Notice of Funding Opportunity (NOFO)

Middle East Regional Cooperation (MERC)

Bureau for Near Eastern Affairs, U.S. Department of State

Opportunity Number: DFOP0019227

Statement of Interest Deadline: September 30, 2026

Table of Contents

U.S. Department of State
Bureau for Near Eastern Affairs
Notice of Funding Opportunity

SECTION A. BASIC INFORMATION

1. Overview

Funding Opportunity Title	Middle East Regional Cooperation (MERC)
Funding Opportunity Number	DFOP0019227
Announcement Type	New
Deadline for Applications	September 30, 2026, 11:59pm EDT
Assistance Listing Number	19.502
Length of Performance Period	One to four years
Number of Awards Anticipated	Approximately 7 awards (dependent on amounts)
Award Amounts	Awards may range from a minimum of $100,000 to a maximum of $2,000,000 (approximately)
Total Available Funding	$10,000,000 pending availability of funds
Type of Funding	FY18/23 though FY24/29 Economic Support Funds under the Foreign Assistance Act
Anticipated Project Start Date	April 1, 2027

Funding Instrument Type: Grant

Project Performance Period: Proposed projects should be completed in four years or less.

The Department of State will entertain applications for continuation grants funded under these awards beyond the initial budget period on a non-competitive basis subject to availability of funds, satisfactory progress of the program, and a determination that continued funding would be in the best interest of the U.S. Department of State.

This notice is subject to availability of funding.

2. Funding Opportunity Summary

The Middle East Regional Cooperation (MERC) Program supports joint scientific research and innovation partnerships between the United States, Israel, and countries across the Middle East and North Africa (MENA). The program funds applied research projects that address shared regional challenges while advancing U.S. economic, technological, and strategic interests.

MERC is designed to bring together researchers, technical experts, and institutions to work on projects that go beyond basic research and demonstrate clear potential for application, commercialization, and broader adoption. MERC prioritizes efforts that strengthen U.S. technological leadership, expand opportunities for U.S. businesses, promote the use of U.S.

technologies, and build long-term partnerships in the region.

The program places strong emphasis on collaboration. All projects must include organizations from Israel and at least one eligible MENA country or territory. MERC welcomes U.S. participation, particularly when it adds technical expertise, supports market expansion for U.S. companies, or helps connect research to markets. Projects should demonstrate a clear plan for using and scaling results and how the outcomes benefit priorities of the United States and the participating countries.

Overall, MERC aims to strengthen regional cooperation by supporting high-quality scientific partnerships that produce tangible results. By connecting U.S., Israeli, and MENA organizations, the program helps build networks, promote innovation, and create opportunities for economic growth, peaceful and mutually beneficial collaboration, and long-term stability in the region.

SECTION B. ELIGIBILITY REQUIREMENTS

MERC will screen Statements of Interest (SOIs, previously referred to as "pre-proposals") to determine whether they meet the program eligibility requirements detailed below. SOIs that do not clearly demonstrate that they meet all the eligibility requirements described below may not be advanced for review and may be deemed ineligible for funding under this announcement.

1. Eligible Applicants

The program seeks to engage both experienced MERC participants and new recipients who bring relevant expertise and innovative ideas. Subject to change based on U.S. federal law and country-specific restrictions on funding, in addition to organizations from the United States and Israel, organizations from the following MENA countries/territories are eligible to apply: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates, and the West Bank and Gaza. The following organization types are eligible:

- Public and private educational institutions
- Corporations and for-profit organizations
- Not-for-profit organizations, including think tanks and civil society/non-governmental organizations
- Public International Organizations and governmental institutions

All SOIs must include one or more recipient(s) from Israel, plus one or more recipient(s) from at least one of the above-listed eligible MENA countries/territories. Satellite or portal campuses of foreign (e.g., U.S., Indian) institutions and foreign companies operating in the MENA are eligible but will not fulfill the requirement for a recipient from the MENA countries/territories.

While not required, SOIs may include one or more recipients from the United States, particularly when their inclusion supports alignment with the review criteria (Section F.2), e.g., "relevance to priorities of the United States" and "likely impact and commercial potential." **MERC encourages the inclusion of American private sector companies, as recipients or key**

stakeholders, to advance commercial outcomes. The addition of an American recipient that does not contribute to commercial outcomes or provide technical expertise that is otherwise unavailable among the other recipients, is discouraged.

Limited, well-justified roles may be considered for recipients in other countries eligible to receive U.S. foreign assistance. See Figure 1.

Figure 1. Eligible consortia

2. Cost Sharing or Matching

The non-Federal share of costs, frequently called “cost share,” “matching funds,” or “in-kind” refers to that portion of the project or program costs not borne by the U.S. federal government. No minimum or maximum percentage is required for this competition; however, institutions in Israel and other affluent countries are generally expected to provide cost share in order to offset comparatively higher salaries and costs. Applicants should estimate the value of any cost share in the SOI. Contributions may be cash or in-kind (staff time, facilities, etc.). MERC allows and encourages “blending” MERC-funded research with complementary, additional funding from other sources wherever possible and appropriate. Cost share must be realistic and cannot come from another grant or subcontract issued by the U.S. Department of State or any other U.S. Government Agency.

3. Federal Registration

The Department of State does not require an applicant organization to have a Unique Entity Identifier (UEI) prior to the submission of a SOI; however, the **submitting institution** (i.e., the prime recipient) must have a Unique Entity Identifier (UEI) issued via SAM.gov, as well as a valid registration in SAM.gov prior to the submission of a full application. The Department of

State does not require **sub-recipients** to have UEIs numbers prior to the submission of full applications, but they must have UEIs before awards can be issued. See Section E.4 for additional information regarding obtaining a UEI and completing SAM registration.

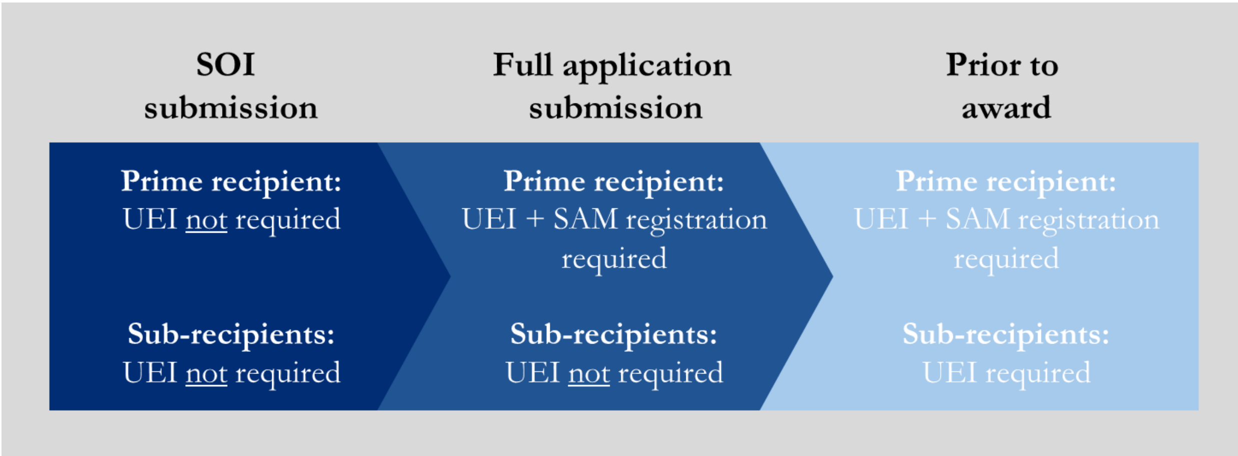

Figure 2. UEI and SAM registration requirements at each stage of application

Any applicant listed on the Excluded Parties List System in SAM.gov and/or which has a current debt to the U.S. government is not eligible to apply for an assistance award in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR,1986 Comp., p. 189) and 12689 (3 CFR,1989 Comp., p. 235), "Debarment and Suspension." Additionally, no entity or person listed on the Excluded Parties List System in SAM.gov can participate in any activities under an award. All applicants are strongly encouraged to review the Excluded Parties List System in SAM.gov to ensure that no ineligible entity or person is included in their application.

