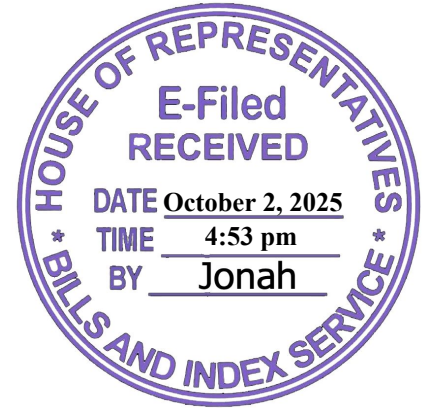


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS

First Regular Session



HOUSE BILL NO. 5107

INTRODUCED BY REPRESENTATIVE JURDIN JESUS M. ROMUALDO

EXPLANATORY NOTE

In view of ongoing geopolitical tensions in the region and the uncertainties introduced by emerging threats to peace and national security, it is imperative that the State sustains a forward-looking, agile, and adaptable defense establishment prepared to address these contemporary challenges. Ultimately, a secure and stable environment constitutes the foundation of the nation's development.

This bill aims to strengthen the Department of National Defense (DND) Proper through several strategic innovations that will transform it into a modernized and proactive institution. The objectives of these innovations are to institutionalize the agency's core systems, enabling it to better serve as an effective resource manager, strategic director, and service provider to the Armed Forces of the Philippines, Government Arsenal, Office of Civil Defense, National Defense College of the Philippines, Philippine Veterans Affairs Office, and the Veterans Memorial Medical Center.

A significant innovation in this bill is the progressive increase of "Core Defense" funding for the Department of National Defense to at least two percent of the country's Gross Domestic Product (GDP). Core Defense is defined as the totality of defense-related activities, programs, projects, and expenditures involved in organizing, maintaining, and employing the Armed Forces of the Philippines. This approach emphasizes addressing the nation's security and defense needs by

prioritizing funding for mission-critical MOOE and Capital Outlay requirements necessary to develop a credible defense establishment that can serve as an effective deterrent against modern security threats.

It is also worth noting that our nation's defense budget currently falls short compared to the defense spending and allocations of our ASEAN neighbors, who face similar or even lesser security threats. For instance, Myanmar allocates 3.80% of its GDP, Singapore 2.70%, and Vietnam 1.80%, while our Defense Department is only allocated a modest 1.19% of GDP. Most of this budget is designated for Personnel Services, rather than for the Core Defense needs that are crucial to addressing our nation's urgent security threats and challenges.

Furthermore, it is also unfortunate that the DND Proper ranks among the departments in the executive branch with the fewest permanent positions. Despite serving an estimated stakeholder base of over a million people and managing assets worth more than P100 billion, it has only 347 authorized positions, including 53 key positions and 32 technical positions. We also observe that although legislation has aimed to strengthen professionalism and improve the capabilities of the AFP, the DND Proper structure has remained unchanged over the years. The outdated setup ultimately hampers its efficiency in fulfilling its vital role as the “mother agency” of the Philippine defense establishment.

This measure also involves clarifying and concretely defining the powers and functions of the DND Proper and the Secretary of National Defense. It recommends organizational updates, including establishing sub-national offices throughout the country, institutionalizing a Corps of National Defense Specialists, providing ongoing education for personnel, and strictly adhering to the protection of sensitive information, among other measures.

In view of ensuring a formidable defense agency amidst evolving global security risks, the consideration and passage of this bill are sought.

JURDIN JESUS M. ROMUALDO

A handwritten signature in black ink, consisting of a large, stylized loop that starts at the top, goes down and around to the left, then up and around to the right, ending with a vertical stroke.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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HOUSE BILL NO. 5107

INTRODUCED BY REPRESENTATIVE JURDIN JESUS M. ROMUALDO

AN ACT
STRENGTHENING THE DEPARTMENT OF NATIONAL DEFENSE PROPER AND
APPROPRIATING FUNDS THEREFOR

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

ARTICLE I
GENERAL PROVISIONS

1
2
3 Section 1. Short Title. – This Act shall be known as the “DND Proper Transformation Act”.

