

**MEKONG RIVER COMMISSION
(REGISTERED IN LAO PDR)**

**CONSOLIDATED AUDITED STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2019**

**MEKONG RIVER COMMISSION
(Registered in Lao PDR)**

ORGANISATION INFORMATION

ORGANISATION MANAGEMENT:

An Pich Hatda, Chief Executive Officer
Tran Minh Khoi, Director of Administration Division
Hak Socheat, Director of Environment Division
Bountieng Sanaxonh, Director of Planning Division
Winai Wangpimool, Director of Technical Support Division
Vu Thu Hong, Chief Human Resources Officer
Somsanith Ninthavong, Chief Financial Officer

OFFICE:

184 Fa Ngoum Road,
Unit 18, Ban Sithane Neua,
Sikhottabong District
Vientiane Capital
Lao PDR

PRINCIPAL BANKERS:

Banque Franco-Lao Ltd
Cambodian Public Bank
Cathay United Bank
Public Bank
Lao-Viet Bank

AUDITORS:

BDO (Laos) Co., Ltd.

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MEKONG RIVER COMMISSION
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ORGANISATION MANAGEMENT'S REPORT

The Organisation Management hereby submits the report together with the consolidated audited statement of income and expenditures and statement of fund balances ("the consolidated statements") of the Mekong River Commission ("MRC" or "the Organisation") for the year ended 31 December 2019.

Responsibility of the Organisation Management in Respect of the Consolidated Statements

The Organisation Management is responsible to ascertain that the consolidated statements of the Organisation for the year ended 31 December 2019 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the consolidated statements. In preparing the consolidated statements, the Organisation Management is required to select suitable accounting policies and then apply them consistently.

The Organisation Management is responsible for ensuring that proper accounting records are kept which enable the consolidated statements to be prepared in compliance with the basis of preparation and accounting policies set out in Note 2 to the consolidated statements. The Organisation Management is also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Organisation Management assumes the responsibility to provide, and has provided, the auditors with all accounting records, supporting and other documents, minutes, and any other pertinent information and explanations, either orally or in writing, deemed necessary for the audit.

Statement by the Organisation Management

In the opinion of the Organisation Management, the consolidated statements set out on pages 4 to 20 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies described in Note 2 to the consolidated statements.

On behalf of the Organisation Management,



An Pich Hatda
Chief Executive Officer



Tran Minh Khoi
Director of Administration Division

Vientiane, Lao PDR
Date: 3 April 2020

INDEPENDENT AUDITORS' REPORT TO THE ORGANISATION MANAGEMENT OF MEKONG RIVER COMMISSION

Report on the Consolidated Statements

Opinion

We have audited the accompanying consolidated statement of income and expenditures and consolidated statement of fund balances ("the consolidated statements") of Mekong River Commission ("MRC" or "the Organisation") for the year ended 31 December 2019, and a summary of accounting policies and other explanatory information, as set out on pages 4 to 20.

The consolidated statements of the Organisation for the financial year ended 31 December 2018 were audited by another firm of Certified Public Accountants, whose report dated 11 April 2019 expressed an unqualified opinion on those consolidated statements.

In our opinion, the accompanying consolidated statements of the Organisation for the year ended 31 December 2019 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the consolidated statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the IESBA Code.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 2 to the consolidated statements, which describes the basis of preparation and accounting policies adopted by the Organisation. The consolidated statements are prepared for the information and use of the Organisation. As a result, the consolidated statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Organisation Management for the Consolidated Statements

The Organisation Management is responsible for the preparation of the consolidated statements in accordance with the basis of preparation and accounting policies set out in Note 2 to the consolidated statements. The Organisation Management is also responsible for such internal control as the Organisation Management determines is necessary to enable the preparation of consolidated statements of the Organisation that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITORS' REPORT TO THE ORGANISATION MANAGEMENT OF
MEKONG RIVER COMMISSION (continued)**

Auditors' Responsibilities for the Audit of the Consolidated Statements

Our objectives are to obtain reasonable assurance about whether the consolidated statements of the Organisation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated statements of the Organisation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Organisation Management.
- Evaluate the overall presentation, structure and content of the consolidated statements of the Organisation, including the disclosures, and whether the consolidated statements of the Organisation represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Organisation Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lim Seng Siew
Partner

