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## COMMITTEE FOR LEGAL AFFAIRS AND INTERNATIONAL COOPERATION


**REPORT\***
**"Artificial Intelligence for Sustainable Socio-Economic Development in the BSEC Region - Legal Aspects"**


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# I INTRODUCTION

1. Artificial Intelligence (AI) has become a defining force of the XXI century, affecting all aspects of the socio-economic, political, and legal systems. Once limited to experimental projects, AI now permeates healthcare, finance, education, transport, energy, communications, and environmental management. Its unprecedented capacity to process data, recognize patterns, and deliver predictive solutions makes it a strategic asset for both states and societies. Although artificial intelligence serves as a powerful driver of modernization, competitiveness, and sustainable growth, offering innovative solutions to long-standing governance and development challenges, its rapid and widespread adoption also introduces significant risks and uncertainties. Key legal and ethical areas, such as liability, intellectual property, data protection, competition, human rights, and democratic oversight, are affected. Without robust and enforceable legal frameworks, AI could deepen inequalities, erode trust, and destabilize institutions. To ensure this revolutionary technology becomes a force for inclusive progress and sustainable development, it must be supported by adaptive legal systems that protect human rights and constitutional values while fostering innovation and competitiveness.

2. The responsible advancement of AI requires a shared responsibility across multiple levels of governance and society. At the national level, parliaments, as primary legislative institutions, provide accountability through comprehensive legislation, while governments ensure the effective implementation of such norms and exercise oversight to safeguard compliance. Civil society plays an important role by providing independent scrutiny, amplifying diverse viewpoints, and advocating for ethical, inclusive, and human-centered approaches. International and regional organizations are indispensable for harmonizing regulatory approaches, fostering convergence of standards, and establishing platforms that enable sustained cooperation and collective action.

3. Recognizing the relevance of the issue, PABSEC reaffirms its commitment to shaping legal and political responses to ensure that artificial intelligence serves the enduring interests of democracy, justice, and sustainable development in the Black Sea region and beyond. The Assembly further recalls its previous Report and Recommendation 193/2023 on "National Strategies in the Field of Artificial Intelligence in the BSEC Member States," whereby it confirmed its commitment to advancing regional cooperation through the establishment of robust norms for the responsible use of artificial intelligence, aimed at ensuring the safety and protection of the rights and interests of all stakeholders.

4. Accordingly, the Sixty-Sixth Meeting of the PABSEC Committee for Legal Affairs and International Cooperation, scheduled to take place in Borjomi, Georgia on 24 October 2025, will discuss the topic: "Artificial Intelligence for Sustainable Socio-Economic Development in the BSEC Region – Legal Aspects." The present Report uses the contributions of the following national delegations: the Republic of Armenia, the Republic of Azerbaijan, the Republic of Bulgaria, Georgia, Hellenic Republic, the Republic of Moldova, Romania, the Republic of Serbia, the Republic of Türkiye and Ukraine. Reference material was obtained from various online sources and official websites of international organisations.

## II ARTIFICIAL INTELLIGENCE FOR THE SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT IN THE BSEC REGION – LEGAL ASPECTS

5. Artificial Intelligence has been defined by various international institutions, each emphasizing different dimensions of its scope and implications. The United Nations Conference on Trade and Development (UNCTAD) defines AI as the capability of machines to perform cognitive functions typically associated with the human brain. The European Union (EU), through the Artificial Intelligence Act, defines AI systems as machine-based software capable of operating with varying degrees of autonomy, processing data to generate outputs such as predictions, recommendations, or decisions that affect both virtual and physical environments. Together, these definitions underscore that AI is not merely a technological tool but a transformative force with profound socio-economic and legal consequences.

6. The architecture of AI rests on five interdependent pillars: data, algorithms, computing power, cloud infrastructure, and human oversight, each with specific legal implications. Data governance raises questions of ownership, privacy, and cross-border transfers. Algorithms require oversight to prevent bias and discrimination. Cloud infrastructure raises concerns about sovereignty and security when sensitive data is stored abroad. Computing power poses risks of inequitable access, leaving smaller states vulnerable. Human oversight is indispensable, as enforceable guarantees are required to ensure that critical decisions remain subject to democratic accountability. To ensure that advances in artificial intelligence foster sustainable socio-economic progress, these dimensions must be integrated into a coherent legal framework grounded in constitutional values, human rights, and public trust.

7. While these structural issues frame current discussions, policymakers must also take into account and prepare for forthcoming challenges. Artificial General Intelligence (AGI) and Artificial Superintelligence (ASI) represent a qualitative advance beyond narrow AI. AGI refers to systems capable of performing a wide range of intellectual tasks at or above the human level, while ASI would surpass human intelligence across virtually all fields. Such systems could unlock vast opportunities but also generate profound risks, including loss of human oversight, concentration of power, the destabilisation of security systems, and ethical dilemmas over autonomy and control. BSEC Member States should therefore monitor AGI/ASI developments, promote awareness at the parliamentary level, and coordinate with international initiatives to align with emerging global standards.

