Market Development Cooperator Program 2023

TABLE OF CONTENTS

NOTICE OF FUNDING OPPORTUNITY

EXECUTIVE SUMMARY

Federal Agency Name(s): Industry & Analysis (INA), International Trade Administration (ITA), Department of Commerce

Funding Opportunity Title: Market Development Cooperator Program 2023

Announcement Type: Initial

Funding Opportunity Number: ITA-INA-OIE-2023-2007968

Federal Assistance Listings Number: 11.112, Market Development Cooperator Program

Dates: Complete applications must be received and validated by grants.gov on or before 5:00 p.m. EDT, June 20, 2023. Validation or rejection of an application by grants.gov may take up to two (2) business days after submission. Applicants that wish to receive validation of submission from grants.gov prior to the deadline should submit their applications two business days before the deadline. Applications received after the deadline will be rejected/returned to the sender without further consideration. Applicants whose applications have been received by the deadline will be notified via e-mail not later than 10 business days after the submission deadline.

Funding Opportunity Description: ITA requests that eligible organizations submit proposals (applications) for the fiscal year (FY) 2023 competition for MDCP awards. ITA creates economic opportunity for U.S. workers and firms by promoting international trade and investment, strengthening industry competitiveness, and ensuring fair trade.

FULL ANNOUNCEMENT TEXT

I. Funding Opportunity Description

A. Program Objective

Market Development Cooperator Program (MDCP) financial assistance awards help to underwrite the start-up costs of new foreign market development projects that industry organizations are often reluctant to undertake without federal government support. MDCP projects strengthen the competitiveness of U.S. industry by generating exports of nonagricultural goods and services produced in the United States.

Trade associations, other non-profit industry organizations, and departments of trade and other regional associations are eligible to apply for MDCP awards. These organizations are particularly effective in reaching small- and medium-size enterprises (SMEs). Through MDCP cooperative agreements, ITA provides technical and financial assistance that these organizations match. Organizations compete for a limited number of MDCP awards. See III. Eligibility Information below.

B. Program Priorities

Each applicant must demonstrate how its proposed project will help ITA to create or sustain U.S. jobs by increasing or maintaining exports. This could include:

1. Outreach to U.S. firms, including businesses from underserved communities, to support exporting to foreign markets. Businesses from underserved communities include businesses owned [and/or operated] by members of underserved communities, including Black, Latino, Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

2. Addressing non-tariff barriers to U.S. exports such as discriminatory regulations, local content requirements, overly onerous standards or conformity assessment procedures, and other measures that may be unnecessarily trade restrictive;
3. Securing strong intellectual property rights protection and combating counterfeiting and piracy;
4. Participating in the formulation and encouraging the adoption of standards that are industry developed, market driven, science based, and internationally recognized; and
5. When appropriate, encouraging the development of aligned regulatory requirements that avoid unnecessary costs on businesses.

C. Program Authority

MDCP is provided for in 15 U.S.C. § 4723. The program strengthens U.S. industry's competitiveness by developing, maintaining, and expanding foreign markets for nonagricultural goods and services produced in the United States.

II. Award Information

A. Funding Availability

Approximately $1,500,000 is expected to be available through this announcement for fiscal year 2023. The total number of awards made will depend on the amounts requested by top-scoring applicants and the availability of funds. No award will exceed $300,000. ITA anticipates concluding five (5) to seven (7) cooperative agreements.

B. Project/Award Period

The project period of performance is the time span established in the award document during which federal sponsorship begins and ends. Each applicant proposes a project period of performance of at least three (3) years but not to exceed five (5) years. Each applicant should propose a project period of performance that allows ample time to complete project activities and generate exports. The start date for all projects is October 1, 2023. The project period of performance may be extended. All extensions must be approved by the grants officer. The MDCP financial award amount covers the entire project period of performance and shall not be increased, even if the project period of performance is extended.

C. Type of Funding Instrument

Like a grant, an MDCP award includes money available to the recipient to spend on its project, however, the instrument for an MDCP award is not a grant, but rather, a cooperative agreement. See the definition in section VIII.I.2. Cooperative Agreement. Accordingly, an applicant that is selected to receive an MDCP award is called a “cooperator” and not a grantee. ITA expects to have substantial involvement with a cooperator as it works on its MDCP project. This involvement is discussed below in VIII.D. Working as a Team with ITA.

III. Eligibility Information

A. Eligible Applicants

A prospective applicant for MDCP funding should submit an eligibility determination request prior to working on its application as described in III.C.2. Determination of Eligibility below. Entities that fall within the following categories are generally found to be eligible to apply for an MDCP award: trade associations; state departments of trade and their regional associations; and non-profit industry organizations, including organizations such as World Trade Centers, standards-developing organizations, centers for international trade development, and small business development centers. In cases where no entity described above represents the industry, private industry firms or groups of firms may be eligible to apply for an MDCP award. Such private industry firms or groups of firms must provide documentation in their eligibility determination request demonstrating that no entity in the first three categories listed below represents their industry.

1. Trade Association
A trade association is a fee-based organization consisting of member firms in the same industry, or in related industries, or which share common commercial concerns. The purpose of the trade association is to further the commercial interests of its members through the exchange of information, legislative activities, and the like.
2. Non-Profit Industry Organization
To be found eligible within this category an entity must be found to be a/an:
a. Non-profit small business development center operating under agreement with the Small Business Administration; or
b. Non-profit World Trade Center chartered or recognized by the non-profit World Trade Centers Association; or
c. Organization granted status as a non-profit organization under 26 U.S.C. § 501(c)(3), (4), (5), or (6), which operates as one of the following:
(1) Chamber of commerce;
(2) Board of trade;
(3) Business, export or trade council/interest group;
(4) Visitors bureau or tourism promotion group;
(5) Economic development group;
(6) Standards-developing or conformity-assessment organization;
(7) Small business development center; or
(8) Port authority.
3. State Departments of Trade and Their Regional Associations
To be eligible within this category an entity must be found to be a/an:
a. Department of a state government tasked with promoting trade, tourism, or another type of economic development; or
b. Association of the departments of trade (as defined above) of two or more states; or
c. Entity within a state or within a region that is associated with a state department of trade, tourism, or other type of economic development including non-profit, non-private, noncommercial entities, which is at least partially funded by, directed by, or tasked by a state government to promote trade, tourism, or another type of economic development.
4. Special Note Regarding Educational Institutions

Educational institutions, such as schools, colleges, and universities, are not eligible. However, organizations that are part of or affiliated with an educational institution for administrative, accounting, financial, legal, or logistical reasons may be eligible. Such organizations that are not independent legal entities, for example, an unincorporated organization, that otherwise may be classified under III.A. Eligible Applicants, above, as a trade association, non-profit industry association, or state department of trade and its regional associations, are eligible. In such a case, the eligible organization will include in its application a signed letter from the educational institution stating that MDCP funds will be used only by the eligible organization for the purposes outlined in its application and that no such funds will be used by or retained by the educational institution, even though the funds may need to go through the educational institution because of the eligible organization's lack of a separate accounting system or lack of status as a separate legal entity.

B. Cost Sharing or Matching Requirement

A cooperator must contribute at least $1 for each federal dollar received. Half of this minimum contribution must be cash. The rest, and any additional cooperator “match” can be either cash or an in-kind contribution. See VIII.B. Supplemental Explanation of Cost Share and Match.

C. Other Criteria that Affect Eligibility

An applicant that fails to meet the eligibility criteria cannot receive an MDCP award even if its application is reviewed.

1. Eligibility of Current or Past Cooperators

ITA seeks to foster foreign market development activities by offering MDCP financial awards to encourage new initiatives. MDCP awards are not intended to replace funds from other sources, nor are they intended to replace previous MDCP awards. A current or past cooperator may propose a new project. See V.A.8. Creativity below.

2. Determination of Eligibility

A prospective applicant that has not already been determined by ITA to be eligible must request an eligibility determination in writing. Entities considering applying for MDCP funding should submit their eligibility determination request before submitting their application. Interested entities can get additional information and initiate the process through trade.gov/mdcp or via email at mdcp@trade.gov. Such requests should be accompanied by the most current version of all the following documents that apply:

a. Articles of incorporation or state-level certificate of corporate good standing;

b. Charter;

c. Bylaws;

d. Information on types of members and membership fees;

e. Internal Revenue Service acknowledgment of non-profit status;

f. Annual report;
g. Audited financial statements;
h. Documentation of ties to state trade departments or their regional associations; and
i. Letter described in III.A.4. Special Note Regarding Educational Institutions above, if applicable.

A prospective applicant should submit an eligibility determination request as soon as possible if it wishes to have a determination prior to the application deadline.

To initiate a request, a prospective applicant should visit trade.gov/mdcp and select "Contact Us Today". Alternatively, a prospective applicant can email MDCP@trade.gov.

The eligibility requirements above are also summarized at trade.gov/mdcp. An applicant that has requested an eligibility determination should continue to work on its application while awaiting ITA's eligibility determination. An entity may submit an application even if it has not yet received an eligibility determination. An applicant does not need to include in its MDCP application the letter it receives from ITA regarding determination of eligibility. ITA keeps determinations of eligibility on file.

3. Exclusion of Entities from MDCP Project Activity

As noted in I.C. Program Authority, above, MDCP projects must be designed to develop, maintain, and expand "foreign markets for nonagricultural goods and services produced in the United States." This term is defined below in VIII.H. Definitions Regarding Nonagricultural Goods and Services Produced in the United States. Accordingly, entities that are found not to be exporters of goods and services produced in the United States will be excluded from MDCP project activity. ITA may also exclude an entity from MDCP project activity where participation in such activity would be contrary to applicable U.S. law, federal government policy, or Department of Commerce policy. For example, ITA is prohibited by law from promoting exports to North Korea, therefore, any exporter that proposes prohibited exports will be excluded based on the legal prohibition. See also IV.F.4. Human Rights below.

IV. Application and Submission Information

A. Address to Request Application Package

An application package is available at grants.gov. Applicants should submit applications via grants.gov. Applicants can learn more by visiting trade.gov/mdcp.

