

Webwatch

In this issue, Webwatch profiles websites that span a variety of topics, from financial services to technological information delivery.

The new world of data

<http://openspending.org/>

The last two decades have seen an increase in the amount of data produced and our ability to draw meaningful insights from it. Information on government spending and decision-making, however, remains closed to public eyes in many parts of the world. Open spending is a project under the Open Knowledge Foundation that aims to change this. It tracks government expenditure using easy-to-use intuitive visualizations and presents users with detailed information on government budgets. Apart from a wealth of information on government spending around the world, the website also provides free tools to create personalized visualizations and budget apps. This is particularly useful for practitioners looking for tools they can embed into websites or online reports to display infographics and visualizations of their expenditure on development programmes and track finances.

Unconditional cash transfers: is it a way to increase efficiency of charities?

www.theatlantic.com/business/archive/2012/12/can-4-economists-build-the-most-economically-efficient-charity-ever/266510/

In 2008 four graduate students from Harvard and MIT set out to find what would happen if poor households in Kenya were given US\$1,000 over 10 months – money they could spend unconditionally. Three years later their research led to a new charity organization called GiveDirectly that aims to increase the efficiency of donated dollars by transferring them unconditionally to households with minimum overheads. By delegating the decision-making to those who have the most information on what they need the money for, this award-winning charity takes away unnecessary overheads and manages to transfer 92 cents for every dollar donated directly to the client. Some would argue that these households might use this money for unproductive purposes such as alcohol and tobacco; however, initial results show that households do indeed allocate money efficiently to address issues that concern them the most. The organization recently received a grant from Google to expand to other markets outside Kenya. Expansions, however, would have to take into account the lower penetration of mobile money accounts, which is likely to increase transaction costs. This article provides a balanced view on the merits of this model and the challenges it faces in expanding to these new markets. It also lists links that users can follow to access more information on this charity.

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Technology-based services, not products

<http://blogs.worldbank.org/psd/bring-in-the-tech-nerds-to-help-expand-financial-inclusion>

Technology can create products that are customized to the needs of the poor or it can create leaps that completely change how the poor (and everyone) interact with financial institutions. In this blog post, Ignacio Mas makes a case for the latter. He argues that the first case relies on development workers who are often under-skilled to choose from the different technology products on offer to find the one that suits the needs of their clients the most. This model often takes the choice away from those who hold the most information to make that choice. The goal should instead be on creating technological services that allow the poor to make better choices. While mobile banking is a start, we need to do more to overhaul the way banks interact with their clients: a move away from the traditional model to one that is similar to companies such as Amazon, which rely on enabling consumers to make the right choices themselves. At the institutional level, technology would allow banks and MFIs to sift through client information to create actionable insights rather than product choices that they need to offload on clients.

The resurgence of the post office

<http://blogs.worldbank.org/psd/turning-the-post-office-into-a-force-for-financial-inclusion>

Many had numbered its days since the first email was ever sent; but in several developing countries, the post office has redefined its role to prove them wrong. The past decade has seen several innovative programmes that have reinvented post offices as financial institutions. Recent data even suggests that post offices do a better job of reaching out to those at the bottom of the pyramid than most other financial institutions. Post offices in most countries reach out to remote regions that often do not have a high degree of financial penetration. People also tend to have enough trust in post offices to consider them a safe option for financial transactions. This ability to reach those most in need coupled with the need to find itself a new purpose (given the vanishing market for physical post) can create a win-win situation for post offices and poor clients, particularly in developing countries. This article lists some of the successful post office-led initiatives from around the world, and provides further references for anyone interested in the potential of the post office as a financial service provider to those at the bottom of the pyramid.

A new resource for development sector professionals

www.guardian.co.uk/global-development-professionals-network

The internet generates an enormous and often dizzying amount of content relevant to development. However, very few websites aggregate and present information in an easily accessible manner. UK-based newspaper *The Guardian* recently launched a new site that aims to do just this. Funded by the Bill & Melinda Gates Foundation, *The Guardian's* global development professionals network offers a host of resources that cover several aspects of global development. It also offers a space for development sector professionals to share their experiences and network with one another. This well-designed website is a much-needed service that allows those in this sector to stay abreast of the latest developments in their field.

The Evidence Project

<http://microfinanceandworldhunger.org/wordpress/>

Does microfinance really work? The answer to that question is more nuanced today than ever before. The last decade has witnessed an increasing amount of evidence on the impact of microfinance interventions. A lot of which has taken some of the shine away from the initial claims of it being a poverty-killing silver bullet. Despite the healthy dose of scepticism, microfinance still has a place in the arsenal of a development practitioner. In fact, evidence increasingly points towards a critical role for MFIs in helping poor families mitigate risk and smooth consumption. This excellent blog contains evidence-based insights on microfinance and hunger. It is an invaluable resource for anyone seeking to use research to inform the design of microfinance programmes. The author, Chris Dunford, summarizes research from around the world to address several aspects of microfinance and its impact on clients.

Social networks could drive mobile money adoption

www.cgap.org/sites/default/files/social_networks.pdf

Why has mobile money met with limited success elsewhere when it has been so successful in Kenya? This report from CGAP uses an innovative data-mining model to shine the light on some of the key factors affecting take up of mobile money around the world. The results show that the density of mobile money networks (measured by the number of mobile money users who are connected to you) and individual phone usage (measured by the quantity of telecom products used, i.e. SMS, data, electronic top-ups, etc.) have a significant effect on the adoption rates. The importance of mobile money network density is particularly useful in explaining some of the problems that mobile banking operators have faced in countries outside Kenya. It points to the need for a critical mass of users that are required to get the ball rolling in these markets. This finding suggests that operators should perhaps aim to go deeper in certain geographical regions rather than scaling out initially.

FIELD at the Aspen Institute: a resource for microenterprise development

www.usaid.gov/what-we-do/economic-growth-and-trade/microenterprise-development

This website is a useful resource for microenterprise development practitioners around the world. Established in 1998 FIELD focuses on microenterprises in the United States and evaluates new ideas, builds industry infrastructure, and disseminates best practices. The website offers a list of best practice resources geared to practitioners that touch on a variety of issues such as access to markets, enhancing performance, scaling up, and sustainability. FIELD also provides a list of webinars and online learning tools on different aspects of micro entrepreneurship. In addition, FIELD provides an action planning kit for practitioners to address organization change and restructuring. While these resources are developed from FIELD's experience in the US, they hold tremendous value for practitioners interested in transferring best practices.

Measuring results in conflict-affected areas

www.enterprise-development.org/page/download?id=2098

Projects targeting development goals that need private sector involvement in a conflict-affected area require an approach that challenges the assumptions about the results chain that might be made in a non-conflict scenario. The resulting pathways that form the backbones of traditional private sector development (PSD) projects do not hold in an area where institutions have been ravaged by conflict, raising transactional costs. The Donor Committee for Enterprise Development (DCED) has developed a Standard for Results Measurement that has been successfully implemented by several organizations since 2008. This standard, however, has primarily been used in stable contexts. This useful guide provides guidelines for practitioners looking to adopt it for conflict-affected areas. It analyses some of the assumptions for PSD programmes in stable environments to modify them to suit the context of a conflict scenario. This guide is a must-have for anyone looking for tools to implement private sector development programmes in conflict-affected areas.