



IEO—2026 WORK PROGRAM UPDATE TWO NEW EVALUATIONS—IMF ADVICE ON MONETARY POLICY; AND POLITICAL ECONOMY CONSIDERATIONS IN IMF WORK

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In the process of selecting the topics for its evaluations, the IEO conducts a series of consultations with the Executive Board of the IMF, the Fund's management and staff, external experts, and civil society organizations, and considering their preferences elaborates a menu of "[Possible Topics for Future IEO Evaluations](#)" (IEO 2025d). The topics are then selected based on the following main criteria: strategic importance to the Fund's membership and mandate, current institutional priorities, concerns expressed by internal and/or external stakeholders about the Fund's current policies and operations, and balanced coverage across core activities and country groups.¹

Ongoing Evaluations

The IEO is currently working on the evaluations of: (i) "[The IMF and Climate Change](#)" (IEO 2024); and (ii) "[IMF Engagement on Debt Issues in Low-Income Countries](#)" (IEO 2025c). It has also recently published the evaluation of [IMF Advice on Fiscal Policy](#) (IEO 2025b).

New Evaluations

The IEO will launch two new evaluations on "[IMF Advice on Monetary Policy](#)" and "[Political Economy Considerations in IMF Work](#)" considering their alignment with current institutional priorities and the ample support among stakeholders, which have expressed different types of concerns about the Fund's current policies and operations in these areas. The attachment provides the preliminary rationale, focus, and timing for each evaluation. The IEO will elaborate a detailed Draft Issues Paper (DIP) for the evaluations on IMF Advice on Monetary Policy and Political Economy Considerations in IMF Work in the first and second half of 2026, respectively. These DIPs will delineate the specific scope, type(s), and duration of the evaluation—following another series of consultations with the Executive Board, management, staff, and external stakeholders—and will be published on the [IEO website](#) for general comments.

The IEO will continue consultations with internal and external stakeholders, and further evaluations will be launched as current evaluations are completed, considering the latest menu of "[Possible Topics for Future IEO Evaluations](#)."

¹ The IEO has published its first [Evaluation Policy](#) (IEO 2025a), which encompasses the topic selection process. Annex I in IEO (2025d) summarizes the topic selection process as described in the Evaluation Policy.

ATTACHMENT¹**IMF Advice on Monetary Policy**

Context. IMF advice on monetary policy is central to the Fund's mandate of promoting global macroeconomic and financial stability. The 2007 Decision on Bilateral Surveillance explicitly established monetary policy as one of the four key policy areas for Fund surveillance, together with exchange rate, fiscal, and financial sector policies. The IEO has only conducted one evaluation dedicated to monetary policy advice but with a focus on unconventional monetary policies (IEO 2019). A comprehensive evaluation on monetary policy advice would be a companion of the evaluation on the *IMF Advice on Fiscal Policy* (IEO 2025b). It would take into account how the recent and significant changes in the policy environment—the COVID-19 pandemic, and new uncertainties from supply shocks, conflicts, and trade restrictions—have affected the Fund's frameworks and guidance on monetary policy.

Focus. The evaluation could assess the quality, depth, and accuracy of IMF advice on monetary policy and its supporting analysis, including on inflation correction, policy normalization, and responses to shocks. It would cover the Fund's advice on monetary policy across the membership and its adaptation to country-specific circumstances, including exchange rate regimes. Additionally, it may examine the recent reviews by major central banks of their forecasting models, tools, and frameworks—and consider the Fund's indirect role in shaping best practices—as well as the integration of uncertainty, risk management, and scenario analysis in monetary policy advice. It could also cover the timing and calibration of policy responses, and whether the Fund's advice was sufficiently strategic and timely during the crisis and overly tied to advanced economy norms. The evaluation could also provide an update of the 2019 evaluation on unconventional monetary policies as a stock-taking component.

Timing. This evaluation will begin immediately and, given its relatively wide scope, is envisaged for completion in mid-2027.

Political Economy Considerations in IMF Work

Context. External critics argue that the Fund's focus on macroeconomic stability is limited by its ability to assess the political economy implications of its advice and conditionality, and how they affect the social sustainability of member countries. While the Fund's approach has evolved, recent developments highlight the importance of these issues for macroeconomic stability, program success (including via ownership), and the Fund's traction. Concerns persist regarding sufficient integration of factors, such as the distributional impact of advice, social acceptability, and institutional implementation constraints into the Fund's analyses. Political economy concerns have been noted in previous IEO work including on social protection (IEO 2017), fragile states (IEO 2018), and small developing states (IEO 2022). The Fund has acknowledged this need, with the 2018 Review of Conditionality (RoC) emphasizing political economy risks (IMF 2019) and the 2021 CSR (IMF 2021) identifying economic sustainability as a key priority.

¹ Based on IEO (2025d).

Focus. The evaluation would aim to assess how political economy considerations have been integrated into the IMF's policy advice and program design. The assessment could encompass several key aspects including the Fund's approach to fostering inclusion, protecting vulnerable groups, reducing inequality, recognizing political economy constraints and election cycles, treating distributional impacts, and improving governance and institutions in member countries. It would take stock of the Fund's engagement with economic policy stakeholders, including nontraditional ones beyond the Central Bank and Ministries of Finance, and how buy-in and traction of recommendations has been considered. Additionally, it may evaluate the Fund's collaboration with other international organizations to address these issues effectively and gather insights into the perceptions of country authorities regarding the Fund's role in these areas.

Timing. This evaluation will begin at the conclusion of the evaluation on the IMF and climate change in the second half of 2026. The completion is envisaged late in 2027, given its wide scope.

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