



Obtained UN  
Permanent  
Observer Status





Developed the  
Corporate Performance  
Evaluation Framework



## 2017 Work Priorities

# Strengthening Institution Building for an Effective Organization

### Organizational Management

A well-functioning organization is key to achieving AMRO's mission successfully. In order to ensure efficiency, AMRO champions a lean but productive management system supported by highly motivated staff and state-of-the-art technology, including Information and Communication Technology (ICT). AMRO is mindful that its resources are derived from the taxpayers of its members. As such, AMRO emphasizes financial discipline, prudence and soundness. AMRO also seeks to establish a legal basis that is consistent with the AMRO Agreement, international laws, and the best practices of other international organizations and IFIs for its activities.



## Budget and Financial Management

AMRO ensures transparency and accountability while maintaining a good balance between relevant budget requests, prudent spending and effective budget implementation. AMRO strives to achieve this through strict discipline on each expenditure item and maximization of cost-effectiveness.

The 2017 manpower-related budget amounted to USD 13.5 million with an implementation rate of 99.7%. AMRO's expanded core operations were supported by lean budgeting, consistent with historical expenditure trends and tightened operations. AMRO fully utilized the allocated financial resources which the members provided, to discharge its core functions while ensuring that the money is well spent.

The office-related budget amounting to USD 5.1 million had an implementation rate of 90.9%. This was mainly attributed to capital spending related to the third phase of the AMRO office renovation and the implementation of ICT security and capacity enhancements.

AMRO's reserves amounted to USD 7.2 million as at 31 December 2017. AMRO is in a better position to be more accountable and transparent in managing its reserves following the approval of the new Reserves Usage Guidelines by the EC in December 2016.

AMRO will continue to ensure relevance in budgeting, prudence in spending, and efficiency in reserves management with proper policy implementation, thereby fulfilling members' expectations of transparency and accountability.

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## Audit

An independent auditor, PricewaterhouseCoopers LLP, appointed by the EC, conducted a thorough audit on the financial statements of AMRO, the China TA Trust Fund, and the Japan Special Trust Fund.

It opined that the financial statements of the organization had been drawn up in accordance with the International Financial Reporting Standards (IFRS) to give a true and fair view of the state of affairs of AMRO and the Trust Funds as at 31 December 2017.





## Human Resource Management

AMRO is committed to hiring diverse talents on a merit basis. Using a transparent and open recruitment process, AMRO seeks to attract candidates with appropriate competency skill sets and experiences. Hence, 2017 could be considered to be a fruitful year for human resource management with 96% of staff vacancies filled by year end. By the end of 2017, female staff accounted for 32% of AMRO's professional staff, an increase from 21% from the previous year.

Notably, the development of AMRO's HR Development Framework was a milestone for AMRO's HR management. The framework aims to position AMRO as an Employer of Choice for talents employed in regional financial stability

work through three priority areas. They are (i) Operational Efficiency and Collaboration, (ii) Culture of Open-mindedness and Integrity, and (iii) Staff Development and Career Progression. The framework was endorsed by the EC in December 2017.

Another major development was the formulation of the Code of Conduct which codifies the rules and policies found in different documents in AMRO. It provides guidelines on how to exercise good judgment in ethical matters and clarifies the obligations of AMRO staff as international civil servants in their conduct within and outside the workplace so as to be in line with best practices of other international organizations.

To ensure relevance, AMRO staff were invited to participate in a staff engagement survey during the course of policy formulation. The survey sought their feedback on areas for improvement in HR management such as managerial effectiveness, strategic focus, employee experience, confidence and engagement, collaboration and teamwork, and career development opportunities. The feedback collected provided a basis for the HR Development Framework. During the year, AMRO also held town hall meetings with all staff to encourage organizational engagement. The town hall meetings provided a good opportunity for AMRO staff and senior management to openly interact with one another and exchange ideas on how to improve AMRO's operations and management.

## The Work Environment

Fostering a work environment that is conducive is part of AMRO's effort to support staff productivity and performance. This is achieved through improving the administrative process, upgrading the office space and technological support.

In 2017, AMRO completed all three phases of office renovation, which was started in 2011 when AMRO first established its office in Singapore. In conjunction with the completion of renovation works, AMRO initiated a call for artwork donations from its members. The donated artworks, which are now displayed in AMRO's office, demonstrate the rich and diverse culture of ASEAN+3 members.

AMRO continues to ensure that its ICT infrastructure is up-to-date and efficient to support AMRO's core functions. As part of the support for the CMIM, AMRO ran a connection check test of the video conference system with each member to ensure that prompt interaction can be established for information sharing during the CMIM process and the CMIM test run. AMRO also introduced an enhanced end-point security that provides both data backup and a disaster recovery site. This measure aims to ensure reliability and continuity of AMRO's ICT infrastructure.

## Legal Affairs

AMRO's application for recognition of the jurisdiction of the International Labor Organization (ILO) Administrative Tribunal (ILOAT) was unanimously approved by the ILO Governing Body on 31 October 2017. This made AMRO the 59<sup>th</sup> international organization to join the ILOAT and institutes a formal settlement system for employment-related disputes between AMRO and its staff members.

The AMRO Agreement was registered with the UN Secretariat in accordance with Article 102 of the UN Charter. This ensures that the dispute settlement provision between AMRO and a member under Article 23 of the AMRO Agreement may be operationalized.

On 7 December 2017, AMRO was granted permanent observer status in the UN General Assembly. This will help establish a firm basis for regular and well-organized cooperation between AMRO and UN in the implementation of policies that would contribute to a stable global macroeconomic environment. It is also expected to broaden and deepen AMRO's interactions with other countries as well as regional and international organizations.



AMRO Director Dr Junhong Chang welcomes Chinese artist Lin Rongsheng (far right), author of the masterpiece "Mountain Village in the Morning" donated by the Ministry of Finance, China.



AMRO Director Dr Junhong Chang meets with Mr Zhenmin Liu, UN Under-Secretary-General for Economic and Social Affairs, during her visit to the UN headquarters in New York City in September 2017.



AMRO Deputy Director Yasuto Watanabe attends the "High-Level Dialogue on Regional Economic Cooperation and Integration for Enhancing Sustainable Development in Asia and the Pacific" organized by the UN Economic and Social Commission for Asia and the Pacific in Bangkok, Thailand in April 2017. As a panelist, he shared insights on enhancing financial cooperation in the region.

## Accountability

# Strengthening Accountability Mechanisms

As part of AMRO's efforts to enhance transparency, AMRO also published its first Annual Report – Annual Report 2016 – in May 2017. This report highlighted AMRO's achievements and progress in fiscal year 2016, and sought to bolster AMRO's credibility to its stakeholders and the public.

AMRO has been conducting self-evaluations on an annual basis

since 2013. To further strengthen its accountability to members, and in support of the implementation of AMRO's medium-term strategic vision, AMRO developed its corporate PEF in 2017. The PEF draws on best practices and general methodologies adopted by peer international organizations' results-based management framework. It captures the impact, outcomes and output of AMRO's operations, and will

be utilized for reference in strategic planning, implementation, and monitoring. It will also enhance institutional learning and further promote a culture of accountability, transparency and results. Endorsed by the EC in December 2017, the general thrust of the PEF will be implemented on a trial basis in 2018 to facilitate fine-tuning of its technical readiness.