Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

ON THE FINANCIAL STATEMENTS AUDIT OF SPECIAL AGRO-INDUSTRIAL PROCESSING ZONE (SAPZ)

FOR THE FISCAL YEAR January 1, 2025 TO DECEMBER 31, 2025.

June 2026

P. Garswa Jackson Sr. FCCA, CFIP, CFC
Auditor General, R.L.

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	**Meaning**
AFDB	African Development Bank
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FDA	Forestry Development Authority
GoL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
IT	Information Technology
LRA	Liberia Revenue Authority
NIC	National Investment Commission
PFM Act	Public Finance Management Act
PIEs	Project Implementing Entities
PIU	Project Implementing Unit
R. L	Republic of Liberia
SAPZ	Special Argo-Industrial Processing Zone Project
US$	United States Dollar

June 26, 2026

Hon. Jeff B. Blibo
Chairman
National Investment Commission (NIC)
UN Drive
Monrovia, Liberia

REF: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF SPECIAL AGRO-INDUSTRIAL PROCESSING ZONE (SAPZ) FOR THE FISCAL YEAR January 1, 2025 TO DECEMBER 31, 2025.

Opinion

We have audited the accompanying financial statements of Special Argo Industrial Processing Zone (SAPZ): P-LR-AA0-009 for the fiscal year ended December 31, 2025, which comprise the statement of Receipts and Payments, Statement of Fund Balance and Cash Status, Statement of Financial Position and Statement of Comparison of Budget and Actual Amount.

In our opinion, the accompanying financial statements (Grant Agreement No 2100155041079, Lone No. 21001500426703) present fairly in all material respects the Statement of Receipts and Payments as at December 31, 2025, Statement of Comparison of Budget and Actual Amount and a summary of significant accounting policies and other explanatory information for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting.

Basis for opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAI's). 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 Special Argo Industrial Processing Zone (SAPZ) Project of the National Investment Commission (NIC) in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the World Bank guideline and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations or has no realistic alternative but to do so. The SAPZ Management is responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities
Our objectives are to obtain reasonable assurance about whether the 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 ISSAIs 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Receipts and Payments. The procedures selected depend on the auditor's judgment, including the assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Statement of Receipts and Payments in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement of Receipts and Payments.

P. Garswa Jackson, Sr. FCCA, CFIP, CFC
Auditor General, R.L.

Monrovia, Liberia
June 2026

Statement of Project Management Responsibility

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on December 31, 2025.

This responsibility includes (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii)maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii)designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud,(iv) safeguarding the assets of the project, (v)selecting and applying appropriate accounting policies and (v)making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended December 31, 2025, and of the Project's financial position as at that date. The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Project Financial management Unit and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project on February 24, 2026

AfDB-Liberia - Special Agro Industrial Processing Zone Project (SAPZ)

Financial Statement of African Development Bank Funded Project
for the year ended December 31, 2025.
SAPZ: P-LR-AA0-009

Ministry of Finance & Dev't Planning
Project Financial Management Unit (PFMU)

GENERAL INFORMATION

PROJECT MANAGEMENT TEAM

Project Financial Management Unit:	Papin Daniels, Jr, CA, CPA Unit Director Project Financial Management Unit (PFMU) Leroy N. Fendor, CA, CPA Deputy Director Subozu Kollie, CFE, CA, CPA Project Internal Auditor
Registered Office:	Project Financial Management Unit (PFMU) Ministry of Finance Broad and Mechlin Street Liberia
Project Implementation Unit:	Andrew Anderson Project Coordinator Special Agro Industrial Processing Zone Project (SAPZ) Project Management Unit (PMU)
Project Location:	National Investment Commission United Nation Drive Liberia
Banker:	EcoBank Liberia Limited 11th Street Sinkor

FOR THE PERIOD ENDED DECEMBER 31, 2025

In United States Dollars	**December 31, 2025**	December 31, 2024	Cumulative
Receipt			
TSF Funds	**3,747,128**	590,988	4,670,392
Total Receipt	**3,747,128**	590,988	4,670,392
Payment			
Strengthen Institutional Capacity and support the development of climate resilient enabling infrastructure to attracts investments in agriculture value addition	**2,600,682**	151,246	2,751,928
Support Provision of enabling (external) Infrastructure for Agro industrialization	**368,390**	144,771	513,161
Project Coordination & Management	**535,083**	294,971	1,162,330
Total Payments	**3,504,155**	590,988	4,427,418
Excess of receipts over payments (payments over receipts)	**242,973**	-	242,973
Fund Balance as at beginning	**-**	-	-
Cumulative fund balance	**242,973**	-	242,973

The notes on pages 13 to 17 are integral part of this project financial report

Note:

The third-party payments of **US$3,223,337.93** which are direct payments have been extracted from the total funds receipt and the total payments made. These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors. In September of the period under review, the project Special Account (SA) became active and the total funds received was disbursed from the AfDB office into the account.

