



PROPOSED
2012
GENERAL APPROPRIATIONS
DND Proper & Bureaus

XVII. DEPARTMENT OF NATIONAL DEFENSE

A. DND PROPER (OFFICE OF THE SECRETARY)

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>464,122</u>	<u>310,415</u>	<u>682,815</u>
General Fund		310,415	682,815
R.A. No. 9970	464,122		
Automatic Appropriations	<u>6,888</u>	<u>6,193</u>	
Retirement and Life Insurance Premiums	6,888	6,193	
Continuing Appropriations	<u>156,271</u>	<u>108,869</u>	
Unreleased Appropriation for MOOE			
R.A. No. 9970		74,585	
Unobligated Releases for MOOE			
R.A. No. 9524	156,271		
R.A. No. 9970		34,284	
Budgetary Adjustment(s)	<u>15,963</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	14,624		
Retirement Benefits Fund (Pension and Gratuity Fund)	<u>1,339</u>		
Total Available Appropriations	643,244	425,477	682,815
Unused Appropriations	<u>(108,984)</u>	<u>(108,869)</u>	
Unreleased Appropriation	(74,585)	(74,585)	
Unobligated Allotment	<u>(34,399)</u>	<u>(34,284)</u>	
TOTAL OBLIGATIONS	<u>534,260</u>	<u>316,608</u>	<u>682,815</u>

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 682,815,000
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New Appropriations, by Program/Project

<u>Current Operating Expenditures</u>				
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. Force-level, Central Command and Control	P 99,612,000	P 102,577,000		P 202,189,000
Sub-total, General Administration and Support	99,612,000	102,577,000		202,189,000
II. Support to Operations				
a. Force-Level, Training and Support		9,400,000		9,400,000
Sub-total, Support to Operations		9,400,000		9,400,000
III. Operations				
a. Supervision, Coordination and Direction of Internal Security Operations including P17,000,000 for confidential expenses		67,376,000		67,376,000
b. Supervision, Coordination and Direction of Territorial Defense including P8,000,000 for confidential expenses		10,300,000		10,300,000
c. Supervision, Coordination and Direction of Disaster (Response) Management		2,650,000		2,650,000
d. Supervision, Coordination and Direction of Support to National Development		4,100,000		4,100,000
e. Supervision, Coordination and Direction of International Defense & Security Engagements including P8,000,000 for confidential expenses		33,900,000		33,900,000
f. Supervision, Coordination and Direction of International Humanitarian Assistance and Peacekeeping Operations		400,000		400,000

g. Quick Response Fund		120,000,000	232,500,000	352,500,000
Sub-total, Operations		238,726,000	232,500,000	471,226,000
Total, Programs	99,612,000	350,703,000	232,500,000	682,815,000
TOTAL NEW APPROPRIATIONS	P 99,612,000	P 350,703,000	P 232,500,000	P 682,815,000
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Special Provision(s)

1. Use of Income. In addition to the amounts appropriated herein, all income generated from hospital operations of the DND or AFP, including the AFP Medical Center, Veterans Memorial Medical Center and hospitals or medical centers under the DND or AFP, shall be retained and used to augment their MOOE and Capital Outlays including equipment and infrastructure projects to improve the delivery of health services: PROVIDED, That said income shall be deposited in an authorized government depository bank: PROVIDED, FURTHER, That at least twenty-five percent (25%) of the said income shall be used to purchase and upgrade hospital equipment used directly in the delivery of health services: PROVIDED, FINALLY, That no amount of said income shall be used for the payment of salaries and other allowances.

The DND shall prepare and submit to the DBM not later than March 1 of every year the annual operating budget covering said income and the corresponding expenditures, and the audited financial statement for the immediately preceding fiscal year.

Failure to submit any of the foregoing shall render any disbursement from said income 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.

2. United Nations Peacekeeping Operations Fund. The funds provided by the United Nations for the peace keeping operations shall be recorded as a Special Account in the General Fund and shall be used to cover the allowance, uniform, gear and equipment, weaponry and training ammunition, as well as the pre-deployment expenses and maintenance of the peacekeeping training center, subject to submission of Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987: PROVIDED, That the said fund shall first be used to reimburse any amount which may have been advanced by the National Government for any of the foregoing requirements.
3. Quick Response Fund. The amount of Three Hundred Fifty Two Million Five Hundred Thousand Pesos (P352,500,000) appropriated under A.III.g for the Quick Response Fund (QRF) shall serve as a stand-by fund to be used for relief, rehabilitation and reconstruction programs in order that the situation and living conditions of people living in communities or areas stricken by calamities, epidemics, crises, and catastrophes occurring during the year may be normalized as quickly as possible: PROVIDED, That said Fund shall be released immediately upon the request of the Secretary of National Defense: PROVIDED, FURTHER, That in the release of the QRF, the available balance of the Department's QRF in the immediately preceding year shall be considered in determining the amount to be released in the current year.

The DND shall submit, either in printed form or by way of electronic document, to the National Disaster Risk Reduction and Management Council copy furnished the DBM, a quarterly report on the status of the utilization of the QRF. The Secretary of National Defense shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the DND.

4. 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:

Programs and Activities

		<u>Current Operating Expenditures</u>		
		<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>
				<u>Total</u>
I. General Administration and Support				
a.	Force-level, Central Command and Control	P 99,612,000	P 102,577,000	P 202,189,000
1.	General management and supervision	99,612,000	102,577,000	202,189,000
Sub-total, General Administration and Support		99,612,000	102,577,000	202,189,000
II. Support to Operations				
a.	Force-Level, Training and Support		9,400,000	9,400,000
1.	Information Systems Development and Maintenance		9,400,000	9,400,000
Sub-total, Support to Operations			9,400,000	9,400,000
III. Operations				
a.	Supervision, Coordination and Direction of Internal Security Operations including P17,000,000 for confidential expenses		67,376,000	67,376,000
b.	Supervision, Coordination and Direction of Territorial Defense including P8,000,000 for confidential expenses		10,300,000	10,300,000
c.	Supervision, Coordination and Direction of Disaster (Response) Management		2,650,000	2,650,000
d.	Supervision, Coordination and Direction of Support to National Development		4,100,000	4,100,000
e.	Supervision, Coordination and Direction of International Defense & Security Engagements including P8,000,000 for confidential expenses		33,900,000	33,900,000
f.	Supervision, Coordination and Direction of International Humanitarian Assistance and Peacekeeping Operations		400,000	400,000
g.	Quick Response Fund		120,000,000	232,500,000

Sub-total, Operations		238,726,000	232,500,000	471,226,000
TOTAL PROGRAMS AND ACTIVITIES	P	99,612,000	P 350,703,000	P 232,500,000 P 682,815,000
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Obligations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-Funded Projects

Current Operating Expenditures

Personal Services

Basic Pay, Civilian	57,742	51,603	62,427
Contractual, Casual and Emergency Personnel	14,225	16,733	16,733
Total Salaries/Wages	71,967	68,336	79,160

Other Compensation

Representation Allowance	3,373	4,644	5,292
Year-End Bonus	8,617	5,476	6,418
Step Increments for Length of Service		130	157
Personnel Economic Relief Allowance	5,694	5,640	5,832
Clothing/ Uniform Allowance	956	940	972
Subsistence Allowance		160	160
Productivity Incentive Benefits	432	470	486
PEP/PerB/EA/CNA	3,528		
Total Other Compensation	22,600	17,460	19,317
Gross Compensation	94,567	85,796	98,477

Other Benefits

Terminal Leave Benefits	1,323
Total Other Benefits	1,323

Fixed Personnel Expenditures

Retirement and Life Insurance Premiums	6,885	6,193	
PAG-IBIG Contributions	288	282	292
Health Insurance Premiums	639	558	555
Employees Compensation Insurance Premiums (ECIP)	298	282	288

Total Fixed Personnel Expenditures	8,110	7,315	1,135
01 Total Personal Services	104,000	93,111	99,612
Maintenance and Other Operating Expenses			
02 Travelling Expenses	21,278	30,000	28,835
03 Communication Expenses	13,595	10,000	11,128
04 Repair and Maintenance	31,191	24,900	128,543
07 Supplies and Materials	59,509	40,957	61,345
08 Rents	6,237	5,200	8,300
10 Subsidies and Donations	210	500	500
14 Utility Expenses	22,173	28,800	28,550
17 Training and Scholarship Expenses	166,613	16,000	15,000
18 Extraordinary and Miscellaneous Expenses	2,154	2,170	2,202
19 Confidential and Intelligence Expenses	33,000	33,000	33,000
21 Taxes, Insurance Premiums and Other Fees	2,060	2,300	2,200
29 Professional Services	46,476	11,470	10,830
17 Printing and Binding Expenses	666	1,000	1,600
18 Advertising Expenses	180	500	540
19 Representation Expenses	23,708	15,000	16,850
22 Subscription Expenses	1,210	1,700	1,280
Total Maintenance and Other Operating Expenses	430,260	223,497	350,703
Total Current Operating Expenditures	534,260	316,608	450,315
Capital Outlays			
35 Buildings and Structures Outlay			104,600
38 Transportation Equipment			70,000
40 Machineries and Equipment			57,900
Total Capital Outlays			232,500
Total Programs/Locally-Funded Projects	534,260	316,608	682,815
TOTAL OBLIGATIONS	534,260	316,608	682,815

B. GOVERNMENT ARSENAL

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>362,538</u>	<u>420,943</u>	<u>645,660</u>
General Fund		420,943	645,660
R.A. No. 9970	362,538		
Automatic Appropriations	<u>22,239</u>	<u>9,983</u>	
Customs Duties and Taxes, including Tax Expenditures	10,293		
Retirement and Life Insurance Premiums	11,946	9,983	
Continuing Appropriations	<u>2,882</u>	<u>299</u>	
Unobligated Releases for Capital Outlays			
R.A. No. 9524	960		
Unobligated Releases for MOOE			
R.A. No. 9524	1,922		
R.A. No. 9970		299	
Budgetary Adjustment(s)	<u>48,125</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	16,223		
Retirement Benefits Fund (Pension and Gratuity Fund)	<u>31,902</u>		
Total Available Appropriations	435,784	431,225	645,660
Unused Appropriations	(<u>1,395</u>)	(<u>299</u>)	
Unobligated Allotment	(<u>1,395</u>)	(<u>299</u>)	
TOTAL OBLIGATIONS	<u>434,389</u>	<u>430,926</u>	<u>645,660</u>
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Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 645,660,000

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New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 39,298,000	P 28,104,000		P 67,402,000
Sub-total, General Administration and Support	<u>39,298,000</u>	<u>28,104,000</u>		<u>67,402,000</u>
II. Support to Operations				
a. Formulation of Plans and Programs for the Development and Manufacture of Arms and Ammunition	<u>7,237,000</u>	<u>2,073,000</u>		<u>9,310,000</u>
Sub-total, Support to Operations	<u>7,237,000</u>	<u>2,073,000</u>		<u>9,310,000</u>
III. Operations				
a. Manufacture of Arms and Ammunition and Maintenance and Security of Arsenals	<u>104,175,000</u>	<u>438,406,000</u>	<u>26,367,000</u>	<u>568,948,000</u>
Sub-total, Operations	<u>104,175,000</u>	<u>438,406,000</u>	<u>26,367,000</u>	<u>568,948,000</u>
Total, Programs	<u>150,710,000</u>	<u>468,583,000</u>	<u>26,367,000</u>	<u>645,660,000</u>
TOTAL NEW APPROPRIATIONS	P 150,710,000	P 468,583,000	P 26,367,000	P 645,660,000
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Special Provision(s)

1. Use of Income. In addition to the amounts appropriated herein, all income generated from hospital operations of the Government Arsenal Hospital shall be retained and used to augment its MOOE and Capital Outlays including equipment and infrastructure projects to improve the delivery of health services: PROVIDED, That said income shall be deposited in an authorized government depository bank: PROVIDED, FURTHER, That at least twenty-five percent (25%) of the said income shall be used to purchase and upgrade hospital equipment used directly in the delivery of health services: PROVIDED, FINALLY, That no amount of said income shall be used for the payment of salaries and other allowances.

