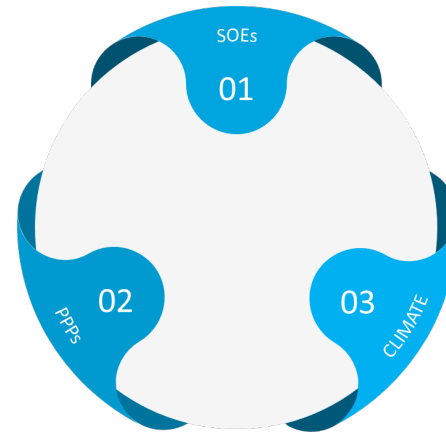


Managing Fiscal Risks and Debt Related Contingent Liabilities

Georgian experience

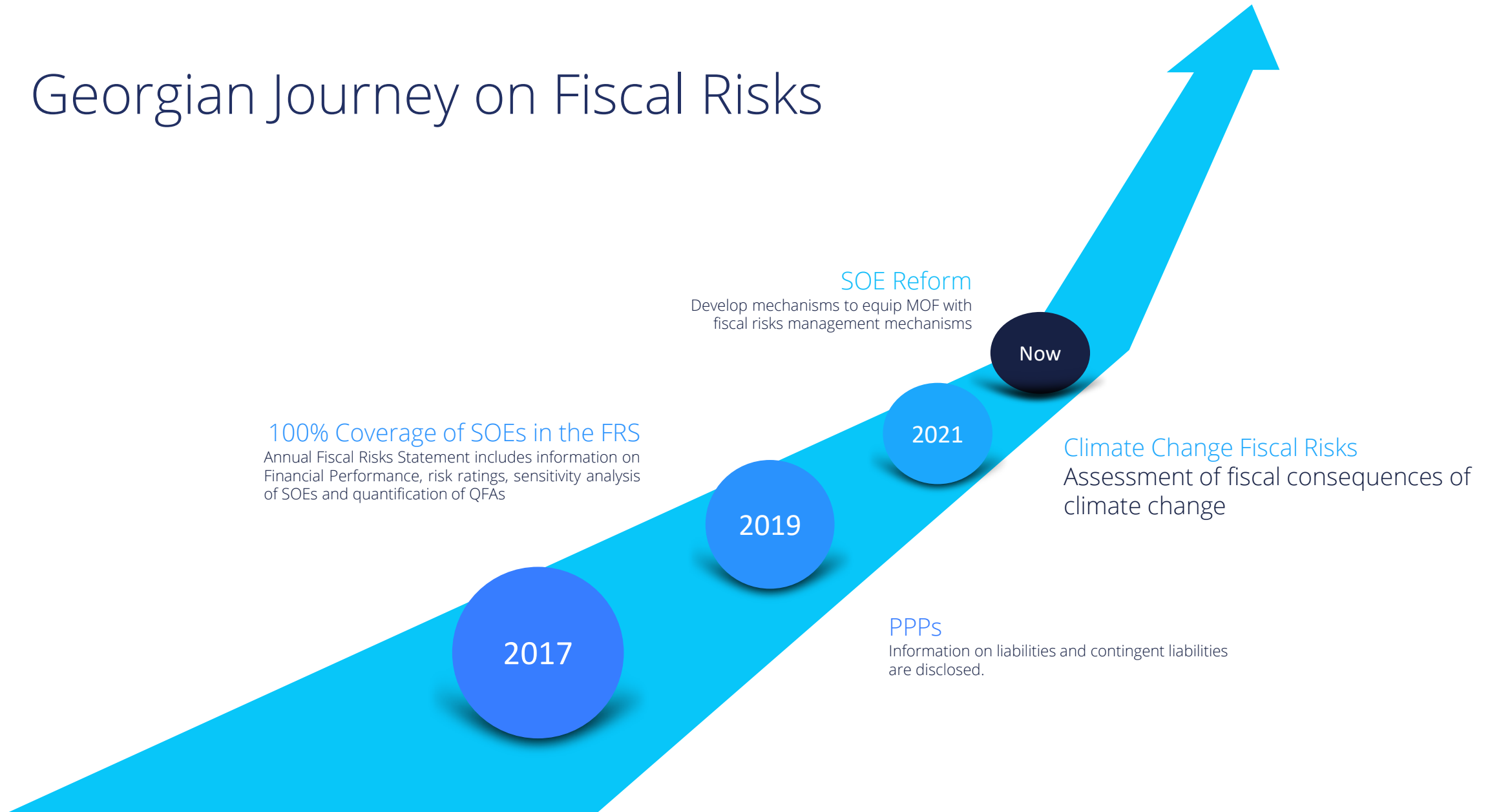


Berlin, Germany,
June 16, 2023

Outline

- Georgian Journey on Fiscal Risks
- SOE Reform – 5 Mutually Inclusive Pillars
- Treatment of PPP Liabilities
- Climate Change risks in Georgia & Long-term economic impact of climate change

