

XVII. DEPARTMENT OF NATIONAL DEFENSE

A. OFFICE OF THE SECRETARY - PROPER

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	584,598	427,460	443,004
General Fund	584,598	427,460	443,004
Automatic Appropriations	10,706	12,810	13,589
Retirement and Life Insurance Premiums	10,706	12,810	13,589
Continuing Appropriations	382,510	266,675	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717		132,000	
Unreleased Appropriation for MOOE			
R.A. No. 10717		68,000	
Unobligated Releases for Capital Outlays			
R.A. No. 10651	216,585		
Unobligated Releases for MOOE			
R.A. No. 10651	165,925		
R.A. No. 10717		66,675	
Budgetary Adjustment(s)	26,684		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	23,517		
Pension and Gratuity Fund	3,167		
Total Available Appropriations	1,004,498	706,945	456,593
Unused Appropriations	( 578,460)	( 266,675)	
Unreleased Appropriation	( 200,305)	( 200,000)	
Unobligated Allotment	( 378,155)	( 66,675)	
TOTAL OBLIGATIONS	426,038	440,270	456,593

EXPENDITURE PROGRAM  
(in pesos)

<u>GAS / STO / OPERATIONS / PROJECTS</u>	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	258,705,000	295,505,000	310,869,000
Regular	258,705,000	295,505,000	310,869,000
P5	148,564,000	157,177,000	169,749,000
MOOE	110,141,000	138,328,000	141,120,000
Operations	167,333,000	144,765,000	145,724,000
Regular	167,333,000	144,765,000	145,724,000
MOOE	167,333,000	144,765,000	145,724,000

TOTAL AGENCY BUDGET	<u>426,038,000</u>	<u>440,270,000</u>	<u>456,593,000</u>
Regular	<u>426,038,000</u>	<u>440,270,000</u>	<u>456,593,000</u>
PS	148,564,000	157,177,000	169,749,000
MOOE	277,474,000	283,093,000	286,844,000

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Total Number of Authorized Positions	321	321	321
Total Number of Filled Positions	240	240	240

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 443,004,000  
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PROPOSED 2018

OPERATIONS BY PROGRAM	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
DEFENSE POLICY AND STRATEGY MANAGEMENT PROGRAM		145,724,000		145,724,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
 (in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>156,160,000</u>	<u>286,844,000</u>		<u>443,004,000</u>
National Capital Region (NCR)	156,160,000	286,844,000		443,004,000
TOTAL AGENCY BUDGET	<u>156,160,000</u>	<u>286,844,000</u>		<u>443,004,000</u>
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SPECIAL PROVISION(S)

1. 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

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	156,160,000	141,120,000		297,280,000
100000100001000	General management and supervision	149,963,000	141,120,000		291,083,000
100000100002000	Administration of Personnel Benefits	6,197,000			6,197,000
Sub-total, General Administration and Support		156,160,000	141,120,000		297,280,000
3000000000000000	Operations		145,724,000		145,724,000
3100000000000000	00 : Defense and security policy and strategy direction provided		145,724,000		145,724,000
3101000000000000	DEFENSE POLICY AND STRATEGY MANAGEMENT PROGRAM		145,724,000		145,724,000
310100100001000	Development, implementation and monitoring of the Defense System of Management (DSOM)		113,350,000		113,350,000
310100100002000	Development, implementation and monitoring of the International Defense Engagement (IDSE)		32,374,000		32,374,000
Sub-total, Operations			145,724,000		145,724,000
TOTAL NEW APPROPRIATIONS		P 156,160,000	P 286,844,000		P 443,004,000

Obligations, by Object of ExpendituresCYs 2016-2018  
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	94,174	106,746	113,243
Total Permanent Positions	94,174	106,746	113,243
Other Compensation Common to All			
Personnel Economic Relief Allowance	5,634	6,048	5,760
Representation Allowance	3,781	3,408	3,402
Transportation Allowance	1,127	3,408	3,402
Clothing and Uniform Allowance	1,260	1,260	1,200
Mid-Year Bonus - Civilian	8,623	8,895	9,437
Year End Bonus	6,734	8,895	9,437
Cash Gift	1,244	1,260	1,200
Step Increment	38	638	283

Collective Negotiation Agreement	6,580		
Productivity Enhancement Incentive	1,187	1,260	1,200
Performance Based Bonus	2,811		
<b>Total Other Compensation Common to All</b>	<b>39,019</b>	<b>35,072</b>	<b>35,321</b>
<b>Other Benefits</b>			
Retirement and Life Insurance Premiums	10,705	12,810	13,589
PAG-IBIG Contributions	290	302	288
PhilHealth Contributions	862	760	824
Employees Compensation Insurance Premiums	289	302	287
Retirement Gratuity			5,966
Terminal Leave	3,225	1,185	231
<b>Total Other Benefits</b>	<b>15,371</b>	<b>15,359</b>	<b>21,185</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>148,564</b>	<b>157,177</b>	<b>169,749</b>
<b>Maintenance and Other Operating Expenses</b>			
Travelling Expenses	32,477	23,366	25,256
Training and Scholarship Expenses	10,764	16,000	16,761
Supplies and Materials Expenses	34,607	47,662	50,017
Utility Expenses	24,174	32,200	28,411
Communication Expenses	15,004	14,121	14,297
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses	23,000	23,000	23,000
Extraordinary and Miscellaneous Expenses	2,983	3,072	3,072
Intelligence Expenses	10,000	10,000	10,000
Professional Services	19,493	19,450	14,922
General Services	11,265	11,854	11,945
Repairs and Maintenance	34,451	22,640	32,781
Taxes, Insurance Premiums and Other Fees	1,335	2,006	2,495
Other Maintenance and Operating Expenses			
Advertising Expenses	323	400	734
Printing and Publication Expenses	1,518	1,500	2,175
Representation Expenses	29,107	22,000	26,726
Rent/Lease Expenses	11,861	32,772	23,242
Subscription Expenses	831	800	759
Donations	250	250	251
Other Maintenance and Operating Expenses	14,031		
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<b>277,474</b>	<b>283,093</b>	<b>286,844</b>
<b>GRAND TOTAL</b>	<b>426,038</b>	<b>440,270</b>	<b>456,593</b>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL  
OUTCOME : Defense and security policy and strategy direction provided

## PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>
Defense and security policy and strategy direction provided		
Percentage of policies and strategies accepted by the Office of the President and the Cabinet	100% 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

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
<b>MFO 1: DEFENSE POLICY SERVICES</b>			
Number of defense policies developed and issued or reviewed, updated and disseminated	350	372	305
Percentage of defense policies reviewed and updated in the last three (3) years	100%	100%	100%
<b>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</b>			
	<u>Baseline</u>	<u>2018 Targets</u>	
Defense and security policy and strategy direction provided			
<b>DEFENSE POLICY AND STRATEGY MANAGEMENT PROGRAM</b>			
Outcome Indicators			
1. Percentage of targets accomplished based on DND-Proper policies as monitored in the DND-wide Program Performance and Budget Execution Review (PPBER) Report	100%	100%	
2. Percentage of policies and strategies accepted by the President and the Cabinet.	80% of policies and strategies accepted by the President and the Cabinet	80% of policies and strategies accepted by the President and the Cabinet	
Output Indicators			
1. Number of Defense System of Management (DSOM) Key Document Products developed	99	138	
2. Number of International Defense and Security Engagements (IDSE) Key Document Products developed	206	233	
3. One (1) DND-wide PPBER Report developed		1	

**B. GOVERNMENT ARSENAL**Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>New General Appropriations</b>	<b>1,076,164</b>	<b>1,219,362</b>	<b>1,216,188</b>
General Fund	1,076,164	1,219,362	1,216,188
<b>Automatic Appropriations</b>	<b>207,971</b>	<b>15,121</b>	<b>15,811</b>
Customs Duties and Taxes, including Tax Expenditures	193,559		
Retirement and Life Insurance Premiums	14,412	15,121	15,811
<b>Continuing Appropriations</b>	<b>34,200</b>	<b>75,918</b>	
Unobligated Releases for Capital Outlays			
R.A. No. 10651	6,383		
R.A. No. 10717		10,201	
Unobligated Releases for MOOE			
R.A. No. 10651	27,817		
R.A. No. 10717		65,717	

Budgetary Adjustment(s)	<u>34,014</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	31,670		
Pension and Gratuity Fund	<u>2,344</u>		
Total Available Appropriations	1,352,349	1,310,401	1,231,999
Unused Appropriations	( 83,204)	( 75,918)	
Unreleased Appropriation	( 978)		
Unobligated Allotment	<u>( 82,226)</u>	<u>( 75,918)</u>	
TOTAL OBLIGATIONS	<u>1,269,145</u>	<u>1,234,483</u>	<u>1,231,999</u>
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EXPENDITURE PROGRAM  
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	<u>125,863,000</u>	<u>109,966,000</u>	<u>119,048,000</u>
Regular	<u>125,863,000</u>	<u>109,966,000</u>	<u>119,048,000</u>
PS	92,579,000	70,392,000	78,361,000
MOOE	33,284,000	39,574,000	40,687,000
Operations	<u>1,143,282,000</u>	<u>1,124,517,000</u>	<u>1,112,951,000</u>
Regular	<u>1,143,282,000</u>	<u>1,124,517,000</u>	<u>1,112,951,000</u>
PS	162,887,000	175,834,000	179,842,000
MOOE	935,214,000	895,683,000	933,109,000
CO	45,181,000	53,000,000	
TOTAL AGENCY BUDGET	<u>1,269,145,000</u>	<u>1,234,483,000</u>	<u>1,231,999,000</u>
Regular	<u>1,269,145,000</u>	<u>1,234,483,000</u>	<u>1,231,999,000</u>
PS	255,466,000	246,226,000	258,203,000
MOOE	968,498,000	935,257,000	973,796,000
CO	45,181,000	53,000,000	

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Total Number of Authorized Positions	687	687	687
Total Number of Filled Positions	613	609	609

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,216,188,000  
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OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM	168,208,000	933,109,000		1,101,317,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLDCATION, 2018  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	242,392,000	973,796,000		1,216,188,000
Region III - Central Luzon	242,392,000	973,796,000		1,216,188,000
TOTAL AGENCY BUDGET	242,392,000	973,796,000		1,216,188,000

SPECIAL PROVISION(S)

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

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

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5, and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The 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.

- Authority to Barter and 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.
- 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

PROGRAMS	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
1000000000000000 General Administration and Support	74,184,000	40,687,000		114,871,000
100000100001000 General management and supervision	59,468,000	40,687,000		100,155,000

10000100002000 Administration of Personnel Benefits	14,716,000		14,716,000
Sub-total, General Administration and Support	<u>74,184,000</u>	<u>40,687,000</u>	<u>114,871,000</u>
3000000000000000 Operations	<u>168,208,000</u>	<u>933,109,000</u>	<u>1,101,317,000</u>
3100000000000000 00 : Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand	<u>168,208,000</u>	<u>933,109,000</u>	<u>1,101,317,000</u>
3101000000000000 SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM	<u>168,208,000</u>	<u>933,109,000</u>	<u>1,101,317,000</u>
310100100001000 Planning and development of arms manufacturing processes and procedures	10,188,000	7,029,000	17,217,000
310100100002000 Manufacture, storage and security of small arms ammunition	<u>158,020,000</u>	<u>926,080,000</u>	<u>1,084,100,000</u>
Sub-total, Operations	<u>168,208,000</u>	<u>933,109,000</u>	<u>1,101,317,000</u>
TOTAL NEW APPROPRIATIONS	P 242,392,000 P	973,796,000	P 1,216,188,000
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Obligations, by Object of Expenditures

CYs 2016-2018  
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	119,528	126,008	131,762
Total Permanent Positions	<u>119,528</u>	<u>126,008</u>	<u>131,762</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	14,768	14,952	14,616
Representation Allowance	400	390	510
Transportation Allowance	292	390	510
Clothing and Uniform Allowance	3,045	3,115	3,045
Mid-Year Bonus - Civilian	10,049	10,500	10,980
Year End Bonus	9,776	10,500	10,980
Cash Gift	3,084	3,115	3,045
Step Increment		1,234	329
Collective Negotiation Agreement	15,160		
Productivity Enhancement Incentive	3,048	3,115	3,045
Performance Based Bonus	11,506		
Total Other Compensation Common to All	<u>71,128</u>	<u>47,311</u>	<u>47,060</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	140	300	300
Magna Carta for Science & Technology Personnel	37,926	37,217	39,414
Quarters Allowance	979	1,347	1,347
Night Shift Differential Pay	1,770	3,917	4,173
Total Other Compensation for Specific Groups	<u>40,815</u>	<u>42,781</u>	<u>45,234</u>
Other Benefits			
Retirement and Life Insurance Premiums	14,367	15,121	15,811
PAG-IBIG Contributions	738	747	731
PhilHealth Contributions	1,395	1,408	1,483



Employees Compensation Insurance Premiums	739	747	731
Retirement Gratuity	821		1,820
Loyalty Award - Civilian			675
Terminal Leave	5,935	12,103	12,896
Total Other Benefits	<u>23,995</u>	<u>30,126</u>	<u>34,147</u>
TOTAL PERSONNEL SERVICES	<u>255,466</u>	<u>246,226</u>	<u>258,203</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	7,127	6,592	6,790
Training and Scholarship Expenses	3,857	4,584	4,721
Supplies and Materials Expenses	600,027	829,948	854,847
Utility Expenses	18,478	42,377	38,192
Communication Expenses	2,245	1,736	1,788
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	105	130	130
Professional Services	4,205	10,505	4,205
General Services	57,847	20,794	27,762
Repairs and Maintenance	35,073	14,339	31,049
Taxes, Insurance Premiums and Other Fees	194,864	2,087	2,087
Other Maintenance and Operating Expenses			
Advertising Expenses	263	309	318
Printing and Publication Expenses		66	68
Representation Expenses	958	628	647
Transportation and Delivery Expenses	30	976	1,006
Subscription Expenses	143	186	186
Other Maintenance and Operating Expenses	43,276		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>968,498</u>	<u>935,257</u>	<u>973,796</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,223,964</u>	<u>1,181,483</u>	<u>1,231,999</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	5,662		
Machinery and Equipment Outlay	39,519	53,000	
TOTAL CAPITAL OUTLAYS	<u>45,181</u>	<u>53,000</u>	
GRAND TOTAL	<u>1,269,145</u>	<u>1,234,483</u>	<u>1,231,999</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL OUTCOME : Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand

## PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	2016 Actual	2017 Targets
Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand		
Percentage of Small Arms Ammunition requirement supplied (at 2 basic load)	112.34%	116.25%