4
5 Sec. 2. Declaration of Policy. – It is hereby declared the policy of the State to maintain a defense
6 establishment capable of upholding Philippine sovereignty, territorial integrity, and national
7 interests, and thereby fostering a safe and stable environment for national development and
8 promoting the well-being and safety of the Filipino people in a proactive and sustainable manner.
9 The State recognizes the urgent need to establish a defense architecture that will be adaptable,
10 flexible, and sustainable amid challenges through an operationally secure system. The capability
11 and capacity re-building of the Department of National Defense (DND) Proper must be
12 immediately undertaken to adequately perform its critical mandate in our country’s national
13 defense environment while reaffirming the Constitutional principle that civilian authority, is at
14 all times, supreme over the military.

15

1 To realize these objectives, the DND Proper shall be transformed into a future-ready, agile, and
2 adaptive defense organization that leverages defense technologies and forward-looking strategies
3 to effectively address traditional and non-traditional threats, including the ability to predict,
4 assess, and respond to such challenges at the earliest stage.

5
6 Sec. 3. Definition of Terms. – As used in this Act, the following terms are defined as follows:

- 7 a) Department of National Defense – refers to the Department of National Defense (DND)
8 Proper, including its attached bureaus;
- 9 b) Defense Infrastructure – refers to capacitating system composed of tangible (e.g., physical
10 facilities, equipment, human resources) and intangible (e.g., policies, processes)
11 components to sustain and enhance multi-domain defense capabilities;
- 12 c) Defense Real Properties – refers to the lands, buildings, and constructions of all kinds
13 which are owned, operated, or used by the Department of National Defense for defense
14 and security, and other purposes necessary for the accomplishment of the Department’s
15 mandate;
- 16 d) DND Proper – refers to offices under the direct control and supervision of the Office of the
17 Secretary of National Defense;
- 18 e) Global Knowledge Networks – refers to a system of interconnected individuals,
19 organizations, and institutions across the world that share, develop, and disseminate
20 knowledge and information;
- 21 f) Core Defense - refers to the totality of activities, programs, projects, and expenditures
22 undertaken by the DND Proper, its bureaus, and attached agencies that are directly and
23 primarily intended to organize, train, equip, sustain, and employ the Armed Forces of the
24 Philippines in addressing national security concerns and interests as may be determined by
25 the Secretary of National Defense.

26
27 **ARTICLE II**

28 **THE DND PROPER: MANDATE, POWERS, AND FUNCTIONS**

29 Sec. 4. The DND Proper. – The DND Proper shall be headed by the Secretary, and shall be the
30 principal mechanism through which the authority of the Secretary shall be exercised. It shall
31 provide the expertise and support necessary and essential for the foregoing purpose.

1 Sec. 5. Agencies under the DND Proper. – The following agencies shall continue to be subject to
2 the control and supervision of the Secretary of National Defense pursuant to existing law and
3 regulations:

- 4
- 5 (a) Government Arsenal (GA), created pursuant to Republic Act Nr. 1884, June 22, 1957;
- 6 (b) Philippine Veterans Affairs Office (PVAO), created pursuant to Commonwealth Act No.
7 288 s. 1938, Republic Act No. 65 s. 1946, and Presidential Decree No. 1, 24 September
8 1972;
- 9 (c) National Defense College of the Philippines (NDCP), created pursuant to Presidential
10 Decree No. 190 as amended by Presidential Decree No. 452, Executive Order No. 44 s.
11 1963;
- 12 (d) Office for Civil Defense (OCD), created pursuant to Republic Act No. 1190, s. 1954, as
13 amended by Executive Order No. 292 s. 1987;
- 14 (e) Veterans Memorial Medical Center (VMMC), by virtue of Public Law 865, 80th U.S.
15 Congress on July 8, 1948, Proclamation No. 2244 s. 1982, and Republic Act (RA) No.
16 6948, s. 1990;
- 17 (f) Armed Forces of the Philippines (AFP), created pursuant to Commonwealth Act No. 1 s.
18 1935 and Executive Order No. 292 s. 1987; and
- 19 (g) Veterans Federation of Philippines (VFP), created pursuant to Republic Act No. 2640 s.
20 1960.

