



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4856



Introduced by Representative **ANTONINO B. ROMAN III**

EXPLANATORY NOTE

Our small-scale fisherfolk catch almost half of all the fish we eat, but they remain some of the poorest people in the country. Currently, when faced with financial needs, they often have no choice but to turn to predatory lenders who charge sky-high interest. This cycle of financial exclusion prevents them from investing in essential improvements such as better boats, safe gear, or cold storage. The result is persistent poverty for fishing communities, widespread overfishing, and substantial post-harvest losses that cost the country tens of billions of pesos annually.

This bill—the Blue Finance for Small-Scale Fisherfolk Act—is at the heart of the comprehensive *Blue Finance Legislative Package*.¹ This vital bill aims to end this vicious cycle by providing fisherfolk access to low-interest loans and financial guarantees specifically tailored to their seasonal incomes and unique operational needs.

This bill establishes the Blue Finance Program to significantly expand financial access for small-scale fishers and provide them financial literacy and sustainable fishing practices training. The program will develop and offer specialized blue financial instruments, including blue bonds and revenue-backed financing, in coordination with various financial institutions. A government-backed Small Fisherfolk Credit Guarantee Fund will be created

¹ This legislative package seeks to unlock the full potential of the Philippines' blue economy by empowering small-scale fisheries, enhancing financial inclusion, and mobilizing both public and private investment in sustainable fisheries and coastal infrastructure. The five measures in this package, as listed below, are designed to function as a cohesive system addressing systemic gaps in credit access, investment incentives, institutional mandates, and infrastructure development.

1. *Blue Finance for Small-Scale Fisherfolk Act* – Establishes concessional credit programs and financial advisory services.
2. *Fisheries Asset Collateralization Act* – Allows use of fishing gear and future catch as loan collateral.
3. *RA 11901 Amendment* – Introduces mandatory fisheries sub-quotas and weighted incentives in agricultural lending, so banks cannot bury the sector under generic agri-lending.
4. *Fisheries Financing Empowerment Act* – Mandates LandBank to create a Fisheries Financing Unit with a dedicated portfolio.
5. *DBP Blue Finance Infrastructure Amendment Act* – Expands DBP's charter to prioritize post-harvest and climate-resilient infrastructure.

Together, these reforms will reduce fisherfolk poverty, enhance value-chain integration, and promote long-term sustainability of marine resources by making the sector more bankable, investable, and resilient.

to de-risk private-sector lending to small-scale fisherfolk enterprises, making it more attractive for banks and other financial institutions to provide loans.

By channeling fishers towards legitimate financial institutions, we can significantly bring down the inherent risks associated with lending to this sector. This direct financial support, distinct from mere grants or “ayuda,” is designed to foster economic activity and increase our fishers’ productive contribution to the marine economy. By enabling investments in sustainable fishing practices, equipment upgrades, and value chain integration, these provisions ensure that fishers benefit directly from the economic growth and environmental health of marine resources. This approach not only bolsters their economic resilience but also promotes the long-term sustainability of marine resources critical to coastal communities.

This is not just about loans—it is about giving our fisherfolk the tools and the dignity to rise out of poverty and take charge of a sustainable future.

Immediate passage of this bill is earnestly sought.



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AN ACT
ESTABLISHING A BLUE FINANCE PROGRAM FOR SMALL-SCALE
FISHERFOLK TO PROMOTE INCLUSIVE, SUSTAINABLE, AND RESILIENT
FISHERIES, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Short Title. – This Act shall be known as the “Blue Finance for Small-Scale Fisherfolk Act.”

SECTION 2. Declaration of Principles. – It is the policy of the State to promote inclusive and sustainable development in the fisheries sector by enhancing the economic resilience and credit access of small-scale fisherfolk. Recognizing their vital role in food security, marine conservation, and the marine economy, the State shall enable small fisherfolk to obtain capital and financial services necessary to invest in sustainable fishing practices and value-added enterprises, including by incentivizing private financial institutions, capital market instruments, and innovative financing mechanisms. The State shall prioritize enabling conditions for the flow of private investment into sustainable fishing practices, value-added enterprises, and marine ecosystem protection.

