

Mekong River Commission

(Registered in Lao PDR)

Consolidated financial statements
Of three Funds: Basket Fund;
Earmarked Fund; and
Administrative Reserve Fund

For the year ended 31 December 2022



Mekong River Commission
(Register in Lao PDR)

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Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

GENERAL INFORMATION

FUNDS' INFORMATION

The Mekong River Commission ("MRC") was established in 1995 with the signing of the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin. The MRC's 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.

The MRC Secretariat ("MRCS" or "the Management") 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 MRCS manages the funds received into three categories as the following:

1. Basket Fund ("BF");
2. Earmarked Fund ("EF"); and
3. Administrative Reserve Fund ("ARF").

The MRCS is located at 184 Fa Ngoum Road, Unit 18, Ban Sithane Neua, Sikhottabong District, Vientiane Capital, Lao PDR.

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

GENERAL INFORMATION (Continued)

THE MANAGEMENT

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
An Pich Hatda	Chief Executive Officer	Separated on 13 January 2022
Anoulak Kittikhoun	Chief Executive Officer	Appointed on 14 January 2022
Tran Minh Khoi	Director of Administration Division	Separated on 30 June 2022
Watt Botkosal	Director of Administration Division	Appointed on 1 July 2022
Hak Socheat	Director of Environment Management Division	Separated on 30 June 2022
Phetsamone Khanophet	Director of Environment Management Division	Appointed on 1 July 2022
Bountieng Sanaxonh	Director of Planning Division	Separated on 30 June 2022
Theerawat Samphawamana	Director of Planning Division	Appointed on 01 July 2022
Winai Wangpimool	Director of Technical Support Division	Separated on 30 June 2022
Tran Minh Khoi	Director of Technical Support Division	Appointed on 01 July 2022
Buntheung Sanethavong	Chief Finance Officer	Appointed on 01 September 2020
Nguyen Thi Thanh Ha	Chief Human Resources Officer	Appointed on 09 March 2022

AUDITOR

The auditor of the Funds is Ernst & Young Lao Co., Ltd.

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

REPORT OF THE MANAGEMENT

The Management is pleased to present this report of the Basket Fund, Earmarked Fund, and Administrative Reserve Fund ("the Funds") and its consolidated financial statements for the year ended 31 December 2022.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of the Funds' consolidated financial statements as at and for the year ended 31 December 2022 which are prepared in accordance with Note 3 to the consolidated financial statements.

In preparing the accompanying consolidated financial statements, the Management is required to:

- ▶ adopt accounting policies as described in Note 3 to the consolidated financial statements and apply them consistently in accordance with the requirements of development partners; make judgements and estimates that are reasonable and prudent;
- ▶ maintain proper financial operations and controls;
- ▶ maintain adequacy of the management structure and general control environment;
- ▶ ensure that all non-expendable properties are used solely for and by the Project, and maintain proper control over those properties; and
- ▶ comply with the related grant agreement.

The Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the funds requested, authorized for, received and disbursed by the Funds and to ensure that the accounting records comply with the applied accounting framework. The Management is also responsible for safeguarding the assets of the Project, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management confirms that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY THE MANAGEMENT

We hereby approve the accompanying consolidated financial statements for the year ended 31 December 2022, which are prepared in accordance with the accounting policies as described in Note 3 to the consolidated financial statements.

On behalf of the Management:



Watt Botkosal
Director of Administration Division



Anoulak Kittikhoun
Chief Executive Officer

Vientiane, Lao PDR

25 April 2023

Reference: 11866353/67237443

INDEPENDENT AUDITOR'S REPORT

To: Management of the Mekong River Commission

Opinion

We have audited the consolidated financial statements of the Mekong River Commission - Basket Fund, Earmarked Fund, and Administrative Reserve Fund ("the Funds"), as set out on pages 6 to 28 which comprise the consolidated statement of fund balance as at 31 December 2022 and the consolidated statement of receipts and disbursements for the year then ended, and the related explanatory notes, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the consolidated 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 Auditor's responsibilities section of our report. We are independent of the Funds in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 3 to the consolidated financial statements which describes the accounting policies adopted by the Funds. These accounting policies are not intended to present the fund balance and the receipts and disbursements of the Funds in accordance with international generally accepted accounting principles. As also disclosed in Note 3 to the consolidated financial statements, the consolidated financial statements are prepared to assist the Management in meeting the reporting requirements of the development partners. As a result, the consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Management and Development partners and should not be distributed to or used by other parties. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of the Funds for the year ended 31 December 2021 were audited by another audit firm which expressed an unmodified opinion on those consolidated financial statements on 16 May 2022.

