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# IMPLEMENTING THE SOCIAL UNION FRAMEWORK AGREEMENT: A LEARNING AND REFERENCE TOOL

## THE SOCIAL UNION FRAMEWORK AGREEMENT

JOHN MCLEAN AND  
GEOFF DINSDALE  
ON BEHALF OF THE  
CCMD ROUNDTABLE  
ON THE  
IMPLEMENTATION  
OF THE SOCIAL  
UNION FRAMEWORK  
AGREEMENT,  
CHAIRIED BY  
ALAN NYMARK

ACTION – RESEARCH  
ROUNDTABLES

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GEOFF DINSDALE, WITH  
CONTRIBUTIONS FROM  
CHRISTOPHER PAGE,  
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## THE CHALLENGE

We have forged successful partnerships with the provinces, mainly on social issues such as youth, child poverty and persons with disabilities, but also on the Agreement on Internal Trade. Given that these priority areas are ones of shared responsibilities, in order to make real progress, the government will have to continue to build partnerships....

The Social Union Framework Agreement is a powerful tool for building such partnerships because it provides strong principles and a framework, which supports collaboration. The challenge over the next few years will be to make this agreement real and to demonstrate progress in addressing the needs of Canadians.

*Notes for an address by Mel Cappe, Clerk of the Privy Council and Secretary to the Cabinet, to the Association of Professional Executives, Ottawa, Ontario.*

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## A WORD FROM CCMD

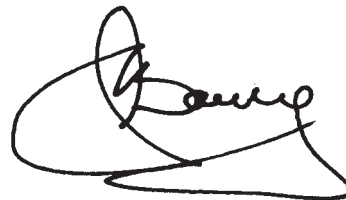
As the environment in which public servants serve evolves at an ever quickening pace, there is a need for research to both look at the longer-term horizon as well as to address the issues and challenges present in public servants' daily work. With this latter purpose in mind, last year CCMD conducted various consultations with managers, and identified what came to be called four issues of immediate and critical concern:

- implementation of the Social Union Framework Agreement (SUFA);
- building the learning organization;
- managing horizontal issues; and
- risk management.

In response to these issues, CCMD launched four Action-Research Roundtables; one for each of the above noted topics. This report has been released by the Social Union Framework Agreement Roundtable. The objective of the roundtable was to develop a learning tool that would help public servants wanting to learn about SUFA, as well as those wanting to advance the spirit and intent of SUFA. I believe this document meets that objective, and will prove to be an effective tool for public servants.

This report is a testament to the leadership of the Chair of this Roundtable, Mr. Alan Nymark, Deputy Minister of the Environment, to the invaluable contribution of members of the Roundtable, and to the support offered by Geoff Dinsdale, coordinator of the Roundtable, and to the CCMD Secretariat. I thank these individuals, as it is through their contributions and commitment that this report is possible.

Jocelyne Bourgon

A handwritten signature in black ink, appearing to read 'J. Bourgon', with a large, stylized flourish at the end.

President,  
Canadian Centre for  
Management Development



## PREFACE

Canadians' ability to manage diversity is a strength to be valued in our increasingly open environment. The global drivers of information, science and social change pose enormous opportunities and challenges to individual Canadians and to their institutions and governments. The Social Union Framework Agreement (SUFA) is an idea, a vehicle to help Canadians face the new challenges to the fabric of society in the years ahead.

The Social Union Framework Agreement is a relatively new agreement between the federal, provincial (with the exception of Quebec) and territorial governments to sustain and improve Canada's social policies and programs. At the invitation of the Canadian Centre for Management Development, the Action-Research Roundtable on the Social Union Framework Agreement came together for the purpose of generating a tool that would help federal public servants advance the spirit and intent of the Agreement.

Roundtable members included federal public servants, provincial public servants, academics and members of Canadian think-tanks. The group provided a creative, collegial and constructive forum. I thank the members of the roundtable for their valuable contributions, as well as the members of the secretariat for their capable support.

Through the course of this work, the Roundtable came to realize that while SUFA applies specifically to social policies and programs, the spirit of the agreement is much broader, and should be of relevance to all public servants. In fact, there was much discussion about how public servants from all jurisdictions can work together with citizens as a community of interest to serve Canadians better. As a result, *Implementing the Social Union Framework Agreement: A Learning and Reference Tool* is designed for all public servants, with specific information provided for those that work in social policy or program areas.

On behalf of the Roundtable, I wish you well in your efforts to contribute to strengthening the social fabric of Canada and I trust this report may help you along that important journey.

Alan Nymark,



Chair, CCMD's Roundtable on the  
Implementation of the Social Union  
Framework Agreement





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Canadians want sustainable, affordable, high-quality social programs that respond to their needs. They want governments that work cooperatively and achieve more. The Social Union Framework Agreement (SUFA) is an important step in this direction. It holds the promise of improving how Canada's governments serve Canadians. This document is designed to help you – as a federal public servant – do your part to fulfil that promise; it is designed to help you bring SUFA to life in your day-to-day work.

### ***The Purpose of this Document***

While this document is intended expressly for federal public servants, it is hoped that it will also be of value to provincial and territorial public servants and other persons interested in social policies and programs. It is a resource that seeks to help public servants answer questions such as: "What is SUFA and why should it matter to me?" But it is not, and cannot be, a recipe for fulfilling the requirements of SUFA. SUFA is a framework, and its application will mean different things for different governments, organizations and social sectors. As a result, determining what SUFA means for you will require you to do more than passively read this document. It will require you to read SUFA in light of the questions it raises and the suggestions it makes, and to actively explore with your colleagues what SUFA means for your own work and that of your organization. This is a small price to pay when compared to the collective benefits citizens stand to gain from these efforts.

### **This document will help you explore the following questions:**

- *What is the Social Union?*
- *What is the Social Union Framework Agreement?*
- *What does it all mean?*
- *Why should it matter to me?*
- *What should I be doing differently?*
- *Where can I go for help?*

As you work through this document, you will find that the information it provides builds and develops. Sections 2 and 3 offer general information for all public servants. These sections describe Canada's social union, how it has evolved, and the context that led to the signing of SUFA. Section 4 provides an overview of SUFA and its guiding principles, and examines how SUFA relates to the work of public servants and the public service. Then, specifically for those public servants who work in social policy and program areas, section 5 explores the details and implications of SUFA's provisions, and provides some probing questions and suggested actions. Section 7 goes on to review some of the recent developments that are advancing the principles and provisions of the agreement. Finally, for those wanting more information about SUFA, section 8 of the document identifies further resources, including the contact names and numbers of resource persons within the federal public service.



## WHAT IS THE SOCIAL UNION?

Canada is underpinned by political, economic and social unions. As the provinces came together to form Canada, a political union was created. With the establishment of a common currency and market, an economic union was born. In recent years the term social union has come into common parlance. Each union is based on the premise that greater things can be accomplished collectively than individually, but this must be done within the framework of Canada's federal political system. The policy-making powers of the federal and provincial governments are defined and protected in the constitution, each government having certain responsibilities. The constitution defines the powers of the federal and provincial governments in exclusive terms, but the reality is that delivering policies to citizens requires cooperation and coordination among governments.

The social union is the network of social policies and programs that have been developed over many decades. While the specific content of the social union continues to evolve as governments seek to best meet the needs of Canadians, it remains rooted in the principles of equality, fairness, respect for diversity, and mutual aid and responsibility for one another. The social union has become a source of pride and solidarity to Canadians; it is a defining characteristic of our country.

The programs and policies that constitute the social union have been developed and delivered by all orders of government in Canada, as well as by the private and voluntary sectors. They ensure that wherever Canadians decide to live, they will have access to services that meet their basic social and economic needs.

Canada's social union is a testament to the benefits of collaboration and cooperation between the different orders of government. The social union has come about not simply through the efforts of the federal, provincial or territorial governments – it is the result of the federal, provincial and territorial governments working together to design, fund and deliver programs that meet the needs of all Canadians.

This collaboration between governments has contributed to the creation of a modern social union that provides Canadians with one of the highest standards of living in the world.<sup>2</sup> The distinct revenue-raising powers of the federal, provincial and territorial governments, combined with their different policy-making and program-delivery powers, make it a practical necessity that governments work together in order to design policies that are cost efficient and respond to the needs of Canadians.

### *As one Canadian author has noted:*

Both orders of government were intimately involved in the establishment of the post-war welfare state. Actions taken by one order of government often spurred innovation and change by the other. The Canada Assistance Plan (CAP) of 1966 was, for example, the federal government's response to provincial social welfare initiatives. Both orders of government provided the essential threads that were woven into what we now refer to as the "social union."<sup>1</sup>

<sup>1</sup> Gregory P. Marchildon, Deputy Minister to the Premier and Cabinet Secretary (Executive Council of Saskatchewan), "Constructive Engagement: Intergovernmental Collaboration in Canadian Social Policy," in Susan Delacourt and Donald G. Lenihan (eds.), *Collaborative Government: Is There a Canadian Way?* (Toronto: IPAC, 1999), p. 74.

<sup>2</sup> The United Nations, *The United Nations Human Development Report*, (New York: Oxford University Press, 1998). Annual Report.



# THE CHALLENGES OF AN EVOLVING SOCIAL UNION: THE CONTEXT LEADING TO SUFA

## *The Intergovernmental Context*

The construction of the social union began in the period following the Second World War with the rapid expansion of government services to meet the basic social needs of Canadians. These programs required large financial investments by the federal, provincial and territorial governments and committed both orders of government to the long-term maintenance of services that Canadians came to expect. A large part of the federal government's commitment was to share the costs of some programs through a system of financial transfers to the provinces and territories. The amount of the fiscal transfers was calculated by using formulas that were determined through a process of intergovernmental negotiations.

In the years following the development of these social programs, their costs rapidly escalated. This era was also characterized by increasing financial pressures and growing budget deficits for governments. The federal, provincial and territorial governments sought to reduce their expenditures while facing public pressure to maintain the level of public services. These conflicting imperatives remained constant during the 1980s and early 1990s, and led to continuing disputes and tension between the federal and provincial governments. These tensions escalated when the federal government limited transfers to the provinces for their expenditures under the Canada Assistance Plan (CAP) in 1990, and tension peaked in 1995 when the federal government replaced the existing system with the Canada Health and Social Transfer (CHST) and at the same time, reduced its total transfers to the provinces and territories.

All these events contributed to an atmosphere of distrust between the provincial and federal governments, and did little to address public and stakeholder concerns about public services. The provinces argued that the federal government was not living up to its financial obligations to finance their share of jointly delivered programs and that it should restore the transfers to the provinces before financing any new policy initiatives. The federal government held that, unlike the old system of transfers, the CHST was financially sustainable, and because it no longer targeted the federal funding to specific policy areas, it minimized unnecessary restrictions on provinces in areas of clear provincial responsibility.

The failure of several attempts at constitutional reform in the early 1990s also put stress on federal/provincial relations.

