

Mekong River Commission
Earmarked Funds

Financial Statements
and
Independent Auditors' Report
Year ended 31 December 2016

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Mekong River Commission

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Report of the MRCS Management

The Management of the Mekong River Commission Secretariat (MRCS) presents its report and the financial statements of the Mekong River Commission for the year ended 31 December 2016.

Principal activities during 2016

2016 proved to be a challenging but progressive time period for the Mekong River Commission Secretariat. It was a year of multiple reforms and many transitions - the first half of 2016 was spent on completing the twelve cross-cutting and sectoral programmes and putting in place a new structure based on core functions; the second half devoting to recruitment of new staff and starting the implementation of a new Strategic Plan.

Although the project and program era came to an end after almost 20 years, they produced a solid backbone and foundation that the new structure of core functions would build on. Some of the major programs, including Basin Development Plan, Environment, Fisheries, Flood Management and Mitigation, Mekong IWRM, Sustainable Hydropower, Information and Knowledge Management, and Navigation, produced many studies, assessments, guidelines and strategies that form the great MRC knowledge base that support planning, implementation and decision making.

We are pleased to note that this knowledge, which received a large investment from Member Countries and Development Partners over the years, stays with MRC including some of the key former staff members who have been competitively recruited for the new MRCS. The recruitment of all staff positions at the same time was a major effort but in the end, we feel that we came out of it successfully. Along with some old faces who we managed to keep, a new breed of talent joined the Secretariat ready to serve the cause of MRC. The new lean MRCS, which also took time to complete, now operates more efficiently with only four divisions – Administration, Environmental Management, Planning and Technical Support – and a cross-cutting Office of CEO.

2016 was also a year where a few key new strategic documents were successfully launched. The Mekong IWRM-based Basin Development Strategy for 2016-2020, approved by the MRC Council after a two years process of preparation, assessment and consultations, started implementation. Under the MRC framework, implementing the BDS was through the newly approved MRC Strategic Plan (MRC SP) and National Indicative Plans (NIP) 2016-2020. The MRC SP consolidated the multiple planning processes within MRC and streamlined them into one common approach that achieved better integration of perspectives, work plan, and monitoring system. The NIPs represent an institutionalized mechanism to integrate basin-wide perspectives and procedures into national planning and implementation.

As regards technical work, despite the year being devoted to reforms, as well as a year where funding was in short supply, accomplishments were recorded where some “evidence of change” could be seen. These included progresses in the climate change assessment, development of Joint Projects, testing of the Rapid Hydropower Sustainability Assessment Tool, learning from the lessons from the Prior Consultation (PNPCA) process, cooperation with China, development of better stakeholder engagement, and completion of several MRCS reforms for a more effective and efficient organization.



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2016 was a challenging year but we have put in place all the right things for a brighter 2017 and indeed the Mekong basin. We would like to take this opportunity to thank our Member Countries, Development Partners, Dialogue Partners and all relevant stakeholders for their help during this eventful period.



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Report of the MRCS Management (continued)

The MRCS Management

The members of the MRCS Management who held office during the year and at the date of this report are:

Pham Tuan Phan	Chief Executive Officer from 18 January 2016
Naruepon Sukumasavin	Director of Administration Division from 1 July 2016 Director of Planning Division until 30 June 2016
Truong Hong Tien	Director of Environment Division from 01 August 2016 Director of Technical Support Division until 31 July 2016 Officer-in-Charge of the MRC Secretariat until 17 January 2016
Hatda An Pich	Director of Planning Division from 01 July 2016
Bounlap Phethany	Director of Technical Support Division from 01 August 2016
Aloune Sayavong	Director of Environment Division until 31 July 2016
So Sophort	Director of Operations Division until 30 June 2016
Somsanith Ninthavong	Chief Financial Officer from 01 December 2016
Vu Thu Hong	Chief Human Resources Officer from 01 December 2016
Natayaporn Jumratsri	Chief of Human Resources Section until 09 December 2016
Nguyen Thi Thanh Huong	Officer-in-Charge of Chief Financial Officer until 30 November 2016
Tarika Wongsinsirikul	Chief of International Cooperation and Communication Section until 30 June 2016



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Statement of Management's Responsibilities

It is the responsibility of management to prepare financial statements for the year ended 31 December 2016, which give a true and fair view of the state of affairs of the MRC as at the end of the year and of the surplus or deficit for that year. In preparing those financial statements, management is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Maintain financial records and prepare the financial statements in accordance with the policies and procedures of the Mekong River Commission; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission will continue its operations.

MRCS Management is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Commission. Members of MRC management have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Commission and to prevent and detect fraud and other irregularities.

MRCS Management confirms that the MRC has complied with the above requirements in preparing the financial statements.

On behalf of the management

Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017

Naruepon Sukumasavin
Director of Administration Division

Date: 01 JUL 2017



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ຖະໜົນ 23 ສິງຫາ, ບ້ານໂພນໄຊ,
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Independent Auditors' Report

To: The Members of the Joint Committee of the Mekong River Commission

Opinion

We have audited the financial statements of the Earmarked Funds (“EF”) of the Mekong River Commission (“MRC” or “the Commission”), which comprise the statement of income and expenditure of the Development Partners for the year ended 31 December 2016, and notes, comprising significant accounting policies and other explanatory information. The financial statements have been prepared by the Management based on the accounting policies as described in Note 2.

In our opinion, the accompanying financial statements are prepared, in all material respects, the statement of income and expenditure of the Development Partners for the year ended 31 December 2016 in accordance with the accounting policies as described in Note 2 to the financial 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 Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the policies as described in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the MRCS Management in meeting the reporting requirements of the MRC's Joint Committee and its partners. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Commission and its partners and should not be distributed to or used by parties other than the Commission or its partners.



Mekong River Commission – Earmarked Fund

Statement of income and expenditure

As at and for the year ended 31 December 2016

A. AUSTRALIA

	2016 USD	2015 USD
INCOME		
Cash contributions		
2.2\31\14\AUL\Z Study on the Sustainable Management and Development of Mekong River, MK2014/01	-	163,171
BF (2.2\49\15\AUL\Z)Support to the MRC Decentralisation Process BF	-	780,000
	-	943,171
Interest earned		
2.2\31\14\AUL\Z Interest earned from project funds	-	3,450
2.2\49\15\AUL\Z Interest earned from project funds	-	9,248
9.1\15\03\AUL Interest earned from project funds	-	12,374
	-	25,072
	-	968,243
Reallocation		
2.2\41\15\CSF\Z Pool Funding for Council Study	-	(450,959)
2.1\59\10\FIN\Z The Water Management Trust Fund MK EF-AULZ (2.2\43\15\AUL\Z)DFAT Interest Money for Batch 1 Decentralisation Implementation	-	683,366
2.1\38\09\AUL\W The Mekong Integrated Water Resource Management Project MK 2009/06	-	6,269
2.1\39\09\AUL\C The MRC Integrated Capacity Building MK 2009/07	-	6,105
9.1\15\03\AUL Interest earned from project funds	-	(695,740)
BF (2.2\49\15\AUL\Z)Support to the MRC Decentralisation Process BF	(788,721)	-
	(788,721)	(450,959)
EXPENDITURE		
2.1\38\09\AUL\W The Mekong Integrated Water Resource Management Project MK 2009/06	-	1,899,392
2.1\39\09\AUL\C The MRC Integrated Capacity Building, MK 2009/07	-	1,162,177
2.1\48\09\AUL\E The Australian Support to the MRC Climate Change and Adaptation Initiative MK 2009/08	-	-
2.2\31\14\AUL\Z Study on the Sustainable Management and Development of Mekong River, MK2014/01	-	(164,085)
EF-AULZ (2.2\43\15\AUL\Z) DFAT Interest Money for Batch 1 Decentralisation Implementation	17,653	665,713
BF (2.2\49\15\AUL\Z)Support to the MRC Decentralisation Process BF	-	527
	17,653	3,563,724
Movement in Fund Balance for the year	(806,374)	(3,046,440)
Fund Balance as at 1 January	828,116	3,874,556
Fund Balance as at 31 December	21,742	828,116

Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017.

