

MEKONG RIVER COMMISSION

**Statements of Contributions Received,
Expenditure Incurred
and Fund Balances by Donor**

for the year ended 31 December 2005

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor for
the year ended 31 December 2005

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REPORT OF THE INDEPENDENT AUDITORS

To the members of the Joint Committee of the Mekong River Commission

Scope

We have audited the statements of contributions received, expenditure incurred and fund balances by donor (“the financial statements”) of the Mekong River Commission (“the Commission”) for the year ended 31 December 2005, set out on pages 2 to 26. These financial statements are the responsibility of the Commission’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the statements of contributions received, expenditure incurred and fund balances have been prepared in accordance with a modified cash basis of accounting. This is a basis of accounting used by the Mekong River Commission; it does not produce financial statements that are compatible with International Financial Reporting Standards.

Audit Opinion

In our opinion, the financial statements present fairly, in all material respects, the status of donors’ funds maintained by the Commission as at 31 December 2005 and the related income and expenditure for the year then ended in accordance with the basis of accounting and the accounting policies set out in Notes 2 and 3.

KPMG Lao Co

KPMG Lao Co., Ltd.
Vientiane

22 March 2006



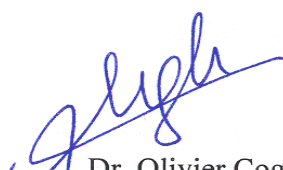
Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2005


GOVERNMENT OF AUSTRALIA

	Note	2005 USD	2004 USD
Fund balance at 1 January		225,329	226,593
Contributions received from the Government of Australia for:			
1.1/25/05/AULO Hydrological Model Application		93,404	-
1.1/27/05/AULO MRC Strategic Planning Process		247,592	-
2.1/16/01/AUL Appropriate Hydrological Network Improvement		181,246	165,389
3.8/07/01/AUL Australian/MRC Consultancy Services Funds		(68,404)	-
4.2/04/01/BDP Basin Development Plan		-	107,050
6.1/00/03/AUL Recruitment of Chief Executive Officer		(25,000)	-
9.1/15/03/AUL Interest earned from project funds		1,241	936
1.1/13/05/OTH/T MOU for AHNIP Network		3,750	-
		433,829	273,375
Expenditure incurred for:			
1.1/25/05/AULO Hydrological Model Application		93,404	-
1.1/27/05/AULO MRC Strategic Planning Process		145,011	-
2.1/13/92/AUL Improvement of Hydro-Meteorological Network (Basinwide)		17,048	11,350
2.1/16/01/AUL Appropriate Hydrological Network Improvement		38,020	87,587
3.8/07/01/AUL Australian/MRC Consultancy Services Funds		(31,267)	29,557
4.2/04/01/BDP Basin Development Plan	4	128,824	146,145
6.1/00/03/AUL Recruitment of Chief Executive Officer		(23,094)	-
1.1/13/05/OTH/T MOU for AHNIP Network		4,562	-
		372,508	274,639
Movement for the year		61,321	(1,264)
Fund balance at 31 December		286,650	225,329

The notes set out on pages 25 to 26 form an integral part of these statements

Approved by:


 Dr. Olivier Cogels
 Chief Executive Officer


 Dr. Dirk Overweg
 Chief Finance and Administration

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2005 (continued)


ASIAN DEVELOPMENT BANK (“ADB”)

	2005 USD	2004 USD
Fund balance at 1 January	-	(9,365)
Contributions received from the ADB for:		
3.1/52/03/ADB The Second Annual Mekong Flood Forum	-	9,411
3.1/53/04/ADB Structural Measures & Flood Proofing, 2005/01 C2P2	399,583	-
Expenditure incurred for:		
3.1/52/03/ADB The Second Annual Mekong Flood Forum	-	46
Movement for the year	<u>399,583</u>	<u>9,365</u>
Fund balance at 31 December	<u><u>399,583</u></u>	<u><u>-</u></u>

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 Dr. Olivier Cogels
 Chief Executive Officer


