

**EURASIAN TRANSPORT
CORRIDOR
INVESTMENT CENTER**

LOAN NO.2843-GEO
ADDITIONAL TO LOAN NO.2560-GEO
(ROAD CORRIDOR INVESTMENT PROGRAM –
PROJECT 1)

Special Purpose Project Financial Statements
For the Year Ended 31 December 2016

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM - PROJECT 1
LOAN NO.2843-GEO**

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**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM - PROJECT 1**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION
AND APPROVAL OF THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Management of the Road Corridor Investment Program – Project 1 (the “Project”) implemented by the Eurasian Transport Corridor Investment Center (“ETCIC” or Transport Reform and Rehabilitation Center – “TRRC”) is responsible for the preparation of the special purpose project financial statements that present fairly the financial position of the Project as at 31 December 2016, and its sources and uses of funds and movement in impressed account for the year ended 31 December 2016, in compliance with the Cash Basis International Public Sector Accounting Standard, *Financial Reporting under the Cash Basis of Accounting* (“IPSAS – Cash Basis”), and in conformity with the Guidelines for the Financial Governance and Management of Investment Projects Financed by Asian Development Bank.

In preparing the financial statements, management is responsible for:

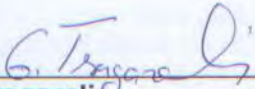
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Providing additional disclosures when compliance with the specific requirements in IPSAS – Cash Basis are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Project, financial position and its sources and uses of funds and movements in designated accounts;
- Making an assessment of the Projects ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Project;
- Maintaining adequate accounting records that are sufficient to show and explain the Project’s transactions and disclose with reasonable accuracy at any time the financial position of the Project, and which enable them to ensure that the special purpose project financial statements of the Project comply with the Guidelines for the Financial Governance and Management of Investment Projects Financed by Asian Development Bank;
- Maintaining statutory accounting records in compliance with Georgian legislation;
- Taking such steps that are reasonably available to them to safeguard the assets of the Project; and
- Preventing detecting and fraud and other irregularities.

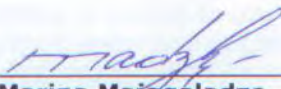
The special purpose project financial statements for the year ended 31 December 2015 were authorised for issue on 29 June 2017 by the Management.

On behalf of the Management:



Giorgi Tsagareli
Director

29 June 2017



Marina Majagaladze
Financial Manager

29 June 2017

INDEPENDENT AUDITOR'S REPORT

To the management of Eurasia Transport Corridor Investment Center:

Opinion

We have audited the accompanying special purpose project financial statements of the Road Corridor Investment Program – Project 1 (the "Project") financed under the Loan Agreement No. 2843-GEO dated 18 April 2012, implemented by the Eurasian Transport Corridor Investment Center, which comprise the Balance Sheet as at 31 December 2016 and the related Statement of Sources and Uses of Funds, Statement of Expenditures Withdrawal Schedule ("SOEs") and Statement of Imprest Account for the year ended 31 December 2016 and a summary of significant accounting policies and other explanatory notes (collectively referred to as the "special purpose project financial statements").

In our opinion, the special purpose project financial statements present fairly, in all material respects, the financial position of the Project as at 31 December 2016, and its sources and uses of funds, SOEs and movement in imprest account for the year ended 31 December 2016 in accordance with the IPSAS – Cash Basis and Asian Development Bank Guidelines, as further detailed in Note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards of 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 Organisation 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 Georgia, 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 2 to the special purpose project financial statements, which describes the basis of accounting. The special purpose project financial statements are prepared to assist the Project to comply with the requirements of Asian Development Bank. As a result, the special purpose project financial statements may not be suitable for another purpose.

This report is intended solely for use by the management of the Project, the Government of Georgia, and in communicating to the Asian Development Bank. This report is not intended for the benefit of any other third parties and we accept no responsibility or liability to any party other than those mentioned above in respect of the report. Should any third party take decisions based on the contents of the report, the responsibility for such decisions shall remain with those third parties. Our opinion is not modified in-respect of this matter.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these special purpose project financial statements in accordance with the basis of accounting described in Note 2.

