

-MESSAGE FROM 2020 CO-CHAIRS OF THE EXECUTIVE COMMITTEE-

2020 has been a year like no other. We faced an unprecedented challenge that has upended our sense of normalcy in every way. The COVID-19 pandemic has triggered great turbulence in financial markets, severely tested healthcare capacities, resulted in border closures and travel restrictions, and led to the tragic loss of millions of lives.

As Co-chairs of AMRO's EC, our primary mission is to support AMRO's mandate to contribute toward safeguarding the region's economic and financial stability.^[1] Although it has been a challenging year for all, we are pleased with how AMRO has managed to work with all its stakeholders in providing member economies with sound policy advice and timely insights.

The pandemic has transformed the meeting modality and schedule of the ASEAN+3 Finance Process, which serves as the main platform for regional financial cooperation. Instead of holding physical meetings, we had to conduct our discussions over videoconference. Despite all these difficulties, we achieved great progress in regional financial cooperation, which was endorsed by our Ministers and Governors in September. Japan and Vietnam would like to extend our sincere gratitude to AMRO for diligently providing professional secretariat support to us during this extraordinary Co-chairmanship year.

As a trusted "family doctor" for the ASEAN+3 region, AMRO plays a crucial role in conducting macroeconomic surveillance and supporting the implementation of the CMIM as the central component of our regional financial safety net. In times of uncertainty, like the one we are facing now, this role becomes even more valuable.

On the surveillance front, we would like to commend AMRO for swiftly re-focusing its surveillance work toward the impact of COVID-19 on the regional economy. AMRO's impressive surveillance quality was demonstrated, for example, in its annual flagship report, the "ASEAN+3 Regional Economic Outlook (AREO) 2020", published in April. AMRO also introduced a wide array of new surveillance products, providing members with timely and useful policy analyses and advice as they grappled with the ongoing impact of the pandemic. We were also encouraged to see that AMRO's annual consultation visits and interim visits had gradually resumed in the latter half of the year, albeit virtually. These engagements are critically important for AMRO to continue to provide timely and robust macroeconomic assessment and policy advice to the member economies.

On the CMIM front, 2020 marked the 10th anniversary of the original CMIM Agreement, which came into effect in 2010.

The CMIM reached several milestones in 2020, which served to strengthen it as a reliable regional self-help mechanism and an important component of the global financial safety net. They include: (i) the increase of the IMF De-linked Portion from 30% to 40%; (ii) the institutionalization of local currency contributions on a voluntary and demand-driven basis; (iii) the completion of the CMIM Conditionality Framework; and (iv) the entry into force of the amended CMIM Agreement. We also appreciate AMRO's support of the 11th CMIM Test Run, which has provided us with valuable insights on enhancing the CMIM's operational readiness by deepening our common understanding of the various operational risks. These accomplishments would not have been possible without the intellectual insights and technical support from AMRO throughout the whole process.

We would also like to thank AMRO for its provision of technical assistance despite the severe travel restrictions implemented in many countries in 2020. AMRO's Technical Assistance program has facilitated the sharing of expertise between member authorities and AMRO, including through secondment and research collaboration opportunities.

With seminars, workshops, media interviews, and conferences shifting online, AMRO proactively utilized this change as an opportunity to enhance its engagement with other international organizations and the media, forging ties and deepening collaboration. By leveraging its networks, AMRO has succeeded in boosting its presence both regionally and globally. AMRO's commitment to continue its co-organization of high-level events such as the 5th RFA HLD, as well as its participation in several important global fora, has helped establish its reputation and articulate the region's voice on a range of important issues. We are also pleased to see AMRO leveraging digital media to raise the profile of the ASEAN+3 region globally.

On the governance front, AMRO worked tirelessly throughout the year to strengthen its corporate governance mechanisms to promote transparency and accountability in its activities. We are particularly pleased with AMRO's MTIP, which lays out a clear roadmap of its operational priorities and key initiatives for the next five years. Together with AMRO's updated performance evaluation framework, we hope that the MTIP will pave the way for AMRO to become a more results-oriented institution with effective and integrated institutional learning and planning processes.

Looking back at 2020, members of the ASEAN+3 Finance Process should be proud of what we all have collectively achieved. It has been said that adversity doesn't build character; rather, it reveals it. In this regard, we can

confidently say that the pandemic has revealed the solidarity and resilience of the ASEAN+3 Finance Process, of which AMRO is an essential component. Despite the challenging environment, we were able to strengthen our cooperation and deepen regional integration. The year 2020 has also reaffirmed our region's commitment to multilateralism, under the strong belief that we will be able to emerge stronger

and build a brighter future by working together. In the year 2021, a year which will mark the 10th anniversary of the establishment of AMRO, we hope AMRO's collaboration with member economies will be further developed and strengthened, forging an unwavering foundation for our regional financial cooperation in the years to come.

[1] The Executive Committee consists of the Deputies of AMRO's member economies and is responsible for maintaining strategic oversight of and setting policy directions for AMRO. Each AMRO member may appoint up to two Deputies: one finance deputy from its government with responsibility for finance and one central bank deputy from its central bank or its equivalent.

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Okamura Kenji
Vice Minister of Finance for
International Affairs,
Ministry of Finance
Japan



Takeuchi Atsushi
Associate Director-General
for Asian Affairs
Bank of Japan



Tran Xuan Ha
Vice Minister,
Ministry of Finance
Vietnam



Nguyen Thi Hong
Deputy Governor,
State Bank of Vietnam