

**EURASIAN TRANSPORT  
CORRIDOR  
INVESTMENT CENTER**

LOAN NO.3715-GEO  
(EAST-WEST HIGHWAY IMPROVEMENT PROJECT)

Special Purpose Project Financial Statements  
For The Year Ended 31 December 2019

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO.3715-GEO**

**TABLE OF CONTENTS**

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	<b>Page</b>
STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS	1
INDEPENDENT AUDITOR’S REPORT	2-3
SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS For The Year Ended 31 December 2019:	
Statement of sources and uses of funds	4
Balance sheet statement	5
Statement of expenditure withdrawal schedule	6
Imprest account statement	7
Notes to the special purpose project financial statements	8-13

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION  
AND APPROVAL OF THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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Management of the EAST-WEST HIGHWAY IMPROVEMENT PROJECT (the "Project") implemented by the Eurasian Transport Corridor Investment Center ("ETCIC" or Transport Reform and Rehabilitation Center – "Organisation") is responsible for the preparation of the special purpose project financial statements that present fairly the Statement of Sources and Uses of Funds for the year ended 31 December 2019, the Balance Sheet as at 31 December 2019 and the related Statement of Expenditure Withdrawal Schedule ("SOEs") and Statement of Imprest Account for the year ended 31 December 2019, in accordance with the Cash Basis International Public Sector Accounting Standard, *Financial Reporting under the Cash Basis of Accounting* ("IPSAS – Cash Basis"), and the Guidelines for the Financial Governance and Management of Investment Projects Financed by Asian Development Bank.

In preparing the special purpose project 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; and
- 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 and detecting fraud and other irregularities.

The special purpose project financial statements for the year ended 31 December 2019 were authorised for issue on 16 November 2020 by the Management.

**On behalf of the Management:**

  
\_\_\_\_\_  
**Giorgi Tsagareli**  
Director

  
\_\_\_\_\_  
**Marina Majagaladze**  
Financial Manager

16 November 2020

16 November 2020

## **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 East-West Highway Improvement Project (the "Project") financed under the Loan Agreement No. 3715-GEO dated 5 October 2018 (the "Agreement"), implemented by the Eurasian Transport Corridor Investment Center, which comprise for the year ended 31 December 2019, the Balance Sheet as at 31 December 2019 and the related, Statement of Expenditure Withdrawal Schedule ("SOEs") and Statement of Imprest Account for the year ended 31 December 2019 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 accompanying special purpose project financial statements for the year ended 31 December 2019 are prepared, in all material respects, in accordance with the cash basis of International Public Sector Accounting Standard (IPSAS) promulgated by the International Federation of Accountants (IFAC), 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 Special Purpose Project 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 special purpose project 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's management in complying with the financial reporting provisions of the Agreement. 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 in reporting the information to the Government of Georgia, and in communicating to the Asian Development Bank information about the Project's compliance with the financial reporting provisions of the Agreement. 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 Special Purpose Project Financial Statements**

Management is responsible for the preparation of these special purpose project financial statements in accordance with the cash basis of IPSAS the basis of accounting as further detailed 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 special purpose project 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 Organization or to cease operations, or has no realistic alternative but to do so.

## **Auditor’s Responsibilities for the Audit of the Special Purpose Project Financial Statements**

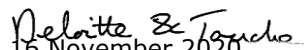
Our objectives are to obtain reasonable assurance about whether the special purpose project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, 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 special purpose project 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 special purpose 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 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 special purpose project 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.

  
Leighton Stuart  
On behalf of Deloitte and Touche LLC

  
16 November 2020  
Tbilisi, Georgia

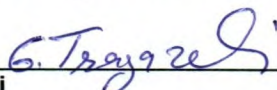
**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO 3715-GEO**

