SME BlueImpact Asia Co-Design Workshop

Workshop Summary, 18 - 19 June 2026. Discovery Suites, Ortigas Center, Pasig, Philippines

Background

The Asian Development Bank (ADB) is supporting the development of *SME BlueImpact Asia* a regional blended finance platform that aims to help close the small and medium sized enterprise (SME) blue economy financing gap. It will develop a pipeline of bankable blue SMEs and aggregate them into portfolios offered to qualified private sector investors, leveraging catalytic funding from multilateral and bilateral financing institutions.

A pilot project in the Philippine, delivered between October 2025 and March 2026, focused on two marine biodiversity corridors—the Southern Leyte–Siargao Corridor and the Davao Gulf–Pujada Bay. It validated the core premise of the program: that i) a credible pipeline of sustainable blue economy investment opportunities exists in coastal developing markets, ii) development-oriented financial institutions have appetite to channel capital into the sector, and iii) a structured blended finance architecture can be designed to connect the two. Five SMEs were shortlisted, representing the diverse sectoral opportunities available in the region, while also demonstrating the strongest baseline potential to achieve true impact and investment readiness.

Purpose and Format

Building on the takeaways from the first stages of the SME BlueImpact Asia pilot, the project consortium took steps to integrate local financial partners into finding a way to secure initial funding for the selected SMEs. On 18-19 June 2026, the consortium convened a two-day workshop in Metro Manila to bring together the shortlisted SMEs from the Philippine pilot, the local government units (LGUs) of the two pilot corridors, and a range of financial institutions, government agencies, and development partners. The workshop built directly on the pipeline mapping, shortlisting, impact and investment readiness work carried out under the Philippine pilot.

Day 1 brought the financial “ask” of real businesses in the pilot areas to potential financial partners. Local financial institutions were also invited to present their existing range of product offerings within the identified sectors. The aim was to understand if and where synergies exist to unlock financing.

Day 2 widened the lens to the full Philippines (and broader Asia-Pacific) Blue Economy financing gap, exploring the building blocks of a longer-term financing architecture and the complementary role of technical assistance, grant funding, and the SME BlueImpact digital platform.

Day 1 – Financing the pilot portfolio

SME Pitches and Extended Financing Demands

The five shortlisted SMEs, (i) AASC Technologies, (ii) Adelina Hotel and Dahican Beach Resort and Spa, (iii) Governor Generoso Diving Shop, (iv) Fishermen Cooperative of Consolacion, and (v) Mud Crab grow-out presented standardized pitches generated through the SME BlueImpact investment readiness tool, together representing indicative aggregated financing needs of approximately USD 3.5 million. The pitches illustrated genuine potential for impact and bankability, alongside a range of business maturity levels; from early stage to more established businesses. Several SMEs also highlighted a preference for more flexible, revenue-linked or risk-sharing financing structures better suited to seasonal and disaster-exposed cash flows than conventional fixed-repayment debt.

Beyond the 5 shortlisted SMEs, participants identified other financing needs which were gathered during the pilot:

- **LGU and enabling infrastructure:** Mati, Siargao (including Dapa and Del Carmen), and the Socorro Empowered People’s Cooperative (SOEMCO) highlighted major needs in solid waste and wastewater management, desalination, and power infrastructure, constrained by limited LGU borrowing capacity and regulatory challenges.

- **Early-stage ventures:** the Mud Crab grow-out concept illustrated an opportunity better suited to venture or seed capital than to conventional bank lending (this was one of the shortlisted SMEs, presented as an early-stage opportunity).
- **Micro-enterprises and associations:** groups such as Rizal Taktak Women's Association (bottled tuna) and the Banaybanay CSOs Association (selling fresh and processed agricultural and sea products) need grants, capacity building, and market linkages rather than debt financing at this stage.
- **Nature-based solutions:** rrreefs presented its 3D-printed reef restoration model illustrating new innovative nature-based solution financing opportunities. There is potential for this entity to become a service provider in monitoring, evaluation and regeneration of ecosystem. However, costs of production remain a binding constraint to reach scale, in the context of limited budgets of potential clients (hotels, LGUs, etc.).

