



Applicable for the First Quarter (Q1) 2025

The following information is applicable for the period 1 January 2025 to 31 March 2025 (Q1):

- A. Market reference rates
- B. Ordinary and intermediate term loans approved before 1 January 2019: total spread over market reference rate
- C. Ordinary term loans approved between 1 January 2019 and 31 December 2021: total spread over market reference rate
- D. Ordinary term loans approved after 1 January 2022: total spread over market reference rate
- E. Blend term loans approved after 15 February 2019: service charge and interest rate
- F. Highly concessional term loans approved after 15 February 2019: service charge
- G. Super highly concessional term loans approved after 1 January 2022: service charge

Annex I: Methodology for calculation of the interest rates

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

On 1 January 2025, IFAD introduced funding cost pass-through for ordinary loans and stopped using the International Bank for Reconstruction and Development's (IBRD) funding spread. IFAD's funding spread will apply to all ordinary loans, including existing loans and those to be signed in the future. This is based on the Executive Board approval of the update of IFAD's ordinary loans pricing in May 2023 ([EB 2023/138/R.7](#)).

A. Market reference rates

Table 1 – Market reference rates for ordinary and intermediate term loans by loan denomination currency

Currency	Market reference rate	Value
SDR	6-month SDR-weighted reference rate	3.50% (down 0.45 percentage points from 3.95% in Q4 2024)
USD	Overnight (O/N) SOFR	N/A*
EUR	6-month EURIBOR	2.56% (down 0.53 percentage points from 3.09% in Q4 2024)

* For reference only: average level for Q4 2024: 4.69% (0.62 percentage points down from 5.31% in Q3 2024) and level at the first business day of Q1 2025: 4.40% (0.65 percentage points down from 5.05% at the first business day of Q4 2024).

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

Table 2 – Total spread over the market reference rate for loans by loan denomination currency

Currency	Ordinary	Intermediate
SDR	1.41%	0.71%
USD	1.74%	0.87%
EUR	1.41%	0.71%

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

Table 3 – Total spread over SOFR for loans denominated in USD

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	1.24%	1.34%	1.44%	1.54%	1.64%	1.74%	Exempt
Group B	1.24%	1.34%	1.49%	1.64%	1.79%	1.94%	Discount
Group C	1.24%	1.34%	1.54%	1.74%	1.94%	2.14%	Standard
Group D	1.29%	1.39%	1.64%	1.89%	2.14%	2.39%	Surcharge

* Refers to IBRD's maturity premium.

Table 4 – Total spread over 6-month EURIBOR for loans denominated in EUR

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	0.91%	1.01%	1.11%	1.21%	1.31%	1.41%	Exempt
Group B	0.91%	1.01%	1.16%	1.31%	1.46%	1.61%	Discount
Group C	0.91%	1.01%	1.21%	1.41%	1.61%	1.81%	Standard
Group D	0.96%	1.06%	1.31%	1.56%	1.81%	2.06%	Surcharge

* Refers to IBRD's maturity premium.

D. Ordinary term loans – approved after 1 January 2022

Table 5 – Total spread over SOFR for loans denominated in USD

Average maturity/ country category	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	1.24%	1.29%	1.39%	1.49%	1.59%	1.74%
Category 2	1.34%	1.44%	1.54%	1.64%	1.74%	N/A
Category 3	1.39%	1.49%	1.64%	1.74%	N/A	N/A
Category 4	1.49%	1.64%	1.84%	N/A	N/A	N/A

Table 6 – Total spread over 6-month EURIBOR for loans denominated in EUR

Average maturity/ country category	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	0.91%	0.96%	1.06%	1.16%	1.26%	1.41%
Category 2	1.01%	1.11%	1.21%	1.31%	1.41%	N/A
Category 3	1.06%	1.16%	1.31%	1.41%	N/A	N/A
Category 4	1.16%	1.31%	1.51%	N/A	N/A	N/A

E. Blend term loans – approved after 15 February 2019

Table 7 – Service charge and interest rate by loan denomination currency

Currency	Service charge	Interest rate	Total
SDR	0.75%	1.25%	2.00%
USD	1.46%	1.42%	2.88%
EUR	0.75%	0.53%	1.28%

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

Table 8 – Service charge by loan denomination currency

Currency	Service charge
SDR	0.75%
USD	1.42%
EUR	0.75%

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

Table 9 – Service charge by loan denomination currency

Currency	Service charge
SDR	0.10%
USD	0.58%
EUR	0.10%

Annex I: Methodology for calculation of the interest rates

Evolution of IFAD pricing

- As of 2010, IFAD discontinued the offer of loans on intermediate terms. For the existing intermediate term loans, a corresponding market reference rate from table 1 and a spread from table 2 apply.
- 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 new country categories and respective maturity premiums for ordinary loans, and a new financial product (super highly concessional term loans).
- As of January 2022, 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, which will be updated as per table 1.
- As of January 2022, IFAD discontinued the offer of ordinary term loans denominated in SDR.
- As of 1 April 2022, IFAD replaced the following market reference rates:
 - 6-month USD LIBOR replaced with the daily compounded O/N SOFR;
 - 6-month GBP LIBOR replaced with the daily compounded O/N SONIA;
 - 6-month JPY LIBOR replaced with the daily compounded O/N TONA.

