

# The Innovation System of the Public Service of Brazil

An exploration of its past, present and future journey

## BRIEFING DECK

This is a resource for those who are in, or work with, the Public Service of Brazil and who are seeking to educate, inform or brief others about the OECD report on the public sector innovation system. It can be adapted as needed.

# The Purpose of this Document

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This briefing deck summarises some of the key points from the report *The Innovation System of the Public Service of Brazil: An exploration of its past, present and future journey*. The report was launched during the 2019 Innovation Week.

This briefing deck is intended to help others, especially public servants, communicate and share the findings of the report.

In addition, while the study is specific to Brazil, much of the information contained here or in the report may be relevant to others seeking to understand their own public sector innovation systems, and how a more deliberate and strategic approach to innovation may be taken.

**Please feel free to use and adapt this material as you need!**

**Reference Guide:**



Slides referring to general theory



Slides referring specifically to Brazil

# The Innovation System of the Public Service of Brazil



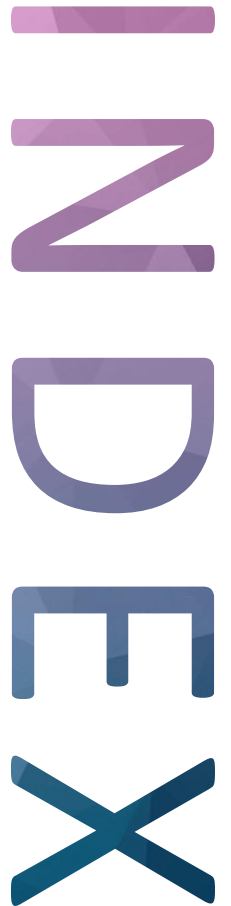
The OECD report, *The Innovation System of the Public Service of Brazil: An exploration of its past, present and future journey*, examines the public sector innovation system of the Federal Public Service of Brazil, and reflects on the ability of that system to help the public sector in Brazil anticipate and respond to the existing, evolving and emerging needs of citizens.

The report finds that while there has been considerable and increasing efforts to stimulate and support public sector innovation in Brazil, the current state of affairs is unlikely to be sufficient to meet the identified (and still to emerge) expectations of the public sector. A more deliberate and systemic approach can help Brazil consistently and reliably develop and deliver innovative solutions that contribute to achieving the goals and priorities of the government and its citizens.

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*“There is no set prescription for innovation, let alone for building an innovation system within government to ensure a reliable, consistent, and deliberate approach. Nor is there an optimum level or amount of innovation that must occur. The requirement for innovation is an inherently dynamic and political question, as the desire and appetite for new approaches will continue to change depending on a country’s context, needs and ambitions.” (report)*

- 01 | About the report
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- 04 | A more sophisticated approach is required
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- 06 | Scenarios to test assumptions about the future
- 07 | What might be done to achieve a deliberate & systemic approach to innovation?





01

# ABOUT THE REPORT





# ABOUT THE REPORT

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The study was undertaken by the Observatory of Public Sector Innovation within the Public Governance Directorate of the OECD. The Observatory helps governments in taking a more deliberate, strategic and sophisticated approach to public sector innovation. The study was supported by Brazil's Ministry of Economy, the National School of Public Administration, the Federal Court of Accounts and the Federal Justice Council.

The study was undertaken between April 2018 and June 2019, and officially launched during Innovation Week in Brazil on 7 November 2019.

The aim of the study was not to critique or provide an assessment or evaluation of the public sector innovation system within the Federal Public Service of Brazil, but rather to help the actors within the system understand the nature of the system they are operating within, and how to shape it to support the continually shifting ambitions and aims that come with a dynamic political environment.

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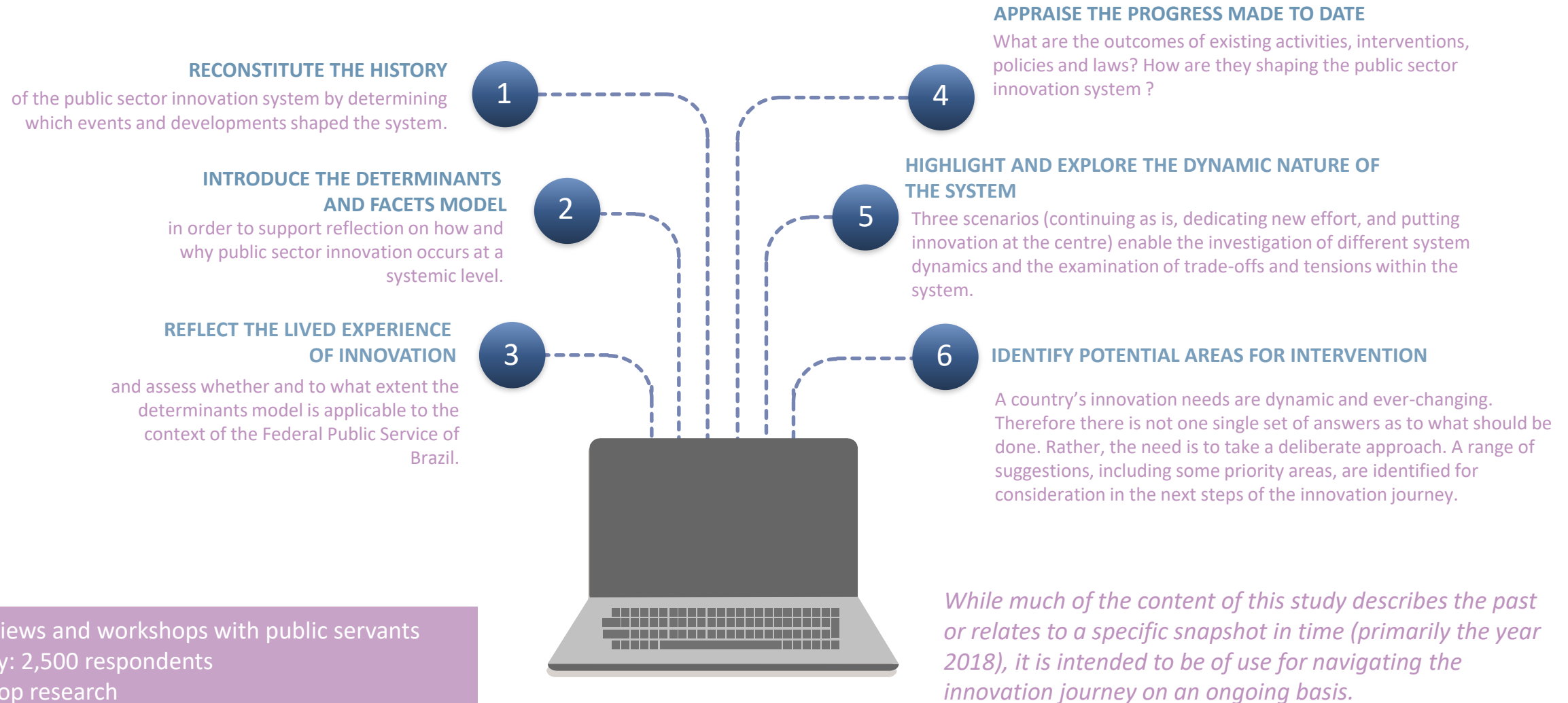
# TERMS OF REFERENCE

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The terms of reference for the study were for it to:

- Map the current state of and relevant actors within the innovation system(s) operating in the Public Service of Brazil, and how they intersect with systems of delivery, performance management and accountability.
  - Understand the characteristics, including strengths and weaknesses of the system, including identifying key enablers and barriers along the different stages of the public sector innovation life-cycle.
  - Give insight into the current narrative(s) around public sector innovation from across (and beyond) the Public Service of Brazil, and how this is affecting the practice of innovation.
  - Suggest a framework for understanding the different components of the innovation system(s) operating in the Public Service of Brazil, and how they relate to each other and generate a dynamic effect in the system.
  - Identify areas where innovation effort has been undertaken, and point to priority areas for action that are likely to offer the best starting points for further intervention into the system.
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# METHODOLOGY





# REPORT STRUCTURE



## Chapter 1: Introduction

- Why is a focus on innovation needed?
- Why is a focus on innovation needed within the Public Service of Brazil?

