



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
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Website: <http://www.denr.gov.ph> / E-mail: web@denrgov.ph

NOTICE OF CONSULTATION MEETING

FOR/TO : **The Assistant Secretary or Representative**
Policy, Planning and Foreign Assisted and Special Projects
Field Operations- Luzon and Visayas
Field Operations- Western Mindanao
Field Operations- Eastern Mindanao

The Service Director or Representative
Financial and Management Service
Legal Affairs Service

**The Bureau Director or
the Division Chief concerned for the issuance
of Tenurial Instruments/Economist**
Forest Management Bureau
Biodiversity Management Bureau
Mines and Geosciences Bureau
Land Management Bureau
Ecosystems Research and Development Bureau

The Chief or Representative
PPS- Planning, and Programming Division
PPS- Program Monitoring and Evaluation Division
PPS- Policy Studies Division

Mr. Manuel D. Gerochi
Policy Studies Division- All Sectoral Focals

FROM : **The OIC Director for Policy and Planning Service**

DATE/TIME : **25 October 2022/ 9: 00 AM onwards (Tuesday)**

VENUE : **6th Floor DENR Central Office, Usec for Legal, Administration, Human Resources and Legislative Affairs Conference Room**

AGENDA : **Development of ENR Asset Management Manual**

Attached is the draft Asset Management Manual, for your reference.

Your presence is highly enjoined.


MELINDA C. CAPISTRANO

I. INTRODUCTION

Rationale

Pursuant to Section 2, Article XII of the 1987 Constitution, the State has the option to enter into co-production, joint venture, or production-sharing agreements with Filipino citizens or corporations or associations to explore, develop and utilize the natural resources. Such agreements may be for a period not exceeding twenty-five (25) years, renewable for not more than 25 years.

Under Executive Order No. 192 dated June 10, 1987, the DENR is mandated to regulate the development, disposition, extraction, exploration and use of the country's forest, land and mineral resources. The Department is granted the power to promulgate rules, regulations and guidelines on the issuance of co-production, joint venture or production sharing agreements, licenses, permits, concessions, leases and such other privileges and arrangements concerning the development, exploration and utilization of the country's natural resources and shall continue to oversee, supervise and police our natural resources; to cancel or cause to cancel such privileges and arrangements upon failure, non-compliance or violations of any regulations, orders, and for all other causes which are in furtherance of the conservation of natural resources and supportive of the national interest.

Based on these mandates and on various laws, rules and regulations, i.e., Commonwealth Act (CA) No. 141 or the Public Land Act, Act No. 3038 pertaining to the disposition of patrimonial properties, Presidential Decree (PD) No. 705 or the Revised Forestry Code, as amended, Republic Act (RA) No. 7586 or the National Integrated Protected Areas System (NIPAS) Act, as amended by RA 11038 or the Expanded NIPAS Act of 2018, and RA 7942 or the Philippine Mining Act, the DENR enters into agreements and issue permits, licenses, leases and other tenurial instruments for the development and utilization of the country's natural resources. While these laws, rules and regulations provide for processes on the management of cancelled or terminated and expired tenurial instruments, there is a need to establish unified/standard procedures on asset management to address implementation issues on the ground.

Thus, DENR Administrative Order (DAO) No. 2020-09 was issued on June 5, 2020 prescribing the guidelines on the management of cancelled or terminated, expiring, and expired tenurial instruments. Section 11 thereof provides for the development of an Asset Management Manual.

Objective

The Asset Management Manual shall serve as a guide or reference by all the DENR field offices in the administration of the Department's assets within their respective areas of jurisdiction. It shall provide a systematic approach for asset management, with the objective of improving the Department's practice of managing the assets within its jurisdiction.



