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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-second Meeting
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Item 11(b)(ii) of the provisional agenda¹

**REPORT ON CONSULTATIONS WITH THE SECRETARIATS OF
THE GLOBAL ENVIRONMENT FACILITY AND THE GREEN CLIMATE FUND
AND OTHER RELEVANT FUNDING INSTITUTIONS ON OPPORTUNITIES FOR SHARING
INFORMATION ON POLICIES, PROJECTS AND RELEVANT FUNDING MODALITIES
RELATING TO MAINTAINING AND/OR ENHANCING ENERGY EFFICIENCY
WHILE PHASING DOWN HFCs**

This document consists of:

- A note by the Secretariat referring to the discussions that took place at the 91st meeting of the Executive Committee and consultations with the different funding institutions after the 91st meeting.
- The report on consultations with the secretariats of the Global Environment Facility and the Green Climate Fund and other relevant funding institutions on opportunities for sharing information on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs (UNEP/OzL.Pro/ExCom/91/65).

¹ UNEP/OzL.Pro/ExCom/92/1

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

Note by the Secretariat

Introduction

1. At its 90th meeting, the Executive Committee *inter alia* requested the Secretariat to continue its consultations with the secretariats of the Global Environment Facility (GEF) and the Green Climate Fund (GCF) and other relevant funding institutions on opportunities for sharing information on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs, and to report back to the Executive Committee at its 91st meeting (decision 90/50(b)(iii)).
2. Pursuant to decision 90/50(b)(iii), the Secretariat submitted document UNEP/OzL.Pro/ExCom/91/65 to the 91st meeting. For ease of reference, the document is attached to the present document.

Discussions at the 91st meeting²

3. The Executive Committee discussed the different aspects relating to the respective report. The main points highlighted during the discussions are presented below:
 - (a) Several members said that discussions among the Multilateral Fund (MLF) and other funding institutions should be held on a regular basis, as there were lessons to be learned from the experiences of those institutions. One member emphasised the importance of collaboration and information-sharing, both internally within the implementing agencies and at the national level with national ozone units and focal points for other funding institutions.
 - (b) One member noted that the Secretariat had identified useful, ongoing opportunities for such information-sharing and for complementary action between the funding institutions. The nature of the activities undertaken by the different funding institutions did not overlap that much with the work of the MLF, and the processes and approaches of those institutions were vastly different from those of the Fund, which worked according to a compliance-driven timeline. The advantage of funding energy-efficiency activities through the MLF was that the funding would be embedded in a system that already existed, which would be simpler and more effective for the countries.
 - (c) One member said that while sharing information and developing a more cooperative approach with other institutions was considered useful, there were concerns expressed about the prospects of seeking funding outside the MLF to help Article 5 countries comply with their obligations under the Montreal Protocol and the Kigali Amendment. The GEF and the GCF were not designed for, and therefore not fit for, that purpose. Their project approval processes were very time-consuming and were thus incompatible with the fast-approaching deadlines for compliance with the Kigali Amendment. Moreover, the GEF devoted only a very small percentage of its resources to the subject of energy and materials in the context of climate change.
 - (d) One member expressed that funding for energy-efficiency projects should be in the form of grants and suggested that the Executive Committee could provide guidelines on the modalities for such grant funding. Another member suggested that the Executive Committee should remain open-minded about the suite of options available. Several members noted that the processes of other institutions were not compliance-oriented, but neither were energy-efficiency projects within the context of the MLF.

² Paragraphs 253-259 of document UNEP/OzL.Pro/ExCom/91/72

4. Following the discussions of the contact group established to consider the matter, the Executive Committee agreed to pursue, at its 92nd meeting, consideration of the report on consultations with the secretariats of the Global Environment Facility and the Green Climate Fund and other relevant funding institutions on opportunities for sharing information on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs (decision 90/50(b)(iii)).

