

The impact of the Artificial Intelligence Act proposal on European cities

Webinar of the Living-in.eu Legal and ethics subgroup

Thursday 16 December, 10:00 – 11:30

Agenda

10:00 – 10:05	Welcome
10:05 – 10:25	Commission's perspective on the Act
10:25 – 10:40	City's perspective: questions and concerns
10:40 – 10:55	Expert reflection and suggestions
10:55 – 11:05	LI EU Technical group: AIA & MIM5 – Fair AI
11:05 – 11:25	Q&A and open discussion
11:25 – 11:30	Closing

Welcome

Living-in.eu Legal & Ethics subgroup



Subgroup preliminary agenda

- **Data Governance Act**

Thursday, 17 February 2022, 10:00 – 11:30

- **Data Act**

Thursday, 21 April 2022, 10:00 – 11:30

- **Open Data Directive**

Thursday, 16 June 2022, 10:00 – 11:30

Subgroup preliminary agenda

- **Artificial Intelligence Act**

Today, 16 December 2021, 10:00 – 11:30

The Artificial Intelligence Act

Commission's perspective on the proposal

Yordanka Ivanova, Legal and policy officer European Commission, CNECT A2,
AI Policy Development and Coordination





The EU approach to Artificial Intelligence

Yordanka Ivanova,
Legal and policy officer
European Commission, CNECT A2
17 December 2021

European AI policy (2018-2021)

Key initiatives:

- **European Strategy on AI** (April 2018)
- **Guidelines for Trustworthy AI** developed in 2019 by the High-Level Expert Group on Artificial Intelligence (HLEG)
- First **Coordinated Plan on AI** (December 2018)
- The Commission's **White Paper on AI** (February 2020) followed by a **public consultation**.
- **AI package** (April 2021)



Proposal for a Regulation on AI

Horizontal legislation laying down uniform rules for AI in the EU market

- ▶ “Classic” internal market rules applicable to the **placing on the market, putting into service and use of** AI systems
- ▶ Two main objectives:
 - ▶ address **risks to safety and fundamental rights**
 - ▶ **create a single market for trustworthy AI in EU**
- ▶ Consistent with and complementing existing EU and national law

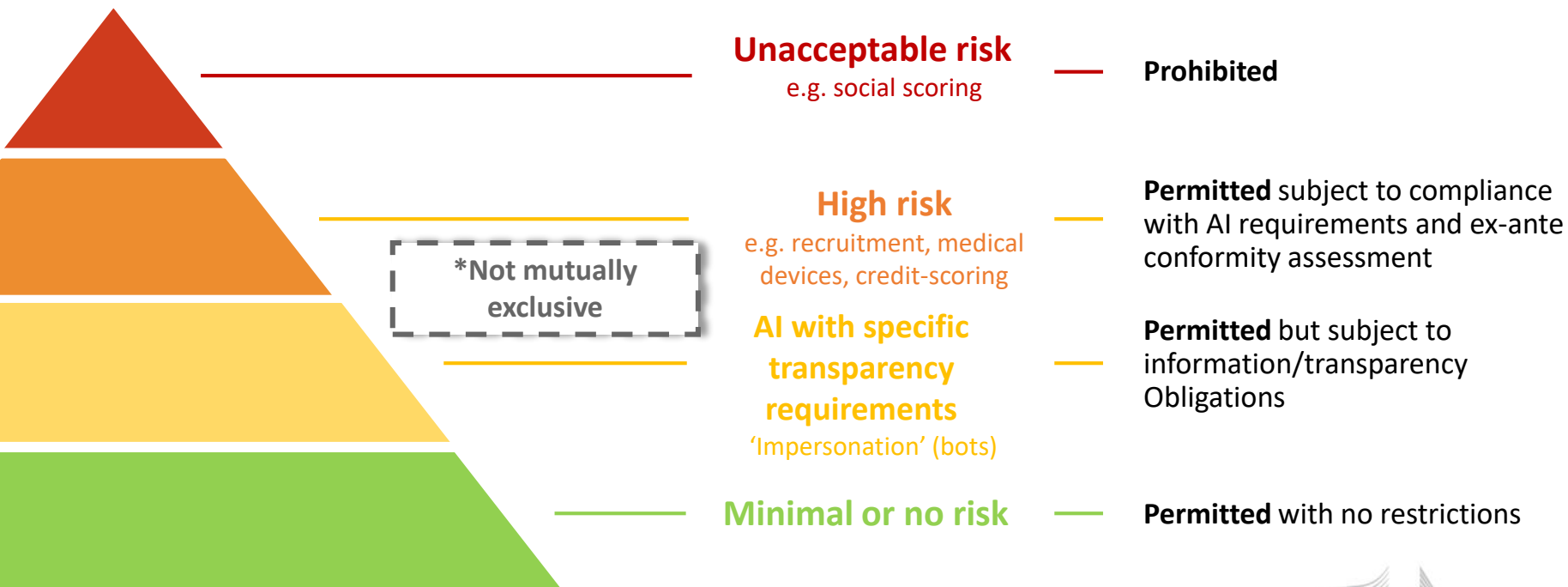
Innovation-friendly and risk-based legislation

