



Reimagining Institutional Capacity Development for a Sustainable Future

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PROCEEDINGS



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Authors: Amit Madhu, Ayesha Khanam

Reviewers: Amit Mohapatra, Subha Muthu Kumar

Panel Contributors: Abhinav, Amir Bashir Bazaz, Amit Mohapatra, Manish Dubey, Subha Muthu Kumar

Copy Editing: Sakthi Sangeetha

Layout Design: Nawaz Khan, Reviewed by Padma Venkataraman, IIHS Communications and Design

Design Coordinator: Aditi Jain

Exhibition Curators: Abhinav M, Gargi Basu, IIHS Library Team

Acknowledgment to the Support Team: Adrija Bhattacharya, Anoop Gowda, Basavaraj Hulagannavar, Bhavya Devaraj, Charan, Gargi Basu, Harish, Junaid Ahmed, Kavya Narayana, Shrinivas, Venketlakshmi.

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Gratitude to Our Contributors

The Indian Institute for Human Settlements (IIHS) acknowledges the collective effort that enabled the successful conduct of the Capacity Development Forum (CDF) 2025 Programme. Conceived, designed, and implemented by IIHS, the forum aimed to facilitate dialogue and reflection on strengthening institutional capacities and systems of governance in India.

IIHS extends its appreciation to the distinguished speakers and discussants from government, academic, research and development, public, and private sectors, and other related national, state and international stakeholders who contributed to the dialogue series. Their insights and perspectives added depth and diversity to the discussions, enriching the collective understanding of institutional reform and capacity development.

The institute also recognises the contribution of its faculty, practitioners, and staff for their leadership in programme design, delivery, and coordination. The commitment of the Learning, Logistics, and Communications teams ensured that the sessions were thoughtfully organised and comprehensively documented.

The dialogues under CDF 2025 reaffirm IIHS' commitment to building evidence-based, practice-informed approaches to governance and institutional strengthening. By creating platforms that connect research, policy, and implementation, IIHS continues to contribute to the development of capacities that are responsive, resilient, and inclusive.

Finally, IIHS acknowledges all contributors and participants whose engagement made this initiative a meaningful step towards strengthening institutional ecosystems and advancing the practice of capacity development in the country.

Insights at a Glance

Strengthening institutional capacity is increasingly recognised as the cornerstone for achieving sustainable and inclusive development. In India and globally, capacity development (CD) is evolving from short-term training approaches to more systemic, collaborative, and evidence-based strategies. It is in this context that the IIHS conceptualised the Capacity Development Forum (CDF) as a platform to bring together diverse stakeholders involved in CD, in government, academia, civil society, private sector, and international actors, to foster a dynamic 'community of practice'.

CDF's long-term objective is to enhance the effectiveness of CD initiatives through peer learning, co-creation of knowledge, and the development of an open-access repository of practices and insights. Each annual edition of the forum addresses a contemporary theme of national relevance. Building on earlier editions that focused on individual capacity building (2021), enabling environments for CD (2023), and behavioural insights in institutional design (2024), the 2025 theme, **'Reimagining Institutional Capacity Development for a Sustainable Future'**, recognises institutional capacity as the foundation for systemic transformation. It explores how governance, policies, communication, financial strategies, and performance systems can be strengthened to deliver long-term societal impact.

The **Capacity Development Forum (CDF) 2025** was envisioned as a multi-dimensional platform to examine, reflect upon, and advance the discourse on institutional and individual capacity strengthening in India. The forum brought together government officials, policymakers, development practitioners, academia, private sector leaders, and civil society representatives to discuss systemic approaches to governance reform and institutional transformation.

Across multiple dialogues and sessions, CDF 2025 explored the intersections of policy, practice, and institutional change through five thematic areas: transformative policy approaches, financing strategies for CD, sub-national governance and decentralisation, digital transformation in public sector undertakings (PSUs) and institutions, and inclusive, resilience-oriented institutional ecosystems. Panels, workshops, and interactive discussions unpacked complex governance challenges, highlighted innovative practices, and identified actionable pathways to strengthen institutional design and service delivery.

The forum featured **162 participants**, both in-person and online, representing a wide range of institutions and geographies. **22 distinguished speakers and panellists**, including international experts, offered critical perspectives on how mission-driven governance, digital public infrastructure, blended finance models, and competency-based learning frameworks were reshaping the capacity of public and private institutions to deliver inclusive and resilient services. Field narratives and case examples added depth, illustrating how institutional changes were negotiated, implemented, and sustained in practice.

By bridging conceptual frameworks with on-ground realities, CDF 2025 facilitated cross-sectoral learning, and generated actionable insights. The forum's deliberations point towards a future where institutions are adaptive, collaborative, evidence-informed, and deeply embedded within the socio-political contexts they serve, laying the foundation for sustainable transformation.

Summary of Insights

Across plenaries, panels, field cases, and workshops, the following insights and strategic directions emerged:

- Capacity development is not a one-off intervention, but an ongoing, adaptive process embedded within institutional structures, governance mechanisms, and decision-making systems. Effective CD requires integrating policy, finance, technology, and people into a cohesive ecosystem that can evolve with emerging challenges.
- Impactful CD must reflect local realities, social dynamics, and context-specific needs. Collaboration between government, academia, civil society, private sector, and communities supported by co-governance models is the key to designing solutions that are scalable, inclusive, and sustainable.
- Capacity is best built through action and experimentation, not just training. Field-based approaches, iterative learning, and adaptive governance models enable institutions to respond effectively to complex challenges, from climate change and resource scarcity to digital disruption. Urban transformation depends on empowered local governments, community-led governance, and operational autonomy at the grassroots level. Capacity-building efforts must equip Panchayati Raj Institutions (PRIs), Urban Local Bodies (ULBs), and local service providers with the skills, tools, and authority needed to deliver sustainable outcomes.
- Financial resources alone cannot deliver outcomes without robust institutional frameworks, regulatory independence, and long-term capacity investments. Strategic coordination between

ministries and departments at central, state level and regional level, better resource targeting, and flexible funding mechanisms are critical to building resilient and accountable institutions. There is a clear shift from fragmented, scheme-based interventions toward platform-based governance models that prioritise convergence, interoperability, and collaborative delivery. Digital public infrastructure, data systems, and mission-mode initiatives must increasingly function as integrated ecosystems rather than siloed programmes.

Key Terms and Concepts

This section compiles abbreviations and terms frequently used throughout the CDF 2025 proceedings. It serves as a quick reference guide for readers to navigate sectoral language, institutional references, and technical vocabulary used in discussions, presentations, and case studies.

Abbreviations	Expansion
ABD	Area-Based Development
AI & ML	Artificial Intelligence and Machine Learning
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
CMMI	Capability Maturity Model Integration
CGWB	Central Ground Water Board
CoEs	Centres of Excellence
CSR	Corporate Social Responsibility
DPI	Digital Public Infrastructure
DST	Department of Science and Technology
ESG	Environment, Social, and Governance
GeM	Government e-Marketplace
GIS	Geographic Information System
HEIs	Higher Education Institutions
IMC	Institute Management Committee
INSPIRE	Innovation in Science Pursuit for Inspired Research
ITI	Industrial Training Institute
JAGA Mission	Odisha Liveable Habitat Mission – JAGA
JJM	Jal Jeevan Mission
MeitY	Ministry of Electronics and Information Technology
MSDE	Ministry of Skill Development and Entrepreneurship
MSMEs	Micro, Small and Medium Enterprises
NAPS	National Apprenticeship Promotion Scheme
NCERT	National Council of Educational Research and Training
NCrF	National Credit Framework
NeGD	National e-Governance Division
NEP	National Education Policy
NIUA	National Institute of Urban Affairs
NULP	National Urban Learning Platform
O&M	Operations and Maintenance

Abbreviations	Expansion
PCRAM	Physical Climate Risk Assessment Methodology
PM Gati Shakti	Prime Minister Gati Shakti – National Master Plan for Multimodal Connectivity
PMGDISHA	Pradhan Mantri Gramin Digital Saksharta Abhiyan
PRI	Panchayati Raj Institution
PSU	Public Sector Undertaking
RTI	Right to Information
SAAR	Sustainable Access to Augmenting Resilience
SCM	Smart Cities Mission
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SHG	Self-Help Group
SHORE	Strengthening Coastal Resilience and the Economy
S&T	Science and Technology
SOPs	Standard Operating Procedures
STEM	Science, Technology, Engineering and Mathematics
ToT	Training of Trainers
UGC	University Grants Commission
ULB	Urban Local Body
UMANG	Unified Mobile Application for New-age Governance
UOF	Urban Outcome Framework
UK	United Kingdom

The following are the concise explanations of core ideas and frameworks that underpin the discussions and analyses presented throughout the CDF 2025 proceedings.

Adaptive Governance	Designing governance systems that continuously evolve through feedback, innovation, and course correction, enabling institutions to learn from experience rather than rely on fixed plans.
Anticipatory Governance	Using forward-looking tools such as forecasting, scenario modelling, and climate risk assessments to plan proactively for emerging uncertainties rather than reacting after crises occur.
Blended Finance	Combining public, private, and philanthropic sources of capital to share investment risk and catalyse development projects that would not otherwise be financially viable.
Capacity Development	A continuous process of enhancing the skills, systems, and structures of individuals, organisations, and institutions to plan, deliver, and sustain effective governance and public services.
Community-anchored Models	Placing local actors, lived knowledge, and dignity at the centre of governance and service delivery, enabling shared ownership and accountability (e.g., SHG-led sanitation or community-run water systems).

Competency-based Learning	Aligning learning and training to specific roles and responsibilities, ensuring that CD directly strengthens workplace performance and institutional outcomes.
Convergence and Co-Governance	Integration of policies, programmes, and stakeholders across sectors and levels of government to achieve shared outcomes through collaboration and joint decision-making.
Decentralisation	The transfer of power, resources, and responsibilities from central authorities to state and local governments, enabling context-specific planning and service delivery.
Digital Public Infrastructure (DPI)	Open, interoperable digital platforms and tools that enable efficient service delivery, improve transparency, and support evidence-based policymaking.
ESG Governance	Embedding environmental sustainability, social responsibility, and transparent governance into organisational strategy, operations, and reporting to enhance accountability and long-term institutional credibility.
Evidence-Based Decision Making	Designing and implementing policies and programmes based on data, research, and empirical evidence, with built-in feedback loops for continuous improvement.
Inclusive Capacity Building	Ensuring that institutional development initiatives are equitable and accessible, empowering marginalised groups and promoting social justice in governance.
Institutional Strengthening	Improving the performance, resilience, and responsiveness of institutions through reforms in policies, structures, human resources, and accountability mechanisms.
Mission-Based Governance	A results-oriented governance model that aligns institutional resources and policies around clearly defined goals to accelerate systemic change.
Outcome-based Financing	Linking financial allocation and disbursement to measurable development results instead of inputs and project expenditure, thereby creating incentives for transparency and performance.
Public-Private Partnerships (PPPs)	Collaborative arrangements between governments and private actors that combine public accountability with private innovation, efficiency, and financing.
Resilience and Adaptive Capacity	The ability of institutions and systems to anticipate, absorb, and respond to shocks, particularly climate and socio-economic risks, while continuously evolving to meet changing conditions, and sustain essential services and functions.
Skill-ecosystem Approach	Strengthening not just individuals but the wider workforce system including contractors, supply-chain actors, partner institutions, and the government, so that skills are distributed across the entire service delivery ecosystem rather than concentrated in a few trained personnel.
Systems Thinking	An approach that views governance challenges to be interconnected, and focuses on relationships, feedback loops, and dependencies to design holistic and adaptive solutions.

