

XI. DEPARTMENT OF FINANCE

A. OFFICE OF THE SECRETARY

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	907,139	2,585,650	1,616,668
General Fund	907,139	2,585,650	1,616,668
Automatic Appropriations	168,923	19,068	24,306
Grant Proceeds	149,988		
Retirement and Life Insurance Premiums	18,935	19,068	24,306
Continuing Appropriations	610,917	376,700	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10652	32,224		
R.A. No. 10633	524,581		
Unreleased Appropriation for MOOE			
R.A. No. 10651		210,579	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	2,795		
R.A. No. 10651		104,043	
Unobligated Releases for MOOE			
R.A. No. 10633	51,317		
R.A. No. 10651		62,078	
Budgetary Adjustment(s)	150,792		
Transfer(s) from:			
Department of Agrarian Reform (DAR)			
Office of the Secretary	40,872		
Contingent Fund	14,750		
E-Government Fund	51,647		
International Commitments Fund	15,002		
Miscellaneous Personnel Benefits Fund	20,593		
Pension and Gratuity Fund	7,928		
Total Available Appropriations	1,837,771	2,981,418	1,640,974
Unused Appropriations	(472,754)	(376,700)	
Unreleased Appropriation	(210,579)	(210,579)	
Unobligated Allotment	(262,175)	(166,121)	
TOTAL OBLIGATIONS	1,365,017	2,604,718	1,640,974

EXPENDITURE PROGRAM
(in pesos)

<u>No. / Code</u>	<u>GASS / STO / OPERATIONS / PROJECTS</u>	<u>2015 Actual</u>	<u>2016 Current</u>	<u>2017 Proposed</u>
000001000000000	General Administration and Support	334,442,000	1,968,315,000	534,788,000
	PS	89,384,000	72,930,000	88,848,000
	MOOE	86,794,000	88,385,000	107,354,000
	CO	158,264,000	1,807,000,000	338,586,000
000002000000000	Support to Operations	30,597,000	44,001,000	133,851,000
	PS	13,270,000	13,829,000	22,354,000
	MOOE	17,327,000	22,688,000	52,497,000
	CO		7,484,000	59,000,000

000003000000000	Operations	<u>316,147,000</u>	<u>372,402,000</u>	<u>614,264,000</u>
	PS	163,804,000	154,328,000	229,371,000
	MOOE	131,568,000	215,074,000	383,801,000
	CO	20,775,000	3,000,000	1,092,000
	Projects	<u>683,831,000</u>	<u>220,000,000</u>	<u>358,071,000</u>
	MOOE	155,717,000		229,821,000
	CO	528,114,000	220,000,000	128,250,000
TOTAL AGENCY BUDGET		<u>1,365,017,000</u>	<u>2,604,718,000</u>	<u>1,640,974,000</u>
	PS	266,458,000	241,087,000	340,573,000
	MOOE	391,406,000	326,147,000	773,473,000
	CO	707,153,000	2,037,484,000	526,928,000

STAFFING SUMMARY

	<u>2015</u>	<u>2016</u>	<u>2017</u>
TOTAL STAFFING			
Total Number of Authorized Positions	797	797	797
Total Number of Filled Positions	385	384	384

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, including locally-funded and foreign-assisted projects, as indicated hereunder.....P 1,616,668,000
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OPERATIONS BY MFO	<u>PROPOSED 2017</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
MFO 1: FINANCIAL SECTOR AND FISCAL POLICY SERVICES (DOMESTIC AND INTERNATIONAL)	59,993,000	263,218,000	1,092,000	324,303,000
MFO 2: PUBLIC SECTOR FINANCIAL RESOURCES MANAGEMENT SERVICES	135,933,000	116,691,000		252,624,000
MFO 3: MUNICIPAL DEVELOPMENT FUND ADMINISTRATION SERVICES	17,249,000	3,892,000		21,141,000

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

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation (net of Central Office):	<u>316,267,000</u>	<u>773,473,000</u>	<u>526,928,000</u>	<u>1,616,668,000</u>
National Capital Region (NCR)	316,267,000	773,473,000	405,328,000	1,495,068,000
Cordillera Administrative Region (CAR)			42,400,000	42,400,000
Region VII - Central Visayas			64,400,000	64,400,000
Region X - Northern Mindanao			14,800,000	14,800,000
TOTAL AGENCY BUDGET	<u>316,267,000</u>	<u>773,473,000</u>	<u>526,928,000</u>	<u>1,616,668,000</u>

SPECIAL PROVISION(S)

1. Municipal Development Fund. The Municipal Development Fund (MDF), administered by the Municipal Development Fund Office (MDFO), constituted from the proceeds of foreign loans, grants and assistance shall be used for the loaning and relending operations to LGUs in accordance with P.D. No. 1914, COA-DOF-DBM J.C. No. 6-87 dated August 17, 1987 and E.O. No. 41, s. 1998. Any interest earnings of the MDF shall be deposited as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of E.O. No. 292, s. 1987 and Section 65 of P.D. No. 1445.

