

XI. DEPARTMENT OF FINANCE

A. OFFICE OF THE SECRETARY

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	2,585,650	1,616,668	1,380,191
General Fund	2,585,650	1,616,668	1,380,191
Automatic Appropriations	92,796	24,306	24,973
Grant Proceeds	71,511		
Retirement and Life Insurance Premiums	21,285	24,306	24,973
Continuing Appropriations	376,700	357,603	
Unreleased Appropriation for MOOE			
R.A. No. 10651	210,579		
Unobligated Releases for Capital Outlays			
R.A. No. 10651	104,043		
R.A. No. 10717		301,385	
Unobligated Releases for MOOE			
R.A. No. 10651	62,078		
R.A. No. 10717		56,218	
Budgetary Adjustment(s)	(1,449,260)		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	41,979		
Pension and Gratuity Fund	8,761		
Transfer(s) to:			
Department of Finance (DOF)			
Bureau of the Treasury	(1,500,000)		
Total Available Appropriations	1,605,886	1,998,577	1,405,164
Unused Appropriations	(656,801)	(357,603)	
Unreleased Appropriation	(220,970)		
Unobligated Allotment	(435,831)	(357,603)	
TOTAL OBLIGATIONS	949,085	1,640,974	1,405,164

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	277,897,000	534,788,000	182,686,000
Regular	277,897,000	534,788,000	182,686,000
PS	112,114,000	88,848,000	87,787,000
MOOE	87,064,000	107,354,000	94,899,000
CO	78,719,000	338,586,000	
Support to Operations	50,271,000	133,851,000	334,891,000
Regular	50,271,000	133,851,000	334,891,000
PS	18,310,000	22,354,000	45,653,000
MOOE	24,878,000	52,497,000	30,478,000
CO	7,083,000	59,000,000	258,760,000

Operations	400,372,000	621,347,000	887,587,000
Regular	400,372,000	621,347,000	466,127,000
PS	155,312,000	229,371,000	193,248,000
MOOE	231,559,000	390,884,000	271,787,000
CO	13,501,000	1,092,000	1,092,000
Projects / Purpose			421,460,000
MOOE			3,460,000
CO			418,000,000
Projects / Purpose	220,545,000	350,988,000	
MOOE	545,000	222,738,000	
CO	220,000,000	128,250,000	
TOTAL AGENCY BUDGET	949,085,000	1,640,974,000	1,405,164,000

Regular	728,540,000	1,289,986,000	983,704,000
PS	285,736,000	340,573,000	326,688,000
MOOE	343,501,000	550,735,000	397,164,000
CO	99,303,000	398,678,000	259,852,000
Projects / Purpose	220,545,000	350,988,000	421,460,000
MOOE	545,000	222,738,000	3,460,000
CO	220,000,000	128,250,000	418,000,000

STAFFING SUMMARY

	2016	2017	2018
TOTAL STAFFING			
Total Number of Authorized Positions	810	810	810
Total Number of Filled Positions	384	370	370

Proposed New Appropriations Language

For general administration and support, support to operations and operations, including locally-funded and foreign-assisted projects, as indicated hereunder..... P 1,380,191,000
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OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM	114,077,000	233,915,000	1,092,000	349,084,000
ASSET AND LIABILITY MANAGEMENT PROGRAM	64,872,000	41,332,000	418,000,000	524,204,000

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

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	301,715,000	400,624,000	677,852,000	1,380,191,000
National Capital Region (NCR)	301,715,000	400,624,000	677,852,000	1,380,191,000
TOTAL AGENCY BUDGET	301,715,000	400,624,000	677,852,000	1,380,191,000

SPECIAL PROVISION(S)

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

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

The MDFO shall submit to the DBM, the Speaker of the House of Representatives, 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 Executive Director of the MDFO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the MDFO website.