Georgian Journey on Fiscal Risks



SOE Reform – 5 Mutually Inclusive Pillars

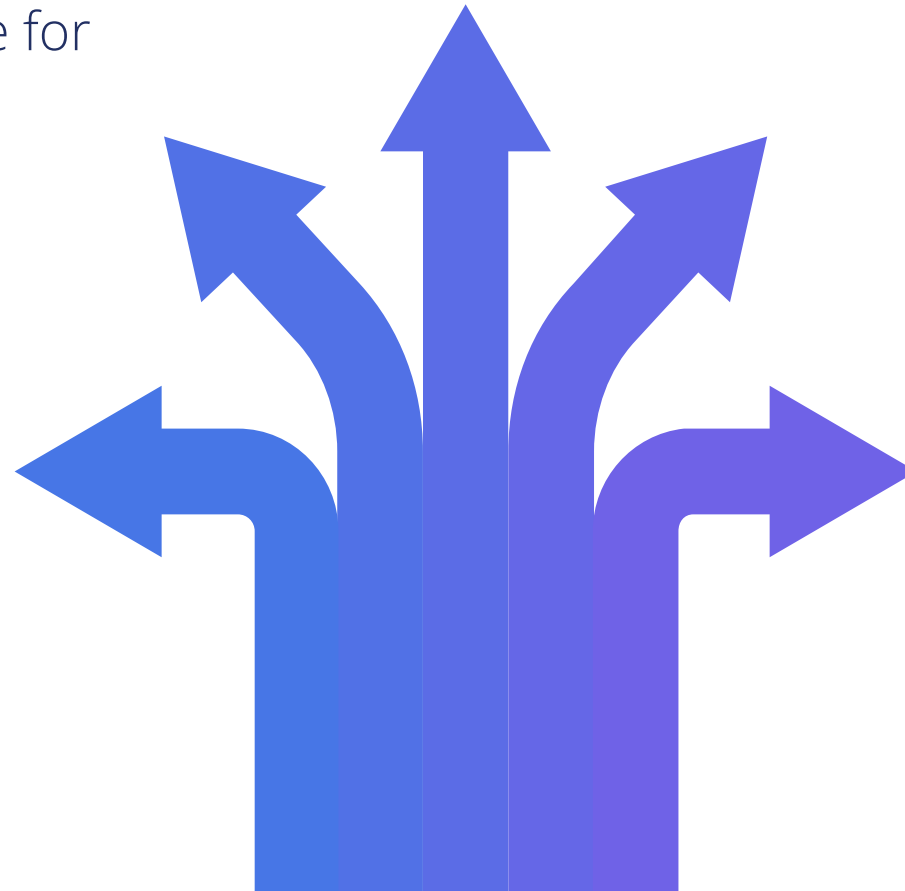
I
Corporate
Governance

II
Ownership
Policy/Rationale for
Ownership

Competitive
neutrality III

IV
Commercial
Objectives

Statement of
