Privy Council Office
Government of Canada
Recipient Organization
engagement@pco-bcp.gc.ca

July 22, 2026

Subject: Feedback on Major Projects Proposals and Discussion Paper on Proposed Legislative, Regulatory and Policy Reform

Dear Privy Council Office,

Please find below the Principles for Responsible Investment's formal consultation response to the Government of Canada's May 8, 2026 public notice on *Getting Major Projects Built in Canada – Discussion Paper on Proposed Legislative, Regulatory, and Policy Reforms*.

The Principles for Responsible Investment (PRI) is a UN-supported international network with more than 5,000 signatories, including asset owners, investment managers and service providers, representing approximately US$139 trillion in assets under management. Canada is one of PRI's largest and most important markets, with more than 220 signatories and a highly sophisticated investment community. It also plays an increasingly important role in global sustainable finance discussions.

Major projects can contribute to Canada's economic resilience, productivity, energy security and transition, while also creating significant environmental, legal, rights-related, construction and operational risks.

The PRI supports reducing duplication, improving coordination and increasing predictability. From an investor perspective, accelerated treatment should be reserved for projects that demonstrate a high degree of readiness, with material environmental and rights-related risks sufficiently understood, and where affected Indigenous Peoples have had a meaningful, properly resourced opportunity to participate through their own governance processes. Faster approvals do not inherently create investment certainty; durable and investable projects do.

The PRI therefore recommends that the Government:
1. prioritize early coordination and sequencing rather than defaulting to concurrent reviews;
2. establish transparent, project-specific readiness criteria, together with clear grounds for extending, suspending or resequencing accelerated processes;
3. use the proposed Crown Consultation Hub to support continuity, capacity and stage-appropriate Indigenous participation, including corrective measures for advanced projects;
4. require proportionate public reporting on consultation, material issues, commitments and implementation, while protecting confidential negotiations, Indigenous Knowledge and information that affected communities choose not to disclose; and
5. for projects that materially support Canada's climate objectives, consider evidence of credible climate alignment as a supplementary indicator of whether accelerated treatment is warranted. Canada's sustainable finance taxonomy could inform this assessment once it has been finalized and demonstrated to be fit for purpose.

We would welcome the opportunity to discuss this response with the Privy Council Office and relevant federal departments, and remain available for any questions or follow-up discussion.

Sincerely,

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PRI PRINCIPLES FOR RESPONSIBLE INVESTMENT

PRI CONSULTATION RESPONSE

Getting Major Projects Built in Canada – Discussion Paper

July 2026

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

UN environment programme | finance initiative

United Nations Global Compact

About this consultation

The Government of Canada is consulting the public and Indigenous Peoples on proposed legislative, regulatory and policy reforms intended to improve how major projects are reviewed and advanced. The proposals cover large-scale infrastructure, energy, natural resource, critical mineral and other strategically important developments that may require federal impact assessment, permitting and Crown consultation.

The discussion paper proposes, among other measures, greater concurrency between impact assessment and permitting, a single Crown Consultation Hub, consolidated federal decision-making, increased use of regulator-led assessments, the identification of economic zones informed by regional assessments, and greater flexibility in applying certain environmental and regulatory requirements.

For PRI signatories, the effectiveness of Canada's major project framework is closely connected to investment certainty and risk management. Investors assess not only whether a project has received an approval, but whether the underlying process has produced a credible basis for financing, construction and long-term operation. Material deficiencies in project information, environmental assessment, consultation, accommodation, mitigation or implementation planning can reappear after approval through litigation, design changes, financing constraints, construction disruption, operational suspension or deterioration in relationships with affected rights-holders and communities.

Indigenous and treaty rights are protected under section 35 of the Constitution Act, 1982, while Canada's UN Declaration Act requires federal laws to be aligned with the UNDRIP in consultation and cooperation with Indigenous Peoples. Because rights and governance arrangements vary across Canada, federal reforms should avoid standardized consultation processes or timelines. International standards also support a risk-based approach that requires companies to address human rights impacts and meaningfully engage affected communities.

The PRI develops policy analysis and recommendations based on signatory views and evidence-based policy research and welcomes the opportunity to respond to the Government of Canada's consultation on *Getting Major Projects Built in Canada*.

To inform this paper, the following group has been consulted: Canada Regional Policy Reference Group, Canadian investor participants of Advance initiative, Indigenous signatories and external organizations

SUMMARY

The PRI welcomes the Government of Canada's objective of improving the coordination, predictability and effectiveness of major-project reviews. Clearer institutional responsibilities, earlier identification of information needs and stronger coordination among federal authorities can reduce avoidable duplication and improve investor confidence.

