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GovTech Connect & Public Sector Tech Watch Webinar

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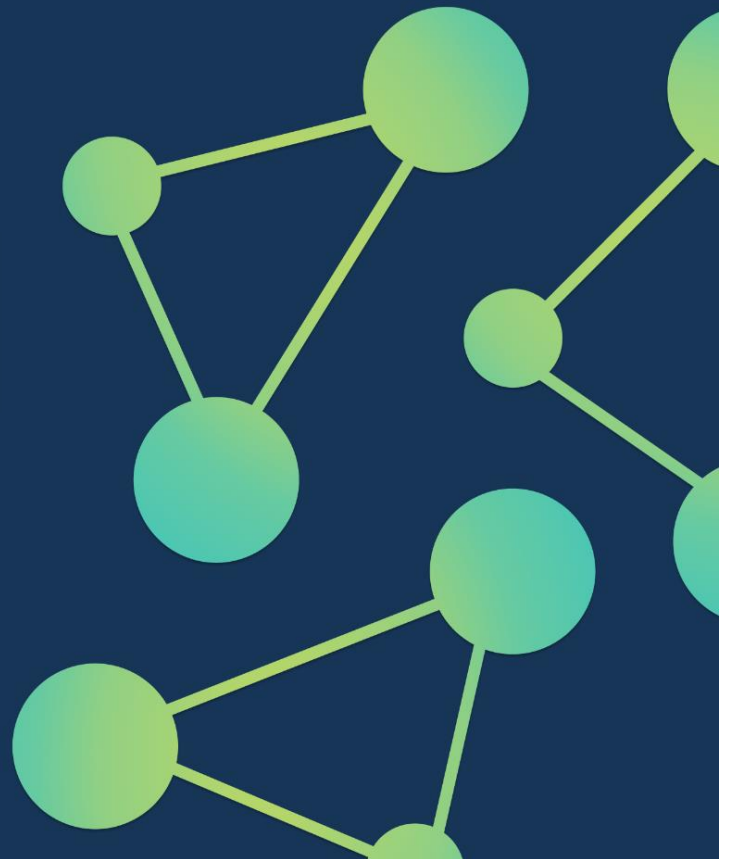
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GovTech Connect & Public Sector Tech Watch Webinar – Unveiling the Public Sector Tech Watch Observatory: Navigating the European landscape of AI and Emerging Technologies in the public sector, featuring the GovTech Connect community

Objectives of the Panel

One of the main objectives of the GovTech Connect and PSTW projects is to cultivate communities conducive to knowledge sharing. **The Panel aimed to showcase notable instances of the adoption of AI solutions by Public Administrations and highlight AI solutions offered by startups collaborating with the public sector.**

The goal was to provide real-life examples of AI adoption from both the demand and supply sides, fostering discussions on the roles and practices these stakeholders can play and offering to the audience best practices to learn from.

Highlights

During the Panel, five speakers, including 3 representatives from the Public Sector and two representatives from startups, presented their experience in **dealing with AI solutions while providing their services** and **shared their opinions and use-cases on the relationship between the public sector and Startups/SMEs**.

Miquel Estapé (Spain), Deputy CEO and Chief Innovation Officer of Open Government of Catalonia opened the conversation with significant insights on his engagement with different Public Administrations in Catalonia, mentioning the relevance of developing scalable and collaborative AI solutions that can strive innovation in government agencies and bring them closer to citizens.

The organisation he works in, Open Government Catalonia, is dedicated to addressing Public administrations' challenges by creating a government platform that offers a comprehensive approach with technical support, legal assessment, and more, through the use of AI solutions. This approach offers several key benefits for public entities, including economic savings (by leveraging economies of scale), rapid deployment (utilizing cloud-based services), and ease of implementation (most aspects, including GDPR-related issues, are managed by the Open Government Agency). In essence, it embodies the principle of working once to benefit numerous governments, offering a promising model for collaborative innovation and efficiency enhancement on a large scale.

When coming to public sector-startups collaboration, Mr. Estapé emphasized the importance of open innovation, recognizing startups' potential to bring disruptive solutions. Furthermore, he underlined how engaging with the public sector provides startups themselves with valuable opportunities to test their solutions with the public. However, this collaboration requires significant investment, partnership building, and trust cultivation, which are often undervalued by these companies.

After Mr. Estapé, **Ibon Arechalde (Spain), CEO and Co-founder of ASIMOB (winner of 2023 GovTech Connect Pitch Day for Southern Europe),** presented his solution and focused on the relevance of collaboration among Public Administrations and startups, which are flexible to respond to public administrations' needs.

