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# **Assessing Canada's** Development **Assistance in Asia**

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#### Introduction

Canada, through the Canadian International Development Agency (CIDA), provides official development assistance (ODA) to 20 countries of focus around the world. The goal of this assistance is to help those living in poverty by promoting sustainable economic growth and welfare in these countries which are selected based on their need, their capacity to benefit, and their alignment with Canadian foreign policy priorities.

With the dynamic economic, political, and social-cultural changes in Asia, the Asia Pacific Foundation of Canada asked its opinion panel of Asian practitioners to assess Canada's current and future development assistance policies in Asia.

#### **Research Methodology**

Points of View Asia Pacific is an opinion panel of the Asia Pacific Foundation of Canada. It comprises 1,136 individuals who are engaged in Asia through their professional, research, or personal interests. More than 80 percent of panelists have business or professional interests in Asia, and 70 percent have worked in Asia. As members, these individuals have consented to receive invitations to participate in ongoing APFC surveys on issues related to Canada-Asia relations.

Data collection occurred between February 7 and 21, 2013. A total of 229 people completed the survey questionnaire in whole or in part - a 20% response rate. Invitations were sent to opinion panel members through a "closed link" using Vision Critical.

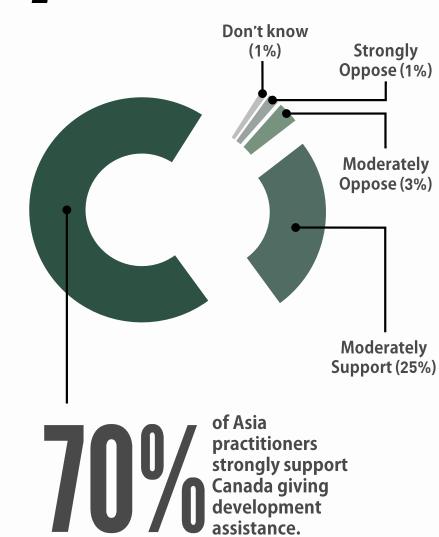
The final sample was not weighted in any fashion, given that there are no available aggregate statistics against which to compare our sample parameters.

Statistical margins of error are not applicable to online surveys, but this poll of 229 Points of View Asia Pacific opinion panelists has a credibility interval of plus or minus 6.5 percentage points.



#### CANADA'S DEVELOPMENT ASSISTANCE – FOR OR AGAINST?

Asia Practitioners overwhelming support Canada providing development assistance - 95%.



❖ According to OECD data, from 2010-2011 Canada distributed approximately US \$8 billion in ODA to developing countries around the world.

16

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#### PRIORITY REGION FOR CANADA'S DEVELOPMENT ASSISTANCE

A combined majority of our Asia Practitioners believe that Asia and Africa should be given the highest priority for Canada's official development assistance.





#### **DEVELOPMENT ASSISTANCE TO ASIA – INCREASE OR DECREASE?**

Although 42% of our practitioners call for Asia to be the main priority for Canada's development assistance, 48% believe that the amount of assistance to Asia should stay the same - 24% of total Canadian ODA.

- ❖ According to OECD data, from 2010-2011, Asia accounted for 24% of total Canadian development assistance or US \$1.9 billion. This was allocated mainly to its five "countries of focus" in the region: Afghanistan, Bangladesh, Indonesia, Pakistan, and Vietnam.
- ❖ When asked if Canada's development assistance to the region should increase, decrease, or be kept the same, nearly 1 in 2 Asia practitioners agreed it should be kept the same.
- **❖** Among the individuals who thought it should increase, 1 in 5 called for an increase to 30% - 39% of Canada's total development assistance, while only 3% supported to boost the figure to 40% - 50% or more.
- Conversely, 18% of Asia practitioners supported a reduction to 11-20% of total Canadian development assistance, while 4% preferred a decrease to 0-10%.

