

Audited Project Financial Statements

Project Number: 42414-033
Loan Number: 2879/2880
Period covered: 1 January 2020 to 25 December 2020

Georgia: Sustainable Urban Transport Investment Program – Tranche 2

Prepared by Grant Thornton for the Municipal Development Fund of Georgia

For the Asian Development Bank
Date received by ADB: 12 February 2021

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and the Municipal Development Fund of Georgia.

Project Financial Statements and Independent Auditor's Report

Municipal Development Fund of Georgia

Sustainable Urban Transport Investment Program,
Project 2

Loan No. 2879-GEO

Loan No. 2880-GEO (SF)

As of 25 December 2020 and for the period from 1 January
2020 to 25 December 2020



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Independent auditor's report

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To the management of the Municipal Development Fund of Georgia

Opinion

We have audited the accompanying project financial statements of the Sustainable Urban Transport Investment Program, Project 2 (the “Project”), financed by the Asian Development Bank (the “ADB”) Loan Agreement No. 2879-GEO and Loan Agreement No. 2880-GEO(SF), and implemented by the Municipal Development Fund of Georgia (the “MDF”), which comprise the statement of financial position as of 25 December 2020, the statement of Project sources and uses of funds, the imprest account statements in US dollars, the imprest account statements in GEL and government co-financing account statement as of 25 December 2020 and for the period from 1 January 2020 to 25 December 2020, statement of expenditures (“SOEs”) submitted to the ADB for the period from 1 January 2020 to 25 December 2020 in support of the Loan Agreement No. 2879-GEO and the Loan Agreement No. 2880-GEO(SF) withdrawals, and a summary of significant accounting policies and other explanatory information.

In our opinion,

- the aforementioned project financial statements and appended notes that were also the subject of the audit, fairly present in all material respects, the financial position of the Sustainable Urban Transport Investment Program, Project 2 as of 25 December 2020 and the funds received and expenses incurred for the period from 1 January 2020 to 25 December 2020, in conformity with the accrual basis of accounting, applied on a basis consistent in all material respects with that of the previous year, as explained in the note 2, the ADB guidelines and the relevant points of the Loan Agreement No. 2879-GEO and Loan Agreement No. 2880-GEO(SF)
- the MDF has utilized all proceeds of the loan withdrawn from the ADB only for purposes of the Project as agreed between the ADB and Georgia, in accordance with the loan agreement; and no proceeds of the loan have been utilized for other purposes;
- As of the reporting date the MDF was in compliance with all financial covenants of the Loan Agreement No. 2879-GEO and Loan Agreement No. 2880-GEO(SF).

In addition

- (i) (a) with respect to the statements of expenditures, adequate supporting documentation has been maintained to support claims to the ADB for reimbursements of expenditures incurred; and (b) expenditures are eligible for financing under Loan Agreement No. 2879-GEO and Loan Agreement No. 2880-GEO(SF).
- (ii) (a) the imprest accounts and the government co-financing account give a true and fair view of the receipts collected and payments made during period from 1 January 2020 to 25 December 2020; and (b) these receipts and payments support the imprest accounts liquidations/replenishments during the period from 1 January 2020 to 25 December 2020.

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 for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in the Georgia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a Matter

- We draw attention to note 2 to the project financial statements, which describes the basis of accounting. The project financial statements are prepared to assist the management of the MDF to meet the requirements of the financial reporting of the ADB. As a result, the project financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.
- We draw attention to note 3 to the project financial statements, which states the closing date of the Project. Our opinion is not modified in respect of this matter.
- We draw attention to note 12 to project the financial statements, which describes the effect of a new disease COVID-19. The financial statements do not reflect the possible effects of the above. Our opinion is not modified in respect of this matter.

