

MEKONG RIVER COMMISSION

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

for the year ended 31 December 2004

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor for
the year ended 31 December 2004

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REPORT OF THE INDEPENDENT AUDITORS

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

Scope

We have audited the statements of contributions received, expenditure incurred and fund balances by donor (“the financial statements”) of the Mekong River Commission (“the Commission”) for the year ended 31 December 2004, set out on pages 2 to 25. 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.

Audit Opinion

In our opinion, the financial statements present fairly, in all material respects, the status of donors’ funds maintained by the Commission as at 31 December 2004 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 Co., Ltd.
KPMG Lao Co., Ltd.
Vientiane
25 February 2005



Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004


GOVERNMENT OF AUSTRALIA

| | Note | 2004 USD | 2003 USD |
|--|------|-------------|-------------|
| Fund balance at 1 January | | 226,593 | 114,735 |
| Contributions received from the Government of Australia for: | | | |
| 2.1/16/01/AUL Appropriate Hydrological Network Improvement | | 165,389 | 162,393 |
| 3.8/07/01/AUL Australian/MRC Consultancy Services Funds | | - | 55,940 |
| 3.8/07/02/AUL Improvement of MRC Regional Flood Maps Australian Consultancy Funds | | - | (11,733) |
| 4.2/04/01/BDP Basin Development Plan | | 107,050 | 194,974 |
| 6.1/00/03/AUL Recruitment of Chief Executive Officer | | - | 25,000 |
| 9.1/15/03/AUL Interest earned from project funds | | 936 | 117 |
| | | 273,375 | 426,691 |
| Expenditure incurred for: | | | |
| 2.1/13/92/AUL Improvement of Hydro-Meteorological Network (Basinwide) | | 11,350 | 35,116 |
| 2.1/16/01/AUL Appropriate Hydrological Network Improvement | | 87,587 | 54,550 |
| 3.8/07/01/AUL Australian/MRC Consultancy Services Funds | | 29,557 | - |
| 3.8/07/02/AUL Improvement of MRC Regional Flood Maps Australian Consultancy Fund | | - | 61,224 |
| 4.2/04/01/BDP Basin Development Plan | 4 | 146,145 | 140,849 |
| 6.1/00/03/AUL Recruitment of Chief Executive Officer | | - | 23,094 |
| | | 274,639 | 314,833 |
| Movement for the year | | (1,264) | 111,858 |
| Fund balance at 31 December | | 225,329 | 226,593 |

The notes set out on pages 24 to 25 form an integral part of these statements

Approved by:


 Dr. Olivier Cogels
 Chief Executive Officer


 Dr. Dirk Overweg
 Chief Finance and Administration

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)


ASIAN DEVELOPMENT BANK (“ADB”)

| | 2004 USD | 2003 USD |
|--|---------------------|---------------------|
| Fund balance at 1 January | (9,365) | - |
| Contributions received from the ADB for: | | |
| 3.1/52/03/ADB The Second Annual Mekong Flood Forum | 9,411 | - |
| Expenditure incurred for: | | |
| 3.1/52/03/ADB The Second Annual Mekong Flood Forum | 46 | 9,365 |
| Movement for the year | <u>9,365</u> | <u>(9,365)</u> |
| Fund balance at 31 Decem ber | <u>-</u> | <u>(9,365)</u> |

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 Dr. Olivier Cogels
 Chief Executive Officer

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 Dr. Dirk Overweg
 Chief Finance and Administration

