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The Philippines: Background and U.S. Relations

March 28, 2022

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R47055

CRS REPORT
Prepared for Members and
Committees of Congress

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SUMMARY

R47055

March 28, 2022

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The Philippines: Background and U.S. Relations

The United States and the Republic of the Philippines have a deep relationship that includes a bilateral security alliance, extensive military cooperation, close people-to-people ties, and many shared strategic and economic interests. The Philippines, situated east of the South China Sea and south of Taiwan, has long played an important role in U.S. Asia policy as a close security and counterterrorism partner. The Philippines is a democratic state where popular support for the bilateral relationship and the alliance is strong.

President Rodrigo Duterte, whose term ends June 2022, has received high approval ratings despite some controversial actions and policies, including carrying out a violent anti-illegal-drug campaign, harassing journalists critical of his government, threatening to terminate the Philippines-U.S. Visiting Forces Agreement (VFA) before reversing course and recommitting to it, and seeking a rapprochement with China, a potentially large source of foreign investment. U.S. policymakers have sought to preserve the long-standing bilateral relationship, despite some of Duterte's policy stances that appeared to strain U.S.-Philippine bonds.

The Philippines is the largest country recipient of U.S. military assistance in the East Asia-Pacific region, including Foreign Military Financing and assistance under the Department of Defense's Indo-Pacific Maritime Security Initiative. U.S. military personnel and the Armed Forces of the Philippines (AFP) hold regular bilateral military exercises and maritime patrols, collaborate on counterterrorism efforts, and conduct joint humanitarian activities. The U.S.-Philippines Enhanced Defense Cooperation Agreement, signed in 2014, allows for the increased rotational presence of U.S. military forces, ships, and aircraft in the Philippines, although President Duterte had expressed skepticism about expanding the U.S. presence in the Philippines. Duterte's threat to terminate the VFA raised doubts about bilateral military ties, as the agreement governs the legal status of U.S. military forces operating in the Philippines and establishes rules by which U.S. troops, vessels, and aircraft may enter the country. On July 30, 2021, Philippine Defense Secretary Delfin Loranzana announced the Philippines would recommit to the agreement and Defense Secretary Lloyd Austin III reaffirmed the U.S. commitment to the bilateral Mutual Defense Treaty.

The Philippines has long battled Muslim armed separatist and terrorist groups in the south of the country. ISIS–East Asia (ISIS-EA), a loose collection of groups that have pledged allegiance to the Islamic State, has around 300-500 mostly Filipino and some foreign fighters who have carried out sporadic attacks in Mindanao and Sulu. The U.S. military has provided advisory and intelligence gathering support to the AFP in counterterrorism operations.

Since 2016, Duterte's "War on Drugs" has resulted in thousands of extrajudicial killings. Estimates of drug war-related deaths range from Philippine government figures of roughly 6,000 to counts by human rights organizations of over 27,000. According to human rights groups, virtually all of the killings, which have been carried out by police and armed vigilantes, occurred without due process, and the vast majority of victims have been unarmed, poor, low-level offenders. In response, the U.S. government has suspended counternarcotics assistance to Philippine National Police units since 2016.

The Philippines and the People's Republic of China (PRC) have long-standing disputes over waters and land features in the South China Sea. In 2016, a tribunal convened under the Permanent Court of Arbitration in The Hague concluded that China's "Nine Dash Line" territorial claims have no legal basis under the United Nations Convention on the Law of the Sea (UNCLOS). Since 2019, flotillas of PRC vessels have regularly massed around Philippine-occupied land features, and in 2019, a PRC vessel sank a Philippine fishing boat in disputed waters. The Duterte government has not focused on the tribunal ruling in its diplomatic efforts with China to address the territorial disputes. However, the Philippines recently has intensified its efforts to protest Chinese incursions into disputed areas of the South China Sea that Manila considers to be part of its Exclusive Economic Zone.

The Philippine Constitution limits the president to one six-year term. Preparations for the next presidential election, scheduled for May 2022, have begun. A wide range of presidential candidates have filed for the election, including Ferdinand "Bongbong" Marcos Jr., son of the longtime Philippines President Ferdinand Marcos, and current Vice President Leni Robredo, a vocal Duterte critic. President Duterte announced plans to run for the Senate before reversing course and withdrawing.

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Overview

The United States and the Republic of the Philippines have maintained a deep relationship that includes a bilateral security alliance, extensive military cooperation, close people-to-people ties, and many shared strategic and economic interests.[1] U.S. past administration of the Philippines as a colonial territory (1898-1946) also has shaped the relationship, by both forging bonds, on the one hand, and, among some Filipinos,[2] creating a wariness of drawing too close to the United States, on the other. Filipino-Americans constitute the third-largest Asian-American group in the United States, numbering over 4.2 million people, and comprise the most numerous foreign-born group in the U.S. Armed Forces.[3]

During Rodrigo Duterte's term as president of the Philippines, which began in 2016, U.S. policymakers have sought to preserve the long-standing bilateral relationship, despite some of Duterte's policy stances that have appeared to strain U.S.-Philippine bonds. Many Philippine diplomatic and military officials have been eager to maintain or strengthen cooperation with the United States; however, Duterte's documented distrust of the United States,[4] eagerness for greater cooperation with the People's Republic of China (PRC), and antipathy toward U.S. criticism of human rights issues in the Philippines have complicated those efforts.[5]

Colonial History

The Philippines was unified and colonized by Spain in 1542. Filipinos waged a rebellion against Spain in 1896, but their independence movement was not recognized by the United States, which acquired the territory from Spain in 1898 following the Spanish-American War. U.S. forces then battled Filipino resistance fighters until they were largely subdued in 1902. The Philippines became independent in 1946.

The Philippines has long played an important role in U.S. Asia policy, and it figures prominently in the Biden Administration's Indo-Pacific strategy as one of five regional treaty allies with which the United States has a deepening relationship.[6] The Philippines has been a treaty ally since 1951 and a major non-NATO ally since 2003. It is the largest recipient of U.S. military assistance, equipment, and training in the region. The country holds strategic importance as a part of what some experts refer to as the "first island chain" in the Pacific,[7] and its maritime territorial disputes with China are a potential flashpoint in the South

[1] This report does not cover congressional issues related to WWII Filipino veterans who fought under U.S. military command during World War II.

[2] "Filipino" (male), "Filipina" (female), and "Filipinos" (plural, all genders) refer to citizens of the Philippines.

[3] Abby Budiman, "Filipinos in the U.S. Fact Sheet," Pew Research Center, April 29, 2021.

[4] Prashanth Parameswaran, "Why the Philippines' Rodrigo Duterte Hates America," *The Diplomat*, November 1, 2016; Trefor Moss, "Behind Duterte's Break with the U.S., a Lifetime of Resentment," *Wall Street Journal*, October 21, 2016.

[5] Steve Mollman, "Rodrigo Duterte Preceded Hosting Trump with Tirades Against His Human Rights Critics," *Quartz*, November 13, 2017.

[6] The White House, "Indo-Pacific Strategy of the United States," February 2022; Antony Blinken, "A Free and Open Indo-Pacific," Jakarta, Indonesia, December 14, 2021; Department of State, "A Free and Open Indo-Pacific: Advancing a Shared Vision," November 4, 2019.

[7] The so-called first island chain includes southern Japan, Taiwan, and the Philippines, enclosing the sea areas closest to China. The second island chain also starts in Japan, but extends further out into the Pacific, enclosing the Philippine Sea that separates the Philippines from Guam. In discussions of China's military capabilities and foreign policy goals for the Western Pacific, some security and foreign policy experts refer to the first and second island chains as areas that China is perceived as wanting to influence or eventually dominate, and conversely as geographic features that the United States and its allies and partners potentially can use to counter or contain Chinese military actions. See, for example, Andrew S. Erickson and Joel Wuthnow, "Why Islands Still Matter in Asia: The Enduring Significance of the

China Sea. The Philippines also serves as an important U.S. counterterrorism partner in Southeast Asia. Since the 1986 "People Power" movement that deposed former authoritarian President Ferdinand Marcos, the country has also been one of the region's most vibrant democracies, although corruption and serious human rights problems continue to fester.[8]

Figure 1. Philippines at a Glance

Geography
Archipelago. Land area—298,000 square kilometers (Slightly larger than Arizona).

People
Population: 110 million (2021)
Ethnic Groups: Predominantly Malay (95%); other ethnic groups include Chinese and mixed race (Filipino-Spanish, Filipino-Chinese, and Filipino-American).
Religious Affiliations: Roman Catholic (81%); other Christian (9%); Muslim (5%); other (5%).

Economy
Gross Domestic Product (GDP): $963 billion (purchasing power parity, 2019). Global ranking: 28.
Per Capita GDP: $8,900 (purchasing power parity, 2019).
GDP Composition by Sector: Agriculture (9%); Industry (31%); Services (60%) (2019).

Source: Map created by CRS using data from the U.S. State Department, Global Admin, and ESRI. Fact information from Central Intelligence Agency, *The World Factbook*, 2021.

Congressional Interests

Congress has shown interest in the Philippines in several key policy areas over which it has provided oversight, policy direction, and funding. It has also occasionally placed restrictions on foreign assistance in order to pressure the Philippine government to improve human rights conditions.

Strategic Interests

The Philippines holds strategic importance for the United States as part of what some experts refer to as the "first island chain" in the Pacific, as it is located less than 800 miles south of Taiwan and 900 miles southeast of China's Hainan province, an island with a major naval base.[9] U.S. Indo-Pacific Command (INDOPACOM) reportedly aims to broaden the U.S. force posture in East Asia, deploying and rotating military assets to Southeast Asia and the southern Pacific. Experts contend that the Philippines could play a key role in a contingency with China in the

Pacific 'Island Chains,'" The National Interest, February 6, 2016.

[8] Department of State, *2020 Country Reports on Human Rights Practices: Philippines*, March 30, 2021.

