

INCENTIVE
FUND



Grant Application Guidelines

June 2026



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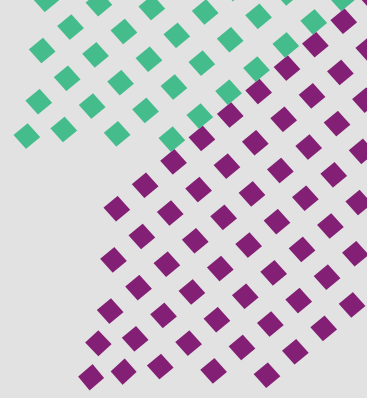
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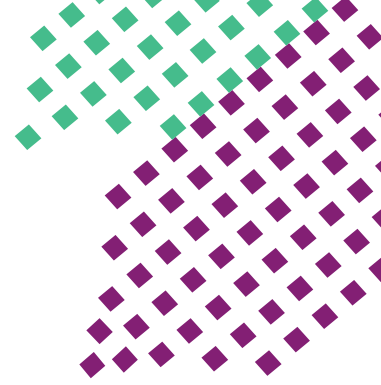
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Acronyms

AHC	Australian High Commission
CCB	Combined Cashbook
CCDR	Climate Change and Disaster Resilience
CoC	Certificate of Compliance
DIP	Detailed Implementation Plan
DNPM	Department of National Planning and Monitoring
EOI	Expression of Interest
FBO	Faith-Based Organisation
GEDSI	Gender Equality Disability and Social Inclusion
GoPNG	Government of Papua New Guinea
IFA	Incentive Fund Agreement
IFMS	Integrated Financial Management System
ILG	Incorporated Land Groups
IPA	Investment Promotion Authority
IRC	Internal Revenue Commission
LLG	Local Level Government
MTDP	Medium Term Development Plan
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MYOB	MYOB Accounting System
NCD	National Capital District
NGO	Non-Government Organisation
OMG	Operational Management Group
PNG	Papua New Guinea
POs	Partner Organisation
SAP	SAP Finance
TIN	Tax Identification Number
Xero	Xero Accounting software



Section 1. Introduction



What is the Incentive Fund?

The Incentive Fund is an Australian Government competitive grants program that seeks to improve social and economic development outcomes that benefit Papua New Guinea (PNG) communities.

Funding is available for organisations seeking to implement high-quality, social and economic infrastructure and other projects. Projects should be designed to improve the provision of essential services and/or strengthen local economies, and be inclusive of all Papua New Guineans, including women, girls, and people with disabilities.

Since 2000, the Incentive Fund has awarded more than PGK 700 million to partners in health, education, agriculture, economic development, and water and sanitation.

Now in its 5th phase, the Incentive Fund is working to ensure:

- Partner organisations (POs) successfully access, deliver and manage high-quality,

appropriate, accessible and sustainable infrastructure that would otherwise not have been constructed.

- Partner organisations have strengthened their engagement with key stakeholders, including women, people with disabilities and marginalised groups, to improve the impact and sustainability of projects.

Strategic leadership and direction, including funding decisions, are made by the Incentive Fund Board.

EOIs can be submitted at any time. The Board considers EOI submissions 2 times a year (in March and November). The Board is made up of one standing member respectively from the Government of Papua New Guinea (GoPNG) Department of National Planning and Monitoring (DNPM) and the Australian High Commission (AHC), and 5 independent Papua New Guinean members.

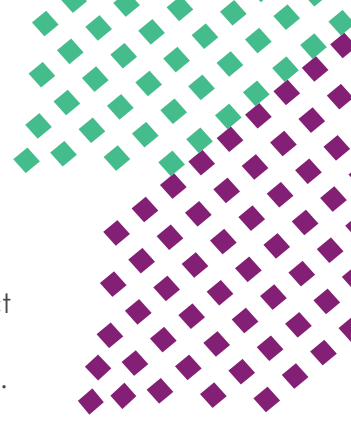
For more detail on the Incentive Fund visit www.incentivefund.org

About these guidelines

These Incentive Fund Grant Application Guidelines provide information on the following:

- The types of projects the Incentive Fund can support (Section 2. Eligible Projects - page 2).
- The organisations that are eligible for funding (Section 3. Eligible Organisations - page 4).
- The funding amounts that are available (Section 4. Grant Amounts - page 5).
- Details on the application process (Section 5. How to Apply - page 9).
- Detailed guidance on the Expression of Interest (EOI) process and form (Expression of Interest Form - page 11).

If considering submitting an EOI, the Incentive Fund encourages potential applicants to contact the office in Port Moresby to discuss their project ideas and suitability for funding (See page 10 for contact details). Further information can also be obtained from the Incentive Fund office.



Section 2. Eligible Projects

For an organisation to successfully apply for an Incentive Fund grant, there are 6 project elements that will be assessed. Four of these will be assessed as required core elements (see Table 1) and 2 assessed as recommended elements (see page 3) at the EOI stage. If a grant application proceeds beyond the EOI stage, all 6 project elements must then be met at later stages of the application process.

Core project elements

When completing an EOI, all applicants must show how their proposed project addresses the 4 core requirements.

