

F. ARMED FORCES OF THE PHILIPPINES

F.1 PHILIPPINE ARMY (LAND FORCES)

For general administration and support, support to operations, and operations, as indicated hereunder.....	P				35,413,537,000
New Appropriations, by Program/Project					-----
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		Current_Operating_Expenditures			
		Personal	Maintenance	Capital	
		Services	and Other	Outlays	Total
			Operating		
			Expenses		
A. PROGRAMS					
I. General Administration and Support					
a. Force-Level Central Command and Control	P	1,382,156,000	P 359,770,000	P	P 1,741,926,000
Sub-Total, General Administration and Support		1,382,156,000	359,770,000		1,741,926,000
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II. Support to Operations					
a. Force-Level, Training		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
Sub-Total, Support to Operations		1,969,389,000	705,114,000	3,393,000	2,677,896,000
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III. Operations					
a. Internal Security Operations		24,333,502,000	3,703,346,000	148,408,000	28,185,256,000
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		10,554,000	851,000		11,405,000
Sub-Total, Operations		26,572,235,000	4,266,203,000	155,277,000	30,993,715,000
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Total, Programs	29,923,780,000	5,331,087,000	158,670,000	35,413,537,000
TOTAL NEW APPROPRIATIONS	P 29,923,780,000	P 5,331,087,000	P 158,670,000	P 35,413,537,000

Special Provision(s)

1. Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units (CAFGU). The amount appropriated under A.III.a.1 shall be used for the payment of compensation of CAFGUs 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

	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 1,382,156,000	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	3,703,346,000	148,408,000	28,185,256,000
1. Operation and maintenance of combat units, including P44,000,000 for intelligence expenses	22,285,370,000	3,703,346,000	148,408,000	26,137,124,000
2. Subsistence allowance of CAFGUs	2,048,132,000			2,048,132,000

b. Territorial Defense	851,064,000	185,513,000	6,869,000	1,043,446,000
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		7,811,000		7,811,000
1. Operation and maintenance of units engaged in disaster and relief operations		7,811,000		7,811,000
d. Support to National Development	1,377,115,000	230,788,000		1,607,903,000
1. Operation and maintenance of engineer units	1,377,115,000	230,788,000		1,607,903,000
e. International Defense and Security Engagements		137,894,000		137,894,000
1. Joint training exercises and exchange programs		137,894,000		137,894,000
f. International Humanitarian Assistance and Peacekeeping Operations	10,554,000	851,000		11,405,000
1. Peacekeeping	10,554,000	851,000		11,405,000
Sub-Total, Operations	26,572,235,000	4,266,203,000	155,277,000	30,993,715,000
TOTAL, PROGRAMS AND ACTIVITIES	P 29,923,780,000	P 5,331,087,000	P 158,670,000	P 35,413,537,000

New Appropriations, by Object of Expenditures

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(In Thousand Pesos)

A. \_\_Programs/Locally-Funded\_Project(s)

Current Operating Expenditures

Personal Services

I. Civilian Personnel

    Basic Pay, Civilian

    Contractual, Casual and Emergency Personnel

174,341

45,408

Total Salaries/Wages

219,749

Other Compensation

    Representation Allowance

480

    Honoraria

106

    Year-End Bonus

19,879

    Step Increments for Length of Service

436

    Personnel Economic Relief Allowance

25,680

    Clothing/Uniform Allowance

4,280

    Productivity Incentive Benefits

2,140

    Magna Carta of Public Health Workers per R.A. 7305

15,855

Total Other Compensation	68,856
Gross Compensation	288,605
Fixed Personnel Expenditures	
Pag-I.B.I.G. Contributions	1,284
Health Insurance Premiums	2,017
Employees Compensation Insurance Premiums (ECIP)	1,260
Total Fixed Personnel Expenditures	4,561
Total, Personal Services of Civilian Personnel	293,166
II. Uniformed/Military Personnel	
Base Pay, Military	15,006,413
Total Basic Pay	15,006,413
Allowances and Other Collaterals	
Pag-I.B.I.G. Contributions	101,988
Health Insurance Premiums	229,473
Employees Compensation Insurance Premiums (ECIP)	101,988
Flying Pay	8,374
Special Group Term Insurance	6,119
Hazardous Duty Pay	108,132
Personnel Economic Relief Allowance	2,039,760
Year-End Benefits	1,691,387
Productivity Incentive Benefits	169,980
Clothing Allowance	203,976
Longevity Pay	3,125,060
Subsistence Allowance	4,840,053
Laundry Allowance	32,598
Hazard Pay	246,136
Quarters Allowance	429,799
Special Clothing Allowance	33,771
Combat Duty Pay	469,128
Instructor's Duty Pay	117,407
Reservist's Pay	224,605
Medal of Valor Award	5,280
Reenlistment Clothing Allowance	299,674
Parachutist Pay	139,513
Total Allowances and Other Collaterals	14,624,201
Total, Personal Services of Uniformed/Military Personnel	29,630,614
Total Personal Services	29,923,780
Maintenance and Other Operating Expenses	
Travelling Expenses	86,857
Communication Expenses	35,866
Repair and Maintenance	926,923

