

PRI CONSULTATION RESPONSE

**Impact Assessment Agency of Canada (IAAC):
Draft Co-operation Agreement on Environmental
and Impact Assessment between Alberta and
Canada**

March 27, 2026



About this consultation

The Impact Assessment Agency of Canada (IAAC) is inviting [stakeholder input](#) on a proposed co-operation agreement with Alberta.

Where projects trigger both federal and provincial impact assessment requirements, the Government of Canada is advancing a “one project, one review” approach. This model aims to enhance coordination between jurisdictions to enable a single, integrated assessment process while maintaining respective responsibilities related to environmental protection and Indigenous rights. Co-operation agreements are intended to establish the principles and mechanisms through which federal and provincial authorities collaborate.

The PRI (Principles for Responsible Investment) is the leading organisation in advancing responsible investment globally. Set up with United Nations’ support, our unique community contributes to stable financial markets and a more prosperous world for all. We bring together signatories, amplify their voices and provide resources and guidance for complex sustainability challenges. The six Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

The PRI develops policy analysis and recommendations based on signatory views and evidence-based policy research. The PRI welcomes the opportunity to respond to the Impact Assessment Agency of Canada (IAAC)’s call for feedback on the draft co-operation agreement between Alberta and Canada.

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To inform this paper, the following group has been consulted: Canadian signatories in the Global Policy Reference Group

While the policy recommendations herein have been developed to be globally applicable, the PRI recognises that the way in which policy reforms are implemented may vary by jurisdiction and according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allowing market-led initiatives to precede regulatory requirements.

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PRI response

The PRI supports IAAC's efforts to reduce unnecessary duplication and to improve coordination between federal and provincial assessment processes. Effective government coordination can enhance predictability, reduce avoidable delay, and support a more efficient project review process. However, **streamlining will contribute to investor confidence only where it preserves a framework that is credible, transparent, and capable of identifying, assessing, and managing material environmental, social, Indigenous rights, and legal risks.**

This principle is consistent with the federal statutory framework. The [Impact Assessment Act](#) supports informed decision-making by identifying and assessing project effects, including impacts within federal jurisdiction, on Indigenous Peoples and their rights, and cumulative effects. In this context, impact assessments serve not only an administrative role, but a core governance function in identifying and managing material project-related risks before decisions are made.

Impact assessments play a critical role in identifying, evaluating and managing environmental and social risks that are material to project viability, legal certainty and long-term investment outcomes. From an investor perspective, they are not only procedural requirements but key tools for generating decision-useful information and reducing the risk of delays, disputes and value erosion.

Investors are also increasingly placing greater weight on rights-related and due diligence information. [PRI's 2025 reporting data](#) show that **39% of reporters used the UN Guiding Principles on Business and Human Rights and/or the OECD Guidelines to identify negative human rights outcomes**, up from 31% in 2023. In addition, [half of signatories](#) in 2025 used data providers or benchmarks to identify human rights outcomes. This trend reflects a broader expectation that regulatory frameworks should support robust, decision-useful processes for the assessment and management of rights-related and environmental impacts.

Canadian project experiences illustrate why this matters for investors. The [Coastal GasLink Pipeline](#) has faced significant cost overruns and delays, alongside legal and reputational challenges linked to Indigenous rights and consultation processes. These factors have contributed to increased project risk and uncertainty for investors. Similarly, the [Mount Polley Mine tailings dam](#) breach highlighted how gaps in environmental risk management can result in substantial remediation costs, regulatory scrutiny, and long-term reputational impacts. These examples demonstrate that shortcomings in impact assessment, consultation, or environmental safeguards can translate into financial, operational, and reputational risks for investors, particularly through delays, cost escalation, and increased regulatory uncertainty.

Against this backdrop, the PRI recommends that the draft co-operation agreement be strengthened in targeted respects to improve clarity and preserve assessment integrity.



Key recommendations

The draft agreement includes important commitments on high-quality assessment, consultation, Indigenous participation, transparency, and funding. From PRI's perspective, the key opportunity is to clarify how these commitments will operate in practice where reliance is placed on Alberta-led processes.

The PRI would welcome consideration in two key areas:

1. Clarify that coordination is intended to operate alongside, and not diminish, the rigor of impact assessment processes

It is important that efforts to streamline environmental and impact assessment processes do not weaken the rigor, transparency, or effectiveness of the assessments. In line with OECD and UN Guiding Principles frameworks, clearer operative language reaffirming the maintenance of strong, independent, and transparent impact assessment standards would help ensure that streamlining does not compromise integrity and would strengthen investor confidence.

2. Further clarify how Indigenous rights considerations and consent-seeking are reflected in coordinated processes

The PRI would welcome greater clarity on how federal responsibilities in relation to Indigenous Peoples will continue to be exercised where Alberta-led processes are relied upon, including how Canada's broader consultation and consent-seeking framework is expected to be reflected in practice.

