

Terms and Conditions of Yen Loans (Effective from April 1, 2006)

Category	GNI Per Capita (2004)		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		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\$ 825	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\$ 826	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
			Option	0.30	30	10	
Middle-Income Countries	US\$1,576	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
			Option	0.30	30	10	
Upper-Middle-Income Countries	US\$3,256	General Terms	Standard	2.30	25	7	Untied
			Option 1	2.20	20	6	
			Option 2	2.10	15	5	
	Preferential Terms	Standard	1.80	25	7	Untied	
		Option 1	1.60	20	6		
		Option 2	1.20	15	5		
	US\$5,685						
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 ODA loans. For countries complying with ongoing IMF-supported programs, 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 0.75% interest rate and 40-year repayment period including 10-year grace period.