STATEMENT OF FUND BALANCEAND CASH STATUS
FOR THE PERIOD ENDED DECEMBER 31, 2025

	In United States Dollars	**3 December 31, 2025**	December 31, 2024
A	**Fund Balance**		
	Balance of Project Fund		
	Add: Total Receipts during the period	**3,747,128**	590,988
	Total Fund available for operations	**3,747,128**	590,988
	Less: Total Payments during the period	**3,504,155**	590,988
	Balance of project fund at the end of the year	**242,973**	-
B	**Cash Status:**		
	Cash at Bank	**242,973**	-
	Total Cash on hand and in bank	**242,973**	-
	Difference between A and B	**-**	-

The notes on pages 13 to 17 are integral part of this project financial report

Note:

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE 18 MONTHS ENDED DECEMBER 31, 2025

11. Analysis of Variance

Activities Within Components	Project Allocation	Budget	Actual Expenditure	Variance
	US$	US$	US$	US$
Strengthen Institutional Capacity and support the development of climate resilient enabling infrastructure to attracts investments in agriculture value addition	10,910,000	6,000,000	4,325,366	1,674,634
Enable skills and climate smart agricultural value chain development and strengthen farmer coordination	2,700,000	2,790,000	736,780	2,053,220
Project Coordination & Management	2,630,000	534,380	672,899	(138,519)
Grand Total	**16,240,000**	**9,324,380**	**5,735,044**	**3,589,336**

The notes on pages 13 to 17 are integral part of this project financial report

Variance Explanation

Component 1: During the period under audit, we budgeted USD 6 million and actual expenditure was USD 1.472684 million thus given an under expenditure adverse variance USD 4.275,316 million. The adverse variance emanated from two major activities which were hugely budgeted but were not executed on time. The procurement of the contractor to construct the perimeter fence and the access road was delayed due to long procurement process require by African Development Bank. Secondly, the GOL delayed in making fund available for the Resettlement Action Program (RAP) to the project so as to pay the Properties Affected Persons (PAP). Therefor the PAPs could not relocate on time for the project site to be turn over for work to commence. Main while about ninety percent (90%) of the contract cost was budgeted

Component 2: During the period under audit, we budgeted **USD 2.790,000 million** and actual expenditure was **USD 00.368390** million given an adverse expenditure variance **of USD 2.42610.00 million**. The main reasons for this variance are; The African Development Bank (AfDB) postpone (step down) the MSME training and capacity building to 2026 and also the food safety capacity building activities was also brought forward to 2026. Finally, the design cost for Agriculture Transformation Centers (ATCs) which was initially to be pay for under AfDB funding has now been move to OPEC fund.

Component 3: Under this component we budgeted **USD 00.534380 million** but actual expenditure was **USD00.418, 633 million** thus given an adverse under expenditure variance of **USD 00.115,747 million**. There are two main reasons which contributed this under expenditure variance; the budget for study tours was not fully implemented and capacity building for staff was not implemented despite budgeted.

The overall adverse under expenditure variance of USD **6.950,000** million might suggest that the budget as presented was not realistic. Going forward all necessary steps will be taking to make sure the budget reflects the reality so as avoid over ambitious budgeting.

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED DECEMBER 31, 2025

In United States Dollars	**December 31, 2025**	December 31, 2024
Assets		
Cash and cash equivalent	**242,973**	-
Total Assets	**242,973**	-
Fund Balance		
Grants	**242,973**	-
Accumulated Fund Balance	**242,973**	-

June 27, 2026

Papin Daniels, Jr.
Director, Donor Financed Projects
PFMU, MFDP

06/27/2026

Andrew Anderson
Project Coordinator-PMU
NIC

The notes on pages 13 to 17 are integral part of this project financial report

NOTES TO FINANCIAL STATEMENTS **6**

1. Background and Information of the Project

With support from the African Development Bank (AfDB); the SAPZ-project is geared towards providing the external infrastructure required to prepare and secure the Agri Hub for private sector developer and additional private sector investments in agro industrial factories. The SAPZ project was approved by the African Development Bank on December 06, 2021 with an amount of UA 11.310 million (USD 16.22 Million). The aims of the project are

i. Establishment of the Liberia Special Economic Zone Authority,
ii. Site Grading, Land Plotting/Development,
iii. Construction of perimeter fencing (AH),
iv. Construction of external (approach) road,
v. Provision of Link to power/energy source,
vi. Market branding and Hosting of investment promotion events,
vii. Construction of Agricultural Transformation Centers (1 nos) and Aggregation Centers (1 nos),
viii. Capacity building along the value chains for Farmer Groups, Micro Small and Medium Enterprises (MSMEs) and youth-led startups,
ix. Development of an ecosystem of quality and demand driven technical skills for agro industrialization,
x. Provide Technical Assistance to SEZA for the competitive selection of a Developer for the SEZ/SAPZ Park in Buchanan.