Naruepon Sukumasavin
Director of Administration Division

Date: 01 JUL 2017

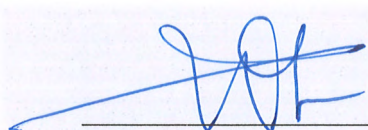
Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

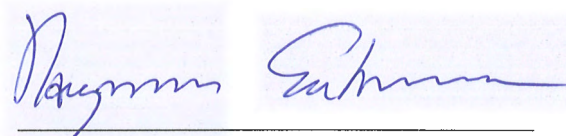
B. BELGIUM

	2016 USD	2015 USD
INCOME		
Cash contributions		
EF-BEL the MRC Navigation and Trade Facilitation for 03 June 2016- 30 June 2017	260,393	-
	<u>260,393</u>	<u>-</u>
Interest earned		
2.1\72\10\BEL\O Interest earned from Belgium Funded Project EF-BEL the MRC Navigation and Trade Facilitation for 03 June 2016- 30 June 2017	-	6,173
	2,798	-
	<u>2,798</u>	<u>6,173</u>
Reallocation		
2.1\72\10\BEL\O Interest earned from Belgium Funded Project	-	(178,019)
2.2\23\13\BEL\N Support to the MRC Navigation Programme for 2013-2014MK2012.08 May 2013 to Dec 2015	-	178,019
	<u>-</u>	<u>-</u>
EXPENDITURE		
2.1\49\09\BEL\N The Belgian Support to the MRC Navigation Programme MK 2009/10	-	-
2.1\50\09\BEL\T The Belgian Support to the MRC Initiative on Sustainable Hydropower, MK 2009/10	-	96,147
2.2\23\13\BEL\N Support to the MRC Navigation Programme for 2013-2014MK2012.08 May 2013 to Dec 2015	-	2,303,716
	<u>-</u>	<u>2,399,863</u>
Movement in Fund Balance for the year	263,191	(2,393,690)
Fund Balance as at 1 January	6,995	2,400,685
Fund Balance as at 31 December	<u>270,186</u>	<u>6,995</u>



Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017



Naruepon Sukumasavin
Director of Administration Division

Date: 01 JUL 2017

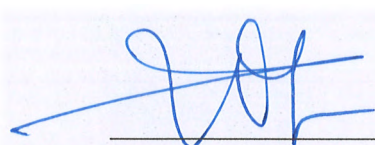
Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

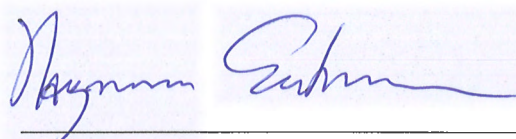
C. DENMARK

	<u>2016 USD</u>	<u>2015 USD</u>
INCOME		
Cash contributions		
2.1\62\10\DEN\E CCAI MK 2010/05 (104.Mekong.19.HAN)	-	293,497
2.1\80\11\DEN\F Fisheries Programme 2011-2015 MK 2010/11	-	665,648
2.1\81\11\DEN\E Environment Programme 2011-2015 MK 2010/13	-	149,589
2.1\99\11\DEN\B Basin Development Plan Phase III MK 2011/11	-	749,277
	-	<u>1,858,011</u>
Interest earned		
9.1\15\00\DEN Interest earned from project funds	-	5,375
	-	<u>5,375</u>
	-	<u>1,863,386</u>
Unutilised fund and interest returned		
1.1\92\07\DEN\Z Support to follow up of IO, I & FR of MRC's & NMC's, MK 2007/15 (104.Mekong.17.HAN)	-	-
	-	<u>-</u>
EXPENDITURE		
9.1\15\00\DEN Interest Earnings from DANIDA Account	-	-
2.1\62\10\DEN\E CCAI MK 2010/05 (104.Mekong.19.HAN)	-	366,645
2.1\80\11\DEN\F Fisheries Programme 2011 to 2015 MK 2010/11 (104.Mekong.20.HAN)	-	778,791
2.1\81\11\DEN\E Environment Programme 2011 to 2015 MK 2010/13 (104.Mekong.21.HAN)	-	332,191
2.1\99\11\DEN\B Basin Development Plan Phase III MK 2011/11 (104.Mekong.22.HAN)	-	510,815
	-	<u>1,988,442</u>
Movement in Fund Balance for the year	-	(125,056)
Fund Balance as at 1 January	56,034	181,090
Fund Balance as at 31 December	<u>56,034</u>	<u>56,034</u>



Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017



Naruepon Sukumasavin
Director of Administration Division

Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

D. DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT ("GIZ") GmbH

	2016 USD	2015 USD
INCOME		
Cash contributions		
2.1\94\11\GIZ\Z Support to the organisational transition of the MRC PN: 2010.2232.6 MK 2011/07	-	52,795
2.1\95\11\GIZ\H Climate change adaptation through climate sensitive flood management in the Lower Mekong Basin MK 2011/06	-	-
2.2\12\12\GIZ\T ISH June 11 to May 2014 MK 2012/05	-	428,465
2.2\16\12\GIZ\G Support to measure the adaptation to climate change in the Mekong region MK 2012/06 June 2012 to December 2014	-	27,239
2.2\18\12\GIZ\A To implement measures for the adaptation to climate change in the Mekong Region MK 2012/10	-	-
2.2\19\12\GIZ\D To support the Drought Management P	-	-
2.2\20\12\GIZ\N To implement measures for the adaptation to climate change in the Mekong Region MK 2012/10	-	-
EF-GIZ (2.2\44\15\GIZ\Z) Support to the MRC Organizational Transition IIMK2015-03	40,583	213,870
	<u>40,583</u>	<u>722,369</u>
Interest earned		
2.1\95\11\GIZ\H Climate change adaptation through climate sensitive flood management in the Lower Mekong Basin MK 2011/06	-	-
2.1\98\11\GIZ\O Interest earned for GIZ funding project	-	5,288
2.2\18\12\GIZ\A To implement measures for the adaptation to climate change in the Mekong Region MK 2012/10	-	-
2.2\19\12\GIZ\D To support the Drought Management Programme	-	-
2.2\20\12\GIZ\N To implement measures for the adaptation to climate change in the Mekong Region MK 2012/10	-	-
EF-GIZ (2.2\44\15\GIZ\Z) Support to the MRC Organizational Transition IIMK2015-03	-	995
	<u>-</u>	<u>6,283</u>
	<u>40,583</u>	<u>728,652</u>
Unutilized fund and interest returned		
2.2\18\12\GIZ\A	-	-
2.2\19\12\GIZ\D To support the Drought Management P	-	-
2.2\20\12\GIZ\N To implement measures for the adaptation to climate change in the Mekong Region MK 2012/10	-	-
2.1\75\10\GTZ\Z Project on Elaboration of MRC-German Cooperation Strategy MK 2010/12	-	-
	<u>-</u>	<u>-</u>

