IFAD
Investing in rural people

IFAD12 FINANCING CONDITIONS

LATIN AMERICA AND THE CARIBBEAN

Fiscal Year 2024

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.

IFAD12 Lending terms
- High risk of debt distress or in debt distress
- Moderate risk of debt distress
- Highly concessional terms
- Blend terms
- Ordinary terms

Ordinary terms category*
- ① Category 1
- ② Category 2
- ③ Category 3
- ④ Category 4

* 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

Debt Sustainability Framework

RISK OF DEBT DISTRESS	TERMS	LEVEL OF CONCESSIONALITY[1]
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** Small States terms	**71%**
Moderate risk of debt distress with substantial space to absorb shocks	**100% HC** Small States terms	**63%**

Super highly concessional terms loan

Level of concessionality:[1] 73%

MATURITY PERIOD

50 years

GRACE PERIOD

10 years

CURRENCY OPTIONS

SDR EUR USD

SERVICE CHARGE[2]

0.10% p.a. fixed rate
Adjustments for single currency loans

INTEREST RATE[2]

No interest rate

AMORTIZATION

2.5% of total principal
From year 11 to 50

[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.
[2] For applicable rates, see www.ifad.org/en/financial-products-and-terms

Highly concessional terms loan

Level of concessionality:[1] 57%-63%

MATURITY PERIOD

40 years

GRACE PERIOD

10 years

CURRENCY OPTIONS

SDR EUR USD

SERVICE CHARGE[2]

0.75% p.a. fixed rate
Adjustments for single currency loans

INTEREST RATE[2]

No interest rate

AMORTIZATION

Small States > Year 11-20 **2%**, Year 21-40 **4%**

Non-Small States > Year 11-30 **4.5%**, Year 31-40 **1%**

Blend terms loan

Level of concessionality:[1] 37%

MATURITY PERIOD

25 years

GRACE PERIOD

5 years

CURRENCY OPTIONS

SDR EUR USD

SERVICE CHARGE[2]

0.75% p.a. fixed rate
Adjustments for single currency loans

INTEREST RATE[2]

1.25% p.a. fixed rate
Adjustments for single currency loans

AMORTIZATION

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	GRACE PERIOD	ARM	PRICING
Up to **35** years	Up to **10** years	Up to **20** years	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	GRACE PERIOD	ARM	PRICING
Up to **30** years	Up to **8** years	Up to **18** years	Pricing above plus premium

CATEGORY 3: UMICs WITH A GNIpc BELOW THE GDI THRESHOLD

MATURITY PERIOD	GRACE PERIOD	ARM	PRICING
Up to **20** years	Up to **5** years	Up to **15** years	Pricing above plus premium

CATEGORY 4: UMICs WITH A GNIpc ABOVE THE GDI THRESHOLD

MATURITY PERIOD	GRACE PERIOD	ARM	PRICING
Up to **18** years	Up to **3** years	Up to **12** years	Pricing above plus premium

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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