**STATEMENT OF SOURCES AND USES OF FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2019  
(in US Dollars)**

	Actual		Planned*		Variance	
	Period to date	Cumulative to date	Period to date <i>Unaudited</i>	Cumulative to date <i>Unaudited</i>	Period to date <i>Unaudited</i>	Cumulative to date <i>Unaudited</i>
<b>FUNDS RECEIVED BY SOURCES</b>						
Asian Development Bank (ADB) Funds	<b>3,933,423</b>	<b>41,903,549</b>	-	-	-	-
Direct payments	3,933,423	41,903,549	-	-	-	-
Government of Georgia (GoG) co-financing	5,737,157	18,751,204	-	-	-	-
<b>TOTAL FUNDS RECEIVED</b>	<b>9,670,580</b>	<b>60,654,753</b>	-	-	-	-
<b>LESS: EXPENDITURE</b>						
Category 1 – Civil works	2,652,211	40,622,337	2,652,211	40,622,337	-	-
Category 2 - Construction supervision	675,009	675,009	675,009	675,009	-	-
Category 3 – Capacity, Building and Project Management Support	20,467	20,467	20,467	20,467	-	-
Category 4 – Interest and commitment charges	349,270	349,270	349,270	349,270	-	-
<b>ADB TOTAL</b>	<b>3,696,957</b>	<b>41,667,083</b>	<b>3,696,957</b>	<b>41,667,083</b>	-	-
Category 1 – Civil works	5,682,539	18,696,586	5,682,539	18,696,586	-	-
Category 2 - Construction supervision	-	-	-	-	-	-
Category 3 – Capacity, Building and Project Management Support	54,618	54,618	54,618	54,618	-	-
Category 4 – Interest and commitment charges	-	-	-	-	-	-
<b>GoG TOTAL</b>	<b>5,737,157</b>	<b>18,751,204</b>	<b>5,737,157</b>	<b>18,751,204</b>	-	-
<b>TOTAL PROJECT EXPENDITURE</b>	<b>9,434,114</b>	<b>60,418,287</b>	<b>9,434,114</b>	<b>60,418,287</b>	-	-
<b>NET INFLOW OF FUNDS</b>	<b>236,466</b>	<b>236,466</b>	-	-	-	-

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

On behalf of the Management:

  
Giorgi Tsagareli  
Director

16 November 2020

  
Marina Majagaladze  
Financial Manager

16 November 2020

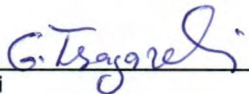
The notes on pages 8 to 13 form an integral part of these special purpose project financial statements.

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715-GEO**

**BALANCE SHEET STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019  
(in EUR)**

	<b>31 December 2019</b>
<b>ASSETS</b>	
ADB imprest account	<u>236,466</u>
<b>TOTAL ASSETS</b>	<b><u>236,466</u></b>
<b>Funds received:</b>	
Funds received from ADB	41,903,549
Funds received from GoG	<u>18,751,204</u>
<b>Total funds received</b>	<b><u>60,654,753</u></b>
<b>Project expenditure:</b>	
Financed by ADB	(41,667,083)
Financed by GoG	<u>(18,751,204)</u>
<b>Total project expenditure</b>	<b><u>(60,418,287)</u></b>
<b>TOTAL FUNDS RECEIVED LESS PROJECT EXPENDITURE</b>	<b><u>236,466</u></b>

**On behalf of the Management:**



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**Giorgi Tsagareli**  
Director



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**Marina Majagaladze**  
Financial Manager

16 November 2020

16 November 2020

The notes on pages 8 to 13 form an integral part of these special purpose project financial statements.

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715-GEO**

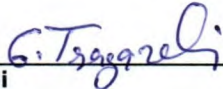
**STATEMENT OF EXPENDITURE WITHDRAWAL SCHEDULE  
FOR THE YEAR ENDED 31 DECEMBER 2019  
(in EUR)**

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<u>Withdrawal No.</u>	<u>Withdrawal application date</u>	<u>Total SOE in withdrawal schedule</u>	<u>Total SOE attributable to 2019</u>
-	-	-	-
		-	-
		<u>-</u>	<u>-</u>

There was no SOE type of expenditure for the year ended 31 December 2019.

**On behalf of the Management:**

  
\_\_\_\_\_  
**Giorgi Tsagareli**  
**Director**  
16 November 2020

  
\_\_\_\_\_  
**Marina Majagaladze**  
**Financial Manager**  
16 November 2020

The notes on pages 8 to 13 form an integral part of these special purpose project financial statements.



