Food and Agriculture Organization
of the United Nations

**FAO's
Blue Growth Initiative**

Blue finance guidance notes

Microfinance for small-scale fisheries

Contents

Why microfinance for small-scale fisheries and aquaculture?

Employment in the fisheries and aquaculture sectors has grown faster than the world population and faster than employment in traditional agriculture. Over 90 percent of small-scale fishers and aquaculture farmers live in developing countries and often they are fully dependent on the sector for their livelihoods. These small-scale fishers contribute about 85 percent of total capture fisheries production globally, making them important for successful blue economies. Fishing harbours, landing sites, associated processing facilities and wholesaling and retailing of fish provide significant employment and economic benefits to countries and coastal communities.

Small-scale fisheries make up a dynamic and evolving subsector of fisheries employing labour-intensive harvesting, processing and distribution technologies to harness marine and inland-water fishery resources. Their activities often focus on supplying fish and fishery products to local and domestic markets and for subsistence consumption by the fishers themselves. Small-scale fisheries are generally profitable, and they are key to the environmental, economic and social well-being of many coastal communities – in other words, to achieving sustainability. However, earnings from fishing alone are often not sufficient to keep households above the poverty line.

Microfinance is key to the financial empowerment and economic resilience of vulnerable, marginalized small-scale fishing communities, providing them access to credit so they can generate more revenue and contribute productively to blue growth.

Small-scale fishers generally operate in remote areas where it is difficult to obtain access to common banking and credit services. The majority are unable to provide collateral and, as a result, cannot access credit from formal financial institutions. Consequently, fishers and their families experience lower productivity and incomes from their work, greater job and food insecurity, increased vulnerability to economic shocks and natural disasters, and social displacement as they may migrate in search of work.

As small-scale fishers generally need working capital for fuel, gear and ice, they have an ongoing need for small credit, which makes them subject to exploitation by intermediaries (traders) and informal moneylenders. These informal moneylenders often retain control over the fishers' right to sell fish, because of their indebtedness, and provide their credit at high interest rates. As a result, fishers and their families often become entrapped in a cycle of poverty and indebtedness.

Microfinance can help break the cycle of exploitation and continuing indebtedness faced by fishers and their families. A well-defined financial delivery infrastructure not only provides microfinance services, but also helps beneficiaries to build their savings through various wealth management option plans.

Small-scale fisheries facts & figures

Worldwide, approximately **120** million full-time and part-time workers are directly dependent on the fisheries value chain for their livelihoods.

About **97** percent (116 million) of these people live in developing countries.

More than **90** percent work in small-scale fisheries.

Around **47** percent, or **56** million workers in developing countries, are women (World Bank, 2012).

World fish production in 2016 was reported to be 171 million tonnes.

Of this, aquaculture represents **47** percent (80 million tonnes).

A major share of production comes from small-scale fisheries, whose first sale production value in 2016 was estimated at USD **362** billion (FAO, 2018).

Small-scale fishing **communities** are among the **poorest** and most afflicted with **social ills** (low levels of formal education, unhealthy and unsafe working conditions, forced labour, ill health) and may be further **marginalized** by a failure to recognize the importance of fisheries.

Employment in small-scale fisheries is several times **higher** per tonne of harvest than in large-scale fisheries.

Inadequate supply of **credit** is an important constraint against enhanced production, value addition and livelihood improvement in small-scale fisheries. Making credit available to **rural households** in general and fishers in particular is essential to **promote** economic development.


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Challenges faced by small-scale fishers

- Small-scale fishers are constrained by open-access and resource limitations determined by nature and the 200-mile exclusive economic zone of countries.
- Low development and use of technology confines them to a relatively narrow fishing area.
- Most of the vessels used by small-scale fishers are not owned by them; they are crew members and get a share of the catch.
- Small-scale fishers face mobility constraints: At sea, they are limited by the size of their fishing area, and on land, they are not adequately skilled to take up alternative employment.
- They may feel trapped in the occupation, as it is relatively easy to enter and does not need large capital, but is difficult to exit for a variety of reasons ranging from chronic indebtedness to lack of better alternatives.
- Small-scale fishing is often a last resort for marginalized poor people in search of a livelihood.

