

[ADRN Issue Briefing]

AI Aid for Good Governance:
Reconfiguring South Korea’s International Development Cooperation
in the AI Era

Myung-jae Moon (Yonsei University)

Introduction

The rapid advancement of digital technologies has introduced new administrative and technical demands while prompting a fundamental reassessment of governance capacity in the public sector. As digital transformation accelerates—particularly with the proliferation of artificial intelligence (AI)—governments face both significant opportunities and emerging risks. Digital government is increasingly defined by the integration and application of artificial intelligence across public administration. As delineated in Table 1, a diverse array of AI technologies, encompassing automation and algorithmic systems, is being implemented across fundamental governmental functions, ranging from internal administration and policymaking to service delivery and oversight. These applications have the potential to enhance key public values associated with good governance, including efficiency, effectiveness, responsiveness, accountability, transparency, and participation (OECD 2025).

Table 1. Understanding the Use of AI in Governments

AI Tasks	Government Activities	Opportunity Area (Administrative Values)
Recognition, Event detection, Forecasting, Personalization, Interaction support, Goal-driven Optimization, Content generation, Reasoning with knowledge	Internal Operations	Efficiency Effectiveness
	Policymaking (Decision-making)	Responsiveness Participation
	Public Service Delivery to Citizens and Businesses	
	Internal Oversight, External Oversights	Accountability Transparency

Modified based on Governing with Artificial Intelligence by OECD (2025) p. 23.

Despite this promise, governments face substantial challenges in managing AI-related risks. Public institutions frequently encounter challenges in maintaining pace with rapid technological advancements and in mitigating the potential adverse consequences thereof. These challenges are

particularly acute in developing countries, where vulnerability to technological disruption is higher and administrative and institutional capacities are more limited. This has the potential to constrain governance performance and democratic resilience.

It has been posited that South Korea's economic development model was once characterized as state-led. However, the country has since been recognized by many as having achieved economic growth and democratic consolidation. This transformation has been supported by strong administrative capacity, participatory governance, and high-quality public service delivery, reinforced by sustained reform and effective digital adoption. The digital government of South Korea has garnered international acclaim, as evidenced by its inclusion in the United Nations' Global E-Government Survey and OECD evaluations. In recent developments, the concept has evolved towards an AI-augmented governance model, emphasizing accountability and transparency, thus positioning itself as a paradigm for public sector innovation.

This issue brief explores the manner in which the South Korean government fosters good governance and fortifies institutional capacity in developing countries. It accomplishes this by aligning its national AI agenda with digital government initiatives under official development assistance (ODA) programs. The study commences with an examination of contemporary trends in South Korea's digital government ODA. The analysis then proceeds to examine recent national AI policies and the strategic alignment of ODA with global agendas such as "AI for good governance" and "AI for all." The focus of this analysis is on enhancing efficiency, transparency, and accountability while building AI capacity in developing countries. The study ultimately provides policy recommendations for the advancement of Korean-style ODA (K-ODA) in the AI era.

State of South Korea's ODA Programs in Digital Technologies and the Emergence of AI Government

The advent of the digital government in South Korea can be traced back to 1967, marking the inaugural introduction of computers for the purpose of processing population census data (MOIS 2017). Since that time, South Korea has achieved substantial progress in administrative efficiency and the development of advanced public service systems for citizens and businesses. This progress has occurred alongside the country's rapid and compressed economic development. It is noteworthy that these initiatives were sustained as a strategic priority even during periods of economic adversity, such as the financial crisis of the late 1990s. A notable aspect of South Korea's digital government development is its integration within a cohesive presidential agenda, situated within the broader context of government-wide reform initiatives. In this regard, South Korea has emerged as a leading example of good governance, demonstrating how information and communication technologies (ICTs) can be effectively leveraged to enhance the quality, transparency, and participatory nature of public administration.

