IT for Change's Suggestions on the Inputs by the Civil Society FfD Mechanism at the Fourth International Conference on Financial Development

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II. G. Science, Technology, Innovation, and Capacity Building

Overall comments

This section elides any reference to the democratic deficit in the global governance of STI. It is also silent on the urgent need for a public innovation paradigm to meet the SDGs and a baseline of the common good that needs to be the goal of science in society. The role of people in engaging with innovation at all levels is obscured (whereas there is a glib reference to multistakeholderism, which is not a stand-in for participatory and democratic STI). Instead, there is lip service to the inclusion of women and children and populations of the majority world in the STI paradigm.

There is increasing consensus (including in the OECD, for example) that accountability and people's oversight are core and nonnegotiable. While the section does acknowledge the need to invest in the technical capacity of developing countries, its silence on robust national policy and regulation to check the excesses of the market (both international /speculative finance as well as national actors)should be corrected. Fintech is no magic bullet. It has emerged as an unfortunate tool of exploitation (often with gendered consequences: https://botpopuli.net/fintech-wild-west-whose-duty-to-act/).

The STI agenda is largely reduced to the idea of riding on the wave of the data and AI revolution, a puzzling move in the current context that demands a holistic, coordinated response to the twin digital and climate transition.

Zero Draft	Alternative Text Suggestion in blue	Comments
58. Science, technology, and innovation (STI) have advanced at an unprecedented scale and pace, amplifying its contribution to sustainable development. However, its full potential is constrained by persistent inequality in innovation and technology access, along with inadequate digital infrastructure and digital public goods. Limited national capacity and insufficient international support further hinder the development and use of technologies, including fintech, for sustainable development. Unregulated technological advances can also have unintended consequences for economic and social outcomes, cause environmental degradation, and worsen gender inequality. Coordinated national and international efforts are needed to close digital divides, leverage technological advances for sustainable development, and realize the full potential of digital technology in achieving financial inclusion and financial health.	58. Science, technology and innovation (STI) have advanced at an unprecedented scale and pace, amplifying its contribution in sustainable development. However, its full potential is constrained by persistent inequality in innovation and technology access, along with inadequate digital infrastructure and digital public goods. Limited national capacity, ~~and~~ insufficient international support, and inadequate global digital cooperation further hinder the development and use of technologies, including fintech, for sustainable development. Unregulated technological advances can also have unintended consequences for economic and social outcomes, cause environmental degradation, and worsen gender inequality. Coordinated national and international governance is ~~efforts are~~ needed to close digital divides, leverage technological advances for public trust and sustainable development, enable context-appropriate digital industrialization pathways, and encourage public digital innovation to realize the full potential of digital technology in achieving financial inclusion and financial health.	"Inadequate global digital cooperation": In the governance of new platform, data and AI technologies, and the governance of cross-border data flows, there needs to be enhanced global digital cooperation, as the UN Global Digital Compact has also highlighted, in order to leverage the potential of digital technologies for sustainable development. "Coordinated national and international governance ": A laissez-faire approach to the digital economy has led to inequality and market concentration. It is also becoming clear that the market will not fill gaps in digital innovation for public good in domains where the profit imperative is weak.

Technological advances for sustainable development 59. STI plays a critical role in pursuing sustainable development. However, developing countries, in particular, face challenges in leveraging the potential of STI, further impeding their sustainable development. To realize the full potential of STI, countries need strengthened technical capacity and resources for designing and implementing effective, mission-oriented, multistakeholder STI policy and enhancing national innovation systems. Policy frameworks and regulations should also be strengthened to provide adequate oversight of technology, ensuring it supports sustainable development and the full enjoyment of human rights.	**Technological advances for sustainable development** 59. STI plays a critical role in pursuing sustainable development. However, developing countries, in particular, face challenges in leveraging the potential of STI, further impeding their sustainable development. To realize the full potential of STI, countries need strengthened technical capacity and resources for designing and implementing effective, mission-oriented, rights-enabling, and participatory ~~multistakeholder~~ STI policy and enhancing national innovation systems for inclusive and equitable outcomes. Policy frameworks and regulations should also be strengthened to provide adequate public scrutiny and oversight of technology and fundamental rights impact assessments, ensuring they support sustainable development and the full enjoyment of human rights.	Participatory and rights-enabling STI policy will enable multistakeholder collaboration with adequate incentives and guardrails for public value-generating innovation. https://www.ucl.ac.uk/bartlett/public-purpose/publications/2024/mar/digital-public-infrastructure-and-public-value-what-public-about-dpi

