

POLICY REFORM MUST BE NOT ONLY ECONOMICALLY SOUND BUT SOCIALLY SUSTAINABLE AS WELL. ACCORDINGLY, SOCIAL CONSIDERATIONS HAVE TO BE INTEGRATED INTO THE POLICY FORMULATION PROCESS. THE WORLD BANK, THE IMF AND THIS ORGANIZATION HAVE BECOME INCREASINGLY AWARE OF THIS FACT AND ARE NOW TAKING IT INTO ACCOUNT IN THEIR CURRENT WORK. THAT IS WELCOME AND SHOULD BE CONTINUED.

WITH DOMESTIC ECONOMIC REFORMS, APPROPRIATELY SUPPORTED, INDEBTED DEVELOPING COUNTRIES CAN BEGIN TO SEE SOME END OF A VERY DIFFICULT ROAD BUT WE CLEARLY HAVE TO LOOK AT EACH COUNTRY'S CIRCUMSTANCES, RECOGNIZING THAT THE PRECISE SOLUTIONS TO THE DEBT AND DEVELOPMENT PROBLEM MAY DIFFER FROM ONE TO ANOTHER.

FOR MIDDLE-INCOME DEVELOPING COUNTRIES, THE AGREED FOCUS IS ON DEALING WITH THE VOLUNTARY AND MARKET-ORIENTED REDUCTION OF COMMERCIAL BANK DEBT.

FOR THE POOREST OF THE POOR, GOVERNMENTS HAVE BEEN PREPARED TO PLAY A STRONGER ROLE BECAUSE THEIR DEBT IS LARGELY RELATED TO OFFICIAL LOANS OWED TO GOVERNMENTS OF INDUSTRIALIZED COUNTRIES. THE RESCHEDULING IN THE PARIS CLUB, UNDER WHAT ARE KNOWN AS THE "TORONTO TERMS", AND THE SPECIAL SUPPORT GROUP EFFORT FOR GUYANA, WHICH CANADA CHAIRED, HAVE BEEN INNOVATIVE AND USEFUL. BUT CLEARLY WE NEED TO REMAIN OPEN TO NEW IDEAS, PARTICULARLY SO IN THOSE AREAS WHERE GOVERNMENTS CAN PLAY A SIGNIFICANT ROLE.