

- as the Kyoto protocol says, to supplement domestic actions, we will work further on flexible mechanisms, such as international market-based emissions trading, joint implementation and the clean development mechanism, and on sinks. We aim to draw up rules and principles that will ensure an enforceable, accountable, verifiable, open and transparent trading system and an effective compliance regime;
- we will work together and with others to prepare for the Buenos Aires meeting of COP4 this autumn. We will also look at ways of working with all countries to increase global participation in establishing targets to limit or reduce greenhouse gas emissions. We will aim to reach agreement as soon as possible on how the clean development mechanism can work, including how it might best draw on the experience and expertise of existing institutions, including the Global Environment Facility. We look forward to increasing participation from developing countries, which are likely to be most affected by climate change and whose share of emissions is growing. We will work together with developing countries to achieve voluntary efforts and commitments, appropriate to their national circumstances and development needs. We shall also enhance our efforts with developing countries to promote technological development and diffusion.

12. The recent devastating forest fires in south-east Asia and the Amazon, threatening not only our environment but even economic growth and political stability, illustrate the crucial importance of global co-operation, and of better and more effective frameworks and practical efforts designed to sustainably manage and conserve forests. In the year 2000 we will assess our progress on implementation of the G8 Action Programme published last week. We strongly support the ongoing work on forests under the auspices of the United Nations, and we look forward to continuing these efforts.

Growth, employability, and inclusion

13. All our people, men and women, deserve the opportunity to contribute to and share in national prosperity through work and a decent standard of living. The challenge is how to reap the benefits of rapid technological change and economic globalisation whilst ensuring that all our citizens share in these benefits by increasing growth and job creation, and building an inclusive society. To accomplish this, we recognise the importance of modernising domestic economic and social structures within a sound macro-economic framework. To these ends we strongly endorse the seven principles agreed by the G8 Finance, Economic, Labour and Employment Ministers at their London Conference in February on 'Growth, Employability and Inclusion'. We also welcome the conclusions of the Kobe Jobs Conference of November 1997, with their particular focus on active ageing.

14. We discussed and welcomed the Action Plans we have each produced to show how the seven principles of the London Conference are being implemented. By sharing national experiences and best practices in this area, we can improve our policies and responses. We underlined the importance of the involvement of employers and unions in securing successful implementation of these Plans.

15. The Action Plans show that individually we are all making new commitments to improve employability and job creation in our countries. In particular, we have committed ourselves to:

- measures to help young, long-term unemployed and other groups hard hit by unemployment find work;
- measures to help entrepreneurs to set up companies;
- carrying out structural reforms, including making tax and benefit systems more employment friendly and liberalisation of product markets;