



## OASC Session Recap: The EU AI Act & its Relevance to EU Cities and Communities

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This is a summary and follow-up of the Deep Dive sessions on the *European AI Act & its Relevance to Cities*, held on 23 January 2025 at the OASC Conference in Tampere, Finland.

The primary purpose of the sessions was to highlight the key aspects of how the European AI Act is relevant to European cities and communities and their wider digital ecosystem, and to provide pointers on important next steps to follow up on. The sessions featured a brief overview about the AI Act, highlighting its relevance for local and regional governments for procuring, developing, and running digital systems using AI. In addition, we also offered three areas of focus for cities and communities to address to better navigate the Act's regulatory impact at the city/community level. Taking proactive steps now will help ensure a more effective integration of the Act's requirements into local practices and governance in the future.

Entered into force on 1 August 2024, the AI Act will, for the most part, be fully applicable in August 2026. A narrow subset of rules already became applicable on 2 February 2025<sup>1</sup>. The AI Act should not be considered as a solo regulatory effort but a complementary step in the broader context of EU digital regulatory advancement and its single market vision. It is not only accompanied by the harmonised rules but also a part of the New Legislative Framework (NLF). Therefore, to navigate the operational and implementation steps of the AI Act, reference to these broader regulatory frameworks, established and in the process to be established, is crucial.<sup>2</sup>

The core reason why cities and communities should be more proactive in navigating the AI Act is that the Act does not inherently differ between public and private sector *providers/deployers*<sup>3</sup> of AI systems. Putting aside a number of exceptions (law

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<sup>1</sup> See

<https://digital-strategy.ec.europa.eu/en/news/first-rules-artificial-intelligence-act-are-now-applicable> (last update: 3 Feb 2025).

<sup>2</sup> For more information about the AI Act itself, including a concise summary of its product safety nature and the risk-based approach it takes, please see the official [European Commission AI Act landing page](#) and also the [AI Office website](#). See <https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai> (last update: 3 February 2025). See <https://digital-strategy.ec.europa.eu/en/policies/ai-office> (last update: 7 February 2025).

<sup>3</sup> According to [Article 3 of the AI Act](#), 'provider' refers to "a natural or legal person, public authority, agency or other body that develops an AI system or a general-purpose AI model or that has an AI system or a general-purpose AI model developed and places it on the market or puts the AI system into service under its own name or trademark, whether for payment or free of charge". A 'deployer' is "a natural or legal person, public authority, agency or other body using an AI system under its authority except where the AI system is used in the course of a personal non-professional activity".

enforcement/national security, strict research, strict testing), this means that the same risk scale and respective compliance requirements apply to cities and communities, their superior authorities, and any other entity equally.

We have identified three core areas that are most relevant to EU cities and communities and which they should already start to explore if they have not already done so. Acknowledging the existing digital disparities across EU cities and communities as well as their cultural, economic, and national regulatory intricacies, the following recommendations apply to cities and communities across all levels of digital readiness and maturity. Therefore, while more advanced cities and communities may have already started to assess the impact of the AI Act on existing systems and future procurement and can further advance their compliance efforts, less advanced cities with no existing assessment of the Act's implications for their work should initiate preparatory steps in the following areas.

**First, we recommend that cities and communities explore ways to develop their capacity for assessing the risk level of their AI systems.** While many of the implementation details and compliance procedures are yet to be specified, it is important to encourage staff and departments that are already handling digital infrastructure and projects (even in very limited capacity) to familiarise themselves with the general implications of the AI Act's risk tiers. This is particularly important for existing AI systems that fall under the 'high risk' tier - depending on which category of 'high-risk' the AI system is labelled, the requested quality and risk management systems and other compliance steps can differ. Therefore, being able to navigate this tier-based system will be vital to the upcoming AI Act implementation phase.

For cities and communities that have not much experience with using AI systems and assessing their risks, a general understanding of the AI Act's risk levels will be an essential first step for future implementation of AI systems in accordance with the AI Act. For cities and communities that are already developing, and/or procuring AI systems, and especially have some experience in AI systems risk assessment, we recommend that an initial screening of their risk categories in accordance with the AI Act's tier system is conducted. This will ensure that the future compliance process is more efficient when compliance details and procedures are further clarified.

