



# **Centre for Innovations in Public Systems**

(An Autonomous Centre of Administrative Staff College of India Established by the  
Government of India)

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## **Concept Note and Guidelines**

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## 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.



- 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. 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.

## Excerpts from Thirteenth Finance Commission Report - Chapter 12

### Promoting Innovation

12.91 The President of India, in her address to Parliament in June 2009, committed the nation to a path of promoting innovation and unleashing the creativity of a billion people. She announced that the next ten years would be dedicated as the 'Decade of Innovation'. Innovation can play an important role in providing better alternatives, reducing costs, improving service levels and filling in availability deficits. The task is, therefore, not only to foster innovation, but also to promote it zealously. A number of appropriate, low cost and people oriented innovations already introduced in various states have been documented by the National Innovation Foundation (NIF) and are being disseminated by them. These innovations relate mostly to individual initiatives in the private sector. The Commission feels that a number of equally relevant innovations exist in the government sector which need to be recognised, documented and promoted amongst all State Governments. We note that a number of national programmes, like the mid-day meal scheme, were rooted in innovative schemes initially adopted at the state level. We, therefore, obtained from State Governments a description of the major innovations they have introduced in different sectors to improve service levels and reduce costs. These innovations are in a variety of sectors like health, education, tourism and natural resource management and are aimed at improving service delivery. They also cover improvement of governance and supply of justice. Based upon an analysis of the data received and suggestions of NIF, we have recommended a two-pronged initiative.

#### *Centre for Innovations in Public Systems (CIPS)*

12.92 The first initiative is embodied in the request of the Andhra Pradesh Government for assistance to set up the Centre for Innovations in Public Systems (CIPS) at ASCI, Hyderabad. The CIPS will actively promote and disseminate among states practices which have enhanced service delivery, increased efficiency and led to cost reduction in public systems. It will also continuously scan the environment for new practices which it will add to its data base, which will then be made available across states. It will conduct training programmes and enable experience sharing.

12.93 The functioning of CIPS will be guided by an advisory council with all the chief secretaries of State Governments as its members, apart from Central Government representatives and independent experts. The grant of Rs. 20 crore will be utilised for running the CIPS for a five-year period, after which it is expected to become selfsufficient. The grant will be released in one instalment during 2010-11. The modalities of the grant are further detailed in Annex 12.13. This provision is included under the state specific grants for Andhra Pradesh (Para 12.127).

#### *District Innovation Fund (DIF)*

12.94 The second initiative is the creation of a District Innovation Fund (DIF) aimed at making cutting edge levels of governance responsive to felt needs and innovations. This fund of Rs. 1 crore, to be made available to every district in the country, aims at increasing the efficiency of capital assets already created. This investment will be used to fill in vital gaps in public infrastructure already available in the district,

which is not being fully utilised for want of a relatively small investment. Examples include a government hospital with non-functional diagnostic equipment; a minor irrigation tank with sizeable command and leaking sluice gates; an area with poor agricultural productivity without soil testing facilities. The object will be to renew or better utilise an existing capital asset and provide immediate benefits. We accept that the examples listed above can and, ideally should, be funded by the states' budget. However, with the increasing pressure on establishment costs, we also recognise that a number of critical gaps in public infrastructure are yet to be filled and it may take time before all such needs are recognised and addressed at the state level. Such projects with immediate welfare returns for comparatively low investment are best identified at the district level. There is also tremendous scope to innovate at the district level and even a relatively small allocation per district can be effectively leveraged as a force multiplier.

## State-specific Grants

### Andhra Pradesh

#### *Establishment of a Centre for Innovations in Public Systems*

12.127 In order to create a climate for accelerating and diffusing innovation in public systems through sharing of experiences across states and to facilitate the establishment of institutional and human capacities for innovation through knowledge sharing and mobilisation of practical help, we recommend an amount of Rs. 20 crore to establish a Centre for Innovations in Public System (CIPS) at the Administrative Staff College of India (ASCI), Hyderabad. The Centre will be governed through an advisory council, with representation from all states. A Steering Committee will assist states to transform creative ideas into sustainable practices. (refer to Para 12.92)

*(Excerpts from Thirteenth Finance Commission Report - Chapter 12  
Pages 222, 223, 229)*

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## **Centre for Innovations in Public Systems**

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