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

D. DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT ("GIZ") GmbH (continued)

	2016 USD	2015 USD
Reallocation		
2.1\98\11\GIZ\O Interest earn for GIZ funding project	-	(38,958)
2.2\12\12\GIZ\T ISH June 2011 to Dec 14 MK 2012/05	-	38,958
	-	-
EXPENDITURE		
2.1\94\11\GIZ\Z Support to the organisational transition of the MRC PN: 2010.2232.6 MK 2011/07	-	60,240
2.1\95\11\GIZ\H Climate change adaptation through climate sensitive flood management in the Lower Mekong Basin MK 2011/06	-	218,221
2.2\12\12\GIZ\T ISH June 2011 to December 2014 MK 2012/05	-	514,906
2.2\16\12\GIZ\G Support to measure the adaptation to climate change in the Mekong region MK 2012/06 June 2012 to December 2014	-	100,034
2.2\18\12\GIZ\A To implement measures for the adaptation to climate change in the Mekong Region MK 2012/10	-	2,558
2.2\19\12\GIZ\D To support the Drought Management Programme	-	-
2.2\20\12\GIZ\N To implement measures for the adaptation to climate change in the Mekong Region MK 2012/10	-	(30)
2.2\44\15\GIZ\Z Support to the MRC Organizational Transition IIMK2015-03	-	254,732
9.1\15\03\GTZ Interest earned on project funds	-	-
	-	1,150,661
Movement in Fund Balance for the year	40,583	(422,009)
Fund Balance as at 1 January	(39,358)	382,651
Fund Balance as at 31 December	1,225	(39,358)

Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017

Naruepon Sukumasavin
Director of Administration Division

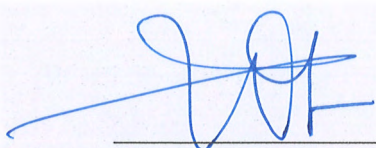
Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)
As at and for the year ended 31 December 2016

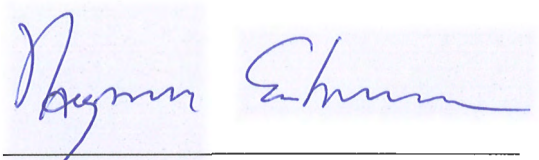
E. EUROPEAN UNION

	2016 USD	2015 USD
INCOME		
Cash contributions		
EF-EU (2.2\22\12\EEC\G) Global Climate Change Alliance in the LMB-Addressing ecosystem challenges in the LMB Jan 12 to Dec 15 MK 2012 13	1,050,950	3,578,207
	<u>1,050,950</u>	<u>3,578,207</u>
Interest earned		
EF-EU (2.2\22\12\EEC\G) Global Climate Change Alliance in the LMB-Addressing ecosystem challenges in the LMB Jan 12 to Dec 15 MK 2012 13	2,390	7,911
9.1\15\03\EEC Interest earned from 2003	-	-
	<u>2,390</u>	<u>7,911</u>
	<u>1,053,340</u>	<u>3,586,118</u>
EXPENDITURE		
EF-EU (2.2\22\12\EEC\G) Global Climate Change Alliance in the LMB-Addressing ecosystem challenges in the LMB Jan 12 to Dec 15 MK 2012 13	1,380,890	1,800,079
	<u>1,380,890</u>	<u>1,800,079</u>
Movement in Fund Balance for the year	(327,550)	1,786,039
Fund Balance as at 1 January	980,646	(805,393)
Fund Balance as at 31 December	<u>653,096</u>	<u>980,646</u>



Pham Tuan Phan
 Chief Executive Officer

Date: 01 JUL 2017



Naruepon Sukumasavin
 Director of Administration Division

Date: 01 JUL 2017

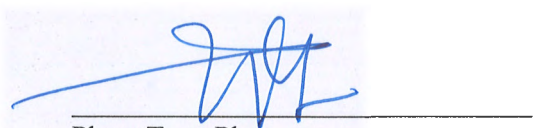
Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

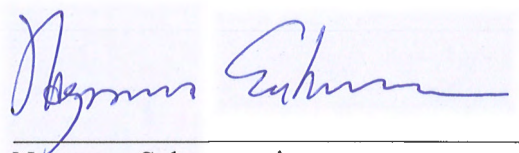
F. FAO REGIONAL OFFICE FOR ASIA AND THE PACIFIC

	2016 USD	2015 USD
INCOME		
Cash contributions		
2.2\25\13\FAO\F FAO Capacity building for promoting good fish stock enhancement practices in MRC member countries, MK 2013/04	-	-
Interest earned		
2.2\25\13\FAO\F FAO Capacity building for promoting good fish stock enhancement practices in MRC member countries, MK 2013/04	-	57
	-	57
EXPENDITURE		
2.2\25\13\FAO\F Capacity building for promoting good fish stock enhancement practices in MRC member countries, MK 2013/04	-	(15)
	-	(15)
Movement in Fund Balance for the year	-	72
Fund Balance as at 1 January	-	(72)
Fund Balance as at 31 December	-	-



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Naruepon Sukumasavin
Director of Administration Division

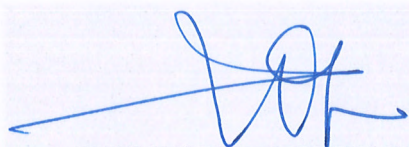
Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued) As at and for the year ended 31 December 2016

