



## DEPARTMENT OF NATIONAL DEFENSE

### Legal Basis

- **Commonwealth Act No. 1** (December 21, 1935), the National Defense Act, created the Council of National Defense to advise the President on all matters pertaining to national defense policy.
- **Commonwealth Act No. 430** (May 31, 1939), as implemented by Executive Order No. 230 (October 31, 1939), created the Department of National Defense (DND).
- **Executive Order No. 94** (October 4, 1947) charged the DND with the duty of supervising the national defense program of the country.
- **Executive Order No. 292** (July 25, 1987), the Administrative Code of 1987, directed the DND to exercise executive supervision over the Armed Forces of the Philippines, the Office of Civil Defense, the Philippine Veterans Affairs Office, the National Defense College of the Philippines, and the Government Arsenal.

### Mandate

The Department of National Defense (DND) is tasked to guard the country against external and internal threats to national peace and security, and to provide support for social and economic development.

## LOGICAL FRAMEWORK (DND)\*

### Societal Goal

National Security to Uphold Sovereignty and Territorial Integrity,  
Support Socio-Economic Development and Political Stability

### Sectoral Goal

Peaceful, Secure, and Stable Internal and External Environment

### Organizational

### Outcomes

<b>A</b> Country Free from Insurgency, Secessionism, and other Armed Threats to Internal Security	<b>B</b> Country Secured from Direct-Armed Aggression or Invasion	<b>C</b> Strengthened Security Alliance and Partnership in the Asia-Pacific Region and Stable and Peaceful International Environment	<b>D</b> Defense-Wide Capability Upgraded	<b>E</b> Disaster-Risk Managed, Lives Protected and Property Preserved in Times of War and Other National Emergencies	<b>F</b> Socio-Economic Development and Peace Process Supported
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### Major Final Outputs

A, B, C, D, E, F	A, B, C, D, E, F	A, B, C, D, E, F	A, B, C, D, E, F	A, B, C, D, E, F	C, D, E	A, B, C, D	A, B, C, D	A, B, C, D, E, F
1. Land Force Capability	2. Air Force Capability	3. Naval Force Capability	4. Management of Joint Operations	5. Strategic Policy and Defense Management	6. Disaster Risk Management	7. Quality Small Arms Ammunition	8. National Security Education	9. AFP Capability Upgrade

### P/A/PS

Land Force Program	Air Force Program	Naval Force Program	Joint Central C2, Training and Support Program	DND Central Level Program	DND Central Level Program	DND Central Level Program	DND Central Level Program	AFP Modernization and Investment Program
Internal security operations	Internal security operations	Internal security operations	<ul style="list-style-type: none"> <li>▪ Military strategic planning</li> <li>▪ Strategic command &amp; control</li> <li>▪ International humanitarian &amp; peacekeeping operations</li> <li>▪ Joint special operations</li> <li>▪ Strategic lift and mobility</li> <li>▪ Joint service support</li> <li>▪ Ordnance build-up</li> <li>▪ Tertiary health care (AFPMC)</li> <li>▪ Joint education &amp; training</li> <li>▪ Pre-commission officers training (PMA)</li> <li>▪ Reserve force administration and training</li> <li>▪ Joint force preparedness (Exercise Balikatan)</li> <li>▪ Presidential Security Group (PSG)</li> </ul>	Supervision, coordination, and direction of the following mission areas:	Planning, direction, and coordination for civil defense	Manufacture of arms and ammunition and security of arsenal	Advanced and higher education services	Acquisition and upgrading of AFP equipment system under the AFP modernization program
Territorial defense	Territorial defense	Territorial defense				Munitions research and development	National defense & strategic international policy studies	
Disaster response	Disaster response	Disaster response						
Support to national development	Support to national development	Support to national development						
International defense & security engagements	International defense & security engagements	International defense & security engagements						
International humanitarian assistance & peacekeeping operations	International humanitarian assistance & peacekeeping operations	International humanitarian assistance & peacekeeping operations						

\*Excludes the Philippine Veterans Affairs Office- Proper and Veterans Memorial Medical Center, which are presented separately.

## FY 2012 MFO BUDGET

### By MFO/By Expense Class (In Thousand Pesos)

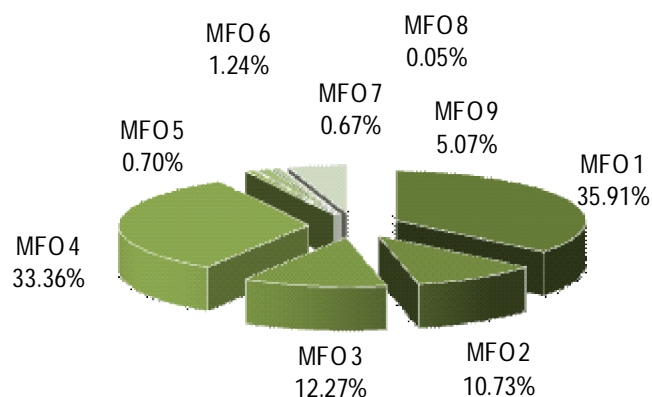
Particulars	PS	MOOE	CO	TOTAL	
<b>MFO 1</b> Land Force Capability	29,944,701	5,311,087	158,670	35,414,458	35.91%
<b>MFO 2</b> Air Force Capability	6,307,286	4,089,263	180,250	10,576,799	10.73%
<b>MFO 3</b> Naval Force Capability	8,137,865	3,835,402	126,848	12,100,115	12.27%
<b>MFO 4</b> Management of Joint Operations	29,710,940 <sup>2/</sup>	3,139,664	46,243	32,896,847	33.36%
<b>MFO 5</b> Strategic Policy and Defense Management	107,104	350,703	232,500	690,307	0.70%
<b>MFO 6</b> Disaster Risk Management	78,707	1,149,305		1,228,012	1.24%
<b>MFO 7</b> Quality Small Arms Ammunition	161,964	468,583	26,367	656,914	0.67%
<b>MFO 8</b> National Security Education	22,479	30,511		52,990	0.05%
<b>MFO 9</b> AFP Capability Upgrade			5,000,000	5,000,000	5.07%
<b>Total <sup>1/</sup></b>	<b>74,471,046</b>	<b>18,374,518</b>	<b>5,770,878</b>	<b>98,616,442</b>	<b>100%</b>
<b>% Share</b>	<b>75.52%</b>	<b>18.63%</b>	<b>5.85%</b>	<b>100%</b>	

Notes:

<sup>1/</sup> Exclusive of PVAO Budget (P1.188B) and Pension Benefits-PVAO (P7.109B)

<sup>2/</sup> Inclusive of Pension Benefits-AFP (P27.239B)

### By MFO (Total Budget = P 98,616,442,000)



**By Agency/By MFO**  
(In Thousand Pesos)

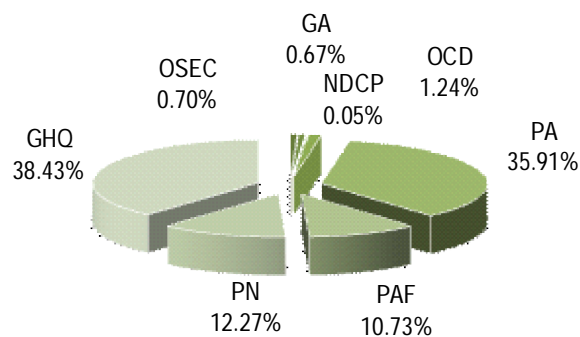
Particulars	MFO 1 Land Force Capability	MFO 2 Air Force Capability	MFO 3 Naval Force Capability	MFO 4 Management of Joint Operations	MFO 5 Strategic Policy & Defense Management	MFO 6 Disaster Risk Reduction and Management	MFO 7 Quality Small Arms Ammunition	MFO 8 National Security Education	MFO 9 AFP Capability Upgrade	TOTAL	% Share
DND Proper (Office of the Secretary)					690,307					690,307	0.70%
Government Arsenal							656,914			656,914	0.67%
National Defense College of the Philippines								52,990		52,990	0.05%
Office of Civil Defense						1,228,012				1,228,012	1.24%
Armed Forces of the Philippines											
Philippine Army	35,414,458									35,414,458	35.91%
Philippine Air Force		10,576,799								10,576,799	10.73%
Philippine Navy			12,100,115							12,100,115	12.27%
General Headquarters				32,896,847					5,000,000	37,896,847	38.43%
<b>TOTAL <sup>1/</sup></b>	<b>35,414,458</b>	<b>10,576,799</b>	<b>12,100,115</b>	<b>32,896,847<sup>2/</sup></b>	<b>690,307</b>	<b>1,228,012</b>	<b>656,914</b>	<b>52,990</b>	<b>5,000,000</b>	<b>98,616,442</b>	<b>100%</b>
<b>% Share</b>	<b>35.91%</b>	<b>10.73%</b>	<b>12.27%</b>	<b>33.36%</b>	<b>0.70%</b>	<b>1.24%</b>	<b>0.67%</b>	<b>0.05%</b>	<b>5.07%</b>	<b>100%</b>	

Notes:

<sup>1/</sup> Exclusive of PVAO Budget (P1.188B) and Pension Benefits-PVAO (P7.109B)

<sup>2/</sup> Inclusive of Pension Benefits-AFP (P27.239B)

