

*Trends in the  
Global Development  
Landscape*

October 2016

# The current state of the world?



## PARIS TERRORIST ATTACKS KILL OVER 100; FRANCE DECLARES STATE OF EMERGENCY

**Bursts of Chaos and Horror, Once Again**

By LIZ ALDERMAN and JIM VARDOLY  
PARIS — The night was chilly but thick with excitement as the big match between France's national soccer team and archrival Germany was underway at the national stadium in a northern suburb of Paris. President François Hollande watched with the crowd as the French players pushed the ball across midfield. Then came the sharp, unmistakable crack of an explosion, overwhelming the roar of the crowd. A stunned moment passed. Players and spectators seemed confused and eventually

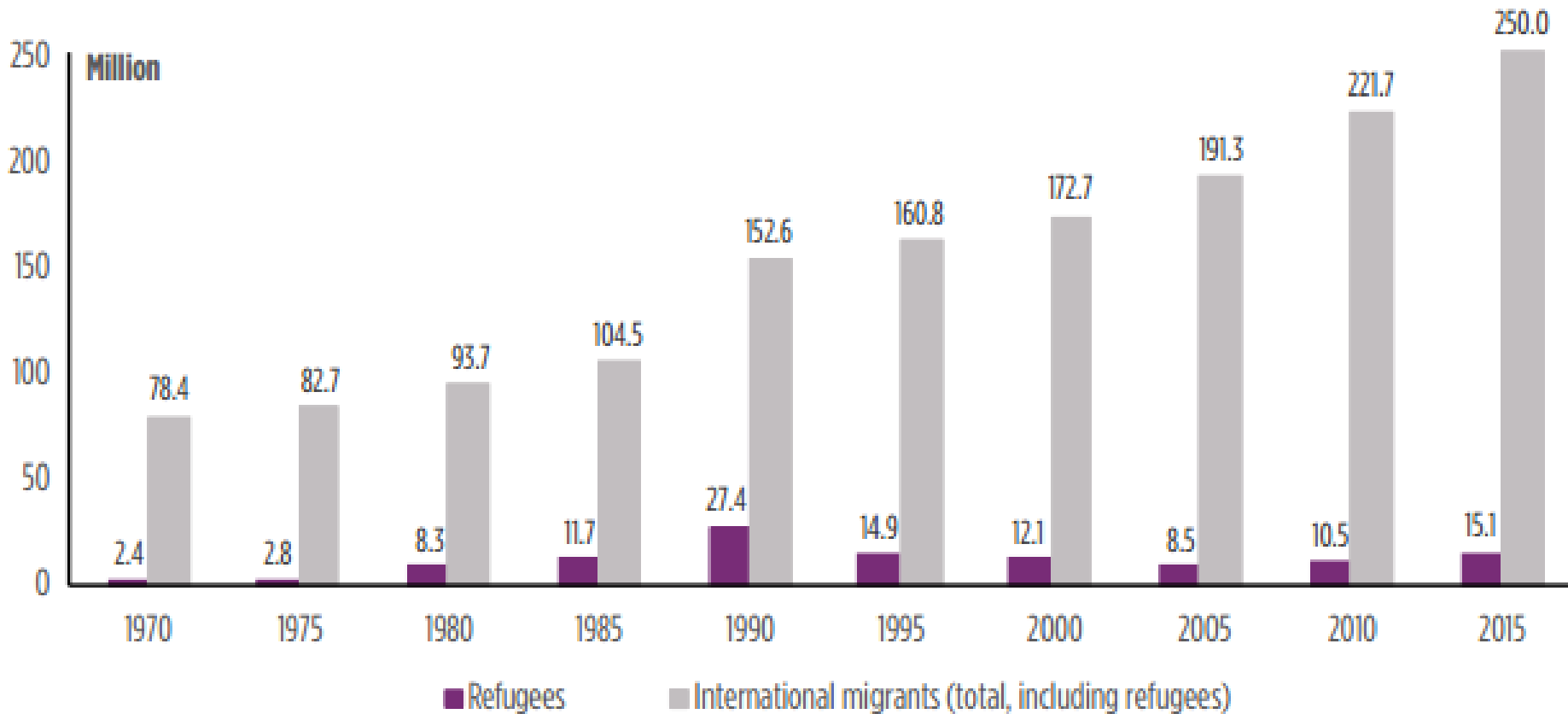


## Series of Shootings and Blasts, Apparently Coordinated

By ADAM NOSSITER and RICK GLADSTONE  
PARIS — The Paris area reeled Friday night from a shooting rampage, explosions and mass hostage-taking that President François Hollande called an unprecedented terrorist attack on France. His government announced sharply increased border controls and heightened police powers as it mobilized the military in a national emergency. French television and news services quoted the police as saying that around 100 people had been killed at a concert site where hostages had been held during a two-hour standoff with the police, and that perhaps dozens of others had been killed in

Those attacks traumatized France and other countries in Europe, which grappled with fears of religious extremism and violent jihadists, radicalized by the conflicts in Syria and elsewhere in the Middle East and North Africa.  
An explosion near the sports stadium, the Stade de France, which French news services said was an apparent suicide bombing, occurred as Germany and France were playing a soccer match, forcing a hasty evacuation of Mr. Hollande. As the scope of the assaults quickly became clear, he convened an emergency cabinet meeting and announced

