

EU–Arab Cooperation on Artificial Intelligence: Why It Matters and How to Make It Work

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Introduction

Artificial intelligence is reshaping economic competitiveness, state capacity, and global power relations at a speed that has few historical parallels. Since 2022, AI has been adopted more rapidly and more globally than previous general-purpose technologies such as mobile phones or the Internet. Against this backdrop, governments across the Arab region are making long-term decisions about artificial intelligence infrastructure, regulation, and international partnerships. Many Arab states have identified AI as a central pillar of economic diversification strategies and public sector modernisation. Yet capabilities across the region are highly uneven.

While some countries in the Arab region are rapidly scaling up their infrastructure and attracting global partners, much of the region still faces significant structural gaps in skills, research capacity, and regulatory frameworks. Left unaddressed, these gaps risk locking parts of the region into dependency on a small number of external providers. Unlike the European Union, which has developed a risk-based regulatory approach to AI, the Arab region lacks a harmonised framework for AI governance (ESCWA, 2025). However, regional initiatives such as the Arab Working Group on Artificial Intelligence, established in 2019 to develop a unified Arab AI strategy and reduce the digital divide between developed and developing countries, reflect a recognition of the need for coordination (Stip Compass, 2024).

For the European Union, these developments present a significant opportunity. The EU and Arab countries have a long history of cooperation in areas such as security, migration, and climate



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policy, which could now be extended to artificial intelligence. The urgency is increasing. Massive investments by US and Chinese technology firms are rapidly shaping AI ecosystems in parts of the Arab region, locking in infrastructure, standards, and long-term dependencies. The European Union cannot compete with massive capital investment or big technology companies. Its comparative advantage lies elsewhere: in regulatory expertise, research collaboration, and capacity-building. If the EU fails to articulate a clear approach to AI cooperation now, it will have little leverage over how AI partnerships develop in the region in the future. This policy brief argues that the EU should act now to build a pragmatic EU–Arab AI cooperation agenda using its strengths in regulation, research, and capacity-building to shape partnerships and reduce long-term dependencies in the region.

The EU-Arab gap in AI cooperation

AI has been a topic of cooperation between the EU and many regions of the world. For example, with Latin America and the Caribbean, the EU has already held three High-Level Policy Dialogues on AI. Similarly, with India, efforts to deepen collaboration have intensified, especially after the AI Impact Summit 2026 in New Delhi, which reaffirmed the EU's commitment to strengthening its partnership. However, no comparable track exists with Arab partners.

Despite differences in political systems, regulatory traditions, and levels of technological development, the European Union and Arab states share several interests that make cooperation on artificial intelligence meaningful. Both regions view AI as a driver of economic growth, productivity, and public sector modernisation. Both face growing concerns related to cybersecurity risks and disinformation, which are now central to policy debates. There is also partial convergence around the need for reliable and responsible AI systems. The European Union promotes a human-centric and rights-based approach to AI, and the Arab League Educational, Cultural and Scientific Organization (ALECSO), which works under the umbrella of the League of Arab States, has also published ethical guidelines that emphasise, among others, sustainable development and cultural values (ALECSO, 2025; European Parliament, 2023). Moreover, both regions are open to partnerships with countries other than the United States and China, looking for engagement with other middle powers. Strengthening ties with each other can reduce over-reliance on a reduced number of technology providers.

Far from emerging in a vacuum, cooperation on AI with the Arab region is a natural next step anchored in an existing political commitment. Moreover, the Pact for the Mediterranean, formally launched in November 2025, creates a concrete political mandate for EU engagement on this front. First, the pact explicitly references its goal of driving digital innovation. Second, it contemplates that Gulf and MENA countries can be participants in the Pact. Third, it has a spirit of cooperation and multistakeholder engagement.

A flexible framework allowing for differentiated participation but open to all countries in both regions could accommodate partners at different stages of AI development. Under this umbrella, more advanced Arab states could engage on regulatory alignment and standards, while others focus on capacity-building. What all partners would share is a common space: for exchanging information, building confidence, sharing best practices, and avoiding duplication of efforts. The question is not whether such a framework is feasible, but whether the EU and its Arab partners will move quickly enough to seize the opportunity.

