Member States and International Legal Responsibility

Developments of the Institutional Veil

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Abstract

The ‘institutional veil’ of international organizations is the linchpin for legal analysis and appraisal of the role and interrelation of international organizations, member States and organs. Through this lens the article examines in semi-broad strokes the position of international organizations’ member States in the legal framework of international responsibility, with reference to pertinent provisions in the ILC Ario. This leads to the finding that in (the discourse on) the establishment of responsibility there are four possible legal contexts, which have the institutional veil of the organization work out in different ways: subsidiary responsibility of member States (the proverbial ‘piercing of the corporate veil’); the attribution of conduct to member States; the ‘attribution of responsibility’ to member States; and the bypassing of the institutional veil to establish independent responsibility of member States, which is then connected by a material link to the wrongful act of the organization or to the injurious circumstances originally at issue. While in the context of subsidiary responsibility the institutional veil can be seen as consistently impermeable since the 1980s Tin Council cases, in the context of attribution of conduct the institutional veil of organizations appears to be increasingly contested, engaged with and challenged for transparency.

Keywords


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1 Introduction

As forms of political organization vary and levels of governance multiply, the subject of international organizations as legal creatures is topical as ever. Part of that topicality is related to scenarios of legal responsibility: traditionally the hallmark of fully-fledged participation in a legal system. Actions of the United Nations in Haiti, or in Srebrenica, and of Euratom or the European Patent Office in the Netherlands, have raised high profile questions regarding the legal accountability of international organizations. In the commentary to an early version of the Articles on Responsibility of States for internationally wrongful acts (‘ARS’) the International Law Commission (‘ILC’) stated: ‘it must not be forgotten that, by their very nature, international organizations normally behave in such a manner as not to commit internationally wrongful acts’. By now, organizations have come of age as independent legal actors, as is epitomized by the adoption in 2011 of the ILC Articles on the Responsibility of International Organizations (‘ARIO’).

A complicating factor in any legal scenario involving international organizations is the dimension of the member States. These are unlike the component elements of any other legal actor, including of the State itself. Prominent international legal persons in their own right, member States bring in an additional layer, which however lies behind the legal shell that clothes the international organization as a legal entity. This also constitutes a separation between the institutional legal order of the organization and general international law, which has existed ever since organizations were attributed a separate legal

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2 See notes 58 and 66 below and the accompanying text.

3 Greenpeace Nederland and Procurator General at the Supreme Court of the Netherlands (intervening) v. Euratom, 13 November 2007, Supreme Court, ILDC 838 (NL 2007); and see also the comment on this case by C. Brölmann available at <www.oup.com/online/ildc/>.

4 E.g. at the time of writing, the most recent decision was Staff Union of the European Patent Office v. The European Patent Office, 17 February 2015, District Court The Hague, Case No. 200.141.812/01.

5 ILC, ‘Text of articles 10 to 15 and commentaries thereto as adopted by the Commission at its twenty-seventh session’, [1975] 2 Yearbook of the International Law Commission, former draft Art. 13, p. 87 para. 3 (emphasis added). Both the Article and the commentary were adopted without change in 1996 (see UN Doc A/51/10 and Corr. I, p. 66).

6 ILC, ILC Report, UN Doc A/66/10 (2011) pp. 50–170; see also UN General Assembly Resolution 66/100 (9 December 2011), UN Doc A/RES/66/100.
identity, but was not always named as the conceptual linchpin that it arguably is. The metaphor of the ‘institutional veil’ is used to make this tangible (in Section 2).

The growing prominence in our time of international organizations as international actors brings up the question as to whether the institutional veil, too, has been subject to development. This paper aims to address that question and to examine in semi-broad strokes the position of international organizations’ member States in the context of international legal responsibility, with reference to pertinent provisions in the Ario. This leads to the finding that there are four legal contexts in which the institutional veil of an organization has a central role, the first two being the best known, and therefore discussed with more detail: subsidiary responsibility of member States (Section 3); the attribution of conduct to member States (Section 4); the ‘attribution of responsibility’ to member States (Section 5), and the bypassing of the institutional veil to establish independent responsibility of member States based on a material link with the wrongful act of the organization or the injurious circumstances (Section 6). Whereas in the first case the institutional veil seems to have remained consistently impervious, in the other cases the institutional veil in the last 10 years appears to have been contested, engaged with, and pushed to different degrees of transparency. The paper concludes with some considerations regarding the politics of the institutional veil (Section 7).

2 The Institutional Veil of International Organizations

The metaphor of the ‘institutional veil’ was introduced on an earlier occasion, in the context of the law of treaties, for conceptualization of the legal shell that clothes an international organization as a legal entity, in the same way as the ‘sovereign veil’ of the state or the ‘corporate veil’ of a company. That legal shell is also the separation between the institutional legal order of the organization

and general international law.\textsuperscript{10} The institutional veil can thus serve as an analytical tool for considering the degree of ‘visibility’ of the internal institutional order of international organizations (‘IGOs’), which includes the member States. It notably serves to look at the position of member States and their relation with the organization from the \textit{outside perspective} of general international law, rather than from \textit{within the institutional order} of the organization (as would be traditionally the angle of the sub-discipline of ‘the law of international organizations’). The outside perspective is increasingly relevant in view of the ever more frequent dealings of organizations with third states. Otherwise, for an external examination of the complex interplay between organizations and their member States, the ‘institutional veil’ seems a more helpful conceptual linchpin than for example the organization’s ‘international legal personality’; the latter being a binary notion, essentially uncontested as a legal feature when it comes to regular international organizations, while in its contemporary meaning of an \textit{ex post} label the term has little explanatory power.\textsuperscript{11}

The ‘institutional veil’ has been used in addition to make some theoretical claims that are relevant in the present context of legal personality as well.\textsuperscript{12} The first proposition is that the institutional veil (unlike the ‘sovereign veil’ of States in its classic manifestation) has a transparent quality. Such due to the particular doctrinal and systemic setup of organizations, coupled with their dual function: as vehicles for States, and as independent actors. Organizations are “institutions of limited and delegated powers, lacking the plenary rights of sovereigns under international law,”\textsuperscript{13} and established on a functional, rather than territorial basis. The organization’s legal sphere is less all-encompassing and self-contained than that of a State, and already for that reason conceptualized as more legally permeable.