# Increasing number of refugees and all-time highs in migration flows





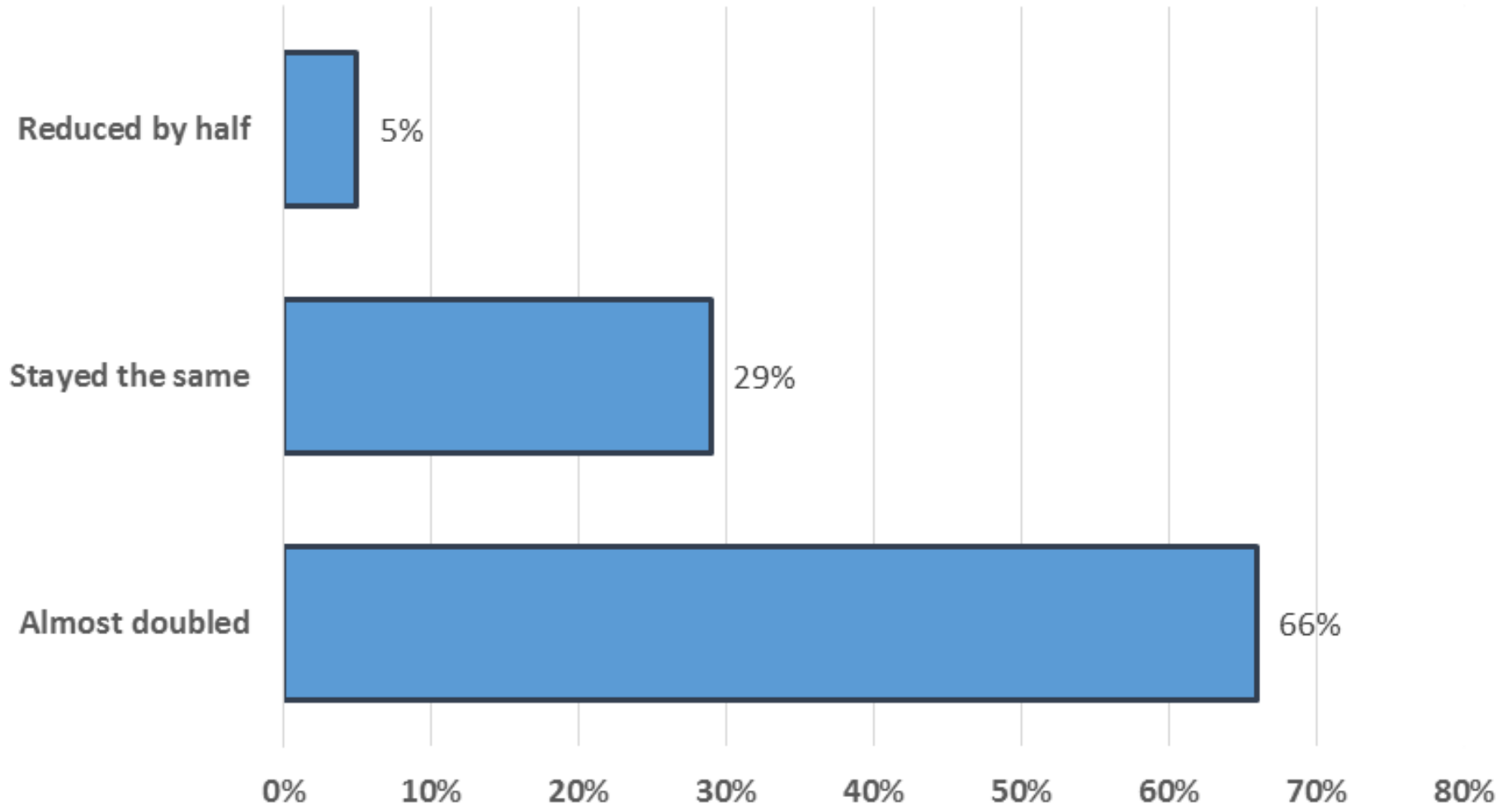
MILLENNIUM  
CHALLENGE CORPORATION

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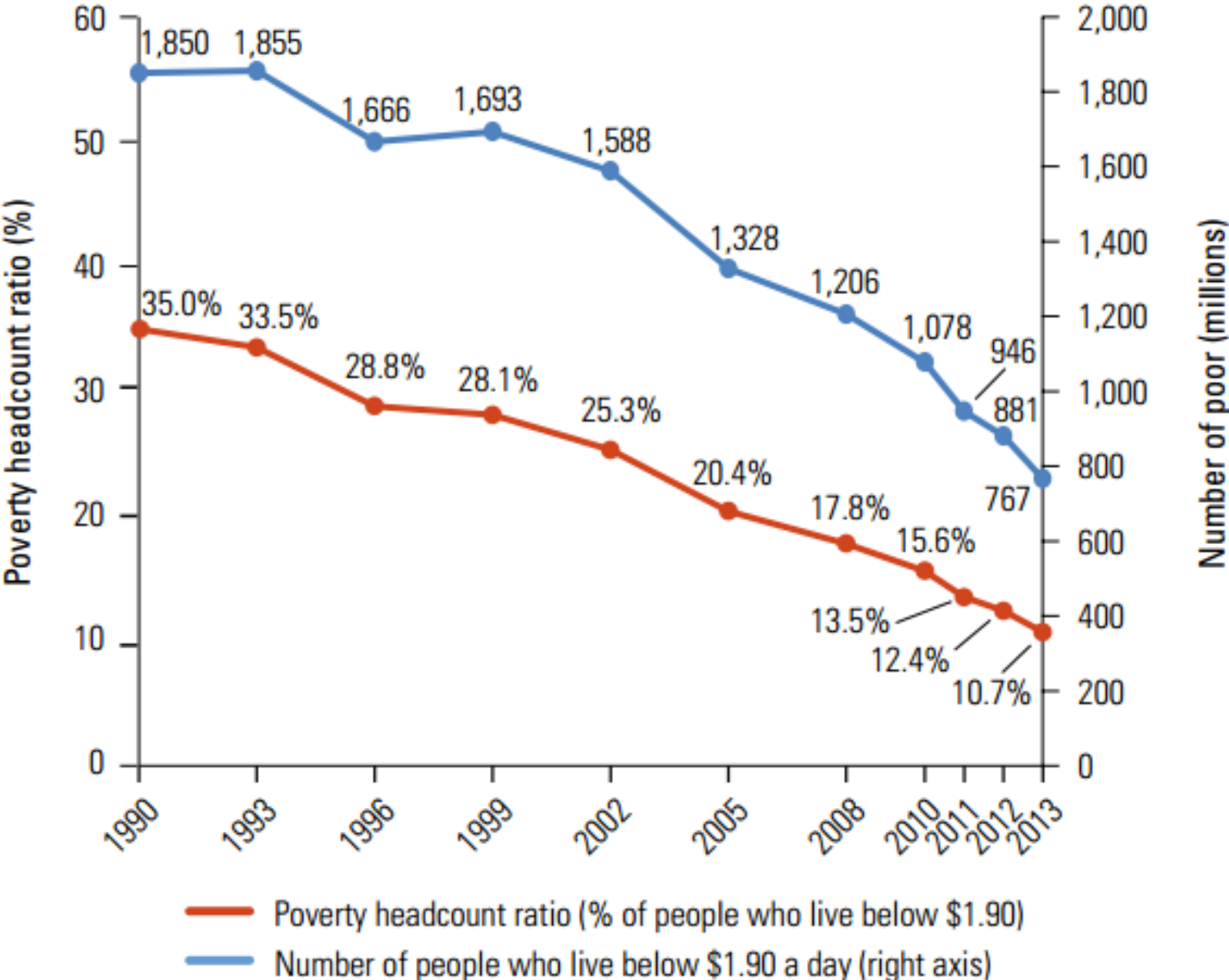
UNITED STATES OF AMERICA

Reducing Poverty Through Growth

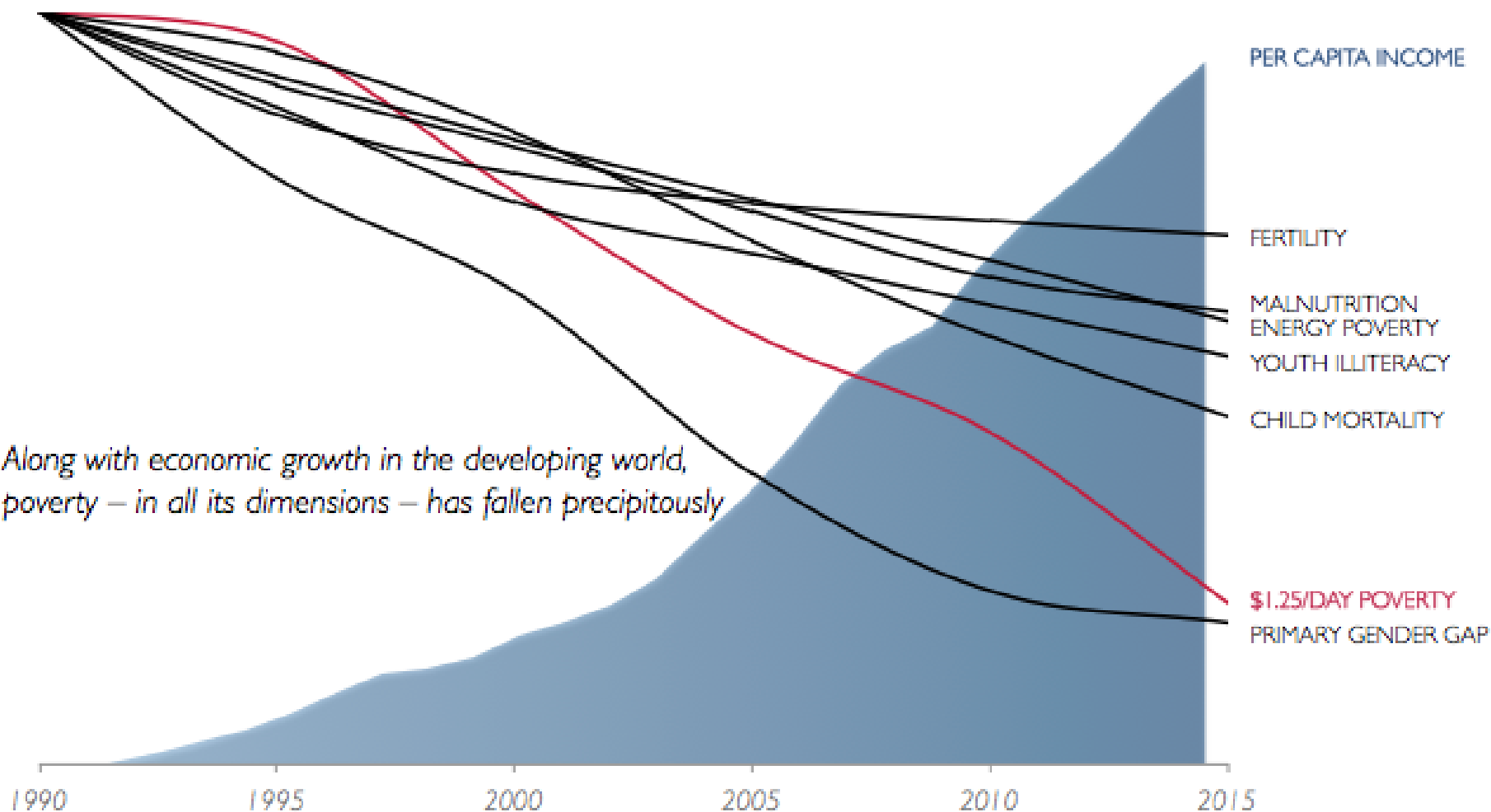
Gapminder poll: In the last twenty years, the proportion of the global population living in extreme poverty has...



