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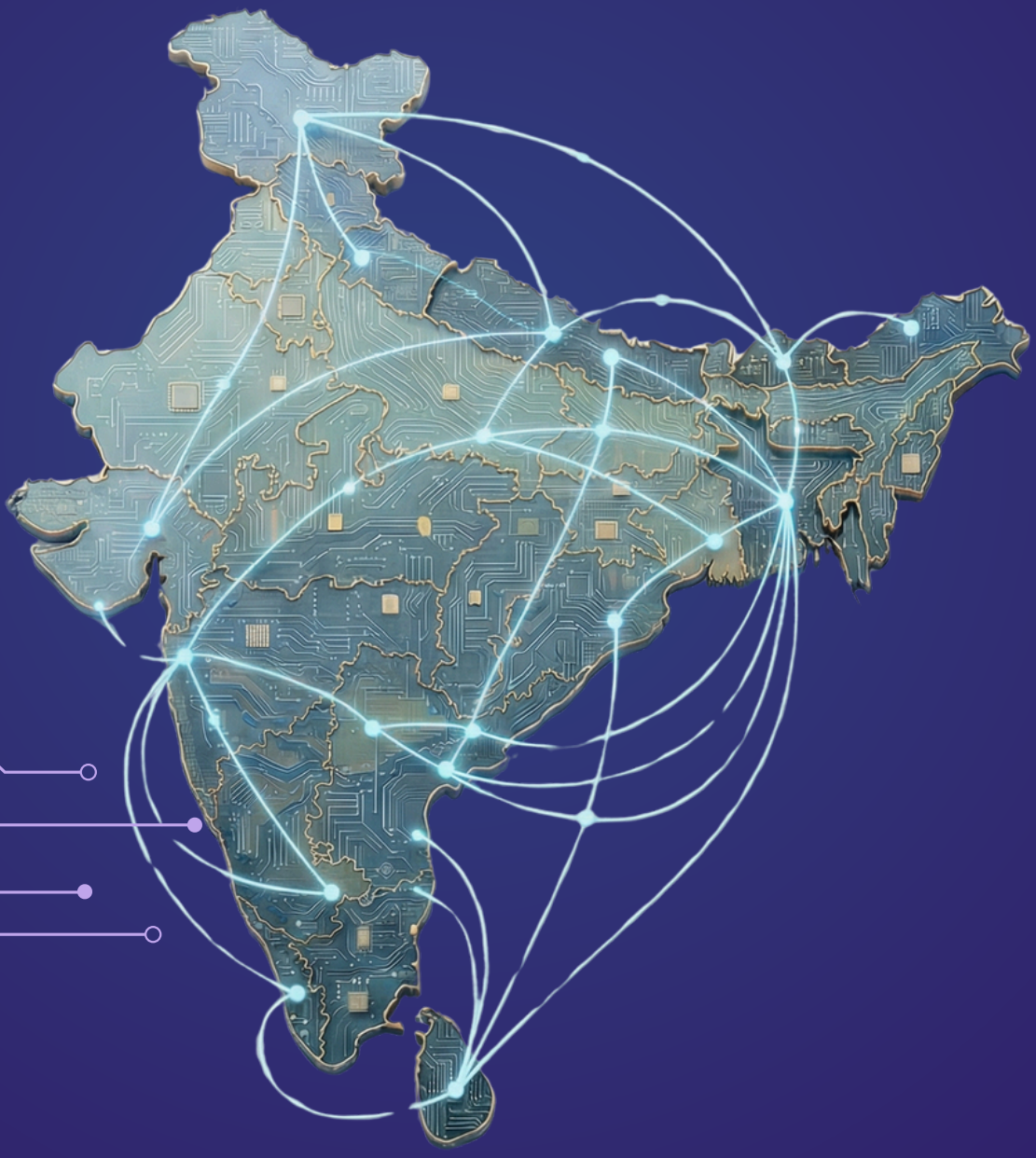
AI Governance in South Asia

Shared Priorities, Challenges & Future Trajectories



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About CeRAI

The **Centre for Responsible AI (CeRAI) at the Indian Institute of Technology, Madras**, is a multi-disciplinary, non-profit research centre positioned in the Global Majority, as one among the few global institutions that specialises in both technical and policy research to ensure and enable the responsible development and deployment of AI systems.

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Executive Summary

South Asia is a critical site for shaping inclusive AI governance. Five nations in the region: India, Sri Lanka, Bangladesh, Nepal and Bhutan collectively represent 1.75 billion people. Despite differences in digital infrastructure capacity, institutional maturity and technology capabilities, they are navigating the AI transformation through similar policy approaches and governance frameworks.

Between 2018 and 2025, all five nations have published national AI strategies, either in draft form or formally adopted. Their national strategies focus on using AI for inclusive development through balanced regulatory approaches. This paper finds that this apparent convergence provides the foundation for coordinated engagement in areas such as data governance, reskilling and standard setting.

Shared Priorities for AI Governance in South Asia

1. Use-Case Orientation

All five countries prioritise AI deployments for socio-economic development, rather than to focus on pure technology development. Use cases are prioritised in areas such as agriculture, healthcare, education and governance, which reflect national priorities, anchored in public service delivery. This clarity on adopting a use case led approach enables the rapid deployment of solutions, for example, AI-powered tuberculosis screening in Sri Lanka, an early warning system for landslides in Nepal, Dzongkha Natural Language Processing tools for public service delivery in Bhutan, and more than thirty use cases across sectors being piloted in India through the national AI mission.

2. Pragmatic Regulation

None of these five countries has enacted a separate AI law, and there are no immediate plans to do so. Instead, they are adapting existing laws and regulations to address potential AI risks, and using soft law instruments such as guidelines to shape market behaviour. However, all countries recognise the importance of responsible AI deployment. For example, India's 'AI governance guidelines' comprises seven sutras or principles, such as 'trust is the foundation' and 'understandable by design', as does Sri Lanka, which talks about "inclusivity and responsibility, trustworthiness and transparency".

In the same vein, Bhutan's National AI Strategy identifies ethical and responsible AI and AI governance as one of the key enablers for a thriving AI ecosystem. This balanced approach reflects regional consensus that the primary goal is to support AI adoption and innovation, while mitigating the risks to individuals and society.

3. Inclusive Access and Linguistic Diversity

Linguistic inclusion is a regional imperative, with over 100 languages spoken across the five countries, and the vast majority being non-English speakers. India's Bhashini platform hosts 350+ AI language models across 22 official languages. Bhutan's GovTech agency actively develops NLP-based tools to preserve Dzongkha, while Sri Lanka's national AI strategy is focused on increasing the representativeness of Tamil and Sinhalese in global AI models. Inclusion efforts also seek to address gender disparities, particularly women's participation in AI decision-making. Further, low-bandwidth access, offline models, and rural service delivery remain central to AI design.

4. Infrastructure Sovereignty

All five countries share aspirations for self-reliance in AI infrastructure, even as the region's collective dependence on foreign providers for foundational models, cloud services and semiconductors creates strategic vulnerabilities at different levels. India's model of making GPUs available through empanelled providers, rather than direct government procurement, offers a scalable template. Others, like Sri Lanka and Bangladesh, aspire to build national AI clouds. The ultimate goal is to reduce dependence on foreign service providers and maximise choice in the AI value chain.

5. Labour Transitions

Over 60% of the workforce in each of these five countries engages in informal or precarious employment in agriculture, micro-enterprises and platform-mediated gigs, lacking formal contracts or social protections. Additionally, roles with fewer opportunities for human-AI collaboration, such as call center agents, face significant displacement risks. While reskilling programs are prioritised in India and Sri Lanka, a comprehensive framework for informal workers remains absent in the region.

From Convergence to Strategic Collaboration

Given the increasing regional convergence around use cases, balanced regulation, inclusive access, sovereignty and labour transitions, there is significant room for strategic collaborations within South Asia, including with respect to data sharing, compute access and multilateral engagements. This paper recommends the following key engagements:

1. **Scale 'AI for Good' use cases through trusted data corridors.**
   - Countries in the region should develop data sharing frameworks for narrowly defined use cases, such as disease surveillance, flood forecasting or crop optimization.
   - Define regulatory micro-environments for each use case, categorise data types based on sensitivity and utility, establish data transfer protocols and dispute resolution mechanisms.
   - Integrate Digital Public Infrastructure (DPI), such as data exchanges, with these use cases to promote inclusivity, scalability and interoperability of applications across the region.