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

GOVERNMENT OF DENMARK

| | 2004 | 2003 |
|--|-------------|-------------|
| | USD | USD |
| Fund balance at 1 January | 1,188,189 | 1,100,901 |
| Contributions received from the Government of Denmark for: | | |
| 2.4/01/01/DEN Environment Programme 2002-2004 - 662.1141.x.01.62 | 663,504 | 792,314 |
| 3.1/53/04/DEN MRC Flood Management and Mitigation – Programme 2004 | 814,410 | - |
| 3.4/02/03/DEN Assessment of Mekong Capture Fisheries - 662.1111.x.01.62 | (204,737) | 1,062,140 |
| 3.4/02/04/DEN Assessment of Mekong Capture Fisheries - 662.1111.x.01.62 | 963,369 | - |
| 3.4/02/96/DEN Assessment of Mekong Fisheries - Fish Migration and Spawning Impact of Water Management (Basinwide) 662.1111.x.01.62 | - | (121,985) |
| 3.4/17/00/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62 | - | (73,250) |
| 3.4/17/03/DEN Twinning Arrangement with the IFReDI Sub-component under "Institutional Support" - 662.1121.x.01.62 | - | 75,700 |
| 3.4/18/00/DEN Aquaculture of Indigenous Mekong Fish Species - 662.1121.x.02.62 | - | (172,779) |
| 3.4/18/03/DEN Aquaculture of Indigenous Mekong Fish Species - 662.1121.x.02.62 | (77,324) | 395,337 |
| 3.4/18/04/DEN Aquaculture of Indigenous Mekong Fish Species - 662.1121.x.02.62 | 439,604 | - |
| 3.4/19/03/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62 | 22,686 | 639,444 |
| 3.4/19/04/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62 | 812,444 | - |
| 3.5/26/00/DEN Management of Reservoir Fisheries in the Mekong Basin, Phase II - 662.1072.x.01.62 | - | (28,355) |
| 3.5/26/03/DEN Management of River and Reservoir Fisheries in the Mekong Basin - 662.1072.x.01.62 | (108,142) | 514,032 |
| 3.5/26/04/DEN Management of River and Reservoir Fisheries in the Mekong Basin - 662.1072.x.01.62 | 778,142 | - |
| 3.5/31/99/DEN Management of Freshwater Capture Fisheries of Cambodia, Phase II-662.1052.x.01.62 | - | (274,035) |
| 4.2/04/01/BDP Basin Development Plan | 892,966 | 932,890 |
| 4.2/04/01/DEN Core Support for Basin Development Plan - 662.1131.x.01.62 | 50,265 | 122,484 |
| 8.1/30/01/DEN Support Cost for the Provision of Junior Professional Officers (JPO) | 47,785 | 300,448 |
| 9.1/15/00/DEN Interest earned from project funds | (345) | 1,906 |
| | <hr/> | <hr/> |
| | 5,094,627 | 4,166,291 |

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)


GOVERNMENT OF DENMARK (CONTINUED)

| | Note | 2004 USD | 2003 USD |
|--|------|-------------|-------------|
| Expenditure incurred for: | | | |
| 2.4/01/01/DEN Environment Programme 2002 – 2004 - 662.1141.x.01.62 | | 432,681 | 766,551 |
| 3.4/02/03/DEN Assessment of Mekong Capture Fisheries - 662.1111.x.01.62 | | - | 857,402 |
| 3.4/02/04/DEN Assessment of Mekong Capture Fisheries - 662.1111.x.01.62 | | 668,956 | - |
| 3.4/17/03/DEN Twinning Arrangement with the IFReDI Sub-component under "Institutional Support" - 662.1121.x.01.62 | | 24,124 | 44,289 |
| 3.4/18/03/DEN Aquaculture of Indigeneous Mekong Fish Species - 662.1121.x.02.62 | | - | 318,013 |
| 3.4/18/04/DEN Aquaculture of Indigeneous Mekong Fish Species - 662.1121.x.02.62 | | 341,732 | - |
| 3.4/19/03/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62 | | - | 662,130 |
| 3.4/19/04/DEN Institutional Support - Fisheries Programme - 662.1121.x.01.62 | | 569,408 | - |
| 3.5/26/03/DEN Management of River and Reservoir Fisheries in the Mekong Basin - 662.1072.x.01.62 | | - | 405,890 |
| 3.5/26/04/DEN Management of River and Reservoir Fisheries in the Mekong Basin - 662.1072.x.01.62 | | 459,158 | - |
| 4.2/04/01/BDP Basin Development Plan | 4 | 868,566 | 761,695 |
| 4.2/04/01/DEN Core Support For Basin Development Plan - 662.1131.x.01.62 | | 50,265 | 122,484 |
| 7.1/22/97/DEN Fisheries Training Courses II & III | | - | 1,002 |
| 8.1/30/01/DEN Support Cost for the Provision of Junior Professional Officers (JPO) | | 116,766 | 139,547 |
| | | 3,531,656 | 4,079,003 |
| Movement for the year | | 1,562,971 | 87,288 |
| Fund balance at 31 December | | 2,751,160 | 1,188,189 |

The notes set out on pages 24 to 25 form an integral part of these statements

Approved by:


 Dr. Olivier Cogels
 Chief Executive Officer


 Dr. Dirk Overweg
 Chief Finance and Administration

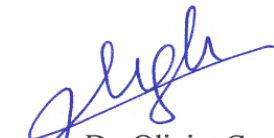
Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)


