

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The project preparatory technical assistance (PPTA) is necessary on the following grounds:

- (i) The Investment Program is urgently needed in Azerbaijan.
- (ii) The feasibility study, power sector master plan, financial and economic analysis, and safeguard due diligence for the Investment Program had been conducted under the previous ADB project preparatory technical assistance (*PPTA 7253-AZE: Preparing the Power Distribution Development Investment Program*) in early 2012. However, considering the power system development and unbundling of distribution network assets to Azerishig, there is a need to update the previously completed work and further strengthen due diligence on financial and procurement aspects.
- (iii) Expertise of competent international and national consultants is needed to prepare the Investment Program considering its scale.

B. Major Outputs and Activities

2. The major outputs and activities are summarized in Table A3.1.

Table A3.1: Summary of Major Outputs and Activities

Major Activities	Major Outputs	Expected Completion Date
- Update power distribution sector assessment and sector road map - Update technical due diligence (including cost estimates, implementation arrangements and schedule, and disbursement projections)	- Updated sector road map (2015-2025) - Technical Due Diligence Report	Aug 2015
- Conduct economic and financial analyses - Undertake financial management assessment	- Financial and economic analysis - Financial due diligence report	Aug 2015
- Prepare an Environmental Assessment and Review Framework (EARF) for the MFF - Prepare an initial environmental examination (IEE) for the Tranche 1 Project	- EARF for MFF - IEE for Tranche 1	Aug 2015
- Prepare land acquisition and resettlement framework (LARF) for the MFF - Prepare a resettlement plan (LARP) or due diligence report for the Tranche 1 Project - Prepare social and poverty impact assessment (including gender analysis)	- LARF for MFF - SLARP or due diligence report - Social and poverty assessment report	Aug 2015
- Conduct procurement capacity and risk assessment - Prepare a procurement plan including contract packaging - Preparing bidding documents - Assist the Executing Agency in bidding process, evaluate bids and draft bid evaluation reports	- Procurement capacity and risk assessment report - Procurement plan and bidding documents - Bid Evaluation Reports	Aug 2015 Mar 2016
- Identify the training needs for the executing agency and prepare training modules, materials	- Training need assessment and	Dec 2015

Major Activities	Major Outputs	Expected Completion Date
and program - Organize and arrange training	training module - Training of at least 50 staff	Mar 2016

EARF = environmental assessment and review framework; IEE = initial environmental examination; LARF = land acquisition and resettlement framework; MFF = multitranches financing facility; SLARP = short land acquisition resettlement plan .

Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

3. The PPTA is estimated to cost \$850,000 equivalent, of which \$800,000 equivalent will be financed on a grant basis by the Asian Development Bank's (ADB) Technical Assistance Special Fund (TASF-Others). The government through Azerishig will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, and other in-kind contributions. The detailed cost estimates are in Table A3.2.

Table A3.2: Cost Estimates and Financing Plan
(\$'000)

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (17 person-months)	380.0
ii. National consultants (12 person-months)	104.0
b. International and local travel	86.0
c. Reports and communications	20.0
2. Workshops, training, and seminars ^b	50.0
3. Vehicle ^c	40.0
4. Surveys/Report Preparation	60.0
5. Miscellaneous administration and support costs	10.0
6. Contingencies	50.0
Total	800.0

Note: The government's contribution will come in the form of counterpart staff, office space and office furniture

for consultants, and other in-kind contributions. The value of government contribution is estimated at 6% of the total TA cost.

^a Financed by the ADB's Technical Assistance Special Fund (TASF-Others).

^b Workshops, training, seminars, and conferences

Purpose	Venue
Workshops, trainings, seminars, study tour, and conferences for stakeholder consultations and trainings. The cost includes interpretation and translation costs.	Workshop - Baku, Azerbaijan Study tour – to be determined.

^c Vehicle

Justify the use of and the need to purchase or lease a vehicle	Expected length of use
Vehicles will be rented during fielding in Baku and for site survey	4 months

Source: Asian Development Bank staff estimates.