The Government Arsenal (GA) shall prepare and submit to the DBM not later than March 1 of every year the annual operating budget covering said income and the corresponding expenditures, and the audited financial statement for the immediately preceding fiscal year.

Failure to submit any of the foregoing shall render any disbursement from said income void, and shall subject the erring officials and employees to disciplinary actions in accordance with Sections 43, Chapter 5, and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

2. Authority to Barter and Sell Scrap Items. The Director of the GA, upon notice to the COA and prior approval of the Secretary of National Defense, is authorized to barter scrap with essential equipment including motor vehicles in the operation of the GA: PROVIDED, That said equipment and motor vehicles acquired shall be recorded as government property.

However, in case of sale of scrap items, it shall be sold through public auction: PROVIDED, That proceeds from such sale shall be deposited with the National Treasury as income of the General Fund.

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

Programs and Activities

Current Operating Expenditures				
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. General Administration and Support Services	P 39,298,000	P 28,104,000		P 67,402,000
1. General Management and Supervision	39,298,000	28,104,000		67,402,000
Sub-total, General Administration and Support	39,298,000	28,104,000		67,402,000
II. Support to Operations				
a. Formulation of Plans and Programs for the Development and Manufacture of Arms and Ammunition	7,237,000	2,073,000		9,310,000
1. Formulate plans and programs to develop and manufacture arms and ammunition	7,237,000	2,073,000		9,310,000
Sub-total, Support to Operations	7,237,000	2,073,000		9,310,000
III. Operations				
a. Manufacture of Arms and Ammunition and Maintenance and Security of Arsenals	104,175,000	438,406,000	26,367,000	568,948,000
1. Manufacture and storage of arms and ammunition and the assurance of quality thereof	104,175,000	438,406,000	26,367,000	568,948,000

Sub-total, Operations	104,175,000	438,406,000	26,367,000	568,948,000
TOTAL PROGRAMS AND ACTIVITIES	P 150,710,000	P 468,583,000	P 26,367,000	P 645,660,000
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Obligations, by Object of Expenditures

(In Thousand Pesos)

	2010	2011	2012
<u>A. Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
Basic Pay, Civilian	90,006	83,180	93,765
Contractual, Casual and Emergency Personnel	2,142		
Total Salaries/Wages	92,148	83,180	93,765
Other Compensation			
Representation Allowance	275	360	456
Year-End Bonus	10,290	9,693	10,700
Step Increments for Length of Service		209	235
Personnel Economic Relief Allowance	13,724	13,248	13,848
Laundry Allowance	231	300	300
Quarters Allowance	896	1,347	1,347
Clothing/ Uniform Allowance	2,208	2,208	2,308
Hazard Pay	25,716	23,325	23,325
Night Differential	1,001	804	804
Productivity Incentive Benefits	1,217	1,104	1,154
PEP/PerB/EA/CNA	11,255		
Total Other Compensation	66,813	52,598	54,477
Gross Compensation	158,961	135,778	148,242
Other Benefits			
Terminal Leave Benefits	13,343		
Retirement Benefits	21,265		
Total Other Benefits	34,608		

Fixed Personnel Expenditures			
Retirement and Life Insurance Premiums	10,577	9,983	
PAG-IBIG Contributions	672	663	694
Health Insurance Premiums	1,046	993	1,084
Employees Compensation Insurance Premiums (ECIP)	668	663	690
	<u>12,963</u>	<u>12,302</u>	<u>2,468</u>
Total Fixed Personnel Expenditures			
01 Total Personal Services	<u>206,532</u>	<u>148,080</u>	<u>150,710</u>
Maintenance and Other Operating Expenses			
02 Travelling Expenses	1,560	2,271	2,362
03 Communication Expenses	390	461	479
04 Repair and Maintenance	6,966	6,842	7,116
06 Transportation and Delivery Expenses	644	787	818
07 Supplies and Materials	173,891	244,229	438,821
14 Utility Expenses	16,496	12,128	12,613
17 Training and Scholarship Expenses	423	3,292	3,424
18 Extraordinary and Miscellaneous Expenses	509	110	114
21 Taxes, Insurance Premiums and Other Fees	10,566	1,924	2,001
29 Professional Services	14,793	52	54
17 Printing and Binding Expenses	1	57	59
18 Advertising Expenses	50	90	94
19 Representation Expenses	510	440	458
22 Subscription Expenses	100	163	170
	<u>226,899</u>	<u>272,846</u>	<u>468,583</u>
Total Maintenance and Other Operating Expenses			
Total Current Operating Expenditures	<u>433,431</u>	<u>420,926</u>	<u>619,293</u>
Capital Outlays			
36 Office Equipment, Furniture and Fixtures	390		
40 Machineries and Equipment	568	10,000	26,367
	<u>958</u>	<u>10,000</u>	<u>26,367</u>
Total Capital Outlays			
Total Programs/Locally-Funded Projects	<u>434,389</u>	<u>430,926</u>	<u>645,660</u>
TOTAL OBLIGATIONS	<u>434,389</u>	<u>430,926</u>	<u>645,660</u>
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C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>64,797</u>	<u>56,544</u>	<u>51,507</u>
General Fund		56,544	51,507
R.A. No. 9970	64,797		
Automatic Appropriations	<u>1,978</u>	<u>2,013</u>	
Retirement and Life Insurance Premiums	1,978	2,013	
Continuing Appropriations		<u>16,124</u>	
Unreleased Appropriation for Capital Outlays			
R.A. No. 9970		12,115	
Unreleased Appropriation for MOOE			
R.A. No. 9970		3,166	
Unobligated Releases for MOOE			
R.A. No. 9970		843	
Budgetary Adjustment(s)	<u>3,291</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	2,623		
Retirement Benefits Fund (Pension and Gratuity Fund)	<u>668</u>		
Total Available Appropriations	70,066	74,681	51,507
Unused Appropriations	<u>(17,080)</u>	<u>(16,124)</u>	
Unreleased Appropriation	(15,281)	(15,281)	
Unobligated Allotment	<u>(1,799)</u>	<u>(843)</u>	
TOTAL OBLIGATIONS	<u>52,986</u>	<u>58,557</u>	<u>51,507</u>

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 51,507,000
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New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 11,217,000	P 14,102,000		P 25,319,000
Sub-total, General Administration and Support	<u>11,217,000</u>	<u>14,102,000</u>		<u>25,319,000</u>
II. Support to Operations				
a. National Defense and Strategic International Policy Studies	<u>3,084,000</u>	<u>4,582,000</u>		<u>7,666,000</u>
Sub-total, Support to Operations	<u>3,084,000</u>	<u>4,582,000</u>		<u>7,666,000</u>
III. Operations				
a. Advanced and Higher Education Services	<u>6,695,000</u>	<u>11,827,000</u>		<u>18,522,000</u>
Sub-total, Operations	<u>6,695,000</u>	<u>11,827,000</u>		<u>18,522,000</u>
Total, Programs	<u>20,996,000</u>	<u>30,511,000</u>		<u>51,507,000</u>
TOTAL NEW APPROPRIATIONS	P 20,996,000 =====	P 30,511,000 =====		P 51,507,000 =====

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:

Programs and Activities

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. General Administration and Support				
a. General Administration and Support Services	P 11,217,000	P 14,102,000		P 25,319,000
1. General management and supervision	11,217,000	14,102,000		25,319,000
Sub-total, General Administration and Support	11,217,000	14,102,000		25,319,000
II. Support to Operations				
a. National Defense and Strategic International Policy Studies	3,084,000	4,582,000		7,666,000
1. Conduct of national defense and strategic international studies	3,084,000	4,582,000		7,666,000
Sub-total, Support to Operations	3,084,000	4,582,000		7,666,000
III. Operations				
a. Advanced and Higher Education Services	6,695,000	11,827,000		18,522,000
1. Conduct of graduate level and other courses of studies for development	6,695,000	11,827,000		18,522,000
Sub-total, Operations	6,695,000	11,827,000		18,522,000
TOTAL PROGRAMS AND ACTIVITIES	P 20,996,000	P 30,511,000		P 51,507,000

Obligations, by Object of Expenditures

(In Thousand Pesos)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
A. <u>Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
Basic Pay, Civilian	11,869	16,768	12,347
Contractual, Casual and Emergency Personnel	392		

Total Salaries/Wages	12,261	16,768	12,347
Other Compensation			
Representation Allowance	375	612	552
Honoraria	3,312	4,930	4,930
Year-End Bonus	1,351	1,774	1,296
Step Increments for Length of Service		43	31
Personnel Economic Relief Allowance	1,313	1,800	1,272
Clothing/ Uniform Allowance	224	300	212
Productivity Incentive Benefits	104	150	106
PEP/PerB/EA/CNA	1,603		
Total Other Compensation	8,282	9,609	8,399
Gross Compensation	20,543	26,377	20,746
Other Benefits			
Terminal Leave Benefits	704		
Retirement Benefits	1,456		
Total Other Benefits	2,160		
Fixed Personnel Expenditures			
Retirement and Life Insurance Premiums	1,430	2,013	
PAG-IBIG Contributions	68	92	65
Health Insurance Premiums	268	191	121
Employees Compensation Insurance Premiums (ECIP)	66	92	64
Total Fixed Personnel Expenditures	1,832	2,388	250
01 Total Personal Services	24,535	28,765	20,996
Maintenance and Other Operating Expenses			
02 Travelling Expenses	3,813	6,472	6,472
03 Communication Expenses	1,716	1,212	1,212
04 Repair and Maintenance	1,648	1,000	1,000
06 Transportation and Delivery Expenses	822		
07 Supplies and Materials	7,387	9,783	10,502
08 Rents	490	2,000	2,000
14 Utility Expenses	54	207	207
17 Training and Scholarship Expenses	109	369	369
18 Extraordinary and Miscellaneous Expenses	1,456	80	80
21 Taxes, Insurance Premiums and Other Fees	264	441	441
29 Professional Services	8,124	6,277	6,277
17 Printing and Binding Expenses	568	590	590

19 Representation Expenses	69	187	187
22 Subscription Expenses	293	1,174	1,174
24 Membership Dues and Contributions to Organizations	3		
	<u> </u>	<u> </u>	<u> </u>
Total Maintenance and Other Operating Expenses	26,816	29,792	30,511
	<u> </u>	<u> </u>	<u> </u>
Total Current Operating Expenditures	51,351	58,557	51,507
	<u> </u>	<u> </u>	<u> </u>
Capital Outlays			
36 Office Equipment, Furniture and Fixtures	1,635		
	<u> </u>		
Total Capital Outlays	1,635		
	<u> </u>	<u> </u>	<u> </u>
Total Programs/Locally-Funded Projects	52,986	58,557	51,507
	<u> </u>	<u> </u>	<u> </u>
TOTAL OBLIGATIONS	52,986	58,557	51,507
	<u> </u>	<u> </u>	<u> </u>

D. OFFICE OF CIVIL DEFENSE

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>85,528</u>	<u>90,890</u>	<u>1,221,559</u>
General Fund		90,890	1,221,559
R.A. No. 9970	85,528		
Automatic Appropriations	<u>5,960</u>	<u>5,503</u>	
Retirement and Life Insurance Premiums	5,960	5,503	
Continuing Appropriations	<u>7,316</u>	<u>25,348</u>	
Unreleased Appropriation for MOOE			
R.A. No. 9970		2,066	
Unobligated Releases for MOOE			
R.A. No. 9524	7,316		
R.A. No. 9970		23,282	
Budgetary Adjustment(s)	<u>201,841</u>		
Transfer(s) from:			
Calamity Fund	190,000		
Miscellaneous Personnel Benefits Fund	10,715		
Retirement Benefits Fund (Pension and Gratuity Fund)	<u>1,126</u>		
Total Available Appropriations	300,645	121,741	1,221,559
Unused Appropriations	<u>(27,193)</u>	<u>(25,348)</u>	
Unreleased Appropriation	(2,066)	(2,066)	
Unobligated Allotment	<u>(25,127)</u>	<u>(23,282)</u>	
TOTAL OBLIGATIONS	<u>273,452</u>	<u>96,393</u>	<u>1,221,559</u>