8. In parallel, current economic projections underscore the necessity of legal preparedness. The McKinsey Global Institute estimates that AI could contribute as much as USD 13 trillion to global growth by 2030, equivalent to approximately 1.2% of annual global GDP growth. PricewaterhouseCoopers projects a similar dynamic, suggesting a 15% increase in global GDP, or USD 15.7 trillion, by the same year. These forecasts place AI among the most transformative forces since the Industrial Revolution, underscoring the need for regulatory mechanisms that foster innovation while mitigating risks.

9. Economic growth is increasingly intertwined with the governance of artificial intelligence. For artificial intelligence to meaningfully advance socio-economic development, regulatory frameworks should be designed to integrate technological innovation with the objectives of the United Nations Sustainable Development Goals (SDGs). Legal governance in this field should not

only set standards for transparency, accountability, and ethical use but also provide binding mechanisms that ensure AI is deployed in ways that advance shared global priorities. When effectively regulated, AI can accelerate climate action (SDG 13), expand equitable access to healthcare (SDG 3), enhance inclusive and quality education (SDG 4), and strengthen justice systems and the rule of law (SDG 16). By embedding these objectives into national and regional legislation, BSEC Member States can ensure that artificial intelligence contributes not only to economic growth but also to ecological sustainability, social inclusion, and institutional resilience, while upholding democratic principles and safeguarding fundamental rights.

10. While artificial intelligence presents significant opportunities, its broader social, political, and legal implications remain insufficiently understood, underscoring the need for continued assessment and vigilant regulation. Significant concerns persist regarding the absence of a comprehensive ethical framework and the uncertainty surrounding its future trajectory. The inherent unpredictability and partially autonomous behaviour of certain AI systems raise serious questions, particularly regarding transparency, accountability, and the protection of personal data and fundamental human rights. While AI technologies can play a pivotal role in strengthening security by processing vast datasets, identifying patterns, and detecting threats with unprecedented speed, their deployment also creates risks of misuse, overreach, and erosion of privacy. Ensuring that these systems operate within a strict legal and ethical framework, subject to continuous monitoring, accountability mechanisms, and regular updates, is indispensable to prevent harm and to protect democratic values, civil rights, and the rule of law.

11. The intersection of artificial intelligence and democracy highlights some of the most pressing challenges of the XXI century. AI-driven tools, if left unrestrained, may be used for the manipulation of public opinion, the micro-targeting of voters, and even the automated suppression of dissent. The lack of adequate safeguards in such practices, threaten to distort electoral processes, weaken pluralism, and erode citizens' trust in democratic institutions. To confront these risks, BSEC Member States must adopt binding legal provisions prohibiting manipulative uses of AI in political processes, enforce transparency requirements in digital campaigning and political advertising, and strengthen regional mechanisms for cooperation aimed at countering algorithmically amplified disinformation. Democratic systems can maintain resilience amid rapidly evolving technological challenges only by embedding these measures within the legislative frameworks.

12. Another pressing legal dimension of AI governance is liability. Traditional regimes are based on the principle that human actors bear responsibility for their decisions and the consequences that flow from them. AI challenges this paradigm, as many systems operate with a high degree of autonomy and generate outcomes without direct human intervention, creating gaps in accountability when harm occurs. In the absence of clear regulations, victims may be deprived of justice, while businesses may hesitate to invest due to unpredictable risks. New liability regimes should ensure compensation on a no-fault basis, establish shared frameworks that distribute responsibility among developers, operators, and users, or treat AI as a manufactured product with producers bearing primary responsibility. Such comprehensive approaches are necessary to protect victims, ensure justice, and promote responsible innovation.

13. Closely related to liability is the evolving importance of intellectual property (IP). The rapid development of AI, particularly generative technologies, has increasingly blurred the traditional boundaries between human creativity and machine-assisted production. AI systems create literature, art, music, and scientific discoveries comparable to or surpassing human activity.

Existing IP regimes, designed in an era of exclusively human authorship, struggle to address ownership and rights over such works. This legal uncertainty risks discouraging investment in creative and scientific industries. States should reconsider IP frameworks, debating whether authorship should be attributed to developers, users, or recognised under new legal categories for AI-generated works. Such reforms must balance rewarding innovation with fairness for human creators, while preventing monopolisation of knowledge and culture. Given the transnational nature of creative industries and research, harmonisation of IP legislation at regional and international levels is indispensable.

14. Data governance and privacy constitute the foundation of AI regulation and are essential to building trust in public institutions. Since all AI systems depend on vast volumes of data, including private and sensitive information, clear and comprehensive legal frameworks are required for data collection, storage, processing, and transfer. These frameworks must protect individual rights while enabling cross-border data flows essential for innovation and cooperation. Robust data protection regulations should combine strict standards of consent, transparency, and accountability with support for innovation. In the absence of comparable legislation, citizens remain vulnerable to surveillance, exploitation, and manipulation, while businesses face legal uncertainty, eroding public trust and undermining AI`s transformative potential.

15. Another crucial dimension of artificial intelligence's socio-economic impact pertains to the transformation of labour markets and workforce. The integration of AI into labour and human resources management is transforming economic models while creating significant legal and ethical challenges. Automation promises gains in efficiency and productivity but threatens to displace large segments of the workforce. Global assessments highlight that uncertainty about return on investment remains a major obstacle to AI. At the same time, approximately 85% of companies address this challenge by providing employee training to support the use of AI. According to World Economic Forum analysis, 92 million jobs could be displaced by 2030, underscoring the need for active skills development and transition policies and revised labour legislation. As AI develops faster than many organisations can adapt, companies face pressure to reform their workforce. Labour legislation should therefore be amended to guarantee transparency in algorithmic management and to ensure that workers are entitled to appropriate retraining and skills development in accordance with the evolving dynamics of the sector.

