## Al Sri Lanka 2028 Sri Lanka's National Strategy on Al

Draft Strategy for Public Consultation July 2024

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## Foreword

In a rapidly evolving global landscape, Sri Lanka stands at a crucial juncture in its development journey. We continue to face complex challenges, and the need for transformative solutions has never been greater. Artificial Intelligence (AI) offers an unparalleled opportunity to address these challenges head-on and drive inclusive growth, in line with the UN Sustainable Development Goals (SDGs).

The National AI Strategy marks a critical milestone in the country's digital transformation journey, building on the foundation laid by the Digital Strategy 2030, which aims to harness the power of AI to foster innovation, enhance public services, and promote sustainable development across all sectors. By aligning our AI efforts with the Digital Strategy 2030, we seek to create synergies and accelerate our progress towards a digitally empowered Sri Lanka.

The journey of this strategy began with the formation of the multistakeholder Committee on Formulating a Strategy for AI (CFSAI) for Sri Lanka, appointed by His Excellency President Ranil Wickramasinghe in 2023. Comprising representatives from government, private sector, academia, and civil society, this committee's first significant output was a White Paper on AI, which carefully analyzed Sri Lanka's current AI landscape and outlined our initial strategic vision.<sup>1</sup>

Building on this foundation, the strategy's development evolved into a truly collaborative endeavour, engaging an even wider range of stakeholders. This inclusive approach ensured that the final strategy reflects our nation's diverse needs and aspirations, transcending the interests of any specific group or political party. Extensive consultations and thorough examination of global approaches have provided invaluable insights, allowing us to learn from international best practices and tailor our strategy accordingly. The result is a comprehensive framework representing the culmination of a long, thoughtful, and inclusive process, poised to guide our nation's Al journey.

At the heart of our AI strategy is a commitment to ethical and inclusive development. We aim to ensure that the benefits of AI are accessible to all, protecting individual rights, promoting transparency, and fostering public trust. Recognizing AI technology's rapid evolution, our strategy is designed to be agile, iterative, and adaptable. We will continuously learn from our experiences and global developments, refining our approach to balance immediate tangible benefits with the sustained development of necessary capabilities for long-term success. This balanced and flexible approach ensures that we can effectively respond to new challenges and opportunities as they arise, positioning Sri Lanka as an agile and resilient AI-enabled nation.

As we embark on this transformative journey, we recognize the crucial role of collaboration and collective action. The government, private sector, academia, and civil society must work together to realize our shared vision of an AI-powered future. By leveraging our strengths and addressing our challenges, we can position Sri Lanka as a regional leader in AI development and deployment.

The volunteer efforts of the CFSAI have been instrumental in shaping this strategy. Driven by a shared vision for a vibrant and inclusive digital nation, this committee underscores our commitment to building a digitally empowered Sri Lanka.

<sup>1</sup> The White Paper on AI is available at https://mot.gov.lk/assets/files/AI%20White%20Paper%20March%20 2024-c09aa49f7990358ad1442103b804511d.pdf

We extend our heartfelt gratitude to UNDP Sri Lanka, UNDP's Citra Innovation Lab (a joint initiative with the Prime Minister's Office of Sri Lanka), UNDP's Chief Digital Office (CDO) and the Innovation and Digital team at UNDP's Bangkok Regional Hub for their invaluable support in coordinating and executing this programme. Their assistance went beyond funding; they provided personnel who played a key role in writing the strategy, organizing many of the consultation events, and connecting the committee with global experts.

We also appreciate the consultations with the World Bank Group's Digital Development, the Ceylon Chamber of Commerce , and the Sri Lanka Association for Software and Services Companies (SLASSCOM), who provided ideas and feedback throughout the strategy's development. We further acknowledge the involvement of the Federation of Information Technology Industry Sri Lanka (FITIS), the Computer Society of Sri Lanka (CSSL), and the British Computer Society Sri Lanka (BCS-SL), as well as SLASSCOM and FITIS for their participation in CFSAI.

With this strategy document now completed, we emphasize the critical next step: a comprehensive public consultation. We must ensure that this process is truly inclusive, engaging all segments of our society–from corporations to individuals–as AI will impact everyone. We recommend a consultation period of several months to allow for thorough consideration and diverse input. This crucial phase will further refine the strategy, ensuring it resonates with the needs and aspirations of all Sri Lankans before its adoption by the government.

As we move forward, we remain committed to harnessing AI responsibly, in alignment with the global agenda for sustainable development. Together, let us embrace this opportunity to create a future where AI empowers every Sri Lankan, driving innovation, inclusion, and prosperity for all.

Romesh Ranawana, DPhil. Chair Committee to Formulate an Al Strategy (CFSAI) for Sri Lanka

## **Executive Summary**

### Harnessing the Potential of AI for National Development

Sri Lanka is poised at a pivotal juncture in its socio-economic development journey, having faced complex challenges - from high debt and rising energy needs to climate change impacts, demographic shifts, and threats to democratic ideals. The recent economic crisis has further amplified the urgency for transformative solutions to stimulate economic reforms, reduce poverty, and create new opportunities for the workforce. Artificial Intelligence (AI) presents an unparalleled opportunity to tackle these pressing issues head-on.

Around the world, AI is demonstrating remarkable potential to optimize resource allocation, boost productivity, and drive inclusive growth. From preventing water pollution and expanding legal access, to improving road safety and hospital efficiency, the applications of AI are both vast and profound. Many countries are already heavily investing in AI research and talent to enhance their global competitiveness. Sri Lanka is uniquely positioned to learn from these examples and harness AI to improve decision-making, public services, the private sector , and overall economic prospects. Additionally, Sri Lanka's strong international relationships with regional and global AI leaders provides unique opportunities to leverage international expertise, funding, and collaborative initiatives in AI.

At the same time, the increasing use of AI has raised issues such as the generation of synthetic multi-modal content that blurs the line between reality and fiction, intellectual property concerns, market competition, job displacement, and environmental impact. These complex and evolving challenges, which are still poorly understand globally, require ongoing study and international cooperation. By staying informed and proactive, Sri Lanka can develop effective strategies to address these issues.

To fully realize Al's transformative potential, it is crucial that all Sri Lankans engage with and understand this technology. We must foster a culture of Al literacy and empowerment, ensuring citizens are aware of Al's benefits and implications. This will create a foundation of trust for integrating Al into daily life. In the aftermath of the economic crisis, leveraging Al is not merely an option but an imperative for Sri Lanka's future resilience and prosperity.

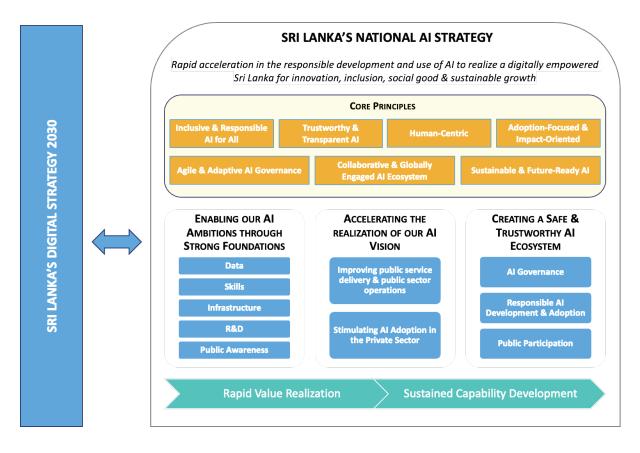
### **Our Vision and Strategic Approach**

Our vision is to rapidly accelerate the responsible development and adoption of AI to realize a digitally empowered Sri Lanka that fosters innovation, inclusion, social good, and sustainable growth, in alignment with the UN Sustainable Development Goals (SDGs). Building on the Digital Strategy 2030, we aim to establish the nation as a regional hub for AI development, testing, deployment, and scaling of solutions that delivers transformative impact across sectors.

To realize this ambitious vision, we will adopt a centrally coordinated AI strategy that addresses gaps, builds on strengths, seizes opportunities, and mitigates risks. The strategy will have a dual focus on:

- 1. Rapid value creation through quick-win projects that demonstrate Al's tangible benefits.
- 2. Sustained capability development by investing in essential skills, data, infrastructure, research, and a conducive ecosystem.

By leveraging our geopolitical advantages and fostering strong partnerships, we can enhance our AI capabilities and position Sri Lanka as a competitive player in the global AI landscape.



Strategic Framework for Advancing AI in Sri Lanka

### **Core Principles**

Our AI strategy is guided by seven core principles: inclusivity and responsibility, trustworthiness and transparency, human-centricity, adoption-focus and impact-orientation, agile and adaptive governance, collaboration and global engagement, and sustainability and future-readiness. These guiding tenets will ensure that AI development aligns with national goals and values while safeguarding citizen rights and welfare.

### **Developing Strong Foundations for our AI Ambitions**

To enable our AI ambitions, we will build strong foundations in five key areas:

1. **Data:** We will develop a comprehensive data strategy and governance framework to responsibly increase the volume and quality of AI-ready data assets. This includes establishing data sharing mechanisms, open data platforms, and guidelines for data management and protection, enabling effective and secure data utilization for AI development. By leveraging data as a strategic asset, we will not only support AI innovation, but also move towards evidence-based policymaking, supporting the private sector and investors, and improving Sri Lanka's performance in various global rankings.

- 2. **Skills:** We will equip students and professionals with the necessary competencies to thrive in an Al-driven economy. This involves updating academic curricula, offering professional development courses, and providing targeted training for different stakeholder groups, including AI practitioners, decision-makers, domain experts, and the general public.
- 3. **Infrastructure:** We will invest in secure, scalable, and sustainable digital and data infrastructure to support advanced AI applications. This encompasses expanding high-speed connectivity, developing shared AI platforms, and promoting the use of energy-efficient technologies, ensuring equitable access to AI resources and minimizing environmental impact.
- 4. **Research & Development:** We will promote needs-driven AI R&D through strategic funding, collaborative platforms, and capacity-building initiatives. By fostering strong academia-industry-government linkages, we will drive innovation in AI technologies and applications that address Sri Lanka's unique challenges and opportunities, particularly in sectors such as healthcare, education, agriculture, and public service delivery.
- 5. **Public Awareness:** We will prioritize raising public awareness and understanding of AI through strategic communication and education initiatives. By developing engaging content, leveraging diverse media channels, and collaborating with schools and community organizations, we will demystify AI, build trust, and empower citizens to actively participate in shaping Sri Lanka's AI journey responsibly.

By investing in these foundational enablers, we will not only strengthen AI capabilities, but also accelerate the broader digital transformation agenda outlined in Digital Strategy 2030.

To accelerate the realization of our Al vision, we will prioritize two strategic thrusts:

### **Accelerating Al Adoption and Impact**

### 1. Responsible Public Sector Transformation

By developing responsible AI applications for healthcare, education, agriculture, public services, transport, and environmental sustainability, we aim to tangibly demonstrate AI's benefits in improving citizens' lives. The public sector will lead by example in setting high standards for ethical, transparent, and accountable use of AI. Through effective change management, capacity building, and public participation, we will build trust and momentum for nation-wide AI adoption.

### 2. Private Sector Al Stimulation

Recognizing the private sector's pivotal role in AI innovation and economic growth, we will create an enabling environment for businesses, especially SMEs, to embrace AI. Through supportive policies, shared infrastructure, skills development, and collaborative platforms, we will spur AI-driven entrepreneurship, investment, and global competitiveness. Strategic initiatives will accelerate Sri Lanka's emergence as a vibrant hub for AI solutions.

### Creating a Safe & Trustworthy AI Ecosystem

As we navigate the AI frontier, we are committed to mitigating risks while harnessing benefits. Our approach to ensuring safe and trustworthy AI in Sri Lanka will reflect the adoption-focused and impact-oriented ethos of our AI Strategy. It will be tailored to Sri Lanka's development priorities and its distinct business and social landscape.

Given the country's low AI penetration and governance maturity, we will embrace an agile and adaptive approach to AI governance. Beginning with a minimal set of necessary safeguards, we will continuously learn, enhance capacity, and address emerging threats. Our aim is to create an environment that not only lowers barriers to responsible innovation with AI, but also reduces costs, speeds up adoption, and empowers citizens while safeguarding their rights. To this end, we will foster a collaborative spirit among all stakeholder groups, emphasizing education and consultation as defining aspects of our approach.

Our approach to cultivating a safe and trustworthy AI ecosystem encompasses three key dimensions:

- 1. **AI Governance:** We will adopt an iterative approach, starting with a comprehensive Responsible AI Framework that provides guidelines for ethical AI development. As we gain practical insights, we will refine our AI Governance Framework, carefully balancing innovation-friendly policies with robust safeguards, whilst also ensuring harmonization with international best practises.
- 2. **Responsible AI Practices:** We will empower organizations with practical tools and resources to embrace responsible AI development. Recognizing that certain AI risks are still not fully understood globally, we will prioritize rigorous study and multi-stakeholder dialogue to inform our decisions.
- 3. **Public Engagement:** We will actively involve citizens in shaping Sri Lanka's Al journey, ensuring alignment with societal values and concerns. By collaborating with international partners, we will harmonize our approach with emerging global norms and best practices.

Our adaptive approach, combining principled frameworks with pragmatic implementation, will maximize AI's transformative potential while safeguarding the rights and interests of all Sri Lankans.

### Implementation Roadmap and Institutional Arrangements

To operationalize the National AI Strategy, a dedicated organization - the National Centre for AI (NCAI) - will be established under the forthcoming Digital Transformation Agency. NCAI will spearhead strategy implementation in close coordination with key government institutions, the private sector, academia, and civil society. Clear governance structures and inter-agency collaboration mechanisms will be instituted to drive cohesive, integrated action.

A robust Monitoring, Evaluation, and Continuous Improvement (MECI) framework will be deployed to track progress, measure outcomes, and inform the data-driven iteration of the strategy. Proactive measures will be taken to navigate potential challenges and risks related to coherence of national initiatives, change management, project scalability, system sustainability, resource mobilization, and retention of talent.

### **Call to Collaborative Action**

The National AI Strategy serves as a clarion call for collective action towards a shared vision of an inclusive, innovative, and responsible AI-powered future for Sri Lanka. Together, government, businesses, academia, civil society, and citizens must join hands to harness AI as a force for economic transformation, social empowerment, and sustainable development.

By embracing a spirit of collaboration, experimentation, and learning, we will navigate the challenges and opportunities associated with AI with resilience and resolve. With strategic investments, enabling policies, and concerted multi-stakeholder efforts, Sri Lanka is poised to emerge as a global frontrunner in leveraging AI for societal good and national prosperity. The time for action is now. Together, let us embark on this transformative journey towards an Alpowered future that uplifts and empowers every Sri Lankan.





## Sri Lanka's Al Imperative: Why It Matters Now

In today's rapidly evolving global landscape, Sri Lanka faces a myriad of pressing challenges, from mounting debt, increasing energy demand, climate change, to an aging population and threats to our democracy and security. The recent economic crisis has further underscored the need for transformative solutions that can drive economic restructuring, alleviate poverty, and create new opportunities for our workforce. Artificial Intelligence (AI) presents an unparalleled opportunity to address these challenges head-on, optimize resource allocation, enhance productivity, and foster inclusive growth.

