

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

**CONSOLIDATED AUDITED STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2020**

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 Management
Division
Bountieng Sanaxonh, Director of Planning Division
Winai Wangpimool, Director of Technical Support Division
Vu Thu Hong, Chief Human Resources Officer
Buntheung Sanethavong, Chief Finance 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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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 2020.

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 2020 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,



Tran Minh Khoi
Director of Administration Division



An Pich Hatda
Chief Executive Officer

Vientiane, Lao PDR
Date: 5 May 2021

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 2020, and a summary of accounting policies and other explanatory information, as set out on pages 4 to 20.

In our opinion, the accompanying consolidated statements of the Organisation for the year ended 31 December 2020 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 Fund in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with 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.

For and on behalf of
BDO (Laos) Co., Ltd.



Lim Seng Siew
Certified Public Accountant

Vientiane, Lao PDR
Date: 5 May 2021

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CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 USD	2019 USD
INCOME			
Fund receipts	3	18,335,446	11,595,343
Interest income	4	204,554	169,994
Other income		102,203	103,149
Management and administration fees	5	273,302	374,462
TOTAL INCOME		18,915,505	12,242,948
EXPENDITURES			
Basket Fund			
Salary and fees	6	2,026,667	1,761,562
Employment benefit costs	7	974,137	804,894
Recruitment and selection	8	32,536	27,024
Corporate training	9	17,034	69,404
Official travel	10	65,779	240,877
Other short term staffs	11	-	4,364
Consultants	12	1,544,070	1,710,523
Office costs	13	477,397	362,589
Maintenance and running cost of equipment	14	81,339	86,308
Publication, printing and others	15	108,187	59,344
Financial cost	16	32,547	33,765
Property and equipment	17	358,524	134,798
MRC summit		-	7,418
Governance meeting expenses	18	-	89,998
Meeting and workshop expenses	19	936,265	1,425,991
Support to decentralisation and National Indicative Plan	20	108,373	91,284
Memorandum of Understandings with member countries	21	326,994	213,209
Integrated capacity building	22	-	33,504
		7,089,849	7,156,856
Earmarked Fund			
Salary and fees	6	356,900	512,022
Employment benefit costs	7	130,284	222,820
Recruitment and selection	8	3,707	2,510
Corporate training	9	3,507	19,675
Official travel	10	24,867	134,243
Other short-term staffs	11	1,200	-
Consultants	12	822,455	1,209,014
Office costs	13	217	1,301
Maintenance and running cost of equipment	14	14,043	37,377
Publication, printing and others	15	50,351	18,934
Financial cost	16	11,414	19,495
Property and equipment	17	75,048	35,497
Governance meeting expenses	18	134,958	213,924
Meeting and workshop expenses	19	342,723	892,430
Memorandum of Understandings with member countries	21	1,138,042	797,668
Integrated capacity building	22	-	5,915
Management and administration fees	5	273,302	374,462
		3,383,018	4,497,287

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CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

	Note	2020 USD	2019 USD
Administrative Reserve Fund			
Consultants		-	1,540
Financial cost	16	18	41
Property and equipment	17	-	99,000
		<u>18</u>	<u>100,581</u>
Total expenditures		<u>10,472,885</u>	<u>11,754,724</u>
Excess of income over expenditures		8,442,620	488,224
Unutilised fund and interest returned		(48,943)	(148,812)
Fund balance at beginning of financial year		<u>9,012,684</u>	<u>8,673,272</u>
Fund balance at the end of financial year		<u>17,406,361</u>	<u>9,012,684</u>

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CONSOLIDATED STATEMENT OF FUND BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 USD	2019 USD
Fund balance as at 1 January		9,012,684	8,673,272
Unutilised fund and interest returned		(48,943)	(148,812)
Movement in fund balance for the financial year		<u>8,442,620</u>	<u>488,224</u>
Fund balance as at 31 December	23	<u>17,406,361</u>	<u>9,012,684</u>
Represented by:			
Current assets			
Cash and bank balances	24	18,941,225	9,962,539
Advances and prepayments	25	<u>2,121</u>	<u>180,209</u>
		<u>18,943,346</u>	<u>10,142,748</u>
Current liabilities			
Provident fund	26	1,531,985	1,121,454
Other liabilities	27	<u>5,000</u>	<u>8,610</u>
		<u>1,536,985</u>	<u>1,130,064</u>
Net current assets		<u>17,406,361</u>	<u>9,012,684</u>

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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 Viet Nam, 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.

