

Executive summary

The use of Artificial Intelligence (AI) is reshaping economies, promising to generate productivity gains, improve efficiency and lower costs. Governments hold a unique position in relation to AI, determining national strategic priorities, public investments and regulations. Governments have also acknowledged the importance and future potential of AI in many economic sectors, with more than 60 countries developing national AI strategies. Recognising that issues relevant to AI transcend borders, countries are also increasingly adopting regional approaches to AI, including co-ordinated efforts in the European Union (EU) and the African Union, among Nordic-Baltic states and Arab nations, and within the G7 and the G20. The OECD has also strengthened its AI-related efforts in recent years, spearheaded by the OECD.AI Policy Observatory. Indeed, the OECD AI Principles adopted in 2019 are the first intergovernmental standards on AI.

Like governments elsewhere, those in the Latin America and the Caribbean (LAC) region are seeking to tap into the immense potential of AI in a strategic and trustworthy manner. Seven LAC countries have developed, or are developing, a national AI strategy (Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay), and seven have adhered to the OECD AI Principles (Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Peru).

The importance of adopting AI in the public sector is recognised in the majority of national AI strategies. In fact, governments are increasingly using AI for public sector innovation and transformation, redefining how they design and deliver policies and services. This report, conducted by the OECD in collaboration with CAF, Development Bank of Latin America, reviews the strategic and responsible use of AI by the public sector in the LAC region.

Key findings

In the LAC region, all seven countries with a national AI strategy either have a strategy in place for AI in the public sector, or a dedicated focus within their broader strategy. These strategies tend to focus on key themes, including ethics, AI governance, AI adoption, cross-sector collaboration and procurement, skills and capacities, data and technical infrastructure. These represent a significant step forward but vary in terms of action items and enablers to help drive progress. While all have specified actions and objectives and most have measurable goals, the majority of strategies lack time frames, funding mechanisms and monitoring instruments.

LAC countries are also experimenting with AI in the public sector for different uses, including COVID-19 response, improving government efficiency and decision making, enhancing relationships with and services for citizens and businesses, increasing public safety and security, strengthening public sector integrity and accountability, and enhancing education systems.

In addition to applying the OECD AI Principles, the OECD has identified a number of key factors critical for reaping the benefits of AI in the public sector while mitigating risks:

- **Developing a responsible, trustworthy and human-centric approach to the use of AI in the public sector**, including data ethics, ensuring fairness and mitigating biases, providing for

transparency and the explainability of algorithms, promoting digital safety and security, putting in place accountability mechanisms, and ensuring an inclusive and user-centred approach.

- **Building key governance capacities**, including leading, co-ordinating and building support for AI; data leadership and strategy; creating space for experimentation; understanding public sector problems and the potential for AI solutions, and ensuring future preparedness through anticipatory governance.
- **Putting in place key enablers**, including data, funding, internal and external expertise, and digital infrastructure.

The OECD has found that capacities among countries in the region vary:

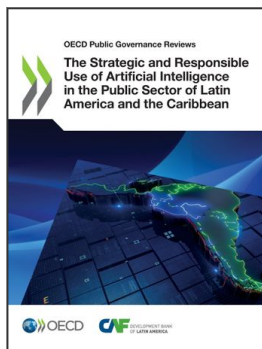
- Colombia and Uruguay have emerged as leaders in the LAC region, with a number of well-considered strategies and approaches implemented to some extent.
- Argentina, Brazil, Chile and Peru have demonstrated leadership on several issues related to the above factors and a strong commitment to implementation, albeit at a lower level of maturity than regional leaders.
- Costa Rica and Mexico have also demonstrated solid commitment. However, Costa Rica requires additional support and effort in some areas, while Mexico – the first country in the region to publish a national AI strategy and a regional leader in the past – seems to lack clarity regarding current and future priorities.
- Barbados and Panama, and to a slightly lesser extent the Dominican Republic, Ecuador, Jamaica and Paraguay, have demonstrated initial capacity for leveraging AI in the public sector, such as through data protection laws and other initiatives that, while not explicitly aimed at AI, can have positive spillover effects.
- Bolivia, Trinidad and Tobago, and Venezuela require significant effort and potentially support from other countries in the region to make progress in exploring AI for the public sector.

Key recommendations

This report makes **13 recommendations** to LAC national governments to maximise positive potential impacts of the use of AI in the public sector, and to minimise negative or otherwise unintended consequences:

1. Explore the collaborative development and execution of a **LAC regional strategy** and roadmap for AI in the public sector.
2. Develop and adopt **national strategies and roadmaps** for AI in the public sector.
3. Develop a national **public sector data strategy** covering the different aspects of data to serve as a foundation for AI.
4. Explore **regional co-operation and collaboration** for public sector AI projects and initiatives.
5. Support AI efforts at the **sub-national** level and account for them in broader AI policies and initiatives.
6. Strengthen the **focus on implementation** of AI strategies in the public sector to ensure commitments are realised.
7. Take steps to **ensure the long-term sustainability** of public sector AI strategies and initiatives.
8. Implement the **OECD AI Principles** and develop a national ethical framework for trustworthy AI.
9. Ensure a focus on considerations for the use of **trustworthy AI in the public sector** as identified in this report.

10. Provide for **sustained leadership capacity** at the central and institutional levels to guide and oversee AI adoption in the public sector.
11. Leverage **anticipatory innovation governance** techniques to prepare for the future.
12. Ensure a **focus on governance considerations** identified in this report.
13. Ensure a solid **focus on the critical enablers** for AI in the public sector as identified in this report.



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