INFORMATION PAPER 1:

ASEAN INITIATIVES ON ARTIFICIAL INTELLIGENCE (AI) BY THE ASEAN DIGITAL SENIOR OFFICIALS' MEETING (ADGSOM)

A. INTRODUCTION

1. Artificial Intelligence (AI), a branch of information technology, is the discipline of creating intelligent machines capable of analytical reasoning, enabling organisations to operate effectively and with foresight. At the global level, AI has experienced tremendous growth over the past few years. The global AI market is currently estimated to be worth USD 197 billion[1], with projections indicating to reach USD 1.8 trillion by 2030, expanding at a compounded annual growth rate (CAGR) of 37.3% from 2023 to 2030[2].

2. The advancement of AI technology has significantly transformed industries and societies in ASEAN. A report by Kearney mentioned that AI is expected to provide 10 to 18 percent GDP uplift across Southeast Asia by 2030, estimating that AI could add 1 Trillion USD to ASEAN's GDP by 2030[3]. The variance in impact seen across ASEAN Member States (AMS) is a result of their different sectorial compositions and the relative maturity of each country's AI infrastructure and adoption readiness. Additionally, AMS recognize that the development of AI is also decentralised due to low barriers to entry and the proliferation of open-source technologies[4].

3. The rapid development of AI technologies has been nothing less of awe-inspiring. Policymakers are put in a bind as debates over how the deployment of these AI systems is to be managed—with good governance and ethical considerations in mind, and without stifling innovation. As we navigate the ever-evolving landscape of AI, it is crucial that ASEAN, as a region, also establish a framework that fosters innovation while ensuring responsible development to accelerate the digital transformation process. Concerns about data privacy, algorithmic bias, and potential job displacement are all valid. The complexity of AI decision-making processes can lead to greater ethical dilemmas and a loss of accountability.

4. Recognizing these risks, the ASEAN Digital Masterplan 2025 (ADM2025)[5] envisaged a regional policy framework to address governance and ethical issues when deploying AI solutions as the major tools to promote understanding and trust in the ASEAN region. It serves as a guide to empower organisations and governments in the

[1] https://www.grandviewresearch.com/industry-analysis/artificial-intelligence-ai-market

[2] https://www.grandviewresearch.com/press-release/global-artificial-intelligence-ai-market

[3] https://www.kearney.com/service/digital-analytics/digital/article/-/insights/racing-toward-the-future-artificial-intelligence-in-southeast-asia

[4] ASEAN Guide for AI Ethics and Governance page 7

[5] https://asean.org/wp-content/uploads/2021/09/ASEAN-Digital-Masterplan-EDITED.pdf

region with a baseline standard for AI governance that strikes a balance between the economic advantages of AI technology and its associated risks.

5. Given the cross-sectoral nature of the application of AI technology, ADGSOM is playing the leading role for ASEAN AI initiatives with coordination support provided by the ASEAN Digital Economy Division (DED), particularly on AI policy, governance, laws and regulations, and standards. However, this does not preclude other sectoral bodies from pursuing AI initiatives. Other ASEAN sectoral bodies are encouraged to explore opportunities to leverage AI in developing impactful initiatives, fostering collaboration and maximising the benefits of this transformative technology across the region. Other sectoral bodies are advised to inform and consult ADGSOM on AI-related initiatives, especially those that affect AI policies, governance, laws and regulations, standards, and direct contact with AI industry player within and beyond ASEAN.

The ASEAN Guide on AI Governance and Ethics

6. In the face of the opportunity and risks presented by AI to ASEAN digital landscape, AMS are convinced to envision ASEAN as a leading digital community and economy bloc powered by secure, transformative digital services, technologies, and ecosystem. In this regard, development of the ASEAN Guide on AI Governance and Ethics[6] started from 2022-2024 and was endorsed at the 4th ASEAN Digital Ministers' Meeting on 1-2 February 2024 in Singapore. The guide which includes national and regional level recommendations, serves as a practical guide for organisations in the region that wish to design, develop, and deploy traditional AI technologies in commercial and non-military or dual-use application and focuses on encouraging alignment within ASEAN and fostering the interoperability of AI frameworks across jurisdictions.