**By Agency**  
(Total Budget = P98,616,442,000)



**By Agency/By Expense Class**  
(In Thousand Pesos)

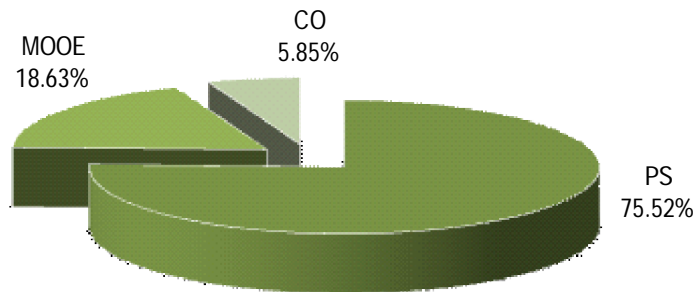
Particulars	PS	MOOE	CO	TOTAL	% Share
DND Proper (Office of the Secretary)	107,104	350,703	232,500	690,307	0.70%
Government Arsenal	161,964	468,583	26,367	656,914	0.67%
National Defense College of the Philippines	22,479	30,511		52,990	0.05%
Office of Civil Defense	78,707	1,149,305		1,228,012	1.24%
Armed Forces of the Philippines					
Philippine Army	29,944,701	5,311,087	158,670	35,414,458	35.91%
Philippine Air Force	6,307,286	4,089,263	180,250	10,576,799	10.73%
Philippine Navy	8,137,865	3,835,402	126,848	12,100,115	12.27%
General Headquarters <sup>2/</sup>	29,710,940	3,139,664	5,046,243	37,896,847	38.43%
<b>TOTAL <sup>1/</sup></b>	<b>74,471,046</b>	<b>18,374,518</b>	<b>5,770,878</b>	<b>98,616,442</b>	<b>100%</b>
<b>% Share</b>	<b>75.52%</b>	<b>18.63%</b>	<b>5.85%</b>	<b>100%</b>	

Notes:

<sup>1/</sup> Exclusive of PVAO Budget (P1.188B) and Pension Benefits-PVAO (P7.109B)

<sup>2/</sup> Inclusive of Pension Benefits-AFP (P27.239B)

**By Expense Class**  
(Total Budget = P98,616,442,000)



## DND-Office of the Secretary

### LOGICAL FRAMEWORK (DND-OSEC)

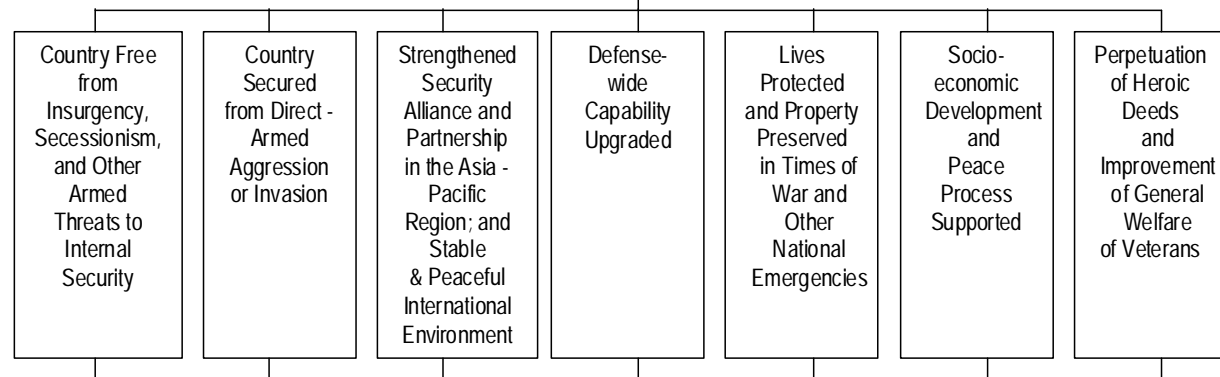
#### Societal Goal

National Security to Uphold Sovereignty and Territorial Integrity, Support Socio-Economic Development and Political Stability

#### Sectoral Goal

Peaceful, Secure, and Stable Internal and External Environment

#### Organizational Outcomes



#### Major Final Output

Strategic Policy and Defense-Resource Management Services

#### P/A/P

Supervision, coordination, and direction of the following mission areas:

- Internal security operations
- Territorial defense
- Disaster response
- National development
- International defense and security engagements
- Humanitarian assistance & peacekeeping operations

**PERFORMANCE MEASURES AND TARGETS**  
(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b>				
<b>Strategic Policy and Defense Resource Management Services</b>	<b>469,671</b>	<b>534,260</b>	<b>316,608</b>	<b>690,307</b>
Strategic Policy and Defense Resource Management Key Document Products prepared in accordance with prescribed standards and timetable	102	232	278	282
Defense Transformation				
Philippine Defense Reform (PDR)	36%	-	-	-
-Organization of the Program Management Structure	-	20	-	-
-Assessment of present structures and processes	3	28	-	-
-Design of systems and development of processes	12	27	-	-
-Implementation of systems and processes	14	27	-	-
-Training of Personnel	15	21		
Self-reliant Defense Posture (SRDP)				
-Number of projects completed	-	5	-	-
<b>TOTAL</b>	<b>469,671</b>	<b>1/ 534,260</b>	<b>316,608</b>	<b>690,307</b>

Note:

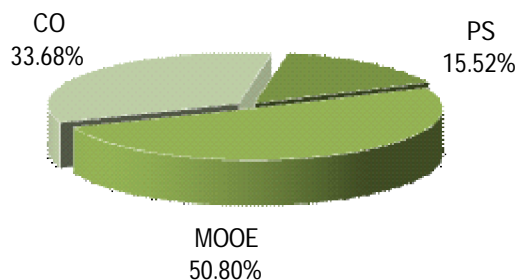
1/ Includes transfers from Miscellaneous Personnel Benefits Fund (P14.624M), Retirement Benefits Fund (P1.339M) and Continuing Appropriations-Regular (P156.271M)

**FY 2012 MFO BUDGET**

**By MFO/By Expense Class**  
(In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% Share
<b>MFO 1</b>					
Strategic Policy & Defense Resource Management Services	107,104	350,703	232,500	690,307	100%
<b>TOTAL</b>	<b>107,104</b>	<b>350,703</b>	<b>232,500</b>	<b>690,307</b>	<b>100%</b>
<b>% Share</b>	<b>15.52%</b>	<b>50.80%</b>	<b>33.68%</b>	<b>100%</b>	

**By Expense Class**  
(Total Budget = P690,307,000)





## Government Arsenal

### Legal Basis

- **Republic Act No. 1884** (June 22, 1957) created the Government Arsenal (GA), a line bureau under the Department of National Defense.
- **Executive Order No. 303** (March 29, 2004) mandated the Armed Forces of the Philippines, the Philippine National Police, and other law enforcement agencies to source their small-arms ammunition and other munitions from the Government Arsenal.

### Mandate

The Government Arsenal (GA) designs and manufactures small arms, mortars, other weapons and ammunition for these weapons, and other munitions for use of the Armed Forces of the Philippines.



## LOGICAL FRAMEWORK (GA)

### Societal Goal

National Security to Uphold Sovereignty and Territorial Integrity, Support Socio-Economic Development and Political Stability

### Sectoral Goal

Peaceful, Secure, and Stable Internal and External Environment

### Organizational Outcomes

Country Free from Insurgency, Secessionism, and Other Armed Threats to Internal Security

Country Secured from Direct-Armed Aggression or Invasion

Strengthened Security and Alliance and Partnership in the Asia-Pacific Region; and Stable and Peaceful International Environment

### Major Final Output

Quality Small-Arms Ammunition

### P/A/Ps

Manufacture of arms and ammunitions, and maintenance and security of arsenal

Munitions research and development

**PERFORMANCE MEASURES AND TARGETS**  
(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b>				
<b>Quality small-arms ammunition</b>	<b>373,161</b>	<b>434,389</b>	<b>430,926</b>	<b>656,914</b>
Number of small-arms ammunition manufactured	15 million rounds	15.3 million rounds	18 million <sup>2/</sup> rounds	18.1 million <sup>3/</sup> rounds
Percentage acceptance based on standards	98%	98%	98%	98%
Complete delivery of ammunition manufactured	15 million rounds	15.3 million rounds	18 million rounds	18.1 million rounds
Number of munitions research and development projects conducted	10 projects	6 projects	10 projects	10 projects
<b>TOTAL</b>	<b>373,161</b>	<b>1/ 434,389</b>	<b>430,926</b>	<b>656,914</b>

Notes:

**1/** Includes Customs Duties and Taxes (P10.293M), Transfers from Miscellaneous Personnel Benefits Fund (P18.541M), Retirement Benefits Fund (P34.609M) and Continuing Appropriations (P2.880M)

**2/** GA revised its target for 2011. Instead of producing the 1 million rounds of 7.62 mm (loose) and 2 million rounds of 7.62 mm (linked) they will continue to produce the 5.56mm (M193 and M855) and will also produce 2 million rounds of Cal. 45 as requested by the AFP. Hence, an increase in production target.

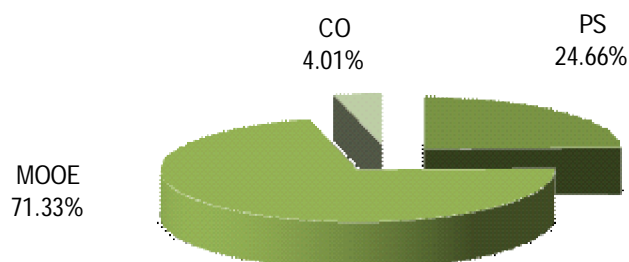
**3/** Starting 2012, GA is expected to produce 2 million rounds of 7.62 mm (loose), .50 million rounds of 7.62 mm (linked), .10 million rounds of 7.62 mm (blank) and .50 million rounds of 5.56mm (blank). The cost of production of 7.62 mm is higher than the usual production of 5.56mm (M193 and M855). Thus, a slight increase in production target.