[9] Damen Cook, "China's Most Important South China Sea Military Base," *The Diplomat*, March 9, 2017.

region.[10] The National Defense Authorization Act (NDAA) for 2022 calls on the Secretary of Defense to strengthen U.S. ties with security partners in the Indo-Pacific region, including with U.S. allies the Philippines and Thailand, and increases funding for the Pacific Deterrence Initiative, which involves the Philippines, Japan, and other allies.[11]

Regional Counterterrorism Efforts

The Philippines, which is home to not only indigenous extremist groups but also at times to foreign terrorist fighters,[12] has "enjoyed close counterterrorism cooperation with the United States," according to the State Department.[13] The Philippines was designated a major non-NATO ally in 2003 as part of the George W. Bush Administration's Global War on Terror.[14] U.S.-Philippine counterterrorism efforts have included the Joint Special Operations Task Force–Philippines (2002-2014) and Operation Pacific Eagle-Philippines (2017-2020). In 2019, the two countries signed an agreement to establish a new regional counterterrorism facility in the Philippines.[15]

South China Sea Disputes

The United States has aimed to partner with the Philippines in carrying out strategies to counter Chinese military assertiveness in the South China Sea and to build "support for rules-based approaches to the maritime domain, including in the South China Sea and the East China Sea."[16] The Philippines is the only country with territorial disputes with China that has challenged China's maritime territorial claims under the United Nations Convention on the Law of the Sea (UNCLOS).[17] Through the Department of Defense's Indo-Pacific Maritime Security Initiative (MSI),[18] which Congress extended in 2021,[19] the United States has sought to improve the ability

[10] Todd Lopez, "For Contingencies in Indo-Pacom, Army Will Serve as 'Linchpin' for Joint Force," *DOD News*, December 1, 2021; Michael J. Green and Gregory B. Poling, "The U.S. Alliance with the Philippines," Center for Strategic and International Studies," December 3, 2020.

[11] The National Defense Authorization Act, 2022 (P.L. 117-81, Sections 1242 and 1252). Benjamin Rimland and Patrick Buchan, "Getting the Pacific Deterrence Initiative Right," *The Diplomat*, May 2, 2020.

[12] Foreign fighters mostly have come from other countries in Southeast Asia. Thomas M. Sanderson and Maxwell B. Markusen, "A Call to Battle in the Philippines: Investigating Foreign Fighters in Marawi," Center for Strategic and International Studies, October 31, 2017.

[13] Department of State, *Country Reports on Terrorism 2020: Philippines*, December 16, 2021. See also Ashley L. Rhoades and Todd C. Helmus, "Countering Violent Extremism in the Philippines," RAND, 2020.

[14] Designation of the Philippines as a Major Non-NATO Ally, Presidential Determination No. 2004-02 of October 6, 2003, 68 *Federal Register* 59855. For further information, see Department of State, "Major Non-NATO Ally Status," fact sheet, January 20, 2021.

[15] U.S. Embassy in the Philippines, "New Regional Counterterrorism Training Center to Boost U.S.-Philippine and Regional Cooperation," October 11, 2019.

[16] The White House, "Indo-Pacific Strategy of the United States."

[17] Some Members of Congress have sponsored legislation calling on the U.S. Senate to ratify UNLCOS. See H.Res. 361 and S.Res. 220. There is debate about the effectiveness of signing onto the agreement in furthering U.S. interests in the South China Sea. William Gallo, "Why Hasn't the US Signed the Law of the Sea Treaty," *Voice of America*, June 6, 2016.

[18] Formerly the South China Sea Initiative. See the National Defense Authorization Act for FY2016 (P.L. 114-92, Section 1263).

[19] The NDAA, 2022 (P.L. 117-81, Section 1241) extended the MSI through 2027.

of the Philippines, Vietnam, and other Southeast and South Asian countries to maintain maritime domain awareness and patrol their Exclusive Economic Zones (EEZs).

Human Rights Concerns

The Philippines long has attracted congressional concern related to its human rights violations, particularly extra-judicial killings. At various times during the past decade and a half, Congress has restricted military and other security assistance to the Philippines in order to encourage improvements in human rights practices of the Philippine military, police, and government. The Asia Reassurance Initiative Act of 2018 (ARIA, P.L. 115-409) supports a multipronged U.S. strategy for advancing a "Free and Open Indo-Pacific," including the promotion of human rights in the Indo-Pacific region. ARIA and other legislation restrict counternarcotics assistance to the Philippine National Police (PNP) due to human rights violations related to the drug war.[20]

Philippine Politics

The Economist Intelligence Unit (EIU) ranks the Philippines 54th out of 167 countries in terms of its level of democracy, placing it in the "flawed democracy" category and ranking it the second-most democratic country in Southeast Asia after Malaysia. Although the EIU gives the Philippines relatively high scores on electoral process and pluralism, political participation, and civil liberties, the country receives relatively low scores on the functioning of government and political culture.[21]

Many aspects of institutional democracy are practiced to the fullest in the Philippines. Philippine citizens generally can exercise political and civil rights with few restrictions, openly criticize national leaders, and enjoy academic freedom and religious liberties. The country has a robust civil society and a lively press. International and national observers considered national midterm elections held in 2019 "generally free and fair."[22] Some aspects of Philippine politics, however, long have undermined democratic institutions and government effectiveness and led to human rights abuses. These include the existence of corruption; concentrations of power among socioeconomic elites and local clans; the lack of democratic control over the security forces; and a weak judicial system and culture of impunity.[23]

During the democratic era that began in 1986, the legislative branch and Supreme Court have not served as strong checks on presidential power. Political parties and groupings tend to be fluid and shifting, driven more by individual personalities, interests, and loyalties than by unifying ideologies, policy platforms, and goals.[24] Some experts argue that the Supreme Court has become less independent over the course of the past three administrations.[25] The court generally has not

[20] See also the Consolidated Appropriations Act, FY2021 (P.L. 116-260, Section 7043(g)).

[21] Economist Intelligence Unit, "Democracy Index 2021," February 10, 2022. By comparison, the United States ranks 26th, also in the "flawed democracy" category.

[22] Department of State, *2020 Country Reports on Human Rights Practices: Philippines*.

[23] Nicole Curato, "Democratic Expressions Amidst Fragile Institutions: Possibilities for Reform in Duterte's Philippines," Brookings, January 22, 2021; David G. Timberman, "Philippines Politics Under Duterte: A Midterm Assessment," Carnegie Endowment for International Peace," January 10, 2019; Christia Marie Ramos, "'Culture of Impunity' Made Filipinos Afraid of Voicing Criticism vs. Admin—Pangilinan," *Philippine Daily Inquirer*, March 19, 2021.

[24] Paul D. Kenny, "Why Is There No Political Polarization in the Philippines?" Carnegie Endowment for International Peace, August 18, 2020.

[25] Edcel John A. Ibarra, "The Philippine Supreme Court Under Duterte: Reshaped, Unwilling to Annul, and Unable to

attempted to restrain the actions of President Duterte, who has appointed 12 of the Supreme Court's 15 Justices.[26]

Duterte's Legacy and the 2022 Elections

The Philippines is scheduled to hold presidential, congressional, and local elections on May 9, 2022, with a new president and legislature slated to take office on July 1, 2022. President Duterte is not seeking reelection, as the Philippine Constitution limits the president to one six-year term without the possibility of reelection. Some observers view the polls as a referendum on President Duterte's policies and actions, including what some refer to as an erosion of democracy under his rule.[27]

Duterte remains popular domestically, according to opinion polls, despite an economic downturn caused by the Coronavirus Disease 2019 (COVID-19) pandemic, his violent antidrug campaign, and his controversial foreign policy stances. In one poll conducted in March 2021, Duterte had an approval rating of 65%.[28]

Prominent candidates for the presidency include Ferdinand "Bongbong" Marcos Jr., son of the longtime Philippines President Ferdinand Marcos; Vice President Maria Leonor "Leni" Robredo, a prominent Duterte critic; and Senator Emmanuel "Manny" Pacquaio, a prominent boxing champion. Duterte's daughter, Sara Duterte-Carpio, formerly mayor of Davao, is running for vice president, allied with Marcos. (The Philippines president and vice president are elected separately, and frequently come from competing political factions, as is true of President Duterte and Vice President Robredo.)

Many political observers see the 2022 polls as an important test of the Philippines' democratic institutions, which some experts argue have weakened under Duterte. Analysts point to the Philippines as an example of growing authoritarian tendencies in countries that still practice electoral democracy. Such trends include the increasing use of police and military in all levels of governance; attacks against the political opposition, judiciary, and media; and disinformation campaigns that have lessened the public's ability to influence decisionmaking.[29]

U.S.-Philippines Relations

In contrast to his predecessor, Benigno Aquino III, who steered the Philippines strategically towards the United States, President Duterte sought to strengthen ties with China, which he viewed as a potentially large source of foreign investment.[30] According to some analysts, Duterte attempted to institute a policy of "equi-balancing" between the United States, its principal

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Restrain," *Social Science Research Council*. November 10, 2020.

[26] Philippine Supreme Court Justices are required to retire at 70 years of age. "Duterte Appoints New Supreme Court Justice," *BusinessWorld*, November 16, 2021; David G. Timberman, "Philippines Politics Under Duterte: A Midterm Assessment."

[27] David Hutt, "Next Philippine Election Looms as an Institutional Stress Test," *The Diplomat*, November 12, 2020.

[28] Azer Parrocha, "PRRD Maintains High Approval, Trust Ratings Amid COVID-19 Surge," *Philippine News Agency*, April 8, 2021; "September 17-20, 2020 National Mobile Phone Survey—Report No. 15: Filipinos Have Mixed Expectations on Personal Quality-of-Life in the Next 12 Months," Social Weather Stations, November 6, 2020.

[29] Nicole Curato, "Democratic Expressions Amidst Fragile Institutions: Possibilities for Reform in Duterte's Philippines," *Brookings Institution*. January 22, 2021; Sheila Coronel, "This Is How Philippine Democracy Dies," *The Atlantic*, June 16, 2020.

[30] Derek Grossman, "Duterte's Dalliance with China Is Over," The RAND Blog, November 2, 2021.

diplomatic and security partner, and China, its largest trading partner.[31] The Philippines under Duterte also expanded its sources of military assistance, including from U.S. allies and strategic partners Australia, Japan, South Korea, and India, as well as from China and Russia.[32] Between 2016 and 2019, Duterte made annual trips to China, including two in 2019, as well as two trips to Russia and three to Japan, the Philippines' largest foreign aid donor, as part of his policy of reducing the Philippines' reliance on the United States.[33] President Duterte met with then-U.S. President Donald Trump at the Association of Southeast Asian Nations (ASEAN) summit in Manila in November 2017, but he has not visited the United States as president.

In some respects, the U.S.-Philippines relationship hit a low point in February 2020, when the Duterte government notified the United States of its intent to terminate the Philippines-U.S. Visiting Forces Agreement (VFA), which serves as the legal foundation for bilateral military cooperation in the Philippines' territory. As tensions between the Philippines and China over disputed territory in the South China Sea continued to fester, however, the Philippines sought closer security cooperation with the United States.[34] In July 2021, the Philippine government renewed its adherence to the VFA. (See "Visiting Forces Agreement," below.)

