

**“Livable Cities Investment Project for  
Balanced Development” (Georgia)  
Loan No. 4134-GEO**

**Special Purpose Financial Statements**

*For the year ended 31 December 2024  
together with independent auditor’s report*

## Contents

### **Statement of Management's responsibility for the preparation of the Special Purpose Financial Statements**

### **Independent auditor's report**

Statement of Cash Receipts and Payments	1
Statement of Financial Position	2
Statement of Advance Account	3
Statement of Expenditures and Withdrawal Schedules	4
Statement of Budgeted versus Actual Expenditures	5
Notes to the Special Purpose Financial Statements	6-8

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR THE PREPARATION OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS**

The management of the Municipal Development Fund of Georgia LEPL ("MDF") is responsible for the preparation of the Special Purpose Financial Statements of the Loan No. 4134-GEO funded by Asian Bank of Development (ADB), that complies with the ADB requirements. The Special Purpose Financial Statements are referred as Project Financial Statements (APFS) according to the ADB requirements.

In preparing the Special Purpose Financial Statements the MDF management is responsible for ensuring:

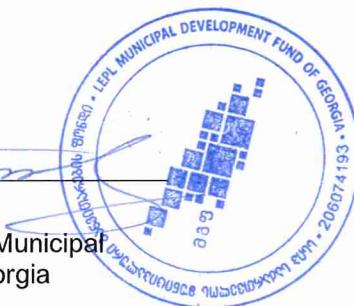
- (i) That Special Purpose Financial Statements are free from material misstatements including omissions and errors and are fairly presented,
- (ii) That the borrower or executing agency has utilized the proceeds of the loan only for the purpose(s) of the Project,
- (iii) That the borrower or executing agency was in compliance with the financial covenants of the legal agreement(s) (where applicable),
- (iv) That the advance account procedure, where applicable, has been operated in accordance with the Asian Development Bank's (ADB) Loan Disbursement Handbook,
- (v) That adequate supporting documentation has been maintained to authenticate claims stated on the statement of expenditures (SOE), where applicable, for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account; and
- (vi) that effective internal control, including over the procurement process, was maintained.

The Special Purpose Financial Statements as of and for the year ended 31 December 2024 were authorized for issue on 30 June 2025 by the MDF management.

  
**Bekar Urushadze**

Executive Director of the Municipal  
Development Fund of Georgia

30 June 2025



  
**Tamar Pitskhelauri**

Deputy Director of the Municipal  
Development Fund of Georgia, CFO

30 June 2025



## Independent auditor's report

To the management of Municipal Development Fund of Georgia LEPL

### ***Opinion***

We have audited the Special Purpose Financial Statements of Project "Livable Cities Investment Project for Balanced Development" (Georgia) (the "Project") implemented by Municipal Development Fund of Georgia LEPL (the "Fund") and financed by the loan received from the Asian Development Bank, Loan No. 4134-GEO (the "Loan"), which comprise statement of financial position as of 31 December 2024, statement of cash receipts and payments, statement of advance account, statement of expenditures and withdrawal schedules and statement of budgeted versus actual expenditures for the year then ended, and notes to the Special Purpose Financial Statements, including a material accounting policy information.

In our opinion, the accompanying Special Purpose Financial Statements present fairly, in all material respects, the cash receipts and payments of the Project for the year ended 31 December 2024 in accordance with the cash receipts and payments basis of accounting described in Note 2 of the Special Purpose Financial Statements.

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Special Purpose Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (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 use***

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the basis of accounting. The Special Purpose Financial Statements have been prepared by the management of the Fund based on the requirements of the Loan Agreement No. 4134-GEO dated 10 December 2021 (the "Loan Agreement") as described in Note 2 of the Special Purpose Financial Statements. The Special Purpose Financial Statements are prepared to provide information to the Asian Development Bank and the Government of Georgia. As a result, the Special Purpose Financial Statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### ***Responsibilities of management for the Special Purpose Financial Statements***

Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements in accordance with cash receipts and payments basis of accounting described in Note 2. This includes determining that the cash receipts and payments basis of accounting is an acceptable basis for the preparation of the Special Purpose Financial Statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibilities for the audit of the Special Purpose Financial Statements***

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 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 Special Purpose 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 Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- ▶ Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