This chapter explains why a focus on public sector innovation is warranted in general terms, as well as in regard to the specific context of Brazil. It also presents an outline of the methodological steps and structure of the report.

## Chapter 2: Brazil's historical innovation journey

- Tracing the innovation journey
- Four periods of reform
- Patterns and trends in the historical journey
- Implications of the historical journey

In order to understand what might be needed now and into the future, it is important to understand how previous developments led to the current context. This chapter explores the historical innovation journey, identifying relevant developments and milestones, and looks at themes and common threads within that history.

## Chapter 3: National public sector innovation systems

- What might cause a public sector innovation shortfall?
- How might an innovation shortfall be addressed?
- Existing knowledge about the innovation system
- Introducing the innovation determinants model
- Ensuring a suitable mix of innovation
- The need for system stewardship

This chapter examines the reasons why an innovation “shortfall” might exist within the public sector and the consequent need for a deliberate and systemic approach to public sector innovation. It introduces the innovation determinants model and the innovation facets model, and explores the need for system stewardship.

# REPORT STRUCTURE



Chapter 4: The lived experience of innovation within the Brazilian civil service

- What does innovation look and feel like in the Public Service of Brazil?

How does the “lived experience” of innovation in the Public Service of Brazil fit with the theoretical frameworks identified? What does the innovation process currently look and feel like? This chapter explores the experience of innovation and examines the extent to which it is congruent with the theoretical model outlined for understanding innovation at a systemic level.

Chapter 5: Appraising the progress to date

- To what extent do existing initiatives contribute to:
  - Clarity about innovation?
  - Parity of innovation?
  - Suitability for innovation?
  - Normality around innovation?
  - Stewardship of innovation?

This chapter appraises current activity within the Public Service of Brazil as to how it contributes to or detracts from a sense of clarity, parity, suitability, normality and stewardship of the public sector innovation system. It explores whether the necessary ingredients for innovation are already in place, or whether additional action may be required.

Chapter 6: Using scenarios to help guide an evolving system

- The “Zero” Scenario: The system continues “as is”
- Scenario One: Building on and extending the system
- Scenario Two: Radical transformation of the system

Innovation is a continual journey of discovery – of venturing into the unknown. There can be no certainty as to what should be done when it comes to innovation, as it will depend upon an ever-changing context. This chapter explores three different scenarios to better illuminate the dynamics of the Brazilian system, making explicit the underlying assumptions about what could happen and why.



Chapter 7: Conclusion – Moving Innovation from the sporadic to the systemic

- Acknowledging what has been achieved
- Key areas of opportunity

This chapter outlines relevant lessons from the preceding chapters and considers their implications for the next steps on the innovation journey. The chapter avoids specific recommendations and notes that any proposals will need to be tested and trialled. Nonetheless, the chapter identifies areas of opportunity for different sets of system actors.



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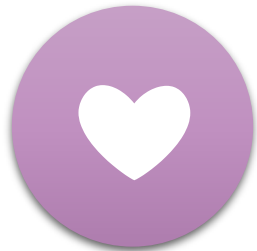
THE CASE FOR  
CHANGE

# Why this report?



## INNOVATION

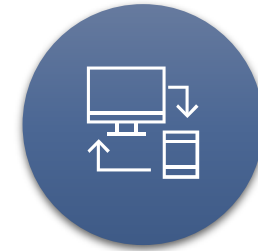
*Implementing something novel to context in order to achieve impact needs to be a part of the repertoire of an effective government.*



Innovation has tended to occur as a sporadic, opportunistic and reactive activity in response to particular crises or priorities, or something driven by the passions and whims of individuals willing to go 'above and beyond'.



In the current context of volatility, uncertainty, complexity and ambiguity (VUCA), increasing technological change, and significant social, demographic, economic and environmental transformation, it is no longer viable to treat innovation as a side effort.



A deliberative approach is needed: it should also consider the ecosystem in which innovation takes place, in particular the actors and organisations within or connected to the public sector innovation system, and the ways in which they contribute to generating and implementing innovative outcomes.

# Why innovation is relevant to the Brazilian context

1

Inequality remains high and fiscal accounts have deteriorated substantially.

2

Efforts to fight corruption will require continuing reforms to improve accountability.

3

Growth, which was supported by a rising labour force over many years, will slow due to rapid population aging.

4

Political consensus building has required costly and inefficient expenditures without systematic audits and reduced the effectiveness of the public sector. The need for consensus building has been a key obstacle to passing reforms.

*While innovation is not a magic cure for all ailments, and cannot (and should not) be the answer to every problem, it is likely that innovative approaches can assist greatly in responding effectively to many of these demands.*



Source: Online School Information Management System India - A.T.S.I

The intent of this study is to illustrate the underlying dynamics and determinants of the system (i.e. what factors shape whether and to what extent innovation occurs and how it manifests within the context of the Public Service of Brazil).

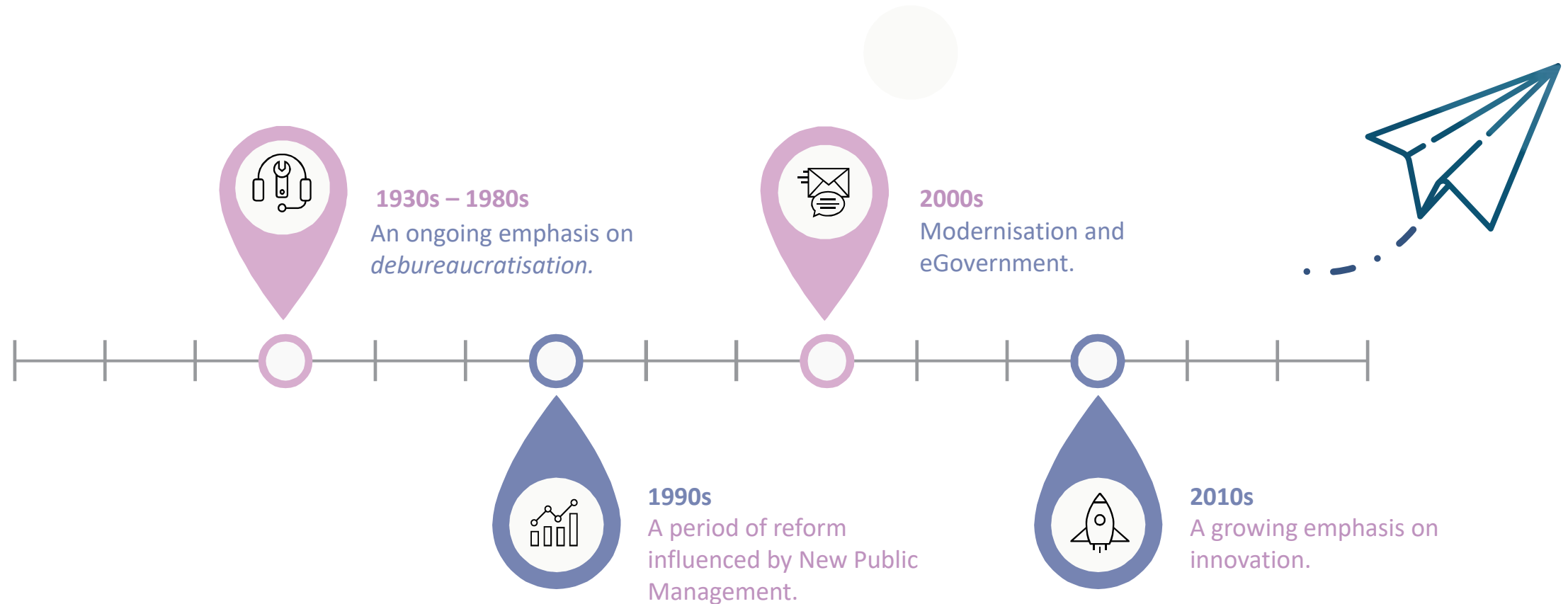




03

HOW WAS THE  
CURRENT STATE  
ARRIVED AT?