2. **Create a regional AI commons by pooling together linguistic resources from South Asian countries to accelerate multilingual AI development.**
   - Create a unified repository of non-personal datasets focussed on local languages to increase linguistic diversity, reduce duplication of efforts and the cost of training LLMs.
   - Develop common metadata schemas, annotation protocols and licensing terms for language training data to standardise technical frameworks.
   - Consolidate existing national initiatives around linguistic diversityat a regional level, including Bhashini from India, Ekush LLM and Tiger LLM from Bangladesh, and Dzongkha LLM from Bhutan.

3. Explore different methods to democratise access to AI through shared compute infrastructure and adaptation of AI models to local contexts.

- Create GPU clusters that are prioritised for regional use cases, including via empanelled service providers, modeled on India's successful PPP model for subsidised compute access.
- Optimise AI deployments for low-resource environments in the region by investing in edge computing, model compression and offline-capabilities.
- Develop common standards and training programs to adapt global AI models to local contexts (fine-tuning, bias mitigation, language and cultural representation, etc.).

4. Prepare the South Asian informal labour workforce for transition risks based on the likelihood of displacement due to AI-led automation.

- Publish labour impact studies in informal sectors such as platform work, retail, small enterprises, agriculture and services, sharing best practices for safety nets and reskilling.
- Launch a regional academy to train developers in AI safety, ethics, model localisation and adaptation to regional languages.

5. Coordinate on AI governance at a domestic, regional and multilateral level.

- At a national level, each country should adopt a whole-of-government approach to enable seamless inter-ministerial coordination and to align AI initiatives with national priorities.
- Discuss regional cooperation on AI governance in forums such as BIMSTEC and SASEC to advance shared use cases, infrastructure development and standard setting.
- Shape global AI norms by coordinating efforts in the UN Global Digital Compact, AI Impact Summit and other global dialogues, in line with South Asia's development priorities, positioning the region as a leader in inclusive AI governance.
- Utilise the India AI Summit as a primary platform to coordinate on shared interests, launching a 'Global Collaborative Network' for democratised research and formalising a standardised 'AI for Good' implementation toolkit.
- Establish structured cooperation with advanced peers like South Korea to accelerate governance capacity, institutionalise dialogue on safety standards, and conduct joint research for low-resource environments.

Introduction

In advanced industrial economies, the governance of artificial intelligence or 'AI' is generally centered around regulation and risk mitigation. However, governments in South Asia are charting a different path forward, rooted in developmental priorities. Five nations in the region: India, Sri Lanka, Bangladesh, Nepal and Bhutan collectively represent 1.75 billion people, or roughly a quarter of the world's population. And while the approach of these countries to AI governance is relatively understudied, their distinctive approach, with a focus on aspects of adoption diffusion and capacity building rather than containment, offers significant value to the global discourse.

India has taken an early and visible lead in this regard. Aided by a vibrant technology ecosystem, its 'pro-innovation' approach to AI governance is characterised by light-touch regulatory frameworks and a 'whole-of-government' ethos, while actively investing in infrastructure development and sustained diplomacy.

Other countries in the region also bring distinct approaches. Bangladesh, for example, emphasises AI for service delivery through its 'Smart Bangladesh' initiative. Sri Lanka prioritises ethical AI deployment linked to the UN Sustainable Development Goals, while Bhutan's AI strategy draws its inspiration from its unique philosophy of Gross National Happiness, focusing on people-centred and culturally informed innovation. Meanwhile, Nepal's emphasis is on using AI to drive economic growth, improving public services and cultivating human capital. While South Asia's heterogeneity, whether in scale, diversity or technological capacity, is real, AI governance in the region is informed by common concerns and aspirations around inclusion, equity, pragmatism, and public interest. Therefore, AI governance in South Asia is intimately tied to harnessing AI for public good.

With this in mind, this paper adopts a comparative view of AI governance strategies in South Asia. The goal is to understand how these five countries are navigating shared challenges and opportunities around AI governance, with a view to present a strategic framework for regional collaboration. Part I offers country level snapshots of national strategies and policy priorities. Part II outlines five shared priorities around AI governance. Part III charts a collaborative regional agenda, building on South Asia's shared geography, developmental goals and pluralist values. The objective of this paper is to demonstrate that there is policy convergence in the region with respect to AI governance, and to identify specific areas for strategic cooperation.

Current Landscape: AI Governance in South Asia

This section provides an overview of national AI strategies and governance frameworks in five South Asian countries: India, Sri Lanka, Bangladesh, Nepal and Bhutan. Specifically, it highlights strategic objectives, regulatory approaches and institutional frameworks in each of these countries.

India

India's overall strategy is to leverage AI for inclusive development, economic growth and national competitiveness, while mitigating risks to individuals and society. This vision is outlined in the 'National Strategy for AI' published by NITI Aayog in 2018. The key goals are to maximise social and economic impact, develop human capital, and position India as an innovative and responsible leader of the Global South.[2] The IndiaAI Mission, set up in March 2024, with an initial budget of ₹10,300 crore (USD 1.2B)[3] is implementing this vision with a comprehensive strategy across seven pillars: Compute, Models, Datasets, Applications, Skills, Financing, and Safe & Trusted AI.

The 'India AI Governance Guidelines', released by the Ministry of Electronics and Information Technology (MeitY) in November 2025, provides India's normative framework on AI governance.[4] The guidelines outline seven sutras or principles, including 'Trust is the Foundation' and 'Innovation over Restraint' and 'Understandable by Design'. The governance framework itself is organised around six pillars: adoption, capacity building, policy and regulation, risk mitigation, accountability and institutions.

Overall, India is adopting a 'balanced, agile, flexible and pro-innovation' approach to AI governance. There are currently no plans to adopt a separate AI law. Instead, existing laws, such as the Information Technology Act 2000 and Digital Personal Data Protection Act, 2023 ("DPDP Act") will apply. In November 2025, the government notified the DPDP Rules, formally operationalising the law in a staggered manner.[5] Other laws, such as the Consumer Protection Act 2019, and sectoral regulations, such as those issued by the Reserve Bank of India (RBI) and the Telecom Regulatory Authority of India (TRAI) also apply to AI applications. [6]

However, as outlined in the Indian AI Governance Guidelines, regulatory gaps persist in relation to platform classification and liability, data protection, and copyright. Further, enforcement remains a challenge, with a lack of clear liability regimes applicable to AI systems. Therefore, the guidelines explicitly state that targeted legal amendments may be needed.[7] For example, to address harms from "synthetically generated information", MeitY has proposed amendments that would require certain platforms to detect and label synthetic content.[8]

In terms of creating accountability, India relies primarily on voluntary measures and a 'techno-legal approach'. Some of these measures may gradually transition into mandatory requirements as the ecosystem matures.[9] MeitY acts as the nodal agency in charge of both AI development and regulation, supported by bodies like the AI Safety Institute,[10] which sectoral regulators issue domain-specific guidelines – for instance, RBI's Framework for Responsible and Ethical Enablement of AI (FREE-AI)[11] and Indian Council of Medical Research (ICMR) guidelines for healthcare.[12]

On infrastructural development, the IndiaAI Mission is making significant progress. More than 38,000 GPUs are being made available to startups and researchers, at subsidised rates, through a process of empanelment in which the government makes GPUs available to third parties via authorised providers.[13] The AIKosh platform has onboarded more than 3,000 datasets across 20 sectors, providing permission-based access while allowing contributors to retain control over data usage.[14] Several companies are also receiving support to develop sovereign foundation models.[15] Public service delivery remains a focus of the national AI strategy, with the India AI mission moving thirty sectoral applications to the prototyping stage. Key focus areas include agriculture (crop prediction, weather advisory), healthcare (diagnostics in rural areas), education (personalized learning, dropout prediction), disaster management (early warning systems), and financial services.[16] However, adoption remains uneven - technology-mature sectors like telecom and pharmaceuticals are scaling rapidly while agriculture, education, and public services lag due to infrastructure constraints.[17]

The NITI AI for Viksit Bharat report underscores this point, stating that while manufacturing, BFSI, pharma, and automotive sectors could yield $500–600B in additional GDP by 2035, lagging sectors require targeted skilling, DPI integration, and MSME-focused AI toolkits.[18] Internationally, India is positioning itself as a leader for the Global South with respect to AI governance, advocating for a balancedapproach that promotes both innovation and safety. India is the host of the AI Impact Summit in February 2026,[19] while actively participating in the G20, UN, and OECD, where it promotes concepts like inclusive development, transparency, safety, and equity.

Sri Lanka

Sri Lanka's overarching goal is to develop and use AI responsibly for "innovation, inclusion, and sustainable growth."[20] This vision, outlined in the draft 'AI Sri Lanka 2028' strategy,[21] is tightly integrated with the Digital Strategy 2030,[22] which espouses "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."[23] The draft AI strategy has not been approved by Parliament and may evolve.

