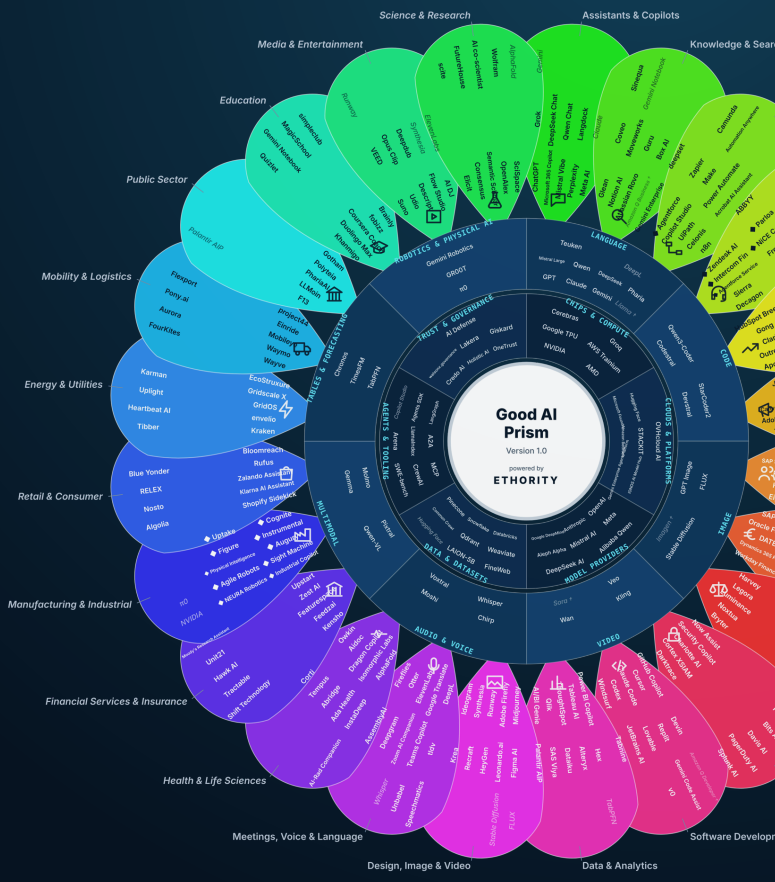
ETHORITY
AI BUSINESS OPERATING SYSTEM



GOOD AI PRISM · SECTOR BRIEF 2026/27 · PUBLIC SECTOR · GLOBAL EDITION

Put AI to work for citizens and public services

Where AI already helps governments serve, decide and protect, what the market offers, and the rules by jurisdiction.

22
AI offerings mapped in the Public Sector

3,611
AI use cases reported by US federal agencies for 2025, up from 1,757 a year earlier (OMB)

2 Dec 2027
EU high-risk duties for AI in benefits, policing, migration and justice apply

Created by Sten Franke with a people and governance lens by Severin L. Wilson · October 2026

AT A GLANCE

Government is where AI meets public trust

Administrations use AI to draft texts, answer citizens, analyse consultations and support case work. Every use touches public trust, and the uses that decide on benefits, policing, migration or justice are regulated as high-risk.

This brief applies the Good AI Prism Market Study 2026/27 to the public sector. It combines the study's market map of 22 AI offerings with current research on adoption, workforce and rules across major jurisdictions. Europe is ETHORITY's hub market and Germany its home and test market, so both get the closest look. The brief ends with the questions to settle before a pilot and with how ETHORITY helps.

37%
of 87 UK central government bodies had deployed AI; 70% were piloting or planning it (NAO, Mar 2024)

445
of 3,611 US federal AI use cases are classed as high-impact (OMB inventory 2025)

13%
of German municipalities used AI or automated systems in 2024, up from 8% (DStGB/iit)

70%
of Germans want AI used when their application is processed, up from 63% (Bitkom, Oct 2026)

570,000
posts missing in Germany's public service; 1.4 million retirements within ten years (dbb)

40,000
Hamburg civil servants have the AI assistant LLMoin; four more states adopt it (Dec 2025)

About this brief

Market figures come from the Good AI Prism 2026/27 study dataset: every entry is recorded with a dated source from the provider's own pages. Job groups are ETHORITY's classification. External figures name their source, population and date; populations differ between countries and are not combined. This brief is not legal advice.