The mission of ASIMOB revolves around enhancing road security through the utilization of cognitive Artificial Intelligence (AI) to assist public administrations in improving their systems. Their mission really is a challenge, because they apply cutting edge technological systems to the infrastructure sector, a field traditionally conservative in its methods. The disruptive nature of ASIMOB's solutions underscores the necessity of fostering collaboration with startups, particularly those engaging with public administrations.

There is indeed a stark difference between working with public administrations and the private sector. While private companies often seek unique solutions tailored to specific contexts, public sector organizations prioritize adaptable solutions that can address diverse needs. With this regard, GovTech accelerator programs, distinct from those focused on the private sector, play a crucial role in supporting startups and are essential in Europe. Furthermore, he noted how, while consortia are seen as an optimal approach for startups to engage with the public sector, aligning smaller startups with larger companies can be challenging, due to big companies' rigid requirements that hinder the integration of innovative startup solutions. Additionally, the lack of collaboration among different administrations and the difficulty of scaling solutions to larger entities pose challenges for startups, that encounter greater ease in collaborating with large public administrations outside Europe, posing a notable challenge for European entities.

The third speaker was **Vincenzo di Nicola (Italy),** who focused on his experience as **Head of Technological Innovation and Digital Transformation at the Italian Social Security Institute (INPS),** the first organisation in Italy to employ generative AI solutions, three years ago. They applied it for process automation and decision support, replacing the classical technological engine with their AI counterparts. While users did not directly perceive the shift, the impact was very relevant within the organisation, as it streamlined processes, optimizing resource allocation.

However, as Di Nicola underlined, such AI-based services demand a dynamic approach due to the rapid obsolescence of processes, necessitating continuous adaptation and skill development. The challenge intensifies within public organizations, where outsourcing services to external entities becomes impractical due to data sensitivity concerns. Consequently, cultivating in-house expertise becomes imperative for effective implementation and management of AI technologies.

When asked about the relationship between public sector organizations and startups/SMEs, Di Nicola concurred on the crucial role of the private sector in driving

innovation. He also emphasized that even within the private sector, large companies often depend on startups to introduce disruptive solutions. The challenge lies in outdated laws and regulations that demand substantial investments and lengthy collaborations, which are often beyond the reach of startups. To navigate these regulatory hurdles, public organizations have devised strategies to collaborate with larger companies, which subsequently engage with startups to innovate. This indirect approach allows startups to participate in projects that might otherwise be inaccessible due to regulatory constraints, thereby fostering innovation and collaboration within the ecosystem.

Then, **Tom Somers (Finland), Director at SkenarioLabs (winner of 2023 GovTech Connect Pitch Day for Northern Europe)** took the floor to explain us how his company use AI and machine learning to assist organizations in establishing a comprehensive linkage between value, risk, and performance for buildings worldwide. The advantage that using AI and machine learning provides to his company is the possibility to gain data and deliver services at enormous scale.

While it is essential to recognize that AI offers immense potential, it also warrants careful consideration. SkenarioLabs utilizes AI to gather data for engineering models but opts for recognized standards and tools for the models themselves, so as to render them more applicable and scalable.

On a further note, Mr. Somers underscored the necessity for startups to collaborate with larger companies to access opportunities in the public sector. He also stressed the importance of building credibility for startups through projects like GovTech Connect Boot Camps, where they can showcase their solutions and establish trust with potential procurers. Despite initial apprehension, such opportunities are vital for startups, especially as they often require testbeds to refine their solutions.

At last, **Ott Velsberg (Estonia), Chief Data Officer at the Ministry of Economic Affairs and Communications**, informed us about how the use of AI in public administrations has changed and keeps changing in Estonia. With over 130 AI implementations now in place, and the central government implementing its third AI strategy, it's evident that substantial progress has been achieved in the country. However, with this progress comes a shift from skepticism to a phase of over-hype, where discussions around AI and machine learning often overlook the nuanced complexities within their scope.

Efforts have been directed towards streamlining legislation and enhancing accessibility to data, with initiatives aimed at simplifying data queries and promoting the use of open data. Moreover, Estonia is promoting a policy that ensures that every Estonian has access to virtual assistance across various domains by 2030. This concept is called "Bürokratt" –

a network of virtual assistants designed to offer flexible interaction options with government services.

Ott Velsberg also shared insights into Estonia's collaborative approach, emphasizing the importance of partnerships with the private sector. He highlighted the benefits of open-source practices for expediting implementation processes. Despite challenges in aligning government and private sector needs, Velsberg underlines the potential for effective engagement by articulating challenges and desired solutions. He also noted opportunities in public procurements through consortiums and highlighted Estonia's sandbox initiative for testing and refining innovative solutions, contributing to its reputation as a technological innovation hub.

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