Management’s Responsibility for the Project Financial Statements

Management of the MDF is responsible for the preparation and fair presentation of these project financial statements in accordance with the accounting policies described in the note 2 to the project financial statements, the ADB guidelines and the financial covenants of Loan Agreement No. 2879-GEO and Loan Agreement No. 2880-GEO (SF), and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Project Financial Statements

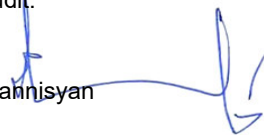
Our objectives are to obtain reasonable assurance about whether the project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 project 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 project 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.


Armen Hovhannisyan

Chief Executive Officer


Emil Vassilyan, FCCA

Engagement Partner

30 December 2020



Statement of financial position

In US dollars	Note	As of 25 December 2020	As of 31 December 2019
Assets			
<i>Non-current assets</i>			
Accumulated Project expenses		59,435,889	57,871,401
		<u>59,435,889</u>	<u>57,871,401</u>
<i>Current assets</i>			
Advances	4	15,248	420,058
Bank balances	5	697,043	3,210,602
		<u>712,291</u>	<u>3,630,660</u>
Total assets		<u><u>60,148,180</u></u>	<u><u>61,502,061</u></u>
Funds and liabilities			
<i>Funds</i>			
Accumulated Project financing		65,697,099	66,735,290
Foreign exchange rate differences		(5,551,916)	(5,537,615)
		<u>60,145,183</u>	<u>61,197,675</u>
<i>Liabilities</i>			
Accounts payable	6	2,997	304,386
		<u>2,997</u>	<u>304,386</u>
Total funds and liabilities		<u><u>60,148,180</u></u>	<u><u>61,502,061</u></u>

The project financial statements were approved on 30 December 2020 by:

George Shengelia
Executive Director

Levan Sharvadze
Deputy Director, CFO



This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

Statement of Project sources and uses of funds

As of 25 December 2020 and for the period from 1 January 2020 to 25 December 2020
In US dollars

	Actual		Planned		Variance	
	For the period	As of 25 December 2020	For the period	As of 25 December 2020	For the period	As of 25 December 2020
<i>Sources of funds</i>						
ADB funds/(redemptions) (note 7)	(1,318,842)	50,076,389				
Government co-financing	247,322	15,587,381				
Other	33,329	33,329				
	(1,038,191)	65,697,099				
Foreign exchange rate differences	(14,301)	(5,551,916)				
<i>Less: Project expenses</i>						
ADB loan No 2879-GEO (SF) and loan No 2880-GEO (SF) (note 8.1)	1,314,306	43,852,409	1,430,000	43,968,103	(115,694)	(115,694)
Government co-financing (note 8.2)	250,182	15,583,480	257,400	15,590,698	(7,218)	(7,218)
Total	1,564,488	59,435,889	1,687,400	59,558,801	(122,912)	(122,912)
Net increase/(decrease) in working capital (note 9)	(2,616,980)	709,294				

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

SOE withdrawal schedule

From 1 January 2020 to 25 December 2020

Loan Agreement No. 2879-GEO

In US dollars

Application No.	Category	Total	ADB percentage of financing	Eligible expense
ADB 48	Works and Goods	425,652	74.58%	317,451
	Consulting services	249,062	70.82%	<u>176,386</u>
				<u>493,837</u>
ADB 54	Works and Goods	108,927	74.58%	81,238
	Consulting services	143,822	70.82%	<u>101,855</u>
				<u>183,093</u>
Total				<u>676,930</u>

From 1 January 2020 to 25 December 2020

Loan Agreement No. 2880-GEO (SF)

In US dollars

Application No.	Category	Total	ADB percentage of financing	Eligible expense
ADB48	Works and Goods	425,653	25.42%	108,201
	Consulting Services	249,061	29.18%	<u>72,676</u>
				<u>180,877</u>
ADB 53	Works and Goods	108,930	25.42%	27,690
	Consulting services	143,821	29.18%	<u>41,967</u>
				<u>69,657</u>
Total				<u>250,534</u>

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

Imprest account statement (USD)

As of 25 December 2020 and for the period from 1 January 2020 to 25 December 2020