4. Previously Submitted Concepts

Applicants may resubmit a previously declined SOI (previously referred to as a "pre-proposal") or full application (previously referred to as a "full proposal") but only after it has undergone substantial revision. Applicants planning to re-submit previously declined concepts should use the guidelines herein, and any previously provided review comments, to submit substantially revised SOIs. The MERC Program will treat these SOIs as new submissions. Resubmitted SOIs that have not been substantially revised may be declined without review. Applicants with questions about resubmitting previously declined concepts are encouraged to contact the MERC Program (contact information provided in Section E.2).

SECTION C. PROGRAM DESCRIPTION

1. Background and Objectives

Following the Camp David Accords, Congress established the Middle East Regional Cooperation (MERC) Program, implemented by the U.S. Department of State, to advance cooperative scientific engagement in the MENA region. The MERC Program promotes scientific and technical cooperation between the United States, Israel, and the broader Middle East and North Africa region that advances U.S. national priorities, including a comprehensive and lasting Middle East peace.

Specific objectives of the MERC Program include:

a. Supporting applied, actionable research that advances the priorities of the United States and recipient countries, including innovation, commercialization, and market adoption of new technologies.
b. Accelerating the transition of research results into practical applications, commercial products, or scalable solutions that generate economic value, including opportunities for trade, investment, and private sector engagement.
c. Enabling direct cooperation, strengthening peaceful partnerships, and establishing durable working relationships between individuals, organizations, and communities in Israel and the broader Middle East and North Africa region.

The MERC Program provides grant-based assistance to advance U.S. economic and technological interests through scientific and technical collaboration between organizations in Israel and eligible countries/territories in the MENA region. MERC prioritizes projects that advance U.S. economic competitiveness and technological leadership; promote the adoption and integration of U.S. technologies; strengthen strategic regional partnerships; address regionally relevant challenges in ways that also advance U.S. interests; and enable scalable, market-driven solutions.

MERC requires strong and direct cooperation between Israel and the eligible MENA recipients for any project receiving funding. Participation of implementers from outside the MENA or United States is not a key feature of the MERC Program, but they may be considered for modest roles in exceptional cases to meet an essential technical need that is not otherwise available among the consortia. Applicants must be prepared to provide a well justified case for the involvement of implementers from outside the MENA or United States and accept that MERC may not support their participation.

2. Funding Opportunity

The MERC Program funds peer-reviewed, collaborative, applied scientific research between implementer entities in Israel and the broader MENA region. The MERC Program seeks SOIs pertaining to applied research and technology development within the broad areas of the natural, physical, and social sciences and engineering. SOIs should present collaborative applied research projects that demonstrate clear alignment with U.S. strategic, economic, and technological priorities.

The consortium of applicants must at a minimum be bi-lateral (one Israeli institution and one institution from the eligible MENA countries/territories) but may include recipients from multiple Israeli institutions and/or multiple eligible MENA countries/territories. Applicants, including both institutions and individual investigators, may submit multiple SOIs (and may be invited to submit multiple full applications).

While MERC remains **open to concepts from across scientific disciplines**, review will favor projects that demonstrate strong alignment with U.S. strategic, economic, and technological interests, such as practical applications (not theoretical) in the following areas:

- **Critical & Emerging Technologies**, including AI-enabled systems, digital infrastructure to support critical sectors, cybersecurity tools, and advanced sensing, automation, or robotics technologies.
- **Energy Security & Systems**, including grid resilience and energy systems integration, small modular nuclear reactors, and energy storage.
- **Water Infrastructure & Technologies**, including next-generation desalination technologies, smart water systems, and technologies for wastewater reuse and resource recovery.
- **Advanced Agriculture & Ag-Tech**, including controlled environment agriculture, water-use efficiency and soil productivity in commercial agricultural systems, and precision agriculture systems using remote sensing, AI, or automation. Concepts presenting research and technology scaling that increase agricultural yields and productivity, build resilience to shocks, meet nutritional needs, reduce food loss and waste, improve diets and food safety, and manage risk holistically for people, food, and agricultural systems are also welcome.
- **Critical Minerals & Advanced Manufacturing**, including advanced materials or manufacturing processes, and critical minerals processing, recycling, or substitution technologies. Longer-term geoscience-related activities that establish geodata portals, digitize geodata, or undertake institutional capacity building (e.g., of recipient country geological surveys) are also encouraged, especially in countries that may have significant mineral deposits but do not have near term tangible extraction/refining offtake opportunities.
- **Health Security & Biotechnology**, including rapid diagnostic platforms and bio-surveillance, pathogen detection, or data-driven health monitoring systems. Consistent with the America First Global Health Strategy (https://www.state.gov/america-first-global-health-strategy), concepts that integrate the promotion and adoption of U.S. biomedical products and healthcare service delivery models are encouraged.

As the MERC Program employs the scientific peer review process to evaluate full applications, applicants should avoid topics that are not traditionally subject to peer review. Investigators are encouraged to employ mixed-methods research and economic evaluations in their work where appropriate.

MERC expects travel of grantees within the MENA region, in support of direct regional cooperation and research implementation. Additional allowable cost categories are discussed in Section I but generally include support for personnel, equipment, materials and supplies, modest improvements to existing facilities, communications and website hosting, publications, collaboration and outreach-related materials, venue rental, transportation, and hospitality, and tools for the dissemination of results are supported as they directly relate to the project's objectives.

This NOFO does not constitute an award or commitment on the part of the U.S. government to award any grants, nor does it commit the U.S. government to pay for costs incurred in the preparation and submission of an SOI or full application.

MERC does NOT ALLOW the following as stand-alone activities and costs under this announcement category. SOIs primarily constituting these activities and costs may not be advanced for review and may be deemed ineligible for funding under this announcement:

- Basic research, or primarily experimental or theoretical work undertaken to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application. Concepts may include a component of basic research as long as other objectives promote the application of those findings.
- Activities that appear partisan or that support individual or party electoral campaigns
- Projects which solely or predominantly represent the development of physical infrastructures, core support for organizations, or delivery of services, including:
    - Construction of laboratories, clinics, or other facilities
    - Delivery of health services
    - Delivery of educational services
    - Social development programs
    - Establishment of private enterprises and projects of a commercial or profit-making nature (See Section E.5.a.)
- Projects that lack an innovative approach, or primarily constitute:
    - Planning studies or case studies
    - Operations research, surveys, evaluations, and baseline data collection
    - Routine geographical mapping
    - Literature reviews
    - Social welfare projects
- One-time events, such as stand-alone conferences and one-off round tables
- Entertainment costs (e.g., recreational activities, ceremonies, galas, alcoholic beverages)

Applicants should limit their use of AI tools in SOI and full application preparation to support functions (e.g., editing, formatting, translation). Concepts must reflect original, applicant-generated ideas. Applicants are responsible for ensuring the accuracy and originality of all submitted content.