### ***Other matters on which we are required to report***

The Fund is also responsible for compliance with Sections 3.02, 3.03 and 3.04 of the Loan Agreement on the use of the proceeds of the Loan and for compliance with financial covenants contained in paragraph 6 of Schedule 3 to the Loan Agreement. We have audited the utilization of the proceeds of the Loan in accordance with requirements of Sections 3.02, 3.03 and 3.04 of the Loan Agreement and the Fund's compliance with the financial covenants contained in paragraph 6 of Schedule 3 to the Loan Agreement, described in Notes 8.1 and 8.2 of the Special Purpose Financial Statements. In our opinion, the Fund has utilized, in all material respects, the proceeds of the Loan only for the purposes of the Project in accordance with Sections 3.02, 3.03 and 3.04 of the Loan Agreement and no proceeds have been used for other purposes and the Fund is compliant with financial covenants contained in paragraph 6 of Schedule 3 to the Loan Agreement.

Our cumulative liability with respect to any damage or loss connected with this report may not exceed the fee received by us under the audit agreement. We do not accept any liability if the users of this report do not accept the terms of the audit agreement on which the report was prepared.

A handwritten signature in blue ink, appearing to read 'S. Kusrashvili', is shown.

Ana Kusrashvili (SARAS-A-169041)

On behalf of EY LLC (SARAS-F-855308)

30 June 2025

Tbilisi, Georgia

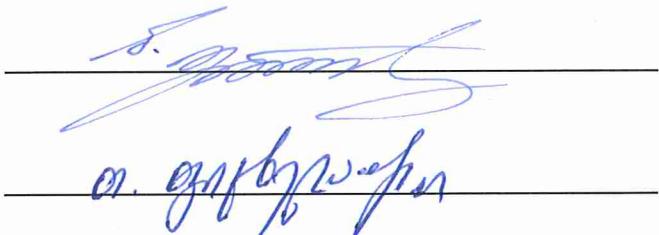
**Statement of Cash Receipts and Payments**

For the year ended 31 December 2024

In Euro	2024		2023	
	For the year	Cumulative	For the year	Cumulative
<b>Cash receipts</b>				
Cash receipts from the Asian Development Bank	13,605,587	68,306,325	20,639,971	54,700,738
Cash receipts from the Government of Georgia	2,433,638	7,826,918	3,358,444	5,393,280
<b>Total cash receipts</b>	<b>16,039,225</b>	<b>76,133,243</b>	<b>23,998,415</b>	<b>60,094,018</b>
<b>Cash payments</b>				
Works, goods, consulting, and non-consulting services	14,886,604	68,722,289	22,087,452	53,835,685
Interest and commitment charges	2,536,829	3,694,356	1,077,908	1,157,527
Administrative expenses	26,744	89,476	—	62,732
<b>Total cash payments</b>	<b>17,450,177</b>	<b>72,506,121</b>	<b>23,165,360</b>	<b>55,055,944</b>
Foreign exchange differences	—	70,671	70,671	70,671
<b>Net flow of funds</b>	<b>(1,410,952)</b>	<b>3,697,793</b>	<b>903,726</b>	<b>5,108,745</b>

Signed and authorized for issue on 30 June 2025:

Bekar Urushadze, Executive Director



Tamar Pitskhelauri, Deputy Director, CFO



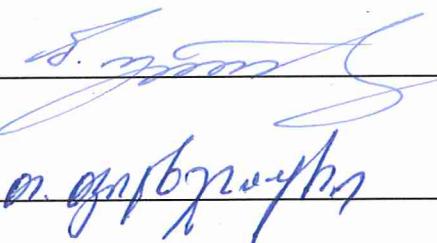
**Statement of Financial Position**

For the year ended 31 December 2024

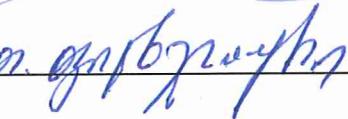
<i>In Euro</i>	<b>2024</b>	<b>2023</b>
<b>Assets and expenses</b>		
Advance account	3,697,793	5,108,745
Accumulated project expenses, net of related foreign exchange differences	72,435,450	54,985,273
<b>Total assets and expenses</b>	<b>76,133,243</b>	<b>60,094,018</b>
<b>Financing</b>		
Accumulated project financing from the Asian Development Bank	68,306,325	54,700,738
Accumulated project financing from the Government of Georgia	7,826,918	5,393,280
<b>Total cash disbursements</b>	<b>76,133,243</b>	<b>60,094,018</b>

