



***Priority Considerations for Development of an “Elements Paper”***  
**for the 4<sup>th</sup> UN International Conference on Finance for Development (FfD4)**  
**Submission by the United States Council for International Business (USCIB)**

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**I. Introduction: From the Addis Ababa Action Agenda (AAAA) to FfD4 in Seville, US Business is a Key Partner**

In 2015, the international community agreed the AAAA as a new global framework for financing development. According to the AAAA, that framework would rely on “creating an enabling environment on all levels for sustainable development in the spirit of global partnership and solidarity.” While much has changed since 2015, this necessity is more relevant than ever.

In some respects, the AAAA has been successful. Since 2015, there has been growing awareness and progress towards converging economic activity, finance and investment decision making towards sustainable development in both public and private sectors.

While FfD4 documents should look to the AAAA as the foundation for Seville outcomes, the recently agreed UN Pact for the Future sets out particular areas requiring further attention and implementation, especially in its Chapters I and V.

According to the US Department of Commerce’s Bureau of Economic Analysis, US private sector outward FDI reached \$6.68 trillion by the end of 2023. FfD4 should not miss the opportunity and imperative to mobilize more of these private investments towards sustainable development that will bring benefits not just to the global south but to all nations.

USCIB has commented and engaged throughout the full Monterrey process, from the inaugural meeting in Mexico in 2005, and appreciates this opportunity to offer recommendations for consideration of the co-chairs and co-facilitators of the FfD4 process. We intend to offer our members’ expertise and engagement as a resource to the deliberations towards FfD4.

Significant gaps and shortfalls remain for Addis, and new crises, challenges and circumstances have arisen since 2015. Nearly every country, whether developed or developing, is behind in meeting the 2030 Agenda’s goals and other key 2030 commitments (notably the Paris Agreement) for a wide variety of reasons not limited to inadequate financial resources.

Many governments have been unable to sufficiently strengthen governance systems to address corruption and improve access to essential public services such as health, infrastructure, water and

sanitation, education, and social protection. Protection of human rights has not been implemented and enforced on the ground.

Skill-building systems have not kept up with changing labor market needs, failing to equip job seekers with the necessary skills to enter labor markets, leaving businesses without a labor force with the necessary skills.

Unprecedented events and trends have also hindered 2030 Agenda implementation, including the Covid-19 pandemic and its economic, employment and social impacts; ongoing geopolitical tensions; rising food and energy costs; financial instability and the consequences of climate change. Tackling these systemic challenges will require FfD4 to consider a more holistic and system wide suite of needed actions at national and international levels.

- Strains on and skepticism about multilateralism are also negatively impacting multilateral economic institutions, such as the WTO and IFIs. There are real and demonstrated downsides for developing countries when trade barriers are in place, and when multilateral institutions cannot reach consensus on collective actions.
- Governments alone are not able to implement all necessary actions and provide needed resources to deliver the 2030 Agenda – so FfD4 should answer the question: how to leverage and mobilize the private sector during these difficult times?
- In response, the Seville conference outcome scope should comprise a cross-cutting global policy framework shaped in full partnership with the private sector – including sustainability, global tax cooperation, trade and investment policies, upskilling, climate and energy, IPR protection, food and agriculture, and corporate responsibility issues such as transparency and anti-corruption.
- Resilience for the international economic infrastructure, its institutions and markets, and for people, must be a priority. Anticipating, planning for and avoiding disruptive shocks is in everyone’s interest, and seeking alignment with the SDGs for mobilization of capital is essential to approaching investment for development and infrastructure with an emphasis on resilience.

While the 7 Action Area headings of the AAAA provide a relevant blue print for actionable and impactful responses at national and international levels, we would recommend the addition of 5 “principles” to inform and underpin deliberations leading to Seville.

## **II. Principles for the FfD4 “Elements” Paper: Inclusive Multilateralism, Good Governance, Public Private Sector Partnership, International Solidarity and Enhanced Substantive Business Involvement**

**1** Fundamentals of **good governance, rule of law, peace and security** are indispensable for progress and impact of other actions highlighted in the 7 AAAA Action Areas and the SOTF Global Pact, and will be essential for additional efforts to be agreed at FfD4.

