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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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Item 8(c) of the provisional agenda¹

CONSOLIDATED BUSINESS PLAN OF THE MULTILATERAL FUND FOR 2024–2026

Introduction

1. This document presents the consolidated business plans of the Multilateral Fund for 2024–2026 and comprises the business plans for 2024–2026 of bilateral agencies,² UNDP,³ UNEP,⁴ UNIDO⁵ and the World Bank⁶ submitted to the 93rd meeting.

2. This business plan document presents the resource allocation plan for the next three years. The plan is expected to result in continued implementation of HCFC phase-out activities including energy efficiency related components pursuant to decision 89/6, implementation of HFC phase-down activities, continued implementation of HFC-23 emission control activities, pilot projects for energy efficiency pursuant to decision 91/65, project preparation for national inventories of banks of waste-controlled substances pursuant to decision 91/66 and continued implementation of other standard activities for the management of Montreal Protocol projects.

3. This document consists of the following sections:

- I. Resource allocation in the business plan for 2024–2026
- II. Secretariat's comments
- III. Adjustments to the consolidated business plan of the Multilateral Fund for 2024–2026

¹ UNEP/OzL.Pro/ExCom/93/1

² UNEP/OzL.Pro/ExCom/93/26

³ UNEP/OzL.Pro/ExCom/93/27

⁴ UNEP/OzL.Pro/ExCom/93/28

⁵ UNEP/OzL.Pro/ExCom/93/29

⁶ UNEP/OzL.Pro/ExCom/93/30

IV. Other policy issues

V. Recommendation

I. Resource allocation in the business plan for 2024–2026

4. The Secretariat and the bilateral and implementing agencies began their collaborative efforts on the business planning of the Multilateral Fund for 2024–2026 on 22 September 2023 when the initial business plan tables were submitted.⁷ Subsequently, bilateral and implementing agencies revised their business plan tables and resubmitted them with the narrative sections. The total value of the revised business plan for 2024–2026 is summarized in table 1.

5. Table 1 presents, by year, the value of activities included in the business plan for 2024–2026. At their Thirty-Fifth Meeting, the Parties to the Montreal Protocol adopted a budget for the Multilateral Fund for the 2024–2026 triennium of \$965,000,000,⁸ with an annual budget of US \$321,666,667 for each year of the triennium.

Table 1. Resource allocation in the business plan for 2024–2026 (US \$)* – as submitted

Description	2024	2025	2026	Total (2024–2026)	Total after 2026
HCFC activities					
Approved HCFC phase-out management plans (HPMPs)	39,781,428	50,543,871	42,474,893	132,800,192	45,459,768
Approved HCFC production phase-out management plan (HPPMP)	23,232,000	0	0	23,232,000	0
HPMP project preparation (PRP) – stage II	167,700	44,300	0	212,000	0
HPMP stage II	4,970,041	7,491,681	11,175,056	23,636,779	59,785,401
HPMP PRP – stage III	522,900	65,400	0	588,300	0
HPMP stage III	15,849,471	13,725,497	26,174,094	55,749,063	58,617,796
HPMP PRP – stage IV	70,000	0	0	70,000	0
HPMP stage IV	0	0	3,691,000	3,691,000	5,537,000
HPMP – energy efficiency	4,279,812	3,416,240	303,300	7,999,352	0
HPMP verification	588,600	588,600	588,600	1,765,800	0
HCFC activities subtotal	89,461,952	75,875,590	84,406,943	249,744,485	169,399,964
HFC activities					
Enabling activities for HFC phase-down	53,500	160,500	0	214,000	0
Approved Kigali HFC implementation plan (KIP)	0	0	434,420	434,420	481,500
Approved HFC-23 emission control	414,238	626,900	572,433	1,613,571	2,123,880
KIP stage I – PRP	3,140,814	1,167,771	211,280	4,519,864	0
KIP stage I	11,421,557	35,200,848	31,598,872	78,221,277	96,379,205
KIP stage I – investment PRP	32,100	0	0	32,100	0
KIP stage I – investment	3,712,616	0	0	3,712,616	0
HFC-23 emissions control	8,000,000	0	0	8,000,000	0
HFC – technical assistance	678,000	0	0	678,000	0
HFC activities subtotal	27,452,825	37,156,019	32,817,005	97,425,848	98,984,585

⁷ The total initial business plan values for 2024–2026 were US \$482.91 million and the total after 2025, US \$247.45 million.