BDO (Laos) Co., Ltd.
Certified Public Accountants

Vientiane, Lao PDR
Date: 3 April 2020

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CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 USD	2018 USD
INCOME			
Fund receipts	3	11,595,343	8,131,349
Interest income	4	169,994	220,931
Other income		103,149	32,765
Management and administration fees	5	<u>374,462</u>	<u>346,176</u>
TOTAL INCOME		<u>12,242,948</u>	<u>8,731,221</u>
EXPENDITURES			
Basket Fund			
Salary and fees	6	1,761,562	2,093,082
Employment benefit costs	7	804,894	1,269,872
Recruitment and selection	8	27,024	24,162
Corporate training	9	69,404	83,399
Official travel	10	240,877	232,652
Other short term staffs	11	4,364	17,734
Consultants	12	1,710,523	1,954,434
Office costs	13	362,589	444,888
Maintenance and running cost of equipment	14	86,308	109,762
Publication, printing and others	15	59,344	104,524
Financial cost		33,765	29,313
Property and equipment	16	134,798	389,755
MRC summit		7,418	399,204
Governance meeting expenses	17	89,998	115,188
Meeting and workshop expenses	18	1,425,991	1,067,238
Support to decentralisation and National Indicative Plan	19	91,284	51,103
Memorandum of Understandings with member countries	20	213,209	440,752
Integrated capacity building	21	<u>33,504</u>	<u>-</u>
		<u>7,156,856</u>	<u>8,827,062</u>
Earmarked Fund			
Salary and fees	6	512,022	169,402
Employment benefit costs	7	222,820	96,161
Recruitment and selection	8	2,510	898
Corporate training		19,675	8,793
Official travel	10	134,243	101,483
Consultants	12	1,209,014	1,686,232
Office costs	13	1,301	11,162
Maintenance and running cost of equipment	14	37,377	24,504
Publication, printing and others	15	18,934	38,431
Financial cost		19,495	19,745
Property and equipment	16	35,497	50,803
Governance meeting expenses	17	213,924	-
Meeting and workshop expenses	18	892,430	721,388
Memorandum of Understandings with member countries	20	797,668	369,289
Integrated capacity building	21	5,915	-
Management and administration fees	5	<u>374,462</u>	<u>346,176</u>
		<u>4,497,287</u>	<u>3,644,467</u>

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CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

	Note	2019 USD	2018 USD
Administration Reserve Fund			
Consultants		1,540	6,910
Office costs		-	1,650
Financial cost		41	11
Property and equipment	16	99,000	1,100
		<u>100,581</u>	<u>9,671</u>
Total expenditures		<u>11,754,724</u>	<u>12,481,200</u>
Excess/(Deficit) of income over expenditures		488,224	(3,749,979)
Unutilised fund and interest returned		(148,812)	(24,964)
Fund balance at beginning of financial year		8,673,272	12,448,215
Fund balance at the end of financial year		<u>9,012,684</u>	<u>8,673,272</u>

The accompanying notes from an integral part of the consolidated statements.

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CONSOLIDATED STATEMENT OF FUND BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 USD	2018 USD
Fund balance as at 1 January		8,673,272	12,448,215
Unutilised fund and interest returned		(148,812)	(24,964)
Movement in fund balance for the financial year		<u>488,224</u>	<u>(3,749,979)</u>
Fund balance as at 31 December	22	<u>9,012,684</u>	<u>8,673,272</u>
Represented by:			
Current assets			
Cash and bank balances	23	9,962,539	9,005,574
Advances and prepayments	24	<u>180,209</u>	<u>537,330</u>
		<u>10,142,748</u>	<u>9,542,904</u>
Current liabilities			
Provident fund	25	1,121,454	843,210
Other liabilities	26	<u>8,610</u>	<u>26,422</u>
		<u>1,130,064</u>	<u>869,632</u>
Net current assets		<u>9,012,684</u>	<u>8,673,272</u>

The accompanying notes from an integral part of the consolidated statements.