MRC 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. Administrative 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 Member Countries (MCs) which are recognised as income when cash is credited to the MRC's bank accounts and contributions from Development Partners (DPs) 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.

(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

	2020	2019
	USD	USD
Contributions from Member Countries:		
Cambodia	790,100	718,273
Lao PDR	790,100	718,273
Thailand	1,091,091	991,901
Viet Nam	1,091,091	991,901
	3,762,382	3,420,348
Contributions from Development Partners:		
Australia	-	700,750
Belgium	608,834	-
China	-	30,000
Deutsche Gesellschaft Fur Internationale Zusammenarbeit ("GIZ") GmbH	1,190,250	767,039
European Union	2,060,026	3,037,936
France	267,705	217,954
Japan	4,684,559	722,513
Kreditanstalt für Wiederaufbau ("KfW")	467,812	445,850
Luxembourg	117,771	109,777
Mekong Region Future Institute ("MRFI")	(9,503)	38,069
Netherlands	1,086,100	150,000
New Zealand	700,800	-
Pool funding for council study	-	(1,484)
Swedish International Development Cooperation Agency	2,173,510	-
Switzerland – Swiss Agency for Development and Cooperation	1,224,548	1,375,452
United States of America	-	62,013
World Bank	652	519,126
	14,573,064	8,174,995
	18,335,446	11,595,343

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4. INTEREST INCOME

	2020	2019
	USD	USD
BF	75,108	59,976
EF	24,173	18,518
ARF	<u>105,273</u>	<u>91,500</u>
	<u>204,554</u>	<u>169,994</u>

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

5. MANAGEMENT AND ADMINISTRATION FEES

	2020	2019
	USD	USD
Receipts	273,302	374,462
Expenditures	<u>(273,302)</u>	<u>(374,462)</u>
	<u>-</u>	<u>-</u>

The management and administration fees ("MAF") represent a charge levied monthly on the Earmarked Fund cash expenditures as a contribution to support Basket Fund activities. Those activities include MRCS administration, corporate governance and project delivery. The standard rate is 15%, levied monthly and based on actual expenditures from each EF. If DP has internal requirements that do not allow a rate of 15%, the Chief Executive Officer is authorised to negotiate an alternative rate, provided that this rate is not less than 7%. The MAF is recognised as an income under the BF and as expenditures under the EF.

6. SALARY AND FEES

	2020	2019
	USD	USD
Basket Fund		
Professional posts	1,617,205	1,430,167
General service posts	311,349	277,215
Overtime payments	18,448	12,549
Junior Riparian professional staff posts	33,828	22,991
Associate modeler posts	<u>45,837</u>	<u>18,640</u>
	<u>2,026,667</u>	<u>1,761,562</u>

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6. SALARY AND FEES (continued)

	2020	2019
	USD	USD
Earmarked Fund		
Professional posts	319,584	490,436
General service posts	35,431	21,026
Overtime payments	1,885	560
	<u>356,900</u>	<u>512,022</u>