WHERE GOVERNMENT STANDS

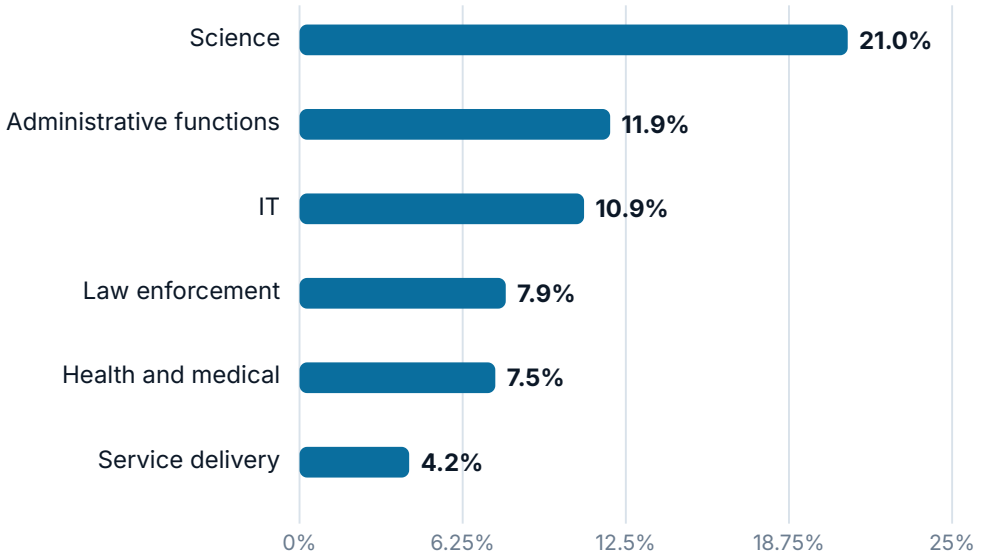
From pilots to shared platforms

Governments move from pilots to scale. US federal agencies reported 3,611 AI use cases for 2025, twice the number of a year earlier; 858 of them use generative AI and 117 agentic AI (OMB). In the UK, 37% of central government bodies had deployed AI in 2024 and 70% were piloting or planning it (NAO). Estonia counts more than 130 AI projects across public institutions (OECD).

Germany builds shared, sovereign tools: Hamburg's assistant LLMoin reaches 40,000 staff and is adopted by four more states, Baden-Württemberg's F13 is open source, and the federal government commissioned a sovereign AI platform as part of the Deutschland-Stack (May 2026). Municipalities follow more slowly: 13% used AI in 2024 (DStGB/iit).

Exhibit 1 · What US federal agencies use AI for

Share of 3,611 reported AI use cases by topic area, 2025



OMB, 2025 Federal Agency AI Use Case Inventory (raw data, status 13 Apr 2026); ETHORITY tally · 16.7% without topic

THE WORKFORCE SIDE

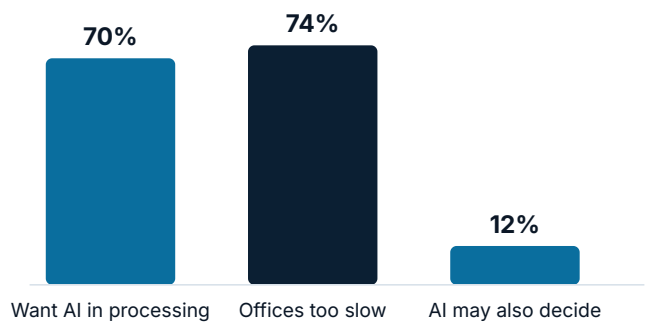
AI arrives as a generation of public servants retires

Germany’s public service employs about 5.5 million people, 12% of everyone in work (Destatis). The civil servants’ federation counts 570,000 missing posts today and 1.4 million retirements within ten years (dbb). 43% of municipalities report an acute need for staff, 61% of large cities (DStGB/iit).

Citizens expect faster service: 74% of Germans say authorities take too long, and 70% want AI used when their application is processed, while only 12% want AI to decide alone (Bitkom, 2026). In the UK, one AI tool for analysing public consultations could save about 75,000 working days a year (DSIT).

Exhibit 2 · Test market Germany: what citizens expect

Share of German citizens, 2026



Bitkom, survey of 1,004 people, published 6 Oct 2026

5.5 million

people work in Germany’s public service, 12% of all employed (Destatis, Jun 2025)

43%

of German municipalities report an acute need for staff, 61% of large cities (DStGB/iit, 2024)

THE RULES

Europe sets the reference dates

ETHORITY reads the rules by jurisdiction. Europe is the hub market: the AI Act bans social scoring, restricts biometric identification and treats AI in benefits, policing, migration and justice as high-risk, with an impact assessment for public deployers. Germany, the home and test market, adds federal guidelines, a transparency register and limits on fully automated decisions.

