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</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
- Interest rate: No interest rate
- Currency options: SDR, EUR, USD
- 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.
3 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.
4 Country is transitioning to blend terms through the phasing-out/phasing-in mechanism.