

**First session of the Preparatory Committee for the fourth International Conference on Financing for Development**

**Multi-Stakeholder Round Table Discussion on “Science, technology and innovation”**

Thursday, 25 July 2024, 16:30 – 18:00

***Concept Note and guiding questions***

The Addis Ababa Action Agenda recognizes science, technology, innovation (STI), and capacity building as critical drivers for sustainable development. It also highlights the concern of the persistent technological divide, i.e., the uneven innovative capacity, connectivity, and access to technology between and within countries, which prevent many from fully enjoying the benefits brought by technological advances.

There is no doubt that technology has greatly contributed to advancing sustainable development and resilience. It expands economic opportunities, safeguards people’s well-being and maintains hope that the world can still address some of the most critical threats that our planet faces. But technology can also have unintended consequences for economic, social, environmental outcomes and human rights. Automation has contributed to inequality as it favors capital owners and higher-skilled workers. It also reduces the comparative advantage that many developing countries enjoy due to lower labour cost. Growing dominance of major actors in technology sectors raises the risk of regulatory capture and technologies such as AI can be difficult for poor countries with limited capacities countries to utilize.

The increased complexity of technologies and innovations has also raised the need for complementary investment in infrastructure, human and physical capital. It has amplified the impact of inadequate investment in the national innovation system, a longstanding obstacle to technology adoption in many countries. As a result, there is a persistent capability gap between lower-income countries and those at the capability frontier. Barriers to technology transfer persist and could harden in the context of geographic fragmentation.

A number of potential solutions have been proposed to i) close technological divides; ii) ensure the development and use of technology contribute to sustainable development; and iii) harness the growing interplay between financing and technology.

These include targeted support for countries in special situations to engage in international collaboration on R&D for SDGs, facilities to bring together public and private financing, and R&D capacity support to generate targeted technological solutions to address the most pressing global development challenges. In addition, the development of principles for the development and use of AI in fintech and standards for disclosure by financial institutions to enhance transparency on their AI use have been proposed to help fully realize the potential of fintech and mitigate its risks.

## Questions for Discussion

1. Supporting national innovation
  - What are the longstanding and emerging domestic and international hurdles that limit the development of developing countries' national innovation systems?
  - What national and international strategies can be implemented to address such hurdles, increase R&D investment in developing countries, and bridge the global innovation gap?
  - How can multi-stakeholder partnerships be leveraged to enhance R&D capabilities and drive technological advancements?
2. Supporting technology diffusion, knowledge sharing, and capacity building
  - What are the longstanding and emerging domestic and international hurdles that limit technology diffusion and knowledge sharing?
  - What measures can be taken to address the barriers to technology transfer and create enabling environments for technology diffusion in developing countries?
  - How can international cooperation, including South-South cooperation, be strengthened to support technology diffusion, ensure developing countries have access to technologies that are critical for achieving sustainable development?
  - How can regional and international initiatives be utilized to enhance global research cooperation?
  - How can international community ensure more and more effective funding and capacity for SDG-related research and innovation in all regions?
  - What integrated approaches can be adopted to enhance capacity-building efforts and develop the human capital needed for innovation in developing countries?
3. Ensuring the development and use of technology contribute to sustainable development
  - What frameworks and institutional capacities can effectively integrate STI into national development strategies?
  - How can monitoring and evaluation of STI policies be improved to assess their impact and inform policy decisions?
  - What international initiatives can bring together public and private financing and technological capacity to generate targeted technological solutions to tackle global development challenges?
  - What national and international measures can fully realize the potential of fintech and mitigate its risks?
  - What kind of regulatory frameworks can ensure the development and use of AI, including in fintech, is conducted in a manner that is safe, equitable, and beneficial for all stakeholders?