

## **Concept Note and Guidelines for Setting Up of the Centre for Innovations in Public Systems (CIPS)**

**Annex 12.13**

*(Para 12.93)*

### **Introduction**

The responses to the Finance Commission's queries on innovation practices received from various State Governments were analysed.

Some of the innovations or better practices introduced in recent years by some states include:

- i) Distribution of one lakh bulletins in different languages on Right to Information to create widespread awareness among common people, with a particular thrust on creating awareness among the students.
- ii) Amendment of the prevention of corruption Act to provide for attachment of the properties of indicted people resulting in a strong message to bureaucracy.
- iii) Involvement of, and licensing to private surveyors to update land records and facilitating speedy issue of computerised copies of records of ownership to farmers at very low cost.
- iv) Establishment of legal aid clinics, facilitating the provision of free legal aid to citizens. Further, establishment of a dedicated Lok Adalat for redressal of grievances or disputes relating to public utility services.
- v) Launch of an initiative to encourage innovations by public officials using available resources in a time-bound manner.
- vi) Development of a new land use policy for checking shifting cultivation.
- vii) Communitisation of management of education, health and power services.
- viii) Delegation of powers for issue of driving licenses to private sector.

The review of data received from various states about innovations, attempts for business process of re-engineering and incentives for innovations also reveals that there is no dearth of ideas being tried in different states for improving the quality of governance. However, there are a few areas that need systematic attention:

- i) There is not enough effort to isolate the conceptual and operational lessons from different experiments and successful policies across the state.
- ii) There is no data base on innovative best practices in different sectors and at different levels in the state.
- iii) Cross-fertilisation of ideas is not taking place at a sufficient rate and scale.
- iv) Many good ideas attempted once are aborted, and given short public memory, are not recalled very often.
- v) Incentives for innovations in public systems are not enough and sufficient visibility is not given to change agents.
- vi) The systems of training and education in various public administration institutions have not incorporated the lessons of various innovations adequately and systematically.

vii) The need for synergy between public, private and civil society organisations is being realised almost all over the country, but sufficient mechanisms for achieving this synergy do not exist.

viii) Sufficient attention is not being paid to build leadership that spots innovations, sustains them, and where necessary, spawns new innovations.

In the light of the above, a Centre for Innovations in Public Systems (CIPS) is proposed to catalyse innovative changes in both the culture as well as structure of governance in various states. The Centre would address the various gaps *470 Thirteenth Finance Commission* identified above and contribute towards sustainable outcomes in meeting rising social aspirations. The Centre would also provide assistance to the State Governments in developing policies for promoting an innovative culture for transforming creative ideas into sustainable practices at the local level.

The following sections set out its proposed mission and objectives, functions, its location, governance processes and other aspects related to its establishment.

### **CIPS: Mission & Objectives**

The mission of the Centre for Innovations and Good Practices in Public Systems (CIPS) is to help create a climate and nurture a culture for accelerating and diffusing innovation in public systems.

The objectives of setting up CIPS as an autonomous body are to:

- i) Identify, recognise and promote innovations in public systems in the area of management of people, process (cost and quality), systems (technology) and services, across various states to improve the well-being of the common people.
- ii) Catalyse and trigger lateral learning for initiating action research projects, macro level changes and innovations in the policies and practices across states.
- iii) Provide a range of learning opportunities and services to various stakeholders for building capacity through training programmes, conferences, seminars, surveys, publications and development of a national catalogue/database of innovations in public systems for improving public services.
- iv) Facilitate sharing of international experiences and exposure to best practices in governance of public systems.

### **Functions Of CIPS**

The functions of the Centre are to:

- i) Scout, scan and track different innovations at the state as well as at the national level that have positively impacted public service delivery, increased efficiency and led to cost reduction.
- ii) Create a public domain inventory of innovations in public systems, government departments for the purpose of knowledge management and diffusion of innovations.
- iii) Facilitate emergence of eco-systems that are hospitable to cost-effective innovative ideas, provide empowerment and freedom, and encourage risk-taking experiments for promoting innovations.
- iv) Act as a platform for sharing and disseminating knowledge of new ventures and best practices in administration.
- v) Help in developing policies for incentives (reward & recognition) to accelerate the process of innovation and cross-fertilization of ideas for opening up new lines of inquiry for sustainable change and transformation in public systems.

- vi) Design relevant training programmes in partnership with the State Governments for developing an innovative mindset for creating new solutions on an ongoing basis.
- vii) Facilitate pursuit of diagnostic studies to identify possible barriers that block innovation and also factors that facilitate innovations in public systems.
- viii) Facilitate provision of social venture capital/innovation promotion fund and crucial balancing investment for new ideas and last mile investments in the administration.
- ix) Organise annual retreats of top leaders (chief ministers, ministers, principal secretaries, secretaries, etc.) in a conducive setting for encouraging constructive debate, introspection and reflection for developing inclusive policy solutions and operational mechanisms. This will also help in building leadership traits that facilitate learning from below, around and from people at the grassroots level.
- x) Honour outstanding innovations in public systems through a scheme of annual awards so as to incentivise the innovators in public systems/state departments.
- xi) Develop a body of knowledge including research based case studies, comparative analyses of innovations and experience of their diffusion within and across the states using multimedia and multi-language learning materials for becoming more innovative in the delivery of public services.