Sri Lanka does not have an AI-specific law, but is laying the groundwork for digital governance. For example, it intends to align AI governance with the Personal Data Protection Act, 2022[24] and forthcoming laws, such as the National Cyber Security bill, [25] with overall guidance provided by the Constitution. The Cabinet also adopted a National Cyber Security Policy in August 2022 to protect against cyber threats.[26] However, there is a gap between aspiration and implementation, including delays in operationalising the Data Protection Authority.

A National Centre for Artificial Intelligence (NCAI) has been proposed to oversee policy implementation, develop responsible AI guidelines, and coordinate between agencies. As an interim measure, the government intends to develop soft law instruments, including a 'Responsible AI Framework'.[27] While a Responsible AI Advisory Council has been proposed, the Data Protection Authority will retain oversight over aspects of automated decision-making under the existing data protection regime.[28] The government has also expressed interest in harmonising its AI governance frameworks with OECD AI Principles, UNESCO's Ethical AI recommendations, and emerging regional standards.[29] The overall goal is to develop a comprehensive AI governance framework, based on risk-based regulation, enhanced oversight, and transparency in sensitive domains.

Sri Lanka's local AI ecosystem is at an early stage but evolving. The country ranks 85th in the Oxford AI Readiness Index 2024.[30] Infrastructure remains a major structural constraint. Fixed and wired broadband connectivity remains limited, despite relatively widespread access to 4G mobile networks, and the Lanka Government Cloud, which forms a central part of the country's digital infrastructure, is sometimes affected by system outages.[31] To address data and computational infrastructure gaps, the government plans to modernise the national Open Data Portal, negotiate bulk cloud computing credits from international providers, and develop a national blueprint for compute infrastructure.[32]

A central pillar of Sri Lanka's AI use-case strategy is linguistic inclusion. AI research and innovation efforts place particular emphasis on advancing natural language processing in Sinhala and Tamil to reduce the linguistic dependency on global AI models.[33] The government also plans to invest in the development of local language models and open-source datasets,[34] to enable more culturally and contextually relevant applications. Further, one of the flagship initiatives under consideration is the development of national AI-powered chatbots designed to enhance the accessibility of government services in local languages.[35] The Sri Lankan government has also issued a procurement notice, inviting private actors to develop a trilingual AI chatbot.[36]

The Sri Lankan government has also allocated significant funds towards AI development. Under the 2024 National Budget, it has allocated LKR 1.5B (approximately USD 5M) to support the AI Sri Lanka programme,[37] and LKR 8B (approximately USD 2.6M) has been set aside for national R&D grants, a portion of which is dedicated to AI research and innovation.[38] To oversee the execution of national AI policies,[39] the Information and Communication Technology Agency (ICTA) of Sri Lanka has also established an AI Advisory Committee.

Bangladesh

Bangladesh's strategic goals are set out in the draft 'National AI Policy 2024'[40] and the agenda-setting 'Smart Bangladesh' and 'Vision 2041' documents.[41] Its strategy is anchored around four pillars: Government, Economy, Society and Citizens.[42] The primary goal is to use AI for public service delivery, administrative efficiency and evidence-based policymaking, while prioritising applications in agriculture, healthcare, finance, public safety and urban planning amongst other areas. The policy underscores "Bangladesh's unwavering commitment to leveraging AI responsibly and ethically, steering the nation towards a prosperous, inclusive, and sustainable future."[43]

Bangladesh does not have a dedicated law for AI. However, the draft national AI policy places a strong emphasis on principles such as fairness, non-discrimination, and human oversight. It also proposes a risk-based approach wherein high-risk systems, such as those impacting public safety or fundamental rights, are subject to strict oversight.[44] Separately, a Personal Data Protection Ordinance, 2025 was adopted by the cabinet on October 9, 2025,[45] though implementation remains in the works.

Bangladesh intends to create an AI Advisory Council to guide national strategy, a monitoring committee to investigate complaints and ensure compliance, and a National AI Center of Excellence (NAICE) to coordinate policy implementation.[46] On the diplomatic front, Bangladesh acknowledges the importance of global multi-stakeholder dialogue on AI governance in areas such as R&D and risk mitigation.[47] In fact, the draft national AI policy explicitly states that the government "will focus on leveraging local and international partnerships to share best practices with similar nations working on AI technologies and products and share best practices with like-minded nations.[48]

The draft AI policy outlines aspirations to develop high-performance computing (HPC), interoperable data platforms, and cloud infrastructure,[49] even as the government expand digital connectivity with a focus on leveraging international fibre[50] and commercial services such as Starlink especially to serve disaster-prone areas[51] (internet penetration currently stands at 45%).[52] The government is also supporting public–private partnerships to foster a domestic AI startup ecosystem, and leveraging the Bangladesh Research and Education Network (BdREN) to make HPC available to research institutes in order to democratise access to compute for applied AI.[53]

In November 2025, Bangladesh launched the first UNESCO Artificial Intelligence Readiness Assessment Report. It acknowledged that Bangladesh had built strong foundations in e-government and enjoys a high level of public trust in government digital services, while also noting important gaps in connectivity, capacity and skills.[54]

Nepal

Nepal views AI as a strategic tool for development, governance and economic resilience as outlined in its National AI Policy 2082.[55] The Digital Nepal Framework 2.0 recognises AI as a transformative tool and a foundational technology central to socio-economic development.[56] The primary focus in these strategies is to integrate AI across public administration, industry, and public service delivery.[57] Although most implementations are pilot-level and donor-supported, they are being gradually scaled up to align with national priorities, while ensuring affordability and inclusivity. For example, given its vulnerability to natural disasters, Nepal is prioritising AI applications for landslide prediction, flood modelling, and early warning systems.[58]

There is also a strong emphasis on international cooperation in AI as a strategic necessity, both to access advanced technologies and to integrate Nepal with global digital value chains. For example, when the Crime Investigation Department (CID) of Nepal Police procured AI tools from an Indian company for law enforcement, it sent fifteen of its officers to be trained in Pune, India.[59] Nepal's local AI Industry is generally export-oriented, wherein local startups such as Fusemachines, Cotiviti, Leapfrog are technically advanced but detached from domestic regulations.[60] These firms largely comply with the European Union's GDPR[61] and the United States HIPAA regulations to serve global clients, effectively engaging in regulatory arbitrage. This creates a dual-system: a highly compliant export-oriented services sector, coupled with an unregulated domestic market. In Nepal, internet penetration hovers around 56% of the population, which remains well below the global average.[62] The lack of critical infrastructure such as high-performance computing, AI data centers, and nationwide 5G networks, is another critical gap in Nepal's AI ecosystem.[63]

Further, Nepal's heavy reliance on foreign AI tools and cloud services highlights the challenge of data scarcity. Nepal lacks machine-readable, digitized datasets in the local language (Nepali) required to build sovereign models. Further, without a clear Digital Public Infrastructure (DPI) strategy for data creation and protection, Nepal risks becoming merely a consumer of foreign AI models. Nepal's regulatory framework for AI remains nascent. A National Cyber Security Centre[64] was recently set up, and there are proposals to set up an AI Regulatory Council, but regulatory gaps remain. For example, the Electronic Transactions Act, 2063 fails to address emerging privacy concerns,[65] and the lack of a Cybersecurity Act has been identified as a security concern.[66]

While the Individual Privacy Act, 2018 (2075)[67] provides a baseline, it is notably silent on 'automated decision-making' or algorithmic accountability. As a result, the private sector currently operates in a legislative vacuum regarding AI liability.

