

**OFFICIAL DEVELOPMENT ASSISTANCE  
TERMS AND CONDITIONS OF LOAN ASSISTANCE**

**LOANS: MULTILATERAL INSTITUTIONS**

**A. Asian Infrastructure Investment Bank (AIIB)**

The purpose of AIIB is to foster economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors; and to promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral development institutions.

**Areas of Assistance**

AIIB commenced its operation in January 2016 with more than 80 member countries by investing in sustainable infrastructure and other productive sectors. AIIB's focus areas are: 1) Rural Infrastructure; 2) Energy and Power; 3) Environmental Protection; 4) Transportation and Telecommunications; 5) Water Supply and Sanitation; and 6) Urban Development and Logistics

***Offered Loans***

**Sovereign Backed Loans**

The loans are provided in USD with the pricing based on six-month LIBOR plus a fixed or variable Lending Spread, or in Euro with the pricing based on six-month Euribor plus a variable Lending Spread; plus a front-end fee and a commitment fee. The Lending Spread depends on the average repayment profile of a loan. Other currencies may be offered if AIIB is able to hedge non-USD currency lending.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
Daily reference rate (USD SOFR) compounded over a six-month period; Six-month reference rate (USD LIBOR or Euribor) or three-month reference rate (RMB SHIBOR) plus Lending Spread, subject to a floor of zero percent.	Final maturity limit is 35 years, average maturity limit is 20 years	A period from the loan signing date to the first principal payment date wherein no principal repayment is made.

**Loan Currency**

USD, Euro, RMB and other hard currencies in which AIIB is able to fund itself efficiently in the market

**Amortization Terms**

Level, bullet, annuity or customized

**Other Terms and Charges**

\* A one-time front-end fee (0.25%) is charged on the committed Loan amount.

\* Commitment fee (0.25%) accrues from the date falling 60 days after the Loan signing date, charged on the undisbursed amount of the Loan, payable semi-annually

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**B. World Bank - International Bank for Reconstruction and Development (IBRD)**

IBRD aims to reduce poverty in middle-income countries and creditworthy poorer countries by promoting sustainable development through loans, guarantees, risk management products, and analytical and advisory services.

Areas of Assistance:

The F.Y. 2020-2023 CPF will have three focus areas for engagement, i.e., (1) investing in Filipinos, (2) competitiveness and economic opportunity for job creation, and (3) promoting peace and building resilience, with cross-cutting themes on governance and digital transformation.

***Offered Loans***

**IBRD Flexible Loan (IFL)**

The IBRD Flexible Loan (IFL) is the leading loan product of the World Bank for public sector borrowers of middle-income countries. Eligible borrowers work with their World Bank country office to obtain financing for development through Investment Project Financing, Development Policy Financing, Program-for-Results, or any combination of those by a Multiphase Programmatic Approach, and use the IFL as their loan product.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
Reference Rate + variable spread Reference Rate: SOFR for USD, SONIA for GBP, TONA for JPY and EURIBOR for EUR (6 months interest rate period)	Average maturity of 8-20 years	Ranges from 0-19.5 years

Loan Currency: USD, EUR, GBP, JPY

Amortization Terms

Repayment schedule is flexible.

Other Terms and Charges

\* One-time front-end fee of 0.25% of the loan amount.

\* Commitment fee of 0.25% per annum on the undisbursed loan balance.

**Development Policy Loan with a Deferred Drawdown Option (DPL-DDO)**

Contingent credit line that provides financing following adverse economic events such as a downturn in economic growth or unfavorable changes in commodity prices or terms of trade. It also provides a formal basis for continuing a policy-based engagement with the World Bank when no immediate need for funding exists.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
Reference Rate + variable spread Reference Rate: SOFR for USD, SONIA for GBP, TONA for JPY and EURIBOR for EUR (6 months interest rate period)	18.5	5

Loan Currency: USD, EUR, GBP, JPY

Amortization Terms

Repayment terms must be determined upon commitment and may be modified upon drawdown within prevailing maturity policy limits. The repayment schedule will start from the date of drawdown.

Other Terms and Charges

Front-End Fee: 0.25% of the loan amount is due within 60 days of effectiveness date; may be financed out of the loan proceeds.

Stand-by Fee: 0.50% of the undisbursed balance accruing from the date of effectiveness.

