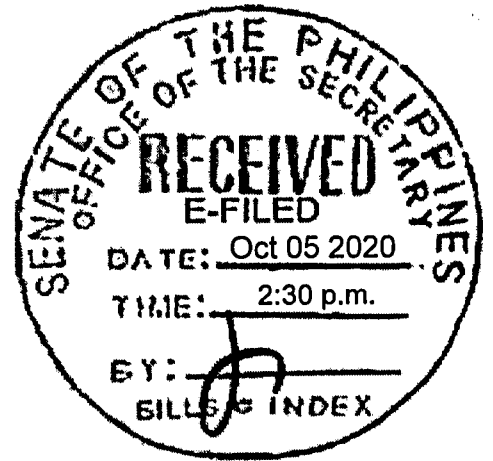


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



SENATE

S.B. NO. 1871

---

Introduced by SENATOR IMEE R. MARCOS

---

**AN ACT REVITALIZING AND STRENGTHENING THE SELF-RELIANT  
DEFENSE POSTURE PROGRAM TO ADDRESS EXTERNAL AND INTERNAL  
SECURITY THREATS AND CHALLENGES TO NATIONAL DEVELOPMENT,  
INCLUDING PANDEMICS, AND PROVIDING FUNDS THEREFOR**

EXPLANATORY NOTE

Article II, Section 3 of the 1987 Constitution provides that "*the Armed Forces of the Philippines is the protector of the people and the State. Its goal is to secure the sovereignty of the State and the integrity of the national territory.*" Article XIV, Section 12 further provides that "*the State shall regulate the transfer and promote the adaptation of technology from all sources for the national benefit. It shall encourage the widest participation of private groups, local governments and community-based organization of science and technology.*"

The rise of recent Chinese military exercises in the South China sea has continued to increase tensions between South East Asian nations in the region. Further, the threat of technological and cyber warfare continue to highlight the need for more advanced cyber security to protect the State. Moreover, our vulnerability to outbreaks or possible biological warfare has been brought to the forefront as the world continues to struggle bringing the CoVID-19 pandemic under control.

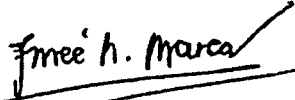
In light of the above, in order to prepare and adapt to the evolving security threats brought about by the 21st century, both external and internal, and the shifting pronouncements of defense alliances between and among nations, it is imperative that the country should revitalize and strengthen its goal for self-reliance in defense.

The country's pursuit to modernize the Armed Forces of the Philippines, through the AFP Modernization Act (R.A. No. 7898, as amended) and its efforts to achieve a minimum credible defense posture are monumental steps towards establishing a credible armed forces to secure our sovereignty and the integrity of the national territory. However, the country remains heavily reliant on foreign governments, defense contractors and suppliers to provide, mostly by purchase, the necessary hardware, weaponry or materiel, thereby contributing to the depletion of our foreign

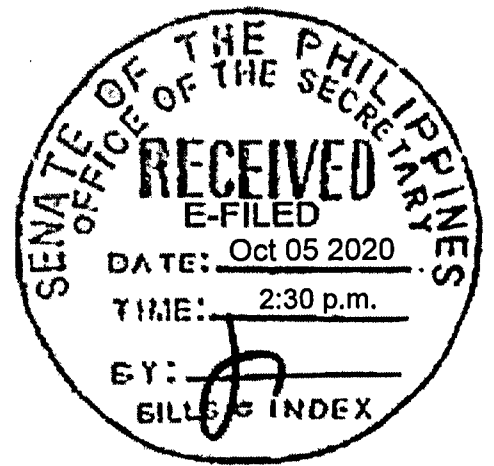
exchange reserve and squeezing further our budgetary constraints. Certainly, the revival and strengthening of the Self-Reliance Defense Posture (SRDP) Program will be a big boost to our modernization effort and in sustaining a credible Armed Forces of the Philippines. In fact, during the early years of the implementation of the SRDP program under Presidential Decree No. 415, it was able to manufacture armaments such as the M16 Assault Rifle, 60mm Mortar Tube, 81mm Mortar Tube and gun barrels; ammunitions like 5.56mm ammunition, Hand grenade MKII, and 81mm Mortar Ammunition. The country was also able to produce vehicles like the jiffy jeeps, mini cruisers, hovercraft, speed boats, marcelo boats, PCF, LCVP and whale boat.

This bill seeks to revitalize and strengthen the Self-Reliant Defense Posture (SRDP) program with the principal goal of accelerating the establishment of defense industry in the country that will adequately address the requirements for the desired defense buildup and with maximum utilization of indigenous materials. Its coverage shall also be expanded to address non-military challenges that are regarded as serious threats to national development, such as calamities, cyber-terrorism and pandemics.

