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United States Council for International Business (USCIB)

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Chapeau

The United States Council for International Business (USCIB) is committed to the 2030 Agenda, and supports an effective, inclusive and accountable United Nations as vital to that effort. USCIB aligns with the submission of the Business and Industry Major Group (BIMG).

As the only U.S. business organization with UN ECOSOC NGO consultative standing, USCIB has represented American business in UN sustainable development deliberations since the 1992 Earth Summit. USCIB's "Moving the Needle" (MTN) initiative provided business recommendations and priorities relating to SDGs and Our Common Agenda (OCA) to the SDG Summit.

The Summit of the Future (SOTF) is a turning point for <u>practical inclusive multilateralism</u>. Strengthened international cooperation depends on scaling positive change via impactful long-term partnerships with business.

As global challenges proliferate, substantive ongoing engagement with business, civil society, governments and the international community is indispensable across all aspects of the Global Pact for the Future. This submission addresses proposed Global Pact Chapters I. III., and V.

I. Sustainable development and financing for development

Mobilizing private sector expertise, investment and finance is essential to address the world's most pressing SDG challenges. The Pact should call on businesses to work in cooperation with the public sector to scale up SDG action and impact.

Substantial investments in human resources, skills, and infrastructure are needed in the global South. Identifying bankable and blended finance opportunities and de-risking them will be indispensable to private sector participation in the necessary resource mobilization.

III. Science, technology, innovation, digital cooperation

Digital technologies and the online environment present an unprecedented opportunity to grow the global economy, bridge inequalities through access to information and opportunity, raise productivity, foster creativity and innovation, build trust, and expand societal engagement and exchange. USCIB welcomes the UN Secretary General's inclusion of the proposed Global Digital Compact (GDC) as part of the OCA, SOTF, and the Pact.

Realizing the developmental benefits of digital transformation depends on policies supporting enabling environments for technology innovation. Such policies should address interlinked and cross-cutting economic, social/cultural, technical, and governance issues. This *holistic approach* best ensures an open, safe, highly secure, stable, interoperable, seamless, rights-respecting, and sustainable digital ecosystem with the potential to address development gaps and other inequities, and achieve the objectives of the SOTF and the Pact.

<u>Infrastructure, Connectivity, and Spectrum</u> – Access to connectivity is imperative to achieve the Sustainable Development Goals (SDGs) and SOTF objectives. Digital transformation benefits and the UN's aspiration to connect all people to the Internet, including all schools, can only be realized with adequate broadband infrastructure and spectrum.

- <u>Lack of affordable financing</u> is a critical inhibitor to the growth of Internet Service Providers (ISPs) in developing countries. To succeed in <u>connecting the unconnected</u>, International Financial Institutions, developed and developing countries should do more to incentivize new financing models, blended finance and multistakeholder partnerships, to support broadband infrastructure build-out, wireless devices and other aspects of rapidly evolving digital ecosystems.
- <u>The availability of licensed spectrum</u> for exclusive, shared and unlicensed uses has an important complementary role in Internet accessibility and its developmental potential. Effective technologically neutral management of this scarce resource must be a priority for UN members while ensuring the integrity of services by existing spectrum license holders.

<u>Multistakeholder Governance Approaches</u> -- The global digital ecosystem benefits when government policymakers work in cooperation with business, civil society, academia, and the technical community. Governments need these stakeholder groups' perspectives to better understand which policies are commercially viable, technically feasible, and offer adequate personal privacy protections. Stakeholder inclusion can lower the risk of unintended consequences and increase policy legitimacy.

• <u>Leverage Existing Multistakeholder Forums</u> -- The Pact should reinforce this principle and actors should carry out multistakeholder processes for Internet governance, avoiding duplication and leveraging and strengthening existing forums and workstreams.