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POINTS F VIEW OPINION PANEL

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83%

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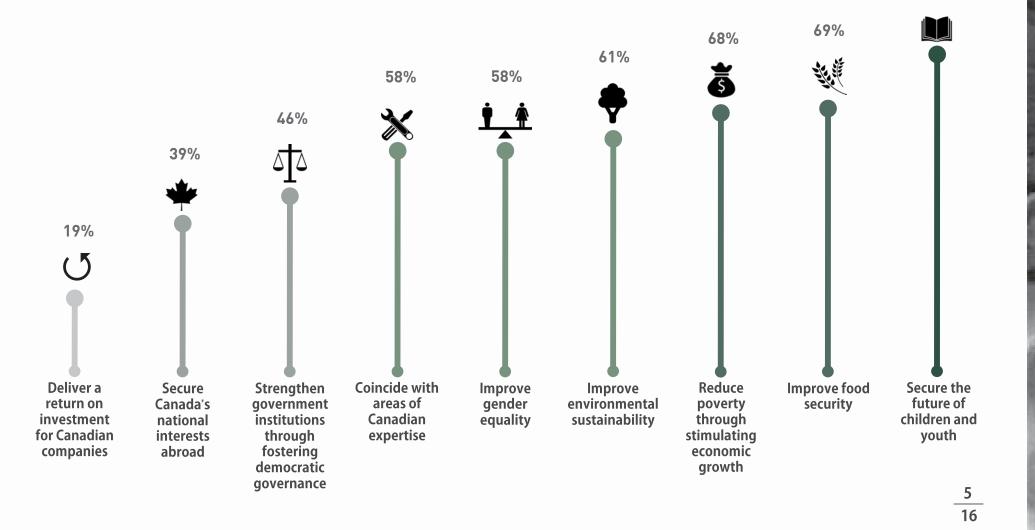
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#### CANADA'S PRIORITY THEMES FOR ASSISTANCE IN ASIA – HIGH + TOP PRIORITY

83% of Asia practitioners agree that securing the future of children should have a high-top priority. While only 19% agreed that Canadian private companies receiving a return on investment should be given the same priority.





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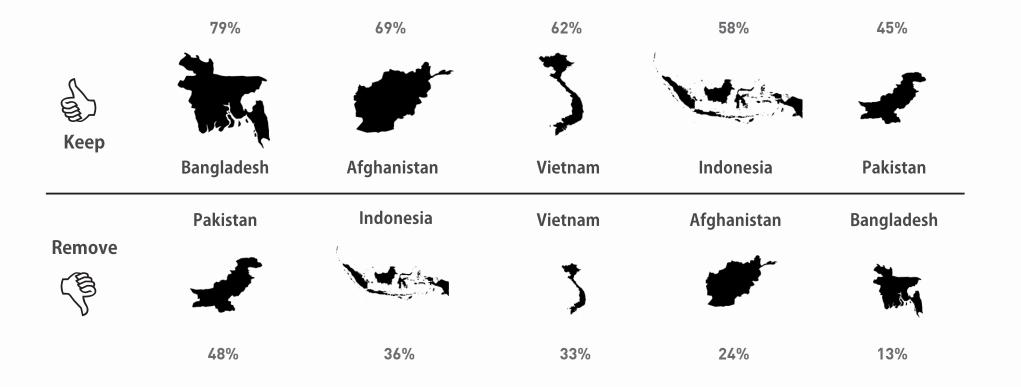
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#### **CURRENT COUNTRIES OF FOCUS IN ASIA – KEEP OR REMOVE?**

When assessing whether each of Canada's current countries of focuses should be kept or removed, Asia Practitioners showed strong support to keep Bangladesh and Afghanistan, while Pakistan received the most responses to be removed.





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### POTENTIAL FUTURE COUNTRIES OF FOCUS IN ASIA

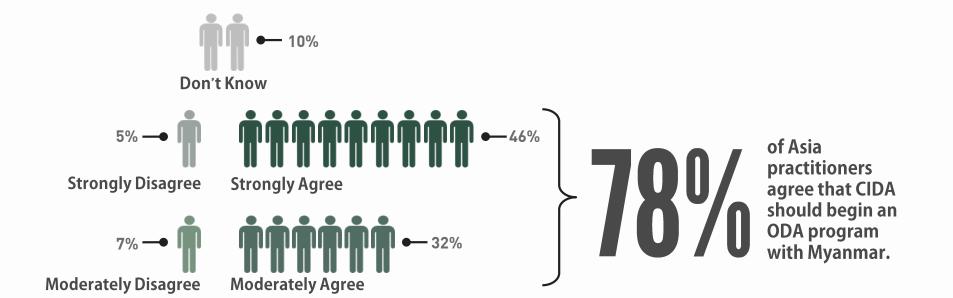
Over 3 in 5 Asia practitioners put Myanmar as their first, second, or third choice for a new Asian country of focus for Canada's official development assistance.

