



Global AI Governance: Key Steps for Transatlantic Cooperation

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The German Marshall Fund of the United States (GMF) convened two workshops in 2024 as part of its European Cyber Agora workstream “AI, Transatlantic Alignment, and Geopolitics”. The first addressed the opportunities for and challenges to transatlantic alignment of AI policies. The second considered the transatlantic relationship when promoting AI initiatives with third countries or through international fora. This paper expands on takeaways from these workshops.

Introduction

The EU’s and the United States’ approaches to AI are three-pronged: they involve regulation (the flagship 2024 [AI Act](#) and the 2023 [Executive Order on AI](#), respectively), economic competitiveness and industrial policy ([CHIPS Acts](#)), and international engagement with third partners (digital diplomacy). At the same time, transatlantic coordination on AI has advanced through the [Trade and Technology Council](#) (TTC). Global deployment of AI and machine learning (ML) systems poses important questions for privacy, protection of civil and fundamental rights, workplace protection, surveillance, and cybersecurity. It is therefore crucial that the global frameworks governing this technology align with a democratically oriented and rights-respecting vision. But further efforts are needed to extend global partnerships on AI and thereby ensure that international agenda-setting on AI is aligned with democratic values. The EU and the United States should focus their efforts on joint transatlantic initiatives, in addition to bilateral actions, to deliver concrete and pragmatic international collaboration on AI. This can be achieved despite the differences between the respective EU and US approaches and political uncertainties around the incoming US administration and political realignment in the European Parliament. Without such efforts, third-country partners may be incentivized to adopt standards or deploy AI in ways that undermine a global push for a rights-respecting governance model. The following brief identifies avenues for cooperation between the European Union and the United States in the nexus between AI and foreign policy agendas.

The State of Transatlantic AI Policy

Current and Future Cooperation

The EU and the United States cooperate on AI governance through a variety of existing bodies and initiatives. AI standards have been a key area of transatlantic cooperation since the inaugural meeting of the TTC in September 2021, alongside export controls, foreign direct investment screening, secure supply chains, and global trade challenges. The TTC’s working group on AI released the [Terminology and Taxonomy for Artificial Intelligence](#) as well as the Joint Roadmap for Trustworthy AI and Risk Management. The EU and the United States have both endorsed the [G7 AI Code of Conduct](#) under the Hiroshima AI Process and organized new [dialogues](#) between the EU AI Office and the US AI Safety Institute.

Yet the need for coordination remains. Promoting a joint transatlantic agenda for international collaboration remains essential to ensure that global governance of AI is shaped by democratic levers, that rights-respecting standards are built into international standards for AI development and deployment, and that this is accomplished through both diplomatic initiatives and inclusion of the multistakeholder community. The alternative is a scenario of AI governance marked by fragmentation, inward-looking sovereign approaches to AI, and standards that at best focus on

protection rather than partnership, and at worst are fully shaped by authoritarian agendas with little regard for civil and fundamental rights as applied in the United States and EU, respectively.

The EU and the United States must also demonstrate the concrete benefits of partnership.

At a time when economic security arguments increasingly dominate, protection cannot be the primary mechanism to influence behavior or shape incentives in foreign and economic policy.

The AI Act and the Executive Order: key differences

Identifying areas of future cooperation requires first understanding key differences between the EU's and United States' respective approaches to AI governance. The EU's comprehensive horizontal regulation applies across 27 member states and imposes a sliding scale of requirements based on the potential risk posed by an AI application. The October 2023 US Executive Order advances federal agency action on AI, while overlapping federal and state-level initiatives form a fractured patchwork of guidelines and rules.

