriations, by Object of Expenditures

=====

(In Thousand Pesos)

## A. Programs/Locally-Funded Project(s)

### Current Operating Expenditures

#### Personnel Services

##### Civilian Personnel

##### Permanent Positions

Basic Salary	20,541
--------------	--------

Total Permanent Positions	20,541
---------------------------	--------

##### Other Compensation Common to All

Personnel Economic Relief Allowance	1,368
-------------------------------------	-------

Representation Allowance	450
--------------------------	-----

Transportation Allowance	450
--------------------------	-----

Clothing and Uniform Allowance	285
--------------------------------	-----

Honoraria	4,930
-----------	-------

Mid-Year Bonus - Civilian	1,712
---------------------------	-------

Year End Bonus	1,712
----------------	-------

Cash Gift	285
-----------	-----

Step Increment	135
----------------	-----

Productivity Enhancement Incentive	285
------------------------------------	-----

Total Other Compensation Common to All	11,612
--	--------

##### Other Compensation for Specific Group

Lump-sum for filling of Positions-Civilian	2,533
--	-------

Total Other Compensation Common to All	2,533
--	-------

##### Other Benefits

PAG-IBIG Contributions	68
------------------------	----

PhilHealth Contributions	170
--------------------------	-----

Employees Compensation Insurance Premiums	68
---	----

Total Other Benefits	306
----------------------	-----

Total Personnel Services	34,992
--------------------------	--------

**Maintenance and Other Operating Expenses**

Travelling Expenses	10,865
Training and Scholarship Expenses	1,391
Supplies and Materials Expenses	11,603
Utility Expenses	208
Communication Expenses	1,528
Confidential, Intelligence and Extraordinary Expenses	
Extraordinary and Miscellaneous Expenses	108
Professional Services	4,337
General Services	3,570
Repairs and Maintenance	1,699
Taxes, Insurance Premiums and Other Fees	440
Other Maintenance and Operating Expenses	
Printing and Publication Expenses	925
Representation Expenses	2,192
Rent/Lease Expenses	1,150
Membership Dues and Contributions to Organizations	5
Subscription Expenses	330

Total Maintenance and Other Operating Expenses	40,351
--	--------

Total Current Operating Expenditures	75,343
--------------------------------------	--------

**Capital Outlay**

Property, Plant and Equipment Outlay	
Transportation Equipment Outlay	2,800

Total Capital Outlay	2,800
----------------------	-------

Total Programs	78,143
----------------	--------

TOTAL NEW APPROPRIATIONS	78,143
--------------------------	--------

**D. OFFICE OF CIVIL DEFENSE**

For general administration and support, and operations, as indicated hereunder.....P	481,156,000
--	-------------

**New Appropriations, by Program/Projects**

=====

**Current Operating Expenditures**

PROGRAMS	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
General Administration and Support	P 33,514,000	P 47,637,000		P	P 81,151,000
Operations	84,943,000	312,262,000		2,800,000	400,005,000
NFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES	84,943,000	312,262,000		2,800,000	400,005,000
Total, Programs	118,457,000	359,899,000		2,800,000	481,156,000
TOTAL NEW APPROPRIATIONS	P 118,457,000	P 359,899,000		2,800,000 P	481,156,000



**Special Provision(s)**

1. Establishment of the National Loss and Damage Registry. The Office of Civil Defense shall establish a national loss and damage registry that provides for a systematic valuation, validation, reporting, accounting, and database of losses and damages from the impacts of natural hazards, including extreme weather events and sea level rise attributed to climate change. It shall support the implementation of comprehensive disaster risk reduction and management, the integration of risk information systems, the development of risk financing, risk transfer and insurance mechanisms, and the strengthening of multi-hazard early warning systems and services at the national and local government levels. (CONDITIONAL IMPLEMENTATION- President's Veto Message, December 22, 2016, Volume I-B, page 661, R.A. No. 10924)

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**

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

**New Appropriations, by Object of Expenditures**

=====

(In Thousand Pesos)

**A. Programs/Locally-Funded Project(s)****Current Operating Expenditures****Personnel Services****Civilian Personnel****Permanent Positions****Basic Salary**

82,311

**Total Permanent Positions**

82,311

<b>Other Compensation Common to All</b>	
Personnel Economic Relief Allowance	6,504
Representation Allowance	1,296
Transportation Allowance	1,296
Clothing and Uniform Allowance	1,355
Mid-Year Bonus - Civilian	6,859
Year End Bonus	6,859
Cash Gift	1,355
Step Increment	604
Productivity Enhancement Incentive	1,355
<b>Total Other Compensation Common to All</b>	<b>27,483</b>
<b>Other Benefits</b>	
PAG-IBIG Contributions	325
PhilHealth Contributions	763
Employees Compensation Insurance Premiums	325
Terminal Leave	7,250
<b>Total Other Benefits</b>	<b>8,663</b>
<b>Total Personnel Services</b>	<b>118,457</b>
<b>Maintenance and Other Operating Expenses</b>	
Travelling Expenses	40,168
Training and Scholarship Expenses	173,590
Supplies and Materials Expenses	34,643
Utility Expenses	6,397
Communication Expenses	22,206
Awards/Rewards and Prizes	12,816
Confidential, Intelligence and Extraordinary Expenses	
Extraordinary and Miscellaneous Expenses	167
Professional Services	2,520
General Services	6,990
Repairs and Maintenance	9,941
Taxes, Insurance Premiums and Other Fees	3,141
Other Maintenance and Operating Expenses	
Advertising Expenses	1,418
Printing and Publication Expenses	4,645
Representation Expenses	20,787
Transportation and Delivery Expenses	950
Rent/Lease Expenses	11,121
Subscription Expenses	546
Donations	75
Other Maintenance and Operating Expenses	7,778
<b>Total Maintenance and Other Operating Expenses</b>	<b>359,899</b>
<b>Total Current Operating Expenditures</b>	<b>478,356</b>
<b>Capital Outlay</b>	
Property, Plant and Equipment Outlay	
Transportation Equipment Outlay	2,800
<b>Total Capital Outlay</b>	<b>2,800</b>
<b>Total Programs</b>	<b>481,156</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>481,156</b>

