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FINANCIAL RESOURCES AND MECHANISMS

Report of the Inter-Sessional Ad Hoc Open-ended Working Group on Finance

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* E/CN.17/1994/1.

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INTRODUCTION

1. At its first session, the Commission on Sustainable Development expressed concern that the general response to the recommendations and commitments of the United Nations Conference on Environment and Development (UNCED) regarding funding fell significantly short of expectations and requirements (E/1993/25/Add.1, chap. I, para. 55). The Commission emphasized that the inadequacy of financial resources remained a major constraint for effective implementation of Agenda 21 and decided to establish an Inter-Sessional Ad Hoc Working Group on Finance, composed of Governments that would nominate experts to assist the Commission in its work. The mandate of the Working Group is set out in the Commission's report (E/1993/25/Add.1, chap. I, para. 61).

2. In response to its mandate, the Working Group has reviewed the financing of sustainable development in the context of Agenda 21, with particular emphasis on access to international finance, the mobilization of national financial resources, innovative financial mechanisms and the financing of the sectoral clusters under review, that is, health, human settlements, freshwater, toxic chemicals and hazardous wastes.

3. The discussion of the Working Group was based on the report of the Secretary-General (E/CN.17/ISWG.II/1994/2) and background papers, including the report of the Meeting on Financial Issues of Agenda 21, hosted by the Governments of Malaysia and Japan at Kuala Lumpur from 2 to 4 February 1994. The experts expressed their appreciation of the report of the Secretary-General and the background papers. They suggested that these papers be transmitted to relevant international meetings for consideration. They expressed the view that it would be useful if future reports provided greater disaggregated details on resource flows, particularly to and from developing countries, and if greater emphasis were placed in the reports and during the discussion on the exchange of individual country experiences.

4. The present report is not a negotiated text. The intention is to open up new avenues and develop new ideas for financing Agenda 21 in the spirit of global partnership for sustainable development launched at UNCED. The Working Group invites the Commission to consider the report at its second session, in May 1994. It is recommended that at future sessions of the Commission, an informal meeting with the participation of representatives of the private sector, including banks, and non-governmental organizations, the more active participation of the international financial institutions at a high level and the participation of business groups be organized, with a view to helping in the effective consideration of financial resources for sustainable development.

5. It was stressed that a review of the progress made in the financing of sustainable development needed to focus on the commitments of UNCED and on the adequacy of policies pursued in regard to mobilizing external and internal financial resources for the implementation of all parts of Agenda 21. In this context, there was strong support for the notion that the financing of Agenda 21 would be significantly facilitated by progress in changing consumption patterns and achieving sustainable lifestyles.

6. Agenda 21 represents an agreed political framework for the financing of sustainable development. Matters related to the implementation of the financial commitments contained in Agenda 21, including those related to the increase of official development assistance (ODA) flows, as well as to such issues as falling terms of trade, declining commodity prices, market access, debt reduction and relief, sound domestic policies and other measures that promote a supportive international and national economic environment are essential for the successful implementation of Agenda 21. Resolution of these issues must continue to be an urgent priority of international dialogue and decision-making processes that take place in the Commission and other relevant intergovernmental forums, as well as in the national context.

7. As stated above, the general response to the recommendations and commitments of UNCED regarding financing falls significantly short of expectations and requirements. Moreover, at the international level, there is no clear evidence as yet of the provision of adequate, predictable, new and additional financial resources, in particular to developing countries, for sustainable development. The goal of mobilizing financial resources for sustainable development makes it necessary to act on all possible fronts, including through innovative approaches.

8. Financing of sustainable development cannot be achieved only from official international sources. It is equally important to increase both public and private savings, in both developed and developing countries, and directing those savings towards investments that are environmentally sustainable. Moreover, sustained economic growth in all countries is essential for the financial viability of Agenda 21.

I. GROWTH, TRADE AND TERMS OF TRADE

9. Economic growth in developed and developing countries and in countries with economies in transition is highly important for trade and foreign-exchange earnings, particularly for developing countries. During 1994, global economic growth is expected gradually to become more firmly established, but the strength and timing of such growth, particularly in industrialized countries, remain uncertain.

10. Agenda 21 has identified a number of factors which reduce the ability of developing countries to mobilize, through international trade, the resources needed to finance investment for sustainable development. These include tariff and non-tariff barriers. Trade liberalization provides opportunities to address these problems in order to achieve sustainable development. One important aspect of trade liberalization, particularly for developing countries, is increased access to markets of countries members of the Organisation for Economic Cooperation and Development (OECD).