 Dr. Dirk Overweg
 Chief Finance and Administration

GOVERNMENT OF DENMARK

	2005	2004
	USD	USD
Fund balance at 1 January	2,751,160	1,188,189
Contributions received from the Government of Denmark for:		
1.1/19/05/DENF Aquaculture of Indigenous Mekong Fish Species 2005 - 662.1121.02.62	477,136	-
1.1/20/05/DENF Management of River and Reservoir Fisheries 2005 - 662.1072.01.62	576,474	-
1.1/21/05/DENF Assessment of Mekong Capture Fisheries 2005 - 662.1111.01.62	828,294	-
1.1/22/05/DENF Institutional Support - Fisheries Programme 2005 - 662.1121.01.62	909,657	-
1.1/39/06/DEN/F Fisheries Ecology, Valuation and Mitigation	298,177	-
1.1/40/06/DEN/F Fisheries Management and Governance	256,275	-
1.1/41/06/DEN/F Programme Management and Communication	440,238	-
2.4/01/01/DEN Environment Programme 2002-2004 - 662.1141.x.01.62	64,205	663,504
3.1/53/04/DEN MRC Flood Management and Mitigation – Programme 2004	1,649	814,410
3.4/02/03/DEN Assessment of Mekong Capture Fisheries - 662.1111.x.01.62	-	(204,737)
3.4/02/04/DEN Assessment of Mekong Capture Fisheries - 662.1111.x.01.62	(294,413)	963,369
3.4/17/03/DEN Twinning Arrangement with the IFReDI Sub-component under "Institutional Support" - 662.1121.x.01.62	312,557	-
3.4/18/03/DEN Aquaculture of Indigenous Mekong Fish Species - 662.1121.x.02.62	-	(77,324)
3.4/18/04/DEN Aquaculture of Indigenous Mekong Fish Species - 662.1121.x.02.62	(97,874)	439,604
3.4/19/03/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62	-	22,686
3.4/19/04/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62	(243,037)	812,444
3.5/26/03/DEN Management of River and Reservoir Fisheries in the Mekong Basin - 662.1072.x.01.62	-	(108,142)
3.5/26/04/DEN Management of River and Reservoir Fisheries in the Mekong Basin - 662.1072.x.01.62	(318,982)	778,142
4.2/04/01/BDP Basin Development Plan	881,222	892,966
4.2/04/01/DEN Core Support for Basin Development Plan - 662.1131.x.01.62	-	50,265
8.1/30/01/DEN Support Cost for the Provision of Junior Professional Officers (JPO)	-	47,785
9.1/15/00/DEN Interest earned from project funds	9,813	(345)
	<u>4,101,391</u>	<u>5,094,627</u>

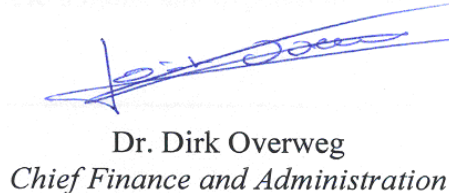
GOVERNMENT OF DENMARK (CONTINUED)

	Note	2005 USD	2004 USD
Expenditure incurred for:			
1.1/19/05/DENF Aquaculture of Indigenous Mekong Fish Species 2005 - 662.1121.02.62		476,182	-
1.1/20/05/DENF Management of River and Reservoir Fisheries 2005 - 662.1072.01.62		497,430	-
1.1/21/05/DENF Assessment of Mekong Capture Fisheries 2005 - 662.1111.01.62		648,132	-
1.1/22/05/DENF Institutional Support - Fisheries Programme 2005 - 662.1121.01.62		824,006	-
2.4/01/01/DEN Environment Programme 2002 – 2004 - 662.1141.x.01.62		278,016	432,681
3.1/53/04/DEN MRC Flood Management and Mitigation – Programme 2004		26,137	-
3.4/02/04/DEN Assessment of Mekong Capture Fisheries - 662.1111.x.01.62		-	668,956
3.4/17/03/DEN Twinning Arrangement with the IFReDI Sub-component under "Institutional Support" - 662.1121.x.01.62		156,047	24,124
3.4/18/04/DEN Aquaculture of Indigeneous Mekong Fish Species - 662.1121.x.02.62		-	341,732
3.4/19/04/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62		-	569,408
3.5/26/04/DEN Management of River and Reservoir Fisheries in the Mekong Basin - 662.1072.x.01.62		-	459,158
4.2/04/01/BDP Basin Development Plan	4	793,031	868,566
4.2/04/01/DEN Core Support For Basin Development Plan - 662.1131.x.01.62		-	50,265
8.1/30/01/DEN Support Cost for the Provision of Junior Professional Officers (JPO)		26,330	116,766
		<u>3,725,311</u>	<u>3,531,656</u>
Movement for the year		<u>376,080</u>	<u>1,562,971</u>
Fund balance at 31 December		<u><u>3,127,240</u></u>	<u><u>2,751,160</u></u>

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Approved by:


Dr. Olivier Cogels
Chief Executive Officer



Dr. Dirk Overweg
Chief Finance and Administration

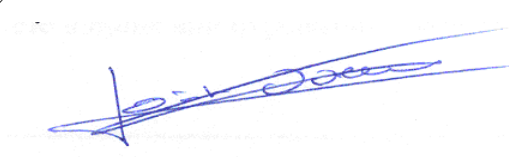
**DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (“GTZ”)
GMBH**

