

G. PHILIPPINE ARMY (LAND FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
New General Appropriations	<u>57,434,255</u>	<u>63,998,132</u>	<u>89,004,828</u>
General Fund	57,434,255	63,998,132	89,004,828
Automatic Appropriations	<u>287,825</u>	<u>35,288</u>	<u>37,187</u>
Customs Duties and Taxes, including Tax Expenditures	255,267		
Retirement and Life Insurance Premiums	32,558	35,288	37,187
Continuing Appropriations	<u>1,660,659</u>		
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717	54,000		
Unobligated Releases for Capital Outlays			
R.A. No. 10717	259,303		
Unobligated Releases for MOOE			
R.A. No. 10717	1,347,356		
Budgetary Adjustment(s)	<u>6,201,877</u>		
Transfer(s) from:			
Contingent Fund	688,585		
Miscellaneous Personnel Benefits Fund	3,763,847		
Pension and Gratuity Fund	1,749,445		
Total Available Appropriations	<u>65,584,616</u>	<u>64,033,420</u>	<u>89,042,015</u>
Unused Appropriations	<u>(123,082)</u>		
Unreleased Appropriation	(55,120)		
Unobligated Allotment	<u>(67,962)</u>		
TOTAL OBLIGATIONS	<u>65,461,534</u>	<u>64,033,420</u>	<u>89,042,015</u>
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EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	(Obligation-Based)		(Cash-Based)
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	11,078,874,000	9,453,729,000	7,067,516,000
Regular	11,078,874,000	9,453,729,000	7,067,516,000
PS	9,856,446,000	8,358,840,000	5,944,099,000
MOOE	1,215,952,000	1,094,889,000	1,123,417,000
CO	6,476,000		
Support to Operations	2,598,666,000		
Regular	2,598,666,000		
PS	1,920,674,000		
MOOE	638,894,000		
CO	39,098,000		
Operations	51,616,946,000	54,579,691,000	81,974,499,000
Regular	51,616,946,000	54,559,691,000	81,974,499,000
PS	37,759,967,000	43,801,685,000	67,796,789,000
MOOE	11,053,187,000	9,997,604,000	11,317,413,000
CO	2,803,792,000	760,402,000	2,860,297,000
Projects / Purpose		20,000,000	
CO		20,000,000	
Projects / Purpose	167,048,000		
CO	167,048,000		
TOTAL AGENCY BUDGET	65,461,534,000	64,033,420,000	89,042,015,000
Regular	65,294,486,000	64,013,420,000	89,042,015,000
PS	49,537,087,000	52,160,525,000	73,740,888,000
MOOE	12,908,033,000	11,092,493,000	12,440,830,000
CO	2,849,366,000	760,402,000	2,860,297,000
Projects / Purpose	167,048,000	20,000,000	
CO	167,048,000	20,000,000	

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,670	1,670	1,670
Total Number of Filled Positions	1,300	1,283	1,283
Military			
Total Number of Authorized Positions	95,894	98,394	98,394
Total Number of Filled Positions	87,002	98,394	98,394

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 89,004,828,000
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OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)			
	PS	MOOE	CO	TOTAL
LAND FORCES DEFENSE PROGRAM	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000

REGION	EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based) (in pesos)			
	PS	MOOE	CO	TOTAL
Regional Allocation	73,703,701,000	12,440,830,000	2,860,297,000	89,004,828,000
National Capital Region (NCR)	73,703,701,000	12,440,830,000	2,860,297,000	89,004,828,000
TOTAL AGENCY BUDGET	73,703,701,000	12,440,830,000	2,860,297,000	89,004,828,000

SPECIAL PROVISION(S)

- 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, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

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 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.

- 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 amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.
- Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units. The amount of Three Billion Seven Hundred Eighty One Million Four Hundred Seventy Two Thousand Pesos (P3,781,472,000) 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.
- 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.
- Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Army.

6. Rice Subsidy. The amount of Seven Hundred Eighty Million Eight Hundred Twenty One Thousand Pesos (P780,821,000) 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 AFP.
7. 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 Army shall be used exclusively for said purposes.
8. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by the Philippine Army 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 Army 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.
9. Reporting and Posting Requirements. The Philippine Army shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) Philippine Army's website.

