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Localizing
innovation

President Obama's September 2010 Presidential Policy Directive on Global Development identifies innovation and technology as a key component of the government's efforts to alleviate global poverty. This focus makes sense, given that it draws on the comparative advantage of the U.S. economy.

Of course, the U.S. does not have a monopoly on good ideas. There is a growing recognition that some of the best recent innovations for development have emerged from within the developing world. Innovators there use their proximity to development challenges as an advantage, ensuring that their inventions respond precisely to local needs and are compatible with local behavior, culture and the environment.

In his Madeleine K. Albright Global Development Lecture, U.S. Agency for International Development (USAID) administrator Rajiv Shah articulated his vision for "open source development," in which USAID would serve as a platform connecting the "world's biggest development challenges to development problem solvers all around the world."[25] He noted the vast and expanding expertise that exists outside formal development institutions and the need to leverage these grassroots skills and resources. In addition, he expressed a bold and laudable commitment to finding, supporting and building strong institutions in developing countries, including through much-needed procurement reform. These institutions ultimately guarantee their countries' path to sustainable development and prosperity and thus represent an exit strategy for foreign assistance.

Here we look at two promising attempts to locate and foster innovation in the developing world through the formation of dedicated entities in developing country capitals, both of which were cited at the Brookings Blum Roundtable: Nairobi's iHub and Jakarta's Pulse Lab.

Nairobi's iHub

Nairobi's iHub is a collaborative space designed to nurture and facilitate innovation by young information technology entrepreneurs, Web and mobile phone programmers, designers and researchers. Part open community workspace, part vector for investors and venture capitalists, and part business incubator, the organization has set itself the ambitious mission of spurring "a revolution in the technology, products and services space" in the Kenyan business scene.

Erik Hersman, cofounder of the crowdsourcing Web site Ushahidi, started the iHub in 2010 with financial support from the Omidyar Network and equipment and high-speed Internet service from Nokia, Google and the East African home entertainment operator Wananchi.

The iHub is designed to support a set of activities that it calls the five "Penta Principles": innovation, community, entrepreneurship, business mentorship and research. For example, the iHub allows its members access to conference room space for meetings with venture capitalists, potential seed funders and local businesses; hosts informational technology events, workshops on high-performance computers, hackathons and international video teleconferences for local developers and information technology entrepreneurs; and

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holds prize competitions for the most innovative business ideas. The iHub has its own dedicated research arm to build local research capacity and to conduct its own quantitative and qualitative research in the field of information and communications technologies and development.

Despite being only two years old, the iHub can already boast a number of successes. More than 90 start-up companies—including Kopo Kopo, the popular mobile payments platform for small and medium-sized businesses—have been launched from the iHub, and at least 10 have received seed funding from venture capitalists. Altogether, the iHub counts 9,000 members. Efforts are currently under way to built Africa's second supercomputer at the iHub, to support higher-level research.

Pulse Lab Jakarta

Indonesia is arguably the world's most rapacious consumer of social media. As of February 2012, a higher proportion of Indonesia's Netizens tweet than those in any other country. Indonesia is home to the world's third-largest number of Facebook users. Mobile phones are also ubiquitous, with as many phones in use—237 million—as the country has people.

Inspired by this record, the United Nations chose Jakarta as the location for the first "Pulse Lab" of the Global Pulse initiative, a program to harness Big Data to monitor development indicators in real time. The lab was opened in October 2012 with initial funding from the Indonesian ministry of national development planning (BAPPENAS), the Australian Agency for International Development and UNICEF.

The Pulse Lab will seek to bring together researchers from the Indonesian government, in-country UN agencies, nongovernmental organizations and the private sector to explore how Big Data can be used to help Indonesia's

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"In harnessing innovation and technology to advance economic development, it's important to consider investing in existing programs at research centers around the world and, more importantly, funding investors that are already fairly sophisticated and operating in the local market. We don't always need to reinvent the wheel."

— **Thomas Nides**
Deputy Secretary of State for Management and Resources, U.S. Department of State

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policymakers better understand and respond to the vulnerabilities of its population. Specifically, the lab will explore the use of social media and Twitter analytics, mobile phone data analysis, rapid mobile surveys and geospatial mapping to analyze changes in social welfare as it relates to food and fuel (both transportation and cooking) prices, employment and urban poverty.

The Pulse Lab's official launch featured findings from its first project, performed in collaboration with the business analytics group SAS and social media analyst Crimson-Hexagon.

The project analyzed social media content (aggregated and anonymized to protect privacy) from the past two years to see whether it could identify populations and regions under stress from food and fuel price increases, based on comparisons with official Indonesian government statistics. The study's results indicated the potential for using real-time social media data to conduct rapid assessments of vulnerability and to speed up the government's response.