7. The formulation of the ASEAN Guide on AI Governance and Ethics was carried out in a collaborative manner with perspectives sought from all the AMS, Dialogue Partners, as well as industry. Benchmarking from established AI governance frameworks and guidelines such as UNESCO's Recommendation on the Ethics of Artificial Intelligence[7] and the EU's Ethics Guidelines for Trustworthy AI[8] were also used as the foundation for the Guide's seven guiding principles. In fact, the ASEAN Guide on AI Governance and Ethics is intended to be a living document meant to evolve with the latest regulations and AI technology developments, all the while incorporating ongoing inputs from key stakeholders.

[6] ASEAN, "ASEAN Guide on AI Governance and Ethics", https://asean.org/wp-content/uploads/2024/02/ASEAN-Guide-on-AI-Governance-and-Ethics_beautified_201223_v2.pdf

[7] UNESCO, "Recommendation on the Ethics of Artificial Intelligence", https://unesdoc.unesco.org/ark:/48223/pf0000381137

[8] European Commission, Directorate-General for Communications Networks, Content and Technology, "Ethics guidelines for trustworthy AI", https://data.europa.eu/doi/10.2759/346720

The ASEAN Guide on AI Governance and Ethics aims to empower organisation to utilise AI responsibly and increase users' trust in AI which is a linchpin to a vibrant AI ecosystem. Nevertheless, AMS recognise that dialogue and collaboration across sectors, including government, businesses, academia, investors, and technology & AI providers, are essential to fully unlock the opportunities of AI while ensuring its ethical development and deployment in the ASEAN region.

9. The ASEAN Guide on AI Governance and Ethics is based on seven guiding principles as follows:

(i) **Transparency and Explainability**: AI actors are responsible for clearly disclosing the implementation of AI solutions to stakeholders, and fostering general awareness of the solution. AI actors and organizations deploying AI should also strive to foster general understanding of how AI works with simple explanations on how AI reaches its outcomes.

(ii) **Fairness & Equity**: The organization should ensure that algorithmic decisions do not create discriminatory or unjust impacts across different demographics, and the use and development of AI should not result in unfair biasness or discrimination. AI actors should also recognize and adjust rectify imbalances to ensure equity.

(iii) **Security and Safety**: AI systems should be safe and secure and not used to deceive or threaten humans and/or human society. A risk-prevention approach should be adopted, and precautions should be put in place so that humans can intervene to prevent harm in the event an AI system makes unsafe decisions.

(iv) **Human-centricity**: AI systems should respect human-centered values and pursue benefits for human society, including human beings' well-being, happiness, etc. Human rights, freedom, and benefits should be respected and protected in the design, development, and deployment of AI systems.

(v) **Privacy and Data Governance**: AI solutions should have proper mechanisms in place to ensure data privacy and protection, and maintain and protect quality and integrity of data throughout their entire lifecycle. Data protocols need to be set up to govern who can access data and when data can be accessed.

(vi) **Accountability and Integrity**: AI actors should be accountable for decisions made by AI systems and for their compliance with laws and AI ethics and principles. AI actors should also act with integrity when developing AI systems.

(vii) **Robustness and Reliability**: AI systems should perform consistently as designed, minimize accidental and unexpected hazards, and not be vulnerable to being tampered with or compromised. AI systems should have reproducible results and work reliably for a range of inputs and situations.