Among Filipinos, popular support for the U.S.-Philippines relationship is strong. According to a July 2020 survey conducted by Philippines-based Social Weather Stations, net trust in the United States was +42 (60% much trust, 18% little trust), compared to +67 in December 2019. By contrast, net trust in China fell from -27 in December 2019 to -36 in July 2020 (22% much trust, 58% little trust).[35] A January 2020 Pew poll found that Filipinos had the highest favorable opinion of the United States (80%) of 31 countries surveyed.[36] In a June 2021 survey, 47% of respondents indicated that the "the government is not doing enough to assert the country's rights in the West PH [South China] Sea" while 24% disagreed and 29% were undecided.[37] Some analysts argue, however, that South China Sea issues are not a primary factor determining the way Filipinos vote in national elections.[38]

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[31] Renato Cruz De Castro, "The Duterte Administration's Foreign Policy: Unravelling the Aquino Administration's Balancing Agenda on an Emergent China," *Journal of Southeast Asian Affairs*, Vol. 35, No. 3 (2016).

[32] Andreo Calonzo, "Philippines Buys Two Warships as South China Sea Tensions Fester," *Bloomberg*, December 28, 2021; Michael Punongbayan, "Philippines, Australia Affirm Defense Cooperation," *Philippine Star*, February 27, 2021; Marc Calumba, "PHL Military Receives Offer from Japan for Official Development Assistance," *Alpha News Philippines*, May 5, 2021; Derek Grossman, "China Has Lost the Philippines Despite Duterte's Best Efforts," *Foreign Policy*, May 3, 2021; Frances Mangosing, "China to Give Philippines Military Additional P1-Billion Aid," *Philippine Daily Inquirer*, March 28, 2019; Manuel Mogato, "Philippines, Russia Sign Two Military Deals," Reuters, October 25, 2017.

[33] Pia Ranada, "Duterte Arrives in Russia for Second Visit," *Rappler*, Oct 2, 2019; Nestor Corrales, "Breaking: Duterte to Visit China in August for 5th Time," *Philippine Daly Inquirer*, August 4, 2019; Arianne Merez, "Duterte Arrives in Japan for 3rd Visit," *ABS-CBN News*, May 28 2019.

[34] "US-Philippines Alliance Back on Track as Duterte's China Charm Offensive Crumbles," *South China Morning Post*, October 23, 2021.

[35] Most recent survey on this topic available. "SWS July 3-6, 2020 National Mobile Phone Survey—Report No. 4: Net trust of Filipinos is 'Good' +42 for the United States, 'Moderate' +27 for Australia, and 'Bad' -36 for China," Social Weather Stations, July 19, 2020.

[36] Among 31 countries, Filipinos had the highest confidence in U.S. President Trump (77%); they also had the highest confidence in Russian President Vladimir Putin (61%) and third highest in Chinese leader Xi Jinping (58%) "to do the right thing regarding world affairs." "Trump Ratings Remain Low Around Globe, While Views of U.S. Stay Mostly Favorable," Pew Research Center, January 19, 2020.

[37] "Second Quarter 2021 Social Weather Survey on the West PH Sea," Social Weather Stations, July 28, 2021.

[38] "Looking South, Looking West: Manila Views Security Threats to the Philippines," Zoom webinar, US-Philippines Society, June 30, 2021.

In November 2021, during a period of renewed commitment to the relationship, the United States and the Philippines held the ninth Bilateral Strategic Dialogue. The two sides pledged to engage in cooperative efforts in various areas including responding to the COVID-19 pandemic, upholding the "rules-based maritime order" in the South China Sea, strengthening interoperability of the U.S. and Philippine armed forces, and fostering respect for human rights.[39] Secretary of Defense Lloyd Austin III and Philippines Secretary of National Defense Delfin Lorenzana spoke on the phone on November 19, 2021, to discuss recent events in the South China Sea and "welcomed recent bilateral efforts to continue strengthening the U.S.-Philippines alliance." Secretary Austin reaffirmed the "strong U.S. commitment" to the Philippines under the Mutual Defense Treaty.[40]

U.S. Foreign Assistance

U.S. assistance to the Philippines, totaling an estimated $154.9 million in FY2021, includes U.S. Agency for International Development (USAID) and Department of State-funded development and security assistance. (See **Table 1**.) Development assistance includes programs aimed at promoting inclusive socio-economic development, the rule of law, and human rights, and improving family health, basic education, and environmental management.[41] In addition, USAID committed $63.6 million for humanitarian and recovery efforts in Marawi, a city destroyed during a battle between Filipino and foreign Islamist insurgents and government forces in 2017.[42]

Table 1. Department of State Assistance to the Philippines, FY2017-FY2021

Current $ in thousands

Account	FY2017	FY2018	FY2019	FY2020	FY2021
Development Assistance	51,889	70,000	70,000	70,000	70,000
Foreign Military Financing (FMF)	40,000	40,000	40,000	40,000	40,000
Global Health Programs–USAID	33,000	28,500	26,000	27,500	30,000
Global Health Programs–State	—	—	—	5,305	—
International Military Education and Training (IMET)	1.981	2,000	1,900	2,147	2,000
International Narcotics Control and Law Enforcement (INCLE)	7,000	6,500	7,000	7,000	7,000
Non-proliferation, Anti-terrorism, De-mining and Related Programs	6,090	5,800	5,800	5,940	5,940
TOTAL	**139,960**	**152,906**	**150,700**	**157,892**	**154,940**

Source: State and USAID Congressional Budget Justification for Foreign Operations.

Note: FMF and IMET are implemented by the Defense Department through the Defense Security Cooperation Agency (DSCA). The U.S. government has suspended INCLE assistance to the PNP for counternarcotics activities, while assistance for other activities continues.

[39] Department of State, "9th U.S.-Philippines Bilateral Strategic Dialogue," media note, November 16, 2021.

[40] Department of Defense, "Readout of Secretary of Defense Lloyd Austin III Phone Call with Philippines Secretary of National Defense Delfin Lorenzana," November 19, 2021.

[41] Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 2, FY2022.*

[42] USAID, "Marawi Assistance," July 8, 2021.

As of February 2, 2022, USAID had provided $21 million in humanitarian assistance to help communities affected by Typhoon Odette.[43] Also known as Rai, the cyclone struck the Visayas region in central Philippines and parts of Mindanao island beginning on December 16, 2021. Odette's destruction affected nearly 5 million people, and the Philippine government reported over 400 deaths and 580,000 people displaced due to the super typhoon.[44]

The Philippines is a "priority recipient" in East Asia for security assistance and the largest recipient of U.S. Foreign Military Financing (FMF) in the region. FMF primarily has supported maritime security, disaster response, military professionalization, and the procurement of equipment for counterterrorism operations.[45] Antiterrorism programs provide training and equipment grants for the Philippine National Police.[46] The Philippines also receives counterterrorism support through the Department of State East Asia and Pacific Regional program and the Counterterrorism Partnerships Fund.[47]

Coronavirus Disease 2019 (COVID-19) in the Philippines

The Philippines, with the second-highest numbers of both COVID-19 infections and deaths in Southeast Asia, after Indonesia, was among the last in the region to provide mass vaccinations.[48] As of February 2022, the World Health Organization reported approximately 3.6 million confirmed COVID-19 cases in the Philippines, and roughly 54,200 deaths.[49] About 60% of the population was fully vaccinated as of February 2022.[50] The U.S. government has provided $39 million in pandemic response assistance to the Philippines to facilitate testing, crucial care, communication campaigns, protection and training of health workers, vaccine deployment, and essential equipment and supplies.[51] China and the United States have been the largest suppliers of vaccines, including those both purchased and donated.[52] The United States, the largest contributor to the COVID-19 Vaccines Global Access (COVAX) program, has facilitated the delivery of over 65 million vaccine doses to the Philippines as of January 10, 2022, including nearly 25 million doses provided by the United States.[53]

Since 2016, the U.S. government has suspended International Narcotics Control and Law Enforcement (INCLE) assistance to PNP units for counternarcotics activities, although it has

[43] USAID, "USAID Announces $1 Million in Additional Funding for People Affected by Super Typhoon Rai in the Philippines," February 2, 2022; USAID, "U.S. Assistance for Typhoon Odette Tops PHP1 Billion with New Major Announcement," January 5, 2022.

[44] Jeannette I. Andrade, "Odette Leaves P 24.5-Billion Damage; Death Toll Hits 407," *Philippine Daily Inquirer*, January 3, 2022; United Nations Office for the Coordination of Humanitarian Affairs, "Philippines: Super Typhoon Rai (Odette): Situation Report No. 1," December 30, 2021.

[45] FMF equipment includes communications items, night vision devices, unmanned aerial systems, vehicles, precision guided munitions, and related integration work. Department of Defense Office of Inspector General, "Operation Pacific Eagle-Philippines: Lead Inspector General Report to the United States Congress, July 1, 2020-September 30, 2020," November 10, 2020.

[46] The Department of State provides antiterrorism assistance through the Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR) account.

[47] Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 2, FY2022.*

[48] Jim Gomez, "Philippines Launches Virus Vaccinations amid Supply Problems," *ABC News*, March 1, 2021; Center for Strategic and International Studies, "Southeast Asia Covid-19 Tracker," at https://www.csis.org/programs/southeast-asia-program/southeast-asia-covid-19-tracker-0.

[49] World Health Organization, "WHO Coronavirus (COVID-19) Dashboard," at https://covid19.who.int/.

[50] Center for Strategic and International Studies, "Southeast Asia Covid-19 Tracker."

[51] U.S. Embassy in the Philippines, "U.S. Provides 2.7 Million More Pfizer COVID-19 Vaccines to the Philippines," January 10, 2022.

[52] "Philippines' Duterte Thanks China for More COVID-19 Vaccines amid Surging Infections," *CGTN*, August 20, 2021; "Tracker: The Philippines' COVID-19 Vaccine Distribution," *Rappler*, April 1, 2021.

[53] U.S. Embassy in the Philippines, "U.S. Provides 2.7 Million More Pfizer COVID-19 Vaccines to the Philippines."

increased assistance for maritime law enforcement, drug demand reduction programs, and transnational interdiction efforts.[54] Other legislative measures mandate reporting on Philippine security forces related to human rights violations.[55] (See "Selected Legislation," below.)

