



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

Joint Memorandum Circular No. 2023-1

Date: 15 MAY 2023

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 Water Districts (LWDs); Local Government Units (LGUs); and All Others Concerned

Subject: GUIDELINES ON THE PREPARATION, SUBMISSION, AND POLICY ON THE PROCESSING AND REVIEW OF AGENCY ASSET MANAGEMENT PLANS (AAMPs)

1.0 Background

- 1.1. Development Budget Coordination Committee (DBCC) Resolution No. 2019-4¹ formed the Technical Working Group on Asset Management (TWG-AM) to institutionalize asset management through the formulation of policies and programs to efficiently manage the assets of the National Government (NG). The TWG-AM is composed of representative/s from the following:

Co-Chairpersons	Department of Budget and Management (DBM)
	Department of Finance (DOF), through the Bureau of the Treasury (BTr)
Members	Office of the President (OP)
	National Economic and Development Authority (NEDA)

¹ Ad Referendum Approval for the Creation of the Technical Working Group on Asset Management

- 1.2. DBCC Resolution No. 2020-18 dated 7 July 2020 directed the TWG-AM to formulate a Philippine Government Asset Management Policy (PGAMP) that shall institute and operationalize an asset management system (AMS) for all government non-financial assets to aid in increasing efficiency, improving decision-making, enhancing risk management, and reducing costs in government. In compliance with said DBCC Resolution, the DOF-DBM-NEDA Joint Memorandum Circular (JMC) No. 2020-1² was issued which promulgated the implementation of the PGAMP.
- 1.3. As enunciated in the JMC, the DBCC TWG-AM shall develop and update a two (2)-year National Asset Management Plan (NAMP) providing specific guidance on, among others, the following:
 - 1.3.1. Managing the government's non-financial assets to protect the rights and ownership of the NG;
 - 1.3.2. Mapping of asset investments;
 - 1.3.3. Phasing, as necessary, the implementation of the asset management programs of the government;
 - 1.3.4. Enabling open data access and public disclosure of relevant asset information; and
 - 1.3.5. Providing resources and capability development interventions for the bureaucracy and the agencies concerned.

Agencies covered by the aforementioned JMC are required to formulate their respective AAMP, which is a two (2)-year road map that will demonstrate how the agency's intended investment strategy will achieve its development activity and agency goals through its AMS. It is the agency's written representation of intended capital, maintenance and operational programs for its existing asset base, and investment in new infrastructure which is based on its understanding of demand, customer requirements, and details of its network or portfolio of assets.³

- 1.4. Pursuant to Section 3 of Administrative Order (AO) No. 4 dated 7 August 2017,⁴ the DOF⁵ was tasked to undertake, as necessary, vital activities related to ensuring that all key properties, assets, facilities, and other insurable interests of the government are comprehensively and adequately insured, including an inventory of key government assets, among others.

² Implementation of a Philippine Government Asset Management Policy (PGAMP)

³ A group of assets with similar characteristics and use

⁴ 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

⁵ Being undertaken by the BTr

Relative thereto, the BTr established the National Asset Registry System (NARS), which is a comprehensive inventory of the non-financial assets owned and used by the national government that would serve as a vital tool in the management of the same. This was the result of the recommendations/findings of the Inter-Agency Committee on Government Property Insurance (IAC-GPI), which was created pursuant to Section 1 of the AO.

The NARS, as an information technology-based registry being maintained by the BTr, shall contain geographical, legal and financial data, asset attributes, information for disaster risk management and financing including public asset insurance, and other relevant asset information.

Easy access and analysis of critical information on government assets such as costs, and implementation schedules, are bare minimum requirements to generate useful insights that lead to good asset management. The AAMP is a tool that will make the analysis of data easier and will ultimately improve the Philippine Government's asset management practices.

2.0 Purpose and Rationale

2.1 This Circular has the following objectives:

2.1.1 Provide procedures, standards, and timelines for the preparation, submission, processing, and review of the AAMPs of covered agencies;

2.1.2 Define the general scope and delineation of tasks pertaining to the processing and review of the AAMP that will be undertaken by each member-agency of the DBCC TWG-AM and its Working Group (WG); and

2.1.3 Define the current and required purpose of the NARS, including the following:

2.1.3.1 Standards to assess the extent of an agency's compliance with the requirements of the NARS; and

2.1.3.2 Linkages between the NARS and the AAMP as a basis in the processing and review of the latter.

3.0 Coverage

- 3.1 This Circular shall apply to all national government agencies (NGAs) and instrumentalities under the Executive Branch, including SUCs, GOCCs, government corporate entities, government instrumentalities with corporate powers, GFIs, and LWDs.
- 3.2 The Legislature, the Judiciary, Constitutional Offices, and Office of the Ombudsman, as well as LGUs, are encouraged to adopt the provisions of this Circular in the management of their respective assets.