D. Consulting Services

4. The PPTA will be implemented over 14 months, i.e. from May 2015 to June 2016. To respond to the government's request to process the MFF and Tranche 1 project urgently and mobilize the consultants quickly, the PPTA will employ 10 individual consultants to include 6

positions for international (17 p-m) and 4 positions for national consultants (12 p-m). Output-based (lump sum) contracts will be considered in all consulting service contracts. The consultants will be selected and engaged by ADB in accordance with *ADB's Guidelines on the Use of Consultants (2013, as amended from time to time)*.

5. The PPTA, among other tasks, needs to adequately address the following aspects relating to the ensuing loan project: (i) updating sector assessment and road map; (ii) detailed executing agency procurement capacity assessment, and suggested remedial action plan to build executing agency capacity to minimize procurement risks; (iii) updating the feasibility study as necessary, preparing technical specifications and bidding documents, assisting the EA in the entire bidding process (including bid clarifications, evaluation, contract negotiations, and contract awards); (iv) on financial management due diligence, financial and economic analysis, assessing utility operations and recommending improvements; (v) updating assessments on involuntary resettlement, environment, social and poverty, and gender; and (vi) capacity development and training for executing agency staff. The required services are summarized in Table A3.3.

Table A3.3: Summary of Consulting Services Requirement
(in person-months)

International (6)	Pm	National (4)	Pm
Individual			
Power Distribution Expert	4	Economic and Financial Expert	3
Economic and Financial Expert	3	Procurement Expert	3
Procurement Expert	4	Environment Expert	3
Environment Expert	2	Social, Gender and Resettlement Expert	3
Social, Gender and Resettlement Expert	2		
Capacity Development Expert	2		
Total	17		12

pm = person-month

Source: Asian Development Bank estimates.

6. Under the proposed PPTA, the consultants will undertake the following tasks:
- (i) **Due diligence required for project preparation.** The consultants will update sector assessment and sector road map, due diligence on project impact, outcome, scope, cost, schedule, procurement plan, procurement capacity and risk assessment, implementation arrangements, economical and financial analysis, financial management and risk assessment, and assessment on environmental, social safeguards, and frameworks.
 - (ii) **Pre-implementation activities.** Assist the executing agency to verify technical design, prepare technical specifications and bidding documents, evaluate the bids, support for contract negotiations and contract awards, recruit the project supervision and management consulting firm.
 - (iii) **Capacity Building.** Conduct assessment on utility operations with recommendations for improvement. Prepare training modules, material and program. Organize and conduct trainings. The training should aim at learning international best practices to (i) efficiently implement ADB's financed project in line with ADB's requirements; (ii) improve corporate financial performance; and (iii) manage and operate the distribution system effectively and reduce losses.
7. The outline terms of reference for the PPTA consultants are described in paras. 8 to 13.
8. **Power Distribution Expert (international, 4 person-months).** The expert will have a bachelor or higher degree in power engineering and at least 10 years of relevant experience in design or operation of distribution network. The expert will (i) review the

government's power sector strategy and roadmap and assess the power sector overall performance, development constraints and opportunities; (ii) update and refine a power sector road map (2015-2025) with strategic context, policy framework, investment program, and financing plan; (iii) propose specific policy recommendations and implementation measures on institutional improvements and capacity building; and (iv) update technical due diligence for the selected investment subprojects.

9. **Economic and Financial Experts (international, 3 person-months; national 3 person-months)** The experts will have an advance degree in finance, economics, accounting, or a related field and at least 10 years of relevant experience in economics and financial analysis of projects including in financial due diligence. The experts will (i) conduct a financial management assessment of the executing agency; (ii) prepare cost estimates and a financing plan; (iii) prepare financial projections and conduct financial analyses of the executing agency; (iv) conduct financial evaluations (financial cost-benefit analyses) including sensitivity analyses; (v) design the disbursement arrangements/funds flow mechanism for the MFF; and (vi) identify economic costs and economic benefits of the project aligned with the financial analysis, calculate economic internal rate of return and economic net present value, conduct sensitivity analysis and identify risk-mitigation strategies and approaches.