Forum Flow: Structure and Highlights

The CDF 2025 was designed as an integrated platform for dialogue, knowledge exchange, and collaborative learning on institutional capacity strengthening in India. Structured around a progression from strategic vision to practical application, the forum featured thematic panel discussions, interactive workshops, field case presentations, and reflective sessions. The design aimed to help participants navigate the evolving governance landscape from understanding systemic challenges to co-creating actionable solutions.

The event covered five key panels, each addressing a critical aspect of CD: policy frameworks and institutional reforms, innovative financing, sub-national governance, digital transformation in public institutions, and inclusive, resilience-oriented governance models. These were complemented by workshops and breakout sessions focused on skills, tools, and methodologies to strengthen institutional ecosystems. Together, they created a comprehensive learning journey that connected high-level strategy with ground-level practice.

Each session followed a structured flow, starting with contextual framing and keynote insights, followed by expert discussions on challenges, innovations, and institutional responses. Case studies and field experiences illustrated practical applications, while collaborative sessions and concluding reflections distilled key learnings and future directions for governance reform.

A total of **162 participants** representing government institutions, academia, civil society, private sector organisations, and international agencies engaged in the discussions, either in person or virtually. Their diverse expertise and perspectives enriched the conversations and anchored them in real-world contexts. Across all sessions, CDF 2025 highlighted the importance of adaptive governance, collaborative approaches, and data-driven decision-making, ultimately shaping a collective vision for strengthening institutional capacity in a rapidly changing governance environment.

Bridging Vision and Practice

The CDF 2025 was designed to reflect IIHS' approach of linking policy vision with on-ground realities. CD, in this context, is viewed as a continuous institutional process, one that integrates knowledge, planning, governance systems, and operational practice.

The forum's structure mirrored this approach by connecting strategic dialogue with implementation experience. Policy priorities and institutional challenges were discussed through thematic panels, while case narratives and field examples illustrated how these strategies translate into action. Workshops and collaborative sessions further focused on practical tools, frameworks, and decision-making methods that support institutional strengthening.

By convening government agencies, practitioners, academia, and development partners, CDF 2025 created a shared space for learning and problem-solving. This multi-actor engagement helped bridge the gap between design and delivery, ensuring that ideas discussed at the forum were grounded in institutional realities and capable of informing scalable, context-specific solutions.



Voices of Leadership



I would like to commend the Indian Institute for Human Settlements (IIHS) for organising the Capacity Development Forum 2025 on the theme "Reimagining institutional Capacity Development for a Sustainable Future." It is an important and timely initiative that brings critical attention to a subject that sits at the heart of our collective development journey: the strength, adaptability, and relevance of our institutions.

The idea of reimagining institutional capacity goes beyond administrative reform; it challenges us to fundamentally rethink how institutions are conceived, how they evolve, and how they respond to the needs of a diverse and dynamic society. Institutions are not static structures; they are living systems that must constantly renew themselves to address emerging challenges, and to uphold the values enshrined in our Constitution—justice, liberty, equality, and dignity for all.

For too long, institutional development has been viewed through narrow lenses that are confined to procedures, hierarchy, and control. However, the world we inhabit today calls for something deeper: institutions that listen, that learn, that include institutions that see people not just as beneficiaries but as partners in shaping outcomes. In my view, this shift, from compliance to collaboration, from control to co-creation, is the essence of reimagining capacity.

India's democratic traditions, its constitutional vision, and its vibrant civil society provide a strong foundation to undertake this transformation but it will require leadership, especially from the younger generation, and a willingness to let go of rigidities that no longer serve us. It also calls for recognition that solutions cannot be one-size-fits-all. Local contexts, community wisdom, and diverse voices must shape the institutional models of the future.

I see great promise in platforms such as the Capacity Development Forum. They offer not just a space for exchange, but for ideation, challenge, and innovation. As we look ahead to a future marked by complexity and uncertainty, it provides us great opportunities and reaping the benefits by investing in institutional imagination and resilience will be our most powerful tool.

Bharat Lal

Secretary General, National Human Rights Commission

Plenary Overview: Setting the Agenda for Capacity Development

The opening plenary of CDF 2025 set the tone for the forum by framing institutional capacity as the central lever for India's urban transformation. Through the welcome address, keynote speech, and Leader Speak, the session explored how governance systems must evolve to navigate rapid urbanisation, technological disruption, climate challenges, and deepening socio-economic complexity.

Speakers emphasised that CD is not just about resources or training, but about building robust, adaptive, and collaborative institutional architectures capable of delivering inclusive and sustainable outcomes. They highlighted the need for integration across fragmented systems, stronger regulatory independence, and meaningful partnerships between the state, private sector, and communities.

The plenary also underscored the importance of contextual learning, local accountability, and community-led action. Institutions must continuously adapt, innovate, and bridge the gap between policy vision and operational realities. Together, these insights laid the foundation for the discussions that followed, offering a roadmap for strengthening institutional capacity and shaping a more resilient and equitable governance landscape.



WELCOME ADDRESS

Aromar Revi, Director, Indian Institute for Human Settlements

The welcome address positioned India's urban transformation at a pivotal point, emphasising that the coming decades will require robust institutional architectures capable of managing complexity, uncertainty, and rapid change. Beyond state-led approaches, future governance models must integrate hybrid, private, and community-led institutions, bridging top-down policy with bottom-up action.

Revi highlighted the need to move beyond fragmented systems by strengthening regulatory spaces, building partnerships, and fostering institutional innovation across sectors like infrastructure, housing, health, and education. Four priorities—adaptive governance, digital transformation, regulatory independence, and collaborative partnerships—were outlined as the foundational principles for future capacity building.

The address concluded by positioning CDF 2025 as a collaborative space to interrogate institutional design, draw lessons from both success and failure, and collectively envision resilient, future-ready institutions capable of delivering inclusive urban development.



KEYNOTE ADDRESS

Bharath Lal, IFS, Secretary General, National Human Rights Commission India

The keynote address underscored that institutions, not just resources, were central to delivery. While India has ambitious policies and substantial financial commitments, translating them into outcomes requires adaptive, accountable, and context-sensitive institutional frameworks. The Constitution's vision, rooted in rights, dignity, and equity, continues to guide CD values and mission.

Citing examples such as the National Jal Jeevan Mission of Government of India, Lal noted that large-scale programmes succeed when they build community-level institutions, embed local accountability, and invest in CD alongside infrastructure. For example, institutions must evolve and be responsive to changing social and technological challenges, from digital security and climate change to equity and participation.

The keynote called for dynamic, inclusive, and locally rooted institutions that bridge constitutional ideals with everyday delivery and combine foundational values with modern governance tools to achieve sustainable and equitable outcomes.



Panel Architecture: Themes, Audience, and Flow Maps

The architecture of CDF 2025 was intentionally designed to offer a layered exploration of institutional CD, moving from strategic perspectives to operational realities, and from conceptual frameworks to field applications. The five thematic panels together built a coherent narrative on how institutions can be reimaged to deliver responsive, inclusive, and future-ready governance.

- **Panel 1 – Transformative Policy Approaches:** Examined institutional reforms, governance models, and policy shifts shaping national capacity and service delivery.
- **Panel 2 – Financing Institutional Capacity:** Focused on innovative financing mechanisms, investment models, and fiscal tools that enable governance reform and systemic resilience.
- **Panel 3 – State and Local Capacities for Urban Transformation:** Highlighted decentralisation, local autonomy, and institutional empowerment as drivers of effective urban governance.
- **Panel 4 – Digital Transformation in Public Institutions and PSUs:** Explored how technology, data systems, and digital governance were reshaping institutional structures and workforce capabilities.
- **Panel 5 – Inclusion, Participation, and Scale:** Brought together global and local perspectives on resilience, equity, and citizen-centric governance.

This thematic sequencing allowed participants to engage with CD at multiple levels—from policy and financing frameworks to operational strategies, institutional design, and community-led action.

The forum’s audience reflected the multi-actor nature of governance systems. It included **senior policymakers and government officials, urban practitioners, academics and researchers, development and funding agencies, international organisations, and private sector representatives.** Participants represented institutions such as NITI Aayog, the Ministry of Housing and Urban Affairs, National Institute of Urban Affairs (NIUA), GIZ, WSP, World Bank, WWF, Water for People, and several leading universities, including IITs, IIM Ahmedabad, Jawaharlal Nehru University (JNU), CEPT University, and Christ University. International perspectives were brought in by speakers and participants from institutions in **Nigeria, United States of America, Ireland, United Kingdom, and Indonesia,** among others.

Each panel followed a structured flow: contextual framing set the stage for discussion, expert deliberations unpacked emerging challenges, and field narratives illustrated how policies and reforms play out in practice. This was followed by collaborative engagements that translated ideas into actionable strategies. The deliberate design of these sessions ensured that discussions were both analytical and applied, enabling participants to move from conceptual understanding to implementable solutions.

Through this layered architecture, CDF 2025 fostered a shared understanding of institutional transformation and created a space for cross-sectoral collaboration. By bringing together diverse actors, exploring multiple entry points, and linking policy intent with on-ground practice, the forum laid the foundation for actionable pathways to strengthen institutional capacity across scales and sectors.

Building on this architecture, the next sections dive deeper into the five thematic panels, capturing critical debates, institutional strategies, on-ground experiences, and lessons that are shaping the future of CD in India.

Panel 1: Transformative Policy Approaches for Strengthening Institutional Capacity

INSIGHTS: KEY THEMES AND STRATEGIC DIRECTIONS

Moderator:

Subha Muthu Kumar, Senior Lead, Capacity Development, IIHS

Panellists:

- Pradeep Singh, IFS, Director, Department of Drinking Water and Sanitation (DDWS), Jal Jeevan Mission, Ministry of Jal Shakti, New Delhi
- Shefali Shyam, Public Policy Specialist - Digital Governance & Policy, National e-Governance Division, Digital India Corporation, MeitY, New Delhi
- Susheela Negi, Associate Head & Scientist-F, Department of Science and Technology, Ministry of Science & Technology, New Delhi
- Swati Sethi, Director, IT & TT, Directorate General of Training, Ministry of Skill Development and Entrepreneurship, New Delhi
- Venkateshwarlu Kandimalla, Member (Drones, Aerial Technology & GIS), Technical Advisory Unit, National e-Governance Division, Digital India Corporation, MeitY, New Delhi



Rationale and Relevance

Across the world, countries are rethinking governance to respond to rapid digitalisation, climate emergencies and changing workforce demands. The focus is shifting from short-term schemes to integrated systems that can adapt and endure. In India, this shift is taking shape through policy-driven institutional reconfiguration. The aim is to build institutions that are adaptive, inclusive, and digitally-enabled not just in structure, but in mindset and method. It is no longer about adding more programmes, but about changing how institutions function: from siloed implementers to coordinated, service-oriented ecosystems aligned with national priorities like Digital India, Skill India, and Amrit Kaal.

Strategic Overview

India's public service landscape is undergoing a structural transformation driven by mission-based delivery models, institutional innovation, and digital integration. The panel showcased how diverse sectors, from water and skill development to science and digital governance, are shifting from fragmented, infrastructure-led approaches to **citizen-centric, platform-based service ecosystems**.