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Scope and Coverage

The Asset Management Manual covers the following tenurial instruments that have been cancelled or terminated, expiring, and have expired:

1. Forest Land Use Agreement (FLAg)
2. Forest Land Use Agreement for Tourism Purposes (FLAgT)
3. Forest Land Grazing Management Agreement (FLGMA)
4. Integrated Forest Management Agreement (IFMA)
5. Socialized Industrial Forest Management Agreement (SIFMA)
6. Special Use Agreement in Protected Areas (SAPA)
7. Foreshore Lease Agreement (FLA)
8. Miscellaneous Lease Agreement (MLA)
9. Mineral Agreement (MA)
10. Financial or Technical Assistance Agreement (FTAA)

The Manual shall also apply to cancelled or terminated, expiring, and expired leases over patrimonial properties, except those managed by the Land Management Bureau (LMB) which are governed by special laws. For mining tenements, the procedures under the Mining Act shall apply. However, the process prescribed herein shall be observed for mined out areas within public lands, the control of which was turned over to the DENR.

II. CREATION OF AN ASSET MANAGEMENT TEAM (AMT)

An Asset Management Team shall be created at each PENRO, DENR-National Capital Region (NCR), and the Mines and Geosciences Bureau Regional Office (MGB RO), as the case may be, to ensure proper management and monitoring of assets on the ground. It shall be headed by the Provincial Environment and Natural Resources Officer in the case of PENROs, by an Assistant Regional Director (ARD) in the case of DENR-NCR, and by the Regional Director (RD) in the case of MGB ROs, with the members coming from the Technical Sections/Divisions concerned.

The AMT, which shall be formed through the issuance of a Special Order by the Regional Executive Director (RED), shall have the following functions:

1. Inventory and appraisal of all the improvements and possible damages within the area;
2. Initiate takeover of the area/s and improvements by putting up signages that it is a DENR property, and conducting related activities in order to secure the area;
3. Conduct of comprehensive assessment to determine the best land use of the area covered by expiring tenurial instruments that will no longer be renewed;
4. Preparation and implementation of a protection and management plan while the area is not yet covered by a tenurial instrument; and
5. Submission of report and recommendation regarding the best land use of the area and the improvements therein. In case of protected areas, the AMT shall ensure that prior coordination and consultation is undertaken with the Protected Area

Management Board (PAMB) concerned relative to the appropriate land use and improvements therein.

The AMT shall constitute members with competence on the following:

- a. Forestry tenure;
- b. Coastal and marine management;
- c. Enforcement of ENR laws and policies;
- d. Land management ;
- e. Mining tenure; and
- f. Valuation/Asset management

As an approach to project management, the AMT shall have the option to hire the services of personnel who have the expertise/skills on asset management. The funding for the hiring shall be sourced from the regular funds of the office concerned.

For the AMT is an adhoc team created specific for each particular subject tenure. The existence of which starts from the time the notice to vacate shall be used for the expiring. For the cancelled and terminating, right after the finality the order of cancellation and termination. For the expired, immediately upon the issuance of the order of inspection, inventory and assessment the AMT shall be created.

III. INVENTORY OF ALL CANCELLED/TERMINATED, EXPIRING, AND EXPIRED TENURIAL INSTRUMENTS

1. The implementing unit/office shall come up with an annual inventory/list of all cancelled/terminated expiring, and expired tenurial instruments within their areas of jurisdiction, and submit the list, together with a status report to the PENRO/Regional Office, as the case may be. The template for the inventory/list is attached as **Annex A**. For lands and forestry tenures, the responsibility shall be with the Regional and Permitting Section (RPS) of the CENRO, Implementing PENRO and the PENRO, and the Licenses, Patents and Deeds Division (LPDD) of the DENR-National Capital Region (NCR). In the case of protected areas (PAs) under the NIPAS, the function rests with the Conservation and Development Section (CDS) of the PENRO, in coordination with the Protected Area Management Board (PAMB) through the Protected Area Management Office (PAMO). Moreover, the MGB RO shall be responsible for mining tenements.
2. The PENRO shall consolidate all the information/data and submit the list and status report to the Regional Office concerned.
3. The Regional Office shall collate all the information/status of tenurial instruments and forward the same to the Bureaus concerned, and to the Knowledge and Information Systems Service (KISS) at the Central Office for integration in a database. In the case of DENR-NCR, a similar inventory shall be conducted by the LPDD, with the data submitted to the Bureaus concerned and to the KISS.