**2 Public Private Partnership** and international cooperation must be the basis and mindset to drive not only government led efforts, but also private sector and multi-stakeholder actions.

**3 Support and demonstrate greater inclusivity of business and establish stronger and more formal cooperation** between the private and the public sectors in the multilateral system.

The potential of private sector collaboration with governments and the international community to build a prosperous and sustainable global economy and tackle sustainability challenges has not been fully realized. FfD4 is an opportunity to advance enable dialogue, partnership, resource mobilization and active implementation.

To realize the full potential of practical solutions that can be delivered, the business community needs recognized, representative and substantive places in the multilateral system, in MDBs and at the UN in a systemic and ongoing manner.

**4 Enhance international solidarity** to address inequities between countries and ensure the weakest and least developed nations get the necessary support to meet the needs of their societies.

**5 Bolster inclusive multilateralism** that promotes cooperation among and between states and ensures collective responses to global challenges that fully include and respect societal partners. Enhance inclusive multilateralism to support national efforts to execute coherent strategies that address inequities, promote trust, improve decision-making, and build social stability. For this, more equitable dialogue spaces should be opened to countries of all income levels,

### **III. Action areas for inclusion in FFD4 Elements Paper**

#### **A. *Domestic public resources***

National actions and frameworks are as fundamental today as they were when the AAAA was under discussion. FfD4 should:

Encourage national governments to pursue **effective and efficient public policies, services, and governance** - including sustainable social protection schemes, education and skills development systems - that are transparent, accountable, responsive, combat corruption with more ambition, and align with labor market needs.

**Build better skills development systems in line with labor market needs.** Currently, some 775 million illiterate adults, nearly two-thirds of whom are women, are pushed to the margins of labor markets. At the same time, many economies are experiencing a growing skills gap. In too many countries, business is not involved in developing education systems.

**Create an enabling environment for business that fosters entrepreneurship, job creation, economic growth and sustainable development.** Employers and businesses want to see the development and implementation of easy-to-understand, employment-friendly laws. As part of government measures, more targeted fiscal support and greater access to funding for entrepreneurs and MSMEs will be essential as well as reducing administrative and legislative barriers that encumber the ability of companies to establish, operate and grow.

Pursue comprehensive and innovative strategies to **tackle informality** and promote the transition to the formal economy.

#### **B. *Domestic and international private business and finance***

Foreign direct investment is in higher demand today than ever, given the estimated gap of \$4 trillion needed to meet today's sustainability demands. FfD4 should prioritize boosting public and private financing of infrastructure development, accelerating green transitions, and bridging the digital divide.

FfD4 should seek to maximize productive investment and support investor safeguards to ensure fair treatment without compromising legitimate regulation. Investor protections catalyze and protect foreign investment, particularly in countries that are politically or economically unstable.

To spur investments for development, climate and nature in developing countries, it is key to engage in a matter-of-fact dialogue with business, multilateral finance institutions, regulators and rating agencies to discuss and achieve a common understanding of how to de-risk, incent and leverage private sector investment and finance for adaptation and mitigation.

To improve and safeguard quality in the form of standards and benefits to communities and workers, initiatives like the OECD Blue Dot Initiative are examples of standards and values that can be integrated into rating projects.

USCIB has just launched the Business Pact for the Future, through which we are seeking to bring forward recommendations for public-private cooperation and partnership in 4 areas, one of which is Incenting Investment in People-Centered Infrastructure.

### ***C. International development cooperation***

Effective coordination among international donors, including bilateral donors, the IFIs and the broad UN system, remains elusive. Recipient countries must play a lead role in coming up with a realistic country-specific development strategy. All donors need to improve the quantity, quality, and flexibility of their assistance programs. International cooperation programs need to be focused on realistic, rigorous development strategies, not donor commercial interests.

