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## Economic & Financial Organisations

### International Organisations

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### Overview

- **Mandate and structure of the WTO**
- **Overview of the most important regional economic organisations**
- **Introduction to the law of financial organisations**
- **Mandate and structure of the BIS**

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### WTO

(1/2)

- **WTO as an element of the new world order after the war**
- **Mandate**
  - Goals (Preamble)
  - Means for implementation
- **Membership**
  - Requirements
  - Procedure

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## WTO

(2/2)

- **Organs**

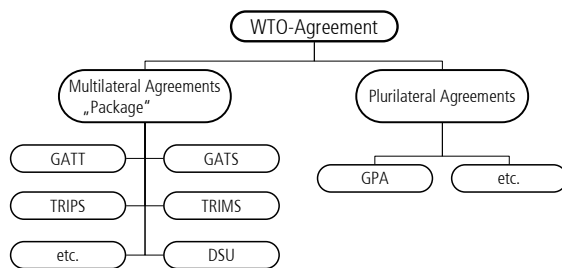
- WTO as „member-driven organisation“
- Institutional effects

- **Decision making**

- Consensus vs. vote
- Consequences of the „package-approach“

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## WTO: Agreements



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## WTO: Dispute settlement (1/3)

- **Differences to GATT**

- „Legalisation“: Rule of law and „rule of lawyers“
- Establishment of a permanent appellate body
- Dispute settlement procedure is mandatory

- **Legal basis**

- WTO-Agreement
- Dispute Settlement Understanding (DSU)

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## WTO: Dispute settlement (2/3)

- **Doc. No. 25**
- **Organs**
  - Panel Art. 6.1 DSU: Ad hoc, three members
  - Appellate Body Art. 17 DSU
    - Permanent, seven members
    - Three shall serve on any case
  - Secretariat
- **Procedure**
  - Consultations: Art. 4 DSU
  - Panel procedure
  - Possibility of appeal – appellate review: Only legal questions

## WTO: Dispute settlement (3/3)

- **Parties**
  - Member states
  - Participating parties and third parties
  - Amicus curiae briefs
- **Applicable law**
  - WTO law: Art. 3.2 DSU
  - Interpretation: Public international law, Art. 3.2 DSU
- **Legal effect of decisions**

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## Relevance of the WTO

- **Economic relevance**
- **Efficient dispute settlement procedure**
- **WTO as basis for an international trade system (Doc. No. 26)**
  - Constitutionalisation?
  - Co-operation with other organisations

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## UNCTAD

- **Organ of UN GA**
- **Priority: Developing countries**
- **Instruments**
  - Reports, studies
  - Technical assistance
  - Decisions not binding
- **Relevance**
  - Partnership with other international organisations
  - For Switzerland

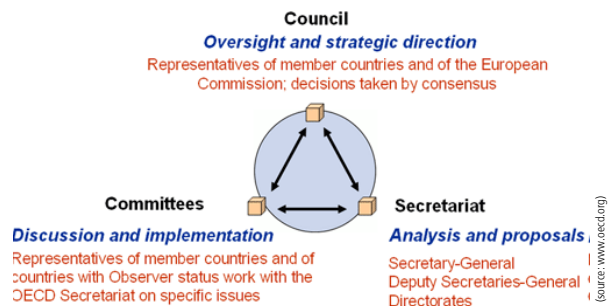
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## OECD

- **Establishment: 14.12.60**
- **Mandate**
  - Support sustainable economic growth and employment and improve living standard
  - Support developing countries
  - Foster to international trade
- **Headquarters: Paris**
- **Structure** □
- **Means: Peer reviews, guidelines (soft law)**
- **Members: 23 European states, Australia, Japan, Korea, Canada, Mexico, New Zealand, USA, (Chile)**

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### Who drives the OECD's work?



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## ECOWAS

- **Goal**
  - Community of francophone and anglophone states of West Africa, „United States of West Africa“
  - Strengthening their position in international negotiations
  - Promote economic integration
  - Common external customs tariffs, harmonisation of economic policies
- **Membership**
  - Membership open for every West African state
  - 15 members

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## EFTA, EEA

- **Establishment: 4.1.1960**
- **Mandate**
  - Elimination of trade barriers
  - Elimination of custom duties on industrial products
- **Headquarters: Geneva / Brussels**
- **Organisation**
  - Council
  - Committees
  - Secretariat
  - EFTA-Court
- **Members: Iceland, Liechtenstein, Norway, Switzerland**

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## NAFTA

- **Structure**
  - Formally not an international organisations, but a free trade agreement
  - Commissions for trade, labour and environment
  - Arbitration tribunal for dispute settlement
- **Mandate**
  - Establishment of a free trade zone
  - Liberalisation for services and capital
  - Protection of intellectual property
  - Promotion of investment
- **Members: USA, Canada and Mexico**

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## Financial organisations: Overview

- **Development and relevance**
- **Supervision**
  - Banks: BIS
  - Securities markets: IOSCO
  - Insurances: IAIS
- **Means**
  - Expert meetings
  - Standard setting: Soft law

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## BIS

- **Basis: Hague Convention of 1930**
  - International legal personality
  - Stock corporation under Swiss law
- **Goals**
  - A forum to promote discussion and policy analysis among central banks and within the international financial community
  - Serves as a bank for central banks
  - Agent or trustee in connection with international financial operations
  - Centre for economic and monetary research
- **Organisation and membership**
  - Committees: BCBS, CPSS
  - 56 members (incl. European Central Bank)

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## Financial Stability Board (FSB) (1/2)

- **Successor of Financial Stability Forum, established 2009**
- **Membership**
- **Representation of major financial authorities**
  - Central banks
  - Supervisory authorities
  - Ministers of finance
- **International financial institutions**
- **International standard-setting institutions**
- **International committees of central bank experts**
- **European Central Bank**
- **Today: 24 countries represented**

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## Financial Stability Board (FSB) (2/2)

- **Mandate**

- Assess vulnerabilities of the financial system
- Identify and oversee actions needed to address them
- Promote co-ordination and exchange of information among authorities responsible for financial stability

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## FSB and the financial crisis

- **Basis: Report on Enhancing Market and Institutional Resilience (FSF) (7. April 2008)**
- **Progress since the Pittsburgh Summit in implementing the G20 Recommendations for Strengthening Financial Stability**
  - Building high quality capital and mitigating procyclicality
  - Reforming compensation practices to support financial stability regarding good governance
  - Strengthening adherence to international supervisory and regulatory standards
  - Broader membership
- **Guidelines to Assess the Systemic Importance of Financial Institutions, Markets and Instruments: Initial Considerations**
- **The Financial Crisis and Information Gaps (together with IMF)**
- **[www.financialstabilityboard.org](http://www.financialstabilityboard.org)**

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## Pending questions

- **Legitimacy?**
  - Democratic legitimacy
  - Transparent procedures
  - Role of civil society
- **Accountability**
- **Role of experts vs. governmental organs**
- **Legal qualification of standards**

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