Table 1: Core project requirement - EOI

1. Thematic focus	1. Access to essential public service such as:	<ul style="list-style-type: none"> Water and sanitation. Health. Education, including primary school, secondary school or higher education, including vocational education. 	<ul style="list-style-type: none"> Law and justice. Governance and public administration. Training and skills development, including tertiary or vocational skills.
	2. Access to economic opportunities, such as:	<ul style="list-style-type: none"> Agriculture and rural development (including markets and critical infrastructure). Renewable energy. Private sector projects that have community benefits. 	
	3. Women and girls' empowerment:	<ul style="list-style-type: none"> Women and girls have improved access to resources and services. Women and girls have leadership and decision-making opportunities. 	<ul style="list-style-type: none"> Measures to address gender-based violence. Women's economic empowerment.
2. Geographic focus	The proposed project can be based in any PNG province, but locations outside of the National Capital District (NCD) are preferred.		
3. Government and community endorsement	<p>The proposed project must be consistent with relevant GoPNG policies, such as a specific sector policy or the Medium-Term Development Plan (MTDP) IV Strategic Priority Areas and targets.</p> <p>The applicant may provide recent letters of support from relevant government departments, other service providers and the community. Any letters of support should be less than one year old, specific to the project and include a commitment to recurrent funding if relevant.</p>		
4. Sustainability	<p>The proposed project must deliver long-term, sustainable outcomes for communities. To deliver these benefits, projects must have plans for how the services or economic opportunities will continue to be delivered beyond the initial grant funding and infrastructure construction stage. For example, clearly outline the plans for ongoing service resourcing and management, staff training, infrastructure maintenance, and local community and other stakeholder engagement.</p> <p>The below figure demonstrates how a project could achieve sustainable outcomes.</p> <pre> graph LR A[Development situation in community today] --> B[Project management and related activities: community, government, other stakeholder engagement, skills training and development, etc.] B --> C[Facility constructed] B --> D[Facility resourced, operated & maintained] C --> E[Improved services to the community] D --> E E --> F[Community accesses better services] F --> G[Lives & livelihoods improved] G --- H[Long-term outcomes] </pre>		



Recommended project elements

When completing an EOI, all applicants are encouraged to show how the proposed project will address the following recommended project elements. If the EOI is successful, these project elements will be elevated to core requirements that must be addressed in later stages of the Incentive Fund grants process.

Recommended project elements



Gender equality, disability and Social Inclusion (GEDSI)

Regardless of the sector/thematic focus above, all projects at the EOI stage must show strong potential to promote and mainstream GEDSI. If the EOI is progressed to stage 2 (Investment Case), the Incentive Fund will support organisations to fully integrate GEDSI into their projects.

The Incentive Fund is committed to GEDSI as a human right that, when upheld, contributes to strong, safe and inclusive societies. Women, girls, people with disability and other groups faced with challenges use and benefit from public services (such as schools and hospitals) and other economic opportunities (such as markets or livelihoods activities) in different ways. The Incentive Fund is committed to ensuring that the infrastructure and other activities that support these services and opportunities are designed and managed to address these differences and meet the various needs of these groups. Download the Incentive Fund GEDSI fact sheet [here](#).



Climate change and disaster risk reduction (CCDR)

Regardless of the sector/thematic focus identified above, all projects at the EOI stage must show strong potential to incorporate climate change and disaster risk measures. In stage 2 (Investment Case), the Incentive Fund will support organisations to fully integrate CCDR into their projects, with plans for effectively responding to risks from changing climate conditions and natural disasters.

PNG's high risk to natural disasters and hazards is being exacerbated by climate change as demonstrated by the frequency and intensity of events such as extreme temperatures, excessive rainfall and associated flooding, droughts and storms. The Incentive Fund is committed to the development of climate resilient services and associated infrastructure that increase asset life, ensure service reliability, reduce repair and maintenance costs, and support climate change mitigation (such as biodiversity conservation and reduced emissions). Download the Incentive Fund CCDR fact sheet [here](#).

Caption: Belinda Arnold is a local from Morobe province, engaged by the Lae City Authority Urban Youth Program that is empowering women to develop trade skills. Belinda is engaged as a painter at the Unitech project, funded by an Incentive Fund grant.



Section 3. Eligible organisations

The Incentive Fund encourages a diverse range of organisations to apply for an Incentive Fund grant. To be eligible, an organisation must meet 3 core organisational requirements (refer to Table 2) with the option to demonstrate additional organisational requirement (see below).

Core organisational requirements

To be eligible for funding, applicants must demonstrate their organisations meet the following core organisational requirements.