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION			
Number of small arms ammunition (SAA) manufactured	35.0 M Rounds	36.367 M Rounds	40.0 M Rounds
Percent supportability to AFP SAA requirements (combat requirements)	108.12%	112.34%	116.25%
Percentage acceptance based on standards	98.00%	98.00%	98.00%

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand		
SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM		
Outcome Indicator		
1. Percentage of supportability to AFP Small Arms Ammunition (SAA) requirements for two (2) basic loads (combat requirements)	112.34%	116.25%
Output Indicators		
1. Number of small arms ammunitions (SAA) manufactured	36.367 M Rounds	40.00 M Rounds
2. Percentage acceptance based on standards	98.00%	98.00%

## C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	<u>67,247</u>	<u>78,143</u>	<u>77,313</u>
General Fund	67,247	78,143	77,313
Automatic Appropriations	<u>2,329</u>	<u>2,465</u>	<u>2,771</u>
Retirement and Life Insurance Premiums	2,329	2,465	2,771
Continuing Appropriations	<u>92,284</u>	<u>1,507</u>	
Unobligated Releases for Capital Outlays R.A. No. 10651	88,472		
Unobligated Releases for MOOE R.A. No. 10651	3,812		
R.A. No. 10717		1,507	
Budgetary Adjustment(s)	<u>3,630</u>		
Transfer(s) from: Miscellaneous Personnel Benefits Fund Pension and Gratuity Fund	3,620 10		
Total Available Appropriations	<u>165,490</u>	<u>82,115</u>	<u>80,084</u>
Unused Appropriations	( <u>7,804</u> )	( <u>1,507</u> )	
Unreleased Appropriation	( 1,178 )		
Unobligated Allotment	( 6,626 )	( 1,507 )	
TOTAL OBLIGATIONS	<u>157,686</u>	<u>80,608</u>	<u>80,084</u>

GAS / STO / OPERATIONS / PROJECTS	EXPENDITURE PROGRAM (in pesos)		
	2016 Actual	2017 Current	2018 Proposed
General Administration and Support	36,019,000	39,226,000	39,531,000
Regular	36,019,000	39,226,000	39,531,000
PS	17,496,000	20,247,000	22,231,000
MOOE	18,523,000	16,179,000	17,300,000
CO		2,800,000	
Operations	35,386,000	41,382,000	40,553,000
Regular	35,386,000	41,382,000	40,553,000
PS	14,861,000	17,210,000	20,970,000
MOOE	20,525,000	24,172,000	19,583,000
Projects / Purpose	86,281,000		
CO	86,281,000		
TOTAL AGENCY BUDGET	157,686,000	80,608,000	80,084,000
Regular	71,405,000	80,608,000	80,084,000
PS	32,357,000	37,457,000	43,201,000
MOOE	39,048,000	40,351,000	36,883,000
CO		2,800,000	
Projects / Purpose	86,281,000		
CO	86,281,000		

## STAFFING SUMMARY

	2016	2017	2018
TOTAL STAFFING			
Total Number of Authorized Positions	66	66	66
Total Number of Filled Positions	57	59	59

Proposed New Appropriations Language  
 For general administration and support, and operations, as indicated hereunder.....P 77,313,000  
 =====

OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
NATIONAL DEFENSE AND SECURITY POLICY STUDIES PROGRAM	10,355,000	5,066,000		15,421,000
NATIONAL DEFENSE AND SECURITY EDUCATION PROGRAM	9,309,000	14,517,000		23,826,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
(in pesos)

REGION	P5	MOOE	CO	TOTAL
Regional Allocation	40,430,000	36,883,000		77,313,000
National Capital Region (NCR)	40,430,000	36,883,000		77,313,000
TOTAL AGENCY BUOGET	40,430,000	36,883,000		77,313,000

SPECIAL PROVISION(S)

1. 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

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>					
1000000000000000	General Administration and Support	20,766,000	17,300,000		38,066,000
100000100001000	General management and supervision	17,791,000	17,300,000		35,091,000
100000100002000	Administration of Personnel Benefits	2,975,000			2,975,000
Sub-total, General Administration and Support		20,766,000	17,300,000		38,066,000
3000000000000000	Operations	19,664,000	19,583,000		39,247,000
3100000000000000	00 : Defense and Security Leaders' Capacity Improved	19,664,000	19,583,000		39,247,000
3101000000000000	NATIONAL DEFENSE AND SECURITY POLICY STUDIES PROGRAM	10,355,000	5,066,000		15,421,000
310100100001000	Conduct of national defense and strategic international studies	10,355,000	5,066,000		15,421,000
3102000000000000	NATIONAL DEFENSE AND SECURITY EDUCATION PROGRAM	9,309,000	14,517,000		23,826,000
310200100001000	Conduct of graduate level and other courses of studies	9,309,000	14,517,000		23,826,000
Sub-total, Operations		19,664,000	19,583,000		39,247,000
<b>TOTAL NEW APPROPRIATIONS</b>		<b>P 40,430,000</b>	<b>P 36,883,000</b>		<b>P 77,313,000</b>

Obligations, by Object of ExpendituresCYs 2016-2018  
(In Thousand Pesos)

	2016	2017	2018
<b>Current Operating Expenditures</b>			
<b>Personnel Services</b>			
<b>Civilian Personnel</b>			
Permanent Positions			
Basic Salary	18,106	20,541	23,095
Total Permanent Positions	18,106	20,541	23,095
Other Compensation Common to All			
Personnel Economic Relief Allowance	1,331	1,368	1,416
Representation Allowance	418	450	450
Transportation Allowance		450	450
Clothing and Uniform Allowance	280	285	295
Honoraria	3,423	4,930	6,743
Mid-Year Bonus - Civilian	1,576	1,712	1,924
Year End Bonus	1,480	1,712	1,924
Cash Gift	276	285	295
Step Increment		135	58
Collective Negotiation Agreement	1,380		
Productivity Enhancement Incentive	276	285	295
Performance Based Bonus	422		
Total Other Compensation Common to All	10,862	11,612	13,850
Other Compensation for Specific Groups			
Lump-sum for filling of Positions - Civilian		2,533	2,941
Other Personnel Benefits	467		
Anniversary Bonus - Civilian			171
Total Other Compensation for Specific Groups	467	2,533	3,112
Other Benefits			
Retirement and Life Insurance Premiums	2,170	2,465	2,771
PAG-IBIG Contributions	67	68	70
PhilHealth Contributions	187	170	199
Employees Compensation Insurance Premiums	67	68	70
Terminal Leave	431		34
Total Other Benefits	2,922	2,771	3,144
<b>TOTAL PERSONNEL SERVICES</b>	<b>32,357</b>	<b>37,457</b>	<b>43,201</b>
<b>Maintenance and Other Operating Expenses</b>			
Travelling Expenses	8,712	10,865	7,071
Training and Scholarship Expenses	960	1,391	1,432
Supplies and Materials Expenses	8,622	11,603	11,951
Utility Expenses	41	208	214
Communication Expenses	1,324	1,528	1,574
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	81	108	108
Professional Services	1,421	4,337	5,107
General Services	3,182	3,570	3,570
Repairs and Maintenance	5,639	1,699	1,750
Taxes, Insurance Premiums and Other Fees	423	440	440
Labor and Wages	15		
Other Maintenance and Operating Expenses			
Advertising Expenses	46		
Printing and Publication Expenses	69	925	438
Representation Expenses	2,294	2,192	1,743
Rent/Lease Expenses	1,802	1,150	1,150
Membership Dues and Contributions to Organizations	37	5	5

Subscription Expenses	879	330	330
Other Maintenance and Operating Expenses	3,501		
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<u>39,048</u>	<u>40,351</u>	<u>36,883</u>
<b>TOTAL CURRENT OPERATING EXPENDITURES</b>	<u>71,405</u>	<u>77,808</u>	<u>80,084</u>
<b>Capital Outlays</b>			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	86,281		
Transportation Equipment Outlay		2,800	
<b>TOTAL CAPITAL OUTLAYS</b>	<u>86,281</u>	<u>2,800</u>	
<b>GRAND TOTAL</b>	<u>157,686</u>	<u>80,608</u>	<u>80,084</u>

**STRATEGIC OBJECTIVES**

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL  
OUTCOME : Defense and Security Leaders' Capacity Improved

**PERFORMANCE INFORMATION**

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>
Defense and Security Leaders' Capacity Improved		
Percentage of Senior Leaders provided with MNSA/SECNS program	64%	86%

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES			
Conduct of graduate level and other courses of studies			
Number of scholars	65	65	65
Percentage of scholars who rate the program as good or better	91%	95%	92%
Percentage of program which commenced within 1 day of schedule	91%	83%	100%

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Defense and Security Leaders' Capacity Improved		
NATIONAL DEFENSE AND SECURITY POLICY STUDIES PROGRAM		
Outcome Indicator		
1. Percentage of research papers accepted by requesting agencies		100%

Output Indicators		
1. Number of research papers produced		20
2. Number of publications produced		10
NATIONAL DEFENSE AND SECURITY EDUCATION PROGRAM		
Outcome Indicators		
1. Percentage of Senior Leaders from DND and AFP who completed MNSA program		64%
2. Teacher to student ratio		1:10
Output Indicators		
1. Number of graduates		65
2. Number of enrollees		65

## D. OFFICE OF CIVIL DEFENSE

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	1,028,110	481,156	567,198
General Fund	1,028,110	481,156	567,198
Automatic Appropriations	8,034	9,877	15,582
Retirement and Life Insurance Premiums	8,034	9,877	15,582
Continuing Appropriations	536,653	469,454	
Unobligated Releases for MOOE R.A. No. 10651 R.A. No. 10717	536,653	469,454	
Budgetary Adjustment(s)	18,001		
Transfer(s) from: Miscellaneous Personnel Benefits Fund Pension and Gratuity Fund	14,791 3,210		
Total Available Appropriations	1,590,798	960,487	582,780
Unused Appropriations	( 473,779)	( 469,454)	
Unreleased Appropriation	( 3,722)		
Unobligated Allotment	( 470,057)	( 469,454)	
TOTAL OBLIGATIONS	1,117,019	491,033	582,780
	=====	=====	=====

EXPENDITURE PROGRAM  
(in pesos)

<u>GAS / STO / OPERATIONS / PROJECTS</u>	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	86,549,000	83,373,000	84,927,000
Regular	86,549,000	83,373,000	84,927,000
PS	47,572,000	35,736,000	35,904,000
MOOE	38,977,000	47,637,000	49,023,000

Operations	<u>1,030,470,000</u>	<u>407,660,000</u>	<u>497,853,000</u>
Regular	<u>1,030,470,000</u>	<u>407,660,000</u>	<u>497,853,000</u>
PS	132,521,000	92,598,000	155,470,000
MOOE	897,949,000	312,262,000	323,803,000
CO		2,800,000	18,580,000
TOTAL AGENCY BUDGET	<u>1,117,019,000</u>	<u>491,033,000</u>	<u>582,780,000</u>
Regular	<u>1,117,019,000</u>	<u>491,033,000</u>	<u>582,780,000</u>
PS	180,093,000	128,334,000	191,374,000
MOOE	936,926,000	359,899,000	372,826,000
CO		2,800,000	18,580,000

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Total Number of Authorized Positions	644	644	644
Total Number of Filled Positions	381	374	374

Proposed New Appropriations Language  
 For general administration and support, and operations, as indicated hereunder.....P 567,198,000  
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OPERATIONS BY PROGRAM	<u>PROPOSED 2018</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
CIVIL PROTECTION PROGRAM	142,646,000	323,803,000	18,580,000	485,029,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
 (in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>175,792,000</u>	<u>372,826,000</u>	<u>18,580,000</u>	<u>567,198,000</u>
National Capital Region (NCR)	175,792,000	372,826,000	18,580,000	567,198,000
TOTAL AGENCY BUDGET	<u>175,792,000</u>	<u>372,826,000</u>	<u>18,580,000</u>	<u>567,198,000</u>
	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. 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

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
1000000000000000 General Administration and Support	33,146,000	49,023,000		82,169,000
100000100001000 General management and supervision	31,476,000	49,023,000		80,499,000
100000100002000 Administration of Personnel Benefits	1,670,000			1,670,000
Sub-total, General Administration and Support	33,146,000	49,023,000		82,169,000
3000000000000000 Operations	142,646,000	323,803,000	18,580,000	485,029,000
3100000000000000 00 : Resiliency of communities to disasters improved	142,646,000	323,803,000	18,580,000	485,029,000
3101000000000000 CIVIL PROTECTION PROGRAM	142,646,000	323,803,000	18,580,000	485,029,000
3101010000000000 CIVIL DEFENSE ENHANCEMENT SUB-PROGRAM	93,402,000	33,028,000	18,580,000	145,010,000
310101100001000 Enhancement, Capacity Development and Mobilization for Civil Defense	93,402,000	33,028,000	18,580,000	145,010,000
3101020000000000 DISASTER RISK REDUCTION AND MANAGEMENT SUB-PROGRAM	49,244,000	290,775,000		340,019,000
310102100001000 Empowering Sectors on DRRM for Resiliency	49,244,000	290,775,000		340,019,000
Sub-total, Operations	142,646,000	323,803,000	18,580,000	485,029,000
TOTAL NEW APPROPRIATIONS	P 175,792,000	P 372,826,000	P 18,580,000	P 567,198,000

Obligations, by Object of ExpendituresCYs 2016-2018  
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	67,384	82,311	129,854
Total Permanent Positions	67,384	82,311	129,854
Other Compensation Common to All			
Personnel Economic Relief Allowance	9,468	6,504	8,976
Representation Allowance	2,348	1,296	2,790

