



Federal–Provincial Relations in the Context of a Pandemic: Lessons Learned from Agreement Negotiations during the 2020–23 Period (COVID-19)

Produced by:

Bourdages-Sylvain, Olivier
Diarra, Aliou
Forest, Patrick
Riabinina, Daria

AUTHORS



Olivier Bourdages-Sylvain has a degree in International Studies and Modern Languages and joined the Quebec civil service in 2009. At the Secrétariat aux relations avec les Premières nations et les Inuits [Quebec First Nations and Inuit Relations Secretariat], he was initially responsible for developing policies for consulting Indigenous communities. He also acted as negotiator for the Quebec government in various processes that led to agreements with several Indigenous nations. Mr. Bourdages-Sylvain is currently Director of Negotiations and Consultation at the Secretariat and coordinates the work of various negotiating teams.



Aliou Diarra began his career with the Canada Revenue Agency in 2009, as a team leader at the Jonquière Tax Centre. He subsequently held management positions in all divisions at the Tax Centre. In 2014, as part of the leadership development program, he worked as a regional program advisor at the Quebec Regional Office, then at the Results and Delivery Centre of Expertise of the Audit, Evaluation, and Risk Branch at headquarters. In 2016, Aliou joined the Service, Innovation and Integration Branch (SIIB), where he led the World-Class Tax and Benefit Administration initiative and the launch of the Performance Measurement Centre of Expertise. Since 2019, Aliou has held senior positions at the SIIB. He is currently the Director of the Federal, Indigenous and Quebec Affairs Division. He holds an Executive MBA and an MBA from the Montreal School of Advanced Business Studies (HEC Montréal). He is passionate about contributing to international development projects.



Patrick Forest is Executive Director, Priority Species at Risk, Conservation and Domestic Negotiations, at the Canadian Wildlife Service, where his responsibilities include federal-provincial negotiations on habitat restoration and species at risk, including boreal caribou. Previously, he held the position of Director, Priority Species, within the same organization, and has worked in various positions with Environment and Climate Change Canada, Parks Canada, and Transport Canada. Patrick holds a PhD in International Studies from Laval University, and was a doctoral researcher at Dartmouth College (USA) and a postdoctoral researcher at McGill University. He joined the federal public service in 2012, through the Recruitment of Policy Leaders program.



Daria Riabinina is Director of Collaborative Research at the Ministère de l'Économie, de l'Innovation et de l'Énergie du Québec (Quebec Department of Economy, Innovation and Energy). She is responsible for the Quebec government's support for business innovation through collaborative research and for coordinating support for research and innovation in artificial intelligence and quantum technologies. During her career in the public service, Daria has worked with many players in Quebec's innovation ecosystem, such as research centers, incubator-accelerators and various intermediation and networking organizations. In 2022, she was awarded the "Champion of the Decade" prize at the Startup Community Gala for her contribution to the Quebec startup ecosystem. Before joining the public service in 2014, Daria worked for nearly 15 years as a university researcher in the field of nanomaterials and plasma. She holds a PhD in Energy, Materials and Telecommunications from the National Institute for Scientific Research (INRS).

EXECUTIVE SUMMARY

The aim of this research project was to shed light on the effects of a time of crisis on government practices in agreement negotiations between the provincial (Quebec) and the federal (Canada) governments.

Supported by the testimonies of civil servants from both levels of government, this research identifies the main changes observed during the crisis in question and makes a summary analysis of whether these changes are applicable outside a crisis.

Lasting effects include collaboration, increased awareness of respective issues, mobilization, openness to dialogue, rapid integration of technological tools and network development.

Temporary observed effects were the mobilization and prioritization of financial, human and material resources; the significant streamlining of agreement terms and conditions, comprehensiveness and signing deadlines; the exceptional mobilization of senior executives; compromises on jurisdiction; increased information sharing; and the streamlining of risk management. These temporary effects cannot be applied easily outside the crisis context, notably because of diplomatic and legislative considerations, pressure on human resources and the increased risks they represent for the integrity of public funds management.

All in all, the benefits and lessons learned from exceptional crisis situations advance practices generally and prepare governments for managing future crises.

The authors would like to thank the interview participants, who graciously donated their time to this research project. To protect the confidentiality of the information obtained, no names have been attributed to the interview excerpts presented in this report.