India's governance landscape is witnessing a decisive policy shift from fragmented schemes and reactive service delivery to integrated, outcome-oriented frameworks. This transformation is driven by an emphasis on institutional convergence, digital infrastructure, and evidence-based decision-making. Policy tools are now focused on enabling long-term resilience, inclusivity, and adaptive capacity across sectors such as skilling, science, and public service delivery. The shift reflects not just new priorities but a reimagining of how institutions function, collaborate, and respond to emerging challenges.

Policy Directions

Emerging policy shifts are anchoring systemic reform across governance, skilling, science, and digital service delivery. These directions emphasise convergence, institutional resilience, inclusivity, and tech-enabled public systems.

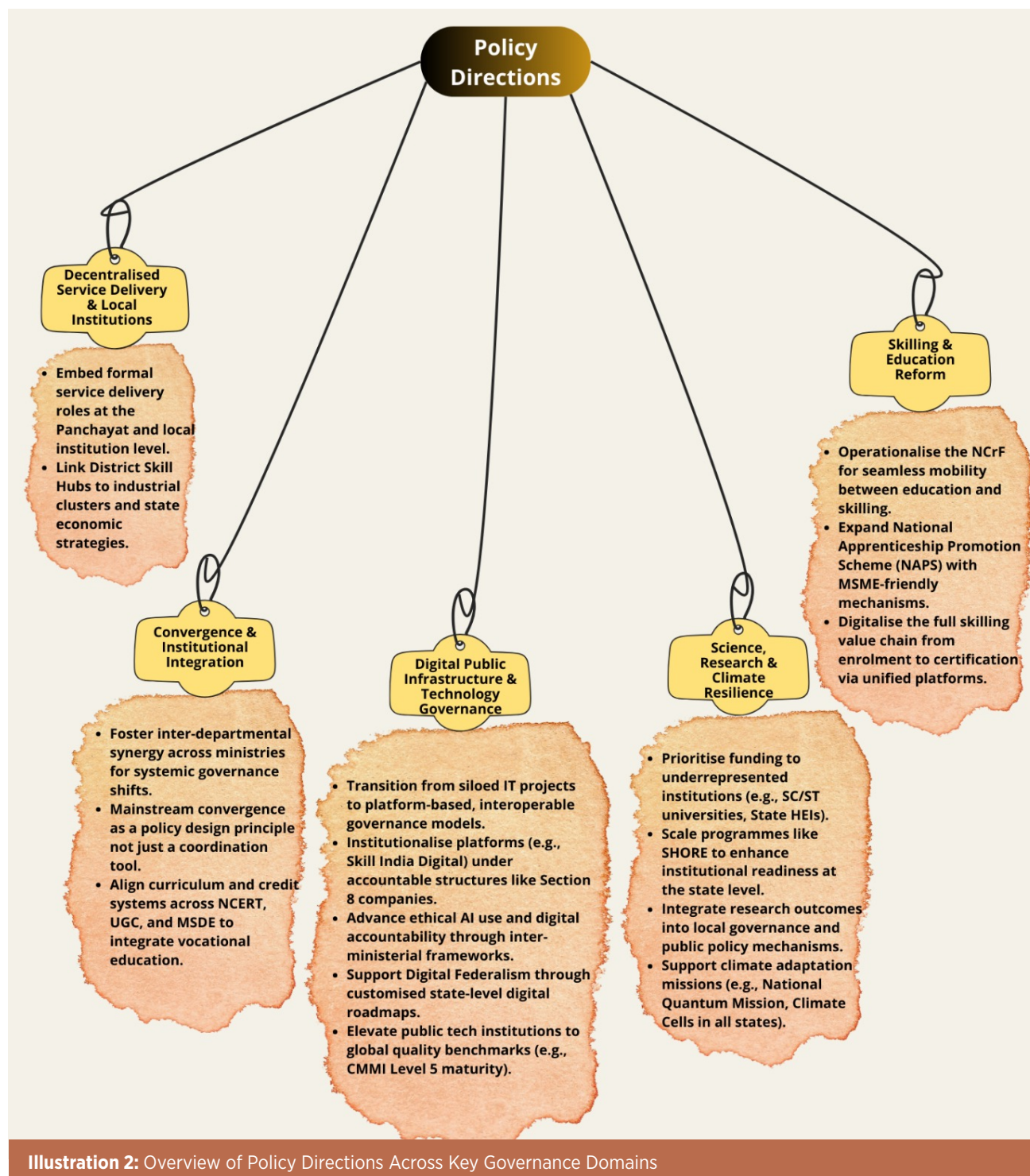


Illustration 2: Overview of Policy Directions Across Key Governance Domains

Narrative Insights

A synthesis of panel reflections on policies, cross-sectoral reforms, institutional learning, and the reimagining of service delivery in India is shown below.



Illustration 3: Institutional Evolution in Skilling, Science, and Digital Systems

Key Takeaways

The discussions underscored the following key takeaways, outlining shifts in institutional design, digital ecosystems, and inclusive capacity building:

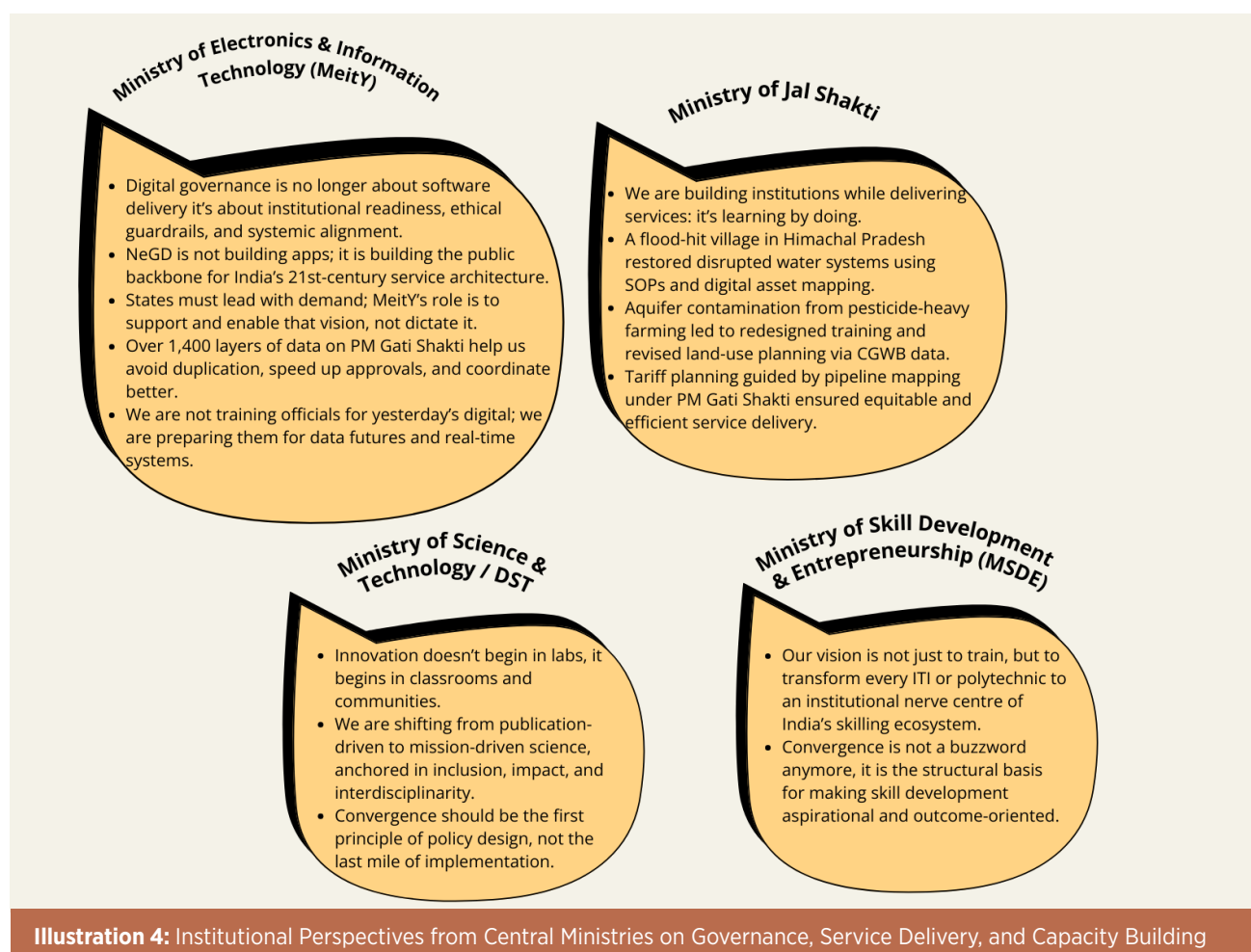
- a. Institutional reform must move beyond asset creation to ensure long-term, citizen-centric service delivery, especially in water, digital, and vocational sectors.
- b. Strategic coordination between ministries (e.g., MSDE, DST, MeitY) fosters interoperability, shared infrastructure, and co-owned service ecosystems.
- c. India's approach to DPI is shifting from isolated pilots to interoperable, platform-based ecosystems, transforming how services are delivered at scale.
- d. Decentralised, modular, and digital learning models, tailored to local contexts, enable sustained institutional responsiveness over time.
- e. Skill development is being mainstreamed via credit frameworks, NEP integration, and apprenticeship reforms, repositioning it as a viable, prestigious career route. Dedicated programmes are advancing women's participation in STEM, vocational training, and digital platforms, fostering inclusive human capital.
- f. Initiatives like PM Gati Shakti are enabling real-time, evidence-driven planning through multi-layered geospatial data and inter-agency coordination.
- g. Initiatives such as PMGDISHA and SHG digital pilots are key to bridging the rural-urban digital divide, especially for women and youth.
- h. A bottom-up Science and Technology (S&T) ecosystem with CoEs, grassroots innovation support, and school-to-lab pipelines is democratising research and boosting climate resilience.
- i. Climate-sensitive planning, ecosystem monitoring, and infrastructure digitisation are enabling institutions to respond to floods, droughts, and aquifer degradation with agility.
- j. Embedding feedback loops, digital dashboards, and anticipatory governance allows institutions to adapt quickly to climate disruptions and citizen needs.
- k. PRIs, ITIs, and grassroots bodies are being reimagined as service providers, requiring operational autonomy, and financial or technical handholding.





Field Echoes and Cited Cases

A curated blend of real-world experiences and leadership insights capturing how institutions evolve, adapt, and deliver on the ground. These voices and vignettes spotlight the lived realities behind policy shifts and systemic reform.



Panel 2: Leveraging Financial Resources to Drive Institutional Capacity Development

INSIGHTS: IDEAS SHAPING THE FUTURE

Moderator:

Manish Dubey, Chief – Practice, Indian Institute for Human Settlements

Panellists:

- Birathiviraj, IAS – Deputy Commissioner (Revenue & Finance), Greater Chennai Corporation, Tamil Nadu, India
- Neha Khanna – Associate Director, Climate Policy Initiative
- Sashi Krishnan – Director, National Institute of Securities Market
- Sunil KS – Head, ESG Analytical ICRA ESG Ratings Ltd.