2. Use of Grant Proceeds

The table below sets out the categories of items to be financed out of the grant proceeds, the allocation of the amounts of the grant to each category and the percentage of expenditures for items to be financed in each category:

Category	Amount of grant allocated expressed in US$	% of expenditure to be financed
Streng. Institut. Capacity and Support the Development of climate resilient	10,910,000	100
Support Provision of enabling Infrastructure for agro industrialization	2,700,000	100
Project Coordination & Management	2,630,000	100
Total	**16,240,000**	

All categories of expenditure shown in these financial statements are fully financed based on the percentage below:

	% of Expenditure
AfDB	100
Total	**100**

3. Significant Accounting Policies

Basis of accounting
The financial statements have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Liberia and in the manner required by the Project Agreement as required by the African Development Bank Policies and Procedures and PFMU's Financial Management manual.

Reporting currency
Financial reports have been presented in United States Dollars. Transactions denominated in other currencies are translated into United States Dollars and recorded at the rate of exchange ruling at the date of transactions. Balances denominated in other currencies are translated into United States Dollars at the rate of exchange prevailing on the reporting date.

Loan Receipts
Loan from donors for the SAPZ project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called Special income account for disbursement purposes. All payments for the SAPZ project and activities are made through direct payments at the moment.

Cash and bank balances
There is no cash in hand or in bank due to the suspension posed on the all of Liberia's portfolio by the African Development Bank (AfDB). All project payments during the period were made through direct payments by the AfDB to consultants, contractors and vendors.

Recognition of expenditure
All expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the African Development Bank.

Tax
The project is 100 percent exclusive of tax.

NOTES TO THE FINANCIAL STATEMENTS (continued) **9**

In United States Dollars	**December 31, 2025**	December 31, 2024	Cumulative
Grant			
Funds Received in SA			
Grant No **2100155041079**	**523,790**	-	523,790
Lone No **2100150042703**	**-**	-	-
Total funds received in SA	**523,790**	**-**	**523,790**
Third Party Payment			
Grant No **2100155041079**	**251,731**	398,724	959,850
Lone No **2100150042703**	**2,971,607**	192,264	3,186,752
Total Third-Party Payment	**3,223,338**	**590,988**	**4,146,602**
Component 1			
Strengthen Institutional Capacity and support the development of climate resilient enabling infrastructure to attracts investments in agriculture value addition			
Consultant Services	**875,998**	151,246	1,027,244
Works	**1,724,684**	-	1,724,684
	2,600,682	**151,246**	**2,751,928**
Component 2			
Enable skills and climate smart agricultural value chain development and strengthen farmer coordination			
Consultant Services	**368,390**	144,771	513,161
	368,390	144,771	513,161
	368,390	**144,771**	**513,161**
Component 3			
Project Coordination & Management			
Consultant Services	**414,530**	269,864	841,104
Goods	**61,375**	-	97,375
Operating Costs	**59,177**	25,107	223,850
	535,083	294,971	1,162,330
	535,083	**294,971**	**1,162,330**
Cash receipts through the Special Account			
TSF Funds	**3,747,128**	590,988	4,670,392

Cash paid			
Strengthen Institutional Capacity and support the development of climate resident enabling infrastructure to attracts investments in agriculture value addition	**2,600,682**	151,246	2,751,928
Support Provision of enabling (external) Infrastructure for Agro industrialization	**368,390**	144,771	513,161
Project Coordination & Management	**535,083**	294,971	1,162,330
Total Payments	**3,504,155**	**590,988**	**4,427,418**

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NOTES TO THE FINANCIAL STATEMENTS *(continued)* **10**
PROJECT DESIGNATED ACCOUNT STATEMENT

Account Number:	6102235012
Account Type:	Checking Account
Depository Bank:	Ecobank Liberia Limited
Address:	11th Street Sinkor

Currency: United States Dollar

	December 31, 2025	December 31, 2024
Total Grant Received	**3,747,128**	590,988
Total grant income reported	**3,747,128**	590,988
Amount spent	**3,504,155**	590,988
Balance as at beginning	**-**	-
Balance as at December 31, 2025	**242,973**	-
Closing Balance Consist of:		
TSF Fund	**242,973**	-
	242,973	-