16. Beyond safeguards, proactive measures are essential to harness the benefits of artificial intelligence while minimising its risks. Mandatory reskilling and retraining initiatives should be established as a cornerstone of workforce policy, equipping citizens with the competences needed for the jobs of the future. In addition to broad reskilling programs, legislative frameworks ought to impose clear and enforceable obligations on employers to ensure that workers displaced or affected by automation have access to timely and effective retraining opportunities. Embedding such measures into labour legislation is crucial not only to preventing structural unemployment and mitigating the risks of social exclusion but also for fostering upward mobility, strengthening social cohesion, and enabling continuous skills adaptation in the evolving labour market.

17. Cybersecurity constitutes a critical dimension of artificial intelligence governance. While AI technologies have the potential to enhance defence mechanisms through anomaly detection, predictive threat intelligence, and automated response systems, they also introduce new vulnerabilities. The increasing reliance of critical infrastructure, including energy, transport, healthcare, and financial services, on AI magnifies these risks, as any breach may result in severe economic disruption and pose a direct threat to public safety. Therefore, establishing clear and

binding obligations regarding cybersecurity standards, mandatory risk assessments, incident reporting requirements, and cross-border cooperation frameworks is of utmost importance. For the BSEC Member States, which are situated at a strategic crossroads, cybersecurity within AI governance represents an essential component of national and regional security, requiring strict legislation, coordinated policies, and strengthened institutional capacities.

18. Closely related to the question of security is the issue of power concentration in the global AI sector. The dominance of a small number of corporations, equipped with vast financial resources and exclusive access to large datasets, further complicates governance by fostering monopolistic structures, dependencies, and reduced competition. To counterbalance this trend, BSEC Member States should reinforce competition law, promote interoperability standards, and ensure opportunities for small and medium-sized enterprises (SMEs). Procurement policies must diversify providers, while legal and budgetary incentives stimulate domestic innovation ecosystems. Without such measures, monopolisation could erode democratic oversight and jeopardize equitable and sustainable development.

19. The challenges posed by artificial intelligence, ranging from liability gaps and data governance to cybersecurity threats and privacy concerns, directly influence the prospects for sustainable socio-economic development. If left unresolved, these issues risk exacerbating inequality, eroding democratic accountability, and slowing the transition towards inclusive and resilient growth. By contrast, responsible governance has the capacity to turn AI into a driver of innovation, job creation, and competitiveness, with tangible benefits across healthcare, education, energy, justice, and public-sector services. For this reason, national strategies should not treat AI in isolation but rather embed it within broader reform agendas that explicitly link technological progress with the United Nations Sustainable Development Goals.

20. Within this framework, inclusiveness must remain a guiding principle of AI governance. Special attention is required for vulnerable groups, particularly persons with disabilities, to ensure equal access to AI-driven solutions in areas such as healthcare, education, employment, and public administration. Legislation and policy instruments should incorporate accessibility-by-design standards as a baseline requirement, making inclusion a structural component of technological development. Complementary measures, such as targeted funding programs, public–private partnerships, and regional knowledge-sharing platforms, can further strengthen inclusive innovation ecosystems. By adopting such an approach, BSEC Member States can ensure that artificial intelligence contributes not only to economic growth but also to social integration, the protection of fundamental rights, and the long-term resilience and social cohesion.

21. The BSEC Member States have begun to introduce policies and develop strategies for the governance of AI, though in most cases these efforts remain at an early stage of development. Approaches vary, shaped by differences in institutional capacity, levels of technological advancement, and broader socio-economic and political contexts. In some countries, AI policy is not treated as a standalone domain but is embedded within wider national agendas for scientific progress, digital transformation, and economic modernization. These strategies typically emphasize investment in digital and physical infrastructure, the strengthening of research ecosystems, and the expansion of educational and training opportunities. At the same time, states seek to foster entrepreneurship and innovation by supporting start-ups, encouraging private sector participation, and creating a favourable legal environment. In this way, AI governance in the BSEC region is developing within a broader process of state-led development and capacity building,

linking technological advancement with long-term objectives of competitiveness, sustainability, and social inclusion.

22. Effective AI governance requires inclusive and transparent approaches in which parliaments play a central role. As institutions of democratic legitimacy, they safeguard the public interest by adopting relevant legislation and ensuring accountability. Their responsibilities extend beyond lawmaking and include consultation mechanisms, advisory councils, and impact assessments. Parliaments also build institutional capacity to address complex AI issues and align national frameworks with international standards. Parliamentarians provide continuous oversight of executive action in the AI domain, including regular hearings on AI policy and ethics, mandatory governmental reporting on the implementation and impact of AI strategies, and the creation of permanent committees or subcommittees on digital rights, algorithmic accountability, and emerging technologies. These mechanisms enable democratic scrutiny, strengthen public trust, and ensure transparency in the deployment of AI systems. Parliaments anchor AI governance in the constitutional principles, human rights, and the equitable distribution of technological benefits.

