

Section 2 Applications

Project locations

The OEP will operate across PNG in remote and rural locations where large-scale grid-based connections (delivered by PPL) are unlikely to be economically viable. The program will seek to fund projects that deliver reasonably equitably across all regions of PNG and will designate sites where necessary to ensure this coverage.

It is likely that successful projects would include a partnership of multiple actors and include in the model some form of stimulation for an ongoing market system.

Call for Proposals

Organisations will be invited to submit applications for project funding following a publicised, competitive call for proposals. Calls for proposals will be published using media platforms such as the *Pawarim Komuniti* official website, social media and other means.

Interested applicants should refer to the Call for Proposals Guideline document which sets out information regarding the opening and closing dates, specifications and criteria for the call, and other relevant details.

To respond to the calls for proposals, applicants are invited to submit Expressions of Interest (EOI) and, if eligible and shortlisted, Full Proposals.

Eligibility and selection criteria

Eligible entities

Lead applicants submitting applications for funding must be:

- Registered companies or non-government organisations eligible to work in PNG, at the time of full proposal submission
- Able to satisfy due diligence (organisational and financial capacity) assessments.

Provincial, district or local-level governments that wish to apply will be encouraged to partner with an eligible private sector organisation or non-government organisation.

Co-applicants

Co-applicants may participate in designing and implementing projects. A co-applicant is instrumental in achieving project success and preferably be a locally based organisation and/or possess strong linkages with the target community. This will be necessary if the lead applicant does not possess such linkages.

Eligible projects

Projects eligible for funding must ensure off-grid products meet global quality standards and minimum service levels are relevant to the local context. Further details on appropriate renewable energy technologies will be specified in the call for Eols.

Individual grant amounts for projects will be determined on a case by case basis, expected to be within the funding limits set out in the Call for Proposals.

Projects should focus on one or more of the following thematic areas:

- Provision of lighting or electrification for households, communities or socially strategic facilities

- Improving or increasing the generation and/or distribution of electricity
- Use of renewable energy sources and/or innovative and emerging technology
- Application of innovative business and financing models
- Innovation or improved efficiency of supply chains and distribution networks;
- Cross sectoral linkages; for example, creating opportunities in health or education or offer opportunities to develop economic infrastructure such as telecommunication and water
- Encouraging or facilitating the productive use of energy, with a focus on agribusiness activities
- Environment and climate change risk mitigation.

Table 1 Potential off-grid electrification, lighting and energy efficiency opportunities

Renewable Energy Technology / Application	Sub-sector
Hybrid	Pico (up to 10 kW)
	Micro (10 to 100 kW)
	Mini (100 to 1000 kW)
Solar PV	Solar applications (Portable lights, etc.) Home system
Wind	Isolated
Biogas	Household
Biomass	Improved cook stoves
	Gasifier
	Briquettes/pellets
Institutional solar application	School
	Health post
	Irrigation
	Drinking water
	Streetlights
Electric cooking (conventional, induction, infrared, hotplate)	Cultural / community places
	Household Hotel / restaurant
Productive end use	Small enterprises, mining applications, agriculture processing

Non-eligible projects

Projects that cannot be funded include those that:

- Benefit only one individual or household – there should be multiple beneficiaries
- Are burdened with repayments of loans or current bank overdrafts
- Use generic lighting products (e.g. not quality certified)
- Have expenses which have already been paid for (retroactive funding)
- Intend to purchase assets such as vehicles, including boats, unless specified in the call for EoIs or demonstrated to be essential for the success of the activity
- Carry-out activities which are contrary to the interests of the program
- Support activities by partisan political organisations
- Have proven terrorist activities or links to terrorist organisations.

Selection criteria

All applications will be assessed according to standard sections and assessment criteria.

The EoI assessment will be based on the following areas:

- **Background information and project scope:** This provides basic information about your organisation and any affiliated entities such as its governance arrangements and areas of expertise. Some information is also provided about the proposed project.
- **Concept innovation:** This considers whether the project concept is building on another project or if it is trailing something new, it will also consider the projects adaption to the local context.
- **Sustainable development impact:** This considers whether the project concept is consistent with aims and objectives of the program as well as how cross cutting issues such as gender, climate change and the environment are considered.
- **Gender equity and social inclusion:** This considers how the project concept will ensure that all groups are represented and ensure that women are involved in decision making. This will also consider broader community engagement strategies.
- **Business and financial sustainability:** This considers whether the organisation has demonstrated experience managing donor funds and strong financial controls.

The full proposal assessment will be based on the following areas:

- About the organisation
- Financial capacity of the organisation
- Design and relevance
- Effectiveness and feasibility of the activity
- Sustainability and risk management
- Budget and cost effectiveness.

Technical assessment panel

All applications received will be assessed by a Technical Assessment Panel. The Technical Assessment Panel will be:

- Comprised of subject matter experts
- Appointed by the program based on merit
- Independent to the program.