**DEUTSCHE GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (“GTZ”)
GMBH**

| | 2004 USD | 2003 USD |
|--|---------------------|---------------------|
| Fund balance at 1 January | 108,977 | - |
| Contributions received from GTZ for: | | |
| 1.1/02/04/GTZA Development of Mekong Research and its Integration in Mekong Information | 12,500 | - |
| 3.1/53/04/GTZ Flood Management Programme 2004-2010 | 14,968 | - |
| 3.4/08/03/GTZ Sustainable Watershed Management | 223,060 | 150,000 |
| 3.4/09/04/GTZ Mekong Rice Conference 2004 | 10,000 | - |
| 9.1/15/03/GTZ Interest earned from project funds | 582 | 35 |
| | <hr/> | <hr/> |
| | 261,110 | 150,035 |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 1.1/02/04/GTZA Development of Mekong Research and Its Integration in Mekong Information | 12,500 | - |
| 3.4/08/03/GTZ Sustainable Watershed Management | 258,482 | 41,058 |
| 3.4/09/04/GTZ Mekong Rice Conference 2004 | 3,715 | - |
| | <hr/> | <hr/> |
| | 274,697 | 41,058 |
| | <hr/> | <hr/> |
| Movement for the year | (13,587) | 108,977 |
| | <hr/> | <hr/> |
| Fund balance at 31 December | 95,390 | 108,977 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Mekong River Commission
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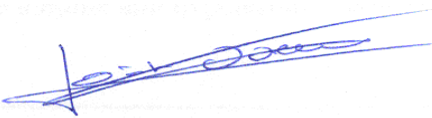
EUROPEAN COMMISSION

| | 2004 USD | 2003 USD |
|---|---------------------|---------------------|
| Fund balance at 1 January | 16,329 | - |
| Contributions received from the European Commission for: | | |
| 7.1/22/03/EEC Capacity Building for Preparedness, Planning & Response Through Use of Flood Information Product | 48,235 | 104,400 |
| 9.1/15/03/EEC Interest earned from project funds | 98 | 57 |
| | <hr/> 48,333 | <hr/> 104,457 |
| Expenditure incurred for: | | |
| 7.1/22/03/EEC Capacity Building for Preparedness, Planning & Response Through Use of Flood Information Product | 63,393 | 88,128 |
| Movement for the year | <hr/> (15,060) | <hr/> 16,329 |
| Fund balance at 31 December | <hr/> <hr/> 1,269 | <hr/> <hr/> 16,329 |

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Mekong River Commission
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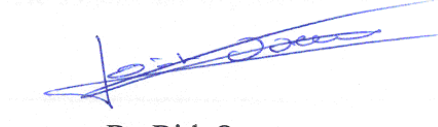
GOVERNMENT OF FINLAND

| | 2004 USD | 2003 USD |
|---|---------------------|---------------------|
| Fund balance at 1 January | 190,657 | 477,393 |
| Contributions received from the Government of Finland for: | | |
| 7.1/23/01/WUP Water Utilisation Programme | 1,142,038 | 629,859 |
| 9.1/15/02/FIN Interest earned from project funds | 982 | 1,498 |
| | <hr/> | <hr/> |
| | 1,143,020 | 631,357 |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 2.3/07/02/FIN UHA Digitising in Cambodia, Laos and Thailand | 33,249 | 126,213 |
| 7.1/23/01/WUP Water Utilisation Programme | 352,794 | 750,455 |
| 7.1/31/99/FIN The E-mail and Internet Communication Project | 32,488 | 41,425 |
| | <hr/> | <hr/> |
| | 418,531 | 918,093 |
| | <hr/> | <hr/> |
| Movement for the year | 724,489 | (286,736) |
| | <hr/> | <hr/> |
| Fund balance at 31 December | 915,146 | 190,657 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

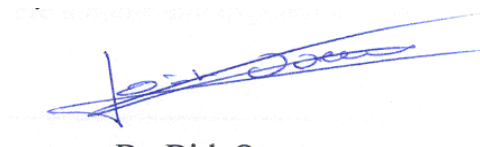
GOVERNMENT OF FRANCE

| | 2004 USD | 2003 USD |
|---|---------------------|---------------------|
| Fund balance at 1 January | 318,403 | 605,387 |
| Contributions received from the Government of France | - | - |
| Expenditure incurred for: | | |
| 7.1/23/01/WUP Water Utilisation Programme | 183,119 | 286,984 |
| | <hr/> 183,119 | <hr/> 286,984 |
| Movement for the year | <hr/> (183,119) | <hr/> (286,984) |
| Fund balance at 31 December | <hr/> 135,284 | <hr/> 318,403 |

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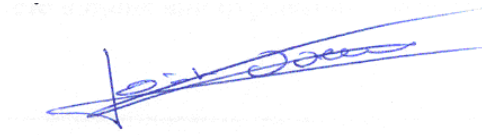
INSTITUTE FOR SCIENCES AND TECHNIQUES OF THE EQUIPMENT AND THE ENVIRONMENT FOR DEVELOPMENT (“ISTED”)

| | 2004 USD | 2003 USD |
|--|---------------------|---------------------|
| Fund balance at 1 January | (4,993) | - |
| Contributions received from ISTD for: | | |
| 6.1/00/03/IST Information Technologies and Communication for Natural Disasters Warning and Mitigation | 3,727 | 2,965 |
| Expenditure incurred for: | | |
| 6.1/00/03/IST Information Technologies and Communication for Natural Disasters Warning and Mitigation | (1,266) | 7,958 |
| Movement for the year | <u>4,993</u> | <u>(4,993)</u> |
| Fund balance at 31 December | <u>-</u> | <u>(4,993)</u> |

