

**6.3. PHILIPPINE NAVY (NAVAL FORCES)**

For general administration and support, and operations, including locally funded project(s), as indicated hereunder...P 31,552,115,000

New Appropriations, by Program

PROGRAMS	<u>Current Operating Expenditures</u>				
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
General Administration and Support	P 2,365,424,000	P 800,356,000		P	P 3,165,780,000
Operations	17,650,533,000	8,818,298,000		1,917,504,000	28,386,335,000
NAVAL FORCES DEFENSE PROGRAM	17,650,533,000	8,818,298,000		1,917,504,000	28,386,335,000
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 20,015,957,000</b>	<b>P 9,618,654,000</b>		<b>P 1,917,504,000</b>	<b>P 31,552,115,000</b>

**Special Provision(s)**

1. Hospital Income and Other Revenues from Golf Course Operations. In addition to the amounts appropriated herein, all income generated from the operations of the Philippine Navy General Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospital for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

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

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

(CONDITIONAL IMPLEMENTATION - President's Veto Message, December 28, 2020, Volume I-B, page 845-846, R.A. No. 11518)

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 amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

3. Combat Expenses. An amount not exceeding Two Hundred Thousand Pesos (P200,000) per quarter for each company or its equivalent in the Philippine Navy may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.

4. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Navy.

5. Rice Subsidy. The amount of One Hundred Ninety One Million Ninety Two Thousand Pesos (P191,092,000) appropriated herein shall be used for the provision of rice subsidy, equivalent to twenty (20) kilos of rice a month, in the form of financial assistance to the military personnel of the Philippine Navy.

6. Restriction on Use of Funds Allotted for Petroleum, Oil and Lubricants. The amounts appropriated herein for the purchase or acquisition of petroleum, oil and lubricants for the Philippine Navy shall be used exclusively for said purposes.

7. **Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations.** Expenses incurred by the Philippine Navy in anti-smuggling, economic subversion or similar operations may be reimbursed out of the proceeds from the sale of items seized or confiscated by the Philippine Navy upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 and budgeting, accounting and auditing rules and regulations.

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

(a) URS or other electronic means for reports not covered by the URS until such time that all agencies have fully migrated to the BTMS; and

(b) Philippine Navy's website.

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

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

New Appropriations, by Programs/Activities/Projects

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Current Operating Expenditures

	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
<b>PROGRAMS</b>					
<b>General Administration and Support</b>					
General management and supervision	P 1,593,833,000	P 800,356,000		P	P 2,394,189,000
National Capital Region (NCR)	1,593,833,000	800,356,000			2,394,189,000
Philippine Navy	1,593,833,000	800,356,000			2,394,189,000
Administration of Personnel Benefits	771,591,000				771,591,000
National Capital Region (NCR)	771,591,000				771,591,000
Philippine Marine Corps	98,407,000				98,407,000
Philippine Navy	673,184,000				673,184,000
<b>Sub-total, General Administration and Support</b>	<b>2,365,424,000</b>	<b>800,356,000</b>			<b>3,165,780,000</b>
<b>Operations</b>					
Level of mission capability of navy units in naval operations attained	17,650,533,000	8,818,298,000		1,917,504,000	28,386,335,000
NAVAL FORCES DEFENSE PROGRAM	17,650,533,000	8,818,298,000		1,917,504,000	28,386,335,000
Force-level Support Services	4,831,254,000	1,842,943,000		700,553,000	7,374,750,000
National Capital Region (NCR)	4,831,254,000	1,842,943,000		700,553,000	7,374,750,000
Philippine Navy	4,831,254,000	1,842,943,000		700,553,000	7,374,750,000

Force Development	11,879,009,000	6,205,594,000	900,154,000	18,984,757,000
National Capital Region (NCR)	11,879,009,000	6,205,594,000	900,154,000	18,984,757,000
Philippine Marine Corps	7,247,886,000	1,203,734,000	46,805,000	8,498,425,000
Philippine Navy	4,631,123,000	5,001,860,000	853,349,000	10,486,332,000
Force Sustainment	940,270,000	686,558,000		1,626,828,000
National Capital Region (NCR)	940,270,000	686,558,000		1,626,828,000
Philippine Navy	940,270,000	686,558,000		1,626,828,000
Project(s)				
Locally-Funded Project(s)		83,203,000	316,797,000	400,000,000
1. Operational and Maintenance Requirements of the Newly-Acquired Rizal Class Frigates		83,203,000	16,797,000	100,000,000
2. Construction of Forward Operation and Maintenance Base for Multi-purpose Attack Craft			100,000,000	100,000,000
3. Procurement of 5.56 mm Squad Automatic Weapon (SAW) for Philippine Marine Corps (PMC)			100,000,000	100,000,000
4. Procurement of Night Fighting System of Philippine Marine Corps (PNC)			100,000,000	100,000,000
Sub-total, Operations	17,650,533,000	8,818,298,000	1,917,504,000	28,386,335,000
TOTAL NEW APPROPRIATIONS	P 20,015,957,000	P 9,618,654,000	P 1,917,504,000	P 31,552,115,000

