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The Business Case for an Alberta International Development Office

CARLO DADE

CANADA WEST FOUNDATION

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EXECUTIVE SUMMARY

Co-operation between government development agencies and private sector companies has become the norm among leading foreign aid donors. A notable exception to this trend, though, has been Canada. This has put Canadian companies at a comparative disadvantage to competitors who benefit from the opportunity to partner with their governments in development activities abroad.

Though the current government in Ottawa has pushed the former Canadian International Development Agency to do more in this regard, uptake has been slow and there remain pockets of strong resistance to working with extractive companies. There is clearly both space and need for a coherent and well-planned provincial response.

There has also been an upsurge in demand from foreign governments and agencies for Albertan expertise. This rising demand for technical assistance is putting a strain on provincial ministries that do not have an explicit foreign mandate, even though facilitating and coordinating these requests is crucial to building Alberta's brand abroad. A dedicated development office is an efficient and cost-effective means to meet both of these needs and take advantage of opportunities to build Alberta's brand abroad.

In May 2013, the Province of Alberta announced that as part of its international strategy it would create an Alberta International Development Office (AIDO) within its Ministry of International and Intergovernmental Relations. The announcement was part of a broader vision to build the capacity of the province to advance and defend its interests abroad. As such, the idea to create an AIDO is best seen as an incremental, but important, progression in the province's need to go abroad to help companies enter foreign markets and attract foreign investment. It is also an investment in the future prosperity of Alberta and its key international partners in emerging markets.

Given the limited resources at the provincial level, the international development office will have to be more focused than its federal counterpart. This is a positive limitation that should reassure taxpayers and make for an effective and focused use of resources. The lack of a political dimension to the Alberta office, as compared to its counterpart in Quebec, should also help. Notwithstanding, Alberta will still face challenges developing the specific mandate and operational procedures for the new agency. To this end, this paper attempts to synthesize experiences from the learning of other governments, development agencies and private sectors in developing public-private partnership programs. From that experience, seven lessons emerge:

1. Learn from others – AIDO would do well to interview governments with relevant experiences, especially other sub-national governments, to avoid reinventing the wheel or repeating mistakes. This will also likely yield different insights from what Ottawa and Gatineau have discovered in their research to create a federal plan for increasing co-operation with the private sector in international development.

2. Accept risk – Partnerships with the private sector should involve innovation and have a very real risk of failure. Accepting up front that not everything will work and managing expectations by communicating this to the public is crucial.

3. Focus – The agency will benefit from aligning its technical resources with the demands and capacities of Alberta's leading firms operating abroad. This will help keep the agency from becoming spread too thin or being used for political patronage.

4. Find the right staff – This is perhaps the most important aspect to get right. The unique skills required to develop and manage partnerships are only acquired through experience working with the private sector, development institutions and communities. A degree or experience in international development is not adequate; indeed, such superficial knowledge may be harmful.

5. Partner, do not subsidize – The goal is to leverage, not replace, the investments public and private actors are making in development activities and thus increase the benefits for society at large at a minimal incremental cost. Experienced employees are the key to getting this right.

6. Cut the red tape – The agency will need clear criteria and a streamlined, transparent decision-making process. Working with the private sector is not the same as working with NGOs, universities and other traditional development actors.

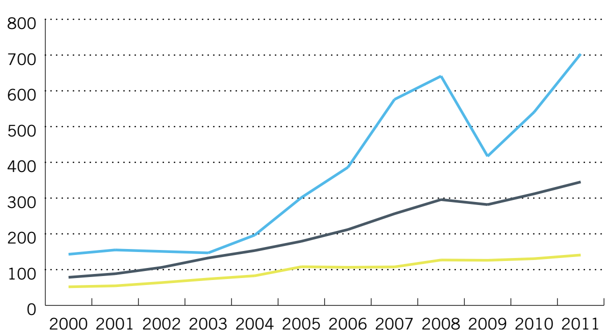
7. Take the moral high ground – While the rational and organizing principals of an AIDO must flow from a rigorous focus on hard interest and return on investment, a province as prosperous as Alberta and with so much natural resource development and management expertise also has an obligation to share this knowledge with communities in which it works and invests abroad.