Al systems can synthesize vast amounts of data and extract valuable insights, which can complement the expertise of human decision-makers. Across the globe, we see numerous instances of Al playing a transformative role in critical domains such as health, public safety, poverty alleviation, disaster management, and environmental protection. For example, Al systems have contributed to preventing water system pollution in the U.S.,<sup>2</sup> expanding access to justice in Uganda,<sup>3</sup> improving traffic safety in Indonesia,<sup>4</sup> streamlining hospital workflows in Pakistan,<sup>5</sup> augmenting disaster preparedness in India,<sup>6</sup> and mapping poverty levels in Africa.<sup>7</sup>

Recognizing this potential, many countries have already invested heavily in AI research and talent development. In nations like Singapore, where these efforts have been championed

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<sup>2</sup> For more information see <u>https://www.scientificamerican.com/article/environment-watchdogs-harness-ai-to-track-overflowing-factory-farm-waste/</u>

<sup>3</sup> For more information see <u>https://barefootlaw.org/</u>

<sup>4</sup> For more information see https://www.dssgfellowship.org/2018/09/19/improving-traffic-safety-in-jakarta/

<sup>5</sup> For more information see <a href="https://www.dssgfellowship.org/project/improving-patient-care-in-the-er-through-diagnosis-coding-of-medical-notes/">https://www.dssgfellowship.org/project/improving-patient-care-in-the-er-through-diagnosis-coding-of-medical-notes/</a>

<sup>6</sup> For more information see <u>https://ai-for-sdgs.academy/case/105</u>

<sup>7</sup> For more information see https://ai-for-sdgs.academy/case/134

and coordinated by the highest levels of government, the dividends have been substantial, enhancing their global economic competitiveness. These countries have also recognized that the true benefits of AI lie in its widespread adoption and application across various sectors – and across society and the economy . Sri Lanka is uniquely placed to learn from these global examples and approaches to harness AI's potential in decision-making processes, to enhance public services, transform private-sector offerings, and revitalize the economy. Whether in healthcare, education, transportation, or agriculture, AI can improve service quality, accessibility, and personalization for all segments of society, thereby helping us to achieve the Sustainable Development Goals (SDGs).

However, we must also consider the broader implications of AI, including ethical, societal, and economic issues such as the generation of synthetic multi-modal content that blurs the line between reality and fiction, intellectual property concerns, market competition, job displacement, and environmental impact. These issues are complex and still evolving globally, requiring ongoing study and international cooperation. By staying informed and proactive, Sri Lanka can develop appropriate strategies to address these challenges effectively.

To fully realize the transformative potential of AI and its role in achieving the SDGs, it is critical that all Sri Lankans engage with this technology and understand how it will shape their lives in the coming years. To achieve this, we must foster a culture of AI literacy and empowerment, ensuring that our citizens are aware of the benefits, challenges, risks, and implications of this technology. By demystifying AI and promoting public understanding, we can create a platform of trust, where citizens feel confident and empowered to make informed choices on incorporating AI-driven solutions into their daily lives. This will also unlock AI's potential to drive inclusive growth, improve quality of life, and build a more equitable and prosperous society, in line with the SDGs' overarching goal of leaving no one behind.

In the wake of the economic crisis, harnessing the power of AI is not merely an option, but a necessity for Sri Lanka's future. By integrating AI-driven solutions into public service delivery, optimizing resource allocation, reducing costs, and improving the overall effectiveness of government services, we can navigate the challenges posed by the economic crisis and lay the foundation for a more resilient, responsive, and citizen-centric government in the long run. These important foundations and enablers can also catalyse our digital economy, shaping an exciting new generation of digital entrepreneurs and enterprises in Sri Lanka.

Moreover, AI is critical for Sri Lanka's ability to compete on the global stage. Sri Lankan companies are increasingly facing intense international competition and the looming threat of disruption driven by AI. Global leaders in AI have leveraged data, resources, talent, and leadership to continuously widen their competitive lead. To remain competitive, create new opportunities, and contribute to the country's economic recovery, it is imperative that we develop a coherent and comprehensive AI strategy, invest in AI capabilities, and encourage and support the private sector to accelerate their investments in AI. By doing so, we can strengthen our economic resilience, foster innovation, and secure Sri Lanka's position in the global market.

Sri Lanka must develop an AI strategy that focuses on adoption from the very beginning. By prioritizing the integration of AI into our public services, businesses, and organizations, we can unlock the full potential of this technology and accelerate progress towards the SDGs. It is crucial to acknowledge that the successful adoption of AI in Sri Lanka requires a collective effort from a wide range of stakeholders, including the government, private sector, academia, and civil society. While the government plays a vital role in creating an enabling environment and providing strategic direction, the responsibility for driving AI adoption lies with individual organizations and companies. Our AI strategy must provide clear direction and support for key

stakeholders, including government officials, industry leaders, policymakers, public servants, and innovators. This will enable them to drive the growth of Sri Lanka's AI sector, adapt to the rapidly changing landscape, and harness the power of AI to improve the lives of our citizens and achieve the SDGs.



## Sri Lanka's Readiness for AI: Strengths and Gaps

Sri Lanka has made progress in its digital transformation efforts, partly owing to the groundwork laid by the World Bank-funded e-Sri Lanka programme. The country is also home to several globally competitive technology companies backed by a homegrown, technically skilled workforce. Despite being respected for its technical competence, Sri Lanka is yet to make a significant impact on the global AI landscape. The country lacks a strong presence of AI-focused companies, a robust AI-literate workforce, and has yet to make substantial contributions to AI research. This underscores the need for targeted efforts to bridge the gap between our technical capabilities and our ability to leverage them for AI development and deployment.

Sri Lanka is currently ranked 95<sup>th</sup> out of 193 countries in the Oxford Insights' Government AI Readiness Index 2023, marking a ten-place improvement since 2022, with the rise mainly attributable to the government's indication of developing a National AI Strategy.<sup>8</sup> To support widespread AI adoption, key areas such as digital infrastructure, digital skills, and digital government services need further enhancement. The Global Innovation Index by the World Intellectual Property Organization (WIPO), which ranks the innovation capabilities and performance of countries globally, places Sri Lanka at 90<sup>th</sup> in its 2023 report, a drop of 5 places from the previous year.<sup>9</sup> The 2023 report highlights several areas of concern for Sri Lanka, including negative labour productivity growth, low Foreign Direct Investment (FDI), and limited Research and Development activities. The gaps identified in both the Oxford Insights report and the Global Innovation Index report are being partially addressed through the Digital Strategy 2030. However, they also need to be tackled through a National AI Strategy, in coordination with the implementation agency for the Digital Strategy 2030, to specifically address concerns related to the development and deployment of AI in Sri Lanka.

The recent introduction of AI degree programmes at both the undergraduate and postgraduate levels in state and private universities is a positive step towards developing local AI talent, as noted also in the forthcoming UNDP AI Readiness Assessment (AIRA) for Sri Lanka.<sup>10</sup> However, the human capital dimension remains a concern, with Sri Lanka ranking 99<sup>th</sup> out of 193 economies in the Oxford Insights' 2023 study. There is a scarcity of advanced AI engineering skills and a lack of strategic expertise in developing strong AI business cases. The brain drain of recent years has exacerbated these issues. Basic computer, digital, and data literacy levels among the population are also far from ideal, hindering engagement with AI solutions.

<sup>8</sup> for a more details on the Oxford Insights' Government AI Readiness Index, the 2023 report is accessible from <a href="https://oxfordinsights.com/ai-readiness/ai-readiness-index/2023-government-ai-readiness-index-2-2/">https://oxfordinsights.com/ai-readiness/ai-readiness-index/2023-government-ai-readiness-index-2-2/</a>

<sup>9</sup> More information can be found at <a href="https://www.wipo.int/global\_innovation\_index/en/2023/">https://www.wipo.int/global\_innovation\_index/en/2023/</a>

<sup>10</sup> Source: Preliminary findings from UNDP's AI Readiness Assessment for Sri Lanka

Data is the foundation of AI, and Sri Lanka faces challenges in terms of data availability, accessibility, and quality. While Sri Lanka was the first country in South Asia to have a comprehensive data protection legislation, it still lacks a robust data strategy and governance framework, which hinders effective AI development and deployment. Our existing open data portal has fallen into disuse and needs to be revamped. The Global Data Barometer, which provides evidence and insight into the development of national and global data ecosystems, shows that Sri Lanka compares poorly when compared to other countries in South and East Asia. For example, the 2021 study found Sri Lanka ranked the lowest amongst 15 South and East Asian economies in its ability to make key datasets accessible online in a structured fit-forpurpose manner for public good use-cases.<sup>11</sup> There is also no existing framework to facilitate responsible and ethical AI development. It is important to recognize that while mature and powerful AI technologies are widely available, true value lies in the data held by our government and in proprietary data held by companies and organizations. Collectively, this data constitutes untapped potential for strengthening competitiveness and developing solutions that improve social outcomes. Therefore, a strategy aimed at accelerating the adoption of AI should prioritize increased digitization in the country, the reinvigoration of our open data journey and direction, and the driving of investments that drive value creation based on this data.

Our current digital infrastructure and energy supply is also insufficient for advanced Al applications requiring high-performance cloud computing and storage, as well as reliable high-speed internet connectivity. As noted also in the forthcoming AIRA report for Sri Lanka, inadequate spending on maintenance has slowed digitization efforts due to frequent outages and storage capacity limitations on the government cloud.<sup>12</sup> Expanding broadband connectivity and enhancing cloud infrastructure will be required to create a robust foundation for AI innovation. Facilitating responsible cross-border data flows compliant with our laws is also needed for cloud compute access.

While Sri Lanka has made progress in establishing a policy and regulatory framework for digital technologies, there are still gaps in terms of AI-specific guidelines and regulations. The absence of clear frameworks for AI ethics, governance, and accountability hinders the responsible development and deployment of AI solutions. Incremental development of such frameworks is important to facilitate learning and protect rights and freedoms, without hindering innovation. Without a nuanced and discerning understanding of the potential benefits and risks of AI by the population, there may be scepticism and resistance to the adoption of AI-driven solutions. Building public trust and confidence in AI will be crucial to enabling widespread adoption and realizing the full potential of these technologies.

This is not a journey that can be undertaken by a single sector or entity. Collaboration is a key aspect of AI development and deployment, as very few organizations or even nations can build sufficient capability and competence on their own. We recognize the need to invest in building AI ecosystems by facilitating and incentivizing collaboration, which is currently inadequate. Local collaborations among academia, research institutes, government, civil society, private sector, legal professionals, and the tech community are critical, but we must also facilitate and encourage international collaborations. Sri Lanka has the opportunity to leverage on our strong international relationships with regional and global AI leaders and benefit from their expertise and investments. Areas such as digital infrastructure, research centres, technology parks, investments in AI startups, incubators, and innovation hubs are prime opportunities for these international partnerships.

<sup>11</sup> The full report is available at <a href="https://globaldatabarometer.org/the-global-data-barometer-report-first-edition/">https://globaldatabarometer.org/the-global-data-barometer-report-first-edition/</a>

<sup>12</sup> Source: Preliminary findings from UNDP's AI Readiness Assessment for Sri Lanka

A centrally led and nationally coordinated AI strategy aligned with the Digital Strategy 2030 is vital in guiding this process and ensuring a cohesive approach to AI development and deployment. Many areas of the Digital Strategy – including strengthening our digital data and services infrastructure, shaping digital safeguards, and boosting economic growth and creating jobs – are strongly aligned with our AI aspirations. With this in mind, our AI Strategy must adopt a dual focus: producing early wins, while simultaneously exerting sustained efforts to build strong foundations for effectively leveraging AI in the long-term. By prioritizing quick wins, we can demonstrate the tangible benefits of AI and build momentum for our initiatives. Concurrently, we must invest in the necessary skills, data, infrastructure, and ecosystem to ensure longer-term success and create the conditions to encourage further private sector investment.

### Table 1: Sri Lanka's AI Readiness : SWOT Analysis

### STRENGTHS

- Technically competent workforce.
- Globally competitive technology companies.
- Multilingual capabilities with strong English fluency.
- Comprehensive data protection legislation.
- Strong enterprises.

### **WEAKNESSES**

- Lack of Al-focused companies and no significant impact on global Al landscape.
- Scarcity of advanced AI engineering skills and strategic expertise in developing strong AI business cases.
- Insufficient digital infrastructure for advanced AI applications.
- Lack of robust data strategy and governance framework that can hinder AI development and deployment.
- Low levels of basic computer, digital, and data literacy among the population.
- Inadequate local collaborations among academia, research institutes, government, civil society, private sector, legal professionals, and the tech community.

### **OPPORTUNITIES**

- Position Sri Lanka as a destination for high quality AI and Data talent and development capacity.
- Leverage on the on-going Digital Strategy 2030 to bring the benefits of Al to the general population.
- Improve efficiency and lower costs of state machinery at a time when this is a national priority.

### THREATS

- Brain drain exacerbating the scarcity of AI talent.
- Skepticism and resistance to the adoption of Al-driven solutions due to lack of understanding of Al's potential benefits and risks.
- Lack of buy-in from state institutions

As we embark on this transformative journey, it is essential to recognize that the adoption of AI is not just about technology; it is about empowering our people, enhancing the quality of life, and building a more resilient and prosperous future for all Sri Lankans. By acting now and embracing an adoption-focused AI strategy, we can position Sri Lanka as a leader in the responsible and effective use of AI, ensuring that we not only navigate the challenges ahead, but also seize the opportunities presented by this transformative technology to drive economic recovery, alleviate poverty, and foster inclusive growth through improved public service delivery and private sector competitiveness.



## Navigating the Al Frontier: Sri Lanka's Strategic Roadmap



Our Vision

Our vision is the rapid acceleration in the responsible development and use of AI to realize a digitally empowered Sri Lanka for innovation, inclusion, social good & sustainable growth, in alignment with the UN's Sustainable Development Goals (SDGs). Building on the Digital Strategy 2030, we aim to establish Sri Lanka as a regional hub for developing, testing, deploying, and scaling AI solutions that deliver transformative impact across sectors, contributing to the achievement of the SDGs.

Through our National AI Strategy, we will create an environment where:

- Government and businesses leverage AI to generate substantial economic gains, improve lives, and drive progress towards the SDGs. AI will serve as a key enabler of growth in sectors of high value and relevance to Sri Lanka, complementing the digital transformation efforts outlined in the Digital Strategy 2030.
- The government harnesses AI to deliver anticipatory and personalized services, enhancing the quality and efficiency of public service delivery. This aligns with the digital government initiatives in the Digital Strategy 2030 and contributes to the achievement of SDGs related to good governance, education, healthcare, and social welfare.
- Businesses, particularly SMEs across sectors, can adopt AI to innovate, solve local problems independently, increase productivity, and compete in the global market. This builds on the digital entrepreneurship and industry digitalization efforts in the Digital

Strategy 2030, promoting inclusive economic growth and decent work, in line with the SDGs.

- Sri Lankans understand AI technologies and their potential benefits, with a workforce increasingly equipped with the necessary competencies to thrive in the AI-driven economy. This leverages the digital literacy and skills development initiatives in the Digital Strategy 2030 and additional measures initiated through the AI Strategy, contributing to the SDGs on quality education and lifelong learning.
- The research and innovation ecosystem is vibrant and globally connected, with strong collaborations between academia, industry, and government driving cutting-edge AI development. This aligns with the digital innovation and R&D priorities in the Digital Strategy 2030 and supports the achievement of SDGs related to industry, innovation, and infrastructure.
- Public trust and confidence in AI are high, underpinned by a robust governance framework and a culture of responsible AI development and deployment. This builds on the digital governance and cybersecurity initiatives in the Digital Strategy 2030, ensuring that AI benefits all, while minimizing risks and unintended consequences, in line with the SDGs' emphasis on inclusive and sustainable development.
- Sri Lanka is globally recognized as a centre of excellence for AI, making it an attractive destination for foreign investment and leading tech firms looking to establish AI innovation labs and development centres. This contributes to the SDGs by fostering international cooperation, technology transfer, and capacity building in the field of AI.

By realizing this vision, Sri Lanka will harness the transformative power of AI to accelerate progress towards the SDGs, creating a more prosperous, inclusive, and sustainable future for all.