Responsibilities of the Management for the consolidated Financial Statements

The Management is responsible for the preparation of the consolidated financial statements in accordance with the accounting policies as described in Note 3 to the consolidated financial statements, and for such internal control as the Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 Project's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the 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.

Ernst & Young Lao Co., Ltd.



Vientiane Capital, Lao PDR

25 April 2023

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

CONSOLIDATED STATEMENT OF RECEIPTS AND DISBURSEMENTS for the year ended 31 December 2022

		<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>Notes</i>	<i>USD</i>	<i>USD</i>
Receipts			
Fund receipts	4	8,762,146	10,739,638
Interest income	5	249,451	262,598
Other income		33,754	8,581
Management and administration fees	6	332,146	268,469
Total receipts		9,377,497	11,279,286
Disbursements			
Basket Fund			
Salary and fees	7	2,043,753	2,013,864
Employment benefit costs	8	964,693	1,015,342
Recruitment and selection	9	23,725	26,563
Corporate training	10	45,170	6,384
Official travel	11	330,159	35,296
Other short term staffs	12	8,250	1,800
Consultants	13	1,642,721	1,274,357
Office costs	14	478,672	372,882
Maintenance and running cost of equipment	15	156,420	128,151
Publication, printing and others	16	68,636	59,725
Financial cost	17	24,440	24,416
Property and equipment	18	355,923	405,240
MRC Summit	19	31,184	-
Governance meeting expenses	20	302,774	6,499
Meeting and workshop expenses	21	1,134,593	413,525
Support to decentralisation and National Indicative Plan	22	102,298	84,948
Memorandum of Understandings with member countries	23	998,682	888,490
Total disbursements		8,712,093	6,757,482

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

CONSOLIDATED STATEMENT OF RECEIPTS AND DISBURSEMENTS (continued) for the year ended 31 December 2022

	Notes	For the year ended 31 December 2022 USD	For the year ended 31 December 2021 USD
Earmarked Fund			
Salary and fees	7	208,115	169,696
Employment benefit costs	8	66,075	63,075
Recruitment and selection	9	410	-
Corporate training	10	38,363	569
Official travel	11	97,366	98,946
Other short-term staffs	12	-	-
Consultants	13	1,246,012	1,157,234
Office costs	14	4,071	1,753
Maintenance and running cost of equipment	15	169,779	4,163
Publication, printing and others	16	10,714	25,646
Financial cost	17	18,409	17,663
Property and equipment	18	83,553	56,601
Governance meeting expenses	20	-	156,860
Meeting and workshop expenses	21	966,480	601,756
Memorandum of Understandings with member countries	23	83,661	191,966
Management and administration fees	6	332,146	268,469
Total disbursements		3,325,154	2,814,397
Administrative Reserve Fund			
Financial cost	17	578	173
Total disbursements		578	173
Grand total disbursements		12,037,825	9,572,052
Net (disbursements)/receipts		(2,660,328)	1,707,234


 Watt Botkosol
 Director of Administration Division

Vientiane, Lao PDR

25 April 2023


 Anoulak Kittikhoun
 Chief Executive Officer

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

CONSOLIDATED STATEMENT OF FUND BALANCES as at 31 December 2022

		<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>Notes</i>	<u>USD</u>	<u>USD</u>
Fund balance			
Opening fund balance		19,113,595	17,406,361
Net (disbursements)/receipts		(2,660,328)	1,707,234
Fund returned to donor		(7,322)	-
Closing fund balance	24	<u>16,445,945</u>	<u>19,113,595</u>
<i>Represented by:</i>			
Cash on hand and at banks	25	17,624,078	20,694,667
Unpresented cheque	25	153,585	-
Advances and prepayments	26	1,982	54,868
Provident fund	27	(1,116,914)	(1,635,940)
Other liabilities	28	(216,786)	-
		<u>16,445,945</u>	<u>19,113,595</u>



Watt Botkosol
Director of Administration Division



Anoulak Kittikhoun
Chief Executive Officer

Vientiane, Lao PDR

25 April 2023

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2022

1. FUNDS' INFORMATION

The Mekong River Commission ("MRC") 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.

