

IBRD Financial Products Overview

	Product ¹	Use	Key Terms and Fees	Product Notes	Case Studies
Financing (Loans)	IBRD Flexible Loan (IFL)	IBRD loan product with flexible financial terms tailored to the needs of development financing or the client's debt management strategy. <ul style="list-style-type: none"> Committed and repayable in the currency or currencies of the loan selected by the borrower. Includes embedded risk management features – see financial risk management options below. 	<ul style="list-style-type: none"> Maturity: final: ≤ 35 years², average repayment maturity: ≤ 20 Years Repayment schedule: Flexible Lending Rate: Reference Rate + variable spread Fees: <i>Front-end fee:</i> 25 bps one-time fee, <i>Commitment fee:</i> 25 bps per annum (p.a.) on undisbursed balance, with up to 4 years grace period on certain P4Rs and IPFs 	IFL Product Note IFL Pricing Basics	India SBI Vietnam Colombia Kazakhstan Botswana
Contingent Financing (Loans)	IBRD 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.	<ul style="list-style-type: none"> Available for three years and can be renewed for an additional three-year at no cost Repayment Terms and Lending Rate: follow IFL terms at time of drawdown (except that average repayment maturity for maturity premium calculated from loan effectiveness). Fees: <i>Front-end fee:</i> 25 bps one-time fee <i>Stand-by fee:</i> 50 bps p.a. 	DPL DDO	Indonesia
	IBRD DPL with CAT DDO ^{3,4}	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.	<ul style="list-style-type: none"> Available for three years and can be renewed up to four times for a total period of 15 years Repayment Terms and Lending Rates: follows IFL or IDA concessional financing at time of drawdown (except that average repayment maturity for maturity premium calculated at loan effectiveness). Fees: <i>IBRD:</i> Front-end fee: 50 bps one-time fee; renewal fee: 25 bps payable on each renewal; <i>IDA:</i> Zero fees Limits: <i>IBRD:</i> Lower of \$1bn or 0.50% of GDP; <i>IDA:</i> Lower of \$500m or 1% of GDP (or up to \$40m) 	IBRD CAT DDO IDA CAT DDO	
	IBRD IPF DDO	Contingent financing that provides financing following natural disaster events or economic shocks, at a time when liquidity constraints are usually highest. IPF DDOs enhance borrowers' capacity to plan for and manage crises by securing access to financing before disaster strikes and then disbursing quickly once the event occurs.	<ul style="list-style-type: none"> Available for five years and can be renewed for an additional three-year at no cost Repayment Terms and Lending Rates: follows IFL or IDA concessional financing at time of drawdown (except that average repayment maturity for maturity premium calculated at loan effectiveness). Fees: <i>IBRD:</i> Front-end fee: 25 bps one-time fee; standby fee: 50 bps p.a. on unwithdrawn balances; no renewal fee. <i>IDA:</i> Zero fees 	IPF DDO	IPF DDO
Financial Risk Management	Currency risk Local currency	Convert currency of an undisbursed/disbursed amount between the four lending currencies, USD, EUR, GBP, JPY, and hedge currency risk of disbursed amount into more than 25 local currencies, using options embedded in the loan agreement.	<ul style="list-style-type: none"> Fee: Disbursed amounts from 6 bps p.a. from USD, 11 bps p.a. from EUR/JPY/GBP Fee: Undisbursed amounts, <i>lending currencies</i>, one-time 12.5 bps 	Local currency financing	Turkiye Indonesia South Africa Mexico 1 & 2 Uruguay
	Interest rate risk	Fix, unfix, cap, or collar the reference rate component of interest rate using options embedded in the loan agreement.	<ul style="list-style-type: none"> Fee: Rate fixing 5 bps p.a. for USD, 10 bps p.a. for EUR/JPY/GBP Fee: Caps and collar on a case-by-case basis 	Interest Rate Risk	Philippines Sri Lanka Angola
	Hedging non-IBRD exposure ³	Non-IBRD exposures to currency and interest rate risks can be hedged similarly to IFL loans using free standing derivatives. Hedging Non-IBRD exposure requires a client to have an ISDA Master Derivatives Agreement with IBRD.	<ul style="list-style-type: none"> IBRD countries are eligible Currency Swap Fee: <i>Major / local currency:</i> 10 bps p.a. / 2 bps p.a. Interest Rate Swap Fee: <i>Major / local currency:</i> 3 bps p.a. / 1 bp p.a. 	Hedging Products Hedging Guidelines	Morocco
Disaster Risk Management <i>Crisis Preparedness and Response Toolkit</i>	Catastrophe Bonds Insurance/ Reinsurance & Derivatives	Cat bonds provide cover against natural disasters by transferring risks to capital markets. Insurance provides cover against natural disasters (e.g. geological events) and weather events by transferring risks to insurance markets. Derivatives provide cover against natural disasters and weather events by transferring risks to markets in derivative form.	<ul style="list-style-type: none"> All IBRD and IDA countries are eligible. Clients can pay the cost of risk transfer using proceeds of risk financing, or out of client's own resources by adding a spread or fixed amount to Bank loan repayments. Pricing depends on individual risk metrics and market conditions. 	Disaster Risk Insurance Platform DRT note Weather Derivative	Chile Cat Bond Jamaica Pacific Alliance Philippines PCRAFI Mexico, Uruguay, Malawi
	Climate Resilient Debt Clause (CRDC)	A clause embedded in IFL, that defers principal and interest payments of IBRD loans and IDA credits for up to 2 years in case of certain natural disasters.	<ul style="list-style-type: none"> For small states and small island economies only . Deferral of principal, and/or interest payments (and other loan charges) for a period of up to 2 years. Once per loan life at any time from the first regularly scheduled loan repayment until the date falling 5 years prior to the final loan repayment. 	CRDC product note	