Investment certainty depends on decisions supported by sufficiently complete information, proportionate assessment, credible mitigation, rights-respecting processes and enforceable commitments. An approval reached quickly but later exposed to material redesign, legal challenge, construction disruption or unresolved rights-related issues may provide less investment certainty than a somewhat longer but better-sequenced review.

Canada's experience suggests that well-designed assessment, consultation and community decision-making processes can contribute to more structured and predictable project review. For instance, the July 2026 rejection by Pessamit community members of a proposed long-term agreement with Hydro-Québec and the Government of Quebec illustrates that the existence or financial value of an agreement does not necessarily establish durable community support. Addressing these conditions early can help surface material concerns before projects reach key decision points, reducing the risk that unresolved issues later affect project design, feasibility or long-term legitimacy.

The PRI encourages the Government to improve the coordination and predictability of major project reviews without treating speed or concurrency as ends in themselves. Accelerated or concurrent review should proceed where the project design is sufficiently stable, baseline environmental, social and technical information is substantially complete, and the relevant federal, provincial, territorial and Indigenous jurisdictions have been identified.

Material environmental, Indigenous rights, human rights and legal risks should be sufficiently understood, with credible mitigation and accommodation measures under development, while affected Indigenous Peoples should have timely access to information, capacity funding and independent expertise. Consultation should also be advanced enough to identify issues that could materially affect project design, approval conditions or overall feasibility, and there should be a clear basis for recording, implementing, monitoring and publicly reporting material commitments. Where a project has significant climate implications, claims of alignment with Canada's climate objectives should be supported by credible evidence. Once finalized and demonstrated to be fit for purpose, Canada's sustainable finance taxonomy could provide an additional assessment lens, but should not substitute for project-specific environmental, rights-related or legal due diligence.

These measures would support reviews that are both more efficient and more durable. Genuine investment certainty comes not simply from faster approvals, but from well-prepared, resilient projects that can maintain legal, financial and social legitimacy over time.

PRI RESPONSE TO THE PUBLIC AND INDIGENOUS ENGAGEMENT QUESTIONS

1. What opportunities do you see emerging from these proposals to improve the assessments and permitting processes related to building major projects?

The PRI welcomes stronger federal coordination to reduce duplication, consultation fatigue and inconsistent direction. A streamlined project workplan, common information requirements and clear accountability would provide greater certainty for proponents and investors.

To improve visibility and support durable investment decisions, reforms should focus not only on enabling processes to proceed in parallel, but also on ensuring that regulatory decisions are informed by sufficiently developed evidence and consultation outcomes.

The PRI recommends that the Government consider the following:

1.1 Prioritize early coordination over default concurrent review

Re: Government Proposal 1 — Run impact assessments and permit reviews concurrently.

The PRI supports better coordination between impact assessment and permitting. Technical studies, data collection and administrative preparation may proceed in parallel where doing so does not prejudge later decisions. However, concurrency should be applied selectively, rather than treated as the default measure of efficiency.

From an investor perspective, the relevant test is whether concurrent review improves decision quality and project certainty without increasing the risk of redesign, duplicated work, legal challenge or delay. Readiness should therefore be assessed for each permit, not applied as a general label to the entire project. Recent investor guidance emphasizes project-level due diligence, including assessment of Indigenous rights, consultation outcomes and management capacity, as an important component of protecting long-term value.

Accordingly, permits and regulatory activities should be assessed against clear readiness criteria and assigned to **one of three practical categories** based on whether, and to what extent, they can proceed concurrently.

1. Ready for concurrent review

The project design, baseline information, and technical evidence are sufficiently developed; affected Indigenous Peoples have received the information and capacity support needed to participate meaningfully in the permitting process; and no unresolved consultation issue is likely to change the basis of the decision.

2. Ready for preparatory work only

Technical analysis, information requests and administrative preparation may proceed in parallel, but no draft or final decision should be made until specified assessment, consultation or mitigation dependencies have been resolved.

3. Not ready for concurrent review

The permit depends materially on unresolved project design, environmental assessment, Indigenous rights, consultation, accommodation or mitigation matters and should therefore remain sequential.

Readiness does not require every project issue to be resolved. It requires sufficient confidence that concurrent work will improve efficiency without increasing the risk of premature decisions, costly redesign, avoidable delay or other execution risks that could undermine project value and investment certainty.

1.2 Provide a practical pathway for projects that are already substantially advanced

Early engagement remains important because it allows Indigenous rights, jurisdiction, knowledge and priorities to inform project design and decision-making. Where a project is already advanced, however, the absence of early engagement should neither be disregarded nor treated as automatically preventing further progress. Any decision to accelerate should therefore consider the quality of engagement undertaken, the materiality of unresolved issues, and whether project design, mitigation, governance and monitoring arrangements can still respond meaningfully to consultation outcomes. This assessment should remain proportionate and project-specific.