Signed and authorized for issue on 30 June 2025:

Bekar Urushadze, Executive Director



Tamar Pitskhelauri, Deputy Director, CFO



**Statement of Advance Account**

**For the year ended 31 December 2024**

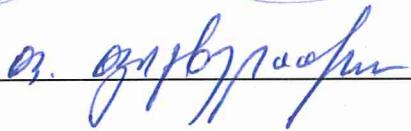
<i>In Euro</i>	<b>2024</b>	<b>2023</b>
<b>Opening balance as of 1 January</b>	<b>5,108,745</b>	<b>4,205,019</b>
<i>Add:</i>		
The Asian Development Bank loan replenishment during the year	6,672,315	15,557,792
<i>Less:</i>		
Eligible expenditures during the year	(8,083,267)	(14,654,066)
<b>Closing balance as of 31 December</b>	<b>3,697,793</b>	<b>5,108,745</b>

Signed and authorized for issue on 30 June 2025:

Bekar Urushadze, Executive Director



Tamar Pitskhelauri, Deputy Director, CFO



**Statement of Expenditures and Withdrawal Schedules**

For the year ended 31 December 2024

Disbursement type	Withdrawal application No.	Value Date	Application amount	The Fund (in Euro)	ADB (in Euro)
Direct payment	00044	11-Jun-2024	GEL 205,846	235,008	235,008
Direct payment	00037	21-Mar-2024	GEL 64,646	60,499	60,499
Direct payment	00038	28-Mar-2024	GEL 137,481	38,247	38,247
Direct payment	00036	21-Mar-2024	GEL 618,863	70,535	70,535
Direct payment	00042	28-Mar-2024	GEL 205,000	22,319	22,319
Direct payment	00040	28-Mar-2024	GEL 1,028,293	47,462	47,462
Direct payment	00064	13-Dec-2024	GEL 34,987	212,252	212,252
Direct payment	00046	11-Jun-2024	GEL 64,167	67,470	67,470
Direct payment	00056	25-Sep-2024	GEL 2,100,092	342,624	342,624
Direct payment	00051	28-Jun-2024	GEL 83,580	11,715	11,715
Direct payment	00049	12-Jun-2024	GEL 102,984	21,314	21,314
Direct payment	00055	20-Sep-2024	GEL 1,115,360	462,045	462,045
Direct payment	00048	20-Jun-2024	GEL 92,587	27,491	27,491
Direct payment	00047	12-Jun-2024	GEL 51,962	34,208	34,208
Direct payment	00061	23-Oct-2024	GEL 101,177	381,406	381,406
Direct payment	00053	28-Jun-2024	GEL 186,897	31,036	31,036
Direct payment	00060	30-Sep-2024	GEL 2,563,625	17,218	17,218
Direct payment	00041	28-Mar-2024	GEL 20,034	34,929	34,929
Direct payment	00050	28-Jun-2024	GEL 35,789	62,582	62,582
Direct payment	00054	02-Jul-2024	GEL 302,326	865,840	865,840
Direct payment	00059	30-Sep-2024	GEL 169,622	6,638	6,638
Direct payment	00039	28-Mar-2024	GEL 714,046	12,355	12,355
Direct payment	00045	12-Jun-2024	GEL 110,787	100,422	100,422
Direct payment	00052	28-Jun-2024	GEL 176,556	56,798	56,798
Replenishment	00062	17-Dec-2024	EUR 4,540,311	4,540,311	4,540,311
Replenishment	00057	16-Oct-2024	EUR 1,563,329	1,563,329	1,563,329
Replenishment	00063	13-Dec-2024	EUR 869,647	869,647	869,647
Replenishment	00058	22-Nov-2024	EUR 858,134	858,134	858,134
Interest expense		15-Feb-2024	EUR 1,177,046	1,177,046	1,177,046
Interest expense		15-Aug-2024	EUR 1,359,783	1,359,783	1,359,783
<b>Total for the year ended 31 December 2024</b>				<b>13,590,663</b>	

