

Is Military Reform Possible?

Perhaps the best way to address the topic “Is Military Reform Possible?” is by providing an update of the ongoing Philippine Defense Reform (PDR) Program. To begin with, in August 2003 the final RP-US Joint Defense Assessment Report was submitted to the Republic of the Philippines. The assessment that started in 2001, identified 65 key areas and 207 ancillary areas of concern and rated the Philippine military as “barely mission capable”. The report nevertheless provided specific recommendations on how the Philippine military can overcome those serious gaps and shortfalls. President Arroyo strongly endorsed the assessment and the recommendations of the JDA and vowed to transform the defense establishment as the cutting edge for internal reforms in the government.

Currently, there are 10 Priority Programs that are being implemented by the Defense Department under the Philippine Defense Reform:

Priority Program 1 - Multi-Year Defense Planning System

Program No. 1 addresses the need for a holistic and coherent framework at the strategic level. The Multi-Year Defense Planning System (MYDPS) comprises the setting of measurable objectives, determining the requirements for achieving those objectives, and allocating budget and resources to meet those requirements. The goal of the MYDPS is to institutionalize the development of strategy-driven multi-year defense plans, programs, budgets and requirements in which comprehensive strategic-level plans and planning guidance govern multi-year programs and requirements, particularly with respect to defense capability, organization and force structure, doctrines and human resources are concerned.

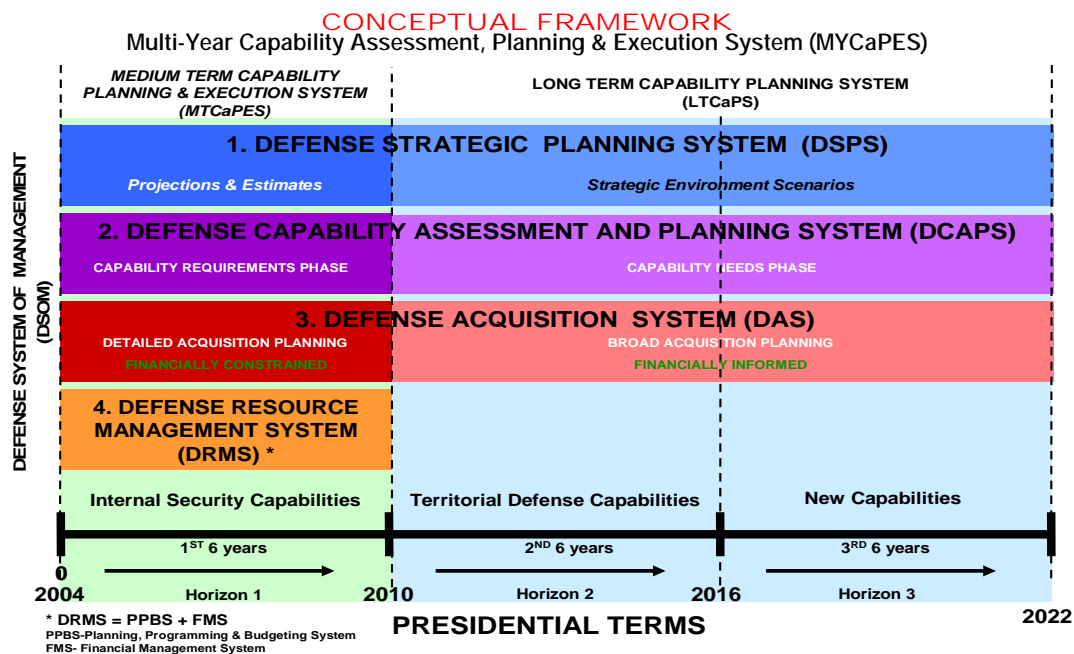


Figure 1: Multi-Year Capability Planning and Execution System (MYCaPES)

A significant component of MYDPS is the implementation of the Multi-Year Capability Planning and Execution System (MYCaPES), in which the DND bases its budget proposals from a multi-year perspective. This allows defense institutions to outline specific strategies, define objectives, identify needed capabilities and provide resources under anticipated financial limits. Planning, programming and budgeting under anticipated financial limits instill discipline, unify the budget into a single budget, emphasize optimization of resources and link spending with specific strategies and defined objectives.

