Official Journal
of the European Union

EN
C series

C/2025/288

24.1.2025

# Opinion of the European Committee of the Regions – Challenges and opportunities of artificial intelligence in the public sector: defining the role of regional and local authorities

(C/2025/288)

**Rapporteur**: Alberto CIRIO (IT/EPP), President of the Piedmont Region

## POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

1. points out that the preamble to the Charter of Fundamental Rights of the European Union places the individual at the heart of the activities of the EU, which must aim to build a peaceful future based on common values, establishing Union citizenship and creating an area of freedom, security and justice; points out, furthermore, that the Charter stems from the need to strengthen the protection of fundamental rights in the light of changes in society, social progress and scientific and technological developments, among which the rapid ongoing emergence of artificial intelligence (AI) is particularly disruptive, requiring careful consideration to be given to the impact that its widespread use will have on the relationship between public authorities and citizens;

2. points out, to this end, the principles of proportionality and subsidiarity by which public administrations must abide when regulating and implementing innovative technical and technological solutions, adopting the appropriate legal solutions which must always focus on the pursuit of the common good, and believes that AI will offer real opportunities for progress and well-being provided it is used for that purpose, and in a transparent, traceable and neutral manner;

3. stresses that local and regional authorities are key actors in the adoption of AI across the EU. As the bodies that are closest to citizens, they can act as catalysts for innovation by promoting the responsible development and deployment of AI technologies in different sectors, such as energy efficiency, transport, education, health and public services, substantially increasing the EU's productivity and competitiveness and contributing significantly to ensuring that public administrations fulfil their role as a service in pursuit of the common good;

4. stresses the importance of adopting an approach that aims to maximise the benefits of AI for citizens and administrations, rather than focusing exclusively on risk prevention, while ensuring the ethical use of AI, such as transparency and accountability, and ongoing human supervision; recognises that, although AI can streamline processes, it cannot replace human judgment, especially in areas where ethical evaluation, creativity, and complex decision-making are essential; emphasises the need for continuous monitoring to ensure that AI deployment aligns with fundamental values and citizens' rights;

5. emphasises, in this regard, the role of blockchain technologies and their convergence with AI, and highlights in particular their practical use in public services;

6. welcomes the adoption of the AI Act, which is designed to ensure clear standards within a uniform legal framework for the use of AI systems in the EU in order to promote the adoption of human-centred and reliable AI. Stresses, however, that simply adopting a common legislative framework without simultaneously rolling out guidelines for regional and local governments on implementing the Act and a substantial, comprehensive programme that is continuously updated taking into account future technological progress and that increases citizens' awareness, education and training would risk leaving Europe's approach to AI incomplete;

7. promotes the creation of dedicated legal spaces or regulatory sandboxes at EU level to allow suppliers to conduct comprehensive testing of their AI systems before market placement and then – once their technical expediency, practical effectiveness and legal feasibility have been verified – making the outcome accessible to all those who may actually need those systems; at the same time, notes that it is essential to promote and ensure easy access to these spaces for SMEs and startups, with local and regional authorities ensuring this through targeted campaigns and by enabling them to connect electronically to the various sandboxes;

8. stresses the importance of monitoring the regulatory impact, given the very dynamic technological changes and the regulatory challenges that may arise, and proposes close cooperation between the CoR and the European Commission within the future EU better regulation agenda;

9. recognises the potential of AI to improve efficiency in the delivery of public services by automating high-volume and repetitive activities, optimising internal processes and improving interaction between citizens and public administrations;

10. highlights the need to avoid an 'AI gap' between public administrations that are able to understand, master and make full use of these technologies and those that are not, which could also be further exacerbated by geographical and socio-economic differences;

11. underlines the complexities surrounding the deployment of AI systems in key sectors that handle particularly sensitive personal data, such as law enforcement agencies emphasising the need for a balancing act to be done in relation to charting an innovative regulatory environment, where enforcing law and order could be made more effective and efficient while stressing the need to address privacy concerns, accountability and to tackle eventual bias in data systems; underlines that AI will not be used to harm people's rights, for example by discriminating against a person for his ethnic, religious or political affiliation based on their biometric data;