Table 2: Core organisational requirements

 <p>Be legally registered in PNG</p>	<p>The organisation must be registered with the Investment Promotion Authority (IPA) or under PNG legislation. The following types of organisations are eligible:</p> <ul style="list-style-type: none">• Provincial and local-level governments and their trading organisations (noting that national government departments are ineligible).• Statutory government authorities such as research organisations, universities, schools and hospitals.• Private sector organisations and foundations.• Landowner groups and community-based organisations.• Faith-based organisations.• Non-Government Organisations (NGOs), including women's organisations, and the local offices of International Non-Government Organisations (INGO) <p>If an applicant is unclear on their organisational category, the Incentive Fund team can be contacted for advice (see Section 5. How to Apply).</p>
 <p>Be financially sound</p>	<p>An organisation must be able to demonstrate their financial probity through:</p> <ol style="list-style-type: none">1. Use of a computerised financial management system.2. Independently-audited financial statements:<ul style="list-style-type: none">• In 2 or more years out of the last 4 years, without significant qualifications pertaining to PNG operations.• Audited by an independent, PNG-registered auditor (for private companies and NGOs) or the PNG Auditor General (for eligible government organisations). Government agencies can also use independent auditors if the Auditor General is unable to prioritise their audits.
 <p>Have clear land title</p>	<p>For any projects involving infrastructure activities, organisations must have the following:</p> <ul style="list-style-type: none">• Evidence of security to land title.• A lease (accepted as a traditional 99-year lease where land ownership reverts to the Government of PNG; generally, sub-leases are not acceptable) or a legally-registered land use agreement (for customary land).• Land-use agreements for projects involving light infrastructure (for example water supplies or minor upgrades).

Additional organisational requirements

Organisations must have sufficient organisational capacity to manage a project of the size that is being proposed and/or demonstrate readiness to develop this capacity with appropriate capacity development support.

In the EOI, applicants are asked to outline:

- a) Their history of successfully completing projects of a similar size and nature to the one proposed.
- b) An appropriate management structure and personnel with the skills and capacity required to deliver the project.

Applicants are also encouraged to enter into partnerships with organisations that complement their own skills and experience, and whose support will assist in the implementation of the project. Evidence of these partnerships, such as Letters of Support, may be attached to the EOI.

Section 4. Grant Amounts

Total project amount

The Incentive Fund will finance total project amounts of between PGK3 million and PGK15 million. Private sector project amounts are between PGK1 million and PGK15 million. The Incentive Fund will not consider EOIs for projects outside of these amounts.

Grant funding available for different organisations

Different organisations are eligible for different funding amounts per project, as follows:

- **Government and NGOs:*** Incentive Fund will consider providing these organisations with grants worth 100% of a project amount.

***Note:** This organisational category includes statutory authorities, landowner groups, community-based organisations and faith-based organisations.

- **Private sector organisations and foundations:** Incentive Fund requires these organisations to make a counterpart contribution in one of the following ways:
 - A cash contribution as a proportion of the total project value (minimum 10%).
 - Equivalent in-kind contribution of project management arrangements.
 - Demonstration of other complementary investments in direct support of the project.

Activities and costs eligible for grant funding

Applicants need to provide a high-level budget in the EOI that justifies their total project amount. In constructing project budgets, applicants should be aware that grant funding can only be used to cover costs directly related to project activities.

The following activities and costs are **not eligible** for grant funding, although applicants can make a case for special consideration:

- Loans and micro-finance.
- Sport.
- General running of the organisation (such as core or recurrent costs).
- New infrastructure or equipment (including houses and vehicles) not integrally linked to a project's service delivery or economic development objective.
- New services distinct from existing core business or the relocation of services.
- Religious activities, including the construction and/or maintenance of churches or places of worship.
- Land purchases.
- All compensation payments.
- Research for commercial purpose.
- International fellowships, scholarships, study tours and conferences.

- For private sector projects, business investments or other costs that could reduce competition in the market.
- Private sector projects with minimal direct development benefits to the community.
- Any costs after the completion of a project.

Grant funding for the private sector applicants

The Incentive Fund now welcomes projects led by private businesses and social enterprises operating on a commercial basis in PNG that provide a broad range of benefit or opportunities to communities. These could include:

- delivery of essential services in health, education, water and sanitation;
- income-earning, economic development and/or livelihood opportunities;
- empowerment of women and girls.

The Incentive Fund funded projects must deliver long-term sustainable benefits for Papua New Guinean communities. It is expected that business applicants will own, manage and potentially profit from the assets that Incentive Fund is supporting. This will ensure the ongoing maintenance and management of the asset, and the ongoing – and hopefully expanded – delivery of benefits to communities.

Private Sector business context

Incentive Fund promotes fair competition between businesses and not give an unfair advantage to one company over its competitors. However, Incentive Fund also respects the realities of business and that taking the risk of being a ‘first-mover’ with a project idea can justify for an Incentive Fund grant support.

In the EOI form (Section C Question 3.3), applicants are asked to:

- *describe the sector you work in, your key competitors (if any) and the likely impacts of this project on your competitors.*

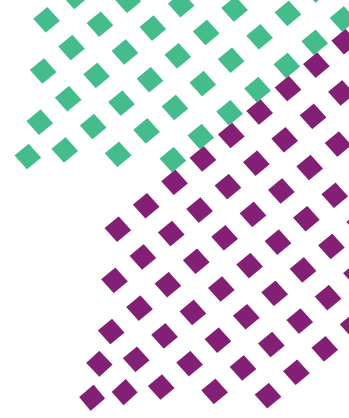
Necessity for a private sector grant

Incentive Fund needs to be sure that the project cannot go ahead without their grant. In other words, Incentive Fund will not help fund a business plan that was going to happen anyway. Incentive Fund may support projects that would take much longer to start without the grant. If the grant allows the project to begin sooner and bring benefits to the community, then it could be a reason for Incentive Fund to provide support. In the EOI form (Section C, Question 1.4), applicants are asked to provide the following:

- *an explanation of why the project would not proceed without the Incentive Fund grant, and how the Incentive Fund support will help invest in a solution that delivers clear and measurable benefits;*
- *information on whether the applicants have approached a bank or other financial institution for this funding, and what the outcome was;*
- *whether the applicants have considered self-funding of the project.*

The Business Case

In the EOI, private sector applicants are asked to describe the project and its expected results and community beneficiaries. For business projects, we are particularly interested in the **business case** for the project – why and how the project makes commercial **sense**.