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 Dr. Olivier Cogels
 Chief Executive Officer


 Dr. Dirk Overweg
 Chief Finance and Administration

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

GOVERNMENT OF JAPAN

| | 2004 USD | 2003 USD |
|---|---------------------|---------------------|
| Fund balance at 1 January | 713,603 | 928,911 |
| Contributions received from the Government of Japan for: | | |
| 1.1/01/04/JPN/T Database Analysis on Hydro-meteorological Network and Water Use | 9,816 | - |
| 2.1/01/03/JPN Database Analysis on Hydro-meteorological Network and Water Use | - | 11,091 |
| 3.2/23/03/JPN Programme to Demonstrate The Multi-functionality of Paddy Fields Over the Mekong River Basin | - | 318,198 |
| 3.2/23/04/JPN Programme to Demonstrate The Multi-functionality of Paddy Fields Over the Mekong River Basin | 269,020 | - |
| 4.2/06/99/JPN/0 Japan Consultancy Service | (1,547) | - |
| 4.2/07/00/JPN Formulation and Strengthening its Capability or Quality for Formulation of the Programme of Projects | (57,500) | - |
| 4.2/07/02/JPN 3rd World Water Forum Formulation & Strengthen Its Quality For The Projects | - | (15,000) |
| 4.2/07/03/JPN The Second Annual Mekong Flood Forum | - | 15,000 |
| 4.2/07/04/JPN Relocation Project 2004 - Japanese Consultancy Funds | 59,047 | - |
| 8.1/16/02/JPN Institutional Support to MRCS | 50,000 | 100,000 |
| | <hr/> | <hr/> |
| | 328,836 | 429,289 |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 1.1/01/04/JPN/T Database Analysis on Hydro-meteorological Network and Water Use | 6,063 | - |
| 2.1/13/92/JPN Improvement of Hydro-meteorological Network | 2,073 | 73,948 |
| 2.1/01/03/JPN Database Analysis on Hydro-meteorological Network and Water Use | 7,629 | 3,461 |
| 3.2/23/02/JPN Program to Demonstrate The Multi-functionality of Paddy Fields Over the Mekong River Basin | 146,594 | 110,244 |
| | <hr/> | <hr/> |
| <i>Balance carried forward</i> | 162,359 | 187,653 |
| | <hr/> | <hr/> |

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

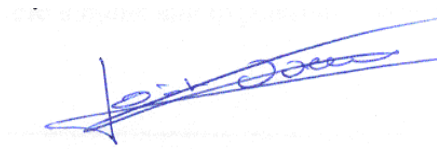
GOVERNMENT OF JAPAN (CONTINUED)

| | 2004 USD | 2003 USD |
|---|-----------------------|-----------------------|
| <i>Balance brought forward</i> | 162,359 | 187,653 |
| 3.2/23/03/JPN Programme to Demonstrate the Multi-functionality of Paddy Fields Over the Mekong River Basin | 215,681 | 37,007 |
| 3.2/23/04/JPN Programme to Demonstrate the Multi-functionality of Paddy Fields Over the Mekong River Basin | 20,252 | - |
| 3.7/33/99/JPN Training on Legal Aspects of International Cooperation for Water Resources Development (Basinwide) | - | 864 |
| 4.2/06/00/JPN/0 Consolidation of Hydro-meteorology Data and Multi-functional Hydrologic Roles of Tonle Sap Lake and its Vicinities (Phase II) | - | 81,802 |
| 4.2/06/02/JPN Consolidation of Hydro-meteorological Data & Multi-functional Hydrologic Roles (Phase III) | 100,741 | 212,627 |
| 4.2/06/96/JPN/1 Formulation of Hydropower Development Strategy | 8,355 | 2,862 |
| 4.2/06/99/JPN/0 Japan Consultancy Services | - | 120 |
| 4.2/07/02/JPN 3rd World Water Forum - Formulation & Strengthen Its Quality For The Projects | 4,041 | 56,662 |
| 4.2/07/03/JPN The Second Annual Mekong Flood Forum | - | 15,000 |
| 4.2/07/04/JPN Relocation Project 2004 - Japanese Consultancy Funds | 4,620 | - |
| 8.1/16/02/JPN Institutional Support to the Mekong River Commission | 50,000 | 50,000 |
| | <hr/> | <hr/> |
| | 566,049 | 644,597 |
| Movement for the year | <hr/> (237,213) <hr/> | <hr/> (215,308) <hr/> |
| Fund balance at 31 December | <hr/> 476,390 <hr/> | <hr/> 713,603 <hr/> |