The second proposition is that this quality is not static, but that the institutional veil of organizations appears with different degrees of transparency, depending on the context. It means that member States in some cases are legally visible, and in other cases less so. This can be gleaned for example in

\textsuperscript{10} This article employs the term ‘institutional (legal order)’ in order to steer clear of the debate on the extent to which the rules of the organization qualify as ‘internal’ and to what extent as ‘international’; this part of the legislative history of the ARIIO has been carefully analyzed in Christiane Ahlborn, ‘The Rules of International Organizations and the Law of International Responsibility’, (2011) 8 International Organizations Law Review pp. 397–482.

\textsuperscript{11} See e.g. in Henry Schermers and Niels Blokker, \textit{International Institutional Law: Unity Within Diversity} (\textit{5th ed.}) (Nijhoff-Brill, Leiden, 2011), para. 44.

\textsuperscript{12} Brölmann (2007), supra note 8.

\textsuperscript{13} José Alvarez, \textit{International Organizations as Law-Makers} (OUP, Oxford, 2005) p. 15.
(the legislative history of) several provisions of the 1986 Convention on the Law of Treaties. (‘VCLT’). Such legal transparency on the other hand is seldom found in States in relation to the law of treaties: a rare example of lifting of the sovereign veil is the combination of Articles 51 (Coercion of a representative of a State) and 52 (Coercion of a State) of the 1969 Convention on the Law of Treaties.

The dual imagery and the varying transparency of the institutional veil thus appear in positive law; but they also come up in the social reality of international life (organizations de facto appear in two roles, as fora for States and as independent actors); in the legal-institutional structure of organizations (for example in the contrast between the functions and powers of an expert body and those of a state representative body); in institutional law and in international law doctrine (for one, because doctrine hinges on the tenet of state sovereignty); and in the minds of lawyers and policy-makers (who may have an interest in addressing member States directly or, on the other hand, not at all). Doctrine is an especially powerful factor, as it is first of all a mind-set, and all the more complex because of the notorious mixture of descriptive and normative arguments.

The place of international organizations in the system of international law is often marked by a tension between the push for transparency of the institutional veil on the one hand, and the one-dimensional set-up of the law on the other. This is brought out especially clearly in branches of international law such as the law of treaties, which prescribe ‘procedural’ equality and as a consequence one-dimensional, unitary legal participants. In such cases ultimately the legal system prevails (as is confirmed by the codification process that led to the VCLT, since a legal system of necessity sets the terms for participation of its legal subjects. The typical example is the tortuous history of draft Article 36bis of the VCLT on the position of member States with respect to treaties concluded by the organization. The question that occupied the ILC for years was whether member States would be automatically bound to such a treaty, or rather would be regular ‘third States’, or rather would constitute a new, intermediate category. The latter option could not by rules of general international law be accommodated and eventually the draft provision never made it into the Convention.

This tension, between the transparent and opaque institutional veil (or, in other words: the layered and the one-dimensional legal actor), can also be seen at work in the context of legal responsibility. Even if the law of responsibility poses no systemic obstacle in the same way as the law of treaties to differentiation among legal participants, the challenge remains to formulate a rule of

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14 Elaborated in detail in Brölmann (2007), supra note 8, especially Chapters 1–4 and 11.
general international law regarding responsibility in relation to member States that holds valid for all international organizations regardless of their institutional setup. Early on, Rosalyn Higgins compared this conundrum to the story of the aforementioned Article 36 bis: ‘in my view the analogy is precise’.16

The institutional veil can be at issue in a rule of positive law that addresses the member States vel non, or in a doctrinal or theoretical construct: in all cases the same spectrum between transparent and opaque is at issue. The transparency of the institutional veil moreover comes up also outside the formal framework of the law of treaties or the law of responsibility: for instance in relation to the exercise of diplomatic protection (in casu in relation to the stockholders of a private company) in the 1970 Barcelona Traction case.17 In a conceptually similar vein, the veil of an organization or one of its organs may be lifted as part of a non-formal process, as for instance in the opening up of the UN Security Council18 or the General Assembly19 to detect signs of opinio juris of individual States on the basis of voting behaviour.

3 The Institutional Veil and Subsidiary Responsibility of Member States

When an organization incurs responsibility for a wrongful act, but does not comply (whether because it was unable or unwilling) with the obligations stemming from this responsibility, ‘subsidiary’ or ‘secondary’ responsibility is the mechanism by which the member States are then addressed — especially in a financial context often referred to as ‘liability’.20 This is the proverbial ‘piercing of the corporate veil’ as we know it from domestic law, when injured parties actively seek to disband the corporate entity’s legal shell with a view to obtaining their due from the shareholders.

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17 The Barcelona Traction, Light and Power Company Ltd (Belgium v. Spain), 5 February 1970, International Court of Justice, [1970] ICJ Reports p. 3, para. 57: “hence, the lifting of the veil is more frequently employed from without”.
20 Jan Klabbers, An Introduction to International Organizations Law (CUP, Cambridge, 2015), pp. 323–24, on responsibility versus liability and NATO.
International law on this point has been consistently reticent for over thirty years. The question as to whether the member States of an organization may be held responsible in second instance for the wrongful act of an organization came to the fore in a salient manner in the 1980s, in the series of cases on the claims brought by creditors against the member States of the bankrupt Tin Council.\textsuperscript{21} First of all, the string of decisions and its reception bear out that, by then, doctrine had fully espoused the premise that international organizations are responsible for breaches of obligation in their own right, consistent with the idea that they can be ‘bearers’ of a right or obligation. In addition, the default rule appeared to be that such responsibility is not coupled with concurrent responsibility on the part of the member States,\textsuperscript{22} unless this was provided for in the organization’s constitution.\textsuperscript{23} Thus, only in second instance obligations stemming from the responsibility would be transferred to the member States, without secondary attribution of conduct.