Priority Program 2 - Improvement of Intelligence, Operational and Training Capacity

Program No. 2 focuses on the intelligence, operational and training concerns of the AFP. Through this Program, the backlog in training will be dealt with, particularly on training requirements for commanders, non-commissioned officers and military units. Emphasis will also be given to the development of doctrines, training and operations of joint forces involved in the utilization of land, maritime and air forces under a Unified Command.

Priority Program 3 - Improvement of Logistics Capacity

Program No. 3 aims to ensure logistical efficiency by enhancing operational readiness (OR) and reliability rates of all platforms and weapons systems being used by the AFP. Through this Program, the AFP shall raise the OR rates of key systems by increasing and reprioritizing funding, reducing personnel-to-platform imbalances, tapping available logistics expertise, and providing basic and advance logistics training.

Priority Program 4 - Professional Development Program

Program No. 4 endeavors to meet the needs of the DND and the AFP in terms of institutional and individual competencies in various critical functions such as defense resource management, acquisition, multi-year budgeting, strategic planning and information management. The development of expertise and management skills shall be made in critical areas that directly impact on the defense and military establishment's capability to plan, support and execute effective operations.

Priority Program 5 - Improvement of Personnel Management System

Program No. 5 seeks to fill the gaps in the current personnel management system by establishing an improved organizational structure that is responsive to defense requirements and missions. This will systematically provide and place personnel with the correct expertise in the right job and position. This Program likewise seeks to stabilize leadership positions and senior officer movements, establish minimum tour lengths to ensure continuity of long-term programs.

Priority Program 6 - AFP Multi-Year Capability Upgrade Program

Through the Multi-Year Capability Upgrade Program (CUP), the AFP has refocused military spending and identified needed resources to upgrade its Internal Security Operations (ISO) capabilities in areas such as mobility, firepower, communications, force protection and combat life support.

Priority Program 7 - Improvement of Financial Controls

Program No. 7 seeks to meet the mission requirements of the AFP by introducing enhanced financial controls to optimize the defense budget and provide for adequate defense spending to meet operational demands. An important task under this Program is the creation of structures and systems for oversight to manage resources and requirements from planning to execution.

Priority Program 8 - Centrally-Managed Defense Acquisition System

Program No. 8 endeavors to improve the processes in the acquisition of defense requirements. A centrally-managed Defense Acquisition System (DAS) manned by a competent and professional workforce is in the process of being established in the DND.

Priority Program 9 - Development of Strategic Communication Capability

Program No. 9 seeks to fulfill the imperative of credible and effective communication by developing the Strategic Communication (StratCom) capability in the entire defense and military establishment. StratCom is a process and communication tool that harnesses various information-based capabilities to impact strategic goals.

Priority Program 10 - Information Management Development Program

Program No. 10 aims to establish an information management (IM) system that ensures the provision of accurate information in a timely manner. In the context of managing data and information, the need for the following has been recognized: (1) a common standard of technology to promote interoperability; (2) a professional and competent IM staff; and, (3) a strong ICT and IM-oriented leadership and organization.

The Roadmap to Reform

The Philippine Defense Reform follows a three-phased roadmap in its implementation. This roadmap is significantly based on John Kotter's Change Management Model. The road towards creating a strong, capable and responsive defense establishment consists of the following three phases: (1)

creating the environment for reform; (2) enabling the defense establishment; and, (3) implementing and institutionalizing reform. PDR follows a building-block approach which essentially builds on the gains of each step in the reform phase to ensure a steady process of institutional transformation.