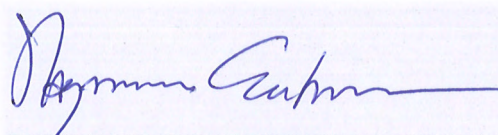
G. FINLAND

	2016 USD	2015 USD
INCOME		
Cash contributions		
2.1\59\10\FIN\Z The Water Management Trust Fund MK 2010/02	-	222,754
2.1\82\11\FIN\T The Finnish Support to the Initiative on Sustainable Hydropower (ISH) MK 2011/02	-	1,728,681
2.1\83\11\FIN\C The Finnish Support to the Integrated Capacity Building Programme (ICBP) MK 2011/03	-	266,046
2.1\84\11\FIN\I The Finnish Support to the Information and Knowledge Management Programme (IKMP) MK 2011/04	-	2,146,004
	-	4,363,485
Interest earned		
9.1\15\02\FIN Interest earned from project funds	-	16,630
EF-FINI (2.2\47\15\FIN\I) Council Study Water Quality Modelling Component (WUP-FIN)	3,590	-
	3,590	16,630
	3,590	4,380,115
Reallocation		
2.2\47\15\FIN\I Council Study Water Quality Modelling Component (WUP-FIN)	-	192,349
9.1\15\02\FIN Interest earned from project funds	-	(192,349)
9.1\15\02\FIN Interest earned from project funds	-	89,355
	-	89,355
EXPENDITURE		
2.1\26\09\FIN\I The Finnish Support to the MRC IKMP on the position of Senior Modelling Advisor MK 2008/13	-	(600)
2.1\59\10\FIN\Z The Water Management Trust Fund MK 2010/02	-	824,862
2.1\82\11\FIN\T The Finnish Support to the Initiative on Sustainable Hydropower (ISH) MK 2011/02	-	2,054,896
2.1\83\11\FIN\C The Finnish Support to the Integrated Capacity Building Programme (ICBP) MK 2011/03	-	95,799
2.1\84\11\FIN\I The Finnish Support to the Information and Knowledge Management Programme (IKMP) MK 2011/04	-	1,430,465
EF-FINI (2.2\47\15\FIN\I) Council Study Water Quality Modelling Component (WUP-FIN)	9,628	14,976
	9,628	4,420,398
Foreign exchange gain/(loss)	-	(119,218)
Movement in Fund Balance for the year	(6,038)	(70,146)
Fund Balance as at 1 January	164,290	234,436
Fund Balance as at 31 December	158,252	164,290



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Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

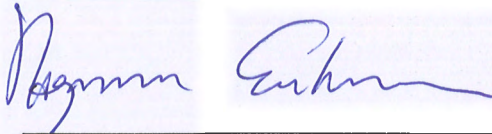
H. FRANCE

	2016 USD	2015 USD
INCOME		
Cash contributions and direct payments		
2.1\66\10\FRA\I The development of a framework for generating sustainable hydropower in the MB, MK2010/03	-	-
EF-AFD the Extension of the Mekong Hycos network, AFD CZZ1889.01.P	217,194	-
	<u>217,194</u>	<u>-</u>
Interest earned		
1.1\45\06\FRA\I Mekong HYCOS PM Unit, MK 2006/01	-	1
1.1\51\06\FRA\I Mekong - HYCOS Project - General, MK 2006/09	-	2
2.1\51\09\FRA\E Environment Programme, MK 2009/04	-	2
2.1\66\10\FRA\I The development of a framework for generating sustainable hydropower in the MB, MK 2010/03	-	1,767
2.1\91\11\FRA\I IKMP-HydrologyTechnicalAssistanceMK 2011/04	-	35
EF-AFD the Extension of the Mekong Hycos network, AFD CZZ1889.01.P	3,299	-
	<u>3,299</u>	<u>1,807</u>
	220,493	1,807
Unutilised fund and interest returned		
1.1\45\06\FRA\I Mekong HYCOS PM Unit, MK 2006/01	-	(51,781)
1.1\51\06\FRA\I Mekong - HYCOS Project - General, MK 2006/09	-	(16,461)
	<u>-</u>	<u>(68,242)</u>
EXPENDITURE		
1.1\45\06\FRA\I Mekong HYCOS PM Unit, MK 2006/01	-	(49,868)
1.1\51\06\FRA\I MekongHYCOS Project General	-	(13,947)
1.1\59\06\FRA\E Riparian Consultants for theindependent organizationalreview of MRCS & NMCs	-	(17)
2.1\51\09\FRA\E Environment Programme, MK 2009/04	-	1,612
2.1\66\10\FRA\I The development of a framework for generating sustainable hydropower in the MB, MK10/03	-	183,078
2.1\91\11\FRA\I IKMP-HydrologyTechnicalAssistanceMK 2011/04	-	6,689
EF-AFD the Extension of the Mekong Hycos network, AFD CZZ1889.01.P	50,972	-
	<u>50,972</u>	<u>127,547</u>
Movement in Fund Balance for the year	169,521	(193,982)
Fund Balance as at 1 January	<u>1,251</u>	<u>195,233</u>
Fund Balance as at 31 December	170,772	1,251



Pham Tuan Phan
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Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

I. JAPAN

	2016 USD	2015 USD
INCOME		
Cash contributions		
EF-JAIFD (2.2\39\15\JPN\D) _ Drought Management Programme Core Function ProjectJan 2015-Dec 2017DMP-JAIF Project	557,519	587,500
EF-JAIFF (2.2\40\15\JPN\H) _ Provision of Flood Forecasting, FFG, Dry Season Monitoring& Dissemination of Info & Warning & Alert FMMP-JAIF	1,155,741	205,683
EF-JAPAN (2.2\46\15\JPN\A) _ Project for Support to food security in Mekong River Basin,June 2015 - May 2016	343,191	343,185
2.2\34\14\JPN\A Project for Support to food security in Mekong River Basin,Jul 2014-Jun 2015	-	-
	<u>2,056,451</u>	<u>1,136,368</u>
Interest earned		
1.1\87\07\JPN\O Interest earned from Japan Funded Project	-	290
2.2\34\14\JPN\A Project for Support to food security in Mekong River Basin,Jul 2014-Jun 2015	-	557
2.2\15\12\JPN\A Improvement of Irrigation Facilities Adaptable to Climate Change in LMB	-	1
EF-JAIFD (2.2\39\15\JPN\D) _ Drought Management Programme Core Function ProjectJan 2015-Dec 2017DMP-JAIF Project	940	7,911
EF-JAIFF (2.2\40\15\JPN\H) _ Provision of Flood Forecasting, FFG, Dry Season Monitoring& Dissemination of Info & Warning & Alert FMMP-JAIF	1,177	3,147
EF-JAPAN (2.2\46\15\JPN\A) _ Project for Support to food security in Mekong River Basin,June 2015 - May 2016	2,314	2,018
	<u>4,431</u>	<u>13,924</u>
	<u>2,060,882</u>	<u>1,150,292</u>
Reallocation		
1.1\87\07\JPN\O InterestEarned from JapanFundedP	-	(41,700)
2.2\15\12\JPN\A Improvement of Irrigation Facilities Adaptable to Climate Change in LMB	-	12,727
2.2\34\14\JPN\A Project for Support to food security in Mekong River Basin, Jul 2014-Jun 2015	-	28,973
	<u>-</u>	<u>-</u>

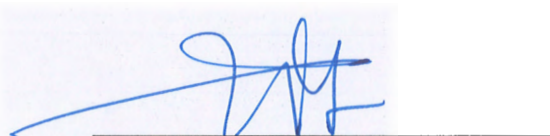
Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued) As at and for the year ended 31 December 2016

I. JAPAN (continued)

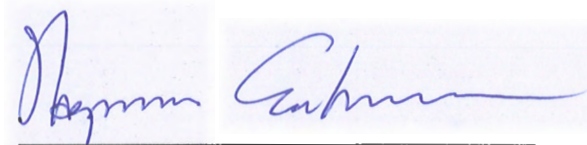
EXPENDITURE

2.1\89\11\JPN\A Support the Improvement of Irrigation Facilities Adaptable to Climate Change in Lower Mekong	-	27
2.2\15\12\JPN\A Improvement of Irrigation Facilities Adaptable to Climate Change in LMB	-	(209)
2.2\34\14\JPN\A Project for Support to food security in Mekong River Basin, Jul 2014-Jun 2015	-	43,038
2.2\24\13\JPN\A Project for Conservation of Irrigation/Drainage Facilities for Adaptation to Climate C	-	(7,009)
EF-JAIFD (2.2\39\15\JPN\D) _ Drought Management Programme Core Function Project Jan 2015-Dec 2017	230,591	527,372
EF-JAIFD (2.2\40\15\JPN\H) _ Provision of Flood Forecasting, FFG, Dry Season Monitoring & Dissemination of Info & Warning & Alert FMMP-JAIF	240,252	596,606
EF-JAPAN (2.2\46\15\JPN\A) _ Project for Support to food security in Mekong River Basin, June 2015 - May 2016	216,484	437,632
	687,327	1,597,457
Movement in Fund Balance for the year	1,373,555	(447,165)
Fund Balance as at 1 January	(411,845)	35,320
Fund Balance as at 31 December	961,710	(411,845)