This includes determining that the International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" ("IPSAS – Cash Basis") is an acceptable basis for the preparation of the special purpose project financial statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of special purpose project financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and access 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

We communicate with those charged with governance 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.

Deloitte & Touche

29 June 2017
Tbilisi, Georgia

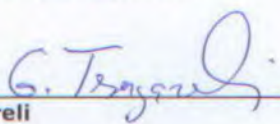
**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO 2843-GEO**

**STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016
(in US Dollars)**


	Actual		Planned*		Variance	
	Year to date	Cumulative to date	Year to date	Cumulative to date	Year to date	Cumulative to date
			Unaudited	Unaudited	Unaudited	Unaudited
FUNDS RECEIVED BY SOURCES						
Asian Development Bank (ADB) Funds	13,414,121	40,182,752				
Direct payments	13,314,121	40,082,752				
Additional advance	100,000	100,000				
Government of Georgia (GoG) co-financing	2,532,695	7,090,927				
TOTAL FUNDS RECEIVED	15,946,816	42,273,679				
LESS: EXPENDITURES						
Category 1 - Civil works and land acquisitions	11,251,750	36,593,765	11,251,750	36,593,765	-	-
Category 2 - Consultant's services for works supervision and design	2,051,911	3,478,527	2,051,911	3,478,527	-	-
Category 3 - Project management support	-	-	-	-	-	-
Category 4 - Consultancy for capacity development of RDMRDI	10,460	10,460	10,460	10,460	-	-
ADB TOTAL	13,314,121	40,082,752	13,314,121	40,082,752	-	-
Category 1 - Civil works and land acquisitions	1,969,518	6,155,693	1,969,518	6,155,693	-	-
Category 2 - Consultant's services for works supervision and design	559,923	931,980	559,923	931,980	-	-
Category 3 - Project management support	-	-	-	-	-	-
Category 4 - Consultancy for capacity development of RDMRDI	3,254	3,254	3,254	3,254	-	-
GoG TOTAL	2,532,695	7,090,927	2,532,695	7,090,927	-	-
Unallocated	-	-	-	-	-	-
TOTAL PROJECT EXPENDITURES	15,846,816	47,173,679	15,846,816	47,173,679		
NET FLOW OF FUNDS	100,000	100,000				

*The company uses flex budget approach, so that at the end of the year Plan is always equal to Actual.

On behalf of the Management:


Giorgi Tsagareli
Director

29 June 2017


Marina Majagaladze
Financial Manager

29 June 2017

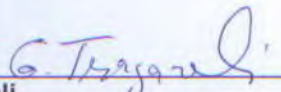
The notes on pages 9 to 14 form an integral part of these special purpose project financial statements.

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO**

**BALANCE SHEET STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016
(in US Dollars)**

	31 December 2016
ASSETS	
ADB imprest account	<u>100,000</u>
TOTAL ASSETS	<u><u>100,000</u></u>
Funds received:	
Funds received from ADB	40,182,752
Funds received from GoG	<u>7,090,927</u>
Total funds received	<u><u>47,273,679</u></u>
Project expenditures:	
Financed by ADB	(40,082,752)
Financed by GoG	<u>(7,090,927)</u>
Total project expenditures	<u><u>(47,173,679)</u></u>
TOTAL PROJECT EXPENDITURES AND OTHER FUNDS	<u><u>100,000</u></u>

On behalf of the Management:



Giorgi Tsagareli
Director

29 June 2017



Marina Majagaladze
Financial Manager

29 June 2017

The notes on pages 9 to 14 form an integral part of these special purpose project financial statements.

EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO

STATEMENT OF EXPENDITURE WITHDRAWAL SCHEDULE
FOR THE YEAR ENDED 31 DECEMBER 2016
(in US Dollars)

Withdrawal No.	Withdrawal application date	Total SOE in withdrawal schedule	Total SOE attributable to 2015	Total SOE attributable to 2016	Attributable to 2016 - Component 1	Attributable to 2016 - Component 2	Attributable to 2016 - Component 4	Total SOE attributable to 2017
10	28-Apr-16	-	-	-	-	-	-	-
9	19-Apr-16	-	-	-	-	-	-	-
12	12-May-16	-	-	-	-	-	-	-
11	12-May-16	-	-	-	-	-	-	-
13	08-Jun-16	-	-	-	-	-	-	-
14	07-Jun-16	-	-	-	-	-	-	-
15	24-Jun-16	-	-	-	-	-	-	-
16	24-Jun-16	-	-	-	-	-	-	-
17	27-Jun-16	-	-	-	-	-	-	-
18	29-Jun-16	-	-	-	-	-	-	-
19	11-Jul-16	-	-	-	-	-	-	-
20	22-Jul-16	-	-	-	-	-	-	-
21	26-Jul-16	-	-	-	-	-	-	-
22	22-Aug-16	-	-	-	-	-	-	-
25	22-Aug-16	-	-	-	-	-	-	-
26	26-Aug-16	-	-	-	-	-	-	-
27	24-Aug-16	-	-	-	-	-	-	-
28	16-Sep-16	-	-	-	-	-	-	-
29	20-Sep-16	-	-	-	-	-	-	-
30	04-Oct-16	-	-	-	-	-	-	-
31	25-Oct-16	-	-	-	-	-	-	-
32	25-Oct-16	-	-	-	-	-	-	-
33	01-Nov-16	-	-	-	-	-	-	-
34	17-Nov-16	-	-	-	-	-	-	-
35	18-Nov-16	-	-	-	-	-	-	-
38	22-Nov-16	-	-	-	-	-	-	-
36	22-Nov-16	-	-	-	-	-	-	-
37	09-Dec-16	-	-	-	-	-	-	-
40	01-Dec-16	-	-	-	-	-	-	-
41	13-Dec-16	-	-	-	-	-	-	-
42	15-Dec-16	-	-	-	-	-	-	-
44	13-Dec-16	-	-	-	-	-	-	-

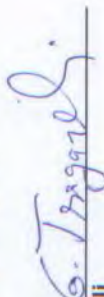
Unaudited

EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
 ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
 LOAN NO. 2843 – GEO


STATEMENT OF EXPENDITURE WITHDRAWAL SCHEDULE
 FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)
(in US Dollars)

43	13-Dec-16	-	-	-	-	-	-	-
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On behalf of the Management:


 Giorgi Tsagareli
 Director

29 June 2017


 Marina Majagladze
 Financial Manager

29 June 2017

The notes on pages 9 to 14 form an integral part of these special purpose project financial statements.

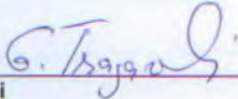
**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO**

**STATEMENT OF IMPREST ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016
(in US Dollars)**

Account No.	
Depository Bank	State Treasury
Address	16 V. Gorgasali street Tbilisi, 0114 Georgia


Balance as at 1 January 2016	-
ADD	
ADB replenishment	100,000
DEDUCT	
Funds used for the Project expenditures	<u>-</u>
Balance as at 31 December 2016	<u><u>100,000</u></u>

On behalf of the Management:



Giorgi Tsagareli
Director

29 June 2017



Marina Majagaladze
Financial Manager

29 June 2017

The notes on pages 9 to 14 form an integral part of these special purpose project financial statements.

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(in US Dollars)**

1. BACKGROUND

The Investment Center for Euro-Asian Transport Corridor was established in 1995 as a non-entrepreneurial and non-profit legal entity. A project unit named "Eurasian Transport Corridor Investment Center" (the "ETCIC" or Transport Reform and Rehabilitation Center – "TRRC") was formed within the Investment Center for Euro-Asian Transport Corridor to manage the allocated loan received from the Asian Development Bank ("ADB") and monitor the implementation of transport sector projects.

