Debt Sustainability Framework

<table>
<thead>
<tr>
<th>Risk of Debt Distress</th>
<th>Terms</th>
<th>Level of Concessiality</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</td>
<td>71%</td>
</tr>
<tr>
<td>Moderate risk of debt distress with substantial space to absorb shocks</td>
<td>100% HC</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 adjustments for single currency loans
- **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
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
- **GRACE PERIOD**: 10 years
- **CURRENCY OPTIONS**:
  - SDR
  - EUR
  - USD
- **INTEREST RATE**: 0.75% p.a. fixed rate
- **AMORTIZATION**: No interest rate
- **ADJUSTMENTS FOR SINGLE CURRENCY LOANS**:
  - Year 11-20: 2%
  - Year 21-40: 4%
  - Year 31-40: 1%

**Blend terms loan**

- **MATURITY PERIOD**: 25 years
- **SERVICE CHARGE**: 0.75% p.a. fixed rate
- **GRACE PERIOD**: 5 years
- **CURRENCY OPTIONS**:
  - SDR
  - EUR
  - USD
- **INTEREST RATE**: 1.25% p.a. fixed rate
- **AMORTIZATION**: 5% of total principal
- **ADJUSTMENTS FOR SINGLE CURRENCY LOANS**:
  - From year 6 to 25: 1.25% p.a. fixed rate

**Ordinary terms loan**

- **MATURITY PERIOD**:
  - CATEGORY 1: LICs and LMICs eligible for SHC, HC terms and blend terms (not countries at high risk or in debt distress)
    - Up to 35 years
  - CATEGORY 2: LMICs and UMICS eligible for ordinary terms and classified as FCS, SSE or in transition
    - Up to 30 years
  - CATEGORY 3: UMICs with a GNIpc below the GDI threshold
    - Up to 20 years
  - CATEGORY 4: UMICs with a GNIpc above the GDI threshold
    - Up to 18 years
- **GRACE PERIOD**:
  - CATEGORY 1: Up to 10 years
  - CATEGORY 2: Up to 8 years
  - CATEGORY 3: Up to 5 years
  - CATEGORY 4: Up to 3 years
- **ARM**:
  - CATEGORY 1: Up to 20 years
  - CATEGORY 2: Up to 18 years
  - CATEGORY 3: Up to 15 years
  - CATEGORY 4: Up to 12 years
- **PRICING**:
  - Minimum recovery of IFAD cost of borrowing
  - Pricing above plus premium

**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

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