Detailed comments

1. Clarify that coordination is intended to operate alongside, and not diminish, the rigor of impact assessment processes

The preamble in the draft agreement links streamlined assessment and permitting processes to investment and economic resilience, while also referring to high-quality assessments informed by rigorous science, Indigenous consultation, public participation and community knowledge.

At the same time, the operative clauses place significant emphasis on provincial reliance and deference. For instance, Clause 6 provides for minimizing duplication, aligning conditions, and, where applicable, deferring to provincial conditions and relying on provincial reports for subsequent federal permitting. Taken together, these provisions may benefit from a **clearer confirmation that coordination is intended to preserve, rather than substitute for, robust impact assessment, risk management, and federal oversight responsibilities.**

To support clarity, the agreement could more **explicitly articulate the role of impact assessments as core tools for identifying and managing environmental and social risks** that are material to project viability and long-term investment outcomes. A clause in which both parties acknowledge and align on the purpose of Environmental and Impact Assessments would support efforts to coordinate processes without altering their underlying purpose.

This would also be consistent with international due diligence frameworks. The UN Guiding Principles and [OECD guidance](#) do not treat streamlining as a substitute for identifying, preventing, mitigating, tracking and communicating impacts. The OECD describes due diligence as a set of "interrelated processes to identify adverse impacts, prevent and mitigate them, track implementation and results, and



communicate how impacts are addressed”; it also emphasizes that due diligence supports stronger risk management, legal compliance and reduced exposure to operational and systemic risks (p.18). PRI-backed [investor statements](#) similarly emphasize board oversight of rigorous human rights and environmental due diligence processes and transparent reporting. As such, clarifying that coordination will not compromise the integrity of assessments would support confidence in the consistency, comparability and long-term durability of outcomes under the agreement.

2. Further clarify how Indigenous rights considerations and consent-seeking frameworks are reflected in coordinated processes

The PRI welcomes the draft agreement’s several important references to Indigenous rights and participation. The draft refers to responsibilities to consult with, and where appropriate accommodate, Indigenous Peoples where Crown conduct could adversely affect their rights; to early, consistent and meaningful consultation; and to Canada’s commitment to the United Nations Declaration on the Rights of Indigenous Peoples ([UNDRIP](#)). Clauses 2(5), 7(2), 7(3), 8(2), 8(3) and 9(1) also provide for early information-sharing with Indigenous groups, meaningful Indigenous participation, incorporation of Indigenous perspectives, consideration and protection of Indigenous Knowledge, and coordinated federal funding for participation. In that respect, the agreement reflects several core principles relevant to Indigenous engagement.

However, the agreement places a clear emphasis on **consultation**, but is less explicit on how Canada’s broader **consent-seeking framework** is expected to operate where Alberta-led processes are relied upon. Clause 7(1) provides that, for projects primarily within provincial jurisdiction, Canada will recognize Alberta as best placed to consult with Indigenous Peoples pursuant to Alberta’s consultation policies and practices. Clause 10 states that neither party cedes jurisdiction and that the agreement does not create or alter any statutory power or duty.

Read together, these provisions suggest an intention to preserve existing legal responsibilities while enabling provincial leadership in consultation. The remaining question is whether the role of the federal Crown is sufficiently clear where impacts on Indigenous rights, lands, territories or resources may be material. This is particularly relevant in light of differing approaches to the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) across jurisdictions, which may create uncertainty regarding how consent-seeking expectations are operationalized in practice.

Ambiguity in roles can lead to legal uncertainty, disputes, delays, and weaker confidence in project durability. Clearer articulation of rights-related responsibilities would support stronger assessment of legal risk and project legitimacy, consistent with [PRI’s view](#) of due diligence as central to investment governance.

[Article 19 of UNDRIP](#) provides that states shall consult and cooperate in good faith through Indigenous peoples’ own representative institutions in order to **obtain free, prior and informed consent before adopting legislative or administrative measures** that may affect them. Article 32 applies that expectation in the **project context**, prior to approval of projects affecting Indigenous lands, territories or resources. [Department of Justice Canada’s](#) ten principles on respecting the Government of Canada’s relationship with Indigenous Peoples likewise state that meaningful engagement aims to secure free, prior and informed consent **when Canada proposes actions that affect Indigenous peoples and their rights, lands, territories and resources**.

In PRI’s view, it would be helpful to clarify how coordinated processes are intended to operate in a manner consistent with Canada’s broader consultation and consent-seeking framework, particularly where impacts on Indigenous rights, lands, territories, or resources may be significant.



Conclusion

The PRI recognizes IAAC's efforts to reduce duplication and strengthen coordination between federal and provincial assessment processes. Further clarification would help ensure these efficiencies do not compromise the rigor or transparency of impact assessment outcomes.

Greater clarity on assessment integrity and Indigenous rights considerations would support investor confidence in the effective long-term management of material environmental, social, and legal risks within a credible, decision-useful framework.

The PRI has experience of contributing to public policy on sustainable finance and responsible investment across multiple markets and stands ready to support the work of the Impact Assessment Agency of Canada to further enhance the robustness, consistency, and decision-usefulness of impact assessment processes.

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