## Mandate and Key Responsibilities

Our National AI Strategy sets forth a mandate to harness the transformative power of Artificial Intelligence (AI) to propel Sri Lanka towards sustainable economic prosperity and societal wellbeing. The government will play a pivotal role as an enabler, regulator, and user of AI, ensuring comprehensive and effective implementation across all sectors. We are committed to:

- **Promoting Inclusive Growth:** Ensure that the benefits of AI are accessible to all citizens, thereby promoting equity and inclusiveness across diverse communities.
- **Driving Economic Competitiveness:** Position Sri Lanka as a competitive force on the global stage by fostering innovation and supporting companies, enterprises, and industries to integrate AI technologies.
- **Ensuring Ethical AI Utilization:** Develop and enforce robust ethical standards for AI deployment, ensuring that AI technologies are used in ways that are safe, transparent, and respectful of user privacy and rights.

- **Building Public Trust in AI:** Through comprehensive education and transparent communication, we aim to build a platform of trust in AI technologies among citizens, ensuring such technologies are perceived as reliable and beneficial tools.
- **Facilitating Infrastructure and Talent Development:** Establish the necessary infrastructure and cultivate the talent required to research, develop, and deploy AI effectively, responsibly and sustainably.
- **Building Foundational AI Capacity:** Acknowledging our need to accelerate our national AI capabilities, we are committed to carry out significant investments in the foundational elements of AI development. This includes enhancing our digital infrastructure, promoting AI research and education, and developing a robust data ecosystem. These long-term investments are critical to build a sustainable and advanced AI landscape, ensuring that Sri Lanka can develop homegrown AI solutions and expertise.
- **Capturing Immediate Societal Benefits:** Concurrent with our efforts to build capacity, we prioritize initiatives that can deliver immediate benefits to our society. By identifying and implementing high-impact AI use cases in sectors such as healthcare, education, agriculture, public service delivery, public administration, transport, and environmental sustainability, we aim to quickly demonstrate the value of AI technologies. These projects not only address urgent societal needs, but also foster public trust and support for broader AI initiatives.



## Strategic Approach

To realize our vision, we will adopt a centrally led and nationally coordinated AI strategy, aligned with our Digital Strategy 2030. This approach will guide the process and ensure a cohesive approach to AI development and deployment. Our strategy will focus on addressing the gaps and building on our strengths, seizing opportunities, and mitigating threats.

Our strategy will have a dual focus:

### **1. Rapid Value Realization**

We are prioritizing the achievement of quick wins with an adoption-centric mindset to demonstrate the tangible benefits of AI, build trust, and generate momentum.

### 2. Sustained Capability Development

Invest in developing essential skills, data capabilities, infrastructure, and a supportive responsible ecosystem to secure long-term success.

### **Rapid Value Realization**

As part of the 2024 National Budget, we have allocated LKR 1.5 billion for AI-related activities to foster early AI successes and initiate the strengthening of the foundations required for long-term success. Guided by our core values and principles (Section 3), the short-term activities (see Table 2) being currently initiated are primarily driven by an impact imperative, which is critical for fostering public trust in AI technologies and building momentum towards our long-term goals.

These initiatives are centred around five key areas:

- 1. **High-Impact AI Use Cases**: Identifying and prioritizing the development of AI applications in sectors such as public health, education, and government services, where they can have immediate and visible impacts tangibly demonstrating the benefits of AI and building trust.
- 2. **Preliminary AI Governance Framework**: Establishing initial principles, guidelines, and best practices that will form the basis for responsible AI governance in Sri Lanka.
- 3. **Data Strategy and Governance**: Developing a comprehensive strategy to collect, manage and utilize data effectively, which is foundational for any AI initiative.
- 4. **Public Awareness and Education**: Launching campaigns to enhance AI literacy among the general populace and initiating targeted training programmes to build advanced AI engineering skills and strategic expertise.
- 5. **Enhanced Collaboration**: Fostering partnerships between government, academia, industry, and international entities to drive innovation and facilitate knowledge transfer.

To effectively implement these short-term initiatives, a structured and phased approach has been adopted:

- **Phase 1: Planning and Framework Development** This phase involves the detailed planning of initiatives, establishment of governance frameworks, and development of partnerships.
- Phase 2: Execution and Rollout During this phase, identified AI projects are executed, public awareness campaigns are launched, and data governance mechanisms are put into place.
- Phase 3: Review and Scale-Up
   Following the initial rollout, the impact of these initiatives is assessed. Successful projects are then scaled up to have a broader impact.

### **Sustained Capability Development**

We will complement and supplement short-term initiatives with methodical and sustained efforts to support and invest in developing the essential skills, data capabilities, infrastructure, and a supportive and responsible ecosystem needed to secure long-term success. Table 2 below summarizes the broad thrusts of the initiatives we will undertake, divided into short, medium, and long terms.

	Enabling our Al Ambitions through Strong Foundations	Accelerating the Realization of our AI Vision	Creating a Safe & Trustworthy Ecosystem
Short-Term (Year 1)	<ol> <li>Develop a data governance framework.</li> <li>Reactivate open data and spatial data portals.</li> <li>Launch public awareness campaigns on Al literacy &amp; initiate targeted trainings.</li> <li>Assess government IT infrastructure &amp; negotiate bulk credits from cloud compute providers.</li> <li>Design and launch a grant programme for Al R&amp;D in pre- identified priority areas.</li> </ol>	<ol> <li>Establish the National Centre for Artificial Intelligence (NCAI).</li> <li>Identify and pilot high- impact AI use cases in priority sectors, focusing on those that can deliver quick wins and generate public trust.</li> <li>Develop an AI Playbook for the public sector.</li> <li>Provide innovation grants for AI startups.</li> <li>Facilitate partnerships with leading AI companies.</li> </ol>	<ol> <li>Establish a Responsible Al Advisory Council.</li> <li>Develop a Responsible Al Framework.</li> <li>Study existing laws and regulations to identify gaps for Al governance.</li> <li>Adapt and deploy Singapore's Al Verify toolkit for use in Sri Lanka</li> </ol>
Medium-Term (Year 2-3)	<ol> <li>Implement skills development roadmap and programmes.</li> <li>Invest in digital infrastructure upgrades to support advanced AI applications, including high- performance cloud computing and storage, and reliable connectivity.</li> <li>Expand data and AI literacy, education, and skill development programmes.</li> <li>Establish AI Centres of Excellence in universities.</li> </ol>	<ol> <li>Expand targeted initiatives to drive AI adoption in the public sector.</li> <li>Create an enabling environment for AI innovation and entrepreneurship, with a focus on supporting SMEs in adopting AI technologies and increased support on compliance.</li> <li>Create a business-friendly regulatory environment, with incentives for AI companies to establish a presence in Sri Lanka to attract and retain AI talent.</li> </ol>	<ol> <li>Develop an Al Governance Framework which lays out Sri Lanka's approach to Al governance.</li> <li>Develop an Implementation Roadmap to roll out governance and regulatory measures.</li> <li>Develop case studies demonstrating Responsible Al in practice.</li> <li>Organize public consultations and forums to gather feedback on Al initiatives.</li> </ol>
Long-Term (Year 4 onwards)	<ol> <li>Develop accreditation standards for AI degree programmes.</li> <li>Attract international AI companies to set up R&amp;D centres in Sri Lanka.</li> <li>Develop a Digital Public Infrastructure for AI in Sri Lanka.</li> </ol>	<ol> <li>Position Sri Lanka as a regional hub for AI development, testing, deployment, and scaling, attracting foreign investment and leading tech firms.</li> <li>Develop a thriving AI ecosystem with strong collaborations between academia, industry, and government, driving cutting- edge research and innovation.</li> <li>Ensure widespread adoption of AI across sectors, ensuring the lives of all Sri Lankans are improved.</li> </ol>	<ol> <li>Review and update existing laws and regulations to address considerations that can be handled by existing regulations.</li> <li>Further develop specific national frameworks &amp; policies as needed.</li> <li>Continuously assess and refine the governance framework and ethical guidelines.</li> </ol>

### Table 2: Sri Lanka's Roadmap for AI Excellence <sup>13</sup>

<sup>13</sup> A comprehensive list of initiatives to be undertaken when implementing this AI Strategy is available in Annex 1

Throughout the implementation of our AI strategy, we will maintain a strong alignment with the Digital Strategy 2030, leveraging synergies between digital transformation and AI efforts. We will adopt an agile and iterative approach, continuously assessing progress, and making necessary adjustments based on new insights, challenges, and opportunities. As such, our strategy is not a static, one-time plan, but rather a dynamic roadmap that will evolve and adapt over time.

By focusing on key enablers, accelerating adoption in priority sectors, driving public sector transformation, stimulating private sector innovation, and ensuring a safe and trustworthy AI ecosystem, we will lay a strong foundation for Sri Lanka's AI-driven future. To do this, we will embrace innovative financing models to fuel the growth of our AI ecosystem, exploring and implementing a mix of funding mechanisms, including public-private partnerships, incentives for AI research and development, and support for start-ups and projects with significant societal impact. By creating a supportive financial environment for AI innovation, we will attract talent and investment.

Furthermore, we will harmonize our approach with international standards, such as UNESCO's Recommendations on the Ethics of Artificial Intelligence and the OECD's AI Principles, in line with our endorsement of the March 2024 UN General Assembly Resolution on Seizing the Opportunities of Safe, Secure, and Trustworthy Artificial Intelligence Systems for Sustainable Development.<sup>14</sup>

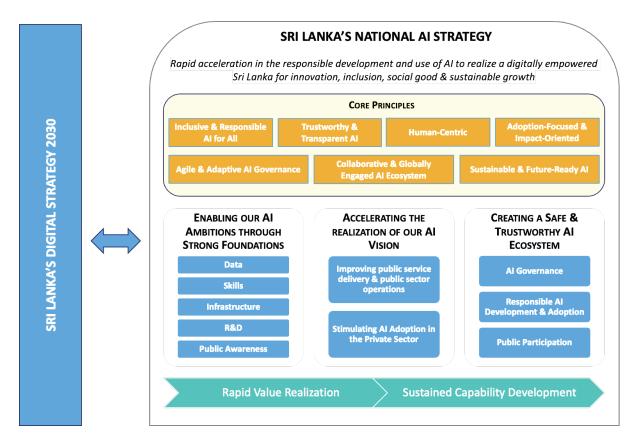


Figure 1: Strategic Framework for Advancing Al in Sri Lanka

<sup>14</sup> For more information on the joint UN resolution refer to <u>https://daccess-ods.un.org/access.nsf/</u> <u>Get?OpenAgent&DS=A/RES/78/265&Lang=E</u>

Figure 1 above shows the full scope of our AI Strategy, which will work in alignment with the Digital Strategy 2030. This multi-faceted and holistic approach will position the country as a leader in responsible and impactful AI deployment, contributing to our vision of a digitally empowered Sri Lanka.



# **Core Principles Guiding Our Al Strategy**

Informed by the Digital Strategy 2030, our National AI Strategy is underpinned by a set of core principles that ensure that AI development and deployment in Sri Lanka is aligned with our nation's goals, values, and aspirations. These guiding tenets will direct decision-making, influence investments, and set the course for AI initiatives, ensuring that AI fosters growth and prosperity while safeguarding the welfare and rights of all citizens, in line with international frameworks. These principles are:

- 1. **Inclusive and Responsible AI for All:** We shall develop and deploy AI solutions that address societal challenges, improve quality of life, and distribute benefits equitably across all segments of society. We will prioritize responsible innovation, aligning AI technologies with ethical standards, human rights, and societal values, while maintaining global competitiveness and positioning Sri Lanka as a leader in responsible AI innovation. We shall emphasize the importance of widespread digital literacy and AI education, empowering all Sri Lankans with the knowledge and skills necessary to thrive in an AI-driven future.
- Trustworthy and Transparent AI: We shall establish robust ethical standards, privacy measures, and security protocols in line with international frameworks to create a trustworthy AI environment. We will ensure transparency in decision-making processes, respect individuals' privacy rights, and uphold principles of fairness and nondiscrimination.
- 3. **Human-Centric:** We shall prioritize the development of AI systems that respect human rights, promote diversity, and enhance rather than replace human capabilities, ensuring that AI remains a tool for empowerment and progress.
- 4. **Adoption-Focused and Impact-Oriented:** We shall prioritize a use case-driven approach to AI development and deployment, focusing on practical, scalable solutions that address Sri Lanka's unique societal and economic needs, delivering working solutions quickly and incrementally improving them over time to create significant, measurable impact.

- 5. **Agile and Adaptive AI Governance:** We shall establish flexible and adaptable AI policies and regulatory frameworks that evolve with the growth of AI technology and its applications. We will ensure that our AI ecosystem remains vibrant, competitive and innovative, while safeguarding societal values, public interests, and individual rights.
- 6. **Collaborative and Globally Engaged AI Ecosystem:** We shall actively promote collaboration and international partnerships across government, industry, academia, and civil society to drive collective action towards shared goals. We will foster a vibrant AI ecosystem that benefits from diverse perspectives and positions Sri Lanka as a global hub for AI talent and investment.
- 7. **Sustainable and Future-Ready AI:** We shall prioritize the development and deployment of AI solutions that contribute to environmental sustainability, green technology, and climate action goals. We will promote energy-efficient AI infrastructures, manage AIrelated e-waste responsibly, and explore the potential of AI in supporting sustainable practices across various sectors. We will ensure that our AI initiatives are economically and financially sustainable, focusing on long-term benefits for society and the planet.

Through these core principles, we will ensure that our National AI Strategy is cohesive, purposeful, and focused on creating a positive impact for all Sri Lankans. These guiding tenets will serve as the foundation for our AI initiatives, driving us towards a future where AI is harnessed for the benefit of our society, economy, and nation as a whole.



## Enabling our Al ambitions through strong foundations

To realize our ambitious vision of becoming a leader in the development and deployment of AI, we recognize that a strong foundation is essential. This foundation will be built upon five key enablers: responsibly increasing the volume and quality of data for use by AI, comprehensive development of the skills required to thrive in an AI-enabled nation, advanced infrastructure to enable AI development and deployment, focused research and development tied to national priorities, and widespread public awareness.

These enablers are not independent considerations, but are interconnected and mutually reinforcing. A well-designed data strategy will provide the fuel for AI development and research, which in turn will drive innovation and create demand for advanced infrastructure and skilled professionals. Widespread public awareness will foster trust and confidence in AI technologies, enabling their adoption across sectors and creating new opportunities for growth and development.

By investing in these key areas, we will not only strengthen our AI capabilities, but also accelerate Sri Lanka's broader digital transformation agenda, as outlined in the Digital Strategy 2030. This synergy will create a virtuous cycle of innovation, growth, and development. By taking a strategic and holistic approach that involves government leadership, private sector participation, and societal engagement, we will create an enabling environment for AI to drive innovation, economic growth, and social good. With the right foundations in place, Sri Lanka will be well-positioned to harness AI responsibly and inclusively, ensuring that the benefits of this transformative technology are shared by all.



Modern AI relies on high-quality, diverse data. We understand that the successful adoption of AI in Sri Lanka depends on effective data collection, curation, and management. To address this, we will develop and implement a data strategy that supports our AI initiatives, while aligning with Sri Lanka's Digital Strategy 2030.

Given our national priorities and current needs, we must develop these components in parallel rather than sequentially. We will take a pragmatic approach, evolving both the AI and data strategies simultaneously. Like our AI Strategy, we will take an adoption-centric and use-case driven approach to develop the underlying data strategy. We will create and operationalize a robust data strategy based on a portfolio of diverse real-world use-cases. These pilot studies will serve as valuable learning experiences, enabling us to iteratively refine our strategies and enhance our data capabilities. By doing so, we can ensure that our AI and data strategies are practical, effective, and well-suited to Sri Lanka's needs.

