PROVIDING GUIDELINES FOR THE IMPLEMENTATION OF SPECIAL PROVISION NO. 7 ENTITLED “USE OF SAVINGS” SPECIAL PROVISIONS APPLICABLE TO THE ARMED FORCES OF THE PHILIPPINES

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WHEREAS, RA 8522 FY 1998 General Appropriations Act (GAA), under its Special Provisions No. 7 of the Special Provisions applicable to the Armed Forces of the Philippines (AFP) provides that the Chief of Staff, AFP is authorized to use any savings in any appropriation, therein subject to the approval of the Secretary of National Defense,

WHEREAS, the President's veto message on this GAA, included Special Provisions No. 7 for conditional implementation subject to the issuance of appropriate administrative guidelines to be formulated by the Executive Branch pursuant to Section 1 and 17, Article VII of the 1987 Constitution; Section 35, Chapter 5, Book VI of Executive Order No. 292; and Sections 65 and 66 of the Government Auditing Code of the Philippines.

WHEREAS, Section 25(5), Article VI of the 1987 Constitution vests authority upon the President, the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court and the heads of Constitutional Commissions, the availment in the use of savings, when so allowed by law;

NOW, THEREFORE, I JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The Chief of Staff, AFP, is hereby authorized, subject to the approval of the President upon the joint recommendation of the Secretary of National Defense and the Secretary of Budget and Management, to use savings in the appropriations for the AFP, according to the following purposes;

a. Payment of previous years' legally valid obligations;

b. Acquisition of sites under lease or currently being used by the AFP; payment of boundary, relocation and subdivision surveys for titling of AFP real estates; development and payments for the amortization of housing loans contracted by the AFP exclusively for military housing;

c. Purchase or manufacture of ammunitions and components to build up the reserve stocks of the AFP Reserve Force;

d. Payment of gratuities and pensions of military personnel pursuant to P. D. No. 1638;

e. Payment for damages to properties and compensation for injuries or death of civilians resulting from AFP's operations.

f. Procurement of foodstuffs for units actually engaged in security/counter-insurgency operation in combat areas;

g. Adjustment in flying pay, sea duty pay, hazardous duty pay, instructor's duty pay, hardship allowance and subsistence allowance and overseas pay and allowances of military personnel performing peacekeeping duties abroad as may be authorized by law;

h. Hospitalization of military dependents;

i. Subsistence of military personnel serving sentence;

j. Funding deficiencies for clothing and quarter allowances of military personnel;

k. Funding deficiencies due to increased charges for petroleum, oil lubricant; light, power, water, telephone and rentals and for payment of rewards;

l. Funding deficiencies for separation benefits of CAFGU;

m. Insurance coverage of Reservists during regular active duty training;

SECTION 2. A quarterly report on the use of savings shall be submitted to the House Committee on Appropriations, the Senate Committee on Finance and the Department of Budget and Management.

SECTION 3. This Administrative Order shall take effect immediately.

Adopted: 27 Oct. 1998

(SGD.) JOSEPH E. ESTRADA
President

By the President:

(SGD.) RONALDO B. ZAMORA
Executive Secretary

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