10. **Environment Experts (international, 2 person-months, national, 3 person-months).** The environment experts will have a bachelor or higher degree in Environmental Engineering/Science and at least 10 years of relevant experience in carrying environmental studies including environmental impact assessment (EIA) of infrastructure projects. The international environment experts will (i) prepare initial environmental examination (IEE) report for all Tranche 1 sub projects and an environmental assessment and review framework (EARF) for the MFF; (ii) include in IEE an Environmental Management Plan (EMP); (iii) review the environmental management capability of the executing agency and recommend institutional strengthening measures; and (iv) conduct climate change screening and any necessary climate risk and vulnerability assessment.

11. **Social, Gender and Resettlement Experts (international, 2 person-months; national, 3 person-months).** The social, gender and resettlement experts will have a minimum of a bachelor or higher degree in sociology, or equivalent, and at least 10 years of relevant experience in carrying out social development activities including preparation of resettlement plans related to infrastructure projects. The experts will (i) prepare land acquisition and resettlement framework (LARF) for the MFF and for the Tranche 1 Project a resettlement plan or due diligence report as required; (ii) identify and prepare socioeconomic profiles of the project-affected communities in the project areas; (iii) undertake a sample census and inventory of lost assets of affected people and a baseline socioeconomic survey of the affected population; (iv) prepare an entitlements matrix listing all likely effects and an indicative budget for land acquisition and resettlement costs with specific sourcing and approval process; (v) prepare a grievance mechanism and appeal procedures, and mechanisms for disclosing the resettlement plan to affected persons in an easy-to-understand form and manner; (vi) carry out a social and poverty analysis including gender and development which identifies development benefits for different stakeholders identifying how the proposed investment relates to national priorities; (vii) prepare a Gender Action plan with specific gender action points for more than 50% of the project DMF indicators; and (viii) carry out consultations with affected persons (APs) and community-based organizations to ensure that all APs have been fully informed of entitlements.

12. **Procurement Experts (international, 4 person-months; national, 3 person-month).** The experts will have a bachelor or higher degree in engineering or relevant fields and at least 10 years of relevant experience in contract documentation and management. The experts will (i) undertake project procurement risk assessment and prepare Project Procurement Risk Assessment and Management Plan (P-RAMP), including procurement capacity assessment of the executing agency; (ii) based on P-RAMP, prepare the capacity building program to strengthen executing agency's capacity in undertaking procurement and address other risks identified; (iii) prepare draft procurement plan; (iv) prepare master bidding documents for different types of contracts under the project, including an RFP for selection of implementation consulting firm; (v) assist the executing agency prepare bidding documents for goods, works, and/or turnkey contracts; (vi) assist the executing agency in bidding process, evaluation of bids, and preparation of bid evaluation reports; (vii) assist the executing agency in the recruitment of the facility management consulting firm; and (viii) train staff from the executing agency on how to conduct tender design and preparation of specifications; and preparation of tender documents, prequalification of bidders, bidding activities.

13. **Capacity Development Expert (international, 2 person-months).** The expert will have an advance degree in engineering or business administration, or equivalent, and at least 10 years of relevant experience in the power sector. The expert will (i) conduct assessment on utility operations with recommendations for improvement; (ii) undertake a review of 4 to 5 companies with a similar industry profile; and during the course of the assignment, provide a summary of key elements of other company business plans that could enhance the executing agency's operations in terms of efficiency gains, net income growth, and risk mitigation; (iii) organize and conduct trainings to efficiently implement ADB's financed project in line with ADB's requirement, and improve corporate operational performance; (iv) give practical recommendations for improving management functions and staffing for operations; and (v) design and arrange a study tour for learning the latest technology including distribution network operation and metering for 3 staff from the executing agency with a total duration of around 2 weeks.

E. Implementation Arrangements

14. Azerishig will be the executing agency of the PPTA. The project management unit will be established and act as the PPTA coordinating units. Azerishig will allocate sufficient resources as required for the preparatory works. The project management unit will work closely with the PPTA consultants. Disbursements under the PPTA will be done in accordance with ADB's Technical Assistance Disbursement Handbook (May 2010, as amended).

