STUDY VISIT REPORT - JUNE 2022

ESTABLISHING ADR MECHANISMS IN PAKISTAN

LESSONS LEARNT FROM TÜRKIYE'S REGULATORY AND PROCEDURAL FRAMEWORK FOR ADR

ISTANBUL - 23RD TO 25TH MAY ANKARA - 26TH - 28TH MAY





Executive Summary

Pakistan faces judicial challenges of a similar nature as Türkiye. These include chronic court pendency, delayed trial outcomes, overreliance on courts for matters that could be resolved otherwise, etc. The intensity of these challenges and the repercussions they are having on access to justice for the public are colossal. In a study conducted by the Legal Aid Society titled "Delays in the Delivery of Justice", just four Districts of Sindh that were researched (Karachi Central, Karachi Malir, Larkana, Sukkur) revealed a backlog of 6778 cases, with the average time taken to adjudicate each case being approximately 350 days¹. If cases, as defined by the pro-ADR legislation that currently exists in Pakistan such as the Small Claims and Minor Offense Ordinance 2002, Section 89/A and 89/B of the CPC etc. are diverted to ADR mechanisms such as Arbitration and Mediation (directly or through Court-Annexed Mediation), courts will certainly be able to focus on trials pertaining to more cardinal judicial matters such heinous crimes etc. leading to their quick and efficient resolution.

Due to the heavy workload of Turkish courts and lengthy adjudication process, the use of alternative dispute resolution mechanisms has increased among Turkish individuals and legal entities facing disputes since the last 10 years. The tabling and adopting of the Law on Mediation in 2012 was a milestone for improving the Turkish legal system and successfully raised awareness of mediation. The law made mediation mandatory for certain categories of civil cases and established a regulatory framework for the training, induction utilization of mediators through the Ministry of Justice. Following the law, and through incentive schemes introduced by the Turkish government (such as the payment of the mandatory mediation fee by the Government in case of a failure of mediation), the use of mediation has steadily increased in recent years in Türkiye. Updated statistics (attached as Annexure B) are testament to the success of mediation in Türkiye with approximately 3 million cases having successfully been resolved through ADR till date. High mediation settlement rates demonstrate that the public is highly interested in resolving disputes creatively, economically, promptly and in an amicable way.

Intending to identify the most effective public policies, legislations, regulatory and procedural frameworks for institutionalizing and promoting ADR, the Legal Aid Society partnered with the international rule-of-law expert and one of pioneers of ADR in Türkiye, Aşiyan Süleymanoğlu, CEO of Akina Consulting, to design a Study Tour for policy-makers, senior members of Pakistan's Judiciary and representative of key government institutions in Pakistan vital for success of ADR in Pakistan. The study tour aimed to examine the Turkish pro-ADR legislative developments, regulatory framework and operations of mediation centers, the regulations on the functioning of private mediators, and methods that the government and private stakeholders involved in institutionalizing ADR have undertaken to ensure sustained demand and unopposed supply of ADR services. The Study tour consisted of on-site meetings and visits to mediation centers and law firms in Istanbul and cardinal government and judicial institutions in Ankara. The aim of this report is to present key findings and learnings from the study visit and potential action items for each of the institutions in Pakistan represented during the study tour.

¹ Delays in the Delivery of Justice – Legal Aid Society https://www.las.org.pk/wp-content/uploads/2018/09/Final-Paper-1.pdf

List of Participants and Institutions:

Sr#	Name	Designation	Institution
1	Justice (R) Arif Hussain Khilji	Former Judge	Supreme Court of Pakistan
		Chief Legal Advisor	Legal Aid Society
2	Justice Ali Beg	Chief Judge	Gilgit Baltistan Chief Court
3	Justice Miangul Hasan Aurangzeb	Judge	Islamabad High Court
4	Justice Yousaf Sayeed	Judge	Sindh High Court
5	Mr. Ghulam Abbas Chopa	Registrar	Gilgit Baltistan Chief Court
		Director General	GB Judicial Academy
6	Mr. Arshad Murtaza	District & Sessions Judge	District Court Thatta
7	Mr. Abdul Qudoos Memom	District & Session Judge	Anti-Terrorism Court, Central Prison, Karachi
8	Dr. Raheem Awan	Director General	Legal Aid and Justice Authority, Pakistan
9	Mr. Fakhar Zaman	Director Academics	Federal Judicial Academy, Pakistan
10	Mr. Nasrullah Khan	Joint Secretary	Law & Justice Commission of Pakistan
11	Mr. Ali Ahmed Baloch	Secretary	Law Department, Government of Sindh
12	Mr. Shahab Sarki	President	Sindh High Court Bar Association
13	Dr. Raja M.B. Dharejo	Secretary	Local Government, Government of Sindh
14	Mr. Raja Jahanzeb Akhtar	Additional Director	Federal Judicial Academy, Pakistan
15	Mr. Mian Waqar Ahmed	Legal Officer	National Commission for Human Rights
16	Barrister Haya Emaan Zahid	Chief Executive Officer	Legal Aid Society
17	Mr. Fahad Khilji	Head	Pro Bono Law, Legal Aid Society
18	Ms. Samra Athar	Consultant	Legal Aid and Justice Authority, Pakistan
19	Abbas Ali	Program Manager ADR	Legal Aid Society
20	Muhammad Shahzar Ilahi	Program Delivery Specialist	Legal Aid Society
21	Hassan Saeed	Assistant Manager Program Delivery	Legal Aid Society

About the Legal Aid Society:

Legal Aid Society (LAS) is a not-for-profit organization registered in November 2013 with the objective of serving marginalised and underprivileged citizens of Pakistan by enhancing their access to justice. LAS is working under the chairmanship and technical supervision of the undersigned across 8 districts in Sindh and Islamabad.

Keeping inclusion, compassion and dialogue at the forefront, LAS strives to ensure Human Security, in line with Pakistan's National Security Policy, for the vulnerable and disempowered with limited knowledge of and access to justice. Using the Know the Law, Use the Law and Shape the Law approach, LAS works across Access to Justice, Gender Security and Climate Security to ensure fundamental human rights are secured, thereby contributing to a just and equitable Pakistan.

