SOVEREIGN DEBT PROVISION MATRIX

In order to determine appropriate levels of provisions it is necessary to take the following influences into account:

		Score
1.	Whether a country is currently taking unilateral action to limit its debt servicing payments.	Scores 3 if a current moratorium has been in force for up to 3 months. Scores 6 for between 3 and 12 months. Any moratorium over 12 months scores 10.
2.	Whether a country is in the course of rescheduling official or commercial debt or has rescheduled such debt at any time in the last five years, or is currently in default.	Scores 10 where a country has rescheduled or is in the process of rescheduling. Scores an extra 5 where a country has rescheduled the same principle amounts more than once during the last 5 years.
3.	Whether a country is currently in arrears on either interest or principal to any International Financial Institution (e.g. IMF, World Bank, or a regional development bank).	Scores 10.
4.	Whether a country has current arrears on principal or interest from external creditors other than those in 3 above.	Scores 4 for arrears of currently up to 3 months. Scores 8 for arrears in excess of that period.
5.	The annual amount of interest payable by a country expressed as a percentage of the annual value of its exports of goods and services.	A ratio between 15% and 24.9% scores 2. 25% or more scores 4.
6.	The average monthly value of a country's imports (during the last 12 months) divided into its reserves (including gold).	Import cover of 1.9 (months) or less scores 4. Cover between 2.0 and 3.9 (months) scores 2.
7.	A country's total external debt divided by its Gross Domestic Product and expressed as a percentage.	Ratios between 50% and 74.9% score 2. 75% and over score 4.
8.	The total external debt of a country divided by the annual value of exports of goods and services and expressed as a percentage.	A ratio between 300% and 499% scores 2. 500% and over scores 4.

		Score
9. A country is not meeting its IMF requirements or is unwilling to subject itself to IMF requirements.	Scores 3.	
10. A country has an unfilled external financing gap between its prospective payments outflows and its prospective inflows after taking into account all presently available sources of finance.	Scores 2.	
11. The secondary market 'bid' price for a country's debt	If this price is between 50% and 79.9% it scores 2. Below 50% scores 4.	
12. Whether a country has an over-dependence on a single crop or commodity	Scores 2 if 30.0% or more of the value of a country's exports of goods and services consists of a single primary crop or commodity.	
13. Whether any other factors are affecting the ability of a country to repay its debt both now and in the future.	Scores any number from 0 to 5.	
	Total	

Provisions could be assessed on the following basis:

Total Score	**Provisions**
10-22	5-15%
23-36	16-25%
37-50	26-40%
51-64	41-60%
65-75	61-100%