ISSRA
INSTITUTE FOR STRATEGIC STUDIES, RESEARCH & ANALYSIS

MICADR
Musaliha International Center for Arbitration and Dispute Resolution
A HIGH COURT RECOGNIZED ADR CENTER

Strengthening Investor Confidence

The Role of Mediation in Pakistan's Economic Future

NATIONAL SEMINAR

Post Seminar Report

Thursday, 16 April 2026

INSTITUTE FOR STRATEGIC STUDIES, RESEARCH AND ANALYSIS

INSTITUTE FOR STRATEGIC STUDIES, RESEARCH & ANALYSIS

Musaliha International Center for Arbitration and Dispute Resolution
A HIGH COURT RECOGNIZED ADR CENTER

Strengthening Investor Confidence

The Role of Mediation in Pakistan's Economic Future

NATIONAL SEMINAR
Thursday, 16 April 2026

Supervised by

Maham Ayaz
Research Fellow
Centre of Excellence for International Law (CEIL)

Prepared by

Anqa Ghalib
Research Intern
Centre of Excellence for International Law (CEIL)

INTRODUCTION

- The seminar on "Strengthening Investor Confidence: The Role of Mediation in Pakistan's Economic Future" was organised by the Institute for Strategic Studies, Research and Analysis (ISSRA), National Defence University (NDU), Islamabad, in collaboration with Musaliha International Centre for Arbitration & Dispute Resolution (MICADR). It was held on Thursday, 16th April 2026, at the NDU premises in Islamabad, Pakistan.
- The seminar brought together a group of experts from the business and mediation community. The discussion aimed to examine the role of mediation as an emerging mechanism for resolving investor–state disputes and strengthening investor confidence in Pakistan's legal and economic environment.
- The session highlighted how mediation can serve as an efficient, flexible, and constructive forum for dispute resolution for investors while contributing to a more predictable investment climate.
- The Seminar was conducted under the Chatham House Rule, enabling participants to engage in open and candid discussions.

PROGRAMME

Session	Time	Details/Speakers
Arrival of Participants	*10:15*	
Opening Remarks	*11:00-11:05*	Major General Muhammad Raza Aizad DG ISSRA
Keynote Speaker	*11:05–11:15*	Justice (R) Arif Hussain Khilji
Panel Discussion	*11:15–12:05*	1. Siong-Koon SIM 2. Barrister Haya Eman Zahid 3. Hassan Ali Raza 4. Sarah Tarar 5. Sohail Khoja **Moderator:** Shahzar Illahi
Q/A Session	*12:05–12:45*	Participants
Talk by Special Guest	*12:45-12:55*	Mohammad Jehanzeb Khan Secretary Apex Committee/ Chairman Implementation Committee SIFC
Closing Remarks	*12:55-13:10*	Attorney General of Pakistan
Hi Tea & Dispersal ***13:10 Onwards***		

KEY TAKEAWAYS

- Experts discussed that mediation presents itself as a primary mode of dispute resolution, particularly in commercial and investment-related matters. This is due to its ability to preserve relationships between investors and investees.
- Investor confidence was identified to be linked not to the absence of disputes, but to the availability of timely, reliable, and neutral mechanisms for resolving them. Experts found that mediation remains the most viable Alternate Dispute Resolution (ADR) mechanism for such a goal.
- It was highlighted that mediation offers distinct advantages over litigation and arbitration, including speed, confidentiality, cost-efficiency, and the ability to preserve commercial relationships.
- Some experts observed implementation, rather than legislation, as the principal challenge. It was noted that while Pakistan possesses the necessary legal frameworks for ADR, its practical application remains inconsistent.
- A need for standardisation, accreditation, and ethical regulation of mediators was observed as essential components for building trust within the business community. The assurance of proper accreditation of mediators was seen as a paramount endeavour that Pakistan should invest in.
- Pakistan was observed to be on a positive trajectory in developing its mediation ecosystem, supported by provincial ADR laws, judicial endorsement, and emerging policy initiatives. However, some experts emphasised that while the infrastructure to support meditation exists in Pakistan, delivering it requires significant work.
- Experts highlighted that Pakistan's diplomatic credibility as a mediator in the US-Iran conflict presents a unique opportunity for it to position itself as a regional hub for commercial mediation.
- Mediation was acknowledged as a “de-risking” tool for investors. Its use was recognised for minimising financial uncertainty and avoiding disruptive legal consequences, such as asset freezes.

- A primary step recognised by experts in the promotion of mediation in Pakistan was embedding mediation clauses within commercial contracts. Such a step was emphasised as a practical measure toward normalising the use of meditation as a first step toward resolving the disputes faced by investors.
- Experts highlighted that a coordinated effort is required at both the regulatory and institutional levels, combining state-led institutionalisation with increased willingness among parties to adopt mediation in order to strengthen investor confidence.
- Mediation was framed as part of a broader transition from an adversarial legal culture to a collaborative, solution-oriented approach. Such a system, which is essential for Pakistan's economic security.

