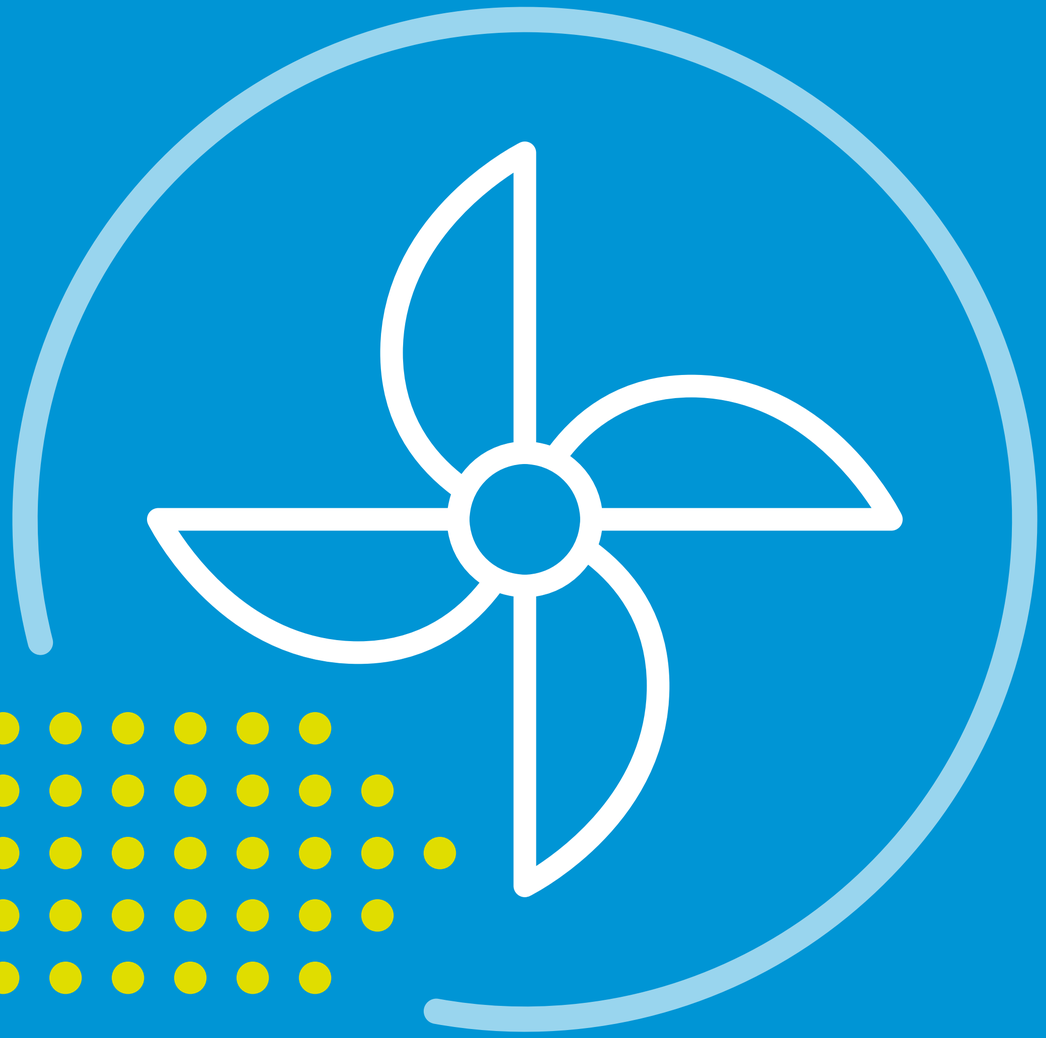
Multilateral Fund for the Implementation of the Montreal Protocol

UN environment programme

ADVANCING THE GLOBAL IMPACT

The Multilateral Fund in 2024



Greetings from the MLF

We would like to share this annual newsletter with you to remind you of the strides you made in 2024 and to express our gratitude for motivating us, for supporting us, for your care and trust in us.

Supporting countries to protect the stratospheric ozone and the climate while bettering the lives of people makes us love our work.

