**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

| Risk of Debt Distress                  | Terms                        | Level of Concessionality
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></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
- **Currency Options:** SDR EUR USD
- **Interest Rate:** No interest rate
- **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

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**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.

**Country is transitioning to blend terms through the phasing-out/phasing-in mechanism.**
Highly concessional terms loan

**MATURITY PERIOD**
- 40 years

**SERVICE CHARGE**
- 0.75% p.a. fixed rate
  - Adjustments for single currency loans

**GRACE PERIOD**
- 10 years

**CURRENCY OPTIONS**
- SDR, EUR, USD

**INTEREST RATE**
- 0.75% p.a. fixed rate
  - 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%

**Adjustments for single currency loans**
- Year 11-20 1.25% p.a. fixed rate
- Year 21-40 5% of total principal

**Ordinary terms loan**

**MATURITY PERIOD**
- Up to 35 years

**GRACE PERIOD**
- Up to 10 years

**CURRENCY OPTIONS**
- SDR, EUR, USD

**INTEREST RATE**
- 1.25% p.a. fixed rate
  - Adjustments for single currency loans

**AMORTIZATION**
- Minimum recovery of IFAD cost of borrowing

**Pricing**
- Pricing above plus premium

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**Acronyms**

ARM  
FCS  
GDI  
GNIpc  
HC  
LIC  
LMIC  
SHC  
SSE  
UMIC  

average repayment maturity  
fragile and conflict-affected situations  
Graduation Discussion Income  
Gross National Income per capita  
highly concessional  
low-income country  
lower-middle-income country  
super highly concessional  
Small State Economy  
upper-middle-income country