National innovation systems, including STI4SDG roadmaps a) We will support countries to develop and implement mission- oriented national STI4SDG roadmaps that foster an enabling environment to incentivize innovations aligned with sustainable development. We will provide support and training on strategic STI governance, regulation, and institutions for STI policy in developing countries, especially countries in special situations.	National innovation systems, including STI4SDG roadmaps a) We will support countries to develop and implement mission-oriented national STI4SDG roadmaps that foster an enabling environment to incentivize innovations aligned with maximizing public value and sustainable development. We will provide support and training on strategic STI governance, regulation, and institutions for STI policy in developing countries, especially countries in special situations.	
b) We call for strengthened competition laws that are adapted to the digital economy, to foster an open, non-discriminatory, fair and inclusive environment for innovation and technological development, and deepened international cooperation between national competition authorities, given the global reach of major technology firms and the impact of regulatory spillover.	b) We call for strengthened competition laws that are adapted to the digital economy, digital taxation frameworks, and data and AI governance regimes to foster an open, non-discriminatory, human rights-respecting, fair, and inclusive environment for innovation and technological development, and deepened international cooperation between national competition authorities, tax authorities, data protection authorities, and other data and AI governance bodies, given the global reach of major technology firms and the impact of regulatory spillover.	A holistic approach to digital economy regulation, moving beyond the governance of the marketplace, is essential to promote inclusive innovation.

Technology transfer, knowledge sharing, capacity building, and financing for STI c) We acknowledge the role of intellectual property regimes and the application of TRIPS flexibilities in contributing to innovation and sustainable development. We commit to promoting and encouraging further agreements on technology transfer.	**Technology transfer, knowledge sharing, capacity building, and financing for STI** c) We acknowledge the role of intellectual property regimes and the application of TRIPS flexibilities in contributing to innovation and sustainable development. We commit to promoting and encouraging further agreements on technology transfer, especially through the non-market route, for inclusive and equitable innovation and knowledge and benefit sharing to democratize the benefits of innovation.	In the context of data and AI innovation, reforms to existing IP regimes may be critical for inclusive and equitable innovation, along with technology transfer through non-market routes to build infrastructural capabilities in the global South. See Jean Bertrand Azapmo in https://archive.uneca.org/sites/default/files/PublicationFiles/dthr_en_full_rev3.pdf With AI innovation, data extractivism has led to a flight of resources from people in the South. We need benefit sharing as an explicit complement to tech transfer.
d) We urge operationalizing the Online University for LDCs to promote science, technology, engineering, and mathematics (STEM) education.	No comments	
e) We will facilitate access to STI funds through capacity building and knowledge sharing, including ensuring that resources are directed	e) We will facilitate access to STI funds through capacity building and knowledge sharing, including ensuring that resources are directed	The Digital Development Tax was proposed by the UN Secretary-General as a mandatory contribution from transnational platform companies who