11. In this regard, the recently concluded Uruguay Round of multilateral trade negotiations is an important landmark. Although it will be some time before a conclusive assessment can be made of the outcome of the Round, in particular in areas of interest to developing countries, there is a basic consensus that

further liberalization will strengthen the expansion of world trade to the benefit of all countries.

12. Real commodity prices have been declining almost continuously since the early 1980s and continue to show weakness. It is to be expected that the decline in commodity prices will have its largest impact on countries with the least diversified production structure. Primary commodities still account for the bulk of exports in many developing countries, especially in Africa. Moreover, the countries of this latter group, which encompasses many of the lowest-income countries in the world, tend to have less flexible economic systems, making substitution away from commodity production more difficult or costly. It is an urgent priority for the international community to assist those countries in diversifying their economies.

13. Suggestions were made that further consideration could be given to the concept of international commodity-related environmental agreements.

II. INTERNATIONAL FINANCIAL RESOURCES

14. ODA will continue to play an important role in meeting investment requirements. A greater effort should be made to honour the commitments made at UNCED for sustained economic growth, combating poverty and protection of the environment. There is also a need to increase the efficient use of ODA.

15. Multilateral financial institutions, the United Nations system and other intergovernmental organizations, including regional and subregional organizations, should increase significantly their effective capacity to address sustainable development. Of the utmost importance is the need to accelerate the process of reorienting and realigning their programmes and policies towards sustainable development and the implementation of Agenda 21.

16. As regards the multilateral financial institutions, this would require not only adequate replenishment of their soft windows and other conventional facilities, but also the identification of new and innovative ways of mobilizing additional financial resources, accelerating their disbursements and strengthening their capacity to deliver technical cooperation programmes.

17. The overall favourable growth of foreign direct investment (FDI), particularly in developing countries, is encouraging and needs to be further promoted through appropriate policies. Measures should be undertaken also to attract an increasing amount of other private capital flows. Investment in environmental infrastructure through the use of build-operate-transfer arrangements and the use of environmental rating and other schemes in financial markets need to be encouraged.

18. Despite a number of positive developments in the area of debt and debt relief, the overall situation remains a cause for concern, particularly in the poorest countries. It would be desirable if creditor countries considered further cancellation of their claims on the poorest countries, particularly in Africa, through existing Paris Club arrangements (enhanced "Toronto Terms") and the application of greater debt forgiveness along the lines of the proposed

"Trinidad Terms". The situation of lower middle-income countries also needs to be addressed.

III. NATIONAL FINANCIAL RESOURCES

19. In the framework of national policies, it would be desirable to achieve a better mix between traditional regulation and the use of economic instruments, address the issues of subsidies and military spending and encourage private-sector investment in environmental infrastructure.

20. Regulations have been the standard approach to environmental protection in most countries. These regulations often entail high compliance and enforcement costs. Various countries are exploring the use of economic instruments, such as environmental taxes, effluent charges and tradeable permits. Policies that use economic incentives will be effective only to the extent that polluters and resource users respond to them. Responsiveness depends on a number of factors, including ownership, competition and the design of the instrument. Economic instruments can also be used to provide incentives for investment in cleaner technologies and processes. A move towards increased use of economic instruments could be regarded as an important indirect complementary mechanism for the financing of Agenda 21.

21. Conventional taxation systems apply direct and indirect taxes on work, income, savings, and value added, and usually leave untaxed (or even subsidized) resource depletion and pollution. Such a system can reduce incentives for work, savings, investment and conservation, while encouraging resource depletion and environmental degradation.

22. Reform of the fiscal system could change the mix of taxes towards environmental taxes, thus bringing the economy closer to sustainable development by stimulating employment, economic growth and resource conservation and discouraging resource depletion and environmental pollution. Such fiscal reform could save government expenditures on environmental regulation and pollution abatement and thereby indirectly advance the objectives of Agenda 21. This shift should be gradual and implemented in phases to avoid undue disruptions. Furthermore, care should be taken that the poor and disadvantaged are adequately protected.

23. In addition to environmental taxation, a number of other policies can have indirect benefits for mobilizing resources for sustainable development. They include reducing incremental resource requirements (by, for example, improving energy efficiency and conservation); promoting tradeable permits; defining property rights; as well as phasing out subsidies and reducing military spending. The latter would release significant resources for financing sustainable development. However, these measures need to be studied in more detail to assess their feasibility and impact.

