

33. The development of electronic commerce has the potential to yield great benefits to all our citizens and enterprises. To do so, it must be able to grow in a predictable and stable environment. We have directed our officials to work with the OECD, WTO, other appropriate international organizations, and the private sector to identify opportunities to facilitate global electronic commerce, as well as the challenges it poses to ensure preservation of national security interests, consumer protections, effective tax administration and the ability to deal with criminal activities, including money laundering.

34. In Lyon we initiated an effort to standardize and simplify customs procedures. We urge our customs experts to complete their work in the next year and report prior to our next meeting on their efforts to standardize both the data required by customs and other related administrations to carry out their responsibilities and the form in which data are to be reported electronically, and to reduce data requirements to a minimum consistent with effective administration of customs responsibilities.

35. The globalization of national economies has increased the challenge of harmful tax competition. As stated in the Lyon communique, tax schemes aimed at attracting financial and other geographically mobile activities can create harmful tax competition between states, carrying risks of distorting trade and investment, and could lead to the erosion of national tax bases. Harmful tax competition also undermines the fairness and neutrality of the tax system. Hence we attach great importance to the work undertaken by the OECD. We hope that the OECD can produce its conclusions and recommendations on this subject in time for our consideration at next year's Summit.

Ukraine

36. We encourage Ukraine to tackle the challenges of reinvigorating economic reform and creating a more welcoming environment for investors. Immediate progress on the ambitious reform plan outlined by the Ukrainian government last fall is crucial to that effort and to gaining access to the considerable financing package already available from the IFIs and the donors. Decisive steps are now needed by government to improve the legal standing and practical treatment of investors. This is key to developing the private business sector, without which reform will fail.

37. We have made significant progress in implementing the 1995 Memorandum of Understanding (MOU) with Ukraine on Chernobyl Closure. We reaffirm our commitment to assist Ukraine, within the context of the MOU, in mobilizing funds for energy projects to help meet its power needs in 2000 and beyond after Chernobyl's closure. To date, projects have been agreed totaling over \$1 billion. We call upon Ukraine to continue to undertake the reforms necessary for sustainable growth, particularly in its energy sector.

38. We agreed on the importance of securing the environmental safety of the sarcophagus covering the remains of the destroyed Chernobyl reactor. This task is inevitably beyond the resources of Ukraine alone. This is a major challenge for the international community. We have decided to add to the commitments we undertook in the MOU with Ukraine. We endorse the setting up of a multilateral funding mechanism and have agreed that the G-7 will contribute \$300 million over the lifetime of the project. We call upon concerned governments and other donors to join us at a special pledging conference this fall to ensure full implementation of this project.