

## IDA Scale-Up Facility Credit

On March 8, 2016 the World Bank Executive Board of Directors approved a proposal to establish a one-off facility — IDA Scale-Up Facility (SUF) — to provide additional support to IDA clients for the remainder of the IDA17 period. The SUF will finance IDA operations to be approved before the end of FY17. The special category of credits under this facility — IDA Scale-Up Facility Credits (SUF Credits) — is offered at *non-concessional terms* to eligible clients.

### Eligibility

Current IDA client countries that are at *low or medium risk of debt distress* are eligible to access the SUF. The recipient country's debt situation is taken into consideration to ensure consistency with the Non-Concessional Borrowing Policy (NCBP) and the IMF Debt Limits Policy. SUF Credits are expected to finance projects with strong development impact, including investment project financing for infrastructure and non-infrastructure projects, development policy financing, program-for-results operations and guarantees. Credits under the SUF are not subject to IDA's acceleration repayment clause.

### Currency

The fixed rate option is offered in Special Drawing Rights (SDR) and in the following currencies: USD, EUR, GBP, and JPY. The floating rate option is only available in the single currencies above.

### Tenor

The SUF Credit is available in three maturities: 24 years (including grace period of 5 years); 27 years (including grace period of 8 years) and 30 years (including grace period of 9 years). Interest is paid during the grace period.

### Fixed rates as of Q1 FY17 (for credits approved between July 1, 2016 and September 30, 2016)

Maturity	USD	EUR	JPY	GBP	SDR
24 yr final; 5 yr grace	3.37%	2.08%	1.25%	2.89%	2.71%
27 yr final; 8 yr grace	3.67%	2.39%	1.52%	3.13%	3.01%
30 yr final; 9 yr grace	3.80%	2.53%	1.67%	3.24%	3.14%

### Amortization Profile

The amortization schedule for a SUF Credit is as follows:

Maturity	Principal Repayment
24 year final maturity including 5 year grace	5.0% p.a. for yrs 6-14 5.5% p.a. for yrs 15-24
27 year final maturity including 8 year grace	5.0% p.a. for yrs 9-17 5.5% p.a. for yrs 18-27
30 year final maturity including 9 year grace	4.7% p.a. for yrs 10-23.5 4.9% p.a. for yrs 24-30

### Interest Rates

Credits are offered at **fixed rate** to all countries. Blend countries may request a **floating rate option**. The floating rate comprises a **reference rate** and a **spread**. The reference rate is **LIBOR** for credits denominated in US dollar and Japanese yen, and unless otherwise determined by IDA, is expected to be the reference rate for GBP-denominated credits. **EURIBOR** is the reference rate for credits denominated in euro.

Credits approved by the Bank in each quarter are subject to the rates published at the beginning of that quarter.

### Fees

Fees include a one-time **front-end fee** of 0.25% and a **commitment fee** of 0.25%. The front-end fee is charged on the committed amount. The commitment fee is charged on the undisbursed amount of the credit. The commitment fee is payable semi-annually once the Credit is effective.

## Floating rates as of Q1 FY17

SUF with Fixed Spread (as of April 16, 2016)				
Maturity	USD	EUR	JPY	GBP
24 yr final ; 5 yr grace	LIBOR+1.35%	EURIBOR+1.20%	LIBOR+1.00%	LIBOR+1.30%
27 yr final; 8 yr grace	LIBOR+1.55%	EURIBOR+1.40%	LIBOR+1.20%	LIBOR+1.50%
30 yr final; 9 yr grace	LIBOR+1.65%	EURIBOR+1.50%	LIBOR+1.30%	LIBOR+1.60%
SUF with Variable Spread				
Maturity	USD	EUR	JPY	GBP
24 yr final; 5 yr grace	LIBOR+0.71%	EURIBOR+0.71%	LIBOR+0.71%	LIBOR+0.71%
27 yr final; 8 yr grace	LIBOR+0.81%	EURIBOR+0.81%	LIBOR+0.81%	LIBOR+0.81%
30 yr final; 9 yr grace	LIBOR+0.91%	EURIBOR+0.91%	LIBOR+0.91%	LIBOR+0.91%

<b>Lending Rate</b>	<p>The <u>fixed lending rate</u> is calculated as the fixed rate equivalent of the IBRD Flexible Loan with a Fixed Spread for the relevant currency and maturity option. The rates for new approvals are published quarterly.</p> <p>The <u>floating lending rate</u>: The floating rate comprises 6-month LIBOR or EURIBOR plus a spread. The value of LIBOR or EURIBOR resets semi-annually and applies to interest periods beginning on those dates. The spread can be <u>fixed or variable</u>.</p> <ul style="list-style-type: none"> <li>• The fixed spread is determined at signing and does not change over the life of the credit.</li> <li>• The variable spread is recalculated on January 1 and July 1 of each year, and applies to the interest period beginning on the interest payment date falling on, or immediately following the recalculation date, but falling prior to the next recalculation date.</li> <li>• The all-in interest rates includes a floor of 0.75 percent to cover IDA's administrative expenses.</li> </ul>
<b>Fees</b>	<p><u>Front-end fee</u> of 0.25% of the credit amount is due within 60 days of the effectiveness date of the project. <u>Commitment fee</u> of 0.25% starts to accrue 60 days after the signing date; and is payable semi-annually once the credit is effective. Both fees can be financed out of Credit proceeds.</p>
<b>Repayment Schedules</b>	<p>The repayment schedule begins at commitment. Principal repayments are calculated as a share of the total approved amount.</p>
<b>Credits Currencies</b>	<p><u>Currency of commitment</u>: The fixed rate credit option is offered in SDR and in single currency: EUR, GBP, JPY and USD. <b>The floating rate option is only available in single currency (EUR, GBP, JPY and USD).</b></p> <p><u>Currency of disbursement</u>: For the SDR-denominated credit, disbursements may take place in the currency requested by the client. The credit obligation, however, remains in SDR.</p> <p><u>Currency of repayment</u>: For SDR-denominated Credits, the principal, interest, and any other fees must be repaid in one of the four currencies of the SDR basket (EUR, GBP, JPY, USD). Credits denominated in single currency must be repaid in the currency of commitment.</p>
<b>Payment Dates</b>	<p>Debt service payment dates are the 1st or 15th day of a month and semi-annually thereafter, as decided by the recipient during credits negotiation.</p>

This is not a complete treatment of the terms and conditions of the SUF Credit. Recipients should refer to the Credits Agreement and General Conditions of individual Credits. For more information, please contact Jim Stephens, [sstephens@worldbank.org](mailto:sstephens@worldbank.org) or Farah Hussain, [fhussain@worldbank.org](mailto:fhussain@worldbank.org).