

with strategically selected LGUs of the Philippines and working at several cities/municipalities across the Philippines. This will include women and youth, indigenous people, persons with disabilities, internally displaced persons, people living in poverty, especially in extreme poverty and in long-term poverty, and persons living in conflict affected areas. A focus on designing a just transition will incorporate a “no one is left behind approach” that will be adopted in the definition of instruments for the respective beneficiary communities.

### 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
<b>1 External environment</b>	Change of political priorities by the new Government - executive and legislative branches (national, provincial, and local including cities).	Medium	High	At local level, maintain policy dialogue with interested LGUs and key government departments, enable awareness creation about the economic potential of Circular Economy (CE) and energy transition interventions. Collaborate with League of Cities of the Philippines to ensure continued interest from the network of LGUs.
	Some of the technology might not be feasible for application in the Philippines (feedstock, climate).	Medium	Medium	Select technology that has been tested in comparable locations and/or can be easily adapted to the local conditions.
	Market risks (Economic conditions, Fiscal, Industry cycle risks, Foreign Exchange Market (FOREX) risks): Economic downturn for the Philippines, and / or insolvency of the state finance that affects negatively PPP capacity to invest in the CE and create right conditions for funding Project finance in that segment.	Low	Medium	Public Finance Management and monitoring of Philippines sovereign debt and macro-economic indicators.
	Credit risks / solvency risks (leverage, solvency risk): On green bonds, credit risk that the issuer (either the Government of the Philippines or	Medium	High	Strengthening of the security package of the green bond note. Due diligence on the issuers, underlying counterparties (for instance independent power producers and their off take and Power Purchase Agreement (PPA); propose strong