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

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

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	5,906,912,000	1,123,417,000		7,030,329,000
100000100001000	General management and supervision	4,686,182,000	1,123,417,000		5,809,599,000
100000100002000	Administration of Personnel Benefits	1,220,730,000			1,220,730,000
Sub-total, General Administration and Support		<u>5,906,912,000</u>	<u>1,123,417,000</u>		<u>7,030,329,000</u>
3000000000000000	Operations	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000
3100000000000000	00 : Level of mission capability of army units in ground operations attained	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000
3101000000000000	LAND FORCES - DEFENSE PROGRAM	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000
310100100001000	Force-Level Support Services	3,062,679,000	620,091,000	24,375,000	3,707,145,000
310100100002000	Force Development		1,127,342,000		1,127,342,000
310100100003000	Force Sustainment	64,734,110,000	9,569,980,000	2,835,922,000	77,140,012,000
Sub-total, Operations		<u>67,796,789,000</u>	<u>11,317,413,000</u>	<u>2,860,297,000</u>	<u>81,974,499,000</u>
TOTAL NEW APPROPRIATIONS		P 73,703,701,000	P 12,440,830,000	P 2,860,297,000	P 89,004,828,000
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Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	(Obligation-Based)		(Cash-Based)
	2017	2018	2019
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	271,957	294,063	309,892
Total Permanent Positions	<u>271,957</u>	<u>294,063</u>	<u>309,892</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	29,456	30,768	30,792
Representation Allowance	237	300	240
Transportation Allowance	237	300	240
Clothing and Uniform Allowance	6,235	6,410	7,698
Honoraria	106	106	106
Mid-Year Bonus - Civilian	21,905	24,505	25,824
Year End Bonus	22,240	24,505	25,824
Cash Gift	6,214	6,410	6,415
Productivity Enhancement Incentive	6,235	6,410	6,415
Performance Based Bonus	11,227		
Step Increment		735	775
Total Other Compensation Common to All	<u>104,092</u>	<u>100,449</u>	<u>104,329</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	15,855	34,101	34,661
Longevity Pay	4,896	4,896	4,896
Total Other Compensation for Specific Groups	<u>20,751</u>	<u>38,997</u>	<u>39,557</u>
Other Benefits			
Retirement and Life Insurance Premiums	32,558	35,288	37,187
PAG-IBIG Contributions	1,473	1,538	1,540
PhilHealth Contributions	3,093	3,430	4,129
Employees Compensation Insurance Premiums	1,473	1,538	1,540
Retirement Gratuity	6,820	16,348	15,975
Terminal Leave	6,137	5,975	7,366
Total Other Benefits	<u>51,554</u>	<u>64,117</u>	<u>67,737</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	17,260,442	19,027,377	37,761,933
Total Basic Pay	<u>17,260,442</u>	<u>19,027,377</u>	<u>37,761,933</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,120,138	2,088,048	2,361,456
Clothing/ Uniform Allowance	3,158,811	798,768	900,657
Subsistence Allowance	8,250,254	8,176,914	9,168,545
Laundry Allowance	34,210	33,749	38,266
Quarters Allowance	436,891	443,220	476,224
Longevity Pay	3,870,565	4,443,844	8,340,059
Mid-Year Bonus - Military/Uniformed Personnel	1,562,936	1,585,616	3,146,828
Officers' Allowance - Military/Uniformed Personnel	239,442	348,960	
Provisional Allowance - Military/Uniformed Personnel	2,240,454	3,529,487	
Year-end Bonus	1,614,123	1,585,616	3,146,828
Cash Gift	447,572	435,010	491,970