AI in Arab Countries: Uneven Landscapes, Differentiated Opportunities

Differences in resources and state capacity across the Arab region result in uneven capabilities to develop and deploy artificial intelligence. At one end of the spectrum, several Gulf countries have positioned AI as a central pillar of transformation to transform into a post-oil economy. Saudi Arabia represents a prominent example. In 2025, it launched Humain, a national artificial intelligence company owned by the \$1 trillion Saudi Public Investment Fund (Bloomberg, 2025). To support these objectives, Saudi Arabia has prioritised large-scale investment in data centers and computing infrastructure. Abundant land and relatively low energy costs constitute an advantage for hosting energy-hungry data centers, which have contributed to a rapid expansion of domestic computing capacity and increased the country's attractiveness as a destination for AI infrastructure investment (Ministry of Communications and Information Technology, 2025). Saudi



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Arabia's hosting of the United Nations Internet Governance Forum in 2024 further signals its interest in engaging with global digital governance debates. Moreover, Saudi Arabia's AI Ethics Principles adopts a risk-based approach that closely resembles the EU AI Act's distinction between minimal, limited, high, and unacceptable risk (Saudi Data & AI Authority, 2025). For the European Union, competition on financing or infrastructure is limited, but opportunities for AI governance are wide.

The **United Arab Emirates** has likewise emerged as a key regional actor. The country was a pioneer in AI policy, becoming the first country in the world to appoint a Minister of State for Artificial Intelligence in 2017 and publishing a national AI strategy shortly thereafter. By 2025, the UAE had attracted major international partnerships, including a multi-billion-dollar collaboration with OpenAI and other technology firms to develop a large-scale AI computing cluster in Abu Dhabi (OpenAI, 2025; Cornwell, 2025). In parallel, the Technology Innovation Institute released Falcon Arabic in 2025, a large language model specifically designed for Modern Standard Arabic and regional dialects. The model has been ranked as the strongest-performing Arabic-language AI system to date, highlighting the growing investment by Gulf states in domestically developed large language models (Technology Innovation Institute, 2025). In this context, the EU cannot compete with the UAE's capacity to mobilise private capital. Once again, its comparative advantage lies instead in cooperation on governance frameworks.

Beyond the Gulf states, other Arab countries rely less on large-scale capital investment and more on international cooperation, skills development, and institutional partnerships. **Egypt** is not a primary destination for large-scale AI investment, but it has developed a strong record of partnerships with EU member states. In April 2024, it established an agreement with Italy for a joint center for collaboration between research institutions and businesses to develop AI applications and workforce AI skills in Egypt and elsewhere in Africa (Clynch, 2024). Egypt has also worked with Latvia on creating similar centers to collaborate on AI adaptation and workforce development (State Information Service, 2024). Also, Egypt's AI Readiness Assessment Report was funded by the European Union (EU Neighbours South, 2025).

Similarly, **Morocco** has established partnerships with companies and academic institutions abroad as part of its Digital 2025 strategy. A prominent example of this is the signing of a Memorandum of Understanding with Mistral AI, a French company. It focuses on “developing local expertise in artificial intelligence through training, applied research, and knowledge sharing” (Ministry of Digital Transition and Administrative Reform, 2025). Morocco is drafting a national AI roadmap that establishes a data reference framework, identifies priority themes, and sets out ethical risk-assessment mechanisms aligned with the AI Act and UNESCO recommendations (Morocco World News, 2025). These examples show AI development paths that focus on skills and long-term partnerships, where the EU's strengths are a good fit.

This diversity underscores the need for the EU to tailor its engagement to the specific conditions and priorities of individual Arab countries.

Sensitivities and trade-offs

EU–Arab AI cooperation has real shared ground, but it also faces real disagreements that cannot be ignored. These differences create trade-offs between closer cooperation and respect for EU law and values, especially on human rights, surveillance, and data protection.

One key divergence concerns regulatory philosophy. The European Union follows a “human-centric” approach that aims to ensure safety and fundamental rights (European Commission, 2025). This approach is embedded in the EU's risk-based regulatory model, which classifies certain applications as posing “unacceptable risks” (European Parliament, 2023). In many Arab countries, especially in the Gulf, AI policy is more “security-oriented”, both in discourse, where governments frame AI as enhancing safety, and in practice, where it is embedded in policing and surveillance systems (Seloorm, 2026). At the same time, some states support UN debates on AI ethics and refer to principles like transparency or accountability, but critics argue that these ethics frameworks can be used to gain international legitimacy while keeping broad security exceptions at home that involve surveillance, which is often described as “ethics-washing” (Seloorm, 2026).