LAS has been contributing towards the institutionalization ADR in Pakistan for the past half decade. Our demand-side ADR interventions include:

- o Legislative Amendments in Sindh (Small Claims and Minor Offenses Ordinance)
- Increasing pecuniary jurisdiction of Small Cliams and Minor Offences Ordinance to enhance its scope
- Capacity building of 105 Senior Civil Judges and Judicial Magistrates on ADR, Mediation Law and Court-Annexed Mediation
- Training and certification of 250 mediators (Salis Members) across Sindh who were also notified by the Sindh High Court
- Community awareness sessions on ADR across 8 districts of Sindh targeting more than 20,000 members
- More than 1500 cases involving vulnerable communities and individuals diverted to ADR mechanisms and offices of the Provincial and Federal Ombudsperson
- o Diversion of cases to ADR forums through the Sindh Legal Advisory Call Center

About Asiyan Suleymanoglu:

Asiyan Suleymanoglu specializes in dispute resolution and practices as a professional mediator, negotiator, trainer and conflict management consultant. She is an internationally trained educator and an independent adviser on mediation policy to international bodies and national governments. She runs a busy national and cross-border mediation practice alongside teaching and trainings. She is the founder of the Akina Consulting, which develops innovative training materials and provides international consulting services on project design, management, and implementation.

Meeting Format during the Study Tour

Speakers gave presentations on the different aspects of ADR such as the nature and types of ADR and their best practices. These presentations help develop context and understanding between the Study visit members so as to facilitate focus-group discussion that follows.

Key Discussions

ADR Practices in Türkiye, Recent Developments and Challenges- Asiyan Suleymanoglu, ADR Expert, Türkiye

Ms. Asiyan Suleymanoglu made a presentation on the Law of Mediation in Civil Disputes, mandatory & voluntary mediation and key lessons learnt after 8 years of practice of mediation in Türkiye. Speaking about the state of the judicial system in Türkiye, Ms Sulemanoglu briefed the Pakistani delegation that Turkish courts had a colossal backlog of cases. Despite the strong resistance of bar associations and labor unions to ADR, high settlement rates related to ADR demonstrated to key policy makers that the public was interested in resolving disputes economically, amicably and in a timely manner. The Turkish Law on Mediation of 2012 has been successful in raising awareness on mediation and its use has steadily increased in recent years in Türkiye. Ms. Suleymanoglu shared the recent statics of the mediations in Türkiye, according to which more than 3 million cases have been settled through mediation since 2013 till date.

She proceeded to explain the model of the Grand Bazaar Mediation Project and added that in Türkiye, only a lawyer can be a mediator (one of the strategies adopted by the law to reduce opposition from Bar Associations). The development of mediation in Türkiye has been driven forward by a planned, centralized, statutory and regulatory framework since Law 6325 (the 'Turkish Mediation Act 2012') took effect in 2013. Law 6325 introduced voluntary mediation in civil disputes and regulated the enforceability of mediation settlement agreements. Following the successful



implementation of mandatory mediation provisions for employment disputes under Labor Courts Law 7036, which compels the parties to try mediation before the court can hear their dispute with no obligation to settle, and which took effect on January 1st 2018, the Turkish Parliament has passed Law 7155 introducing mandatory mediation for commercial disputes regarding receivables and compensation claims, which came into effect on January 1st 2019. In order to encourage mandatory mediation and incentivize lawyers to become mediators and actively participate in ADR, the State pays for the first two hours of mandatory mediation, even if the mediation fails.

The Law on Mediation enables the parties to jointly determine and appoint a mediator of their choice before or after the dispute. If the parties disagree on the appointment, the court administered mediation bureaus (or chief clerk office, if the bureau is not established in that court) shall appoint a mediator from the list of accredited mediators registered within the Ministry of Justice, Türkiye. The application shall be made to the mediation bureau where the competent court is located. The Head of Mediation Department lists the mediators among registered mediators, who wish to mediate in accordance with Article 18/A of the Law on Mediation, indicating their fields of expertise if available, according to the justice commission of court of first instance that they wish to serve, and reports these lists to the relevant commission presidencies. The commission presidencies shall send these lists to the mediation bureaus in their jurisdictions or to the chief clerk office of the appointed civil court of peace, where no mediation bureau is established.

Although there are mediation bureaus at the major court houses responsible for taking the mediation applications, Türkiye does not have a court-annexed mediation system. Some courts have mediation rooms that mediators can use free of charge. Some courts have mediation rooms that mediators can use free of charge.

Ms. Suleymanoglu explained that resistance from lawyers on ADR is based mostly on economic concerns. As civil lawyers are primarily motivated by monetary incentives, the state incentivizes ADR and pays mediators for the first two hours of mandatory mediation. The parties on their part, pay for the remaining hours. Upon successful resolution of the case, mediators are eligible for up to six percent of the settlement amount. Litigants are free to choose a mediator, however, in case they cannot choose one, a mediator is assigned arbitrarily.

If the parties come to an agreement as a result of the mediation, a document reflecting this agreement is to be signed by the parties and the mediator. For the agreement to be enforceable, the parties must apply to the Civil Court of Peace in order to obtain the enforceability decision. Then, the mediation agreement is enforceable as a court decision. However, if the parties and lawyers sign the agreement, the agreement becomes an enforceable document and there is no need for subsequent approval of the court. Moreover, Türkiye has also signed the Singapore Convention on Mediation and opened the doors for the enforcement of international mediation settlements, subject, of course, to the ratification of the convention by both parties.

Currently, there are more than 18,000 mediators in Türkiye, but the system needs an overhaul with a systematic monitoring and evaluation mechanism. Unlike the mediators, mediation centres or service providers are not subject to any law or regulation. Under the current law, mediators are free to conduct mediation services at any place. However, the Head of Mediation Department, Ministry of Justice has been continuously publishing "Recommendation Decisions" or "Warning Messages" based on ethical standards concerning the mediation services.

Ms Sulemanoglu further said that complex mediations require advanced training. In order to be equipped with the requisite skills, the mediators are required to pass an exam administered by the Ministry of Justice. Nevertheless, the code of conduct for mediators is loosely defined. However, in the event that a mediator fails to meet the standards set by the authorities, he or she is remo ved from the Ministry of Justice's official list of certified mediators. Ms. Asiyan Sulemanoglu also shared that currently, some litigants in Türkiye are not satisfied with mediators and tend to see mediation as just another step in the long process of litigation.

