

I. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations/Obligations

(In Thousand Pesos)

| <u>Description</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|--------------|--------------|-------------|
| New General Appropriations | 13,450,574 | 16,273,018 | 20,592,379 |
| General Fund | 13,450,574 | 16,273,018 | 20,592,379 |
| Automatic Appropriations | 20,715 | 19,413 | 25,282 |
| Retirement and Life Insurance Premiums | 20,715 | 19,413 | 25,282 |
| Continuing Appropriations | 648,595 | 1,166,876 | |
| Unobligated Releases for Capital Outlays | | | |
| R.A. No. 10633 | 240,377 | | |
| R.A. No. 10651 | | 496,113 | |
| Unobligated Releases for MOOE | | | |
| R.A. No. 10633 | 408,218 | | |
| R.A. No. 10651 | | 670,763 | |
| Budgetary Adjustment(s) | 3,349,110 | | |
| Transfer(s) from: | | | |
| National Disaster Risk Reduction and Management Fund (Calamity Fund) | 124,766 | | |
| Contingent Fund | 28,709 | | |
| Miscellaneous Personnel Benefits Fund | 2,059,485 | | |
| Pension and Gratuity Fund | 1,136,150 | | |
| Total Available Appropriations | 17,468,994 | 17,459,307 | 20,617,661 |
| Unused Appropriations | (1,268,580) | (1,166,876) | |
| Unobligated Allotment | (1,268,580) | (1,166,876) | |
| TOTAL OBLIGATIONS | 16,200,414 | 16,292,431 | 20,617,661 |
| | ===== | ===== | ===== |

| No. / Code | GASS / STO / OPERATIONS / PROJECTS | EXPENDITURE PROGRAM (in pesos) | | |
|---------------------|------------------------------------|-----------------------------------|-----------------|------------------|
| | | 2015 Actual | 2016 Current | 2017 Proposed |
| 000001000000000 | General Administration and Support | 3,861,303,000 | 2,837,466,000 | 3,799,720,000 |
| | PS | 3,241,622,000 | 2,180,134,000 | 3,067,315,000 |
| | MOOE | 619,681,000 | 657,332,000 | 711,593,000 |
| | CO | | | 20,812,000 |
| 000002000000000 | Support to Operations | 2,918,254,000 | 2,143,386,000 | 1,758,097,000 |
| | PS | 2,224,085,000 | 1,532,194,000 | 695,063,000 |
| | MOOE | 644,169,000 | 591,192,000 | 627,384,000 |
| | CO | 50,000,000 | 20,000,000 | 435,650,000 |
| 000003000000000 | Operations | 9,420,857,000 | 11,262,779,000 | 15,059,844,000 |
| | PS | 6,096,968,000 | 6,594,238,000 | 8,667,346,000 |
| | MOOE | 3,085,155,000 | 4,503,952,000 | 5,234,510,000 |
| | CO | 238,734,000 | 164,589,000 | 1,157,988,000 |
| | Projects | | 48,800,000 | |
| | CO | | 48,800,000 | |
| TOTAL AGENCY BUDGET | | 16,200,414,000 | 16,292,431,000 | 20,617,661,000 |
| | PS | 11,562,675,000 | 10,306,566,000 | 12,429,724,000 |
| | MOOE | 4,349,005,000 | 5,752,476,000 | 6,573,487,000 |
| | CO | 288,734,000 | 233,389,000 | 1,614,450,000 |

STAFFING SUMMARY

| | 2015 | 2016 | 2017 |
|--------------------------------------|--------|--------|--------|
| TOTAL STAFFING | | | |
| Civilian Personnel | | | |
| Total Number of Authorized Positions | 1,419 | 1,419 | 1,419 |
| Total Number of Filled Positions | 866 | 937 | 937 |
| Military | | | |
| Total Number of Authorized Positions | 23,312 | 23,312 | 23,312 |
| Total Number of Filled Positions | 19,508 | 21,810 | 22,771 |