Disbursements or expenditures by the MDFO 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 MDFO 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 income and expenditure. The Executive Director of the MDFO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the MDFO website.

2. Refund of the Service Development Fee for the Right to Develop the Nampedai Property in Japan. The amount of Two Hundred Ten Million Five Hundred Seventy Nine Thousand Pesos (P210,579,000) appropriated herein shall be used exclusively for the refund of the Service Development Fee on the right to develop the Nampedai Property in Tokyo, Japan to Nagayama-Taisei Consortium (NTC), pursuant to the Notice of Termination dated June 11, 2009 issued by the Secretary of Finance cancelling the award to NTC on the right to develop the Nampedai property.

Release of this amount shall be made upon prior endorsement by the Secretary of Finance that the conditions, if any, for the refund have been complied with, and subject to submission by the DOF of certification from the BTr that the amount corresponding to the Service Development Fee has actually been deposited with the National Treasury as income of the General Fund.

3. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
0000010000000000 General Administration and Support	82,594,000	107,354,000	338,586,000	528,534,000
1030010001000000 General Management and Supervision	P 72,364,000 P	107,354,000 P	338,586,000 P	518,304,000
1030010002000000 Administration of Personnel Benefits	10,230,000			10,230,000
Sub-total, General Administration and Support	82,594,000	107,354,000	338,586,000	528,534,000
0000020000000000 Support to Operations	20,498,000	52,497,000	59,000,000	131,995,000
1010020001000000 Legal Services	3,949,000	2,454,000		6,403,000
1030020002000000 Management of Information Systems	16,549,000	50,043,000	59,000,000	125,592,000
Sub-total, Support to Operations	20,498,000	52,497,000	59,000,000	131,995,000

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000003000000000	Operations	<u>213,175,000</u>	<u>383,801,000</u>	<u>1,092,000</u>	<u>598,068,000</u>
000003010000000	MFO 1: FINANCIAL SECTOR AND FISCAL POLICY SERVICES (DOMESTIC AND INTERNATIONAL)	<u>59,993,000</u>	<u>263,218,000</u>	<u>1,092,000</u>	<u>324,303,000</u>
000003010100000	National Finance Services	<u>14,892,000</u>	<u>59,122,000</u>		<u>74,014,000</u>
101003010100001	Financial and fiscal planning and programming	12,658,000	20,290,000		32,948,000
101003010100002	Consolidation, analysis, generation of reports, planning and programming/project formulation on revenue statistics	2,234,000	1,686,000		3,920,000
101003010100003	Philippine Extractive Industries Transparency Initiative (PH-EITI)		37,146,000		37,146,000
101003010200000	Tax policy research and formulation	5,699,000	7,509,000		13,208,000
101003010300000	Preparation of inputs of financial and economic policies of international development	39,402,000	196,587,000	1,092,000	237,081,000
000003020000000	MFO 2: PUBLIC SECTOR FINANCIAL RESOURCES MANAGEMENT SERVICES	<u>135,933,000</u>	<u>116,691,000</u>		<u>252,624,000</u>
101003020100000	Privatization Group and Council Secretariat support	18,107,000	7,266,000		25,373,000
101003020200000	Revenue Integrity Protection Service (RIPS) activities	16,135,000	15,341,000		31,476,000
101003020300000	Processing of tax exemption requests and oversight of tax law implementation	53,740,000	29,100,000		82,840,000
101003020400000	Operation of One-Stop Shop Inter-Agency Tax Credit and Duty Draw-Back Center	24,837,000	6,136,000		30,973,000
101003020500000	Negotiation of international financing transactions	8,688,000	45,863,000		54,551,000
101003020600000	Monitoring, performance evaluation and coordination of the government corporate sector	14,426,000	12,985,000		27,411,000
000003030000000	MFO 3: MUNICIPAL DEVELOPMENT FUND ADMINISTRATION SERVICES	<u>17,249,000</u>	<u>3,892,000</u>		<u>21,141,000</u>
101003030100000	Administration of funds for municipal development	<u>17,249,000</u>	<u>3,892,000</u>		<u>21,141,000</u>
Sub-total, Operations		<u>213,175,000</u>	<u>383,801,000</u>	<u>1,092,000</u>	<u>598,068,000</u>
TOTAL PROGRAMS AND ACTIVITIES		P <u>316,267,000</u>	P <u>543,652,000</u>	P <u>398,678,000</u>	P <u>1,258,597,000</u>
000004000000000	Locally-Funded Projects		<u>229,821,000</u>	<u>6,650,000</u>	<u>236,471,000</u>
000004090000000	Environmental Protection		<u>19,242,000</u>	<u>6,650,000</u>	<u>25,892,000</u>
000004090300000	Protection of Biodiversity and Landscape		<u>19,242,000</u>	<u>6,650,000</u>	<u>25,892,000</u>
103004090300001	Support to the People's Survival Fund		19,242,000	6,650,000	25,892,000