Consultations with the different funding institutions after the 91st meeting

Green Climate Fund

5. Consultations were held with Mr. Yannick Glemarec, Executive Director of the GCF, and the GCF team in the margins of the United Nations Biodiversity Conference on 16 December 2022. During the meeting, Mr. Glemarec thanked the Secretariat for providing an update on the discussions held on the matter and the decisions taken by the Executive Committee at the 91st meeting. He described the approach of the GCF in providing finance for energy-efficiency related activities and gave an overview of how different funding instruments mainly non-grant instruments, are used by the GCF to scale up and achieve high impact market transformation. He also mentioned how the GCF coordinates with the GEF in scaling up project impact with the GEF focusing on removal of barriers and how the GCF supports market transformation. The Secretariat discussed potential HFC phase-down projects that are likely to be submitted as a part of Kigali HFC implementation plans in the next two to three years and expressed that information on policies and projects relating to HFC phase-down would be shared with the GCF secretariat.

6. Following these consultations, the Secretariat had discussions in January 2023 with Mr. German Velasquez, Director of the GCF's Mitigation and Adaptation Division, on coordination and collaboration with the GCF on projects relating to energy efficiency in the context of HFC phase-down. Based on the discussions, a draft note was prepared on how the GCF and the MLF could work with their respective agencies³ on the identification of pilot projects relating to energy efficiency in the context of decision 91/65⁴ and work on possible scaling up funding for HFC phase-down projects supported by the MLF if these are within the priority areas of the GCF. It was agreed that the GCF and the MLF could organize periodic meetings to share information on approved projects and relevant technical and policy issues; encourage the strengthening of institutional coordination mechanisms through their respective agencies and national institutions; and explore possibility of combining MLF-funded HFC phase-down projects with relevant flagship programmes relating to energy efficiency developed by the GCF in GCF-2.⁵ In addition, the Secretariat shared information with the GCF on the global technical assistance project for the twinning of national ozone officers and national energy efficiency policymakers to support Kigali Amendment objectives, approved at the 91st meeting of the Executive Committee (decision 91/42) and explained how that project could provide an opportunity for strengthening collaboration between the GCF and MLF institutions.

Global Environment Facility

7. Consultations were held with representatives from the GEF secretariat on 18 April 2023. During the consultations, the Secretariat provided an overview of the decisions taken by the Executive Committee at the 91st meeting on energy-efficiency related matters in the context of HFC phase-down, particularly

³ Agencies refer to accredited entities in the case of the GCF and bilateral and implementing agencies in the case of the MLF.

⁴ Taken in the context of the discussions at the 91st meeting on the criteria for pilot projects to maintain and/or enhance energy efficiency of replacement technologies and equipment in the context of HFC phase-down (UNEP/OzL.Pro/ExCom/91/63).

⁵ GCF's second replenishment (GCF-2) is under development to operationalise the global collective goal of ambitious and accessible climate finance. GCF-2 will further strengthen GCF's ability urgently respond to the climate crisis and empower climate action in developing countries during this Decade of Action, specifically for the 2024–2027 period.

relating to the funding window approved for pilot projects to maintain and/or enhance energy efficiency of replacement technologies and equipment in the context of HFC phase-down (decision 91/65), and also on the ongoing discussions on other matters relating to energy efficiency. The Secretariat highlighted that the Executive Committee encourages coordination and collaboration between the GEF and the MLF on energy-efficiency related aspects and provided information on the approval of the above-mentioned technical assistance twinning project, wherein GEF focal points are expected to participate in the consultations along with national ozone officers. Representatives from the GEF Secretariat mentioned that they are continuing to program resources for the area of energy efficiency, in line with the GEF-8 Programming Directions, based on country demand.

Other funding institutions

8. Information on the decisions taken at the 91st meeting relating to the pilot projects on energy efficiency while phasing down HFCs and consultations on other matters relating to energy efficiency was shared with the African Development Bank Group (AfDB), the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank. Discussions were held with AfDB on the various decisions and other policy matters, during which AfDB expressed its interest in using this information while designing relevant projects relating to energy efficiency.

9. It should be noted that the Executive Committee will continue its discussions on the operational framework to further elaborate on institutional aspects and projects and activities that could be undertaken by the Multilateral Fund for maintaining and/or enhancing the energy efficiency of replacement technologies and equipment in the manufacturing and servicing sectors when phasing down HFCs (decision 90/50(b)(ii)) (UNEP/OzL.Pro/ExCom/92/47) at the 92nd meeting and the information contained therein is of relevance to the decision to be taken by the Executive Committee in the context of the present document.