Key Learnings

- Law establishing framework for ADR enacted in 2012 (Turkish Mediation Act 2012)
- o Mandatory Mediation and financial support to disputing parties has been a key reason for success of ADR
- **o** Commercial and labor disputes are subject to mandatory mediation
- Türkiye currently does not have a framework to regulate mediation centers
- Only lawyers can be mediators
- o Mediation examination/certification is conducted by the Ministry of Justice
- o Ministry of Justice maintains mediator list and mediators are randomly appointed by Court-administered

Building Sustainability of an ADR Center- Asude Örüklü, Co-founder, Akina Consulting

As a sustainability expert and mediator, Ms. Asude Örüklü shared a detailed presentation on Building Sustainability of an ADR Center. Ms. Asude Örüklü started the session by underlining the importance of creating

a sustainable mediation center as in many countries, small-mid-size mediation centers are established every day including in Türkiye and Italy after the mediation laws, however most of them cannot continue to provide services shut down in a very short period of time. She shared a brief overview of various mediation center models

around the world. She stated that one of the most important European good practices for mediation centres is provided by the European Code of Conduct for Mediation Providers adopted by CEPEJ at its 31st plenary meeting held in Strasbourg on 3-4 December 2018 developed as a tool within the framework of the Mediation Development Toolkit².



The European Code of Conduct for Mediation Providers ("Code" hereafter) identifies several principles to which mediation providers may voluntarily

commit themselves. This Code is coherent and may be used in conjunction with the European Code of Conduct for Mediators developed in 2004 under the auspices of the European Union³ and with the Council of Europe and the European Commission for the Efficiency of Justice (CEPEJ) recommendations, guidelines and other instruments on mediation and ADR⁴. Legislators of the Council of Europe Member States may opt to incorporate rules of this Code in respective national mediation legal environments as a baseline standard for mediation providers.

The European Code of Conduct for Mediation Providers identifies the following key areas to ensure a competent approach for providing mediation services (a) quality and competence of service, (b) transparency and communication, (c) rules and ethics of mediation, (d) independence, impartiality and neutrality, (e) conflict of interests, (f) complaints, disciplinary procedures and resolution of disputes, (g) confidentiality.

² The "Mediation Development Toolkit. Ensuring implementation of the CEPEJ Guidelines on mediation" is a document which has been dynamically improved and completed from 2017 to 2019, and which is addressed to member states wishing to develop the practice and the use of mediation, to mediators and mediation providers, to legal professionals and to any person having an interest in mediation and alternative dispute resolution. The Mediation Development Toolkit is accessible at https://www.coe.int/en/web/cepej/cepej-work/mediation, accessed Wednesday, October 6th 2021.

³ The European Code of Conduct for Mediators can be consulted at <u>https://www.euromed-justice.eu/en/document/eu-european-code-conduct-mediators</u>, accessed Wednesday, October 6th 2021.

⁴ Can be consulted on the webpage of the European Commission for the Efficiency of Justice (CEPEJ) accessible on the website of Council of Europe at https://www.coe.int/en/web/cepej/cepej-work/mediation, accessed Wednesday, October 6th 2021.

Talking about practical steps to ensure the sustainability of a mediation center, Ms. Asude mentioned that 3 factors contribute towards the effective sustainability of a mediation center; 1) Social Factors (Human resources, branding and marketing, public perception of the mediation center); 2) Economical Factors (initial investment, financial model, overheads); 3) Environmental factors (favorable legislation, government financian and non-financial support etc., degree of opposition). In order to ensure effective operations in the long run, a mediation center must establish rules, procedures and guidelines borrowing from international best practices, that ensure effective management of conflict of interest, smooth and unbiased appointment of mediators, effective monitoring, evaluation and feedback mechanisms. These stringent policies will help the mediation center weather external "Environmental Factors" that might not be in the mediation center's management's control.

Key Learnings

- European Code of Conduct for Mediation Providers adopted by CEPEJ provides best practices and guidelines for effective management and rule-setting for mediation centers
- Sustainability of a mediation center depends on Social, Economic and Environmental Factors
- In order to ensure effective management and survival in the long run, strong policies must be established for:
 - Effective conflict management
 - Unbiased appointment of the right mediator for the right case
 - **o** Stringent monitoring, evaluation and feedback mechanisms

Site Visits

Istanbul Chamber of Industry Mediation Center- Melis Ilgaz, Legal Counsel

Ms. Melis Ilgaz gave a presentation on Istanbul Chamber of Industry Mediation Center, stating that the Center, established in 2018, provides mediation services to all members of the Istanbul Chamber of Commerce. Ms. Ilgaz noted that for the application for mediation, one of the parties must be a member of the Istanbul Chamber of Industry or referral by the member and the issue is suitable for mediation. However, there is no administrative fee for the members for using the mediation services. The parties could either apply through the Chamber's website or via direct application to the center. After the application, the Center will contact the other party and provide information about its mediation process and will move to mutually decide a mediator between the two parties. Ms. Ilgaz emphasized that the Center made several sectoral meetings with its members, explaining the benefits of mediation and services of the center in order to promote its mediation services. She showed the mediation rooms, highlighting that each room has a computer, printer and catering services for privacy reasons.

Adres Istanbul Mediation Centre (ADISTAM)- Semih Biten, General Manager, ADISTAM & Rabia Üçtepe Karaköse, Partner, ADISTAM

Mr. Semih Biten stated that ADISTAM provides mediation and dispute resolution services in Istanbul, with nationally and internationally certified, licensed, and accredited mediators. The centre was established in 2017 and the founders of the centre and many of its members are pioneers of mediation in Türkiye. The centre is an essential engine of mediation as a broad movement in Türkiye. The mediators registered at ADISTAM are mostly experienced in civil disputes.

Even though the mediation centers or ADR service providers are not subject to any law or regulation since 2013, centers have made significant investments in physical and online infrastructure to manage high-quality mediation services for domestic and international clients. Efforts will be needed to bring procedures of all mediation centers across Türkiye in compliance with the new legal framework, accreditation criteria and



processes that are due to be announced in Türkiye in 2022. Mr. Semih and Ms. Rabia strongly believed that accreditation of Mediation Centers is needed, and mediation centers should be examined by an institution/organization determined in the legislation to ensure quality assurance and standardization of services.

