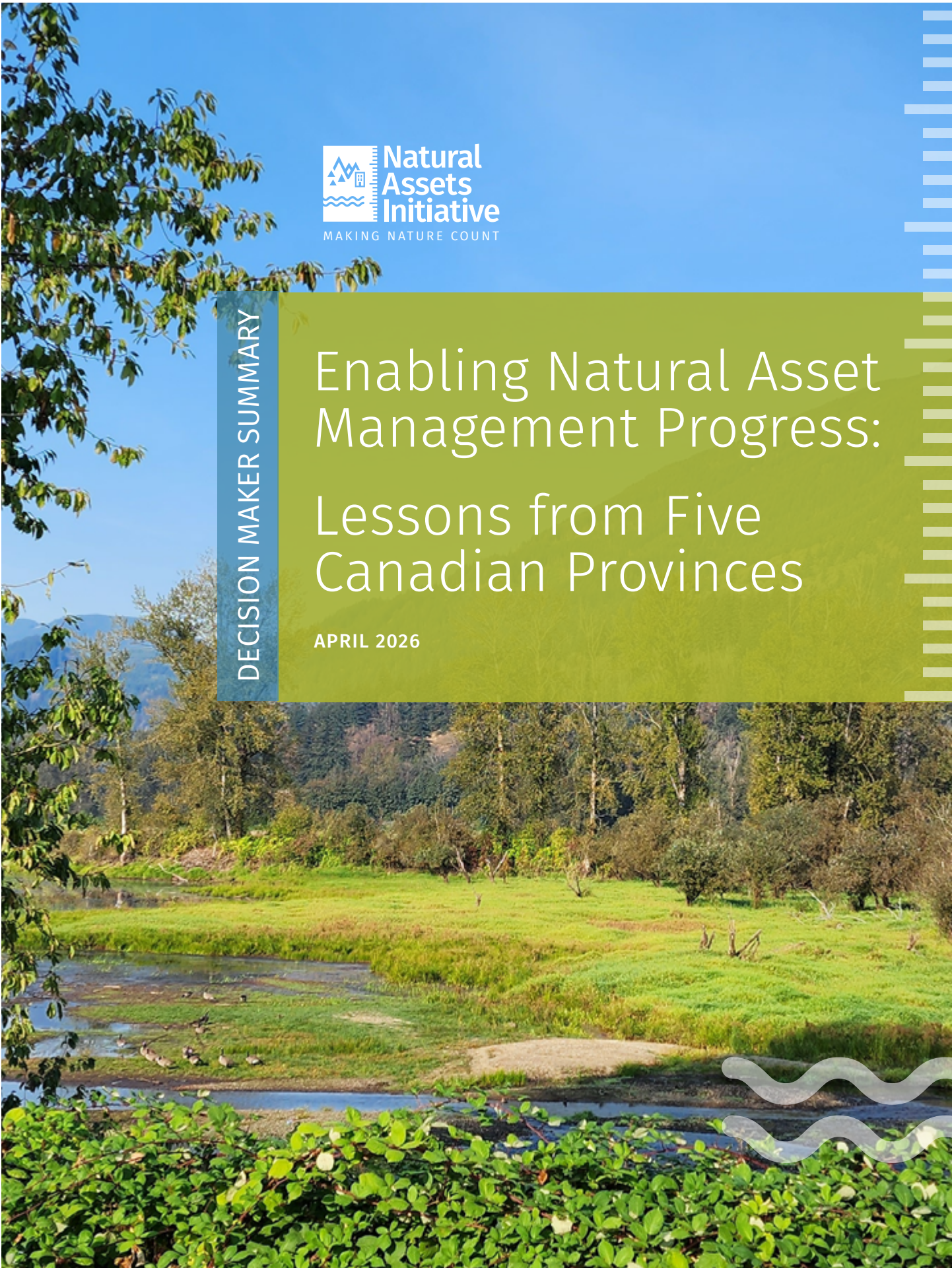




DECISION MAKER SUMMARY

Enabling Natural Asset Management Progress: Lessons from Five Canadian Provinces

APRIL 2026





Acknowledgments

NAI acknowledges Indigenous Peoples as the traditional stewards of Turtle Island, and that these lands are the ancestral and unceded territories of diverse Inuit, First Nations, and Métis Peoples. We commit to and are responsible for ensuring that natural asset management upholds the principles of the United Nations Declaration on the Rights of Indigenous Peoples. We continually seek ways to learn from the harms of the past and move our work forward in a spirit of reconciliation and collaboration.



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Purpose

Natural infrastructure solutions can stretch capital budgets, reduce flood risk, improve water quality and enhance resilience to extreme weather but are not mainstream infrastructure investments in Canada. Grey infrastructure solutions continue to be the norm.