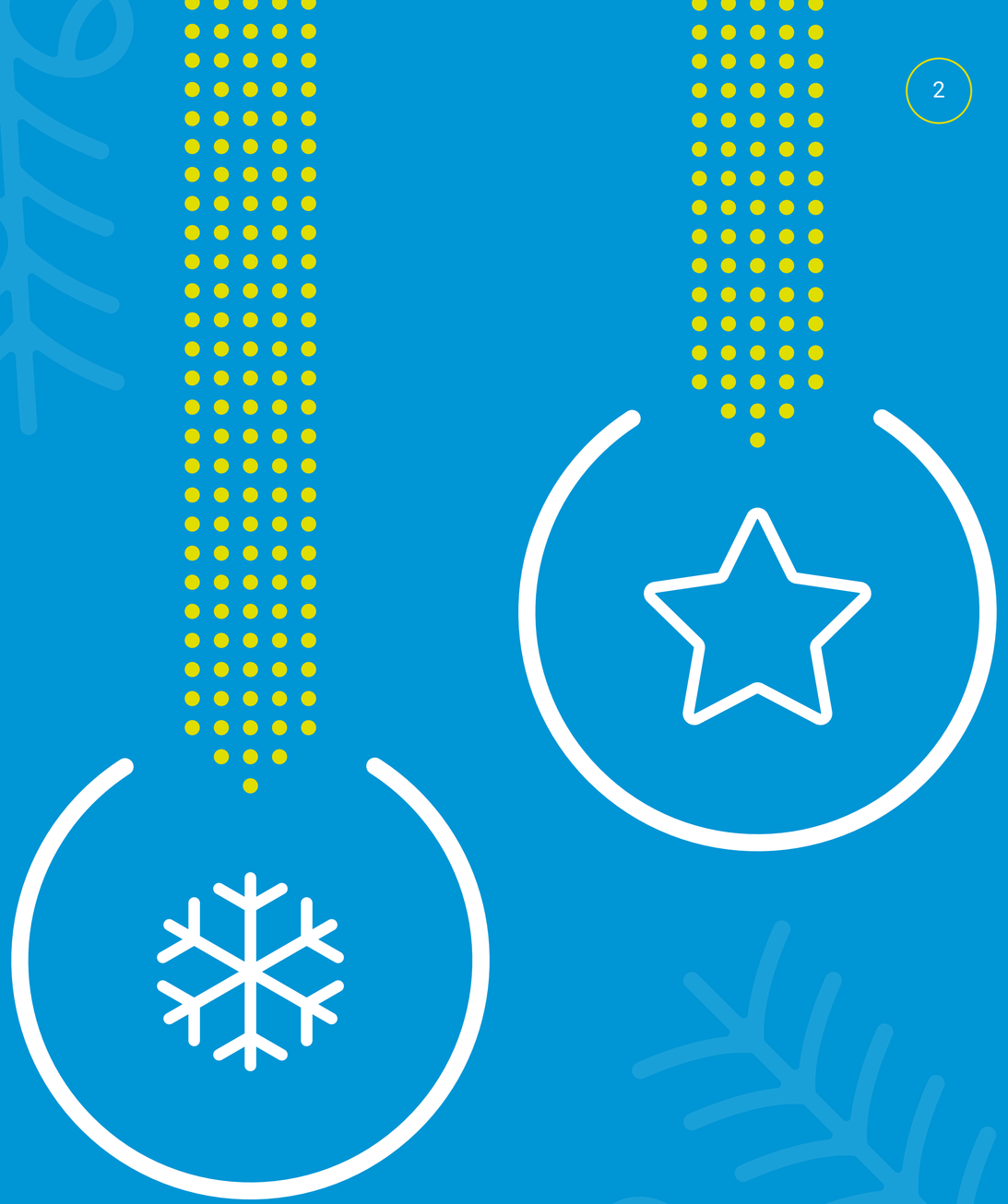
Every technician we train, every enterprise we support, every national ozone officer we serve in Africa, Asia, Europe, Latin America and the Caribbean, and in the Pacific Islands, makes our work matter.

This newsletter tells your stories, the stories of the members of the Executive Committee who care about us, the stories of our colleagues from implementing and bilateral agencies who work tirelessly with us, the stories of every single national ozone officer who contributes to cooling our planet and protecting our ozone layer.

To you all, thank you!

We wish you happiness, health, and the most joyful days with those you love.

The Multilateral Fund Secretariat



2024: Executive Committee advances HFC phase-down and energy efficiency goals

The 94th and 95th meetings of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol marked a pivotal year in global efforts to phase down hydrofluorocarbons (HFCs) and advance commitments to the Kigali Amendment.

Key decisions included the adoption of funding guidelines for HFC phase-down in developing countries, with tailored support for small and medium enterprises (SMEs) to transition to low-global warming potential (low-GWP) alternatives. Cost-effectiveness thresholds and incremental operating costs (IOCs) were finalized for critical sectors such as refrigeration and air conditioning, ensuring affordability and inclusivity.