2. 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				
10000000000000000000 General Administration and Support	80,952,000	94,899,000		175,851,000
100000100001000 General Management and Supervision	78,643,000	94,899,000		173,542,000
100000100002000 Administration of Personnel Benefits	2,309,000			2,309,000
Sub-total, General Administration and Support	80,952,000	94,899,000		175,851,000
20000000000000000000 Support to Operations	41,814,000	30,478,000	258,760,000	331,052,000
200000100001000 Legal Services	4,809,000	2,210,000		7,019,000
200000100002000 Management of Information Systems	18,272,000	21,661,000	258,760,000	298,693,000
200000100003000 Revenue Integrity Protection Service (RIPS) activities	18,733,000	6,607,000		25,340,000
Sub-total, Support to Operations	41,814,000	30,478,000	258,760,000	331,052,000

3000000000000000	Operations	<u>178,949,000</u>	<u>275,247,000</u>	<u>419,092,000</u>	<u>873,288,000</u>
3100000000000000	00 : Fiscal sustainability attained	<u>114,077,000</u>	<u>233,915,000</u>	<u>1,092,000</u>	<u>349,084,000</u>
3101000000000000	FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM	<u>114,077,000</u>	<u>233,915,000</u>	<u>1,092,000</u>	<u>349,084,000</u>
3101001000010000	Financial and fiscal planning and programming, consolidation, analysis, generation of reports, project formulation on revenue statistics and policy research	14,640,000	9,197,000		23,837,000
3101001000030000	Philippine Extractive Industries Transparency Initiative (PH-EITI)		17,755,000		17,755,000
3101001000040000	Tax policy research and formulation (Direct Tax)	7,346,000	7,190,000		14,536,000
3101001000050000	Tax policy research and formulation (Indirect Tax)	2,541,000	306,000		2,847,000
3101001000060000	Preparation of inputs of financial and economic policies in various international fora	23,250,000	184,257,000	1,092,000	208,599,000
3101001000070000	Oversight of tax law implementation and processing of tax exemption requests	38,073,000	9,316,000		47,389,000
3101001000080000	Operation of One-Stop Shop Inter-Agency Tax Credit and Duty Draw-Back Center	28,227,000	5,894,000		34,121,000
3200000000000000	00 : Asset and debt effectively managed	<u>64,872,000</u>	<u>41,332,000</u>	<u>418,000,000</u>	<u>524,204,000</u>
3201000000000000	ASSET AND LIABILITY MANAGEMENT PROGRAM	<u>64,872,000</u>	<u>41,332,000</u>	<u>418,000,000</u>	<u>524,204,000</u>
3201001000010000	Privatization Group and Council Secretariat support	19,731,000	4,668,000		24,399,000
3201001000020000	Negotiation of international financing transactions	11,382,000	23,690,000		35,072,000
3201001000030000	Monitoring and evaluation of financial performance of the government corporate sector	16,315,000	5,934,000		22,249,000
3201001000040000	Administration of funds for municipal development	17,444,000	3,580,000		21,024,000
	Project(s)				
	Locally-Funded Project(s)		<u>3,460,000</u>		<u>3,460,000</u>
3201002000010000	Support to the People's Survival Fund		3,460,000		3,460,000
	Foreign-Assisted Project(s)			<u>418,000,000</u>	<u>418,000,000</u>
3201003000010000	Integrated Natural Resources and Environmental Management Project (INREMP)			<u>418,000,000</u>	<u>418,000,000</u>
	Sub-total, Operations	<u>178,949,000</u>	<u>275,247,000</u>	<u>419,092,000</u>	<u>873,288,000</u>
	TOTAL NEW APPROPRIATIONS	P <u>301,715,000</u>	P <u>400,624,000</u>	P <u>677,852,000</u>	P <u>1,380,191,000</u>
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Obligations, by Object of Expenditures

CYs 2016-2018
(In Thousand Pesos)

