



From Principles to Practice

NGFS Strategy 2026–2027

Strategic direction of the NGFS in a challenging global environment

Since its foundation in December 2017 at the Paris One Planet Summit, the NGFS has grown rapidly, from 8 founding members to 152 members and 24 observers as of January 2026. During this period, the Network has, among other achievements, delivered more than one hundred publications, produced long and short-term climate scenarios, contributed to major international engagement (e.g. G7 and G20). These outputs have supported concrete action by members towards better management of climate and nature-related risks and have gained recognition well beyond the NGFS membership.

The effects of climate change and nature loss are becoming more visible and prevalent. The frequency and severity of climate events are rising; annual global direct damages from weather disasters more than doubled since the early 2000s, exceeding USD 200 billion in 2025¹. Meanwhile, transition pathways are slowing in several jurisdictions and becoming increasingly uneven across countries. In this context, given the potential macroeconomic consequences and the implications for financial system resilience, it remains essential to better assess the full range of impact of these developments and to respond in line with price and financial stability objectives. This furthers the need for the NGFS to remain **a credible, science-based and practical forum for central banks and supervisors.**

Against this backdrop, having a clear strategic direction is critical to ensure that the NGFS remains ambitious and accelerates work in areas where it is most effective in supporting its members to deliver on their mandates. The strategic direction aims to guide NGFS future outputs, ensuring they are relevant, practical and respond to evolving challenges.

To deliver on its mission, the NGFS will also continue to collaborate with a broad range of international organisations and networks where there is synergy to make progress on the NGFS strategy. This will include engagement with the Coalition of Finance Ministers for Climate Action (CFMCA) and active collaboration with other international organisations. Where appropriate, the NGFS will also support and complement the work of international standard-setting bodies on climate- and nature-related risks. These partnerships will help ensure that NGFS outputs contribute to strengthening the resilience of the global financial system in support of a sustainable economy.

Entering a new phase of work

The NGFS Strategy for 2026–2027 marks an evolution of the Network. The objective is clear: maximise the effectiveness and impact of the NGFS work for members and the broader financial community. Outputs will continue to be science-based and firmly anchored in the core mandates of central banks and supervisors - with clear communication to share knowledge and best practices within and beyond the Network.

In order to fulfil these objectives, the NGFS will rely on three strategic priorities:

1. Remain a **technical incubator** of new topics and innovative approaches
2. Provide **scenario expertise**
3. **Build capacity** and support practical implementation

¹ Munich Re (2026) - [Climate change presses on: Devastating wildfires and intense thunderstorms exacerbate losses for insurers](#)

Three strategic priorities for 2026–2027

Strategic Priority 1: Technical incubator

Since its inception, the NGFS has supported the development of methodologies to understand and address climate and nature-related financial risks in line with members' core mandates. While important progress has been made, gaps remain in understanding and quantifying transmission channels and in translating analysis into practical tools. The NGFS will continue to act as a forum that brings together macroeconomic, financial and supervisory expertise to deliver robust, evidence-based analysis and best practices directly relevant to central banks and supervisors.

Under this priority, the NGFS will adopt a focused approach centered on high-impact areas and topics where gaps in understanding remain. Work will concentrate on physical risks, adaptation, and nature-related risks. This renewed focus does not imply a reduced commitment to other areas, such as transition risk. Rather, it aims to better support members in advancing supervisory tools and methodologies, also with concrete implementation solutions. It will strengthen the assessment of financial institutions' management of physical risks, with clearer integration of adaptation considerations. In parallel, it will deepen the analysis of nature-related financial risks, with particular attention to the transmission channels affecting prices and financial stability. These efforts will contribute to a better understanding of the macroeconomic, monetary policy, and prudential implications of climate-related shocks, while supporting further progress in integrating climate and nature-related risks into stress-testing frameworks.