Productivity Enhancement Incentive	450,139	435,010	491,970
Performance Based Bonus	795,141		
Total Other Compensation Common to All	<u>25,220,676</u>	<u>23,904,242</u>	<u>28,562,803</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	133,179	133,179	270,094
Flying Pay	10,410	10,410	30,038
Hazard Duty Pay	572,438	720,378	637,594
Combat Duty Pay	2,073,939	2,115,288	2,981,412
Instructor's Duty Pay	145,268	145,268	323,933
Reservist's Pay	253,306	253,306	382,241
Medal of Valor Award	19,800	19,800	20,700
Parachutist Pay	170,475	170,475	310,901
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		3,644,995	
Total Other Compensation for Specific Groups	<u>3,378,815</u>	<u>7,213,099</u>	<u>4,956,913</u>
Other Benefits			
Special Group Term Insurance	6,361	6,262	7,085
PAG-IBIG Contributions	106,006	104,403	118,073
PhilHealth Contributions	219,492	222,753	497,104
Employees Compensation Insurance Premiums	106,006	104,403	118,073
Terminal Leave	2,790,935	1,080,360	1,197,389
Total Other Benefits	<u>3,228,800</u>	<u>1,518,181</u>	<u>1,937,724</u>
TOTAL PERSONNEL SERVICES	<u>49,537,087</u>	<u>52,160,525</u>	<u>73,740,888</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	319,435	303,965	316,057
Training and Scholarship Expenses	471,564	345,881	341,777
Supplies and Materials Expenses	7,757,560	5,570,321	6,662,630
Utility Expenses	471,143	526,646	559,328
Communication Expenses	150,426	119,048	123,853
Awards/Rewards and Prizes	3,011	1,557	1,557
Survey, Research, Exploration and Development Expenses	1,706	5,233	5,233
Demolition/Relocation and Desilting/Dredging Expenses	500	1,053	1,053
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	444,000	444,000	444,000
Professional Services	28,912	49,095	78,260
General Services	3,110	9,276	9,276
Repairs and Maintenance	1,543,981	2,279,831	2,382,466
Financial Assistance/Subsidy	669,436	732,264	780,821
Taxes, Insurance Premiums and Other Fees	323,174	57,185	59,198
Labor and Wages	59,601	63,271	63,271
Other Maintenance and Operating Expenses			
Advertising Expenses	5,349	1,504	1,550
Printing and Publication Expenses	15,876	17,148	17,876
Representation Expenses	425,903	444,273	457,601
Transportation and Delivery Expenses	186,482	77,797	80,348
Rent/Lease Expenses	12,650	25,285	25,285
Membership Dues and Contributions to Organizations	183	185	225
Subscription Expenses	2,107	2,539	2,554
Litigation/Acquired Assets Expenses	206		
Other Maintenance and Operating Expenses	11,718	15,136	26,611
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>12,908,033</u>	<u>11,092,493</u>	<u>12,440,830</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>62,445,120</u>	<u>63,253,018</u>	<u>86,181,718</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	160,379		49,000
Buildings and Other Structures	637,039	32,275	445,365

Machinery and Equipment Outlay	1,638,063	397,059	1,777,282
Transportation Equipment Outlay	580,933	351,068	588,650
TOTAL CAPITAL OUTLAYS	<u>3,016,414</u>	<u>780,402</u>	<u>2,860,297</u>
GRAND TOTAL	<u>65,461,534</u>	<u>64,033,420</u>	<u>89,042,015</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL
OUTCOME : Level of mission capability of army units in ground operations attained

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Level of mission capability of army units in ground operations attained		
Percentage of Ground Force Units Provided to Unified Commands	80%	96%

<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number and Readiness level of tactical units		
Number of tactical battalions maintained	190	198
Percentage of operational readiness of tactical battalions	79%	76%
Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	94%
Number and Readiness level of reserve units		
Number of ready reserve battalions maintained	82	82
Percentage of operational readiness of ready reserve battalions	60%	60%

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Level of mission capability of army units in ground operations attained			
LAND FORCES DEFENSE PROGRAM			
Outcome Indicators			
1. Percentage of Tactical Units provided to force employers that are in prescribed readiness condition	40%	40%	57%

2. Percentage of Ready Reserve Units in prescribed readiness condition	40%	40%	40%
Output Indicators			
1. Number of tactical and ready reserve units maintained			
a. Tactical Battalions	191	191	204
b. Ready Reserve Battalions	82	82	83
2. Percentage of operational readiness of tactical and ready reserve units			
a. Tactical Battalions	82%	82%	81%
b. Ready Reserve Battalions	65%	65%	65%
3. Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	90%	90%