

**INCENTIVE  
FUND**

# PNG CLIMATE CHANGE GRANTS PROGRAM GUIDELINE

## Background

PNG's existing development challenges will be exacerbated by climate change. Scientific research data has shown that PNG's climate will change with increased rainfall, reduced frequency of drought and cyclones but with greater intensity<sup>1</sup> whilst sea level will rise by 2cm. PNG is expected to experience an overall temperature rise with more hot nights already recorded in Port Moresby.

The PNG Government has been very vocal in addressing climate change risks and challenges at international fora such as the Climate Change Conference of the Parties (COP) meetings, including the most recent held in December 2018 in Poland.

In 2015, the Australian Government pledged A\$1 billion for climate finance and in 2016 a A\$300 million 4-year package for climate change and resilience to the Pacific was announced as part of this pledge. Australia's support in PNG forms part of this commitment. Australia's action on climate change in PNG also aligns with the Framework for Resilient Development in the Pacific 2017-2030, endorsed by Pacific Island Forum leaders, which outlines an integrated approach to addressing climate change and disaster resilience.

In PNG, Australia's climate change work is mainstreamed through our investments in infrastructure, health and governance. We also work with GoPNG to improve policies and planning for climate change.

In recognition of the important role that non-government organisations (NGOs) play in developing and implementing community-based climate change responses, the Australian Government is committing up to A\$2 million each financial year to a Climate Change Grants Program to support community-based adaptation and mitigation including conservation and livelihood activities in PNG.

## Overview of the PNG Climate Change Grants Program

The purpose of the PNG Climate Change Grants Program is to assist vulnerable communities in PNG to mitigate and adapt to the risks of climate change. Selected NGOs will receive grants to deliver projects that contribute to the objectives of the Grants Program.

The Program has a focus on food and water security which are at the core of the PNG community livelihoods and are quickly affected during extreme weather events and climate variability. Preference will be given to proposals where the organisation has existing relationships with communities, local and provincial governments and/or relevant national government agencies such as the Climate Change Development Authority.

The Program encourages projects that scale-up and build on existing efforts to enhance community resilience to climate change and climate induced disasters or to mainstream climate change adaptation and mitigation actions into existing community development activities. New, innovative proposals are encouraged, such as community initiatives to enhance resilience whilst also contributing to mitigating climate change including by partnering with the private sector.

Grants will be provided on a call for submissions basis. Calls for submissions will be made at least annually, subject to the availability of funds.

<sup>1</sup> Climate Change in the Pacific: Scientific Assessments and New Research (Australia Bureau of Meteorology and CSIRO).



Interested organisations will apply for grants of between AUD100,000 to AUD1,000,000 for projects of between one and two years duration. Organisations applying for the larger value grants will need to demonstrate that they can successfully implement their project within the two-year duration as extensions will not be considered unless special circumstances can be demonstrated (e.g. heightened security risks at project sites or natural disaster).

Interested organisations must meet the organisational eligibility criteria. Submissions will be assessed based on the activity assessment criteria. All criteria are outlined below.

## Program objectives

Enhanced resilience of PNG communities to the impacts of climate change through one or more of the following:

- Increased food security
- Increased water security
- Improved livelihoods and benefits from income generation activities
- Enhanced community awareness of risks and positive actions to address climate change
- Expansion of environment conservation activities (eg. forests, coastal and marine) that contribute to climate change mitigation and adaptation

## Development principles

NGOs should consider the following guiding principles when developing applications. The proposed activities should:

- **Align with PNG Government Priorities** - Activities should align with local and national development plans/ priorities particularly the PNG Climate Compatible Development Management policy.
- **Promote local community ownership** - Ensure members of the targeted community understand and support the purpose of the activity and actively contribute to its development and implementation.
- **Encourage collaboration** - Encourage partnerships between a variety of stakeholders that strengthen and build on local/regional and traditional knowledge, expertise and networks.
- **Promote coordination** - harmonise with activities of other development partners (international and local NGOs, UN, and multi-lateral partners) so the activities are value added.
- **Promote gender equality** - Ensure that women /girls and men/boys are all given equal opportunity to participate in the planning, design, implementation and evaluation of the activities.
- **Be disability inclusive** - Ensure that the specific needs of men, women, children and people with a disability are considered in the development and implementation of the activities including where possible relevant People Living with Disability institutions must be consulted.
- **Have sustainable outcomes**- Ensure activity outcomes are practical, realistic and can last long after the completion of the activity.
- **Engage in lesson sharing** - Have clear learning objectives and strategies for communicating the outcomes of the activities to stakeholders including lessons learned.
- **Be innovative** - ensure innovative approaches are considered to deliver the expected outcomes. Where possible, partnering with private sector and private philanthropy organisations is encouraged to leverage additional resources.