Rationale and Relevance

As infrastructure needs expand rapidly across transport, water, energy, housing, and digital connectivity, public institutions are under unprecedented pressure to deliver at scale despite tightening fiscal space. Traditional financing channels like public budgets, multilateral bank support, and conventional loans are increasingly inadequate for the scale and sustainability of infrastructure demand. This has brought financial innovation into sharper focus, not just as a way of mobilising capital but as a strategic lever to build institutional capacity for planning, governance, and delivery.

The panel was convened to examine how instruments such as pooled funds, municipal bonds, blended finance, outcome-based financing, and state-level investment boards are shaping institutional behaviour. By linking financing mechanisms with governance reforms, fiscal discipline, and accountability frameworks, these innovations promise to enable both greater capital mobilisation and stronger institutional resilience.

Strategic Overview

The discussion opened by situating finance as a catalyst for institutional change, rather than just a funding tool. The framing emphasised that while central and state governments have historically carried the burden, fiscal limits are prompting the need to crowd private capital into infrastructure investment and explore market-based instruments.

The strategic argument was twofold: first, that institutions must be made ‘market-ready’ with transparent systems, robust governance, and clear accountability; and second, that private capital must be matched by institutional preparation and public trust. Finance, therefore, was positioned not as the end, but as an enabler of institutional strengthening, governance reform, and alignment of public and private objectives.

Policy Directions

The evolution of financing practices in India reflects both policy experimentation and ground-level adaptation. Early institutional innovations, such as state-level financing corporations and pooled funds, demonstrated how enabling mechanisms could make local bodies creditworthy and access capital markets. Regulatory pushes from SEBI’s municipal bond norms to ESG reporting standards have further shaped the landscape, embedding scrutiny and compliance into financing models.

Table 1: Practice based insights from the field

Practice-based Insights from the Field	Indicative Institutional Actors
Innovative financing instruments demand strong financial management systems, disclosure norms, compliance capacity, and internal coordination. Readiness gaps remain a critical constraint.	Urban Local Bodies (ULBs); Development and Finance Institutions
Market-linked finance introduces external scrutiny, timelines, and reporting discipline that can strengthen transparency and governance beyond traditional budgetary funding.	ULBs; Credit Rating Agencies; ESG Agencies
Engagement with capital markets, ESG-linked finance, and multilateral funding drives behavioural change—improving predictability, coordination, and institutional confidence—when supported by sustained technical assistance.	National Training Institutions; Market Intermediaries
ESG and blended finance frameworks offer pathways for convergence, but differences in incentives, timelines, and accountability structures continue to pose challenges. Outcome-linked and third-party-verified models help build trust.	ESG Agencies; Development and Finance Institutions
Broadening the investor base—through retail participation in municipal bonds and new instruments—can deepen markets, provided risks are clearly communicated and regulatory safeguards are in place.	Market Regulators
Mobilising capital without parallel institutional support risks weak outcomes. Nodal agencies, advisory support, standardised templates, and continuous CD platforms are essential to convert finance into impact.	State-level Nodal Agencies; Technical Assistance Providers
The future of financing for capacity development lies in adaptive, outcome-based systems that move beyond compliance, remain resilient to political cycles, and align finance with long-term public value.	Policymakers; Development & Finance Institutions

Narrative Insights

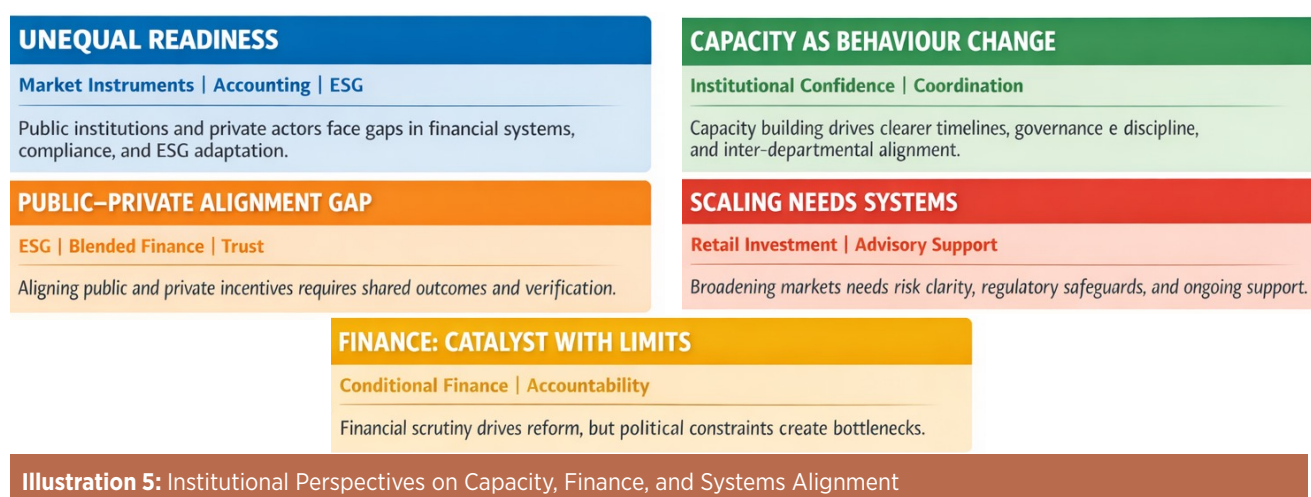
The panel explored four interlinked themes: readiness, reform, alignment, and scaling.

Institutional and private-sector readiness was acknowledged as uneven. While there is growing enthusiasm for market instruments such as municipal bonds, gaps persist in accounting systems, technical know-how, and compliance practices. For the private sector, ESG and blended finance are changing the landscape, but cultural and institutional readiness to engage with public systems remains a work in progress. Panellists also noted that **CD is not only about skills** but about institutional confidence and behavioural shifts. As agencies engage with multilateral banks, ESG-linked funding, and market instruments, they learn to: work with clearer timelines, adopt predictable governance processes, coordinate internally and across departments, and engage more systematically with private partners.

Public-private alignment emerged as a recurring challenge. While ESG and CSR frameworks provide an avenue for convergence, differing timelines, accountability structures, and expectations often cause friction. Blended finance, when structured with shared outcomes and third-party certifications, can build trust and nudge both sectors toward co-governance models.

Scaling and support systems were seen as critical for deepening market participation. Retail investment in municipal bonds, for example, is necessary to widen the investor base, but requires safeguards, risk clarity, and regulatory innovation. Equally, once capital is mobilised, institutions need embedded advisory support, standardised templates, and capacity-building platforms to translate funding into results. Without strengthening institutional systems, financing risks becoming an input without commensurate impact.

Finance as a catalyst and its limits was discussed with candour. Conditional finance can create urgency and accountability, especially when linked to reform goals, but its effectiveness is constrained by political realities and administrative bottlenecks. Finance brings scrutiny, transparency, and discipline of markets, but translating that into systemic reform is uneven.



Key Takeaways

- Finance is not just capital, it is an accountability mechanism that can drive transparency, discipline, and reform.
- Readiness gaps, especially in local bodies and mid-sized enterprises, remain the biggest constraint in leveraging innovative finance.
- Blended finance and ESG-linked instruments can align public and private goals but require robust governance frameworks and outcome-based approaches.
- Retail participation in municipal bonds and social stock exchanges can deepen markets, provided risks are clarified and ecosystems are supportive.
- Institutional support systems like technical assistance, CD, and embedded advisory functions are as important as the financial instruments themselves.



Field Echoes and Cited Cases

The panel looked ahead to a financing future that is both ambitious and grounded in institutional realities. The vision articulated was one where finance is embedded in governance reform, where accountability extends not only to lenders but to citizens, and where institutions are structurally equipped to harness sustainability-linked capital.

The key forward-looking insights included the following:

- Financing must move from a compliance-driven model to a learning-oriented system that continuously strengthens institutions.
- Public institutions must evolve from being recipients of funds to active stewards of financial ecosystems, co-creating with private actors.
- CD for finance must go beyond training; it must create ecosystems where regulators, financiers, and public institutions speak a common language.
- The future of financing for CD lies in adaptive, outcome-based models that are resilient to political cycles and aligned with long-term public value.

The session concluded with the recognition that while money can catalyse change, it is the institutional design underpinning financial innovation that will ultimately determine whether India's infrastructure ambitions translate into sustainable and equitable outcomes.

Urban Local Bodies & State Nodal Institutions

Tamil Nadu's early creation of nodal agencies for pooled finance and external aid enabled smoother access to capital and supported Chennai's municipal bond issuance, backed by political will and state support systems.

Capital Markets & Public Finance Institutions

The transformation of Public Sector Undertakings following divestment illustrates how market exposure improved accounting practices, board governance, and organisational accountability—lessons directly applicable to municipal finance.

Private Sector, ESG & Rating Ecosystems

SEBI's ESG regulations and sustainability-linked instruments have prompted infrastructure firms to integrate risk management, governance, and performance metrics, with ESG ratings acting as confidence-building mechanisms for blended finance.

Climate Finance & Blended Finance Ecosystems

International experiences from Singapore (integrated policymaker-regulator-market coordination) and Brazil (using natural assets as financial leverage) highlight the importance of shared data systems and non-siloed institutional design.

Illustration 6: Institutional Perspectives on Financing Models that Strengthen Institutions, Deepen Accountability, and Translate Capital into Sustainable Outcomes

Panel 3: Navigating State and Local Government Capacities for Urban Transformation

INSIGHTS: KNOWLEDGE, COLLABORATION, INNOVATION

Moderator:

Abhinav M, Consultant, Capacity Development, Indian Institute for Human Settlements

Panellists:

- G Mathi Vathanan, IAS – Additional Chief Secretary and Director General of State Administrative Training Academy, Government of Odisha, India.
- Monika Bahl – Deputy Project Director (SUDSC II), GIZ India
- Vikash Chandra – Director, Deloitte, India
- Dr. Debjani Ghosh – Associate Professor, National Institute of Urban Affairs, India



Rationale and Relevance

Urban transformation in India is driven largely by the capacity and approach of state and local governments, as urban development remains a state subject under the Constitution. States have evolved diverse models ranging from Odisha's administrative restructuring to Kerala's participatory planning that reflect their institutional strengths and socio-political contexts. At the same time, ULBs continue to face constraints in autonomy, resources, and execution capacity. While centrally-sponsored schemes have brought visibility and funding, their effectiveness depends on how well local governments are equipped to implement them.

This panel examines how states' institutional models shape urban outcomes and how global goals like the SDGs are being translated into local action. The discussion also explores how coordination between state and local levels, supported by digital tools, partnerships, and convergence models, is the key to ensuring inclusive, resilient, and sustainable urban development.