Corporate Intent V



Treatment of PPP Liabilities

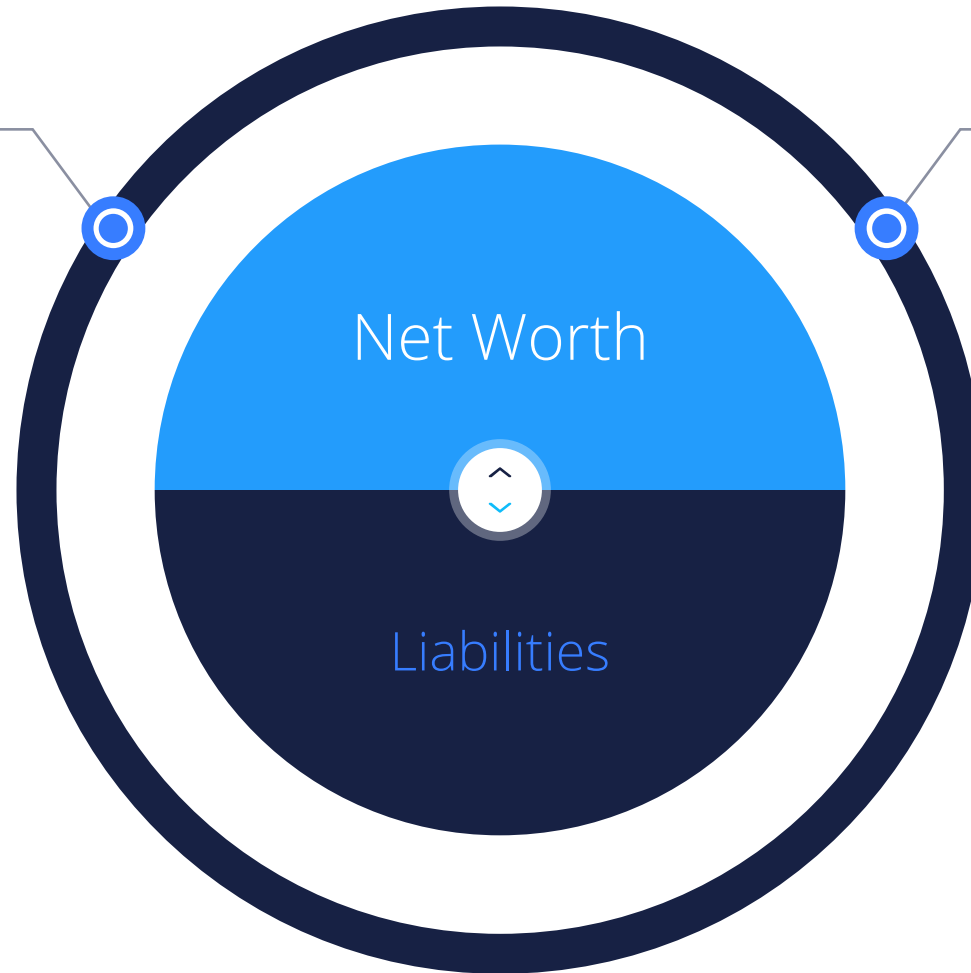
IPSAS 32 Approach

Liabilities

The liability recognized in a service concession arrangement shall initially be measured at the same amount as the service concession asset