Incentive Fund also prioritise business project proposals where **community benefits are integral to the business model**, because these are more likely to deliver lasting and self-sustaining impact. This is because when business success and community outcomes are directly linked, both are strengthened - creating a virtuous cycle of growth and benefit. In the EOI form (Section C Question 6), applicants are asked to:

- Describe how and when the proposed project will become profitable. This should include:
 - simple financial forecast setting out the timing of major cost items and expected revenues (or cost savings); applicants can include an approximate return on investment and or payback period, but the applicants must set out their workings clearly if they do so,
 - a list of the key assumptions behind your financial forecast, with explanations and evidence.
- Provide a summary of how the business case is dependent on generating economic, social and or environmental benefits to communities; in other words, how the community benefits are integral to the business model.

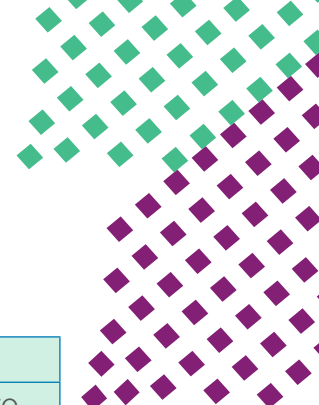
Table 3: Items that can and can not be funded by the Incentive Fund grant.

Generally Acceptable	Difficult to Justify	Never Justified
<ul style="list-style-type: none"> • Physical assets, e.g., buildings, machines, or infrastructure • Project-related technical specialist support • Related staff salaries (relating to development & start-up only) • Related vehicle expenses • Related training costs 	<ul style="list-style-type: none"> • Recurring operational and working capital costs of partner, including personnel • Audits • Related equipment and supplies (printer, laptop, camera, motorbike), • Telephone and IT for IF5 use only, • Office supplies and equipment • Office rental, maintenance, electricity, 	<ul style="list-style-type: none"> • Management fees • Free/discounted samples • Inputs manufactured by the partner (e.g. for use on demo plots) • Fundraising • Advocacy • Marketing and communications (unless specific to the initiative then should be attributable) • Retroactive expenses: i.e. costs incurred prior to the effective funding start date of the grant. • Taxes and import duties applied by governments and public authorities provided

Counterpart Contribution

Counterpart contributions are mandatory for business applicants. These can be in the form of a cash and/or in-kind contribution as a proportion of the total project value, or by demonstrating that your business is making other complementary investments in direct support of the project.

Incentive Fund will recognize in-kind contributions at 'fair market value', defined as the agreed-upon price typically paid in that environment. Businesses will be expected to submit a budget plan detailing their confirmed cash and in-kind contributions, including any contributions from partners. **Table 4** below outlines valid and non-valid in-kind contributions.



In the EOI form (Section A), applicants are asked to describe:

- *What cash or in-kind contributions or other complementary investments will you make to the project?*

Table 4: Valid and non-valid in-kind contribution

Generally Acceptable	Never Acceptable
<ul style="list-style-type: none"> • Volunteer hours • Equipment, materials and supplies • Legal assistance • Overhead/administration costs (maximum 5%) • Salaries • Professional and technical services • Travel and subsistence costs • Technology • M&E including dissemination of data/information • Office and workspace 	<ul style="list-style-type: none"> • Costs or other items not related to the IF5 funded initiative. • Costs or other items currently funded by the business or other donors. • Any non-preapproved/agreed. • Other DFAT funding

Business Litigation or Reputational Issues

The Incentive Fund operates on behalf of the Australian government in Papua New Guinea and must prioritise the protection of its reputation both in Papua New Guinea and Australia, as well as internationally.

In the EOI form (Section B Question 5), applicants are asked to:

- *confirm that the business is not and has not been subject to any litigation or investigation that may negatively affect Incentive Fund's reputation.*

If you are unsure, please contact an Incentive Fund team member to discuss. All discussions are kept confidential.

Caption: Kapuna Hospital received an Incentive Fund grant in 2018. After the project completion in 2022, it was endorsed by the National Department of Health as a Level 3 rural hospital.



Section 5. How to Apply

The Incentive Fund has a 3-stage grant application process. Details of each stage and relevant application instructions are provided in Table 5.

Table 5: The Incentive Fund grant application process

<p>STAGE 1: Expression of Interest (EOI)</p>	<ul style="list-style-type: none"> • Applicants complete the EOI form and submit to the Incentive Fund office (there is no due date, EOIs can be submitted at any time). • The Incentive Fund reviews submitted EOIs twice per year. • The EOI is first screened to confirm that the applicant is an eligible organisation and meets the criteria in Section 3. • The proposed project idea and budget is then technically assessed against the requirements in the EOI (see section C of the EOI). • The Incentive Fund provides the results of the EOI review to the Board. • The Board considers the Incentive Fund's EOI review and decides on the applicant's suitability to proceed to the next step of the selection process. • The Incentive Fund notifies the applicant of the Board's decision. • All applicants, successful and unsuccessful, are provided with feedback. 	
		