Thus, the passage of this bill is earnestly requested.

  
**IMEE R. MARCOS**

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



SENATE

S.B. NO. 1871

---

Introduced by SENATOR IMEE R. MARCOS

---

**AN ACT REVITALIZING AND STRENGTHENING THE SELF-RELIANT DEFENSE POSTURE PROGRAM TO ADDRESS EXTERNAL AND INTERNAL SECURITY THREATS AND CHALLENGES TO NATIONAL DEVELOPMENT, INCLUDING PANDEMICS, AND PROVIDING FUNDS THEREFOR**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1        **Section 1. Short Title.** – This Act shall be known as the “*Self-Reliance*  
2        *Defense Posture Revitalization Act*”.

3        **SEC. 2. Declaration of Policy.** – The State recognizes the important role of  
4        a self-reliant in defense in national development. Thus, there is a need to revitalize  
5        the self-reliance defense posture program amidst the growing and imminent external  
6        and internal security threats and other challenges to national development, including  
7        pandemics. The attainment of this goal requires the undertaking of national defense  
8        projects that is locally sourced, thus generating local employment opportunities, and  
9        spurring the growth of in-country entrepreneurship.

10       The State also recognizes the dynamic nature of the security environment  
11       necessitating a drastic upgrade of defense capabilities not only on conventional  
12       warfare but also on addressing evolving security threats such as terrorism, insurgency,  
13       illegal drugs, including natural calamities and public health emergencies and  
14       pandemic.

15       **SEC. 3. Self-Reliant Defense Posture Revitalization Council-** There is  
16       hereby created a Self-Reliant Defense Posture Revitalization Council under the  
17       administrative supervision of the Office the President. The council shall serve as the  
18       policy making body and oversee the implementation of a revitalized self-reliance  
19       defense posture program.

20       **SEC. 4. Composition of the Council-** The council shall be composed of the  
21       Secretary of National Defense (DND) as its chairman and the Secretary of the

1 Department of Interior and Local Government (DILG) as its vice-chairman, and shall  
2 further be composed of the following officials as members:

- 3 a) Secretary of the Department of Foreign Affairs (DFA);
- 4 b) Secretary of the Department of Finance (DOF);
- 5 c) Secretary of the Department of Science and Technology (DOST);
- 6 d) Secretary of the Department of Budget and Management (DBM);
- 7 e) Secretary of the National Economic Development Authority (NEDA)
- 8 f) Secretary of the Department of Health (DOH);
- 9 g) Secretary of the Department of Information and Communication  
10 Technology (DICT);
- 11 h) Chief of the Philippine National Police (PNP);
- 12 i) Chief of Staff of the Armed Forces of the Philippines (AFP);

13 The Council shall have a secretariat to be headed by an Executive Director. The  
14 organizational structure and staffing pattern of the secretariat shall be formulated by  
15 the Secretary of the National Defense, subject to the approval of the Department of  
16 Budget and Management (DBM) in accordance with executive order no. 292, otherwise  
17 known as the "administrative code of 1987.

18 The Council may invite concerned public and private agencies or entities to  
19 participate, complement, and assist in the attainment of its objectives.

20 **SEC. 5. Self-Reliant Defense Posture Program (SRDP).** – The council  
21 shall formulate a revitalized short, medium and long range self-reliant defense posture  
22 programs under the following guidelines:

- 23 a) It shall endeavor to benefit in-country enterprises, stimulate local labor,  
24 and help save on foreign currency exchange. It shall take advantage of the  
25 world- class Filipino talent on advanced and frontier technologies.
- 26  
27 b) It shall be aimed to protect the country from geo-politically motivated  
28 disruptions in the supply of defense materials and other materials that are  
29 deemed crucial to national security. It shall also enable the country,  
30 logistically, to respond more effectively in times of natural calamities,  
31 disasters and pandemics.
- 32  
33 c) It shall ensure an aggressive research and development program of the  
34 Department of National Defense (DND) and the Armed Forces of the  
35 Philippines (AFP) and utilizing new and advanced technologies for the  
36 purpose of upgrading existing inventory of equipment and weapons  
37 systems.
- 38  
39 d) It shall provide a comprehensive guidance to the DND, AFP other agencies  
40 and institutions of the government and local industry stakeholders towards  
41 the attainment of the goals of this Act.
- 42

1 e) It shall complement the Philippine Development Plan and be aligned with  
2 the National Security Policy. It shall identify the current status of the  
3 country, its objectives and the measures to be taken to achieve the  
4 objective. It shall define development horizons to give time to the private  
5 industry to acquire the expertise and technology required to respond to a  
6 future government request for products.