INTRODUCTION

“I had the privilege of having been a civil servant during a time of crisis and to have been able to make a difference for people around me and across the country. I was very proud to be a civil servant and to be able to help in this crisis.”

The relationship between the provinces and territories and the Canadian federal government is hugely important in the way programs are delivered. The two levels of government have defined areas of jurisdiction and collaborate in a multiplicity of fields impacting the lives of Canadians. This collaboration is embodied in the negotiation of intergovernmental agreements on a wide range of subjects. In the conduct of these negotiations, stakeholders have perspectives that have been shaped by factors and constraints that are specific to them and that, in some respects, can sometimes appear to be antagonistic.

However, as Canada faced an unprecedented pandemic crisis, the federal and provincial governments deployed flexible joint approaches that enabled a multitude of agreements to be reached, often in a very short space of time. Our team examined the issue of flexibility in times of crisis and whether it can be sparked intentionally outside such a context.

The previous cohort of the Federal-Provincial Young Leaders Circle focused on identifying winning conditions to be considered when negotiating and implementing Quebec agreements between Canada and Quebec, and formulating recommendations to improve such agreements.

Our research project builds on this previous study but proposes a complementary angle. It focuses on the factors that fostered flexibility in the negotiation of Canada–Quebec agreements during the COVID-19 crisis (2020–23) and their replicability in a regular context. The aim is to draw lessons that will enable future negotiators to improve the effectiveness and efficiency of federal-provincial negotiations.

State of exception

The COVID-19 pandemic had major repercussions across the globe, at epidemiological, societal, and economic levels. In a context of uncertainty marked by the need for urgent action due to the rapid spread of the virus, governments had to rapidly adopt contingency measures.

The situation led some countries to declare a state of health emergency, granting governments the necessary and exceptional powers to manage the crisis (using curfews, immigration restrictions, etc.). The Office de la langue française, Quebec’s French language board, defines this state of emergency as the temporary implementation, by health authorities, of extraordinary measures to prevent the aggravation of a threat to public health, and to reduce or eliminate the effects of this threat.

In Canada’s confederal context, where the Constitution sets out areas of jurisdiction, numerous laws had to be enacted or quickly amended to provide all the flexibility needed to act and to resolve this crisis (e.g., *An Act to amend the Financial Administration Act*, the *COVID-19 Emergency Response Act* and *An Act relating to certain measures in response to COVID-19*), and several federal-provincial agreements were made to ensure better coordination and allocation of public resources.

This state of exception—characterized by the suspension or amendment of rules governing the public space and the organization of public authorities, and by a greater concentration of powers in order to promote rapid decision-making (e.g., by decree and derogation)—has been the subject of much writing in recent decades (see Giorgio Agamben’s *State of Exception* for example), with authors particularly interested in the suspension of the principles underlying our democratic regimes.

In negotiating federal-provincial agreements during the COVID-19 pandemic, the federal government, provinces and territories had to put in place state-of-exception measures to address urgent and emerging needs, including streamlined administrative processes and flexibility in conditions of implementation and speed of execution.

METHODOLOGY

As part of this research project, we opted for a qualitative approach based on interviews with experts and stakeholders who have participated or been involved in federal-provincial negotiations.

The first step was to clearly define the subject of our research project, in particular our focus on federal-provincial agreement negotiations in the context of a pandemic.

The second stage involved one-hour interviews with nine civil servants working for sector departments or central agencies, from both the federal and Quebec governments. Some were selected for their direct involvement in federal-provincial negotiations, which were identified following a review of Canada–Quebec agreements signed during the pandemic (for example, the Canada–Quebec agreement on the COVID-19 exposure notification

system, the Canada–Quebec agreement to support the homeless-serving sector’s response to COVID-19 under Reaching Home, and an agreement in the form of letters exchanged between the Government of Canada and the Government of Quebec concerning the conditions for implementing the 2 Billion Trees Program).

The third stage consisted in analyzing the various elements of negotiations in a crisis context, in particular the themes and trends that emerged through the interviews. Each team member was assigned a portion of the report, and all contributed to its final review. It should be noted that the interview extracts (which appear in blue italics) have not been attributed to any participant in order to ensure the confidentiality of the information obtained.

