

DIMO

Governing Data and Artificial Intelligence in Local Government

The Data Intelligence and Management Office as a policy and
governance initiative in the Province of Alicante

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PART I

CONTEXT AND POLICY RATIONALE

1. Artificial intelligence and the transformation of public governance

Artificial intelligence is increasingly shaping how governments collect, process and interpret information. Across public administrations, advanced analytical techniques are being used to support policy design, improve service delivery and strengthen strategic decision-making.

However, the transformative potential of artificial intelligence in the public sector does not derive primarily from technological capability. Rather, it emerges from the institutional conditions under which such technologies are deployed. Without appropriate governance frameworks, artificial intelligence risks reinforcing existing administrative fragmentation, obscuring accountability and weakening public trust.

For this reason, the debate surrounding artificial intelligence in government has progressively shifted from questions of technical feasibility towards questions of governance, responsibility and public value.

International organisations, including the OECD, have consistently emphasised that artificial intelligence in the public sector must be human-centred, transparent and accountable. These principles cannot be retrofitted once systems are in operation. They must be embedded from the outset through institutional design.

In this context, governing artificial intelligence becomes a core challenge of contemporary public administration.

2. From digitalisation to governance: a paradigm shift

Over the past decades, public-sector modernisation strategies have largely focused on digitalisation. Governments invested in information systems, online services and data infrastructures with the aim of improving efficiency and accessibility.

While these efforts have delivered important benefits, digitalisation alone has proven insufficient to address the deeper organisational and governance challenges associated with data-intensive administration.

Digital tools can increase the volume and speed of information flows, but they do not automatically create coherence, accountability or shared understanding across institutions. In many cases, digitalisation has coexisted with — and sometimes amplified — administrative silos.

Artificial intelligence intensifies this challenge. By introducing automated or semi-automated analytical processes, AI systems can significantly influence how public problems are

understood and how decisions are framed. This influence makes questions of governance not secondary, but central.

As a result, governments are increasingly confronted with a fundamental policy question: how to ensure that the use of artificial intelligence strengthens, rather than undermines, democratic accountability and institutional integrity.

3. The central role of data governance

Artificial intelligence systems depend entirely on data. The quality, structure, interoperability and governance of public data directly determine the reliability, fairness and explainability of AI-supported analysis.

In public administration, data is not a neutral resource. It reflects legal mandates, administrative procedures and institutional responsibilities. Poorly governed data can lead to inconsistent interpretations, biased outcomes and opaque decision-making processes.

Effective data governance therefore constitutes the foundation of trustworthy artificial intelligence.

This includes:

- clear ownership and responsibility for datasets
- shared standards and definitions
- traceability of analytical processes
- mechanisms for oversight and review
- alignment with legal and ethical frameworks

Without these elements, the introduction of artificial intelligence risks becoming a technical exercise detached from public-sector accountability.

Conversely, when data governance is treated as a policy matter — rather than a technical one — artificial intelligence can be integrated in a way that supports informed, transparent and responsible decision-making.

4. The specific challenge of subnational governments

The governance of artificial intelligence poses particular challenges at the subnational level.

Local and provincial governments operate within complex multi-level governance systems. They often combine responsibilities delegated from central authorities with locally defined competences. At the same time, they face significant disparities in administrative capacity between jurisdictions.

Smaller municipalities frequently lack specialised resources for data management, advanced analytics or digital governance. As a result, territorial inequalities in institutional capacity can emerge, even within the same region.

In such contexts, fragmented data management is not merely an operational inconvenience. It becomes a structural barrier to coherent policymaking and to the responsible adoption of innovative technologies.

Subnational governments therefore face a dual challenge:

- enabling innovation and data-driven decision-making;
- while ensuring consistency, accountability and equity across territories.

Addressing this challenge requires governance mechanisms that operate above individual organisational units, providing shared frameworks and institutional support.

5. Risks associated with unguided AI adoption

The rapid diffusion of artificial intelligence tools has created pressure on public administrations to experiment, pilot and deploy new analytical solutions.

While experimentation can play a valuable role, unguided or uncoordinated adoption of AI carries significant risks in the public sector.

These include:

- lack of transparency in analytical processes
- unclear allocation of responsibility
- difficulties in explaining decisions to citizens
- increased legal and reputational exposure
- erosion of public trust

In the absence of a common governance framework, different departments or municipalities may adopt divergent practices, leading to inconsistency and fragmentation.

Such outcomes are particularly problematic in areas where public decisions have distributive effects or affect citizens' rights and obligations.

For this reason, the OECD has repeatedly underlined that artificial intelligence in government must be embedded within clear institutional arrangements that define roles, responsibilities and safeguards.

6. Governance as an enabler of innovation

A key insight emerging from international experience is that governance should not be understood as a constraint on innovation, but as its enabler.

Clear governance frameworks provide certainty. They allow public administrations to explore data-driven approaches while maintaining control over processes and outcomes. They clarify what is permissible, who is accountable and how decisions can be reviewed.

In this sense, governance does not slow innovation; it makes it sustainable.

By establishing common standards and shared responsibilities, governance frameworks reduce duplication, support interoperability and enable learning across institutions.

For artificial intelligence, this means shifting from isolated technological initiatives towards integrated institutional capacity.

7. The rationale for a governance-first approach

Against this background, a governance-first approach to artificial intelligence has gained prominence in public-sector policy debates.