**FY 2012 MFO BUDGET**

**By MFO/By Expense Class**  
(In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% Share
<b>MFO 1</b>					
Quality small-arms ammunition	161,964	468,583	26,367	656,914	100%
<b>TOTAL</b>	<b>161,964</b>	<b>468,583</b>	<b>26,367</b>	<b>656,914</b>	<b>100%</b>
<b>% Share</b>	<b>24.66%</b>	<b>71.33%</b>	<b>4.01%</b>	<b>100%</b>	

**By Expense Class**  
(Total Budget = P656,914,000)





## National Defense College of the Philippines

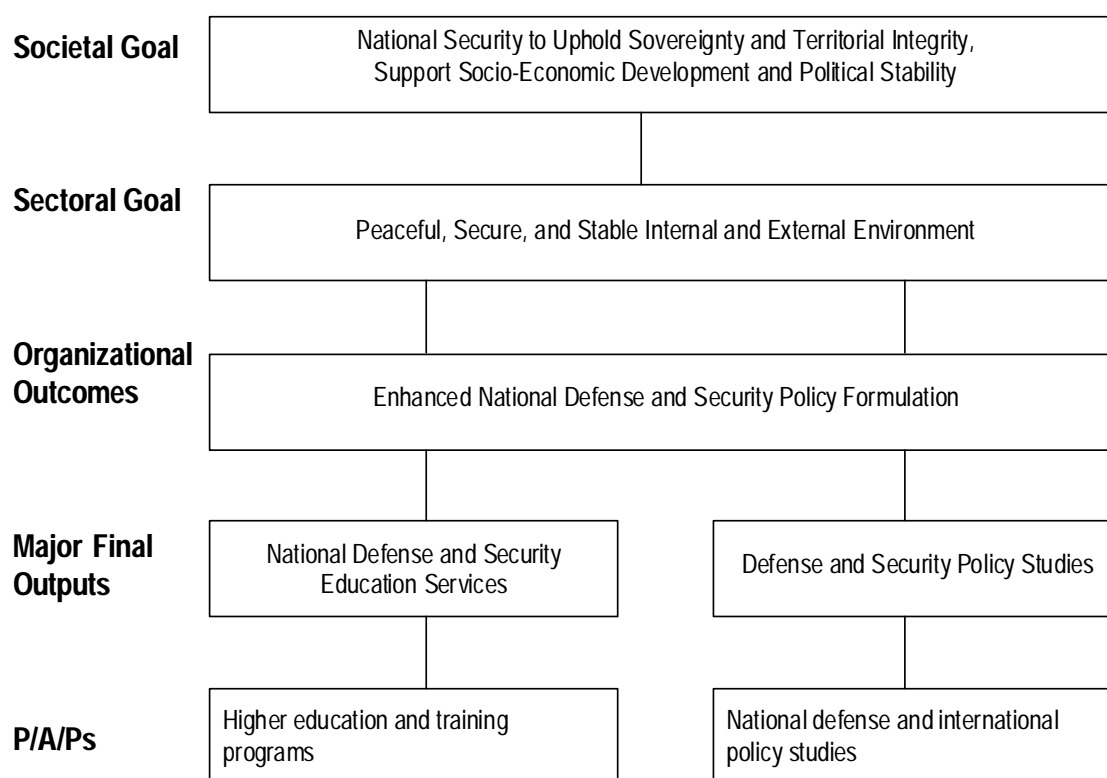
### Legal Basis

**Presidential Decree No. 190** (May 11, 1973) created the National Defense College of the Philippines under the Department of National Defense.

### Mandate

The National Defense College of the Philippines (NDCP) prepares and develops potential national defense leaders, civilian officials of the different branches of the government, and selected executives from the private sector.

## LOGICAL FRAMEWORK (NDCP)



**PERFORMANCE MEASURES AND TARGETS**  
(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b> <b>National Defense and Security Education Services</b>	<b>50,526</b>	<b>37,621</b>	<b>41,288</b>	<b>37,431</b>
Number of scholars admitted to the MNSA Program	50	33	50	50
Number of scholars graduated from the MNSA Program	50%	26	50	50
Percentage of scholars who graduated	95%	78%	100%	100%
Scholars' satisfaction on:				
• MNSA Program	90%	90%	90%	90%
• Faculty/Staff	90%	90%	90%	90%
• Facilities	75%	60%	85%	85%
<b>MFO 2</b> <b>Defense and Security Policy Studies</b>	<b>16,009</b>	<b>15,365</b>	<b>17,269</b>	<b>15,559</b>
Number of policy papers produced	20	40	20	25
Number of policy recommendations prepared and submitted by decision makers	10	40	20	25
<b>TOTAL</b>	<b>66,535</b>	<b>52,986<sup>1/</sup></b>	<b>58,557</b>	<b>52,990</b>

Note:

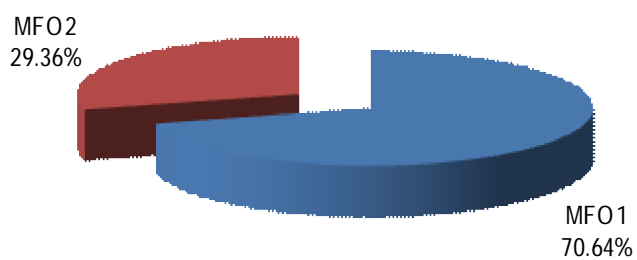
<sup>1/</sup> Includes transfers from Miscellaneous Personnel Benefits Fund (P2.623M) and Retirement Benefits Fund (P668,000)

## FY 2012 MFO BUDGET

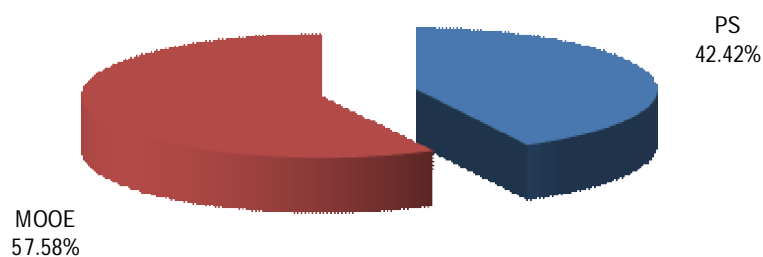
### By MFO/By Expense Class (In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% SHARE
<b>MFO 1</b>					
National Defense and Security Education Services	15,592	21,839		37,431	70.64%
<b>MFO 2</b>					
Defense and Security Policy Studies	6,887	8,672		15,559	29.36%
<b>Total</b>	<b>22,479</b>	<b>30,511</b>	<b>-</b>	<b>52,990</b>	<b>100.00%</b>
<b>% Share</b>	<b>42.42%</b>	<b>57.58%</b>	<b>-</b>	<b>100.00%</b>	

### By MFO (Total Budget = P52,990,000)



### By Expense Class (Total Budget = P52,990,000)





## Office of Civil Defense

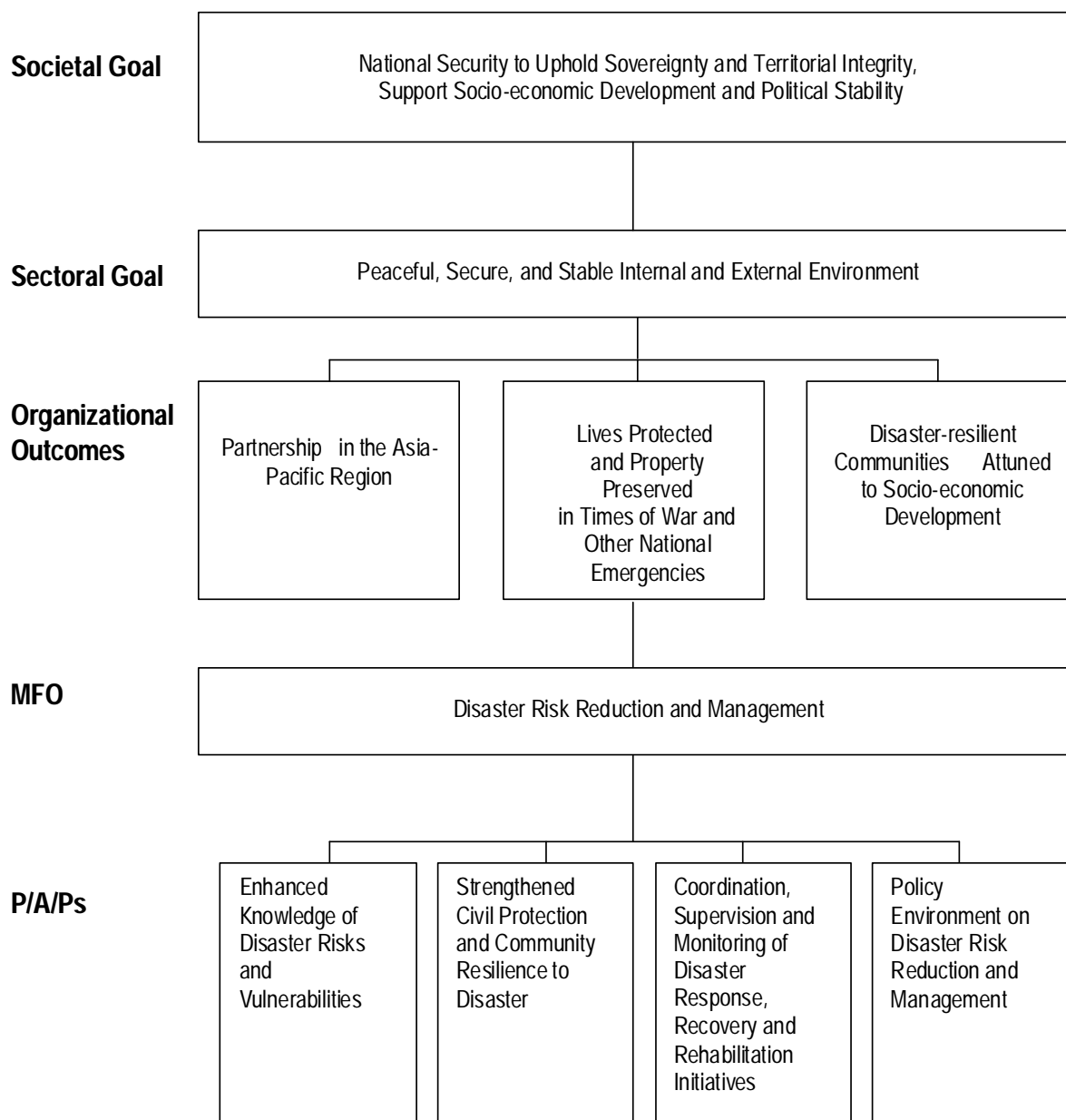
### Legal Basis

- **Republic Act No. 1890** (August 18, 1954), Civil Defense Act of 1954, created the Office of Civil Defense (OCD).
- **Republic Act No. 10121** (May 27, 2010) an Act strengthening the Philippine Disaster Risk Reduction and Management System, providing for the National Disaster Risk Reduction and Management Framework and institutionalizing the National Disaster Risk Reduction and Management Plan, appropriating funds therefor and for other purposes.
- **Executive Order No. 888** (June 7, 2010) adopting the Strategic National Action Plan (SNAP) on Disaster Risk Reduction (DRR) 2009-2019 and institutionalizing DRR.