Bhutan

Bhutan's National AI Strategy "AI for Gross National Happiness" was released in October, 2025.[68] Bhutan's strategic vision for AI, sometimes referred to as "Intelligent Bhutan", is guided by its philosophy of 'Gross National Happiness', which emphasises human-centric development, sustainability, and cultural preservation.[69] Bhutan's AI strategy identifies eight key focus areas, like agriculture and livestock, tourism, green energy, health, education, public service delivery, natural resources and biodiversity, and culture and language.[70]

AI applications in Bhutan are largely experimental and targeted towards administrative efficiency and cultural preservation, including using AI to preserve and digitise Dzongkha, the national language.[71] This vision is supported by three key pillars of the National Digital Strategy 2024: Digital Governance, Digital Economy, and Digital Society. [72] In achieving digital transformation, Bhutan is guided by the vision of "building a technologically advanced nation, with empowered citizens, and a thriving digital economy."[73]

Bhutan has almost 90% internet broadband coverage, making it one of the highest internet penetration rates in South Asia.[74] The establishment of a 'Government Data Centre' provides secure hosting and centralised management of critical public sector systems, serving as an essential building block for digital public services and future AI-enabled applications.[75] Bhutan's 21st Century Economic Roadmap sets out an ambitious vision to expand its renewable energy capacity.[76] This will provide national and international investors opportunities to set up green energy-powered AI Data Centers in Bhutan. The GovTech Agency is also upgrading its infrastructure with advanced GPUs and making compute facilities available to academic institutions.[77] However, gaps remain with respect to human capital – although Bhutan demonstrates readiness in non-technical skills, owing to programs like Chiphen Rigphel,[78] the lack of highly-skilled STEM talent is a concern that the government intends to fill with new AI courses.[79]

Bhutan does not have a specific legal framework for AI. Instead, it leverages existing regulations such as the Information, Communications and Media Act (ICM), 2018 to govern AI applications.[80] However, the GovTech Agency is in the process of developing 'Ethical & Responsible Use of AI Guidelines, which is expected to support the responsible development and adoption of AI models.

The absence of formal AI guidelines is partially offset by strong institutional emphasis on public welfare, community participation and engagement with international development agencies.[81] For example, institutions such as the Bhutan Computer Incident Response Team (BtCIRT)[82] and the National Statistics Bureau (NSB) play an important role in setting standards.[83] In the financial sector, the Royal Monetary Authority has set up guidelines on data privacy for financial service providers.[84]

Table 1: Comparison of National AI Governance Frameworks

	Policy Framework	Legal & Regulatory Approach	Institutional Framework
India	India's goal is to leverage AI for inclusive development while mitigating risks to individuals and society. This vision is outlined in the **"National Strategy for Artificial Intelligence"** published in 2018 by NITI Aayog and expanded through several policy documents, such as the **India AI Governance Guideline**. Overall implementation of this vision is led by the Ministry of Electronics and IT under the national **IndiaAI Mission.**	No separate AI law. Existing regulations are applicable to AI applications across various domains, including the **Information Technology Act, 2000**, **Digital Personal Data Protection Act 2023**, the **Consumer Protection Act 2019**, the **Bharatiya Nyaya Sanhita 2023**, etc.	The **Ministry of Electronics and Information Technology** (MeitY) oversees technology policy and implements the **IndiaAI Mission**. MeitY has also announced the **Artificial Intelligence Safety Institute (AISI)** though it is yet to be operationalised. AI governance is overseen by the **Principal Scientific Adviser**. The AI Governance Guidelines propose setting up an inter-ministerial AI Governance Group, to be supported by a Technology & Policy Expert Committee (TPEC). Sector regulators, such as those in finance and telecom (**RBI, SEBI, ICMR, TRAI etc.**), issue sector-specific AI guidelines from time to time. Strategic and security matters involving AI governance are handled by the **National Security Council.**

Bangladesh	Bangladesh aims to be a pioneer in AI innovation and adoption with the vision of a '**Smart Bangladesh**' and strategies outlined in the draft **National Artificial Intelligence Policy 2024.**	No comprehensive AI law. Governance relies on existing measures such as the **Cyber Security Ordinance 2025** and the **Copyright Act 2000**. A proposed **National Data Protection Bill** is intended to strengthen privacy rights and safeguards.	Led by the **Information and Communication Technology Division**, which oversees the **National Artificial Intelligence Center of Excellence (NAICE)**. It is guided by a **High-Level National AI Advisory Council** made up of experts, ministries, industry, academia, and civil society.
Nepal	Nepal's strategic vision with respect to AI is outlined in the **National AI Policy 2081 (2025)** with a focus on ethics, security, transparency, and inclusivity. The National **AI Policy 2082 (2025)** strengthens this vision	No unified AI regulatory framework. AI applications are currently governed by laws such as the **Electronic Transactions Act 2063, Individual Privacy Act 2018 and the Individual Privacy Regulation 2020.** Critical legislations such as a **Data Protection Act** and an up-to-date **Cybersecurity Act** are forthcoming.	The **Ministry of Communications and Information Technology** oversees the National Artificial Intelligence Policy. Under the policy, the government plans to establish an **AI Regulatory Council** to set rules and standards, and a **National AI Centre** to coordinate AI research, innovation and implementation.
Bhutan	Bhutan focuses on 'AI for GNH.' This goal envisions "AI for a thriving Bhutan where innovation rooted in GNH.Bhutan's vision is focused on building a "technologically advanced nation, with empowered citizens, and a thriving digital economy" as outlined in the **Digital Strategy: Intelligent Bhutan**.	No separate AI law. Regulation is based on t**he Information, Communication and Media Act 2018,** the **Data Privacy Guidelines 2021**. There are also plans to introduce a comprehensive Data Governance Framework.	Led by the **Ministry of Information and Communications** through the **GovTech Agency,** which coordinates digital transformation and AI use across government. The GovTech Agency works with other key institutions such as the **Department of IT and Telecom,** the **National Statistics Bureau** and the **Bhutan InfoComm and Media Authority (BICMA).**

Sri Lanka	Sri Lanka aims to realize a digitally empowered Sri Lanka for innovation, inclusion, social good & sustainable growth. This vision is outlined in the **National AI Strategy (AI Sri Lanka 2028)** drafted by the Committee on Formulating a Strategy for AI (CFSAI).	No separate AI law. The **Sri Lanka Personal Data Protection Act 2022 is in force,** with additional safeguards expected under the proposed **Cyber Security Bill.**	Overseen by the **Ministry of Technology** through the **Information and Communication Technology Agency (ICTA).** The ICTA's **AI Advisory Committee** has proposed a **National Council on Artificial Intelligence** to lead policy. The National AI Strategy also outlines a **National Centre for AI (NCAI)** to coordinate implementation across government.

Shared Priorities & Challenges

This section draws from a review of the national AI strategies of five South Asian nations, namely Bangladesh, Bhutan, India, Nepal and Sri Lanka to identify shared priorities and challenges from the perspective of AI governance. Based on such a review, we identify five emerging patterns:

1. Use-Case Orientation - a focus on promoting social development and economic growth using AI.
2. Balanced Approach to Regulation - a pragmatic approach to AI governance, regulation and risk mitigation.
3. Inclusive Access and Linguistic Diversity - serving diverse groups and promoting linguistic diversity.
4. Infrastructure Capacity - a desire for self-reliance in AI infrastructure.
5. Labour Transitions - ensuring that labour transitions are fair and just.

A. Use-Case Orientation

South Asian countries generally focus on AI applications or 'use cases' that directly advance public welfare. Their national AI strategies emphasise "AI for Good" especially in sectors like agriculture, healthcare, education, finance, disaster management and governance. For example, India's national AI strategy identifies agriculture, healthcare, transportation and education as priority domains.[85] Sri Lanka's national AI strategy prioritises public service delivery, tourism, sustainability and finance.[86] Nepal and Bangladesh highlight climate resilience and public service delivery as focus areas.[87] Meanwhile, Bhutan aligns its national AI policy with overall well-being goals.[88]

Across the board, AI is seen as a means to improve the quality of life of citizens, rather than being an end in itself. This is in contrast to the technology-first, often maximalist approach adopted in some Western countries, where the focus is to build frontier models based on large-scale infrastructure bets.[89] This use-case orientation in the South Asian region creates powerful policy clarity, allowing governments to pilot useful solutions with the goal of making progress towards the UN's Sustainable Developmental Goals.[90] For example, governments in this region are increasingly relying on regulatory sandboxes to safely trial AI in critical sectors before formalising rules[91].

However, there are two main challenges with such an approach. First, a narrow and short-term focus on use cases, without accompanying long-term investments in foundational infrastructure, might compromise broader strategic goals for resilient AI ecosystems.[92] Second, a use-case approach requires local adaptations to ensure that global AI systems are effective in the local context. For example, datasets used to train foundational models do not adequately represent the experiences of developing countries.[93] In fact, the Oxford Insights AI Readiness Index identifies 'data representativeness' as a particular shortfall in South Asia.[94] Therefore, fine-tuning AI models on local datasets and enhancing model observability are areas where more resources may be necessary.[95]

B. Balanced Approach to Regulation

Across these five countries, AI governance is largely principle-based. These governments generally prefer light-touch instruments such as guidelines and advisories over strict binding laws. In practice, this means none of the five countries have passed AI-specific legislation. India exemplifies this pragmatic approach by relying primarily on existing laws and sectoral regulations. Sri Lanka has similarly enacted a comprehensive Personal Data Protection in 2022, which sets the foundation for regulating data processing in AI contexts.[96] However, in some countries like Bhutan and Nepal, the foundational legal scaffolding required to manage AI risks remains absent.