Such an approach prioritises:

- institutional design before technological deployment
- public value over efficiency alone
- accountability over automation
- long-term capacity over short-term experimentation

Rather than asking what artificial intelligence can do, governance-first strategies ask under which conditions AI should be used, by whom and for what public purpose.

This shift in perspective is particularly relevant for subnational governments, where institutional coherence and coordination are essential to ensuring fairness and consistency across territories.

8. Framing the Alicante experience

The experience of the Provincial Council of Alicante and its autonomous agency Suma must be understood within this broader policy context.

The initiative did not emerge from a desire to adopt artificial intelligence as an end in itself. Instead, it originated from a recognition of structural governance challenges associated with data management, territorial coordination and institutional responsibility.

The creation of a dedicated governance framework represented a strategic choice to address these challenges at their root.

By focusing on data governance as a prerequisite for trustworthy artificial intelligence, the initiative reflects a policy-oriented response to one of the central questions currently facing public administrations worldwide.

Concluding reflection part I

This first part establishes the conceptual and policy foundations of the initiative. It situates the experience within international debates on AI governance and clarifies why the challenge is fundamentally institutional rather than technological.

The following section will examine how these global challenges manifested concretely in the Province of Alicante, and why existing arrangements proved insufficient to address them.

PART II

THE PUBLIC POLICY CHALLENGE

9. The territorial and institutional context

The Province of Alicante is characterised by a diverse territorial structure, combining large urban municipalities with a significant number of small and medium-sized local governments. These municipalities differ considerably in administrative capacity, available resources and technical specialisation.

Within this context, the Provincial Council plays a critical role in providing technical, administrative and operational support to local governments, ensuring continuity, equity and legal certainty across the territory.

Suma Tax Management Agency, as an autonomous body of the Provincial Council, performs key functions related to revenue management, administrative coordination and information processing. Through these activities, it manages substantial volumes of administrative, fiscal and territorial data generated across municipalities.

This positioning places Suma at the intersection between local autonomy and territorial cohesion — a strategic vantage point from which broader governance challenges become visible.

10. Increasing data availability, limited institutional integration

Over time, public administrations in the province have significantly expanded their capacity to collect and store data. Digital systems have enabled the generation of detailed administrative records related to taxation, population, territorial characteristics and public services.

However, the expansion of data availability has not been accompanied by equivalent progress in institutional integration.

Datasets were frequently developed to respond to specific operational needs, using heterogeneous formats, classifications and standards. As a result, information remained compartmentalised within organisational units or municipal boundaries.

This situation created a paradox: while data volumes increased, the ability to generate coherent, territory-wide insights remained limited.

Such fragmentation constrained the administration's capacity to form a shared understanding of territorial dynamics and policy challenges.

In the absence of common reference frameworks, analytical outputs risked being partial, context-dependent or difficult to explain.

12. Implications for public decision-making

These governance limitations had tangible implications for public decision-making.

Policy formulation increasingly requires an integrated view of social, economic and territorial realities. When data remains fragmented, decision-makers are forced to rely on incomplete or non-comparable information.

This can lead to:

- difficulties in prioritising public interventions
- reduced capacity for strategic planning
- challenges in evaluating policy outcomes
- increased reliance on informal interpretation

In such circumstances, advanced analytical tools — including artificial intelligence — cannot compensate for the lack of coherent institutional foundations.

Instead, they risk reinforcing existing asymmetries, producing outputs that appear sophisticated but lack shared legitimacy.

13. Uneven institutional capacity across municipalities

A further dimension of the problem concerned disparities in institutional capacity across municipalities.

Larger municipalities often possess greater technical resources and specialised staff. Smaller local governments, by contrast, face structural constraints in data management and analytical capability.

This imbalance can generate unequal access to information and evidence-based tools, potentially affecting policy consistency and territorial equity.

From a governance perspective, this raises important questions regarding fairness and cohesion within subnational administration.

Ensuring that all municipalities benefit from shared analytical capacity requires mechanisms that transcend individual organisational capabilities.

14. Emerging pressure to adopt advanced analytics

At the same time, public administrations were increasingly exposed to external expectations regarding data-driven decision-making and the use of artificial intelligence.

National and European policy agendas encouraged innovation, digital transformation and evidence-based governance. Vendors and technological narratives promoted advanced analytical solutions as tools for efficiency and optimisation.

While these developments created opportunities, they also generated pressure to adopt solutions without fully addressing underlying governance conditions.

Without a common institutional framework, the introduction of advanced analytics risked occurring in an ad hoc and uncoordinated manner.

Such a trajectory would have made it difficult to ensure transparency, accountability and consistency across the territory.

15. The risk of reproducing fragmentation through technology

One of the key insights emerging from internal reflection was that technology alone could not resolve fragmentation — and could in fact reproduce it.

If different departments or municipalities adopted analytical tools independently, using divergent data sources and assumptions, fragmentation would be replicated at a higher level of complexity.

This would not only complicate governance, but also increase institutional risk.

Decisions influenced by opaque or non-comparable analyses would be harder to justify, explain or review.

Recognising this risk was central to reframing the problem as one of governance rather than innovation.

16. Data governance as a missing institutional layer

The diagnosis led to a clear conclusion: the administration lacked a shared institutional layer dedicated to governing data and analytical processes across the territory.

This missing layer was not technical infrastructure, but institutional coordination.

What was absent were:

- agreed standards
- defined roles and responsibilities
- common analytical principles
- mechanisms for oversight
- a shared understanding of how data should inform decisions

Without this layer, any attempt to expand the use of artificial intelligence would remain fragile.