What is microfinance?

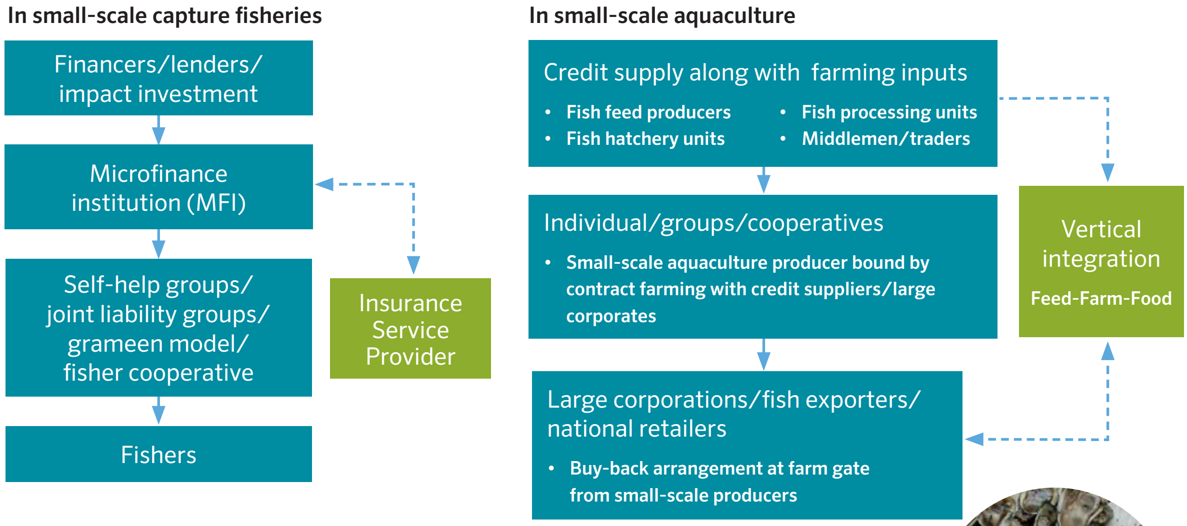
Microfinance refers to credit, savings, insurance, money-transfer and payment services offered to low-income groups not served by regular banks because they lack adequate collateral. It is intended for economically active but poor or low-income people who have limited or no access to formal financial services. Its emphasis on groups rather than the individual makes it easily applicable to small-scale fisheries, whose occupational activity is often group based.

Various models have evolved for the delivery of microfinance (see Table on page 5). Depending on the model, actors involved can include international and regional banks, including the World Bank, Asian Development Bank, African Development Bank and New Development Bank; international organizations such as FAO, the United Nations Development Programme (UNDP), the International Fund for Agricultural Development (IFAD); development agencies such as the German Agency for International Cooperation (GIZ); public and private banks; regulatory bodies, microfinance institutions (MFIs); non-governmental organizations (NGOs); foundations and trust funds; fisherfolk associations; corporations; fish product manufacturers; retail food chains; and the fishers themselves (see Figure on page 4).

Traditional credit services versus microfinance

Credit services	Microfinance
• Traditional credit services are important for established enterprises with working capital needs or for entrepreneurs that have a profitable economic opportunity, possess entrepreneurial skills, are capable of regular repayment and can capitalize on credit when it is made available. • Delivery mechanisms for credit services are straightforward, follow standard operating procedures and are based on regulatory and institutional guidelines. • Loan sizes can vary and can be suitable for small, medium and large enterprises. • Loans are generally only provided for productive purposes. • Interest rates fluctuate based on risks assessed by the financial institution that provides the credit. • Obtaining credit often involves a lengthy documentation process and requires understanding of borrowers' rights and obligations. • Credit availability is based on the creditworthiness of the enterprise. • Mortgage or collateral is generally used to guarantee (partly) the repayment of the loan.	• Microfinance serves economically active poor and low-income groups that have no access to services offered by formal financial institutions. • Worldwide, two-thirds of microfinance clients are women. • Microfinance services are often accompanied by training in financial literacy and business skills. • Multiple models are used worldwide for delivery of microfinance services, including community-based organizations, cooperatives, business correspondent modes and mobile financial services. • Microloans can be offered for economic activities or consumption to meet family and household needs. • Microloans generally carry low interest rates and flexible repayment arrangements. • Loan products can be specialized or customized to include insurance and risk management. • Microfinance creates opportunities to save, offering a secure cushion to microfinance clients. • The documentation process for microfinance services is generally simple and minimal. • Collateral or guarantee is not required. Group members generally stand as guarantors for each other and even repay if a member defaults. • Client approval for loan disbursement takes about three to seven days. The advent of digital service channels is likely to reduce the turnaround time from days to a few hours or even minutes.