This research project has certain methodological limitations: the theoretical framework is minimal, a larger number of participants could have been interviewed, and finally, qualitative analysis software would probably have enabled a more refined analysis of the results. In addition, the authors’ availability and the limited time allotted to writing also limited the delivery of a more detailed analysis.

KEY THEMES RAISED IN INTERVIEWS

1. The influence of crises on government posture

“We’ve never seen such collaboration as during COVID-19. In times of crisis, you can really see how well levels of government can work and communicate together.”

In normal times, government action and how quickly it is carried out depends on a variety of factors. In the context of federal-provincial negotiations, the finalization of an agreement may be influenced not only by the difficulties associated with the subject-matter being negotiated, but also by debates over compliance with the division of powers, governments’ traditional positions on certain issues, and sometimes complex decision-making processes. In normal times, federal and provincial governments also have to switch their attention between multiple priorities and issues of varying degrees of importance, and their positions may not necessarily be aligned.

In their interviews, participants highlighted how crises influence government "postures" and how these affect the conduct of negotiations. The need to agree on solutions and achieve results quickly triggers flexibility, fostering collaboration between governments.

During the COVID-19 crisis, pandemic management became, to all intents and purposes, the sole priority of governments. Some participants noted that “outside of crisis management, nothing existed. Everyone we spoke to was focused solely on crisis management.”

Others noted that, even if crises do not affect the main principles guiding intergovernmental relations (e.g. respect for shared jurisdictions), the urgency inherent in the pandemic context brought to the fore the importance of greater synergy, or complementarity, between the jurisdictions of the different levels of government and of the need to take into account the specific contexts of each province.

The asymmetry within the federation was reflected in increased intervention by the federal government. From the outset of the crisis, some jurisdictions quickly asked for additional support, including more interventionism from the federal government: “provincial capacity is not at the same level everywhere; some jurisdictions ask for funding, which pushes the federal government to intervene, and then it imposes standards that better-equipped provinces don’t need.” A participant working for the federal government noted that these standards are intended to ensure equity of service across the country. Some jurisdictions, however, such as Quebec, insisted on differentiated treatment in recognition of asymmetrical needs. This led to some tension, especially as differential treatment, or a unilateral approach by one province, could, in the absence of national coordination, result in significant impacts for other jurisdictions.

Governments adjusted their traditional postures to the gravity of the situation. The federal government adopted a collaborative posture of listening and pragmatism and favoured an aid approach tailored to the provinces’ real needs, rather than working to develop and impose a single or “national” formula. The Quebec government, for its part, favoured a posture of openness and collaboration, notably by being more flexible on the issue of data sharing.

While organizations regularly expect their representatives to debate positions at length, some of the participants we met noted that this “theatrical” aspect of negotiation, perceived as a limiting factor in terms of time, tended to be put aside in times of crisis, so that negotiators could focus on the elements deemed essential for arriving at a solution. The nature of discussions, which focused, for example, on the provision of services such as immunization rather than on the implementation of a corporate project, may have contributed to the adoption of more pragmatic approaches.

However, participants noted that once the crisis had passed, governments quickly returned to their usual ways : “In the first few months, relations were excellent, with all the Premiers and the Prime Minister meeting together once a week. After that, when the vaccines [were distributed] and the shops started to reopen, relations changed. We started to see debates coloured by political leanings.”

Certain lessons can be learned to influence the conduct of negotiations in normal times:

- **Posture:** Positioning oneself as a fighter in the arena should be avoided.
- **Asymmetry:** Openness to identifying solutions in a Canada with asymmetrical realities helps to bring the different levels of government closer together.

2. Availability of financial, human, material resources

“The COVID-19 crisis had ramifications for everything, all at once, in terms of vaccines, immigration, social and economic impacts, etc.”

The interviews showed that in a crisis context, the allocation of resources, be they financial, human or material, plays a vital role. In normal times, resources are usually limited. In a crisis context, participants noted an acceleration of decision-making processes, but also a priority allocation of resources to resolve the crisis. The crisis led to bargaining over the availability of resources and the search for solutions to respect areas of jurisdiction at a time when the Canadian population was expressing high expectations for tangible solutions on the ground, and quickly.

Financial resources

“All levels of government have recognized this as a major crisis; we didn’t really see any political colours, at the very least, in the first few months.”