7  
8 f) It shall contain, as far as practicable, a list of defense materiel the country  
9 wants to produce on its own to achieve its security goals and those that  
10 will be farmed out to the private industry. It shall identify specific areas  
11 where prospective in-country enterprises can pitch in, in support of  
12 attaining the overarching national goal of attaining a self-reliant defense  
13 posture.

14 **SEC. 6. - *Enhancing the Development Support and Security***  
15 ***Operations Capability of the Armed Forces of the Philippines (AFP).*** – The  
16 AFP shall strengthen its development support and security operations capability to  
17 sustain peace, ensure security, help maintain peace and order, and support national  
18 resilience.

19 The Department of National Defense (DND) and AFP shall upgrade its level of  
20 preparedness and response to the highest standard on disasters and pandemics. The  
21 DND/AFP shall organize, train and capacitate special units for disaster and pandemic  
22 response. The DND/AFP shall also enhance stakeholder's engagement and  
23 coordination with other government agencies, non-government organizations as well  
24 as civilian and military partners in humanitarian assistance and disaster relief  
25 operations.

26 The DND/AFP shall strengthen its medical corps, medical reserve units,  
27 engineering corps and logistics units to serve as ready reserve response units for  
28 health emergencies, disasters and pandemics.

29 The DND/ AFP shall also upgrade and capacitate its special units tasked on  
30 chemical, biological, radiological and nuclear emergency response and risk mitigation.

31 As far as practicable, the aforementioned capability strengthening and  
32 upgrading shall be undertaken through the Self-Reliance Posture (SRDP) program.

33 **SEC. 7. *Government Arsenal Modernization.*** – The Government Arsenal  
34 shall be modernized and the Government Arsenal Defense Industrial Estate shall be  
35 developed into an industrial base to serve as the take-off point for the revitalization  
36 of the SRDP program.

37 The Secretary of National Defense shall implement a Master Development Plan  
38 to modernize the Government Arsenal and fully develop the Government Arsenal  
39 Defense Industrial Estate.

1       **SEC. 8. Modernization of the Philippine Aerospace Development**  
2 **Corporation.** – The modernization of the Philippine Aerospace Development  
3 Corporation (PADC) shall be pursued in the interest of national security.

4           The PADC shall have the mission to fully provide world-class support services  
5 and research for aerospace development for private and government clients.

6           The Council shall develop and implement a modernization program for the  
7 PADC.

8       **SEC. 9. Government Sector Partnership and Collaboration** – In the  
9 pursuit of the objectives of the SRDP, the DND and AFP shall collaborate and cooperate  
10 with other government agencies and institutions, particularly in areas beneficial and  
11 supportive to the convergence approach of development, governance and security.

12           The DND and AFP shall collaborate with the Department of Science and  
13 Technology and establish partnerships on research and development, focusing on  
14 the aspects of scientific, technical cooperation, and technology transfer.

15           The DND and AFP, in the pursuit of the attainment of SRDP'S goals and  
16 objectives, shall align the revitalization of the SRDP along with the objectives of the  
17 Philippine Innovation Act enacted on April 2019 particularly on the specific objective  
18 of strengthening and deepening interactions and partnerships among different actors  
19 from the public and private sector, academe. MSMEs, research and development  
20 institutions and communities towards promoting inclusive growth and improving the  
21 quality of life through innovation.

22       **SEC. 10. Participation of the Local Industry Sector.** – The local industry  
23 sector representatives shall be consulted and tapped in the development and  
24 implementation of the SRDP program to ensure alignment of defense and response  
25 outcomes with industry requirements and add value qualifications within the  
26 workplace.

27           An institutionalized framework to operationalize a government – private sector  
28 partnership shall be established that will include guidelines in the creation of  
29 memoranda of understanding for liaising between government/defense entities and  
30 private sector stakeholders.

31       **SEC. 11. The National Defense Industry.** – For the interest of the nation,  
32 and as an anchor of the SRDP, a national defense industry shall be developed in  
33 accordance with the following objectives:

- 34           a. To develop the defense capability of the country and the development support  
35 and security operations capability of the AFP, the State shall give preference  
36 to in-country enterprises, allocating substantial resources and manpower to  
37 defense research, utilizing to the fullest the country's natural resources as the  
38 source of the country's defense and security needs, and providing relevant  
39 technical and financial assistance to the private sector;

