



Funding the Republic

Republic of the Philippines
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila



TREASURY CIRCULAR NO. 1-2024

27 March 2024

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: NATIONAL ASSET REGISTRY SYSTEM (NARS) GOVERNANCE FRAMEWORK

1.0 BACKGROUND

- 1.1. Section 3 of Administrative Order (AO) No. 4 dated 7 August 2017,¹ mandated the Department of Finance (DOF) to undertake, among others, the inventory of key properties and assets of the government.

Accordingly, the Bureau of the Treasury (BTr) established the National Asset Registry System (NARS) to provide a comprehensive inventory of the non-financial assets of the government that would serve as a vital tool in managing government resources.

- 1.2. In 2020, the DOF, Department of Budget and Management (DBM), and National Economic and Development Authority (NEDA) issued DOF-DBM-NEDA Joint Memorandum Circular (JMC) No. 2020-1. The JMC institutionalized the implementation of the Philippine Asset Management Policy (PGAMP) which seeks to operationalize an asset management system for all strategically important and critical non-financial assets of the government to increase efficiency, improve decision-making, manage risks better, and reduce costs in the government.

¹ 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

Under Section 8.8, the NARS was designated to be the primary facility to record the inventory of assets of the national government. The agencies are required to ensure the interoperability and integration of their respective inventory of assets using the NARS standards set by the BTr.

- 1.3. In 2022, the DOF, DBM, and NEDA issued DOF-DBM-NEDA JMC No. 2022-1, which facilitated the adoption of the National Asset Management Plan (NAMP) 2022-2023 and required agencies covered by the PGAMP to regularly update their data on the NARS based on the guidelines issued by the BTr, especially to support infrastructure-related budget requests.
- 1.4. In 2023, the DOF, DBM, and NEDA issued DOF-DBM-NEDA JMC No. 2023-1² provided the general guidelines on the submission and use of the NARS dataset and the adoption of open-data, among others.

2.0 PURPOSE

- 2.1. This circular issues the NARS Governance Framework.
- 2.2. The NARS Governance Framework is issued to lay down the policies, roles, responsibilities, procedures, and processes of its users and stakeholders to enable collaboration among government agencies, instrumentalities and stakeholders on the NARS.

3.0 COVERAGE

- 3.1. This Circular shall apply to all agencies and instrumentalities submitting asset data to the NARS.
- 3.2. This Circular shall also cover other agencies and stakeholders that shall be tapped for the achievement of the NARS objectives

4.0 LEGAL AND REGULATORY FRAMEWORK

- 4.1. AO No. 4, s. 2017 mandated the DOF to undertake, as necessary, the vital activities to ensure that the key properties and assets of the government are comprehensively and adequately insured, including, among others, the inventory of key property and assets of the government.

² *Guidelines on the Preparation, Submission, and Policy on the Processing and Review of Agency Asset Management Plans (AAMPs)*, dated 15 May 2023

- 4.2. DOF-DBM-NEDA JMC No. 2020-1 defined the NARS, under item 5.1 as an IT-based registry being housed and maintained by the BTr, which stores geographical, legal and financial data, asset attributes, risk mitigation features, and insurance information.

Item 8.8 of the JMC recognizes the NARS as the primary facility to record the inventory of assets of the Philippine Government. However, it likewise expressly stated that agencies are not hindered from establishing and/or maintaining their respective asset inventory, provided that the interoperability and integration of these systems with the NARS are ensured and the standards of the BTr are followed.

- 4.3. DOF-DBM-NEDA JMC No. 2022-1 required agencies covered by the PGAMP to regularly update their data on the NARS based on the guidelines issued and to be issued by the BTr.
- 4.4. DOF-DBM-NEDA JMC No. 2023-1 defined the standards to assess the extent of an agency's compliance with the requirements of the NARS and the simplified NARS template through the NARS Manual, as well as the linkages and alignment between the NARS and the asset data therein with the (Agency Asset Management Plan (AAMP) as basis for the processing and review of the latter.