**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715 – GEO**

**STATEMENT OF IMPREST ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)  
(in EUR)**

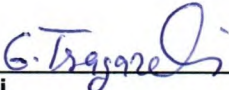
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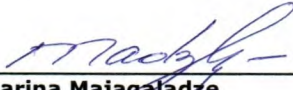
<b>Account No.</b>	210250199
<b>Depository Bank</b>	State Treasury
<b>Address</b>	16 V. Gorgasali street Tbilisi, 0114 Georgia

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<b>Balance as at 31 December 2018</b>	-
<b>ADD</b>	
ADB replenishment	250,000
<b>DEDUCT</b>	
Funds used for the Project expenditure	13,534
<b>Balance as at 31 December 2019</b>	<b><u>236,466</u></b>

**On behalf of the Management:**

  
\_\_\_\_\_  
**Giorgi Tsagareli**  
Director  
16 November 2020

  
\_\_\_\_\_  
**Marina Majagaladze**  
Financial Manager  
16 November 2020

The notes on pages 8 to 13 form an integral part of these special purpose project financial statements.

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019  
(in EUR)**

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**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 – "Organisation") 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.

Project consists of construction of a dual carriageway or four-lane divided highway approximately 12 km in length between Khevi and Ubisa. The Project shall include the provision of Consulting Services for construction supervision and Project management support. The Project is expected to be completed by 31 December 2024.

**2. ACCOUNTING POLICIES**

***Basis of accounting –***

These special purpose project financial statements have been prepared in accordance with the cash-based International Public Sector Accounting Standard (IPSAS) promulgated by the International Federation of Accountants (IFAC).

These special purpose project financial statements, in accordance with the provisions of the Agreement, are prepared for management analysis and in order to report the information to the Government of Georgia and the Asian Development Bank. As a result these special purpose project financial statements may not be suitable for another purpose.

***Project financing*** is recognised as a source of project funds when the cash is received.

***Project expenditure*** 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 ("EUR").

***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 balances with the State Treasury.

**3. BASIS OF FUNDING**

According to the terms of the Agreement, 75.86% of total claimed expenditure of the Works will be financed by ABD, Construction Supervision are financed 100% of the total expenditure claimed by ADB, Capacity Building and Project management are financed 100% of the total expenditure claimed by ADB, and Category 3 – Interest and commitment charges are 100% financed by ADB.

It is allowed by the ADB, to utilise loan funds, subsequent to relevant approvals, to finance projects under other loans, if there are any residual unexpended funds.

**4. METHODS OF WITHDRAWAL**

The methods of withdrawal used from the inception of the loan to 31 December 2019 were as follows:

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)  
(in EUR)**

**(a) Imprest account**

Available amounts were drawn from time to time within limits determined within the loan agreements for the direct payment of eligible expenditure for sub-projects from this special account. No amounts were drawn down during the period from 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 expenditure for sub-projects. Direct payments are made by ADB directly to third parties. Organisation 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 expenditure to be incurred.

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

	<b>31 December 2019</b>
<b>Application of Withdrawals Schedule</b>	
Expenses incurred in 2019 as per the Applications of Withdrawals Schedule	3,696,957
	<b>3,696,957</b>
 ADB direct payments	 3,933,423
	<b>3,933,423</b>
<b>Add:</b>	
<b>Opening Balances</b>	
Imprest Account	-
	-
<b>Less:</b>	
<b>Closing Balances</b>	
Imprest Account	236,466
	<b>236,466</b>
 <b>TOTAL EXPENDITURE INCURRED IN 2019</b>	 <b>3,696,957</b>

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
 EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
 LOAN NO. 3715 – GEO**

**STATEMENT OF IMPREST ACCOUNT  
 FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)  
 (in EUR)**

**TOTAL WITHDRAWAL SCHEDULE EXPENSES**

<u>Withdrawal No.</u>	<u>Withdrawal application date</u>	<u>Total amount in withdrawal schedule</u>	<u>Total attributable to 2019</u>
00005	14-Aug-19	462,309	462,309
00006	14-Aug-19	20,176	20,176
00007	16-Oct-19	101,582	101,582
00010	28-Oct-19	7,459	7,459
00013	20-Nov-19	6,934	6,934
00014	13-Dec-19	73,889	73,889
00017	13-Dec-19	9,594	9,594
00020	19-Dec-19	888,495	888,495
00021	19-Dec-19	437,610	437,610
00022	19-Dec-19	888,495	888,495
00023	19-Dec-19	437,610	437,610
06000	25-Nov-19	250,000	250,000
9190-CAP		259,795	259,795
919A-CAP		89,475	89,475
		<b><u>3,933,423</u></b>	<b><u>3,933,423</u></b>

