

**DEPARTMENT OF FINANCE
DEPARTMENT OF BUDGET AND MANAGEMENT
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY**

Joint Memorandum Circular No. 2022- 1

Date: January 28, 2022

To: Heads of Departments, Bureaus, Offices, and Agencies of the National Government, including State Universities and Colleges (SUCs), Government-Owned or -Controlled Corporations (GOCCs)/Government Financial Institutions (GFIs), and Constitutional Offices; Local Government Units (LGUs); and All Others Concerned

Subject: **ADOPTION OF A NATIONAL ASSET MANAGEMENT PLAN (NAMP) AS PART OF THE IMPLEMENTATION OF THE PHILIPPINE GOVERNMENT ASSET MANAGEMENT POLICY (PGAMP)**

1.0 Background

- 1.1 The PGAMP was issued under the Department of Finance (DOF)-Department of Budget and Management (DBM)-National Economic and Development Authority (NEDA) Joint Memorandum Circular (JMC) No. 2020-1¹ to provide government agencies with the policies to operationalize an asset management system (AMS) to ensure the cost-effective management of assets, by analyzing the lifecycle, capacity, and utilization of non-financial assets, individually and collectively, and to maximize government funds by targeting scarce resources to the most critical asset needs.
- 1.2 More specifically, it aims to operationalize an AMS for all critical and strategically important non-financial assets of the government to increase efficiency, improve decision-making, manage risks better, and reduce costs in government.

It maintains the policy that all resources of the government shall be managed, expended or utilized in accordance with laws, rules and regulations, and shall be safeguarded against loss or wastage through illegal or improper disposition to ensure efficiency, economy and effectiveness in the operations of the government.

¹ *Implementation of a PGAMP* dated 24 September 2020

- 1.3 The PGAMP mandates the Development Budget Coordination Committee Technical Working Group on Asset Management (DBCC TWG-AM)² to formulate a two-year NAMP based on the general principles and guidelines indicated in the aforesaid JMC.

Said two-year plan shall indicate specific guidelines on, among others, the following:

- a. Management of the government's non-financial assets to protect the rights and ownership of the national government;
- b. Mapping of asset investments;
- c. Phasing, as necessary, of the implementation of the asset management programs of the government, such as identifying the pilot assets and agencies that shall be prioritized in the roll-out of the PGAMP;
- d. Open data and public disclosure of relevant asset information; and
- e. Provision of resources and capability development interventions for the bureaucracy and the agencies concerned.

2.0 Purpose

- 2.1 The NAMP, covering Fiscal Years 2022-2023, herein attached and made an integral part hereof, shall serve as a strategic guide on how the goals, mission and objectives of the Government of the Philippines (GOP) are to be successfully realized in delivering public services through the effective and efficient management of government assets.
- 2.2 The NAMP shall further strengthen the linkage between planning, programming, budgeting, and monitoring and evaluation, as well as the relationship between the AM principles and accounting framework, for said areas to work harmoniously to help the GOP realize value from its various assets, and achieve better accountability, sustainability, risk management, service management, and financial efficiency.
- 2.3 The NAMP supports the other planning documents of the GOP, such as the Philippine Development Plan, *Ambisyon Natin 2040*, Public Investment Program, Three-Year Rolling Infrastructure Plan, Medium-Term Expenditure Framework, and other relevant documents, including the United Nations Sustainable Development Goals.
- 2.4 With the PGAMP and NAMP as guidance documents, the national government agencies (NGAs) concerned shall be better equipped to formulate and develop their respective two-year AM plans³ that will contain, among others, the

² Created through DBCC Resolution No. 2019-4 (*Ad Referendum Approval for the Creation of the Technical Working Group on Asset Management*) dated June 21, 2019 to review and update the policies on the management of government assets to protect the rights and ownership of the national government and establish a common and homogeneous policy on the management of its non-financial assets. This TWG has taken over the tasks of the Inter-Agency Committee on Government Property Insurance (IAC-GPI) when Administrative Order No. 14 (*Creating an Inter-Agency Committee to Formulate the Necessary Policies, Rules and Regulations for the Purpose of Ensuring that the Key Properties, Assets and Other Insurable Interests of the Government are Comprehensively and Adequately Insured*), s. 2017, had lapsed.

³ Called the Agency Asset Management Plans (AAMPs)

budgeted acquisition, disposal, and rehabilitation/repairs, for said covered period, as well as the capability development activities needed by the agency.

- 2.5 Consistent with the PGAMP, the AAMPs shall be used as reference to support, among others, the budgetary requirements of the agencies concerned in terms of assets to be acquired/constructed, maintained, and insured, as well as their capability building requirements for the implementation of their AMS.
- 2.6 The PGAMP, NAMP, and AAMPs shall provide the tools and techniques to develop budgets and work programs based on appropriate asset inventory data, information, and analysis. Further use of these documents involves resilience and risk management in infrastructure planning, asset lifecycle management, and establishing levels of service standards.