Normally, financial resources are allocated according to a clearly established process, based on government priorities. Each minister submits their budget requests, and resources are allocated following the guidelines issued by the Department of Finance, among other things, through the annual budget exercise. How resources are allocated varies from jurisdiction to jurisdiction, depending on priorities. Different jurisdictions do not necessarily align their priorities or agree on joint priorities.

In times of crisis, this situation changes rapidly. Participants noted the disparity in resources available, with some jurisdictions having more financial resources at their disposal than others. Some jurisdictions had built up financial cushions over the years or had funds in reserve, while others, in deficit or with a limited tax base, had no room for manoeuvre.

The immediate mobilization of resources linked to the state of health emergency led to a redirection of financial resources across all departments, both federal and provincial, to support pandemic management efforts. Conversely, in many jurisdictions, the need to

stimulate the economy resulted in increased deficits and program spending to boost employment.

Funding allocation conditions were characterized by greater flexibility, whether in terms of duration (faster identification and allocation of funds), less stringent financial parameters (e.g., results-based approach) or less restrictive clauses. Negotiating teams had to adjust to a rapidly changing environment that involved adding funding to existing agreements, increasing capacity to deliver enhanced programs, adding additional measures or programs, including more flexible terms and conditions, and so on. As noted by one of the participants: “the further we got into the negotiations, the more flexible the parameters became (e.g. results-based approach), we didn’t add additional clauses when we could have done ... We didn’t have to go through all the steps before disbursing because the money was needed immediately. The Quebec government managed the cash flow knowing that the funds were coming.”

One participant noted that, before the pandemic, negotiations tended to be very formal, documented and based on strict adherence to procedure. During the crisis, some flexibility was observed, particularly with regard to certain approval requirements (e.g. Quebec’s M-30 Act). According to some respondents, the good thing about the crisis was that they continued to see “improvements in terms of speed, quality of negotiation, speed of agreement on financing parameters, given that there is a pre-established relationship of trust.” This trust translates, in some cases, into the possibility for certain negotiators to “agree, even before closing, on an agreement in principle [including] financing, and [to] make a conditional announcement.” Such an approach helps avoid service disruptions and gives local people a few months to plan ahead.

Human resources

“The pandemic has also exhausted many people, and several of them have stepped down.”

Normally, human resources are allocated according to government priorities, to support state-implemented projects.

In times of crisis, such as the COVID-19 pandemic, the entire bureaucratic apparatus is called into play. As one participant put it, “We’re all working together to solve this issue.” Every department’s program delivery is called on to ensure a way out of the crisis. Participants noted that a key element associated with success during the COVID-19 crisis was unquestionably human resources management: “There must be a very strong alignment with the values of humanity, that the human being is at the center of decisions. [We have to] base ourselves on the human.”

Other departments were called on to supplement public health needs. Participants noted that resources were reallocated to new tasks to meet the urgent, and temporary, objective of

addressing the COVID-19 crisis. All participants were proud of having, as public servants, contributed to resolving the crisis, and also emphasized the importance of personal relationships based on trust, good faith and a willingness to work together for common solutions. Employees were required to work overtime, evenings, and weekends, over a long period of time.

Material resources

Before the crisis, there were major disparities in access to material resources. This was the case for personal protective equipment (PPE) [e.g. boots and protective gloves], one of the key symbols of the COVID-19 crisis. Some jurisdictions, like Quebec, had strategic reserves, while others did not. Access to these resources was the subject of much political negotiation and bargaining.

Participants noted the disparities in terms of equipment, infrastructure, distribution centres and transportation equipment. The federal government offered to centralize purchasing to meet the needs of certain jurisdictions and to act as a national purchaser, then distribute the equipment across the various jurisdictions. This offer was not received with the same interest by all provinces and territories: “For example, the federal government had suggested being the buyer for all. Nova Scotia, Newfoundland, and Prince Edward Island needed it. Quebec didn’t. The federal government didn’t interfere; it created a strategic reserve for the provinces and territories that needed it.”

Quebec, for example, had strategic reserves. Instead of the federal government supplying equipment, it received an equivalent monetary contribution. This pragmatic, asymmetrical approach, implemented by the federal government in collaboration with the provinces and territories, made it possible to supplement the provinces and territories’ needs. The flexibility of these agreements was the subject of consensus among participants, particularly the speed with which material resources were allocated: “We had to agree on the sharing of vaccines, personal protective equipment, the minimum number of doses [etc.]. This was done quickly, as we were concentrating on the crisis. The deputy ministers themselves agreed on the precise points for negotiation. A proposal [was put forward] in the morning, then presented at the end of the day at the deputy ministers’ meetings. The next day, we would update the proposal, for review by the Ministers.”

