

Terms and Conditions of Yen Loans (Effective from April 1, 2010)

Category	GNI Per Capita (2008)		Standard / Option	Interest Rate (%)	Repayment Period (Year)	Grace Period (Year)	Conditions for Procurement		
Least Developed Countries	Low-Income Countries	Minimal Interest Rate "MIRAI"		0.01	40	10	Untied		
		General Terms	Standard	0.70	30	10	Untied		
			Option1	0.65	25	7			
			Option2	0.60	20	6			
	Preferential Terms	Standard	0.55	40	10	Untied			
		Option1	0.45	30	10				
		Option2	0.40	20	6				
	Low-Income Countries	-US\$975	General Terms	Standard	1.20	30	10	Untied	
				Option1	0.90	25	7		
				Option2	0.75	20	6		
Option3				0.65	15	5			
Preferential Terms			Standard	0.55	40	10	Untied		
			Option1	0.45	30	10			
			Option2	0.40	20	6			
STEP			Standard	0.20	40	10	Tied		
			Option	0.10	30	10			
Lower-Middle-Income Countries			US\$976 -US\$1,855	General Terms	Standard	1.40	30	10	Untied
	Option1	0.80			20	6			
	Option2	0.70			15	5			
	Preferential Terms	Standard		0.65	40	10	Untied		
		Option1		0.55	30	10			
		Option2		0.50	20	6			
	STEP	Standard		0.40	15	5	Tied		
		Option		0.20	40	10			
	Middle-Income Countries	US\$1,856 -US\$3,855		General Terms	Standard	1.40	25	7	Untied
					Option1	0.95	20	6	
Option2			0.80		15	5			
Preferential Terms			Standard	0.65	40	10	Untied		
			Option1	0.55	30	10			
			Option2	0.50	20	6			
STEP			Standard	0.40	15	5	Tied		
			Option	0.20	40	10			
Upper-Middle-Income Countries			US\$3,856 -US\$6,725	General Terms	Standard	1.70	25	7	Untied
					Option1	1.60	20	6	
	Option2	1.50			15	5			
	Preferential Terms	Standard		1.20	25	7	Untied		
		Option1		1.00	20	6			
		Option2		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							

• 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.

• The terms applied for Emergency Budget Support Japanese ODA Loan is Yen BBA LIBOR 6 month, repayment period 15 year (grace period 3 year) .