

MEKONG RIVER COMMISSION

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

for the year ended 31 December 2008

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner for the year ended 31 December 2008

| CONTENTS | Page |
|--|-------------|
| REPORT OF THE INDEPENDENT AUDITORS | 1 |
| A. ASIAN DEVELOPMENT BANK (“ADB”) | 2 |
| B. AUSTRALIA | 3 |
| C. BELGIUM | 5 |
| D. DENMARK | 6 |
| E. DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (“GTZ”) GMBH | 8 |
| F. EUROPEAN COMMISSION | 9 |
| G. FINLAND | 10 |
| H. FRANCE | 12 |
| I. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | 14 |
| J. JAPAN | 15 |
| K. MURRAY DARLING BASIN COMMISSION (“MDBC”) | 16 |
| L. NETHERLANDS | 17 |
| M. NEW ZEALAND | 19 |
| N. SWEDEN | 20 |
| O. UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT | 21 |
| MISCELLANEOUS | 22 |
| NOTES TO THE FINANCIAL STATEMENTS | 24 |



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REPORT OF THE INDEPENDENT AUDITORS

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

We have audited the statements of contributions received, expenditure incurred and fund balances by development partner (“the financial statements”) of the Mekong River Commission (“the Commission”) for the year ended 31 December 2008, set out on pages 2 to 24. These financial statements are the responsibility of the Commission’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements present fairly, in all material respects, the status of Development Partners’ funds maintained by the Commission as at 31 December 2008 and the related income and expenditure for the year then ended in accordance with the basis of accounting and the accounting policies set out in Notes 2 and 3.


KPMG Lao Company Limited
Vientiane, Lao PDR
12 February 2009

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008

A. ASIAN DEVELOPMENT BANK (“ADB”)

| | Note | 2008 USD | 2007 USD |
|--|------|-----------------|----------------|
| Fund balance at 1 January | | 218,994 | 398,586 |
| Contributions received from the ADB for: | | | |
| 3.1/53/04/ADB Structural Measures & Flood Proofing 2005/01 C2P2 | | 417 | - |
| 1.1/85/07/ADB/O Interest earned from project funds | | 965 | 609 |
| | | <u>1,382</u> | <u>609</u> |
| Expenditure incurred for: | | | |
| 3.1/53/04/ADB Structural Measures & Flood Proofing 2005/01 C2P2 | | 255,642 | 204,419 |
| Movement for the year | | (254,260) | (203,810) |
| Foreign exchange gain | | (43,982) | 24,218 |
| Fund balance at 31 December | | <u>(79,248)</u> | <u>218,994</u> |

The notes set out on page 24 form an integral part of these statements

Approved by:

Jeremy Bird
Chief Executive Officer
MRC Secretariat

Dirk Overweg
Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

B. AUSTRALIA

| | Note | 2008 USD | 2007 USD |
|---|------|-------------|-------------|
| Fund balance at 1 January | | 241,985 | 223,793 |
| Contributions received from the Government of Australia for: | | | |
| 1.1\63\06\AUL\I AHNIP Extension 2001\04\A2 | | (186,091) | 178,448 |
| 1.1\88\07\AUL\Z Technical Coordination Advisor MK 2007\16 | | - | 95,000 |
| 1.1\96\08\AUL\C Preparation of the update and finalisation of the MRC Integrated CBP - MK 2007/14 | | 66,400 | - |
| 2.1\01\08\AUL\Z Technical Coordination Function, MK2008/02 | | 202,500 | - |
| 2.1\02\08\AUL\B Basin Development Plan, MK 2008/03 | | 450,000 | - |
| 2.1\12\08\AUL\N The MRC Navigation Programme, MK 2008/06 | | 1,011,210 | - |
| 2.1\13\08\AUL\Z The Australian support to the MRC Monitoring and Evaluation System, MK 2008/08 | | 300,000 | - |
| 2.1\14\08\AUL\C The Australian support to the MRC Integrated Capacity Building Programme, MK 2008/09 | | 783,548 | - |
| 2.1\15\08\AUL\E The Australian support to the MRC Climate Change and Adaptation Initiative, MK 2008/10 | | 1,011,503 | - |
| 2.1\16\08\AUL\W The Australian support to the Preparation of WUP Follow-up MK 2008/11 | | 556,927 | - |
| 2.1\22\08\AUL\I AHNIP Extension project, MK 2001/04/A3 | | 186,092 | - |
| 9.1/15/03/AUL Interest earned from project funds | | 24,682 | 5,583 |
| | | 4,406,771 | 279,031 |
| Expenditure incurred for: | | | |
| 1.1/27/05/AULO MRC Strategic Planning Process | | 12,629 | 10,358 |
| 1.1/50/06/AULZ Technical Coordination Advisor | | | 22,627 |
| 1.1/63/06/AULI AHNIP Extension 2001/04/A2 | | | 97,881 |
| 1.1\64\06\AUL\Z Contribution AHNIP (Coffey) MK2001/04/A2 | | 13,913 | - |
| 1.1/88/07/AUL/Z Technical Coordination Advisor MK 2007\16 | | (34,973) | 129,973 |
| <i>Balance carried forward</i> | | (8,431) | 260,839 |