With regard to vaccine acquisition and distribution, at a certain stage of the pandemic, negotiations focused on the imposition of proof of vaccination. The implementation of electronic tools did not go smoothly, notably the request to use a QR code. The federal government had to negotiate conditions with each province and territory, to ensure the validity of the proof both domestically and internationally.

The key lessons learned from the allocation of financial, human and material resources can be summed up as the massive and exceptional prioritization and redirection of resources to promote a quick exit from the crisis, which was made possible by setting aside other services and mandates considered less urgent. In the long term, such a situation is untenable, since governments must ensure the delivery of other, equally essential services and programs.

3. Flexibility in the terms and completeness of agreement documentation

Participants noted that, in a normal context, the usual processes must be followed to the letter. This involves completing numerous steps, obtaining approvals and securing validations from internal facilitators and central agencies. Compliance with program mandates and the terms and conditions of grants and contributions programs govern the conditions under which funds are committed and allocated. Negotiations take place over several months, with proposals being developed in writing and several conversations and negotiation meetings taking place.

Participants noted that, in a crisis context, not all jurisdictions have the same level of preparedness or the same understanding or perspective on the issues and how they should be resolved. They noted the mutual willingness of provincial and federal officials to do things differently in a crisis context.

The Treasury Board of Canada, for example, allowed “more flexibility, more acceptance in the terms of the agreements, [for example] an exchange of letters rather than a formal agreement,” since its simplified form speeds up drafting and avoids getting bogged down in the level of detail of a more traditional agreement. In some of the cases described by participants, reporting expectations were relaxed, while still respecting the key requirements laid down by the Treasury Board. This change allowed funds to be allocated retroactively or, in some cases, given the urgency of the situation, even before an agreement was signed or publicly announced.

Participants noted, however, that a number of safeguards were maintained to mitigate risk, pointing out that there was a higher tolerance for risk during the crisis: “The level of risk we can accept is normally very low ... the willingness to make quick decisions was very different before the crisis. [Now], we can accept a higher level of risk - decisions are made more quickly.” Participants mentioned that, to this end, risks and key considerations continued to be analyzed during the crisis, albeit more quickly.

This flexibility in the way agreements were negotiated and implemented relied mainly on common sense, goodwill, and a willingness to deliver results within very tight deadlines: “that’s why flexibility is important. It allows us to share the risks.” This flexibility also stemmed

from a willingness to identify common objectives and to put aside any elements deemed non-essential. Delegating responsibilities to lower hierarchical levels also enabled some participants to quickly come up with innovative solutions, to suit immediate needs. The fact that this flexibility arose against a backdrop of more and more information-sharing and negotiation forums also helped to mitigate negative impacts and to spread the risk between the federal and provincial/territorial governments.

4. Mobilizing stakeholders

“We’ve never seen this kind of collaboration before. In times of crisis, you can really see how well the different levels of government can communicate and work together.”

Participants noted that, in a normal context, negotiating agreements involves a multitude of stakeholders at both levels of government. Generally speaking, the time taken to conclude agreements depends largely on the ability of stakeholders at each level of government to mobilize and understand the different positions, consult central bodies such as the Treasury Board (at the federal level) or the Secrétariat du Québec aux relations canadiennes [Quebec’s Secretariat of Canadian Relations] (at the provincial level), and obtain approvals at the various management levels of each level of government, before issuing negotiated counter-proposals. This iterative consultation and negotiation process depends on the availability of the various stakeholders involved. Under normal circumstances, stakeholders have other competing priorities; their availability and the attention they can give to negotiating a specific agreement is limited. As a result, agreements can take several months to several years to conclude: “if I have an agreement, I have to go to Cabinet, get approvals. COVID-19 has prioritized these agreements. Now I have deadlines, which lengthens the approval process. Everything was accelerated because there was only one priority. Now I have to [negotiate] a place in Cabinet to get approvals.”