17. From operational challenges to policy problem

At this stage, the issue ceased to be perceived as an operational inconvenience and was reframed as a policy problem.

The core question was no longer how to improve systems, but how to design institutional arrangements capable of supporting responsible, transparent and equitable data-driven governance.

This reframing was decisive.

It allowed the administration to move beyond short-term fixes and to consider long-term capacity-building as a matter of public policy.

18. The need for an institutional response

The accumulation of these factors — fragmentation, uneven capacity, governance gaps and growing pressure to adopt advanced analytics — pointed towards the need for a structured institutional response.

Such a response needed to:

- operate across municipalities
- provide consistency without undermining local autonomy
- support innovation while managing risk
- embed accountability and transparency

Most importantly, it needed to be permanent rather than project-based.

This recognition laid the groundwork for the strategic decision described in the following section.

Concluding reflection part II

The experience in Alicante illustrates how challenges related to artificial intelligence often originate not in technology itself, but in institutional fragmentation and governance gaps.

By identifying data governance as the missing link, the administration was able to articulate the problem in policy terms and prepare the conditions for a strategic institutional response.

The next section examines how this diagnosis translated into a deliberate political and administrative decision.

PART III

THE POLICY DECISION

19. From diagnosis to decision

The analysis of data fragmentation and governance gaps led to a critical moment of institutional reflection within the Provincial Council of Alicante and Suma Tax Management Agency.

The challenges identified could not be addressed through incremental improvements or isolated technical interventions. Nor could they be resolved by deploying additional digital tools within existing organisational structures.

The diagnosis pointed instead to a structural issue: the absence of a permanent institutional capacity dedicated to governing data and analytical processes across local government.

Recognising this distinction marked a turning point in how the administration approached the question of artificial intelligence.

20. Rejecting a purely technological response

One of the most significant aspects of the decision-making process was what the institution chose **not** to do.

Rather than investing in a specific technological platform, purchasing analytical software or launching experimental pilots, the administration deliberately refrained from adopting a solution-first approach.

This choice was grounded in the understanding that technology alone could not resolve governance deficiencies — and might, in fact, deepen them.

A purely technological response risked:

- reinforcing existing silos
- creating dependency on vendors
- obscuring institutional responsibility
- accelerating adoption without accountability

Avoiding these risks required a more fundamental rethinking of the role of data and artificial intelligence within public administration.

21. Artificial intelligence as a governance question

The internal debate gradually reframed artificial intelligence not as a tool to be acquired, but as a governance challenge to be addressed.

This reframing altered the nature of the policy discussion.

Instead of asking what AI systems could be implemented, the institution began asking:

- under what conditions AI should be used
- who would be responsible for its outputs
- how transparency and explainability would be ensured
- how human oversight would be maintained

These questions could not be answered through procurement or technical design alone. They required institutional arrangements, clear mandates and shared principles.

Artificial intelligence thus became a matter of public governance rather than digital innovation.

22. The role of leadership and institutional responsibility

The decision to pursue a governance-first approach required clear institutional leadership.

Within the Provincial Council of Alicante, Suma's position as a technically specialised yet administratively embedded agency enabled it to assume a coordinating role.

This positioning allowed the institution to bridge operational expertise with broader governance objectives, translating technical considerations into policy terms.

Leadership was expressed not through acceleration, but through restraint: by choosing to pause technological deployment until appropriate governance conditions were in place.

This form of leadership proved essential in aligning stakeholders around a long-term vision.

23. From projects to permanent capacity

A central element of the decision was the commitment to build **permanent institutional capacity**.

Rather than establishing a temporary project team or pilot unit, the administration opted to create a stable organisational structure with clearly defined responsibilities.

This decision reflected an understanding that data governance and AI oversight are not transitional challenges, but enduring features of modern public administration.

Embedding these functions institutionally ensured continuity beyond political cycles, organisational changes or individual roles.

24. Establishing a dedicated governance function

The creation of a dedicated function responded to several strategic objectives:

- ensuring consistency across municipalities
- providing a single reference point for data governance
- supporting coordination between departments
- enabling progressive and responsible innovation

This function would not replace existing administrative competences, but complement them by providing shared frameworks and guidance.

Its mandate would focus on governance, standards and oversight — not on operational control.

25. Balancing innovation and risk management

The decision-making process sought to strike a balance between enabling innovation and managing institutional risk.

On the one hand, the administration recognised the potential of data-driven analysis and artificial intelligence to enhance public decision-making.

On the other hand, it acknowledged the risks associated with opacity, bias and loss of accountability.

The governance-first approach offered a way to reconcile these objectives.

By establishing clear rules and responsibilities in advance, innovation could proceed within defined boundaries, preserving public trust and legal certainty.

26. Alignment with broader policy frameworks

The decision was also informed by evolving national, European and international policy frameworks.

Principles relating to trustworthy artificial intelligence, data protection, transparency and accountability increasingly shaped expectations for public-sector innovation.

Aligning institutional arrangements with these frameworks was considered essential to ensuring long-term coherence and compliance.

Rather than reacting retroactively to regulatory developments, the administration sought to anticipate them through proactive governance design.

27. Formalising the institutional commitment

The outcome of this process was the formal decision to establish a governance framework dedicated to data intelligence and management.

This decision signalled an institutional commitment to:

- govern before deploying
- build capacity before scaling
- define responsibility before automation

It represented a clear departure from ad hoc innovation towards structured policy development.

