

**Dispute Settlement Body
Special Session**

SPECIAL SESSION OF THE DISPUTE SETTLEMENT BODY

Report by the Chairman, Ambassador Ronald Saborío Soto,
to the Trade Negotiations Committee

Since my last written report, the work of the Special Session has continued to be based on revised contributions resulting from informal work among Members, building on the work conducted earlier.

Specifically, in order to further advance towards a rapid conclusion of the negotiations as mandated, I have conducted, since the beginning of this year, a series of substantive consultations to discuss the revised contributions presented by Members to the Special Session. In total, seven sets of consultations were held between January and July, each over several days. These informal consultations have been conducted in conjunction with regular open-ended informal meetings of the Special Session, both in order to allow the introduction of revised contributions and for transparency purposes to report back on the ongoing consultations.

In these consultations, we have considered proposals relating to compensation and suspension of concessions, flexibility and Member-control, panel composition, post-retaliation, remand, sequencing, special and differential treatment, strictly confidential information, third-party rights, time-savings and transparency.

Through this process, I believe that we have now essentially achieved our objective of examining all the revised contributions presented to the Special Session. My consultations so far suggest to me that we still have plenty of work ahead of us to reach agreement on improvements and clarifications of the DSU, both substantively and in terms of legal drafting. At the same time, I think it is also clear from this round of consultations that the contributions that have formed the basis of this phase of the process constitute a very sound basis for the further continuation of our work. The African and LDC groups have also indicated that they are still working towards revising their contributions, and I hope that they will be in a position to present such revised contributions very soon so that these can also be reflected in our further work.

In this respect, I would like to express my very sincere appreciation to participants for the very constructive manner with which they have engaged in this process. I think especially that all the work conducted by participants *prior* to submitting revised proposals, including the sincere engagement in informal Member-driven processes such as the Mexican group, has greatly contributed to the success of this phase of our work. In particular, the effort made by proponents to sincerely review and revise their proposals in light of comments received from other participants in these informal processes has been essential in ensuring that we have a realistic and constructive basis from which to work towards an agreement. It will remain critical to a successful conclusion of our work that we continue to work in this spirit.

From September, building on our work so far, I propose to move to a new stage of the negotiation. This would aim to take the discussion of the various contributions a step further and focus more directly on exploring convergences and bridging the gaps that remain in Members' positions. For this purpose, I intend to hold a further series of substantive consultations in various formats as necessary. Of course, as has been the case over the past few months, meetings of the Special Session in an open-ended format would continue to be scheduled to allow the Membership to be informed of ongoing work on a regular basis.

In the meantime, I also intend to compile into a single document all the contributions that have formed the basis of our recent work. I hope that this may help to clarify for all delegations what the basis for that work has been since the beginning of this year, and I think it could also generally facilitate the conduct of our work. I intend to issue such compilation by the end of this month.

Finally, in order to facilitate the efficient resumption of our work after the summer break, I think it would be very helpful if the proponents of various contributions could think of advancing a step further in their own work. I have therefore asked those proponents whose contribution is not yet fully reflected in the form of draft legal text to make every effort to develop such text as appropriate so that we can work uniformly from draft legal text. I have also encouraged those proponents whose contributions are already in the form of draft legal text to consider whether any further revision of such text might be useful, to reflect further the discussions and comments received in the course of recent consultations.