According to the Ms. Boztepe; the mediation center's legal status, confidentiality, conflict of interest, the number of cases that have been seen by the private mediation centers, the client intake process, file distribution, supervision of mediators, mediation tariff,

tax/invoicing and the quality control are some concerning issues that need to be addressed by the new legislation due to be announced in 2022.

For more information: https://www.adistam.com

Key Learnings

- o No regulatory framework for mediation center leads to disparities in quality of services offered
- The amendments to the Mediation Act 2012 (due to be announed in 2022) must include the accreditation and regulation of mediation centers for their effective operations
- In Türkiye, mediation centers are only required to send number of cases mediated/arbitrated to Ministry of Justice

Istanbul Chamber of Commerce Arbitration and Mediation Center (ITOTAM)- Senem Bahçekapılı Vincenzi-General Secretary- ITOTAM

The general secretary of the ITOTAM, Ms. Sanem Bahcekapili gave a detailed overview of the activities held by the ITOTAM. The Istanbul Chamber of Commerce (ICOC) has been providing arbitration services for its members through its Arbitration Bureau since 1979. The ITOTAM has been established under the Istanbul Chamber of Commerce, which aims to increase the knowledge on ADR methods, and engage in knowledge-creation and dissemination activities including research, documentation and publication, seminars and training programs.

As a service, the center offers consultancy, trainings and research studies as well as ADR services. ITOTAM also organizes international symposiums, trainings in cooperation with the local/foreign ADR service providers. Leveraging on advances in technology, ITOTAM regularly arranges digital mediations as well where one or both parties may join online (this service was particular useful during extensive COVID lockdowns). She informed the delegation that ITOTAM has signed MOUs with the several international mediation and arbitration centers for

joint projects and trainings and the center is willing to work with members of the the Pakistani delegation for future programs and potential collaborations.

The Grand Bazaar Istanbul, Commercial Mediation Istanbul Pilot Project - *Haşim Güreli, Board Member of the* Craftsman's Association of Grand Bazaar & Bilgehan Karış- Legal Counsel of the Grand Bazaar

Since the enactment of the Law on Mediation, the Department of Mediation under the umbrella of the Ministry of Justice has been making every effort to familiarize the general public in Türkiye with mediation in order to ensure its successful application in practice. These efforts include implementation of several international cooperation projects throughout the country. One of such projects, called Commercial Mediation Istanbul Pilot project was implemented in 2015 by the Ministry of Justice, financed by the British Embassy. It aimed at increasing public awareness and improving the implementation of the Law on



Mediation for the resolution of disputes arising between traders in the Istanbul Grand Bazaar. Mr. Haşim Güreli stated that the project aimed to increase public awareness of Mediation and increase the capacity of local stakeholders to provide formal Mediation services through the Grand Bazaar, by changing its long-accepted customary practice (much like the ones practiced in Pakistan where elders of a community are involved in resolving disputes) with the formal ones recognized by the Law. The Grand Bazaar's business community are customed to solving their disputes through amicable ways to maintain the continuity of trade relations. Therefore, the Bazaar culture's was a very suitable environment for selecting mediation as alternative resolution. With over 550 year's history, the Grand Bazaar is still one of the iconic commercial centers in Türkiye, attracting a high number of visitors, approximately 90 million in every year.

One year after the successful implementation of mandatory mediation in labor disputes, mediation became a condition precedent for filing a lawsuit in specific types of commercial disputes as mentioned above. During the term 2018 - 2019, high volume of mandatory applications in labor disputes helped mediators gain practical experience whereas the disputants and lawyers got familiar with the mediation system. This was one of the main advantages for the mandatory commercial mediation process as now parties were attending mediation and knew its benefits such as cost and time savings. The general counsel of the Grand Bazaar stated that the craftsmen now are willing to use more ADR practices, not just in their labor disputes, but also in their rent disputes especially after the Covid-19 pandemic. During the pandemic, they settled nearly 10 high value rent disputes at the Grand Bazaar.

The Grand Bazaar Mediation Project offers lessons that can be replicated in business hubs and traditional trading markets in Pakistan, particularly in Rawalpindi, Karachi, Lahore and Peshawar.

About the project: <u>https://blogs.fcdo.gov.uk/richardmoore/2016/01/04/praise-for-our-project-work/</u> <u>https://www.kapalicarsi.com.tr</u>

Key Learnings

- Government's role in promoting ADR through the active involvement of Ministry of Justice and through marketing campaigns was vital for the success of the Grand Bazaar Mediation Project
- Businessmen had a customary method of dispute resolution which allowed formal ADR to be accepted
- Women mediators have an advantage of bringing to the table disputing parties that would otherwise never meet
- o Rent & Eviction and employment issues are some of the most oft-mediated cases at the Grand Bazaar

Istanbul Arbitration Center (ISTAC)- Yasin Ekmen- General Secretary-Board Member ISTAC

The Istanbul Arbitration Center (ISTAC) is an independent, neutral and impartial institution providing dispute resolution services for both international and domestic parties. The meeting began with a welcome note by the Director of ISTAC, Mr. Yasin Ekmen, who had launched the Turkish model of ISTAC "Med-Arb" rules, which provide two-tier (Mediation and Arbitration) dispute settlement. Mr. Ekmen stated that ISTAC has been active as an arbitration and mediation center for almost 6 years and the new dispute settlement mechanism, which is briefly defined as Med-Arb, enables the use of both mediation and arbitration, two different dispute resolution mechanisms, in two stages, in the same proceeding, making it easier for commercial disputes to be resolved in maximum 90 days. In this Med-Arb dispute resolution model, which is the first of its kind in the world regulated by written rules, parties will first try to resolve their disputes with mediation, and if they are unable to reach a settlement, arbitration will be initiated to resolve the dispute. As of today, many national and international commercial disputes have been settled at the ISTAC through Med-Arb. With regards to selection of mediators/arbitrators for a case, in a situation where both parties cannot agree on a mediator/arbitrator, the Secretary General of ISTAC raises a request to the board to appoint one for a particular case. The board decides the mediator/arbitrator based on their specialties and the specifics of the case.

