GRIPS-JICA Seminar

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27 November 2008
• Partners in development

• Two possible futures for our work in Africa

• Implications for our programmes

• Coda: the three Challenges for our Institutes
Learning from Japan

- Human security
- Private Sector
- Growth
- Infrastructure
- Cool earth
- Vibrant Africa
Two possible futures: both very different
Facing the current crisis

Transmission belts:

Price and quantity of exports
FDI
Portfolio flows
Remittances
Aid?

<table>
<thead>
<tr>
<th>Projections</th>
<th>Difference from WEO of October</th>
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<tbody>
<tr>
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<td>2008</td>
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<td>World output</td>
<td>3.7</td>
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<td>Advanced</td>
<td>1.4</td>
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<td>Sub Saharan</td>
<td>5.4</td>
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<td>Developing Asia</td>
<td>8.3</td>
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<td>China</td>
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<td>India</td>
<td>7.8</td>
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<td>WHemisphere</td>
<td>4.5</td>
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What is our ‘narrative’?

- Recognise risks and vulnerabilities
- A principled response
- Make the case for development
- Micro and macro instruments
- A holistic response
- The importance of collective action
Two possible futures: both very different
Figure A21 Growth in Sub-Saharan Africa has accelerated markedly...

Real GDP (percent change)

Forecast


Global Economic Prospects; Technology Diffusion in the Developing World (2008), World Bank – Figure A.21, p194
The rise of middle income countries

With per capita growth at 3% p.a.:
- India is a MIC by 2010
- Senegal by 2010
- Pakistan by 2013

With per capita growth at 5% p.a.:
- India is a MIC by 2008
- Pakistan and Senegal by 2009
- Bangladesh by 2017
- Uganda by 2028

Poverty projections to 2015

Source: DFID
Chronic Poverty in the world
The 20% Club and the 0.2% Club

By 2015:
No of IDA eligible countries down from 49 to 38
No of people in those countries down from 2.5 bn to 1.1 bn
Three elephant issues

• China and the analytics of globalisation

• Security and development

• The shift from national development to global public goods
Net barter terms of trade, selected countries, 2000–2007
Connecting development and foreign policy
A wider perspective on development cooperation
Using aid differently

• From:

• To:
Implications

- Messaging
- Spending
- Institutions
Messaging

- Recognise risks and vulnerabilities
- A principled response
- Make the case for development
- Micro and macro instruments
- A holistic response
- The importance of collective action
Content

• Better instruments

• Better geographies
Coda: the three Cs

• Coverage

• Capacities

• Communications