Consequently, South Korea's digital government has garnered widespread recognition as a paradigm for government reform, eliciting considerable interest from developing countries. Consequently, digital government initiatives have become one of the most popular and prioritized areas within official development assistance (ODA) programs, particularly in the field of public governance. A categorization of South Korea's digital government ODA projects reveals three distinct developmental stages: introduction, growth, and maturity (Kim 2021). The initial stage (1991–2000) placed a primary emphasis on government-to-government (G2G) initiatives, encompassing the establishment of administrative computer networks and the provision of digital equipment and

infrastructure in developing countries. The period from 2001 to 2010, known as the growth stage, witnessed a significant expansion of e-government systems, with notable support given to flagship projects such as the electronic procurement system (KoNEPS), the intellectual property administration system (KIPOnet), and the customs clearance system (UNIPASS). Concurrently, broader G2G and government-to-business (G2B) initiatives were also pursued.

The maturity stage, spanning from 2011 to the early 2020s, is characterized by two predominant trends: diversification and geographical expansion of project areas. In addition to fortifying digital government infrastructure and public service delivery systems, this phase has seen the incorporation of platforms designed to promote citizen participation. For instance, the National Petition System (e-People), which facilitates citizen engagement and supports anti-corruption efforts, has been widely introduced to developing countries as a model of participatory and accountable digital governance.

Table 2. KOICA's ODA Budget by Sector (2020–2023)

Unit: Million KRW

Sector	2020 (KRW)	Share	2021 (KRW)	Share	2022 (KRW)	Share	2023 (KRW)	Share
Public Governance	108,294	16.00%	128,186	17.60%	142,165	17.70%	193,413	20.20%
Education	134,675	19.80%	100,400	13.80%	110,529	13.70%	148,139	15.50%
Technology, Environment & Energy	71,876	10.60%	107,330	14.70%	127,419	15.80%	137,385	14.40%
Emergency Relief	17,314	2.60%	13,084	1.80%	14,275	1.80%	17,850	1.90%
Agriculture, Forestry & Fisheries	65,094	9.60%	91,071	12.50%	96,998	12.10%	110,607	11.60%
Health & Medical Services	130,176	19.20%	135,360	18.60%	139,215	17.30%	155,253	16.20%
Other	151,216	22.30%	152,336	20.90%	173,867	21.60%	193,244	20.20%
Total	678,647	100%	727,768	100%	804,468	100%	955,891	100%

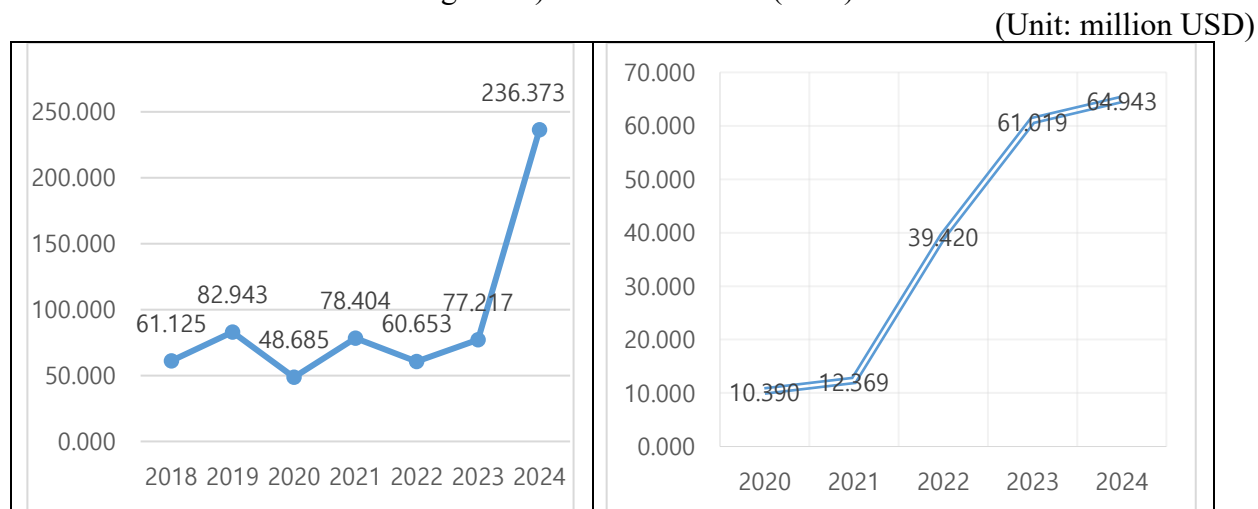
Source: KOICA (2026). https://www.koica.go.kr/koica_kr/901/subview.do accessed on April 15, 2026.

