



Area of Implementation	5 Districts plus Delhi
Duration of Project	2009-2010 (12 months)
Total Investment Cost	231 400 EUR
Distribution of financing:	
FICCI	48 700 EUR
Government of India	129 000 EUR
GTZ through GFA	53 000 EUR



Pilot Project on Mediation *PPP for Improved Consumer Redress, India*

When consumers don't get what they can expect from products and services it is important that they know about their rights and exercise them. The Consumer Protection Act in India has established special consumer courts at the district level which are supposed to resolve cases filed by consumers within a timeframe of 3 months. However, in practice this timeframe is often exceeded and consumer confidence in the redress system is rather limited. One of the experts' recommendations during the 1st project phase was to introduce pre-litigation mediation for suitable cases to provide for a less formal and speedier resolution of cases and reduce the number of cases to be handled by the courts. International experience has shown that a large number of consumer grievances can successfully be solved through mediation.

GTZ/GFA and the Federation of Indian Chambers of Commerce and Industry (FICCI) have agreed on a public private partnership (PPP) to implement a pilot project on mediation with financial support from the Ministry of Consumer Affairs, Food and Public Distribution, Government of India. The pilot project will set up court-annexed mediation centers in five districts in the states of Madhya Pradesh, Gujarat, Orissa, Tamil Nadu, West Bengal and in Delhi annexed to the State Consumer Dispute Redressal Commission. The consumer courts will refer cases suitable for mediation to the mediation centers on a voluntary basis and consumers will be asked to approach the mediation centers even before they file their case with the court. Both the consumer and the involved business must agree to this procedure. There should be at least three mediators for each mediation center. The selection of mediators will be made in cooperation with a college or university close to the district. It is important that the mediators are seen as neutral by both parties. So they should neither come from a consumer activist group nor from an industry association. The mediators will go through a specific mediation training based on the mediation manual developed by the project in cooperation with FICCI during the 1st project phase. A Mediation Advisory Center (MAC) will be set up in Delhi to coordinate and monitor all activities and prepare a final evaluation report. A multi-stakeholder Executive Committee will steer the project and take all relevant decisions. Both industry and consumer organizations as well as the central and state governments and GTZ will be represented in the Executive Committee.

If the evaluation of the pilot project is successful after 12 months the government would replicate the model in other districts and states and the Consumer Protection Act may be changed to introduce pre-litigation mediation across the country.