The agreements reached between the federal government and all the provinces and territories to manage emergency health measures such as the distribution of COVID-19 PPE and vaccines could be a perfect illustration of how parties set priorities in an emergency. Stakeholders at the highest management level of government (ministers and deputy ministers) met daily to negotiate and make the best decisions for the common good. The stakeholders’ other files were put on hold to deal with the emergency. The lesson here is that this exceptional mobilization of stakeholders considerably reduced the time needed to negotiate and conclude agreements aimed at ending the crisis. Among other things, administrative processes were streamlined, with shorter approval times. Participants also mentioned that, in times of crisis, key decisions can be made by certain individuals, rather than by committee, which speeds up the finalization of agreements: “Accountability is often by committee; in crisis, individuals make decisions by themselves.”

Finally, we asked participants whether it was possible to generate and maintain such a level of mobilization outside a crisis period. They noted that, in a crisis, exceptional mobilization was essentially prompted by the risk to the common good. A crisis is an exogenous factor beyond the control of leaders at both levels of government. Participants pointed out that not all agreements can be systematically prioritized by all stakeholders. Indeed, it would be difficult to sustain the daily and perpetual mobilization of all stakeholders, given the multiplicity of issues under their responsibility: “I have an agreement related to vaccination, but I also have other issues. ... We’re coming back to a rhythm that’s consistent with our other obligations.”

From our interviews, we learned two key lessons about mobilization:

- The level of mobilization of the different levels of management in each of the departments involved at the various levels of government has a direct effect on the time required to conclude agreements. During our interviews, we were struck by the fact that integrated meetings of all the stakeholders involved made it possible to resolve certain problems and significantly advance negotiations.
- During the COVID-19 crisis, technological tools emerged for real-time or ongoing virtual communication and collaboration, enabling the integration and engagement of multiple stakeholders between the two levels of government. When properly used in a non-crisis context, these virtual collaboration tools enabled all stakeholders to follow real-time updates and developments in negotiations and the drafting of agreements, and even to contribute according to their respective availabilities.

5. Interpersonal relations and information sharing

“Human nature wants a result, at the end of the day, after fighting. Often, leaders want you to debate [to earn your point].”

The importance of personal networks in government cannot be underestimated. These networks of formal and informal contacts play a crucial role in facilitating communication, coordinating actions, and implementing public policies. They enable departments and government agencies to share information in a fluid and relevant way, which is essential for informed and rapid decision-making, particularly in times of crisis.

In a normal context, networks follow individuals and are built up over time depending on the initiatives and projects on which these individuals work. Relationships that have evolved naturally in this context are mostly solid, mature, and long-lasting, and benefit negotiations of a complex relational and/or cultural nature (e.g. negotiations with Indigenous communities).

In a crisis, previously developed human ties can be extremely effective. The use of well-established networks and detailed knowledge of the roles and responsibilities, spheres of influence and individual networks of fellow negotiators can help negotiations run smoothly. The level of trust and transparency between the parties is often cited as the overriding factor in finding solutions and areas of agreement in negotiations. The ability to overcome fears and mistrust is often the result of long-standing, open collaboration and a deep understanding of the underlying issues at stake.

“My network has grown stronger. When you talk to someone every day, it brings you closer together and makes it easier to talk.”

In the absence of such networks, a crisis brings with it a need to build networks urgently and in a hurry. A lack of links between fellow negotiators forces them to compensate, notably by mobilizing excessive resources around a targeted objective (for example, by increasing the number of meetings to discover each other or learn about the issues in a hurry). This context seems to be more energy-intensive and may entail risks of overlooking certain issues because of ignorance, fear and a lack of transparency.

At first glance, a crisis may appear beneficial for accelerating the creation and strengthening of interpersonal networks. However, depending on the intensity of the crisis, it can also weaken networks: “The pandemic also exhausted a lot of people; many left their jobs. So a lot of relational gains were lost as a result of the pandemic.” In some contexts, the increased mobility of overstretched and exhausted resources has been destructive for networks, as a result of retirements, early departures, or position changes, among other things.

“Relational gains were lost in the wake of the pandemic. I’ve changed ministers once, deputy ministers twice and ADMs once.”

Information sharing proved to be a key element in the negotiations, both for program implementation (“We needed to put a mechanism in place ... there was nothing effective before”) and for advancing negotiations on a large number of agreements. Indeed, participants were unanimous in noting the rapid growth in federal-provincial meetings at all levels: “a record number of conference calls.” These meetings also enabled greater responsiveness to fast-moving events, and this collaboration “was very much based on trust.” However, some participants noted that information sharing should be used strictly for program delivery purposes, and that the federal government should not use it to “develop [new] Canadian policies” that would further encroach on provincial jurisdiction.