	2016	2017	2018
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	167,980	202,553	208,104
Total Permanent Positions	167,980	202,553	208,104
Other Compensation Common to All			
Personnel Economic Relief Allowance	8,893	9,216	8,880
Representation Allowance	6,787	7,362	6,276
Transportation Allowance	4,799	7,362	6,144
Clothing and Uniform Allowance	1,890	1,920	1,850
Honoraria	6,426		
Overtime Pay	313		
Mid-Year Bonus - Civilian		16,878	17,341
Year End Bonus	29,041	16,878	17,341
Cash Gift	1,904	1,940	1,850
Step Increment		1,062	519
Collective Negotiation Agreement	9,708		
Productivity Enhancement Incentive	1,828	1,920	1,850
Performance Based Bonus	6,990		
Total Other Compensation Common to All	78,579	64,538	62,051
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	322	267	248
Overseas Allowance		14,072	8,112
Other Personnel Benefits	4,571	9,429	
Total Other Compensation for Specific Groups	4,893	23,768	8,360
Other Benefits			
Retirement and Life Insurance Premiums	19,990	24,306	24,973
PAG-IBIG Contributions	445	467	444
PhilHealth Contributions	1,250	1,331	1,472
Employees Compensation Insurance Premiums	445	467	444
Retirement Gratuity		8,121	731
Terminal Leave	5,399	1,543	1,578
Total Other Benefits	27,529	36,235	29,642
Non-Permanent Positions	6,755	13,479	18,531
TOTAL PERSONNEL SERVICES	285,736	340,573	326,688
Maintenance and Other Operating Expenses			
Travelling Expenses	34,489	102,154	89,623
Training and Scholarship Expenses	9,301	89,752	18,179
Supplies and Materials Expenses	35,042	38,535	25,840
Utility Expenses	26,135	26,756	16,049
Communication Expenses	13,418	13,060	10,199
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses		1,000	1,000
Extraordinary and Miscellaneous Expenses	2,716	4,227	3,860
Professional Services	132,259	135,210	91,874
General Services	24,964	27,435	13,718
Repairs and Maintenance	12,993	1,188	7,278
Taxes, Insurance Premiums and Other Fees	4,261	4,453	2,419
Other Maintenance and Operating Expenses			
Advertising Expenses	5,023	5,067	2,368
Printing and Publication Expenses	1,476	1,951	1,238
Representation Expenses	1,257	3,705	5,948

Transportation and Delivery Expenses	122	6,990	653
Rent/Lease Expenses	13,538	42,724	66,889
Membership Dues and Contributions to Organizations	15	35	15
Subscription Expenses	3,558	7,318	5,391
Other Maintenance and Operating Expenses	23,479	261,913	38,083
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	344,046	773,473	400,624
TOTAL CURRENT OPERATING EXPENDITURES	629,782	1,114,046	727,312
Capital Outlays			
Investment Outlay	220,000		366,400
Property, Plant and Equipment Outlay			
Infrastructure Outlay		121,600	51,600
Buildings and Other Structures	50,894	300,000	200,000
Machinery and Equipment Outlay	22,844	25,542	56,200
Transportation Equipment Outlay	10,158	13,750	
Furniture, Fixtures and Books Outlay	15,407	20,786	252
Intangible Assets Outlay		45,250	3,400
TOTAL CAPITAL OUTLAYS	319,303	526,928	677,852
GRAND TOTAL	949,085	1,640,974	1,405,164

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Sound, stable and supportive macroeconomic environment sustained

ORGANIZATIONAL
OUTCOME : Fiscal sustainability attained
Asset and debt effectively managed

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	2016 Actual	2017 Targets
Fiscal sustainability attained		
Improved tax effort	13.8% Figures are based on Tax Revenues Gross of Tax Refund/GDP	17.5%
Sustained country's position at the forefront of international and regional economic finance cooperation, through participation in international meetings/treaty negotiations (e.g. APEC and ASEAN)	6	6
Transparency initiative for mining industry	100%	100%
Asset and debt effectively managed		
Sustained dividend collection from GOCCs	P 27.735 Billion	P10 Billion
Amount of loans with concessional terms increased or amount of concessional loans maximized	Value of foreign loans and grants negotiated (US\$ 634.03 Million) Number of foreign loans and grants negotiated (14)	Values of foreign loans and grants (> or = US\$ 500 Million) Number of foreign loans and grants negotiated (> = 7)

