

Defense Industrial Strategy

Canada Federal Permitting Framework

November 4, 2025

Overview

The Government of Canada is developing a [Defense Industrial Strategy \(DIS\)](#) a national framework intended to strengthen and expand Canada's defense industrial base so the Canadian Armed Forces can obtain critical capabilities securely, efficiently, and reliably, while increasing the share of procurement and long-term sustainment delivered through Canadian supply chains.

The DIS was signaled in Budget November 4, 2025, which earmarked **\$6.6B** over five years beginning in FY25–26 (including **\$4.6B** in initial investments) to build domestic capacity prioritizing access to capital, research and innovation, supply-chain resilience, and critical resource stockpiles and indicated the full strategy would be released in the months ahead. In parallel, Canada is establishing a Defense Investment Agency to streamline procurement and accelerate delivery of high-priority projects, reinforcing a broader agenda to build domestic capacity while modernizing acquisition timelines.

Timeline

Date	Focus & Key Provisions
June 26, 2025 → continues through 2026	Building Canada Act comes into force; creates the Major Projects Office (MPO) as a “single window” to help simplify and accelerate federal approvals for major / national-interest projects.
Oct 1, 2025 → operating in 2026	Cabinet Directive on Regulatory and Permitting Efficiency for Clean Growth Projects sets the 2026 coordination model: Federal Permitting Coordinator role oversees cross-government coordination; departments track permitting progress and support a public dashboard for transparency.
2026 project pathway (Impact Assessment Act)	For designated projects, IAAC posts the Initial Project Description and runs an 180-day Planning Phase, ending with a Notice of Commencement and a Permitting Plan mapping expected permits/authorizations.

Federal Framework

In 2026, Canada's federal permitting system is primarily managed through two cross-government mechanisms the Clean Growth permitting initiative and the Major Projects Office alongside the standard Impact Assessment Act process:

- Privy Council Office (PCO) – Clean Growth Office (CGO): Provides government-wide leadership for clean-growth permitting, including the Federal Permitting Coordinator function, a public permitting dashboard, and shared review targets (5 years designated / ≤2 years non-designated / 3 years nuclear).
- Impact Assessment Agency of Canada (IAAC): Administers the Impact Assessment Act and, for designated projects, issues a Permitting Plan that outlines required federal permits typically delivered by the end of the 180-day Planning Phase.
- PCO – Major Projects Office (MPO): Operates as a single-window navigator for nationally significant projects, established under the Building Canada Act (in force June 26, 2025) and used to support accelerated delivery into 2026.

What Does This Mean for Government?

In 2026, Canadian federal departments are being pushed to:

- Coordinate permitting across government (PCO-led): The Deputy Secretary of Clean Growth acts as the Federal Permitting Coordinator, with departments required to share data, support a public dashboard, and use coordinated permitting tools/plans for clean-growth projects.
- Fast-track national-interest projects through a “single window”: The Major Projects Office (MPO) created under the Building Canada Act (in force June 26, 2025) supports faster federal approvals for major projects going into 2026.
- Provide earlier clarity on required permits for designated projects (IAAC): For projects under the Impact Assessment Act, IAAC has an early 10-day completeness check, an 180-day planning phase, and must deliver a Permitting Plan (mapping expected permits/authorizations) with the Notice of Commencement at the end of planning.

This signals a broader shift in federal strategy: Canada is increasingly aligning project delivery acceleration with domestic capacity-building, particularly as the Defense Industrial Strategy (DIS) begins deploying funding from FY25–26 to strengthen Canada’s defense industrial base and supply chains.

What Does This Mean for Industry?

For contractors and integrators, Canada’s 2026 approach is a green light to move faster on solutions that speed approvals, improve coordination, and strengthen security especially for major projects and defense-adjacent work.

Key takeaways for vendors:

- More demand for digital permitting + reporting tools as departments coordinate and track timelines (dashboard-style transparency).
- Earlier “permit mapping” for designated projects (IAAC planning phase + permitting plan), boosting needs for workflow, document, and stakeholder-management platforms.
- Faster pathways for priority projects via the Major Projects Office (MPO) “single window” model.
- DIS ramps up secure supply-chain and cyber requirements as funding flows through 2026. In short: Canada is prioritizing speed + transparency + secure delivery, which favors vendors that can modernize workflows and data across agencies.

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