Transportation Allowance	879	1,296	2,790
Clothing and Uniform Allowance	1,935	1,355	1,870
Mid-Year Bonus - Civilian	6,409	6,859	10,821
Year End Bonus	10,020	6,859	10,821
Cash Gift	1,991	1,355	1,870
Step Increment		604	324
Collective Negotiation Agreement	9,783		
Productivity Enhancement Incentive	1,949	1,355	1,870
Performance Based Bonus	3,032		
Total Other Compensation Common to All	<u>47,814</u>	<u>27,483</u>	<u>42,132</u>
Other Benefits			
Retirement and Life Insurance Premiums	12,693	9,877	15,582
PAG-IBIG Contributions	446	325	449
PhilHealth Contributions	1,278	763	1,238
Employees Compensation Insurance Premiums	474	325	449
Loyalty Award - Civilian	50		
Terminal Leave	4,027	7,250	1,670
Total Other Benefits	<u>18,968</u>	<u>18,540</u>	<u>19,388</u>
Non-Permanent Positions	<u>45,927</u>		
TOTAL PERSONNEL SERVICES	<u>180,093</u>	<u>128,334</u>	<u>191,374</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	39,628	40,168	42,655
Training and Scholarship Expenses	144,576	173,590	186,465
Supplies and Materials Expenses	552,410	34,643	27,462
Utility Expenses	5,731	6,397	6,289
Communication Expenses	23,186	22,206	22,161
Awards/Rewards and Prizes	15,039	12,816	8,316
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	180	167	2,609
Professional Services	4,731	2,520	2,640
General Services	11,218	6,990	5,718
Repairs and Maintenance	10,299	9,941	9,382
Taxes, Insurance Premiums and Other Fees	2,454	3,141	3,198
Other Maintenance and Operating Expenses			
Advertising Expenses	2,019	1,418	1,431
Printing and Publication Expenses	6,935	4,645	2,185
Representation Expenses	69,432	20,787	25,798
Transportation and Delivery Expenses	1,753	950	974
Rent/Lease Expenses	21,453	11,121	12,916
Subscription Expenses	530	546	946
Donations		75	75
Other Maintenance and Operating Expenses	25,352	7,778	11,606
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>936,926</u>	<u>359,899</u>	<u>372,826</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,117,019</u>	<u>488,233</u>	<u>564,200</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay			10,000
Transportation Equipment Outlay		2,800	8,580
TOTAL CAPITAL OUTLAYS		<u>2,800</u>	<u>18,580</u>
GRAND TOTAL	<u>1,117,019</u>	<u>491,033</u>	<u>582,780</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL  
OUTCOME : Resiliency of communities to disasters improved

## PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2016 Actual	2017 Targets
Resiliency of communities to disasters improved		
Percentage (1,715 including ARMM and NCR) increase in the capability, preparedness and responsiveness of PCM to DRRM	98% of the DRRM Councils of the 410 provinces/cities and municipalities, 401 provinces/cities DRRM Councils	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 / Performance Indicators	2016 Targets	2016 Actual	2017 GAA Targets
<b>MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES</b>			
Number of disaster risk management policies and plan developed and issued or reviewed, updated, and disseminated	29	29	29
Percentage of stakeholders who rate the policies and plans as satisfactory or better	70%	77.50%	70%
Percentage of policies and plan developed and issued or reviewed, updated, and disseminated in the last 3 years	70%	76.50%	70%
Number of persons provided with disaster risk-reduction management training	14,400	14,425	14,400
Percentage of trainees who rate the quality of training as good or better	70%	90%	70%
Number of training days	1,181	1,200	1,181
Number of assignments for technical advisory assistance undertaken	1,296	1,316	1,296
Percentage of request for training or technical advice acted upon within 3 days	70%	87.50%	70%
<b>MFO 2: DISASTER MANAGEMENT OPERATIONS</b>			
Number of disaster operations response managed	210	159	210

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	Baseline	2018 Targets
Resiliency of communities to disasters improved		
CIVIL PROTECTION PROGRAM		
CIVIL DEFENSE ENHANCEMENT SUB-PROGRAM		
Outcome Indicators		
1. Percentage increase of volunteers accredited, organized and capacitated	inventory of volunteers year 2015 value 9790	10%
2. Percentage decrease in fatality rate due to human-induced hazards	fatality rate year 2016 value 346	5%
Output Indicators		
1. Number of volunteers capacitated		1,512
2. Number of emergency operations centers maintained		19
DISASTER RISK REDUCTION AND MANAGEMENT SUB-PROGRAM		
Outcome Indicators		
1. Percentage of sectors who rated the DRRM training and resource learning initiatives as satisfactory or better	N/RDRRM Council members, LDRRMOs and stakeholders year 2015 value 70%	70%
2. Percentage increase of sectors assessed and improved	Gawad Kalasag national and regional entries year 2015-2017 value 45%	10%
Output Indicators		
1. Number of sectors provided with DRRM training and learning initiatives	N/RDRRM Council members LDRRMOs and stakeholders	266
2. Percentage of sectors assessed on disaster readiness and resiliency	Gawad Kalasag national and regional entries	10%
3. Percentage of sectors provided with information, education and communication campaigns (IECs)	14 Basic Sectors and their attached organizations at the national and regional level	10%

## E. PHILIPPINE VETERANS AFFAIRS OFFICE (PROPER)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	489,173	899,305	550,614
General Fund	489,173	899,305	550,614
Automatic Appropriations	10,383	11,191	11,325
Retirement and Life Insurance Premiums	10,383	11,191	11,325
Continuing Appropriations	4,628	20,888	
Unobligated Releases for Capital Outlays R.A. No. 10717		3,514	
Unobligated Releases for MOOE R.A. No. 10651	4,628		
R.A. No. 10717		17,374	

Budgetary Adjustment(s)	<u>14,560,532</u>		
Transfer(s) from:			
National Disaster Risk Reduction and Management Fund (Calamity Fund)	2,358		
Miscellaneous Personnel Benefits Fund	21,284		
Pension and Gratuity Fund	<u>14,536,890</u>		
Total Available Appropriations	15,064,716	931,384	561,939
Unused Appropriations	( 24,862)	( 20,888)	
Unreleased Appropriation	( 3,266)		
Unobligated Allotment	( 21,596)	( 20,888)	
TOTAL OBLIGATIONS	<u>15,039,854</u>	<u>910,496</u>	<u>561,939</u>
	=====	=====	=====

EXPENDITURE PROGRAM  
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	<u>98,099,000</u>	<u>86,162,000</u>	<u>92,785,000</u>
Regular	<u>98,099,000</u>	<u>86,162,000</u>	<u>92,785,000</u>
PS	54,557,000	39,563,000	37,896,000
MOOE	34,189,000	46,599,000	48,189,000
CO	9,353,000		6,700,000
Operations	<u>14,932,258,000</u>	<u>451,571,000</u>	<u>469,154,000</u>
Regular	<u>14,932,258,000</u>	<u>451,571,000</u>	<u>440,012,000</u>
PS	14,626,054,000	101,866,000	103,501,000
MOOE	304,004,000	340,819,000	336,011,000
CO	2,200,000	8,886,000	500,000
Projects / Purpose			<u>29,142,000</u>
MOOE			7,542,000
CO			21,600,000
Projects / Purpose	<u>9,497,000</u>	<u>372,763,000</u>	
MOOE		163,000	
CO	9,497,000	372,600,000	
TOTAL AGENCY BUDGET	<u>15,039,854,000</u>	<u>910,496,000</u>	<u>561,939,000</u>
Regular	<u>15,030,357,000</u>	<u>537,733,000</u>	<u>532,797,000</u>
PS	14,680,611,000	141,429,000	141,397,000
MOOE	338,193,000	387,418,000	384,200,000
CO	11,553,000	8,886,000	7,200,000
Projects / Purpose	<u>9,497,000</u>	<u>372,763,000</u>	<u>29,142,000</u>
MOOE		163,000	7,542,000
CO	9,497,000	372,600,000	21,600,000

STAFFING SUMMARY

	2016	2017	2018
TOTAL STAFFING			
Total Number of Authorized Positions	406	406	406
Total Number of Filled Positions	344	343	343

Proposed New Appropriations Language  
 For general administration and support, operations, including locally-funded projects, as indicated hereunder..P 550,614,000  
 =====

OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
VETERANS' WELFARE AND BENEFITS ADMINISTRATION OF PROGRAM	79,489,000	297,674,000	22,100,000	399,263,000
VETERANS AFFAIRS MANAGEMENT PROGRAM	3,692,000	11,750,000		15,442,000
VETERANS MEMORIAL AND HISTORICAL PRESERVATION PROGRAM	11,848,000	34,129,000		45,977,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
 (in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	130,072,000	391,742,000	28,800,000	550,614,000
National Capital Region (NCR)	130,072,000	391,742,000	28,800,000	550,614,000
TOTAL AGENCY BUDGET	130,072,000	391,742,000	28,800,000	550,614,000

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, s. 1987 and to appropriate criminal action under existing penal laws.

The PVAO shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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:

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					
1000000000000000	General Administration and Support	35,043,000	48,189,000	6,700,000	89,932,000
100000100001000	General management and supervision	33,748,000	48,189,000	6,700,000	88,637,000
100000100002000	Administration of Personnel Benefits	1,295,000			1,295,000
Sub-total, General Administration and Support		35,043,000	48,189,000	6,700,000	89,932,000
3000000000000000	Operations	95,029,000	343,553,000	22,100,000	460,682,000
3100000000000000	00 : Filipino veterans empowered	83,181,000	309,424,000	22,100,000	414,705,000
3101000000000000	VETERANS' WELFARE AND BENEFITS ADMINISTRATION OF PROGRAM	79,489,000	297,674,000	22,100,000	399,263,000
310100100001000	Processing of veterans' claims	64,296,000	33,008,000		97,304,000
310100100002000	Payment of veterans' benefits		236,598,000		236,598,000
310100100003000	Investigation, verification of records, strengthening of internal control system and conduct of management and system audit	15,193,000	20,526,000	500,000	36,219,000
Project(s)					
Locally-Funded Project(s)			7,542,000	21,600,000	29,142,000
310100200003000	Upgrading to a Fiber Optic Local Area Network		1,334,000	10,500,000	11,834,000
310100200004000	Procurement of ICT Equipment for Office Productivity		1,290,000	11,100,000	12,390,000
310100200005000	Migration to Government Shared Services		4,755,000		4,755,000
310100200006000	Implementation of ISSP		163,000		163,000
3102000000000000	VETERANS AFFAIRS MANAGEMENT PROGRAM	3,692,000	11,750,000		15,442,000
310200100001000	Provide assistance in empowering of veterans organizations	3,692,000	11,750,000		15,442,000
3200000000000000	00 : Filipinos' appreciation and gratitude for veterans' service demonstrated	11,848,000	34,129,000		45,977,000
3201000000000000	VETERANS MEMORIAL AND HISTORICAL PRESERVATION PROGRAM	11,848,000	34,129,000		45,977,000
320100100001000	Administration and management of national military shrines	10,511,000	27,275,000		37,786,000
320100100002000	Historical research and preservation	1,337,000	1,295,000		2,632,000
320100100003000	Celebration of veteran-related events		5,559,000		5,559,000
Sub-total, Operations		95,029,000	343,553,000	22,100,000	460,682,000
TOTAL NEW APPROPRIATIONS		P 130,072,000	P 391,742,000	P 28,800,000	P 550,614,000
		=====	=====	=====	=====

Obligations, by Object of ExpendituresCYs 2016-2018  
(In Thousand Pesos)

	2016	2017	2018
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	86,699	93,266	94,377
Total Permanent Positions	<u>86,699</u>	<u>93,266</u>	<u>94,377</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	8,382	8,544	8,232
Representation Allowance	600	768	648
Transportation Allowance	600	768	648
Clothing and Uniform Allowance	1,740	1,780	1,715
Honoraria	1,800	1,800	1,800
Mid-Year Bonus - Civilian	7,243	7,772	7,865
Year End Bonus	7,021	7,772	7,865
Cash Gift	1,700	1,780	1,715
Step Increment		758	236
Collective Negotiation Agreement	8,637		
Productivity Enhancement Incentive	1,740	1,780	1,715
Performance Based Bonus	4,069		
Total Other Compensation Common to All	<u>43,532</u>	<u>33,522</u>	<u>32,439</u>
Other Compensation for Specific Groups			
Other Personnel Benefits	358	150	
Total Other Compensation for Specific Groups	<u>358</u>	<u>150</u>	
Other Benefits			
Retirement and Life Insurance Premiums	10,186	11,191	11,325
PAG-IBIG Contributions	415	427	412
PhilHealth Contributions	912	938	987
Employees Compensation Insurance Premiums	414	427	412
Loyalty Award - Civilian			150
Terminal Leave	2,170	1,508	1,295
Total Other Benefits	<u>14,097</u>	<u>14,491</u>	<u>14,581</u>
Military/Uniformed Personnel			
Other Personnel Benefits			
Pension, Veterans	14,535,925		
Total Other Personnel Benefits	<u>14,535,925</u>		
TOTAL PERSONNEL SERVICES	<u>14,680,611</u>	<u>141,429</u>	<u>141,397</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	4,076	3,620	3,817
Training and Scholarship Expenses	2,472	2,910	3,062
Supplies and Materials Expenses	27,677	29,914	31,216
Utility Expenses	13,043	16,884	18,613
Communication Expenses	11,912	19,326	22,435
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	394	380	380
Professional Services	16,792	17,561	15,853
General Services	20,811	24,022	23,651
Repairs and Maintenance	4,937	13,779	15,365
Taxes, Insurance Premiums and Other Fees	164	500	500



Other Maintenance and Operating Expenses			
Advertising Expenses	373	585	396
Printing and Publication Expenses	3,657	4,576	4,122
Representation Expenses	8,240	9,187	8,664
Transportation and Delivery Expenses	70	72	72
Rent/Lease Expenses	6,227	6,917	6,011
Subscription Expenses	750	750	982
Donations	216,598	236,598	236,598
Other Maintenance and Operating Expenses			5
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>338,193</u>	<u>387,581</u>	<u>391,742</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>15,018,804</u>	<u>529,010</u>	<u>533,139</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures		12,643	
Machinery and Equipment Outlay	10,308	8,150	28,450
Furniture, Fixtures and Books Outlay		150	150
Heritage Assets	2,200	360,543	
Other Property Plant and Equipment Outlay			200
Intangible Assets Outlay	8,542		
TOTAL CAPITAL OUTLAYS	<u>21,050</u>	<u>381,486</u>	<u>28,800</u>
GRAND TOTAL	<u>15,039,854</u>	<u>910,496</u>	<u>561,939</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : People-centered, innovative, clean, efficient, effective, and inclusive delivery of public goods and services

## ORGANIZATIONAL

OUTCOME : Filipino veterans empowered  
 Filipinos' appreciation and gratitude for veterans' service demonstrated

## PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>
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	100% of regular pension paid or on before the end of the corresponding pension month

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM			
Number of pension and other benefit payments made	220,352	241,378	212,618
Number of pensioners and beneficiaries	184,001	205,754	185,506
Percentage of payments made over the last three (3) years that are found to be invalid	0.50%	0.11%	0.50%

Percentage of valid benefit claims made within ten (10) working days of receipt of completed documents	90%	92%	90%
Percentage of regular pension payments made into beneficiaries accounts on due date	100%	100%	100%

MFO 2: PRESERVATION AND DEVELOPMENT  
SERVICES FOR MILITARY SHRINES

Number of shrines maintained	7	8	7
Number of veteran commemorative events managed	13	14	13
Percentage of stakeholders who rated the commemorative events as good or better	90%	99%	90%
Percentage of shrine visitors who rated the facility maintenance and customer services as good or better	90%	99%	90%
Percentage of commemorative events that are completed within program schedule	100%	100%	100%
Percentage of shrines that are maintained on a daily basis	100%	100%	100%

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)