24. Finally, there was great interest in exploring ways and means of involving the private sector more strongly in investment for sustainable development.

IV. INNOVATIVE FINANCIAL MECHANISMS

25. The discussion of innovative financing focused on debt-related mechanisms, national environmental funds, market-based instruments and international tax mechanisms.

26. Carefully designed, debt-for-sustainable-development swaps are useful instruments for providing short-term relief and could complement such other mechanisms as improved access to international finance. Debt-for-sustainable-development swaps include debt-for-nature swaps, as well as debt for child development, debt for education and debt for habitat programmes.

27. There was strong interest in the establishment of national environmental funds, which could play a catalytic role in improving environmental management, biodiversity conservation and equitable use of natural resources. Environmental funds have been initiated in many countries and have received substantial funding commitments. Green investment funds and venture capital funds, recently launched in some countries, provide promising market-based mechanisms to mobilize resources for sustainable development. More needs to be done to promote these funds, including, if necessary, the establishment of clearing-houses for accurate and up-to-date information.

28. As regards joint implementation in the context of the United Nations Framework Convention on Climate Change, this needs to evolve within the context of the Convention.

29. The international mechanisms for the financing of sustainable development could include international emission charges, tradeable permits on greenhouse gas emissions, taxes on air travel, and fees and arrangements to cover international environmental disasters, including those related to transportation of hazardous materials and wastes. More work needs to be done, especially to examine their feasibility, legal modalities and administrative arrangements.

V. MULTILATERAL CONSIDERATION OF POLICY REFORMS

30. All countries stand to benefit in the long run from international and domestic policy reforms that make development more sustainable. In the short run, however, the reality is that not all individual industries within a given country will benefit. Industries that currently use natural resources the least efficiently and create the greatest externalities will suffer the most. They can be expected to oppose policy reforms that force them to pay the full cost of the resources they use and the environmental damage they generate.

31. In many cases, the necessary policy reforms will have significant international economic ramifications. Consider, as an example, the case of energy subsidies. A reduction in energy subsidies would liberate substantial budgetary resources, stimulate more efficient energy use and improve air quality. In the short run, however, it would affect the competitiveness of energy-intensive industries, cause job losses in those industries, and raise the prices of many essential goods, which might be particularly difficult for low-income households to bear. As such, countries are understandably reluctant to

phase out energy subsidies unilaterally. Similar reluctance can be expected to confront the removal of other environmentally damaging subsidies, as well as the imposition of pollution taxes and other policies for internalizing externalities. As an illustration, international trade policy reform provides a useful and time-tested example of the difficulties involved. In principle, trade liberalization benefits all countries in the long run. In practice, however, trade reform has taken more than four decades of often tedious negotiations, and is still not complete. But significant progress has been made to the benefit of the growth of international trade. Policy reforms related to the more complicated objective of sustainable development cannot be expected to be realized any more easily.

32. The restructuring of the world economy called for by Agenda 21 therefore requires a long-term, ongoing, incremental process. In some cases, the environmental and economic benefits of domestic policy reforms will be so compelling that enlightened countries will be willing to act unilaterally. For policy reforms that have international ramifications, however, the process will probably need to be multilateral. There are already such processes for purely global environmental problems, in the form of the various international conventions. But there is no existing process for coordinated domestic policy reforms related to more domestic environmental problems. Progress towards resolving those problems would benefit all countries in the long run.

33. It would be a practical step forward for any such process to begin with the easiest policy reforms, that is the ones with the most obvious economic and environmental benefits and the lowest political costs. Over time, more difficult reforms could be tackled, just as trade liberalization proceeded in an evolutionary and pragmatic way. As the benefits of policy reforms become increasingly evident over time, in the form of higher standards of living and a cleaner environment, successive policy reforms should become easier and possibly move faster.

34. The ultimate objective is to move gradually and steadily toward full-cost pricing of all goods in all countries, taking full account of the need to safeguard the interests of the poor and disadvantaged. As a practical matter, countries can be expected to move at different rates, considering the different economic, social and political constraints they face and the different environmental standards they have adopted. The process would not, of course, preclude them from making unilateral reforms outside the context of the process itself. The precise structure and negotiating arrangements for such a process would depend on the nature of the particular reforms involved, and obviously needs detailed study. Existing forums or a process modelled on proved international negotiating processes (perhaps, a series of "Green Rounds") should be carefully examined and considered.