SECTION 3. Definition of Terms. –

- a) “Blue Economy” – The sustainable use of ocean and coastal resources for economic development, improved livelihoods, and ecosystem sustainability.
- b) “Blue Economy Skills” – competencies, technical expertise, and practical skills required for or beneficial to economic activities that sustainably use marine and coastal resources, ensure a family living wage, and enhance livelihood and community resilience, while promoting a healthful and balanced ecology, such as sustainable fishing, aquaculture, post-harvest processing, marine conservation, eco-tourism, and sustainable harvesting and processing of high-value marine resources, including commercially valuable marine species. These skills shall include ancillary skills such as maritime entrepreneurship, financing and financial stewardship, accounting, and management.

- c) “Blue Finance” – Financial flows and instruments, both public and private, that promote sustainable use of ocean resources and ecosystem services for economic growth, improved livelihoods, and marine ecosystem health.
- d) “Blue Financial Instruments” – Blue bonds, blue insurance, concessional loans, blended finance, microfinance, and other mechanisms that fund or insure sustainable marine-based activities.
- e) “Small-Scale Fishers” – Include both Subsistence Fishers and Small-Scale Commercial Fishing Operators as defined below.
 - 1) “Small-Scale Commercial Fishing Operators” – Individuals, households, or cooperatives engaged in fishing and fisheries-related activities with passive or active gear utilizing fishing vessels of 3.1 gross tons (GT) up to twenty (20) GT who or which still face significant barriers in scaling their fishing operations and accessing affordable financing.
 - 2) “Subsistence Fishers” – Individuals, households, or cooperatives engaged in fishing and fisheries-related activities, using fishing vessels of three (3) GT, or no vessels at all, and whose primary source of livelihood is fishing or fish-related work, including household-level, non-commercial, and artisanal fishers who generally operate with limited capital, low technology, and minimal access to formal financial services shall be included in the coverage of this definition.

The Department of Agriculture – Bureau of Fisheries and Aquatic Resources (DA-BFAR), in consultation with the Agricultural Credit Policy Council (ACPC), shall develop implementing guidelines to operationalize this definition and sub-categories, including the use of socioeconomic criteria and profiling data from the Registry System for Basic Sectors in Agriculture (RSBSA) and the Philippine Statistics Authority.

SECTION 4. Establishment of the Blue Finance Program. – There is hereby established a Blue Finance Program designed and implemented to:

- a) Identify and develop pipelines of Blue Economy projects with strong potential for private investment and scalable impact;
- b) Develop and offer standardized Blue Financial Instruments (e.g., blue bonds, ESG-linked loans, revenue-backed financing facilities) in coordination with investment banks, microfinance institutions, and capital market actors;
- c) Establish a Small Fisherfolk Credit Guarantee Fund to de-risk private-sector lending;
- d) Support fisherfolk cooperatives in enterprise development and value-chain integration;
- e) Develop sustainability-linked criteria ensuring funded activities promote marine conservation and climate resilience.
- f) Establish a government-backed first-loss facility and credit guarantee fund to de-risk private lenders and investors from defaults by small-scale fishers, with clear claims processes and payout triggers;

- g) Facilitate on-lending and subsidiary loan arrangements to microfinance institutions, rural banks, and accredited cooperatives through official development assistance (ODA) and proceeds from Blue Financial Instruments, with concessional terms calibrated to match the seasonal cash flows and risk profiles of small-scale fishers, and subject to performance-based lending and transparent fund administration mechanisms; and
- h) Provide financial literacy training, credit-readiness support, and business development services.

SECTION 5. Small Fisherfolk Guarantee Fund. – There is hereby created a Small Fisherfolk Credit Guarantee Fund, which shall be administered by the DOF, in coordination with the PGC and other relevant GFIs, for the purpose of de-risking private lending to small-scale fisherfolk enterprises. The Fund shall provide partial credit guarantees to eligible issuers of Blue Financial Instruments and financial institutions extending loans to qualified fisherfolk borrowers, subject to guidelines on guarantee coverage, claims processing, and risk-sharing arrangements.