⁸ Decision XXXV/1

Description	2024	2025	2026	Total (2024–2026)	Total after 2026
Other activities					
Pilot project for energy efficiency (demonstration, investment and preparation)	4,764,200	1,248,600	0	6,012,800	0
National inventories of banks of waste-controlled substances – PRP	1,828,750	310,300	0	2,139,050	0
Technical assistance – gender mainstreaming	2,533,910	0	0	2,533,910	0
Other activities subtotal	9,126,860	1,558,900	0	10,685,760	0
Standard activities					
Institutional strengthening (IS)	21,695,223	1,830,362	21,667,356	45,192,941	0
Core unit	6,011,529	6,053,609	6,095,985	18,161,122	0
Compliance Assistance Programme (CAP)	11,605,710	11,953,882	12,312,498	35,872,090	0
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	7,202,023	6,816,624	6,964,604	20,983,251	0
Treasurer	500,000	500,000	500,000	1,500,000	0
Standard activities subtotal	47,014,485	27,154,476	47,540,442	121,709,404	0
Total	173,056,123	141,744,985	164,764,390	479,565,498	268,384,550
Indicative budget**	321,666,667	321,666,667	321,666,667	965,000,000	
Difference	(148,610,544)	(179,921,682)	(156,902,276)	(485,434,502)	

* Including agency support costs where applicable.

** Based on the replenishment level for 2024–2026 pursuant to decision XXXV/1.

II. Secretariat's comments

II.1 HCFC activities

Stage II of HPMPs

6. The total level of funding for stage II of HPMPs for 17 low-volume-consuming (LVC) countries to meet 100 per cent reduction of the HCFC baseline amounts to US \$6.45 million, including US \$3.07 million for 2024–2026 and US \$3.38 million for the period after 2026.

7. The total level of funding for stage II of HPMPs for seven non-LVC countries amounts to US \$76.97 million (including US \$20.57 million for 2024–2026 and US \$56.41 million for the period after 2026).

8. A total of US \$212,000 is included in the business plan for project preparation of stage II of HPMPs for five countries for 2024–2026.

Stage III of HPMPs

9. A total of US \$114.37 million is planned for stage III of HPMPs for 25 countries (Albania, Angola, Argentina, Armenia, Brazil, Cameroon, China, Egypt, Iran (Islamic Republic of), Jordan, Kuwait, Lebanon, Malaysia, Mexico, Morocco, Peru, the Philippines, Qatar, Senegal, Serbia, Thailand, Timor-Leste, Tunisia, Turkmenistan, and Viet Nam), including US \$55.75 million for 2024–2026 and US \$58.62 million for the period after 2026..

10. A total of US \$588,300 is included in the business plan for project preparation for stage III of HPMPs for 11 countries for 2024–2026.

Stage IV of HPMPs

11. A total of US \$9.23 million is planned for stage IV of the HPMP for one country (Nigeria) (including US \$3.69 million for 2024–2026 and US \$5.54 million for the period after 2026) and US \$70,000 for project preparation in 2024, in line with decision 91/31(d).⁹

Energy efficiency for LVC countries

12. Decision 89/6 allowed bilateral and implementing agencies, when submitting existing and future stages of HPMPs for LVC countries, to include the funding associated with the need for the introduction of alternatives to HCFCs with low- or zero-global-warming potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector.