INTRODUCTION

It has become increasingly clear that a country's investments in international development can significantly bolster the competiveness of its companies operating abroad.[1]

Foreign investment by these companies is also a key driver in global poverty reduction, which is one of the fundamental goals of international development assistance. And yet, it has become a point of contention in both Ottawa and the Canadian development community that aid and economic interests are linked, and that promoting the link between the two improves both a country's competitiveness as well as the development outcomes for the recipient country. The same has not been true outside of Canada.[2]

FIGURE 1: LOW & MIDDLE INCOME COUNTRIES 2000-2011
(current US$ billions)



Source: World Development Indicators

Foreign Direct Investment
Personal Remittances
(money sent by immigrants & migrants to family back home)
Official Development Assistance

The figure shows sources of official development assistance. Private sector assistance is six times all other sources.

A quick review of the relative contributions of official development assistance versus foreign direct investment sheds some light on why this is the case.

For some time, the private sector has been the largest and arguably most important funder of economic development and poverty alleviation.

There is no inherent conflict between the pursuit of private sector interests and development goals, such as poverty alleviation. In fact, given the weight and importance of private sector contributions to economic growth, convergences of interest and outcomes are more likely than conflict. Being able to identify and support these areas of convergence, rather than seeing each side working independently and potentially at cross-purposes, is simple common sense. Given what is at stake for both the public and private sectors, the case for co-operation is compelling.

1 The best argument for this view comes from the United States and the annual congressional funding justification for the United States Agency for international Development Agency and its sister agencies and departments.

2 Testimony before Parliament's Standing Committee on Foreign Affairs and International Development on its study "Driving Inclusive Growth: The Role of the Private Sector in International Development" http://www.parl.gc.ca/content/hoc/Committee/411/FAAE/Reports/RP5732913/faaerp06/faaerp06-e.pdf makes this point as does the following statement by the NDP: in committee "I want to make one thing clear. We're not saying there is no role for the private sector, but I definitely don't see a role for the for-profit private sector." http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5474782&Language=E&Mode=1

Public-private partnerships have been controversial in the past, in part because of how they have been approached. Public sector co-operation with the private sector was used as a vehicle to blatantly subsidize private sector entry into foreign markets or to funnel contracts and funding to preferred domestic partners; the problem of "tied aid." The new generation of public-private partnership models is divorced from this history. The new model flows from a recognition that the private sector, in its normal course of business, has interests and activities that naturally intersect with the goals and activities of development actors. If a development agency wants to train poor and marginalized people into jobs then it means working with the companies that will hire these individuals. If a company is spending more on school rehabilitation and feeding students in a given region than a development agency is, then perhaps partnering makes sense for everyone involved.

The importance of the private sector role in international development simply cannot be overstated – no country has ever "aided" its way out of poverty. However, countries such as Korea, Chile and Singapore have grown their way out of, and that process is being repeated in China, throughout Asia and other areas in the developing world.

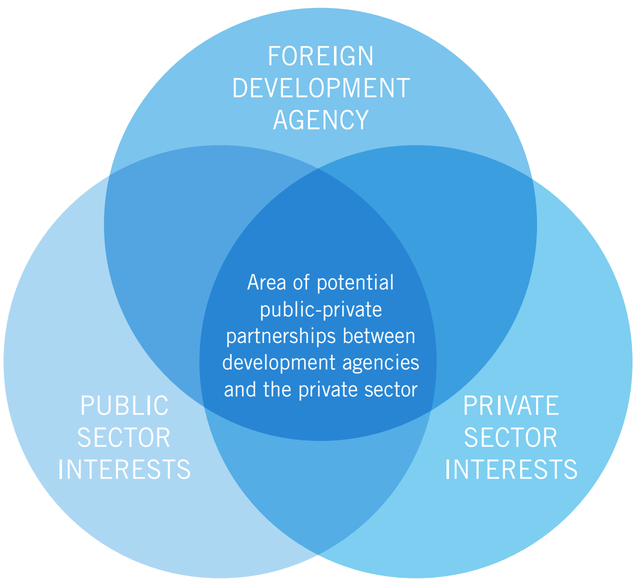
However, the role of the private sector in promoting the growth of communities, poverty alleviation and the myriad other factors that contribute to "development" goes beyond the traditional role of business. Involvement by the private sector as a corporate citizen extends outside of the factory gates or company offices to a wider array of public activities that occupy the full scope of social engagement and investment. The private sector is the primary client of public education systems. The private sector comes to the table when it needs healthy workers, suffers from public health issues and environmental impacts, or needs public infrastructure. To protect their interests, private sector companies cannot always target investments that affect only their employees and assets. It is often more effective to tackle issues on a community basis, and, with issues like public health, it may be the only way.

