

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

Risk Description	Rating	Mitigation Measures	Responsibility
1. Prolonged COVID-19 pandemic causes unprecedented economic crisis, which may affect the benefits of the policy and institutional reforms	S	The government is mounting a \$12.9 billion pro-poor countercyclical expenditure program with a focus on providing social protection for the vulnerable, scaling up resources for the health sector, protecting critical public spending, and providing economic stimulus. The government is also preparing a medium-term economic recovery strategy to recommend programs and policies to support the economy.	Government and ADB
2. Appreciation of the peso erodes price competitiveness of agricultural products	L	The government, through the BSP, will continue to take prudent monetary policies to mitigate currency exchange fluctuations.	BSP
3. Rice exports to the Philippines may be restricted because of emergency situations in major rice-exporting countries	S	The government has diversified and increased the number of countries from which to import rice. The government is also strengthening the domestic rice sector.	Government
4. Reforms stall as they did in the Grains Sector Development Program	S	Based on lessons learned from the Grains Sector Development Program that had a similar reform objective, the proposed program includes measures to mitigate impacts on rice farmers of reduced farmgate rice prices resulting from the rice trade liberalization such as various rice competitiveness enhancement fund programs under reform area 2 and financial assistance programs under reform area 3.	Government

S = substantial, L = low.

ADB = Asian Development Bank, BSP = Bangko Sentral ng Pilipinas (Central Bank of the Philippines), COVID-19 = coronavirus disease.

Source: ADB.