Strategic Overview

The conversation underscored a major transition in India's urban governance—from centralised, templatised approaches to decentralised, context-sensitive models that prioritise dignity, autonomy, and institutional empowerment. Odisha's reforms stood out for embedding professional teams within local institutions, and enabling municipalities, especially in small and medium towns, to drive their own service delivery agendas. The SCM further catalysed this shift by granting cities the freedom to design

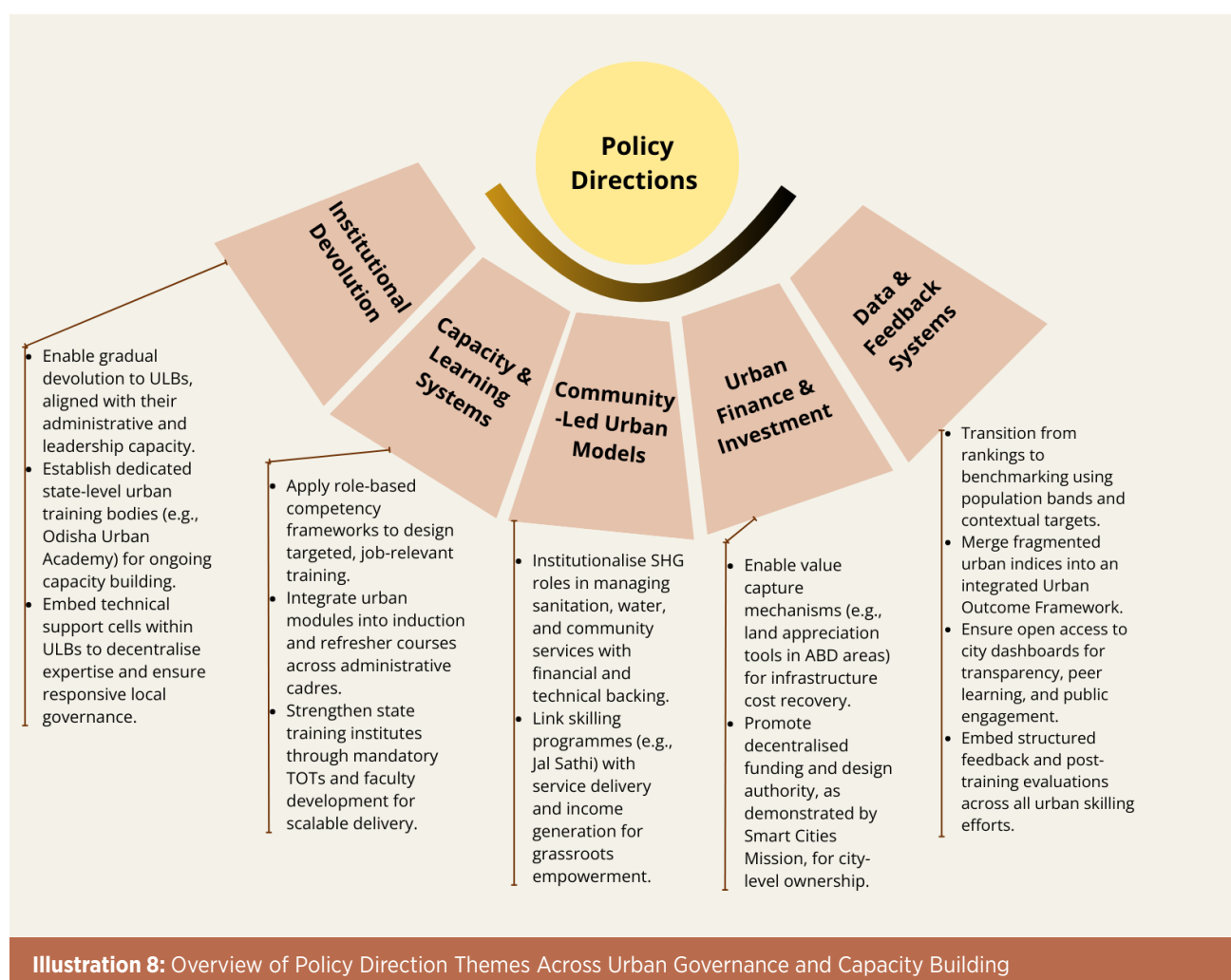


and execute locally relevant projects. Public service delivery, particularly in sanitation, was reframed through community-anchored models, leveraging women-led SHGs and initiatives like Jal Sathi and JAGA Mission to strengthen inclusivity, ownership, and sustainability.

Equally important was the recognition that capacity development must evolve from isolated training sessions into structured, feedback-driven learning ecosystems. NIUA's competency-based frameworks and GIZ's focus on job-linked performance highlighted the need to embed learning within institutional processes. Programmes like SAAR and the UOF bridged academia and practice, enabling field benchmarking and outcome tracking. The uptake of digital platforms such as NULP and adoption of ToT models further supported scale and localisation. Real-time dashboards, data integration, and internal benchmarking were cited as essential tools for promoting transparency, continuous improvement, and evidence-based governance, as demonstrated by cities like Indore and Coimbatore.

Policy Directions

The interconnected policy directions emerged as critical enablers of systemic urban transformation. Together, they chart a pathway for empowering cities through decentralisation, CD, inclusiveness, fiscal innovation, and data-driven accountability.



Narrative Insights

The discussion highlighted how states are reimagining CD as a tool for both service delivery and systemic reform. Odisha addressed skill shortages by modularising infrastructure work and building internal capacities, while also shifting sanitation management to SHG-led, dignity-first models. Kerala and Assam demonstrated the value of embedding urban training early and linking it to field applications. Nationally, role-linked training, blended learning platforms like NULP, and frameworks such as the UOF are fostering performance-based, peer-driven learning cultures. These insights reinforce that effective CD must be iterative, contextual, and closely tied to governance outcomes.



Table 2: Themes and key insights referenced during discussions

Theme	Key Insights
Human Resource Gaps	Modular infrastructure packaging and internal capacity building approaches were used to address shortages of engineers and contractors.
Sanitation and Dignity	Public toilets were made free; SHG-led management was introduced to ensure safety, access, and accountability.
Empowering the grassroots	Women led programmes such as Jal Sathi demonstrated how capacity building initiatives can strengthen women's voices and participation in local governance processes.
Smart Cities Autonomy	SCM empowered cities to plan and implement projects; in-city teams improved contextual decision-making.
Competency-based Training	NIUA applied job-role mapping and structured frameworks for effective skill development.
Blended Learning	Tools like NULP and TOTs made learning modular, accessible, and repeatable across states.
Urban Data Ecosystem	Dashboards and quartile-based benchmarking introduced accountability and peer-to-peer learning.

Key Takeaways

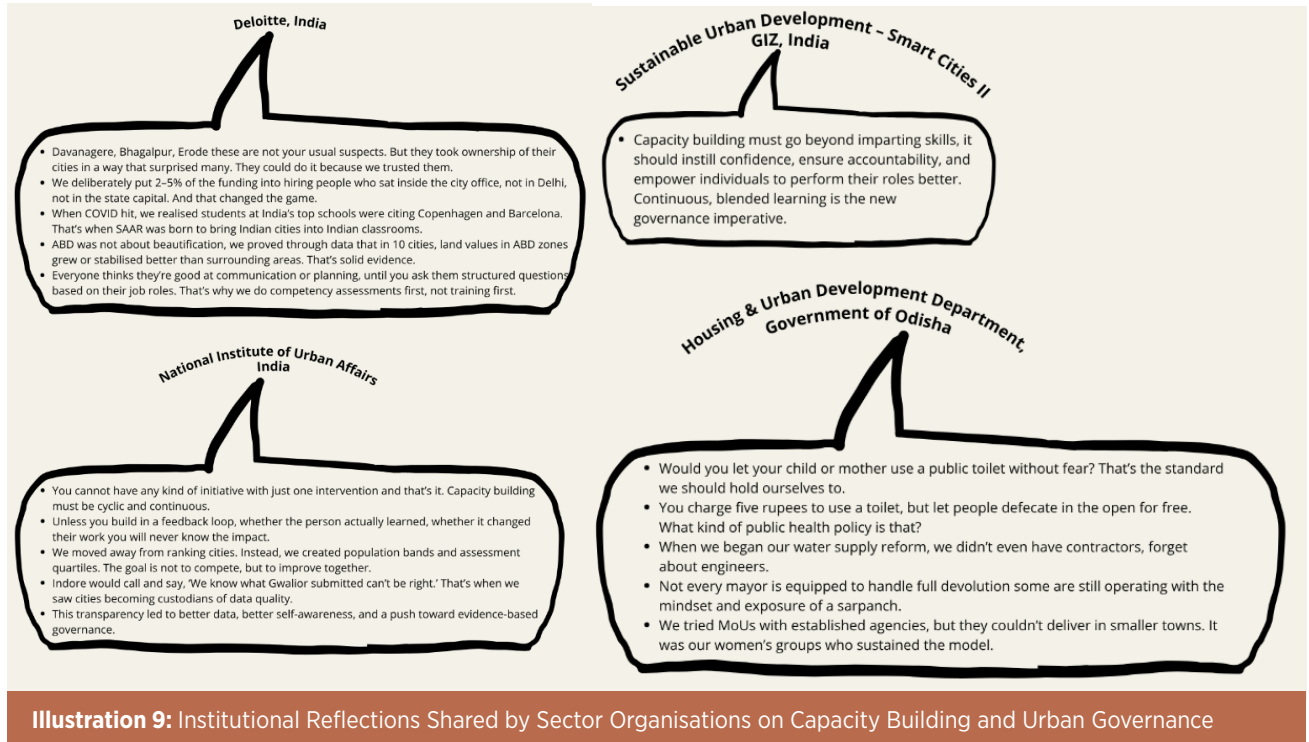
The deliberations yielded the following takeaways, highlighting priority areas for institutional and operational strengthening at the state-level:

- a. Sanitation and public service delivery must centre dignity, equity, and ease of access, not pricing or profit logic.
- b. Indian cities need Indian case studies. Domestic experiences must drive academic research, training curricula, and policy design.
- c. Institutional maturity is as critical as technical skill; CD must address both.
- d. Urban reform requires long-term investments in institutions, not just projects. Odisha's approach to building governance capacity is a strong example.
- e. SHGs are not stop-gap solutions, they can serve as core vehicles for service delivery and local governance innovation.
- f. Blended learning is now foundational. Officers need on-demand, repeatable access to learning at the point of application.
- g. TOTs and local trainer pipelines are key to scale; states' training ecosystems must focus on seeding trainer capacity to sustain learning.
- h. Data transparency creates accountability. Peer access to dashboards sparked real-time course correction and healthy competition.
- i. Feedback loops, not just training, determine impact. Post-training engagement, mentorship, and tracking uptake are essential for behavioural and institutional change.
- j. Autonomy fuels innovation: small and medium cities, when trusted and supported, can lead transformative change.



Field Echoes and Cited Cases

The voices captured reflect lived realities, hard-earned lessons, and bold institutional experiments from across India's urban journey. They reveal how trust, autonomy, and local leadership can transform policy into meaningful action.



Panel 4: Digital Transformation and Governance Approaches in Capacity Development of PSUs

INSIGHTS: SYSTEMS THINKING AND TRANSFORMATION

Moderator:

Amit Mohapatra, Head – Capacity Development, Indian Institute for Human Settlements

Panellists:

- Krishna Kumar Thakur – Director (Human Resources), Bharat Heavy Electricals Ltd.
- Vinod Kumar Singh – C.E.O, Power Sector Skill Council & Director-HR, Power Grid, India



Rationale and Relevance

PSUs have historically been central to India's industrial and developmental trajectory, particularly in critical sectors such as energy, transport, and infrastructure. Their dual responsibilities of remaining commercially competitive while fulfilling a socio-economic mandate, makes them unique institutional actors. In today's context of digital disruption, sustainability imperatives, and rising demands for accountability, PSUs are compelled to rethink their governance structures, workforce capacities, and operational strategies.

The relevance of this discussion lies in the transformation from traditional bureaucratic models to agile, transparent, and competency-driven institutions. With the 4th Industrial Revolution unfolding, the ability of PSUs to integrate digital technologies, align with ESG frameworks, and simultaneously safeguard their public value ethos has become an urgent priority for national CD.

