



Natural Infrastructure
for Water Solutions

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SUMMARY REPORT

Natural Solutions for Water Security

Canada's policy path forward

July 2026

The International Institute for Sustainable Development (IISD) and the Climate Risk Institute (CRI) co-hosted the forum Natural Solutions for Water Security: Canada's Policy Path Forward through IISD's Natural Infrastructure for Water Solutions initiative. The forum brought together leaders from federal, provincial, and municipal government, watershed organizations, finance and engineering sectors, academia, and non-profit organizations to advance the shift of natural infrastructure from novel to normal practice across the Canadian Prairies and beyond.

Over 2 days, participants assessed the current policy and funding landscape, aligned on shared priorities, and identified practical opportunities to advance natural infrastructure at scale. A clear conclusion emerged across every session: the case for natural infrastructure is now well established. What remains is the enabling architecture—the standards, data, financing mechanisms, and professional capacity required to deliver it consistently. This document summarizes key findings and the action agenda now underway, with a more comprehensive report to follow.

What We Learned

Water security across the Canadian Prairies will require shifting natural infrastructure from isolated projects to a standard part of water system planning and funding. While the case for natural infrastructure is well established, the policies, funding mechanisms, and institutional supports needed to deliver it at scale remain underdeveloped. Through presentations and workshops, participants explored these challenges and identified opportunities and specific actions to embed natural infrastructure alongside grey infrastructure as a core component of resilient water management.



Natural Infrastructure: Leveraging untapped potential

Melissande Gaucher, from Housing, Infrastructure and Communities Canada (HICC), described natural infrastructure as central to HICC's mandate to build resilient and thriving communities. HICC's Natural Infrastructure Roadmap focuses on unlocking federal programs and policies, leveraging expertise, and advancing tools and expertise. Current programs supporting natural infrastructure include the Canada Housing Infrastructure Fund, Build Communities Strong Fund, and Building Canada Homes. HICC has also released [fact sheets](#) on 11 types of natural infrastructure solutions, with a performance measurement guide under development.

Federal Funding and Provincial Pathways

Christine Mettler presented recommendations to better support natural infrastructure through federal infrastructure funding programs, federal-provincial bilateral agreements, provincial program design, and improved municipal access to funding. Drawing on examples from across Canada, she highlighted opportunities to embed natural infrastructure through clearer eligibility, dedicated funding streams, and stronger guidance and tools.

Participants supported more consistent integration of natural infrastructure into federal-provincial funding agreements, with shared definitions and performance expectations. They also cautioned against overly prescriptive requirements and emphasized the need to reflect regional differences, Indigenous priorities, and local capacity constraints through early engagement and municipal pre-screening.



The Honourable Mike Moyes, Minister of Environment and Climate Change. (Colin Corneau/IISD)



Workshop session. (Colin Corneau/IISD)

Unlocking Private Finance for Natural Infrastructure

Priya Bala Miller (Nature Investment Hub [NIH]) and Marina Puzyreva (IISD) explored how nature finance can help scale natural infrastructure. While public funding remains central, constrained budgets and more than CAD 5 trillion in privately managed assets point to the potential for private capital. The session highlighted the foundations of a responsible nature finance market in Canada, including supportive policies, investment-ready projects, credible measurement, and Indigenous rights and leadership.

Participants noted that private financing for natural infrastructure is still emerging in Canada, making awareness building and knowledge sharing essential. The main barrier is a lack of investment-ready projects, underscoring the need for stronger project pipelines, early-stage funding technical support, and improved impact measurement. Technical assistance facilities were seen as an important tool to move projects to funding readiness, and NIH committed to exploring natural infrastructure as an eligible project category. Participants also learned about Scotiabank's blue loan facility, which supported H₂O Innovation's USD 200 million financing raise.



Marina Puzyreva (IISD). (Colin Corneau/IISD)



Christine Mettler and Donna Chiarelli (NAI). (Colin Corneau/IISD)

Advancing Natural Asset Management

Donna Chiarelli of the Natural Assets Initiative (NAI) highlighted natural asset management (NAM) as a practical way for communities to value and manage natural assets alongside built infrastructure. And while NAM has gained momentum, implementation challenges remain, particularly in the Prairies, where water availability increasingly influences growth, development, and infrastructure decisions.



