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#### **RE: Artificial Intelligence Strategy**

Kairoi Ltd ("we" hereafter) warmly welcomes the invitation by Innovation, Science and Economic Development (ISED) Canada to contribute to the 30-day national sprint to shape a renewed AI strategy.

Established in 2022, Kairoi supports capability-building for organizations and leaders to anticipate technological change, and navigate policy landscapes. Key to our work is promoting the voices of our clients — including scientific and not-for-profit organisations — before policy-makers. Indeed, we advise on responding to policy consultations such as this, and keeping abreast of relevant industry-specific, regional, national and supranational governance strategies and trends.

The feedback below builds on Kairoi's extensive experience with not-for-profit and scientific organizations — encompassing Canada-, EU-, UK and US-based organizations — with whom we develop practical artificial intelligence (AI) governance initiatives, mechanisms and policies. The comments begin with a vision for Canada, followed by comments roughly structured according to the questions posed by ISED.

# Canada's Potential Leadership in Responsible AI

Certain key players are shaping the global AI scene. On the one hand, there are those pushing for clear regulatory frameworks, such as the EU and China. On the other hand, there are those inclined to see regulation as a barrier to innovation, thereby proposing "pro-

<sup>&</sup>lt;sup>1</sup> Qu *et al.* (2025) Preparing for compliance: Key differences between EU, Chinese AI regulations, *IAPP*, <u>online</u> [accessed October 26, 2025]

innovation" regimes and agreements, such as the UK and the US's "Technology Prosperity Deal."<sup>2</sup>

Between the extremes of seemingly heavy-handed regulation, and rampant innovation, there emerges a gap; one where government bodies, the third sector, academia and industries collaborate to create a culture of responsible AI research and development. This is a gap we believe that Canada is poised to fill.

Canada can become the world leader in the responsible AI movement for its peculiar status as a member of both the global economic leaders of the G7, and the "CANZUS" Anglosettler states. This means that Canada has the potential to tap into both the power and wealth that grants it its role in the G7, and the vast forms of Indigenous knowledge that are not usually available to the G7. In this regard, we share in ISED's vision for Canada to become the world's leader in responsible AI.

Canada's wealth and power have been put front and centre through various government-level intiatives. The 2017 *Pan-Canadian Artificial Intelligence Strategy* had three pillars: commercialization, standards, and talent and research. Three national AI institutes were launched/appointed that year, and over half a billion dollars were allocated to the enterprise between 2017 and 2021. In 2024, ISED announced the *Canadian Sovereign AI Compute Strategy* alongside a \$2 billion budget. In 2025, Canada hosted a G7 summit that culminated in —among other things— the *G7 Leaders' Statement on AI for Prosperity*.

A deeper reading into the above documents illustrates Canada's alignment in AI initiatives with an unfettered desire for economic growth, and a tendency towards falling for the hype around AI. This challenge was also put by experts to the Artificial Intelligence and Data Act (AIDA), introduced as a surprise to the AI researcher community in 2022, and brought to its irremediable end in January 2025.<sup>3</sup> That same month, the National Standard of Canada "Ethical Design and Use of Artificial Intelligence by Small and Medium Organizations" was launched. The standard pays great attention to risk mitigation and legal matters, downplaying aspects that are central to responsible AI — e.g., reflection and dialogue — and leaning into a general "narrowing" of the concept's scope to questions of, for example, "national security" and "global competitiveness." In this regard, Canada has thus far not differentiated itself from other Western states.

However, this is where Canada's special access to indigenous voices and a vast geography render it a unique nation in the Global North that can overcome the limitations of Western values. Canada can embrace a pluralistic, future-proof approach to AI governance, research and innovation, but only if engagement with First Nations goes beyond consultation.<sup>5</sup>

<sup>&</sup>lt;sup>2</sup> Prime Minister's Office (2025) Memorandum of Understanding between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland regarding the Technology Prosperity Deal, *gov.uk*, online [Accessed October 26, 2025]

<sup>&</sup>lt;sup>3</sup> Brandusescu, A. and Sieber, R.E. (2025) Missed opportunities in AI regulation: lessons from Canada's AI and data act, *Data & Policy*, 7, p.e40. doi: <u>10.1017/dap.2025.17</u>.

<sup>&</sup>lt;sup>4</sup> Tollon, F., & Vallor, S. (2025) The Responsible AI Ecosystem: A BRAID Landscape Study, *Zenodo*, DOI: 10.5281/zenodo.15195686.

<sup>&</sup>lt;sup>5</sup> Vinson, N. (2025) The Al Landscape in Canada: A Critical Moment for First Nations, *First Nations Technology Council*, online [Accessed October 28, 2025]

The Indigenous Protocol and Artificial Intelligence Position Paper already denounced the risks of colonial mindsets driving common approaches to AI, and showed us what Indigenous knowledge can lead to: AI tools that help revitalize Indigenous languages, situate Indigenous knowledge in their geographical and cultural contexts, and underpin immersive games that teach about Indigenous knowledge and heritage.<sup>6</sup>

Initiatives like the *Indegenous Protocol* and, more recently, Abundant Intelligences<sup>7</sup> provide two key ideas pertinent to the purpose of the present consultation: meaningful public engagement methodologies, and international collaboration. The first point is critical: engagement with First Nations and diverse publics cannot be extractivist but must place all parties on equal footing. The second point is less obvious for a national strategy; much like the Indigenous-led initiatives involve communities from all CANZUS nations, so too can Canada establish global collaborations in the effort to lead in responsible AI.