B. Content and Form of Application

Applicants should register on grants.gov as soon as possible. It often takes several days after registration on grants.gov and before submitting an application is possible on the site. Applicants download forms from grants.gov then complete them offline. Applicants should note that the bulk of a complete MDCP application is made up of documents other than forms. Simply downloading the forms, completing them, and posting them at grants.gov is not enough to constitute a complete MDCP application. The non-form majority of the application must be drafted, assembled, and saved as .pdf files prior to attempting to submit via grants.gov. Applicants should visit trade.gov/mdcp to learn more and click on “Let’s Talk” to request more information.

If an applicant submits more than one application, each application must have the complete content and form identified in this section. ITA will evaluate and score each application separately.

An applicant organizes its application into three parts in accordance with the grants.gov filing protocols: project, budget, and forms. Every page of the application must be easily legible. Textual documents generated by an applicant should have a one-inch margin on either side and top and bottom, and the typeface should be no smaller than 11-point. Headers and footers can lie outside the margins. Pages that are not easily legible may be ignored by reviewers. The three parts of the application are set forth below.

1. Project Narrative File (page limit: 10)

a. Executive summary

In accordance with V.B. Review and Selection Process below, ITA will distribute each applicant's one-page summary to its experts to solicit comments. The executive summary includes items (1) through (15) described below. It may be included either as the first page of the project narrative or as the first page of the budget narrative. ITA acknowledges that, for many industries and markets, precision will not be possible. The applicant should base its application on information that is reasonably available. The executive summary should communicate the essence of the application as outlined further below. In this regard, for items (4) through (10), the applicant should break out its summary for each industry that will benefit from project activity and for each targeted market. The executive summary includes the following:

(1) Applicant: entity name, headquarters city/state, and website;

(2) Industry(s): Primary U.S. industry that will benefit from project activity; if another U.S. industry will benefit, the applicant lists it as the secondary industry; if more than two industries will benefit, the applicant lists them in descending order of priority as "other" industries;

(3) Specific foreign markets targeted: The applicant lists each sovereign state (or economic zone, e.g. Hong Kong special administrative region) in descending order of priority focus (not listing a market will not preclude an applicant from claiming exports to that market generated by the project); an applicant does not list a region such as "Latin America" or an organization of sovereign states such as the "European Union" (continuing on the EU example, if Germany and Poland are listed as target markets instead of the EU but the project also ends up connecting participating firms with buyers in Slovakia and Lithuania, an

applicant can claim resulting exports from all four markets as having been generated from its MDCP project activity, even though Slovakia and Lithuania were not specifically identified as target markets); the applicant specifies each sovereign state or special economic/administrative zone;
(4) U.S. market size: U.S. dollar value of annual sales to U.S. buyers;
(5) U.S. industry share of U.S. market: U.S. dollar value of annual sales by U.S. firms to U.S. buyers;
(6) Target market size: value in U.S. dollars of annual sales for each industry that will benefit from project activity and each targeted foreign market;
(7) U.S. market share: size in U.S. dollars of the current U.S. share of each targeted foreign market;
(8) End of project period of performance: a minimum of three (3) years and a maximum of five (5) years, proposed by applicant, to begin on October 1, 2023;
(9) Project exports: sales to foreign buyers anticipated to be generated during the project period of performance;
(10) Post-project exports: sales anticipated to be generated during the four years following the project period of performance;
(11) Federal share: amount of federal funds requested;
(12) Match: amount of cash and in-kind match that applicant pledges to support the project;
(13) Project description: abbreviated list of no more than five (5) of the most significant planned activities and/or methods;
(14) ITA and other federal collaborators: names of federal staff with whom the applicant has discussed the project; and
(15) Partner(s): if applicable, the name of any partner organization other than ITA, that will work with applicant. An applicant is not required to have a partner.

b. Background

The applicant should make clear why it believes that the project is needed and has a good chance to succeed. Applicants should rely on solid research and address appropriate considerations that may have a bearing on how well proposed projects address I.B. Program Priorities above. The considerations to address will depend entirely on the nature of the proposed project. The list of considerations below is provided as an example. The actual considerations addressed in a given proposal may or may not include all of those listed below and may well include others. Examples include:
(1) Current competitive position of the U.S. industry, including market potential for the industry's goods and services;
(2) Local and third-country competitors in the target market(s);
(3) Target market economic conditions and the likelihood that potential buyers will purchase U.S. goods or services to be offered;
(4) U.S. industry resources that can be brought to bear on developing target market(s);

(5) U.S. industry's ability to meet potential market demand; and
(6) U.S. industry's after-sales service capability in the target market(s).

c. Project description

The project description should include a work plan listing specific activities planned, including the different phases of the project identifying relevant milestones and activity in chronological order; and the location where activities will take place.

d. Performance measurement

If an applicant is selected as a cooperator, it will submit quarterly Performance Progress Reports. These "PPRs" are defined and described in VIII.I. 18-20. Dollar value of exports generated by the project is part of PPR Part A2, described in VIII.I.19. It is the primary indicator of project success. Therefore, as described in (1) through (3) below, an applicant should estimate the value of exports its project will generate, explain how it calculated the estimate, and describe how it will generate exports and get U.S. firms participating in the project to report exports.

(1) Estimate of export performance

As described in IV.B.1.a.(9) and (10) above, each applicant estimates the dollar value of project-period exports and post-project-period exports to result from project activity.

(2) Export estimate methodology

The applicant includes a brief description of the methodology used for the export estimate.

(3) Performance measure recording and reporting system

Each applicant describes its recording and reporting system in its application. Ultimately, it is the export success of individual firms that demonstrates an industry's strengthened competitiveness. Therefore, each applicant that relies on firms participating in project activities should explain how it plans to get export success information from such firms. An applicant focusing uniquely on addressing trade barrier issues should identify export data sources or other relevant sources it will use to report export value generated from project activity.

e. Partnership

As noted under VIII.D.1. Federal Project Team below, each cooperator will work with a federal project team leader from ITA, other ITA staff, and staff from other federal agencies. Each applicant must describe in detail how it plans to work with the federal project team.

f. Credentials

Each cooperator must ensure adequate development, supervision, and execution of project activities for itself and for each non-federal partner with significant involvement in the project. Therefore, for itself and each such partner, each applicant must:

(1) Describe the role, if any, foreign membership plays in its affairs;
(2) Provide a short summary of experience for the project director and professional personnel who plan and execute project activities; and
(3) Include in the budget the amount of time each professional will devote to the project.

g. Evidence of support from U.S. firms interested in participating
Perhaps the best indication of whether an MDCP project will generate exports is the level of interest among the firms of the U.S. industry that would export. Each applicant that proposes project activities for participating firms should document the interest of potential U.S. exporters in leveraging the proposed MDCP project to generate exports.
h. Use of ITA emblem
Each applicant must provide at least one mock-up example indicating how it anticipates using the ITA emblem over the course of the project. Use of the ITA emblem is a graphic reminder that the project is backed by a partnership with ITA. The example will help secure formal clearance for use of the emblem by applicants selected for MDCP awards.
i. Success agreement
Any applicant that plans to solicit export or other performance measurement data from firms participating in project activity must append a draft success agreement. Applicants that are not planning to solicit data from firms do not need to submit a success agreement. Success agreements must contain these three parts:
(1) A list of the benefits that participants will receive,
(2) A notice that participants are obligated to report exports and other performance measurement information, and
(3) An affirmation that the goods or services that the participant seeks to export are produced in the United States. See the definition in VIII.H.9. Goods and Services Produced in the United States. An example of a success agreement is available at https://www.trade.gov/mdcp-cooperator-tools.
2. Budget Narrative Attachment (page limit: 10 pages plus up to 20 pages for financial statements)
Each applicant must provide a detailed budget for the project including the elements listed below.
a. Budget summary
This spreadsheet breaks down the budget into the categories used on the SF-424A and apportions it over the project period of performance. This spreadsheet should allow an applicant to identify all the amounts needed to complete the SF-424A, which is submitted separately as described in IV.B.3 Forms below. An applicant is free to create its own method to accomplish this, but an example MDCP App Budget Worksheet is available for download at https://www.trade.gov/mdcp-application-worksheets.
b. Supporting worksheets and explanations
The figures summarized on the budget for project period of performance are derived from more detailed spreadsheets that an applicant provides. Applicants organize these supporting spreadsheets to explain the figures on the budget for project period of performance and SF-424A. For example, total travel expenses should be derived from adding up the cost of individual trips, taking into account destination, number of travelers, and length of time.

Most applicants find it practical to group their explanations on three worksheets: personnel, non-personnel direct expenses, and benefits. Example spreadsheets are available at https://www.trade.gov/mdcp-application-worksheets.

c. Financial systems and resources

Each applicant includes a discussion of financial systems and projections that identify how, when, and from what sources the matching funds will be or have been raised. This discussion addresses any of the following items that are relevant:

(1) Source of funds as documented in the applicant's financial statements or annual budget if the financial statements do not allow sufficient specificity; and

(2) Proof of past performance generating program income

d. Other financial assistance awards

Each applicant sums the grants and similar financial assistance awards that it has received over the last three (3) years. Only awards of $100,000 or more need to be considered when summing the amounts. If the total of such awards exceeds $300,000, the applicant must provide a summary of each award in excess of $100,000. The summary includes the following information about the award-making entity and its official charged with monitoring performance on the award: entity name, award identifier/reference number, contact name, and current email. Awards of less than $100,000 should neither be included in the sum of awards nor in the summary of awards.

e. Financial statements

Each applicant must include in its application its most recent audited financial statements, even if the applicant has recently submitted them as part of an eligibility determination request. If the applicant is a sub-unit of an audited entity, in addition to the financial statements of the audited entity, the applicant should provide financial statements at the most specific level available, whether or not these are audited. If the applicant's most recent financial statements are not audited, it should submit the most recent un-audited financial statements and a statement indicating whether it currently has an auditor and when it plans to issue audited financial statements. At a minimum, the financial statements an applicant should provide include:

(1) Statement of income or revenue,

(2) Balance sheet, and

(3) Auditor notes.

f. Evidence committing cash or in-kind support

If a significant source of cash or in-kind support is coming from any entity other than the applicant, the applicant must provide evidence that such support will be forthcoming if the applicant wins an MDCP award. Examples of evidence of such support include a letter from an official in a position to pledge support, line items in official budget documents, and public laws.

g. Alternate evidence of financial responsibility

If none of the methods described above are sufficient to demonstrate its financial responsibility, an applicant may choose to provide other suitable proof.

h. Project comparison table

Only applicants that are current or past cooperators are required to provide a table comparing the proposed project to current or past projects. See V.A.8.b. current or past MDCP projects, below.

i. Letters of support from public officials

Letters of support from public officials are welcome but are not required or expected. However, an applicant should submit a support letter from any public official who has pledged substantial financial or in-kind support for the proposed project. See IV.B.2.f. above. An applicant that chooses to submit a letter of support should secure it soon enough to include it in the application as an attachment. This will ensure that the merit review panel and other reviewers see the letter. It also reduces administrative burden because ITA does not respond to letters included as attachments in MDCP applications.

