



To enhance conservation outcomes, invest in financial inclusion

RESEARCH BRIEF

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The Siargao islands in the southeastern Philippines are vulnerable to erratic rainfall, flooding, and rain-induced landslides caused by typhoons and tropical cyclones. These intense weather patterns are becoming increasingly frequent and intense as climate change worsens.

Nearly 24% of the population of Siargao are small-scale fishers, among the country's poorest and most marginalized. They face many risks, from minor health ailments and recurring events like tropical storms to catastrophic natural disasters. Financial services, like [insurance](#), and informal safety nets, like [savings clubs](#), can help fishers plan for and manage these risks. Without an understanding of these unique risks, financial service providers struggle to position products that fit the needs of this niche market, leaving small-scale fishing communities to face these threats alone.

Done by Rare and the Center for Financial Inclusion (CFI), this research shows that financial inclusion, or the expansion of access to formal financial services, for small-scale fishers and coastal communities is an effective measure for helping them adapt to climate change. The report, [*"Beyond Bang for the Buck: The Business Case for Financial Inclusion to Scale EbA Solutions in Philippine Coastal Communities,"*](#) confirms the links between financial inclusion for small-scale fishers and their effective protection of nature to build resilience to climate change — a strategy known as Ecosystem-based Adaptation (EbA).

What question were we trying to answer?

An extensive body of research points to the potential of financial services to help low-income, vulnerable populations cope with sudden emergencies, including climate shocks. The study's hypothesis is that, for small-scale fishers, access to these services is crucial for adopting and complying with conservation measures. However, financial inclusion is often overlooked in conservation efforts, limiting scalability and long-term sustainability. The researchers at CFI asked, "Can integrating financial services strengthen the socio-economic resilience of fisher households, promote sustainable fishing practices, and incentivize behavioral change to support conservation goals?"

Study details

CFI conducted an extensive literature review of the factors impacting the socio-economic resilience of small-scale fishers globally and in the Philippines, the key institutional and structural barriers they face and the state of financial inclusion in the country. Additionally, given the focus on inclusive finance, CFI reviewed academic and gray literature on the linkages between financial inclusion and climate adaptation and resilience, particularly for small-scale fishers. They also conducted field interviews, participatory field research, and focus groups in the Siargao Islands in April 2024.

What is MA+R?

The MA+R model, implemented by Rare in the Philippines, combines managed access with no-take reserves to support both conservation and sustainable fishing. Managed access allows local fishers to harvest certain species under regulated conditions, while no-take reserves provide protected areas where marine life can recover. Unlike traditional Marine Protected Areas (MPAs), MA+R sites are typically smaller, community-led, and designed to balance biodiversity conservation with fish stock replenishment and fisher livelihoods. Due to its flexible and holistic approach, MA+R is also considered an Other Effective Area-based Conservation Measure (OECM).

Research findings

The research confirms that when communities integrate [MA+R \(Managed Access with Reserves\)](#) with innovative financial services, their resilience to climate shocks improves markedly. Specifically, fisher households that have access to financial services — through MFIs, savings clubs, and tailored insurance products — show enhanced recovery and adaptation capacity.

Specifically, the paper has three key learnings:

1. Adoption of conservation measures (like Marine Protected Areas, or “MPAs”) can provide considerable economic and environmental benefits to small-scale fishing communities. However, community support and trust are critical. Due to the fragile nature of their livelihoods, small-scale fishers require incentives and support to ensure that MPA regulations do not negatively impact their income or consumption. Additionally, effective enforcement mechanisms are needed to ensure the community complies with the fishing guidelines set for effective MPA implementation to discourage illegal fishing.
2. Inclusive finance plays a critical role in helping fishers sustain their livelihoods and income during periods of stress. Evidence from Siargao shows that fishers with access to inclusive finance could use those services to recover from the devastating aftermath of Typhoon Odette without resorting to opening fisheries designated for conservation. Due to its recurrent meetings, and access to informal financial services, savings groups also helped build a sense of ownership and accountability and motivated fishers to comply with environmental regulations.
3. Longer-term pathways for fishers to adapt to and build resilience against climate change should focus on giving fishers security and agency to pursue livelihoods of their choice. Many small-scale fishers take pride in their occupation and want to continue fishing. Access to financial services can help them adopt sustainable fishing practices, protect fishing assets, and improve their livelihoods. Others, such as younger fishers, can use financial services to plan, upskill, and transition to more stable, climate-resilient livelihoods.

Why it matters

The link between the financial resilience of communities and the environment is crucial, especially for those highly dependent on natural resources for their livelihoods. Resilient communities are better positioned to deal with lifecycle events, shocks, and stressors, manage risks, and transform their lives in response to new hazards and opportunities. They also have higher adaptive capacity, which enables them to effectively respond to climate shocks and their effects, moderating the harm or taking advantage of the opportunities.

These communities are also more equipped to learn from experiences, make informed changes, and adapt to new social, economic, and environmental conditions.

Small-scale fishers need more choice to secure their livelihoods in the face of environmental and economic challenges. For many, fishing is an integral part of their identity. These fishers will need support to practice sustainable fishing alongside alternative livelihoods in tourism, fish processing, and aquaculture, aiding their adaptation to environmental changes. Others, for whom fishing is not desirable or tenable, will need strategies to upskill and transition to alternative livelihoods that are stable and not susceptible to climate change. Access to capital and markets supported by training and technical assistance will catalyze these shifts and equip fishers to effectively manage existing and emerging risks.