13. A total of US \$8 million is included in the business plan for energy efficiency activities for 72 LVC countries for 2024–2026.

HPMP verification

14. The Secretariat has included an amount of US \$588,600 per year for verification reports,¹⁰ assuming that 18 reports, each at a cost of US \$32,700, will be prepared (US \$1.77 million for 2024–2026).

II.2 HFC activities

Enabling activities

15. HFC activities include enabling activities amounting to US \$214,000 in 2024–2025 for two countries (Antigua and Barbuda and the Central African Republic). Both countries have submitted the required letter from their respective Government indicating their intent to make best efforts to ratify the Kigali Amendment as early as possible, in line with decision 79/46(d)(i).

Project preparation for stage I of KIPs

16. A total of US \$4.52 million is included in the business plan for project preparation for stage I of KIPs for 26 countries in 2024–2026. In addition, one project preparation for stage I of KIP for an investment project for one country amounting to US \$32,100 is included in 2024.

17. Of the 27 countries for which project preparation for stage I of KIPs have been included, 20 countries have not yet ratified the Kigali Amendment but have submitted the required letter from their respective Government indicating their intent to make best efforts to ratify the Kigali Amendment.

Stage I of KIPs

18. A total of US \$174.6 million is included in the business plan for stage I of KIPs¹¹ for 100 countries (including US \$78.22 million for 2024–2026 and US \$96.38 million for the period after 2026). In addition, the business plan also included stage I of KIPs for investment projects for five countries amounting to

⁹ To allow Nigeria to submit stage IV of its HPMP in 2025 and the request for the associated project preparation in 2023.

¹⁰ Decision 61/46(c) requires verification reports for a sample of 20 per cent of the LVC countries with approved HPMPs.

¹¹ KIPs are allowed inclusion of such plans in the business plan only for countries that had ratified the Kigali Amendment (decision 84/46(g)).

US \$3.71 million in 2024. One of these 100 countries (Thailand) has not yet ratified the Kigali Amendment and has been removed from the business plan.

HFC-23 emissions control projects

19. UNDP's business plan included one HFC-23 emissions control investment project for one country amounting to US \$8 million in 2024.

HFC technical assistance

20. UNEP has included one global HFC technical assistance project, twinning of ozone officers and national energy policymakers to support Kigali Amendment objectives, in the amount of US \$678,000 in 2024. Phase I of this project was approved at the 91st meeting.

II.3 Other activities

Pilot projects for energy efficiency (decision 91/65)

21. A total of US \$6.01 million is included in the business plan under the funding window for pilot projects for energy efficiency (decision 91/65) for 2024–2025 (including US \$2.87 million for demonstration projects, US \$3.11 million for investment projects and US \$34,000 for project preparation activities) for 12 countries (Armenia, the Gambia, Guatemala, Honduras, Jordan, Kenya, Malaysia, Maldives, Mauritania, the Republic of Moldova, Trinidad and Tobago and Viet Nam) and one global project on “demonstrating digital monitoring and management tools to enhance energy efficiency and reduce emission of greenhouse gases in the space cooling and cold chain sectors in Columbia, Lebanon, Panama, Sri Lanka, and Trinidad and Tobago”. The objective of the global project is to support the five countries to pilot digital tools for monitoring and managing air-conditioning and cold chain systems to reduce emission of the greenhouse gases, reduce energy consumption and associated electricity costs, and improve overall maintenance of cooling system proactively. The project preparation for this project is submitted to the 93rd meeting.

Project preparation for national inventories of banks of waste-controlled substances (decision 91/66)

22. A total of US \$2.14 million is included in the business plan for project preparation for national inventories of banks of waste-controlled substances (decision 91/66) for 2024–2025 for 22 countries (Bosnia and Herzegovina, Burkina Faso, Chile, Cuba, Egypt, Ghana, Indonesia, Jamaica, Jordan, Kyrgyzstan, Libya, Malaysia, Maldives, Mauritania, Nigeria, Panama, Paraguay, Peru, South Africa, Sri Lanka, Thailand, and Uruguay).