Our data strategy will focus on three primary objectives:

- 1. Leveraging data as an asset: The primary focus of our data strategy will be to harness the intrinsic value of data to improve public sector decision-making. By combining data and evidence with the domain expertise of our public sector, we can significantly enhance the efficiency and effectiveness of our limited public resources. This approach will also enable us to distribute resources equitably and measure the equity of outcomes.
- 2. **Ensuring responsible data practices**: While data and AI offer revolutionary improvements to decision-making, they can also worsen existing societal inequities and deepen divisions if not handled responsibly, especially when used for AI systems. To minimize risks to our citizens and systems while harnessing the benefits of data, we will develop and operationalize a suite of processes, guidelines, regulations, and standards. This framework will promote responsible data collection, usage, and continuous stewardship to ensure the sustainability of responsible data management practices in the country. Additionally, we aim to establish a pro-growth data regime that balances innovation with data protection, creating an environment that fosters data-driven economic growth.
- 3. **Promoting collaboration**: To realize the full potential of data-driven innovation in improving people's lives, we will promote and support collaboration across public agencies and encourage public-private partnerships. Our data strategy aims to develop processes and guidelines that make these collaborations seamless and provide value to all stakeholders involved. We will also prioritize opening up government data to the private sector and the public through robust Open Data initiatives, stimulating innovation and economic opportunities.

To achieve these aims, the strategy will frame and implement several key elements.

### **Data Governance and Stewardship**

One of the most critical components of a robust data strategy is the development of a data governance framework that outlines the processes, policies, regulations, and standards that organizations should follow when managing their data assets. Our governance framework will be developed to achieve three key objectives:

- 1. **Data Availability:** Ensuring that relevant data is collected, standardized and accessible to appropriate stakeholders.
- 2. **Data Integrity:** Guaranteeing the correctness and quality of the available data and developing processes for continuous assessment and improvement of data quality.
- 3. **Data Protection and Ethical Use:** Addressing ethical considerations related to data collection, storage, and use. This includes safeguarding sensitive information (such as personally identifiable data) and monitoring for potential biases in data coverage that can permeate into AI systems built on the data.

The data governance framework will be developed to ensure compliance with relevant and upcoming laws and regulations, such as Sri Lanka's Personal Data Protection Act (2022), the Right to Information Act (2016), the Electronic Transactions Act (2006), and the forthcoming Cyber Security Bill and amendments to the Sri Lanka Telecommunications Act. This framework will supersede and subsume the existing national policy framework related to data. Crucial government data policies on data classification, standards, sharing, and government cloud usage, currently at various stages of finalization, will be updated and finalized as part of this process. The framework will ensure that data is ethically and responsibly managed and shared for AI development in a manner that fosters public trust in the Government. This overarching data governance framework will be complemented by sector-specific and organizational guidelines and standards, as needed.

To ensure the operationalization and sustainability of the governance framework, we will require an accommodating institutional framework that spearheads stewardship of data, especially in the public sector. While a central institution, such as the upcoming Digital Transformation Agency (DTA), will be required to coordinate and lead the path to integrating data into public and private decision-making processes, we also need to adapt and expand our public sector structures to effectively leverage data. This transformation will be gradual, starting with the introduction of a new functional job category in each government organization, namely Data Officers. Data Officers would oversee data collection, management, and sharing in compliance with the requisite laws and governance standards. As we advance our data practices in government, we will establish dedicated data offices within each government organization, as necessary, to ensure the effective and responsible use of data.

### Continuous assessment of needs, maturity, and value of data

Building upon the foundation of a well-implemented data governance framework, we will continuously assess each government organization's data needs, data maturity, and value creation from data. This ensures that public sector organizations continue to effectively leverage data and sustain improved data-driven decision-making processes over time.

The assessment process involves three key components:

- Data Needs Assessments: To augment decision-making processes, we will conduct periodic data needs assessments to identify decision-making processes, stakeholders, and current information used, as well as to determine additional data needed to enhance decision-making.
- **Data Maturity Assessments:** We will continuously evaluate the maturity and quality of collected data using a standardized Data Maturity Framework (DMF) that will be integrated with the existing DMF.
- **Impact Assessments:** We recognize that standardized processes and best practices are only valuable if they lead to tangible improvements in societal outcomes. Our focus must extend beyond guideline development and technical implementations to the actual outcomes we care about. This involves linking decision-making processes to the societal goals they serve, measuring the performance of our decision-making system against those objectives, and conducting rigorous validation trials to evaluate how well our data-driven processes are achieving the related societal goals. While societal outcomes are often multifaceted and difficult to quantify, we aim to develop relative measures that capture the value added by integrating data into decision-making processes.

By conducting these assessments in a principled and consistent manner across government organizations, we will ensure that our data-driven decision-making processes remain effective, relevant, and aligned with our societal goals. This continuous assessment approach will foster a culture of data-driven innovation and improvement within the public sector, ultimately leading to better outcomes for the people we serve.

### Promoting Collaborative Innovation through Open Data and Data Sharing

To realize the full potential of data-driven innovation, we must integrate heterogeneous data sources. This integration requires a comprehensive infrastructure that includes legal and operational processes, as well as technical frameworks, to facilitate data sharing among public and private entities. Our journey toward fostering data-driven innovation begins with reactivating and enhancing the government's open data and spatial data portals. By making high-quality government datasets publicly available, we can stimulate the development of AI solutions by businesses, start-ups, and researchers.

Within the government, and as part of Digital Strategy 2030, we will establish standardized and secure processes for data sharing across departments and with the private sector through the creation of the National Data Exchange, building on the prior work of the Lanka Interoperability Framework (LIFe). Facilitating responsible cross-sectoral data flows will not only strengthen data-driven decision-making capabilities but also unlock new opportunities for AI to enhance public service delivery. To ease the compliance costs for the private sector and especially SMEs we will develop a Model Private Sector Data Sharing Framework compliant with SLPDPA to facilitate responsible data sharing amongst private sector companies.

It will also be essential to develop responsible, safe, secure, and legally compliant mechanisms to facilitate cross-border data flows. By addressing these risks, we can create an environment that fosters collaborative innovation while protecting the interests of all stakeholders.

### **Enhancing Data Skills and Capabilities**

For the public sector to act as a key accelerator to help catalyze the wide use of data and Al in society, it will also be important for us to pay particular attention to the development of data skills and capabilities in the public sector. This includes improving data literacy for all public officers, offering specialized programmes for advanced skills, and establishing continuous professional development opportunities. By doing so, we will empower our workforce to effectively leverage Al and data, drive innovation, and enhance public service delivery.

### **Key Initiatives**

We envisage the following key initiatives to drive the foundational development of data assets and capabilities in the public and private sectors and will drive this via an adoption and usecase centric approach.

- 1. Develop and implement a comprehensive data governance framework that ensures data availability, integrity, and protection while promoting ethical use, including processes for data collection, storage, access, quality assessment, and safeguarding sensitive information.
- 2. Update and finalize the Government Information Classification Framework, Government Data Sharing Policy, Government Cloud Policy, and other government policies as relevant, ensuring alignment with the aforementioned data governance framework.
- 3. Develop a guided framework that engages with government organizations to identify and catalogue specific decision points that can be augmented with data and perform data needs assessments.
- 4. Develop a DMF aligned with the existing the existing Digital Maturity Model (DMM) for Government with a focus on data for government agencies, piloting it in critical sectors, and developing strategies to address identified data gaps, enabling better Al-driven insights and decision-making.
- 5. Reactivate and update the Government's Open Data Portal and National Spatial Data Infrastructure (NSDI) to provide more curated datasets and APIs, boosting transparency and availability of high-quality government data.
- 6. Establish secure processes (including the development of standardized data sharing agreement templates) for data sharing between government departments and with the private sector to facilitate responsible cross-sectoral data flows.
- 7. Develop mechanisms for secure and legally compliant cross-border data flows for AI use, fostering public trust.
- 8. Introduce a new functional job category of data officers for each government organization to oversee data collection, management, and sharing in compliance with laws and governance standards.

By taking a value creation approach to data and nurturing a data-rich environment, we will enable effective, data-driven decision-making in government, catalyse data sharing by the private sector, and lay the groundwork for responsible and impactful AI innovations. As we progress on this journey, we remain committed to continuously improving our data practices, building public trust, and harnessing the power of data to unlock the full potential of AI for the benefit of all Sri Lankans.

#### The Outcomes We Aim to Achieve: Data

- Sri Lanka becomes a regional leader in responsible data governance, with a robust framework that enables secure and ethical data sharing across sectors, driving Al innovations that benefit all citizens.
- The nation's open data ecosystem is transformed, elevating Sri Lanka to one of the top countries in South Asia for accessible, high-quality, and Al-ready government data, which enables the development of Al-powered solutions that address key societal challenges and drive inclusive growth.
- Data-driven decision-making becomes the norm across government agencies, with AI-powered insights leading to more effective, efficient, and equitable public services.

Sri Lanka develops a thriving data marketplace, attracting global investment and fostering cross-border collaborations in AI research and development.



Our approach to skills development will be comprehensive and forward-thinking, focusing on both AI and data literacy. We recognize that the successful adoption of AI and effective data utilization will not only rely on the skills of technology practitioners but will also depend on the AI literacy and data competencies of those who incorporate these tools into their processes, as well as the awareness of the individuals who use these tools and are impacted by them. Therefore, we need to ensure that we equip all Sri Lankans with the necessary competencies to thrive in a data and AI-driven future.

Therefore, our AI strategy will prioritize skills development with the aim of producing four distinct, but interconnected, groups of individuals:

- 1. **Skilled AI Practitioners:** We will focus on building the foundational skills necessary for AI research and development, and in particular as the engineering skills required for the deployment and maintenance of developed systems and tools. This will include fostering a deep understanding of core concepts in Mathematics, Statistics, and Computer Science, along with skills in software development, system design, AI systems and security management, and project management. As AI utilization increases, new technical job categories are emergent (such as MLOps, AIOps, AI Security Engineer, etc.), and we will ensure that we meet the requirements for these roles through our skills development efforts.
- 2. **Data and AI-Ready Decision-Makers:** We will train public and private decision-makers at all levels on the ideation and scoping of effective data and AI integration into their decision-making processes. This will enable them to leverage data and AI technologies effectively and responsibly. We will teach them how to make informed procurement

decisions that allow them to select vendors and tools that match the operational needs of a use-case. Furthermore, we will educate them on how to use and continuously monitor data and AI systems to ensure that the intended outcomes are being achieved.

- 3. Data and AI-Empowered Specialists: We will enable domain experts across various fields to effectively leverage data and AI tools and platforms. This involves providing skills to identify data and AI applications, select appropriate tools, integrate them into workflows, interpret results, and make data-driven decisions. We will emphasize collaboration with data and AI practitioners to develop domain-specific solutions that address unique challenges and optimize processes, fostering innovation and driving transformative changes across industries.
- 4. **Data and Al-Ready Citizenry:** We recognize the importance of increasing awareness of the potential benefits and risks of data technologies and AI among the general public. We will educate the general populace on how AI and algorithmic systems, as well as data-driven technologies, can impact day-to-day life, from how they hail a taxi to the allocation of public resources. Furthermore, we will build awareness on how to think about redress in case of negative outcomes, such as algorithmic bias, privacy breaches, or data misuse.

To effectively equip these different segments of society with the necessary skills and knowledge to navigate an AI-driven future, we will focus our efforts on developing initiatives that enhance both our formal and non-formal education streams. We will build our skill foundations through key initiatives that will lend themselves to the development of a robust AI ecosystem.

The table below outlines the key skills development initiatives that we will undertake to address the needs of these categories.

Category	Description	Key Initiatives
1. Data and Al Practitioners	Those who will build and maintain data and AI Systems	<ul> <li>Integrate AI specializations and modules into undergraduate programmes in Computer Science, Engineering, and other quantitative fields at state universities.</li> <li>Upskill the existing technical workforce and enhance technology-related degrees by updating curricula, providing professional development courses, and offering post- graduate data and AI programmes.</li> <li>Introduce data and AI ethics, risks, and governance modules into undergraduate AI and related degree programmes.</li> <li>Collaborate with the University Grants Commission to establish accreditation criteria for AI-related undergraduate degree programmes at public and private institutions.</li> </ul>

### **Table 3: Skills Development Initiatives**

		1
		<ul> <li>Strengthen foundational mathematics and statistics education in secondary school curricula.</li> <li>Develop new AI Engineering and AI Science degree programmes to cultivate specialized skills in AI system development, deployment, and research.</li> <li>Develop partnerships with local and international AI companies to host post-graduate researchers to conduct AI research as part of their graduate programme.</li> <li>Develop an AI apprenticeship programme in partnership with the private sector (including international companies) to groom AI engineers for</li> </ul>
		industry.
2. Data and Al- ready Leaders and Executives in Business	Those who develop the business case for data and AI, develop strategy, and fund solutions.	• Revise existing management and business degrees to integrate data and Al training, enabling the development of data Al-driven business models and strategies.
		• Upskill current corporate and private sector business leaders and managers through executive education courses, programmes and workshops on leveraging data and AI for decision- making, innovation, and competitive advantage.
3. Data and Al- ready Public Sector Decision- makers	Those who ideate and implement data and Al solutions in the public sector.	• Develop data and AI awareness and education programmes for public sector employees and key policymakers, covering basic data and AI systems, their potential in the public sector, responsible use, and procurement considerations.
		• Design and conduct specialized training programmes in data and AI project design and management, as well as procurement for public sector decision makers, with tailored content for senior public officials to enhance their ability to incorporate data and AI effectively in governance, public sector operations, and public service delivery.

		• Create a mandatory training programme in Data and AI Ethics and Responsible Use for all public sector employees, supplemented by an accessible online awareness course to ensure a foundational understanding of these critical concepts across the workforce.
4. Data and Al- empowered Specialists	Domain experts who possess the skills and knowledge to leverage data and AI tools and platforms to their fullest potential within their respective fields.	<ul> <li>Introduce foundational data and AI education across all university degrees to enhance general data and AI literacy and enable students from any discipline to become proficient AI users.</li> <li>Provide upskilling opportunities for any worker through accessible online courses and resources for self-paced learning in data and AI fundamentals and applications.</li> </ul>
5. Data and Al- informed Citizens	The general public who should possess a basic understanding of data and AI technologies and their implications for society and are engaged in shaping their responsible development and deployment.	<ul> <li>Develop short data and Al literacy courses and related material for the general public to demystify technologies and build trust in their applications.</li> <li>Integrate data and Al trust-building and ethical considerations into all education initiatives, fostering a responsible and human-centric approach to Al development and deployment.</li> <li>Promote public awareness campaigns (mass media &amp; social media) and accessible data and Al education resources to build trust and understanding of data and Al technologies among the broader population.</li> </ul>

To address these diverse skill requirements, we will:

- Study international approaches and resultant challenges in developing data and AI related capacities, and leverage learnings to inform similar initiatives in Sri Lanka.
- Partner with industry and international organizations to develop sector-specific data and AI training programmes aligned with real-world needs and best practices.
- Establish cross-disciplinary data and AI learning opportunities to encourage collaboration among business leaders, technical professionals, and domain experts.
- Integrate data and AI trust-building and ethical considerations into all data and AI education initiatives, fostering a responsible and human-centric approach.
- Promote the development of an informed citizenry through public awareness campaigns and accessible online courses and resources.

In addition, we will also develop a definition for AI literacy in the Sri Lankan context, so that we may effectively measure our progress.

By recognizing the interdependence of business acumen, technical expertise, domain knowledge, and trust-building skills, Sri Lanka can develop a holistic AI skills development strategy. This approach will enable the nation to effectively harness the transformative potential of AI, drive innovation across sectors, and ensure that the benefits of AI are realized in a responsible and inclusive manner.

#### The Outcomes We Aim to Achieve: Skills

- Sri Lanka establishes itself as a regional hub for AI talent, with world-class AI degree programmes and a highly skilled, adaptable workforce.
- The nation achieves a 50% increase in the number of AI professionals, with a focus on developing homegrown talent and attracting global AI experts.
- Al literacy becomes a fundamental skill for all Sri Lankans, with education and training programmes accessible to everyone, regardless of their background or location.
- Sri Lanka's workforce is recognized globally for its ability to leverage AI technologies across sectors, driving innovation and economic growth.



