

## **Land Acknowledgment**

With participants joining virtually from coast to coast,  
we acknowledge and respect the ancestral and unceded territories of all First Nations, Inuit, and Métis peoples.

We encourage everyone here to take the opportunity to learn about the diverse and unique histories, cultures, and aspirations of the peoples on whose territories you work and live and determine how you can take action towards reconciliation.

Session 1

# Fundamentals of Generative AI for IPAC Members

# Here with you today



**David Marotte**

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KPMG in Canada

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# Today's Agenda



- 01** The AI Moment: Why Now?
- 02** Recap: Generative AI & Prompt Engineering Fundamentals
- 03** Evolution of AI: From Generative to Agentic
- 04** High Value Use-Cases
- 05** Hot Topics & Governance
- 06** AI Roadmap



01

# The AI Moment: Why Now?



# Rapid change brings new challenges for Governments

Canada ranks among the top countries for AI model development and adoption, with **33.5%** of the population using AI tools—well above the global average.



## Social Trust and Economic Sustainability Challenges

**\$1.7–\$3.1** trillion annually in costs to the global economy in climate-related damages by 2050



## Technological Challenges

**75%** of organizations will use software-based monitoring by 2025, requiring governments to integrate legacy and modern systems



## Workforce Challenges

**77%** of global workers in government agreed they lacked enough time/energy to do their work



## Cybersecurity Challenges

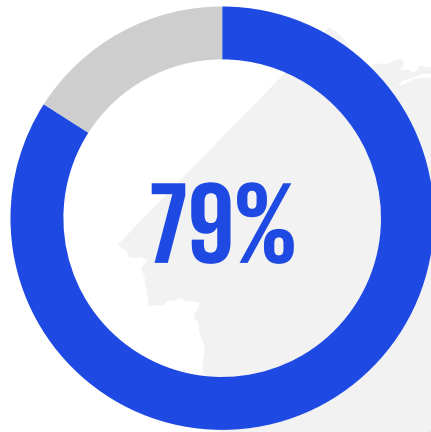
**95%** of nations will have experienced a major cyberattack caused by threat actors using generative AI by 2027

**Sources:** 1) MarketsandMarkets: [Green Technology & Sustainability Market](#), March 2025, 2) IDC: [Worldwide National Government 2024 Predictions](#), October 2023, 3) IDC: [Worldwide National Government 2024 Predictions](#), October 2023 4) Microsoft, [Work Trend Index Annual Report: 2025: The year the Frontier Firm is born](#), April 202 5) Microsoft AI Economy Institute, [AI Diffusion Report: Where AI is most used, developed, and built](#), November 2025

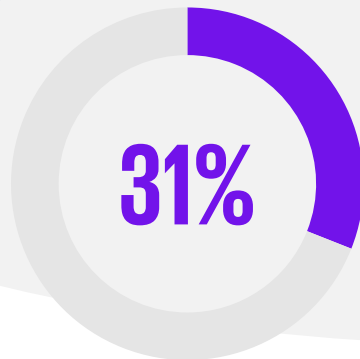


# Generative AI Adoption Index: Key Insights

The latest KPMG Generative AI Adoption Index reveals that while AI is driving real productivity gains, employees are calling for more training and support to fully unlock its potential.



Said using AI has improved their productivity and 51% say they are using their time savings to work on **higher value tasks**.



Say using AI is saving them **1-2 hours per week**, consistent with last year.

**48%**  
Just **under half** said they felt their **employer provided sufficient training**

**83%**  
**Want or need to upskill** themselves to make more efficient use of Gen AI tools

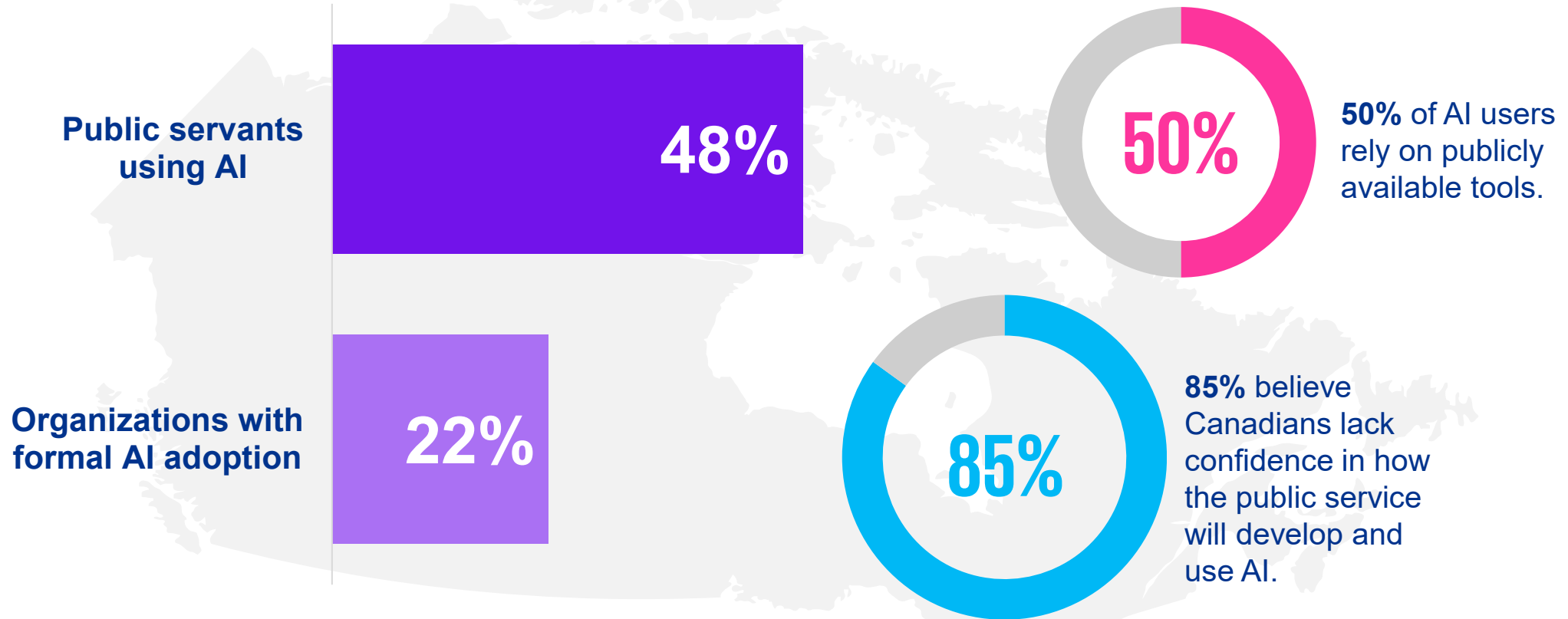
**82%**  
**Want their employer to offer training and upskilling on AI tools**

Source: 2025 KPMG in Canada Generative AI Adoption Index



# AI Adoption in the Canadian Public Sector

AI is already transforming the public sector. What will you do to harness its potential responsibly?



Source: 2025 KPMG in Canada survey of 349 public servants, "Half of public servants turn to AI, raising risks"



# How Canadian Public Sector Organizations Are Embracing AI

Canadian public sector organizations are advancing AI adoption through strategic initiatives—from executive training to large-scale technology pilots.



## Leadership Training

Example: A provincial government began its AI journey by investing in executive training for senior leaders, building foundational understanding and readiness.



## Copilot Deployment

Example: A digital and cybersecurity ministry piloted Microsoft 365 Copilot, training thousands of users and achieving measurable productivity gains.



## AI Strategy

Example: A technology ministry partnered with consultants to develop an AI Data Centre Strategy, collaborating across departments.



# AI-Ready Public Sector Organization

Operational agility for a changing world

## Core characteristics

1

AI is foundational,  
not an add on.

2

AI is woven-in and  
integrated into day-to-  
day work.

3

Organizational structure  
and processes are  
optimized to take  
advantage of AI.

4

Agile, adaptive,  
resilient, innovative  
employees are  
empowered to drive  
mission-focused work

\*2025 – Microsoft Work Trend Index Report

WHAT DO YOU THINK?

# MENTI TIME

<https://www.menti.com/al7cbdxxkewn>

Code: 8546 3693





02

# Recap: Generative AI & Prompting Fundamentals



# Data Analysis Scale

The evolution of data analysis bears witness to humanity's relentless quest to improve its understanding and mastery of information in order to optimize decisions and actions in a complex, interconnected world.



**Business Intelligence**

**DESCRIPTIVE ANALYSIS - PAST**

What's happening? What happened?

E.g.: Automated reports, real time dashboards, AI-Powered data summaries



**Advanced Analytics**

**PREDICTIVE - FUTURE**

What can happen?

E.g.: AI-powered demand forecasting, predictive maintenance in manufacturing and machine learning-based trend predictions




**Artificial Intelligence**

**PRESCRIPTIVE - RECOMMENDATIONS**

What should happen?

e.g. Scenario-based planning, AI-driven decision-making tools and adaptive recommendation systems like e-commerce platforms



**Generative Intelligence**

**GENERATIVE – CREATION**

How can we create new solutions or ideas?

