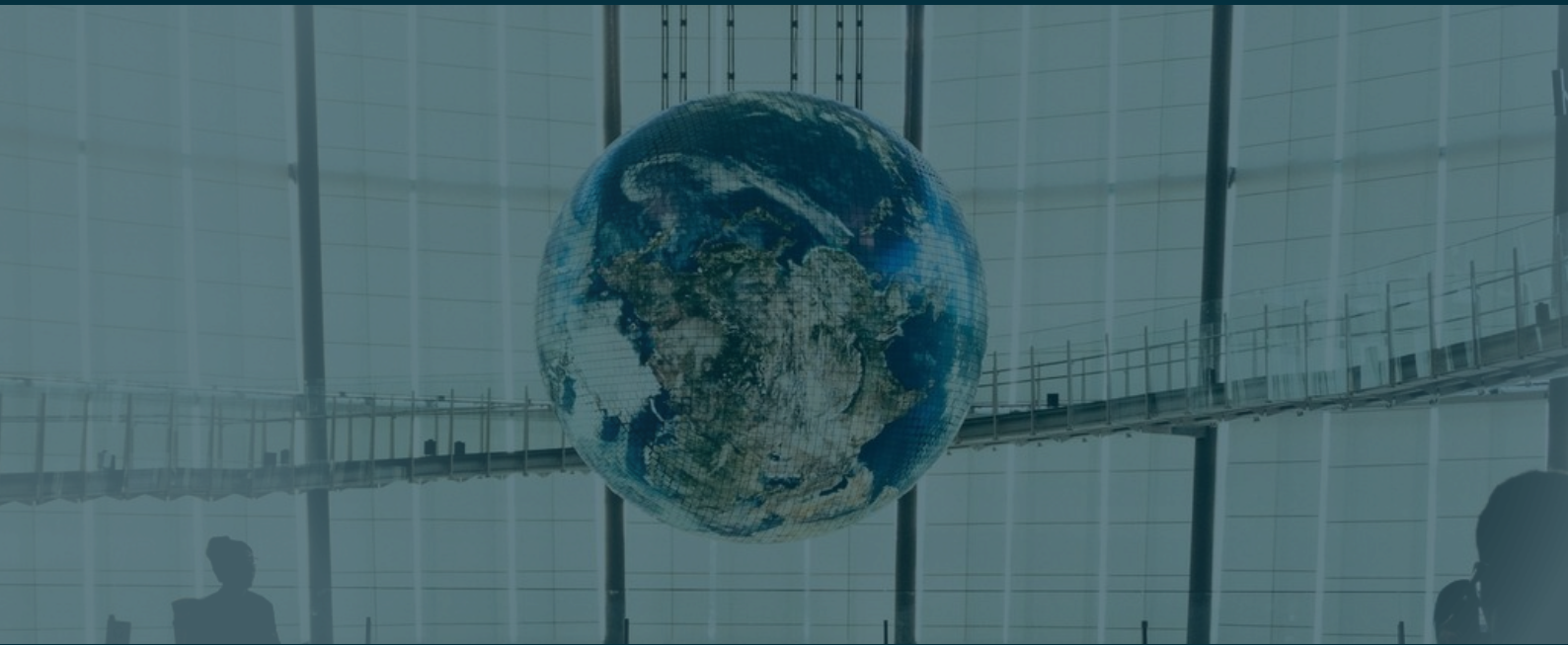




Digitalisation

Why does it matter?

Digital spaces are increasingly cross-border and contested, creating new governance challenges for the international community. Artificial intelligence (AI), cryptocurrencies, and cyberspace are key arenas of geopolitical and economic competition, making multilateral approaches more difficult.

For the EU, effective governance of digital spaces is essential to manage risks and maintain control over critical infrastructures. Without agreement on frameworks, the risk of illegal activities, erosion of monetary sovereignty, environmental harm, and the misuse of AI – including the spread of disinformation – is likely to increase.

Where is reform possible?

Major structural reform is unlikely due to geopolitical competition and diverging regulatory approaches. The most realistic path forward is to make incremental improvements within existing frameworks.

For AI policy, the Council of Europe's AI Convention could serve as an entry point for countries without existing regulation and, if widely adopted, help shape global standards.

In parallel, cyberspace governance will continue to rely mostly on non-binding forms of cooperation. Forums such as the OEWG and IGF can support progress. In financial governance, targeted steps to increase transparency could improve legitimacy without requiring major institutional reform.



What can the EU do about it?

- Actively recruit states outside of the Council of Europe — particularly in the Plural South — to sign the Framework Convention on AI, to transform it from a regional initiative into a global standard for rights-based governance.
- Push for unified EU representation in international standard-setting bodies for cryptocurrencies (such as the Financial Stability Board, Financial Action Task Force, and Basel Committee on Banking Supervision) and advocate for greater transparency in their proceedings to counter regulatory capture and US unilateralism.
- Ensure the new UN Global Cybersecurity Mechanism's Dedicated Thematic Groups translate agreed norms into concrete policy actions, and use the transition as an opportunity to build new coalitions around a cooperative, rules-based approach to cyberspace.

Key Outputs



[“Regulating Cyberspace: UN Consensus-Building in a Fragmented Digital World”](#) by Federica Marconi, Ettore Greco



[“The Shifting Sands of Cryptocurrency Regulation: A Path Towards Global Cooperation”](#) by Matteo Bursi, Ettore Greco



[“Global AI Regulation at a Time of Transformation: The Council of Europe’s Framework Convention on Artificial Intelligence”](#) by Wade Hoxtell