MEKONG RIVER COMMISSION
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NOTES TO THE CONSOLIDATED STATEMENTS

1. ORGANISATION BACKGROUND

The Mekong River Commission (“MRC” or the “Organisation”) was established in 1995 with the signing of the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin. The MRC Member Countries are Cambodia, the Lao PDR, Thailand and Vietnam, with China and Myanmar as Dialogue Partners.

Since its establishment, the MRC has strived to develop work programmes and strategies to best serve its mission to promote and coordinate sustainable management and development of water and related resources for the countries’ mutual benefit and the people’s well-being. Over the years, with a vision to bring about an economically prosperous, socially just and environmentally sound Mekong River Basin, the MRC has placed regional cooperation and basin-wide planning at the heart of its operation.

The MRC is governed by a Council which comprises of the environment and water ministers of the four Member Countries. The Council Members would review and mutually conclude on the management and development of water and related resources. These decisions and policies are then put into action by the MRC Joint Committee, which comprises senior officials at no less than Head of Department level of the four countries and supported by national line agencies including the Ministry of Foreign Affairs.

MRCSC facilitates regional meetings of the Member Countries and provides technical advice on joint planning, coordination and cooperation. It also works closely with the four countries’ coordinating bodies, the National Mekong Committees (“NMCs”), and other state agencies.

The funds received and uses of funds in MRC were categorised into three types as the following:

1. Basket Fund (“BF”);
2. Earmarked Fund (“EF”); and
3. Administration Reserve Fund (“ARF”).

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated statement of income and expenditures and consolidated statement of fund balances (“the consolidated statements”), which are expressed in United States Dollar (“USD”), has been prepared in accordance with the modified cash basis of accounting. Under this basis of accounting, receipts are recognised when received rather than when earned, and payments are recognised when paid rather than when incurred, except for the following:

- (i) Staff health and life insurance premiums, personal telephone and fax costs charged to staff, project related expenses and repatriation fee, which are recognised on an accrual basis; and
- (ii) Advances to NMCs, projects and employees are recognised as receivables until they are cleared.

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2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Income

The fund receipts consist of contributions from Riparian Governments which are recognised as income when cash is credited to the MRC's bank accounts and contributions from Development Partners which are recognised when received. Direct payments made by Development Partners to contractors are recognised as income upon Development Partners' notice to the MRC.

Interest income is recognised when credited to the MRC's bank accounts.

Other income as well as management and administration fees (MAF) are recognised when received.

2.3 Expenditures

Expenditures are recognised when payment is made rather than when it is incurred, except as disclosed in Note 2.1 to the consolidated statements.

2.4 Property and equipment

For control purposes, property and equipment is maintained in a property and equipment listing. All property and equipment are expensed in full in the consolidated statements at the date of acquisition. Any proceeds from disposal of property and equipment are recognised as a decrease in expenditures rather than an increase in income in the consolidated statements.

2.5 Foreign exchange differences

The Project mainly transacts its activities and maintains its books of accounts primarily in USD. Transactions in currencies other than US\$ are converted into USD at the rates of exchange prevailing on the transaction dates. All foreign exchange differences are recognised in the consolidated statements.

2.6 Employee benefits

The MRC provided allowances and benefits to staff member in addition to salary. Types of allowances and benefits are dependent on the employment category.

- (i) Post allowance: MRC introduced the post allowance to compensate eligible staff members for any loss in income due to variations in the cost of living between different countries and duty stations.
 - For Riparian staff, the percentage is currently set at 7% of the base salary.
 - For international staff, the percentage is regulated in accordance with the United Nations ("UN") system.
- (ii) Hardship allowance ("HA"): The hardship allowance is an allowance provided to Riparian professional staffs assigned to a duty station outside their home country. It is an allowance to compensate for the degree of hardship experienced by staff assigned to a duty station abroad.

The HA shall be payable, regardless of whether the staff member is accompanied by his/her dependants, while assigned to duty station.

Other benefits are dependency allowance, housing allowance, health insurance and education assistance.