Pham Tuan Phan
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Director of Administration Division

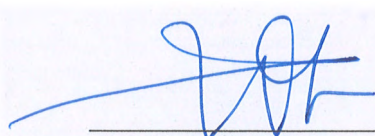
Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)
As at and for the year ended 31 December 2016

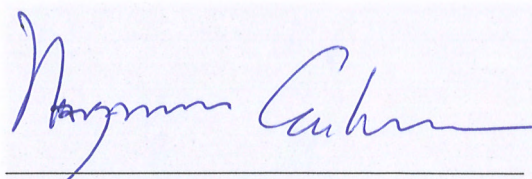
J. KREDITANSALT FÜR WIEDERAUFBAU (“KfW”)

	<u>2016 USD</u>	<u>2015 USD</u>
INCOME		
Cash contributions		
EF-KFW (2.1\47\09\GER\A) The Sustainable Management of Watersheds in the Lower Mekong Basin, MK 2009/03	156,486	151,011
EF-KFW.WL the Lower Mekong Basin Wetland Management and Conservation Project, MK2016/01	221,147	-
	<u>377,633</u>	<u>151,011</u>
Interest earned		
EF-KFW (2.1\47\09\GER\A) The Sustainable Management of Watersheds in the Lower Mekong Basin, MK 2009/03	645	789
EF-KFW.WL the Lower Mekong Basin Wetland Management and Conservation Project, MK2016/01	2,495	-
	<u>3,140</u>	<u>789</u>
	380,773	151,800
EXPENDITURE		
EF-KFW 2.1\47\09\GER\A The Sustainable Management of Watersheds in the Lower Mekong Basin, MK 2009/03	23,067	255,666
	<u>23,067</u>	<u>255,666</u>
Movement in Fund Balance for the year	357,706	(103,866)
Fund Balance as at 1 January	(93,912)	9,954
Fund Balance as at 31 December	263,794	(93,912)



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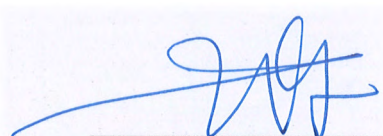
Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

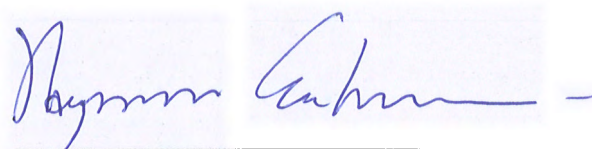
K. LUXEMBOURG

	2016 USD	2015 USD
INCOME		
Cash contributions		
2.1\79\11\LUX\G Climate Change and Adaptation Initiative Programme, MK 2010/10	-	520,000
	-	520,000
Interest earned		
2.1\79\11\LUX\G Climate Change and Adaptation Initiative Programme, MK 2010/10	-	10,697
	-	530,697
Reallocation		
2.2\41\15\CSFZ Pool Funding for Council Study	-	(500,000)
	-	(500,000)
EXPENDITURE		
2.1\79\11\LUX\G Climate Change and Adaptation Initiative Programme, MK 2010/10	-	971,674
	-	971,674
Movement in Fund Balance for the year	-	(940,977)
Fund Balance as at 1 January	-	940,977
Fund Balance as at 31 December	-	-



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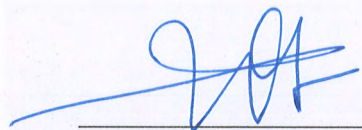
Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)
As at and for the year ended 31 December 2016

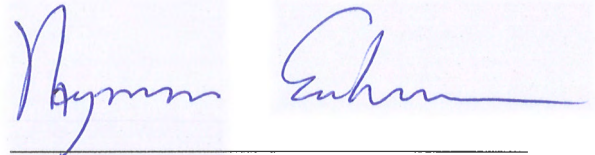
L. NETHERLANDS

	2016 USD	2015 USD
INCOME		
Cash Contributions	-	-
Interest earned		
9.1\15\04\NET Interest earned from Netherlands funded projects	-	3,830
	-	3,830
Unutilised fund and interest returned		
9.1\15\04\NET Interest earned from Netherlands funded projects	5,165	-
	5,165	-
EXPENDITURE		
2.1\90\11\NET\H The bridging period support to RFMMC, July to December 2011	-	173,533
	-	173,533
Movement in Fund Balance for the year	(5,165)	(169,703)
Fund Balance as at 1 January	5,165	174,868
Fund Balance as at 31 December	-	5,165



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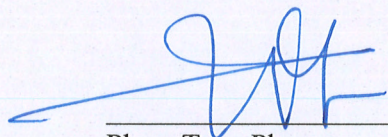
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Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued) As at and for the year ended 31 December 2016

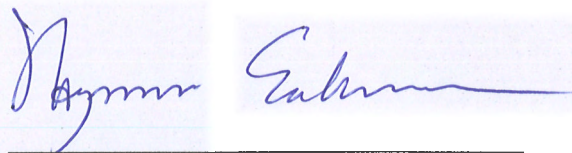
M. SWEDEN

	2016 USD	2015 USD
INCOME		
Cash contributions		
2.2\06\12\SWE\B BDP July 12 to Dec 15 MK 2012/02	-	290,821
2.2\08\12\SWE\E EP July 12 to Dec 15 MK 2012/02	-	290,821
2.2\09\12\SWE\Z IS July 12 to Dec 15 MK 2012/02	-	337,352
2.2\10\12\SWE\H FMMP July 12 to Dec 15 MK 2012/02	-	372,250
2.2\11\12\SWE\F FP July 12 to Dec 15 MK 2012/02	-	348,985
	-	1,640,229
Interest earned		
9.1\15\91\SWE Interest earned from project funds	-	11,385
	-	1,651,614
Reallocation		
2.2\07\12\SWE\G CCAI July 12 to Dec 15 MK 2012/02	-	-
2.2\10\12\SWE\H FMMP July 12 to Dec 15 MK 2012/02	-	-
	-	-
EXPENDITURE		
1.1\77\07\SWE\Z Institutional Support Programme 07-09, MK 2007/03	-	(1,500)
2.2\06\12\SWE\B BDP July 12 to Dec 15 MK 2012/02	-	563,073
2.2\07\12\SWE\G CCAI July 12 to Dec 15 MK 2012/02	-	(20)
2.2\08\12\SWE\E EP July 12 to Dec 15 MK 2012/02	-	341,134
2.2\09\12\SWE\Z IS July 12 to Dec 15 MK 2012/02	-	557,346
2.2\10\12\SWE\H FMMP July 12 to Dec 15 MK 2012/02	-	1,192,272
2.2\11\12\SWE\F FP July 12 to Dec 15 MK 2012/02	-	347,823
	-	3,000,128
Movement in Fund Balance for the year	-	(1,348,514)
Fund Balance as at 1 January	109,663	1,458,177
Fund Balance as at 31 December	109,663	109,663