Mr. Ekmen explained that the ISTAC consists of a Board and a Secretariat, comprised of internationally prominent and leading experts in the area of ADR. The role of the Board is to assist parties and arbitrators in ensuring that disputes are resolved as efficiently as possible. The Secretariat is available to provide its services under the Rules and to answer questions from parties, their counsels, arbitrators, and any other actors involved in the ISTAC dispute resolution services. Within the scope of arbitration, the ISTAC offers services such as Fast Track Arbitration, Emergency Arbitrator, and also provides trainings on mediation and arbitration advocacy for increasing the capacity of legal professionals in the ADR process. ISTAK, like other ADR centers in Türkiye, works under its own rules designed by its founding members that are in line with national and international best practices.

The ISTAC Mediation- Arbitration Rules can be found at www.istac.org.tr

Key Learnings

- The Med-Arb (mediation followed by Arbitration in case mediation fails) has proven to be a successful model
- o ISTAC provides Fast-Track Arbitration & Emergency Arbitration for urgent commercial/consumer disputes
- Ensuring that rules of a mediation center are internationally compliant allows a greater number of potential clients

NTN Partners Mediation and Consultancy Center—Ibrahim Ates-Founder

NTN Partners was established as an incorporated company in 2018 by 14 partners, 12 of whom are lawyers and 2 recently registered mediators. The center has 28 expert witnesses and 16 mediators. NTN works as a mediation service provider linking clients to mediators and providing secretarial and administrative services and space for mediation. According to Mr. Ibrahim, the center has very high success rate (96% - 4000 cases), as the center is mostly providing labor mediation services upon referral from HR departments of large organizations (75%) and only a 25% of the total cases are commercial in nation. The center uses an custom-build software to match each case with the most suitable mediator and allows clients to provide feedback in order to assess the quality of mediators and mediation services. The center terminates its relationship with mediators upon repeated negative feedback from clients.

In terms of promoting its mediation services, Mr. Ibrahim explained to the delegation that the fact that the government made mediation mandatory in labour and commercial cases gave corporate entities and labour unions a 'flavour' off how time and cost-effective mediation can be. This, coupled with intense promotional activities such as seminars and roadshows arranged by private mediation centers helped garner support for mediation services across Türkiye's corporate entities.

For more information: <u>https://www.ntnpartners.com</u>

The Solution, Istanbul Bilgi University- Prof.Dr. Candan Yasan-Manager

Prof. Dr. Candan Yasan stated that the Solution was established in 2021 in Istanbul, and aimed to bring Europe and Asia together in terms of sharing of ADR practices and procedures. Inspired by the location of its headquarters, The Solution is a platform which enables the development of alternative dispute resolution methods, both in Türkiye and on an international scale, with the perspective of integrating to the changing and rapidly developing world. She stated that established within Istanbul Bilgi University Faculty of Law, the Solution aims to follow best practice examples and developments in alternative dispute resolution methods, to develop solutions which fulfil the needs of Türkiye and the region, and to expand and encourage the use of these methods. The Solution is essentially a platform that not only researches and promotes best ADR methods across Türkiye but also actively encourage young law students at Bilgi University to adopt and practice ADR (through ADR competition, mock cases etc.). In this sense, The Solution is preparing the next generation of leading mediators across Europe.

Further, she explained that with the cooperation ADR Center Istanbul, the Bilgi University's Mediation team recently competed in international mediation competition organized by the ADRODR International and won the competition in their first year.

For more information:

https://thesolution.bilgi.edu.tr/tr/sayfalar/merkez/

Key Learnings

- \circ $\;$ Law students must be engaged in universities to learn and practice ADR $\;$
- Student-run ADR societies, regular ADR sensitization sessions and participation in international and national ADR competition develops demand among students to pursue ADR
- Universities with Law Departments can offer well-research policy solutions to establish, scale and improve ADR structures

ADRIstanbul- Ferda Paksoy-CEO

ADRIstanbul is a platform that is transparent, impartial, respectful, innovative, respects ethical rules, prioritizes sustainable and effective gains in alternative dispute resolutions. Ferda Paksoy stated that AdrIstanbul realizes the importance of resolving disputes quickly and by competent hands and focuses on providing appropriate services of high standards to the parties of the dispute by complying with the legal regulations and ethical codes related to the business and meeting the necessary criteria in the international arena in the works related to its subject.

Ferda Paksoy explained that other than establishing one office, ADRIStanbul preferred to utilize co-working spaces and provide more alternatives to its clients. She highlighted that after Covid-19, online dispute resolution increased tremendously. Therefore, these types of models are much more flexible and suit the parties' needs especially in big cities like Istanbul. She also explained the Besiktas municipality project, as one of very first public awareness campaign conducted in Türkiye for promoting mediation services. Although the project was designed for 6 months, the call canter of the Municipality got many applications and more than 40 cases were resolved through mediation voluntarily.

For more information: https://www.adristanbul.com/en/home-page/

Key Learnings

- ADR services can be provided to public through local municipalities by training some selected municipality staff as mediators or by linking existing mediators/mediation centers to municipality offices
- **o** Legal Advisory call centers can offer ADR solutions the general public

Visit to the Ministry of Justice, Ankara Çağdaş Özer, Chairman of the Head of Mediation Department

The Pakistan delegation visited the Ministry of Justice, Republic of Türkiye, at Ankara. The meeting began with a welcome note by the Chairman of the Head of Mediation Department, Çağdaş Özer. Mr. Çağdaş expl ained that adoption of the Law on Mediation in 2012 was a milestone not only in terms of improving the Turkish legal system but also the overall development of the Turkish society. Mediation relieves courts, as they are overburdened with litigation and enhances citizens' access to justice by helping them resolve disputes quickly without incurring huge expenses, the Director General explained. He concluded that mediation will thus be a part of the legal system years to come. Mr. Özer highlighted that Türkiye is a rapidly developing country seeking to build its economic base and improving access to justice. Mr. Özer also observed that as it is in Pakistan, ADR is deeply ingrained in the cultural history of Türkiye.

Mr. Özer stated that mediation was first introduced into the Turkish legal system on a voluntary basis with the enactment of the Law on Mediation in 2012. The scope of Türkiye's Mediation Law has been limited to civil disputes. Within the first few years of this initiative, the number of mediations were quite limited, but the numbers steadily rose. These developments directed the Turkish government and the Ministry of Justice following the Italian model for mandatory disputes starting from labor disputes. Starting with only four cases

that were settled through mediation in 2013, the number of settlements were close to 1 million in 2019. Meanwhile, caseload has decreased by approximately 85% in labor disputes for the first year of mandatory mediation in Türkiye.

