

FINANCIALS AND ORGANIZATIONAL PROGRESS: FORTIFYING AMRO'S INSTITUTIONAL FOUNDATIONS

As AMRO's activities and operating demands expanded, it also focused on reinforcing its financial and organizational foundations. This came in response to rising cost pressures, evolving operational needs, and growing expectations around accountability.

The 2025 Manpower Related Budget of US\$35.8 million was approved in 2024; 91 percent of the FY2025 budget was used. As of December 31, 2025, AMRO's reserves grew to US\$24.5 million, ensuring financial resilience as part of its business continuity. AMRO continues to ensure that its endowed resources are carefully utilized. The organization used 81 percent of its US\$9.7 million Office Related Budget.

2025 Financial Summary²

	Budget (USD '000)	Implementation (USD '000)	Implementation (%)
Manpower-Related	35,807	32,677	91
Office-Related	9,731	7,859	81

Across finance, risk management, administration, and procurement, efforts centered on tightening fiscal stewardship, modernizing internal systems, and embedding more rigorous management practices.

ADAPTING FINANCIAL MANAGEMENT TO RISING COST PRESSURES

AMRO continued to operate amid heightened cost pressures and increasing demands on its resources in 2025. This meant the need for disciplined fiscal management, tighter monitoring, and the ability to respond flexibly without undermining financial stability.

In response, AMRO strengthened budget monitoring and utilization reviews through more system-enabled, data-driven processes. These enhancements improved visibility over spending patterns, and enabled earlier identification of emerging trends and pressures. At the same time, AMRO continued to ensure prudent execution of approved resources, while maintaining healthy reserve levels.

Preparation for the transition to Zero-Based Budgeting has also started to improve transparency, discipline, and strategic prioritization of resources. Moving away from legacy budgeting practices required both technical groundwork and organizational readiness. During the year, AMRO developed methodologies, clarified system requirements, and initiated staff engagement to support this transition.

EMBEDDING RISK AWARENESS TO NAVIGATE UNCERTAINTY

Alongside cost pressures, AMRO faced a more uncertain operating environment, with evolving financial and operational risks. This underscored the need to integrate risk considerations more closely into planning and management processes.

In 2025, risk awareness was embedded more deeply into budget planning and operational decision-making. Improved data visibility supported more responsive identification of emerging risks, enabling earlier assessment of potential exposures. This closer integration also enabled more adaptive resource reallocation.

MODERNIZING SYSTEMS TO SUPPORT OPERATIONAL CHANGE

As AMRO's operations grew more complex, a further challenge was embedding consistent, reliable processes across diverse functions, while managing ongoing system changes.

AMRO continued to deepen its enterprise resource planning (ERP) environment, and expand end-to-end digital workflows. Standardized, system-enabled processes were further integrated across missions, procurement, and expense processing. These changes improved accuracy and timeliness, strengthening compliance visibility.

Embedding these workflows required sustained attention to process design, governance, and user adoption. Administrative teams focused on improving consistency across operational areas, and supporting departments through the transition. Facilities and administrative services were also reviewed to ensure they remain aligned with evolving organizational needs.

² PricewaterhouseCoopers LLP, appointed by the EC, audited AMRO's financial statements for the financial year ended December 31, 2025. The auditor confirmed that AMRO's financial statements for 2025 were properly drawn up in accordance with the IFRS and presented fairly, in all material respects, AMRO's financial position and financial performance.



AMRO's first year-end staff townhall

STRENGTHENING PROCUREMENT GOVERNANCE AMID GLOBAL CONSTRAINTS

Global supply constraints and rising costs also shaped procurement conditions in 2025. These pressures heightened the need for stronger procurement governance, closer vendor management, and more deliberate prioritization.

AMRO responded by further strengthening standardized, system-enabled procurement processes. These enhancements improved compliance and transparency, with clearer documentation, and stronger audit trails across the procurement cycle.

A more proactive approach to vendor management and procurement planning was also adopted to mitigate risks arising from supply constraints and cost volatility. This supported operational continuity and reduced exposure to procurement disruptions.

At the same time, sustainability and ethical sourcing considerations were further integrated into procurement planning and execution. These principles are now more consistently reflected in procurement decision-making.

STRENGTHENING ACCOUNTABILITY AS EXPECTATIONS EVOLVE

As part of its continued commitment to accountability and results-based management, AMRO further strengthened its organizational performance evaluation and reporting frameworks.

In April 2025, AMRO submitted its Results Report 2024 to the EC, marking its eighth consecutive organizational

performance reporting exercise. The report was based on the pilot implementation of the upgraded Performance Evaluation Framework (PEF) 2025–2030, and reported progress in achieving results across AMRO's four main operational areas. They are: (1) macroeconomic surveillance and research; (2) RFA/CMIM support; (3) TA; and (4) outreach and secretariat support to the ASEAN+3 Finance Process.

Findings from the pilot phase informed further refinements to the PEF process, with the lessons learned and follow-up actions incorporated into the drafting of the Medium-Term Implementation Plan 2026–2028, including the Annual Work Plan for 2026.

In November 2025, AMRO launched the PEF Survey 2025 as part of the full rollout of the PEF 2025-2030. Building on the 2024 survey as a baseline, the exercise aims to assess performance improvements and gauge members' satisfaction with AMRO's delivery of its mandate. Beyond internal performance processes, AMRO also launched Partnership and Public Engagement Surveys to assess its recognition as a trusted partner and thought leader with global influence.

To support the PEF implementation, AMRO updated the PEF Staff Manual, and developed an automated tracking and data-management system to strengthen the consistency and efficiency of results data collection and reporting.

Collectively, these efforts underscore AMRO's unwavering commitment to the regular assessment of organizational performance in implementing the [AMRO SD2030](#), facilitating institutional learning and strategic results-based management, and enhancing accountability to its shareholders.