## E. PHILIPPINE VETERANS AFFAIRS OFFICE (PVAO) - PROPER

For general administration and support, and operations, including locally-funded project(s), as indicated hereunder...P 899,305,000

New Appropriations, by Program/Projects

=====

Current Operating Expenditures

		Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
<b>PROGRAMS</b>						
General Administration and Support	P	36,657,000	P 46,599,000		P	P 83,256,000
Operations		93,581,000	340,819,000		8,886,000	443,286,000
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM		81,814,000	297,092,000			378,906,000
MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES		11,767,000	43,727,000		8,886,000	64,380,000
Total, Programs		130,238,000	387,418,000		8,886,000	526,542,000
<b>PROJECT(S)</b>						
Locally-Funded Project(s)			163,000		372,600,000	372,763,000
Total, Project(s)			163,000		372,600,000	372,763,000
TOTAL NEW APPROPRIATIONS	P	130,238,000	P 387,581,000	P	381,486,000	P 899,305,000

**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, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on income and expenditure. 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	Financial Expenses	Capital Outlays	Total
--	-----------------------	---	-----------------------	--------------------	-------

## PROGRAMS

General Administration and Support							
General management and supervision	P	34,624,000	P	46,599,000	P	P	81,223,000
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
Operations							
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM		81,814,000		297,092,000			378,906,000
Processing of veterans pensions' and other benefits		81,814,000		297,092,000			378,906,000
Processing of veterans' claims		61,725,000		32,284,000			94,009,000
For educational benefits, expanded hospitalization program and burial benefits of veterans, their wives and dependents pursuant to R.A. Nos. 6948 and 7696				236,598,000			236,598,000
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
Policy formulation for the promotion of veterans' welfare		3,407,000		9,027,000			12,434,000
MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES		11,767,000		43,727,000		8,886,000	64,380,000
Administration and development of national military shrines		11,767,000		43,727,000		8,886,000	64,380,000
Administration and management of national military shrines including the maintenance of the PEFTOK Korean War Memorial Hall		11,767,000		35,770,000		8,886,000	56,423,000
Celebration of veteran-related events				7,957,000			7,957,000
Sub-total, Operations		93,581,000		340,819,000		8,886,000	443,286,000
Total Programs and Activities		130,238,000		387,418,000		8,886,000	526,542,000

## PROJECT(S)

## Locally-Funded Project(s)

Governance		163,000		372,600,000		372,763,000
General Public Services		163,000		372,600,000		372,763,000
Implementation of ISSP		163,000		8,000,000		8,163,000
Repair of Veteran's Center				8,600,000		8,600,000
Implementation of Master Development Plan for Libingan ng mga Bayani				356,000,000		356,000,000

Sub-total, Locally-Funded Project(s)	163,000	372,600,000	372,763,000
Total, Project(s)	163,000	372,600,000	372,763,000
TOTAL NEW APPROPRIATIONS	P 130,238,000 P 387,581,000	P 381,486,000 P 899,305,000	

## New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Project(s)

## Current Operating Expenditures

## Personnel Services

## Civilian Personnel

## Permanent Positions

## Basic Salary

93,266

## Total Permanent Positions

93,266

## Other Compensation Common to All

## Personnel Economic Relief Allowance

8,544

## Representation Allowance

768

## Transportation Allowance

768

## Clothing and Uniform Allowance

1,780

## Honoraria

1,800

## Mid-Year Bonus - Civilian

7,772

## Year End Bonus

7,772

## Cash Gift

1,780

## Step Increment

758

## Productivity Enhancement Incentive

1,780

## Total Other Compensation Common to All

33,522

## Other Compensation for Specific Groups

## Other Personnel Benefits

150

## Total Other Compensation for Specific Groups

150

## Other Benefits

## PAG-IBIG Contributions

427

## PhilHealth Contributions

938

## Employees Compensation Insurance Premiums

427

## Terminal Leave

1,508

## Total Other Benefits

3,300

## Total Personnel Services

130,238

## Maintenance and Other Operating Expenses

## Travelling Expenses

3,620

## Training and Scholarship Expenses

2,910

Supplies and Materials Expenses	29,914
Utility Expenses	16,884
Communication Expenses	19,326
Confidential, Intelligence and Extraordinary Expenses	
Extraordinary and Miscellaneous Expenses	380
Professional Services	17,561
General Services	24,022
Repairs and Maintenance	13,779
Taxes, Insurance Premiums and Other Fees	500
Other Maintenance and Operating Expenses	
Advertising Expenses	585
Printing and Publication Expenses	4,576
Representation Expenses	9,187
Transportation and Delivery Expenses	72
Rent/Lease Expenses	6,917
Subscription Expenses	750
Donations	236,598
<b>Total Maintenance and Other Operating Expenses</b>	<b>387,581</b>
<b>Total Current Operating Expenditures</b>	<b>517,819</b>
<b>Capital Outlays</b>	
Property, Plant and Equipment Outlay	
Buildings and Other Structures Outlay	12,643
Machinery and Equipment Outlay	8,150
Furnitures and Fixtures and Books Outlay	150
Heritage Assets	360,543
<b>Total Capital Outlays</b>	<b>381,486</b>
<b>Total Programs/Locally-Funded Project(s)</b>	<b>899,305</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>899,305</b>

## F. VETERANS MEMORIAL MEDICAL CENTER

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

## New Appropriations, by Program/Projects

<u>Current Operating Expenditures</u>					
PROGRAMS	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
General Administration and Support	P 108,142,000	P 174,228,000		P 15,000,000	P 297,370,000
Operations	534,680,000	315,415,000		42,300,000	892,395,000
<b>MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS</b>	<b>534,680,000</b>	<b>315,415,000</b>		<b>42,300,000</b>	<b>892,395,000</b>