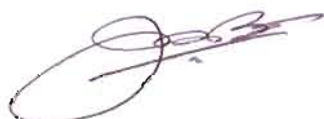
Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

B. AUSTRALIA (CONTINUED)

| | Note | 2008 USD | 2007 USD |
|--|------|------------------|----------------|
| <i>Balance carried forward</i> | | (8,431) | 260,839 |
| 1.1\96\08\AUL\C Preparation of the update and finalisation of the MRC Integrated CBP - MK 2007/14 | | 60,228 | - |
| 2.1\01\08\AUL\Z Technical Coordination Function, MK2008/02 | | 191,355 | - |
| 2.1\02\08\AUL\B Basin Development Plan, MK 2008/03 | | 191,962 | - |
| 2.1\12\08\AUL\N The MRC Navigation Programme, MK 2008/06 | | 155,446 | - |
| 2.1\13\08\AUL\Z The Australian support to the MRC Monitoring and Evaluation System, MK 2008/08 | | 3,287 | - |
| 2.1\14\08\AUL\C The Australian support to the MRC Integrated Capacity Building Programme, MK 2008/09 | | 145,858 | - |
| 2.1\15\08\AUL\E The Australian support to the MRC Climate Change and Adaptation Initiative, MK 2008/10 | | 40,928 | - |
| 2.1\16\08\AUL\W The Australian support to the Preparation of WUP Follow-up MK 2008/11 | | 3,357 | - |
| 2.1\22\08\AUL\U AHNIP Extension project, MK 2001/04/A3 | | 16,744 | - |
| | | <u>800,734</u> | <u>260,839</u> |
| Movement for the year | | <u>3,606,037</u> | <u>18,192</u> |
| Fund balance at 31 December | | <u>3,848,022</u> | <u>241,985</u> |

The notes set out on page 24 form an integral part of these statements

Approved by:



Jeremy Bird
Chief Executive Officer
MRC Secretariat



Dirk Overweg
Chief, Finance and Administration Section

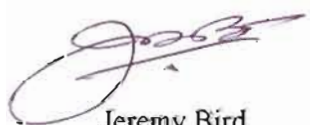
**Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)**

C. BELGIUM

| | Note | 2008 USD | 2007 USD |
|---|------|-------------------------|-------------------------|
| Fund balance at 1 January | | 1,665,824 | 2,022,812 |
| Contributions received from the Government of Belgium for: | | | |
| 1.1/58/06/BELAN MRC Navigation Programme2006/03 | | 1,261,303 | 1,393,250 |
| Expenditure incurred for: | | | |
| 1.1/32/05/BELAN MRC Navigation Programme2005/14 | | | 689,523 |
| 1.1/58/06/BELAN MRC Navigation Programme2006/03 | | 1,379,013 | 1,060,715 |
| | | <u>1,379,013</u> | <u>1,750,238</u> |
| Movement for the year | | <u>(117,710)</u> | <u>(356,988)</u> |
| Fund balance at 31 December | | <u><u>1,548,114</u></u> | <u><u>1,665,824</u></u> |

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Jeremy Bird
Chief Executive Officer
MRC Secretariat



Dirk Overweg
Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

D. DENMARK

| | Note | 2008 USD | 2007 USD |
|--|------|-------------|-------------|
| Fund balance at 1 January | | 6,286,870 | 2,761,651 |
| Contributions received from the Government of Denmark for: | | | |
| 1.1/39/06/DEN/F Fisheries Ecology, Valuation and Mitigation | | 528,524 | 275,053 |
| 1.1/40/06/DEN/F Fisheries Management and Governance | | 372,054 | 275,053 |
| 1.1/41/06/DEN/F Programme Management and Communication | | (951,222) | 2,131,547 |
| 1.1/61/06/DEN/B Basin Development Plan Programme Phase II | | 1,788,208 | 2,298,846 |
| 1.1/62/06/DEN/E Environment Programme MK2006/15 | | 188,683 | 795,526 |
| 1.1/70/07/DEN/F Aquaculture of indigenous Mekong Fish Species 2 2005\15 | | 50,644 | 183,368 |
| 1.1/92/07/DEN/Z Support to follow up of IO, I & FR of MRC's & NMC's, MK2007\15 | | - | 577,946 |
| 4.2/04/01/BDP Basin Development Plan | | - | (68,017) |
| 9.1/15/00/DEN Interest earned from project funds | | 57,737 | 33,535 |
| | | 2,034,628 | 6,502,857 |
| Expenditure incurred for: | | | |
| 1.1/39/06/DEN/F Fisheries Ecology, Valuation and Mitigation | | 458,251 | 404,894 |
| 1.1/40/06/DEN/F Fisheries Management and Governance | | 468,443 | 413,457 |
| 1.1/41/06/DEN/F Programme Management and Communication | | 1,020,715 | 683,706 |
| 1.1/61/06/DEN/B Basin Development Plan Programme Phase II | | 1,156,895 | 779,181 |
| 1.1/62/06/DEN/E Environment Programme MK2006/15 | | 322,639 | 473,523 |
| 1.1/70/07/DEN/F Aquaculture of indigenous Mekong Fish Species 2 2005\15 | | 115,028 | 87,614 |
| 1.1/92/07/DEN/Z Support to follow up of IO, I & FR of MRC's & NMC's, MK2007\15 | | 68,663 | 2,039 |
| <i>Balance carried forward</i> | | 3,610,634 | 2,844,414 |

