

SOLAR POWER DRIVES FINANCIAL INCLUSION: MIBANK PILOTS AFFORDABLE SOLAR LOANS PLATFORM IN PAPUA NEW GUINEA

Port Moresby, PNG – A new pilot partnership in Papua New Guinea (PNG) providing affordable green energy has the potential to drive the adoption and usage of financial services among rural low-income Papua New Guineans.

MiBank is working with Empawa, a local provider of solar power units in PNG to target off-grid homes to supply cheaper, more sustainable, green energy while at the same time creating access to a range of financial services through mobile phones.

The pilot rollout will see a network of agents promoting the environmentally-friendly solar power kits and explaining the mobile payment platform in four large village communities in the Highlands and Momase regions, potentially benefiting thousands of people.

Studies show that the vast majority (82%) of the PNG population is not connected to the electricity grid and struggle with access to power sources. A 2014 IFC study estimates that there are more than 1.3 million off-grid households not currently using solar power due largely to the high upfront costs of purchasing solar kits, indicating that the potential to expand the use of solar power units in the country through affordable repayment schemes is substantial.

The Pay-As-You-Go (PAYG) solar loan product is expected to benefit low-income off-grid households significantly, eliminating the cost burden of paying for expensive kerosene, which in 2014 took up almost 60% of household expenditure for off-grid households. At the same time as providing an affordable means to accessing electricity, the PAYG model provides a new channel that financial services providers can harness to reach underserved consumers. The MiCash mobile wallet, coupled with a financial literacy programme has the potential to quickly drive adoption and usage rates and help customers to benefit from other products and services such as micro credit, savings accounts and microinsurance, potentially improving household quality of life.

About PFIP

PFIP is a Pacific-wide programme helping low-income households gain access to financial services and financial education. It is jointly administered by the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and receives funding from the Australian Government, the European Union and the New Zealand Government.

PFIP aims to add one million Pacific Islanders to the formal financial sector by 2019 by supporting policy and regulatory initiatives, funding innovation with financial services and delivery channels, disseminating market information, and empowering consumers.

PFIP operates from the UNDP Pacific Office in Suva, Fiji and has offices in Papua New Guinea, Samoa and Solomon Islands.

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MiBank MiCash - Solar Empawa - First Customer

“ We are continually focused on providing tools to empower the lower income groups in society, and in particular women. The grant of USD 105,500 that PFIP has given MiBank has assisted us in upgrading our technology platform and in training agents in the various pilot locations. We believe the PAYG model will assist MiBank in extending its mobile money outreach to more people in more provinces and it’s a great way to deepen financial inclusion. ”

MiBank Managing Director
Tony Westaway remarked



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