

Alberta and Canada Publish Draft Co-operation Agreement on Environmental and Impact Assessment

By Alicia K. Quesnel, Carolyn A. Wright, Mardi McNaughton, Peter Ciechanowski, & Alex Sinclair

Background

On March 6, 2026, the Government of Canada and the Government of Alberta (the "**Parties**") released a draft of the [Co-operation Agreement on Environmental and Impact Assessment](#) (the "**Co-operation Agreement**").¹ This development follows the Memorandum of Understanding signed between the Parties on November 27, 2025,² which committed the Parties to a number of objectives for fostering natural resource production and transportation in Western Canada, including a commitment to negotiate a co-operation agreement on impact assessments by April 1, 2026. The Impact Assessment Agency of Canada is seeking feedback on the Co-operation Agreement as part of a 21-day public consultation period that closes on March 27, 2026.

The purpose of the Co-operation Agreement is to advance a "one project, one review"³ model that streamlines environmental and impact assessments by reducing duplication of project reviews at the federal and provincial levels. It is designed to support timely and predictable regulatory processes while respecting federal and provincial jurisdiction.

This article provides an overview of the key points and takeaways of the Co-operation Agreement.

Shift Toward Provincial Primacy

The Co-operation Agreement signals a shift toward greater provincial leadership in project assessments. When a proposed project is primarily under provincial jurisdiction (for example, a natural resource development project), Alberta's assessment process will be relied upon, with Canada recognizing Alberta as "best placed" to conduct the assessment.⁴ When a proposed project involves federal work or is on federal land, then subject to Alberta's direction, Canada will integrate Alberta's environmental assessment and regulatory process with the federal process.⁵ Canada will avoid repeating work by relying on Alberta's environmental assessment or regulatory processes when Alberta confirms that such processes will deal with adverse effects that fall under

¹ Impact Assessment Agency of Canada, *Draft Co-operation Agreement on Environmental and Impact Assessment between Alberta and Canada* (6 March 2026), online: <<https://letstalkimpactassessment.ca/co-operation-agreement-between-alberta-and-canada>> [**Co-operation Agreement**].

² Impact Assessment Agency of Canada, *Memorandum of Understanding between the Government of Canada and the Government of Alberta: agreement to strengthen energy collaboration and build a stronger, more competitive, and more sustainable economy* (November 27, 2025), online: <<https://open.alberta.ca/publications/mou-goc-go-strengthen-energy-collaboration-build-stronger-more-competitive-sustainable-economy>>.

³ Impact Assessment Agency of Canada, *"One Project, One Review": Co-operation Agreements for the Assessment of Major Projects* (September 2025), online: <<https://letstalkimpactassessment.ca/one-project-one-review-cooperation-agreements-assessment-major-projects>>.

⁴ Co-operation Agreement, s 1(1).

⁵ Co-operation Agreement, s 1(2).

federal jurisdiction, as defined in the *Impact Assessment Act*,⁶ including effects on federal lands, fish and fish habitat, migratory birds and Indigenous rights, for projects mainly regulated by Alberta.⁷ Canada may still offer support to Alberta, such as technical advice or resources, to ensure those concerns are effectively managed.⁸

Coordination of Conditions, Decisions, and Permitting

The Co-operation Agreement outlines how the Parties will coordinate their assessment conditions, decision-making and permitting processes to reduce duplication and streamline project approvals.⁹ When both federal and provincial assessments apply, the governments will coordinate their reviews of the project. The coordination between the governments aims to avoid duplication of assessments and to align terminology, reporting requirements and timelines. Additionally, federal assessment conditions will defer to existing provincial conditions where provincial laws or processes already exist. The Co-operation Agreement encourages coordinated opportunities for proponents, Indigenous Peoples, and the public to comment on potential assessment conditions where practical and appropriate.

The Parties commit to developing a cooperative approach to permitting activities, regardless of the proposed approach to an assessment. This includes early identification of permitting needs, information-sharing, joint measures to resolve issues and increased reliance on Alberta's reports to satisfy federal requirements.¹⁰

Indigenous Consultation and Participation

For projects primarily under provincial jurisdiction, Alberta will lead consultation with Indigenous groups using its established consultation policies for provincial decisions. This, however, does not limit either of the Parties to coordinate with Indigenous groups respecting assessments or incorporating Indigenous-led assessments to ensure that the duty to consult and accommodate (if appropriate) is satisfied.¹¹ The Parties commit to:

- respecting section 35 rights of the *Constitution Act, 1982*;
- supporting meaningful consultation; and
- incorporating Indigenous perspectives in the assessment process.¹²

⁶ *Impact Assessment Act*, SC 2019, c 28, s 1.

