

Earmarked Fund

(Implemented by Mekong River Commission)

Financial statements

For the year ended 31 December 2022



Earmarked Fund

(Implemented by Mekong River Commission)

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of the Management	3
Independent auditor's report	4 - 5
Statement of receipts and disbursements	6 - 13
Notes to the financial statements	14 - 22

Earmarked Fund

(Implemented by Mekong River Commission)

GENERAL INFORMATION

FUND INFORMATION

The Mekong River Commission (“MRC” or the “Organisation”) was established in 1995 with the signing of the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin. The MRC Member Countries are Cambodia, the Lao PDR, Thailand and Viet Nam, with China and Myanmar as Dialogue Partners.

Since its establishment, the MRC has strived to develop work programmes and strategies to best serve its mission to promote and coordinate sustainable management and development of water and related resources for the countries’ mutual benefit and the people’s well-being. Over the years, with a vision to bring about an economically prosperous, socially just and environmentally sound Mekong River Basin, the MRC has placed regional cooperation and basin-wide planning at the heart of its operation.

The MRC is governed by a Council which comprises of the environment and water ministers of the four Member Countries. The Council Members would review and mutually conclude on the management and development of water and related resources. These decisions and policies are then put into action by the MRC Joint Committee, which comprises senior officials at no less than Head of Department level of the four countries and supported by national line agencies including the Ministry of Foreign Affairs.

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.

Earmarked Fund

(Implemented by Mekong River Commission)

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 Khanopphet	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 Earmarked Fund is Ernst & Young Lao Co., Ltd.

Earmarked Fund

(Implemented by Mekong River Commission)

REPORT OF THE MANAGEMENT

The Management is pleased to present this report of Earmarked Fund (“the Fund”) and its 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 Fund’s financial statements as at and for the year ended 31 December 2022 which are prepared in accordance with Note 3 to the financial statements.

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

- ▶ adopt accounting policies as described in Note 3 to the 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 Management and to ensure that the accounting records comply with the applied accounting framework. The Management is also responsible for safeguarding the assets of the Fund, 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 financial statements.

STATEMENT BY THE MANAGEMENT

We hereby approve the accompanying 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 financial statements.

On behalf of the Management:



Watt Botkosal
Director of Administration Division



Anoulak Kittikhoun
Chief Executive Officer

Vientiane, Lao PDR

25 April 2023



Ernst & Young Lao Co., Ltd
6th floor, Kolao Tower I, 23 Singha Road
Nongbone Village, Saysettha District
Vientiane Capital, Lao P.D.R.

Tel: +856 21 455 077
Fax: +856 21 455 078
ey.com

Reference: 11866353/67237443

INDEPENDENT AUDITOR'S REPORT

To: Management of the Earmarked Fund

Opinion

We have audited the accompanying financial statements of the Earmarked Fund ("the Fund"), as set out on pages 6 to 22, which comprise the statement of fund balance as at 31 December 2022 and the 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 financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 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 Auditor's responsibilities section of our report. We are independent of the Fund 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 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 financial statements which describes the accounting policies adopted by the Fund. These accounting policies are not intended to present the fund balance and the receipts and disbursements of the Fund in accordance with international generally accepted accounting principles. As also disclosed in Note 2 to the financial statements, the financial statements are prepared to assist the Management in meeting the reporting requirements of the Development Partners. As a result, the 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 financial statements of the Fund for the year ended 31 December 2021 were audited by another audit firm which expressed an unmodified opinion on those financial statements on 16 May 2022.