E.g.: Drug discovery, code generation, music or art creation, computer-aided design



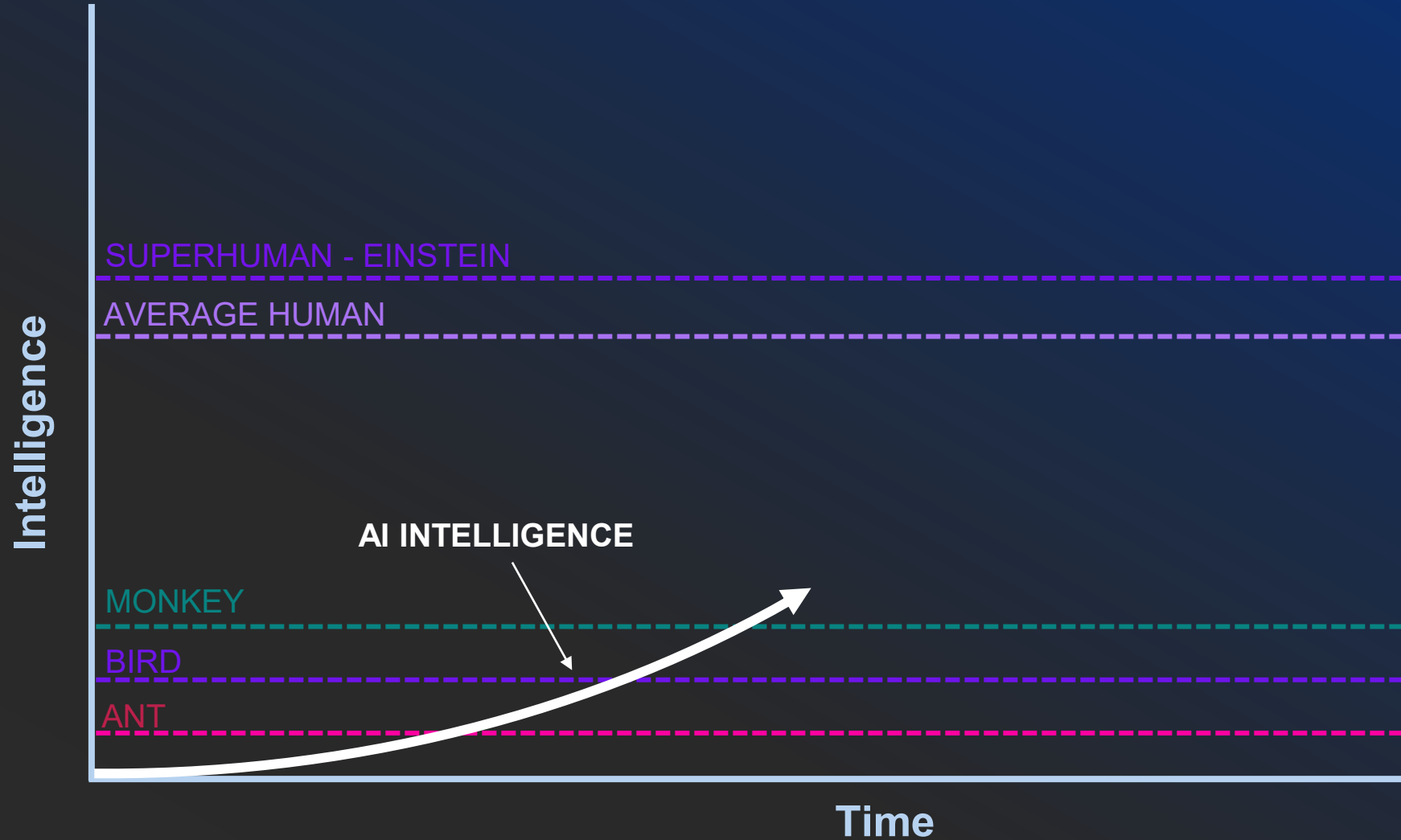
**Agentic Intelligence**

**AGENTIC - AUTONOMY**

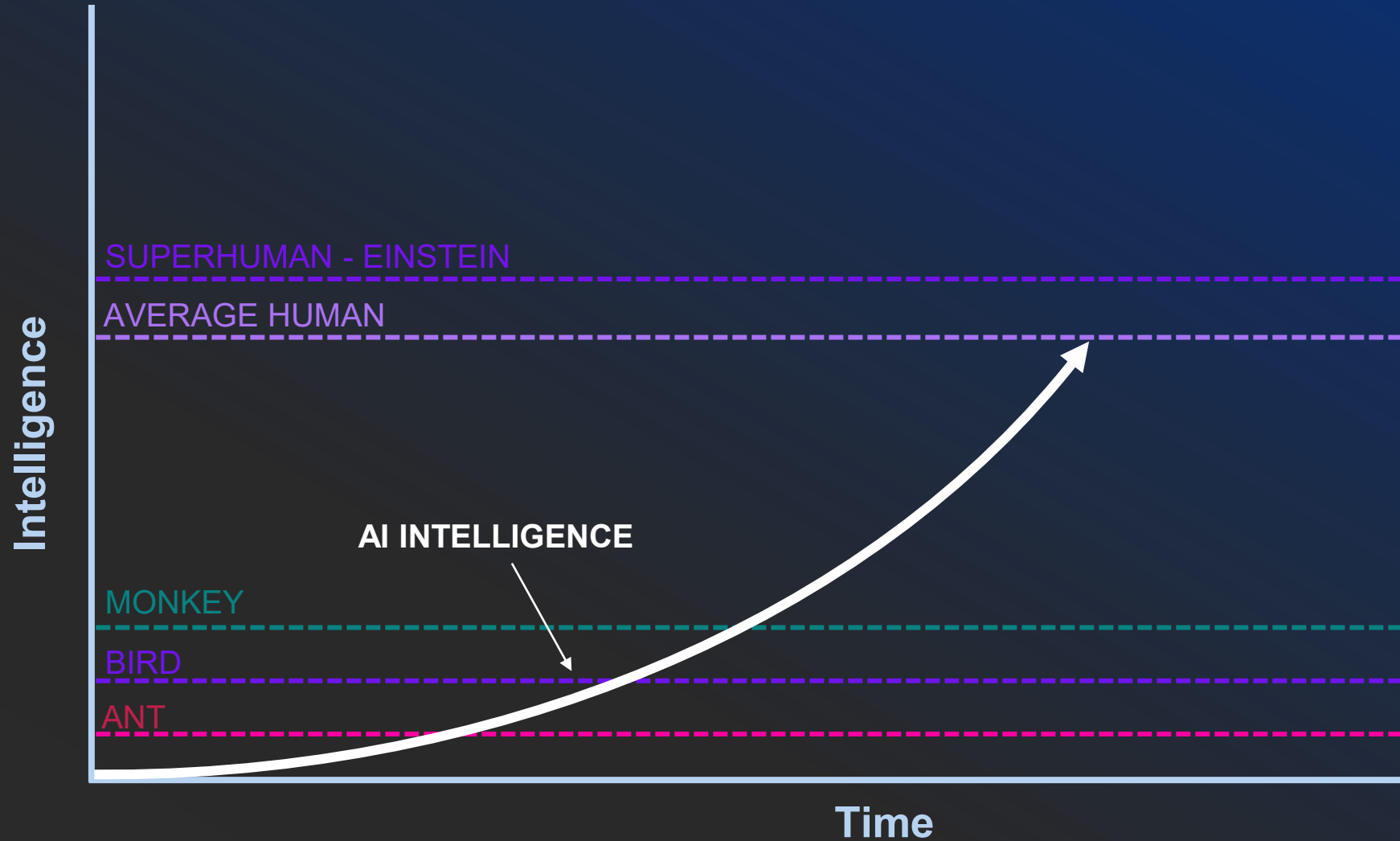
How can we create Systems that act independently and adapt to new environments?

E.g.: Autonomous vehicles, virtual assistants, robotics, dynamic decision-making systems, and automated business processes.