European Union: the hub market

2 Feb 2025	IN FORCE	Prohibitions apply, including social scoring and, with narrow exceptions, real-time remote biometric identification in public spaces; AI literacy measures.
2 Aug 2026	IN FORCE	Transparency: people must be told when they interact with an AI system (Art. 50).
2 Dec 2027	ANNEX III	High-risk: eligibility for public benefits and services (5a), law enforcement (6), migration, asylum and border control (7), justice and democratic processes (8). Public deployers run a fundamental-rights impact assessment (Art. 27).
2 Aug 2030	LEGACY	High-risk AI systems already used by public authorities must fully comply.

Dates as amended by the Digital Omnibus on AI, Regulation (EU) 2026/1744, in force since 27 July 2026.

Germany, the home and test market, adds its own building blocks

- Federal guideline on AI in the federal administration (Mar 2025): human oversight, no delegation of responsibility, disclosure and registration.
- MaKI, the federal marketplace and transparency register for AI, piloted for states and municipalities.
- Administrative Procedure Act §35a: a fully automated administrative act requires a legal basis and leaves no room for discretion.
- Sovereign federal AI platform commissioned from Deutsche Telekom and SAP as part of the Deutschland-Stack (May 2026).

RULES BY JURISDICTION

Where you govern decides which rules apply

Rules for AI in government combine AI law, administrative law and procurement. The EU regulates by risk; the UK and Australia by transparency and accountability; the US by agency policy. Status October 2026.

JURISDICTION	INSTRUMENT	APPLIES	WHAT IT MEANS FOR THE PUBLIC SECTOR
European Union	AI Act as amended	Prohibitions since Feb 2025; Annex III from 2 Dec 2027	Social scoring banned; benefits, policing, migration and justice high-risk; fundamental-rights impact assessment for public deployers.
Germany	Federal AI guideline; MaKI register; §35a VwVfG; Deutschland-Stack	Since 2025; platform from 2026	Human oversight and registration; fully automated acts only with a legal basis; shared sovereign platform.
United Kingdom	Algorithmic Transparency Recording Standard	Mandatory across departments; scope updated Sep 2026	Records required for algorithmic tools in pilot or production.
United States	OMB M-25-21, M-25-22 and M-26-04; Texas TRAIGA	Since Apr 2025; Texas since Jan 2026	Chief AI officers, AI strategies and risk practices for high-impact AI; neutrality terms for language models; Texas requires disclosure of AI in government.
Canada	Directive on Automated Decision-Making	In force; AI strategy 2025–27	Algorithmic impact assessment required for automated administrative decisions.
Japan	Government guideline on procuring and using generative AI	Since May 2025	Government-wide use of generative AI with risk management.
South Korea	AI Basic Act	Since 22 Jan 2026	High-impact AI duties: risk management, human oversight and notice.
Australia	Policy for the responsible use of AI in government	Since 15 Dec 2025	Use-case register, accountable owner, mandatory impact assessment and staff training.

Sources: statutes, government guidance and law-firm briefings (EU, BMDS, IT-Planungsrat, GDS, OMB, Treasury Board of Canada, Digital Agency Japan, DTA Australia). Status October 2026. Not legal advice.

Where the 22 providers are headquartered

10
Europe, of which 7 in Germany

12
North America

Headquarters as of October 2026 from provider pages and public sources. Axon acquired Prepared (Oct 2025). Cohere and Aleph Alpha agreed to merge (Sep 2026, not yet closed). F13 and LLMoin are public tools of Baden-Württemberg and Hamburg.

