



CYPRUS
COMPUTER
SOCIETY

ARTIFICIAL INTELLIGENCE

CCS VIEWS ON THE NATIONAL AI STRATEGY



**CCS Comments and Recommendations in the Public Consultation on the National Artificial
Intelligence (AI) Strategy of the Republic of Cyprus**

INTRODUCTION

The Cyprus Computer Society (CCS) welcomes the publication of the National AI Strategy 2032 and considers it an important and necessary step for Cyprus to move forward in a coordinated and responsible way in the field of Artificial Intelligence. A clear national strategy is essential for creating a common direction, supporting investment and innovation, strengthening public-sector capabilities, and ensuring that AI developments deliver meaningful benefits for the economy and society.

Recognising the strategic importance of Artificial Intelligence for Cyprus, and with full respect for the extensive work undertaken by the competent authorities, and in response to the call for public consultation, we are pleased to contribute the following comments and suggestions, with the aim of further supporting the implementation as well as the practical delivery of the Strategy.

The comments below are offered in a constructive spirit and acknowledge that, in most cases, the National AI Strategy already includes the relevant principle or refers to the issue concerned. The National AI Strategy already sets out governance structures, control gates, data governance, infrastructure planning, skills development and measurement arrangements at a strategic level. Therefore, they should be viewed as suggestions for further consideration, rather than observations that these subjects are absent.

The purpose of the comments is more specific: to consider how the National AI Strategy can support and ensure effective implementation of the principles it sets out. Hence, rather than proposing new directions or changes to the National AI Strategy's priorities, our comments focus on the operational detail that can determine whether a strategy is effectively delivered. This is particularly important for AI initiatives, which depend on sustained funding, good data, capable public organisations and effective management of external suppliers. A project may be legally compliant and technically sound, yet still be delayed, exceed its budget or fail to deliver the expected benefits. The comments therefore address areas such as project-delivery assurance, requirements and user acceptance, change control, lifecycle costs, benefits realisation and the organisational capability required to act as effective owners of AI initiatives. The comments are therefore intended as practical refinements to strengthen implementation and help ensure that the National AI Strategy's principles lead to tangible results for citizens, public administration and the wider economy.

STRATEGIC PERSPECTIVE

The Cyprus National AI Strategy 2032 provides a strong and ambitious foundation for positioning Cyprus as a trusted and competitive participant in the European AI ecosystem.

Its breadth, focus on sovereignty and infrastructure, commitment to responsible AI and alignment with European requirements provide a solid basis for implementation.

To maximise its impact, the Strategy could benefit from clear prioritisation and a focused implementation approach, reflecting Cyprus's particular strengths, capabilities and opportunities.

A compelling strategic positioning could be: "Cyprus: Europe's trusted AI gateway to the Eastern Mediterranean."

This could be supported by focusing on

- AI deployment,
- AI assurance,
- regulated experimentation,
- sectoral AI,
- European market access and
- regional connectivity,

while at the same time leveraging European partnerships and infrastructure.

The success of the Strategy should ultimately be reflected not only in initiatives established by 2032, but in

- measurable productivity gains,
- better public services,
- a stronger AI workforce,
- successful AI companies,
- increased AI exports,
- recognised research and
- trusted AI deployment.

In short: Cyprus has an opportunity to build on a strong AI strategy by sharpening its priorities and focusing implementation where the country can create the greatest value.

Comments and Suggestions

1. Multi-year and sustainable funding

The National AI Strategy could give more detail on the financial arrangements needed to support its implementation over the longer term. In particular, it would be useful to have clearer information on how funding for major initiatives will continue after the initial implementation phase and how this funding will be linked to agreed priorities and delivery milestones.

Reference in Strategy: §1.4.9 Sustainability and Economic Model, p.6, where the Strategy refers to “Multi-year investment with clear ROI tracking”; and §3.10.3 Funding and Renewal Model, p.44, which refers to a multi-year renewal cycle and predictable capacity.

2. Project-level milestones and completion criteria

In addition to the high-level implementation periods set out in the National AI Strategy, consideration could be given to having more detailed implementation plans for important initiatives. These could include key milestones, expected deliverables, dependencies and target completion dates, together with clear and measurable criteria for deciding whether each stage of a project has been successfully completed.

Reference in Strategy: §1.5 Implementation Timeline and Success Metrics, p.6, which sets out the general 0–8 month, 6–12 month, 12–24 month and 2026–2032 periods. Also §3.3.2 Control Framework, p.27, which establishes approval gates throughout the lifecycle.

3. Reporting, coordination, escalation and corrective action

The National AI Strategy could further specify the operational mechanism through which progress reporting, cross-government coordination and accountability will function in practice, particularly for significant or cross-government initiatives. This could include defined reporting responsibilities, reporting frequency, escalation thresholds, procedures for resolving implementation bottlenecks, and the circumstances under which corrective action or intervention is required.

Reference in Strategy: §3.3.1 Governance Structure, pp.23–25, which establishes the National AI Authority, Interministerial AI Council and related governance bodies; and §3.11.3 Monitoring and Reporting, p.45, which provides for regular KPI monitoring and corrective action.