Strategic Overview

The panel was designed around four interrelated themes of transformation:

- **Readiness for Disruption:** Assessing the preparedness of PSUs to navigate and absorb the disruptions emerging from digital transformation, technological change, and evolving governance frameworks.
- **Skill Gaps and Future Capacities:** Understanding existing workforce gaps and charting pathways to develop future-ready competencies in areas such as data analytics, automation, and smart grid technologies.
- **ESG as Compliance or Enabler:** Examining how PSUs interpret ESG requirements—whether as routine compliance mandates or as strategic enablers that enhance competitiveness, credibility, and institutional resilience.

- **Balancing Values with Transformation:** Exploring how PSUs can preserve their core values of equity, inclusiveness, and public service while adapting to market pressures, digital systems, and new governance norms.

This framing enabled a comprehensive dialogue—moving from immediate challenges of compliance and skill-building to long-term aspirations of institutional reform and visionary capacity development.

Policy Directions

The evolution of PSUs reflects a gradual but significant shift from state-supported entities to commercially accountable organisations. Unlike private corporations, PSUs remain directly accountable to the public, operating under the scrutiny of instruments such as the Right to Information (RTI) Act and the Government e-Marketplace (GeM). These mechanisms enforce strict compliance, transparency, and rule-based governance.



Illustration 10: Policy Shifts Driving Transparency, Accountability, and Capacity Development in PSUs

Narrative Insights

The panel discussion emphasised that digital transformation and governance reforms are inseparable from CD in PSUs. Several key threads emerged:

- **Compliance and Transparency as Baselines:** Governance in PSUs must remain transparent, with no room for shortcuts. Procurement reforms through digital platforms like GeM exemplify how accountability is institutionalised. The culture of compliance, while initially restrictive, has become a source of credibility and trust.



Illustration 11: Reflections on Building Resilient and Future-ready PSUs Through Integrated Governance, Skills, and Sustainability

- **Socio-Economic Role of PSUs:** Even decades after liberalisation, private sector investments remain concentrated in industrially advanced regions. PSUs continue to sustain industrial footprints in underdeveloped areas, balancing commercial viability with national development responsibilities. This dual role demands governance structures that are both market-oriented and socially responsive.
- **Technological Transitions:** While PSUs may not always be at the frontier of technological innovation, they are actively integrating digital tools to modernise operations. Examples include flexible power plant operations to accommodate renewable energy inputs, digital modules for workforce training, and partnerships with external organisations for upskilling. However, rapid obsolescence of skills requires continuous reskilling, lateral recruitment, and industry collaboration.
- **Future Skill Ecosystem:** The conversation highlighted the inevitability of obsolescence in 10–20 per cent of the workforce if proactive skilling measures are not taken. Industrial revolution 4.0 demands competencies in AI/ML, blockchain, smart metering, and data-driven decision-making. The approach advocated is not limited to in-house employees but extends to contractors and supply-chain partners, ensuring ecosystem-wide resilience.

Key Takeaways

- PSUs must strike a balance between regulatory compliance and market competitiveness, embedding transparency and accountability as strengths rather than constraints.
- Skill obsolescence is a pressing challenge; future skills in digital technologies and sustainability must be anticipated and mainstreamed.
- CD needs to move beyond internal training to encompass contractors, suppliers, and the larger industrial ecosystem.
- ESG compliance has grown from a mandatory reporting mechanism to a strategic dimension of governance. By embedding environmental safeguards, social responsibility, and transparent governance into operations, PSUs are not only fulfilling regulatory obligations but also enhancing their ability to compete in global and domestic markets.



Field Echoes and Cited Cases

The panel converged on the view that the future of PSUs will be defined by their ability to embed digital agility, ethical governance, and sustainability into their institutional DNA. With India having missed the third industrial revolution, the fourth, characterised by AI, cloud computing, and smart systems, presents an opportunity for PSUs to reclaim global leadership.

The vision ahead is of PSUs that are ecosystem builders rather than standalone entities creating future-ready skills, driving innovation, and anchoring inclusive growth across regions. CD is central to this transformation, serving as the bridge between legacy systems and future competitiveness. By aligning commercial goals with public values, PSUs can emerge not only as engines of industrial growth but also as exemplars of institutional resilience and national development.

Bharat Heavy Electricals Ltd. (Manufacturing & Energy Infrastructure)

BHEL's investments in specialised skill institutes (such as advanced welding), environmental mitigation technologies for thermal power, and reskilling across manufacturing units demonstrate how capacity building supports both infrastructure delivery and ESG commitments.

Power Sector Skill Council & Power Sector PSUs

Competency-based learning systems, AI-ML-enabled training, and multiple regional learning centres have enabled power-sector PSUs to train hundreds of thousands of employees and contract workers, including for global markets.

Illustration 12: Reflections on How Capacity Development Positions PSUs as Ecosystem Builders in an AI-driven Economy

Panel 5: Global Dialogue on Institutional Capacity Development

INSIGHTS: INCLUSION, PARTICIPATION, AND SCALE

Moderator:

Amir Bashir Bazaz, Associate Dean – School of Environment and Sustainability; School of Systems and Infrastructure; Head - Infrastructure and Climate; Indian Institute for Human Settlements

Panellists:

- Alexandre Chavarot - Founder, Climate Finance 2050
- Lauren Rickards - Director of the Climate Change Adaptation Lab, La Trobe University, Melbourne



Rationale and Relevance

Resilient infrastructure is no longer defined only by its physical design but by the strength of the institutions that plan, regulate, and sustain it. Weak institutional frameworks often translate into fragmented investments, under-prepared governance systems, and limited capacity to anticipate and absorb shocks. As climate risks intensify and urbanisation accelerates, strengthening institutional capacity has become central to ensuring that infrastructure systems remain adaptive, inclusive, and future-ready.

This global dialogue is therefore both timely and essential. It provides a platform to examine how institutions across geographies are addressing the twin challenges of resilience and sustainability through policy innovation, financing reforms, and integrated governance approaches. By learning from global practices and contextualising them within local realities, the conversation seeks to identify systemic levers that can transform institutions into enablers of resilient infrastructure, ensuring that resilience becomes embedded in governance rather than an afterthought.

Strategic Overview

Infrastructure is under growing strain from climate change, rapid urbanisation, and rising inequalities, exposing systemic vulnerabilities. Addressing these challenges demands institutions that embed resilience at the heart of governance, planning, and finance. The session explored institutional capacities, ranging from diagnosing risks and coordinating across sectors to mobilising finance, embedding metrics, and fostering innovation, while examining how global lessons and local practices can inform inclusive, future-ready models.

Insights from Australia and the UK highlighted resilience as both a governance and financing challenge: Australia's experience stressed cascading climate risks, governance vulnerabilities, regulatory constraints, and the importance of community-centred, place-based approaches; the UK underscored mobilising global capital, integrating resilience into financial decisions, and balancing resilience spending with other social priorities. Together, they pointed to the importance of bridging local realities with global frameworks, embedding metrics, and fostering adaptive institutions.

Key themes included are:

- **Evolving Institutional Capacity:** Institutions face pressure from climate change, urbanisation, and inequality, with uneven progress across contexts and sectors. Governance failures can amplify climate risks, necessitating proactive, accountable, and adaptive institutional structures.
- **Core Capacities for Resilience:** Resilience requires diagnosing risks, responding adaptively, securing finance, and coordinating across multiple governance levels. Continuous learning, system adaptation, and embedding resilience in institutional culture are critical.
- **Financing and Investment Gaps:** Global capital exists, but adaptation finance gaps remain wide. Bridging this requires structured financial pathways, intermediaries, valuation tools, and integration of resilience metrics into investment and planning.
- **Risk Signals and Market Incentives:** Price signals such as avoided losses, lower insurance premiums, and improved debt capacity are key levers to attract private finance. Embedding financial evaluation tools like PCRAM ensures informed decision-making.
- **Innovation and Local Empowerment:** Nature-based solutions, digital platforms, and local innovations need institutional backing. Empowering communities and codifying adaptive local responses ensures sustainability and ownership.
- **Global-Local Learning:** International networks and cross-country exchanges enrich national practices, but solutions must be adapted to local realities. Embedding global knowledge in local governance strengthens adaptive capacity.
- **Integrating Multiple Goals:** Development, climate, and biodiversity agendas must converge. Institutional mandates need to support coordinated, cross-sectoral approaches under visionary leadership.
- **Urgency and Incremental Investment:** Incremental resilience spending (~3–5 per cent of baseline capex) today can avert systemic risks in the future. Early action is both cost-effective and strategic.

Policy Directions

System-wide shifts are reinforcing innovation ecosystems, enabling adaptable financing structures, and advancing region-specific development priorities. The policy pathways are illustrated below.

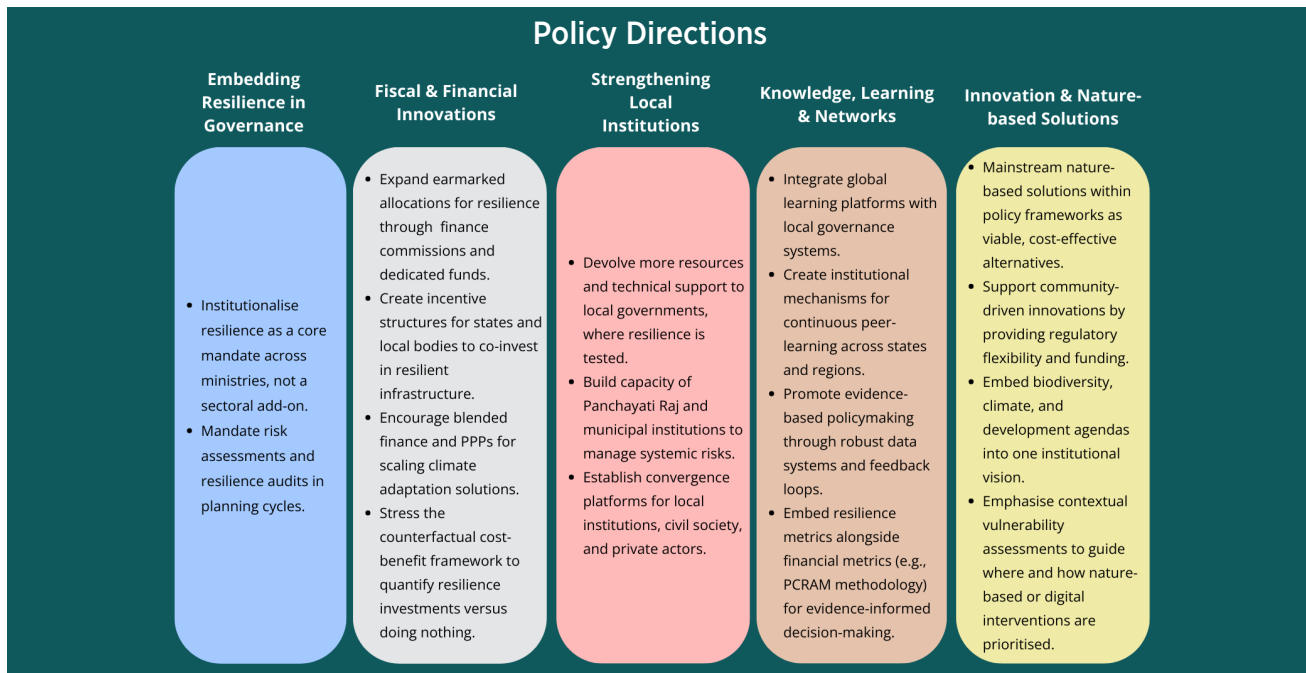


Illustration 13: Overview of Policy Direction Themes Discussed Across Governance, Finance, and Institutional Systems

Narrative Insights

Institutions today operate in a landscape marked by climate risks, rapid urbanisation, and social inequities. The session underlined that CD cannot remain episodic or training-driven; it must be embedded as a core, continuous function of governance. Resilience therefore emerges not from isolated projects but from institutions' ability to diagnose risks, adapt systems, and mobilise resources in a sustained manner.

