

XVII. DEPARTMENT OF NATIONAL DEFENSE

A. DND PROPER (OFFICE OF THE SECRETARY)

STRATEGIC OBJECTIVES

MANDATE : A National Government agency that shall maximize its effectiveness in guarding against external and internal threats to national peace and security, promoting the welfare of soldiers and veterans, and providing support for social and economic development (Executive Order No. 112).

VISION : A strategic partner of the international community that is capable and responsive, professional and competent, effective and efficient in meeting external and internal challenges to national security and domestic stability as well as contributing to the social and economic development of the Philippines.

MISSION : To guard against external and internal threats to national peace and security, to promote the welfare of soldiers, veterans and their families in order to attain national security, to uphold sovereignty and territorial integrity, to support socio-economic development and political stability.

KEY RESULT AREAS : 1. Just and lasting peace and the rule of law
2. Integrity of the environment and climate change adaptation and mitigation

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL OUTCOME : 1. Defense and Security Policy and Strategy Direction Provided

**SECTION 1 : EXPENDITURE PROGRAM
(in pesos)**

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	252,023,000	234,565,000	250,459,000
	PS	116,019,000	102,194,000	114,838,000
	MOOE	136,004,000	132,371,000	135,621,000
000003000000000	Operations	278,276,000	493,998,000	143,834,000
	MOOE	145,109,000	261,498,000	143,834,000
	CO	133,167,000	232,500,000	
TOTAL AGENCY BUDGET		530,299,000	728,563,000	394,293,000
	PS	116,019,000	102,194,000	114,838,000
	MOOE	281,113,000	393,869,000	279,455,000
	CO	133,167,000	232,500,000	

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	321	321	321
Total Number of Filled Positions	207	236	236

PROPOSED 2016

OPERATIONS BY MFO	PROPOSED 2016			
	PS	MOOE	CO	TOTAL
MFO 1: DEFENSE POLICY SERVICES		143,834,000		143,834,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	105,143,000	279,455,000		384,598,000
National Capital Region (NCR)	105,143,000	279,455,000		384,598,000
TOTAL AGENCY BUDGET	105,143,000	279,455,000		384,598,000

SECTION 3 : SPECIAL PROVISION(S)

- 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

The DND Proper shall ensure the full implementation of The Defense System of Management (DSOM), through strict adherence to its master calendar as well as development of its Key Document Products, and the Philippine Defense Transformation (PDT) Roadmap.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
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Defense and Security Policy and Strategy Direction Provided

Percentage of policies and strategies accepted by the Office of the President and the Cabinet

80% of policies and strategies accepted by the Office of the President and the Cabinet

MFO / PIs	2016 Targets
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MFO 1: DEFENSE POLICY SERVICES

Number of defense policies developed and issued or reviewed, updated and disseminated
 Percentage of defense policies reviewed and updated in the last three (3) years

350
 100%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	2014	2015	2016
New General Appropriations	716,990	719,884	384,598
General Fund R.A. No. 10633	716,990	719,884	384,598
Automatic Appropriations	8,923	8,679	9,695
Retirement and Life Insurance Premiums	8,923	8,679	9,695

Continuing Appropriations	<u>121,313</u>	<u>321,797</u>	
Unobligated Releases for Capital Outlays			
R.A. No. 10352	89,901		
R.A. No. 10633		189,234	
Unobligated Releases for MOOE			
R.A. No. 10352	31,412		
R.A. No. 10633		132,563	
Budgetary Adjustment(s)	<u>5,652</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	3,263		
Pension and Gratuity Fund	<u>2,389</u>		
Total Available Appropriations	852,878	1,050,360	394,293
Unused Appropriations	<u>(322,579)</u>	<u>(321,797)</u>	
Unobligated Allotment	<u>(322,579)</u>	<u>(321,797)</u>	
TOTAL OBLIGATIONS	<u>530,299</u>	<u>728,563</u>	<u>394,293</u>
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Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 384,598,000
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New Appropriations, by Programs/Activities/Projects

		<u>Current Operating Expenditures</u>			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	<u>105,143,000</u>	<u>135,621,000</u>		<u>240,764,000</u>
103001000100000	General management and supervision	P <u>105,143,000</u>	P <u>135,621,000</u>		P <u>240,764,000</u>
Sub-total, General Administration and Support		<u>105,143,000</u>	<u>135,621,000</u>		<u>240,764,000</u>
000003000000000	Operations		<u>143,834,000</u>		<u>143,834,000</u>
000003010000000	MFO 1: DEFENSE POLICY SERVICES		<u>143,834,000</u>		<u>143,834,000</u>
127003010100000	Development, implementation and monitoring of the Defense System of Management (DSOM)		111,733,000		111,733,000
127003010200000	Development, implementation and monitoring of the International Defense Engagement (IDSE)		<u>32,101,000</u>		<u>32,101,000</u>
Sub-total, Operations			143,834,000		143,834,000
TOTAL NEW APPROPRIATIONS		P <u>105,143,000</u>	P <u>279,455,000</u>		P <u>384,598,000</u>
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Obligations, by Object of ExpendituresCYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	74,026	72,319	80,790
Total Permanent Positions	74,026	72,319	80,790
Other Compensation Common to All			
Personnel Economic Relief Allowance	5,156	4,968	5,664
Representation Allowance	3,513	3,222	3,240
Transportation Allowance	1,023	3,222	3,240
Clothing and Uniform Allowance	1,080	1,035	1,180
Productivity Incentive Allowance	298	414	
Year End Bonus	6,399	6,027	6,732
Cash Gift	1,111	1,035	1,180
Step Increment	35	180	379
Productivity Enhancement Incentive			1,180
Total Other Compensation Common to All	18,615	20,103	22,795
Other Compensation for Specific Groups			
Other Personnel Benefits	13,732		
Total Other Compensation for Specific Groups	13,732		
Other Benefits			
Retirement and Life Insurance Premiums	8,353	8,679	9,695
PAG-IBIG Contributions	234	249	283
PhilHealth Contributions	679	596	687
Employees Compensation Insurance Premiums	233	248	283
Terminal Leave	147		305
Total Other Benefits	9,646	9,772	11,253
TOTAL PERSONNEL SERVICES	116,019	102,194	114,838
Maintenance and Other Operating Expenses			
Travelling Expenses	21,269	23,809	24,522
Training and Scholarship Expenses	8,126	29,167	16,480
Supplies and Materials Expenses	78,009	59,484	47,621
Utility Expenses	24,044	26,000	26,780
Communication Expenses	14,891	13,477	13,881
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses	23,000	23,000	23,000
Extraordinary and Miscellaneous Expenses	3,026	3,072	3,072
Intelligence Expenses	10,000	10,000	10,000
Professional Services	15,900	14,922	14,922
General Services	10,002	11,856	11,856
Repairs and Maintenance	20,987	124,254	31,591
Taxes, Insurance Premiums and Other Fees	1,490	2,439	2,495
Other Maintenance and Operating Expenses			
Advertising Expenses	428	689	710
Printing and Publication Expenses	1,059	2,044	2,105
Representation Expenses	26,034	25,406	26,169
Rent/Lease Expenses	8,397	23,241	23,242
Subscription Expenses	828	759	759
Donations	116	250	250
Other Maintenance and Operating Expenses	13,507		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	281,113	393,869	279,455
TOTAL CURRENT OPERATING EXPENDITURES	397,132	496,063	394,293

Capital Outlays

Property, Plant and Equipment Outlay			
Buildings and Other Structures	128,091	74,343	
Machinery and Equipment Outlay	1,236	124,200	
Transportation Equipment Outlay	3,840	33,957	
TOTAL CAPITAL OUTLAYS	<u>133,167</u>	<u>232,500</u>	
GRAND TOTAL	<u>530,299</u>	<u>728,563</u>	<u>394,293</u>

B. GOVERNMENT ARSENAL

STRATEGIC OBJECTIVES

MANDATE	: 1. Establish, operate, maintain and secure the Arsenal. 2. Formulate plans and programs to achieve self-sufficiency in small arms, mortars and other weapons and munitions. 3. Design, develop, manufacture, procure, stockpile, allocate and repair small arms, mortars, and other weapons and munitions. 4. Devise ways and means for the efficient mobilization of the civilian industry to augment the production of the Arsenal in times of emergency, and; 5. Perform such other functions as maybe provided by law.
VISION	: To achieve self-sufficiency in ammunition and munitions for the use of the AFP, PNP and other government law enforcement agencies.
MISSION	: To design, manufacture, procure, stockpile, allocate and repair small arms, weapons, ammunition for these weapons and other munitions for the AFP, PNP and other government law enforcement agencies; and to sell and export excess products, as provided for under Republic Act Nos. 1884, 7898 and 10349; and Executive Order No. 292.
KEY RESULT AREAS	: Just and lasting peace and the rule of law
SECTOR OUTCOME	: Stable national security environment achieved
ORGANIZATIONAL OUTCOME	: 1. Supply of small arms ammunition increased to the level of demand

SECTION 1 : EXPENDITURE PROGRAM
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	<u>118,505,000</u>	<u>87,948,000</u>	<u>92,835,000</u>
	PS	83,898,000	49,067,000	54,342,000
	MOOE	34,607,000	38,881,000	38,493,000
000003000000000	Operations	<u>768,124,000</u>	<u>869,808,000</u>	<u>996,764,000</u>
	PS	136,151,000	144,169,000	152,140,000
	MOOE	591,950,000	696,639,000	795,624,000
	CO	40,023,000	29,000,000	49,000,000
TOTAL AGENCY BUDGET		<u>886,629,000</u>	<u>957,756,000</u>	<u>1,089,599,000</u>
	PS	220,049,000	193,236,000	206,482,000
	MOOE	626,557,000	735,520,000	834,117,000
	CO	40,023,000	29,000,000	49,000,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	687	687	687
Total Number of Filled Positions	597	599	599

OPERATIONS BY MFO	PROPOSED 2016			
	PS	MOOE	CO	TOTAL
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	142,036,000	795,624,000	49,000,000	986,660,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	193,047,000	834,117,000	49,000,000	1,076,164,000
Region III - Central Luzon	193,047,000	834,117,000	49,000,000	1,076,164,000
TOTAL AGENCY BUDGET	193,047,000	834,117,000	49,000,000	1,076,164,000

SECTION 3 : 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

Manufacture components such as cases, bullets and primers, and fabrication of machine parts, tools, dies and gauges to support the small arms ammunition requirement of the Armed Forces of the Philippines (AFP).

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Supply of small arms ammunition increased to the level of demand		
Percentage of Small Arms Ammunition requirement supplied		108.12% supportability
MFO / PIs		2016 Targets
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION		
Number of small arms ammunition (SAA) manufactured		35.0 M Rounds
Percent supportability to AFP SAA requirements (combat requirements)		108.12%
Percentage acceptance based on standards		98.00%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	925,031	944,794	1,076,164
General Fund R.A. No. 10633	925,031	944,794	1,076,164
Automatic Appropriations	51,389	12,962	13,435
Customs Duties and Taxes, including Tax Expenditures	38,225		
Retirement and Life Insurance Premiums	13,164	12,962	13,435
Continuing Appropriations	9,551	118,021	
Unobligated Releases for Capital Outlays R.A. No. 10352	361		
R.A. No. 10633		338	
Unobligated Releases for MOOE R.A. No. 10352	9,190		
R.A. No. 10633		117,683	
Budgetary Adjustment(s)	19,570		
Transfer(s) from: Miscellaneous Personnel Benefits Fund	12,538		
Pension and Gratuity Fund	7,032		
Total Available Appropriations	1,005,541	1,075,777	1,089,599
Unused Appropriations	(118,912)	(118,021)	
Unobligated Allotment	(118,912)	(118,021)	
TOTAL OBLIGATIONS	886,629	957,756	1,089,599
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Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,076,164,000
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
PROGRAMS				
0000010000000000 General Administration and Support	51,011,000	38,493,000		89,504,000
103001000100000 General management and supervision	P 45,621,000	P 38,493,000		P 84,114,000
103001000200000 Administration of Personnel Benefits	5,390,000			5,390,000
Sub-total, General Administration and Support	51,011,000	38,493,000		89,504,000

00000300000000	Operations	142,036,000	795,624,000	49,000,000	986,660,000
00000301000000	MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION	142,036,000	795,624,000	49,000,000	986,660,000
121003010100000	Planning and development of arms manufacturing processes and procedures	9,074,000	6,778,000		15,852,000
121003010200000	Manufacture, storage and security of small arms ammunition	132,962,000	788,846,000	49,000,000	970,808,000
	Sub-total, Operations	142,036,000	795,624,000	49,000,000	986,660,000
	TOTAL NEW APPROPRIATIONS	P 193,047,000 P	834,117,000 P	49,000,000 P	1,076,164,000
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Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	109,114	108,038	111,958
Total Permanent Positions	109,114	108,038	111,958
Other Compensation Common to All			
Personnel Economic Relief Allowance	13,936	13,800	14,376
Representation Allowance	690	390	348
Transportation Allowance	480	390	348
Clothing and Uniform Allowance	2,880	2,875	2,995
Productivity Incentive Allowance	1,156	1,150	
Year End Bonus	9,028	9,003	9,330
Cash Gift	2,895	2,875	2,995
Step Increment	131	270	722
Collective Negotiation Agreement	14,330		
Productivity Enhancement Incentive	2,866		2,995
Performance Based Bonus	6,671		
Total Other Compensation Common to All	55,063	30,753	34,109
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	141	300	300
Magna Carta for Science & Technology Personnel		36,417	36,417
Quarters Allowance	921	1,347	1,347
Hazard Pay	30,640		
Night Shift Differential Pay	1,314	804	804
Total Other Compensation for Specific Groups	33,016	38,868	38,868
Other Benefits			
Retirement and Life Insurance Premiums	13,123	12,962	13,435
PAG-IBIG Contributions	695	689	719
PhilHealth Contributions	1,285	1,237	1,285
Employees Compensation Insurance Premiums	697	689	718
Retirement Gratuity	1,443		798
Terminal Leave	5,613		4,592
Total Other Benefits	22,856	15,577	21,547
TOTAL PERSONNEL SERVICES	220,049	193,236	206,482
Maintenance and Other Operating Expenses			
Travelling Expenses	10,654	6,000	6,400
Training and Scholarship Expenses	4,843	4,400	4,450
Supplies and Materials Expenses	439,144	654,300	746,719
Utility Expenses	18,309	36,000	36,000
Communication Expenses	1,690		1,686
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	125	130	130