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 20,592,379,000
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| OPERATIONS BY MFO | PROPOSED 2017 | | | |
|---|---------------|---------------|---------------|----------------|
| | PS | MOOE | CO | TOTAL |
| MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES | 8,667,346,000 | 5,234,510,000 | 1,157,988,000 | 15,059,844,000 |

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

| REGION | PS | MOOE | CO | TOTAL |
|--|----------------|---------------|---------------|----------------|
| Regional Allocation (net of Central Office): | 12,404,442,000 | 6,573,487,000 | 1,614,450,000 | 20,592,379,000 |
| National Capital Region (NCR) | 12,404,442,000 | 6,573,487,000 | 1,614,450,000 | 20,592,379,000 |
| TOTAL AGENCY BUDGET | 12,404,442,000 | 6,573,487,000 | 1,614,450,000 | 20,592,379,000 |

SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Philippine Navy Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements: PROVIDED, That at least twenty five percent (25%) of the said income shall be used to purchase and upgrade hospital equipment used directly in the delivery of health services.

In no case shall said income be used for the payment of salaries and other allowances.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

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

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Navy shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002. Said fees and charges shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

The Philippine Navy shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. The Commanding Flag-Officer-In-Command of the Philippine Navy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the Philippine Navy website.

3. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company or its equivalent in the Philippine Navy may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.
4. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Navy.
5. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects

| | Current Operating Expenditures | | | |
|--|--------------------------------|--|-----------------|---------------|
| | Personnel Services | Maintenance and Other Operating Expenses | Capital Outlays | Total |
| PROGRAMS | | | | |
| 0000010000000000 General Administration and Support | 3,043,468,000 | 711,593,000 | 20,812,000 | 3,775,873,000 |
| 103001000100000 General management and supervision | P 2,514,558,000 P | 711,593,000 P | 20,812,000 P | 3,246,963,000 |
| 103001000200000 Administration of Personnel Benefits | 528,910,000 | | | 528,910,000 |
| Sub-total, General Administration and Support | 3,043,468,000 | 711,593,000 | 20,812,000 | 3,775,873,000 |
| 0000020000000000 Support to Operations | 693,628,000 | 627,384,000 | 435,650,000 | 1,756,662,000 |
| 121002000100000 Force-Level Support Services | 693,628,000 | 627,384,000 | 435,650,000 | 1,756,662,000 |
| Sub-total, Support to Operations | 693,628,000 | 627,384,000 | 435,650,000 | 1,756,662,000 |

| | | | | | |
|-----------------|--|------------------|-----------------|-----------------|------------------|
| 00003000000000 | Operations | 8,667,346,000 | 5,234,510,000 | 1,157,988,000 | 15,059,844,000 |
| 00003010000000 | MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES | 8,667,346,000 | 5,234,510,000 | 1,157,988,000 | 15,059,844,000 |
| 121003010100000 | Force Development | 7,351,166,000 | 3,698,421,000 | 1,157,988,000 | 12,207,575,000 |
| 121003010200000 | Force Sustainment | 1,316,180,000 | 1,536,089,000 | | 2,852,269,000 |
| | Sub-total, Operations | 8,667,346,000 | 5,234,510,000 | 1,157,988,000 | 15,059,844,000 |
| | TOTAL NEW APPROPRIATIONS | P 12,404,442,000 | P 6,573,487,000 | P 1,614,450,000 | P 20,592,379,000 |