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2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Employee benefits (continued)

(iii) Provident fund: All staff members holding a letter of appointment for one year or more shall participate in a pension plan, known as the provident fund. The main purpose of this fund is to provide retirement, disability and survivor's benefit for participating staff members.

- Staff members shall contribute 7% of their base salary, through monthly payroll deductions.
- The MRC shall contribute to this fund the equivalent of 14% of the staff's member's base salary.

3. FUND RECEIPTS

	2019	2018
	USD	USD
Contributions from Member Countries:		
Cambodia	718,273	621,881
Lao PDR	718,273	621,881
Thailand	991,901	932,822
Vietnam	991,901	932,822
	3,420,348	3,109,406
Contributions from Development Partners:		
Australia	700,750	407,760
China	30,000	-
Deutsche Gesellschaft Fur Internationale Zusammenarbeit ("GIZ") GmbH	767,039	(3,100)
European Union	3,037,936	68,717
France	217,954	197,409
Japan	722,513	366,071
Kreditanstalt für Wiederaufbau ("KfW")	445,850	(221)
Luxembourg	109,777	472,981
Netherlands	150,000	543,900
Pool funding for council study	(1,484)	(1,564)
Switzerland – Swiss Agency for Development and Cooperation	1,375,452	1,400,000
United States of America	62,013	(5,703)
Mekong Region Future Institute ("MRFI")	38,069	-
World Bank	519,126	1,575,693
	8,174,995	5,021,943
	11,595,343	8,131,349

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4. INTEREST INCOME

	2019 USD	2018 USD
BF	59,976	117,659
EF	18,517	12,799
ARF	91,500	90,473
	<u>169,993</u>	<u>220,931</u>

This represents interest earned on the fund balances in the bank accounts of BF, EF and ARF.

5. MANAGEMENT AND ADMINISTRATION FEES

	2019 USD	2018 USD
Receipts	374,462	346,176
Expenditures	<u>(374,462)</u>	<u>(346,176)</u>
	<u>-</u>	<u>-</u>

The management and administration fees represent the expenses of the MRC's secretariat in rendering technical and administrative services to the projects, which are derived at 7% to 15% of total expenditures. These fees are recognised as income under the BF and will be recognised as expenditures under the EF.

6. SALARY AND FEES

	2019 USD	2018 USD
Basket Fund		
Professional posts	1,430,167	1,800,492
General service posts	277,215	261,831
Overtime payments	12,549	13,159
Junior Riparian professional staff posts	22,991	17,600
Associate modeler posts	18,640	-
	<u>1,761,562</u>	<u>2,093,082</u>
Earmarked Fund		
Professional posts	490,436	137,996
General service posts	21,026	29,587
Overtime payments	560	1,819
	<u>512,022</u>	<u>169,402</u>

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7. EMPLOYMENT BENEFIT COSTS

	2019	2018
	USD	USD
Basket Fund		
Dependency allowance (Professional services)	20,251	24,228
Dependency allowance (General services)	25,524	23,059
Housing allowance	119,475	251,149
Post adjustment allowance (7%)	69,606	92,823
Hardship allowance	69,424	92,798
Assignment/Relocation allowance	8,046	18,302
Uniform/Laundry allowance	1,213	1,247
Provident fund - Professional services (MRC Contribution)	185,348	225,365
Provident fund - General services (MRC Contribution)	35,838	30,881
Health insurance	156	29,785
Life and accidental insurance	9,958	11,424
Cost of living compensation (Professional services) (5%)	70,672	87,118
Cost of living compensation (General services) (10%)	26,963	23,597
Educational grant/travel	129,210	79,237
Home leave travel	8,367	7,389
Separation costs	3,700	7,056
Other staff costs	6,576	23,218
Annual leave	4,208	29,073
Uncertified sick leave	2,972	49,243
Incentive and reward	7,387	162,880
	804,894	1,269,872
Earmarked Fund		
Dependency allowance (Professional services)	5,608	3,000
Dependency allowance (General services)	840	2,428
Housing allowance	51,546	15,625
Post adjustment allowance (7%)	27,295	6,393
Hardship allowance	27,295	6,393
Assignment/Relocation allowance	5,117	1,560
Provident fund - Professional services (MRC Contribution)	60,440	18,620
Provident fund - General services (MRC Contribution)	961	4,142
Health insurance	-	2,067
Life and accidental insurance	2,630	975
Cost of living compensation (Professional services) (5%)	21,701	6,650
Cost of living compensation (General services) (10%)	687	2,959
Educational grant/travel	13,354	2,535
Home leave travel	1,593	256
Separation costs	1,255	8,840
Other staff costs	1,473	1,943
Annual leave	1,025	3,597
Uncertified sick leave	-	3,932
Incentive and reward	-	4,246
	222,820	96,161