4.0 General Guidelines

4.1 Establishment of an Agency Working Group on Asset Management (WG-AM)

- 4.1.1 The DBCC TWG-AM, as the oversight agency in the implementation of the PGAMP, shall identify agencies that shall be prioritized in the roll-out of the PGAMP.
- 4.1.2 Agencies covered under the PGAMP are required to establish their respective WG-AM that shall spearhead the formulation, regular updating, and overall implementation of their respective AAMPs in accordance with the composition prescribed under Section 8.7 of the DOF-DBM-NEDA JMC No. 2020-1.

4.2 Submission and Use of the NARS Dataset

- 4.2.1 The AAMP shall contain information on the inventory of the assets of an agency and other related asset data, therefore, the submission of the NARS dataset is a prerequisite in the preparation of the AAMP.
- 4.2.2 The BTr shall facilitate, in coordination with other relevant stakeholders, the provision of capacity development interventions needed by the covered agencies in the submission of their respective NARS dataset.
- 4.2.3 The NARS provides the authoritative master record of all non-financial public assets of the NG. Relatedly, Section 8.8 of the DOF-DBM-NEDA JMC No. 2020-1 provides that covered agencies are not precluded from establishing and/or maintaining their respective asset inventory, provided that agencies shall ensure the interoperability and integration of their systems with the NARS, and follow the standards used by the BTr in the NARS. Anent to this, agencies are responsible and accountable for the completion of the NARS dataset for assets they own, maintain, and/or operate.

4.2.4 Agencies are required to submit their NARS dataset for the review of the BTr with regard to data quality and at the frequency as defined in the NARS Manual (**Annex A**). Specifically, the NARS dataset to be submitted shall follow the simplified NARS template (**Annex B**) and completion thereof shall be informed by the NARS Manual.

The NARS dataset submitted to the BTr shall be aligned with the asset data to be provided in the AAMP.

4.2.5 The BTr shall use the NARS datasets in crafting the portfolio risk assessment, among other uses. The assessment shall be shared with the agency for the improvement of the planning and implementation of its internal asset and risk management.⁶

4.2.6 The NARS dataset and any analysis thereof shall be made accessible to the DBCC TWG-AM and/or NG, as necessary, for the continued improvement of asset management across government, shall include, but is not limited to, budgeting, financing, insurance, investment, and planning activities.

4.3 **Preparation, Submission, Processing, and Review of the AAMPs**

4.3.1 To supplement the outline of the AAMP with the prescribed minimum data requirements, the DBCC TWG-AM-recommended AAMP template (**Annex C**) shall be transmitted to the agencies covered by the implementation of the PGAMP, for guidance in the preparation of their respective plans.

4.3.2 The DBCC TWG-AM shall facilitate, in coordination with other relevant stakeholders, the provision of capacity development interventions needed by the covered agencies in the preparation of their respective AAMPs and in the successful implementation of the PGAMP and NAMP.

4.3.3 To facilitate a more cost-effective, environment-friendly, and resource-efficient submission, processing, and review of the AAMP, all communication and coordination between and among the TWG-AM and other government agencies, as well as the transmittal of documents shall be conducted through digital means.

⁶ Including of disasters to help protect public assets and service delivery against typhoons, floods, and other catastrophic events with mitigation and risk financing measures.

- 4.3.4 The detailed procedure, standards, and timeline for the preparation, submission, processing and review of the AAMPs are provided under **Annex D**, for reference and compliance of the agencies concerned.
- 4.3.5 On the processing and review of AAMPs vis-à-vis the role of the DBCC TWG-AM member-agencies on the same, **Annex E** specifies the designated AAMP sections to be reviewed by each member-agency of the DBCC TWG-AM, through its WG, based on the general area of concern of each member-agency based on its mandate, functions, and/or coverage.
- 4.3.6 It shall be incumbent upon the DBCC TWG-AM member agencies and covered agencies to exercise diligence in ensuring that the procedure, standards, and timeline prescribed herein are complied with and followed.

5.0 Monitoring and Evaluation (M&E) of the AMS and Implementation of the AAMP of the Agencies

- 5.1 In consonance with the DOF-DBM-NEDA JMC No. 2020-1, the DBCC TWG-AM, as part of its oversight functions, shall monitor and evaluate the AMS, as well as the AAMP of the agencies covered by the PGAMP. This shall be done jointly by the member-agencies with respect to each of the assigned roles and responsibilities as indicated under **Annex E**, during the regular budgeting and financial reporting process.
- 5.2 Further guidelines/framework on the M&E process may be formulated by the TWG-AM, as necessary. Such M&E guidelines/framework shall serve as a basis for assessing the appropriateness and effectiveness of the AMS/AAMP processes and practices of the agencies covered in the PGAMP.