Responsibilities of the Management for the Financial Statements

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

Auditors' Responsibility 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 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 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



ບໍລິສັດ
ເອີ້ນ ແອັດ ຍັງ
ລາວ ຈຳກັດ
ERNST & YOUNG
LAO CO.,LTD
ຫລວງ

Vientiane Capital, Lao PDR

25 April 2023

Earmarked Fund

(Implemented by Mekong River Commission)

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

A. BELGIUM

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contributions			
EF-BEL.FLD to contribute to the MRC Navigation, Environment and Climate Change Action. L-MRCS(AD)624/20	4	127,590	83,275
Interest earned			
EF-BEL.FLD to contribute to the MRC Navigation, Environment and Climate Change Action. L-MRCS(AD)624/20	4	3,432	5,341
		<u>131,022</u>	<u>88,616</u>
DISBURSEMENTS			
EF-BEL.FLD to contribute to the MRC Navigation, Environment and Climate Change Action. L-MRCS(AD)624/20	5	(464,011)	(334,564)
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR		(332,989)	(245,948)
Fund balance as at 1 January		363,052	609,000
Fund balance as at 31 December	4	30,063	363,052

B. CHINA

	Note	2022 USD	2021 USD
Interest earned			
EF-China the MRC Council visit to China		-	-
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR		-	-
Fund balance as at 1 January		193	193
Transferred to BF		(193)	-
Fund balance as at 31 December	4	-	193

Earmarked Fund

(Implemented by Mekong River Commission)

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

C. EUROPEAN UNION

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contributions			
EU (ACA/2018/402-232) Sustainable Transboundary Water Management in the Mekong Basin		-	138,223
Interest earned			
EU (ACA/2018/402-232) Sustainable Transboundary Water Management in the Mekong Basin	4	749	3,012
		749	141,235
DISBURSEMENTS			
EU (ACA/2018/402-232) Sustainable Transboundary Water Management in the Mekong Basin	5	(279,274)	(977,775)
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		72,613	909,153
Loan from BF		234,227	-
Fund balance as at 31 December	4	28,315	72,613

Earmarked Fund

(Implemented by Mekong River Commission)

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

D. FRANCE

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contributions and direct payments			
EF-AFD21 Support the Hydro -Mekong project CZZ2662 01 D	4	120,227	356,471
Interest earned			
EF-AFD the Extension of the Mekong Hycos network, AFD CZZ1889.01.P –		-	1,816
EF-AFD21 Support the Hydro -Mekong project CZZ2662 01 D	4	1,662	1,387
		1,662	3,203
		121,889	359,674
DISBURSEMENTS			
EF-AFD the Extension of the Mekong Hycos network, AFD CZZ1889.01.P –	5	(115,017)	(157,138)
EF-AFD21 Support the Hydro -Mekong project CZZ2662 01 D		(515,348)	(180,379)
		(630,365)	(337,517)
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		293,303	271,146
Fund balance as at 31 December	4	(215,173)	293,303

Earmarked Fund

(Implemented by Mekong River Commission)

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

E. JAPAN

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contributions			
EF-JPNIIF21-25_ Improving the Irrigation Facilities in LMB (Phase II) Note Verbale No.005/21-D	4	339,453	339,453
EF-JPNFMC21_ Flood Management Capacity Building in the Mekong River Basin Exchange of Note 26 February 2021		-	2,690,065
		<u>339,453</u>	<u>3,029,518</u>
Other income			
Fund returned from WFP	4	4,705	-
		<u>344,158</u>	<u>3,029,518</u>
Interest earned			
EF-JAIFD (2.2\39\15\JPN\D) _ Drought Management Programme Core Function Project Jan 2015-Dec 2017		-	(12)
EF-JAIFD (2.2\40\15\JPN\H) _ Flood Forecasting, Dry Season Monitoring&Dissemination of Info &Warning& Alert		-	(22)
EF-JPN17-21_ Project for Improving Irrigation Facilities in the Lower Mekong River Basin		-	80
EF-JPNFDM20 Grant from Japan for Flood & Drought Management_MRB		27,890	33,994
EF-JPNIIF21-25_ Improving the Irrigation Facilities in LMB (Phase II) Note Verbale No.005/21-D		3,590	974
EF-JPNFMC21_ Flood Management Capacity Building in the Mekong River Basin Exchange of Note 26 February 2021		22,515	10,492
	4	<u>53,995</u>	<u>45,506</u>
		<u>398,153</u>	<u>3,075,024</u>
DISBURSEMENTS			
EF-JPN17-21_ Project for Improving Irrigation Facilities in the Lower Mekong River Basin	5	-	(389,023)
EF-JPNFDM20 Grant from Japan for Flood & Drought Management_MRB		(921,601)	(517,763)
EF-JPNIIF21-25_ Improving the Irrigation Facilities in LMB (Phase II) Note Verbale No.005/21-D		(358,707)	
EF-JPNFMC21_ Flood Management Capacity Building in the Mekong River Basin Exchange of Note 26 February 2021		(267,683)	(14,620)
		<u>(1,547,991)</u>	<u>(921,406)</u>