For investors, the key question is whether outstanding issues can be addressed without creating material legal, regulatory, execution or relationship risks. Greater transparency on consultation status and unresolved matters would support more informed assessments of approval durability, project certainty and long-term capital commitments.

1.3 Support decision-useful transparency

Concurrent review should be accompanied by proportionate, project-level reporting that enables investors to understand how material human rights and Indigenous rights impacts have been identified, assessed and addressed. Consistent with the UNGPs, reporting should focus not only on the engagement undertaken, but also on how its findings have informed project design, mitigation, permit conditions, monitoring and ongoing risk management.

Reporting should provide sufficient information on material impacts, actions taken, commitments made and significant issues that remain unresolved. Where appropriate, it should also reflect the perspectives of affected Indigenous Peoples and provide a reasonable basis for them to raise concerns regarding the accuracy or completeness of information about their participation.

The nature and level of disclosure should be proportionate to the severity of the impacts and the information needs of investors, while protecting confidential negotiations, culturally sensitive information and Indigenous Knowledge. This would support accountability without reducing meaningful engagement to a procedural record or requiring the disclosure of information that could create further risks for affected rights-holders.

1.4 Recognize heightened and cumulative capacity constraints

Some affected Indigenous communities may face significant participation constraints, including remoteness, limited access to specialist advice and multiple major-project proposals progressing at the same time. Meaningful participation may require substantial technical review, community engagement, travel, access to legal and engineering expertise, and internal governance processes.

For instance, a federal review of Indigenous consultation found that some Indigenous groups receive hundreds of consultation referrals each year and may lack the personnel, technical expertise and baseline information needed to respond meaningfully. It also documented instances in which communities were given only two or three weeks to review hundreds of pages of technical material.

Meeting an administrative deadline does not by itself demonstrate that a community has had a reasonable opportunity to assess a project. Readiness assessments should therefore consider whether the time, information and resources available are proportionate to the project's complexity and the circumstances of affected communities.

First Nations Major Projects Coalition (FNMPC) has highlighted the importance of access to technical and financial advice in supporting informed commercial decisions about participation in major projects. Identifying material capacity constraints early can help determine whether consultation and decision-making can proceed on a credible timetable, reducing the risk of subsequent delay, redesign or challenge.

The PRI would therefore welcome greater clarity on how the Crown Consultation Hub will coordinate consultation, identify material capacity gaps and support the conditions required for effective Indigenous participation and partnership. This would strengthen the Hub's role in supporting credible, investment-ready projects.

2. What are your views or general impressions on these proposals to improve regulatory efficiency related to building major projects faster in Canada?

The PRI recommends that the Government consider the following:

2.1 Use readiness-based criteria where material risks remain unresolved

Re: Government Proposal 1 — Federal review and decision-making in no more than one year.

Clear timelines can improve accountability and investment certainty. However, accelerated review should apply only where a project is sufficiently mature for a credible and durable decision.

Eligibility should be based on evidence that:

- the project design and baseline information are substantially complete;
- material environmental, legal, jurisdictional and human rights risks have been identified and addressed;
- affected Indigenous communities have been meaningfully consulted, and consent or other required agreements have been secured and can be maintained;
- mitigation, monitoring and implementation plans are credible; and
- no material unresolved issues are likely to delay construction, disrupt operations or expose the project to significant legal or financial risk.

The PRI recommends that the framework should also allow timelines to be extended or acceleration to be withdrawn where project changes, information gaps, consultation outcomes or newly identified impacts create material risk. For institutional investors, the relevant test is not whether a review can be completed within one year, but whether the resulting decision is legally durable, operationally viable and financeable. A readiness-based approach would provide greater certainty than a fixed deadline applied before material risks and community-related issues have been resolved.

This approach aligns with UNGP and OECD due diligence principles and Canada's duty to consult and accommodate. From an investor perspective, accelerated timelines should preserve context-specific, rights-respecting engagement and avoid treating FPIC as a procedural deadline, reducing legal, execution and approval-durability risks.

The PRI would welcome clear readiness and extension criteria, so reviews remain proportionate to project complexity and unresolved material issues. This would better support durable and financeable decisions than a fixed deadline.

2.2 Recognize effective jurisdiction-specific frameworks

In areas governed by modern treaties and co-management arrangements, established institutions may provide comparatively clear pathways for project review and meaningful Indigenous governance and participation. It is therefore important to understand and recognize jurisdiction-specific frameworks that are already operating effectively, while avoiding assumptions that all frameworks function in the same way. The extent to which these arrangements support effective consent-seeking and advance the objectives of free, prior and informed consent will depend on the circumstances of each jurisdiction and project.