It is with this convergence of interests – one in which companies in pursuit of private interests have to make investments in the general public good – that one finds possibilities for public-private partnerships and other forms of co-operation.

The private sector also has advantages over non-governmental organizations (NGOs) and charities as a development partner. The private sector has human, financial, technical and material resources that other actors do not possess, and they tend to be active in these communities for longer periods of time. This is especially true in the extractive sector, where investments are in the hundreds of millions of dollars and can endure for decades. This extends well past the typical involvement of NGOs and the three-year project cycles of most foreign aid agencies.

Since the late 1980s and early 1990s, development agencies, NGOs and multilateral development banks have sought to address the myriad ways in which activities by the private sector affect communities in the developing world. Corporate Social Responsibility (CSR) initiatives have increasingly focused on the investments that companies make in community development projects in the social, economic and environmental spheres. Much has been written about this movement. Reasons for its growth are attributed to everything from social and political risk management, to the concept of a triple bottom line (economic, social and environmental gains), to the idea of a social conscience and to business school case studies on return on investment and competitive advantage.

Still, the bottom line for businesses such as banks, manufacturers and miners is that the development contributions they make that extend beyond paying taxes and creating jobs lay the groundwork for discussions with host governments and communities. Such activity is a cost of doing business, and companies that get it right are more competitive.[3] Companies that can engage in development activities in partnership with development actors – especially their home governments – tend to be even more competitive. This is not caused by a reduction in costs but rather from access to a wider array of specialized skills that development agencies possess, to reputational and relationship benefits from partnering and from enhanced outcomes.



Recognition and acceptance of the importance of this convergence of interest was manifest in the inclusion of a separate United Nations millennium development goal on partnerships. The UN Millennium Development Goals are perhaps the most visible and highest level global attempt to coalesce action around ending extreme poverty with agreement from all UN members and 23 international organizations. The fact that partnerships were included as the concluding, and in some ways unifying, element of the strategy is indicative of the importance of partnerships and the shift in global thinking.

These observations are further supported by repeated field experience, as reported at CSR conferences around the globe.[4] The business case for CSR both domestically and abroad is well understood.

Millenium Development Goals

1. Eradicate extreme poverty & hunger
2. Achieve universal primary education
3. Promote gender equality & empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria, & other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development
    a. Develop an open, rule-based, predictable, non-discriminatory trading & financial system
    b. Address the special needs of least developed countries
    c. Address the special needs of landlocked developing countries & small island developing States
    d. Deal comprehensively with the debt problems of developing countries
    e. In co-operation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
    f. In co-operation with the private sector, make available benefits of new technologies, especially information and communications

3 Porter, Michael E., and Mark R. Kramer. "The link between competitive advantage and corporate social responsibility." Harvard Business Review 84.12 (2006): 78-92.

4 A good example here is EthicalCoporation, http://www.ethicalcorp.com/

A brief discussion on the definition and use of the term corporate social responsibility is needed. In the broadest sense, the term refers to the full range of activities in a company's value chain: social, cultural, environmental and economic impacts, national regulations and international agreements that prescribe action. These include the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Principle of Free, Prior and Informed Consent and the ISO 26000 Guidance on Social Responsibility, and similar documents that define labour practices, employee relations, human rights, anti-bribery and corruption prevention, environmental norms, and company governance.

Though these can be the subject of co-operation between government aid agencies and the private sector (mostly in the form of training, information exchange and similar activities), this is not the focus of development agency co-operation. Public-private partnerships, joint funding and alliances target activities that are extrinsic to companies' legal obligations and that are generally external to the plant gates. These activities tend to be above and beyond what is required by law, and instead are in line with community expectations, standard local business practices or the company's values for community involvement.

