



Press Release

Afghanistan Center for Dispute Resolution is Now Open for Business: A Key Challenge to Doing Business in Afghanistan Is Addressed

Kabul, June 30, 2015 — The Afghanistan Center for Commercial Dispute Resolution (ACDR) welcomed more than 120 participants at its Inauguration and ribbon-cutting ceremony held on Tuesday, June 30, 2015. ACDR, based in Kabul, is the first center of its kind in Afghanistan, which provides mediation services, calculation services for commercial disputes in Afghanistan. The Center will provide arbitration services in the near future.

ACDR is a new center for dispute resolution initiated by Afghanistan Chamber of Commerce and Industries (ACCI) and funded by Harakat Investment Climate Organization (AICFO) with the technical assistance of ADR Center. The aim of the ACDR is to attract and maintain business and commercial enterprises to the region by providing alternative dispute resolution that is fast, fair, cost-effective, transparent and reliable. *To learn more about the ACDR, please visit www.acdr.af.*

Minister of Commerce and Industry, Deputy Minister of Justice, Senior Economic Advisor to President, ACCI's Board of Directors and CEO of Harakat attended the inauguration ceremony

Disputes regularly arise between commercial firms, often resulting in lengthy, costly and time-consuming processes. Most of these disputes gradually become adversarial, which in most cases damage business relationships between the disputing firms. Over the past 30 years, Alternative Dispute Resolution Center (ADR) has encouraged more cost-effective and collaborative resolutions to such problems, enabling companies to preserve relationships.

It's worth noting that 1931 Afghan traders established Commercial Arbitration Association. ACCI now provides arbitration and mediation services to its members under Article 8 of Law on ACCI. ACCI was 84 years ago to advance the interest and rights of the private sector in key arena and decisions.

Harakat– AICFO has provided \$1.8 million funding and technical assistance to establish the ACDR, from its systems and staff to a brand new building. The objective here is to simplify the contract enforcement, shorten the length of dispute settlements through mediation mechanisms as much as possible and reduce the cost of dispute resolution from the current 25% of total claimed amount to an affordable level."

According to the World Bank/IFC Doing Business Report 2014, contract enforcement in Afghanistan involves 47 procedures and takes over 1642 days. An average of 25% of the claimed amount is spent on dispute settlement in the formal justice system. The realities of the existing contract enforcement clearly demonstrate inefficiencies in the court system. Lack of effective contract enforcement serves as a crucial disincentive for investment by domestic and international investors, adversely impacting job creation and revenue generation.

About ACDR:

ACDR is a new center for dispute resolution initiated by Afghanistan Chamber of Commerce and Industries (ACCI) and established with financial support from Harakat –Afghanistan Investment Climate Facility Organization along with the technical assistance of the ADR Center. The goal of the ACDR is to provide a fast, cost effective, transparent, and professional alternative method of dispute resolution to commercial enterprises. To learn more about the ACDR and how to use its services, please visit www.acdr.af.

Contact:

Mr. Siam Pasily, Communication and Marketing Specialist

Phone: +93793335814

Email: communication@acdr.af