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THE COMMITTEE ON ECONOMIC AND DEVELOPMENT POLICY

REPORT*

“Digital Transformation in the BSEC Member States”

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I INTRODUCTION

1. The modern world is experiencing unprecedented changes driven by rapid technological progress and an increasingly unpredictable economic and social environment. Digital transformation (DT) is one of the most important trends that has emerged in the past decade. The impact and use of digital technologies on current processes, systems, and businesses are accelerating globally, affecting all sectors. The introduction of digital technologies has necessitated the digital transformation of not only the economy but also society as a whole, and as such, it is opening numerous opportunities. However, this process also poses significant risks that must be addressed.

2. The current phase of the transformation is powered by a convergence of technologies, including artificial intelligence (AI), 5G, the Internet of Things (IoT), cloud computing, data analytics, virtual reality and other advanced technologies. Late 2022 was a critical year that demonstrated advancements in AI capabilities and transformed the accessibility and application of generative AI across many sectors and policy domains. It also highlighted the role of digital and other emerging technologies in creating new opportunities across numerous societal and industry sectors, contributing to a wide array of economic, environmental, and societal benefits. The successful embrace of digital technologies has the potential to accelerate socio-economic development, economic resilience and global competitiveness of states. Digitalisation is an important factor in economic growth and productivity, as well as a means of addressing many complex global challenges and contributing to the achievement of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).

3. The Parliamentary Assembly of the Black Sea Economic Cooperation provides a legal basis for economic cooperation among the BSEC Member States. The Assembly has recognised the importance of digital transformation for the economic development of the BSEC Member States. It adopted several Reports and Recommendations related to different aspects of digital transformation. The Report and Recommendation 205/2025 “Artificial Intelligence for Sustainable Socio-Economic Development in the BSEC Region - Economic Aspects” emphasised the great potential of artificial intelligence for a substantial increase in productivity and economic growth, societal benefits, enhancement of innovation and global competitiveness of states and underlined the need to speed up the implementation of AI technology in the BSEC Member States. The Report and Recommendation 193/2023 “National Strategies in the field of Artificial Intelligence in the BSEC Member States” stressed the deep potential of artificial intelligence for the development of states, increasing their competitiveness and economic growth and extended its support to further use of AI innovation. The Report and Recommendation 173/2020 “Development of Financial Technologies in the BSEC Member States” stated that the development of digital financial technologies can contribute to achieving the Sustainable Development Goals and improve people's quality of life. The Report and Recommendation 161/2018 “The prospects of Development of Digital Economy in the BSEC Member States” pointed out that the transition to a digital economy is a key driver of economic growth and called on the BSEC Member States to harmonise approaches to laws and regulations that promote the development of the digital economy in the Black Sea region. In the Report and Recommendation 146/2015 “E-Government in the BSEC Member States” the PABSEC underlined that the rapid progress of information and

communications technologies (ICT) offered new opportunities to attain higher levels of development and stressed the importance of rendering public services through an electronic governance format. The Report and Recommendation 143/2015, “The Role of New Technologies in the Development and Strengthening of the Information Society in the BSEC Member States,” highlighted the positive impact of information and communications technology on the advancement of modern society and called for close cooperation in technological development.

4. Recognising the relevance of digital transformation for the economic development, resilience and modernisation of the BSEC Member States, as well as the importance of strengthening cooperation in the sphere of digital transformation, in the BSEC Member States, the PABSEC Committee on Economic and Development Policy decided to discuss “Digital Transformation in the BSEC Member States” as the main topic of its 66th meeting in Bucharest, on 17 March 2026.

5. The present Report uses the information from the national delegations of the Republic of Armenia, the Republic of Azerbaijan, the Republic of Bulgaria, the Hellenic Republic, the Republic of Moldova, Romania, the Republic of Serbia, the Republic of Türkiye and Ukraine. It also benefited from the valuable contribution of the BSEC Permanent International Secretariat. The Report also uses the research material and reports of relevant international organizations, such as the United Nations (UN), the UN Trade and Development (UNCTAD), the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), the World Bank (WB), the World Economic Forum (WEF), the European Union (EU), International Telecommunication Union (ITU), the UN Educational, Scientific and Cultural Organization (UNESCO), etc., as well as the relevant information from publicly available sources.

II DIGITAL TRANSFORMATION-TRENDS AND ECONOMIC ASPECTS

6. According to the Organisation for Economic Cooperation and Development (OECD), digital transformation refers to the economic and societal effects of digitisation and digitalisation. Digitalisation is the use of digital technologies (hardware and software) and data, as well as interconnection, resulting in new or changes to existing activities. According to the European Commission (2019), digital transformation is characterised by a fusion of advanced technologies and the integration of physical and digital systems, the predominance of innovative business models and new processes, and the creation of smart products and services. Broadly speaking, it is the transformation of traditional activities and processes into digital formats that is profoundly changing the way people, businesses, and governments operate. The pace of digital transformation was accelerated by the COVID-19 pandemic that amplified processes that have been underway for decades. During the pandemic, the use of digital technologies brought people together independently of where they were physically located. It was a successful means that provided the continuity of public, private, and social life and thus embedded digital transformation into the very fabric of economic and societal resilience.

7. In the recent period, the significance of digitalisation has grown remarkably, shaping all sectors of the economy and society. Accelerated by ever-increasing rapid technological progress and the widespread availability of the internet, digital transformation has deep and wide-ranging impacts on various economic sectors, businesses, productivity, employment, economic growth, and financial inclusion. Digital technologies spread across many areas, from the individual level-online education, remote work, online shopping to the national level-countries transitioning toward digital economies, governance, and societies. Businesses across different sectors rapidly increased their use of digital infrastructure and smart, connected tools in order to stay competitive in a fast-

changing business landscape. They are pursuing new business models, services, and delivery methods and entire economic sectors are adopting automation processes and exploring the potential of artificial intelligence, the Internet of Things, and blockchain to boost operational efficiency and productivity. The increasing role of digitalisation, including through e-government initiatives, data sharing and interoperability between the public and private sectors, financial technology, e-commerce, AI and the diffusion of technologies within companies, has the potential to improve service quality, increase productivity and stimulate innovation.