Professional Services	6,300	5,093	10,505
General Services	44,815	15,382	15,382
Repairs and Maintenance	22,593	10,055	8,650
Taxes, Insurance Premiums and Other Fees	38,897	2,087	2,087
Other Maintenance and Operating Expenses			
Advertising Expenses	366	296	300
Printing and Publication Expenses	53	64	64
Representation Expenses	925	607	610
Transportation and Delivery Expenses	116	920	948
Subscription Expenses	111	186	186
Other Maintenance and Operating Expenses	37,616		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>626,557</u>	<u>735,520</u>	<u>834,117</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>846,606</u>	<u>928,756</u>	<u>1,040,599</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures		29,000	
Machinery and Equipment Outlay	39,886		49,000
Furniture, Fixtures and Books Outlay	137		
TOTAL CAPITAL OUTLAYS	<u>40,023</u>	<u>29,000</u>	<u>49,000</u>
GRAND TOTAL	<u>886,629</u>	<u>957,756</u>	<u>1,089,599</u>

C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES

STRATEGIC OBJECTIVES

MANDATE	: To train and develop the skills and competence of potential national defense leaders, civilian officials of the different agencies and instrumentalities of government and selected executives from the private sector in the formulation and implementation of national security policies and for high command and staff duty. (Executive Order No. 292)
VISION	: To be the center of excellence in educational and policy development for strategic and dynamic leaders in national defense and security.
MISSION	: To prepare and develop potential national security leaders for high positions of responsibility and command, and undertake research and special studies geared toward the enhancement of national defense and security policy formulation and decision-making at the strategic level.
KEY RESULT AREAS	: Just and lasting peace and the rule of law
SECTOR OUTCOME	: Stable national security achieved
ORGANIZATIONAL OUTCOME	: 1. Defense and Security Leaders' Capacity Improved

SECTION 1 : EXPENDITURE PROGRAM (in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	<u>29,036,000</u>	<u>29,792,000</u>	<u>31,934,000</u>
	PS	14,219,000	14,286,000	16,096,000
	MOOE	14,817,000	15,506,000	15,838,000
000003000000000	Operations	<u>29,677,000</u>	<u>33,654,000</u>	<u>33,950,000</u>
	PS	14,596,000	15,268,000	15,177,000
	MOOE	15,081,000	18,386,000	18,773,000
	Projects		<u>88,472,000</u>	
	CO		88,472,000	

TOTAL AGENCY BUDGET	<u>58,713,000</u>	<u>151,918,000</u>	<u>65,884,000</u>
PS	28,815,000	29,554,000	31,273,000
MOOE	29,898,000	33,892,000	34,611,000
CO		88,472,000	

STAFFING SUMMARY

	<u>2014</u>	<u>2015</u>	<u>2016</u>
TOTAL STAFFING			
Total Number of Authorized Positions	65	64	64
Total Number of Filled Positions	60	59	59

PROPOSED 2016

OPERATIONS BY MFO	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES	14,169,000	18,773,000		32,942,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation (net of Central Office):	<u>29,123,000</u>	<u>34,611,000</u>		<u>63,734,000</u>
National Capital Region (NCR)	29,123,000	34,611,000		63,734,000
TOTAL AGENCY BUDGET	<u>29,123,000</u>	<u>34,611,000</u>		<u>63,734,000</u>

SECTION 3 : SPECIAL PROVISION(S)

- 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

Implementation of the Defense System of Management (DSOM) and the NDCP Roadmap.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	<u>Baseline</u>	<u>2016 Targets</u>
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Defense and Security Leaders' Capacity Improved

Percentage of Senior Leaders provided with
MNSA/SECNS program

86%

<u>MFO / PIs</u>	<u>2016 Targets</u>
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MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES

Number of scholars	65
Percentage of scholars who rate the program as good or better	91%
Percentage of program which commenced within 1 day of schedule	91%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	61,604	149,783	63,734
General Fund R.A. No. 10633	61,604	149,783	63,734
Automatic Appropriations	2,212	2,135	2,150
Retirement and Life Insurance Premiums	2,212	2,135	2,150
Continuing Appropriations	254	2,075	
Unobligated Releases for MOOE R.A. No. 10352 R.A. No. 10633	254	2,075	
Budgetary Adjustment(s)	740		
Transfer(s) from: Miscellaneous Personnel Benefits Fund	740		
Total Available Appropriations	64,810	153,993	65,884
Unused Appropriations	(6,097)	(2,075)	
Unobligated Allotment	(6,097)	(2,075)	
TOTAL OBLIGATIONS	58,713	151,918	65,884

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 63,734,000
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
PROGRAMS				
0000010000000000 General Administration and Support	14,954,000	15,838,000		30,792,000
1030010001000000 General management and supervision	P 13,776,000	P 15,838,000		P 29,614,000
1030010002000000 Administration of Personnel Benefits	1,178,000			1,178,000
Sub-total, General Administration and Support	14,954,000	15,838,000		30,792,000
0000030000000000 Operations	14,169,000	18,773,000		32,942,000
0000030100000000 MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES	14,169,000	18,773,000		32,942,000
2640030101000000 Conduct of national defense and strategic international studies	7,119,000	4,892,000		12,011,000
2640030102000000 Conduct of graduate level and other courses of studies	7,050,000	13,881,000		20,931,000
Sub-total, Operations	14,169,000	18,773,000		32,942,000
TOTAL NEW APPROPRIATIONS	P 29,123,000	P 34,611,000		P 63,734,000

Obligations, by Object of ExpendituresCYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	17,821	17,790	17,921
Total Permanent Positions	17,821	17,790	17,921
Other Compensation Common to All			
Personnel Economic Relief Allowance	1,446	1,440	1,416
Representation Allowance	373	348	450
Transportation Allowance	12	348	450
Clothing and Uniform Allowance	295	300	295
Productivity Incentive Allowance	120	120	
Honoraria	1,646	4,930	4,930
Year End Bonus	1,501	1,483	1,493
Cash Gift	305	300	295
Step Increment	2,085	44	89
Productivity Enhancement Incentive	306		295
Performance Based Bonus	425		
Total Other Compensation Common to All	8,514	9,313	9,713
Other Compensation for Specific Groups			
Lump-sum for filling of Positions - Civilian			1,178
Total Other Compensation for Specific Groups			1,178
Other Benefits			
Retirement and Life Insurance Premiums	2,142	2,135	2,150
PAG-IBIG Contributions	72	73	70
PhilHealth Contributions	194	170	171
Employees Compensation Insurance Premiums	72	73	70
Total Other Benefits	2,480	2,451	2,461
TOTAL PERSONNEL SERVICES	28,815	29,554	31,273
Maintenance and Other Operating Expenses			
Travelling Expenses	4,463	6,472	6,666
Training and Scholarship Expenses	673	1,312	1,351
Supplies and Materials Expenses	9,249	10,937	11,265
Utility Expenses	1,235	196	202
Communication Expenses	1,322	1,440	1,483
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	187	108	108
Professional Services	1,257	4,337	4,337
General Services	2,874	3,570	3,570
Repairs and Maintenance	2,273	1,600	1,649
Taxes, Insurance Premiums and Other Fees	413	440	440
Labor and Wages	404		
Other Maintenance and Operating Expenses			
Printing and Publication Expenses	298	400	412
Representation Expenses	1,266	1,595	1,643
Rent/Lease Expenses	883	1,150	1,150
Membership Dues and Contributions to Organizations		5	5
Subscription Expenses	243	330	330
Other Maintenance and Operating Expenses	2,858		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	29,898	33,892	34,611
TOTAL CURRENT OPERATING EXPENDITURES	58,713	63,446	65,884

Capital Outlays

Property, Plant and Equipment Outlay Buildings and Other Structures		88,472	
TOTAL CAPITAL OUTLAYS		88,472	
GRAND TOTAL	58,713	151,918	65,884

D. OFFICE OF CIVIL DEFENSE

STRATEGIC OBJECTIVES

MANDATE : The Office of Civil Defense shall administer a comprehensive national civil defense and disaster risk reduction and management program. (Section 8 of R.A. No. 10121).

VISION : A center for excellence in Disaster Risk Reduction and Management (DRRM) by 2020

MISSION : To administer a comprehensive national civil defense and DRRM program by providing leadership in the continuous development of strategic and systematic approaches as well as measures to reduce the vulnerabilities and risk to hazards and manage the consequences of disasters.

KEY RESULT AREAS : Integrity of the environment and climate change adaptation and mitigation

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL OUTCOME : 1. Province/City/Municipality (PCM) Disaster Risk Reduction and Management (DRRM) Councils Strengthened

SECTION 1 : EXPENDITURE PROGRAM
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	78,566,000	74,854,000	78,977,000
	PS	33,627,000	29,003,000	32,354,000
	MOOE	44,939,000	45,851,000	46,623,000
000003000000000	Operations	519,861,000	948,751,000	956,582,000
	PS	96,174,000	123,251,000	122,787,000
	MOOE	423,687,000	825,500,000	833,795,000
TOTAL AGENCY BUDGET		598,427,000	1,023,605,000	1,035,559,000
	PS	129,801,000	152,254,000	155,141,000
	MOOE	468,626,000	871,351,000	880,418,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	301	301	301
Total Number of Filled Positions	238	232	232

PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES	116,902,000	303,795,000		420,697,000
MFO 2: DISASTER MANAGEMENT OPERATIONS		530,000,000		530,000,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	147,692,000	880,418,000		1,028,110,000
National Capital Region (NCR)	147,692,000	880,418,000		1,028,110,000
TOTAL AGENCY BUDGET	147,692,000	880,418,000		1,028,110,000

SECTION 3 : SPECIAL PROVISION(S)

1. Quick Response Fund. The amount of Five Hundred Thirty Million Pesos (P530,000,000) appropriated herein for the Quick Response Fund (QRF) shall serve as a stand-by fund to be used for rehabilitation and relief programs and projects, including pre-positioning of goods and equipment in order that the situation and living conditions of people living in communities or areas stricken by calamities, epidemics, crises, and catastrophes, which occurred in the last quarter of the immediately preceding year and those occurring during the current year may be normalized as quickly as possible. In no case shall the QRF be used for pre-disaster activities or for any other purpose not authorized in this provision.

The Office of Civil Defense (OCD) shall submit to the DBM, the National Disaster Risk Reduction and Management Council, 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 utilization of the QRF. The Administrator of the OCD and the Office's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the OCD 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

The Office of Civil Defense shall accomplish its targets through a strategy of convergence and close collaboration and coordination with the Local Government Units (LGUs), National Government Agencies (NGAs), international partners and other stakeholders with the end in view of accomplishing its mandate with utmost dedication and most desired outputs.