	2005 USD	2004 USD
Fund balance at 1 January	95,390	108,977
Contributions received from GTZ for:		
1.1/02/04/GTZA Development of Mekong Research and its Integration in Mekong Information	-	12,500
3.1/53/04/GTZ Flood Management Programme 2004-2010	136,293	14,968
3.4/08/03/GTZ Sustainable Watershed Management	163,897	223,060
3.4/09/04/GTZ Mekong Rice Conference 2004	(1,310)	10,000
9.1/15/03/GTZ Interest earned from project funds	455	582
	<u>299,335</u>	<u>261,110</u>
Expenditure incurred for:		
1.1/02/04/GTZA Development of Mekong Research and Its Integration in Mekong Information	-	12,500
3.1/53/04/GTZ Flood Management Programme 2004-2010	87	-
3.4/08/03/GTZ Sustainable Watershed Management	262,361	258,482
3.4/09/04/GTZ Mekong Rice Conference 2004	4,974	3,715
	<u>267,422</u>	<u>274,697</u>
Movement for the year	31,913	(13,587)
Fund balance at 31 December	<u>127,303</u>	<u>95,390</u>

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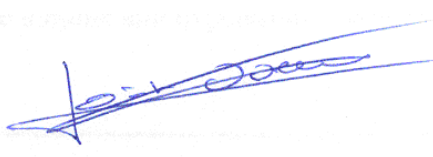
EUROPEAN COMMISSION

	2005 USD	2004 USD
Fund balance at 1 January	1,269	16,329
Contributions received from the European Commission for:		
1.1/11/05/EECH Cap Bldg for Plan&Impl of Flood Preparedness Programme Ph II, 2005/03	221,755	-
7.1/22/03/EEC Capacity Building for Preparedness, Planning & Response Through Use of Flood Information Product	(7,087)	48,235
9.1/15/03/EEC Interest earned from project funds	440	98
	<u>215,108</u>	<u>48,333</u>
Expenditure incurred for:		
1.1/11/05/EECH Cap Bldg for Plan&Impl of Flood Preparedness Programme Ph II, 2005/03	149,015	-
7.1/22/03/EEC Capacity Building for Preparedness, Planning & Response Through Use of Flood Information Product	(3,774)	63,393
	<u>145,241</u>	<u>63,393</u>
Movement for the year	69,867	(15,060)
Fund balance at 31 December	<u>71,136</u>	<u>1,269</u>

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Chief Executive Officer



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Chief Finance and Administration

GOVERNMENT OF FINLAND

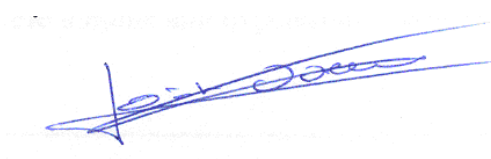
	2005	2004
	USD	USD
Fund balance at 1 January	915,146	190,657
Contributions received from the Government of Finland for:		
1.1/14/05/FINW Financial Support to the position of Senior Modeling Adviser, 2005/04	406,261	-
2.3/07/02/FIN UHA Digitising in Cambodia, Laos and Thailand	3,223	-
7.1/23/01/WUP Water Utilisation Programme	859,217	1,142,038
9.1/15/02/FIN Interest earned from project funds	(812)	982
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	1,267,889	1,143,020
Expenditure incurred for:		
1.1/14/05/FINW Financial Support to the position of Senior Modeling Adviser, 2005/04	139,961	-
2.3/07/02/FIN UHA Digitising in Cambodia, Laos and Thailand	(3,717)	33,249
7.1/23/01/WUP Water Utilisation Programme	711,198	352,794
7.1/31/99/FIN The E-mail and Internet Communication Project	-	32,488
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	847,442	418,531
Movement for the year	<hr/>	<hr/>
	420,447	724,489
Fund balance at 31 December	<hr/>	<hr/>
	1,335,593	915,146
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Dr. Olivier Cogels
Chief Executive Officer



Dr. Dirk Overweg
Chief Finance and Administration

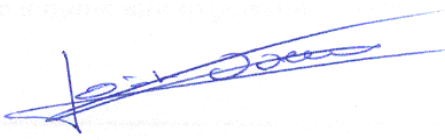
GOVERNMENT OF FRANCE

	2005 USD	2004 USD
Fund balance at 1 January	135,284	318,403
Contributions received from the Government of France	-	-
Expenditure incurred for:		
7.1/23/01/WUP Water Utilisation Programme	60,376	183,119
Movement for the year	(60,376)	(183,119)
Fund balance at 31 December	74,908	135,284