Total, Programs	642,822,000	489,643,000	57,300,000	1,189,765,000
TOTAL NEW APPROPRIATIONS	P 642,822,000	P 489,643,000	P 57,300,000	P 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 (VMNC) 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 VMNC 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 VMNC 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 VMNC 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 VMNC and the hospital's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the VMNC 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**

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>
<b>PROGRAMS</b>				<u>Total</u>
General Administration and Support				
General management and supervision	P 75,489,000	P 174,228,000	P 15,000,000	P 264,717,000
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
Operations				
MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS	534,680,000	315,415,000	42,300,000	892,395,000
Hospitalization and Medical Care and Treatment	534,680,000	315,415,000	42,300,000	892,395,000
In-Patient care	506,469,000	273,259,000	42,300,000	822,028,000
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 Programs and Activities	642,822,000	489,643,000	57,300,000	1,189,765,000
TOTAL NEW APPROPRIATIONS	P 642,822,000	P 489,643,000	P 57,300,000	P 1,189,765,000

## New Appropriations, by Object of Expenditures

=====

(In Thousand Pesos)

A. Programs/Locally-Funded Project(s)

## Current Operating Expenditures

## Personnel Services

## Civilian Personnel

## Permanent Positions

Basic Salary	398,452
--------------	---------

Total Permanent Positions	398,452
---------------------------	---------

## Other Compensation Common to All

Personnel Economic Relief Allowance	31,344
Representation Allowance	432
Transportation Allowance	432
Clothing and Uniform Allowance	6,535
Mid-Year Bonus - Civilian	33,204
Year End Bonus	33,204
Cash Gift	6,535
Step Increment	2,922
Productivity Enhancement Incentive	6,535

Total Other Compensation Common to All	121,143
--	---------

## Other Compensation for Specific Groups

Magna Carta for Public Health Workers	83,183
Night Shift Differential Pay	2,532
Lump-sum for filling of Positions-Civilian	25,523

Total Other Compensation for Specific Groups	111,238
--	---------

## Other Benefits

PAG-IBIG Contributions	1,569
PhilHealth Contributions	3,647
Employees Compensation Insurance Premiums	1,569
Terminal Leave	5,204

Total Other Benefits	11,989
----------------------	--------

Total Personnel Services	642,822
--------------------------	---------

## Maintenance and Other Operating Expenses

Travelling Expenses	150
Training and Scholarship Expenses	1,800
Supplies and Materials Expenses	337,624
Utility Expenses	94,043
Communication Expenses	1,525
Awards/Rewards and Prizes	300
Confidential, Intelligence and Extraordinary Expenses	
Extraordinary and Miscellaneous Expenses	110



Professional Services	5,560
General Services	36,048
Repairs and Maintenance	3,756
Taxes, Insurance Premiums and Other Fees	732
Other Maintenance and Operating Expenses	
Advertising Expenses	110
Representation Expenses	572
Rent/Lease Expenses	7,250
Membership Dues and Contributions to Organizations	30
Subscription Expenses	33
<b>Total Maintenance and Other Operating Expenses</b>	<b>489,643</b>
<b>Total Current Operating Expenditures</b>	<b>1,132,465</b>
<b>Capital Outlays</b>	
Property, Plant and Equipment Outlay	
Infrastructure Outlay	15,000
Buildings and Other Structures	15,000
Machinery and Equipment Outlay	26,357
Furniture, Fixtures and Books Outlay	943
<b>Total Capital Outlays</b>	<b>57,300</b>
<b>Total Programs/Locally-Funded Project(s)</b>	<b>1,189,765</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>1,189,765</b>

## G. ARMED FORCES OF THE PHILIPPINES

## G.1. PHILIPPINE ARMY ( LAND FORCES )

For general administration and support, support to operations, and operations, including locally-funded project(s) as indicated hereunder.....P 57,434,255,000

## New Appropriations, by Program/Projects

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>
<b>PROGRAMS</b>				<b>Total</b>
General Administration and Support	P 4,371,409,000	P 959,340,000	P	P 5,330,749,000
Support to Operations	1,920,674,000	606,183,000		39,098,000 2,565,955,000
Operations	37,759,967,000	9,072,695,000		2,541,889,000 49,374,551,000
<b>MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES</b>	<b>37,759,967,000</b>	<b>9,072,695,000</b>		<b>2,541,889,000 49,374,551,000</b>
<b>Total, Programs</b>	<b>44,052,050,000</b>	<b>10,638,218,000</b>		<b>2,580,987,000 57,271,255,000</b>
<b>PROJECT(S)</b>				
Locally-Funded Project(s)				163,000,000 163,000,000

Total, Project(s)		163,000,000	163,000,000
TOTAL NEW APPROPRIATIONS	P44,052,050,000 P10,638,218,000	P 2,743,987,000 P 57,434,255,000	

**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, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from the 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 Philippine Army shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, 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. **Rice Subsidy.** The amount herein appropriated for rice subsidy shall be given in the form of cash allowance, which shall be equivalent to twenty (20) kilos of rice per month. No Rice, rice voucher and/or its equivalent shall be distributed to military personnel.

(CONDITIONAL IMPLEMENTATION- President's Veto Message, December 22, 2016, Volume I-B, page 660, R.A. No. 10924)

6. **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.