Key points of comparison include:

	US EXECUTIVE ORDER	EU AI ACT
SCOPE	Sectoral: varied application and interpretation by agencies or sector	Horizontal: single regulatory framework for EU
ENFORCEABILITY	Directs 12+ agencies to create standards and rules for AI development, use, and oversight. Reporting requirements under Defense Production Act for models posing national security or public safety risks. Many provisions non-binding, depend on agencies' implementation and rule-making ability. Calls for complementary Congressional action, notably on data privacy	Single binding and horizontal regulation across member states, including fines/penalties
FOUNDATION MODELS/ GENERAL-PURPOSE AI	Mandates development of guidelines and best practices for dual-use models	Sets requirements for general purpose (GPAI) models, with additional requirements for high-risk capabilities
GOVERNMENT PROCUREMENT	Leverages federal agencies' procurement power to shape standards and obligations around AI procurement	Government procurement covered by other EU laws
PRIVACY	No US federal privacy standard	Refers to/leverages existing General Data Protection Regulation (GDPR)

	US EXECUTIVE ORDER	EU AI ACT
FUNDAMENTAL/ HUMAN RIGHTS	Greater focus on civil and political rights	Protection of rights as outlined in the EU Charter of Fundamental Rights, encompassing civil, political, social, economic, and cultural rights
NATIONAL SECURITY	National security included as key element of AI approach	National security exemption, remains national competency

Areas that could hinder transatlantic cooperation

AI occupies an important place in national security debates. As a supranational body, the EU will remain a limited actor in these debates as long as national security remains a member-state priority. The AI Act does not apply to AI systems that exclusively serve military, defense, or national security purposes. In the United States, on the other hand, the [National Security Agency](#), [Defense Innovation Unit](#), and [Department of Defense](#) have respectively released AI guidelines and principles. The first [summit](#) on responsible AI in the military domain was held in 2023, with a second summit planned for fall 2024. The legally non-binding Political Declaration on Responsible Military Use of Artificial Intelligence and Autonomy is the primary venue for global cooperation in setting parameters for military AI. [Debates](#) about AI's role in defense systems and the appropriate application of international laws and norms will continue through such exercises, as well as through NATO and intelligence-sharing alliances, rather than through transatlantic fora such as the TTC.

Economic security issues and competition with China also threaten to drive a wedge into transatlantic cooperation. Washington has increasingly [tightened](#) export controls on semiconductors needed for advanced AI. The United States [reportedly](#) told the Netherlands and Japan—key players in the chip industry—that it would consider imposition of the Foreign Direct Product Rule if they did not tighten their own China controls. The AI debate in the EU has focused comparatively less on the national security angle. While the US [National Security Commission on AI](#) set an early tone from 2018, for example, China is [not mentioned](#) in the AI Act. AI is part of the European Commission's proposed [list](#) of critical technologies, but the EU does not explicitly name China in its June 2023 [economic security strategy](#). There are signs, however, that the EU is changing its tone as it grapples with its own economic security and competitiveness [challenges](#), including amping up dual-use research security [frameworks](#), imposing [EV tariffs](#), and proposing an outbound investment screening [mechanism](#).

There are also differences in [economic investments](#) that could lead to divergent approaches as AI takes on a different role in overall economic activity. US funding for AI has [risen](#) substantially in recent years, with a bipartisan group of senators [calling for](#) \$32 billion in non-defense AI R&D. The EU's Horizon Europe and Digital Europe programs [invest](#) €1 billion annually in AI, alongside funding from the Recovery and Resilience Facility. National funding across member states [varies](#). Most importantly, in the United States the scale of private financing and the funding model (including venture capital)—which shapes regulatory approaches—differ significantly from those of the largely bank-centered EU. Private investment in AI in the US totaled €62.5 billion in 2023, compared to €9 billion for the EU and UK combined. The EU has also taken a strong regulatory stance against concentrated market power through the [Digital Markets Act](#), which stands to impact many of the large firms currently with controlling stakes in AI development. While the current US antitrust push under FTC Chair Lina Khan aligns closely with the EU's pro-competition

approach, this could change under the new US administration, fracturing the political economy of AI development in the transatlantic economic space.

The international impact of existing regulation within the EU and the United States remains to be seen. While US rules are largely domestically focused, a pressing question is whether the AI Act will have a “Brussels effect”, of which the EU’s General Data Protection Regulation is the most widely cited example. Through recognition of equivalency among [non-EU jurisdictions](#), global data protection standards increasingly harmonize with the EU’s model. But there is [debate](#) over whether the AI Act will have a similar global effect. While the GDPR is more comprehensive, the AI Act has specific obligations for particular stakeholders and sectors. While the GDPR had a one-stop entry into force, the AI Act’s phased roll-out might slow down its international impact.