## *The Socio-Economic Context*

In addition to budgetary pressures, globalization and technology are having (and continue to have) a pervasive effect on the social and economic circumstances of Canadians. They have led to expanding economic opportunities for some people, and less opportunity for others. Similarly, globalization, technology and the knowledge-based economy have led to a rapid pace of social and economic change. Information is now more readily available from a wider range of sources and citizens have become more knowledgeable. As a result, they have become more confident in their own abilities to make judgments and there has been a decline in citizen's deference to political elites. Citizens want more information about the work that governments do and they want to take a more active role in the government decision-making process. Consequently, governments need to improve how they report to citizens, and create opportunities for citizens to participate in the policy process.

Canadians are also working to respond to the new pace of social and economic changes, and they expect their governments to respond in a similar fashion in order to meet their needs. These realities have significantly altered the demands on the social safety net. They have created a need for a modernized social union, one that is consistent with changing economic and social realities, and one in which citizens have greater input into its development. As a result, governments need to enhance their capacity to involve and work with Canadians, to keep up with the rapidly changing social policy needs, and to respond quickly with flexible solutions.





**The Social Union Framework Agreement...**  
*is a commitment by governments to work together for Canadians.*

*Speech from the Throne to open the Second Session  
of the Thirty-Sixth Parliament of Canada.*

## WHAT IS THE SOCIAL UNION FRAMEWORK AGREEMENT?

To help overcome past tensions and address future challenges, SUFA provides a framework that “...is based upon a mutual respect between orders of government and a willingness to work more closely together to meet the needs of Canadians.” To put it differently, SUFA provides an agreed-to framework through which governments can adjust the content of the social union in response to the changing needs of Canadians. It includes commitments by governments to involve Canadians in the social policy and program development process, to avoid and resolve disputes, to work cooperatively to sustain and strengthen Canada’s social policies and programs, and to improve the accountability of governments to Canadians.

SUFA was signed on February 4, 1999, by the federal government, nine provincial governments, and the two territorial governments. Although Quebec and Nunavut are not signatory to the Agreement, the federal government has indicated that it will adhere to the provisions of the Agreement when dealing with all provincial and territorial governments, including Quebec and Nunavut.<sup>3</sup>

### ***If I Don’t Work in a Social Policy or Program Area, Does SUFA Apply to Me?***

SUFA is an agreement that applies specifically to social policies and programs. You will find that certain sections of the Agreement make commitments relating to health and health care, social services and social assistance, post-secondary education, training, labour market development, and Aboriginal peoples. As a result, SUFA bears specific relevance for the departments of Human Resources Development, Health, and Indian Affairs and Northern Development. Depending on the policy issue in question, it will also be of relevance to other departments and agencies, such as the federal departments of Justice, Citizenship and Immigration, Solicitor General, and Industry Canada.

But the principles and spirit of SUFA are applicable to the public service more broadly. In fact, SUFA can be considered part of a larger shift in governance aimed at enhancing public input into government decisions, improving accountability to citizens, and generally improving the way governments serve Canadians. As part of this shift, SUFA is

consistent with and reinforcing of other public service priorities such as the Government of Canada’s overarching management framework, entitled *Results for Canadians*. Given this alignment, it can be seen

#### **Results for Canadians**

*Evolving federalism demonstrates that governments cannot work in isolation to deal with people’s needs. The recently negotiated Social Union Framework Agreement with the provinces and territories aims at a more modern relationship between the two levels of government based on principles of partnership that are at the very core of sound public management.*

*Results for Canadians: A Management Framework for the Government of Canada, March 2000*

<sup>3</sup> Nunavut was created on April 1, 1999, shortly after SUFA was signed.

that the themes that run through SUFA bear relevance for almost all public servants:

- **Working in Partnership for Canadians:** ensuring greater intergovernmental cooperation in order to serve Canadians better.
- **Involving Canadians:** ensuring greater openness in government and including Canadians as a necessary element in the policy-making process.
- **Mobility:** ensuring that Canadians can move anywhere in Canada while assuring equal access to social programs and equal recognition of their occupational qualifications.
- **Dispute Avoidance and Resolution:** ensuring that governments work together more cooperatively and that their energies and resources are directed towards meeting the needs of Canadians.
- **Informing Canadians - public accountability and transparency:** ensuring that governments are measuring the success of programs and openly sharing their results with Canadians.

Thus, while the specific provisions of SUFA apply only to those departments and agencies that create, fund and deliver social policies and programs, the principles and themes of SUFA are common characteristics of an efficient, effective, and citizen-focused public service. For these reasons, all public servants should draw inspiration from the Agreement and reflect its spirit in their day-to-day work.

### ***SUFA's Guiding Principles***

The principles of SUFA identify the goals and commitments of all governments in the development and management of Canada's social union, and they provide guidance to governments in developing, implementing and reviewing social policies and programs. The commitments flowing from these principles are dealt with in the specific provisions of the SUFA text.

## PRINCIPLES

Canada's social union should reflect and give expression to the fundamental values of Canadians – equality, respect for diversity, fairness, individual dignity and responsibility, and mutual aid and responsibility for one another.

Within their respective constitutional jurisdictions and powers, governments commit to the following principles:

### **All Canadians are equal**

Treat all Canadians with fairness and equity

- Promote equality of opportunity for all Canadians
- Respect the equality, rights and dignity of all Canadian women and men and their diverse needs

### **Meeting the needs of Canadians**

- Ensure access for all Canadians, wherever they live or move in Canada, to essential social programs and services of reasonably comparable quality
- Provide appropriate assistance to those in need
- Respect the principles of medicare: comprehensiveness, universality, portability, public administration and accessibility
- Promote the full and active participation of all Canadians in Canada's social and economic life
- Work in partnership with individuals, families, communities, voluntary organizations, business and labour, and ensure appropriate opportunities for Canadians to have meaningful input into social policies and programs

### **Sustaining social programs and services**

- Ensure adequate, affordable, stable and sustainable funding for social programs

### **Aboriginal peoples of Canada**

For greater certainty, nothing in this Agreement abrogates or derogates from any Aboriginal treaty or other rights of Aboriginal peoples, including self-government.

### ***Encouraging New Mindsets and Working Relationships***

SUFA specifies a number of commitments and administrative guidelines that governments have agreed to respect in the course of doing their work, but fulfilling the potential of the Agreement will require much more than this. It will require us, as public servants, to address how we work with colleagues in our own government and with our counterparts in other governments. It will mean working more cooperatively and collaboratively, and utilizing all of our collective talents and resources in the service of Canadians.

As already indicated, the practice of collaboration and cooperation between governments is not a new feature of intergovernmental relations. It is the hallmark of the intergovernmental relations that led to Canada's existing social union. Although it does not always attract much media or public attention, extensive cooperation and collaboration does take place between governments. For example, between April 11, 1999, and March 31, 2000, there were 61 federal-provincial-territorial meetings covering almost all fields of governmental activity: 26 of these meetings were among senior officials and 35 among ministers.<sup>4</sup> In addition to these formal meetings there are innumerable informal intergovernmental contacts and day-to-day communications between public servants as part of doing business. The Social Union Framework Agreement, however, is an important new development in intergovernmental relations because it consolidates these good intergovernmental practices and strengthens the commitment of governments to them.

In cases where there are conflicts with the provinces and the territories it can be tempting to see issues in terms of "us versus them" and lose sight of our shared goal – serving the needs of Canadians. Remember that each province has an obligation to serve the interests of citizens within its jurisdiction, and in a country as large and diverse as ours, the citizens of each province or region may have different social policy needs. It is therefore important to respect provincial and territorial legislative powers, positions and objectives. Changes to existing federal social policies, or the introduction of new policies, can have a profound impact on the lives of Canadians, and have significant implications for provincial policies and programs. Again, it is critical that we develop working relationships with our colleagues and counterparts in other governments that are defined by mutual respect and cooperation. Just as a marriage contract cannot ensure a successful marriage, or a business contract a successful partnership, SUFA by itself cannot ensure successful intergovernmental cooperation and collaboration. We must all make an effort to bring its intent to life in our daily work.

---

<sup>4</sup> "Governmental Interdependence in Canada" -- Notes for an address by the Honourable Stéphane Dion, President of the Privy Council and, Minister of Intergovernmental Affairs, Canadian Study of Parliament Group Conference, Ottawa, Ontario, June 11, 2000



# FULFILLING THE PROVISIONS OF SUFA IN SOCIAL POLICY AND PROGRAM AREAS

## ***What Does SUFA Mean to Me as an Analyst, a Manager, or if I Work in a Region...?***

For public servants who work in social policy or program areas, it is important to ensure that you and your department are respecting not only the principles of SUFA but its specific provisions. These provisions will require different responses from different people within your organization. For example, some provisions of SUFA may relate to the work of middle managers. Consider the provision that governments make “...eligibility criteria and service commitments for social programs publicly available.” However, you will find that most of SUFA’s provisions require that issues be addressed by the most senior public servants within a department or agency, if not by the minister to which that organization reports. This is the case, for example, with provisions that require the Government of Canada to provide “due notice” as a result of significant funding changes in existing social transfers. But in each of these cases, officers and analysts also have an important role to play. It is their job to ensure that their superiors have been sufficiently briefed on how SUFA’s provisions relate to their work, and to ensure that SUFA’s requirements have been factored into relevant analyses and planning. All staff and management who work in social policy and program areas have an important role to play in ensuring that their colleagues are aware of SUFA, that its principles and provisions penetrate their organization and are taken into account in their day-to-day operations.

Successful implementation of SUFA will require active communication that spans ranks, regions and headquarters. As a general rule, before acting upon a provision of the Agreement, ensure that there is communication and coordination within your department or agency. For example, if you work in a region, you will want to coordinate with your headquarters before taking action. If you are at all uncertain about how the provisions of SUFA relate to you, your work, or your organization, seek guidance from the staff in your organization who specialize in federal, provincial and territorial relations. If you still require further assistance, refer to the list of resources and contact names provided in section 8 of this document.

## ***How do I Fulfil the Specific Provisions of SUFA?***

This section explores some of the provisions of SUFA that are of most relevance for public servants. It is divided into five subsections, each of which addresses one of the following themes:

- Working in Partnership for Canadians: Collaborative Practices and the Federal Spending Power
- Involving Canadians
- Mobility
- Dispute Avoidance and Resolution
- Informing Canadians – Public Accountability and Transparency

Each subsection is introduced and is then separated into two columns (see Figure 1). The left column lists provisions of SUFA taken directly from the Agreement (these are printed in italics). The bullet points below these provisions indicate probing questions designed to help you think through their implications.

The number that follows each provision provides a cross-reference to the full text of SUFA which appears in Appendix III.

In the right column, directly across from the SUFA provisions and questions which appear in the left column, are some suggested actions for your consideration. If there is no action listed for a given provision, this does not mean that none is required. On the contrary, it means that the appropriate actions will depend on the department or unit in question. Indeed, governments, social sectors and organizations are still working out how best to fulfil the provisions

**FIGURE 1**

*SUFA Provisions and Questions to Consider*

*Suggested Actions*

*SUFA provision (#)  
Probing question...*

Suggested action, if applicable.

of the Agreement, and these efforts will generate new knowledge and experiences that will enrich the guidance provided in this document.