4. Formal project-delivery assurance

For major public-sector AI initiatives, consideration could also be given to having a formal project-delivery assurance process at key stages of implementation. This would complement the National AI

Strategy's existing governance and risk controls and would provide a more specific check that projects remain within their agreed scope, budget and timetable, that key risks and dependencies are being managed, and that they are ready to move to the next stage. This would help ensure that approval gates consider not only AI-related risks, but also the overall progress and viability of the project.

Reference in Strategy: §3.3.2 Control Framework, p.27, which establishes lifecycle controls and approval gates; and Annex B, AI Use Case Lifecycle and Control Gates, pp.57–59.

5. Requirements and user acceptance

For significant public-sector AI initiatives, it would be useful to ensure that the business and user requirements are clearly defined before procurement or development starts, together with appropriate acceptance criteria. The intended users should also have a meaningful role during design, testing and acceptance, so that the solution being implemented meets the needs for which it was originally intended.

Reference in Strategy: §3.4.2 Use Case Driven Approach, p.28, which requires the problem to be defined before selecting a solution; §3.4.5 Capacity Building and Change Management, p.29; and Annex B, Stage 2 and Stage 3, pp.58–59, concerning design, testing and deployment readiness.

6. Formal change-control mechanism

The National AI Strategy could give more detail on how significant changes to an AI project should be managed during implementation. Changes affecting the scope, requirements, cost, timetable or expected benefits could be documented and assessed before they are submitted for approval at the appropriate level. Significant changes could also trigger a further review where necessary.

Reference in Strategy: §3.3.2 Control Framework, p.27, which requires approval gates before “material modifications” to AI systems; and Annex B, Stage 5, p.59, which provides for adaptation or modification during the lifecycle.

7. Independent assurance at major gates

For major or high-value public-sector AI initiatives, consideration could be given to obtaining independent assurance at key stages of the project lifecycle, especially before procurement, major commitments of resources, deployment and later scaling. The level of such assurance could be based on the financial, operational and wider importance of the initiative.

Reference in Strategy: §3.3 Governance and Controls, p.21, which refers to internal or external assurance; and Annex B, pp.57–59, which establishes the lifecycle control gates.

8. Strengthening the “intelligent client” capability

The National AI Strategy could place more emphasis on the capabilities that public bodies need in order to act as effective and informed owners of AI initiatives. This includes not only understanding the technology, but also being able to define requirements, manage procurement and contracts, oversee suppliers, be actively and effectively involved in testing and acceptance and keep accountability within the public organisation even when implementation is outsourced.

Reference in Strategy: §2.2.4 Skills and Organisational Readiness, p.10, which states that some public organisations lack the internal capability to identify, procure and manage AI systems; and §3.6.3 Public-Sector Capability, p.37, which requires public servants to commission, evaluate and manage AI systems, including where outsourced.

9. Procurement and contract-management capability

Given the likely use of external technology providers and implementation partners for a significant part of AI adoption, the Strategy could give more attention to the capabilities needed to manage these relationships effectively. This could include preparing suitable technical specifications, setting clear and measurable deliverables, having appropriate acceptance arrangements, monitoring supplier performance, ensuring knowledge transfer and making sure that the public body keeps enough control over the system throughout its lifecycle.

Reference in Strategy: §3.4.1 Priority Areas for Government Adoption, p.32, which refers to the transition toward AI-first procurement models; §3.3.2 Control Framework, p.27, concerning procurement and delivery partners; and Objective 8, §2.5.8, pp.17–18, concerning partnerships, knowledge transfer, interoperability and portability.

10. Total lifecycle cost, not only implementation cost

The National AI Strategy could place more emphasis on considering the total cost of an AI initiative over its full lifecycle, rather than focusing mainly on the initial investment. This should include, where relevant, the costs of implementation and integration, infrastructure, licences, support and maintenance, future upgrades, skills, and eventual replacement or decommissioning.

Reference in Strategy: §3.10 Sustainability and Economic Model, p.44, which addresses financial resilience and multi-year renewal; and Annex B, Stage 5, p.59, which includes adaptation and decommissioning.

11. Explicit benefits-realisation and stop/continue decisions

The National AI Strategy could place more emphasis on checking whether the expected benefits of significant AI initiatives are actually being achieved. It would be useful for the expected benefits to be identified at the beginning, with a baseline where possible, so that progress can later be measured. If an initiative is not delivering the expected results, or if its cost, risks or performance have changed significantly, there should be a clear process for deciding whether corrective action is enough or whether the initiative should be modified, reduced or brought to an end.

Reference in Strategy: §3.11.1–3.11.4 Outcomes-Focused Measurement, National KPIs, Monitoring and Reporting, Learning and Continuous Development, pp.44–45; and Annex B, Stage 4–5, pp.59–60.

12. Skills and organisational capability

The National AI Strategy could provide more detail on the organisational and professional capabilities that public-sector organisations will need for the effective adoption and management of AI. This should go beyond general AI awareness and technical skills and include the ability to define needs and requirements, assess and select solutions, manage procurement and implementation, oversee external providers, and assess the performance and risks of AI systems throughout their lifecycle.