Item 4.0 of JMC No. 2023-1 noted that the BTr shall facilitate capacity-development interventions needed by the covered agencies in the submission of NARS dataset. The NARS datasets shall be used in crafting the portfolio risk assessment, among others. Additionally, the NARS dataset and analysis of the same shall be made accessible to the DBCC TWG-AM and/or the NG, as necessary for the purposes of the continual improvement of Government's asset management, which includes but is not limited to budgeting, financing, insurance, investment, and planning activities.

5.0 LINKAGE WITH NATIONAL KEY STRATEGIC DOCUMENTS AND ROADMAPS

- 5.1. *AmBisyon Natin 2040* is the long-term vision for Filipinos to achieve a strongly-rooted, comfortable, and secure life by 2040. It focuses on key sectors such as housing and urban development, manufacturing, connectivity, education services, tourism and allied services, agriculture, health and wellness services, and financial services.

The NARS supports this vision by providing asset data and analytics for managing, utilizing, valuing, protecting, and managing risks for crucial assets like infrastructure and facilities. This support enhances service delivery and performance in priority sectors outlined in AmBisyon.

- 5.2. The Philippine Development Plan (PDP) 2023-2028 takes on the theme of transforming the economic and social sectors and institutions for a prosperous, inclusive, and resilient society. Aligned with the PDP 2023-2028 and AmBisyon Natin 2040, NARS enhances efficiency through the implementation of a digitized asset database. This enhanced asset inventory system supports asset planning, financing, and management with the objective of promoting effective infrastructure planning and programming.
- 5.3. Republic Act (RA) No. 101723 or the Data Privacy Act of 2012 which recognizes the vital role of information and communications technology in nation-building and its inherent obligation to ensure that the personal information; and information and communication systems in the government and in the private sector are secured and protected.
- 5.4. RA No. 10175 or the Cybercrime Prevention Act of 2012 which recognizes the importance of providing an environment conducive to the development, acceleration, and rational application and exploitation of information and communications technology (ICT) to attain free, easy, and intelligible access to exchange and/or delivery of information; and the need to protect and safeguard the integrity of computer, computer and communications systems, networks, and databases, and the confidentiality, integrity, and availability of information and data stored therein, from all forms of misuse, abuse, and illegal access by making punishable under the law such conduct or conducts.
- 5.5. The Philippine Disaster Risk Financing and Insurance Strategy that was developed in 2014 in line with the mandate of DOF to provide the lead for Outcome 5 (Communities access to effective and applicable disaster risk financing and insurance) under Thematic Area 1 (Disaster Prevention and Mitigation) of the National Disaster Risk Reduction and Management Plan (NDRRMP) institutionalized by the Philippine Disaster Risk Reduction and Management Act of 2010 or Republic Act (R.A. No. 10121).

6.0 THE NARS GOVERNANCE FRAMEWORK

- 6.1. The NARS Governance Framework is a living and evolving document that provides the policies, roles and responsibilities, procedures, and processes of its users and stakeholders to enable government agencies and stakeholders concerned to collaboratively achieve the objectives of the NARS.

6.2. MISSION STATEMENT

The NARS shall be the primary facility to record the inventory of the critical and strategically important non-financial assets of the National Government. It is a vital tool in the continued implementation of the PGAMP by providing data analytics that drive asset-related decisions and policies, as well as contribute to risk-based budgeting and disaster risk management.

While the NARS shall serve as the primary facility to record the inventory of assets of the national government, covered agencies are not precluded from establishing or maintaining their respective asset inventory systems, provided that the same is aligned with the standards of the BTr in the NARS. Further, seamless interoperability and integration of the agencies' system with the NARS shall be ensured.

6.3. OBJECTIVES

The objectives of NARS are as follows:

- 6.3.1. To serve as the primary inventory system of the NG's non-financial assets, particularly the critical and strategically important assets;
- 6.3.2. To acquire and maintain an asset information technology database for recording and updating of the status of the non-financial assets of the NG;
- 6.3.3. To provide greater transparency and improved oversight in the management of the government assets through the adoption of a standardized format of asset data reporting; and
- 6.3.4. To continually develop and increase the analytic capabilities and functionality of the NARS that will facilitate data-driven asset decision making.