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

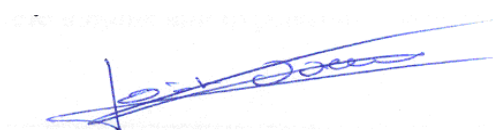
	2005 USD	2004 USD
Fund balance at 1 January	(193,262)	(5,549)
Contribution received from the International Bank for Reconstruction and Development for:		
7.1/23/01/WUP Water Utilisation Programme	1,801,067	1,245,281
Expenditure incurred for:		
7.1/23/01/WUP Water Utilisation Programme	1,431,214	1,432,994
Movement for the year	369,853	(187,713)
Fund balance at 31 December	176,591	(193,262)

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Chief Executive Officer



Dr. Dirk Overweg
Chief Finance and Administration

GOVERNMENT OF JAPAN

	2005 USD	2004 USD
Fund balance at 1 January	476,390	713,603
Contributions received from the Government of Japan for:		
1.1/01/04/JPNT Database Analysis on Hydro-meteorological Network and Water Use	-	9,816
1.1/10/05/JPNA Program to Demonstrate the Multi-functionality of Paddy Fields over the MRB-2005, 2005/02	269,020	-
1.1/24/05/JPNA Improvement of Irrigation Effion Paddy Fields in the Lower Mekong Basin-2005/06	341,602	-
1.1/31/05/JPNI Database Analysis and Hydro-Meteorological Network & Water Use, 2005/12	9,481	-
3.2/23/04/JPN Programme to Demonstrate The Multi-functionality of Paddy Fields Over the Mekong River Basin	-	269,020
4.2/06/99/JPN Japan Consultancy Service	-	(1,547)
4.2/07/00/JPN Formulation and Strengthening its Capability or Quality for Formulation of the Programme of Projects	-	(57,500)
4.2/07/03/JPN Relocation Project 2004 - Japanese Consultancy Funds	-	59,047
8.1/16/02/JPN Institutional Support to MRCS	40,000	50,000
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	660,103	328,836
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Expenditure incurred for:		
1.1/01/04/JPNT Database Analysis on Hydro-meteorological Network and Water Use	3,754	6,063
1.1/10/05/JPNA Program to Demonstrate the Multi-functionality of Paddy Fields over the MRB-2005, 2005/02	11,892	-
1.1/24/05/JPNA Improvement of Irrigation Effion Paddy Fields in the Lower Mekong Basin-2005/06	92,194	-
1.1/31/05/JPNI Database Analysis and Hydro-Meteorological Network & Water Use, 2005/12	2,612	-
2.1/13/93/JPN Improvement of Hydro-meteorological Network	-	2,073
2.1/01/03/JPN Database Analysis on Hydro-meteorological Network and Water Use	-	7,629
3.2/23/02/JPN Program to Demonstrate The Multi-functionality of Paddy Fields Over the Mekong River Basin	46,650	146,594
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<i>Balance carried forward</i>	157,102	162,359
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GOVERNMENT OF JAPAN (CONTINUED)

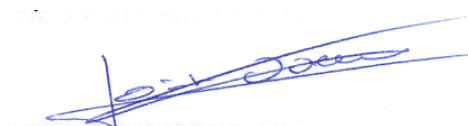
	2005 USD	2004 USD
<i>Balance brought forward</i>	157,102	162,359
3.2/23/03/JPN Programme to Demonstrate the Multi-functionality of Paddy Fields Over the Mekong River Basin	60,557	215,681
3.2/23/04/JPN Programme to Demonstrate the Multi-functionality of Paddy Fields Over the Mekong River Basin	130,778	20,252
4.2/06/02/JPN Consolidation of Hydro-meteorological Data & Multi-functional Hydrolic Roles (Phase III)	1,791	100,741
4.2/06/96/JPN/1 Formulation of Hydropower Development Strategy	3,884	8,355
4.2/07/02/JPN 3rd World Water Forum - Formulation & Strengthen Its Quality For The Projects	-	4,041
4.2/07/04/JPN Relocation Project 2004 - Japanese Consultancy Funds	52,781	4,620
8.1/16/02/JPN Institutional Support to the Mekong River Commission	50,000	50,000
	<hr/>	<hr/>
	456,893	566,049
	<hr/>	<hr/>
Movement for the year	203,210	(237,213)
	<hr/>	<hr/>
Fund balance at 31 December	679,600	476,390
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Dr. Olivier Cogels
Chief Executive Officer



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Chief Finance and Administration

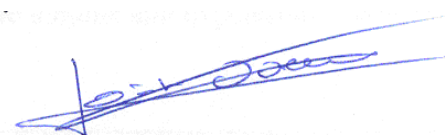
MURRAY DARLING BASIN COMMISSION (“MDBC”)