MFO / Performance Indicators	2016 Targets	2016 Actual	2017 GAA Targets
MFO 1: FINANCIAL SECTOR AND FISCAL POLICY SERVICES (DOMESTIC AND INTERNATIONAL)			
Number of plans and policy advisories developed and issued or updated and disseminated	4	9.75	5
Percentage of stakeholders who rate DOF plans/policy advisories as good or better	80%	100%	80%
Percentage of plans and policy advisories that have been updated, issued and disseminated within the last 3 years	80%	100%	80%
MFO 2: PUBLIC SECTOR FINANCIAL RESOURCES MANAGEMENT SERVICES			
Revenue Integrity Protection and Services			
Number of personnel investigated	72	7	108
Number of personnel charged with OMB or CSC	37	20	55
Percentage of personnel charged by appropriate authority over the number of personnel investigated	>50%	286%	51%
Percentage of investigation completed within the prescribed period	100%	100%	100%
GOCC Monitoring			
Amount collected as dividend from GOCCs	P6.0 Billion	P 27.735 B	P 10.0 Billion
Percentage of dividend collected over target dividend	100%	462%	100%
Dividend from GOCCs collected within the prescribed period	100% collection by 4th Q	462%	100% collection by 4th Q
Negotiation of International Loans			
Value of foreign loans and grants negotiated	> or = US\$500M	US\$ 634.03 M	> = US\$ 500 M
Number of foreign loans and grants negotiated	> or = 5	14	> = 7
Percentage of ODA loans obtained annually compliant to the Weighted Average Grant Element as set under the law	100%	100%	100%
MFO 3: MUNICIPAL DEVELOPMENT FUND ADMINISTRATION SERVICES			
Number of applications for grants and loans acted upon	15	80	40
Number of grants and loans approved	10	26	30
Number of loans and grants under management	273	529	170
Value of loans and grants under management	P842.14 Million	P1,952.96 M	P850.82 Million
Percentage of loans with one or more interest payments in arrears by 30 days or more	10%	8.72%	10%
Percentage of applications acted upon within 2 weeks	80%	100%	100%
Percentage of borrowers that are default on an interest or principal repayment after one (1) month grace period	10%	6.17%	10%

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2018 Targets
Fiscal sustainability attained		
FINANCIAL SUSTAINABILITY AND REVENUE STRENGTHENING PROGRAM		
Outcome Indicator(s)		
1. Improved tax effort	FY 2011-12.4%, FY 2012-12.9%, FY 2013-13.3%, FY 2014-13.6%, FY 2015-13.7%*, FY 2016-13.8%* *Figures are based on Tax Revenues Gross of Tax Refund/ GDP	15.70%
2. Improved government system that ensure transparency in all extractive industry transactions	FY 2014-100%, FY 2015-100%, FY 2016-100%	100%
3. Sustained country's position at the forefront of international and regional economic finance cooperation	FY 2011-4, FY 2012-4, FY 2013-4, FY 2014-4, FY 2015-5, FY 2016-6	5
Output Indicator(s)		
1. Number of plans and policy advisories developed and issued or updated and disseminated	FY 2014-10, FY 2015-6.5, FY 2016-9.75	5
2. Recommended policies on information disclosure and to address barriers to the full implementation of EITI	FY 2014-1, FY 2015-1, FY 2016-1	4
3. Number of offers provided by the Philippines in various fora/ international agreements	FY 2014-2, FY 2015-2, FY 2016-2	2
Asset and debt effectively managed		
ASSET AND LIABILITY MANAGEMENT PROGRAM		
Outcome Indicator(s)		
1. Percentage of dividends collected from GOCC/ collection targets	FY 2014-436%, FY 2015-524%, FY 2016-462%	100%
2. Percentage of foreign loans and grants negotiated over targets	FY 2014-434%, FY 2015-956%, FY 2016-127%	+15% to 20% of Target (subject to change depending on DBCC targets/NG financial requirements)
3. Percentage of released fund over the target	FY 2014-303.30%, FY 2015-105.94%, FY 2016-131.90%	105%
Output Indicator(s)		
1. Amount collected as dividend from GOCCs	FY 2014- P 23.966 B, FY 2015- P 31.458 B, FY 2016- P 27.735 B	P 10.0 B
2. Value of foreign loans and grants negotiated	FY 2014-US\$ 3,038.97 M, FY 2015-US\$ 4,780 M, FY 2016-US\$ 634.03 M	> or = US\$ 500 M
3. Number of grants and loans approved	FY 2014-40, FY 2015-108, FY 2016-26	40