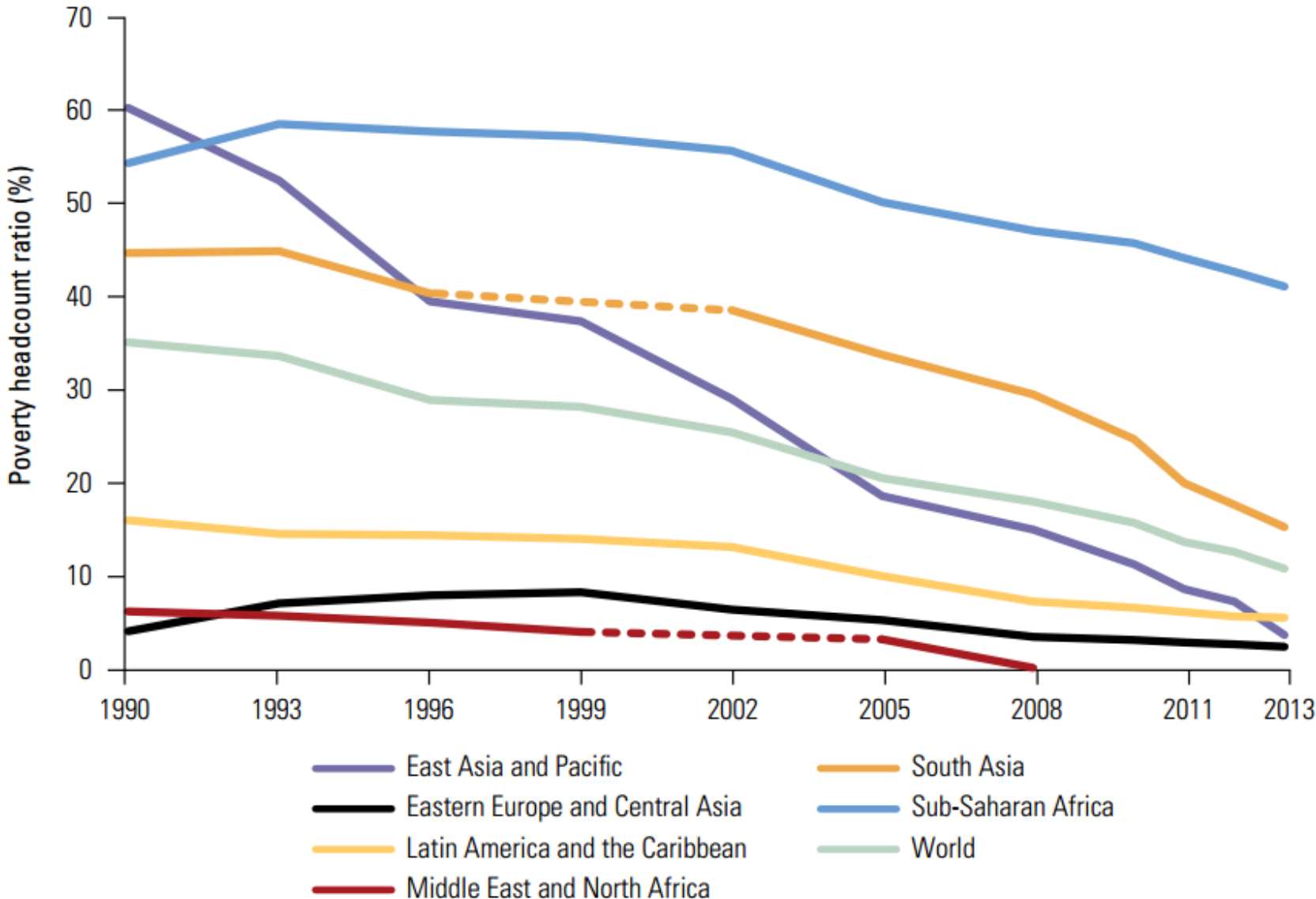
The reality is that there has been *huge* progress in both the total number of poor and the proportion living in poverty



Progress has been seen across a variety of other development indicators as well



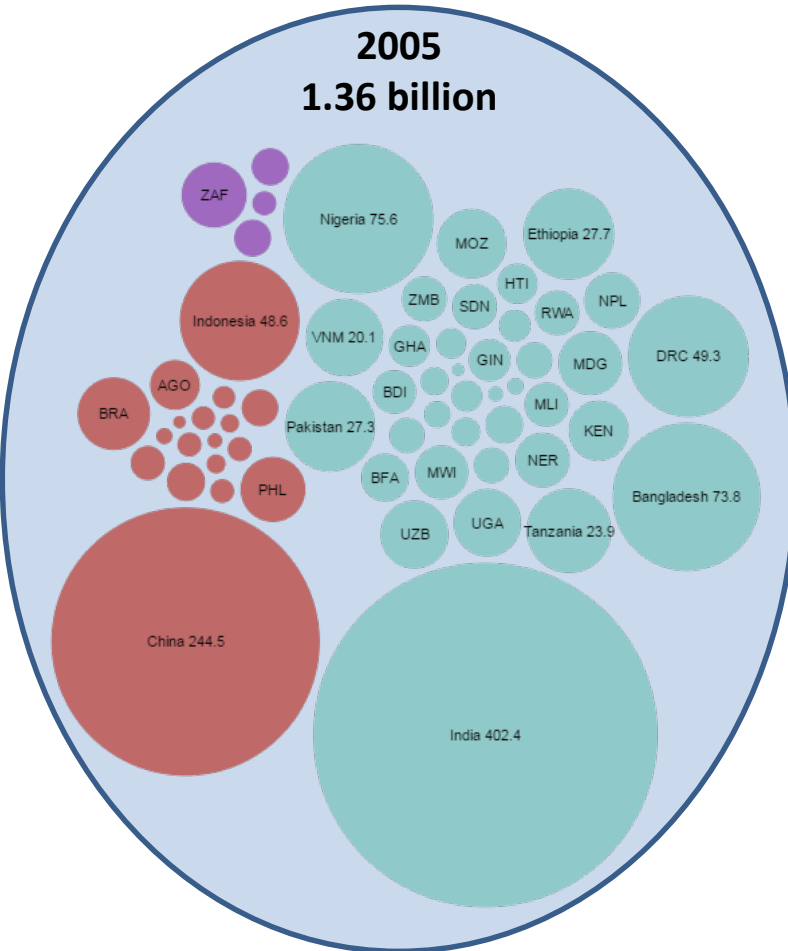
# Progress is not limited to one region, but Africa still lags behind