Baseline

2018 Targets

Filipino veterans empowered

VETERANS' WELFARE AND BENEFITS  
ADMINISTRATION OF PROGRAM

Outcome Indicator		
1. Percentage of regular pensions paid on or before due date	100%	100%
Output Indicators		
1. Percentage of benefit claims processed within ten (10) working days upon receipt of completed documents	92%	92%
2. Number of recipients of non-pension benefits	9,910	9,650

VETERANS AFFAIRS MANAGEMENT PROGRAM

Outcome Indicator		
1. Percentage of veterans who are member of veterans organizations	22.60%	25%
Output Indicators		
1. Number of veteran-related engagements	44	42
2. Number of veterans organizations assisted	40	42

Filipinos' appreciation and gratitude for veterans' service demonstrated

VETERANS MEMORIAL AND HISTORICAL  
PRESERVATION PROGRAM

Outcome Indicator		
1. Number of shrine visitors and attendees to commemorative events	480,623	500,000
Output Indicators		
1. Number of shrines maintained	8	8

2. Number of veterans' celebratory events managed	14	13
3. Number of books, journals and other materials published	4	4

## F. VETERANS MEMORIAL MEDICAL CENTER

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	<u>1,068,085</u>	<u>1,189,765</u>	<u>1,600,669</u>
General Fund	1,068,085	1,189,765	1,600,669
Automatic Appropriations	<u>45,025</u>	<u>47,814</u>	<u>51,125</u>
Retirement and Life Insurance Premiums	45,025	47,814	51,125
Continuing Appropriations	<u>19,629</u>	<u>57,064</u>	
Unobligated Releases for Capital Outlays			
R.A. No. 10651	16,698		
R.A. No. 10717		54,225	
Unobligated Releases for MOOE			
R.A. No. 10651	2,931		
R.A. No. 10717		2,839	
Budgetary Adjustment(s)	<u>96,356</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	80,008		
Pension and Gratuity Fund	<u>16,348</u>		
Total Available Appropriations	1,229,095	1,294,643	1,651,794
Unused Appropriations	<u>( 77,274)</u>	<u>( 57,064)</u>	
Unreleased Appropriation	( 13,075)		
Unobligated Allotment	<u>( 64,199)</u>	<u>( 57,064)</u>	
TOTAL OBLIGATIONS	<u>1,151,821</u>	<u>1,237,579</u>	<u>1,651,794</u>
	=====	=====	=====

EXPENDITURE PROGRAM  
(in pesos)

<u>GAS / STO / OPERATIONS / PROJECTS</u>	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	<u>272,334,000</u>	<u>302,888,000</u>	<u>356,140,000</u>
Regular	<u>272,334,000</u>	<u>302,888,000</u>	<u>356,140,000</u>
P5	136,175,000	113,660,000	128,516,000
MOOE	125,628,000	174,228,000	189,214,000
CO	10,531,000	15,000,000	38,410,000

Operations	<u>879,487,000</u>	<u>934,691,000</u>	<u>1,295,654,000</u>
Regular	<u>879,487,000</u>	<u>934,691,000</u>	<u>1,295,654,000</u>
PS	564,015,000	576,976,000	623,621,000
MOOE	304,526,000	315,415,000	589,533,000
CO	10,946,000	42,300,000	82,500,000
TOTAL AGENCY BUDGET	<u>1,151,821,000</u>	<u>1,237,579,000</u>	<u>1,651,794,000</u>
Regular	<u>1,151,821,000</u>	<u>1,237,579,000</u>	<u>1,651,794,000</u>
PS	700,190,000	690,636,000	752,137,000
MOOE	430,154,000	489,643,000	778,747,000
CO	21,477,000	57,300,000	120,910,000

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Total Number of Authorized Positions	1,405	1,405	1,405
Total Number of Filled Positions	1,307	1,284	1,284

Proposed New Appropriations Language  
 For general administration and support, and operations, as indicated hereunder.....P 1,600,669,000  
 =====

OPERATIONS BY PROGRAM	<u>PROPOSED 2018</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
VETERAN HEALTH CARE PROGRAM	578,350,000	589,533,000	82,500,000	1,250,383,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
 (in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>701,012,000</u>	<u>778,747,000</u>	<u>120,910,000</u>	<u>1,600,669,000</u>
National Capital Region (NCR)	701,012,000	778,747,000	120,910,000	1,600,669,000
TOTAL AGENCY BUDGET	<u>701,012,000</u>	<u>778,747,000</u>	<u>120,910,000</u>	<u>1,600,669,000</u>
	=====	=====	=====	=====

SPECIAL PROVISION(S)

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

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. Any 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, s. 1987, 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.

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:

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					
1000000000000000	General Administration and Support	122,662,000	189,214,000	38,410,000	350,286,000
100000100001000	General management and supervision	82,688,000	189,214,000	38,410,000	310,312,000
100000100002000	Administration of Personnel Benefits	39,974,000			39,974,000
Sub-total, General Administration and Support		122,662,000	189,214,000	38,410,000	350,286,000
3000000000000000	Operations	578,350,000	589,533,000	82,500,000	1,250,383,000
3100000000000000	00 : Quality Health Care Services Provided to Veterans and their Dependents	578,350,000	589,533,000	82,500,000	1,250,383,000
3101000000000000	VETERAN HEALTH CARE PROGRAM	578,350,000	589,533,000	82,500,000	1,250,383,000
310100100001000	In-Patient care	544,007,000	504,851,000	82,500,000	1,131,358,000
310100100002000	Out-Patient care	34,343,000	84,682,000		119,025,000
Sub-total, Operations		578,350,000	589,533,000	82,500,000	1,250,383,000
TOTAL NEW APPROPRIATIONS		P 701,012,000	P 778,747,000	P 120,910,000	P 1,600,669,000
		=====	=====	=====	=====

Obligations, by Object of ExpendituresCYs 2016-2018  
(In Thousand Pesos)

	2016	2017	2018
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	364,513	398,452	426,040
Total Permanent Positions	<u>364,513</u>	<u>398,452</u>	<u>426,040</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	30,539	31,344	30,792
Representation Allowance	441	432	432
Transportation Allowance	441	432	432
Clothing and Uniform Allowance	6,490	6,535	6,420
Mid-Year Bonus - Civilian	31,428	33,204	35,504
Year End Bonus	28,305	33,204	35,504
Cash Gift	6,255	6,535	6,420
Step Increment		2,922	1,065
Collective Negotiation Agreement	28,361		
Productivity Enhancement Incentive	6,299	6,535	6,420
Performance Based Bonus	9,200		
Total Other Compensation Common to All	<u>147,759</u>	<u>121,143</u>	<u>122,989</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	104,918	83,183	101,383
Night Shift Differential Pay	1,708	2,532	2,532
Lump-sum for filling of Positions - Civilian	9,940	25,523	28,141
Total Other Compensation for Specific Groups	<u>116,566</u>	<u>111,238</u>	<u>132,056</u>
Other Benefits			
Retirement and Life Insurance Premiums	43,671	47,814	51,125
PAG-IBIG Contributions	1,559	1,569	1,541
PhilHealth Contributions	3,977	3,647	4,004
Employees Compensation Insurance Premiums	1,551	1,569	1,541
Loyalty Award - Civilian			1,008
Terminal Leave	20,594	5,204	11,833
Total Other Benefits	<u>71,352</u>	<u>59,803</u>	<u>71,052</u>
TOTAL PERSONNEL SERVICES	<u>700,190</u>	<u>690,636</u>	<u>752,137</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	32	150	155
Training and Scholarship Expenses	1,484	1,800	1,854
Supplies and Materials Expenses	282,683	337,624	613,160
Utility Expenses	78,098	94,043	96,864
Communication Expenses	1,483	1,525	1,571
Awards/Rewards and Prizes	448	300	300
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	101	110	110
Professional Services	32,146	5,560	5,560
General Services	18,493	36,048	46,011
Repairs and Maintenance	3,844	3,756	3,869
Taxes, Insurance Premiums and Other Fees	2,050	732	732
Other Maintenance and Operating Expenses			
Advertising Expenses	53	110	113
Representation Expenses	771	572	635
Rent/Lease Expenses	5,938	7,250	7,250
Membership Dues and Contributions to Organizations	21	30	30



Percentage of triage 3 or less urgent emergency department patients who are attended to within 30 minutes	100%	100%	100%
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<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Quality Health Care Services Provided to Veterans and their Dependents		
VETERAN HEALTH CARE PROGRAM		
Outcome Indicator		
1. Percentage of hospital discharges successfully treated		85%
Output Indicators		
In-Patient Care		
1. Number of In-patients treated	7,500	7,500
Out-Patient Care		
1. Number of out-patients treated	146,000	147,000
2. Percentage of patients attended to upon arrival in the emergency ward:		
Category 1 - Immediate simultaneous assessment and treatment		100%
Category 2 - Assessment and treatment within 10 minutes (often simultaneously)		90%
Category 3 - Assessment and treatment start within 30 minutes		90%
Category 4 - Assessment and treatment start within 60 minutes		100%
Category 5 - Assessment and treatment start within 120 minutes		100%

G. PHILIPPINE ARMY (LAND FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	47,537,259	57,434,255	63,778,132
General Fund	47,537,259	57,434,255	63,778,132
Automatic Appropriations	151,735	30,927	35,288
Customs Duties and Taxes, including Tax Expenditures	123,737		
Retirement and Life Insurance Premiums	27,998	30,927	35,288
Continuing Appropriations	2,062,881	1,660,659	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10651	1		
R.A. No. 10717		54,000	



Unobligated Releases for Capital Outlays			
R.A. No. 10651	282,653		
R.A. No. 10717		259,303	
Unobligated Releases for MOOE			
R.A. No. 10651	1,780,227		
R.A. No. 10717		1,347,356	
Budgetary Adjustment(s)	<u>5,689,870</u>		
Transfer(s) from:			
Contingent Fund	97,500		
Miscellaneous Personnel Benefits Fund	4,307,746		
Pension and Gratuity Fund	<u>1,284,624</u>		
Total Available Appropriations	55,441,745	59,125,841	63,813,420
Unused Appropriations	( 2,185,179)	( 1,660,659)	
Unreleased Appropriation	( 569,809)	( 54,000)	
Unobligated Allotment	( 1,615,370)	( 1,606,659)	
TOTAL OBLIGATIONS	<u>53,256,566</u>	<u>57,465,182</u>	<u>63,813,420</u>

EXPENDITURE PROGRAM  
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	2016 Actual	2017 Current	2018 Proposed
General Administration and Support	<u>10,216,410,000</u>	<u>5,361,676,000</u>	<u>9,453,729,000</u>
Regular	<u>10,216,410,000</u>	<u>5,361,676,000</u>	<u>9,453,729,000</u>
PS	9,141,868,000	4,402,336,000	8,358,840,000
MOOE	1,026,857,000	959,340,000	1,094,889,000
CO	47,685,000		
Support to Operations	<u>2,528,982,000</u>	<u>2,565,955,000</u>	
Regular	<u>2,528,982,000</u>	<u>2,565,955,000</u>	
PS	1,904,634,000	1,920,674,000	
MOOE	610,702,000	606,183,000	
CO	13,646,000	39,098,000	
Operations	<u>40,488,511,000</u>	<u>49,374,551,000</u>	<u>54,359,691,000</u>
Regular	<u>40,488,511,000</u>	<u>49,374,551,000</u>	<u>54,359,691,000</u>
PS	33,686,290,000	37,759,967,000	43,801,685,000
MOOE	6,525,533,000	9,072,695,000	9,997,604,000
CO	276,688,000	2,541,889,000	560,402,000
Projects / Purpose	<u>22,663,000</u>	<u>163,000,000</u>	
CO	22,663,000	163,000,000	
TOTAL AGENCY BUDGET	<u>53,256,566,000</u>	<u>57,465,182,000</u>	<u>63,813,420,000</u>
Regular	<u>53,233,903,000</u>	<u>57,302,182,000</u>	<u>63,813,420,000</u>
PS	44,732,792,000	44,082,977,000	52,160,525,000
MOOE	8,163,092,000	10,638,218,000	11,092,493,000
CO	338,019,000	2,580,987,000	560,402,000

Projects / Purpose	22,663,000	163,000,000
CO	22,663,000	163,000,000

STAFFING SUMMARY

	2016	2017	2018
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,670	1,670	1,670
Total Number of Filled Positions	1,223	1,282	1,282
Military			
Total Number of Authorized Positions	85,825	95,894	95,894
Total Number of Filled Positions	85,825	87,002	87,002

Proposed New Appropriations Language  
 For general administration and support, and operations, as indicated hereunder.....P 63,778,132,000  
 =====

PROPOSED 2018

OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
LAND FORCES DEFENSE PROGRAM	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
 (in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	52,125,237,000	11,092,493,000	560,402,000	63,778,132,000
National Capital Region (NCR)	52,125,237,000	11,092,493,000	560,402,000	63,778,132,000
TOTAL AGENCY BUDGET	52,125,237,000	11,092,493,000	560,402,000	63,778,132,000

SPECIAL PROVISION(S)

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

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

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

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

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 shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

The Philippine Army shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. 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 Philippine Army shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the 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. Rice Subsidy. The amount appropriated herein for rice subsidy shall be given in the form of financial assistance, equivalent to twenty (20) kilos of rice per month, and charged against its MOOE.
7. 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

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	8,323,552,000	1,094,889,000		9,418,441,000
100000100001000	General management and supervision	3,575,874,000	1,094,889,000		4,670,763,000
100000100002000	Administration of Personnel Benefits	4,747,678,000			4,747,678,000
Sub-total, General Administration and Support		<u>8,323,552,000</u>	<u>1,094,889,000</u>		<u>9,418,441,000</u>

3000000000000000	Operations	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000
3100000000000000	00 : Level of mission capability of army units in ground operations attained	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000
3101000000000000	LAND FORCES DEFENSE PROGRAM	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000
310100100001000	Force-Level Support Services	2,399,832,000	610,149,000	68,979,000	3,078,960,000
310100100002000	Force Development		1,107,779,000		1,107,779,000
310100100003000	Force Sustainment	41,401,853,000	8,279,676,000	491,423,000	50,172,952,000
Sub-total, Operations		43,801,685,000	9,997,604,000	560,402,000	54,359,691,000

TOTAL NEW APPROPRIATIONS P 52,125,237,000 P 11,092,493,000 P 560,402,000 P 63,778,132,000  
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Obligations, by Object of Expenditures

CYs 2016-2018  
(In Thousand Pesos)