to countries and regions with high needs and impacts. We call for the IFIs, international organizations, and development partners to enhance financing and capacity support to STI projects in developing countries, and invite public development banks, in particular, to scale up support for investment in mission-oriented innovation through risk-sharing instruments, public venture capital funds, or similar instruments.	to countries and regions with high needs and impacts. We call for the IFIs, international organizations, and development partners to enhance financing and capacity support to STI projects in developing countries, and invite public development banks, in particular, to scale up support for investment in mission-oriented, rights-respecting innovation through risk-sharing instruments, public venture capital funds or similar instruments. We also call for the creation of innovative public financing mechanisms at the international level, such as a Digital Development Tax on transnational platform corporations.	have profited from the internet to close the connectivity gap.https://botpopuli.net/global-digital-compact-back-sliding-to-a-failed-free-market-playbook/
f) We will promote equitable access to AI and ensure adequate financing for capacity building for AI adoption, for development of a regulatory ecosystem that promotes safe, secure, and trustworthy AI systems, and for facilitating developing countries' participation in the global AI dialogue, while taking into consideration the previous internationally agreed outcomes.	f) We will promote equitable access to AI infrastructural capabilities and ensure adequate financing for capacity building for AI adoption, for development of a regulatory ecosystem that promotes human rights-respecting, safe, secure, and trustworthy AI systems, and for facilitating developing countries' participation in the global AI dialogue, while taking into consideration the previous internationally agreed outcomes.	Countries in the global South need support in building their AI infrastructural capabilities and not just find themselves integrated into AI value chains as suppliers of raw materials and consumers of AI products and services.

International cooperation on STI g) We resolve to enhance national and international cooperation between actors in the STI ecosystems, including MDBs and DFIs, on open science, open data, digital public goods, affordable and open-source technology, education, and collaborative international research and development that ensures access to countries in need.	International cooperation on STI g) We resolve to enhance national and international cooperation between actors in the STI ecosystems, including MDBs and DFIs, on open science, open data, digital public goods, digital public infrastructure, affordable and open- source technology, education, and collaborative international research and development that ensures access to countries in need with appropriate guardrails for eliminating harm and maximising benefit sharing.	A data commons approach rather than an open data approach will enable equitable distribution of the development dividends of digitalization. As the UN acknowledges in the GDC, digital public goods and digital public infrastructure are equally essential.
h) We commit to strengthen the capacity of the UN Technology Facilitation Mechanism and the Technology Bank for LDCs with adequate resources so they can effectively fulfill their mandates.	No comments	
i) We support enhanced collaboration among the STI Forum, the Commission on Science and Technology for Development, and other international platforms. This includes promoting digital infrastructure-related knowledge sharing, particularly in identifying investment risks and opportunities, among DFIs and other partners.	No comments	

j) We request the Interagency Task Team on STI for the SDGs to undertake an assessment of the major obstacles that hamper international diffusion of technologies for the SDGs, especially green technologies.	No comments	
Digital divides 60. The lack of essential digital infrastructure poses a significant barrier for many developing countries, especially countries in special situations, exacerbating the digital divides, including the gender digital divide. Increasing investment in resilient digital public infrastructure and digital public goods is extremely important. Achieving universal connectivity will require mapping out gaps and measures to scale up investment at the national level with the support of the international community.	60. The lack of essential digital infrastructure poses a significant barrier for many developing countries, especially countries in special situations, exacerbating the digital divides, including the gender digital divide. Increasing investment in resilient digital public infrastructure and digital public goods is extremely important. Achieving universal connectivity will require mapping out gaps and measures, and appropriate governance frameworks to scale up public investment at the national level for universal, affordable, and meaningful connectivity with the support of the international community.	Evidence suggests that the market will not close the access gap in pockets where the profit incentive does not work (rural, remote populations). Public investment is essential for universal, affordable, and meaningful connectivity—a precondition for closing the digital divide.
a) We commit to developing financing plans and coordinating investment in digital public infrastructures and digital public goods as part of national financing frameworks, and technical support from	a) We commit to developing financing plans and coordinating investment in digital public infrastructures and digital public goods as part of national financing frameworks, and technical support from	