## Organisation eligibility

To be considered, organisations must be able to demonstrate that they meet the organisation criteria below. Where an organisation has not previously received funding from DFAT, they may be asked to provide

additional detail following their proposal submission. Where an organisation has a strong project but is unable to meet the organisation eligibility criteria DFAT will consider partnerships and consortia which allow funds to be managed by the organisation that meets the criteria.

- Formal registration and compliance with the PNG Investment Promotion Authority as a not for profit organisation with office in PNG.
- Have sufficient internal resources including staffing with appropriate skills to support delivery of the activity.
- Have sound fiduciary risk management policies and system.
- Have sound financial management systems including regular auditing of accounts by an independent audit institution registered in PNG and/or Australia.
- Have appropriate social protection and inclusive policies for child protection, gender equality and people living with disability that meets or aligns with DFAT's respective policies including the environmental and social safeguards policy which is found at on DFAT's website at <http://dfat.gov.au/about-us/publications/Pages/environmental-social-safeguard-policy-for-the-aid-program.aspx>.
- Have prior experience of delivering community livelihood activities in rural parts of PNG.

## Project assessment criteria

Project proposals will be assessed using the following criteria:

- **Alignment with PNG Climate Change Grant Program objectives** – the project must address one or more of the outcome areas for this Grant Program (ie. food security, water security, income generation, community awareness and environment protection).
- **Alignment with the development principles for the PNG Climate Change Grant Program** – the project and the organisation culture must align with the development principles.
- **Sound problem analysis** - issues and challenges to be addressed must clearly and succinctly defined.
- **Clear objective(s) and a sound program logic** – project objectives/outcomes must be simple, clear, realistic and achievable within the stated timeframe, self-sustaining, easily measurable and represent value for money. The proposal must clearly demonstrate the link between the project activities (inputs), outputs and objective(s).
- **Robust M&E plan** - a good M&E plan must be presented that clearly demonstrates how activity implementation and progress against the outcomes will be monitored and reported, and the resources required.
- **Clear management and implementation arrangements** – a clear plan on how the activity will be managed and the role of other partners that will be involved must be provided.
- **Robust risk management plan** - a thorough risk assessment must be undertaken and included in a risk management plan in the proposal documentation. The risk management plan should outline key risks that will derail progress on achieving the outcome(s) of the project, and the risk treatment strategies/ actions.
- **Detailed and realistic budget** – the project budget must cover all expenses including the NGO administrative fee of no more than 10%. The project budget must also be realistic and proportional to project scope and cost of delivering the outcome(s).

## Reporting and acquittal requirements

Funded projects will be required to submit:

- An update report 3 months after receiving the grant. The report must update and provide a more detailed work plan for the project and provide an account of progress to date.
- Six monthly reports which outline performance progress and highlight any risks or project scope changes.
- Project Completion Report in place of the final six-monthly report which provides an overview of the whole project.
- Financial Acquittal either quarterly or six-monthly – to be agreed with the successful applicant.

Further detail on reporting will be provided in the grant agreements for recipient organisations.

## Proposal submission format

NGOs should submit proposals using their own format. Proposals must address the criteria above and provide information about the organisation to satisfy the organisation eligibility criteria. To address the criteria, proposals should broadly include the following:

- **Summary of project** – this must be succinct and clear so it can be used by DFAT for briefing or public dissemination.
- **Description of project** – this should outline the objective(s), a brief analysis of the issues to be addressed, and a succinct description of the project including various components and the inputs and outputs. The number of men, women, youth and children expected to be involved and benefiting from the activity should also be clearly highlighted. The description should include detail of project sites and the rationale for site choice.
- **Budget** – a detailed budget must be provided as an annex, but a summary presented in the document.
- **M&E plan** – a detailed M&E plan can be provided as an annex but a summary must be presented in the proposal document.
- **Management and implementation arrangements** – this should describe how the project will be managed and implemented including roles of partners that will be involved.
- **Summary of key risks** – a detailed risk assessment and risk management plan should be attached as an annex and a summary provided in the document.
- **Brief overview of the organisation seeking the grant** – this should include website and or contact details should further information be needed. This can be an annex to the proposal.

The proposal should be succinct, clear and is easy to read. It should be of no more than 10 pages, plus annexes and attachments.

## Proposal assessment process

The Australian High Commission and Incentive Fund will appraise the proposals and determine which projects to fund. This will take a maximum of four weeks. All organisations will be notified of the outcome. The PNG Climate Change Development Authority will also be informed of the process outcomes. The Incentive Fund will then proceed to enter into grant agreements with successful organisations. Where it is needed, provisional outcomes may be advised to some organisations where Incentive Fund needs further information to confirm eligibility.

Feedback will be available to those organisations whose proposals are not successful so they can prepare better proposals for the next call. This is to ensure that quality proposals are received from interested organisations. Feedback will be provide after grants to successful proposals are finalised.