Reference in Strategy: §2.2.4 Skills and Organisational Readiness, p.10, which notes that some public-sector organisations lack the internal capability to identify, procure and manage AI systems; and §3.6.3 Public-Sector Capability, p.37, which refers to the ability of public servants to commission, evaluate and manage AI systems, including where these are outsourced.

13. AI infrastructure capacity, scalability and sustainability

Given the National AI Strategy's ambition to develop sovereign and scalable AI capabilities in Cyprus, it could give more attention to the longer-term capacity, scalability, resilience and sustainability of the national AI infrastructure that will be needed. For major initiatives such as G-Cloud and national AI compute and data capabilities, it would be useful to consider from the beginning the expected capacity requirements, the ability to scale, key dependencies, lifecycle and renewal requirements, and how infrastructure investment will remain aligned with future public-sector and national AI needs.

Reference in Strategy: §3.7 Infrastructure, Compute and Digital Sovereignty, p.38, which identifies infrastructure as a foundational prerequisite for AI adoption and states that Cyprus currently lacks a National AI Infrastructure capable of supporting its long-term AI ambitions. It also sets out requirements concerning secure storage, processing capacity, connectivity, secure deployment environments and access to advanced computing resources.

In addition, §3.3.1.4 National AI Infrastructure Committee, p.24, assigns responsibility for strategic oversight of national AI compute resources, infrastructure sustainability, operational performance and related economic models. The Strategy also specifically states, in its implementation section, p.39, that Cyprus is currently in the procurement process for G-Cloud and identifies concrete early deliverables and milestones for its implementation.

14. Data governance, quality and readiness

The National AI Strategy could give more attention to the practical requirements for ensuring that data is ready to support significant AI initiatives. This could include clear responsibility for data ownership and quality, common standards and definitions, interoperability between systems, appropriate arrangements for secure data sharing, and checks that the required data is available and fit for purpose before major AI initiatives move into implementation.

Reference in Strategy: §3.2 Data as a Strategic National Asset (p.19); §3.2.2 Data Governance and Stewardship (p.20); §3.2.3 Interoperability and Secure Data Sharing (p.20); §3.2.4 Data by Design in Public Systems (p.20).

15. Prioritisation of AI Adoption in Sectors of Existing National Strength

The National AI Strategy appropriately identifies a number of priority sectors in which Cyprus already has established economic activity, institutional capacity and comparative advantages. These include public administration, financial services, healthcare, tourism, legal services, education, shipping and entrepreneurship.

This approach is considered appropriate for a small, services-oriented economy. Rather than dispersing limited financial, institutional and human resources across a broad range of sectors, Cyprus should prioritise areas where there is already sufficient sectoral expertise, market demand, data availability and potential for measurable economic or public-sector impact.

A comparable approach can be identified in Singapore's National AI Strategy 2.0. Singapore does not seek to develop leadership across all possible areas of artificial intelligence. Instead, it concentrates national efforts around defined strategic priorities, including government, industry, research, talent and computing infrastructure, while supporting selected areas and centres of excellence.

It is therefore recommended that the National AI Strategy retain this sectoral prioritisation and strengthen it through a clear implementation framework. For each priority sector, the Strategy should identify specific AI use cases, measurable objectives, responsible authorities, implementation timelines, required investment and expected outcomes.

This would help ensure that sectoral prioritisation moves beyond a general statement of intent and becomes a practical mechanism for allocating resources, coordinating implementation and assessing results.

Reference: Singapore National AI Strategy 2.0, Smart Nation Singapore.

<https://www.smartnation.gov.sg/initiatives/national-ai-strategy/>

Reference in strategy: § 1.2 The National Strategic Objectives and Priority Sectors p.2

16. Treat Data Architecture as Core National AI Infrastructure

The National AI Strategy correctly identifies data fragmentation as one of the main structural barriers to effective AI adoption in Cyprus.

The proposed approach is particularly important. The Strategy refers to federated data architecture, secure APIs, standardised metadata, sectoral data spaces and controlled access mechanisms, rather than relying on unnecessary centralisation of government and sectoral data.

This should be considered a core strength of the Strategy. Effective AI systems depend on reliable, interoperable and accessible data. Without common standards, secure data exchange mechanisms and clear governance arrangements, investment in individual AI applications is likely to produce fragmented results and limited scalability.

Estonia provides a useful international benchmark. Its AI development builds on an already highly integrated digital-state infrastructure. The Estonian Information System Authority, RIA, operates Bürokratt and continues to develop secure infrastructure that supports AI assistants and digital public services across government.

Cyprus should therefore treat data architecture as a strategic infrastructure priority rather than as a supporting technical issue. The implementation of the National AI Strategy should include clear interoperability standards, common metadata requirements, secure API frameworks, data governance responsibilities and measurable targets for connecting priority public-sector datasets and systems.

This would create the technical foundation required for AI systems to operate across government and would reduce the risk of developing isolated applications that cannot communicate, share data securely or scale across institutions.