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,221,559,000
=====

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P <u>16,951,000</u>	P <u>28,684,000</u>		P <u>45,635,000</u>
Sub-total, General Administration and Support	<u>16,951,000</u>	<u>28,684,000</u>		<u>45,635,000</u>
II. Operations				
a. Disaster Risk Reduction and Management	55,303,000	590,621,000		645,924,000
b. Quick Response Fund	<u> </u>	<u>530,000,000</u>		<u>530,000,000</u>
Sub-total, Operations	<u>55,303,000</u>	<u>1,120,621,000</u>		<u>1,175,924,000</u>
Total, Programs	<u>72,254,000</u>	<u>1,149,305,000</u>		<u>1,221,559,000</u>
TOTAL NEW APPROPRIATIONS	P <u>72,254,000</u>	P <u>1,149,305,000</u>		P <u>1,221,559,000</u>
	=====	=====		=====

Special Provision(s)

1. Quick Response Fund. The amount of Five Hundred Thirty Million Pesos (P530,000,000) appropriated under A.II.b for the Quick Response Fund (QRF) shall serve as a stand-by fund to be used for relief and rehabilitation programs in order that the situation and living conditions of people living in communities or areas stricken by calamities, epidemics, crises, and catastrophes occurring during the year may be normalized as quickly as possible: PROVIDED, That said Fund shall be released immediately upon favorable endorsement of the Secretary of National Defense: PROVIDED, FURTHER, That in the release of the QRF, the available balance of the Agency's QRF in the immediately preceding year shall be considered in determining the amount to be released in the current year.

The OCD shall submit, either in printed form or by way of electronic document, to the National Disaster Risk Reduction and Management Council copy furnished the DBM, a quarterly report on the status of the utilization of the QRF. The Administrator of OCD shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the OCD.

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:

Programs and Activities

Current Operating Expenditures			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays
			Total
I. General Administration and Support			
a. General Administration and Support Services	P 16,951,000	P 28,684,000	P 45,635,000
1. General management and supervision	16,951,000	28,684,000	45,635,000
Sub-total, General Administration and Support	16,951,000	28,684,000	45,635,000
II. Operations			
a. Disaster Risk Reduction and Management	55,303,000	590,621,000	645,924,000
1. Planning, Direction and Coordination for Civil Defense	55,303,000	590,621,000	645,924,000
b. Quick Response Fund		530,000,000	530,000,000
Sub-total, Operations	55,303,000	1,120,621,000	1,175,924,000
TOTAL PROGRAMS AND ACTIVITIES	P 72,254,000 =====	P 1,149,305,000 =====	P 1,221,559,000 =====

Obligations, by Object of Expenditures

(In Thousand Pesos)

	2010	2011	2012
A. Programs/Locally-Funded Projects			
Current Operating Expenditures			
Personal Services			
Basic Pay, Civilian	50,782	45,849	53,773
Contractual, Casual and Emergency Personnel	1,179	2,771	2,771
Total Salaries/Wages	51,961	48,620	56,544

Other Compensation

Representation Allowance	2,435	1,704	2,184
Year-End Bonus	5,482	4,972	5,602
Step Increments for Length of Service		116	136
Personnel Economic Relief Allowance	5,470	5,520	5,376
Clothing/ Uniform Allowance	940	920	896
Productivity Incentive Benefits	472	460	448
Loyalty Pay	105		
PEP/PerB/EA/CNA	1,624		
Total Other Compensation	16,528	13,692	14,642
Gross Compensation	68,489	62,312	71,186

Other Benefits

Terminal Leave Benefits	906
Retirement Benefits	257
Total Other Benefits	1,163

Fixed Personnel Expenditures

Retirement and Life Insurance Premiums	5,732	5,503	
PAG-IBIG Contributions	280	277	269
Health Insurance Premiums	566	529	532
Employees Compensation Insurance Premiums (ECIP)	270	277	267
Total Fixed Personnel Expenditures	6,848	6,586	1,068

01 Total Personal Services	76,500	68,898	72,254
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Maintenance and Other Operating Expenses

02 Travelling Expenses	8,907	1,497	61,497
03 Communication Expenses	5,898	9,868	100,912
04 Repair and Maintenance	3,499	1,279	17,858
06 Transportation and Delivery Expenses	57	50	40,100
07 Supplies and Materials	127,105	5,484	392,860
08 Rents	1,088	1,317	7,317
10 Subsidies and Donations	13,616	20	40
14 Utility Expenses	650	765	61,777
17 Training and Scholarship Expenses	18,135	563	97,328
18 Extraordinary and Miscellaneous Expenses	110	110	162
21 Taxes, Insurance Premiums and Other Fees	2,012	2,019	10,046
29 Professional Services	7,429	3,494	64,383
17 Printing and Binding Expenses		150	40,300
18 Advertising Expenses	380	150	21,767
19 Representation Expenses	6,643	364	25,728
22 Subscription Expenses	287	289	4,078

26 Awards and Indemnities	1,136	76	3,152
27 Rewards and Other Claims			200,000
	<u>196,952</u>	<u>27,495</u>	<u>1,149,305</u>
Total Maintenance and Other Operating Expenses			
	<u>273,452</u>	<u>96,393</u>	<u>1,221,559</u>
Total Current Operating Expenditures			
	<u>273,452</u>	<u>96,393</u>	<u>1,221,559</u>
Total Programs/Locally-Funded Projects			
	<u>273,452</u>	<u>96,393</u>	<u>1,221,559</u>
TOTAL OBLIGATIONS	<u>273,452</u>	<u>96,393</u>	<u>1,221,559</u>
	=====	=====	=====

E. PHILIPPINE VETERANS AFFAIRS OFFICE
E.1. PHILIPPINE VETERANS AFFAIRS OFFICE (PROPER)

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>331,554</u>	<u>13,036,753</u>	<u>7,454,097</u>
General Fund		13,036,753	7,454,097
R.A. No. 9970	331,554		
Automatic Appropriations	<u>7,704</u>	<u>7,090</u>	
Retirement and Life Insurance Premiums	7,704	7,090	
Continuing Appropriations	<u>12,245</u>	<u>10,996</u>	
Unreleased Appropriation for MOOE			
R.A. No. 9970		10,996	
Unobligated Releases for MOOE			
R.A. No. 9524	12,245		
Budgetary Adjustment(s)	<u>12,709,714</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	12,822		
Retirement Benefits Fund (Pension and Gratuity Fund)	12,696,943		
Transfer(s) to:			
Department of Health			
Office of the Secretary	(51)		
Total Available Appropriations	13,061,217	13,054,839	7,454,097
Unused Appropriations	<u>(12,031)</u>	<u>(10,996)</u>	
Unreleased Appropriation	(10,996)	(10,996)	
Unobligated Allotment	<u>(1,035)</u>		
TOTAL OBLIGATIONS	<u>13,049,186</u>	<u>13,043,843</u>	<u>7,454,097</u>

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 7,454,097,000

New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P <u>7,145,747,000</u>	P <u>47,507,000</u>		P <u>7,193,254,000</u>
Sub-total, General Administration and Support	<u>7,145,747,000</u>	<u>47,507,000</u>		<u>7,193,254,000</u>
II. Operations				
a. Processing of Veterans Pensions and Other Benefits	32,824,000	208,580,000		241,404,000
b. Administration and Development of National Military Shrines	<u>9,554,000</u>	<u>9,885,000</u>		<u>19,439,000</u>
Sub-total, Operations	<u>42,378,000</u>	<u>218,465,000</u>		<u>260,843,000</u>
Total, Programs	<u>7,188,125,000</u>	<u>265,972,000</u>		<u>7,454,097,000</u>
TOTAL NEW APPROPRIATIONS	P <u>7,188,125,000</u>	P <u>265,972,000</u>		P <u>7,454,097,000</u>
	=====	=====		=====

Special Provision(s)

1. Revolving Fund of Military Shrine Installation and Facilities. Income derived from entrance fees and rentals for the use of the military shrine installation and facilities, and board and lodging shall be constituted as a revolving fund. The income shall be deposited in an authorized government depository bank and shall be used for the MOOE and Capital Outlay requirements of said shrine installation and facilities, which may be withdrawn without need of further disbursement authorization, subject to guidelines to be issued by the Secretary of National Defense and to pertinent accounting and auditing rules and regulations: PROVIDED, That the Fund shall not be used for the funding of new and existing permanent and regular positions: PROVIDED, FURTHER, That the Philippine Veterans Affairs Office shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and the Senate Committee on Finance separate quarterly reports on the income and expenditures of this Fund: PROVIDED, FINALLY, That in case of failure to comply with said requirement, any disbursement in the subsequent quarters shall be void, except upon certification by the DBM that said report has been submitted.
2. Total Administrative Disability Pension of War Veterans. Of the amounts appropriated under A.I.a.1, Four Hundred Three Million Eight Hundred Ninety Nine Thousand Six Hundred Pesos (P403,899,600) shall be used exclusively for the payment of the total administrative disability pension to war veterans who are eighty years of age and above.
3. Appropriation 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:

Programs and Activities

Current Operating Expenditures			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays
			Total
I. General Administration and Support			
a. General Administration and Support Services	P 7,145,747,000	P 47,507,000	P 7,193,254,000
1. General management and supervision	7,145,747,000	47,507,000	7,193,254,000
Sub-total, General Administration and Support	7,145,747,000	47,507,000	7,193,254,000
II. Operations			
a. Processing of Veterans Pensions and Other Benefits	32,824,000	208,580,000	241,404,000
1. Processing of Veterans' Claims	32,824,000	46,982,000	79,806,000
2. For Educational Benefits, Expanded Hospitalization Program and Burial Benefits of Veterans, their Wives and Dependents pursuant to R.A. Nos. 6948 and 7696		151,598,000	151,598,000
3. For the Investigation, Verification of Records, Strengthening of Internal Control System and the Conduct of Management and Systems Audit		10,000,000	10,000,000
b. Administration and Development of National Military Shrines	9,554,000	9,885,000	19,439,000
1. Administration and Development of National Military Shrines	9,554,000	6,006,000	15,560,000
2. Celebration of Araw ng Kagitingan and other Veterans-related Events		3,344,000	3,344,000
3. Reforestation of all shrines		535,000	535,000
Sub-total, Operations	42,378,000	218,465,000	260,843,000
TOTAL PROGRAMS AND ACTIVITIES	P 7,188,125,000	P 265,972,000	P 7,454,097,000

Obligations, by Object of Expenditures

(In Thousand Pesos)

	2010	2011	2012
<u>A. Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
I. Civilian Personnel			
Basic Pay, Civilian	60,399	59,066	58,317
Contractual, Casual and Emergency Personnel	14,112	53	
Total Salaries/Wages	74,511	59,119	58,317
Other Compensation			
Representation Allowance	1,699	1,184	1,215
Honoraria	1,800	1,800	1,800
Year-End Bonus	5,875	6,720	6,471
Step Increments for Length of Service		151	147
Personnel Economic Relief Allowance	8,515	8,616	7,728
Clothing/ Uniform Allowance	2,271	1,436	1,288
Productivity Incentive Benefits	850	718	644
Magna Carta of Public Health Workers per R.A. 7305	34	69	
PEP/PerB/EA/CNA	8,638		
Total Other Compensation	29,682	20,694	19,293
Total, Personal Services of Civilian Personnel	104,193	79,813	77,610
II. Uniformed/Military Personnel			
Allowances and Other Collaterals			
Pensions, Military	12,684,385	12,693,203	7,109,115
Total Allowances and Other Collaterals	12,684,385	12,693,203	7,109,115
Total, Personal Services of Uniformed/Military Personnel	12,684,385	12,693,203	7,109,115
Gross Compensation	12,788,578	12,773,016	7,186,725