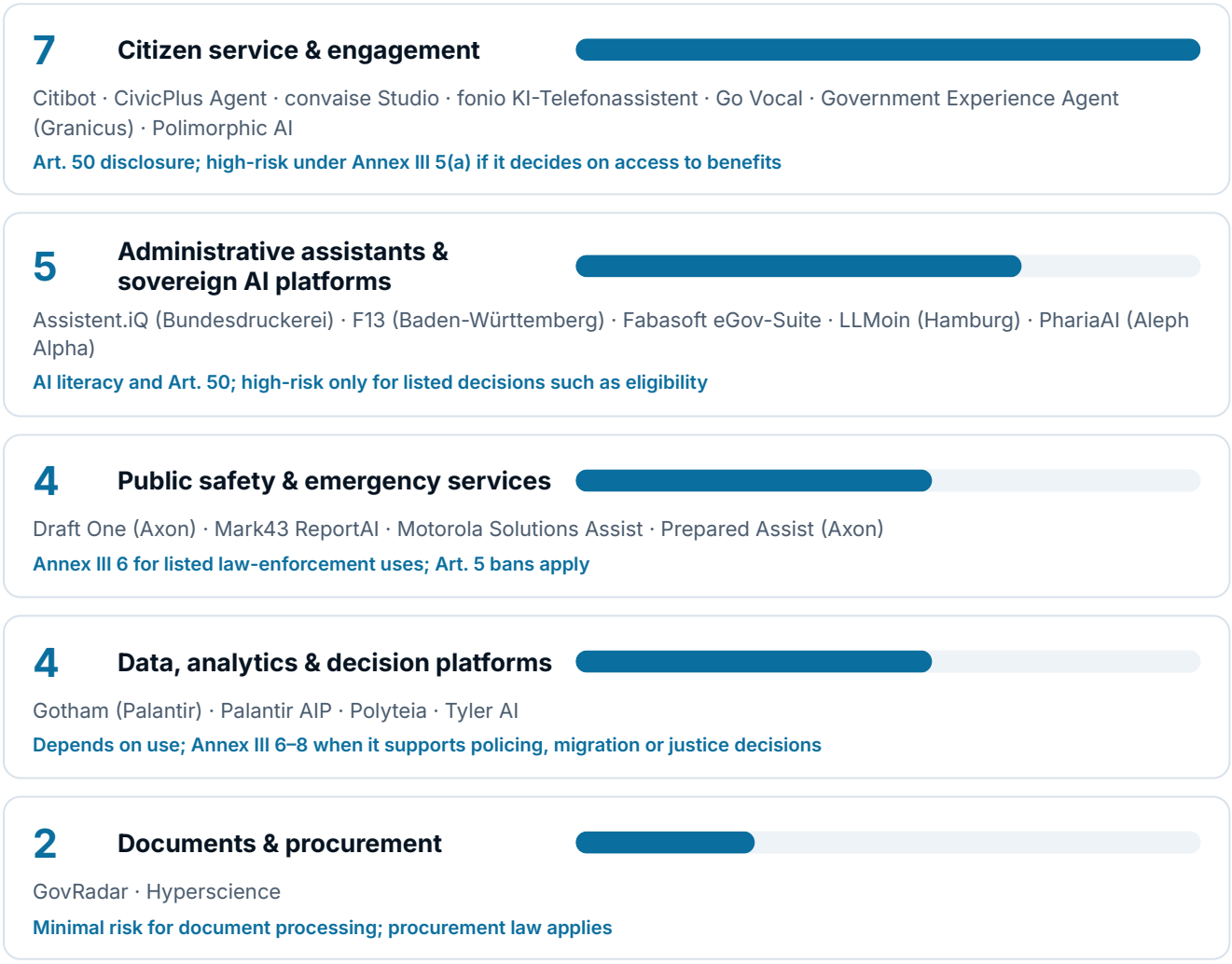
THE MARKET MAP

22 AI offerings for government, from the front desk to the control room

The Good AI Prism 2026/27 places 22 offerings in the Public Sector. Seven serve citizens through chat, phone and participation. Five are administrative assistants and sovereign AI platforms, four support police and emergency services, four are data and decision platforms, and two handle documents and procurement.