When done right, these investments can yield direct benefits to the company's core business bottom line. For example, Scotiabank entered and won a USAID-Gates Foundation competition, in partnership with WorldVision, to develop a mobile banking application for micro-enterprises in Haiti. Another example of a win for companies winner would be a resort that funds agricultural assistance to small farmers to enable them to improve their production quality and incomes, while at the same time allows the resort to differentiate itself by offering local produce. With extractive companies, this win-win scenario often manifests itself in job training that enables local, often historically marginalized, populations to take advantage of opportunities associated with resource development. For a development agency that has the mandate of lifting people out of poverty through education, job training and finding jobs in places where jobs are scarce, this sort of public-private partnership is a reprieve from futility.

Defining Partnerships

A 2011 study on the U.S. government's experience with public-private development activities provides one of the better syntheses of the possibilities. It was written by one of the early leaders of the movement in the U.S.

> *Public-private partnerships can be game-changing mechanisms for solving development problems. They are used to leverage a range of resources, expertise and access from non-traditional actors to tackle issues from economic growth to building civil society. Because partnerships leverage resources that public agencies cannot easily access, they can be used to bring market-based solutions to public-goods problems such as infrastructure and access to clean water that can catalyze further development. They have been used successfully for more than a decade by U.S. development agencies to create supply chains, increase employment, and support research and innovation, among many other accomplishments.*[5]

[5] Seizing the Opportunity in Public-Private Partnerships Strengthening Capacity at the State Department, USAAID, and MCC. 2011. CSIS, Washington D.C. http://csis.org/files/publication/111102_Runde_PublicPrivatePartnerships_Web.pdf . Though, as a correction U.S. government experience with public-private partnerships for development actually goes back more than two decades into the late 1980s and early 1990s.

It is critical to note that partnerships are not subsidies, explicit or implicit, to the private sector. Partnerships are meant to leverage investments, financial and otherwise, that the private sector is making in activities that support development objectives. The art in partnerships is in understanding what can reasonably be expected from the private sector and where aid agencies can contribute to increase development outcomes. This ability to judge the value of a "deal" comes from knowledge of the general field of development partnerships, past experience, negotiation, consultation and pushback. This is no different than normal due diligence in private sector deal-making, but it requires a different skill set than most development practitioners possess. It is also an overt admission that there is no simple answer as to what makes sense. Instead, the answer varies from partnership to partnership and situation to situation.

Equally important is that partnerships are not necessarily about money. In fact, money may be the least important element of a successful partnership. The private sector offers a wealth of skills, tools, infrastructure, resources and competencies that are not readily available to other development actors.

While the degree to which companies operating abroad participate in charitable giving and public-private partnerships with development agencies is unknown, there are several reliable indicators of involvement.

A 2013 study by the Lilly Family School of Philanthropy at Indiana State University found that 60 per cent of Fortune 500 companies responding to a survey question on international giving reported that they were making contributions abroad. Fully 86 per cent reported that they intend to increase their international giving.[6] A 2005 study by the Canadian Foundation for the Americas on investments in development activities by Canadian companies operating in Chile, Guatemala and Trinidad and Tobago found that the respondents were collectively spending 16 per cent of what the Department of Foreign Affairs, Trade and Development (DTAFD) was spending in those three countries.[7] The response rate was 50 per cent.

The Case for Partnerships

Partnerships sound simple in theory: The potential partners need only identify common interests, align incentives and forge an agreement. Experience from development agencies, however, has shown that partnerships tend to be resource intensive to build and negotiate. The process is further complicated by differing decision-making structures and timelines, as well as varied incentive structures. Given such challenges, it is amazing that U.S. foreign assistance agencies have managed to negotiate and implement more than 1,000 partnerships with 3,000 distinct partners in the past decade.[8]

Beyond the impediments inherent in working with any bureaucracy, the greatest difficulty in moving toward a partnership model has been the difficulty in changing the culture within aid agencies. This has been an issue even in the U.S., a country that has long been open to private sector involvement in public activities and has long defined the purpose of foreign aid as advancing national interests. An external review of U.S. government partnership efforts found that:

> *There must be a continuing process of cultural change to address the lingering bias in the U.S. government development agencies against for-profit private-sector actors. This mindset is damaging to the U.S. government's relationship with private actors that could prove to be strategic development partners.*[9]

6 https://s3.amazonaws.com/charity.org/study/Giving%20Beyond%20Borders%20-%20Global%20Impact%20IU%20Study.pdf

7 External CSR Practice and Investments by Canadian Corporations in Latin America and the Caribbean', September 2005, FOCAL, Ottawa, ON. http://focal.ca/pdf/csr_Phoenix_corporate%20social%20responsibility%20practice%20investments%20Canadian%20corporations%20Latin%20America%20Caribbean_September%202005_e.pdf

8 http://fas.org/sgp/crs/row/R41880.pdf

9 Seizing the Opportunity in Public-Private Partnerships Strengthening Capacity at the State Department, USAID, and MCC. 2011. CSIS, Washington D.C. http://csis.org/files/publication/111102_Runde_PublicPrivatePartnerships_Web.pdf

As mentioned earlier, the situation is even more difficult in Canada.

The move by most foreign aid agencies to develop partnership programs is recognition of their value in spite of the cost and difficulties. The fact that this trend has been occurring over a decade is an indication that this is not a fad but a serious and fundamental change in the way countries are remaking foreign aid by aligning development and economic interests.

T1: EXAMPLES OF DEVELOPMENT AGENCY-PRIVATE SECTOR PARTNERSHIP PROGRAMS

AGENCY	SUB-AGENCY
Austrian Development Agency (ADA)	Business Partnership Programme
Czech Development Agency (CzDA)	The Business Platform for Development Cooperation
Danish International Development Agency (DANIDA)	Public-private Partnership Programme
Federal Ministry for Economic Cooperation and Development (BMZ)	develoPPP.de
Japan International Cooperation Agency (JICA)	Office for Private Sector Partnership
Netherlands Enterprise Agency	Private Sector Investment Programme (PSI)
New Zealand Aid Programme (NewZAID)	New Zealand Partnerships for International Development Fund
Swiss Agency for Development Cooperation (SDC)	Public-Private Partnerships for Development (PPPD)
United States Agency for International Development (USAID)	Global Development Alliances (GDA)

Canada has fallen behind in the provision of support for public-private partnerships for international development. DTAFD will likely encounter difficulties moving in this direction, given the experience elsewhere (as noted in the quote above) when public-private partnerships were first introduced. The difficulty in changing culture at established development agencies is also a factor. For these reasons, there is a strong case for Alberta to try its own approach and harness the advantages of creating a specialized development agency from the ground up.

Lessons for Alberta and AIDO

1. The most important thing for the province to consider for its International Development Office is the lessons to be learned from other jurisdictions

A significant portion of the hearings in Parliament on what our federal government should do to catch up to other countries in developing partnerships was comprised of testimony from several other jurisdictions. The province has the same access to this information as Ottawa. There is no reason why Alberta should limit itself to the federal perspective, based on an Ottawa context, as to what is relevant.

There is, for example, a history of co-operation and partnerships between U.S. government aid agencies and Canadian extractive companies.[10] Contact with these agencies in the early days of AIDO could pay off, not only in valuable lessons learned but also by facilitating future co-operation and potentially securing joint funding. There are also examples to be gleaned from other sub-national jurisdictions that have development programs and initiatives, such as the state of Florida and Spain.[11]

When dealing with other development agencies, however, it is crucial to focus attention on their partnership units as opposed to the general organization.

2. An explicit mandate and tolerance for risk, and communicating this to the public, will be crucial for success

Most development agency-private sector partnerships are inherently risky, because they emphasize innovation, new solutions, market mechanisms, and experimentation, rather than command and control. To be successful, acceptable levels of risk tolerance must be established at the outset. It would also be helpful to benchmark AIDO risk against the private sector and/or partnership programs at other development agencies, providing citizens with a useful comparison. An upfront statement of risk tolerance will give AIDO staff and its partners some confidence, while providing future governments enough political cover to not have to throw the office under the bus if an initiative does not work. AIDO and the residents of Alberta are best served if this is clearly stated upfront.