Importance of Artificial Intelligence (AI) —AI can accelerate access to information and resources, create economic opportunities, and improve social outcomes. We acknowledge the potential for misuse of these ground-breaking technologies, which could undermine personal privacy and online security protections, support decision-making biases, and cause labor market shifts, among other risks.

- <u>Draw from Existing Frameworks</u> -- The Pact should recognize, draw from, and point with confidence to the substantial body of work in multilateral forums, including the OECD and UNESCO; in the Joint AI roadmap of the US-EU Trade and Technology Council; and at national level, such as the U.S. White House Executive Order on AI, the U.S. NIST Risk Management Framework, the EU AI Act, and the UK's AI Principles. Importantly, the UN High-Level Advisory Body on AI_will soon issue an AI governance preliminary report.
- <u>Democratic Values and Risk-Basis</u> -- The Pact should use the above referenced frameworks as foundations for consistent international policy and regulatory approaches to AI that are:
 - o human-centric and grounded in democratic values
 - o risk-based and forward-looking.

Regulation should be risk-based, not prescriptive, to enable the benefits of AI for economic, societal, and environmental benefits.

• <u>Stakeholder Inputs</u> -- USCIB underscores the importance of including all stakeholders in subsequent consultations.

<u>Protection of Human Rights Online</u> -- With the advent of the Internet and the digital transformation of the economy, U.S. business has sought opportunities to work with governments, regulators, NGOs, and others to advance opportunities and meet challenges posed by new technologies and help ensure the Internet is used to foster an exchange of ideas.

We are strongly committed to respecting human rights, including the right to freedom of expression, in line with the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We welcome the Secretary-General's proposal for the Global Digital Compact to recognize the need to apply human rights online as one would apply them offline.

The Pact should recognize the importance of engaging the private sector, especially through OHCHR, as the lead UN human rights entity. The B-Tech initiative has also been a valuable addition in this context.

<u>UNESCO Guidance</u> -- The Pact should recognize UNESCO's guidance for digital platforms, which includes a strong human rights component.

<u>Trust and Security Importance</u> -- The benefits of digital transformation enabled by data flows will only be realized and embraced by consumers, businesses, and governments who trust the online environment and feel confident the privacy of their personal data will be respected and online systems are secure. Business remains committed to complying with applicable privacy regulations and recognizes its

responsibility to adopt best practices to ensure that personal data and information are appropriately secure as technology and services evolve.

- The Pact should call for a risk-based, voluntary approach to online security, which leverages international standards such as those adopted by the ISO, to ensure a secure, stable, and resilient Internet ecosystem.
- Global Interoperability Trust in the online environment is best achieved through privacy and security protections that do not unnecessarily restrict the free flow of data across international boundaries and are globally interoperable.

Online Safety and Well-being - Fostering trust involves ensuring a safe and empowering online experience. USCIB recognizes the shared challenge of embedding safety online and encouraging multistakeholder cooperation to help individuals and families, especially youth and vulnerable groups, make healthy decisions online, stay safe, build resilience, and thrive in the digital world.

<u>Child Protections and Developmental Needs</u> -- This includes committing to privacy and safety-by-design and ensuring digital experiences enable children to grow and develop 21st century skills like creativity, problem solving and critical thinking. For example, the United Nation's Protection through Online Participation initiative (POP) is an evidence-based approach incorporating learnings about youth online participation to help improve the design of digital products and experiences.

- The Pact should recognize existing recommendations, including the OECD Recommendation of the Council on Children in the Digital Environment, recognized by the 2021 G20 and in the 2021 G7 Internet Safety Principles. The Pact should build on UNICEF's programs on Child Rights in the Digital Age and Responsible Innovation in Technology for Children and the ITU's Child Online Protection work.
- <u>Holistic Approach</u> To promote better online environments, the Pact and GDC should recognize the importance of a holistic approach that incorporates safety alongside individual rights and a person's overall well-being, as it is better to manage risks and create opportunities for expression, growth and development than to mandate sterile digital spaces.
- <u>Education and Training</u> -- This includes educating and equipping individuals with digital skills and literacy, to empower users to make informed choices online, navigate risk, and discern mis- and disinformation.