To include a letter of support in its application, an applicant should request that the author of a letter of support send it to the applicant. It is the responsibility of the applicant to include a copy of the letter in its application. Letters of support can be addressed “To the MDCP Merit Review Panel:”

ITA officials, including all employees of Industry & Analysis (I&A) and Global Markets (GM) and its Commercial Service, are instructed not to provide letters of support for MDCP applications.

ITA officials have the opportunity to comment on applications as part of the review and selection process as set forth in V.B. Review and Selection Process.

j. Other documentation

An applicant may include anything else it feels is relevant for ITA reviewers to consider. There may be documents relevant to an application that are not specified under IV.B. Content and Form of Application above. An applicant may include any such documentation within the budget part. Any documentation provided should support or explain the other portions of the application and should be labeled to identify its relevance to the application. ITA considers other documentation provided under this part to constitute part of the application. As such, it receives the same type of review as the rest of the application.

3. Forms (page limit: the number of forms required, 9-10 for most applicants)

An applicant downloads forms from grants.gov and completes them offline. After the project and budget parts are prepared, an applicant can submit the forms as well as project and budget at grants.gov.

a. Forms required of all applicants:

(1) SF-424 Application for Federal Assistance

(2) SF-424A Budget Information - Non-Construction Programs

The applicant must submit a line-item budget SF-424A and corresponding budget narrative for each of the funding periods anticipated. Prior to completing the SF-424A, most applicants find it helpful to use linked electronic spreadsheets to prepare a detailed project budget. Example spreadsheets are available at https://www.trade.gov/mdcp-application-worksheets. As an applicant enters budget data in the any of the budget detail spreadsheets, it automatically populates appropriate fields in a spreadsheet designed to look like an SF-424A. This SF-424A spreadsheet is not a replacement for the actual SF-424A but can be a guide when completing and submitting the actual SF-424A available at grants.gov.

(3) SF-424B Assurances - Non-Construction Programs

(4) CD-511 Certifications Regarding Lobbying.

b. Forms required only for special circumstances:

(1) SF-LLL Disclosure of Lobbying Activities

This form is only required of applicants that plan to engage in lobbying the federal government as part of their MDCP project. (It is rare that an MDCP project would require submission of an SF-LLL.)

(2) CD-512 Certifications Regarding Lobbying-Lower Tier Covered Transactions

The CD-512 is required if an applicant plans to sub-contract work or make sub-awards. If so, the applicant completes the CD-512 but does not submit it with the application. In such case, the applicant should keep the completed CD-512 on file.

C. Unique Entity Identifier and System for Award Management (SAM)

Pursuant to 2 C.F.R. part 25, applicants and recipients are required to: (i) be registered in SAM before submitting its application; (ii) provide a valid unique entity identifier in its application; and (iii) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency, unless otherwise excepted from these requirements pursuant to 2 C.F.R. § 25.110. ITA will not make a Federal award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not fully complied with the requirements by the time that ITA is ready to make a federal award pursuant to this NOFO, may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant.

D. Submission Dates and Times

Complete applications must be received and validated by grants.gov on or before 5:00 p.m. EDT, June 20, 2023. Validation or rejection of an application by grants.gov may take up to two (2) business days after submission. Applicants that wish to receive validation of submission from grants.gov prior to the June 20 deadline should submit their applications by June 15. Applications received after the June 20 deadline will be rejected/returned to the sender without further consideration. Applicants whose applications have been received by the deadline will be notified via e-mail not later than 10 business days after the submission deadline.

E. Intergovernmental Review

There are no intergovernmental review requirements beyond those already noted.

F. Funding Restrictions

1. Non-Construction Project
Neither an MDCP award nor any portion of the matching funds is to be used for construction projects.
2. Pre-Project-Period Activities
There is no obligation on the part of ITA to cover pre-award costs. Except as noted below in VIII.G. Approved Pre-Project-Period Expenditure, if an applicant incurs any costs prior to an award being made, it does so solely at its own risk of not being reimbursed from award funds.
3. Joint Ventures
An entity may submit an application as a joint venture; however, only one eligible organization can be the designated award recipient/cooperator. For example, two trade associations may pool their resources and submit one application, but only one of the two will receive the award and be the cooperator. Foreign businesses and private groups also may join with eligible U.S. organizations to submit applications and to share project costs. Applicants should pay special attention to VIII.B.1. Cash Contribution and VIII.B.2. In-Kind Contribution, below, when formulating a partnership or joint venture.
4. Human Rights
No ITA assistance, MDCP award, or any portion of the matching funds are to be used to support or promote the export of goods or services that raise significant concerns of potential use or misuse to commit a gross violation of human rights or violation of civil and political rights by a foreign government or foreign government sponsored private entities in the potential market . See VIII.I.12. Human Rights and ITA Assistance.

G. Other Submission Requirements

1. Number of Pages
Grants.gov requires that applications be submitted in three parts: project, budget, and forms. These parts and their page limits are summarized below. The budget part is limited to 40 pages, includes all attachments other than forms – even if they are not budget-related - and has sub-sections with their own page limits.
a. Project: 10 pages;
b. Budget: limited to 40 pages total -- up to 10 pages for the budget, up to 20 pages of

financial statements, and up to 10 pages of other attachments;
c. Forms: identified in IV.B.3. above are limited to the number of required forms, typically nine or 10 pages;

The page limits are not fungible. Over-limit pages from one part cannot take the place of under-limit pages from another. For example, if an applicant has 8 pages of financial statements in the budget part, 12 less than the limit, it is not allowed to apply these 12 pages towards other parts of the application. Each page counts towards the limit including cover pages. To stay within the page limits, applicants may need to omit irrelevant pages from financial statements, label the tops of pages instead of using cover pages, or omit reports and promotional brochures that are not necessary.

2. Retention of Applications

Winning applications are made available to federal project teams for use in coordinating project work with the entire federal project team. ITA will keep the winning application on file for at least seven (7) years. For each eligible applicant whose application is not selected for MDCP funding, ITA will retain the signed original or its electronic equivalent for at least seven (7) years. Late applications are not accepted. For an application submitted after the deadline, ITA may choose to retain a copy of the cover page, transmittal letter, or electronic equivalent. In such case ITA's policy is to keep such documentation for seven (7) years. Otherwise, applications that are late or submitted by ineligible applicants are erased.

3. Method of Submission

a. To expedite the application evaluation process, ITA posts the applications electronically to ITA reviewers and distributes them to each of the merit review panelists. Accordingly, ITA will organize and consider all applications in an electronic format regardless of the format of submission.

b. Applicants should submit their applications via grants.gov. On this site, applicants should be able to find help submitting their applications as pdf attachments. ITA does not manage grants.gov.

c. If an applicant is unable to resolve application submission issues through grants.gov, it should contact mdcp@trade.gov before the submission deadline. If unable to submit via grants.gov, an applicant can submit via email attachment of electronic files to mdcp@trade.gov.

d. If an applicant is unable to submit electronically, ITA will accept hard-copy submissions. In such case, ITA’s practice is to convert the hard-copy submission to pdf electronic format.

4. Public Release of Winning Applications and Freedom of Information Act

ITA’s policy is to make available for release to potential applicants and other members of the public all applications selected for MDCP funding. It is the responsibility of each MDCP award recipient to identify any information in its application that it wishes to withhold from public release. Each MDCP applicant may identify information to withhold from disclosure in its application at the time it is submitted or after ITA selects the application for funding.

ITA requires all recipients of MDCP awards to create a “public version” of their application that ITA makes available to the public.

Public release of applications may also result from a Freedom of Information Act (FOIA) request. Either way, ITA’s policy with regard to public disclosure of applicant information is the same. Applicants that wish to withhold anything from public release follow the instructions below.

a. Bracket information to be withheld from public disclosure with the words "Limited use: Business identifiable information (BII) surrounded by brackets [] includes trade secrets, commercial, or financial information.”

b. Explain why the information should not be disclosed and mark each affected page to assist ITA in making disclosure determinations. Department of Commerce regulations implementing FOIA, 5 U.S.C 552, are found at 15 C.F.R. Part 4, which sets forth rules for the Department and its bureaus, including ITA, to make requested materials, information, and records publicly available under FOIA. The contents of funded applications may be subject to requests for release under FOIA. Based on the information provided by the applicant, the confidentiality of the content of funded applications will be maintained to the maximum extent permitted by law. There are FOIA exemptions, but the fact that an exemption is claimed does not mean that it will be granted. If ITA does not agree with the justification, it informs the applicant or MDCP award winner that offered the justification. ITA may then take appropriate action, including release of the information if requested.

5. Application Preparation Costs -- Notice Publication Does Not Obligate Awards

In no event will ITA be responsible for application preparation costs. Publication of this notice does not obligate ITA to award funds for any specific project or to obligate any available funds.

V. Application Review Information

A. Evaluation Criteria

The magnitude of a score that ITA assigns to an application is based on the degree to which proposed project activity addresses and/or has a positive effect on the criteria below. ITA sums the points assigned for each of the 11 criteria below. The total possible score is 100.

