



# Pay-It Forward

LOAN ANNOUNCEMENT

## Program overview

The Papua New Guinea Women's Business Resource Center (PNGWBRC) with the Centre for International Private Enterprise (CIPE) PNG are pleased to announce a unique funding opportunity for women owned and operated micro and small business enterprises in Papua New Guinea (PNG).

This funding opportunity will provide 25 successful PNG women owned and operated MSMEs with a loan of up to PGK 7000 (approximately \$2000 USD) through a Pay It Forward loan model. This is an innovative loan program that is being successfully implemented in other emerging markets. The Pay It Forward (PIF) Loan will be an opportunity for PNG women entrepreneurs who have been adversely affected by the global pandemic to access monetary support, provided through the PNGWBRC.

Successful loan recipients are required to 'pay forward' the value of their loan over the period of four (4) months, providing support to other women entrepreneurs and startup businesses in PNG. Through repayments that are made into the community, loan recipients are contributing to women's economic empowerment, development of their families and ultimately supporting the growth of the PNG economy.

## Specific project objective

- Aid in the economic recovery of PNG by supporting women entrepreneurs negatively impacted by the pandemic, and who may have been traditionally considered unfinanceable by banks
- Empower women as agents of positive change and contributors to the financial well-being of other women
- Better equip women entrepreneurs with the skills to access financing from formal financial institutions.

## PIF loan application forms are can be accessed by:

- Emailing [ltowamwesi@cipe.org](mailto:ltowamwesi@cipe.org) with subject: PIF loan Inquiry,
- Sending a message via our PNGWBRC Facebook page <https://www.facebook.com/pngwbrc/>
- Downloading a copy at our website [www.pngwbrc.com](http://www.pngwbrc.com)

## Eligibility criteria

1. Must be a woman owned or operated business.
2. Must be a business operating in one of the following industries:
  - i) Artisan and culture,
  - ii) Agriculture, or
  - iii) Tourism & hospitality sector.
3. Your business must have been adversely affected by the COVID-19
4. Your business must be acting for the wider benefit of the women business community.
5. Your business can be either formal or informal.
6. You must have a genuine or critical business need for financial support and be able to explain how they plan to use the loan.
7. Be locally owned and operated in PNG.
8. Be willing to share sensitive information pertinent to the business operations to support the application process. (all information will be kept confidential)
9. Be willing to 'pay it forward' to another business in one of the above mentioned industries.
10. Have been in operation for at least two years.
11. Have a bank account in either your personal name or company name.
12. Have valid government-issued identification documents (ID Card/ license/ NID Card/ passport)

## How to apply:

Please follow all instructions below carefully and submit your application via email with the subject line:

"PIF loan application submission" and send your email to [ltowamwesi@cipe.org](mailto:ltowamwesi@cipe.org) before 5:00pm (PGT), Friday 12th August 2022.

## Due Date:

All applications must be received by the closing date of **Friday 12 August, 2022 by 5pm PNG time**. Application will not be accepted after this date.

**\*\* Applications that do not meet the requirements of this announcement will not be considered.**



## Your proposal

A complete proposal package will include the application form, proposal and required supporting documents. Please follow all instructions below carefully and submit your application by close of business (5PM) Friday 12th August, 2022.

Please include the following supporting documents with your proposal package:

1. Evidence of business existence and operation through either:
  - A copy of the organization's registration or IRC TIN Number or;
  - An independent reference letter confirming your business operation from either a customer or a business partner.
2. A copy of your business financial bank statement
3. A copy of your business or company profile
4. A completed Electronic Transfer Form (Note: the organization's bank account must be able to accept USD dollar deposits).

## Terms & Conditions

The information contained in this solicitation is binding and may not be modified by a CIPE PNG representative. Explanatory information provided by CIPE PNG that contradicts this language will not be binding. A final award cannot be made until proposals have passed through the required review and approval process and funds have been allocated. The CIPE PNG reserves the right to reduce, revise, or increase proposal budgets in accordance with the needs of the program evaluation requirements.

## What CAN be funded under the loan

The loan will specifically allow for: 1) the purchase of equipment directly linked to business operations, 2) employee professional development for activities that directly link to improving services and sales, 3) marketing and branding that enhance the business's profile for networking and value chain development.

## What CANNOT be funded under the loan

Items such as salaries, rentals, personal expenses, customary obligations, lending out and other loan repayments, medical expenses, political and religious activities will not be funded under this loan.

## Repayment requirements

The loan is not repaid via a conventional method, rather must be "paid forward" to the value of the loan. This can be paid forward through any of the following activities (or combination of activities) that equal the value of the loan amount. Repayments must be made within the loan period of four months and documented in a timely and accurate manner in line with the reporting requirements of the loan.

## Eligible PIF loan repayment activities:

- In-kind donations of your own product or service to a startup/upcoming women entrepreneurs
- Offer free marketing/ promote business products or services for others on your platform
- Host events featuring a startups product/ service Mentoring to a startup or upcoming women entrepreneurs
- Lend your expertise in the form of training or coaching Job training and/or income training to vulnerable community members

The ongoing flow of the PIF Loan, unlike formalized financial institutions, negates the need for the accrual of interest on the amount loaned to the recipient. The added incentive encourages better business practices to access the pay-it-forward opportunity. The community value add is seen via growth of supply and value chains in the targeted sectors, whilst encouraging women's economic empowerment in a cooperative culture.

## Reporting requirements

PNGWBRC will provide loan recipients with reporting templates.

Loan recipients will be required to:

- Participate in monthly check-ins and pulse check with the PIF loan officer to ensure progress towards project objectives as well as good financial stewardship.
- Submit two reports, this first due on Friday 23rd September 2022 and
- A midterm report which makes up part of the final report will be due Wednesday 14 December, 2022.
- This final report will include i) a narrative progress report and ii) a financial summary.
- All reports must be completed and submitted via e-mail to [towamwesi@cipe.org](mailto:towamwesi@cipe.org)