The purpose of the project ("Road corridor investment program – project 1") is the construction of a new two-lane road of approximately 28 km in length bypassing Kobuleti, and expansion and improvement of approximately 6 – km road section between Kobuleti and Batumi. The Asian Development Bank Loan Agreement No. 2560-GEO (SF) (the "Agreement") in the amount of Special Drawing Rights ("SDR") 75,892,000 was signed between the Government of Georgia ("GoG") and Asian Development Bank ("ADB") on 29 October 2009 and came into effect on 1 December 2009. Loan No 2843 was added to project financing on 18 April 2012 with the amount of USD 140,000,000. The project is scheduled to end on 1 January 2018, but management believes that it will be extended for one more year.

2. ACCOUNTING POLICIES

Basis of accounting – These special purpose project financial statements have been prepared in accordance with the Cash Basis International Public Sector Accounting Standard, *Financial Reporting under a Cash Basis of Accounting* and incorporate the following principal accounting policies, which have been consistently followed in all material respects and comply with the Guidelines for the Financial Governance and Management of Investment Projects Financed by Asian Development Bank. Project financing is recognised as a source of project funds when the cash is received. Project expenditures are recognised as a use of project funds when the payments are made.

Functional currency – These special purpose project financial statements are expressed in United States Dollars ("US Dollar" or "USD").

Transactions in other currencies – Transactions in currencies other than reporting currencies are converted to US Dollars at the exchange rate prevailing at the date of the transaction.

Cash – Cash comprises cash on hand and balances with State Treasury.

3. BASIS OF FUNDING

According to the terms of the Agreement, Category 1 – works, Category 2 – Consulting Services and Category 3 – Project Management Support are 100% financed by ADB, while GoG is paying all value added, non-residential and other taxes, and land acquisition costs.

4. METHODS OF WITHDRAWAL

The methods of withdrawal used from the inception of the loan to 31 December 2016 were as follows:

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)
(in US Dollars)**

(a) Imprest account

Available amounts were drawn from time to time within limits determined within the loan agreements for the direct payment of eligible expenditures for sub-projects from this special account

(b) Direct Payment

Available amounts are drawn from time to time within limits determined under the credit agreement for direct payments of eligible expenditures for sub-projects. Direct payments are made by ADB directly to third parties. TRRC forms withdrawal applications for request of direct payments and sends it to the ADB, for settlement.

(c) GoG current account

The Project maintains a separate account where funds from the Government of Georgia are accumulated. The funds are further disbursed to sub-contractors based on the share of expenditures to be incurred.

5. RECONCILIATION OF AMOUNTS SHOWN AS RECEIVED FROM THE ADB TO ACTUAL EXPENDITURES OF THE PROJECT

	<u>31 December 2016</u>
Application of Withdrawals Schedule	
Expenses incurred in 2016 as per the Applications of Withdrawals Schedule	13,314,121
Expenses incurred in 2016 without Applications of Withdrawals Schedule	-
	<u>13,314,121</u>
ADB replenishments	100,000
ADB direct payments	13,314,121
Foreign exchange difference	-
	<u>13,414,121</u>
Add:	
Opening Balances	
Imprest Account	-
	<u>-</u>
Less:	
Closing Balances	
Imprest Account	100,000
	<u>100,000</u>
TOTAL EXPENDITURES INCURRED IN 2016	<u>13,314,121</u>

