

### CAIDP Update 7.13

April 7, 2025

#### Welcome to CAIDP Update!

The UN warns of growing AI inequality as the market approaches \$4.8 trillion, with just 100 companies controlling 40% of R&D investment. The White House has issued federal AI guidance requiring Chief AI Officers and risk management protocols for high-impact systems.

Colombia has implemented UNESCO's AI guidelines for courts, while the EU expands its AI literacy repository. Brazil rejected WorldCoin's modified iris-scanning program, maintaining its ban on cryptocurrency payments for biometric data.

CAIDP has released its fifth annual AI and Democratic Values Index, evaluating AI policies across 80 countries. Canada, Japan, Korea, the Netherlands, and the UK secured top rankings in this comprehensive report.

Professor Stuart Russell delivered a keynote on Al safety, with Senator Blumenthal praising CAIDP's work. Skye Perryman detailed legal challenges in Al governance, while Dr. Safiya Noble, Maya Wiley, Dr. Sasha Luccioni, and Amandeep Singh Gill received Al Policy Leader Awards.

#### AI POLICY NEWS

# UN Report Warns of Growing Al Inequality Amid \$4.8 Trillion Market Potential

A <u>new report</u> from the United Nations Conference on Trade and Development (UNCTAD) warns that Al could create a wider global digital



divide without urgent international action, despite projections that AI will become a \$4.8 trillion market by 2033.

The 2025 Technology and Innovation Report warns of global AI inequality. It reveals that "just 100 companies, mostly in the United States and China, are behind 40 percent of the world's private investment in research and development," potentially marginalizing developing countries.

"History has shown that while technological progress drives economic growth, it does not on its own ensure equitable income distribution or promote inclusive

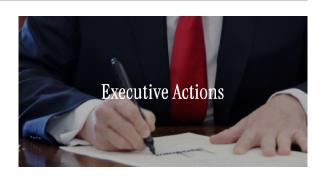
human development," noted UNCTAD Secretary-General Rebeca Grynspan, who called for stronger international cooperation to shift the focus "from technology to people."

The report estimates that "up to 40 percent of global jobs could be affected by AI," with particular concerns for economies where "low-cost labour has been a competitive advantage." However, UNCTAD experts argue that with proper policies, AI could create new industries and economic opportunities rather than simply eliminating jobs.

Beyond national policies, UNCTAD calls for a "shared global facility" to provide equitable access to computing power and AI tools for all countries. The report highlights a concerning governance gap, with 118 countries, primarily from the Global South, completely excluded from global AI governance discussions.

# White House Issues New Guidance for Federal AI Use and Acquisition

The White House released two memoranda establishing comprehensive federal guidance for Al use and acquisition across government agencies.



Memorandum M-25-21 directs agencies to "provide improved services to the public, while maintaining strong safeguards for civil rights, civil liberties, and privacy." It requires agencies to designate Chief Al Officers and implement risk management practices for "high-impact Al" systems with potential effects on rights or safety.

"When the high-impact AI is not performing at an appropriate level, agencies must have a plan to discontinue its use," the guidance states, adding that agencies must "ensure that the AI functionality has an appropriate fail-safe that minimizes the risk of significant harm."

The companion directive, <u>M-25-22</u>, focuses on acquisition practices, establishing that "agencies must identify reasonably foreseeable use cases arising from the use of an AI system or service, and to the greatest extent practicable, make an initial determination of whether a system is likely to host high-impact AI use cases."

The Memorandum <u>M-25-21</u> defines high-impact AI systems as those with outputs significantly affecting: civil rights and liberties; access to education, housing, credit, employment; access to critical government services; human health and safety; critical infrastructure; or strategic federal assets and sensitive information.

<u>M-25-22</u> requires agencies to update their acquisition policies within 270 days and mandates specific contract terms addressing intellectual property rights, privacy, vendor lock-in protections, and ongoing testing requirements.

These directives emerge amid <u>findings</u> from a Pew Research study showing significant gaps between expert and public perceptions of AI technologies, with 56% of AI experts believing AI will positively impact the U.S. over the next two decades, compared to only 17% of the general public.

Both groups share concerns about regulation, with 62% of U.S. adults and 53% of

All experts surveyed expressing little to no confidence in the government's ability to regulate All effectively.

### Colombia Adopts Al Guidelines for Courts, First to Implement UNESCO Framework

Colombia has <u>become</u> the first country to implement UNESCO's guidelines for AI in judicial systems, a move that comes as courts worldwide grapple with the implications of AI technology.



The guidelines create rules for how judges and court officials should use AI tools while addressing ethical concerns and human rights protections. They categorize applications based on risk levels, from routine administrative tasks to more sensitive applications involving case law.

Diana Alexandra Remolina Botía, President of Colombia's Superior Council of the Judiciary, acknowledged the preliminary nature of the effort. "These guidelines represent an initial step toward using AI responsibly, but they must evolve alongside advancements in technology, regulations, and jurisprudence," she said.