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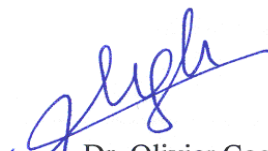
Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)


MURRAY DARLING BASIN COMMISSION (“MDBC”)

| | 2004 USD | 2003 USD |
|---|---------------------|---------------------|
| Fund balance at 1 January | (6,423) | (9,451) |
| Contributions received from the MDBC for: | | |
| 7.1/01/99/MBC Supporting of MDBC/MRC Joint Activities | 6,187 | - |
| 7.1/01/04/MBC MDBC-MRC Strategic Liason Programme | 109,167 | - |
| | <hr/> | <hr/> |
| | 115,354 | - |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 7.1/01/99/MBC Supporting of MDBC/MRC Joint Activities | (235) | (3,028) |
| 7.1/01/04/MBC MDBC-MRC Strategic Liason Programme | 127,538 | - |
| | <hr/> | <hr/> |
| | 127,303 | (3,028) |
| | <hr/> | <hr/> |
| Movement for the year | (11,949) | 3,028 |
| | <hr/> | <hr/> |
| Fund balance at 31 December | (18,372) | (6,423) |
| | <hr/> <hr/> | <hr/> <hr/> |

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 Chief Executive Officer


 Dr. Dirk Overweg
 Chief Finance and Administration

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for the year ended 31 December 2004 (continued)

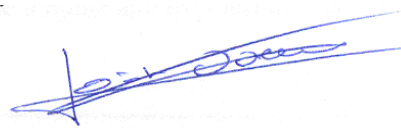
GOVERNMENT OF THE NETHERLANDS

| | 2004 | 2003 |
|--|-------------|-------------|
| | USD | USD |
| Fund balance at 1 January | (6,734) | (59,267) |
| Contributions received from the Government of the Netherlands for: | | |
| 1.1/06/04/NETE Wetlands Bio-diversity Conservation and Sustainable Use Programme 2004- 2009, 2004/15 | 112,000 | - |
| 3.1/52/02/NET Flood Management & Mitigation Strategy Implementation Programme (FMMSIP) | - | 86,326 |
| 3.1/52/03/NET The Second Annual Mekong Flood Forum | (734) | 6,734 |
| 3.1/53/04/NET Flood Management & Mitigation Implementation Programme | 1,276,502 | - |
| 9.1/15/04/NET Interest earned from Project Funds | 377 | - |
| | <hr/> | <hr/> |
| | 1,388,145 | 93,060 |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 1.1/06/04/NETE Wetlands Bio-diversity Conservation and Sustainable Use Programme 2004- 2009, 2004/15 | 12,908 | - |
| 3.1/52/02/NET Flood Management & Mitigation Strategy Implementation Programme (FMMSIP) | - | 27,059 |
| 3.1/52/03/NET The Second Annual Mekong Flood Forum | (7,468) | 13,468 |
| | <hr/> | <hr/> |
| | 5,440 | 40,527 |
| | <hr/> | <hr/> |
| Movement for the year | 1,382,705 | 52,533 |
| | <hr/> | <hr/> |
| Fund balance at 31 December | 1,375,971 | (6,734) |
| | <hr/> <hr/> | <hr/> <hr/> |

The notes set out on pages 24 to 25 form an integral part of these statements

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 Chief Executive Officer


 Dr. Dirk Overweg
 Chief Finance and Administration

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

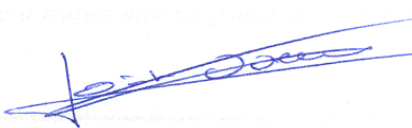
GOVERNMENT OF NEW ZEALAND

| | 2004 USD | 2003 USD |
|---|---------------------|---------------------|
| Fund balance at 1 January | 5,001 | 6,584 |
| Contributions received from the Government of New Zealandfor: | | |
| 1.1/03/04/NZLC Gender Mainstreaming in Water and Related Resources Development in the Mekong River Basin | 64,379 | - |
| | <hr/> 64,379 | <hr/> - |
| Expenditure incurred for: | | |
| 1.1/03/04/NZLC Gender Mainstreaming in Water and Related Resources Development in the Mekong River Basin | 121 | - |
| 2.1/05/00/NZL MRC Hydrologic Yearbook | - | 1,583 |
| | <hr/> 121 | <hr/> 1,583 |
| Movement for the year | 64,258 | (1,583) |
| Fund balance at 31 December | <hr/> <hr/> 69,259 | <hr/> <hr/> 5,001 |

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Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)