Among the lessons learned raised during the interviews, we noted the following:

- Importance of interpersonal relations in aligning interests, building trust, transparency, and efficiency in negotiations.

- Importance of building extensive professional networks in advance, both inside and outside the home organization;
- Importance of ensuring network continuity. Identification of substitutes within the organization who could take over in the event of departures; providing substitutes with access to the network of contacts in order to ensure continuity of operations in normal circumstances but especially during a crisis;
- Importance of creating forums between the federal government and the provinces and territories at several levels. This critical element was mentioned several times. Once the crisis was over, existing forums were used to bring together the various public functions. In some cases, such as at the ministerial level, their frequency increased to several times a week during the crisis.

6. The influence of shared or distinct areas of jurisdiction

“In the collaborative relationship between the two levels, it must be agreed from the outset that legislative powers must be respected.”

Another lesson learned is the need to take into account the effect of jurisdiction on the flexibility that parties can show in negotiations depending on the areas in which the two levels of government do or do not jointly exercise legislative or administrative powers.

Participants noted that healthcare is primarily a provincial responsibility. Under normal circumstances, the provinces are responsible for organizing and delivering health care. On the other hand, the federal government plays an important role in financing health care through financial transfers to the provinces, in addition to regulating certain aspects of health services.

During the COVID-19 crisis, the federal government quickly deployed additional funds to help the provinces respond to the crisis. For example, the Safe Restart Fund provided financial resources to support provincial health systems, including the purchase of medical equipment, increased hospital capacity, and the implementation of screening and vaccination programs.

Vaccine distribution was a key area of collaboration. The federal government negotiated purchase contracts with vaccine manufacturers and distributed the doses to the provinces, including Quebec. Subsequently, the provinces were responsible for implementing the vaccination campaign, identifying priority groups, and organizing vaccination clinics. This collaboration required close coordination to ensure efficient and equitable distribution of vaccines, while respecting the needs of all stakeholders.

This vaccine acquisition would not have been possible “without sharing information and lessons learned,” including “over 500 ministerial meetings during the three years of the pandemic.” One participant noted that the sharing of information, while respecting areas of expertise, helped “take us to success.” This same information, which at the outset “was not shared securely, by telephone; [nevertheless] enabled links to be traced at the operational level. We then set up more formal systems.”

Despite this collaboration, there were moments of tension, notably over the pace of vaccine distribution and differences in the application of public health measures between the provinces and the federal government: “There were things we could negotiate, but other things were up to the provinces and territories to decide, without interference from the federal government. And that’s where we saw the most tension.” Quebec, for example, adopted certain measures, such as curfews, that were stricter than in other provinces. These differences sometimes led to criticism, but they also illustrated the flexibility inherent in the legitimacy of jurisdictions that allow provinces to respond to local specificities as they see fit, while benefiting from the support of the federal government.

The fact that both levels of government have jurisdiction is a fact that must be taken into account when managing the federal-provincial relationship independently of the crisis. Several participants advised communicating and reaffirming from the outset that the negotiation process would in no way encroach on areas of jurisdiction, in order to maximize trust and foster collaboration.

In short, the management of the COVID-19 crisis highlighted the importance of collaboration between Canada and Quebec in an area of shared jurisdiction such as health. This collaboration helped maximize the effectiveness of the response to the pandemic, although challenges remained because of the need to take into account provincial areas of jurisdiction.

7. Risk management

Under normal circumstances, government risk management processes cover a variety of risks at different levels, from strategic to operational. These may include strategic and national risks; operational risks such as the sound management of public finances; critical infrastructure risks; civil and national security risks; and so on. These processes are supported by normative frameworks and various national and international agreements. Derogations from these processes are rather rare and require approval from higher authorities (Cabinet or deputy ministers, depending on the impact of the derogation). This involves legislative analysis and, on occasion, interdepartmental and inter-governmental consultations, which usually translate into substantial delays.