Other Benefits			
Terminal Leave Benefits	3,793		
Retirement Benefits	8,765		
Total Other Benefits	12,558		
Fixed Personnel Expenditures			
Retirement and Life Insurance Premiums	6,943	7,090	
PAG-IBIG Contributions	423	434	388
Health Insurance Premiums	621	698	635
Employees Compensation Insurance Premiums (ECIP)	421	434	377
Total Fixed Personnel Expenditures	8,408	8,656	1,400
01 Total Personal Services	12,809,544	12,781,672	7,188,125
Maintenance and Other Operating Expenses			
02 Travelling Expenses	2,014	2,628	2,765
03 Communication Expenses	9,047	17,797	16,872
04 Repair and Maintenance	14,138	9,266	10,470
06 Transportation and Delivery Expenses	38	74	68
07 Supplies and Materials	28,115	26,441	26,920
08 Rents	8,967	5,636	7,525
10 Subsidies and Donations	132,726	141,590	141,590
14 Utility Expenses	11,555	12,428	12,428
17 Training and Scholarship Expenses	1,859	2,702	2,642
18 Extraordinary and Miscellaneous Expenses	438	390	380
21 Taxes, Insurance Premiums and Other Fees	390	502	527
29 Professional Services	22,668	37,651	37,451
17 Printing and Binding Expenses	1,447	1,140	1,520
18 Advertising Expenses	1,139	545	812
19 Representation Expenses	4,355	3,271	3,897
22 Subscription Expenses	46	110	105
Total Maintenance and Other Operating Expenses	238,942	262,171	265,972
Total Current Operating Expenditures	13,048,486	13,043,843	7,454,097
Capital Outlays			
38 Transportation Equipment	700		
Total Capital Outlays	700		
TOTAL OBLIGATIONS	13,049,186	13,043,843	7,454,097

E.2. VETERANS MEMORIAL MEDICAL CENTER

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>689,443</u>	<u>820,151</u>	<u>808,868</u>
General Fund		820,151	808,868
R.A. No. 9970	689,443		
Automatic Appropriations	<u>28,820</u>	<u>27,909</u>	
Retirement and Life Insurance Premiums	28,820	27,909	
Continuing Appropriations	<u>22,696</u>	<u>2,606</u>	
Unobligated Releases for Capital Outlays			
R.A. No. 9524	21,722		
Unobligated Releases for MOOE			
R.A. No. 9524	974		
R.A. No. 9970		2,606	
Budgetary Adjustment(s)	<u>63,951</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	53,862		
Retirement Benefits Fund (Pension and Gratuity Fund)	<u>10,089</u>		
Total Available Appropriations	804,910	850,666	808,868
Unused Appropriations	<u>(2,664)</u>	<u>(2,606)</u>	
Unobligated Allotment	<u>(2,664)</u>	<u>(2,606)</u>	
TOTAL OBLIGATIONS	<u>802,246</u>	<u>848,060</u>	<u>808,868</u>

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 808,868,000
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New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 77,410,000	P 100,565,000		P 177,975,000
Sub-total, General Administration and Support	<u>77,410,000</u>	<u>100,565,000</u>		<u>177,975,000</u>
II. Operations				
a. Hospitalization and Medical Care and Treatment	<u>312,164,000</u>	<u>285,729,000</u>	<u>33,000,000</u>	<u>630,893,000</u>
Sub-total, Operations	<u>312,164,000</u>	<u>285,729,000</u>	<u>33,000,000</u>	<u>630,893,000</u>
Total, Programs	<u>389,574,000</u>	<u>386,294,000</u>	<u>33,000,000</u>	<u>808,868,000</u>
TOTAL NEW APPROPRIATIONS	P 389,574,000 =====	P 386,294,000 =====	P 33,000,000 =====	P 808,868,000 =====

Special Provision(s)

1. Use of Income. In addition to the amounts appropriated herein, all income generated from hospital operations of the Veterans Memorial Medical Center (VMMC), including collections from its golf operations net of operating costs, shall be retained and used to augment its MOOE and Capital Outlays including equipment and infrastructure projects to improve the delivery of health services: PROVIDED, That said income shall be deposited in an authorized government depository bank: PROVIDED, FURTHER, That at least twenty-five percent (25%) of the said income shall be used to purchase and upgrade hospital equipment used directly in the delivery of health services: PROVIDED, FINALLY, That no amount of said income shall be used for the payment of salaries and other allowances.

The VMMC shall prepare and submit to the DBM not later than March 1 of every year the annual operating budget covering said income and the corresponding expenditures, and the audited financial statement for the immediately preceding fiscal year.

Failure to submit any of the foregoing shall render any disbursement from said income 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.

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:

Programs and Activities

		<u>Current Operating Expenditures</u>			
		<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I.	General Administration and Support				
a.	General Administration and Support Services	P 77,410,000	P 100,565,000		P 177,975,000
1.	General Management and Supervision	77,410,000	100,565,000		177,975,000
Sub-total, General Administration and Support		77,410,000	100,565,000		177,975,000
II.	Operations				
a.	Hospitalization and Medical Care and Treatment	312,164,000	285,729,000	33,000,000	630,893,000
1.	In - Patient Care	266,879,000	211,881,000	33,000,000	511,760,000
2.	Out - Patient Services	45,285,000	73,848,000		119,133,000
Sub-total, Operations		312,164,000	285,729,000	33,000,000	630,893,000
TOTAL PROGRAMS AND ACTIVITIES		P 389,574,000	P 386,294,000	P 33,000,000	P 808,868,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

(In Thousand Pesos)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
A. <u>Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
Basic Pay, Civilian	218,878	232,569	232,489
Contractual, Casual and Emergency Personnel	80,911	72,119	72,119
Total Salaries/Wages	299,789	304,688	304,608

Other Compensation

Overtime Pay	1,013		
Representation Allowance	591	612	516
Year-End Bonus	25,054	26,147	25,401
Step Increments for Length of Service		583	583
Personnel Economic Relief Allowance	7,079	32,472	28,920
Clothing/ Uniform Allowance	5,255	5,420	4,824
Subsistence Allowance	22,658	16,970	16,970
Hazard Pay	16,712		
Productivity Incentive Benefits	2,282	2,710	2,412
PEP/PerB/EA/CNA	31,239		
Total Other Compensation	111,883	84,914	79,626
Gross Compensation	411,672	389,602	384,234

Other Benefits

Terminal Leave Benefits	10,090
Total Other Benefits	10,090

Fixed Personnel Expenditures

Retirement and Life Insurance Premiums	26,363	27,909	
PAG-IBIG Contributions	1,455	1,627	1,449
Health Insurance Premiums	2,597	2,721	2,474
Employees Compensation Insurance Premiums (ECIP)	1,392	1,612	1,417
Total Fixed Personnel Expenditures	31,807	33,869	5,340
01 Total Personal Services	453,569	423,471	389,574

Maintenance and Other Operating Expenses

02 Travelling Expenses		46	46
03 Communication Expenses	1,004	1,000	1,000
04 Repair and Maintenance	2,257	3,360	3,360
07 Supplies and Materials	255,749	281,679	296,384
14 Utility Expenses	51,366	68,300	68,300
17 Training and Scholarship Expenses	183	173	173
18 Extraordinary and Miscellaneous Expenses	98	98	98
21 Taxes, Insurance Premiums and Other Fees	411	732	732
29 Professional Services	15,923	16,168	16,168
22 Subscription Expenses	21	33	33
Total Maintenance and Other Operating Expenses	327,012	371,589	386,294

Total Current Operating Expenditures	<u>780,581</u>	<u>795,060</u>	<u>775,868</u>
Capital Outlays			
35 Buildings and Structures Outlay		43,000	33,000
40 Machineries and Equipment	<u>21,665</u>	<u>10,000</u>	
Total Capital Outlays	<u>21,665</u>	<u>53,000</u>	<u>33,000</u>
Total Programs/Locally-Funded Projects	<u>802,246</u>	<u>848,060</u>	<u>808,868</u>
TOTAL OBLIGATIONS	<u>802,246</u>	<u>848,060</u>	<u>808,868</u>

F. ARMED FORCES OF THE PHILIPPINES

F.1. PHILIPPINE ARMY (LAND FORCES)

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>30,512,109</u>	<u>33,588,021</u>	<u>35,393,537</u>
General Fund		33,588,021	35,393,537
R.A. No. 9970	30,512,109		
Automatic Appropriations	<u>55,066</u>	<u>19,927</u>	
Customs Duties and Taxes, including Tax Expenditures	31,089		
Retirement and Life Insurance Premiums	23,977	19,927	
Continuing Appropriations	<u>367,458</u>	<u>605,169</u>	
Unreleased Appropriation for MOOE			
R.A. No. 9970		49,914	
Unobligated Releases for Capital Outlays			
R.A. No. 9524	2,700		
Unobligated Releases for MOOE			
R.A. No. 9524	364,758		
R.A. No. 9970		555,255	
Budgetary Adjustment(s)	<u>6,454,528</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	4,289,168		
Retirement Benefits Fund (Pension and Gratuity Fund)	2,165,360		
Total Available Appropriations	<u>37,389,161</u>	<u>34,213,117</u>	<u>35,393,537</u>
Unused Appropriations	<u>(605,169)</u>	<u>(605,169)</u>	
Unreleased Appropriation	(49,914)	(49,914)	
Unobligated Allotment	(555,255)	(555,255)	
TOTAL OBLIGATIONS	<u>36,783,992</u>	<u>33,607,948</u>	<u>35,393,537</u>

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 35,393,537,000
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New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. Force-Level Central Command and Control	P 1,382,156,000	P 359,770,000		P 1,741,926,000
Sub-total, General Administration and Support	<u>1,382,156,000</u>	<u>359,770,000</u>		<u>1,741,926,000</u>
II. Support to Operations				
a. Force-Level, Training	351,694,000	306,178,000		657,872,000
b. Force-Level, Support	<u>1,617,695,000</u>	<u>398,936,000</u>	<u>3,393,000</u>	<u>2,020,024,000</u>
Sub-total, Support to Operations	<u>1,969,389,000</u>	<u>705,114,000</u>	<u>3,393,000</u>	<u>2,677,896,000</u>
III. Operations				
a. Internal Security Operations	24,333,502,000	3,683,346,000	148,408,000	28,165,256,000
b. Territorial Defense	851,064,000	185,513,000	6,869,000	1,043,446,000
c. Disaster Response		7,811,000		7,811,000
d. Support to National Development	1,377,115,000	230,788,000		1,607,903,000
e. International Defense and Security Engagements		137,894,000		137,894,000
f. International Humanitarian Assistance and Peacekeeping Operations	<u>10,554,000</u>	<u>851,000</u>		<u>11,405,000</u>
Sub-total, Operations	<u>26,572,235,000</u>	<u>4,246,203,000</u>	<u>155,277,000</u>	<u>30,973,715,000</u>
Total, Programs	<u>29,923,780,000</u>	<u>5,311,087,000</u>	<u>158,670,000</u>	<u>35,393,537,000</u>
TOTAL NEW APPROPRIATIONS	P 29,923,780,000	P 5,311,087,000	P 158,670,000	P 35,393,537,000

Special Provision(s)

1. Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units. The amount appropriated under A.III.a.1 shall be used for the payment of compensation of the Citizen Armed Forces Geographical Units and separation benefits not exceeding one (1) year subsistence allowance for its members who will be deactivated pursuant to the Implementing Rules and Regulations of E.O. No. 264, s. 1987 and DND Circular No. 4 dated October 27, 2005.
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:

Programs and Activities

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. General Administration and Support				
a. Force-Level Central Command and Control	P 1,382,156,000	P 359,770,000		P 1,741,926,000
1. Operation and maintenance of command and control units	1,382,156,000	359,770,000		1,741,926,000
Sub-total, General Administration and Support	1,382,156,000	359,770,000		1,741,926,000
II. Support to Operations				
a. Force-Level, Training	351,694,000	306,178,000		657,872,000
1. Operation and maintenance of training units	351,694,000	306,178,000		657,872,000
b. Force-Level, Support	1,617,695,000	398,936,000	3,393,000	2,020,024,000
1. Operation and maintenance of combat service support units	1,617,695,000	398,936,000	3,393,000	2,020,024,000
Sub-total, Support to Operations	1,969,389,000	705,114,000	3,393,000	2,677,896,000
III. Operations				
a. Internal Security Operations	24,333,502,000	3,683,346,000	148,408,000	28,165,256,000
1. Operation and maintenance of combat units, including P24,000,000 for confidential and intelligence expenses	22,285,370,000	3,683,346,000	148,408,000	26,117,124,000

2. Subsistence Allowance of CAFGUs	2,048,132,000			2,048,132,000
b. Territorial Defense	<u>851,064,000</u>	<u>185,513,000</u>	<u>6,869,000</u>	<u>1,043,446,000</u>
1. Operation and maintenance of reserve units and reservist affairs	851,064,000	185,513,000	6,869,000	1,043,446,000
c. Disaster Response		<u>7,811,000</u>		<u>7,811,000</u>
1. Operation and maintenance of units engaged in disaster and relief operations		7,811,000		7,811,000
d. Support to National Development	<u>1,377,115,000</u>	<u>230,788,000</u>		<u>1,607,903,000</u>
1. Operation and maintenance of engineer units	1,377,115,000	230,788,000		1,607,903,000
e. International Defense and Security Engagements		<u>137,894,000</u>		<u>137,894,000</u>
1. Joint training exercises and exchange programs		137,894,000		137,894,000
f. International Humanitarian Assistance and Peacekeeping Operations	<u>10,554,000</u>	<u>851,000</u>		<u>11,405,000</u>
1. Peacekeeping	<u>10,554,000</u>	<u>851,000</u>		<u>11,405,000</u>
Sub-total, Operations	<u>26,572,235,000</u>	<u>4,246,203,000</u>	<u>155,277,000</u>	<u>30,973,715,000</u>
TOTAL PROGRAMS AND ACTIVITIES	P 29,923,780,000	P 5,311,087,000	P 158,670,000	P 35,393,537,000
	=====	=====	=====	=====

Obligations, by Object of Expenditures

(In Thousand Pesos)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>A. Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
I. Civilian Personnel			
Basic Pay, Civilian	202,645	166,051	174,341
Contractual, Casual and Emergency Personnel	<u>45,408</u>	<u>45,408</u>	<u>45,408</u>
Total Salaries/Wages	<u>248,053</u>	<u>211,459</u>	<u>219,749</u>
Other Compensation			
Representation Allowance	480	480	480
Honoraria	106	106	106

Year-End Bonus	23,290	19,408	19,879
Step Increments for Length of Service		416	436
Personnel Economic Relief Allowance	30,696	26,736	25,680
Clothing/ Uniform Allowance	5,116	4,456	4,280
Monetization of Leave Credits	2,633,973		
Productivity Incentive Benefits	2,558	2,228	2,140
Magna Carta of Public Health Workers per R.A. 7305	29,246	15,855	15,855
PEP/PerB/EA/CNA	1,288,334		
Total Other Compensation	4,013,799	69,685	68,856
Total, Personal Services of Civilian Personnel	4,261,852	281,144	288,605

II. Uniformed/Military Personnel

Base Pay, Military	13,786,356	13,395,299	15,006,413
Total Basic Pay	13,786,356	13,395,299	15,006,413

Allowances and Other Collaterals

PAG-IBIG Contributions	103,210	102,684	101,988
Health Insurance Premiums	111,941	157,923	229,473
Employees Compensation Insurance Premiums (ECIP)	104,017	101,914	101,988
Flying Pay	2,353	9,967	8,374
Special Group Term Insurance	5,673	6,161	6,119
Hazardous Duty Pay	53,624	71,499	108,132
Personnel Economic Relief Allowance	2,043,871	2,053,680	2,039,760
Year-end Benefits	1,634,704	1,544,128	1,691,387
Productivity Incentive Benefits	154,680	171,140	169,980
Clothing Allowance	320,253	510,109	203,976
Longevity Pay	3,409,769	3,286,006	3,125,060
Subsistence Allowance	3,906,590	4,859,740	4,840,053
Laundry Allowance	32,118	31,027	32,598
Hazard Pay	296,424	246,442	246,136
Quarters Allowance	403,029	429,799	429,799
Special Clothing Allowances	17,509	89,310	33,771
Combat Duty Pay	212,628	304,528	469,128
Instructor's Duty Pay	90,822	132,980	117,407
Reservist's Pay		196,957	224,605
Medal of Valor Award	3,600	5,280	5,280
Reenlistment Clothing Allowance	771,015	299,674	299,674
Parachutist Pay	8,167	144,756	139,513

Total Allowances and Other Collaterals	13,685,997	14,755,704	14,624,201
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Total, Personal Services of Uniformed/Military Personnel	27,472,353	28,151,003	29,630,614
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Gross Compensation	31,734,205	28,432,147	29,919,219
Fixed Personnel Expenditures			
Retirement and Life Insurance Premiums	23,977	19,927	
PAG-IBIG Contributions	1,535	1,337	1,284
Health Insurance Premiums	2,338	1,994	2,017
Employees Compensation Insurance Premiums (ECIP)	1,607	1,337	1,260
Total Fixed Personnel Expenditures	29,457	24,595	4,561
01 Total Personal Services	31,763,662	28,456,742	29,923,780
Maintenance and Other Operating Expenses			
02 Travelling Expenses	49,345	81,625	86,857
03 Communication Expenses	31,450	32,464	35,866
04 Repair and Maintenance	718,076	891,270	926,923
06 Transportation and Delivery Expenses	19,483	60,365	63,949
07 Supplies and Materials	3,382,585	3,342,722	3,448,533
08 Rents	2,004	2,455	2,553
14 Utility Expenses	321,028	317,880	330,594
17 Training and Scholarship Expenses	159,305	182,428	191,022
18 Extraordinary and Miscellaneous Expenses	1,154		
19 Confidential and Intelligence Expenses	174,187	24,000	24,000
21 Taxes, Insurance Premiums and Other Fees	108,002	80,817	80,818
29 Professional Services	7,919	14,073	14,074
17 Printing and Binding Expenses	1,283	1,334	1,388
18 Advertising Expenses	135	140	146
19 Representation Expenses	36,850	92,125	97,341
22 Subscription Expenses	631	1,263	1,263
23 Survey Expenses	3,880	5,180	5,180
26 Awards and Indemnities	313	313	580
Total Maintenance and Other Operating Expenses	5,017,630	5,130,454	5,311,087
Total Current Operating Expenditures	36,781,292	33,587,196	35,234,867
Capital Outlays			
35 Buildings and Structures Outlay			45,108
36 Office Equipment, Furniture and Fixtures			6,669
38 Transportation Equipment			12,910
40 Machineries and Equipment	2,700	20,752	93,983
Total Capital Outlays	2,700	20,752	158,670
TOTAL OBLIGATIONS	36,783,992	33,607,948	35,393,537

F.2. PHILIPPINE AIR FORCE (AIR FORCE)

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>9,262,345</u>	<u>10,134,945</u>	<u>10,550,438</u>
General Fund		10,134,945	10,550,438
R.A. No. 9970	9,262,345		
Automatic Appropriations	<u>89,278</u>	<u>31,543</u>	
Customs Duties and Taxes, including Tax Expenditures	55,845		
Retirement and Life Insurance Premiums	33,433	31,543	
Continuing Appropriations	<u>359,860</u>	<u>200,451</u>	
Unobligated Releases for Capital Outlays			
R.A. No. 9524	20,000		
Unobligated Releases for MOOE			
R.A. No. 9524	339,860		
R.A. No. 9970		200,451	
Budgetary Adjustment(s)	<u>1,742,395</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	1,073,151		
Retirement Benefits Fund (Pension and Gratuity Fund)	<u>669,244</u>		
Total Available Appropriations	11,453,878	10,366,939	10,550,438
Unused Appropriations	<u>(200,500)</u>	<u>(200,451)</u>	
Unobligated Allotment	<u>(200,500)</u>	<u>(200,451)</u>	
TOTAL OBLIGATIONS	<u>11,253,378</u>	<u>10,166,488</u>	<u>10,550,438</u>
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Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 10,550,438,000

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New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. Force-Level Central Command and Control	P 1,129,226,000	P 235,718,000	P 12,300,000	P 1,377,244,000
Sub-total, General Administration and Support	<u>1,129,226,000</u>	<u>235,718,000</u>	<u>12,300,000</u>	<u>1,377,244,000</u>
II. Support to Operations				
a. Force-Level, Training and Support	<u>721,678,000</u>	<u>445,784,000</u>	<u>23,475,000</u>	<u>1,190,937,000</u>
Sub-total, Support to Operations	<u>721,678,000</u>	<u>445,784,000</u>	<u>23,475,000</u>	<u>1,190,937,000</u>
III. Operations				
a. Internal Security Operations	3,620,195,000	2,624,065,000	125,450,000	6,369,710,000
b. Territorial Defense	446,530,000	411,098,000	3,375,000	861,003,000
c. Disaster Response	115,891,000	118,722,000	7,100,000	241,713,000
d. Support to National Development	215,828,000	245,126,000	8,550,000	469,504,000
e. International Defense and Security Engagements		8,750,000		8,750,000
f. International Humanitarian Assistance and Peacekeeping Operations	<u>31,577,000</u>			<u>31,577,000</u>
Sub-total, Operations	<u>4,430,021,000</u>	<u>3,407,761,000</u>	<u>144,475,000</u>	<u>7,982,257,000</u>
Total, Programs	<u>6,280,925,000</u>	<u>4,089,263,000</u>	<u>180,250,000</u>	<u>10,550,438,000</u>
TOTAL NEW APPROPRIATIONS	P 6,280,925,000 =====	P 4,089,263,000 =====	P 180,250,000 =====	P 10,550,438,000 =====

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:

Programs and Activities

Current Operating Expenditures				
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. Force-Level Central Command and Control	P 1,129,226,000	P 235,718,000	P 12,300,000	P 1,377,244,000
1. Command and Control Service, including P12,000,000 for intelligence expenses	1,129,226,000	235,718,000	12,300,000	1,377,244,000
Sub-total, General Administration and Support	1,129,226,000	235,718,000	12,300,000	1,377,244,000
II. Support to Operations				
a. Force-Level, Training and Support	721,678,000	445,784,000	23,475,000	1,190,937,000
1. Training Services	413,038,000	311,074,000	15,875,000	739,987,000
2. Service Support Activities	308,640,000	134,710,000	7,600,000	450,950,000
Sub-total, Support to Operations	721,678,000	445,784,000	23,475,000	1,190,937,000
III. Operations				
a. Internal Security Operations	3,620,195,000	2,624,065,000	125,450,000	6,369,710,000
1. Air and ground combat services	2,917,065,000	1,890,117,000	84,400,000	4,891,582,000
2. Base defense and security services	224,002,000	158,547,000	10,475,000	393,024,000
3. Combat support services	479,128,000	575,401,000	30,575,000	1,085,104,000
b. Territorial Defense	446,530,000	411,098,000	3,375,000	861,003,000

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1. Territorial defense activities	446,530,000	411,098,000	3,375,000	861,003,000
c. Disaster Response	<u>115,891,000</u>	<u>118,722,000</u>	<u>7,100,000</u>	<u>241,713,000</u>
1. Disaster response and relief services	115,891,000	118,722,000	7,100,000	241,713,000
d. Support to National Development	<u>215,828,000</u>	<u>245,126,000</u>	<u>8,550,000</u>	<u>469,504,000</u>
1. National development support service	215,828,000	245,126,000	8,550,000	469,504,000
e. International Defense and Security Engagements		<u>8,750,000</u>		<u>8,750,000</u>
1. International defense and security engagements		8,750,000		8,750,000
f. International Humanitarian Assistance and Peacekeeping Operations	<u>31,577,000</u>			<u>31,577,000</u>
1. International humanitarian assistance and peacekeeping operations	<u>31,577,000</u>			<u>31,577,000</u>
Sub-total, Operations	<u>4,430,021,000</u>	<u>3,407,761,000</u>	<u>144,475,000</u>	<u>7,982,257,000</u>
TOTAL PROGRAMS AND ACTIVITIES	P <u>6,280,925,000</u>	P <u>4,089,263,000</u>	P <u>180,250,000</u>	P <u>10,550,438,000</u>