	2005 USD	2004 USD
Fund balance at 1 January	(18,372)	(6,423)
Contributions received from the MDBC for:		
1.1/08/05/MBCO Recruitment of the CEO	25,000	-
7.1/01/99/MBC Supporting of MDBC/MRC Joint Activities	-	6,187
7.1/01/04/MBC MDBC-MRC Strategic Liason Programme	69,209	109,167
	<u>94,209</u>	<u>115,354</u>
Expenditure incurred for:		
1.1/08/05/MBCO Recruitment of the CEO	25,000	-
7.1/01/99/MBC Supporting of MDBC/MRC Joint Activities	-	(235)
7.1/01/04/MBC MDBC-MRC Strategic Liason Programme	22,025	127,538
	<u>47,025</u>	<u>127,303</u>
Movement for the year	47,184	(11,949)
Fund balance at 31 December	<u>28,812</u>	<u>(18,372)</u>

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 Dr. Olivier Cogels
 Chief Executive Officer



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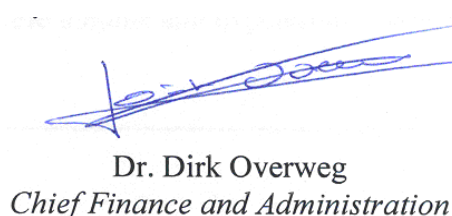
GOVERNMENT OF THE NETHERLANDS

	2005 USD	2004 USD
Fund balance at 1 January	1,375,971	(6,734)
Contributions received from the Government of the Netherlands for:		
1.1/06/04/NETE Wetlands Bio-diversity Conservation and Sustainable Use Programme 2004-2009, 2004/15	278,000	112,000
1.1/07/04/NETO Recruitment of the CEO	12,000	-
1.1/29/05/NETH Structural Measures and Flood Proofing, 2004/14, C2P1	405,000	-
3.1/52/03/NET The Second Annual Mekong Flood Forum	-	(734)
3.1/53/04/NET Flood Management & Mitigation Implementation Programme	(403,702)	1,276,502
9.1/15/04/NET Interest earned from Project Funds	5,871	377
	<u>297,169</u>	<u>1,388,145</u>
Expenditure incurred for:		
1.1/06/04/NETE Wetlands Bio-diversity Conservation and Sustainable Use Programme 2004-2009, 2004/15	120,297	12,908
1.1/07/04/NETO Recruitment of the CEO	12,000	-
1.1/29/05/NETH Structural Measures and Flood Proofing, 2004/14, C2P1	57,579	-
3.1/52/03/NET The Second Annual Mekong Flood Forum	-	(7,468)
3.1/53/04/NET Flood Management & Mitigation Implementation Programme	1,013,767	-
	<u>1,203,643</u>	<u>5,440</u>
Movement for the year	<u>(906,474)</u>	<u>1,382,705</u>
Fund balance at 31 December	<u><u>469,497</u></u>	<u><u>1,375,971</u></u>

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Chief Executive Officer

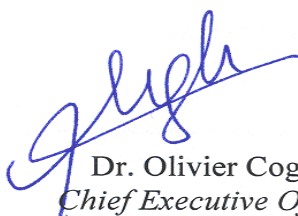

Dr. Dirk Overweg
Chief Finance and Administration

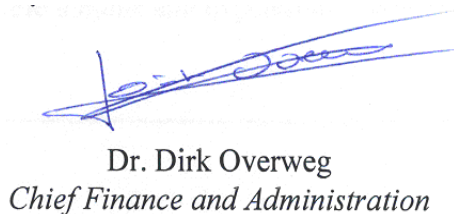
GOVERNMENT OF NEW ZEALAND

	2005 USD	2004 USD
Fund balance at 1 January	69,259	5,001
Contributions received from the Government of New Zealand for:		
1.1/03/04/NZLC Gender Mainstreaming in Water and Related Resources Development in the Mekong River Basin	15,620	64,379
	<u>15,620</u>	<u>64,379</u>
Expenditure incurred for:		
1.1/03/04/NZLC Gender Mainstreaming in Water and Related Resources Development in the Mekong River Basin	27,987	121
2.1/05/00/NZL MRC Hydrologic Yearbook	130	-
	<u>28,117</u>	<u>121</u>
Movement for the year	<u>(12,497)</u>	<u>64,258</u>
Fund balance at 31 December	<u><u>56,762</u></u>	<u><u>69,259</u></u>

The notes set out on pages 25 to 26 form an integral part of these statements

Approved by:


Dr. Olivier Cogels
Chief Executive Officer


Dr. Dirk Overweg
Chief Finance and Administration

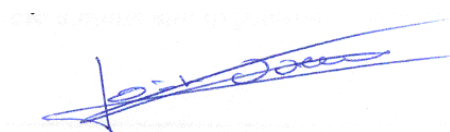
GOVERNMENT OF NORWAY

	2005 USD	2004 USD
Fund balance at 1 January	412	72,655
Contributions received from the Government of Norway for:		
7.1/29/02/NOR Updating Strategy & Programme for Navigation Development & Coordination in the Mekong Basin	676	-
9.1/15/02/NOR Interest earned from project funds	(668)	102
	<u>8</u>	<u>102</u>
Expenditure incurred for:		
7.1/29/02/NOR Updating Strategy & Programme for Navigation Development & Coordination in the Mekong Basin	420	72,345
Movement for the year	<u>(412)</u>	<u>(72,243)</u>
Fund balance at 31 December	<u>-</u>	<u>412</u>

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GOVERNMENT OF SWEDEN

	Note	2005 USD	2004 USD
Fund balance at 1 January		1,017,907	917,552
Contributions received from the Government of Sweden for:			
3.4/20/04/SWE The Technical Advisory Body for Fisheries		53,451	53,668
3.7/24/01/SWE Environment Programme General 2001-2003		-	1,233
3.7/24/04/SWE Environment Programme 2004-2006		1,402,754	802,662
3.7/29/01/SWE Junior Riparian Professional Programme 2004-2006		-	(204,915)
3.7/29/04/SWE Junior Riparian Professional Programme 2004-2006		-	217,944
4.2/04/01/BDP Basin Development Plan		(4,755)	209,351
8.1/15/01/SWE Institution Support Programme		-	(218,858)
8.1/15/04/SWE Institution Support Programme		400,787	402,507
9.1/15/91/SWE Interest earned from project funds		5,309	539
		<u>1,857,546</u>	<u>1,264,131</u>
Expenditure incurred for:			
3.4/20/04/SWE The Technical Advisory Body for Fisheries		43,531	17,915
3.7/24/01/SWE Environment Programme General 2001-2003		-	141,638
3.7/24/04/SWE Environment Programme General 2004-2006		1,157,625	334,695
3.7/29/01/SWE Junior Riparian Professional Programme 2004-2006		-	49,037
3.7/29/04/SWE Junior Riparian Professional Programme 2004-2006		76,848	67,559
4.2/04/01/BDP Basin Development Plan	4	247,689	209,654
8.1/15/01/SWE Institutional Support Programme 2004-2006		-	45,394
8.1/15/04/SWE Institutional Support Programme 2004-2006		326,303	297,884
		<u>1,851,996</u>	<u>1,163,776</u>
Movement for the year		<u>5,550</u>	<u>100,355</u>
Fund balance at 31 December		<u><u>1,023,457</u></u>	<u><u>1,017,907</u></u>

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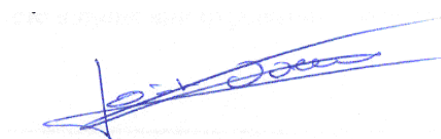
GOVERNMENT OF SWITZERLAND

	Note	2005 USD	2004 USD
Fund balance at 1 January		573,726	555,690
Contributions received from the Government of Switzerland for:			
2.4/01/03/SWI Environment Programme 2003-2004 (Prog. Phase 5)		-	400,000
3.6/01/03/SWI Human Resources Development Programme for the Mekong River Commission Basinwide (Prog. Phase 5)		-	(48,143)
4.2/04/01/BDP Basin Development Plan		-	470,000
8.1/22/03/SWI MRC Core Contribution 2003-2005		320,000	380,000
9.1/15/03/SWI Interest earned from project funds		1,551	1,788
		<u>321,551</u>	<u>1,203,645</u>
Expenditure incurred for:			
2.4/01/03/SWI Environment Programme 2003-2004 (Prog. Phase 5)		154,953	403,786
3.6/01/03/SWI Human Resources Development Programme for the Mekong River Commission Basinwide (Prog. Phase 5)		-	(16,087)
4.2/04/01/BDP Basin Development Plan	4	414,915	419,307
8.1/22/03/SWI MRC Core Contribution 2003-2005		352,351	378,603
		<u>922,219</u>	<u>1,185,609</u>
Movement for the year		<u>(600,668)</u>	<u>18,036</u>
Fund balance at 31 December		<u>(26,942)</u>	<u>573,726</u>

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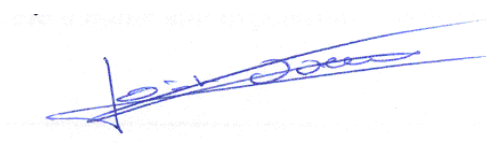
GOVERNMENT OF BELGIUM

	2005 USD	2004 USD
Fund balance at 1 January	-	-
Contribution received from the Government of Belgium for:		
1.1/32/05/BELN MRC Navigation Programme2005/14	1,178,455	-
Expenditure incurred for:		
1.1/32/05/BELN MRC Navigation Programme2005/14	2,849	-
Movement for the year	<u>1,175,606</u>	<u>-</u>
Fund balance at 31 December	<u><u>1,175,606</u></u>	<u><u>-</u></u>

