



Applicable for the First Quarter of 2022

Introduction

IFAD hereby publishes the interest rates and service charges for the first quarter (Q1) of 2022 inclusive of:

- A. Ordinary and intermediate term loans – approved before 1 January 2019
- B. Ordinary term loans – approved between 1 January 2019 and 31 December 2021
- C. Ordinary term loans – approved after 1 January 2022
- D. Blend term loans – approved after 15 February 2019
- E. Highly concessional loans – approved after 15 February 2019
- F. Super highly concessional loans – approved after 1 January 2022.

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.

As of January 2022, IFAD introduced super highly concessional terms.

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 as follows:

- For loans approved between 1 January 2019 and 31 December 2021, by applying four income categories: A, B, C, D. This classification can be viewed using the following link:
https://www.ifad.org/documents/38711624/41711733/IFAD_lendingterms_FY21.pdf/1091f081-8223-b679-3912-d62d109d5ad2?t=1611657906000
- For loans approved from 1 January 2022, by applying four new income categories: 1, 2, 3, 4.

Examples of how the IFAD interest rate for ordinary loans is calculated are presented in annex I.

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	SDR	US\$	EUR
Ordinary	1.51%	1.37%	1.03%
Intermediate	0.75%	0.68%	0.52%

B. Ordinary term loans – approved between 1 January 2019 and 31 December 2021

- 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.
- IFAD no longer offers new loans on fixed spread. For the fixed spread loans approved between 1 January 2019 and 31 December 2021, all previously applied spreads remain fixed. The only variable element is the market reference rate that will be updated as per table 2.

LIBOR/ EURIBOR applicable for Q1 2022¹

Table 2 - LIBOR / EURIBOR

US\$	EUR
0.34%	0.00%

IFAD applicable spread for Q1 2022

Table 3 - First element of variable spread by loan denomination currency and average repayment maturity applicable

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
US\$, EUR	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%

Table 4 - Loans approved between 1 January 2019 and 31 December 2021 – maturity premium by country income category and average maturity

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

¹ Source: Bloomberg.

C. Ordinary term loans – approved after 1 January 2022

- IFAD updated the differentiation of maturity premiums.
- IFAD suspended the fixed spread for ordinary loans for the Twelfth Replenishment of IFAD's Resources period.
- IFAD discontinued the offer of ordinary term loans denominated in SDR.

LIBOR/ EURIBOR applicable for Q1 2022

Table 5 - LIBOR / EURIBOR

US\$	EUR
0.34%	0.00%

IFAD applicable spread for Q1 2022

Table 6 - First element of variable spread by loan denomination currency and average repayment maturity

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
US\$, EUR	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%

Table 7 - Loans approved after 1 January 2022 – maturity premium by country income category and average maturity

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
Category 1	0.00%	0.05%	0.15%	0.25%	0.35%	0.50%
Category 2	0.10%	0.20%	0.30%	0.40%	0.50%	NA
Category 3	0.15%	0.25%	0.40%	0.50%	NA	NA
Category 4	0.25%	0.40%	0.60%	NA	NA	NA

D. Blend term loans – approved after 15 February 2019

- Blend term loans approved before 15 February 2019 carry a fixed interest rate of 1.25% and service charge of 0.75%.

Table 8 - Blend term loans – approved after 15 February 2019

Currency	SDR	US\$	EUR
Service charge	0.75%	1.46%	0.75%
Interest rate	1.25%	1.36%	0.31%
Total	2.00%	2.82%	1.06%

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

- 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.
- Highly concessional term loans approved before 15 February 2019 will carry a fixed service charge of 0.75%.

Table 9 - **Highly concessional term loans – approved after 15 February 2019**

SDR	US\$	EUR
0.75%	1.44%	0.75%

F. Super highly concessional term loans – approved after 1 January 2022

- The introduction of currency-specific service charges for super highly concessional term loans is approved (EB 2021/134/R.50) with immediate effect from 1 January 2022.

Table 10 - **Super highly concessional term loans – approved after 1 January 2022**

SDR	US\$	EUR
0.10%	0.43%	0.10%

Annex I:

Example for the calculation of IFAD's reference rate for ordinary loans approved between 1 January 2019 and 31 December 2021

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 category: C

	Denomination currency	Average maturity	Country category
	US\$	10.75 years	Category C
<u>Variable spread</u>			
Interest rate component	0.34%	0.53%	0.30%
Reference	Table 2	Table 3	Table 4

Example for the calculation of IFAD's spread for ordinary loans approved after 1 January 2022

Example 2:

Assumptions:

- Loan amount: US\$5,000,000
- Maturity: 18 years
- Grace period: 3 years
- Average maturity: 10.75 years
- Spread (variable) selected by the borrower
- Country income category: 1

	Denomination currency	Average maturity	Country category
	US\$	10.75 years	Category 1
<u>Variable spread</u>			
Interest rate component	0.34%	0.53%	0.50%
Reference	Table 5	Table 6	Table 7
IFAD reference rate equals 1.37% (0.34% + 0.53% + 0.50%)			