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
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Province/City/Municipality (PCM) Disaster Risk Reduction and Management (DRRM) Councils Strengthened

Percentage (1,715 including ARMM and NCR) increase in the capability, preparedness and responsiveness of PCM to DRRM

80% of the total DRRM Councils of the 22 highly vulnerable provinces, 443 municipalities, 48 cities and 12,391 communities strategically located in the Major River Basins (MRBs)

MFO / PIs	2016 Targets
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MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES

Number of disaster risk management policies and plan developed and issued or reviewed, updated and disseminated	29
Percentage of stakeholders who rate the policies and plans as satisfactory or better	70%
Percentage of policies and plans developed and issued or reviewed, updated and disseminated in the last three (3) years	70%
Number of persons provided with disaster risk management reduction training	14,400
Number of training days	1,181
Percentage of trainees who rate quality of training as good or better	70%
Number of assignments for technical advisory assistance undertaken	1,296
Percentage of requests for training or technical advice acted upon within 3 days	70%

MFO 2: DISASTER MANAGEMENT OPERATIONS

Number of disaster operations response managed	210
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Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	<u>670,603</u>	<u>1,016,014</u>	<u>1,028,110</u>
General Fund		1,016,014	1,028,110
R.A. No. 10633	670,603		
Automatic Appropriations	<u>8,684</u>	<u>7,591</u>	<u>7,449</u>
Retirement and Life Insurance Premiums	8,684	7,591	7,449
Continuing Appropriations	<u>326,152</u>	<u>508,480</u>	
Unobligated Releases for MOOE			
R.A. No. 10352	326,152		
R.A. No. 10633		508,480	
Budgetary Adjustment(s)	<u>132,649</u>		
Transfer(s) from:			
Contingent Fund	84,415		
International Commitments Fund	8,671		
Miscellaneous Personnel Benefits Fund	26,476		
Pension and Gratuity Fund	13,087		
Total Available Appropriations	1,138,088	1,532,085	1,035,559
Unused Appropriations	(539,661)	(508,480)	
Unobligated Allotment	(539,661)	(508,480)	
TOTAL OBLIGATIONS	<u>598,427</u>	<u>1,023,605</u>	<u>1,035,559</u>
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Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,028,110,000
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
PROGRAMS				
0000010000000000 General Administration and Support	<u>30,790,000</u>	<u>46,623,000</u>		<u>77,413,000</u>
1030010001000000 General management and supervision	P 26,775,000	P 46,623,000		P 73,398,000
1030010003000000 Administration of Personnel Benefits	<u>4,015,000</u>			<u>4,015,000</u>
Sub-total, General Administration and Support	<u>30,790,000</u>	<u>46,623,000</u>		<u>77,413,000</u>

0000300000000	Operations	116,902,000	833,795,000	950,697,000
0000301000000	MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES	116,902,000	303,795,000	420,697,000
122003010100000	Planning, direction and coordination for civil defense	116,902,000	303,795,000	420,697,000
0000302000000	MFO 2: DISASTER MANAGEMENT OPERATIONS		530,000,000	530,000,000
292003020100000	Disaster response operations		530,000,000	530,000,000
	Sub-total, Operations	116,902,000	833,795,000	950,697,000
	TOTAL NEW APPROPRIATIONS	P 147,692,000	P 880,418,000	P 1,028,110,000
		=====	=====	=====

Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	64,041	63,258	62,075
Total Permanent Positions	64,041	63,258	62,075
Other Compensation Common to All			
Personnel Economic Relief Allowance	5,685	5,712	5,568
Representation Allowance	1,532	1,212	1,050
Transportation Allowance	437	1,212	1,050
Clothing and Uniform Allowance	1,181	1,190	1,160
Productivity Incentive Allowance	442	476	
Year End Bonus	5,531	5,271	5,173
Cash Gift	1,219	1,190	1,160
Step Increment		158	333
Productivity Enhancement Incentive	2,377		1,160
Performance Based Bonus	1,590		
Total Other Compensation Common to All	19,994	16,421	16,654
Other Benefits			
Retirement and Life Insurance Premiums	8,942	7,591	7,449
PAG-IBIG Contributions	268	287	278
PhilHealth Contributions	727	654	636
Employees Compensation Insurance Premiums	287	287	278
Retirement Gratuity	3,513		
Terminal Leave	9,574		4,015
Total Other Benefits	23,311	8,819	12,656
Non-Permanent Positions	22,455	63,756	63,756
TOTAL PERSONNEL SERVICES	129,801	152,254	155,141
Maintenance and Other Operating Expenses			
Travelling Expenses	15,449	47,097	59,220
Training and Scholarship Expenses	39,384	236,463	182,161
Supplies and Materials Expenses	290,678	475,101	503,141
Utility Expenses	4,169	4,660	5,570
Communication Expenses	12,503	34,699	38,453
Awards/Rewards and Prizes	9,777	12,078	12,816

Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	149	167	167
Professional Services		9,372	3,414
General Services	6,493	1,825	5,110
Repairs and Maintenance	71,540	7,000	2,169
Taxes, Insurance Premiums and Other Fees	1,038	7,600	2,741
Other Maintenance and Operating Expenses			
Advertising Expenses	385	350	863
Printing and Publication Expenses	525	10,150	8,645
Representation Expenses	14,129	2,375	45,006
Transportation and Delivery Expenses	472	2,459	800
Rent/Lease Expenses	1,506	15,880	9,621
Subscription Expenses	429	500	446
Donations		75	75
Other Maintenance and Operating Expenses		3,500	
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>468,626</u>	<u>871,351</u>	<u>880,418</u>
GRAND TOTAL	<u>598,427</u>	<u>1,023,605</u>	<u>1,035,559</u>

E. PHILIPPINE VETERANS AFFAIRS OFFICE (PROPER)

STRATEGIC OBJECTIVES

MANDATE	: The PVAO shall provide immediate and adequate care, benefits, and other forms of assistance to war veterans and veterans of military campaigns, their surviving spouses and orphans. (Sec. 7, Art XVI, 1987 Philippine Constitution and Executive Order No. 292).
VISION	: A dynamic, committed, and effective organization imbued with the highest standards of integrity, competence, and professionalism in delivering benefits and services to all veterans, and their beneficiaries, promoting their general welfare and perpetuating the memory of heroic deeds
MISSION	: Deliver Veterans' benefits and services with utmost dedication, efficiency and compassion to improve their general welfare and to perpetuate the memory of Veterans' heroic deeds
KEY RESULT AREAS	: 1. Poverty reduction and empowerment of the poor and vulnerable 2. Just and lasting peace and the rule of law
SECTOR OUTCOME	: Stable national security environment achieved
ORGANIZATIONAL OUTCOME	: 1. Filipinos' appreciation and gratitude for veterans' service demonstrated

SECTION 1 : EXPENDITURE PROGRAM (in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
00000100000000	General Administration and Support	<u>10,694,430,000</u>	<u>72,022,000</u>	<u>86,062,000</u>
	PS	10,657,906,000	30,167,000	33,995,000
	MOOE	36,524,000	41,855,000	42,709,000
	CO			9,358,000
00000300000000	Operations	<u>324,502,000</u>	<u>313,814,000</u>	<u>384,979,000</u>
	PS	87,582,000	80,391,000	82,642,000
	MOOE	234,201,000	233,423,000	300,137,000
	CO	2,719,000		2,200,000
	Projects	<u>7,860,000</u>		<u>19,471,000</u>
	MOOE			6,466,000
	CO	7,860,000		13,005,000

TOTAL AGENCY BUDGET	11,026,792,000	385,836,000	490,512,000
PS	10,745,488,000	110,558,000	116,637,000
MOOE	270,725,000	275,278,000	349,312,000
CO	10,579,000		24,563,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	406	406	406
Total Number of Filled Positions	348	340	340

PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM	65,392,000	274,958,000		340,350,000
MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES	10,240,000	25,179,000	2,200,000	37,619,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	107,298,000	349,312,000	24,563,000	481,173,000
National Capital Region (NCR)	107,298,000	349,312,000	24,563,000	481,173,000
TOTAL AGENCY BUDGET	107,298,000	349,312,000	24,563,000	481,173,000

SECTION 3 : 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 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

Immediate and adequate care, benefits and other forms of assistance to war veterans and veterans of military campaigns, their surviving spouses and orphans.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Filipinos' appreciation and gratitude for veterans' service demonstrated		
Timely payment of regular pension and benefits		100% of regular pension paid on or before the end of the corresponding pension month

MFO / PIs	2016 Targets
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM	
Number of pension and other benefit payments made	220,352
Number of pensioners and beneficiaries	184,001
Percentage of payments made over the last three (3) years that are found to be invalid	0.50%
Percentage of valid benefit claims made within 10 working days of receipt of completed documents	90%
Percentage of regular pension payments made into the beneficiaries accounts on the due date	100%
MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES	
Number of shrines maintained	7
Number of veteran commemorative events managed	13
Percentage of stakeholders who rated the commemorative events as good or better	90%
Percentage of shrine visitors who rated the facility maintenance and customer service as good or better	90%
Percentage of commemorative events that are completed according to program schedule	100%
Percentage of shrines that are maintained on a daily basis	100%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	394,983	376,538	481,173
General Fund		376,538	481,173
R.A. No. 10633	394,983		
Automatic Appropriations	9,179	9,298	9,339
Retirement and Life Insurance Premiums	9,179	9,298	9,339
Continuing Appropriations	6	18,724	
Unobligated Releases for Capital Outlays			
R.A. No. 10633		12,421	
Unobligated Releases for MOOE			
R.A. No. 10352	6		
R.A. No. 10633		6,303	
Budgetary Adjustment(s)	10,643,852		
Transfer(s) from:			
Contingent Fund	15,250		
Miscellaneous Personnel Benefits Fund	8,694		
Pension and Gratuity Fund	10,619,908		
Total Available Appropriations	11,048,020	404,560	490,512
Unused Appropriations	(21,228)	(18,724)	
Unobligated Allotment	(21,228)	(18,724)	
TOTAL OBLIGATIONS	11,026,792	385,836	490,512
	=====	=====	=====

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 481,173,000
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New Appropriations, by Programs/Activities/Projects

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
000001000000000	General Administration and Support	31,666,000	42,709,000	9,358,000	83,733,000
103001000100000	General management and supervision	P 27,195,000	P 42,709,000	P 9,358,000	P 79,262,000
103001000200000	Administration of Personnel Benefits	4,471,000			4,471,000
Sub-total, General Administration and Support		31,666,000	42,709,000	9,358,000	83,733,000
000003000000000	Operations	75,632,000	300,137,000	2,200,000	377,969,000
000003010000000	MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM	65,392,000	274,958,000		340,350,000
000003010100000	Processing of veterans pensions' and other benefits	65,392,000	274,958,000		340,350,000
282003010100001	Processing of veterans' claims	50,181,000	31,581,000		81,762,000
282003010100002	For educational benefits, expanded hospitalization program and burial benefits of veterans, their wives and dependents pursuant to R.A. Nos. 6948 and 7696		216,598,000		216,598,000
282003010100003	For the investigation, verification of records, strengthening of internal control system and conduct of management and system audit	12,700,000	17,968,000		30,668,000
282003010100004	Policy formulation for the promotion of veterans' welfare	2,511,000	8,811,000		11,322,000
000003020000000	MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES	10,240,000	25,179,000	2,200,000	37,619,000
000003020100000	Administration and development of national military shrines	10,240,000	25,179,000	2,200,000	37,619,000
242003020100001	Administration and management of national military shrines	10,240,000	19,821,000	2,200,000	32,261,000
242003020100002	Celebration of veteran-related events		5,358,000		5,358,000
Sub-total, Operations		75,632,000	300,137,000	2,200,000	377,969,000
TOTAL PROGRAMS AND ACTIVITIES		P 107,298,000	P 342,846,000	P 11,558,000	P 461,702,000
		=====	=====	=====	=====
000004000000000	Locally-Funded Projects		6,466,000	13,005,000	19,471,000
000004100000000	Governance		6,466,000	13,005,000	19,471,000
000004100100000	General Public Services		6,466,000	13,005,000	19,471,000
103004100100003	Implementation of ISSP Phase I		6,466,000	13,005,000	19,471,000
Sub-total, Locally-Funded Project(s)			6,466,000	13,005,000	19,471,000
TOTAL PROJECTS			P 6,466,000	P 13,005,000	P 19,471,000
			=====	=====	=====
TOTAL NEW APPROPRIATIONS		P 107,298,000	P 349,312,000	P 24,563,000	P 481,173,000
		=====	=====	=====	=====

Obligations, by Object of ExpendituresCYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	76,752	77,475	77,825
Total Permanent Positions	<u>76,752</u>	<u>77,475</u>	<u>77,825</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	8,071	8,160	8,160
Representation Allowance	794	648	600
Transportation Allowance	493	648	600
Clothing and Uniform Allowance	1,685	1,700	1,700
Productivity Incentive Allowance	666	680	
Honoraria	1,800	1,800	1,800
Year End Bonus	6,568	6,456	6,485
Cash Gift	1,667	1,700	1,700
Step Increment	135	192	446
Collective Negotiation Agreement	8,448		
Productivity Enhancement Incentive	1,708		1,700
Performance Based Bonus	5,430		
Total Other Compensation Common to All	<u>37,465</u>	<u>21,984</u>	<u>23,191</u>
Other Compensation for Specific Groups			
Longevity Pay	410	150	
Other Personnel Benefits	136		150
Total Other Compensation for Specific Groups	<u>546</u>	<u>150</u>	<u>150</u>
Other Benefits			
Retirement and Life Insurance Premiums	9,180	9,298	9,339
PAG-IBIG Contributions	403	409	409
PhilHealth Contributions	832	836	845
Employees Compensation Insurance Premiums	402	406	407
Retirement Gratuity			3,186
Terminal Leave	1,863		1,285
Total Other Benefits	<u>12,680</u>	<u>10,949</u>	<u>15,471</u>
Other Personnel Benefits			
Pension, Veterans	10,618,045		
Total Other Personnel Benefits	<u>10,618,045</u>		
TOTAL PERSONNEL SERVICES	<u>10,745,488</u>	<u>110,558</u>	<u>116,637</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	2,581	2,600	2,700
Training and Scholarship Expenses	3,076	2,400	2,938
Supplies and Materials Expenses	26,888	26,810	27,445
Utility Expenses	12,671	12,810	13,194
Communication Expenses	9,502	16,006	16,421
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	628	380	380
Professional Services	16,427	14,403	20,403
General Services	15,905	16,030	16,030
Repairs and Maintenance	17,043	12,705	13,086
Taxes, Insurance Premiums and Other Fees	401	435	500
Other Maintenance and Operating Expenses			
Advertising Expenses	297	350	373
Printing and Publication Expenses	2,503	3,853	3,957
Representation Expenses	8,775	8,000	8,240
Transportation and Delivery Expenses	5	68	70
Rent/Lease Expenses	4,303	6,080	6,227

Subscription Expenses	60	750	750
Donations	149,660	151,598	216,598
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	270,725	275,278	349,312
TOTAL CURRENT OPERATING EXPENDITURES	11,016,213	385,836	465,949
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	7,860		
Machinery and Equipment Outlay			12,765
Transportation Equipment Outlay	2,719		
Heritage Assets			2,200
Intangible Assets Outlay			9,598
TOTAL CAPITAL OUTLAYS	10,579		24,563
GRAND TOTAL	11,026,792	385,836	490,512