21

22 Sec. 6. Mandate of the DND Proper. – The DND Proper is mandated to provide strategic policy
23 advice and direction, and to ensure sound resource management. The DND Proper shall:

- 24 a) Assess the security environment and capability gaps;
- 25 b) Identify enabling solutions and craft defense strategies, plans, and policies;
- 26 c) Develop and maintain an adaptive defense infrastructure that capacitates the defense
27 establishment to comprehend and leverage the complexities of the security environment in
28 enhancing its capabilities;
- 29 d) Manage and provide defense resources and services;
- 30 e) Strengthen stakeholder relations for defense priorities; and
- 31 f) Monitor and evaluate the efficiency, effectiveness, and integrity of the programs and

1 operations of the DND.

2
3 Sec. 7. Powers and Functions of the DND Proper. – In the fulfillment of its mandate, the DND
4 Proper shall:

- 5 a) Formulate national defense strategies, plans, policies, and programs, including a rational,
6 functional, and sustainable mobilization plan for the deployment of the country's citizens
7 and resources for national defense;
- 8 b) Institutionalize and develop a system that shall integrate and formulate, among others,
9 security environment assessment, planning, resource management, research and
10 development (R&D) and innovation, acquisition, control, support, administration, and
11 decision-making responsibilities of the Secretary of National Defense and the senior
12 officers of the DND Proper;
- 13 c) Formulate, establish, implement, and supervise a sustainable and resilient management
14 system suitable to the requirements of the defense establishment and its stakeholders;
- 15 d) Enter into and execute contracts of every class, kind, and description necessary or
16 incidental to the performance of its mandate as provided herein, with any person, firm,
17 public or private corporation, as well as foreign government entities, subject to the
18 requirements of national defense and security and within such limits as established by the
19 President. In accordance with its mandate to safeguard the state against present and
20 emerging threats to national defense and security, the DND Proper shall be vested with the
21 authority to inquire into and prescribe the submission of all material information pertinent
22 to each transaction.
- 23 e) Develop, enhance, and sustain multidimensional defense cooperation and engagements
24 with the defense establishments and armed forces of other countries, and other regional
25 and international organizations, as well as with global knowledge networks and defense
26 industries in accordance with sustainable development and national security goals;
- 27 f) Develop a self-reliant and agile defense force, including entering into partnerships with
28 foreign entities, that is capable of identifying strategic vulnerabilities, addressing current
29 and potential threats, and mitigating risks across the domains of war through developing
30 adaptive and sustainable defense infrastructure;
- 31 g) Oversee the administration of a comprehensive national civil defense and disaster risk

1 reduction and management program in collaboration with national government agencies,
2 Local Government Units (LGUs), foreign defense establishments and armed forces, as well
3 as intergovernmental and international humanitarian organizations;

4 h) Exercise supervision and control over the AFP and attached bureaus through the
5 formulation, implementation, and monitoring and evaluation of national defense,
6 corporate, service, or manufacturing strategies, policies, plans, and programs;

7 i) Develop the capacities and capabilities of the AFP and attached bureaus to effectively and
8 efficiently address mission requirements;

9 j) Recruit, hire, and terminate certain highly skilled and technical personnel subject to
10 national security needs, which shall be exempt from Civil Service Commission rules and
11 regulations.

12 k) Oversee the formulation of policies, strategies, plans, programs, guidelines, standards, and
13 procedures on cybersecurity, cyber-defense, and optimum utilization of Information and
14 Communications Technology, including the development and monitoring of measures to
15 detect, prevent, eliminate, respond to, and recover from cyber incidents; and

16 l) Perform such other defense-related functions as may be provided by law or directed by the
17 President of the Philippines.