1. Potential to Engage U.S. Firms in Generating Exports that Create or Sustain U.S. Jobs (20 points)

Each applicant must demonstrate how, as a result of project activity, executives of export-capable U.S. economic entities will commit to actions that result in exports that create or sustain U.S. jobs. These U.S. economic entities include companies, partnerships, sole proprietorships, etc. These are referred to collectively as “firms.” Of primary and particular interest are firms that are SMEs.

As a general matter, an applicant must demonstrate that firms that appear to be well-positioned to generate exports resulting from project activity support the proposed MDCP project and intend to participate as appropriate.

ITA will not allow any MDCP award recipient to include in a funded project, activity that appears to result in exports that do not create or sustain U.S. jobs. In this regard, applicants should keep in mind the following:

a. Exports that create or sustain U.S. jobs are sales by U.S. firms to non-U.S. customers where, as a consequence, there is ongoing or increased paid employment of U.S. entities engaged in producing the good sold or providing the service sold. ITA can infer the jobs created or sustained directly and indirectly from the exports generated by the project. Applicants are not required to estimate jobs created or sustained.

b. Exports that do not create or sustain U.S. jobs are usually characterized by one-time transfers of technology or know-how in exchange for a fee. While such transactions may be considered to be exports, they do not generally result in the creation of new U.S. jobs or the sustaining of existing U.S. jobs to any significant degree, if at all. ITA does not fund projects that include activities likely to result in such non-job-sustaining exports.

2. Export estimate (5 points)

Each applicant must estimate the dollar value of exports that its project is likely to generate during the proposed project period of performance and during the four years following the proposed project period of performance. While no applicant that becomes an award winner is required to report to ITA MDCP-project-generated exports after the end of the project period of performance, estimating such exports as part of the application process helps ITA to consider to what degree the applicant is designing the project to be sustainable. See criterion 11 below.

3. Export Estimate Methodology (5 points)

To be considered credible, estimates should normally be based either on prior experience or extrapolation from reliable, objective data. Failure to provide a methodology results in a score of 0.

4. Export estimate significance (5 points)

In addition to the total value of exports projected, as measures of significance, ITA will consider the projected export value in the context of credibility as described in criterion 3 above and as compared to the amount of the MDCP award requested. ITA may also consider other measures of export significance, including, but not limited to, the extent to which the industry to be helped has already engaged in exports and the ITA priorities listed in I.B. Program Priorities, above.

5. Export recording procedures and reporting likelihood (10)

Each applicant must demonstrate that it will have effective export-reporting procedures in place.

a. Trade-barrier-focused projects

For many applicants with projects focused on addressing standards or other trade barrier issues, export reporting is typically derived from reliable trade statistics. For such projects an applicant must identify the source of the statistics, justify the pre-project baseline it proposes to use for comparison, and explain why its proposed export reporting procedures are the most accurate and practical way to estimate the export impact of the project.

b. Exports reported by individual firms

In most situations, exports by individual firms generated by project activity constitute the most compelling evidence of project success. When reporting by this method, an applicant must do the following.

(1) Describe in detail how it intends to ensure that U.S. firms report exports. ITA will consider the extent to which an applicant demonstrates that it has previous or ongoing experience getting firms to report information or to respond to surveys.

(2) Include a draft success agreement as described in IV.B.2.i. Success agreement, above.

6. Prospects for partnership with ITA (15 points)

To earn the highest score possible, an applicant should identify in its application, individual ITA officials with whom it has worked in the past and with whom it has discussed the MDCP proposal. This normally includes from ITA's I&A unit relevant industry specialists, and from ITA's GM unit the applicant's local CS domestic field office, country desk officers, and CS staff based in target markets. The applicant should also outline how it intends to leverage not just the MDCP award funds, but also ITA's network of trade professionals worldwide as part of a federal project team.

7. Compatibility with ITA Priorities (7 points)

It should be evident in the application how the proposed MDCP project furthers or is compatible with ITA priorities. These are stated under I.B. Program Priorities above.

8. Creativity (12 points)

The applicant must demonstrate creativity, innovation, and realism in the work plan.

a. Demonstrating creativity

Creativity may be demonstrated by proposing new ideas not previously developed or by promoting a particular industry in a market where it has benefitted from little or no recent promotion . Creativity may also be demonstrated in ways that are less straight-forward. For example, it may be that the U.S. exporters targeted for help have never engaged in the types of activities included in the proposed project. Or, it may be that the manner in which techniques are customized to meet the specific needs of certain U.S. exporters is novel.

b. Current or past MDCP projects

For demonstrating creativity there are special requirements for an applicant that has previously received an MDCP award. A current or past cooperator must submit a table comparing its current or past MDCP project(s) to its proposed project. As noted above in I.

Funding Opportunity Description, MDCP awards are designed to help underwrite the startup costs of new projects. Accordingly, a current or past cooperator can earn the maximum number of points under this criterion only if it proposes a project that is entirely new.
In determining the number of points under this criterion, ITA considers the level to which an applicant has incorporated elements of its previously-funded MDCP projects. To assist in this analysis, a current or past cooperator must submit a table wherein it estimates the amount of resources devoted to each major project element for each current or past project compared to the proposed project. See VIII.C. Table Comparing Application to Current or Past MDCP Projects. A current or past cooperator that proposes a project that is not entirely new will receive substantially fewer points under this criterion than it would receive otherwise.
9. Institutional capacity (8 points)
ITA measures institutional capacity by what each applicant submits.
a. Each applicant must summarize the qualifications and experience of its own personnel whose work contributes significantly to the project as well as those of any of its in-kind contributing partner organizations.
b. Evaluation of match generally includes the following: amount of cash match available at the beginning of the project period of performance, likelihood of in-kind match being provided over the course of the project period of performance, and likelihood of program income being generated during the project period of performance.
c. One indicator of institutional capacity is the extent to which the applicant abides by the MDCP application parameters stated in this notice. For example, for an applicant to maximize its institutional capacity score, it must comply with the page limitations and submit an application that is easily legible.
d. An applicant that is a current or past cooperator should not assume that success with a prior MDCP project will be considered automatically by the merit review panel when reviewing its application.
10. Budget (5 points)
ITA evaluates a budget based on the inclusion of good financial statements and the extent to which the cost of individual project activities is set forth logically depending on the type of expense. For example, travel expenses must be based on the number of travelers, specific destinations, number of days, per diem, etc. A reviewer should be able to follow the detail on such explanations to the required form 424A. Explained costs should appear to be reasonable when compared to the proposed work plan.
11. Sustainability (8 points)
Each applicant must show how the proposed project will self-sustain after the end of the project period of performance. ITA does not assume that completed or ongoing projects undertaken by current or past cooperators are self-sustaining. As noted in V.A.4.b. institutional capacity, above, ITA assesses each application based on its contents as

submitted.

B. Review and Selection Process

The applicant is responsible for submitting a complete application by the application deadline. Prior to selection, each complete application receives a thorough evaluation as set forth below.

1. Eligibility Determination

No applicant may receive an MDCP award until it has first been found to be eligible as defined under III.C.2. Determination of Eligibility, above. Applicants submit eligibility determination requests separately from the MDCP application. Staff of the Office of Industry Engagement (OIE) in I&A review all applications to ensure that each applicant has received a determination that it is eligible to receive an MDCP award. The best practice is for each applicant to ensure that it has an eligibility determination from ITA before submitting its application. Nevertheless, an applicant may request an eligibility determination after submitting its application, but not later than 10 days after the application deadline. Eleven (11) days or more after the application deadline has passed, ITA will decide which applications are from eligible entities and which are not. If ITA lacks sufficient evidence for making an eligibility determination it reserves the right to determine that an entity is not eligible.

2. Program Area Review

Relevant program areas, within I&A and GM, can review the submitted applications. These reviewers provide comments based on the evaluation criteria identified above. This allows experts in the industry sector or geographical region to assess applicant claims. These reviewers provide insights into both the potential benefits and the possible difficulties associated with the applications. However, the merit review panel is free to consider or disregard the program area review comments as it sees fit.

3. Initial Review

One or more ITA staff reviews and comments on applications using the evaluation criteria identified above. ITA staff prepare for the merit review panel a review packet including the applications and reviewer comments. The initial review and program area comments afford the merit review panel the insights and breadth of experience of ITA professionals; however, the merit review panel is free to consider or disregard these comments as it sees fit. As part of its review, ITA may need to contact an applicant to verify technical details such as budget information or to resolve discrepancies between information formatted through grants.gov utilities and information included in attachments that were not formatted through grants.gov utilities. Applicants should not perceive that such contact from ITA means they will be selected to receive an MDCP award. ITA does not handle award notices. For more information on award notices, see section VI.A. Award Notices below.

4. Merit Review Panel Composition

The MDCP Director forwards all eligible applications, along with all related materials, to the merit review panel of at least three senior ITA managers. This panel is chaired by the OIE Director. The panel includes one other I&A member and at least one GM member. At their discretion, the selecting official may ask GM to designate two panel members, instead of one. If GM designates two panel members upon request, one must be from the ranks of GM's CS, and one from outside CS.

5. Merit Review Panel Scoring

The MDCP Director gives the merit review panel comments generated from the program area review and the initial review. Each merit review panel member reviews each eligible application and assigns a score for each of the eleven (11) criteria in V.A. Evaluation Criteria, above. ITA maintains the scores of each panel member for each application reviewed in its files for at least seven (7) years. ITA averages the individual criteria scores to determine the total score for each application. The panel assigns evaluation criteria scores which determine which applications are recommended for funding ranked by score.

6. Ranked Recommendations

The merit review panel ranks applications based on the panelists' scores. The panel forwards top-ranked applications, those with the highest total scores, to the Assistant Secretary for Industry & Analysis and recommends which organizations submitting the top-ranked applications should receive funding. The number of top-ranked applications will be large enough that the amount of funds requested will exceed the pool of funds available; therefore, funding will not be available for all the top-ranked applications. The minimum number of top-ranked applications to be forwarded is 10.