<u>Avoid Internet Fragmentation</u> – The Internet's success is grounded in its design as an open, interconnected, and interoperable network. These design elements are key to the Internet assisting UN Sustainable Development Goals (SDGs) achievement.

¹ UNICEF, Child Rights in the Digital Age. https://www.unicef-irc.org/research/child-rights-in-the-digital-age/; UNICEF, Responsible Innovation in Technology for Children. https://www.unicef-irc.org/ritec

- <u>Technical, Legislative, Policy Impediments</u> -- Various technical, legislative, and policy developments including restrictions on data flows, interference with free expression, technoprotectionist initiatives, and Internet shutdowns have led to Internet fragmentation and increased digital divides. At technical, network, or application levels, this fragmentation undermines the open, interconnected, and interoperable Internet's associated benefits to social and economic development, and is harming human rights.
- <u>Harmonization Needed</u> -- We welcome the Secretary-General's proposal to include Internet fragmentation in the Global Digital Compact, and we support its incorporation into the Pact. Relevant language should call for harmonization in global approaches to Internet governance that promote free flows of data, encryption, and rights to freedom of expression and privacy online.

<u>Free Flow of Data Across Borders</u> – The free flow of data and information is critical for economic recovery and growth, and for SDG advancement. Policies that facilitate new technologies' adoption and the global movement of data and information will enable all to realize the Internet's potential as a platform for innovation, economic growth, and gender equality.

- <u>Collaboration on Interoperability</u> -- The Pact should encourage collaboration on the interoperability of frameworks to promote the flow of data and explicitly oppose data flow restrictions, while upholding privacy standards.
- Need for Digital Commons and Digital Public Goods -- The Pact could help build a Digital Commons to provide backing for the concept of Digital Public Goods, as promoted in the Secretary-General's 2020 Roadmap for Digital Cooperation. Digital Public Goods (DPGs) are open-source software, open data, open Al models, open standards, or open content that adhere to the standard developed by the Digital Public Goods Alliance. DPGs can be seen as a tool to accelerate 2030 Agenda achievement.
- OECD Recommendation -- The GDC should consider the OECD Recommendation on Enhancing
 Access to and Sharing of Data to maximize the benefits of data while protecting the rights of
 individuals and organizations.

<u>Open Markets, Predictable Regulatory Environments</u> – The availability of digital technology and online services to an increasing percentage of the world's population depends on governments opening their markets to competitive ICT, application providers and foreign investment.

• <u>Predictable Rules-Based Approaches</u> -- The Pact should support the adoption of predictable, rules-based regulatory environments resulting in a full range of competitive providers supplying services to currently underserved markets.

<u>Science and innovation</u> will accelerate the pace and effectiveness of government and business SDG actions. Prioritizing <u>meaningful science-policy-business interfaces</u> aligned with SDG implementation is crucial.

A key actor in the knowledge community, inclusive engagement of business is critical to listen, learn and engage with stakeholders, while providing rigorous scientific, innovation and R&D findings and resources to policymakers. Wider business engagement in scientific assessments like IPBES and IPCC will strengthen the data, tools, and policies that result. Dialogue and collaboration among business, governments, and society will build trust and mutual respect.

V. Transforming global governance

Drawing from the OCA and High-Level Advisory Board on Effective Multilateralism (HLAB) report, SOTF should:

- Strengthen transparent frameworks for substantive engagement of business.
- Mobilize business's pivotal capabilities to provide resources, expertise, livelihoods, innovation and scale solutions.
- Foster and mainstream business UN partnerships, pursuing synergistic approaches to achieve the SDGs.

Meaningful multi-stakeholder engagement should prioritize representative business groups, avoid one-size-fits-all treatment, and ensure inclusiveness across diverse sectors and sizes of business.