A pool of qualified personnel will be identified through a merit-based recruitment process. It is expected that appointment to the panel will be based on availability of the experts and the nature of applications received in each call.

The panel will be comprised of a maximum of five people; however, three panellists will be called upon at an occasion at a time to assess applications. Decisions to recommend applications (to proceed or not) to the delegate, will be made collectively wherever possible. In the event of a difference of opinion amongst members, the Chairperson will make the final decision.

The panel will be comprised of the following members:

- **Off-grid electrification expert / chairperson:** wide range of expertise and solid expertise on the ground
- **Off-grid electrification expert / deputy chairperson:** wide range of expertise and solid expertise on the ground
- **Rural energy needs assessment expert:** experience in understanding communities' priorities, load profile, and demand forecast
- **Off-grid electrification models expert:** evaluate and support innovative business models in the off-grid space
- **Social safeguards & GESI specialist:** ensure project proposals identify and mitigate all environmental and social risks.

All members are required to declare any possible (actual or perceived) conflict of interest. If the panel determines that a conflict of interest is substantial and could reasonably bring into question the integrity of the process, the member will step aside, and a replacement member will be used.

Stakeholders workshop

A stakeholder's workshop with the Australian High Commission, the OEP Secretariat and relevant Government agencies will be held after the technical assessment panel has considered the Eols. The purpose of the workshop is to ensure that:

- Selected projects are spread equitably throughout Papua New Guinea (for example, there are a range of projects in different locations)
- A diverse portfolio of projects is developed and will help build knowledge and understanding of the sector needs. This could include identifying policy and regulatory gaps or trialling new or emerging technology.

Application process

All applications will be done in a two-stage process. Refer to Figure 1: Application Process.

Step 1: Submit expression of interest

The Eol Form helps the OEP secretariat learn about the lead applicant, co-applicants and the proposed project.

The OEP Secretariat will screen the Eol forms submitted using Initial Screening criteria and inform the technical assessment panel. The key objectives of the initial screening are to ascertain sufficiency of the information and the Eol is prepared in line with the objective of the program. The technical assessment panel then appraises the Eol against the criteria for eligibility and selection.

Each Eol is given a score by the technical assessment panel: Approved, Not Approved, or Under Consideration.

- **Approved:** applicants whose Eols are approved will be invited to submit full proposals. The OEP Secretariat will also provide necessary support during the submission phase.
- **Not approved:** the OEP Secretariat will notify applicants whose submissions were not approved and provide feedback.
- **Under consideration:** these Eols will be returned with queries or issues for clarification. In some cases, applicants may be invited to undertake minor revisions that may lead to the invitation to submit a full proposal OR resubmit later, pending capacity development support from the OEP team.

All Eol forms are to be submitted via email address: apply@pawarimkomuniti.org.pg

Step 2: Submit full proposal

Applicants whose Eols have been approved by the technical assessment panel will be invited to submit a full proposal. The full proposal form requires the applicants to provide details of the proposed project details, crosscutting themes, monitoring and evaluation, financial management, work plan and budget. Support to develop full proposals will be provided by the OEP as needed.

Budgets should reflect actual costs related to the delivery of the proposed project and should cover overheads, project activities, staff costs, travel, training and capacity development and visibility and communications activities.

The technical assessment panel appraises each proposal against the criteria for the project's technical and financial capability using a specific selection criterion. Each proposal is given a score by the technical

assessment panel. These scores then provide direction to DFAT on making one of the two decisions: successful or unsuccessful.

Successful: The OEP will liaise with the entities whose proposals that have been approved by DFAT, to address specific feedback and recommendations from the technical assessment panel. The proposal will then proceed to the next stage of the process.