### Mandate

The Office of Civil Defense (OCD) coordinates the activities of various government agencies and instrumentalities as well as of private institutions and civic organizations devoted to public welfare. It supervises, monitors, and evaluates the implementation of disaster management programs to ensure their effectiveness.

## LOGICAL FRAMEWORK (OCD)





## PERFORMANCE MEASURES AND TARGETS

(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b>				
<b>Disaster Risk Reduction and Management</b>	<b>90,507</b>	<b>273,451</b>	<b>96,393</b>	<b>1,228,012</b>
Enhanced Knowledge of Disaster Risks and Vulnerabilities				
• No. of related DRRM database developed	-	-	-	4
• No. of trainings conducted on related DRRM	-	-	-	4
• No. of trainings conducted on risk analysis process	-	-	-	3
Strengthening Civil Protection and Community Resilience to Disasters				
• No. of secretariat services/technical assistance to National and Regional DRRMC on matters relating to disaster risk reduction and management program	68	68	68	272
• No. of technical assistance provided in the formulation/review of DRRM plans, local planning, manuals, standard operating procedures, accreditations of disaster volunteers/workers and studies at all levels	49	49	49	54
• No. of technical assistance provided to Local Government Units on the establishment of Disaster Risk Reduction and Management Office (DRMO)	-	-	-	34
• No. of organized Disaster Coordinating Councils (DCCs), Disaster Control Groups (DCGs) and Volunteer Groups (VGs) at the regional, provincial, municipal, city and barangay level	819	819	819	819
• No. of consultation meetings with key stockholders in identifying, assess and prioritize hazards, risk and vulnerability	-	-	-	136
• No. of national and regional disaster preparedness training, simulation drills and exercises on DRRM	16	16	16	19
• No. of DRRM information and education campaign produced and developed	-	-	-	4
Coordination, Supervision and Monitoring of Disaster Response, Recovery				
• No. of technical assistance on the organizations and equipage of national and regional assessment team	-	-	-	20
• No. of disaster operations conducted	as need arises	299	as need arises	as need arises
• No. of recovery and post-disaster needs assessment conducted	-	-	-	as need arises
Support to Policy Development on Disaster Risk Reduction and Management				
• No. of policy papers produced in accordance with duly established national standard policies aligned with international agreements in disaster risk reduction and management	-	-	-	15
• No. of proposed policy papers prepared and adopted by National Disaster Risk Reduction and Management Council (NDRRMC)	-	-	-	10
<b>TOTAL</b>	<b>90,507</b>	<b>1/ 273451</b>	<b>96,393</b>	<b>1,228,012</b>

Note:

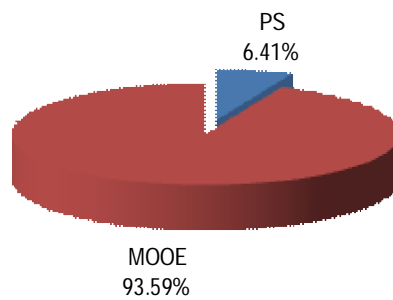
<sup>1/</sup> Includes transfers from Calamity Fund (P190M), Miscellaneous Personnel Benefits Fund (P10.715M), Retirement Benefits Fund (P1.126M) and Continuing Appropriations (7.316M)

## FY 2012 MFO BUDGET

### By MFO/By Expense Class (In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% SHARE
<b>MFO 1</b>					
Disaster Risk Reduction and Management	78,707	1,149,305	-	1,228,012	100.00%
<b>Total</b>	<b>78,707</b>	<b>1,149,305</b>	<b>-</b>	<b>1,228,012</b>	<b>100.00%</b>
<b>% Share</b>	<b>6.41%</b>	<b>93.59%</b>	<b>-</b>	<b>100.00%</b>	

### By Expense Class (Total Budget = P1,228,012,000)





## Philippine Veterans Affairs Office

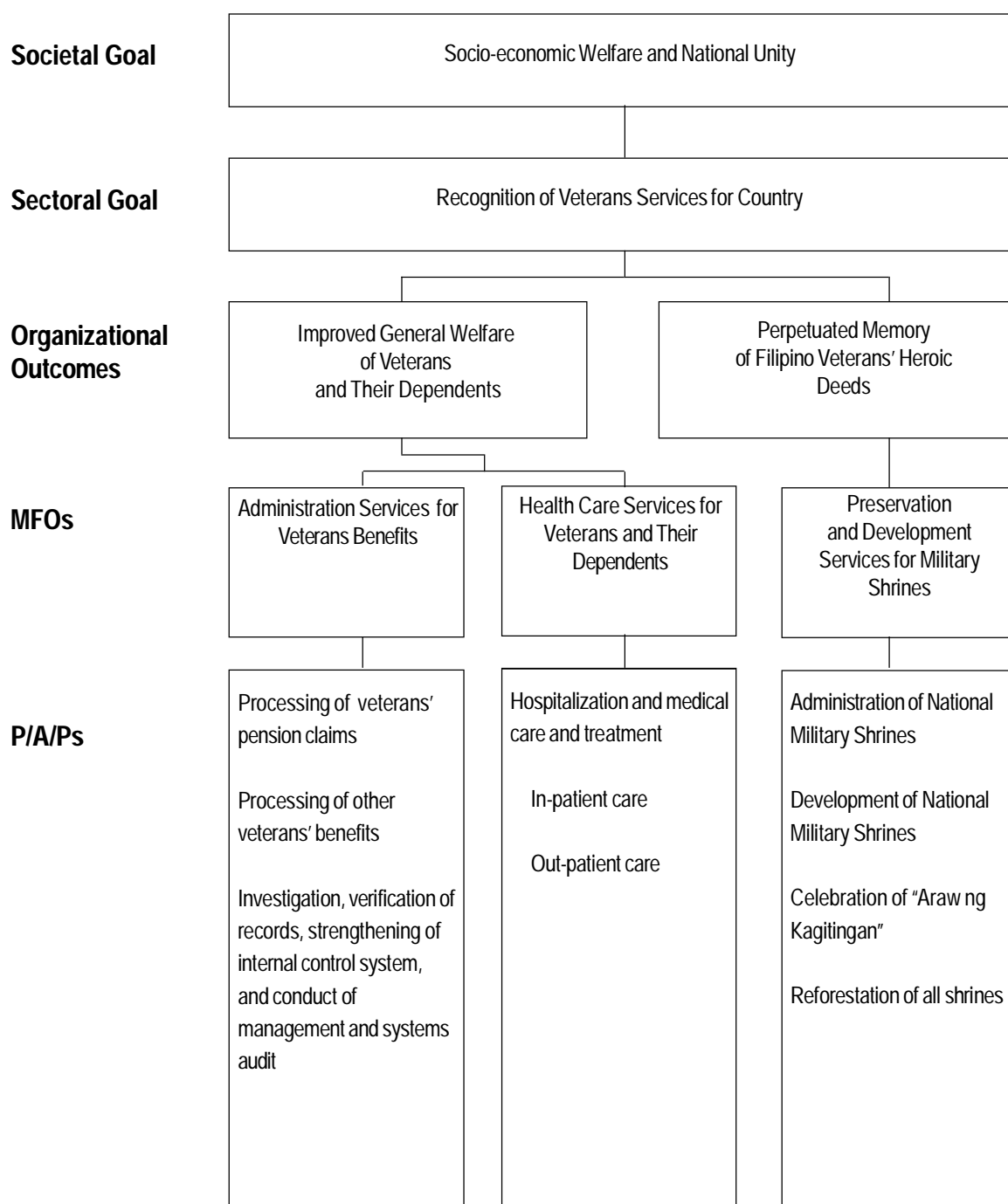
### Legal Basis

- **Commonwealth Act No. 288** (January 1, 1939) created the Board of Pensions for veterans.
- **Republic Act No. 65** (October 18, 1946) created the Philippine Veterans Board in the Department of National Defense, providing for the Filipino Veterans Bill of Rights which granted educational benefits, disability, and death pensions, as well as veterans preference in civil service examinations.
- **Presidential Decree No. 1** (September 24, 1972) merged the Veterans Claims Commission, Veterans Back Pay Commission, and Philippine Veterans Administration created by various legislations into the Philippine Veterans Affairs Office (PVAO) under the Department of National Defense.
- **Presidential Decree No. 1076** (January 27, 1977) consolidated and integrated the Office of Veterans Services (Philippine Veterans Affairs Office-Proper, Veterans Memorial Medical Center, Military Shrines Service) into the Philippines Veterans Affairs Office.

### Mandate

The Philippine Veterans Affairs Office (PVAO) administers veterans' benefits, implements programs and projects to enhance their general welfare, and institutes measures to memorialize their patriotism and heroism. It oversees the operations and maintenance of the Veterans Memorial Medical Center and accredited hospitals nationwide to service the medical needs of veterans. It also oversees the administration and development of military shrines.