SECTION 6. Incentives to Participating Financial Institutions. – Issuers of Blue Financial Instruments, as well as the enterprises and projects financed through such instruments, shall be entitled to the following incentives without need of further determination of eligibility by the Fiscal Incentives Review Board (FIRB) and other relevant incentive-granting agencies:

- a) Fiscal and non-fiscal incentives under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act (Republic Act No. 11534), including income tax holidays, enhanced deductions, and special corporate income tax rates for qualified activities in sustainable fisheries or marine conservation;
- b) Tax deductions and duty-free importation under the Philippine Green Jobs Act of 2016 (Republic Act No. 10771) for projects that promote environmental sustainability and create green employment;
- c) Access to credit guarantees and co-financing arrangements under the Agricultural and Fisheries Modernization Act (Republic Act No. 8435) and its implementing mechanisms, including those managed by the Agricultural Credit Policy Council (ACPC);
- d) Fiscal and non-fiscal incentives granted by the BOI and other IPAs, provided that qualified blue economy projects shall hereby be included in the Strategic Investment Priority Plan (SIPP) pursuant to the CREATE Act and its implementing rules and regulations; and
- e) Other incentive programs and facilities as may be authorized by the Bangko Sentral ng Pilipinas, the Department of Finance, and relevant government financial institutions (GFIs), including support from the Philippine Guarantee Corporation.

SECTION 7. Fisheries Value-Chain and Industry Support. – The DA-BFAR shall lead the development of a National Fisheries Value-Chain Development Plan, and shall coordinate with LGUs for the creation and implementation of their respective Local Fisheries Value Chain Development Plan, identifying investments for cold storage, processing, logistics hubs, and fair-market mechanisms, with preference for fisherfolk-owned enterprises.

SECTION 8. Roles and Responsibilities of Government Agencies. – To fulfill the foregoing objectives, the following agencies shall undertake the corresponding roles and responsibilities:

- a) The DA-BFAR shall serve as the lead implementing agency for this Act. The DA-BFAR and Local Government Units (LGUs), in partnership with accredited NGOs and fisherfolk cooperatives, shall identify Blue Economy projects, organizing fisherfolk into eligible enterprises, and providing technical support for business formalization.
- b) The Department of Finance (DOF) shall design and administer the first-loss facility and credit guarantee fund, and coordinate the use of ODA and public funds to mobilize private capital.
- c) The Department of Trade and Industry (DTI) shall assist fisherfolk enterprises in product development, market access, and investment readiness.
- d) The Bangko Sentral ng Pilipinas (BSP) shall issue guidelines for supervised financial institutions offering Blue Finance products and support appropriate risk-based capital treatment for blue assets.
- e) The Securities and Exchange Commission (SEC) shall issue detailed guidelines for blue bond issuance, including taxonomy alignment, use-of-proceeds requirements, reporting obligations, and third-party verification standards.
- f) The Philippine Guarantee Corporation (PGC) and relevant government financial institutions (GFIs) shall implement credit guarantee programs and facilitate on-lending arrangements to microfinance institutions, rural banks, and cooperatives.
- g) The Technical Education and Skills Development Authority (TESDA) shall:
 - 1) Design and set standards for specific programs on Blue Economy skills training;
 - 2) Partner with the BSP, DTI, and other relevant agencies and stakeholders to design and prepare training modules and materials on financial literacy, credit readiness, and business development;
 - 3) Allocate at least five per centum (5%) of scholarships for blue economy skills training to small-scale fishers;
 - 4) Partner with national government agencies and local government units in supporting and providing training programs and facilities for local communities based on identified community needs; and
 - 5) Partner with non-government organizations, local schools, faith-based groups, cooperatives, and community organizations in establishing community-based training facilities for local communities, especially remote coastal areas.
- h) Local Government Units (LGUs), in addition to their responsibilities under subsection (a) hereof, and in the exercise of their functions under the Local Government Code and their respective charters, shall:
 - 1) Issue bonds, debentures, securities, collaterals, notes and other obligations pursuant to Section 299 of the Republic Act No. 7160 and other applicable laws

and regulations, for the development of enterprises related to the blue economy;

- 2) Assist small scale fishers as defined under Republic Act No. 8550 as amended, in applying for applicable credits and incentives;
- 3) Provide education and capacity building for small scale fishers as defined under Republic Act No. 8550 as amended; and
- 4) Provide exemptions and incentives for the benefit of small scale fishers.

SECTION 9. Appropriations. – The sum of One Billion Pesos (PhP 1,000,000,000) is appropriated for the Small Fisherfolk Credit Guarantee Fund, to be included in the annual General Appropriations Act under the DOF.

SECTION 10. Implementing Rules and Regulations. – Within ninety (90) days from effectivity, the DA, DOF, and DTI, in consultation with stakeholders, shall promulgate the Implementing Rules and Regulations (IRR).

SECTION 11. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the unaffected provisions shall remain in full force and effect.

SECTION 12. Repealing Clause. – All laws, executive orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 13. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,