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

| | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|
| Current Operating Expenditures | | | |
| Personnel Services | | | |
| Civilian Personnel | | | |
| Permanent Positions | | | |
| Basic Salary | 138,144 | 161,775 | 210,681 |
| Total Permanent Positions | 138,144 | 161,775 | 210,681 |
| Other Compensation Common to All | | | |
| Personnel Economic Relief Allowance | 16,094 | 18,840 | 22,488 |
| Representation Allowance | 15 | 180 | 180 |
| Transportation Allowance | 5 | 180 | 180 |
| Clothing and Uniform Allowance | 2,645 | 3,925 | 4,685 |
| Productivity Incentive Allowance | 972 | | |
| Mid-Year Bonus - Civilian | | | 17,557 |
| Year End Bonus | 5,113 | 13,481 | 17,557 |
| Cash Gift | 1,492 | 3,925 | 4,685 |
| Step Increment | | 981 | 1,908 |
| Productivity Enhancement Incentive | 10,180 | 3,925 | 4,685 |
| Performance Based Bonus | 4,957 | | |
| Total Other Compensation Common to All | 41,473 | 45,437 | 73,925 |
| Other Compensation for Specific Groups | | | |
| Magna Carta for Public Health Workers | 45,431 | 11,975 | 13,276 |
| Longevity Pay | 3,698 | 3,643 | 3,643 |
| Other Personnel Benefits | 1,484,531 | | |
| Total Other Compensation for Specific Groups | 1,533,660 | 15,618 | 16,919 |
| Other Benefits | | | |
| Retirement and Life Insurance Premiums | 18,364 | 19,413 | 25,282 |
| PAG-IBIG Contributions | 720 | 942 | 1,125 |
| PhilHealth Contributions | 1,463 | 1,857 | 2,330 |
| Employees Compensation Insurance Premiums | 720 | 942 | 1,125 |
| Retirement Gratuity | 18,054 | 13,918 | |
| Terminal Leave | 2,174 | 3,682 | 5,478 |
| Total Other Benefits | 41,495 | 40,754 | 35,340 |
| Military/Uniformed Personnel | | | |
| Basic Pay | | | |
| Base Pay | 4,511,625 | 5,329,847 | 5,462,214 |
| Total Basic Pay | 4,511,625 | 5,329,847 | 5,462,214 |

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| | | | |
|--|-------------------|-------------------|-------------------|
| Other Compensation Common to All | | | |
| Personnel Economic Relief Allowance | 450,178 | 525,840 | 546,504 |
| Clothing/ Uniform Allowance | 87,924 | 91,594 | 143,058 |
| Subsistence Allowance | 1,031,275 | 1,199,573 | 1,246,713 |
| Laundry Allowance | 8,199 | 8,947 | 9,253 |
| Quarters Allowance | 99,314 | 124,559 | 125,729 |
| Productivity Incentive Allowance | 39,330 | | |
| Longevity Pay | 1,012,104 | 1,096,579 | 1,157,868 |
| Mid-Year Bonus - Military/Uniformed Personnel | | | 455,184 |
| Officers' Allowance - Military/Uniformed Personnel | | | 94,554 |
| Provisional Allowance - Military/Uniformed Personnel | | | 789,879 |
| Year-end Bonus | 209,271 | 444,154 | 455,184 |
| Cash Gift | 52,970 | 109,550 | 113,855 |
| Productivity Enhancement Incentive | 441,908 | 109,550 | 114,115 |
| Performance Based Bonus | 176,845 | | |
| Total Other Compensation Common to All | <u>3,609,318</u> | <u>3,710,346</u> | <u>5,251,896</u> |
| Other Compensation for Specific Groups | | | |
| Hazardous Duty Pay | 148,596 | 81,945 | 155,355 |
| Overseas Allowance | 9,192 | 12,000 | 12,344 |
| Hazard Duty Pay | 54,046 | 63,101 | 147,556 |
| Flying Pay | 28,543 | 30,356 | 30,253 |
| Sea Duty Pay | 155,867 | 127,690 | 170,902 |
| Reenlistment Pay | 42,545 | 19,010 | 19,010 |
| Hardship Allowance | 14,889 | 10,000 | 57,935 |
| Combat Duty Pay | 48,985 | 18,894 | 54,768 |
| Instructor's Duty Pay | 32,077 | 20,211 | 32,302 |
| Reservist's Pay | 2,770 | 3,106 | 39,677 |
| Medal of Valor Award | 2,063 | 720 | 2,100 |
| Specialist's Pay | 77 | | 636 |
| Parachutist Pay | 1,188 | 10,000 | 15,885 |
| Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP) | | 258,794 | 229,787 |
| Total Other Compensation for Specific Groups | <u>540,838</u> | <u>655,827</u> | <u>968,510</u> |
| Other Benefits | | | |
| Special Group Term Insurance | 1,274 | 1,578 | 1,639 |
| PAG-IBIG Contributions | 20,212 | 26,292 | 27,325 |
| PhilHealth Contributions | 49,911 | 60,096 | 61,686 |
| Employees Compensation Insurance Premiums | 23,410 | 26,292 | 27,325 |
| Retirement Gratuity | | | 19,825 |
| Terminal Leave | 1,051,315 | 232,704 | 272,439 |
| Total Other Benefits | <u>1,146,122</u> | <u>346,962</u> | <u>410,239</u> |
| TOTAL PERSONNEL SERVICES | <u>11,562,675</u> | <u>10,306,566</u> | <u>12,429,724</u> |
| Maintenance and Other Operating Expenses | | | |
| Travelling Expenses | 52,592 | 78,742 | 99,224 |
| Training and Scholarship Expenses | 37,272 | 72,831 | 105,816 |
| Supplies and Materials Expenses | 2,510,588 | 3,153,059 | 3,470,623 |
| Utility Expenses | 378,123 | 367,064 | 387,018 |
| Communication Expenses | 52,809 | 66,292 | 101,107 |
| Awards/Rewards and Prizes | 204 | | |
| Survey, Research, Exploration and Development Expenses | 185 | | |
| Confidential, Intelligence and Extraordinary Expenses | | | |
| Extraordinary and Miscellaneous Expenses | 6,268 | | |
| Intelligence Expenses | 34,749 | 34,749 | 34,749 |
| Professional Services | 65,183 | 27,506 | 21,506 |
| General Services | 6,000 | 13,422 | 13,422 |
| Repairs and Maintenance | 1,079,219 | 1,761,525 | 1,949,601 |
| Financial Assistance/Subsidy | | | 177,614 |
| Taxes, Insurance Premiums and Other Fees | 37,855 | 44,730 | 42,330 |
| Other Maintenance and Operating Expenses | | | |
| Advertising Expenses | | 142 | 146 |
| Printing and Publication Expenses | 6,170 | 12,735 | 13,117 |
| Representation Expenses | 3,491 | 67,693 | 107,184 |