When reading either column, you may encounter terms and phrases whose meaning is not objectively clear. If there is a definition for such terms, it is provided in the Glossary of Terms that appears in Appendix I. However, you will find a number of terms and phrases, such as “major change” and “substantially affect,” that have not been defined. Interpreting these terms too broadly could generate unnecessary work. However, reading them too narrowly could exclude valid items and undermine the spirit of the Agreement. Again, like many aspects of SUFA, there is no simple formula that can be applied. As part of SUFA’s provisions, all terms should be read in light of the spirit of the Agreement. Ultimately, determining their appropriate usage and application will be situation specific and will require substantive dialogue within organizations and possibly with the Privy Council Office.

At the end of each columned subsection, a short case study is provided. Because SUFA is a relatively new agreement, some of these cases predate SUFA. Nevertheless, they all show how organizations are working to advance the spirit of the Agreement, and they highlight some of the lessons learned to date.

Be aware that this section of the document *does not* address SUFA in its entirety. It should therefore be viewed as complementary to, and not a substitute for, the full Agreement. As a result, we strongly recommend that you read the full text of SUFA, as provided in Appendix III of this document.

## Working in Partnership for Canadians:

### Collaborative Practices and the Federal Spending Power

#### ***Collaborative Practices***

One of the most important principles of SUFA is that governments must work together in order to preserve and improve the quality of social programs and services in priority areas such as post-secondary education, health, and children's needs. However, governments must also be able to identify and pursue priorities that are consistent with their respective mandates. Both of these objectives can be achieved through joint planning among governments: sharing information about trends, emerging issues, problems, potential solutions, priorities and strategies. These activities can

- promote a shared understanding of issues;
- generate awareness of other governments' priorities; and
- help governments identify joint priorities that are suitable for collaborative action.

Effective practices for sharing information with provincial and territorial governments should be established over time, building on a shared knowledge and reflecting mutual respect and trust. A critical aspect of fostering mutual respect and trust with provincial/territorial governments is to ensure that there are open lines of communication and a commitment to a reciprocal partnership. This may mean using the existing networks within your department that are responsible for intergovernmental relations and ensuring that any significant developments in your policy area are communicated to provincial and territorial governments. You should also use these networks to ensure that you are informed of similar developments in the provinces and territories. By learning from each other we can make the best use of finite resources and ensure optimal delivery of service.

Federal, provincial and territorial governments are developing together the National Children's Agenda.

*Speech from the Throne to open the Second Session of the Thirty-Sixth Parliament of Canada.*

#### ***The Federal Spending Power***

The federal spending power permits the federal government to make payments to people, institutions or provincial governments in respect of matters over which the provincial and territorial governments have exclusive legislative authority. This power is used as a vehicle to distribute tax dollars, to address regional disparities, to promote equality of opportunity, and to pursue Canada-wide objectives. A constitutionally legitimate instrument, the spending power has enabled governments to introduce innovative social programs such as medicare. While this power has been integral to the development of Canada's social union, critics raise concerns that it has been used to illegitimately influence areas of exclusive provincial jurisdiction.<sup>5</sup>

#### ***Creating A "No Surprise" Environment***

It is important to emphasize that the provisions which appear in this section are not simply technical or administrative requirements. A particular effort needs to be made to respect and foster the principles of collaboration with provincial and territorial governments. In addition to meeting the specific provisions of notice and consultation, each order of government must work to create a "no surprise" environment. In order to achieve both these goals, you should ensure that there is an agreed understanding with your counterparts in provincial/territorial governments as to what constitutes providing "notice" and "consultation." There can be no uncertainty on this point. The objective here is to ensure that governments have a shared understanding of what each of these procedures includes: it must be clear to all parties involved when a government is carrying out communications with the intention of "giving notice" or engaging in "consultation" in accordance with SUFA. The form notice should take (e.g., registered letter or meeting), and from whom and to whom notice should be provided (e.g., between deputy ministers or ministers), is situation specific.

<sup>5</sup> A more complete discussion of the federal spending power is provided in Ronald Watts, *The Spending Power in Federal Systems* (Kingston, Institute of Intergovernmental Relations, 1999).



For additional information on this or other issues that arise in this subsection, you will want to contact the people in your organization responsible for federal, provincial and territorial relations. And if you still require further information, please refer to the list of contacts provided in section 8 of this document.

## Working in Partnership for Canadians: Collaborative Practices and the Federal Spending Power

### SUFA Provisions and Questions to Consider

*Undertake joint planning to share information on social trends, problems and priorities and to work together to identify priorities for collaborative action.(27)*

*Collaborate on implementation of joint priorities when this would result in more effective and efficient service to Canadians, including as appropriate joint development of objectives and principles, clarification of roles and responsibilities, and flexible implementation to respect diverse needs and circumstances, complement existing measures and avoid duplication.(28)*

#### **Reciprocal notice and consultation**

*In a manner consistent with the principles of our system of parliamentary government and the budget-making process, governments therefore agree to:*

*Give one another advance notice prior to implementation of a major change in a social policy or program which will likely substantially affect another government. (29)*

- Is there a “major change” in a social program that will likely substantially affect another government?

### Suggested Actions

Share appropriate information with provincial and territorial governments about trends, emerging issues, challenges, potential solutions, priorities and strategies. Work to strengthen processes and mechanisms for information-sharing and joint planning.

Practices for sharing information should be established over time, include open lines of communication and a commitment to reciprocal partnership.

Where governments have agreed on priorities for collaborative action, work with provincial and territorial governments to meet these commitments. Again, ensure there is communication and coordination across your department or agency.

Federal departments and agencies leading such work should ensure that clear notice of changes is provided to relevant governments. Provide notice early enough that affected provincial/territorial governments have a reasonable amount of time to prepare for the impact of the change, and ensure that the person giving notice within your organization shares a common and clear understanding with his or her counterpart(s) in other governments as to what constitutes “advance notice” under SUFA.

Give thought to the best method of providing “advance notice,” and who is the most appropriate person to perform this task. It is also recommended that your department or agency develop a method of acknowledgement that would be used to signal that advance notice has been received by the other party. This would avoid situations in which one party genuinely believes that they provided advance notice but the receiving party did not recognize the communication as providing such notice.

If another provincial/territorial government makes a major change in a social program that will likely substantially affect the federal government, advance notice should be received from that government, and there should be an acknowledgement that you have received such notice.

#### SUFA Provisions and Questions to Consider

*Offer to consult prior to implementing new social policies and programs that are likely to substantially affect other governments or the social union more generally. Governments participating in these consultations will have the opportunity to identify potential duplication and to propose alternative approaches to achieve flexible and effective implementation. (30)*

- Are you developing a new program that is likely to substantially affect other governments or the social union more generally?

#### Suggested Actions

Federal departments and agencies should ensure that an offer to consult is provided to provincial/territorial governments *prior* to implementing a new social policy or program. This offer to consult must be provided early enough that the suggestions of affected governments can be duly considered and integrated as appropriate.

Provincial and territorial governments may put forward their own proposals and ideas. To help support this process, keep channels of communication and consultation open and ensure that input and suggestions receive full and genuine consideration.

Consider preparing a report that outlines how the proposed new program might affect other provincial/territorial governments' policies and programs. This would help other provincial/territorial governments assess the impact of the proposed program and help your organization prepare for their response.

Conversely, if a provincial or territorial government plans to implement a program that will substantially affect the federal government or social union, an offer to consult should be extended to the federal government. If you are consulted, your department or agency should identify potential duplication, explore alternative approaches that may improve implementation, and acknowledge that you received an offer to consult.

#### SUFA Provisions and Questions to Consider

##### **Aboriginal peoples**

*Governments will work with the Aboriginal peoples of Canada to find practical solutions to address their pressing needs. (32)*

- What steps are being taken to work with Aboriginal peoples to address their needs?

##### **Funding predictability (see the figure provided in Appendix II)**

*The Government of Canada will consult with provincial and territorial governments at least one year prior to renewal or significant funding changes in existing social transfers to provinces/territories, unless otherwise agreed... (35)*

- Does this involve *the renewal or a significant change* to an existing social transfer to the provinces or territories?
- Is the consultation process open and genuine?

#### Suggested Actions

A variety of work is currently being undertaken on a range of issues. Additional information sources are available in the *Further Resources* section of this document.

If so, the federal departments and agencies leading this work should ensure that provincial and territorial governments are consulted *at least* one year prior to renewal or significant change to existing social transfers (unless otherwise agreed).

When consulting, keep channels of communication open, and ensure that input from provincial/territorial governments is given full and genuine consideration.

## Working in Partnership for Canadians: Collaborative Practices and the Federal Spending Power

### SUFA Provisions and Questions to Consider

*The Government of Canada ...will build due notice provisions into any new social transfers to provincial/territorial government. (35)*

- Does this involve a new social transfer to the provinces and territories?

***New Canada-wide initiatives supported by transfers to Provinces and Territories***  
*Work collaboratively with all provincial and territorial governments to identify Canada-wide priorities and objectives. (36)*

### Suggested Actions

If so, the federal departments and agencies leading this work should ensure that due notice provisions are built into any new social transfers to provinces and territories.

Ensure that the person giving or receiving notice within your organization shares a common and clear understanding with his or her counterpart as to what constitutes “due notice provisions” under SUFA. It is also recommended that a shared method of *acknowledgement* be developed that can be used to signal that advance notice has been received. This would avoid situations in which one party genuinely believes that it provided advance notice but the opposite party did not recognize the communication as providing such advance notice.

Canada-wide priorities and objectives fall within the areas of health, post-secondary education, social assistance or social services. If planning to identify Canada-wide priorities and objectives, ensure that this is done in collaboration with all provincial and territorial governments. As a first step, contact and coordinate with the staff within your department or agency responsible for federal, provincial and territorial relations.

For more information on these commitments, see “The Race for the Top Model”<sup>6</sup> released by the Minister of Intergovernmental Affairs and the Minister of Justice on February 5, 1999.

<sup>6</sup> <http://www.pco-bcp.gc.ca/aia/english/viewdoc.asp?url=/aia/english/press/release/19990205.htm>

#### SUFA Provisions and Questions to Consider

[Do] *not introduce new* [Canada-wide] *initiatives* [in health care, post-secondary education, social assistance and social services that are funded through intergovernmental transfers, whether block-funded or cost-shared] *without the agreement of a majority of provincial governments.* (37)

*The Government of Canada and the provincial/territorial governments will agree on an accountability framework for* [new Canada-wide initiatives in health care, post-secondary education, social assistance and social services that are funded through intergovernmental transfers, whether block-funded or cost shared]. (40)

#### Direct federal spending

*Another use of the federal spending power is making transfers to individuals and to organizations in order to promote equality of opportunity, mobility, and other Canada-wide objectives* (42a).

*When the federal government introduces new Canada-wide initiatives funded through direct transfers to individuals or organizations for health care, post-secondary education, social assistance and social services, it will, prior to implementation, give at least three months' notice and offer to consult.* (42b)

*Governments participating in these consultations will have the opportunity to identify potential duplication and to propose alternative approaches to achieve flexible and effective implementation.* (42b)

#### Suggested Actions

Work collaboratively with provincial and territorial governments to develop principles and objectives. When introducing new Canada-wide initiatives in these areas that are funded through intergovernmental transfers, the broadest possible consensus should be sought. In each instance, the support of six provinces is necessary (but not necessarily sufficient) for the introduction of a new Canada-wide initiative. Judgement will be required to determine whether the support from these provincial governments is sufficient for the federal government to proceed with an initiative. For more information, contact and coordinate with the staff within your department or agency responsible for federal, provincial and territorial relations.