Earmarked Fund

(Implemented by Mekong River Commission)

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

E. JAPAN (continued)

	Note	2022 USD	2021 USD
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR		(1,149,838)	2,153,618
Fund balance as at 1 January		6,434,328	4,338,998
Repayment to BF		-	(58,288)
Fund balance as at 31 December	4	<u>5,284,490</u>	<u>6,434,328</u>

F. KREDITANSALT FÜR WIEDERAUFBAU ("KfW")

	Note	2022 USD	2021 USD
EXPENDITURES	5		
EF-KfW.WL the Lower Mekong Basin Wetland Management and Conservation Project, MK2016/01		-	8,858
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR		-	(8,858)
(Repayment to)/Loan from BF		-	(211,198)
Fund balance as at 1 January		1,123	221,179
Fund balance as at 31 December	4	<u>1,123</u>	<u>1,123</u>

Earmarked Fund

(Implemented by Mekong River Commission)

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

G. NETHERLANDS

	Note	2022 USD	2021 USD
RECEIPTS			
Interest earned			
EF-NET_ To promote and coordinate sustainable development and management of the Mekong's water related natural resources (Env-2017-133 & IGG-2017-24041) for Earmarked Fund	4	36	4,795
DISBURSEMENTS			
EF-NET_ To promote and coordinate sustainable development and management of the Mekong's water related natural resources (Env-2017-133 & IGG-2017-24041) for Earmarked Fund	5	(26,328)	(26,399)
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		33,638	55,242
Return remaining fund balance to DP		(7,322)	-
Fund balance as at 31 December	4	24	33,638

H. UNIVERSITY MURDOCH – AUSTRALIA

	Note	2022 USD	2021 USD
Interest earned			
EF-AULFP 2.2\42\15\AUL\F F-PIP 2011-2015		-	5,331
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		578	5,909
Fund balance as at 31 December	4	-	578

Earmarked Fund
(Implemented by Mekong River Commission)

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

I. NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION (“NORAD”)

	Note	2022 USD	2021 USD
Interest earned			
EF-NORAD		-	-
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR		-	-
Fund balance as at 1 January		238	238
Transferred to BF		(238)	-
Fund balance as at 31 December	4	<u>-</u>	<u>238</u>

J. UNITED NATIONS ENVIRONMENT PROGRAMME (“UNEP”)

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contribution			
EF-UNEP_Project Cooperation Agreement (UNEP/PCA/ Asia and Pacific Office/2020/3524)	4	<u>15,310</u>	<u>170,000</u>
Interest earned			
EF-UNEP_Project Cooperation Agreement (UNEP/PCA/ Asia and Pacific Office/2020/3524)	4	<u>11</u>	<u>536</u>
		<u>15,321</u>	<u>170,536</u>
DISBURSEMENTS	5		
EF-UNEP_Project Cooperation Agreement (UNEP/PCA/ Asia and Pacific Office/2020/3524)		<u>47,691</u>	<u>137,619</u>
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR		(32,370)	32,917
Fund balance as at 1 January		32,917	-
Transferred to BF		(547)	-
Fund balance as at 31 December	4	<u>-</u>	<u>32,917</u>

Earmarked Fund

(Implemented by Mekong River Commission)

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

K. THE SECRETARIAT OF THE CONVENTION ON THE CONSERVATION OF MIGRATORY SPECIES OF WILD ANIMALS ("UNEP/CMS")

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contribution			
EF-UNEP/CMS Small-Scale Funding Agreement SB-012156. 02.49.06 / SB-012156. 02.49.08	4	15,000	60,000
DISBURSEMENTS			
EF-UNEP/CMS Small-Scale Funding Agreement SB-012156. 02.49.06 / SB-012156. 02.49.08	5	10,037	64,928
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		4,963 (4,928)	(4,928) -
Transferred to BF		(35)	-
Fund balance as at 31 December	4	-	(4,928)

L. DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ)

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contribution			
EF-GIZ21 Grant Agreement No.81282522	4	97,717	-
DISBURSEMENTS			
EF-GIZ21 Grant Agreement No.81282522	5	108,610	-
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		(10,893)	-
Fund balance as at 31 December	4	(10,893)	-

Earmarked Fund

(Implemented by Mekong River Commission)

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

M. US. DEPARTMENT OF STATE (USA)

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contribution			
EF-US21-24 SLMAQM21GR3437	4	227,307	-
Interest earned			
EF-US21-24 SLMAQM21GR3437	4	539	-
		227,846	-
EXPENDITURES			
EF-US21-24 SLMAQM21GR3437	5	156,043	-
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		-	-
Fund balance as at 31 December	4	71,803	-

N. UNITED NATIONS OFFICE FOR SOUTH AND SOUTH COOPERATION (UNOSSC)

	Note	2022 USD	2021 USD
RECEIPTS			
Cash contribution			
EF-UNOSSC RoK-UNOSSC Facility – Phase 3	4	150,000	-
DISBURSEMENTS			
EF-UNOSSC RoK-UNOSSC Facility – Phase 3	5	54,804	-
NET RECEIPTS/(DISBURSEMENTS) FOR THE YEAR			
Fund balance as at 1 January		-	-
Fund balance as at 31 December	4	95,196	-


Watt Botkosal
Director of Administration Division

Vientiane, Lao PDR

25 April 2023


Anoulak Kittikhoun
Chief Executive Officer

Earmarked Fund

(Implemented by Mekong River Commission)

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2022

1. FUND INFORMATION

The Mekong River Commission (“MRC” or the “Organisation”) was established in 1995 with the signing of the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin. The MRC Member Countries are Cambodia, the Lao PDR, Thailand and Viet Nam, with China and Myanmar as Dialogue Partners.

Since its establishment, the MRC has strived to develop work programmes and strategies to best serve its mission to promote and coordinate sustainable management and development of water and related resources for the countries’ mutual benefit and the people’s well-being. Over the years, with a vision to bring about an economically prosperous, socially just and environmentally sound Mekong River Basin, the MRC has placed regional cooperation and basin-wide planning at the heart of its operation.

The MRC is governed by a Council which comprises of the environment and water ministers of the four Member Countries. The Council Members would review and mutually conclude on the management and development of water and related resources. These decisions and policies are then put into action by the MRC Joint Committee, which comprises senior officials at no less than Head of Department level of the four countries and supported by national line agencies including the Ministry of Foreign Affairs.

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”).

Earmarked Fund

(Implemented by Mekong River Commission)

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

2. BASIS OF PREPARATION

The financial statements of the Earmarked Fund ("the Fund" or "EF") 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 Fund in accordance with international generally accepted accounting principles. The financial statements are prepared to assist the Fund 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").

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 DPs to contractors are recognised as receipts when the payment is made and informed to the Fund.

Interest income is recognised when credited to the Fund's bank accounts.

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 Fund 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.

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 financial statements at the date of acquisition. Any proceeds from disposal of property and equipment are recognised as other income in the statements of receipts and disbursements.

Earmarked Fund

(Implemented by Mekong River Commission)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Foreign exchange differences

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

The Fund 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 Fund introduced the post allowance to compensate eligible staff members for any loss in income due to variations in the cost of living between different countries and duty stations.

For Riparian staff, the percentage is currently set at 7% of the base salary.

(ii) Hardship allowance ("HA")

The hardship allowance is an allowance provided to Riparian professional staffs assigned to a duty station outside their home country. It is an allowance to compensate for the degree of hardship experienced by staff assigned to a duty station abroad.

The HA shall be payable, regardless of whether the staff member is accompanied by his/her dependants, while assigned to duty station.