Mekong River Commission
 Statements of Contributions Received, Expenditure Incurred and Fund Balances by
 Development Partner
 for the year ended 31 December 2008 (continued)

D. DENMARK (CONTINUED)

| | Note | 2008 USD | 2007 USD |
|---|------|-------------------------|-------------------------|
| <i>Balance carried forward</i> | | 3,610,634 | 2,844,414 |
| 3.1/53/04/DEN MRC Flood Management and Mitigation - Programme 2004 | | 139,009 | 133,224 |
| 1.1\97\07\DEN\H Support to the Coordination of the MRC FMMP2004/08, C1P2 | | 85,796 | - |
| | | <u>3,835,439</u> | <u>2,977,638</u> |
| Movement for the year | | <u>(1,800,811)</u> | <u>3,525,219</u> |
| Fund balance at 31 December | | <u><u>4,486,059</u></u> | <u><u>6,286,870</u></u> |

The notes set out on page 24 form an integral part of these statements

Approved by:

Jeremy Bird
 Chief Executive Officer
 MRC Secretariat

Dirk Overweg
 Chief, Finance and Administration Section

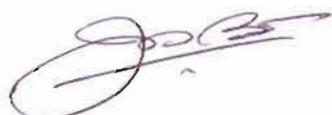
**Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)**

**E. DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT
("GTZ") GMBH**

| | Note | 2008 USD | 2007 USD |
|---|------|-----------------|----------------|
| Fund balance at 1 January | | 57,672 | 321,331 |
| Contributions received from GTZ for: | | | |
| 1.1/60/06/GTZ/Z Sustainable Watershed Management in the Lower Mekong MK 2006/06 | | 220,639 | - |
| 2.1\21\08\GTZ\Z Strengthening the Flood Emergency Management in the LMB,MK 2008/04 | | 73,592 | - |
| 9.1/15/03/GTZ Interest earned from project funds | | 393 | 1,604 |
| | | <u>294,624</u> | <u>1,604</u> |
| Expenditure incurred for: | | | |
| 1.1/60/06/GTZ\Z Sustainable Watershed Management in the Lower Mekong MK 2006/06 | | 275,306 | 141,591 |
| 2.1\21\08\GTZ\Z Strengthening the Flood Emergency Management in the LMB,MK 2008/04 | | 43,780 | - |
| 3.1/53/04/GTZ Flood Management Programme 2004-2010 | | - | 123,672 |
| | | <u>319,086</u> | <u>265,263</u> |
| Movement for the year | | <u>(24,462)</u> | <u>263,659</u> |
| Fund balance at 31 December | | <u>33,210</u> | <u>57,672</u> |

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Approved by:



Jeremy Bird
Chief Executive Officer
MRC Secretariat



Dirk Overweg
Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

F. EUROPEAN COMMISSION

| | Note | 2008 USD | 2007 USD |
|--|------|-------------|-------------|
| Fund balance at 1 January | | 145,931 | (6,279) |
| Contributions received from the European Commission for: | | | |
| 1.1/11/05/EECH Cap Bldg for Planning & Implementation of Flood Preparedness Programme Ph II, 2005/03 | | - | 59,070 |
| 1.1/75/07/EECH Implementation of Flood Preparedness Programs MK 2007/02 | | - | 299,896 |
| 2.1\23\08\EECH Strengthen Implementation of the Flood Preparedness Programs-MK 2008/14 | | 228,804 | - |
| 9.1/15/03/EEC Interest earned from project funds | | 230 | 595 |
| | | 229,034 | 359,561 |
| Expenditure incurred for: | | | |
| 1.1/11/05/EECH Cap Bldg for Planning & Implementation of Flood Preparedness Programme Ph II, 2005/03 | | - | 46,934 |
| 1.1/75/07/EECH Implementation of Flood Preparedness Programs MK 2007/02 | | 142,537 | 183,029 |
| 2.1\23\08\EECH Strengthen Implementation of the Flood Preparedness Programs-MK 2008/14 | | 245 | - |
| | | 142,782 | 229,963 |
| Movement for the year | | 86,252 | 129,598 |
| Foreign exchange gain | | (9,135) | 22,612 |
| Fund balance at 31 December | | 223,048 | 145,931 |