- ❖ In 2009, CIDA decided it will be distributing 80% of its bilateral ODA to 20 "Countries of Focus". This was done in part to make Canadian ODA more focused, effective, and accountable. According to CIDA, Countries of Focus are chosen based on their actual needs, their capacity to benefit from development assistance, and their alignment with Canadian foreign policy priorities.
- ❖ When asked which country in Asia Canada should choose as a potential new country of focus, Asia practitioners ranked their top three choices. 62% of practitioners listed Myanmar as their first, second, or third choice. Followed by Cambodia with 40%, Laos with 31%, Philippines with 25%, and Nepal with 24%.

- Myanmar scored very high as a first choice, capturing 27% of the total responses. This was followed by Cambodia, the Philippines, and Nepal, all at 10%.
- China received 8% of the first choice responses, but only garnered 13% of the top three choices.
- ❖ The popularity of Myanmar among Asia practitioners could be indicative of the recent thawing of bilateral relations between it and Canada following its significant democratic reforms. Although Canada has yet to start an official development program with the nation, Minister of Foreign Affairs, John Baird has announced that an embassy will be opening there soon.

### A DEVELOPMENT ASSISTANCE PROGRAM FOR MYANMAR Nearly 4 in 5 Asia Practitioners are in favour of starting a bilatora

Nearly 4 in 5 Asia Practitioners are in favour of starting a bilateral assistance program with Myanmar.





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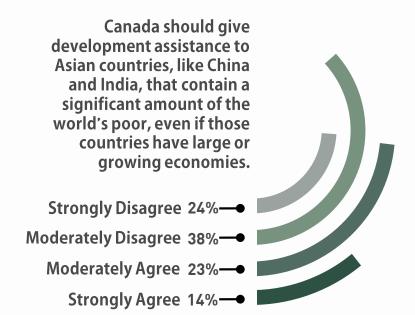




#### SHOULD GROWING ASIAN ECONOMIES RECEIVE ODA FROM CANADA?

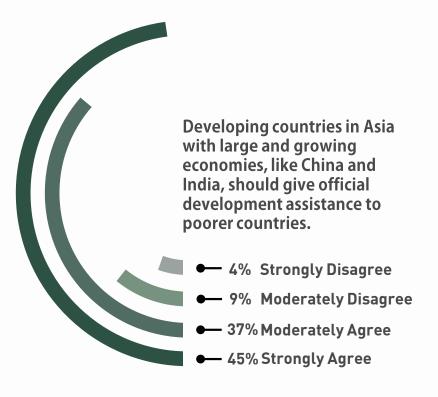
62% of Asia practitioners disagreed with Canada providing growing economies, like China and India, any development assistance, even though these countries house nearly half of the world's poor.

**❖** Countries like China and India have much larger economies than Canada, yet both countries have hundreds of millions of people living in extreme poverty (less than US\$1.25/day). Together, China and India house almost half of the world's poor. Consequently, these countries still receive large amounts of ODA from the international community.



#### SHOULD GROWING ASIAN ECONOMIES GIVE ODA TO POORER COUNTRIES?

Most Asia practitioners agree that growing economies, like China and India, should be providing their own development assistance to poorer countries.



- \* According to a recent whitepaper on China's Foreign Aid, from 1950 to 2009 China has provided nearly US \$40 billion in grants, interest-free loans, and concessional loans as foreign aid.
- ❖ In the same report, China claims in 2009 to have distributed 78.5% of its foreign aid to Asia and Africa.