8. As digital transformation affects economies, societies and peoples, digital issues have become intertwined with numerous policy domains, requiring a whole-of-government approach and enhanced coordination. Countries around the world, as well as the BSEC Member States, are increasingly placing digital transformation at the top of their policy agendas to promote social well-being and economic growth. National digital transformation is a complex undertaking involving many stakeholders across a wide range of sectors, such as healthcare, education, transport, energy, the environment, governance, etc. It necessitates substantial infrastructure investment, institutional reforms, legislative improvements, capacity building and effective implementation by national policymakers. Therefore, countries are adopting comprehensive national digital transformation strategies on the basis of coordinated policies aiming to maximise the potential benefits of digital technologies while mitigating their risks for the economy and society. According to the latest International Telecommunication Union figures, around half of all countries globally have implemented digital strategies that cover multiple economic sectors. Governments play an essential role in setting digital transformation policy direction, accelerating its development and adoption. Although digital transformation strategies may differ in their specific priorities, they generally share common goals: promoting the digitalisation of businesses, societies, and governments, focusing on essential enabling factors such as infrastructure, skills and education, cybersecurity and trust, research and innovation, as well as policies and regulations. Digital transformation strategies need to promote a whole-of-society approach engaging all stakeholders from government, the private sector, civil society, academia and the public to develop and strengthen national digital ecosystems.

9. The BSEC Member States have made rapid progress in digitalisation, stimulating innovation and economic growth. They have adopted strategies within the overarching economic transformation agendas, leveraging digitalisation as a driver for economic transformation, government effectiveness, private sector resilience, and economic growth. Key priorities include developing and upgrading digital infrastructure and increasing the contribution of the digital economy to GDP, encouraging research and innovation. Comprehensive approaches and methods have been implemented to advance digitalisation in the public, financial, and private sectors.

10. The World Bank estimates that the following elements are necessary for strong, inclusive, and responsible digital transformation for economies, societies and governments. They comprise broadband Internet connectivity, access, and use; digital data infrastructure; digital safeguards; accelerating climate action with digital technologies; ICT industry and digital jobs; and cybersecurity and data protection. The Organisation for Economic Cooperation and Development recognises that physical and digital infrastructure, universal, high-quality connectivity, data and data flows, AI and emerging digital technologies, safety and security and measuring digital transformation are important for the digital transformation of states.

11. Digital technologies have rapidly transformed the global economy and are expected to continue to do so at an increasing rate, creating new industries in the process. The digital economy comprises about 15 % of world GDP in nominal terms, according to the World Bank. In the past decade, it has grown two and a half times faster than the physical world GDP. It is estimated that the global digital economy will reach 16.5 trillion USD by 2028, accounting for 17% of global GDP. The digital sector is driving innovation, economic growth, and job creation, generating positive spillovers on the broader economy. Surging demand for IT and IT-enabled services is creating new opportunities for countries to pursue export-led growth. There are estimates that 70 % of the new economic value globally will be created on digitally enabled platforms over the next decade. Also, investment in digital sectors rises sharply. According to McKinsey & Company, 89 % of large companies globally have a digital and AI transformation journey underway.

12. Today's digital transformation is accelerated by AI, one of the most transformative forces of the 21st century. We are witnesses of fast-paced technology development, illustrated by the rapid deployment and uptake of generative AI. According to the United Nations Trade and Development (UNCTAD) Technology and Innovation Report 2023, AI, as part of Industry 4.0 is labelled as a frontier technology—a quickly developing, transformative solution that takes advantage of digitalisation and connectivity. Industry 4.0, green and renewable energy technologies, and other frontier technologies have experienced great growth: in 2023 their total market value was 2.5 trln USD, and it is estimated to increase sixfold, reaching 16.4 trln USD by 2033. The global AI market continues to grow. The latest UNCTAD Technology and Innovation Report, Inclusive Artificial Intelligence for Development 2025, projects that AI will be the frontier technology with the largest market size by 2033. It is expected that the global AI market size will grow from 189 bln USD in 2023 to 4.8 trln USD by 2033, representing a 25-fold increase in just a decade, accounting for 30 % of the overall market. A study by PricewaterhouseCoopers (PwC) assesses that take-up of AI might contribute 15.7 trln USD to the global economy by 2030.

13. Some economies have applied AI at a faster rate because of the effective diffusion of technology, quicker adaptation, support of growth of new industries, and a smooth transition for those affected by technological advancements. An AI Preparedness Index developed by the International Monetary Fund measures the readiness of 174 countries in areas such as digital infrastructure, human capital and labour-market policies, innovation and economic integration, and regulation and ethics. The 2023 ranking of the BSEC Member States¹ is as follows: Albania (0.53); Armenia (0.49); Azerbaijan (0.47); Bulgaria (0.58); Georgia (0.53); Greece (0.58); the Republic of Moldova (0.48); North Macedonia (0.48); Romania (0.58); the Russian Federation (0.56); Serbia (0.54); Türkiye (0.54) and Ukraine (0.51).

14. Although the world is becoming increasingly digital, the pace and scope of digital transformation are uneven across and within regions, depending on economic, political and social contexts. Connectivity is a precondition for digitalisation. The number of Internet users was 6 bln in 2025, according to the International Telecommunication Union. ITU's Facts and Figures 2025 edition shows that almost three-quarters of the world's population is now online, while 2.2 bln people remain offline. The Report shows steady progress in connectivity, while highlighting gaps in quality and affordability. It underlined the importance of digital infrastructure, affordable services and skills training to ensure that everyone can truly benefit from advancing technologies.

¹ On a scale from 0 to 1, higher values represent more favorable AI preparedness.