In the oft-cited 1988 Tin Council appeal decisions\textsuperscript{24} and 1989 decision of the House of Lords,\textsuperscript{25} the majority of the Court\textsuperscript{26} then dismissed the claim of secondary liability on the part of the member States of the Tin Council, \textit{inter alia} on the ground that there was no indication for the existence of a rule in international

\begin{itemize}
\item \textsuperscript{21} In the present context, most notably Court of Appeal decisions Maclaine Watson & Co. Ltd v. International Tin Council, 26 October 1989, United Kingdom House of Lords, 81 I.L.R 670; for background facts and analysis see e.g. the commentary by Paolo Palchetti in Cedric Ryngaert (ed-in-chief), I. Dekker, R. Wessel, J. Wouters (eds.), \textit{Case Law on International Organizations: Text and Commentary} (Oxford University Press, Oxford, 2016) (forthcoming).
\item \textsuperscript{22} ‘Concurrent liability’ in the sense of ‘joint and several liability’ is left out of the account here. The relation between the concepts of ‘liability’ and ‘responsibility’ is complex and ‘concurrent liability’ would not necessarily imply simultaneous attribution of the wrongful act: see also Klabbers, \textit{supra} note 20.
\item \textsuperscript{23} See Schermers and Blokker, \textit{supra} note 11, para. 1585; a textbook example would be the 1972 \textit{Convention on International Liability for Damage Caused by Space Objects} which provides for joint and several liability of the organization and its member States in case of damage caused by space activities of the organization (see UN Doc Res 2777 (XXVI) (29 November 1971), Art xxii.3).
\item \textsuperscript{25} Maclaine Watson & Co. Ltd v. International Tin Council, 26 October 1989, United Kingdom House of Lords, (1989) 81 I.L.R 670; see commentary by Paolo Palchetti \textit{supra} note 21.
\item \textsuperscript{26} The two other submissions of the creditors — the liability of the member States due to absence of legal personality of the Tin Council, and liability of the member States due to agency of the organization — were dismissed unanimously (80 I.L.R (1989), p. 49, at pp. 51–53).
\end{itemize}
law to that effect, although the domestic law analogy according to which legal personality and contracting capacity would automatically entail limited liability was rejected.\textsuperscript{27}

Earlier, the International Chamber of Commerce (‘ICC’) in its 1984 interim award on jurisdiction in the \textit{Westland Helicopter} case had rejected the claim that because the Arab Organization for Industrialization (‘AOI’) had been explicitly granted legal personality, liability on the part of the member States would \textit{eo ipso} be excluded. The 1984 Award deserves special mention as the reasoning in part constitutes a true secondary piercing of the institutional veil of the AOI (one could say, comparatively workable with four member States). The fact that third parties such as Westland Helicopters Ltd possibly were led to rely on the guarantees given by the members of the AOI, and more generally by a constitutive instrument that especially to Anglo-Saxon readers could seem inconclusive about the limited liability of the member States, were considered special circumstances.\textsuperscript{28} Five years later, the Swiss Federal Tribunal overturned the Award, holding that the organization’s autonomy in several respects clearly pointed to juridical independence of the AOI, which in turn implied the exclusion of liability of the member States.\textsuperscript{29} In the Partial Award of 1991, the ICC then proceeded to examine the possibility of \textit{additional} liability on the part of the member States on the basis of the constituent instrument(s) in combination with the intention of each individual member State construed from its behaviour. \textit{In casu} it found that liability could not be ruled out, primarily because the constituent instrument of the AOI did not contain a clause explicitly excluding member States’ liability.\textsuperscript{30}

Put in general terms, the Westland Helicopter cases reveal a struggle to determine the degree of transparency of the institutional veil of the AOI: this is illustrated by the umpires’ grapple, as was pointed out, with the application of domestic analogies and their search for an idiom fitting to describe the constellation of legal facts.\textsuperscript{31}

\textsuperscript{27} As held by the Court of Appeal, as articulated in the judgment of Lord Justice Kerr (1989) 80 ILR p. 49, at pp. 101–110; cf. the House of Lords, esp. the judgment of LJ Templeman, (1990) 29 ILM at p. 675.


\textsuperscript{29} (1989) 28 ILM p. 687, at p. 691 \textit{et seq.}

\textsuperscript{30} Para. 56 of the Award, quoted in Schermers and Blokker, \textit{supra} note 11, para. 1588; and in the Commentary to the ARO, \textit{supra} note 6, Art. 62, p. 98 para. 9.

The *Westland Helicopter* arbitrations and the *Tin Council* cases, each only partly connected to the international legal framework, then served as a basis for the conclusions of the Institut de Droit International in 1995 these held that in international law there was no residual rule to the effect of either liability for member States or exclusion thereof in the absence of a pertinent treaty provision. Special Rapporteur Higgins, however, did envision an intermediate position for member States on the basis of a principle of *institutional law*:

the members have a legal obligation to pay their share of expenses if a failure to pay such 'extra' sums would entail a failure of an obligation to a third party (*Case of Certain Expenses*). But there is no principle of general international law beyond this.