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)
(in US Dollars)**

Withdrawal No.	Withdrawal application date	Total amount in withdrawal schedule	Total attributable to 2016
47	28-Apr-16	562,161	562,161
48	19-Apr-16	361,812	361,812
49	12-May-16	217,529	217,529
50	12-May-16	443,269	443,269
51	08-Jun-16	457,351	457,351
52	07-Jun-16	788,236	788,236
53	24-Jun-16	104,260	104,260
54	24-Jun-16	249,484	249,484
55	27-Jun-16	312,553	312,553
56	29-Jun-16	510,766	510,766
57	11-Jul-16	382,212	382,212
58	22-Jul-16	652,497	652,497
59	26-Jul-16	122,165	122,165
60	22-Aug-16	117,221	117,221
61	22-Aug-16	100,942	100,942
62	26-Aug-16	763,630	763,630
63	24-Aug-16	458,631	458,631
64	16-Sep-16	545,395	545,395
65	20-Sep-16	922,783	922,783
66	04-Oct-16	130,810	130,810
67	25-Oct-16	452,446	452,446
69	25-Oct-16	91,396	91,396
70	01-Nov-16	731,002	731,002
71	17-Nov-16	10,460	10,460
72	18-Nov-16	140,964	140,964
73	22-Nov-16	357,916	357,916
74	22-Nov-16	558,878	558,878
75	09-Dec-16	100,000	100,000
76	01-Dec-16	144,361	144,361
77	13-Dec-16	975,169	975,169
78	15-Dec-16	1,458,313	1,458,313
79	13-Dec-16	64,776	64,776
80	13-Dec-16	124,733	124,733
		13,414,121	13,414,121

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)
(in US Dollars)**

6. PROJECT EXPENDITURES BY COMPONENTS

Project Activities	Year ended 31 December 2016			Cumulative from inception		
	ADB Financing	GoG Financing	Total	ADB Financing	GoG Financing	Total
Component 1 - Construction of Kobuleti Bypass section						
Civil works	11,251,750	1,969,518	13,221,268	36,593,765	6,155,693	42,749,458
Consultant's services for works supervision and design	2,051,911	559,923	2,611,834	3,478,527	931,980	4,410,507
TOTAL COMPONENT 1	13,303,661	2,529,441	15,833,102	40,072,292	7,087,673	47,159,965
Component 2 - Capacity development of the Roads Department of MORDI						
Consultancy	10,460	3,254	13,714	10,460	3,254	13,714
TOTAL COMPONENT 2	10,460	3,254	13,714	10,460	3,254	13,714
Component 3 - Road safety enhancement						
	-	-	-	-	-	-
TOTAL COMPONENT 3	-	-	-	-	-	-
Component 4 - Project management support						
	-	-	-	-	-	-
TOTAL COMPONENT 4	-	-	-	-	-	-
TOTAL PROJECT EXPENDITURES	13,314,121	2,532,695	15,846,816	40,082,752	7,090,927	47,173,679

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER
ROAD CORRIDOR INVESTMENT PROGRAM – PROJECT 1
LOAN NO. 2843-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)
(in US Dollars)**

Project Activities	Year ended 31 December 2015		
	ADB Financing	GoG Financing	Total
Component 1 - Construction of Kobuleti Bypass section			
Civil works	12,504,567	2,237,922	14,742,489
Consultant's services for works supervision and design	1,426,616	372,057	1,798,673
TOTAL COMPONENT 1	13,931,183	2,609,979	16,541,162
Component 2 - Capacity development of the Roads Department of MORDI			
Consultancy	-	-	-
TOTAL COMPONENT 2	-	-	-
Component 3 - Road safety enhancement			
	-	-	-
TOTAL COMPONENT 3	-	-	-
Component 4 - Project management support			
	-	-	-
TOTAL COMPONENT 4	-	-	-
TOTAL PROJECT EXPENDITURES	13,931,183	2,609,979	16,541,162

The Project comprises the following main components:

- Component 1 - Construction of a new two-lane road of approximately 28 km in length bypassing Kobuleti and the expansion and improvement of approximately 6-km road section between Kobuleti and Batumi;
- Component 2 - Capacity development of the Roads Department of Ministry of Regional Development and Infrastructure (MORDI);
- Component 3 - Road safety enhancement; and
- Component 4 - Project management support, including detailed design and supervision consultancy.

The amount of the Loan is allocated to Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category. The Project comprises the following main categories:

- Category 1 - Civil works and Land acquisitions
- Category 2 - Consultant's services for works supervision and design
- Category 3 - Project management support
- Category 4 - Unallocated

There are no Statement of Expenditures (SOE) in the withdrawal schedule under this Project.