# THE INNOVATION JOURNEY



A look at the history of the developments and milestones that shaped the public sector innovation can provide a sense of the rhythms of reform over time, as well as the underlying patterns and recurring issues. The report identified four major periods of reform relevant to public sector innovation.

# INNOVATION IN PRACTICE: BOLSA FAMILIA – ONGOING INNOVATION



*The historical innovation journey of the Public Service of Brazil reveals many cases of innovation, some of which have a track record of ongoing innovation and improvement.*

*Bolsa Familia was launched in 2003 as a bundle of conditional cash transfer programmes designed to address issues such as improving food security, reducing the impact of rising prices of gas and providing access to education.*

*The mission of Bolsa Familia was in itself innovative, as conditional cash transfer was a fairly unused and untested concept both in Brazil and elsewhere.*

*This success has not come easily. The organisation was given the mandate to assist families in need; however, Brazil lacked certain enabling conditions necessary for Bolsa Familia to succeed unless it took significant action. This need sparked a number of innovations.*

*Bolsa Familia has demonstrated considerable results and impacts over its storied 16 years of existence. It is responsible for eliminating extreme poverty and providing broad access to health and education.*

*It is unlikely that its efforts would have succeeded without the organisation's focus on innovation and its ability to react to external pressures in an agile way. Programme officials also cite the importance of high-level political support, dedicated and passionate civil servants, and the ability to demonstrate tangible results as key factors in its success.*

# PATTERNS AND TRENDS



## A LEGALISTIC SYSTEM

Change initiatives are consistently set out in laws or in Presidential Decrees, rather than in policies or soft agendas.

## A STRONG EMPHASIS ON CONTROLS AND CORRUPTION

Control mechanisms can have an uneasy relationship with innovation. While an audit or evaluation often makes comparisons against a standard or an ideal benchmark, innovation represents novelty, and therefore may have no comparable benchmark.

## A RECURRENT FOCUS ON DEBUREAUCRATISATION

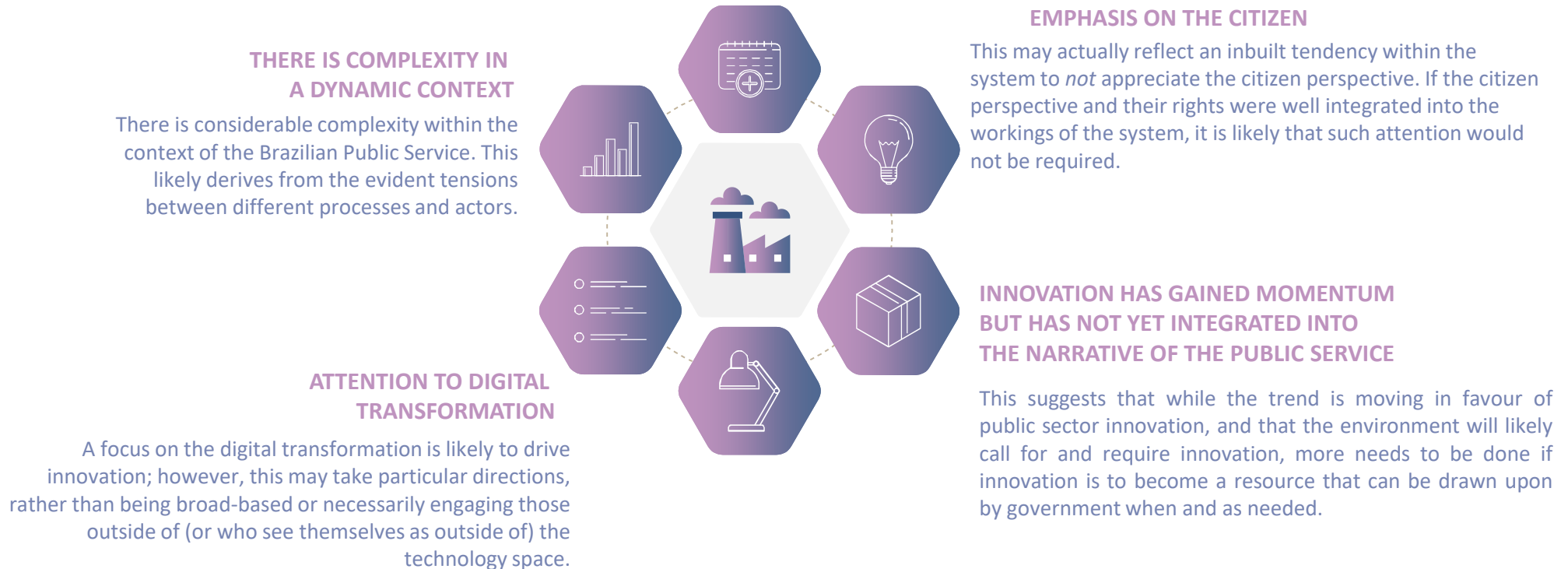
Attempts to articulate the relationship between *debureaucratization* and innovation have begun only recently, thus it is still unclear to what extent the agendas are complementary.



## A FOCUS ON SOCIAL CONTROL AN CITIZEN PARTICIPATION

Such a trend is likely to be conducive to creating a climate and desire for innovation. However, this focus does not necessarily imply a high degree of competence from such actors; instead it implies that the natural tendencies of the broader system are deficient

# PATTERNS AND TRENDS





# IMPLICATIONS OF THE HISTORICAL JOURNEY

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Implications of the historical journey of public sector innovation for Brazil include:

- While interest in innovation has persisted for some time, increasing recognition of the value and necessity of innovation, and subsequently more effort and experimentation to support innovation, is a relatively recent phenomenon.
  - Innovation cannot be simply mandated. While directives that emphasize innovation are likely to be helpful, the evidence thus far suggests that they are inadequate to inculcate a deep practice of innovation.
  - Likewise, to make substantial progress on innovation, a focus on legal instruments is probably going to be necessary but insufficient. The journey thus far suggests that more is needed. Repeated attempts at laws and decrees on similar topics suggest only a partial ability to achieve systemic change within Brazil's public sector.
  - The strong bureaucratic elements of the Brazilian context, matched with a strong institutional leaning towards control, suggests that innovation is likely going to need embedded structural support to counter the default biases within the system.
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# IMPLICATIONS OF THE HISTORICAL JOURNEY CONTINUED

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- Existing tendencies and strengths, such as emphasis on the citizen and social control and participation, while not necessarily always successful, are likely to be conducive to innovation and can be leveraged for any systemic innovation agenda.
  - The successes within the digital transformation agenda and the transparency agenda may provide a model for engendering a more supportive environment for public sector innovation. However, these need to be assessed in the light of lived experience and consideration of whether the same structural forces are at play in relation to both the digital agenda and innovation.
  - Similar to the reform journey, the innovation journey is ongoing, with no single “answer” but rather a continuing series of steps. Each step will provide new insights and lessons about what works and what does not, as well as unexpected or unforeseen developments. The journey also takes place in a shifting context, as political aims and expectations of the public sector change, sometimes abruptly. What is needed and sought from the public sector innovation system has and will continually change.
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# A HISTORY WITH INNOVATION IS NOT ENOUGH

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Brazil has made increasing efforts to promote public sector innovation in recent years. It was one of the first countries to establish a national public sector innovation award, and has numerous innovative projects and initiatives that can be learnt from. The country has had a long preoccupation with ‘**debureaucratisation**’ and reform efforts, and has experimented with new forms of citizen engagement and societal oversight of government activity. It has developed innovation labs and trained public servants in new methods. It is also pursuing a digital transformation agenda that could help unlock considerable innovation. Despite all of these commendable efforts, however, this report finds that progress to date has not been sufficient.