<p>STAGE 2: Investment Case</p> <p>Concept Proposal and Joint Organisational Assessment (JOA)</p>	<p>The Incentive Fund provides feedback to the applicant on their EOI and explains the Investment Case stage, which consists of 2 concurrent processes: Concept Proposal development and Joint Organisational Assessment. These processes then inform the Incentive Fund's investment case for funding the proposed project.</p> <p>Concept Proposal</p> <p>With Incentive Fund support, the applicant develops its EOI into a detailed Concept Proposal through the following steps:</p> <ul style="list-style-type: none"> • Applicant develops a DRAFT Concept Proposal. • Incentive Fund team reviews the applicant's Concept Proposal, verifies information and provides feedback. • Applicant completes and submits the final Concept Proposal to the Incentive Fund. 	<p>Joint Organisational Assessment:</p> <p>Incentive Fund works with the applicant to assess the applicant's organisational capacity to manage and deliver the project and sustain its benefits:</p> <ul style="list-style-type: none"> • The Incentive Fund requests the applicant to assess its own organisational capacity (i.e. systems, processes and people) to manage the grant and sustain the infrastructure and related services after the grant is complete. • Incentive Fund visits the applicant's office to review and validate the results of the applicant's self-assessment, and prepare a Draft Joint Organisational Assessment report. • Incentive Fund share the findings of the Draft Joint Organisational Assessment with the applicant and seeks feedback. • Incentive Fund finalises the Joint Organisational Assessment Report.

Investment Case

- The Incentive Fund documents the case for investing in the proposed project (or not).
- Incentive Fund prepares an Investment Case by drawing on the findings of both the Concept Proposal review and the Joint Organisational Assessment.
- The Operational Management Group (OMG) reviews the Investment Case and makes a recommendation to the Incentive Fund Board regarding suitability for funding.
- The Board considers the Investment Case and OMG recommendation and decides whether to fund the proposal.
- Incentive Fund informs the applicant of the Board's decision.



STAGE 3: Incentive Fund Agreement

(Detailed Implementation Plan and Implementation)

- Incentive Fund and the applicant become 'partners.' Each partner signs an Incentive Fund Agreement (IFA).
- The partner organisation develops a Detailed Implementation Plan (DIP), working closely with the assigned Incentive Fund project manager.
- Incentive Fund assesses the proposal and prepares an initial recommendation for the OMG's review and subsequently for Board review and 'no objection'.
- Once the Board endorses the DIP, an updated IFA is prepared and signed.
- The partner organisation commences project implementation.
- Incentive Fund provides support and oversight throughout implementation.
- Incentive Fund assesses whether project outcomes have been achieved, as expected, and generates learning for future projects.

Submission instructions and contacts

EOIs can be submitted at anytime during the year. The Incentive Fund Board considers EOI applications twice per year (in March and November). Cut-off dates for submission of EOIs at each funding round are:

- January 31 (for the March round) and
- September 30 (for the November round).

Applications can be submitted:

1. By mail: PO Box 166, Port Moresby Papua New Guinea
2. By email: info@incentivefund.org
3. In person: Level 9, Harbourside South, Champion Parade, Port Moresby

All forms, guidelines and further information can be obtained:

1. In person at the above address
2. By email: info@incentivefund.org
3. By phone: (675) 71316755 or (675) 84016986
4. From the Incentive Fund website: www.incentivefund.org

INCENTIVE FUND EXPRESSION OF INTEREST

Any Papua New Guinean organisation seeking to apply for an Incentive Fund grant is required to complete this Incentive Fund Expression of Interest (EOI) Form.

Please ensure all sections of the form are completed. If an applicant is unclear on how to complete this form, please review the Incentive Fund Grant Application Guidelines (available on the Incentive Fund website).

For further information, interested applicants are invited to contact the Incentive Fund via telephone (675) 71316755 or (675) 84016986 or email: info@incentivefund.org

This EOI form comprises 4 sections. All sections must be completed before the EOI can be assessed.

Section A: Applicant's Details

Section B: Organisational Eligibility

Section C: Project Description

Section D: Supporting Documentation

Section A: Applicant Details

Organisational Details		
Organisation's Full Name:		
Physical Address:		
Mailing Address:	[Or put 'as above' if physical and mailing addresses are the same]	
Telephone:		
Email:		
Type of Organisation:	<input type="checkbox"/> Government, or statutory authority <input type="checkbox"/> Private sector: (Circle one) Social Enterprise/ For profit <input type="checkbox"/> Landowner group/ Community-based organisation <input type="checkbox"/> Faith-based organisation <input type="checkbox"/> Non-government organisation/Foundation <input type="checkbox"/> Other; give brief details	
Key Organisational contacts for project:		
	Primary Contact	Secondary Contact
Name:		
Position:		
Email:		
Mobile:		
Applicant's project details:		
Project title		
Est. Project duration:	Months/years	