Reference: Estonian Information System Authority, Artificial Intelligence.

<https://ria.ee/en/state-information-system/artificial-intelligence>

Reference in strategy: § 3.2 Data as a Strategic National Asset p.19

17. Adopt a “Build Once, Reuse Across Government” Approach

The National AI Strategy’s proposal to develop shared national AI services and reusable capabilities across ministries is one of its stronger operational elements.

Rather than allowing individual ministries and public authorities to procure similar AI tools independently, the Strategy promotes the development of common capabilities that can be deployed and reused across government. This approach can reduce duplication, lower procurement and maintenance costs, improve interoperability and support more consistent standards for security, data governance and system performance.

The United Kingdom provides a relevant international comparison. Its AI Opportunities Action Plan includes recommendations for greater infrastructure interoperability, code reusability and the development of a scalable government AI technology stack. These recommendations reflect the broader principle that common digital and AI infrastructure can support faster and more coordinated adoption across the public sector.

It is therefore recommended that Cyprus formalise the “build once, reuse across government” principle as a core implementation requirement of the National AI Strategy. Shared components should be developed for capabilities that are common across ministries, including AI assistants, document processing, language technologies, data access services and other horizontal functions.

The implementation framework should also define which authority will own and maintain these shared services, how ministries will access them and under what circumstances separate procurement will be permitted.

This approach would reduce fragmentation and help ensure that public investment in AI creates reusable national infrastructure rather than a series of isolated departmental systems.

Reference: UK Government, AI Opportunities Action Plan: Government Response, Recommendations 41 and 42.

<https://www.gov.uk/government/publications/ai-opportunities-action-plan-government-response/ai-opportunities-action-plan-government-response>

Reference in strategy: § 3.5 Priority Sectors p.29

18. Introduce a Consolidated and Costed National AI Implementation Plan

The National AI Strategy does not currently provide a consolidated estimate of the financial resources required for implementation.

The Strategy states that budget allocations should be aligned with performance objectives, but it does not present an overall national AI budget or a costed implementation framework covering the main programmes, infrastructure investments and institutional responsibilities.

This gap is also visible in the section on sovereign AI infrastructure, where the Strategy proposes the development of a roadmap, governance model and funding plan. This indicates that important elements of the financing framework remain to be defined after the Strategy is adopted.

International examples show the value of linking strategic ambitions to clearly identified funding commitments. Singapore's National AI Strategy 2.0 includes concrete programme-level funding, including the S\$150 million Enterprise Compute Initiative. France has also linked its AI ambitions to substantial infrastructure investment commitments, including €109 billion announced in 2025.

These figures are not directly comparable with Cyprus and should not be treated as benchmarks for the level of expenditure required. The relevant lesson is that a national AI strategy should provide greater clarity on the expected cost of its ambitions and on how those costs will be financed.

It is therefore recommended that Cyprus publish a consolidated, costed implementation plan alongside the National AI Strategy. This should include estimated capital and operating expenditure, funding sources, expected EU and national contributions, procurement timelines and indicative expenditure by major programme or strategic pillar.

A costed implementation plan would make the Strategy more credible, improve accountability and allow government, Parliament and the public to assess whether the resources committed are proportionate to the stated objectives.

References:

Singapore, National AI Strategy 2.0, Smart Nation Singapore.

<https://www.smartnation.gov.sg/initiatives/national-ai-strategy>

France, AI Action Summit and AI-related investment commitments, Élysée, 2025.

<https://www.elysee.fr/admin/upload/default/0001/18/6cd9e17ec44a1c92e099626f065781cf69fa394e.pdf>

Reference in strategy: § 3.3.1 Governance Structure p.22 & 3.7.3 Digital Sovereignty and Strategic Autonomy, p. 39

19. Simplify the Governance Structure and Clarify Accountability

The National AI Strategy establishes a broad governance architecture involving several categories of bodies, in addition to ministry-level responsibilities. While the Strategy assigns roles across these structures, the number of institutions and interfaces involved could create overlapping responsibilities and slow implementation.

The proposed model gives the central Authority a coordinating and gatekeeping role, while ministries retain operational responsibility. At the same time, the Taskforce has a separate role in monitoring implementation. This creates multiple points of interaction between policy coordination, operational delivery, oversight and performance monitoring.

The concern is therefore not that responsibilities are entirely undefined. The main risk is that a complex governance structure may create uncertainty over who is ultimately accountable for decisions, delays, budget execution and delivery outcomes.

Singapore provides a useful international comparison. Its national AI governance model has moved toward stronger top-level coordination, including the establishment of a National AI Council chaired by the Prime Minister. This reflects an effort to strengthen strategic direction and decision-making at the highest level.

It is therefore recommended that Cyprus review whether all proposed governance bodies are necessary and clearly distinguish between strategic oversight, regulatory functions, implementation responsibility and performance monitoring.

The final governance framework should identify one clearly accountable authority for overall delivery, define escalation mechanisms for unresolved issues and minimise duplication between coordinating and monitoring bodies. A simple responsibility matrix should also specify which institution is accountable, responsible, consulted and informed for each major action.