Disbursement type	Withdrawal application No.	Value Date	Application amount	The Fund (in Euro)	ADB (in Euro)
Direct payment	00011	7-Mar-2023	GEL 844,059	308,614	308,614
Direct payment	00012	13-Mar-2023	GEL 219,437	81,234	81,234
Direct payment	00013	13-Mar-2023	GEL 254,457	94,197	94,197
Replenishment	00014	5-Apr-2023	EUR 5,067,440	5,067,440	5,067,440
Direct payment	00015	23-Mar-2023	GEL 105,057	38,536	38,536
Direct payment	00016	28-Mar-2023	GEL 338,476,01	122,826	122,826
Direct payment	00017	11-May-2023	GEL 4,119,786	1,524,004	1,524,004
Direct payment	00018	2-Jun-2023	GEL 133,041	48,403	48,403
Direct payment	00019	15-Jun-2023	GEL 419,622	151,015	151,015
Direct payment	00020	13-Jun-2023	GEL 197,614	70,948	70,948
Direct payment	00021	13-Jun-2023	GEL 271,557	97,495	97,495
Direct payment	00022	13-Jun-2023	GEL 196,471	70,538	70,538
Direct payment	00023	15-Jun-2023	GEL 336,042	120,936	120,936
Direct payment	00024	15-Jun-2023	GEL 107,045	38,524	38,524
Direct payment	00025	15-Jun-2023	GEL 193,477	69,629	69,629
Direct payment	00026	20-Jun-2023	GEL 201,408	72,089	72,089
Direct payment	00027	29-Jun-2023	GEL 636,805	224,126	224,126
Direct payment	00028	14-Jul-2023	GEL 245,130	87,161	87,161
Direct payment	00029	24-Jul-2023	GEL 226,303	79,450	79,450
Direct payment	00030	28-Jul-2023	GEL 339,880	119,014	119,014
Direct payment	00031	1-Sep-2023	GEL 830,006	293,570	293,570
Direct payment	00032	13-Sep-2023	GEL 436,023	156,895	156,895
Direct payment	00033	20-Sep-2023	GEL 374,271	135,067	135,067
Replenishment	00034	16-Nov-2023	EUR 5,574,784	5,353,427	5,353,427
Replenishment	00035	19-Dec-2023	EUR 5,136,925	5,136,925	5,136,925
Interest expense		15-Feb-2023	EUR 271,632	271,632	271,632
Interest expense		15-Aug-2023	EUR 806,276	806,276	806,276
<b>Total for the year ended 31 December 2023</b>				<b>20,639,971</b>	

Signed and authorized for issue on 30 June 2025:

Bekar Urushadze, Executive Director



Tamar Pitskhelauri, Deputy Director, CFO

*B. Urushadze*  
*T. Pitskhelauri*

**Statement of Budgeted versus Actual Expenditures**

For the year ended 31 December 2024

In Euro	Budget as of 31 December 2024		Actual as of 31 December 2024		Variance as of 31 December 2024	
	For the year unaudited	Cumulative unaudited	For the year	Cumulative	For the year unaudited	Cumulative unaudited
<b>The Asian Development Bank funding</b>						
Works, goods, consulting, and non-consulting services						
Interest and commitment charges	13,212,668	61,900,922	11,757,900	60,453,774	1,454,768	1,447,148
Administrative expenses	2,536,829	3,694,356	2,536,829	3,694,356	—	—
	30,000	92,732	21,930	73,370	8,070	19,362
	<b>15,779,497</b>	<b>65,688,010</b>	<b>14,316,659</b>	<b>64,221,500</b>	<b>1,462,838</b>	<b>1,466,510</b>

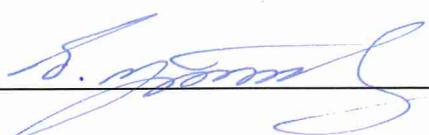
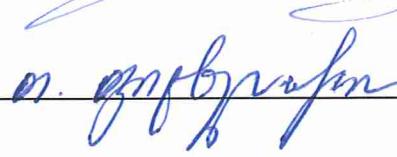
In Euro	Budget as of 31 December 2023		Actual as of 31 December 2023		Variance as of 31 December 2023	
	For the year unaudited	Cumulative unaudited	For the year	Cumulative	For the year unaudited	Cumulative unaudited
<b>The Government of Georgia funding</b>						
Works, goods, consulting, and non-consulting services						
Administrative expenses	3,500,000	8,636,139	3,128,704	8,268,515	371,296	367,624
	5,400	16,692	4,814	16,106	586	586
	<b>3,505,400</b>	<b>8,652,831</b>	<b>3,133,518</b>	<b>8,284,621</b>	<b>371,882</b>	<b>368,210</b>