Transportation and Delivery Expenses	63,949
Supplies and Materials	3,448,533
Rents	2,553
Utility Expenses	330,594
Training and Scholarship Expenses	191,022
Confidential and Intelligence Expenses	44,000
Taxes, Insurance Premiums and Other Fees	80,818
Professional Services	14,074
Printing and Binding Expenses	1,388
Advertising Expenses	146
Representation Expenses	97,341
Subscription Expenses	1,263
Survey Expenses	5,180
Awards and Indemnities	580
Total Maintenance and Other Operating Expenses	5,331,087
Total Current Operating Expenditures	35,254,867
Capital Outlays	
Buildings and Structures Outlay	45,108
Office Equipment, Furniture and Fixtures	6,669
Transportation Equipment	12,910
Machineries and Equipment	93,983
Total Capital Outlays	158,670
TOTAL NEW APPROPRIATIONS	35,413,537

F.2 PHILIPPINE AIR FORCE (AIR FORCE)

For general administration and support, support to operations, and operations, as indicated hereunder..... P 10,555,438,000

New Appropriations, by Program/Project  
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					Current_Operating_Expenditures							
					Personal	Maintenance	Capital	Total				
					Services	and Other	Outlays					
						Operating						
						Expenses						
A.	PROGRAMS											
I.	General Administration and Support											
	a.	Force-Level Central Command and Control			P	1,129,226,000	P	240,718,000	P	12,300,000	P	1,382,244,000
	Sub-Total, General Administration and Support					1,129,226,000		240,718,000		12,300,000		1,382,244,000
	II. Support to Operations											
	a.	Force-Level, Training and Support				721,678,000		445,784,000		23,475,000		1,190,937,000

Sub-Total, Support to Operations	721,678,000	445,784,000	23,475,000	1,190,937,000
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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	31,577,000			31,577,000
Sub-Total, Operations	4,430,021,000	3,407,761,000	144,475,000	7,982,257,000
Total, Programs	6,280,925,000	4,094,263,000	180,250,000	10,555,438,000
TOTAL NEW APPROPRIATIONS	P 6,280,925,000	P 4,094,263,000	P 180,250,000	P 10,555,438,000
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Special Provision(s)

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

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 240,718,000	P 12,300,000	P 1,382,244,000
1. Command and control service, including P17,000,000 for intelligence expenses	1,129,226,000	240,718,000	12,300,000	1,382,244,000
Sub-Total, General Administration and Support	1,129,226,000	240,718,000	12,300,000	1,382,244,000
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
1. Territorial defense activities	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
1. Disaster response and relief services	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
1. National development support service	215,828,000	245,126,000	8,550,000	469,504,000
e. International Defense and Security Engagements		8,750,000		8,750,000
1. International defense and security engagements		8,750,000		8,750,000
f. International Humanitarian Assistance and Peacekeeping Operations	31,577,000			31,577,000
1. International humanitarian assistance and peacekeeping operations	31,577,000			31,577,000
Sub-Total, Operations	4,430,021,000	3,407,761,000	144,475,000	7,982,257,000
TOTAL, PROGRAMS AND ACTIVITIES	P 6,280,925,000	P 4,094,263,000	P 180,250,000	P 10,555,438,000

New Appropriations, by Object of Expenditures  
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 (In Thousand Pesos)