“**Debureaucratisation**” an umbrella term that captures reform efforts aimed at simplification and streamlining of government operations, sometimes incorporating decentralisation, with the implication of improvement.



04

A MORE SOPHISTICATED  
APPROACH IS REQUIRED

# AN INSTITUTIONAL SHORTFALL



*If innovation is already occurring in the system, as evidenced by numerous examples of public sector innovation recognised through innovation awards, then why might there not be enough innovation occurring to meet current requirements? There are a range of default settings and inherent biases that exist within the public sector, which can constrain any reform or innovation agenda.*

01

## STABILITY & DEPENDABILITY

*The public sector has a responsibility to be reliable. Accordingly, the public sector often (but not always) needs to be relatively cautious when introducing changes, innovative or otherwise.*

02

## RISK AVERSION

*Societal safeguards require democratic governance systems to have accountability, audit and transparency measure to ensure the proper workings of government. These tend to draw attention to failures, often leading to risk aversion.*

03

## FEEDBACK LOOPS

*Public sector feedback loops tend to focus on avoiding the negative. Positive results are often simply expected, whereas negative results become embedded in the institutional memory as lessons to avoid.*

04

## ORGANISATIONAL DIVISIONS

*The feedback loops tend to entrench a focus on explicit accountabilities. Many situations where innovation might be required or desired fall into the “white space” between organisations, where ownership and responsibilities are unclear.*

05

## COMPLEXITY OF CHALLENGES

*The “white space” is a consequence of the fundamental complexity of many of the issues dealt with by the public sector. These challenges often require sustained investment, deep understanding, a developed ecosystem of partners and a range of interventions over time.*

# INNOVATION IS DIFFICULT



*Public sector innovation is inherently difficult, because of some of the innate characteristic of innovation as a process and activity. Innovation is:*

01

## CHALLENGING THE STATUS QUO

*Innovation involves challenging the status quo, and all the associated existing procedures, interests and investments.*

02

## CONTINUALLY CHANGING

*Public sector innovation is continually changing, as what constitutes innovation shifts, builds upon and transcends what has gone before, and thus always involves new challenges.*

03

## MULTI-FACETED & MULTI-NATURED

*Public sector innovation is multi-faceted and multi-natured, involving different purposes, different processes, different skills and different mind-sets.*

04

## UNCERTAIN

*Public sector innovation is uncertain, as it is something that has not been done before in that context and therefore carries no guarantees as to whether it will succeed, for how long or to what extent.*

05

## UNPREDICTABLE

*Introduces change that will often instigate or require further change or adaptation, and is thus uncontrollable and, as such, is in tension with hierarchical and bureaucratic structures.*

06

## BOTH IMMEDIATE AND LONG-LASTING

*Public sector innovation has immediate impacts and long-term effects, which may differ completely and be hard to assess, as previous measurements were, by definition, developed for a pre-existing state of affairs. Innovation is thus difficult to cost or value.*

# DIGITAL TRANSFORMATION OF THE SERVICES OFFERED BY THE PUBLIC SERVICE OF BRAZIL



*Innovation is occurring within the Public Service of Brazil, but it is rarely happening at a systemic level, being more often driven by individual or organisational concerns. Even where it is occurring at a systemic level, such as with digital transformation, it has required very particular preconditions, preconditions that are unlikely to be available for other contexts.*

- **A clear mandate** – in this case in the form of the Digital Citizenship Platform and a range of other digital transformation measures across government.
- **Available resources** – in that agencies are not bearing the full cost of the digital transformation process themselves.
- **Available expertise and support** – in the form of a team at Secretariat of Information and Communication technologies with the necessary skills to help service owners navigate the digitisation process and think through the different tools and options available to them.
- **A clear sense of benefit** – in that agencies and relevant stakeholders can readily see the value offered by digitisation.
- **A low level of contestability** or potential for controversy – in that the benefits of digitisation are clear and are not likely to receive significant scrutiny, as it is something understood as a clear public good.

This case highlights the digital transformation work across the Brazilian government, and demonstrates the specific enabling conditions that helped it become a system-level innovation process.





# A DELIBERATE, SYSTEMIC APPROACH IS REQUIRED

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Without a deliberate and systemic approach to public sector innovation, the institutional biases and inherent difficulty of innovation will mean that innovation only occurs when there are windows of opportunity – i.e. when individuals make exceptional efforts, when there are crises or political commitments that demand novel responses, or when there are clear mandates for specific functions. That is not sufficient in a context of ongoing significant change, where novel responses are routinely required.

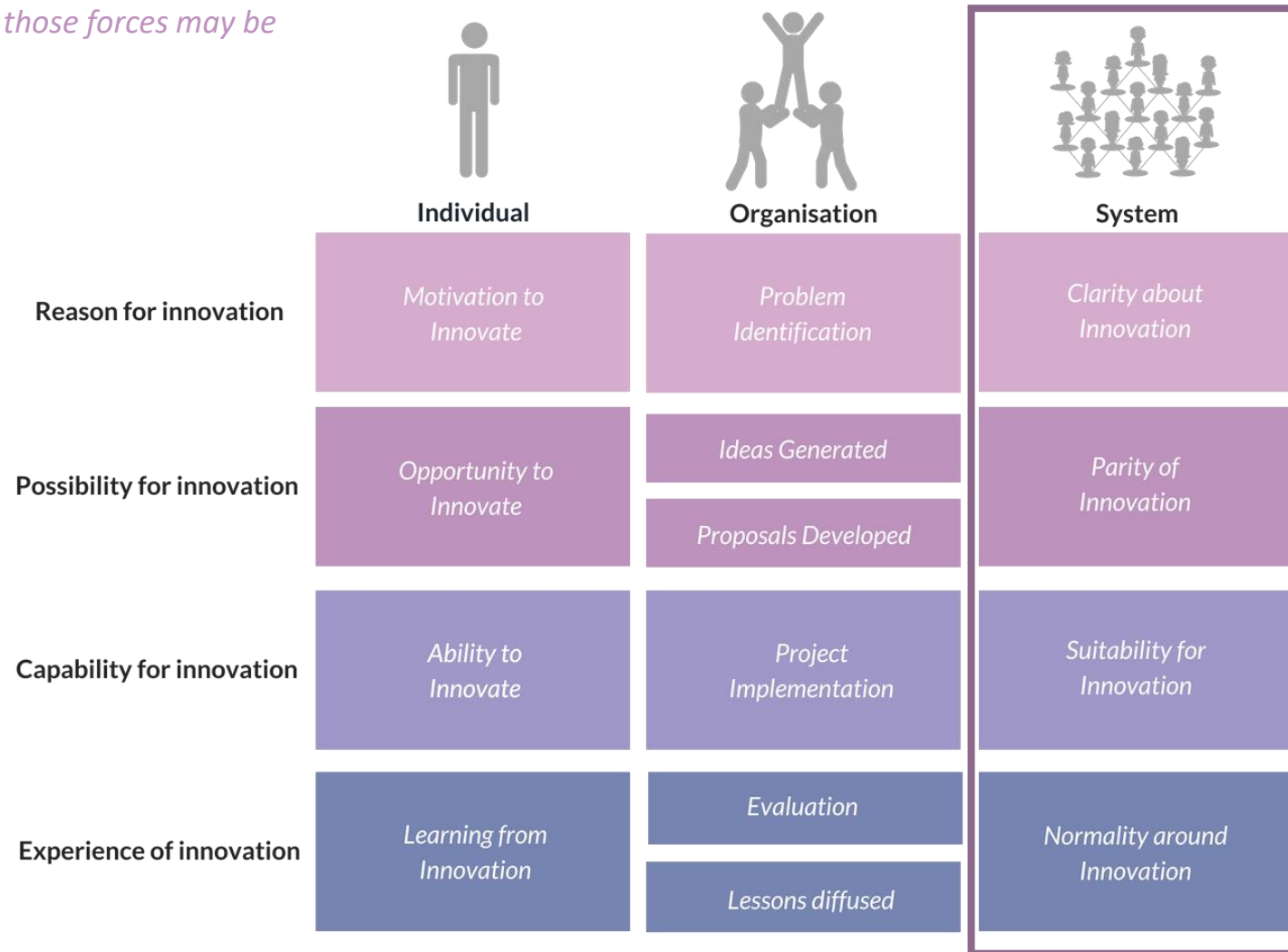
A deliberate and systemic approach is thus needed. This involves the following:

- Clarity – ensuring there is a clear signal for public servants and stakeholders about innovation, what it is, why it matters and how it fits with other priorities
  - Parity – giving innovation equal weight in decision making to counter the bias towards established courses of action
  - Suitability – ensuring that investment and support do not flow only to established practices, and that new options are cultivated before old ones cease to be suitable
  - Normality – aiming to make innovation part of day-to-day practice, rather than being seen as a side-project, unrelated to core business
  - A mixed portfolio – ensuring a mix of innovation-based activities to cater for a range of possible needs and circumstances
  - Stewardship – taking a whole-of-system view to ensure diverse innovation activity supports a coherent public sector rather than its fragmenting.
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*This “determinants model” provides a framework for understanding the forces that shape whether and to what extent innovation occurs and, in turn, how those forces may be influenced.*

# DETERMINANTS MODEL



*Without support at the system level, the focus of innovation will either be at the organisational level (where it will naturally focus on siloed rather than collective responsibilities) or the individual level (which will require exceptional efforts from individuals, and thus not be routine).*



# Unpacking the determinants at the system level

Characteristic of innovation	What this implies for the systemic support of innovation	Illustration of the determinant in a crisis situation (e.g. responding to a humanitarian disaster)	How each determinant builds upon the previous one
<b>Innovation is ambiguous and uncertain</b> Innovation is inherently unclear, and so, all other things being equal, it will come second to any other agenda that is more clearly understood, communicated or measurable.	<b>Clarity</b> Additional clarity is required in order to help innovation be seen as a priority. This clarity needs to cover the role, importance and purpose of innovation, and how innovation fits with everything else.	In a crisis there is a clear understanding that things must change quickly, an associated expectation that all the relevant players will play a role in whatever way they can, and consensus that responding is necessary or unavoidable.	If there is a clear sense of why innovation matters, it is more likely innovation will be given equal attention and consideration when deciding how to proceed.
<b>Innovation is counter to the status-quo</b> Innovation is new and so, all other things being equal, it will be at a disadvantage in bureaucratic decision making processes that will favour what is known and has already been invested in.	<b>Parity</b> Innovative options need to be given extra weighting in decision making in order to discount or mitigate the bias towards status quo options that have already benefited from investment, time and learning.	In a crisis the status quo is unacceptable, and therefore existing options are unlikely to seem the best or most appropriate. New ideas are welcomed, as long as they help meet the present need, and senior leaders prioritise responses.	If innovation is given equal attention and consideration as status quo options, then investments and allocations of resources and priorities are more likely to be oriented towards future needs, and underlying systems will be better suited to new possibilities.
<b>Innovation requires new capabilities</b> Innovation is about doing new things or doing things in new ways and so, all other things being equal, it will not be as well supported by core operations as existing activities.	<b>Suitability</b> The bias of core operating systems towards existing practices needs to be counterbalanced if new capabilities are to be explored, tested and developed before they potentially become the new core operating systems.	In a crisis existing separations of responsibilities may be blurred as resources, people, skills and capabilities are brought in from across the system and new methods tried, as it is acknowledged that existing ones may not be sufficient.	If underlying systems are better suited to new possibilities, the realisation and enactment of new possibilities will not be deemed as unusual or as costly, and innovation will be more easily integrated into core practices.
<b>Innovation is unusual</b> Innovation is unlike current practice and so, all other things being equal, it will not be considered normal, unlike the things that are already underway.	<b>Normality</b> Innovation must be actively integrated and linked with core business in order to overcome the default normality of the existing culture and associated behaviours and practices relating to current ways of doing things.	In a crisis many habitual and formal processes and expectations are weakened or abandoned, as reliance on them in the face of a disaster is likely to run counter to need. Mistakes are tolerated and even defended as long as they are appropriate to the context.	If innovation is integrated into core practices, then it is likely that there will be a much greater understanding of innovation, why it is important and how it can contribute.s

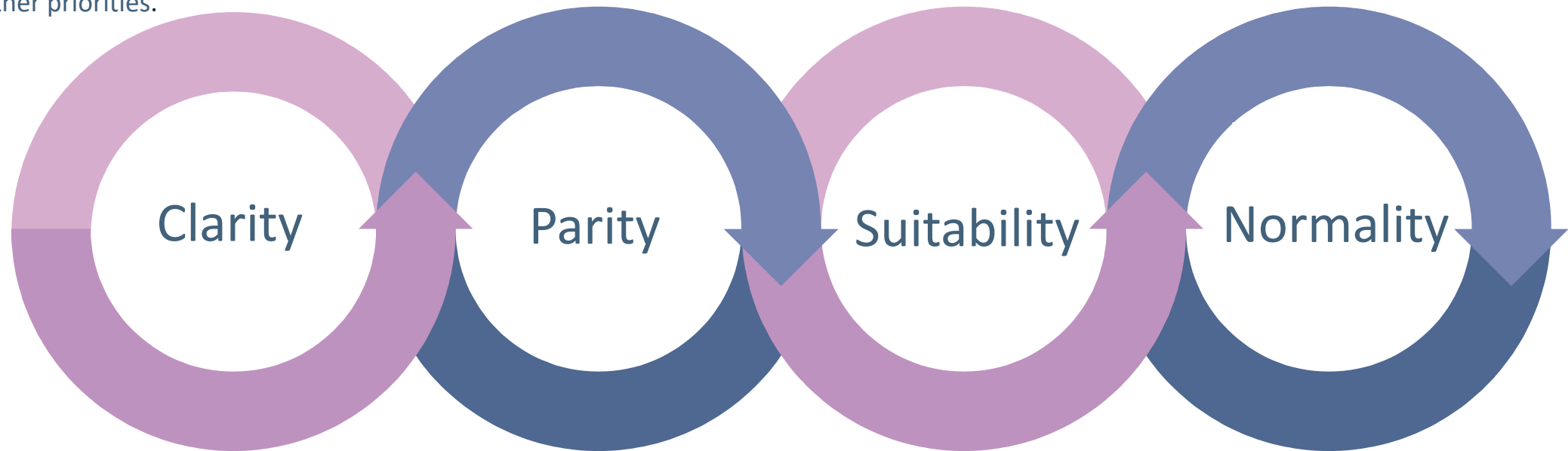
# WHAT THE DETERMINANTS LOOK LIKE AT THE SYSTEM LEVEL

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Ensuring there is a clear signal for public servants and stakeholders about innovation, what it is, why it matters and how it fits with other priorities.

