

BLOG POST TITLE:

A Time of Crisis and Opportunity: An Introduction to Bill C-39 and the *Cabinet Directive*

1. INTRODUCTION

On September 21, 2026, the Government of Canada introduced Bill C-39, the *Building Canada Strong Act*.¹ Bill C-39 proposes changes to several federal laws to shorten major project approval timelines, coordinate regulatory processes and help major projects move forward more quickly. Canada's stated goal is to encourage investment and get projects built faster.²

Over this series of four blog posts, themed "Crisis and Opportunity", OKT will explain what Indigenous Governments should know about Bill C-39.

Our overarching message is simple: Bill C-39 is a blueprint for a fundamental reordering of how major projects are regulated, and for how the Crown's obligations to Indigenous governments will be discharged. Much will be shaped by how Canada implements the bill and the additional changes contemplated in the *Cabinet Directive on Getting Projects Built in Canada* (the "*Cabinet Directive*"), which accompanied Bill C-39.

This creates an important opportunity for Indigenous Governments to shape the new regulatory processes and clearly establish their expectations for how major projects should be developed within their territories, including on the basis of consent, equal opportunities, and responsible environmental regulation and permitting.

Prime Minister Mark Carney has acknowledged that major projects can only move forward with Indigenous support.³ Regardless of what any federal, provincial or territorial law or regulatory process may say, Indigenous Governments are fully capable of protecting their lands and waters. They will continue to do so through constitutional protections, UNDRIP and their own Indigenous laws and protocols, which predate Canada and continue to operate today.

If Canada wants major projects to succeed and be built faster, it must ensure that its new processes do not erode trust with Indigenous Governments by repeating the mistakes of the past, which have left Indigenous peoples with thousands of contaminated sites within their territories from projects they did not benefit from.

This blog post will focus on the *Cabinet Directive*, and we will update the links below as the other blog posts are published:

1. A Time of Crisis and Opportunity: An Introduction To C-39 and the *Cabinet Directive*
2. Understanding Amendments to the *Impact Assessment Act*

¹ Bill C-39, [An Act respecting certain measures to strengthen the economy](#), 1st Sess, 45th Parl, 2026.

² Government of Canada, "[Government of Canada introduces legislation to transform how Canada builds](#)" (September 21, 2026).

³ Karyn Pugliese, "[Did Mark Carney promise First Nations a veto – or was it a slip?](#)" (May 14, 2025).

3. Bill C-39's proposed changes to the *Building Canada Act*, the *Canadian Energy Regulator Act*, and environmental legislation
4. How Indigenous Nations Can Position Themselves for Canada's Major Projects Push

2. DISCUSSING THE *CABINET DIRECTIVE*

A. What is the *Cabinet Directive*?

While Canada has presented Bill C-39 as a major shift in federal regulatory processes, it is only one part of the picture. For the most part, Bill C-39 changes how specific reviews and approvals will be carried out under a small number of federal laws and permitting processes. The broader changes advertised by Canada will require additional changes to government processes across the federal government.

The *Cabinet Directive* which accompanied Bill C-39 is highly relevant to that conversation and deserves careful attention. It took effect immediately and provides Cabinet's direction to federal departments and agencies on how federal project approval processes should operate going forward. While it does not apply to bodies that operate at arm's length (such as the Canadian Nuclear Safety Commission and modern treaty co-management boards) and remains subject to applicable laws, regulations, and agreements, it is the most wide-reaching set of marching orders issued by Canada on how federal project reviews and approvals are expected to proceed going forward.

B. What Does the *Cabinet Directive* Do?

As explained above, the *Cabinet Directive* sets out the processes by which federal projects will be approved. You can think of Bill C-39 as the rule book, and the *Cabinet Directive* as an operations manual. Bill C-39 tells us what the rules are, while the *Cabinet Directive* tells the government how to implement those rules. Some of the key changes which the *Cabinet Directive* will lead to are described below:

1. **Federal Departments and Agencies Must Make Decisions Within One Year:** Like the changes proposed under Bill C-39 to the *Impact Assessment Act*, the *Cabinet Directive* establishes an expectation that all applicable departments and agencies must structure their regulatory reviews to ensure that project decisions are made within one year of receiving a "comprehensive application and all required information and studies."⁴

To support that objective, Cabinet has directed all departments and agencies responsible for regulatory reviews of projects to eliminate procedural redundancies and reduce and revise information requests issued to proponents during regulatory reviews. In particular, information requests are expected to be clear and have a clear basis in legislation.⁵ It has also directed them to approach mitigation requirements in a manner that considers cost-effectiveness and efficiency.⁶

⁴ Government of Canada, [Cabinet Directive on Getting Projects Built in Canada](#) (September 21, 2026), s. 3(b).

⁵ Government of Canada, [Cabinet Directive on Getting Projects Built in Canada](#) (September 21, 2026), s. 3(c)(ii-iii).

⁶ Government of Canada, [Cabinet Directive on Getting Projects Built in Canada](#) (September 21, 2026), s. 3(c)(iv).