Another area where alignment is unlikely concerns the use of AI for public monitoring and law enforcement. The EU AI Act forbids “the use of ‘real-time’ remote biometric identification systems



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in publicly accessible spaces for the purposes of law enforcement” (EU AI Act, 2024). However, the Dubai police uses the “Oyoon” Project, an AI-enabled surveillance system that uses facial recognition in real time. This system allows not only to respond to incidents, but also to “predict” them. (Dubai Executive Council, 2021; Oxford Institute of Technology and Justice, 2025). Similarly, in 2025, the Riyadh Municipality launched the “Smart Surveillance System” in parks and public squares. This involves the deployment of advanced monitoring system that includes over 1,600 cameras distributed across parks. They use AI “to analyze data and detect abnormal or unsafe behaviors”. These cameras also monitor “unauthorized gatherings, [...] alerting supervisors to take immediate action” (Riyadh Region Municipality, 2025). These types of systems can create a chilling effect, raising concerns about citizens’ ability to exercise their freedom of assembly and association. With their “predictive” capabilities, they can even stop a protest before it starts (Amnesty International, 2025).

There are also important divergences in data governance. In the EU, the General Data Protection Regulation (GDPR) protects personal data. Moreover, other regulations such as the European Data Governance Act aim to increase the availability of data and facilitate data sharing across sectors and EU countries with the objective of enabling industries to develop innovative products and sectors, which is also crucial for the training of AI systems. Member States generally cannot impose data-localisation obligations for non-personal data unless this is strictly necessary for public security. Many Arab countries are adopting privacy laws inspired by GDPR but combine them with stricter data-localisation requirements and broader security exceptions (Middle East Institute, 2021). For example, Egypt’s Personal Data Protection Law restricts the transfer of personal data outside the country and requires prior approval from the national data-protection authority in many cases (Egypt Today, 2020). Analysts warn that these measures could also be used for law enforcement, while may reduce the ability of local firms and startups to fully benefit from data analytics and limit access to capital and investment (Middle East Institute, 2021).

These divergences are structural constraints that delimit the scope and depth of cooperation, rather than issues that can be managed relatively easily. Yet, recognising these limits allows cooperation to remain focused on areas of overlap, without endorsing activities or practices that conflict with EU law and fundamental rights, while still underlining the importance of continued EU–Arab collaboration on AI.

Designing Instruments for EU Engagement on AI in the Arab Region

To reflect the different pace of AI development across the Arab region, EU cooperation could have a country-by-country approach, thus avoiding a one-size-fits-all offer. Countries that have already built significant AI infrastructure require different forms of engagement than those still developing the more foundational capabilities. The following recommendations present how the EU can tailor its tools to these different stages of AI development.

Firstly, the EU could invite participation in the General-Purpose AI Code of Practice among Arab AI companies operating at scale, particularly in countries that are already developing or deploying general-purpose AI models. The Code of Practice helps industry comply with the AI Act’s obligations for providers of general-purpose AI models. By adhering to the code, companies demonstrate compliance with the AI Act’s requirements on transparency, copyright, and safety. While 28 companies have signed the code to date, none are based in the Arab region, highlighting a gap in participation. Without harmonised AI policies, innovation in the region will remain fragmented, limiting its ability to compete with global AI leaders (ESCWA, 2025). For this reason, broader adoption would help Arab AI firms lower their administrative burden and facilitate access to the EU market.

Secondly, strengthening research cooperation with Arab countries through the EU’s universities and research institutes would help address the need for more robust research and development infrastructure, identified by nearly 50 per cent of CEOs in the region as essential to meeting AI objectives by 2030. This gap is reflected in the fact that, compared to other AI hubs, the Arab region countries produce far fewer patents and research articles (ESCWA, 2025). Horizon Europe, one of the largest research and innovation programmes globally, expands opportunities for national researchers and entities to collaborate with partners in the EU. However, from the Arab region, the only associated countries are Egypt and Tunisia, which points to an opportunity



to further involve other countries. Maximising the impact of such cooperation requires exchanges to move beyond short-term research stays and support longer-term institutional partnerships with joint research agendas that ensure that homegrown AI solutions can flourish.