7. **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	Financial Expenses	Capital Outlays	Total
<b>PROGRAMS</b>					
General Administration and Support					
General management and supervision	P 3,245,949,000	P 959,340,000	P		P 4,205,289,000

(CONDITIONAL IMPLEMENTATION- President's Veto Message, December 22, 2016, Volume I-B, page 660, R.A. No. 10924)

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
Support to Operations				
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
Operations				
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	37,759,967,000	9,072,695,000	2,541,889,000	49,374,551,000
Force Development		1,092,275,000		1,092,275,000
Force Sustainment	37,759,967,000	7,980,420,000	2,541,889,000	48,282,276,000
Sub-total, Operations	37,759,967,000	9,072,695,000	2,541,889,000	49,374,551,000
Total Programs and Activities	44,052,050,000	10,638,218,000	2,580,987,000	57,271,255,000
PROJECT(S)				
Locally-Funded Project(s)				
1. TRADOC Facility Upgrade			100,000,000	100,000,000
2. Construction of Wellness Center (SOCOM)			45,000,000	45,000,000
3. Construction of Two (2) Storey Officers' Quarters (SOCOM)			18,000,000	18,000,000
Sub-Total, Locally Funded Project(s)			163,000,000	163,000,000
Total, Project(s)			163,000,000	163,000,000
TOTAL NEW APPROPRIATIONS	P44,052,050,000	P10,638,218,000	P 2,743,987,000	P 57,434,255,000

## New Appropriations, by Object of Expenditures

=====

(In Thousand Pesos)

A. Programs/Locally-Funded Project(s)

## Current Operating Expenditures

## Personnel Services

## Civilian Personnel

## Permanent Positions

## Basic Salary

257,721

## Total Permanent Positions

257,721

## Other Compensation Common to All

— Personnel Economic Relief Allowance  
Representation Allowance

28,176  
180

Transportation Allowance	180
Clothing and Uniform Allowance	5,870
Honoraria	106
Mid-Year Bonus - Civilian	21,477
Year End Bonus	21,477
Cash Gift	5,870
Step Increment	2,374
Productivity Enhancement Incentive	5,870
<b>Total Other Compensation Common to All</b>	<b>91,580</b>
<b>Other Compensation for Specific Groups</b>	
Magna Carta for Public Health Workers	15,855
Longevity Pay	4,896
<b>Total Other Compensation for Specific Groups</b>	<b>20,751</b>
<b>Other Benefits</b>	
PAG-IBIG Contributions	1,409
PhilHealth Contributions	2,942
Employees Compensation Insurance Premiums	1,409
Retirement Gratuity	26,454
Terminal Leave	10,563
<b>Total Other Benefits</b>	<b>42,777</b>
<b>Military/Uniformed Personnel</b>	
<b>Basic Pay</b>	
Base Pay	18,755,239
<b>Total Basic Pay</b>	<b>18,755,239</b>
<b>Other Compensation Common to All</b>	
Personnel Economic Relief Allowance	2,059,800
Clothing/ Uniform Allowance	795,941
Subsistence Allowance	8,112,475
Laundry Allowance	33,285
Quarters Allowance	436,755
Longevity Pay	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	1,562,936
Cash Gift	429,125
Productivity Enhancement Incentive	429,125
<b>Total Other Compensation Common to All</b>	<b>21,749,386</b>
<b>Other Compensation for Specific Groups</b>	
Hazardous Duty Pay	133,179
Hazard Duty Pay	556,147
Flying Pay	10,410
Combat Duty Pay	345,486
Instructor's Duty Pay	145,268

Reservist's Pay	253,306
Medal of Valor Award	6,600
Parachutist Pay	170,475
<b>Total Other Compensation for Specific Groups</b>	<b>1,620,871</b>
<b>Other Benefits</b>	
Special Group Term Insurance	6,180
PAG-IBIG Contributions	102,989
PhilHealth Contributions	214,854
Employees Compensation Insurance Premiums	102,989
Terminal Leave	1,086,713
<b>Total Other Benefits</b>	<b>1,513,725</b>
<b>Total Personnel Services</b>	<b>44,052,050</b>
<b>Maintenance and Other Operating Expenses</b>	
Travelling Expenses	291,971
Training and Scholarship Expenses	264,311
Supplies and Materials Expenses	5,315,907
Utility Expenses	503,696
Communication Expenses	151,758
Awards/Rewards and Prizes	1,450
Survey, Research, Exploration and Development Expenses	5,000
Confidential, Intelligence and Extraordinary Expenses	
Intelligence Expenses	444,000
Professional Services	36,664
General Services	7,600
Repairs and Maintenance	2,283,802
Financial Assistance/Subsidy	669,436
Taxes, Insurance Premiums and Other Fees	96,906
Labor and Wages	15,533
Other Maintenance and Operating Expenses	
Advertising Expenses	5,834
Printing and Publication Expenses	17,357
Representation Expenses	447,942
Transportation and Delivery Expenses	60,649
Rent/Lease Expenses	12,475
Membership Dues and Contributions to Organizations	578
Subscription Expenses	5,096
Other Maintenance and Operating Expenses	253
<b>Total Maintenance and Other Operating Expenses</b>	<b>10,638,218</b>
<b>Total Current Operating Expenditures</b>	<b>54,690,268</b>
<b>Capital Outlays</b>	
Property, Plant and Equipment Outlay	
Infrastructure Outlay	155,379
Buildings and Other Structures	615,378
Machinery and Equipment Outlay	1,392,065
Transportation Equipment Outlay	581,165
<b>Total Capital Outlays</b>	<b>2,743,987</b>
<b>Total Programs/Locally-Funded Project(s)</b>	<b>57,434,255</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>57,434,255</b>

## G.2. PHILIPPINE AIR FORCE ( AIR FORCES )

For general administration and support, support to operations, and operations, including locally-funded project(s) as indicated hereunder.....P 18,962,952,000

## New Appropriations, by Program/Projects

	Current Operating Expenditures				
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
<b>PROGRAMS</b>					
General Administration and Support	P 972,525,000	P 459,790,000		P	P 1,432,315,000
Support to Operations	2,427,282,000	308,343,000			2,735,625,000
Operations	6,222,235,000	7,939,299,000		567,478,000	14,729,012,000
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	6,222,235,000	7,939,299,000		567,478,000	14,729,012,000
Total, Programs	9,622,042,000	8,707,432,000		567,478,000	18,896,952,000
<b>PROJECT(S)</b>					
Locally-Funded Project(s)		2,465,000		63,535,000	66,000,000
Total, Project(s)		2,465,000		63,535,000	66,000,000
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 9,622,042,000</b>	<b>P 8,709,897,000</b>		<b>P 631,013,000</b>	<b>P 18,962,952,000</b>

## 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, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from the 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. **Rice Subsidy.** The amount herein appropriated for rice subsidy shall be given in the form of cash allowance, which shall be equivalent to twenty (20) kilos of rice per month. No Rice, rice voucher and/or its equivalent shall be distributed to military personnel. (CONDITIONAL IMPLEMENTATION- President's Veto Message, December 22, 2016, Volume I-B, page 660, R.A. No. 10924)

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 Air Force.