Applicants are required only to submit a SOI as described in Section D. If a full application is invited, guidelines for preparing the full application and specific invitation conditions will be provided to the applicants. **MERC anticipates inviting up to 20 SOIs to submit full applications.**

The Department of State will entertain applications for continuation grants funded under these awards as cost amendments beyond the initial budget period on a non-competitive basis subject to availability of funds, satisfactory progress of the program, and a determination that continued funding would be in the best interest of the U.S. Department of State.

SECTION D. STATEMENT OF INTEREST (SOI) CONTENTS AND FORMAT

This is a two-stage competitive process. Reponses to this NOFO should take the form of a SOI as described below. If the applicants are invited to submit a substantially more detailed full application, specific guidelines for preparing a full application and invitation conditions will be provided.

Please follow all instructions below carefully. SOIs that do not meet the requirements of this announcement or fail to comply with the stated requirements will be deemed ineligible.

1. SOI Requirements

SOIs must adhere to the following requirements:

- SOIs must stand on their own merit.
- All components of the SOI (as described below) must be no more than 8 pages (U.S. Letter, 8.5 x 11 inches) with one-inch margins, single-spaced, using 12 pt Times New Roman.
- An optional, additional two pages of supplemental materials (such as letters of support) may be included but are not required. Do not include biographical data sheets, CVs or resumes, publications, or general institutional information such as brochures.
- All documents must be in English.
- All budgets must be in U.S. dollars.
- References to relevant literature or cited sources should be included as footnotes or at the conclusion of the SOI and are counted as part of the 8-page limit.
- The SOI and any additional pages must be saved as **one PDF document**.

Investigators from all participating institutions must collaborate in writing the SOI. SOIs are not binding agreements; therefore, MERC does not require signatures from institutional officials at the SOI stage. Do not include the names of investigators/participants unless they were active participants in preparing the SOI and have given their permission.

2. SOI Components

There is no SOI template. Applicants must adhere to the requirements listed above and include all the required components below. Each component has a recommended length and detailed guidance regarding the information that should be included. The SOI (as described below) must be no more than 8 pages and include all the following components:

Title: Provide a technical, concise, descriptive title.

Contact information:

Investigators: List the full name (**first and LAST name** in bold font using all uppercase letters for surname only), title, affiliation, full mailing address, telephone number, and e-mail address of every investigator. Clearly identify the principal investigator at the submitting institution (i.e., prime applicant) to whom all correspondence should be addressed. If more than one investigator is listed at the other cooperating institution(s), identify the primary point of contact.

Institutional administrative official: Provide the full name (**first and LAST name** in bold font using all uppercase letters for surname only), title, affiliation, full mailing address, telephone number, and e-mail address of the institutional official **at the submitting (prime) institution** who is authorized to negotiate a legal agreement on behalf of the prime institution.

Other concerned parties: Provide any additional points of contact that should be included on subsequent correspondence related to the SOI/application, e.g., research authority mailbox or grants coordinators.

Keywords: List three to five technical keywords or phrases that capture the scope of the proposed concept. Single keywords or phrases up to four words are acceptable.

Overall aim, objectives, and hypotheses: State the overall aim of the project in one sentence or short paragraph. State the specific technical objectives (typically three or four objectives presented as a short list). The objectives should each be instrumental to achieving the overall aim of the project. For each objective, explicitly articulate the hypothesis(es) applicants intend to test. Applicants may include non-technical objectives related to outreach, dissemination, technology transfer, etc. without an associated hypothesis. Optionally, applicants may include a graphical abstract illustrating the research goal and expected outcomes.

Note: Graphical abstracts improve the accessibility of complex technical concepts. A few resources providing examples and tips for preparing graphical abstracts follow:
https://www.elsevier.com/researcher/author/tools-and-resources/graphical-abstract
https://solutions.springernature.com/blogs/visibility/5-tips-for-creating-a-graphical-abstract
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10590498/

Rationale and background: (approx. 1 page) Address each of the following sub-sections:

Technical background: Provide a brief summary of earlier studies, the technical basis and starting point for the work applicants propose, preliminary data if available, and citations of key literature references, as appropriate.

Knowledge gap and research novelty: Explain how the current knowledge falls short of addressing the challenge applicants identified, and how the work applicants propose aims to bridge that gap. Provide a brief description of what is new or innovative about the proposed activity, including how it represents a significant departure from previous or ongoing work in the sector and/or region. As applicable, discuss both the novelty of the scientific contribution and the approach to implementation.

Alignment with U.S. and regional priorities: Explain how the research applicants propose aligns with strategic priorities of the United States and the intended participating countries. In particular, articulate how the research will contribute to progressing U.S. and regional priority sectors identified above (Section C.2) and contribute to regional integration through novel scientific, technological, and commercial cooperation. As relevant, market analyses—either original or as part of a literature review—are acceptable components of a policy alignment justification.

Technical work plan: (approx. 1 to 2 pages) In separate work packages, provide a description of the specific technical activities, proposed experimental design, and associated data analysis. Relate each work package to the underlying objective(s) and scientific hypotheses. Be specific about the intended experiments, their design, data analysis, and how they relate to the research question. Specify the duration of each work package, indicate the institution(s) or investigator(s) responsible for each work package or objective, and specify any expected deliverables for each work package.

Note: The SOI will be reviewed by both non-technical staff (those without a scientific background) and technical staff (those with a scientific background in the subject field). The technical work plan should be presented such that the value of the proposed research and approach can be appreciated by a general audience, but specific enough to provide technical reviewers with sufficient detail to appreciate the technical merit.

Note: If invited to submit a full application, applicants will be asked to provide quantitative benchmarks and targets, as relevant, and establish performance milestones by which progress will be evaluated.

Special research concerns: (approx. ¼ page) As relevant, provide a brief description of how the investigators will mitigate risk, maintain compliance, or otherwise manage the following common research-related issues. Note any other project-specific special concerns not listed and omit any that are irrelevant.

Research with human subjects: Provide a brief description of any intervention that involves human subjects, such as services, education, drugs, devices, tools, surveys, focus groups, etc. Identify which ethical committee(s) or IRB(s) will review the research and make exemption determinations.

Research with vertebrate animals: Confirm that investigators will comply with U.S. policy governing animal care and use, or will provide evidence that acceptable standards for the humane care and use of animals will be met. (Such evidence is not required as part of the SOI.)

Safety concerns: Identify any laboratory or field research-related hazards, such as participant exposure to radiation, dangerous chemicals, pathogens, and other hazards and acknowledge that the investigators will implement protocols for risk containment. (Protocols are not required as part of the SOI.)