This would reduce execution risk and help ensure that governance arrangements support implementation rather than adding further administrative complexity.

Some critical unanswered questions are:

- Who ultimately owns delivery?
- Who controls the implementation budget?
- Who can stop an underperforming project?
- Who is accountable for missed KPIs?
- How are conflicts between ministries resolved?

Reference:

Singapore, National AI Strategy 2.0, Smart Nation Singapore.

<https://www.smartnation.gov.sg/initiatives/national-ai-strategy/>

Reference in strategy: § 3.3.1 Governance Structure p.22

20. Replace the “Three Unicorns” Target with Broader Economic Impact Indicators

The National AI Strategy identifies the creation or attraction of “three unicorns” as one of the objectives associated with the proposed AI Innovation Fund. While this provides a visible ambition for the development of the AI ecosystem, unicorn creation should not be treated as a primary indicator of economic success.

A unicorn valuation is primarily the result of private financing rounds and investor expectations. It does not necessarily demonstrate that a company has generated sustainable revenues, created high-productivity employment, developed intellectual property in Cyprus or contributed significantly to exports and the wider economy.

For this reason, the Strategy should place greater emphasis on measurable indicators of underlying economic activity and value creation. These could include AI-related exports, revenue generated by supported companies, intellectual property developed and retained in Cyprus, private follow-on investment, the number and quality of high-productivity jobs created, research commercialisation and the proportion of supported companies that successfully scale into international markets.

The objective should not necessarily be to remove ambition around developing globally competitive technology companies. Rather, the success of the AI Innovation Fund should be assessed through a broader set of economic indicators that measure whether public support is creating sustainable economic value in Cyprus.

It is therefore recommended that the “three unicorns” target be treated as a secondary ambition rather than a core economic KPI and that the Strategy introduce a balanced set of measurable indicators covering company growth, exports, intellectual property, private investment and employment.

This would provide a more meaningful basis for evaluating whether public investment in the AI ecosystem is producing sustainable economic outcomes.

Reference in strategy: § 5. Immediate Steps for the Strategy Launch p.50

21. Strengthen Demand-Side Support Through Public Procurement

The National AI Strategy includes a broad range of measures to support startups and scaleups, including access to funding, computing infrastructure, regulatory sandboxes, testbeds and other support mechanisms.

These measures are important, but they remain largely supply-side in nature. They focus on helping companies build products, access infrastructure and navigate regulation. Less emphasis is placed on

creating domestic demand for those products and helping innovative companies secure their first significant customers.

The United Kingdom's AI Opportunities Action Plan provides a useful comparison. It places greater emphasis on the role of the state as a customer of AI solutions, including procurement reform and the use of government purchasing power to support innovation and shape emerging AI markets.

For Cyprus, this could be particularly relevant. A small domestic market can make it difficult for startups to secure early reference customers, validate products at scale and demonstrate commercial traction before expanding internationally.

It is therefore recommended that the National AI Strategy complement existing startup support measures with a stronger demand-side policy. This should include mechanisms that make it easier for ministries and public authorities to procure innovative AI solutions from startups and SMEs, launch challenge-based procurement programmes, conduct structured pilots with clear pathways to production, and create opportunities for successful solutions to scale across government.

The objective should not be to add further incubators or support programmes alone, but to create a functioning market in which innovative companies can sell, deploy and scale their solutions.

A stronger procurement and demand-side approach would improve the commercial impact of public support and help convert innovation funding into revenues, reference customers, exports and sustainable company growth.

References:

UK Government, AI Opportunities Action Plan.

<https://www.gov.uk/government/publications/ai-opportunities-action-plan/ai-opportunities-action-plan>

UK Government, AI Opportunities Action Plan: Government Response.

<https://www.gov.uk/government/publications/ai-opportunities-action-plan-government-response/ai-opportunities-action-plan-government-response>

Reference in strategy: § 3.8 Research, Innovation and Ecosystem Development p.40

22. Differentiate the “3,000 AI Professionals” Target by Skill Category

The National AI Strategy sets a target of approximately 3,000 AI professionals and includes within this figure a wide range of occupational categories, such as AI engineers, data scientists, no-code developers, prompt engineers and certified specialists.

While the ambition to expand Cyprus’ AI talent base is positive, a single headline target risks combining substantially different levels and types of capability. Frontier technical skills, applied AI engineering, data science, no-code development and general AI proficiency serve different economic and institutional needs and should not be treated as equivalent.

The United Kingdom’s AI Opportunities Action Plan places emphasis on first developing an accurate assessment of the national AI skills gap before designing interventions. This reflects the importance of understanding which specific skills are scarce, in which sectors, and at what level of technical depth.

Finland also provides a useful reference through an approach that links skills development with industrial adoption and measurable implementation indicators. This allows talent policy to be connected more directly to the needs of the economy rather than being assessed only through aggregate participation numbers.

It is therefore recommended that Cyprus replace or supplement the headline target of 3,000 AI professionals with a more detailed skills framework. This should distinguish between advanced AI researchers, machine learning and AI engineers, data professionals, applied AI specialists, sector-specific practitioners and broader AI-literate professionals.

