

**Provisioning** - The setting aside of funds, or loan loss reserves, to cover potential losses on doubtful or high-risk loans.

**Sovereign Loans** - Amounts loaned to national governments and their agencies or to private firms with public guarantees.

**Stock of Debt** - Amount of outstanding principal at a particular point in time.

**Structural Adjustment** - The design and implementation of sector economic policies based on increased reliance on market forces, private enterprise development, more liberal trade and human resource development. These reform policies, in conjunction with macro-economic stabilization, are intended to enable a country to restore growth and adjust to external shocks and the rapid changes in the international economic environment.

**Support Group** - An ad hoc group of developed countries seeking to help countries with serious debt problems and protracted arrears to the international financial institutions (IMF, World Bank and/or regional development banks) to clear those arrears and implement an IMF-approved economic adjustment program.

**Sustainable Development** - The process of development, including economic, social, environmental and other factors, which establishes conditions for development to continue over the long term.

**Terms of Trade** - A measure of the relative movement of export prices against import prices during a given period of time.

**Toronto Terms** - Concessional treatment of the debt owed to governments by the poorest countries, which have requested debt rescheduling by the Paris Club. Toronto Terms were endorsed by the Toronto Economic Summit in 1988.

**Transfer of Risk** - The process where the relative risk associated with the total debt is transferred from one group of creditors to another; e.g., as the overall proportion of debt owed to commercial banks changes relative to that owed to governments and multilateral organizations.