Applicable for
the Fourth Quarter of 2021

Introduction

IFAD hereby publishes the interest rates and service charges for the fourth quarter (Q4) of 2021 inclusive of:

A. Ordinary and intermediate term loans – approved before 1 January 2019

B. Ordinary term loans – approved after 1 January 2019

C. Blend term loans – approved after 15 February 2019

D. Highly concessional loans - approved after 15 February 2019

As of January 2019, IFAD recalculates its annual interest rate each quarter effective from the first day of January, April, July and October respectively.

As of February 2019, IFAD introduced differentiated currency-specific service charges and interest rates for blend term loans and currency-specific service charges for highly concessional term loans.

The IFAD reference rate applicable to loans on ordinary and intermediate terms is based on:

- A reference rate dependent on the currency denomination of the loan (6-month LIBOR, 6-month EURIBOR, SDR-weighted LIBOR) available on the first business day of the respective quarter.
- A spread that may contain adjustments for:
  - loan denomination currency;
  - average repayment maturity;
  - country income category.

For the purpose of determining the income category of the borrower, IFAD will classify the borrower into one of four pricing groups (which can be viewed using the following link: www.ifad.org/en/document-detail/asset/41030654).

Annex I presents the historical IFAD interest rates for ordinary loans, blend terms and highly concessional loans. An example, of how the IFAD interest rate for ordinary loans is calculated, is presented in annex II.

A. Ordinary and intermediate term loans – approved before 1 January 2019

Table 1 - **Ordinary and intermediate term loans – approved before 1 January 2019**

Lending terms	Q4 2021 SDR	Q4 2021 US$	Q4 2021 EUR
Ordinary	1.39%	1.19%	1.03%
Intermediate	0.69%	0.59%	0.52%

Note: For reference to IFAD historical rates for ordinary and intermediate term loans approved before 1 January 2019, please refer to annex I.

B. Ordinary term loans – approved after 1 January 2019

- IFAD no longer offers new loans on intermediate terms.
- The IFAD reference rate on ordinary loans consists of a market-based (LIBOR/ EURIBOR) variable rate and a spread.
- The final interest rate for ordinary loans reflects the combination of the selected loan denomination currency, the nature of the spread (variable or fixed), the average repayment maturity premium and the country income categorization.

LIBOR/ EURIBOR applicable for Q4 2021[1]

Table 2 - **LIBOR/ EURIBOR applicable for Q4 2021**

SDR	US$	EUR
0.36%	0.16%	0.00%

IFAD applicable spread for Q4 2021

Table 3 **– First Element of variable spread by loan denomination currency and average repayment maturity applicable for Q4 2021[2]**

Average maturity/ currency	8 years and below	Greater than 8 to 10 years	Greater than 10 to 12 years	Greater than 12 to 15 years	Greater than 15 to 18 years	Greater than 18 to 20 years
SDR, US$, EUR	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%

Table 4 **– First Element of fixed spread by loan denomination currency and average repayment maturity applicable for Q4 2021[3]**

Average maturity/ currency	8 years and below	Greater than 8 to 10 years	Greater than 10 to 12 years	Greater than 12 to 15 years	Greater than 15 to 18 years	Greater than 18 to 20 years
SDR	0.71%	0.76%	0.76%	0.81%	0.91%	0.91%
US$	0.80%	0.85%	0.85%	0.90%	1.00%	1.00%
EUR	0.65%	0.70%	0.70%	0.75%	0.85%	0.85%

[1] Source: Bloomberg.
[2] Excludes the maturity premium increase introduced by the International Bank for Reconstruction and Development (IBRD) effective on 1 July 2018.
[3] Excludes the maturity premium increase introduced by IBRD effective on 1 July 2018. The fixed spread for ordinary loans will be determined at the time of loan approval.

Table 5 **– Adjustments to account for maturity premium alignment by country income category classification and average maturity applicable for Q4 2021**

Average maturity/ country group	8 years and below	Greater than 8 to 10 years	Greater than 10 to 12 years	Greater than 12 to 15 years	Greater than 15 to 18 years	Greater than 18 to 20 years	Note
Group A	0.00%	0.10%	0.20%	0.30%	0.40%	0.50%	Exempt
Group B	0.00%	0.10%	0.25%	0.40%	0.55%	0.70%	Discount
Group C	0.00%	0.10%	0.30%	0.50%	0.70%	0.90%	Standard
Group D	0.05%	0.15%	0.40%	0.65%	0.90%	1.15%	Surcharge

C. Blend term loans – approved after 15 February 2019

1. Blend term loans approved before 15 February 2019 carry a fixed interest rate of 1,25 per cent and service charge of 0,75 per cent.