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**

=====

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>
<u>Total</u>				
<b>PROGRAMS</b>				
General Administration and Support				
General management and supervision	P 474,295,000	P 459,790,000	P	P 934,085,000
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
Support to Operations				
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
Operations				
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	6,222,235,000	7,939,299,000	567,478,000	14,729,012,000
Force Development	3,097,933,000	3,807,050,000	89,313,000	6,994,296,000
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 Programs and Activities	9,622,042,000	8,707,432,000	567,478,000	18,896,952,000
<b>PROJECT(S)</b>				
Locally-Funded Project(s)				
1. Construction of Helicopter Hangar at TOG 11, Davao City		184,000	27,016,000	27,200,000
2. Construction of Transient Quarters at TOG 11, Davao City		703,000	8,097,000	8,800,000
3. Construction of Transient Quarters with utilities and amenities at Antonio Bautista Air Base (ABAB), Palawan		526,000	9,474,000	10,000,000
4. Construction of Transient Quarters with utilities and amenities at Col. Ernesto Ravina Air Base (CERAB) Tarlac		526,000	9,474,000	10,000,000



5. Construction of Transient Quarters with utilities and amenities at TOG SULTAN, Tawi-Tawi	526,000	9,474,000	10,000,000
Sub-Total, Locally Funded Project(s)	2,465,000	63,535,000	66,000,000
Total, Project(s)	2,465,000	63,535,000	66,000,000
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 9,622,042,000 P 8,709,897,000</b>	<b>P 631,013,000 P 18,962,952,000</b>	

# New Appropriations, by Object of Expenditures

=====

(In Thousand Pesos)

## A. Programs/Locally-Funded Project(s)

### Current Operating Expenditures

#### Personnel Services

##### Civilian Personnel

##### Permanent Positions

Basic Salary	226,692
--------------	---------

Total Permanent Positions	226,692
---------------------------	---------

##### Other Compensation Common to All

Personnel Economic Relief Allowance	25,512
Representation Allowance	120
Transportation Allowance	120
Clothing and Uniform Allowance	5,315
Mid-Year Bonus - Civilian	18,891
Year End Bonus	18,891
Cash Gift	5,315
Step Increment	2,132
Productivity Enhancement Incentive	5,315

Total Other Compensation Common to All	81,611
--	--------

##### Other Compensation for Specific Groups

Magna Carta for Public Health Workers	26,312
Longevity Pay	3,305
Anniversary Bonus - Civilian	3,189

Total Other Compensation for Specific Groups	32,806
--	--------

##### Other Benefits

PAG-IBIG Contributions	1,276
PhilHealth Contributions	2,524
Employees Compensation Insurance Premiums	1,276
Retirement Gratuity	15,728
Terminal Leave	6,929

Total Other Benefits	27,733
----------------------	--------



<b>Military/Uniformed Personnel</b>	
<b>Basic Pay</b>	
Base Pay	3,981,896
Total Basic Pay	3,981,896
<b>Other Compensation Common to All</b>	
Personnel Economic Relief Allowance	399,912
Clothing/ Uniform Allowance	229,431
Subsistence Allowance	912,300
Laundry Allowance	6,778
Quarters Allowance	92,415
Longevity Pay	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	331,825
Cash Gift	83,315
Productivity Enhancement Incentive	83,315
Total Other Compensation Common to All	3,935,622
<b>Other Compensation for Specific Groups</b>	
Hazardous Duty Pay	100,879
Hazard Duty Pay	107,977
Flying Pay	405,757
Hardship Allowance	9,868
Combat Duty Pay	33,744
Instructor's Duty Pay	33,675
Reservist's Pay	28,584
Medal of Valor Award	1,200
Specialist Pay	153
Parachutist Pay	3,726
Anniversary Bonus-Military/Uniformed Personnel	49,989
Lump-sum for filling of Positions-Military/Uniformed Personnel (MUP)	326,165
Total Other Compensation for Specific Groups	1,101,717
<b>Other Benefits</b>	
Special Group Term Insurance	1,199
PAG-IBIG Contributions	19,996
PhilHealth Contributions	44,932
Employees Compensation Insurance Premiums	19,996
Terminal Leave	147,842
Total Other Benefits	233,965
Total Personnel Services	9,622,042
<b>Maintenance and Other Operating Expenses</b>	
Travelling Expenses	257,003
Training and Scholarship Expenses	85,859
Supplies and Materials Expenses	2,849,173
Utility Expenses	354,681