Obligations, by Object of Expenditures

(In Thousand Pesos)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>A. Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
I. Civilian Personnel			
Basic Pay, Civilian	238,265	183,087	219,646
Contractual, Casual and Emergency Personnel	<u>42,771</u>	<u>35,751</u>	<u>36,251</u>
Total Salaries/Wages	<u>281,036</u>	<u>218,838</u>	<u>255,897</u>
Other Compensation			
Representation Allowance	384	384	384
Year-End Bonus	27,867	21,956	25,187
Step Increments for Length of Service		732	553
Longevity Pay	6,246	4,040	6,246

Personnel Economic Relief Allowance	37,608	32,160	33,024
Clothing/ Uniform Allowance	6,268	5,352	5,504
Productivity Incentive Benefits	3,134	2,680	2,752
Magna Carta of Public Health Workers per R.A. 7305	15,100	22,208	18,232
Radiation Hazard Pay not exceeding 15% of Basic Salary	571	574	
PEP/PerB/EA/CNA	298,822		
Total Other Compensation	396,000	90,086	91,882
Total, Personal Services of Civilian Personnel	677,036	308,924	347,779

II. Uniformed/Military Personnel

Base Pay, Military	2,871,618	3,016,394	2,946,562
Total Basic Pay	2,871,618	3,016,394	2,946,562

Allowances and Other Collaterals

PAG-IBIG Contributions	18,159	21,023	18,294
Health Insurance Premiums	37,908	23,219	41,162
Employees Compensation Insurance Premiums (ECIP)	25,019	21,019	18,294
Flying Pay	192,265	175,664	367,801
Special Group Term Insurance	1,186	1,262	1,098
Hazardous Duty Pay	56,033	42,055	74,134
Hardship Allowance	5,250	4,440	7,992
Personnel Economic Relief Allowance	378,408	420,480	365,880
Year-end Benefits	332,647	336,648	373,021
Productivity Incentive Benefits	35,688	35,040	30,490
Clothing Allowance	390,547	128,073	36,588
Longevity Pay	734,659	724,767	817,799
Subsistence Allowance	522,041	575,531	500,798
Laundry Allowance	11,290	12,190	10,976
Hazard Pay	45,668	50,459	50,459
Quarters Allowance	100,759	96,028	96,028
Combat Duty Pay	16,093	16,048	66,544
Instructor's Duty Pay	16,815	14,666	26,765
Medal of Valor Award	240	1,200	1,200
Hospitalization Expenses	12,754	10,000	
Magna Carta Benefits of Public Health Workers	18,801	18,066	
Reenlistment Clothing Allowance	42,930	36,660	66,008
Parachutist Pay		1,561	9,446
Total Allowances and Other Collaterals	2,995,160	2,766,099	2,980,777

Total, Personal Services of Uniformed/Military Personnel	5,866,778	5,782,493	5,927,339
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Gross Compensation	6,543,814	6,091,417	6,275,118
Other Benefits			
Terminal Leave Benefits	669,244		
Retirement Benefits	21,264		
Total Other Benefits	690,508		
Fixed Personnel Expenditures			
Retirement and Life Insurance Premiums	33,433	31,543	
PAG-IBIG Contributions	1,808	1,608	1,657
Health Insurance Premiums	2,917	2,208	2,538
Employees Compensation Insurance Premiums (ECIP)	3,065	1,470	1,612
Total Fixed Personnel Expenditures	41,223	36,829	5,807
01 Total Personal Services	7,275,545	6,128,246	6,280,925
Maintenance and Other Operating Expenses			
02 Travelling Expenses	174,825	234,358	168,681
03 Communication Expenses	36,386	31,323	30,105
04 Repair and Maintenance	1,778,838	2,075,745	1,975,996
06 Transportation and Delivery Expenses	1,000	23,480	23,555
07 Supplies and Materials	1,357,688	1,120,422	1,403,022
08 Rents	1,500	17,769	2,133
10 Subsidies and Donations		600	600
14 Utility Expenses	318,603	292,353	272,709
17 Training and Scholarship Expenses	45,600	55,442	60,056
18 Extraordinary and Miscellaneous Expenses	4,017	10,544	6,011
19 Confidential and Intelligence Expenses	12,000	12,000	12,000
21 Taxes, Insurance Premiums and Other Fees	72,672	18,434	17,975
29 Professional Services	33,642	10,714	9,683
17 Printing and Binding Expenses	2,200	2,958	2,972
18 Advertising Expenses	1,607	2,456	2,592
19 Representation Expenses	112,500	125,574	97,512
21 Storage Expenses	4	50	50
22 Subscription Expenses	2,701	3,437	3,241
23 Survey Expenses	108	293	182
24 Membership Dues and Contributions to Organizations	59	140	140
26 Awards and Indemnities	1,940		48
27 Rewards and Other Claims		150	
Total Maintenance and Other Operating Expenses	3,957,890	4,038,242	4,089,263
Total Current Operating Expenditures	11,233,435	10,166,488	10,370,188

Capital Outlays			
35 Buildings and Structures Outlay	19,943		40,000
38 Transportation Equipment			104,050
40 Machineries and Equipment			36,200
Total Capital Outlays	19,943		180,250
TOTAL OBLIGATIONS	11,253,378	10,166,488	10,550,438

F.3. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	10,620,362	11,354,372	12,084,438
General Fund		11,354,372	12,084,438
R.A. No. 9970	10,620,362		
Automatic Appropriations	59,066	14,608	
Customs Duties and Taxes, including Tax Expenditures	37,193		
Retirement and Life Insurance Premiums	21,873	14,608	
Continuing Appropriations	181,791	204,072	
Unreleased Appropriation for Capital Outlays			
R.A. No. 9970		105,000	
Unreleased Appropriation for MOOE			
R.A. No. 9970		64,405	
Unobligated Releases for Capital Outlays			
R.A. No. 9524	20,000		
Unobligated Releases for MOOE			
R.A. No. 9524	161,791		
R.A. No. 9970		34,667	
Budgetary Adjustment(s)	2,060,353		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	1,352,027		
Retirement Benefits Fund (Pension and Gratuity Fund)			

Total Available Appropriations	12,921,572	11,573,052	12,084,438
Unused Appropriations	(224,071)	(204,072)	
Unreleased Appropriation	(169,405)	(169,405)	
Unobligated Allotment	(54,666)	(34,667)	
TOTAL OBLIGATIONS	12,697,501	11,368,980	12,084,438
	=====	=====	=====

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 12,084,438,000
=====

New Appropriations, by Program/Project

<u>Current Operating Expenditures</u>			
<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS			
I. General Administration and Support			
a. Force-Level Central Command and Control	P 2,341,275,000	P 251,914,000	P 3,200,000
			P 2,596,389,000
Sub-total, General Administration and Support	2,341,275,000	251,914,000	3,200,000
			2,596,389,000
II. Support to Operations			
a. Force-Level, Training Services	626,909,000	99,751,000	726,660,000
b. Force-Level, Support to Administrative Services	431,117,000	624,698,000	6,400,000
			1,062,215,000
Sub-total, Support to Operations	1,058,026,000	724,449,000	6,400,000
			1,788,875,000
III. Operations			
a. Internal Security Operations	4,354,878,000	2,620,303,000	117,248,000
			7,092,429,000
b. Territorial Defense	71,310,000	124,070,000	195,380,000
c. Disaster Response	Page 46 of 61	586,000	586,000

d. Support to National Development	256,335,000	109,580,000		365,915,000
e. International Defense and Security Engagements	12,109,000	4,500,000		16,609,000
f. International Humanitarian Assistance and Peacekeeping Operations	28,255,000			28,255,000
Sub-total, Operations	4,722,887,000	2,859,039,000	117,248,000	7,699,174,000
Total, Programs	8,122,188,000	3,835,402,000	126,848,000	12,084,438,000
TOTAL NEW APPROPRIATIONS	P 8,122,188,000	P 3,835,402,000	P 126,848,000	P 12,084,438,000
	=====	=====	=====	=====

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:

Programs and Activities

	Current Operating Expenditures			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
I. General Administration and Support				
a. Force-Level Central Command and Control	P 2,341,275,000	P 251,914,000	P 3,200,000	P 2,596,389,000
1. Command and control	2,341,275,000	251,914,000	3,200,000	2,596,389,000
Sub-total, General Administration and Support	2,341,275,000	251,914,000	3,200,000	2,596,389,000
II. Support to Operations				
a. Force-Level, Training Services	626,909,000	99,751,000		726,660,000
1. Training units	626,909,000	99,751,000		726,660,000
b. Force-Level, Support to Administrative Services	431,117,000	624,698,000	6,400,000	1,062,215,000
1. Support to administrative units	431,117,000	624,698,000	6,400,000	1,062,215,000
Sub-total, Support to Operations	1,058,026,000	724,449,000	6,400,000	1,788,875,000

III. Operations

a. Internal Security Operations	<u>4,354,878,000</u>	<u>2,620,303,000</u>	<u>117,248,000</u>	<u>7,092,429,000</u>
1. Ground operations	1,814,378,000	881,734,000	1,785,000	2,697,897,000
2. Special operations	120,519,000	294,000		120,813,000
3. Intel operations, including intelligence expenses of P24,749,000	102,797,000	159,813,000	4,895,000	267,505,000
4. Air operations	59,974,000	52,863,000		112,837,000
5. Surface operations	2,257,210,000	1,525,599,000	110,568,000	3,893,377,000
b. Territorial Defense	<u>71,310,000</u>	<u>124,070,000</u>		<u>195,380,000</u>
1. Surface combatant ships	71,310,000	101,520,000		172,830,000
2. Operationalization of Coast Watch South		15,000,000		15,000,000
3. Support to Retirees and Reservist Affairs		7,550,000		7,550,000
c. Disaster Response		586,000		586,000
d. Support to National Development	<u>256,335,000</u>	<u>109,580,000</u>		<u>365,915,000</u>
1. Port harbor services/ground mobility operations and maintenance/research	256,335,000	109,580,000		365,915,000
e. International Defense and Security Engagements	<u>12,109,000</u>	<u>4,500,000</u>		<u>16,609,000</u>
1. Bilateral exercises	12,109,000	1,000,000		13,109,000
2. International Affairs		3,500,000		3,500,000
f. International Humanitarian Assistance and Peacekeeping Operations	<u>28,255,000</u>			<u>28,255,000</u>
1. International assistance and peacekeeping services	<u>28,255,000</u>			<u>28,255,000</u>
Sub-total, Operations	<u>4,722,887,000</u>	<u>2,859,039,000</u>	<u>117,248,000</u>	<u>7,699,174,000</u>
TOTAL PROGRAMS AND ACTIVITIES	<u>P 8,122,188,000</u>	<u>P 3,835,402,000</u>	<u>P 126,848,000</u>	<u>P 12,084,438,000</u>

Obligations, by Object of Expenditures

(In Thousand Pesos)