VI. FINANCING SECTORAL CLUSTERS

35. The five sectoral clusters under review are health, freshwater, human settlements, toxic chemicals and hazardous wastes. They involve diverse financing issues, are linked in various ways, and financial mechanisms related to the sectors share a number of basic features.

36. Additional financial resources are indeed necessary in all sectors under review. For example, more than 1 billion people in developing countries have shelter unfit for human habitation. One billion lack access to an adequate supply of freshwater and another 1.7 billion do not have adequate sanitation services. Similarly large numbers of people lack access to primary and other forms of health care. Large numbers are exposed to toxic chemicals and hazardous wastes.

37. There is growing recognition of the need to shift away from the traditional supply-driven approach to the sectors, which is characterized by top-down planning (public-sector projects and an emphasis upon quantity of services provided), towards a demand-driven approach, which involves greater involvement of the private sector, local communities and households in financing and determining the types of services to be provided. The preparation and implementation of national sustainable development plans and strategies, properly carried out, could facilitate this demand-driven approach.

38. There was also emphasis on the need to focus on pollution prevention rather than on "end-of-pipe" solutions.

39. The new approaches recognize that users are best able to judge the types of services desired and the trade-offs between the benefits and costs of different types of services. They emphasize self-financing (cost recovery through application of user fees) and participatory planning, development and management of the services provided. Furthermore, they call for decisions to be made at the lowest appropriate level. They do not treat financing as a residual activity, to be costed once government planners have identified the type and level of services to be provided. Rather, they integrate financial and economic considerations into sectoral development by determining which services users want and are willing to pay for.

40. A variety of financial mechanisms are available for raising the necessary funds for investment in the sectoral areas under review. The appropriate mix of mechanisms will vary from sector to sector and country to country. Funds should be allocated to economically viable investments, prices should in general be cost-covering and, if possible, public funds should only be used for services that benefit the general public.

41. Examples for the application of these general principles can be found in the health sector, in water supply and in the disposal of hazardous wastes. Sanitation, health and housing are areas where supplemental public funding commensurate with the public benefits they provide may be justified. In the case of health, ability to pay is often severely limited for the disabled and the poor, who account for a high proportion of the groups targeted by health care programmes.

42. ODA, loans from international financial institutions, and, in some cases debt swaps, provide important sources of external funds for sectoral activities. ODA remains especially important in low-income countries. Agenda 21 has identified domestic resources as an important source of funding for sectoral activities. User fees and instruments based on full-cost pricing offer means of

cost recovery. The private sector can also offer financing for sectoral investments, for example through build-operate-transfer and related schemes.

43. There is a need to reorient future discussions on financing of sectoral areas of Agenda 21 towards a better mix of policy reforms and funding sources, given the wide variety of traditional and innovative financial mechanisms. Identification of such a matrix of appropriate financial sources and mechanisms that appear most promising for particular sectors would be useful for the Commission in discussing a general policy framework for mobilizing domestic and external financial resources, including new and additional resources. This framework could then be considered by national policy makers, financial institutions, donors and other interested parties. The development of such a policy framework would require the active involvement of not only experts on the sectors but also experts on public finance, bankers, investors and other relevant parties from the private sector, as well as non-governmental organizations. In this regard, interested countries and organizations are encouraged to consider sponsoring and organizing inter-sessional workshops and case-studies on financing particular sectoral clusters, with a view to making recommendations and identifying specific financing mechanisms for consideration by the Commission through its Working Group on Finance. Such in-depth analysis of the diversity of financial needs in different sectors could also be helpful in mobilizing increased political support for ODA.

44. Other work to be undertaken with regard to sectoral finance should usefully include a better breakdown of sources of funding, including ODA, according to the sectoral clusters of Agenda 21, and an improved methodology for the assessment of investment requirements of particular sectors in comparison with available financial resources.

VII. OTHER MATTERS

45. The Working Group took note of the communication received from the Chairman of the Inter-Sessional Ad Hoc Open-ended Working Group on Technology Transfer and Cooperation regarding the proposals on measures and mechanisms to finance the transfer of environmentally sound technologies. These proposals fit within the menu of funding mechanisms discussed by the Working Group on Finance. In this regard, it will be necessary to apply the entire range of financial instruments and arrangements identified in the present report to fund technology assistance, in particular to developing countries, besides those identified by the Working Group on Technology Transfer and Cooperation (E/CN.17/1994/11, sect. IV).