3. A focused mission and adequate resources will drive success

With buzzwords like “innovation” and “new solutions,” and potential partners with widely varying needs and levels of political support, it would be easy for the office to become overwhelmed. There are likely to be unrelenting demands from traditional development actors, such as NGOs, faith-based organizations and universities, all of which are on the hunt for new funding sources.

The best way to mitigate these challenges is through a clearly defined mission statement and criteria for partnerships that balance the need to remain open to new ideas with the need to focus on specific goals.

A good example is the story, perhaps apocryphal, of the launch of the Inter-American Foundation (IAF), an independent U.S. government aid agency that was created to fund innovation in development. It issued an open call for proposals, rather than using the U.S. Agency for International Development (USAID) model of requests for bids on agency-designed projects. On the day the IAF opened its doors, there were reportedly bags of mail by the front door from U.S. NGOs with project proposals. Many were said to be proposals that had been simply dusted off and resubmitted. In addition, the flood of proposals from U.S.-based organizations had drowned out

[10] For example, the series of grants by the U.S. government Inter-American Foundation to Canadian mining company Falconbridge Dominicana in the late 1990s. Contact www.iaf.gov for details.

[11] See for example, Sanahuja, José Antonio. “Decentralized development aid in Spain and the effectiveness challenge.” Madrid, ICEI paper no. 18, 2010.

applications from organizations in Latin America and the Caribbean. The agency decided not to accept any proposals from U.S.-based organizations. This was a statement as to the identity and focus of the IAF and it signalled a clear break from previous U.S. government aid policy.

AIDO will likely need a similar statement of clarity early on. As with the IAF, AIDO's mission statement and its resulting policy direction will likely be in response to an unforeseen external challenge. This is not a design flaw nor is it a weakness; rather it is a reflection of experiences seen in the development of similar agencies elsewhere.[12]

4. Right staff

Perhaps the most important, easily overlooked and most difficult challenge will be in hiring the right staff for AIDO. This is particularly important because there is an oversupply of candidates with the wrong qualifications for the office to succeed and there will be pressure, internally from the hiring bureaucracy, and externally from the Canadian development community, to hire from this pool. International development is now one of the most popular subjects of academic study; in Ontario, it is rumoured to be the second most popular social science major after English. But, with the exception of one or two executive programs, none of the academic degree programs in Canada offers a specialization in public-private partnerships or a focus on the role of the private sector in development. Contrary to many institutions' stated objectives, what is taught at university is often a perpetuation of the status quo and a view of international development that has been internalized within the Canadian development community. A hiring bureaucracy will default to require a "degree in international development or related field" when looking to staff, but this would be a mistake. Canada is blessed with a cadre of development consultants who have worked with the extractive industries in negotiating, designing and implementing community development projects, and often in partnership with foreign aid agencies. In addition, there are pools of talent within foreign aid agencies, including the various branches of the U.S. government, that have in essence been training staff to do this work for decades.[12]

5. Partner, do not subsidize

The goal is to support those activities where there is a convergence between outcomes that benefit a company and the wider public. The goal is to leverage, not replace, the investments that public and private actors are making in development activities and thus increase the benefits for society at large at a minimal incremental cost. Experienced staff will know the difference between leveraging company efforts and subsidising things that companies would or should do on their own. Even with experienced and dedicated partners and knowledgeable staff, getting this right will still be difficult. AIDO will need to spend upfront time in open consultations with resource firms to define operating parameters and to make assumptions transparent. As an initial starting point, governments see the idea of partnerships as way to gain new funding for their development initiatives while the private sector and firms see partnerships as a way to offload costs and consequently do not want to give money. Getting both sides to arrive at the point of broader enlightened self-interest is difficult and takes time. However, experience from elsewhere shows, that this is an achievable goal. Once the parameters are established and there is enough experience to establish a culture of partnering, subsidization becomes less of an issue.

[12] For example, the series of grants by the U.S. government Inter-American Foundation to Canadian mining company Falconbridge Dominicana in the late 1990s. See for example, D+C articles on the creation of the public-private partnership facility within Germany's aid agency Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung http://www.inwent.org/E+Z/content/archive-eng/04-2003/foc_art5.html

[13] The reflections on the importance of staff are personal recollections of this experience at the Inter-American Foundation and USAID as well as extensive conversations.