Gender mainstreaming technical assistance project

23. UNDP and UNIDO's business plans included two global technical assistance projects for “Increasing gender equality and economic empowerment of women in the refrigeration and air-conditioning (RAC) sectors” amounting to US \$2.53 million in 2024. At present, there is no funding window for such technical assistance projects. Further, implementation of the operational gender mainstreaming policy and its associated relevant decisions should be included in each Article 5 country's national plans to phase out controlled substances. The issue is presented in section IV on policy issues.

III. Adjustments to the consolidated business plan of the Multilateral Fund for 2024–2026

24. The adjustments to the consolidated business plan for 2024–2026 were based on relevant decisions of the Executive Committee. In reviewing the revised business plan from the bilateral and implementing agencies for 2024–2026, the Secretariat noted that the following adjustments were not included:

Table 2. Adjustments to the consolidated business plan of the Multilateral Fund for 2024–2026 (US \$)* – as proposed by the Secretariat

Adjustment	2024–2026	After 2026
HPMP values to reflect the actual amounts approved under the Agreements including tranches of HPMPs that have been submitted to the 93 rd meeting	(1,385,755)	(18,511,470)
HPMP values to reflect the draft Agreements submitted to the 93 rd meeting	(623,686)	(356,373)
PRP for stage II of HPMPs pursuant to decision 71/42	(33,300)	0
Stage II of HPMPs in non-LVC countries with the refrigeration manufacturing sector based on a maximum cost-effectiveness of US \$8.40/kg ¹²	(357,683)	(2,692,047)
Energy efficiency for LVC countries pursuant decision 89/6 or submitted to the 93 rd meeting	(857,001)	0
KIP values to reflect the draft Agreements submitted to the 93 rd meeting	(50,372)	(39,240)
PRP for KIPs pursuant to decision 87/50 or submitted to the 93 rd meeting	(60,365)	0
KIPs pursuant to decision 84/46(g)	(8,560,000)	(10,700,000)
Servicing sector for stage I of KIPs pursuant to decision 92/37	(1,561,968)	(3,291,775)
Pilot projects for energy efficiency submitted to the 93 rd meeting	(33,900)	0
Preparation for national inventories of banks of waste-controlled substances submitted to the 93 rd meeting	(596,600)	0
Technical assistance (global project on gender mainstreaming)	(2,533,910)	0
IS pursuant to decision 91/63(d)	3,184	0

* Including agency support costs where applicable.

25. Table 3 presents the results of the Secretariat's proposed adjustments to the consolidated business plan for 2024–2026.

Table 3. Adjusted resource allocation for the business plan for 2024–2026 (US \$)*

Description	2024	2025	2026	Total (2024–2026)	Total after 2026
HCFC activities					
Approved HPMPs	40,987,832	47,951,712	42,474,893	131,414,437	26,948,298
Approved HPPMP	23,232,000	0	0	23,232,000	0
HPMP PRP – stage II	134,400	44,300	0	178,700	0
HPMP stage II	4,970,041	7,133,999	11,175,056	23,279,096	57,093,354
HPMP PRP – stage III	522,900	65,400	0	588,300	0
HPMP stage III	15,849,471	13,725,497	25,550,408	55,125,376	58,261,422
HPMP PRP – stage IV	70,000	0	0	70,000	0
HPMP stage IV	0	0	3,691,000	3,691,000	5,537,000
HPMP – energy efficiency	3,726,111	3,305,040	111,200	7,142,351	0
HPMP verification	588,600	588,600	588,600	1,765,800	0
HCFC activities subtotal	90,081,355	72,814,548	83,591,157	246,487,060	147,840,075
HFC activities					
Enabling activities for HFC phase-down	53,500	160,500	0	214,000	0
Approved KIP	0	0	434,420	434,420	481,500
Approved HFC-23 emission control	414,238	626,900	572,433	1,613,571	2,123,880
KIP stage I – PRP	3,080,448	1,167,771	211,280	4,459,499	0
KIP stage I	11,414,706	30,348,731	26,285,500	68,048,937	82,348,191
KIP stage I – investment PRP	32,100	0	0	32,100	0
KIP stage I – investment	3,712,616	0	0	3,712,616	0
HFC-23 emissions control	8,000,000	0	0	8,000,000	0
HFC – technical assistance	678,000	0	0	678,000	0
HFC activities subtotal	27,385,608	32,303,902	27,503,633	87,193,143	84,953,571