Relationship between key stakeholders



Case study

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Microfinance support to oyster and cockle growers in the Gambia

The TRY Oyster Women's Association, founded in 2007, brings together 500 women oyster harvesters from 15 villages in the Tanbi Special Management Area (greater Banjul area) in the Gambia. The women are grouped in harvester cooperatives which provide them opportunities to exchange information on sustainable oyster harvesting techniques and to receive training in small-scale enterprise development. The association provides access to equipment and technologies, sets standards for working and sanitary conditions, helps to coordinate the processing, packaging and marketing of oysters, and mobilizes the local population to reforest mangrove areas and become involved in environmentally responsible resource management. TRY has also helped to ensure continued revenue streams through improved harvesting methods (including extension of the closed oyster fishing season to ensure larger oysters); promotion of freezing, bottling and smoking techniques to extend the shelf-life of oysters; and development of lucrative market supply chains, to provide high-end and value-added products for sale to retail and restaurant chains.

Oyster harvesting is seasonal, and many TRY members do not have alternative employment, which means that the women experience extremely lean periods and are trapped in an intractable cycle of indebtedness. To help them make ends meet between harvests and to provide a greater measure of year-round financial security, the association has been operating a microfinance programme since 2010. Its aim is to support association members with financial management skills and services and to provide small, catalytic loans to enable members to start or improve upon small business ventures. To participate, each woman must buy in at the equivalent of USD 10. Each participant is then loaned USD 30 for investment in a new or existing small business enterprise.

Microcredit loans are complemented by a savings programme. Women are given secure safety deposit boxes where they can store their money. The women who managed to save the most from the first round of loan disbursements were offered more substantial loans during the second round, to encourage larger savings.

The microfinance programme has provided TRY members with knowledge on how to manage their small businesses and how to save money. It has also given women access to formal credit and savings, banks and other financial institutions for a range of services that allow them to grow their capital, thus leading to group empowerment and social capital accumulation. Of the 256 women involved in the first round of loan disbursements, only two did not repay their loans in full.

Most of the initial funding for the microfinance and saving programme came from the United States Agency for International Devlopment (USAID) Gambian sustainable fisheries BaNafaa project. The association is actively exploring options to attain financial independence.

Source: UNDP, 2013

Existing models for provision of microfinance services to small-scale fishers

Options	How it works	Benefits	Challenges
Self-help groups (SHG)	Group acts as financial intermediary. Homogeneous group of 10 to 20 people. Group determines loan size, interest rate to members, repayment periods and penalty fees for late payment.	Group structure is used to encourage mutual benefit and support. Groups are self-managed, practising collective leadership and decision-making in credit management. Group has the flexibility to decide on the savings amount. No collateral required. Familiarity among group members facilitates tracking of loan diversions and defaults.	Limited value of credit flow, as group members lend among themselves initially, using the savings amount. Need to obtain credit approval, based on the group's financial discipline, to get access to credit services from formal institutions such as banks, with a minimum waiting period of six months generally required.
Joint liability group or solidarity group lending	Group acts as guarantor of loan. Group consists of either three, five or seven members, who collectively guarantee each other's loans. Mainly for small and micro-enterprises in need of short-term working capital. Initial training provided to group members, focusing on the joint liability responsibility. MFIs approve loans on the basis of the groups' creditworthiness.	Can benefit fish vendors and small fish traders. Subsequent loan can be of higher value, depending on the borrower's repayment capacity.	Relatively high interest rates. Access to subsequent loans depends on successful repayment of previous (smaller loan) by all group members.
Grameen model	Generally a five-member peer group organized and incorporated in one village centre of eight peer groups. Membership is open only to people from the same village with similar economic resources. Elected chairperson is responsible for group's discipline. Group members perform loan appraisal. Access to loans is phased: initially two members receive loans and subsequently the next two members, after the first set has successfully repaid the loan.	No collateral needed, as group members mutually guarantee each other's loans. Progressive loans also provided.	Insufficient gestation period for repayment (e.g. one week) creates a challenge for small-scale businesses, as it is difficult to earn a profit in such a brief time. If a first-time loan disbursement amount is fixed and too small, it will not meet the needs of some clients.
Village banking model	Community-based credit and savings association. Generally involves collaboration among 25 to 50 entrepreneurs with low income. Initial loan capital may come from an external source for the village bank.	Members run the banking services and have the right to choose new members. Members elect their own officers and establish their own by-laws. Members distribute loans to individuals, collect loan payments and maintain savings by members. No collateral needed; the group stands collateral for each individual's loan.	No new loans until fellow members have made their loan payments and/or deposited savings.