He said that it is important parties for to have complete control over the mediation process. He added that mediation in Türkiye is only done by legal professionals, a majority of whom are lawyers. Nonetheless, he noted that lawyers do struggle to adopt the attitude required of a mediator. At times lawyers want mediation to fail so that they can move



the case into longer litigation, to earn greater fees. He also acknowledged that citizens want quick justice and mediation proves to be one of the fastest routes to that end.

On average, litigation in Türkiye takes at least 1.5 years. On the other hand, labor related mediations are officially limited to a period of 28 days within which the case has to be resolves. Commercial mediations on the other hand are given a timeframe of 2 months, due to the complexity of the mediation. The Director General stated that due to this improvement in the rule of law, there seems to be an increase in investments as foreign investors want to avoid litigation. In order to support this endeavor, the Turkish government has signed the Singapore Convention.

Justice Arif Hussein Khillji thanked the Chairman Mr. Özer on behalf of The Legal Aid Society and shared the objectives of Pakistan's ADR system, such as the quick disposal of cases and the promotion of a culture of reconciliation. He also gave an overview of The Legal Aid Society's collaboration with the courts on the ADR project.

The Chairman of the Head of Mediation Department, Mr. Özer stated that following the success of mandatory mediation as a prerequisite to judicial proceedings in labor disputes, the application of mandatory mediation was extended to commercial disputes from January 1, 2019. In these cases, if the claimant does not apply for mediation before filing an action, as per the law his action will be dismissed without prejudice by the court. The claimant is now also obliged to add the final record of mediation to his or her petition if the parties were not able



to reach a settlement. There are four main aspects concerning commercial mediation, which are specific to

Türkiye. These are: (a) mandatory first meeting with a mediator as a condition precedent to judicial proceedings, (b) limited duration of mediation, (c) provisions with regard to the mediators' fees, and (d) the possibility to transform mediation settlement into an enforceable document.

The system of the Government paying for the first two hours of mandatory mediation, according to Mr. Ozer, was sustainable because in case the mediation fails, parties going to court will end up paying court fee in any case which, in Türkiye, is more than the cost of a mediation. If the mediation is successful, the parties will pay for the mediation themselves based on the total value of the settlement amount.

Between January and August 2019, mandatory mediation was initiated in 88,876 commercial disputes, 37,073 of which have resulted in a settlement. During 2018-2019, the voluntary use of mediation process has also tripled compared to 2013-2017. The unexpectedly high settlement rates outlined above have also created a shift in the perception towards mediation. According to the Ministry's recent statistics, there are more than 18000 registered mediators as of today, while approximately 50,000 lawyers have completed 84 hours of mediation training program and are now waiting for the aptitude test in order to be registered as mediators.

Mr. Özer shared that the Turkish mediation market is developing quickly while at the same time creating its own model and practice. However; in order to become a global player, following international standards is key to the success of mediation in the long run. Although Türkiye signed the Singapore Convention on Mediation on August 7, 2019, given that most mediation service and training providers are locals, cross-border mediation experience is still limited. Following these developments, the Ministry aims at increasing the quality of mediators, promoting mediation ethics, strengthening the monitoring and evaluation procedures of the current mediation practices, increasing cooperation with international organizations, adopting the mediation laws and regulations and developing efficient cross-border practices. He also suggested that governments should delve into pilot projects, which is a strategy Türkiye applied when it began work on mediation. He recommended putting mediation into a TV series for better awareness. Answering a question regarding the role and regulation of mediators, the official underlined that the quality of mediation is most important in the first two years of implementation. At this point the process of mediation should be considered secondary.

Key Learnings

- Law on Mediation in 2012: milestone for improving the legal system and overall development of the Turkish society
- 4 cases mediated in 2012. By 2022, 3 million cases have been resolved through ADR
- Mandatory mediation limited to labour cases only until 2019. Now, applies to Commercial Disputes as well
- \circ There are four main aspects concerning commercial mediation under the Mediation law
 - o (a) mandatory first meeting with a mediator as a condition precedent to judicial proceedings
 - o (b) limited duration of mediation
 - (c) provisions with regard to the mediators' fees
 - o (d) the possibility to transform mediation settlement into an enforceable document
- Financial model: Govt pays for first two hours in case mediation fails. Parties pay if mediation successful. In case of failed mediation, govt recovers cost when disputing parties pay litigation/court fee
- The key to reducing opposition from lawyers is to involve them in ADR; only lawyers can be mediators
- o Government must promote ADR via information campaigns, financial/non-financial incentives
- o Being a signatory to international ADR treaties has forced Türkiye to improve the quality of its ADR services

Visit to the Court of Cassation, Ankara

Fevzi Yıldırım, Secretary General of the Court of Cassation



The delegation of LAS visited the Turkish Supreme Court where they were received by Secretary General Mr. Fevzi Yildirim, Vice Presidents, Presidents of chambers, Supreme Court members who later chaired the meeting. The Deputy Secretary of the Turkish Court of Cassation opened the meeting with a welcome address. The Secretary General proceeded by providing giving an introduction of the Superior Court system of Türkiye. He explained that Türkiye has a three-tiered court system and that the Supreme court has a 180-year history. He also introduced the delegation to key Superior Court judges and officials. Explaining the concept behind the Court of Cassation's new building that houses more than 40,000 judicial staff members, he explained how the Criminal and Civil wings of the Court of Cassation were made separate and that the load on the civil wing was

minimal dur to the institutionalization of Alternate Dispute Resolution in Türkiye.

He talked about Istanbul Declaration that has been adopted by the UN and its key features. The Secretary General of the Court of Cassation also fielded a Q&A session.

Members of the Legal Aid Society presented LAS's work to the delegation after the Secretary General's presentation and explained how Alternate Dispute Resolution was slowly taking root in Pakistan and is critical for ensuring access to justice for the common public.