	2016	2017	2018
<b>Current Operating Expenditures</b>			
<b>Personnel Services</b>			
<b>Civilian Personnel</b>			
Permanent Positions			
Basic Salary	239,994	257,721	294,063
<b>Total Permanent Positions</b>	<b>239,994</b>	<b>257,721</b>	<b>294,063</b>
Other Compensation Common to All			
Personnel Economic Relief Allowance	26,875	28,176	30,768
Representation Allowance	240	180	300
Transportation Allowance	240	180	300
Clothing and Uniform Allowance	5,555	5,870	6,410
Honoraria	106	106	106
Overtime Pay	929		
Mid-Year Bonus - Civilian	20,646	21,477	24,505
Year End Bonus	19,302	21,477	24,505
Cash Gift	6,137	5,870	6,410
Step Increment	782	2,374	735
Productivity Enhancement Incentive	5,943	5,870	6,410
<b>Total Other Compensation Common to All</b>	<b>86,755</b>	<b>91,580</b>	<b>100,449</b>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	34,765	15,855	34,101
Longevity Pay	3,230	4,896	4,896
Other Personnel Benefits	19,686		
<b>Total Other Compensation for Specific Groups</b>	<b>57,681</b>	<b>20,751</b>	<b>38,997</b>
Other Benefits			
Retirement and Life Insurance Premiums	27,998	30,927	35,288
PAG-IBIG Contributions	1,716	1,409	1,538
PhilHealth Contributions	3,089	2,942	3,430
Employees Compensation Insurance Premiums	1,343	1,409	1,538
Retirement Gratuity	4,338	26,454	16,348
Terminal Leave	5,523	10,563	5,975
<b>Total Other Benefits</b>	<b>44,007</b>	<b>73,704</b>	<b>64,117</b>

## Military/Uniformed Personnel

Basic Pay			
Base Pay	19,000,268	18,755,239	19,027,377
Total Basic Pay	<u>19,000,268</u>	<u>18,755,239</u>	<u>19,027,377</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,059,800	2,059,800	2,088,048
Clothing/ Uniform Allowance	795,943	795,941	798,768
Subsistence Allowance	7,921,472	8,112,475	8,176,914
Laundry Allowance	38,439	33,285	33,749
Quarters Allowance	420,920	436,755	443,220
Longevity Pay	3,775,409	3,870,565	4,443,844
Mid-Year Bonus - Military/Uniformed Personnel	1,562,823	1,562,936	1,585,616
Officers' Allowance - Military/Uniformed Personnel	81,378	239,442	348,960
Provisional Allowance - Military/Uniformed Personnel	1,059,285	2,217,001	3,529,487
Year-end Bonus	1,575,111	1,562,936	1,585,616
Cash Gift	404,453	429,125	435,010
Productivity Enhancement Incentive	401,976	429,125	435,010
Performance Based Bonus	831,223		
Total Other Compensation Common to All	<u>20,928,232</u>	<u>21,749,386</u>	<u>23,904,242</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	149,579	133,179	133,179
Honoraria	690		
Hazard Duty Pay	441,480	556,147	720,378
Flying Pay	11,248	10,410	10,410
Hardship Allowance	16,561		
Combat Duty Pay	938,978	345,486	2,115,288
Instructor's Duty Pay	175,797	145,268	145,268
Reservist's Pay	128,180	253,306	253,306
Medal of Valor Award	8,350	6,600	19,800
Hospitalization Expenses	16,537		
Specialist's Pay	4,520		
Parachutist Pay	111,378	170,475	170,475
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)			3,644,995
Total Other Compensation for Specific Groups	<u>2,003,298</u>	<u>1,620,871</u>	<u>7,213,099</u>
Other Benefits			
Special Group Term Insurance	7,628	6,180	6,262
PAG-IBIG Contributions	102,990	102,989	104,403
PhilHealth Contributions	199,591	214,854	222,753
Employees Compensation Insurance Premiums	88,450	102,989	104,403
Retirement Gratuity	4,268		
Terminal Leave	1,969,630	1,086,713	1,080,360
Total Other Benefits	<u>2,372,557</u>	<u>1,513,725</u>	<u>1,518,181</u>
TOTAL PERSONNEL SERVICES	<u>44,732,792</u>	<u>44,082,977</u>	<u>52,160,525</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	305,409	291,971	303,965
Training and Scholarship Expenses	319,766	264,311	345,881
Supplies and Materials Expenses	4,440,120	5,315,907	5,570,321
Utility Expenses	410,039	503,696	526,646
Communication Expenses	135,072	151,758	119,048
Awards/Rewards and Prizes	4,339	1,450	1,557
Survey, Research, Exploration and Development Expenses	1,965	5,000	5,233
Demolition/Relocation and Desilting/Dredging Expenses	490		1,053
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	64,000	444,000	444,000
Professional Services	9,060	36,664	49,095
General Services	6,905	7,600	9,276

Repairs and Maintenance	1,635,423	2,283,802	2,279,831
Financial Assistance/Subsidy		669,436	732,264
Taxes, Insurance Premiums and Other Fees	206,895	96,906	57,185
Labor and Wages	43,451	15,533	63,271
Other Maintenance and Operating Expenses			
Advertising Expenses	757	5,834	1,504
Printing and Publication Expenses	10,516	17,357	17,148
Representation Expenses	426,162	447,942	444,273
Transportation and Delivery Expenses	23,638	60,649	77,797
Rent/Lease Expenses	39,407	12,475	25,285
Membership Dues and Contributions to Organizations	58	578	185
Subscription Expenses	55,701	5,096	2,539
Litigation/Acquired Assets Expenses	1,100		
Other Maintenance and Operating Expenses	22,819	253	15,136
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<b>8,163,092</b>	<b>10,638,218</b>	<b>11,092,493</b>
<b>TOTAL CURRENT OPERATING EXPENDITURES</b>	<b>52,895,884</b>	<b>54,721,195</b>	<b>63,253,018</b>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	910	155,379	
Buildings and Other Structures	22,663	615,378	12,275
Machinery and Equipment Outlay	333,746	1,392,065	197,059
Transportation Equipment Outlay		581,165	351,068
Furniture, Fixtures and Books Outlay	13		
Intangible Assets	3,350		
<b>TOTAL CAPITAL OUTLAYS</b>	<b>360,682</b>	<b>2,743,987</b>	<b>560,402</b>
<b>GRAND TOTAL</b>	<b>53,256,566</b>	<b>57,465,182</b>	<b>63,813,420</b>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

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

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>	
Level of mission capability of army units in ground operations attained			
Percentage of Ground Force Units Provided to Unified Commands	99%	80%	
<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES			
Number and Readiness level of tactical units			
Number of tactical battalions maintained	189	188	190
Percentage of operational readiness of tactical battalions	72%	72%	79%

Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	87%	90%
Number and Readiness level of reserve units			
Number of ready reserve battalions maintained	81	81	82
Percentage of operational readiness of ready reserve battalions	72%	65%	60%

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Level of mission capability of army units in ground operations attained		
LAND FORCES DEFENSE PROGRAM		
Outcome Indicators		
1. Percentage of Tactical Units provided to force employers that are in prescribed readiness condition		40%
2. Percentage of Ready Reserve Units in prescribed readiness condition		40%
Output Indicators		
1. Number of tactical and ready reserve units maintained		
a. Tactical Battalions	190	191
b. Ready Reserve Battalions	82	82
2. Percentage of operational readiness of tactical and ready reserve units		
a. Tactical Battalions	79%	82%
b. Ready Reserve Battalions	60%	65%
3. Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	90%

## H. PHILIPPINE AIR FORCE (AIR FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	16,363,367	18,962,952	19,693,330
General Fund	16,363,367	18,962,952	19,693,330
Automatic Appropriations	23,478	27,203	32,786
Retirement and Life Insurance Premiums	23,478	27,203	32,786
Continuing Appropriations	1,474,153	1,479,154	
Unobligated Releases for Capital Outlays			
R.A. No. 10651	804,607		
R.A. No. 10717		999,131	
Unobligated Releases for MOOE			
R.A. No. 10651	669,546		
R.A. No. 10717		480,023	

Budgetary Adjustment(s)	<u>1,928,751</u>		
Transfer(s) from:			
Contingent Fund	7,807		
Miscellaneous Personnel Benefits Fund	877,900		
Pension and Gratuity Fund	<u>1,043,044</u>		
Total Available Appropriations	19,789,749	20,469,309	19,726,116
Unused Appropriations	( 1,651,129)	( 1,479,154)	
Unreleased Appropriation	( 170,726)		
Unobligated Allotment	<u>( 1,480,403)</u>	<u>( 1,479,154)</u>	
TOTAL OBLIGATIONS	<u>18,138,620</u>	<u>18,990,155</u>	<u>19,726,116</u>

EXPENDITURE PROGRAM  
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	<u>2,999,025,000</u>	<u>1,445,040,000</u>	<u>1,671,614,000</u>
Regular	<u>2,999,025,000</u>	<u>1,445,040,000</u>	<u>1,671,614,000</u>
PS	2,579,203,000	985,250,000	1,197,085,000
MOOE	379,141,000	459,790,000	473,539,000
CO	40,681,000		990,000
Support to Operations	<u>2,208,341,000</u>	<u>2,740,624,000</u>	
Regular	<u>2,208,341,000</u>	<u>2,740,624,000</u>	
PS	1,945,488,000	2,432,281,000	
MOOE	262,853,000	308,343,000	
Operations	<u>12,901,454,000</u>	<u>14,738,491,000</u>	<u>18,054,502,000</u>
Regular	<u>12,901,454,000</u>	<u>14,738,491,000</u>	<u>18,054,502,000</u>
PS	5,616,466,000	6,231,714,000	9,322,230,000
MOOE	6,163,157,000	7,939,299,000	8,412,912,000
CO	1,121,831,000	567,478,000	319,360,000
Projects / Purpose	<u>29,800,000</u>	<u>66,000,000</u>	
MOOE		2,465,000	
CO	29,800,000	63,535,000	
TOTAL AGENCY BUDGET	<u>18,138,620,000</u>	<u>18,990,155,000</u>	<u>19,726,116,000</u>
Regular	<u>18,108,820,000</u>	<u>18,924,155,000</u>	<u>19,726,116,000</u>
PS	10,141,157,000	9,649,245,000	10,519,315,000
MOOE	6,805,151,000	8,707,432,000	8,886,451,000
CO	1,162,512,000	567,478,000	320,350,000
Projects / Purpose	<u>29,800,000</u>	<u>66,000,000</u>	
MOOE		2,465,000	
CO	29,800,000	63,535,000	



## STAFFING SUMMARY

	2016	2017	2018
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,827	1,827	1,827
Total Number of Filled Positions	1,194	1,245	1,245
Military			
Total Number of Authorized Positions	17,612	17,612	17,612
Total Number of Filled Positions	16,905	16,857	16,857

Proposed New Appropriations Language  
For general administration and support, and operations, as indicated hereunder.....P 19,693,330,000  
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OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
AIR FORCES DEFENSE PROGRAM	9,296,575,000	8,412,912,000	319,360,000	18,028,847,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	10,486,529,000	8,886,451,000	320,350,000	19,693,330,000
National Capital Region (NCR)	10,486,529,000	8,886,451,000	320,350,000	19,693,330,000
TOTAL AGENCY BUDGET	10,486,529,000	8,886,451,000	320,350,000	19,693,330,000
	=====	=====	=====	=====

## SPECIAL PROVISION(S)

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

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

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The Philippine 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 shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

The Philippine Air Force shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. 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. Rice Subsidy. The amount appropriated herein for rice subsidy shall be given in the form of financial assistance, equivalent to twenty (20) kilos of rice per month, and charged against its MOOE.
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:

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>
<b>PROGRAMS</b>					
1000000000000000	General Administration and Support	1,189,954,000	473,539,000	990,000	1,664,483,000
100000100001000	General management and supervision	521,782,000	473,539,000	990,000	996,311,000
100000100002000	Administration of Personnel Benefits	668,172,000			668,172,000
Sub-total, General Administration and Support		<u>1,189,954,000</u>	<u>473,539,000</u>	<u>990,000</u>	<u>1,664,483,000</u>
3000000000000000	Operations	9,296,575,000	8,412,912,000	319,360,000	18,028,847,000
3100000000000000	00 : Level of mission capability of Air Force Units in air operations attained	9,296,575,000	8,412,912,000	319,360,000	18,028,847,000
3101000000000000	AIR FORCES DEFENSE PROGRAM	9,296,575,000	8,412,912,000	319,360,000	18,028,847,000
310100100001000	Force-Level Support Services	2,273,893,000	264,319,000	11,943,000	2,550,155,000
310100100002000	Force Development	3,487,685,000	3,866,934,000	203,401,000	7,558,020,000
310100100003000	Force Sustainment	3,534,997,000	4,281,659,000	104,016,000	7,920,672,000
Sub-total, Operations		<u>9,296,575,000</u>	<u>8,412,912,000</u>	<u>319,360,000</u>	<u>18,028,847,000</u>
<b>TOTAL NEW APPROPRIATIONS</b>		<b>P 10,486,529,000</b>	<b>P 8,886,451,000</b>	<b>P 320,350,000</b>	<b>P 19,693,330,000</b>
		=====	=====	=====	=====

Obligations, by Object of ExpendituresCYs 2016-2018  
(In Thousand Pesos)

	2016	2017	2018
<b>Current Operating Expenditures</b>			
<b>Personnel Services</b>			
<b>Civilian Personnel</b>			
Permanent Positions			
Basic Salary	212,272	226,692	273,213
<b>Total Permanent Positions</b>	<b>212,272</b>	<b>226,692</b>	<b>273,213</b>
Other Compensation Common to All			
Personnel Economic Relief Allowance	26,334	25,512	29,880
Representation Allowance	175	120	180
Transportation Allowance	185	120	180
Clothing and Uniform Allowance	5,380	5,315	6,225
Mid-Year Bonus - Civilian	17,619	18,891	22,768
Year End Bonus	19,517	18,891	22,768
Cash Gift	5,772	5,315	6,225
Step Increment		2,132	683
Productivity Enhancement Incentive	4,764	5,315	6,225
Performance Based Bonus	10,057		
<b>Total Other Compensation Common to All</b>	<b>89,803</b>	<b>81,611</b>	<b>95,134</b>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	21,710	26,312	27,896
Radiation Hazard Pay	4,329		5,239
Longevity Pay	3,649	3,305	3,598
Other Personnel Benefits	3,219		
Anniversary Bonus - Civilian		3,189	
Anniversary Bonus - Military/Uniformed Personnel		49,989	
<b>Total Other Compensation for Specific Groups</b>	<b>32,907</b>	<b>82,795</b>	<b>36,733</b>
Other Benefits			
Retirement and Life Insurance Premiums	23,478	27,203	32,786
PAG-IBIG Contributions	1,461	1,276	1,494
PhilHealth Contributions	3,003	2,524	3,123
Employees Compensation Insurance Premiums	1,524	1,276	1,494
Retirement Gratuity	19,742	15,728	25,174
Loyalty Award - Civilian			1,130
Terminal Leave	16,731	6,929	11,582
<b>Total Other Benefits</b>	<b>65,939</b>	<b>54,936</b>	<b>76,783</b>
<b>Military/Uniformed Personnel</b>			
Basic Pay			
Base Pay	3,992,473	3,981,896	4,031,550
<b>Total Basic Pay</b>	<b>3,992,473</b>	<b>3,981,896</b>	<b>4,031,550</b>
Other Compensation Common to All			
Personnel Economic Relief Allowance	405,362	399,912	404,568
Clothing/ Uniform Allowance	200,881	229,431	214,207
Subsistence Allowance	932,013	912,300	922,922
Laundry Allowance	6,676	6,778	6,887
Quarters Allowance	90,895	92,415	93,523
Longevity Pay	835,403	824,466	809,228
Mid-Year Bonus - Military/Uniformed Personnel	332,330	331,825	335,963
Officers' Allowance - Military/Uniformed Personnel	21,834	70,542	106,560
Provisional Allowance - Military/Uniformed Personnel	267,667	569,498	914,244
Year-end Bonus	330,606	331,825	335,963

