**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**

<table>
<thead>
<tr>
<th>Risk of Debt Distress</th>
<th>Terms</th>
<th>Level of Concessionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>High risk of debt distress or in debt distress</td>
<td>100% grant</td>
<td>100%</td>
</tr>
<tr>
<td>Moderate risk of debt distress with limited or some space to absorb shocks</td>
<td>80% SHC + 20% HC (Small States terms)</td>
<td>71%</td>
</tr>
<tr>
<td>Moderate risk of debt distress with substantial space to absorb shocks</td>
<td>100% HC (Small States terms)</td>
<td>63%</td>
</tr>
</tbody>
</table>

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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 (for adjustments on single currency loans)
- **Interest Rate:** No interest rate
- **Currency Options:**
  - SDR
  - EUR
  - USD
  - 2.5% of total principal

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1. Indicative value for SDR loans, a single currency loan may offer a different level of concessionality. For SHC terms, the level of concessionality refers to USD loans and rates approved in EB 2019/128/R.44.
3. Semi-concessional loan: a loan with a level of concessionality equal to or above 20%, but below 35% (source: IMF definition).
4. Some combinations of maturity/grace period may offer concessional loans (with level of concessionality equal to or above 35%).
5. Indicative range for USD loans with variable spread and rates as of Q2 2021, depending also on the maturity/grace period chosen by the borrower.
### Highly concessional terms loan

- **Maturity Period**: 40 years
- **Service Charge**: 0.75% p.a. fixed rate
- **Interest Rate**
  - Fixed rate: 0.75% p.a.
- **Grace Period**: 10 years
- **Currency Options**
  - SDR, EUR, USD
- **Amortization**: Adjustments for single currency loans
- **Years and Rates**
  - Year 11-20: 2%
  - Year 21-40: 4%
  - Year 1-10: 4.5%
  - Year 31-40: 1%

### Blend terms loan

- **Maturity Period**: 25 years
- **Service Charge**: 0.75% p.a. fixed rate
- **Interest Rate**
  - Fixed rate: 1.25% p.a.
- **Grace Period**: 5 years
- **Currency Options**
  - SDR, EUR, USD
- **Amortization**: 5% of total principal
- **Pricing**
  - From year 6 to 25

### Ordinary terms loan

**Level of concessionality**: 37%

**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

**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**: Up to 18 years
- **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**: Up to 15 years
- **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**: Up to 12 years
- **Pricing**: Pricing above plus premium

### Contacts

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### 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
- **SHC**: super highly concessional
- **SSE**: Small State Economy
- **UMIC**: upper-middle-income country