Communication Expenses	41,413
Awards/Rewards and Prizes	1,550
Confidential, Intelligence and Extraordinary Expenses	
Intelligence Expenses	17,000
Professional Services	5,662
General Services	13,741
Repairs and Maintenance	4,724,474
Financial Assistance/Subsidy	129,972
Semi-Expendable Machineries and Equipment Expenses	1,037
Semi-Expendable Furnitures, Fixtures and Books Expenses	1,428
Taxes, Insurance Premiums and Other Fees	19,166
Other Maintenance and Operating Expenses	
Advertising Expenses	1,645
Printing and Publication Expenses	5,899
Representation Expenses	183,197
Transportation and Delivery Expenses	9,858
Rent/Lease Expenses	2,171
Membership Dues and Contributions to Organizations	45
Subscription Expenses	3,420
Donations	1,500
Other Maintenance and Operating Expenses	3
Total Maintenance and Other Operating Expenses	8,709,897
Total Current Operating Expenditures	18,331,939
Capital Outlays	
Property, Plant and Equipment Outlay	
Land Outlay	80,100
Infrastructure Outlay	152,250
Buildings and Other Structures	329,097
Machinery and Equipment Outlay	29,952
Transportation Equipment	38,823
Other Property Plant and Equipment Outlay	791
Total Capital Outlays	631,013
Total Programs	18,962,952
TOTAL NEW APPROPRIATIONS	18,962,952

## G.3. PHILIPPINE NAVY ( NAVAL FORCES )

For general administration and support, support to operations, and operations, as indicated hereunder.....P 20,992,347,000  
=====

## New Appropriations, by Program/Projects

	Current Operating Expenditures				
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
PROGRAMS					
General Administration and Support	P 3,043,468,000	P 711,593,000		P 20,812,000	P 3,775,873,000

Support to Operations	693,628,000	627,384,000	435,650,000	1,756,662,000
Operations	8,667,346,000	5,234,510,000	1,557,956,000	15,459,812,000
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	8,667,346,000	5,234,510,000	1,557,956,000	15,459,812,000
Total, Programs	12,404,442,000	6,573,487,000	2,014,418,000	20,992,347,000
TOTAL NEW APPROPRIATIONS	P12,404,442,000	P 6,573,487,000	P 2,014,418,000	P 20,992,347,000

**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, 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 Navy shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from the 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. **Rice Subsidy.** The amount herein appropriated for rice subsidy shall be given in the form of cash allowance, which shall be equivalent to twenty (20) kilos of rice per month. No Rice, rice voucher and/or its equivalent shall be distributed to military personnel.

(CONDITIONAL IMPLEMENTATION- President's Veto Message, December 22, 2016, Volume I-B, page 660, R.A. No. 10924)

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 Navy.

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**

PROGRAMS	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays
General Administration and Support				
General management and supervision	P 2,514,558,000	P 711,593,000		P 20,812,000
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
Support to Operations				
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
Operations				
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	8,667,346,000	5,234,510,000	1,557,956,000	15,459,812,000
Force Development	7,351,166,000	3,698,421,000	1,557,956,000	12,607,543,000
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	1,557,956,000	15,459,812,000
Total Programs and Activities	12,404,442,000	6,573,487,000	2,014,418,000	20,992,347,000
TOTAL NEW APPROPRIATIONS	P12,404,442,000	P 6,573,487,000	P 2,014,418,000	P 20,992,347,000

## New Appropriations, by Object of Expenditures

=====

(In Thousand Pesos)

A. Programs/Locally-Funded Project(s)

## Current Operating Expenditures

## Personnel Services

## Civilian Personnel

## Permanent Positions

## Basic Salary

210,681

## Total Permanent Positions

210,681

## Other Compensation Common to All

## Personnel Economic Relief Allowance

22,488

## Representation Allowance

180

## Transportation Allowance

180

## Clothing and Uniform Allowance

4,685

## Mid-Year Bonus - Civilian

17,557

## Year End Bonus

17,557

## Cash Gift

4,685

## Step Increment

1,908

## Productivity Enhancement Incentive

4,685

## Total Other Compensation Common to All

73,925

## Other Compensation for Specific Groups

## Magna Carta for Public Health Workers

13,276

## Longevity Pay

3,643

Total Other Compensation for Specific Groups	16,919
Other Benefits	
PAG-IBIG Contributions	1,125
PhilHealth Contributions	2,330
Employees Compensation Insurance Premiums	1,125
Terminal Leave	5,478
Total Other Benefits	10,058
Military/Uniformed Personnel	
Basic Pay	
Base Pay	5,462,214
Total Basic Pay	5,462,214
Other Compensation Common to All	
Personnel Economic Relief Allowance	546,504
Clothing/ Uniform Allowance	143,058
Subsistence Allowance	1,246,713
Laundry Allowance	9,253
Quarters Allowance	125,729
Longevity Pay	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	455,184
Cash Gift	113,855
Productivity Enhancement Incentive	114,115
Total Other Compensation Common to All	5,251,896
Other Compensation for Specific Groups	
Hazardous Duty Pay	155,355
Overseas Allowance	12,344
Hazard Duty Pay	147,556
Flying Pay	30,253
Sea Duty Pay	170,902
Reenlistment Pay	19,010
Hardship Allowance	57,935
Combat Duty Pay	54,768
Instructor's Duty Pay	32,302
Reservist's Pay	39,677
Medal of Valor Award	2,100
Specialist's Pay	636
Parachutist Pay	15,885
Lump-sum for filling of Positions-Military/Uniformed Personnel (MUP)	229,787
Total Other Compensation for Specific Groups	968,510
Other Benefits	
Special Group Term Insurance	1,639
PAG-IBIG Contributions	27,325
PhilHealth Contributions	61,686