¹² As agreed at the Inter-agency coordination meeting.

Description	2024	2025	2026	Total (2024–2026)	Total after 2026
Other activities					
Pilot project for energy efficiency (demonstration, investment and preparation)	4,730,300	1,248,600	0	5,978,900	0
National inventories of banks of waste-controlled substances – PRP	1,232,150	310,300	0	1,542,450	0
Technical assistance – gender mainstreaming	0	0	0	0	0
Other activities subtotal	5,962,450	1,558,900	0	7,521,350	0
Standard activities					
IS	22,071,008	1,830,362	21,294,756	45,196,125	0
Core unit	6,011,529	6,053,609	6,095,985	18,161,122	0
CAP	11,605,710	11,953,882	12,312,498	35,872,090	0
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	7,202,023	6,816,624	6,964,604	20,983,251	0
Treasurer	500,000	500,000	500,000	1,500,000	0
Standard activities subtotal	47,390,269	27,154,476	47,167,842	121,712,588	0
Total	170,819,683	133,831,827	158,262,632	462,914,142	232,793,645
Indicative budget**	321,666,667	321,666,667	321,666,667	965,000,000	
Difference	(150,846,983)	(187,834,840)	(163,404,035)	(502,085,858)	

* Including agency support costs where applicable.

** Based on the replenishment level for 2024–2026 pursuant to decision XXXV/1.

IV. Other policy issues

Budget

26. Following adjustments, the value of the activities put forward by the agencies and as reflected in the consolidated business plan is below the overall indicative budget by US \$502.09 million for the period 2024–2026.

27. It is noted that certain policy issues related to funding including the cost guidelines for HFC phase-down will be under discussions at the 93rd meeting. The adoption of the cost funding guidelines in the manufacturing sectors and other ongoing policy discussions at the Executive Committee, the recent decisions at the Thirty-Fifth Meeting of the Parties and the strengthening of the capacity of the Multilateral Fund institutions including that of the national ozone units, may lead to additional project submissions by the agencies from 2024 onward. The decisions related to all issues at the 93rd meeting could have an impact on the business plan values compared to the levels, as submitted, for the period of 2024–2026.

28. Decision XXXV/1 (paragraph 3) of the Thirty-Fifth Meeting of the Parties decided *inter alia* that the Executive Committee should take action to ensure, to the extent possible, that the entire budget for the triennium 2024–2026 is committed by the end of 2026 [...]. In view of the estimates of balance by the end of 2026 based on the business plans submitted by the agencies for the triennium 2024–2026, the Secretariat will take into account discussions and decisions at the 93rd meeting when preparing the financial planning for the triennium 2024–2026 to be presented to the 94th meeting as part of the update on the status of implementation of the 2024–2026 consolidated business plan of the Multilateral Fund.

Activities submitted to the 93rd meeting

29. Activities included in the 2023 business plans of bilateral and implementing agencies but not submitted to the 93rd meeting have already been included in the business plan for 2024–2026. In addition,

projects and activities submitted at the 93rd meeting after review by the Secretariat but subsequently deferred, would be included in the business plan for 2024–2026.