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UNITED NATIONS DEVELOPMENT PROGRAMME (CAMBODIA)

	2005 USD	2004 USD
Fund balance at 1 January	11,308	48,061
Contributions received from the United Nations Development Programme (Cambodia) for:		
6.1/03/04/UNP UNDP Relocation support	-	16,900
7.1/20/97/UNP MRC Capacity Building on Water Utilization Programme	47,641	320
	<u>47,641</u>	<u>17,220</u>
Expenditure incurred for:		
6.1/03/04/UNP UNDP Relocation support	-	16,900
7.1/20/97/UNP MRC Capacity Building on Water Utilization Programme	56,648	37,073
	<u>56,648</u>	<u>53,973</u>
Movement for the year	(9,007)	(36,753)
Fund balance at 31 December	<u>2,301</u>	<u>11,308</u>

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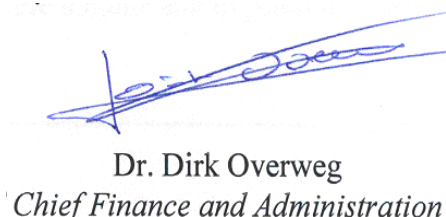
GOVERNMENT OF THE UNITED STATES

	2005 USD	2004 USD
Fund balance at 1 January	61,409	24,628
Contributions received from the Government of the United States for:		
1.1/12/05/USAH AFN-Funded 2005 (3rd AFF, SRE WS, RANET WS, FFW WS)C1P2	74,551	-
3.1/53/03/USA Provision of Flood Early Warning to Flood-vulnerable Communities in the Lower Mekong River Basin, Phase 1: Cambodia and Lao PDR	-	(46,146)
3.1/53/04/USA Provision of Flood Early Warning to Flood-vulnerable Communities, Cambodia & Lao PDR, Phase I - 2004	373,690	265,258
	<u>448,241</u>	<u>219,112</u>
Expenditure incurred for:		
1.1/12/05/USAH AFN-Funded 2005 (3rd AFF, SRE WS, RANET WS, FFW WS)C1P2	74,551	-
3.1/53/03/USA Provision of Flood Early Warning to Flood-vulnerable Communities in the Lower Mekong River Basin, Phase 1: Cambodia and Lao PDR	-	(21,518)
3.1/53/04/USA Provision of Flood Early Warning to Flood-vulnerable Communities, Cambodia & Lao PDR, Phase I - 2004	271,347	203,849
	<u>345,898</u>	<u>182,331</u>
Movement for the year	<u>102,343</u>	<u>36,781</u>
Fund balance at 31 December	<u><u>163,752</u></u>	<u><u>61,409</u></u>

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**AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH
("ACIAR")**

	2005 USD	2004 USD
Fund balance at 1 January	25,588	-
Contribution received from the ACIAR for:		
6.1/04/04/OTH Stock Structure of Two Important Mekong River Carp Species	37,785	27,220
Expenditure incurred for:		
6.1/04/04/OTH Stock Structure of Two Important Mekong River Carp Species	9,494	1,632
Movement for the year	<u>28,291</u>	<u>25,588</u>
Fund balance at 31 December	<u><u>53,879</u></u>	<u><u>25,588</u></u>

MISCELLANEOUS

	2005	2004
	USD	USD
Fund balance at 1 January	14,997	32,660
Contributions received for:		
1.1/00/04/OTHT International Conference, Vientiane, 25-27 Oct 2004	(440)	21,273
1.1/15/05/OTHT Challenge Program on Water and Food for 2005	95,239	-
1.1/16/05/OTHH The Third Annual Flood Forum C1P4	18,495	-
1.1/33/05/OTHO Int'l Forum on Integrated Water Resources Mgt in the Mekong River Basin	29,258	-
1.1/34/05/OTHA Strengthening Fisheries Mgt Institutions in Lower Mekong River Basin	23,029	-
3.2/22/03/OTH Challenge Program on Water and Food	-	49,867
3.2/22/04/OTH Challenge Program on Water and Food 2004	37,691	75,484
6.1/01/04/OTH LARS 2 - FAO	-	5,000
6.1/02/04/OTH Uptake of Adaptive Learning Approaches for Enhancement Fisheries	14,860	17,760
6.1/05/04/OTH Mississippi River Basin Alliance Observation Tour to LMB, 4-20 March 2004	-	12,770
6.2/00/04/OTH Miscellaneous Components 2004	-	8,212
	<hr/>	<hr/>
	218,132	190,366
Expenditure incurred for:		
1.1/00/04/OTHT International Conference, Vientiane, 25-27 Oct 2004	113	20,719
1.1/15/05/OTHT Challenge Program on Water and Food for 2005	112,840	-
1.1/16/05/OTHH The Third Annual Flood Forum C1P4	18,495	-
1.1/17/05/OTHO TSD 2005	683	-
1.1/23/05/OTHO MRC Strategic Plan 2006-2010	18,096	-
1.1/33/05/OTHO Int'l Forum on Integrated Water Resources Mgt in the Mekong River Basin	60,372	-
1.1/34/05/OTHA Strengthening Fisheries Mgt Institutions in Lower Mekong River Basin	25	-
3.1/53/03/OTH Data Setting for Flood Analysis in the Mekong River Basin	2,156	4,689
3.2/22/04/OTH Challenge Program on Water and Food 2004	-	113,176
6.1/00/02/OTH Miscellaneous Components	-	1,557
6.1/00/03/OTH Miscellaneous Components 2003	31,955	952
6.1/01/02/OTH LARS 2 - FAO	-	5,000
6.1/01/96/ETC Mekong Fisheries Network Newsletter	-	1,311
6.1/02/02/OTH Mekong International River Prize 2002	-	39,908
	<hr/>	<hr/>
<i>Balance carried forward</i>	244,735	187,312
	<hr/>	<hr/>

