

B. GOVERNMENT ARSENAL

STRATEGIC OBJECTIVES

MANDATE

- 1. Establish, operate, maintain and secure the Arsenal**
- 2. Formulate plans and programs to achieve self-sufficiency in small arms, mortars and other weapons and munitions**
- 3. Design, develop, manufacture, procure, stockpile, allocate and repair small arms, mortars, and other weapons and munitions**

4. Devise ways and means for the efficient mobilization of the civilian industry to augment the production of the Arsenal in times of emergency
5. Perform such other functions as maybe provided by law

VISION

To achieve self-sufficiency in ammunition and munitions for the use of the AFP, PNP and other government law enforcement agencies

MISSION

To design, manufacture, procure, stockpile, allocate and repair small arms, weapons, ammunition for these weapons and other munitions for the AFP, PNP and other government law enforcement agencies; and to sell and export excess products, as provided for under Republic Act Nos. 1884, 7898 and 10349; and Executive Order No. 292

KEY RESULT AREAS

Just and lasting peace and the rule of law

SECTOR OUTCOME

Stable national security environment achieved

ORGANIZATIONAL OUTCOME

1. Capability to uphold the sovereignty and territorial integrity of the state assured
2. Internal stability promoted and sustained
3. Security sector reforms implemented

New Appropriations, by Program/Project

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Current Operating Expenditures

	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
100000000 General Administration and Support	P 46,648,000	P 36,424,000	P	P 83,072,000
300000000 Operations	126,032,000	675,927,000	40,000,000	841,959,000
MFO 1: Manufacture of Small Arms Ammunition	126,032,000	675,927,000	40,000,000	841,959,000
Total, Programs	172,680,000	712,351,000	40,000,000	925,031,000
TOTAL NEW APPROPRIATIONS	P 172,680,000	P 712,351,000	P 40,000,000	P 925,031,000

New Appropriations, by Central/Regional Allocation

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Current Operating Expenditures

	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
REGION				
Regional Allocation	P 172,680,000	P 712,351,000	P 40,000,000	P 925,031,000

Region III - Central Luzon	172,680,000	712,351,000	40,000,000	925,031,000
TOTAL NEW APPROPRIATIONS	P 172,680,000 P	712,351,000 P	40,000,000 P	925,031,000

Special Provision(s)

1. **Hospital Income.** In addition to the amounts appropriated herein, all income generated from the operations of the Government Arsenal (GA) infirmary shall be deposited in an authorized government depository bank and shall be used to augment the infirmary's MOOE and Capital Outlays: PROVIDED, That no amount therefrom shall be used for the payment of salaries, allowances and other benefits: 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 the said income shall be utilized by the DOH upon transfer of administration and supervision of the infirmary to the DOH consistent with the approved Rationalization Plan of the GA.

The GA shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Director of GA and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said financial statement is likewise posted on the official website of the GA.

Failure to comply with 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, s. 1987 and to appropriate criminal action under existing penal laws.

2. **Authority to Barter or Sell Scrap Items.** The Director of GA, may undertake any of the following:

a. Barter scrap with equipment, including motor vehicles essential in the operation of the GA, upon notice to the COA and prior approval of the Secretary of National Defense: PROVIDED, That the equipment and motor vehicles acquired shall be recorded/booked-up as government property.

b. Sell scrap items through public auction in accordance with Section 79 of P.D. No. 1445: PROVIDED, That the proceeds from such sale shall be deposited with the National Treasury as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of E.O. No. 292.

3. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

Manufacture components such as cases, bullets and primers, and fabrication of machine parts, tools, dies and gauges to support the small arms ammunition requirement of the Armed Forces of the Philippines (AFP).

Major Final Output(MFO) / Performance Indicators

Targets

MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION

Number of small arms ammunition (SAA) manufactured	30.0 M Rounds
Percent supportability to AFP SAA requirements (combat requirements)	98.13%
Percentage acceptance based on standards	98.00%