Loan Agreement No. 2879-GEO

In US dollars

Opening balance as of 1 January 2020	2,277,750
<i>Less:</i>	
Refund to ADB	(1,558,182)
Total outflow	<u>(1,558,182)</u>
<i>Less:</i>	
Transfer to GEL imprest account	(221,662)
Total outflow	<u>(221,662)</u>
Closing balance as of 25 December 2020*	<u>497,906</u>

**The imprest account balance (US dollars 497,906) has been refunded to the ADB on 30 December 2020.*

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

Imprest account statement (GEL)

As of 25 December 2020 and for the period from 1 January 2020 to 25 December 2020

Loan Agreement No. 2879-GEO

In US dollars

Opening balance as of 1 January 2020	-
<i>Add:</i>	
Transfer from the USD imprest account	221,662
Total inflow	<u>221,662</u>
Foreign exchange rate difference	3
<i>Less:</i>	
Works and Goods	(81,245)
Consulting Services	(140,420)
Total outflow	<u>(221,665)</u>
Closing balance as of 25 December 2020	<u>-</u>

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

Imprest account statement (USD)

As of 25 December 2020 and for the period from 1 January 2020 to 25 December 2020

Loan Agreement No. 2880-GEO (SF)

In US dollars

Opening balance as of 1 January 2020	932,852
<i>Add:</i>	
Refund to ADB	(648,166)
Total outflow	<u>(648,166)</u>
<i>Less:</i>	
Transfer to GEL imprest account	(85,549)
Total outflow	<u>(85,549)</u>
Closing balance as of 25 December 2020*	<u>199,137</u>

*The imprest account balance (US dollars 199,137) has been refunded to the ADB on 30 December 2020.

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

Imprest account statement (GEL)

As of 25 December 2020 and for the period from 1 January 2020 to 25 December 2020

Loan Agreement No. 2880-GEO (SF)

In US dollars

Opening balance as of 1 January 2020	-
<i>Add:</i>	
Transfer from the USD imprest account	85,549
Total inflow	<u>85,549</u>
<i>Less:</i>	
Works and Goods	(27,692)
Consulting Services	(57,857)
Total outflow	<u>(85,549)</u>
Closing balance as of 25 December 2020	<u>-</u>

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

Government co-financing account (GEL) statement

As of 25 December 2020 and for the period from 1 January 2020 to 25 December 2020
In US dollars

Opening balance as of 1 January 2020	-
<i>Add:</i>	
Government co-financing	249,890
Total inflow	<u>249,890</u>
<i>Less:</i>	
Works and Goods	(120,762)
Consulting Services	<u>(129,128)</u>
Total outflow	<u>(249,890)</u>
Closing balance as of 25 December 2020	<u>-</u>

This statement is to be read in conjunction with the notes to and forming part of the project financial statements set out on pages 14 to 21.

Notes to the Project financial statements

1 Nature of operations and general information

In accordance with the Loan Agreement No. 2879-GEO signed between Georgia and the Asian Development Bank (the “ADB”) on 24 July 2012, Georgia has received a loan in a total amount of USD 48,886,000 for the Sustainable Urban Transport Investment Program, Project 2 (the “Project”).

In accordance with the Loan Agreement No. 2880-GEO (SF) signed between Georgia and the ADB on 24 July 2012, Georgia has received a loan in a total amount of SDR 10,639,000 for the Project.

The Project is implemented by the Municipal Development Fund of Georgia (the “MDF”). The MDF has been established by the Presidential Decree # 294 dated 7 June 1997.

The legal address of MDF is 150, Aghmashenebeli Avenue, 0112, Tbilisi, Georgia.

During the reporting period the average number of the MDF staff was 170 (2019: 162).

The objective of the Investment Program is to improve efficiency, reliability and affordability of urban transport and services. As part of the Investment Program, the Project aims to improve urban transport infrastructure and services in selected municipalities.