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**Development Policy Loan with a Catastrophe Deferred Drawdown Option (CAT DDO)**

Contingent credit line that provides financing following natural disaster events or health related emergencies, a time when liquidity constraints are usually highest. Cat DDOs enhance countries' capacity to plan for and manage crises by securing access to financing before disaster strikes and then disbursing quickly once the event occurs.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
Reference Rate + variable spread Reference Rate: SOFR for USD, SONIA for GBP, TONA for JPY and EURIBOR for EUR (6 months interest rate period)	17.5	5

Loan Currency: USD, EUR, GBP, JPY

Amortization Terms

Applicable from the time of drawdown. Must be determined upon commitment and may be modified upon drawdown within prevailing maturity policy limits.

Other Terms and Charges

Front-End Fee: 0.50% of the loan amount is due within 60 days of effectiveness date; may be financed out of loan proceeds.

Renewal Fee: 0.25% of the undisbursed balance

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**C. Asian Development Bank (ADB)**

The ADB aims for an Asia and Pacific free from poverty.

**Areas of Assistance:**

The ADB is preparing the new Country Partnership Strategy (CPS) for the Philippines for 2024–2029: Investing in Climate, Filipinos, and Future. ADB’s proposed strategy for the next CPS period will continue its support to government priorities that aim to expand and upgrade critical infrastructure, promote trade and investments, accelerate climate action and disaster resilience, ensure macroeconomic stability, help the government strengthen its good governance practices, and improve bureaucratic efficiency. To enhance ADB’s value addition, the Bank aims to highlight climate action as one of its core strategic priorities in the coming years. In addition, employment generation will also be a high priority in ADB’s operations, and focus will be given to facilitating job transitions and upskilling efforts across the economy.

***Offered Loans***

**Public Sector (Sovereign) Financing**

(Source: <https://www.adb.org/what-we-do/public-sector-financing/lending-policies-rates>)

INTEREST RATE%	MATURITY PERIOD (in years)	GRACE PERIOD (in years)
<p>Cost Base Rate:</p> <p>Secured Overnight Financing Rate (SOFR) for USD</p> <p>Tokyo Overnight Average Rate for JPY</p> <p>A recognized floating rate benchmark for other currencies</p> <p>Effective Contractual</p> <p>0.50% per annum. For Project Loans, Borrowers may capitalize the interest.</p> <p>Maturity Premium:</p> <ul style="list-style-type: none"> <li>- 0.0% per annum for loans with an average loan maturity of less than or equal to 13 years</li> <li>- 0.10% per annum for loans with an average loan maturity of greater than 13 years and up to 16 years</li> <li>- 0.20% per annum for loans with an average loan maturity of greater than 16 years and up to 19 years.</li> </ul> <p>The average loan maturity is subject to a limit of 19 years.</p> <p>Rebate / Surcharge on Funding Cost Margin:</p> <p>As of 3 June 2022, the rebate on funding cost margin applicable are as follows:</p> <p>0.10% for USD</p>	<p>Flexible - The loan term, which comprises the repayment term and the grace period, is subject to an average loan maturity limit of 19 years.</p>	<p>Flexible, but subject to an average loan maturity limit of 19 years.</p> <p>The grace period is based mainly on the time needed for the project to become operational but may be modified to reflect country considerations (i.e., the debt-service capacity of the borrowing DMC) and other project considerations (e.g., the social benefits of the project and the revenue-earning capacity of the executing agency).</p>

**Loan Currency**

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**Amortization Terms**

Repayment methods (fixed in the loan agreement): Borrowers have the choice of either a commitment-linked repayment schedule, in which the loan's repayment schedule starts from the beginning of the interest period following loan signing; or a disbursement-linked repayment schedule, in which disbursed amounts have individual repayment schedules that start from the beginning of the interest period following disbursement. Repayment can be made on the basis of any of the following options: annuity-style, straight-line, bullet, and custom tailored.

**Other Terms and Charges**

Commitment charge: 0.15% per annum; levied on undisbursed loan balance; beginning 60 days after the applicable loan agreement is signed and accruing after the loan becomes effective. For Project Loans, Borrowers may capitalize the commitment charge.