7. EMPLOYMENT BENEFIT COSTS

	2020	2019
	USD	USD
Basket Fund		
Dependency allowance (Professional services)	22,492	20,251
Dependency allowance (General services)	27,352	25,524
Housing allowance	169,524	119,475
Post adjustment allowance (7%)	75,834	69,606
Hardship allowance	75,771	69,424
Assignment/Relocation allowance	2,823	8,046
Provident fund - Professional services (MRC Contribution)	225,569	185,348
Provident fund - General services (MRC Contribution)	41,139	35,838
Health insurance	26,892	156
Life and accidental insurance	11,974	9,958
Cost of living compensation (Professional services) (5%)	80,561	70,672
Cost of living compensation (General services) (10%)	29,385	26,963
Educational grant/travel	170,908	129,210
Home leave travel	7,683	8,367
Separation costs	1,112	3,700
Other staff costs	1,140	6,576
Annual leave converted into cash	3,978	4,208
Uncertified sick leave	-	2,972
Incentive and reward	-	7,387
Uniform/Laundry allowance	-	1,213
	<u>974,137</u>	<u>804,894</u>

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7. EMPLOYMENT BENEFIT COSTS (continued)

	2020	2019
	USD	USD
Earmarked Fund		
Dependency allowance (Professional services)	4,431	5,608
Housing allowance	31,661	51,546
Post adjustment allowance (7%)	15,867	27,295
Hardship allowance	15,867	27,295
Assignment/Relocation allowance	269	5,117
Provident fund - Professional services (MRC Contribution)	32,602	60,440
Health insurance	2,139	-
Life and accidental insurance	1,402	2,630
Cost of living compensation (Professional services) (5%)	11,716	21,701
Educational grant/travel	11,877	13,354
Home leave travel	2,453	1,593
Dependency allowance (General services)	-	840
Provident fund - General services (MRC Contribution)	-	961
Cost of living compensation (General services) (10%)	-	687
Separation costs	-	1,255
Other staff costs	-	1,473
Annual leave	-	1,025
	130,284	222,820

8. RECRUITMENT AND SELECTION

	2020	2019
	USD	USD
Basket Fund		
Job advertisement costs	16,683	18,272
Medical examination	15,853	3,529
Travel and lodging expenses of candidates	-	5,223
	32,536	27,024
Earmarked Fund		
Job advertisement costs	3,215	2,250
Medical examination	492	-
Travel and lodging expenses of candidates	-	260
	3,707	2,510

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9. CORPORATE TRAINING

	2020 USD	2019 USD
Basket Fund		
Training fees	16,263	56,181
Other training costs	771	13,223
	<u>17,034</u>	<u>69,404</u>
Earmarked Fund		
Training fees	824	17,278
Other training costs	2,683	2,397
	<u>3,507</u>	<u>19,675</u>

10. OFFICIAL TRAVEL

	2020 USD	2019 USD
Basket Fund		
Travel expenses outside the Riparian Countries	12,396	126,831
Daily Subsistence Allowance ("DSA") for travel outside the Riparian Countries	9,228	33,229
Travel expenses within the Riparian Countries	20,091	51,201
DSA for travel within the Riparian Countries	24,064	29,616
	<u>65,779</u>	<u>240,877</u>
Earmarked Fund		
Travel expenses outside the Riparian Countries	9,244	71,033
Daily Subsistence Allowance ("DSA") for travel outside the Riparian Countries	11,181	
Travel expenses within the Riparian Countries	2,790	28,245
DSA for travel within the Riparian Countries	1,652	34,965
	<u>24,867</u>	<u>134,243</u>

11. OTHER SHORT TERM STAFFS

	2020 USD	2019 USD
Basket Fund		
Short term support staffs	-	4,000
Translation costs	-	364
	<u>-</u>	<u>4,364</u>
Earmarked Fund		
Short term support staffs	<u>1,200</u>	<u>-</u>

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12. CONSULTANTS

	2020	2019
	USD	USD
Basket Fund		
International consultant (Individual)	568,078	461,801
Travel expenses for international consultant	16,962	56,083
Riparian consultant (Individual)	126,215	221,097
Travel expenses for Riparian consultant	3,540	3,781
International consulting firm	90,012	320,835
Riparian consulting firm	9,986	-
National consultant	725,221	634,597
Travel expenses for national consultants	4,056	1,394
Travel expenses for Riparian consulting firm	-	10,935
	1,544,070	1,710,523
Earmarked Fund		
International consultant (Individual)	419,602	438,735
Travel expenses for international consultant	49,188	25,817
Riparian consultant (Individual)	174,992	343,370
Travel expenses for Riparian consultant (Individual)	2,177	3,803
International consulting firm	15,256	84,544
Riparian consulting firm	5,040	5,220
National consultant	156,200	307,525
	822,455	1,209,014