In times of crisis, the need to deliver results within tight deadlines calls for a reassessment of approval processes and close management of the risks associated with changing processes: “we can accept a higher level of risk.” Procedures for waiving program conditions are often accelerated in view of the urgency of the situation. As a result, parameters are prioritized, and only essential considerations are taken into account: “Because of the crisis, you end up having the right factors and the right elements to foster provincial-federal collaboration. ... Everything was accelerated because there was only one priority.”

This prioritization process requires a good mutual understanding of the issues at stake. Study participants noted that, once trust had been established, certain processes could be streamlined and made more flexible. This contrasts with the normal context, where established processes are paramount and there is a low tolerance for risk.

For example, in the context of adjusting medical services to the public, the governments agreed on certain results-based conditions and parameters and waived certain non-essential requirements. Quebec, for its part, was able to manage its cash flow in the knowledge that federal funding would be paid out at a later date, enabling it to act quickly on the ground.

“Looking back, if we’d had more time, we would have provided better program delivery.”

One participant noted, however, that there are limits to increased risk-taking. In the aftermath of the pandemic, the perspective of some public servants may differ if they don’t understand the context in which decisions were made, especially if they are new employees. What is more, there is always the possibility of an audit by the Auditor General, hence the importance of properly documenting the decision-making process and the considerations that led to decisions. Generally speaking, the less time allocated to processing a file, the less likely officials are to reduce the associated risks. These risks may resurface later and require mitigating measures or adjustments to the decisions that were made. In retrospect, establishing or respecting procedures would have made it possible to avoid certain pitfalls. But as reported, decision-makers had little choice but to make quick decisions.

We believe that lean risk management in a crisis context can facilitate the implementation of rapid solutions to critical problems. However, the temporary nature of this streamlining remains important, as certain concessions can be detrimental to stakeholders in the long term.

For example, the flexibility of governmental attitudes regarding areas of jurisdiction may backfire on one of the levels of government and make it difficult for them to regain what they acquired once the situation has returned to normal. Also, streamlined grants and reporting mechanisms may, if they persist over time, generate increased risks of mismanaged public funds.

A crisis can therefore be telling about government priorities and raise questions about the cumbersome nature of certain processes. However, the streamlining that occurs in times of crisis cannot be applied in normal times to make processes more efficient. Processes can certainly be changed if so desired, but changes should not be made without an in-depth risk analysis.

CONCLUSION

In short, the COVID-19 pandemic has led to significant changes in various aspects of how governments operate and in how federal-provincial agreements are negotiated.

These changes were based on the prioritization of actions to meet urgent needs and were, for the most part, of a temporary nature that facilitated openness to compromise. Moreover, the fact that the parties were aware of the temporary nature of the actions facilitated a return to traditional government posturing after the crisis.

There have also been changes that have proved lasting, allowing processes and organizational cultures to change and making negotiations outside a crisis context more fluid (see below table), with certain reservations. They offer unique insights and allow us to take a step back from standard practices and are helping to shape the government environment in general and the negotiation of agreements more specifically.

Here are our main observations as regards the applicability of the changes outside a crisis context:

Observed effect	Lasting	Temporary	Conditions of applicability or risks outside a crisis context
Government posture			
Better understanding of respective issues	x		A conscious effort, a clear will and a relationship of trust
Collaboration rather than confrontation	x		Relationships of trust
Openness to asymmetrical solutions (compromise on equity)	x		Political will and guidance from authorities
Resource availability			
Financial: rapid prioritization based on urgent needs		x	Putting aside of non-urgent needs
Human resources: reallocation according to immediate needs		x	Delays in completing routine mandates (important but less urgent)
Materials: centralization and prioritization according to urgent needs		x	Putting aside of non-urgent needs
Modality and completeness of agreements			

Abbreviated format		x	Possible specifically because of its temporary, risk-taking aspect
Mobilization			
Increased mobilization and collaboration at all levels	x		Emergency prioritization and political will
Signing time considerably reduced		x	Risks of incomplete analysis = potential collateral damage
Increased use of technological tools for quicker communication	x		We couldn't do without it
Interpersonal relations			
The importance of networks in building trust	x		Awareness of the importance of trusting relationships
Accelerated network development		x	Exceptional mobilization of stakeholders at all levels, forced by government priorities
Areas of jurisdiction			
Increased information sharing		x	Risk of increasing friction around areas of jurisdiction
Risk management			
Streamlined and prioritized		x	Possible specifically thanks to its temporary, risk-taking aspect