Financial Institutions Programmes

Development Bank of the Philippines (DBP), Landbank of the Philippines (LANDBANK), and CARD Mutually Reinforcing Institutions (MRI) presented existing lending programs spanning the agri-fishery value chain, with legislated or subsidized programs able to reach rates of 3–5% per annum against market rates of roughly 8–10%. Common barriers raised by financial institutions included limited financial literacy and documentation among borrowers (the principal obstacle to graduating micro-borrowers to SME lending), high monitoring costs in remote areas, the current absence of standardized approaches to measuring Blue Economy impact, and immature small businesses with limited operational history. Summaries of the programs presented are listed in the table below.

Program	Key Characteristics	Target Clients
DBP: Aquaculture Value Chain Financing (AVCFP)	Blue economy window funded by the Agricultural Credit Policy Council. Whole chain coverage. Up to 90% of project cost. <5% p.a. but capped at PHP 5–15m (medium enterprises ineligible).	Micro & small enterprises, co-ops, startup fish-farm operators.
DBP: Agriculture, Fisheries, and Rural Development (AFRD) Credit Facility	Most flexible window (covers farmers, fishers, agrarian reform beneficiaries, cooperatives and associations as well as microfinance institutions) for a wide range of use of proceeds. Concessional rates: ~1–5% p.a. + service fee 3.5% yr 1, then 2% p.a. on balance.	Retail (fishers, farmers, coops) and wholesale lending.
Landbank: AQUA (Aquatic Resources Acceleration)	Banner fishery program with whole chain coverage. Lends bank's own funds at concessional- to market-rates depending on borrowers.	Fisher cooperatives, MSMEs, large agri-enterprises, and conduit banks.
Landbank: AGRISENSO Plus	Consolidated value-chain flagship with capacity building & market access. National scale. Small entity = 3% p.a.; coops / Agrarian Reform Beneficiaries Organizations (ARBOs) = 5% p.a.; SMEs / large = market rate.	Small farmers, fishers, co-ops.
CARD MRI: Microfinance Agri/Blue Loan	Microfinance plus WASH sanitation loan. PHP 300k ceiling.	Fisherfolks & farmers.

Breakout Discussions

- **SME financing:** participants favoured a blended approach combining grants, concessional loans for expansion, and results-based finance. The discussions also highlighted the challenge of identifying and accessing appropriate financing opportunities, as well as the need for capacity building in governance, financial management, and investment readiness to enable SMEs to access repayable finance.

- **LGU and enabling infrastructure:** barriers were found to be structural rather than purely cost-related, including protected area permitting requirements, long project timelines, and limits on LGU borrowing capacity. Public-private partnership models (PPP) were discussed as a promising route to faster delivery.
- **Micro-enterprises and associations:** the discussions highlighted the need for a staged financing pathway, from technical assistance for business planning and product development, as well as grants and funding through group lending and milestone-based support, to help early-stage enterprises build the track record needed to access formal lending channels.

Day 2 – Toward a Financing Architecture

Day 2 broadened the discussion from the two pilot corridors to the wider Philippine and Asia-Pacific Blue Economy financing gap, framed against the ADB/UNEP/UNDP estimate of a USD 5.5 trillion regional investment need by 2030, of which an estimated USD 2 trillion falls on Blue Economy SMEs. The opportunity for investment in the Blue Economy for the Philippines were highlighted. The Department of Trade and Industry (DTI) presented ProSPER, an upcoming agri-fishery enterprise program offering matching grants and cluster governance support, alongside its wider suite of programs.

The consortium presented the building blocks of an indicative financing architecture combining sources of capital, on-lending and intermediation channels, and end-user financing needs, supported by cross-cutting technical assistance. This was illustrated with international case studies including the UK Nature Impact Fund, the Maldives Tuna Think Tank, and the ADB / Bank of Qingdao blue syndicated loan.