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8. RECRUITMENT AND SELECTION

	2019 USD	2018 USD
Basket Fund		
Job advertisement costs	18,272	20,079
Travel and lodging expenses of candidates	5,223	860
Medical examination	3,529	872
Other costs	-	2,351
	<u>27,024</u>	<u>24,162</u>
Earmarked Fund		
Job advertisement costs	2,250	898
Travel and lodging expenses of candidates	260	-
	<u>2,510</u>	<u>898</u>

9. CORPORATE TRAINING

	2019 USD	2018 USD
Basket Fund		
Training fees	56,181	40,277
Travel/Lodging for training	-	6,309
Other training costs	13,223	36,813
	<u>69,404</u>	<u>83,399</u>
Earmarked Fund		
Training fees	17,278	8,793
Other training costs	2,397	-
	<u>19,675</u>	<u>8,793</u>

10. OFFICIAL TRAVEL

	2019 USD	2018 USD
Basket Fund		
Travel expenses outside the Riparian Countries	126,831	81,057
Daily Subsistence Allowance ("DSA") for travel outside the Riparian Countries	33,229	88,324
Travel expenses within the Riparian Countries	51,201	44,398
DSA for travel within the Riparian Countries	29,616	18,873
	<u>240,877</u>	<u>232,652</u>
Earmarked Fund		
Travel expenses outside the Riparian Countries	71,033	1,360
Travel expenses within the Riparian Countries	28,245	30,580
DSA for travel within the Riparian Countries	34,965	69,543
	<u>134,243</u>	<u>101,483</u>

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11. OTHER SHORT TERM STAFFS

	2019	2018
	USD	USD
Basket Fund		
Short term support staffs	4,000	14,953
Temporary staffs	-	2,781
Translation costs	364	-
	<u>4,364</u>	<u>17,734</u>

12. CONSULTANTS

	2019	2018
	USD	USD
Basket Fund		
International consultant (Individual)	461,801	692,654
Travel expenses for international consultant	56,083	48,870
Riparian consultant (Individual)	221,097	204,343
Travel expenses for Riparian consultant	3,781	7,735
International consulting firm	320,835	382,787
Travel expenses for Riparian consulting firm	10,935	718
National consultant	634,597	617,327
Travel expenses for national consultants	1,394	-
	<u>1,710,523</u>	<u>1,954,434</u>
Earmarked Fund		
International consultant (Individual)	438,735	675,409
Travel expenses for international consultant	25,817	3,562
Riparian consultant (Individual)	343,370	305,161
Travel expenses for Riparian consultant (Individual)	3,803	
International consulting firm	84,544	323,214
Riparian consulting firm	5,220	
National consultant	307,525	378,886
	<u>1,209,014</u>	<u>1,686,232</u>

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13. OFFICE COSTS

	2019	2018
	USD	USD
Basket Fund		
Office supplies	25,944	49,250
Information technology supplies	5,431	525
Internet and email facility	50,338	42,263
Telephone install, rent and maintenance	1,000	28,967
Local telephone calls	1,837	1,912
Long distance telephone calls	1,722	2,151
Facsimile	45	121
Distribution and mailing costs	4,654	3,344
Renovation work	15,064	87,582
Office maintenance	46,398	22,586
Insurance office premises	1,639	1,489
All utilities costs	62,517	64,002
Security guard	40,182	38,754
Cleaning services	77,431	76,960
Garbage collection	1,419	1,329
Coffee, tea, water and other beverages	7,486	5,021
Miscellaneous office costs	19,482	18,632
	362,589	444,888
Earmarked Fund		
Office supplies	427	9,157
Information technology supplies	284	1,246
Long distance telephone calls	7	35
Facsimile	-	21
Distribution and mailing costs	232	180
Internet and email facility	351	-
Miscellaneous office costs	-	523
	1,301	11,162