For example, under Nunavut's statutory process, project proposals must be submitted to the Nunavut Planning Commission. Where an applicable land-use plan exists, the Commission determines whether the project conforms with that plan, and projects that are not exempt are referred to the Nunavut Impact Review Board for screening and any required review. Regulatory authorities generally cannot issue licences, permits or other authorizations until the applicable assessment process has been completed.

In Eeyou Istchee, Section 22 of the James Bay and Northern Quebec Agreement establishes an environmental and social impact assessment and review regime involving Cree, Quebec and federal institutions. The framework includes Cree representation in assessment processes and formal opportunities to consider impacts on Cree rights, land use and communities, illustrating how established regional arrangements can support meaningful Indigenous participation within project review.

As such, federal reforms should build on jurisdiction-specific institutions and participation requirements that are demonstrating effective results, coordinating with established processes rather than duplicating them. Lessons from these frameworks can help strengthen procedural clarity, Indigenous governance and meaningful participation elsewhere, while assessments of efficiency and alignment with FPIC remain grounded in the evidence and context of each jurisdiction and project.

2.3 Use climate alignment as a supplementary lens for acceleration

The PRI welcomes the Government's recognition that major projects can play an important role in advancing Canada's climate and transition objectives. Where a project is presented as contributing to those objectives, that contribution should be supported by credible and transparent evidence.

Canada's taxonomy could provide a useful supplementary lens by offering science-based criteria for identifying credible green and transition activities, improving market clarity and reducing greenwashing risk. Consistent with the OECD's guidance on transition finance, this assessment should consider whether a project's climate claims are supported by a credible transition pathway, transparent targets and evidence of environmental integrity. The OECD also emphasizes that investors require a holistic view of the underlying business strategy to assess a transition investment from financial, business and environmental perspectives.

Taxonomy alignment can provide an important signal regarding the climate characteristics of an activity and may help inform decisions about project prioritization and review. However, it should be considered alongside, rather than as a substitute for, assessments of legal durability, respect for Indigenous rights and overall project readiness. These considerations could continue to be assessed through the readiness framework set out in Section 2.1.

For institutional investors, credible and transparent climate alignment can strengthen the investment case for acceleration by demonstrating how a project may manage climate-related risks and opportunities and contribute to the transition. IFRS S2 situates climate considerations within the assessment of matters that may affect cash flows, access to finance and cost of capital, and requires them to inform broader risk-management processes. Climate alignment should therefore inform, rather than replace, the overall assessment of whether a project presents manageable material risks and can deliver durable economic and transition outcomes.

3. What do businesses and Indigenous Peoples require to advance major projects within a shorter timeframe under these proposals?

The PRI recommends that the Government consider the following:

3.1 Recognize rightsholder participation beyond economic ownership

Meaningful participation may take many forms depending on the project and the priorities identified by the affected community. It may include:

- Indigenous-led assessment;
- representation in project governance or oversight;
- environmental monitoring and compliance functions;
- technical advisory roles;
- procurement and contracting;
- employment, training and management pathways;
- equity ownership or joint ventures;
- revenue participation;
- remediation and closure planning; and
- mechanisms for resolving disputes and enforcing commitments.

The PRI welcomes the Government's recognition of Indigenous participation and benefit-sharing as important considerations in assessing project readiness. Greater clarity would be provided by considering not only the monetary value of benefits or the existence of an agreement, but also whether the arrangement reflects informed decision-making, provides meaningful governance and participation rights, includes clear and enforceable commitments, and addresses any outstanding material concerns. This would support a more credible assessment of the durability of the arrangement and the project's broader investment readiness.

Conclusion

The PRI supports efforts to improve the timeliness, coordination and predictability of major-project reviews. Better sequencing, clearer information requirements and stronger federal coordination can reduce duplication, improve planning and strengthen investor confidence. However, accelerated decisions should be based on transparent, evidence-based assessments of project maturity, information quality, consultation progress, material risks, mitigation and implementation capacity. Readiness should be reassessed when circumstances change.

Processes should also enable affected Indigenous Peoples to participate through their own governance structures, with adequate information, time and capacity. From an investor perspective, this supports more reliable assessments of legal, execution, operational and approval-durability risks without prescribing the position communities should take.

The PRI therefore encourages the Government to ensure that reforms to timelines, permitting and consultation strengthen the evidence, participation and accountability needed for credible, financeable and legally durable projects. The PRI would welcome continued engagement as these reforms are developed.

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 Privy Council Office.

Please send any questions or comments to policy@pri.org
More information on www.unpri.org