



RE: Consultation on Proposed Special Economic Zones Regulation (ERO 025-1077)

November 16, 2025

To whom it may concern,

Thank you for the opportunity to provide input in response to the draft regulation under the *Special Economic Zones Act, 2025*, along with the accompanying policy intent and Indigenous consultation feedback documents posted on the environmental registry on October 2.

We provide these comments in our capacity as Wildlife Conservation Society (WCS) Canada ([wcscanada.org](http://wcscanada.org)) scientists, leading research and policy development related to species and ecosystems to inform conservation decisions. WCS Canada is a national non-government organization that has been engaged in Ontario since 2004, with research and conservation priorities largely focused on the far north region. As some of the few scientists with continuous presence in the region, we lead ongoing field-based research programs that are currently focused on large mammals and freshwater fish; we support and collaborate with First Nations on community-based research and monitoring projects; and we support and collaborate with academic, government researchers, and First Nations conducting ecological studies in the region. WCS Canada has a long-term and consistent engagement with project- and regional-level provincial and federal impact assessments, particularly for mining and infrastructure projects in northern Ontario. We are affiliated with global WCS programs in more than 50 countries and active at the science-policy interface in Canada and internationally.

After reviewing the proposed criteria for designated zones, projects, and “trusted” proponents, as well as the Draft Policy Intent and Indigenous Consultation Feedback documents, we have identified several significant concerns that require attention. First, there is no demonstrable need for a new Special Economic Zones framework. Ontario has not provided evidence of regulatory delays that would justify the creation of a mechanism designed to grant exemptions from established environmental, planning, and municipal laws. Second, both the draft regulation and supporting materials rely heavily on broad, undefined criteria and extensive ministerial discretion, with few requirements for transparency, documentation, or public accountability. Third, the proposed framework does not meaningfully integrate Indigenous rights or obligations and does not align with the standards articulated in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) or the right to Free, Prior, and Informed Consent (FPIC).

These concerns form the basis of the three sections that follow.

In providing these comments, we recognize that the intent of the *Special Economic Zones Act, 2025* is to “streamline” decision-making and advance projects considered strategically important to Ontario. However, when processes lack clarity, they rarely move faster. Clear criteria, transparent procedures, and evidence-based decision-making reduce uncertainty, strengthen public trust, and support timely decisions. Our recommendation is therefore to withdraw the Special Economic Zones framework and redirect effort toward strengthening Ontario’s core regulatory processes. Durable standards, transparent documentation, and early engagement with Indigenous governments create the certainty needed for efficient decision-making far more than an exemption-based model grounded in broad and poorly defined discretion.

### **1) Bypass of existing laws rather than establishment of a functioning regulatory framework**

Ontario has stated that the purpose of the *Special Economic Zones Act, 2025* is to “quickly advance strategically important economic activity and priority projects within designated zones”. However, neither the Act nor the draft regulation provides evidence of a need for an exceptional mechanism of this kind, or do they establish clear criteria for determining what would constitute a “strategically important” activity or priority project.

Although the province describes Special Economic Zones as an economic tool, neither the Act nor the draft regulation sets out a clear purpose, limiting principles, or conditions for their use. In the absence of such constraints, Special Economic Zones could be applied to grant exemptions for other purposes, without criteria or safeguards to support their use in the public interest.

Already, Ontario lacks requirements for comprehensive environmental assessment for most projects, including major projects. With the 2024 shift to a project-list approach, only a narrow subset of projects now undergoes review, and Ontario has been cutting regulatory requirements, oversight and safeguards. Opportunities for assessment of the environmental, economic, and social impacts of new projects remain limited, as are opportunities for meaningful consultation with Indigenous Peoples. There is no evidence that the already deregulated framework for Ontario is causing delays in projects. Here, rather than investing in strategic planning, creating pathways for gathering information for evidence-informed decision-making about which projects are in the public good, and establishing a structured, transparent regulatory process with clear public safeguards and proponent certainty, the *Special Economic Zones Act, 2025* regime effectively allows for law-free zones via exemptions or modifications of multiple existing laws for designated projects and proponents based almost entirely on ministerial discretion.

The intent of a robust regulatory framework would be to set out durable legal standards, processes for public consultation, oversight, monitoring, and appeal mechanisms. Instead, *Special Economic Zones Act, 2025* as currently structured relies on ministerial regulation-making after designation. That not only undermines transparency and accountability but shifts risk onto communities and proponents without clear legal clarity. Given these concerns, the Special Economic Zones model as drafted is not workable and should not proceed in its current form. The framework requires a fundamental reconsideration rather than the creation of zones that allow for broad exemptions from established laws.

## **2) Insufficient detail in the criteria and excessive ministerial discretion**

The *Draft Policy Intent for SEZ Criteria and Guiding Questions*, the draft regulation, and the underlying legislation place far too much reliance on ministerial discretion with minimal requirements for transparency, accountability or clearly defined limits.