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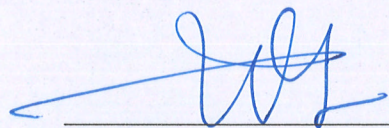
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Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued) As at and for the year ended 31 December 2016

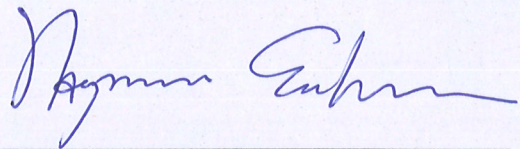
N. SWITZERLAND

INCOME	2016 USD	2015 USD
Cash contributions		
2.1\92\11\SWI\B MRC - Strengthening Integrated River Water Management Protection in Mekong Basin - BDP MK 2011/09	-	-
2.1\93\11\SWI\E MRC - Strengthening Integrated River Water Management Protection in the Mekong Basin - Environment Programme MK 2011/10	-	-
2.2\17\12\SWI\H Flood Management and Mitigation Implementation Programme MK 2012/09	100,000	-
	<u>100,000</u>	<u>-</u>
Interest earned		
2.1\96\11\SWI\0 Interest earned_ Switzerland funds	-	8,751
	<u>100,000</u>	<u>8,751</u>
Unutilized fund and interest returned		
2.1\93\11\SWI\E MRC - Strengthening Integrated River Water Management Protection in the Mekong Basin - Environment Programme MK 2011/10	-	(13,045)
	<u>-</u>	<u>(13,045)</u>
Reallocation		
2.1\92\11\SWI\B MRC - Strengthening Integrated River Water Management Protection in Mekong Basin - BDP MK 2011/09	-	19,565
2.2\17\12\SWI\H Flood Management and Mitigation Implementation Programme MK 2012/09	-	21,592
2.1\96\11\SWI\0 Interest earned from Switzerland funding projects	-	(41,157)
	<u>-</u>	<u>-</u>
EXPENDITURE		
2.1\92\11\SWI\B MRC - Strengthening Integrated River Water Management Protection in Mekong Basin - BDP MK 2011/09	-	169,875
2.1\93\11\SWI\E MRC - Strengthening Integrated River Water Management Protection in the Mekong Basin - Environment Programme MK 2011/10	-	-
2.2\17\12\SWI\H Flood Management and Mitigation Implementation Programme MK 2012/09	-	814,862
	<u>-</u>	<u>984,737</u>
Movement in Fund Balance for the year	100,000	(989,031)
Fund Balance as at 1 January	(75,036)	913,995
Fund Balance as at 31 December	24,964	(75,036)



Pham Tuan Phan
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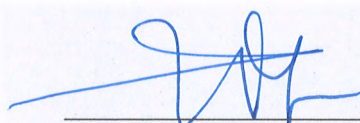
Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)

As at and for the year ended 31 December 2016

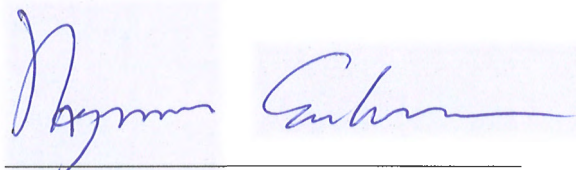
O. UNITED STATES OF AMERICA

	2016 USD	2015 USD
INCOME		
Cash contributions		
2.2\13\12\USA\F Fisheries Programme 11-15AID 486 IO 12 00006	-	-
EF-PEER (2.2\37\15\USA\F) _ Building a Mekong River Genetic Biodiversity Research Network (PEER NETWORK)	7,000	40,000
	<u>7,000</u>	<u>40,000</u>
Interest earned		
2.2\13\12\USA\F Fisheries Programme 11-15AID 486 IO 12 00006	-	5,848
EF-PEER (2.2\37\15\USA\F) _ Building a Mekong River Genetic Biodiversity Research Network (PEER NETWORK)	808	122
	<u>808</u>	<u>5,970</u>
	<u>7,808</u>	<u>45,970</u>
EXPENDITURE		
2.2\13\12\USA\F Fisheries Programme 11-15AID 486 IO 12 00006	-	750,922
EF-PEER (2.2\37\15\USA\F) _ Building a Mekong River Genetic Biodiversity Research Network (PEER NETWORK)	17	641
	<u>17</u>	<u>751,563</u>
Movement in Fund Balance for the year	7,791	(705,593)
Fund Balance as at 1 January	74,990	780,583
Fund Balance as at 31 December	<u>82,781</u>	<u>74,990</u>



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Mekong River Commission – Earmarked Funds

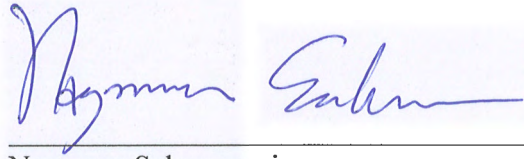
Statement of income and expenditure (continued) As at and for the year ended 31 December 2016

P. WORLD BANK

	<u>2016</u> <u>USD</u>	<u>2015</u> <u>USD</u>
INCOME		
Cash contributions		
EF-WB (2.2\14\12\IBR\W) Mekong Integrated Water Resources Management APL Phase I Grant No. H762	1,739,190	784,536
	<u>1,739,190</u>	<u>784,536</u>
Interest earned		
EF-WB 2.2\14\12\IBR\W Mekong Integrated Water Resources Management APL Phase I Grant No. H762	3,523	4,039
	<u>1,742,713</u>	<u>788,575</u>
EXPENDITURE		
EF-WB 2.2\14\12\IBR\W Mekong Integrated Water Resources Management APL Phase I Grant No. H762	1,206,704	1,271,513
	<u>1,206,704</u>	<u>1,271,513</u>
Movement in Fund Balance for the year	536,009	(482,938)
Fund Balance as at 1 January	(128,333)	354,605
Fund Balance as at 31 December	<u>407,676</u>	<u>(128,333)</u>



 Pham Tuan Phan
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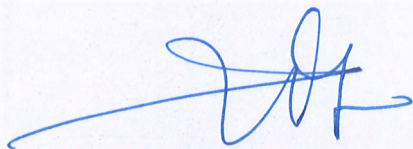
 Naruepon Sukumasavin
 Director of Administration Division
 Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)
As at and for the year ended 31 December 2016