12. stresses the crucial importance of training and skills development and also of recruiting specialists and public sector staff who are able to exploit the full potential of AI, and, aware of its risks, are able to manage those risks properly;

13. encourages the creation of local, regional, cross-border, interregional and transnational AI ecosystems, where local and regional authorities work together with academia, research and technology centres, the private sector and other stakeholders to exchange knowledge, experiences and best practices to promote joint projects and common solutions;

14. promotes a place-based approach structured around exchanges between similar areas, even if they are located in different regions, which could enable common and consistent recommended practices to emerge that could be used to seek consistent and scalable solutions;

15. recognises that the innovation potential of AI is closely linked to the European data strategy and welcomes the development of common European data spaces;

16. recommends that the more widespread deployment of AI systems be matched by an increased presence of IT control systems and proper training of operators, so as to enhance protection against cyberattacks, manipulation and interference by state and non-state actors and protect personal data and individuals' fundamental rights.

**The role of LRAs in the adoption of AI**

17. stresses that local and regional authorities are uniquely placed to promote the ethical and responsible adoption of AI, as they are closer to the needs and expectations of citizens and can ensure that the deployment of this technology is in line with the values and safeguarding of human rights and without any kind of discrimination, addressing the specific needs of local and regional communities;

18. recognises the crucial role that local and regional authorities play in the deployment of AI, adapting solutions to the specific needs of citizens and territories. In particular, suggests regularly monitoring the experience and good practices of local and regional authorities with the adoption of AI through regular and frequent studies and stakeholder consultations such as the RegHub network, interregional alliances and networks, including via the creation of a specific observatory to collect, publish and disseminate key indicators and statistics on AI uptake and implementation at local and regional level;

19. encourages local and regional authorities to take a bottom-up approach in identifying AI needs and solutions, collecting and sharing the specific needs of their territories to inform the development of more effective and appropriate AI solutions;

20. stresses that AI solutions are being developed in many European cities and rural areas to improve urban planning and mobility, energy savings in buildings, waste management, and water efficiency, and to analyse pollution data and other aspects of urban and rural life; therefore promotes the use of advanced technologies for the city of the future, but also in geographical areas that have a higher level of population dispersion or are less densely populated, in order to improve the efficiency and sustainability of urban centres and rural areas and promote the widespread use of eco-friendly practices and ensure better living conditions for inhabitants.

21. invites cities and regions to involve citizens in AI policy making by, for example, creating participatory platforms, organising town hall meetings, online forums or citizens advisory boards to gather input on AI implementation and its societal implications, ensuring that diverse voices shape the direction of AI development.

**Transformation of the relationship between citizens and the public sector**

22. recognises that AI has the potential to put the interaction between local and regional governments and citizens on a more efficient footing, by improving the delivery of public services and optimising their management. AI-based systems can improve the relationship with citizens by providing faster and more accurate responses to their requests, including in real time, and facilitate access to information and services, including during peak hours, for example by offering automated services making communication more accessible for all;

23. notes that AI can be used for certain automated decision-making processes, for faster processing of administrative procedures, and for verifying submitted documents, thus speeding up the processing of requests;

24. believes that AI can be an important tool in all fields of activity and can support all the various groups of citizens. One good and clear example of what AI can be used for is the automation of routine activities, allowing public sector employees to focus on more demanding tasks requiring human creativity and judgement. In addition, AI can help assess and anticipate risks in the areas of cybersecurity, financial monitoring and addressing territorial vulnerabilities; it can also support the planning and management of natural disasters and crises, anticipate failures of equipment and systems while enhancing their resilience, and can become an essential tool to ensure automatic interoperability of systems and data between public and private actors. Finally, AI can also play a significant role in promoting the integration and inclusion of vulnerable groups or those at risk of exclusion, such as older people or persons with disabilities in social and work settings;

25. stresses the importance of ensuring transparency and public participation in AI-related decision-making processes by providing clear and accessible information on ongoing initiatives, including through public consultations and pilot projects, fully involving local and regional communities;

26. recommends that, when adopting such processes, systems should always be structured from the starting point of the cultural, age-related and inherent vulnerabilities of citizens, and thus artificial intelligence systems should be drivers of greater inclusiveness rather than new sources of exclusion, with the creation of a greater digital divide between public administrations and citizens.