1 b. The State shall rely primarily on defense and security articles that are being  
2 produced, manufactured or developed by in-country enterprises. The State  
3 shall only use materiel from foreign sources when such materiel cannot be  
4 locally produced, manufactured or otherwise competitive to international  
5 standard; *Provided that*, importation from such foreign sources shall be for  
6 the ultimate objective of acquiring technology for the production of such  
7 unavailable materiel;

8 c. In order to reduce foreign exchange outflow, generate local employment  
9 opportunities, and enhance technology transfer to the Philippines, the  
10 Secretary of National Defense shall, as far as practicable, incorporate special  
11 foreign exchange reduction schemes and countertrade, in-country  
12 manufacture co-production, or other innovative arrangements or  
13 combinations thereof in all contracts and agreements for the manufacturing  
14 and servicing of materiel;

15 d. To support the development of advanced and frontier technology products  
16 relevant to national defense and security manufactured by in-country  
17 entrepreneurs;

18 e. To win the commitment of private sector stakeholders to the long gestation  
19 period associated with building a viable defense and security industry; and

20 f. For defense and security materiel developed by or with the private sector,  
21 the Government shall promote the export of locally-made materiel and the in-  
22 country enterprises to other countries, whether civilian or military, for an  
23 expanded market and is encouraged to provide financial marketing support for  
24 such promotion to ensure the sustainability of the local defense industry.

25 **SEC. 12. Incentives.** – (a) Any provision of law to the contrary  
26 notwithstanding, foreign or local enterprises engaged or proposing to engage in the  
27 manufacture, servicing and/or operation of materiel for Government may be registered  
28 and may avail of incentives under and subject to the conditions in Executive Order No  
29 226 otherwise known as the Omnibus Investments Code: *Provided, That*,  
30 notwithstanding Article 27 thereof, manufacturing, servicing, and/or operation of  
31 materiel shall be included in the Investment Priorities Plan every year by operation of  
32 law after the effectivity of this Act until otherwise removed by the Board or the  
33 President; *Provided, further*, That the removal of manufacturing, servicing, and/or  
34 operation of materiel from the Plan subsequent to the effectivity of this Act shall not  
35 be interpreted as a bar or restriction on the Board from later including the  
36 manufacturing, servicing and/or operation of materiel in the Plan.

37 In the interest of National Security, the Board of Investment shall adopt a  
38 special procedure in the processing of applications for registration by enterprises in  
39 the Industry and offering goods and services to the Government under the Program.

40

1 (b) Government financial institutions are highly encouraged to support the Industry  
2 by formulating and extending financial products that would benefit its hastened  
3 development.

4 (c) In addition to the incentives provided in E.O. 226, foreign and local enterprises  
5 engaged in the manufacture, servicing, and/or operation of materiel registered with  
6 the Board of Investment shall enjoy exemption from customs duties and national  
7 internal revenue taxes payable on the importation of raw materials and critical  
8 components by registered enterprises for the purpose of producing such materiel.

9 **SEC. 13. Congressional Oversight Committee.** – There is hereby created  
10 a Congressional Oversight Committee to monitor progress of the implementation of  
11 the provisions of this Act. The Committee shall, among others, in aid of legislation  
12 monitor and ensure the implementation of this Act.

13 The Committee shall be composed of six (6) members of the Senate and six  
14 (6) members of the House of Representatives with the Chairpersons of the Committees  
15 on National Defense and Security of both Houses as Joint Chairpersons. The five (5)  
16 members of from each Chamber shall be designated by the Senate President and the  
17 Speaker of the House of Representatives, respectively. The Minority shall have one  
18 (1) representative from both Chambers.

19 **SEC. 14. Appropriations.** – The sum of One billion pesos  
20 (P1,000,000,000.00) is hereby appropriated as initial fund to carry out this Act, taken  
21 from the current fiscal year's appropriation of the AFP modernization fund. Thereafter,  
22 the amount needed for the implementation of this Act shall be included in the General  
23 Appropriations Act.

24 **SEC. 15. Implementing Rules and Regulations.** – Within ninety (90) days  
25 from the effectivity of this Act, the DND and AFP, in coordination with the other  
26 relevant government agencies, shall promulgate the necessary rules and regulations  
27 for the effective implementation of this Act.

28 **SEC. 16. Separability Clause.** – Should any provision herein be declared  
29 unconstitutional, the same shall not affect the validity of other provisions of this Act.

30 **SEC. 17. Repealing Clause.** – All laws, decrees, orders, rules, and regulations  
31 or other issuances of parts inconsistent with the provisions of this Act are hereby  
32 repealed or modified accordingly.

33 **SEC. 18. Effectivity.** – This Act shall take effect fifteen (15) days after its  
34 publication in the *Official Gazette* or in any two (2) newspapers of general circulation  
35 in the Philippines.

Approved,