A. \_\_Programs/Locally-Funded\_Project(s)

Current Operating Expenditures

Personal Services

I. Civilian Personnel

    Basic Pay, Civilian

    Contractual, Casual and Emergency Personnel

219,646

36,251

Total Salaries/Wages

255,897

Other Compensation

Representation Allowance	384
Year-End Bonus	25,187
Step Increments for Length of Service	553
Longevity Pay	6,246
Personnel Economic Relief Allowance	33,024
Clothing/Uniform Allowance	5,504
Productivity Incentive Benefits	2,752
Magna Carta of Public Health Workers per R.A. 7305	18,232
Total Other Compensation	91,882
Gross Compensation	347,779
Fixed Personnel Expenditures	
Pag-I.B.I.G. Contributions	1,657
Health Insurance Premiums	2,538
Employees Compensation Insurance Premiums (ECIP)	1,612
Total Fixed Personnel Expenditures	5,807
Total, Personal Services of Civilian Personnel	353,586
II. Uniformed/Military Personnel	
Base Pay, Military	2,946,562
Total Basic pay	2,946,562
Allowances and Other Collaterals	
Pag-I.B.I.G. Contributions	18,294
Health Insurance Premiums	41,162
Employees Compensation Insurance Premiums (ECIP)	18,294
Flying Pay	367,801
Special Group Term Insurance	1,098
Hazardous Duty Pay	74,134
Hardship Allowance	7,992
Personnel Economic Relief Allowance	365,880
Year-End Benefits	373,021
Productivity Incentive Benefits	30,490
Clothing Allowance	36,588
Longevity Pay	817,799
Subsistence Allowance	500,798
Laundry Allowance	10,976
Hazard Pay	50,459
Quarters Allowance	96,028
Combat Duty Pay	66,544
Instructors Duty Pay	26,765
Medal of Valor Award	1,200
Reenlistment Clothing Allowance	66,008
Parachutist Pay	9,446
Total Allowances and Other Collaterals	2,980,777



Total, Personal Services of Uniformed/Military Personnel	5,927,339
Total Personal Services	6,280,925
Maintenance and Other Operating Expenses	
Travelling Expenses	168,681
Communication Expenses	30,105
Repair and Maintenance	1,975,996
Transportation and Delivery Expenses	23,555
Supplies and Materials	1,403,022
Rents	2,133
Subsidies and Donations	600
Utility Expenses	272,709
Training and Scholarship Expenses	60,056
Extraordinary and Miscellaneous Expenses	6,011
Confidential and Intelligence Expenses	17,000
Taxes, Insurance Premiums and Other Fees	17,975
Professional Services	9,683
Printing and Binding Expenses	2,972
Advertising Expenses	2,592
Representation Expenses	97,512
Storage Expenses	50
Subscription Expenses	3,241
Survey Expenses	182
Membership Dues and Contributions to Organizations	140
Awards and Indemnities	48
Total Maintenance and Other Operating Expenses	4,094,263
Total Current Operating Expenditures	10,375,188
Capital Outlays	
Buildings and Structures Outlay	40,000
Transportation Equipment	104,050
Machineries and Equipment	36,200
Total Capital Outlays	180,250
TOTAL NEW APPROPRIATIONS	10,555,438

F.3 PHILIPPINE NAVY (NAVAL FORCES)

For general administration and support, support to operations, and operations, including locally-funded project as indicated hereunder .....P 12,124,438,000

New Appropriations, by Program/Project  
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		Current_Operating_Expenditures			
		Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
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	2,630,303,000	117,248,000	7,102,429,000
	b. Territorial Defense	71,310,000	124,070,000		195,380,000
	c. Disaster Response		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
	Total, Operations	4,722,887,000	2,869,039,000	117,248,000	7,709,174,000
	Total, Programs	8,122,188,000	3,845,402,000	126,848,000	12,094,438,000
B.	PROJECT(S)				
I.	Locally-Funded Project(s)				
	a. Payment for the Acquisition of Real Estate Properties in Barrio Canigaran, Wescom Road, Puerto Princesa City, Palawan			30,000,000	30,000,000

Sub-total, Locally-Funded Project(s)				30,000,000	30,000,000
Total, Project(s)				30,000,000	30,000,000
TOTAL NEW APPROPRIATIONS	P 8,122,188,000	P 3,845,402,000	P 156,848,000	P 12,124,438,000	

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	4,354,878,000	2,630,303,000	117,248,000	7,102,429,000
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 P34,749,000	102,797,000	169,813,000	4,895,000	277,505,000
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	71,310,000	124,070,000		195,380,000