## LOGICAL FRAMEWORK (PVAO)



## PERFORMANCE MEASURES AND TARGETS

(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1 Administration Services for Veterans Benefits</b>	<b>313,947</b>	<b>13,022,250<sup>1/</sup></b>	<b>13,018,937<sup>2/</sup></b>	<b>7,438,112<sup>2/</sup></b>
No. of veterans and beneficiaries of pension benefits	291,373	268,117	271,698	218,987
No. of veterans and beneficiaries of other veterans' benefits	10,820	11,389	13,550	12,170
Percentage of veterans' benefits application received against applications processed	75%	71% or 16,609 of 22,445	75% of claims received	90% of claims received
Percentage of claims processed on time	70%	64% or 9,426 of 14,755	70% of claims received	80% of claims received
Percentage of claims revalidated	25% (old age pensioners)	34% or 62,640 of 181,148	70% of WWII & 25% of Post WWII	85% of WWII veterans & 40% of WWII surviving spouses
<b>MFO 2 Preservation and Development Services for Military Shrines</b>	<b>24,182</b>	<b>26,936</b>	<b>24,906</b>	<b>22,984</b>
No. of shrines maintained at operational standards	7	7	7	7
Percentage of accomplished over planned development projects	100%	100%	100%	100%
Percentage of positive feedback from visitors/guests/tourists	95%	95%	95%	95%
Number of veteran-related events coordinated	11	11	11	16
<b>MFO 3 Health Care Services for Veterans and their Dependents</b>	<b>713,554</b>	<b>802,246</b>	<b>848,060</b>	<b>836,767</b>
Total in-patient days	127,750	135,755	127,750	127,750
Percentage of total discharge vs. total hospital in-patient census	90%	88%	90%	90%
Total out-patient cases or visits	172,000	198,352	177,000	182,000
<b>TOTAL</b>	<b>1,051,683</b>	<b>13,851,432</b>	<b>13,891,903</b>	<b>8,297,863</b>

Notes:

<sup>1/</sup> Includes Pension Benefits (P12.648B), Continuing Appropriations (P34.941M); Miscellaneous Benefits Fund (P66.684M), and Retirement Benefits Fund (P23M)

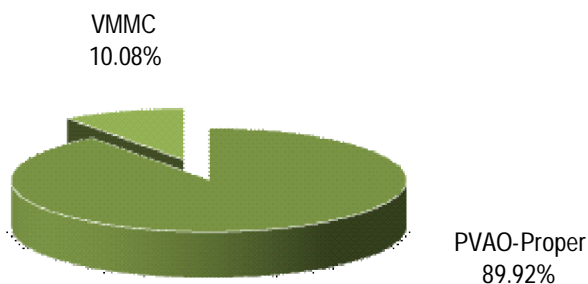
<sup>2/</sup> Includes Pension Benefits (FY 2011 - P12.693B and FY 2012 - P7,109.115M)

## FY 2012 MFO BUDGET

### By Agency/By MFO (In Thousand Pesos)

Particulars	MFO 1 Administration Services for Veterans Benefits	MFO 2 Preservation and Development Services for Military Shrines	MFO 3 Health Care Services for Veterans and their Dependents	TOTAL	% SHARE
PVAO-Propor	7,438,112	22,984		7,461,096	89.92%
VMMC			836,767	836,767	10.08%
<b>Total</b>	<b>7,438,112</b>	<b>22,984</b>	<b>836,767</b>	<b>8,297,863</b>	<b>100.00%</b>
<b>% Share</b>	<b>89.64%</b>	<b>0.28%</b>	<b>10.08%</b>	<b>100.00%</b>	

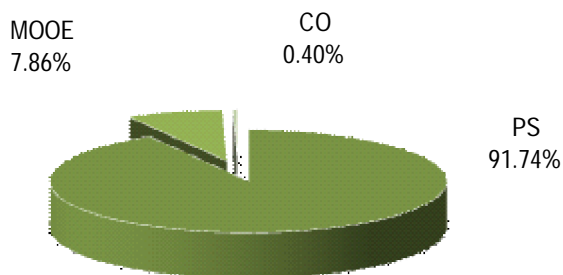
### By Agency (Total Budget = P8,297,863,000)



### By Agency/By Expense Class (In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% SHARE
PVAO-Propor	7,195,124	265,972		7,461,096	89.92%
VMMC	417,473	386,294	33,000	836,767	10.08%
<b>Total</b>	<b>7,612,597</b>	<b>652,266</b>	<b>33,000</b>	<b>8,297,863</b>	<b>100.00%</b>
<b>% Share</b>	<b>91.74%</b>	<b>7.86%</b>	<b>0.40%</b>	<b>100.00%</b>	

### By Expense Class (Total Budget = P8,297,863,000)





## Philippine Army

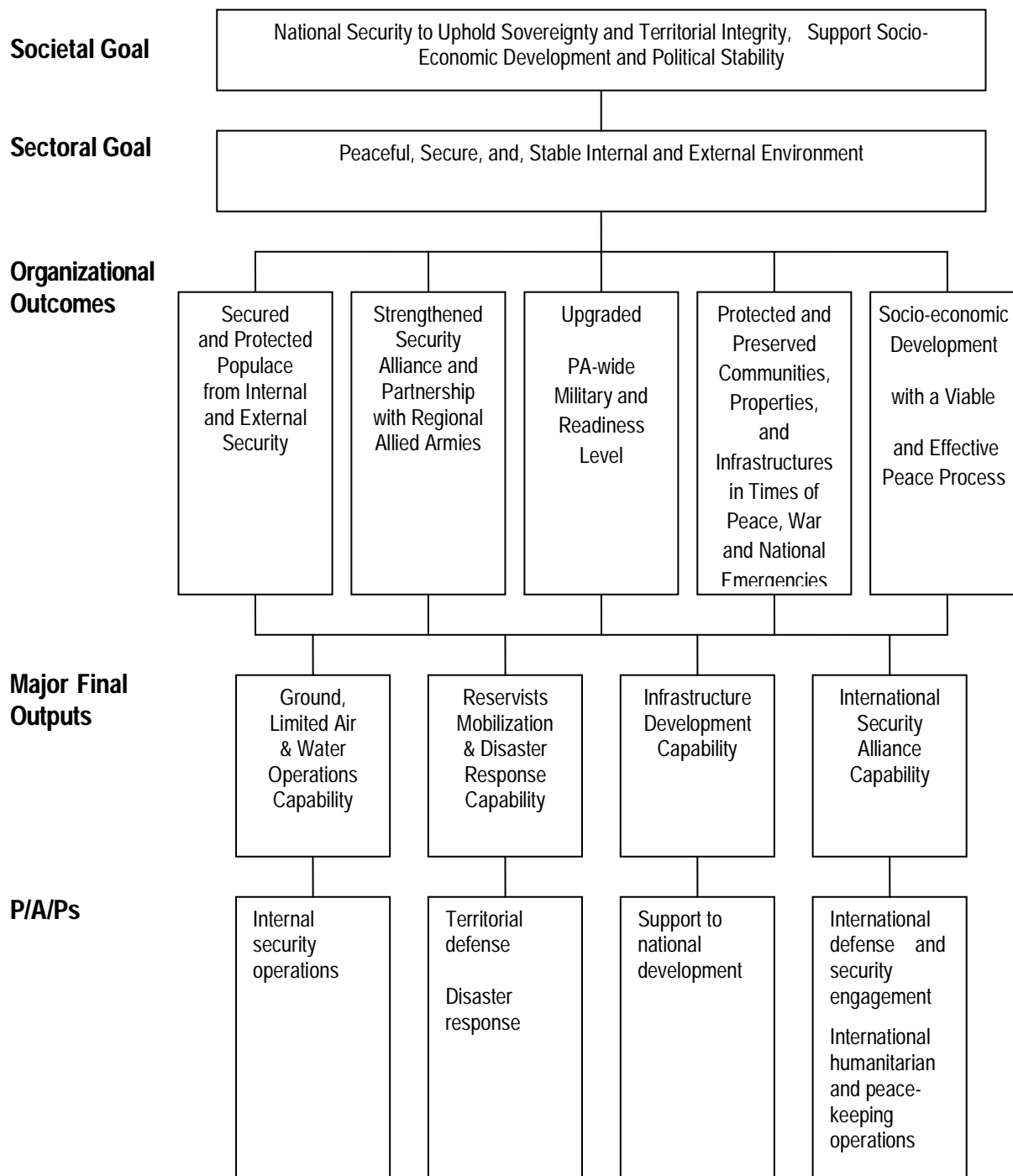
### Legal Basis

- **Commonwealth Act No. 1** (December 21, 1935), the National Defense Act, organized the Army of the Philippines consisting of the Regular and the Reserve Forces and all organizations necessary to form the basis for a complete and prompt mobilization for national defense and for the performance of national police duties in peace and in war.
- **Executive Order No. 94** (October 4, 1947) created the Philippine Ground Force, now the Philippine Army, as one of the Major Commands of the Armed Forces of the Philippines (AFP).
- **Executive Order No. 389** (December 23, 1950), Reorganizing the Armed Forces of the Philippines, established and organized the Philippine Army as one of the Major Services of the AFP.
- **Executive Order No. 292** (July 25, 1987), Administrative Code of 1987, provided for the powers, functions and organizational structure of the Philippine Army as one of the Major Services of the AFP under the supervision and control of the Department of National Defense (DND).

### Mandate

The Philippine Army (PA) develops, organizes, trains, equips, supports, and sustains army forces for the conduct of ground operations to accomplish the AFP mission.