2. **IAAC Will Coordinate Project Reviews:** To help streamline approvals, Cabinet has directed the Impact Assessment Agency of Canada (“IAAC”) to coordinate federal project reviews for projects that are either subject to the *Impact Assessment Act* or identified by the Major Projects Office (“MPO”) and the Federal Review Coordinator as benefiting from federal coordination.⁷ Importantly, this coordination function is distinct from the *Building Canada Act* process and does not appear to automatically extend to projects referred to the MPO as potential National Interest Projects.

Cabinet has directed the IAAC to establish the “Crown Consultation Hub”, which will then coordinate consultation across federal departments for those same projects, track and share information, help identify concerns raised by Indigenous rights holders early in the process, coordinate consultation funding and work with provincial consultation processes.⁸

3. **The Major Projects Office’s Role is Confirmed and Expanded:** Over the past year, the Major Projects Office has become one of the central tools Canada relies on to move major projects forward, including by helping fast-track projects under the *Building Canada Act*. The *Cabinet Directive* confirms the role the MPO is already playing when projects are referred to it: acting as a single window to coordinate federal departments and agencies, leveraging financial expertise to support final investment decisions, and supporting Crown-Indigenous engagement and consultation.⁹

In addition to confirming the MPO’s current role, the *Cabinet Directive* also empowers the MPO to provide strategic direction to federal departments and agencies on how to implement the *Cabinet Directive*, including the general direction to review projects within one year.¹⁰ As explained in greater detail below, this is a significant change that gives MPO considerable authority to direct how government departments and agencies will review projects.

C. What Are Some Initial Takeaways from the *Cabinet Directive*?

The *Cabinet Directive* is a significant policy document that will amplify the changes that Bill C-39 makes to how Canada carries out regulatory reviews and consultation. We have highlighted the key points below:

The Cabinet Directive Signals That More Changes are Coming

Most importantly, the Cabinet Directive clearly lays out a new roadmap for how departments and agencies should carry out their regulatory reviews. In our view, this will upend well-established federal review processes that Indigenous Governments rely on to raise their concerns and protect their rights. This will have significant consequences.

We are particularly concerned about the new approach to information requests. Information requests are often a key way in which concerns raised by Indigenous Governments are identified

⁷ Government of Canada, [Cabinet Directive on Getting Projects Built in Canada](#) (September 21, 2026), s. 5(a).

⁸ Government of Canada, [Cabinet Directive on Getting Projects Built in Canada](#) (September 21, 2026), s. 5(b).

⁹ Government of Canada, [Cabinet Directive on Getting Projects Built in Canada](#) (September 21, 2026), s. 4(a).

¹⁰ Government of Canada, [Cabinet Directive on Getting Projects Built in Canada](#) (September 21, 2026), s. 4(b).

and addressed during a regulatory review. Limiting information requests could reduce Indigenous Governments' ability to fully identify impacts to their rights and hold proponents accountable.

It is not clear whether departments and agencies will consult with Indigenous Governments before revising their review processes, and Indigenous Governments should not wait to find out. They should proactively and urgently raise their concerns with the departments and regulators they regularly engage with. This will be important to clearly establish their expectations for how any revised processes should protect their rights, address their concerns, and support their meaningful participation in federal project reviews.

The Cabinet Directive Makes the MPO More Powerful

The Cabinet Directive makes the Major Projects Office one of the most influential bodies within the federal government on major project approvals. There is a hierarchy within federal and provincial governments, where operational ministries and departments are required to follow directions provided by "central agencies" that exercise broad oversight and policy coordination functions, such as the Treasury Board in relation to spending matters. The direction provided in the *Cabinet Directive* suggests that the MPO will play a central agency role in relation to economic development and project approvals.

This represents a significant shift in the balance of federal government processes and priorities. The MPO is principally focused on advancing major projects and economic development, and it is currently unclear how their strategic direction will balance environmental protection or the protection of Indigenous rights.

The Cabinet Directive May Lead to Better Consultation

If implemented correctly, the new direction on coordinated Crown consultation may make engagement easier for Indigenous Governments. In the past, Indigenous Governments have often had to participate in multiple, repetitive consultation processes with government departments that did not coordinate with one another. This has contributed to consultation fatigue, accommodation gaps, and jurisdictional trade-offs, where no consulting department appeared to have the authority to address a particular issue. The new approach may focus consultation through the MPO, which may enable Canada to consider Indigenous concerns and respond on a whole-of-government basis.

WHAT THIS MEANS FOR YOUR INDIGENOUS GOVERNMENT

- Identify the federal departments and agencies that regularly review projects within your territory and monitor them closely for changes to their regulatory and consultation processes.
- Do not wait to be consulted. Proactively raise concerns with the MPO and other departments and agencies, including about any changes that may limit information requests or other opportunities to identify impacts, raise concerns and hold proponents accountable.
- Set clear expectations with proponents seeking to develop projects within your traditional territory about the need for early engagement. Indigenous Governments will need to develop or update their consultation protocols to clearly set out how proponents are expected to engage when projects may affect their rights or territories.

- As federal review processes and timelines become more streamlined, be prepared to exercise your own governance authority. Develop Indigenous led assessment and approval processes to fill the gap. It should also be made clear to proponents that they will be expected to participate in Indigenous regulatory processes.
- Contact OKT if you would like assistance providing comments on Bill C-39 as it proceeds through the federal legislative process, raising concerns with federal departments or agencies, or understanding changes those bodies make to their regulatory and consultation processes.