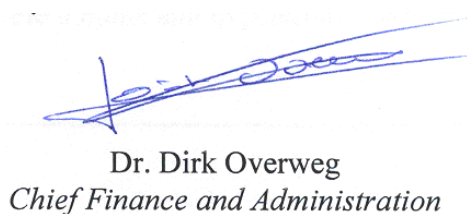
MISCELLANEOUS (CONTINUED)

	2005 USD	2004 USD
<i>Balance brought forward</i>	244,735	187,312
6.1/02/04/OTH Uptake Adaptive Learning Approaches for Enhancement Fisheries	32,563	59
6.1/05/04/OTH Mississippi River Basin Alliance Observation Tour to LMB, 4-20 March 2004	324	12,446
6.2/00/04/OTH Miscellaneous Components 2004	-	8,212
	<hr/>	<hr/>
	277,622	208,029
	<hr/>	<hr/>
Movement for the year	(59,490)	(17,663)
	<hr/>	<hr/>
Fund balance at 31 December	(44,493)	14,997
	<hr/> <hr/>	<hr/> <hr/>

The notes set out on pages 25 to 26 form an integral part of these statements

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Dr. Olivier Cogels
Chief Executive Officer


Dr. Dirk Overweg
Chief Finance and Administration

Mekong River Commission
Notes to the Statement of Contributions Received, Expenditure Incurred and Fund Balances
by Donor for the year ended 31 December 2005 (continued)

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements.

1. Principal activities

The Mekong River Commission (“MRC” or “the Commission”) 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.

The role of the MRC is to promote and coordinate sustainable management and development of water and related resources for the countries’ mutual benefit and the people’s well being. It fulfils this role by providing scientific information and policy advice and implementing strategic programs and activities in accordance with the 1995 Agreement.

2. Basis of preparation

The financial statements, expressed in United States Dollars (“USD”), have been prepared in accordance with a modified cash basis of accounting. This is a basis of accounting used by the Mekong River Commission; it does not produce financial statements that are compatible with International Financial Reporting Standards. Under the basis of accounting, income is recognised when received rather than earned, except for interest income which is recognised when earned. Expenditure is recognised when paid rather than incurred, except for: staff health and life insurance premiums, personal telephone costs charged to staff and repatriation fee, which are recognised on an accruals basis; and advances to National Mekong Committees, projects and employees, which are recognised when cleared.

3. Summary of significant accounting policies

(a) Property and equipment

For control and management purposes, a memorandum account for property and equipment is maintained by way of a property and equipment listing.

(b) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than USD are translated into USD at rates of exchange ruling at the balance sheet date. Transactions in currencies other than USD are translated into USD at the MRC operational rates of exchange on the date of the transactions. All exchange differences are recorded in the income and expenditure statement.

Mekong River Commission

**Notes to the Statement of Contributions Received, Expenditure Incurred and Fund Balances
by Donor for the year ended 31 December 2005 (continued)**

4. Basin Development Plan Expenditure - 4.2/04/01/BDP

The Basin Development Plan project expenditure is funded by the Governments of Sweden, Denmark, Australia and Switzerland. The Government of Australia provides funding for the consultancy fees of specified international experts and is separately identified in the project accounting records. The remaining expenditure, funded by the Governments of Sweden, Denmark and Switzerland, is allocated to each donor based on the relative proportions of their budgeted contributions for the project. This allocation provides indicative information only about the project expenditure funded by the three donors. The allocation basis is subject to change in future years when new donors participate in the project.