Work with provinces and territories to develop a joint accountability framework that is consistent with SUFA's provisions concerning accountability and transparency. For further information, see the section of this document entitled "Informing Canadians: Public Accountability and Transparency."

Federal departments and agencies leading this work should ensure that clear notice of new Canada-wide initiatives is provided to relevant governments.

Ensure that you and your counterparts share a common and clear understanding as to what constitutes "notice" under SUFA. It is also recommended that you develop a method of *acknowledgement* that would be used to signal that advance notice has been received.

Ensure that there are open channels of communication and consultation, and that there are adequate time allowances to ensure that governments' input and suggestions receive full and genuine consideration.

## A Case Study on Working in Collaboration: The Advisory Committee on Health Infostructure

### **Overview**

Created in June 1999 at the behest of the deputy ministers of Health, and following the release of the final report in February 1999 of the federal Advisory Council on Health Infostructure, the Federal/Provincial/Territorial Advisory Committee on Health Infostructure (ACHI) allows governments to jointly address policy, planning and implementation issues related to a national health infostructure. The ACHI promotes and facilitates the sharing of research, best practices, coordinated action, collaboration and integration of health infostructure work among all jurisdictions. The ACHI has created five specialized working groups to address the key policy and operational areas of a national health infostructure: strategic planning, protection of personal health information, telehealth, electronic health records and health surveillance. The working groups are composed of members from every province and territory, physician health advisors and non-governmental organization (NGO) representatives. Specific membership varies over time, depending on requirements. Health Canada, through its Office of Health and the Information Highway, finances and manages a secretariat for the ACHI, providing both policy analysis and logistical services. The ACHI budget is split 80 per cent provinces/territories and 20 per cent federal government. Agreement is based on consensus; meetings are minuted and decisions are shared widely among jurisdictions (eventually via the Health Canada/ACHI Web site).

### **How It Is Being Done**

Significant research, both policy and operational, has been carried out during the past 20 months. A key document, the *Blueprint and Preliminary Tactical Plan for a National Health Infostructure*, has been produced. Work is ongoing on a draft resolution on privacy harmonization, and research is underway on issues of telehealth, health surveillance, and electronic health record implementations across Canada and internationally. Among the challenges facing the ACHI is the need for members to reflect their provincial/territorial viewpoints while still maintaining effective collaboration “from a national perspective.” Given the “fluidity” of the health care environment across jurisdictions, this can lead to stimulating discussions. Another challenge is that of reconciling the various stages reached by different provinces and territories in developing and implementing health infostructure initiatives. Since a “national” health infostructure is by definition a “multi-jurisdictional” entity, any provincial or territorial variations in the development of these initiatives should be addressed collaboratively.

### **What Can Be Learned**

From the very outset, the mandate and objectives of the ACHI were developed jointly and collaboratively by federal, provincial and territorial governments. Future directions are being developed in the same way. Committee deliberations are open and transparent: members are kept fully informed by the Secretariat and all research is shared. Committee and Working Group budgets are per-capita based, allowing smaller provinces and territories to participate on an equal footing. By reporting to the deputy ministers of Health, ACHI is directly connected to the decision centres. At the end of the day members know they will need to “walk the talk,” and this accountability has resulted in a truly participative process and very rich and “relevant” input from all health jurisdictions.

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Canadians want to be consulted more frequently and to be assured that decision-makers are genuinely considering their views. In the 1999 Speech from the Throne, the Government clearly indicated its commitment to engage Canadians more in the policy-making process. SUFA's commitment to promote the involvement of the public is consistent with the government's ongoing strategy to ensure that Canadians have a meaningful and effective say in the decisions that affect their lives.

Canadians can provide valuable input into the various stages of governments' work, including the development, design, and evaluation of public policies, programs and services. The extent to which they are involved can also range from reviewing information, to providing feedback or sharing in the decision-making process. Managers will need to be sensitive to what groups or individuals are "engaged" (citizens, stakeholders, NGOs, Aboriginal people, etc.), to what extent they are engaged, and the stages of the process in which they are engaged. To gain further guidance on how to involve Canadians, review the federal government's forthcoming *Policy Statement and Guidelines on Consulting and Engaging Canadians*, and your own department's guidelines and policies on the topic, if available.

### ***Involving Canadians: Intergovernmental Considerations***

When conducting engagement initiatives, it is also important to pay attention to the principles behind SUFA's section on collaborative practices. As part of a commitment to establishing collaborative relationships with other orders of government, it is essential that there is communication and coordination with provincial and territorial governments in designing and conducting citizen engagement activities in areas where there are intergovernmental considerations. SUFA applies to social policies and programs, specifically in the areas of health care, social services and social assistance, post-secondary education, training, and labour market development. For these and other areas involving significant intergovernmental considerations, federal officials should follow the "Guidelines for Consultation and Engagement Activities with Intergovernmental Considerations" in the new policy statement and guidelines referred to above, and take special notice of the guidelines for joint initiatives with other governments and initiatives conducted only by the federal government.

### SUFA Provisions and Questions to Consider

*Promote the full and active participation of all Canadians in Canada's social and economic life.*(8)

- Does this principle guide the overall development and assessment of your social policies?

*Work in partnership with individuals, families, communities, voluntary organizations, business and labour, and ensure appropriate opportunities for Canadians to have meaningful input into social policies and programs.* (9)

- Does this principle guide the overall development and assessment of your social policies?

*Ensure effective mechanisms for Canadians to participate in developing social priorities and reviewing outcomes.* (22)

- What are the provisions for involving Canadians in developing social priorities and reviewing outcomes?
- Is this an activity with intergovernmental considerations?
  
- Are provincial/territorial governments (or departments within my government) conducting engagement activities in your area of responsibility?
- Are there opportunities for conducting engagement initiatives in collaboration with provincial/territorial governments or departments?

### Suggested Actions

Apply this principle widely to the stages of policy, program and service development and assessment that can benefit from public involvement.

For guidance, see the forthcoming federal *Policy Statement and Guidelines on Consulting and Engaging Canadians*.

For information on approaches to involving Canadians, see the forthcoming CCMD-PCO publications *Engaging Canadians* and *Consulting Canadians*.

Federal departments and agencies should put user-friendly mechanisms in place to allow Canadians to participate in developing social priorities and reviewing outcomes and they should work with provincial and territorial counterparts to ensure that appropriate mechanisms are in place in each policy sector. Review the forthcoming CCMD-PCO publications *Engaging Canadians* and *Consulting Canadians* for approaches, tools and good practices for public involvement.

If you are planning to engage Canadians in an area that is a joint priority or objective with provincial or territorial governments, *at a minimum* you should communicate your plans to these governments in order to keep them informed, to avoid duplication and overlap, to ensure that your efforts are mutually reinforcing, and to capitalize on opportunities for cooperation. For guidelines on engagement activities with intergovernmental considerations see the forthcoming federal *Policy Statement and Guidelines on Consulting and Engaging Canadians*.

## A Case Study on Involving Canadians:

### The Canada Pension Plan Review

#### **Overview**

The Canada Pension Plan (CPP) was established in 1966. By the 1990s, many observers were concerned that the CPP was not sustainable, and in 1995, the chief actuary of the plan projected that it would run out of funds by 2015 if it was not redesigned.

Recognizing the need for changes in the program, the federal departments of Finance and Human Resources Development initiated a review process, first establishing a joint secretariat and then inviting provincial officials to participate. The goals of the process were to inform the public about the challenges facing the CPP and to obtain public input to help guide the redesign of the plan.

Close cooperation among federal, provincial and territorial officials was essential to the success of the review process. The review established a mandate to reform the CPP: with the support of a two-thirds majority of the provinces, new legislation was developed, responding to input from the public. CPP reforms were passed by Parliament in 1997 and took effect in 1998.

#### **How It Was Done**

A concise information paper was released jointly by the federal and provincial governments in February 1996 to provide information about and focus debate on the future of the CPP. The public was also informed through a media strategy, a toll-free telephone number and an Internet site.

Between April and June, 33 public meetings were held across the country. A member of Parliament represented the government at every session; this signalled its interest in, and commitment to, the consultations. Senior public servants, local MPs, and provincial and territorial legislators also attended the hearings. Experts, the general public, and organizations (seniors, business, labour, and social action groups) were invited to address the issues raised in the information paper in formal presentations and informal dialogue. Particular efforts were made to attract groups representing youth and people with disabilities. Some groups indicated that they would have preferred a less-condensed timeline to give them more time to consult with their memberships.

Findings from the meetings, which provided perspectives from every region, were communicated to all organizers across the country. In June 1996, a report on the consultations was presented to ministers and the public. The review influenced the redesign of the program; for example, it showed that Canadians wanted to preserve the CPP and helped ensure that adverse effects of pension reform did not fall too heavily on specific groups.

#### **What Can Be Learned?**

- Federal, provincial and territorial officials collaboratively developed the process and analysed the findings. Their joint effort contributed to the legitimacy and efficiency of the process.
- The lead role of a Government MP and the participation of legislators from various parties meant that the review process was taken seriously and viewed as non-partisan.
- Informal discussions can be as informative as formal presentations. For example, the informal question periods that followed formal presentations proved very valuable.

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In the knowledge-based economy, it is important that governments work together to ensure that Canadians have the mobility to pursue educational opportunities, to employ their valuable skills, and to have access to essential services throughout the country. Indeed, as SUFA declares, “All governments believe that the freedom of movement of Canadians to pursue opportunities anywhere in Canada is an essential element of Canadian citizenship.” These provisions are aimed at ensuring that Canadians have the unhampered ability to move anywhere in Canada without fear of losing access to programs that meet their health and social needs, and that there will be equal recognition of their occupational qualifications. The Agreement does this by stating that new social policy initiatives will create no new barriers, that federal, provincial and territorial governments will eliminate residency barriers not consistent with SUFA, and that federal, provincial and territorial governments will ensure compliance with the mobility provisions of the Agreement on Internal Trade (AIT) by July 2001.<sup>7</sup>

**In the 1997 Speech from the Throne, the Government of Canada committed to**

*“...continue to protect and promote unhampered social mobility between provinces and access to social and other benefits ... and to work with the provinces to identify new and mutually agreed approaches.”*

<sup>7</sup> In 1994, the AIT was signed in order to reduce and eliminate barriers to the free movement of goods, services, people and investments in Canada. When SUFA was signed, the July 1, 2001, deadline for full compliance with Chapter 7 of AIT was set. Chapter 7 is intended to overcome interprovincial barriers that workers face: residency requirements to work or obtain licences; licensing practices that are unnecessarily prolonged or are costly for out-of-province workers; and lack of recognition for qualifications obtained in another province.