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
1. Disaster response and relief services		586,000		586,000
d. Support to National Development	256,335,000	109,580,000		365,915,000
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	12,109,000	4,500,000		16,609,000
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	28,255,000			28,255,000
1. International assistance and peacekeeping services	28,255,000			28,255,000
Sub-Total, Operations	4,722,887,000	2,869,039,000	117,248,000	7,709,174,000
TOTAL, PROGRAMS AND ACTIVITIES	P 8,122,188,000	P 3,845,402,000	P 126,848,000	P 12,094,438,000

New Appropriations, by Object of Expenditures

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(In Thousand Pesos)

A. \_\_Programs/Locally-Funded\_Project(s)

Current Operating Expenditures

Personal Services

I. Civilian Personnel

Basic Pay, Civilian	130,632
Contractual, Casual and Emergency Personnel	58,142

Total Salaries/Wages	188,774
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Other Compensation

Representation Allowance	288
Year-End Bonus	14,957
Step Increments for Length of Service	327
Longevity Pay	6,095
Personnel Economic Relief Allowance	19,536
Clothing/Uniform Allowance	3,256

Productivity Incentive Benefits	1,628
Magna Carta of Public Health Workers per R.A. 7305	26,543
Total Other Compensation	72,630
Gross Compensation	261,404
Fixed Personnel Expenditures	
Pag-I.B.I.G. Contributions	977
Health Insurance Premiums	1,505
Employees Compensation Insurance Premiums (ECIP)	968
Total Fixed Personnel Expenditures	3,450
Total, Personal Services of Civilian Personnel	264,854
II. Uniformed/Military Personnel	
Base Pay, Military	4,258,228
Total Basic pay	4,258,228
Allowances and Other Collaterals	
Pag-I.B.I.G. Contributions	26,386
Health Insurance Premiums	59,368
Employees Compensation Insurance Premiums (ECIP)	26,386
Flying Pay	30,384
Special Group Term Insurance	1,669
Sea Duty Pay	218,352
Hazardous Duty Pay	171,388
Personnel Economic Relief Allowance	527,712
Year-End Benefits	548,119
Productivity Incentive Benefits	43,976
Clothing Allowance	52,771
Longevity Pay	809,183
Subsistence Allowance	722,306
Laundry Allowance	15,831
Hazard Pay	63,379
Quarters Allowance	117,765
Allowance for Personnel Stationed Abroad	20,000
Special Clothing Allowance	20,000
Combat Duty Pay	61,410
Instructor's Duty Pay	29,885
Reservist's Pay	3,106
Medal of Valor Award	720
Reenlistment Clothing Allowance	19,010
Parachutist Pay	10,000
Total Allowances and Other Collaterals	3,599,106
Total, Personal Services of Uniformed/Military Personnel	7,857,334
Total Personal Services	8,122,188

Maintenance and Other Operating Expenses

Travelling Expenses	26,540
Communication Expenses	37,000
Repair and Maintenance	841,044
Transportation and Delivery Expenses	50,159
Supplies and Materials	2,310,282
Rents	3,436
Utility Expenses	320,996
Training and Scholarship Expenses	28,711
Extraordinary and Miscellaneous Expenses	6,268
Confidential and Intelligence Expenses	34,749
Taxes, Insurance Premiums and Other Fees	44,709
Professional Services	135,970
Representation Expenses	3,185
Subscription Expenses	2,000
Awards and Indemnities	353
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Total Maintenance and Other Operating Expenses	3,845,402
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Total Current Operating Expenditures	11,967,590
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Capital Outlays	
Land and Land Improvements Outlay	30,000
Office Equipment, Furniture and Fixtures	3,530
Transportation Equipment	14,850
Machineries and Equipment	77,192
Public Infrastructures	31,276
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Total Capital Outlays	156,848
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TOTAL NEW APPROPRIATIONS	12,124,438
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F.4 GENERAL HEADQUARTERS, AFP AND AFP WIDE SERVICE SUPPORT UNITS (AFPWSSUS)

For general administration and support, support to operations, and operations, including locally-funded project(s), as indicated hereunder ..... P 37,947,103,000