At the same time, governments in this region also acknowledge the need for a risk-based approach to governance, For example, Sri Lanks proposes a tiered framework with enhanced oversight over high-risk applications.[97] Similarly, Bangladesh has proposed a regulatory approach in which certain 'high-risk' AI systems should be subject to stricter controls, including mandatory audits, algorithmic transparency and liability.[98] A second point of commonality is that citizens in this region are primarily exposed to post-deployment risks (for e.g. algorithmic bias, privacy breaches) as opposed to frontier safety risks (existential risks to humanity). As such, governments in this region focus much more on risk mitigation at the edge and spend their attention and resources on collecting empirical evidence of harm at the deployment state.[99]

However, the implementation of responsible AI principles remains uneven across the region. India's governance framework for risk mitigation is the most advanced. The India AI Mission has issued guidelines under the 'Safe and Trusted' pillar,[100] and has supported the adoption of various AI safety tools and frameworks in areas such as synthetic data generation, bias mitigation, machine unlearning and deepfake detection.[101]

The government has also announced the establishment of an IndiaAI Safety Institute, set up as a decentralised, network-based entity.[102] Overall, more can be done to ensure that other countries in the region adopt risk-mitigation principles into practice.

C. Inclusive Access and Linguistic Diversity

Ensuring that AI benefits citizens across linguistic divides is a policy priority in the region, especially since all five countries have large non-English speaking populations.[103] India has a major focus on language inclusion via initiatives like Bhashini.[104] Sri Lanka also emphasises linguistic inclusion, recognising that global AI models under-serve Tamil and Sinhala speakers,[105] while GovTech Bhutan is actively developing AI-driven translation tools to digitise and preserve Dzongkha.[106]

Moreover, the risks associated with AI systems, such as bias, fairness and accessibility, are exacerbated by a lack of linguistic representation.[107] Therefore, while there is a shared goal of promoting linguistic diversity, there is a pressing need to cultivate local datasets for model training along with suitable interface design.[108]

Policymakers also recognise that technologies must be adapted for low-bandwidth settings. For example, Nepal's recent connectivity initiatives explicitly target remote areas and vulnerable populations.[109] There is also a growing emphasis on small-footprint AI models, local hosting, and offline-capable interfaces,[110] including the use of voice-based systems to extend the reach of AI.[111]

Countries in this region also want to bridge the rural-urban divide,[112] gender-related gaps in technology access,[113] and ensure that access to AI services is affordable.[114] For example, a 2024 assessment by Bhutan's GovTech Agency and UNDP revealed limited involvement of women in AI planning, design, and decision-making, and efforts were subsequently made to initiate training programs for women government officials.[115] Notably, a flagship event of the India AI Impact Summit, 2026 is the #AIbyHer impact challenge to showcase women-led innovation.

D. Infrastructure Capacity

All five South Asian countries surveyed in this paper share an ambition to develop robust national AI ecosystems, but there is asymmetry in terms of digital infrastructure capacity and control over strategic assets. Sri Lanka has announced plans for a national AI Cloud,[116] and Bangladesh's draft strategy outlines similar aspirations.[117] Smaller states like Bhutan and Nepal are taking early steps to host AI services locally.[118] India, on the other hand, has far greater access to AI computing resources, and continues to attract foreign investment in data center capacity.[119]

Despite differing levels of infrastructure maturity and capacity, all five countries share a common goal of attaining a degree of self-reliance in relation to AI infrastructure.[120] There are two potential areas of convergence in this regard: First, all five countries depend on foreign service providers across the AI stack for data storage, foundational AI models and underlying physical infrastructure (sub-sea cables, semiconductors, data centers, etc.).[121] This creates a shared vulnerability in the region emanating from external dependency. Second, in order to make efficient use of scarce compute capacity, different models for sharing compute may be necessary.[122] There are already signs of knowledge transfer and sharing of technology models within South Asia, for example with the expansion of India's UPI digital payments network into Nepal and Bhutan.[123] A multi-pronged approach to building AI infrastructure, which combines national initiatives with regional collaboration, will help ensure that no country is left behind.

E. Labour Transitions

Across South Asia, a just transition for labour is emerging as a critical, yet underdeveloped, priority. National AI strategies in the region are unified by a use-case orientation in certain sectors whose primary beneficiaries are intended to be marginalised, low-income populations. However, these very sectors are also where labour is most informal, least connected and structurally vulnerable. In fact, over sixty per cent of the labour force in each of these five countries is engaged in informal or precarious employment across agriculture, micro/small enterprises, services and platform-mediated gigs, lacking access to social protections, formal contracts or skilling opportunities.[124] Governments in the region acknowledge that AI will likely have a significant labour impact,[125] but coherent governance mechanisms to mitigate displacement, enable upskilling, and protect vulnerable workers remain nascent. National AI strategies such as India's "FutureSkills Prime" platform[126] and Sri Lanka's digital economy roadmap touch on skilling and employment readiness,[127] but focus predominantly on the formal or digital workforce.

With limited formal social protections, technological change can rapidly amplify vulnerability by replacing routine tasks, compressing wages, or shifting employment to precarious digital gigs.[128] Recent analyses show that while potential for automation may be lower in many developing-country occupations, diffusion of AI can still disrupt large numbers of workers, especially those in low-wage, routine and transactional roles.[129]

Ensuring that labour impact issues are reflected in AI governance frameworks is essential for equitable development. The region requires robust labour market intelligence to forecast job displacement from AI and a more thoughtfully calibrated reskilling policy. Without adequate transition planning, the benefits of AI could disproportionately accrue to urban, digitally literate populations, while rural and informal workers may experience digital marginalization. Therefore, anticipatory governance through safety nets, skilling and participatory AI design with labour representation will ensure that the deployment of AI has its intended outcomes.

F. Learning from Advanced Economies

South Asian countries also stand to gain by looking to advanced economies in the region for guidance, such as Singapore, Japan, Australia and South Korea. These countries have prioritized a pro-innovation, risk-based approach to AI governance, which can be a useful model for smaller nations in the region.

For example, Singapore has refrained from introducing an omnibus AI law, instead issuing comprehensive guidance and toolkits to steer responsible AI use across sectors. The Model AI Governance Framework,[130] a voluntary code of values, and the open-source AI Verify toolkit[131] are examples of practical standards for AI developers. Japan recently enacted an AI Promotion Act,[132] which establishes high-level principles rather than prescriptive rules.[133] It explicitly avoids punitive measures and relies on voluntary business cooperation and sectoral laws to manage AI risks. These approaches demonstrate adaptable governance mechanisms that can promote safety and accountability, in contrast to more heavy handed or purely market driven strategies elsewhere.

Australia's recent policies further illustrate a balanced approach to enabling innovation with carefully calibrated safeguards. Australia's National AI Plan issued in December, 2025[134] explicitly adopts a light-touch, whole of government stance, rather than a standalone AI Act. It has also shelved proposals for mandatory guardrails for high-risk systems, opting to leverage existing laws for privacy, copyright, consumer protection etc.[135] This hands-off approach comes alongside significant public investments in AI infrastructure and skills, attracting data centers, establishing an AI Safety Institute, and building a trusted AI ecosystem while promoting technology adoption.

Similarly, South Korea's forthcoming AI Framework Act (effective January 2026)[136] shows how a tiered, risk-based approach to regulation can be implemented in practice. The law targets "high–impact" AI systems deployed in critical sectors such as healthcare, energy and public services, imposing obligations like risk assessments, transparency and human oversight requirements, while exempting lower-risk AI applications.[137] South Korea is coupling these requirements with strong support for innovation, funding data centers, data training projects and SME adoption, enforcing rules with only moderate penalties, reflecting a trust-building rather than punitive attitude.[138]

These examples from advanced economies in the region, which encourage socially beneficial AI innovation and capacity-building, suggest a middle path for South Asia, as a counterpoint to the more prescriptive regulatory approach of the European Union, the free-market approach of the United States, or the state-controlled model seen in China. Instead, an approach inspired by countries like Singapore, Japan, Australia and South Korea would ensure that countries in South Asia adopt a more inclusive and pragmatic approach to AI governance.

Future Trajectories: Strategic Collaborations in South Asia

This chapter translates shared regional priorities into actionable recommendations for strategic collaborations at the domestic, regional and multilateral levels. Specifically, it recommends greater institutional preparedness, balanced governance, shared capacity development, and coordinated engagement in global forums.