Self help group bank

Members are organized in a group of 10-20 numbers – facilitated by responsible agency (NGO, government department, microfinance institution).

Register the Self help group (SHG) and conduct monthly meeting – to collect savings and plan livelihood activities.

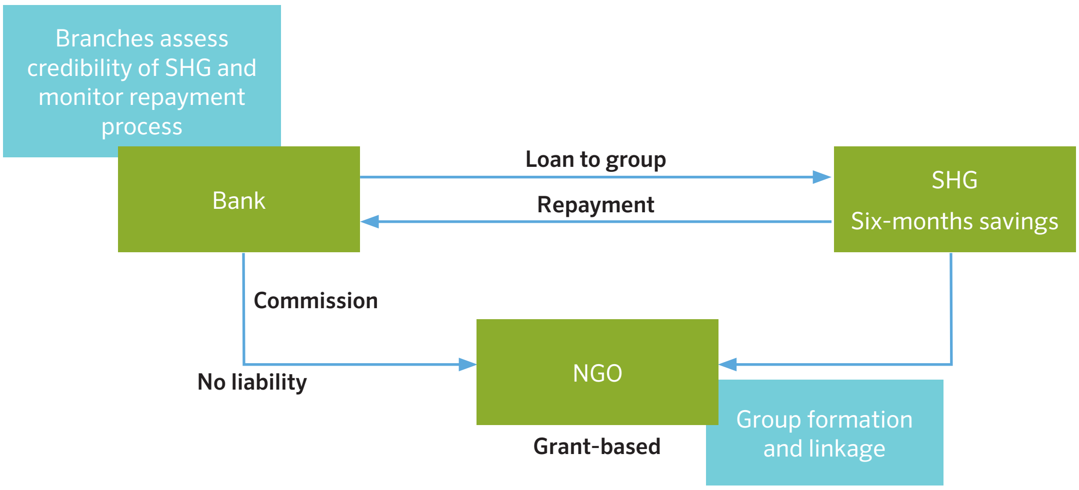
Responsible agency – governments will set up system for registration of SHG and guide meeting procedures.

Responsible agency – financial agency will assist SHG to set up credit mechanism.

SHG members participate in training – facilitated by concerned responsible agency- to acquire financial management and enterprise development skills.

SHG maintains book of records of their costs and savings – responsible agencies do handholding in initial period, closely monitor and eventually evaluate the SHG for acquiring credit.

Formation of a self-help group



What microfinance can do for small-scale fisheries

BENEFITING PEOPLE

- Increase household income, which leads to increased food security, the opportunity to build assets and an increased likelihood that children will be educated.
- Finance boat ownership and the establishment of microenterprises associated with fisheries activity.
- Cater for social needs related to quality of life and smooth consumption patterns, particularly during lean and off seasons when little or no income or food is generated.
- Reduce vulnerability to life shocks such as unexpected illness or adverse weather.
- Provide incentive to promote the participation of small-scale fishers in sustainable fisheries management and conservation, as well as for rehabilitation of coastal and aquatic environments.
- Give women equal opportunities to engage in fisheries activities.

