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A Critical Examination of Nepal's National AI Policy 2081(2025): SWOT Analysis and Strategic Recommendations for Sustainable AI Integration

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Abstract

Background: Nepal's National AI Policy 2081 is positioned as a cornerstone for AI-driven national growth, with a focus on agriculture, healthcare, and education. However, challenges such as limited infrastructure, a shortage of skilled professionals, and low AI awareness persist. This study critically evaluates the policy through a SWOT analysis.

Methods: A qualitative research approach was employed, utilizing thematic content analysis to review Nepal's AI policy alongside global AI frameworks. Secondary data from policy documents, academic literature, and reports were analyzed to identify the policy's strengths, weaknesses, opportunities, and threats, and to propose strategies for improving its efficacy.

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Results: The SWOT analysis revealed key strengths, including a clear vision for AI-driven digital transformation, a sector-focused AI approach, promotion of AI research and ethical governance, and investment in AI entrepreneurship. Weaknesses identified include a lack of an implementation roadmap, limited AI infrastructure, outdated data governance laws, and insufficient strategies for mitigating job displacement. Opportunities highlighted include AI as a driver for economic growth, public service efficiency, and agricultural innovation. However, threats such as inadequate AI infrastructure, cybersecurity risks, and AI bias were also noted.
Conclusion: Nepal's AI Policy 2081 marks significant progress in recognizing AI's potential. However, its success will depend on addressing its infrastructural, regulatory, and socio-economic gaps. A more defined implementation roadmap, investment in infrastructure, and strategies for addressing potential job displacement are crucial for sustainable development.
Novelty: It provides context-specific strategies to integrate AI equitably within the socio-economic landscape of developing nations.
Keywords: AI, Analysis, Nepal, Policy, SWOT

Introduction

In the current landscape, Artificial intelligence (AI) is strongly influencing various sectors, driving innovation and improving efficiency. In healthcare sectors, AI transforming disease prediction, personalized treatment plans and even drug discovery with algorithms that can analyze vast amounts of medical data quickly and accurately to assist healthcare professionals in making more informed decisions (Bajwa, Munir, Nori, & Williams, 2021). In business and finance, AI improves operations by automating tasks, using data to predict future trends, and developing marketing strategies tailored to individuals. It also enhances financial services by spotting fraud, evaluating risks, and improving customer service with AI chatbots (Patil & Mailcontractor, 2024). In education, AI changes learning by providing personalized content, automating grading, and easing administrative work. These advancements show how important AI is in increasing productivity and achieving better outcomes in various fields, making it a key tool in today's world (Kamalov, Calonge, & Gurrib, 2023).

Artificial Intelligence (AI) has become a transformative force in the modern world, reshaping industries, economies, and societies. Countries worldwide are actively formulating policies to harness AI's potential while addressing ethical, legal, and infrastructural challenges (Rashid & Kausik, 2024). Nepal, as an emerging digital economy, has recognized the importance of AI and formulated the National AI Policy 2081 to provide a strategic framework for AI development, governance, and utilization (Government of Nepal, 2025; Mahat, 2024). This policy aims to integrate AI into Nepal's economic and social systems, ensuring that technological advancements align with national development goals. However, given Nepal's unique economic structure, digital infrastructure, and regulatory environment, a critical analysis of the policy is necessary to assess

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its feasibility, strengths, weaknesses, and Strategic Recommendations for Sustainable AI Integration.

Global Context of AI Policies

AI policies globally have focused on several key areas, including research and development, ethical AI governance, economic growth, workforce transformation, and data security. Developed countries such as the United States, China, and the European Union (EU) have established AI policies emphasizing AI-driven innovation, investment in AI research, and global competitiveness. For instance, China's Next Generation AI Development Plan focuses on making China the global leader in AI by 2030 through heavy investment in AI research, education, and infrastructure (Webster, Creemers, Kania, & Triolo, 2017). The EU's Artificial Intelligence Act provides a regulatory framework to ensure trustworthy and human-centered AI development, particularly in high-risk AI applications (Cancela-Outeda, 2024).