23. Since AI systems as well as data flows transcend national borders, national measures and initiatives should be reinforced through robust international cooperation. Shared challenges such as cyberattacks, disinformation campaigns, cross-border data misuse require harmonised standards, interoperable regulatory regimes, and shared oversight mechanisms. Within the BSEC framework, collective responses could include joint training programs, the establishment of regional research hubs, the creation of platforms for technical coordination, and the development of early-warning systems to detect algorithmic bias, disinformation, and cybersecurity threats. Such initiatives would not only enhance preparedness but also build collective resilience across the region.

24. Active participation in regional and international initiatives, together with systematic exchanges of best practices with other organizations, will further support BSEC Member States in aligning their legislative and regulatory frameworks with international norms and standards. Cooperation with global partners helps ensure consistency in ethical and legal approaches, facilitate access to expertise and resources, and promote interoperability of governance structures. In this way, balanced legal and institutional capacity, combining national responsibility with international collaboration, foster trust among stakeholders, promote inclusive socio-economic development, and ensure that the transformative potential of AI can be realized in accordance with the principles of security, transparency, accountability, and respect for human rights.

## III SITUATION IN THE BSEC MEMBER STATES

25. The Ministry of High-Tech Industry of *the Republic of Armenia*, as the public authority responsible for shaping state policy in the fields of digitalisation and high technologies, places particular importance on the development of artificial intelligence in the country. AI development has been designated as one of the priority policy directions of the Government's agenda for the first half of 2025, with one of the expected outcomes being the establishment of the Virtual Institute of Artificial Intelligence.

26. At present, the Ministry is developing a draft Government Decree of the Republic of Armenia titled "On Approving the Pilot Programme and the Procedure for Providing Access to High-Performance Computing Resources in the Field of Artificial Intelligence." This regulation defines the terms and conditions under which the state will provide access to high-performance computing

(HPC) resources for the design, training, and deployment of AI systems. Such activities require HPC infrastructure, including central processing units (CPU), graphics processing units (GPU), random-access memory (RAM), and data storage systems.

27. Since July 2025, with the support of Amazon Web Services (AWS) and Mistral AI — one of Europe's leading AI companies — the Ministry has launched a strategic initiative entitled the "Virtual Institute of Artificial Intelligence". The initiative aims to create an open platform for innovation and collaboration among stakeholders. Its mission is to support technology companies and AI researchers by providing the necessary resources for scientific research and product development. The platform will serve as an operational environment for the submission of applications, identification of applicants, and allocation of resources. Further development of the Virtual AI Institute platform is a key priority of the Ministryin the second half of 2025.

28. In the recent years, *the Republic of Azerbaijan* has advanced several strategies and programs to develop AI. The "National AI Strategy" (2019) sets goals and objectives for AI development, including the creation of a legal framework for the safe deployment. The "State Programme on the Development of Information Technologies" (2020) emphasises the establishment of legal norms for AI use and data protection. Legislative progress includes the "Law on the Protection of Personal Data", which provides a foundation for lawful data processing essential for AI, and ongoing work on copyright and patent regulations for AI-generated works and technologies.

29. The introduction of AI raises questions of ethics and accountability for AI-driven decisions. The Republic of Azerbaijan actively participates in international initiatives aimed at developing ethical norms for AI use. In 2021, the country hosted a seminar dedicated to the ethical aspects of AI, with participation from experts across different countries. The state is also working to reduce bureaucratic barriers and create "smart" regulatory mechanisms able to adapt to rapidly changing technologies. An example is the establishment of innovation zones for testing emerging technologies, including AI.

30. The Republic of Azerbaijan is also advancing education and training initiatives, including university programs that introduce AI courses and modules on its legal aspects in higher education curricula. In addition, workshops and training seminars are organized for civil servants and lawyers on the legal regulation of AI. The state actively engages in international forums and conferences on AI, facilitating the exchange of regulatory best practices. Participation in events such as the "Global Conference on AI and Law" shapes the readiness for domestic reforms. Cooperation with organisations including the UN and UNESCO supports joint projects and recommendations aimed at fostering a safe and ethical environment for AI.

31. As a Member State of the EU, *the Republic of Bulgaria* applies the harmonised rules for the placement, operation, and use of AI, established by Regulation (EU) 2024/1689 on harmonised rules on artificial intelligence (the Artificial Intelligence Act). The Regulation, adopted in 2024, aims to establish clear and enforceable rules to ensure the safe and responsible use of artificial intelligence systems. The "Concept for the Development of AI in Bulgaria until 2030", adopted in December 2020 by the Council of Ministers sets out Bulgaria's long-term vision for building a comprehensive, sustainable and ethically oriented AI ecosystem, in full compliance with the EU`s principles and approaches for the development of trustworthy artificial intelligence.

32. The Ministry of Electronic Governance is developing a draft "Digital Transformation Strategy 2026–2030", which will include a section on AI with specified goals and measures for introducing

AI in state administration. In June 2025, the Council of Ministers adopted a Decision determining the authorities responsible for protecting fundamental rights, including the right to non-discrimination, in relation to the use of high-risk AI systems. These include the Ombudsman, the Commission for Protection against Discrimination, the Commission for Personal Data Protection, the Commission for Consumer Protection, the Central Election Commission, the State Agency for Child Protection, and the Executive Agency "General Labour Inspectorate".