SUMMARY OF PROCEEDINGS

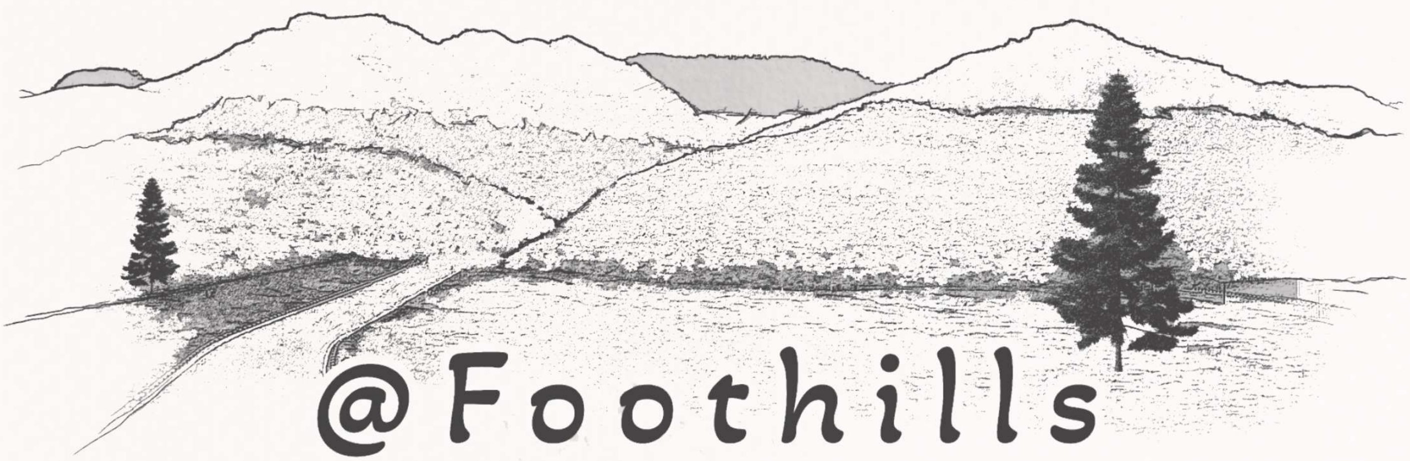
- Backlog of cases in Pakistan continues to be a pertinent issue, with over 2.2 million cases pending. With 3,000 active judges, Pakistan lacks the manpower to clear this backlog. Under such circumstances, ADR, particularly mediation, was considered a viable alternative to formal litigation.
- Experts note that the primary concern of investors before investing in a country is the manner of dispute resolution available to them. Mediation was identified as the most preferred dispute resolution forum for investors.
- Emphasis was placed on the necessity of mediation, not as a fallback for potential defects, but rather as an infrastructure that investors look for while considering investments. One expert noted investors' tendency to favour countries where mediation is a primary solution rather than a secondary afterthought.
- Integration of mediation into the legal infrastructure of a country was believed to showcase its willingness to deviate from a culture of conflict to a culture of contact, a sentiment appreciated by investors.
- Data observed by experts highlighted the functionality of mediation, with 68% of private disputes brought to mediation being resolved amicably, 55% in the Islamabad court-annexed mediation centers, and the Baluchistan court-annexed mediation center boasting an 89% success rate.
- Experts also highlighted its expeditious nature, citing an average rate of 28 days for one mediation to be resolved.
- Common misconceptions about mediation were identified, primarily the assumption of a mediator's status as a judge, as well as the use of mediation as a stepping stone to litigation.
- Mediation was highlighted as an opportunity for uninterrupted dialogue between disputing parties, which allows them to be in control of the final verdict.
- When investing in a country, experts highlighted that investors want to know how, if an investment declines, it can be recovered. This emphasised the importance of predictabilityand reliability in investor relationships. The need for a non-confrontational environment remains paramount for investors.

- One expert praised Pakistan, noting that its mediation ecosystem is progressing rapidly, sending a positive message to the business community. They also highlighted the importance of Pakistan publicising its success in mediation while safeguarding the confidentiality of the parties involved, to demonstrate Pakistan's capacity to resolve international disputes.
- Some experts believe that Pakistan is prepared to provide swift dispute resolution for the business community. They observed that the presence of the ADR acts in each province, along with Pakistan's recent role as a mediator in the dispute between the USA and Iran, demonstrates its ability to meet such expectations.
- Other experts argued that Pakistan is not yet prepared to fulfil such a commitment, but it remains on the correct course. They stressed the need for greater clarity in law, standardisation of practice, and its adoption by genuine stakeholders, which is still lacking.
- One expert identified challenges in implementation as a key concern, attributing them to a lack of awareness and adoption among stakeholders, which limited the effectiveness of mediation mechanisms.
- To better implement mediation at a business level, it was recommended that the business community train its in-house legal team in mediation. Ensuring the inclusion of a mediation clause in all contracts was seen as paramount, as well as the inclusion of such a clause that highlights mediation as the next step if negotiation is to fail.
- Experts emphasised that capital follows certainty; mediation acts as a de-risking protocol to safeguard investor profits. Consequently, the experts advised increasing awareness to promote mediation as the main dispute-resolution platform for investors.
- Lawyers were deemed as a primary hurdle to ADR, due to their reliance upon litigation as a source of income and profit. Importance was placed on the vigilance of the business community to defer to mediation before allowing their in-house legal team to recommend litigation.
- The role of judges in the acceptance and growth of mediation in Pakistan was highlighted; the acceptance of foreign mediation settlement agreements in the courts, as well as mediation training for judges, was emphasised to be required for the proper employment of mediation.


ISSRA COLLABORATION

PHOTO GALLERY

Conversations



@Foothills

INSTITUTE FOR STRATEGIC STUDIES, RESEARCH & ANALYSIS

INSTITUTE FOR STRATEGIC STUDIES, RESEARCH AND ANALYSIS