Project site location:	Address	E.g. Province, district, LLG, town (or state "same as organisation's physical address above")		
	Site connections	List utilities/services already connected to the site location (for example, power, water, sewage, stormwater drainage, roads or jetties)		
Partners:	List the names of partner organisations and the role they will play in the project (for example, partner roles could include funding or other support/services)			
Budget (PGK) Contributions by the private sector organisations and foundations are mandatory.	Total	Amount: [the total budget must be between PGK3-15million] For Private Sector ONLY: [the total budget must be between PGK1-15million]		
	Applicant's contribution	Cash:	Amount (% of total): [must be a minimum of 10% of project time]	
		In-kind	Please describe: For example, staff management time (number of staff, time commitment) and/or complementary investments that directly support the project.	
	Other partner funding contributions:	Name:	[Name of partner organisation]	
		Cash:	Amount (% of total):	
		In-kind:	Please describe: For example, staff management time (number of staff and time commitment) and/or complementary investments that directly support the project.	
		NOTE: Contributions from partner organisations are optional but may strengthen your chances of funding.		
Grant requested:	Amount (If you are not a private sector organisation/foundation, the grant requested amount could be the same as the project total above).			
Past Applicants	Has your organisation applied for an Incentive Fund grant before?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	If yes, what was the title and budget of the project you proposed?			
	Was your grant application successful?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

Section B: Organisational Eligibility

To be eligible for an Incentive Fund grant, the applicant must confirm that their organisation meets all 3 mandatory requirements below and provide relevant supporting documentation as attachments (Section D).

Requirement	Description
1. Organisation description	Please provide a brief description of your organisation, including your history, background, and main objectives (100-150 words).
2. Organisation's legal status	All non-government applicant organisations must be registered with the PNG Investment Promotion Authority (IPA). Please provide your IPA registration number: (or write 'not applicable, if you are a government organisation).....

3. Organisation's financial management systems	3.1 Your organisation must use recognised accounting software—such as Government IFMS, QuickBooks, Xero, MYOB, SAP, or similar—to manage its financial records. Manual bookkeeping or MS Excel-based systems are not accepted. Please name the accounting software your organisation uses:		
	3.2 All applicant organisations must have 2 years of independently audited financial statements (out of the last 4 years).		
	Does your organisation have 2 years of independently audited financial statements from the last 4 years? (i.e. external audit reports, internal audits, management-prepared financials, or unaudited statements cannot be accepted)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	What is the name of your independent auditor? (The auditor must be registered in PNG but can include the Auditor General if the applicant is a GoPNG organisation).		
	Have you attached copies of your independently audited financial statements to this EOI (at Annex D)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	3.3 For Private Sector Only: Private-sector applicants must demonstrate full tax compliance with the Internal Revenue Commission (IRC) by submitting a recent Certificate of Compliance (CoC). Only established businesses are eligible to apply for Incentive Fund support.		
	Have you attached copies of your most recent CoC to this EOI (at Annex D)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Organisation's land title	All applicant organisations MUST have the title to land proposed for the site location (for the construction of infrastructure) or an appropriate long-term lease or legal authority. <ul style="list-style-type: none"> • Appropriate state leases (e.g., Mission Lease, Special Purpose Lease, Commercial Lease, etc.) • Customary Land must be supported by ILG registration, a proper survey, and a State Lease from the Department of Lands and Physical Planning Letters of intent, MoAs/MoUs, Land Use Agreements, and records of sold and unregistered lands are not accepted. 		
	Does your organisation have land title, a long-term lease or other legal authority for land proposed for the site location?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	Have you attached copies of your land title, long-term lease or other legal authority to this EOI (at Annex D)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Business Litigation or Reputational Issues	For Private Sector Only: Has your business been subject to any litigation or investigation that may negatively affect IF5's reputation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Section C: Project Description

The Incentive Fund supports projects that are led by PNG organisations and provide a broad range of benefits to the communities those organisations represent. Supported projects involve the construction of infrastructure for improving:

- The delivery of essential services to communities, including health, education, water and sanitation.
- Economic development and/or livelihood opportunities.
- Empowerment of women and girls.

As represented in the figure below, Incentive Fund projects must deliver long-term sustainable benefits for Papua New Guinean communities. To deliver these benefits, partner organisations are required to undertake broader activities such as project management, asset maintenance, community engagement and training (see requirement 3 below). The Incentive Fund will provide support to partner organisations to develop and implement sustainability plans.

Figure: Representation of how a grant project could achieve long-term and sustainable outcomes



To assess an EOI, the Incentive Fund requires details on the proposed project. Applicants are requested to provide information under each of the 5 categories below. Each of the categories provide further explanation of the question being asked.

1. Context and Rationale:

1.1 What challenges and/or opportunities does your organisation seek to address, that will contribute to social, economic, or development outcomes?