18 19 **ARTICLE III**

20 **ORGANIZATION AND MANAGEMENT OF THE DND PROPER**

21 Sec. 8. Composition of the DND Proper. – The DND Proper shall be headed by the Secretary of
22 National Defense, hereinafter referred to as “the Secretary”, and shall be composed of the Office
23 of the Secretary, the Offices of the Undersecretaries and Assistant Secretaries, and the delivery
24 units and offices.

25
26 Sec. 9. The Secretary of National Defense. – The Secretary shall be appointed by the President,
27 subject to the confirmation by the Commission on Appointments. Section 18 of R.A. No. 11709
28 s. 2022, which prohibits the appointment of retired or resigned military officers as Secretary of
29 National Defense within a period of one (1) year, is hereby expressly repealed.

30
31 Sec. 10. Powers and Functions of the Secretary of National Defense. – The authority and

1 responsibility for the exercise of the mandate, powers, and functions of the DND shall be vested
2 in the Secretary, who shall exercise supervision and control over the DND and its attached
3 bureaus. For such purposes, the Secretary shall have the following powers and functions:

- 4 a) Advise the President on all matters of national defense policy, including the promulgation
5 of executive and administrative orders, and formulation of necessary regulatory and
6 legislative proposals on matters pertaining to national defense and security;
- 7 b) Provide executive direction and exercise supervision over the Department and its attached
8 bureaus for program and policy coordination;
- 9 c) Establish policies and standards for the efficient and effective operation of the Department
10 of National Defense, consistent with the programs of the government;
- 11 d) Evaluate the plans, policies, and programs of the Department of National Defense;
- 12 e) Make available to the public, subject to operational security requirements, its assessments
13 of Defense programs;
- 14 f) Appoint all officers and employees of the DND and its attached bureaus, except those
15 whose appointments are vested in the President or other appointing authority;
- 16 g) Grant appropriate allowances and incentives to officials and employees to guarantee a
17 competitive salary structure in accordance with existing laws, rules, and regulations;
- 18 h) Exercise disciplinary powers over officers and employees of the Department Proper,
19 including their investigation and the designation of committee or officer to conduct such
20 investigation, and establish security criteria for the same;
- 21 i) Issue orders, directives, rules, regulations, and other issuances to carry out plans, policies,
22 programs, or projects pursuant to the provisions of this Act, and exercise such other powers
23 as may be required to implement and realize the objectives of this Act;
- 24 j) Classify certain documents and materials of the Department of National Defense under
25 such rules and regulations as the DND Proper may prescribe; and
- 26 k) Perform other functions as may be provided by law or as directed by the President.

27
28 Sec. 11. National Defense Executives. - The Secretary shall be assisted by at least eight (8)
29 Undersecretaries, at least eleven (11) Assistant Secretaries, and such number of Directors as may
30 be necessary. They shall be appointed by the President upon the recommendation of the
31 Secretary.

1 The Secretary shall have the flexibility to determine the assignments of the Undersecretaries and
2 Assistant Secretaries depending on the DND Proper's strategic direction on emerging threats and
3 interests affecting the country's national security.
4

5 Sec. 12. Sub-National Offices. - The DND may establish, operate, and maintain sub-national
6 offices throughout the country, as management necessities require, based on the determination of
7 the Secretary of National Defense. Each sub-national office shall be headed by a Director.
8

9 Sec. 13. Structure of the DND Proper. – The DND Proper shall determine its organizational
10 structure and propose the creation of new divisions or units as it may deem necessary, and shall
11 appoint qualified officers, specialists, and employees.
12

13 Members of the armed forces in the active service may be assigned or detailed for duty in the
14 DND Proper: Provided, that they shall not be appointed or designated in any capacity to a civilian
15 position. The service of those assigned or detailed for duty in the DND Proper shall be given
16 appropriate weight and/or credit for their career development. The DND Proper shall also ensure
17 to provide appropriate learning and development interventions to those assigned or detailed as
18 may be deemed necessary.
19

