

Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS
Second Regular Session

House Bill No. **10732**



Introduced by HON. JAMES "JOJO" ANG JR.

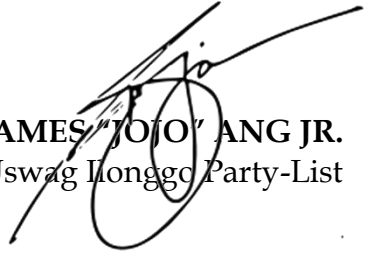
EXPLANATORY NOTE

In May 2026, the Global Preparedness Monitoring Board (GPMB) issued its final report regarding the global preparedness in the face of health emergencies. As the body created by the World Health Organization ten years ago to drive reforms to make the world safer, its last report stated that local preparedness has been outpaced by emerging trends. It further stated that momentum towards equitable access to vaccines, therapeutics, diagnostics, and countermeasures have begun to reverse. The conclusions of the GPMB were not only brought about by the COVID-19 pandemic, but also by the confluence of all the other health emergencies experienced by the world since then.

According to the 2025 World Risk Index Report conducted by by Germany's Bündnis Entwicklung Hilft and Ruhr University Bochum, the Philippines ranked first in the list of disaster-prone countries in the world. This, along with report of the GPMB, highlights the need for a continuous supply of essential and critical drugs and medicines, vaccines, devices, and materials to effectively and swiftly address public health emergencies.

This bill aims to address this critical situation by mandating the procurement and stockpiling of critical and strategic pharmaceuticals and medical devices as well as the supply of raw materials in preparation for health emergencies.

Hence, the immediate passage of this bill is earnestly sought.



JAMES "TOTO" ANG JR.
Uswag Ilonggo Party-List

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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10732

Introduced by HON. JAMES “JOJO” ANG JR.

AN ACT
PROVIDING FOR THE STOCKPILING OF STRATEGIC AND CRITICAL
DRUGS AND MEDICINES, VACCINES, DEVICES, AND MATERIALS
FOR PUBLIC HEALTH EMERGENCIES, CREATING FOR THE PURPOSE THE
HEALTH PROCUREMENT AND STOCKPILING BUREAU UNDER THE
DEPARTMENT OF HEALTH, AND APPROPRIATING FUNDS THEREFOR

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

1 **SECTION 1. *Short Title.*** – This Act shall be known and cited as the “*Health*
2 *Procurement and Stockpiling Act*”.

3 **SEC. 2. *Declaration of Policy.*** – It is the policy of the State to protect and
4 promote the right to health of the people and instill health consciousness among them.
5 The State also mandates the adoption of an integrated and comprehensive approach
6 to health development.

7 Towards this end, it shall protect public health and safety by preventing and
8 controlling the spread of diseases and other health hazards through the stockpiling of
9 essential and critical drugs and medicines, vaccines, devices, and materials to
10 effectively and swiftly address the devastating consequences of public health
11 emergencies.

1 **SEC. 3. *Definition of Terms.*** – As used in this Act:

2 (a) “Countertrade” refers to a supplemental trade tool in connection with
3 transactions involving the importation or procurement of foreign capital equipment,
4 machinery, products, goods and services and amounting to at least One million
5 dollars (US\$1M) and above or its foreign currency equivalent. It shall also cover any
6 of the following arrangements:

7 (1) “Counter purchase”, also known as counter exports, this refers to
8 parallel transactions or reciprocal trade, whereby the foreign supplier
9 reciprocally commits to purchase Philippine goods or services, to be exported
10 to the supplier's country or a third country;

11 (2) “Product Buy Back” whereby the foreign supplier of the equipment
12 or machinery is paid for with the resultant product(s) or good(s) made or
13 manufactured by such equipment or machinery;

14 (3) “Offset” whereby the foreign supplier commits to introduce
15 investments or technology transfer in the Philippines, or assist in establishing
16 new industries or improving existing industries to generate or save foreign
17 exchange or create increased employment, which may or may not be related to
18 the machinery, equipment, products or goods so imported or services
19 procured;

20 (4) “Trade-for-Debt Swap” whereby a loan or credit accommodation
21 obtained by a government agency or government-owned or -controlled
22 corporation from a foreign government or creditor which has remained
23 outstanding and unpaid is arranged to be settled in full or partially by way of
24 sales of products, goods or services to be provided by a third party rather than
25 by payment in foreign currency; or

26 (5) Any form of combination or variation of the above arrangements that
27 results in the inflow to the country of foreign exchange, or savings thereof,
28 investments, training and technology transfer, grants for educational, scientific,

