**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>

**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. 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

- **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

### Adjustments for Single Currency Loans
- **Small States**
  - Year 11-20: 2%
  - Year 21-40: 4%
  - Year 11-30: 4.5%
  - Year 31-40: 1%
- **Non-Small States**
  - No interest rate for the first 10 years

## 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

### Adjustments for Single Currency Loans
- **1.25% p.a. fixed rate**: 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 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