## LOGICAL FRAMEWORK (PA)





## PERFORMANCE MEASURES AND TARGETS

(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b> <b>Ground, Limited Air and Water Operations Capability</b>	<b>28,724,301</b>	<b>35,015,643</b>	<b>31,190,871</b>	<b>32,605,999</b>
Number of Army Units to be maintained in accordance with prescribed standards	233	236	240	240
Operational Tempo to be sustained for the period				
• No. of combat operations conducted	263,844	287,328	272,094	272,094
• No. of human intelligence and counter intelligence conducted	440	736	614	614
• No. of major CMO operations conducted	362,292	463,619	362,652	362,772
• No. of career courses and specialization	237	274	237	237
• No. of beneficiaries for scholarship program	22	22	22	22
<b>MFO 2</b> <b>Reservists Mobilization and Disaster-Response Capability</b>	<b>374,492</b>	<b>365,761</b>	<b>665,776</b>	<b>1,051,257</b>
Number of Army Units to be maintained in accordance with prescribed standards	520	520	530	544
Operational Tempo to be sustained for the period				
• No. of Units to be supported out of the mobilization stocks	13 companies @ 12 CCIE line items	13 companies @ 12 CCIE line items	13 companies @ 12 CCIE line items	13 companies @ 12 CCIE line items
• No. of individuals participated in mustering and undergone training				
• No. of rescue/disaster response operations conducted	128,292 As need arises	137,412 178	128,292 As need arises	128,292 As need arises
• No. of DRRO in- service training conducted	32	32	32	32
• No. of units supported on their DRM activities	13	13	13	13
<b>MFO 3</b> <b>Infrastructure Development Capability</b>	<b>1,382,450</b>	<b>1,375,852</b>	<b>1,608,666</b>	<b>1,607,903</b>
No. of Army Units to be maintained in accordance with prescribed standards	22	22	22	22
Operational Tempo to be sustained for the period				
• No. of buildings and road projects repaired/constructed	As directed	498	As directed	As directed
• No. of environmental protection operations undertaken	19,000	20,513	19,000	19,000
• No. of in-service training conducted in Support to National Development (SND)	68	68	68	68
<b>MFO 4</b> <b>International Security Alliance Capability</b>	<b>51,317</b>	<b>26,736</b>	<b>142,635</b>	<b>149,299</b>
No. of Army Units to be maintained in accordance with prescribed standards				
Operational Tempo to be sustained for the period				
• No. of bilateral and multilateral engagements/activities to be participated in/hosted	22	24	22	22
• No. of personnel on foreign military courses/training	100	91	100	100
• No. of Army military personnel sent on peacekeeping operations	240	781	As necessary	As necessary
<b>TOTAL</b>	<b>30,532,560</b>	<b>36,783,992<sup>1/</sup></b>	<b>33,607,948</b>	<b>35,414,458</b>

Note:

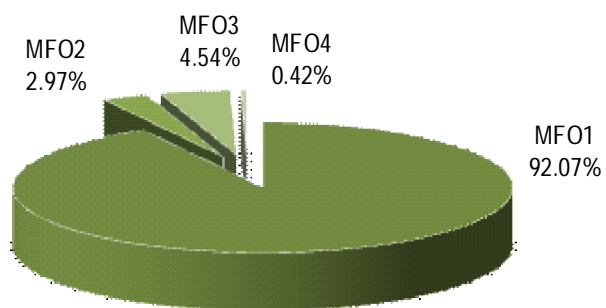
<sup>1/</sup> Includes transfers from Miscellaneous Personnel Benefits Fund (P4,289.168M), Retirement Benefits Fund (P2,165.360M), Customs Duties and Taxes (P31.089M), Malampaya Funds (P2.7M) and Continuing Appropriations (P364.758M)

## FY 2012 MFO BUDGET

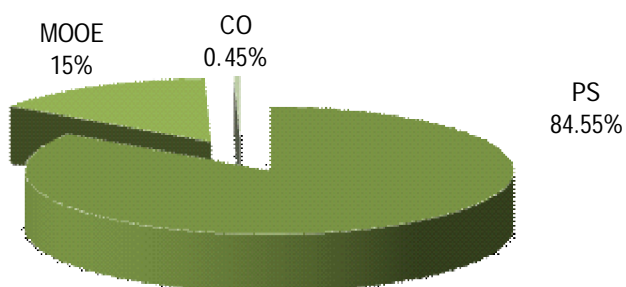
### By MFO/By Expense Class (In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% Share
<b>MFO 1</b> Ground, Limited Air and Water Operations Capability	27,705,968	4,748,230	151,801	32,605,999	92.07%
<b>MFO 2</b> Reservist Mobilization Capability and Disaster-Response Capability	851,064	193,324	6,869	1,051,257	2.97%
<b>MFO 3</b> Infrastructure Development Capability	1,377,115	230,788		1,607,903	4.54%
<b>MFO 4</b> International Security Alliance Capability	10,554	138,745		149,299	0.42%
<b>TOTAL</b>	<b>29,944,701</b>	<b>5,311,087</b>	<b>158,670</b>	<b>35,414,458</b>	<b>100%</b>
<b>% Share</b>	<b>84.55%</b>	<b>15.00%</b>	<b>0.45%</b>	<b>100%</b>	

### By MFO (Total Budget = P35,414,458,000)



### By Expense Class (Total Budget = P35,414,458,000)





## Philippine Air Force

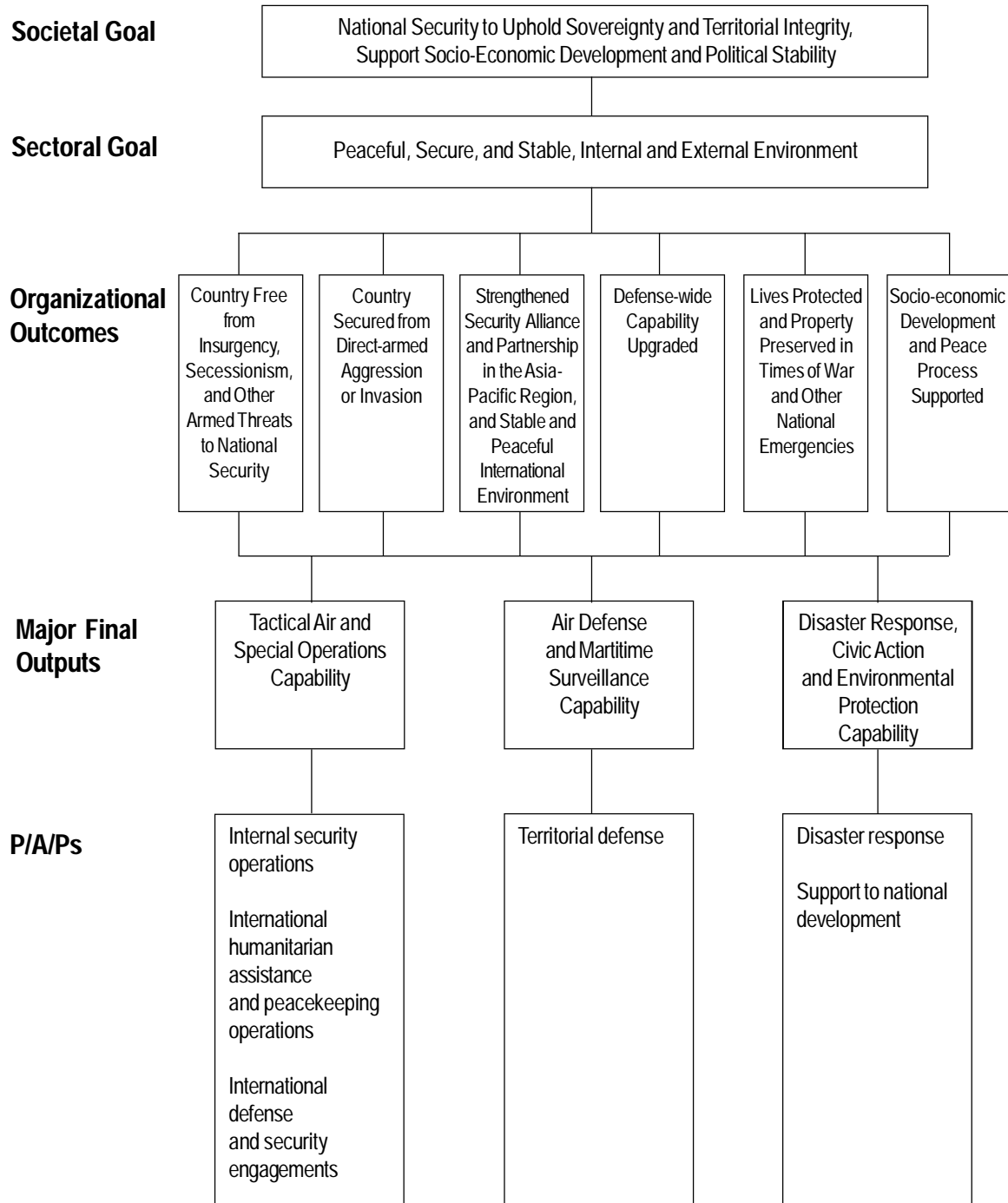
### Legal Basis

- **Executive Order No. 389** (December 23, 1950) created and organized the Philippine Air Force as one of the Major Services of the Armed Forces of the Philippines (AFP).
- **Executive Order No. 292** (July 25, 1987), Administrative Code of 1987, provided for the powers, functions, and organizational structure of the Philippine Air Force as one of the Major Services of the AFP under the supervision and control of the Department of National Defense (DND).

### Mandate

The Philippine Air Force (PAF) organizes, trains, equips and maintains forces to conduct prompt and sustained air operations to accomplish the AFP mission.