Ensuring that investment and support do not flow only to established practices, and that new options are cultivated before old ones cease to be suitable.



Giving innovation equal weight in decision making to counter the bias towards established courses of action.

Aiming to make innovation part of day-to-day practice, rather than being seen as a side-project, unrelated to core business.

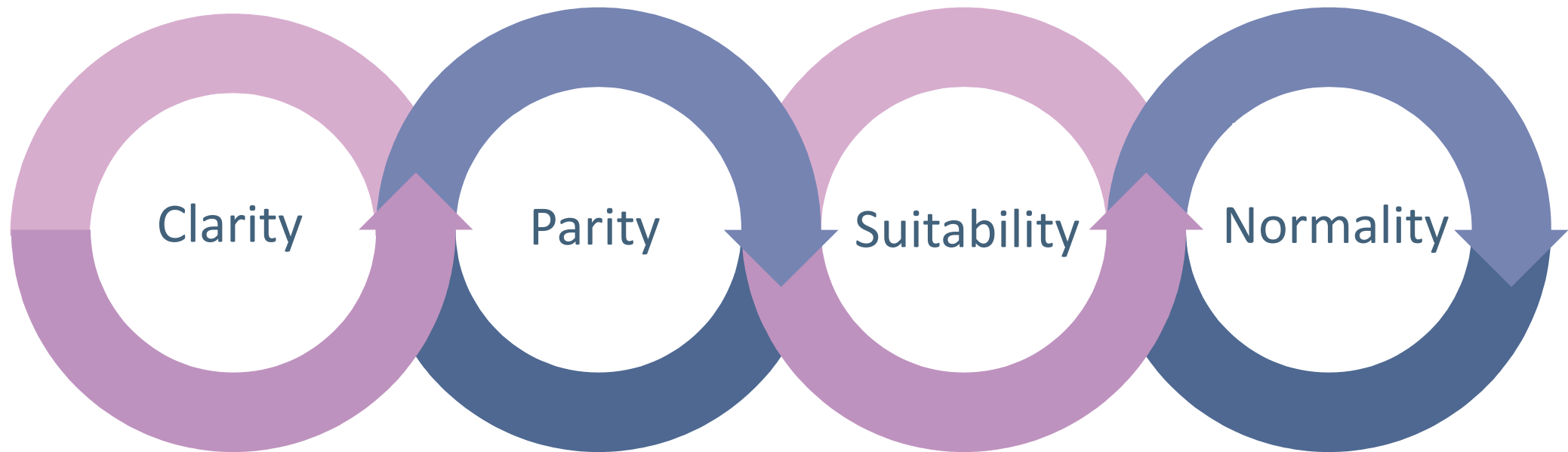
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# IN BRAZIL...



*"Because for a very simple public servant in general, they don't believe they can be innovative. They think innovation is just for, you know, very creative brilliant people, the smartest."*

*"This is not in our culture. To experiment. To experience. If you invest, it has to work. It's not allowed to fail."*



*"Usually, doing nothing is more secure than doing something."*

*"I think the person who is doing innovation in general is well regarded. The problem is when it affects the person and then get reaction, but the reaction I think is mostly against the innovation, specifically not the person who is trying to lead the change."*

Source: Interviews

# INNOVATION IN PRACTICE: GNOVA INNOVATION LAB



*GNova was one of the first public sector innovation labs to be created in the Brazilian federal government.*

*The lab is the result of a partnership in 2016 between the National School of Public Administration (ENAP), the then Ministry of Planning, Development and Management (MP) and the Danish government to create a space for developing solutions with less bureaucracy and more efficiency for public services.*

*The lab's strategy includes exploring new technologies, trends and methods for public sector innovation; experimenting with those methods through projects with other government institutions; and registering, organising and disseminating the knowledge generated through exploration and experimentation.*

*The lab promotes a vision of innovation as a systemic and transformative practice in the public sector.*



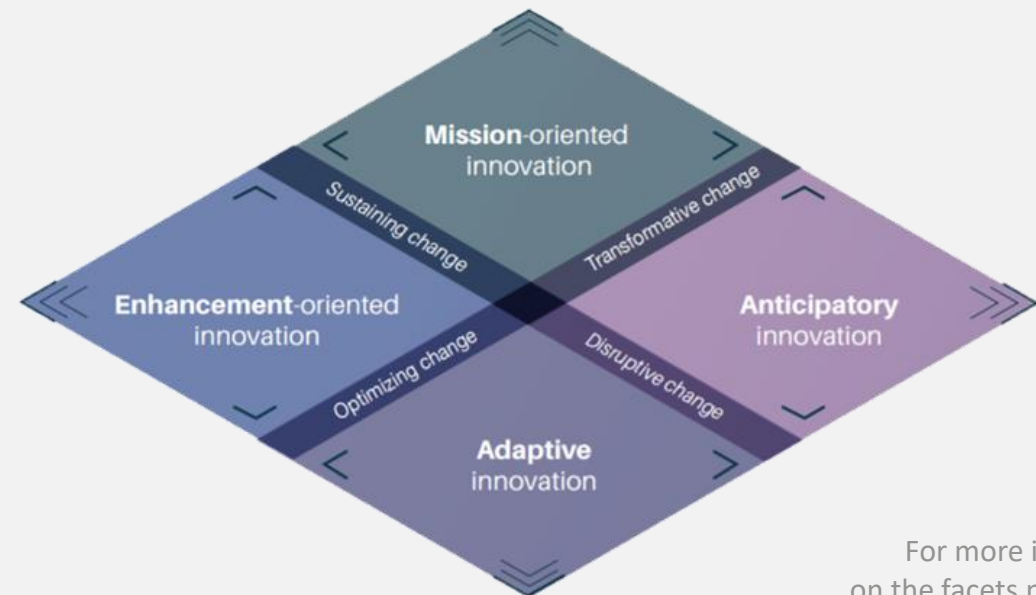
# AN INITIAL VIEW: THE BRAZILIAN PORTFOLIO



Innovation is one word used to describe a range of different things. The **innovation facets model** has been developed by OPSI to explain and explore the different facets of innovation activity.

The model was developed at the same time as the study was underway in Brazil, and was therefore **not used as a formal analytical device**. Nonetheless, by drawing on the observed cases and insights into the underlying system dynamics at play within the context of the Public Service of Brazil, some limited observations about the existing portfolio of innovation activity can be made, as a prompt for further conversation and investigation by system actors:

- Risk aversion is pushing innovation activity towards areas where there is less contestability – for example, where there is a clear case that the innovation offers improvement over the status quo (e.g. digitisation/digital transformation) or where there is a high degree of technical knowledge or expertise (e.g. investigation of the application of Artificial Intelligence or Blockchain technology).
- Much of the innovation activity occurring is currently being driven by individual efforts. As such, most of the innovative initiatives that result will be in response to specific pain points or issues, and are therefore likely to be closely linked to efficiency and getting existing things to work better (**enhancement-oriented innovation**), a reaction to cases where on-the-ground experience indicates that things are not working as hoped (**adaptive innovation**).
- Where organisational mandates and delineated responsibilities are clear and organisations have a degree of innovation maturity, there are cases of contained **mission-oriented innovation** (e.g. the work of the electoral court or activity around digital transformation).
- Little activity was observed within the **anticipatory innovation** space, although this may be due to other reasons, such as the challenge of identifying such activity, or because such activity may be cloaked so as not to draw unnecessary attention which might lead to efforts being stopped or otherwise reduced.



