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**Development Banking, Challenges  
of the Present and the Future**

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- Development Financial Institutions must be attentive to change and become relevant through:
  1. operate countercyclically;
  2. identify new areas or sectors to be developed;
  3. Become agents of moving.
  
- We can list of the challenges for Development Banks in the present:
  1. Financial Inclusion and Digital Bank;
  2. Economic and Social Infrastructure;
  3. Innovation and technological development;
  4. Environment and Climate Change;
  5. Funding in a context of austerity.

## Inequality and Growth

Although growth in Latin America has accelerated recently, for the long term dynamics it is necessary to deal with macroeconomic policies that are not favourable to investment and productive diversification; insufficient incorporation of technologies; huge social disparities and increased environment cost.

To revert this situation it is necessary to explore the complementarities among equality, productive efficiency and environmental sustainability

Main Assumption:

to understand the equality as a driving force of efficiency, of the full use of the capacities and resources, and of the sustainability of the economic system.

Equality has positive effects on effective demand, favouring productive diversification, the diffusion of technology and increased productivity.

# •The Challenge:

- How to incorporate the concern about equality through the activities of a Financial Development Institutions?
- Is the supply of credit sufficient to deal with the relationships between growth and inequality?
- To mitigate and adhere to the effects of climate change, new industrial sectors will be developed, innovations will be introduced, income and business will be created. But will this progress be distributed? or will the same pattern of inequality be preserved?
- In the past FDI helped to industrialize several countries. Did this lead to decrease in inequality?