15. Innovation is a key driver of digital transformation. The Global Innovation Index (GII), published by the World Intellectual Property Organisation (WIPO), ranks world economies according to their innovation capabilities. Consisting of 78 indicators, grouped into innovation inputs (institutions, human capital and research, infrastructure, market sophistication, business sophistication) and outputs (knowledge and technology outputs and creative outputs), the GII aims to capture the multi-dimensional facets of innovation. The 2025 ranking of the BSEC Member States is as follows²: Albania (67); Armenia (59); Azerbaijan (94); Bulgaria (37) Georgia (56); Greece (42); the Republic of Moldova (74); North Macedonia (63); Romania (49); the Russian Federation (60); Serbia (54); Türkiye (43) and Ukraine (66).

16. Governments are facing major challenges in a rapidly changing digital landscape, driven by technological progress and growing expectations for delivering more transparent, efficient governance and digital public services, managing resources, and interacting with citizens. Digitalisation can help improve how governments collect and study data, handle public finance operations, and deliver public services. Likewise, the rapid development of digital technologies has had a significant impact on governments and public sectors in the BSEC Member States. Reforms in policymaking and public service design and delivery are underway as the BSEC Member States have laid the groundwork for public sector modernisation and are adopting digital innovations. They have made significant progress in enhancing digital government services and are ranked among the best in the world, as measured by the World Bank GovTech Maturity Index (GTMI). The Index measures digital transformation in the public sector in 197 economies based on four areas: core government systems, online public service delivery, digital citizen engagement, and GovTech enablers. The 2025 ranking of the BSEC Member States is as follows: Albania, Armenia, Azerbaijan, Bulgaria, Greece, the Republic of Moldova, North Macedonia, the Russian Federation, Serbia, Türkiye and Ukraine are in the group of countries with extensive GovTech maturity. Georgia and Romania are in the group of significant GovTech maturity countries.

17. Digital transformation has the potential to address challenging societal problems and advance the achievement of the targets of the SDGs in the BSEC Member States. Digital transformation, ICT development and technologies such as 5G, big data, Internet of Things, artificial intelligence, together with high-speed broadband connectivity, play a significant role in addressing challenges in a variety of fields, including education, employment, health, agriculture, inequalities, climate change, and governance. AI innovation and adoption could contribute to progress towards goals in transport, agriculture, health care, disease prevention, climate change, natural disaster and crisis management, and many others. Recent United Nations analysis shows that about 70% of SDG targets directly benefit from digital technologies, while the other 30 % can be indirectly supported by DT.

18. There is a growing recognition of the interdependence of digital and green transformation. Digital solutions have a critical role to play in helping transition to a more sustainable economy and society. Green transformation can shape the future of digital technologies, reducing resource use, waste, and greenhouse gas emissions. Digital transformation can be seen as a positive force for progressing environmentally and socially sustainable development. Digital technologies offer innovative solutions to enhance resource efficiency, reduce emissions, and enable better monitoring and management of environmental resources. The World Economic Forum estimates that digital innovations can potentially reduce global greenhouse gas emissions by 15% in 2030.

² The lesser value represents more favourable innovation capabilities.

The other side of the coin is the fact that the environmental impact of digital growth is on the rise. Resource use and the demand for energy, water, and raw materials are increasing as data centres, blockchain technologies and AI infrastructure grow. Also, there is the pertaining e-waste challenge, as only less than one quarter (22.3%) of the year's e-waste mass was documented as having been properly collected and recycled according to the UN's Global E-waste Monitor 2024. The BSEC Member States aim to find a balance between digital progress and sustainability, making the most of technological advances while protecting the environment. Their mitigation strategies include adopting energy-efficient practices, integrating renewable energy, and implementing circular economy principles.

19. Ensuring cybersecurity and privacy remain of paramount importance for the BSEC Member States. Specific challenges relate to preserving the security, reliability and resilience of digital infrastructure, as well as preserving the trust of citizens and the economy in a digital environment in the context of increasingly complex and frequent cyber threats. The continuous improvement of the legal framework in the field of information security is of particular importance, given the growing cyber threats and the interconnectedness of digital systems. All countries in the BSEC Region need to firmly implement existing information security and data protection standards and update their laws as new threats emerge. Improving the legal framework should go hand in hand with strengthening security standards.

III ROLE OF PARLIAMENTS IN SUPPORTING DIGITAL TRANSFORMATION IN THE BSEC MEMBER STATES

20. Parliaments play a key role in creating an environment for a sustainable, comprehensive, equitable, inclusive, and safe digital transformation, as well as governing the use of global technologies at the national level. Parliament's role is crucial in shaping a country's digital transformation through its legislative, budgetary, oversight, and representation functions. Parliaments are responsible for national legislation, and they can influence national policies, enable and regulate innovation, mobilise the required resources, and ensure inclusive and equitable access to technologies and digital services for all.

21. Parliaments, through their legislative function, provide the legal framework for the development and use of new technologies. They pass legislation, create new laws to regulate areas such as artificial intelligence, data protection, cybersecurity, digital economy, etc., and amend the existing laws in line with new technologies. Through legislation, they protect fundamental rights in the digital environment, ensure fair competition in the digital economy, and set legal standards for the use of digital technologies by public authorities. Through the enacted legislation, Parliaments are also ensuring cybersecurity and privacy.

22. Parliaments are promoting digital innovation through legislation. This approach can help accelerate the implementation of innovative solutions and support the development of the digital economy in the BSEC Region. Parliaments are also promoting digital inclusion as legal frameworks encourage accessibility of digital services, citizens' trust in digital solutions and equal participation of all social groups in the digital environment.

23. Parliaments actively participate in the ratification of the international instruments related to crucial aspects of digital transformation and incorporate these provisions into national legislation.

24. National parliaments join efforts with governments to draw up national plans and strategies for digital transformation and oversee their implementation. They monitor public spending on digital projects and hold governments accountable for the implementation of digital policies and technologies. Parliamentary activities imply an effective mechanism of parliamentary control over the implementation of relevant tasks in the field of digital transformation. Through parliamentary questions, hearings, committees, and investigations, parliaments assess progress, as well as identify problems. Along with the budgetary process, parliaments approve budgets for digital programs, review the distribution of public funds and the effectiveness of digital policies.