1 technological, environmental and related research programs or projects, which
2 will enhance Philippine industrial or export competitiveness or contribute to
3 the creation of new competitive industries, enhance existing industries or
4 utilization of Philippine services or expertise by foreign clients, or result in the
5 reduction of public debt;

6 (b) "Device" refers to instruments, apparatus, or contrivances, including their
7 components, parts, and accessories that are authorized by the Food and Drug
8 Administration (FDA}, intended (1) for use in the diagnosis, cure, mitigation,
9 treatment, or prevention of disease in man; or (2) to affect the structure or any function
10 of the human body;

11 (c) "Drugs and medicines" refer to any chemical compound or biological
12 substance, other than food, that are authorized by the FDA, intended for use in the
13 treatment, prevention, or any of the following:

14 (1) Any article recognized in the official United States Pharmacopoeia-
15 National Formulary, official Homeopathic Pharmacopoeia of the United States,
16 Philippine Pharmacopoeia, Philippine diagnosis of disease in humans or
17 animals, including: National Drug Formulary, British Pharmacopoeia,
18 European Pharmacopoeia, Japanese Pharmacopoeia, Indian Pharmacopoeia,
19 any national compendium or supplement to any of them;

20 (2) Any article intended for use in the diagnosis, cure, mitigation,
21 treatment, or prevention of disease in humans or animals;

22 (3) Any article other than food intended to affect the structure or
23 function of the human body or animals;

24 (4) Any article intended for use as a component of articles specified in
25 clauses (1), (2), and (3) not including devices or their components, parts, or
26 accessories; and

1 (5) Herbal and/or traditional drugs which are articles of plant or animal
2 origin used in folk medicine which are:

3 (i) Recognized in the Philippine National Drug Formulary;

4 (ii) Intended for use in the treatment or cure or mitigation of
5 disease symptoms, injury or body defects in humans;

6 (iii) Other than food, intended to affect the structure or any
7 function of the human body;

8 (iv) In finished or ready-to-use dosage form; and

9 (v) Intended for use as a component of any of the articles specified
10 in clauses (i), (ii), (iii), and (iv);(d) Materials refer to essential medical
11 and/or life-saving supplies needed in times of pandemics such as face
12 masks, body bags, personal protective equipment, and similar supplies
13 or equipment;

14 (e) "Public health emergency" refers to an occurrence or imminent threat of an
15 illness or health condition that:

16 (1) Is caused by any of the following:

17 (i) Bioterrorism;

18 (ii) Appearance of a novel or previously controlled or eradicated
19 infectious agent or biological toxin;

20 (iii) A natural disaster;

21 (iv) A chemical attack or accidental release thereof;

22 (v) A nuclear attack or accident; or

23 (vi) An attack or accidental release of radioactive materials; and

24 (2) Poses a high probability of any of the following:

25 (i) A large number of deaths in the affected population;

26 (ii) A large number of serious injuries or long-term disabilities in the
27 affected population;

1 (iii) Widespread exposure to an infectious or toxic agent that
2 poses a significant risk of substantial harm to a large number of people
3 in the affected population;

4 (iv) International exposure to an infectious or toxic agent that
5 poses a significant risk to the health of citizens of other countries; or

6 (v) Trade and travel restrictions; and

7 (f) "Stockpiling" refers to an inventory of health commodities and materials or
8 those physical reserve of definite quantities of commodities or materials that are
9 stored in government warehouses or on government-owned properties that are
10 intended for all essential health uses in times of emergencies.

11 **SEC. 4. *Creation of a Health Procurement and Stockpiling Bureau.*** - There is
12 hereby created a body under the Department of Health (DOH) to be known as the
13 Health Procurement and Stockpiling Bureau, hereinafter referred to as the Bureau. It
14 shall serve as the principal agency mandated to undertake a transparent, fair,
15 proactive, and innovative procurement service for the DOH and to stockpile,
16 conserve, and facilitate the release of adequate amounts of potentially life-saving
17 pharmaceuticals, vaccines, devices, and materials in times of public health
18 emergencies.

19 **SEC. 5. *Organization.*** - The Bureau shall absorb the Procurement Service and
20 Logistics Management Division of the DOH. The Secretary of Health shall determine
21 the organizational structure and staffing modifications of the Bureau subject to the
22 approval of the Department of Budget and Management (DBM) in accordance with
23 the existing civil service laws, rules and regulations.

24 The DOH shall ensure an effective and efficient monitoring system for the
25 proper implementation of the procurement and stockpiling of drugs and medicines,
26 vaccines, devices and materials.