33. In the Republic of Bulgaria, consistent actions are being taken to regulate the use of digital technologies in work management while safeguarding labour rights. An example of this is the amendments to the "Labor Code", adopted in March 2024, which for the first time set out in national legislation the requirements for the use of information systems by employers for assigning and reporting work, including in relation to the implementation of algorithmic management systems for remote working processes. They guarantee the workers' right to written information about how decisions are made, as well as the right to request a human review of decisions made by the algorithmic management system.

34. *Georgia* is in the early stages of building a national policy framework that will guide the use and development of artificial intelligence in a structured and responsible way. This framework aims to create the right conditions for innovation, promote the safe adoption of new technologies and ensure that the benefits of AI are shared across society. While this work is still in progress, the Georgian Innovation and Technology Agency (GITA), has already taken an active lead. One of its key tasks is to prepare Georgia's first National AI Strategy and Action Plan, which will outline how Georgia can use technology in a way that is both responsible and future oriented.

35. At the same time, GITA is working to create Georgia's first AI Center of Excellence, to be based in the city of Kutaisi. The Center will become a space where researchers, scientists, entrepreneurs and students work together on practical AI solutions. It will help develop digital tools that support businesses and government institutions, and it will provide access to advanced computing facilities for research and innovation. The Center will also be a meeting point for the technology community - a place where knowledge can be shared, partnerships can grow, and new ideas can take shape. By strengthening cooperation between universities, the private sector and the Government, the Center will contribute to building local expertise and nurturing a new generation of AI specialists.

36. Another important initiative in this area is the FORGE AI Project, which brings together several Georgian institutions, including GITA, under the Horizon Europe Programme. This project is helping strengthen our research and innovation ecosystem by creating opportunities for young professionals and researchers. It connects universities and businesses, allowing people to share knowledge, gain international experience and apply new ideas at home. It also highlights the importance of international partnerships in building a strong, innovative economy.

37. For *the Hellenic Republic*, the development of Artificial Intelligence technologies is a national priority. The Ministry of Digital Governance, within the framework of the "National Strategy for AI", has already designed and implemented a series of reforms, projects, and initiatives. These efforts aim to foster AI applications in health, sustainable development, culture, and sectors such as energy and agriculture. Two flagship initiatives are underway. The "Pharos" project plays a crucial role in fostering an innovative and competitive ecosystem of startups and SMEs. The "Archimedes" programme funds visiting researchers, including both domestic and international faculty and PhD candidates, in Artificial Intelligence, data science, and algorithms.

38. Regarding socio-economic development, the "Smart Manufacturing" action is financed by the "European Union Recovery and Resilience Fund" within the framework of the "National Recovery and Resilience Plan" (NRRP) Greece 2.0". The initiative subsidizes investment projects, including digital transformation and automation of production lines, direct communication between devices via wired and wireless channels, and the development of prototypes and customized products incorporating advanced technology. Eligible sectors include AI, big data analysis, smart manufacturing technologies, and robotics.

39. The Hellenic Republic supports the development of legal obligations requiring companies in high-risk sectors (e.g., finance, healthcare, logistics) to uphold transparency and interpretability standards in the deployment of AI systems, in line with the principles of the EU AI Act. From the perspective of company law and corporate governance, it is considered highly beneficial to standardize business entity forms in line with Directive (EU) 2017/1132 and integrate automated mechanisms into registries for real-time updates and immediate public access.

40. ***The Republic of Moldova*** has established a robust policy and legislative framework to guide the development and ethical use of AI. "The White Book on Artificial Intelligence and Data Governance" is a fundamental document, which outlines state's vision for creating a sustainable AI and data governance ecosystem, focused on human needs, economic growth and social well-being. It explicitly positions AI as a strategic asset for Moldova's development and aligns the national principles with those of the EU AI Act, the OECD AI Principles and the UNESCO Recommendation on AI Ethics.

41. The "Digital Transformation Strategy for 2023-2030" is the cornerstone of Moldova's digital policy agenda. It sets clear objectives for the adoption of AI in education, economy, public administration and research, with an Implementation Programme (2025-2027) that allocates budgetary resources and defines performance indicators. The Sub-Council for Artificial Intelligence and Data Governance (SCIA) serves as a coordination body for public policies related to AI and regulatory convergence. Its mission is to contribute to the responsible development and implementation of AI and data governance.

42. The Republic of Moldova is committed to building a trustworthy AI, developing guidelines and standards in compliance with the EU AI Act, the OECD AI Principles and the UNESCO Recommendation on AI Ethics. The state is actively participating in an international UNESCO project dedicated to promoting ethical and inclusive governance of artificial intelligence (AI), based on respect for fundamental human rights. The first step in this process is the application of the Readiness Assessment Methodology. State's participation in this process underlines its commitment to building a solid and responsible framework for AI development, in line with international standards.

43. ***Romania*** has announced its intention to develop AI capacity and better collaboration with EU and non-EU Black Sea states around shared values such as innovation, technological sovereignty, cybersecurity, inclusion, and resilience. The "Black Sea AI Gigafactory" project provides the installation of more than 100,000 AI accelerators in two locations, powered by an energy mix of up to a maximum of 1,500 MW. Part of a "European strategic" initiative aimed at strengthening continental technological sovereignty and capabilities in the field of artificial intelligence, this project will deliver innovative infrastructure for Romania, Moldova, Ukraine, and Türkiye.