### Talent and Research

To become a global leader in responsible AI, collaboration — cross-sector and multinational — will be key. That collaboration, in turn, must account for Canada's vast geography. In-person, online and even postal communications — circumventing the nation's digital divide — will have to be adopted to build communities across Canada — from coast to coast.

For cross-sector and multinational responsible AI communities to be built adequately, expertise and experience will be needed in community management, language interpretation, AI research and development, conceptual engineering, organizational development, governance, and —

Technical Al know-how

Domain Knowledge

Community management

Conceptual rigour

Governance expertise

Language and Interpretation

where specific AI projects are discussed — application domains.

These elements will set Canada apart on the global stage. Al will not be deemed the latest cause for an international race to the bottom, but the catalyst for better community and pedagogical practices.

# Accelerating the Responsible AI Revolution

Accelerating AI adoption and the research-to-commercialization pipeline — the consultation's second and third sections' headings — is not congruent with a National AI Strategy that aims for Canada to become the world's leader in responsible AI. After all,

<sup>&</sup>lt;sup>6</sup> Lewis, J.E. *et al.* (2020) Indigenous Protocol and Artificial Intelligence Position Paper. Honolulu, Hawai'i: The Initiative for Indigenous Futures and the Canadian Institute for Advanced Research (CIFAR). DOI: 10.11573/spectrum.library.concordia.ca.00986506.

<sup>&</sup>lt;sup>7</sup> Lewis, J.E. *et al.* (2025) Abundant intelligences: placing AI within Indigenous knowledge frameworks, AI & Society, 40, pp. 2141–2157. DOI:  $\underline{10.1007/s00146-024-02099-4}$ .

acceleration is intuitively best achieved by removing safeguards, ignoring risks, and avoiding critical reflection. "Acceleration" also has a clear link with the sort of "effective accelerationism" that many wealthy and powerful individuals subscribe to in Silicon Valley.<sup>8</sup>

Notwithstanding the questionable framing of the issues at hand, there are two key initiatives Canada can follow to demonstrate the value at the state level of a responsible AI strategy: the UN's "Independent International Scientific Panel on AI," and "Global Dialogue on AI Governance."

In our own advice to the UN earlier this year, we made the case for emphasizing the scientific origins of AI; that is, AI as a field of research rather than a wide range of commercial tools. We pose the same challenge to Canada: rather than lead in commercialization, why not lead in science and research? Why not lead in establishing good data and modelling practices? Of the National AI Strategy's three pillars, this may mean working more on standards, as we recently did with the Open Modelling Foundation. This is also consistent with partnering with First Nations, as important advancements in the open science movement have been led by Indigenous voices, including with the establishment of the "CARE principles" of collective benefit, authority to control, responsibility, and ethics. 11

This brings us back to the value of learning from successful and ongoing projects — such as Abundant Intelligences — to build communities of practice across academia, civil society and industry.

### Scaling Canadian champions and attracting investments

Taking the goal to be for a Canada that leads globally on responsible AI, ISED's challenge is well put in this part of the consultation: "alignment of business incentives." Indeed, businesses are not incentivized to "do" responsible AI — hence the retreat from responsible to secure AI noted earlier on. Ultimately, there are two ways to incentivize any one thing: offer a carrot or use a stick.

The "carrot" for responsible AI is offered by the consumer: so long as the general public learns more about the shortcomings and risks of — and the unjust structures underpinning — many AI products and narratives, so too will their distrust of solutions that lack adequate governance mechanisms. Conversely, the better versed the average Canadian is in matters of AI, the more responsible Canadian AI solutions will have to become.

With this, we call on the National AI Strategy to empower Canadians with lifelong AI literacy resources; that is, content and opportunities to reflect meaningfully on diverse forms of AI, and their capabilities and limitations; resources that evolve and are presented to Canadians

<sup>&</sup>lt;sup>8</sup> Okolo, C.T. (2025) The paradox of AI accelerationism and the promise of public interest AI, Science, 390, eaeb5789. DOI: 10.1126/science.aeb5789

<sup>&</sup>lt;sup>9</sup> Kherroubi Garcia, I. (2025) RE: Input for the terms of reference and modalities for the establishment and functioning of the Independent International Scientific Panel on AI and the Global Dialogue on AI Governance, *Kairoi*, online [Accessed October 29, 2025]

<sup>&</sup>lt;sup>10</sup> Kherroubi Garcia *et al.* (2025) Ten simple rules for good model-sharing practices, *PLOS Computational Biology*, DOI: 10.1371/journal.pcbi.1012702

<sup>&</sup>lt;sup>11</sup> Carroll *et al.* (2020) The CARE Principles for Indigenous Data Governance, *Data Science Journal*, 19(1), p. 43., DOI: <u>10.5334/dsj-2020-043</u>

at various touchpoints. An AI literacy framework will serve as the foundation for a consumer-led AI market, where research and solutions respond to real problems and concerns.

The "stick" for responsible AI may come in many forms; from industry-specific standards to provincial or federal rules and regulations. What is key is that rules be relevant, practicable and independently assessed. In this regard, Canada has the potential to build a robust responsible AI governance industry, where independent consultants ensure that regulations and standards are appropriately followed. The establishment of such an industry can become a major source of new national and international investments.

Once again, we are grateful for the opportunity to provide input.

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Founder and CEO, Kairoi On behalf of Kairoi Ltd