Thirdly, the EU is well placed to support Arab countries in developing data-sharing frameworks for AI, building on the principles of the Common European Data Spaces. The lack of standardised data-sharing agreements further constrains AI development. AI models depend on large and diverse datasets for training, yet existing data localisation laws in several Arab countries limit cross-border collaboration on AI (ESCWA, 2025). The approach of the EU offers a relevant model that could be a significant reference point among Arab states. This could be achieved through EU support for the design of sector-specific data spaces, particularly in areas such as health, mobility, energy, and public administration. In practice, this could be achieved by sharing technical standards and governance expertise.

Conclusion

To sum up, the EU must leverage its unique assets in regulatory leadership and research excellence to engage with partners from Arab countries, taking into account their distinct characteristics and current advancements. The EU should therefore offer tailored support: inviting Arab companies to join its General-Purpose AI Code of Practice, expanding academic exchanges, and helping establish sectoral data-sharing frameworks.

By focusing on these areas, the EU can strengthen ties with a region with which it has deeply cooperated and that is increasingly becoming central to conversations around AI. Since many cooperation agreements are being built now, it is crucial that the EU uses this momentum to shape the trajectory of this technology; engaging later might mean that other countries will have done so first.

EU–Arab cooperation on artificial intelligence is neither straightforward nor risk-free. However, shared interests, complementary capabilities, and common concerns about fragmentation suggest that the potential benefits outweigh the risks. Working on AI can help improve EU–Arab relations more broadly by creating a practical agenda where interests overlap and cooperation is deliverable. It can also provide a more balanced and constructive channel for dialogue and confidence-building, where sustained engagement has value in itself, even when other issues remain politically sensitive. Cooperation between the EU and Arab countries tends to focus on the past or the present, but on AI it shifts the focus to the future—and the future is still being built.

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El Hiwar project

El Hiwar III is an EU-funded project implemented by the College of Europe (Bruges, Belgium). It designs, organises and facilitates a series of activities with the aim of building capacity, contributing to information exchange and interactions between the EU and the LAS. These activities take various formats, such as policy dialogues, summer schools, training programmes, policy briefs, etc.

The League of Arab States is a central partner in the stabilisation of the region and the main institutional interlocutor with the Arab world. At the first EU-LAS summit in Sharm El-Sheikh (Egypt) on 24-25 February 2019, the leaders agreed to deepen Arab-European ties to enhance the stability, prosperity, and well-being of the two regions. Both sides agreed to boost cooperation towards security, conflict resolution and socio-economic development throughout the region. Leaders also reaffirmed the need to strengthen economic cooperation between the two regions to spur investment and sustainable growth. The summit in Egypt marked the start of a new dialogue between the EU and the LAS. Leaders committed to hold EU-LAS summits regularly.

This project is designed to reinforce the dialogue and cooperation with the League of Arab States.

El Hiwar III aims to contribute to the implementation of the EU-LAS Joint Work Programme on information and training, complementing the formal EU-LAS activities taking place outside of El Hiwar (e.g. Ministerial and PSC meetings, other political exchanges with EU-LAS counterparts, EU-LAS Strategic Dialogue).

Whenever relevant, El Hiwar III can provide inputs for the preparation of formal EU-LAS relations meetings (e.g. preparation of policy briefs) or for the implementation of decisions made during Ministerial meetings, summits, etc. Likewise, El Hiwar III can provide inputs in the framework of relevant multilateral events.

El Hiwar III also aims to contribute to enhancing the partnership between the EU and Arab countries by sharing knowledge and expertise to support the achievement of the Sustainable Development Goals in Arab countries.

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HiwarBrief: New Voices, New Ideas from the El Hiwar Summer School is a publication featuring policy briefs produced by participants of the Summer School on Euro-Arab Relations.

This initiative translates the knowledge gained during the Summer School into practical recommendations, contributing to ongoing Euro-Arab cooperation efforts.

Guided by Eduard Soler i Lecha, an El Hiwar expert, participants draft policy briefs on key issues explored during each edition of the programme. In 2025, these focused on digital citizenship, youth agency in technology, and the development of inclusive digital societies, reflecting the priority of leveraging digital tools to empower youth and strengthen Euro-Arab cooperation.

HiwarBrief fosters the exchange of ideas among emerging experts while strengthening the El Hiwar network, offering participants a channel to reach policymakers and advocate for impactful change.



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