- ▶ Provide **legal certainty** to operators and stimulate **trust** in the market
- ▶ No overregulation: designed to intervene only where strictly needed following a risk-based approach

Creates a level playing field for EU and non-EU players

- ▶ Applicable independent of origin of producer or user

A risk-based approach to regulation



High-risk Artificial Intelligence Systems (Title III, Annexes II and III)



Certain applications in the following fields:

- **Safety components of regulated products** (e.g. medical devices, machinery) which are subject to third-party assessment under the relevant sectorial legislation
- **Certain (stand-alone) AI systems in the following fields:**
 - ✓ Biometric identification and categorisation of natural persons
 - ✓ Management and operation of critical infrastructure
 - ✓ Education and vocational training
 - ✓ Employment and workers management, access to self-employment
 - ✓ Access to and enjoyment of essential private services and public services and benefits
 - ✓ Law enforcement
 - ✓ Migration, asylum and border control management
 - ✓ Administration of justice and democratic processes

Requirements for high-risk AI (Title III, chapter 2)



Establish and implement risk management processes

Use high-quality **training, validation and testing data** (relevant, representative etc.)

Establish **documentation** and design **logging** features (traceability & auditability)

Ensure appropriate degree of **transparency** and provide users with **information** (on how to use the system, its capabilities and limitations)

Enable **human oversight** (measures built into the system and/or to be implemented by users)

Ensure **robustness, accuracy** and **cybersecurity**

Overview: obligations of operators (Title III, Chapter 3)

HIGH RISK

Provider obligations

- ▶ Establish and Implement **quality management** system in its organisation
- ▶ Draw-up and keep up to date **technical documentation**
- ▶ Undergo **conformity assessment** and potentially re-assessment of the system (in case of significant modifications)
- ▶ **Register** standalone AI system in EU database (listed in Annex III)
- ▶ Sign declaration of conformity and affix **CE marking**
- ▶ Conduct **post-market monitoring**
- ▶ **Report serious incidents & malfunctioning** leading to breaches to fundamental rights
- ▶ **Collaborate** with market surveillance authorities

User obligations

- ▶ Operate high-risk AI system in accordance with **instructions of use**
- ▶ Ensure **human oversight & monitor** operation for possible risks
- ▶ Keep **automatically generated logs**
- ▶ **Inform any serious incident & malfunctioning** to the provider or distributor
- ▶ **Existing legal obligations** continue to apply (e.g. under GDPR)



The governance structure (Titles VI and VII)

European level

European Commission to act
as Secretariat

Artificial Intelligence
Board



Expert Group*



National level

National Competent
Authority/ies



*Not foreseen in the regulation but the Commission intends to introduce it in the implementation process

Supporting innovation (Title V)

**Regulatory
sandboxes
Art. 53 and 54**

**Support for
SMEs/start-ups
Art. 55**



Updated Coordinated Plan on AI (review from 2018): joint commitment between the Commission and Member States

SET ENABLING CONDITIONS FOR AI DEVELOPMENT AND UPTAKE IN THE EU

- Acquire, pool and share policy insights
- Tap into the potential of data
- Foster critical computing capacity

MAKE THE EU THE RIGHT PLACE; EXCELLENCE FROM LAB TO THE MARKET

- Collaboration with stakeholders, Public-private Partnership on AI, data and robotics
- Research capacities
- Testing and experimentation (TEFs), uptake by SMEs (EDIHs)
- Funding and scaling innovative ideas and solutions

ENSURE AI TECHNOLOGIES WORK FOR PEOPLE

- Talent and skills
- A policy framework to ensure trust in AI systems
- Promoting the EU vision on sustainable and trustworthy AI in the world

BUILD STRATEGIC LEADERSHIP IN THE SECTORS

- Climate and environment
- Health
- Strategy for Robotics in the world of AI
- Public sector
- Law enforcement, immigration and asylum
- Mobility

Investments: Horizon Europe, Digital Europe, Recovery and Resilience Facility



Thank you

Cities' perspective

Questions and concerns

Federica Bordelot, Policy advisor, Eurocities

Anna Hörten, AI Coordinator, Department of IT and Digitisation, City of Stockholm



AI Act Proposal Eurocities messages

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Definitions

- Generally, local governments are in favour of a broad definition of AI systems allowing for a complete and effective regulation

On legal requirements:

- Need to outline and specify the different categories concerned (providers, users or both)
- Strong focus on providers and lack of clarity on impact on local governments as, mainly, users



Risk-based approach and GDPR

- Supporting the risk-based approach and the position for unacceptable uses to be prohibited
- Significant step forward on facial recognition banning practices (social credit and social scoring forms)

Concerns:

- Outright ban of mass biometric identification systems in public spaces until respect of fundamental rights is verified
- AI systems' lack of alignment with the General Data Protection Regulation (GDPR). Very little clarity of processing of personal data by any other AI systems than high-risk AI systems

Need of guidance on how the proposed regulation should be applied regarding processing of personal data

[EDPB-EDPS Joint Opinion 5/2021](#)

Annex III: high-risk AI systems

- Supporting the mechanism proposed to update the list of HR AI systems

Concerns:

- The current list is still quite limited both in terms of possible uses as well as areas identified
 - Local government are ready to contribute to expand the list with more possible uses (e.g. in the area of biometric identification, education and migration management) as well as new areas (e.g. healthcare)

Question:

- Why was the same mechanism not adopted also for to unacceptable and limited risk AI systems?

