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voluntary debt reduction is considered essential. As part of this approach, creditor governments would also continue to reschedule or restructure their credits through the Paris Club; provide financial support through the IFIs and the export credit agencies for countries with sound economic reform programs; and consider ways to reduce in the creditor countries any unnecessary regulatory and tax impediments to voluntary debt reduction.

Meanwhile, negotiations between the banks and debtor countries seeking a restructuring of their debt, including actual reduction of the debt or of debt service payments, are making slow progress. This is due to the banks' reservations about accepting large losses, difficulties in getting all participant banks on side, and the high expectations of debtor countries. Summit leaders will review these issues in Paris. The Paris Summit is also expected to consider the debt situation of the poorer countries.