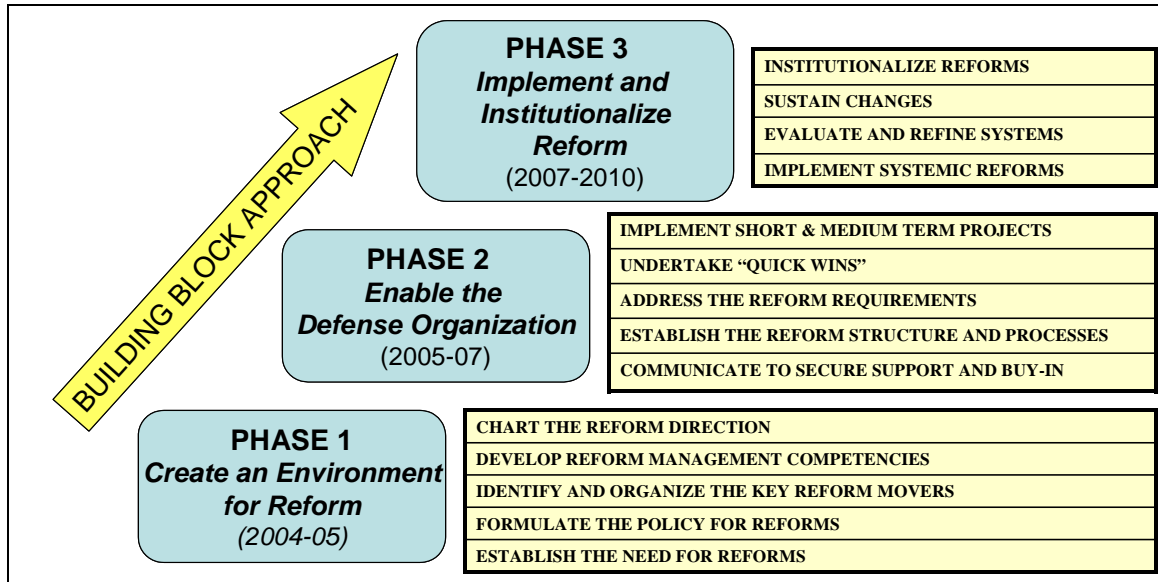


Figure 2. The PDR Roadmap

Phase1. Creating the Environment for Reform

The first phase in the reform process establishes the right motivational conditions or foundations for reforms. These include the reform imperative and policy, the key reform movers and a clear direction of the effort.

1. Establishing the Need for Reforms. First in the order of things to be done in the process of reform is to establish the need for reforms in the defense organization. The imperative for reform was highlighted in 2003 RP-US Joint Defense Assessment Report which JDA revealed systemic deficiencies in various functional areas. Prior to the JDA, the Davide and Feliciano Commission Reports provided a reference for reforms that call for immediate action. These reforms are aimed at improving the AFP promotion and assignments system, educational system, procurement system, auditing system, health and benefits system, among others.
2. Formulating the Policy for Reforms. In creating a reform climate, policies pertaining to the implementation of reforms must be

formulated. These policies serve as binding bases for the offices, units, groups and individuals to start and eventually sustain reforms. PDR is anchored on Joint Statement between President Gloria Macapagal-Arroyo and President George W. Bush. Released on October 18, 2003, the Joint Statement provides for the development of a multi-year plan to implement the key recommendations in JDA Report. In response to the executive pronouncement, PDR became one of the policy thrusts of the DND in 2005 and still continues to be the primary vehicle for implementing reforms at various levels in the defense and military organization.

3. Identifying and Organizing the Key Reform Movers. A critical part in building a reform environment is the identification of key reform movers and the establishment of a structure that would properly identify functions, responsibilities and linkages. These key individuals champion the reform effort and provide the vision for the future. They also monitor the change process and help the organization in matching efforts and results with the intended objectives. The implementation of PDR is greatly guided by the PDR Office at the DND which initiates and facilitates changes in the defense establishment. The PDR Office has been instrumental in extensive planning for the individual programs and projects and equipping of project managers and staff.
4. Developing Reform Management Competencies. Part of building strong foundations for the reform environment is the development of reform management competencies. Key reform movers must be adequately skilled and equipped in initiating, facilitating and monitoring the entire change effort. Such skills are then cascaded to other players at various levels of the defense and military hierarchy. Thus, training on organizational, consultation and facilitation are necessary to effectively manage and implement the PDR programs. Project management seminars, change management seminars, project planning, are only some of the training seminars that have been designed to address competency needs in PDR.

