



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4858



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

EXPLANATORY NOTE

Small-scale fisherfolk are vital to our food supply and local economies, yet they continue to be left out when it comes to loans and financial support. In 2022, we passed Republic Act No. 11901 to improve access to credit for agriculture and fisheries. But because it treats agriculture and fisheries as one big group, most of the money still goes to large farms—not to small fisherfolk.

This bill fixes that by making sure banks set aside a clear portion of their loans specifically for small-scale fisherfolk. It encourages banks to directly lend to fishing communities and allows them to use new financial tools like blue loans. It also recognizes the importance of building fish ports, cold storage, and other basic infrastructure.

To ensure that every small fisher gets a chance, the bill also proposes a system that helps identify and connect registered fisherfolk to formal banks. If a bank does not follow these new rules, the penalties they pay will go into a special fund that can be used to support fishing communities.

This bill is part of the *Blue Finance Legislative Package*.¹ It ensures that the credit programs we create truly reach the people who need them most—our small-scale fisherfolk—so they can build stronger, more sustainable lives.

¹ This legislative package seeks to unlock the full potential of the Philippines' blue economy by empowering small-scale fisherfolk, 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.

Immediate passage of this bill is earnestly sought.



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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.



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AN ACT
STRENGTHENING ACCESS TO CREDIT FOR SMALL-SCALE FISHERFOLK
BY AMENDING REPUBLIC ACT NO. 11901, OTHERWISE KNOWN AS THE
“AGRICULTURE, FISHERIES AND RURAL DEVELOPMENT FINANCING
ENHANCEMENT ACT OF 2022,” 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 “Fisherfolk Credit Empowerment through RA No. 11901 Amendment Act.”

SECTION 2. Declaration of Principles. – It is the policy of the State to promote inclusive access to finance for small-scale fishers as a cornerstone of sustainable fisheries and the blue economy. The State shall ensure that mandatory credit mechanisms under the law are designed and implemented to prioritize and directly benefit small-scale fishers, cooperatives, and fisheries enterprises.

SECTION 3. Amendments to Section 3(cc) of RA No. 11901. – Section 3(cc) of RA No. 11901 is hereby amended to read as follows:

(cc) Registry System for Basic Sectors in Agriculture (RSBSA) refers to an electronic compilation of basic information on farmers, farmworkers, and fisherfolk. The database, which includes the profile of farmers, farmworkers and fisherfolk, and additional information such as farm parcels and fisheries, credit worthiness, and verifiable sales and harvest data, among others, is mainly used to help government planners and policymakers in formulating policies for agricultural development, and facilitate the identification of small-scale fisherfolk and credit assessment by lending institutions;

SECTION 4. Amendments to Section 3(gg) of RA No. 11901. – Section 3(gg) of RA No. 11901 is hereby amended as follows, renumbering the subsequent definitions accordingly:

(gg) “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.

(hh) Sustainable Finance x x x.

SECTION 5. Amendment to Section 6 of RA No. 11901. – Section 6 of RA No. 11901 is hereby amended to read as follows:

Section 6. Credit Quota — All banking institutions, whether government or private, except newly-established banks for a period of five (5) years from the date of commencement of the banks' operations, shall set aside a credit quota, or a minimum mandatory agricultural and fisheries financing requirement of at least twenty-five percent (25%) of their total loanable funds.

Of the total 25% loanable funds required to be allocated to the agriculture and fisheries sectors, a minimum of ten percent (10%) shall be specifically allocated to fisheries and aquaculture-related projects. Of this, at least 50% must be directed to small-scale fishers.

The total loanable funds generated by a banking institution shall be defined by the BSP. During the first year of effectivity of this Act, the total loanable funds generated shall be computed starting from 20 April 2010, the effectivity of Republic Act No. 10000, after which the bank's total loanable funds shall be determined based on funds generated starting from the second year of the effectivity of this Act.

SECTION 6. Insertion of a New Section 6-A into RA No. 11901. – A new Section 6-A is hereby inserted into RA No. 11901 to read as follows:

Section 6-A. *Incentive for Direct Lending.* — To incentivize direct credit flow, banks shall receive 1.5 times credit toward their mandatory quota for every peso directly loaned to small-scale fishers. The Bangko Sentral ng Pilipinas shall issue guidelines for this weighted compliance mechanism, ensuring products are appropriate to fishing livelihoods, including seasonal grace periods and non-collateralized loans.

SECTION 7. Insertion of a New Section 6-B into RA No. 11901. – A new Section 6-B is hereby inserted into RA No. 11901 to read as follows:

Section 6-B. *Municipal Fisherfolk Registry (FishR).* — The FishR mandated by RA No. 8550 shall identify small-scale fishers and include financial data on their respective credit worthiness, including verifiable sales and harvest data. The Agricultural Credit Policy Council (ACPC) shall establish the applicable credit worthiness metrics.

All personal data collected under this section shall be processed in accordance with RA No. 10173, otherwise known as the “Data Privacy Act of 2012,” and other applicable laws.

Banks and government financial institutions (GFIs) may access the FishR solely for know-your-customer (KYC), credit assessment, and product design, subject to ACPC guidelines and borrowers’ consent.