F. VETERANS MEMORIAL MEDICAL CENTER

STRATEGIC OBJECTIVES

MANDATE	: The Veterans Memorial Medical Center shall be the primary medical facility for the hospitalization and medical care of eligible veterans and dependents. (Section 16 of R.A. No. 6948)
VISION	: VMMC has envisioned to render premium medical services to the veterans and their dependents through a comprehensive health care system characterized by excellence, dedication and commitment.
MISSION	: The Four-Fold Mission: 1. PATIENT CARE - to provide the best possible medical care and treatment for eligible veterans and their dependents. 2. EDUCATION AND TRAINING - to provide an integrated, comprehensive and progressive educational training program in medical and allied fields not only for its staff and personnel but also to Fellows, Residents, Interns and Undergraduate students. 3. RESEARCH - to develop and master the research capabilities and potential of the Medical Center by initiating, encouraging and promoting basic clinical and laboratory research. 4. CIVIC ACTION AND OUTREACH PROGRAM - to provide basic medical services to nearby communities and to support the civic action program of the national government.
KEY RESULT AREAS	: 1. Poverty reduction and empowerment of the poor and vulnerable 2. Just and lasting peace and the rule of law
SECTOR OUTCOME	: Stable national security environment achieved
ORGANIZATIONAL OUTCOME	: 1. Quality Health Care Services to Veterans and their Dependents provided

SECTION 1 : EXPENDITURE PROGRAM (in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
00000100000000	General Administration and Support	263,551,000	236,356,000	343,254,000
	PS	140,573,000	78,248,000	167,539,000
	MOOE	122,978,000	124,108,000	152,839,000
	CO		34,000,000	22,876,000
00000300000000	Operations	769,055,000	679,484,000	766,907,000
	PS	451,991,000	356,791,000	422,484,000
	MOOE	286,069,000	297,693,000	306,423,000
	CO	30,995,000	25,000,000	38,000,000

TOTAL AGENCY BUDGET	1,032,606,000	915,840,000	1,110,161,000
PS	592,564,000	435,039,000	590,023,000
MOOE	409,047,000	421,801,000	459,262,000
CO	30,995,000	59,000,000	60,876,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	1,408	1,408	1,408
Total Number of Filled Positions	1,102	1,321	1,321

PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS	385,349,000	306,423,000	38,000,000	729,772,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	547,947,000	459,262,000	60,876,000	1,068,085,000
National Capital Region (NCR)	547,947,000	459,262,000	60,876,000	1,068,085,000
TOTAL AGENCY BUDGET	547,947,000	459,262,000	60,876,000	1,068,085,000

SECTION 3 : SPECIAL PROVISION(S)

- 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 (VMMC) 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 VMMC 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: PROVIDED, That 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 VMMC 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 VMMC 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 VMMC and the hospital's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the VMMC website.

- 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

Adequate medical support and services to the veterans and their dependents by providing the needed medicines and diagnostic services and by upgrading hospital facilities and equipment.

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Quality Health Care Services to Veterans and their Dependents provided		
Adherence to DOH Quality Control Standards of Hospital Operations		85% of the admitted patient recovered / improved

MFO / PIs	2016 Targets
MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS	
In-Patient Care	
Number of in-patients treated	7,500
Percentage of hospital separations that are due to discharge	85%
Percentage of discharged patients who returned unscheduled within 3 months with the same condition	15%
Out-Patient Services	
Number of out-patients treated	146,000
Number of emergency department treatments	15,000
Percentage of patients attended to within 30 minutes upon arrival	80%
Percentage of triage 3 or less urgent emergency department patients who are attended within 30 minutes	100%

Appropriations/Obligations

(In Thousand Pesos)

Description	2014	2015	2016
New General Appropriations	979,095	884,248	1,068,085
General Fund		884,248	1,068,085
R.A. No. 10633	979,095		
Automatic Appropriations	32,474	31,592	42,076
Retirement and Life Insurance Premiums	32,474	31,592	42,076
Continuing Appropriations	4	53,578	
Unobligated Releases for Capital Outlays			
R.A. No. 10633		52,405	
Unobligated Releases for MOOE			
R.A. No. 10352	4		
R.A. No. 10633		1,173	
Budgetary Adjustment(s)	74,616		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	59,281		
Pension and Gratuity Fund	15,335		
Total Available Appropriations	1,086,189	969,418	1,110,161
Unused Appropriations	(53,583)	(53,578)	
Unobligated Allotment	(53,583)	(53,578)	
TOTAL OBLIGATIONS	1,032,606	915,840	1,110,161
	=====	=====	=====

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 1,068,085,000
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
0000010000000000 General Administration and Support	162,598,000	152,839,000	22,876,000	338,313,000
103001000100000 General management and supervision	P 132,267,000	P 152,839,000	P 22,876,000	P 307,982,000
103001000200000 Administration of Personnel Benefits	30,331,000			30,331,000
Sub-total, General Administration and Support	162,598,000	152,839,000	22,876,000	338,313,000
0000030000000000 Operations	385,349,000	306,423,000	38,000,000	729,772,000
000003010000000 MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS	385,349,000	306,423,000	38,000,000	729,772,000
000003010100000 Hospitalization and Medical Care and Treatment	385,349,000	306,423,000	38,000,000	729,772,000
223003010100001 In-Patient care	364,364,000	265,495,000	38,000,000	667,859,000
222003010100002 Out-Patient care	20,985,000	40,928,000		61,913,000
Sub-total, Operations	385,349,000	306,423,000	38,000,000	729,772,000
TOTAL NEW APPROPRIATIONS	P 547,947,000	P 459,262,000	P 60,876,000	P 1,068,085,000
	=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2014-2016
 (In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	264,523	263,262	350,630
Total Permanent Positions	264,523	263,262	350,630
Other Compensation Common to All			
Personnel Economic Relief Allowance	27,072	26,424	31,680
Representation Allowance	395	432	432
Transportation Allowance	395	432	432
Clothing and Uniform Allowance	5,825	5,510	6,605
Productivity Incentive Allowance	2,152	2,204	
Year End Bonus	22,850	21,938	29,219
Cash Gift	5,776	5,510	6,605
Step Increment		659	1,850
Productivity Enhancement Incentive	20,079		6,605
Total Other Compensation Common to All	84,544	63,109	83,428

Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	85,379	71,674	76,863
Lump-sum for filling of Positions - Civilian			17,154
Total Other Compensation for Specific Groups	<u>85,379</u>	<u>71,674</u>	<u>94,017</u>
Other Benefits			
Retirement and Life Insurance Premiums	32,768	31,592	42,076
PAG-IBIG Contributions	1,397	1,321	1,586
PhilHealth Contributions	3,167	2,766	3,529
Employees Compensation Insurance Premiums	1,380	1,315	1,580
Terminal Leave	15,334		13,177
Total Other Benefits	<u>54,046</u>	<u>36,994</u>	<u>61,948</u>
Non-Permanent Positions	<u>104,072</u>		
TOTAL PERSONNEL SERVICES	<u>592,564</u>	<u>435,039</u>	<u>590,023</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	71	46	150
Training and Scholarship Expenses	932	500	1,800
Supplies and Materials Expenses	277,248	315,782	324,512
Utility Expenses	79,145	68,300	94,043
Communication Expenses	1,463	1,315	1,515
Awards/Rewards and Prizes		250	250
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	119	110	110
Professional Services	27,589	6,656	6,656
General Services	16,576	16,167	17,551
Repairs and Maintenance	2,449	4,360	4,360
Taxes, Insurance Premiums and Other Fees	1,770	732	732
Other Maintenance and Operating Expenses			
Advertising Expenses		50	50
Representation Expenses		250	250
Rent/Lease Expenses	1,656	7,250	7,250
Subscription Expenses	29	33	33
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>409,047</u>	<u>421,801</u>	<u>459,262</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,001,611</u>	<u>856,840</u>	<u>1,049,285</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay			15,000
Buildings and Other Structures		30,000	17,500
Machinery and Equipment Outlay	30,995	25,000	28,376
Transportation Equipment Outlay		4,000	
TOTAL CAPITAL OUTLAYS	<u>30,995</u>	<u>59,000</u>	<u>60,876</u>
GRAND TOTAL	<u>1,032,606</u>	<u>915,840</u>	<u>1,110,161</u>

G. PHILIPPINE ARMY (LAND FORCES)

STRATEGIC OBJECTIVES

MANDATE	: The PA organizes, trains and equips forces for the conduct of prompt and sustained operations on land. (Executive Order No. 292)
VISION	: By 2028, a world-class Army that is a source of national pride
MISSION	: To develop, organize, train, equip, support, and sustain Army forces for the conduct of prompt and sustained ground operations to accomplish the AFP's mission
KEY RESULT AREAS	: Just and lasting peace and the rule of law

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL OUTCOME : 1. Level of mission capability of Army Units in Ground Operations Attained

**SECTION 1 : EXPENDITURE PROGRAM
(in pesos)**

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	6,757,578,000	3,516,096,000	5,005,332,000
	PS	6,255,811,000	2,653,659,000	4,064,157,000
	MOOE	485,495,000	862,437,000	887,014,000
	CO	16,272,000		54,161,000
000002000000000	Support to Operations	2,009,410,000	1,910,369,000	2,549,873,000
	PS	1,321,290,000	1,388,928,000	1,904,634,000
	MOOE	688,120,000	506,707,000	633,539,000
	CO		14,734,000	11,700,000
000003000000000	Operations	35,151,525,000	36,029,018,000	39,741,857,000
	PS	30,508,215,000	30,547,670,000	33,686,290,000
	MOOE	4,638,397,000	5,257,772,000	6,045,167,000
	CO	4,913,000	223,576,000	10,400,000
	Projects	70,000	25,000,000	
	CO	70,000	25,000,000	
TOTAL AGENCY BUDGET		43,918,583,000	41,480,483,000	47,297,062,000
	PS	38,085,316,000	34,590,257,000	39,655,081,000
	MOOE	5,812,012,000	6,626,916,000	7,565,720,000
	CO	21,255,000	263,310,000	76,261,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,670	1,670	1,670
Total Number of Filled Positions	899	1,068	1,068
Military			
Total Number of Authorized Positions	85,570	85,825	85,825
Total Number of Filled Positions	85,570	85,825	85,825

PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	33,686,290,000	6,045,167,000	10,400,000	39,741,857,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	39,629,278,000	7,565,720,000	76,261,000	47,271,259,000
National Capital Region (NCR)	39,629,278,000	7,565,720,000	76,261,000	47,271,259,000
TOTAL AGENCY BUDGET	39,629,278,000	7,565,720,000	76,261,000	47,271,259,000

SECTION 3 : 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 and recorded as trust receipts shall be used to augment its operating requirements in accordance with Sections 1 and 2 of E.O. No. 1002, s. 1985.

The Philippine Army shall submit to the DBM, 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 status of the trust receipts. 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 number of existing CAFGU members recruited for training and the corresponding costs attendant thereto shall not be increased and be gradually scaled down in anticipation of its planned demobilization in view of the implementation of the Revised AFP Modernization Program.

The Philippine Army shall submit to the DBM, the House Committee on Appropriations and 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. 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. 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

Alignment with the Army Transformation Roadmap (ATR) and the Defense System of Management (DSOM) thru the PA Strategic Management System (SMS).

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2016 Targets</u>
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Level of mission capability of Army Units in Ground Operations Attained

Percentage of Ground Force Units Provided to Unified Commands	90%
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MFO / PIs

2016 Targets

MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES

Number and Readiness level of tactical units	
Percentage of operational readiness of tactical battalions	72%
Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%
Number of tactical battalions maintained	189
Number and Readiness level of reserve units	
Number of ready reserve battalions maintained	81
Percentage of operational readiness of ready reserve battalions	72%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	40,869,600	41,459,781	47,271,259
General Fund		41,459,781	47,271,259
R.A. No. 10633	40,869,600		
Automatic Appropriations	80,060	20,702	25,803
Customs Duties and Taxes, including Tax Expenditures	56,500		
Retirement and Life Insurance Premiums	23,560	20,702	25,803
Continuing Appropriations	135,609	644,001	
Unobligated Releases for Capital Outlays			
R.A. No. 10633		57,915	
Unobligated Releases for MOOE			
R.A. No. 10352	135,609		
R.A. No. 10633		586,086	
Budgetary Adjustment(s)	3,522,730		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	1,188,239		
Pension and Gratuity Fund	2,334,491		
Total Available Appropriations	44,607,999	42,124,484	47,297,062
Unused Appropriations	(689,416)	(644,001)	
Unobligated Allotment	(689,416)	(644,001)	
TOTAL OBLIGATIONS	43,918,583	41,480,483	47,297,062
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Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 47,271,259,000
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
0000010000000000 General Administration and Support	4,038,354,000	887,014,000	54,161,000	4,979,529,000
1030010001000000 General management and supervision	P 2,822,364,000	P 887,014,000	P 54,161,000	P 3,763,539,000
1030010002000000 Administration of Personnel Benefits	1,215,990,000			1,215,990,000
Sub-total, General Administration and Support	4,038,354,000	887,014,000	54,161,000	4,979,529,000
0000020000000000 Support to Operations	1,904,634,000	633,539,000	11,700,000	2,549,873,000
1210020001000000 Force-Level Support Services	1,904,634,000	633,539,000	11,700,000	2,549,873,000
Sub-total, Support to Operations	1,904,634,000	633,539,000	11,700,000	2,549,873,000
0000030000000000 Operations	33,686,290,000	6,045,167,000	10,400,000	39,741,857,000
0000030100000000 MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	33,686,290,000	6,045,167,000	10,400,000	39,741,857,000
1210030101000000 Force Development		669,875,000		669,875,000
1210030102000000 Force Sustainment	33,686,290,000	5,375,292,000	10,400,000	39,071,982,000
Sub-total, Operations	33,686,290,000	6,045,167,000	10,400,000	39,741,857,000
TOTAL NEW APPROPRIATIONS	P 39,629,278,000	P 7,565,720,000	P 76,261,000	P 47,271,259,000
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Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	196,334	172,526	215,023
Total Permanent Positions	196,334	172,526	215,023
Other Compensation Common to All			
Personnel Economic Relief Allowance	24,552	21,576	25,632
Representation Allowance	240	180	240
Transportation Allowance	240	180	240
Clothing and Uniform Allowance	5,115	4,495	5,340
Productivity Incentive Allowance	2,046	1,798	
Honoraria	27,247	106	106
Overtime Pay	1,049		
Year End Bonus	16,361	14,380	17,919
Cash Gift	5,115	4,495	5,340