Challenges and solutions - delivering credit services to small-scale fisheries

CHALLENGES IN CREDIT DELIVERY TO SMALL-SCALE FISHERS

Operational
- Investment returns are limited.
- Investment capacity and assets of fishers are limited.
- Fishing communities are often geographically dispersed.

Capacity of the sector
- Fisheries infrastructure is often limited.
- Technical capacity of fishers is low.
- Fishers educational level is generally low.
- Social exclusion and stigmatization of fishers is common.
- Institutional capacity in fishing communities is inadequate

Political and regulatory
- Political and social interference is common.
- Fisheries has often regulatory and management gaps.
- Contract enforcement in the sector is often poor.

MICRO-FINANCE BENEFITS ENTERPRISES AND COMMUNITIES
- It improves access to market and trade information.
- It increases the effectiveness of producer and marketing organizations.
- It improves fish supply chains and marketing infrastructure.
- It contributes to public service provision in fishing communities.
- It improves business, managerial and technical skills of fishers.
- It empowers and improves capacity to manage fisheries activities.
- It facilitates implementation of fisheries management objectives.

MICRO-FINANCE BENEFITS TO ENTERPRISES AND COMMUNITIES
- improve access to market and trade information;
- increase effectiveness of producer and marketing organizations;
- improve supply chains and marketing infrastructure;
- improve public services for the fishing community;
- improve business, managerial and technical skills;
- empower management constituencies and improve capacity;
- encourage robust management objectives that are consistent with policy objectives;
- encourage property or access rights and obligations consistent with policy objectives.

Microfinance trends in the small-scale fisheries sector

Microfinance services for small-scale fisheries follow a similar geographic trend to that of the microfinance sector as a whole. An estimated five to 10 percent of the microfinance portfolio is directed towards small-scale fisheries in each region.

MFIs are generally more interested in providing support to the aquaculture sector (the farming of fish, shellfish, molluscs and aquatic plants such as seaweed) than to capture fisheries, probably because:
- Aquaculture is practised within a relatively controlled environment and, as a result, has assets such as farm buildings and ownership/title of land, along with related accountability.
- Adopting good aquaculture management practices provides some assurance of productivity and economic returns.
- MFIs are open to accepting bullet payments (i.e. interest paid on a weekly, fortnightly or monthly basis, with the principal paid at harvest time), which is hard for capturing fisheries.

The capture sector, in contrast, is perceived as risky, because of the inherent difficulty of estimating fish catch, the open-access nature of capture fishing, the tendency of small-scale fishers to migrate to find better fishing grounds, and low literacy levels, which makes it challenging for the fishers to complete the required procedures for microfinancing.

State of the microfinance sector

Microfinance is a highly buoyant sector: In 2018, MFIs worldwide serviced 140 million borrowers with a loan portfolio of USD 124 billion. However, there are notable geographical differences.

- **India** was the leader in microfinance, with 47 million borrowers and approximately USD 15 billion in outstanding loans in 2016. Viet Nam was second, followed by Bangladesh, Mexico and Peru.
- **Southern Asia** dominated global microfinance with the largest amount of borrowers (85.6 million), with this number growing faster than in other regions.
- **Latin America and the Caribbean** is also a highly active region, with USD 48.3 billion in outstanding loans, in comparison with USD 5.7 billion in Europe and USD 10.3 billion in sub-Saharan Africa.

Source: Convergences, 2019

Creating an enabling environment for credit and microfinance services

Governments, development agencies and other institutions can facilitate the delivery of microfinance in the small-scale fishing sector primarily in three ways:

- through policy and legislation affecting the financial sector;
- by helping to meet related information needs;
- by promoting innovation.

Policy and legislation

Financial sector regulation should include clear principles and standard operating procedures and processes, as well as measures to support compliance with these regulations.

Financial sector policies address such issues as dealing with loan defaults.

Governments can further facilitate support to microfinance by linking it with existing poverty alleviation programmes; and by providing support in relation to guarantees.

Financial literacy awareness campaigns can contribute to developing financial prudence among small-scale fishers.