The merit review panel's recommendations will not deviate from the rank order. This means, for example, that the panel cannot recommend funding for the application ranked seventh without recommending funding for applications ranked first through sixth. The merit review panel recommendations include the panel's written assessment of the strengths and weaknesses of the top-ranked applications.

C. Selection Factors

From the top-ranked applications forwarded by the merit review panel, the Assistant Secretary for Industry & Analysis selects those applications that will receive funding. In addition to the criteria in V.A. Evaluation Criteria above, the Assistant Secretary for Industry & Analysis may consider the selection factors listed below:

1. Merit review panel's written assessments;
2. Degree to which applications satisfy the ITA priorities established under I.B. Program Priorities above;
3. Geographic distribution of the proposed awards;
4. Diversity of industry sectors and international markets covered by the proposed awards;
5. Diversity of project activities represented by the proposed awards;

6. Avoidance of redundancy and conflicts with the initiatives of other federal agencies;
7. Availability of funds; and
8. Past performance.

D. Anticipated Announcement and Award Dates

Applications are reviewed simultaneously. ITA anticipates announcing the awards by mid-September 2023.

VI. Award Administration Information

A. Award Notices

Award winners will be notified via electronic mail. This e-mail notification will come from a Department of Commerce grants officer, not from ITA. The notification includes login information to access Grants Online, a web-based financial assistance management system used by the Department. The award winner will use Grants Online to officially accept the award. Award winners are expected to participate in an online MDCP orientation in October 2023. Not later than 10 days after all award winners have formally accepted their awards, ITA will notify unsuccessful applicants via e-mail and invite them to receive an MDCP debriefing.
A universal identifier is used to enhance the quality of information available to the public as required by the Federal Funding Accountability and Transparency Act of 2006. Any award made in response to this announcement will be required to use the Central Contractor Registration and Dun and Bradstreet Universal Numbering System, unless exempt under 2 C.F.R. § 25.110 and be subject to reporting requirements, as identified in OMB guidance published at: https://www.govinfo.gov/app/details/CFR-2012-title2-vol1/CFR-2012-title2-vol1-sec25-11.

B. Administrative and National Policy Requirements

1. Department of Commerce Financial Assistance Standard Terms and Conditions
Successful applicants that accept an MDCP award from ITA under this solicitation will be bound by the Department of Commerce Financial Assistance Standard Terms and Conditions. These terms and conditions will be provided in the award package in NOAA’s Grants Online system and at https://www.commerce.gov/sites/default/files/2020-11/DOC%20Standard%20Terms%20and%20Conditions%20-%2012%20November%202020%20PDF_0.pdf.
2. Notification Requirements
The Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements contained in the Federal Register notice of December 30, 2014 (79

FR 78390) are applicable to this solicitation and may be accessed online http://www.gpo.gov/fdsys/pkg/FR-2014-12-30/pdf/2014-30297.pdf.

3. Limitation of Liability

Funding for programs listed in this notice is contingent upon the availability of appropriations. Applicants are hereby given notice that funds may not have been appropriated yet for the programs listed in this notice. The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) provides financial assistance management support for ITA's MDCP awards. In no event will ITA, NOAA, or any other unit of the Department of Commerce be responsible for proposal preparation costs. Publication of this announcement does not oblige ITA or NOAA to make an award to fund any specific project or to obligate any available funds.

4. Certifications Regarding Federal Felony and Federal Criminal Tax Convictions, Unpaid Federal Tax Assessments and Delinquent Federal Tax Returns

In accordance with federal appropriations law, an authorized representative of the selected applicant(s) may be required to provide certain pre-award certifications regarding federal felony and federal criminal tax convictions, unpaid federal tax assessments, and delinquent federal tax returns.

5. Review of Risk

After applications are proposed for funding by the selecting official, the grants office will perform administrative reviews, including an assessment of risk posed by the applicant under 2 C.F.R. 200.206. These may include assessments of the financial stability of an applicant and the quality of the applicant’s management systems, history of performance, and the applicant’s ability to effectively implement statutory, regulatory, or other requirements imposed on non-federal entities. Special conditions that address any risks determined to exist may be applied. Applicants may submit comments to the Federal Awardee Performance and Integrity Information System (FAPIIS) about any information included in the system about their organization for consideration by the awarding agency.

6. Uniform Administrative Requirements, Cost Principles, and Audit Requirements

Through 2 C.F.R. § 1327.101, the Department of Commerce adopted Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200, which apply to awards in this program. Refer to http://go.usa.gov/SBYh and http://go.usa.gov/SBg4.

C. Reporting

Quarterly Performance Report

Throughout the project period of performance, each cooperator reports its performance quarterly for periods not to exceed three (3) months of activity ending on March 31, June 30, September 30, and December 31. These quarterly performance reports are due 30 days after the last day of the quarter. Much of the content of the report is discussed above in IV.B.1.d.

performance measurement. More information is available at https://www.trade.gov/mdcp-cooperator-tools, under Performance Progress Reports.

2. Quarterly Financial Status Report

Following the same time periods and deadlines as those set forth above for performance reports, each cooperator files a quarterly Federal Financial Report, SF 425, electronically in the Grants Online system.

3. Financial Reporting for Sub-Awards Over $25,000

VI.C. Reporting: The Federal Funding Accountability and Transparency Act, 31 U.S.C. 6101 note, includes a requirement for awardees of applicable federal grants to report information about first-tier subawards and executive compensation under federal assistance awards. All awardees of applicable grants and cooperative agreements are required to report to the Federal Sub-award Reporting System (FSRS) available at https://www.fsrs.gov/ on all sub-awards over $30,000. Refer to 2 CFR Parts 170.

VII. Agency Contacts

The MDCP website is trade.gov/mdcp. Applicants may contact the program via the MDCP mailbox - mdcp@trade.gov.

VIII. Other Information

A. Pre-Application Counseling

Applicants with questions should contact ITA as soon as possible, while continuing to prepare their applications. ITA will respond to the questions of potential applicants and review application ideas to ensure that they meet program criteria. ITA will not extend the deadline for submitting applications.

B. Supplemental Explanation of Cost Share and Match

As explained above in III.B. Cost Share or Matching Requirement, a cooperator must contribute at least $1 for each federal dollar received.

1. Cash Contribution

Cash contribution is a new outlay of cooperator funds for project activity. The term describes only the amount of a cooperator's own funds that it spends as match. MDCP award funds or any other federal funds are never part of cash contribution or any other portion of the match. Any expenditure for project activity by an organization other than the cooperator is in-kind contribution, not cash contribution. The cooperator can only use its own funds, not the funds of a partner or of any other entity, as cash contribution. In-kind contribution is not part of cash contribution.

a. Match of at least half of the award amount must be cash

Half of a cooperator's minimum one-to-one match must be cash contribution. The balance may be either in-kind contribution or cash.

b. Program income

Program income, including project fees generated under the award, must be used for project-related purposes during the project period of performance. An applicant should explain any such fees and include projected income in its budget.

(1) Project benefits and reasonable fees

Benefits from the project must be made available to all firms in the industry whether or not a company is a member or constituent of the cooperator or its partner(s). In some situations, a cooperator may charge lower fees to one class of firms than to another. For example, a trade association could charge a lower participation fee to a member company than it does to a nonmember. This is permitted if the difference in fees is reasonable.

(2) Program income claim as cash match only if value added

Program income expended on project activity may be counted as cash match if it represents value added by the cooperator for project activity. For example, a cooperator could claim as program income, fees paid to it by the prospective exporter for participation in a technical seminar if these fees are paid in recognition of the value added by the cooperator's project. In this example, the value could be evident in the technical seminar participation package that the cooperator creates. This might include organizing pre-seminar training, finding optimal hotel accommodations, securing group airfare, meeting with seminar organizers beforehand, and organizing a reception. Such a cooperator package helps determine project success. When firms seeking to export, pay to the cooperator fees for such a package, they are doing more than getting themselves to a technical seminar; they are agreeing that the project itself has value. Because the cooperator's package adds value and furthers project goals, the cooperator could charge fees, use the fees to pay for the project package, and claim the fees paid as cash match.

Payment by a prospective exporter to a cooperator may only be claimed as program income and cash match if the payment is for a project participation package created by or facilitated by the cooperator. If it is a prospective exporter that makes the arrangements, then the cooperator has not added value that the exporter is paying for and the cooperator cannot claim any program income.

This can be illustrated in the example of a prospective exporter that attends a technical seminar as part of a cooperator's project. If the prospective exporter negotiates amounts for its own arrangements with vendors, pays the total amount to the cooperator, then has the cooperator pay the amount to the vendors, the cooperator has not added value that the exporter is paying for. Except for the final payment to vendors, it is the prospective exporter, not the cooperator that has made all the arrangements. The prospective exporter's payment to the cooperator is not in recognition of any value that the cooperator had added with its project. Accordingly, the cooperator could not claim it as program income.

When structuring participation packages designed to elicit program income an applicant may include expenses that a prospective exporter might otherwise arrange and pay by itself. Common examples include hotel accommodations and exhibition hall booth rental. By grouping such expenses together, negotiating more favorable group rates, and adding additional activities that a prospective exporter is unlikely to arrange on its own, the cooperator adds value. The prospective exporter's payment to the cooperator for the participation package recognizes this value. Accordingly, it is program income and counted as cash match.

(3) Third party contributions

For a cooperator to outlay cash contributed by a third party, the third party must transfer the funds to the cooperator. Otherwise, expenditures for goods and services contributed by a third party are in-kind contributions.

2. In-Kind Contribution

An in-kind contribution is a match other than a cash contribution. Examples include the value of staff time of a partner organization, airfare donated by a U.S. airline, and cash paid by partner organizations for project expenses. With regard to in-kind contribution that is donated to a cooperator by another organization, the cooperator may claim only the fair market value of donated property or services. In a proposed budget, an applicant should list all in-kind contributions separately from cash contributions. An applicant must describe these in-kind contributions in sufficient detail to determine that the requirements of 15 C.F.R. Part 14.23(a) or 15 C.F.R. Part 24.24 (a) and (b) are met.

a. Primary benefit accrues to the project, not an in-kind contributor

An applicant should structure its budget carefully when expenditures by firms that benefit from project activity are involved. An expenditure by such a firm that primarily benefits only that firm cannot be claimed as in-kind match.