**Second, we recommend that cities familiarise themselves with the governance structure and general compliance procedure envisaged by the AI Act.** This includes understanding the new roles, responsibilities and the overall governance structure designed by the AI Act at the EU and local levels to ensure and support its implementation. To cities and communities, this primarily refers to national Market Surveillance Authorities (MSAs), Notifying Authorities and other related institutions that define the pace of the local implementation of the AI Act. However, if capacity allows, gaining a general understanding of the new dedicated AI roles at EU level, such as the AI office and board, can also help to connect the dots with developments at EU level, especially if your city intends to leverage your local efforts beyond the national level. It is also recommended that a general understanding of the documentation and reporting requirements and procedures for different risk level AI systems, such as the risk/quality management systems and monitoring assessment, is developed.

Given that many specifics are yet to be finalised, even a limited understanding of these points would be a good starting point at the current stage. The aim is to establish a baseline of understanding what this governance structure entails and its implication on your local level, in order to plan for future navigation of the regulatory requirements. As previously mentioned, the AI Act is developed as a complementary step to the broader digital regulatory ecosystem aligned with the NLF. Therefore, although the scope of some of these roles is yet to be specified, similar functions already exist in more developed contexts in the NLF, such as the MSAs, which can also offer clues for the practical role they will be playing for your use of AI systems.

**Third, as a more holistic approach and building on the first two points, we advocate that cities proactively develop their AI Act navigation strategy.** This does not necessarily entail having a full-fledged compliance strategy, or even a comprehensive digital transformation strategy, especially since the implementation details are yet to be clarified at the EU level. The objective here is to initiate a local-level roadmap for responding to the new regulatory requirements set by the AI Act. This helps to conduct an initial in-house reflection on where your city or community stands and to recognise where work needs to be done by the time the AI Act is (almost) fully implemented in August 2026.

We suggest developing this in-house roadmap from two main angles, inward and outward. The inward angle refers to a review of internal resources and capacity. As outlined in the first two points, it is essential to align internally within your respective departments or staff on questions such as: what roles and functions are needed internally to meet the relevant AI Act expectations; which of these roles and functions can already be met by the existing resources and what are the potential solutions to address those that have not been addressed. It should be noted that not all these questions can currently have satisfactory answers, especially with limited in-house capacity and/or expertise on digital and AI systems. However, compiling a list of these questions to create a pipeline of aspects to consider is already a great first step.

From the outward angle, this links closely with the second point on the roles and governance structures envisioned in the AI Act at both the EU and member states levels. We strongly recommend that cities and communities proactively monitor the appointment and development of their local AI Act competent authorities. This also refers to some flagship targets on the member state level, such as the aim to have at least one AI regulatory AI sandbox set up by 2 August 2026. Given the reliance of the AI Act on the implementation at national levels, proactive navigation of these aspects can offer more clarity and insights on the actual implementation procedures for your city or community. Most importantly, it also offers the opportunity for cities and communities to consider how they would like to position themselves at the national level of development.

For cities and communities less accustomed to the AI Act, following these progress updates can keep you updated on the direction of your national level planning and possible resources that can help, especially when limited in resources. These updates and potential resources are vital to support a more effective and efficient local planning and resources allocation. For more digitally advanced cities, these national-level targets also offer great opportunities for you to decide whether to leverage your local-level progress and expand your influence from the city level to the national level (and possibly EU level). It is therefore important to reflect

on these and initiate a strategy or strategic thinking on your objective during this defining phase of AI Act's implementation. If you would like to take the leading role to influence the direction of your national-level implementation and beyond, we recommend you to start a strategy roadmap on how to get there.

Based on the initial feedback we received from attendees during the session and thoughts we collected afterwards, these three points resonate with what are considered urgent needs at the local level. Certainly, more detailed challenges can be identified from each of these three points, such as how to navigate the overlaps and differences between the AI Act and other existing digital regulations (such as the GDPR), how to efficiently address AI literacy challenges, and how to raise awareness of these issues in local level discussions and processes. Support is also required to facilitate the exchange of knowledge and experience between cities and communities with experts to guide the details of implementation where local capacity is limited, and to jointly develop solutions to some of the pressing challenges in order to implement these three recommended points.

We are currently reflecting further on these points and following up on the feedback received from participants. As part of OASC's policy navigation activities, we are in the process of connecting these dots to develop practical next steps to further refine the scope of the most pressing shared challenges, to design and facilitate the requested information exchange and/or collective solution finding, and to identify the most efficient style of dissemination for our city and community members. If your city and communities would like to get involved, please contact us at [ivy@oascities.org](mailto:ivy@oascities.org) and [gert.hilgers@oacities.org](mailto:gert.hilgers@oacities.org).