The MRC Secretariat ("MRCS" or "the Management") 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 MRCS manages the funds received into three categories as the following:

1. Basket Fund ("BF");
2. Earmarked Fund ("EF"); and
3. Administrative Reserve Fund ("ARF").

The MRCS is located at 184 Fa Ngoum Road, Unit 18, Ban Sithane Neua, Sikhottabong District, Vientiane Capital, Lao PDR.

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

2. BASIS OF PREPARATION

The consolidated financial statements of the Basket Fund, Earmarked Fund, and Administrative Reserve Fund (“the Funds”) have been prepared in accordance with the accounting policies as described in Note 3. These accounting policies are not intended to present the fund balance and the receipts and disbursements of the Funds in accordance with international generally accepted accounting principles. The financial statements are prepared to assist the Funds in meeting the reporting requirements of its development partners. As a result, they may not be suitable for another purpose.

The Management maintains its accounting records and present its financial statements (including those of the Fund) in United States dollars (“USD”).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Basket fund, Earmarked Fund and Administrative Reserve Fund (“individual fund”). The individual funds’ financial statements are prepared using the same accounting policies with the policies presented in Note 3 to the consolidated financial statements.

All internal fund transfer transactions between the Fund’s and its individual funds are eliminated in full on consolidation, except Management and Administration fees (“MAF”).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Receipts

Receipts consist of contributions from Member Countries (MCs) and contributions from Development Partners (DPs) which are recognised as receipts when cash is credited to the MRC’s bank accounts. Direct payments made by Development Partners to contractors are recognised as receipts when the payment is made and informed to the Funds.

Interest income is recognised when credited to the Funds’ bank accounts.

Other income and Management and Administration fees (“MAF”) are recognised when cash is received.

Disbursements

Except for advances made to National Mekong Committees (NMCs), projects and employees and accrued expenses, disbursements are recognized when payment is made and upon the approval of the Funds management based on the accompanying documents.

Accrued expenses

Accrued expenses includes staff health and life insurance premiums, personal telephone and fax costs charged to staff, and project related expenses and repatriation fee.

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advances

Advances to NMCs, projects and employees are carried as part of the fund balance until subsequent liquidation or clearance at approval of the Management.

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 other income in the consolidated statements of receipts and disbursements.

Accounts payable

Payables are recognized upon the approval of the Management based on accompanying documents as accounts payable in the statement of fund balance.

Foreign currency

The Management maintains its accounting records of the Fund in USD. Transactions in currencies other than USD are converted into USD at the rates of exchange prevailing on the transaction dates. All foreign exchange differences are recognised in the statement of receipts and disbursements.

Employee benefits Employee benefits

The Funds 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

The Funds 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 staffs, 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.

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits 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 Funds shall contribute to this fund the equivalent of 14% of the staff's member's base salary.

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

4. FUND RECEIPTS

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Contributions from Member Countries:		
Cambodia	1,001,546	869,110
Lao PDR	1,001,546	869,110
Thailand	1,274,695	1,200,200
Viet Nam	1,274,695	1,200,200
	4,552,482	4,138,620
Contributions from Development Partners:		
Australia	1,103,620	507,750
Belgium	127,590	83,275
Deutsche Gesellschaft Fur Internationale Zusammenarbeit ("GIZ") GmbH	97,717	-
European Union	-	138,223
France	120,227	356,471
Japan	339,453	3,029,518
Luxembourg	452,640	-
New Zealand	560,800	707,700
Swedish International Development Cooperation Agency	-	1,048,081
Switzerland – Swiss Agency for Development and Cooperation	1,000,000	500,000
United Nations Environment Programme ("UNEP")	15,310	170,000
The Secretariat Of The Conservation For Migratory Species of Wild Animals("UNEP/CMS")	15,000	60,000
The United States of America	227,307	-
The United Nations Office for South-South Cooperation	150,000	-
	4,209,664	6,601,018
	8,762,146	10,739,638

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

5. INTEREST INCOME

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Funds		
BF	81,760	77,675
EF	60,424	62,393
ARF	107,267	122,530
	249,451	262,598

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

6. MANAGEMENT AND ADMINISTRATION FEES

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Receipts	332,146	268,469
Earmarked Fund		
Expenditures	(332,146)	(268,469)
	-	-