- **For Non-Private Sector Applicants:** In a few points, clearly describe the relevant social and economic development issues faced by the target population and the extent or severity of these issues. Outline the current level of government service delivery (e.g. in Health, Education, Agriculture, etc.) in your district or locality and indicate whether it is adequate to address the issues identified. Explain how these issues are affecting the target population and identify any constraints your organisation faces in responding to them. Describe opportunities for improvement that could support the proposed project.
- **For Private Sector Applicants:** Explain the business opportunity or market gap you want to address and why it matters for local economic and/or social development. Explain why existing options do not work, are hard to access, or are too costly. Describe how this affects jobs, incomes, productivity, costs, or access to goods and services.

1.2 Strategic Alignment

- Explain how addressing the issues identified in section 1.1 above:
 - Aligns with government priorities (such as MTDP targets, Provincial and District Development Plans)
 - Fits with your organisation's mission/vision (long-term plans and strategies)

1.3 What is your reason for seeking an Incentive Fund funding?

- **For Non-Private Sector Applicants:** Explain why the project would not proceed without Incentive Fund funding. Have you sought funding for this project from other sources?
- **For Private Sector Applicants:**
 - Identify the main challenges your business faces in solving this problem and explain how IF support would help you invest in a solution that delivers clear and measurable benefits.
 - Explain why the project would not proceed without IF support
 - Outline any attempts to self-fund or secure commercial finance, including discussions with banks or other financiers, the outcomes of those discussions, and why private finance alone is insufficient to deliver the proposed project. Please confirm if you have considered self-funding for this project.

2. Project Activities

2.1 What project activities will you implement to achieve and sustain the desired change?

- Outline the main activities that will be implemented under the project, including:
 - Construction and/or refurbishment of any infrastructure.
 - Other activities necessary to support and maintain the appropriate use of the infrastructure to achieve the desired change over the long term, such as establishing:
 - » Improved or expanded services.
 - » Management and decision-making processes needed to operate and maintain the infrastructure and services after construction has been completed.
 - » Engagement with the community, government, and other stakeholders.
 - » Sufficient financial and human resources with appropriate capacity to support delivery into the future.

3. Project Results and Benefits:

3.1 What change/s do you want to achieve?

- Summarise the desired change/s you want to see at the end of 3 to 5 years as a result of your proposed project. We suggest you develop 'outcome' statements such as the below examples, and recommend you be as specific as possible as to why this change will occur.
 - Example: At the end of 3 years, the community will have improved access to good quality health services due to a well-designed, equipped, and staffed health facility.
 - Example: At the end of 3 years, smallholder farmers in the target district will have increased and more stable incomes due to improved access to reliable produce aggregation, cold storage, and transport services provided through a commercially viable agribusiness.

3.2 Who will benefit from the project changes?

- Describe the people who will directly and indirectly benefit from the project, disaggregated by gender where appropriate (e.g., school-aged children under 12, pregnant mothers, farming households, or women and child survivors of domestic violence).
- Indicate the total number of beneficiaries (individuals) expected to benefit on an annual basis once the project is completed (explain how you calculated the number).
- Describe how each of the groups identified above will benefit from the project. Where possible, numbers should also be used to explain the extent of the benefit.
 - Example, a 25% increase in enrolment numbers among female and male high school students in years 11 and 12.
 - Example: Farmers' access to market improves household incomes in targeted communities by 20%.

3.3 How will the project affect market competition in your sector? (For Private Sector Applicants only)

- Briefly describe the sector you work in. Please describe your key market competitors and briefly explain the likely impact of the project on them.

4. Organisational capacity

4.1 What is your organisation's capacity to implement the project?

- Experience: Has your organisation managed similar projects? Please provide details (describe project, budget, when it was implemented, outcomes of project).
- Management processes:
 - What processes do you have in place and/or will you put in place to manage this project during infrastructure construction and afterwards?
 - Who are the key personnel within your organisation who will be responsible for managing and sustaining this project? What are their relevant skills and experience?

4.2 What are the main risks that might affect this project and its outcomes?

- Consider the full range of possible risks, including political and stakeholder risks, and/ or natural hazards and disaster risks such as earthquakes, tsunamis, floods, droughts, storms or volcanic activity, financial risks.
- How will you manage these risks?

5. Budget

- Please provide an estimated budget for the Incentive Fund's contribution to your project. In the table below, list the main items (infrastructure and non-infrastructure-related) you are seeking funding for, and provide a cost estimate for each, and an estimated total budget. Please briefly explain how you arrived at these estimates (i.e. what information sources did you use.)

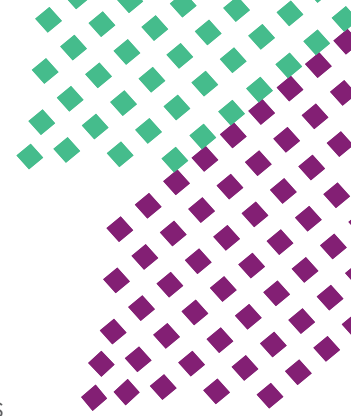
Items	Item cost (PGK)	Basis for cost estimate
e.g. 4x school classrooms		
e.g. 50- bed Female dormitory		
e.g. Male/Female ablution block		
e.g. equipment		
e.g. other human and financial resources (please itemise)		
add rows as required		
TOTAL estimated budget:		

6. Business model (Private Sector Applicants Only)

Describe how and when the proposed project will become profitable.