28. Defining the scope of the initiative

Importantly, the scope of the initiative was intentionally defined broadly.

It encompassed:

- data governance across administrative domains
- analytical processes supporting public decisions
- conditions for the responsible use of artificial intelligence

At the same time, it excluded automated decision-making and any delegation of public authority to algorithms.

This clear delimitation reinforced the primacy of human judgment within public administration.

29. Preparing the institutional architecture

With the strategic direction established, the administration turned its attention to institutional design.

This involved clarifying:

- organisational placement
- mandates and responsibilities
- coordination mechanisms
- reporting lines
- interfaces with municipalities

The objective was not to centralise data, but to centralise governance.

This distinction was critical in maintaining trust and cooperation across institutions.

30. A deliberate and forward-looking choice

The decision to create a governance-focused institutional framework represented a deliberate investment in long-term public-sector capacity.

It acknowledged that the responsible use of artificial intelligence cannot be improvised, nor outsourced, nor achieved through technology alone.

Instead, it must be built patiently through institutional arrangements that reflect public values and democratic accountability.

This decision laid the foundation for the establishment of the Data Intelligence and Management Office (DIMO), examined in the following section.

Concluding reflection part III

The political and administrative decision described in this section marks the transition from diagnosis to action.

By choosing governance over acceleration, and capacity over experimentation, the Provincial Council of Alicante positioned itself to address artificial intelligence as a matter of public responsibility.

The next section details how this decision was translated into an institutional framework through the creation of DIMO.

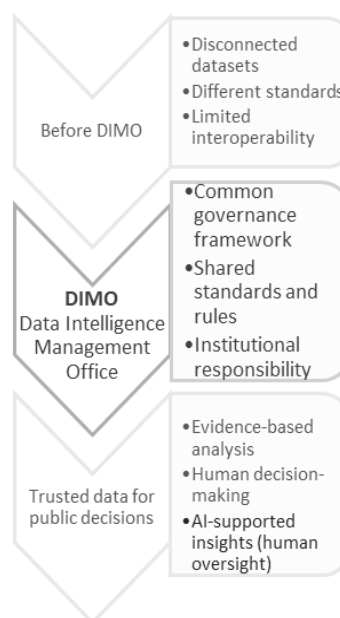


Figure 2. Institutional transition from isolated data practices towards a sharegovernance framework

PART IV

DIMO AS A GOVERNANCE INITIATIVE

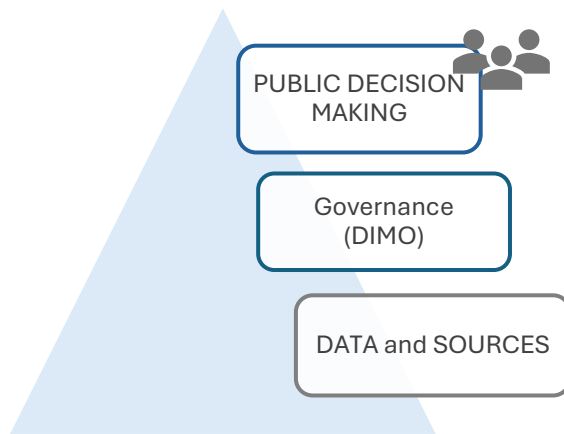


Figure 3. Institutional governance layer ensuring responsible, transparent and human-centred use of data and artificial intelligence

31. From decision to institutional design

Following the strategic decision to prioritise governance over technological deployment, the Provincial Council of Alicante translated this commitment into concrete institutional design.

Rather than embedding governance functions within existing operational units, the administration chose to create a dedicated structure with a clear and distinct mandate.

This choice reflected the understanding that governing data and artificial intelligence requires autonomy, continuity and authority within the organisational framework.

The resulting institution — the Data Intelligence and Management Office (DIMO) — was conceived as a central element of the province's public governance architecture.

32. The nature of DIMO

DIMO was not established as a technical service unit, an IT department or a project office.

It was conceived as a governance body.

Its primary function is not to operate systems or develop software, but to define, coordinate and oversee the institutional conditions under which data and artificial intelligence are used in public administration.

This distinction is fundamental.

By separating governance from operations, the administration ensured that analytical tools remain subordinate to institutional rules rather than shaping them.

33. DIMO as a policy instrument

As a policy instrument, DIMO performs a role comparable to regulatory or coordinating bodies in other areas of public administration.

It provides:

- a shared reference framework
- institutional coherence across organisational units
- continuity beyond individual initiatives
- alignment with public-sector values

Through this function, DIMO transforms data and artificial intelligence from isolated practices into governed public resources.

In doing so, it elevates data governance from an operational concern to a matter of institutional policy.

34. Core objectives of the initiative

The establishment of DIMO pursues several interrelated objectives:

- to ensure consistent and reliable use of administrative data
- to support evidence-based public decision-making
- to reduce institutional and legal risk
- to promote transparency and accountability
- to enable responsible innovation

These objectives reflect a balanced approach that integrates innovation with public-sector responsibility.

35. Scope of action

DIMO's scope of action extends across the full lifecycle of data and analytical use within public administration.

This includes:

- definition of data standards and classifications
- guidance on data integration and interoperability
- governance of analytical methodologies
- oversight of AI-supported analysis
- documentation and traceability of processes

Importantly, DIMO does not intervene in individual administrative decisions.

Its role is to govern the conditions under which such decisions are informed.

36. Institutional responsibilities and roles

A central contribution of DIMO lies in clarifying institutional responsibilities.

