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| <b>Debt forgiveness</b>   | The cancellation, either in whole or part, of the face value (principal) of a loan or the debt service (principal repayment plus interest) due.                                                                                                                                                                                                                                    |
| <b>Debt moratorium</b>    | The suspension of debt service on outstanding loans. It may be granted by the creditor or declared by the debtor.                                                                                                                                                                                                                                                                  |
| <b>Debt overhang</b>      | Refers to the total accumulated stock of debts which countries owe to foreigners, or to the sum total of a country's external liabilities.                                                                                                                                                                                                                                         |
| <b>Debt rescheduling</b>  | A technique of concessional debt restructuring in which debt service payments are deferred with the payback of the loan stretched over a longer period.                                                                                                                                                                                                                            |
| <b>Debt service ratio</b> | A country's foreign debt service divided by the value of its exports of goods and services.                                                                                                                                                                                                                                                                                        |
| <b>Debt swaps</b>         | The exchange of debt for another asset. In the case of debt-equity swaps, the creditor receives local currency to invest in assets of the debtor country. In the case of debt for nature or debt for development swaps, the external claim on the country is exchanged for local currency proceeds which are used for environmental conservation or agreed developmental purposes. |
| <b>Debt write-down</b>    | The reduction in the value of a loan on the lender's financial statements. This may be only a prudential action which does not entail any debt forgiveness or cancellation.                                                                                                                                                                                                        |
| <b>Default</b>            | Although there are no international "bankruptcy" proceedings for countries, they can be declared to be in default on their loan payments, making them ineligible for new credits and liable to legal actions. This is different from a country formally repudiating its debts. A country which has no possibility of repaying its debts is said to be "insolvent."                 |
| <b>Export credits</b>     | Concessional finance provided by official lenders, usually government agencies, to promote sales of particular exports.                                                                                                                                                                                                                                                            |