New Appropriations, by Program/Project  
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	Current_Operating_Expenditures			
	Personal Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
A. PROGRAMS				
I. General Administration and Support				
:a. General Administration and Support Services	P 27,723,230,000	P 352,908,000	P	P 28,076,138,000
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Sub-Total, General Administration and Support	27,723,230,000	352,908,000		28,076,138,000
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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	25,000,000	620,335,000
c. Tertiary Health Care (AFPMC)	341,209,000	756,895,000		1,098,104,000
Sub-Total, Support to Operations	888,133,000	1,132,379,000	53,438,000	2,073,950,000
III. Operations				
a. Planning, Command and Management of Joint Military Operations	1,023,212,000	1,563,919,000	17,805,000	2,604,936,000
b. Presidential Security (PSG), including P12,000,000 for intelligence expenses	36,621,000	155,458,000		192,079,000
Sub-Total, Operations	1,059,833,000	1,719,377,000	17,805,000	2,797,015,000
Total, Programs	29,671,196,000	3,204,664,000	71,243,000	32,947,103,000
B. PROJECT(S)				
I. Locally-Funded Project(s)				
a. AFP Modernization Program			5,000,000,000	5,000,000,000
Sub-total, Locally-Funded Project(s)			5,000,000,000	5,000,000,000
Total, Project(s)			5,000,000,000	5,000,000,000
TOTAL NEW APPROPRIATIONS	P 29,671,196,000	P 3,204,664,000	P 5,071,243,000	P 37,947,103,000
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 authorized 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

	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 27,723,230,000	P 352,908,000		P 28,076,138,000
1. StGeneral Management and Supervision	27,723,230,000	352,908,000		28,076,138,000
a. Administration, support and supervision	482,158,000	344,306,000		826,464,000
b. Military pension administration	27,241,072,000	8,602,000		27,249,674,000
Sub-Total, General Administration and Support	27,723,230,000	352,908,000		28,076,138,000
II. Support to Operations				
a. Delivering Frontline Capability	75,914,000	251,159,000	28,438,000	355,511,000
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	25,000,000	620,335,000
c. Tertiary Health Care (AFPMC)	341,209,000	756,895,000		1,098,104,000
Sub-Total, Support to Operations	888,133,000	1,132,379,000	53,438,000	2,073,950,000
III. Operations				
a. Planning, Command and Management of Joint Military Operations	1,023,212,000	1,563,919,000	17,805,000	2,604,936,000
1. Military strategic planning	120,485,000	397,613,000	9,806,000	527,904,000



2. Strategic command and control, including P128,648,000 for intelligence expenses	902,727,000	1,132,430,000		2,035,157,000
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	36,621,000	155,458,000		192,079,000
Sub-Total, Operations	1,059,833,000	1,719,377,000	17,805,000	2,797,015,000
TOTAL, PROGRAMS AND ACTIVITIES	P 29,671,196,000	P 3,204,664,000	P 71,243,000	P 32,947,103,000
New Appropriations, by Object of Expenditures =====				
(In Thousand Pesos)				
A. Programs/Locally-Funded Project(s)				
Current Operating Expenditures				
Personal Services				
I. Civilian Personnel				
Basic Pay, Civilian				331,160
Contractual, Casual and Emergency Personnel				243,141
Total Salaries/Wages				574,301
Other Compensation				
Representation Allowance				384
Year-End Bonus				37,652
Step Increments for Length of Service				832
Longevity Pay				9,142
Personnel Economic Relief Allowance				48,240
Clothing/Uniform Allowance				8,040
Productivity Incentive Benefits				4,020
Magna Carta of Public Health Workers per R.A. 7305				63,578
Total Other Compensation				171,888
Gross Compensation				746,189
Fixed Personnel Expenditures				
Pag-I.B.I.G. Contributions				2,417
Health Insurance Premiums				3,800
Employees Compensation Insurance Premiums (ECIP)				2,355

