
**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 3 March 2003, the Special Session of the DSB held one additional meeting as scheduled, on 10 and 11 March 2003, followed by a further informal meeting on 18 March 2003, in order to complete the examination of draft text submitted by participants.

2. The discussions focused on draft text relating to appellate review as well as issues relating to implementation of DSB rulings and recommendations. A part of the meeting was specifically set aside for the discussion of special and differential treatment issues. This discussion was conducted mainly informally, on the basis of an updated compilation of draft text circulated by the Chairman (Job(03)10/Rev.3). Since the Chairman's previous report to the TNC, new proposals from China, Chile and the United States (joint proposal) and Jordan have been received (circulated in documents TN/DS/W/51/Rev.1, TN/DS/W/52 and TN/DS/W/53 respectively).

3. At the end of the meeting, the Chairman took stock of the current state-of-play of the negotiations. In light of the significant divergences remaining among participants as to the possible contents of a text for clarifications and improvements to the DSU, the Chairman proposed a two-stage approach to the further work to be carried out until the mandated May deadline. The Chairman proposed to issue first a "framework document", which would also contain guidance for further work. On the basis of that document, the Chairman proposed to conduct further discussion and consultations, over the course of the coming month. Following this further work, the Chairman would, as and if necessary, be prepared to propose to participants a Chairman's text as a possible basis for agreement. The Chairman also urged again proponents of like-minded text to put forward common proposed language in order to facilitate further progress on these issues.

II. OUTSTANDING ISSUES

4. The diversity of participants' priorities and interests, which was highlighted in the Chairman's previous report, remains the key challenge in these negotiations, as the 31 May 2003 deadline approaches.

5. Further work in this critical final phase will therefore focus on intensifying discussions, with the objective of defining further the elements which could constitute the "highest common denominator" for an agreed text on clarifications and improvements to the DSU.

III. FUTURE WORK

6. As described above, the Chairman intends to issue very soon a "framework document" which will be the basis for further consultations and will also be the working document used in the next meeting of the Special Session, which will be held on 10 and 11 April 2003.

7. Given the substantial amount of work which remains to be done between now and May, the Chairman expects to intensify the informal consultations process he has been engaged in with participants. In addition, it cannot be excluded that additional informal open-ended meetings will also be needed, in addition to the scheduled meeting of the Special Session in May.