20 Sec. 14. Corps of National Defense Specialists. – The DND Proper shall establish a Corps of
21 National Defense Specialists, comprising of the supervising specialists to senior officials of the
22 DND Proper, and occupying positions from Salary Grade (SG) 18 to 30.
23

24 The DND shall provide the appropriate learning and development (L&D) interventions to mold
25 them into well-rounded defense professionals and ensure their responsiveness to current,
26 emerging, and future requirements of the defense establishment, foreign and domestic.
27

28 The L&D interventions shall include an immersion program to strengthen the Corps of National
29 Defense Specialists' conceptual and practical understanding of defense management and
30 innovation. The Corps shall be familiarized with the various aspects of the DND's operations
31 through functional rotation among the DND Proper's offices, attached bureaus and relevant

1 government agencies with the goal of acquiring best management practices.

2
3 Sec. 15. Continuing Education of the DND Proper and its Attached Bureaus. – All officials and
4 employees of the DND Proper and its attached bureaus may avail of opportunities for local or
5 foreign scholarships and other training and research grants, including participation in seminars,
6 conventions, and conferences, to enhance and upgrade their professional and technical
7 knowledge, skills, and competencies.

8
9 The DND may enter into arrangements with leading learning institutions for the conduct of such
10 education, training, and research programs, as may be deemed necessary, to keep it abreast with
11 current and emerging trends on defense and security. This shall also include the sending or
12 exchange of subject matter experts (SMEs) to other government agencies, foreign governments
13 and/or institutions to enhance the learning of the DND personnel through a more practical, real-
14 world approach.

15
16 The DND shall likewise be empowered to enter into research and development initiatives in
17 collaboration with appropriate government agencies, non-government organizations, and the
18 academe, which shall have the highest national security classification: Provide, That the
19 intellectual property rights of such shall redound to the Republic of the Philippines.

20
21 The Personnel of the DND Proper and its attached bureaus participating in education, training,
22 and research programs shall be entitled to emoluments and allowances, subject to existing laws,
23 rules, and regulations.

24
25 Sec. 16. Incentive Pay. – All employees and officials of the DND Proper who are exposed to
26 evolving national security risks in the performance of their duties and responsibilities shall be
27 compensated with the appropriate incentive pay under conditions as may be determined by the
28 Secretary of National Defense.

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ARTICLE IV
RESOURCE MANAGEMENT

Sec. 17. Defense Budget. – Within five (5) years after the effectivity of this Act, the total annual budget of the DND for Core Defense shall be progressively increased to at least two percent (2%) of the Gross Domestic Product (GDP) using the year preceding the implementation of this Act as the base year, and adjusted every ten (10) years thereafter.

Sec. 18. Acquisition, Service Infrastructure, and Maintenance Contracts. – Notwithstanding the provisions of Republic Act No. 12009, otherwise known as the “New Government Procurement Act”, the DND Proper is hereby authorized to enter into partnerships with strategically aligned countries to ensure the continuity of the defense supply chain, to include entering into long-term and multi-year contracts.

These defense partnerships shall enable the DND to acquire supply chains, co-develop secure technologies, and support the acquisition, development, maintenance, and disposal of all defense assets: Provided, That the entities to which it shall contract with have been duly vetted, under such rules and regulations as the DND Proper may prescribe, as technically and financially capable to provide the Department of National Defense’s needs without compromising national security.

Sec. 19. Management and Control of Defense Real Properties. – The DND Proper shall administer, operate, manage, control, maintain, and develop defense real properties for strategic basing and shall use, hold, acquire, or lease any private real property, right of way, or easement, which may be proper or necessary for the accomplishment of its mandate as provided in this Act. The power to manage and control defense real properties includes, but is not limited to, the following:

- a) Prohibit the sale and/or exchange of strategic defense real properties unless otherwise recommended by the Secretary and approved by the President of the Philippines;
- b) Authorize the lease and/or development of defense real properties, by joint venture or