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THE MULTILATERAL FUND FOR THE
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Item 11(b)(iii) of the provisional agenda¹

**REPORT ON CONSULTATIONS WITH THE SECRETARIATS OF THE GLOBAL
ENVIRONMENT FACILITY AND THE GREEN CLIMATE FUND AND OTHER RELEVANT
FUNDING INSTITUTIONS ON OPPORTUNITIES FOR SHARING INFORMATION ON
POLICIES, PROJECTS AND RELEVANT FUNDING MODALITIES RELATING TO
MAINTAINING AND/OR ENHANCING ENERGY EFFICIENCY
WHILE PHASING DOWN HFCs (DECISION 90/50(b)(iii))**

Introduction

10. Paragraph 22 of decision XXVIII/2 related to the phase-down of hydrofluorocarbons (HFCs) under the Kigali Amendment requested the Executive Committee to develop cost guidance associated with maintaining and/or enhancing the energy efficiency of low-global-warming-potential (GWP) or zero-GWP replacement technologies and equipment when phasing down HFCs, while taking note of the role of other institutions addressing energy efficiency, when appropriate.

11. The Executive Committee has held a series of discussions in plenary and in a contact group on information about relevant funds and financial institutions mobilizing resources for energy efficiency that might be utilized when phasing down HFCs under the Multilateral Fund (MLF) based on reports prepared by the Secretariat, from its 83rd meeting to its 87th meeting.

12. The Executive Committee, at its 87th meeting, requested the Secretariat to prepare, for its first meeting in 2022, a report identifying options within the MLF and by working with other financial institutions that financed energy efficiency and whose procedures could be compatible with those of the MLF, for mobilizing financial resources for maintaining and/or enhancing energy efficiency when replacing HFCs with low-GWP alternatives in the relevant foam manufacturing sub-sectors and the refrigeration, air-conditioning and heat pump (RACHP) sectors (decision 87/51(b)).

¹ UNEP/OzL.Pro/ExCom/91/1

13. Based on document UNEP/OzL.Pro/ExCom/89/12,² the Executive Committee, at the 89th and 90th meetings, discussed, among other things, the options for funding energy efficiency in the context of HFC phase-down. Following these discussions, the Executive Committee requested the Secretariat to continue its consultations with the secretariats of the Global Environment Facility (GEF), the Green Climate Fund (GCF), and other relevant funding institutions on opportunities for sharing information on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs, and to report back to the Executive Committee at its 91st meeting (decision 90/50(b)(iii)).

14. This report is in response to this part of the decision, and it includes the following sections:

- I. Institutions contacted
- II. Opportunities for sharing information with the GEF, the GCF and other relevant funding institutions on energy efficiency-related activities while phasing down HFCs
- III. Complementarity of projects/activities while phasing down HFCs
- IV. Conclusions
- V. Recommendation

I. Institutions contacted

15. Based on the information already collected from previous consultations held with institutions for the preparation of the report submitted to the 89th meeting, and in line with decision 90/50(b)(iii), the Secretariat focused its consultations with the two other multilateral funding institutions, the GEF and the GCF, and with multilateral and regional development banks as listed in table 1.

Table 1. Institutions with potential funding sources for energy efficiency contacted

Category	Name of the institutions
Multilateral funding institutions	Green Climate Fund (GCF) Global Environment Facility (GEF)
Multilateral and regional development banks (MRDBs)	Asian Development Bank (ADB) African Development Bank Group (AfDB) European Bank for Reconstruction and Development (EBRD) Inter-American Development Bank (IADB) World Bank Group (WB) Climate Investment Fund (CIF*)

*Multilateral climate fund that funds the multilateral and regional development banks mentioned above for funding projects.

16. These funding institutions were previously consulted while preparing reports for the 89th meeting of the Executive Committee. For this report, efforts were made to collect additional information in line with the requirements of decision 90/50(b)(iii) for the Executive Committee's use to provide guidance for collaborating with these institutions regarding energy efficiency while phasing down HFCs.

