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Investing in rural people

## **Update to IFAD's Financing Conditions Addendum**

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**For: Approval**

# Update to IFAD's Financing Conditions

## Addendum

The attention of the Executive Board is drawn to the following addendum to the Update to IFAD's Financing Conditions (EB 2021/132/R.10). For ease of reference, strikethrough indicates deleted text.

Page 2, paragraph 7 should read:

"The current definition of the different categories by income does not fully reflect all the elements of accessing borrowed resources nor the modified differentiation discussed during the IFAD12 Consultation. The limits of the current definition of categories are:

- Current category B classification, benefiting from a discount, includes a broad range of LMICs and the UMICs below GDI threshold. It means that, currently, IFAD offers the same financing conditions for a group of LMICs and UMICs.
- Category D, in its current definition, would not be applicable from IFAD12 onwards ~~because, in line with the graduation discussions, the high income countries will not have access to IFAD borrowed resources.~~
- Selected LICs and LMICs, initially eligible only for concessional loans, will have access to future borrowed resources. At present, IFAD does not have a category for these groups of countries. Access to such resources should be on more favourable financing conditions than the creditworthy LMICs and UMICs, eligible by definition for IFAD semi-concessional loans."