A. Trusted data corridors to scale 'AI for Good' use cases

South Asian countries should establish trusted data corridors for narrowly defined high-impact use-cases to enable rapid adoption of AI applications and distribution of benefits at population scale.

A governance model that enables South Asian countries to collaborate on narrowly defined use cases in areas such as healthcare, disaster management and citizen services would better enable these countries to reap the benefits of AI.[139]

As explained in the previous chapter, the South Asian region is marked by regulatory asymmetry with respect to data governance frameworks.[140] Therefore, having a strong legal foundation in place, based on principles of informed consent, purpose limitation, repurposing and use, are essential to build trust and safeguard privacy. Several models exist to promote regional collaboration on data governance, for example the APEC Cross-border Privacy Enforcement Arrangement (CPEA)[141] and Data Free Flow with Trust (DFFT).[142]

However, seeking full harmonisation and interoperability of data governance frameworks across the region would be time consuming and administratively challenging at this stage. Instead, a use-case driven approach, anchored in specific public good applications of AI, emerges as a more pragmatic and outcome-oriented pathway to cooperation. Therefore, in order to help scale these use cases in a safe, secure and scalable manner, I recommend the following:

(a) Identify priority use cases: Governments should jointly select a few high-value cross-border projects, such as regional disease surveillance, flood forecasting, or crop-yield optimization based on common interests.

(b) Define regulatory micro-environments: For each use-case, governments should categorise the relevant types of data (personal, anonymised, aggregated, open), set privacy standards, create audit protocols, establish sandboxes and create dispute-resolution mechanisms tailored to that sector's risks. India already has templates for personal data sharing (Data Empowerment and Protection Architecture),[143] policies for non-personal data governance (National Data Governance Framework),[144] regulatory sandboxes (particularly for fin-tech development)[145] and dispute resolution mechanisms (eg. Open Network for Digital Commerce).[146] These models can be followed by other countries to promote greater use case adoption.

(c) Enable scale, inclusivity and impact through 'DPI': To accelerate AI adoption and cross-border commerce, AI use cases can be integrated with elements of digital public infrastructure (DPI)[147] such as digital ID systems and payment networks. For instance, this approach has already gained traction in South Asia, with Nepal, Bhutan and Sri Lanka integrating or taking inspiration from the Unified Payments Interface (UPI) to boost cross-border payments. The successful Indian experience with Aadhar, the national digital ID system, operationalized at a population scale, offers useful insights to other countries in the region.

To illustrate this with an example, Sri Lanka's AI-driven tuberculosis screening tool[148] can be adapted for public use in Nepal by identifying relevant data categories (personal health data), developing anonymisation protocols (e.g. based on differential privacy), setting privacy standards (e.g. cross-border data flows) and allocating responsibility for diagnostic inaccuracies across the value chain (for e.g. based on the principle of AI Chain[149]). Similarly, AI deployments in India designed to mitigate the impacts of flood forecasting can be adapted for Bangladesh.[150] This use case would involve predominantly non-personal climate and hydrological data, shifting the regulatory emphasis towards data standardisation and reliability rather than privacy.

In this way, a use-case driven approach based on developing trusted corridors for data sharing, protection and use would enable the region to make progress towards its strategic public interest goals.[151] In a region united by developmental priorities but separated by regulatory maturity, such a pragmatic approach provides a credible foundation for advancing data governance for public good.

B. Shared compute infrastructure and localisation

South Asian countries should democratise access to compute through models such as pooling of resources and empaneling service providers to make compute more widely and cheaply available to researchers and startups in the region. Further, governments should collaborate on localisation and co-develop common standards for fine-tuning models, transparency, explainability and fairness testing based on regionally informed contexts.

Countries in the region lack high performance computing capacity, hindering domestic AI development.[152] Further, energy costs and supply chain constraints hinder the scaling of compute infrastructure. Therefore, novel strategies are required to make compute resources more widely and cheaply available. I recommend the following:

(a) Set up regional compute hubs: Establish shared AI compute infrastructure that can be made available on priority to all South Asian countries. This could include pooled GPU clusters or subsidised cloud credits for local researchers and startups, with participating governments empaneling service providers to ensure affordable access, borrowing from India's successful strategy.[153] A regional variant similar to the European Union's EuroHPC model,[154] which pools compute across member states for shared scientific goals, can enable cross-border research collaborations, model fine-tuning for local languages and distributed inference.

(b) Optimise AI for local deployments: Encourage development of lightweight models and inference tools that can run on existing infrastructure. Optimization is essential due to the wide variation in terrain, infrastructure, connectivity and technological literacy in the region, from the hilly regions of Nepal or Bhutan, to the coastal flood-prone zone in Bangladesh and Sri Lanka. Investing in edge computing, model compression, and local data centers can help AI services work in low-bandwidth settings.[155]

(c) Adopt common standards for localisation: The current assessment is that much of South Asia is strong in deploying AI applications, but limited in large-scale model training.[156] For example, several efforts in India focus on fine-tuning open source models such as Llama, Mistral or Gemma to Indic languages.[157] Foundation models from foreign service providers create economies of scale and provide general capability, but they also import the socio-technical biases and limitations of their training data into downstream applications.[158] Therefore, South Asian countries should co-develop standards to fine-tune global AI models to reflect their local contexts.

Such localisation efforts could include mandatory fairness audits, multilingual tests, and requirements for (a)documenting model changes. Regional benchmarks with respect to linguistic accuracy could, for example, ensure that localised models serve all communities equitably. By making efficient use of scarce compute resources and focusing on local adaptation, South Asian countries will be able to train and run AI models that better reflect their local needs and contexts.

C. AI Commons for South Asian Languages

To ensure that AI technologies reflect South Asia's rich linguistic diversity, governments should pool local language data and tools into a regional AI commons and make them usable with accompanying toolkits.

Major large language models (LLMs) are usually trained on high-resource languages that have a large online presence, excluding many local languages.[159] Building separate, nationally siloed datasets is resource-intensive, duplicative and often technologically inefficient. Pooling resources mitigates structural disadvantages faced by low-resource languages that lack sizable digital corpora, annotated datasets or speech resources.[160] A regional approach premised on common linguistic datasets, tools and organisational frameworks offers economies of scale, reduces the marginal cost of development, and facilitates linguistic inclusion for countries.

(a) Create a language data commons: All South Asian countries - Bangladesh,[161] Bhutan,[162] India,[163] Nepal[164] and Sri Lanka,[165] prioritise linguistic inclusivity. These language projects largely operate within their own national domains (Dzongkha in Bhutan, Sinhalese in Sri Lanka, for example). Several studies have shown that pre-training on multi-lingual corpora of related languages, especially those that can be mapped to a single script, significantly improves translation efforts.[166] By standardising and connecting national data repositories, each country contributes to and benefits from anonymised linguistic datasets.Leveraging open-source tools and common approaches to data collection, annotation and structuring would make interoperability possible.[167] With several South Asian languages sharing some similarities, a regional data commons for South Asia would sharply accelerate their individual efforts.

(b) Develop common standards for language training: Developing metadata schemas, annotation guidelines and licensing terms for language training data would help in standardisation, and make it easier for researchers and developers in the region to train and compare AI models across languages.[168]

Additionally, standardising licensing and intellectual property rules would allow participating countries to use and improve these common resources, while acknowledging the contributions of all partners. Large, more diverse datasets from a shared commons would also lead to more accurate and robust AI models for all languages involved. South Asia is home to over a hundred languages[169] with the vast majority of a 1.75 billion population not speaking English. The transformative effects of AI can only reach these people by supporting regional languages and empowering linguistic minorities. As such, building a South Asian AI Commons for languages, can develop a template for a people-centered, multilingual AI.

D. Empowerment of South Asian Workforce

Launch a South Asian AI Developer Academy to train the local software development workforce to deliver AI-age services. Equally, governments should protect informal and low-wage workers who face disruptions through coordinated impact assessments and devise appropriate social safety nets.

The deployment of AI in South Asia is restructuring labour markets.[170] It affects different job tasks differently, and these nations need to craft strategies suitable to each of them. South Asian countries therefore need to combine upskilling initiatives with labour studies and worker protections to ensure a just labour transition. I recommend the following strategies:

(a) Launch a South Asia AI Developer Academy: In the last two years, the share of AI-related postings in South Asia more than doubled, with demand for AI skills growing 75 percent faster than overall non-AI listing.[171] However, the demand for roles with low human-AI complementarity such as software developers, call center agents and accountants are reducing, and they are more likely to be directly affected by the widespread adoption of AI.[172] Together, these factors create a pressing need to re-skill those engaged in these roles. Therefore it is suggested that South Asian countries establish a regional training program that upskills programmers and students in AI development, safety and localisation. The curriculum should include practical software engineering, ethics training and toolkits to adapt global models for local contexts. India is amongst the world's leaders in skills penetration, talent optimisation, and density of established AI startups,[173] and can take a leadership role in mentoring other South Asian countries.

