The growing emphasis on fiscal discipline in the post-liberalization era has made it difficult for governments to continue to provide financial support to loss-making infrastructure services, particularly water supply and sanitation. There is now an increasing focus on both traditional community-based and new private-sector-oriented approaches to the augmentation and management of such environmental infrastructure services. However, the effectiveness of policies, strategies, and institutions in the sector is limited by knowledge gaps that adapt the extensive experience in such reforms in other sectors and countries to the peculiarities of the water sector in India.

Recognizing the need for a body of knowledge on the subject, TERI seeks to bring together its expertise in infrastructure reforms and its experience in working with local communities and the corporate sector, in an endeavour to develop strategies for sustainable development of water resources in a liberalized environment. As an applied research group in this sector, TERI has been active in assisting governments in India in developing policies and strategies for ensuring universal access to basic environmental services to help improve the overall quality of life.

As the issues in these sectors are multifaceted and require several integrated interventions, TERI seeks to develop potential solutions in collaboration with diverse stakeholder groups. This is reflected in this publication as well where,
with support from the United Nations Development Programme and the Department of Economic Affairs, Government of India, TERI has prepared a reforms package for the evolution of environmental infrastructure sectors in a market-oriented economy. This publication is based on extensive participatory research on a collaborative project by TERI with the active support and cooperation of the local stakeholders in the selected states, namely Maharashtra and Rajasthan.

We hope that this book will be of value to experts in municipal administration and policy-makers in assessing policies and regulations in an evolving environment, and in fostering informed debate on regulatory reforms in the environmental infrastructure services.

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