June 1, 2026

The Chair's Summing Up
Independent Evaluation Office—The IMF and Climate Change
Executive Board Meeting 26/48
May 27, 2026

Executive Directors welcomed the report of the Independent Evaluation Office (IEO) on the IMF and Climate Change and its well-structured assessment of the Fund's engagement across surveillance, lending, and capacity development. Most Directors concurred with the report's positive assessment that the Fund's work on climate, anchored in members' macroeconomic and financial frameworks, has provided high value for the membership and the Global Climate Architecture. They noted that the initial phase of implementation involved upfront investment costs and significant institutional learning, with efficiency improving over time as capabilities, organization, and coordination strengthened. Most Directors agreed with the evaluation's assessment that there is scope to further strengthen the application of the new climate approach, and supported the IEO's key recommendations for improvement with some qualifications regarding specific suggestions. Noting that some of the challenges are common to many workstreams, Directors stressed the need for close alignment with current and upcoming workstreams, including the Comprehensive Surveillance Review (CSR), Review of Program Design and Conditionality, Financial Sector Assessment Program Review, and Review of the Resilience and Sustainability Trust (RST). Directors emphasized the need to take into consideration resource constraints and highlighted the resulting need for prioritization. While a few Directors considered that the climate strategy might have crowded out the Fund's core work and the evaluation should have assessed its consistency with the Fund's mandate, most Directors stressed the need for sustained institutional support to preserve the progress achieved with the new approach.

Directors, a few of them with some qualifications, supported Recommendation 1 to more explicitly assess macrocriticality and enhance the tailoring of climate coverage in Article IV staff reports. They agreed on the need to strengthen the assessment of macrocriticality in a transparent and evenhanded manner, and looked forward in that regard to additional guidance on operationalization from the CSR. Most Directors concurred with the importance of tailoring policy advice, continuing to increase the focus on adaptation and transition issues, while maintaining mitigation efforts according to country emission profiles and authorities' priorities. They also looked forward to continued staff advice on a full range of policy instruments, with clear articulation of the trade-offs and distributional impact of different options. Most Directors encouraged continued refinements in the analytical tools and models that have supported the Fund's high-quality assessments of the macroeconomic effects of climate change and related policies, while emphasizing the need to be selective, consistent with the Fund's comparative advantage, and cognizant of the costs. Many

Directors stressed in particular the importance of continued improvements to incorporate in macroeconomic frameworks the financing needs and long-term macroeconomic impacts of climate risks. A few Directors cautioned against mechanical use of standardized templates across reports and stressed that macrocriticality should firmly anchor coverage to BOP stability and near- to medium-term macroeconomic risks. Many Directors encouraged greater use of dedicated analytical chapters in flagship reports, given their strong traction. Directors agreed on the importance of clear and consistent internal and external communications to manage expectations, facilitate collaboration with external partners, and align staff incentives with institutional priorities.

Most Directors supported Recommendation 2 to strengthen the Resilience and Sustainability Facility (RSF) and more broadly clarify the integration of climate considerations in the overall lending framework, with some qualifications to specific suggestions. A few Directors did not support Recommendation 2, considering that it would heighten inconsistencies with the Fund's mandate to address temporary BOP needs as well as overlap with other IFI mandates. While a number of Directors favored considering options to address the limitations posed by the length of RSF engagement on ambition and applicability of reform packages, including by possibly allowing RSF arrangements to remain active beyond the expiration of associated Upper Credit Tranche (UCTs) arrangements, a number of other Directors stressed that the requirement for the RSF to be underpinned by a UCT program is a key safeguard for donors to the Trust. Directors agreed on the importance of strong design of reform measures that adequately leverage country diagnostic tools, take into account country implementation capacity, and link the measures to the mitigation of prospective balance of payments (BOP) risks, as well as to access levels under the RSF. A number of Directors emphasized the importance of demonstrating the contribution of the RSF to reducing BOP risks. Most Directors concurred on the importance of continuing to enhance cooperation with other institutions and post-program monitoring in a cost-effective manner. Many Directors looked forward to further assessment in the next RST review of the facility's effectiveness and catalytic effect, as well as possible improvements, including to better anchor reforms in long-term climate strategies. Most Directors also looked forward to continued refinements in guidance on the inclusion of climate reforms in non-RSF lending arrangements, while noting that they should be incorporated only when clearly linked to BOP risks and central to program objectives.

Most Directors supported Recommendation 3 to further strengthen the links between climate-related capacity development (CD), surveillance and lending. They agreed on the importance of continued learning from positive experiences of strong integration of technical assistance (TA) in RSF lending, including the criticality of early engagement of TA departments and Regional CD Centers, and strong cooperation with external partners based on areas of comparative advantage. Directors also stressed the need for focused and well-coordinated and sequenced climate-related TA, particularly in multi-partner settings and in countries with capacity constraints. A few Directors questioned whether climate CD had

crowded out core Public Financial Management and financial sector CD, and supported a more appropriate balance between climate-related and non-climate CD. Directors endorsed the recommendations for continued progress in better integrating climate-related TA with general TA and surveillance to support identification of TA needs, monitoring and traction, and policy effectiveness.

In line with established practice, Management and staff will give careful consideration to today's discussion of the IEO's specific suggestions in formulating the Management Implementation Plan for Board-endorsed recommendations, while also ensuring consistency with resource constraints and synergies with existing workstreams.