Intellectual property (IP) rights: Provide a brief description of any Pre-Existing IP or patents pending that could affect the use of the project's results, as well as other forms of property such as copyrights, breeders' rights to plant varieties or hybrids, genetic resources, etc. Additionally, describe any Project-Derived IP that may be generated and, to the extent the applicants can predict, how that IP would be managed and protected.

Expected outcomes: (approx. ¼ page) List the expected outcomes of the proposed project and explain how the applicants expect the project to produce measurable benefits to the United States, recipient countries, and regional cooperation. Applicants should specify realistic outcomes. Describe expected outcomes in the following categories, as applicable:

Scientific outcomes: Describe the anticipated scientific or technical outputs of the project and how the work advances the state of the science, engineering, or regional application of technology. Explain what applicants will develop, test, validate, demonstrate, or improve during the project period. Where possible, include measurable performance targets (e.g., percentage reductions in water or energy use, productivity gains, increased accuracy, reduced costs, improved reliability, or other quantifiable indicators).

Commercial outcomes: Describe the anticipated economic, commercialization, or market-oriented outcomes of the project, including how the work may advance U.S. economic competitiveness, technological leadership, trade, or adoption of U.S. technology. Where possible, estimate the potential market opportunity, describe commercialization milestones, and explain how the project could continue or scale beyond the grant period.

Practical outcomes: Describe the practical benefits of the project applicants anticipate for recipient countries and the region, including how the project promotes regional integration and how outcomes may be implemented or sustained after completion of MERC funding.

Joint collaborative activities: (approx. ½ page) Present evidence that the proposed project is intended as a truly collaborative, intellectual partnership. Provide a brief, specific description of the planned interactions between Israeli, MENA region, and—as applicable—U.S. participants, including an estimate of the frequency and duration of activities. Examples of joint collaborative activities include technical coordination meetings, direct exchanges of personnel (e.g., scientists or students in residence), joint field data collection, joint publications with authors from both/all recipient countries/territories, and hosting or participating in joint conferences and workshops in the region. If the project involves a U.S. or other non-regional recipient , specifically address how that organization or those investigators will avoid becoming a buffer to direct cooperation between the regional parties.

Note: MERC grantees are expected to conduct in-person coordination meetings at least once per year. To the extent practical, joint activities should be planned in the recipient countries/territories.

Project management and personnel: (approx. ½ page) Address both of the following sub-sections.

Project management: Identify which single institution would serve as the prime grantee and be responsible for technical and financial reporting. Describe organizational and operational plans for managing the collaboration financially and programmatically and the institutions' capacity or past experience. Discuss the roles of technical and management committees, advisory boards, etc., if applicable.

Personnel: SOIs should list at the beginning all key personnel as "Investigators". Indicate what proportion investigators will use of their time in support of the project. Justify how the applicants' expertise uniquely qualifies them to undertake the proposed work. If applicable, note any relevant past cooperation between the investigators. If graduate students, post-doctoral researchers, technicians, or other staff will play a key role in the project, briefly describe their responsibilities as well.

Note: MERC's default award structure is a prime grantee who receives the grant, issues sub-award agreements, and transfers payment to sub-recipients. If the project consortium would require an alternative award management structure, note those constraints under the "Project management" section. Applicants with questions about award structure are encouraged to reach out to the MERC Program (contact information is provided in Section E.2).

Budget: (approx. ½ page) MERC will provide a budget template and more detailed budget guidelines to applicants invited to submit a full application. At this stage, applicants should prepare a budget based on realistic, anticipated costs associated with the proposed work plan. The budget must be prepared in U.S. dollars, indicating projected expenses in the budget categories listed below, entering the amounts in a table like the example provided below. Carefully review Section I for additional details regarding allowable costs and how to prepare the budget table. Basic guidance follows:

- Personnel: List each individual salary or personnel cost on a separate line, using as many lines as necessary.
- Equipment: Equipment is defined as any individual item over $10,000. Items under $10,000, including computers, should be included under materials. At the full application stage, applicants will be required to provide price quotes for all requested equipment.
- Materials and Supplies: Estimate materials costs, such as reagents and other consumables.
- Indirect Costs: Indirect costs (i.e., overhead) must be calculated in accordance with the guidance in Section I.7.
- Use separate columns for each participating institution and estimate any cost share that might be expected from each institution.
- Projects are not required to propose expenses under every category.
- At the bottom of the budget table, include total expense (sum) by institution, the overall total project cost to MERC, and specify the duration of the project (number of years).
- In a short footnote, briefly justify any requested equipment, describe the types of expenses under "Other Direct Costs," and clarify any other line items that may not be intuitive from the SOI.

Example budget table

	Institute 1		**Institute 2**		**Sum**	
	Federal Funds	Cost Share	Federal Funds	Cost Share	Federal Funds	Cost Share
Personnel						
Position 1 (% effort, rate)						
Position 2 (% effort, rate)						
Equipment (over $10,000)						
Equipment item 1						
Equipment item 2						
Materials and Supplies						
Materials type 1						
Materials type 2						
Travel						
International travel						

Domestic travel						
Contractual						
Vendor services 1						
Vendor services 2						
Other Direct Costs						
Total Direct Costs						
Indirect Costs						
Totals (total number of years)						

3. Components Required by Invited Full Application

MERC does NOT REQUIRE the following components as part of the SOI but will require them of the applicants it invites to submit a full application:

- Project results monitoring plan
- Logic Model and Theory of Change/Hypothesis Model
- Description of project sustainability or future funding
- Detailed budget and budget justification
- CVs of key personnel
- Letters of support from participating institutions or organizations that stand to benefit from the project's outcomes
- Negotiated Indirect Cost Rate Agreement (NICRA) (as relevant)
- Official permission letters (as relevant)
- SF-424 (Application for Federal Assistance)
- SF-424A (Budget Information for Non-Construction programs)
- SF-424B (Assurances for Non-Construction programs)

Standard forms (SF) are available at: https://www.grants.gov/forms/forms-repository/sf-424-family

SECTION E. SUBMISSION REQUIREMENTS AND DEADLINES

1. Application Materials

The materials necessary to apply include this Notice of Funding Opportunity and its appendices available via grants.gov and MyGrants (https://mygrants.servicenowservices.com/mygrants).

2. Submission Dates and Times

Submit SOIs in the required format and as one PDF attachment to **nea-grants@state.gov** by **11:59pm EDT** on **Tuesday, September 30, 2026**. In the subject line, include "**MERC SOI Submission - [PI Last Name]**" including the last name of the submitting principal investigator. MERC will acknowledge receipt of proposals by email. Late submissions will not be accepted.

3. Department of State Contacts

Questions about the grant application process may be directed to **nea-grants@state.gov**. This is a shared inbox, so please include "**MERC**" in the email subject line.

4. Unique Entity Identifier (UEI) and System for Award Management (SAM.gov)

Organizations applying as **prime recipients on a full application**, whether based in the United States or in another country, must have a Unique Entity Identifier (UEI), formerly known as a DUNS number, and an active registration in SAM.gov. This is not a requirement to submit an SOI.