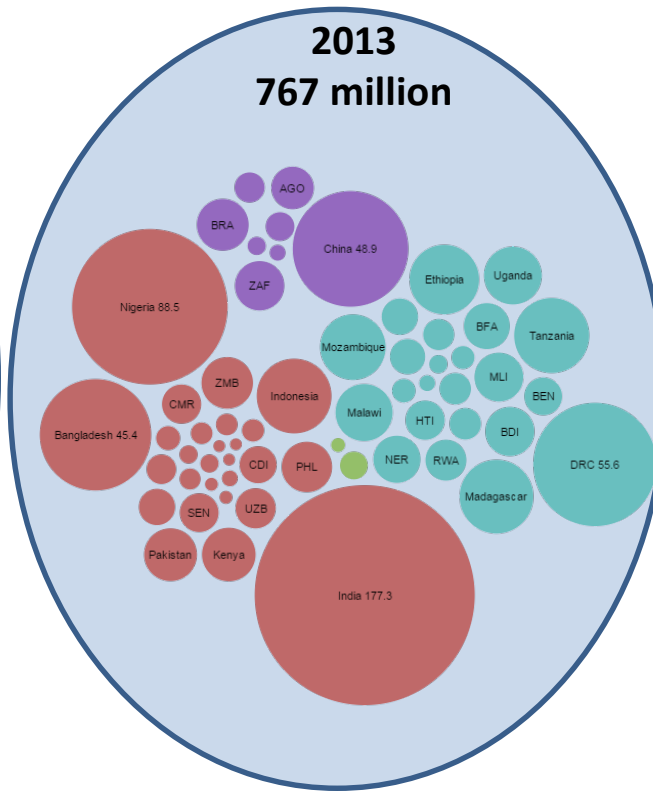


# A shrinking problem – but perhaps a more difficult one?

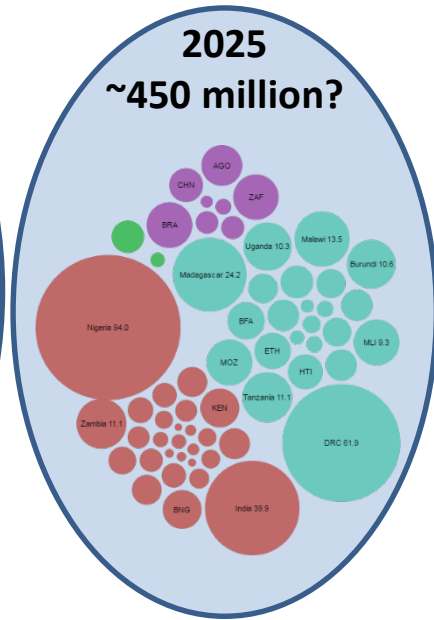
**2005**  
**1.36 billion**



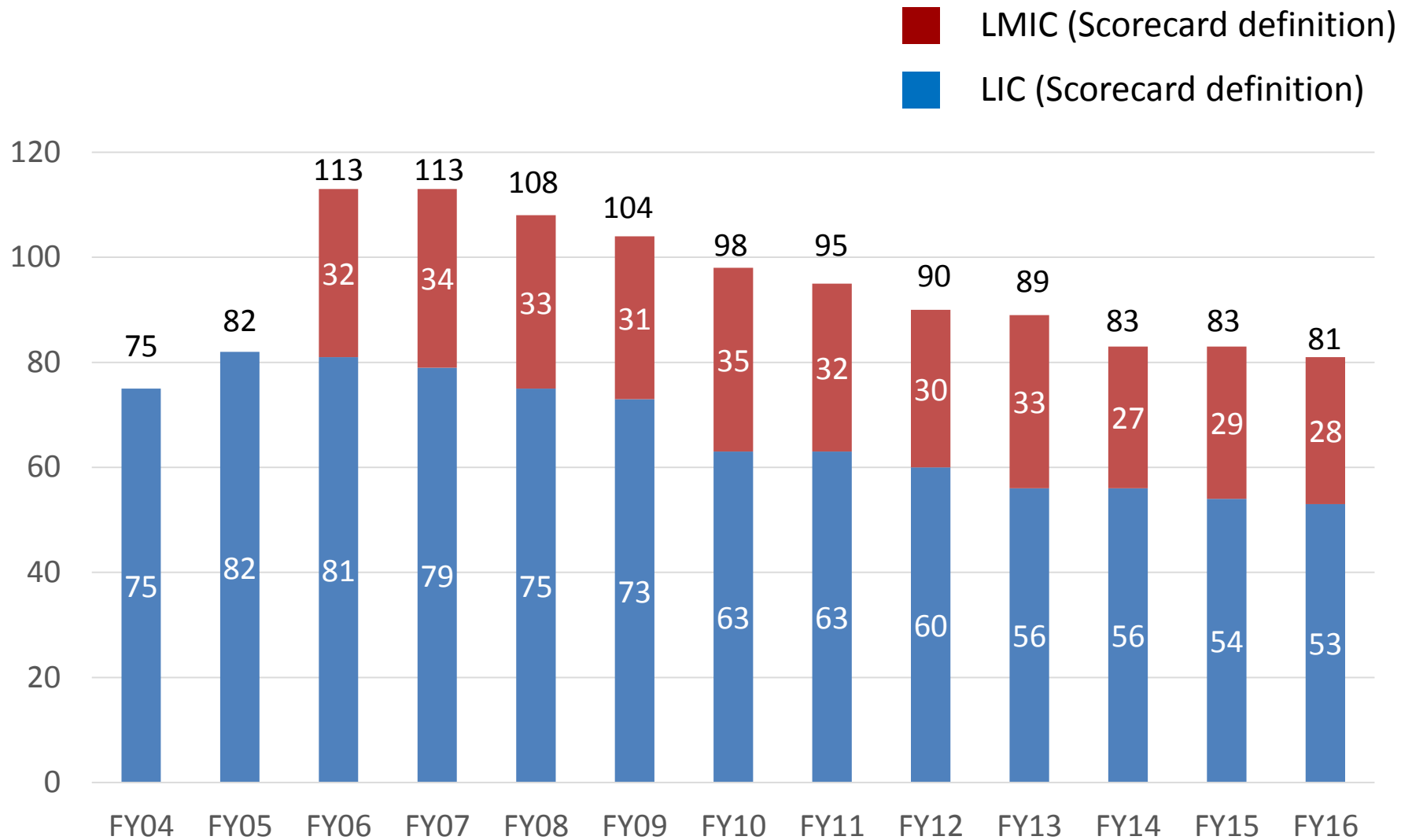
**2013**  
**767 million**



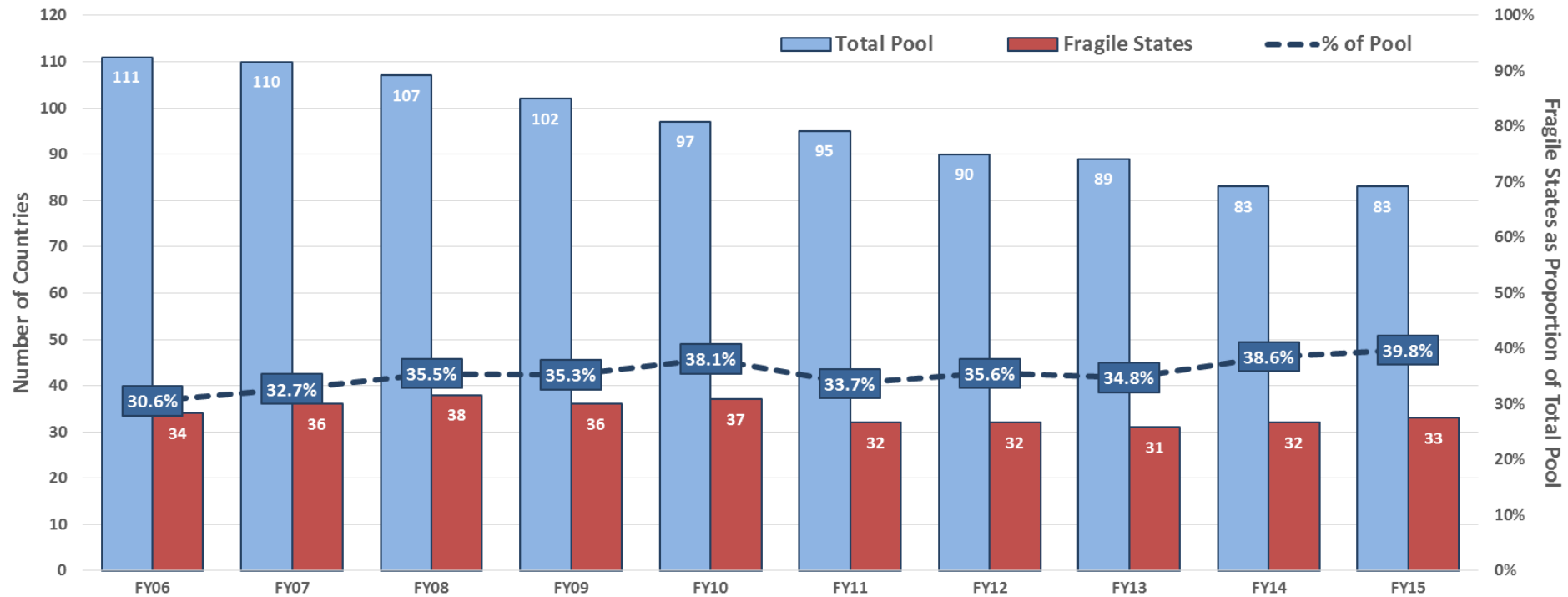
**2025**  
**~450 million?**



From this trend also emerges a very MCC-specific conundrum



The confluence of these two trends provides a two-headed problem for MCC





## What do you think?

These trends profoundly impact the potential pool of partners for MCC. How should we be thinking about this?

1

How should MCC engage (or not) with the fragile states that are being left behind?

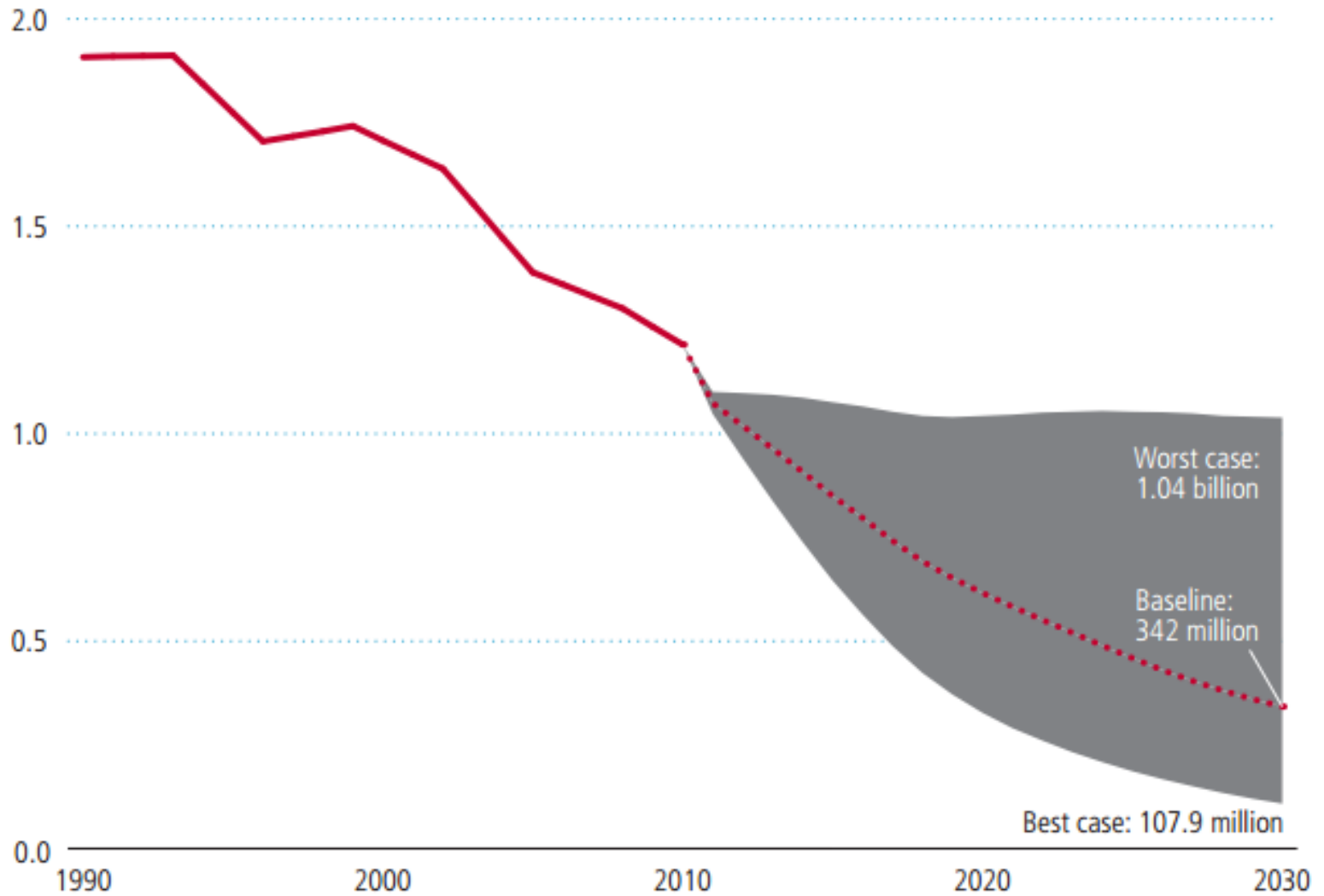
2

How should MCC approach the problem of a shrinking candidate pool?