17. The Secretariat communicated with the funding institutions listed above giving an update on the Executive Committee's discussions during the 89th and 90th meetings on energy efficiency and requested information on who the appropriate person(s) handling energy efficiency matters can be contacted for further consultations for this report. The Secretariat held online discussions with the designated

² Identifying options, including the relevant procedures and conditions for mobilizing financial resources for maintaining and/or enhancing energy efficiency when replacing HFCs with low-global-warming-potential alternatives (decision 87/51)

representatives³ from these institutions about policies and projects related to energy efficiency, including updates on the discussions held at the 89th and 90th meetings of the Executive Committee on matters related to energy efficiency, and possible opportunities for collaboration with each institution within their mandates on projects to maintain and/or enhance energy efficiency while phasing down HFCs. The annex to the present document provides a list of the persons contacted from each institution.

18. The issue of energy efficiency is often cross-cutting across different divisions/thematic areas (i.e., chemicals and climate change, energy efficiency and agriculture) inside these institutions; therefore, some of the consultations held were with groups of people representing different divisions.

19. The next section summarizes the observations about opportunities for sharing information with the different funding institutions on energy efficiency-related activities while phasing down HFCs gathered during these consultations.

II. Opportunities for sharing information with the GEF, the GCF and other relevant funding institutions on energy efficiency-related activities while phasing down HFCs

Green Climate Fund (GCF)

20. The world's largest multilateral climate fund, the GCF serves as a dedicated fund to assist developing countries in focusing on projects that address climate change and maximize climate benefits. Currently, the GCF is implementing their updated Strategic Plan for 2020–2023 and is in the process of developing their second replenishment for the period 2024–2027.⁴ The GCF governance structure is led by the GCF Board which is guided by the Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC).

21. The GCF has identified three ambitious energy efficiency paradigm shift pathways for advancing the highest climate impact projects and supporting country needs: they are scaling up industrial energy efficiency; enhancing “space” energy efficiency; and catalysing rapid market switch to highest efficiency appliances/equipment.⁵

22. The GCF follows a collaborative and partnership-based approach with many diverse national entities ranging from government ministries, national non-governmental organizations, and commercial banks to bring about high-impact and transformative change. To achieve this, GCF financial instruments that include non-grant and grant instruments are set up to de-risk financing of climate change initiatives, thus serve as an accelerator and amplifier for climate action.⁶

23. Projects funded by the GCF, which are often large and sometimes involve several countries, are implemented through their network of accredited entities.⁷ Countries can access GCF resources for implementing different projects to maximize climate benefits through each of these entities. For example,

³ The persons with whom discussions were held in the different institutions were officers working in multilateral governance processes (GCF), senior environmental specialist in chemicals and waste and climate change focal areas and lead environmental specialist working on Multilateral Environmental Agreements (MEAs), Climate Change Policy and Finance, Sustainable Development Goals (SDGs) (GEF), officers handling clean energy and energy efficiency related projects in regional development banks and climate investment funds and officers handling Montreal Protocol and linked energy efficiency related matters in the World Bank.

⁴ <https://www.greenclimate.fund/about/strategic-plan/update>

⁵ There are other areas of work such as cities, building and urban systems and agriculture and food security that could include activities to maintain and/or enhance energy efficiency while phasing down HFCs.

⁶ As of 9 November 2022, the proportion of non-grant instruments of the total funding is 59 per cent.

⁷ UNDP, UNEP, UNIDO and World Bank are accredited with GCF, along with other accredited entities.

the cooling facility⁸ and Programme for Energy Efficiency in Buildings (PEEB) Cool⁹ that have been approved by GCF Board have components to address similar sectoral transformation.

24. Discussions were held with GCF officers from the multilateral governance unit.¹⁰ In identifying possible areas of collaboration, the GCF showed interest in collaborating on an informal basis for sharing information. The Fund Secretariat reiterated its interest in further collaborating with the GCF to understand better the policies and procedures relating to how projects promoting energy efficiency are considered.

25. The following specific activities were identified as initial approaches for possible collaboration:

- (a) Joint consultative meetings to be held at a technical level, possibly twice a year or as needed, between the MLF and GCF Secretariats to share information on projects and programmes of mutual interest; and
- (b) Both Secretariats could jointly develop a concept note to describe areas of information sharing between the two Secretariats to maximise complementarity and avoid duplication of activities.