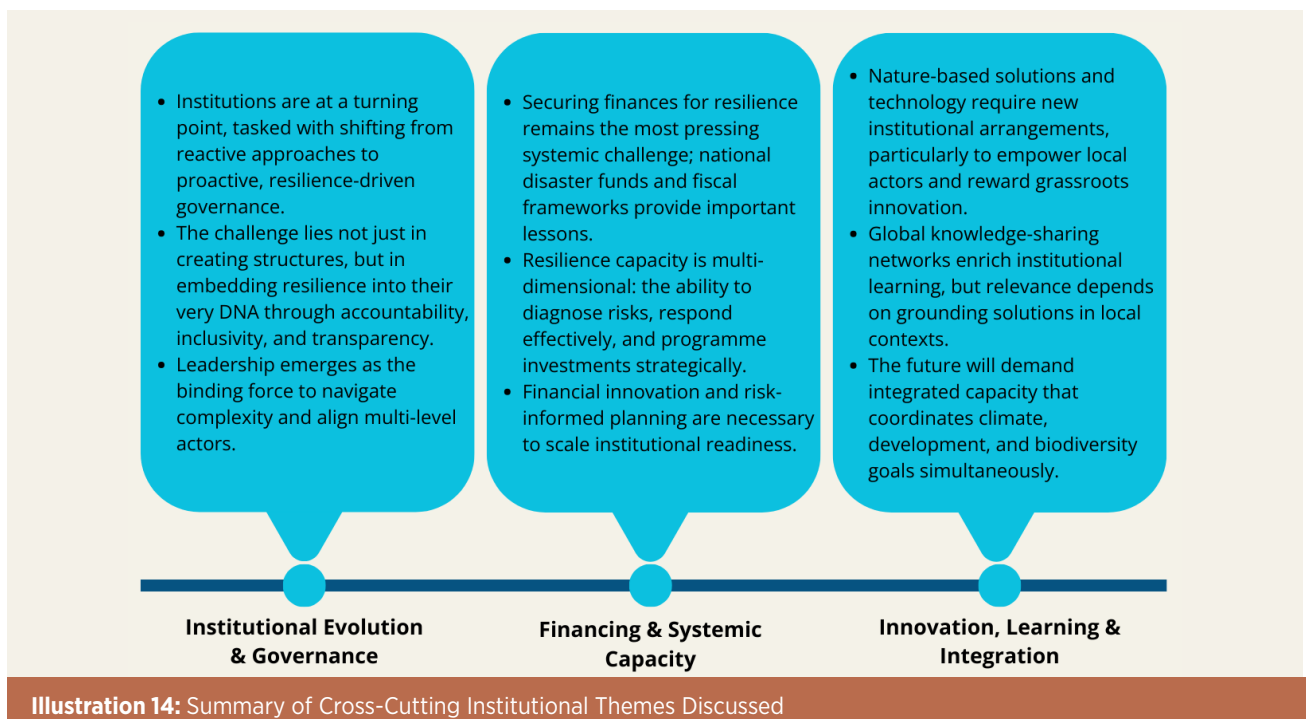


Illustration 14: Summary of Cross-Cutting Institutional Themes Discussed

Key Takeaways

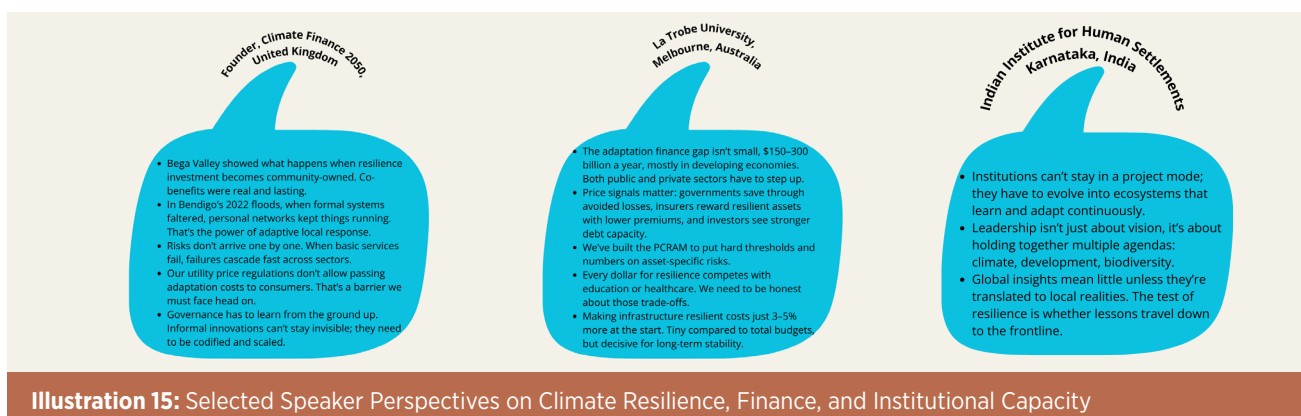
The dialogue on resilience generated the following key takeaways, emphasising institutional capacities, financing, and leadership as central drivers:

- Strengthening infrastructure without embedding governance, accountability, and adaptive leadership will leave resilience efforts incomplete.
- The ability to diagnose risks, mobilise finance, coordinate actors, and integrate climate biodiversity development agendas are equally critical for institutional strength.
- Finance remains the crucial catalyst. Examples like India's Finance Commission allocations and Australia's local financing models show that resilience depends on aligning fiscal tools with long-term risk-informed planning.
- Nature-based solutions, community-led practices, and locally driven experimentation hold promise but require institutional recognition and incentives to scale.
- Achieving coherence across development, climate, and sustainability goals is less about new policies and more about visionary leadership that can guide institutions through complexity.
- Translating international best practices into local contexts strengthens resilience outcomes. Shared learning networks, when adapted to local realities, empower institutions to anticipate cascading risks and respond proactively.



Field Echoes and Cited Cases

These reflections weave together local experiences and global frameworks, spotlighting the practical realities of adaptation and systemic reform.



Learning Workshop: Accountable by Design — Strengthening Institutions Through Participatory Governance

STRATEGIES IN ACTION: TRAINING, LEARNING, AND EXCHANGE

Conducted by Social Accountability Forum for Action & Research (SAFAR)

Workshop Overview

The closing workshop of the CDF 2025 focused on how participatory governance can strengthen institutional accountability. The discussion drew from over three decades of people's movements in India that have advanced the right to information, participation, and redress. Centred on the Bhilwara Framework of Social Accountability, the session explored how public systems can be designed to embed transparency, dialogue, and citizen agency as everyday practice rather than external oversight.

Discussion Highlights

The workshop unpacked the six principles of the Bhilwara Framework, focusing on what truly constitutes accountability: having access to information, presence of a forum to be heard, receiving timely redress, being protected through the process, ability to participate in the process, and having a platform for dialogue. Participants discussed how power, inclusion, and access determine who is empowered by governance systems and who remains outside them. The conversation also emphasised that while information is critical, its relevance, accessibility, and interpretation in local idioms and formats determine its real value.

In group exercises, participants applied the Bhilwara Framework to urban case studies from resettlement processes to stormwater management—identifying entry points for participatory practices and institutional reform.

Key takeaways

- Accountability must be built into institutional design, not added as an afterthought.
- Information access is only meaningful when it enables participation and action.
- Social audits and open data portals show how transparency can be systemically embedded.
- Accountability mechanisms must be inclusive, participatory, and sensitive to local contexts.



CLOSING ADDRESS

D. Thara, IAS, Additional Secretary, Ministry of Housing and Urban Affairs

In her closing remarks, Thara emphasised that capacity is built through practice, not just through training. Citing experiences from programmes such as AMRUT, she highlighted that real learning happens when practitioners engage directly with on-ground complexities and adapt their approaches through problem-solving. Technical knowledge must therefore be complemented by contextual intelligence, adaptive thinking, and hands-on experience to ensure sustained institutional growth.

She further stressed the importance of context-sensitive and locally grounded approaches over standardised models. Innovation in areas such as decentralised energy, water management, and spatial planning should be encouraged, with solutions shaped by the realities and needs of specific communities. Importantly, communities themselves hold vast reservoirs of knowledge and capacity. Institutional strategies should focus on recognising, strengthening, and leveraging these existing capabilities rather than replacing them.

Thara concluded with a call to reimagine CD as a dynamic and iterative process that blends technical expertise with lived realities. By fostering innovation, building partnerships, and embedding learning within action, institutions can become more resilient, adaptive, and responsive, ultimately driving the transformative change needed to achieve inclusive and sustainable urban futures.