As indicated by the findings presented in Table 2, KOICA's ODA portfolio underwent a substantial expansion between 2020 and 2023, with an increase from 678.647 billion KRW to 955.891 billion KRW. Of particular significance is the shift in the composition of spending, wherein the ODA in Public governance exhibited an increase from 16.0% to 20.2%, while technology, environment, and energy experienced an increase from 10.6% to 14.4%.

This pattern suggests a gradual shift in Korea's ODA, with a transition from traditional social-sector assistance toward governance capacity, digital infrastructure, climate technology, and institutional modernization. This is of particular pertinence to the field of AI for ODA, as the development of AI-related technologies cannot be regarded as a mere technical undertaking. The implementation of AI necessitates several key elements, including administrative capacity, data

systems, digital public infrastructure, ethical governance, human resources, and sectoral applications in health, education, climate, and public administration.

Figure 1. South Korea's ODA Budget for Code 15110 (Public Sector Policy and Administrative Management) and Code 22040 (ICTs)



Made by the author based on the data collected from the OECD Data Explorer
(<https://data-explorer.oecd.org>)

As demonstrated in Figure 1, the OECD Data Explorer indicates that the Republic of Korea (ROK) has notably augmented its budget for Official Development Assistance (ODA) in recent years, allocating significant resources to public sector capacity-building and reform programs, as well as to information and communication technologies (ICTs), classified under Codes 15110 and 22040, respectively. It is important to acknowledge the South Korean government's growing commitment to leveraging information and communication technology (ICT) for the enhancement of governance. This commitment is underscored by the Seoul Declaration of the Second Summit for Democracy in 2023, which places significant emphasis on the imperative of anti-corruption, transparency, institutional integrity, and the rule of law as crucial elements for effective governance and the promotion of democracy (MOFA 2024).

The South Korean government has implemented a series of ICT-integrated projects with the objective of promoting comprehensive and scalable digital development in partner countries. These projects have been implemented across six key sectors: smart cities, digital government, telemedicine, smart farming, digital education infrastructure, and smart power systems. As the mid-2020s approach, South Korea has endeavored to align its digital government ODA programs more closely with AI-related initiatives. This initiative follows a comprehensive review of its development cooperation portfolio.

The Republic of Korea (ROK) has set its sights on expanding its national "AI for All" initiative to the global stage. In pursuit of this objective, the ROK has identified a strategic priority to enhance AI collaboration with countries in the Global South. The agenda is predicated on the vision of a Global AI Basic Society, with an emphasis on the establishment of an inclusive global AI ecosystem in which the benefits of AI technologies are disseminated extensively and equitably across the global population. It also underscores the significance of global partnerships and the strategic advancement of AI-based international development cooperation.

These initiatives signify more than a mere technological upgrade; they are indicative of a paradigm shift in the field. These initiatives signal a substantial shift in South Korea's development cooperation priorities, characterized by an emphasis on enhancing the quality of ODA projects, fortifying global collaboration, and promoting inclusive and sustainable growth through the utilization of AI for the benefit of the global community.

South Korea's AI Policy and Major Initiatives under the Lee Jae-myung Administration

The administration of President Lee Jae-myung has identified artificial intelligence (AI) as a pivotal element of its national agenda, with the ambitious objective of positioning South Korea among the top three global AI powers (G3). To advance this vision, the government has launched a comprehensive AI-driven transformation strategy to strengthen national competitiveness. This strategy includes 30 flagship initiatives targeting AI adoption and a hyper-innovative economy. The government has also established the Presidential National AI Strategy Committee to coordinate and oversee digital and AI policy across ministries.

The administration's digital policy framework is anchored in two overarching objectives: achieving global AI leadership and fostering an inclusive "AI for All" society. The organization's strategic initiatives are categorized into four distinct areas: infrastructure, data, talent, and governance.