Employees Compensation Insurance Premiums	27,325
Retirement Gratuity	19,825
Terminal Leave	272,439
<b>Total Other Benefits</b>	<b>410,239</b>
<b>Total Personnel Services</b>	<b>12,404,442</b>
<b>Maintenance and Other Operating Expenses</b>	
Travelling Expenses	99,224
Training and Scholarship Expenses	105,816
Supplies and Materials Expenses	3,470,623
Utility Expenses	387,018
Communication Expenses	101,107
Confidential, Intelligence and Extraordinary Expenses	
Intelligence Expenses	34,749
Professional Services	21,506
General Services	13,422
Repairs and Maintenance	1,949,601
Financial Assistance/Subsidy	177,614
Taxes, Insurance Premiums and Other Fees	42,330
Other Maintenance and Operating Expenses	
Advertising Expenses	146
Printing and Publication Expenses	13,117
Representation Expenses	107,184
Transportation and Delivery Expenses	3,062
Rent/Lease Expenses	12,935
Subscription Expenses	18,293
Other Maintenance and Operating Expenses	15,740
<b>Total Maintenance and Other Operating Expenses</b>	<b>6,573,487</b>
<b>Total Current Operating Expenditures</b>	<b>18,977,929</b>
<b>Capital Outlays</b>	
Property, Plant and Equipment Outlay	
Land Improvement Outlay	1,250
Infrastructure Outlay	271,435
Buildings and Other Structures	34,529
Machinery and Equipment Outlays	741,642
Transportation Equipment Outlay	955,117
Other Property, Plant and Equipment	2,125
Intangible Asset Outlay	8,320
<b>Total Capital Outlays</b>	<b>2,014,418</b>
<b>Total Programs</b>	<b>20,992,347</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>20,992,347</b>

## G.4. GENERAL HEADQUARTERS, AFP AND AFP-WIDE SUPPORT AND SEPARATE UNITS (AFPWSSUs)

For general administration and support, and operations, including locally-funded project(s), as indicated hereunder...P 35,498,078,000

New Appropriations, by Program/Projects

<u>Current Operating Expenditures</u>					
PROGRAMS	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
General Administration and Support	P 2,805,577,000	P 456,180,000	P	P	P 3,261,757,000
Operations	2,070,635,000	4,612,113,000	19,000	168,529,000	6,851,296,000
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	2,646,743,000	19,000	33,805,000	3,119,398,000
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		81,200,000	507,573,000
Total, Programs	4,876,212,000	5,068,293,000	19,000	168,529,000	10,113,053,000
PROJECT(S)					
Locally-Funded Project(s)				25,385,025,000	25,385,025,000
Total, Project(s)				25,385,025,000	25,385,025,000
TOTAL NEW APPROPRIATIONS	P 4,876,212,000	P 5,068,293,000	P 19,000	P 25,553,554,000	35,498,078,000

**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, 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 General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of



electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from the 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, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from the 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, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from the 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.

In implementing the modernization program, the AFP shall, as far as practicable, give preference to Filipino contractors and suppliers or to foreign contractors or suppliers willing and able to locate at least thirty percent (30%) of their production process within the Philippines.

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, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, 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 J.C. No. 2015-01 dated January 8, 2015 and such other guidelines issued by agencies concerned.

7. **Bilateral Engagements.** The amounts 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. **Rice Subsidy.** The amount herein appropriated for rice subsidy shall be given in the form of cash allowance, which shall be equivalent to twenty (20) kilos of rice per month. No Rice, rice voucher and/or its equivalent shall be distributed to military personnel.

(CONDITIONAL IMPLEMENTATION- President's Veto Message, December 22, 2016, Volume I-B, page 660, R.A. No. 10924)

10. **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.

11. **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.

12. **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.

13. 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

PROGRAMS	<u>Current Operating Expenditures</u>				
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>General Administration and Support</b>					
General management and supervision	P 1,348,998,000	P 456,180,000	P	P	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
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
<b>Sub-total, General Administration and Support</b>	<b>2,805,577,000</b>	<b>456,180,000</b>			<b>3,261,757,000</b>
<b>Operations</b>					
<b>MFO 1: MILITARY POLICY ADVISORY SERVICES</b>	<b>290,966,000</b>	<b>435,788,000</b>			<b>726,754,000</b>
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
<b>MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES</b>	<b>438,831,000</b>	<b>2,646,743,000</b>	<b>19,000</b>	<b>33,805,000</b>	<b>3,119,398,000</b>

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
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
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
Planning, Command and Management of Joint Military Operations	438,831,000	2,484,224,000	19,000	33,805,000	2,956,879,000
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
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
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
Joint special operation	996,000	1,969,037,000			1,970,033,000
National Capital Region (NCR)	996,000	1,969,037,000			1,970,033,000
General Headquarters - Proper	996,000	1,969,037,000			1,970,033,000
NFO 3: TERTIARY HEALTH CARE SERVICES	470,256,000	1,071,654,000		45,106,000	1,587,016,000
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
MFO 4: MILITARY EDUCATION SERVICES	701,298,000	200,839,000	8,418,000	910,555,000
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
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
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
MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES	169,284,000	257,089,000	81,200,000	507,573,000
Presidential Security and Protection (Presidential Security Group)	169,284,000	257,089,000	81,200,000	507,573,000
National Capital Region (NCR)	169,284,000	257,089,000	81,200,000	507,573,000
Presidential Security Group	169,284,000	257,089,000	81,200,000	507,573,000
Sub-total, Operations	2,070,635,000	4,612,113,000	19,000	6,851,296,000
Total Programs and Activities	4,876,212,000	5,068,293,000	19,000	10,113,053,000
PROJECT(S)				
Locally-Funded Project(s)				
Governance			25,385,025,000	25,385,025,000
Defense			25,385,025,000	25,385,025,000
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

Buildings and Other Structures	385,025,000	385,025,000
Multipurpose/Facilities	385,025,000	385,025,000
1. Construction of New Cadet Barracks, Philippine Military Academy	335,025,000	335,025,000
2. Construction of Jacinto Hall, Annex Building, AFP Command and General Staff College	30,000,000	30,000,000
3. Renovation of Building 8 and 9, AFP Command and General Staff College	20,000,000	20,000,000
Sub-total, Locally-Funded Project(s)	25,385,025,000	25,385,025,000
Total Project(s)	25,385,025,000	25,385,025,000
TOTAL NEW APPROPRIATIONS	P 4,876,212,000 P 5,068,293,000 P 19,000 P25,553,554,000 P 35,498,078,000	