### ***D. International trade as an engine for development***

Over the decades, open markets for trade and investment have contributed to macroeconomic stability, global prosperity, and job growth around the world. However, new global trade and investment initiatives have slowed as some countries embrace more protectionist measures. States should roll back trade-restrictive measures and subsidies inconsistent with World Trade Organization (WTO) rules and refrain from implementing new ones.

Free, open, and fair markets are imperative to competitiveness, well-paying jobs, and broad-based economic prosperity. Lower trade and investment barriers, eliminate unfair and discriminatory trade and investment practices, counter economic coercion, promote innovation and creativity, and ensure a level playing field where developing countries can compete.

Companies large and small, in developing and developed nations, depend on a stable, rules-based trading system with the WTO as its cornerstone to facilitate global commerce and support jobs. While the WTO is the lead institution for the governance of multilateral trade, other multilateral entities should partner with the WTO to advance synergistic policies for sustainable development.

Moreover, robust, effective, and durable trade policy requires meaningful consultation, collaboration, and good will among governments, institutions, the business community as well as civil society. Inclusion of MSMEs and female-led businesses in domestic, regional and global supply chains should be prioritized;

#### ***E. Debt and debt sustainability***

Access to global public and private capital markets is an important tool to mobilize financing for development, including in key infrastructure sectors.

Debt financing must be carefully managed, transparent, and be built around strong international cooperation through the IMF and the Paris and London Clubs.

#### ***F. Addressing systemic issues***

Inclusive multilateralism – in which business and other societal partners work with the international community in partnering, cooperating, and committing to the Sustainable Development Goals (SDGs) -- is essential to deliver Agenda 2030, and take the outcomes of the Summit of the Future forward.

In addition, FfD4 should:

**-Strengthen promotion, protection and respect for internationally recognized human rights**

**-Encourage governments to put in place sustainable social protection, including health and education systems:** Part of this effort must include robust measures to strengthen health and educational systems.

#### ***G. Science, technology, innovation and capacity building***

The digital economy presents enormous opportunities for job creation and inclusive economic growth, providing new avenues for entrepreneurs, small businesses, and less represented groups to reach global markets. Competitiveness across all sectors increasingly depends upon the use of data and digital technologies.

Governments must increase efforts to untap the potential of digitalization for all. This means adoption and implementation of non-discriminatory, transparent, predictable, and harmonized standards and rules that facilitate trade of digital goods and services, especially for MSMEs, as well as free flow of data and privacy protections and frameworks to foster trust.

Governments must ensure barrier-free data flows and legitimate access to digital products and services and press for interoperable and common global standards for digitization of supply chains, including payment systems, to enable movement of goods and capital faster and more efficiently across borders.

They should oppose policies and regulations that create barriers to trade and investment in this sector, such as joint venture requirements or other investment limits, restrictions on cross-border data flows, requirements to store data locally, unilateral tax measures that discriminate against digital firms, local content requirements, discriminatory approaches to competition and platform regulation, cloud market access restrictions, and the application of customs duties and other processes on cross-border electronic transmissions.

To bridge the constantly expanding digital divide, government policies should prioritize the extension of digital infrastructure and support a digital-ready mindset and capacities, particularly for MSMEs.

FfD4 should join efforts to increase international cooperation to untap the potential of digitalization for all, as set out in the Global Digital Compact agreed at the Summit of the Future.

### **Emerging issues**

Emerging and advanced technologies such as AI have the potential to enhance human well-being, drive economic growth and achieve many of the Sustainable Development Goals (SDGs) set forth by the United Nations.

These technologies do not evolve without challenges, and the public and private sectors will need to collaborate closely in order to ensure an innovative, responsible, and human-centric approach to AI development and deployment.

AI deployment will require upskilling and adaptation of the labor market, and as we expand AI we should build upon existing AI governance frameworks. **The OECD's 2019 AI principles offer a good example of an important body of AI work to draw on.** AI governance should be transparent and easily explainable, and include the input of the full multistakeholder community.

AI governance should be human-centric and accountable to people. It should provide approachable opportunities for user feedback and be subject to appropriate human direction and control. A legal and regulatory framework should reflect the technology architecture for AI to effectively mitigate risk, and integrate privacy-by-design principles.