The Millennium Challenge Corporation (MCC) rewards countries that have demonstrated good governance, investment in health and education, and sound economic policies. In 2010, the MCC approved a five-year, $507 million compact with the Philippine government. The agreement aimed to help modernize the Bureau of Internal Revenue to increase revenue collection and reduce tax evasion; expand a community-driven, poverty-reduction program; and promote economic growth through investment in infrastructure.[56] In December 2015, the MCC awarded the Philippines a second compact. In 2016, the MCC indicated that it would reevaluate its decision in light of human rights concerns. In December 2017, the Philippine government withdrew from the process, stating that it wanted to focus resources on rebuilding Marawi rather than committing money to the counterpart funding required with MCC projects. The government denied that the decision to withdraw from the program was made in response to human rights criticism.[57]

U.S.-Philippines Defense Ties

The U.S.-Philippines defense relationship is deeply rooted in a history of shared security interests and priorities that dates back to the 1951 Mutual Defense Treaty and has continuously evolved to address new and developing threats. Since 2015, the Philippines has received over $1 billion in U.S. military assistance, making it the largest recipient of U.S. military equipment and training in the Indo-Pacific.[58] U.S. security cooperation activities in the Philippines have included counterterrorism assistance, maritime domain awareness, joint military exercises, and transfers of U.S. military equipment. Security cooperation programs also have enhanced the capacity of the Philippine Armed Forces (AFP) to provide humanitarian assistance and to engage in disaster response operations. The Philippines was designated a major non-NATO ally in 2003, which allows the country certain defense trade and security cooperation privileges.[59]

Security Cooperation

As a security partner in the Pacific, the Philippines has received military assistance through the Defense Security Cooperation Agency's (DSCA) Section 333 Building Partner Capacity program

[54] INCLE assistance is provided through the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). U.S. Embassy in the Philippines, "U.S. Strengthens Drug Demand Reduction Programs in the Philippines Through Support for Outreach and Drop-In Centers," November 27, 2020.

[55] See P.L. 115-409 and P.L. 116-260.

[56] Millennium Challenge Corporation, "Philippines Compact: Closed Compact Report," April 2018.

[57] Jenny Lei Ravelo, "Philippines Withdraws from MCC, Citing Marawi Crisis as a Priority," *Devex,* December 19, 2017; Jenny Lei Ravelo, "Second MCC Philippine Compact Under Review Due to Rule of Law, Human Rights Concerns," *Devex,* December 16, 2016; Millennium Challenge Corporation, "Philippines Selected for Second Compact," at https://www.mcc.gov/news-and-events/video/video-052516-philippines-second-compact.

[58] U.S. Embassy in the Philippines, "U.S. Military Delivers Advanced Unmanned Aerial System to Philippine Air Force," press release, October 14, 2021; U.S. Embassy in the Philippines, "U.S. Delivers Php48.5 Million in Weapons and Munitions to AFP," press release, July 8, 2021.

[59] Designation of the Philippines as a Major Non-NATO Ally, Presidential Determination No. 2004-02 of October 6, 2003, 68 *Federal Register* 59855. For further information, see Department of State, "Major Non-NATO Ally Status," fact sheet, January 20, 2021.

and the Indo-Pacific Maritime Security Initiative.[60] Section 333 activities have focused on the development and enhancement of critical AFP capabilities including intelligence, maritime and border security operations, counterterrorism, and counter-improvised explosive device.[61] Equipment deliveries under Section 333 have included precision guided munitions and tactical equipment. MSI activities in the Philippines have aimed to improve the AFP's maritime ISR capabilities and support the Philippines' participation in multilateral engagements and other trainings, such as visit, board, search and seizure.[62]

The Philippines participates in U.S. defense institution capacity-building programs that have included defense strategy courses and policy workshops that aim to improve security sector governance, resource management, and legal capacity building.[63] In addition, the Philippines is partnered with the Guam and Hawaii National Guards through the State Partnership Program, which is a unique civil-military program that the National Guard says aims to cultivate personal relationships through a series of tailored engagements.[64]

U.S.-Philippines bilateral exercises aim to strengthen interoperability through subject matter exchanges and training events. In 2015-2020, the United States and the Philippines engaged in 1,321 bilateral military exercises.[65] Both sides curtailed security cooperation in 2020 due to the uncertainty over possible termination of the VFA and to the COVID-19 pandemic. In October 2021, the two governments announced plans to return to full-scale military drills in 2022, and stated that they would likely invite military observers from Australian, Japan, and the United Kingdom.[66] In 2022, approximately 3,800 AFP and 5,100 U.S. soldiers participated in Balikatan ("Shoulder-to-Shoulder"), the premier annual bilateral exercise, across Luzon, the largest Philippine island. The 2022 exercise, described as the "largest ever" by military officials, focused on improving interoperability and joint defense capabilities and engaged in humanitarian and civic assistance projects.[67]

Other notable exercises include Maritime Training Activity "Sama Sama" ("Together"), which was held in October 2021, and Kamandag ("Cooperation of Warriors of the Sea"), which was

[60] Section 333 Building Partner Capacity is authorized under Title 10, U.S.C. §333. The Indo-Pacific Maritime Security Initiative (MSI) was authorized by Section 1263 of the National Defense Authorization Act for FY2016 (P.L. 114-92, as amended by P.L. 114-328 and P.L. 115-232 and P.L. 116-92).

[61] Data from ForeignAssistance.gov, November 7, 2021; U.S. Embassy in the Philippines, "U.S. Military Security Assistance in the Philippines," press release, at U.S. Military Security Assistance in the Philippines REV29 (usembassy.gov). Note: DOD security cooperation program details are not made publicly available in a consistent or comprehensive manner; such activities provided in this report are not meant to be an exhaustive list.

[62] Data from ForeignAssistance.gov, November 7, 2021; U.S. Embassy in the Philippines, "U.S. Military Security Assistance in the Philippines."

[63] Institutional capacity-building activities are conducted through the Daniel K. Inouye Asia-Pacific Center for Security Studies, Defense Institute of International Legal Studies, and the DSCA's Institute for Security Governance. Data from ForeignAssistance.gov, November 7, 2021; U.S. Embassy in the Philippines, "U.S. Military Security Assistance in the Philippines." See also, DSCA, Institutional Capacity Building, accessed November 15, 2021, at https://www.dsca.mil/institutional-capacity-building.

[64] For more information, see State Partnership Program, U.S. National Guard, at https://www.nationalguard.mil/Leadership/Joint-Staff/J-5/International-Affairs-Division/State-Partnership-Program/. See also, U.S. National Guard, "Guam, Hawaii Share COVID Best Practices with the Philippines," press release, December 10, 2020; Hawaii Air National Guard, "HIANG Brings High Level Air Defense Expertise to Philippine Engagement," press release, August 29, 2018.

[65] U.S. Embassy in the Philippines, "U.S. Military Security Assistance in the Philippines."

[66] Andreo Calonzo, "U.S., Philippines Seek to Return to Full Military Drills in 2022," *Bloomberg*, October 14, 2021.

[67] "Largest-Ever PH-US Balikatan Exercise to Being Next Week," *CNN Philippines*, March 22, 2022.

conducted in September 2021.[68] Exercises also have included the Philippine Navy, which participated in the first joint sail through the South China Sea in 2019 with the United States, Japan, and India.[69] In addition, between April and June of 2021, the U.S. 5th Security Force Assistance Brigade conducted their first bilateral training events with various Philippine Army units.[70]

Counterterrorism Efforts

The U.S. military and the AFP have conducted bilateral counterterrorism operations since at least 2001. In 2017, following the reassertion of control over Marawi by Philippine military forces—with assistance from U.S. special operations forces (SOF) advisors—the Department of Defense (DOD) and Indo-Pacific Command (INDOPACOM) initiated Operation Pacific Eagle-Philippines (OPE-P) to help the AFP overcome counterterrorism capability gaps identified by U.S. advisors during operations in Marawi.[71] U.S. SOF also provided logistical support, intelligence sharing, and operational planning, including the integration of airborne intelligence, surveillance, and reconnaissance (ISR) for intelligence gathering.[72] In 2020, the last year of OPE-P efforts, DOD committed $85.4 million for OPE-P, in which approximately 200 U.S. military personnel served in advisory roles.[73]

Although the OPE-P overseas contingency operation designation has been removed, INDOPACOM continues both security cooperation under DOD authorities as well as "advise and assist" operations with Philippine security forces. Whereas OPE-P primarily focused on counterterrorism operations, "by, with, and through" Philippine partners, the scope of continued bilateral security cooperation programs in the Philippines is to be "significantly larger than the relatively narrow counterterrorism effort."[74]

U.S. Defense Equipment Transfers

In addition to receiving military equipment through the U.S. FMF program, the Philippines is eligible to purchase U.S. defense articles at discounted rates through the Excess Defense Articles grant program.[75] In some cases, the Philippines supplements U.S. grant assistance with its

[68] U.S. Indo-Pacific Command, "Philippine-U.S. Exercise MTA Sama Sama Kicks-off with Japan, France," press release, October 12, 2021; Seth Robson, "Kamandag Drills Kick Off in the Philippines with a Focus on Shore-Based Weapons," *Stars and Stripes*, September 30, 2021.

[69] Ankit Panda, "US, India, Japan, Philippine Navies Demonstrate Joint Presence in South China Sea," *The Diplomat*, May 11, 2019.

[70] U.S. Indo-Pacific Command, "U.S. Army 5th Security Force Assistance Brigade and Philippine Army Conduct Bilateral Training in Nueva Ecija," press release, April 28, 2021.

[71] DOD Inspector General, *DoD Efforts to Train, Advise, Assist, and Equip the Armed Forces of the Republic of the Philippines*, DODIG-2019-048, January 31, 2019, at https://media.defense.gov/2019/Feb/04/2002085730/-1/-1/1/DODIG-2019-048.PDF; Roy Ramos, "Duterte Thanks Nations for Helping to Liberate Marawi," *Anadolu Agency*, October 25, 2017.

[72] Ibid.

[73] By comparison, funding for OPE-P was $108 million in 2019 and $100 million in 2018. Lead Inspector General (IG) reporting responsibilities terminated at the end of FY2020 since none of the appropriated funding for OPE-P was associated with an Overseas Contingency Operation (OCO). See the 12th and final quarterly IG report for OPE-P: Department of Defense Office of Inspector General, "Operation Pacific Eagle-Philippines: Lead Inspector General Report to the United States Congress, July 1, 2020-September 30, 2020."

[74] Ibid.