7. SALARY AND FEES

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Professional posts	1,579,966	1,623,103
General service posts	351,682	343,064
Overtime payments	26,703	15,868
Junior Riparian professional staff posts	44,998	31,829
Associate modeler posts	40,404	-
	2,043,753	2,013,864
Earmarked Fund		
Professional posts	158,029	147,260
General service posts	11,000	-
Associate modeler posts	39,086	22,436
	208,115	169,696

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

8. EMPLOYMENT BENEFIT COSTS

	<i>For the year ended 31 December 2022 USD</i>	<i>For the year ended 31 December 2021 USD</i>
Basket Fund		
Dependency allowance (Professional services)	22,010	24,969
Dependency allowance (General services)	26,000	26,285
Housing allowance	138,634	144,396
Post adjustment allowance (7%)	64,508	76,386
Hardship allowance	64,508	76,386
Assignment/Relocation allowance	32,864	17,245
Provident fund - Professional services (MRC Contribution)	200,741	223,427
Provident fund - General services (MRC Contribution)	43,439	42,454
Health insurance	26,333	56,669
Life and accidental insurance	11,098	11,387
Cost of living compensation (Professional services) (5%)	71,693	79,723
Cost of living compensation (General services) (10%)	31,028	30,324
Educational grant/travel	102,652	150,713
Home leave travel	25,367	26,830
Separation costs	8,989	15,420
Other staff costs	1,940	714
Annual leave converted into cash	92,139	11,457
Uniform/Laundry allowance	750	557
	964,693	1,015,342

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

8. EMPLOYMENT BENEFIT COSTS (continued)

	For the year ended 31 December 2022 USD	For the year ended 31 December 2021 USD
Earmarked Fund		
Dependency allowance (Professional services)	2,680	3,040
Housing allowance	16,293	-
Post adjustment allowance (7%)	6,419	12,000
Hardship allowance	6,419	7,015
Assignment/Relocation allowance	1,548	7,014
Provident fund - Professional services (MRC Contribution)	19,546	20,616
Health insurance	1,374	3,612
Life and accidental insurance	1,180	885
Cost of living compensation (Professional services) (5%)	6,981	7,363
Educational grant/travel	-	1,500
Home leave travel	2,715	30
Separation - all costs	890	-
All other staff costs	30	-
	66,075	63,075

9. RECRUITMENT AND SELECTION

	<i>For the year ended 31 December 2022 USD</i>	<i>For the year ended 31 December 2021 USD</i>
Basket Fund		
Job advertisement costs	11,862	9,922
Medical examination	11,863	16,641
	23,725	26,563
Earmarked Fund		
Job advertisement costs	410	-
Medical examination	-	-
	410	-

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

10. CORPORATE TRAINING

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Training fees	15,064	5,856
Travel /lodging for training	19,780	-
Other training costs	10,326	528
	45,170	6,384
Earmarked Fund		
Training fees	-	569
Travel /lodging for training	12,254	-
Other training costs	26,109	-
	38,363	569

11. OFFICIAL TRAVEL

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Travel expenses outside the Riparian Countries	65,439	8,599
Daily Subsistence Allowance (“DSA”) for travel outside the Riparian Countries	43,864	5,578
Travel expenses within the Riparian Countries	92,273	10,490
DSA for travel within the Riparian Countries	128,583	10,629
	330,159	35,296
Earmarked Fund		
Travel expenses outside the Riparian Countries	3,661	48,696
Daily Subsistence Allowance (“DSA”) for travel outside the Riparian Countries	755	-
Travel expenses within the Riparian Countries	56,005	-
DSA for travel within the Riparian Countries	36,945	50,250
	97,366	98,946

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

12. OTHER SHORT TERM STAFFS

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Short term support staffs	8,250	1,800
	8,250	1,800
Earmarked Fund		
Short term support staffs	-	-
	-	-

13. CONSULTANTS

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
International consultant (Individual)	465,103	474,446
Travel expenses international consultant	6,203	6,079
Riparian consultant (Individual)	270,269	151,592
Travel expense Riparian consultant (Individual)	1,395	-
International consulting firm	357,580	63,055
Riparian consulting firm	18,126	18,000
National consultant	522,007	559,908
Travel expenses national consultant	2,038	1,277
	1,642,721	1,274,357
Earmarked Fund		
International consultant (Individual)	440,824	427,462
Travel expenses international consultant	31,459	27,240
Riparian consultant (Individual)	196,106	233,443
Travel expense Riparian consultant (Individual)	2,653	-
International consulting firm	405,173	114,832
Riparian consulting firm	-	102,387
National consultant	162,730	229,130
Travel expenses national consultant	7,067	22,740
	1,246,012	1,157,234