25. As elected representatives of citizens, parliaments maintain contact with the electorate throughout their term of office. Parliaments represent diverse social groups affected differently by digitalisation and can identify the concerns of their constituencies as they interact with civil society, academia and the private sector representatives. In digital transformation, this role is crucial because technology affects everyday life, rights and jobs. By speaking directly to the people, parliamentarians can identify gaps and weaknesses in the implementation of digital policies and laws.

26. Parliaments also play an important role in raising awareness about digital transformation. They act as a bridge among the government, civil society and citizens.

27. Parliamentary cooperation is to be strengthened at global and regional levels in the field of digital transformation for sustainable and inclusive economic development in the BSEC Region. The PABSEC appreciates the efforts of the national parliaments of the BSEC Member States in ensuring that digitalisation supports innovation, economic growth and citizens' well-being in the BSEC Region. It is important to develop parliamentary cooperation in the field of digital transformation in the BSEC Region, as well as to promote broader regional and international cooperation, to advance sustainable and comprehensive development.

IV DIGITAL TRANSFORMATION POLICIES IN THE BSEC MEMBER STATES

28. In *the Republic of Armenia*, in 2021, the Digitalisation Strategy 2021–2025 was approved, outlining the fundamental prerequisites for digitalisation: cybersecurity; data policy; infrastructure (mobile and broadband connectivity and government cloud services -Data Centre); education (digital skills) and legislative framework. On 14 June 2024, the Government adopted the decision “On the Development and Implementation of the ‘Cloud First’ Policy.” On 12 September 2024, the minimum-security requirements for official websites hosted in the cloud environment were approved. Currently under development are the minimum cybersecurity requirements for hosting platforms in a cloud environment, as well as the methodology and guidelines for the public procurement process of cloud service provision.

29. In December 2025, the following laws and a related legislative package were adopted: the Law “On Cybersecurity”, the Law “On Public Information”, and the Law “On the Information Systems Regulatory Authority”. In addition, several initiatives have been launched, such as the “YesEm” identification portal for public services; the Unified Platform of Services, providing the public with accessible information on public services delivered in Armenia; “Henaket”- a new tool of the design system ensuring the uniformity of state digital platform designs. Also, within the framework of the implementation of the “Cloud First” policy, the websites and systems of several state bodies have been migrated to the cloud environment.

30. A pilot state support program ensuring access to high-performance computing resources in the field of artificial intelligence has been approved and launched. The program is implemented in cooperation with Amazon Web Services (AWS). Its goal is to provide access to high-performance computing resources and to support startups, research groups, and educational institutions operating in the field of artificial intelligence. Moreover, a number of programs aimed at strengthening cybersecurity capacities and developing digital skills are being implemented in Armenia.

31. Digitalisation is emerging as a key driver of economic growth, enhanced competitiveness, and strengthened regional cooperation. In this context, *the Republic of Azerbaijan* adopts a proactive and strategically calibrated approach, implementing comprehensive reforms in the fields of the digital economy and public administration. Digital transformation is regarded as a priority of state policy, aimed at fostering the development of a knowledge-based economy, enhancing the efficiency of public administration, facilitating integration into global digital value chains and strengthening the country's role as a regional transport, logistics, and digital hub.

32. The Government of the Republic of Azerbaijan is implementing institutional and infrastructural reforms aimed at the digitalisation of all key sectors such as: E-Government and public services (the establishment of the ASAN xidmət system which provides access to more than 300 public services), development of digital infrastructure (expansion of broadband internet access, establishment of data processing centres, development of cloud-based solutions and modernisation of the telecommunications network) and digital economy and innovation (support for the startup ecosystem, establishment of technology parks, provision of tax incentives for IT companies and advancement of cashless payments and the fintech sector).

33. A particularly important role in this process is played by the Milli Majlis of the Republic of Azerbaijan, which establishes the legislative framework for digital transformation, ensuring a balanced approach among innovation, the protection of citizens' rights, and sustainable development. The Milli Majlis plays a key role in shaping the legal architecture of the digital state. Its legislative activity is aimed at: establishing a predictable legal environment favourable to innovation, safeguarding citizens' rights in the digital sphere, ensuring cybersecurity and promoting investment in high-technology sectors.

34. In the *Republic of Bulgaria*, in relation to the national strategies, programmes and initiatives aimed at promoting digital innovation, supporting digital inclusion, developing digital skills and supporting the growth of the digital economy, the strategic framework is formed by the strategic document "Digital Transformation for Bulgaria for the period 2024-2030", the National Programme "Digital Bulgaria 2025", the "Concept for the Development of AI in Bulgaria by 2030", etc. The country is actively working to achieve the EU's digital goals within the framework of the European policy program "Digital Decade" by 2030.

35. The Bulgarian regulatory framework in the field of digital transformation is built in line with EU policies and law. The main pillar of the regulatory framework for digital governance is the e-Government Act, which regulates the provision of e-administrative services, the establishment and maintenance of basic registers and information systems and the interoperability and standardisation of e-services, thus forming the legal basis for a unified e-government environment. The legislative framework in this area is also constituted and complemented by the Law on Electronic Documents and Electronic Trust Services, the Access to Public Information Act, the Cybersecurity Act, the Personal Data Protection Act, the Electronic Communications Act, etc.

36. One of the EU's new artificial intelligence factories is planned to be built in Bulgaria. The Bulgarian factory BRAIN++ will begin construction in 2026. BRAIN++ aims to build on the results achieved and position Bulgaria as a leader in Europe in the field of artificial intelligence, fostering talent development, supporting start-ups, small and medium-sized enterprises and researchers, and stimulating progress in key sectors such as robotics, industry, space research, healthcare, agriculture, economics, pharmacy, disaster management, logistics and urban planning, working with models for Bulgarian language applications, etc.