This affects all ordinary and intermediate loans denominated in USD and SDR. The 6-month EURIBOR continues to be applied for loans denominated in EUR. The 6-month SHIBOR continues to be applied for loans denominated in SDR for the SDR-weighted reference rate.
- On 1 January 2025, IFAD introduced funding cost pass-through for ordinary loans and stopped using IBRD's funding spread. IFAD's funding spread will apply to all ordinary loans, including existing loans and the those to be signed in the future. This is based on the Executive Board approval of the update of IFAD's ordinary loans pricing in May 2023 ([EB 2023/138/R.7](#)).

Ordinary and intermediate terms

The interest rate applicable to loans on ordinary and intermediate terms consists of a market reference rate and a spread:

- The market reference rate depends on the currency denomination of the loan: daily compounded O/N SOFR in arrears for USD, 6-month EURIBOR for EUR, SDR-weighted reference rate for SDR.
- The spread is calculated based on the following factors:
 - Loan denomination currency;
 - Average repayment maturity;
 - Country income category.

For all ordinary term loans, interest accrues on an actual/360 day-count convention.

Market reference rate

For USD-denominated ordinary and intermediate term loans, IFAD applies overnight O/N SOFR. SOFR is applied with a one-day lookback on the available rate, with daily compounding. The daily O/N SOFR rate is published on the Federal Reserve Bank of New York website every day at 8 a.m. (Eastern Time) for the previous day.¹ As the O/N SOFR is a backward-looking rate, this market reference rate is not available on the first business day of the respective quarter.

For EUR-denominated ordinary and intermediate term loans, IFAD applies the 6-month EURIBOR.

For SDR-denominated ordinary and intermediate term loans, IFAD applies the SDR-weighted reference rate. It is calculated as a 6-month rate based on O/N SOFR, O/N TONA and O/N SONIA, and applicable spread adjustment for O/N rates, 6-month EURIBOR and 6-month SHIBOR.

Table 10 – Calculation of SDR-weighted reference rate

Currency	Market reference rate	Market reference rate value (first business day of the period)	ARRC spread adjustment ^a	Market reference rates after ARRC spread adjustment ^b	SDR weights ^c	Contributions to SDR market reference rate
EUR	EURIBOR 6m	2.56%		2.56%	29.78%	0.76%
JPY	TONA ON	0.23%	0.06%	0.29%	6.58%	0.02%
GBP	SONIA ON	4.70%	0.28%	4.98%	7.78%	0.39%
USD	SOFR ON	4.40%	0.43%	4.83%	44.32%	2.14%
CNY	SHIBOR 6m	1.69%		1.69%	11.54%	0.19%
SDR market reference rate					100.00%	3.50%

^a https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation_Announcement_20210305.pdf.

^b Market reference rates are floored at 0% before the adjustment.

^c Based on the currency amounts in the SDR basket and the International Monetary Fund's exchange rate for SDR at the beginning of the period (https://www.imf.org/external/np/fin/data/rms_five.aspx).

Spread

For ordinary term loans approved before 1 January 2019, the spreads are calculated as a sum of: (i) IFAD average funding spread; (ii) IBRD maturity premium of “Group A” and average maturity bucket of “Greater than 18 years to 20 years”; and (iii) contractual spread.

For ordinary term loans approved between 1 January 2019 and 31 December 2021, the spreads are calculated as a sum of: (i) IFAD average funding spread; (ii) IBRD maturity premium for the corresponding country group; and (iii) contractual spread.

For ordinary term loans approved after 1 January 2022, the spreads are calculated as a sum of: (i) IFAD average funding spread; (ii) IFAD maturity premium for the corresponding country category; and (iii) contractual spread.

Values for the IBRD maturity premium can be found [here](#).

Values for the corresponding IFAD maturity premium can be found [here](#).

For the purpose of determining the income category of the borrower, IFAD will classify the borrower by applying four new income categories: 1, 2, 3, 4. This classification can be viewed using the following link: <https://www.ifad.org/en/w/corporate-documents/financial/ifad-financing-terms-fy24>.

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

¹ <https://www.newyorkfed.org/markets/reference-rates/sofr>.

Blend terms

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

Blend term loans approved after 15 February 2019 carry a fixed interest rate and a service charge assigned at the time of the loan signing, based on the blend term rates at the time of the loan signing and the corresponding currency.

Interest and the service charges for blend term loans accrue on a 30/360 day-count convention.

Highly concessional terms

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

Highly concessional term loans approved after 15 February 2019 carry a fixed service charge assigned at the time of the loan signing, based on the highly concessional rates at the time of the loan signing and the corresponding currency.

Service charges for highly concessional term loans accrue on a 30/360 day-count convention.

Super highly concessional terms

Super highly concessional term loans carry a fixed service charge assigned at the time of the loan signing, based on the super highly concessional rates at the time of the loan signing and the corresponding currency.

Service charges for super highly concessional term loans accrue on a 30/360 day-count convention.

Annex II:**Example of the calculation of IFAD's reference rate for ordinary loans approved between 1 January 2019 and 31 December 2021****Example:****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: Group C

Denomination currency	Average maturity	Country category
USD	10.75 years	Group C
<u>Variable spread</u>		
Reference	Table 4	
IFAD's spread over SOFR equals 1.54%		

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

- Loan amount: EUR 5,000,000
- Maturity: 15 years
- Grace period: 3 years
- Average maturity: 8.75 years
- Spread (variable) selected by the borrower
- Country income category: 1

Denomination currency	Average maturity	Country category
EUR	8.75 years	Category 1
<u>Variable spread</u>		
Reference	Table 7	
IFAD's spread over 6-month EURIBOR equals 0.96%		