Finally, a new US Administration and political realignment in the European Parliament raise questions about the future of transatlantic alignment on AI policy initiatives. The GOP platform, for example, [promises](#) to repeal the AI Executive Order. The focus on military technology and the limited guardrails under the Trump administration would diverge sharply from the EU’s overall agenda, making transatlantic alignment more difficult. The priority for the incoming European Commission will be enforcement of the AI Act. But a rightward shift could signal less willingness to engage in EU-wide initiatives or to allocate the resources needed to enforce the recent spate of technology regulations. The same degree of forward momentum on transatlantic alignment as seen with the TTC is less likely.

Transatlantic AI engagement with third countries: state of play and room for improvement

The shared EU and US commitment to protecting civil and fundamental rights in AI applications can, despite the differences outlined above, guide transatlantic coordination on increasing engagement with third parties. This agenda will be strengthened in international fora or through third-country partnerships if the United States and the EU pursue initiatives together on areas where there is alignment. But international coordination with third countries on AI is still an underdeveloped policy area.

The current state of play

Bilateral outreach by the EU and the United States on AI cooperation:

The United States and the EU have dedicated attention to AI in foreign policy, although with different resources and scope. The US Department of State’s Bureau of Cyberspace and Digital Policy released the [first-ever International Cyberspace and Digital Policy Strategy](#) in May 2024, and it repeatedly emphasizes international partnerships. The European External Action Service received support from the Council of the EU in July 2022 to fast-track the first-ever [framework on digital diplomacy](#). The [EU’s Special Envoy on Technology](#) provides digital diplomacy training to EU public servants abroad and funds digital capacity development activities with civil society organizations in developing countries. The [EU’s Global Approach to Cooperation in Research and Innovation](#) has funded the acceleration of joint research and development (R&D) cooperation programs with partner countries that have been [granted](#) access to some pillars of Horizon Europe projects, including AI.

The following landscape overview identifies key existing initiatives, including those with potential room for growth:

- **Asia:** The United States has established bilateral structured dialogues with [Japan](#), [South Korea](#), and [Singapore](#), while the EU has established [Digital Partnership Agreements](#) with each of these countries. The EU-Republic of Korea Council has already [highlighted](#) the need to develop secure, resilient research consortia across universities, labs, and private companies' R&D departments in AI. But AI is not always central to these agreements, as much of the discussion focuses on supply chain resilience for semiconductors and critical raw materials for electric vehicles. Focusing on key areas of concern—such as chips—could be a way to draw in the AI angle. While the United States has robust AI investment ties and research collaboration with each of the Quad allies—Australia, India, and Japan—there is [relatively little](#) investment or joint research among the latter three. The EU has limited AI policy collaboration with Australia, while the [EU-India Trade and Technology Council](#) included a line on seeking cooperation on trustworthy AI, but with no publicly delivered outcome to date.
- **Africa:** Some US companies have opened labs and research facilities in Africa, such as Google's AI lab in Ghana or IBM's research facilities in Kenya and South Africa. The US Department of Commerce [announced](#) a partnership with Kenya enabling US companies to invest in AI and data centers. The [Africa Tech for Trade Alliance](#) is a US government trade initiative to support private-private engagement. The EU's Digital for Development [Coalition](#) brings together European companies with development agencies from member states including Belgium, France, and Germany. The New EU-Africa Alliance for Sustainable Investment and Jobs supports the creation of an African [single digital market](#). While AI is addressed by both the United States and the EU, there is significant room for growth in both cases.
- **Latin America and the Caribbean:** Strategies vary across [Latin America and the Caribbean](#). While Brazilian startups focus on their local market, startups from the rest of the region must internationalize to scale. While AI projects are part of start-ups' top-ten technology developments, fintech and e-commerce dominate, representing [72%](#) of the ecosystem's value. US engagement with the region has been mostly ad hoc. The EU has set out a broader partnership through the [EU-LAC Digital Alliance](#), which creates a strategic framework to foster substantial bi-regional cooperation across the full spectrum of digital policies.
- **The Gulf:** Gulf States are increasing their [investments](#) in AI across a range of sectors, with some recent high-profile private-sector [deals](#) and alignment by countries [including the UAE](#) with the US geopolitical vision. For now, explicit bilateral collaborations on AI are less frequent and done mainly with certain countries. The European Commission hosted a [meeting](#) on EU-Arab Countries Innovation in Green Tech in 2022. [ADIA Lab](#), from the United Arab Emirates, chose Spain as its European headquarters to develop AI and advanced computing.