37. Digital transformation is a national priority for *the Hellenic Republic*. It has developed a comprehensive national legal and regulatory framework to support digital governance, e-government systems and technological innovation, with a particular focus on AI and data governance. AI is used to improve efficiency, reduce bureaucracy, and enhance transparency in public administration. At the same time, educational and awareness-raising activities on AI are being conducted, including training and education for civil servants, the development of guidelines and educational programs for citizens, and the creation of a community of experts on AI in public administration. Greece supports actions aimed at strengthening digital infrastructure and initiatives, strengthening the research and business community, and fostering a robust innovation ecosystem that promotes digital sovereignty. Several initiatives have been implemented to advance digital innovation and develop digital skills. Some of these include mAIgov, the first large-scale AI digital assistant for the Greek public sector; mAiGreece, a digital assistant for visitors to Greece; and the Hellenic Cadastre, which leverages AI to facilitate the legal review of contracts.

38. To promote economic growth and sustainable development through digital transformation, the Ministry of Digital Governance is launching an international tender for a Framework Agreement aimed at leveraging AI to improve public administration services, promote responsible innovation, and ensure oversight and effective regulation of AI systems. The project will be funded under the National Development Program 2021–2025, with a total budget of 25 mln EUR and a 48-month implementation period. Two additional initiatives have also been launched. The Central Governance and Data Classification Framework aims to establish a coherent governance strategy for Government Cloud infrastructure and ensure the secure, efficient, and standardised reuse of public data. The Central Big Data Management and Analytics Hub was launched to gather and harmonise data across the public administration and generate hierarchical performance indicators to support evidence-based decision-making.

39. The Ministry of Digital Governance actively promotes the development of a modern, powerful, and innovative AI ecosystem in Greece through two flagship projects: the “Daedalus” Supercomputer and the “Pharos” AI Factory. Daedalus is Greece’s flagship EuroHPC supercomputer, which underpins national AI services, powers the Pharos AI Factory, and supports research, industry, and public sector transformation. Pharos is Greece’s 30 million EUR flagship AI Factory implemented as part of the EuroHPC initiative. It uses the Daedalus supercomputer to develop AI services in health, Greek language and culture, and sustainability. These projects connect academia, research, startups, SMEs, and public and private sectors.

40. In *the Republic of Moldova*, the national institutional framework for digital transformation and innovation is defined by a set of public programmes and institutional mechanisms, designed for the public administration modernisation, development of the digital economy and innovation stimulation. The Strategy for Digital Transformation of the Republic of Moldova for 2023–2030

is the main document of public policies for digitisation and defines priority directions for digital development, in compliance with the European agenda and the EU integration objectives. Its implementation is supported by the Strategy Implementation Program for 2025–2027. Digital policies and initiatives at the national level focus on modernising administration, increasing the accessibility of digital services for citizens, and supporting innovation and the development of the digital economy.

41. The digitisation of public services for citizens has progressed considerably. A key initiative in this regard is the launch of the government's mobile application for integrated public services – EVO. It has been recently launched as a single access point for all interactions with the state: “one place, one link, one access point”. Such and similar services allow cutting time and costs for citizens, simplify administrative processes, increase confidence in public institutions and strengthen personal data security.

42. In parallel, the Republic of Moldova is implementing sectoral digital transformation programs. The Ministry of Education and Research is implementing the “Digital Innovations of the Educational System of the Republic of Moldova” Program for the period 2023–2027. The main objective of the Digital Transformation Program of the Justice Sector 2025–2030 is to ensure the transparency, accessibility and efficiency of justice. The approval of the National Program for Digitisation and Innovation in Health for 2025–2030 provides a strategic framework for the modernisation of healthcare services by using digital technologies. The Program for the Digital Transformation of the Energy Sector for 2026–2030 has been approved by the Government. Thus, the expansion and modernisation of digital services represent a strategic step in the transformation of public administration, combining institutional efficiency with the protection of fundamental rights, promoting transparency and digital inclusion, and strengthening the state’s capacity to respond to the needs of society through digital technologies.

43. Digital transformation is supported by a solid legislative framework, which ensures both data protection and the security of digital infrastructure. Key laws in this area include Law no. 195/2024 on Protection of Personal Data and Law no. 48/2023 on Cybersecurity. The development of the National Program for Artificial Intelligence and Data Governance has been initiated, followed by the initiation of a specific draft law regulating the field of AI, to provide a strategically appropriate legal framework, aligned with European Union policies.

44. **Romania** regards digital transformation and innovation as strategic pillars for economic modernisation, institutional efficiency and regional competitiveness. The national institutional framework is coordinated by the Authority for Digitalisation of Romania, which ensures the implementation of public digital services, interoperability of registries, electronic identity and trust services, and alignment with European digital legislation. In July 2024, Romania adopted the National Strategy on Artificial Intelligence for the period 2024–2027, providing a structured framework for responsible AI development, risk management, ethical safeguards and public sector deployment, while promoting innovation and competitiveness.

45. Romania participates actively in EU multi-country projects linked to the Digital Compass 2030 objectives, particularly in the areas of European Digital Identity Wallets, cross-border public services and secure digital infrastructures. In the field of data governance, Romania contributes to the European Data Innovation Board, supporting the development of sectoral European data spaces and ensuring coherence between national initiatives and EU-level frameworks.

46. A central driver of reforms and investments is the National Recovery and Resilience Plan, which includes a component on digital transformation. Through this instrument, Romania allocates substantial resources to the digitalisation of public administration, development of the government cloud, interoperability of databases, cybersecurity enhancement, digitalisation of justice and public procurement systems, as well as support for the digital transformation of enterprises. Sectoral digital transformation is prioritised in areas such as education and health.

47. Romania is advancing its high-performance computing and artificial intelligence capacity, including through the planned Black Sea AI Gigafactory project, designed to strengthen regional AI infrastructure and stimulate innovation ecosystems. Moreover, cybersecurity and data protection remain fundamental to Romania's digital governance model. Continuous legislative updates, institutional coordination and alignment with European standards reinforce resilience against cyber threats and protect fundamental rights in the digital space. Through coordinated policies and investments, Romania seeks to ensure that digital transformation delivers sustainable economic growth, institutional modernisation and strengthened cooperation within the Black Sea Region.