IV. MAINTENANCE OF ENR TENURE REGISTRY

A. Level of Registry Maintenance

A registry of cancelled/terminated, expiring, and expired tenurial instruments shall be established at the PENRO/Implementing PENRO by the RPS, at the Regional Office by the LPDD, and at the Central Office by the KISS based on the inventory/list submitted by the implementing unit/office.

B. Elements of the Registry

The registry shall contain the following information: type of tenurial instrument, tenure identification, name of the tenurial instrument holder, location, area/size, date of award of the tenurial instrument date of expiration of the tenurial instrument, and status/remarks/documentation of the process involved in the determination and delineation of the areas, and, if available, the zonal value of the land. The registry shall be made available through the DENR websites, public notices at the DENR Regional Offices, PENROs/Implementing PENROs, City, Municipal, Barangay Offices and other National Government Agencies concerned. The template of the registry is attached as **Annex B**.

C. Updating of the Registry

The registry shall be updated by the offices concerned annually, depending on the inventory/list submitted by the implementing unit/office.

V. PRE-TAKEOVER PROCEDURES

Expiring Tenurial Instruments

1. For at least one (1) year prior to the expiration, the office concerned shall inform the tenurial instrument holder of the expiration of the tenurial instrument. Subsequently, the holder shall file their intention to terminate or renew their tenurial instrument with the DENR within the same period, but not later than six (6) months prior to the expiration period.
2. The expiring tenurial instruments shall be categorized according to those that are for renewal and for non-renewal.
 - a. For tenurial instruments that are for renewal, a performance evaluation shall be conducted by the office concerned at least six (6) months prior to expiration, which shall be used as basis of further action.
 - b. For tenurial instruments that will no longer be renewed, a notice shall be issued by the PENRO/Implementing PENRO, RED in the case of DENR-NCR, and Regional Director in the case of the MGB RO, as the case may be, to the tenurial instrument holder to vacate the area upon expiration. The template for the Notice to Vacate is attached as **Annex C**.

3. Within a period of three (3) months prior to expiration, a Notice of Inspection (**Annex D**) shall be issued by the official concerned to the AMT to conduct an inventory of all the improvements introduced and the state/condition of the subject improvement. The Report on the conduct of inventory (**Annex E**) shall contain the description of the area, inventory of the assets, assessment, and recommendation and shall be duly acknowledged by the tenurial instrument holder or his/her authorized representative. Geotagged photos of the area and improvements shall be attached as supporting documents to the Report.

For areas that are not subject to renewal of the tenurial instrument, opening up of the same for new application/s shall be initiated prior to the date of expiration, if the AMT so recommends. Otherwise, the jurisdiction over the improvement/s shall be turned over to the DENR office concerned after the expiration of the tenurial instrument.

Cancelled / Terminated Tenurial Instruments

1. Upon determination of the cause for cancellation or termination and application of due process, a notice shall be issued by the office concerned to the tenurial instrument holder to vacate the area within seven (7) days from the finality of the Order of Cancellation (refer to Annex C for the Notice to Vacate).
2. After the issuance of the Order of Cancellation, a Notice of Inspection (refer to Annex D) shall be issued by the official concerned to the AMT to conduct an inventory of all the improvements introduced and the state/condition of the subject improvement, as well as to initiate forfeiture procedures.
3. The AMT shall also conduct comprehensive assessment to determine the best land use of the area. The Report on the conduct of inventory (refer to Annex E) shall contain the description of the area, inventory of the assets, assessment, and recommendation and shall be duly acknowledged by the tenurial instrument holder or his/her authorized representative. Geotagged photos of the area and improvements shall be attached as supporting documents to the Report. The AMT may consult stakeholders such as local government units (LGUs), non-government organizations (NGOs), other government offices, academe, private sector, and the like in the development of the area.

In case of rehabilitation of SAPA areas, the PAMB shall attest to the satisfactory rehabilitation of the area according to the zone's objectives of the management plan. In cases where the tenurial instrument holder has unsettled accounts, all assets equivalent to the amount due, including performance bond, if any, or plantations established shall be forfeited in favor of the Government.

