**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.

### 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% grant
  - 100% grant

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

- **Moderate risk of debt distress with substantial space to absorb shocks**
  - 100% HC Small States terms
  - 100% HC Small States terms

#### LEVEL OF CONCESSIONALITY
- 100%
- 71%
- 63%

### Super highly concessional terms loan

- **Level of concessionality:** 73%
- **Maturity Period:** 50 years
- **Grace Period:** 10 years
- **Currency Options:**
  - SDR
  - EUR
  - USD
- **Service Charge:** 0.10% p.a. fixed rate
- **Interest Rate:** No interest rate
- **Amortization:** 2.5% of total principal from year 11 to 50
**Highly concessional terms loan**

- **MATURITY PERIOD**
  - 40 years

- **SERVICE CHARGE**
  - 0.75% p.a. fixed rate

- **INTEREST RATE**
  - 4.0% fixed rate

- **GRACE PERIOD**
  - 10 years

- **AMORTIZATION**
  - No interest rate

- **CURRENCY OPTIONS**
  - SDR, EUR, USD

- **Adjustments for single currency loans**
  - Small States: Year 11-20 2%, Year 21-40 4%
  - Non-Small States: Year 11-30 4.5%, Year 31-40 1%

**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**
  - Up to 20 years

- **Pricing**
  - Minimum recovery of IFAD cost of borrowing

**Blend terms loan**

- **MATURITY PERIOD**
  - 25 years

- **SERVICE CHARGE**
  - 0.75% p.a. fixed rate

- **INTEREST RATE**
  - 1.25% p.a. fixed rate

- **GRACE PERIOD**
  - 5 years

- **AMORTIZATION**
  - Adjustments for single currency loans

- **CURRENCY OPTIONS**
  - SDR, EUR, USD

- **5% of total principal**
  - From year 6 to 25

**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 30 years

- **GRACE PERIOD**
  - Up to 8 years

- **ARM**
  - Up to 18 years

- **Pricing**
  - Pricing above plus premium

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

- **MATURITY PERIOD**
  - Up to 18 years

- **GRACE PERIOD**
  - Up to 3 years

- **ARM**
  - Up to 12 years

- **Pricing**
  - Pricing above plus premium

**Contacts**

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**Acronyms**

- ARM  
- FCS  
- GDI  
- GNIpc  
- HC  
- LIC  
- LMIC  
- SHC  
- SSE  
- UMIC  

**Notes**

1. Level of concessionality: 57%-63%

2. Level of concessionality: 37%