Table 6 - **Blend term loans – approved after 15 February 2019**

Currency	Q4 2021 SDR	Q4 2021 US$	Q4 2021 EUR
Service charge	0.75%	1.48%	0.75%
Interest rate	1.25%	1.36%	0.33%
Total	**2.00%**	**2.84%**	**1.08%**

D. Highly concessional term loans – approved after 15 February 2019

2. The introduction of currency-specific service charges for highly concessional term loans commenced with the approval of GC 42/L.7 on 15 February 2019.

3. Highly concessional term loans approved before 15 February 2019 will carry a fixed service charge of 0,75 per cent.

Table 7 - **Highly Concessional term loans – approved after 15 February 2019**

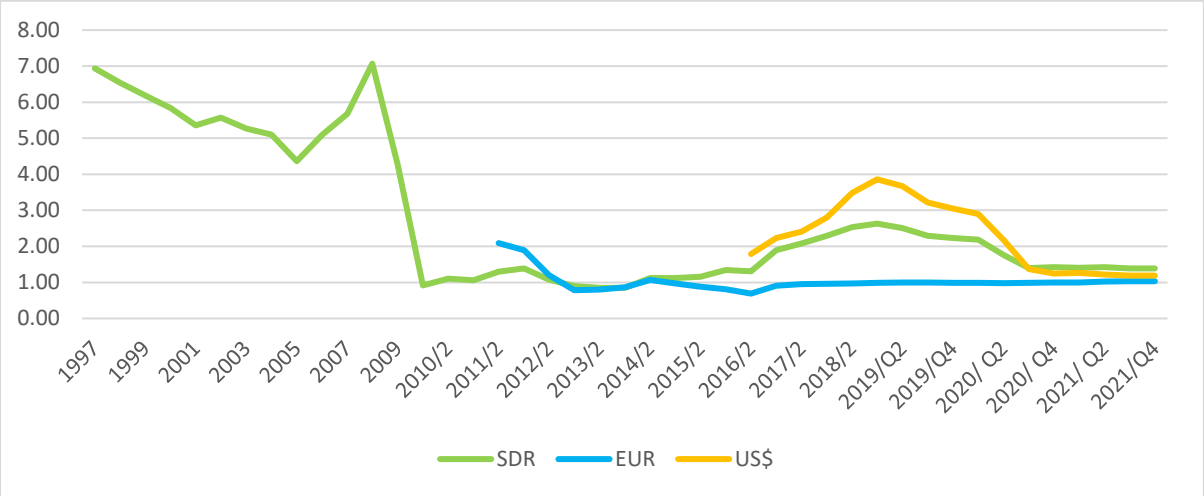
SDR	US$	EUR
0.75%	1.48%	0.75%

Annex I: Historical IFAD interest rates for all lending terms

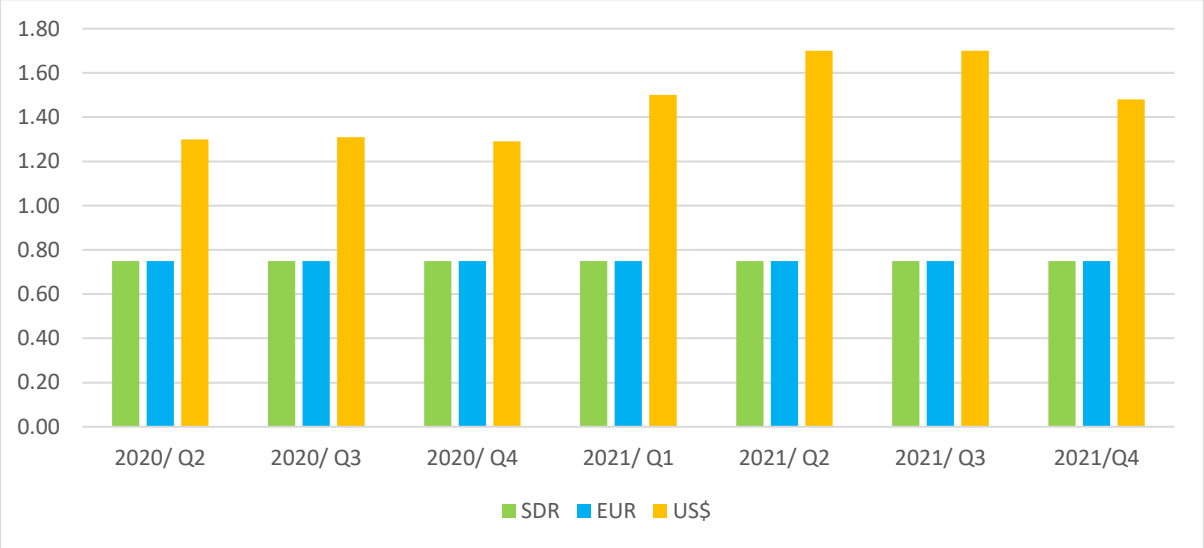
Table 1 - **Interest rates of loans approved before February 2019**