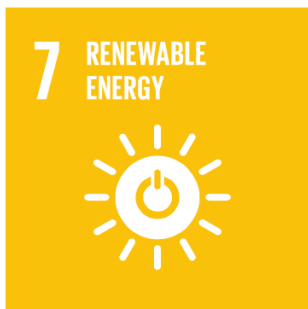
3

Can MCC work with a more diverse range of country partners while staying true to its model?

The trend points to continued progress...  
but will the trend continue?

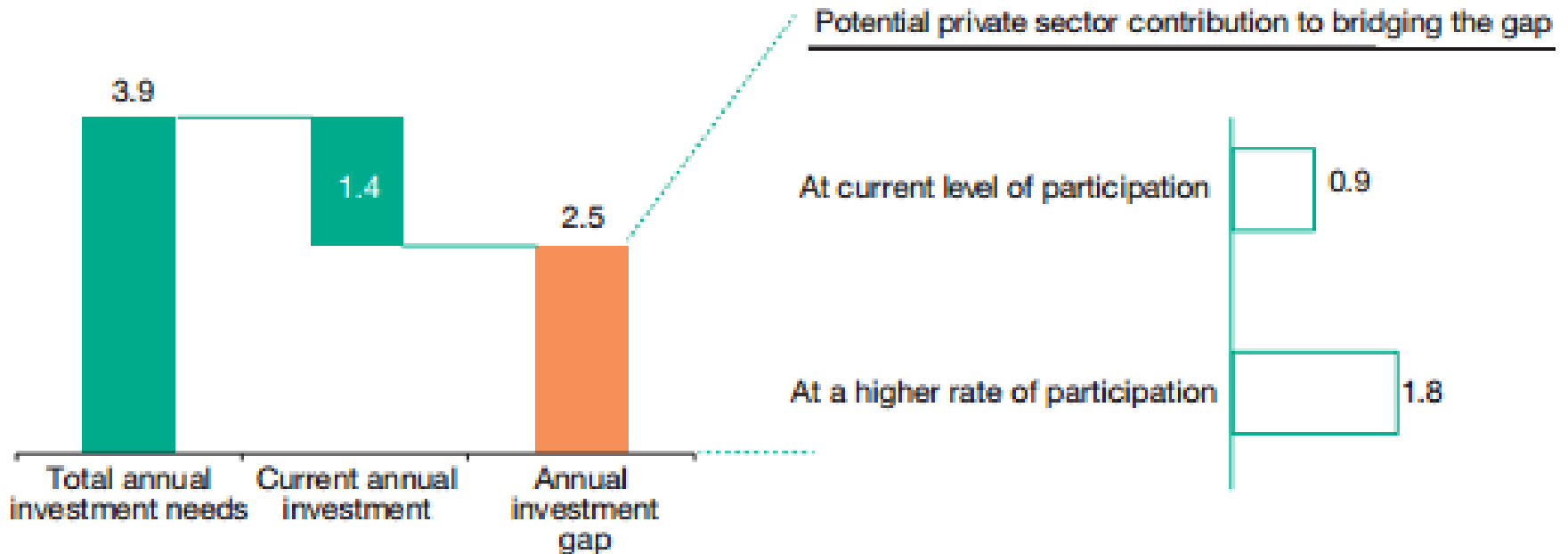


The Sustainable Development Goals provide an ambitious roadmap for where we want to be in 2030

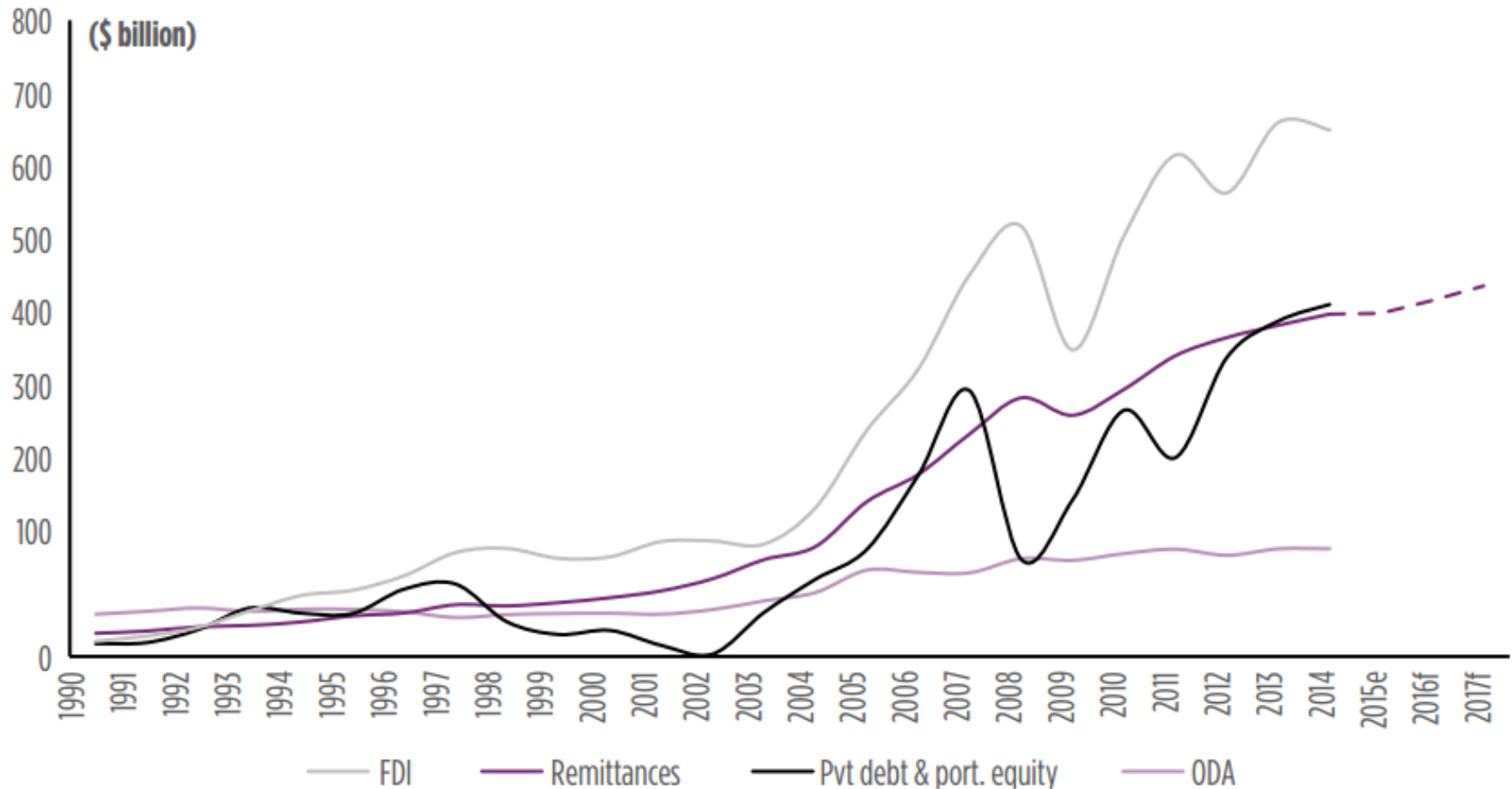


There are huge financing gaps associated with these goals however...