(b) Coordinate AI Labour Impact Studies: Governments in South Asia should collaborate on research to understand how AI adoption affects jobs in various industries, particularly those employed in informal capacities in small businesses, agriculture, services and platform-mediated gigs. With most of the workforce engaged in this capacity, these studies can share best practices in developing social safety nets, reskilling and labour regulations, informing active labour-market policies.

Instead of widening inequality, the AI transition can be harnessed by South Asia to become a force for inclusive growth and economic opportunity.[174] A region-wide approach to the informal sectors ensures coordinated outcomes rather than reactive responses to labour displacement for these countries who share similar socio-economic profiles.

E. Domestic, Regional and Multilateral Pathways for AI Governance

Domestic Engagement

Each country in the South Asian region should adopt a "whole-of-government" approach towards AI governance, which includes inter-ministerial coordination, clear allocation of responsibilities and accountability mechanisms, training of officials and embedding AI into national development plans.

South Asian governments recognize that the impact of AI cuts across ministries and requires high-level, multi-agency bodies to steer their strategy.[175] Therefore, rather than vesting AI policy in a single agency, these countries should recognize that AI's cross-cutting impact demands multi-ministerial stewardship. Accordingly, I recommend that these governments should:

(a) Coordinate National AI Governance: Duly constituted inter-ministerial bodies should have clear mandates and authority to formulate policies on AI governance and enforce decisions across departments to prevent the diffusion of responsibilities. One form through which this is enabled is the proposed AI Governance Group in India, whose members include representatives from the Ministry of Electronics and Information Technology, External Affairs, Home Affairs, Communications and Science and Technology. Another is the proposed National Center for AI in Sri Lanka, whose advisory body includes diverse ministries.

(b) Build cross-government AI capacity: With public service delivery being a priority use case across all five countries, officials themselves need capacity-building around AI technologies and governance.

Countries could explore joint training programs in collaboration with other South Asian nations. For example, Nepalese police officials were sent to Pune, India to learn techniques on using AI for crime control.[176]

(c) Embed AI into National Development Plans: South Asian countries can align AI initiatives with economic and social goals by incorporating AI-related objectives into broader frameworks in sync with national plans. The Digital Nepal Framework 2.0 and Sri Lanka's Digital Economy agenda are two such instances.

Through these steps, each country ensures that AI policy is coherent, inclusive and aligned with its development agenda. A whole of government structure pools expertise and maintains public trust, enabling rapid, safe deployment of AI for public good.

Regional Engagement

Leverage existing regional bodies, such as BIMSTEC and SASEC, to advance the joint development of AI projects and standards, rather than develop a new South Asian regional organization.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) anchors the technical-governance dimension (data, talent, models, regulatory interoperability), the South Asia Sub-regional Economic Cooperation (SASEC) anchors the infrastructure-economic dimension (digital corridors, trade/ICT, compute hubs). As such, the dual-forum of BIMSTEC+SASEC is both complementary and cost-effective to advance some of the recommendations outlined in this paper. Together, they take advantage of existing secretariats, member-state engagement, and project-based modalities, avoiding duplication of institutional effort.

(a) BIMSTEC has explicitly included a Science, Technology & Innovation (STI) pillar since its inception.[177] The 3rd Expert Group Meeting on STI Cooperation (Sept 2025, Colombo) underscored technology-transfer, evidence-based governance and a regional action plan (2023-2027).[178] Embedding an "AI-Governance Working Group" to identify public good use-cases and data corridors for them under the STI pillar aligns naturally with the technologies-data-talent remit of AI governance.[179]

(b) SASEC brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal and Sri Lanka[180] in a project-based partnership focused on connectivity, trade-facilitation, ICT and economic corridors.[181] So far, SASEC's digital initiatives have remained at the level of connectivity infrastructure.

However, its flexible structure makes it a promising vehicle for regional technology-driven cooperation. A next step could be the creation of a "Data & AI Corridor Task-Force" within SASEC, linking data infrastructure, cross-border compute hubs, regional data-flows, and AI-for-public-good deployments.

While these platforms provide useful diplomatic and technical scaffolding, they have historically focused on legacy digital agendas like e-governance, connectivity and capacity-building. As such, leveraging them for AI governance issues will require deliberate engagement and collaboration.

By acting through existing regional mechanisms, South Asia can turn diplomatic forums into practical results. Given that use-case driven, corridor-based approaches accelerate regional innovation and capacity sharing, these forums present a ready framework for expeditious action.

Multilateral Engagement

South Asian countries should actively engage in global AI governance initiatives at the UN and AI Summits.

Countries in the Global South often harbour concerns about inequitable access to compute, export controls, and licensing requirements which hamper their development efforts.[182] However, South Asia's engagement with global AI governance is slowly gaining visibility, led by India's increasingly prominent role. In the last few years, India has hosted the G20 in New Delhi, chaired the Global Partnership on AI (GPAI), and is the convenor of the AI Impact Summit in 2026. As the region's largest digital economy, India's leadership provides a framework for other South Asian countries to engage with, strengthening regional cohesion and amplifying their global voice.

Alignment with international norms is a shared goal across the region. It reflects a common understanding that learning from global best practices and more importantly, coordinating regionally through South Asian and Global multilateral forums would help address shared challenges. Therefore, I recommend the following engagements:

(a) Engage in Global AI Governance Forums: South Asian policymakers should be represented in the UN Global Digital Compact to secure "an inclusive, open, sustainable, fair, safe and secure digital future for all."[183] Additionally, the UN General Assembly resolution adopted in August 2025, invites the active participation of developing countries in the Global Dialogue on Artificial Intelligence Governance.[184] Aligning South Asian cooperation with the GDC's principles of interoperability, openness, and inclusivity ensures that regional initiatives are integral components of an emerging global governance architecture.

(b) Shape global norms through South Asian values: These countries should actively shape global AI governance by articulating key values they share such as equity, pluralism and collective well-being. These perspectives can broaden dominant frameworks of safety, fairness and accountability, with regional experience. For example, during its G20 presidency, India called for a "pro-innovation" approach with global consensus on AI ethics; while Sri Lanka's strategy aligns its AI plan to the UN Sustainable Development Goals and the OECD/UNESCO AI principles. Recent Generative AI Guidelines in Bhutan reflect this intention too, drawing from best practices in the US, UK, UAE, Switzerland and Canada, while also drawing on its developmental vision of Gross National Happiness.[185]

(c) Use international AI Summits to coordinate: The upcoming AI Impact Summit in India offers a timely opportunity for South Asian countries to coordinate their positions on shared priorities such as multi-lingual AI, digital inclusion and AI for public good. For example, key working groups at the India AI Summit such as those focused on Democratizing AI Resources, AI for Economic Development & Social Good, Inclusion for Social Empowerment, Safe & Trusted AI, and Human Capital[186] map directly to stated regional interests. Countries in South Asia can use these forums for coordinated action.

(d) Deepen Bilateral Engagements with Peers: Bilateral arrangements with technologically advanced peers will allow the region to learn from pro-innovation, risk-aware governance models. For example, a structured cooperation between India and South Korea can powerfully accelerate AI governance capacity, especially because their approaches center trust, safety and user protection.[187] A Joint India-Korea Forum on AI Futures of Development could institutionalize dialogue on governance, shared standards, safety and responsible deployment. Beyond policy alignment, cooperation ought to extend to joint research on AI for low-resources and developing contexts, including multilingual model adaptation, data efficient training and inclusive deployment frameworks. South Korea's Digital Inclusion Act and Digital Competence Centre initiative offers a compelling model of citizen upskilling and digital inclusion.[188] A joint AI Developer Academy would blend India's AI research and talent ecosystem with South Korea's large-scale training infrastructure, with potential for cooperation on curriculum design and training modules.[189] Embedding these aspirations within the India AI Impact Summit would translate bilateral collaboration into regional dividends.

F. Operationalizing Regional Priorities at the India AI Impact Summit

The multilateral engagements outlined above provide the necessary diplomatic architecture for cooperation. However, to translate these high-level commitments into tangible outcomes, the region requires a dedicated implementation vehicle. South Asian nations may utilize the “India AI Impact Summit” as a platform to engage in dialogue and deploy solutions that directly address the developmental goals highlighted in this paper.