The notes set out on page 24 form an integral part of these statements

Approved by:



Jeremy Bird
Chief Executive Officer
MRC Secretariat



Dirk Overweg
Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

G. FINLAND

| | Note | 2008 USD | 2007 USD |
|--|------|------------------|------------------|
| Fund balance at 1 January | | 2,605,611 | 763,641 |
| Contributions received from the Government of Finland for: | | | |
| 1.1/14/05/FINW Financial Support to the position of Senior Modelling Adviser, 2005/04 | | (52,218) | 13,879 |
| 1.1/52/06/FINI Formulation of Information and Knowledge Management Programme 2006/04 | | (55,648) | - |
| 1.1/72/07/FIN/I Information and Knowledge Management Programme MK 2007/01 | | 1,731,210 | 2,744,063 |
| 1.1/93/07/FIN\C Integrated Capacity Building Programme – JRP for Sustainable Development, MK 2007/13 | | 357,500 | - |
| 1.1/94/07/FIN\T The MRC Hydropower Programme MK 2007/11 | | 286,000 | - |
| 1.1/95/07/FIN\O The Water Management Trust Fund MK 2007/12 | | 214,500 | - |
| 2.1/17/08/FIN/I Remaining Funds from Formulation of IKMP project, MK2006/04/A2 | | 55,648 | - |
| 2.1/20/08/FIN/I Financial Support to the Position of Senior Modelling Advisor MK 2005/04/A2 | | 160,116 | - |
| 7.1/23/01/WUP Water Utilisation Programme | | - | 262,777 |
| 9.1/15/02/FIN Interest earned from project funds | | 23,718 | 19,316 |
| | | <u>2,720,826</u> | <u>3,040,035</u> |
| Expenditure incurred for: | | | |
| 1.1/14/05/FINW Financial Support to the position of Senior Modelling Adviser, 2005/04 | | 84,658 | 179,754 |
| 1.1/52/06/FINI Formulation of Information and Knowledge Management Programme 2006/04 | | - | 43,829 |
| 1.1/72/07/FIN/I Information and Knowledge Management Programme MK 2007/01 | | 2,453,436 | 710,656 |
| | | <u>2,538,094</u> | <u>934,239</u> |
| <i>Balance carried forward</i> | | <u>2,538,094</u> | <u>934,239</u> |

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

G. FINLAND (CONTINUED)

| | Note | 2008 USD | 2007 USD |
|---|------|-------------|-------------|
| <i>Balance carried forward</i> | | 2,538,094 | 934,239 |
| 1.1\93\07\FIN\C Integrated Capacity Building Programme – JRP for Sustainable Development, MK 2007/13 | | 92,179 | 60 |
| 1.1\94\07\FIN\T The MRC Hydropower Programme MK 2007/11 | | 148,763 | - |
| 1.1\95\07\FIN\O The Water Management Trust Fund MK 2007/12 | | 16,444 | - |
| 2.1\17\08\FIN\J Remaining Funds from Formulation of IKMP project, MK2006/04/A2 | | 12,543 | - |
| 2.1\20\08\FIN\I Financial Support to the Position of Senior Modelling Advisor MK 2005/04/A2 | | 98,931 | - |
| 7.1/23/01/WUP Water Utilisation Programme | | 366,534 | 302,842 |
| | | 3,273,488 | 1,237,141 |
| Movement for the year | | (552,662) | 1,802,894 |
| Foreign exchange gain | | (26,985) | 39,076 |
| Fund balance at 31 December | | 2,025,964 | 2,605,611 |

The notes set out on page 24 form an integral part of these statements

Approved by:



Jeremy Bird
 Chief Executive Officer
 MRC Secretariat



Dirk Overweg
 Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

H. FRANCE

| | Note | 2008 USD | 2007 USD |
|--|------|---------------|--------------|
| Fund balance at 1 January | | 185,454 | 309,158 |
| Contributions received from the Government of France for: | | | |
| 1.1/43/06/FRA\O Activities of the two French Advisers under the PCS2006/01 | | 55,061 | - |
| 1.1/44/06/FRA\O Contribution to the MRC Water Management | | 793 | 71,025 |
| 1.1/45/06/FRA\I Mekong-HYCOS Project Management Unit;2006/01 | | 65,775 | - |
| 1.1/51/06/FRA\I Mekong- HYCOS Project - General, MK2006/09 | | 601,918 | - |
| 1.1/54/06/FRA\O English language training for MRC | | 565 | - |
| 1.1/59/06/FRA\O Riparian Consultants for the independent organization review of MRCS & NMCs | | 42,269 | - |
| 2.1\05\08\FRA\O MRC Trust Fund, Letter No. 003816/CID/DPDEV/PER | | 27,941 | - |
| 7.1/23/01/WUP Water Utilisation Programme | | (70,779) | - |
| Interest earned from project funds | | - | 3,906 |
| | | <hr/> 723,543 | <hr/> 74,931 |
| Expenditure incurred for: | | | |
| 1.1/43/06/FRA\O Activities of the two French Advisers under the PCS2006/01 | | 20,027 | 28,134 |
| 1.1/44/06/FRA/O Contribution to the MRC Water Management | | 42,241 | 50,376 |
| <i>Balance carried forward</i> | | <hr/> 62,268 | <hr/> 78,510 |

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

H. FRANCE (CONTINUED)

| | Note | 2008 USD | 2007 USD |
|---|------|-------------|-------------|
| <i>Balance carried forward</i> | | 62,268 | 78,510 |
| 1.1/45/06/FRA\I Mekong-HYCOS Project Management Unit;2006/01 | | 38,318 | 41,012 |
| 1.1/51/06/FRA\I Mekong-HYCOS Project – General, MK2006/09 | | 457,173 | 56,346 |
| 1.1/51/07/FRA\I Mekong-HYCOS Control Project MK2006/09 | | 70,105 | - |
| 1.1/54/06/FRA\O English language training for MRC | | - | 38 |
| 1.1/59/06/FRA\O Riparian Consultants for the independent organization review of MRCS & NMCs | | 2 | 22,729 |
| | | 627,866 | 198,635 |
| Movement for the year | | 95,677 | (123,704) |
| Fund balance at 31 December | | 281,131 | 185,454 |

The notes set out on page 24 form an integral part of these statements

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Jeremy Bird
Chief Executive Officer
MRC Secretariat

Dirk Overweg
Chief, Finance and Administration Section

Mekong River Commission
 Statements of Contributions Received, Expenditure Incurred and Fund Balances by
 Development Partner
 for the year ended 31 December 2008 (continued)

I. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

| | Note | 2008 USD | 2007 USD |
|---|------|------------------|----------------|
| Fund balance at 1 January | | 136,365 | 21,332 |
| Contributions received from the International Bank for Reconstruction and Development for: | | | |
| 7.1/23/01/WUP Water Utilisation Programme | | 61,984 | 1,062,235 |
| Expenditure incurred for: | | | |
| 7.1/23/01/WUP Water Utilisation Programme | | 195,246 | 947,202 |
| Movement for the year | | <u>(133,262)</u> | <u>115,033</u> |
| Fund balance at 31 December | | <u>3,103</u> | <u>136,365</u> |

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Jeremy Bird
 Chief Executive Officer
 MRC Secretariat



Dirk Overweg
 Chief, Finance and Administration Section

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Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

J. JAPAN

| | Note | 2008 USD | 2007 USD |
|--|------|-------------|-------------|
| Fund balance at 1 January | | 804,443 | 353,973 |
| Contributions received from the Government of Japan for: | | | |
| 1.1/57/06/JPNO "Mekong Research for the People of the Mekong" Chiangrai Conference | | - | (6,280) |
| 1.1/81/07/JPNA Improvement of irrigation Efficiency on Paddy Fields in the Lower Mekong Basin 2007 | | - | 326,879 |
| 1.1/82/07/JPN/T Initial Analysis of Hydropower Potentials in LMB | | - | 500,000 |
| 2.1/11/08/JPNA Study on Analysis of Sustainable Water Resources Use Project MK 2008/05 | | 302,628 | - |
| 1.1/87/07/JPNO Interest earned from Project Funds | | 6,431 | 2,081 |
| | | 309,059 | 822,680 |
| Expenditure incurred for: | | | |
| 1.1/10/05/JPNA Program to Demonstrate the Multi-functionality of Paddy Fields over the MRB-2005, 2005/02 | | (5,615) | 104,308 |
| 1.1/53/06/JPNA Improvement of Irrigation Efficiency on Paddy Fields in the Lower Mekong Basin | | 51,067 | 180,278 |
| 1.1/81/07/JPNA Improvement of irrigation Efficiency on Paddy Fields in the Lower Mekong Basin 2007 | | 205,679 | 85,387 |
| 1.1/82/07/JPN/T Initial Analysis of Hydropower Potentials in LMB | | 180,964 | 2,237 |
| 2.1/11/08/JPNA Study on Analysis of Sustainable Water Resources Use Project MK 2008/05 | | 95,013 | - |
| | | 527,108 | 372,210 |
| Movement for the year | | (218,049) | 450,470 |
| Fund balance at 31 December | | 586,394 | 804,443 |