The Project includes the following main components:

- a. construction of two section of a four-lane road (of an approximate aggregate length of 10.6 kilometers) between the city of Tbilisi and the city of Rustavi;
- b. construction of 151 meters two-lane bridge over the Aragvi River between the city of Mtskheta and the national east-west highway;
- c. provision of project implantation support (this includes assistance in construction supervision, procurement, financial management and environmental and social safeguards, and provision of financial audits) and capacity development on the bridge construction and maintenance.

The financing of Loan Agreement No. 2879-GEO is implemented through the following categories:

Category	Total Amount Allocated for ADB Financing (in USD)	ADB Financing Basis
1 Works and Goods	34,571,291	74.58% of total expenditure claimed (*)
2 Consulting services	2,761,000	70.82% of total expenditure claimed (*)
3 Interest charge	1,616,400	100% of amounts due
TOTAL	38,948,691	

The financing of Loan Agreement No. 2880-GEO (SF) is implemented through the following categories:

Category	Total Amount Allocated for ADB Financing (in SDR)	ADB Financing Basis
1 Works and Goods	8,223,270	25.42% of total expenditure claimed (*)
2 Consulting services	758,000	29.18% of total expenditure claimed (*)
3 Interest charge	223,000	100% of amounts due
TOTAL	9,204,270	

(*) Exclusive of taxes and duties imposed within the territory of Georgia.

2 Significant accounting policies

2.1 Statement of compliance

The MDF's policy is to prepare the accompanying project financial statements on the accrual basis of accounting and the Asian Development Bank guidelines, as well as the relevant points of the Loan Agreement No. 2879-GEO and Loan Agreement No. 2880-GEO(SF).

2.2 Functional and presentation currency

The national currency of Georgia is Georgian lari (GEL). The project financial statements are presented in US dollar (presentation currency).

In preparing the project financial statements, transactions in currencies other than the presentation currency are recorded at the rates of exchange defined by the National Bank of Georgia (the "NBG") prevailing on the dates of transactions.

For direct payments denominated in the currencies other than the USD to the contractor/consultant from the ADB share, the exchange rate set out for the presentation of the operation in the system LFIS (lfis.adb.org) is used.

At each reporting date monetary items denominated in currencies other than the presentation currency are retranslated into US dollar at the rate defined by the NBG prevailing as at the reporting date, which is 3.2703 lari for 1 US dollar as of 25 December 2020 (2.8677 lari for 1 US dollar as of 31 December 2019). Any exchange rate differences are recognized in the statement of Project sources and uses of funds and the accumulated figure of exchange rate difference is disclosed in the statement of financial position under "Funds".

2.3 Bank balances

Bank balances consist of cash amounts in the treasury accounts.

2.4 Advances

Advances are stated at nominal value. Advances include amounts paid to civil work and consulting service contractors.

2.5 Sources of funds

The ADB Loan and Government co-financing are recognized when earned, which is the date when the funds are received by the MDF or directly paid out by the ADB to contractors. The accumulated Project financing is disclosed under "Funds" in the statement of financial position. In addition, the current period funds received are disclosed in the statement of Project sources and uses of funds, showing the sources of funds.

2.6 Project expenses

Project expenses are recognized on the accrual basis of accounting. The accumulated Project expenses are disclosed in the Statement of financial position under non-current assets. In addition, current period expenses are disclosed in the Statement of Project sources and uses of funds.

2.7 The ADB financing

To finance eligible expenses for the Loan Agreement, the ADB disburses proceeds from the Loan accounts using one or more of the disbursement methods described below:

- a Direct payment procedure, where ADB, at the borrower's request, pays a designated beneficiary directly;
- b Commitment procedure, where ADB, at the borrower's request, provides an irrevocable undertaking to reimburse a commercial bank for payments made or to be made to a supplier against a Letter of Credit financed from the loan account;
- c Reimbursement procedure, where ADB pays from the loan account to the borrower's account or to the project account for eligible expenditures, which have been incurred and paid for by the project out of its budget allocation or its own resources; and
- d Imprest fund procedure, where ADB makes an advance disbursement from the loan account for deposit to an imprest account to be used exclusively for ADB's share of eligible expenditures.