Exhibit 3 · The Public Sector map by job

Number of offerings per job group; names alphabetical, not a ranking

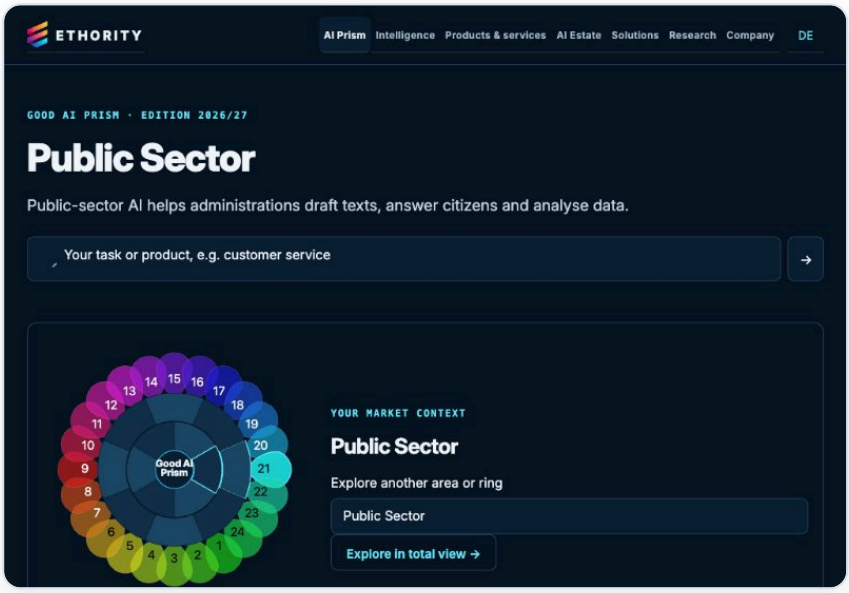


Good AI Prism 2026/27 study dataset · job groups: ETHORITY classification · The AI Act classifies uses, not products. Whether an offering is high-risk depends on its intended purpose and the decisions it supports.

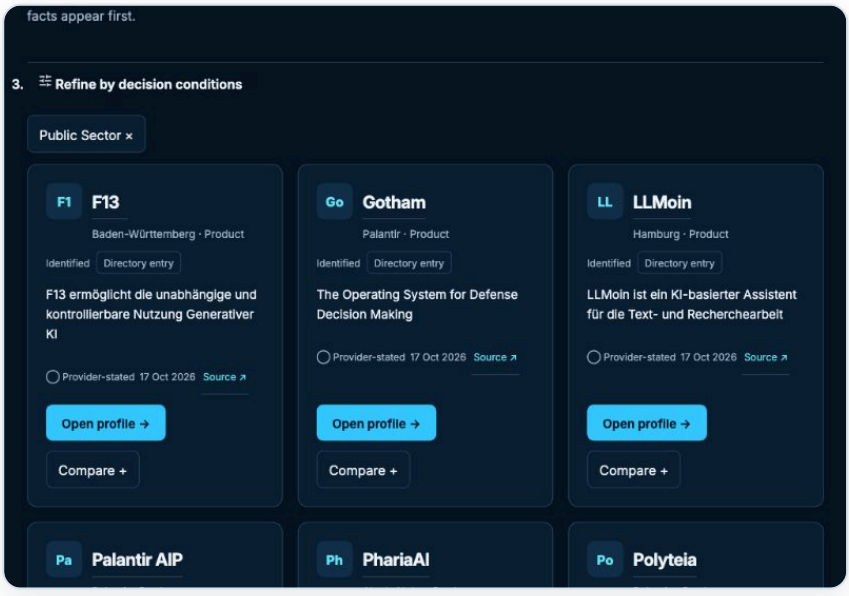
ONLINE VIEW

The Public Sector area in the Good AI Prism

The online Good AI Prism places each offering in its business area and shows the source and date behind every entry. The preview below shows the Public Sector area as it appears in October 2026. Select an area to see the offerings placed there, then open a profile to check the provider's own statement, its date and the decision facts recorded for it, such as pricing basis, data hosting and training on customer data where documented.



Good AI Prism online preview: Public Sector selected, October 2026.



Entries with their source and date. This brief counts all 22 entries recorded for the edition.

NEEDS AND DECISIONS

What public leaders need, and what to ask before a pilot

What the evidence shows

People
570,000 posts missing in Germany's public service; 1.4 million retirements within ten years (dbb).

Citizens
74% of Germans say authorities take too long; 85% want to see the status of their application online (Bitkom, 2026).

Workload
Analysing about 500 public consultations a year takes about 75,000 working days in UK government (DSIT).

Capacity
43% of German municipalities report an acute need for staff (DStGB/iit, 2024).

Seven questions before AI touches a citizen's case

1. Does it decide or prepare decisions on benefits, policing, migration or justice? Then it is high-risk in the EU from Dec 2027.
2. Is a fully automated decision legally allowed, or must a person decide?
3. Have we run the fundamental-rights impact assessment required of public deployers?
4. Is the use recorded in a transparency register, such as MaKI or the UK standard?
5. Where is the model hosted, can we exit, and does it meet our sovereignty criteria?
6. Do citizens know when they deal with AI, and how can they appeal?
7. Which measures decide scaling: processing time, backlog, error rate and citizen satisfaction?