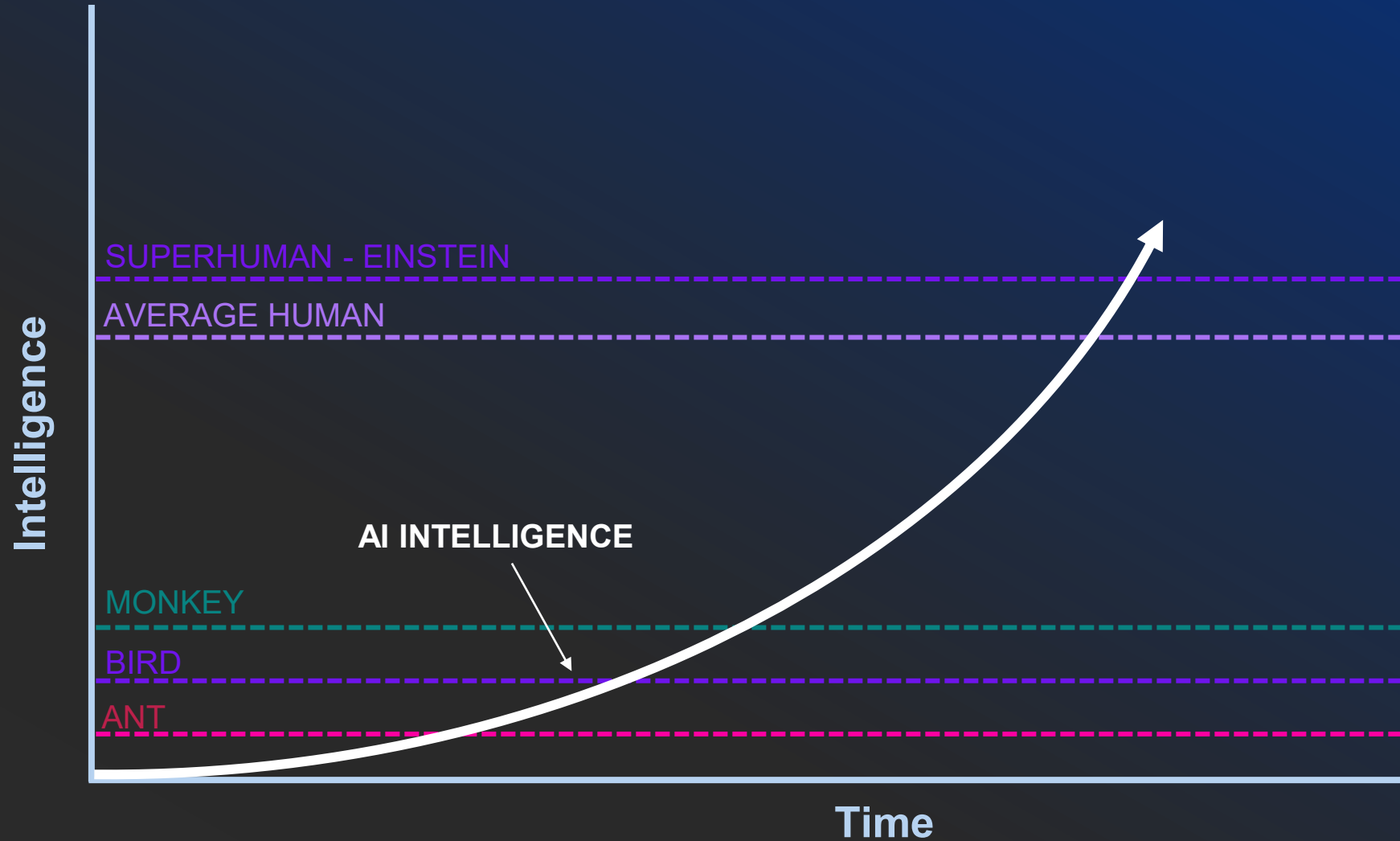
# AI intelligence is getting smarter



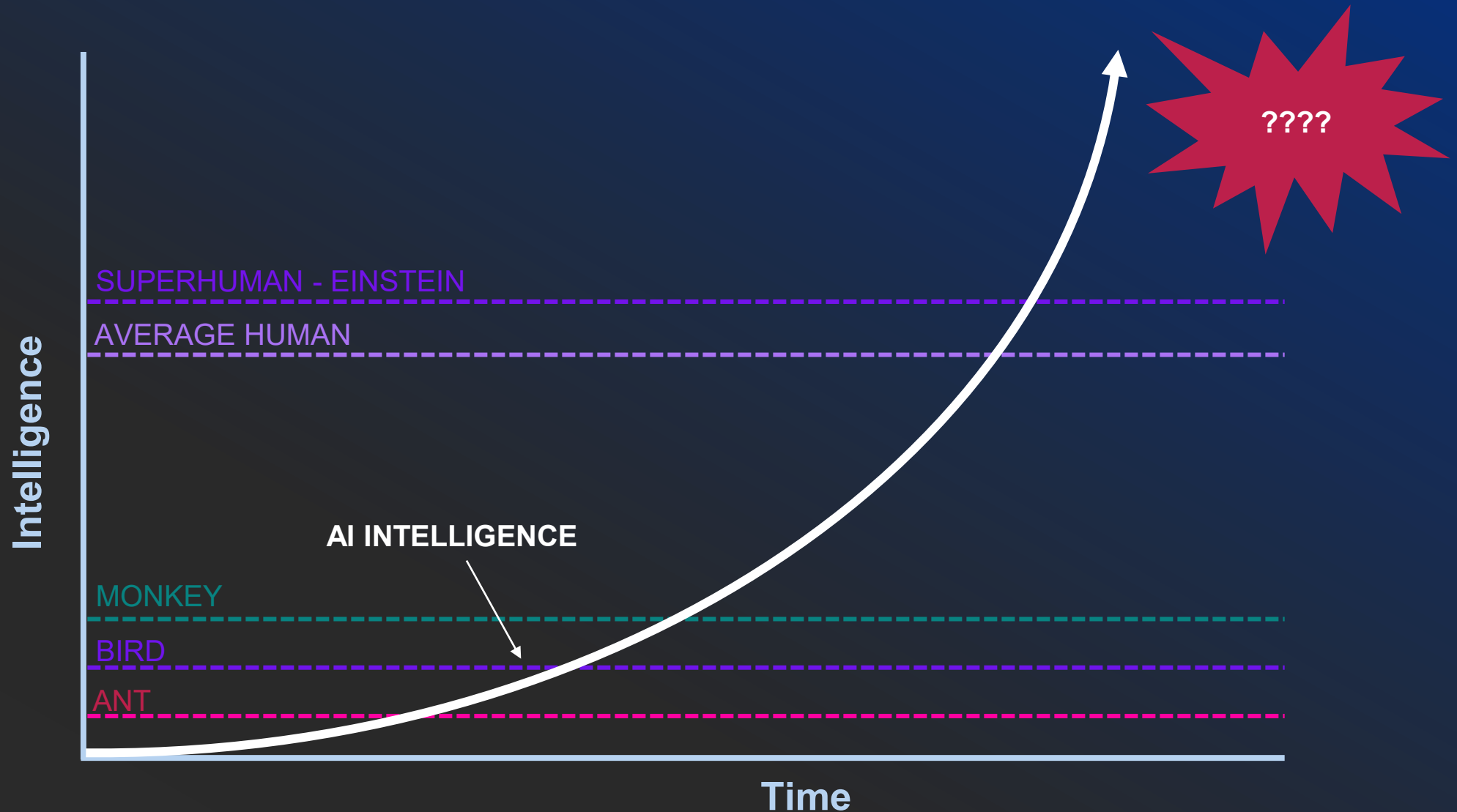
# AI intelligence is getting smarter & smarter



# AI intelligence is getting smarter & smarter & smarter

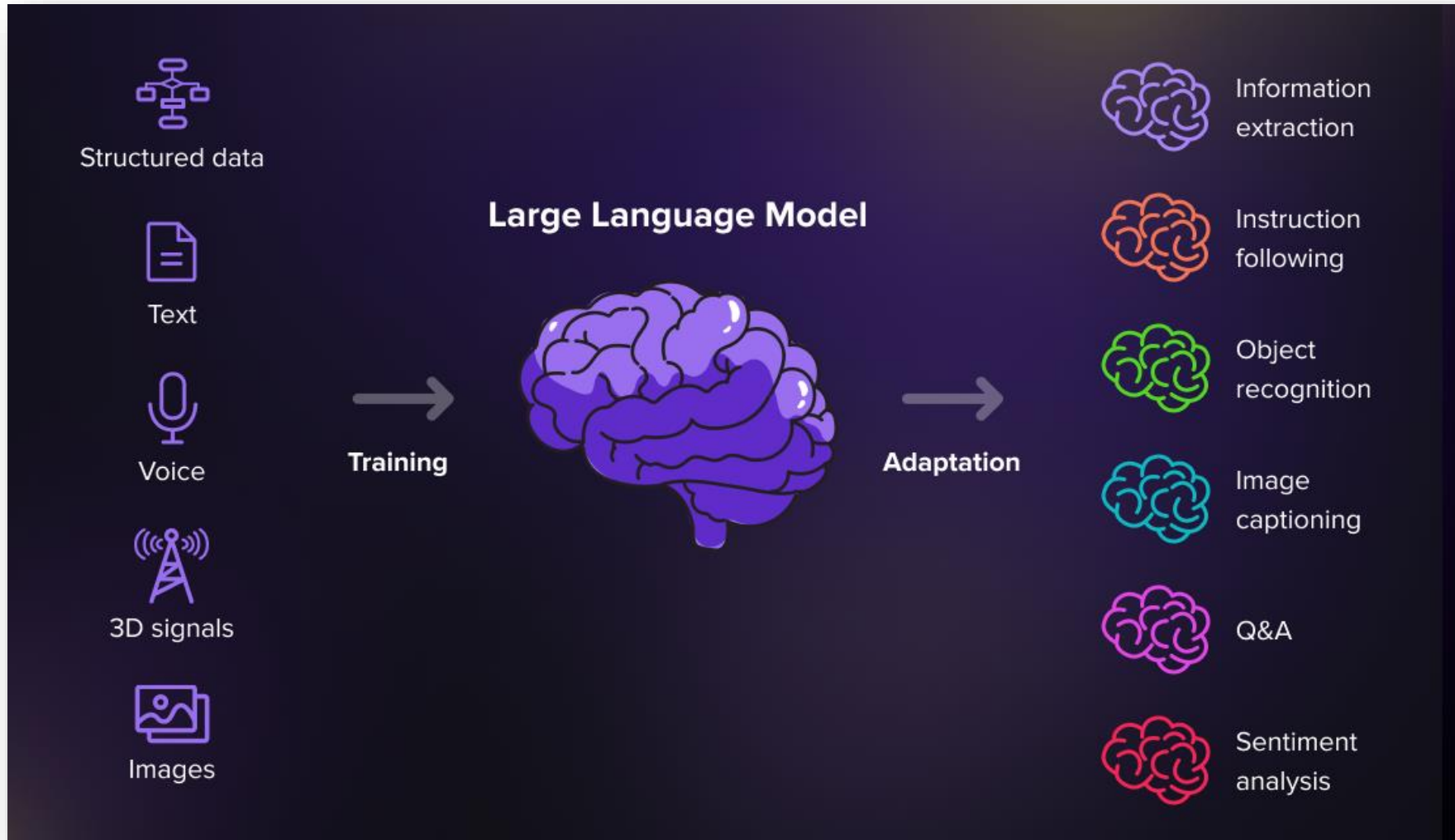


# AI intelligence is getting smarter & smarter & smarter & smarter





# Large Language Models (LLM)





# Generative AI – What's it great at?

```
python
def factorielle_recursive(n):
    """Calcule la factorielle de manière récursive."""
    if n < 0:
        return "Erreur : l'entrée doit être un nombre entier positif."
    elif n == 0:
        return 1
    else:
        return n * factorielle_recursive(n-1)

def factorielle_iterative(n):
    """Calcule la factorielle de manière itérative."""
    if n < 0:
        return "Erreur : l'entrée doit être un nombre entier positif."
    result = 1
    for i in range(1, n + 1):
        result *= i
    return result

# Demander à l'utilisateur d'entrer un nombre
try:
    nombre = int(input("Entrez un nombre entier pour calculer sa factorielle: "))
    print(f"La factorielle de {nombre} (récursive) est {factorielle_recursive(nombre)}")
    print(f"La factorielle de {nombre} (itérative) est {factorielle_iterative(nombre)}")
except ValueError:
    print("Erreur : Veuillez entrer un nombre entier valide.")
```

Code generation

**You**  
Hey! Please write me a story to tell my children about happiness at school, about 200 words long.

**ChatGPT**  
Once upon a time, in a vibrant school nestled in a lush, green valley, there was a class of children who discovered the secret to happiness. Each day, as the sun rose, they were greeted by their cheerful teacher, Mrs. Bloom, who believed that happiness was a treasure hidden in plain sight.