In contrast, developing nations have approached AI policies differently, balancing technological advancement with social and economic realities. India's National AI Strategy prioritizes AI applications in agriculture, healthcare, education, and smart cities, recognizing AI's role in improving public services and economic growth (NITI Aayog, 2018). Similarly, Singapore and South Korea have focused on AI-driven workforce transformation, integrating AI education and training programs to prepare workers for an AI-powered economy (Gan, 2020; Lee, Hwang, Lee, & Kim, 2022).

For Nepal, which is still in the early stages of AI adoption, a robust policy framework is essential to navigate technological opportunities and regulatory challenges. The National AI Policy 2081 represents Nepal's first major effort to create a structured approach to AI governance. However, Nepal faces unique challenges in AI adoption, including limited digital infrastructure, lack of skilled professionals, inadequate investment in research and development (R&D), and weak cybersecurity regulations.

Nepal's AI Landscape

Nepal has made significant progress in the field of Information and Communication Technology (ICT) over the past two decades. The Digital Nepal Framework 2076 was a crucial milestone in defining Nepal's digital transformation goals, emphasizing AI, big data, cloud computing, and blockchain as key areas of technological advancement. The government has also introduced various policies, such as the National Cybersecurity Policy 2080 and ICT Policy 2072, to strengthen Nepal's digital infrastructure (Office of the Prime Minister and Council of Ministers, 2023). However, AI adoption in Nepal remains at an early stage, with limited government-led AI initiatives.

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Despite these challenges, Nepal's private sector has taken significant steps in AI development. Several startups and companies are working on AI-driven solutions, particularly in speech recognition, automation, and data analytics. Companies like Fusemachines Nepal and Paaila Technology have contributed to AI-driven chatbot development and AI-based automation in financial services. Additionally, AI has been increasingly used in Nepal's banking sector, e-commerce platforms, and healthcare industry.

However, the lack of structured AI research institutions and educational programs has hindered Nepal's AI growth. Unlike India, China, or the United States, where AI research receives significant government funding, Nepal's AI ecosystem remains underfunded and largely dependent on private-sector innovation. Without government-backed AI research centers, AI-specific education programs, and funding opportunities, Nepal risks lagging behind in the global AI revolution.

Research Methodology

This study employed a qualitative research approach, focusing on secondary data analysis to critically evaluate Nepal's National AI Policy 2081. The research remained descriptive and analytical, aiming to identify the strengths, weaknesses, and challenges associated with the policy. By examining relevant policy documents, academic literature, and global AI governance frameworks, this study provided a comprehensive assessment of Nepal's AI policy and its implications for the country's technological and economic development. The primary research method involved policy document analysis, which included a detailed examination of Nepal's AI Policy 2081 along with related national policies such as the Digital Nepal Framework 2076, National Cybersecurity Policy 2080, and ICT Policy 2072. Additionally, a comparative analysis explored AI policies from other countries, including India (National AI Strategy), China (Next Generation AI Plan), and the European Union (AI Act). A literature review further examined academic research, government reports, and industry white papers related to AI policy, ethics, and governance. Insights emerged on global AI trends, ethical concerns, and regulatory frameworks, particularly in developing countries. For data analysis, the study applied qualitative content analysis using policy evaluation frameworks to extract key themes from government documents and research papers. Comparative analysis contrasted Nepal's AI policies with those of other nations, while thematic categorization organized insights into different policy dimensions. In addition, the study applied the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis method developed by Albert Humphrey to assess Nepal's AI policy. This framework enabled a comprehensive evaluation of the policy's internal strengths and weaknesses, as well as external opportunities and threats, providing insights into potential strategies for improving the country's AI policy and positioning it for sustainable development.

