CFMCA Nature Workstream Workshop
Taking stock of Nature: Insights from Institutional Partners

16 May 2023

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Why NGFS is working on nature?

The **objective**: Help **mainstream the consideration of nature-related risks** across the NGFS, together with **climate-related risks**.

Key **deliverables** include:

1. A **conceptual framework** on nature-related risks that central banks and supervisors can utilise to develop policies and actions on nature-related issues.

2. A technical Document providing **specific recommendations** towards the development of **nature-related scenarios** that should be consistent with the NGFS climate scenarios while acknowledging for specific features of nature-related risks.
Nature-related financial risks refer to the expected or potential negative impact on economies, individual financial institutions and financial systems that results from:

i. the degradation of nature, including its biodiversity, and the ecosystem services that flow from it; or

ii. the misalignment with actions aimed at protecting or restoring nature.

Three phases to assess nature-related financial risk

1.1. Identify sources of physical and transition risk

1.2. Evaluate economic risks and transmission channels

1.3. Assess risk to, from and within the financial system
Timeline of work till early 2024

**By June 2023**
- Beta version of conceptual framework

**By Q4 2023/Q1 2024**
- Technical document on nature-related scenarios
- Refined version of conceptual framework

- Refining conceptual framework
- Developing technical document on nature-related scenarios
- Gap analysis to mainstream nature-related considerations into NGFS WS