Expired Tenurial Instruments

1. Upon identification by the implementing unit/office of expired tenurial instruments, a Notice of Inspection (refer to Annex D) shall be issued by the official concerned to the AMT to conduct an inventory of all the improvements introduced and the state/condition of the subject improvement. The Report on the conduct of inventory (refer to Annex E) shall contain the description of the area,

inventory of the assets, assessment, and recommendation and shall be duly acknowledged by the tenurial instrument holder or his/her authorized representative, if possible. Geotagged photos of the area and improvements shall be attached as supporting documents to the Report.

2. The AMT shall secure the area covered, prepare and implement a protection and management plan, and conduct a comprehensive assessment to determine the best land use thereof. Only the immovable/permanent properties shall be subject to take-over by the DENR office concerned. The AMT may consult stakeholders such as the LGUs, NGOs, other government offices, academe, private sector, and the like in the development of the area.

In case of rehabilitation of SAPA areas, the PAMB shall attest to the satisfactory rehabilitation of the area according to the zones objectives of the management plan. For forestry tenured areas, the tenurial instrument holder shall be required to submit a plan for the utilization of planted trees and similar products reaching harvestable age, and no further activities other than harvesting shall be allowed.

VI. SYSTEM OF VALUATION

Lands

For alienable and disposable lands covered with cancelled or terminated, expiring, or expired Foreshore Lease Agreement, or patrimonial properties covered with leases, only the infrastructures and other improvements will be subject to valuation. Meanwhile, the appraisal or re-appraisal of public lands and other patrimonial properties of the government shall be in accordance with DENR Administrative Order (DAO) No. 1998-20 issued on May 20, 1998 entitled "Revised Rules and Regulations on the Conduct of Appraisal of Public Lands and Other Patrimonial Properties of the Government," and DAO No. 2010-26 dated October 13, 2010 which amends paragraphs 2 and 3, Section 3 of DAO 98-20, to wit:

"3. Manner of Conducting the Appraisal xxx ...

Subject to the limitations that may be imposed under pertinent laws, proclamation or any other presidential issuances, the appraised or reappraised value of properties classified as residential or agricultural shall not be less than the average of the current zonal and assessed value thereof. If the property is classified as commercial or industrial, the appraised or reappraised value shall not be less than the zonal value or market value thereof whichever is higher.

If the property has not yet been declared for taxation purposes or its market value is not available, the market value of other properties located in the area or adjacent barangay/municipality/city which is of similar character with that of the property being appraised of shall be used. If the zonal value is not available, the zonal value of properties of similar character in the area or adjacent barangay/municipality/city shall be used."

The valuation of improvements shall be based on the Philippine Valuation Standards (2nd Edition) issued by the Department of Finance – Bureau of Local Government Finance (DOF-BLGF), attached as **Annex F**.

Forestry

For areas covered with cancelled or terminated, expiring, or expired forestry tenurial instruments, only the trees, infrastructures and other improvements shall be subject to valuation. The valuation of these improvements shall be based on **(FOR CONSULTATION WITH FMB)**

Mines

For areas covered with cancelled or terminated, expiring, or expired mining tenements **(FOR CONSULTATION WITH MGB)**

Protected Areas

For areas covered with cancelled or terminated, expiring, or expired SAPA, only the infrastructures and other improvements shall be subject to valuation using **(FOR CONSULTATION WITH BMB)**

VII. MANAGEMENT OF REPOSSESSED ASSETS AND IMPROVEMENTS

1. On the date of expiration of the tenurial instrument or upon the finality of the Order of Cancellation in the case of cancelled or terminated tenurial instruments, formal takeover activities shall be initiated by the AMT. It shall institute measures to secure the area, such as putting up of signages to inform the public that the same is a property of the DENR, conduct of patrolling activities to monitor the area, and the like.
2. The AMT shall formulate recommendations regarding the best use and modality of taking over the area, such as, but not limited to:
 - a. Opening up of the area for potential investment;
 - b. Subjecting the forestland under the Forest Protection Program or the protected area under a conservation and protection program;
 - c. In case therecommendation is the reversion of the area to its former status, the jurisdiction thereof shall be turned over to the DENR office concerned for forward action.