3 Closing date of the Project

In accordance with the Schedule 1 of the Loan Agreement 2879-GEO and the Loan Agreement 2880-GEO (SF), the Project closing date is 18 July 2020. The Project is expected to be physically completed by the completion date. Any unutilized advance should be refunded to ADB by the financial closing date, no withdrawal of proceeds should be made from the loan account after the financial closing date, and no further financial transactions may be charged to the loan account. Project financial closing date is 31 December 2020.

4 Advances

In US dollars	As of 25 December 2020	As of 31 December 2019
Advances to contractors	-	419,606
Other	15,248	452
	<u>15,248</u>	<u>420,058</u>

Advance was deducted from the invoice submitted by a contractor in November 2020 within the retroactive financing under the Livable Cities Investment Program. Refer to note 8.

5 Bank balances

In US dollars	As of 25 December 2020	As of 31 December 2019
Imprest account (USD) of Loan Agreement No. 2879-GEO*	497,906	2,277,750
Imprest account (USD) of Loan Agreement No. 2880-GEO (SF)*	199,137	932,852
	<u>697,043</u>	<u>3,210,602</u>

*The imprest account balances have been refunded to the ADB on 30 December 2020.

6 Accounts payable

In US dollars	As of 25 December 2020	As of 31 December 2019
Payables to contractors	-	300,962
Retentions	2,997	3,424
	<u>2,997</u>	<u>304,386</u>

7 ADB funds

In US dollars	For the period from 1 January 2020 to 25 December 2020	As of 25 December 2020
<i>Loan No. 2879-GEO*</i>		
SOE procedures	676,930	20,150,175
Direct payments	655,796	15,112,133
Imprest account advance/(redemption, refund), net	(2,235,112)	541,430
Interest charge	-	1,616,401
	<u>(902,386)</u>	<u>37,420,139</u>
<i>Loan No. 2880-GEO (SF)**</i>		
SOE procedures	250,534	6,968,467
Direct payments	231,710	5,159,131
Imprest account advance (redemption, refund), net	(898,700)	217,069
Interest charge	-	311,583
	<u>(416,456)</u>	<u>12,656,250</u>
Total	<u>(1,318,842)</u>	<u>50,076,389</u>

**On 30 December 2020 US dollars 497,906 has been refunded to the ADB, as well as Withdrawal Application for liquidation of US dollars 43,524 has been prepared and based on the CPD submitted to the ADB.*

*** On 30 December 2020 US dollars 199,137 has been refunded to the ADB, as well as Withdrawal Application for liquidation of US dollars 17,932 has been prepared and based on the CPD submitted to the ADB.*

8 Project expenses

Taking into consideration the closing date of the Project, the ADB and the Government of Georgia agreed to finance the remaining works under Supply Contracts for Georgian Technical University (GTU) Bridges and Tunnels Laboratory (Bridge Lab) from the upcoming Livable Cities Investment Program on a retroactive basis. The said agreement was fixed in Aide _memoire of Loan Closing Review mission signed on 23 September 2020.

8.1 From ADB funds

In US dollars	Actual		Planned		Variance	
	For the period	As of 25 December 2020	For the period	As of 25 December 2020	For the period	As of 25 December 2020
<i>Loan No. 2879-GEO and Loan No. 2880-GEO (SF)</i>						
Works and Goods	1,013,848	39,690,901	1,300,000	39,977,053	(286,152)	(286,152)
Consulting services	300,458	2,233,524	130,000	2,063,066	170,458	170,458
Interest charge	-	1,927,984		1,927,984	-	-
Total	1,314,306	43,852,409	1,430,000	43,968,103	(115,694)	(115,694)

8.2 From government co-financing funds

In US dollars	Actual		Planned		Variance	
	For the period	As of 25 December 2020	For the period	As of 25 December 2020	For the period	As of 25 December 2020
Works and Goods	183,134	7,146,312	234,000	7,197,178	(50,866)	(50,866)
Consulting services	67,048	518,879	23,400	475,231	43,648	43,648
Resettlement expenses		7,918,289		7,918,289	-	-
Total	250,182	15,583,480	257,400	15,590,698	(7,218)	(7,218)

