

## 24<sup>th</sup> session of the Committee of Experts on Public Administration (2025)

### Written statement by the United Nations Human Settlements Programme (UN-Habitat)

#### *Agenda Item 4: Role of governments in ensuring transparency and accountability of artificial intelligence systems in public administration*

Artificial intelligence (AI) is significantly accelerating progress toward the Sustainable Development Goals (SDGs) ranging from eradicating poverty to combating climate change for a more sustainable future for all. At the local level, the New Urban Agenda urges cities to adopt a smart-city approach that makes use of opportunities from digitalization, clean energy and technologies, as well as innovative transport technologies, thus providing options for inhabitants to make more environmentally friendly choices, boost sustainable economic growth and enable public administration to improve their service delivery. Indeed, AI is now an increasingly integral part of public administration, transforming cities at an unprecedented pace. AI fundamentally involves translating human-defined goals into mathematical models, producing outcomes such as predictions, recommendations, or decisions. Advanced AI solutions are being implemented in highways, public spaces, and other urban environments, reshaping societies already grappling with rapid urbanization, climate change, and limited access to essential services, infrastructure, and housing. AI holds immense potential to enhance the efficiency and responsiveness of public services and open new socio-economic opportunities for cities. However, it also presents significant risks, including potential bias and discrimination, privacy violations, and human rights concerns such as the misuse of surveillance systems. Governments at all levels have a critical role to play as stewards of this transformative technology, ensuring that AI systems are transparent, accountable, and aligned with the principles of effective governance. As cities navigate these transformative technologies, ensuring ethical and inclusive AI deployment becomes paramount for fostering sustainable and equitable urban development.

The **2022 UN-Habitat Publication on AI and Cities: Risks, Applications and Governance** opines that digital innovation can only serve as an inclusive force for good if it is implemented with a firm commitment to improving people's lives and wellbeing, while building

city systems that genuinely serve their communities. To prevent AI systems from unintentionally exacerbating social inequalities and biases by learning and amplifying existing societal prejudices from the data it is fed, they must embody the principles of “responsible AI.” This approach ensures that the entire lifecycle of an AI system (design, deployment, monitoring and adaptation) is designed to uphold, and ideally, enhance foundational values and principles. These include adherence to internationally agreed-upon human rights frameworks, the SDGs, and ethical principles such as fairness, privacy and accountability.

In the urban context, each city has its unique characteristics, shaped by distinctive social norms, values and ways of working. AI governance provides local authorities with a critical tool to balance the opportunities and risks of AI in a manner tailored to their specific context. Like digital governance more broadly, AI governance integrates regulations, ethics, norms and social practices to guide the responsible use of AI. Local authorities are in a unique position to create an enabling environment for AI development that supports sustainable and inclusive urban growth. By shaping the AI policy and regulatory environment, local authorities have the power to create the necessary conditions for investment in technology and infrastructure, empower a vibrant civil society, and foster innovation to advance the public interest. To move from being reactive to proactive, cities need a clear, city-level digital innovation strategy. This strategy should be developed with active public participation, ensuring that local contextual knowledge enriches the design and implementation of AI systems. By co-designing these systems with the community, cities can ensure that AI serves as a catalyst for equitable and sustainable development.

Indeed, all levels of government have a responsibility in promoting a people-centered design approach to AI systems. Public engagement through consultations, surveys, town halls and other participatory mechanisms is essential to developing AI strategies that are both responsible and adapted to the unique needs of the city. To achieve this, governments must first clarify the strategic policy objectives that a proposed AI system aims to support and to articulate how it will operationalize values aligned with the public interest. Since every AI system embeds values and assumptions, it is important to deliberately select the values the system will prioritize. Governments must also identify the communities that will be directly or indirectly affected by AI systems and actively engage them through established community networks and inclusive

processes. This ensures that the design and deployment of AI systems are informed by the lived experiences and perspectives of those they are meant to serve. AI systems have a lifecycle that extends well beyond their deployment as stated earlier. Thus, regular testing of initial assumptions is necessary to assess how these systems function in practice and how they impact communities. By gathering evidence on their real-world performance, governments can refine and adapt AI systems to better meet public needs. This iterative process of learning, monitoring and adaptation is key to building public trust in AI-powered governance.

The **2022 UN-Habitat Publication on AI and Cities: Risks, Applications and Governance** highlights that while many countries have released national AI guidelines, local governments continue to face significant challenges in developing, implementing and evaluating regulatory frameworks and building policy capacity. However, the report emphasizes that multi-level governance approaches can effectively support cities by assigning distinct roles to each level of governance in the decision-making process. National governments, in particular, play a critical role in consolidating principles, policy frameworks and values that shape national AI governance discourses. They are also responsible for fostering a national ecosystem for AI innovation and development. While cities often rely on these national guidelines where they exist, they are not merely passive recipients. Cities can actively participate in establishing priorities, advocating for their interests and articulating their vision for the role of AI in urban development. This collaborative dynamic ensures that AI governance is both locally responsive and aligned with broader national objectives.

The UN-Habitat publication mentioned above underscores the importance of addressing accountability in AI governance urging all stakeholders to consider who is accountable after an AI system is delivered or procured. Accountability is a key component of effective governance, yet it is particularly challenging to define in the context of complex and dynamic AI systems. These systems evolve over time, and their impacts are not always predictable. They are shaped by, and in turn shape the environment in which they operate, with potential changes in purpose over time that may conflict with the original agreements. For example, “mission creep”, when technologies are intentionally repurposed for unintended uses, such as surveillance, is a growing concern. Moreover, the responsibilities of automated systems raise critical questions. Algorithms act without explicit human intention, challenging traditional human-centred accountability

frameworks. However, even autonomous systems are designed, funded and owned by human actors, necessitating a clear allocation of responsibility among these stakeholders. For instance, in the case of a self-driving car accident, determining liability, whether it lies with the manufacturer, software developer, or user, becomes a pressing issue. Similarly, in public-private partnerships for urban services, such as public transport, multiple subcontractors may interact with AI systems and process sensitive data, further complicating accountability. Addressing these challenges requires governance mechanisms that assign responsibility across the AI lifecycle and provide remedies when issues arise.

Ultimately, AI holds immense potential to transform society, offering solutions to pressing global challenges such as the climate crisis, public health and education. However, the urgency to establish responsible AI governance cannot be overstated. Governments at all levels, along with private sector actors, must address risks associated with flawed AI data, tools and recognition systems. UN-Habitat's approach to AI in urban environments is anchored in the UN's Universal Declaration of Human Rights and its mandate to promote inclusive, safe, resilient and sustainable cities (SDG 11). This approach champions people-centred and climate-sensitive innovation, ensuring that urban digital transformation benefits all by driving sustainability, inclusivity, prosperity and the realization of human rights in cities and human settlements. UN-Habitat emphasises the pivotal role of governments, particularly local authorities, in establishing the necessary frameworks, infrastructure and capacity to govern AI responsibly. By fostering transparent, accountable, and ethical AI deployment, governments can harness AI's transformative potential while safeguarding public trust and advancing equitable urban development.