27 **SEC. 6. *Functions and Responsibilities.*** - The Bureau shall perform the
28 following functions and responsibilities:

- 1
- 2 (a) Formulate plans', policies, and programs on procurement management;
- 3 (b) Undertake the procurement process in accordance with the Government
- 4 Procurement Reform Act;
- 5 (c) Advise the Secretary of Health on matters pertaining to the procurement of
- 6 goods and services, infrastructure and consultancy services;
- 7 (d) Manage the Bureau's response activities during a public health emergency;
- 8 (e) Conduct procurement monitoring visits to DOH field offices;
- 9 (f) Provide technical assistance to DOH field offices on procurement matters;
- 10 (g) Identify, in consultation with appropriate agencies, strategic and critical
- 11 drugs and medicines, vaccines, devices, and materials needed for public health
- 12 emergencies that have the distinct capability of being stockpiled in strategic and
- 13 secure areas of the country;
- 14 (h) Maintain a buffer supply of strategic and critical drugs, medicines, vaccines,
- 15 devices, and materials to ensure the availability of these items;
- 16 (i) Facilitate the provision of potentially life-saving pharmaceuticals, vaccines,
- 17 devices, and materials in times of public health emergencies;
- 18 (j) Act as supply-chain manager to ensure the rotation and replenishment of
- 19 stocks, and a steady, available, fresh and adequate supply of drugs and medicines,
- 20 vaccines, devices, and materials, which are essential in responding to public health
- 21 emergencies;
- 22 (k) Acquire, release, and properly dispose drugs and medicines, vaccines,
- 23 devices, and materials, as directed by the Secretary of Health;
- 24 (l) Require all suppliers to monitor their stocks and production capacity and
- 25 notify possible supply disruptions at least six (6) months in advance;
- 26 (m) Conduct regular analysis and communicate any impending shortage ahead
- 27 of time;

1 (n) Facilitate the creation of a conducive environment to encourage
2 pharmaceutical and device self-sufficiency for medical supplies needed by the country
3 by forging public-private collaboration with institutions, sectors and the industry,
4 which could bolster government efforts to achieve pharmaceutical and device self-
5 sufficiency;

6 (o) Make an in-depth study on drugs and medicines, vaccines, devices, and
7 materials to avoid supply shortage in the country;

8 (p) Maintain a publicly accessible inventory database of the available
9 commodities and stocks of all items included in the proposed stockpile, including the
10 expiration dates of relevant stocks and their purchase prices;

11 (q) Spearhead the crafting of a multi-sector National Drug and Device Security
12 Program geared towards the country's self-reliance in producing drugs and
13 medicines, vaccines, devices, and materials; and

14 (r) Ensure adequate provision of the appropriate storage and containment
15 facilities in strategic areas of the country that properly comply with requirements for
16 room temperature and humidity, refrigeration and non-exposure to heat, sunlight,
17 rain and moisture.

18 **SEC. 7. Sources.** - Consistent with the country's obligations under international
19 treaties and agreements, drugs and medicines, vaccines, devices, and materials may
20 be obtained from domestic or foreign sources and the procurement thereof shall be
21 open to all eligible suppliers. manufacturers and distributors. However, in the interest
22 of availability, efficiency, and timely delivery of drugs and medicines, vaccines,
23 devices, and materials, the Bureau shall encourage the development of domestic
24 sources to ensure steady, available and adequate supply of such drugs and medicines,
25 vaccines, devices, and materials that are essential in responding to public health
26 emergencies, and in such manner as may be allowed by law, to include countertrade
27 and industrial cooperation to augment stockpiling and availability of critical materials
28 by:

1 (a) Purchasing, or making a commitment to purchase, either directly or
2 through countertrade, strategic and critical drugs and medicines, vaccines, devices,
3 and materials of domestic origin when such are needed for the stockpile;

4 (b) Contracting with domestic facilities, or making a commitment to
5 contract with domestic facilities, for the processing or refining of strategic and critical
6 drugs and medicines, vaccines, devices, and materials in the stockpile when
7 processing or refining is necessary to convert such into a form more suitable for
8 storage and subsequent disposition;

9 (c) Identifying existing domestic facilities and domestically produced
10 strategic and critical drugs and medicines, vaccines, devices, and materials to meet the
11 requirements of public health and essential civilian industries in times of public health
12 emergency when existing domestic sources of supply are either insufficient or
13 vulnerable to single points of failure; and

14 (d) Contracting with domestic facilities to recycle strategic and critical
15 devices and materials, thereby increasing domestic supplies when such devices and
16 materials would otherwise be insufficient to meet public health needs.