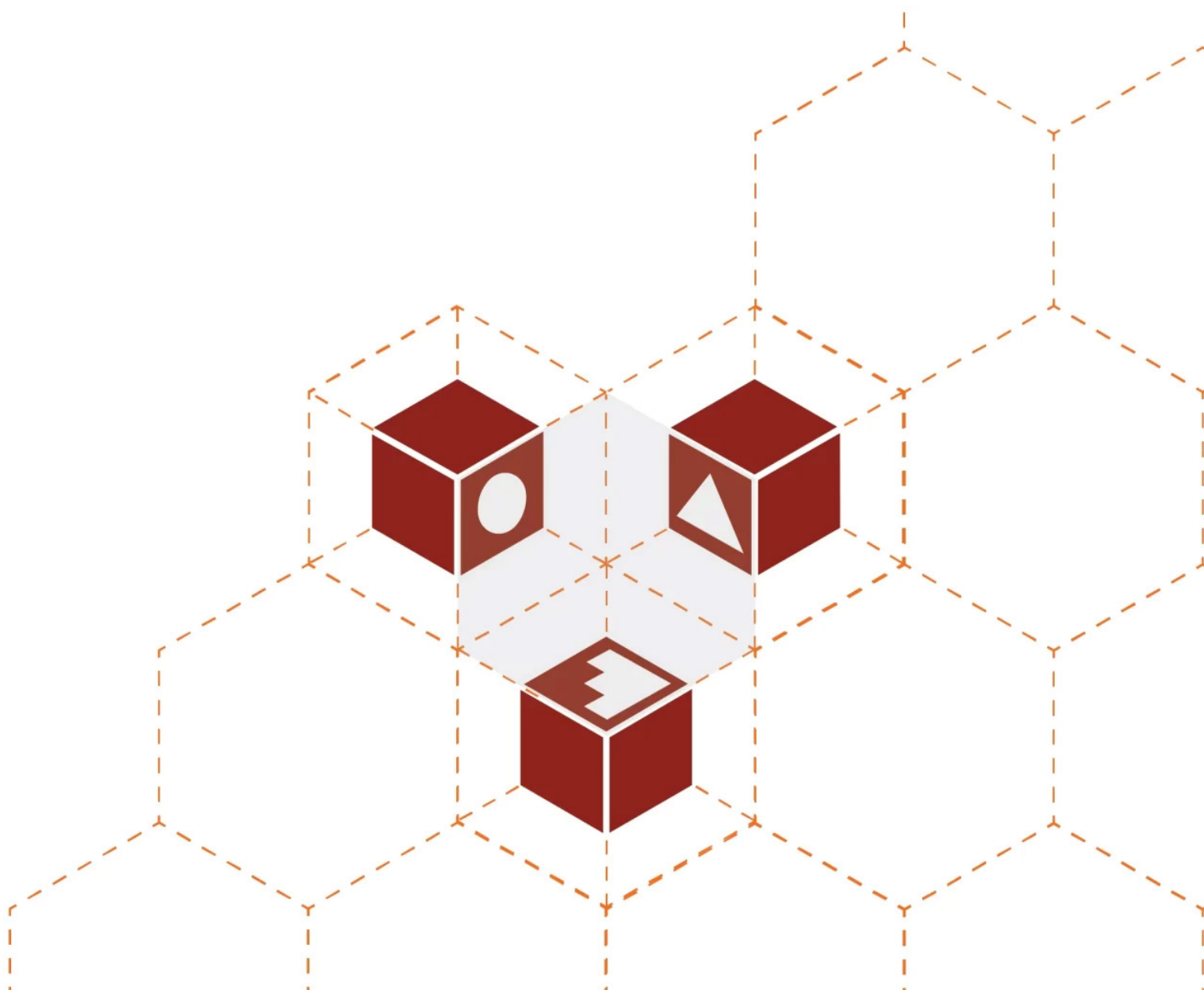


WAY FORWARD AND CALL FOR ACTION

The deliberations at CDF 2025 highlighted that institutional CD is a continuous, collaborative process evolving with governance systems. Today's urban challenges, from rapid urbanisation and climate change to digital transformation, demand that institutions move beyond static solutions to become adaptive, learning-oriented, and future-ready. Capacity must be embedded in institutional design and practice, not treated as a standalone exercise. Policies should integrate evidence-based decisions, collaboration, and feedback systems for continuous learning, with local context and responsiveness central to institutional strengthening.

Looking ahead, stronger partnerships across government, academia, the private and public sector, and communities, along with investment in skills, leadership, and systems, are essential. Integrating technology, local knowledge, financing, and community capacities can make governance more inclusive and resilient. CDF 2025 reaffirmed that CD is not just 'training' but transforming institutions into agile, collaborative entities capable of shaping sustainable urban futures. This edition of CDF emphasised that institutional development at various sectors, cadres, systems, and processes should be integrated with CD elements from the inception and conceptualisation stages, rather than focusing only on delivery and beneficiary impacts.

[Click here](#) to explore further dialogue for CDF 2026.



WHO WAS IN THE ROOM: MAPPING SECTORS

CDF 2025 brought together 162 participants from across sectors, geographies, and institutional contexts, creating a dynamic ecosystem of voices that shaped the dialogue on CD. This diversity of voices from policy makers and practitioners to researchers and community leaders ensured that CDF 2025 was not only a space for dialogue but also a platform for co-creation.

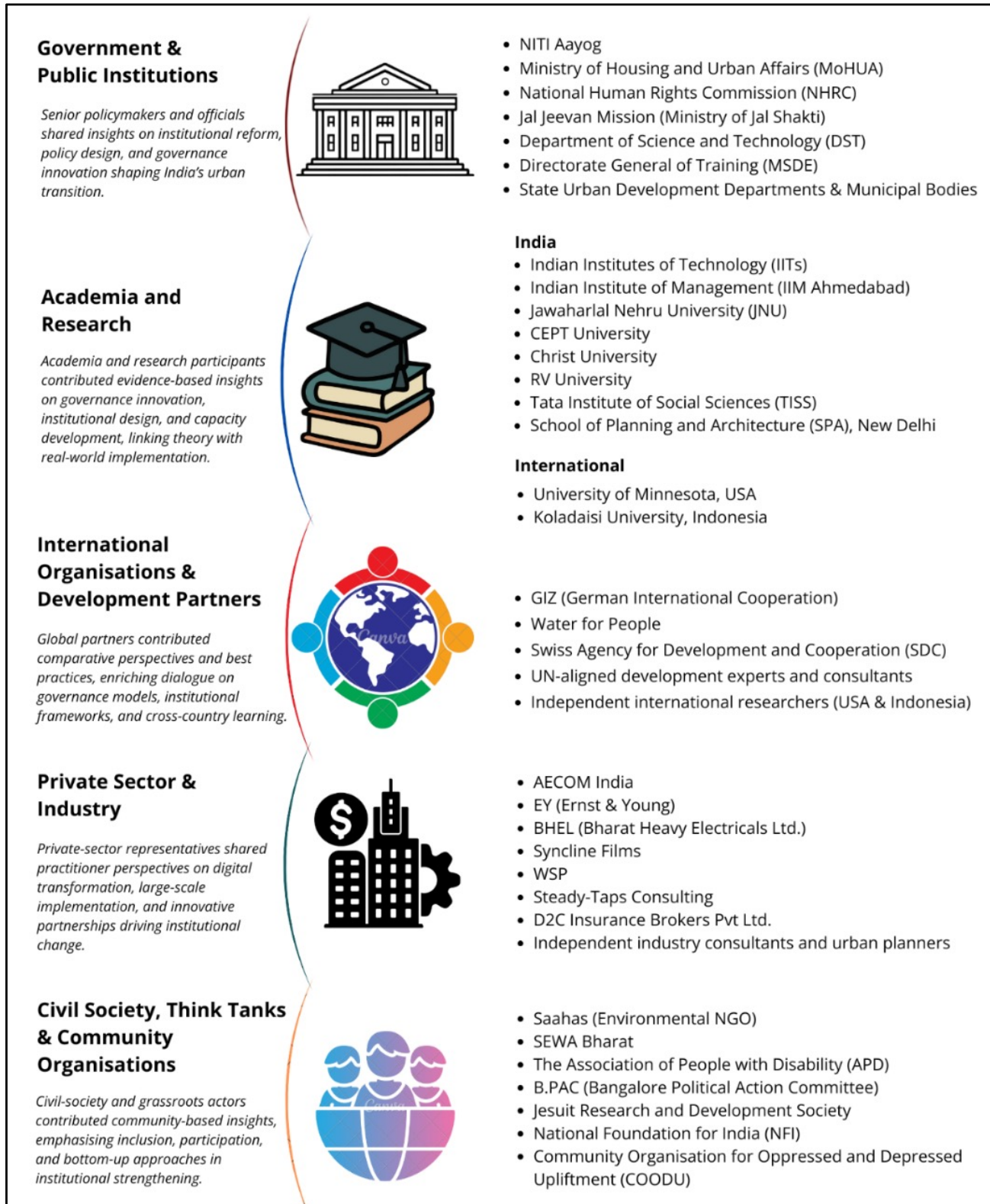


Illustration 16: Overview of Participating Institutions and Organisations

ABOUT IIHS: INSTITUTION, IMPACT, AND INNOVATION

The Indian Institute for Human Settlements (IIHS) is a national education institution committed to the equitable, sustainable, and efficient transformation of Indian settlements.

IIHS, is a Section 8 not-for-profit company under the Indian Companies Act. It has been brought into existence, nurtured, and led by a group of eminent Indians from all walks of life, who are providing their services pro bono publico. Many of these individuals have also made generous contributions to the initial corpus.

The IIHS is governed by a Board of eminent Indians. The Board has delegated responsibility to an executive chairperson, a vice-chairperson, and the IIHS Director. Chandrashekhar B Bhawe is the current Executive Chairperson, and Aromar Revi is the Director.

THE CAPACITY DEVELOPMENT JOURNEY: CONTEXT AND EVOLUTION

The Capacity Development (CD) Programme is a continuing education and capacity-development programme designed for urban and rural practitioners from various sectors, including public, private, academic, and civil society. At IIHS, we believe that a city's transformation largely depends on the collective efforts of practitioners who tackle challenges in an informed, reflexive, and creative manner.

Our teaching programmes provide institutions and practitioners with new knowledge frameworks and a cohesive set of skills. These programmes have a unique focus on practice and are taught by a dynamic group of internal faculties, as well as academic and professional advisors.

The CD portfolio covers various sectors, disciplines, and scales of practice, and aims to intervene at three levels:

1. Strategic perspectives and orientation of practitioners to urban and rural challenges
2. Knowledge frameworks used to appraise such challenges.
3. Execution skills required to tackle them effectively and sustainably.

The CD recently achieved the important milestone of having trained more than 18,100 learners from its inception.

The following is a list of the thematic areas under and around which the CD has trained urban and rural practitioners:

1. Water Supply and Sanitation
2. Affordable Housing
3. Climate Change and Disaster Risk Reduction
4. Geographical Information Systems (GIS)
5. Data Visualisation
6. Project Management and Leadership Skills
7. Environmental Sustainability
8. Livelihoods
9. Urban and Rural Governance
10. Research Methods
11. Urban Finance
12. Urban Transport & Road Design
13. High Performance Buildings

Institutional Imaginaries: A Curated Reading Trail

Institutional capacity is often seen as the state's ability to implement policies and enforce rules. While essential, this narrow view misses the broader capabilities institutions need today. In a world shaped by climate change, urbanisation, digital disruption, and inequality, capacity must go beyond bureaucratic efficiency and top-down governance, to include collaboration, inclusion, and continuous learning.

This library exhibition draws on scholarship, practice, and storytelling to examine how institutions are built, challenged, and reimagined. Spanning themes like public policy, digital transformation, organisational design, systems thinking, and public administration, the collection invites reflection on what it takes to create adaptive, inclusive, and future-ready institutions.

Details of books and author/editors

Digital Transformation

Mastering digital transformation: towards a smarter society, economy, city and nation

- *Nagy K. Hanna*

E-Governance in India

- *Sunil K. Muttou, Rajan Gupta and Saibal K. Pal.*

Digital Governance and Decentralisation

- *edited by M.R. Biju, M.R.B. Anantha Padmanabha*

Digital technology and sustainability

- *edited by Mike Hazas and Lisa P. Nathan*

The computable city: Histories, technologies, stories, predictions

- *Michael Batty*

Corruption and reform in India: public services in the digital age

- *Jennifer Bussell*

Citizens in the 'smart city': participation, co-production, governance

- *Paolo Cardullo*

Local Governance

Foundations for Local Governance: Decentralization in Comparative Perspective

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INDIAN INSTITUTE FOR
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IIHS, SADASHIVANAGAR, BENGALURU

197/36, 2nd Main Road, Sadashivanagar,
Bengaluru 560 080, India
T +91 80 6760 6666

IIHS, DELHI

Prius Platinum, 3rd Floor,
B Wing, Saket District Centre,
New Delhi 110 017, India
T +91 11 4360 2798

IIHS, MUMBAI

Flat No. 2, Purnima Building,
Patel Compound,
20-C, Napean Sea Road,
Mumbai 400 006, India
T +91 22 6525 3874

IIHS, CHENNAI

Floor 7A, Chaitanya Exotica,
24/51 Venkatnarayana Road,
T Nagar, Chennai 600 017, India
T +91 44 6630 5500

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