The actual, formal turnover of jurisdiction to the successor tenurial instrument holder or to the appropriate unit/office of the Department shall mean that the turnover will trigger the dissolution of the area.

VIII. TENURED AREAS ISSUED WITH CERTIFICATES OF ANCESTRAL DOMAIN TITLE

No inventory or further assessment shall be conducted by the AMT for areas covered with expiring tenorial instruments that are no longer for renewal and that have been issued with Certificate of Ancestral Domain Title (CADT) duly registered with the Register of Deeds (RoD).

Inventory Report

Type of tenurial Instrument: _____

Name tenure holder(s) : _____

Area: _____ ha.

Location: Province _____

Municipality/City _____

Barangay(s) _____

Sitio(s) _____

Boundaries: N : _____

E : _____

S : _____

W: _____

Improvements:

Kind of improvement	Nature of Improvement (Fixed or Non-Fixed)	Description of improvement (Actual use)	Area/Volume	Total Value	Remarks
<i>Infrastructure</i>					
<i>Equipment</i>					
<i>Other Improvements</i>					

* Inventory report should have attachments (Provide at least one high-resolution and one geotagged photograph)

**Instructions on how to fill-out
ASSET REGISTRATION**

Instruction for each field name of Asset Registration is provided to guide users in filling out the form and help ensure the standardization of data collection in all implementing Offices.

Field Name	Instructions
Table 1.	Data to be filled out in table 1 are for Active Tenure.
Type	Indicate the type of tenure.
Tenure ID	Indicate the issued tenure identification number.
Tenure Holder	Indicate the name of the tenure holder.
Location / Technical Description	Indicate the location of the area and its technical description of the tenure area/ open up space for improvement (e.g. two storey building, nursery, etc.)
Address	Indicate the address of the tenure holder.
Area	Indicate the approved total area of the tenure.
Date of Award	Indicate the date when the tenure is awarded to the holder.
Date of Expiration	Indicate the tenure date of expiration.
Remarks	Indicate all actions relative to the tenure e.g. if the asset is movable or non-movable/fixed asset.

Table 2.	Data to be filed out for table 2 are for Expired Tenure that were Turned over repossessed.
Type	Indicate the type of tenure.
Tenure ID	Indicate the issued tenure identification number.
Tenure Holder	Indicate the name of the tenure holder.

Location / Technical Description	Indicate the location of the area and its technical description of the tenure area/ open up space for improvement (e.g. two storey building, nursery, etc.)
Address	Indicate the address of the tenure holder.
Area	Indicate the approved total area of the tenure.
Date of Award	Indicate the date when the tenure is awarded to the holder.
Date of Expiration	Indicate the tenure date of expiration.
Remarks	Indicate all actions relative to the tenure e.g. if the asset is movable or non-movable/fixed asset.



NOTICE OF INSPECTION

Date: _____

Tenure Holder: _____

Address: _____

This is to notify the tenure holder that a site inspection will be performed at (type of tenure) _____, located at _____ on (date) _____ at (time) _____.

Reason for the proposed entry:

One of the Asset Management Team (AMT) members will come to the above property. The AMT member will take notes, pictures, and/or video of the property.

If you have some questions, please do not hesitate to contact us at (cellular phone number/ telephone number) _____.

Sincerely yours,

NOTICE TO VACATE

To tenure holder(s) : _____

In accordance with the provision of _____ and all pertinent regulations on the matter, I/We hereby give you notice to immediately deliver up possession of the premises described as:

Type of Tenurial Instruments: _____

Area: _____ ha.

Location: Province _____
Municipality/City _____
Barangay(s) _____
Sitio(s) _____

Boundaries: N : _____
E : _____
S : _____
W: _____

You have seven (7) days from receipt of this notice to leave
By law, a court is a final authority on every eviction and if you believe that you are entitled to remain as a tenure holder, you and your lawyer may present your case in _____ or fee _____.

The inventory of all the improvements with a value of Php _____ and damages with a value of Php _____