partners through country-led platforms. We will support countries in their design of digital infrastructure financing models and impact measurement to close the connectivity gap and improve the quality and affordability of connectivity, as called for in the Global Digital Compact.	partners through country-led platforms for building infrastructural design and governance capabilities. We will support countries in their design of digital infrastructure financing models and impact measurement to close the connectivity gap and improve the quality and affordability of connectivity, as called for in the Global Digital Compact.	
b) We will promote access to science and technology for women, youth, and children.	b) We will promote access to science and technology for women, youth, and children, especially from marginalized groups.	
c) We invite countries to bring projects on digital public infrastructures and digital public goods to the SDG Investment Fair.	c) We invite countries to bring projects on digital public infrastructures and digital public goods, and good practices in ethical and rights-respecting digital innovation to the SDG Investment Fair.	
61. The rapid growth of digital technology has improved financial inclusion for individuals and MSMEs. Despite progress, there are still significant gaps in access and use, and new risks, as some fintech companies are not subject	61. The rapid growth of digital technology has improved financial inclusion for individuals and MSMEs. Despite progress, there are still significant gaps in access and use, and new risks, as some fintech companies are not subject	

to the same regulations as other financial institutions. To fully realize the potential of fintech, complementary investments in technology access, financial and digital literacy skills, infrastructure and regulatory frameworks are needed. Coordinated national policy actions and strengthened international cooperation, especially on emerging issues, are essential to safeguard consumer protection, foster fair competition, ensure financial stability, and uphold financial integrity.	to the same regulations as other financial institutions. To fully realize the potential of fintech, complementary investments in technology access, financial and digital literacy skills, infrastructure, and regulatory frameworks are needed. Coordinated national policy actions and strengthened international cooperation, especially on emerging issues, are essential to safeguard consumer protection, foster fair competition, ensure financial stability, ~~and~~ uphold financial integrity, and hold transnational corporations effectively accountable for individual and collective harm stemming from business practices in cross-border fintech value chains, in accordance with the UN Guiding Principles on Business and Human Rights.	
a) We will support countries in creating enabling domestic environments for the development of digital financial services, underpinned by partnerships between local banks and fintech firms to expand financial inclusion services' reach, especially in rural areas, and adaptive regulatory frameworks that effectively manage the opportunities and risks of new technologies.	a) We will support countries in creating enabling domestic environments for the development of digital financial services, underpinned by partnerships between local banks and fintech firms to expand financial inclusion services' reach, especially in rural areas, and adaptive regulatory frameworks ~~that effectively manage the opportunities and risks of new technologies~~ based on human rights due diligence requirements and accountability, and reparation mechanisms to effectively manage the opportunities and risks of new technologies.	See Pp 29 https://gpai.ai/projects/responsible-ai/towardsrealdiversityandgenderequalityinai/towards-substantive-equality%20in-artificial-intelligence_Transformative-AI-policy-for-gender-equality-and-diversity.pdf

b) We commit to implement comprehensive and ethical financial and digital literacy programmes that target all segments of society, including women, youth, and marginalized communities, including by mainstreaming these into educational curricula at all levels	b) We commit to implement comprehensive and ethical financial and digital literacy programmes that target all segments of society, including women, youth, and marginalized communities, including by mainstreaming these into educational curricula at all levels and adult literacy and life-long learning education initiatives.	
c) We invite relevant stakeholders to the respective sessions of the ECOSOC FFD Forum to exchange knowledge and share experiences and expertise on policy and regulatory frameworks to respond to the development of digital financial services, avoiding silo-style regulation.	c) We invite relevant stakeholders to the respective sessions of the ECOSOC FFD Forum to exchange knowledge and share experiences and expertise on policy and regulatory frameworks to respond to the development of digital financial services, avoiding silo-style regulation and erosion of public banking infrastructure.	

d) We will consider utilizing the Global Dialogue on AI Governance, convened in accordance with the Global Digital Compact, as a platform to discuss governance of fintech, including exploring the development of a set of principles for safe, equitable, and inclusive development and use of AI in fintech.	d) We will consider utilizing the Global Dialogue on AI Governance, convened in accordance with the Global Digital Compact, as a platform to discuss governance of fintech, including exploring the development of a set of principles for safe, equitable, transparent, accountable, and inclusive development and use of AI in fintech.	Transparency and Accountability need to be strengthened, as OECD's Responsible AI principles also highlight. See https://oecd.ai/en/dashboards/ai-principles/P7