

ALERNATIVE DISPUTE RESOLUTION (ADR) FOR ACCI MEMBERS





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1. What is ADR about?

Alternative Dispute Resolution (ADR) is the name used for different methods of solving a dispute. For example litigation, mediation, arbitration, adjudication and ombudsmen are all types of ADR. In many circumstances they are alternatives to each other. Apart from litigation and sometimes Arbitration other ADR mechanisms allow the parties to come up with more creative and mutually satisfactory solutions to their disputes that a court may not be legally allowed to impose.

Dispute resolution processes fall into two major categories:

- Adjudicative processes: such as litigation or arbitration, in which a judge, jury or arbitrator determines the outcome.
- Consensual processes: such as collaborative law procedures, mediation, conciliation, or negotiation, where the parties attempt to reach a settlement.
- 2. ADR to Business

ADR is gaining popularity in the business communities globally. Although one of the most important feature of ADR is that parties have to willingly partake in it, some of the rules of courts from various jurisdictions including Nigeria are now having provisions that mandate Judges to ensure that certain matters brought before them are put through ADR first and only brought back to litigation when ADR fails. Some of the advantages include:

- a. ADR procedures are often concluded quicker than court proceedings, allowing you to get on with running of your business.
- b. Costs are often lower. Remember that you cannot normally recover lawyers' fees as part of a 'small claim'. The longer litigation drags the more money and other resources are spent.

- c. ADR procedures are confidential. Confidentiality is indeed one of the most important features of ADR, it allows avoidance of leaking out trade secrets, protects against the risk of adverse publicity and reputational damage which is known to be attributed to a court case.
- d. In some types of ADR (such as Mediation) the parties to the dispute decide the outcome themselves rather than having it imposed on them.
- e. ADR procedures can be more flexible in terms of process and outcome, it also has a level of flexibility where the application of rules of evidence and law in general are concerned. It may therefore be possible to achieve outcomes that a court could not order, or to get a result that the parties believe is fairer than that dictated by law.
- f. ADR procedures can be less confrontational or adversarial than court proceedings. Not only can this reduce stress, it can also be an important consideration where the parties prefer to maintain an existing beneficial relationship.

3. Why is ADR Becoming Popular?

It is common knowledge that going to court for litigation is expensive. From lawyer fees, court fees, and disbursements, the cost of resolving a legal dispute can grow rapidly. ADR is meant to be a tool to help simplify the process and lower the costs.

Take for instance, Mr A and Mr. B (hereinafter referred to as "Parties")have an agreement. Mr A breaches the agreement. There is a dispute. Parties "agree" to resolve their dispute using Alternative Dispute Resolution. Parties choose and agree on their panel of neutrals, agree on days, time and venue suitable for them for hearing and the dispute is resolved within two



days! The panel urging both parties to perform their agreed obligations in the settlement agreement and both parties comply. It's a Win-Win Situation. Parties go home happy.

Now, compare to Mr C and Mr Q, (hereinafter referrred to as "Parties")

Parties entered into the same agreement as MR A and MR B, there is a dispute but parties decided to go to court for litigation instead of first exploring alternatives to resolving their disputes.

Parties pay huge sums of money to their attorneys. The court having thousands of cases already on its case docket, and with technicalities of litigation the whole process of resolving the dispute runs into years, at the end of which MR C wins the case while MR Q goes home a looser. Note that, in the actual sense, both parties are losers because, MR C even though judgement is in his favour, has lost huge amounts of money on attorney fees and other expenses related to the case and also the time spent go to waste!

4. Re-introducing The Abuja Chamber of Commerce Dispute Resolution Centre (ACCI-DRC) to Members of the (ACCI).

The Dispute Resolution Centre of Abuja Chamber of Commerce and Industry (DRC-ACCI) was commissioned on the 12th day of September, 2017.

The Centre's main focus is on fair and efficient alternative dispute resolution services.

The Centre adopts mechanisms such as Arbitration, Mediation, Negotiation, Conciliation and others depending on the nature of dispute and the agreement between the parties on which mechanism would be preferred to resolve their dispute.

The Centre also offers consultancy services

on alternative dispute resolution, conflict management and conflict avoidance.

These services are rendered through the expertise of seasoned Nigerian and foreign Panel of Neutrals from different fields of professional endeavour.

The DRC also provides efficient services, resources and training on Arbitral Registry and Secretarial service; as well as conduct certified trainings on different areas of ADR.

The center provides mordern facilitates for ADR hearings and meetings.

5. The benefit of the ACCI DRC to members.

The DRC provides an avenue and facility for access to justice where members of Abuja Chamber of Commerce and Industry and general public enjoy the benefits of resolving their disputes while avoiding the usual delays experienced in litigation in courts as well as hazards related to involving law enforcement agencies like the police. Pre-dispute relationship is preserved or improved upon and economic growth is supported through helping disputants to resolve disputes at minimal costs.

6. The benefit of ADR to ACCI members.

We often learn of incidents of disputes involving ACCI members, with devastating results. Sometimes it causes fatality to the business. The center was established to assist members in avoiding that sort of scenario, remember that the main objective of ACCI as an entity is to promote and support businesses.

Some disputes do not have a legal solutions, while others may be made worse by a court action.

Members are free to approach the center either



just walk in, call or send an email. As a member of ACCI you are entitled to free consultation and other services at a discounted rate.

A lifesaving step you can take in favor of your business is to consult the center before taking any action in relation to an existing dispute or a perceived dispute. Where an action has been taken against you, it is equally recommended to seek advice from the center before responding.

All over the world, ADR is being incorporated into day to day business transaction between business owners. When foreign investors are assured of better avenues to resolution of disputes arising out of business transactions, this assurance can increase their interest in doing business and investing in a particular country.





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