1 INTRODUCTION

This evaluation analyzes the work of the International Monetary Fund (hereafter the IMF or the Fund) on climate-related issues between 2021 and mid-2025.[1] The Executive Board adopted the Strategy to Help Members Address Climate Change Related Policy Challenges in July 2021 (hereafter the Strategy) (IMF 2021b), and the Resilience and Sustainability Trust (RST) and its associated instrument, the Resilience and Sustainability Facility (RSF), in April 2022 (IMF 2022f). In line with members' demand, these decisions marked the start of a new approach to the Fund's engagement on climate-related issues, deepening and systematizing its work to help members address their associated macroeconomic and financial policy risks.

The evaluation focuses on the ongoing implementation of the IMF's new climate approach. The evaluation takes stock of and analyzes the ongoing experience with the Fund's climate-related work, focusing on the Strategy and the RST. As an early-stage evaluation, it provides evidence to inform future decisions, adjustments, and enhancements of the Fund's climate approach but does not assess its final outcomes. It analyzes the legal and operational foundations of the Fund's approach to climate-related issues as well as implementation through its surveillance, lending, and capacity development (CD) activities. The evaluation also considers how the Fund's work fits within the broader global architecture for combating climate change and members' demands and expectations. Building on all the above, the evaluation proposes possible ways forward to enhance the Fund's climate-related work.

Sources of evidence and background papers. The evaluation uses a mixed methods approach. The sources of evidence include (i) literature and desk reviews of selected internal and external documents; (ii) empirical work and text analysis of Fund reports and databases, including the use of large language models (LLMs); (iii) interviews with Fund staff, management, and Executive Directors as well as country authorities and external experts from civil society organizations (CSOs), think tanks, multilateral partners, and academia; (iv) surveys of country authorities and Fund staff; and (v) workshops with experts. Theories of Change have been used to frame the implementation of the Fund's climate-related work (see Annex 1). The evaluation draws on five background papers that analyze, from a bottom-up approach, the Fund's climate-related work on surveillance, lending, and CD, and, from a top-down approach, the institutional operationalization of this work and the Fund's role in the global climate architecture (see Annex 2).

Structure of the report. Chapter 2 analyzes the main elements and operationalization of the Fund's approach to climate-related issues. Chapters 3–5 evaluate the Fund's climate-related work in its three main activities: surveillance, lending, and CD. Chapters 6 and 7 provide the evaluation's main findings and recommendations, respectively.

[1] The evaluation considers developments before 2021 to provide context and only covers RSF arrangements that ended before July 1, 2025, to adhere to the IEO's noninterference clause. In this report, "climate-related" issues broadly refers to the macroeconomic risks and implications of climate-related natural disasters, climate change, and the transition to a low-carbon economy.