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

14. OFFICE COSTS

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Office supplies	26,668	31,786
IT supplies	13,529	4,956
Internet and email facility	26,358	33,855
Telephone install, rent & maintenance	1,490	145
Local telephone calls	1,199	1,075
Long distance telephone calls	1,164	2,000
Distribution and mailing costs (Pouch & courier)	6,719	5,615
Renovation work	191,279	65,579
Office maintenance	24,264	51,843
Insurance office premises	2,047	2,046
All utilities costs	41,408	48,579
Security guard	31,708	38,715
Cleaning services	77,685	68,359
Garbage collection	1,272	1,309
Coffee, tea, water and other beverages	9,797	6,257
Miscellaneous office costs	22,085	10,763
	478,672	372,882
Earmarked Fund		
IT supplies	1,563	221
Internet and email facility	196	-
Distribution and mailing costs (Pouch & courier)	109	287
Renovation work	1,912	-
Miscellaneous office costs	291	1,245
	4,071	1,753

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

15. MAINTENANCE AND RUNNING COST OF EQUIPMENT

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Maintenance vehicles	2,527	1,915
Insurance vehicles	7,328	6,113
Fuel vehicles	6,946	4,180
Other vehicle costs	1,775	132
Maintenance equipment	20,117	15,868
Insurance equipment	1,853	1,833
Software licenses	70,114	67,801
Software maintenance	45,718	30,309
Electronic Data Processing Software	42	-
	156,420	128,151
Earmarked Fund		
Maintenance equipment	164,482	1,982
Fuel vehicles	154	162
Software licenses	5,143	2,019
	169,779	4,163

16. PUBLICATION, PRINTING AND OTHERS

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
External printing costs	9,528	7,185
Membership fees	-	234
Subscriptions, books, periodicals	1,474	1,381
Publications and photography	-	30
Audit costs	25,564	27,250
Representation expenses	200	-
Support to Staff Association (SA)	11,101	11,299
Miscellaneous expense	20,769	2,746
Reporting costs	-	9,600
	68,636	59,725

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

16. PUBLICATION, PRINTING AND OTHERS (continued)

	For the year ended 31 December 2022 USD	For the year ended 31 December 2021 USD
Earmarked Fund		
External printing costs	147	20,325
Membership fees	534	581
Audit costs	9,300	4,500
Miscellaneous expense	733	-
Publications and photography	-	240
	<u>10,714</u>	<u>25,646</u>

17. FINANCIAL COST

	<i>For the year ended 31 December 2022 USD</i>	<i>For the year ended 31 December 2021 USD</i>
Basket Fund		
Bank charges	24,440	24,416
	<u>24,440</u>	<u>24,416</u>
Earmarked Fund		
Bank charges	18,409	17,663
	<u>18,409</u>	<u>17,663</u>
Administrative Reserve Fund		
Bank charges	578	173
	<u>578</u>	<u>173</u>

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

18. PROPERTY AND EQUIPMENT

	<i>For the year ended</i> <i>31 December 2022</i> <i>USD</i>	<i>For the year ended</i> <i>31 December 2021</i> <i>USD</i>
Basket Fund		
IT equipment	241,200	248,267
Furniture & fitting equipment	19,335	84,151
Communication equipment	7,649	5,608
Laboratory equipment	119	17,150
Vehicles	55,000	50,064
Low value equipment	32,620	-
	355,923	405,240
Earmarked Fund		
IT equipment	43,267	55,089
Laboratory equipment	31,185	1,512
Low value equipment	9,101	-
	83,553	56,601

19. MRC SUMMIT

	<i>For the year ended</i> <i>31 December 2022</i> <i>USD</i>	<i>For the year ended</i> <i>31 December 2021</i> <i>USD</i>
Basket Fund		
MRC Summit	31,184	-
	31,184	-

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2022

20. GOVERNANCE MEETING EXPENSES

	<i>For the year ended 31 December 2022 USD</i>	<i>For the year ended 31 December 2021 USD</i>
Basket Fund		
MRC Council Meeting	161,102	6,499
MRC Joint Committee Meeting	93,070	-
MRC Joint Committee Task Force Meeting	16,085	-
Informal Development Partner Meeting (IDPM)	9,846	-
Dialogues Partner Meeting (DPM)	3,683	-
MRC Joint Committee Special Session	320	-
Budget Committee Meeting	18,668	-
	302,774	6,499
Earmarked Fund		
MRC Council Meeting	-	110,226
MRC Joint Committee Meeting	-	14,739
MRC Joint Committee Task Force Meeting	-	9,882
Informal Development Partner Meeting (IDPM)	-	3,706
Dialogues Partner Meeting (DPM)	-	11,287
MRC Joint Committee Special Session	-	-
Budget Committee Meeting	-	7,020
	-	156,860