26. Moreover, as some of the GCF accredited entities and the MLF bilateral and implementing agencies are the same, the Executive Committee could invite the bilateral and implementing agencies of the MLF to share information internally in their organisations (i.e., within the units responsible for MLF and GCF projects) and with their implementing partners at the national level on relevant projects¹¹ (i.e., MLF and GCF projects) for maintaining and/or enhancing energy efficiency in the context of HFC phase-down.

Global Environment Facility (GEF)

27. The GEF provides project assistance to developing countries in five focal areas – biodiversity loss, chemicals and waste, climate change, international waters, and land degradation, in the context of the international conventions related to these issues. Under the chemicals and waste focal area, the GEF also supports the implementation of the Montreal Protocol for countries with economies in transition who are not eligible for funding under the MLF.

28. In June 2022, the 62nd GEF council concluded the GEF-8 replenishment in which 29 donor governments finalized US \$5.33 billion¹² in pledges to the GEF for the four years from July 2022 to June 2026. Within this amount, the climate change mitigation focal area has an allocation of US \$852 million, out of which efficient use of energy and materials and nature-based solutions have an allocation of US \$103 million and US \$68 million, respectively. These areas could also include energy efficiency related activities in the context of HFC phase-down.

29. The chemicals and waste focal area, with a total allocation of US \$800 million, has set aside US \$13 million for the implementation of the Montreal Protocol for non-European Union (EU), non-Article 5 parties that are countries with economies in transition to implement their obligations under the Protocol, including phase-down of HFCs. These countries can access the resources under the chemicals

⁸ <https://www.greenclimate.fund/project/fp177>

⁹ <https://www.greenclimate.fund/project/fp194>

¹⁰ The Multilateral Governance Unit is under the Office of Governance Affairs (OGA) of the GCF. The OGA provides support across the governance structure of the GCF, including, among others, coordinating engagement with other funds and relevant multilateral governance processes.

¹¹ This information can be collected by bilateral and implementing agencies through information available in GCF website and information available within their organisation's divisions developing and implementing GCF projects.

¹² In GEF-8, 11 Integrated Programs (IPs) that will deliver global environmental benefits across multiple focal areas have been included with a total funding of US \$1.68 billion.

and waste focal area to phase down HFCs and could potentially achieve energy efficiency benefits, if their HFC phase-down plans adhere to the requirements of the Kigali Amendment.

30. All GEF projects, including those in the climate change mitigation focal area and those identified as part of Integrated Programs (IPs), are developed by the respective agencies based on the national priorities of the countries. Under GEF-8, countries can use a fully flexible approach to allocating resources for focal areas covered by the System for Transparent Allocation of Resources (STAR) based on countries' priorities (e.g., some funding relating to the biodiversity focal area could be allocated to climate change mitigation focal area). There should be consultation at the national level among relevant stakeholders to consider the allocation of GEF resources for projects to maintain and/or enhance energy efficiency while phasing down HFCs, based on the national priorities decided by each country.

31. The GEF expressed interest in strengthening collaboration with MLF¹³ to understand the policies and procedures relating to energy efficiency in the context of HFC phase-down and enhance potential opportunities for maximising complementarity through the following.

- (a) At the Secretariat level, the MLF and GEF Secretariats can have joint consultative meetings, as and when needed, to share information about projects and programmes of mutual interest, including information on Kigali HFC implementation plans (KIPs) approved by the Executive Committee highlighting key areas where GEF's existing and/or new projects could support complementary activities; this can include projects submitted for countries with economies in transition where the MLF Secretariat can provide additional inputs for integrating energy efficiency components in activities relating to HFC phase-down. Presently, the GEF Secretariat consults the MLF Secretariat when Montreal Protocol-related projects are submitted for funding, albeit at an informal level;
- (b) MLF and GEF Secretariats can encourage, through their separate implementing agencies, closer communication and coordination between their respective national focal points on activities relating to HFC phase-down and energy efficiency while phasing down HFCs; and
- (c) Both Secretariats can promote enhanced collaboration at the country level through the focal points for GEF and the national ozone units (NOUs) of the MLF to strengthen understanding and encourage complementarity of projects funded by both the GEF and the MLF, recognizing that this is within a country's national authority and beyond the scope of the GEF and the MLF Secretariats.