The Strategy should also define how each category will be measured, the expected demand from the public and private sectors, and the education, reskilling or talent-attraction mechanisms required to address identified shortages.

This would provide a more accurate picture of Cyprus’ AI capacity and reduce the risk that a quantitative target is achieved without addressing the most important technical and sectoral skills gaps.

References:

UK Government, AI Opportunities Action Plan.

<https://www.gov.uk/government/publications/ai-opportunities-action-plan/ai-opportunities-action-plan>

Finland, national AI and digital policy programme.

<https://julkaisut.valtioneuvosto.fi/items/24932639-b776-45a1-85ad-9c084726b0d9/full>

Reference in strategy: § 2.5.2 Objective 2: Increase national productivity through responsible AI adoption p.16

23. Measurement and Benefits-Realisation Gap

The CNAI Strategy contains ambitious targets, including AI adoption, productivity, GDP impact, skills and citizen-service improvements.

The challenge is attribution.

For example, productivity improvements cannot automatically be attributed to AI. The CNAI Strategy therefore needs a stronger distinction between:

Inputs → Activities → Outputs → Outcomes → Economic/Societal Impact.

Every major AI programme should have:

- baseline;
- quantified target;
- responsible owner;
- deadline;
- data source;
- evaluation methodology;
- benefits-realisation plan.

Cyprus needs an independent National AI Observatory and Impact Dashboard.

Reference in strategy: § 3.11.1 Outcomes-Focused Measurement) (Annex F – National KPIs and Measurement Framework (sample)

24. AI Adoption Versus Transformation

The CNAI Strategy correctly recognises the danger of fragmented pilots and emphasises scaling proven use cases.

Nevertheless, the number of proposed initiatives is substantial.

Cyprus should avoid measuring success by:

- number of pilots + number of programmes + number of trained people.

The real measurement should be:

- economic value + public-service improvement + productivity + exports + research commercialisation + citizen benefit.

Every major project should therefore pass through a common:

- Business Case → Risk Assessment → Pilot → Independent Evaluation → Scale / Stop process.

25. Public Procurement and Vendor Dependency

The CNAI Strategy appropriately promotes common platforms and reusable AI services. It also envisages shared government AI capabilities and a G-Cloud foundation.

However, procurement needs to become an explicit AI industrial-policy instrument.

Cyprus should use government demand to:

- stimulate local AI companies;
- create first customers;
- encourage European solutions;
- avoid vendor lock-in;
- require interoperability and portability.

The Strategy should therefore establish a National AI Procurement Framework covering model portability, data portability, open standards, cybersecurity, auditability and supplier exit strategies.

Reference in strategy: § 3.7.3 Digital Sovereignty and Strategic Autonomy p.39 & 3.4.1 Priority Areas for Government Adoption p.28

26. Foundation Models, Generative AI and AI Agents

The Strategy recognises generative and agentic AI, but these technologies deserve a dedicated governance framework rather than scattered references throughout the document (indicatively in sections: Tourism and Hospitality Pillar - What this pillar is expected to deliver, 5. Legal Services, Legal Services Pillar - What this pillar is expected to deliver)

Cyprus needs clear national policies for:

- government use of LLMs;
- confidential government information;
- AI agents capable of taking actions;
- hallucination and reliability;
- model evaluation;
- open-source versus commercial models;
- copyright;
- synthetic content;
- deepfakes;
- human oversight.

This is particularly urgent because Article 50 transparency requirements are now applicable from 2 August 2026. Providers and deployers must meet specified transparency requirements concerning AI interaction and AI-generated or manipulated content.

Reference:

<https://digital-strategy.ec.europa.eu/en/policies/code-practice-ai-generated-content>

27. EU AI Act: Alignment Versus Operational Readiness

The CNAI Strategy explicitly commits Cyprus to EU AI Act compliance and proposes a National AI Compliance Framework.

This is a significant strength.

However, there is an important distinction between:

- strategic alignment and operational regulatory readiness.

Cyprus must ensure that its national framework can actually support:

- market surveillance;
- conformity assessment;
- regulatory sandboxes;
- incident reporting;
- AI literacy;
- fundamental-rights safeguards;
- high-risk AI governance;
- transparency obligations;
- GPAI coordination;
- enforcement.

The EU framework is now moving from preparation to implementation, with governance and GPAI requirements already applicable and transparency obligations commencing in August 2026.

Cyprus should establish a dedicated AI Act Implementation Programme rather than treating compliance primarily as a strategic principle.

Reference in strategy: § 2.3.3 Alignment with European Frameworks p.12

28. Human-Centred AI: Equality, Literacy and Skills for All

Enforce Algorithmic Gender-Bias Auditing: Require all state-deployed or state-procured AI systems to undergo a mandatory "Gender Equality Impact Assessment" to ensure public algorithms do not perpetuate systemic demographic bias. Users – citizens can have an involvement into this by reporting potential biased behavior of in use AI systems.

Launch "AI Literacy for All" Community Workshops: Partner with local municipalities and community centers to run free, non-technical evening/hybrid workshops explaining how everyday AI tools work, data privacy rights, and how to spot AI-generated deepfakes.