44. Romania has adopted a comprehensive framework for AI development, including three complementary national strategies on Research, Innovation and Smart Specialization, Artificial Intelligence and Quantum Technologies. They establish a clear path for integrating digital technologies, particularly Artificial Intelligence, into the economy and the social life in full respect of human rights and fundamental freedoms, while countering the potential risks. In 2024, Romania adopted the "National Action Plan for the Digital Decade", reaffirming its commitment to digital transformation and alignment with EU objectives. The Plan was developed according to Decision (EU) 2022/2481, which requires the EU Member States to participate actively in achieving the digital objectives set in the "European Program for the Digital Decade 2030".

45. In July 2025, the National Authority for Digitalisation signed the financing contract for the project "High-performance Administration through Advanced Technologies – APTA", funded by the "Smart Growth, Digitalisation and Financial Instruments Programme (2021–2027)". The project aims to implement a technological platform for developing and improving digital public services, using AI's transformative potential to modernise public institutions.

46. **The Republic of Serbia** has adopted the "Artificial Intelligence Development Strategy" for the period 2025–2030. In addition, Serbia has established Ethical Guidelines for the Development, Implementation and Use of Trustworthy and Responsible Artificial Intelligence, intended to steer the development and application of AI in line with recognised principles of the EU, UNESCO and OECD. In line with its strategy, the Republic of Serbia actively promotes the development and application of AI-based solutions.

47. The "Artificial Intelligence Development Strategy" identifies the following key objectives: enhancement of the legal and institutional framework; support for AI development and scientific research; human resource and capacity development; development of computing and other hardware infrastructure, as well as ecosystem connectivity; improved data governance and support for the implementation of AI-based solutions. The Republic of Serbia plans to undertake a range of activities aligned with each of these objectives, including adoption of an AI-specific law, support for development projects, reskilling and upskilling programmes, creation of data management systems, and investment in agriculture, energy, healthcare, and many other sectors.

48. The Republic of Serbia actively participates in international fora that address AI-related issues. As a UN member state, Serbia co-sponsored the UN Resolution on the Use of Safe, Secure, and Trustworthy AI Systems for Sustainable Development, and supports other UN conventions and initiatives in this area. Serbia is a member of the "Global Partnership on Artificial Intelligence" (GPAI) and holds the position of co-chair of the Plenary Committee. In December last year, Serbia hosted a notable GPAI Summit and expressed its support for France in organising this year's Action Summit in Paris.

49. The first regulatory legal framework of **the Republic of Türkiye** in the field of AI is the "National Artificial Intelligence Strategy" (NAIS), published in 2021 and still in force as amended. The Strategy, which sets out 24 objectives and 119 measures, has been updated with its 2024–2025 Action Plan and aligned with international developments, especially the EU Artificial Intelligence Act. The Strategy is built on six strategic priorities, including training AI experts, supporting research and entrepreneurship, ensuring access to high-quality data, enacting regulations that will accelerate socio-economic harmonisation, strengthen international cooperation, and accelerate structural transformation.

50. The Artificial Intelligence Research Commission established within the Grand National Assembly of the Republic of Türkiye (GNAT) and the Artificial Intelligence Science Commission, soon to be launched by the Ministry of Justice, are carrying out exemplary work to strengthen the legal infrastructure of these strategic priorities. In the field of judiciary, the "Century of Türkiye Judicial Reform Strategy" envisages expanding the use of AI in justice services through applications such as document analysis, automatic reporting, and online dispute resolution.

51. The Republic of Türkiye closely follows developments in AI at the international level and is pursuing various collaborations. With the OECD, Artificial Intelligence Principles (2019) have been signed, and harmonization efforts are being carried out by closely following the work of the CoE and UNESCO. The NAIS 2024–2025 Action Plan strengthens the principles of transparency, auditability, and accountability for high-risk AI systems and aims for a framework compatible with international regulations. At the regional level, the European Union Artificial Intelligence Act, OECD AI Principles and CoE's Framework Convention on Artificial Intelligence and Human Rights, Democracy and the Rule of Law constitute the key reference documents.

52. *Ukraine* adopted its "Concept for the Development of Artificial Intelligence in 2021", defining the main priorities of national AI policy. The Ministry of Digital Transformation serves as the central authority for digitalization, innovation, and AI development. On 15 May 2025, Ukraine reinforced this commitment by signing the Council of Europe Framework Convention on AI, Human Rights, Democracy, and the Rule of Law. To advance this agenda, the Ministry of Digital Transformation published a White Paper outlining the country's approach to AI regulation. The draft, open for broad public discussion, was developed with input from government bodies, business, academia, and civil society, ensuring that diverse perspectives and sectoral needs were reflected.

53. Ukraine plays an active role through its engagement in Council of Europe committees. In May 2025, it contributed to the preparation of a draft questionnaire for Member States to identify gaps in national legislation on criminal liability for AI use, an initial step toward a future international instrument on AI and criminal law. Domestically, Ukraine is expanding digital initiatives through the "Diia" platform, which integrates AI to deliver e-government services in areas including social protection, healthcare, and administrative management.