SECTION 8. Amendment to Section 7 of RA No. 11901. – Section 7 of RA No. 11901 is hereby amended to include the following:

X X X

(k) Investments in capital market instruments, such as blue bonds, and financing of fisheries infrastructure, including but not limited to fish landing centers, cold storage, and processing hubs, shall be deemed eligible activities for compliance under this Act:

X X X

SECTION 9. Amendments to Section 9 of RA 11901. – Section 9 of RA 11902 is hereby amended to read as follows:

Section 9. *Penalty Clause.* — The BSP shall impose administrative sanctions and other penalties on the lending institutions for violation of any of the provisions of this Act. Penalties on noncompliance or undercompliance shall be computed at one-half of one percent (0.5%) of noncompliance or undercompliance, or at rates prescribed by the BSP Monetary Board. Upon collection of the penalties, the BSP shall remit the same to the implementing agencies as identified under Sections 9, 10 and 11 of this Act. Five percent (5%) of the penalties collected shall be retained by the BSP to cover

administrative expenses and twenty percent (20%) shall be allocated as fund for agricultural- and fishery-related organizational-capacity- and institution-building programs and activities to be implemented equally by the LBP and DBP: *Provided*, That these programs shall result in equipping the ARBs, duly registered farmers, small-scale fishers, as well as members of their household and their MSMEs, and agrarian reform communities with the appropriate knowledge and skills to improve their welfare, competitiveness, income and productivity. For this purpose, the LBP and DBP may coordinate with and/or tap the services of qualified training providers as well as the ACPC and the Cooperative Development Authority (CDA), on the design and delivery of these capacity-building programs.

SECTION 10. Amendments to Section 11 of RA No. 11901. – Section 11 of RA No. 11901 is hereby amended to read as follows:

Section 11. *Use of the Special Fund.* — The Special Fund under Section 10 of this Act shall be allocated to the following implementing agencies in this manner:

- (a) Thirty-five percent (35%) of the fund shall be allocated to the DAR for the titling and parcelization of landholdings covered with collective Certificate of Land Ownership Awards (CLOA);
- (b) Sixty-five percent (65%) of the fund shall be made available in the form of credit facility with minimal interest rates and with minimum collateral requirements, to be equally managed by the LBP and the DBP which shall set their geographic coverage in administering said credit facility.

The LBP and DBP shall utilize the Special Fund for ~~lending to the following purposes, for the direct benefit of~~ farmers and fisheries registered in the RSBSA or FishR, farmers and fisheries cooperatives and associations, and microfinance institutions:

- (a) Capacity-building programs for farmers and fisherfolk;
- (b) Provision of concessional loans to registered farmers and fisherfolk, cooperatives, and rural micro, small, and medium enterprises (MSMEs) engaged in agricultural or fisheries activities;
- (c) Establishment and management of credit-guarantee mechanisms to reduce lending risk and encourage participation of formal financial institutions;
- (c) Provision of insurance products designed to protect farmers and fisherfolk from losses due to natural disasters, market fluctuations, or other external risks; and
- (d) Technical and financial support for the development of financial products tailored to the seasonal and cash flow

characteristics of agriculture and fisheries enterprises.

The Fund shall be allocated equitably between farmers and fisherfolk based on sectoral credit performance, access needs, and poverty incidence, as determined in the implementing rules and regulations. At least 50% of the allocation for fisherfolk shall be utilized for the benefit of small-scale fishers.

In the case of the DBP share, to promote financial inclusion in Islamic communities, particularly the ARBs in the Bangsamoro Region, two and one-half percent (2.5%) in the thirty-two and one-half percent (32.5%) share of DBP shall be allocated to Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP) for as long as the National Government is a majority shareholder of AAIIBP.

All loan repayments and other collections shall be used to fund credit facility of the LBP, DBP and AAIIBP under this section: *Provided*, That LBP, DBP and AAIIBP shall be allowed to reimburse direct costs incurred in the management of the fund, but in no case shall these reimbursements exceed two percent (2%) of the average quarterly loan balance.

SECTION 11. Information Dissemination Campaign. – The Department of Agriculture (DA) and the Bureau of Fisheries and Aquatic Resources (BFAR), through the RSBSA, shall undertake information dissemination activities to ensure that fisherfolk are made aware of the availability, features, and application procedures of credit programs.

SECTION 12. Implementing Rules and Regulations. – Within ninety (90) days from the effectivity of this Act, the Department of Agriculture, Bangko Sentral ng Pilipinas, and the Department of Finance shall promulgate implementing rules and regulations in consultation with the fisherfolk sector.

SECTION 13. Transparency and Monitoring. – The ACPC shall submit an annual report to Congress and the Department of Finance detailing the performance of the Special Fund. The report shall include information on total fund allocations, loan performance, geographic and demographic distribution of beneficiaries, and measurable social and economic outcomes.

DA-BFAR and ACPC shall jointly ensure the integrity of the RSBSA through periodic validation, cross-referencing with FishR and PhilSys, and field verification activities.

SECTION 14. Separability Clause. – If any provision of this Act is declared unconstitutional, the other provisions shall remain in full force and effect.

SECTION 15. Repealing Clause. – All laws, executive orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 16. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,