| | | | |
|---|-------------------|-------------------|-------------------|
| Transportation and Delivery Expenses | 40,149 | 2,973 | 3,062 |
| Rent/Lease Expenses | 15,832 | 22,935 | 12,935 |
| Subscription Expenses | 2,000 | 8,337 | 18,293 |
| Other Maintenance and Operating Expenses | 20,316 | 17,741 | 15,740 |
| TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES | 4,349,005 | 5,752,476 | 6,573,487 |
| TOTAL CURRENT OPERATING EXPENDITURES | 15,911,680 | 16,059,042 | 19,003,211 |
| Capital Outlays | | | |
| Property, Plant and Equipment Outlay | | | |
| Land Outlay | 50,000 | | |
| Land Improvements Outlay | | 9,050 | 1,250 |
| Infrastructure Outlay | | 21,869 | 271,435 |
| Buildings and Other Structures | 235 | 128,787 | 34,529 |
| Machinery and Equipment Outlay | 221,000 | 73,683 | 476,595 |
| Transportation Equipment Outlay | 15,500 | | 822,321 |
| Furniture, Fixtures and Books Outlay | 1,999 | | |
| Intangible Assets Outlay | | | 8,320 |
| TOTAL CAPITAL OUTLAYS | 288,734 | 233,389 | 1,614,450 |
| GRAND TOTAL | 16,200,414 | 16,292,431 | 20,617,661 |

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved.

ORGANIZATIONAL
OUTCOME : Level of mission capability of Navy units in Naval Operations attained

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 | 2017 Targets |
|---|----------|--------------|
| Level of mission capability of Navy units in Naval Operations attained | | |
| Percentage of Naval units provided to unified commands | | 100% |
| <hr/> | | <hr/> |
| MFO / PIs | | 2017 Targets |
| <hr/> | | |
| MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES | | |
| Number of mission-ready fleet marine units | | 179 |
| Percentage of readiness of fleet marine units | | 80.76% |
| Number of mission-ready support and sustainment units | | 34 |
| Percentage of readiness of support and sustainment units | | 73.15% |
| 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 |