**Training and skills development in the public sector**

27. highlights the crucial role of local and regional authorities in ensuring education and training for the development of digital skills, both at public and private level;

28. stresses the importance of targeted training for civil servants in order to enhance with new technical skills those who have a deep understanding of the public administration and the needs of citizens;

29. emphasises the need for continuous upskilling and reskilling programmes for civil servants, including through the use of online platforms, in order to ensure constant updating of skills in line with the technological evolution of AI, and for pilot projects enabling civil servants to experiment with AI technologies and learn through practical experience;

30. recognises the challenges in recruiting and retaining AI experts in the public sector, where wages need to compete with those of the private sector, and points out that, therefore, additional resources may be needed. Further encourages the exploration of innovative solutions to attract and retain talent, such as partnerships with universities and exchange programmes with the private sector;

31. in order to obtain a new generation of citizens ready to use AI correctly and effectively and to ensure informed and conscious participation in AI-based decision-making, training programmes need to be developed in primary and secondary schools, higher education and universities as well as digital literacy and AI programmes for all citizens, in cooperation with universities, schools and the world of work. Particular attention should also be paid to the elderly and those living in rural communities, so that the implementation of AI does not increase the digital divide. Regions and local authorities can play a key role in rolling out these activities and in ensuring their uniformity;

32. calls on the Commission to establish an 'Erasmus+ AI' programme for civil servants and elected local and regional representatives to facilitate international exchanges focused on AI projects and to facilitate the exchange of best practices and innovative applications and/or successful strategies to integrate AI into public services, as well as promoting the development and updating of multilingual guidelines, criteria and contractual elements for public procurement for AI solutions in the public sector across Europe.

**Harnessing the full potential of AI in the public sector and managing AI-related risks in an informed way**

33. stresses that AI can significantly improve the efficiency and effectiveness of public services, for example in optimising traffic management, waste collection planning and emergency response coordination;

34. recognises the potential of AI in improving decision-making processes, enabling predictive analyses and the identification of trends that could be used for more informed and targeted policy-making, as well as better allocation of resources, including through more advanced and effective monitoring processes; stresses that all AI systems must be aligned with democratic values and human rights;

35. recommends that administrative processes be re-engineered before AI solutions are deployed, to ensure that these technologies are applied to processes that are already optimised, thus maximising effectiveness;

36. considers that procurement and supplier management play a big role in the ability of local and regional authorities to adopt AI in a safe and responsible way. Would welcome an exchange of experiences in this field between local and regional authorities;

37. stresses the importance of addressing ethical challenges related to the use of AI, such as algorithmic bias, data privacy and the transparency of automated decision-making. Local and regional authorities must act to ensure the ethical use of AI for public services at local level and ensure that the adoption of AI does not reinforce existing inequalities or exclude marginalised communities; recommends that AI systems should not be used to increase the dominant position of private entities nor owned by those who do not fully comply with EU and Member States' fiscal rules;

38. encourages the development of specific ethical guidelines and governance frameworks for the use of AI in the public sector at local and regional level, which can be shared and adopted across the EU, and looks forward to the creation of control systems, together with human intervention, to correct any errors in AI systems, increase their accuracy and prevent the occurrence of serious risks.

**Building AI ecosystems at local and regional level**

39. promotes the creation of local and regional AI ecosystems, encouraging mutually-reinforcing cooperation between the public, private and academic sectors, involving universities, research centres, schools, third sector bodies, associations, trade unions, SMEs and start-ups, in order to facilitate knowledge exchange, accelerate innovation and develop AI solutions adapted to local needs, where possible favouring open-source technologies. This multidisciplinary collaboration can foster the development of innovative solutions and increase trust in AI technology, ensuring that it responds effectively to the specific needs of the local areas and regions;

40. notes that local and regional authorities can play an important role in supporting SMEs in digitalisation and AI adoption and calls for local and regional initiatives that assist SMEs in the deployment of this technology;