3.0 Coverage

- 3.1 Since this is the first NAMP, focus is given to the critical and strategically important non-financial assets of the government. Critical assets are those that if were to fail unexpectedly, would have a severe consequence on the community or their users. On the other hand, strategically important assets are those which have significant socio-economic impact to the country, such as schools, government buildings, roads, bridges, hospitals, dams, irrigation facilities, and treatment and welfare centers. An asset can be both critical and strategically important.
- 3.2 Being a government-wide plan, the NAMP shall, in the future, cover all non-financial assets of the government, including lands (such as, but not limited to, those with buildings, used for agricultural purposes, or idle), buildings, infrastructures, and other critical assets as determined by the agencies concerned. On the other hand, motor vehicles, mobile devices, furniture, and other non-critical assets are being excluded in this initial coverage of the NAMP.
- 3.3 The NAMP provides the pilot agencies for the initial implementation of the PGAMP, as follows: (i) Department of Education; (ii) Department of Health; and (iii) Department of Public Works and Highways.
- 3.4 Subsequent priority agencies for the implementation of the PGAMP in FY 2022 are likewise provided in the NAMP, as follows:
 - a. Department of Social Welfare and Development;
 - b. Department of Information and Communications Technology;
 - c. Department of Transportation;
 - d. Department of Science and Technology;
 - e. National Irrigation Authority; and
 - f. Power Sector Assets and Liabilities Management Corporation.
- 3.5 The Legislature, the Judiciary, Constitutional Commissions, and Office of the Ombudsman, as well as the local government units, are encouraged to utilize the NAMP in the operationalization of their respective AMS.

4.0 Guidelines

- 4.1 The NAMP shall be used to provide the national strategic direction in terms of the management of the strategically important non-financial as well as critical assets of the GOP, to eventually cover all non-financial assets of the government.
- 4.2 Since the responsibility to take care that the AM policy to manage, expend or utilize government assets is in accordance with laws, rules and regulations rests directly with the chief or head of the government agency concerned, top management support shall be provided in the implementation of its AMS.
- 4.3 Infrastructure and financial planning shall ensure that the use of scarce resources is maximized and that services are equitably funded over time.

Hence, the importance of efficient and effective management of government's assets is needed for sustainable development, consistent with the objective of asset management to meet a required level of service in the most cost-effective manner, through the management of assets for present and future customers.

- 4.4 The National Asset Registry System (NARS) being managed by the Bureau of the Treasury (BTr) shall remain as the primary facility to record the inventory of assets of the national government.

Hence, the agencies are required to regularly update their data on the NARS, based further on the guidelines to be issued by the BTr on the matter, especially to support infrastructure-related budget requests.

- 4.5 Consistent with the GOP's commitment to increase the availability and utilization of government data that will pave the way towards data-driven governance, innovation and development, the NAMP supports a policy of open data and public disclosure, subject to restrictions provided by pertinent laws, rules and regulations.
- 4.6 The government shall ensure that its AM processes and practices are appropriate and effective by, among others, establishing targets and regularly monitoring the achievement of these targets, and building an asset management capacity in the NGAs.
- 4.7 The GOP, through the DBCC TWG-AM and the use of the PGAMP and the NAMP, shall ensure that the AM processes to manage critical and strategically important non-financial assets are developed over time.

The NAMP shall support the continued provision of capability building interventions to the DBCC TWG-AM, pilot agencies and other NGAs to be subsequently covered in the roll-out of the PGAMP, as well as the Commission on Audit.

Introducing the NAMP processes and building the capabilities of the GOP on AM is an iterative process. Hence, a continual improvement program focused on AM practices and maturity levels shall be adopted.

4.8 The NAMP shall be revisited annually, as needed, and its time horizon may be expanded from the initial two (2) years to three (3) years in the development of the succeeding NAMPs, to align with the medium-term planning processes.

5.0 Resolution of Issues

Issues and concerns that may arise in the implementation of the NAMP, including cases/situations not covered therein, shall be submitted to the DBCC TWG-AM for resolution.

6.0 Separability

If any part or provision of this JMC is held invalid or unconstitutional, the other provisions not affected thereby shall remain in force and effect.

7.0 Repeal

All other existing guidelines, circulars or issuances, or parts thereof, which are inconsistent with this JMC are hereby repealed, amended or modified accordingly.


8.0 Effectivity

This JMC shall take effect immediately after its complete publication in the Official Gazette or in a newspaper of general circulation and the filing of three (3) certified true copies thereof with the Office of the National Administrative Register of the University of the Philippines Law Center.




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