In complex administrative environments, ambiguity regarding ownership and accountability can undermine transparency.

DIMO addresses this by:

- defining who is responsible for datasets
- clarifying decision-making roles
- establishing review mechanisms
- supporting coordination between actors

This clarity strengthens accountability and facilitates explanation to both internal stakeholders and citizens.

37. Data governance principles

The governance framework developed under DIMO is grounded in a set of core principles.

These include:

- legality and compliance with regulatory frameworks
- transparency of analytical processes
- proportionality in the use of data and AI
- traceability and documentation
- human oversight and responsibility

These principles serve as guiding references for all analytical activities, ensuring alignment with public-sector values.

38. Human-centred use of artificial intelligence

Within the DIMO framework, artificial intelligence is explicitly positioned as a support tool for human decision-making.

AI systems are used to assist analysis, identify patterns or provide insights, but they do not replace human judgment.

Final decisions remain fully under the authority of public officials.

This approach reinforces the human-centred perspective advocated by the OECD and mitigates risks associated with automation bias or opacity.

39. Oversight and review mechanisms

DIMO incorporates mechanisms for oversight and review designed to ensure continuous accountability.

These mechanisms include:

- documentation of analytical assumptions
- traceability of data sources
- periodic review of methodologies
- internal validation processes

Such mechanisms enable learning, correction and adaptation over time.

They also facilitate transparency and explainability when decisions are subject to scrutiny.

40. Coordination across municipalities

A key function of DIMO is to support coordination across municipalities with differing administrative capacities.

By providing shared standards and guidance, DIMO enables smaller municipalities to benefit from analytical capacity without requiring them to develop complex governance structures independently.

This contributes to territorial cohesion and helps ensure that innovation does not exacerbate inequalities between local governments.

41. Respect for local autonomy

At the same time, the governance model respects municipal autonomy.

DIMO does not centralise data ownership or decision-making authority.

Instead, it provides a common governance layer that supports cooperation while preserving local competences.

This balance between coordination and autonomy is essential in multi-level governance contexts.

42. Neutrality towards technology

An important characteristic of the initiative is its technological neutrality.

DIMO does not prescribe specific tools, platforms or vendors.

Its governance framework applies regardless of technological solutions and can adapt as tools evolve.

This neutrality enhances sustainability and prevents dependency on proprietary systems.

43. Integration with existing administrative processes

Rather than creating parallel structures, DIMO is integrated into existing administrative workflows.

Its governance principles inform how data is used within established decision-making processes.

This integration ensures that governance is embedded in daily practice rather than remaining abstract or detached.

44. Enabling gradual and responsible innovation

By establishing governance foundations, DIMO enables innovation to occur gradually and responsibly.

New analytical approaches or AI-supported tools can be introduced incrementally, assessed against governance principles and adjusted as needed.

This approach contrasts with disruptive implementation models and supports institutional learning.

45. Building institutional culture

Beyond formal structures, DIMO contributes to shaping institutional culture.

By promoting shared understanding of data governance and responsibility, it fosters a culture of reflection, transparency and accountability.

Over time, this cultural dimension becomes as important as formal rules in sustaining trustworthy use of artificial intelligence.

46. DIMO as an evolving framework

The initiative is intentionally designed to evolve.

As regulatory frameworks, societal expectations and technological capabilities change, DIMO can adapt its governance mechanisms accordingly.

This flexibility ensures relevance over time while preserving core principles.

Concluding reflection part IV

The establishment of DIMO represents the operationalisation of a governance-first strategy for artificial intelligence in public administration.

By institutionalising data governance, clarifying responsibility and embedding human oversight, the initiative transforms abstract principles into practical administrative capacity.

The following section examines how this governance framework is implemented in practice and how it operates on a day-to-day basis.

PART V

IMPLEMENTATION AND OPERATION

47. From governance design to operational practice

The establishment of a governance framework is only meaningful if it can be translated into day-to-day administrative practice.

Following the creation of DIMO, the focus shifted from institutional design to implementation: how governance principles could be embedded into routine processes without disrupting administrative continuity.

The objective was not to create new parallel procedures, but to integrate governance into existing workflows, ensuring that data-driven analysis became both usable and accountable.

48. Embedding governance within administrative processes

DIMO's implementation strategy prioritised alignment with existing administrative structures.

Rather than imposing additional layers of bureaucracy, governance mechanisms were designed to complement current processes related to data management, reporting and decision support.

This approach ensured:

- minimal disruption to operational units
- clarity of roles and responsibilities
- gradual institutional adaptation

Governance thus became part of how work is performed, not an external requirement.

49. Operationalising data governance principles

To move from principles to practice, DIMO translated governance values into concrete operational guidelines.

These guidelines address:

- how data is prepared for analytical use
- how datasets are documented
- how assumptions are recorded
- how outputs are interpreted

This operationalisation allows abstract principles such as transparency or traceability to be applied consistently across analytical activities.

50. Structured analytical workflows

A key aspect of implementation involved establishing structured analytical workflows.

These workflows define:

- the stages of analysis
- the roles involved at each step
- validation and review points
- documentation requirements

By clarifying these elements, DIMO ensures that analytical processes remain intelligible, reproducible and open to scrutiny.

This structure is particularly important when advanced analytical techniques, including artificial intelligence, are involved.

51. Maintaining human oversight

Human oversight is embedded throughout the analytical lifecycle.