Firstly, the government is undertaking initiatives to expand its AI infrastructure through public-private collaboration. Key efforts include the planned National AI Computing Center, which is backed by up to KRW 2 trillion in investment and aims to secure computing capacity exceeding one exaflop. The supplementary budget, amounting to KRW 1.46 trillion, is earmarked for the acquisition of GPUs, while an AI Transformation and New Industry Policy Fund with a budget of KRW 810 billion is to be established. These measures are to be accompanied by procurement partnerships with both global and domestic firms.

Secondly, the administration is fortifying the data ecosystem by recognizing data as a pivotal economic asset. The objective of this initiative is to expand the national data market to KRW 50 trillion by 2030. This expansion is to be achieved through three primary strategies: 1) the augmentation of public data access, 2) the integration of support for anonymization, and 3) the development of data trading platforms. The ongoing reform initiative entails a transition of public data systems to real-time, API-based architectures, along with a shift toward a more proactive, demand-driven data release model. This transition is intended to enhance data quality, standardization, and machine readability.

Thirdly, the government is allocating resources to the cultivation and attraction of AI talent. This encompasses the integration of artificial intelligence (AI) and data science education at all levels of education, alongside the implementation of policies designed to attract global talent through financial incentives, institutional flexibility, and measures such as alternative military service options.

The administration has recently initiated a series of legal and institutional reforms with the aim of fostering innovation in the field of artificial intelligence. These reforms are being implemented with a focus on ensuring transparency, accountability, and safety. These efforts concentrate on elucidating eligibility criteria for industry support, establishing regulatory standards for high-impact AI systems, and constructing comprehensive governance frameworks to manage emerging risks.

South Korea's New ODA Initiative and "AI for the Global Community"

As artificial intelligence (AI) emerges as a pivotal catalyst for economic, administrative, and societal transformation, the field of development cooperation must evolve beyond conventional infrastructure and basic information and communication technology (ICT) support. Developing countries are confronted with mounting pressure to fortify their institutional, human, and technological capacities in the domain of artificial intelligence (AI) while concurrently addressing the concomitant ethical, regulatory, and governance challenges.

In February 2026, the Republic of Korea adopted the Fourth Comprehensive Basic Plan for International Development Cooperation (2026–2030), its highest-level ODA framework (Prime Minister's Secretariat 2026). The strategic plan is indicative of two major shifts in the global landscape. Firstly, it reflects an evaluation of the previous plan (2021–2025), under which South Korea nearly doubled its ODA budget—from 3.4 trillion KRW in 2020 to 6.5 trillion KRW in 2025—while strengthening its role as a mid-sized donor.

The new plan signifies a shift from quantitative expansion to qualitative enhancement of ODA. The document delineates four overarching objectives: the promotion of inclusive values, the expansion of mutual benefits, the advancement of innovation, and the establishment of an integrated implementation system. The emphasis is placed on the enhancement of core competencies, the refinement of execution mechanisms, and the augmentation of policy coherence to ensure an increase in overall effectiveness. While the plan provides a strategic foundation for the next five years, debates persist over balancing national interests with global development goals. A fundamental aspect of this initiative entails the promotion of a "Korean-style" development model, which integrates traditional strengths—including health, education, climate, and public administration—with emerging sectors in which South Korea possesses comparative advantages, such as artificial intelligence and the cultural industry (Prime Minister's Secretariat 2026).

In alignment with this overarching framework and the government's comprehensive AI transformation agenda, KOICA has formulated a mid- to long-term AI strategy grounded in a sovereign AI approach. The strategy's core element is the implementation of the inclusive "AI for All" vision within the context of Korean ODA (K-ODA), with the objective of ensuring shared benefits for both South Korea and its partner countries. The approach of the Korea International Cooperation Agency (KOICA) is guided by four principles: the promotion of mutually beneficial artificial intelligence (AI) transformation, the contribution of a Korean-style AI model to the global community, the strengthening of AI capacity in developing countries, and the improvement of operational efficiency through the adoption of AI.

The Korea International Cooperation Agency (KOICA) is expanding its "AI-driven innovative ODA" initiatives across multiple sectors, including healthcare, smart cities, and digital public administration. A key focus of these initiatives is on collaboration with Global South partners (KOICA 2025). These initiatives seek to capitalize on South Korea's technological strengths, including semiconductors, cloud computing, and artificial intelligence, while aligning with the demographic trends, digital transitions, and data ecosystems of partner countries.