This should include:

- A simple financial forecast setting out the timing of major cost items and expected revenues (or cost savings); you could include an approximate return on investment and or payback period, but you must set out your workings clearly if you do so.
- A list of key assumptions behind your financial forecast, with explanations and evidence.
- Please provide a summary of how the business case is dependent on generating economic, social or environmental benefits to communities; in other words, how the community benefits are integral to the business model.



Section D: Supporting documents

Please attach and submit the following with your EOI:

1. Copy of 2 annual organisational financial audits (from within the last 4 years).
2. Copy of your organisation's land title, long-term lease or other legal authority.
3. Option to include letters of support from government and other stakeholders.
4. Private sector to include TIN and CoC.
5. Option to include architectural concept drawing and/or functional specifications for the proposed infrastructure, if these have been prepared.



Frequently Asked Questions

Q1. Can I apply for funding outside the approved IF grant ranges?

No. All funding requests must fall strictly within the applicable grant range:

- Private sector: PGK1 million – PGK15 million
- Other organisations: PGK3 million – PGK15 million

Q2. What are the eligibility requirements for the Incentive Fund (IF)?

To be eligible, your EOI must meet all six of the following criteria. You must demonstrate that:

1. Your proposed project aligns with GoPNG MTDP IV and relevant national/provincial sector policies
2. Your organisation is registered with IPA or established by PNG legislation
3. There is clear land title for any infrastructure component of the proposal
4. Your organisation has two years of independently audited financial statements prepared within the last four years
5. Your organization must have a Financial Management System
6. Beneficial ownership of the project assets will rest with the public or community (or in the case of private sector applicants, be operated for the benefit of the public)

Q3. What does it mean for my project to align with MTDP IV?

Your project should directly support development priorities identified in GoPNG MTDP IV or associated sector/provincial plans. You must be able to show

this connection clearly in your proposal.

Q4. What types of registration requirements are required?

- PNG IPA-registered organisations and private sectors
- Statutory bodies – established under PNG legislation
- Churches organisations established under legislation

Q5. What evidence of land ownership do I need for an IF infrastructure project?

You must provide a formal, legally recognised land title. Acceptable documents include:

- State Leases appropriate for public or social infrastructure (e.g., Mission Lease, Special Purpose Lease, Commercial Lease etc.)
- Registered Incorporated Land Group (ILG) land that has been surveyed and issued with a formal title
- Customary Land must be supported by ILG registration, a proper survey, and a State Lease from Department of Lands and Physical Planning (DoLPP)
- Letters of intent, MOAs/MOUs, unregistered customary land, and incomplete land processes are not accepted.

Q6. Is customary land eligible for infrastructure funding?

Yes. Customary land is only eligible if it has been formally registered and titled as stated in Q5. A Land Use Agreement alone is not sufficient; the land must have Incorporated Land Group (ILG) registration, a proper survey, and a State Lease

issued by DoLPP for IF-funded infrastructure.

Q7. What qualifies as “audited accounts”?

Accounts must:

- Be externally audited by a registered auditor/audit firm
- Cover two consecutive financial years be from the last four years
- Internal audits, management-prepared financials, or unaudited statements cannot be accepted.

Q8. Can we apply if we don't have two years of audited financial statements?

No. Two years of independently audited financial statements are a mandatory eligibility requirement for all organisations.

Q9. What type of Financial Management System (FMS) is eligible for IF?

All organisations (except schools) must operate a computerised FMS based on a recognised accounting software package such as QuickBooks, Xero, MYOB, SAP, IFMS or similar. MS Excel-based systems are in general not eligible. Schools who operate the standard Excel-based PNG School Combined Cashbook (CCB) system are eligible. Manual paper-based accounting systems are not eligible.

Q10. What does “beneficial ownership of assets by the public or community” mean?

Any infrastructure or assets created with IF funding must be owned and operated on behalf of the public or community by:

- A public institution, OR
- A community group or NGO, OR
- A church/agency established under law OR
- A private sector company or social enterprise that can demonstrate that the assets will

be used for the long-term benefit of the community

Assets cannot be privately owned or controlled by individuals.

Q11. If we meet all eligibility criteria, are we guaranteed funding?

No. Meeting eligibility allows you to progress into the grant processes. Funding remains competitive and subject to full assessment and Board approval.

Q12. When can I submit an Expression of Interest (EOI)?

EOI can be submitted at any time and are considered at the next scheduled Board meeting in either March or November, subject to the following cut-off dates:

- March Board: EOI submissions close on 31 January.
- November Board: EOI submissions close on 30 September.

Q13. Will the Incentive Fund provide support to organisations that do not yet offer established services?

No. The Incentive Fund does not support projects proposed by 'start up' businesses or recently established organisations that are yet to commence significant service delivery. Similarly, the Incentive Fund does not support projects that aim to help an organisation establish new service offerings that do not closely relate to the expansion or enhancement of an existing service offered by the organisation. Organisations that are successful in obtaining an Incentive Fund grant are expected to have an established track record in delivering services in an area closely related to the purposes of the grant proposal.

Applicants are encouraged to submit their EOIs well ahead of the cut-off dates to allow sufficient time for review and processing.



Caption: The groundbreaking of the Resource Recovery Centre at Roku, Central province. The project is a 50-50 partnership with TWM, a private sector organisation.