	2010	2011	2012
<u>A. Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
I. Civilian Personnel			
Basic Pay, Civilian	189,130	121,724	130,632
Contractual, Casual and Emergency Personnel	58,142	58,142	58,142
Total Salaries/Wages	247,272	179,866	188,774
Other Compensation			
Representation Allowance	288	288	288
Year-End Bonus	19,250	14,309	14,957
Step Increments for Length of Service		305	327
Longevity Pay	6,095	6,095	6,095
Personnel Economic Relief Allowance	28,848	19,992	19,536
Clothing/ Uniform Allowance	4,808	3,332	3,256
Productivity Incentive Benefits	2,404	1,666	1,628
Magna Carta of Public Health Workers per R.A. 7305	26,543	26,543	26,543
PEP/PerB/EA/CNA	170,667		
Total Other Compensation	258,903	72,530	72,630
Total, Personal Services of Civilian Personnel	506,175	252,396	261,404
II. Uniformed/Military Personnel			
Base Pay, Military	4,211,956	3,915,480	4,258,228
Total Basic Pay	4,211,956	3,915,480	4,258,228
Allowances and Other Collaterals			
PAG-IBIG Contributions	27,816	27,816	26,386
Health Insurance Premiums	40,490	40,664	59,368
Employees Compensation Insurance Premiums (ECIP)	35,285	32,517	26,386
Flying Pay	8,828	8,828	30,384
Special Group Term Insurance	1,669	1,669	1,669
Sea Duty Pay	63,441	63,441	218,352
Hazardous Duty Pay	59,417	59,417	171,388

Personnel Economic Relief Allowance	556,320	556,320	527,712
Year-end Benefits	466,896	442,190	548,119
Productivity Incentive Benefits	46,360	46,360	43,976
Clothing Allowance	64,759	64,759	52,771
Longevity Pay	1,132,454	1,045,229	809,183
Subsistence Allowance	842,511	842,511	722,306
Laundry Allowance	9,037	9,037	15,831
Hazard Pay	63,650	63,379	63,379
Quarters Allowance	117,765	117,765	117,765
Allowances for Personnel Stationed Abroad	20,000	20,000	20,000
Special Clothing Allowances	19,010	20,000	20,000
Combat Duty Pay	7,366	7,366	61,410
Instructor's Duty Pay	8,683	8,683	29,885
Reservist's Pay	3,106	3,106	3,106
Medal of Valor Award	720	720	720
Reenlistment Clothing Allowance	20,000	19,010	19,010
Parachutist Pay	10,000	10,000	10,000
	<hr/>	<hr/>	<hr/>
Total Allowances and Other Collaterals	3,625,583	3,510,787	3,599,106
	<hr/>	<hr/>	<hr/>
Total, Personal Services of Uniformed/Military Personnel	7,837,539	7,426,267	7,857,334
	<hr/>	<hr/>	<hr/>
Gross Compensation	8,343,714	7,678,663	8,118,738
	<hr/>	<hr/>	<hr/>
Other Benefits			
Terminal Leave Benefits	708,326		
	<hr/>		
Total Other Benefits	708,326		
	<hr/>		
Fixed Personnel Expenditures			
Retirement and Life Insurance Premiums	21,873	14,608	
PAG-IBIG Contributions	1,443	1,000	977
Health Insurance Premiums	1,879	1,450	1,505
Employees Compensation Insurance Premiums (ECIP)	1,443	1,000	968
	<hr/>	<hr/>	<hr/>
Total Fixed Personnel Expenditures	26,638	18,058	3,450
	<hr/>	<hr/>	<hr/>
01 Total Personal Services	9,078,678	7,696,721	8,122,188
	<hr/>	<hr/>	<hr/>
Maintenance and Other Operating Expenses			
02 Travelling Expenses	24,598	25,384	26,540
03 Communication Expenses	53,015	17,000	37,000
04 Repair and Maintenance	795,213	756,229	841,044
06 Transportation and Delivery Expenses	50,159	50,159	50,159
07 Supplies and Materials	2,121,431	2,306,601	2,310,282
08 Rents	3,436	3,436	3,436
14 Utility Expenses	315,777	299,966	320,996

17	Training and Scholarship Expenses	26,402	25,704	28,711
18	Extraordinary and Miscellaneous Expenses	6,268	6,268	6,268
19	Confidential and Intelligence Expenses	24,749	24,749	24,749
21	Taxes, Insurance Premiums and Other Fees	55,633	17,440	44,709
29	Professional Services	138,789	135,970	135,970
19	Representation Expenses	1,000	1,000	3,185
22	Subscription Expenses	2,000	2,000	2,000
26	Awards and Indemnities	353	353	353
Total Maintenance and Other Operating Expenses		<u>3,618,823</u>	<u>3,672,259</u>	<u>3,835,402</u>
Total Current Operating Expenditures		<u>12,697,501</u>	<u>11,368,980</u>	<u>11,957,590</u>
Capital Outlays				
36	Office Equipment, Furniture and Fixtures			3,530
38	Transportation Equipment			14,850
40	Machineries and Equipment			77,192
41	Public Infrastructures			<u>31,276</u>
Total Capital Outlays				<u>126,848</u>
TOTAL OBLIGATIONS		<u>12,697,501</u>	<u>11,368,980</u>	<u>12,084,438</u>

F.4. GENERAL HEADQUARTERS, AFP AND AFP WIDE SERVICE SUPPORT UNITS (AFPWSSUS)

Appropriations and Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New General Appropriations	<u>10,277,456</u>	<u>34,691,887</u>	<u>37,857,103</u>
General Fund		34,691,887	37,857,103
R.A. No. 9970	10,277,456		
Automatic Appropriations	<u>4,130,412</u>	<u>40,418</u>	
Customs Duties and Taxes, including Tax Expenditures	615,903		
Retirement and Life Insurance Premiums	50,725	40,418	
Special Account	1,213,809		
Military Camps Sales Proceeds Fund	2,249,975		
Continuing Appropriations	<u>12,836,679</u>	<u>5,084,687</u>	
Unreleased Appropriation for Capital Outlays			
R.A. No. 9524	5,000,000		
R.A. No. 9970		5,030,000	
Unreleased Appropriation for MOOE			
R.A. No. 9524	30,000		
Unobligated Releases for Capital Outlays			
R.A. No. 9524	7,697,451		
Unobligated Releases for MOOE			
R.A. No. 9524	109,228		
R.A. No. 9970		54,687	
Budgetary Adjustment(s)	<u>22,862,907</u>		
Transfer(s) from:			
Calamity Fund	55,400		
Miscellaneous Personnel Benefits Fund	379,883		
Retirement Benefits Fund (Pension and Gratuity Fund)	22,415,624		
Overall Savings	12,000		
Total Available Appropriations	<u>50,107,454</u>	<u>39,816,992</u>	<u>37,857,103</u>
Unused Appropriations	<u>(16,002,728)</u>	<u>(5,084,687)</u>	
Unreleased Appropriation	(5,030,000)	(5,030,000)	
Unobligated Allotment	(10,972,728)	(54,687)	
TOTAL OBLIGATIONS	<u>34,104,726</u>	<u>34,732,305</u>	<u>37,857,103</u>

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, including locally-funded project, as indicated hereunder.....P 37,857,103,000
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New Appropriations, by Program/Project

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAMS				
I. General Administration and Support				
a. General Administration and Support Services	P 27,723,230,000	P 352,908,000		P 28,076,138,000
Sub-total, General Administration and Support	<u>27,723,230,000</u>	<u>352,908,000</u>		<u>28,076,138,000</u>
II. Support to Operations				
a. Delivering Frontline Capability	75,914,000	251,159,000	28,438,000	355,511,000
b. Pre-Commission Officer Training (PMA)	471,010,000	124,325,000		595,335,000
c. Tertiary Health Care (AFPMC)	<u>341,209,000</u>	<u>756,895,000</u>		<u>1,098,104,000</u>
Sub-total, Support to Operations	<u>888,133,000</u>	<u>1,132,379,000</u>	<u>28,438,000</u>	<u>2,048,950,000</u>
III. Operations				
a. Planning, Command and Management of Joint Military Operations	1,023,212,000	1,498,919,000	17,805,000	2,539,936,000
b. Presidential Security (PSG), including P12,000,000 for intelligence expenses	<u>36,621,000</u>	<u>155,458,000</u>		<u>192,079,000</u>
Sub-total, Operations	<u>1,059,833,000</u>	<u>1,654,377,000</u>	<u>17,805,000</u>	<u>2,732,015,000</u>
Total, Programs	<u>29,671,196,000</u>	<u>3,139,664,000</u>	<u>46,243,000</u>	<u>32,857,103,000</u>
B. PROJECT(s)				
I. Locally-Funded Project(s)				
a. AFP Modernization Program			<u>5,000,000,000</u>	<u>5,000,000,000</u>

Sub-total, Locally-Funded Project(s)			5,000,000,000	5,000,000,000
Total, Projects			5,000,000,000	5,000,000,000
TOTAL NEW APPROPRIATIONS	P 29,671,196,000	P 3,139,664,000	P 5,046,243,000	P 37,857,103,000
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Special Provision(s)

1. The Armed Forces of the Philippines Modernization Program. The amount of Five Billion Pesos (P5,000,000,000) appropriated under B.I.a shall be used in support of the AFP Modernization Program: PROVIDED, that the Secretary of National Defense shall prepare and submit a Modernization Program to be approved by the President of the Philippines. The AFP Modernization Program shall clearly identify its underlying principles and objectives, include its key components together with a list of specific projects and activities, corresponding budgetary allocation and targeted outputs, and establish a system of continuing Program monitoring and evaluation: PROVIDED, FURTHER, That the Secretary of National Defense shall designate an accountable Program head to enhance transparency and enforce accountability in its implementation: PROVIDED, FURTHERMORE, That the release of funds shall be subject to prior submission by the DND of the Program Accountability Report to the DBM: PROVIDED, FINALLY, That any realignment of funds as well as implementation of new projects or activities not originally covered under the said Program shall be made upon prior approval of the President of the Philippines.

The DND shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and the Senate Committee on Finance separate quarterly reports on the disbursements made for the Program. The Secretary of National Defense shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the DND.

Implementation of this provision shall be subject to the guidelines to be jointly issued by the DBM, DND and AFP.

2. Administration of the Reservists Affairs Program Fund. The amounts authorized for the Reservists Affairs Program, which covers the Ready, Standby and Retired Reservists training shall be administered by the General Headquarters, AFP.
3. Administration of the Bilateral Engagements Fund. The amounts appropriated under A.II.a.2 shall be administered by the General Headquarters, AFP and used for bilateral engagements.
4. 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:

Programs and Activities

<u>Current Operating Expenditures</u>			
<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
I. General Administration and Support			
a. General Administration and Support Services	P 27,723,230,000	P 352,908,000	P 28,076,138,000

1. General Management and Supervision	<u>27,723,230,000</u>	<u>352,908,000</u>		<u>28,076,138,000</u>
a. Administration, Support and Supervision	482,158,000	344,306,000		826,464,000
b. Military Pension Administration	<u>27,241,072,000</u>	<u>8,602,000</u>		<u>27,249,674,000</u>
Sub-total, General Administration and Support	<u>27,723,230,000</u>	<u>352,908,000</u>		<u>28,076,138,000</u>

II. Support to Operations

a. Delivering Frontline Capability	<u>75,914,000</u>	<u>251,159,000</u>	<u>28,438,000</u>	<u>355,511,000</u>
1. Strategic Lift and Mobility		108,915,000		108,915,000
2. Joint Force Preparedness (Bilateral Engagements)		47,071,000		47,071,000
3. Joint Education and Training	14,572,000	26,104,000	14,761,000	55,437,000
4. Joint Service Support	58,190,000	55,302,000	13,677,000	127,169,000
5. Ordnance Build-up		4,000,000		4,000,000
6. Reserve Force Administration and Training	3,152,000	9,767,000		12,919,000
b. Pre-Commission Officer Training (PMA)	471,010,000	124,325,000		595,335,000
c. Tertiary Health Care (AFPMC)	<u>341,209,000</u>	<u>756,895,000</u>		<u>1,098,104,000</u>
Sub-total, Support to Operations	<u>888,133,000</u>	<u>1,132,379,000</u>	<u>28,438,000</u>	<u>2,048,950,000</u>

