



香港中文大學
The Chinese University of Hong Kong

Centre for Financial Regulation and Economic Development

金融規管與經濟發展研究中心



FACULTY OF LAW

A CFRED Seminar:

THE "GOVERNANCE PROBLEMS" OF INTERNATIONAL ORGANIZATIONS DEALING WITH ECONOMIC MATTERS: AN INTERNATIONAL LAW PERSPECTIVE

by

Prof. Claudio Dordi

Bocconi University

Chaired by: **Prof. Gonzalo Villalta Puig**, *Faculty of Law, CUHK*

28 November 2014, Friday, 12:30 – 2:00p.m.

The Faculty of Law Graduate Law Centre, 2/F Bank of America Tower, 12 Harcourt Road, Central, Hong Kong

The World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank, and the EU encourage their members to promote and implement “good governance” principles in their government-related activities. For instance, the WTO “*helps governments (to) take a more balanced view of trade policy...to defend themselves against lobbying from narrow interest groups by focusing on trade-offs that are made in the interests of everyone in the economy*”. For its part, the IMF “*promot[es] good governance when providing policy advice, financial support, and technical assistance to its member countries. The IMF also has strong measures in place to ensure integrity, impartiality, and honesty in the discharge of its own professional obligations.*” The World Bank also “*views good governance and anti-corruption as important to its poverty alleviation mission. Many governance and anti-corruption initiatives are taking place throughout the World Bank Group. They focus on internal organizational integrity, minimizing corruption on World Bank-funded projects, and assisting countries in improving governance and controlling corruption.*”

Thus, while major international organizations are certainly called to promote good governance principles among their members, it is not clear whether these same organizations properly implement these principles in carrying out their own activities. Indeed, the application of good governance principles to international organizations themselves (rather than to national or regional governments only) is a more recent phenomenon.

This seminar will address the main problems faced by international economic organizations in complying with good governance principles while carrying out their statutory activities. While no statutory, treaty or judicial definition of good governance exists¹, it is widely recognized that it refers to a collection of legal concepts expressed in constitutions, statutes, principles and international agreements². Thus, a consensus on what good governance implies for international organizations has been taking shape: the rule of law, accountability, transparency, the doctrine of separation of powers and conflict of interests are well-established principles in international organizations.

This seminar is divided in three parts. The first part will analyze the evolution and concept of good governance within the framework of international organizations. The second part will explore the difficulties and challenges that selected international organizations face in applying good governance principles. The third part will conclude by exploring some proposals for improving the implementation of good governance principles within the arena of international organizations.

In particular, the seminar will highlight that some of the difficulties of the selected international organizations in complying with “good governance” principles are due to their specific characteristics, such as the presence of the States as members, the limitation of their competences by their statutes/constituent treaties, the method of sourcing financial resources and the absence of a sovereign territory. The “good governance” deficit derives also from the reluctance of member States in implementing international organization decisions in their domestic legal system (e.g. lack of direct effect of WTO agreements and WTO/DSB decisions and the lack of direct applicability of many international agreements).

¹ K. K. Mwenda, Can Corruption and Good Governance Be Defined in Legal Terms? 1, *Journal of Global Change and Governance*, 2008.

² T. Zwart, Good Governance as a legal concept with a bite, *Paris, Sciences Po*, 2009.

About the Speaker



Prof. Claudio Dordi

Claudio Dordi is Associate Professor of International Law at Bocconi University, Milan. He received his Ph.D. in 1995 in International Economic Law. From 1995 to 1996, he worked as a consultant for the UNCTAD, Geneva and as a researcher at Bocconi University. Beginning in 1997, he was a faculty member of the Master in International Economic Management (MIEM) of SDA Bocconi where he teaches International Organizations. From 1999 to 2003, he has been lecturer and researcher of international trade law at University of Brescia and lecturer of international institutions at Bocconi University, Milan. In 2000, he has been member of a project of research on “EU-Mercosur” negotiations coordinated by the University of Sciences Po, Paris. He has taught trade in services and investment law in the Master of International Law and Economics (MILE) program at the World Trade Institute (Bern, Switzerland), and in many other European and Latin American Universities (Nicaragua, Brazil, France, Switzerland). In 2002 and 2003 he has been “visiting Professorial Fellow” at the International Economic Law Institute, Georgetown Law School. In 2004, he taught “International economic law” at the University of Canton (China) and from 2005 to 2006, he has been the director of a project financed by the Italian Ministry of Foreign Affairs and aimed at favouring the accession of Vietnam to the World Trade Organization. Since 2005, he is member of the roster panellists for the EU-Chile FTA Dispute Settlement System. In 2006, EC Commissioner Peter Mandelson in the EC Group of Experts has appointed him for the reform of Trade Defence Measures. Since 2007, he has been working as a trade expert for the Multilateral Trade Project of the EC (EU) in Vietnam, since October 2007, he is an expert for the “beyond the WTO” project of the World Bank, and he has member of the APEC project on Dispute Settlement. He participated in the research team analysing the WTO DSB reports 2004-2006. Since 2008, he is Technical Assistance Team Leader of the EU-Multilateral Trade Project in Vietnam. Since 2012, he is coordinator of the PhD program in “international law and economics”. He published books on a number of international trade-law related subjects (trade discrimination, Rules of Origin, effect of WTO in internal legal systems and World Trade Organization). He published articles in many European and international journals (e.g. World Trade Review, Journal of International Economic Law, and Journal of World Trade).

**All are welcome!
Admission is free of charge!**

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