The 2 CFR 200 requires that organizations applying as **subrecipients** obtain a UEI before an award is processed and/or directed to a subrecipient. This is not a requirement to submit an SOI nor full application.

A UEI is one of the data elements mandated by Public Law 109-282, the Federal Funding Accountability and Transparency Act (FFATA), for all Federal awards. An applicant must maintain an active registration while it has an application under review by the Department of State and must continue to keep the registration active for the entire duration of the period of performance of any Federal award that results from this NOFO. <u>SAM.gov registration must be renewed annually.</u>

Note: The process of obtaining or renewing a SAM.gov registration may take anywhere from 4-8 weeks. Please begin your registration as early as possible.

- SAM.gov registration is 100% free of charge, including obtaining a UEI and renewing your registration. The official U.S. government website is the only site you should use. Beware of third-party vendors charging fees; assistance is available for free through the Federal Service Desk (FSD).
- Organizations **based in the United States** or that pay employees within the United States will need an Employer Identification Number (EIN) from the Internal Revenue Service (IRS) and a UEI prior to registering in SAM.gov.
- Organizations **based outside of the United States** and that do not pay employees within the United States do not need an EIN from the IRS but do need a UEI prior to registering in SAM.gov.
- If your purpose of registration is "Financial Assistance Awards Only," and you are not seeking financial assistance from the Department of Defense (DoD), you do not need an NCAGE code to register in SAM.gov. (Organizations based outside of the United States and that plan to do business with the DoD in addition to Department of State should apply for an NCAGE code on the NSPA NATO website: https://eportal.nspa.nato.int/AC135Public/sc/CageList.aspx)
- Your entity name and address will be validated by SAM.gov. If SAM.gov cannot validate your entity, you can create a help ticket with the FSD at FSD.gov. Once you receive a UEI, you can continue to complete the full registration. <u>SAM.gov registration must be renewed annually.</u>

Exemptions: An exemption from the UEI and SAM.gov registration requirements may be permitted on a case-by-case basis. See 2 CFR 25.110 for a full list of exemptions. Organizations requesting exemption from UEI or SAM.gov requirements must email the point of contact listed in the NOFO at least two weeks prior to the deadline in the NOFO providing a justification of their request. Approval for a SAM.gov exemption must come from the warranted Grants Officer before the application can be deemed eligible for review.

A. Funding Restrictions

a. Awards to Commercial Firms or For-Profit Organizations. No funds will be paid as profit to any recipient that is a commercial organization. Profit is defined as any amount in excess of allowable direct and indirect costs. The allowability of costs incurred by commercial organizations is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR) and at 2 CFR 700.13. Program income earned by the recipient may be:
   i. Added to the total of the amount of this award, including the required cost sharing or matching, and use it to further eligible project objectives;
   ii. Used to meet the recipient's cost sharing or matching requirement;
   iii. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

b. Programs in the Palestinian Territories. Proposed programs must comply with, and take into consideration the limitation on, the use of funds in the "Taylor Force Act" (See 22 USC 2378c-1(a)(1)). The Taylor Force Act, signed into law as part of FY 2018 Appropriations Act, limits the U.S. Government's ability to provide assistance that confers a "direct benefit" to the Palestinian Authority. Proposed programs must also take into consideration U.S. restrictions on contact with Designated Terrorist Organizations, including the parameters of existing Office of Foreign Assets Control licenses, particularly with regard to proposed activities in Gaza. Vetting will be required for key individuals, sub-awardees, and beneficiaries as described below in Section E.5.c.

c. State Funding and the Risks of Terrorist Financing. Applications will not be considered that reflect any type of support for any member, affiliate, or representative of a designated terrorist organization. Please refer to the link for Foreign Terrorist Organizations: https://www.state.gov/foreign-terrorist-organizations/. Consistent with Department of State guidance, the likelihood that the funds or Department of State funded activities, goods, services, training, expert advice or assistance, or other benefits to be provided, could inadvertently or incidentally benefit terrorist organizations or their members or supporters must be assessed, and appropriate risk mitigation measures must be put in place. In accordance with 14 FAM 247, and consistent with 2 FAM 050, counterterrorism name-check vetting may be performed in countries and programs designated by the Department of State.

d. Leahy Law. The Leahy Law prohibits Department of State foreign assistance funds from supporting foreign security force units if the Secretary of State has credible information that the unit has committed a gross violation of human rights. Per 22 USC §2378d(a) (2017), "No assistance shall be furnished under this chapter [FOREIGN ASSISTANCE] or the Arms Export Control Act [22 USC 2751 et seq.] to any unit of the security forces of a foreign country if the Secretary of State has credible information that such unit has committed a gross violation of human rights." Restrictions may apply to any proposed assistance to police or other law enforcement. Among these, pursuant to section 620M of the Foreign Assistance Act of 1961, as amended (FAA), no assistance provided through this funding opportunity may be furnished to any unit of the security forces of a foreign country when there is credible information that such unit has committed a gross violation of human rights. In accordance with the requirements of section 620M of the FAA, also known as the Leahy law, project beneficiaries or participants from a foreign government's security forces may need to be vetted by the Department before the provision of any assistance. If a proposed grant or cooperative agreement will provide assistance to foreign security forces or personnel, compliance with the Leahy Law is required.

e. Funding Restrictions for the United Nations Relief and Works Agency (UNRWA). None of the funds awarded resulting from this Notice of Funding Opportunity may be made available for subawards, direct financial support, or otherwise used to provide any payment or transfer to United Nations Relief and Works Agency (UNRWA).

f. Compliance with Applicable Federal Anti-Discrimination Laws. If the place of performance or delivery of any award made under this NOFO will be within the United States, applicants are advised that they will be required to certify the following at the time of award:
    i. Its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code and;
    ii. It does not operate any programs promoting Diversity, Equity, and Inclusion that violate any applicable Federal anti-discrimination laws. A program promoting Diversity, Equity, and Inclusion means a program whose purpose is to promote preferences based on race, color religion, sex, or national origins, such as in training or hiring.

g. Compliance with 20 U.S.C. 1011f and Any Other Applicable Foreign Funding Disclosure Requirements. Applicants are advised that Institutes of Higher Education (IHEs) must certify the following at the time of award, and that this certification requirement must be included in any subaward agreements to IHEs:

    Its compliance in all respects with section 1011f of title 20, United States Code, and any other applicable foreign funding disclosure requirements is material for purposes of section 3729 of title 31, United States Code, and for receipt of appropriate Federal grant funds.

h. Trafficking in Persons Compliance and Compliance Plan. Applicants are advised that they will be required to certify the following at the time of award <u>for awards where the estimated value of services to be performed outside the United States exceeds $500,000:</u>

i. To the best of the Recipient's knowledge, neither the Recipient, nor any subrecipient, contractor, or subcontractor of the Recipient or any agent of the recipient or of such a subrecipient, contractor, or subcontractor, is engaged in any of the activities described in 2 CFR 175.105(a);
ii. The recipient has implemented a Trafficking in Persons compliance plan to prevent activities described in 2 CFR 175(a) and is compliant with this plan; and the compliance plan must follow the minimum requirements described in 2 CFR 175(b)(5).
iii. That the Recipient has and will implement procedures to prevent activities described in 2 CFR 175.105(a) and to monitor, detect, and terminate any subrecipient, contractor, subcontractor, or employee of the recipient engaging in these activities. Recipients do not need to submit a copy of the plan. However, they must provide it to the Grants Officer upon request, and as appropriate, must post the useful and relevant contents of the plan or related materials on their website and at the workplace. Recipients must re-certify on an annual basis for the entire award period of performance.

i. Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act-Covered Foreign Entities.
   i. Definitions.
   American Security Drone Act-covered foreign entity means an entity included on a list developed and maintained by the Federal Acquisition Security Council (FASC) and published in the System for Award Management (SAM) at https://www.sam.gov
   FASC-prohibited unmanned aircraft system means an unmanned aircraft system manufactured or assembled by an American Security Drone Act-covered foreign entity.
   Unmanned aircraft means an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft.
   Unmanned aircraft system means an unmanned aircraft and associated elements (including communication links and the components that control the unmanned aircraft) that are required for the operator to operate safely and efficiently in the national airspace system.
   ii. Prohibition. Recipients of funding under this Notice of Funding Opportunity (including subawards and subcontracts issued by the recipient) will be prohibited from:
      a. Delivering any FASC-prohibited unmanned aircraft system, which includes unmanned aircraft (i.e., drones) and associated elements;
      b. Operating a FASC-prohibited unmanned aircraft system in the performance of the award; and
      c. Using Federal funds for the purchase or operation of a FASC-prohibited unmanned aircraft system.
   iii. Exemptions, exceptions, and waivers. The prohibitions described above will not apply if the agency determines that an exemption, exception, or waiver applies and the award indicates that such a determination has been made. [See sections 1823 through 1825 and 1832 of Public Law 118-31 (41 U.S.C. 3901 note prec.) for statutory requirements pertaining to exemptions, exceptions, and waivers.].

j. Promoting Human Flourishing in Foreign Assistance (PHFFA). Applicants for foreign assistance awards should be aware of requirements in 2 CFR Part 602, 603, and 604. These policies are referred to collectively as the Promoting Human Flourishing in Foreign Assistance (PHFFA) Policy:
   i. 602: The award term imposes certain abortion-related requirements on foreign nongovernmental organizations (NGOs), United States NGOs, public international organizations, foreign governments, and parastatals.
   ii. 603: The award term imposes certain requirements relating to gender ideology on foreign nongovernmental organizations (NGOs), United States NGOs, international organizations, foreign governments, and parastatals.
   iii. 604: The award term imposes certain requirements relating to discriminatory equity ideology on foreign nongovernmental organizations (NGOs), United States NGOs, international organizations, foreign governments, and parastatals.

   The Department recognizes there are costs associated with these policies. Potential one-time and recurring costs the Department identifies for recipients and grantees are for familiarization with the policy, development and delivery of organizational training and implementation guidance, routine compliance monitoring, and recordkeeping and reporting requirements.

SECTION F. APPLICATION REVIEW INFORMATION

1. Review and Selection Process

MERC is committed to ensuring a competitive and standardized process for awarding funding. MERC will screen SOIs to determine whether they meet the eligibility requirements outlined in Section B and have followed the required format in Section D. SOIs that do not meet these requirements may not advance to review and may be deemed ineligible for funding under this NOFO.

A review panel comprising U.S. Department of State representatives from technical and regional offices will evaluate SOIs. The review panel will evaluate each eligible SOI and decide which to invite for full application submission. A peer-review panel of subject matter experts, and another a review panel of Department of State representatives, will evaluate full applications.

While subject to change based on the number of SOIs received, availability of reviewers, and other factors, a notional timeline for receipt and review of SOIs and full applications follows in Figure 3.

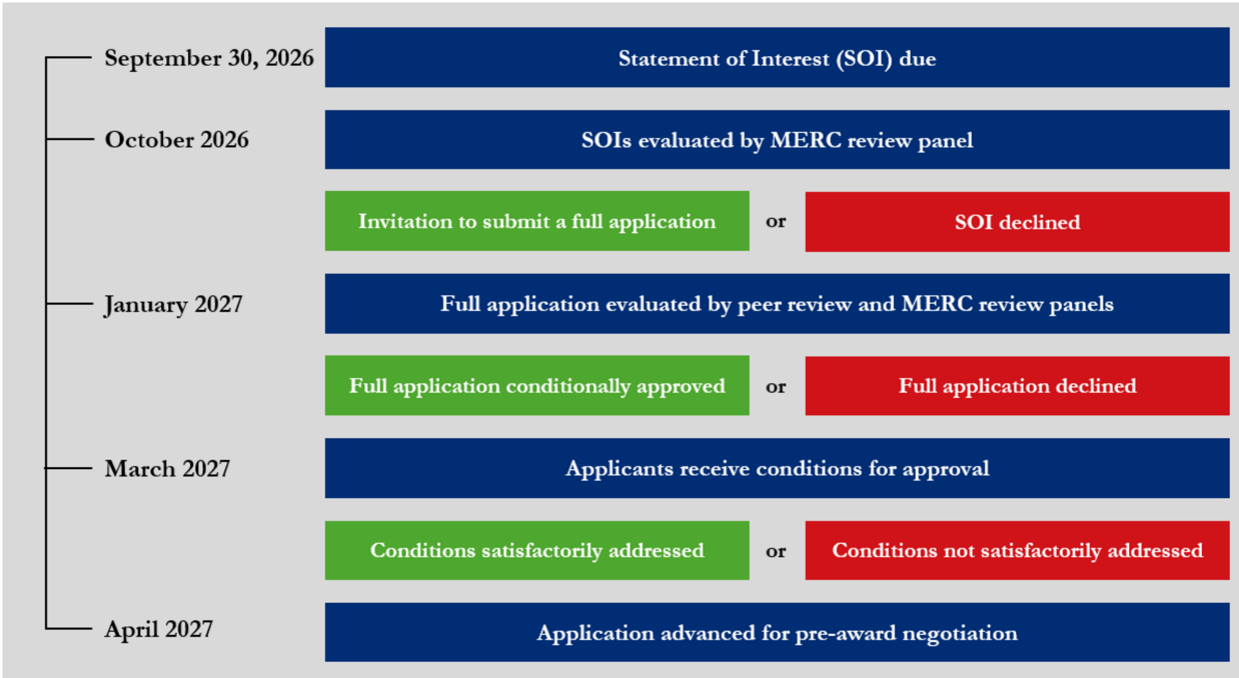

Figure 3. Overall process and notional timeline

2. Review Criteria

Strength and durability of regional cooperation (15 points): The project must be a collaborative effort between Israeli and eligible MENA recipient organizations. All recipients should have significant intellectual roles. The project should include joint activities—such as frequent meetings, exchanges, workshops, and training of students—supporting knowledge exchange and promoting peaceful regional cooperation.

Relevance to priorities of the United States (20 points): The project must address an issue of economic importance to the United States or advance U.S. national priorities in the Middle East and North Africa region, including economic competitiveness, trade, technological leadership, purchase and use of U.S. technology, and countering adversarial influence. Proposals may include American recipient(s) to meet this requirement. See Section C.2 for examples.

Relevance to priorities of the recipient countries (10 points): The project must address an issue of economic importance or national interest to the recipient countries.