000004100000000	Governance	210,579,000		210,579,000
000004100100000	General Public Services	210,579,000		210,579,000
103004100100001	Refund of Service Development Fee for the Right to Develop the Nampedai Property in Tokyo, Japan	210,579,000		210,579,000
Sub-total, Locally-Funded Project(s)		229,821,000	6,650,000	236,471,000
000005000000000	Foreign-Assisted Projects		121,600,000	121,600,000
000005090000000	Environmental Protection		121,600,000	121,600,000
000005090300000	Protection of Biodiversity and Landscape		121,600,000	121,600,000
102005090300001	Integrated Natural Resources and Environmental Management Project (INREMP)		121,600,000	121,600,000
Sub-total, Foreign-Assisted Project(s)			121,600,000	121,600,000
TOTAL PROJECTS		P 229,821,000	P 128,250,000	P 358,071,000
TOTAL NEW APPROPRIATIONS		P 316,267,000	P 773,473,000	P 526,928,000
			P 1,616,668,000	

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	154,266	153,544	202,553
Total Permanent Positions	154,266	153,544	202,553
Other Compensation Common to All			
Personnel Economic Relief Allowance	8,859	8,952	9,216
Representation Allowance	7,287	6,900	7,362
Transportation Allowance	5,144	6,900	7,362
Clothing and Uniform Allowance	1,875	1,865	1,920
Productivity Incentive Allowance	764		
Honoraria	3,778		
Overtime Pay	391		
Mid-Year Bonus - Civilian			16,878
Year End Bonus	13,170	12,795	16,878
Cash Gift	1,901	1,865	1,940
Step Increment		678	1,062
Collective Negotiation Agreement	9,875		
Productivity Enhancement Incentive	13,498	1,905	1,920
Performance Based Bonus	7,095		
Total Other Compensation Common to All	73,637	41,860	64,538
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	293	80	267
Magna Carta for Public Social Workers		187	
Overseas Allowance			14,072
Other Personnel Benefits	8,274		9,429
Total Other Compensation for Specific Groups	8,567	267	23,768

Other Benefits			
Retirement and Life Insurance Premiums	18,518	19,068	24,306
PAG-IBIG Contributions	444	448	467
PhilHealth Contributions	1,210	1,254	1,331
Employees Compensation Insurance Premiums	445	448	467
Retirement Gratuity	17	9,626	8,121
Terminal Leave	2,876	1,093	1,543
Total Other Benefits	<u>23,510</u>	<u>31,937</u>	<u>36,235</u>
Non-Permanent Positions	<u>6,478</u>	<u>13,479</u>	<u>13,479</u>
TOTAL PERSONNEL SERVICES	<u>266,458</u>	<u>241,087</u>	<u>340,573</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	27,776	32,899	109,237
Training and Scholarship Expenses	21,898	6,286	89,752
Supplies and Materials Expenses	24,466	17,884	38,535
Utility Expenses	29,187	30,118	26,756
Communication Expenses	10,853	12,619	13,060
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses		1,000	1,000
Extraordinary and Miscellaneous Expenses	2,490	3,797	4,227
Professional Services	157,502	49,727	128,127
General Services	20,729	19,755	27,435
Repairs and Maintenance	12,819	13,161	1,188
Financial Assistance/Subsidy	40,872		
Taxes, Insurance Premiums and Other Fees	3,636	17,276	4,453
Other Maintenance and Operating Expenses			
Advertising Expenses	8,009	4,604	5,067
Printing and Publication Expenses	7,134	1,713	1,951
Representation Expenses	1,828	1,146	3,705
Transportation and Delivery Expenses	348		6,990
Rent/Lease Expenses	6,122	19,144	42,724
Membership Dues and Contributions to Organizations	15	1,920	35
Subscription Expenses	3,916	6,778	7,318
Other Maintenance and Operating Expenses	11,806	86,320	261,913
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>391,406</u>	<u>326,147</u>	<u>773,473</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>657,864</u>	<u>567,234</u>	<u>1,114,046</u>
Capital Outlays			
Investment Outlay		140,000	
Property, Plant and Equipment Outlay			
Infrastructure Outlay	524,581	80,000	121,600
Buildings and Other Structures	142,791	1,800,000	300,000
Machinery and Equipment Outlay	30,201	10,484	25,542
Transportation Equipment Outlay	6,455	7,000	13,750
Furniture, Fixtures and Books Outlay	3,125		20,786
Intangible Assets Outlay			45,250
TOTAL CAPITAL OUTLAYS	<u>707,153</u>	<u>2,037,484</u>	<u>526,928</u>
GRAND TOTAL	<u>1,365,017</u>	<u>2,604,718</u>	<u>1,640,974</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : 1. Fiscal Strength
 2. Resilient and Inclusive Financial System
 3. Good Governance