Energy efficiency took center stage, with unanimous approval of an operational framework backed by a US$100 million funding window, complemented by an additional US$40 million revolving fund for end-users. The framework promotes flexibility, enabling countries to implement strategies aligned with national circumstances.

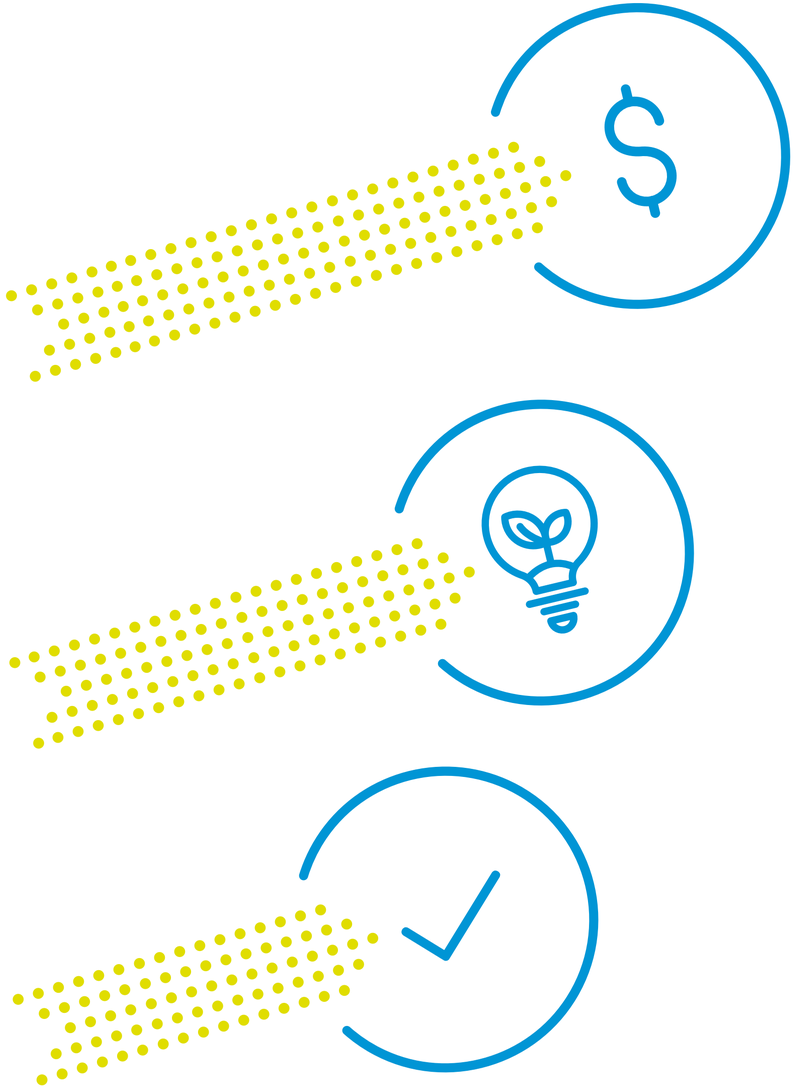
An external assessment of the evaluation function of the Multilateral Fund led to the discussion of a potential refinement of the current evaluation policy, to be decided at a future meeting.

Efforts to streamline reporting requirements highlighted the importance of reducing administrative burdens while maintaining robust monitoring. Key outcomes included aligning tranche submission delay reporting with the first annual meeting and reviewing reporting formats for efficiency. Targeted action to reduce burdens was widely supported.

The Executive Committee also reviewed progress on the implementation of the gender mainstreaming policy in Multilateral Fund projects, noted increased women's participation, and requested a detailed assessment covering mandatory indicators to be presented at a future meeting.

The Committee also approved strategic funding initiatives, including pilot projects to enhance energy efficiency and Kigali HFC implementation plans.

These meetings showcased the Multilateral Fund’s commitment to innovation, collaboration, and flexibility, setting the stage for continued progress in phasing down HFCs and fostering climate-friendly technologies worldwide while ensuring jobs opportunities at the national level.



396
Projects approved

HCFC	HFC	Other
168	84	144

123
Countries

US$175,655,332
Total funds approved

HCFC	HFC	Other
US$80.6m	US$24.1m	US$70.9m

A milestone year for project approvals

2024 marked a productive year for the Multilateral Fund, with the Executive Committee approving over US$176 million to empower 123 countries to fulfil their Montreal Protocol commitments. Through landmark decisions on cost funding guidelines for the implementation of the Kigali Amendment and on energy efficiency while phasing down hydrofluorocarbons (HFCs), the Fund reinforced its mission to protect the ozone layer while mitigating climate change.