VIII. AREAS FOR ACTION

46. The Working Group recommends that the Commission on Sustainable Development at its second session:

(a) Involve more actively private business, the financial community and non-governmental organizations in efforts to effectively mobilize financial resources for the implementation of Agenda 21 and consider further promoting the dialogue with these constituencies at future sessions of the Commission, as recommended in paragraph 4 above;

(b) Urge all parties concerned, in the spirit of global partnership, to:

(i) Honour all financial commitments made at UNCED, including those on ODA, and continue the search for a more effective use of ODA;

(ii) Strengthen substantially the capacity of international financial institutions and other international organizations to more effectively and demonstrably implement Agenda 21;

(iii) Expeditiously implement trade liberalization agreed upon under the Uruguay Round of multilateral trade negotiations, and seek further trade liberalization;

(iv) Support efforts of developing countries, particularly those in Africa, to diversify their economies in order to mitigate negative terms of trade developments;

(v) Promote policy measures which encourage and attract foreign direct investment and other private capital flows;

(vi) Pursue further external debt reduction and relief measures, including the search for innovative ways to address the debt problem;

(vii) Continue to promote national sustainable development plans and strategies;

(viii) Promote the mobilization of domestic financial resources for sustainable development through various means, including policy reforms and the use of economic instruments and incentives;

(ix) Consider the use of an effective multilateral forum to best promote the coordination of policy reforms for sustainable development;

(x) Promote the exchange of information on specific experiences related to the financing of sustainable development;

(c) Promote the search for an adequate mix of policies and funding sources for various sectoral areas, as suggested in the present report;

(d) Consider appropriate means of examining thoroughly specific traditional and innovative financial instruments proposed in the present report through various means, including workshops, case-studies and pilot projects.

IX. ORGANIZATIONAL MATTERS

A. Opening and duration of the session

47. The Working Group met at United Nations Headquarters from 28 February to 2 March 1994, in accordance with Economic and Social Council decision 1993/314 of 29 July 1993. The Working Group held six meetings (1st to 6th).

48. The session was opened by the Chairman of the Commission on Sustainable Development, Mr. Razali Ismail (Malaysia).

49. An introductory statement was made by the Under-Secretary-General for Policy Coordination and Sustainable Development.

50. A statement was also made by the representative of Malaysia.

B. Attendance

51. Representatives of all States members of the Commission on Sustainable Development attended the session. Observers for other States Members of the United Nations and for non-member States, representatives of organizations of the United Nations system and observers for intergovernmental and non-governmental organizations also attended. A list of participants is contained in annex I to the present report.

C. Election of officers

52. At the 1st meeting, on 28 February, the Working Group elected, by acclamation, Lin See-Yan (Malaysia) Chairman.

D. Agenda and organization of work

53. At the 1st meeting, on 28 February, after hearing a statement by the representative of Brazil, the Working Group adopted the provisional agenda contained in document E/CN.17/ISWG.II/1994/1 (see annex II).

E. Documentation

54. The Working Group had before it the report of the Secretary-General entitled "Financial resources and mechanisms for sustainable development: overview of current issues and developments" (E/CN.17/ISWG.II/1994/2) and a number of background papers.

Annex I

ATTENDANCE

Members

Algeria:	
Antigua and Barbuda:	Lionel Hurst, John W. Ashe
Australia:	Tony Kelloway, Corinne Tomkinson
Austria:	
Barbados:	
Belarus:	Alexei A. Mojoukhov, Gregory Borushko
Belgium:	Henry Dumont, J. Engelen, Filip Peeters
Benin:	Rene Valery Mongbe, Rogatien Biaou
Bolivia:	Erwin Ortiz-Gandarillas
Brazil:	Ronaldo Mota Sardenberg, Pedro Motta Pinto Coelho, Regis Percy Arslanian, Renault de Freitas Castro
Bulgaria:	Ivan Vladimirov Peichev
Burkina Faso:	Gaetan Rimwanguiya Ouédraogo, Mamadou Sermé, Moussa B. Nébié, Awa Ouédraogo
Canada:	John Fraser, Mark Gawn, Sushman Gera, Caroll Nelder-Corvari, Jennifer Irish
Chile:	Gonzalo Biggs
China:	Wang Baoliu, Wang Xiaolong
Colombia:	Luis Fernando Jaramillo, Juanita Castaño, Hernando Clavijo
Cuba:	Concepción Muñoz
Czech Republic:	Bedrich Moldan, Karel Zebrakovsky
Egypt:	Mostafa Tolba, Somaya Saad, Tarek Genena
France:	Monique Barbut, Bernard Devin, Philippe Delacroix
Gabon:	