Integrate AI Literacy into the elderly Program: Expand existing state programs for senior citizens to include accessible modules on navigating AI-driven public services (e.g., Cyprus Government Gateway /gov.cy) to prevent the digital exclusion of the elderly.

Incorporate AI Ethics into School Curriculums: Mandate the Ministry of Education to introduce basic AI literacy, algorithmic bias awareness, and prompt engineering into the standard public school curriculum starting from Primary school. This can also be used for encouraging the involvement of female students and students coming from vulnerable backgrounds in tech fields.

Fund "AI Transition Scholarships" for At-Risk Workers: Direct specific funding from the EU Just Transition Fund to create fast-track technical and semi-technical AI training paths for workers in retail, tourism, and hospitality sectors with high female and youth employment that face imminent automation.

Provide "Return-to-Work" AI Bootcamps: Create fully subsidized, flexible AI data annotation, project management, and basic programming bootcamps specifically designed for parents returning to the workforce after long-term parental leave.

29. Integration of Gender-Disaggregated Data Collection and Bias Auditing in AI Governance

The National AI Strategy places appropriate emphasis on fairness, non-discrimination and compliance with the EU AI Act. It also assigns an important role to the National Ethics and Values Committee and the wider governance and control framework.

However, the Strategy does not define sufficiently specific operational mechanisms for identifying and mitigating gender and demographic bias in AI systems. This is particularly relevant where training datasets may reflect historical inequalities, occupational segregation or the under-representation of specific population groups.

It is therefore recommended that the National Ethics and Values Committee, in coordination with the National AI Authority, establish a standardised Algorithmic Impact Assessment framework for AI systems developed, deployed or procured by the public sector.

These assessments should explicitly examine gender and demographic bias before deployment and, where appropriate, throughout the lifecycle of the system. They should include reviews of training data, model outputs, error rates and differential impacts across relevant population groups.

The Strategy should also require the systematic collection and reporting of gender-disaggregated indicators in publicly funded AI research, development and deployment. This would align implementation with Action 10.2 of the National Strategy for Gender Equality 2024–2026 and provide measurable evidence on whether AI policies are contributing to, or potentially reinforcing, existing inequalities.

This would strengthen the Strategy's existing commitments on fairness by translating high-level ethical principles into clear and auditable implementation requirements.

References:

Cyprus National Strategy for Gender Equality 2024–2026, Action 10.2.

Reference in strategy: § 3.3, "Governance and Controls", including Section 3.3.1.5, "National Ethics and Values Committee", and Section 3.3.2, "Control Framework". p.21-27 & 3.9.4, "Fairness and Non-Discrimination" p. 42-43

30. Gender-Responsive Target Setting and Intersectional Inclusion in Workforce Transformation (FutureAI CY)

The National AI Strategy places significant emphasis on talent development, workforce transformation and the creation of approximately 3,000 AI professionals. The FutureAI CY flagship programme is intended to support this objective through stackable micro-credentials and structured upskilling pathways.

However, the current framework does not appear to include specific gender or inclusion targets for participation. This creates a risk that existing inequalities in STEM education and employment could be reproduced within the emerging AI workforce, particularly if participation is measured only through aggregate training numbers.

It is therefore recommended that the FutureAI CY programme introduce clear participation targets for women across its six priority tiers. A minimum participation threshold, for example 40–50%, could be considered, with particular emphasis on women returning to the labour market and female graduates from non-technical disciplines who could transition into applied AI roles.

The National AI Strategy should also provide dedicated and fully or partially subsidised training pathways for groups that may face additional barriers to participation, including women in rural areas, single mothers and women with disabilities. Flexible delivery models, including evening, hybrid and remote learning options, should form part of this approach.

These measures would be consistent with Actions 2.6 and 10.1 of the National Strategy for Gender Equality and with the Second Pillar of the national Disability Strategy.

The objective should be to ensure that the expansion of Cyprus' AI talent base does not simply increase the overall number of trained professionals, but also broadens participation in the digital economy and reduces existing gender and accessibility gaps.

References:

Cyprus National Strategy for Gender Equality, Actions 2.6 and 10.1.

Cyprus National Disability Strategy, Second Pillar.

References in strategy: § 3.6, "Talent, Skills and Workforce Transformation" p 36-37, including § 3.6.4, "Workforce Augmentation and Transition", and § 3.6.5, "Attracting and Retaining AI-related Talent" & Annex C, Flagship Programme: "FutureAI CY" p.80.

31. Digital Accessibility and Universal Design Compliance for Citizen-Facing AI Portals

The National AI Strategy places significant emphasis on the use of AI across government, including conversational agents, multilingual access points and the development of the "Digital Citizen 2.0" model.

However, the National AI Strategy does not appear to explicitly require that these citizen-facing AI systems comply with accessibility obligations under the European Accessibility Act and relevant national legislation. This creates a risk that new AI-enabled public services could improve efficiency while still leaving barriers for citizens with disabilities.