This rule operates at the institutional level — that is, it prevails between the organization and its members — and at the level of general international law rather serves as a conductor for the principle of good faith. Palchetti also proposed a duty of member States to provide the organization with sufficient funds to meet its obligations vis-à-vis third parties, which ultimately found its way into Article 40 of the ARIIO. This is a connecting norm of ‘interstitial’ effect — with soft normative force (considering the wording of Article 40) — bridging to some extent the interstice between, in this case, the institutional and the general international legal orders.

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32 It was pointed out early on how the *Westland Helicopters* awards are an example of transnational rather than international arbitration, subject to appeal to national courts: see Chittharanjan F. Amerasinghe, ‘Review of “The Responsibility of International Organizations toward Third Parties”’ (1996) 45 *International and Comparative Law Quarterly* pp. 752–754, at p. 753.


The question of subsidiary responsibility of member States is addressed by Article 62 of the ARIO, which follows the strict line that had emerged earlier. It may be taken as an indication of the limited urgency of subsidiary responsibility in international practice that the International Law Commission two decades after the study of the Institut de Droit International relied primarily on the same two strings of cases.\textsuperscript{37}

Scholars have dealt with the institutional veil in different ways, even if secondary responsibility (unlike separate responsibility, see below) was generally not accepted. It is perhaps significant that in 1980 (still the heyday of the functional view of international organizations as transparent vehicles for state action)\textsuperscript{38} Schermers stated:

it is ... impossible to create international legal persons in such a way as to limit the responsibility of the individual members. Even though international organizations, as international persons, may be held liable under international law for the acts they perform, this cannot exclude the secondary liability of the Member States themselves.\textsuperscript{39}

Blokker in 2004, in contrast, advocated an opaque institutional veil with a view to safeguarding the functionality of the organization: “Denying or restricting responsabilité distincte can in the end sacrifice the volonté distincte which is sought.”\textsuperscript{40} Likewise, Ryngaert in 2011 contended: “Member States do not, and should not, incur responsibility by reason of their membership alone. Deciding otherwise would invite member State intervention in the affairs of IOs and erode the latter’s autonomy.”\textsuperscript{41} Some authors, especially when proceeding from a human rights perspective, have advocated the settling of what seems a general norm regarding the institutional veil in all contexts, imposing subsidiary responsibility for member States: see, for example, the “holistic approach” proposed by Olivier De Schutter.\textsuperscript{42}

\textsuperscript{37} ARIO with commentary, supra note 6, Art. 62 pp. 96–99.
\textsuperscript{38} Brölmann, supra note 8, Chapter 3.
Most likely, a rule stating secondary responsibility for the member States has never existed (even if, after the Tin Council crisis, many commodity agreements were found expressly to exclude liability of member States). Practice also shows several examples of constituent treaties and treaties concluded by international organizations containing a clause that explicitly excludes the liability of member States, but there is no agreement on the legal consequences of the absence of such a provision.

4 The Institutional Veil and Attribution of Conduct to Member States

Another scenario that turns on the subtle legal barrier raised by the institutional veil, and which in actual practice is more prominent than the secondary opening of the veil discussed before, is concerned with attribution of the wrongful conduct as such. In the discourse on responsibility of organizations, it seems that attribution of conduct to member States, on the one hand, and for example subsidiary responsibility on the part of member States, on the other, are not always clearly set apart even if these are very different legal scenarios. In this case, the institutional veil opens up at an early stage of the process of determining responsibility.

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43 A list in Schermers and Blokker, supra note 11, para. 1589, note 127.
44 Cf. e.g. the International Cocoa Agreement of 1986 (1446 UNTS p. 103), which excludes member States’ liability in Art. 22.5 (the International Cocoa Agreement of 1980 (1245 UNTS p. 221; 1276 UNTS p. 520), prior to the tin crisis, is silent on the matter). More examples in Schermers & Blokker, supra note 11, para. 1586. Several international organizations, most often financial institutions, exclude the liability of member States in their constitutions: Amerasinghe, supra note 32, p. 270.
45 E.g., Amerasinghe, supra note 32, p. 272 (the scarce practice with regard to inclusion of such a provision is “as consistent with a belief that the absence of such a clause would entail liability of members [...] as with a desire to make clear ex abundanti cautela that members did not assume such liability”).
47 This is one reason why the expression ‘corporate veil’ may create associative confusion if it is used to cover the full dynamic between the organization and the member States, and the different ways in which this takes effect in the context of legal responsibility.
While the ARIIO do not expressly address the attribution of conduct to member States, they do set out a framework by treating attribution of conduct to international organizations. At this point in time, legal scholarship and practice have been animated most by the context of military operations, and this can also be seen in the ILC commentaries. The current article accordingly takes that focus, without prejudice to the fact that organizations in different functional areas, including economic governance or territorial administration, may encounter issues of responsibility.

The ARIIO section on attribution of conduct comprises Article 6, which connects attribution to an organ or agent’s organic link with the organization (mirroring Article 4 of the ARS); Article 8 on ultra vires acts (mirroring Article 7 of the ARS); and Article 9 on ex post acknowledgment and adoption of conduct (mirroring Article 11 of the ARS). No lifting of the institutional veil is envisaged in the scenarios covered by these provisions. This seems uncontroversial, as illustrated for instance by the 2009 Galić case, in which the European Court of Human Rights (‘ECtHR’) held the application to be inadmissible on the ground that acts of the International Criminal Tribunal for the Former Yugoslavia, as a subsidiary organ of the United Nations, were to be attributed to the Organization and not to the member State / host State.