WORKFORCE PLAN

Plan the people side with the technology

When agendas change quickly, the people side breaks first: half-adopted tools, skills that lag the system, employees who were not involved, and decisions no one owns. Plan adoption, training, employee participation and accountable oversight as part of every staged commitment, not after it.

Severin L. Wilson, workforce lens in the Good AI Prism Market Study 2026/27

Workforce annex to the pilot charter

Affected roles	Which case-work, service and back-office roles the pilot touches, and how many people
Baseline workload	Processing times, backlogs and error rates today, measured before the pilot
Skills needed	Operating, reviewing and challenging the system; training plan and owner
Staff involvement	Staff council and representatives from the start
Oversight owner	The named official accountable for decisions that affect citizens
Escalation and appeal	How staff and citizens can challenge an output, and the response time
Capacity plan	Where returned time goes: complex cases, citizen contact, backlog or training; who decides
Measured quality	Error rate, appeals, complaints and audit findings, tracked with the outcome measure

Saved time is not realised value. Count it when returned time has demonstrably gone into faster, better service for citizens.

NEXT STEPS

A 90-day start for public administrations

01
Inventory
List every AI use, including tools staff bring themselves, and record it in a transparency register.

02
Classify
Separate assistance from decisions; mark uses in benefits, policing, migration and justice as high-risk.

03
Involve
Bring in the staff council, data protection and legal teams early.

04
Enable
Document AI literacy measures and name accountable officials for each use.

05
Pilot
Run one service or drafting use on a sovereign platform with a baseline and the workforce annex.

06
Decide
Scale only on measured processing time, quality, appeals and citizen satisfaction.

ETHORITY recommendation, derived from the rules and evidence in this brief.

CONCLUSIONS

What the evidence adds up to

Public administrations need AI to keep services running as staff retire. They can only use it if citizens trust it. Five conclusions for decisions now.

1 **Treat AI as a capacity strategy**

Evidence. 570,000 posts missing and 1.4 million retirements ahead in Germany; 43% of municipalities report acute staff needs.

What to do. Plan AI where it returns the most time to case work and citizen contact. · The workforce side

2 **Separate assistance from decisions**

Evidence. Benefits, policing, migration and justice uses become high-risk in Dec 2027; fully automated acts need a legal basis.

What to do. Keep a named official accountable for every decision; let AI prepare, not decide. · The rules

3 **Build once, share widely**

Evidence. LLMoin reaches 40,000 staff and four more states; F13 is open source; a federal platform is being built.

What to do. Reuse shared, sovereign platforms before buying new tools. · Where government stands

4 **Make AI visible**

Evidence. The UK makes transparency records mandatory; Germany runs the MaKI register; only 12% of citizens want AI to decide alone.

What to do. Register every use and tell citizens when AI is involved. · Rules by jurisdiction

5 **Measure what citizens feel**

Evidence. 74% of Germans say authorities take too long.

What to do. Count processing time, backlog, appeals and satisfaction before and after. · Needs and decisions

THE PROBLEM

Government is not short of AI ideas. It is short of capacity and decisions that hold.

Administrations must serve more people with fewer staff, keep citizens' trust and stay within administrative, data and AI law.

THE PROBLEM	WHAT WE SEE IN THE EVIDENCE	WHAT IT COSTS
Too few people	Retirements outpace recruitment in almost every administration.	**Backlogs and longer waits.**
Fragmented tools	Each authority buys or builds its own assistant.	**Duplicated cost, weak scale.**
Legal limits on automation	AI Act, administrative procedure law and data protection set clear limits.	**Stalled projects or unlawful decisions.**
Sovereignty and lock-in	Hosting, model choice and exit terms decide long-term control.	**Dependency on single vendors.**
Trust	Citizens accept AI support but want people to decide.	**Appeals and loss of legitimacy.**

The question behind every project

What should improve, which options are credible, what evidence is missing, what implementation requires, and who owns the outcome?

HOW ETHORITY HELPS

From AI ambition to public services that work

ETHORITY helps public bodies choose, govern and prove AI: from independent market evidence to decisions that can be defended in public and outcomes citizens notice.

