

ICC Global Trade & Investment Policy Commission

Background Note WTO ADR Mechanism

At MC12, WTO Members recognized the importance and urgency of addressing challenges and concerns regarding the dispute settlement system. They also recognised the need to carry forward discussions with the aim of having a fully and well-functioning dispute settlement system accessible to all members by 2024.

In April 2022, informal conversations on dispute settlement reform started at the technical level among WTO Members. In February 2023, Guatemala's Deputy Permanent Representative to the WTO, Mr. Marco Molina, convened an informal negotiating process with WTO Members.

Since February 2023, WTO Members have identified the areas of the dispute settlement system that they seek to reform. Most of the proposals seek to improve the dispute settlement system by providing a range of options to 1) resolve disputes; 2) simplify procedures; and 3) make them less costly, more transparent, accountable, and accessible to all Members, particularly, to developing and least developed country Members.

The [report of the Chair of the WTO Dispute Settlement Body](#) to the General Council of 14 February 2024 includes Mr Molina's report and the consolidated text on dispute settlement reform emerging from the informal process. The consolidated text reflects the ongoing discussions and does not represent a final agreement of the WTO Members.

The consolidated text includes the draft procedural rules for alternative dispute resolution, including for State-to-State conciliation and mediation, complementing and further developing the provisions of Article 5 of the WTO Dispute Settlement Understanding (DSU) (see pp. 8-17 of the consolidated text). While the negotiations are still ongoing and their outcome at this stage is uncertain, the draft rules provide a useful tool that can be used as a template for conciliation and mediation procedure on an *ad hoc* basis in the future.