Of the ARIIO section on attribution of conduct Article 7 (Conduct of organs of a State or organs or agents of an international organization placed at the disposal of another international organization) has received the most attention. Such attention is in contrast to that shown to the related Article 6 of the ARS, which was generally outshone by Articles 4, 5 and 8 on the attribution of conduct to States. On the other hand, in the context of the responsibility of organizations the provision regarding organs or agents placed at the disposal of another is quite prominent, likely because of the intricate practice of some organizations and troop contributing nations (‘TCNs’). A central feature of Article 7 of the ARIIO is the requirement of effective control, which does not play a role for organs and agents of the organization (Article 6 of the ARIIO). This brings forth a number of observations. One is that the standard for deciding whether the institutional veil of the receiving organization also covers the organ provided, or whether on the other hand the veil is made transparent so

48 Arts. 6–9 ARIIO.
50 Art. 7 ARIIO reads "The conduct of an organ of a State or an organ or agent of an international organization that is placed at the disposal of another international organization shall be considered under international law an act of the latter organization if the organization exercises effective control over that conduct." (emphasis added).
that the provided organ maintains its own identity for legal responsibility purposes, is an open norm.\textsuperscript{51} The connection between the organ or agent and the lending TCN remains in place (see below) until the effectiveness or factualness of another link prevails and the organ becomes a part of the receiving organization. The mechanism is no different when an organization is the troop contributor.\textsuperscript{52} It may be recalled that in the case of organs provided to States (Article 6 of the ARS), ‘control’ is not the deciding factor, but rather the more formal — if essentially contested — qualification of ‘governmental authority’.

A second observation is that while military operations in a United Nations framework are a prime context for the application of Article 7, there is a divergence between the approach of the ILC (based on the ‘effective control’ test in the 1986 Nicaragua case and the 2007 Genocide case) and the ‘normative control’ or ‘(operational) command and control’ test used by the UN:

\[\text{[i]t has been the long-established position of the United Nations ... that forces placed at the disposal of the United Nations are “transformed” into a United Nations subsidiary organ and, as such, entail the responsibility of the Organization, just like any other subsidiary organ, regardless of whether the control exercised over all aspects of the operation was, in fact, “effective”}.\textsuperscript{53}

The approach taken by the UN also appears to have been the point of departure for leading judicial decisions in this area.\textsuperscript{54} As has been pointed out, while in the ARIO scheme conduct is attributed to the TCN unless the receiving organization directs the conduct, the \textit{Behrami and Saramati}\textsuperscript{55} and \textit{Nuhanović} cases (see below) “adopt the opposite position, attributing all conduct to the lead


\textsuperscript{52} Cf. e.g. the ECOWAS military mission APISMA that on 1 July 2013 transferred its authority to, and became part of, the \textit{United Nations Multidimensional Integrated Stabilization Mission in Mali} (MINUSMA); UNSC Resolution 2100 (April 2013).

\textsuperscript{53} 17 Feb 2011, UN Doc. A/CN.4/637/Add.1, p 12.


\textsuperscript{55} In which the European Court of Human Rights found the conduct of UNMIK and KFOR troops in Kosovo to be attributable to the United Nations rather than to France or Norway (App. No. 71412/01 \textit{Agim Behrami and Bekir Behrami v. France}, and App. No. 78166/01
organization (unless a contributor overrides its command and directs the conduct).56

The two strings of cases in Dutch domestic courts following the 1995 tragedy in Srebrenica can be taken as an indication of the state of international law. In the cases brought by the Mothers of Srebrenica Association, conduct of the Dutchbat contingent was consistently attributed to the United Nations (the unfortunate combination with immunity granted to organizations in domestic courts, is addressed in Section 7). The courts held that the 7000 Bosniak men who had fled to the woods outside the compound (and, according to several claimants, had done so on the basis of hand signals by Dutch soldiers), had not been under the effective control of Dutchbat, and the conduct that led to the men's fate hence was not attributable to the Dutch state.57

The second series of cases were brought by Hasan Nuhanović and by the family of Rizo Mustafić, a UN employee ordered by his employers to leave the Potočari base. The bases of the action include allegations, inter alia, that the Dutch State was involved in genocide and violated fundamental human rights by handing Mustafić and Nuhanović's family members over to the Bosnian-Serb enemy. The District Court then determined that 'operational command and control' over the Dutchbat troops had been transferred to the United Nations and that the claimants had not submitted anything pointing to restrictions on this transfer of command. The Court of Appeal of The Hague in 2011, however, held differently. This decision was upheld in 2013 by the Dutch Supreme Court, which confirmed that the Netherlands was responsible in relation to the death of three Bosniak men in Srebrenica, attributing the conduct to the Dutch state.58 Especially relevant in the present context is that the Dutch Supreme Court's findings turned on the given fact that Dutchbat had effective control59 over the three men who fell victim to the Bosnian-Serb military after they were sent off the compound. Otherwise, the Court opened

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56 See the contribution of Tom Dannenbaum to this special forum, ‘Dual Attribution in the Context of Military Operations’, p. 411, where he gives a detailed analysis of different forms of ‘control’ at issue in relation to possible dual attribution.

57 See for the list of cases infra note 66.

58 See District Court The Hague, 10 Sept 2008, [M. M.-M.], [D. M.] and [A. M.] v The Netherlands; Appeals Court The Hague, 5 July 2011; N. et al v The Netherlands; Dutch Supreme Court, 6 Sept 2013, N. et al v The Netherlands.

59 Supreme Court case, ibid., para. 3.11.2; see on control and dual attribution Dannenbaum, supra note 56.
new doctrinal horizons by recognizing (but not applying) the possibility of multiple attribution.  

In 2014, in a new case brought by the Mothers of Srebrenica Association the District Court of The Hague found the Netherlands responsible for the deaths of 300 Bosniak men who had been — unlike the 7000 victims mentioned before — within the state’s control. Again the concept of effective control (which the Court defined as “factual control”) was a central element in the Court’s reasoning. The Court also referred to the Nuhanović case to reconfirm that a state and an organization can both have effective control and “hence, potentially, [share] responsibility, despite the UN’s presumptive immunity.” At the time of writing, the Dutch state has lodged an appeal.