It is therefore recommended that all generative AI tools, automated public-service portals and conversational agents deployed by the public sector be required to follow Universal Design principles and comply with the Accessibility of Products and Services Law implementing Directive (EU) 2019/882.

Accessibility requirements should be incorporated from the design and procurement stage rather than treated as an additional feature after deployment. This should include multimodal functionality such as text-to-speech, speech-to-text, high-contrast and keyboard-accessible interfaces, and other assistive technologies appropriate to the needs of citizens with visual, auditory, motor or cognitive impairments.

Where technically feasible and validated for accuracy, the National AI Strategy should also support the development of Cyprus Sign Language-enabled interfaces and other language and accessibility technologies relevant to the local population.

These requirements should be incorporated into public-sector AI procurement standards, technical specifications and acceptance testing, with accessibility performance assessed before systems are made available to the public.

This would ensure that the digital transformation envisioned under “Digital Citizen 2.0” is inclusive by design and consistent with Cyprus’ wider obligations and policies on disability and equal access to public services.

References:

Directive (EU) 2019/882, European Accessibility Act.

Accessibility of Products and Services Law.

Cyprus National Action Plan on Disability, Third Pillar, Action 16.

References in strategy: § 3.4, “AI Adoption Across Government”, including § 3.4.1, “Priority Areas for Government Adoption” p.28-29, Annex C, “Personalised Citizen Journey – Digital Citizen 2.0” p. 61-62.

32. Gender Mainstreaming in Priority Vertical Sectors (Shipping, FinTech, and Healthcare)

The National AI Strategy identifies financial services, healthcare, shipping and maritime among the priority sectors for AI leadership and proposes a range of sector-specific initiatives to accelerate adoption.

However, the current sectoral approach could place greater emphasis on how AI adoption may interact with existing gender disparities. This is particularly relevant in traditionally male-dominated sectors such as shipping and FinTech, as well as in healthcare, where historical data gaps may affect the performance of AI-supported diagnosis, triage and treatment.

For shipping and financial services, it is recommended that sectoral AI initiatives incorporate measurable gender inclusion indicators alongside technological and productivity objectives. AI Industrial Centres of Excellence could be used not only to develop technical capabilities, but also to support more inclusive talent pipelines, monitor participation by gender and track career progression in AI-augmented maritime and financial technology roles.

This approach would be consistent with Actions 14.1 and 14.2 of the National Strategy for Gender Equality and would help ensure that technological transformation does not reinforce existing occupational imbalances.

In healthcare and life sciences, the Strategy should explicitly require that national health data infrastructure and AI-supported clinical systems account for sex- and gender-related differences in health outcomes, biomarkers, symptoms and clinical presentation.

In particular, the proposed Secure National Health Data Repository and Socratic Scaffolding Diagnostic AI framework should include requirements for representative datasets, disaggregated performance testing and ongoing monitoring for differences in diagnostic accuracy and treatment recommendations across relevant population groups.

This would reduce the risk that historical gaps in clinical data are reproduced in AI systems and would strengthen the Strategy's broader commitments to fairness, safety and non-discrimination.

References:

Cyprus National Strategy for Gender Equality, Actions 14.1 and 14.2.

References in strategy: § 3.5, "Priority Sectors for Leadership" p. 33-36 & Annex C, including initiatives related to Financial Services, Healthcare, Shipping and Maritime p. 64-71 and 82-85.

33. Institutional Representation and Gender Budgeting in National AI Governance

The National AI Strategy establishes a multi-layered governance structure through the National AI Authority, the Interministerial AI Council and the National AI Taskforce, alongside a funding and renewal model for implementation.

However, the current governance framework does not appear to provide formal representation for national gender equality and disability inclusion mechanisms. The funding model also does not explicitly incorporate gender-responsive budgeting or broader demographic impact assessment.

It is therefore recommended that the governance structure include formal representation from the Office of the Commissioner for Gender Equality and the Department for Social Inclusion of Persons with Disabilities, particularly within the Interministerial AI Council and the National AI Taskforce.

This would help ensure that equality, accessibility and inclusion considerations are incorporated at the policy-design and implementation stages, rather than being assessed only after AI systems and programmes have already been developed.

The Strategy should also apply Gender-Responsive Budgeting principles to multi-year national AI expenditure. Major allocations for AI infrastructure, testbeds, innovation programmes, skills initiatives and public-sector deployment should be assessed not only against technological and economic objectives, but also against their distributional impact across different demographic groups.

This approach would be consistent with Actions 1.1 and 1.2 of the National Strategy for Gender Equality and would strengthen accountability over how public AI investment contributes to broader social and economic inclusion.

The objective should be to ensure that AI governance and funding decisions reflect both technological priorities and measurable equality outcomes.

Reference:

Cyprus National Strategy for Gender Equality, Actions 1.1 and 1.2.

References in strategy: § 3.3.1, "Governance Structure", including § 3.3.1.1, "National AI Authority", § 3.3.1.2, "Interministerial AI Council", and § 3.3.1.3, "National AI Taskforce" p. 22-26 & § 3.10.3, "Funding and Renewal Model" p.44.