

# Terms and Conditions of Yen Loans (Effective from October 1, 2007)

ATTACHMENT 11

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	0.70	30	10	Untied
			Option 1	0.65	25	7	
			Option 2	0.60	20	6	
			Option 2	0.55	15	5	
		Preferential Terms	Standard	0.55	40	10	Untied
			Option 1	0.45	30	10	
			Option 2	0.40	20	6	
Low-Income Countries	~US\$ 875	General Terms	Standard	1.20	30	10	Untied
			Option 1	0.90	25	7	
			Option 2	0.75	20	6	
			Option 3	0.65	15	5	
		Preferential Terms	Standard	0.55	40	10	Untied
			Option 1	0.45	30	10	
			Option 2	0.40	20	6	
		STEP	Standard	0.20	40	10	Tied
			Option	0.10	30	10	
		Lower-Middle-Income Countries	US\$ 876	General Terms	Standard	1.40	30
Option 1	0.80				20	6	
Option 2	0.70				15	5	
Preferential Terms	Standard			0.65	40	10	Untied
	Option 1			0.55	30	10	
	Option 2			0.50	20	6	
STEP	Standard		0.20	40	10	Tied	
	Option		0.10	30	10		
Middle-Income Countries	US\$1,676		General Terms	Standard	1.40	25	7
		Option 1		0.95	20	6	
		Option 2		0.80	15	5	
		Preferential Terms	Standard	0.65	40	10	Untied
			Option 1	0.55	30	10	
			Option 2	0.50	20	6	
	STEP	Standard	0.20	40	10	Tied	
		Option	0.10	30	10		
	Upper-Middle-Income Countries	US\$3,466	General Terms	Standard	1.70	25	7
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.