Summary of discussions with multilateral and regional development banks (MRDBs)

32. The key observations based on consultations with the MRDBs listed in table 1 are summarized below:

- (a) Broadly, the MRDBs are aware of the Montreal Protocol and its Kigali Amendment. The institutions expressed interest in understanding the details of the policies and projects and the project approval process of the Multilateral Fund. In one case, their understanding of Montreal Protocol and MLF processes was high as the relevant officer had previously worked on Montreal Protocol projects;
- (b) MRDBs generally deal with non-grant instruments for financing a wide range of activities and a diverse portfolio of projects for assisting countries which may include energy

¹³ The members of the Executive Committee may wish to recall the cooperation agreement between the GEF Secretariat and the MLF Secretariat signed in July 1995 for collaboration on Montreal Protocol related activities.

efficiency components in applications consuming HFCs (e.g., sector transformation projects for cold chains); grants are sometimes provided for technical assistance to support the implementation of those projects. One representative from a development bank mentioned that seed funding, if available from MLF, could be used for mobilising additional resources for scaling up the implementation of projects in his region;

- (c) The discussion pointed out that the processes for information sharing on activities between the MLF and the MRDBs are in early stages. These need to be strengthened over time through appropriate processes for information sharing;
- (d) MRDBs generally expressed interest in knowing more about the regional networks and participating in the regional meetings where topics of mutual interest are discussed, whenever feasible. It was mentioned that these regional networks could provide an opportunity for providing information to the NOUs on activities undertaken by MRDBs on energy efficiency in the context of HFC phase-down as well as other activities (e.g., regional project development on destruction of controlled substances, development of cold chain and food transportation and storage infrastructure) that could have an impact on HFC phase-down. The MLF Secretariat will communicate with UNEP Compliance Assistance Programme to facilitate this participation;
- (e) The following ideas were suggested for sharing information between the MLF Secretariat and MRDBs:
 - (i) Periodic consultations, if needed, on specific thematic issues relating to energy efficiency in the context of HFC phase-down;
 - (ii) Exchanging information on specific technical policy issues pertaining to energy efficiency in the context of HFC phase-down and participation in thematic meetings relating to energy efficiency in the context of HFC phase down; and
 - (iii) Encouraging participation of NOUs in national consultations that involve MRDBs funded projects, as relevant, relating to policy and programme implementation (e.g., national cooling plans).

III. Complementarity of projects/activities while phasing down HFCs

33. The Secretariat, in addition to the consultations held with these institutions, did an initial analysis of projects approved by the GCF and the GEF. It was noted that there are projects approved and implemented by the different funding institutions that have potential entry points for linking aspects related to energy efficiency while phasing down HFCs.

34. The analysis also showed that many of these projects are in the same Article 5 countries being assisted under the MLF for implementing the Montreal Protocol and contain elements relevant to both energy efficiency and HFC phase-down. However, these are designed for non-compliance related projects and target broader objectives covering aspects beyond the phase-out or phase-down of controlled substances. Examples of these projects are greening agriculture production and storage, sustainable logistics and the cold chain for vaccines, building envelope interventions, to name a few, where implementation cuts across various agencies and may or may not involve the national ozone focal points in the beneficiary countries. Coordination during project preparation, approval, and implementation through appropriate interventions at the country level and through the implementing agencies can maximize environmental benefits of these projects and avoid duplication of activities and funding.

35. Some observations from the Secretariat's analysis and reflections from these consultations may include but are not limited to the following:

- (a) Based on the discussions with financial institutions that finance energy efficiency related activities, it was noted that each institution has its procedures for project identification and development, review, approval, implementation, monitoring and reporting; these procedures are designed to ensure conformity with the mandate, governance, policies and relevant operating procedures of the institutions and appropriate reporting to their governing bodies;
- (b) Financial resources from the MLF are dedicated to compliance with the Montreal Protocol and are equally accessible to all Article 5 countries depending on their compliance status; maintaining and/or enhancing energy efficiency while phasing down HFCs would result in maximising environmental and climate benefits;
- (c) The financial resources from the GCF and the GEF address more than one environmental concern, which may have competing priorities in the country in terms of the allocation of the resources. The challenge will be to empower the NOUs to facilitate and ensure strong and sustained collaboration with the focal points for GEF and GCF at the national level the to maximise complementarity of activities in the countries;
- (d) While all funding institutions (GCF, GEF, MLF) follow a country-driven approach, the MLF funding follows the compliance obligations of the Article 5 countries thereby the countries' engagement with the Multilateral Fund is based on a long-term partnership that lasts for the duration of the phase-out or phase-down of the substances controlled under the Montreal Protocol;
- (e) Large infrastructure projects in cooling (e.g., district cooling, not-in-kind technologies such as deep-sea cooling, retrofit of buildings/facilities for energy efficiency), support for consumer financing for adopting energy efficient low-GWP technologies using products/technologies and sectoral transformation projects for products and component industry (e.g., addressing variable speed compressor technology, fisheries sector, cold chain) could be undertaken by funding institutions like GCF, GEF and MRDBs that deal with long-term finance using non-grant instruments, involving multiple stakeholders and market transformation;
- (f) Support for conversion of manufacturing lines of RACHP equipment using HFCs for adopting energy efficient technologies that do not use high-GWP refrigerants, technical assistance and capacity building for small-scale manufacturers for design and manufacturing energy efficient RACHP equipment and installers for design, installation, and operation of RACHP equipment in an energy efficient manner, training and capacity building of RACHP equipment service technicians including certification system covering energy efficiency related aspects, capacity building support for NOU on developing and managing projects for maintaining and/or enhancing energy efficiency while phasing down HFCs and capacity building of customs and enforcement bodies for controlling and monitoring equipment to ensure equipment imported are in accordance with energy efficiency standards have direct linkages with the KIPs. Given the experience of MLF institutions in developing and implementing these programmes and HFC phase-down compliance requirements addressed through HFC phase-down projects, these projects could be implemented exclusively with MLF support based on relevant policies and guidelines that are approved by the Executive Committee.

36. There may be other activities relating to energy efficiency that address outcomes beyond HFC phase-down that may be funded by sources outside the MLF; as explained in paragraph 26(c), the NOU needs to collaborate with relevant national institutions with support from the agencies assisting the country in implementing those projects to ensure that there is a common understanding on project priorities and mandates of the relevant institutions. This approach would help in working on projects in a collaborative manner and maximise complementarity.

IV. Conclusions

37. Following these consultations, the Secretariat summarized its conclusions below:

- (a) There are projects approved and/or being implemented by GCF, GEF and MRDBs that may have linkage with activities related to energy efficiency in the context of HFC phase-down. Planning and implementing these activities from non-MLF funding sources needs to be harmonized with those activities with funding support from MLF;
- (b) All institutions contacted are broadly aware of the Kigali Amendment and the need for HFC phase-down. Continuous information sharing on policies, projects, and funding modalities among these institutions would lead to a better understanding of the status of implementation of activities relating to the Kigali Amendment and maintaining and/or enhancing energy efficiency while phasing down HFCs;
- (c) MLF Secretariat can share information with GCF, GEF and MRDBs periodically on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs through:
 - (i) Periodic consultations on specific thematic areas relating to energy efficiency in the context of HFC phase-down and sharing information on projects that have linkages with maintaining and/or enhancing energy efficiency while phasing down HFCs;
 - (ii) Exchanging information on specific technical policy issues and participating in thematic meetings on matters related to energy efficiency in the context of HFC phase-down;
 - (iii) Encouraging participation of national ozone focal points through the NOUs in national consultations relating to policy and programme implementation (e.g., National cooling plans, GEF projects having linkages to cooling), and periodic consultations between NOUs and the focal points of the GCF/GEF/MRDBs on areas of mutual interest would encourage stronger collaboration;
 - (iv) Encouraging bilateral and implementing agencies to share information on MLF project activities relating to energy efficiency while phasing down HFCs within their respective organisation's focal points handling projects supported through non-MLF funding sources;
- (d) There are projects approved and implemented by the different funding institutions that could have linkages with projects for maintaining and/or enhancing energy efficiency in the context of HFC phase-down. There are advantages of implementing specific projects through the MLF, and other projects through other funding institutions with information sharing in all cases. In addition, processes need to be established for empowering NOUs to collaborate with the focal points of other funding institutions to ensure that the strategic

priorities of the respective institutions based on their mandates are well understood, and projects are implemented collaboratively to maximise complementarity; and