Ombudsman Institution, Ankara, Türkiye Sadettin Kalkan, Ombudsman

The Ombudsman, Mr. Sadettin Kalkan welcomed the delegation and informed them about the structure and the work of the Ombudsman Institution. He said that the Office of the Ombudsperson that proposes the respect of human rights and recommends adoption of the principles of good management to key government institutions involved in public service delivery. The Ombudsperson institution performs a similar function to the Ombudsperson office in Pakistan where matters pertaining to Federal public service institutions are taken up and justice provided to those who have been wronged. Kalkan stated the application to the Ombudsman institution is very easy, there is no fee charged for the applications and that the decision is made within 6 months at the latest from the application date. Sadettin Kalkan also explained that with the decisions made by the Ombudsman Institution were not binding on institutions (unlike Pakistan), yet, in 90% of the cases, public institutions accept and act upon the recommendations of the Ombudsperson.



Stating that the headquarters of the Ombudsman Institution in Türkiye is in Ankara, Kalkan said, "However, we receive applications from every province in Türkiye. There is a division of duties among the ombudsmen. For example, I am examining the applications regarding the public personnel regime. We have an ombudsman who deals with issues related to the rights of women, children and the disabled, and an ombudsman who deals with human rights violations. Ombudsmen are elected by the Grand General Assembly of Türkiye. However, we are independent and impartial in our work." said.Mr. Kalkan informed the delegation that 18,843 applications were received in 2021 alone at the Ombudsperson Institution. The Ombudsperson Institution in Türkiye also regularly engages in extensive research on issues pertaining to human rights and other critical issues of national importance and through evidence/data backed research papers, recommends policy solutions to government institutions. Such research papers have been drafted on State's Response to COVID, Effective handling of the Syrian Refugee Crisis, etc. and disseminated across relevant institutions.

Key Learnings

- Functions are similar to those as Pakistan (receiving and adjudicating complaints regarding public institutions and public service provision)
- Although the Turkish does not make decisions and recommendations of the Ombudsperson binding, 90% of them are accepted by institutions involved in the case
- Ombudsperson Institution regularly shared evidence-based policy and research papers with relevant institutions to improve response to critical human rights issues and issues of national interest

Hitit Mediation and Dispute Resolution Center- Kevser Sezer-Emrahan Everdi- Hatice Hasdemir- Partners

The Pakistani delegation met mediators from Hitit Mediation Center, one of very first private mediation centers in Ankara which was established in 2016. Hitit Mediation and Dispute Resolution Center is the largest mediation center in Europe Türkiye in terms of the number of its founding partners. The center consists of nearly 100 founding partners, who are all mediators. Hitit Mediation and Dispute Resolution Center, which has 3 offices in Türkiye (Ankara, Istanbul and Bodrum) and has resolved more than 20,000 cases till date. The center also specializes in cross-border mediations. Hitit handles 90% voluntary commercial mediation, many of which are cross-border commercial cases involving parties that have nominated Hitit as the official mediators in their contract clauses. The center also conducts mediation trainings.

At Hitit, an integrated case management is used with an advanced scoring system to distribute files (the top listed mediators have the highest priority, unless parties are in agreement to choose a certain mediator). Regarding Quality assurance, the system gauges mediators based on end-user feedback. A disciplinary board handles complaints from parties and all mediators receive an annual evaluation. If this annual evaluation goes below 30% of the center's average evaluation – a warning is issues in the first year and in year 2, the mediator is excluded from mediator's list at Hitit. The delegation was provided an overview of the mediation setup and got an opportunity to interact with some litigants involved in mediation. The delegation enjoyed an informal interaction with the mediators on Pakistan's judicial system and the role of ADR within it.

For more information:

https://www.hititarabuluculuk.com/hakkimizda/

TOBB Uyum Mediation and Dispute Resolution Center, Onur Yuksel- General Manager

TOBB Uyum provides mediation and dispute resolution services and operates in Ankara and across 15 different locations throughout Türkiye, with nationally and internationally certified, licensed, and accredited mediators.

Accoridng to Dr. Onur, the "Law on Mediation of Legal Disputes", the first mediation law in Türkiye, entered into force on 22 June 2012. Ever since the law's passing, The Union of Chambers and Commodity Exchanges of Türkiye (TOBB) has been continuing its efforts on developing an indigenous mediation and arbitration institution to provide these services for its members and to decrease the judiciary burden in Türkiye. In this context, TOBB UYUM Mediation and Dispute Resolution Center was established on 2020 as one of the largest service providers within the TOBB context - 360 chambers – 100% owned by TOBB. Tobb Uyum has organized many national and international events to introduce and disseminate concepts of arbitration to employees and actors in the business world The center includes a network of local/regional offices and operates with the vision to serve the members of the chamber, not to make profit. No filing or administrative fees are requested from parties as per

Executive Board's decision. Given that no regulatory framework exists for mediation centers, Tobb Uyum operates under its own rules and case flow system that is compliant with the Singapore Convention. Artificial Intelligence software developed by Tobb Uyum for itself allocates files to mediators after considering factors like experience, specialization and training and is one of the Center's greatest assets.

For more information:

https://tobbuyum.com.tr/about.php

Key Learnings

- ADR Centers created within Chambers of Commerce can lead to effective and timely resolution of commercial, labor and consumer issues that would otherwise escalate to court
- It is imperative to maintain strict standards for mediators in order to gain the business community's trust for ADR. Specialization, years of experience, certification etc. all count towards standards.
- ADR centers must act as training institutes for their mediators, inculcating the latest mediation, arbitration, negotiation skills, theories etc.

CONTEXTUALIZING TÜRKIYE'S ADR SYSTEM

Lessons Learnt and Action Items for Developing an Effective Alternate Dispute Resolution Mechanism in Pakistan

In January 2022, while addressing the audience during the outgoing Chief Justice's farewell, Chief Justice of Pakistan Umar Ata Bandial *emphasised on the importance of reducing court pendency by institutionalizing Alternate Dispute Resolution.*

On 10th June 2022, while presenting the Federal Budget 2022-2023, Finance Minister Mr. Miftah Ismail, while talking about the Federal Government's mission to provide an environment conducive to investment for national and international businesses, said *"In order to promote investment in country, a new strategy is being chalked out under which an investor friendly environment will be provided and cumbersome procedures will be abolished.* **Our government is planning reforms in Dispute Resolution Mechanism for citizens and foreign investors**. It will be ensured that the dispute resolution mechanism is economical, simple and effective. **International best practices will be adopted for the purpose which will include the alternate dispute resolution mechanism. These reforms will be introduced in consultation with superior judiciary so that it could immediately be implemented"**.

