

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

Category	GNI Per Capita (2005)		Standard/ Option	Interest Rate (%)	Repayment Period (Years)	Grace Period (Years)	Conditions for Procurement
Least Developed Countries (LDC)	Low-Income Countries	Minimal Interest Rate "MIRAI"		0.01	40	10	Untied
		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	
			Option 3	0.50	15	5	
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	
			Option 3	0.50	15	5	
		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	Untied
			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	
	Option 3		0.50	15	5		
	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	
	Option 3		0.50	15	5		
	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
Option 1				1.60	20	6	
Option 2				1.50	15	5	
US\$6,055		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
- 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
- Irrespective of the country category, the terms applied for projects assisting recoveries from disasters are MIRAI.
- Sectors and Fields of Preferential Terms and Special Terms for Economic Partnership(STEP)
- Major Economics Classified by Income Category