For more information on the facets model [click here](#)



# A NEED FOR SYSTEM STEWARDSHIP

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There is inherent uncertainty about the optimal or desirable quantity or quality of innovation. This points to the need for ongoing stewardship of the public sector innovation system. If there is not inherently optimal amount or type of innovation, the system cannot self-optimize to provide the right amount of innovation in the right forms. It requires ongoing active stewardship.

Stewardship of some form or another is likely needed on a range of fronts:

- **The fragmentary nature of innovation.** As innovation is a context-driven activity, it will tend to pull in different directions. For instance, an innovation in one city might look different to an innovation in another city, because of the different specificities of their contexts. Over time, this tendency can fragment the broader regional or national system. While a range of processes (e.g. standardization, budget processes, etc.) have traditionally reconciled this tendency of divergence, as the rate of innovation increases, it is likely that a more concerted approach may be necessary.
  - **Whether the mix of activity being undertaken is appropriate,** all other things being equal. Structural drivers and characteristics within the system are likely to push innovation activity in certain directions by default, which may not best serve the overall needs.
  - **Harvesting and reflecting on core lessons.** As different experiments and innovative attempts occur across the system in different contexts, those involved will learn much about how to support innovation to obtain better outcomes. However, these lessons are unlikely to translate easily between different organisations and settings, and the implications might not be easily understood when viewed from the perspective of a specific context. Stewardship can assist in pooling and distilling the importance of those lessons.
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05

## LIMITS OF THE CURRENT SYSTEM

# BRAZIL: LESSONS FROM THE LIVED EXPERIENCE

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The lived experience of innovative activity in the Public Service of Brazil provides a number of insights:

- Much of the innovative activity occurring is driven by individual or organizational perspectives, rather than systemic ones.
  - The innovation determinants model provides a helpful framework for understanding the tensions and issues within the system.
  - There appears to be a lack of clarity, parity, suitability and normality in regards to innovation, which is contributing to a lack of systemic innovation activity.
  - The current structure of the system is driving innovative activity in particular directions, namely towards more incremental and uncontroversial innovation, despite a likely need for exploration and experimentation with other forms of innovation activity in order to meet existing, evolving and emerging needs.
  - Existing stewardship of the system is not readily recognized or seen as official.
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# APPRAISING EXISTING INTERVENTIONS

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1

## CLARITY

Are existing initiatives helping to provide a clear signal for system actors with regard to innovation and how it fits with other priorities?

2

## PARITY

Are existing initiatives helping to ensure that system actors give equal weight to innovation options as they do to existing or traditional course of action?

3

## SUITABILITY

Are existing initiatives contributing to ongoing renewal and investment such that core government capabilities, systems and infrastructure are suitable for emerging options and opportunities?

4

## NORMALITY


Are existing initiatives helping to ensure that innovation is seen as an integral part of the identity and activity of the Public Service of Brazil?

5

## STEWARDSHIP

Are existing initiatives contributing to the development of stewardship of the public sector innovation system?

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Issue	Appraisal 
<b>Clarity</b>	<p>The Public Service of Brazil operates in an environment with a relatively high-level of background ambiguity and competing signals for public servants. The legalistic setting provides a multi-layered context where it is not always easy to understand how overlapping laws and decrees complement or conflict with each other.</p> <p>Given what has been observed of initiatives most likely to relate to clarity about innovation within the public sector, it is questionable whether enough is being done to produce a rigorous and ubiquitous sense of why innovation matters, what is expected of public servants (or others) when it comes to public sector innovation, and how innovation is a core part of the identity of Brazilian public servants.</p>
<b>Parity</b>	<p>There are a number of structural and default settings in any public service that provide a degree of inertia for existing initiatives and practices and a degree of inbuilt resistance to innovative approaches. This makes it hard for innovation to get an “equal seat at the table” when it comes to decision-making prioritisation and resources.</p> <p>In the context of the Public Service of Brazil, it is clear that there is ongoing action that will help to address this. However, it is less certain that this action is sufficiently structured, formalised or embedded to counter the inertia within the system.</p>
<b>Suitability</b>	<p>If the Public Service of Brazil is going to take advantage of new opportunities and be prepared for shifts in how it might need to operate, then it will need to build on work already underway to gain better information about how its services are being used. A number of opportunities are open to the Public Service of Brazil to engage with the changing world, to learn about what might be possible and what this might mean, and to prepare to take advantage of new options.</p>
<b>Normality</b>	<p>Considerable activity is taking place to help ensure innovation is seen as a more normal part of the operations of the Public Service of Brazil, underlining the importance of the “normality” determinant in the Brazilian context. However, further work is likely to be needed to help innovation feel “normal”.</p>
<b>Stewardship</b>	<p>The Public Service of Brazil should be recognised for the progress it has made in its efforts to ensure the application of a more sophisticated and mature approach to innovation, in aid of delivering better results and outcomes.</p> <p>Nevertheless, given the clear need for a more deliberate, strategic and reliable public sector innovation system, it is not yet clear from the interventions already put in place that enough is being done to achieve what is wanted and needed. While existing interventions will likely continue to develop and settle over time, there would appear to be some missing gaps where supplementary efforts are required.</p>



# A DELIBERATE & SYSTEMIC APPROACH TO INNOVATION

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An ongoing deliberate and systemic approach is needed for innovation to ensure that suitable innovative responses can be generated as and when needed, despite any inherent defaults within the public sector that can, rightly, push against or inhibit innovative activity. Such a deliberate approach needs to answer three questions:

- Is innovation occurring to the extend needed?
  - Is the innovation likely to provide the right mix of options and choices for the context?
  - Is some form of stewardship present to ensure that the innovation system delivers as hoped?
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06

SCENARIOS TO TEST  
ASSUMPTIONS ABOUT THE  
FUTURE



# SCENARIOS



*It is difficult to state exactly what might be needed, given that the system will continue to evolve and change. In order to advise on what should happen next, it is necessary to have an appreciation of the system dynamics – not just how the system has evolved up until now, and the actions taking place today, but also how the system may change over time. In order to decide what should be done now, assumptions about the future, and the system dynamics need to be tested.*

*The report contains three scenarios to illustrate how the system dynamics might play out under different settings. The scenarios provided in the report are intended to test and expose underlying assumptions about how the system. They are not intended to prescribe or advocate a particular path or to suggest that any of these scenarios are likely futures.*



## ZERO SCENARIO

Building on the elements described in a critical analysis, the Zero Scenario assumes that the system will continue “as is”, in the absence of any concerted effort to better embed or integrate public sector innovation as an agenda or function.




## SCENARIO ONE

Scenario One expands upon the elements in place and takes them further. Innovation receives more attention than it does under Scenario Zero, but not to the extent that it is radically prioritised.



## SCENARIO TWO

Scenario Two envisions an abrupt break with the current state of affairs, where public sector innovation is elevated to centre stage in the public administration, supported by a belief that innovation will be essential in addressing the majority of policy and service delivery demands.