The Federal Government the superior judiciary appear to have prioritized the institutionalization of ADR in Pakistan. In order to ensure that recommendations based on learnings from the Turkish ADR model remain crisp, actionable and to the point, the following is a summary of action items which if implemented, will lay a strong foundation for the institutionalization of ADR across Pakistan, initially as pilots in select geographical locations *(Islamabad, Gilgit Baltistan and Sindh are proposed for this purpose).* Successes from these geographical pilots can be scaled across provinces and administrative units to ensure quick disposal of civil and family cases, enhanced access to justice for the common man and increased trust in the judicial system of Pakistan.

Legislative Changes and Procedural Amendments in existing pro-ADR laws:

(Relevant Bodies: Provincial High Courts, LJCP, Provincial Law Departments)

The following learnings from Türkiye can and should be incorporated into existing pro-ADR legislation in order to ensure a strong regulatory framework for ADR that encourage both potential clients and legal practitioners to opt for ADR themselves:

- Mandatory Mediation for certain critical civil and family cases contributing most to backlog e.g. certain compoundable, bailable criminal offenses with punishments up to 3 years (bouncing of cheques, etc.) banking, consumer, commercial, labor, rent and eviction and family cases (not involving domestic violence)
- Mediation Tariffs for mediators that will be paid by the Government for mandatory mediation
- Criteria for Mediators (number of years of practice, accreditations etc.)
- o Criteria and framework for mediation training and certification providers
- \circ $\;$ Evaluation, complaint and feedback mechanism for mediators
- Registration of all mediators and maintenance of a databased at the Law and Justice Commission of Pakistan
- o Establishment, Accreditation and regulation of mediation centers

Establishing a supply system of ADR:

<u>(Relevant Bodies: Provincial High Courts, Law & Justice Commission of Pakistan, Federal Judicial Academy, Legal</u> <u>Aid and Justice Authority, Provincial judicial academies, High Court Bar Councils, District Bar Councils)</u>

1. Training, Certification and Nomination of Mediators across Pakistan

The following steps must be taken to ensure the mediators are identified, trained, notified in relevant courts and referred cases to:

- i. Signing of MoU between High Courts, provincial and federal authorities such as LAJA and technical support organizations and mediation training providers
- Designing of selection criteria for lawyers to be part of training program (World Bank's 2012 selection criteria for mediators in Pakistan has withstood the test of time)
- iii. Finalization of accrediting organizations for mediation certification (e.g. Provincial Judicial Academies, Federal Judicial Academy, Legal Aid and Justice Authority, etc.)
- iv. Nomination/selection of Mediators from District Bars and High Courts Bars or directly through courts
- v. Operationalization and deployment of training programs
- vi. Notification of mediators in High Court (district level as well) for Judges (both High Court judges and District and Session Judges) to refer cases to
- vii. Amendment of judges' performance criteria to accommodate for court-annexed mediation/ADR referrals and having them counted as successful disposal of cases
- 2. Engaging Law Students and Sensitizing them on ADR
- Development of ADR crash-courses (2-week long) to 1st and 2nd Year Students (can be designed and deployed by the Legal Aid Society)
- Making a 3-Credit Hour course on Alternative Dispute Resolution mandatory for 2nd year students across law colleges
- \circ $\,$ Creation of ADR Societies and frequent participation in international ADR competitions

Policy Changes and Notifications to encourage ADR at District Level

<u>(Relevant Bodies: Provincial High Courts, District & Sessions Courts, FPSC, Provincial Law Departments, Provincial</u> <u>Home Departments, Police Statutory Bodies)</u>

- o Notification of existing trained mediators in High Courts (district level notification as done in Sindh)
- o Directions from High Courts to encourage District and Session Courts to refer cases to existing mediators
- Mandatory Mediation Training and Certification for PAS, Police and IRS officers during introductory courses at respective Academies
- Establishment of linkages between Deputy Commissions and existing mediators within districts for effective resolution of family and commercial disputes to avoid escalation
- Revival of Police Dispute Resolution Centers (the KP model can be replicated across provinces)
- Statutory bodies working on Human Rights such as National Commission on Human Rights to promote ADR within their jurisdictions and establish referral mechanisms with mediators and ADR providers for vulnerable and disenfranchised seekers of justice

Establishing a Pro-ADR Culture within the Legal Fraternity

<u>(Relevant Bodies: Provincial High Courts, Districts and Sessions Courts, Provincial High Court Bar Associations,</u> <u>District Bar Associations, Legal Aid and Justice Authority)</u>

- \circ $\;$ Nomination of Bar members for mediation training programs
- Notification of Bar members as mediators in respective High Courts
- Establishment of mediator data-base at High Courts and District Courts with mediators segregated by specialization/field of expertise, years of experience etc. to make it easy for judges to refer cases
- Regular pro-ADR sensitization sessions and trainings with leading international trainers presenting benefits of their ADR models (e.g. Türkiye)

Promoting the Establishment of and supporting existing Mediation Centers:

(Relevant Bodies: Provincial High Courts, Federal and Provincial Information Ministries)

- Provincial High Courts to recognize private mediation and arbitration centers as stipulated by law
- Provincial High Courts, after thorough assessment of rules and standards of private mediation centers, encourage high court and district court judges to divert cases fit for mediation to mediation and arbitration centers
- High Courts to encourage retired judges to use mediation and arbitration centers for Arbitration practice
- o Information Ministries to promote private mediation centers by offering discounted media rates

Creating a Demand for ADR: Promoting Mediation and Arbitration

(Relevant bodies: Law & Justice Commission of Pakistan, Federal and Provincial Information Departments)

- LJCP, Federal and Provincial law Ministry/Depts to run advertisements promoting ADR providers (centers, state institutions, private mediators etc.) focusing on advantages of the ADR (cost and time effective etc.)
- o Targeted promotion to small and medium businesses for utilizing ADR
- Offering private mediation centers, mediations etc. discounted advertisement rates to promote the use of ADR
- o Partnerships with Community Based Organizations and NGOs to promote ADR at community level