Other benefits are dependency allowance, housing allowance, health insurance and education assistance.

(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 Fund shall contribute to this fund the equivalent of 14% of the staff's member's base salary.

Earmarked Fund
(Implemented by Mekong River Commission)

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

3. Summary of income, expenditures and fund balances by Development Partners – 2022

Development Partner	Cash contributions USD	Interest earned USD	Other income USD	Total income net USD	Expenditures (*) USD	Movement in fund balance for the year USD	Returned fund to DP USD	Returned fund to BF USD	Loan from / (repayment to) BF USD	Fund balance	
										as at 1 January 2022 USD	as at 31 December 2022 USD
Belgium	127,590	3,432	-	131,022	464,011	(6)=(4)-(5)	(7)	(8)	(9)	363,052	(11)=(6)+(7)+(8)+(9)+(10)
China	-	-	-	-	-	(332,989)	-	(193)	-	193	30,063
European Union	-	749	-	749	279,274	(278,525)	-	-	234,227	72,613	28,315
France	120,227	1,662	-	121,889	630,365	(508,476)	-	-	-	293,303	(215,173)
Japan	339,453	53,995	4,705	398,153	1,547,991	(1,149,838)	-	-	-	6,434,328	5,284,490
KfW	-	-	-	-	-	-	-	-	-	1,123	1,123
Netherlands	-	36	-	36	26,328	(26,292)	(7,322)	-	-	33,638	24
University Murdoch - Australia	-	-	-	-	-	-	-	(578)	-	578	-
NORAD	-	-	-	-	-	-	-	(238)	-	238	-
UNEP	15,310	11	-	15,321	47,691	(32,370)	-	(547)	-	32,917	-
UNEP/CMS	15,000	-	-	15,000	10,037	4,963	-	(35)	-	(4,928)	-
GIZ	97,717	-	-	97,717	108,610	(10,893)	-	-	-	-	(10,893)
USA	227,307	539	-	227,846	156,043	71,803	-	-	-	-	71,803
UNOSSC	150,000	-	-	150,000	54,804	95,196	-	-	-	-	95,196
	1,092,604	60,424	4,705	1,157,733	3,325,154	(2,167,421)	(7,322)	(1,591)	234,227	7,227,055	5,284,948

(*) Expenditure in column (6) includes management and administration fees ("MAF")

Earmarked Fund
(Implemented by Mekong River Commission)

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

4. Expenditures

Analysis of expenditures by Development Partners

Development Partner	2022		2021		2021	
	Expenditures (excluding MAF) USD	MAF USD	Expenditures (including MAF) USD	Expenditures (excluding MAF) USD	Expenditures (including MAF) USD	
					MAF	USD
Belgium	403,488	60,523	464,011	290,925	43,639	334,564
European Union	261,004	18,270	279,274	913,808	63,967	977,775
France	548,143	82,222	630,365	293,493	44,024	337,517
Japan	1,423,399	124,592	1,547,991	835,835	85,571	921,406
KfW	-	-	-	7,980	878	8,858
Netherlands	22,894	3,434	26,328	22,955	3,444	26,399
University Murdoch – Australia	-	-	-	4,803	528	5,331
UNEP	41,470	6,221	47,691	119,668	17,951	137,619
UNEP/CMS	8,728	1,309	10,037	56,459	8,469	64,928
GIZ	96,973	11,637	108,610	-	-	-
USA	135,690	20,353	156,043	-	-	-
UNOSSC	51,219	3,585	54,804	-	-	-
	2,993,008	332,146	3,325,154	2,545,926	268,471	2,814,397

Earmarked Fund
(Implemented by Mekong River Commission)