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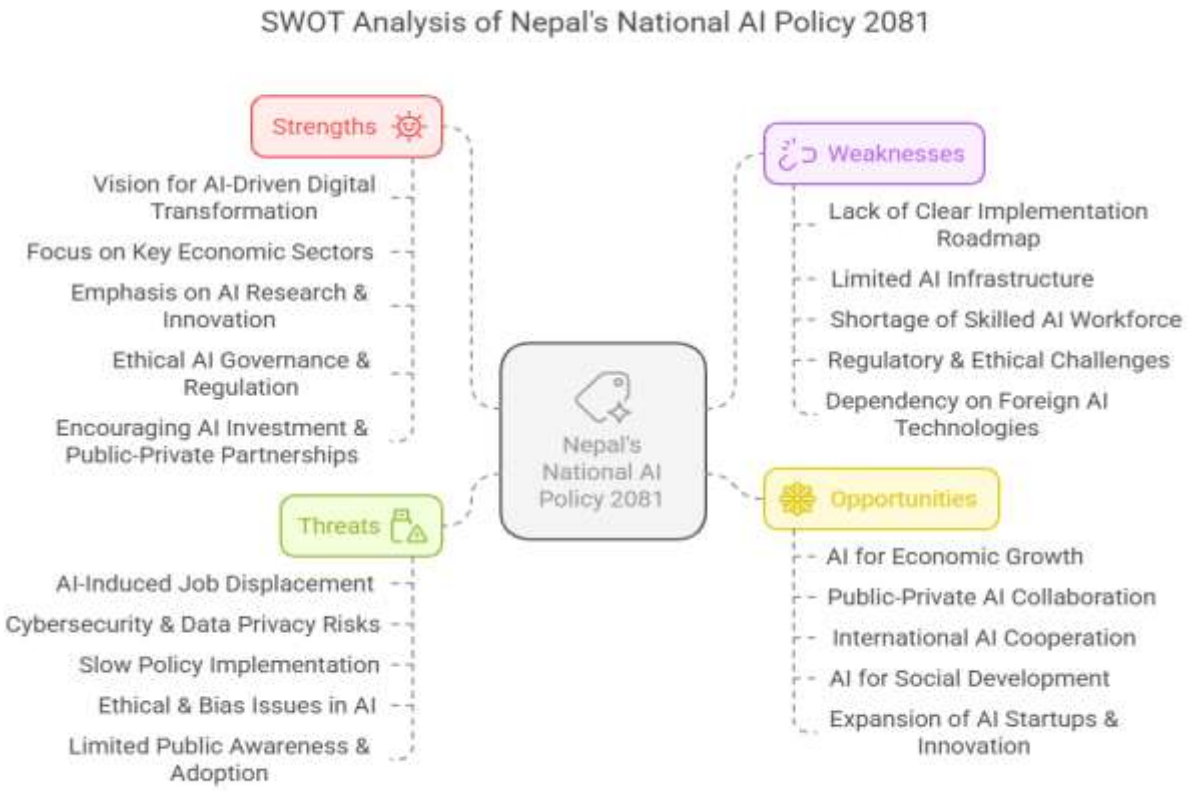
Critical SWOT Analysis of Nepal's National AI Policy 2081

Nepal's National AI Policy 2081 aims to guide the development, regulation, and responsible use of AI in Nepal. However, the policy presents strengths, weaknesses, opportunities as well as threats that require critical examination.



Strengths of Nepal's AI Policy

Vision for AI-Driven Digital Transformation: Nepal's AI policy sets a clear long-term vision for the digital transformation of its economy by integrating AI. The policy acknowledges AI as a key driver for modernizing industries and enhancing national productivity. Global research highlights the importance of AI in fostering economic growth, with Brynjolfsson and McAfee (2014) emphasizing AI's role in economic progress. The vision aims to align Nepal with international trends, facilitating global competitiveness. By focusing on AI adoption, Nepal seeks to catalyze

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technological advancement in its economy. This forward-looking perspective is essential for achieving sustainable development.

Focus on Key Economic Sectors: The AI policy emphasizes the application of AI in sectors critical to Nepal's development, including agriculture, healthcare, tourism, education, and governance. AI in agriculture can optimize farming practices, leading to increased productivity (Liakos, Busato, Moshou, Pearson, & Bochtis, 2018). Similarly, AI can enhance healthcare service delivery by improving diagnostics and resource management. Education systems can benefit from personalized learning tools. The policy also addresses governance, ensuring that AI supports public administration efficiency. Such targeted investments in AI can substantially boost national development. This sector-focused approach ensures that AI addresses pressing national needs.