Mrs. Bloom taught her students that happiness at school didn't come from having the best to winning every game. Instead, it sprouted from the seeds of kindness, curiosity, and friendship. She encouraged her students to share their snacks, to ask questions about the world around them, and to hold hands when they felt lost or scared.

One day, the class decided to create a "Happiness Garden" on school grounds. Every child brought a plant or flower to contribute. As they dug, planted, and watered, they laughed and shared stories. The garden blossomed, and so did their friendships.

The Happiness Garden became a symbol of their joy. When the children felt sad or alone, they would visit the garden, remembering the love and care they shared. They learned that happiness at school wasn't just about fun moments, but about feeling connected, curious, and kind-hearted.

And so, the children of the valley carried this secret with them, spreading seeds of happiness wherever they went, knowing that together, they could make their world a little brighter.

Text generation

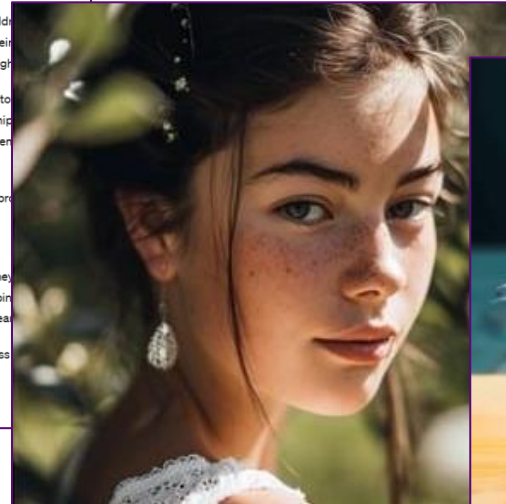


Image generation



Video generation



# Generative AI: Empower Non-Technical Resources

## Code generation

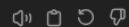
**You**  
Please give me a python function to calculate the factorial of a given number.

**ChatGPT**  
Certainly! Below is a simple Python function to calculate the factorial of a given number. The factorial of a number `n` is defined as the product of all positive integers less than or equal to `n`. For example, the factorial of 5 (denoted as  $5!$ ) is  $5 \times 4 \times 3 \times 2 \times 1 = 120$ .

```
python Copy code  
  
def factorial(n):  
    # Base case: the factorial of 0 is 1  
    if n == 0:  
        return 1  
    # Recursive case: n! = n * (n-1)!  
    else:  
        return n * factorial(n-1)  
  
# Example usage:  
n = 5  
print(f"The factorial of {n} is {factorial(n)}")
```

This function uses recursion to calculate the factorial. The base case is that the factorial of 0 is 1. For all other positive integers `n`, the function calls itself with `n-1`, multiplying the result by `n` until it reaches the base case.

Remember, the factorial function is only defined for non-negative integers. If you wish to handle inputs that are not non-negative integers (e.g., negative integers or floating-point numbers), you might want to add some input validation to this function.





New Chat

- Search
- Projects
- Recent Chats
- Design Systems
- Community

Favorites

Recent Chats

Snowfall financial impact

Snowfall financial impact

Family office solution

New Feature

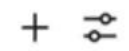
You can now create design systems in v0



# What do you want to create?

Start building with a single prompt. No coding needed.

SVP me developper un modele capable de calculer l'impact financier de la chute de neige pour 2025-2026 pour la ville de st-lambert. SVP utiliser le site farmersalmanac.com pour les données previsionnelles de neige et un cout de 100\$ par km de deneigement. sachat que ma ville a 75km de rue



Clone a Screenshot

Import from Figma

Upload a Project

Landing Page



**Prompt:** Create a 1–2 minute executive summary video that concisely explains the main goals, priorities, and key investments of Canada’s 2025 federal budget, using clear language and a professional tone for a public sector audience.





# A Day in the Life: AI-Enabled Public Sector Leader

## Morning Briefing

9:00 AM

- **Receive a synthesized summary** of overnight emails, urgent updates from senior staff, and today's priority meetings.

## Policy & Briefing Review

9:30 AM

- **Analyze new policy documents**, extract key insights, and draft or review briefing notes for Cabinet or Ministerial meetings.

## Meeting Preparation

11:00 AM

- **Generate meeting agendas and talking points** based on recent correspondence, stakeholder feedback, and previous action items.

## Performance & Impact Reporting

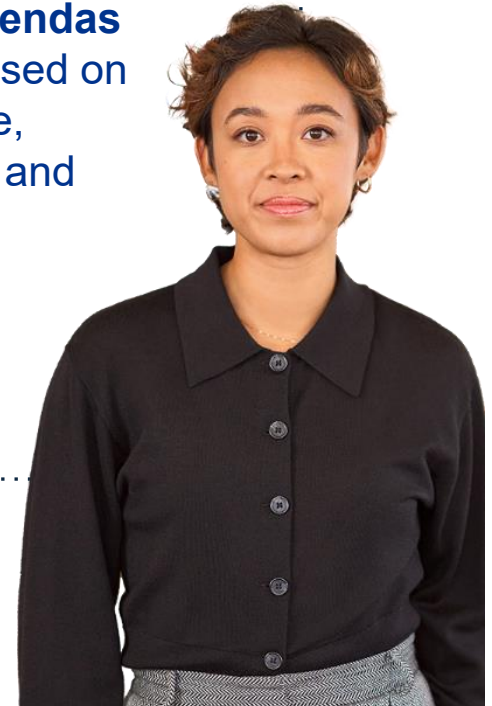
4:00 PM

- **Analyze organizational metrics**, visualize progress on strategic initiatives, and prepare summary reports for executive leadership and government partners.

## Stakeholder & Public Engagement

2:00 PM

- **Review citizen and stakeholder inquiries**, identify emerging trends, and prepare responses or statements for public communications.

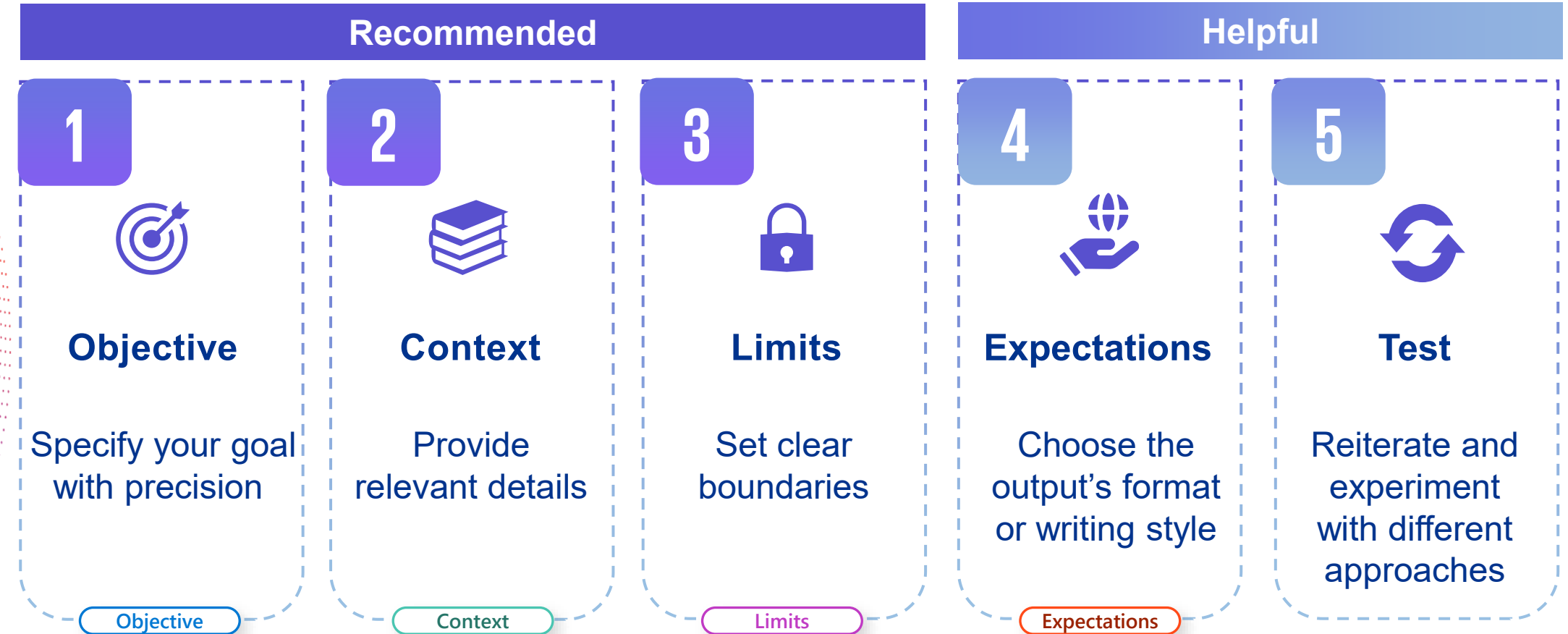


Lori is an Assistant Deputy Minister



# Five Pillars of Writing Effective Prompts

While there is no single formula for the ideal prompt, we do have guiding principles that serve as the foundation for constructing prompts that elicit the best possible responses from Generative AI.