### SUFA Provisions and Questions to Consider

*Governments will ensure that no new barriers to mobility are created in new social policy initiatives. (13)*

- Are you developing a new policy initiative or amending an existing policy/program?
  - If yes, are new barriers to mobility created by this policy initiative?  
For example:<sup>8</sup>
    - Are there eligibility criteria or procedures that would constrain access to social programs?
    - Would the new initiative create barriers for persons who move from one part of Canada to another?
  - Are there measures in place that might offset the effect of a residency-based barrier?

*Governments will eliminate, within three years, any residency-based policies or practices which constrain access to post-secondary education, training, health and social services and social assistance... (14)*

*Governments are also committed to ensure, by July 1, 2001, full compliance with the mobility provisions of the Agreement on Internal Trade by all entities subject to those provisions, including the requirements for mutual recognition of occupational qualifications and for eliminating residency requirements for access to employment opportunities. (16)*

### Suggested Actions

Note, this provision is not intended to apply to measures such as differences in tax rates or benefit levels, or special programs to assist particular groups or regions.

If the answer to any of these questions is yes, you may be creating a barrier to mobility. For additional information or guidance, contact Human Resources Development Canada's (HRDC) Federal-Provincial Relations Directorate at 819-953-3262 (phone) or 819-953-4701 (fax).

While it is important to be aware of this provision of SUFA, you do not need to address this provision directly. A federal strategy has been implemented to identify and address these barriers. For additional information or guidance, contact HRDC's Federal-Provincial Relations Directorate at 819-953-3262 (phone) or 819-953-4701 (fax).

You may not need to address this provision. The select organizations to which this provision applies (federally, this includes Human Resources Development Canada, Indian and Northern Affairs, and Health Canada) should already be familiar with this requirement and be taking steps to address it.

For further information, please see the document published by the Forum of Labour Market Ministers: *Guidelines for Meeting the Obligations of the Labour Mobility Chapter*<sup>9</sup>.

<sup>8</sup> These questions have been drawn from *Government of Canada Report to the Ministerial Council on Social Policy Renewal: Improving the Mobility of Canada*, March 31, 2000.

<sup>9</sup> [http://www.hrdc-drhc.gc.ca/stratpol/socpol-old/mobility/guide/guide\\_e.html](http://www.hrdc-drhc.gc.ca/stratpol/socpol-old/mobility/guide/guide_e.html)

## A Case Study on Implementing Mobility

### Commitments in Saskatchewan

#### **Overview**

SUFA requires jurisdictions:

- to ensure that no new mobility barriers are created in new social policy initiatives;
- to review and eliminate, within three years, residency-based policies or practices that constrain access to post-secondary education, training, health and social services and social assistance unless they are reasonable and consistent with SUFA principles and to report to the Ministerial Council annually; and,
- to ensure compliance with the mobility provisions of the Agreement on Internal Trade by July 1, 2001, as stated within SUFA.

#### **How It Is Being Done**

Saskatchewan has undertaken work on three fronts to meet its mobility commitments under SUFA:

- 1) In policy documents provided to Cabinet and in proposals for legislation and regulatory changes, social program departments will be required to identify implications for SUFA mobility commitments to avoid residency-based policies that constrain access and to comply with mobility provisions in the Agreement on Internal Trade that are referenced in SUFA.
- 2) An interdepartmental review was undertaken of all programs within the five sectors identified under SUFA's mobility section, including provincially delivered and third-party delivered services, to identify residency-based policies or practices that may constrain access to services. Two residency-based policies were eliminated as a result of SUFA: restrictions on loans made under the Saskatchewan Student Loans Program for study at post-secondary educational institutions in other provinces were eliminated, and social housing authorities funded under the province's Social Housing Program will no longer be permitted to impose minimum residency periods as a requirement of eligibility. The use of provincial quotas as part of an interprovincial arrangement to cost-share the Western College of Veterinary Medicine was judged to be reasonable and consistent with the principles of SUFA, as it is essential to the continued existence of the College and consistent with practice across Canada.
- 3) The timetables for work with third-party regulatory bodies and professional associations on the mobility provisions of the Agreement on Internal Trade were adjusted in view of the July 1, 2001, deadline.

#### **What Can Be Learned**

Three important lessons can be learned from mobility implementation efforts in Saskatchewan:

- 1) Third-party delivery agencies should be involved in implementation. In some sectors, mobility and residency policies are often substantially shaped by third-party agencies that deliver services under provincial responsibility. A broad initiative to review mobility policies should involve the third parties to ensure "buy-in" to facilitate implementation.
- 2) In many areas, labour mobility compliance requires implementation through third-party regulatory bodies and professional associations, which set professional and trade standards and which do not necessarily view enhanced mobility as a priority or in their interest. The extent to which the political will exists within various governments to compel compliance remains to be seen.
- 3) In establishing what are "reasonable" residency-based policies and practices, there is limited information on existing policy and practices among jurisdictions. Additionally, jurisdictions vary in the degree to which they are willing to work towards consistency in criteria for determining "reasonableness."

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## Dispute Avoidance and Resolution

The provisions on dispute avoidance and resolution are a logical extension of SUFA's overall goal of achieving a more collaborative policy-making process. These provisions set out principles to avoid disputes and to guide the design of dispute settlement processes in the sectors that are subject to SUFA. The provisions in this subsection apply to the SUFA commitments on mobility, intergovernmental transfers, interpretation of the Canada Health Act principles, and, as appropriate, any new joint initiative. Federal, provincial and territorial governments may act on these provisions if they believe that another such government has not respected commitments made in these sections of the Agreement.

SUFA emphasizes the need to develop non-adversarial processes to avoid and resolve disputes. In many cases, this can be achieved by fulfilling commitments in other sections of SUFA that relate to information-sharing, joint planning, collaboration, and advance notice and consultation.

The provisions on dispute avoidance and resolution apply to a range of policy sectors, so the suggestions in this section of the document should be incorporated into the processes that are evolving in each sector. Work pertaining to the provisions within this part of the Agreement continues to evolve, making it difficult to provide specific suggested actions. This is especially true of the provisions pertaining to dispute resolution. As a result, only general guidance is provided in this subsection. For up-to-date guidance on these provisions, it is recommended that you contact the staff within your organization responsible for federal, provincial and territorial relations.

### SUFA Provisions and Questions to Consider

*Governments are committed to working together and avoiding disputes through information-sharing, joint planning, collaboration, advance notice and early consultation, and flexibility in implementation. (45)*

*Respecting existing legislative provisions, mechanisms to avoid and resolve disputes should:*

- *Be simple, timely, efficient, effective and transparent*
- *Allow maximum flexibility for governments to resolve disputes in a non-adversarial way*
- *Ensure that sectors design processes appropriate to their needs. (43)*
- *Provide for appropriate use of third parties for expert assistance and advice while ensuring democratic accountability by elected officials. (43)*

### Suggested Actions

Federal departments and agencies should work with provincial/territorial governments to develop commonly understood approaches and mechanisms for exchanging relevant information-sharing, joint planning, providing advance notice, and undertaking consultations.

Give particular attention to these commitments in other sections of SUFA.

Federal departments and agencies should work with their counterparts in social policy sectors to develop and put in place, as required, effective dispute avoidance and resolution mechanisms that meet these criteria.

Identify a list of third-party candidates that are suitable for providing expert assistance. Credibility of candidates is a critical consideration.

Before contacting third parties, consider consulting the staff responsible for federal, provincial and territorial relations within your organization.



### SUFA Provisions and Questions to Consider

*Sector negotiations to resolve disputes will be based on joint fact-finding:*

- *A written joint fact-finding report will be submitted to governments involved, who will have the opportunity to comment on the report before its completion.*
- *Governments involved may seek assistance of a third party for fact-finding, advice, or mediation.*
- *At the request of either party in a dispute, fact-finding or mediation reports will be made public. (46)*

*Each government involved in a dispute may consult and seek advice from third parties, including interested or knowledgeable persons or groups, at all stages of the process. (48)*

### Suggested Actions

Work with provincial/territorial governments to establish an agreed-upon process for conducting joint fact-finding. Issues that should be considered are:

- how joint fact-finding will be initiated;
- how it will be conducted; and, where appropriate,
- how it will be acted upon.

Third-party reports should not be made public by one party without advance notice and an opportunity for consultation.

Work with provincial/territorial governments to establish agreed-upon procedures for consulting third parties for the purpose of fact-finding, advice and mediation.

Act in the spirit of collaboration, transparency and openness for the purpose of resolving the dispute in a non-adversarial manner.

Federal, provincial and territorial governments have the right to use a third party, at any time they deem it necessary. The determination of when and how to involve third parties is at the discretion of each government.

### SUFA Provisions and Questions to Consider

*Governments will report publicly on an annual basis on the nature of intergovernmental disputes and their resolution. (49)*

- What is the justification for claiming that a dispute has occurred or been resolved?
- How are we tracking and reporting intergovernmental disputes?
- How are we tracking and reporting on the *resolution* of intergovernmental disputes?

### Suggested Actions

There is no formula for deciding that a dispute has occurred or been resolved. This determination is situation specific and must be formed through prudent evidence-gathering and analysis, as well as communication and coordination with superiors and the staff in your organization responsible for federal, provincial and territorial relations.

Ensure that your department or agency is maintaining accurate records of disputes that arise, and how they are resolved. If reporting channels are not clear, seek guidance from your superior.

## A Case Study on Dispute Avoidance: The Homelessness Initiative

### Overview

In March 1999, the federal government appointed the Minister of Labour, Claudette Bradshaw, as a federal coordinator to respond to growing concerns regarding homelessness. The Minister consulted broadly with provincial ministers, municipal officials, and the Canadian public. Federal officials consulted bilaterally with their counterparts in most affected provinces. Following these consultations, it was announced on December 17, 1999, that the Cabinet had decided to invest \$753 million over three years to enhance existing programs and establish a demonstration program, the Supporting Communities Partnership Initiative (SCPI).

While the provinces received three days' formal notice of this announcement, governments disagreed about what constitutes appropriate notice under SUFA. Some provincial officials believed that SUFA required more advance notice, whereas federal officials believed their consultations with provinces and provision of three months' notice *before implementation* satisfied the Agreement. This produced tensions between the federal government and some provincial governments. However, further significant disputes were avoided in this area as governments successfully refocused their efforts to develop and implement the homelessness initiative.

### How It Is Being Done

Consistent with SUFA, the Cabinet decision left details of implementation to be determined through intergovernmental consultation. After the Cabinet decision, federal officials held open and concrete discussions with their provincial and territorial counterparts on the priorities for federal resources. In early 2000, bilateral discussions took place at the ministerial and civil service levels to design the policy and decide how funds would be distributed.

Representatives of all governments collaborated, shared information and demonstrated flexibility, and the consultation process altered the program. For example, in response to provincial concerns, the distribution of SCPI funds was modified to include an allocation beyond the ten cities with the largest homelessness problem, and the allocation formula was modified. As a result of the consultations, the final character of the homelessness initiative is a synthesis of ideas from the federal and provincial governments.