10. Some jurisdictions are attempting to implement heavy-handed legislation such as the European Union (EU) AI Act[9], but compared to these, the ASEAN Guide on AI Governance and Ethics is a notably more light-touch approach to managing the AI space that is more strategically apt for the region. With the absence of a central legislative body in ASEAN, and with the diversity in digital capabilities and regulatory capacities among ASEAN member states (AMS), a more ambitious endeavour would miss the mark. Moreover, it has been emphasized at its release that business innovation is being prioritized over other factors and thus a less heavy-handed approach would be a better fit.

11. Though these developments represent exciting technological breakthroughs, they also raise concerns over ethical and governance risks. Moreover, recognizing these risks and how to best mitigate them, is a matter of some urgency, given their rapid proliferation.

12. The ASEAN Guide on AI Governance and Ethics lay a foundation for a whole-community approach to developing coherent AI regulations and standards across the region, ensuring consistency and facilitating cross-border cooperation. While the Guide may seek to align with international best practices and standards, it is meant to serve more as a "practical guide" for organizations who bear the onus over the responsible and ethical development and deployment of AI systems, rather than as a policy playbook for governments. As such, governments and regional bodies feature as secondary facilitative actors, with the Guide homing in on the primary stages of the value chain. Although the Guide's flexible, voluntary approach gives stakeholders freedom, it may reduce its effectiveness without stronger implementation.

ASEAN Working Group on AI Governance (WG-AI)

13. Following the endorsement of the ASEAN Guide on AI Governance and Ethics in Feb 2024, ASEAN has endorsed the establishment of the ASEAN Working Group on AI Governance (WG-AI) in March 2024, to discuss pertinent issues related to governing AI and promote safe and responsible use of AI, which shall emphasize on the importance of developing AI that respects human rights, ensures transparency, promotes inclusivity and uphold privacy and data governance.

14. The main objectives of the WG-AI are to:

(i) Lead regional discussions on the technical and operational implementation of AI governance action plans in the region;

(ii) Lead development of initiatives under the recommendations laid out in the ASEAN Guide on AI Governance and Ethics, such as creating a pool of

[9] European Parliament, "Artificial Intelligence Act: Deal on Comprehensive Rules for Trustworthy AI", https://www.europarl.europa.eu/news/en/pressroom/20231206IPR15699/artificial-intelligence-act-deal-on-comprehensiverules-for-trustworthy-ai

resources and shared platforms for regional AI talent, research and development (R&D) and innovation ecosystem;

(iii) Provide implementation guidance for ASEAN countries who wish to adopt components of the Guide including but not limited to the development of implementation guidelines and frameworks;

(iv) Lead ASEAN's efforts to engage ASEAN Dialogue Partners as well as other relevant stakeholders in furtherance of international cooperation on AI governance approaches; and

(v) Facilitate regional multi-stakeholder discussions on emerging issues relating to the global evolving development and local adoption of AI technologies (e.g., generative AI), for the purposes of building awareness and alignment among ASEAN Member States.

15. The WG-AI shall focus on, but not limited to, the following:

(i) Develop and implement regional tools for AI governance and ethics including but not limited to regional frameworks, principles, standards and best practices to complement the ASEAN Guide on AI Governance and Ethics;

(ii) Expand the ASEAN Guide on AI Governance and Ethics to include the governance of generative AI, and promote awareness of the Guide within ASEAN;

(iii) Provide support and recommend policies to nurture AI talent and upskill workforce across ASEAN;

(iv) Provide support and recommend initiatives to support the AI ecosystem in ASEAN and promote investment in regional AI start-ups and MSMEs empowerment, as well as create a level playing field amongst providers, in light of fairness and equity principles of AI;

(v) Encourage cross-pollination of ideas between the AI research and development community and ASEAN;

(vi) Keep abreast of new developments in the AI space (e.g., generative AI and its risks including misinformation and disinformation) and related emerging technology and provide recommendations to update ASEAN's AI governance frameworks and tools in light of these developments; and

(vii) Serve as the ADGSOM's focal point for engagements on AI governance and ethics within ASEAN as well as with Dialogue and Development Partners and other relevant stakeholders.