For example, a company may have made and paid for its own arrangements to attend an industry exhibition that a cooperator has included in its project. The cooperator could not claim the amount paid by the company as in-kind match. The company incurs airfare and other expenses for its own benefit, but not necessarily to accomplish project objectives. Such expenditures are more self-serving than are true in-kind contributions to project success. Compare this proposed in-kind contribution with VIII.B.1.b.(2) program income claimed as cash match only if value added, above. This policy should not deter applicants from proposing in-kind match. For example, a cooperator can claim the value of airfare donated by a U.S. airline. Although the airline benefits from goodwill associated with donating the service, it is the cooperator's project that benefits directly when the airfare is used to achieve project objectives. Unlike the company in the example in the previous paragraph above, the airline does not use the donated airfare itself and thereby benefit directly from it. (Because of the Fly America Act airfare donated by non-U.S.-flag air carriers cannot be claimed as a match.)

b. Federal project team use of complementary services as in-kind match

As explained in VIII.B.8. Complementary Services, there are situations when a cooperator that is offered services free of charge may pass on such complementary services to federal project team members to use to further project goals. In such cases, the value of such complementary services should be counted as in-kind match. An applicant should stipulate in its budget that such complementary services are anticipated to be included in the budget as in-kind match.

3. Minimum Match

An example illustrates the minimum match. An applicant requesting $100,000 of federal funds must supply, at a minimum, $50,000 of cash contribution. The remaining $50,000 of the required match can be made up of additional cash and/or in-kind contribution.

4. Cost Share Ratio or Reimbursement Percentage

ITA will use the MDCP award funds to reimburse the cooperator for no more than one half of claimed project budget expenditures. Therefore, at a minimum, the cooperator assumes one half of the total cost. The example in VIII.B.3. Minimum Match, above, establishes a cost-share ratio of one-to-one: one cooperator dollar for each federal dollar. In other words, 50 percent of the funding is provided by the cooperator and 50 percent by the federal government. In this case the reimbursement percentage would be 50 percent. This means that the cooperator will receive one $1 for every $2 in project expenditures.

5. Additional Match Pledged

Cooperators may contribute more than $1 for each federal dollar received; however, doing so will lower below 50 percent the share of project costs reimbursable by MDCP award funds. For example, a cooperator with a federal share of $100,000 that contributes $100,000 cash and $200,000 in-kind has a total match of $300,000. This is $200,000 more than the $100,000 minimum. Including this additional match in its budgets decreases the reimbursement percentage from 50 percent to 25 percent. In other words, 75 percent of the funding ($300,000) is provided by the recipient and 25 percent ($100,000) by the federal government. This means that to receive $1 of federal reimbursement, the cooperator must expend $4. In this example, ITA will use the MDCP award funds to reimburse the cooperator for no more that 25 percent of claimed project budget expenditures.

6. Additional Match Without a Pledge

A cooperator may pledge the minimum match in its budget and end up providing more than the minimum match as it completes project activity. For example, a cooperator with a federal share of $100,000 that pledges in its project budget to contribute $100,000 of match may end up contributing $200,000 of match as the project work progresses after receiving an award. This is $100,000 more than the $100,000 minimum. However, because the cooperator only pledged the minimum $100,000 match in the budget included in its application, the reimbursement percentage is 50 percent. The cooperator can spend and report more than the minimum match required or not, depending on circumstances. In other words, the cooperator is only required to meet the minimum match of $100,000, but can choose to provide and report additional match without reducing the reimbursement percentage below 50 percent.

7. Documentation of Match

An applicant must demonstrate how it will meet match requirements -- also known as cost-sharing commitments -- if an award is made. Below are two examples of providing such documentation; there may be many other ways to accomplish this. First, if matching funds are to come from cash on hand, the applicant should explain, in reference to its financial statements and/or annual budget, where such funds will come from. Second, if matching funds are to come from a state or local government appropriation, the applicant should provide an authoritative statement from the government that the amount of matching funds are or will be available.

8. Complementary Services

Cooperators tend to be organizations that are generally effective at fulfilling the MDCP objective to reach SMEs. Cooperators are known as export multipliers because there is a high likelihood that a cooperator can enlist the participation of numerous SMEs in project activities. These activities may include trade shows, technical seminars, and other events. Many different types of service vendors such as hoteliers, airlines, and venue providers support or make possible such activities. In the realm of international trade development, it is common for such vendors to provide export multipliers some services free of charge. These may be known as complementary hotel room nights or simply “comp hotel rooms.” Collectively we refer to the entire category of no-charge services and benefits as “complementary services” or simply “comp services.”

Offering complementary services is a common business practice. The volume of customers export multipliers bring to service vendors by scheduling an event -- e.g. visitors to a trade show who need hotel rooms -- make it worthwhile for service vendors to offer comp services. These can be used rather than discounts. For example, an export multiplier may get one comp hotel room for every nine hotel-staying guests it recruits. Vendors may also offer complementary services because of the prospect of future business -- e.g. travelers who will come to a tourism venue that a travel journalist or travel agent has visited for free. (Tourism-related complementary services packaged to be provided to a travel professional are known specifically as “familiarization tours” or “fam tours.”)

ITA’s normal procedure for federal officials who are members of the federal project team supporting the cooperator's project is to pay their own expenses of traveling, venue admission fees, lodging, etc. to support project events in person. See VIII.D.6.

Notwithstanding ITA’s normal procedure, because of the common industry practice to offer comp services like hotel room nights and fam tours described above, many applicants include a provision for comp services in their MDCP project budgets. Such a provision generally allows federal project team members to accept complementary services offered to the cooperator that relate directly to MDCP project activity. In this regard, federal staff serving as part of the federal project team supporting a cooperator's MDCP project may accept comp services if the costs are reasonable, necessary, and allocable (2 C.F.R. §200.403 (a)), the following conditions are met, and the grants officer approves the requested use.

a. Provision includes only the comp services, not federal team time

The value of the complementary service is claimed as part of the cooperator's match (non-federal share), and the fair value amount claimed as match includes only the value of the benefit -- e.g. comp hotel room, fam tour, or airline seat -- and not the value of the time of federal staff traveling to support the event.

b. Including a comp services provision in the project budget:

(1) A description of the specific project activity associated with the complementary services, for example, “Widget-X tradeshow;”

(2) The purpose of the federal project team member’s participation showing a nexus to the MDCP project purposes, for example, “federal project team support of our participation in the tradeshow; “

(3) The method of payment, cash or in-kind; and

(4) The amount to approve as a non-federal cost (match) in the award budget.

Even if they are likely, offers of comp services to a cooperator might not be known when it is an applicant at the time it prepares and submits its application budget. An applicant may include in its budget, estimates of the value of comp services it expects to be offered that it wishes to pass on to federal project team members. In such case, the applicant can include a note in its budget affirming that, if the comp service is not ultimately offered, the applicant (prospective cooperator) will make up for it by providing additional cash or in-kind match at least equal to the amount budgeted for comp services. In such case, the applicant identifies from where in the MDCP budget it will reallocate funds, or from where in its cash or in-kind resources it will replace amounts budgeted for the comp services if ultimately, these are not offered.

c. Allowance for comp services when not provided for in the project budget:

If a cooperator fails to specifically provide for complimentary services in its initial budget and, post-award, wishes to allow a federal project team member to use complementary services offered to it, the cooperator is required to:

(1) Fulfill requirements 8.a. and 8.b. above; and

(2) Explain if the dollar value of the complementary services will be reallocated from the approved MDCP project budget.

i. If yes, the cooperator must provide a brief description of how the funds will be reallocated; and

ii. Describe the impact resulting from any such allocation.

C. Table Comparing Application and Current or Past MDCP Projects

An applicant that has received one or more MDCP awards in the past must include a table in its application. In this table the applicant provides a column for each MDCP project, the one(s) previously funded as well as the one that is subject of its application. It breaks out each project by significant elements. These should not exceed six (6) per project. The applicant lists these in the appropriate column along with a very approximate dollar value for each element. The per-element dollar values must sum to the total project budget; however, as they are rough approximations only, they do not need to reconcile to the detailed project budget. The table is attached to the budget narrative but is not considered to be part of the budget for the new proposed project. The purpose of the table is to determine the similarity of the current proposed project and past projects.

D. Working as a Team with ITA

As noted below, ITA will have substantial involvement with the cooperator. This involvement results primarily from the activities of the federal project team.

1. Federal Project Team

To administer each cooperative agreement, ITA establishes and leads a federal project team including key ITA personnel who can help the cooperator achieve MDCP project objectives. As needed, officials from other federal agencies are invited to participate in the federal project team.

2. Cooperator Team

Within 30 days of the start of the project, each cooperator identifies to ITA its representatives who will plan, coordinate, manage, and otherwise carry out project work. The cooperator also identifies to ITA, persons from other organizations who are also supporting the project work. Together, these persons comprise the cooperator team.

3. Joint Project Team

The federal project team and the cooperator team combined are known as the joint project team. This team acts as the project's "board of directors," establishing direction, recommending changes when necessary, and working on project activities.

4. Fiscal Year Operating Plan

Each year during the project period of performance, the joint project team formulates an operating plan based on the work plan submitted in the application. The plan identifies events, projected dates, team responsibilities, and a rough cost estimate for each event and ongoing activity scheduled during the fiscal year (October 1 through September 30). An applicant does not submit a fiscal year operating plan in its application. An operating plan is developed only after receipt of an award and designation of the federal project team.

5. Regular Team Meetings

Joint project teams should meet each month via telephone or video conference. In-person meetings are encouraged as often as is practicable, including a meeting every year or two at the cooperator’s business premises.

6. Team Participation in Project Activities

Federal project team members participate as appropriate in project activities. For example, in the past, federal project team members have recruited participants for technical seminars, delivered presentations at seminars, and attended meetings where international standards are discussed. As noted above in VIII.D.4. Fiscal Year Operating Plan, federal project team members normally draw on separate government-administered funds to pay the costs associated with their participation. As explained in VIII.B.8. Complementary Services, above, there are often situations when federal project team members may accept complementary services passed on from the cooperator.