To realize our AI ambitions, Sri Lanka must have a robust, secure, and scalable digital and data infrastructure that is financially and environmentally sustainable. This includes expanding high-speed network connectivity, developing energy-efficient cloud computing capabilities, and creating shared platforms for AI development and deployment. Our infrastructure initiatives under this strategy will complement and build upon the connectivity and infrastructure goals outlined in the Digital Strategy 2030.

A key priority will be expanding broadband connectivity across the nation, particularly in underserved areas, as addressed in the Digital Strategy 2030. We will ensure that all Sri Lankans have access to the high-speed, low-latency connectivity necessary for AI applications. As part of the National AI Strategy, we will issue guidelines and support for government agencies and academia to leverage secure, energy-efficient cloud platforms, enabling them to develop and deploy AI solutions rapidly and cost-effectively while minimizing their carbon footprint.

In the medium term, we will develop a blueprint for a shared, environmentally sustainable AI cloud computing platform that can be used by start-ups, researchers, and government agencies. This platform will build on the expansions of the Government Cloud envisaged in the Digital Strategy 2030 and will prioritize the use of renewable energy and efficient cooling technologies in data centres. By democratizing access to green computing resources and tools needed for AI development, we aim to lower barriers to entry, spur grassroots innovation, and promote the development of AI solutions that address climate change challenges.

It is critical that we ensure that our AI and data infrastructure are secure and resilient. This includes:

- **Infrastructure Security:** Implementing robust security measures to protect data infrastructure from cyber threats and ensure the integrity and confidentiality of data.
- **Resilience Planning:** Developing and implementing resilience plans to ensure data availability and continuity of services in the event of disruptions or disasters.
- **Compliance with International Standards:** Ensuring that our data infrastructure meets international security and resilience standards to foster trust and reliability.

It is essential that these measures align with the forthcoming Cyber Security Bill. Proper alignment will enable our data and AI initiatives to be undertaken in a robust, secure, and resilient environment, thereby ensuring the sustainable and ethical use of data and AI in Sri Lanka.

We will undertake the following key initiatives:

1. Develop guidelines and processes for government organizations to leverage international cloud computing platforms, ensuring alignment with the Sri Lanka Personal Data Protection Act (SLPDPA), and immediately reducing critical barriers to the public sector developing Al innovations.

- 2. Negotiate bulk credits for cloud compute from international providers for use by Sri Lankan government, academia, and start-ups, lowering barriers to AI innovation and enabling the advancement of technological capabilities.
- 3. Develop a reference design blueprint for a robust, energy-efficient, secure, and resilient compute cloud infrastructure for Sri Lanka to support the needs of government, academia, and start-ups. This infrastructure will be built out modularly, systematically, and sustainably, leveraging renewable energy sources and efficient cooling technologies.
- 4. Developing an investment strategy for building out a green compute cloud, identifying mixed funding strategies and opportunities for external/international investment in sustainable AI infrastructure.
- 5. Coordinating with the implementation of the Digital Strategy 2030 to ensure that network connectivity needs for AI are properly addressed while promoting energy efficiency in network infrastructure.

Over the longer term, we will invest in building a comprehensive, environmentally sustainable Digital Public Infrastructure (DPI) for AI development. This infrastructure will provide a suite of shared resources, tools, and frameworks to support green AI innovation across sectors, driving efficiency, interoperability, and lowering costs and barriers to sustainable AI innovation.

Our strategic investments in digital infrastructure will prioritize scalability, reliability, accessibility, and environmental sustainability. We aim to create a seamless ecosystem that supports the growth of AI from conceptualization to deployment while minimizing its environmental impact. We will ensure that start-ups, researchers, and government entities have the tools they need to innovate and experiment with AI. By underpinning our AI strategy with a resilient, adaptive, and green digital infrastructure, we will position Sri Lanka as a leader in sustainable AI innovation.

#### The Outcomes We Aim to Achieve: Infrastructure

- Sri Lanka develops a state-of-the-art, green AI cloud infrastructure, serving as a model for sustainable computing in the region.
- The nation's AI infrastructure enables seamless collaboration between government, academia, and industry, accelerating the development and deployment of AI solutions.
- Sri Lanka becomes a testbed for innovative AI applications, with a supportive infrastructure that attracts global technology companies and start-ups.
- The country's AI infrastructure is recognized for its resilience, security, and accessibility, ensuring that the benefits of AI are distributed equitably across the nation.



To harness AI for inclusive growth and societal benefit, Sri Lanka must foster a vibrant and needs-driven AI research and development (R&D) ecosystem. We will promote strong academia-industry-government linkages to drive applied AI research that addresses Sri Lanka's unique challenges and opportunities, particularly in key sectors such as healthcare, education, agriculture, public service delivery, public administration, transport, and environmental sustainability. Additionally, the timely adoption and dissemination of global technology advancements will be crucial, including into academia and academic curricula.

In the short term, we will launch targeted AI R&D grant programmes for academia and industry, focusing on priority sectors. These grants will incentivize the development of localized AI solutions that address pressing challenges, such as improving agricultural productivity, enhancing education access and quality, and improving healthcare outcomes. It will also be important for us to start the journey towards building advanced Natural Language Processing (NLP) capabilities in our local language (Sinhala and Tamil) as soon as possible. By aligning AI R&D with national priorities, we will ensure that AI innovation directly contributes to Sri Lanka's sustainable development goals.

To spur Al innovation in the public sector, we will launch Al innovation challenges and hackathons that bring together government agencies, academia, and the private sector to co-create Al solutions for public good. These initiatives will not only lead to the development of impactful Al applications but also foster a culture of innovation and collaboration within government.

We will actively pursue international AI research partnerships, including through Governmentto-Government collaborations. By connecting Sri Lankan researchers with global AI experts and institutions, we will facilitate knowledge transfer, capacity building, and joint research projects that leverage cutting-edge AI technologies for Sri Lanka's benefit. Moreover, we will participate in regional and global AI initiatives that shape the global AI agenda, such as the Global Partnership on AI (GPAI) and the AI for Global Good Summit, to ensure that Sri Lanka's perspective is represented and to learn from international best practices.

To foster a culture of AI innovation and entrepreneurship among students and young professionals, we will promote AI entrepreneurship initiatives at universities and tertiary institutes. These initiatives will encourage participants to pitch AI solution ideas, leveraging existing platforms, events, and other start-up competitions in the country. By providing a supportive environment for ideation and collaboration, we aim to nurture the next generation of AI entrepreneurs.

To facilitate the commercialization and translation of AI research into real-world applications, we will provide technology transfer services and provide funding for academics and researchers to spin out their successful innovations into start-ups. These services will include guidance and support throughout the commercialization process, from intellectual property protection to business model development. By creating a seamless pipeline for AI solutions to move from ideation to the lab, and ultimately to the market, we will drive economic growth and job creation in Sri Lanka.

Furthermore, we will facilitate the creation of a funding runway with mixed public-private financing for blue sky research and broader explorations that can drive true local innovation. By providing long-term, stable funding for high-risk, high-reward AI research, we will enable our researchers to push the boundaries of what is possible with AI and develop ground-breaking solutions tailored to Sri Lanka's needs.

Even while we work to facilitate the commercialization of localized AI innovation, we will also stimulate the creation of Digital Public Goods (DPGs) that address national priorities. These DPGs will include open-source AI algorithms, annotated datasets, and educational resources, which will be made available to researchers, developers, and policymakers to drive AI innovation and solve pressing local challenges.

We envisage the following key initiatives:

- 1. Provide grants for AI R&D in priority areas to solve specific pre-identified problem spaces, to stimulate localized AI innovation.
- 2. Offer grants for AI start-ups to stimulate an AI innovation ecosystem and facilitate the development of AI solutions to improve government public service delivery.
- 3. Fast track the progression of native Natural Language Processing (NLP) capabilities by facilitating the creation of open-source Sinhala and Tamil datasets through secured funding and collaborations with international initiatives and major tech firms as necessary.
- 4. Initiate AI projects for the public sector in partnership with private sector, academia, and civil society, to enable productive and solutions-focused quadruple-helix partnerships on AI.
- 5. Conduct challenges and hackathons to solve key problems with AI in identified sectors, fostering communities of practice and cross-sectoral linkages while encouraging the opening of key datasets.
- 6. Promote Government-to-Government (G2G) initiatives and participate in global AI platforms to foster international academic and research collaborations, ensuring Sri Lankan academics are exposed to and can leverage global advancements in AI.
- 7. Establish technology transfer services and provide commercialization support to help academics and researchers spin out their Al innovations into start-ups.
- 8. Create a long-term funding runway with mixed public-private financing for blue sky Al research to drive local innovation and push the boundaries of what is possible with Al in the Sri Lankan context.
- 9. Encourage entrepreneurship initiatives at universities and tertiary institutes, to encourage students and young professionals to pitch AI solution ideas through platforms such as ImagineIF, Start-up Weekend, HackaDev, VF Caravan, eSwabhimani, and other start-up competitions.

In the longer term, we will develop an overarching AI R&D Policy for Sri Lanka that provides a strategic roadmap for AI research ecosystem development. This policy will identify priority research areas, set targets for R&D investment, outline strategies for strengthening academiaindustry-government-civil society collaborations, and provide a framework for international engagement and commercialization support. By creating a clear and stable policy environment, we will foster sustained AI research excellence and innovation in Sri Lanka, driving inclusive growth and societal benefit.

## The Outcomes We Aim to Achieve: Research & Development

- Sri Lanka becomes a global leader in AI research, with a focus on developing solutions that address the unique challenges faced by developing nations.
- The nation's AI research community is renowned for its collaborative and multidisciplinary approach, fostering breakthrough innovations across sectors.
- Sri Lanka attracts significant international investment in AI R&D, with global technology companies establishing research centres in the country.
- The nation's AI start-up ecosystem is thriving, with homegrown AI companies making a significant impact on the global stage.



To fully leverage AI for inclusive growth, it is crucial that the public understands and trusts AI technologies. We will prioritize raising public awareness and understanding of AI through strategic communication and education initiatives. This is important, not only to increase public trust in AI technologies and promote adoption, but also so that the public understands the changing employment landscape brought about by AI disruption and are better prepared to adapt. This will enable us to build a future-ready workforce.

In the short term, we will develop engaging educational content on AI in Sinhala and Tamil for dissemination through mass media channels, such as television, radio, and social media. This content will explain key AI concepts, highlight potential benefits and risks, and emphasize the importance of AI skills in an increasingly digital future. By leveraging popular media and through collaborations with the private sector, we will reach a broad cross-section of society and foster a baseline understanding of AI.

To cultivate AI awareness and interest among youth, we will partner with schools to introduce AI clubs and student outreach programmes. These initiatives will provide students with hands-on experience in AI projects, inspire them to pursue AI-related studies and careers, and encourage them to think critically about the societal implications of AI. By investing in youth engagement, we will build a pipeline of AI talent and foster a new generation of AI-literate citizens.

We will also sponsor public exhibitions, seminars, and workshops on AI, in partnership with universities, industry associations, and civil society organizations. These events will showcase and celebrate AI applications across sectors, spark public dialogue on AI ethics and governance, and provide opportunities for citizens to engage directly with AI experts. By demystifying AI and facilitating open and inclusive conversations, we will build public trust and confidence in Sri Lanka's AI journey.

Looking ahead, we will integrate AI awareness and literacy programmes into Sri Lanka's lifelong learning initiatives outlined in the Digital Strategy 2030. By making AI education accessible to all citizens through online courses, community learning centres, and vocational training programmes, we will ensure that every Sri Lankan has the opportunity to acquire AI skills and participate meaningfully in the AI economy.

## The Outcomes We Aim to Achieve: Public Awareness

- The majority of the Sri Lankan population are informed and discerning consumers of AI, understanding the basic concepts, benefits, and risks associated with AI technologies.
- Public awareness campaigns and educational initiatives reach all segments of society, ensuring that no one is left behind in the nation's Al journey.
- Public trust in AI technologies increases significantly, with citizens confident in the government's ability to harness AI for the greater good and ensure that no one is left behind in the nation's AI-driven development.



# Accelerating the Realization of Sri Lanka's Al Vision

As we embark on Sri Lanka's AI journey, we recognize that the adoption of responsible AI, particularly in the public sector and key economic sectors, can serve as a powerful catalyst for widespread AI adoption nationwide. By strategically focusing on these areas, we aim to create positive ripple effects that extend throughout our society and economy, accelerating the realization of our AI vision and ensuring that no one is left behind.

We acknowledge that AI transformation is an iterative process that requires experimentation, learning, and adaptation, and should be carried out through a multi-stakeholder participatory approach. As such, we will foster a culture of agile innovation, where feedback loops and codesign with stakeholders are integral to developing AI solutions that are trusted, impactful, and aligned with our societal needs and values.

Through this focus on the responsible development and use of impactful AI solutions in both the public and private sectors, we pave the way for broader acceptance and integration across the economy, accelerating the realization of Sri Lanka's AI vision, aligning the country with global advancements, and ensuring that the transformative power of AI is leveraged for sustainable human development.



The public sector will be the primary domain where the societal impact of AI will be most profoundly felt. We recognize that successful AI implementation in the public sector can serve as a powerful accelerator for AI adoption and trust throughout the country. By demonstrating the tangible benefits of AI in improving public service delivery, optimizing public sector operations, and accessibility, we will set a benchmark for AI's potential in enhancing the quality of life for all Sri Lankans

To achieve this, we will prioritize the development of responsible AI applications tailored to address specific challenges and opportunities within the Sri Lankan context. We will ensure that the applications we build for the public sector incorporate and adhere to the Responsible AI framework and AI Governance framework, with well-defined AI principles. These applications will serve as a showcase for how to develop AI solutions that are ethical, transparent, accountable, and aligned with the values and needs of our society. By setting a high standard for responsible AI development in the public sector, we aim to foster trust and confidence in AI among all stakeholders.

In the first instance, we will tackle problems in high-impact areas, such as healthcare, education, agriculture, public service delivery, public administration, transport, and environmental sustainability. We will follow an adoption-centric, use case-driven, iterative approach to implementing AI solutions. This approach will involve identifying specific problems and developing minimum viable products (MVPs), and continuously refining and scaling solutions based on feedback and results. Multi-stakeholder participation and engagement throughout the project is a key factor in the overall impact. Importantly, we will focus on effective human-AI collaboration rather than mere automation, ensuring that AI augments and empowers public servants to deliver better outcomes for citizens.

We will also focus on developing AI-driven DPGs that can be utilized by various government agencies to enhance public service delivery and operational efficiency. These DPGs will serve as foundational resources that can be shared and adapted across different sectors, fostering collaboration and innovation.

We will invest in building the necessary supporting infrastructure and fostering local Al expertise within the public sector. Importantly, we will aim to develop AI solutions for the public sector through partnerships with the private sector. Such partnerships would lead to a more robust AI ecosystem in the country, fostering mutually beneficial collaborations and knowledge exchange. By leveraging the expertise and resources of the private sector, we can accelerate the development and deployment of responsible AI solutions in the public sector while also promoting innovation and growth in the private sector.

Key initiatives include:

1. Develop an AI Playbook for Government, as outlined in the Digital Strategy 2030, to provide guidelines for procuring and deploying AI technologies responsibly, as well as to do appropriate scoping, business case development, iterative design, and implementation, with rigorous monitoring and evaluation approaches.

- 2. Via proper scoping, invest in integrating AI within government agencies to enhance public service delivery and productivity of government operations, ensuring the creation of a centrally managed solutions repository and project funnel to ensure proper utilization of resources.
- 3. Invest in building AI literacy and proficiency among public sector employees and decision-makers, through targeted education and awareness programmes.
- 4. Conduct continuous impact assessments throughout AI trials to inform fine-tuning and ensure effectiveness.
- 5. Leverage public sector Al infrastructure and expertise to attract private sector investment and foster public-private partnerships.

By responsibly transforming the public sector through AI, we will create a powerful demonstrator effect that catalyses broader responsible AI adoption across society. As citizens experience the benefits of AI in their interactions with government, trust and enthusiasm for AI technologies will grow, accelerating their integration into various facets of life and work.