15. The proposed PPTA processing and implementation schedule is in Table A3.4.

Table A3.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
PPTA approval	May 2015
Individual consultant engaged	May 2015
Physical completion	Jun 2016
Financial closure	Sep 2016

PPTA = project preparatory technical assistance.

Source: Asian Development Bank.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Azerbaijan	Project Title:	Power Distribution Enhancement Investment Program
Lending/Financing Modality:	Multitranches Financing Facility	Department/Division:	CWRD/CWEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy
<p>The country has made significant progress in reducing poverty. Poverty incidence has fallen from 49.67% in 2001 to 5% in 2013. Economic growth can be regarded as partly inclusive because of substantial poverty reduction, the decline in regional poverty disparities, the rise in rural employment rates, and the broad-based impact on household consumption in urban and rural areas.</p> <p>Despite this achievement, challenges remain in improving the living conditions of the population. Accessibility and reliability of public utilities has been identified as among the constraints to development.</p> <p>The Government's State Program on Poverty Reduction and Economic Development (2008–2015),¹ identified power sector improvement as among its strategic goals to reduce poverty. The investment program is fully consistent with this goal. It is consistent with ADB's Midterm Review of Strategy 2020 and the ADB Energy Policy (2009) by promoting inclusive growth, regional integration, energy security, and supporting energy efficiency and renewable energy.</p>
B. Poverty Targeting:
<p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The proposed infrastructure contributes to improvements in energy efficiency and electricity distribution services, benefiting all including the poor and marginalized groups, but without specific poverty targets.</p>
C. Poverty and Social Analysis
<p>1. Key issues and potential beneficiaries. The Azerbaijan power distribution system suffers from inefficient use of energy resources with consequent economic and environmental drawbacks. Deficiencies and the unreliability of power distribution affect living conditions of households and discourage new economic activities. Households in rural areas, IDPs and lower income households are more disadvantaged in terms of access to a reliable power supply. Through this project, more reliable power supply is expected to benefit firms and industries throughout the entire country, which will provide increased economic and job opportunities for households, including the poor and socially excluded. The overall MFF will benefit 1.45 million power customers, of which 60% are residential customers.</p> <p>2. Impact channels and expected systemic changes. The program is focused on improving the energy efficiency and reliability of the distribution system, which is the part of the energy system that takes generated power, steps down the voltage and delivers it to households and industries. The program will also improve revenue collection systems, reduce commercial losses and the load management capability of the system, hence improving the accessibility of all segments of population to a quality power supply. Adequate and reliable electricity supply will improve the quality of life and well-being of the people. It will increase the productivity and reduce costs to small and medium entrepreneurs of the current aged, unreliable system.</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence. Based on a household survey conducted under the poverty and social analysis (PSA) during the PPTA in 2009, the first project tranche will directly positively affect 184,824 beneficiaries of which about 29% are poor (Source State Statistical Committee of the Republic of Azerbaijan and household survey conducted under PPTA). The proportion of poor and non-poor was determined by identifying the households, by income on per capita basis, with monthly incomes that fell below the lower poverty line (relative poverty line) of 65 AZN. This is a higher than the national poverty headcount of 13.2% . The PSA showed that most households use electrical appliances for entertainment, heating and cooling. As an indicator of use of labor saving devices (particularly for women's household work), in the surveyed area, only 52% of households use a washing machine. The most commonly used non-electrical appliances include a firewood stove, gas stove, kerosene lamp and other lamps for heating and lighting purposes, indications of insufficient electricity supply. Most of the households (98%) were connected to national electricity grid free of cost. Overall, 75% of</p>

¹ Republic of Azerbaijan. 2008. State Program on Poverty Reduction and Sustainable Development for 2006–2015. Baku.

households stated that the quantity of distributed electricity from the national grid is not sufficient to meet their household electricity consumption needs. While power cuts are common, they are scheduled in a controlled manner, meaning the majority of households (over 95%) are satisfied with the present service.