Standards for AI systems

Concern

- The proposal allows a too wide scope for self-regulation by companies. The majority of conformity assessment requirements for HR AI systems rely on AI developers

Principle

- Citizens' needs must be the starting point of the AI standardisation and common specification development process
- Local public authorities must be effectively involved in the definition of AI standardisation requirements and needs and act as a key player in the European Standards Organisations.

European AI Board

- Cities support the creation of a Board chaired by the Commission capable of issuing recommendations and opinions on the regulation's implementation and collecting and sharing best practices
- City governments also call for having a say in the AI Board as they comprise:
 - Experimentation and early adoption of AI systems enable cities to promptly identify possible safety and fundamental rights risks
 - Institutions with immediate access to universities, companies and infrastructures
 - Direct platforms or open participation and collaboration platforms
 - Use and creation of available data and information as best place to collect and share good practices

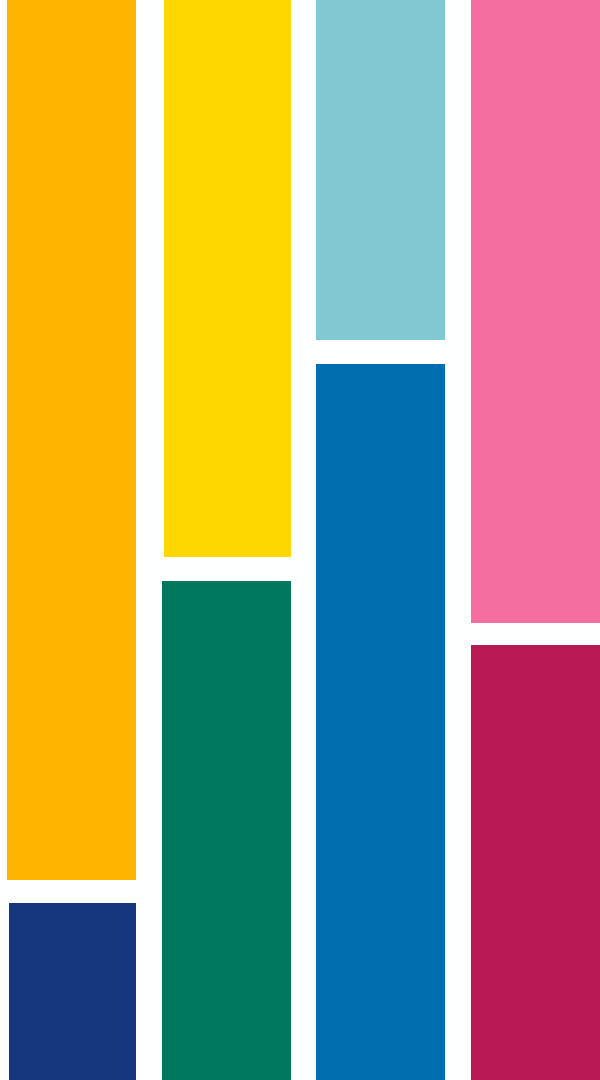
Roles and responsibilities to be clear-cut in order to avoid risk of overlaps with the European Data Protection Board (EDPB)

Local governments to explicitly be involved as official stakeholders for consultation in the Board

Thank you

Federica Bordelot, policy advisor, Eurocities

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Reflection and suggestions

Expert's view

Luca Bolognini, President Italian Institute for Privacy and Data Valorisation)



City of Stockholms concerns

1. There is a need to clearly specify which types of legal requirements that are mandatory for the different authorities, organisations and companies (etc) concerned.

2. Who is to define whether or not certain users or systems fall under the category of “high risk”?

3. There is a need to conduct further risk analyses to sort out the consequences for those affected by the legislation on different levels, such as the public sector.

4. It should be investigated in further detail which issues regarding AI that are suitable for regulation at EU regulation level and which other regulation level.

5. The AI Act should be developed in line with other current legislation and legislative proposal in the field of data sharing, data reliability and security.

6. How is “common normative standards” defined?

7. Many citizens are sceptical of data collection and data sharing and see it as an intrusion into their lives – proactive information campaigns on how AI works should be planned.

8. It is unclear whether innovation within the area of cloud services will be encouraged. Will the AI Act encourage the creation of European cloud services to test AI and AI-compliance?



The AIA and MIM 5: Fair AI

Work of the Living-in.eu Technical group

Michael Mulquin, MIMs Ambassador Open & Agile Smart Cities



Q&A

Open discussion

Ask questions, share thoughts

All participants



Thank you!

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