



**STATEMENT OF THE GROUP OF 77 AND CHINA
AT THE THIRD SESSION OF THE PREPARATORY COMMITTEE FOR THE FOURTH
INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT DURING ITS
CONSIDERATION OF THE DRAFT OUTCOME DOCUMENT OF THE CONFERENCE:
SCIENCE, TECHNOLOGY, INNOVATION AND CAPACITY BUILDING
FRIDAY, 14 FEBRUARY 2025**

Thank you Co-facilitators,

The Group is encouraged by the forward-looking section on Science, Technology and Innovation (STI). We believe that the advent of digital technologies, including in finance, over the past decade has represented the greatest progress and accelerant for development for developing countries, facilitating greater financial inclusion, achieving the SDGs, more innovative fiscal strategies, and enabling greater incentives for private investments. FFD4 is an opportunity for us to double down on progress made so far and raise the ambition for STI, which we note both developing and developed countries have collectively agreed to.

We are encouraged by the references in the zero draft to enhancing coordination in STI development and policy at the national and international levels. The need to develop digital public infrastructure and enabling domestic environments for STI provides a good foundation for further discussion. We are also pleased to see that the Group's suggestions on anti-competition regulation have been addressed. While this is a good basis, we believe that this section can benefit from greater specificity in its recommendations, particularly on capacity-building support for developing countries, and to reflect more positive examples of successful uses of financial technologies and financial products for development. In this regard, the Group makes the following points:

- While we agree that coordination at the national and international levels is important, we would like to see more details on coordination between technology and other sectors, and between public and private actors to steer technological change towards addressing pressing development challenges.
- We appreciate the calls for references to capacity-building for developing countries. However, it is unclear what this would entail. For example, the Group had previously suggested *inter alia* language on developing the digital competencies of public officials and institutions of developing countries.
- We would also like to see stronger language on the need for STI regimes to be better aligned with the SDGs and national development goals.
- We would like to see this section delve into the impact of STI development on labour. We would like to see more references to actions to:
 - Mitigate how rapid technological change can result in **brain drain** in developing countries; and

- Guide technological development to be **labour-complementary rather than labour-replacing**, directing resources to education and training, especially to promote workforce upskilling and reskilling.
- We would also like to see references to deepening public-private partnerships for the expressed purpose of the following:
 - Encouraging **entrepreneurship**, which we note is not mentioned in this section and only twice throughout the entire document; and
 - Developing **local innovation ecosystems** and ensuring that innovation in developing countries can reach global markets; and
 - Supporting policies towards **open science and open innovation** and co-development of technologies.
- On the recommendation to consider utilizing the Global Dialogue on AI Governance for discussions on fintech governance, we are of the view that this might be a misplaced conflation, and whether there is a need for such a narrow scoping of fintech vis-à-vis AI. It might be better to have discussions on new and emerging technologies and their impact on FFD, as well as regulatory frameworks meant to address associated risks.
- Lastly, we reiterate our call for a **multilateral fund** to stimulate innovation and cooperation, facilitate shared global research, technology transfer and best practices such as through joint innovation challenges, and to enable developing countries to benefit from new and emerging technologies.

We hope these views will be considered favourably by the co-facilitators in your revision of the zero draft, and the Group stands ready to engage constructively in the negotiations. Thank you.