Step Increment	1,345	432	1,320
Productivity Enhancement Incentive	4,995		5,340
Total Other Compensation Common to All	<u>88,305</u>	<u>47,642</u>	<u>61,477</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	71,435	15,855	15,855
Hazard Pay	246,441	247,175	
Longevity Pay			4,896
Other Personnel Benefits	144,820		
Total Other Compensation for Specific Groups	<u>462,696</u>	<u>263,030</u>	<u>20,751</u>
Other Benefits			
Retirement and Life Insurance Premiums	23,560	20,702	25,803
PAG-IBIG Contributions	1,228	1,079	1,282
PhilHealth Contributions	2,276	2,011	2,513
Employees Compensation Insurance Premiums	1,224	1,074	1,279
Retirement Gratuity	103,925		10,371
Terminal Leave	38,687		3,424
Total Other Benefits	<u>170,900</u>	<u>24,866</u>	<u>44,672</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	18,695,614	18,755,183	18,747,122
Total Basic Pay	<u>18,695,614</u>	<u>18,755,183</u>	<u>18,747,122</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,053,580	2,059,800	2,059,800
Clothing/ Uniform Allowance	957,578	795,943	795,943
Subsistence Allowance	4,859,107	4,867,485	8,112,476
Laundry Allowance	33,175	33,268	33,268
Quarters Allowance	435,603	437,105	437,104
Productivity Incentive Allowance	171,140	171,650	
Longevity Pay	3,535,101	3,506,681	3,765,825
Year-end Bonus	1,383,471	1,562,932	1,562,261
Cash Gift	427,850	429,125	429,125
Productivity Enhancement Incentive	427,850		429,125
Performance Based Bonus	755,394		
Total Other Compensation Common to All	<u>15,039,849</u>	<u>13,863,989</u>	<u>17,624,927</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	133,179	133,179	133,179
Hazard Duty Pay			247,176
Special Duty Allowance	700		
Flying Pay	10,410	10,410	10,410
Hardship Allowance	399		
Combat Duty Pay	343,992	345,486	345,486
Instructor's Duty Pay	86,923	145,268	145,268
Reservist's Pay	202,858	224,605	253,306
Medal of Valor Award	6,540	6,600	6,600
Specialist's Pay	1,505		
Parachutist Pay	27,494	170,475	170,475
Total Other Compensation for Specific Groups	<u>814,000</u>	<u>1,036,023</u>	<u>1,311,900</u>
Other Benefits			
Special Group Term Insurance	6,161	6,160	6,179
PAG-IBIG Contributions	102,684	102,991	102,990
PhilHealth Contributions	214,210	214,856	214,855
Employees Compensation Insurance Premiums	102,684	102,991	102,990
Terminal Leave	2,191,879		1,202,195
Total Other Benefits	<u>2,617,618</u>	<u>426,998</u>	<u>1,629,209</u>
TOTAL PERSONNEL SERVICES	<u>38,085,316</u>	<u>34,590,257</u>	<u>39,655,081</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	274,829	272,407	280,579
Training and Scholarship Expenses	197,883	235,134	243,908
Supplies and Materials Expenses	3,247,483	3,485,532	3,713,262
Utility Expenses	448,269	464,592	478,530
Communication Expenses	153,421	133,860	137,875
Awards/Rewards and Prizes	14,262	1,450	1,450

Survey, Research, Exploration and Development Expenses	752	5,000	5,000
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	44,000	44,000	44,000
Professional Services	9,387	26,864	27,664
General Services	4,816	7,600	7,600
Repairs and Maintenance	729,090	1,324,388	1,881,621
Taxes, Insurance Premiums and Other Fees	139,956	96,107	96,107
Labor and Wages	92,170	15,533	15,533
Other Maintenance and Operating Expenses			
Advertising Expenses	1,622	5,499	5,664
Printing and Publication Expenses	15,675	16,160	16,645
Representation Expenses	327,756	417,733	485,617
Transportation and Delivery Expenses	13,315	56,964	58,673
Rent/Lease Expenses	17,592	12,475	24,373
Membership Dues and Contributions to Organizations	620	538	538
Subscription Expenses	3,503	5,080	5,081
Other Maintenance and Operating Expenses	75,611		36,000
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	5,812,012	6,626,916	7,565,720
TOTAL CURRENT OPERATING EXPENDITURES	43,897,328	41,217,173	47,220,801
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay			910
Buildings and Other Structures		25,000	
Machinery and Equipment Outlay	4,913	237,888	72,001
Transportation Equipment Outlay	16,342		
Furniture, Fixtures and Books Outlay		422	
Intangible Assets Outlay			3,350
TOTAL CAPITAL OUTLAYS	21,255	263,310	76,261
GRAND TOTAL	43,918,583	41,480,483	47,297,062

H. PHILIPPINE AIR FORCE (AIR FORCE)

STRATEGIC OBJECTIVES

MANDATE	: The PAF organizes, trains and equips forces for the conduct of prompt and sustained air operations for the defense of the Philippines (Executive Order No. 292).
VISION	: A professional and competent Air Force responsive to national security and development
MISSION	: To organize, train, equip and maintain forces in order to conduct prompt and sustained air operations to accomplish the AFP mission.
KEY RESULT AREAS	: Just and lasting peace and the rule of law
SECTOR OUTCOME	: Stable national security environment achieved
ORGANIZATIONAL OUTCOME	: 1. Level of mission capability of Air Force Units in Air Operations Attained

SECTION 1 : EXPENDITURE PROGRAM (in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
00000100000000	General Administration and Support	1,863,536,000	901,148,000	1,381,169,000
	PS	1,448,384,000	468,726,000	894,032,000
	MOOE	415,152,000	432,422,000	446,456,000
	CO			40,681,000

000002000000000	Support to Operations	1,867,264,000	1,910,734,000	2,204,352,000
	PS	1,618,968,000	1,655,236,000	1,941,499,000
	MOOE	248,296,000	255,498,000	262,853,000
000003000000000	Operations	9,778,279,000	11,878,441,000	11,788,815,000
	PS	5,418,488,000	5,255,137,000	5,554,148,000
	MOOE	4,256,931,000	5,786,789,000	5,901,027,000
	CO	102,860,000	836,515,000	333,640,000
	Projects		20,000,000	
	CO		20,000,000	
TOTAL AGENCY BUDGET		13,509,079,000	14,710,323,000	15,374,336,000
	PS	8,485,840,000	7,379,099,000	8,389,679,000
	MOOE	4,920,379,000	6,474,709,000	6,610,336,000
	CO	102,860,000	856,515,000	374,321,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,827	1,827	1,827
Total Number of Filled Positions	915	939	939
Military			
Total Number of Authorized Positions	17,520	17,612	17,612
Total Number of Filled Positions	16,489	16,982	16,982

PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	5,546,087,000	5,901,027,000	333,640,000	11,780,754,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	8,368,710,000	6,610,336,000	374,321,000	15,353,367,000
National Capital Region (NCR)	8,368,710,000	6,610,336,000	374,321,000	15,353,367,000
TOTAL AGENCY BUDGET	8,368,710,000	6,610,336,000	374,321,000	15,353,367,000

SECTION 3 : SPECIAL PROVISION(S)

- 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 and recorded as trust receipts shall be used to augment its operating requirements in accordance with Sections 1 and 2 of E.O. No. 1002.

The Philippine Air Force shall submit to the DBM, 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 status of the trust receipts. 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. 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.
5. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

Increasing PAF readiness to achieve the Command thrusts of POWER-UP PAF consistent with the Defense Planning Guidance 2014-2019

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
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Level of mission capability of Air Force Units in Air Operations Attained

Percentage of Air Force Units Provided to Unified Commands		85%
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MFO / PIs	2016 Targets
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MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES

Aircraft Maintenance Readiness Rate	70%
Percentage of accomplishment of one (1) hour response time to flight-directed mission	85%
Number of Supportable Aircraft Maintained	140

Appropriations/Obligations

(In Thousand Pesos)

Description	2014	2015	2016
New General Appropriations	12,455,977	14,687,813	15,353,367
General Fund		14,687,813	15,353,367
R.A. No. 10633	12,455,977		
Automatic Appropriations	31,147	22,510	20,969
Customs Duties and Taxes, including Tax Expenditures	3,254		
Retirement and Life Insurance Premiums	27,893	22,510	20,969

Continuing Appropriations	<u>208</u>		
Unobligated Releases for Capital Outlays R.A. No. 10352	208		
Budgetary Adjustment(s)	<u>1,029,792</u>		
Transfer(s) from:			
Contingent Fund	1,992		
Miscellaneous Personnel Benefits Fund	334,431		
Pension and Gratuity Fund	<u>693,369</u>		
Total Available Appropriations	13,517,124	14,710,323	15,374,336
Unused Appropriations	<u>(8,045)</u>		
Unobligated Allotment	<u>(8,045)</u>		
TOTAL OBLIGATIONS	<u>13,509,079</u>	<u>14,710,323</u>	<u>15,374,336</u>

Proposed New Appropriations Language
 For general administration and support, support to operations, and operations, as indicated hereunder.....P 15,353,367,000
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
0000010000000000 General Administration and Support	<u>886,261,000</u>	<u>446,456,000</u>	<u>40,681,000</u>	<u>1,373,398,000</u>
103001000100000 General management and supervision	P 434,750,000	P 446,456,000	P 40,681,000	P 921,887,000
103001000200000 Administration of Personnel Benefits	<u>451,511,000</u>			<u>451,511,000</u>
Sub-total, General Administration and Support	<u>886,261,000</u>	<u>446,456,000</u>	<u>40,681,000</u>	<u>1,373,398,000</u>
0000020000000000 Support to Operations	<u>1,936,362,000</u>	<u>262,853,000</u>		<u>2,199,215,000</u>
121002000100000 Force-Level Support Services	<u>1,936,362,000</u>	<u>262,853,000</u>		<u>2,199,215,000</u>
Sub-total, Support to Operations	<u>1,936,362,000</u>	<u>262,853,000</u>		<u>2,199,215,000</u>
0000030000000000 Operations	<u>5,546,087,000</u>	<u>5,901,027,000</u>	<u>333,640,000</u>	<u>11,780,754,000</u>
000003010000000 MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	<u>5,546,087,000</u>	<u>5,901,027,000</u>	<u>333,640,000</u>	<u>11,780,754,000</u>
121003010100000 Force Development	2,779,526,000	2,650,462,000	320,837,000	5,750,825,000
121003010200000 Force Sustainment	<u>2,766,561,000</u>	<u>3,250,565,000</u>	<u>12,803,000</u>	<u>6,029,929,000</u>
Sub-total, Operations	5,546,087,000	5,901,027,000	333,640,000	11,780,754,000
TOTAL NEW APPROPRIATIONS	P <u>8,368,710,000</u>	P <u>6,610,336,000</u>	P <u>374,321,000</u>	P <u>15,353,367,000</u>

Obligations, by Object of ExpendituresCYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	175,027	187,565	174,746
Total Permanent Positions	175,027	187,565	174,746
Other Compensation Common to All			
Personnel Economic Relief Allowance	21,122	23,856	22,536
Representation Allowance	180	180	60
Transportation Allowance	180	180	60
Clothing and Uniform Allowance	4,480	4,970	4,695
Productivity Incentive Allowance	1,744	1,988	
Year End Bonus	13,944	15,629	14,563
Cash Gift	4,432	4,970	4,695
Step Increment		466	1,131
Productivity Enhancement Incentive	4,340		4,695
Performance Based Bonus	11,869		
Total Other Compensation Common to All	62,291	52,239	52,435
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	71,215	15,036	15,036
Longevity Pay	2,974	4,934	3,305
Special Duty Allowance	617		
Lump-sum for Personnel Services	109,582		
Other Personnel Benefits	3,467		
Total Other Compensation for Specific Groups	187,855	19,970	18,341
Other Benefits			
Retirement and Life Insurance Premiums	20,056	22,510	20,969
PAG-IBIG Contributions	1,052	1,185	1,127
PhilHealth Contributions	1,963	2,173	2,036
Employees Compensation Insurance Premiums	1,049	1,179	1,121
Retirement Gratuity	68,791		14,773
Terminal Leave			5,624
Total Other Benefits	92,911	27,047	45,650
Military/Uniformed Personnel			
Basic Pay			
Base Pay	3,885,126	3,937,754	3,999,831
Total Basic Pay	3,885,126	3,937,754	3,999,831
Other Compensation Common to All			
Personnel Economic Relief Allowance	371,776	393,432	407,568
Clothing/ Uniform Allowance	209,522	154,227	188,394
Subsistence Allowance	523,432	538,510	929,766
Laundry Allowance	6,682	6,630	6,844
Quarters Allowance	91,281	91,305	91,298
Productivity Incentive Allowance	30,928	32,786	
Longevity Pay	823,481	833,090	834,954
Year-end Bonus	325,436	328,145	333,319
Cash Gift	79,992	81,965	84,910
Productivity Enhancement Incentive	81,905		84,910
Performance Based Bonus	126,735		
Total Other Compensation Common to All	2,671,170	2,460,090	2,961,963
Other Compensation for Specific Groups			
Hazardous Duty Pay	107,717	91,517	91,517
Hazard Duty Pay	46,282	47,212	48,908
Flying Pay	395,336	370,518	370,518
Hardship Allowance	11,696	6,190	6,190
Combat Duty Pay	30,029	33,744	33,744
Instructor's Duty Pay	33,589	33,675	33,675