In Euro	Budget as of 31 December 2023		Actual as of 31 December 2023		Variance as of 31 December 2023	
	For the year unaudited	Cumulative unaudited	For the year	Cumulative	For the year unaudited	Cumulative unaudited
<b>The Asian Development Bank funding</b>						
Works, goods, consulting, and non-consulting services						
Interest and commitment charges	18,102,731	42,892,226	18,974,858	48,688,254	(872,127)	(5,796,028)
Administrative expenses	201,977	574,026	1,077,908	1,157,527	(875,931)	(583,501)
	—	115,276	—	62,732	—	52,544
	<b>18,304,708</b>	<b>43,581,528</b>	<b>20,052,766</b>	<b>49,908,513</b>	<b>(1,748,058)</b>	<b>(6,326,985)</b>

In Euro	Budget as of 31 December 2023		Actual as of 31 December 2023		Variance as of 31 December 2023	
	For the year unaudited	Cumulative unaudited	For the year	Cumulative	For the year unaudited	Cumulative unaudited
<b>The Government of Georgia funding</b>						
Works, goods, consulting, and non-consulting services						
Administrative expenses	3,164,437	7,637,493	3,112,594	5,136,139	51,843	2,501,354
	44,315	65,065	—	11,292	44,315	53,773
	<b>3,208,752</b>	<b>7,702,558</b>	<b>3,112,594</b>	<b>5,147,431</b>	<b>96,158</b>	<b>2,555,127</b>

Signed and authorized for issue on 30 June 2025:

Bekar Urushadze, Executive Director

Tamar Pitskhelauri, Deputy Director, CFO



## 1. General

In accordance with Loan No. 4134-GEO (the "Loan") between Georgia and the Asian Development Bank (the "ADB") signed on 10 December 2021, Georgia received a loan totaling EUR 101,000,000 from ADB to finance the Livable Cities Investment Project for Balanced Development (the "Project").

Municipal Development Fund of Georgia is a legal entity under Public Law (LEPL). The legal address of the Fund is 150 Aghmashenebeli Avenue, 0112, Tbilisi, Georgia.

### The Project's purpose

The objective of the Project is to improve livability and inclusive economic growth in Georgia.

The Project consists of the following components:

*Component 1: Inclusive and climate-resilient urban infrastructure rehabilitated and constructed and services improved*

This component will support subprojects including the upgrading of urban centers and other settlements and neighborhoods, construction of community facilities, and improvement of parks and public spaces incorporating universal design and accessibility standards.

*Component 2: Accessibility, connectivity, and mobility in tourism clusters across Georgia improved.*

This component will support subprojects including the rehabilitation and improvement of cultural sites, historical town centres and places of interest, along with the improvement of streetscapes and urban transport systems.

*Component 3: Institutional capacity for sustainable urban and regional development enhanced*

Under this component, institutional capacity building training and workshops will be provided to participants from the project executing agencies, project implementing agencies, municipalities and civil servants, and financing support will be provided to micro, small and medium-sized enterprises and entrepreneurs in the project areas.

The table below sets forth the categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the loan proceeds to each such category.

Item	Total amount allocated for ADB financing (in Euro)	Basis for Withdrawal from the Loan Account
Works, goods, consulting, and non-consulting services	95,600,000	100% of total expenditure claimed*
Environment and social mitigation	500,000	100% of total expenditure claimed*
Interest and commitment charges	4,300,000	
Administrative expenses	600,000	100% of total expenditure claimed*
<b>Total</b>	<b>101,000,000</b>	

\* Exclusive of taxes and duties imposed within the territory of Georgia

The Project is expected to be completed by 30 December 2027.

## 2. Basis of preparation

The Special Purpose Financial Statements have been prepared by the Fund management in accordance with the International Public Sector Accounting Standards ("IPSAS") *Financial Reporting under the Cash Basis of Accounting* issued by the Public Sector Committee of the International Federation of Accountants following the requirements set out in Section 4.02 of the Loan Agreement and Section C of the Operations Manual Section J7 (OM Section J7).

## 2. Basis of preparation (continued)

Notes 8.1 and 8.2 to the Special Purpose Financial Statements have been added specifically to address the requirement of Sections 3.02, 3.03 and 3.04; and paragraph 6 of Schedule 3 to the Loan Agreement, respectively.

The reporting currency of these Special Purpose Financial Statements is Euro, and all values are rounded to the nearest Euro.