Likely impact and commercial potential (20 points): Investigators must demonstrate that there is a demand for the potential benefits realized from the project. There should be a timeline and specific mechanisms for putting the research results into practice. MERC will prioritize research that advances U.S. economic competitiveness and technological leadership, promotes adoption and integration of U.S. technologies in regional markets, creates pathways for technology commercialization and market-driven solutions, and/or establishes intellectual property agreements that favor American interests.

Technical merit and compliance with special research concerns (15 points): The project must be peer-reviewable and have a sound, credible step-by-step technical work plan, supported by technical background and documentation of relevant previous work. The work must be based on clearly stated hypotheses and objectives. The work must also explore original concepts and either advance the state of the science or provide an innovative regional application. Applicants must demonstrate compliance with special research concerns.

Management structure (10 points): The project should be led by qualified investigators and have an effective institutional management structure likely to achieve its stated goals and capable of managing U.S. federal funds.

Budget (10 points): The project budget should comply with the Budget Guidelines, consist of reasonable costs, and be justified in relation to the proposed activities and expected outcomes. Applicants must include all necessary and realistic expenses to achieve the proposed. Applicants must consider and prioritize U.S.-made technology and equipment in all procurement decisions, to the maximum extent practicable and consistent with program objectives. Applications including significant cost share or matching funds, especially from institutions in high-income countries, will receive priority consideration.

3. Indirect Costs

If two or more applications are deemed equivalent according to the evaluation criteria outlined in this NOFO, MERC will give preference to the applicant with the lower indirect cost rate, as consistent with Executive Order 14332, Section 4(b)(iii). This preference will only be applied as a tie-breaking mechanism and does not supersede the primary evaluation criteria.

4. Risk Review

a. Risk Factors. Under the merit review as required by 2 CFR 200.206, prior to making a Federal Award the Department will review and consider the following risk factors:
   i. Financial stability
   ii. Management systems and standards
   iii. History of performance
   iv. Audit reports and findings
   v. Ability to effectively implement requirements
   vi. If there are any program specific risk factors that will be considered, describe them here.

b. Responsibility/Qualification Information in SAM.gov. The Federal awarding agency, prior to making a Federal award with a total amount of Federal share greater than the simplified acquisition threshold, is required to review and consider any information about the applicant that is in the U.S. government designated integrity and performance system accessible through SAM.gov (see 41 U.S.C. 2313)

   An applicant can review and comment on any information in the responsibility/qualification records available in SAM.gov.

Before making decisions in the risk review required by 2 CFR 200.206, the Department will consider any comments by the applicant, along with information available in the responsibility/qualification records in SAM.gov.

SECTION G. AWARD NOTICES

The designated Department of State Grants Officer will write, sign, award, and administer the award. The award agreement is the authorizing document, and the Grants Officer will provide it to the recipient for review and counter-signature. The recipient may only start incurring project expenses beginning on the start date shown on the award document signed by the Grants Officer.

If the Department of State selects a full application for funding, the Department has no obligation to provide any additional future funding. Renewal of an award to increase funding or extend the period of performance is at the discretion of the Department of State.

Issuance of this NOFO does not constitute an award commitment on the part of the U.S. government, nor does it commit the U.S. government to pay for costs incurred in the preparation and submission of SOIs and full applications. Further, the U.S. government reserves the right to reject any or all SOIs and full applications received.

Unsuccessful applicants: Unsuccessful applicants will be notified via email by December 15, 2026.

Payment Method: Recipients may not draw down funds without the affirmative authorization of the Department of State. In addition, recipients must submit, with each SF-270 payment request, a detailed explanation justifying the request.

SECTION H. POST-AWARD REQUIREMENTS AND ADMINISTRATION

1. Administrative and National Policy Requirements

Before submitting an application, applicants should review all the terms and conditions and required certifications which will apply to this award, to ensure that they will be able to comply. These include:

- 2 CFR 25 - Universal Identifier and System for Award Management
- 2 CFR 170 - Reporting Subaward and Executive Compensation Information
- 2 CFR 175 - Award Term for Trafficking in Persons
- 2 CFR 182 - Government-wide Requirements for Drug-Free Workplace (Financial Assistance)
- 2 CFR 183 - Never Contract with the Enemy
- 2 CFR 600 – Department of State Requirements
- U.S. Department of State Standard Terms and Conditions
- Recipients must comply with all applicable Executive Orders A searchable list can be

found in the Federal Register: https://www.federalregister.gov/

In accordance with the Office of Management and Budget's guidance located at 2 CFR part 200, all applicable Federal laws, and relevant Executive guidance, the Department of State will review and consider applications for funding, as applicable to specific programs, pursuant to this notice of funding opportunity in accordance with the following:

- Guidance for Grants and Agreements in Title 2 of the Code of Federal Regulations (2 CFR), as updated in the Federal Register's 89 FR 30046 on April 22, 2024, particularly:
    - Selecting recipients most likely to be successful in delivering results based on the program objectives through an impartial process of evaluating Federal award applications (2 CFR part 200.205),
    - Promoting the freedom of speech and religious liberty in alignment with *Promoting Free Speech and Religious Liberty* (E.O. 13798) and *Improving Free Inquiry, Transparency, and Accountability at Colleges and Universities* (E.O. 13864) (§§ 200.300, 200.303, 200.339, and 200.341),
    - Providing a preference, to the extent permitted by law, to maximize use of goods, products, and materials produced in the United States (2 CFR part 200.322), and
    - Terminating agreements pursuant to the U.S. Department of State Standard Terms and Conditions, including, to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities (2 CFR part 200.340). For the avoidance of doubt, the Department has sole discretion over the determination that an award no longer effectuates program goals or agency priorities, and this provision permits awards to be terminated at the Department's convenience, including when it determines that the award no longer advances the national interest.

2. Reporting

Reporting Requirements: MERC requires reports as a means of evaluating the recipient's progress and use of resources. They are divided between a performance progress report and a financial status report.

Unless otherwise directed by the grant agreement, MERC requires recipients to submit Semi-Annual Performance Reports and Semi-Annual Financial Reports. Performance reports will compare actual to planned performance, contain analysis and summary of findings, share preliminary results as well as published and publicly available materials related to the project's outcomes, and report on joint activities and outreach. Financial reports provide a means of monitoring expenditures and comparing costs incurred with progress. MERC will also require final performance and financial reports as part of award close-out.

Recipients must report immediately when a program faces unplanned delays in implementation, fails to meet program targets or milestones, or costs increase. Any changes or revisions to the approved budget require prior approval.

Foreign Assistance Data Review: As required by Congress, the Department of State must make progress in its efforts to improve tracking and reporting of foreign assistance data through the Foreign Assistance Data Review (FADR). The FADR requires tracking of foreign assistance activity data from budgeting, planning, and allocation through obligation and disbursement.

Successful applicants will be required to report and draw down federal funding based on the appropriate FADR Data Elements, indicated within their award documentation. In cases of more than one FADR Data Element, typically program or sector and/or regions or country, the successful applicant will be required to maintain separate accounting records.

Applicants should be aware of the post award reporting requirements reflected in 2 CFR 200 Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters.