## LOGICAL FRAMEWORK (PAF)



**PERFORMANCE MEASURES AND TARGETS**  
(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b>				
<b>Tactical Air and Special Operations Capability</b>	<b>7,559,076</b>	<b>9,186,442</b>	<b>8,329,814</b>	<b>8,515,079</b>
Number of Units maintained/to be maintained	26	26	26	26
Operational Tempo				
Number of Flying Hours	25,007	20,714	24,327	22,790
Number of Sorties	23,500	19,910	23,594	19,902
Number of Activities in support to TRIAD Operations	3,891	4,059	30,377	30,530
Number of IDSE Activities	47	47	47	47
Number of IHA & PKO Deployment	11	11	11	7
<b>MFO 2</b>				
<b>Air Defense and Maritime Surveillance Capability</b>	<b>997,828</b>	<b>1,096,248</b>	<b>1,008,668</b>	<b>1,134,335</b>
Number of Units maintained/to be maintained	3	3	3	3
Operational Tempo				
Number of Flying Hours	814	720	1,188	1,248
Number of Sorties	386	451	554	684
Number of Radar Operating System	8,760	8,266	7,920	8,760
<b>MFO 3</b>				
<b>Disaster Response, Civic Action and Environmental Protection Capability</b>	<b>734,169</b>	<b>970,688</b>	<b>828,005</b>	<b>927,385</b>
Number of Units maintained/to be maintained	5	5	5	5
Operational Tempo				
Number of Flying Hours	3,053	5,761	6,284	9,580
Number of Sorties	4,114	5,065	5,520	5,060
Number of Engineering Activities	36	24	-	
<b>TOTAL</b>	<b>9,291,073</b>	<b>11,253,378<sup>u</sup></b>	<b>10,166,488</b>	<b>10,576,799</b>

Note:

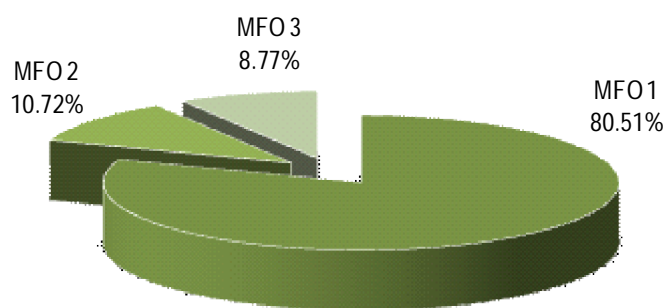
<sup>u</sup> Includes Customs Duties and Taxes (P55.845M) and transfers from Miscellaneous Personnel Benefits Fund (P1.073B), Retirement Benefits Fund (P669.244M) and Continuing Appropriations (P359.86M)

## FY 2012 MFO BUDGET

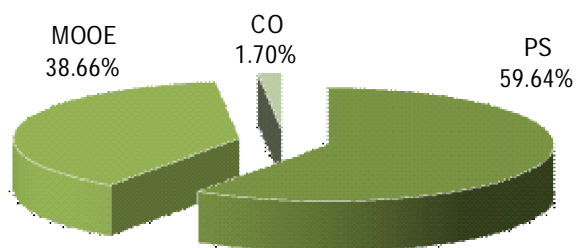
### By MFO/By Expense Class (In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% SHARE
<b>MFO 1</b> Tactical Air Operations Capability	5,199,226	3,159,339	156,514	8,515,079	80.51%
<b>MFO 2</b> Air Defense and Maritime Surveillance Capability	636,813	493,312	4,211	1,134,335	10.72%
<b>MFO 3</b> Disaster Response, Civic Action and Environment Capability	471,248	436,612	19,525	927,385	8.77%
<b>Total</b>	<b>6,307,286</b>	<b>4,089,263</b>	<b>180,250</b>	<b>10,576,799</b>	<b>100%</b>
<b>% Share</b>	<b>59.64%</b>	<b>38.66%</b>	<b>1.70%</b>	<b>100%</b>	

### By MFO (Total Budget = P10,576,799,000)



### By Expense Class (Total Budget = P10,576,799,000)





## Philippine Navy

### Legal Basis

- **Commonwealth Act No. 1** (December 21, 1935), the National Defense Act, created and organized the Off-Shore Patrol (OSP) under the Regular Force of the Army of the Philippines.
- **Executive Order No 94** (October 4, 1947) created the Philippine Naval Patrol, forerunner of the Philippine Navy, as one of the Major Commands of the Armed Forces of the Philippines (AFP).
- **Executive Order No. 389** (December 23, 1950), Reorganizing the Armed Forces of the Philippines, created and organized the Philippine Navy as one of the Major Services of the AFP with primary concerns in operations at sea.
- **Executive Order No. 292** (July 25, 1987), Administrative Code of 1987, provided for the powers, functions and organizational structure of the Philippine Navy as one of the Major Services of the AFP under the supervision and control of the Department of National Defense(DND).

### Mandate

The Philippine Navy (PN) organizes, trains, deploys, and maintains forces for the prompt and sustained naval and maritime operations in support of the United Commands in the accomplishment of the AFP mission.

## LOGICAL FRAMEWORK (PN)

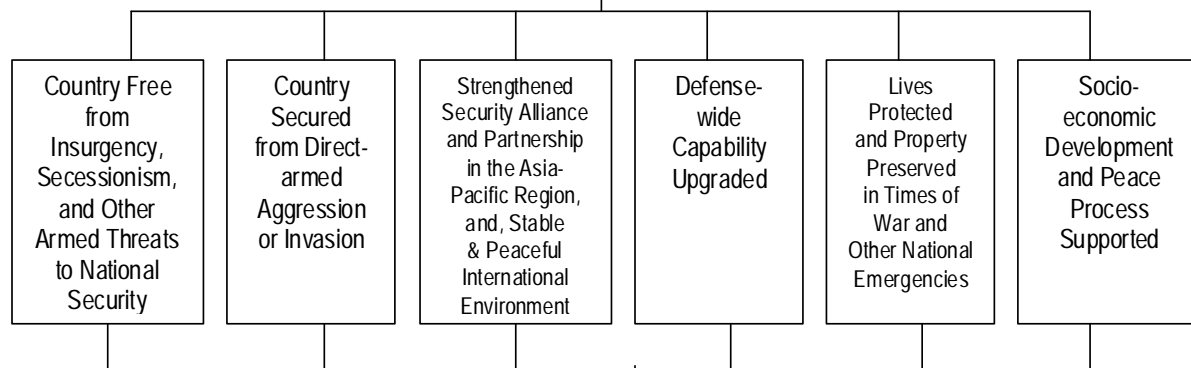
### Societal Goal

National Security to Uphold Sovereignty and Territorial Integrity,  
Support Socio-Economic Development and Political Stability

### Sectoral Goal

Peaceful, Secure, and, Stable Internal and External Environment

### Organizational Outcomes



### MFOs

Fleet-Marine Force  
Capability

Construction  
& Engineering Services

### P/A/Ps

Internal security operations  
Territorial defense  
Disaster response  
International defense  
and security engagements  
International humanitarian  
assistance and peacekeeping  
operations

Support to national  
development  
Disaster response



## PERFORMANCE MEASURES AND TARGETS

(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b>				
<b>Fleet-Marine Force Capability</b>	<b>10,261,817</b>	<b>12,326,169</b>	<b>11,008,305</b>	<b>11,734,200</b>
No. of navy units maintained/supported	20	20	20	21
Operational Tempo				
• Total steaming time	56,756	52,081	56,756	58,288
• Total nautical miles covered	368,913	349,721	368,913	378,871
• Total flying time	2,858	1,531	2,858	3,144
• Total nautical miles covered	285,800	173,347	285,800	341,400
• No. of ground operations	2,000	3,320	2,000	2,383
<b>MFO 2</b>				
<b>Construction and Engineering Services</b>	<b>377,610</b>	<b>371,332</b>	<b>360,675</b>	<b>365,915</b>
No. of navy units maintained/supported	1	1	1	1
Operational Tempo				
• No. of buildings/other facilities constructed	95	90	as required	as required
<b>Total</b>	<b>10,639,427</b>	<b>1/ 12,697,501</b>	<b>11,368,980</b>	<b>12,100,115</b>

Note:

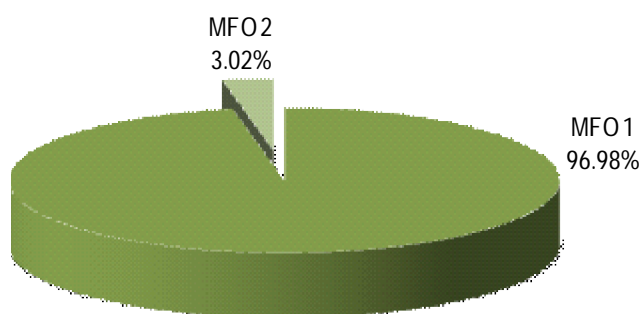
<sup>u</sup> Includes Customs Duties and Taxes (P37.193M) and transfers from Miscellaneous Personnel Benefits Fund (P1.352B), Retirement Benefits Fund (P708.326M) and Continuing Appropriations (P181.791M)

## FY 2012 MFO BUDGET

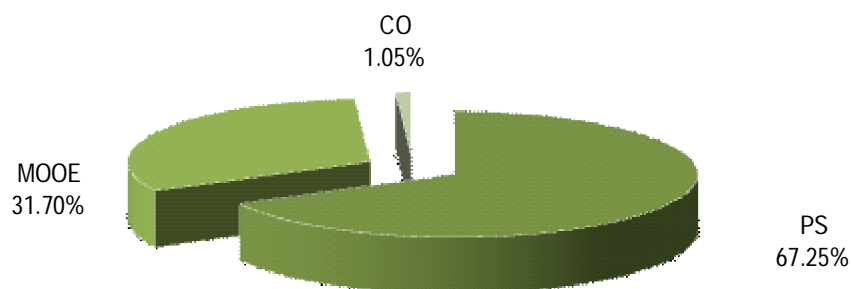
### By MFO/By Expense Class (In Thousand Pesos)

Particulars	PS	MOOE	CO	TOTAL	% SHARE
<b>MFO 1</b>					
Fleet Marine Force Capability	7,881,530	3,725,822	126,848	11,734,200	96.98%
<b>MFO 2</b>					
Construction and Engineering Services	256,335	109,580		365,915	3.02%
<b>Total</b>	<b>8,137,865</b>	<b>3,835,402</b>	<b>126,848</b>	<b>12,100,115</b>	<b>100.00%</b>
<b>% Share</b>	<b>67.25%</b>	<b>31.70%</b>	<b>1.05%</b>	<b>100.00%</b>	

### By MFO (Total Budget = P12,100,115,000)



### By Expense Class (Total Budget = P12,100,115,000)





## General Headquarters, AFP

### Legal Basis

#### General Headquarters, AFP

- **Commonwealth Act No. 1** (December 21, 1935), National Defense Act, created the Central General Staff, later named Armed Forces General Staff.
- **Executive Order No. 389** (December 23, 1950) transformed the Armed Forces of the Philippines (AFP) into the General Headquarters-Armed Forces of the Philippines (GHQ-AFP).
- **Executive Order No. 292** (July 25, 1987), Administrative Code of 1987, identified the structure of the AFP to consist of GHQ, the Major Services and other units, services and commands of the AFP.

