

Document: EB 2018/123/INF.2
Date: 6 March 2018
Distribution: Public
Original: English

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Investing in rural people

IFAD's lending terms and conditions: Interest rates for loans on ordinary and intermediate terms for the first semester of 2018

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Executive Board – 123rd Session
Rome, 16-17 April 2018

For: Information

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I. Background

1. 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 loans denominated in euros (EUR) and United States dollars (US\$) 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.
2. 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 rates for ordinary and intermediate lending terms. At each September session of the Executive Board since 2016, an information paper of applicable interest rates for the most recent semi-annual period has been provided. In addition to such reporting, beginning in 2018, IFAD is also submitting a similar information paper at each April session of the Executive Board to address this request.

II. IFAD interest rates for the first semester of 2018¹

3. IFAD interest rates for loans denominated in SDR for the first semester of 2018 and the preceding five semesters:

Table 1
Loans denominated in special drawing rights
(Percentage)

<i>Lending term</i>	<i>2nd semester 2015</i>	<i>1st semester 2016</i>	<i>2nd semester 2016</i>	<i>1st semester 2017</i>	<i>2nd semester 2017</i>	<i>1st semester 2018</i>
Ordinary variable	1.16	1.34	1.31	1.89	2.08	2.29
Intermediate variable	0.58	0.67	0.66	0.95	1.04	1.15

4. IFAD interest rates for loans denominated in euros for the first semester of 2018 and the preceding five semesters:

Table 2
Loans denominated in euros
(Percentage)

<i>Lending term</i>	<i>2nd semester 2015</i>	<i>1st semester 2016</i>	<i>2nd semester 2016</i>	<i>1st semester 2017</i>	<i>2nd semester 2017</i>	<i>1st semester 2018</i>
Ordinary variable	0.88	0.81	0.69	0.91	0.95	0.96
Intermediate variable	0.44	0.41	0.34	0.46	0.48	0.48

5. IFAD interest rates for loans denominated in United States dollars² for the first semester of 2018 and the preceding five semesters:

Table 3
Loans denominated in United States dollars
(Percentage)

<i>Lending term</i>	<i>2nd semester 2015</i>	<i>1st semester 2016</i>	<i>2nd semester 2016</i>	<i>1st semester 2017</i>	<i>2nd semester 2017</i>	<i>1st semester 2018</i>
Ordinary variable	N/A	N/A	1.79	2.23	2.41	2.80
Intermediate variable ³	N/A	N/A	N/A	N/A	N/A	N/A

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 since semester 2 2016 due to the introduction of single currency lending

³ IFAD ceased intermediate terms in December 2011, at which time there were no US\$ denominated intermediate term loans.