International AI initiatives

Both the EU and the United States, along with China and some Latin American and African countries, signed the [Bletchley Declaration](#) following the first AI Safety Summit (which was held in the United Kingdom). The declaration aims to promote agreement on AI risks and opportunities, and international collaboration on safety and research. The next AI Safety Summit, in South Korea, built on initial commitments, and the next summit will be held in France in early 2025.

Expanding transatlantic joint international outreach

While the TTC has [addressed](#) some angles of an “internationalized bilateral agenda” through jointly funded projects on secure connectivity in Costa Rica, Jamaica, Kenya, and the Philippines, these packages for now lack explicit linkages to AI policy. But through these existing mechanisms and bodies, the United States and the EU have the structure in place to extend the existing bilateral agenda, bringing in an AI policy angle and expanding toward selected third countries, the United Nations system, and some ad hoc coalitions.

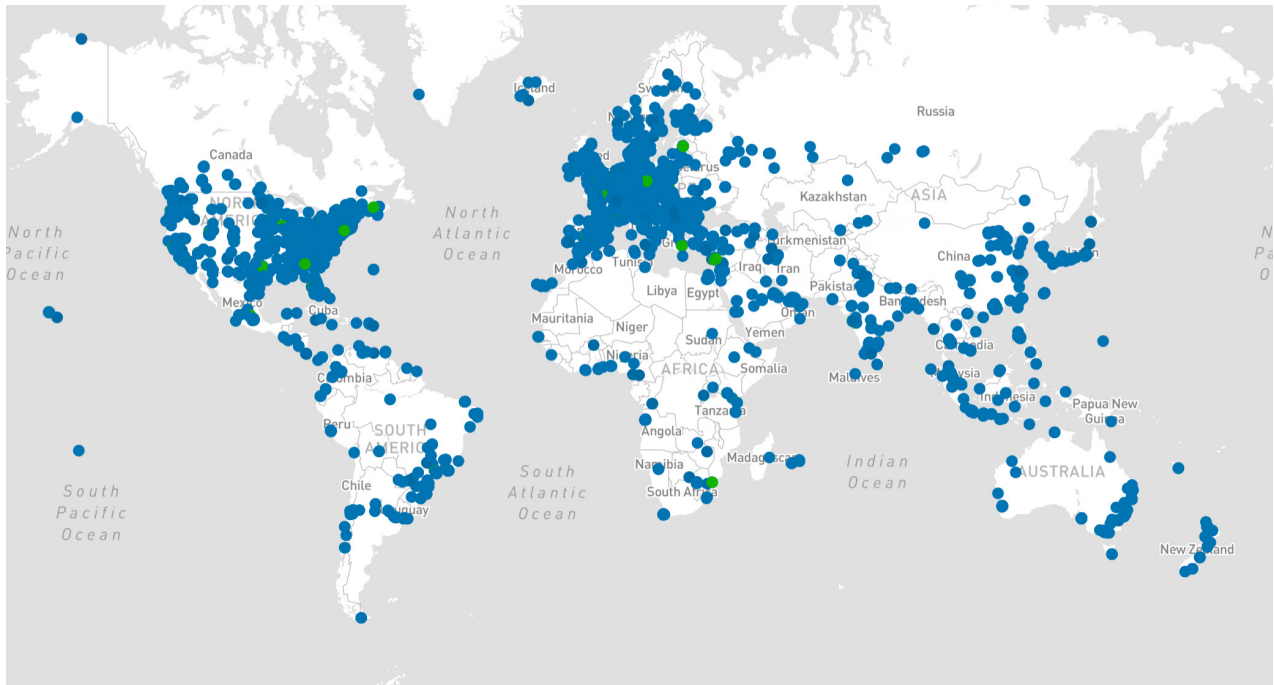
This move forward does not require innovative instruments but can build on existing examples. The Quad Forum—the semiformal grouping of Australia, Japan, India and the United States—has established the Quad Critical and Emerging Technology Working [Group](#), which has mapped concrete areas to bolster common resilience in technology standards including AI. The United States was the largest foreign investor in Australian, Indian, and Japanese AI companies between 2010 and 2021. Through the [Digital Partnership Council](#), the EU and Japan agreed to implement concrete pilot projects in cutting-edge AI applications to drive technology standardization, and has launched a call for proposals to connect the EuroHPC (high-performance computing) Joint Undertaking to Japanese National Programs on scaling up small AI companies to speed up their testing and experimentation labs. Both the EU and the United States provide digital diplomacy training to public servants abroad and fund digital capacity development activities with civil society organizations in developing countries. A greater collaboration should be developed between these digital diplomacy frameworks to coordinate some responses, agendas, and strategies with third partners in the global policy conversation on AI governance. The EU’s and the United States’ pursuits of bilateral agendas with the same set of countries means the opportunity is ripe to combine approaches. Given the growing importance of the Indo-Pacific region, especially concerning global technology supply chains amid increasing geopolitical tension, transatlantic partners should lean into deeper allied coordination. [The US-India Initiative on Critical and Emerging Technology](#) (iCET) and the [EU-India Trade and Technology Council](#), which address topics similar to AI, could, for example, provide a foundation for cooperation and have the same approach to building regional partnerships through multilateralism.

