

The Era of AI-Empowered Cities: Responsible Generative AI Adoption

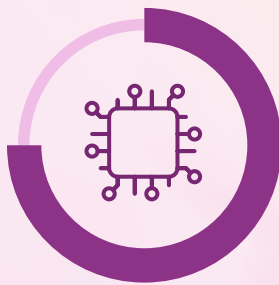
GenAI Creates Massive Opportunities for Local and Regional Governments to Rapidly Deliver Secure, Modern, and Resilient Experiences



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GenAI Adoption and Investment in Local Government

Governments globally have embraced GenAI and are already investing significantly in GenAI tools:



Over 75%
of local and regional governments report using GenAI tools in some capacity today.



48%
of governments worldwide are initially exploring enterprise use cases or proofs of concept.



41%
of governments are investing significantly.

Source: IDC's Future Enterprise Resiliency & Spending Survey, Wave 2, February 2024, and Wave 5, May 2024; IDC's Industry Tech Path Survey 2024, August 2024

Near-Term Use Cases for GenAI for an Empowered Workforce

GenAI is a form of artificial intelligence that creates text, audio, video, images, and code in response to short prompts based on its training data. For cities, GenAI's power lies in querying defined, trustworthy data sets, both internal and external to the city.

A GenAI-empowered city can transform operations and service delivery by automating processes to boost productivity and enhance the employee experience. IDC predicts that GenAI-augmented services will grow 50% by 2026, enabling both large and small municipalities to offer new services.

GenAI is a powerful tool that can:

- Generate, test, explain, audit, and translate code
- Create compelling RFIs, RFPs, and job postings
- Analyze information to personalize services

- Summarize large amounts of information such as council notes or legal documents
- Generate images and video content
- Assist citizen services call centers with intelligent services

IDC research shows that local governments are selecting use cases that quickly show impact and are easier to implement, focusing on enhanced citizen experiences through automation. GenAI can generate community alerts and updates in multiple languages and help digital assistants navigate government services. It can also uncover insights across departments and data silos.

GenAI's impact on the workforce includes integrating siloed workflows, saving time, and improving employee experience.

Specific areas of impact include:

- **Procurement and grants management:**
50% see GenAI as critical.
- **Public health, social, and emergency services:**
49% see GenAI as critical.
- **Hyperpersonalizing government service delivery:**
40% see GenAI as critical.

Early GenAI pilots should focus on use cases with clear business benefits measured by key performance indicators such as employee satisfaction and productivity. Cities and states should prioritize use cases based on a defined value, complexity, and risk. For example, using GenAI for customer support for benefits eligibility questions is less risky than using GenAI to determine benefits eligibility.

A critical success factor for using GenAI at scale — beyond point solutions within specific departments or agencies — requires understanding GenAI's benefits, governance, and technical challenges. Cities must recognize GenAI's limitations and ensure proper use through policies and training.

Key considerations include:

- **Data fairness:**
Work with partners to ensure training data fairness and reduce algorithmic bias.
- **Data explainability:**
Understand data lineage and provenance.
- **Data accuracy:**
Reduce misinterpretations and irrational results.
- **Data security and privacy:**
Address issues from combining data sets.
- **Infrastructure requirements:**
Access cloud compute power, training data, and AI platforms for sandboxed experimentation.

Next Steps for an AI-Empowered City

As smart cities and communities rapidly adopt GenAI, it is important to proactively manage adoption to benefit from this technology's opportunities while managing the risks and challenges.

Focus on trust:

Cities must develop responsible GenAI policies with clear use guardrails. The use of GenAI must be transparent and not "shadow IT." IDC studies show that only one-fifth of governments have responsible enterprise-wide AI governance policies and even fewer have a responsible AI code of conduct.

Train and hire for GenAI skills:

GenAI is user-friendly for IT and non-IT staff. Employees need to receive training on GenAI fundamentals, acceptable use policies, and how to integrate GenAI into day-to-day workflow. Building complex GenAI systems requires specialized skills, necessitating new job descriptions and upskilling in areas such as prompt engineering and code interpretation.

Scale GenAI:

Scaling GenAI involves conducting pilots and sandboxed experiments, scaling pilots into productions, and having the AI infrastructure and architecture in place to support workloads. Assessing build versus buy strategies and working with trusted partners is crucial for accessing necessary skills and expertise.

Cities are already benefiting from GenAI, and the opportunities will only continue. In this rapidly evolving environment, cities should quickly develop a strategic action plan with trusted partners to become AI-empowered.

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