### What Can Be Learned

The homelessness initiative shows that federal-provincial tensions can be avoided. Among the factors contributing to this outcome are the following:

- Cabinet's commitment and the resources it directed to homelessness helped enable public servants to proceed in a positive way.
- Officials from all governments worked collaboratively and shared information.
- It is important to have a multilateral forum to air differences: the absence of such a forum in this case was an impediment to progress.
- It is important that officials in different governments share a common and clear understanding of what constitutes "due notice provisions" and when notice is required.
- The shared understanding of the urgent need to address this public policy problem allowed federal/provincial/territorial officials to make progress, although some provincial officials continue to question the process.
- All governments were flexible and made compromises. For example, the federal government remained committed to its overall objectives but was flexible about recognizing in-kind contributions, reporting methods, and other provincial concerns.

### Contact

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Human Resources Development Canada  
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Canadians expect social policies to be responsive to their changing needs and to represent a responsible use of tax dollars. They also expect that the social policy process will be open and that there will be clear lines of accountability. To this end, the commitments of SUFA seek to improve the accountability of governments to their constituents, not government-to-government accountability. They help ensure that Canadians are better informed about government programs and their performance, and that they have access to methods for appealing administrative decisions as well as opportunities to register complaints about access to services and programs. These are critical elements of the continuous improvement process, elements that will help foster greater trust and credibility with Canadians.

Under SUFA, federal, provincial and territorial governments are committed to increasing transparency and accountability to the Canadian public on social policy outcomes so that Canadians can assess the performance of social programs. Key principles include:

- monitoring;
- measuring and reporting on social policy outcomes;
- sharing best practices;
- using third parties to help assess progress; and
- explaining the respective roles and contributions of governments and partners.

The accountability commitments of SUFA are consistent with the implementation of results-based management that applies across all federal departments and agencies. In this respect, SUFA's accountability provisions affect all government departments and agencies involved in social policy, with respect both to their own programs and to joint initiatives with provinces and territories. The essence of these commitments is that they are results-based, open and transparent. When approaching these commitments, consider four steps:

- 1) identifying key result commitments;
- 2) measuring performance;
- 3) public reporting; and
- 4) providing procedures to track complaints.

Departments are encouraged to reflect the spirit of SUFA accountability principles in their existing reporting processes, most notably in their *Departmental Performance Reporting*<sup>10</sup> and through government-wide SUFA reporting. The Treasury Board Secretariat (TBS) has prepared the *SUFA Accountability Template 2000: Guide to Federal Government Reporting*<sup>11</sup> in order to help you participate in government-wide reporting on the accountability and transparency provisions of SUFA. The purpose of this document is to ensure that the federal government has consistent and relevant information for the government-wide management and reporting of social initiatives. This information will also help to prepare the federal government for the three-year review of the Agreement in 2002, when all jurisdictions will report their respective progress. It is strongly suggested that you consult the *SUFA Accountability Template 2000* in fulfilling the accountability and transparency commitments in SUFA.

<sup>10</sup> <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

<sup>11</sup> <http://www.tbs-sct.gc.ca/rma/account/docliste.asp>

#### SUFA Provisions and Questions to Consider

*[Each government...agrees to] Monitor and measure outcomes of its social programs and report regularly to its constituents on the performance of these programs. (17)*

- What social programs are we delivering?
- How are we monitoring and measuring the outcomes of these social programs?
- What performance evidence (i.e., key indicators) are being used to measure the outputs and outcomes, and how is this information being obtained?
- How is performance of these programs publicly reported?

*Share information and best practices to support the development of outcome measures, and work with other governments to develop, over time, comparable indicators to measure progress on agreed objectives. (18)*

- What arrangements are planned or in place to share information and best practices?
- What are provincial/territorial governments using to measure outcomes? Should we consider similar measures?
- Have comparable or common indicators been developed and used to measure outcomes?
- If not, what arrangements have been made with other provinces and territories to develop comparable indicators?

#### Suggested Actions

Monitor and measure outcomes through *Departmental Performance Reports*<sup>12</sup> and the Treasury Board Secretariat documents *Managing for Results 1999*,<sup>13</sup> vol. 1 (especially Chapter 1, “Results Based Management in Departments.”) and *Managing For Results 2000*.<sup>14</sup>

To report to constituents, consider the full range of channels available, such as Departmental Performance Reports, speeches, press releases, Web sites, etc.

For details on how to achieve these goals see TBS document, *Analysis of Social Policy Renewal Initiatives*,<sup>15</sup> (especially Annex A). Also TBS, *Managing for Results 1999*,<sup>16</sup> vol. 1, (especially Chapters 2, 3 and Annex B).

For examples of what some provincial governments are doing see The Government of Alberta, Treasury Department documents on “Measuring Government”<sup>17</sup> and the Government of Nova Scotia, *Government by Design*.<sup>18</sup>

For examples of an arrangement to develop common federal-provincial indicators, see the Canadian Institute for Health Information.<sup>19</sup>

<sup>12</sup> <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

<sup>13</sup> <http://www.tbs-sct.gc.ca/rma/communic/communie.asp>

<sup>14</sup> <http://www.tbs-sct.gc.ca/rma/communic/communie.asp>

<sup>15</sup> <http://www.tbs-sct.gc.ca/rma/communic/prrg9/socun/analysis.doc>

<sup>16</sup> <http://www.tbs-sct.gc.ca/rma/communic/communie.asp>

<sup>17</sup> <http://www.treas.gov.ab.ca/measuring/index.html>

<sup>18</sup> <http://www.gov.ns.ca/prio/gbd99/default.htm>

<sup>19</sup> <http://www.cihi.ca/>

#### SUFA Provisions and Questions to Consider

*Publicly recognize and explain the respective roles and contributions of governments. (19)*

- How are the respective roles and contributions of the federal, provincial and territorial governments explained to the public?
- When partnering with provincial/territorial governments, how are they being recognized?

*Use third parties, as appropriate, to assist in assessing progress on social priorities. (21)*

*Make eligibility criteria and service commitments for social programs publicly available. (23)*

- What are the eligibility criteria for this program?
- What are the service commitments for this program?
- Are eligibility criteria and service commitments *easily* accessible to the public?

*Have in place appropriate mechanisms for citizens to appeal unfair administrative practices and bring complaints about access and service. (24)*

- What are the mechanisms for citizens to initiate appeals and register complaints?

*Report publicly on citizens' appeals and complaints, ensuring that confidentiality requirements are met. (25)*

- Are appeals and complaints being tracked?
- How is this information reported to the public?

#### Suggested Actions

Develop a mutually agreed-upon explanation of the roles and contributions of the federal, provincial and territorial governments involved in the program. This may be done by making multilateral or bilateral framework agreements available to the public. For examples, see TBS document, *Analysis of Social Policy Renewal Initiatives*<sup>20</sup> (especially Annex A).

Ensure that appropriate visibility is given to the provincial/territorial governments in program communication materials. Consider the full range of channels used for reporting, such as Departmental Performance Reports, speeches, press releases, web sites, etc.

When considering third party providers, credibility is an important factor.

To learn how to set service commitments (standards), see the TBS documents *A How-to Guide for the Service Improvement Initiative*,<sup>21</sup> *Quality Services Guide VII: Service Standards*<sup>22</sup> and *Quality and Affordable Services for Canadians: Establishing Service Standards in the Federal Government (An Overview)*.<sup>23</sup> With respect to joint initiatives, work with your counterparts in federal departments and agencies in implementing this commitment.

For guidance on developing a complaints system, see the Treasury Board Secretariat publication *Quality Services Guide XI: Effective Complaint Management*.<sup>24</sup>

With respect to joint initiatives, work with your counterparts in implementing this commitment.

Develop appropriate processes to track and regularly and publicly report on citizens' complaints and appeals, and to work with provinces and territories to establish appropriate processes in each sector. The location and form of this reporting (e.g., Web site or written report) will depend on what is appropriate for each department, agency or jurisdiction.

<sup>20</sup> <http://www.tbs-sct.gc.ca/rma/communic/pr99/socun/analysis.doc>

<sup>21</sup> [http://www.tbs-sct.gc.ca/si-si/sii-ias/home\\_e.shtml](http://www.tbs-sct.gc.ca/si-si/sii-ias/home_e.shtml)

<sup>22</sup> [http://www.tbs-sct.gc.ca/Pubs\\_pol/oepubs/TB\\_O/7QG\\_e.html](http://www.tbs-sct.gc.ca/Pubs_pol/oepubs/TB_O/7QG_e.html)

<sup>23</sup> [http://www.tbs-sct.gc.ca/pubs\\_pol/oepubs/TB\\_D3/OQUA\\_e.html](http://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_D3/OQUA_e.html)

<sup>24</sup> [http://www.tbs-sct.gc.ca/Pubs\\_pol/oepubs/TB\\_O/11QG\\_e.html](http://www.tbs-sct.gc.ca/Pubs_pol/oepubs/TB_O/11QG_e.html)

## A Case Study on Accountability and Reporting:

### The National Child Benefit

#### **Overview**

Created by federal, provincial and territorial governments in 1997, the National Child Benefit (NCB) aims to reduce child poverty, promote attachment to the workforce by low-income parents, and decrease overlap and duplication among governments. Under this initiative, the federal role in providing basic income support to low-income families enables provincial governments to redirect funds to other programs which assist low-income families with children. This is an innovative approach to investing in Canada's children.

The NCB Governance and Accountability Framework, agreed to by federal, provincial and territorial ministers responsible for social services in October 1997, guides the operation of the NCB. Among the principles embodied in the Framework are commitments to transparency and accountability, both among governments and to the public.

#### **How It Is Being Done**

Reporting to the public is an integral part of the NCB's commitment to accountability. Ministers have agreed to produce an annual progress report outlining federal expenditures on the Canada Child Tax Benefit, provincial/territorial and First Nations reinvestments, and progress made in meeting the stated program objectives. The next report, scheduled for release in the winter of 2001, will mark the first report in which actual data rather than estimates have been used to assess the performance of the NCB.

One of the key purposes of public reporting is to monitor program activities and the results that they generate. Partners to the NCB are committed to working toward a focus on program outcomes, recognizing that outcomes will be more easily measurable as program investments increase beyond initial levels. First steps have been taken, including the development of progress indicators and a comprehensive evaluation plan. These measures will not only assist in the evaluation of the initiative, but will become a tool in reporting on the effectiveness of the NCB. The evaluation will be conducted by a third party and the public bidding process for this contract is underway.

The complexity of the initiative and the unique accountability commitments between governments led to a number of reporting challenges, some of which were identified by the Auditor General of Canada in a case study. Two challenges included the need to establish credible reporting practices for a multi-dimensional set of NCB initiatives, and a shortage of resources to generate reliable data, especially for smaller provinces with limited staff. The partners recognize that information- and data-sharing are essential for the effective management and evaluation of the initiative, although progress is slow.

#### **Contact**

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Children's Policy  
Human Resource Development Canada  
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#### **What Can Be Learned**

- Working closely and cooperatively with officials from other governments improves the quality and legitimacy of the accountability and reporting process.
- Jurisdictions require sufficient resources (e.g., people and expertise) to fulfil accountability and reporting requirements.
- In complex policy environments, it is useful to receive expert advice on how to achieve accountability and performance objectives.