48. *The Republic of Serbia* is implementing digital transformation through a strategic and programmatic framework that includes the development of digital skills and inclusion, the promotion of digital innovation and the digital economy, as well as the improvement of information security as a precondition for trust in digital processes. Particular emphasis is put on strengthening the capacity of citizens, businesses and institutions to use modern technologies in a safe and sustainable way, with support for the development of the digital market and the international competitiveness of the ICT sector.

49. A key framework in this area is the Strategy for the Development of the Information Society and Information Security in the Republic of Serbia for the period 2021-2026, as well as the accompanying Action Plan (2024-2026), the priorities of which are organized through three interlinked specific objectives: development of digital knowledge, skills and digital infrastructure in educational institutions; encouraging the digitization of business, the development of the digital economy and innovation; improving information security as a foundation of trust and sustainable digital transformation.

50. The Republic of Serbia has established a legal and strategic framework that supports digital governance through the development of the information society, strengthening of trust in the digital environment and the provision of a high level of information security. One of the key system regulations in this area is the Information Security Act, which establishes a modern, risk-based approach to managing security risks in ICT systems. The legal basis for digital governance in the Republic of Serbia was previously also established by the Law on Electronic Document, Electronic Identification and Trust Services in Electronic Business. These normative solutions are followed by the strategic documents, primarily the abovementioned Strategy for the Development of the Information Society and Information Security and the Strategy for the Development of the Electronic Communications System in the Republic of Serbia until 2027.

51. In *the Republic of Türkiye*, digital transformation is addressed in a coordinated manner within a multi-stakeholder public structure, encompassing legal framework, industrial policies, digital infrastructure investments, and the modernisation of public services. This approach includes increasing industrial productivity and strengthening international competitiveness, as well as the

production of high-value-added products and services, the development of qualified human resources, and the dissemination of a technology-producing culture throughout society.

52. The legal framework for digital transformation guarantees the validity and security of digital transactions. One of the cornerstones is Electronic Signature Law No. 5070, which entered into force in 2004. The electronic notification system is being implemented within the framework of the amendments to the Notification Law No. 7201. This legal framework operates in an integrated manner with the e-Government Portal, which forms the foundation of Türkiye's digital transformation architecture. The E-Government Portal has gone beyond being a platform providing citizens with secure and uninterrupted access to public services from a single point. It has become the main supporting infrastructure for digital governance.

53. The E-Nabız system stands out in the healthcare sector as an integrated digital health platform, providing citizens with secure access to their personal health data. Furthermore, digital applications are being developed in the judicial sector to facilitate access to justice and improve the service quality. E-hearings, one of the advanced applications of digitalisation in the judicial field, have been implemented in accordance with Law No. 6100 on Civil Procedure. The Fourth Judicial Reform Strategy Document announced in 2025 aims to develop judicial information systems in line with current technologies, to use AI-supported systems and to expand e-hearing applications.

54. In Türkiye, digital transformation is considered a significant component of industrial policies and development goals. The Digital Transformation Support Program, implemented by the Ministry of Industry and Technology, aims to assess the digital maturity levels of manufacturing companies, create medium- and long-term roadmaps, and support digitalisation investments through indirect incentive tools. The Program views digital transformation not merely as a technological investment, but as a holistic transformation process, encompassing organisational and human resource dimensions. This approach provides a structural framework for increasing productivity and strengthening competitiveness in industry.

55. In *Ukraine*, the Ministry of Digital Transformation was established in 2019. By 24 February 2022, the Ministry of Digital Transformation, together with partners, introduced the mobile application of the unified state web portal of electronic services (Diia Portal), which more than 23 million Ukrainians already use. Ukraine was the first in the world to introduce an e-passport. As of 2026, more than 30 electronic documents are available in the Diia Portal mobile application. Currently, more than 160 services are available to Ukrainians via the Diia portal. Among them is the world's fastest business registration, which enables a prospective entrepreneur to access all necessary services to start a business. Since 24 February 2022, the Ministry of Digital Transformation has modernised processes and focused on the most relevant services during martial law.

56. Diia.City is a special legal and tax regime that creates favourable conditions for the development of IT businesses in Ukraine and introduces a set of incentives to transform Ukraine into a high-tech digital state. Diia.Business is a national project for the development of entrepreneurship and exports. The unified state web portal of digital education "Diia.Education" is being implemented by the Ministry of Digital Transformation to increase the level of digital literacy of the population

57. By the Resolution of the Cabinet of Ministers of Ukraine dated 31 December 2024 No. 1351-r, the Strategy for the Digital Development of Innovative Activity of Ukraine for the period until 2030 was approved, as well as the Operational plan for the implementation of the Strategy in 2025-2027. The Strategy focuses on the development of 14 technology sectors, such as: defence technologies, medical technologies, biological technologies, government technologies, agricultural technologies, educational technologies, semiconductor technologies, secured cyber space, green technologies, immersive technologies, artificial intelligence, unmanned technologies and autonomous systems, space technologies, and fluid economy. In 2023, the Ministry of Digital Transformation developed a Roadmap that defines the key stages of implementing norms focused on citizens' rights, safe use of artificial intelligence and Ukraine's integration into the European legal framework. In June 2024, the Ministry of Digital Transformation presented the White Paper on AI Regulation as the basis for developing innovations, implementing responsible AI, and preparing for future regulation. A priority area for Ukraine is the development of a national research and innovation infrastructure for AI, including the adaptation of a Ukrainian-language large language model.

58. In November 2023, the Ministry of Digital Transformation team, together with partners, launched CDTO Campus, a national project to train digital transformation leaders. The goal of the initiative is to provide the state with highly qualified specialists to implement digital reforms and support civil servants engaged in digitalisation. In 2024, the World Economic Forum opened the Global Government Technology Centre (GGTC Kyiv).