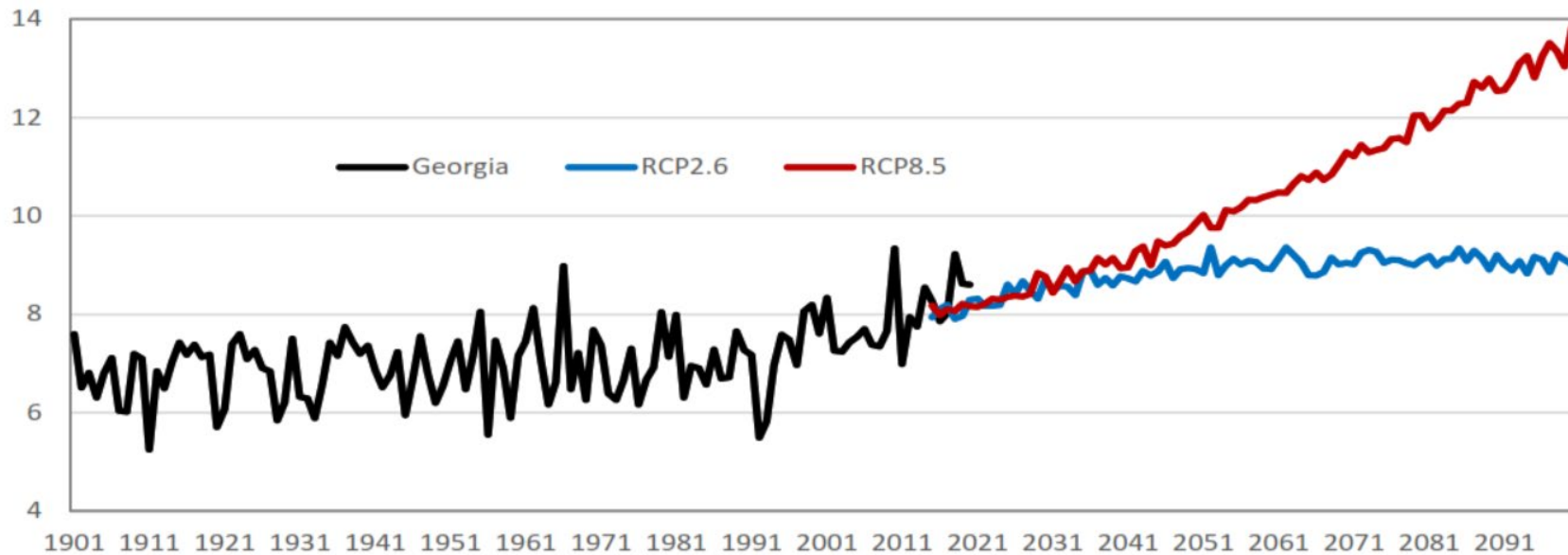
Criteria for applying IPSAS 32

The gov. controls or regulates asset



Climate Change risks in Georgia

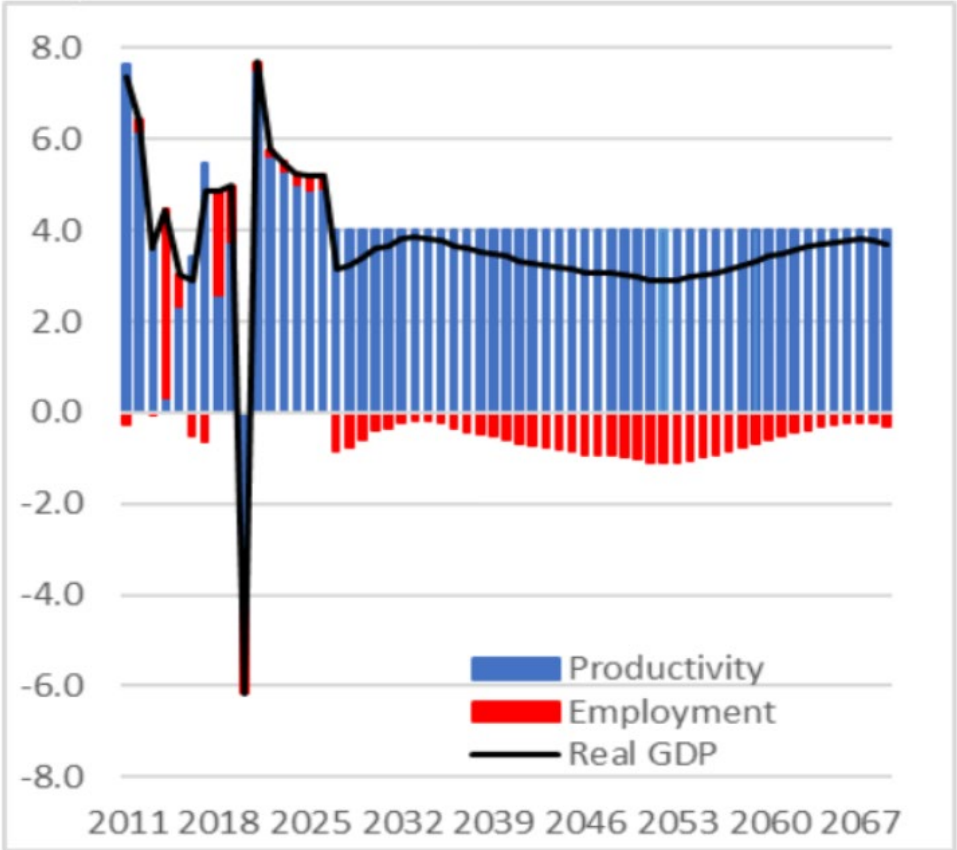
Annual average temperature projections for Georgia