[75] U.S. Indo-Pacific Command, "U.S. Military Delivers Php183 Million in New Weapons and Equipment to AFP," press release, June 22, 2021. See also, U.S. Embassy in the Philippines, "U.S. Military Delivers Advanced Unmanned

national funds. In 2020 and 2021, the State Department notified Congress of six potential Foreign Military Sales (FMS) cases for the Philippines with a combined total over $4.5 billion. These items include missiles, F-16 aircraft, missiles, light military boats and attack helicopters.[76] Some Members of Congress opposed the proposed FMS cases and other military assistance for human rights reasons, and sponsored legislation that would suspend security assistance to the Philippines.[77] (See "Selected Legislation," below.) The Philippines also purchases U.S. defense articles and services through the Direct Commercial Sales (DCS) program.[78]

Mutual Defense Treaty

Under the 1951 Mutual Defense Treaty (MDT), the United States and the Philippines committed to help defend each other against external armed attack. Some analysts note that the MDT does not explicitly obligate the United States to defend maritime areas that are disputed by the Philippines and other nations, and U.S. officials have not confirmed whether the Treaty applies to disputed features in the South China Sea.[79] Article IV of the Treaty states: "Each Party recognizes an armed attack in the Pacific Area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes." Article V refers to an armed attack on the "metropolitan territory of either of the Parties," the "island territories under its jurisdiction in the Pacific Ocean," or its "armed forces, public vessels, or aircraft in the Pacific."[80]

Some analysts contend that U.S. assurances have been getting stronger, particularly regarding the defense of Philippine forces and military equipment in disputed areas. In March 2019, then-Secretary of State Mike Pompeo stated, "As the South China Sea is part of the Pacific, any armed attack on Philippine forces, aircraft or public vessels in the South China Sea would trigger mutual defense obligations under Article IV of our Mutual Defense Treaty."[81] In a January 27, 2021, phone conversation between Secretary of State Antony Blinken and Philippine Secretary of Foreign Affairs Teodoro Locsin, Jr., Blinken stressed the importance of the MDT and "its clear

Aerial System to Philippine Air Force"; U.S. Embassy in the Philippines, "U.S. Delivers Php48.5 Million in Weapons and Munitions to AFP."

[76] Defense Security Cooperation Agency, Major Arms Sales: "Philippines—AIM-9X Sidewinder Block II Tactical Missiles," June 24, 2021; "Philippines—AGM-84L-1 Harpoon Air Launched Block II Missiles," June 24, 2021; "Philippines—F-16 Block 70/72 Aircraft," June 24, 2021; "Philippines—Scout, Assault, and Light Support Boats with Armaments and Accessories," July 30, 2020; "Philippines—AH-1Z Attack Helicopters and Related Equipment and Support," April 30, 2020; "Philippines—AH-64E Apache Attack Helicopters and Related Equipment and Support," April 30, 2020.

[77] Ed Adamczyk, "Philippines' Human Rights Record an Issue in Pending $2.6B Military Sale," UPI, June 25, 2021.

[78] Details about proposed DCS are confidential; however, executive communications to the appropriate congressional committees are periodically published in the *Federal Register*. For example, see, Department of State, "Bureau of Political-Military Affairs, Directorate of Defense Trade Controls: Notifications to the Congress of Proposed Commercial Export Licenses," 84 *Federal Register*, November 27, 2019, at https://www.federalregister.gov/d/2019-25491/p-427.

[79] "Will the US Defend 'A Few Rocks' in Our Sea?" *Philippine Daily Inquirer*, May 6, 2014; Ricardo Saludo, "Big Holes in the Philippines-US Defense Treaty," The Manila Times, March 20, 2014; Julie M. Aurelio, "PH-US Defense Pact Doesn't Apply in Spratlys Dispute, Says Ex-UP Law Dean," Philippine Daily Inquirer, June 29, 2011.

[80] The MDT can be found at http://www.chanrobles.com/mutualdefensetreaty.htm.

[81] Mark Nevitt, "The US-Philippines Defense Treaty and the Pompeo Doctrine on South China Sea," *Just Security*, March 11, 2019.

application to armed attacks against the Philippine armed forces, public vessels, or aircraft in the Pacific, which includes the South China Sea."[82]

Visiting Forces Agreement

The Visiting Forces Agreement governs the legal status of U.S. military forces operating in the Philippines. It creates rules by which U.S. troops, vessels, and aircraft may enter the country and establishes criminal jurisdiction over U.S. military personnel.[83] The VFA has been in effect since 1999, eight years after the Philippines rejected a treaty that would have extended the U.S. lease of Clark Air Base and Subic Bay Naval Base, and ordered the withdrawal of all U.S. troops from the Philippines.

On February 10, 2020, the Government of the Philippines submitted to the U.S. Embassy in Manila a "notice of termination" of the Philippines-U.S. Visiting Forces Agreement.[84] On February 11, 2020, presidential spokesperson Salvador Panelo quoted President Duterte as saying "It's about time we rely on ourselves. We will strengthen our own defenses and not rely on any other country."[85] Some analysts believe that Duterte may have initiated the termination as a response to U.S. actions barring entry into the United States of a Duterte political ally involved in human rights abuses; others say that he intended to leverage the VFA to negotiate better terms in the bilateral security relationship or that the action was part of an effort to orient the Philippines strategically away from the United States.[86] Many in the Philippines, particularly in the defense and foreign policy establishments, however, opposed the move.[87] The Philippine government suspended the termination three times (for six months each), in June 2020, November 2020, and June 2021.[88] On July 30, 2021, Philippine Secretary of National Defense Delfin Lorenzana announced that the Philippines had agreed to recommit to the VFA.[89]

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[82] Department of State, "Secretary Blinken's Call with Philippine Secretary of Foreign Affairs Locsin," readout, January 27, 2021.

[83] John Schaus, "What Is the Philippines-United States Visiting Forces Agreement, and Why Does It Matter?" Center for Strategic and International Studies, February 12, 2020.

[84] See Arellano Law Foundation, Philippines Law and Jurisprudence Databank, *Visiting Forces Agreement*, at https://www.lawphil.net/international/treaties/vfa_1998.html.

[85] Scott Neuman and Julie McCarthy, "Philippines Says It Will End U.S. Security Agreement," *NPR*, February 11, 2020.

[86] Renato Cruz De Castro, "Duterte Finally Admits to the Importance of the U.S. Alliance," Asia Maritime Transparency Initiative, February 24, 2021; Christopher Woody, "A Major Ally's Decision to Scrap an Important Military Deal with the US Raises the Stakes in Competition with China," *Insider*, February 23, 2020.

[87] Richard Javad Heydarian, "US Outlasts Duterte's Failing Dalliance with China," *Asia Times*, May 19, 2021.

[88] Sofia Tomacruz, "US Welcomes Philippines' Decision to Suspend VFA Termination Again," *Rappler*, June 15, 2021; "Philippines Again Suspends Scrapping of VFA Troop Pact with US, Amid South China Sea Tensions, Covid-19 Vaccine Donations," *South China Morning Post*, June 14, 2021.

[89] Rene Acosta, "Philippines Reverses Course and Commits to U.S. Visiting Forces Agreement," *USNI News*, July 30, 2021. Some Filipino groups and policymakers long have objected to what they perceive as favorable treatment that the VFA may allow for U.S. military personnel accused of committing crimes in the Philippines, compared to Philippine personnel arrested in the United States. See Philippines-U.S. Visiting Forces Agreement, Article V, Section 6. In August 2021, U.S. and Philippine officials reportedly agreed to a "technical side agreement" to the VFA that clarified procedures related to criminal jurisdiction, although details were not made available. Andrea Chloe Wong "Unresolved Issues with the VFA's Return," *Philippine Daily Inquirer*, September 12, 2021; Sofia Tomacruz, "VFA Side Agreement on Custody of Troops Now in Effect, Locsin Says," *Rappler*, August 31, 2021; Andrea Chloe Wong, "Duterte's Back-Down on US Forces in Philippines," *The Interpreter*, Lowy Institute, August 24, 2021.

U.S.-Philippines Enhanced Defense Cooperation Agreement

In 2014, the U.S. and Philippine governments signed the U.S.-Philippines Enhanced Defense Cooperation Agreement (EDCA). The agreement allows for the increased rotational presence of U.S. military forces, ships, and aircraft in the Philippines and greater U.S. access to Philippine military bases, including the ability to store U.S. defense materials and equipment.[90] Under EDCA, U.S. military personnel in the Philippines are deployed on a rotational or non-permanent basis. Philippine bases, including U.S.-built facilities and improvements, are to be utilized rent-free by the Americans but owned by the Philippines.[91] In addition, EDCA "facilitate[s] humanitarian assistance and disaster relief in the Philippines and the region; improve[s] opportunities for bilateral training; and support[s] the long-term modernization of the [AFP] as it works to establish a minimum credible defense."[92]

In 2016, President Duterte called for reassessing EDCA and reducing the number of U.S. troops and joint military exercises in the Philippines. The Philippines eventually allowed EDCA to proceed, but limited its mission and delayed facilities construction until 2018, when a humanitarian assistance and disaster relief storage facility was built at Basa Air Base.[93] Other projects were delayed in 2019, and the uncertainties over the VFA and COVID-19 restrictions further delayed EDCA's progress.[94] In October 2021, following the Philippines' recommitment to the VFA and other improvements in the bilateral relationship, the AFP announced that construction work related to EDCA would "intensify."[95]

Philippines-China Relations

The Duterte government initially focused on finding ways to cooperate with China in the South China Sea, including through joint energy exploration that would shelve questions of sovereignty, and sought PRC development loans, investment, and assistance with large infrastructure projects in the Philippines. The two sides, however, did not come to agreement on how to resolve their territorial disputes or on joint resource exploration, and relations between the Philippines and China worsened during the second half of Duterte's term.[96]

Duterte eagerly sought PRC financing for infrastructure projects throughout the country as part of his "Build, Build, Build" program.[97] In 2016, China pledged $6 billion in official development assistance and $3 billion in loans to the Philippines. China also pledged $24 billion in investments.[98] However, local observers report that only a small fraction of that financing and

[90] See Agreement Between the United States of America and the Philippines Signed at Quezon City, April 28, 2014, at https://www.state.gov/wp-content/uploads/2019/02/14-625-Philippines-Defense-Cooperation.pdf.

[91] Carl Thayer, "Analyzing the US-Philippines Enhanced Defense Cooperation Agreement," *The Diplomat*, May 2, 2014.

[92] The White House, "United States-Philippines Bilateral Relations," fact sheet, April 28, 2014.

[93] "US, PH Officials Lead Groundbreaking of First Major EDCA Project," *Asian Journal*, April 19, 2018.

[94] Renato Cruz De Castro, "The Death of EDCA and Philippine-U.S. Security Relations," *Perspective*, ISEAS Yusof Ishak Institute, May 11, 2020.

[95] William Cheng, "Philippine-US EDCA Activities to 'Intensify': AFP Chief," *ABS-CBN News*, October 14, 2021.

[96] Derek Grossman, "Duterte's Dalliance with China Is Over," The RAND Blog; Myrna M. Velasco, "No 'Legal Deal' Yet with China on Joint Oil Exploration at WPS—DOE," *Manila Bulletin*, September 6, 2021.

[97] "China's Infrastructure Investments in the Philippines," US-Philippines Society, August 2, 2018.