Public officials retain responsibility for:

- defining analytical questions
- interpreting outputs
- contextualising results
- making final decisions

AI-supported analysis serves to inform judgment, not replace it.

This approach reinforces accountability and aligns with OECD principles regarding human-centred AI.

52. Transparency and explainability in practice

Transparency is addressed not only at the level of final outputs, but throughout the analytical process.

DIMO promotes practices that ensure:

- clarity regarding data sources
- visibility of analytical logic
- documentation of limitations
- explanation of assumptions

These elements facilitate internal review and support the administration's capacity to explain decisions to stakeholders and citizens when required.

53. Internal coordination mechanisms

Effective implementation requires coordination across organisational units.

DIMO functions as a central reference point for governance-related questions, supporting dialogue between departments and municipalities.

Coordination mechanisms include:

- shared guidance documents
- regular exchanges between stakeholders
- common reference standards

This coordination reduces fragmentation and supports institutional learning.

54. Supporting municipalities with different capacities

A central implementation challenge concerned differences in municipal capacity.

DIMO's governance framework provides smaller municipalities with access to shared standards and analytical guidance, without requiring them to develop complex governance structures independently.

This approach helps ensure territorial equity while respecting local autonomy.

Governance thus becomes a collective resource rather than an individual burden.

55. Progressive and proportional implementation

Implementation was designed to be progressive rather than disruptive.

Governance mechanisms were introduced gradually, allowing institutions to adapt over time.

This proportional approach avoids overwhelming administrative units and supports sustainable change.

It also allows governance practices to mature through experience and feedback.

56. Learning and adaptation

DIMO's implementation emphasises continuous learning.

Feedback from operational use informs adjustments to governance guidelines and procedures.

This iterative process ensures that governance remains responsive to practical needs while preserving core principles.

Learning is thus institutionalised as part of governance itself.

57. Managing risk through process clarity

One of the most immediate benefits of implementation has been improved risk management. Clear processes, documented assumptions and defined responsibilities reduce institutional exposure.

When analytical outputs inform public decisions, the administration can demonstrate:

- how data was used
- who was responsible
- how conclusions were reached

This clarity strengthens legal certainty and organisational confidence.

58. Avoiding technological dependency

Throughout implementation, attention was paid to avoiding dependency on specific technologies.

Governance mechanisms were formulated independently of tools and platforms.

This ensures that governance remains stable even as technologies evolve.

It also protects the administration from vendor lock-in and preserves strategic autonomy.

59. Institutionalising accountability

Implementation reinforced accountability by making governance visible in everyday practice.

Roles are identifiable, processes are documented and responsibilities are traceable.

This institutionalisation supports both internal oversight and external scrutiny.

Accountability is thus not an abstract principle, but a practical feature of administrative work.

60. Ensuring continuity over time

By embedding governance in standard procedures, DIMO ensures continuity beyond individual projects or organisational changes.

Governance does not depend on informal knowledge or personal expertise alone.

This continuity is essential for sustaining responsible use of artificial intelligence over time.

61. Implementation as capacity-building

Ultimately, implementation is understood as a process of capacity-building. Through repeated application of governance principles, administration develops collective competence in managing data and AI responsibly.

This capacity is cumulative and strengthens institutional resilience.

Concluding reflection part V

The implementation of DIMO demonstrates how governance frameworks can be translated into daily administrative practice without sacrificing flexibility or innovation.

By embedding principles into processes, the initiative transforms governance from a conceptual aspiration into an operational reality.

The next section examines the public value generated through this approach and its broader institutional impact.

PART VI

PUBLIC VALUE

62. From governance to public value

The establishment of DIMO was not an end in itself.

Its ultimate purpose is the creation of public value through improved decision-making, institutional coherence and strengthened public trust.

By governing how data and artificial intelligence are used, the initiative seeks to ensure that analytical capacity serves public objectives rather than organisational convenience or technological momentum.

Public value is therefore understood not only in terms of efficiency, but in terms of legitimacy, fairness and sustainability.

63. Strengthening evidence-based decision-making

One of the most direct contributions of the initiative is the reinforcement of evidence-based decision-making.

By providing governed analytical frameworks, public officials can rely on information that is consistent, documented and comparable across time and territory.

This improves the quality of strategic planning and policy formulation, particularly in complex areas requiring integrated territorial perspectives.

Decisions are better informed, but also better justified.

64. Improving institutional coherence

DIMO contributes to institutional coherence by aligning analytical practices across departments and municipalities.

Shared governance frameworks reduce fragmentation and foster a common understanding of data and its appropriate use.

This coherence enhances coordination and supports collective action within a multi-level administrative environment.

It also reduces the risk of contradictory analyses informing parallel decision processes.

65. Enhancing transparency and explainability

Transparency is a central dimension of public value.

Through documentation, traceability and structured analytical processes, the administration strengthens its capacity to explain how decisions are informed.

This explainability is essential in contexts where data and artificial intelligence may otherwise appear opaque.

By making analytical processes intelligible, the initiative supports democratic accountability.

66. Reinforcing accountability

Clear governance structures strengthen accountability by clarifying responsibility.

Public officials remain identifiable decision-makers, and analytical tools remain clearly subordinate to human judgment.

This reinforces legal certainty and reduces ambiguity regarding responsibility for outcomes.

Accountability is thus preserved even as analytical sophistication increases.

67. Promoting fairness and territorial equity

By providing shared governance capacity, DIMO contributes to greater territorial equity.