6.4. NARS ROADMAP

The roadmap for the NARS (Annex A) shall be regularly updated to reflect the direction of the BTr in the development and implementation of the NARS. The roadmap includes short-term, medium-term, and long-term plans for the initiative. The Roadmap likewise provides the four pillar approach that the BTr will implement in scaling up the NARS.

6.5. THE NARS

6.5.1. ASSET SCOPE

The asset data and scope of the NARS is defined by the consideration of the asset's criticality to the agency and the strategic importance to government as a whole, and the objectives of the data collection, which may include analytical outputs and the functionalities of the NARS.

The NARS shall contain data on the non-financial assets of the government. These non-financial assets could be **ordinary assets** such as land and buildings or **specialized assets** or those that are critical and/or strategic to the performance of the agency's mandate.

The BTr does not provide for a minimum financial threshold in identifying which assets to include in the NARS as agencies may have different assessments of the criticality of their non-financial assets. As a guiding principle, an asset's criticality or strategic importance may depend on the following:

- Socioeconomic impact to the community;
- Strategic importance as evidenced by the potential interruption to government functions or services in the event of its damage or destruction and to national security;
- Relative interdependency with other infrastructure affecting the level of service of the agency
- Value and difficulty of reconstruction;
- Lifeline services such as power and water; and
- Availability of redundancy measures for the asset in the event of asset failures.

In general, the NARS shall warehouse data of assets that have significant social, economic, or environmental bearing on the country's operations, such as, but not limited to school buildings, government buildings, roads, bridges, hospitals, dams, irrigation facilities, and telecommunications towers.

6.5.2. CORE ASSET DATA

The NARS holds a detailed description of the following key attributes of an asset which are further detailed in the following figure:

| General Information | Location Information | Legal/Ownership Information |
|--|---|---|
| Asset Number Organization/Agency Asset Name Asset Type Asset Description | Longitude Latitude Address (Region, Province, Municipality, City) | Ownership, Acquisition/Conveyance details Impediments (if any) |
| Financial Information | Insurance Information | Technical Specifications |
| Accounting Value Appraised Value Sound Market Value Assessed Value Replacement Value Improvements Disposal Information | Insurance Details Sum Insurable (for uninsured assets) Policy Coverage (if insured) | Asset Condition Occupancy Structural Information Land Information Mitigation Measures Security |

These information are the primary data to be submitted to the NARS. These are critical in the planning, creation, operation, maintenance, monitoring, renewal/rehabilitation, and eventual disposal of government assets and to strengthen the government's natural hazard management and financing of government assets.

The NARS Manual (Annex B) provides a detailed description of all data fields and data requirements of the NARS.

6.5.3. SUPPLEMENTARY ASSET DATA

In the future, the NARS may collect supplementary data for planning and analytical purposes. These supplementary data include, but is not limited to, natural hazard risk information (e.g., typhoon and earthquake data), demand growth data (e.g., population and demographic data), and other socioeconomic data (e.g., gross domestic product, budgetary information, fiscal projections). Gathering of such data shall be done with the relevant government agencies or through locally or internationally recognized data sources.

6.5.4. NARS FUNCTIONALITY

At its core, the NARS shall provide oversight and implementing agencies with an overview of their asset data. This includes a summary of the various assets and asset types of the agencies as well as the detailed information located therein.

Supplemental functionalities to the NARS shall be integrated on a needs and capacity basis which may include dashboards, criticality assessment, and risk analysis.

6.5.5. NARS ANALYTICS AND OUTPUTS

The BTr shall provide submission assessments regularly to inform agencies and its stakeholders on the status of the NARS data gathering. These reports shall aid implementing agencies in further improving the data they provide and input to the NARS.

Analytics anchored on NARS data shall also be developed by the BTr to aid oversight agencies in its asset management plans, as highlighted in the PGAMP. These analytics may include exposure concentration assessment, risk modeling, and criticality assessments among others.

6.6. COMPETENCY FRAMEWORK

The NARS Competency Framework (CF) (Annex C) covers team skills and capacity building required to maintain the NARS as well as the implementation of its current and future functionality and analytics.