01
Discover
Find and qualify the opportunity: options, evidence, constraints and rules.

02
Create
Design and build the solution with your data, systems and people.

03
Run
Operate it responsibly, with owners, controls and support.

04
Improve
Measure against the objective and adjust.

05
Grow
Turn what was learned into new capability and value.

WHERE A PROJECT CAN BEGIN

AI opportunity case
One use, such as citizen service, drafting or consultation analysis, assessed against evidence, cost and law, ending in a decision: pilot, redesign, expand or stop.

Market and evidence review
Good AI Prism research profiles and comparisons of the 22 offerings, including sovereign platforms, for procurement-ready evidence.

AI estate audit
An inventory of AI across the administration, including tools staff bring themselves, ready for a transparency register.

Governance and AI Act readiness
Each use mapped to the AI Act, administrative law and data protection, with impact assessments where required.

AI literacy for public servants
Role-based training for case workers, managers and IT, with named accountable officials.

From pilot to operation
A pilot charter with baseline, threshold and stop conditions, then building and running the solution on ETHORITY's AI Business Operating System.

Who we work with

Federal, state and municipal administrations, public IT service providers, ministries, agencies and associations.

Start with one question. Talk to us: sten@ethority.ai · severin@ethority.ai · ethority.ai/ai-prism-study

ABOUT ETHORITY

From understanding markets to building AI capability

ETHORITY connects market intelligence, research and practical delivery to help organisations put AI to work. It is built as an AI1st organisation: humans and AI agents work on one AI Business Operating System, with the research, engineering and operations to build and run AI after the pilot. Its roots lie in the digital intelligence business Sten Franke founded in 2005, which combined monitoring, research and advisory work to help organisations understand changing markets.

The Good AI Prism is the entry point: research profiles, documented relationships and comparisons help users investigate their options. Advisory, governance and transformation work connect those options with an organisation's objectives, data, systems, people and operating conditions.

SELECTED REFERENCES AND PARTNERS SINCE 2005

Bosch · Bayer · BMW · Siemens · Mercedes-Benz · Coca-Cola · Deutsche Bank · T-Mobile · Telefónica o2 · DHL · EDEKA · AIDA Cruises

Selected historical references and partners from the group's market-intelligence and advisory heritage, in projects or through former group companies.

METHOD

Market figures: Good AI Prism 2026/27 study dataset, Public Sector area, 22 entries, each with a dated source from the provider's own pages (October 2026). Job groups and AI Act relevance: ETHORITY classification by intended use. Exhibit 1 is ETHORITY's tally of the OMB raw inventory file. Jurisdictions: status October 2026. External figures as cited and not combined. Not legal advice.

MAIN SOURCES

- OMB, 2025 Federal Agency AI Use Case Inventory (status 13 Apr 2026); GAO-25-107653
- National Audit Office, AI in government, 15 Mar 2024; DSIT, Humphrey Consult, 14 May 2025; GDS, ATRS
- DStGB and iit, Zukunftsradar Digitale Kommune 2023 and 2024
- Bitkom, survey on AI in public administration, 6 Oct 2026
- Destatis, public service staff, 30 Jun 2025; dbb, 24 Jan 2025
- Senatskanzlei Hamburg (LLMoin), 15 Dec 2025; State of Baden-Württemberg (F13); Deutsche Telekom, federal AI platform, 21 May 2026
- BMDS, guideline on AI in the federal administration, 27 Mar 2025; IT-Planungsrat, MaKI 2025
- UN DESA, E-Government Survey 2024; OECD, Governing with AI 2025
- Regulation (EU) 2024/1689 (AI Act), Art. 5, 27, 50, Annex III; Regulation (EU) 2026/1744
- OMB M-25-21, M-25-22, M-26-04; Australian DTA AI policy, Dec 2025; Japan Digital Agency guideline, May 2025
- Good AI Prism Market Study 2026/27 and study dataset (ETHORITY, October 2026)

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AI BUSINESS OPERATING SYSTEM



FROM BUSINESS AMBITION TO AI THAT WORKS

Put AI to work, with evidence.

ETHORITY helps organisations choose, govern and prove AI: from independent market evidence to decisions that can be defended and outcomes that can be measured.

CONTACT



Sten Franke
Founder, Principal Architect & Lead Creator
sten@ethority.ai
linkedin.com/in/stenfranke



Severin L. Wilson
Chief Business & Transformation Officer
severin@ethority.ai
linkedin.com/in/severinwilson

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06	**The Social Media Prisma 2009–2025**	Historic paper · EN and DE

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