Thus, when it comes to attribution of conduct, current doctrine and practice point to an institutional veil that is rather impermeable. This clear for example from the provisions in the ARIO, which seems unchallenged by practice. If we look at the specific situation of organizations that make use of provided organs — or, in the example from practice that is used most often, of troops put at an organization’s disposal by another organization or by states — the image is more fuzzy. According to Article 7 of the ARIO, the organic link established between the receiving organization and the provided organ becomes relevant only with proof of effective control by the receiving organization. In other words, the provided organ moves behind the institutional veil of the receiving (or in this context ‘leading’) organization, to which wrongful conduct would be attributed. The approach of the UN, on the other hand, is that contributed troops will automatically move behind the institutional veil of the Organization, unless there is a clear indication of effective control on the part of the state or organization from which the troops originate; in which case, the institutional veil of the receiving state will be permeated and the wrongful conduct attributed to the original state. Even if recent case law on some points seems to concur with the UN view, it is safe to say that the jury is out on what the received approach will be, considering the recent date of the ARIO, the fact that the UN focuses on the field of peace operations and does not seem to be aiming for a

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62 Ibid., para. 4.33.
principled statement on attribution, and the developments in the field of peace operations.

In the latter field in particular, the debate concerning the responsibility of organizations and member States is complex, and sometimes mixes questions of the attribution of conduct with questions of immunity from jurisdiction (which would involve the institutional veil, if at all, only indirectly). For one, this goes to show that political and moral stakes are high. The activity of the United Nations in the last decade has made very clear how the attribution of conduct in the context of a military operation to the organization usually coincides with immunity granted to the organization before domestic courts,\textsuperscript{64} and with a lack of standing of the organization (or lack of jurisdiction \textit{ratione personae}) before non-domestic courts,\textsuperscript{65} both of which cause a deplorable gap in the legal protection of individuals.\textsuperscript{66}

\section{The Institutional Veil and the ‘Attribution of Responsibility’ to Member States}

An uneasy category generally set apart includes scenarios which give rise to the ‘indirect responsibility’ or the ‘attribution of responsibility’ (rather than attribution of conduct)\textsuperscript{67} to member States in relation to a wrongful act

\begin{itemize}
  \item \textsuperscript{64} Cf. the work by August Reinisch, first in \textit{International Organizations before National Courts}, Cambridge University Press, 2000.
  \item \textsuperscript{65} An early analysis, including claims settlement practices of international organizations in Kirsten Schmalenbach, \textit{Die Haftung Internationaler Organizationen im Rahmen von Militäreinsätzen und Territorialverwaltungen} (Peter Lang, Frankfurt am Main, 2004).
  \item \textsuperscript{66} The thread of cases brought by the association Mothers of Srebrenica is an example: \textit{District Court The Hague}, 10 July 2008, Association Mothers of Srebrenica et al v. The Netherlands and the United Nations (… concludes that in international-law practice absolute immunity of the UN is the standard and is respected, and that the interpretation of article 105 of the UN Charter offers no basis for restriction of the immunity of the UN. The court declares it has no competence to hear the action instituted against the UN); \textit{Appeals Court The Hague}, 30 March 2010, Association Mothers of Srebrenica et al v. The Netherlands and the United Nations (r.o. 5.14) “The conclusion must be that no unacceptable infringement exists of Articles 6 ECHR and Art. 14 ICCPR if the Dutch Court upholds the immunity from jurisdiction accored to the United Nations in this case”; upheld in Dutch \textit{Supreme Court}, 13 April 2012, Association Mothers of Srebrenica et al v. The Netherlands and the United Nations; \textit{European Court for Human Rights}, 27 June 2013: “the grant of immunity to the UN served a legitimate purpose and was not disproportionate." [para. 169].
  \item \textsuperscript{67} \textit{See} analysis of indirect responsibility (even if that article focuses on the indirect responsibility of organizations) in Nataša Nedeski and André Nollkaemper, ‘Responsibility of
committed by the organization. By opening up the institutional veil, such a relation can be established.

The ILC has also accepted this category. Part V of the ARIO comprising Articles 58–62\(^{68}\) groups together provisions that are geared towards States,\(^{69}\) but which engage the responsibility of member States “in connection with” wrongful acts of an organization in different ways.\(^{70}\) Part V has been likened to a conceptual hotchpotch for all those situations that did not fit with the binary concept of wrongfulness but which were still deemed sufficiently problematic to be included into the law of international responsibility.\(^{71}\)

Indeed, the lens of the institutional veil makes clear that the provisions differ from each other in a fundamental way. The ARIO includes two provisions that look to a situation which involves one and the same breach of obligation (using the phrase “is internationally responsible for that act”), without there being attribution of conduct. This is along the lines of the ‘indirect responsibility’ envisioned by Roberto Ago:\(^{72}\) Article 59 (Direction and control exercised by a State over the commission of an internationally wrongful act by an international organization) and Article 60 (Coercion of an international organization by a State), which closely follow the text of Articles 17 and 18 of the ARS. At this point, no examples from practice seem to exist. Articles 59 and 60 may be taken as a genuine ‘conceptual subterfuge,’\(^{73}\) in the sense of a third way, out of the binary categorization that hinges on the attribution of wrongful conduct. In these cases the institutional veil is permeated to establish whether the

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\(^{68}\) Articles 58 to 60 are concerned with both member States and third states, which thus could entail opening up the institutional veil but also could not do so.

\(^{69}\) “In accordance with article 1, paragraph 2, the present draft articles are intended to fill a gap that was deliberately left in the articles on the responsibility of States for internationally wrongful acts...” (Yearbook of the International Law Commission 2011, vol. 2, Part II, p. 141).