Emphasis on AI Research & Innovation Nepal's: AI policy strongly encourages the development of AI research centers and educational programs. By fostering innovation in AI, the policy aims to cultivate a robust technological ecosystem. Establishing AI-focused universities and research institutes is key to ensuring a skilled workforce. Chui et al. (2018) assert that investing in education and research is fundamental for maintaining competitive advantage in the AI field. The emphasis on research encourages creativity and technological advancements. These steps are crucial to building Nepal's capacity for long-term AI-driven growth.

Ethical AI Governance & Regulation: The proposal of an AI Regulatory Council is a critical strength of Nepal's policy, focusing on ethical AI deployment and data protection. AI systems must operate transparently and fairly, which is why the policy prioritizes an ethical framework. O'Neil (2016) emphasizes the importance of algorithmic accountability in preventing biased AI decisions. The Regulatory Council ensures that AI solutions adhere to ethical standards, preventing harmful consequences. Ensuring data protection is crucial as AI systems rely heavily on data, which can be sensitive. This regulatory framework safeguards citizens and builds public trust in AI systems.

Encouraging AI Investment & Public-Private Partnerships: Nepal's policy promotes foreign direct investment (FDI) in AI and fosters public-private partnerships to support entrepreneurial ventures. FDI can provide the capital necessary for AI research and startup incubation. By facilitating public-private collaborations, the policy encourages shared expertise and resource pooling. Brynjolfsson and McAfee (2014) highlight how such collaborations can drive technological innovation. Furthermore, encouraging AI entrepreneurship is vital for creating a dynamic ecosystem. These measures ensure that Nepal is not only a consumer of AI technologies but also a hub for innovation.

Weaknesses of Nepal's AI Policy

Lack of Clear Implementation Roadmap: One of the key weaknesses of Nepal's AI policy is the absence of a well-defined implementation roadmap. Without specific timelines and budgets, it's

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challenging to measure progress or accountability. Clear assignments of responsibilities to agencies are necessary for efficient policy execution. West (2018) emphasizes that strategic planning and detailed roadmaps are crucial for AI integration into national development. The absence of these elements could lead to delays and inefficiencies in AI adoption. A comprehensive roadmap with clear milestones is essential for ensuring the success of AI initiatives.

Limited AI Infrastructure & Computing Power: The policy overlooks the current gaps in AI infrastructure, including the lack of high-performance computing (HPC) and cloud-based systems. HPC is crucial for processing complex AI algorithms and big data, while cloud computing offers scalable solutions. Nepal lacks the necessary technological infrastructure, which limits AI's potential. According to Brynjolfsson and McAfee (2014), adequate infrastructure is fundamental for AI development. Furthermore, the absence of a 5G network restricts data transfer speeds necessary for AI systems. Investing in infrastructure is key to unlocking AI's full potential in Nepal.

Weak Data Governance & Cybersecurity Provisions: Nepal's existing laws, such as the Electronic Transactions Act 2063, are outdated and do not address emerging AI privacy concerns. As AI systems rely heavily on vast amounts of data, it is crucial to ensure robust data protection laws. O'Neil (2016) stresses that inadequate data governance can result in privacy violations and public mistrust in AI systems. Furthermore, cybersecurity threats increase as AI systems become more integrated into critical sectors. Updating laws to address these risks is essential for fostering a secure and trustworthy AI ecosystem. Strengthening data governance and cybersecurity laws will safeguard both citizens and businesses.

Unclear AI Funding & Investment Strategies: The policy lacks a dedicated government-backed research fund for AI, which is a significant shortcoming. Without sustainable funding, AI research may struggle to take off or grow. Chui et al. (2018) highlight the importance of allocating funds to AI research and innovation to stay competitive in the global market. Inadequate funding may also limit the scope of AI projects, hindering the development of locally relevant solutions. The absence of clear investment strategies further exacerbates this issue. A dedicated AI research fund is essential to ensure long-term progress and success in AI development.

Potential Job Displacement Risks: AI adoption can lead to job displacement, especially in sectors like manufacturing and services. However, the policy does not propose clear plans for reskilling or upskilling workers affected by AI. Brynjolfsson and McAfee (2014) argue that AI can lead to job losses but can also create new opportunities if workers are trained for the changing job landscape. The absence of structured programs to mitigate job displacement risks could lead to increased unemployment. Establishing reskilling programs is crucial for preparing the workforce for AI-driven changes. This can also reduce resistance to AI integration across industries.