11 16



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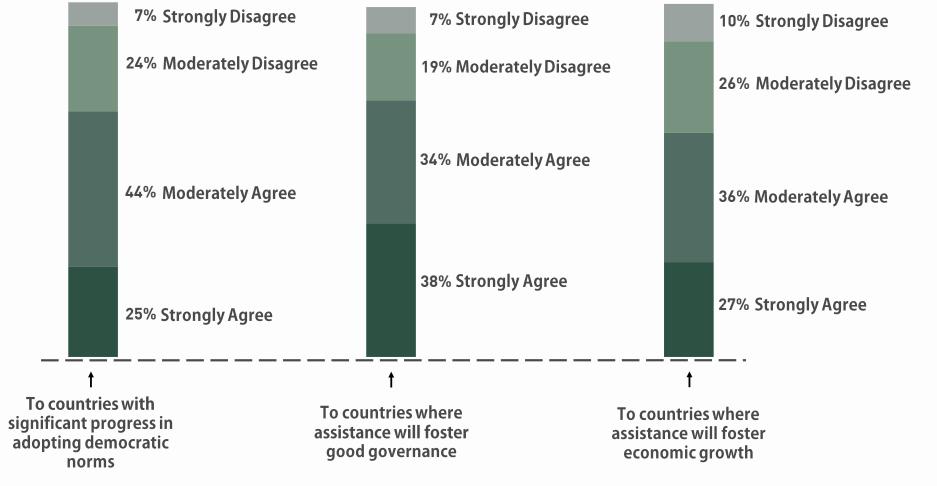


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#### **CONDITIONS FOR CANADA'S ODA IN ASIA**

Seven-in-ten Asia practitioners agree that Canada should focus its development assistance in Asian countries which have made significant progress in adopting democratic norms and those countries where assistance will foster good governance. To contrast, over 1/3 of practitioners disagreed with focusing on economic growth.





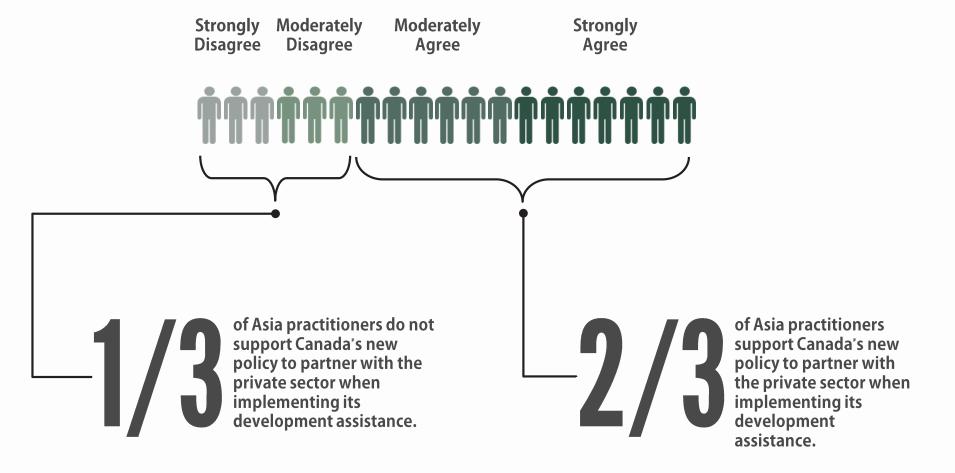
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#### PRIVATE SECTOR INVOLVEMENT IN CANADA'S DEVELOPMENT ASSISTANCE

34% of Asia practitioners strongly agreed with Canada's new policy to partner with the private sector when implementing its official development assistance.



## 12

### PRIVATE SECTOR INVOLVEMENT IN CANADA'S DEVELOPMENT ASSISTANCE (CONT...)

Generally, Asia practitioners favour private sector involvement in development, in terms of public-private partnerships and Canadian trade and investment, but nearly 3 in 4 worry about the true motives of private corporations.

- Asia practitioners evaluated three criteria in terms of the private sectors involvement in development assistance:
- 1) Should Canadian official development assistance be used to make Asian countries ready for greater Canadian trade and investment.
- 2) Should Canada make public-private partnerships the core aspect of its development programming.
- 3) How worried are you that private companies would prioritize their own commercial interests to the detriment of developing countries' real development needs

- In terms of development assistance making Asian countries ready for greater trade and investment, 71% of Asia practitioners either strongly agreed or moderately agreed with the statement. Conversely, 29% disagreed.
- ❖ As for the focus on public-private partnerships, Asia practitioners were more divided with 55% agreeing with the statement and 43% disagreeing.
- ❖ In regards to private companies putting their commercial interests ahead of developing countries' needs, 74% of Asia practitioners expressed their worries that this would be the case. On the other hand, 29% are not worried about this.

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