Municipalities with limited resources gain access to consistent analytical standards and guidance, reducing disparities in decision-support capacity.

This supports more balanced public action across the province and helps prevent uneven adoption of advanced tools.

Equity becomes a structural outcome of governance design.

68. Managing risks associated with AI use

Artificial intelligence introduces potential risks related to bias, opacity and misuse.

The governance-first approach adopted through DIMO mitigates these risks by establishing conditions for responsible use.

Risk management is embedded proactively rather than addressed reactively after deployment.

This preventive approach enhances institutional resilience.

69. Preserving public trust

Public trust is increasingly influenced by how administrations use data and technology.

By prioritising governance, transparency and accountability, the initiative contributes to maintaining citizen confidence.

Trust is supported not through technological sophistication, but through institutional responsibility.

This is particularly important in sensitive areas involving administrative data.

70. Supporting long-term sustainability

The initiative promotes sustainability by investing in permanent institutional capacity rather than short-term projects.

Governance mechanisms remain in place regardless of technological evolution or organisational change.

This ensures continuity and protects public investment over time.

Sustainability is therefore institutional as well as operational.

71. Enabling responsible innovation

Importantly, governance does not inhibit innovation.

On the contrary, it creates safe conditions for experimentation by defining boundaries and responsibilities.

Within these boundaries, analytical innovation can occur with reduced institutional risk.

This balance enables progress while preserving public values.

72. Building administrative resilience

By strengthening governance structures, the administration enhances its resilience in the face of technological change.

Rather than reacting to external pressures, it develops internal capacity to evaluate, adapt and govern emerging tools.

This resilience is a key component of modern public-sector capability.

73. Contribution to broader policy objectives

The initiative aligns with broader policy objectives related to digital government, good governance and trustworthy AI.

By translating international principles into local institutional practice, it demonstrates how high-level frameworks can be operationalised at subnational level.

This contributes to policy coherence across governance levels.

74. Public value beyond efficiency

While efficiency gains may occur, they are not the primary objective.

Public value is defined more broadly to include:

- legitimacy
- accountability
- transparency
- equity
- institutional learning

This holistic understanding reflects contemporary public governance paradigms.

75. A governance-led model for AI in government

Ultimately, the public value of DIMO lies in demonstrating that artificial intelligence in government can be governed deliberately rather than adopted reactively.

The initiative shows that it is possible to prepare institutions before deploying technology.

In doing so, it offers a replicable governance model grounded in public values.

Concluding reflection part VI

The value generated by the DIMO initiative extends beyond immediate operational benefits.

By strengthening governance, accountability and institutional capacity, it contributes to a more trustworthy and resilient public administration.

The following section examines how this experience generates transferable lessons for other governments.

PART VII

LESSONS LEARNED AND TRANSFERABILITY

76. Learning through governance, not technology

One of the central lessons emerging from this initiative is that meaningful progress in artificial intelligence does not begin with technology.

Instead, it begins with governance.

The experience in Alicante demonstrates that investing in institutional arrangements, clarity of responsibility and shared principles creates a more stable foundation for innovation than early technological deployment.

This insight challenges dominant narratives that prioritise rapid implementation over institutional readiness.

77. Governance as an enabler, not a constraint

A second key lesson is that governance does not hinder innovation.

On the contrary, governance enables innovation by providing certainty, legitimacy and shared understanding.

By defining boundaries and responsibilities, governance frameworks reduce risk and increase confidence among public officials.

This encourages informed experimentation rather than cautious avoidance.

78. The importance of reframing AI as a policy issue

Reframing artificial intelligence as a policy matter rather than a technical matter proved decisive.

Once AI was understood as affecting accountability, transparency and public trust, it became clear that institutional leadership was required.

This reframing allowed the initiative to be discussed within policy and governance arenas, rather than confined to technical departments.

Such reframing may be particularly valuable for other administrations seeking to elevate AI discussions to strategic level.

79. The value of deliberate pacing

Another important lesson concerns the pace of implementation.

The decision to proceed deliberately — prioritising preparation over speed — allowed governance mechanisms to mature organically.

This approach reduced institutional resistance and facilitated learning.

While slower in the short term, it enhanced sustainability and long-term effectiveness.

80. Permanent capacity over temporary projects

The experience highlights the advantages of building permanent institutional capacity.

Temporary projects and pilots may generate innovation, but they rarely establish lasting governance.

By contrast, embedding responsibility within a stable organisational structure ensures continuity and accountability over time.

This lesson is particularly relevant in contexts subject to political or organisational change.

81. Centralising governance without centralising data

A critical design insight was the distinction between centralising governance and centralising data.

The initiative demonstrated that it is possible to coordinate analytical practices without transferring data ownership or decision authority.

This approach respects local autonomy while enabling consistency.

Such a model may be especially applicable in multi-level governance systems.

82. Shared standards as a tool for equity

Shared governance standards proved to be an effective instrument for promoting territorial equity.

By providing common frameworks, administrations with fewer resources gained access to institutional capacity that would otherwise be difficult to develop independently.

This illustrates how governance design can serve equity objectives without redistributing competences.

83. Human-centred AI as an operational principle

The initiative confirmed that human-centred AI can be operationalised in practice.

By embedding human oversight at every stage of the analytical lifecycle, responsibility remained clear and traceable.

This reinforces the principle that AI should support — not substitute — public judgment.

Operationalising this principle strengthens trust and legitimacy.

84. Transparency as a process, not an output

Another lesson concerns transparency.