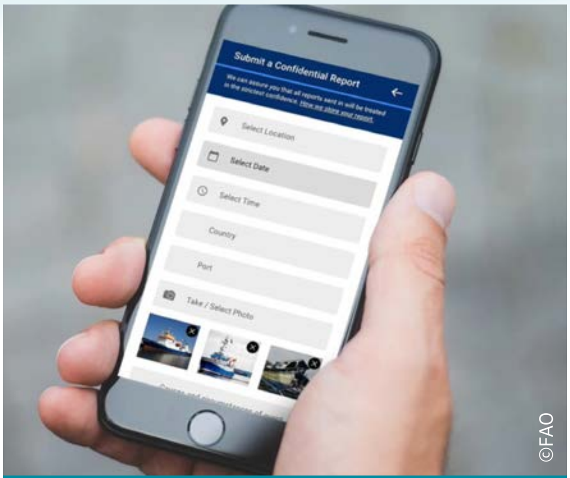
Information

The design and implementation of microfinance and credit programmes requires a database of socio-economic information and credit scoring methods. Information on small-scale fishers' livelihoods at the national, regional and local levels is needed to identify the type of assets and activities that may require microfinance support. This information can be obtained through sector-wise assessments of the demand for microfinance services, and by collecting and analysing information about the small-scale fisheries sector such as aquaculture systems used, fishing boat investments, working capital needs, earnings, variable costs, landing sites, infrastructure and marketing systems.

Innovation

Technology-based financial delivery systems. As mobile phones are widely used in all regions, offering financial services through digital channels provides a means of reaching areas that are underserved by banks, such as coastal fishing communities.

Mobile financial services are important tools for facilitating access to financial services by the unbanked and may turn out to be the main means of their accessing formal services. For example, of all people in sub-Saharan Africa aged 15 or older, only one-quarter have an account at a formal financial institution, while more than half have a mobile phone subscription.



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M-Pesa: a successful mobile money service in Kenya

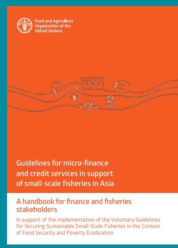
In Kenya, as in other parts of Africa, many household breadwinners travel to urban areas for work, while their families stay behind. Access to banking services in rural areas is limited or, in some cases, non-existent, so transferring money home is costly in terms of commission charges and transportation to and from a bank or money transfer office. The alternative – sending money back home to family with a bus driver or with an acquaintance who may travel for days to reach their village – is often risky and carries a cost as well.

M-Pesa (from *pesa*, the Swahili word for "money") was launched by Safaricom, Vodafone's associate in Kenya, to provide mobile money services to the unbanked. It enables users to transfer money via short message service (SMS) over the phone. The M-Pesa system makes financial services available on every street corner, through a network of more than 120 000 specially trained agents around the country. After a decade, M-Pesa has more than 25 million users in Kenya.

How it works. Clients visit the agents with cash and then, through a series of SMS messages, convert that money into electronic funds (e-money) held on their SIM cards. Via SMS, they can transfer that money to someone else who then visits the local agent and withdraws the cash. The transaction takes place in seconds, and the transaction cost is very low.

Source: Vodafone, 2019

Guidelines for micro-finance and credit services in support of small-scale fisheries



The Asia-Pacific Rural and Agricultural Credit Association (APRACA) and FAO developed in 2019 the "Guidelines for micro-finance and credit services in support of small-scale fisheries in Asia: A handbook for finance and fisheries stakeholders". These guidelines provide useful information on the importance of microfinance and credit for small scale fisheries and why many small-scale fishers are not currently financed. The Guidelines suggest entry and leverage points for stakeholders interested in supporting the access of financial services for small-scale fishers (SSF). The document identifies the stakeholders involved in finance of SSF and elaborates on the likely roles and activities of each category. The Guidelines describe some key good practices in the provision of microfinance and credit to SSFs and provide details on the markets, main activities and possible products, the role of product design, policies and procedures, marketing and promotion, risk assessment and credit analysis, delivery channels, loan monitoring and repayment elements and the need for product pricing to contribute to institutional sustainability.