\(^{70}\) See the - purposely flexible - title of Part Two - Chapter IV, and of Part Five of the ARIO.


member State is directing, controlling or coercing the organization to commit a particular act.

The remaining provisions in Part Five in turn fit in different categories, and it could be argued that it is meaningful and analytically helpful to put them there. As has been discussed above, Article 62 does involve responsibility of member States for the wrongful act of the organization, but the scenario is a special — and classic — case of subsidiary ‘piercing’ of the veil (see Section 3). The institutional veil is permeated in second instance (even if that could be agreed beforehand), once it has been established that the organization will not pay its dues to the (in the words of Article 62) “injured party.” Articles 58 and 61, on the other hand, envisage legal responsibility for separate conduct (i.e. not attributed to the organization) coupled with a separate breach of obligation on the part of the member State (see below in Section 6).

6 Bypassing the Institutional Veil and the Material Link to Responsibility of Member States

In some cases the institutional veil ends up being ‘bypassed’ rather than permeated or lifted. These are the scenarios in which a member State technically incurs responsibility for its own, separate conduct, which in turns constitutes a breach of obligation separate from the contested act of the organization. Once the institutional veil has been lifted to assess the situation at the level of the member States, it is bypassed as in a formal-legal sense the State is addressed fully independently. There may then be a material link that connects the State’s conduct to the organization. In some situations this material link to the wrongful act of the organization or the injurious circumstances has been deemed especially important so as to warrant inclusion in the scheme of the Ario. This is the case in relation to Articles 58 and 61, where the material link is “aid and assistance” and “circumvention”, respectively. Other scenarios are simply not covered by the Ario. As the ILC said, “[n]ot all the questions that may affect the responsibility of a State in connection with the act of an international organization are examined in the present draft articles .... the [ARS] will regulate attribution of conduct to the State.”74

The most attention has been attracted by Article 61,75 which deals with member State(s) making improper use of the organization (and the related

74 Commentary to the Ario, supra note 30, Part Five, p. 89, para. 2.
Article 17 regarding an organization abusing the member State(s)). Unlike the complicity provision in Article 58, the proposed rules on ‘circumvention’ have no equivalent in the articles on State responsibility; it was a marked decision of the ILC to lift the institutional veil of the organization in the conceptualization of this provision. The Commission does not reflect on the insertion of the member State layer in the legal analysis. As has been pointed out, that additional layer did bring to light (and, it may be argued, created) certain tensions in the *systematique* of the law of responsibility. As for the circumvention scenario, d’Aspremont has proposed a radical bypassing of the institutional veil in the case of an abuse of rights by member States, through “overwhelming and effective control” by member States of the voting process in a manner not foreseen in constitutional procedures of the organization.

The discourse of the Federal Republic of Yugoslavia (‘FRY’) brought against the member States of NATO before the International Court of Justice in 1999 is an example of the bypassing of the institutional veil, in a scenario that is not covered by the ARO. The FRY implicitly took an approach of ignoring the separate legal personality of the organization (reminiscent of e.g. the former Soviet Union’s dealings with the erstwhile European Communities), and did not bring up for instance an argument that the member States had to step in on a subsidiary basis considering that the organization as such could not be summoned. Interestingly, it seems all parties went along with the deconstruction of NATO.

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76 See the pertinent UN comment in UN Doc. A/CN.4/637/Add.1 (17 Feb 2011). Article 17 (about abuse by the organization of the member States) naturally opens up the institutional veil in the same way as Article 61, but as it does not address responsibility of member States, is not discussed here.

77 Commentary to the ARO, supra note 30, Articles 17 and 61.

78 Nedeski and Nollkaemper, supra note 67.


80 Cf proceedings instituted by the FRY against 8 NATO member States on 29 April 1999, with identical claims of breached ‘inter-state obligations’ in its regard - reproduced in the judgments (in identical paragraphs 21), claiming i.a. that the respondent state “acted against the Federal Republic of Yugoslavia in breach of its obligation not to use force against another State;” and “...in breach of its obligation not to intervene in the affairs of another State...”. All judgments were handed down on the same day, e.g. Case Concerning Legality of Use of Force (Serbia and Montenegro v. The Netherlands) 15 December 2004, Judgment (preliminary objections), International Court of Justice.
As has been pointed out, neither the respondent States (apart from Canada in the Hearings) nor the Court have addressed the legal fact of NATO’s separate legal identity.81

In a similar vein, Barros and Ryngaert argue that we “look beneath” the institutional veil so as to enter “a parallel sphere of conduct where acts can be performed that engage the responsibility of the State.”82 An actual example of an organization’s decision-making being analyzed and the (for instance voting) behaviour of a State identified, is found in the 2011 ICJ decision in the case between the Former Yugoslav Republic of Macedonia (‘FYROM’) and Greece.83 In this decision the Court permeated and in the establishment of responsibility then left aside the institutional veil of NATO to examine possible responsibility of Greece for its behaviour within NATO in light of Greece’s own obligations. This appears to have been “the first time in which the ICJ so assertively identified the individual conduct of a State in the process of institutional decision-making.”84 The authors give a convincing analysis, which underscores the fact that states are always governed by international law, in casu by the law of state responsibility, also when operating within an organization. In some respects the approach of ‘looking beneath’ the institutional veil is complementary to approaches that ‘engage with’ the institutional veil, in that the former is not geared to tackle the tension that the institutional veil also indicates. Not in all cases it is fair or feasible to resort to a parallel regulatory realm: for example, there may be an issue of a single act that is to be attributed to either the organization or the member States; there may be damages to be paid either by the organization or the member State; or the institutional veil may have to be permeated to establish whether there should be ‘indirect responsibility’ for a member State.