This report examines progress on natural asset management (NAM) in five provinces: British Columbia, Ontario, Alberta, Saskatchewan, and Manitoba. NAM is a proven natural infrastructure approach that includes tools, approaches, strategies and a decision-making framework that help communities recognize, value, manage and steward natural features—like wetlands, forests, aquifers, rivers, and coastal areas—as vital infrastructure assets that provide essential services.

The report is intended to stimulate conversation on how to scale up natural infrastructure solutions at the Natural Solutions for Water Security Policy Forum. The Forum will be hosted by the International Institute for Sustainable Development and Climate Risk Institute on June 2-3, 2026.

This report highlights the federal and provincial actions driving progress and recommends actions for scaling NAM nationally.

Key Findings

Key Finding 1 **Federal policy is supportive but not directive**

Federal strategies such as the National Adaptation Strategy, the Federal Sustainable Development Strategy and the Pan-Canadian Framework on Clean Growth and Climate Change consistently position nature as infrastructure. However, this positioning has not translated into requirements for including natural infrastructure in most major infrastructure funding programs. No federal funding program has required that local governments undertake foundational work to inventory, value, or manage natural assets as part of their core infrastructure systems.

Programs such as the Natural Infrastructure Fund, the Disaster Mitigation and Adaptation Fund and the Federation of Canadian Municipalities' infrastructure programs have enabled progress, but key federal infrastructure funding programs such as the Canada Community Building Fund and Investing in Canada Infrastructure Program have limited uptake of natural infrastructure projects because Provincial frameworks determine whether natural infrastructure solutions become mainstream.

Key Finding 2 Provincial leadership and enabling environments combine to become strong predictors of natural asset management adoption

British Columbia and Ontario are making the most progress on NAM. They have strong policy and funding signals combined with dense networks of enabling institutions that build capacity and support adoption.

British Columbia is the only province that explicitly includes natural assets as eligible in its major provincial-federal bilateral infrastructure funding programs. However, Ontario's O. Reg. 588/17 is the single strongest regulatory driver for NAM in Canada and explicitly requires green infrastructure to be included in asset management plans. Both are strong drivers for NAM.

The Prairies Region has been slower to adopt NAM and natural infrastructure solutions because they lack the policy and funding signals that exist in Ontario and BC. Progress on NAM in the Prairies provinces has been driven instead by strong networks of watershed agencies or districts or by local government leaders in cities like Saskatoon, Calgary, Edmonton and Selkirk.

Key Finding 3 Capacity-building matters

Smaller communities face capacity and funding constraints in all provinces. The findings show that progress accelerates when funding, training and tools are widely available, communities of practice exist, and watershed organizations provide data and technical support.

Recommendations

1/ The federal government should encourage provinces to embed natural infrastructure in bilateral infrastructure funding agreements

Until natural infrastructure is made explicitly eligible in federal-provincial bilateral agreements, grey infrastructure solutions will be the default solutions in applications for funding.

2/ Tie natural infrastructure funding to natural asset management progress

Require applicants to develop natural asset inventories and asset management strategies or plans that include natural assets. Applications should demonstrate that natural infrastructure solutions were considered in the planning stage.

3/ Expand dedicated federal natural infrastructure funding

Until natural infrastructure solutions are mainstream in infrastructure investments, a dedicated funding stream for natural infrastructure is needed to accelerate their uptake. Renew or expand the \$200M Natural Infrastructure Fund or create a successor program.

4/ Provincial governments should make natural infrastructure explicitly eligible in infrastructure funding programs

When eligibility is unclear, as is the case in all provinces except BC, projects focus on grey infrastructure.

5/ Strengthen capacity-building

Invest in training for senior municipal decision makers, including CAOs, CFOs, planners and engineers. Support communities of practice that build capacity, and develop and share standardized tools for valuation, condition assessment, and risk analysis of natural assets.

6/ Provide targeted support for small and rural municipalities

Small communities have unique challenges and need funding, direct technical assistance, templates and standardized methods and access to watershed-scale natural asset data to be able to integrate natural asset management effectively into infrastructure planning and management.

Conclusion

NAM is emerging across Canada, but progress is uneven. BC and Ontario demonstrate that when provincial policy, funding, and enabling institutions align, NAM becomes a mainstream infrastructure practice. In the Prairies, strong watershed organizations and local champions are driving progress, but systemic barriers remain.

Scaling NAM nationally will require:

- Clearer provincial policy direction
- Explicit funding signals
- Stronger capacity-building ecosystems
- Federal–provincial alignment

The opportunity is significant: NAM offers cost-effective, climate-resilient infrastructure solutions that support community well-being, biodiversity, and long-term fiscal sustainability.