Special features:

- choice of currency and interest rate basis
- wide selection of repayment terms
- option to change the currency and interest rate basis at any time during the life of the loan
- option to cap or collar the floating lending rate at any time during the life of the loan

**Emergency Assistance Loans**

Used to rebuild high-priority physical assets and restore economic, social, and governance activities after emergencies.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
Same terms as public sector financing	Up to 32 subject to an average loan maturity limit of 19 years.	Up to 8 subject to an average loan maturity limit of 19 years.

Amortization Terms

Same terms as public sector financing: Project and Sector

Other Terms and Charges

Same terms as public sector financing: Project and Sector

**Stand-alone Policy-based Loans**

Typically packaged as a multitranche loan to support structural reforms in a particular sector.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
public sector financing terms apply	15 including grace period	3

**Amortization Terms**

Repayment methods (fixed in the loan agreement): annuity-style, straight-line, bullet repayment and custom tailored.

Other Terms and Charges

Commitment charge: 0.15% per annum; levied on undisbursed balance; accrued after loans becomes effective.

**Policy-based Loans under the Programmatic Approach**

Provided in conduction with structural reforms over a medium-term time frame. The programmatic approach can take the form of chronologically-sequenced packaging (over time), vertical packaging (across levels of government), and horizontal packaging (intersectoral).

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
public sector financing terms apply	15 including grace period	3

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**Amortization Terms**

Repayment methods (fixed in the loan agreement): annuity-style, straight-line, bullet repayment and custom tailored.

**Other Terms and Charges**

Commitment charge: 0.15% per annum; levied on undisbursed balance; accrued after loans becomes effective.

**Special Policy-Based Loans**

Used for emergency BOP support in times of payments crisis and focuses on actions to reduce the severity of the crisis.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
Cost Base Rate: Six-month SOFR	5 to 8 maturity including grace period	Up to 3
Lending Spread (fixed for the life of the loan): minimum of 2.0% per annum	Determined by the crisis situation (including its severity and market conditions), country-specific considerations (including the Borrower's debt repayment capacity), and ADB's risk-bearing capacity.	
Rebate / Surcharge on funding cost margin apply.		

**Amortization Terms:**

Equal installments or annuity method (10% discount rate)

**Other Terms and Charges:**

Commitment charges: 0.75% per annum; levied on undisbursed balances; accrued after loan becomes effective.

**Countercyclical Support Facility Lending**

Budget support for fiscal stimulus for growth in the form of countercyclical development expenditures.

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
Cost Base Rate: Six-month SOFR	5 to 8 maturity including grace period	Up to 3
Lending Spread (fixed for the life of the loan): minimum of 2.0% per annum	Determined by the crisis situation (including its severity and market conditions), country-specific considerations (including the Borrower's debt repayment capacity), and ADB's risk-bearing capacity.	
Rebate / Surcharge on funding cost margin apply.		

**Amortization Terms:**

Equal installments or annuity method (10% discount rate)

**Other Terms and Charges:**

Commitment charges: 0.75% per annum; levied on undisbursed balances; accrued after loan becomes effective.

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**D. International Fund for Agricultural Development (IFAD)**

IFAD's thrust is enshrined in its objective to "enable the rural poor to overcome their poverty." Under the Philippines Country Strategic Opportunities Programme (COSOP) for the period of 2017-2022.

**Areas of Assistance**

The primary objective of the COSOP is to provide the government with innovative and scalable pathways for rural poverty reduction, which will influence national policies and generate substantial and measurable benefits. Its strategic objective is to develop an enabling environment and delivery systems in support of competitive, inclusive and resilient agri-food value chains.

***Offered Loans***

Note: The same loan currency and payment terms apply to all loans offered by IFAD

**Loan Currency**

*Currency Withdrawals*

*Withdrawals from the loan and/or grant accounts shall be made in the respective currencies in which expenditures to be financed out of the proceeds of the financing have been paid or are payable, or in such currency or currencies as the Fund may select. The loan and/or grant accounts shall be debited by the Special Drawing Rights (SDR) Equivalent of the amount withdrawn determined as of the value date of withdrawal. If the currency of withdrawal has been purchased by the Fund with another currency, the loan and/or grant accounts shall be debited by the SDR Equivalent of the amount of such other currency.*

*Loan Service Payment Currency*

*All Loan Service Payments shall be made in the Loan Service Payment Currency specified in the Financing Agreement. The amount of any Loan Service Payment shall be the equivalent in Loan Service Payment Currency, as of the due date, of the SDR amount of such Loan Service Payment, as determined by the Fund in accordance with Article 5, Section 2(b) of the Agreement Establishing IFAD.*