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

21. MEETING AND WORKSHOP EXPENSES

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Regional technical working group meeting	283,103	106,401
Regional consultation meeting	245,395	15,446
MRC Forum/MRC International conference	430	-
International conference/workshop	25,720	65
National consultation meeting	503,640	286,146
Team coordination meeting	56,520	2,867
Other meeting expenses	9,373	2,329
Annual meeting	9,406	
Other internal meeting expenses	1,006	271
	1,134,593	413,525
Earmarked Fund		
Regional technical working group meeting	263,571	113,307
Regional consultation meeting	198,871	71,868
National consultation meeting	483,752	415,821
Other meeting expenses	10,150	595
Team coordination meeting	3,549	-
Annual meeting	235	-
Other internal meeting expenses	6,352	165
	966,480	601,756

22. SUPPORT TO DECENTRALISATION AND NIP

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
Cambodia	30,000	20,000
Lao PDR	29,990	27,467
Thailand	21,046	26,176
Viet Nam	21,262	11,305
	102,298	84,948

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

23. MOUS WITH MEMBER COUNTRIES

	<i>For the year ended 31 December 2022 USD</i>	<i>For the year ended 31 December 2021 USD</i>
Basket Fund		
Cambodia	340,520	260,308
Lao PDR	309,935	390,521
Thailand	185,155	111,646
Viet Nam	163,072	126,015
	998,682	888,490
Earmarked Fund		
Cambodia	27,600	38,518
Lao PDR	30,100	53,346
Thailand	2,365	55,140
Viet Nam	23,596	44,962
	83,661	191,966

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

24. FUND BALANCES

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Basket Fund		
BF	6,033,041	7,010,715
	6,033,041	7,010,715
Earmarked Fund		
Belgium	30,063	363,052
China	-	193
European Union	28,315	72,613
France	(215,173)	293,303
Japan	5,284,490	6,434,328
KfW	1,123	1,123
Netherlands	24	33,638
Norwegian Agency for Development Cooperation	-	238
University Murdoch - Australia	-	578
UNEP	-	32,917
UNEP/CMS	-	(4,928)
GIZ	(10,893)	-
USA	71,803	-
UNOSSC	95,196	-
	5,284,948	7,227,055
Administrative Reserve Fund		
ARF	5,127,956	4,875,825
	16,445,945	19,113,595

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

25. CASH AND CASH EQUIVALENT

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Cash on hand	270	589
Cash at banks (*)	17,623,808	20,694,078
	17,624,078	20,694,667
Unpresented cheques	153,585	-
	17,777,663	20,694,667

Cash at banks are maintained at principal banks including Banque Franco-Lao Ltd, Banque Pour Le Commerce Extérieur Lao Public Bank, Cambodian Public Bank and Lao-Viet Bank.

26. ADVANCES AND PREPAYMENTS

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Advances for general purpose expenditures	-	10,564
Salary advance	-	25,500
Pre-paid insurances and Deposit amount	1,982	18,804
	1,982	54,868

27. PROVIDENT FUND

MRC manages a provident fund, which had a balance as at 31 December 2022 of USD1,116,914 (31 December 2021: USD1,635,940), to provide a savings scheme in lieu of a pension fund on behalf of 51 members of staff (2021: 60) 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.

Mekong River Commission

(Basket Fund, Earmarked Fund, and Administrative Reserve Fund)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2022

28. OTHER LIABILITIES

	<i>For the year ended 31 December 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>USD</i>	<i>USD</i>
Payable for concept for core river monitor project	181,474	-
Payable for redesign and improve FMIS project	30,512	-
Audit cost for project	4,800	-
	216,786	-

28. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 31 December 2022 that requires adjustment or disclosure to be made in the consolidated financial statements of the Funds.

On behalf of the Management:



Watt Botkosal
Director of Administration Division



Anoulak Kittikhoun
Chief Executive Officer

Vientiane, Lao PDR

25 April 2023