

**Dispute Settlement Body
Special Session**

SPECIAL SESSION OF THE DISPUTE SETTLEMENT BODY

Report by the Chairman, Ambassador Péter Balás,
to the Trade Negotiations Committee

I. STATUS OF WORK

1. Since the Chairman's last report to the TNC on 4 February 2003, the Special Session of the DSB held one additional meeting, on 17-18 February 2003.
2. At that meeting, the examination of specific draft text submitted by participants was continued. This discussion was conducted mainly informally, on the basis of a compilation of draft text issued by the Chairman (in Job(03)10/Rev.1). In this context, proposed text relating to Articles 10 to 17 of the DSU was discussed. This included issues relating to panel procedures and the composition of the Appellate Body. Since the previous meeting, new proposals from Australia, Brazil, Jamaica and the United States as well as a joint proposal by India and a group of developing countries had been received (circulated in documents TN/DS/W/49, TN/DS/W/45, TN/DS/W/44/Rev.1, TN/DS/W/46 and TN/DS/W/47 respectively).
3. The examination of draft text submitted by participants is intended to be completed at the next meeting of the Special Session, on 10-11 March.

II. OUTSTANDING ISSUES

4. As noted above, specific draft text proposals continue to be examined sequentially, and this discussion of proposed draft text is expected to be completed at the March meeting. Exchanges so far have led to the clarification of positions on a number of issues, and continue to testify to participants' attachment to the clarification and improvement of the WTO's dispute settlement system. A number of proposals relate to similar issues, and the Chairman has encouraged proponents of like-minded proposals to continue to work towards exploring possible common ground in their proposals.
5. This ongoing work is contributing constructively to further progress towards an agreed text. However, to achieve this goal by May, it is essential that a thorough discussion of all texts which participants wish to see considered be completed in good time. This will enable further clarification of the level of convergence of views on various issues, and exploration of what could be the basis for an agreed text.
6. Discussions so far have continued to show significant differences of views as to the possible scope of the outcome that can be agreed on by May, reflecting diverse levels of ambition in these negotiations. Continued active engagement of participants and a sustained pace of work in the weeks to come will therefore be critical in order to reach a meaningful outcome by May on the clarification and improvement of the DSU.

III. FUTURE WORK

7. As described in previous reports, the Special Session is scheduled to meet every month until May. Additional open-ended informal meetings of the Special Session may also be required. The Chairman also expects to continue to consult informally with interested delegations and groups of delegations during that period. The next meeting of the Dispute Settlement Body in Special Session will be held on 10 and 11 March 2003.