Reservist's Pay	49,355	21,310	28,584
Medal of Valor Award	600	1,200	1,200
Hospitalization Expenses	17,237		
Specialist's Pay	3,848	153	153
Parachutist Pay	4,506	3,726	3,726
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)			225,536
Total Other Compensation for Specific Groups	<u>700,195</u>	<u>609,245</u>	<u>843,751</u>
Other Benefits			
Special Group Term Insurance	1,326	1,174	1,223
PAG-IBIG Contributions	18,909	19,671	20,378
PhilHealth Contributions	46,543	44,673	45,405
Employees Compensation Insurance Premiums	19,909	19,671	20,378
Retirement Gratuity	624,578		
Terminal Leave			205,578
Total Other Benefits	<u>711,265</u>	<u>85,189</u>	<u>292,962</u>
TOTAL PERSONNEL SERVICES	<u>8,485,840</u>	<u>7,379,099</u>	<u>8,389,679</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	171,784	240,651	249,518
Training and Scholarship Expenses	56,872	57,668	83,358
Supplies and Materials Expenses	1,431,801	1,859,681	2,048,480
Utility Expenses	414,933	334,321	344,351
Communication Expenses	38,039	39,792	40,206
Awards/Rewards and Prizes	50	1,550	1,550
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	44,151	12,447	
Intelligence Expenses	17,000	17,000	17,000
Professional Services	5,650	5,662	5,662
General Services	4,108	13,821	13,821
Repairs and Maintenance	2,531,267	3,688,811	3,582,658
Taxes, Insurance Premiums and Other Fees	13,943	19,166	19,166
Other Maintenance and Operating Expenses			
Advertising Expenses	1,093	1,550	1,597
Printing and Publication Expenses	5,399	5,561	5,727
Representation Expenses	177,806	160,596	177,861
Transportation and Delivery Expenses	2,802	9,293	9,571
Rent/Lease Expenses	1,717	2,171	2,171
Membership Dues and Contributions to Organizations	47	45	45
Subscription Expenses	1,917	3,420	3,420
Donations		1,500	1,500
Other Maintenance and Operating Expenses		3	2,674
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>4,920,379</u>	<u>6,474,709</u>	<u>6,610,336</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>13,406,219</u>	<u>13,853,808</u>	<u>15,000,015</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay			237,834
Buildings and Other Structures		804,515	83,003
Machinery and Equipment Outlay		50,000	53,484
Transportation Equipment Outlay	102,860		
Furniture, Fixtures and Books Outlay		2,000	
TOTAL CAPITAL OUTLAYS	<u>102,860</u>	<u>856,515</u>	<u>374,321</u>
GRAND TOTAL	<u>13,509,079</u>	<u>14,710,323</u>	<u>15,374,336</u>

I. PHILIPPINE NAVY (NAVAL FORCES)

STRATEGIC OBJECTIVES

MANDATE : The Philippine Navy organizes, trains and equips forces for the conduct of prompt and sustained naval operations. (Executive Order No. 292)

VISION : By 2020, we shall be a strong and credible Navy that our maritime nation can be proud of.

MISSION : To organize, train, equip, maintain, develop and deploy forces for prompt and sustained naval maritime operations to accomplish the AFP mission

KEY RESULT AREAS : Just and lasting peace and the rule of law

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL OUTCOME : 1. Level of mission capability of Navy units in Naval Operations Attained

SECTION 1 : EXPENDITURE PROGRAM
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	2,029,064,000	1,743,899,000	2,837,466,000
	PS	1,466,097,000	1,101,735,000	2,180,134,000
	MOOE	561,457,000	642,164,000	657,332,000
	CO	1,510,000		
000002000000000	Support to Operations	2,819,569,000	1,715,838,000	2,143,386,000
	PS	2,269,074,000	1,140,974,000	1,532,194,000
	MOOE	550,495,000	574,864,000	591,192,000
	CO			20,000,000
000003000000000	Operations	9,664,574,000	9,978,858,000	11,262,779,000
	PS	6,698,304,000	6,123,659,000	6,594,238,000
	MOOE	2,922,635,000	3,381,086,000	4,503,952,000
	CO	43,635,000	474,113,000	164,589,000
	Projects	21,686,000	24,000,000	
	CO	21,686,000	24,000,000	
TOTAL AGENCY BUDGET		14,534,893,000	13,462,595,000	16,243,631,000
	PS	10,433,475,000	8,366,368,000	10,306,566,000
	MOOE	4,034,587,000	4,598,114,000	5,752,476,000
	CO	66,831,000	498,113,000	184,589,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,419	1,419	1,419
Total Number of Filled Positions	510	785	785
Military			
Total Number of Authorized Positions	23,180	23,312	23,312
Total Number of Filled Positions	21,914	21,910	21,910

OPERATIONS BY MFO	PROPOSED 2016			
	PS	MOOE	CO	TOTAL
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	6,594,238,000	4,503,952,000	164,589,000	11,262,779,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	10,287,153,000	5,752,476,000	184,589,000	16,224,218,000
National Capital Region (NCR)	10,287,153,000	5,752,476,000	184,589,000	16,224,218,000
TOTAL AGENCY BUDGET	10,287,153,000	5,752,476,000	184,589,000	16,224,218,000

SECTION 3 : SPECIAL PROVISION(S)

- 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.

- Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Navy and recorded as trust receipts shall be used to augment its operating requirements in accordance with Sections 1 and 2 of E.O. No. 1002.

The Philippine Navy shall submit to the DBM, 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 status of the trust receipts. 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.

- 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.
- 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.
- 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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

To provide the Operational Commanders with the best mix of forces, equipment, and support attainable within fiscal constraints through a systematic, strategy-driven, capability-based processes in order to perform prompt and sustained naval operations.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Level of mission capability of Navy units in Naval Operations Attained		
Percentage of Naval Units Provided to Unified Commands		100%

MFO / PIs	2016 Targets
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	
Number of mission-ready fleet marine units	124
Percentage of readiness of fleet marine units	78.02%
Number of mission-ready support and sustainment units	59
Percentage of readiness of support and sustainment units	61.97%
Average response time of fleet units that can be mobilized as instructed by higher authorities	24 hours
Average response time of marine units that can be mobilized as instructed by higher authorities	6 hours

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	13,874,987	13,450,574	16,224,218
General Fund		13,450,574	16,224,218
R.A. No. 10633	13,874,987		
Automatic Appropriations	16,241	12,021	19,413
Retirement and Life Insurance Premiums	16,241	12,021	19,413
Continuing Appropriations	1,939	648,595	
Unobligated Releases for Capital Outlays			
R.A. No. 10633		240,377	
Unobligated Releases for MOOE			
R.A. No. 10352	1,939		
R.A. No. 10633		408,218	
Budgetary Adjustment(s)	1,296,559		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	286,973		
Pension and Gratuity Fund	1,009,586		
Total Available Appropriations	15,189,726	14,111,190	16,243,631
Unused Appropriations	(654,833)	(648,595)	
Unobligated Allotment	(654,833)	(648,595)	
TOTAL OBLIGATIONS	14,534,893	13,462,595	16,243,631

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 16,224,218,000
=====

New Appropriations, by Programs/Activities/Projects

	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
PROGRAMS				
0000010000000000 General Administration and Support	2,161,911,000	657,332,000		2,819,243,000
103001000100000 General management and supervision	P 1,652,813,000	P 657,332,000		P 2,310,145,000
103001000200000 Administration of Personnel Benefits	509,098,000			509,098,000
Sub-total, General Administration and Support	2,161,911,000	657,332,000		2,819,243,000
0000020000000000 Support to Operations	1,531,004,000	591,192,000	20,000,000	2,142,196,000
121002000100000 Force-Level Support Services	1,531,004,000	591,192,000	20,000,000	2,142,196,000
Sub-total, Support to Operations	1,531,004,000	591,192,000	20,000,000	2,142,196,000
0000030000000000 Operations	6,594,238,000	4,503,952,000	164,589,000	11,262,779,000
000003010000000 MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	6,594,238,000	4,503,952,000	164,589,000	11,262,779,000
121003010100000 Force Development	5,993,330,000	3,029,905,000	164,589,000	9,187,824,000
121003010200000 Force Sustainment	600,908,000	1,474,047,000		2,074,955,000
Sub-total, Operations	6,594,238,000	4,503,952,000	164,589,000	11,262,779,000
TOTAL NEW APPROPRIATIONS	P 10,287,153,000	P 5,752,476,000	P 184,589,000	P 16,224,218,000

Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	95,689	100,191	161,775
Total Permanent Positions	95,689	100,191	161,775
Other Compensation Common to All			
Personnel Economic Relief Allowance	11,887	12,480	18,840
Representation Allowance	453		180
Transportation Allowance	676		180
Clothing and Uniform Allowance	2,505	2,600	3,925
Productivity Incentive Allowance	1,010	1,040	
Year End Bonus	8,278	8,347	13,481
Cash Gift	2,480	2,600	3,925
Step Increment		250	981
Productivity Enhancement Incentive	2,485		3,925
Performance Based Bonus	8,274		
Total Other Compensation Common to All	38,048	27,317	45,437

Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	46,039	10,175	11,975
Hazard Pay	65,526	56,183	
Longevity Pay	3,253	4,955	3,643
Other Personnel Benefits	1,023		
Total Other Compensation for Specific Groups	<u>115,841</u>	<u>71,313</u>	<u>15,618</u>
Other Benefits			
Retirement and Life Insurance Premiums	11,436	12,021	19,413
PAG-IBIG Contributions	593	622	942
PhilHealth Contributions	1,141	1,161	1,857
Employees Compensation Insurance Premiums	593	622	942
Retirement Gratuity			13,918
Terminal Leave	26,398		3,682
Total Other Benefits	<u>40,161</u>	<u>14,426</u>	<u>40,754</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	4,980,864	4,756,652	5,329,847
Total Basic Pay	<u>4,980,864</u>	<u>4,756,652</u>	<u>5,329,847</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	494,564	468,192	525,840
Clothing/ Uniform Allowance	200,078	85,829	91,594
Subsistence Allowance	664,194	640,838	1,199,573
Laundry Allowance	17,956	8,032	8,947
Quarters Allowance	113,468	109,762	124,559
Productivity Incentive Allowance	49,046	39,016	
Longevity Pay	1,158,425	1,115,195	1,096,579
Year-end Bonus	415,399	396,389	444,154
Cash Gift	102,760	97,540	109,550
Productivity Enhancement Incentive	102,910		109,550
Performance Based Bonus	173,304		
Total Other Compensation Common to All	<u>3,492,104</u>	<u>2,960,793</u>	<u>3,710,346</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	165,202	81,945	81,945
Overseas Allowance	15,737	12,000	12,000
Hazard Duty Pay			63,101
Flying Pay	31,633	30,356	30,356
Sea Duty Pay	188,439	127,461	127,690
Reenlistment Pay		19,010	19,010
Hardship Allowance	40,169	10,000	10,000
Combat Duty Pay	57,159	18,894	18,894
Instructor's Duty Pay	47,157	20,211	20,211
Reservist's Pay	163	3,106	3,106
Medal of Valor Award	2,575	720	720
Specialist's Pay		229	
Parachutist Pay	36,339	10,000	10,000
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)			258,794
Total Other Compensation for Specific Groups	<u>584,573</u>	<u>333,932</u>	<u>655,827</u>
Other Benefits			
Special Group Term Insurance	1,488	1,395	1,578
PAG-IBIG Contributions	24,225	23,410	26,292
PhilHealth Contributions	58,837	53,529	60,096
Employees Compensation Insurance Premiums	24,690	23,410	26,292
Terminal Leave	976,955		232,704
Total Other Benefits	<u>1,086,195</u>	<u>101,744</u>	<u>346,962</u>
TOTAL PERSONNEL SERVICES	<u>10,433,475</u>	<u>8,366,368</u>	<u>10,306,566</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	29,871	27,499	78,742
Training and Scholarship Expenses	28,711	29,614	72,831
Supplies and Materials Expenses	2,380,371	2,674,082	3,153,059
Utility Expenses	338,229	362,465	367,064
Communication Expenses	51,516	59,429	66,292