**Estimated annual investment needs and potential private sector contribution**  
(Trillions of dollars)



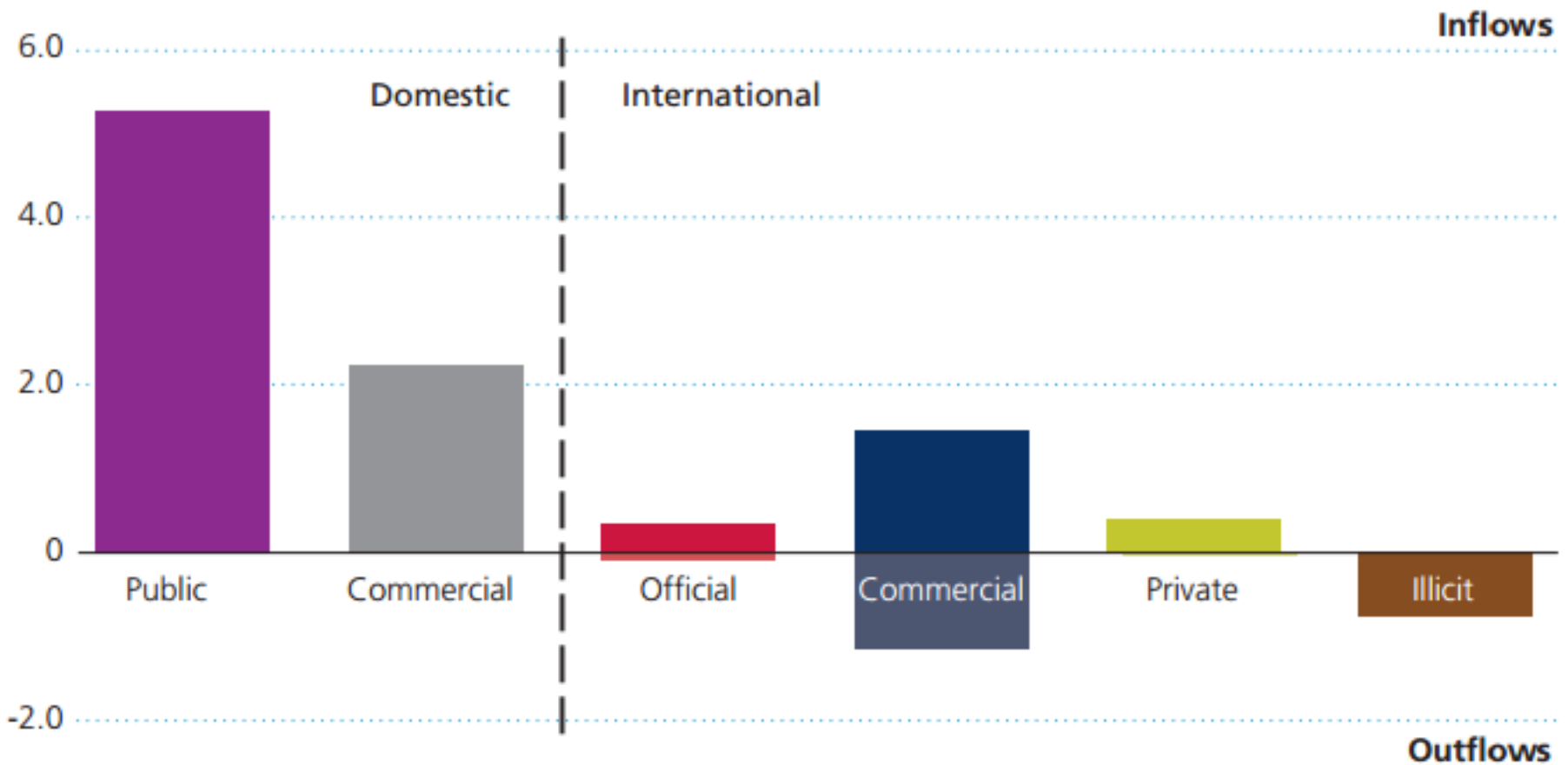
...fortunately, development financing has never been higher or more diverse



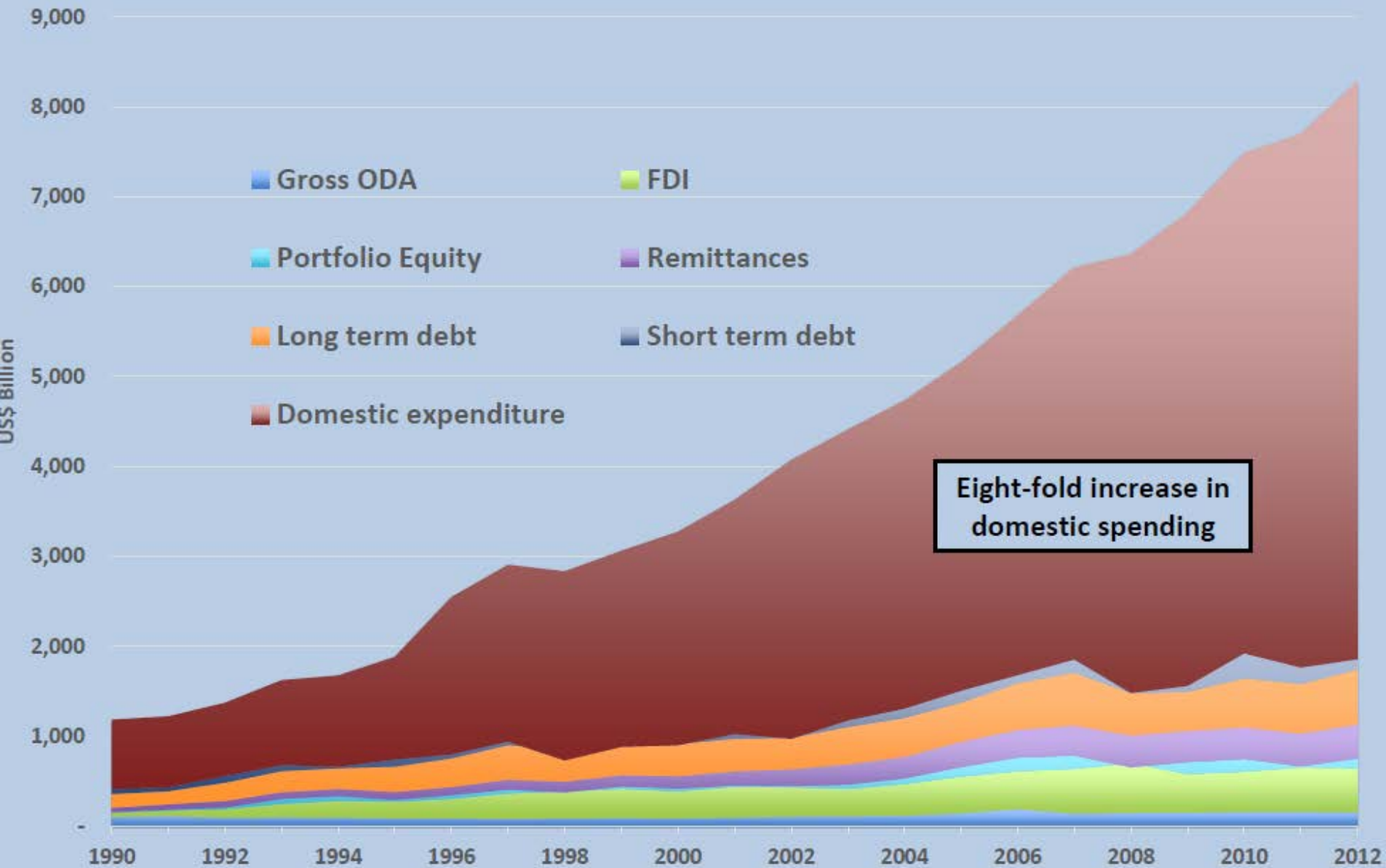
Sources: World Bank Staff calculations, World Development Indicators, OECD. Private debt includes international bonds and borrowing through commercial banks.



Domestic resources are the largest source of financing  
– both public and commercial



# Sources of Development Financing, 1990-2012

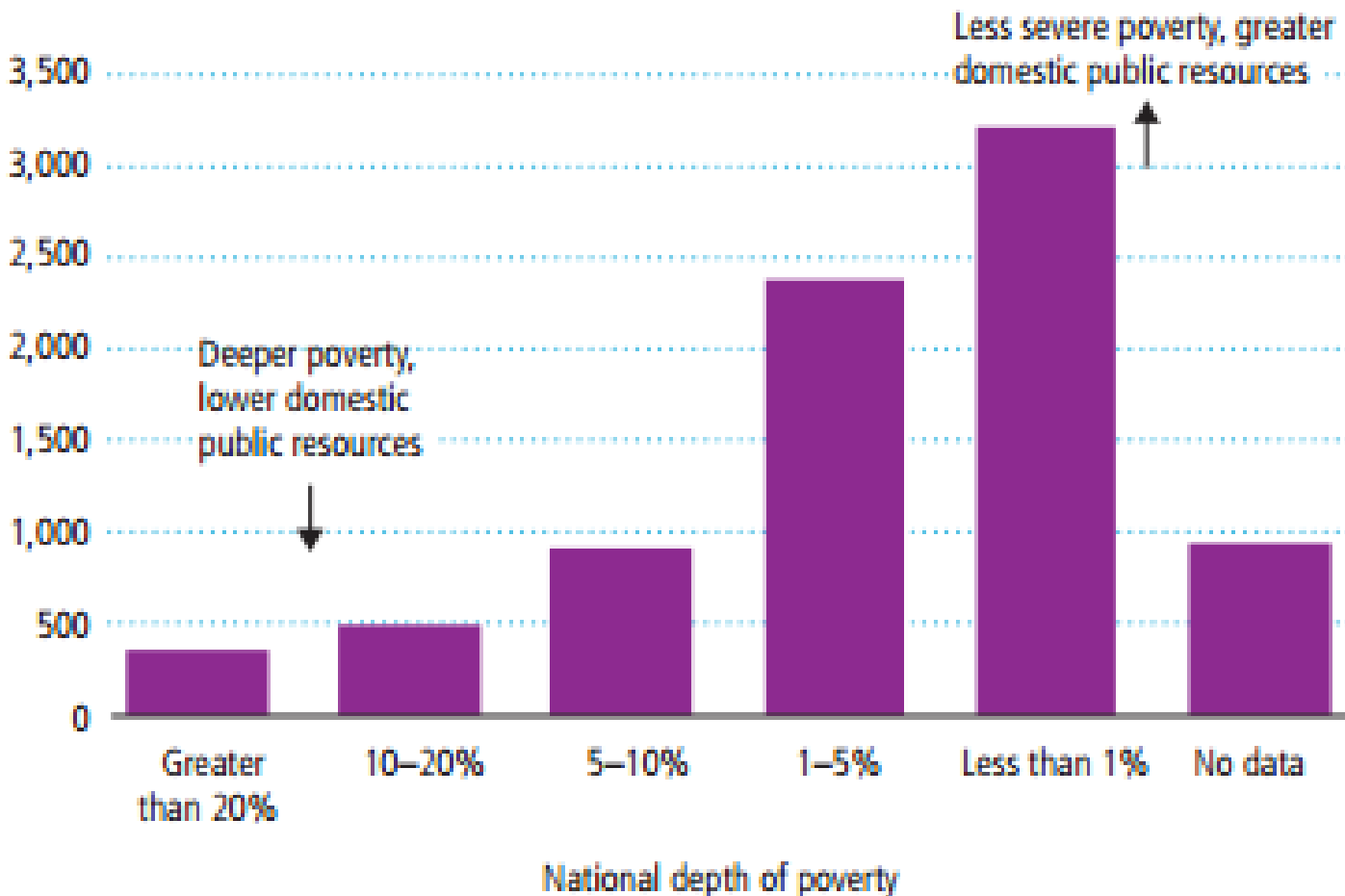


Eight-fold increase in domestic spending

Data sources: ODA (OECD); FDI (UNCTAD); portfolio equity and remittances (World Bank); loans data (World Bank's International Debt Statistics); government expenditure (IMF).