The initiative follows a Constitutional <u>Court ruling</u> that determined unregulated AI use by judges could potentially violate fair trial rights. Court officials hope AI implementation might help address a significant backlog, with over 2.2 million pending cases reported last year.

UNESCO officials, who developed the framework, pointed to studies indicating only 9% of judicial systems globally have Al-specific guidelines.

# EU Launches Survey to Expand Al Literacy Repository

The European Union's AI Office has opened a public survey soliciting AI literacy practices from organizations worldwide, expanding efforts to implement Article 4 of the recently enacted AI Act.



The <u>survey</u> builds upon an existing "living repository" of AI literacy initiatives that currently houses more than 20 practices contributed by AI Pact organizations. Now open to all organizations, this expanded collection aims to foster knowledge-sharing within the AI community.

The repository serves as a resource for AI providers and deployers seeking guidance on literacy practices, though the EU emphasizes that adopting these examples does not automatically guarantee compliance with the AI Act.

The AI Office will regularly verify that submissions meet transparency and reliability standards before adding them to the public repository. However, the EU emphasizes

that adopting these examples does not automatically guarantee compliance with the Al Act.

A dedicated website supporting broader implementation efforts is forthcoming, alongside planned webinars through the AI Pact Events program.

### Brazil Rejects WorldCoin's Modified Iris-Scanning Program, Upholds Payment Ban

Brazil's National Data Protection Authority (ANPD) has <u>rejected</u> WorldCoin's attempt to modify its controversial iris-scanning program,



maintaining its earlier ban on cryptocurrency payments for biometric data collection in the country.

In a decision published March 25, regulators denied a petition from Tools for Humanity (TFH), the company behind WorldCoin co-founded by OpenAl CEO Sam Altman. Officials ruled that TFH's proposed solutions "do not meet the ANPD's determination, since the financial consideration for the collection of sensitive personal data is still characterized."

The decision upholds <u>February's ruling</u> that suspended the practice of offering WorldCoin (WLD) tokens or any financial compensation for iris scans, finding that such incentives compromised genuine consent.

Regulators have established a daily fine of R\$50,000 (approximately \$9,800) for non-compliance with the order.

WorldCoin faces similar regulatory challenges across multiple jurisdictions, including South Korea, where the company was <u>fined</u> \$850,000 for privacy violations, and <u>Spain</u> and <u>Portugal</u>, which have temporarily banned its operations.



### **Donate to CAIDP**

Your contribution will

Provide free Al policy training to aspiring leaders in over 100 countries.

Advance the development of Al & Democratic Values Index Report, a vital resource for understanding Al's global impact in 80 countries.

Strengthen effective global engagement to advance human rights, democracy, and the rule of law

Drive the implementation of key Al governance frameworks including CoE Al Treaty and EU Al Act

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#### CAIDP ACTIONS

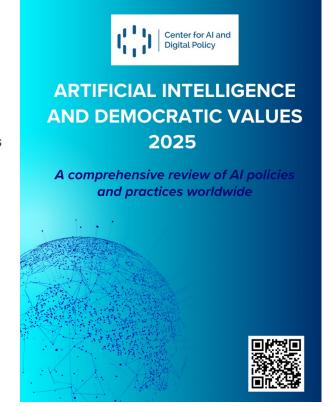
CAIDP Launches 2025 AI and Democratic Values Index, Honors Policy Leaders

CAIDP marked a significant milestone on April 3, 2025, with the release of its fifth annual Artificial Intelligence and Democratic Values Index (AIDV 2025) during a day-long conference that brought together over 150 global experts and advocates in person and online.

The comprehensive report, spanning almost 1,500 pages with more than 7,000 footnotes, evaluates AI policies and practices across 80 countries worldwide, with Canada, Japan, Korea, the Netherlands, and the United Kingdom securing top rankings in 2025.

The index provides a critical framework for comparing national Al policies through 12 metrics that measure alignment with key governance frameworks and practices supporting human rights, democratic values, and rule of law.

You can find the full press release here.



# Setting the Stage: Democratic Values Under Fire

CAIDP President Merve Hickok opened the conference by highlighting the Center's contributions to global governance frameworks while acknowledging the challenging landscape ahead.



"Today, all three of these core values—fundamental rights, democratic institutions, and the rule of law—are under fire," Hickok warned. "We have many challenges ahead of us. But today we also have the right group here, gathered to find solutions."

This sense of urgency resonated throughout the day's discussions, particularly as speakers addressed the current political climate and its implications for AI governance.

In his keynote address, Professor Stuart Russell of UC Berkeley, a CAIDP board member, delivered a call for meaningful safety requirements in AI development. "I think the most important governance thing we could do would be to enact requirements that cause the companies to do the work that they haven't done on guaranteed safety, on real safety engineering, in the same way that we require it from nuclear power companies, aircraft manufacturers, from drug manufacturers and so on," Russell said.

Russell also challenged attendees to rethink democratic structures in relation to Al governance, noting that "in fact, these days we think of a government as taking power and then implementing the agenda of those who are elected to have power rather than serving the interests of all the people in the country."



