

MANDATES AND RESOURCES

UN specialized agencies are economic and social institutions that are crucial to the welfare and development of Member States. They perform a variety of different tasks, each agency operating within the bounds of a reasonably well defined and distinct field. The uniqueness of each agency and its operational freedom are valuable characteristics, contributing to a strong internal sense of purpose and direction, to the acquisition of technical expertise, to the development of innovativeness, and to the realization of productive programmes.

The first objective of the Canadian proposals is therefore to ensure that each agency is equipped with the full array of budgetary and financial instruments required to meet its programme objectives. To achieve this, it is proposed that agencies be provided with three complementary financial resources envelopes:

- Main Envelope to enable agencies to manage their programmes and administer themselves effectively and efficiently;
- Back-up Envelope to enable agencies to meet major predictable financial contingencies (inflation and currency fluctuations) and unforeseeable programme-related emergencies that might be faced by Member States; and
- Special Envelope to enable agencies to adjust with flexibility to new opportunities or constraints, or to other special circumstances.

The system of financial envelopes makes it possible to identify, from the outset, the major objectives pursued by agencies and to put them in a strong financial position to meet each in an effective, efficient, and transparent way. The envelopes also make it possible to calculate separately the financial requirements for each objective, to make clear what provision has been made to meet it, how decisions are to be taken in each case, and to assess how well the agencies perform in meeting each objective.