⁷ Co-operation Agreement, s 3(1).

⁸ Co-operation Agreement, s 3(2).

⁹ Co-operation Agreement, s 6.

¹⁰ Co-operation Agreement, s 6.

¹¹ Co-operation Agreement, s 7(3).

¹² Co-operation Agreement, s 7.

The Co-operation Agreement acknowledges that Canada remains committed to the *United Nations Declaration on the Rights of Indigenous Peoples* ("**UNDRIP**").¹³ Alberta will continue to act in accordance with existing treaties but does not view UNDRIP as binding law.¹⁴

Assessment Timelines

Any federal impact assessment decision required under the Co-operation Agreement must be completed within a maximum of two years from the federal receipt of the initial project description. This reinforces a shared commitment to timely and efficient project reviews.¹⁵

Constitutional and Legal Challenges

The Co-operation Agreement does not create new constitutional or legal powers or limit existing ones. It applies cooperatively even when projects cross provincial boundaries. Neither government cedes any constitutional jurisdiction by entering into the Co-operation Agreement, with Alberta explicitly stating that it will continue its constitutional challenge of the *Impact Assessment Act*.¹⁶

Implementation, Interpretation and Resolution of Differences

Translating these cooperation principles into a workable framework will require the Parties to align on the content and processes needed to implement these principles. While the Parties agree to make reasonable efforts to agree on the interpretation and application of the Co-operation Agreement, they recognize that differences in views may arise. Accordingly, they commit to use reasonable efforts to resolve disputes and have agreed to a framework for non-binding cooperation and consultation to facilitate resolution of these differences.¹⁷

General Provisions

The Co-operation Agreement generally indicates that:

- it will come into force upon signature;
- either party may terminate it with at least 90 days' prior notice; and
- termination does not affect any assessments already underway.¹⁸

¹³ Co-operation Agreement, Preamble.

¹⁴ Co-operation Agreement, Preamble.

¹⁵ Co-operation Agreement, s 5(1).

¹⁶ Co-operation Agreement, s 10.

¹⁷ Co-operation Agreement, s 11.

¹⁸ Co-operation Agreement, s 12.

Takeaways

The Co-operation Agreement presents the efforts by the Parties for establishing guidance to the impact assessment process in light of amendments to the *Impact Assessment Act* following the 2023 Supreme Court of Canada decision in *Reference Re: Impact Assessment Act*,¹⁹ notwithstanding that Alberta has filed a second constitutional challenge to the amended Act. The Co-operation Agreement outlines how the Parties intend to coordinate environmental and impact assessments, streamline project reviews, and clarify each government's role. The key highlights of the Co-operation Agreement are that it:

1. creates a cooperative framework that seeks to streamline environmental and impact assessments by reducing duplication, coordinating federal and provincial processes, and ensuring timely, efficient reviews;
2. reflects a shift toward provincial primacy, with Canada relying on Alberta's assessment process for provincially-led projects and deferring to Alberta's assessment conditions where provincial laws or processes already address federal concerns;
3. permits Alberta to lead Indigenous consultation for projects mainly under its jurisdiction and affirms the Parties' (1) recognition of section 35 rights, (2) commitment to meaningful consultation, and (3) support for Indigenous participation and Indigenous-led assessments; and
4. reinforces predictability with a two-year completion timeline for required assessments and notes that Alberta is continuing to challenge the constitutionality of the *Impact Assessment Act*.

The Co-operation Agreement intends to apply the "one project, one review" principle flexibly based on the unique characteristics of each project. Amendments are also anticipated to the *Physical Activities Regulations*,²⁰ which lists the type of projects that are subject to the *Impact Assessment Act*, as this regulation is currently under review by Canada. Accordingly, it remains to be seen how effective the Co-operation Agreement will be once it is applied in practice with respect to the unique potential impacts and provincial assessment processes that apply to each project subject to the *Impact Assessment Act*.

If you have questions about the Co-operation Agreement, or if your organization would like support preparing a comment letter, please reach out to our [Energy](#) or [Business Law](#) groups.

¹⁹ *Reference re Impact Assessment Act*, 2023 SCC 23.

²⁰ *Physical Activities Regulations*, SOR/2019-285.