This transition is exemplified by the rapid growth and diversification of KOICA's AI project portfolio. There is a growing emphasis on health and governance, as well as an increasing reliance on public–private partnerships. Consequently, projects are evolving from pilot initiatives to long-term

programs. Recent examples include the implementation of AI-based water resource management systems in Indonesia (2025, 3.1 billion KRW) and the introduction of AI-focused human resource development for industry in Bangladesh (2026, 39.3 billion KRW). In a broader context, KOICA has augmented the scale and scope of its AI-related ODA, encompassing digital infrastructure, governance, and AI workforce development (Kim and Chun 2025).

Future Policy Direction for AI for Global Community

The OECD (2019) conceptualizes the evolution of government as a transition from analogue government to e-government, and further to digital government, where users actively interact with the state and co-produce public services. The advent of disruptive technologies, such as artificial intelligence and the Internet of Things, has precipitated a paradigm shift in the modus operandi of governments. These entities are undergoing a transformative process, becoming platform-based, networked systems that facilitate collaboration among citizens, businesses, and public institutions.

The "AI for All" initiative, as implemented in South Korea, is undergoing a systematic expansion to encompass the "AI for All Global Community." This evolution entails the utilization of artificial intelligence as a means to ensure inclusivity and to address global challenges, thereby contributing to the enhancement of society and the global community. It is imperative for South Korea to proactively identify areas where AI can be utilized to enhance the quality of government in developing countries, thereby facilitating the realization of fundamental principles of good governance. In accordance with the Fourth Comprehensive Basic Plan for International Development Cooperation, the Republic of Korea (hereafter South Korea) is obligated to augment its support for artificial intelligence (AI)-based digital government innovation in developing countries.

Conventional digital government projects have been insufficient to address the challenges faced by developing countries. To this end, future AI for good governance initiatives should support leapfrogging in areas such as AI-augmented government, smart cities, digital twins, cloud-based data centers, AI-enabled public services, digital ID systems, and broader digital public infrastructure. These initiatives will facilitate AI for good governance and eventually improve quality of life in developing countries. The design of these projects must align with the national vision and institutional readiness of each partner country, encompassing political commitment, ICT capacity, stakeholder coordination, data governance, cybersecurity, and accountability mechanisms.

The effective design of projects necessitates a thorough evaluation of the partner country's preparedness, encompassing aspects such as political dedication, institutional congruence, stakeholder collaboration, ICT infrastructure, digital capability, citizen engagement, data governance, cybersecurity, and mechanisms for accountability. These elements are indispensable for ensuring the sustainability of AI-driven governance projects and their developmental ramifications.

The implementation of AI support should be firmly embedded in inclusive and secure digital public infrastructure, with a primary focus on high-impact areas such as anti-corruption, service delivery, and disaster management. Human oversight must remain central, and all systems should undergo impact assessments to address bias, privacy, and accountability risks as outlined in South Korea's AI legal framework.

It is imperative for South Korea to prioritize the promotion of participatory and accountable AI in the context of democracy and good governance in developing countries. The integration of AI into

governance processes necessitates the engagement of citizens and civil society, complemented by mechanisms that ensure transparency, accountability, and the ability to address any resulting concerns. This comprehensive approach is essential for ensuring that AI contributes not only to administrative efficiency but also to inclusive, trustworthy, and resilient governance.

It is imperative that AI initiatives for enhancing governance in developing countries prioritize governance as a primary concern, superseding the emphasis on technological aspects. In order to facilitate the alignment of K-ODA with global frameworks such as the Hiroshima AI Process, the UNESCO AI Ethics Recommendation, and the UN Digital Public Infrastructure, it is imperative for South Korea to prioritize the enhancement of institutional capacity, legal frameworks, and accountable, participatory public systems prior to—or in a concurrent manner with—the implementation of AI technologies.■

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- **Myung-jae Moon** is a Distinguished Professor at Yonsei University.

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Edited by Jaehyun Im

For inquiries:

Jaehyun Im, Research Associate

Tel. 82 2 2277 0746 (ext. 209) jhim@eai.or.kr

The East Asia Institute
1 Sajik-ro 7-gil, Jongno-gu, Seoul 03028, Republic of Korea