9 Net increase/(decrease) in working capital

In US dollars	For the period	As of 25 December 2020
Increase/(decrease) in bank balances	(2,513,559)	697,043
Increase/(decrease) in advances	(404,810)	15,248
Decrease/(increase) in accounts payable	301,389	(2,997)
	<u>(2,616,980)</u>	<u>709,294</u>

10 Reconciliation between the amounts received by the MDF and disbursed by the Asian Development Bank

For the period from 1 January 2020 to 25 December 2020

Loan Agreement No. 2879-GEO

In US dollars

Category	Appl.	ADB	MDF	Difference
Works and Goods				
	ADB 48	317,451	317,451	-
	ADB 49	95,269	95,269	-
	ADB 50	46,189	46,189	-
	ADB 51	153,905	153,905	-
	ADB 52	87,987	87,987	-
	ADB 53	133,217	133,217	-
	ADB 54*	-	81,239	(81,239)
	ADB 56	27,651	27,651	-
		861,669	942,908	(81,239)
Consulting Services				
	ADB 48	176,386	176,386	-
	ADB 54*	-	101,855	(101,855)
	ADB 55	95,423	95,423	-
	ADB 57	16,155	16,155	-
		287,964	389,819	(101,855)
Imprest account advance redemption				
	ADB 48	(493,837)	(493,837)	-
	ADB 54*	-	(183,094)	183,094
	ADB 48	(493,837)	(676,931)	183,094
Refund				
		(1,558,182)	(1,558,182)	-
Total				
		(902,386)	(902,386)	-

For the period from 1 January 2020 to 25 December 2020
 Loan Agreement No. 2880-GEO (SF)
 In US dollars

Category	Appl.	ADB	MDF	Difference
Works and Goods				
	ADB 48	108,201	108,201	-
	ADB 49	32,472	32,472	-
	ADB 50	15,743	15,743	-
	ADB 51	52,457	52,457	-
	ADB 52	29,990	29,990	-
	ADB 53	-	27,690	(27,690)
	ADB 54	45,650	45,650	-
	ADB 56	9,425	9,425	-
		<u>293,938</u>	<u>321,628</u>	<u>(27,690)</u>
Consulting Services				
	ADB 48	72,676	72,676	-
	ADB 53	-	41,967	(41,967)
	ADB 55	39,317	39,317	-
	ADB 57	6,656	6,656	-
		<u>118,649</u>	<u>160,616</u>	<u>(41,967)</u>
Imprest account advance redemption				
	ADB 48	(180,877)	(180,877)	-
	ADB 53	-	(69,657)	69,657
		<u>(180,877)</u>	<u>(250,534)</u>	<u>69,657</u>
Refund				
		(648,166)	(648,166)	-
		<u>(416,456)</u>	<u>(416,456)</u>	<u>-</u>

* Withdrawal applications 53 and 54 has been submitted by the MDF to the ADB and has been registered in the CPD (Client Portal for Disbursement) system, but as of the date of the approval of the project financial statements, it has not yet been reflected in the LFIS. Thus, the data of the mentioned Withdrawal applications could not be reconciled with the ones of the ADB.

11 Project implementation

As of 31 December 2020 only 84% of the Project has been implemented in the framework of the Loan Agreement 2879-GEO and the Loan Agreement 2880-GEO (SF). The Project expenses by categories (in percentages) are presented in the table below:

Category	Amounts disbursed in %
Works and Goods	85%
Consulting Services	58%
Interest charge	100%
Total	84%

12 Subsequent events

In March 2020 the World Health Organization has classified the coronavirus (COVID-19), which has exploded in China in December 2019, as pandemic. The impact of the coronavirus outbreak is unknown at this time. The developing situation with COVID-19 may have some impact on the continuity or the volume of the operations of the MDF. The Government of Georgia announced a state of emergency in the country. These project financial statements do not reflect the potential effect of the above.