

Impact Assessments in Canada

FREQUENTLY ASKED QUESTIONS

Fact Sheet

The rules governing Canada's impact assessment system are designed to protect the environment, ensure sustainable projects can move forward safely, and instill public confidence in how the Government of Canada makes decisions about major projects, like mines, pipelines and hydro dams.

The *Impact Assessment Act* aims to achieve these goals while also fostering reconciliation with Canada's Indigenous peoples, encouraging investment, and creating new jobs and economic opportunities for Canadians.

The Act is also intended to lead to more timely and predictable project reviews. Efficient, credible and predictable assessment and decision-making processes are critical to attracting investment and maintaining the economic competitiveness of the country.

This fact sheet is intended to respond to some of the most commonly asked questions about Canada's *Impact Assessment Act*.

1. WHY DID THE GOVERNMENT OF CANADA MOVE TO AN IMPACT ASSESSMENT SYSTEM?

Public confidence in the assessment process is key to the shared success of projects. The Government of Canada launched a comprehensive process to review existing environmental assessment laws and regulatory processes and sought Canadians' input on how to improve the system. Following this review, the *Impact Assessment Act* was developed and came into force on August 28, 2019.

2. HOW DOES THE *IMPACT ASSESSMENT ACT* SIMPLIFY THE PROCESS?

The *Impact Assessment Act* increases regulatory certainty and clarity, encouraging investment in Canada's natural resources sectors. The goal of the Act is one project, one assessment. The Act streamlines the process and improves coordination with the provinces and territories to reduce red tape for companies and to avoid duplicating efforts in reviewing proposed projects. A single agency, the Impact Assessment Agency of Canada, leads all impact assessments for major projects in order to ensure the approach is consistent and efficient.

3. HOW DOES THE *IMPACT ASSESSMENT ACT* COMPARE WITH INTERNATIONAL STANDARDS?

The World Bank is considered the international leader in impact assessment. Its environmental and social assessment focuses on sustainability and consider a broad range of factors including transparency, social and health impacts, accountability, and climate change. The Government of Canada has taken a very similar approach by focussing on a broad range of factors when considering the impacts projects can have. The Act was also informed by best practices recommended by the International Association of Impact Assessment.

4. WHAT PROJECTS ARE SUBJECT TO REVIEW UNDER THE *IMPACT ASSESSMENT ACT*?

[The Physical Activities Regulations](#), known as the "Project List", set out the projects and activities that are subject to the *Impact Assessment Act*. The Project List makes it easier for everyone to understand what projects will be subject to the Act. Examples of projects on the Project List include pipeline, nuclear, and mining projects.

5. HOW LONG DOES AN IMPACT ASSESSMENT TAKE?

The *Impact Assessment Act* sets out legislated timelines to ensure timeliness and certainty in each step of the process:

- Planning Phase: **180 days**
- Impact Statement Phase (time determined by proponent, up to three years unless extension requested)
- Impact Assessment Phase:
 - **Up to 300 days** for Agency-led assessments.
 - **Up to 300 days** for integrated review panels with lifecycle regulators (i.e. the Canada Energy Regulator, Offshore Boards and the Canada Nuclear Safety Commission).
 - **Up to 600 days** for review panels.
- Decision-making Phase:
 - **30 days** for Minister's decision
 - **90 days** if decision referred to Governor in Council (i.e. Cabinet).



Timelines are designed to keep the process on track and predictable. Timelines may be extended by the Minister for up to 90 days, for example, to ensure alignment of timelines with another jurisdiction. Any further extensions require approval of Cabinet. Timelines in the planning phase and impact assessment phase may be suspended for limited, proponent-driven reasons set out in regulations: on request of the proponent; if there is a design change that would change the impacts of the project; or for non-payment of fees. These limited exceptions ensure that the process is completed in a timely manner.

6. WHY DOES THE *IMPACT ASSESSMENT ACT* REQUIRE ANALYSIS OF GENDER IMPLICATIONS AND OTHER SOCIAL EFFECTS?

The *Impact Assessment Act* requires analysis of the environmental, health, social and economic effects of projects, both positive and negative. These factors inform decisions on whether a project is in the public interest.