GOVERNMENT OF NORWAY

| | 2004 | 2003 |
|--|-------------|-------------|
| | USD | USD |
| Fund balance at 1 January | 72,655 | 1,162 |
| Contributions received from the Government of Norway for: | | |
| 7.1/29/02/NOR Updating Strategy & Programme for Navigation Development & Coordination in the Mekong Basin | - | 396,719 |
| 9.1/15/02/NOR Interest earned from project funds | 102 | 527 |
| | <hr/> | <hr/> |
| | 102 | 397,246 |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 7.1/29/02/NOR Updating Strategy & Programme for Navigation Development & Coordination in the Mekong Basin | 72,345 | 325,753 |
| | <hr/> | <hr/> |
| Movement for the year | (72,243) | 71,493 |
| | <hr/> | <hr/> |
| Fund balance at 31 December | 412 | 72,655 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)


GOVERNMENT OF SWEDEN

| | Note | 2004 USD | 2003 USD |
|--|------|------------------|------------------|
| Fund balance at 1 January | | 917,552 | 640,278 |
| Contributions received from the Government of Sweden for: | | | |
| 3.4/20/04/SWE The Technical Advisory Body for Fisheries | | 53,668 | - |
| 3.7/24/01/SWE Environment Programme General 2001-2003 | | 1,233 | 507,490 |
| 3.7/24/04/SWE Environment Programme 2004-2006 | | 802,662 | - |
| 3.7/29/01/SWE Junior Riparian Professional Programme 2004-2006 | | (204,915) | - |
| 3.7/29/04/SWE Junior Riparian Professional Programme 2004-2006 | | 217,944 | - |
| 4.2/04/01/BDP Basin Development Plan | | 209,351 | 182,657 |
| 6.1/00/03/SWE Performance Evaluation of CEO's achievements | | - | 7,567 |
| 8.1/15/01/SWE Institution Support Programme | | (218,858) | 578,722 |
| 8.1/15/04/SWE Institution Support Programme | | 402,507 | - |
| 9.1/15/91/SWE Interest earned from project funds | | 539 | (8,337) |
| | | <u>1,264,131</u> | <u>1,268,099</u> |
| Expenditure incurred for: | | | |
| 3.4/20/04/SWE The Technical Advisory Body for Fisheries | | 17,915 | - |
| 3.7/24/01/SWE Environment Programme General 2001-2003 | | 141,638 | 288,185 |
| 3.7/24/04/SWE Environment Programme General 2004-2006 | | 334,695 | - |
| 3.7/29/01/SWE Junior Riparian Professional Programme 2004-2006 | | 49,037 | 82,109 |
| 3.7/29/04/SWE Junior Riparian Professional Programme 2004-2006 | | 67,559 | - |
| 4.2/04/01/BDP Basin Development Plan | 4 | 209,654 | 183,858 |
| 6.1/00/03/SWE Performance Evaluation of CEO's achievements | | - | 7,567 |
| 8.1/15/01/SWE Institutional Support Programme 2004-2006 | | 45,394 | 429,106 |
| 8.1/15/04/SWE Institutional Support Programme 2004-2006 | | 297,884 | - |
| | | <u>1,163,776</u> | <u>990,825</u> |
| Movement for the year | | <u>100,355</u> | <u>277,274</u> |
| Fund balance at 31 December | | <u>1,017,907</u> | <u>917,552</u> |

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Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

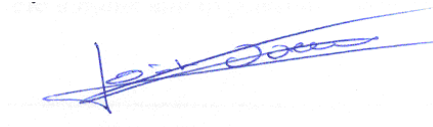
GOVERNMENT OF SWITZERLAND

| | Note | 2004 USD | 2003 USD |
|--|------|-----------------|-----------------|
| Fund balance at 1 January | | 555,690 | 866,444 |
| Contributions received from the Government of Switzerland for: | | | |
| 2.4/01/03/SWI Environment Programme 2003-2004 (Prog. Phase 5) | | 400,000 | 300,000 |
| 3.6/01/03/SWI Human Resources Development Programme for the Mekong River Commission Basinwide (Prog. Phase 5) | | (48,143) - | - 48,143 |
| 3.6/01/99/SWI Human Resources Development Programme for the Mekong River Commission Basinwide (Prog. Phase 4) | | - | (48,143) |
| 4.2/04/01/BDP Basin Development Plan | | 470,000 | 300,000 |
| 8.1/22/03/SWI MRC Core Contribution 2003-2005 | | 380,000 | 350,000 |
| 8.1/22/99/SWI MRC Riparian Professional and International Expert/Mekong (Core Phase 2) | | - | (18,767) |
| 9.1/15/03/SWI Interest earned from project funds | | 1,788 | 2,930 |
| | | <hr/> 1,203,645 | <hr/> 934,163 |
| Expenditure incurred for: | | | |
| 2.4/01/03/SWI Environment Programme 2003-2004 (Prog. Phase 5) | | 403,786 | 517,338 |
| 3.6/01/03/SWI Human Resources Development Programme for the Mekong River Commission Basinwide (Prog. Phase 5) | | (16,087) | 16,086 |
| 4.2/04/01/BDP Basin Development Plan | 4 | 419,307 | 367,715 |
| 8.1/22/03/SWI MRC Core Contribution 2003-2005 | | 378,603 | 343,778 |
| | | <hr/> 1,185,609 | <hr/> 1,244,917 |
| Movement for the year | | <hr/> 18,036 | <hr/> (310,754) |
| Fund balance at 31 December | | <hr/> 573,726 | <hr/> 555,690 |