- (e) As the Governing bodies for all three financial mechanisms can have members from the same donor countries, there is an opportunity to facilitate a common understanding of the strategic priorities of the mechanisms and ensure that collaboration happens for projects addressing similar objectives consistent with the mandate of each financial mechanism.

38. The Secretariat will continue to collaborate and consult with the GCF, the GEF, and MRDBs as part of its ongoing work, where feasible, and will report any new information on these consultations to the Executive Committee as part of the Secretariat's activities on an annual basis.

39. These conclusions provide a framework for further collaboration with other funding and financial institutions for discussion in the context of the document on Operational framework to further elaborate on institutional aspects and projects and activities that could be undertaken by the Multilateral Fund for maintaining and/or enhancing the energy efficiency of replacement technologies and equipment in the manufacturing and servicing sectors while phasing down HFCs (decision 90/50(b)(ii)) (UNEP/OzL.Pro/ExCom/91/64).

V. Recommendation

40. The Executive Committee may wish:

- (a) To note:
 - (i) The report on consultations with the secretariats of the Global Environment Facility and the Green Climate Fund and other relevant funding institutions on opportunities for sharing information on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs (decision 90/50(b)(iii)), contained in document UNEP/OzL.Pro/ExCom/91/65;
 - (ii) With appreciation, the participation of the funding and financial institutions that provided information to the Secretariat as part of its consultations undertaken for the report identified in sub-paragraph (a)(i);
- (b) To request the Secretariat to continue its consultations and share information with the secretariats of the Global Environment Facility, the Green Climate Fund and multilateral and regional development banks on projects, policies and funding modalities for maintaining and/or enhancing energy efficiency while phasing down HFCs, and to report any new information on these consultations to the Executive Committee as part of the Secretariat's activities on an annual basis; and
- (c) To invite bilateral and implementing agencies to strengthen collaboration and foster closer communication internally in their organisations and between their respective national focal points to ensure that activities relating to HFC phase-down and energy efficiency while phasing down HFCs are considered when identifying other projects with similar objectives that may be funded from other funding sources.

Annex

**LIST OF PERSONS IN DIFFERENT FUNDING AND FINANCIAL INSTITUTIONS
WITH WHOM DISCUSSIONS WERE HELD**

Green Climate Fund (GCF)

Juan P. Hoffmaister
Multilateral Governance Manager
Office of Governance Affairs

Alisher Mamadzhanov (PhD)
Climate Policy and Governance Specialist
Office of Governance Affairs

Global Environment Facility (GEF)

Chizuru Aoki
Lead Environmental Specialist

Filippo Berardi
Senior Climate Change Specialist

Anil Sookdeo
Senior Environmental Specialist

African Development Bank Group (AfDB)

Luc Tossou
Principal Investment Officer/Energy Efficiency Specialist

Asian Development Bank (ADB)

Bruno Carrasco
Director General for Sustainable Development and Climate Change

Virendra Duggal
Principal Climate Change Specialist, Sustainable Development and Climate Change

European Bank for Reconstruction and Development (EBRD)

Jan-Willem van de Ven
Associate Director, Energy Efficiency and Climate Change

Inter-American Development Bank (IDB)

Jose Antonio Urteaga Dufour
Senior Energy Specialist

Roberto G. Aiello
Principal Regional Energy Specialist

World Bank Group (WB)

Angela Armstrong
Program Manager

Mary Ellen Foley
Senior Environmental Specialist
Environment, Natural Resources and Blue Economy

Johannes Heister
Senior Environmental Specialist
Climate Change Group, Implementing Agency Coordination Unit

Climate Investment Funds (CIF)

Daniel F. Morris
Clean Energy Lead

Jimmy Pannett
Scaling Up Renewable Energy Program in Low Income Countries Lead / Renewable Energy Integration
Program Co-lead

