

Amendment 0011 (Version 12) to APS NOFO No: 95332419N0001

APS NOFO Name: "PARTNERSHIPS with MCC Program"

The purpose of Amendment 0011 is to extend the concept paper due dates for the following Partnership Opportunity Statements and issue MCC's responses to the questions received from interested parties. Accordingly:

- The submission deadline for Partnership Opportunity Statement #11 Partnership on Integrated Environmental-Economic Modeling is extended from April 18, 2022 to April 25, 2022 at 5:00pm ET;
- b) The submission deadline for Partnership Opportunity Statement #12 Shared Learning Agenda and Multistakeholder Collaboration in the Areas of Financial Inclusion for MSMEs and Transportation Infrastructure in Indonesia is extended from April 25, 2022 to May 2, 2022 at 5:00pm ET; and
- c) MCC's responses to the questions that were received from interested parties regarding Partnership Opportunity Statements #11 and 12 are provided on pp. 2-4 below.

*Note: Any amendments that change the terms of this NOFO or the associated Partnership Opportunity Statements will be highlighted in an updated copy of the NOFO posted on Grants.gov. It is MCC's intent to ensure that the latest version of the NOFO posted on Grants.gov at any point in time captures all changes made to date.

As a side note, the document titled *Amendment 0011 to MCC APS NOFO No. 95332419N0001*Conformed Copy – v12 – 04.14.22—separately attached—has bookmarks to help readers navigate the PDF document.

Sincerely,

Jacqueline H. Naranjo Agreement Officer MCC/CGM

[End of Amendment 0011 Summary]

Q&As for Partnership Opportunity Statements #11 and 12

General:

1) I am unfamiliar with the cost-sharing requirements. It seems like a pretty high bar that should we apply as a for-profit company, we must come up with a 1:1 budget match for the amount we are asking for from MCC. If we apply under a non-profit, we would still need to come up with an additional 25%. I am not sure if this is obtainable unless it can be done with a combination of inkind days we are donating to the project and perhaps some shared firm expenses. Do you have any advice on this matter? Also, is funding given to support our model that is connected with the topic of the partnership agreement and will support the agreement as well but for another organization can be considered part of the cost-sharing?

<u>MCC Response</u>: Please refer to <u>Section C.2</u>. *Cost Share or Matching* of the NOFO for all details regarding cost-sharing requirements. While MCC occasionally changes or waives the cost-sharing requirements for specific partnership opportunities, that is *not* the case for the opportunities that are currently active (11 and 12).

In general, in-kind contributions (e.g., employee time) are permitted; however, see <u>2 CFR</u> <u>\$200.306 Cost sharing or matching</u> for additional details and examples of what may be counted as cost share. Section C.2. of the NOFO also includes illustrative examples of MCC's cost share and matching eligibility requirements. **Please note that a full budget proposal (including cost share details) is** *not* required for concept papers during Stage I of the application process.

With respect to the second question, it's unclear whether the reference is to a third-party organization that is actively participating in the program implementation, or whether the organization is simply providing funding for a similar purpose but not necessarily *implementing* the program at hand. If it's the former (i.e., an active implementation partner), then cost-share provided by a sub-recipient/partner organization may indeed be considered as part of the cost share requirement. If it's the latter (i.e., a passive donor), then the information at **Section C.3**. **Leverage Funding** may be more relevant. While leverage funding is highly encouraged in order to maximize the effectiveness of the program, it's not required and it's not considered to be cost-share as defined in the Code of Federal Regulations (CFR).

Following are some relevant excerpts from Section C.2.:

"Cost sharing or matching refers to the resources a recipient contributes to the total cost of an agreement, the portion of project or program costs not borne by the U.S. Government. **Cost share may either be cash or in-kind contributions.** Once committed to providing cost share and incorporation into an agreement's approved budget, the recipient is required to provide documentation showing that this obligation is met successfully. Cost Share/Matching funds proposed under this APS are pursuant to the uniform guidance under 2 CFR §200.306 – Cost sharing or matching.

Proposed cost sharing shall be used for the accomplishment of program objectives and shall consist of allowable costs under the applicable USG cost principles. Applicants invited to submit a cost application under Stage III – Application must identify in the budget submission, a separate

budget category supported by detailed line items for the cost share. Information regarding the proposed cost share should be included in the SF-424 and the Budget and Budget Notes in compliance with the cost application instructions specified under Section D. APPLICATION AND SUBMISSION INFORMATION."

...

"MCC typically requires those <u>non-profit entities</u> applying under this NOFO to commit a **minimum** cost share of 25% of the Federal funding amount proposed in the cost application budget.

MCC typically requires those <u>for-profit entities</u> applying under this NOFO to commit a **minimum** 1:1 match ratio based on the Federal funding amount proposed in the cost application budget (e.g., the for-profit entity must match or exceed the Federal funding amount on a dollar-fordollar basis).

Despite MCC's typical requirements as noted above, the cost share or matching requirement may vary for each Partnership Opportunity Statement. In such event, the specific cost share or matching requirement will be detailed separately in the opportunity statement itself (See Section A.6)."

Partnership Opportunity Statement #12:

- 2) Are both projects described under Partnership Opportunity #12 related to access to finance, or is only the project related to MSMEs related to access to finance? Based on the descriptions of the projects (see below), we are uncertain whether the infrastructure project is related to financial access or to planning.
 - At the bottom of pg. 17 the text states: "MCC is presently working with the Government
 of Indonesia (GOI) to develop a compact including the following two projects...: (i)
 access to finance for infrastructure, particularly transport and logistics infrastructure,
 and (ii) access to finance for micro-, small-, and medium-sized enterprises ("MSMEs"),
 particularly those owned by women."
 - On pg. 18, under Background and Context, the text states: "Both proposed projects in MCC's Indonesia II compact are focused on the need to improve government policies around financial access for MSMEs, particularly those owned by women, and around better infrastructure planning for transportation at the local level while delivering positive economic impacts during the five-year compact term."
 - On pg. 20, under Partnership Scope and Activities, the text states: "...the scope is expected to include the following two components that would apply to both of the topic areas (MSME access to finance, transport planning)."

<u>MCC Response</u>: The **compact** is focused on access to finance in both topic areas; the **partnership** is focused on access to finance for MSMEs and planning for transportation, but creative responses in light of the compact's focus are encouraged.

- 3) As the focus of the project is on both financial inclusion for MSMEs and transportation planning, would we submit one concept paper that addresses both topics (as opposed to an individual concept paper for each topic)?
 - <u>MCC Response</u>: Ideally yes, but if two concept papers are submitted that would not be cause for disqualification. MCC's intent was to request one concept paper addressing both topics.
- 4) We noted that the estimated federal budget is \$500,000. Is this a total estimated budget for the two-year project, or is the estimated budget \$500,000 per year for two years?
 - **MCC Response:** It's the estimate for the first year of a two-year engagement; the budget for the second year will be discussed during co-creation.
- 5) To confirm that we understand how the cost sharing requirements work, if we were to request the estimated \$500,000 in funding from MCC, we would then be responsible for 25% of that funding amount (\$125,000), bringing our total budget to \$625,000? At what stage in the process would we be required to demonstrate that we are able to meet the cost sharing requirements?
 - <u>MCC Response</u>: Please refer to the response for Question #1 above. If invited to do so by MCC, applicants will provide their full budget proposal (including cost share details) during Stage III Application.