3. Branding and Marking

The Department of State, its programs, and U.S. Government funding and assistance should be easily identifiable to the Department's global audiences. Recipients of federal assistance awards must follow the branding guidance published at Guidance for Contracts and Grants - U.S. Department of State Brand System. Branding policy exceptions are outlined in the U.S. Department of State Foreign Affairs Manual 10 FAM 416, Policy Exceptions.

For more information, visit: https://brand.america.gov/

4. Audit Requirements

Domestic and foreign organizations that expend $1,000,000 or more in a fiscal year in federal assistance must perform an independent, recipient-contracted Single Audit or Program Specific Audit. (Program-specific Audit means an audit of one Federal award program. Single Audit means an audit which includes both the entity's financial statements and the Federal Awards to be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). The audits must be independently and professionally executed in accordance with GAGAS either prescribed by a government's Supreme Audit Institution with auditing standards approved by the Comptroller General of the United States, or the host country's laws or adopted by the host country's public accountants or associations of public accountants, together with generally accepted international auditing standards. However, foreign entity audits consistent with International Standards for Auditing or other auditing standards are acceptable with the Grants Officer's approval. More information can be found at https://www.gao.gov/assets/700/693136.pdf

For sub-non-Federal entities expending $1,000,000 or more in DOS award funding during their fiscal year, the DOS standard audit provisions require that Prime non-Federal entities certify that audits of sub-non-Federal entities are performed annually and according to the standards described above. The cost of audits required under this policy may be charged either as an allowable direct cost to the award or included in the organizations established indirect costs in the award's detailed budget

SECTION I. BUDGET GUIDANCE

1. Personnel and Fringe Benefits

Describe the wages, salaries, and benefits of temporary or permanent staff who will be working directly for the applicant on the program, and the percentage of their time that will be spent on the program. Personnel costs must be consistent with the cost-of-living in the recipient countries and they should be consistent with the previous three-year compensation history of the recipient or position. MERC may request institutional pay scales to confirm the rates are appropriate.

Salaries should be budgeted in the units in which they are paid. For example, if an organization pays its employees in monthly rates, then the unit of measure in the budget should be the month and the applicant must use the rate per month for each employee.

Investigators: Applicants should list institutionally supported salaries as cost share support at the appropriate level of effort and corresponding amount per year. If principal investigators and other professional-level staff do not have an institutionally supported salary, MERC may request their level of effort and corresponding amount per year.

Consultants: Budgets may include consulting fees when necessary for the professional services of outside experts—but not for the project team. For example, fees may be paid to an outside economist for a cost feasibility analysis, or an outside attorney if needed to assist in securing patents, but consultant fees are not to be paid to investigators. Very few MERC projects include any paid consultants.

Students and staff: MERC allows salaries or stipends for students, post-doctoral fellows, research assistants, technicians, laborers, interns, etc. When possible, institutions in Israel and other high-income countries should provide cost share to help support their students, post-doctoral fellows, technicians, etc. in order to partially offset higher salary costs.

2. Equipment

Describe any tangible property with a purchase price of $10,000 or more and having a useful life of more than one year. Only request equipment that is critical to the proposed research and not available in existing facilities. Applicants may include maintenance for existing or proposed equipment under “Other Direct Costs.” At the full application stage, MERC will require applicants to provide price quotes for all requested equipment.

The U.S. Government generally requires that equipment purchased with federal funds be purchased from U.S. sources and that their origins be U.S. manufacturers. However, investigators may purchase the equipment locally (provided it is available). Investigators may purchase instruments from other countries, but they must be necessary to the project and fully justified as not available or not appropriate from U.S. sources and/or origin.

3. Materials and Supplies

This category includes all tangible personal property other than those described as equipment. A computing device is a supply if the acquisition cost is less than $10,000, regardless of the length of its useful life. Materials and supplies may be estimated as a single line item sum in a SOI, but costs will be required to be justified to the maximum extent possible in any invited full application.

4. Travel

Applicants may estimate travel costs (including airfare, ground transportation, lodging, per diem, and visa fees) as a single sum in the SOI, but MERC will require that applicants justify costs to the maximum extent possible in any invited full application.

5. Contractual

Describe any goods and/or services the applicant plans to acquire through a contract with a vendor or service provider.

6. Other Direct Costs

Describe other costs directly associated with the program, which do not fit in the other categories. Typical items under this category include expenses associated with workshops and training, stakeholder outreach, equipment maintenance, and publication fees. Services, rental fees, website hosting fees, communications costs, etc. can also be included here.

7. Indirect Costs

These are costs that cannot be linked directly to the program activities, such as overhead costs needed to help keep the organization operating. If an application is advanced for award negotiation, MERC will work with applicants to ensure indirect costs are calculated appropriately, but it is imperative that the rest of the budget be clearly itemized.

Option 1: Applicants with a currently valid Negotiated Indirect Cost Rate Agreement (NICRA) on file with the U.S. Government may use their NICRA rate to request indirect costs. A NICRA is a formal agreement between the U.S. Government and an organization that provides a rate (specified as a percentage) the organization may use to request indirect costs, as well as details on how the organization should apply the rate in their proposed budget. A copy of the NICRA should be submitted with the full application. (Note: This documentation is not required at the SOI stage.) *Organizations may choose to voluntarily reduce the NICRA rate charged to the award in order to be more cost effective and competitive.*

Option 2: Organizations that have never had a NICRA may request the *de minimus* rate of 15% of Modified Total Direct Costs (MTDC) as defined in 2 CFR 200.1. Allowable categories include: direct salaries and wages, materials and supplies, travel, services, and up to $50,000 of each sub-award agreement (i.e., $7,500 per sub-award over $50,000) which is intended to cover any administrative and legal support associated with the management of the sub-award. Tuition remission, scholarships, and fellowships for students directly supervised by project personnel, and per diem for travel of project personnel may also be included in the MTDC.

The *de minimus* rate cannot be applied to equipment, capital expenditures, charges for patient care, rental costs, honoraria, or compensation for participation in a study, or the portion of sub-award agreements in excess of $50,000.

Option 3: If the recipient does not have a NICRA and elects not to use the *de minimis* rate, then overhead costs may be broken out by individual item (e.g., office rent, electricity, accountant fees, etc.) and charged as direct costs. The applicant must explain their calculations in the Budget Justification and MERC may question or disallow costs and calculations that seem unreasonable. In general, the amount charged should be relative to the resources being spent on the award activity.

8. Cost Sharing

The non-Federal share of costs, frequently called “cost share,” “matching funds,” or “in-kind” refers to that portion of the project or program costs not borne by the U.S. federal government. MERC does NOT REQUIRE a minimum or maximum percentage for this competition; however, institutions in Israel and other high-income countries are expected to provide cost share in order to offset comparatively higher salaries and costs. Applicants should estimate the value of any cost share in the SOI. Contributions may be cash or in-kind (staff time, facilities, etc.). MERC allows and encourages "blending" MERC-funded research with complementary, additional funding from other sources wherever possible and appropriate. Cost share must be realistic and cannot come from another grant or subcontract issued by the U.S. Department of State or any other U.S. Government Agency.

9. Restrictions

Award funds cannot be used for alcoholic beverages. Purchase of vehicles with MERC funds is also prohibited.