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AI for Aid: Integration of Artificial Intelligence in Foreign Aid and Assistance

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ABSTRACT

This work explores the emerging role of Artificial Intelligence (AI) in the field of foreign aid and global development assistance. As international donors and organizations increasingly seek efficient, transparent, and accountable mechanisms for project implementation, AI technologies have become vital tools for data-driven decision-making. The paper analyzes how AI contributes to optimizing resource allocation, improving monitoring and evaluation, and enhancing precision in targeting beneficiaries. Moreover, it discusses the potential and limitations of AI in transforming traditional aid systems, highlighting real-world applications such as AI-assisted satellite imagery and predictive analytics in development projects. At the same time, the study identifies the associated risks of algorithmic bias, data inequality, and the digital divide, emphasizing the necessity for governance, ethical standards, and regulatory alignment with international humanitarian frameworks. Overall, the paper argues that while AI can serve as a powerful instrument to accelerate progress toward the Sustainable Development Goals (SDGs), its success depends on responsible integration, inclusivity, and strong accountability mechanisms within the global aid architecture.

Current global trends indicate the fact on how rapidly Artificial Intelligence or well-known as AI is involved in every sphere of life of many. By becoming an integral tool for optimizing resource allocation and measuring impact AI serves as an assistant in global development: it could be observed how artificial intelligence takes the roles once agencies were involved in the past and traditional allocation systems – the ones that were heavily influenced by diverse factors – are increasingly complemented by data-driven technologies that promise improved transparency, efficiency, and need-based targeting. For now, AI could already be considered as an integral tool for optimization of resource allocation, while also being effectively involved in measuring the impact of many projects within foreign aid and

allocation. This work aims to examine the emerging role of AI as a tool in global development assistance, while also considering the opportunities and risks that AI possesses in practice.

Foreign aid could be understood as the international transfer of capital, goods, or services from a country or international organization for the benefit of the recipient country or its population[1]; the types of foreign aid are economic, military, humanitarian aid and other ones, while the forms consist of grants, concessional loans, technical assistance based on the purpose of specific project or donors. On the other hand, artificial intelligence, according to the United Nations, includes a diverse range of technologies that can be defined as 'self-learning, adaptive systems, while it can be categorized based on technologies, purposes (like facial or image recognition), functions (such as language understanding and problem-solving), or types of agents (including robots and self-driving cars)[2].

As well as being involved in many sectors, it could be observed how AI has become integrated into aid system. The United Nations recognizes that AI has significant potential to support the UN by promoting inclusivity, reducing inequalities, helping to accelerate nearly 80% of the Sustainable Development Goals (SDGs) and strengthening the work of the United Nations system[3]. Based on this, AI can be particularly beneficial in the implementation phase of development projects by enhancing precision, efficiency, and accountability, especially when the delegation and control of foreign aid could be difficult due to the top-down principal-agent practice, which creates informational asymmetry and misaligned incentives. Advanced data analytics and machine learning models made by AI enables real-time monitoring of project activities, early detection of potential bottlenecks, and evidence-based adjustment of interventions. The NGOs are considered as 'bridges' between donors and recipients of foreign aid and one of the most important partners within foreign allocation system, also turn to AI since it allows non-governmental organizations to navigate through complex social challenges by using data-driven insights and to use it as a tool to have real-time decision-making. Not only NGOs, but also international organization have been actively using artificial intelligence within their projects; AI-powered tools such as satellite imagery analysis and natural language processing can improve impact assessment by providing continuous and objective data on outcomes, especially in some specific areas and the North-South Road Corridor Investment Programme in Armenia, where the ADB used night-time lights (NTL), as a proxy for how the new road has impacted economic activities over time[4] could be a real example on how the AI assists in monitoring and evaluation processes within implemented projects.

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[1] Williams, V. (2025, October 7). *Foreign aid.* Encyclopedia Britannica. https://www.britannica.com/money/foreign-aid

[2] United Nations. (n.d.). *Global Issues. Artificial Intelligence (AI).* United Nations. – URL: https://www.un.org/en/global-issues/artificial-intelligence#:~:text=AI%20includes%20a%20diverse%20range,and%20self%2Ddriving%20cars).

[3] United Nations. (n.d.). *Global Issues. Artificial Intelligence (AI).* United Nations. – URL: https://www.un.org/en/global-issues/artificial-intelligence#:~:text=AI%20includes%20a%20diverse%20range,and%20self%2Ddriving%20cars).

[4] Maucher, C. (2023). *Using Earth Observation for Monitoring & Evaluation.* The European Space Agency. – URL:https://gda.esa.int/story/using-earth-observation-for-monitoring-evaluation/#:~:text=Unlocking%20the%20power%20of%20EO%20data%20for,forestry%20mapping%20or%20changes%20to%20urban%20infrastructure.

At the same time, the AI is not the real solution to the processes within foreign aid projects and must be integrated within broader governance and accountability frameworks. The reason for that could also be growing 'digital divide' as well as digital inclusion, which has been shaping these days within developing countries that are targeted recipients of aid and as the European Parliamentary Research Service indicates "there are currently no common regulatory standards for technological innovations in humanitarian assistance. Therefore, technological innovations in humanitarian assistance should adhere to international legal framework, policies and agreements for humanitarian action"[5]. In fact, the UN Secretary-General has established a High-Level Advisory Body on AI with tendency on AI technologies becoming more widespread in order to govern and maximize the benefits, while also effectively coordinating possible AI-related risks. This could be explained by the idea that it has transformative potential and the integration of AI into foreign aid and development projects could present several critical drawbacks and risks such as lack of transparency and explainability, which makes it complex for stakeholders to understand how decisions are made or to contest them when outcomes appear unjust. The dependence on digital infrastructure can create further operational vulnerabilities: poor connectivity, insufficient technical expertise, and unstable power supplies can all hinder the functionality of AI systems in low-resource settings, while data collected on personal and community levels could raise ethical questions and the data security concerns.

In conclusion, the rise of Artificial Intelligence has established a paradigm shift in how global development and foreign aid systems operate, moving to evidence-based decision-making. As demonstrated through various initiatives, AI enables greater precision in resource targeting, real-time performance tracking, and improved impact assessment. It empowers both donors and implementing agencies to make informed, timely, and transparent decisions ultimately ensuring that aid reaches those who need it most. However, the integration of AI into aid allocation and project management is not without challenges. Ethical risks, algorithmic bias, and unequal access to digital infrastructure remain pressing issues that could widen the gap between developed and developing regions if left unaddressed. In this regard, ensuring digital inclusion and establishing global governance frameworks become essential to prevent the misuse or inequitable outcomes of AI-driven aid interventions. Therefore, the adoption of AI in foreign aid must not be seen as a technological replacement for human judgment but rather as a complementary tool within a broader governance ecosystem. The future of development assistance depends on how effectively the international community can balance innovation with accountability and in doing so, artificial intelligence may indeed become one of the most valuable allies in achieving sustainable, equitable, and transparent global development outcomes.

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