

THE DECADE AHEAD: THE NEXT 10 YEARS OF AMRO AND REGIONAL FINANCIAL COOPERATION

As AMRO celebrates its 10th anniversary, the organization is not resting on its laurels. By 2030 AMRO expects to have developed into a full-fledged IO. In keeping with that expected evolution, AMRO is committed to continue serving the member authorities in the next decades — as outlined by AMRO Director Toshinori Doi at the 10th anniversary event on December 7, 2021.

In the next 10 years, the region's share of voice in international discussions will increase with its growth momentum, and the region's role in setting the global policy agenda will become more prominent, as ASEAN+3 policies will have a greater spillover effect across the world. Therefore, the region will have to shoulder more responsibilities to maintain its economic and financial stability through closer policy coordination.

In tandem with this expected development of the region, AMRO will also have to take on a bigger role. AMRO, an IO “of the region, by the region, and for the region”, is the only legal entity established through an international treaty under the ASEAN+3 financial cooperation mechanism and the only IO endowed with formal mandates for conducting macroeconomic surveillance and supporting the implementation of the CMIM.

AMRO's vision to be an “independent, credible and professional regional organization acting as a trusted policy advisor” remains relevant. As the region's “family doctor”, AMRO keeps a close watch over its member economies, diligently screening their health, identifying potential risks from an early stage, and providing timely and relevant advice to stay healthy.

In the next decade, as it grows into a full-fledged IO, AMRO's regional role may evolve from “family doctor”.

First, AMRO should develop “specialist” capabilities in the areas crucial to the region as it starts to provide “treatments” alongside partner institutions with relevant expertise. AMRO will further enhance functional and sectoral surveillance capacity with dedicated teams, and formulate institutional views on core issues, including capital flow management measures and macroprudential policy measures. AMRO will also expand its research to systematically cover relevant long-term macro-

structural issues including climate change, financial digitalization (e.g., Central Bank Digital Currency), and global supply chains.

Second, AMRO should provide a platform for its members to discuss economic and financial policies, and serve as a regional thought leader, partly by leveraging synergies between regional organizations, institutions, and fora. As ASEAN+3 assumes a more active role in global economic policymaking, AMRO, as the “regional knowledge hub”, will support its members by providing relevant analysis and ideas. It is also important that the organization forges synergies with its partners to facilitate the formulation of regional policies as well as a cooperation agenda, and that it participates in various international fora to represent the “voice of the region”.

Third, AMRO should work toward strengthening the regional financial architecture. There are many financing sources within the region—including multilateral and bilateral, long term and short term, concessional and non-concessional—often with limited coordination among them. AMRO, by constantly monitoring members' external positions, can serve as a platform for members to take stock of the financing sources available, and play the role of a facilitator or coordinator during crises.

In particular, AMRO should play a constructive role in establishing stronger coordination between bilateral swap arrangements and the CMIM, and in creating a stronger regional financial safety net by collaborating with its partner institutions like the IMF and other RFAs. AMRO will support the CMIM in its aspiration to become one of the leading RFAs globally, and facilitate its further development.

In tandem with this will be the provision of more technical assistance to members. This operation will be supported by AMRO's in-house experts, and will leverage on the expertise of partner institutions.

In the next decade, AMRO will take an integrated approach to mobilizing resources and bringing together expertise across the organization to implement organization-wide initiatives, while enhancing its core functions and back-office support.