Cash Gift	82,576	83,315	84,285
Productivity Enhancement Incentive	82,114	83,315	84,285
Performance Based Bonus	123,848		
<b>Total Other Compensation Common to All</b>	<b>3,712,205</b>	<b>3,935,622</b>	<b>4,312,635</b>
<b>Other Compensation for Specific Groups</b>			
Hazardous Duty Pay	108,398	100,879	100,879
Hazard Duty Pay	83,890	107,977	139,578
Flying Pay	419,618	405,757	413,398
Hardship Allowance	12,797	9,868	9,868
Combat Duty Pay	83,477	33,744	212,472
Instructor's Duty Pay	34,223	33,675	33,675
Reservist's Pay	28,789	28,584	55,231
Medal of Valor Award	600	1,200	1,800
Hospitalization Expenses	11,472		
Specialist's Pay	2,998	153	2,603
Parachutist Pay	3,408	3,726	3,726
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		326,165	502,130
<b>Total Other Compensation for Specific Groups</b>	<b>789,670</b>	<b>1,051,728</b>	<b>1,475,360</b>
<b>Other Benefits</b>			
Special Group Term Insurance	1,465	1,199	1,214
PAG-IBIG Contributions	19,763	19,996	20,229
PhilHealth Contributions	45,343	44,932	46,949
Employees Compensation Insurance Premiums	20,379	19,996	20,229
Terminal Leave	1,158,938	147,842	129,286
<b>Total Other Benefits</b>	<b>1,245,888</b>	<b>233,965</b>	<b>217,907</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>10,141,157</b>	<b>9,649,245</b>	<b>10,519,315</b>
<b>Maintenance and Other Operating Expenses</b>			
Travelling Expenses	248,928	257,003	264,713
Training and Scholarship Expenses	78,624	85,859	88,435
Supplies and Materials Expenses	2,281,068	2,851,638	2,907,918
Utility Expenses	346,679	354,681	368,323
Communication Expenses	40,520	41,413	42,654
Awards/Rewards and Prizes	430	1,550	1,550
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	17,000	17,000	17,000
Professional Services	16,834	5,662	7,832
General Services	4,257	13,741	13,741
Repairs and Maintenance	3,560,413	4,724,474	4,809,235
Financial Assistance/Subsidy		129,972	131,859
Taxes, Insurance Premiums and Other Fees	14,615	19,166	19,166
Other Maintenance and Operating Expenses			
Advertising Expenses	1,081	1,645	1,694
Printing and Publication Expenses	4,140	5,899	6,076
Representation Expenses	177,894	183,197	188,612
Transportation and Delivery Expenses	4,880	9,858	10,154
Rent/Lease Expenses	3,319	2,171	2,171
Membership Dues and Contributions to Organizations	79	45	45
Subscription Expenses	1,716	3,420	3,770
Donations		1,500	1,500
Other Maintenance and Operating Expenses	2,674	3	3
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<b>6,805,151</b>	<b>8,709,897</b>	<b>8,886,451</b>
<b>TOTAL CURRENT OPERATING EXPENDITURES</b>	<b>16,946,308</b>	<b>18,359,142</b>	<b>19,405,766</b>
<b>Capital Outlays</b>			
Property, Plant and Equipment Outlay			
Land Outlay		80,100	
Infrastructure Outlay	169,830	152,250	
Buildings and Other Structures	967,856	329,097	35,000

Machinery and Equipment Outlay	54,626	29,952	88,974
Transportation Equipment Outlay		38,823	196,376
Other Property Plant and Equipment Outlay		791	
TOTAL CAPITAL OUTLAYS	<u>1,192,312</u>	<u>631,013</u>	<u>320,350</u>
GRAND TOTAL	<u>18,138,620</u>	<u>18,990,155</u>	<u>19,726,116</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL

OUTCOME : Level of mission capability of Air Force Units in air operations attained

## PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>
Level of mission capability of Air Force Units in air operations attained		
Percentage of Air Force Units Provided to Unified Commands	70%	85%

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES			
Number of Supportable Aircraft Maintained	140	150	154
Aircraft Maintenance Readiness Rate	70%	61%	70%
% Accomplishment of 1-hour Response to Flight-directed Mission	85%	99.7%	90%

<u>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Level of mission capability of Air Force Units in air operations attained		
AIR FORCES DEFENSE PROGRAM		
Outcome Indicator		
1. Percentage of Tactical Air Operations Group that supported the Unified Commands		100%
Output Indicators		
1. Number of supportable aircraft maintained	154	154
2. Percentage of accomplishment of one-hour response to flight-directed mission	90%	90%
3. Percentage of flying hours flown		100%

## I. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	16,273,018	20,992,347	21,208,554
General Fund	16,273,018	20,992,347	21,208,554
Automatic Appropriations	50,670	25,282	28,616
Customs Duties and Taxes, including Tax Expenditures	27,327		
Retirement and Life Insurance Premiums	23,343	25,282	28,616
Continuing Appropriations	1,243,235	971,324	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717		48,800	
Unobligated Releases for Capital Outlays			
R.A. No. 10651	556,828		
R.A. No. 10717		1,496	
Unobligated Releases for MDOE			
R.A. No. 10651	686,407		
R.A. No. 10717		921,028	
Budgetary Adjustment(s)	2,669,179		
Transfer(s) from:			
Contingent Fund	35,210		
Miscellaneous Personnel Benefits Fund	1,919,716		
Pension and Gratuity Fund	714,253		
Total Available Appropriations	20,236,102	21,988,953	21,237,170
Unused Appropriations	( 1,315,332)	( 971,324)	
Unreleased Appropriation	( 87,163)	( 48,800)	
Unobligated Allotment	( 1,228,169)	( 922,524)	
TOTAL OBLIGATIONS	18,920,770	21,017,629	21,237,170

EXPENDITURE PROGRAM  
(in pesos)

<u>GA5 / STO / OPERATIONS / PROJECTS</u>	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	4,587,055,000	3,799,720,000	3,833,878,000
Regular	4,587,055,000	3,799,720,000	3,833,878,000
PS	3,804,639,000	3,067,315,000	3,104,650,000
MDOE	782,416,000	711,593,000	729,228,000
CO		20,812,000	
Support to Operations	2,955,382,000	1,758,097,000	
Regular	2,955,382,000	1,758,097,000	
PS	2,229,764,000	695,063,000	
MDOE	655,702,000	627,384,000	
CO	69,916,000	435,650,000	

Operations	<u>11,355,122,000</u>	<u>15,459,812,000</u>	<u>17,403,292,000</u>
Regular	<u>11,355,122,000</u>	<u>15,459,812,000</u>	<u>17,403,292,000</u>
PS	6,594,238,000	8,667,346,000	10,255,249,000
MOOE	4,096,757,000	5,234,510,000	6,216,059,000
CO	664,127,000	1,557,956,000	931,984,000
Projects / Purpose	<u>23,211,000</u>		
CO	23,211,000		
TOTAL AGENCY BUDGET	<u>18,920,770,000</u>	<u>21,017,629,000</u>	<u>21,237,170,000</u>
Regular	<u>18,897,559,000</u>	<u>21,017,629,000</u>	<u>21,237,170,000</u>
PS	12,628,641,000	12,429,724,000	13,359,899,000
MOOE	5,534,875,000	6,573,487,000	6,945,287,000
CO	734,043,000	2,014,418,000	931,984,000
Projects / Purpose	<u>23,211,000</u>		
CO	23,211,000		

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,419	1,419	1,419
Total Number of Filled Positions	957	1,025	1,025
Military			
Total Number of Authorized Positions	23,312	23,312	23,312
Total Number of Filled Positions	23,301	23,312	23,312

Proposed New Appropriations Language  
 For general administration and support, and operations, as indicated hereunder.....P. 21,208,554,000  
 =====

OPERATIONS BY PROGRAM	PROPOSED 2018			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
NAVAL FORCES DEFENSE PROGRAM	10,253,601,000	6,216,059,000	931,984,000	17,401,644,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
 (in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>13,331,283,000</u>	<u>6,945,287,000</u>	<u>931,984,000</u>	<u>21,208,554,000</u>
National Capital Region (NCR)	13,331,283,000	6,945,287,000	931,984,000	21,208,554,000
TOTAL AGENCY BUDGET	<u>13,331,283,000</u>	<u>6,945,287,000</u>	<u>931,984,000</u>	<u>21,208,554,000</u>
	=====	=====	=====	=====

## SPECIAL PROVISION(S)

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

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

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The Philippine 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, s. 1985. Said amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

The Philippine Navy shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. 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 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. Rice Subsidy. The amount appropriated herein for rice subsidy shall be given in the form of financial assistance, equivalent to twenty (20) kilos of rice per month, and charged against its MOOE.
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:

## New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
1000000000000000	General Administration and Support	3,077,682,000	729,228,000		3,806,910,000
100000100001000	General management and supervision	2,777,267,000	729,228,000		3,506,495,000
100000100002000	Administration of Personnel Benefits	300,415,000			300,415,000
Sub-total, General Administration and Support		3,077,682,000	729,228,000		3,806,910,000



3000000000000000	Operations	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
3100000000000000	00 : Level of mission capability of navy units in naval operations attained	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
3101000000000000	NAVAL FORCE5 DEFENSE PROGRAM	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
3101001000010000	Force-Level Support Services	697,997,000	644,177,000		1,342,174,000
3101001000020000	Force Development	8,243,119,000	3,991,659,000	931,984,000	13,166,762,000
3101001000030000	Force Sustainment	<u>1,312,485,000</u>	<u>1,580,223,000</u>		<u>2,892,708,000</u>
	Sub-total, Operations	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
TOTAL NEW APPROPRIATIONS		P 13,331,283,000 P	6,945,287,000 P	931,984,000 P	21,208,554,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2016-2018  
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	217,070	210,681	238,474
Total Permanent Positions	<u>217,070</u>	<u>210,681</u>	<u>238,474</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	25,721	22,488	24,600
Representation Allowance	180	180	240
Transportation Allowance	60	180	240
Clothing and Uniform Allowance	4,875	4,685	5,125
Mid-Year Bonus - Civilian	15,928	17,557	19,873
Year End Bonus	14,161	17,557	19,873
Cash Gift	1,814	4,685	5,125
Step Increment	20	1,908	596
Productivity Enhancement Incentive	4,595	4,685	5,125
Performance Based Bonus	7,078		
Total Other Compensation Common to All	<u>74,432</u>	<u>73,925</u>	<u>80,797</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	21,211	13,276	15,863
Longevity Pay	5,939	3,643	4,229
Other Personnel Benefits	1,442		
Anniversary Bonus - Civilian			3,075
Anniversary Bonus - Military/Uniformed Personnel			69,936
Total Other Compensation for Specific Groups	<u>28,592</u>	<u>16,919</u>	<u>93,103</u>
Other Benefits			
Retirement and Life Insurance Premiums	23,343	25,282	28,616
PAG-IBIG Contributions	1,163	1,125	1,230
PhilHealth Contributions	2,640	2,330	2,717
Employees Compensation Insurance Premiums	1,163	1,125	1,230
Retirement Gratuity	2,048		11,629
Loyalty Award - Civilian			460
Terminal Leave	8,235	5,478	4,039
Total Other Benefits	<u>38,592</u>	<u>35,340</u>	<u>49,921</u>

## Military/Uniformed Personnel

Basic Pay			
Base Pay	5,262,051	5,462,214	5,550,140
Total Basic Pay	<u>5,262,051</u>	<u>5,462,214</u>	<u>5,550,140</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	524,195	546,504	559,488
Clothing/ Uniform Allowance	233,476	143,058	192,143
Subsistence Allowance	1,334,419	1,246,713	1,276,332
Laundry Allowance	8,148	9,253	9,472
Quarters Allowance	110,626	125,729	126,162
Longevity Pay	1,110,719	1,157,868	1,159,463
Mid-Year Bonus - Military/Uniformed Personnel	455,608	455,184	462,511
Officers' Allowance - Military/Uniformed Personnel	33,096	94,554	136,134
Provisional Allowance - Military/Uniformed Personnel	373,804	789,879	1,256,524
Year-end Bonus	423,645	455,184	462,511
Cash Gift	109,550	113,855	116,560
Productivity Enhancement Incentive	112,331	114,115	116,560
Performance Based Bonus	218,231		
Total Other Compensation Common to All	<u>5,047,848</u>	<u>5,251,896</u>	<u>5,873,860</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	233,848	155,355	155,355
Overseas Allowance	13,299	12,344	14,292
Hazard Duty Pay	102,949	147,556	193,023
Flying Pay	32,004	30,253	30,253
Sea Duty Pay	219,563	170,902	170,902
Reenlistment Pay		19,010	
Hardship Allowance	81,061	57,935	57,935
Combat Duty Pay	182,090	54,768	349,812
Instructor's Duty Pay	56,278	32,302	32,302
Reservist's Pay	11,725	39,677	39,677
Medal of Valor Award	3,455	2,100	6,300
Specialist's Pay	102	636	636
Parachutist Pay	14,439	15,885	15,885
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		229,787	
Total Other Compensation for Specific Groups	<u>950,813</u>	<u>968,510</u>	<u>1,066,372</u>
Other Benefits			
Special Group Term Insurance	1,578	1,639	1,678
PAG-IBIG Contributions	24,769	27,325	27,975
PhilHealth Contributions	58,862	61,686	64,857
Employees Compensation Insurance Premiums	25,310	27,325	27,975
Retirement Gratuity		19,825	
Terminal Leave	898,724	272,439	284,747
Total Other Benefits	<u>1,009,243</u>	<u>410,239</u>	<u>407,232</u>
TOTAL PERSONNEL SERVICES	<u>12,628,641</u>	<u>12,429,724</u>	<u>13,359,899</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	84,593	99,224	93,239
Training and Scholarship Expenses	117,036	105,816	131,591
Supplies and Materials Expenses	3,114,134	3,470,623	3,068,862
Utility Expenses	386,845	387,018	433,473
Communication Expenses	65,124	101,107	101,024
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	34,749	34,749	39,749
Professional Services	38,021	21,506	27,661
General Services	8,580	13,422	11,422
Repairs and Maintenance	1,303,473	1,949,601	2,347,481
Financial Assistance/Subsidy		177,614	181,748
Taxes, Insurance Premiums and Other Fees	70,598	42,330	44,388

