

# Does IMF lending help or hinder the green transition?

**\$400bn**

lent to ~100 countries since 2020

**30**

countries under IMF  
conditionality, July 2026

**2 in 3**

developing economies  
commodity-dependent

**2021**

IMF declares climate 'macro-  
critical'; RSF follows

## Method

Five cases: Ecuador · Egypt · DRC · Tanzania · Pakistan

Whole programme, not just climate measures: fiscal targets, debt limits, energy pricing, investment assumptions, sectoral conditions

IMF programme documents read against national climate plans

# Diagnosis has advanced. Design has not.

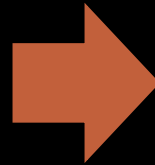
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## What staff model

Physical shocks, transition risk, nature loss = macro-critical

Ecuador: oil demand -4 to -29% by 2040; 8.3bn barrels at stranding risk

Tanzania: physical climate shocks modelled in detail



## What enters the programme

Ecuador: none of it in the debt baseline; climate DSA modules inactive

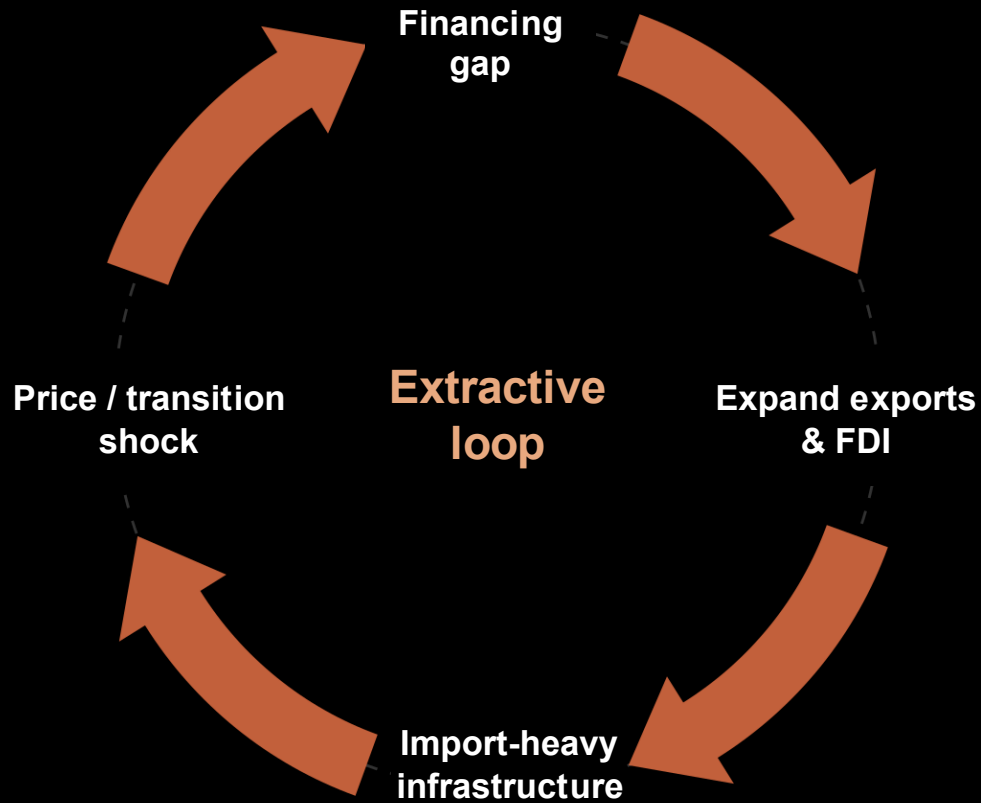
Tanzania: LNG plan gets no transition-risk assessment

421 DSAs, 2008–24: climate absent from every baseline

**Stakes** Climate is modelled as a shock to the development path, never as a reason to change it.

# Adjustment still runs through extraction

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## Ecuador

\$4bn gap closed with more oil, plus copper and gold as 'diversification'

## DRC

Copper and cobalt: 90% of exports; adjustment = more mining FDI

## Tanzania

LNG build-out widens the deficit by \$6.5bn a year before any exports

**Stakes** Diversification within extraction: today's fix is tomorrow's shock.

# Fiscal adjustment crowds out the just transition

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6.6%

of GDP

Ecuador's non-oil primary adjustment, 2024–28. Capital spending bore past cuts; oil investment was protected.

10–15%

of GDP

Egypt's interest bill, against a 5% primary surplus. Adaptation is the least-funded part of its RSF.

1/2

of spending

Pakistan's debt service, while climate needs run to \$259–273bn.

*Social floors exist everywhere, but they compensate for adjustment rather than fund a transition.*

**Stakes** Debt service first makes climate spending the residual. The Fund's own DSA penalises adaptation investment.

# Conditionality follows financial targets only

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## Dense conditionality where reform pays

Electricity tariffs and utility finances  
Mining governance and fiscal regimes  
Fossil-fuel revenues and investability

## Thin conditionality where nature needs protecting

Forests: Ecuador, 18% lost since 1990, no conditions  
Oil in the rainforest: DRC's 52 new blocks met with screening only  
Water: tariffs, not resilience

**Stakes** Sectoral conditions make extraction investable; no case adds up to a green industrial strategy.

# The RSF adds attention, not coherence

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## RSF: procedural greening

Climate budgeting, screening, disclosure, regulation, private-finance mobilisation

## UCT programme: sets the real path

Fiscal balances, debt repayment, external adjustment — unchanged

**3.1×**

Egypt's IMF charges and surcharges exceed its entire RSF access

## Loans

Catalysed finance is mostly official debt, skewed to mitigation

## Penalised

DSA books adaptation as cost; green multipliers ignored

**Stakes** Partial climate mainstreaming in analysis; no reorientation of adjustment policy.