## RECENT DEVELOPMENTS: THE AGREEMENTS ON HEALTH AND EARLY CHILDHOOD DEVELOPMENT<sup>25</sup>

Significant work presently underway within and across the federal, provincial and territorial governments is advancing the principles and provisions of SUFA. One of the most recent and significant developments, and one that demonstrates the value of the SUFA model, is the agreements that emerged from the September 11, 2000, First Ministers' Meetings on the issues of health care and early childhood development. In support of these agreements, the federal government has committed to contribute a total of \$23.4 billion in new investments over five years (2001-2002 to 2005-2006).

As a result, the First Ministers of the federal and provincial governments agreed, among other things, to work with other governments to strengthen services, share information and best practices, involve citizens, and to report regularly to the public on the performance of programs and services. Some of the core elements of the agreements, and the ways in which they advance the spirit and intent of SUFA, are highlighted below.

### ***Working In Partnership for Canadians: Collaborative Practices and the Federal Spending Power***

One of the most important principles of SUFA is that governments should work together to preserve and improve the quality of social programs and services in priority areas such as post-secondary education, health, and children's needs. Consistent with this principle, in the Agreement on Early Childhood Development, First Ministers agreed "to work together so that young children can fulfil their potential to be healthy, safe and secure, ready to learn, and socially engaged and responsible." Governments also agreed to work together on research and knowledge-related issues, to share information and good practices, and to disseminate the results of research.

Throughout the Agreement on Health, there are numerous provisions to achieve greater coordination and cooperation in significant areas of policy development and program delivery. For example, the First Ministers agreed to collaborate on a list of specific priorities so that each government can be more effective in relation to its health care responsibilities. This list includes working together to:

- improve access to and the quality of health services;
- improve primary health care;
- coordinate efforts on the supply of doctors, nurses, and other health care personnel;
- identify approaches to improve education, training, recruitment and retention of our future health workforce;
- develop a set of comparable indicators for the reporting of service performance to the public; and
- assess the cost-effectiveness of prescription drugs.

Consistent with SUFA's commitment to work with Aboriginal peoples of Canada to address their needs, the Health Agreement states that governments will work closely with Aboriginal peoples to address their particular concerns about health care services. Likewise, the Agreement on Early Childhood Development states that governments will work with the Aboriginal peoples of Canada to address the developmental needs of Aboriginal children.

The agreements also address a number of issues with respect to the use of the federal spending power. For example:

- to ensure stable, predictable and growing funding in the CHST, the federal government will legislate over \$21 billion of additional cash transfers over the next five years (2001-02 to 2005-06). This includes \$2.2 billion for Early Childhood Development;<sup>26</sup>
- to further funding predictability, by the end of 2003-04, the federal government will establish the CHST cash transfers for the years 2006-07 and 2007-08;
- the new investment in health treats Canadians with fairness and equity by allocating the new investment on an equal per capita basis through the CHST; and
- the First Ministers agreed that investments for early childhood development should be incremental, predictable, and sustained over the long term.

<sup>25</sup> Quebec is not signatory to the Agreement on Early Childhood Development.

<sup>26</sup> The CHST supports health, post-secondary education, early childhood development, and other social programs.



### ***Informing Canadians: Public Accountability and Transparency***

In SUFA, governments have committed to strengthen accountability to citizens, not accountability between governments. Both the Agreement on Early Childhood Development and the Agreement on Health include provisions for regular measurement and reporting to the public. For example, the Agreement on Health provides for:

- regular public reporting by each government on health programs and services, performance, and progress towards priorities; and
- the development of a comprehensive framework, using jointly agreed-to comparable indicators that address health status, health outcomes, and quality of service.

### ***Involving Canadians***

One of the objectives of SUFA is to give the public and other interested organizations greater input into the policy-making process. Consistent with this objective, the Agreement on Health includes a commitment by governments to consult with subject experts, health care professionals and Canadians to establish a framework of comparable indicators on the performance of health programs and services. A similar commitment is part of the Agreement on Early Childhood Development, where there is agreement to ensure effective mechanisms for Canadians to participate in developing early childhood priorities and review outcomes.

## CONCLUSION

This document has provided an initial resource, a starting point for public servants who want to learn about the Social Union Framework Agreement. One of the messages that emanates from this document is that SUFA represents both a promise and a challenge. The promise it holds is the potential to improve how our nation's governments work together to serve all Canadians. The challenge it presents is for individuals and governments to fulfil the principles and provisions of the Agreement. Ultimately, SUFA's success will demand the commitment and cooperation of many individuals, in many governments.

As a federal public servant, doing your part will require fully understanding what SUFA means for you and your organization. But as a collectivity, we must do more than this: we must champion the Agreement and embody its spirit in all the tasks we perform. If we commit to this challenge, we can help fulfil the promise of SUFA; we can help improve the way in which Canada's federal, provincial and territorial governments serve Canadians.

*"The challenge over the next few years will be to make this agreement [SUFA] real and to demonstrate progress in addressing the needs of Canadians."*

**Notes for an Address by Mel Cappe,  
Clerk of the Privy Council, to APEX.**



## FURTHER RESOURCES

### **Contacts for Further Guidance on Specific Issues**

If you are uncertain about specific provisions of SUFA and how they apply to your organization, we recommend that you enter into a dialogue with your colleagues and superiors, and with the staff responsible for federal, provincial and territorial relations within your organization. If you still require further information, consider contacting one of the following areas.

<b>SUFA Theme</b>	<b>Organization</b>	<b>Phone and Fax</b>	<b>Website</b>
Working in Partnership for Canadians: collaborative practices and the federal spending power	Privy Council Office: Social Development Policy	Phone: (613) 957-5446 Fax: (613) 957-5445	<a href="http://www.pco-bcp.gc.ca/">www.pco-bcp.gc.ca/</a>
Working in Partnership for Canadians: collaborative practices and the federal spending power	Privy Council Office: Intergovernmental Affairs	Phone: (613) 947-7700 Fax: (613) 947-8091	<a href="http://www.pco-bcp.gc.ca/">www.pco-bcp.gc.ca/</a>
Involving Canadians	Privy Council Office	Phone: (613) 947-7020 Fax: (613) 947-7581	<a href="http://www.pco-bcp.gc.ca/">www.pco-bcp.gc.ca/</a>
Mobility	Human Resources Development Canada	Phone: (819) 953-3262 Fax: (819) 953-4701	<a href="http://www.hrdc-drhc.gc.ca/">www.hrdc-drhc.gc.ca/</a>
Informing Canadians - Public Accountability and Transparency	Treasury Board Secretariat of Canada	Phone: (613) 946-4667 Fax: (613) 957-7044	<a href="http://www.tbs-sct.gc.ca">www.tbs-sct.gc.ca</a>

### **Documents**

As you work to fulfil the spirit and letter of SUFA, there are a number of sources which you and your organization may find valuable. They are provided below, and hyperlinks to Internet sources are provided where possible.

#### *A Federation in Evolution: Collaborative Federal-Provincial-Territorial Initiatives (FPT) Website*<sup>27</sup>

This site (PCO – Intergovernmental Affairs) contains a series of links to information on current collaborative initiatives (such as the Canadian Food Inspection Agency and the National Child Benefit) and provides information on initiatives being pursued under SUFA. There is also a bibliography on Canadian federalism with specific references to SUFA.

#### *The Federal Government's Social Union Website*<sup>28</sup>

This site provides information on "what's new" under SUFA and information on SUFA initiatives.

#### *Canada's Aboriginal Action Plan*<sup>29</sup>

This site includes important documents such as *Gathering Strength* (and progress reports relevant to this document) and information on other Aboriginal activities.

<sup>27</sup> <http://WWW.PCO-BCP.GC.CA/AIA/english/perspective.asp?iSubMenu=1>

<sup>28</sup> <http://socialunion.gc.ca/>

<sup>29</sup> <http://www.inac.gc.ca/gs/>

*The Institute for Research on Public Policy Website*<sup>30</sup>

The April 2000 and May 2000 editions of their research journal, *Policy Options*, includes articles on the Social Union Framework Agreement:

*Policy Options* – April 2000

*Policy Options* – May 2000

*Institute for Intergovernmental Relations*<sup>31</sup> – *Queen's University*.

The links to “Current Research” include material on the social union and intergovernmental relations.

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<sup>30</sup> <http://www.irpp.org/po/index.htm>

<sup>31</sup> <http://qsilver.queensu.ca/iigr/>

## APPENDICES

### APPENDIX I: GLOSSARY OF TERMS

**accountability:** A relationship based on the obligation to demonstrate and take responsibility for performance in light of agreed expectations.

**comparable indicators:** A specific set of common quantitative and/or qualitative measurements for each aspect of performance (output or outcome) under consideration. These are based on common baseline information, definitions and database collection, and a compatible reporting system.

**federal spending power:** The federal spending power permits the federal government to make payments to people, institutions or provincial governments in respect of matters over which the provincial and territorial governments have exclusive legislative authority.

**outcome:** An outcome is an event, occurrence, or condition that is outside the activity or program itself and has an actual effect on, or is of benefit to, Canadians. An expected short-term outcome describes what is expected to occur as a direct result of the program activities and products. A medium-term outcome is an outcome that is expected to lead to a desired end but is not an end in itself. A long-term outcome is the end result that is sought. A program may have multiple outcomes for each of the different timeframes.

**residency-based barriers to mobility:** A situation in which a person's access to a program or service is conditional on how long the person has lived in a place and in the absence of any reciprocal agreement that might address the situation.

**third parties:** In the context of SUFA accountability, third-party involvement refers to consultation for external advice and expertise. It does not refer to third party involvement in service delivery.

**transfers:** For more information on the items that follow, and other information on intergovernmental transfers, visit the Department of Finance *Federal Transfers to Provinces and Territories*<sup>32</sup> Web page.

**intergovernmental transfers:** In most cases, a transfer of funds or tax point revenues (or in some cases a combination) from the federal government to the provincial and territorial governments. The three major intergovernmental transfers are: the CHST (see below), equalization,<sup>33</sup> and the Territorial Formula Financing.<sup>34</sup>

**cost-shared transfers:** The federal government has intergovernmental agreements with the provinces to provide financing for certain programs (in areas such as health, social assistance, etc). These transfers are made to the provinces provided that they satisfy the conditions provided in federal legislation (such as the Canada Health Act).

**block-funded transfers:** These are unconditional transfers provided to the provinces.

**direct transfers:** These are transfers from the federal government given directly to individuals or organizations (as opposed to other governments).

**Canada Health and Social Transfer (CHST):** This is the federal transfer provided to each province in support of provincial health care, post-secondary education, social assistance and social services. The CHST is provided through cash payments and tax transfers. In exchange for receiving CHST payments, provinces must adhere to the principles of the Canada Health Act and are required to provide social assistance without minimum residency requirements. For a more detailed explanation, see the Department of Finance *Federal Transfers to the Provinces and Territories*<sup>35</sup> Web page. Also see a Brief History of the CHST<sup>36</sup> on the same site.