6. Getting the paperwork right

A major problem that has slowed the spread of public-private partnerships, especially in the U.S., has been various decision-making cultures and timeframes between the private sector and government. Partnerships that are dynamic and opportunistic do not lend themselves to prolonged processes, like open calls for proposals. Private sector companies tend to take a while to make a decision, but when they decide, they move quickly. Government bureaucracies tend to take longer to make decisions and even longer to implement. Excessive paperwork will be deadly to the success of AIDO. Anything more than an analysis of the cost-benefits of a potential deal and required environmental, gender and other impacts will be onerous and detrimental. At best, additional requirements will simply spawn an arbitrage opportunity for consultants, but more than likely they will significantly deter private sector participation. Fortunately, there is a wealth of experience and best practice from other jurisdictions that can be used to mitigate the issue. In addition, there is value in starting with companies that have experience in partnering with development actors and especially experience partnering with other aid agencies.

. . . As well as the cost

AIDO will require enhanced revenue allocations to pay for staff and ideally for the province to contribute to partnerships. There will also be the obvious need to reach out to the private sector and educate them on the new office. A press release will not suffice. Public outreach is also an important opportunity to set clear expectations within the private sector for AIDO. Clarity is crucial to building confidence in the new agency. A good guide would be budgets from other sub-national endeavours. For example, the State of Florida's international volunteer program (FAVACA) created by Gov. Bob Graham has had a budget of up to US$750,000 and received its largest appropriation under Gov. Jeb Bush.[14] It is worth noting that it is a much smaller and limited initiative than would be ideal for Alberta.

At the other end of the spectrum is the Catalan Agency for Development Cooperation, Agencia Catalana de Cooperación al Desarrollo (ACCD) which is a division of the Ministry of Foreign Affairs of the Autonomous Community of Catalonia in Spain. ACCD is a vastly more ambitious undertaking than FAVACA. It seeks to replicate most of the full range of traditional international development activities carried out by a major donor country, including extensive funding to Catalan NGOs. The budget for ACCD approved by the Catalan parliament has ranged from a high of 67 million euros in 2008 to a low of nine million euros in 2012. Recent financial difficulties in Spain have also forced the agency to slash its staff by half from 93 employees in 2011 to 46 today. It is hard to envision Alberta creating anything along the scale, scope and vision of the Catalan agency. On the other hand, the Florida agency appears to be far too modest and narrowly focused. For Alberta, something between the two models, but much closer to Florida than to Catalonia in terms of size and scope, would seem appropriate.

T2: BUDGET APPROVED BY THE CATALAN PARLIAMENT FOR ACCD (EUROS)

2003	13,919,230
2004	18,998,088
2005	28,974,630
2006	44,015,900
2007	52,060,000
2008	67,460,000
2009	49,785,520
2010	49,000,000
2011	22,155,000
2012	9,762,440

[14] Conversation with Demian Pasquarelli, Executive Director, FAVACA, July 27, 2014.

In terms of operational budget, there are several models, from simple technical assistance (including serving as a clearinghouse for information on various options and sources of partnerships) to co-funding. The latter is most attractive because, with skin in the game, the potential reputational rewards for the province are higher. Some financial contribution also gives the province a say in partnerships and the ability to push activities that can bring more benefits back to Alberta, such as information, networking and links to provincial educational institutions. The cost should not be high, as these partnerships would be underwritten with private sector money and potentially with investments from other development agencies. In any scenario, it is hard to imagine the province being the dominant contributor, especially if this limitation or pre-requisite was made clear upfront. Additionally, a small amount of funding could help to move strong partnerships involving Alberta companies to the front of the line for consideration by other funders.

Remember, partnerships are not always – and certainly not necessarily – about money. The private sector contains a wealth of financial, intellectual and technical resources that can make important contributions to development initiatives while meeting company objectives.

7. The moral argument

Even though hard interest and a rigorous focus on return on investment must guide the creation, focus and operation of AIDO, a province that is as prosperous as Alberta and that has so much to contribute in terms of its models for natural resource development has an obligation, beyond the business case, to contribute more and as a direct participant on the global stage.

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