# The Outcomes We Aim to Achieve: Al-Driven Public Sector Transformation

- Sri Lanka sets a global benchmark for the ethical and responsible use of AI in the public sector, with transparent and accountable governance mechanisms.
- Al-powered public services in Sri Lanka are recognized for their effectiveness, inclusivity, and citizen-centricity, improving the lives of all Sri Lankans.
- The nation's public sector becomes a model for AI-driven innovation, with government agencies collaborating seamlessly to address complex societal challenges and promote equitable development.
- Sri Lanka's success in AI-powered public sector transformation demonstrates the potential for AI to drive positive social change, inspiring other nations to follow its lead in harnessing AI for the greater good.



# Stimulating AI Adoption in the Private Sector

The private sector is a key driver of innovation and economic growth, and stimulating Al adoption among businesses, particularly small and medium enterprises (SMEs), is critical for realizing the full potential of AI in Sri Lanka. By harnessing the agility, resources, and innovation capacity of businesses, we can spur the widespread adoption of AI across our economy and society. Moreover, a thriving private sector that actively embraces AI is essential for absorbing the skilled workforce that our foundational activities, such as skill development, will produce. By stimulating AI adoption in the private sector, we can create a strong demand for AI talent, ensuring that the skilled individuals we cultivate have ample opportunities within the country, thereby reducing the risk of brain drain.

To stimulate AI adoption in the private sector and create a vibrant ecosystem for AI talent, we will focus on creating an enabling environment that fosters collaboration, investment, and skill development. We will actively encourage public-private partnerships to pool resources, share knowledge, and mitigate risks associated with AI development. By collaborating on shared infrastructure and AI solutions for the public sector, private companies can access government-funded research, expertise, and testbeds while aligning their innovation efforts with national priorities. These partnerships will be particularly crucial in developing localized AI solutions that address Sri Lanka's unique needs and challenges.

To further catalyse private sector AI adoption, we will foster a business-friendly regulatory environment that promotes AI innovation while mitigating potential harms. Recognizing the critical role of small and medium enterprises (SMEs) in our economy, we will provide dedicated support and incentives to encourage AI adoption among SMEs, with a special focus on women entrepreneurs.

We will support the pre-incubation and incubation of AI start-ups by facilitating their participation in start-up exchange programmes with global incubators and accelerators. This will be complemented by enhanced financial support, continuous mentoring, and business matchmaking for early-stage AI start-up companies under existing programmes. To showcase the potential of the local AI start-up ecosystem, we will promote it in related international publications and further strengthen local and international promotions.

To drive AI adoption and foster collaboration, we will engage closely with industry associations, chambers of commerce, and other business networks. Through these partnerships, we will promote the adoption and adaptation of best practices, facilitate knowledge sharing, and encourage cooperation between businesses and educational institutions. We will also develop clear, practical guidelines to help professionals across various sectors responsibly integrate AI into their workflows. These guidelines will empower professionals to effectively harness AI's potential, enhance productivity, improve work quality, and drive innovation in their respective fields. By fostering a culture of responsible AI adoption, we aim to benefit both professionals and society as a whole. Importantly, these efforts will align skill development initiatives with industry needs, ensuring that our workforce is well-equipped to meet the evolving demands of an AI-driven private sector.

To support the development of the AI investment ecosystem, we will implement policy changes, co-funding mechanisms, tax concessions, and measures to increase the availability of funds. We will also conduct investor education programmes and target start-ups to create a conducive environment for AI investments. Additional we will leverage our existing programmes with the aim of increasing export growth for Sri Lankan AI-companies, both large enterprises and SMEs, with special attention given to product companies.

Key initiatives include:

- 1. Allocate funds to support Al start-ups, including targeted incentives for women entrepreneurs.
- 2. Foster the development of AI Centres of Excellence and innovation hubs to create a vibrant ecosystem for AI start-ups and researchers. The innovation hubs will support pre-incubation and incubation activities for AI start-ups.
- 3. Facilitate the participation of start-ups in exchange programmes with global incubators and accelerators, and support business matchmaking for early-stage AI start-ups under the existing 'Spiralation' programme.

- 4. Promote and showcase the AI start-up ecosystem through related international publications, such as the Global Startup Ecosystem Report (GSER) and Global Startup Ecosystem Index (GSEI), and strengthen local and international promotions.
- 5. Engage the private sector in the development of government AI projects and provide grants that the private sector can apply for to develop solutions that will solve specific problems in priority areas.
- 6. Leverage the SME digitalization programmes in the Digital Strategy 2030 to also provide SMEs with access to AI tools, training, and support services.
- 7. Create a business-friendly regulatory environment with incentives for international Al companies to establish a presence in Sri Lanka, so that we may attract and retain Al talent. Support the local Al investment ecosystem through policy changes, co-funding mechanisms, tax concessions, increasing availability of funds, and investor education programmes.
- 8. Develop support mechanisms for the private sector, especially SMEs, to lower their costs for innovating responsibly and ensuring compliance, including access to regulatory sandboxes.
- 9. Facilitate collaborations with academia and civil society to develop a skilled workforce ready to contribute to Al initiatives across sectors, and facilitate partnerships with leading Al companies to facilitate knowledge transfer and skills development.
- 10. Leverage the Champion Builder Programme to increase export growth for Sri Lankan Al-companies, both large enterprises and SMEs, with special attention for Al-product companies.<sup>15</sup>

By stimulating AI adoption in the private sector, we will unlock new sources of economic growth, job creation, and competitiveness for Sri Lanka. As businesses leverage AI to optimize operations, create innovative products and services, and enhance customer experiences, the benefits will ripple throughout our economy, contributing to increased productivity, efficiency, and consumer surplus. Importantly, a thriving private sector AI ecosystem will attract international investment and talent, positioning Sri Lanka as a global hub for AI innovation.

# The Outcomes We Aim to Achieve: Private Sector Al Adoption

- Sri Lanka's private sector becomes a powerhouse of AI innovation, with businesses of all sizes leveraging AI to drive inclusive growth and competitiveness.
- The nation's AI start-up ecosystem is among the most vibrant in the region, attracting global talent and investment.
- Sri Lanka becomes a global destination for Al-focused business events and conferences, especially those that emphasize the role of Al in promoting social good and sustainable development, showcasing the nation's Al capabilities and success stories.
- The country's AI adoption in the private sector drives significant inclusive economic growth, creating new jobs and opportunities for all across industries.

<sup>15</sup> For more information about the Champion Builder initiative refer to <u>https://www.srilankabusiness.com/pdf/</u> <u>Announcements/2019/NES\_information\_document.pdf</u>



# Creating a Safe and Trustworthy Al Ecosystem for Sri Lanka

As we embark on our journey to harness the transformative potential of AI to become a digitally empowered nation, we recognize the importance of effectively addressing associated risks. Our strategy will be based on a strong foundation of safety and trust, which acknowledges these considerations and manages them in a way that allows us to achieve our goals of innovation, inclusion, social good, and sustainable growth.

# **Ethical and Governance Considerations**

To create a safe and trustworthy AI ecosystem in Sri Lanka, we will begin by identifying ethical and governance considerations related to the development of AI technologies and products. These considerations include:

- 1. **Transparency and explainability:** Al systems should be appropriately transparent and explainable to foster trust and enable informed decision-making.
- 2. **Fairness and Equity:** Al systems should be designed and implemented with fairness in mind, minimizing bias and discrimination to ensure equitable treatment for all individuals. They must not undermine legal rights, discriminate unfairly, or create unfair market outcomes.
- 3. **Human-centricity:** Al systems should respect human-centred values and pursue benefits for society, including health, well-being, relationships, personhood, and individual dignity. They should not be used for malicious purposes or to sway or deceive users into making harmful decisions.
- 4. **Safety, Security & Reliability:** Al systems must prioritize safety, security, and reliability, functioning in a robust, secure, and safe manner throughout their life cycle, with risks continually identified, assessed, and managed.

- 5. **Privacy and Data Governance:** Al systems should prioritize data protection and privacy, maintaining mechanisms to safeguard data integrity throughout its lifecycle. Robust protocols should govern data access and usage.
- 6. Accountability, Contestability, and Redress: Accountability for any deployed Al system should lie with the human individuals or organizations responsible for their design, development, and deployment. Users and impacted parties should be able to contest harmful AI decisions or outcomes, with clear routes to redress provided.

We also recognize broader economic, societal, and ethical considerations that emerge from the deployment and use of AI, such as:

- **Harmful content vs freedom of expression:** Generative AI can accelerate the creation and distribution of misleading and harmful content. However, any efforts to regulate this must carefully balance the need to protect the public with the importance of upholding freedom of expression and ensuring access to information.
- **Intellectual property rights:** The data used to train generative AI models and the content produced raise evolving Intellectual Property (IP) concerns that will expand in significance as applications become more widespread.
- **Competition-related concerns:** Al algorithms can facilitate collusion among companies and the dominance of Al companies hoarding valuable data may limit consumer choices.
- **Job market effects:** The adoption of AI systems at scale may disrupt labour and job prospects. Impact assessments and stakeholder reviews can guide the redesign of jobs to incorporate AI use in Sri Lanka.
- **Natural resources and the environment:** Developing AI can have a significant environmental impact. AI can also be used to exploit rare and endangered resources crucial for healthy ecosystems, which will become increasingly important as Sri Lanka aims to innovate and compete globally.

It is important to note that, even on a global scale, these broader issues are still emerging and not yet fully understood. As a nation, we must proactively study these concerns and stay informed about international experiences to develop appropriate mechanisms for Sri Lanka at the right time. By doing so, we can effectively navigate the challenges and opportunities presented by AI while safeguarding the interests of our society and economy.

# Aligning our Approach with our Existing Legal framework and Al Strategy Principles

Acknowledging these considerations, our approach to cultivating a Safe and Trustworthy Al ecosystem in Sri Lanka will align not only with the Digital Strategy 2030, but also with existing and forthcoming laws and policies, such as the SLPDPA and the upcoming National Cyber Security bill, with overall guidance provided by the Constitution, based on which the rule law will be upheld in all areas, in order to attract foreign investment and create a predictable and secure business environment.

Furthermore, our approach to ensuring safe and trustworthy AI will reflect the adoption focused and impact-oriented ethos of our AI Strategy. It will be tailored to Sri Lanka's development priorities and its distinct business and social landscape. Given the country's low AI penetration and governance maturity, we will embrace an agile and adaptive approach to AI governance. Beginning with a minimal set of necessary safeguards, we will continuously learn, enhance capacity, and address emerging threats. Our aim is to create an environment that not only lowers barriers to responsible innovation with AI, but also reduces costs, speeds up adoption, and empowers citizens while safeguarding their rights. To this end, we will foster a collaborative spirit among all stakeholder groups, emphasizing education and consultation as defining aspects of our approach.

Our approach is in line with our dedication to creating AI that is human-centric, inclusive, and responsible for everyone. This commitment will be evident in the AI applications we support and the principles of responsible AI that we champion throughout their design, development, and use. Our agile and adaptive approach to governing AI will promote innovation and global competitiveness, while our collaborative spirit will foster trust and transparency.



Our approach to AI governance forms the cornerstone of creating a safe and trustworthy AI ecosystem for Sri Lanka. We recognize that AI governance is a complex and evolving challenge, and the global community is still grappling with how to effectively address the potential risks and challenges posed by this transformative technology.

Given this rapidly evolving global landscape and our current stage of AI maturity in Sri Lanka we commit to remain agile and adaptive in our governance approach. We will adopt a methodical, nuanced, and iterative framework, guided by rigorous risk assessment, ongoing monitoring, and multi-stakeholder engagement. Our aim is to carefully calibrate our approach to optimize both transformative innovation and robust safety measures. By doing so, we hope to harness the immense potential of AI to deliver broad societal benefits, while vigilantly mitigating downside risks.

Importantly, we will harmonize our approach with international standards, such as UNESCO's Recommendations on the Ethics of Artificial Intelligence and the OECD's AI Principles. This aligns with our endorsement of the March 2024 UN General Assembly Resolution on Seizing the Opportunities of Safe, Secure, and Trustworthy Artificial Intelligence Systems for Sustainable Development.<sup>16</sup> We will also ensure this AI strategy and all subsequent related policies and initiatives are included in the OECD AI Policy Observatory.

Our approach to AI Governance will have the following key Initiatives:

- 1. **Responsible AI Advisory Council:** We will establish an expert council comprising of diverse stakeholders to provide ongoing guidance on ethical and responsible AI development and governance.
- 2. **Responsible AI Framework:** With the council's guidance, we will develop comprehensive principles, guidelines, and best practices for responsible AI development and use in Sri Lanka. This framework will evolve based on practical experience and stakeholder input.

<sup>16</sup> For more information on the joint UN resolution refer to <u>https://daccess-ods.un.org/access.nsf/</u> <u>Get?OpenAgent&DS=A/RES/78/265&Lang=E</u>

- 3. Al Governance Framework: Building upon the Responsible Al Framework, we will detail Sri Lanka's approach to governing Al through regulation and other measures. This will involve:
  - A comprehensive study of existing laws and regulations (e.g., SLPDPA, the forthcoming Cyber Security Bill) to identify gaps and required amendments for AI governance.<sup>17</sup>
  - A nuanced approach with greater oversight for higher-risk AI applications and less arduous provisions for low-risk use cases to avoid stifling innovation.
  - Mandatory disclosure and explainability requirements for AI systems in critical domains, including human-in-the-loop when necessary.
- 4. **Implementation Roadmap:** We will develop a phased implementation plan that prioritizes key governance issues and aims to enhance adoption of the AI Governance Framework while fostering innovation. This will be guided by an AI Governance Readiness assessment of requirements, compliance capacities, resources, and governance needs based on AI adoption levels. The roadmap will include:
  - Updates to existing laws and regulations leveraging current structures where possible.
  - Development of new policies, guidelines, and laws as required.
  - Robust monitoring and enforcement mechanisms including regular AI system audits.
- 5. **Sector-Specific Guidelines:** We will collaborate with industry associations and regulators to develop responsible AI guidelines tailored to key sectors identified for AI adoption.
- 6. **Capacity Building and Research:** We will invest in strengthening our understanding of AI implications, including training the judiciary, bolstering regulatory capacity, and studying international approaches to emergent issues. This includes understanding the extra-territorial effects of existing and upcoming international laws and regulations in international jurisdictions.
- 7. **International Collaboration:** We will actively engage in global knowledge-sharing, contribute to developing international standards, and align our approach with emerging global norms and best practices.
- 8. **Continuous Learning and Adaptation:** We commit to regularly reviewing and updating our AI governance based on ongoing stakeholder consultations, monitoring of global developments, and learning from our own implementation experiences to remain agile and fit-for-purpose.
- 9. **Transparency and Communication:** To ensure clarity and boost confidence in AI usage, we will clearly and regularly communicate our evolving approach to AI governance to all stakeholders. By providing transparent, detailed information, we aim to foster a shared understanding of how AI principles are being implemented, proactively identify potential gaps, and build trust in the responsible development and deployment of AI in Sri Lanka.

<sup>17</sup> Currently, the Sri Lanka's Data Protection Authority (DPA) oversees some aspects of AI regulation, specifically in relation to the Automated Decision Making (ADM) clauses within SLPDPA 2022. When creating specific rules and guidelines related to these clauses, the DPA must ensure alignment with the overall AI governance framework through a cross-sectoral consultative process facilitated by the apex organization driving AI efforts in Sri Lanka.

Our adaptive and systematic approach to AI governance, combining principled frameworks with phased practical implementation, aims to maximize the transformative benefits of AI for Sri Lanka while proactively safeguarding against risks.