[98] China Pledges $9B in Aid, Loans to Philippines: Finance Chief," *ABS-CBN*, November 2, 2016.

investment materialized.[99] Major proposed projects with Chinese funding, technical, and construction assistance include the $940 million Subic-Clark freight railway and the $241 million Kaliwa dam project.[100] In June 2021, the Philippines House of Representatives halted construction of the dam pending an investigation into alleged corruption in securing government permits.[101] Plans reportedly are underway for a bridge to be funded by China and built by a Chinese company that would connect Samal Island to Davao in Mindanao, where Duterte once served as mayor.[102]

PRC military assistance remains limited in terms of funding and scope, especially compared to U.S. and Australian military assistance.[103] Cooperation in sensitive areas, such as intelligence sharing and joint drills, are in their early stages.[104] Territorial disputes and the lack of trust and familiarity between the two sides creates further obstacles to greater military cooperation.[105]

The Philippines' Maritime Disputes with China

The Philippines and China have long-standing disputes over waters and land features in the South China Sea, which the Philippines calls the West Philippine Sea.[106] Tensions have risen since 2012, as China has enlarged and placed new military assets on several disputed features in the Spratly archipelago, and increasingly interfered with Philippine commercial and military activities in what the Philippines, citing UNCLOS, considers its Exclusive Economic Zone. DOD's 2020 report on PRC military and security developments stated that the PRC's Spratly Island outposts "allow China to maintain a more flexible and persistent military and paramilitary presence in the area," which "improves China's ability to detect and challenge activities by rival claimants or third parties and widens the range of response options available to China."[107]

The previous Aquino government sought arbitration under UNCLOS against aspects of China's maritime claims and behavior in the South China Sea. In 2016, an UNCLOS tribunal concluded that China's "Nine Dash Line" claims to areas overlapping the Philippines EEZ have no legal

[99] Catalina Ricci S. Madarang, "China's Unmet Pledges to Philippines Seen as Reason for Duterte's Shift in Tone," *Interaksyon*, September 28, 2020.

[100] "China to Fund $940m Philippine Railway Linking Former US Bases," *Nikkei Asia*, January 17, 2021; Pia Ranada, "China-Funded Kaliwa Dam to Benefit from Duterte Order Fast-Tracking Water Projects," *Rappler*, September 3, 2020.

[101] Barbara Fraser, "Philippine Bishops Welcome Halt to Mega-Dam Construction Project," *Catholic News Service*, June 14, 2021.

[102] Antonia Colina IV, "Fate of Davao-Samal Bridge Now in the Hands of DOF," *Manila Bulletin*, June 16, 2021; "Chinese Envoy Still Optimistic China-Funded Samal-Davao Bridge to Break This Year," *BusinessWorld*, January 4, 2021.

[103] Maria Siow, "Philippines' Move to Keep US Military Pact Reveals Shift in South China Sea Calculations," *South China Morning Post*, June 6, 2020.

[104] "Chinese, Philippine Coast Guards Hold Joint Exercises to Achieve Interoperability at Sea," *China Military Online*, January 16, 2020; Philip Tubeza, "Lorenzana: Intelligence Sharing with China Can Be Done Immediately," *Philippine Daily Inquirer*, July 3, 2017.

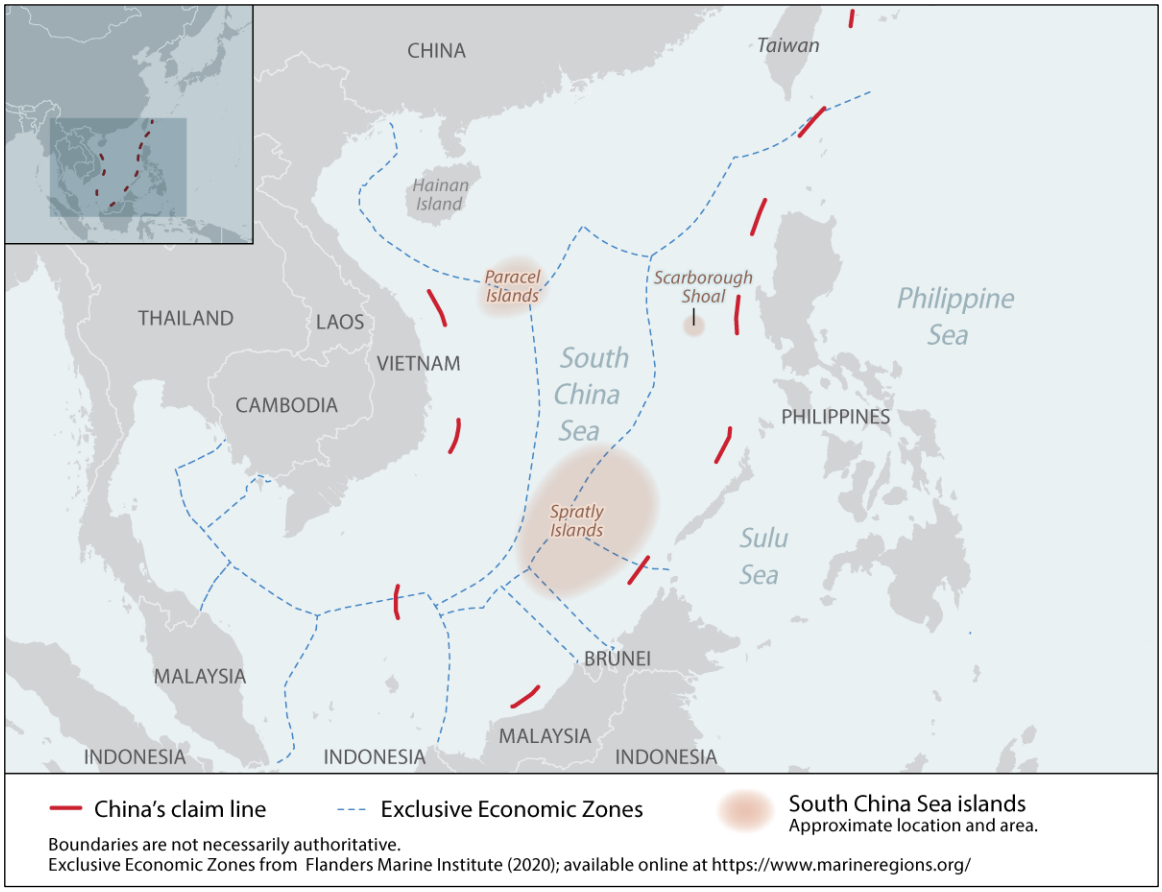
[105] Prashanth Parameswaran, "The Truth About China's New Military Aid to the Philippines," *The Diplomat*, June 30, 2017.

[106] For further information, see CRS Report R42784, *U.S.-China Strategic Competition in South and East China Seas: Background and Issues for Congress*, by Ronald O'Rourke, and CRS In Focus IF10607, *China Primer: South China Sea Disputes*, by Ben Dolven, Susan V. Lawrence, and Ronald O'Rourke.

[107] Department of Defense, "Military and Security Developments Involving the People's Republic of China 2020, November 3, 2020."

basis.[108] The tribunal also found that China violated its UNCLOS obligations by blocking Philippine access to Scarborough Shoal, interfering with Philippine oil and gas exploration at Reed Bank, and damaging the marine environment by reclaiming land. The United States has urged China, which declared the verdict "null and void," to abide by the ruling, and the Philippines to try to enforce it.[109] (See **Figure 2**.)

Figure 2. Contested Boundaries in the South China Sea



Source: Created by CRS. Exclusive Economic Zones from Flanders Marine Institute (2020).

Duterte has downplayed the UNCLOS ruling while engaging in bilateral discussions with China on maritime disputes.[110] The Philippines suspended U.S.-Philippines joint maritime patrols in 2016, a move many analysts said was aimed at stabilizing relations with China, although the joint patrols were resumed two years later. More recently, however, in the wake of multiple instances

[108] The full text of the ruling can be accessed at https://pca-cpa.org/wp-content/uploads/sites/175/2016/07/PH-CN-20160712-Award.pdf.

[109] "Full Text of Statement of China's Foreign Ministry on Award of South China Sea Arbitration Initiated by Philippines," Xinhua, July 12, 2016; Robert D. Williams, "What Did the U.S. Accomplish with Its South China Sea Legal Statement?" *Brookings Institution*, July 22, 2020; Renato Cruz de Castro, "After Four Years, the Philippines Acknowledges the 2016 Arbitral Tribunal Award," Asia Maritime Transparency Initiative, July 27, 2020. See also Department of State, "Limits in the Seas, No. 150. People's Republic of China: Maritime Claims in the South China Sea," January 2022.

[110] "Duterte Wants to Liberate Philippines from U.S. Shackles: Foreign Minister," Reuters, October 6, 2016; Ernesto M. Hilario, "Bilateral Talks on South China Sea Dispute," *Manila Standard*, August 21, 2021.

of PRC vessels interfering with Philippine commercial and coast guard vessels and massing near Philippine-occupied landmasses, the Duterte government has objected more vocally to Chinese actions. For example, in November 2021, Philippine Foreign Secretary Locsin condemned "in the strongest terms" actions by PRC vessels to block Philippine Coast Guard vessels attempting to resupply a Philippine military garrison at Second Thomas Shoal.[111]

Violent Extremism in the Philippines

The Philippines has battled Muslim armed separatist and terrorist movements on the southern islands of Mindanao and the Sulu archipelago for over 30 years. The Abu Sayyaf Group (ASG), which the United States designated as a foreign terrorist organization in 1997, has carried out hostage-takings for ransom, killings, and bombings since the early 1990s. In 2002, DOD established the Joint Special Operations Task Force–Philippines (JSOTF-P) as part of Operation Enduring Freedom to support "the comprehensive approach of the Armed Forces of the Philippines in their fight against terrorism,"[112] including a large humanitarian component. Philippine military efforts, supported by U.S. assistance, reduced the size of the ASG from 1,000-2,000 militants in the mid-1990s to an estimated 400 members in the mid-2010s.[113] The U.S. government deactivated JSOTF-P in 2015, citing the diminishing strength of the ASG, but launched OPE-P in 2017 in response to the rise of Islamic State (IS) affiliates in the Philippines.[114]

The Marawi Seige

In May 2017, a coalition of Filipino Islamist extremist groups that had pledged allegiance to the Islamic State, along with dozens of foreign fighters, laid siege to Marawi, a provincial capital in Mindanao.[115] With U.S. and other foreign assistance, the AFP retook the city in October 2017. U.S. military personnel provided technical support, including ISR training, aerial surveillance, and communications assistance.[116] The conflict reportedly resulted in the deaths of over 900 militants, over 165 Philippine troops, and roughly 50 civilians, as well as the destruction of much of the city.[117]

[111] "Philippines Tells China to 'Back Off' After South China Sea Standoff," Reuters, November 18, 2022.

[112] Joint Special Operations Task Force–Philippines Fact Sheet, July 1, 2011, at http://jsotf-p.blogspot.com/2011/.

