

20. To regain creditworthiness Russia will need to make a determined effort to implement sound macroeconomic and structural reform policies. Foremost is the need to undertake a fiscal adjustment to reduce the budget deficit. Reform of associated structural policies should help staunch capital flight and strengthen the balance of payments. This would provide the basis for debt rescheduling agreements, that should, over the longer term, lead to a more permanent solution for Russia's debt servicing difficulties.