Opportunities in Nepal's AI Policy

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AI as a Driver of Economic Growth and Innovation: Nepal's AI policy envisions AI as a tool to accelerate economic development by promoting AI-driven startups, research institutions, and AI-based industries. The policy encourages investment in AI entrepreneurship, aiming to enhance productivity, reduce operational costs, and generate employment opportunities across various sectors. AI integration in manufacturing, finance, and services will increase automation, leading to greater efficiency and innovation. Studies indicate that AI-driven economies can experience up to a 14% increase in GDP by 2030 (Bughin et al., 2018). The policy also emphasizes the creation of AI research hubs and support for AI startups through financial incentives and public-private partnerships.

AI for E-Governance and Public Service Efficiency: The AI policy prioritizes e-governance by leveraging AI to enhance transparency, reduce corruption, and improve government efficiency. AI can be used in citizen service delivery, such as automating government documentation, streamlining social welfare programs, and optimizing public resource allocation. AI-driven chatbots and automated systems can improve public access to information, reducing bureaucratic delays. Countries like Estonia and India have successfully integrated AI into public governance, significantly reducing inefficiencies and enhancing digital service delivery (Kulal et al., 2024). Furthermore, AI-powered analytics can enhance decision-making in governance, making Nepal's public administration more responsive and data-driven.

AI for Agriculture and Rural Development: Agriculture remains a key sector in Nepal, and AI presents significant opportunities to modernize farming practices. The policy outlines AI-driven initiatives for precision agriculture, using AI-based weather forecasting, soil analysis, and automated irrigation systems to enhance productivity. Various study shows that AI-powered drones and remote sensing can enhance real-time monitoring of crop health, helping farmers make data-driven decisions, Machine learning algorithms can help farmers predict crop yields, manage pests, and optimize resources (Chlingaryan et al., 2018).

AI in Healthcare and Medical Advancements: The AI policy recognizes the transformative potential of AI in healthcare. AI-powered diagnostic tools can assist in early disease detection, medical imaging analysis, and personalized treatment plans. The policy supports AI-driven telemedicine solutions, which will be critical for remote healthcare access in Nepal's rural regions. AI-powered imaging tools, such as those used in cancer detection, have demonstrated accuracy rates of over 90% in early diagnosis (Quader, Roberge, Wang, & Weinstein, 2024). AI integration in hospitals can improve patient management, reduce workload for doctors, and enhance overall healthcare efficiency.

AI in Disaster Management and Climate Change Mitigation: Nepal is highly prone to natural disasters such as earthquakes, landslides, and floods. The policy emphasizes the use of AI for early warning systems, real-time disaster monitoring, and rapid response coordination. AI-based systems have proven to reduce disaster response times by up to 50% in earthquake-prone areas

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(Şimşek et al., 2023). AI-powered satellite imagery and drone-based monitoring can help in post-disaster damage assessment, allowing for faster and more effective disaster relief efforts. AI can also contribute to climate change mitigation by analyzing environmental data to improve forest conservation, air quality management, and water resource optimization.

AI in Education and Workforce Development: AI-driven education solutions, such as personalized learning, AI tutors, and automated grading, can improve learning efficiency and reduce educational disparities (Wang et al., 2024). The policy promotes the establishment of AI training centers, AI research institutes, and AI-focused academic programs in Nepal's universities. The policy also emphasizes the importance of AI skill development, ensuring Nepal's workforce is equipped with AI literacy, data science expertise, and programming skills to remain competitive in the global AI market.

Threats in Nepal's AI Policy

Lack of AI Infrastructure and Computational Resources: Nepal lacks high-performance computing (HPC), cloud infrastructure, and AI data centers, which are essential for AI development (Bughin, Seong, Manyika, Chui, & Joshi, 2018). AI development requires substantial computational power, high-speed internet, and data storage facilities, which are currently underdeveloped in Nepal. The absence of 5G technology, limited AI research funding, and low investment in AI labs could slow down AI innovation and adoption.

Ethical Risks and AI Bias: AI models inherit biases from training data, leading to discriminatory outcomes in hiring, lending, law enforcement, and public policy decisions. The policy acknowledges the need for AI fairness and ethical safeguards, but Nepal lacks a robust AI governance framework to regulate biased AI models and unethical AI usage. If AI systems are not carefully monitored and audited, they may reinforce existing inequalities and create social and economic disparities.