54. Ukraine faces several legal challenges in AI development. National data protection legislation requires harmonisation with the EU General Data Protection Regulation (GDPR) to strengthen privacy safeguards. The use of AI in sensitive sectors such as security, justice, and healthcare raises concerns about potential restrictions on rights and freedoms, especially under martial law. In addition, there is a notable lack of AI-based solutions tailored to the needs of people with disabilities, highlighting the importance of more inclusive approaches.

## IV INTERNATIONAL FRAMEWORK AND EXPERIENCE

### The United Nations (UN)

55. The UN recognizes both positive and negative aspects of the highly transformative nature of AI technology. In 2024, within the framework of the "Pact for the Future", the "Global Digital Compact" was introduced. It is intended to outline shared principles, objectives, commitments, and actions to guide how digital technologies—including AI—are developed and governed in a way that is inclusive, safe, human-rights–oriented, and beneficial for all. The UN Secretary-General created the High-Level Advisory Body on AI in 2023, composed of 39 experts drawn from diverse regions. This body is tasked with reducing digital inequality, strengthening

cooperative mechanisms, and supporting Member States in developing adaptive governance models.

**International Telecommunication Union (ITU)**

56. The ITU, a specialised UN agency for information and communication technology, convened the first AI Governance Day and International AI Standards Day at the "AI for Good Global Summit" (Geneva, July 2025), signalling closer alignment between innovation and regulation. It coordinates cross-sectoral standardisation in critical fields including energy, multimedia, health, and transport, bridging global technical norms and national regulatory systems.

**The United Nations Educational, Scientific and Cultural Organization (UNESCO)**

57. UNESCO continues to serve as the "ethical anchor" of the international AI governance. Its "Recommendation on the Ethics of AI" (2021), adopted by 193 Member States, remains a key global normative instrument. UNESCO convened the 3rd Global Forum on the Ethics of AI in June 2025, bringing together representatives of more than 100 countries. A key outcome of the event was the creation of the Global Civil Society Organizations (CSO) and Academic Network on AI Ethics and Policy, which is a collaborative initiative aimed at facilitating advocacy, knowledge exchange, and collaboration to widen civil society participation in the global AI governance landscape. UNESCO also launched its 2025 AI Ethics Toolkit, which includes an updated AI Readiness Assessment Methodology, an Ethical Impact Assessment framework, and comparative case studies.

**Council of Europe (CoE)**

58. The Council of Europe's Framework Convention on Artificial Intelligence and Human Rights, Democracy, and the Rule of Law (CETS No. 225), adopted in 2024, is a binding international treaty specifically dedicated to AI. Its objective is to ensure that AI design, development, and deployment are consistent with fundamental rights, democratic institutions, and the rule of law. It promotes cross-border cooperation, harmonisation of standards, and oversight mechanisms to address risks such as disinformation, algorithmic bias, and cybersecurity threats.

**European Union (EU)**

59. AI is a strategic priority for the EU. Following the European strategy on AI (April 2018), the Commission issued a "Coordinated Plan on AI" in December 2018, calling on Member States to elaborate national strategies, identify priority areas for investment, and encourage cooperation and knowledge-sharing. These objectives were reinforced in the 2020 White Paper on AI and in the 2021 revision of the Coordinated Plan, which focused on boosting investment, ensuring implementation of national strategies, and harmonising policies to reduce fragmentation.

60. In April 2021, the European Commission presented the "Artificial Intelligence Act". The Act applies a risk-based approach, categorising AI systems into unacceptable, high, limited, and minimal risk. Unacceptable-risk systems, such as social scoring by public authorities, manipulative or exploitative AI practices, and certain biometric surveillance, are strictly prohibited. Limited-risk applications (e.g., chatbots and deepfakes) must comply with transparency duties, while minimal-risk uses remain largely unregulated.

61. The EU AI Office was established within the European Commission to oversee rules on general-purpose AI and cross-border issues and is supported by national supervisory authorities, coordinated through an AI Board. Closely linked to other EU digital legislation, the framework aims to provide legal certainty while also promoting innovation through regulatory sandboxes, SME support, and coordinated investment in trustworthy AI.

62. In 2025, the EU advanced the implementation of the "Artificial Intelligence Act" with a strong focus on general-purpose AI (GPAI) governance. On 10 July 2025, the European Commission released the Code of Practice for GPAI, outlining voluntary standards for transparency, copyright management, and safety. Meanwhile, the European AI Office expanded its role, publishing guidance on GPAI definitions, provider and downstream responsibilities, exemptions for open-source models, and supervision mechanisms.

**Organization of the Black Sea Economic Cooperation (BSEC)**

63. Science, research, and technology have always been central to the "BSEC Economic Agenda: Towards a Sustainable Future of the Wider Black Sea Area", although AI has only recently emerged as a distinct focus. A milestone was reached at the Meeting of the BSEC Working Group on Education on 27 November 2023, where AI was formally included as an agenda item for the first time. The discussions highlighted AI's ability to tackle systemic challenges in education, advance the SDGs, improve teaching methods, empower educators, and strengthen educational systems. This structured dialogue within BSEC provides a foundation for wider regional cooperation in governance, innovation, and security, enabling the region to harness AI responsibly. Additionally, regional cooperation within the BSEC can support sustainable development by encouraging knowledge-sharing, joint initiatives, and common standards for ethical and secure AI use.

