FOREWORD

The IMF adopted a more structured and ambitious approach to its climate-related work, starting in 2021. It did so by approving its Climate Strategy in 2021 to guide surveillance and capacity development (CD) and by establishing the Resilience and Sustainability Trust (RST) and related Facility (RSF) in 2022 to support long-term structural challenges, including climate change. Building on previously more fragmented efforts, this approach has strengthened and systematized the integration of climate considerations into the Fund's operations. The Fund anchored this work in its mandate, recognizing the existential challenge of climate change and its macrocritical implications for external and domestic stability.

This evaluation examines the first four years of implementation under the new approach. It finds that the Fund's climate-related work has been demand driven, effectively incorporated across surveillance, lending, and CD, and integrated into the Fund's traditional core policy areas—mainly through fiscal policy advice—and it has delivered meaningful value added to member countries. Although a relatively late entrant, the Fund has also established a place within the global climate architecture by drawing on its macroeconomic expertise, analytical strengths and global reach.

At the same time, the integration of climate-related work has required a process of institutional learning and adaptation. Initial challenges—including spending exceeding initial budget allocations, a proliferation of activities, and increased workload pressures—reflected both the novelty and the scale of the undertaking. In addition, the lack of clarity in communication around the Fund's role contributed to elevated expectations and affected internal incentives. These issues, however, were largely addressed by mid-2025.

Over the evaluation period, there has been some weakening in support among the membership, alongside a moderation in institutional prioritization and signaling around the Fund's climate-related work. This could lead to a retrenchment, potentially affecting the capacity and delivery of high-demand, value-adding services amid rising climate-related macroeconomic risks. Going forward, consolidating the gains of the Fund's work on climate issues will require sustained institutional support.

Within a broadly effective integration of climate considerations into the Fund's activities, the evaluation proposes a number of operational recommendations. These include strengthening the operationalization of macrocriticality and better tailoring of policy advice in surveillance; revisiting elements of the RSF and exploring the role of the broader lending framework in supporting members' climate-related needs; and enhancing follow-up in CD while improving its alignment with surveillance and lending.

I welcome the positive responses of the Managing Director and Executive Directors to this evaluation and their support for its recommendations. I look forward to their implementation as a means to further strengthen the Fund's work on climate.

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