V INTERNATIONAL AND REGIONAL FRAMEWORK AND EXPERIENCE

The United Nations (UN) framework

59. The UN acknowledges that digital technologies have a powerful multiplier effect, both positive and negative. The different bodies, agencies, and departments of the UN system have been exploring ways to use the potential of DT to direct change across their issue areas. The UN Sustainable Development Goals Digital Acceleration Agenda was adopted in September 2023. It highlights the wide-ranging importance of digital technologies and data and showcases 34 digital solutions, two for each SDG. The Agenda also introduces ‘Digital Transformation Enablers’, which are intended to inform national governments and other stakeholders of digital ecosystems about the potential of digital technologies.

60. In September 2024, the Global Digital Compact was adopted as an annex to the Pact of the Future. It represents the first comprehensive global framework for digital cooperation and AI governance. Its objectives are closing all digital divides and accelerating progress across the SDGs, delivering an inclusive digital economy, fostering an inclusive, open, safe and secure digital space, strengthening international data governance and enhancing international governance of AI. Moreover, the UN adopted the Resolution “Seizing the opportunities of safe, secure and trustworthy artificial intelligence systems for sustainable development” in 2024 as the first global regulation on AI.

61. The United Nations Office for Digital and Emerging Technologies (ODET) was established on 1 January 2025 to advance inclusive, rights-based and multi-stakeholder digital cooperation that respects national priorities and contexts. It also serves as the United Nations system-wide focal point for digital issues.

The Organisation of the Black Sea Economic Cooperation (BSEC) framework

62. Digital transformation in the BSEC Member States represents a growing and multifaceted agenda encompassing several interrelated areas, including regional cooperation in ICT and digital infrastructure development; the digitalisation of logistics and transport systems to facilitate trade; the digitalisation of education and the enhancement of workforce skills; and cooperation with international partners aimed at harmonising digital standards. Although the BSEC Member States are at different stages of digital maturity, the BSEC framework provides effective mechanisms for sharing experiences, coordinating initiatives, and collectively advancing digital transformation across the Wider Black Sea Region.

63. The Organisation of the Black Sea Economic Cooperation serves as a central platform for member states to collaborate in various economic sectors, and digital transformation is increasingly emerging as a strategic priority within the BSEC framework. Cooperation in the field of digital transformation is streamlined across several Working Groups, including those dealing with information and communication technologies and science and technology, among others. In the updated strategic BSEC document “The BSEC Economic Agenda-Towards a sustainable future of the Wider Black Sea area” adopted on 15 December 2023, Goal 12 is dedicated to “a sustainable information society with advanced information and communication technology infrastructure”. Goal 12 calls for enhancing cooperation of BSEC Member States on new trends in the information technology sector, such as digital transformation, 5G, artificial intelligence, blockchain, big data, quantum computing, i-Cloud, and e-government.

64. The main activities of the BSEC Member States in the above-mentioned fields are conducted within the BSEC Working Group on Information and Communication Technologies. This Working Group focuses on ways of increasing confidence in ICT, on cooperation of the BSEC Member States in the ICT field, elaboration of common actions to bridge the “digital divide” in the region, supporting cooperation in the area of academic research and exchange of “know-how”, attracting investments in the ICT sector, obtaining technical and financial assistance to build up regional and national facilities in the ICT sector and secure financial support of international financial institutions for implementation of projects in the field of ICT.

65. The BSEC Economic Agenda highlights Goal 11, “strengthening regional cooperation in scientific research and technology”, thereby setting the strategic framework for integrating digital technologies and innovation into regional cooperation efforts. The priorities under this goal are closely aligned with the development of digital and innovation ecosystems and include, inter alia: the encouragement of joint research and innovation projects among the BSEC Member States; the promotion of knowledge-driven communication and cooperation, including cross-border digital access to research resources and scientific infrastructures; the strengthening of research and development cooperation networks that facilitate the adoption of digital tools in scientific processes and knowledge exchange. These approaches embed digital transformation into the core of scientific cooperation by enabling interconnected research networks, shared data environments, and collaborative innovation mechanisms across the region.

66. The Working Group on Cooperation in Science and Technology's mission is to promote regional scientific collaboration, research, and technological cooperation among the Member States. While the Working Group is primarily research-oriented, related initiatives place growing emphasis on capacity building, digital skills development, and science communication, which are essential components of digital transformation. In parallel, BSEC's Action Plan in the field of

education underscores the importance of integrating digital technologies and tools to enhance learning outcomes, promote digital competencies, and strengthen cooperation among educators and students across the Member States. These efforts are crucial for building the digital human capital to support sustainable digital transformation in the region.

The European Union (EU) framework

67. The European Union recognised that digital transformation is a key factor in ensuring its competitiveness and resilience, reducing its external dependencies, and strengthening its technological sovereignty and autonomy. The Digital Decade policy programme 2030, established by Decision (EU) 2022/2481, aims to guide Europe's digital transformation through clear digital objectives and targets, aligning initiatives through national roadmaps, and enhancing joint investment. The main digital targets are to establish a digitally skilled population and highly skilled digital professionals, secure and sustainable digital infrastructures, digital transformation of businesses and digitalisation of public services. This programme is aligned with broader EU objectives and initiatives, such as the European Green Deal.

68. The Report “State of the Digital Decade 2025: Keep building the EU's Sovereignty and Digital Future” recognises the real progress in the field of digital transformation; however, it states that skills shortages, infrastructure gaps – especially in connectivity and foundational technologies – and increased security and sovereignty concerns remain major challenges weakening the pace and resilience of the EU’s digital transformation.

69. The Digital Europe programme (DIGITAL) is a funding programme for the deployment of digital infrastructure and technologies, contributing to the EU's digital transformation and increasing the EU's digital autonomy and global competitiveness. DIGITAL is a part of the long-term EU budget and amounts to 8.16 bln EUR for the 2021-2027 period. It complements the funding available through other EU programmes, such as the Horizon Europe and the Connecting Europe Facility (for digital infrastructure), the Recovery and Resilience Facility and the Structural funds, etc. DIGITAL supported the funding of JUPITER, Europe’s most powerful supercomputer and the fourth fastest worldwide, contributing to the AI factories initiative, and Common European Data Spaces. DIGITAL also supported the establishment of 169 European Digital Innovation Hubs across Europe.