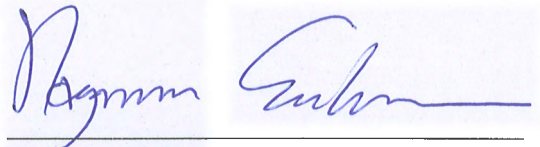
Q. Pool Funding for Council Study

	<u>2016</u> <u>USD</u>	<u>2015</u> <u>USD</u>
INCOME		
Cash contributions		
EF-CSF 2.2\41\15\CSF\Z (GIZ) for Council Study	-	161,545
EF-CSF 2.2\41\15\CSF\Z (SDC) for Council Study	-	499,996
EF-CSF (2.2\41\15\CSF\Z) _USA for Council Study	589,296	-
	<u>589,296</u>	<u>661,511</u>
Interest earned		
EF-CSF 2.2\41\15\CSF\Z (AUL) for Council Study	-	4,314
EF-CSF 2.2\41\15\CSF\Z (GIZ) for Council Study	-	641
EF-CSF_2.2\41\15\CSF\Z for Council Study	5,072	-
	<u>5,072</u>	<u>4,955</u>
	<u>594,368</u>	<u>666,466</u>
Reallocation		
2\31\14AUL\Z Study on the Sustainable Management and Development of Mekong River, MK2014/01	-	450,959
2.1\79\11\LUX\G Climate Change and Adaptation Initiative Programme, MK 2010/10	-	500,000
	<u>-</u>	<u>950,595</u>
EXPENDITURE		
EF-CSF 2.2\41\15\CSF\Z for Council Study	593,276	1,251,087
	<u>593,276</u>	<u>1,251,087</u>
Movement in Fund Balance for the year	1,092	366,338
Fund Balance as at 1 January	366,338	-
Fund Balance as at 31 December	<u>367,430</u>	<u>366,338</u>



Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017



Naruepon Sukumasavin
Director of Administration Division

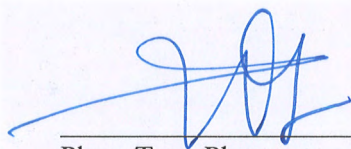
Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued)
As at and for the year ended 31 December 2016

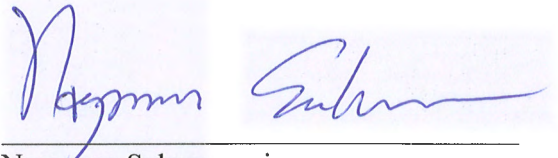
R. University Murdoch-Australia

	2016 USD	2015 USD
INCOME		
Cash contributions		
EF-AULFP (2.2\42\15\AUL\F) F-PIP 2011-2015	-	28,483
	-	28,483
Interest earned		
EF-AULFP 2.2\42\15\AUL\F F-PIP 2011-2015	462	399
	462	28,882
EXPENDITURE		
EF-AULFP 2.2\42\15\AUL\F F-PIP 2011-2015	14,168	76
	14,168	76
Movement in Fund Balance for the year	(13,706)	28,806
Fund Balance as at 1 January	28,806	-
Fund Balance as at 31 December	15,100	28,806



Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017



Naruepon Sukumasavin
Director of Administration Division

Date: 01 JUL 2017

Mekong River Commission – Earmarked Funds

Statement of income and expenditure (continued) As at and for the year ended 31 December 2016

S. MISCELLANEOUS

	2016 USD	2015 USD
INCOME		
Cash contributions	-	-
EXPENDITURE		
1.1\67\07\OTH\I IKMP 2007 - Technical Service Agreement IKMP-FMMP	-	2,428
2.1\57\10\OTH\O Revamping and Redesigning the MRC Corporate Website and Internet	-	-
2.2\01\12\OTH\O Mekong2Rio Forum, May 2012	-	-
2.2\26\14\OTH\O Pre-Summit International Conference 2014	-	29,938
2.2\27\14\OTH\O Pre-Summit International Conference 2014- Control Project	-	(344,941)
2.2\28\14\OTH\O 2nd MRC Summit	-	-
2.2\29\14\OTH\O 2nd MRC Summit-Control Project	-	-
2.2\05\12\OTH\O Communication Project 2012-2013 Control Project	-	-
2.2\38\15\OTH\Z Communication Project 2015-2016	-	29,043
2.2\39\15\OTH\Z Communication Project 2015-2016 - Control Project	-	(32,000)
	-	(315,532)
Movement in Fund Balance for the year	-	315,532
Fund Balance as at 1 January	2,957	(312,575)
Fund Balance as at 31 December	2,957	2,957

Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017

Naruepon Sukumasavin
Director of Administration Division

Date: 01 JUL 2017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. GENERAL INFORMATION

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 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 Commission 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.

The Commission’s technical and administrative functions fall under an operational arm, the MRC Secretariat (“MRCS”), which is led by a Chief Executive Officer. Currently there are about 76 (2015: 145) staff members based in the two Secretariat offices in Vientiane, Lao PDR and in Phnom Penh, Cambodia.

MRCS 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

The financial statements, which are expressed in United States Dollar (“USD”), have been prepared on a modified cash basis. The significant policies adopted in the preparation of the financial statements are set out below.

• *Income recognition*

Fund receipt from Development Partners is recognised as income when cash is credited to the Commission’s designated bank accounts. Direct payments made by Development Partners to contractors are recognised as income upon Development Partners’ notice to the Commission.

Bank interests are recognised as income when credited to the Commission’s designated bank accounts.

• *Expenditure recognition*

Expenditure is recognised when paid except for: staff health and life insurance premiums, personal telephone and fax costs charged to staff and repatriation fee, which are recognised on an accrual basis; and advances to National Mekong Committees, projects and employees, which are recognised when cleared.

b. 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. All property and equipment are expensed in full in the income and expenditure statement at the date of acquisition. Proceeds from disposal of property and equipment are recognised as a decrease in expenditure rather than an increase in income in the statement of income and expenditure.

c. 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 statement of income and expenditure.

Mekong River Commission – Earmarked Funds

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2016

3. SUMMARY OF INCOME, EXPENDITURE AND FUND BALANCE BY DEVELOPMENT PARTNER – 2016

Development Partner	Cash contributions	Interest earned	Unutilised fund and interest returned	Total Income, net	Reallocation	Expenditure (*)	Foreign exchange (loss)	Movement in Fund Balance for the year	Fund Balance as at 1 January	Fund Balance as at 31 December
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)	(7)	(8)=(4)-(5)-(6)-(7)	(9)	(10)=(9)+(8)
Australia	-	-	-	-	(788,721)	17,653	-	(806,374)	828,116	21,742
Belgium	260,393	2,798	-	263,191	-	-	-	263,191	6,995	270,186
Denmark	-	-	-	-	-	-	-	-	56,034	56,034
Deutsche Gesellschaft für Internationale Zusammenarbeit ("GIZ") GmbH	40,583	-	-	40,583	-	-	-	40,583	(39,358)	1,225
European Union	1,050,950	2,390	-	1,053,340	-	1,380,890	-	(327,550)	980,646	653,096
FAO Regional Office for Asia and the Pacific	-	-	-	-	-	-	-	-	-	-
Finland	-	3,590	-	3,590	-	9,628	-	(6,038)	164,290	158,252
France	217,194	3,299	-	220,493	-	50,972	-	169,521	1,251	170,772
Japan	2,056,451	4,431	-	2,060,882	-	687,327	-	1,373,555	(411,845)	961,710
Kreditanstalt für Wiederaufbau ("KfW")	377,633	3,140	-	380,773	-	23,067	-	357,706	(93,912)	263,794
Luxembourg	-	-	-	-	-	-	-	-	-	-
Netherlands	-	-	(5,165)	(5,165)	-	-	-	(5,165)	5,165	-
Sweden	-	-	-	-	-	-	-	-	109,663	109,663
Switzerland	100,000	-	-	100,000	-	-	-	100,000	(75,036)	24,964
United States of America	7,000	808	-	7,808	-	17	-	7,791	74,990	82,781
World Bank	1,739,190	3,523	-	1,742,713	-	1,206,704	-	536,009	(128,333)	407,676
Pool funding for Council Study	589,296	5,072	-	594,368	-	593,276	-	1,092	366,338	362,948
University Murdoch-Australia	-	462	-	462	-	14,168	-	(13,706)	28,806	15,100
Miscellaneous	-	-	-	-	-	-	-	-	2,957	2,957
	6,438,690	29,513	(5,165)	6,463,038	(788,721)	3,983,703	-	1,690,615	1,876,767	3,567,382