#### **CAIDP Awards Recognize AI Policy Leaders**

A highlight of the event was the presentation of the CAIDP AI Policy Leader Awards to four distinguished figures:

Dr. Safiya Noble, UCLA professor and author of "Algorithms of Oppression," called for increased funding: "We need an infusion of resources into grassroots community organizations, into researchers, into civil rights organizations, into human rights organizations."

Maya Wiley, President and CEO of the Leadership Conference on Civil and Human Rights, characterized the current U.S. landscape in stark terms: "We are currently in a hybrid authoritarian regime... you can see that through the executive orders, you can see that through the use of the bully pulpit."

Dr. Sasha Luccioni, Al and Climate Lead at Hugging Face, addressed the environmental impact of Al, noting that "the fact that we're going backwards on this is... mind blowing." She emphasized the need to "always be the one that shows up and... calls the bluff on techno positivism," especially when pushing back becomes increasingly difficult.

Amandeep Singh Gill, UN Under-Secretary-General and Special Envoy for Digital and Emerging Technology, emphasized power dynamics: "Al isn't just about algorithms, compute, and data. It's about power. Who has it? How is it distributed? How is it used? And how do we ensure it's used to empower people? We must prevent a world of Al haves and have nots."

You can see Amandeep Singh Gill's full address below.



#### Policy Action in Challenging Times

In a recorded message, Senator Richard Blumenthal of Connecticut praised CAIDP's work and promised accountability: "Thank you to the Center for AI and Digital Policy on this important work, shining a light on needed guardrails and potential pitfalls." The Senator emphasized the value of CAIDP's research while noting that "We need to also protect consumers, national security, civil rights and civil liberties. We can do both: [realize] the promise and avoid the potential pitfalls."

You can see Senator Blumenthal's full address below.



Democracy Forward President and CEO Skye Perryman detailed legal challenges: "We are going to have to continue to use the courts. This work is really having an impact. The administration has been losing in court before Republican appointed judges, before Democratic appointed judges, before judges that the president



himself appointed."

#### AIDV 2025 Findings and Next Steps

- Forty-one countries endorsed the Council of Europe Framework Convention on AI, Human Rights, Democracy, and the Rule of Law, the first legally binding AI Treaty
- UN resolutions and the Global Digital Compact reflected global consensus on safeguarding fundamental rights and promoting the Sustainable Development Goals
- The European Union finalized the Al Act, the first comprehensive regulation on Al; key provisions entered into force
- The African Union endorsed the Continental Al Strategy
- The OECD and the Global Partnership on AI (GPAI) broadened efforts to implement the OECD AI Principles
- The G20, G7, and ASEAN announced new codes of conduct for organizations developing AI systems
- Many countries implemented the Readiness Assessment Methodology (RAM), signaling progress on the UNESCO AI Ethics Recommendation
- The UN Secretary-General urged prohibitions on autonomous weapons systems

#### CAIDP outlined several policy priorities for the coming year

- Endorsement of the International Al Treaty
- Prohibition of AI systems undermining human rights and democratic values
- Mandatory human oversight across AI system lifecycles
- Implementation and enforcement of AI governance frameworks
- Establishment of a UN Special Rapporteur for Al and Human Rights
- Codification of algorithmic transparency and accountability
- Development of liability rules for AI systems

CAIDP founder Marc Rotenberg expressed hope despite the challenges ahead. During his remarks, he noted that one of the things that gave him hope was "the level of engagement of policymakers, of advocates, academics, of civil society organizations all around the world." He added, "There is already a lot of community out there."



Throughout the conference, speakers repeatedly emphasized the critical importance of community building—local, regional, transatlantic, and global—as key to navigating the current moment.

The panel of academic experts underscored the value of diverse stakeholder engagement and taking seriously different cultural values and norms in AI policy



development.

Dr. Virginia Dignum concluded with a call that resonated with many participants: "It's a call for action on all of us to also work on improving our democratic values and the quality of our democracies."









#### CAIDP AI POLICY EVENTS

- Architectures of the Global. Global Legal Education with Marc Rotenberg (CAIDP), Madrid, April 9-10, 2025
- Al Governance, The Path Forward with Marc Rotenberg (CAIDP), Nathalie Smuha (KU Leuven), John Shattuck (Tufts Fletcher School), and others, American Society of International Law annual conference, Washington DC, April 17, 2025
- OECD Expert Group on AI and Public Procurement meeting with Merve Hickok (CAIDP), Apr 18, 2025
- European Institute of Public Administration, Buying AI and Using AI in Procurement with Merve Hickok (CAIDP), Online, May 8, 2025
- Tech for Climate Action with Christabel Randolph (CAIDP), Al & Energy Conference, Washington DC, May 21-22, 2025
- Computers, Privacy and Data Protection (CPDP); The World is Watching, May 22-24, 2025
- Digital Humanism Conference, with Marc Rotenberg (CAIDP), Vienna, May 27, 2025
- AI, Data, Analytics Network with Merve Hickok (CAIDP), Responsible AI Summit 2025, Washington DC, Jun 17-18, 2025

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