

CP3A: Establish reward systems through benchmarking for operators with higher consumer satisfaction

REGULATORY FUNCTION: CONSUMER PROTECTION REGULATION		CP3A
OBJECTIVE CP3 Consumer protection is enforced through sanctions or rewards	ACTION CARD CP3A <h1>ESTABLISH REWARD SYSTEMS THROUGH BENCHMARKING FOR OPERATORS WITH HIGHER CONSUMER SATISFACTION</h1>	
COST: Medium FREQUENCY: One time TARGET GROUPS: Regulators, service operators, consumers, civil society		
DESCRIPTION <p>In addition to mediation, reconciliation, and a range of potential penalties which regulators apply to protect consumers, their interests could often be equally well preserved by other means. One of these is to convert consumer satisfaction into benchmarking exercises, where operators' contractual behaviour is rated. Regulators must however, predefine incentives and rewards for the highest rated operators, and promote and reward operators for high quality service provision as an example for others in the sector. In creating a competitive environment, such incentivized regulation also often results in a decreased volume of complaints and conflicts. As a consequence, this reduces the resources required to resolve complaints by motivating operator compliance. This mechanism, commonly shared through the media, allows regulators to identify consumers' annual champions.</p>		
EXPECTED OUTCOMES <ul style="list-style-type: none"> • Service operators are motivated to comply with contractual obligations. • Consumer protection is facilitated. • Consumer associations are actively engaged in the process. 		
EXAMPLE: ZAMBIA <p>In Zambia, the National Water Supply and Sanitation Council (NWASCO) publishes annually operators' performance reports, and the best among them are rewarded. These reports contain information about operator compliance with agreed and predefined consumer protection indicators such as access to water and sanitation, coverage, metering ratios, or hours of supply.</p>		
LINKS <p>NWASCO web page: http://www.nwasco.org.zm/index.php/media-center/news1/121-2016-water-provider-s-performance-report-launched</p>		
INTERNAL CAPACITIES NEEDED AND THE ROLE OF PARTNERS <p>Creating a competitive environment through rewards and incentives requires certain regulatory capacities such as procurement, administrative and public relations. Commonly, regulators can perform this action on their own with support from media and marketing agencies, consumer associations, and civil society, that help to make the exercise publicly available and its content more attractive to the wider public. Regulators' staff must be trained on how to manage award events, and how to apply award methodologies.</p>		