Focus area

Deepen analysis on key macroeconomic impacts of climate change and how they affect monetary policy. This will include:

- Advancing understanding of how climate considerations should be integrated into monetary policy strategy
- Supporting the membership to integrate climate considerations across the macroeconomic modelling toolkit and to build technical expertise on core climate models

Strengthen the supervisory tools and capabilities to support and assess financial institutions' management of climate risks, including how to account for adaptation considerations. This will include:

- Updating the NGFS Guide for Supervisors and the supervisory toolkit by consolidating developments since 2021, including considerations pertaining to nature-related risks
- Collecting case studies and methodologies to assist supervisors in implementing approaches to quantify exposure to climate and nature-related risks and to identify data needs
- Developing concrete implementation solutions for supervisors to strengthen the supervision of financial institutions' assessment and management of physical risks

Advance evidence-based technical work on nature-related risks to further our understanding of transmission channels and the material risks to price and financial stability. This will include:

- Understanding how nature degradation and biodiversity loss affect macroeconomic outcomes and the potential implications for monetary policymakers
- Advancing work on nature-related scenarios narratives and modelling tools

Strategic Priority 2: Scenario expertise

The NGFS will consolidate its role as a center of expertise on climate scenario development for central banks and supervisors. The NGFS will continue to design and refine climate scenarios, modelling tools and guidance that support prudential supervision, risk management and monetary policy planning. Both long-term and short-term NGFS climate scenarios will be considered as a tool for understanding financial stability risks, assessing transition pathways and supporting policy-relevant stress testing.

To fully deploy the potential of the NGFS climate scenarios, greater emphasis will be placed on practical implementation and capacity building. Addressing uneven uptake across regions will be a priority, alongside strengthening governance for scenario work. Over the next two years, efforts will focus on improving the modelling framework, developing practical guidance to help members effectively apply scenario outputs and exploring the integration of nature-related dimensions.

Focus area

Promote the improvement of the NGFS scenarios. This will include:

- Updating Phase VI of long-term climate scenarios, including enhancing the physical risk assessment, and the Phase II of the short-term climate scenarios
- Explore potential revisions to the modelling framework for the Phase VII long-term climate scenarios and Phase II of short-term climate scenarios, with a view to incorporating the most recent research developments
- Exploring opportunities to integrate nature-related risks to NGFS climate scenarios framework

Improve the usability and application of climate-scenario analysis, including how to best align scenario outputs within risk frameworks. This will include:

- Continuing to disseminate knowledge and gather feedback on the use of NGFS climate scenarios
- Developing practical guidance to bridge the gap between the NGFS climate scenarios' outputs and firm/household-level application.

Strategic Priority 3: Capacity builder

Capacity building is part of NGFS's core mission and will be further expanded. Equipping members with clear and practical guidance is essential to ensure that technical analysis translates into implementation and supports members to deliver on their mandates on financial resilience and price stability. The NGFS will focus on enabling its members to implement technical advice and adopt best practices in their jurisdiction. This approach will enable NGFS members to integrate climate and nature considerations into their regulatory and monetary frameworks, in accordance with their respective mandates.

The NGFS will prioritise identifying the core capacity-building needs of the membership. This will involve defining a small set of high-level themes emerging from members' demand, creating a platform for sharing best practices, and strengthening feedback mechanisms to ensure initiatives remain relevant and impactful. These steps will help ensure that capacity-building initiatives are targeted, and responsive to evolving member needs, while fostering collaboration and knowledge exchange across the network.

Focus area

Develop capacity building activities for NGFS priority themes. This will include:

- Building technical expertise in macroeconomic modelling to strengthen capabilities across the NGFS membership
- Improving the usability of NGFS climate scenarios and dissemination of best practices as well as developing tools to enhance the application of climate scenarios.
- Strengthening the uptake of NGFS supervisory best practices through knowledge sharing and capacity building amongst the supervisory community
- Supporting central bank initiatives on sustainable investment practices, sharing experiences on greening central banks' operations practices, and helping members in developing transition plans and disclosures
- Building awareness and expertise on the effects of nature degradation and biodiversity loss on the financial system

Improve the NGFS capacity building tools. This will include:

- Developing and disseminating implementation tools, including webinars, tutorials, operational guidance and assistance, to foster practical application of all NGFS outputs

Enhance cooperation with capacity building institutions. This will include:

- Strengthening the collaboration with organizations and institutions engaged in capacity-building activities, and striving to combine the efforts.

ROADMAP

STRATEGIC PRIORITIES:

1 Technical incubator

2 Scenario Expertise

3 Capacity Builder