In response to questions on the number and duration of power cuts and shortage of supply, 61% of respondents referenced power cuts of an hour or so during the day while 35% of respondents observed power cuts of more than one hour. Respondents noted that, due to the low voltage and inconsistency in electricity supply the use of sensitive appliances is difficult. About 10% of households stated that small and large electrical appliances had been damaged due to the voltage fluctuations of the existing electricity supply. The cost of repair for damaged appliances is an extra burden; similarly extra cost is incurred for voltage stabilizers to prevent appliance damage.

The Project will result in positive impacts on improved reliability of electricity supply at the household level. This, in turn, will lead to decreased household spending on solid/liquid fuels for heating, cooking and lighting purposes, and the associated indoor air quality issues. Households will also be able to use more labor saving electrical appliances without risk of damage due to power voltage fluctuations. The project is also expected to contribute to improved income generating opportunities by providing reliable electricity to small industries, and agricultural businesses.

Poverty, social and gender impacts will be updated during project preparation in 2015.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

Azerbaijan exhibits near gender parity in some spheres (education and literacy rates) but also shows distinctive inequalities in terms of women's empowerment overall, especially in women's participation in public and political spheres, and in decision making. Azerbaijan has a Gender Inequality Index (GII) value of 0.314, ranking it 50 out of 146 countries in the 2011 index. Female participation in the labor market is nearly 60% compared to 67% for men, relatively high compared to other CIS countries. A broad-based gender equality law, the Law on State Guarantees on Equal Rights for Women and Men was passed in 2006 which prohibits gender discrimination in all forms and provides guarantees of gender equality in a broad range of spheres, including employment and remuneration. The Labor Code includes provisions on gender equality in some key aspects of employment relations although not on pay. There is a large gender pay gap. In 2010 the average monthly wage for women was AZN226.6, or only 54.8% of the men's average monthly wage (AZN413.2). The pay gap is attributed to high levels of vertical segregation in the labor market. Women are also heavily concentrated in lower-paid, public sector activities such as education (67.7% female), health and social services (76.5%).

Gender patterns are explicit in the energy sector in Azerbaijan. Men, as heads of households, make decisions on sources and types of energy, even though women are the primary users of energy in the home and are therefore more vulnerable to risks related to energy supply and use, and more able to benefit in terms of reduction of drudgery or manual tasks through use of household electrical appliances.

In 2012, women's employment in the energy sector of Azerbaijan was only 15%. Despite the high income potential, in 2012 there were no female private entrepreneurs in the energy sector. Women are under-represented in the energy sector not only in employment but also in education. The PPTA update will determine the sex disaggregated labor profile of Azerishig and make suggestions for how new jobs created through the investment program can be used to develop or recruit female workers. Training for sector development activities will include 20% women.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No Please explain.

Actions on reduction of household drudgery, improvement to living conditions, and employment and training opportunities, as outlined above.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No The above actions will decrease the possibility of entrenching sector-based gender roles by paying women who conduct advocacy/demand side management work and encouraging more women to work in the sector.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The main stakeholders will include power distribution companies, consumers (men and women), business and public institutes and media.</p> <p>2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded? During PPTA update, consultations with the poor and low-income groups will be conducted to include them in the planning process. Risks and vulnerabilities for low income, women, poor and excluded groups will be documented in consultation with and participation of these groups.</p> <p>3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design? <input checked="" type="checkbox"/> Information generation and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
IV. SOCIAL SAFEGUARDS²
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p> <p>No land acquisition will be required for the project and as such no physical or economic displacement of persons/households is anticipated.</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p> <p>It is expected that there are no Indigenous Peoples in the project areas of all Tranches, and as such the project will not impact on their rights, livelihood, cultural practices, lands and resources</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design? <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input checked="" type="checkbox"/> (L) Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? The meter readers will not be retrenched but will be required to have their skills upgraded through training provided as project component.</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analyses, and participation plan during the PPTA or due diligence? Social, gender and resettlement experts are included in the PPTA update.</p>

Sources: ADB. 2014. *Country Partnership Strategy: Azerbaijan, 2014–2018*. Manila.

² For Tranche 1 project only.