Other Maintenance and Operating Expenses			
Advertising Expenses		146	
Printing and Publication Expenses	4,765	13,117	8,670
Representation Expenses	110,100	107,184	156,197
Transportation and Delivery Expenses	72,792	3,062	37,332
Rent/Lease Expenses	17,719	12,935	22,410
Subscription Expenses	3,356	18,293	14,668
Other Maintenance and Operating Expenses	102,990	15,740	225,372
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>5,534,875</u>	<u>6,573,487</u>	<u>6,945,287</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>18,163,516</u>	<u>19,003,211</u>	<u>20,305,186</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay	1,250	1,250	
Infrastructure Outlay	37,718	271,435	85,692
Buildings and Other Structures	145,065	34,529	
Machinery and Equipment Outlay	348,134	741,642	23,971
Transportation Equipment Outlay	225,087	955,117	822,321
Other Property Plant and Equipment Outlay		2,125	
Intangible Assets Outlay		8,320	
TOTAL CAPITAL OUTLAYS	<u>757,254</u>	<u>2,014,418</u>	<u>931,984</u>
GRAND TOTAL	<u>18,920,770</u>	<u>21,017,629</u>	<u>21,237,170</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

## ORGANIZATIONAL

OUTCOME : Level of mission capability of navy units in naval operations attained

## PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>
Level of mission capability of navy units in naval operations attained		
Percentage of Naval units provided to unified commands	100%	100%

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES			
Number of mission-ready fleet marine units	124	124	179
Percentage of readiness of fleet marine units	78.02%	75.39%	80.76%
Number of mission-ready support and sustainment units	59	59	34
Percentage of readiness of support and sustainment units	61.97%	57.89%	73.15%

Average response time of fleet units that can be mobilized as instructed by higher authorities	24 hours	24 hours	24 hours
Average response time of marine units that can be mobilized as instructed by higher authorities	6 hours	6 hours	6 hours

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Level of mission capability of navy units in naval operations attained		
NAVAL FORCES DEFENSE PROGRAM		
Outcome Indicator		
1. Percentage of Naval units provided to unified commands	100%	100%
Output Indicators		
1. Number of Philippine Navy (PN) units deployed and sustained for utilization/employment		184
2. Number of PN units prepared for deployment		38
3. Number of Force-Level Support Services Units sustained		55

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

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	33,034,095	35,498,078	35,543,870
General Fund	33,034,095	35,498,078	35,543,870
Automatic Appropriations	2,335,707	72,265	77,532
Customs Duties and Taxes, including Tax Expenditures	592,281		
Military Camps Sales Proceeds Fund	863,410		
Retirement and Life Insurance Premiums	65,149	72,265	77,532
Special Account	814,867		
Continuing Appropriations	7,486,504	14,972,826	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10651	3,876,058		
R.A. No. 10717		13,098,838	
Unobligated Releases for Capital Outlays			
R.A. No. 10651	3,167,649		
R.A. No. 10717		1,287,189	
Unobligated Releases for MOOE			
R.A. No. 10651	442,797		
R.A. No. 10717		586,780	
Unobligated Releases for FinEx			
R.A. No. 10717			19

Budgetary Adjustment(s)	<u>37,105,570</u>		
Transfer(s) from:			
Contingent Fund	394,250		
Miscellaneous Personnel Benefits Fund	472,032		
Pension and Gratuity Fund	<u>36,239,288</u>		
Total Available Appropriations	79,961,876	50,543,169	35,621,402
Unused Appropriations	( 17,086,381)	( 14,972,826)	
Unreleased Appropriation	( 13,483,213)	( 13,098,838)	
Unobligated Allotment	( 3,603,168)	( 1,873,988)	
TOTAL OBLIGATIONS	<u>62,875,495</u>	<u>35,570,343</u>	<u>35,621,402</u>

EXPENDITURE PROGRAM  
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	<u>38,815,737,000</u>	<u>3,306,410,000</u>	<u>3,033,822,000</u>
Regular	<u>38,815,737,000</u>	<u>3,306,410,000</u>	<u>3,033,822,000</u>
PS	38,343,372,000	2,850,230,000	2,640,430,000
MOOE	459,131,000	456,180,000	393,392,000
CO	13,234,000		
Operations	<u>5,441,134,000</u>	<u>6,878,908,000</u>	<u>32,587,580,000</u>
Regular	<u>5,441,134,000</u>	<u>6,878,908,000</u>	<u>7,587,580,000</u>
PS	1,913,336,000	2,098,247,000	2,415,319,000
MOOE	3,492,413,000	4,612,113,000	5,021,690,000
FinEx		19,000	19,000
CO	35,385,000	168,529,000	150,552,000
Projects / Purpose			<u>25,000,000,000</u>
CO			25,000,000,000
Projects / Purpose	<u>18,618,624,000</u>	<u>25,385,025,000</u>	
MOOE	592,281,000		
CO	18,026,343,000	25,385,025,000	
TOTAL AGENCY BUDGET	<u>62,875,495,000</u>	<u>35,570,343,000</u>	<u>35,621,402,000</u>
Regular	<u>44,256,871,000</u>	<u>10,185,318,000</u>	<u>10,621,402,000</u>
PS	40,256,708,000	4,948,477,000	5,055,749,000
MDOE	3,951,544,000	5,068,293,000	5,415,082,000
FinEx		19,000	19,000
CO	48,619,000	168,529,000	150,552,000
Projects / Purpose	<u>18,618,624,000</u>	<u>25,385,025,000</u>	<u>25,000,000,000</u>
MOOE	592,281,000		
CO	18,026,343,000	25,385,025,000	25,000,000,000

STAFFING SUMMARY

	2016	2017	2018
<b>TOTAL STAFFING</b>			
<b>Civilian Personnel</b>			
Total Number of Authorized Positions	3,945	3,945	3,945
Total Number of Filled Positions	2,787	2,782	2,782
<b>Military</b>			
Total Number of Authorized Positions	3,031	3,031	3,031
Total Number of Filled Positions	2,903	2,899	2,899

Proposed New Appropriations Language  
 For general administration and support, and operations, including locally-funded project, as indicated hereunder.....  
 .....P 35,543,870,000  
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PROPOSED 2018

OPERATIONS BY PROGRAM	PS	MOOE	FinEx	CO	TOTAL
JOINT FORCE PLANNING PROGRAM	373,450,000	456,749,000	19,000		830,218,000
JOINT FORCE OPERATIONS PROGRAM	648,930,000	3,059,077,000		150,552,000	3,858,559,000
JOINT FORCE CAPABILITY PROGRAM	1,363,289,000	1,505,864,000		25,000,000,000	27,869,153,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018  
 (in pesos)

REGION	PS	MOOE	FinEx	CO	TOTAL
Regional Allocation	4,978,217,000	5,415,082,000	19,000	25,150,552,000	35,543,870,000
National Capital Region (NCR)	4,100,111,000	5,250,157,000	19,000	25,150,552,000	34,500,839,000
Cordillera Administrative Region (CAR)	878,106,000	164,925,000			1,043,031,000
<b>TOTAL AGENCY BUDGET</b>	<b>4,978,217,000</b>	<b>5,415,082,000</b>	<b>19,000</b>	<b>25,150,552,000</b>	<b>35,543,870,000</b>

SPECIAL PROVISION(S)

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

In no case shall said 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, s.1987, 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.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the AFP shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. 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 General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. 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.

3. Trust Receipts from Firearms License Fees. Thirty percent (30%) net proceeds of the firearms license fees collected by the PNP 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 and recorded as trust receipts in accordance with E.O. No. 338.

The General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury, 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.

4. Trust Receipts for the United Nations Peacekeeping Operations. The funds provided by the United Nations for the peacekeeping operations shall be used to cover the allowance, uniform, gear and equipment, weaponry and training ammunition, pre-deployment expenses, and maintenance of the Peacekeeping Training Center subject to the condition that said funds shall first be used to reimburse any advances made by the National Government to fund the foregoing requirements. Said funds shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338.

The General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. 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. 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 General Headquarters of the AFP shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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.

6. 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 J.C. No. 2015-01 dated January 8, 2015 and such other guidelines issued by agencies concerned.

7. 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.

8. 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.
9. 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.
10. 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.
11. 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.
12. Rice Subsidy. The amount appropriated herein for rice subsidy shall be given in the form of financial assistance, equivalent to twenty (20) kilos of rice per month, and charged against its MOOE.
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:

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

		<u>Current Operating Expenditures</u>				
		Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
<b>PROGRAMS</b>						
1000000000000000	General Administration and Support	2,592,548,000	393,392,000			2,985,940,000
100000100001000	General management and supervision	1,477,587,000	393,392,000			1,870,979,000
	National Capital Region (NCR)	1,477,587,000	393,392,000			1,870,979,000
	General Headquarters - Proper	1,477,587,000	393,392,000			1,870,979,000
100000100002000	Administration of Personnel Benefits	1,114,961,000				1,114,961,000
	National Capital Region (NCR)	1,081,905,000				1,081,905,000
	Armed Forces of the Philippines Medical Center	69,072,000				69,072,000
	General Headquarters - Proper	1,004,109,000				1,004,109,000
	Presidential Security Group	8,724,000				8,724,000
	Cordillera Administrative Region (CAR)	33,056,000				33,056,000
	Philippine Military Academy	33,056,000				33,056,000
	Sub-total, General Administration and Support	2,592,548,000	393,392,000			2,985,940,000



3000000000000000	Operations	<u>2,385,669,000</u>	<u>5,021,690,000</u>	<u>19,000</u>	<u>25,150,552,000</u>	<u>32,557,930,000</u>
3100000000000000	DO : Sovereignty of the State and the Filipino people protected	<u>2,385,669,000</u>	<u>5,021,690,000</u>	<u>19,000</u>	<u>25,150,552,000</u>	<u>32,557,930,000</u>
3101000000000000	JOINT FORCE PLANNING PROGRAM	<u>373,450,000</u>	<u>456,749,000</u>	<u>19,000</u>		<u>830,218,000</u>
310100100001000	Military policy and strategic formulation	<u>373,450,000</u>	<u>456,749,000</u>	<u>19,000</u>		<u>830,218,000</u>
	National Capital Region (NCR)	<u>373,450,000</u>	<u>456,749,000</u>	<u>19,000</u>		<u>830,218,000</u>
	General Headquarters - Proper	<u>373,450,000</u>	<u>456,749,000</u>	<u>19,000</u>		<u>830,218,000</u>
3102000000000000	JOINT FORCE OPERATIONS PROGRAM	<u>648,930,000</u>	<u>3,059,077,000</u>		<u>150,552,000</u>	<u>3,858,559,000</u>
3102010000000000	JOINT FORCE OPERATIONS SUB-PROGRAM		<u>575,979,000</u>		<u>16,577,000</u>	<u>592,556,000</u>
310201100001000	Joint force combatant command		<u>398,327,000</u>			<u>398,327,000</u>
	National Capital Region (NCR)		<u>398,327,000</u>			<u>398,327,000</u>
	General Headquarters - Proper		<u>398,327,000</u>			<u>398,327,000</u>
310201100002000	Multinational/Foreign Engagements and Peace Support Operations		<u>177,652,000</u>		<u>16,577,000</u>	<u>194,229,000</u>
	National Capital Region (NCR)		<u>177,652,000</u>		<u>16,577,000</u>	<u>194,229,000</u>
	General Headquarters - Proper		<u>177,652,000</u>		<u>16,577,000</u>	<u>194,229,000</u>
3102020000000000	JOINT FORCE SUPPORT OPERATIONS SUB-PROGRAM	<u>648,930,000</u>	<u>2,483,098,000</u>		<u>133,975,000</u>	<u>3,266,003,000</u>
310202100001000	Presidential Security and Protection (Presidential Security Group)	<u>176,014,000</u>	<u>273,899,000</u>		<u>133,975,000</u>	<u>583,888,000</u>
	National Capital Region (NCR)	<u>176,014,000</u>	<u>273,899,000</u>		<u>133,975,000</u>	<u>583,888,000</u>
	Presidential Security Group	<u>176,014,000</u>	<u>273,899,000</u>		<u>133,975,000</u>	<u>583,888,000</u>
310202100002000	Joint force support command	<u>472,916,000</u>	<u>2,209,199,000</u>			<u>2,682,115,000</u>
	National Capital Region (NCR)	<u>472,916,000</u>	<u>2,209,199,000</u>			<u>2,682,115,000</u>
	General Headquarters - Proper	<u>472,916,000</u>	<u>2,209,199,000</u>			<u>2,682,115,000</u>
3103000000000000	JOINT FORCE CAPABILITY PROGRAM	<u>1,363,289,000</u>	<u>1,505,864,000</u>		<u>25,000,000,000</u>	<u>27,869,153,000</u>
3103010000000000	JOINT FORCE SERVICE SUPPORT OPERATIONS SUB-PROGRAM	<u>2,179,000</u>	<u>209,537,000</u>			<u>211,716,000</u>
310301100001000	Joint Force Support Units	<u>955,000</u>	<u>85,181,000</u>			<u>86,136,000</u>
	National Capital Region (NCR)	<u>955,000</u>	<u>85,181,000</u>			<u>86,136,000</u>
	General Headquarters - Proper	<u>955,000</u>	<u>85,181,000</u>			<u>86,136,000</u>
310301100002000	Reserve Force Development	<u>1,224,000</u>	<u>10,320,000</u>			<u>11,544,000</u>
	National Capital Region (NCR)	<u>1,224,000</u>	<u>10,320,000</u>			<u>11,544,000</u>
	General Headquarters - Proper	<u>1,224,000</u>	<u>10,320,000</u>			<u>11,544,000</u>
310301100003000	Ordnance Build-up/Strategic lift and mobility		<u>114,036,000</u>			<u>114,036,000</u>
	National Capital Region (NCR)		<u>114,036,000</u>			<u>114,036,000</u>
	General Headquarters - Proper		<u>114,036,000</u>			<u>114,036,000</u>

