

**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 2 April 2003, the Special Session of the DSB held one additional formal meeting on 10 and 11 April 2003.

2. At that meeting, the Chairman introduced the Framework Document which, as announced at the previous meeting, he had issued under his own responsibility to provide a basis for further discussion of proposed clarifications and improvements to the DSU and carry the negotiating process forward. In this context, the Chairman presented some text under his own responsibility, wherever he felt that a sufficient level of convergence could be achieved on the issue. This document reflected proposals in different forms, depending on the state of discussions at the time of its issuance. The document also highlighted some areas in which further work could be conducted. On the basis of that document, the Chairman conducted further discussions and informal consultations with delegations in various groups and also met with a number of delegations bilaterally, over the month of April.

3. Following this further work, the Chairman presented a progress report to participants at an informal meeting of the Special Session held on 5 May, and issued a revised version of the Framework Document, reflecting the progress made in the course of these discussions (issued as Job(03)/69/Rev.2). This revised document also contained a number of new proposals from the Chairman. At that meeting, the Chairman also indicated his intention to continue to engage delegations in informal consultations in order to achieve further convergence of views. The Chairman also noted that delegations with similar proposals had generally still not provided common text to reflect these. This meant that much more work was required even to reach a common understanding on the proposals under consideration. The Chairman thus urged again proponents of like-minded text to put forward common proposed language as early as possible in order to facilitate further progress.

II. OUTSTANDING ISSUES

4. Some further progress has been made, since the Chairman's last report to the TNC, towards clarifying the basis on which the text of clarifications and improvements to the DSU could be agreed. Informal discussions on the basis of the Framework Document have allowed a continued consideration of proposals, and in some areas, this further work has allowed the Chairman to propose additional or revised draft text that could, in his view, form part of an agreed outcome by the end of this month in the revised version of the Framework Document.

5. However, on the basis of the level of convergence of views at this point, the Chairman has only been able to suggest such text on a limited number of issues. Some further progress has also been made on other issues, but in light of the continued diversity of participants' interests, as well as the complexity of some issues, further work remains to be done to enhance and clarify the scope for

possible consensus. On a number of issues, the level of convergence of views at this stage remains very limited, thus making it difficult to envisage that consensus could be achieved on these by the end of May.

6. The ongoing consultation process is expected to continue until mid-May with a view to fostering further convergence towards a text that could command consensus. At that point, the Chairman expects to put forward, under his own responsibility, a draft text of what could, in his view, constitute the basis for an agreement by the end of this month. This Chairman's text would be presented before the next meeting of the Special Session, which is scheduled to take place on 20 May.

7. The continued active engagement of participants will of course remain critical in this final phase of discussions, bearing in mind the objective set by Ministers to agree on clarifications and improvements by this month.

III. FUTURE WORK

8. As described above, the Chairman will continue to conduct informal consultations with interested delegations in various format and expects to put forward, before the next meeting of the Special Session, a proposed text under his responsibility, in order to facilitate the progress of further work towards an agreed text by the end of the month.

9. Meetings of the Special Session have been scheduled for 20, 21, 23 and 28 May.