6.7. GOVERNANCE STRUCTURE

Outlined below are the respective roles and responsibilities of the governing body of the NARS who shall formulate and/or implement binding decisions and strategies relative to the NARS.

| Composition of the Governing Body | Roles and Responsibilities |
|--|--|
| Executive management of the BTr | <ul style="list-style-type: none">• Serve as custodians of NARS and provide strategic oversight for its continual population and development• Ensures the effective fulfillment of the objectives and functionality of the NARS• Puts in place the team of specialists to maintain the NARS• Acquire and/or procure IT solutions for data analysis and visualization, and a web-platform for data upload• Determine the strategic direction, functionality, and specification of the NARS, in consultation with the DBCC TWG-AM• Conduct stakeholder relations and communication about NARS• Review and submit budget proposals of the BTr on the development and maintenance of NARS for submission to the DBM |
| Implementation team at the BTr including Asset Registry Division (ARD) | <ul style="list-style-type: none">• Maintain an inventory of the non-financial assets of the government through the NARS• Provide assistance, capacity-building interventions, and technical aid to agencies in asset data gathering, mapping, and valuation• Develop and ensure the adoption of standard definitions and formats for data and metadata, as well as information sharing across the agencies concerned• Develop tools to ensure consistency in data and information management practices• Promote best practices for sectoral, interdepartmental, and interorganizational metadata management and governance• Implement the directives on the NARS• Facilitate the maintenance and scaling up of the NARS |

| | |
|--|---|
| | <ul style="list-style-type: none"> ● Identify key issues in the development of the NARS and bring them to the attention of the management ● Prepare the directed outputs and implement the functionality of the NARS ● Identify and collaborate with other agencies on the required data ● Develop and disseminate of communication materials on NARS ● Generate of analytics from NARS data ● Preparation of budget proposals for NARS ● Provide updates on NARS-related activities during regular DBCC TWG-AM meetings and/or submission of related reports |
| DBCC TWG-AM | <ul style="list-style-type: none"> ● Provide policies on asset investment mapping ● Monitor efforts in coordinating with identified agencies targeted to populate the NARS as part of the activities under the PGAMP. ● Ensures the resources are available for the NARS for BTr to fulfill its objectives and functions |
| Pilot and covered agencies in the roll-out of the NARS | <ul style="list-style-type: none"> ● Consolidate and submit accurate and up-to-date asset data annually at the request of BTr ● Ensure the integration of the asset data submitted to the NARS in medium and long-term plans of the government, such as the AAMPs ● Ensure the interoperability and integration of the agency system with the requirements and standards of the NARS ● Ensure and maintain data quality and adhere to national data standards ● Adopt and implement asset management policies/guidelines, such as on asset data management, to be issued by the DBCC TWG-AM ● Coordinate with the BTr for the collection and submission of asset data ● Participate in capacity-development activities |

6.8. USER HIERARCHY AND AGENCY ACCESS TO NARS

| User Type/Role | Description |
|--|--|
| Administrator: Add/enroll and manage users, verify and check the approved assets, and change the status of an asset | The administrator has full control of NARS, its data structure and data field additions and changes. Therefore the administrative person has to carry the full knowledge of the NARS requirements, structure and strategic importance of data fields and data itself. |
| Approver: Review all the data encoded if it is approved or disapproved | The approver will be responsible for signing off on bulk data uploads and the validation that is required. The approver will also be responsible for signing off on any changes to the data structure. Therefore the approver has to carry the full knowledge of the NARS requirements, structure and strategic importance of data fields and data itself. |
| Encoder: Users capable of adding and appending assets | The encoder will undertake the data upload and data quality validation. This person therefore, has to have the full working knowledge of NARS and the NARS data structure |
| Viewer: Can view all data submissions across the NARS | The viewer would be an end-user of the data. These persons have to be able to interpret the data and being able to export the data for further analysis. |

6.9. NARS DATA MANAGEMENT

Data management is a critical function of the NARS. The management of data in NARS is done through the ongoing completion of four key processes: (i) data collection and acquisition, (ii) data validation, (iii) data warehousing, and (iv) data analysis and sharing.