31030200000000	MILITARY MEDICAL AND TRAINING SUPPORT SUB-PROGRAM	<u>1,361,110,000</u>	<u>1,296,327,000</u>		<u>2,657,437,000</u>
310302100001000	Tertiary Health Care (AFP Medical Center)	<u>512,503,000</u>	<u>1,101,033,000</u>		<u>1,613,536,000</u>
	National Capital Region (NCR)	<u>512,503,000</u>	<u>1,101,033,000</u>		<u>1,613,536,000</u>
	Armed Forces of the Philippines Medical Center	<u>512,503,000</u>	<u>1,101,033,000</u>		<u>1,613,536,000</u>
310302100002000	Post-commission training program	<u>3,557,000</u>	<u>30,369,000</u>		<u>33,926,000</u>
	National Capital Region (NCR)	<u>3,557,000</u>	<u>30,369,000</u>		<u>33,926,000</u>
	General Headquarters - Proper	<u>3,557,000</u>	<u>30,369,000</u>		<u>33,926,000</u>
310302100003000	Pre-Commission Officer Training (Philippine Military Academy)	<u>845,050,000</u>	<u>164,925,000</u>		<u>1,009,975,000</u>
	Cordillera Administrative Region (CAR)	<u>845,050,000</u>	<u>164,925,000</u>		<u>1,009,975,000</u>
	Philippine Military Academy	<u>845,050,000</u>	<u>164,925,000</u>		<u>1,009,975,000</u>
310303000000000	AFP MODERNIZATION SUB-PROGRAM			<u>25,000,000,000</u>	<u>25,000,000,000</u>
	Project(s)				
	Locally-Funded Project(s)			<u>25,000,000,000</u>	<u>25,000,000,000</u>
310303200001000	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, Operations		<u>2,385,669,000</u>	<u>5,021,690,000</u>	<u>19,000</u>	<u>25,150,552,000</u>

## TOTAL NEW APPROPRIATIONS

P 4,978,217,000 P 5,415,082,000 P 19,000 P 25,150,552,000 P 35,543,870,000  
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Obligations, by Object of Expenditures

CYs 2016-2018  
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	567,573	602,211	646,103
Total Permanent Positions	<u>567,573</u>	<u>602,211</u>	<u>646,103</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	61,239	65,544	66,768
Representation Allowance	420	540	420
Transportation Allowance	420	540	420
Clothing and Uniform Allowance	12,924	13,655	13,910
Mid-Year Bonus - Civilian	54,401	50,184	53,842
Year End Bonus	43,870	50,184	53,842

Cash Gift	12,803	13,655	13,910
Step Increment	50	5,528	1,616
Productivity Enhancement Incentive	11,707	13,655	13,910
Performance Based Bonus	53,035		
<b>Total Other Compensation Common to All</b>	<b>250,869</b>	<b>213,485</b>	<b>218,638</b>
<b>Other Compensation for Specific Groups</b>			
Magna Carta for Public Health Workers	69,868	64,380	74,393
Longevity Pay	8,581	9,142	9,142
Lump-sum for filling of Positions - Civilian		68,974	75,382
Other Personnel Benefits	10,187		
<b>Total Other Compensation for Specific Groups</b>	<b>88,636</b>	<b>142,496</b>	<b>158,917</b>
<b>Other Benefits</b>			
Retirement and Life Insurance Premiums	64,365	72,265	77,532
PAG-IBIG Contributions	3,058	3,278	3,340
PhilHealth Contributions	6,011	6,767	7,470
Employees Compensation Insurance Premiums	3,112	3,278	3,340
Retirement Gratuity	23,147	26,983	39,033
Terminal Leave	19,168	20,300	11,211
<b>Total Other Benefits</b>	<b>118,861</b>	<b>132,871</b>	<b>141,926</b>
<b>Military/Uniformed Personnel</b>			
<b>Basic Pay</b>			
Base Pay	1,062,630	1,046,450	1,118,171
<b>Total Basic Pay</b>	<b>1,062,630</b>	<b>1,046,450</b>	<b>1,118,171</b>
<b>Other Compensation Common to All</b>			
Personnel Economic Relief Allowance	38,895	64,632	69,576
Clothing/ Uniform Allowance	4,548	6,463	8,647
Subsistence Allowance	207,730	200,007	211,285
Laundry Allowance	1,139	1,606	1,692
Quarters Allowance	11,709	12,190	12,626
Longevity Pay	140,813	160,891	211,863
Mid-Year Bonus - Military/Uniformed Personnel	79,167	87,205	93,180
Officers' Allowance - Military/Uniformed Personnel	48,686	63,846	93,852
Provisional Allowance - Military/Uniformed Personnel	86,518	292,777	492,368
Year-end Bonus	89,504	87,205	93,180
Cash Gift	13,953	13,465	14,495
Productivity Enhancement Incentive	7,573	13,465	14,495
Performance Based Bonus	73,710		
<b>Total Other Compensation Common to All</b>	<b>803,945</b>	<b>1,003,752</b>	<b>1,317,259</b>
<b>Other Compensation for Specific Groups</b>			
Hazardous Duty Pay	11,673	17,055	13,490
Overseas Allowance	202,055	202,055	202,055
Hazard Duty Pay	10,981	17,451	24,878
Special Duty Allowance	78,599	78,612	78,612
Combat Incentive Pay	4,795	10,000	10,000
Combat Duty Pay	21,167	21,167	9,324
Incentive Pay	84,551	95,677	89,029
Instructor's Duty Pay	15,144	12,140	18,444
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		314,603	51,938
<b>Total Other Compensation for Specific Groups</b>	<b>428,965</b>	<b>768,760</b>	<b>497,770</b>
<b>Other Benefits</b>			
Special Group Term Insurance	192	194	209
PAG-IBIG Contributions	1,978	3,232	3,478
PhilHealth Contributions	10,799	10,099	12,403
Employees Compensation Insurance Premiums	3,155	3,232	3,478
Retirement Gratuity	3,362,918	1,021,695	937,397
Terminal Leave	122,630		
<b>Total Other Benefits</b>	<b>3,501,672</b>	<b>1,038,452</b>	<b>956,965</b>

Other Personnel Benefits			
Pension, Military/Uniformed Personnel	33,433,557		
Total Other Personnel Benefits	<u>33,433,557</u>		
<b>TOTAL PERSONNEL SERVICES</b>	<u>40,256,708</u>	<u>4,948,477</u>	<u>5,055,749</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	261,875	231,838	247,402
Training and Scholarship Expenses	122,688	133,443	136,645
Supplies and Materials Expenses	1,735,370	1,827,711	1,879,162
Utility Expenses	535,833	565,425	582,706
Communication Expenses	106,598	111,419	116,003
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	140,648	1,140,648	1,361,261
Professional Services	56,135	43,410	43,410
General Services	87,161	74,250	74,948
Repairs and Maintenance	362,879	387,268	402,307
Financial Assistance/Subsidy		13,736	13,754
Taxes, Insurance Premiums and Other Fees	621,681	30,410	30,849
Labor and Wages	14,119	14,600	14,600
Other Maintenance and Operating Expenses			
Advertising Expenses	667	2,060	2,107
Printing and Publication Expenses	10,192	10,657	10,970
Representation Expenses	423,891	403,546	418,161
Transportation and Delivery Expenses	8,399	8,844	9,109
Rent/Lease Expenses	50,054	55,298	57,440
Membership Dues and Contributions to Organizations	460	981	981
Subscription Expenses	5,108	11,337	11,355
Other Maintenance and Operating Expenses	67	1,412	1,912
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<u>4,543,825</u>	<u>5,068,293</u>	<u>5,415,082</u>
Financial Expenses			
Bank Charges		19	19
<b>TOTAL FINANCIAL EXPENSES</b>		<u>19</u>	<u>19</u>
<b>TOTAL CURRENT OPERATING EXPENDITURES</b>	<u>44,800,533</u>	<u>10,016,789</u>	<u>10,470,850</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	25,406	450,131	
Machinery and Equipment Outlay	16,413,639	25,043,423	25,127,475
Transportation Equipment Outlay	1,635,427	60,000	14,868
Furniture, Fixtures and Books Outlay	490		4,709
Other Property Plant and Equipment Outlay			3,500
<b>TOTAL CAPITAL OUTLAYS</b>	<u>18,074,962</u>	<u>25,553,554</u>	<u>25,150,552</u>
<b>GRAND TOTAL</b>	<u>62,875,495</u>	<u>35,570,343</u>	<u>35,621,402</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

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

## PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2016 Actual	2017 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)	- 16% Maritime Domain	33% Air Domain in WPS 40% Maritime Domain	
Number of Provinces normalized where the LGU can be primarily responsible for law and order	7	17	
Operational readiness of AFP Units for Humanitarian Assistance and Disaster Response	77%	80%	
MFO / Performance Indicators	2016 Targets	2016 Actual	2017 GAA Targets
<b>MFO 1: MILITARY POLICY ADVISORY SERVICES</b>			
Number of military plans and policies formulated and adopted/issued	43	202	43
Percentage of adopted/issued military plans and policies rated satisfactory or better by both external and internal clients	90%	100%	90%
Percentage of adopted/issued military plans and policies implemented within fifteen (15) days after official issuance thereof	90%	100%	90%
<b>MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES</b>			
<b>COMMAND AND CONTROL (C2) ACTIVITIES</b>			
Number of command and control activities undertaken	82,573	91,095	82,573
Percentage of C2 activities successfully undertaken	90%	100%	90%
Average number of hours spent in a day to fully implement a single C2 activity	24 hours	24 hours	24 hours
<b>MFO 3: TERTIARY HEALTH CARE SERVICES</b>			
<b>TREATMENT PROCEDURES</b>			
Number of patients that received treatment	10,852	10,343	10,852
Percentage of patients treated and return to duty	90%	98%	90%
Percentage of patients treated within the accepted Length of Stay (LOS) per case	90%	99%	90%
<b>HEALTH SERVICE EDUCATION &amp; TRAINING</b>			
Number of trainings conducted	211	204	211
Percentage of trainings conducted that contribute to training readiness	90%	98%	90%
Percentage of trainings conducted within the prescribed training procedures	100%	96%	100%
<b>JOINT MEDICAL SERVICE SUPPORT OPERATIONS</b>			
Number of Medical and Surgical Team Dispatch	50	72	50
Percentage of readiness of team dispatched	90%	98%	90%
Percentage of team dispatched within 24 hours upon notice	80%	98%	80%

## MFO 4: MILITARY EDUCATION SERVICES

## PRE-COMMISSION TRAINING AND EDUCATION

Number of cadets/students trained	1,036	1,140	1,100
Percentage of cadets who rated the course satisfactory or better	95%	95%	95%

## POST-COMMISSION TRAINING

Number of personnel trained	150	160	150
Number of reservist trainings to be conducted	60	60	60

## MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES

## SECURITY OPERATIONS DURING PRESIDENTIAL ENGAGEMENTS

Number of security operations for presidential engagement	432	515	432
Percentage of successful security operations for presidential engagement	100%	100%	100%
Percentage of presidential engagement wherein security have been deployed on the required period in accordance with the Command's SOP	100%	100%	100%

## SECURITY OPERATIONS DURING FIRST FAMILY ENGAGEMENTS

Number of security operations for first family engagement	5,500	8,138	5,500
Percentage of successful security operations for first family engagements	100%	100%	100%

## SECURITY OPERATIONS FOR FOREIGN VISITING

## HEADS OF STATE/GOVERNMENT

Number of security operations during head of state/government visit	28	9	12
Percentage of successful security operations during head of state/government visit	100%	100%	100%

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)Baseline2018 Targets

Sovereignty of the State and the Filipino people protected

## JOINT FORCE PLANNING PROGRAM

Outcome Indicator			
1. Percentage of military plans and policies approved and implemented	90%		90%
Output Indicator			
1. Number of military plans and policies formulated and adopted/issued	138		138

## JOINT FORCE OPERATIONS PROGRAM

## JOINT FORCE OPERATIONS SUB-PROGRAM

Outcome Indicator			
1. Percentage compliance with strategic initiatives, memorandum of agreement/understanding and other treaties pertaining to Bilateral and Multilateral engagements	100%		100%
Output Indicator			
1. Number of Bilateral and Multilateral engagements	140		140

## JOINT FORCE SUPPORT OPERATIONS SUB-PROGRAM

## Outcome Indicator

1. Percentage of successful security operations for president, first family, visiting heads of state/government and other VVIPs	100%	100%
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## Output Indicators

1. Number of joint operations conducted	192,726	193,226
2. Number of security operations for the president, first family, visiting heads of state/government and other VVIPs conducted	5,944	5,944

## JOINT FORCE CAPABILITY PROGRAM

## Outcome Indicators

1. Percentage of patients treated returning to duty (AFPMC)	90%	90%
2. Percentage of commanders who rated the new graduates satisfactory or better	90%	90%

## Output Indicators

1. Number of patients that received treatment	10,852	10,852
2. Percentage of patients treated within the accepted Length of Stay (LOS) per case	90%	90%
3. Number of students trained		
a) Cadets (PMA)	1,100	1,100
b) Personnel (Post-Commission)	146	146

## AFP MODERNIZATION SUB-PROGRAM

## Outcome Indicator

1. Percentage of signed AFP Modernization projects completed and delivered	100%	100%
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## Output Indicator

1. Number of AFP Modernization contracts signed	10	10
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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 156,160,000	P 286,844,000			P 443,004,000
B. GOVERNMENT ARSENAL	242,392,000	973,796,000			1,216,188,000
C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES	40,430,000	36,883,000			77,313,000
D. OFFICE OF CIVIL DEFENSE	175,792,000	372,826,000		18,580,000	567,198,000
E. PHILIPPINE VETERANS AFFAIRS OFFICE (PVAO) - PROPER	130,072,000	391,742,000		28,800,000	550,614,000
F. VETERANS MEMORIAL MEDICAL CENTER	701,012,000	778,747,000		120,910,000	1,600,669,000
G. PHILIPPINE ARMY ( LAND FORCES )	52,125,237,000	11,092,493,000		560,402,000	63,778,132,000
H. PHILIPPINE AIR FORCE ( AIR FORCES )	10,486,529,000	8,886,451,000		320,350,000	19,693,330,000
I. PHILIPPINE NAVY ( NAVAL FORCES )	13,331,283,000	6,945,287,000		931,984,000	21,208,554,000
J. GENERAL HEADQUARTERS, AFP AND AFP-WIDE SERVICE SUPPORT UNITS (AFPWSSUS)	4,978,217,000	5,415,082,000	19,000	25,150,552,000	35,543,870,000
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF NATIONAL DEFENSE	P 82,367,124,000 =====	P 35,180,151,000 =====	P 19,000 =====	P 27,131,578,000 =====	P144,678,872,000 =====