# Creating an effective prompt



## Include the right prompt ingredients

To get the best response, it's important to focus on some of the key elements below when phrasing your prompts.

### Objective

Clearly state the objective

### Context

Why do you need it and for what purpose?

Provide a detailed recipe for Spaghetti Bolognese that I can use to cook dinner tonight, using only vegetarian ingredients. It should take no more than 30 minutes and the instructions should be simple enough for a beginner to understand.

### Limits

Set clear boundaries

### Expectations

Choose the outputs format or writing style



# Prompt Better with CRIT

**C**

**Context:**

What's the situation?  
What constraints matter?

**R**

**Role:**

Tell AI who it is (e.g., "You're my CFO/advisor/ops strategist")

**I**

**Interview:**

Have AI ask clarifying questions  
before proposing solutions

**T**

**Task:**

Define the output (decision options,  
risks, KPIs, 90-day plan, etc.)

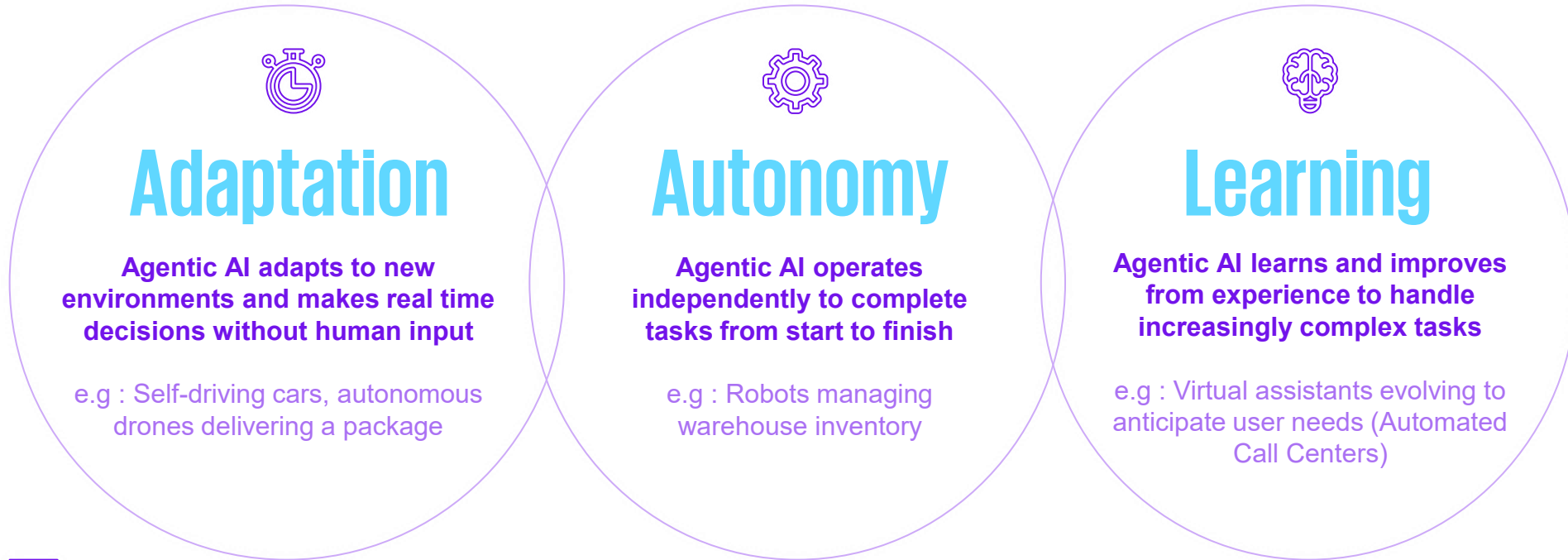


**03**

# **Evolution of AI: From Generative to Agentic**





# The Future of Gen AI: Agentic AI - Autonomy in Action





# Generative AI vs. Agentic AI

Aspect	Generative AI	Agentic AI
Purpose	Creates <b>new content</b>	Makes <b>autonomous decisions</b>
Operation	Reactive to input	Proactive and independent
Key Feature	Content generation	Goal-oriented action
Example		



# The four pillars of Agentic AI



## Autonomy

Can operate with minimal human intervention.



## Learn & Adapt

Learns and adjusts based on new information.



## Goal-Oriented Behaviour

Executes tasks with a long-term objective in mind.



## Multi-Step Reasoning

Breaks down complex tasks into smaller steps and executes them efficiently.



**Advanced AI-powered assistant integrated within Microsoft 365 applications**

---

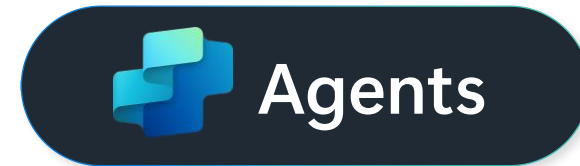
Works as your personal assistant

---

Grounded in work content like emails, meetings, and documents

---

The User Interface (UI) for AI



**Purpose-built workflow actor that plans, reasons, and executes multi-step tasks with guardrails**

---

AI-powered system with actions, triggers and knowledge

---

Works on behalf of employees, teams and functions

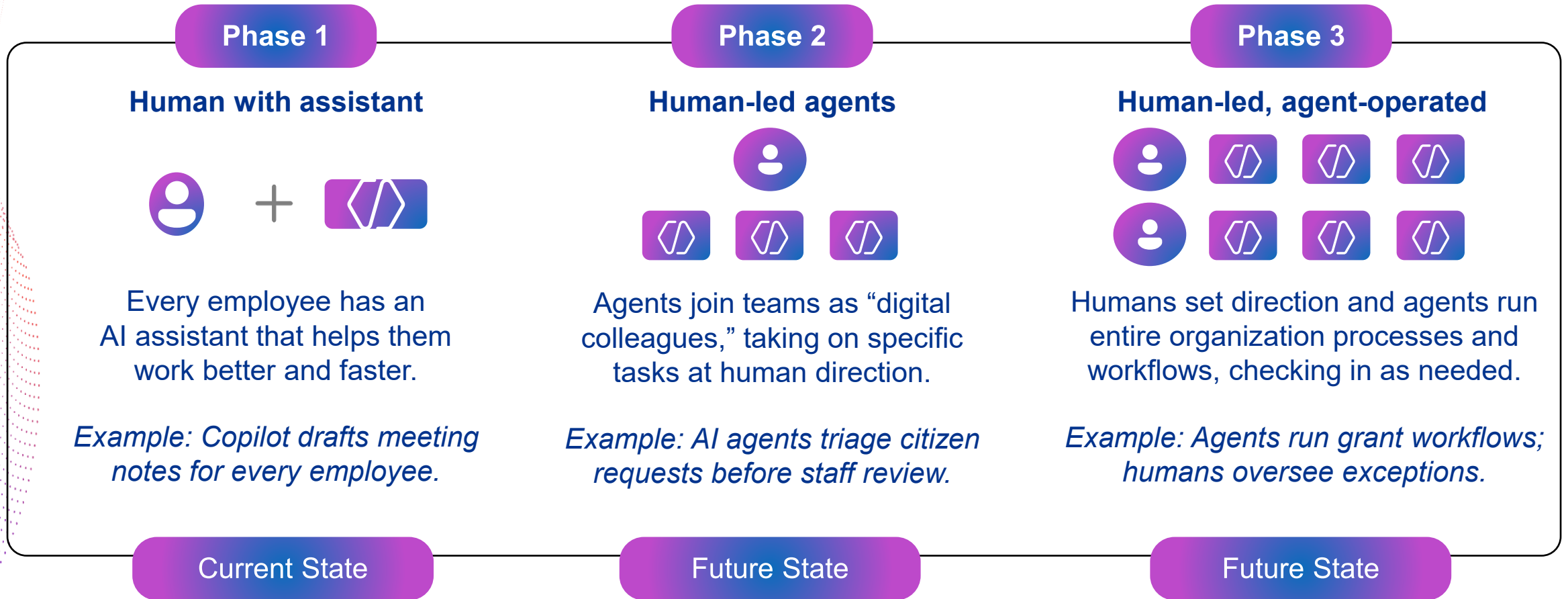
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Connected to Copilot or autonomous



# A New Era of Intelligence

The most innovative organizations are integrating human judgment with AI agents.



**More on this:**

**Discover practical strategies for upskilling and AI adoption in Workshop 3: Organizational Adoption – Upskilling & Change Readiness.**

WHAT DO YOU THINK?

# MENTI TIME

<https://www.menti.com/al7cbdxxkewn>

Code: 8546 3693



**04**

# **High Value Use-Cases**



# AI Culture

How to drive AI value to use-case



## Organization & Culture

- Leadership vision and commitment, skills, resources, culture
- How will you define an operating model to support the adoption and use of AI?



## Business Strategy

- Focus on high priority business goals / outcomes
- How can AI help you achieve those outcomes?