- (i) **Data Collection and Acquisition.** Agencies submit their asset data based on the information required in the NARS Template provided. Detailed information on these fields are found in the NARS Manual. To ensure that data remain up to date, agencies shall regularly update their asset information on a schedule to be agreed upon between the agency and the BTr. In the event of major acquisitions or changes to asset data, agencies are requested to update their NARS data as soon as possible.

(ii) **Data Validation.** The BTr (ARD) reviews the submitted asset information based on the following criteria:

- a. Completeness - required asset information are provided
- b. Conformity - asset data are filled up based on NARS standards.
- c. Consistency - frequency of submission or updating

The BTr (ARD) prepares an evaluation report reflecting the review of the agency submission.

To ensure that data fields are properly filled in (i.e., numerical data fields will only be filled with numbers and not words), the NARS portal shall have data validation checks

(iii) **Data Warehousing.** Submitted data are integrated, retained, and protected to ensure the NARS' ability to accomplish its objectives. Protocols shall be placed to ensure that a) redundant back up is maintained.; b) data access is monitored; and c) data security established.

Data will be stored on BTr servers unless other servers are deemed more secured. Stored data will be managed in accordance with established policy and security guidelines regarding data retention, protection, and deletion. These policies must consider NARS-specific safety and security requirements, such as:

- Keeping asset data safe by introducing redundancy measures, such as creating backup copies of all agency submissions, which will be maintained and retained according to policy and security guidelines;
- Ensuring data remains up-to-date and accurate by developing and applying protocols that specify the redundancy of data/items that will no longer be required, such as historical information or asset data of assets that have been disposed of or were significantly changed; and
- Minimizing security risk through the implementation of relevant protocols, specifically those related to data retention and deletion.

- (iv) **Data Analysis and Sharing.** NARS data will be processed regularly by the BTr to produce various forms of inventory, geospatial, and risk analysis. The BTr may engage and collaborate with field experts in the production of risk analyses, as may be necessary. These field experts shall be bound by data privacy and confidentiality requirements in the form of Non-Disclosure Agreements.

NARS data critical to risk and asset management, which includes the analyses done by the BTr will be shared regularly to policymakers and other stakeholders, including the DBCC-TWG AM for purposes of planning and policymaking. An annual report on the NARS shall likewise be posted in the BTr's website as part of the NARS Portfolio Risk Report.

7.0 REVISIONS AND AMENDMENTS TO THE CIRCULAR

- 7.1. The BTr, as necessary, may amend, supplement, and/or modify this Circular and its attendant annex and attachments in consonance with the PGAMP, NAMP, and the development of the NARS.
- 7.2. To ensure that this Circular, along with its relevant annex and attachments are responsive to actual conditions encountered by the agencies covered in the roll-out of the NARS or by the implementation of the PGAMP, the BTr, shall continuously engage stakeholders concerned for feedback on areas for improvement.
- 7.3. Any amendments/revisions to this Circular or its annex shall take effect upon formal notice to the agencies covered by roll-out of the NARS³ and upon uploading of these issuances and/or documents in the BTr website.

8.0 MONITORING AND EVALUATION

- 8.1. The BTr shall regularly conduct stakeholder consultations with NARS implementing agencies to determine the effectiveness as well as areas for improvement and actions necessary to enhance the NARS.
- 8.2. The BTr shall regularly post a "NARS Portfolio Risk Report" to detail the recent developments of the NARS and provide key analyses on the data available.

³ May include electronic mail correspondences/transmittals

9.0 RESOLUTION OF ISSUES

9.1. 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.

10.0 SEPARABILITY

10.1. 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.

11.0 REPEAL

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

12.0 EFFECTIVITY

12.1. This Circular shall take effect immediately.

ORIGINAL SIGNED

SHARON P. ALMANZA

Treasurer of the Philippines
Bureau of the Treasury

- Annex:**
- A** NARS Roadmap
 - B** NARS Manual
 - C** NARS Competency Framework
 - D** Responsibility Matrix