41. welcomes the decentralised initiatives taken by the Commission to accompany the digital transition across the EU's regions and stresses the importance of tools such as the European Digital Innovation Hub (EDIH), and, in the field of health, both the European electronic health record exchange format and the work carried out by the Integrating the Healthcare Enterprise (IHE) initiative, aimed at harmonising existing standards, with a view to ensuring that the European Health Data Space is supplied with uniform data;

42. points to its 'Local and Regional Digital Indicators Maturity Assessment Tool' (LORDIMAS) initiative, which was set up to assess local and regional digital maturity, improve comparative analysis and learning and help administrations identify their digital transformation needs, and which will include a function that monitors the use of AI by cities and regions;

43. believes that local and regional authorities are best placed to test the added value of AI for the common good and society, using it to implement the SDGs and local and regional strategies for sustainable development. This requires specific attention from the highest levels of government, in particular the financing of peer-to-peer networks of regions and cities.

**Management and access to data for AI in the public sector**

44. recognises that the success of AI depends on the availability and quality of data: it is often difficult to have databases that are reliable and structured enough to enable AI solutions to be developed. The partial inefficiency of the data made available by those in possession of them has been found in several areas of application. Therefore encourages local and regional authorities to develop robust data management strategies and actively participate in common European data spaces, including through centralised platforms;

45. stresses the need for uniform standards for licences and public data exploitation and personal data processing rights, as well as the development of European cloud media for common and streamlined databases, overcoming the division into non-communicating and non-European silos, in order to facilitate the sharing and use of data between different administrations, departments and sectors and to ensure more seamless interoperability, enabling the development of open models that are offered free of charge, both to public and private entities, for the development of AI systems;

46. hopes that the application of the Data Governance Act will lead to a genuine and well-functioning European single market for data by coordinating the regulatory work of the Member States, avoiding fragmentation of the digital single market; also hopes that the relevant European Digital Infrastructure Consortia (EDICs), in particular the EDICs for Networked Local Digital Twins towards the CitiVERSE and for Innovative Massive Public Administration, will help increase the availability and quality of data and accelerate the development of common European data spaces.

**Funding and resources for AI uptake**

47. encourages local and regional governments to activate the available EU funding for AI adoption, for example under cohesion policy, in line with the key objectives of supporting structural changes and increasing the productivity and effectiveness of regions, through the Recovery and Resilience Facility (RRF), the Digital Europe Programme, Horizon Europe and the Technical Support Instrument;

48. stresses the need for significant public and private investment in digital infrastructure and cybersecurity systems that ensure the security of AI systems, especially when it comes to the processing of personal data.

**EU follow-up initiatives**

49. proposes that a mechanism be set up, based on a holistic approach, for the collection and exchange of strategies and guidelines on the use of AI at local and regional level, in order to facilitate the exchange of best practices and mutual learning;

50. considers it essential to develop a comprehensive strategy on the application of AI to promote new industrial uses and strengthen the delivery of various public services, such as healthcare, education, public safety and transport, with the full involvement of local and regional authorities, in order to ensure implementation tailored to the specific needs and contexts of each territory;

51. welcomes the proposal to establish a European Research Council on AI to maximise the impact of pooling national and European resources;

52. encourages the active participation of local and regional authorities in multi-country projects through European Digital Infrastructure Consortia (EDICs), with a particular focus on the development of large European language models; advocates counteracting the disadvantage facing regional and minority languages in the development of large language models through targeted support (e.g. multilingual language models) in cooperation with the European Language Data Space. Furthermore, stresses the importance of scaling up the deployment of local and regional digital twins, which are crucial tools to visualise, simulate and steer urban and rural transformations in an effective and sustainable way, thus integrating AI technologies into planning and development strategies that also promote rural transformation and development, adapting digital initiatives to their specific needs;

53. recommends integrating the European approach to AI in all relevant policy areas, including cohesion policy, to ensure a coherent and comprehensive approach to AI uptake at local and regional level;

54. suggests creating a European conformity certification system for AI tools used in the various public administrations of the Member States to ensure that these AI systems comply with European legislation, minimising risks for governments and citizens. This certification system should be managed through coordination between national authorities and the European AI Office, thus ensuring reliable and unambiguous standards across the EU.

Brussels, 21 November 2024.

*The President*
*of the European Committee of the Regions*
Vasco ALVES CORDEIRO