## Applied AI Experience

- Diverse AI expertise and repeatable processes to create sustainable value
- How is your organization collaborating to build experience?



## AI Governance

- Processes, controls and accountability structures to govern AI for responsible use
- How are you governing data privacy and security?



## Technology Strategy

- Data and infrastructure to fuel and run AI solutions at scale
- How will you ensure access to quality data?

[aka.ms/AIStrategyRoadmap](https://aka.ms/AIStrategyRoadmap)



# Public Sector Personas & AI Prompts



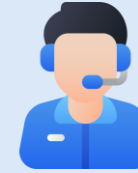
## Policy Analyst

- “Summarize the latest research on climate adaptation policies and highlight key recommendations for Canadian municipalities.”
- “Draft a briefing note on the economic impact of AI adoption in the transportation sector.”
- “Compare international best practices for digital identity frameworks and suggest implications for Canada.”



## HR Professional

- “Create a competency-based interview guide for hiring data analysts in the public sector.”
- “Generate a diversity and inclusion training outline tailored for federal employees.”
- “Summarize employee engagement survey results and recommend three actionable improvements.”



## Citizen Services

- “Draft a clear, citizen-friendly FAQ for applying for a passport online.”
- “Generate a chatbot script to assist citizens with tax filing questions.”
- “Translate and simplify eligibility criteria for housing benefits into plain language.”



# Microsoft Finance examples: AI-enabled projects and their impacts

## Planning & analysis

- Enterprise performance management
- Forecasting & reconciliation
- Investment optimization

## AI-enabled projects

- Financial insights assistant\* (gAI)
- Machine learning forecasting
- Data reconciliation (gAI)

## Project impacts

- 50%** average reduction in forecasting time
- 99%** average forecast accuracy
- 20%** reduction in data reconciliation time

## Procure to pay

- Strategic sourcing
- Invoice automation
- Spend analysis

## AI-enabled projects

- Procurement data insight acceleration
- Sourcing strategy recommendation\* (gAI)
- Invoice payment automation

## Project impacts

- 25%** faster insights on supplier contract data
- 70%** reduction in expense report volume
- 60%** reduction in time to process invoices

## Risk management & compliance

- Audit & investigations
- Policy checks
- Anomaly detection

## AI-enabled projects

- Deal document inspection\* (gAI)
- Expense policy checks (gAI)
- Audit and investigations briefing tool (gAI)

## Project impacts

- 50%** time savings in anomaly detection
- 23%** time savings per deal compliance review
- 11pt** increase in deals processed without errors or holds

Impacts realized by specific teams  
\* Initial gAI solution started in 2023





[→ Read full story here](#)



## CASE STUDY

# Aberdeen City Council

“One of the exciting areas, for me, that emerged from our staff adoption and training is that our neurodivergent employees are now powerfully supported with Copilot capabilities. It’s a lovely way that technology is truly adding value.”

– **Andy MacDonald**  
Executive Director of Corporate Services, Aberdeen City Council

### Situation

Facing spiked demand for resident services and limited staff capacity, Aberdeen City Council sought an AI solution to automate staff’s most repetitive administrative workloads such as formal meeting minutes, reports, policy guidance documents, and translation services.

### Solution

Aberdeen City Council deployed Microsoft 365 Copilot across 700 staff serving a diverse portfolio of city services. It is also piloting a telephony solution with Dynamics 365, enabling personalized messaging and resources via Facebook Messenger.

### Impact

Staff adoption of Microsoft 365 Copilot shows documented user gains in work productivity and job satisfaction, along with faster delivery of priority resident services. The Council projects a 241% ROI in time savings and improved productivity, saving an estimated \$3 million US dollars annually.

### Products and services



Microsoft 365 Copilot



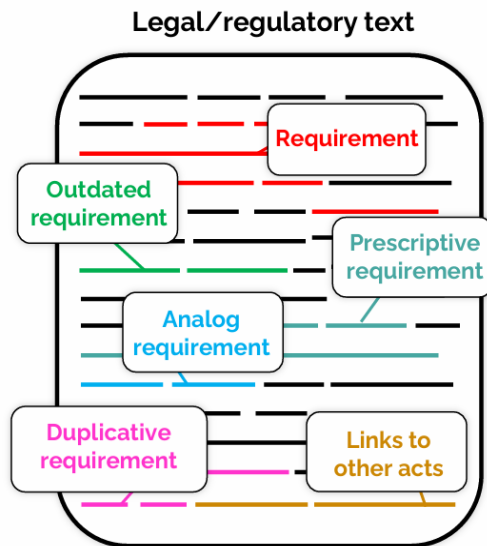
Dynamics 365



Dynamics 365 Customer Service

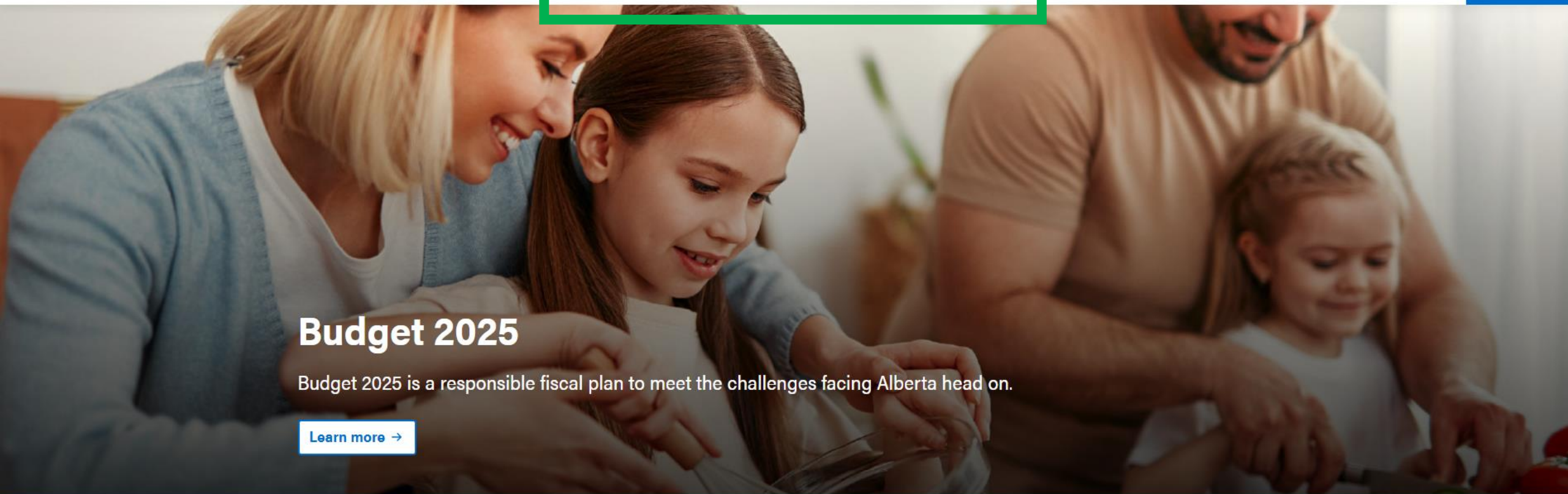


# Ontario Ministry of Red Tape Reduction



CONTEXT:

# We're looking for indicators of red tape.



# Budget 2025

Budget 2025 is a responsible fiscal plan to meet the challenges facing Alberta head on.

[Learn more →](#)

## Find the Alberta government services and information you need



[About government](#)



[Agriculture](#)



[Birth, adoption, death, marriage and divorce](#)



[Business and economic development](#)



[Culture](#)



[Driving safety](#)




Clear

[New Session](#)

You

Just moved to Alberta, how do I exchange my drivers license?

 It's great to hear that you've moved to Alberta!

To exchange your driver's license from another jurisdiction for an Alberta license, you need to follow a few steps. First, you must surrender your current driver's license to a registry agent within 90 days of becoming a resident of Alberta. This applies even if you travel outside Alberta during those 90 days. You will need to provide proof of residence in Alberta and proof of your legal status in Canada. If you have a Class 3, 4, 5, or 6 license, you will receive an Alberta driver's license equivalent to the class you are exchanging. If you have not held a Class 5 or Class 6 license for at least 2 years, you may be placed in the Graduated Driver Licensing (GDL) program [3](#) .

If your license is from a jurisdiction that has a reciprocal license exchange agreement with Alberta, you may not need to take any additional tests [3](#) .

Are you satisfied with this information, or do you have any other questions?

5 references —

- [1 ID requirements for licences and identification cards](#)
- [2 Get a Class 5 driver's licence](#)
- [3 Exchange a licence from outside Alberta](#)
- [4 Get a driver's licence](#)
- [5 Renew or replace a driver's licence](#)




Clear

New Session

You

アルバータに引っ越しましたが、運転免許証をどうやって交換すればいいですか

 あなたの質問に対して、運転免許証の交換手続きについてお答えできることを嬉しく思います。

アルバータに移住した場合、他の管轄からの運転免許証をアルバータの運転免許証に交換する方法は、いくつかのステップがあります。まず、アルバータに永住している場合、居住を開始してから90日以内に運転免許証を交換する必要があります。この手続きには、現在の運転免許証をアルバータの登録代理店に提出し、居住証明とカナダでの法的地位を証明する書類を提供することが含まれます。運転免許証のクラスに応じて、知識テストや路上テストが免除される場合もありますが、運転経験が2年未満の場合は、段階的運転免許制度（GDL）に入ることがあります【doc1】【doc3】。

この情報が役に立ちましたか？

[5 references +](#)

Enter &gt;

Feedback




Clear

New Session

You

What did you think of the latest season of White Lotus?

