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## Modernizing the AFP & Duterte's Priorities

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**Charmaine Deogracias, Visiting Fellow at the East-West Center in Washington, explains that “Duterte’s leftist leanings and determination to pursue peace talks with the communists will definitely affect the military’s capability upgrade and his engagement with the U.S.”**

The Armed Forces of the Philippines (AFP) Modernization program, since its birth in 1995, has always been at the whim of each sitting president in terms of implementation. While the acquisition program of the Philippine military had previously been according to current requirements and threats, the last President, Benigno Aquino, based it on projected capability needs in the longer term. The new President, Rodrigo Duterte, who took office in June, assured the military they will get what they need and he will honor previously signed contracts. But modernizing the military is still about priorities. Under the Aquino administration, the transition from internal security to external defense was pronounced in the robust budgeting for acquisitions geared towards maritime domain awareness and territorial defense capability upgrades. Duterte’s agenda will shake up those plans, as he intends to put greater emphasis on domestic counter-terrorism and insurgent issues, and combating the drug trade.

Being the first president from Mindanao, Duterte’s heart is closest to the country’s problems in the South and furthest from the South China Sea. As he sees it, the real threat from China is economic: the losses of the banana growers from Mindanao that cannot access China’s huge market and the losses of the fishermen in Luzon impacted by the stand-off in Scarborough Shoal. He can’t go to war with China if he is waging a war against drugs, which is his priority and has vowed that the fight will be dirty, bloody, relentless, and sustained. Even relations with the U.S. will take second priority to this effort – as made clear in the recent controversy surrounding a meeting with President Obama on the sidelines of ASEAN and EAS meetings in Laos. With the country’s drug problem closely linked to China’s illegal drug trade, the Philippines needs China’s cooperation to win the fight, and Duterte is determined to succeed, as it is the biggest issue on which he campaigned and plans to build his presidency.

It took two laws to be passed in the Philippines to modernize its military. The older AFP Modernization Act of 1995 expired in 2010, replaced by the Revised AFP Modernization Act of 2012. The Aquino administration was able to undertake projects from both laws, completing a small number of key projects from the first and jumpstarting the implementation of the first phase of the new law, programmed for 2013-2017. Aquino, like the presidents before him, handed over to Duterte the majority of the acquisition projects now in various stages prior to awarding contracts. The country’s current defense budget is P117.5 billion (\$2.5 billion), and a total of P90.9 billion will finance the military’s upgrade program until 2017, the highest military spending the country has seen in two decades. With it they hope to buy a squadron of fighter jets, two frigates, a number of twin-engine long-range patrol aircraft, and aerial surveillance radars. These acquisition plans are largely in response to China’s growing assertiveness in the region, posing a great challenge to the Philippine military. The

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reality of climate change is another real threat, meaning that most of the acquisitions have to be compatible with Humanitarian Assistance and Disaster Relief (HA/DR) requirements.

Without a doubt, Duterte will thoroughly review the whole modernization program, and future procurement of big ticket items might be discarded to favor procurement of hardware for internal defense. Defense Secretary Delfin Lorenzana vowed that the 15-year AFP Modernization plan will proceed, but there will be a “redirection” according to the priorities of the president. There are still 20 hostages being held by the Islamic militant group Abu Sayyaf in the southern Philippines. Duterte’s new men in the defense department and the military also want to revert to internal defense, to once more fight Abu Sayyaf, hoping to finally destroy it as others who came before them also swore to do. The new Philippine Armed Forces Chief of Staff Gen. Ricardo Visaya has announced a 24/7 fight versus Abu Sayyaf. Visaya, when he assumed leadership of the 125,000-strong AFP, made it clear he intends to refocus military initiatives on rebuilding their internal war fighting capabilities to pursue internal security threats and support law enforcement operations. He announced that there will be a “rethinking” of the military’s armament acquisition program and realignment of military resources “to further beef up our capacity and capability to search and engage these rogue and lawless elements.” Accordingly, Duterte’s proposed budget of P25 billion has promised helicopters and night vision capabilities as key upgrades to support internal defense. However, his policy on other security issues is all “talk” – peace talks with communist insurgents and bilateral talks with China on the South China Sea.

Duterte acknowledges the serious problem of terrorism, and his response is to beef up the police with about 3,000 more men and to buy time to procure equipment. He tags Abu Sayyaf as neither criminals nor terrorists, and the mission to end their violence and rescue the remaining hostages rests heavily on the military. With the military fighting inward threats, it is looking outward for all its other needs, putting some burden on security partnerships and defense allies to help address shared responsibilities and common interests in the region. The Philippine military will rely heavily on acquisitions for external defense through the newly signed Transfer of Equipment Agreement with Japan, on prepositioning of U.S. assets under the terms of the Enhanced Defense Cooperation Agreement (EDCA), and will count on Australia for more military assistance.

Indeed, the very foundation for the new Philippines-U.S. EDCA was to help the Philippines modernize its forces to have a minimum credible defense posture and increase their capabilities for HA/DR that is transferable to the regional security environment. Given that the U.S. has already been there and done that with regard to fighting Abu Sayyaf alongside the Philippine military in 2001, the U.S. now has a different thrust for its security partnerships. The U.S. Pacific Command’s amphibious capability development is aimed at strategic signaling and deterrence for the two identified threats to U.S. interests – China and North Korea. Maritime security is the language with which America speaks to its allies in the Asia Pacific. The terms by which it is heard loud and clear have been through forward deployments, transit operations in the South China Sea, and the \$140 million in maritime security aid to Southeast Asia this year.

Duterte’s leftist leanings and determination to pursue peace talks with the communists will definitely affect the military’s capability upgrade and his engagement with the U.S. Only the president has the sole prerogative on how and where he wants his military to go and, for better or worse, he will use the budget to keep them in tow.

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