ORGANIZATIONAL OUTCOME : 1. Fiscal Sustainability Attained
 2. Asset and Debt Effectively Managed

PERFORMANCE INFORMATION

KEY STRATEGIES :

1. Desired Revenue to Gross Domestic Product ratio attained
2. Prudent liability management
3. Effective management of government assets and liabilities
4. Improved fiscal performance of Local Government Units (LGUs) to support local development projects and delivery of basic services
5. Effective international finance management through strategic mobilization and allocation of funds
6. Establish the country at the forefront of international and regional economic finance cooperation

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Fiscal Sustainability Attained		
Improved tax effort	FY 2011:12.4%; FY 2012:12.9%; FY 2013:13.3%; FY 2014:13.6%; FY 2015:13.7%	17.5%
Sustained country's position at the forefront of international and regional economic finance cooperation, through participation in international meetings/ treaty negotiations (e.g. APEC and ASEAN)	FY 2011:4; FY 2012:4; FY 2013:4; FY 2014:4	6
Transparency initiatives for mining industry	FY 2014:100% FY 2015:100%	100%
Asset and Debt Effectively Managed		
Sustained dividend collection from GOCCs	FY 2011:P5.5 Billion FY 2012:P5.5 Billion FY 2013:P5.5 Billion	P10 Billion
Amount of loans with concessional terms increased or amount of concessional loans maximized	FY 2011:US\$ 1.5 Billion FY 2012:US\$ 2.0 Billion FY 2013:US\$ 4.0 Billion (This includes requirements to finance Yolanda post disaster reconstruction)	Values of foreign loans and grants (> or = US\$ 500 Million)
	FY 2011:7; FY 2012:15; FY 2013:12 foreign loans	Number of foreign loans and grants negotiated (> or = 7)
MFO / PIs		2017 Targets
MFO 1: FINANCIAL SECTOR AND FISCAL POLICY SERVICES (DOMESTIC AND INTERNATIONAL)		
Number of plans and policy advisories developed and issued or updated and disseminated		5
Percentage of stakeholders who rate DOF plans/policy advisories as good or better		80%
Percentage of plans and policy advisories that have been updated, issued and disseminated within the last 3 years		80%
MFO 2: PUBLIC SECTOR FINANCIAL RESOURCES MANAGEMENT SERVICES		
Revenue Integrity Protection and Services		
Number of personnel investigated		108
Number of personnel charged with OMB or CSC		55
Percentage of personnel charged by appropriate authority over the number of personnel investigated		51%
Percentage of investigation completed within the prescribed period		100%

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GOCC Monitoring	
Amount collected as dividend from GOCCs	P 10.0 Billion
Dividend from GOCCs collected within the prescribed period	100% collection by 4th Q
Percentage of dividend collected over target dividend	100%
Negotiation of International Loans	
Value of foreign loans and grants negotiated	> or = US\$ 500 M
Number of foreign loans and grants negotiated	> or = 7
Percentage of ODA loans obtained annually compliant to the Weighted Average Grant Element as set under the law	100%
MFO 3: MUNICIPAL DEVELOPMENT FUND ADMINISTRATION SERVICES	
Number of applications for grants and loans acted upon	40
Number of grants and loans approved	30
Number of loans and grants under management	170
Value of loans and grants under management	850.82 Million
Percentage of loans with one or more interest payments in arrears by 30 days or more	10%
Percentage of applications acted upon within 2 weeks	100%
Percentage of borrowers that are default on an interest or principal repayment after one (1) month grace period	10%