Although Ontario's stated intention, as noted in the discussion questions, is to apply the Special Economic Zones framework only in "a narrow set of circumstances of the utmost importance to the province's economy and security," the criteria as drafted are so broad and subjective that they could be used to justify virtually any project. This inconsistency between stated intent and regulatory design underscores the need for clear definitions, measurable thresholds, and transparent decision-making. Without such safeguards, there is a significant risk that what is described as an "exceptional" mechanism could become a generalized instrument for regulatory exemption.

While these comments focus primarily on the proposed project criteria, the same concerns apply equally to the proponent and zone criteria. Each relies on undefined terminology – such as "strategically important," "trusted proponent," and "significant economic activities" – without measurable standards or clear decision-making procedures. Across all three, the absence of objective thresholds, independent review, and ongoing evaluation risks inconsistent application, reduced accountability, and diminished public confidence.

Under the *Special Economic Zones Act, 2025*, a "special economic zone" may be designated by regulation, and thereafter certain provincial or municipal laws or processes may be modified or exempted for designated projects or for so-called "trusted" proponents.

However, the draft regulation itself leaves all critical determinations to the Minister's opinion with undefined terms such as "economically significant or strategically important", "significant long-term benefits", "likely succeed" and "good record of complying with legal requirements" and no objective criteria for how such determinations would be made. The draft regulation also permits decisions to be based on "such other factors as the Minister

considers appropriate,” which further expands discretion without accompanying requirements for evidence, documentation, or public rationale. This combination of open-ended discretion and ongoing regulatory development means that proponents, Indigenous communities and the public are exposed to an unspecified regime with little clarity or assurance of consistent application of standards. It is not acceptable that such major decisions rest on vague criteria, Minister’s opinion, and no defined threshold for when safeguards would apply or how they would be enforced. Without clear requirements for transparency, monitoring, enforcement or appeal rights, there is significant risk of diminished accountability, reduced ability of communities to challenge decisions, and no assurance that local communities will benefit from projects that go forward under this process.

By funneling key decisions to the Minister and regulating by exception rather than through robust, transparent processes, the *Special Economic Zones Act, 2025* model reduces democratic oversight and concentrates decision-making authority in the executive. That is especially concerning given the potential scale of projects, environmental impacts, and rights-based dimensions involved.

While, as noted above, we recommend withdrawal of the Act and draft regulation, should Ontario nonetheless choose to proceed, the regulation must include, at minimum:

- Define clear, measurable standards for each criterion;
- Require that all proposed SEZ designations and supporting analyses be clearly documented and made publicly available through existing channels such as the Environmental Registry of Ontario to improve clarity and reduce uncertainty;
- Establish mechanisms for independent review and reporting to help ensure consistent application, transparency, and accountability; and
- Mandate periodic evaluation of SEZ impacts on ecological integrity, community well-being, and economic resilience, with a commitment to revise the framework as needed to ensure sustainability and improve efficiency over time.

### **3) Lack of meaningful consultation with Indigenous Peoples**

The framework as drafted and the underlying legislation do not provide sufficient guarantees for meaningful consultation or recognition of Indigenous rights. Nor do they align with the standards and principles set out in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the associated right to Free, Prior, and Informed Consent (FPIC), which represent the internationally recognized benchmark for Indigenous engagement.

As summarized in Ontario’s *Indigenous Communities Consultation Feedback* document, Indigenous governments and organizations explicitly called for the SEZ framework to incorporate recognition of Indigenous rights, UNDRIP, and FPIC. However, these principles are not included in the proposed regulation or policy intent. Instead, the Ministry states

only that Ontario will continue to act “in a manner consistent with its obligations under section 35 of the Constitution Act, 1982,” which provides no clear standard or accountability mechanism for how those obligations will be met. The consultation notice further states that, “Where it arises, Ontario is committed to fulfilling its duty to consult, and, where appropriate, accommodate” in relation to SEZ or proponent designations or exemptions. This phrasing is overly vague, lacks a consistent or proactive standard, and leaves consultation to ministerial discretion. It risks reducing engagement to a procedural formality rather than a substantive process that better ensures Indigenous partnership, consent, and co-development in decisions that may affect Indigenous lands, rights, and livelihoods.

While, as noted above, we recommend withdrawal of the Act and draft regulation, should Ontario nonetheless choose to proceed, the regulation must, at minimum:

- Make consultation and collaboration with Indigenous governments a mandatory, co-developed process, not a conditional or discretionary one;
- Explicitly integrate UNDRIP and FPIC principles into the SEZ framework as guiding standards for engagement and decision-making; and
- Establish transparent, consistent consultation protocols with Indigenous governments before any SEZ designations or exemptions proceed.

**In conclusion**, we recommend withdrawal of the *Special Economic Zones Act, 2025* and the accompanying draft regulations and criteria. Bypassing established safeguards at this stage may speed decisions in the short term, but it will create uncertainty, conflict, and delays later.

Ontario would be better served by strengthening its existing regulatory framework with clear definitions, objective thresholds, mandatory environmental and community safeguards, and consultation processes grounded in UNDRIP and FPIC. Any modification or exemption of laws should be publicly identified, transparent, justified, and subject to review.

We welcome further opportunities to discuss this important topic.

Sincerely,

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