Finance4Blue presented the SME BlueImpact Asia impact-investment-readiness platform, which generates a standardized set of outputs (elevator pitch, pitch deck, business plan, impact business canvas, financial summary, and impact scorecard) from a single set of SME inputs, enabling aggregation of SMEs into diversified portfolios for financial institutions and investors. ADB's Global Environment Fund (GEF) team also outlined complementary grant funding opportunities, including a proposed concept to build out the platform and pipeline, and a longer-term ambition for a regional blended finance fund.

Financing Pathways Identified

With feedback from breakout groups, the following possible finance pathways were developed. While not exhaustive nor tested, the list shows how different combinations of local and international partners could collaborate to leverage one another's' capabilities. The near-term objective remains to pilot a financing mechanism to serve the needs of the shortlisted SMEs in the two biodiversity corridors in Mindanao, while exploring longer term solutions to deploy capital at scale for the ADB SME BlueImpact program.

Pathway	What it involves	Key partners
Dedicated development bank window with ADB risk-sharing	A tailored financing window at a development bank (e.g. DBP), deploying the bank's own funds for the shortlisted SME portfolio, with pricing and risk supported by an ADB technical assistance or risk-sharing layer	DBP, ADB, Landbank
Wholesale or direct lending through intermediaries	ADB capital flows through financial intermediaries. Path 1: ADB to development banks / private banks on-lend directly to SMEs. Path 2: ADB to microfinance institutions, rural banks, or aggregation nodes (e.g. cooperatives), which in turn reach micro-enterprises and associations.	DBP, Landbank, CARD MRI, SOEMCO
Investment fund	A dedicated Blue Economy fund combining catalytic anchor capital with private co-investment.	ADB, GEF, Finance Earth
Technical assistance facility	A grant-funded, potentially revolving facility supporting SME impact and investment readiness, lender capacity building, and LGU feasibility work (a prerequisite across all other pathways).	GEF, ADB, consortium partners

Cross-cutting Takeaways

SME pitches and Demand

- The Blue Economy financing market in the Philippines is fragmented: numerous programmes and institutions exist, but supply and demand are poorly matched due to limited visibility on both sides and high transaction costs.
- Capital availability is not the primary constraint. Cost of finance, access to knowledge and documentation support, and unmitigated business risks (seasonality, natural hazard exposure) are more binding, pointing to a continued need for blended structures and technical assistance.
- Enabling infrastructure, particularly solid waste and wastewater management, underpins the viability of SMEs and tourism operators alike, reinforcing the interdependence of government, financial institutions, ADB, and SME action.
- The SME BlueImpact impact-investment-readiness platform was tested as a scalable way to originate investable SMEs and to package sustainable portfolios for financial institutions and investors.
- Standardised impact measurement remains an emerging capability across financial institutions, and the platform's impact scorecard offers a promising foundation to advance the integration of impact considerations into financing decisions.

Next Steps

- Continue engagement with development bank partners to assess the feasibility of a dedicated financing window for the shortlisted SME portfolio.
- Continue engagement with microfinance institutions to explore possible loan products for associations.
- Continue populating the SME BlueImpact Asia digital platform with pilot SMEs to demonstrate a tangible, investor-ready pipeline.
- Pursue GEF-9 grant funding to support platform development, technical assistance, and the longer-term regional financing ambition.

Participants

Enterprises

1. AASC Technologies
2. Adelina Hotel and Dahican Beach Resort and Spa
3. Banaybanay CSOs Association
4. Fishermen Cooperative of Consolacion
5. Governor Generoso Diving Shop
6. Rizal Taktak Women’s Association
7. rrreefs
8. Socorro Empowered Peoples Cooperative

Public Sector

1. LGU Municipality of Dapa, Surigao del Norte
2. LGU Municipality of Del Carmen, Surigao del Norte
3. LGU City of Mati, Davao Oriental
4. Department of Environment and Natural Resources, Pujada Bay
5. Department of Agriculture – Agricultural Credit Policy Council
6. Department of Tourism
7. Department of Trade and Industry
8. Mindanao Development Authority

Financial Institutions

1. CARD Mutually Reinforcing Institutions
2. Development Bank of the Philippines
3. Land Bank of the Philippines