[113] Department of State, *Country Reports on Terrorism 2018: Philippines*, November 1, 2019; Linda Robinson, Patrick B. Johnston, and Gillian S. Oak, "U.S. Special Operations Forces in the Philippines," 2001-2014, RAND, 2016.

[114] Sam LaGrone, "U.S. Officially Ends Special Operations Task Force in the Philippines, Some Advisers Remain," *USNI News*, February 27, 2015.

[115] Joseph Hincks, "What the Siege of a Philippine City Reveals About ISIS' Deadly New Front in Asia," *Time*, May 25, 2017.

[116] Neil Jerome Morales and Simon Lewis, "U.S. Forces Give Technical Assistance as PH Takes Losses in Marawi," *ABS-CBN*, June 11, 2017.

[117] "Philippines: 'Battle of Marawi' Leaves Trail of Death and Destruction," Amnesty International, November 17, 2017.

Bangsamoro Autonomous Region of Muslim Mindanao

For two decades, Manila and the Moro Islamic Liberation Front, an armed separatist group, engaged in on-again, off-again negotiations on a settlement and political arrangement that would provide substantial autonomy to Muslims in Mindanao and put an end to the decades-old military conflict. In 2018, the Duterte government and the Moro Islamic Liberation Front reached an agreement that formed a new, Muslim-majority administrative area in Mindanao and the Sulu Archipelago, called the Bangsamoro Automomous Region of Muslim Mindanao (BARMM). The BARMM, which encompasses five provinces and 4 million people in Western Mindanao and Sulu, was approved by voters in the region and established in 2019.

Previous peace agreements have successfully reduced the number of separatists engaged in armed conflict with the central government, and some observers expect the new political arrangement similarly to result in the disarmament of militants, fewer attacks, and the growth of investment in the historically poor region.[118] However, the COVID-19 pandemic has led to delays in the creation of new government institutions, demobilization and disarmament of Moro fighters, and provision of socioeconomic benefits to former militants.[119] According to experts, the slow transition could strengthen armed extremist groups, such as the Bangsamoro Islamic Freedom Fighters, and undermine the upcoming BARMM elections to be held in 2022.[120]

Islamic State of Iraq and Syria (ISIS)-East Asia

In 2018, the Department of State added ISIS–Philippines (ISIS-P), a loose collection of groups who had pledged allegiance to the Islamic State, to its list of Foreign Terrorist Organizations.[121] The network, now renamed ISIS–East Asia (ISIS-EA), has around 300-500 fighters.[122] Although weakened in the AFP counteroffensive in Marawi, the Abu Sayyaf Group and other IS-affiliated groups have continued to carry out sporadic attacks in Mindanao and Sulu.[123] In April 2020, ISIS-EA ambushed AFP forces on the island of Jolo, killing 12 soldiers.[124] Some U.S. officials and analysts argue that "efforts to reduce extremism in the Philippines do not appear to have made a substantial difference since the launch of OPE-P."[125] Force rotations, uncertainty over the VFA, and COVID-19 restrictions appear to have also have hindered U.S. assistance.[126] According to U.S. Special Operations Command-Pacific (SOCPAC), despite progress in executing large-scale counterterrorism operations in difficult terrains since 2017, the AFP as of 2020 had not demonstrated the capacity to sustain gains by further degrading terrorist groups or preventing them from reconstituting.[127]

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[118] Economist Intelligence Unit, *Country Report: Philippines*, June 11, 2021.

[119] Georgi Engelbrecht, "The Normalization Process in the Bangsamoro Faces Rising Uncertainty," *The Diplomat*, April 26, 2021.

[120] Nick Aspinwall, "Thousands of Families Are Being Displaced by Violent Clashes in Mindanao," *The Diplomat*, April 2, 2021.

[121] Department of State, Bureau of Counterterrorism, "Foreign Terrorist Organizations," at https://www.state.gov/foreign-terrorist-organizations/.

[122] Department of Defense Office of Inspector General, "Operation Pacific Eagle-Philippines: Lead Inspector General Report to the United States Congress, July 1, 2020-September 30, 2020."

[123] State Department, *Country Reports on Terrorism 2020: Philippines*; Bong Sarmiento, "ISIS Thrives in Covid-19 Shadows in Philippines," *Asia Times*, May 22, 2020.

[124] Department of Defense Office of Inspector General, "Operation Pacific Eagle-Philippines: Lead Inspector General Report to the United States Congress, April 1, 2020-June 30, 2020," August 11, 2020.

[125] Department of Defense Office of Inspector General, "Operation Pacific Eagle-Philippines: Lead Inspector General Report to the United States Congress, April 1, 2020-June 30, 2020," August 11, 2020.

[126] Ibid.; Jeff Seldin, "Islamic State Holding on in Philippines, Despite Millions in US Spending," *VOA*, August 12, 2020.

[127] Department of Defense Office of Inspector General, "Operation Pacific Eagle-Philippines: Lead Inspector General

Other Security Threats: Communist Party of the Philippines

The Communist Party of the Philippines (CPP), which the government long has viewed as its principal security threat, has waged an insurgency since the late 1960s. Over 100,000 combatants and civilians have died in fighting related to the insurgency since 1969. The CPP's military arm, the New People's Army (NPA), reached over 25,000 fighters in the early 1980s, but declined after President Ferdinand Marcos fell from power and democracy was restored in 1986. It now has an estimated 4,000 fighters and remains active throughout the Philippines.[128]

The U.S. government placed the CPP and the NPA on its list of terrorist organizations in 2002 under Executive Order 13224 (to block terrorist financing), but does not provide direct military support to the Philippine military in its war against the NPA. The AFP has continued to battle communist insurgents, and the NPA has continued attacks on security forces, property, and civilians.[129] In 2017, peace talks held in Norway between the Philippine government and the National Democratic Front, which represents the CPP, broke down, and President Duterte signed a proclamation declaring the CPP and NPA as terrorist organizations.[130]

Human Rights Issues

The Drug War

Since President Rodrigo Duterte's election in 2016, human rights groups have criticized the Philippine government for extrajudicial killings related to its "War on Drugs," as well as for other human rights violations.[131] Drug war-related deaths range from Philippine Drug Enforcement Agency numbers of approximately 6,000 to estimates by human rights organizations of nearly 30,000.[132] At the height of the drug war in 2016-2017, human rights groups reported that virtually all of the killings were carried out by police or by armed vigilantes and occurred without due process, and that the vast majority of victims were unarmed, poor, low-level offenders. They further alleged that police collaborated with vigilantes, planted evidence at the scenes of killings, fabricated reports, and held suspected drug offenders for ransom.[133] Impunity from prosecution that generally protects government and government-backed perpetrators of violence has long been a problem in the Philippines. Of police officers involved in killings in the antidrug war since 2016, only three have been convicted of murder.[134]

Report to the United States Congress, July 1, 2020-September 30, 2020."

[128] Prashanth Parameswaran, "What's Next for the Philippines Communist Insurgency Under Duterte?" *The Diplomat*, March 31, 2020.

[129] According to AFP sources, between 2016 and 2020, 443 Philippine soldiers were killed by CPP insurgents. Rigoberto D. Tiglao, "Not an Enemy? CPP-NPA Killed 50,000 Filipinos—and Continues to Kill," *Manila Times*, November 27, 2020; Frances Mangosing, "AFP, Citing Its Data, Says Civilian Property Destroyed in 532 NPA Attacks Since 2010," *Philippine Daily Inquirer*, January 8, 2021; Department of State, *Country Reports on Terrorism 2020: Philippines*; Jack Broome, "An End in Sight for the Philippines' Maoist Insurgency?" *The Diplomat*, February 19, 2021.

[130] Pursuant to Republic Act No. 10168, the Terrorism Financing Prevention and Suppression Act of 2012. "Duterte Declares Philippine Communist Rebels 'Terrorists,'" Agence France Presse, December 5, 2017. Formal and informal peace talks between the government and the communists also had been attempted under five prior administrations.

[131] See, for example, Human Right Watch, "Philippines: Events of 2021."

[132] Stefano Vechhia, "Duterte's 'War on Drugs' Enters Its Final Phase," *Asia News*, March 16, 2022; "How Many People Have Been Killed in Rodrigo Duterte's War on Drugs?" *The Economist*, November 22, 2021.

[133] Human Rights Watch, "'License to Kill': Philippine Police Killings in Duterte's 'War on Drugs,'" March 1, 2017; Amnesty International, "If You Are Poor, You Are Killed: Extrajudicial Executions in the Philippines' 'War on Drugs,'" January 2017.

[134] Karen Lema, "Relatives of Philippine Drug War Victims Alarmed by Duterte's Talk of Staying On," Reuters,

In March 2018, President Duterte announced that the Philippines would withdraw from the International Criminal Court (ICC) after the tribunal launched a preliminary investigation into possible "crimes against humanity" related to the antidrug campaign.[135] In June 2020, the United Nations Human Rights Council released a report on the human rights situation in the Philippines, with a focus on the drug war. The report stated, "Persistent impunity for human rights violations is stark and the practical obstacles to accessing justice are almost insurmountable."[136] In December 2020, the ICC found a "reasonable basis to believe" that crimes against humanity were committed under the antidrug campaign.[137]

Other Human Rights Issues

Some experts argue that the space for voices critical of the government narrowed under Duterte. In 2017, Philippine authorities arrested Senator Leila De Lima, a critic of Duterte's drug war, on charges that she had accepted money from drug lords while she was Justice Secretary.[138] In June 2020, journalist Maria Ressa, founder of the online news site Rappler, which has reported critically on the antidrug campaign, was found guilty of "cyber libel."[139] Some observers view both cases as politically motivated.[140] Ressa, who is free on bail as she appeals her verdict, was awarded the 2021 Nobel Peace Prize for her efforts to safeguard freedom of expression.[141]

The State Department's Country Reports on Human Rights Practices for 2020 cited "serious restrictions on free expression and the press, including violence, threats of violence, and unjustified arrests or prosecutions of journalists, censorship, and the use of criminal libel laws to punish journalists."[142] The Philippines was the seventh most dangerous country for journalists in 2020, according to the Committee to Project Journalists, and ranks 138 out of 180 countries on Reporters Without Borders' World Press Freedom Index.[143] The Philippines enacted a new Anti-Terrorism Law in 2020 that analysts say contains broad and vague provisions that the government and security forces can use arbitrarily to target political opponents and silence dissent, and that weakens legal protections for the accused.[144]

August 25, 2021.

[135] The Philippines officially withdrew from the ICC in March 2019. Jason Gutierrez, "Philippines Officially Leaves the International Criminal Court," *New York Times*, March 17, 2019.

[136] United Nations Human Rights Council, "Philippines: UN Report Details Widespread Human Rights Violations and Persistent Impunity," at https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25924&LangID=E.