With an exhaustive typology of four scenarios turning on the institutional veil in relation to member State responsibility, the question arises of whether the European Union is a special case. Does its political importance, or its degree of integration, have implications for the susceptibility of the Union to regulation

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84 Barros and Ryngaert, supra note 82, at p. 75 – see analysis (on holding Greece responsible for a separate obligation) at pp. 75–78.
by the rules proposed in the ARIO? This question is addressed in detail in another article in this special forum.85 In very general terms, while recognizing that the Union is institutionally very different from most organizations, the answer would seem to be no, as long as the European Union continues to identify itself as an ‘international organization’ (and not, for example, as a confederative union). As the Union assumes more competences from its member States, the application of Article 6 of the ARIO is likely to become less complex.86

However, mixed agreements, concluded with third States or organizations, to which both the European Union and the member States are a party — and where each has independently assumed commitments under general international law — could be a special variant of the scenario in which the institutional veil is bypassed. In principle, both the Union and the member States are independently moving at the international law plane for the part covered by their competence. The complex division of competences between the Union and the member States is oftentimes laid down in a "declaration of competences" which accompanies the treaty conclusion. As these declarations are mostly not updated (if only because this would re-open negotiations between the member States and the Commission on how competences are divided), their value as a source of information to treaty partners is limited.87 Their legal status is generally considered as existing within the institutional order of the Union only, but not at the general international plane vis-à-vis third States. This might raise expectations as to a general rule on the institutional veil, especially in relation to the responsibility for breach of mixed accords. Such a rule of general international law, however, is not in place. Arguments of commentators and claims of treaty partners that EU member States and the

85 See the contribution of Esa Paasivirta to this special forum, ‘Responsibility of Member State of an International Organization: A Special Case for the European Union?’
organization are jointly and severally responsible for breach of treaty obligations, have not been generally honoured. Arrangements seem to be made on a case by case basis. Also a report of the CAVV concluded no such general rule of international law exists; it added, however, that the separation between the legal sphere in which the member States and the Union interact, on the one hand, and the general plane of international where legal relation with third states and organizations are maintained, on the other hand, is and should be bridged by application of the good faith principle. The proposition made by, among others, Paasivirta is that

[s]hould the EU/Member States not fulfil the duty of communication, it would be followed by joint responsibility. The possibility ... can be seen in a sense as a self-chosen potential external outcome following from internal preference for mixed participation in international treaties.

7 Concluding Remarks

The institutional veil has different shades, but in all cases it constitutes a separation between the institutional sphere — in which the states *qua* member States reside — and the sphere of general international law. Authors and commentators have grappled with the institutional veil and have come up with different views, as witnessed by the examples given above.

The International Law Commission has acknowledged the transparency of the institutional veil:

[T]he internal law of an international organization cannot be sharply differentiated from international law. At least the constituent instrument of the international organization is a treaty or another instrument governed by international law; some further parts of the internal law of the organization may be viewed as belonging to international law....

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88 As concluded also e.g. in André Nollkaemper, ‘Joint responsibility between the EU and member States for nonperformance of obligations under multilateral environmental agreements’ in Elisa Morgera (ed.), *The External Environmental Policy of the European Union* (CUP, Cambridge, 2012) pp.


90 Esa Paasivirta, ‘Responsibility of Member State of an International organization: A Special Case for the European Union?’, in the current special forum.

91 Commentary to the ARIIO, *supra* note 30, Article 5, para. 2.
But the Special Rapporteur had also recognized its impermeable aspect: “the relations between international law and the internal law of an international organization appear too complex to be expressed in a general principle.”

For an external international law perspective on legal responsibility of organizations and their member States, the institutional veil is the conceptual linchpin for analysis: the legal shell that clothes the international organization as a legal entity, to varying degrees leaving the member States legally ‘visible’ and engaged with the level of general international law. A cursory view of the law and practice of international legal responsibility through this lens suggests a number of findings.

First, this paper identifies four scenarios that play a role in the theory, doctrine and practice, in which the institutional veil is permeated to some extent: the subsidiary responsibility of member States; the attribution of conduct to member States; the ‘attribution of responsibility’ to member States; and the bypassing of the institutional veil to establish independent responsibility of a member State with a material link to the acts of the organization. The institutional veil may be the subject of positive law provisions, but it is also present in the mind of lawyers and policymakers whenever there is room for discretion, discussion, theorization or a normative agenda on the division of legal responsibility between organizations and their member States.

Second, when it comes to subsidiary responsibility of member States following the wrongful act of an organization, the institutional veil is, and has been, consistently opaque. Judges, drafters and scholars seem to have been generally in agreement on this ever since the 1980s Tin Council cases.

Third, when it comes to other scenarios, especially that of attribution of wrongful conduct to the member States, the institutional veil is (it seems, increasingly) challenged for transparency. A likely factor of inspiration in the intense doctrinal explorations and discussions on this point is the combination of attribution of conduct to an international organization, on the one hand, and the organization’s immunity from process before a domestic court, or lack of standing before an international court, on the other. The resulting lack of legal remedies for individuals may have been also a push factor for considering, as did the Dutch judiciary in the Mustafić-Nuhanović cases, the possibility of dual attribution or ‘shared responsibility’; and which in turn trains the discourse towards increased transparency of the institutional veil. In this vein, it has been argued that

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92 2003 ILC Report, UN Doc A/58/10, at p. 48 (emphasis added).
93 Supra notes 58 and 59.
the concept of dual attribution has played an odd role .... [T]he primary value of its theoretical possibility has been in empowering courts to hear cases they might otherwise have avoided, while failing actually to attribute conduct to two or more entities.94

Fourth, as the institutional veil also constitutes a separation between the organization’s institutional order on the hand and general international law on the other, there is frequently need for interstitial norms to make the connection. The examples of the EU’s declarations of competence, and of the general duty for member States to enable the organization to pay it dues suggest that (rules based on) the principle of good faith could be taking up that function.

94 Dannenbaum, supra note 56.