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Investing in rural people

IFAD's lending terms and conditions: Interest rates for loans on ordinary and intermediate terms in 2016

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For: Information

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I. Background

- At the ninety-eighth session of the Executive Board in December 2009, the Board approved the methodology to set interest rates for loans on ordinary and intermediate terms (EB 2009/98/R.14). Since that date, interest rates for loans denominated in special drawing rights (SDRs) have been calculated accordingly, while interest rates applicable to euro denominated loans have been calculated in accordance with the decision taken by the Executive Board in 2011 at its 102nd session (EB 2011/102/R.11). Once updated, interest rates are published on the IFAD internet site.
- Given evolving circumstances, including the introduction of the Sovereign Borrowing Framework, at the 117th Executive Board session it was agreed that Management would explore additional modalities to inform the Executive Board on the interest rate for ordinary and intermediate lending terms. This document addresses this request and will be provided on a recurring basis to each September session of the Executive Board.

II. IFAD interest rates for the first and second semesters of 2016

- IFAD interest rates for loans denominated in SDR for 2016 and the preceding four semesters:

Table 1
Loans denominated in special drawing rights
(Percent)

<i>Lending term</i>	<i>1st semester 2014</i>	<i>2nd semester 2014</i>	<i>1st semester 2015</i>	<i>2nd semester 2015</i>	<i>1st semester 2016</i>	<i>2nd semester 2016</i>
Ordinary variable ¹	0.85	1.12	1.12	1.16	1.34	1.31
Intermediate variable ¹	0.42	0.56	0.56	0.58	0.67	0.66

- IFAD interest rates for loans denominated in euros for 2016 and the preceding four semesters:

Table 2
Loans denominated in euros
(Percent)

<i>Lending term</i>	<i>1st semester 2014</i>	<i>2nd semester 2014</i>	<i>1st semester 2015</i>	<i>2nd semester 2015</i>	<i>1st semester 2016</i>	<i>2nd semester 2016</i>
Ordinary variable ¹	0.86	1.07	0.97	0.88	0.81	0.69
Intermediate variable ¹	0.43	0.54	0.49	0.44	0.41	0.34

- IFAD interest rates for loans denominated in United States dollars² for 2016 and the preceding four semesters:

Table 3
Loans denominated in United States dollars
(Percent)

<i>Lending term</i>	<i>1st semester 2014</i>	<i>2nd semester 2014</i>	<i>1st semester 2015</i>	<i>2nd semester 2015</i>	<i>1st semester 2016</i>	<i>2nd semester 2016</i>
Ordinary variable ¹	N/A	N/A	N/A	N/A	N/A	1.79
Intermediate variable ¹	N/A	N/A	N/A	N/A	N/A	0.90

¹ All interest rate calculations have been performed to six decimal places and rounded to two decimal places.

² United States dollar rates have been disclosed in anticipation of single currency lending, which may take place from the second semester of 2016 on.