Further adjustments after the 93rd meeting

30. The 2024–2026 business plan could be further adjusted based on the funding levels of new stages of HPMPs and KIPs that will be approved in principle at the 93rd meeting. The Executive Committee may wish to adjust the 2024–2026 business plan based on the level of funds for the HPMPs and KIPs approved in principle at the 93rd meeting.

Pilot projects for energy efficiency (decision 91/65)

31. At the 91st meeting, the Executive Committee established a funding window for pilot projects in the amount of US \$20 million with the possibility of augmenting that funding window at a future meeting to maintain and/or enhance energy efficiency in the context of HFC phase-down as specified in decision XXVIII/2. A total of US \$6.01 million is included in the business plan for 2024–2025 for 12 countries. Taking into account approvals at the 92nd meeting of US \$33,900 and submission to the 93rd meeting amounting to US \$15,797,367, it is estimated that the funding window for pilot projects for energy efficiency will be exceeded by US \$1,844,067; however, the exact value of the remaining balances under this funding window would be available after the 93rd meeting.

32. The Secretariat will provide an update on the matter as part of the update on the status of implementation of the 2024–2026 consolidated business plan of the Multilateral Fund and financial planning for the triennium 2024–2026 to be presented at the 94th meeting.

Policy issues in agencies' business plans

33. UNDP raised the following policy issue. UNDP indicated that “The Multilateral Fund for the Implementation of the Montreal Protocol recognizes the need for its activities to address gender inequality and has adopted two recent decisions by the Executive Committee (decisions 84/92 and 92/40) to promote gender mainstreaming in its projects. While UNDP has developed the required tools, such as guidance on how to conduct gender analyses and action plans, promoting gender mainstreaming in its Montreal Protocol portfolio requires additional resources in order to recruit the expertise to conduct these country-specific gender analyses and action plans. Furthermore, the TEAP report assessing the funding requirements for the replenishment 2024-2026 analyzed the funding for gender mainstreaming of other global funds and recognizes that ‘without a requirement to earmark funding for those activities, not all countries will be able to properly respond to gender required actions and will not prioritize it’.”

34. In line with this reasoning, UNDP and UNIDO have included in their respective 2024 business plan two global technical assistance projects for “Increasing gender equality and economic empowerment of women in the RAC sectors” amounting to US \$2.53 million in 2024 (including US \$32,250 for UNDP and US \$2,501,660 for UNIDO). The objective of this proposal is to systematize and improve the delivery of actions targeted to gender mainstreaming in the UNDP and UNIDO portfolios, by analyzing the gaps in knowledge and addressing the needs of national ozone units, energy and environment counterparts and RAC sector beneficiaries. Recalling that implementation of the operational gender mainstreaming policy and its associated relevant decisions should be included in each Article 5 country’s national plans to phase out controlled substances, the Secretariat would like to seek guidance from the Executive Committee on whether to reinstate these activities back to the 2024–2026 business plan.

V. Recommendation

35. The Executive Committee may wish:

- (a) To note the consolidated business plan of the Multilateral Fund for 2024–2026 contained in document UNEP/OzL.Pro/ExCom/93/25;
- (b) To decide whether:
 - (i) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/93/25;
 - (ii) To further adjust the business plan:
 - a. By adding to the 2024 business plan projects and activities that had been deferred at the 93rd meeting;
 - b. By taking into account the values approved in principle for new HCFC phase-out management plans and Kigali HFC implementation plans at the 93rd meeting;
- (c) To consider whether to reinstate the global HCFC technical assistance project for “Increasing gender equality and economic empowerment of women in the refrigeration and air-conditioning sectors” for UNDP;
- (d) To consider whether to reinstate the global HCFC technical assistance project for “Increasing gender equality and economic empowerment of women in the refrigeration and air-conditioning sectors” for UNIDO; and
- (e) To endorse the consolidated business plan of the Multilateral Fund for 2024–2026, as adjusted by the Secretariat [and the Executive Committee] taking into consideration relevant decisions taken at the 93rd meeting, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.