Implications of Zero Scenario	Implications of Scenario One	Implications of Scenario Two 
<ul style="list-style-type: none"> <li>• Legislation and decrees are likely to be a necessary but insufficient tool for long-term cultural change.</li> <li>• Current “buy-in” to the innovation agenda is relatively weak, therefore maintaining engagement if and when settings more hostile to innovation arise may be optimistic. Support for innovation may dissipate outside of isolated areas where there is a sufficiently clear mandate and need for innovation</li> <li>• Exploration of new business models and experimentation for big shifts is limited and may leave the Public Service of Brazil at risk of being caught out by unanticipated shifts in expectations or needs.</li> <li>• An articulated agenda around innovation would be beneficial in helping public servants assess how innovation fits with any other stated agendas of government.</li> <li>• The risk environment means that innovation is unlikely to be normalised without some investigation of how it fits with existing processes, working methods and behaviours, including in relation to procurement and compliance issues.</li> <li>• The digital transformation will generate a lot of data about existing needs and issues. This may need to be complemented with “thick” qualitative data about emerging needs and unstated concerns shaping the upcoming or evolving expectations of government.</li> </ul>	<ul style="list-style-type: none"> <li>• As the level of innovation activity and support increases, the tensions with existing performance management and reporting will become clearer. For instance, demand may increase for developmental evaluation, which is more suited to dynamic, high-learning processes, than traditional post-hoc evaluations and reviews that presuppose a knowable preferred outcome.</li> <li>• Competency in innovation, whether at an individual, team or organisational level, is not the same as integrating innovative activity into core structures and processes, which involves adjusting some fundamental elements of the Public Service as an institution, such as planning, budgeting, management, reporting and compliance.</li> <li>• As innovation becomes more common, and more projects potentially interact with each other, the ramifications for the broader Public Service and its operations will require more active contemplation. The aggregation and interplay of differing innovations will have unexpected consequences that will require monitoring, management or mitigation.</li> <li>• Competence in innovation will likely vary significantly across the Public Service, with some areas achieving greater sophistication than others. However, citizen and government expectations are unlikely to include a nuanced appreciation of varying capabilities.</li> <li>• Governance of the public sector innovation system will need to prepare for crises requiring innovative responses, as well as potential push-back where innovation is felt to have surpassed citizen or government needs or expectations.</li> </ul>	<ul style="list-style-type: none"> <li>• The core systems of government are often going to be slower to adapt than those at the edge. Accordingly, there is an ongoing risk that the overarching implications of individual innovations will be missed.</li> <li>• Governance and stewardship of the public sector innovation system will have to incorporate processes for deliberating over and managing competing visions of the future that underpin differing innovations. Experimentation and congruence will be in tension, and the centre will need to monitor this situation.</li> <li>• Individual innovations, either externally generated or internally created, will sometimes require radical rethinking of how government works. However, as these initiatives or projects will often emerge from line areas focused on specific contexts rather than the whole system, support for such radical rethinking will often need to come from elsewhere, including the centre.</li> <li>• Maintaining engagement in the agenda will be challenging, particularly in the context of individual project failures or sub-optimal results, even when these are a necessary part of the portfolio learning required to make progress.</li> </ul>



# 07

WHAT MIGHT BE DONE TO  
ACHIEVE A DELIBERATE &  
SYSTEMIC APPROACH TO  
INNOVATION?



# ACKNOWLEDGING WHAT HAS BEEN ACHIEVED

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Before looking at the opportunities for improvement, it is worth recognizing that those possibilities build on what has been achieved so far. This report should be read as both a call for action *and* as an affirmation of the efforts to date to promote and pursue public sector innovation as a means to improving the public sector.

## Some key highlights of existing achievements:

1. **Innovation awards:** the awards provide a rich source of insight into innovation in Brazil. They underscore the value and importance of public sector innovation in delivering on the work of the public service, and function as an inspiration for others of what can be done.
  2. **Establishment of InovaGov, iNights and Innovation Week:** these initiatives have proven to be an important mechanism for helping to socialise innovation and connecting and empowering individuals and others across the system.
  3. **Collaboration between the major actors:** there is already a track record of collaboration between many of the major players within the system. By pooling efforts, they are helping to identify potential barriers, leveraging opportunities and working together to strengthen the innovation capacity of the public sector.
  4. **Innovation labs:** the various labs across the system have provided an important platform for testing new approaches and new thinking, exploring different ways of working, and building innovation sophistication and practice.
  5. **Digital transformation agenda:** the digital transformation has played an important role in highlighting the value that innovation can bring, as well as providing a model for the public sector of how system-level transformation can occur.
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# INOVAGOV PUBLIC SECTOR INNOVATION MANIFESTO



“We are a group of innovators from diverse sectors of society (public, private, academic and third sector) that works for the continuous improvement of public services. We have the following principles to guide our actions:

1. **Impact:** we innovate to improve people's lives and positively impact society.
2. **Focus on people:** the users and beneficiaries of services are key to building and redesigning policies, programs and services, based on their wants and needs.
3. **Connection:** We encourage the building of partnerships and the co-creation of solutions by agents from different sectors. We believe that innovation must happen in a network.
4. **Agility:** We understand that small short-term deliveries add value and valuable learning to new steps.
5. **Experimentation:** We value prototyping, experimentation and measurement of results. We recognize our right to fail and the obligation to learn from our mistakes.
6. **Collaboration:** We share our experiences of successes and failures to learn together. We will seek to share people, tools, systems and other ways to solve public challenges.
7. Finally ... we believe that innovation only exists if our ideas and intentions are transformed into action and results for citizens!”

Source: InovaGov, <http://inova.gov.br/quem-somos>.



# KEY AREAS OF OPPORTUNITY

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The report does not make recommendations – the innovation journey will continually alter depending on context, needs and ambitions. Instead it outlines a number of key areas of opportunity. The following are the suggested priority areas of action for the Brazilian public sector innovation system.

## Actions for the whole-of-system

1. Establish an **explicit agenda** for public sector innovation.
2. Identify and strengthen **structural drivers for innovation** that help to ensure that the downsides and risks of innovation are balanced with the costs of not exploring new alternatives.
3. Establish an explicit **responsibility for stewardship** of the public sector innovation system.

## Actions for central actors as a group

4. Identify and articulate the roles of each of the **major players in regard to the public sector innovation** system and its functioning.

## Actions for the Ministry of Economy

5. Articulate the links, overlaps and distinctions between the **digital transformation and public sector innovation**, in order to help clarify the dependencies and differences between the agendas.
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# KEY AREAS OF OPPORTUNITY

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## Actions for control bodies

6. Explicitly identify how control processes such as **audit and risk management** can support a focus on innovation.

## Actions for ENAP (School of Public Administration)

7. On behalf of InovaGov, **partner with relevant actors across the ecosystem** to develop an annual high-level commentary and sets of observations on the performance of the public sector innovation system at Innovation Week.

## Actions for other individual agencies as system actors

8. **Identify where innovation is needed** in their operations or remits, and publicise their innovation priorities.

The full list of identified key areas of opportunity are detailed in Chapter 7 of the report.

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### Further information:

The full report, *The Innovation System of the Public Service of Brazil: An exploration of its past, present and future journey* contains more examples and case studies of innovation in the Brazilian public sector, as well as examples and experiences from other countries.

More information about the project, including the report, a highlights document, and a timeline of key developments and milestones in Brazil's innovation journey can be found at <https://www.oecd-opsi.org/projects/country-studies/#Brazil>

A companion report, *Innovation skills and leadership in Brazil's public sector*, can be found on the OECD website.