 I'm sorry, but I cannot provide opinions or information about topics outside the scope of the Government of Alberta. If you have any questions related to Alberta Government services or information, feel free to ask!

0 references +

AI-generated content may be incorrect

[View disclaimer](#)



Ask a question...

Enter



# Australia's government-wide adoption of Copilot

## Challenge

Generative AI's rapid adoption prompted the Australian Public Service to safely experiment with Microsoft 365 Copilot in familiar applications.

## Solution

- Distributed 5,765 Copilot licenses over 6 months to all agencies.
- Objectives:
  - Measure efficiency
  - Staff sentiment
  - Identify challenges

## Outcomes

**86%** wished to continue to use Microsoft 365 Copilot

**77%** optimistic at trial's end

**1 hour** saved per day

**9,800 licenses** now in use across **70+ agencies.**

*Source: Digital Transformation Agency. (2024). Microsoft 365 Copilot trial evaluation report. Retrieved from <https://www.digital.gov.au/initiatives/copilot-trial>*



# Canada's Public Sector Copilot Pilot

## Challenge

Evaluate generative AI's impact on productivity, satisfaction, and security across 15 ministries and agencies.

## Solution

- 20-week pilot with Microsoft 365 Copilot
- 1,617 licenses assigned, 2,080 survey responses, 69 workshops, 1,600+ use cases identified.
- Structured training, change management, and ongoing support.

## Outcomes

**3.66** hours saved per process on average.

**76%** user satisfaction

**99%** reported no unauthorized access to sensitive data.

**Top use cases:** linguistic revision, document search/analysis, drafting correspondence, financial reporting, dynamic guides.

*Source: Findings from a confidential Canadian public sector pilot using Microsoft 365 Copilot. (June 2025)*



# A Closer Look: Comparing Copilot Deployments

	Australia (2024)	Canada (2025)
Time Saved	1 hr / day	3.66 hrs / process (avg.)
User Sentiment	86% want to continue; 77% optimistic	76% user satisfaction; 99% secure data
Top Use Cases	Meeting summaries, info search, drafting	Revision, search/analysis, reporting, guides

**As AI adoption grows in the public sector, productivity and impact are improving rapidly.**



# Want to Explore More Copilot Use Cases?

Here are some practical use-cases you can start with:

0	Introduction	1	Write a letter or project document	2	Summarize and interpret documents	3	Create a presentation and add slides
4	Summarize email chains	5	Organize information into sections	6	Change the tone and style of writing	7	Correct and improve grammar
8	Create a draft email response	9	Consolidate content from multiple documents	10	Generate feedback to review content	11	Use multilingual translation
12	Locate information with little context	13	Summarize key points during Teams meetings	14	Write meeting minutes and manage follow-up tasks	15	Facilitate productive interactions in Teams meetings
16	Sort, highlight data and suggest formulas	17	What-if scenarios and suggest visuals	18	Enhance a PowerPoint Presentation	19	Recommend the best action to take
20	Search the web with Copilot	21	Clean data on a spreadsheet	22	Analyze image and extract data and insights	23	Schedule a meeting with Copilot

Register for the Skills Development Centre to access our full Copilot use case training library.



**05**

# **Hot Topics & Governance**

WHAT DO YOU THINK?

# MENTI TIME

<https://www.menti.com/al7cbdxxkewn>

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# What We Heard – Top Concerns from IPAC Members

From January to May 2025, IPAC members across Canada shared their top concerns about Generative AI—highlighting the risks that matter most to public sector leaders.

## Privacy & Sensitive Data

- *Who owns the data generated or processed by AI tools?*
- *What privacy considerations has the Government of Canada taken when deploying AI?*

## Bias & Fairness

- *How do we ensure AI tools are fair and unbiased in recommendations?*
- *How can we test for and mitigate bias in public sector applications?*

## Security & Access Controls

- *Who has access to AI-generated information?*
- *What are the risks of using non-enterprise (public) AI tools?*

## Retention & Model Training

- *How long is data retained in these systems?*
- *Do models train on our data or prompts?*

## Accuracy & Hallucinations

- *How can we verify the accuracy of AI-generated content?*
- *“What can be done to minimize hallucinations?”*

## Legal & IP

- *Does AI infringe on copyright or intellectual property laws?*
- *Who owns the output of an AI-assisted work product?*

# Government of Canada's AI Strategy Task Force



In September 2025, the Government of Canada launched a national AI Strategy Task Force to help shape the country's renewed approach to artificial intelligence through expert consultation and broad public engagement.

## Why It Matters

- Canada is at a pivotal moment in AI development, balancing innovation with digital sovereignty.
- The Task Force aims to position Canada as a global leader in responsible and impactful AI.

## Who's Involved

A diverse group of leaders from:

- **Academia** (e.g., UBC, University of Alberta, University of Toronto)
- **Industry** (e.g., CGI, Moov.AI, Coveo, League)
- **Civil Society** (e.g., First Nations Technology Council, CUPE, Digital Moment)

## Key Themes

Research & Talent

AI Adoption in Industry & Government

Commercialization & Investment

Safe AI & Public Trust

Education & Skills

Infrastructure & Security



# Emerging Concern: Digital Sovereignty – A National Priority



## Context & Challenges

- **Geopolitical environment** is increasing focus on sovereignty
- **Definition of sovereignty** is evolving
- **Risk & opportunity assessment** now considers **supply chain interdependencies**



## Microsoft's Approach

**Multiple sovereignty models:**  
data, operational, technological

**Strong safeguards:** technical, operational, legal

**Challenging government requests** for customer data

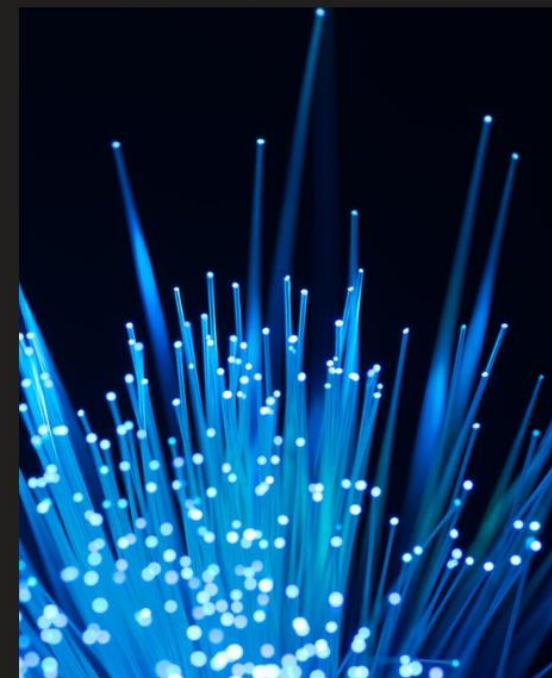
**Advanced cloud controls:**  
e.g., Confidential Computing

**Public cloud** is the best option for most requirements

**Ongoing investment** in Canada

# Data sovereignty in light of the CLOUD Act: back to the future?

OCTOBER 7, 2025 • 12 MIN READ



<https://www.osler.com/en/insights/updates/data-sovereignty-in-light-of-the-cloud-act-back-to-the-future/>

# Digital Sovereignty: A Framework to improve digital readiness of the Government of Canada

## On this page

- [Executive Summary](#)
- [Purpose of the paper](#)
- [Outside of this paper's scope](#)
- [What is digital sovereignty?](#)
- [Challenges and risks associated with digital sovereignty](#)
- [Addressing challenges and risks](#)
- [Next steps](#)



# Cohere – Canadian AI for the Public Sector



Cohere is a Toronto-based AI company specializing in large language models (LLMs) and retrieval-augmented generation (RAG). As a Canadian leader, Cohere prioritizes **data privacy, security, and digital sovereignty**.

## Why it matters for government:

- Policy analysis & drafting
- Fraud detection
- Multilingual support
- Virtual assistants

## Real-World Impact:

In August 2025, the Government of Canada signed an MOU with Cohere to explore AI across federal departments—improving service delivery, efficiency, and innovation, while keeping data in Canada.

## Cohere vs. Microsoft Copilot: A Complementary Option

**Data residency in Canada**

**Sovereign AI infrastructure**  
(via Bell AI Fabric)

**Customizable AI agents**  
for internal workflows

**Cohere is a complementary option for governments and agencies looking to harness AI while keeping data secure, local, and tailored to Canadian needs.**



# Emerging Concern: Algorithmic Assessments & Transparency

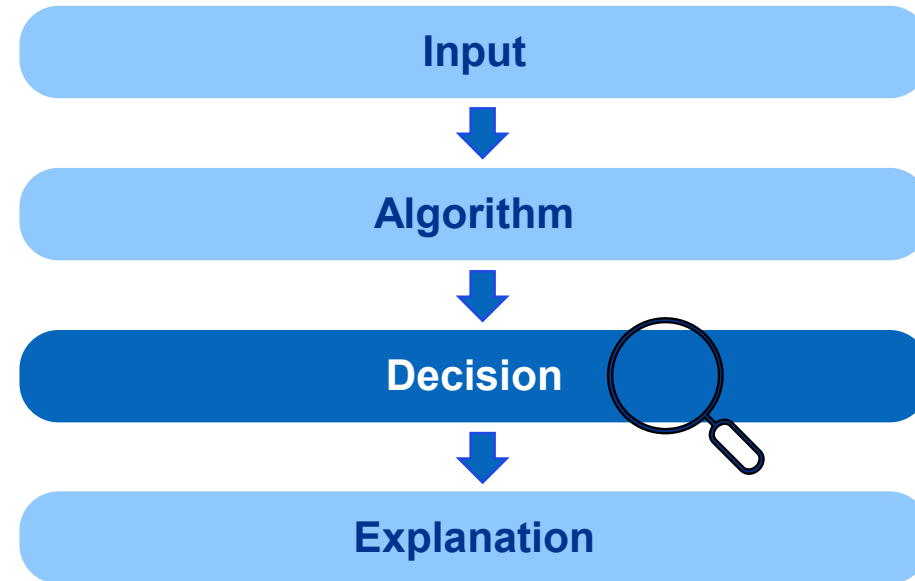
As AI informs assessments and recommendations, public sector leaders need explainable, auditable systems.