#### **CIPS: Its Location at ASCI**

The Centre for Innovations in Public Systems (CIPS) will be located at the Administrative Staff College of India (ASCI), Hyderabad, an autonomous institution, established under the initiative of government and industry in 1956. The college has a record of promoting good practice and innovations in public administration. ASCI has also been involved in supporting the Department of Administrative Reforms and the Prime Minister's Office in recognising innovative change agents in public systems.

#### **CIPS: Governance Structure**

The governance arrangements for CIPS, which will be located in ASCI, would be as under:

##### **(a) The Advisory Council**

An Advisory Council for CIPS will be formed, comprising:

- i) Chief secretaries of all the states or Union Territories.
- ii) Three representatives of the Union Government, viz. the Finance Secretary, Secretary (Personnel), and Secretary (Administrative Reforms).
- iii) Director of the Lal Bahadur Shastri Academy of National Administration.
- iv) Chairman, National Innovation Foundation.
- v) Four independent experts known for their contribution to the field of innovation, to be nominated by the Director-General of ASCI.
- vi) Director of CIPS, who will act as the Convener/Secretary.

The Advisory Council may be chaired by the Chief Secretary, Andhra Pradesh State Government, who is also a member of the Court of Governors of ASCI or a person nominated by the Chairman of ASCI Court of Governors.

The Advisory Council will:

- i) Comment and make suggestions on the Center's work programme and monitor its implementation
- ii) Review and comment upon the annual budget of the CIPS and receive an audit report
- iii) Meet twice a year in Hyderabad, subject to a minimum quorum of 25 per cent of its membership

### **(b) Steering Committee**

A Steering Committee will be established to provide space for the representation of the insights of State Governments in giving shape and driving the work programme of the Centre. The Committee will be headed by the Director-General of ASCI. The other members of the Steering Committee will be:

- i) Two chief secretaries to the government or their nominees as invited by the Chairman of the Court of Governors of ASCI (or nominated by the Advisory Council) to serve for one year each, on a rotating basis.
- ii) Director of the Lal Bahadur Sastri Academy of National Administration.
- iii) Two of the four independent nominees represented on the Advisory Council, as invited by the Director-General of ASCI.
- iv) The Director of CIPS (Convener/Secretary), to be appointed by ASCI

The Steering Committee will meet every quarter, with a quorum of one-third of its membership. It will report to the Advisory Council of CIPS and, through it, to the Court of Governors of ASCI, on its work programme twice a year.

### **Financing**

- i) On the basis of Finance Commission grant, a one-time grant of Rs. 20 crore will be vested with ASCI through the government of Andhra Pradesh during 2010-11.
- ii) The funds will be held and managed by ASCI and will be subject to the auditing procedures that apply to ASCI's funding and activities.
- iii) CIPS can generate further funding from other sources, including State Governments, private sector and other funding agencies, such as multilateral and bilateral agencies like the United Nations (UN), World Bank, Asian Development Bank (ADB) and Department for International Development (DfID), subject to the condition that neither the objectives of the CIPS nor its governance structure will be diluted in any manner whatsoever.

### **Operational Issues**

The grant provided by the Thirteenth Finance Commission will not be applied, either wholly or partially, for the purchase of land or for the construction or purchase of buildings. Any moveable assets such as furniture, computers, books, etc., will become the property of ASCI if the mandate of CIPS concludes at the end of five years.

The audit framework in place for ASCI will be made applicable to CIPS and the accounts of CIPS will be audited annually. The audit report will be placed annually before the Advisory Council of CIPS, which will, in turn, forward it to the Court of Governors of ASCI for its approval.

### **Staff and Establishment of CIPS**

The Centre will work on the principle of a core plus project based staff, with the complement of administrative and clerical staff kept to the minimum. As the funding is guaranteed for a period of five years, no staff earmarked on a whole time basis for CIPS will be recruited for a tenure longer than five years.

Unless specified otherwise, the staff rules and regulations governing ASCI, will apply to CIPS.

For any administration, faculty and other services, such as the use of the infrastructure rendered by ASCI, an appropriate charge, as proposed by the Executive Council of CIPS and approved by the Standing Committee of Governors of ASCI, will be made on the budget of CIPS.

The Director-General of ASCI will be responsible for the good functioning of CIPS within the framework of ASCI's larger governance processes and the specific mandate of CIPS.

#### **Report to the Fourteenth Finance Commission**

On 31 March 2014, the Steering Committee will, in discussion with the Advisory Council and with the approval of the Court of Governors of ASCI, furnish to the Fourteenth Finance Commission a review of all the work CIPS has undertaken, including the work undertaken using the grant provided by the Thirteenth Finance Commission.