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**Functional Series 200  
Programming Policy**

**INTERIM UPDATE 07-04**

**SUBJECT:** Revised ADS 249, Development Credit Authority

**NEW MATERIAL:** This revised ADS chapter 249 supersedes the version dated 5/25/2006. This chapter has been revised to clarify the requirement of "additionality" for Development Credit Authority (DCA) loan portfolio guarantees.

**EFFECTIVE DATE:** 03/01/2007

POLICY

USAID/General Notice  
EGAT/DC  
04/04/2007

Subject: Revised ADS 249, Development Credit Authority

This revised ADS chapter 249 supersedes the version dated 5/25/2006. This chapter has been revised to clarify the requirement of "additionality" for Development Credit Authority (DCA) loan portfolio guarantees. DCA supported financing must not be used unless it is probable that the transaction would not go forward without it, taking into consideration whether such financing is available for the term needed and at a reasonable cost.

A project is "additional" if it would not go forward on comparable terms without the support of a DCA guarantee. In the case of Loan Portfolio Guarantees (LPGs), the economic justification should be described and evaluated in terms of the desired impact on lending to a particular sector, rather than on a loan-by-loan basis. See Section 249.3.1.g and 249.3.1.r for this clarification.

Access the revised chapter at: <http://www.usaid.gov/policy/ads/200/249.pdf>

Point of Contact: Any questions concerning this Notice may be directed to Chris Ray, EGAT/DC, (202) 712-5538.

Notice 0414

File Name	Notice Date	Effective Date	Editorial Revision Date	ADS CD No.	Remarks
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