13. OFFICE COSTS

	2020	2019
	USD	USD
Basket Fund		
Office supplies	32,691	25,944
Information technology supplies	6,743	5,431
Internet and email facility	48,930	50,338
Local telephone calls	1,741	1,837
Long distance telephone calls	1,812	1,722
Distribution and mailing costs	3,107	4,654
Renovation work	150,076	15,064
Office maintenance	32,343	46,398
Insurance office premises	881	1,639
All utilities costs	53,437	62,517
Security guard	43,722	40,182
Cleaning services	76,833	77,431
Garbage collection	1,245	1,419
Coffee, tea, water and other beverages	8,345	7,486
Miscellaneous office costs	15,491	19,482
Telephone install, rent and maintenance	-	1,000
Facsimile	-	45
	477,397	362,589

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13. OFFICE COSTS (continued)

	2020	2019
	USD	USD
Earmarked Fund		
Distribution and mailing costs	184	232
IT supplies	33	-
Information technology supplies	-	284
Long distance telephone calls	-	7
Office supplies	-	427
Internet and email facility	-	351
	<u>217</u>	<u>1,301</u>

14. MAINTENANCE AND RUNNING COST OF EQUIPMENT

	2020	2019
	USD	USD
Basket Fund		
Maintenance vehicles	2,250	1,206
Insurance vehicles	6,728	6,967
Fuel vehicles	4,500	4,687
Other vehicle costs	583	2,309
Maintenance equipment	5,767	14,421
Insurance equipment	2,953	2,149
Software licenses	44,158	33,484
Software maintenance	14,400	21,085
	<u>81,339</u>	<u>86,308</u>
Earmarked Fund		
Maintenance equipment	855	-
Software licenses	102	21,350
Software maintenance	13,086	16,027
	<u>14,043</u>	<u>37,377</u>

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15. PUBLICATION, PRINTING AND OTHERS

	2020	2019
	USD	USD
Basket Fund		
External printing costs	46,234	2,638
Membership fees	383	150
Subscriptions, books, periodicals	1,705	1,492
Publications and photography	9,678	69
External audit costs	8,250	27,895
Support to Staff Association	12,613	10,872
Miscellaneous expenses	29,324	12,197
Reporting costs	-	1,687
Representation expenses	-	2,344
	<u>108,187</u>	<u>59,344</u>
Earmarked Fund		
External printing costs	875	-
Reporting costs	3,692	5,752
External audit costs	43,900	10,000
Miscellaneous expenses	1,884	580
Publications and photography	-	2,602
	<u>50,351</u>	<u>18,934</u>

16. FINANCIAL COST

	2020	2019
	USD	USD
Basket Fund		
Bank charges	<u>32,547</u>	<u>33,765</u>
Earmarked Fund		
Bank charges	<u>11,414</u>	<u>19,495</u>
Administrative Reserve Fund		
Bank charges	<u>18</u>	<u>41</u>

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17. PROPERTY AND EQUIPMENT

	2020 USD	2019 USD
Basket Fund		
Information technology equipment	339,479	83,896
Furniture and fitting equipment	19,045	47,351
Communication equipment	-	2,663
Low value equipment	-	888
	<u>358,524</u>	<u>134,798</u>
Earmarked Fund		
IT equipment	<u>75,048</u>	<u>35,497</u>
Administrative Reserve Fund		
Elevator	-	<u>99,000</u>