Members

Germany:	Hans-Peter Schipulle, Knut Beyer, Jürgen Wenderoth
Guinea:	
Hungary:	István Gyebnár
Iceland:	
India:	
Indonesia:	
Italy:	
Japan:	Takao Shibata, Kinji Shinoda
Malawi:	Fexton D. J. Matupa
Malaysia	Lin See Yan, Hadenan Abdul Jalil, Zainal Aznam Yusof, S. Thanarajasingam, Hussein Haniff, Badruddin Ab. Rahman
Mexico:	Gerardo Lozano, José Robles, Patricia Belmar
Morocco:	Abdallah El Ouadghiri, Ahmed Amaziane
Namibia:	Arnold van Kent
Netherlands:	F. L. Schlingemann, Joke Waller, Arjan Hamburger, Patricia Vrij, Margot de Jong
Nigeria:	
Norway:	Svein Aass, Idunn Eidheim
Pakistan:	
Philippines:	Jose Lino Guerrero, Gil Beltran
Poland:	Wojciech Ponikiewski
Republic of Korea:	Wonil Cho, Dong Wook Kim, Hong Jai Im, Hoon Choi, Ho-Saeng Rhee
Russian Federation:	
Singapore:	Chew Tai Soo, Viji Menon, Burhanudeen Gafoor
Sri Lanka:	S. A. Karunaratne

Members

Tunisia:	Slaheddine Abdellah, Amor Ardhaoui, Friaa Jaafar, Salem Goulli, Ghazi Jomaa
Turkey:	Istiklal Alpar, Levent Murat Burhan, Hüseyin Avni Karshoglu
Uganda:	
United Kingdom of Great Britain and Northern Ireland:	Suma Chakrabarti, Ann Grant, Victoria Harris, Robin Barnett
United Republic of Tanzania:	
United States of America:	William Milam, John P. McGuinness, George Herrfurth, Bisa Williams-Manigault, Mark Kindall
Uruguay:	
Vanuatu:	
Venezuela:	Carlos Bivero, Javier Diaz, María A. Silva

States Members of the United Nations represented by observers

Argentina, Bahamas, Denmark, Estonia, Finland, Guyana, Iran (Islamic Republic of), Iraq, Ireland, Israel, Jordan, Kenya, Latvia, Lithuania, Mauritania, Myanmar, Nepal, Oman, Peru, Saudi Arabia, Spain, Sweden, Thailand, Trinidad and Tobago, Zimbabwe

Non-member States represented by an observer

Switzerland

United Nations Secretariat

United Nations Children's Fund, United Nations Conference on Trade and Development, United Nations Development Programme, United Nations University

Specialized agencies and GATT

United Nations Educational, Scientific and Cultural Organization, World Bank, International Monetary Fund

Intergovernmental organizations

European Economic Community

Non-governmental organizations

National Wildlife Federation (non-governmental organization in consultative status with the Economic and Social Council, category II); the Cousteau Society Inc., the Progress Agency (non-governmental organizations accredited to the Commission on Sustainable Development).

Annex II

AGENDA

1. Adoption of the agenda and other organizational matters.

2. Overview of financial resources and mechanisms in the context of chapter 33 of Agenda 21 and in accordance with decision F adopted by the Commission on Sustainable Development at its first session.

3. Ways and means of increasing the effectiveness of the use of existing financial resources and of mobilizing new and additional resources from all sources:

   (a) Consideration of international policy instruments such as debt relief, terms of trade, commodity prices, market access and private foreign investment as well as to review mechanisms for innovative financing in the context of paragraph 33.16 of Agenda 21;

   (b) Consideration of national policy instruments;

   (c) Specific experiences and initiatives in the sectors under review.

4. Requirements, availability and adequacy of financial resources and mechanisms in the sectors under review: assessment and methodological questions.

5. Specific policy options for the mobilization of financial resources towards a balanced implementation of all aspects of Agenda 21 under consideration by the Commission on Sustainable Development in 1994, in the light of the discussion of the above items.

6. Other matters.

7. Adoption of the report of the Working Group.