17 **SEC. 8. *Industrial Collaboration Program.*** - The DOH shall implement an
18 industrial Collaboration Program wherein it shall maintain and develop institutional
19 linkages or partnerships with government and nongovernment institutions, including
20 the DBM, Department of National Defense, Department of the Interior and Local
21 Government, Department of Social Welfare and Development, Department of Finance,
22 Department of Trade and Industry, National Disaster Risk Reduction and Management
23 Council, FDA, Bureau of Customs, Philippine Council for Health Research and
24 Development, Philippine International Trading Corporation, Government
25 Procurement Policy Board, the Price Negotiation Board as provided under Section
26 28(b) of Republic Act No. 11223, otherwise known as the "Universal Health Care Act",
27 World Health Organization, Philippine Red Cross, and other pertinent institutions,

1 concerning the procurement, management, distribution, and utilization of drugs and
2 medicines, vaccines, devices, and materials in the stockpile.

3 **SEC. 9. *Establishment of Medical Stockpiling Fund and Tax Exemptions.*** – All
4 donations, contributions, grants, bequests, or gifts, in cash or in kind, received from
5 various sources, shall be placed into a fund. to be known as the Medical Stockpiling
6 Fund. This Fund shall be expended to support the National Drug and Device Security
7 Program in accordance with existing budgeting, accounting and auditing rules and
8 regulations.

9 The DOH may solicit and receive grants, bequests, endowments, donations and
10 contributions which shall form part of the Fund. Said grants, bequests, endowments,
11 donations and contributions used actually, directly and exclusively for the purpose of
12 the Fund shall be exempt from donor's tax and the same considered as allowable
13 deduction from gross income for purposes of computing the taxable income of the
14 donor, in accordance with Section 34 (H)(2) (a) of the National Internal Revenue Code
15 of 1997, as amended, Likewise, fund raising activities may be conducted by the DOH
16 and the proceeds of which shall accrue to the Fund and shall be exempt from any and
17 all taxes.

18 Receipts from donations, whether in cash or in kind, shall be accounted for by
19 the DOH in accordance with accounting and auditing rules and regulations. The
20 receipts from cash donations and proceeds from the sale of donated commodities shall
21 be deposited with the National Treasury and recorded as a special account in the
22 General Fund and shall be made available to the DOH through a special budget
23 pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292. The cash value
24 of the donations shall be deemed automatically appropriated for the purpose specified
25 by the donor. Donations with a term not exceeding one (1) year shall be treated as
26 trust receipts.

1 The DOH shall submit the quarterly reports of all donations received, whether
2 in cash or in kind, and expenditures or disbursements thereon with electronic
3 signature to the Secretary of the DBM, through the Unified Reporting System, and to
4 the Speaker of the House of the Representatives, the President of the Senate of the
5 Philippines, the Chairpersons of the House Committee on Appropriations and the
6 Senate Committee on Finance, and the Chairperson of the Commission on Audit, by
7 posting such reports on the DOH website for a period of three (3) years.

8 The Secretary of Health shall send written notice to the said offices when
9 reports have been posted on its website, which shall be considered the date of
10 submission.

11 **SEC. 10. *Report to Congress.*** - The DOH shall submit an annual report to the
12 Congress of the Philippines, through the Committee on Health of the House of
13 Representatives and the Committee on Health and Demography of the Senate, on or
14 before February 15 of each year, detailing its operations under this Act, which shall
15 include information regarding:

16 (a) Foreign and domestic purchases of stockpiled drugs and medicines,
17 vaccines, devices, and materials;

18 (b) Acquisition and disposal of stockpiled drugs and medicines, vaccines,
19 devices, and materials; and

20 (c) Such other pertinent information on the implementation of this Act.

21 **SEC. 11. *Appropriations.*** - The amount for the initial implementation of this
22 Act shall be charged against the current year's appropriation of the DOH. Thereafter,
23 the funding of which shall be included in the annual General Appropriations Act.

24 **SEC. 12. *Implementing Rules and Regulations.*** - The Secretary of Health, in
25 consultation with appropriate government agencies, shall promulgate the necessary
26 rules and regulations for the implementation of this Act within sixty (60) days from
27 its effectivity.

1 **SEC. 13. *Separability Clause.*** - If any provision of this Act is declared
2 unconstitutional or in valid, other parts or provisions hereof not affected thereby shall
3 continue to be in full force and effect.

4 **SEC. 14. *Repealing Clause.*** - All laws, executive orders, presidential decrees,
5 presidential proclamations, letters of instruction, rules and regulations or part thereof
6 which are inconsistent with the provisions of this Act are hereby repealed or modified
7 accordingly.

8 **SEC. 15. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
9 publication in the Official Gazette or in a newspaper of general circulation.

Approved,