**Phasing-out/Phasing-in mechanism.** It guides the transition of Member States towards less concessional terms. If the Fund determines, prior to the start of a Replenishment Period, that a Member State is newly eligible for less concessional lending terms, the Member State will be under transition to the less concessional lending terms over the Replenishment Period.

**Reversals.** If the Fund determines that a Member State is newly eligible for more concessional lending terms, the new terms will be effective from 1 January of the following calendar year.

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**Debt Sustainability Framework**

**Risk of Debt Distress**

- **High risk** of debt distress or in debt distress
- **Moderate risk** of debt distress with limited or some space to absorb shocks
- **Moderate risk** of debt distress with substantial space to absorb shocks

**Terms**

- **High risk of debt distress or in debt distress**:
  - 100% grant
  - 100%

- **Moderate risk of debt distress with limited or some space to absorb shocks**:
  - 80% SHC + 20% HC
  - 71%

- **Moderate risk of debt distress with substantial space to absorb shocks**:
  - 100% HC
  - 63%

**Level of Concessionality**

- 100%

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**Super highly concessional terms loan**

- **Maturity Period**: 50 years
- **Grace Period**: 10 years
- **Service Charge**: 0.10% p.a. fixed rate
- **Interest Rate**: No interest rate
- **Currency Options**: SDR, EUR, USD

**AMORTIZATION**

- 2.5% of total principal from year 11 to 50

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1. For borrowers at moderate risk of debt distress and eligible for highly concessional or blend terms, this refers to eligibility for additional resources on ordinary terms.
2. Country is transitioning to ordinary terms through the phasing-out/phasing-in mechanism.
3. Country is transitioning to ordinary terms through the phasing-out/phasing-in mechanism.

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**Fiscal Year 2024**
### Highly concessional terms loan

**Maturity Period:** 40 years

**Service Charge:** 0.75% p.a. fixed rate

**Interest Rate:** 0.75% p.a. fixed rate

**Grace Period:** 10 years

**Currency Options:**
- SDR
- EUR
- USD

**Amortization:**
- Year 1-10: 2%
- Year 11-20: 4%
- Year 21-30: 4.5%
- Year 31-40: 1%

**Adjustments for single currency loans:**
- Year 11-20: 2%
- Year 21-30: 4.5%
- Year 31-40: 1%

**Level of concessionality:** 57%-63%

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### Blend terms loan

**Maturity Period:** 25 years

**Service Charge:** 0.75% p.a. fixed rate

**Interest Rate:** 0.75% p.a. fixed rate

**Grace Period:** 5 years

**Currency Options:**
- SDR
- EUR
- USD

**Amortization:** 5% of total principal

**Adjustments for single currency loans:**
- From year 6 to 25

**Category:** Small States: Year 11-20 2%, Year 21-40 4%
- Non-Small States: Year 11-30 4.5%, Year 31-40 1%

**Level of concessionality:** 37%

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### Ordinary terms loan

**Category 1:** LICs and LMICs eligible for SHC, HC terms and blend terms (not countries at high risk or in debt distress)

**Maturity Period:** Up to 35 years

**Grace Period:** Up to 10 years

**ARM Pricing:** Minimum recovery of IFAD cost of borrowing

**Category 2:** LMICs and UMICs eligible for ordinary terms and classified as FCS, SSE or in transition

**Maturity Period:** Up to 30 years

**Grace Period:** Up to 8 years

**ARM Pricing:** Pricing above plus premium

**Category 3:** UMICs with a GNIpc below the GDI threshold

**Maturity Period:** Up to 20 years

**Grace Period:** Up to 5 years

**ARM Pricing:** Pricing above plus premium

**Category 4:** UMICs with a GNIpc above the GDI threshold

**Maturity Period:** Up to 18 years

**Grace Period:** Up to 3 years

**ARM Pricing:** Pricing above plus premium

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**Contacts**
- Malek Sahli
  - Head of Development Finance
  - Office of the AVP-CFO
  - Tel: +39 0654592545
  - Email: m.sahli@ifad.org

**Email:** lt_ft@ifad.org

**Acronyms**
- ARM: Average Repayment Maturity
- FCS: Fragile and Conflict-Affected Situations
- GDI: Graduation Discussion Income
- GNIpc: Gross National Income per capita
- HC: Highly Concessional
- LIC: Low-Income Country
- LMIC: Lower-Middle-Income Country
- UMIC: Upper-Middle-Income Country
- SHC: Super Highly Concessional
- SSE: Small State Economy