Total Fixed Personnel Expenditures	8,572
Total, Personal Services of Civilian Personnel	754,761
II. Uniformed/Military Personnel	
Base Pay, Military	807,554
Total Basic pay	807,554
Allowances and Other Collaterals	
Pag-I.B.I.G. Contributions	3,542
Health Insurance Premiums	7,970
Employees Compensation Insurance Premiums (ECIP)	3,542
Pensions, Military	27,238,713
Special Group Term Insurance	213
Combat Incentive Pay	10,000
Hazardous Duty Pay	17,055
Personnel Economic Relief Allowance	70,848
Year-End Benefits	97,666
Productivity Incentive Benefits	5,904
Clothing Allowance	34,843
Longevity Pay	144,998
Subsistence Allowance	96,973
Laundry Allowance	1,110
Hazard Pay	6,940
Quarters Allowance	13,771
Combat Duty Pay	23,939
Incentive Pay	108,904
Instructor's Duty Pay	12,000
Reenlistment Clothing Allowance	7,895
LOI 63 (AFA)	202,055
Total Allowances and Other Collaterals	28,108,881
Total, Personal Services of Uniformed/Military Personnel	28,916,435
Total Personal Services	29,671,196
Maintenance and Other Operating Expenses	
Travelling Expenses	138,096
Communication Expenses	92,940
Repair and Maintenance	224,182
Transportation and Delivery Expenses	632
Supplies and Materials	1,382,932
Rents	37,094
Interests	12
Utility Expenses	547,618
Training and Scholarship Expenses	64,036
Extraordinary and Miscellaneous Expenses	20,645
Confidential and Intelligence Expenses	140,648
Taxes, Insurance Premiums and Other Fees	26,356
Professional Services	315,157
Printing and Binding Expenses	6,993

Advertising Expenses	534
Representation Expenses	202,225
Subscription Expenses	4,218
Membership Dues and Contributions to Organizations	246
Awards and Indemnities	100
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Total Maintenance and Other Operating Expenses	3,204,664
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Total Current Operating Expenditures	32,875,860
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Capital Outlays	
Buildings and Structures Outlay	47,323
Office Equipment, Furniture and Fixtures	8,480
Transportation Equipment	7,340
Machineries and Equipment	5,008,100
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Total Capital Outlays	5,071,243
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TOTAL NEW APPROPRIATIONS	37,947,103
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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 Section 1 and 2 of E.O. No. 1002, s. 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 7, Book VI of E.O. No. 292, s. 1987, 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 of the Secretary of National Defense and Secretary of Budget and Management.

3. Intelligence Funds. No amount appropriated herein shall be released or disbursed for intelligence activities unless specifically identified and authorized as such 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, 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. Release of Funds for Personal Services. No amount appropriated for personal services shall be released or disbursed unless such release or disbursement is done through the Land Bank of the Philippines (LBP), and subject to the following conditions:

i) Each individual shall personally open an Automatic Teller Machine (ATM) Payroll Account in his/her name at the LBP. For this purpose, the LBP shall, in addition to its standard know-your-customer procedures, independently confirm such individual's identity.

ii) All disbursements of appropriations for personal services shall be made through the ATM payroll account, whether through the ATM or over-the-counter.

In areas (determined by reference to the relevant local government unit) where the LBP does not maintain a branch or office where the individual can withdraw through an ATM or over-the-counter, the LBP shall enter into such arrangements with other banks or financial institutions as are necessary to disburse said appropriations: PROVIDED, That in all cases, the payroll account relating thereto shall nevertheless be opened with the LBP and all disbursements made through such other banks or financial institutions shall at all times be electronically traceable and issuing electronic receipts to prove disbursements directly to the individual concerned. PROVIDED, FURTHER, That any bank charges that may be incurred due to the said arrangement shall be paid by the DND.

5. 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 in accordance with guidelines to be jointly issued by the DND and COA.

6. 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 (PAFFS) not exceeding four (4) years, shall be considered as active military service.

7. Restriction on AFP 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.

8. 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.

9. 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.

10. 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.

11. Hospitalization of Reservist. AFP hospitals shall also serve reservists during regular active duty training.

12. 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, s. 1987 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	5,331,087,000	158,670,000	35,413,537,000
F.2	Philippine Air Force (Air Force)	6,280,925,000	4,094,263,000	180,250,000	10,555,438,000
F.3	Philippine Navy (Naval Forces)	8,122,188,000	3,845,402,000	156,848,000	12,124,438,000
F.4	General Headquarters, AFP and AFP Wide Service Support Units (AFPWSSUs)	29,671,196,000	3,204,664,000	5,071,243,000	37,947,103,000
	Sub-total, Armed Forces of the Philippines	73,998,089,000	16,475,416,000	5,567,011,000	96,040,516,000
	Total New Appropriations, Department of National Defense	P 81,919,360,000	P 19,126,784,000	P 5,858,878,000	P 106,905,022,000