## New Appropriations, by Object of Expenditures

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(In Thousand Pesos)

## Current Operating Expenditures

## Personnel Services

## Civilian Personnel

## Permanent Positions

## Basic Salary

254,982

## Total Permanent Positions

254,982

## Other Compensation Common to All

## Personnel Economic Relief Allowance

23,016

## Representation Allowance

180

## Transportation Allowance

180

## Clothing and Uniform Allowance

5,754

## Mid-Year Bonus - Civilian

21,249

## Year End Bonus

21,249

## GENERAL APPROPRIATIONS ACT, FY 2021

Cash Gift	4,795
Productivity Enhancement Incentive	4,795
Step Increment	638
Total Other Compensation Common to All	81,856
Other Compensation for Specific Groups	
Magna Carta for Public Health Workers	16,225
Longevity Pay	4,229
Lump-sum for filling of Positions-Civilian	11,936
Total Other Compensation for Specific Groups	32,390
Other Benefits	
PAG-IBIG Contributions	1,151
PhilHealth Contributions	3,343
Employees Compensation Insurance Premiums	1,151
Loyalty Award-Civilian	255
Terminal Leave	5,185
Total Other Benefits	11,085
Military/Uniformed Personnel	
Basic Pay	
Base Pay	9,958,148
Total Basic Pay	9,958,148
Other Compensation Common to All	
Personnel Economic Relief Allowance	584,784
Clothing/ Uniform Allowance	194,412
Subsistence Allowance	1,334,038
Laundry Allowance	9,737
Quarters Allowance	131,458
Longevity Pay	2,300,220
Mid-Year Bonus - Military/Uniformed Personnel	829,646
Year-end Bonus	829,646
Cash Gift	122,410
Productivity Enhancement Incentive	122,410
Total Other Compensation Common to All	6,458,761
Other Compensation for Specific Groups	
Hazardous Duty Pay	546,005
Flying Pay	147,144
Overseas Allowance	15,964
Sea Duty Pay	537,793
Hazard Duty Pay	157,892
Hardship Allowance	294,101
Combat Duty Pay	346,680
Instructor's Duty Pay	101,511
Reservist's Pay	39,677
Medal of Valor Award	6,300
Specialist's Pay	305

Parachutist Pay	36,391
Lump-sum for filling of Positions- Military/Uniformed Personnel (MUP)	469,216
<b>Total Other Compensation for Specific Groups</b>	<b>2,698,979</b>
<b>Other Benefits</b>	
Special Group Term Insurance	1,754
PAG-IBIG Contributions	29,240
PhilHealth Contributions	174,268
Employees Compensation Insurance Premiums	29,240
Terminal Leave	285,254
<b>Total Other Benefits</b>	<b>519,756</b>
<b>Total Personnel Services</b>	<b>20,015,957</b>
<b>Maintenance and Other Operating Expenses</b>	
Travelling Expenses	187,064
Training and Scholarship Expenses	237,790
Supplies and Materials Expenses	4,326,742
Utility Expenses	513,687
Communication Expenses	176,242
Confidential, Intelligence and Extraordinary Expenses	
Intelligence Expenses	39,749
Professional Services	29,591
General Services	19,097
Repairs and Maintenance	3,314,743
Financial Assistance/Subsidy	191,092
Taxes, Insurance Premiums and Other Fees	55,777
Other Maintenance and Operating Expenses	
Printing and Publication Expenses	17,089
Representation Expenses	244,770
Transportation and Delivery Expenses	5,455
Rent/Lease Expenses	25,780
Subscription Expenses	7,408
Other Maintenance and Operating Expenses	226,578
<b>Total Maintenance and Other Operating Expenses</b>	<b>9,618,654</b>
<b>Total Current Operating Expenditures</b>	<b>29,634,611</b>
<b>Capital Outlays</b>	
Property, Plant and Equipment Outlay	
Machinery and Equipment Outlay	394,386
Transportation Equipment Outlay	1,422,321
Infrastructure Outlay	100,000
Furnitures, fixtures and Books Outlay	797
<b>Total Capital Outlays</b>	<b>1,917,504</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>31,552,115</b>