70. The Competitiveness Compass adopted by the European Commission on 29 January 2025 stresses that digitalisation and dissemination of advanced technologies across the European economy are necessary to boost Europe’s productivity and underlines the importance of innovation in technological sectors. It is worth noting the InvestAI initiative aimed to mobilise 200 bln EUR for investment in large AI infrastructure, including a new European fund of 20 EUR bln for 19 AI gigafactories. The initiative has been launched to stimulate the development of the most complex AI models and to make Europe a leading AI continent. Moreover, the 2025 AI Continent Action Plan sets the course for the European Union to become a leader in AI. The plan includes actions to support the development of robust computing infrastructure, improve data access, promote AI adoption in strategic sectors, foster AI skills and talent, and facilitate the implementation of the AI Act. Key components include establishing a network of AI factories and gigafactories, the Invest AI Facility to stimulate private investment, and the launch of the AI Skills Academy.

71. The European High Performance Computing Joint Undertaking (EuroHPC JU) should be mentioned as it gathers the European Union and the EuroHPC JU participating countries to join

forces in making Europe a world leader in supercomputing. Alongside the European Union, non - EU Member States that are the BSEC Member States participating in the EuroHPC JU are Albania, North Macedonia, Serbia and Türkiye.

The Digital Agenda for the Western Balkans

72. Launched by the European Commission in 2018, the Digital Agenda for the Western Balkans aims to support the transition of the Western Balkans Region into a digital economy and bring the benefits of digital transformation. This Framework sees DT as one of the key drivers of economic growth and regional integration. The Digital Agenda is focused on investing in broadband connectivity, increasing cybersecurity, trust and digitalisation of industry; strengthening the digital economy and society and boosting research and innovation. The BSEC Member States participating in this framework are Albania, North Macedonia and Serbia.

The Organisation for Economic Cooperation and Development (OECD) framework

73. The Organisation for Economic Cooperation and Development is working with governments worldwide to help countries shape better digital transformation policies through its standards, analysis, and recommendations, and support for policy reform. The OECD's work on digital economy policy aims to stimulate the growth of an innovative, open, inclusive and trusted and sustainable digital transformation. The OECD Going Digital project aims to help policymakers better understand the ongoing digital transformation and to develop appropriate policies.

74. The OECD Declaration on a Trusted, Sustainable and Inclusive Digital Future was adopted in 2022. Greece and Türkiye are members of the OECD, while Bulgaria and Romania are accession candidate countries.

VI CONCLUSION

75. Human development has entered a new era in which digitalisation is deeply changing economies and societies. The digital economy is growing rapidly, creating new opportunities for economic growth and structural transformation worldwide. In the BSEC Member States, digitalisation is recognised as a key driver of productivity, innovation and sustainable development. Adoption of comprehensive national digital transformation strategies in the Region is accelerating. These strategic frameworks are aligned with broader development, investment, industrial and environmental policies.

76. Digital transformation is one of the cornerstones of socio-economic development in the BSEC Region. Efforts are underway to maximise the economic impact of digital technologies through national policies and regional cooperation. The digital transformation of the BSEC Member States develops in close connection with regional and international frameworks, bearing in mind the cross-border nature of digital services, markets and cyber risks. It is recommended to strengthen capacity for prevention, early detection, and response to cyber incidents, as well as to improve cooperation among competent institutions and relevant actors in the BSEC region. Regional and international frameworks provide an important basis for implementing national digital transformation policies, as they enable a coordinated approach to common challenges, stimulate innovation, strengthen the resilience of the digital environment, and improve citizens' confidence in digital technologies.

77. Updating national legislation in line with new technologies is very important and the BSEC Member States should proactively close regulatory gaps related to emerging technologies. Aspects such as the legal status of digital platforms, the use of big data, and the implementation of blockchain solutions must be regulated by laws. The development of legislative frameworks for artificial intelligence is of particular priority, as AI carries both enormous innovation potential and risks. In addition, to ensure inclusive digital transformation, it is recommended that legal and strategic measures be developed and strengthened to support digital inclusion and the development of digital skills, with particular attention to vulnerable population groups. Legal frameworks should promote the accessibility of digital services, citizens' trust in digital solutions, and the equal participation of all social groups in the digital environment. Promoting AI literacy and capacity building is essential, while developing national AI ecosystems and data infrastructures will drive innovation, collaboration, and regional digital transformation.

78. Regional and international cooperation in the field of digital transformation is to be stimulated through institutionalised exchange of experience, joint projects, training and expert dialogues within the BSEC framework and other relevant initiatives. Such cooperation can contribute to a more coordinated approach to common challenges, improve system interoperability, and enhance the resilience of the region's digital space. Collaborations and partnerships contribute to knowledge transfer and the development of technological capabilities in science and the AI industry, as well as to technological progress and innovation in the region. The role of the BSEC and the PABSEC is to stimulate regional cooperation in this area by leveraging their respective capacities.

79. The BSEC Member States could yield positive results from closer economic, legal and technical cooperation in the digital sphere. One possibility is to develop a regional roadmap for digital governance tailored to national specificities but also with common goals. Harmonising legal frameworks-for example, mutual recognition of electronic signatures and identifiers, unifying technical standards for data exchange-would facilitate cross-border digital services and stimulate more innovation and trade in the region. Further improvement and harmonisation of national legal frameworks with international and European standards in the fields of digital technology, e-business, and information security, while taking into account national specificities and institutional capacities, are needed. Those efforts will, in turn, drive economic growth and productivity and contribute to the socio-economic sustainability and competitiveness of the BSEC Member States.

80. It is important to underline the need for continuous monitoring of the effects of implemented regulations and policies, to ensure their effectiveness in practice and timely improvement in line with technological and social changes. Such an approach contributes to the creation of a stable, safe and innovative digital environment, benefiting citizens, industry and institutions throughout the BSEC Region.