*Valuation of Currencies*

*Whenever it is necessary to determine the value of one currency in terms of another, the Fund shall determine such value in accordance with Article 5, Section 2(b) of the Agreement Establishing IFAD.*

**Amortization Terms**

The Borrower shall repay the aggregate principal amount of the loan withdrawn from the Loan Account in semi-annual instalments, calculated over the maturity period minus the grace period. The Fund shall inform the Borrower of the dates and amounts of the payments as soon as possible after the start of the period of maturity of the loan. The Borrower shall have the right to prepay all or any part of the principal amount of the Loan, provided that the Borrower pays all accrued and unpaid interest and service charges on the amount to be prepaid which are due as of the prepayment date. All prepayments shall be credited first against any outstanding interest and service charge and then against the remaining Loan installments. Any partial cancellation of the Loan shall be applied pro rata to any remaining payment installments of the principal amount of the Loan. The Fund shall notify the Borrower of such application, specifying the dates and amounts of the remaining installments after giving effect thereto. All Loan Service Payments shall be paid to such account or accounts in such bank or other financial institution as the Fund may designate by notice to the Borrower.

**Project loans - Highly Concessional Terms**

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
0%	40	10

***Amortization Terms:*** Loans with highly concessional terms bear a service charge of 0.75% per annum Service charge is payable semiannually in the Loan Service Payment Currency.

**Project loans - Hardened Terms**

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
0%	20	10

***Amortization Terms:*** Loans with hardened terms bear a service charge of 0.75% per annum Service charge is payable semiannually in the Loan Service Payment Currency.

**Project loans - Intermediate Terms**

INTEREST RATE%	MATURITY PERIOD (Yrs.)	GRACE PERIOD (Yrs.)
50% of IFAD reference interest rate (variable)	20	5

***Amortization Terms:*** The interest rate of intermediate term project loans are payable semi-annually in the Loan Service Payment Currency.

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<b>Project loans - Ordinary Terms</b>		
<b>INTEREST RATE%</b>	<b>MATURITY PERIOD (Yrs.)</b>	<b>GRACE PERIOD (Yrs.)</b>
Consist of market based variable reference rate and variable spread	Max 30 year maturity period and average maturity repayment period of 18 years	Mas of 8
<i><b>Amortization Terms:</b> The interest rate of ordinary term project loans are payable semi-annually in the Loan Service Payment Currency.</i>		
<b>Project loans - Blend Terms</b>		
<b>INTEREST RATE%</b>	<b>MATURITY PERIOD (Yrs.)</b>	<b>GRACE PERIOD (Yrs.)</b>
1.25%	25	5
<i><b>Amortization Terms:</b> Has an interest rate of 1.25% plus a service charge of 0.75% (a total 2% fixed), and have a maturity period of 25 years, including a grace period of five (5) years (the grace period starts from the date of approval by the Executive Board). Terms of payment not yet available.</i>		
<b>E. OPEC Fund for International Development (OFID)</b>		
<b>Areas of Assistance</b>		
Agriculture and agro-industry, energy, transportation, education.		
<i><b>Offered Loans</b></i>		
<b>Untied Loans</b>		
<b>INTEREST RATE%</b>	<b>MATURITY PERIOD (Yrs.)</b>	<b>GRACE PERIOD (Yrs.)</b>
2 to 2.5%	17 to 20	5
<b>F. European Investment Bank (EIB)</b>		
<b>Areas of Assistance</b>		
Public and private sector projects in infrastructure, industry, agro-industry, mining and services and improvement and protection of the environment, transportation, telecommunications, energy production, urban development (e.g. social housing and development of swamp and urban regeneration), tourism, health (e.g. private clinic/health centers).		
<i><b>Offered Loans</b></i>		
<b>Project Loans</b>		
These loans usually finance lower than 50% of the total project cost.		
<b>INTEREST RATE%</b>	<b>MATURITY PERIOD (Yrs.)</b>	<b>GRACE PERIOD (Yrs.)</b>
Usually gives fixed rates but also has formulae for variable or revisable convertible rates.	12 to 15	1/4 or 1/3 of loan life
<b>Loan Currency:</b> Euro		
<b>Other Terms and Charges:</b> Appraisal fees charged against the borrower (Euro 40,000), requires security		

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