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14. MAINTENANCE AND REUNNING COST OF EQUIPMENT

	2019	2018
	USD	USD
Basket Fund		
Maintenance vehicles	1,206	-
Insurance vehicles	6,967	9,405
Fuel vehicles	4,687	3,892
Other vehicle costs	2,309	2,192
Maintenance equipment	14,421	16,400
Insurance equipment	2,149	1,699
Software licenses	33,484	34,160
Software maintenance	21,085	42,014
	<u>86,308</u>	<u>109,762</u>
Earmarked Fund		
Maintenance equipment	-	4,944
Software licenses	21,350	2,264
Software maintenance	16,027	17,296
	<u>31,377</u>	<u>24,504</u>

15. PUBLICATION, PRINTING AND OTHERS

	2019	2018
	USD	USD
Basket Fund		
External printing costs	2,638	38,354
Reporting costs	1,687	-
Membership fees	150	-
Subscriptions, books, periodicals	1,492	1,214
Publications and photography	69	1,194
External audit costs	27,895	51,306
Representation expenses	2,344	249
Support to Staff Association	10,872	5,020
Miscellaneous expenses	12,197	7,187
	<u>59,344</u>	<u>104,524</u>
Earmarked Fund		
External printing costs	-	1,131
Membership fees	-	1,748
Reporting costs	5,752	-
Publications and photography	2,602	12,066
External audit costs	10,000	8,000
Miscellaneous expenses	580	15,486
	<u>18,934</u>	<u>38,431</u>

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16. PROPERTY AND EQUIPMENT

	2019	2018
	USD	USD
Basket Fund		
Information technology equipment	83,896	100,785
Vehicles and motorbike	-	197,000
Heavy machinery equipment	-	276
Furniture and fitting equipment	47,351	47,838
Communication equipment	2,663	40,974
Low value equipment	888	2,882
	<u>134,798</u>	<u>389,755</u>
Earmarked Fund		
IT equipment	35,497	46,663
Vehicles and motorbike	-	2,776
Low value equipment	-	1,364
	<u>35,497</u>	<u>50,803</u>
Administrative Reserve Fund		
Elevator	99,000	-
Air conditioners	-	1,100
	<u>99,000</u>	<u>1,100</u>

17. GOVERNANCE MEETING EXPENSES

	2019	2018
	USD	USD
Basket Fund		
MRC Council Meeting	89,493	56,600
MRC Joint Committee Meeting	505	23,104
MRC Joint Committee Task Force Meeting	-	13,323
Informal Development Partner Meeting	-	1,333
Budget Committee Meeting	-	20,828
	<u>89,998</u>	<u>115,188</u>
Earmarked Fund		
MRC Council Meeting	68,667	-
MRC Joint Committee Meeting	68,333	-
MRC Joint Committee Task Force Meeting	20,268	-
Informal Development Partner Meeting	8,417	-
Dialogue Partner Meeting ("DPM")	10,382	-
MRC Joint Committee Special Session	23,765	-
Budget Committee Meeting	14,092	-
	<u>213,924</u>	<u>-</u>

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18. MEETING AND WORKSHOP EXPENSES

	2019	2018
	USD	USD
Basket Fund		
Steering Committee meeting	-	1,331
Regional technical working group meeting	66,392	31,048
Regional consultation meeting	752,495	461,105
MRC Forum/MRC International conference	-	124,983
International conference/workshop	5,247	74,082
National consultation meeting	596,804	330,704
Other Core River Basin Management Functions ("CRBMF") meeting expenses	-	9,425
Team coordination meeting	3,485	26,438
Annual meeting	-	858
Other internal meeting expenses	1,568	7,264
	1,425,991	1,067,238