The notes set out on page 24 form an integral part of these statements

Approved by:



Jeremy Bird
 Chief Executive Officer
 MRC Secretariat



Dirk Overweg
 Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

K. MURRAY DARLING BASIN COMMISSION ("MDBC")

| | Note | 2008 USD | 2007 USD |
|--|------|----------------|---------------|
| Fund balance at 1 January | | 16,280 | 8,598 |
| Contributions received from the MDBC for: | | | |
| 1.1/86/07/MBC/O Supporting of MDBC/MRC Joint Activities | | - | 20,000 |
| | | <u>-</u> | <u>20,000</u> |
| Expenditure incurred for: | | | |
| 1.1/86/07/MBC/O Supporting of MDBC/MRC Joint Activities | | 1,312 | 11,926 |
| 7.1/01/04/MBC MDBC-MRC Strategic Liaison Programme | | 209 | 392 |
| | | <u>1,521</u> | <u>12,318</u> |
| Movement for the year | | <u>(1,521)</u> | <u>7,682</u> |
| Fund balance at 31 December | | <u>14,759</u> | <u>16,280</u> |

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Jeremy Bird
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MRC Secretariat



Dirk Overweg
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Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

L. NETHERLANDS

| | Note | 2008 USD | 2007 USD |
|--|------|------------------|------------------|
| Fund balance at 1 January | | 1,576,962 | 360,045 |
| Contributions received from the Government of Netherlands for: | | | |
| 1.1/06/04/NETE Wetlands Bio-diversity Conservation and Sustainable Use Programme 2004-2009, 2004/15 | | - | (18,921) |
| 1.1/29/05/NETH Structural Measures and Flood Proofing, 2004/14, C2P1 | | 300,974 | 1,000,000 |
| 1.1/30/05/NET/H Mediation of Trans Boundary Flood issues | | 299,026 | 500,000 |
| 1.1/74/07.NET/H The Organization of 5 th Annual Mekong Flood Forum for 2007 CIP 11: 2004/12 | | 86,473 | - |
| 2.1\10\08\NET\H The organization of 6th Annual Mekong Flood Forum for 2008, C1P13: MK2004/12 | | 60,072 | - |
| 3.1/53/04/NET Flood Management & Mitigation Implementation Programme | | 453,455 | 2,221,426 |
| 9.1/15/04/NET Interest earned from Project Funds | | 3,890 | 8,149 |
| | | <u>1,203,890</u> | <u>3,710,654</u> |
| Expenditure incurred for: | | | |
| 1.1/06/04/NETE Wetlands Bio-diversity Conservation and Sustainable Use Programme 2004-2009, 2004/15 | | - | 108,572 |
| 1.1/29/05/NETH Structural Measures and Flood Proofing, 2004/14, C2P1 | | 517,484 | 458,691 |
| 1.1/30/05/NETH Mediation of Transboundary Flood Issues, 2005/14 | | 220,960 | 245,940 |
| 1.1/69/07/NET/H Support to the Coordination of FMMP at National Level 2004/12 | | 69,558 | 76,773 |
| 1.1/74/07.NET/H The Organization of 5 th Annual Mekong Flood Forum for 2007 CIP 11: 2004/12 | | - | 86,473 |
| 1.1/84/07/NET/H Roads and Floods in the Lower Mekong Basin – Delf Cluster –WWF, 2004/14 C2P3 | | 8,050 | 67,120 |
| | | <u>816,052</u> | <u>1,043,569</u> |
| <i>Balance carried forward</i> | | <u>816,052</u> | <u>1,043,569</u> |

Mekong River Commission
 Statements of Contributions Received, Expenditure Incurred and Fund Balances by
 Development Partner
 for the year ended 31 December 2008 (continued)

L. NETHERLANDS (CONTINUED)

| | Note | 2008 USD | 2007 USD |
|---|------|-------------|-------------|
| <i>Balance carried forward</i> | | 816,052 | 1,043,569 |
| 2.1\10\08\NET\H The organization of 6 th Annual Mekong Flood Forum for 2008, CIP13: MK2004/12 | | 60,072 | - |
| 3.1/53/04/NET Flood Management & Mitigation Implementation Programme | | 1,498,947 | 1,511,853 |
| | | 2,375,071 | 2,555,421 |
| Movement for the year | | (1,171,181) | 1,155,233 |
| Foreign exchange gain | | 35,026 | 61,684 |
| Fund balance at 31 December | | 440,807 | 1,576,962 |

The notes set out on page 24 form an integral part of these statements

Approved by:



Jeremy Bird
 Chief Executive Officer
 MRC Secretariat



Dirk Overweg
 Chief, Finance and Administration Section

**Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)**

M. NEW ZEALAND

| | Note | 2008 USD | 2007 USD |
|--|------|-------------|-------------|
| Fund balance at 1 January | | 41,575 | 64,256 |
| Contributions received from the Government of New Zealand for: | | | |
| 1.1/03/04/NZLC Gender Mainstreaming in Water and Related Resources Development in the Mekong River Basin | | 77,995 | 51,896 |
| | | 77,995 | 51,896 |
| Expenditure incurred for: | | | |
| 1.1/03/04/NZLC Gender Mainstreaming in Water and Related Resources Development in the Mekong River Basin | | 118,342 | 74,978 |
| 2.1/05/00/NZL Cash Grant for MRC Hydrologic Yearbook | | - | (401) |
| | | 118,342 | 74,577 |
| Movement for the year | | (40,347) | (22,681) |
| Fund balance at 31 December | | 1,228 | 41,575 |

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Jeremy Bird
*Chief Executive Officer
MRC Secretariat*



Dirk Overweg
Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

N. SWEDEN

| | Note | 2008 USD | 2007 USD |
|---|------|-------------|-------------|
| Fund balance at 1 January | | 976,601 | 459,061 |
| Contributions received from the Government of Sweden for: | | | |
| 1.1/56/06/SWEF Extension(01/08/2006-31/12/2006) SIDA letter dated 22/08/2006 | | - | (19,974) |
| 1.1/77/07/SWE/Z Institutional Support Programme 2007-2009 | | 223,850 | 434,514 |
| 1.1/78/07/SWE/E Environment MK 2007/03 | | 836,121 | 1,184,179 |
| 1.1/79/07/SWE/F Fisheries Valuation and TAB MK 2007/03 | | 550,654 | 547,993 |
| 1.1/80/07/SWE/B Basin Development Plan Programme Phase II MK 2007/03 | | 440,679 | 49,804 |
| 3.7/29/04/SWE Junior Riparian Professional Programme | | - | (29,607) |
| 8.1/15/04/SWE Institutional Support Programme 2004-2006 | | - | 49,582 |
| 9.1/15/91/SWE Interest earned from project funds | | 10,652 | (4,089) |
| | | 2,061,956 | 2,212,402 |
| Expenditure incurred for: | | | |
| 1.1/42/06/SWEF Fisheries(8.1/15/04/SWE)MK2004/060A1 | | - | 37,564 |
| 1.1/56/06/SWEF Extension(01/08/2006-31/12/2006) SIDA letter dated 22/08/2006 | | - | 27,023 |
| 1.1/77/07/SWE/Z Institutional Support Programme 2007-2009 | | 398,569 | 283,511 |
| 1.1/78/07/SWE/E Environment MK 2007/03 | | 666,177 | 786,225 |
| 1.1/79/07/SWE/F Fisheries Valuation and TAB MK 2007/03 | | 424,987 | 129,944 |
| 1.1/80/07/SWE/B Basin Development Plan Programme Phase II MK 2007/03 | | 76,543 | 49,453 |
| 3.7/24/04/SWE Environment Programme General 2004-2006 | | - | 323,726 |
| 8.1/15/04/SWE Institutional Support Programme 2004-2006 | | - | 57,416 |
| | | 1,566,276 | 1,694,862 |
| Movement for the year | | 495,680 | 517,540 |
| Fund balance at 31 December | | 1,472,281 | 976,601 |

The notes set out on page 24 form an integral part of these statements

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Mekong River Commission
 Statements of Contributions Received, Expenditure Incurred and Fund Balances by
 Development Partner
 for the year ended 31 December 2008 (continued)

**O. UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
 (“USAID”)**

| | Note | 2008 USD | 2007 USD |
|---|------|-----------------|-----------------|
| Fund balance at 1 January | | 16,304 | 107,021 |
| Contributions received from the Government of the United States for: | | | |
| 3.1/53/04/USA Provision of Flood Early Warning to Flood- vulnerable Communities, Cambodia & Lao PDR, Phase I – 2004 | | (2,129) | 150,943 |
| | | <u>(2,129)</u> | <u>150,943</u> |
| Expenditure incurred for: | | | |
| 3.1/53/04/USA Provision of Flood Early Warning to Flood- vulnerable Communities, Cambodia & Lao PDR, Phase I – 2004 | | 14,175 | 241,660 |
| | | <u>14,175</u> | <u>241,660</u> |
| Movement for the year | | <u>(16,304)</u> | <u>(90,717)</u> |
| Fund balance at 31 December | | <u>-</u> | <u>16,304</u> |

The notes set out on page 24 form an integral part of these statements

Approved by:



Jeremy Bird
 Chief Executive Officer
 MRC Secretariat



Dirk Overweg
 Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
for the year ended 31 December 2008 (continued)

MISCELLANEOUS

| | Note | 2008 USD | 2007 USD |
|---|------|-------------|-------------|
| Fund balance at 1 January | | 68,434 | 55,855 |
| Contributions received for: | | | |
| 1.1\47\06\OTHA Challenge Program on Water and Food 2006 | | - | 16,175 |
| 1.1\55\06\OTH\A Mekong Basin Focal Project; MK 2006/11 | | (26,423) | - |
| 1.1\65\07\OTH\O Communications Unit 2007 | | | 8,000 |
| 1.1\67\07\OTH\I IKMP 2007 Technical Services Agreement between IKMP and FMMP | | - | 9,811 |
| 1.1\71\07\OTH\A Challenge Program on Water and Food 2007, MK2007/09 | | (20,265) | 145,101 |
| 1.1\89\07\OTH\I Review of the Hydraulic Study for discharges from the NT2 MK 2007/07 | | 14,014 | 3,504 |
| 1.1\91\07\OTH\O The Facilitation to Conduct the Study Tour during 22-27 Oct 2007 | | - | 21,695 |
| 2.1\03\08\OTH\F Fish Length and Weight Sampling and Analysis in the LMB, Memo dated 17/12/07 | | 5,925 | - |
| 2.1\04\08\OTH\E CSIRO on Climate Change, MK2008/01 | | 106,758 | - |
| 2.1\07\08\OTH\A Challenge Programme on Water and Food 2008, MK2008/12 | | 99,975 | - |
| | | 179,984 | 204,286 |
| Expenditure incurred for: | | | |
| 1.1\37\06\OTH\I IKMP 2006 | | - | (60) |
| 1.1\47\06\OTH\A Challenge Program on Water and Food 2006 | | - | (38) |
| 1.1\55\06\OTH\A Mekong Basin Focal Project; MK 2006/11 | | 45,541 | 164 |
| 1.1\65\07\OTH\O Communications Unit 2007 | | - | 18,310 |
| 1.1\66\07\OTH\O Communications Unit 2007 – Control Project | | - | (10,310) |
| 1.1\67\07\OTH\I IKMP 2007 Technical Services Agreement between IKMP and FMMP | | 57,063 | 112,189 |
| 1.1\68\07\OTH\I IKMP 2007 – Control Project | | (104,744) | (70,200) |
| 1.1\71\07\OTH\A Challenge Program on Water and Food 2007 | | - | 124,835 |
| <i>Balance carried forward</i> | | (2,140) | 174,890 |

Mekong River Commission
 Statements of Contributions Received, Expenditure Incurred and Fund Balances by
 Development Partner
 for the year ended 31 December 2008 (continued)

MISCELLANEOUS (CONTINUED)

| | Note | 2008 USD | 2007 USD |
|--|------|-----------------------|----------------------|
| <i>Balance carried forward</i> | | (2,140) | 174,890 |
| 1.1\89\07\OTH\I Review of the Hydraulic Study for discharges from the NT2 MK 2007/07 | | 16 | 21 |
| 1.1\91\07\OTH\O The Facilitation to Conduct the Study Tour during 22-27 Oct 2007 | | 4,899 | 16,796 |
| 1.1\98\08\OTH\O Communications Unit 2008 | | 27,436 | - |
| 1.1\99\08\OTH\O Communications Unit 2008-Control Project | | (27,436) | - |
| 2.1\03\08\OTH\F Fish Length and Weight Sampling and Analysis in the LMB, Memo dated 17/12/07 | | 12 | - |
| 2.1\04\08\OTH\E CSIRO on Climate Change, MK2008/01 | | 52,093 | - |
| 2.1\08\08\OTH\O Composite Programme Funding for Program Officer at TCU Memo 23/07/07 | | 18,805 | - |
| 2.1\09\08\OTH\O Composite Programme Funding for Program Officer at TCU-Control Project | | (18,805) | - |
| 2.1\07\08\OTH\A Challenge Programme on Water and Food 2008, MK2008/12 | | 58,756 | - |
| | | <u>113,636</u> | <u>191,707</u> |
| Movement for the year | | <u>66,348</u> | <u>12,579</u> |
| Fund balance at 31 December | | <u><u>134,782</u></u> | <u><u>68,434</u></u> |

The notes set out on page 24 form an integral part of these statements

Approved by:



Jeremy Bird
 Chief Executive Officer
 MRC Secretariat



Dirk Overweg
 Chief, Finance and Administration Section

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by
Development Partner
Notes to the financial statements for the year ended 31 December 2008

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

1. Principal activities

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

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

2. Basis of preparation

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

3. Summary of significant accounting policies

(a) Property and equipment

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

(b) Foreign currency transactions

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