## Algorithmic Transparency

- *What criteria are algorithms using to make decisions?*
- *Can we explain how an AI arrived at a recommendation?*
- *What tools exist to audit or validate algorithmic assessments?*

## Transparent AI Assessment Process

*Every step is documented, explainable, and auditable.*

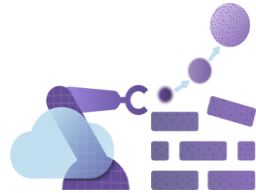


**What steps can we take to embed transparency-by-design?**



# Emerging Concern: Environmental Impact and Sustainability

## Real Sustainability for AI: No Offsets, No Excuses



### Optimizing datacenter energy, water, waste, ecosystem

Carbon-free energy & water-free operations

Carbon removal & water replenishment

### Advancing low-carbon materials

Green building materials & equipment

Supply chain decarbonization

### Improving energy efficiency of AI

AI optimization & carbon awareness

Silicon innovation

Copilot training

### Build & contract clean power where we operate

34 GW of carbon-free electricity contracted since 2020 across 24 countries

Grid expansion includes large nuclear PPA adding zero-carbon capacity, not just certificates

### Actionable Emissions, Not Just Dashboards

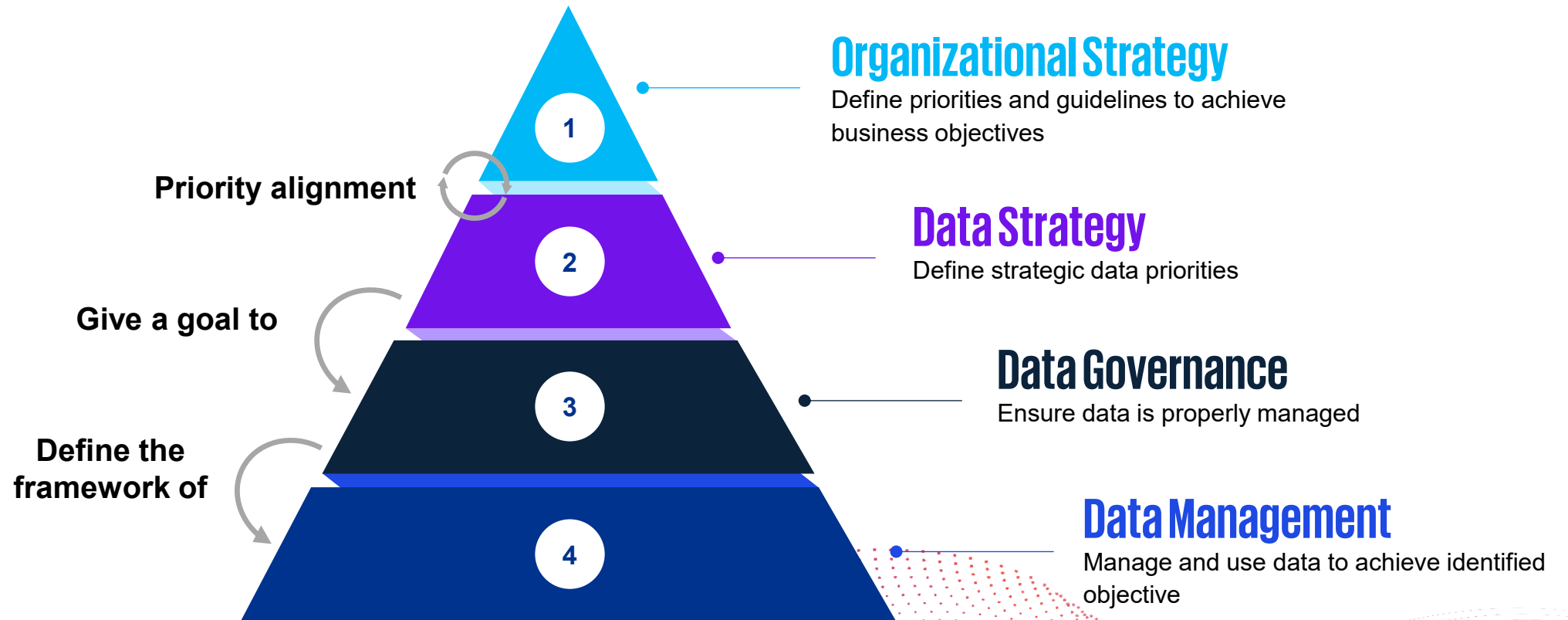
Resource-level and region-specific emissions in Azure

Azure Carbon Optimization tool gives AI-driven recommendations with quantified carbon and cost savings.

Explore our [sustainability blogs](#)



# Data governance supports organizational needs...





# Responsible AI framework and AI safety



## Responsible AI principles

Fairness  
Privacy and security  
Transparency  
Reliability and safety  
Inclusiveness  
Accountability



## Corporate standard

Goals  
Requirements  
Practices



## Implementation

Training  
Tools  
Testing



## Oversight

Monitoring  
Reporting  
Auditing  
Compliance

WHAT DO YOU THINK?

# MENTI TIME

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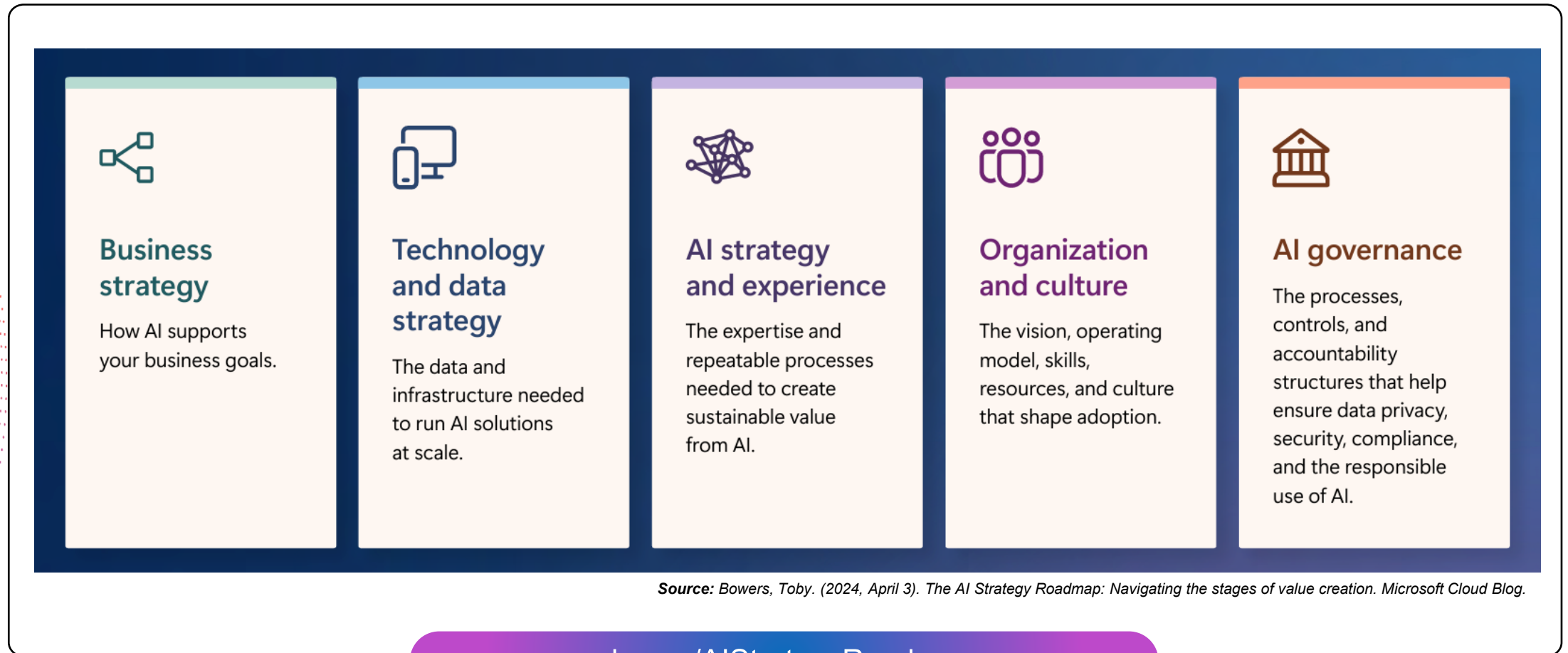
**06**

# **AI Roadmap**



# From Why AI to How AI – The Strategy Roadmap

This roadmap helps public sector leaders move from AI curiosity to AI capability. It's not just about deploying tools—it's about aligning strategy, governance, workforce, and infrastructure to unlock real value.



Source: Bowers, Toby. (2024, April 3). *The AI Strategy Roadmap: Navigating the stages of value creation*. Microsoft Cloud Blog.

[aka.ms/AIStrategyRoadmap](https://aka.ms/AIStrategyRoadmap)



# Let's Discuss: Moving from AI Curiosity to Capability



# Thank you!

Let's keep the  
conversation going—  
reach out for any  
additional inquiries.



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