Cybersecurity and Data Privacy Concerns: AI-driven digital systems are vulnerable to cyberattacks, hacking, and misinformation (Acemoglu & Restrepo, 2019). The lack of strong data protection laws and cybersecurity frameworks makes Nepal susceptible to AI-driven cyberattacks. Without clear AI security policies, sensitive government, financial, and personal data could be misused or exposed. The policy must ensure strict AI cybersecurity measures and compliance with global data protection standards.

Dependency on Foreign AI Technologies: Nepal relies heavily on foreign AI tools and cloud computing services, raising concerns about data sovereignty and loss of national control over AI research (Zuboff, 2019). Since most AI models, cloud computing services, and machine learning algorithms are controlled by global tech giants like Google, Microsoft, and OpenAI, Nepal risks losing control over its AI data and infrastructure. The AI policy recognizes this challenge but does

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not provide a clear roadmap for developing local AI models and fostering homegrown AI innovation.

Job Displacement and Workforce Disruptions: The automation potential of AI poses a threat to traditional jobs, particularly in manufacturing, customer service, administration, and agriculture. AI automation has already eliminated 20-30% of routine jobs in industrialized nations (Acemoglu & Restrepo, 2019) . The policy acknowledges the risk of AI-driven unemployment but does not provide a detailed workforce transition strategy. Without proper retraining programs and AI education, workers in low-skilled jobs may struggle to adapt, leading to economic instability and job losses.

Resistance to AI Adoption and Digital Divide: Despite AI's potential, many industries, government institutions, and businesses may resist AI adoption due to digital illiteracy, lack of awareness, and fear of change. AI adoption rates in developing nations are 40% lower than in AI-leading countries, mainly due to technological gaps and lack of AI literacy (Brynjolfsson et al., 2021). The digital divide between urban and rural regions could widen socio-economic inequalities, as rural areas may lack AI infrastructure, internet connectivity, and AI-skilled professionals. The AI policy promotes AI awareness and literacy programs, but effective implementation strategies are necessary to ensure equal AI access across all demographics.

Recommendations

Develop a Detailed Implementation Roadmap: To address the lack of a clear implementation plan, the policy should outline specific budgets, timelines, and responsible agencies for AI initiatives. West (2018) emphasizes the importance of strategic planning and accountability for effective AI integration. By assigning clear responsibilities, stakeholders can track progress and make adjustments as needed. Detailed plans will ensure that AI adoption is managed efficiently and aligns with national priorities. This will also facilitate monitoring and evaluation, ensuring timely delivery of AI-related outcomes. A detailed roadmap is essential for sustaining momentum in AI policy execution.

Strengthen AI Talent Development: Introducing AI-specialized degree programs and offering government scholarships will help build a robust AI talent pool in Nepal. Chui et al. (2018) highlight the importance of investing in AI education to ensure a skilled workforce. By providing training opportunities, Nepal can cultivate local AI experts who will drive future innovations. Scholarships can incentivize students to pursue AI fields, while specialized programs will offer in-depth knowledge. Such initiatives are crucial to building capacity for AI research and application. These investments in education will provide the necessary human resources for AI-driven growth.

Invest in AI Infrastructure & Computing Power: Nepal must prioritize the development of high-performance computing centers, AI-ready cloud infrastructure, and 5G networks. Brynjolfsson and McAfee (2014) stress that infrastructure investment is crucial to realizing AI's full potential. These

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advancements will support AI research, innovation, and real-time data processing. Building these technological foundations will enable Nepal to compete globally in AI. These infrastructure investments are necessary to create an AI ecosystem that fosters research, collaboration, and development. They will also improve AI application deployment in critical sectors like healthcare and agriculture.

Enhance AI Ethics, Data Security & Cyber Laws: Nepal should implement a Data Protection Law and establish an AI Ethics Framework to govern AI deployments. O'Neil (2016) emphasizes that ethical standards and privacy laws are crucial for public trust in AI systems. The AI Ethics Framework would ensure that AI solutions operate transparently, fairly, and without bias. Additionally, updating cyber laws to address AI-related challenges will protect citizens' data. These measures will ensure that AI technologies are deployed responsibly and ethically. Strengthening these laws will prevent misuse of AI technologies and mitigate public concerns.