Year/ semester/ quarter	Interest in %							Service charge % highly concessional hardened terms
	IFAD SDR loans		IFAD EUR loans		IFAD US$ loans			
	Ordinary	Intermediate	Ordinary	Intermediate	Ordinary	Intermediate	Blend	
2000	5.84	2.92	N/A	N/A	N/A	N/A	N/A	0.75
2001	5.36	2.68	N/A	N/A	N/A	N/A	N/A	0.75
2002	5.57	2.79	N/A	N/A	N/A	N/A	N/A	0.75
2003	5.27	2.64	N/A	N/A	N/A	N/A	N/A	0.75
2004	5.10	2.55	N/A	N/A	N/A	N/A	N/A	0.75
2005	4.36	2.18	N/A	N/A	N/A	N/A	N/A	0.75
2006	5.09	2.55	N/A	N/A	N/A	N/A	N/A	0.75
2007	5.68	2.84	N/A	N/A	N/A	N/A	N/A	0.75
2008	7.07	3.54	N/A	N/A	N/A	N/A	N/A	0.75
2009	4.27	2.14	N/A	N/A	N/A	N/A	N/A	0.75
2010/1	**0.92**	**0.46**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0.75**
2010/2	1.10	0.55	N/A	N/A	N/A	N/A	N/A	0.75
2011/1	1.06	0.53	N/A	N/A	N/A	N/A	N/A	0.75
2011/2	1.30	0.65	2.09	1.04	N/A	N/A	N/A	0.75
2012/1	1.39	0.69	1.89	0.94	N/A	N/A	N/A	0.75
2012/2	1.08	0.54	1.20	0.60	N/A	N/A	N/A	0.75
2013/1	0.90	0.45	0.78	0.39	N/A	N/A	2%	0.75
2013/2	0.85	0.43	0.80	0.40	N/A	N/A	2%	0.75
2014/1	0.85	0.43	0.86	0.43	N/A	N/A	2%	0.75
2014/2	1.12	0.56	1.07	0.54	N/A	N/A	2%	0.75
2015/1	1.12	0.56	0.97	0.49	N/A	N/A	2%	0.75
2015/2	1.16	0.58	0.88	0.44	N/A	N/A	2%	0.75
2016/1	1.34	0.67	0.81	0.41	N/A	N/A	2%	0.75
2016/2	1.31	0.66	0.69	0.34	1.79	N/A	2%	0.75
2017/1	1.89	0.95	0.91	0.46	2.23	N/A	2%	0.75
2017/2	2.08	1.04	0.95	0.48	2.41	1.20	2%	0.75
2018/1	2.29	1.15	0.96	0.48	2.80	1.40	2%	0.75
2018/2	2.53	1.26	0.97	0.49	3.48	1.74	2%	0.75
2019/Q1	**2.63**	**1.32**	**0.99**	**0.50**	**3.86**	**1.93**	**2%**	**0.75**
2019/Q2	2.51	1.25	1.00	0.50	3.67	1.83	2%	0.75
2019/Q3	2.29	1.15	1.00	0.50	3.22	1.61	2%	0.75
2019/Q4	2.23	1.12	0.99	0.50	3.05	1.53	2%	0.75
2020/Q1	2.19	1.10	0.99	0.50	2.90	1.45	2%	0.75
2020/Q2	1.76	0.88	0.98	0.49	2.18	1.09	2%	0.75
2020/Q3	1.40	0.70	0.99	0.50	1.37	0.69	2%	0.75
2020/Q4	1.42	0.71	1.00	0.50	1.25	0.63	2%	0.75
2021/Q1	1.41	0.71	1.00	0.50	1.26	0.63	2%	0.75
2021/Q2	1.42	0.71	1.02	0.51	1.22	0.61	2%	0.75
2021/Q3	1.39	0.70	1.03	0.52	1.19	0.60	2%	0.75
2021/Q4	1.39	0.69	1.03	0.52	1.19	0.59	2%	0.75