	2019	2018
	USD	USD
Earmarked Fund		
Regional technical working group meeting	72184	44,069
Regional consultation meeting	429640	259,875
International conference/workshop	502	-
National consultation meeting	389474	416,994
Other CRBMF meeting expenses	-	-
Team coordination meeting	630	101
Other internal meeting expenses	-	349
	892,430	721,388

19. SUPPORT TO DECENTRALISATION AND NIP

	2019	2018
	USD	USD
Basket Fund		
Cambodia	18,000	24,323
Lao PDR	39,115	-
Thailand	14,169	3,808
Vietnam	20,000	22,972
	91,284	51,103

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20. MOUs WITH MEMBER COUNTRIES

	2019	2018
	USD	USD
Basket Fund		
Cambodia	94,500	197,738
Lao PDR	63,292	88,544
Thailand	9,880	57,012
Vietnam	45,537	97,458
	<u>213,209</u>	<u>440,752</u>
Earmarked Fund		
Cambodia	251,443	95,585
Lao PDR	224,251	100,430
Thailand	171,160	75,690
Vietnam	150,814	97,584
	<u>797,668</u>	<u>369,289</u>

21. INTEGRATED CAPACITY BUILDING

	2019	2018
	USD	USD
Basket Fund		
Capacity building to Cambodia NMC	11,539	-
Capacity building to Lao NMC	10,496	-
Capacity building to Thailand NMC	4,575	-
Capacity building to Vietnam NMC	6,894	-
	<u>33,504</u>	<u>-</u>
Earmarked Fund		
Capacity building to Cambodia NMC	1,820	-
Capacity building to Lao NMC	452	-
Capacity building to Thailand NMC	1,610	-
Capacity building to Vietnam NMC	2,033	-
	<u>5,915</u>	<u>-</u>

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22. FUND BALANCES

	2019 USD	2018 USD
Basket Fund		
BF	<u>3,152,650</u>	<u>3,398,552</u>
Earmarked Fund		
Australia	-	21,742
Belgium	-	13,767
China	20,850	-
GIZ GmbH	-	1,225
European Union	875,213	52,607
Finland	-	30,617
France	102,036	60,059
Japan	131,307	13,897
KfW	8,659	(151,889)
Netherlands	219,523	246,381
United States of America	-	36,450
World Bank	37,733	484,014
Pool funding for Council Study	-	1,484
University Murdoch - Australia	6,325	12,388
Miscellaneous	-	2,957
Norwegian Agency for Development Cooperation	238	238
	<u>1,420,332</u>	<u>825,937</u>
Administrative Reserve Fund		
ARF	<u>4,439,702</u>	<u>4,448,783</u>
	<u>9,012,684</u>	<u>8,673,272</u>

23. CASH AND BANK BALANCES

	2019 USD	2018 USD
Cash on hand	771	515
Cash at banks	<u>9,961,768</u>	<u>9,005,059</u>
	<u>9,962,539</u>	<u>9,005,574</u>

24. ADVANCES AND PREPAYMENTS

	2019 USD	2018 USD
Advances for general purpose expenditures	175,772	516,247
Prepayments	<u>4,437</u>	<u>21,083</u>
	<u>180,209</u>	<u>537,330</u>

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24. ADVANCES AND PREPAYMENTS (continued)

Advances for general project expenditures represent imprest-accounts funds given to some satellite projects for petty cash expenses and other disbursements within their limits of authority. The related project expenditure is charged to the statement of income and expenditure upon submission of clearance forms. Other advances are education allowances of staff dependants, advances issued to conduct training and workshops as well as advances to employees against salary.

25. PROVIDENT FUND

MRC manages a provident fund, which had a balance as at 31 December 2019 of US\$1,121,454 (31 December 2018: US\$843,210), to provide a savings scheme in lieu of a pension fund on behalf of 63 (2018: 63) members of staff who are eligible for the scheme. Staff and MRC contributions are banked into a separate bank account. The MRC's contributions to the fund are included in the expenditures as personnel services in respect of project expenditure, and as staff salary and fees in respect of administrative expenditure. Payments from the provident fund and its balance are not reflected in the MRC's consolidated statements.

26. OTHER LIABILITIES

	2019	2018
	USD	USD
Account payables	<u>8,610</u>	<u>26,422</u>