Incentivizing transatlantic partnerships with and for third countries

Transatlantic partnerships must be able to offer concrete benefits beyond the rhetoric of values if they are to out-compete China in third-country partnerships. Several elements explain why third partners may be incentivized to participate in this agenda. While countries with more mature AI sectors might pursue the creation of transatlantic technology triangles in areas of existing bilateral cooperation, the set of incentives is very different for developing countries. A concrete and pragmatic approach should center on three pillars:

- **Governance:** Low- and lower-middle-income countries are developing their own AI national strategies. In 2023, half of the AI strategies that were published or announced [worldwide](#) (6 out of 12) came from this group. [Rwanda](#) was the first country within the low-income bracket to publish an AI strategy, followed by [Ethiopia](#) and [Sri Lanka](#). The identification of AI as an important element requiring a national strategy in developing countries signals the importance of ensuring that AI governance efforts are globally focused. Many of these strategies focus on rights and socioeconomic development. These policy areas may be a bridge for engagement with the United States and the EU through specific instruments, tailored resources, and targeted narratives.

- Data and infrastructure:** The digital divide remains an important challenge in terms of both data availability and infrastructure. Global data-center availability starkly illustrates the divide in the basic infrastructure behind AI: the proposal for mutually beneficial investments in robust infrastructure, training models, refined algorithms, and low costs should be an incentive for deeper engagement.



Source: [Data Center Map—Colocation, Cloud, and Connectivity](#), July 2024

- Maturity, innovation capacity and human capital in AI:** According to the 2023 [AI Readiness Index](#), low, lower-middle, and upper-middle income countries have low average scores in the maturity of their technology—meaning, the ability of the country’s technology sector to supply governments with AI technologies. Innovation capacity tends to be higher across all cases, but technology maturity remains low, and there is a significant gap in human capital. The index shows that countries with low levels of these three factors may be forced to turn to foreign companies to procure AI services. Preemptively responding to such concerns in partnership agreements could be an important incentive.