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

Analysis of expenditures by Projects

Project	Project codes	2022		2021		Expenditures (including MAF) USD	Expenditures (including MAF) USD
		Expenditures (excluding MAF) USD	MAF USD	Expenditures (excluding MAF) USD	MAF USD		
Project for Improving Irrigation Facilities in the lower Mekong River Basin Fisheries Programme	EF-JPN17-21	-	-	338,281	50,742	389,023	
The Wetland Management and Conservation Project	EF-AULFP	-	-	4,803	528	5,331	
The Mekong Hydro-Meteorological Network and Data Application	EF-KFW.WL	-	-	7,980	878	8,858	
The MRC Navigation, Environment and Climate Change Action	EF-AFD	100,015	15,002	136,641	20,497	157,138	
To Promote and Coordinatinn Sustainable Development and Management Support to Enhanced Cooperation in Sustainable Transboundary Water	EF-BEL.FLD	403,488	60,523	290,925	43,639	334,564	
The Hydro-Mekong	EF-NET	22,894	3,434	22,955	3,444	26,399	
Development of new Operational Tools for broadening Flood & Drought Forecasting & Monitoring products & services; Analysis of Extreme Weather Events and Climate Variability in the Lower Mekong Basin for 2021-2024	EU	261,004	18,270	913,808	63,967	977,775	
Flood Management Capacity Building in the Mekong River Basin	EF-AFD21	448,129	67,219	156,851	23,528	180,379	
Promotion of action against marine plastic litter in Asia and the Pacific (CounterMEASURE II)	EF-JPNFDM20	861,309	60,292	483,891	33,872	517,763	
Promotion of action against marine plastic litter in Asia and the Pacific (CounterMEASURE II)	EF-JPNFMC21	250,171	17,512	13,664	956	14,620	
Project for Improving Irrigation Facilities in the Lower Mekong River Basin (Phase II)	EF-UNEP	41,470	6,221	119,668	17,951	137,619	
Implementation of regional trainings on the riverine pollution monitoring methodology	EF-UNEPCMS	8,728	1,309	56,459	8,469	64,928	
Improvement of data collection and sharing for data-driven cooperative management in the Mekong River Basin	EF-JPNIIF21-25	311,919	46,788	-	-	-	
Implementation of the Triangular Cooperation Project on Sustainable Development in the LMB based on the Water-Energy-Food (WEF) Nexus	EF-GIZ21	96,973	11,637	108,610	-	-	
	EF-US21-24	135,690	20,353	156,043	-	-	
	EF-UNOSSC	51,218	3,586	54,804	-	-	
		2,993,008	332,146	2,545,926	268,471	2,814,397	
				3,325,154			

Earmarked Fund
(Implemented by Mekong River Commission)

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

Analysis of expenditure by Development Partners and by Projects - 2022

Development Partner/ Project	EF-AFD	EF- AFD21	EF- BELFLD	EF- JPNFDM2	EF- JPNFMC	EF- NET	EF- UNEP	EF- PCMC	EF- JPNIF21	EU	EF-GIZ21	EF- UNOSSC	EF- US21-24	TOTAL
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
France	115,017	515,348	-	-	-	-	-	-	-	-	-	-	-	630,365
European Union	-	-	-	-	-	-	-	-	-	279,274	-	-	-	279,274
Japan	-	-	-	921,601	267,683	-	-	-	358,707	-	-	-	-	1,547,991
Netherlands	-	-	-	-	-	26,328	-	-	-	-	-	-	-	26,328
Belgium	-	-	464,011	-	-	-	-	-	-	-	-	-	-	464,011
UNEP	-	-	-	-	-	-	47,691	-	-	-	-	-	-	47,691
UNEP/CMS	-	-	-	-	-	-	-	10,037	-	-	-	-	-	10,037
GIZ	-	-	-	-	-	-	-	-	-	-	108,610	-	-	108,610
USA	-	-	-	-	-	-	-	-	-	-	-	-	156,043	156,043
UNOSSC	-	-	-	-	-	-	-	-	-	-	-	54,804	-	54,804
	115,017	515,348	464,011	921,601	267,683	26,328	47,691	10,037	358,707	279,274	108,610	54,804	156,043	3,325,154

Earmarked Fund

(Implemented by Mekong River Commission)

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

5. 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 Fund's financial statements.

On behalf of the Management:



Watt Botkosal
Director of Administration Division



Anoulak Kittikhoun
Chief Executive Officer

Vientiane, Lao PDR

25 April 2023