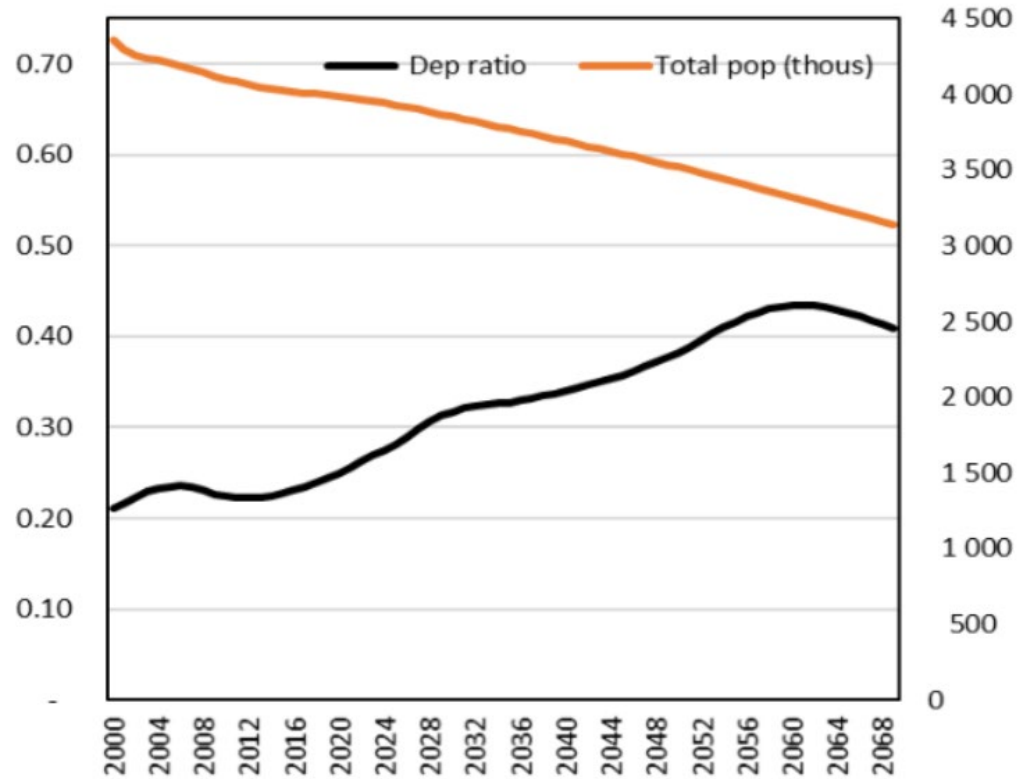
Climate Change risks will impact the entire economy of Georgia, with key vulnerabilities in the energy sector

Long Term Economic Impacts of Climate Change

GDP Growth and drivers



Demographic projections



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