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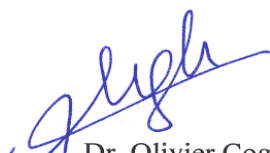
Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

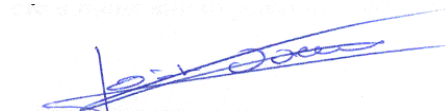
UNITED NATIONS DEVELOPMENT PROGRAMME (CAMBODIA)

| | 2004 | 2003 |
|--|-------------|-------------|
| | USD | USD |
| Fund balance at 1 January | 48,061 | (12,016) |
| Contributions received from the United Nations Development Programme (Cambodia) for: | | |
| 6.1/03/04/UNP UNDP Relocation support | 16,900 | - |
| 7.1/20/97/UNP MRC Capacity Building on Water Utilization Programme | 320 | - |
| 7.1/20/99/UNP Capacity Building for Implementation of the Strategic Plan, 2000-2002 (RAS/99/160/01/99) | - | 89,885 |
| 7.1/21/99/UNP Capacity Building for Implementation of the Strategic Plan, 2000-2002 (RAS/99/G81/5G/99) | - | 78,945 |
| 7.1/22/01/UNP Transboundary River Basin Initiative | - | 9,970 |
| | <hr/> | <hr/> |
| | 17,220 | 178,800 |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 6.1/03/04/UNP UNDP Relocation support | 16,900 | - |
| 7.1/20/97/UNP MRC Capacity Building on Water Utilization Programme | 37,073 | 1,849 |
| 7.1/20/99/UNP Capacity Building for Implementation of the Strategic Plan, 2000-2002 (RAS/99/160/01/99) | - | 57,763 |
| 7.1/21/99/UNP Capacity Building for Implementation of the Strategic Plan, 2000-2002 (RAS/99/G81/5G/99) | - | 55,445 |
| 7.1/22/01/UNP Transboundary River Basin Initiative | - | 3,666 |
| | <hr/> | <hr/> |
| | 53,973 | 118,723 |
| | <hr/> | <hr/> |
| Movement for the year | (36,753) | 60,077 |
| | <hr/> | <hr/> |
| Fund balance at 31 December | 11,308 | 48,061 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

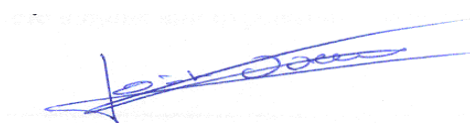
GOVERNMENT OF THE UNITED STATES

| | 2004 | 2003 |
|---|-------------|-------------|
| | USD | USD |
| Fund balance at 1 January | 24,628 | - |
| Contributions received from the Government of the United States for: | | |
| 3.1/53/03/USA Provision of Flood Early Warning to Flood-vulnerable Communities in the Lower Mekong River Basin, Phase I: Cambodia and Lao PDR | (46,146) | 113,526 |
| 3.1/53/04/USA Provision of Flood Early Warning to Flood-vulnerable Communities, Cambodia & Lao PDR, Phase I - 2004 | 265,258 | - |
| | <hr/> | <hr/> |
| | 219,112 | 113,526 |
| | <hr/> | <hr/> |
| Expenditure incurred for: | | |
| 3.1/53/03/USA Provision of Flood Early Warning to Flood-vulnerable Communities in the Lower Mekong River Basin, Phase I: Cambodia and Lao PDR | (21,518) | 88,898 |
| 3.1/53/04/USA Provision of Flood Early Warning to Flood-vulnerable Communities, Cambodia & Lao PDR, Phase I - 2004 | 203,849 | - |
| | <hr/> | <hr/> |
| | 182,331 | 88,898 |
| | <hr/> | <hr/> |
| Movement for the year | 36,781 | 24,628 |
| | <hr/> | <hr/> |
| Fund balance at 31 December | 61,409 | 24,628 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

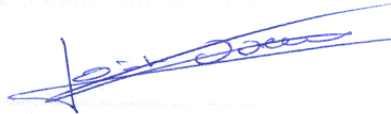
AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH
(“ACIAR”)

| | 2004 | 2003 |
|---|----------------------|-----------------|
| | USD | USD |
| Fund balance at 1 January | - | - |
| Contribution received from the ACIAR for: | | |
| 6.1/04/04/OTH Stock Structure of Two Important Mekong River Carp Species | 27,220 | - |
| Expenditure incurred for: | | |
| 6.1/04/04/OTH Stock Structure of Two Important Mekong River Carp Species | 1,632 | - |
| Movement for the year | <u>25,588</u> | - |
| Fund balance at 31 December | <u><u>25,588</u></u> | <u><u>-</u></u> |