6.0 Revisions and Amendments to the Circular

- 6.1 The DBCC TWG-AM, as necessary, may amend, supplement, and/or modify this Circular and its corresponding annexes in consonance with the PGAMP and the NAMP that is in effect.
- 6.2 To ensure that this Circular along with its relevant annexes are responsive to actual conditions encountered by the covered agencies during implementation, DBM-Systems and Productivity Improvement Bureau (SPIB), as the Secretariat of the DBCC TWG-AM, shall continuously engage stakeholders for feedback on areas for improvement.

- 6.3 Amendments and/or modifications to this Circular and its annexes may be made from time to time, as necessary, subject to the following clearance/approval requirements:
- 6.3.1 Clearance/approval from the **DBCC TWG-AM members** for any substantive amendments/modifications, including:
 - 6.3.1.1 Changes in the provisions of this Circular;
 - 6.3.1.2 Changes on the required information necessary to comply with AAMP and NARS requisites; and,
 - 6.3.1.3 Revisions to the scope, intent, and level of review of the submitted AAMPs.
 - 6.3.1.4 Changes in the threshold for the rating of the AAMP (i.e., non-compliant to partially compliant or basic compliance and beyond) that would affect the consolidated findings, recommendation, and result of the technical review of the TWG-AM; and
 - 6.3.1.5 Revisions on the role and responsibilities of the DBCC TWG-AM member-agencies on the processing and review of AAMPs.
 - 6.3.2 The **DBCC TWG-AM WG** may proceed to issue on its own any formal or clerical amendments/modifications, including:
 - 6.3.2.1 Changes in the annexes of this Circular that are not noted under item 6.3.1 herein, including clerical or cosmetic revisions, changes in document format, and updating of electronic mail addresses, among others;
 - 6.3.2.2 Changes to the internal procedure and timeline of DBCC TWG-AM member-agencies to process and review the submitted AAMPs; and
 - 6.3.2.3 Issuance of non-policy opinions and clarifications to serve as guidance to agencies in the aid of fostering improved compliance.
 - 6.3.3 In case of doubt on whether a proposed revision or modification should require the approval of the DBCC TWG-AM principals or its WG, the same shall be submitted to the DBCC TWG-AM principals, through the DBCC TWG-AM Secretariat, for consideration and approval.

- 6.3.4 Any amendments/revisions to this Circular, or its annexes shall take effect upon formal notice to the covered agencies,⁷ including the DBCC TWG-AM principals, and upon uploading of these issuances and/or documents in the online repository created for the purpose.

7.0 Resolution of Issues

- 7.1 Issues and concerns that may arise in the implementation of this Circular, including cases/situations not covered therein, shall be submitted to the DBCC TWG-AM for resolution.
- 7.2 To serve as a reference for covered agencies and pursuant to good knowledge management practices, the DBCC TWG-AM shall issue non-policy opinions that narrate key facts along with the corresponding resolution of the issues for contentious issues raised before it.
- 7.3 The DBCC TWG-AM Secretariat shall compile and make these opinions openly accessible to all covered agencies and the public to serve as guidance should similar cases arise in the future. Altogether, these shall serve as reference for proposing changes to this Circular and its attendant annexes.
- 7.4 The DBCC TWG-AM may prescribe its own detailed internal guidelines and procedures on the resolution of issues that may arise in the implementation of this Policy.

8.0 Online Repository of Asset Management Issuances and Documents

- 8.1 The DBM shall maintain a tab on the implementation of the PGAMP in its official website⁸ to serve as a repository of all issuances and documents related to the said policy, including this Circular and its annexes. The issuances, reference materials, and other relevant documents contained in this tab shall be continuously updated and/or maintained as the main reference of all agencies in relation to asset management and the PGAMP.
- 8.2 The DBM-SPIB shall ensure that the latest documents and information are reflected in the tab insofar as practicable. The covered agencies are advised to regularly visit the tab often to keep updated with the latest developments on asset management and the implementation of the PGAMP.

⁷ May include electronic mail correspondences/transmittals

⁸ <https://www.dbm.gov.ph/>

9.0 Separability


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

10.0 Repeal


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

11.0 Effectivity

11.1 This Circular shall take effect immediately after its complete publication in the Official Gazette or in a newspaper of general circulation. Three (3) certified true copies of this Circular shall be filed with the University of the Philippines Law Center-Office of the National Administrative Register.


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MAY 10 2023




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- Annexes:**
- A** NARS Manual
 - B** Simplified NARS Template
 - C** AAMP Template
 - D** Detailed Procedure, Standards, and Timeline for the Preparation, Submission, Processing, and Review of the AAMPs
 - E** Roles and Responsibilities of DBCC TWG-AM and its WG in the Processing and Review of AAMPs