#### Armed Forces of the Philippines Medical Center (AFPMC)

- **Commonwealth Act No. 1** (December 21, 1935), National Defense Act, created the AFP Medical Service.
- **Special Order No. 512 HPA** (1946) created the Victoriano Luna General Hospital.
- **General Order No. 389 GHQ-AFP** (May 7, 1970) renamed the Victoriano Luna General Hospital to V. Luna Medical Center.
- **General Order No. 258** (September 26, 1975) renamed the V. Luna Medical Center to Armed Forces of the Philippines Medical Center (AFPMC).

#### Philippine Military Academy (PMA)

- **Commonwealth Act No. 1** (December 21, 1935), National Defense Act, established the Philippine Military Academy (PMA).

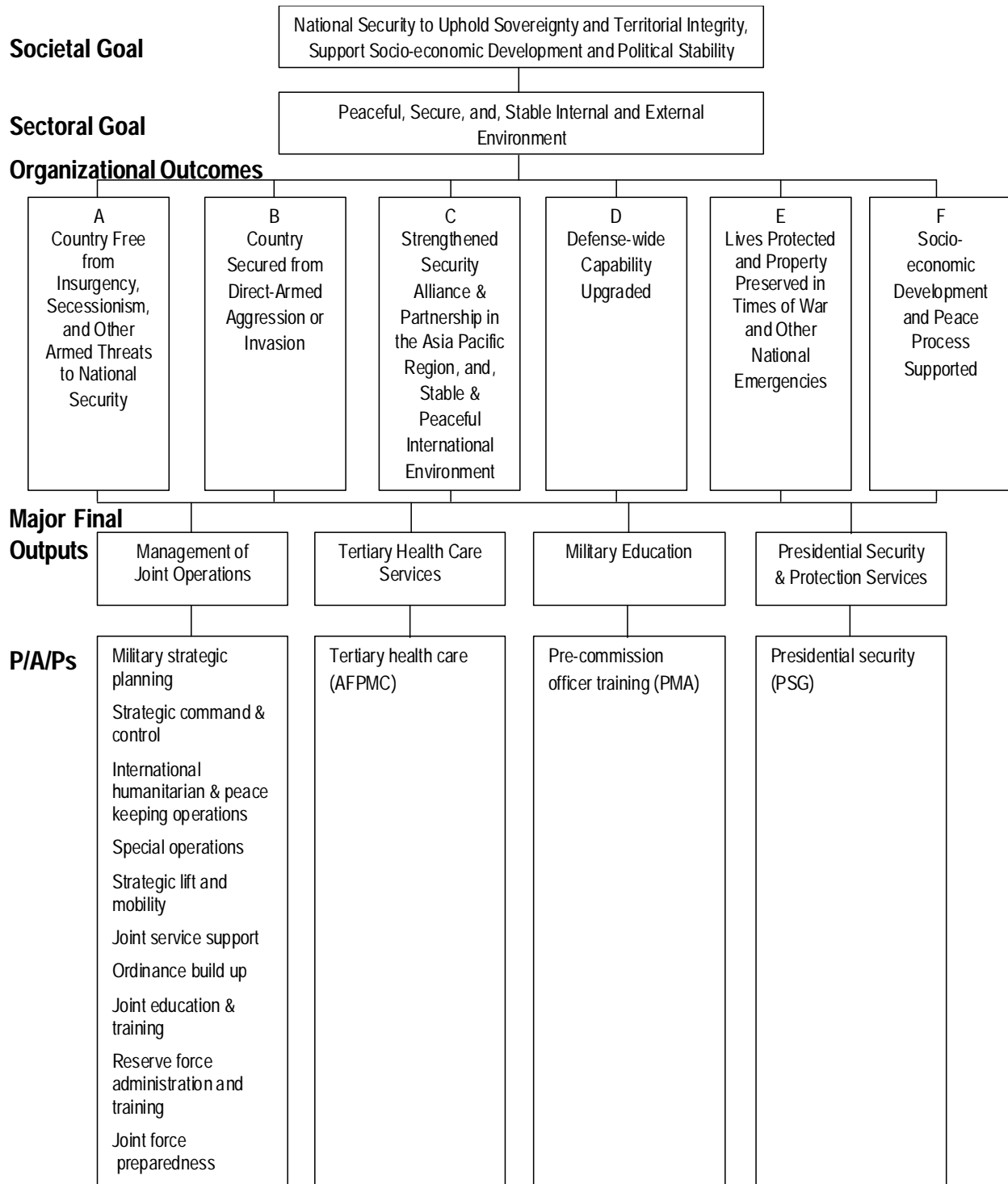
#### Presidential Security Group (PSG)

- **General Order No. 212 GHQ, AFP** (October 22, 1971) created the Presidential Security Command (PSC) as a unified command of the AFP.
- **General Order No. 60, GHQ-New Armed Forces of the Philippines (NAFP)** (March 8, 1986) deactivated the PSC and activated the Presidential Security Group (PSG) as one of the support units of the NAFP.

### Mandate

- GHQ** : The GHQ is tasked to exercise the command, direction of all AFP units "to protect and secure the sovereignty of the state and integrity of the national territory."
- AFPMC** : The AFPMC provides comprehensive quality tertiary healthcare services to AFP personnel, dependents, and authorized civilians through consultation and treatment in all health care fields of specialties; and complete diagnostic, therapeutic, and ancillary services.
- PMA** : The PMA is mandated to instruct, train, and develop cadets to possess the character, the broad and basic military skills, and the education essential to the successful pursuit of a progressive military career.
- PSG** : The PSG is tasked to provide security to the President of the Republic of the Philippines. It secures and protects the members of the First Family; visiting heads of States and Governments; the President's residences, Offices, and places of presidential engagements and its environs.

## LOGICAL FRAMEWORK (GHQ)



## PERFORMANCE MEASURES AND TARGETS

(Amounts in Thousand Pesos)

Particulars	FY 2010		FY 2011	FY 2012
	Target/Amount	Actual/Amount	Target/Amount	Target/Amount
<b>MFO 1</b>				
<b>Management of Joint Operations</b>	<b>3,642,337</b>	<b>32,222,814<sup>1/</sup></b>	<b>32,846,101<sup>2/</sup></b>	<b>35,995,361<sup>2/</sup></b>
Readiness Level	68%	68%	68%	68%
No. of Joint Operations	5,110	4,298	5,110	4,065
No. of Command and Control Activities	-	-	-	192,858
No. of Service Support Activities	-	-	-	355,624
No. of National Development Operations (Barangays)	200	-	-	-
No. of National Development Operations (Projects)	-	-	-	291
No. of United Nations Missions	16	16	16	15
No. of Bilateral/Multilateral Engagements	75	75	75	75
<b>MFO 2</b>				
<b>Tertiary Health Care Services</b>	<b>963,097</b>	<b>988,031</b>	<b>1,102,359</b>	<b>1,108,490</b>
Bed Occupancy Rate	75%	75%	75%	75%
No. of Out-patient Consultations	40,755	40,755	40,755	40,755
No. of Bed-days Utilized	328,500	281,275	328,500	328,500
No. of In-patient	10,410	9,750	10,410	10,410
<b>MFO 3</b>				
<b>Joint Military Education and Training</b>	<b>548,464</b>	<b>705,418</b>	<b>608,388</b>	<b>599,884</b>
No. of Cadets Trained	1,100	906	1,100	1,100
Cadet Success Rate	85%	82%	85%	85%
<b>MFO 4</b>				
<b>Presidential Security and Protection Services</b>	<b>167,412</b>	<b>188,463</b>	<b>175,457</b>	<b>193,112</b>
Presidential Engagements	660	686	660	660
First Family Engagements	420	420	6,215	5,500
Vital Installations Secured	12	12	12	14
<b>TOTAL</b>	<b>5,321,310</b>	<b>34,104,726</b>	<b>34,732,305</b>	<b>37,896,847</b>

Notes:

<sup>1/</sup> Includes AFP Pension Benefits (P19.393B), Calamity Fund (P55.4M), Miscellaneous Personnel Benefits Fund (P379.883M), Retirement Benefits Fund (P3.072B), Over-all Savings (P12M), Customs Duties and Taxes (P615.903M), Fund 170-BCDA Fund (P2.247B), Fund 172-AFP Modernization Trust Fund (P1.214B), and Continuing Appropriations (P12.836B)

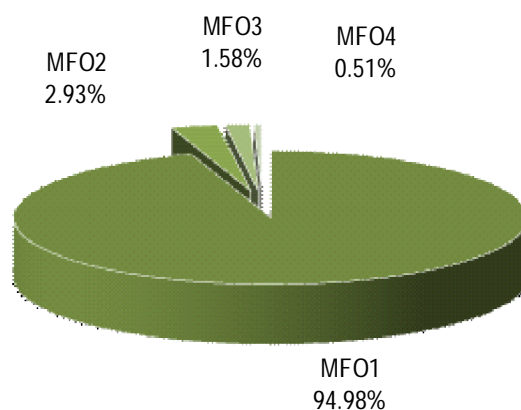
<sup>2/</sup> Includes AFP Pension Benefits (FY 2011 - P24.107B and FY 2012 - P27.239B)

## FY 2012 MFO BUDGET

### By MFO/By Expense Class (In Thousand Pesos)

Particulars	PS	MOOE	CO	Total	% SHARE
<b>MFO 1</b>					
Management of Joint Operations	28,846,132	2,102,986	5,046,243	35,995,361	94.98%
<b>MFO 2</b>					
Tertiary Health Care Services	351,595	756,895		1,108,490	2.93%
<b>MFO 3</b>					
Military Education Services	475,559	124,325		599,884	1.58%
<b>MFO 4</b>					
Presidential Security and Protection Services	37,654	155,458		193,112	0.51%
<b>Total</b>	<b>29,710,940</b>	<b>3,139,664</b>	<b>5,046,243</b>	<b>37,896,847</b>	<b>100.00%</b>
<b>% Share</b>	<b>78.40%</b>	<b>8.28%</b>	<b>13.32%</b>	<b>100.00%</b>	

### By MFO (Total Budget = P37,896,847,000)



### By Expense Class (Total Budget = P37,896,847,000)