16. To implement the above-listed scope of work, the WG-AI may facilitate the following list of non-exhaustive cooperative activities:

(i) Develop regional frameworks, principles, standards and best practices;

(ii) Development of regional industry-specific assessments for trustworthy and ethical adoption of AI tools, with focus on key sub-industries within the digital economy such as eCommerce and FinTech;

(iii) Exchange information and experiences e.g., in AI talent and capacity building efforts;

(iv) Conduct joint research and studies e.g., develop new AI use cases or technologies and measure impact on ASEAN livelihoods, research on multi sectoral AI implementation;

(v) Organise workshops, forums and expert meetings amongst relevant agencies and across sectoral bodies in ASEAN;

(vi) Organise capacity-building activities to assist AMS in developing their AI capabilities; and

(vii) Engage ADGSOM Dialogue and Development Partners as well as other relevant stakeholders.

17. WG-AI is in the process to expand the ASEAN Guide on AI Governance and Ethics to include a supplementary framework to address generative AI. This expanded Guide will look at the unique risks posed by generative AI and how the principles and framework in the current Guide can be adapted to ensure responsible design, development, and deployment of generative AI. The expanded Guide will be put up for endorsement at the 5th ADGMIN in Thailand in January 2025.

18. Going forward, the role of WG-AI should be enhanced to accommodate the need for coordination on AI-related initiatives among sectoral bodies.

B. ADGSOM AI Related Projects

19. Approved AI projects from 2021-2024 under ADGSOM is as follows:

(i) ASEAN Strategic Guidance for AI and Digital Workforce (2021);

(ii) ASEAN Guide on AI Governance and Ethics:

(a) Part 1 - Landscape Study Report (2022); and

(b) Part 2 - Final Guide (2023).

20. Proposed AI projects under ADGSOM in the 2025 Work Cycle, pending ADGMIN endorsement, is as follows:

(i) The Declaration on the Establishment of an ASEAN AI Safety Network;

(ii) ASEAN AI Transition Innovation Framework; and

(iii) Public Private Dialogue on Artificial Intelligence.

C. ASEAN Cooperation on AI with Dialogue Partners

ASEAN-ROK Digital Innovation Flagship (KADIF)

21. The ASEAN-ROK Digital Innovation Flagship (KADIF) Project, under the ASEAN-ROK 2024 Digital Work Plan, aims to promote the widespread utilization of Artificial Intelligence (AI), at a total cost of $30 million was approved at the 4th ADGMIN in February 2024 in Singapore.

22. The project covers the following area:

(i) Infra Development ($14.5m):
  (a) Shared Ecosystem for Data; and
  (b) High-Performance Computing;

(ii) Capacity Building ($6.7m):
  (a) AI Development / Startup Competition; and
  (b) Hub for Nurturing Digital Talent.

(iii) Wider Use of AI ($8.8m):
  (a) Develop and Spread AI Solutions in the domain of carbon neutrality, healthcare.

ASEAN-U.S. 2024 Digital Work Plan Priorities

23. Development of the ASEAN AI Responsible Roadmap under the ASEAN-U.S. 2024 Digital Work Plan Priorities was endorsed at the 4th ADGMIN Meeting in February 2024 in Singapore. A workshop was held by the U.S. on 4-5 June 2024 in Jakarta, Indonesia to get input and feedback from the ASEAN Member States, at the sideline of the AEC Dialogue on AI Governance.

24. Moving forward, the draft ASEAN Responsible AI Roadmap was circulated in July 2024 and received intersessional endorsement on 18 Sept 2024 by ADGSOM. The roadmap shall complement and enhance ASEAN Guide on AI Governance and Ethics by providing actionable steps for ASEAN policymakers and stakeholders to create ideal conditions for responsible AI to flourish in the region. The roadmap is expected to be tabled for approval at the 4th ADGMIN+U.S. in January 2025 in Bangkok, Thailand.

End

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