B. Phase 2. Enabling the Defense Organization

The second phase entails preparing and equipping the entire defense organization for the reform tasks. This involves communicating the value and benefits of reforms to generate buy-in, addressing the reform requirements such as resources and necessary skills, undertaking “quick win” projects or readily implementable, high-impact projects and implementing short and medium-term projects.

1. Communicating to Secure Buy-In. *Shaping and managing the reform environment primarily through communication is crucial in developing constituencies supportive of the PDR. The DND leadership believes that without buy-in and active participation from the stakeholders, no reform can successfully be implemented. The DND undertakes its communication efforts by creating reform champions and agents; formulating a PDR communication strategy; fostering understanding and appreciation of PDR; encouraging participation from stakeholders; and, establishing feedback mechanisms.*
2. Establishing the Reform Structure and Processes. *As a comprehensive undertaking, PDR aims to involve personnel from the entire defense. On November 30, 2005, the Secretary of National Defense issued the Department Order No. 82 otherwise known as the Creation of the Philippine Defense Reform Board and Defining the PDR Management Structure and Processes. This directive created the PDR Board headed by an Undersecretary and formalized the reform organizational set-up between the Office of the Secretary of National Defense (OSND) and the AFP. It also laid down the workflow and the decision-making process for developing PDR plans and implementing the reform initiatives. To strengthen and underscore a policy-level approach to PDR, the membership of the PDR Board was eventually reconstituted with the Secretary of National Defense as the new PDR Board Chairman, the AFP Chief of Staff as the Vice Chairman and the AFP Major Service Commanders, DND Undersecretaries and Assistant Secretaries as members.*
3. Addressing the Requirements for Reform. *A reform endeavor involves a number of important elements in its implementation. Funding, people, training and facilities and equipment, are only some of the important requirements to enable the DND and AFP to successfully complete a comprehensive reform program. As a show of political will to implement reforms, the Philippine government commits Php 2 Billion a year with counterpart funding from the US starting in 2004 up to 2010.*
4. Undertaking "Quick Wins". *One enabling effort in PDR is the implementation of "quick win" projects or "quick wins". These projects are readily identifiable and achievable components of a PDR program that can be frontloaded in a short span of time to immediately address a concern or deliver an urgent requirement. "Quick win" projects create success stories that energize and motivate the implementers, agents and stakeholders. They serve as good communication messages that promote the overall reform effort. Most importantly, "quick win" projects provide an opportunity to enhance teamwork and learning opportunities among the reform teams. Each of ten PDR*

programs has its own list of quick win projects that are currently being implemented.

5. *Implementing Short and Medium Term Projects.* *PDR serves as the overarching framework for all reforms within the Philippine defense establishment. While instituting comprehensive and institutional reforms and improvements at the strategic level, emphasis is also placed on other reform initiatives that contribute to the enhancement of defense institutions. PDR is interfaced with other reform initiatives and seeks to orchestrate, harmonize and synchronize their comprehensive implementation. The AFP Reform Agenda and the implementation of recommendations contained in the Davide and Feliciano Commission Reports constitute the short and medium-term projects under the framework of PDR.*

C. Phase 3. Implementing and Institutionalizing Reform

The third and final phase involves executing, sustaining and institutionalizing systemic reforms in the defense organization. This phase also entails embedding a reform paradigm in the organization to make reform a culture in the defense establishment.

