

Table C.4: Eligibility Criteria for Grant Support from the Development Grant Facility

1. Subsidiarity	The program contributes to furthering the Bank's development and resource mobilization objectives in fields basic to its operations, but it does not compete with, or substitute for, regular Bank instruments. Grants should address new or critical development problems, and should be clearly distinguishable from the Bank's regular programs.
2. Comparative advantage	The Bank has a distinct comparative advantage in being associated with the program; it does not replicate the role of other donors. The relevant operational strengths of the Bank are in economic, policy, sector, and project analysis and management of development activities. In administering grants, the Bank has expertise in donor coordination, fundraising, and fund management.
3. Multi-country benefits	The program encompasses multicountry benefits or activities that it would not be efficient, practical, or appropriate to undertake at the country level. For example, informational economies of scale are important for research and technology work, and operations to control diseases or address environmental concerns (such as protect fragile ecosystems) might require a regional or global scope to be effective. In the case of grants directed to a single country, the program will encompass capacity-building activities where this is a significant part of the Country Assistance Strategy and cannot be supported by other Bank instruments or by other donors. This will include, in particular, programs funded under the Institutional Development Fund and programs related to initial post-conflict reconstruction efforts (e.g., in countries or territories emerging from internal strife or instability).
4. Leverage	The Bank's presence provides significant leverage for generating financial support from other donors. Bank involvement should provide assurance to other donors of program effectiveness, as well as sound financial management and administration. Grants should generally not exceed 15 percent of expected funding over the life of Bank funding to a given program or over the rolling 3-year plan period, whichever is shorter. Where grant programs belong to new areas of activities (involving, e.g., innovations, pilot projects, or seed capital), some flexibility is allowed for the Bank's financial leverage to build over time, and the target for the Bank grant not to exceed 15 percent of total expected funding will be pursued after allowing for an initial start-up phase (maximum 3 years).
5. Managerial competence	The grant is normally given to an institution with a record of achievement in the program area and financial probity. A new institution may have to be created where no suitable institution exists. The quality of the activities implemented by the recipient institution (existing or new) and the competence of its management are important considerations.
6. Arm's-length relationship	The management of the recipient institution is independent of the Bank Group. While quality and an arm's-length relationship with the Bank's regular programs are essential, the Bank may have a role in the governance of the institution through membership in its governing board or oversight committee. In cases of highly innovative or experimental programs, Bank involvement in supporting the recipient to execute the program will be allowed. This will provide the Bank with an opportunity to benefit from the learning experience and to build operational links to increase its capacity to deliver more efficient services to client countries.
7. Disengagement strategy	Programs are expected to have an explicit disengagement strategy. In the proposal, monitorable action steps should be outlined, indicating milestones and targets for disengagement. The Bank's withdrawal should cause minimal disruption to an ongoing program or activity.
8. Promoting partnerships	Programs and activities should promote and reinforce partnerships with key players in the development arena (for example, multilateral development banks, U.N. agencies, foundations, bilateral donors, professional associations, research institutions, private sector corporations, NGOs, and civil-society organizations).

Source: World Bank, Development Grant Facility documentation.