

Terms and Conditions of Yen Loans (Effective from April 1, 2007 to September 30, 2007)

ATTACHMENT I

| Category | GNI Per Capita (2005) | | Standard/ Option | Interest Rate (%) | Repayment Period (Years) | Grace Period (Years) | Conditions for Procurement | |
|-----------------------------------|-------------------------------|--|---------------------|-------------------|--------------------------|----------------------|----------------------------|--------|
| | Low-Income Countries | Minimal Interest Rate "MIRAI" | | 0.01 | 40 | 10 | Untied | |
| Least Developed Countries (LDC) | | General Terms | Standard | 0.80 | 30 | 10 | Untied | |
| | | | Option 1 | 0.75 | 25 | 7 | | |
| | | | Option 2 | 0.70 | 20 | 6 | | |
| | | | Option 2 | 0.65 | 15 | 5 | | |
| | | Preferential Terms | Standard | 0.75 | 40 | 10 | Untied | |
| | | | Option 1 | 0.65 | 30 | 10 | | |
| | | | Option 2 | 0.60 | 20 | 6 | | |
| Low-Income Countries | ~US\$ 875 | General Terms | Standard | 1.30 | 30 | 10 | Untied | |
| | | | Option 1 | 1.00 | 25 | 7 | | |
| | | | Option 2 | 0.85 | 20 | 6 | | |
| | | | Option 3 | 0.75 | 15 | 5 | | |
| | | Preferential Terms | Standard | 0.75 | 40 | 10 | Untied | |
| | | | Option 1 | 0.65 | 30 | 10 | | |
| | | | Option 2 | 0.60 | 20 | 6 | | |
| | | STEP | Standard | 0.40 | 40 | 10 | Tied | |
| | | | Option | 0.30 | 30 | 10 | | |
| | | Lower-Middle-Income Countries | US\$ 876 | General Terms | Standard | 1.50 | 30 | 10 |
| Option 1 | 0.90 | | | | 20 | 6 | | |
| Option 2 | 0.80 | | | | 15 | 5 | | |
| Preferential Terms | Standard | | | 0.75 | 40 | 10 | Untied | |
| | Option 1 | | | 0.65 | 30 | 10 | | |
| | Option 2 | | | 0.60 | 20 | 6 | | |
| STEP | Standard | | 0.40 | 40 | 10 | Tied | | |
| | Option | | 0.30 | 30 | 10 | | | |
| Middle-Income Countries | US\$1,676 | | General Terms | Standard | 1.50 | 25 | 7 | Untied |
| | | | | Option 1 | 1.05 | 20 | 6 | |
| | | Option 2 | | 0.90 | 15 | 5 | | |
| | | Preferential Terms | Standard | 0.75 | 40 | 10 | Untied | |
| | | | Option 1 | 0.65 | 30 | 10 | | |
| | | | Option 2 | 0.60 | 20 | 6 | | |
| | STEP | Standard | 0.40 | 40 | 10 | Tied | | |
| | | Option | 0.30 | 30 | 10 | | | |
| | Upper-Middle-Income Countries | US\$3,466 | General Terms | Standard | 1.70 | 25 | 7 | Untied |
| | | | | Option 1 | 1.60 | 20 | 6 | |
| Option 2 | | | | 1.50 | 15 | 5 | | |
| Preferential Terms | | Standard | 1.20 | 25 | 7 | Untied | | |
| | | Option 1 | 1.00 | 20 | 6 | | | |
| | | Option 2 | 0.60 | 15 | 5 | | | |
| Consulting Services | | For consulting services, the interest rate will be minimal (0.01%) and the repayment, grace periods and conditions for procurement will be the same as those for main components. | | | | | | |
| Options for Program Type Yen Loan | | In case of co-financing, it is possible to apply the same repayment terms as co-financer's lending while maintaining the concessionality of Yen loans. For countries complying with ongoing IMF-supported programs or receiving grants from IDA, it is possible to modify the terms and conditions of the Yen Loan so as to meet the IMF's concessionality criteria. | | | | | | |

- STEP (Special Terms for Economic Partnership) is set and reconsidered on January 15 every year to make a tied aid eligible.
- The concessionality level of optional terms does not exceed that of standard terms.
- Under the EPSA initiative, the loan for projects co-financed with the AfDB are extended using "Preferential Terms", determined for each income category; in the case for low-income LDCs, the terms are MIRAI.
- A two-step loan extended to the AfDB to cover its sub-loans to private enterprises under EPSA is extended using the term and condition of 0.55% interest rate and 40-year repayment period including 10-year grace period.
- Irrespective of the country category, the terms applied for projects assisting recoveries from disasters are MIRAI.