**V CONCLUSION**

64. Artificial intelligence has become a central driver of technological transformation in the XXI century, accelerating economic growth, social development, and governance worldwide. Its integration across healthcare, education, finance, energy, transport, and public administration enhances competitiveness and resilience, creating new opportunities for productivity and innovation. At the same time, AI brings significant legal, ethical, and security challenges, including liability gaps, intellectual property disputes, data protection and privacy concerns, algorithmic bias, labor market disruption, cybersecurity vulnerabilities, and the concentration of market power. The BSEC Member States therefore aim to develop governance systems that protect societal values and human rights while ensuring that the benefits of AI are shared inclusively and its risks are effectively contained.

65. At the national level, Member States have already begun drafting strategies, updating legislation, and aligning with international standards. Yet the path forward is complex. Automation may displace workers, algorithmic decision-making may entrench discrimination or weaken accountability, and inadequate cybersecurity leaves critical infrastructure exposed to AI-enabled threats. To tackle these risks, countries must adopt robust legislative measures that ensure transparency and human oversight, competition policies that prevent monopolistic lock-in, effective liability regimes and cybersecurity frameworks that require systematic risk assessments and reporting. Integrating these principles into comprehensive legal frameworks will bridge the

gap between technological advancement and public trust, thereby enhancing systemic resilience and sustaining global competitiveness.

66. Artificial intelligence has rapidly become a subject of profound global, regional, and national concern, demanding sustained engagement from policymakers, parliamentarians, and society at large. The integration of AI into everyday life necessitates binding norms that ensure its responsible and ethical use. For countries in the BSEC region and beyond, a foremost challenge is the development of comprehensive legal frameworks that safeguard human rights, guarantee transparency, and provide clear mechanisms for accountability. Without such frameworks, the ethical risks posed by opaque decision-making processes, algorithmic bias, and the potential misuse of autonomous systems may undermine public trust and the rule of law. Accordingly, legal instruments should enshrine principles for the design, deployment, and oversight of AI to minimize harm while upholding fundamental rights and promoting societal well-being.

67. National strategies alone are insufficient. Given the Black Sea Region's role as a bridge between Europe and Asia and its integration into global trade and digital networks, coherent AI governance necessitates strong regional cooperation. Within the BSEC framework, Member States can harmonize legal standards, establish joint training and research platforms, and coordinate policies on liability, data protection, intellectual property, and cybersecurity. Regional initiatives should also promote investment in digital infrastructure, inclusive innovation ecosystems, and workforce reskilling. Such cooperation can reduce costs, attract investment, and foster knowledge-sharing while ensuring that citizens and enterprises across the region benefit from the opportunities of AI.

68. Accordingly, the successful management of AI depends not only on technological capacity but also on the foresight, adaptability, and resilience of legal and institutional systems. National parliaments, governments, and civil society must intensify efforts to build comprehensive and forward-looking governance frameworks that can evolve with technological progress. This includes enacting binding legislation that safeguards human rights, guarantees accountability, and integrates transparency and inclusiveness into every stage of AI deployment. Governments must strengthen institutional capacities, invest in regulatory expertise, and ensure effective enforcement mechanisms, while civil society remains a constant source of democratic scrutiny and public engagement.

69. Parliaments, as the cornerstone of democratic governance, bear a central responsibility in shaping artificial intelligence legislation that safeguards human rights, ensures accountability, and promotes inclusiveness and accessibility. To fulfill this role effectively, they should institutionalize mechanisms for continuous oversight, including regular hearings on AI policy and ethics, mandatory governmental reporting on the societal impact of AI, and the establishment of permanent committees dedicated to digital rights, algorithmic accountability, and emerging technologies. Parliaments also serve as guarantors of public participation by creating structured consultation channels with the academic community, civil society, and stakeholder groups, thereby ensuring that diverse perspectives should be considered in the legal frameworks governing AI. Their leadership is indispensable not only for fostering public trust but also for embedding AI governance firmly within constitutional principles and the foundations of democratic accountability.

70. Artificial intelligence must be recognized as a strategic asset shaping the economic, political, and cultural trajectory of the Wider Black Sea Region within the global digital order. Its expanding

role in national security, democratic resilience, and international competitiveness demands proactive and forward-looking governance. The BSEC Member States should consider AI governance as an investment in sovereignty and stability, requiring the development of cross-border digital platforms, regional research hubs, cybersecurity coordination centres, and interoperable legal frameworks aligned with the international standards.

71. PABSEC has a pivotal role to play in facilitating sustained parliamentary dialogue, promoting convergence in areas such as liability, intellectual property, cybersecurity, labour rights, and data protection, and supporting inclusive digital innovation ecosystems. By aligning national strategies with regional cooperation and international best practices, BSEC Member States can strengthen competitiveness and contribute to shaping a balanced global governance model for artificial intelligence, one rooted in security, transparency, inclusiveness, and respect for human rights. Ultimately, only by combining coordinated national strategies, strengthened regional partnerships, and enduring global engagement can the Black Sea Region harness the AI revolution as a driver of prosperity, democratic resilience, and sustainable development.