**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

<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>

**Super highly concessional terms loan**

<table>
<thead>
<tr>
<th>Maturity Period</th>
<th>GRACE PERIOD</th>
<th>Currency Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 years</td>
<td>10 years</td>
<td>SDR EUR USD</td>
</tr>
<tr>
<td>Service Charge(^*)</td>
<td>(%) Interest Rate(^\circ)</td>
<td>2.5% of total principal</td>
</tr>
</tbody>
</table>

\(^*\) 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.

\(^\circ\) For applicable rates, see www.ifad.org/en/financial-products-and-terms

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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.

\(^\circ\) For applicable rates, see www.ifad.org/en/financial-products-and-terms
Highly concessional terms loan

- **MATURITY PERIOD**: 40 years
- **SERVICE CHARGE**
- **INTEREST RATE**: 0.75% p.a. fixed rate (Adjustments for single currency loans)
- **GRACE PERIOD**: 10 years
- **CURRENCY OPTIONS**
- **AMORTIZATION**

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

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

Blend terms loan

- **MATURITY PERIOD**: 25 years
- **SERVICE CHARGE**
- **INTEREST RATE**: 0.75% p.a. fixed rate (Adjustments for single currency loans)
- **GRACE PERIOD**: 5 years
- **CURRENCY OPTIONS**
- **AMORTIZATION**

**Small States**
1.25% p.a. fixed rate (Adjustments for single currency loans)
From year 6 to 25

**Non-Small States**
5% of total principal

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**: 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

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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