# **Responsible AI Development** and Adoption

We recognize that while effective AI governance is essential for mitigating risks and promoting trust in AI systems, governance alone is not sufficient. It must be complemented by a proactive approach to fostering responsible AI development and adoption practices across the AI ecosystem. By providing organizations with practical tools and guidance, facilitating safe experimentation, building capacity through training and education, and recognizing responsible AI leadership, we aim to create a culture of ethical AI development that aligns with our governance framework. This multi-pronged approach will help ensure that AI technologies are not only governed appropriately, but also developed and deployed in a manner that prioritizes transparency, fairness, accountability, and user well-being.

Our approach to responsible AI development and adoption will have these key initiatives:

- 1. **Responsible AI Resource Toolkit:** We will collaborate with industry, academia, and civil society to develop a comprehensive toolkit that will be regularly updated to keep pace with the evolving AI landscape. The toolkit will include sector-agnostic tools and guidance designed to empower businesses of all sizes to confidently harness AI for growth and scalability, while prioritizing user trust and safety. Key components of the toolkit will include:
  - **Risk assessment tools** to help organizations identify and mitigate potential AI risks.
  - Management and reporting tools to streamline AI governance and ensure accountability.
  - Developer and testing resources to support best practices in AI development and deployment.
  - Guidance on audits and certifications to provide clarity on assurance mechanisms for AI systems.
  - Adapt Singapore's open-source AI Verify governance testing framework and software toolkit for use in the Sri Lankan context.
- 2. **Safe Experimentation and Practical Case Studies:** To enable safe experimentation and testing of AI applications, we will:
  - Establish a pilot regulatory sandbox to provide a controlled testing environment for Al innovations while ensuring compliance with ethical and legal requirements.
  - Work with partners in industry (across different industries and company sizes) and academia to develop case studies that demonstrate how to put AI ethics and responsible AI into practice, fostering a culture of responsible innovation.
- 3. **Promote Adoption and Build Capacity:** To encourage voluntary adoption of responsible Al practices and help develop capacity, we will:
  - Support companies, especially those of a certain scale, in developing and publishing internal AI ethics codes and guidelines. This will streamline efforts to uphold ethical

standards and demonstrate responsible AI principles in action.

- Conduct workshops and training on technical topics related to responsible AI, aimed at raising awareness and enhancing compliance capacity in the private sector.
- Recognizing the unique challenges faced by SMEs, we will provide targeted support to lower their costs for innovating responsibly and ensuring compliance. This includes developing a Model Private Sector Data Sharing Framework compliant with SLPDPA to facilitate responsible sharing of personal and non-personal data amongst private sector companies.
- 4. **Build the Next Generation of Responsible AI Talent:** To cultivate a strong pipeline of responsible AI talent, we will pursue initiatives to promote awareness and technical skills among new graduates. This includes:
  - Support research projects focused on responsible AI development and deployment.
  - Work with universities to integrate responsible AI principles and practices into relevant academic programmes.
  - Conduct events and competitions to engage students in applying responsible Al concepts to real-world challenges.
- 5. **Recognize and Reward Responsible AI Leadership:** To incentivize and celebrate organizations demonstrating a strong commitment to ethical AI development and deployment, we will develop recognition and reward mechanisms. This will help showcase best practices and encourage wider adoption of responsible AI principles.

By pursuing these multifaceted initiatives in collaboration with diverse stakeholders, we aim to create an enabling environment for responsible AI innovation to flourish in Sri Lanka, while proactively mitigating risks and promoting trust.



Developing a safe and trustworthy AI ecosystem in Sri Lanka requires the active participation and engagement of the public. By involving citizens in our AI journey, we can ensure that public concerns, values, and aspirations are adequately considered in the design, development, adoption, and use of AI systems. Public participation helps build trust, legitimacy, and a shared sense of ownership in the AI ecosystem. It also enables us to harness collective intelligence and diverse perspectives to navigate the complex challenges and opportunities presented by AI.

To achieve this, we will undertake several key initiatives:

- 1. **Raising Awareness and Empowering Citizens:** We will raise public awareness about Al's impact, risks, and rights through targeted campaigns, educational programmes, and media outreach. These initiatives will inform and empower citizens to engage in Al-related discussions and decision-making, fostering informed public discourse and meaningful participation in shaping Sri Lanka's Al ecosystem.
- 2. **Inclusive and Transparent Consultation:** We will establish a uniform, transparent, and inclusive approach for public consultations on AI matters through consultations, workshops, and forums where diverse stakeholders can provide input on AI initiatives,

policies, and regulations. This will build public trust and ensure that AI development aligns with societal values and priorities.

3. Accountability and Public Scrutiny: To promote accountability and public scrutiny of Al initiatives, we will implement transparent mechanisms, such as regular reporting on Al progress and impact, reporting channels for citizens to voice concerns and provide feedback, and ensuring public perspectives are meaningfully considered in Al decisionmaking. This will help maintain public confidence and responsiveness to societal needs.

## The Outcomes We Aim to Achieve: Safe and Trustworthy Sri Lankan AI Eco-system

- Sri Lanka becomes a global leader in responsible AI, with a robust governance framework that balances innovation and ethics.
- The nation's AI ecosystem is built on a foundation of trust, with citizens actively engaged in shaping the development and deployment of AI technologies.
- Sri Lanka's approach to AI governance serves as a model for other nations, particularly those in the developing world.
- The country's commitment to responsible AI becomes a key competitive advantage, attracting global businesses and investors who prioritize ethical AI practices.



# Together Towards Tomorrow: The Interconnected Road to Digital Prosperity

Sri Lanka stands at a pivotal juncture in our journey towards becoming a globally competitive digital economy. To avoid the risk of being left behind in the global AI race and the resultant loss in global competitiveness, we must exert a concerted effort to establish a dynamic AI innovation ecosystem. This transformation may be gradual, but it demands collective action and a sense of urgency. Importantly, our journey will be use-case driven and iterative so that we continuously learn and dynamically revise our strategy based on ongoing learnings.

We, as the Government of Sri Lanka, will be an active champion in our collective AI journey:

- We will prioritize the development of a skilled and adaptable workforce, equipping our students and professionals with the necessary competencies to thrive in an Al-driven economy.
- We will directly invest in AI through funding for AI solutions in high impact domains, such as healthcare, education, agriculture, public service delivery, public administration, transport, and environmental sustainability.
- We will invest in high-quality research and innovation capabilities in AI to foster a vibrant and thriving AI start-up ecosystem in Sri Lanka.
- We will lead by example, driving AI adoption in the public sector to improve public sector.
- We will create a conducive environment for AI through investments in digital infrastructure, data sharing frameworks, and governance policies.
- We will leverage our investments to build collaborations and partnerships locally and internationally, as well as to bring in additional private sector and international investments to the country.

Collaboration will be key to unlocking the full potential of AI for Sri Lanka. We will foster strong collaborations between the government, private sector, academia, and civil society to create a vibrant and inclusive AI ecosystem that drives innovation, economic growth, and social good. We will also actively engage with international partners, participating in global platforms and forging strategic alliances to exchange knowledge, share best practices, and co-create AI solutions that benefit our nation and the world at large.

To spearhead the implementation of the National AI Strategy, we will establish a National Centre for AI (NCAI) under the forthcoming Digital Transformation Agency (DTA), which will operate under the purview of the Ministry of Technology. The NCAI will work in close collaboration with other government institutions, the private sector, academia, and civil society to catalyse the responsible development and deployment of AI technologies in Sri Lanka. By fostering multi-stakeholder partnerships and promoting a coordinated approach, the NCAI will ensure that the benefits of AI are harnessed effectively while addressing potential risks and challenges, ultimately driving innovation, economic growth, and social progress in the country.

Together, we will build a resilient, prosperous, and inclusive society, harnessing the transformative power of AI for the greater good of all our citizens. With unwavering determination and a spirit of collaboration, we will position Sri Lanka at the forefront of the global AI landscape, realizing our vision of becoming a leading hub for AI innovation and excellence.



The National Centre for AI (NCAI) will be established as a private corporation funded by the National Treasury, under the Digital Transformation Agency (DTA) that will be created via the implementation of the Digital Strategy 2030 and as outlined in Figure 2 below. The overall design of the NCAI is outlined in Annex 3. It serve as the central body responsible for driving AI adoption, research, and innovation in Sri Lanka, working closely with all relevant stakeholders, whilst adhering to the DTA's policy direction and oversight. This institutional arrangement will provide the NCAI with the necessary autonomy, agility, and resources to effectively coordinate and drive the implementation of the National AI Strategy.

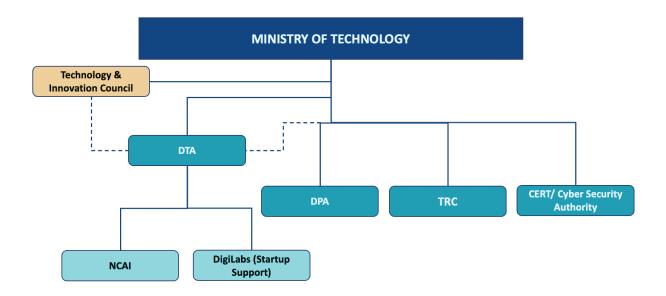


Figure 2: Sri Lankan Government's Digital Context

The NCAI will be tasked with the following key responsibilities:

- 1. Own the National AI Strategy and oversee its execution. NCAI will ensure the strategy's effective implementation and alignment with national priorities. NCAI will also ensure that the core principles of the AI Strategy are effectively reflected in the implementation of the strategy and the specific initiatives.
- 2. Based on an assessment of Sri Lanka's current capacity and resources, collaborate with relevant stakeholders to prioritize, consolidate, and finalize a list of critical and achievable AI initiatives (refer to Annex 1 for a preliminary detailed list) ensuring that the initiatives align with and promote the core principles of the AI Strategy. The NCAI will set targets (refer to Annex 2 for a preliminary list) and establish associated timeframes, whilst ensuring effective resource management and alignment with the overall objectives of the AI strategy. The list of initiatives and targets and timelines will be revised every year based on an assessment of progress.
- 3. Facilitate collaboration between the government, private sector, academia, and civil society to create a vibrant AI ecosystem.
- 4. Develop and implement policies, guidelines, and frameworks to support the responsible development and deployment of AI.
- 5. Drive AI-based public sector transformation initiatives to improve efficiency, transparency, and citizen services.
- 6. Promote public awareness, understanding, and trust in AI through education and outreach programmes and showcasing success stories from Sri Lanka.
- 7. Nurture AI talent by driving skills development and capacity-building initiatives.
- 8. Foster international partnerships and collaborations to learn from best practices and drive Al innovation.
- 9. Conduct rigorous monitoring and evaluation (M&E) activities during the implementation of AI initiatives to track progress, identify challenges, and gather learnings for continuous improvement.

10. Periodically review and update the National AI Strategy based on the learnings from implementation and M&E activities to ensure its relevance and effectiveness in a dynamic AI landscape.

The NCAI will carry out the responsibilities outlined above in close coordination with the Digital Transformation Agency (DTA), especially in aspects related to data and infrastructure and in specific projects or sector specific initiatives that are related to both their respective mandates. In particular, the DTA will also ensure that AI specific projects are routed through the NCAI.

The organizational structure of the NCAI is designed to support the effective implementation of the National AI Strategy, with key operational pillars focusing on public sector transformation, emerging sectors development, private sector engagement, capacity building and talent development, public awareness, project management, partnerships and ecosystem, research and development, trust and safety, and finance. The NCAI will also have an AI Strategy Board that operates independently to ensure it remains at the forefront of innovation and best practices, while being tasked with annual updates to the strategy, as well as the NCAI's priorities and operational processes. It will also have an Expert Advisory Panel comprising international and local experts to guide its strategic direction and operational efficacy. This comprehensive institutional structure, coupled with the strategic leadership of the CEO and the oversight of the Board/Steering Committee, positions the NCAI to effectively drive the implementation of the National AI Strategy and catalyse the transformative potential of AI for Sri Lanka's sustainable development and inclusive growth.

To support the NCAI in its mission, we will establish clear governance structures and mechanisms for inter-agency collaboration via an inter-ministerial steering committee. Each government agency will appoint a designated AI lead who will work closely with the NCAI to ensure seamless coordination and implementation of AI initiatives within their respective domains.

We will also actively engage the private sector, recognizing their critical role in driving AI innovation and adoption. The NCAI will work closely with industry partners to identify key challenges and opportunities, co-develop AI solutions, and create a conducive environment for AI start-ups and entrepreneurs to thrive.

Academia and research institutions will play a crucial role in advancing AI research and development in Sri Lanka. The NCAI will foster strong collaborations between academia and industry, facilitating knowledge transfer, and ensuring that research outcomes are translated into practical applications that benefit society.

Recognizing that the success of our AI strategy depends on the active participation and support of all citizens, we will invest heavily in public awareness and education programmes. These initiatives will aim to demystify AI, showcase its potential benefits, and address any concerns or fears that the public may have. By fostering a culture of trust and understanding, we will create a society that embraces AI as a tool for inclusive growth and development.

# Monitoring, Evaluation, and Continuous Improvement: A Data-Driven Approach to Realizing Sri Lanka's Al Vision

To ensure the successful implementation and impact of our National AI Strategy, we will establish a robust Monitoring, Evaluation, and Continuous Improvement (MECI) framework. This framework will serve as a critical tool for tracking progress, measuring outcomes, and informing data-driven decisions to refine our strategy and adapt to evolving needs.

A dedicated Monitoring and Evaluation (M&E) unit within the National Centre for AI (NCAI) will be responsible for:

- 1. Defining and tracking Key Performance Indicators (KPIs) and measurable targets aligned with the strategy's intended outcomes, as well as the respective output indicators.
- 2. Collecting, analysing, and sharing relevant data from stakeholders to derive actionable insights and communicate progress effectively.
- 3. Conducting comprehensive annual reviews and focused sub-reviews to assess progress, identify challenges and opportunities, and recommend course corrections.
- 4. Engaging diverse stakeholders to gather feedback and recommendations to enhance the strategy's implementation.
- 5. Fostering a culture of learning, experimentation, and continuous improvement within the NCAI and across the AI ecosystem.

Through this dynamic MECI framework, we will institutionalize a data-driven approach to realizing our AI vision. By continuously monitoring progress, evaluating impact, and iterating our strategy based on evidence and stakeholder feedback, we will ensure that our AI initiatives remain relevant, responsive, and focused on delivering meaningful outcomes for all Sri Lankans.

It will be essential also to ensure that our MECI framework is able to help us track progress towards increasing Sri Lanka's global rankings and, in particular, the Oxford Insights' Government Al Readiness Index. Working towards improving Sri Lanka's rankings will attract foreign investment, boost local innovation, create high-skill jobs, and enhance public services, fostering economic growth and technological advancement. Additionally, it will promote inclusivity, reduce the digital divide, and position Sri Lanka as a global AI leader, driving sustainable national development. Annex 13 provides an analysis of how our AI Strategy can improve Sri Lanka's rankings in Oxford Insights' Government AI Readiness Index.

Transparency and accountability will be key tenets of our MECI framework. We will regularly publish progress reports, evaluation findings, and lessons learned, contributing to global knowledge on AI strategy implementation.

As we embark on this journey, our robust MECI framework will serve as a vital compass, guiding us towards our vision of a thriving, inclusive, and responsible AI ecosystem in Sri Lanka. By institutionalizing a data-driven approach to continuous improvement, we will unlock the full potential of AI as a catalyst for innovation, growth, and societal well-being.



As we embark on implementing our National AI Strategy, we recognize that there will be challenges and risks that we must proactively address to ensure the strategy's success.

# **Coherence and Alignment of National Initiatives**

One of the key challenges will be ensuring coherence and alignment with other government institutions, laws, and digital policies and strategies.