India will host the AI summit between February 18-20, 2026 in New Delhi. The key theme for the summit is ‘Impact’, with a focus on showcasting the real-world impact of AI across three pillars "People, Planet, and Progress". The summit deliberations will be organised around seven working groups: Human Capital, Democratizing Access to AI Resources, AI for Economic Growth and Social Good, Science, Safe and Trusted AI, Inclusion, Resilience. Based on the findings of this paper, and ongoing deliberations for the summit, I outline a few potential outcomes that may be of relevance to the five South Asian countries surveyed in this paper.

“AI for Good” use case repository

Since all five countries in the region prioritize use-cases, i.e. the deployment of AI for economic growth and social development, the summit provides the ideal forum to formalize a repository of “AI for Good” use cases, along with a conceptual framework and toolkit to drive adoption in the region. Such a holistic framework would help move beyond abstract principles to offer practical mechanisms for deployment and metrics to evaluate the socio-economic impact of the priority use cases outlined by these countries in areas such as agriculture, healthcare, education, citizen services and disaster management. The focus would be to identify beneficial use cases that solve real-world problems, and create a shared repository of best practices and validation frameworks, so that countries in South Asia can derive the full value of AI and ensure it is distributed equitably across society to promote inclusive development.

AI Safety Commons

The summit provides a crucial platform to establish a shared digital platform that consolidates tools, frameworks, and benchmarks to advance responsible AI development and deployment across South Asia. An AI Safety Commons would serve as both a technical repository and an operational framework, addressing the region's urgent need for standardized safety mechanisms while respecting diverse regulatory contexts.

The AI Safety Commons would provide a centralized hub of open-source safety tools and evaluation frameworks that may be leveraged by countries in South Asia. Over time, this may include red-teaming toolkits adapted for regional languages, model evaluation benchmarks for local use cases, and classifier systems that are deployable across different regulatory environments. By making these resources openly available, the Commons democratizes access to safety infrastructure that individual nations might struggle to develop independently.

At its core, the AI Safety Commons would facilitate collaboration between government, industry, and civil society. It would provide a neutral platform for safety research, which is valuable for addressing emerging risks, for e.g. around the malicious use of synthetic content, and to establish the leadership of South Asian countries in this process.

Competency Frameworks for Public Sector

To effectively govern and deploy AI systems, South Asian nations must rapidly build technical literacy across their public sectors. The Summit provides an opportunity to launch a regional AI Competency Framework tailored specifically for government officials at different levels of decision-making. This framework would establish tiered learning pathways for procurement officials and regulators. By standardizing competencies across the region, nations can ensure their officials are equipped to make informed decisions about AI procurement, evaluate vendor claims, assess algorithmic risks, and design context-appropriate regulations. The framework should move beyond theoretical knowledge to emphasize practical implementation skills. This includes training modules on AI impact assessments, public procurement, interpreting model evaluation reports, and navigating emerging risks like algorithmic bias and data privacy violations. A regional certification program would create portable credentials that officials can carry across government roles, while a shared faculty of experts drawn from academia, industry, and civil society would ensure training quality remains high and regionally relevant. This coordinated upskilling effort directly addresses the capacity constraints that currently force many South Asian governments to rely heavily on external consultants, ultimately strengthening sovereign capability in AI governance.

Global Collaborative Research Network

Finally, to address the region's 'infrastructure sovereignty' and capacity constraints, the Summit can be used to launch a 'Global Collaborative Network for AI.' This initiative could act as a live laboratory for shared research and development. Currently, the high cost of compute and fragmented datasets prevents many South Asian nations from scaling their own solutions.

By pooling foundational resources like data and computing power, this network would democratize access for the Global South. It would allow member nations to co-develop innovations that reflect diverse cultural priorities rather than relying solely on foreign technology providers. This directly mitigates the strategic risks associated with the region's current dependence on external service providers.

In sum, the operationalization of these priorities at the Summit represents the final step in bridging the gap between national ambition and regional capacity. South Asia's collaborative AI agenda should remain pragmatic, interoperable and inclusive.

By building on existing regional and multilateral institutions, and developing national capacity for the governance of data, compute and talent, the region can forge a path that is locally relevant and globally influential. Ultimately, leveraging the Summit to consolidate governance over data, compute, and talent will ensure the region forges a path that is locally impactful and globally influential.

Conclusion

The five countries in South Asia studied in this paper, namely India, Sri Lanka, Bangladesh, Bhutan and Nepal have a distinct opportunity to develop a model of AI governance that is grounded in public interest, pluralism, and practical risk mitigation. They have an opportunity to be not just passive recipients of global governance frameworks, but an active voice of the Global South.

This paper has examined the evolving AI ecosystems of these five countries through national strategies, governance frameworks and institutional roadmaps. While India emerges as a leader in many respects, all five countries exhibit a common national commitment to inclusive development through AI.

This convergence offers a strategic foundation for cross-border collaboration that can deliver tangible outcomes – scaling AI solutions, adapting global models for local contexts, promoting linguistic diversity, creating interoperable regulatory regimes, making joint-investments in compute infrastructure, and incentivising research and innovation ecosystems. These collaborative efforts can help harmonise regional standards, and in turn shape the evolution of global norms to reflect South Asian experiences and aspirations.

However, the success of South Asia's governance efforts will depend on marrying ambition and pragmatism. Coordination efforts must be nimble, efficient and aligned with developmental goals. For instance, this paper recommends the creation of trusted data corridors for specific use-cases rather than comprehensive harmonisation across all use cases. A strategy that links national priorities with regional forums and multilateral engagements, offers the best path forward. In this way, South Asia can demonstrate how AI governance anchored in principles of pragmatism, equity and inclusion can be both locally meaningful and globally relevant.

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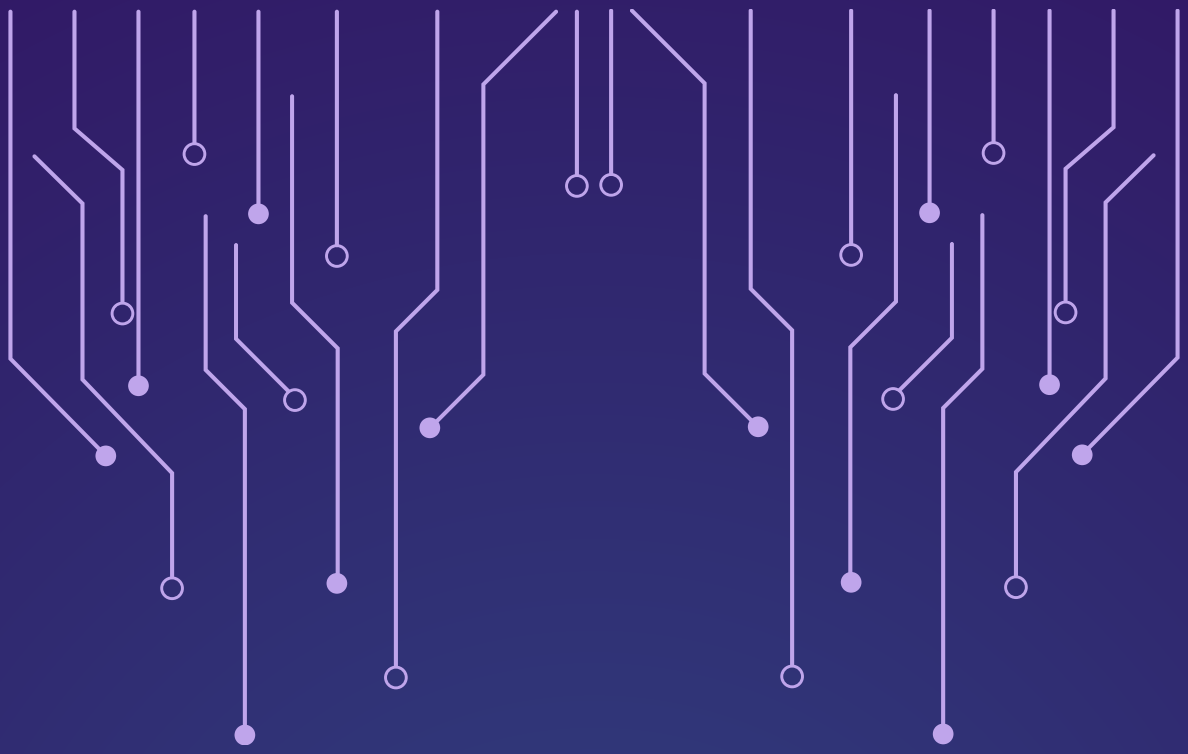

AI Governance in South Asia

Shared Priorities, Challenges & Future Trajectories