7. Fees for Some Government Services

GM participates on each federal project team. Applicants should understand that GM -- particularly CS -- is required to charge fees to cover costs for many of the services it provides. The policy set forth below applies to GM resources that are provided as part of MDCP cooperative agreements.

CS will provide, as part of the cooperative agreements, a limited amount of reasonable assistance to MDCP cooperators at no charge. Such assistance does not extend to a cooperator's constituent member firms or to any other for-profit enterprises. These will pay the GM normal user-fees as applicable.

For assistance that goes beyond the "limited amount of reasonable assistance" as defined below, an applicant should make provision in its budget. To determine fees for services provided by CS, an applicant should contact its local CS domestic field office. Applicants can refer to https://www.trade.gov/commercial-services-offices-us for a directory, or contact mdcp@trade.gov. There may be situations that prevent CS from providing no-charge services to cooperators. Perhaps the most common example is another event to which the CS international field office has already committed its resources.

The definitions below will guide the domestic or overseas CS offices in implementing this policy.

a. CS international field offices

(1) Limited amount of reasonable assistance

No-charge assistance will not exceed two days' CS effort per cooperator, per country, per fiscal year. Depending on the availability of resources at the time that it is needed, the assistance could include briefings on market conditions, temporary use of CS office space, help in making appointments and hotel reservations, and organization of seminars and conferences. Direct costs and specially-prepared market research are not included in the cost-free assistance.

(2) No-charge

No-charge means that no fees are collected. The term applies only to indirect costs such as time expended by CS employees. Cooperators should always expect to pay direct costs, such as hiring an interpreter or transportation.

b. CS domestic field offices

CS domestic field offices can generally implement the policy as a no-charge extension of normal client support. Such offices generally provide these services as part of long-term relationships developed in local exporting communities throughout the United States.

E. Project Start Date

The project period of performance begins October 1, 2023. An applicant that begins award activity prior to the official award date assumes the risk of pre-award activities not receiving funding. ITA is not required to pay unauthorized pre-award costs. See VIII.G. Approved Pre-Project-Period Expenditure, below, for more details on pre-award costs.

F. Existing Projects

ITA is soliciting only new applications for new projects. ITA does not renew or supplement existing MDCP awards. See V.A.8.b. current or past MDCP Projects, above.

G. Approved Pre-Project-Period Expenditure

As a general matter, a cooperator can request reimbursement only for project costs incurred during the project period of performance. A cooperator may expend project funds to attend a cooperator orientation in the event one is held in-person in Washington, D.C.

H. Definitions Regarding Nonagricultural Goods and Services Produced in the United States

Definitions in this part shall guide MDCP applicants, U.S. exporters wishing to participate in MDCP project activity, ITA, and any other relevant entities in determining what constitutes exporters of "nonagricultural goods and services produced in the United States" to be included in MDCP project activity. The definitions are provided in an order most likely to be helpful in determining "goods and services produced in the United States."

1. Goods

Tangible merchandise or products.

2. Services

Economic activities whose outputs are other than tangible goods.

3. Nonagricultural Goods and Services

The term "nonagricultural goods and services" means goods and services other than agricultural products as defined in 7 U.S.C.§ 451. This definition includes "agricultural, horticultural, viticultural, and dairy products, livestock and the products thereof, the products of poultry and bee raising, the edible products of forestry, and any and all products raised or produced on farms and processed manufactured products thereof transported or intended to be transported in interstate and/or foreign commerce."

4. Produce

To produce is to manufacture or create economic goods and services; to create by physical or mental effort a service which has value.

5. Product

The term "product" refers to a U.S. nonagricultural good.

6. Manufacture

To manufacture is to make or process a material into a different product; to make or process a product with industrial machines.

7. United States

The term “United States” means the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

8. United States Exporter

This term, which may appear abbreviated as "U.S. exporter" or simply as "exporter," means a:

a. U.S. citizen;

b. Corporation, partnership or other association created under the laws of the United States or of any state within the United States ; or

c. Foreign corporation, partnership, or other association, more than 95 percent of which is owned by persons described in a. or b. above that exports or seeks to export, goods or services produced in the United States.

9. Goods and Services Produced in the United States

Goods and services produced in the United States must be either:

a. Produced or manufactured in the United States (of U.S. origin as defined in VIII.H. Definitions Regarding Nonagricultural Goods and Services Produced in the United States); or,

b. If produced or manufactured outside of the United States, marketed under the name of a U.S. firm and have U.S. content representing at least 51 percent of the product or service being exported.

The cooperator must allow any U.S. firm selling goods or services produced in the United States to participate in MDCP project activity if such U.S. firm is a part of an industry that is a focus of such project activity. A cooperator organized to focus specifically on U.S. firms that are members of the cooperator’s organization in a particular geographic area in the United States may focus its MDCP project efforts on member firms or firms in the geographic area, however, such cooperator may not exclude a U.S. firm from participating because it is not a member or is not considered to be from the geographic area that is the focus of the cooperator. For any special considerations, the cooperator works with members of its federal project team, including GM staff, to determine whether the product or service should be considered as having been "produced in the United States," whether to include a given U.S. firm selling such a product or service in MDCP project activity, and whether the cooperator’s outreach efforts are broad enough to recruit sufficient firms to participate in MDCP project activity, whether they be from the cooperator’s membership or not, and whether they be from the cooperator’s normal geographic focus area or not.

10. United States Origin

In defining goods and services produced in the United States, "United States origin" describes goods or services produced in the United States that are:

a. Goods that are produced or manufactured in the United States, including technology and software;

b. Commodities of foreign origin that have been changed in the United States, including changes made in a U.S. Foreign Trade Zone, from the form in which they were imported, or that have been enhanced in value or improved in condition by further processing or manufacturing in the United States; or

c. Services that are provided:

(1) From the territory of the United States into the territory of another country;

(2) In the territory of the United States to a service consumer of another country; or

(3) By a United States service supplier, through the presence of United States natural persons in another country.

11. Goods and Services That Have at least 51 Percent U.S. Content But Not of United States Origin

If goods and services cannot be found to be "of United States origin" as defined above under VIII.H.10. United States Origin, they may be found to be goods and services produced in the United States if they have at least 51 percent U.S. content as set forth below in VIII.H.12. Alternative U.S. Content Policy of 51 Percent.

12. Alternative U.S. Content Policy of 51 Percent

Goods and services can be found to have U.S. content of 51 percent based on the following definitions.

a. U.S. content for manufactured goods equals the ex-factory price of a good less the aggregate value contributed by non-U.S. sources. Non-U.S. sources are costs or payments to suppliers/providers/employees not resident in the United States.

b. U.S. content for services equals the contract value of the service whether delivered in the United States or abroad less the aggregated value contributed by non-U.S. sources.

c. The "ex-factory price of a good" and "contract value of the service" should reflect the actual price paid or payable for the goods or services. Accordingly, no additions to ex-factory price or contract value based on costs or other expenses are appropriate.

13. Self-Certification

Whether an entity seeking to participate in MDCP project activity is eligible should be determined using the required self-certification which appears on every MDCP success agreement. The wording of this self-certification is set forth below. I certify that I am, that my company is, or that I or my company represents: (a) a United States citizen; (b) a corporation, partnership or other association created under the laws of the United States or of any State; or (c) a foreign corporation, partnership, or other association, more than 95 percent of which is owned by persons described in (a) and (b) above; AND I am, my company is, or the entity I or my company represents is, exporting, or seeks to export goods or services produced in the United States, or goods or services that contain at least 51 percent U.S. content. I understand that this certification is a requirement to participate in the MDCP project activity described above and that an intentionally false certification may result in termination of participation in such activity. Information provided to the International Trade Administration (ITA) is intended solely for internal use. ITA will protect business confidential information to the full extent permitted by law and administration policy. U.S. government employees cannot disclose trade secrets or other confidential business information unless otherwise authorized by law.

14. Participation Agreement versus Success Agreement

In its participation agreements GM uses a self-certification regarding goods and services produced in the United States. This is similar to the self-certification required in an MDCP success agreement; however, for the participation agreement, the purpose of the self-certification is to determine the eligibility for receiving fee-based export promotion services. In the MDCP success agreement the purpose is to determine eligibility for participation in MDCP project activity.

15. United States Goods and Services

This term, which may appear abbreviated as "U.S. goods and services," is the same as "goods and services produced in the United States" defined under VIII.H.9. Goods and Services Produced in the United States.

I. Other Definitions

Several definitions are provided below to assist readers in preparing MDCP applications. These definitions are specific to the context of applying for an MDCP award and carrying out the MDCP project work once an award has been made. These definitions are provided below in alphabetical order.

1. Commercial Service (CS)

See Global Markets below for more information.

2. Cooperative Agreement

This legal instrument used for MDCP awards reflects a relationship between ITA and a recipient whenever:

a. The principal purpose of the relationship is to transfer money, property, services, or anything of value to accomplish a public purpose of support or stimulation authorized by federal statute; and

b. Substantial involvement (e.g., collaboration, participation, or intervention by ITA in the management of the project) is anticipated between ITA and the recipient during performance of the contemplated activity. Cooperative agreements are subject to the same OMB, Treasury, and other federal laws and policies as grants. See 31 U.S.C. § 6305. See VIII.D. Working as a Team with ITA, above, for additional information about ITA's involvement.

3. Cooperator

A cooperator is an applicant organization that receives an MDCP financial assistance award. A cooperator is a "recipient" of federal financial assistance. Cooperator status is accorded for the term of the MDCP project period of performance.

4. Cooperator Event

This term applies to an activity undertaken as part of an MDCP project. Other examples include, but are not limited to, those listed above in I.B.2. Examples of Project Activity.

5. CS Domestic Field Office

Offices of Global Markets located in the United States are also known as Commercial Service domestic offices, CS domestic field offices, or simply U.S. field offices. They are also known as U.S. Export Assistance Centers (USEACs).