Small-scale fishers are known to use mobile smart phones for market information, weather reports, early warning indications, global positioning system (GPS) services and safety at sea. Mobile financial services can increase their access to credit and saving options, remittances, insurance services, payment services and pension schemes, which could contribute enormously to their financial inclusion. Digital channels can also facilitate interactions for informing small-scale fishers how to use the finance, for instance how to choose and buy fishing or fish-farming inputs, and provide support and options for managing transactions such as loan payments, insurance purchases and mobile credit recharges.

Case study

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Microfinance programme of the South Indian Federation of Fishermen Societies

In southern India, a combination of factors makes access to credit difficult for fishers; in the aftermath of loan write-off schemes, the banking sector has become less amenable to small-scale fishers. In addition, the transition by most fishers to fibreglass-reinforced plastic boats with outboard engines requires loans that are higher than the amount permitted free of collateral.

As part of its integrated, holistic model of marine fisheries development, the South Indian Federation of Fishermen Societies (SIFFS) introduced a microfinance programme to meet the needs of its members. In spite of the perception that credit to fisheries is high-risk lending, SIFFS successfully provides productive-purpose loans to small-scale fishers, using a flexible repayment structure and low interest spread. Customized loan products have been developed to suit the needs of small-scale fisheries and fisher households, including owners of motorized and non-motorized small-scale fishing vessels and crew members of small-scale fishing vessels. SIFFS offers larger loans and longer repayment periods than the banks, e.g. 36 instalments to be repaid over a 42-month period with an interest rate of 12 percent, as well as seasonal loans to be repaid with bullet payments at the end of the fishing season. A simple formula is applied for loan repayment: 10 percent of the value of the daily fish catch.

Fisherwomen have been given working capital loans for fish vending activities and any other petty trade that would enhance their income-generating capacity. In addition, seasonal loans are available to creditworthy fisherwomen. Loans are also made available to meet consumption needs such as children’s education, medical expenses and other household-related expenses.

The fishers are no longer dependent on mediators and moneylenders charging high interest rates. They now have the right of first sale of their fish. Their freedom from debt has raised their social status and given them an opportunity to accumulate savings.

Technology can also be used to capture credit information effectively and make it available to microfinance providers. A good savings and credit history, created through prompt repayment of loans, may be the only collateral a low-income fisher builds. A digitized credit history could help migrant fishers to access credit in different locations.

Fisheries innovation challenge fund. An innovation challenge fund is a competitive financing facility for disbursement of public-sector or private foundation funding of international development projects for market-based or incentive-driven solutions. Such a fund, established with contributions from multilateral and bilateral donors and other stakeholders, could be used to enable fisheries cooperatives, MFIs and the private sector to:

- develop innovative models for financial service provision tailored to the needs of low-income fishers and aquaculture farmers, including flexible repayment schemes, individual lending models and cash-flow based financing;
- test and pilot new methodologies and products and to refine existing ones;
- offer technology-based delivery systems (including SMS banking and e-money).

Fisheries microfinance investment vehicles: mobilizing private funding for microfinance. Microfinance – traditionally funded by the international investment arm of public development agencies – is increasingly being funded through private investment. Indeed, microfinance has become a leading asset class in the impact investment landscape. Microfinance investment vehicles (MIVs) – channels for mobilizing funds from private investors to local microfinance service providers – can be used to tap into the emerging interest of private equity players in fisheries impact investment. MIVs generally aim to catalyse flows of new sources of private capital towards sustainable fisheries with positive environmental and social impact. When used to incubate businesses in the supply chain with a focus on sustainable practices, private, return-seeking capital can be used to support sustainable small-scale fisheries management.

For example, a USD 1 million to 5 million MIV could provide capital for low-cost improvements in fish processing activities such as icing, packaging technology and cold storage; distribution logistics such as trucks or interim storage depots; and increasing marketing capacity to augment sales and reach buyers of higher-value fish products.