18. GOVERNANCE MEETING EXPENSES

	2020 USD	2019 USD
Basket Fund		
MRC Council Meeting	-	89,493
MRC Joint Committee Meeting	-	505
	<u>-</u>	<u>89,998</u>
Earmarked Fund		
MRC Council Meeting	95,767	68,667
MRC Joint Committee Meeting	17,597	68,333
MRC Joint Committee Task Force Meeting	3,791	20,268
Dialogue Partner Meeting ("DPM")	6,691	10,382
MRC Joint Committee Special Session	5,295	23,765
Budget Committee Meeting	5,817	14,092
Informal Development Partner Meeting	-	8,417
	<u>134,958</u>	<u>213,924</u>

19. MEETING AND WORKSHOP EXPENSES

	2020 USD	2019 USD
Basket Fund		
Regional technical working group meeting	86,186	66,392
Regional consultation meeting	127,571	752,495
International conference/workshop	882	5,247
National consultation meeting	651,589	596,804
Team coordination meeting	66,254	3,485
Other internal meeting expenses	3,783	1,568
	<u>936,265</u>	<u>1,425,991</u>

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19. MEETING AND WORKSHOP EXPENSES (continued)

	2020	2019
	USD	USD
Earmarked Fund		
Regional technical working group meeting	26,527	72,184
Regional consultation meeting	161,002	429,640
National consultation meeting	154,744	389,474
Other internal meeting expenses	450	-
International conference/workshop	-	502
Team coordination meeting	-	630
	<u>342,723</u>	<u>892,430</u>

20. SUPPORT TO DECENTRALISATION AND NIP

	2020	2019
	USD	USD
Basket Fund		
Cambodia	19,996	18,000
Lao PDR	24,980	39,115
Thailand	28,433	14,169
Viet Nam	34,964	20,000
	<u>108,373</u>	<u>91,284</u>

21. MOUs WITH MEMBER COUNTRIES

	2020	2019
	USD	USD
Basket Fund		
Cambodia	120,448	94,500
Lao PDR	170,034	63,292
Thailand	21,600	9,880
Viet Nam	14,912	45,537
	<u>326,994</u>	<u>213,209</u>
Earmarked Fund		
Cambodia	352,381	251,443
Lao PDR	269,487	224,251
Thailand	243,562	171,160
Viet Nam	272,612	150,814
	<u>1,138,042</u>	<u>797,668</u>

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22. INTEGRATED CAPACITY BUILDING

	2020	2019
	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 Viet Nam NMC	-	6,894
	<u>-</u>	<u>33,504</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 Viet Nam NMC	-	2,033
	<u>-</u>	<u>5,915</u>

23. FUND BALANCES

	2020	2019
	USD	USD
Basket Fund		
BF	<u>6,373,183</u>	<u>3,152,650</u>
Earmarked Fund		
Belgium	609,000	-
China	193	20,850
European Union	909,153	875,213
France	271,146	102,036
Japan	4,338,998	131,307
KfW	221,179	8,659
MRFI	-	18,448
Netherlands	55,242	219,523
Norwegian Agency for Development Cooperation	238	238
University Murdoch - Australia	5,909	6,325
World Bank	-	37,733
	<u>6,411,058</u>	<u>1,420,332</u>
Administrative Reserve Fund		
ARF	<u>4,622,120</u>	<u>4,439,702</u>
	<u>17,406,361</u>	<u>9,012,684</u>

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24. CASH AND BANK BALANCES

	2020 USD	2019 USD
Cash on hand	191	771
Cash at banks	18,941,034	9,961,768
	<u>18,941,225</u>	<u>9,962,539</u>

25. ADVANCES AND PREPAYMENTS

	2020 USD	2019 USD
Advances for general purpose expenditures	-	175,772
Prepayments	2,121	4,437
	<u>2,121</u>	<u>180,209</u>

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.

26. PROVIDENT FUND

MRC manages a provident fund, which had a balance as at 31 December 2020 of US\$1,531,985 (31 December 2019: US\$1,121,454), to provide a savings scheme in lieu of a pension fund on behalf of 62 (2019: 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.

27. OTHER LIABILITIES

	2020 USD	2019 USD
Account payables	5,000	8,610