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

A. Programs/Locally-Funded Project(s)

Current Operating Expenditures

Personnel Services

Civilian Personnel

Permanent Positions

Basic Salary	602,211
--------------	---------

Total Permanent Positions	602,211
---------------------------	---------

Other Compensation Common to All

Personnel Economic Relief Allowance	65,544
Representation Allowance	540
Transportation Allowance	540
Clothing and Uniform Allowance	13,655
Mid-Year Bonus - Civilian	50,184
Year End Bonus	50,184
Cash Gift	13,655
Step Increment	5,528
Productivity Enhancement Incentive	13,655

Total Other Compensation Common to All	213,485
--	---------

Other Compensation for Specific Groups

Magna Carta for Public Health Workers	64,380
Longevity Pay	9,142
Lump-sum for filling of Positions-Civilian	68,974

Total Other Compensation for Specific Groups	142,496
--	---------

<b>Other Benefits</b>	
PAG-IBIG Contributions	3,278
PhilHealth Contributions	6,767
Employees Compensation Insurance Premiums	3,278
Retirement Gratuity	26,983
Terminal Leave	20,300
<b>Total Other Benefits</b>	<b>60,606</b>
<b>Military/Uniformed Personnel</b>	
<b>Basic Pay</b>	
Base Pay	1,046,450
<b>Total Basic Pay</b>	<b>1,046,450</b>
<b>Other Compensation Common to All</b>	
Personnel Economic Relief Allowance	64,632
Clothing/ Uniform Allowance	6,463
Subsistence Allowance	200,007
Laundry Allowance	1,606
Quarters Allowance	12,190
Longevity Pay	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	87,205
Cash Gift	13,465
Productivity Enhancement Incentive	13,465
<b>Total Other Compensation Common to All</b>	<b>1,003,752</b>
<b>Other Compensation for Specific Groups</b>	
Hazardous Duty Pay	17,055
Overseas Allowance	202,055
Hazard Duty Pay	17,451
Special Duty Allowance	78,612
Combat Incentive Pay	10,000
Combat Duty Pay	21,167
Incentive Pay	95,677
Instructor's Duty Pay	12,140
Lump-sum for filling of Positions-Military/Uniformed Personnel (MUP)	314,603
<b>Total Other Compensation for Specific Groups</b>	<b>768,760</b>
<b>Other Benefits</b>	
Special Group Term Insurance	194
PAG-IBIG Contributions	3,232
PhilHealth Contributions	10,099
Employees Compensation Insurance Premiums	3,232
Retirement Gratuity	1,021,695
<b>Total Other Benefits</b>	<b>1,038,452</b>
<b>Total Personnel Services</b>	<b>4,876,212</b>

**Maintenance and Other Operating Expenses**

Travelling Expenses	231,838
Training and Scholarship Expenses	133,443
Supplies and Materials Expenses	1,827,711
Utility Expenses	565,425
Communication Expenses	111,419
Confidential, Intelligence and Extraordinary Expenses	
Intelligence Expenses	1,140,648
Professional Services	43,410
General Services	74,250
Repairs and Maintenance	387,268
Financial Assistance/Subsidy	13,736
Taxes, Insurance Premiums and Other Fees	30,410
Labor and Wages	14,600
Other Maintenance and Operating Expenses	
Advertising Expenses	2,060
Printing and Publication Expenses	10,657
Representation Expenses	403,546
Transportation and Delivery Expenses	8,844
Rent/Lease Expenses	55,298
Membership Dues and Contributions to Organizations	981
Subscription Expenses	11,337
Other Maintenance and Operating Expenses	1,412

<b>Total Maintenance and Other Operating Expenses</b>	<b>5,068,293</b>
---	------------------

**Financial Expenses**

Bank Charges	19
--------------	----

<b>Total Financial Expenses</b>	<b>19</b>
---------------------------------	-----------

<b>Total Current Operating Expenditures</b>	<b>9,944,524</b>
---	------------------

**Capital Outlays**

Property, Plant and Equipment Outlay	
Buildings and Other Structures	450,131
Machinery and Equipment Outlay	25,043,423
Transportation Equipment	60,000

<b>Total Capital Outlays</b>	<b>25,553,554</b>
------------------------------	-------------------

<b>Total Programs/Locally-Funded Project(s)</b>	<b>35,498,078</b>
---	-------------------

<b>TOTAL NEW APPROPRIATIONS</b>	<b>35,498,078</b>
---------------------------------	-------------------

**GENERAL SUMMARY**  
**DEPARTMENT OF NATIONAL DEFENSE**

<u>Current Operating Expenditures</u>					
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. OFFICE OF THE SECRETARY - PROPER	P 144,367,000	P 283,093,000	P	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	40,351,000		2,800,000	78,143,000
D. OFFICE OF CIVIL DEFENSE	118,457,000	359,899,000		2,800,000	481,156,000
E. PHILIPPINE VETERANS AFFAIRS OFFICE-PROPER	130,238,000	387,581,000		381,486,000	899,305,000
F. VETERANS MEMORIAL MEDICAL CENTER	642,822,000	489,643,000		57,300,000	1,189,765,000
G. ARMED FORCES OF THE PHILIPPINES	70,954,746,000	30,989,895,000	19,000	30,942,972,000	132,887,632,000
G.1. PHILIPPINE ARMY (LAND FORCES)	44,052,050,000	10,638,218,000		2,743,987,000	57,434,255,000
G.2. PHILIPPINE AIR FORCE (AIR FORCE)	9,622,042,000	8,709,897,000		631,013,000	18,962,952,000
G.3. PHILIPPINE NAVY (NAVAL FORCES)	12,404,442,000	6,573,487,000		2,014,418,000	20,992,347,000
G.4. GENERAL HEADQUARTERS, AFP AND AFP-WIDE SUPPORT AND SEPARATE UNITS (AFPWSSUS)	4,876,212,000	5,068,293,000	19,000	25,553,554,000	35,498,078,000
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF NATIONAL DEFENSE	P72,256,727,000	P33,485,719,000	P 19,000	P31,440,358,000	P137,182,823,000