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<sup>32</sup> <http://www.fin.gc.ca/toce/2000/fedprov-e.html>

<sup>33</sup> <http://www.fin.gc.ca/FEDPROVE/feqe.html>

<sup>34</sup> <http://www.fin.gc.ca/FEDPROVE/tffe.html>

<sup>35</sup> <http://www.fin.gc.ca/FEDPROVE/chse.html>

<sup>36</sup> <http://www.fin.gc.ca/FEDPROVE/hise.html>

## APPENDIX II: SOCIAL TRANSFERS TO PROVINCES AND TERRITORIES

The following tables apply to any Canada-wide initiatives in health care, post-secondary education, social assistance and social services that are funded through intergovernmental transfers, whether block-funded or cost-shared.

### **A NEW PROGRAM FUNDED THROUGH AN INTERGOVERNMENTAL TRANSFER**

Work collaboratively with all provincial and territorial governments to identify Canada-wide priorities and objectives. (36)

Offer to consult prior to implementing new social policies and programs that are likely to substantially affect other governments or the social union more generally. (30)

[Do] Not introduce new Canada-wide initiatives without the agreement of a majority of provincial governments. (37)

...build due notice provisions into any new social transfers to provincial/territorial governments. (35)

The Government of Canada and the provincial/territorial governments will agree on an accountability framework for... [new Canada-wide initiatives in health care, post-secondary education, social assistance and social services]. (28)

### **RENEWAL OR A SIGNIFICANT CHANGE TO AN EXISTING TRANSFER, POLICY OR PROGRAM**

The Government of Canada will consult with provincial and territorial governments at least one year prior to renewal or significant funding changes in existing social transfers to provinces/territories, unless otherwise agreed... (35)

[Governments agree to] Give one another advance notice prior to implementation of a major change in a social policy or program which will likely substantially affect another government. (29)

## APPENDIX III: THE SOCIAL UNION FRAMEWORK AGREEMENT

The numbering sequence provided in this version of SUFA is for the unique purpose of this report and does not appear in the official version of the agreement.

### ***A Framework to Improve the Social Union for Canadians***

*An agreement between the Government of Canada and the Governments of the Provinces and Territories  
February 4, 1999*

The following agreement is based upon a mutual respect between orders of government and a willingness to work more closely together to meet the needs of Canadians.

### Principles

1. Canada's social union should reflect and give expression to the fundamental values of Canadians - equality, respect for diversity, fairness, individual dignity and responsibility, and mutual aid and our responsibilities for one another.

Within their respective constitutional jurisdictions and powers, governments commit to the following principles:

#### ***All Canadians are equal***

2. Treat all Canadians with fairness and equity
3. Promote equality of opportunity for all Canadians
4. Respect the equality, rights and dignity of all Canadian women and men and their diverse needs

#### ***Meeting the needs of Canadians***

5. Ensure access for all Canadians, wherever they live or move in Canada, to essential social programs and services of reasonably comparable quality.
6. Provide appropriate assistance to those in need.
7. Respect the principles of medicare: comprehensiveness, universality, portability, public administration and accessibility.
8. Promote the full and active participation of all Canadians in Canada's social and economic life.
9. Work in partnership with individuals, families, communities, voluntary organizations, business and labour, and ensure appropriate opportunities for Canadians to have meaningful input into social policies and programs.

#### ***Sustaining social programs and services***

10. Ensure adequate, affordable, stable and sustainable funding for social programs.

#### ***Aboriginal peoples of Canada***

11. For greater certainty, nothing in this agreement abrogates or derogates from any Aboriginal, treaty or other rights of Aboriginal peoples including self-government.



## Mobility within Canada

12. All governments believe that the freedom of movement of Canadians to pursue opportunities anywhere in Canada is an essential element of Canadian citizenship.
13. Governments will ensure that no new barriers to mobility are created in new social policy initiatives.
14. Governments will eliminate, within three years, any residency-based policies or practices which constrain access to post-secondary education, training, health and social services and social assistance unless they can be demonstrated to be reasonable and consistent with the principles of the Social Union Framework.
15. Accordingly, sector Ministers will submit annual reports to the Ministerial Council identifying residency-based barriers to access and providing action plans to eliminate them.
16. Governments are also committed to ensure, by July 1, 2001, full compliance with the mobility provisions of the Agreement on Internal Trade by all entities subject to those provisions, including the requirement for mutual recognition of occupational qualifications and for eliminating residency requirements for access to employment opportunities.

## Informing Canadians - Public Accountability and Transparency

Canada's Social Union can be strengthened by enhancing each government's transparency and accountability to its constituents. Each government therefore agrees to:

### *Achieving and Measuring Results*

17. Monitor and measure outcomes of its social programs and report regularly to its constituents on the performance of these programs.
18. Share information and best practices to support the development of outcome measures, and work with other governments to develop, over time, comparable indicators to measure progress on agreed objectives.
19. Publicly recognize and explain the respective roles and contributions of governments.
20. Use funds transferred from another order of government for the purposes agreed and pass on increases to its residents.
21. Use third parties, as appropriate, to assist in assessing progress on social priorities.

### *Involvement of Canadians*

22. Ensure effective mechanisms for Canadians to participate in developing social priorities and reviewing outcomes.

### ***Ensuring fair and transparent practices***

23. Make eligibility criteria and service commitments for social programs publicly available.
24. Have in place appropriate mechanisms for citizens to appeal unfair administrative practices and bring complaints about access and service.
25. Report publicly on citizen's appeals and complaints, ensuring that confidentiality requirements are met.

## **Working in partnership for Canadians**

### ***Joint planning and collaboration***

26. The Ministerial Council has demonstrated the benefits of joint planning and mutual help through which governments share knowledge and learn from each other.

Governments therefore agree to

27. Undertake joint planning to share information on social trends, problems and priorities and to work together to identify priorities for collaborative action.
28. Collaborate on implementation of joint priorities when this would result in more effective and efficient service to Canadians, including as appropriate joint development of objectives and principles, clarification of roles and responsibilities, and flexible implementation to respect diverse needs and circumstances, complement existing measures and avoid duplication.

### ***Reciprocal notice and consultation***

The actions of one government or order of government often have significant effects on other governments. In a manner consistent with the principles of our system of parliamentary government and the budget-making process, governments therefore agree to:

29. Give one another advance notice prior to implementation of a major change in a social policy or program which will likely substantially affect another government.
30. Offer to consult prior to implementing new social policies and programs that are likely to substantially affect other governments or the social union more generally. Governments participating in these consultations will have the opportunity to identify potential duplication and to propose alternative approaches to achieve flexible and effective implementation.

### ***Equitable treatment***

31. For any new Canada-wide social initiatives, arrangements made with one province/territory will be made available to all provinces/territories in a manner consistent with their diverse circumstances.

### ***Aboriginal peoples***

32. Governments will work with the Aboriginal peoples of Canada to find practical solutions to address their pressing needs.

### ***Social transfers to provinces and territories***

33. The use of the federal spending power under the Constitution has been essential to the development of Canada's social union. An important use of the spending power by the Government of Canada has been to transfer money to the provincial and territorial governments. These transfers support the delivery of social programs and services by provinces and territories in order to promote equality of opportunity and mobility for all Canadians and to pursue Canada-wide objectives.
34. Conditional social transfers have enabled governments to introduce new and innovative social programs, such as Medicare, and to ensure that they are available to all Canadians. When the federal government uses such conditional transfers, whether cost-shared or block-funded, it should proceed in a cooperative manner that is respectful of the provincial and territorial governments and their priorities.

### ***Funding predictability***

35. The Government of Canada will consult with provincial and territorial governments at least one year prior to renewal or significant funding changes in existing social transfers to provinces/territories, unless otherwise agreed, and will build due notice provisions into any new social transfers to provincial/territorial governments.

### ***New Canada-wide initiatives supported by transfers to Provinces and Territories***

With respect to any new Canada-wide initiatives in health care, post-secondary education, social assistance and social services that are funded through intergovernmental transfers, whether block-funded or cost-shared, the Government of Canada will:

36. Work collaboratively with all provincial and territorial governments to identify Canada-wide priorities and objectives.
37. Not introduce such new initiatives without the agreement of a majority of provincial governments.
38. Each provincial and territorial government will determine the detailed program design and mix best suited to its own needs and circumstances to meet the agreed objectives.
39. A provincial/territorial government which, because of its existing programming, does not require the total transfer to fulfill the agreed objectives would be able to reinvest any funds not required for those objectives in the same or a related priority area.
40. The Government of Canada and the provincial/territorial governments will agree on an accountability framework for such new social initiatives and investments.
41. All provincial and territorial governments that meet or commit to meet the agreed Canada-wide objectives and agree to respect the accountability framework will receive their share of available funding.

### ***Direct federal spending***

- 42a. Another use of the federal spending power is making transfers to individuals and to organizations in order to promote equality of opportunity, mobility, and other Canada-wide objectives.

- 42b. When the federal government introduces new Canada-wide initiatives funded through direct transfers to individuals or organizations for health care, post-secondary education, social assistance and social services, it will, prior to implementation, give at least three months' notice and offer to consult. Governments participating in these consultations will have the opportunity to identify potential duplication and to propose alternative approaches to achieve flexible and effective implementation.

## Dispute Avoidance and Resolution

43. Governments are committed to working collaboratively to avoid and resolve intergovernmental disputes. Respecting existing legislative provisions, mechanisms to avoid and resolve disputes should:
- Be simple, timely, efficient, effective and transparent
  - Allow maximum flexibility for governments to resolve disputes in a non-adversarial way
  - Ensure that sectors design processes appropriate to their needs
  - Provide for appropriate use of third parties for expert assistance and advice while ensuring democratic accountability by elected officials.
44. Dispute avoidance and resolution will apply to commitments on mobility, intergovernmental transfers, interpretation of the Canada Health Act principles, and, as appropriate, on any new joint initiative

Sector ministers should be guided by the following process, as appropriate:

### Dispute avoidance

45. Governments are committed to working together and avoiding disputes through information-sharing, joint planning, collaboration, advance notice and early consultation, and flexibility in implementation.

### Sector negotiations

46. Sector negotiations to resolve disputes will be based on joint fact-finding:
- A written joint fact-finding report will be submitted to governments involved, who will have the opportunity to comment on the report before its completion
  - Governments involved may seek assistance of a third party for fact-finding, advice, or mediation
  - At the request of either party in a dispute, fact-finding or mediation reports will be made public

### Review provisions

47. Any government can require a review of a decision or action one year after it enters into effect or when changing circumstances justify.
48. Each government involved in a dispute may consult and seek advice from third parties, including interested or knowledgeable persons or groups, at all stages of the process.
49. Governments will report publicly on an annual basis on the nature of intergovernmental disputes and their resolution.

### **Role of the Ministerial Council**

50. The Ministerial Council will support sector Ministers by collecting information on effective ways of implementing the agreement and avoiding disputes and receiving reports from jurisdictions on progress on commitments under the Social Union Framework Agreement.

## Review of the Social Union Framework Agreement

51. By the end of the third year of the Framework Agreement, governments will jointly undertake a full review of the Agreement and its implementation and make appropriate adjustments to the Framework as required. This review will ensure significant opportunities for input and feed-back from Canadians and all interested parties, including social policy experts, private sector and voluntary organizations.