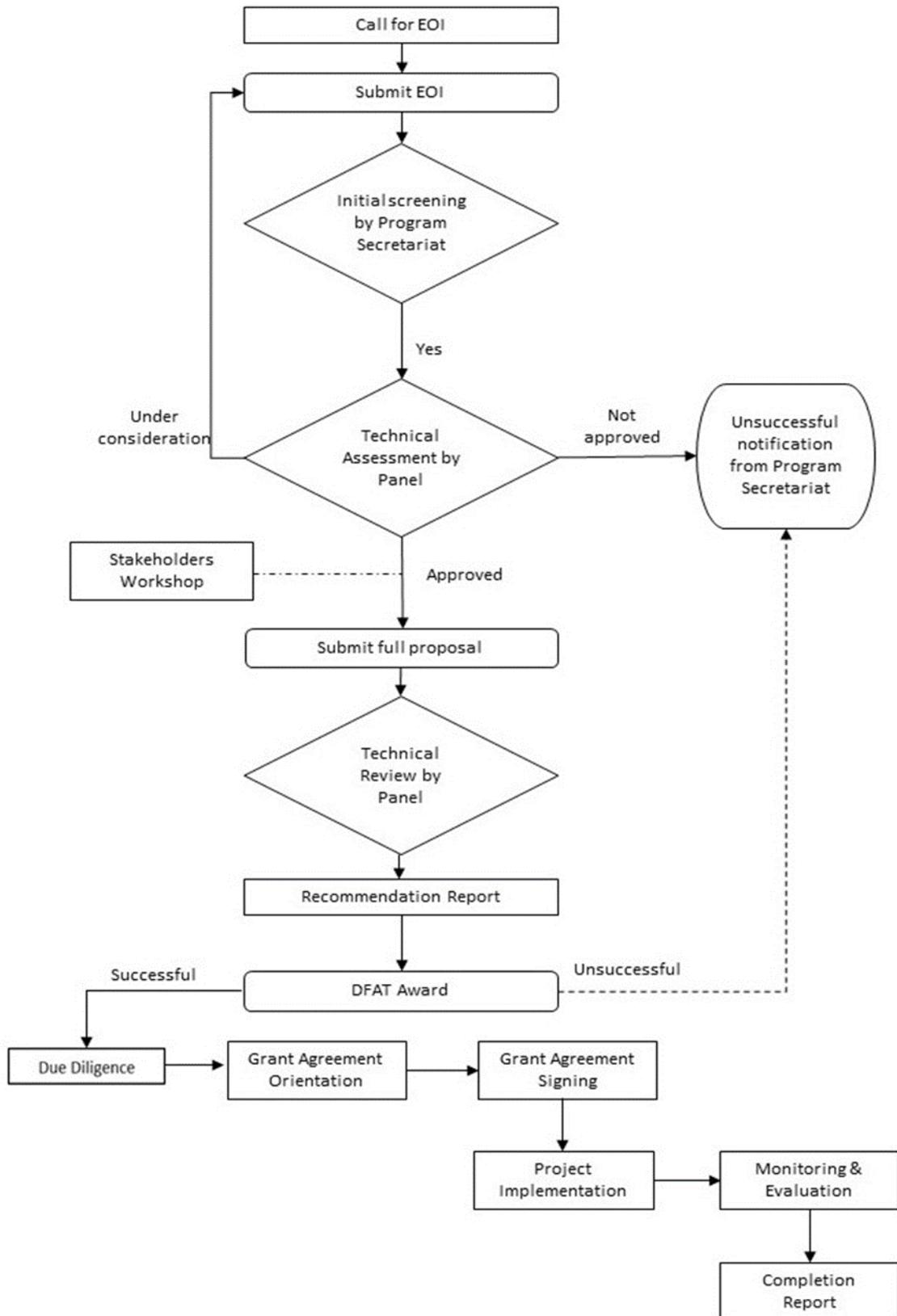
Unsuccessful: The OEP will notify entities whose submissions were not successful and provide feedback.

The technical assessment panel assesses the proposals and gives a recommendation and assessment report to the DFAT delegate. Final approval for grants to be awarded is given by the DFAT delegate.

Applicants must include in their full proposal, as relevant:

- Land title, land lease agreement or any other consent document with customary landowners
- Environmental impact assessment plan
- Mitigation measures addressing climate change
- Social and economic assessment
- Community consultation plan that includes all marginalised groups
- A strong commitment to gender equity and women's empowerment (gender action plan)
- Signed OEP Child Protection Policy code of conduct; and work health and safety statement.

Figure 1 Application process



Award

For proposals that have been approved by the DFAT delegate, the OEP will liaise with the grantee to prepare the grant agreement and plan any relevant capacity development. During the preparation of the grant agreement, the OEP will conduct a review of the governance and financial management systems, undertake a Due diligence check and begin other capacity development assessments to address future support as needed.

Due diligence

Due diligence is the appraisal of an entity prior to signing a grant agreement to ensure the entity will act with a certain standard of care. All documents shared will be kept confidential.

For proposals that have been approved for funding by the DFAT delegate, the OEP undertakes a due diligence process.

When carrying out a due diligence assessment, there are two inter-linked objectives.

Firstly, the program is trying to identify areas in the partner's operational systems (finances, human resources, risk management, governance structures, etc.) that may require some support. By identifying these areas, the program can support grantees to manage the grant funding and enable them to improve their systems more broadly. The due diligence checklist is the tool that enables the program to have frank discussions about internal control systems and where these need to be improved. The intention is to have these discussions in a collaborative manner, offering suggestion/s where possible.

Secondly, the program is ensuring that DFAT funds are carefully managed and used appropriately. The due diligence checklist is an important part of the OEP's financial and risk management processes. It assists the assessment of the capacity of partner entities (including subcontractors and grantees) to effectively manage, spend and report on the funding. The program team may work with the grantee to develop tailored risk mitigation measures.

These two objectives are linked, and the program intends them to be beneficial to both parties through a spirit of development cooperation – trust, respect, openness and aiming for mutual benefit.

Each grantee who has successfully completed the due diligence process is then required to undergo grant agreement orientation which includes obligations within the agreement to ensure that they understand what they are agreeing to.