[137] International Criminal Court, "Report on Preliminary Examination Activities 2020," December 14, 2020.

[138] Vince Ferreras, "TIMELINE: De Lima's Four-Year Struggle in Prison," *CNN Philippines*, March 16, 2021; "Muntinlupa Court Junks 1 of 3 Charges vs. De Lima," *CNN Philippines*, February 17, 2021; "List of De Lima's 'Persecutors' Sent to US Gov't," *CNN Philippines*, February 25, 2020.

[139] "Philippine American Journalist Maria Ressa Convicted in Cybercrime Case," *MSN*, June 15, 2020.

[140] Human Rights Watch, "Philippines: Drop Charges Against Rappler, Editor," November 30, 2018.

[141] Ressa won the prize along with Russian journalist Dmitry Muratov. "Maria Ressa: Facts," The Nobel Prize, at https://www.nobelprize.org/prizes/peace/2021/ressa/facts/; Robyn Dixon et al., "Journalists Known for Taking on Governments of Philippines and Russia Win Nobel Peace Prize," *Washington Post*, October 8, 2021; Rebecca Ratcliffe and Jon Henley, "'War Reporting Was Easier': Maria Ressa's Journey to Nobel Prize Winner," *The Guardian*, October 8, 2021.

[142] Department of State, *2020 Country Reports on Human Rights Practices: Philippines*.

[143] Committee to Protect Journalists, *Global Impunity Index 2020*, October 28, 2020; Reporters Without Borders, *World Press Freedom Index 2021*.

[144] Nick Aspinwall, "After Signing Anti-Terrorism Law, Duterte Names His Targets," *Foreign Policy*, July 10, 2020;

In 2018, the Securities and Exchange Commission of the Philippines revoked the license of online news site Rappler due to an issue related to alleged foreign control, which Rappler has disputed; the media company was allowed to continue operations pending a final decision by the SEC and the Court of Appeals.[145] Critics decried the license revocation as a violation of press freedom, particularly since Rappler had published reports on the drug war.[146] In July 2020, the Philippines House of Representatives voted to reject the renewal of the broadcast license of ABS-CBN, the country's largest broadcasting network, which had aired an opposition political advertisement in 2016 that reportedly offended Duterte. The network also was a major source of critical reporting on the drug war.[147]

In 2019 and 2020, extrajudicial killings of leftist and human rights activists increased, reportedly often carried out by unidentified assailants linked to security forces and government-backed militias.[148] Many of the victims were targeted as alleged members of, or linked to, communist or terrorist organizations. Between 2015 and 2020, there were over 200 such killings, according to the U.S.-based NGO Human Rights Watch.[149]

Economics and Trade

The Philippines, one of the fastest growing economies in Southeast Asia prior to the COVID-19 pandemic, recorded annual economic expansion averaging 6.6% annually between 2016 and 2019.[150] GDP contracted by 9% in 2020, largely due to the economic effects of the pandemic, but rebounded to 4.5% in 2021.[151]

Philippines trade with the United States, its third-largest trading partner and second largest export market, totaled $16.3 billion in 2020, including $9.7 billion in exports and $6.6 billion in imports. Major Philippine export items to the United States include electrical machinery, equipment, and parts; other machinery and appliances; leather goods and handbags; agricultural goods; medical devices; and apparel. The largest U.S. exports to the Philippines are electrical machinery, equipment, and parts and agricultural goods.[152] Under the Aquino administration, the Philippines had expressed strong interest in joining the (then) Trans-Pacific Partnership (TPP) in order to gain greater access to U.S. markets and investment opportunities. The Philippines recently has expressed interest in joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which evolved from the TPP without U.S. participation.[153]

Economist Intelligence Unit, *Country Report: Philippines*.

[145] "SEC Stands by Decision to Revoke Rappler's License," *CNN Philippines*, November 22, 2021.

[146] Philippine Center for Investigative Journalism, "State of Media Freedom in the Philippines," May 5, 2021.

[147] "ABS-CBN Says Sorry to Duterte for Airing Controversial Political Ad in 2016 Polls," *CNN Philippines*, February 24, 2020; Human Rights Watch, "Philippines: Duterte Seeks to Shut Network, Case Against ABS-CBN Attacks Media Freedom," February 10, 2020.

[148] United Nations Human Rights Council, "Philippines: UN Report Details Widespread Human Rights Violations and Persistent Impunity," June 29, 2020; Human Rights Watch, "Philippines: Spate of Killings of Leftist Activists," June 18, 2019.

[149] Human Rights Watch, "World Report 2021, Philippines: Events of 2020."

[150] World Bank, "GDP Growth (Annual %)—Philippines."

[151] Asian Development Bank, "ADB Maintains 2021 Forecast for Philippine Economy; COVID-19 Vaccination Key to Growth," news release, September 22, 2021; Economist Intelligence Unit, *Country Report: Philippines*.

[152] Trade Data Monitor.

[153] The United States withdrew from the TPP in 2017. Shannon Hayden and Javiera Heine, "CPTPP: Can We Expect Additional Southeast Asian Members Soon?" *The Diplomat*, March 10, 2022.

The Philippines is home to the largest business process outsourcing sector in the world, generating over $26 billion annually.[154] Filipino workers continue to emigrate for jobs abroad despite economic growth at home. Remittances from over 10 million overseas Filipino workers (OFWs) rose to a high of nearly $33.5 billion in 2019, the biggest share coming from the United States at 40.9%.[155] Over 600,000 OFWs returned to the Philippines in 2020-2021 due to the COVID-19 pandemic.[156]

Considerations for Congress

- Given the significance of the Philippines to U.S. strategic interests in the region, Congress may consider how best to support the defense relationship, including how to help the Armed Forces of the Philippines address its most critical capability gaps and capacity shortfalls. Congress may consider how to apportion U.S. security assistance among the areas of responding to external threats and counterterrorism. Congress may consider what combination of military and development or humanitarian assistance might best counter extremist movements in the southern Philippines.
- As the United States and the Philippines have common interests in maintaining a "free and open Indo-Pacific," Congress may consider how the United States might provide support to the Philippines in its efforts to protect its sovereignty and interests in its maritime domain. Policy tools include U.S. official statements of support for the 2016 UNCLOS tribunal decision declaring China's territorial claims to have no legal basis; cultivating multilateral support, including from ASEAN, for countering PRC assertiveness in the South China Sea; and providing greater security assistance to the Philippines. Congress may also consider the possible consequences for U.S. interests of ratifying UNCLOS.[157]
- As the problems of extrajudicial killings and a culture of impunity have continued in the Philippines, Congress may consider how the United States might assist the Philippine government in strengthening its oversight of its police and military forces and enhancing the efficacy of its judicial system. Previous U.S. assistance efforts, for example, have included strengthening the rule of law and improving judicial processes.[158] Given past, present, and proposed congressional restrictions on U.S. security assistance to the Philippines due to human rights concerns, Congress may consider their impact, if any, on human rights conditions in the Philippines and on U.S.-Philippines relations, and adjust accordingly.
- Given China's economic engagement and influence in the region and Philippine interest in strengthening economic ties with the United States, Congress may consider how best to promote closer U.S.-Philippines economic ties and provide

[154] Jessica Fenol, "BPO Industry Eyes $29-Billion Revenue, More Jobs by 2022," *ABS-CBN*, June 25, 2021.

[155] Remittances fell to $33.2 billion in 2020. Lawrence Agcaoili, "OFW Remittances Decline 1.7% to $2.89 Billion in January," *Philippine Star*, March 16, 2021.

[156] Ferdinand Patinio, "600K Pandemic-Affected OFWs Repatriated in 12 Months," *Philippine News Agency*, July 12, 2021.

[157] In the 117th Congress, H.Res. 361 and S.Res. 220 would call on the United States Senate to give its advice and consent to the ratification of UNCLOS.

[158] See, for example, USAID's Judicial Strengthening to Improve Court Effectiveness (JUSTICE) Project, at https://2012-2017.usaid.gov/philippines/partnership-growth-pfg/justice.

alternatives to Chinese infrastructure financing, whether through bilateral trade arrangements, the U.S. International Development Finance Corporation or other financial entities, a second Millennium Challenge Corporation compact, or the Indo-Pacific Strategy's proposed Indo-Pacific economic framework.

Selected Legislation

- The Consolidated Appropriations Act, FY2021 (P.L. 116-260, Section 7043(g)) states, "None of the funds appropriated by this Act may be made available for counternarcotics assistance for the Philippines, except for drug demand reduction, maritime law enforcement, or transnational interdiction." In addition, P.L. 116-260 mandated that the Administration submit a report describing steps taken by the Government of the Philippines to prosecute armed forces personnel who have been involved in extrajudicial killings, strengthen judicial institutions, and ensure that the armed forces and paramilitary groups are not engaging in acts of intimidation or violence against journalists, human rights and other social activists. The act also barred entry "to foreign government officials involved in threatening, wrongfully imprisoning, or otherwise depriving of liberty independent journalists who speak out or publish about official corruption or other abuses, including Maria Ressa in the Philippines."[159]
- The Asia Reassurance Initiative Act of 2018 (ARIA, P.L. 115-409) restricts counternarcotics assistance to the PNP, with the exception of drug demand reduction, maritime, and interdiction programs, unless the Philippines has adopted and is implementing a counternarcotics strategy that is consistent with international human rights standards.
- H.R. 3884 (introduced 6/14/21, 117th Congress), the Philippine Human Right Act, would suspend U.S. security assistance to the Philippines until the Government the Philippines has met certain conditions related to the protection of human rights and prosecution of members of the police and military who have violated human rights, among other provisions.[160]
- S. 1657 (introduced 5/17/21, 117th Congress), the South China Sea and East China Sea Sanctions Act of 2021, would impose sanctions on Chinese persons and entities that participate in certain activities related to China's territorial disputes in the South China Sea and the East China Sea and addresses other related issues.
- H.Res. 724 (introduced 10/19/21, 117th Congress) and S.Res. 432 (introduced 10/28/21, 117th Congress) would recognize the month of October 2021 as Filipino American History Month and celebrate the history and culture of Filipino Americans and their immense contributions to the United States.

[159] See Joint Explanatory Statement to the Consolidated Appropriations Act, FY2021, Division K (Department of State, Foreign Operations, and Related Programs Act, 2021) and S.Rept. 116-126. Between 2008 and 2013, the U.S. Congress placed conditions upon a portion of Foreign Military Financing (FMF) to the Philippines (withholding $2 million-$3 million annually) in order to encourage human rights improvements related to extra-judicial killings by members of the AFP. These restrictions applied only to the Army.

[160] The main provisions of this bill have been incorporated into H.R. 4521, the America COMPETES Act of 2022 (Sec. 30229A).

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