Awards/Rewards and Prizes	125	353	
Survey, Research, Exploration and Development Expenses	185	185	
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	6,207	6,268	
Intelligence Expenses	34,749	34,749	34,749
Professional Services	113,034	129,970	27,506
General Services	5,999	6,000	13,422
Repairs and Maintenance	935,723	1,117,769	1,761,525
Taxes, Insurance Premiums and Other Fees	41,024	44,731	44,730
Other Maintenance and Operating Expenses			
Advertising Expenses			142
Printing and Publication Expenses	4,151	7,167	12,735
Representation Expenses	3,185	3,491	67,693
Transportation and Delivery Expenses	27,372	51,664	2,973
Rent/Lease Expenses	14,990	22,935	22,935
Subscription Expenses	1,993	2,000	8,337
Other Maintenance and Operating Expenses	17,152	17,743	17,741
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>4,034,587</u>	<u>4,598,114</u>	<u>5,752,476</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>14,468,062</u>	<u>12,964,482</u>	<u>16,059,042</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay			1,250
Infrastructure Outlay			21,869
Buildings and Other Structures	19,706	24,000	87,787
Machinery and Equipment Outlay		50,000	73,683
Transportation Equipment Outlay	47,125	422,113	
Furniture, Fixtures and Books Outlay		2,000	
TOTAL CAPITAL OUTLAYS	<u>66,831</u>	<u>498,113</u>	<u>184,589</u>
GRAND TOTAL	<u>14,534,893</u>	<u>13,462,595</u>	<u>16,243,631</u>

J. GENERAL HEADQUARTERS, AFP AND AFP WIDE SERVICE SUPPORT UNITS (AFPWSSUS)

STRATEGIC OBJECTIVES

MANDATE	: 1. GHQ :	GHQ, AFP shall prepare strategic plans and provide for the strategic direction of the AFP, including the direction of operations of unified or specified commands (Executive Order No. 292).
	2. AFPMC:	The AFPMC provides comprehensive quality tertiary health care services to AFP personnel, dependents, and authorized civilians through consultation and treatment in all health care fields of specialties; and complete diagnostic, therapeutic, and ancillary services.
	3. PMA :	The PMA is mandated to instruct, train and develop cadets to possess the character, the broad and basic military skills, and the education essential to the successful pursuit of a progressive military career.
	4. PSG :	The PSG is tasked to provide security to the President of the Republic of the Philippines. It secures and protects the members of the First Family; visiting heads of States and Governments; the President's residences, offices, and places of presidential engagements and its environs.
VISION	: 1. GHQ :	A world class AFP, source of national pride by 2028.
	2. AFPMC:	To sustain quality health care and allied medical services to the members of the AFP and other beneficiaries
	3. PMA :	To attain the institutional vision to be the premier leadership school of the country
	4. PSG :	To sustain security services provided to the President of the Republic of the Philippines, official First Family and visiting Heads of States and Governments
MISSION	: 1. GHQ :	To exercise command, direction of all AFP units to protect and secure the sovereignty of the state and the integrity of the national territory
	2. AFPMC:	To provide comprehensive quality tertiary health care services to AFP personnel and other beneficiaries
	3. PMA :	To instruct, train and develop cadets to possess the character, the broad and basic military skills, and the education essential to the successful pursuit of a progressive military career
	4. PSG :	To protect the President of the Republic of the Philippines and his immediate family; visiting heads of state, government and other dignitaries as the President may direct

KEY RESULT AREAS : Just and lasting peace and the rule of law

SECTOR OUTCOME : Stable national security environment achieved

ORGANIZATIONAL OUTCOME : 1. Sovereignty of the State and the Filipino people protected

SECTION 1 : EXPENDITURE PROGRAM
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	36,697,921,000	1,104,832,000	2,666,989,000
	PS	34,951,135,000	665,073,000	2,224,719,000
	MOOE	1,021,694,000	423,898,000	442,270,000
	CO	725,092,000	15,861,000	
000003000000000	Operations	5,205,909,000	5,149,057,000	5,287,321,000
	PS	1,762,577,000	1,661,576,000	1,752,697,000
	MOOE	3,246,486,000	3,413,327,000	3,508,769,000
	FinEx		19,000	19,000
	CO	196,846,000	74,135,000	25,836,000
	Projects	9,763,932,000	20,024,000,000	25,000,000,000
	CO	9,763,932,000	20,024,000,000	25,000,000,000
TOTAL AGENCY BUDGET		51,667,762,000	26,277,889,000	32,954,310,000
	PS	36,713,712,000	2,326,649,000	3,977,416,000
	MOOE	4,268,180,000	3,837,225,000	3,951,039,000
	FinEx		19,000	19,000
	CO	10,685,870,000	20,113,996,000	25,025,836,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	3,946	3,946	3,946
Total Number of Filled Positions	1,752	2,557	2,557
Military			
Total Number of Authorized Positions	3,510	3,031	3,031
Total Number of Filled Positions	2,762	2,457	2,457

OPERATIONS BY MFO	PROPOSED 2016				
	PS	MOOE	FinEx	CO	TOTAL
MFO 1: MILITARY POLICY ADVISORY SERVICES	276,378,000	421,368,000			697,746,000
MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES	426,372,000	1,597,285,000	19,000		2,023,676,000
MFO 3: TERTIARY HEALTH CARE SERVICES	374,340,000	1,040,767,000			1,415,107,000
MFO 4: MILITARY EDUCATION SERVICES	487,703,000	199,093,000		24,000,000	710,796,000
MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES	163,763,000	250,256,000		1,836,000	415,855,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	PS	MOOE	FinEx	CO	TOTAL
Regional Allocation (net of Central Office):	3,915,201,000	3,951,039,000	19,000	25,025,836,000	32,892,095,000
National Capital Region (NCR)	3,343,608,000	3,790,704,000	19,000	25,001,836,000	32,136,167,000
Cordillera Administrative Region (CAR)	571,593,000	160,335,000		24,000,000	755,928,000
TOTAL AGENCY BUDGET	3,915,201,000	3,951,039,000	19,000	25,025,836,000	32,892,095,000

SECTION 3 : SPECIAL PROVISION(S)

1. Budget Priorities Framework. The Secretary of National Defense is authorized to allocate the amounts appropriated herein in pursuance of the modernization of the AFP in accordance with the Budget Priorities Framework under National Budget Memorandum No. 124 dated March 30, 2015 in order to sustain rapid growth and inclusive development subject to budgeting laws, rules and regulations.
2. 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.

3. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the AFP and recorded as trust receipts shall be used to augment its operating requirements in accordance with Sections 1 and 2 of E.O. No. 1002.

The General Headquarters of the AFP shall submit to the DBM, 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 status of the trust receipts. 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 from Firearms License Fees. Thirty percent (30%) net proceeds of the firearms license fees collected by the PNP and recorded as trust receipts 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 in accordance with DBM-DILG JC No. 1-92 dated May 8, 1992 and E.O. No. 338, s. 1996.

The AFP shall submit to the DBM, 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 status of the trust receipts, 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.

5. Trust Receipts for the United Nations Peacekeeping Operations. The funds provided by the United Nations for the peacekeeping operations shall be recorded as trust receipts and 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 the trust receipts shall first be used to reimburse any advances made by the National Government to fund the foregoing requirements.
6. 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.

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 DND shall submit to the DBM, 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.

7. 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 JC No. 2015-01 dated January 8, 2015 and such other guidelines issued by agencies concerned.

8. **Bilateral Engagements.** The amounts appropriated for bilateral engagements shall be administered by the General Headquarters of the AFP. Any material, 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.
9. **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.
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:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

- a) GHQ : AFP Internal Peace and Security Plan "Bayanihan"
- b) AFPMC: To sustain quality health care and allied medical services to the members of the AFP and other beneficiaries
- c) PMA : To attain the institutional vision to be the premier leadership school of the country
- d) PSG : To sustain security services provided to the President of the Republic of the Philippines, official First Family and visiting Heads of States and Governments

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Sovereignty of the State and the Filipino people protected		
Sovereign area covered for detection and identification of intrusions in the West Philippine Sea (WPS)		33% Air Domain in WPS 18% Maritime Domain
Number of Provinces normalized where the LGU can be primarily responsible for law and order		17
Operational readiness of AFP Units for Humanitarian Assistance and Disaster Response (Training and MEE)		80%
<u>MFO / PIs</u>		<u>2016 Targets</u>
MFO 1: MILITARY POLICY ADVISORY SERVICES		
Number of military plans and policies formulated and adopted/issued		43
Percentage of adopted/issued military plans and policies rated satisfactory or better by both external and internal clients		90%
Percentage of adopted/issued military plans and policies implemented within fifteen (15) days after official issuance thereof		90%
MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES		
Number of command and control activities undertaken		82,573
Percentage of C2 activities successfully undertaken		90%
Average number of hours spent in a day to fully implement a single C2 activity		24 hours

MFO 3: TERTIARY HEALTH CARE SERVICES	
TREATMENT PROCEDURES	
Number of patients that received treatment	10,852
Percentage of patients treated and return to duty	90%
Percentage of patients treated within the accepted Length of Stay (LOS) per case	90%
HEALTH SERVICE EDUCATION & TRAINING	
Number of trainings conducted	211
Percentage of trainings conducted that contribute to training readiness	90%
Percentage of trainings conducted within the prescribed training procedures	100%
JOINT MEDICAL SERVICE SUPPORT OPERATIONS	
Number of Medical and Surgical Team Dispatch	50
Percentage of readiness of team dispatched	90%
Percentage of team dispatched within 24 hours upon notice	80%
MFO 4: MILITARY EDUCATION SERVICES	
PRE-COMMISSION TRAINING AND EDUCATION	
Number of cadets/students trained	1,036
Percentage of cadets who rated the course satisfactory or better	95%
POST-COMMISSION TRAINING	
Number of personnel trained	150
Number of reservist training to be conducted	60
MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES	
SECURITY OPERATIONS DURING PRESIDENTIAL ENGAGEMENTS	
Number of security operations for presidential engagement	432
Percentage of successful security operations for presidential engagement	100%
Percentage of presidential engagement wherein security have been deployed on the required period in accordance with the Command's SOP	100%
SECURITY OPERATIONS DURING FIRST FAMILY ENGAGEMENTS	
Number of security operations for first family engagement	5,500
Percentage of successful security operations for first family engagements	100%
SECURITY OPERATIONS FOR FOREIGN VISITING HEADS OF STATE/GOVERNMENT	
Number of security operations during head of state/government visit	28
Percentage of successful security operations during head of state/government visit	100%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	11,316,201	26,235,210	32,892,095
General Fund		26,235,210	32,892,095
R.A. No. 10633	11,316,201		
Automatic Appropriations	3,132,066	42,679	62,215
Customs Duties and Taxes, including Tax Expenditures	640,001		
Military Camps Sales Proceeds Fund	1,584,293		
Retirement and Life Insurance Premiums	47,143	42,679	62,215
Special Account	860,629		
Continuing Appropriations	225,529	421,820	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10633		200,000	
Unobligated Releases for Capital Outlays			
R.A. No. 10352	222,653		
R.A. No. 10633		38,998	
Unobligated Releases for MOOE			
R.A. No. 10352	2,876		
R.A. No. 10633		182,822	
Budgetary Adjustment(s)	39,528,464		
Transfer(s) from:			
Contingent Fund	291,969		
Miscellaneous Personnel Benefits Fund	236,592		
Pension and Gratuity Fund	34,055,471		
Unprogrammed Fund (AFPMP)	4,944,432		
Total Available Appropriations	54,202,260	26,699,709	32,954,310

Unused Appropriations	(2,534,498)	(421,820)	
Unreleased Appropriation	(200,000)	(200,000)	
Unobligated Allotment	(2,334,498)	(221,820)	
TOTAL OBLIGATIONS	51,667,762	26,277,889	32,954,310
	=====	=====	=====

Proposed New Appropriations Language
 For general administration and support, and operations, including locally-funded project, as indicated hereunder.....
P 32,892,095,000
 =====

New Appropriations, by Programs/Activities/Projects, by Operating Units

		<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						
000001000000000	General Administration and Support	<u>2,186,645,000</u>	<u>442,270,000</u>			<u>2,628,915,000</u>
103001000100000	General management and supervision	P <u>946,897,000</u>	P <u>442,270,000</u>			P <u>1,389,167,000</u>
	National Capital Region (NCR)	<u>946,897,000</u>	<u>442,270,000</u>			<u>1,389,167,000</u>
	General Headquarters - Proper	<u>946,897,000</u>	<u>442,270,000</u>			<u>1,389,167,000</u>
103001000200000	Administration of Personnel Benefits	<u>1,239,748,000</u>				<u>1,239,748,000</u>
	National Capital Region (NCR)	<u>1,152,588,000</u>				<u>1,152,588,000</u>
	Armed Forces of the Philippines Medical Center	<u>60,772,000</u>				<u>60,772,000</u>
	General Headquarters - Proper	<u>1,088,390,000</u>				<u>1,088,390,000</u>
	Presidential Security Group	<u>3,426,000</u>				<u>3,426,000</u>
	Cordillera Administrative Region (CAR)	<u>87,160,000</u>				<u>87,160,000</u>
	Philippine Military Academy	<u>87,160,000</u>				<u>87,160,000</u>
	Sub-total, General Administration and Support	<u>2,186,645,000</u>	<u>442,270,000</u>			<u>2,628,915,000</u>
000003000000000	Operations	<u>1,728,556,000</u>	<u>3,508,769,000</u>	<u>19,000</u>	<u>25,836,000</u>	<u>5,263,180,000</u>
000003010000000	MFO 1: MILITARY POLICY ADVISORY SERVICES	<u>276,378,000</u>	<u>421,368,000</u>			<u>697,746,000</u>
127003010100000	Military policy and plans formulation	<u>276,378,000</u>	<u>421,368,000</u>			<u>697,746,000</u>
	National Capital Region (NCR)	<u>276,378,000</u>	<u>421,368,000</u>			<u>697,746,000</u>
	General Headquarters - Proper	<u>276,378,000</u>	<u>421,368,000</u>			<u>697,746,000</u>