1. *Implementing Systemic Reforms.* *Each PDR program has its own reform projects that are being implemented by their respective project teams. These projects serve as concrete efforts to institute changes in the defense establishment.*
2. *Evaluating and Refining the Systems.* *Ensuring a progressive approach at implementing reforms require adequate evaluation metrics. Thus, Department Order No. 82 prescribes two measures of evaluation, the Performance Measures (PM) and Measures of Effectiveness (MOE). PM measures the progress of the program or project from planning to implementation; marks important milestones achieved along a program's life cycle; and, monitors compliance to output quality, costs and time specifications. The second metric is the Measures of Effectiveness (MOE) which indicates whether reforms have indeed produced the desired results and effects. Both metrics themselves are subject to continuing review and evaluation. The refinement of the reforms will occur after a period of utilization of implemented projects. Actual utilization of reformed systems allows for and indicates the extent of refinements needed before they are actually institutionalized.*

3. *Sustaining Changes.* *Reform is essential for a healthy organization. Efforts to improve the organization must be a continuing endeavor not only to fix the systems but also to keep attuned to the changing times, priorities and the overall organizational conditions. PDR identifies several measures for sustaining reforms to include the following:*
 - a. *Advocacy for Reforms.* Solid support from all the stakeholders is critical to PDR success. This ensures continuity of reforms despite changes in leadership. The key areas in this PDR effort are communicating with, listening to and active participation of all stakeholders.
 - b. *PDR as the Blueprint for Reform.* As reform tasks are constantly practiced, the process becomes more important than the output. PDR makes it a point to establish frameworks and processes that can be used again and again to ensure progressive developments in the system and organization. This is the reason why great emphasis is placed on documenting the reforms under PDR. Likewise, reform capacities need to be clearly identified and developed to enable successors to employ such framework and processes.
 - c. *Providing Incentives.* PDR aims to recognize participation of all individuals and organizations in the reform effort. Incentives are good measures to attract and tap competent staff that would man the reform structures. These will provide one motivation that will support the sustainment of reforms.
 - d. *Strengthening Bilateral and Multilateral Cooperation.* Reforms in the Philippine defense establishment are in the interest of the country's key allies and the members of the regional community. This interest in turn provides additional support for PDR in terms of funding, technical assistance, education and training programs, information-sharing, exercises and confidence-building. These cooperative measures provide PDR an array of options for its sustainment.

4. *Institutionalizing Change: Updating the National Defense Act*

To institutionalize the benefits of our transformation process, a new National Defense Act shall be submitted to Congress to update the existing National Defense Act (Commonwealth Act No. 1) that was enacted in 1935. This draft bill will codify the comprehensive, institutional and systemic improvements being made through the PDR and embody other needed improvements in the defense establishment.

This initiative will bring about a strengthened organizational identity to provide the focus for the defense establishment to root its programs, structures, and efforts in accordance with stable policies that are founded on law. It will further institutionalize measures that promote professionalism within the DND and AFP and increase morale among immediate stakeholders.

One important provision in the draft law is the stabilizing of key leadership positions in the AFP in order to ensure continuity of programs.

Towards a Transformed Defense Institution

The way ahead for the PDR is long and difficult considering the limitations in defense resources. The vision of a transformed defense establishment capable of responding to current and emerging national security threats shall be achieved through steady progress in the implementation of short-term reforms, enactment of fundamental defense management processes and the sound management of obstacles and challenges in the course of the reform process.

While the road towards reform has its challenges, the defense leadership is confident that real and meaningful change is already taking place. The strength of the ideas behind our efforts at transformation will continue to push and sustain the momentum we have created.

Defense reform is an iterative process involving continuous assessment, reform action, evaluation and course correction to effectively sustain reforms and achieve the desired end state. PDR has significant forward momentum through daily interaction between PDR and key command and staff agencies within the DND and AFP. PDR is now in the execution phase and will require allocation of additional financial and personal resources to be successful. Continued support of the President, SND, AFP Chief of Staff and Major Service Commanders is essential to ensure PDR success. US continue to support PDR and the support strengthens RP-US relations. Given all these developments, the vision of a transformed defense establishment capable of responding to current and emerging threats is indeed attainable.