1 otherwise, through the recommendation of the Secretary and approval of the President of
2 the Philippines; and

3 c) Transfer of non-strategic defense real properties, as determined by the Secretary.
4

5 Any and all income derived from the lease or disposition of such defense real properties shall be
6 remitted only to a special purpose trust fund, which shall be managed by the Government Service
7 Insurance System (GSIS) or other government financial institution as may be designated by the
8 President. The said fund shall be used to augment the pension payments of AFP personnel and
9 shall not be commingled with other funds.
10

11 Sec. 21. Grants and Donations. – The DND Proper may accept donations, contributions, and
12 grants from various local or foreign sources, for purposes relevant to its mandate and functions
13 or intended for its bureaus and agencies: Provided, that acceptance thereof shall be subject to
14 compliance with existing laws, rules, and regulations.
15

16 **ARTICLE V**

17 **BUSINESS CONTINUITY MANAGEMENT**

18

19 Sec. 22. Responsive Service Delivery and Resiliency. – The DND Proper shall ensure the
20 provision of resources necessary for organizational productivity, responsive service delivery, and
21 service continuity to include, among others:
22

- 23 a) Modern and responsive work productivity tools and platforms;
- 24 b) Automation, integration, and digitalization toward streamlined systems and processes;
- 25 c) Secure, smart, sustainable, and resilient infrastructure;
- 26 d) Presence in strategic locations to facilitate joint efforts among the DND Proper and its
27 bureaus and ensure service continuity; and
- 28 e) Progressive human resource guidelines designed to enhance the adaptability,
29 competitiveness, and well-being of the DND's human resources.
30

31 The DND Proper shall develop a Business Continuity Plan to ensure uninterrupted service

1 delivery, subject to periodic review and updating as necessary or at least every three (3) years.

2
3 **ARTICLE VI**
4 **FINAL PROVISIONS**
5

6 Sec. 23. Security Consciousness and Protection of Classified Information. – To protect national
7 interests and security, the Department of National Defense shall strictly observe the highest
8 standards of personnel, document, and information security at all times through the
9 implementation of stringent measures such as, but not limited to:

- 10
- 11 a) Review and updating of existing protocols, manuals, and guidelines on handling physical
12 and digital documents and sensitive information and strict implementation thereof;
 - 13 b) Assignment of the appropriate security clearance to every personnel upon entry into the
14 DND and its regular review thereafter;
 - 15 c) Utilization of state-of-the-art security systems and/or technologies in all defense
16 establishments and infrastructure.
- 17

18 Any violations of the Department’s regulations in accordance with Section 10 (j) of this Act shall
19 be dealt with administratively without prejudice to criminal prosecution under the provisions of
20 the Revised Penal Code and other relevant Special Penal Laws.

21

22 Sec. 24. Appropriations. – The amount necessary to implement the provisions of this Act shall
23 be included in the annual General Appropriations Act under the DND.

24

25 Sec. 25. Transitory Provisions. – The DND Proper shall undertake a comprehensive review of its
26 Organizational Structure and Staffing Pattern (OSSP) with the purpose of professionalizing,
27 providing career path, and implementing a competency-based system of human resource
28 development.

29

30 The Department shall submit to the DBM its proposal and such other requirements for the
31 strengthening and modernization of the DND Proper within six (6) months after the effectivity

1 of this Act.

2

3 Sec. 26. Implementing Rules and Regulations. – Within one hundred and twenty (120) days after
4 the effectivity of this Act, the DND Proper shall issue the necessary rules and regulations for its
5 effective implementation.

6

7 Sec. 27. Separability Clause. – If any provision of this Act is declared unconstitutional, the
8 remainder hereof not otherwise affected shall remain in full force and effect.

9

10 Sec. 28 Repealing Clause. – All laws, presidential decrees, executive orders, rules, and
11 regulations and other issuances that are inconsistent with this Act are hereby repealed, amended,
12 or modified accordingly.

13

14 Sec. 29. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the
15 Official Gazette or in a newspaper of general circulation.

16 Approved.