000003020000000	MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES	<u>426,372,000</u>	<u>1,597,285,000</u>	<u>19,000</u>	<u>2,023,676,000</u>
127003020100000	Strategic lift and mobility		<u>106,715,000</u>		<u>106,715,000</u>
	National Capital Region (NCR)		<u>106,715,000</u>		<u>106,715,000</u>
	General Headquarters - Proper		106,715,000		106,715,000
121003020200000	Joint force preparedness (Bilateral Engagements)		<u>47,071,000</u>		<u>47,071,000</u>
	National Capital Region (NCR)		<u>47,071,000</u>		<u>47,071,000</u>
	General Headquarters - Proper		47,071,000		47,071,000
121003020300000	Ordinance Build-up		<u>4,000,000</u>		<u>4,000,000</u>
	National Capital Region (NCR)		<u>4,000,000</u>		<u>4,000,000</u>
	General Headquarters - Proper		4,000,000		4,000,000
000003020400000	Planning, Command and Management of Joint Military Operations	<u>426,372,000</u>	<u>1,439,499,000</u>	<u>19,000</u>	<u>1,865,890,000</u>
127003020400001	Military strategic planning	<u>202,055,000</u>	<u>117,541,000</u>	<u>19,000</u>	<u>319,615,000</u>
	National Capital Region (NCR)	<u>202,055,000</u>	<u>117,541,000</u>	<u>19,000</u>	<u>319,615,000</u>
	General Headquarters - Proper	202,055,000	117,541,000	19,000	319,615,000
121003020400002	Joint operational command and control	<u>223,318,000</u>	<u>367,266,000</u>		<u>590,584,000</u>
	National Capital Region (NCR)	<u>223,318,000</u>	<u>367,266,000</u>		<u>590,584,000</u>
	General Headquarters - Proper	223,318,000	367,266,000		590,584,000
123003020400003	International humanitarian and peacekeeping operations		<u>8,607,000</u>		<u>8,607,000</u>
	National Capital Region (NCR)		<u>8,607,000</u>		<u>8,607,000</u>
	General Headquarters - Proper		8,607,000		8,607,000
121003020400004	Joint special operations	<u>999,000</u>	<u>946,085,000</u>		<u>947,084,000</u>
	National Capital Region (NCR)	<u>999,000</u>	<u>946,085,000</u>		<u>947,084,000</u>
	General Headquarters - Proper	999,000	946,085,000		947,084,000
000003030000000	MFO 3: TERTIARY HEALTH CARE SERVICES	<u>374,340,000</u>	<u>1,040,767,000</u>		<u>1,415,107,000</u>
223003030100000	Tertiary Health Care (AFP Medical Center)	<u>374,340,000</u>	<u>1,040,767,000</u>		<u>1,415,107,000</u>
	National Capital Region (NCR)	<u>374,340,000</u>	<u>1,040,767,000</u>		<u>1,415,107,000</u>
	Armed Forces of the Philippines Medical Center	374,340,000	1,040,767,000		1,415,107,000
000003040000000	MFO 4: MILITARY EDUCATION SERVICES	<u>487,703,000</u>	<u>199,093,000</u>	<u>24,000,000</u>	<u>710,796,000</u>
264003040100000	Pre-Commission Officer Training (Philippine Military Academy)	<u>484,433,000</u>	<u>160,335,000</u>	<u>24,000,000</u>	<u>668,768,000</u>
	Cordillera Administrative Region (CAR)	<u>484,433,000</u>	<u>160,335,000</u>	<u>24,000,000</u>	<u>668,768,000</u>
	Philippine Military Academy	484,433,000	160,335,000	24,000,000	668,768,000

121003040200000	Joint education and training	<u>1,820,000</u>	<u>28,704,000</u>		<u>30,524,000</u>
	National Capital Region (NCR)	<u>1,820,000</u>	<u>28,704,000</u>		<u>30,524,000</u>
	General Headquarters - Proper	1,820,000	28,704,000		30,524,000
121003040300000	Reserve force administration and training	<u>1,450,000</u>	<u>10,054,000</u>		<u>11,504,000</u>
	National Capital Region (NCR)	<u>1,450,000</u>	<u>10,054,000</u>		<u>11,504,000</u>
	General Headquarters - Proper	1,450,000	10,054,000		11,504,000
000003050000000	MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES	<u>163,763,000</u>	<u>250,256,000</u>	<u>1,836,000</u>	<u>415,855,000</u>
141003050100000	Presidential Security and Protection (Presidential Security Group)	<u>163,763,000</u>	<u>250,256,000</u>	<u>1,836,000</u>	<u>415,855,000</u>
	National Capital Region (NCR)	<u>163,763,000</u>	<u>250,256,000</u>	<u>1,836,000</u>	<u>415,855,000</u>
	Presidential Security Group	<u>163,763,000</u>	<u>250,256,000</u>	<u>1,836,000</u>	<u>415,855,000</u>
Sub-total, Operations		<u>1,728,556,000</u>	<u>3,508,769,000</u>	<u>19,000</u>	<u>5,263,180,000</u>
TOTAL PROGRAMS AND ACTIVITIES		<u>P 3,915,201,000</u>	<u>P 3,951,039,000</u>	<u>P 19,000</u>	<u>P 7,892,095,000</u>
		=====	=====	=====	=====
000004000000000	Locally-Funded Projects			<u>25,000,000,000</u>	<u>25,000,000,000</u>
000004100000000	Governance			<u>25,000,000,000</u>	<u>25,000,000,000</u>
000004100200000	Defense			<u>25,000,000,000</u>	<u>25,000,000,000</u>
121004100200001	Revised AFP Modernization Program			<u>25,000,000,000</u>	<u>25,000,000,000</u>
	National Capital Region (NCR)			<u>25,000,000,000</u>	<u>25,000,000,000</u>
	General Headquarters - Proper			<u>25,000,000,000</u>	<u>25,000,000,000</u>
Sub-total, Locally-Funded Project(s)				<u>25,000,000,000</u>	<u>25,000,000,000</u>
TOTAL PROJECTS				<u>P 25,000,000,000</u>	<u>P 25,000,000,000</u>
				=====	=====
TOTAL NEW APPROPRIATIONS		<u>P 3,915,201,000</u>	<u>P 3,951,039,000</u>	<u>P 19,000</u>	<u>P 25,025,836,000</u>
		=====	=====	=====	=====

Obligations, by Object of ExpendituresCYs 2014-2016
(In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	407,577	355,676	518,464
Total Permanent Positions	<u>407,577</u>	<u>355,676</u>	<u>518,464</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	45,733	41,928	61,368
Representation Allowance	320	360	540
Transportation Allowance	320	360	540
Clothing and Uniform Allowance	9,829	8,735	12,785
Productivity Incentive Allowance	3,834	3,494	
Overtime Pay	1,230		
Year End Bonus	32,273	29,638	43,205
Cash Gift	9,539	8,735	12,785

Step Increment	1,001	882	3,184
Productivity Enhancement Incentive	10,978		12,785
Performance Based Bonus	34,381		
Total Other Compensation Common to All	<u>149,438</u>	<u>94,132</u>	<u>147,192</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	62,241	63,578	63,578
Longevity Pay	9,142	9,142	9,142
Lump-sum for filling of Positions - Civilian			61,396
Other Personnel Benefits	261,039		
Total Other Compensation for Specific Groups	<u>332,422</u>	<u>72,720</u>	<u>134,116</u>
Other Benefits			
Retirement and Life Insurance Premiums	46,555	42,679	62,215
PAG-IBIG Contributions	2,289	2,094	3,069
PhilHealth Contributions	4,431	4,010	5,934
Employees Compensation Insurance Premiums	2,281	2,084	3,060
Retirement Gratuity	4,447		24,717
Terminal Leave	113,678		6,217
Total Other Benefits	<u>173,681</u>	<u>50,867</u>	<u>105,212</u>
Non-Permanent Positions	<u>180,039</u>		
Military/Uniformed Personnel			
Basic Pay			
Base Pay	790,836	877,560	958,169
Total Basic Pay	<u>790,836</u>	<u>877,560</u>	<u>958,169</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	45,771	54,696	58,968
Clothing/ Uniform Allowance	5,553	5,469	5,895
Subsistence Allowance	143,265	127,430	187,086
Laundry Allowance	1,352	1,612	1,769
Quarters Allowance	13,181	10,893	11,434
Productivity Incentive Allowance	3,773	4,558	
Longevity Pay	69,724	129,099	138,204
Year-end Bonus	83,151	73,133	79,847
Cash Gift	13,937	11,395	12,285
Productivity Enhancement Incentive	13,171		12,285
Performance Based Bonus	124,812		
Total Other Compensation Common to All	<u>517,690</u>	<u>418,285</u>	<u>507,773</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	14,272	17,055	17,055
Overseas Allowance	202,055	202,055	202,055
Hazard Duty Pay	10,500	6,562	7,077
Special Duty Allowance	77,861	78,612	78,612
Combat Incentive Pay	10,000	10,000	10,000
Combat Duty Pay	21,167	21,167	21,167
Incentive Pay	98,233	95,677	95,677
Instructor's Duty Pay	15,395	12,140	12,140
Hospitalization Expenses	1,156		
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)			113,223
Total Other Compensation for Specific Groups	<u>450,639</u>	<u>443,268</u>	<u>557,006</u>
Other Benefits			
Special Group Term Insurance	281	199	178
PAG-IBIG Contributions	2,344	2,736	2,948
PhilHealth Contributions	10,181	8,470	9,215
Employees Compensation Insurance Premiums	3,155	2,736	2,948
Retirement Gratuity	3,404,708		1,034,195
Terminal Leave	69,785		
Total Other Benefits	<u>3,490,454</u>	<u>14,141</u>	<u>1,049,484</u>
Other Personnel Benefits			
Pension, Military/Uniformed Personnel	30,220,936		
Total Other Personnel Benefits	<u>30,220,936</u>		
TOTAL PERSONNEL SERVICES	<u>36,713,712</u>	<u>2,326,649</u>	<u>3,977,416</u>

Maintenance and Other Operating Expenses			
Travelling Expenses	200,636	223,141	227,971
Training and Scholarship Expenses	133,993	129,615	133,031
Supplies and Materials Expenses	1,536,535	1,714,819	1,767,750
Utility Expenses	496,148	534,836	550,807
Communication Expenses	91,197	105,244	108,403
Awards/Rewards and Prizes	1,441		
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	31,533	32,033	
Intelligence Expenses	140,648	140,648	140,648
Professional Services	46,810	55,287	44,346
General Services	72,061	73,519	74,539
Repairs and Maintenance	306,913	368,635	374,630
Taxes, Insurance Premiums and Other Fees	664,451	32,863	31,260
Labor and Wages	11,711		14,600
Other Maintenance and Operating Expenses			
Advertising Expenses	279	2,000	1,959
Printing and Publication Expenses	9,088	10,863	10,273
Representation Expenses	301,367	346,345	391,698
Transportation and Delivery Expenses	3,224	8,336	8,586
Rent/Lease Expenses	44,980	52,839	54,795
Membership Dues and Contributions to Organizations	251	936	981
Subscription Expenses	5,128	5,223	4,978
Other Maintenance and Operating Expenses	169,786	43	9,784
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>4,268,180</u>	<u>3,837,225</u>	<u>3,951,039</u>
Financial Expenses			
Bank Charges		19	19
TOTAL FINANCIAL EXPENSES		<u>19</u>	<u>19</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>40,981,892</u>	<u>6,163,893</u>	<u>7,928,474</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay	105,296		
Infrastructure Outlay	14,861		
Buildings and Other Structures	599,193	73,323	1,836
Machinery and Equipment Outlay	9,938,956	20,028,403	25,000,000
Transportation Equipment Outlay	27,564	12,270	24,000
TOTAL CAPITAL OUTLAYS	<u>10,685,870</u>	<u>20,113,996</u>	<u>25,025,836</u>
GRAND TOTAL	<u>51,667,762</u>	<u>26,277,889</u>	<u>32,954,310</u>

GENERAL SUMMARY
DEPARTMENT OF NATIONAL DEFENSE

	Current Operating Expenditures				
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
A. OFFICE OF THE SECRETARY - PROPER	P 105,143,000	P 279,455,000			P 384,598,000
B. GOVERNMENT ARSENAL	193,047,000	834,117,000		49,000,000	1,076,164,000
C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES	29,123,000	34,611,000			63,734,000
D. OFFICE OF CIVIL DEFENSE	147,692,000	880,418,000			1,028,110,000
E. PHILIPPINE VETERANS AFFAIRS OFFICE (PVAO) - PROPER	107,298,000	349,312,000		24,563,000	481,173,000
F. VETERANS MEMORIAL MEDICAL CENTER	547,947,000	459,262,000		60,876,000	1,068,085,000
G. PHILIPPINE ARMY (LAND FORCES)	39,629,278,000	7,565,720,000		76,261,000	47,271,259,000
H. PHILIPPINE AIR FORCE (AIR FORCES)	8,368,710,000	6,610,336,000		374,321,000	15,353,367,000
I. PHILIPPINE NAVY (NAVAL FORCES)	10,287,153,000	5,752,476,000		184,589,000	16,224,218,000
J. GENERAL HEADQUARTERS, AFP AND AFP-WIDE SERVICE SUPPORT UNITS (AFPWSSUS)	<u>3,915,201,000</u>	<u>3,951,039,000</u>	<u>19,000</u>	<u>25,025,836,000</u>	<u>32,892,095,000</u>
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF NATIONAL DEFENSE	P 63,330,592,000 =====	P 26,716,746,000 =====	P 19,000 =====	P 25,795,446,000 =====	P115,842,803,000 =====