Gender-based analysis plus (GBA+) is an analytical tool that asks important questions about how designated projects may affect diverse groups. It considers the potential for disproportionate effects based on sex, gender, and other intersectional identity factors. The goal of applying GBA+ to impact assessments is to better understand the positive and negative effects that a designated project may have on diverse population groups. By considering the potential for such groups to be affected disproportionately by a project early in the process, negative impacts and mitigation measures can be identified, ensuring better outcomes and better supporting a more fully informed public interest determination by decision-makers.

7. WHAT IS REQUIRED IN TERMS OF INDIGENOUS ENGAGEMENT?

The *Impact Assessment Act* increases opportunities for Indigenous peoples to be well-informed and meaningfully consulted in impact assessments. The mandatory planning phase involves the collaborative development of an Indigenous Engagement and Partnership Plan with Indigenous groups affected by the project. This will enable the determination of engagement and consultation needs before an impact assessment begins.

The process set out in the *Impact Assessment Act* aligns fundamentally with the objectives of Free, Prior and Informed Consent as set out in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Free, Prior and Informed Consent does not affirm the ability for Indigenous peoples to veto a government action, decision or project. However, government actions must respect the legal duty to consult and decisions are reviewable by the courts. Consideration of adverse impacts on Indigenous rights and interests is at the core of decision making under the Act.

The Government of Canada's goal is to secure consent through collaboration with Indigenous peoples, with the objective of obtaining acceptance of impact assessment outcomes within their communities.

8. HOW WILL A PROJECT'S POTENTIAL POSITIVE IMPACTS BE CONSIDERED UNDER THE *IMPACT ASSESSMENT ACT*?

The *Impact Assessment Act* requires holistic consideration of a project's impacts. It explicitly requires that the positive economic impacts of major projects be considered, such as jobs for Canadians, being able to meet increased demands for energy, and positive impacts on Canada's climate change commitments. The reporting of positive impacts encourages broader public awareness of the contribution projects may make to the public interest.

9. IS THE CONSIDERATION OF ENVIRONMENTAL OBLIGATIONS AND CLIMATE CHANGE COMMITMENTS NEW?

No, the assessment of environmental effects related to domestic and international environmental obligations and climate change commitments within project assessments is not new. Everyone is required to abide by Canadian legislation and regulations, such as those outlined in the [Species at Risk Act](#), and the [Canadian Environmental Protection Act](#) in the conduct of projects.

The key change in the *Impact Assessment Act* is the transparent analysis and reporting of the extent to which the effects of a designated project may hinder or contribute to the Government of Canada's ability to meet its environmental obligations and its commitments in respect of climate change. This analysis must be considered by decision-makers and reported publicly in the Minister's decision statement.

10. WHAT ARE THE ROLES OF DIFFERENT JURISDICTIONS UNDER THE *IMPACT ASSESSMENT ACT*?

Canada's approach to impact assessment is 'one project, one assessment', with the goals of reduced duplication, increased efficiency and certainty. One of the purposes of the new *Impact Assessment Act* is to promote collaboration with other jurisdictions, whereby all jurisdictions work together to support a single impact assessment process for major projects.

There are a number of ways in which the provinces and the Government of Canada work together on impact assessments. For each project under the *Impact Assessment Act*, the Impact Assessment Agency of Canada coordinates with provinces to determine the best approach to ensure a collaborative, efficient assessment. The cooperative process used for each project will be outlined in a Cooperation Plan that is shared with the proponent and posted publicly, promoting increased certainty and transparency.

11. IS THERE TRAINING ON THE *IMPACT ASSESSMENT ACT* FOR PROPOENTS? IF SO, WHEN AND WHERE?

Yes. The Impact Assessment Agency of Canada is providing training on the *Impact Assessment Act* to members of the public, Indigenous groups, proponents and practitioners. Course availability across Canada is posted on the Agency's [website](#).

For more information on the Act, visit the Impact Assessment Agency of Canada's website at www.canada.ca/iaac where there is also a Practitioner's Guide that provides greater detail on the policies and processes related to the Act and applicable regulations.