- As a general-purpose technology, AI must be leveraged in service of broader national objectives such as economic growth and sustainable development. This necessitates close coordination and collaboration with other government agencies and sectors. We will establish mechanisms for regular inter-agency dialogues, joint planning, and coordinated implementation to ensure that our AI initiatives work in lockstep with the larger digital transformation efforts as per the Digital Strategy 2030.
- A related challenge will be navigating the complex legal and regulatory landscape, particularly with respect to data privacy and cyber security. The NCAI will ensure that Al initiatives comply with relevant laws. It will develop guidelines for responsible Al governance, as well as clear guidelines and protocols for responsible data management and AI development within government, aligning with global best practices. Concurrently, the Data Protection Authority will also coordinate with the NCAI on AI regulation, particularly regarding the Automated Decision-Making clauses in the SLPDPA 2022. When creating specific rules and guidelines related to these clauses, the DPA must ensure alignment with the overall AI governance framework through a cross-sectoral consultative process facilitated by the apex organization driving AI efforts in Sri Lanka. Similarly, the future Cyber Security Regulatory Authority that will be created through the forthcoming (as yet unpassed) Cyber Security Act must also collaborate with the NCAI on Al-related cybersecurity policies. This coordinated approach, facilitated through regular inter-agency meetings and joint working groups, will balance privacy and security concerns while fostering responsible Al innovation. By aligning efforts across sectors, these authorities will create a coherent framework for AI governance in Sri Lanka.
- Institutional fragmentation and silos pose another risk to effective implementation. To
  mitigate this, the National Centre for Artificial Intelligence (NCAI), which will act as a
  central coordinating body for AI initiatives across government. The centre will foster
  collaboration, knowledge sharing, and capacity building among agencies, ensuring a
  whole-of-government approach to AI implementation.

#### Change Management and Stakeholder Buy-in

 Resistance to change and lack of buy-in from key public sector stakeholders could also hinder progress. We will invest in comprehensive awareness-raising and capacitybuilding programmes to foster a shared understanding of Al's potential and build support for our initiatives. We will also engage in proactive stakeholder consultation and co-creation processes to ensure that our Al solutions are responsive to the needs and concerns of citizens, businesses, and communities.

# **Project Impact and Scalability**

• We recognize the risk of developing AI projects with limited impact or projects that don't move out of the proof-of-concept stage. To address this, we will establish clear and robust criteria for project selection and prioritization, focusing on initiatives with the potential for significant and scalable impact. We will also invest in rigorous monitoring and evaluation frameworks to track project outcomes and adapt our approach as needed. Furthermore, we will establish dedicated innovation labs and sandboxes for rapid prototyping and testing, as well as provide targeted support for scaling up successful initiatives. We will foster strong linkages between national, regional, and international research institutions, industry, and government to facilitate technology transfer and commercialization.

# System Maintenance and Sustainability

• We recognize the importance of properly maintaining AI solutions and systems over the long term. To address this, we will develop robust standards and protocols for AI system maintenance, including regular performance audits, security updates, and continuous improvement processes. The NCAI will oversee the creation of these processes and will simultaneously work with government organizations to develop their internal capabilities for maintenance.

# **Resource Mobilization**

• We recognize that AI implementation requires significant financial resources and technical expertise. To address this, we will explore innovative financing models, such as public-private partnerships, and will actively seek collaboration with international partners and institutions. We will also prioritize the development of local AI talent and create an enabling environment for AI entrepreneurship and innovation.

# **Retention of Talent**

• While we spend considerable resources to develop talent within the country, we face the challenge of brain drain and risk losing our trained workforce to other countries. To mitigate this, we will work closely with the private sector to create attractive career pathways and incentives for AI talent, including competitive compensation, professional development opportunities, and a supportive innovation ecosystem. We will also explore collaborations with the diaspora community to tap into their expertise and networks.

By proactively addressing these challenges and risks, and adopting an adaptive approach to implementation, we will ensure the success realization of our AI vision for Sri Lanka.



By embracing a collaborative, multi-stakeholder approach, and establishing a dedicated institution to spearhead our AI efforts, we will create a strong foundation for the successful implementation of our National AI Strategy. The NCAI will serve as the driving force, ensuring that all stakeholders are aligned and working together towards a shared vision of an AI-powered future for Sri Lanka.

As we embark on this transformative journey, we are cognizant of the challenges and risks that lie ahead. However, with unwavering determination, a clear strategic roadmap, and the collective efforts of our government, private sector, academia, and citizens, we are confident in our ability to navigate these challenges and emerge as a global leader in AI innovation and adoption.

Together, we will harness the power of AI to drive economic growth, improve public services, and enhance the quality of life for all Sri Lankans. We also recognise that AI is only one tool in our toolkit, and not a panacea. By staying true to the core principles of our AI Strategy, we will create a future where AI is a catalyst for positive change and a key driver of our nation's digital prosperity.

# **Description and List of Annexes**

#### Annex 1: Indicative Implementation Plan

This annex contains a preliminary set of suggested initiatives for realizing Sri Lanka's AI vision. The National Center for AI (NCAI) will conduct consultations with relevant stakeholders from government, private sector, academia, and civil society as needed, and subsequently finalize the plan. This process will incorporate necessary additions or modifications, and critically, establish a prioritization and sequencing for these activities based on an assessment of Sri Lanka's current capacity and resources.

#### Annex 2: Key Targets and Milestones

This annex outlines a preliminary set of targets for realizing Sri Lanka's Al vision. They are informed by the strategic initiatives proposed in the National Al Strategy, the indicative implementation plan, and best practices from other countries, while being contextualized to Sri Lanka's unique needs and aspirations. The National Center for Al (NCAI) should carefully consider these targets, refine them through stakeholder consultations, and integrate them into a comprehensive action plan with clear timelines and responsibilities.

#### Annex 3: Design of the National Center for Artificial Intelligence (NCAI)

This annex details the design and establishment of the NCAI, including its vision and mission, strategic alignment with national goals, organizational structure, operational model, and phased implementation plan. The document emphasizes the center's role in fostering AI innovation, enhancing public and private sector engagement, developing AI talent, and ensuring ethical AI practices. It outlines specific responsibilities for various roles and provides guidelines for operational and financial management, monitoring, and evaluation to ensure the successful deployment and impact of AI initiatives in Sri Lanka

#### Annex 4: Draft Al Strategy Playbook

This annex serves as a guide for implementing Sri Lanka's National AI Strategy for 2024-2028. It outlines the institutional framework, core principles, strategic framework, and actionable playbooks for AI integration across various sectors. The playbook emphasizes responsible AI development, inclusive and human-centered design, multi-stakeholder collaboration, and effective project management. It provides a phased implementation roadmap, monitoring and evaluation metrics, and risk management strategies to ensure the successful and ethical deployment of AI technologies in Sri Lanka.

#### Annex 5: Guidance Note on Multi-Stakeholder Involvement in AI Projects

This annex emphasizes the importance of engaging diverse stakeholders in AI projects to ensure they are technically feasible, socially relevant, and widely accepted. The document outlines strategies for operationalizing multi-stakeholder engagement, such as establishing cross-sectoral teams, conducting workshops, aligning projects with national strategies, and maintaining clear communication channels. This collaborative approach aims to enhance project design, increase adoption and impact, mitigate risks, and optimize resources, ultimately supporting sustainable and inclusive growth in Sri Lanka

#### Annex 7: System-Specific Development Lifecycle for AI in Sri Lanka

This annex outlines a tailored development lifecycle for AI systems, emphasizing the differences from traditional software development. The document includes stages such as scoping, design, development, deployment, and maintenance, along with governance structures, monitoring and evaluation metrics, and key performance indicators (KPIs). It aims to ensure ethical, efficient, and scalable AI deployments that align with national strategic goals and promote sustainable and impactful AI adoption across various sectors.

## Annex 8: Educating for AI Excellence - White Paper on Transforming Sri Lanka's Higher Education Sector for a Digital Future

This annex outlines a comprehensive initiative to integrate AI education across state universities, aiming to prepare a future-ready workforce. The proposal includes new AI degree programmes, curriculum reforms in existing programmes, postgraduate AI education, AI integration in business education, and general AI literacy for all students. The initiative seeks to enhance national competitiveness, promote inclusive workforce development, drive innovation and economic growth, and support sustainable development through targeted educational programmes.

#### Annex 9: Concept Note on AI Clubs in Sri Lanka Schools

This annex outlines the establishment of AI Clubs in schools to introduce students to artificial intelligence (AI) and enhance AI literacy from an early age. The concept includes a structured club programme where students learn AI concepts, context, capabilities, and creativity through hands-on activities and projects. The document covers implementation considerations such as age appropriateness, infrastructure, equity, and privacy, and provides a detailed pilot programme plan and rollout playbooks for both the Ministry and individual schools to facilitate the integration of AI education into the school system.

#### Annex 10: Concept Note on AI Hubs & AI Apprenticeship Programmes

This annex outlines the establishment of AI Hubs as centres of excellence and the development of an AI Apprenticeship Programme to enhance AI capabilities and infrastructure in the country. The AI Hubs will focus on AI development and deployment, starting with a pilot at a major university, and the Apprenticeship Programme aims to train at least 40 AI engineers annually at each hub. These initiatives aim to improve public services, boost economic growth, develop skilled AI professionals, and ensure inclusive access to AI technology across Sri Lanka.

#### Annex 11: White Paper on Enabling Inclusive AI through Local Language Models

This annex outlines a strategic initiative to develop large language models (LLMs) in Sinhalese and Tamil to enhance accessibility, support educational and governmental services, and preserve cultural heritage. The project includes data curation, international collaborations, and sustainable infrastructure development. The initiative aims to improve public service delivery, drive economic growth, foster social inclusion, and position Sri Lanka as a leader in multilingual AI technologies.

### Annex 12:Empowering Digital Governance - Concept Note on National Information Chatbots in Sri Lanka

This outlines a plan to develop and deploy AI-powered chatbots to improve accessibility and efficiency of government services, especially for citizens in rural areas. The initiative includes creating a national platform for chatbot hosting and management, supporting local languages, and providing multi-platform accessibility. The programme aims to enhance service delivery, reduce costs, and increase citizen satisfaction by automating responses to common inquiries and facilitating easy access to information and services.

#### Annex 13: Guidance Note on Advancing Sri Lanka's Global AI Readiness Rankings

This annex provides a strategic approach to improving Sri Lanka's ranking in the Oxford Insights' Government AI Readiness Index. The document outlines key initiatives under three pillars: Government, Technology Sector, and Data and Infrastructure. It highlights how the effective implementation of these initiatives, such as enhancing governance and ethics, fostering AI innovation, improving digital infrastructure, and promoting AI skills development, can boost Sri Lanka's AI readiness and position the country as a regional and global leader in AI adoption and development.

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# Glossary

**Al-Driven Transformation:** Fundamental changes in societal and economic structures facilitated by the adoption and integration of Al technologies.

**AI Ethics:** The principles and guidelines that ensure the development and deployment of AI systems are aligned with human values, rights, and interests, addressing concerns such as fairness, transparency, accountability, and privacy.

**Al Governance:** The methods, laws, and regulations that guide the ethical development, deployment, and use of artificial intelligence technologies.

**Al Literacy:** The knowledge and understanding of artificial intelligence technologies and their implications, enabling individuals to engage with Al responsibly and effectively.

**Al Readiness**: The measure of a country's preparedness to adopt and implement Al technologies, taking into account factors such as digital infrastructure, human capital, regulatory frameworks, and public trust.

**Algorithm:** A set of rules or instructions given to an AI programme to help it learn from data and make decisions.

**Algorithmic Bias:** Systematic and repeatable errors in a computer system that create unfair outcomes, such as privileging one arbitrary group of users over others.

**Analytics:** The systematic computational analysis of data or statistics. It is used for the discovery, interpretation, and communication of meaningful patterns in data.

**Artificial Intelligence (AI):** A field of computer science dedicated to creating systems that can perform tasks that would normally require human intelligence. These tasks include decision-making, speech recognition, visual perception, and language translation.

**Big Data:** Large volumes of data that can be analyzed computationally to reveal patterns, trends, and associations, especially relating to human behavior and interactions.

**Cloud Computing:** The delivery of different services through the Internet, including data storage, servers, databases, networking, and software.

**Cybersecurity:** The practice of protecting systems, networks, and programmes from digital attacks aimed at accessing, changing, or destroying sensitive information, extorting money from users, or interrupting normal business processes.

**Data Analytics:** The process of examining data sets to draw conclusions about the information they contain, increasingly with the aid of specialized systems and software.

**Data Ecosystem**: A collection of data infrastructures, analytics, and policies that systematically collect, share, and analyze data to turn it into usable information.

**Data Governance:** The management of the availability, usability, integrity, and security of the data employed in an organization, with the aim to ensure that the data remains high quality and accessible.

**Data Privacy:** The right of individuals to control or influence what information related to them may be collected and stored and by whom and to whom that information may be disclosed.

**Deep Learning:** A subfield of machine learning that uses artificial neural networks with multiple layers to learn and make decisions based on large amounts of data. Deep learning is particularly effective in tasks such as image and speech recognition, natural language processing, and generative AI.

**Digital Infrastructure:** The foundational services that are necessary to the information technology capabilities of a nation, organization, or area, including telecommunications, servers, software, and internet connectivity.

**Digital Public Goods (DPGs):** Open-source software, data, AI models, standards, and content that are universally accessible and reusable. DPGs support public value by enhancing digital services, fostering innovation, and promoting equitable access to technology, ensuring the benefits of digital solutions are widely shared for inclusive and sustainable development

**Digital Maturity:** The measure of an organization's readiness and ability to maximize digital technologies to improve processes, engagement, and productivity.

**Digital Transformation:** The integration of digital technology into all areas of a business or organization, resulting in fundamental changes to how businesses operate and how they deliver value to customers.

**Generative AI:** A subset of artificial intelligence that focuses on creating new content, such as images, videos, audio, or text, based on learned patterns and rules from existing data. Generative AI models can produce novel and original outputs that resemble human-created content.

**Human-in-the-Loop (HITL):** A model of AI development and deployment in which human judgment and oversight are integrated into the decision-making process of an AI system, ensuring accountability and the ability to override or modify AI-generated outputs when necessary.

**Interoperability:** The ability of computer systems or software to exchange and make use of information seamlessly and efficiently across various platforms and environments.

**IoT (Internet of Things):** The network of physical objects—"things"—that are embedded with sensors, software, and other technologies for the purpose of connecting and exchanging data with other devices and systems over the internet.

**Machine Learning (ML):** A subset of AI that trains a machine how to learn from data patterns and insights without being explicitly programmed.

**Minimum Viable Product (MVP):** A development approach in which a new product or service is created with just enough features to be usable by early customers, who then provide feedback for future product development. In the context of AI, an MVP is a basic prototype that is continuously refined and scaled based on user feedback and results.

**Natural Language Processing (NLP):** A field of AI that gives machines the ability to read, understand, and derive meaning from human languages.

**Neural Networks:** Computer systems modeled on the human brain that are designed to recognize patterns and interpret data through machine perception, labeling, and clustering.

**Open Data:** Data that is freely available, can be accessed by anyone, and can be used, re-used, and redistributed without restrictions.

**Public Sector AI:** The use of AI technologies by government entities to enhance public services and improve government operations.

**Public-Private Partnership (PPP):** A cooperative arrangement between one or more public and private sectors, typically of a long-term nature, to complete a project or provide a service that is beneficial to the public.

**Regulatory Sandbox:** A controlled testing environment that allows businesses to test innovative products, services, and business models under relaxed regulatory requirements, with oversight from regulators.

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**Responsible AI:** The practice of developing and deploying AI systems in a manner that prioritizes ethics, transparency, accountability, and the well-being of individuals and society as a whole.

**Stakeholders:** Individuals or organizations that have an interest in or are affected by the outcomes of specific projects, decisions, or developments.

**Sustainable AI:** AI technologies and initiatives that are designed to be sustainable in terms of environmental impact, economic viability, and social equity.

**Synthetic Data:** Artificially generated data that mimics the characteristics and patterns of real-world data. Synthetic data is often used to train AI models when real data is scarce, sensitive, or expensive to obtain, or when additional data is needed to improve model performance and robustness.

**Use Case**: A specific situation or example where a product or service could potentially be used, helping to demonstrate the utility and necessity of the product or service.