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)  
(in EUR)**

**6. PROJECT EXPENDITURE BY COMPONENTS**

Project Activities	FOR THE YEAR ENDED 31 DECEMBER 2019			Cumulative from inception		
	ADB Financing	GoG Financing	Total	ADB Financing	GoG Financing	Total
<b>Component A – Investment costs</b>						
Civil works	2,652,211	835,009	3,487,220	40,622,337	12,732,738	53,355,075
Land acquisition/social mitigation	-	4,847,530	4,847,530	-	5,963,848	5,963,848
Construction supervision	675,009	-	675,009	675,009	-	675,009
Financial Audit	6,933	-	6,933	6,934	-	6,933
<b>TOTAL COMPONENT A</b>	<b>3,334,153</b>	<b>5,682,539</b>	<b>9,016,692</b>	<b>41,304,279</b>	<b>18,696,586</b>	<b>60,000,865</b>
<b>Component B - Project management costs</b>						
Project management costs	13,534	54,618	68,152	13,534	54,618	68,152
<b>TOTAL COMPONENT B</b>	<b>13,534</b>	<b>54,618</b>	<b>68,152</b>	<b>13,534</b>	<b>54,618</b>	<b>68,152</b>
<b>Component C –</b>						
Contingencies unallocated	-	-	-	-	-	-
Contingencies unallocated	-	-	-	-	-	-
<b>TOTAL COMPONENT C</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Component D – Financial charges during implementation - CAP</b>						
Financial charges during implementation	349,270	-	349,270	349,270	-	349,270
<b>TOTAL COMPONENT D</b>	<b>349,270</b>	<b>-</b>	<b>349,270</b>	<b>349,270</b>	<b>-</b>	<b>349,270</b>
<b>TOTAL PROJECT EXPENDITURE</b>	<b>3,696,957</b>	<b>5,737,157</b>	<b>9,434,114</b>	<b>41,667,083</b>	<b>18,751,204</b>	<b>60,418,287</b>

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715-GEO**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)  
(in EUR)**

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The Project comprises the following main components:

- Component A – Investment Costs;
- Component B – Project management costs
- Component C – Contingencies; and
- Component D – Financial charges during implementation

If the amount of the Loan allocated to a Category appears to exceed all agreed expenditure 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 – Works and consulting services
- Category 2 – Project management support
- Category 3 – Interest and commitment charges; and
- Category 4 – Unallocated

## **7. COMMITMENTS AND CONTINGENCIES**

The Management is not aware of any commitments and contingencies which would have a material impact on the financial position of the Project as at 31 December 2019 and on the funds received and disbursed during the period then ended.

## **8. OPERATING ENVIRONMENT**

Emerging markets such as Georgia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Georgia continue to change rapidly and tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Georgia is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

For the last two years Georgia has experienced a number of legislative changes, which have been largely related to the European Union Association Agreement. Whilst the legislative changes implemented during 2019 and 2018 paved the way, more can be expected as Georgia's action plan for achieving accession to the European Union continues to develop.

In addition to that, starting from early 2020 a new coronavirus disease (COVID-19) has begun rapidly spreading all over the world resulting in announcement of the pandemic status by the World Health Organization in March 2020. Responses put in place by many countries to contain the spread of COVID-19 are resulting in significant operational disruption for many companies and have significant impact on global financial markets. As the situation is rapidly evolving it may have a significant effect on business of many companies across a wide range of sectors, including, but not limited to such impacts as disruption of business operations as a result of interruption of production or closure of facilities, supply chain disruptions, quarantines of personnel, reduced demand and difficulties in raising financing.

## **9. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

Spreading the Covid-19 pandemic had a significant negative impact on the world economy and country-specific measures. Deteriorated outlook of the future caused increased volatility of the foreign exchange market subsequent to the year-end.

Covid-19 had no effect on the Project. Construction was continued and there was Successful transition of administrative function to partial remote working and projects ongoing as planned.

**EURASIAN TRANSPORT CORRIDOR INVESTMENT CENTER  
EAST-WEST HIGHWAY IMPROVEMENT PROJECT  
LOAN NO. 3715 – GEO**

**STATEMENT OF IMPREST ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)  
(in EUR)**

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**10. APPROVAL OF SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS**

These special purpose project financial statements were authorised for issue by the Management of ETCIC on 16 November 2020.