## 3. Material accounting policy information

### (i) Cash basis of accounting

The Special Purpose Financial Statements were prepared and presented based on cash method of accounting. Cash method of accounting is the accounting principle, according to which changes in the financial position of the Fund are recognized only at the time when cash is paid or obtained.

The Special Purpose Financial Statements prepared based on cash method presents information on the source of cash, application of funds objectives and cash balances at the reporting date. The measurement focus in the Special Purpose Financial Statements is balances of cash and changes therein.

### (ii) Foreign currency

Cash accounts of the Project are maintained in Georgian Lari (GEL); however, the Special Purpose Financial Statements are prepared in Euro for the purposes of reporting to ADB.

Cash receipts and payments arising from transactions in a foreign currency is recorded in an entity's reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the receipts and payments. Foreign exchange rate is the actual rate used for each transaction. For financing received from the Government of Georgia (GOG), the rate published by the National Bank of Georgia (NBG) is used as actual rate; since this is the reference rate commonly used for foreign currency denominated contracts in Georgia.

### (iii) Cash

Cash represent balances with the State Treasury of Ministry of Finance of Georgia.

### (iv) Advance account

Advance account is a designated disbursement account of the Project that is maintained in Euro at the State Treasury of Ministry of Finance of Georgia to ensure smooth payment of eligible expenditures under the Project.

## 4. The ADB Financing

To finance eligible expenses under the Loan Agreement, 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) Advance fund procedure, where ADB makes an advance disbursement from the loan account for deposit to an advance account to be used exclusively for ADB's share of eligible expenditures.

## 5. The GOG Financing

The Project maintains a separate account for co-financing provided by the Government of Georgia. The funds envisaged under the State budget are further distributed to contractors based on the share of expenditures to be incurred.

## 6. Project implementation

As at 31 December 2024 and 2023, the Project was implemented in terms of incurred project expenditures financed by ADB by 63.6% and 49.2%, respectively.

In Euro	2024			2023		
	Total amount allocated for ADB financing	Project expenditure incurred to 31 December	Amounts disbursed, %	Total amount allocated for ADB financing	Project expenditure incurred to 31 December	Amounts disbursed, %
Works, goods, consulting, and non-consulting services	95,600,000	60,453,774	63.2%	95,600,000	48,688,254	50.9%
Environment and social mitigation	500,000	–	0.0%	500,000	–	0.0%
Interest and commitment charges	4,300,000	3,694,356	85.9%	4,300,000	1,157,527	26.9%
Administrative expenses	600,000	73,370	12.2%	600,000	62,732	10.5%
<b>Total</b>	<b>101,000,000</b>	<b>64,221,500</b>	<b>63.6%</b>	<b>101,000,000</b>	<b>49,908,513</b>	<b>49.4%</b>

## 7. Loan No. 4134-GEO from ADB

The Loan bears an interest rate of Euribor plus fixed rate of 0.6% per annum and maturity premium of 0.2% per annum. In addition, commitment charge of 0.15% per annum shall be accrued on full amount of the Loan. The Loan has a maturity of 15 years. The payments of principal are evenly scheduled for the period from 2033 to 2047. It is paid semi-annually in February and August according to Schedule 2 of Loan Agreement. The interest and any other charges on the Loan is payable semi-annually on 15 February and 15 August in each year, starting from 15 February 2033.

## 8. Compliance with the use of the Loan Proceeds and financial covenants

In accordance with the requirements of the Section C of the Operations Manual Section J7 (OM Section J7) of the Asian Development Bank, the Fund is required to report on the use of the proceeds of the Loan and compliance with the financial covenants, which is contained in the Notes 8.1 and 8.2 below.

### 8.1. Use of Proceeds for the Purpose Intended

In 2024 and 2023, the Fund has utilized all funds received from ADB and GOG in accordance with Sections 3.02, 3.03 and 3.04 of the Loan Agreement exclusively in the carrying out of the Project.

### 8.2. Financial covenants

As at 31 December 2024 and 2023, the Fund was in compliance with the following financial covenant related to the Project contained in paragraph 6 of Schedule 3 to the Loan Agreement i.e., no withdrawals were made from the Loan account for reimbursement of eligible expenditures incurred under the Project before the effective date, but not earlier than 20 months before the date of the Loan Agreement in connection with works, goods, and non-consulting and consulting services.