

Ukraine

We wish to see a stable and independent Ukraine.

We welcome the Trilateral Statement, Ukraine's ratification of the START I Treaty, and steps to remove nuclear weapons. We look forward to Ukraine's accession to the NPT as a non-nuclear weapon State.

But we are deeply concerned about the economic situation. Genuine reform is the only way to improve the economy. We urge the Ukrainian Government to design and implement rapidly stabilization and structural reforms, including price liberalization and privatization. This would provide the basis for IMF lending and for substantial loans by the World Bank and the EBRD. We are committed to support comprehensive reform efforts through intensified technical and financial assistance and by facilitating improved access to our markets for Ukrainian products.

With a renewed commitment to comprehensive market reform, Ukraine could gain access to international financing of over \$ 4 billion in the course of a two year period following the commencement of genuine reforms.

We endorse the proposal for a conference on Partnership for Economic Transformation in Ukraine to be held in Canada before our next meeting.

Russia

1. We recognize the historical dimension of the reform process in Russia. We are encouraged by the commitment to reform, both political and economic, of the Russian leadership and by the progress made so far.

2. The approach we endorsed in Tokyo last year is producing results. We welcome the agreement with the IMF on an economic programme and the recent series of loan agreements with the World Bank and the EBRD. We encourage Russia to work with the International Financial Institutions to stabilize the economy, reinforce the reform process, and reduce social hardship.

The increases in IMF limits, provision of SDRs to new IMF members and acceleration of World Bank lending that are now under consideration will significantly augment the ability to support Russian reform efforts. The recently