

# IDA Financial Products Overview

**IDA Eligibility Criteria:** Eligibility for IDA resources is based on a country's creditworthiness and relative poverty, as well as factors such as vulnerability and portfolio performance. Creditworthiness is the ability to service new external debt at market interest rates over the longer term. Relative poverty is defined as GNI per capita below a threshold (\$1,315 in fiscal year 2024). IDA-eligible countries are classified into three groups: IDA-only, Gap and Blend. **IDA-Only:** GNI per capita below \$1,315 and/or lacking the creditworthiness required for IBRD borrowing. Financing terms depend on the risk of debt distress. **Gap:** Exceeding the GNI per capita threshold for IDA-eligibility, for more than 2 consecutive years but not yet creditworthy for IBRD borrowing. **Blend:** IDA-eligible income levels and creditworthy for some IBRD borrowing. As countries' per capita income increases and the risk of debt distress decreases, they gain access to different types of financing, including more market-based products.

	Product <sup>1</sup>	Use	Key Terms and Fees	Product Notes	Case Studies
Financing (Loans)	IDA Concessional Financing	Lending from IDA on concessional terms (carrying no or low interest charges) to address primary education, basic health services, clean water and sanitation, environmental safeguards, business climate improvements, infrastructure, and institutional reforms. IFL loans and IDA concessional financing can be blended with other concessional financing (for example, through trust funds or grants).	<ul style="list-style-type: none"> <li><b>Maturity:</b> 12/30/38/40 Blend/Regular/Small</li> <li><b>Repayment schedule:</b> Fixed</li> <li><b>Lending Rate:</b> Grants: zero; Credits: Fixed concessional rate</li> </ul>	<a href="#">IDA Single Currency Lending</a>	<a href="#">Tanzania loan blend</a>
	Scale Up Window (SUW)	Transitional support or additional lending offered to Blend and IDA countries (at low or medium risk of debt distress) on IFL terms.	<ul style="list-style-type: none"> <li><b>Maturity:</b> final: ≤ 35 years<sup>2</sup>, average repayment maturity: ≤20 Years</li> <li><b>Repayment schedule:</b> Flexible</li> <li><b>Lending Rate:</b> Reference Rate + variable spread</li> <li><b>Fees:</b> Front-end fee: 25 bps one-time fee, Commitment fee: 25 bps per annum (p.a.) on undisbursed balance with up to 4 years grace period on certain P4Rs and IPFs.</li> </ul>	<a href="#">Financing Solutions for IDA</a>	<a href="#">West Africa</a>
	IBRD Enclave Loans for IDA borrowers	Additional lending for IDA countries on IFL lending terms for investment projects with foreign exchange revenues that can ringfenced.	See SUW (above); rate may be higher than IFL (see <a href="#">Enclave Loans product note</a> )	<a href="#">Enclave</a>	<a href="#">Cote d'Ivoire</a>
Contingent Financing (Loans)	IDA DPL with CAT DDO <sup>3</sup>	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"> <li><b>Repayment Terms and Lending Rates:</b> follows IFL or IDA concessional financing at time of drawdown (except that average repayment maturity for maturity premium calculated at loan effectiveness).</li> <li><b>Limits:</b> Lower of \$500m or 1% of GDP (or up to \$40m)</li> </ul>	<a href="#">IDA CAT DDO</a>	<a href="#">Kenya - IDA</a>
	IDA IPF DDO	Contingent credit line that provides financing following natural disaster events or economic shocks, 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"> <li><b>Repayment Terms and Lending Rates:</b> follows IFL or IDA concessional financing at time of drawdown (except that average repayment maturity for maturity premium calculated at loan effectiveness).</li> </ul>	<a href="#">IPF DDO</a>	
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"> <li>All IBRD and IDA countries are eligible.</li> <li>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.</li> <li>Pricing depends on individual risk metrics and market conditions.</li> </ul>	<a href="#">Disaster Risk Insurance Platform DRT note Weather Derivative</a>	<a href="#">CCRIF PCRAFI Jamaica Chile-Cat Malawi</a>
	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"> <li>Only for small states and small island economies.</li> <li>Deferral of principal, and/or interest payments (and other loan charges) for a period of up to 2 years.</li> <li>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.</li> </ul>	<a href="#">CDRC product note</a>	

<sup>1</sup> 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

<sup>2</sup> 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.

<sup>3</sup> For IDA borrowers 50% of the CAT DDO can be funded through Country Allocation/IDAs overall resources. Eligible IDA countries can fund the CAT DDO using SUW financing. Other crisis financing options available to IDA countries include: (i) Crisis Response Window, (ii) Immediate Response Mechanism, (iii) Pandemic Emergency Financing Facility

# 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.	<a href="#">Viet Nam's BIDV- Green Bond TA</a> <a href="#">Brazil's Sovereign Sustainable Bond TA</a> <a href="#">India Sovereign Green Bond TA</a>
IBRD Flexible Loan (IFL) customization advisory	Builds client capacity on the major terms and conditions and innovative uses of the IBRD Flexible Loan (IFL). It provides information about loan-related financial terminology, specific IFL loan terms, pricing, comparison with other financing sources, and its embedded financial risk management options	<a href="#">India SBI (originate to distribute)</a> <a href="#">Vietnam energy efficiency</a> <a href="#">Colombia customization</a> <a href="#">Kazakhstan customization</a> <a href="#">Botswana customization</a>
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.	<a href="#">Colombia Financial Risk Management</a> <a href="#">The Philippines Interest Rate Management</a> <a href="#">Indonesia Currency and Interest Rate Management</a> <a href="#">Sri Lanka Interest Rate Management</a> <a href="#">Angola Interest Rate Management</a> <a href="#">Romania Derivatives for Public debt Management</a>
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.	<a href="#">Tanzania Loan Blending</a> <a href="#">Rwanda Loan Blending</a>
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.	<a href="#">Malawi Food Security</a> <a href="#">Uruguay Commodity Risk Management (ANCAP)</a> <a href="#">Tunisia Commodity Risk Management</a>
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.	<a href="#">Philippines Cat Bond</a> <a href="#">Philippines Insurance</a> and <a href="#">Renewal Pacific Alliance Cat</a> <a href="#">CCRIF</a> ; <a href="#">PCRAF</a> <a href="#">Chile-Cat</a> ; <a href="#">Jamaica-Cat</a> ; <a href="#">Mexico Cat</a>
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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