



The **PRESENT** and the **FUTURE** of Development Financial Institutions:

A LEARNING DIALOGUE

A MINDS INITIATIVE WITH THE SUPPORT OF **BNDES** AND **CAIXA ECONOMICA FEDERAL**

DATE: July 28-29, 2014 | **VENUE:** BNDES | Rio de Janeiro | Brazil

SITE: WWW.MINDS.ORG.BR

Why discuss Financial Development Institutions?

DEVELOPMENT FINANCIAL INSTITUTIONS (DFIs) ARE STRATEGIC IMPORTANCE FOR COUNTRIES AT ANY STAGES OF DEVELOPMENT, in moments of stability and crisis. Core mandates of different DFIs is associated with fostering sustainable development, in a wide array of economic activities, not in opposition but rather complementing private financing institutions. As history shows, in “stable” times, the capital formation of national economies is a key task of development institutions. During “crises”, their countercyclical role comes into play. If emerging sovereign wealth funds and a whole host of public venture capital agencies are brought into the picture, a “new financial deal” where development financial institutions are becoming key players seems to be taking place post 2007.

The history of the DFIs’ shows that their “mission”, goals, scale and scope of operations, instruments and priorities evolve over time, reflecting changing policy priorities of different administrations and, more importantly, the stages of development of each country. As development progresses so does the agenda of DFIs. It is important to consider that even in more advanced economies, DFIs remain fundamental as development challenges are constantly evolving in the

policy agenda: information and communication technology (ICT) infrastructure, technology (ICT) infrastructure, environment, innovation etc. In short, DFIs are of the utmost importance to provide support to societies facing constantly changing economic, social and environmental challenges in developing and developed nations. As development processes and challenges are time and place specific, there is no role model for DFIs.

In order to deepen the discussion on those issues, MINDS, a Brazilian independent think tank, is proposing a two day workshop for a thorough discussion on the nature and challenges for these institutions, their contribution to development and what their future prospects may be. The workshop is supported by The Brazilian National Development Bank (Major Sponsor) and Caixa Econômica Federal (Sponsor). It is hoped that discussions and proceedings from this workshop will contribute to three distinct audiences: firstly, the public at large, interested in such institutions, may gain insights into their accomplishments and challenges; secondly, discussions may pave the way for a relevant but clearly under-researched area that may constitute a policy and institutional oriented agenda; thirdly, officials from DFIs, by comparing practices and experiences may be able to better plan more efficient and effective DFIs.

FIRST DAY 07 | 28 | 2014

1:30 pm | 2:00 pm **REGISTRATION**

2:00 pm | 2:15 pm **INTRODUCTION**

Rogério Sobreira (MINDS) | João Carlos Ferraz (BNDES) |
Márcio Percival (Caixa Economica Federal)

2:15 pm | 4:15 pm **ROUNDTABLE 1**

DFIs, the State and Structural Change

DISCUSSION TOPICS 1. Relevance for implementing public policies, counter cyclical actions and long-term strategies | 2. Policy and political interplay in the process of defining priorities | 3. Transparency & accountability vs protecting clients' interests.

Chair Ana Claudia Além (BNDES)

Opening Albert Keidel (Georgetown University)

Participants Mr. Helmut Gauges (KFW, Director - Group Development and Economics) | Mr. Zhang Liang (CDB, Deputy Director of Policy Research Department) | Cláudio Leal (BNDES, Deputy Managing Director of Planning)

4:15 pm | 4:30 pm **COFFEE BREAK**

4:30 pm | 6:30 pm **ROUNDTABLE 2**

DFIs in a global age: challenges, opportunities and priorities

DISCUSSION TOPICS 1. Contemporary development challenges, financing and DFI's agendas | 2. Fixing market failures vs. "shaping the future": a trade-off? | 3. New instruments - dealing with complex financial structures | 4. Embedding a culture of dynamic effectiveness.

Chair Caetano Penna (SPRU/University of Sussex)

Opening John Mathews (Macquarie University, Australia)

Participants Serguey Sementsov (VEB, Head of Division for Sustainable Growth-Department for Strategic Analysis and Development) | Erno Ihto (FINNVERA, Senior Adviser, SME Financing) | Navin Kumar Maini (SIDBI, Deputy Managing Director)

SECOND DAY 07 | 29 | 2014

10:00 am | 12:00 pm **ROUNDTABLE 3**

DFIs and Private Financial Institutions

DISCUSSION TOPICS 1. Spaces for cooperation and risks

of competition | 2. Financialization- Willingness of private finance to engage in long-term funding | 3. DFIs and the creation of a long-term private based capital market: a task ahead?

Chair Gary Dimsky (Leeds University)

Opening Linda Weiss (University of Sydney)

Participants Pierre Cléroux (BDC, Chief Economist) | Representative from ECLAC | Sergio Martín (Bancomext, Economic Research Director) | Ludovica Rizzotti (CDP, Head of International Affairs) Sun Wook Kim (KDB, President of KDB Brazil)

12:00 pm | 12:30 pm **KEYNOTE**

Development and long term financing

Wagner Bittencourt (BNDES, Vice-president)

12:30 pm | 2:00 pm **LUNCH**

2:00 pm | 4:00 pm **ROUNDTABLE 4**

DFIs and the macro-financial landscape: new challenges

DISCUSSION TOPICS 1. More and less effective and efficient structures for funding under uncertainty | 2. The fiscal and monetary implications of stable funding to DFIs | 3. Is Basel III a curse for DFIs?

Chair Lavínia Barros de Castro (BNDES)

Opening Rogério Sobreira (MINDS and FGV/RJ)

Participants Representative from World Bank | Maria Netto Schneider (IADB, Leader Specialist, Capital markets and Financial institutions) | Representative from CAF

4:00 pm | 4:15 pm **COFFEE BREAK**

4:15 pm | 6:15 pm **CLOSING SESSION**

1. The future of development financial institutions: the relevant agendas for researchers and practitioners | 2. Fostering strengths and mitigating weaknesses of DFIs. | 3. Mapping out threats and opportunities for the coming years | 4. Devising a set of good financial governance guidelines for DFI's.

Chair Jan Kregel (Levy Economics Institute of Bard College)

Summary of previous sessions Leonardo Burlamaqui (MINDS and UERJ)

OPEN DEBATE Closing statement Jan Kregel

SUPPORT



INITIATIVE



Multidisciplinary Institute for Development and Strategies



FORD FOUNDATION