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Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)

MISCELLANEOUS

| | 2004 | 2003 |
|--|-------------|-------------|
| | USD | USD |
| Fund balance at 1 January | 32,660 | 75,094 |
| Contributions received for: | | |
| 1.1/00/04/OTHT International Conference, Vientiane, 25-27 Oct 2004 | 21,273 | - |
| 3.1/53/03/OTH Data Setting for Flood Analysis in the Mekong River Basin | - | 9,700 |
| 3.2/22/03/OTH Challenge Program on Water and Food | 49,867 | 100,000 |
| 3.2/22/04/OTH Challenge Program on Water and Food 2004 | 75,484 | - |
| 6.1/00/02/OTH Miscellaneous Components | - | 18,882 |
| 6.1/00/03/OTH Miscellaneous Components 2003 | - | 60,123 |
| 6.1/01/02/OTH LARS 2 | - | 57,996 |
| 6.1/01/04/OTH LARS 2 - FAO | 5,000 | - |
| 6.1/02/04/OTH Uptake of Adaptive Learning Approaches for Enhancement Fisheries | 17,760 | - |
| 6.1/05/04/OTH Mississippi River Basin Alliance Observation Tour to LMB, 4-20 March 2004 | 12,770 | - |
| 6.1/00/04/OTH Miscellaneous Components 2004 | 8,212 | - |
| | <hr/> | <hr/> |
| | 190,366 | 246,701 |
| Expenditure incurred for: | | |
| 1.1/00/04/OTHT International Conference, Vientiane, 25-27 Oct 2004 | 20,719 | - |
| 3.1/53/03/OTH Data Setting for Flood Analysis in the Mekong River Basin | 4,689 | 2,855 |
| 3.2/22/03/OTH Challenge Program on Water and Food | - | 149,867 |
| 3.2/22/04/OTH Challenge Program on Water and Food 2004 | 113,176 | - |
| 6.1/00/02/OTH Miscellaneous Components | 1,557 | 22,775 |
| 6.1/00/03/OTH Miscellaneous Components 2003 | 952 | 27,217 |
| 6.1/01/02/OTH LARS 2 | - | 69,551 |
| 6.1/01/04/OTH LARS 2 - FAO | 5,000 | - |
| 6.1/01/96/ETC Mekong Fisheries Network Newsletter | 1,311 | 3,345 |
| 6.1/02/02/OTH Mekong International River Prize 2002 | 39,908 | 13,525 |
| | <hr/> | <hr/> |
| <i>Balance carried forward</i> | 187,312 | 289,135 |
| | <hr/> | <hr/> |

Mekong River Commission
Statements of Contributions Received, Expenditure Incurred and Fund Balances by Donor
for the year ended 31 December 2004 (continued)


MISCELLANEOUS (CONTINUED)

| | 2004 USD | 2003 USD |
|--|---------------------|---------------------|
| <i>Balance brought forward</i> | 187,312 | 289,135 |
| 6.1/02/04/OTH Uptake Adaptive Learning Approaches for Enhancement Fisheries | 59 | - |
| 6.1/05/04/OTH Mississippi River Basin Alliance Observation Tour to LMB, 4-20 March 2004 | 12,446 | - |
| 6.1/00/04/OTH Miscellaneous Components 2004 | 8,212 | - |
| | <hr/> | <hr/> |
| | 208,029 | 289,135 |
| | <hr/> | <hr/> |
| Movement for the year | (17,663) | (42,434) |
| Fund balance at 31 December | 14,997 | 32,660 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Mekong River Commission
Notes to the Statement of Contributions Received, Expenditure Incurred and Fund Balances
by Donor for the year ended 31 December 2004 (continued)

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 and personal telephone costs charged to staff, 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 ruling on the date of transaction. All exchange differences are recorded in the income and expenditure statement.

Mekong River Commission
Notes to the Statement of Contributions Received, Expenditure Incurred and Fund Balances
by Donor for the year ended 31 December 2004 (continued)

4. Basin Development Plan Expenditure - 4.2/04/01/BDP

The Basin Development Plan project expenditure is funded by the Governments of Sweden, Denmark, Australia and Switzerland. The Government of Australia provides funding for the consultancy fees of specified international experts and is separately identified in the project accounting records. The remaining expenditure, funded by the Governments of Sweden, Denmark and Switzerland, is allocated to each donor based on the relative proportions of their budgeted contributions for the project. This allocation provides indicative information only about the project expenditure funded by the three donors. The allocation basis is subject to change in future years when new donors participate in the project.