¹ Acronyms: CAT DDO: Catastrophe Deferred Drawdown Option, DDO: Deferred Drawdown Option, DPL: Development Policy Loan, GDP: Gross Domestic Product, IBRD: International Bank for Reconstruction and Development, IDA: International Development Association, IFL: IBRD Flexible Loan, IPF: Investment Project Financing, ISDA: International Swaps and Derivatives Association, SUW: Scale Up Window, p.a.: per annum

² For some projects addressing Global Challenges with Cross Border Externalities, the maximum loan maturity is extended to up to 50 years and the ARM up to 25 years.

³ Standalone hedges (currency and interest rate swaps) are also available on IBRD loans. Fees quoted here are for currency and interest rate embedded conversion options only. Fees for standalone hedges will differ for currency and interest rate swaps.

WB Treasury Advisory Services Overview

Regardless of IBRD or IDA eligibility, World Bank provides financial advisory services to its client countries. These services are provided through World Bank Treasury Financial Products and Client Solutions team.

Service	Definition	Case Studies
Sustainable finance advisory	Builds client capacity on climate finance strategies and provide technical advisory and support on accessing new climate financing. This includes advice on issuing green, social, sustainable, and sustainability-linked (GSSS) financing, including creating frameworks and regulations, identifying eligible projects, market sounding, investor relations, monitoring and reporting, alignment with debt management objectives, and others.	Viet Nam's BIDV- Green Bond TA Brazil's Sovereign Sustainable Bond TA India Sovereign Green Bond TA
IBRD Flexible Loan (IFL) customization advisory	Builds client capacity on the major terms and conditions and innovative uses of the IBRD Flexible Loan (IFL) for loan terms financing, pricing, comparison with other financing sources, and its embedded financial risk management options	India SBI (originate to distribute) Vietnam energy efficiency Colombia customization Kazakhstan customization Botswana customization
Financial risk management advisory	Builds capacity to use interest rate and currency risk management products, including knowledge sharing on interest rate, currency conversions & swaps, as well as IDA Scale Up Window financing.	Colombia Financial Risk Management The Philippines Interest Rate Management Indonesia Currency and Interest Rate Management Sri Lanka Interest Rate Management Angola Interest Rate Management Romania Derivatives for Public debt Management
Blended finance advisory	Helps clients customize financing by blending funds from multiple sources for one development project. Grants and highly concessional loans can be combined with financing products at IBRD terms or other commercial terms to reduce the overall financing cost for a project. This advice also includes the structuring and design of financial products for clients for credit enhancement of loans and bonds, creating new sustainable financing platforms and funds, and developing new financial products, such as performance-based financing, that can reduce the overall cost of financing if certain conditions are met.	Tanzania Loan Blending Rwanda Loan Blending
Commodity risk management advisory	Builds client capacity and develops customized commodity hedging strategies to meet their specific risk management needs. This can cover a range of commodities, from agriculture, energy, to minerals.	Malawi Food Security Uruguay Commodity Risk Management (ANCAP) Tunisia Commodity Risk Management
Disaster risk management advisory	Helps clients increase their financial resilience to natural disasters by supporting disaster risk financing programs and offering various solutions, including contingent financing and intermediation of catastrophe bonds and insurance.	Philippines Cat Bond Philippines Insurance and Renewal Pacific Alliance Cat CCRIF ; PCRAFI Chile-Cat ; Jamaica-Cat ; Mexico Cat
IDA to IBRD transition advisory	Helps clients understand the menu of IBRD financial products, their flexibility and cost to ensure a smooth transition to non-concessional financing.	
Credit risk advisory	Builds client capacity on evaluating credit risk, identification of credit risks and opportunities, credit rating methodologies of the major international credit rating agencies, and sound practices in investor relations.	

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