

## PREFACE

The Ministry of Urban Development and Poverty Alleviation (MoUD&PA), Government of India, has taken several initiatives towards good urban governance and making urban local bodies as self-sustaining viable entities of local self-government.

Urban sector reforms have been identified as thrust areas by the Ministry and tools such as City Challenge Fund, Pooled-Finance Development Fund, Urban Reforms Incentive Fund have been conceived. Private Sector Participation guidelines have been framed and switching over to accrual-based accounting have been emphasized.

To supplement the Urban Reform agenda, MoUD&PA has developed the Model Municipal Law, to assist urban local bodies in the areas of accounting reforms, resource mobilization and entry of private sector partnership. The Model Municipal Law inter-alia aims at simplification of municipal bylaws, provision for enhanced borrowing, allowing the entry of private sector and authorising concessionaires to penalise users for non-payment of tariffs.

This initiative is expected not only to enhance the capacities of ULBs to leverage public funds for development of urban sector but also will help in creating an environment in which urban local bodies can play their role more effectively and ensure better service - delivery.

MoUD&PA is thankful to Indo-USAID FIRE project and its consultant Times Research Foundation for the assistance in drafting the Model Municipal Law.

We hope this Model Municipal Law will facilitate and assist State Governments in amending/enacting State level Municipal statutes, mutates-mutandis.

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