Steps for improving transatlantic coordination on AI

Strategically identify relevant international collaborators for joint action

Expanding a transatlantic AI agenda globally requires structured dialogue and joint agenda-setting. The policy life-cycle requires first identifying priorities at three levels: geographic, thematic (targeted technology verticals and the focus on security, economy and/or rights), and sectoral (for example, capacity-building programs for civil society

organizations and NGOs or dialogues with the private sector on due diligence). Geographically, there are three types of external actors the United States and the EU should identify:

- *Flagship/straightforward countries*: Countries with whom it is easier to partner on AI policy. For some, cooperation is ongoing, while others may be mistakenly taken for granted or overlooked. Collaboration could look like the AI technology triangle with India.
- *Regional champions*: Countries that have a greater influence in their region and are harder to involve. If engaged, the impact may be substantially positive for trilateral cooperation and for engagement with neighboring countries. Closer linkages with the United States or the EU may lead neighboring countries to be more open to collaboration with the transatlantic pair, for example in Kenya, or through engagement with regional multilateral initiatives (such as the Inter-American Development Bank) which can have greater diffusion effects in the region.
- *The “impossibles”*: Countries that are unlikely to pursue deep cooperation with the EU and the United States, regardless of the terms.

This categorization is sensitive, variable, and relative depending on the approach. Certain areas of the aforementioned opportunities will be more applicable to certain third countries. In identifying strategic partners, the EU and the United States must answer several questions: what are the respective countries’ interests? How do they align with transatlantic interests? How the United States and the EU need to stretch their coordination to align or match these goals?

Incorporate economic security and R&D into the cooperation framework

The foreign policy of technology is an ongoing, yet underdeveloped, policy area in most countries, and economic security, in particular, represents an instrument for further cooperation. While the United States and the EU may [differ](#) in their approaches to national security and China, they nevertheless share similar objectives around technology-related sanctions, FDI screening, and research security and export controls, alongside promotion of a democratic values-based international order. Alignment in this area may become a window of opportunity for trilateral engagement.

Create incentives for countries to engage in the transatlantic-led agenda on AI

In some cases, incentives will be mutually beneficial, and all sides will be active players in policy development and governance (for example, the increasing number of national AI strategies in low- and lower-middle-income countries signals developing countries’ interest in having nationally defined narratives, resources, and capacities). In other cases, incentives will take the form of research and development, data availability, and infrastructure.

Some incentives will need to be focused much more on the human capital factor, with staff exchanges to increase job mobility across industries. A baseline could be the identification of topics based on the four units in the EU’s AI Office (regulation and compliance, including sanctions and infringements; AI safety, including evaluation and testing approaches; AI for good; and innovation and policy coordination). The United States and the EU should target a number of policy areas to ensure all potential topics of interest are identified with potential partners. For this to happen, officials must distinguish between low-hanging fruit and long-term goals and find a balance between them.

Increase engagement with civil society organizations and ensure a meaningful multistakeholder approach

While some countries promote state-centric governance of technology, the EU and the United States have mutual

interests in engaging all stakeholder groups in AI policy and governance discussions. Consultations with the private sector and civil society have been [criticized](#) for poorly balancing industry and public interests. While consultations with civil society organizations took place around the first-ever [UN General Assembly Resolution on AI and Sustainable Development](#) in 2024, greater engagement throughout the policy design phase would allow such initiatives to incorporate perspectives from those impacted by AI outside the core Western countries. Along with opening a dialogue on expanding the joint agenda beyond the four countries that received secure connectivity packages through the TTC, the United States and the EU should further engage human rights organizations in international AI policy and governance discussions.

Increase coordination in international standards organizations

The EU and the United States can also increase coordination in international standardization organizations. It is not only up to the diplomatic corps to do so. Technical communities participate in these discussions, and further engagement with them should be fostered.

There is no doubt that there are key differences between the United States' approach and the EU's approach to AI policy, capacity-building, and development. But significant commonalities, along with existing initiatives in third countries, represent the best opportunity to promote a rights-respecting framework for AI within broader digital governance initiatives.

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About the European Cyber Agora

[The European Cyber Agora](#) (ECA), led by GMF, Microsoft, and the EU Cyber Direct project at the EU Institute for Security Studies (EUISS), creates a multi-stakeholder platform to bridge gaps among government, civil society, and industry across the EU.

ECA helps shape the European technology and cybersecurity policy agendas and identifies European perspectives on global cybersecurity policy debates. It promotes collaboration across sectors to include di-

verse voices and contributes to evidence-based policymaking through research-driven stakeholder engagement oriented to deliver practical outcomes. Since 2021, the European Cyber Agora has demonstrated the need for a dedicated European platform that can leverage multi-stakeholder input in EU policymaking.

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