

FOREWORD

India's Seventy-fourth Constitutional Amendment Act (C.A.A.) is a bold initiative to help make local self-government work better. The act gives India's cities and towns new powers to improve local level management.

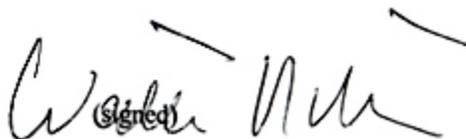
State Governments have amended some existing municipal laws to conform with the 74th C.A.A. Usually, the new legislation has only addressed electoral mechanics. Other reforms are still required to address the powers, authorities, and responsibilities of urban local bodies. Specifically, action is needed for a new framework that lets urban local bodies generate adequate local revenues, improve financial management, and promote public-private partnerships to improve basic services.

The Government of India wants to fully implement the promise of the 74th C.A.A. No single municipal law can adequately encompass the social, economic, and political diversity of all of India's states and cities. The Union Ministry of Urban Development and Poverty Alleviation and the United States Agency for International Development (USAID), through the FIRE-D Program, have drafted a "Model Municipal Law." This is based on a set of policy postulates that offer guidelines for State Governments to adapt to their specific conditions.

Four volumes of "Policy Options" Papers were prepared on the subjects of (1) governance of municipalities, (2) municipal finance and financial management of municipalities, (3) urban environmental infrastructure provision and financing, and (4) regulatory jurisdiction including development planning, (4) regulatory jurisdiction including development planning, urban environmental management, community health, and residual parts of the municipal laws.

The Indo-USAID FIRE-D Program is a project of USAID and the Government of India that has been working in India since 1994 to strengthen municipal government and improve the provision of sustainable urban water and sanitation services in India's cities and towns.

USAID is pleased to have supported the Ministry of Urban Development and Poverty Alleviation in preparing the Policy Options Papers and the Model Municipal Law. We are confident they will assist the nation's states, cities, and towns to realize the dream of the 74th Constitutional Amendment Act: good urban governance and better services for India's citizens.

A handwritten signature in black ink, appearing to read "Walter North". The signature is written in a cursive style with some flourishes. There is a small, faint circular stamp or mark near the bottom left of the signature.

Mr. Walter North
Mission Director
USAID Mission to India