III. Operations

a. Planning, Command and Management of Joint Military Operations	<u>1,023,212,000</u>	<u>1,498,919,000</u>	<u>17,805,000</u>	<u>2,539,936,000</u>
1. Military Strategic Planning	120,485,000	397,613,000	9,806,000	527,904,000
2. Strategic Command and Control, including P63,648,000 for intelligence expenses	902,727,000	1,067,430,000		1,970,157,000
3. National Development Operations		20,000,000		20,000,000
4. International Humanitarian and Peacekeeping Operations		5,823,000		5,823,000
5. Joint Special Operations		8,053,000	7,999,000	16,052,000
b. Presidential Security (PSG), including P12,000,000 for intelligence expenses	<u>36,621,000</u>	<u>155,458,000</u>		<u>192,079,000</u>

Sub-total, Operations	1,059,833,000	1,654,377,000	17,805,000	2,732,015,000
TOTAL PROGRAMS AND ACTIVITIES	P 29,671,196,000	P 3,139,664,000	P 46,243,000	P 32,857,103,000
	=====	=====	=====	=====

Obligations, by Object of Expenditures

(In Thousand Pesos)

	2010	2011	2012
<u>A. Programs/Locally-Funded Projects</u>			
Current Operating Expenditures			
Personal Services			
I. Civilian Personnel			
Basic Pay, Civilian	404,396	336,785	331,160
Contractual, Casual and Emergency Personnel	215,657	243,141	243,141
	<u>620,053</u>	<u>579,926</u>	<u>574,301</u>
Total Salaries/Wages			
Other Compensation			
Representation Allowance	556	288	384
Year-End Bonus	57,829	39,365	37,652
Step Increments for Length of Service		847	832
Longevity Pay	14,618	9,142	9,142
Personnel Economic Relief Allowance	67,373	54,216	48,240
Clothing/ Uniform Allowance	13,682	9,040	8,040
Subsistence Allowance	954		
Productivity Incentive Benefits	7,832	4,520	4,020
Magna Carta of Public Health Workers per R.A. 7305	54,709	63,578	63,578
PEP/PerB/EA/CNA	188,722		
	<u>406,275</u>	<u>180,996</u>	<u>171,888</u>
Total Other Compensation			
Total, Personal Services of Civilian Personnel	<u>1,026,328</u>	<u>760,922</u>	<u>746,189</u>
II. Uniformed/Military Personnel			
Base Pay, Military	868,381	822,414	807,554
Total Basic Pay	<u>868,381</u>	<u>822,414</u>	<u>807,554</u>

Allowances and Other Collaterals

PAG-IBIG Contributions	2,725	4,212	3,542
Health Insurance Premiums	8,856	9,570	7,970
Employees Compensation Insurance Premiums (ECIP)	2,692	4,212	3,542
Pensions, Military	19,343,511	24,107,630	27,238,713
Flying Pay	35,378	15,503	
Special Group Term Insurance		253	213
Sea Duty Pay		13,333	
Combat Incentive Pay		10,000	10,000
Hazardous Duty Pay	15,209	17,055	17,055
Cold Weather Clothing Allowance	43,461	9,200	
Personnel Economic Relief Allowance	83,241	84,240	70,848
Year-end Benefits	90,916	86,086	97,666
Productivity Incentive Benefits	9,017	7,020	5,904
Clothing Allowance	19,413	5,136	34,843
Longevity Pay	143,751	144,998	144,998
Subsistence Allowance	110,854	115,303	96,973
Laundry Allowance		1,262	1,110
Hazard Pay	8,220	6,940	6,940
Quarters Allowance		15,361	13,771
Special Clothing Allowances		6,391	
Initial Clothing Allowance		14,116	
Combat Duty Pay	25,528	23,939	23,939
Incentive Pay		108,904	108,904
Instructor's Duty Pay	6,621	18,801	12,000
Reservist's Pay		21,202	
Magna Carta Benefits of Public Health Workers	48,816		
Reenlistment Clothing Allowance	15,050	9,732	7,895
LOI 63 (AFA)	181,485	181,485	202,055
Total Allowances and Other Collaterals	20,194,744	25,041,884	28,108,881
Total, Personal Services of Uniformed/Military Personnel	21,063,125	25,864,298	28,916,435
Gross Compensation	22,089,453	26,625,220	29,662,624

Other Benefits

Terminal Leave Benefits	52,683
Retirement Benefits	3,023,310
Pensions, Civilian Personnel	21,405
Total Other Benefits	3,097,398

Fixed Personnel Expenditures

Retirement and Life Insurance Premiums	50,725	40,418	
PAG-IBIG Contributions	4,125	2,716	2,417
Health Insurance Premiums	3,502	4,022	3,800
Employees Compensation Insurance Premiums (ECIP)	3,847	2,692	2,355
Total Fixed Personnel Expenditures	62,199	49,848	8,572
01 Total Personal Services	25,249,050	26,675,068	29,671,196
Maintenance and Other Operating Expenses			
02 Travelling Expenses	121,077	130,116	138,096
03 Communication Expenses	83,885	82,323	92,940
04 Repair and Maintenance	269,877	260,623	224,182
06 Transportation and Delivery Expenses	606	540	632
07 Supplies and Materials	1,410,768	1,405,565	1,382,932
08 Rents	26,553	28,320	37,094
09 Interests	11	13	12
10 Subsidies and Donations	143	130	
14 Utility Expenses	450,081	478,462	547,618
17 Training and Scholarship Expenses	50,426	102,690	64,036
18 Extraordinary and Miscellaneous Expenses	23,771	21,791	20,645
19 Confidential and Intelligence Expenses	63,648	63,648	75,648
21 Taxes, Insurance Premiums and Other Fees	639,688	27,571	26,356
29 Professional Services	266,948	230,962	315,157
17 Printing and Binding Expenses	6,674	6,998	6,993
18 Advertising Expenses	440	504	534
19 Representation Expenses	184,077	210,454	202,225
22 Subscription Expenses	5,022	4,064	4,218
23 Survey Expenses	50		
24 Membership Dues and Contributions to Organizations	160	276	246
26 Awards and Indemnities	339	187	100
27 Rewards and Other Claims	204		
Total Maintenance and Other Operating Expenses	3,604,448	3,055,237	3,139,664
Total Current Operating Expenditures	28,853,498	29,730,305	32,810,860
Capital Outlays			
35 Buildings and Structures Outlay	140,211		22,323
36 Office Equipment, Furniture and Fixtures		2,000	8,480
38 Transportation Equipment	4,000		7,340
40 Machineries and Equipment	5,107,017	5,000,000	5,008,100
Total Capital Outlays	5,251,228	5,002,000	5,046,243
TOTAL OBLIGATIONS	34,104,726	34,732,305	37,857,103

Special Provision(s) Applicable to the Armed Forces of the Philippines

1. Use of Income. In addition to the amounts appropriated herein, fees and charges authorized to be collected by the AFP from the exercise of its regulatory functions and from the lease of its equipment and facilities shall be deposited in the National Treasury as trust receipts: PROVIDED, That the same shall be used to augment its operating requirements in accordance with Sections 1 and 2 of E.O. No. 1002, s. of 1985: PROVIDED, FURTHER, That the AFP shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, separate quarterly reports on its income, and the status of the trust receipts.

Failure to submit said requirements shall render any disbursement from said trust receipts void, and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5, and Section 80, Chapter 6, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

Implementation of this provision shall be subject to the provisions of COA-DBM-DOF Joint Circular No. 1-97 dated January 2, 1997.

2. Realignment of Funds. Any realignment of funds shall be subject to the approval by the President of the Philippines upon the joint recommendation by the Secretary of National Defense and Secretary of Budget and Management.
3. Confidential and Intelligence Funds. No amount appropriated herein shall be released or disbursed for confidential or intelligence activities unless specifically identified and authorized as such confidential and intelligence fund under this Act and approved by the President of the Philippines: PROVIDED, That the use and release of savings to augment said funds are subject to prior approval by the President of the Philippines, upon recommendation of the Secretary of National Defense.

Implementation of this provision shall be subject to the guidelines to be issued by the DBM.

4. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company or its equivalent in other services of the AFP, may be utilized by the tactical units of the AFP for incidental and necessary expenses incurred during operational exigencies. Such amount, chargeable as combat expense against the approved budget under MOOE of the Major Services of the AFP, 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, and other applicable COA issuances.

Implementation of this provision shall be subject to the guidelines to be jointly issued by the DND and COA.

5. Use of Appropriations Allotted for Longevity Pay. Longevity pay shall be charged against the specific appropriations allotted for the purpose: PROVIDED, That in determining entitlement to longevity pay, the period of trainee service, ROTC Cadre Training, probationary training and cadet service in Service Academies and in the Philippine Air Force Flying School not exceeding four (4) years, shall be considered as active military service.
6. Restriction on Armed Forces of the Philippines Expenditures. No amount authorized herein for the AFP shall be used to fund expenditure requirements of military personnel in excess of the actual troop strength of each Major Service.
7. Restriction on Use of Funds Allotted for Petroleum, Oil, Lubricants, and Medicines. The amounts appropriated herein for petroleum, oil, lubricants, and medicines outlays for the AFP Major Services shall be used exclusively for the purchase or acquisition of such petroleum, oil, lubricants, and medicines, and in no case shall any portion thereof be utilized for any other purpose.

The Secretary of National Defense may authorize Department personnel, subject to appropriate internal control measures and safeguards, to inspect deliveries of petroleum, oil and lubricants serviced directly to aircrafts, vessels and motor vehicles utilized by the AFP.

8. Purchase of Medicines. The purchase of medicines by all AFP units, hospitals and clinics shall strictly comply with the Philippine National Drug Formulary prescribed by the DOH. They may likewise apply such other policies adopted by the DOH on the purchase of medicines, including those authorizing bulk and emergency purchases.
9. Reservist Quota in Education and Training Program. The reservists who are on regular annual active duty training and are duly qualified shall compose a minimum of three percent (3%) of the total number of participants in training and education, both local and abroad.
10. Hospitalization of Reservist. AFP hospitals shall also serve reservists during regular active duty training.
11. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by 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 to pertinent budgeting, accounting and auditing rules and regulations.

GENERAL SUMMARY
DEPARTMENT OF NATIONAL DEFENSE

Current Operating Expenditures				
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. DND PROPER (OFFICE OF THE SECRETARY)	P 99,612,000	P 350,703,000	P 232,500,000	P 682,815,000
B. GOVERNMENT ARSENAL	150,710,000	468,583,000	26,367,000	645,660,000
C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES	20,996,000	30,511,000		51,507,000
D. OFFICE OF CIVIL DEFENSE	72,254,000	1,149,305,000		1,221,559,000
E. PHILIPPINE VETERANS AFFAIRS OFFICE				
E.1. PHILIPPINE VETERANS AFFAIRS OFFICE (PROPER)	7,188,125,000	265,972,000		7,454,097,000
E.2. VETERANS MEMORIAL MEDICAL CENTER	389,574,000	386,294,000	33,000,000	808,868,000
Sub Total, PHILIPPINE VETERANS AFFAIRS OFFICE	7,577,699,000	652,266,000	33,000,000	8,262,965,000
F. ARMED FORCES OF THE PHILIPPINES				
F.1. PHILIPPINE ARMY (LAND FORCES)	29,923,780,000	5,311,087,000	158,670,000	35,393,537,000
F.2. PHILIPPINE AIR FORCE (AIR FORCE)	6,280,925,000	4,089,263,000	180,250,000	10,550,438,000
F.3. PHILIPPINE NAVY (NAVAL FORCES)	8,122,188,000	3,835,402,000	126,848,000	12,084,438,000
F.4. GENERAL HEADQUARTERS, AFP AND AFP WIDE SERVICE SUPPORT UNITS (AFPWSSUS)	29,671,196,000	3,139,664,000	5,046,243,000	37,857,103,000
Sub Total, ARMED FORCES OF THE PHILIPPINES	73,998,089,000	16,375,416,000	5,512,011,000	95,885,516,000
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF NATIONAL DEFENSE	P 81,919,360,000 =====	P 19,026,784,000 =====	P 5,803,878,000 =====	P106,750,022,000 =====