6. CS International Field Office

Offices of Global Markets located outside of the United States are also known as Commercial Service posts or international offices and are based in U.S. embassies, consulates, and other locations abroad. Also included are U.S. State Department posts with which CS partners in certain locations where ITA does not have a presence.

7. Current or Past Cooperator

An organization that currently has or previously had an MDCP financial assistance award is referred to as a current or past cooperator.

8. Direct and Indirect Costs

Generally, direct costs are readily identifiable with a particular project, function, or activity. Examples include salary/benefits of personnel engaged in accomplishing project work, project travel, and payments to contractors for project work. Federal funds may be used only to cover direct costs. In contrast to direct costs, indirect costs (also known as facilities and administration or F&A costs), while necessary to the general operation and activity of an organization, are not readily identifiable with a particular project, function, or activity. These are often referred to as "overhead" and usually include such costs as depreciation, administrative salaries, general telephone expense, and operation and maintenance of buildings and equipment. As noted in VIII.I.13., below, indirect costs are accounted for by applying the approved 10 percent indirect cost rate. This is the only allowable method for accounting for indirect costs.

The applicant must provide match that equals or exceeds the amount of federal funds. Match includes both direct and indirect costs.

9. Federal Project Team Leader

A federal project team leader is an ITA employee who leads the federal project team, coordinates MDCP project activity with a cooperator, and serves as the cooperator's primary point of contact with ITA. See VIII.D.1. Federal project team above.

10. Fiscal Year (FY)

The fiscal year of the federal government is the twelve-month period from October 1 through September 30.

11. Global Markets (GM)

Global Markets, which includes the U.S. Commercial Service (CS), is the unit of ITA with domestic and international offices that promotes exports of goods and services from the United States, particularly by SMEs, advances and protects U.S. commercial interests overseas; and attracts inward investment into the United States. GM professionals support MDCP work by participating in federal project teams.

12. Human Rights and ITA Assistance

ITA, consistent with broader U.S. government foreign policy to promote human rights throughout the world, will decline export promotion, advocacy, and commercial diplomacy assistance when designated ITA staff determines that a product or service raises significant concerns of potential for use or misuse to commit a gross violation of human rights or violation of civil and political rights by a foreign government or foreign government sponsored private entities in the potential target market.

13. Indirect Cost Rate

The indirect cost rate is the ratio, expressed as a percentage, of an organization's total indirect costs (numerator) to its direct cost base (denominator). ITA has an agency-approved 10 percent indirect cost rate. The indirect cost rate is limited to the de minimis rate of 10 percent of total direct costs. (The de minimis rate is discussed in 2 C.F.R. §200.414.) The 10 percent rate is used by all MDCP award recipients even if they have a negotiated indirect cost rate with the Department of Commerce or any other cognizant agency. Indirect costs constitute part of the cash match. Indirect costs are included in the budget by multiplying the 10 percent indirect cost rate by the total direct costs of the project.

14. Industry & Analysis (I&A)

I&A is a unit of ITA that focuses on trade and competitiveness of U.S. industries from an industry perspective. I&A's Assistant Secretary makes the final selection of MDCP award winners. Federal project teams are usually led by I&A industry specialists. For purposes of Grants Online coding and NOFO publication, Industry & Analysis is also referred to as "INA."

15. Notice of Funding Opportunity (NOFO)

ITA's official publication of an MDCP competition appears in the form of a notice of funding opportunity (NOFO). The complete NOFO is posted on grants.gov and at trade.gov/mdcp.

16. Office of Industry Engagement (OIE)

OIE is the I&A office that administers MDCP.

17. Orientation

An online orientation will be held in October 2023, after MDCP awards are announced. ITA will notify selected award recipients of the details in September.

18. Performance Progress Report (PPR) Part A1

If a cooperator’s project relies on engaging individual U.S. firms in trade events and other export promotion activities, it submits PPR Part A1. In this part, the cooperator lists how many U.S. firms signed an MDCP success agreement during the reporting quarter and identifies which of these were identified to its federal project team. For projects where success agreements are not relevant, such as those focused on standards development and trade barriers, a Part A1 is not required. Applicants do not provide PPRs in their applications. PPRs are only submitted after an applicant is selected to receive funding as a cooperator.

19. Performance Progress Report (PPR) Part A2

For each calendar quarter that a cooperator has information about exports that its MDCP project has generated, it submits on Grants Online a PPR Part A2. If it has no exports to report, the cooperator does not submit a Part A2. This includes as much of the following as is available to the cooperator.

a. Exports

The dollar value of any of the following that are relevant:

(1) Actual, verified export sales, leases, or rentals of U.S. goods or services;

(2) Export-related developments including the value of agent contracts and other export related agreements, loss avoided, trade complaints resolved; and/or

(3) Exports that are not transaction-specific that must be extrapolated from reliable sources.

b. Export class

Each cooperator reports as much of the following information as is available and relevant regarding the class of each type of:

(1) Export-related development such as an agent agreement or removal of a market-access barrier; and/or

(2) Exports that are not transaction-specific such as an extrapolation of exports from other data.

c. Other export-related information

Each cooperator reports as much of the following information as is available regarding exports: foreign market and exporter's name/city/state/email address. Applicants do not provide PPRs in their applications. PPRs are only submitted after an applicant is selected to receive funding as a cooperator.

20. Performance Progress Report (PPR) Part B

Every cooperator submits a PPR Part B each quarter. Like all PPRs, the Part B is due 60 days after the end of the calendar quarter. This report includes applicant-designed performance goals. These are milestones that are specific to each project. The minimum number of milestones is three with a maximum of eight. Each includes a numeric goal to be achieved during the project period. For example, a technical seminar every six (6) months during a three (3) year project would have a performance goal of six (6) for technical seminars, two (2) per year for three (3) years. While it should be clear in the application what the project milestones should be, an applicant does not provide a Part B PPR in its application. If an applicant is selected to receive funding as a cooperator ITA will ask it to create a Part B PPR.

21. Priority Market

If ITA has foreign markets of particular interest they are identified in the priorities listed under I.B.2. Priorities, above.

22. Project

A project is a series of activities proposed in an MDCP application or, after an MDCP award is made, in an amendment request, and approved by the Department, which occurs during the project period of performance.

23. Recipient

A recipient is a cooperator, the applicant organization that receives an MDCP award.

24. Rural Businesses

With regard to V.A.7. Compatibility with ITA Priorities, "rural businesses," noted in I.B.1. means firms eligible to receive services from the U.S. Commercial Service (CS) through its Rural Export Center RAISE program. According to this definition, a rural business is one that is located more than 50 miles from the center of any of the top 100 Metropolitan Statistical Areas (MSA) measured by export value. The Top 100 MSAs are in dark and light blue in the map available here on the internet: https://www.trade.gov/ita-metropolitan-export-series. Based on this standard, most U.S. states have large areas where rural businesses are located. Such businesses are, therefore, RAISE-eligible. Under this definition, businesses located anywhere in North Dakota, South Dakota, Idaho, Montana, West Virginia, Wyoming, Maine, Vermont, Alaska, and Hawaii are RAISE-eligible and, therefore, are rural businesses. Accordingly, any applicant that serves firms or proposes to focus project activities in service to any firms located in these states is considered to be proposing outreach to firms from underserved communities under I.B.1.

More precise and current information on RAISE eligibility is available at https://www.trade.gov/raise. To be clear, with regard to MDCP, RAISE eligibility is only a tool to determine whether or not an applicant serves rural businesses or is designing an MDCP project to serve rural businesses. The greatest effect that this can have is four of the seven points possible for the evaluation criterion V.A.7. Compatibility with ITA Priorities. Once an applicant is selected to receive an MDCP award, assistance is not limited to rural businesses. The RAISE eligibility standard is only used to determine whether an applicant and/or its proposed MDCP project is likely to serve rural businesses generally. Firms that are not RAISE eligible may participate in and benefit from MDCP-supported projects.

25. Small- or Medium-size Enterprise (SME)

An SME is a firm that qualifies as a "small business" under the Small Business Administration's (SBA) size standards. (https://www.sba.gov/document/support--table-size-standards), which vary by North American Industry Classification System (NAICS) Code. The SBA Size Standards Tool (https://www.sba.gov/size-standards) can help determine the qualifications that apply for any particular firm.

26. Target market

An international market that an applicant identifies in its application as a focus of MDCP project activity is a target market.

27. Team Meetings

A cooperator has regular conference calls and meetings with members of its federal project team. A federal project team leader usually requests and receives sufficient ITA administrative funds to pay for travel to the cooperator's location for federal project team meetings every 12 to 18 months. A cooperator can make provision in its project budgets to travel to Washington, D.C. for one or two meetings per project period of performance to meet with members of the federal project to and to familiarize itself with resources available, both federal and non-federal. The first team meeting usually happens in conjunction with the MDCP orientation.

28. Third-Party Contributions

A third party is an entity other than the cooperator or ITA. A third party's direct expenditure for project activity is counted as in-kind contribution. However, if the third-party contributes funds to the cooperator, the funds are no longer those of the third party. They become the cooperator's funds, which, when expended on project activity constitute cash contribution.

29. Value of Donated Property

This term describes the monetary limit to in-kind contribution of property. Property does not include land, buildings, or any other real estate. Only the value of the property that could reasonably be charged in the marketplace can be claimed. The value of donated property is governed by the relevant cost principles. See 2 C.F.R. § 200.434 contributions and donations. See also § 200.306 cost sharing or matching.

30. Value of Donated Services

This term describes the monetary limit to in-kind contribution of services. Only the value that could reasonably be charged in the marketplace can be claimed. For example, a consultant who donates their time to a cooperator as in-kind contribution cannot attach a monetary value to their contributed time that is greater than the amount they would be paid if they were to charge a paying client for the same type of work. The value of donated services is governed by the relevant cost principles found in 2 C.F.R. § 200.434 contributions and donations, and 2 C.F.R. § 200.306 cost sharing or matching. Some terms are best understood in the context of a more detailed discussion. For terms that do not appear above, refer to the NOFO section where the term is discussed.