# Domestic resources are lowest where depth of poverty is highest

Government revenue per person, PPP\$, 2013

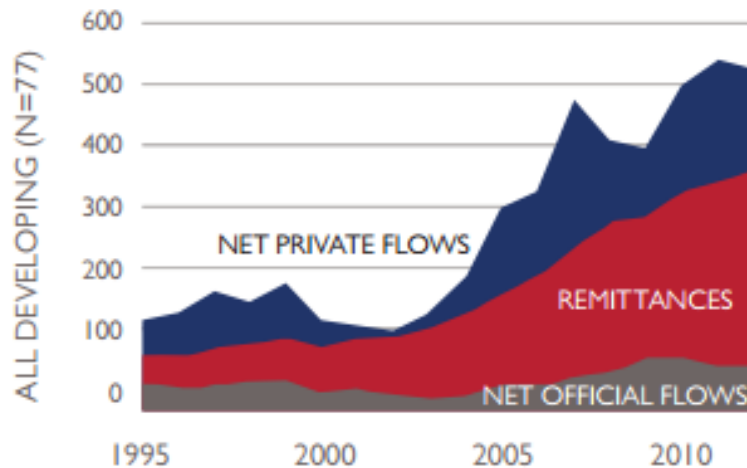


# Low income countries are particularly dependent on official flows

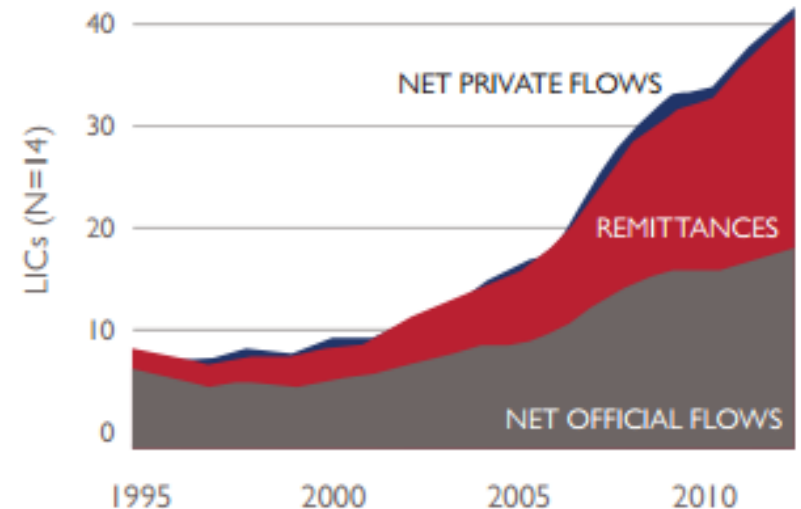
## NET FINANCIAL INFLOWS TO DEVELOPING COUNTRIES AND LOW-INCOME COUNTRIES

### TOTAL CURRENT BILLIONS (USD)

Total net private flows and remittances outstrip total net flows from official donors, but this is driven by a handful of larger economies.

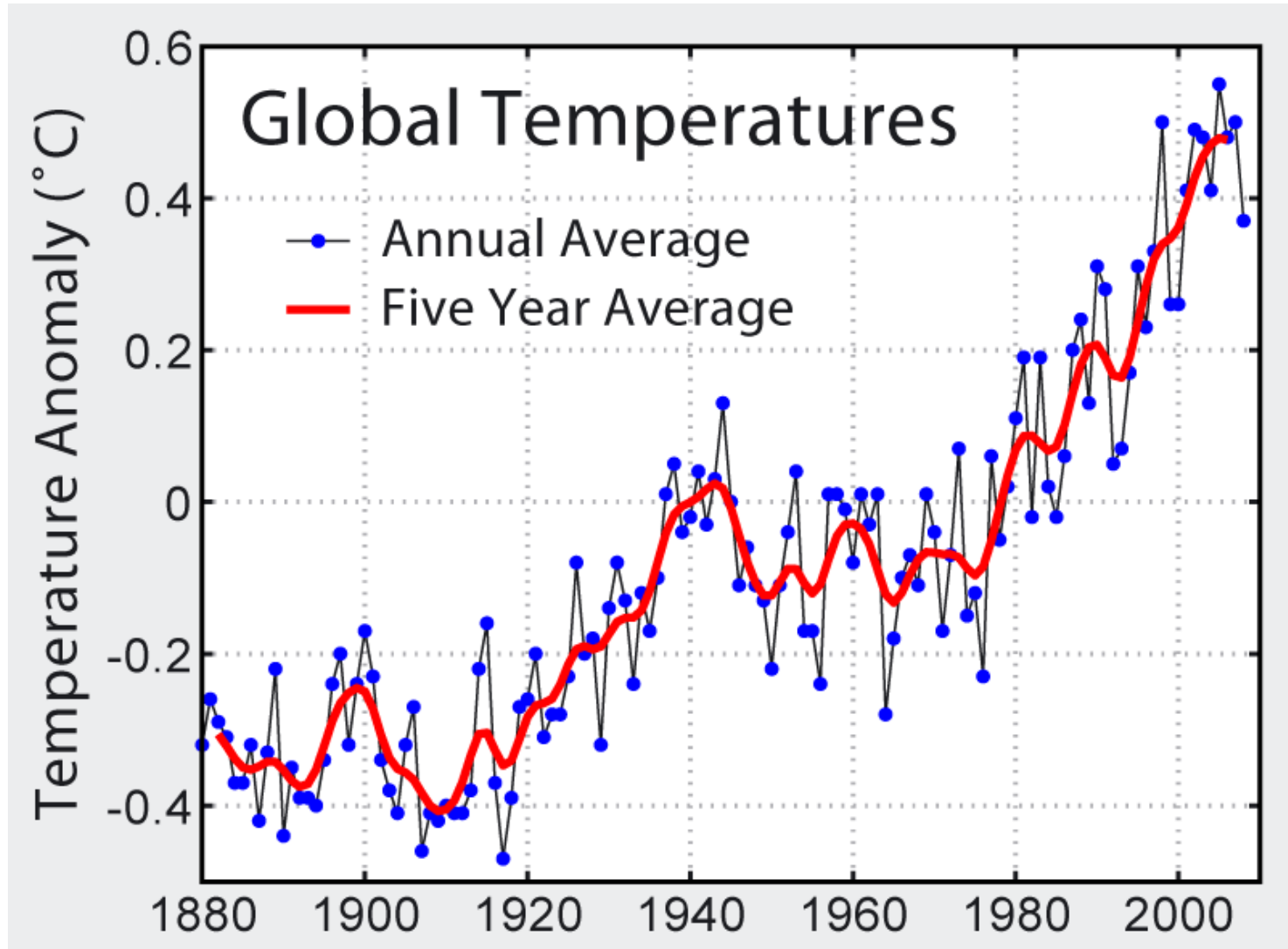


For low income countries, private flows remain negligible by comparison to remittances and donor flows.

