

Trade Relations and the Legal Environment in MEDA Countries

Business executives and lawyers increasingly work across political and cultural boundaries. Neither trade nor business investment can be guaranteed to be free of disputes; but the prospect of such disputes can discourage both trade and investment. Small and medium enterprises (SMEs), in particular, would often like to do more business with other countries. But they are frequently unfamiliar with, and distrustful of, the legal and judicial environment in other countries. Unless they know the alternative systems for preventing and managing disputes, they face a major obstacle to growing their business.

Alternative Dispute Resolution (ADR), particularly mediation and arbitration, have already proven effective in preventing and settling international commercial disputes in many countries. This project is designed to improve understanding of ADR, to increase confidence and capacity in managing commercial dispute resolution, and to facilitate international trade and foreign investment in the 10 MEDA Countries. Many countries are dependent on such enterprises to develop their economy; the consequences for trade and investment of not having good ADR systems in place are severe. This project can help.

MEDA Countries, for purposes of this project, are grouped in three sub-regions:

- *Algeria, Morocco and Tunisia*
- *Egypt, Jordan, Lebanon, Syria and West Bank & Gaza*
- *Israel and Turkey*

Project Overview

The formal name for the project is *Promotion of International Commercial Arbitration and Other Alternative Dispute Resolution Techniques in MEDA Countries*.

Its purpose is to facilitate foreign investment and international trade, including South-South trade; its primary approach to these goals is by helping these countries develop increased capacity and confidence in handling the resolution of commercial disputes.

The project is particularly designed to help small and medium size enterprises, the backbone of the economy in all MEDA Countries, to develop greater skill and confidence in dealing with counterparts in other countries. We therefore work primarily with bar associations, jurists, local arbitration and other ADR groups, chambers of commerce, federations of industry, trade promotion agencies and other organizations which are relied on by SMEs for advice and related services.

The project is sponsored by the European Commission, and supervised by the EuropeAid Co-operation Office, Southern Mediterranean, Middle East Department. It began in January, 2005 and is funded for three years. It is led by a consortium of four partner organizations. The lead partner is *ADR Center* (www.adrcenter.com), based in Rome, which is one of Europe's leading provider groups in alternative dispute resolution. The other partners are the *Centre de Médiation et d'Arbitrage* of Paris (www.mediationarbitrage.com), *IBF International Consulting* of Brussels (www.ibf.be), and the Italian *Confartigianato* association of 500,000 small businesses, based in Rome (www.confartigianato.it).

Project Activities

Showing how dispute settlement works

- Seminars and panels on international contracts and dispute settlements for *business organization representatives and businessmen*
- Seminars and panels on international contracts and dispute settlements for *jurists (attorneys, corporate counsel and members of the judiciary)*
- E-learning/computer assisted course on international contracts and dispute settlement
- Web site - www.adrmeda.org – with continuously updated project and related information
- Publication of a three-language study (English, French and Arabic) on international commercial disputes resolution, mediation and arbitration, in the 10 MEDA Countries concerned with the project
- Regional Conference (including participants from EU and the MEDA Countries)

Training of mediators and arbitrators

- Training of local lawyers in dispute solving methods
- E-learning/computer assisted course for mediators and arbitrators

Technical assistance to Mediation/Arbitration Centres in the MEDA Countries

- Development of specific cooperation agreements between EU-based and MEDA-based Mediation/Arbitration Centres
- Creation of a network of EU-MEDA Mediation/Arbitration Centres
- Development of standardized guidelines for regulating "informal" mediation, especially designed for intermediary organizations such as SME associations

Design and dissemination of pro-forma contracts

- Standardization of key terms for international contracts, through convening meetings of experts