Secure AI Research Funding & Investment: Establishing a national AI research fund and providing tax incentives for AI startups will encourage innovation and attract investment. Chui et al. (2018) argue that public and private sector funding is vital for AI research and innovation. A national AI research fund will ensure continuous financial support for pioneering projects and collaborations. By offering tax incentives, Nepal can attract both local and foreign investors to the AI sector, stimulating economic growth. Encouraging private investment will also create a competitive environment, leading to faster development of AI technologies. These initiatives will position Nepal as a hub for AI innovation, increasing its global competitiveness in the field. Investment in AI research is essential to advance technological capabilities and foster a sustainable AI ecosystem.

Foster Public-Private Partnerships: To foster collaboration between government, academia, and the private sector, Nepal should establish AI-focused innovation hubs and incubators. West (2018) notes that public-private partnerships accelerate the development and deployment of AI solutions. Innovation hubs will provide a space for collaboration, allowing AI researchers and companies to work together on cutting-edge projects. These partnerships can enhance knowledge exchange, resource sharing, and the scaling of AI technologies. By fostering such partnerships, Nepal can leverage expertise from various sectors to develop AI solutions that address national challenges. Collaboration will also help create an ecosystem that nurtures AI talent and entrepreneurship.

Promote AI Awareness & Inclusivity: Raising awareness about AI's potential and ensuring inclusivity in AI policy is critical for broad societal acceptance. Brynjolfsson and McAfee (2014) argue that public understanding of AI's benefits and risks is key to its successful integration. Awareness campaigns will inform the public about AI's role in improving services and quality of life. Additionally, inclusivity efforts will ensure that marginalized groups are not left behind in the AI revolution. The government should also engage with diverse stakeholders, ensuring that AI

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policies reflect the needs and concerns of all segments of society. Promoting inclusivity will help build a more equitable and sustainable AI ecosystem in Nepal.

Aligning AI Policy with Ground Realities: Nepal's AI Policy 2081 must be revised to reflect the actual adoption of AI in organizations, which remains minimal beyond basic applications like sophisticated attendance systems. While the policy outlines ambitious AI integration plans, most organizations in Nepal lack the infrastructure, expertise, and readiness to implement AI-driven solutions effectively. Policymakers must conduct in-depth studies of ground realities, assessing the current state of AI adoption across industries. By engaging with businesses, public institutions, and technology experts, they can identify practical barriers and amend the policy to offer realistic, phased AI implementation strategies. This evidence-based approach will ensure that AI policies are not merely aspirational but actionable, fostering a gradual and sustainable AI transition across sectors.

Conclusion

Nepal's National AI Policy 2081 presents both significant opportunities and challenges for the country's future growth. The policy lays a strong foundation for AI-driven transformation across key sectors like agriculture, healthcare, education, and governance, with an emphasis on AI innovation, ethical governance, and public-private partnerships. These strengths position Nepal well to leverage AI as a driver for economic development, improved public services, and a more efficient, transparent government. However, the policy's effectiveness hinges on addressing several critical weaknesses. The lack of a detailed implementation roadmap, the insufficient AI infrastructure, outdated data protection laws, and the absence of a clear funding strategy pose substantial barriers to achieving the intended goals. Moreover, potential job displacement and societal resistance to AI adoption present challenges that must be mitigated through workforce reskilling programs and inclusive digital literacy initiatives. To maximize the potential of AI, Nepal must focus on strengthening AI talent development, improving computational infrastructure, and updating legal frameworks to address data privacy and cybersecurity concerns. Additionally, fostering local innovation through AI research and development, while managing the risks of foreign technological dependency, will be key to Nepal's long-term success in the AI space. By addressing these weaknesses and capitalizing on the identified opportunities, Nepal can harness the transformative power of AI to foster inclusive growth, enhance public sector efficiency, and build a more resilient economy. The country's AI policy has the potential to be a cornerstone of sustainable development, provided it is implemented with strategic foresight, effective governance, and a commitment to ethical and equitable AI practices.

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