Transparency is often interpreted as publishing results or providing explanations after decisions are made.

The experience with DIMO shows that transparency is more effective when embedded throughout the analytical process.

Documented assumptions, traceable data sources and review mechanisms enable transparency by design.

85. Technology-neutral governance increases resilience

Maintaining technological neutrality proved essential for long-term resilience.

By decoupling governance from specific tools or platforms, the framework remains valid as technologies evolve.

This protects public administrations from obsolescence and vendor dependency.

Resilient governance is therefore technology-agnostic.

86. Culture change matters as much as structure

While institutional structures are important, cultural change emerged as an equally significant factor.

The initiative fostered a shared understanding of responsibility, reflection and accountability around data use.

Over time, this cultural dimension reinforced formal governance mechanisms.

Other administrations should therefore consider culture-building as part of governance initiatives.

87. Transferability beyond fiscal administration

Although the initiative originated within a tax management context, its governance principles are not domain-specific.

The framework can be adapted to areas such as social policy, urban planning, environmental management or public service delivery.

Its transferability lies in its focus on governance rather than content.

88. Adaptation rather than replication

The experience also underlines that transferability does not imply replication.

Governance models must be adapted to institutional context, legal frameworks and administrative culture.

The DIMO initiative offers principles and design approaches, not a prescriptive template.

This flexibility enhances relevance across jurisdictions.

89. Contribution to international policy dialogue

By articulating practical governance solutions at subnational level, the initiative contributes to international policy dialogue on AI in government.

It demonstrates how global principles can be translated into local institutional arrangements.

Such experiences enrich collective learning beyond national strategies.

90. Governance as a long-term investment

A final lesson is that governance should be understood as a long-term investment.

Its benefits accumulate over time through improved decision quality, reduced risk and enhanced trust.

Although less visible than technological deployment, governance capacity yields enduring public value.

Concluding reflection part VII

The lessons derived from the DIMO initiative highlight the central role of governance in enabling trustworthy artificial intelligence in public administration.

By prioritising institutional capacity, clarity of responsibility and human oversight, the experience offers transferable insights for governments navigating similar challenges.

The final section reflects on future perspectives and the initiative's contribution to evolving models of AI governance.

PART VIII

FUTURE PERSPECTIVES AND CONCLUSION

91. Looking ahead: governance as a continuous process

The experience of establishing DIMO confirms that governing artificial intelligence is not a one-time intervention, but a continuous institutional process.

As data practices, analytical techniques and societal expectations evolve, governance frameworks must adapt accordingly.

Future developments will therefore focus not on accelerating technological adoption, but on refining governance mechanisms to ensure sustained responsibility, transparency and accountability.

92. Gradual expansion of governed analytical capacity

Looking forward, the governance framework provides a foundation for the gradual expansion of analytical capacity across policy domains.

As institutional confidence grows, additional use cases may be explored within clearly defined governance boundaries.

This incremental approach ensures that innovation remains aligned with public values and institutional readiness.

93. Strengthening inter-municipal collaboration

The initiative opens new opportunities for deeper collaboration among municipalities.

By sharing governance standards and analytical approaches, local governments can coordinate more effectively while preserving autonomy.

This collaborative dimension may play an increasing role in addressing complex territorial challenges requiring collective action.

94. Alignment with evolving regulatory frameworks

Future perspectives also include continued alignment with national, European and international regulatory developments.

As frameworks related to artificial intelligence, data governance and digital public administration mature, the institutional arrangements established through DIMO provide a flexible structure for adaptation.

This proactive alignment reduces uncertainty and supports long-term compliance.

95. Supporting institutional learning

Ongoing institutional learning remains a central priority.

Through continuous review and reflection, governance practices can evolve in response to practical experience.

This learning-oriented approach ensures that governance remains dynamic rather than static.

96. Contributing to a mature model of AI in government

The initiative contributes to the emergence of a more mature model of artificial intelligence in government.

In this model, AI is not defined by speed, experimentation or technological novelty, but by responsibility, legitimacy and public value.

Governance is positioned as the cornerstone of sustainable digital transformation.

97. A subnational contribution to global governance debates

Although developed at subnational level, the experience offers insights relevant to broader international discussions.

It demonstrates that meaningful AI governance can be designed and implemented beyond national strategies, within operational public administrations.

Such contributions enrich global understanding of how principles translate into practice.

98. From innovation narratives to governance maturity

The case illustrates a shift from innovation-driven narratives to governance maturity.

Rather than asking how fast AI can be adopted, the initiative asks how responsibly it can be governed.

This shift reflects an evolution in public-sector digital transformation thinking.

99. Institutional trust as the ultimate objective

At its core, the initiative seeks to strengthen institutional trust.

By ensuring that data and artificial intelligence are used transparently, accountably and under human oversight, the administration reinforces public confidence.

Trust is not assumed; it is built through governance.

100. Conclusion

The establishment of the Data Intelligence and Management Office represents a deliberate policy choice to place governance at the centre of artificial intelligence in public administration.

By prioritising institutional capacity, clarity of responsibility and human-centred principles, the initiative demonstrates a practical pathway towards trustworthy AI.

This experience shows that responsible innovation is not achieved through technology alone, but through the institutions that govern it.

Concluding reflection

With this initiative, the Province of Alicante illustrates how subnational governments can move from fragmented data practices to coherent governance frameworks for artificial intelligence.

By doing so, it contributes to the collective effort to ensure that AI in government serves public value, democratic accountability and long-term institutional resilience.

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