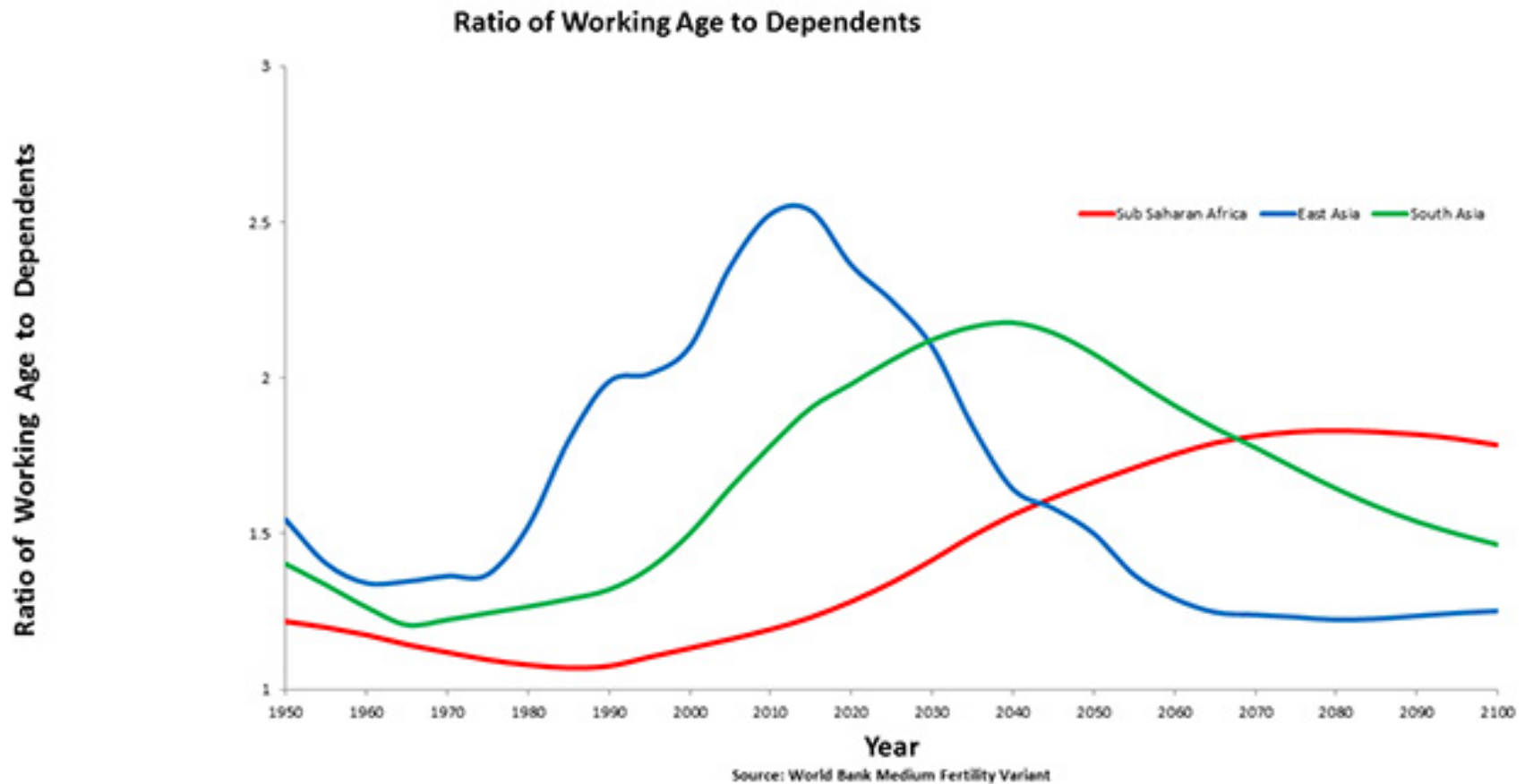




## Other trends: climate change



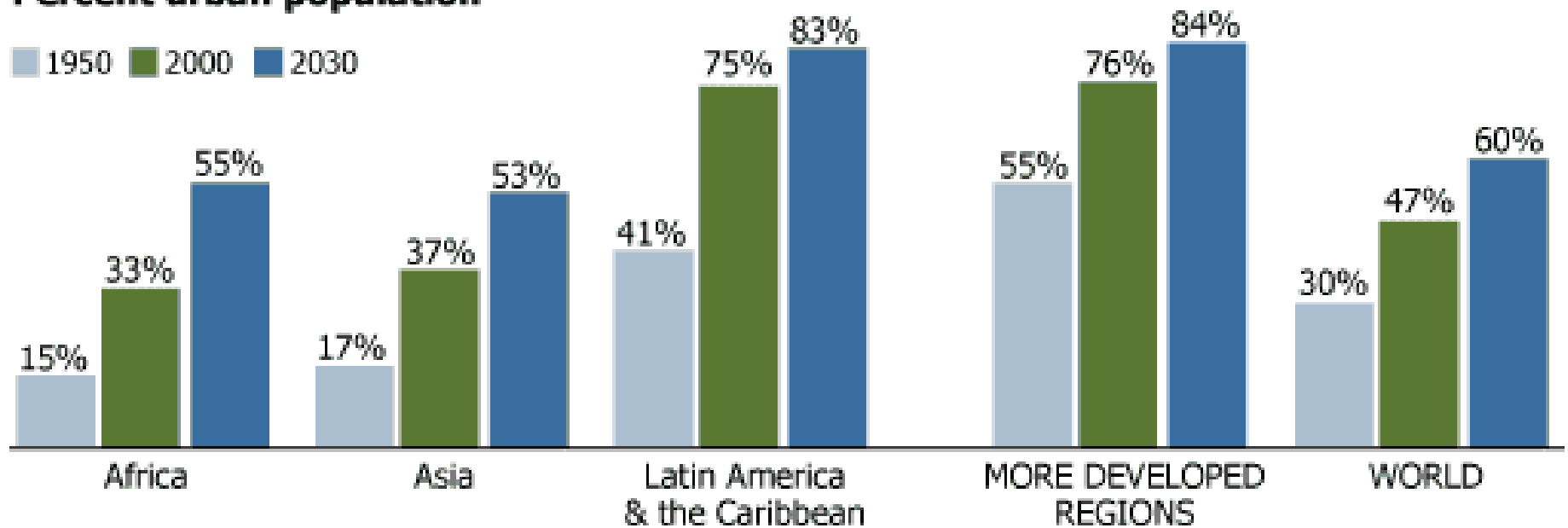
# Other trends: demographic dividend



# Other trends: urbanization

## Percent urban population

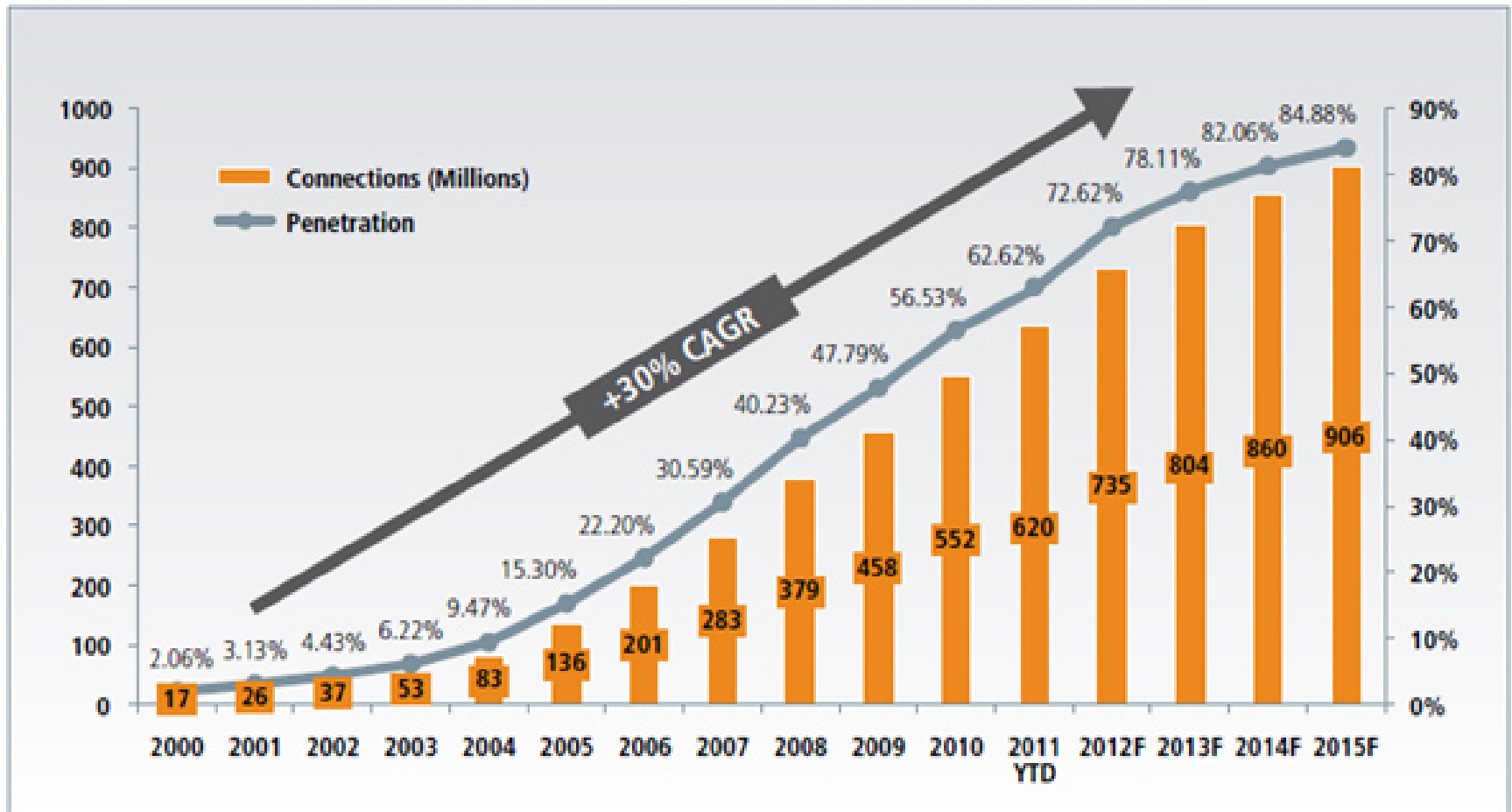
1950 2000 2030





# Other trends: access to technology

Total African Mobile Connections and Penetration Rate (million, % penetration)<sup>1</sup>





## What do you think?

These are just a few trends that could potentially affect our work.

1

Are these trends surprising?  
What else are you tracking? What is missing?

2

What is MCC's competitive advantage?  
How should we be thinking about these trends differently?

3

What are the implications for MCC?  
How can we better engage on these issues?