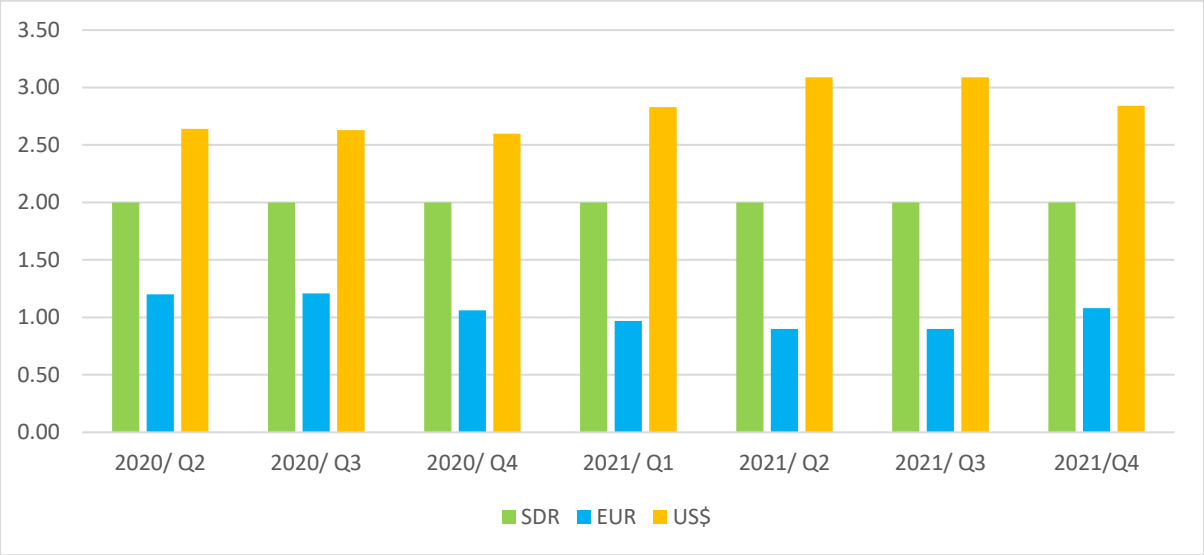
Graph 1 - **Historical ordinary loans interest rates by currency (in %), before February 2019**



Graph 2 - **Historical highly concessional loans service charges by currency, after 15 February 2019 (in %)**



Graph 3 - **Historical blend term loans interest rates by currency, after 15 February 2019 (in %)**



Annex II: Examples for the calculation of IFAD's reference rate for Q4 2021 for ordinary loans approved after 1 January 2019

Example 1:

Assumptions:

- Loan amount: US$2,000,000
- Maturity: 18 years
- Grace period: 3 years
- Average maturity: 10.75 years
- Spread (variable/fixed) selected by the borrower
- Country income categorization: C

	Denomination currency	Average maturity	Country category
	US$	10.75 years	Category C
Variable spread			
Interest rate component	0.16%	0.53%	0.30%
Reference	Table 2	Table 3	Table 5
IFAD reference rate equals 0.99% (0.16% + 0.53% + 0.30%)			
Fixed spread			
Interest rate component	0.16%	0.85%	0.30%
Reference	Table 2	Table 4	Table 5
IFAD reference rate equals 1.31% (0.16% + 0.85% + 0.30%)			

Example 2:

Assumptions:

- Loan amount: SDR 5,000,000
- Maturity: 18 years
- Grace period: 3 years
- Average maturity: 10.75 years
- Spread (variable/fixed) selected by the borrower
- Country income categorization: D

	Denomination currency	Average maturity	Country category
	SDR	10.75 years	Category D
Variable spread			
Interest rate component	0.36%	0.53%	0.40%
Reference	Table 2	Table 3	Table 5
IFAD reference rate equals 1.29% (0.36% + 0.53% + 0.40%)			
Fixed spread			
Interest rate component	0.36%	0.76%	0.40%
Reference	Table 2	Table 4	Table 5
IFAD reference rate equals 1.52% (0.36% + 0.76% + 0.40%)			