Case study

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Aquaculture development through microfinance support in the northern uplands of Viet Nam

A project in three northern upland provinces of Viet Nam – Hoa Binh, Son La and La Chau – used microfinance to support investments by poor farmers in small-scale aquaculture development, to reduce poverty and enhance local food security among poor ethnic communities. The project sought to enhance the productivity of small-scale farms through the introduction of appropriate aquaculture technology, establishment of effective extension services and an innovative commune-managed credit and savings scheme. A key element was assigning women a lead role in household aquaculture development and management so the project impacted strongly in improving their skills, enhancing and boosting their self-confidence and improving their standing in the community.

The first step, applied in 50 pilot communes, was to organize poor farmers and strengthen their capacity. Women's unions at the commune, district and provincial level brought together individuals, groups and organizations involved in microcredit. Aquaculture credit groups comprising 20 members each were formed at the commune level. The high rate of loan repayment (98 to 100 percent) allowed the fund to rotate in the second year and assist many more farmers. Factors contributing to the success of the programme included the focus on credit for women farmers, the mutual assistance within the women's groups and the package of training/extension services. In general, the women became financially independent, and poverty levels in the rural communes dropped substantially.

The Viet Nam Bank for Agriculture and Rural Development and the Viet Nam Social Policy Bank, together with the Women`s Unions of Viet Nam, replicated the programme in other provinces using national financial resources. In addition, the Danish International Development Agency (Danida) adopted a similar microfinance model in three other provinces in Viet Nam.

Source: Tietze and Villareal, 2003

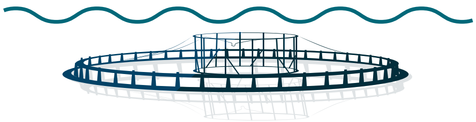
Microfinance project results in three provinces of Viet Nam

Indicators	La Chau	Son La	Hoa Binh
Project loan (USD)	30 965	30 965	30 965
Total loan value (USD)	73 269	66 188	64 436
Saving amount (USD)	4 495	4 317	3 115
Loan recovery rate	98	100	98
Accrued capital (USD)	865	1 687	1 081
Number of borrowers	1 630	970	1 040
Number of women borrowers	1 531	787	760
Percentage of women (out of total)	94	81	73
Poor borrowers	1 531	752	760
Percentage of poor	70	77	58

Source: Tietze and Villareal, 2003

Potential microfinance loans in small-scale fisheries

- Purchase of small fishing vessels
- Motorization of traditional fishing vessels
- Motorized fishing vessels
- Fishing gear
- Short-term loans for recurring expenses (purchase of fuel and ice, repair and maintenance of engines and vessels)



- Fish and pond construction
- Purchase of feed, seed stock (fish fry or fingerlings) organic fertilizers
- Labor for pond excavation and harvesting
- Equipment, e.g. floats, cages

- Purchase of solar-fish dryer or ice maker
- Improved-technology for fish brining or smoking
- Local fish value-added products – manufactured by fisher women's groups

- Purchase of fish transport vehicle, e.g. truck, rickshaw, bicycle, scooter
- Fish stall with refrigerated storage, weighing machine and fish bone-cutting machine
- Fish packaging materials for retail sale

- Children's education, marriage, funeral purpose loans
- House construction and repair loans
- Individual and household consumption goods, e.g. mobile phone

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Financial investment in the fisheries and aquaculture sectors has traditionally been limited. Fisheries and aquaculture sectors' production and profitability have historically been rather unpredictable. Therefore they presented risky business models for the financial sector. However, our understanding of how to manage this unpredictability, through established best practices and ever improving technology, is shifting this paradigm. The financial sector and fisheries and aquaculture sectors can mutually benefit from collaboration given the important scale and economic impact of these sectors, including contributions to employment, value addition and food security. The Blue Finance guidance notes, prepared under FAO's Blue Growth Initiative, include brochures on microfinance and insurance for small-scale fisheries and small-scale aquaculture producers, blue bonds, blended finance and impact investment. The brochures aim to provide governmental, non-governmental, private and public stakeholders with information, resources and concrete pathways for obtaining finance to support blue growth transitions at local, national, regional and global scales.

The Blue Finance Guidance Notes series includes:

- Microfinance for small-scale fisheries
- Blue bonds
- Insurance for small-scale fisheries
- Blended finance
- Aquaculture insurance for small-scale producers
- Impact investment

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