DND ‘lump sum’ budget is clearly defined

Contrary to former Senator Panfilo Lacson’s statements published in the July 14 article of the Philippine Daily Inquirer entitled “P424-B pork in budget, says Ping,” the lump sum appropriations under the Department of Budget and Management for the Department of National Defense are clearly shown and carefully allocated in the General Appropriations Act (GAA) of 2015.

The DND does not have Php66.4 billion as a lump sum as stated in the article, but rather, the said amount allocated for the DND is included in the Lump Sum Appropriations under the GAA. This fund, amounting to Php55.4 billion, is held by the DBM and will be subject to the issuance of a Special Allotment Release Order only when certain conditions are met. Most of these funds are for the pensions of veterans and retired personnel.

Since the total number of veterans and retirees would be difficult to predict accurately because of personal discretion and individual preferences, the fund is designed to cover the gap in the allocated budget for pensions and benefits.

Out of the aforementioned appropriations, a total of Php2.018 billion is a provision for unfilled positions under the Miscellaneous Personnel Benefit Fund (MPBF), as stipulated in Page 1494 of the GAA 2015.

A total of Php10 billion, meanwhile, is for unprogrammed projects under the AFP Modernization Program, as provided for in Page 1512 of the GAA 2015. This amount is meant for new modernization projects that are still awaiting approval.

The Pension Gratuity Fund (PGF), amounting to a total of Php42.377 billion, is detailed in page 1501 of the GAA 2015. Under this item, Php32.480 billion is programmed for the General Headquarters, while Php9.897 billion is for the Philippine Veterans Affairs Office.

An amount of Php10.000 billion is also provided for in the GAA to fund the benefits of military and civilian personnel of the AFP, who will avail of optional retirement from the service.

As we have always reiterated, the Department of National Defense is transparent with all of its programs, most especially its budget appropriation. This in line with Defense Secretary Voltaire T. Gazmin’s directive to the Department to ensure all its affairs are above-board and in accordance with law.

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