(*) This includes the Management and Administration Fees ("MAF")

Mekong River Commission – Earmarked Funds

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2016

4. EXPENDITURE

4a. Analysis of Expenditure by Development Partner

Development Partner	2016			2015		
	<i>Expenditure (excl. MAF)</i>	<i>MAF</i>	<i>Expenditure (incl. MAF)</i>	<i>Expenditure (excl. MAF)</i>	<i>MAF</i>	<i>Expenditure (incl. MAF)</i>
Australia	17,653	-	17,653	3,277,792	285,932	3,563,724
Belgium	-	-	-	2,162,038	237,825	2,399,863
Denmark	-	-	-	1,791,389	197,053	1,988,442
Deutsche Gesellschaft für Internationale Zusammenarbeit ("GIZ") GmbH	-	-	-	1,037,573	113,088	1,150,661
European Union	1,290,551	90,339	1,380,890	1,682,317	117,762	1,800,079
FAO Regional Office for Asia and the Pacific	-	-	-	(15)	-	(15)
Finland	9,629	-	9,629	3,983,765	436,633	4,420,398
France	44,324	6,648	50,972	108,582	18,965	127,547
Japan	635,071	52,256	687,327	1,479,353	118,104	1,597,457
Kreditanstalt für Wiederaufbau ("KfW")	20,781	2,286	23,067	230,329	25,337	255,666
Luxembourg	-	-	-	875,382	96,292	971,674
Netherlands	-	-	-	160,679	12,854	173,533
Sweden	-	-	-	2,757,902	242,226	3,000,128
Switzerland	-	-	-	887,150	97,587	984,737
United States of America	15	2	17	677,084	74,479	751,563
World Bank	1,206,704	-	1,206,704	1,145,507	126,006	1,271,513
Pool funding for Council Study (CS)	534,483	58,793	593,276	1,127,105	123,982	1,251,087
University Murdoch-Australia	12,764	1,404	14,168	69	7	76
Miscellaneous	-	-	-	(315,532)	-	(315,532)
	3,771,975	211,728	3,983,703	23,068,469	2,234,132	25,392,601

Mekong River Commission – Earmarked Funds

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2016

4. EXPENDITURE (continued)

4b. Analysis of Expenditure by Programme

Programme	Abbreviations	2016			2015		
		<i>Expenditure (excl. MAF)</i>	<i>MAF</i>	<i>Expenditure (incl. MAF)</i>	<i>Expenditure (excl. MAF)</i>	<i>MAF</i>	<i>Expenditure (incl. MAF)</i>
Agriculture and Irrigation Programme	AIP	195,031	21,453	216,484	429,095	46,942	476,037
Basin Development Programme	BDP	-	-	-	1,120,507	123,256	1,243,763
Climate Change and Adaptation Initiative	CCAI	1,290,551	90,339	1,380,890	2,647,802	223,965	2,871,767
The Drought Management Programme	DMP	215,506	15,085	230,591	492,871	34,501	527,372
Environment Programme	EP	-	-	-	938,362	103,220	1,041,582
Flood Management and Mitigation Programme	FMMP	224,534	15,718	240,252	2,723,078	272,416	2,995,494
Fisheries Programme	FP	12,764	1,404	14,168	1,692,105	186,133	1,878,238
Integrated Capacity Building Programme	ICBP	-	-	-	1,133,896	124,080	1,257,976
Information and Knowledge Management Programme	IKMP	-	-	-	1,412,657	160,563	1,573,220
Initiative on Sustainable Hydropower	ISH	-	-	-	2,404,813	261,136	2,665,949
Mekong Integrated Water Resources Management Project	MIWRMP	1,206,704	-	1,206,704	2,857,292	313,612	3,170,904
Navigation Programme	NAP	-	-	-	2,075,392	228,293	2,303,685
Watershed Management Project	WSMP	20,781	2,286	23,067	230,330	25,336	255,666
International Cooperation and Communication Section	ICCS	-	-	-	2,098,167	96,696	2,194,863
Office of the CEO	OCEO	534,483	58,793	593,276	812,102	123,983	936,085
Building Mekong River Genetic Biodiversity Research Network	BMRGBRN	15	2	17	-	-	-
The DFAT Interest Money for Batch I Decentralisation Implementation	DFAT	17,653	-	17,653	-	-	-
The Council Study Water Quality Modelling Component	WQMC	9,629	-	9,629	-	-	-
The Mekong hydro-meteorological network and data application	HYDRO	44,324	6,648	50,972	-	-	-
Other programme	OTHERS	-	-	-	-	-	-
		3,771,975	211,728	3,983,703	23,068,469	2,234,132	25,392,601

Mekong River Commission – Earmarked Funds

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2016

5. ANALYSIS OF EXPENDITURE BY DEVELOPMENT PARTNER AND BY PROGRAMME

For the year 2016

Development Partner/ Programme (*)	AIP	BDP	CCAI	DMP	EP	FMMP	FP	ICBP	IKMP	ISH	MIWRMP	NAP	WSMP	ICCS	OCEO	BMRGB RN	DFAT	WQMC	HYDRO	OTHERS	TOTAL
Australia	-	-	-	-	-	-	14,168	-	-	-	-	-	-	-	-	-	17,653	-	-	-	31,821
Belgium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Denmark	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GIZ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU	-	-	1,380,890	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,380,890
FAO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,629	-	-	9,629
France	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,972	-	50,972
Japan	216,484	-	-	230,591	-	240,252	-	-	-	-	-	-	-	-	-	-	-	-	-	-	687,327
KfW	-	-	-	-	-	-	-	-	-	-	-	-	23,067	-	-	-	-	-	-	-	23,067
Luxembourg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sweden	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Switzerland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	-	-	-	-	7
World Bank	-	-	-	-	-	-	-	-	-	-	1,206,704	-	-	-	-	-	-	-	-	-	1,206,704
Pool Fund-CS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	593,276	-	-	-	-	-	593,276
University Murdoch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	216,484	-	1,380,890	230,591	-	240,252	14,168	-	-	-	1,206,704	-	23,067	-	593,276	17	17,653	9,629	50,972	-	3,983,703

(*). Refer to Note 4b for Programmes' abbreviations

Pham Tuan Phan
Chief Executive Officer

Date: 01 JUL 2017

Naruepon Sukumasavin
Director of Administration Division

Date: 01 JUL 2017