Participants saw watershed organizations as valuable regional hubs to support municipalities with technical expertise, data collection, natural asset inventories, and professional development, especially for smaller municipalities with limited capacity. Participants also identified a funding challenge: natural asset inventories are often needed to secure funding, but funding is needed to create those inventories. Standardized data systems, emerging standards, and regional partnerships were identified as important enablers for overcoming barriers, improving access to funding, and accelerating the adoption of NAM.

Embedding Natural Infrastructure in Planning and Design

Joanna Eyquem (CRI) highlighted the growing pressures on infrastructure systems from aging assets, economic shifts, and climate risks, emphasizing the need to embed natural infrastructure in existing infrastructure planning, design, and delivery. Natural and grey infrastructure should be considered together as complementary solutions to improve resilience and related outcomes.

Discussions emphasized that natural infrastructure must be included early in project planning and budgeting, not added later or removed when budgets become constrained. Participants also identified an accountability gap, noting that no single entity is typically responsible for advancing natural infrastructure within existing planning processes. Building capacity among architects, engineers, planners, consultants, and public administrators was identified as key to making natural infrastructure a standard part of decision making.

Action Agenda

Four themes recurred throughout the forum and helped shape the development of an emerging action agenda:

- the need to improve policy clarity and program design to actively enable natural infrastructure implementation;
- sustained capacity building at multiple levels to move from planning to implementation;
- consistent evidence of benefits to unlock public and private investment; and
- the importance of embedding Indigenous collaboration from the outset of projects.



Workshop session. (Colin Corneau/IISD)



Building on these themes, there were six short-term commitments for strategic actions following the forum. This action agenda remains in its early stages; some commitments and actions discussed during the forum are not yet reflected in this summary as details and leadership roles continue to be refined. We invite others to contribute to these actions or add new actions toward the collective goal of accelerating the implementation of natural infrastructure across Canada.

Policy and Programming

- IISD will continue to work with federal and provincial partners to make natural infrastructure a routine and eligible investment within infrastructure funding programs through stronger policies, clearer eligibility criteria, better guidance, and more effective funding approaches.
- CRI will advance the integration of natural infrastructure into mainstream infrastructure planning by informing the second National Infrastructure Assessment and developing nationally recognized guidance for valuing ecosystem services through a Publicly Available Specification with the Standards Council of Canada.

Capacity Building

- IISD and NIH will develop training and learning opportunities to build awareness, knowledge, and capacity around nature finance, creating the conditions for broader private investment in natural infrastructure and increasing understanding of tools such as technical assistance facilities that can help move projects from concept to funding readiness.
- NAI will continue to strengthen municipal capacity for NAM through training, peer learning, and practical case studies, while pursuing advancement through new partnerships with Prairie-based watershed organizations and municipal associations.
- Several organizations, including IISD, CRI, NIH, and NAI, will explore funding submissions to build municipal knowledge and capacity in natural infrastructure, as available (e.g., the Green Municipal Fund's Local Leadership for Climate Adaptation).



Richard Grosshans (IISD). (Colin Corneau/IISD)



Convening and Shared Learning

- CRI and IISD will support ongoing collaboration and collective action by establishing a CanAdapt community of practice and reconvening natural infrastructure practitioners to share knowledge and advance forum priorities.

Next Steps

Advancing natural infrastructure from novel to normal practice will require collaboration across sectors, jurisdictions, and scales. IISD and CRI welcome continued engagement from participants and partners. The forum demonstrated that there is strong interest in maintaining opportunities to convene, learn from one another, and work collaboratively to advance natural infrastructure implementation. Organizations can contribute by supporting existing actions, bringing forward new opportunities, or helping advance shared priorities.

To learn more or express interest, please contact Ashley Rawluk at arawluk@iisd.ca.



Workshop session. (Colin Corneau/IISD)

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