A highlight was the approval of 23 energy efficiency projects, totaling US$6.7 million, advancing the dual goals of ozone protection and climate action. These initiatives, including support for minimum energy efficiency performance standards (MEPS) in developing countries, promote sustainable cooling solutions and ensure long-term impact. The approval of the first project under the operational framework for energy efficiency further underscored this integrated approach to HFC phase-down and energy-efficient technologies.

These achievements reflect the role of international collaboration, driven by the collective vision of the Executive Committee, the national ozone officers, bilateral partnerships, and implementing agencies. Together, we demonstrate a strong commitment to fostering innovation and sustainability to support developing countries in their compliance with the Montreal Protocol.

HIGHLIGHT 1

Approval of HFC cost funding guidelines provides assurance to countries to implement the Kigali Amendment

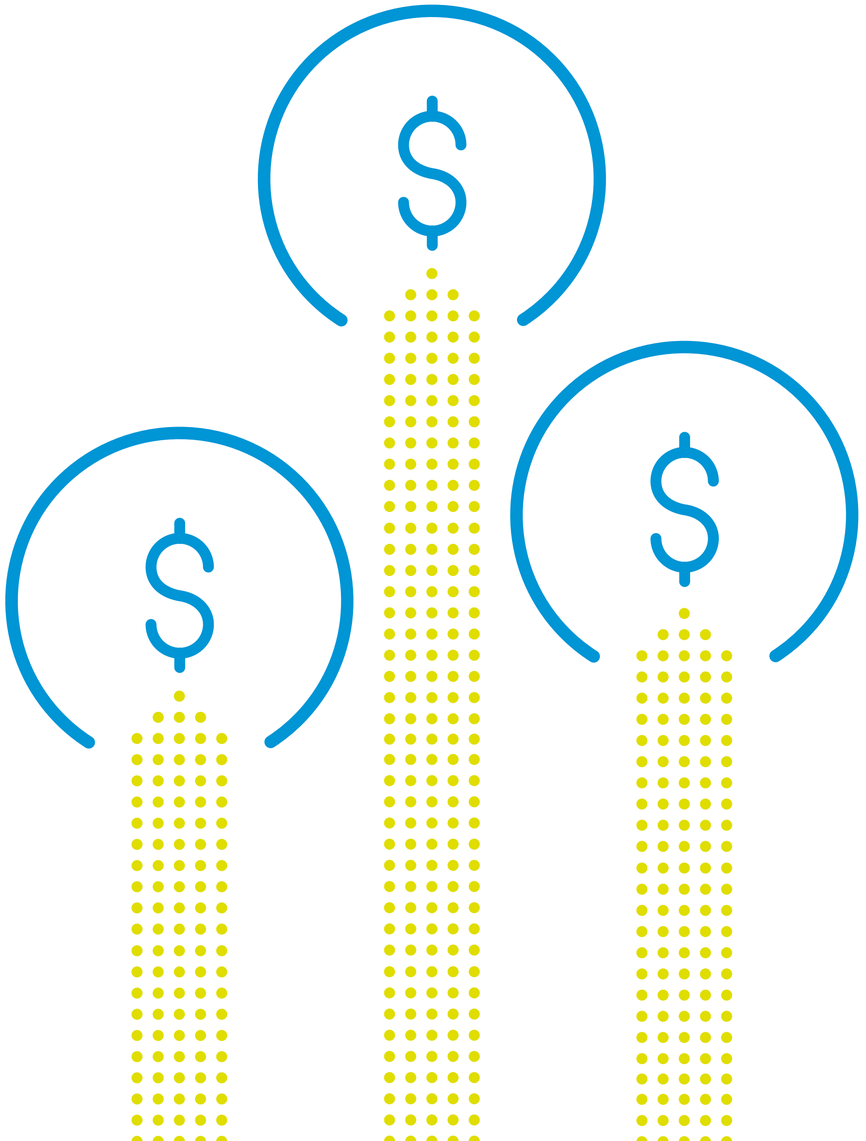
The Executive Committee has approved long-awaited funding guidelines for phasing down hydrofluorocarbons (HFCs) in developing (Article 5) countries, marking a significant step in Kigali Amendment implementation, closing years of intense negotiation. This decision ensures funding and encourages countries to finalize the first stage of their Kigali HFC Implementation Plans (KIPs).

Key agreements include cost-effectiveness thresholds for commercial refrigeration, residential stationary air-conditioning, and commercial stationary air-conditioning. Specific thresholds and incremental operating costs (IOCs) were also established for domestic refrigeration, polyurethane foam, and other sectors.

Small and medium enterprises (SMEs) are a priority, with specific definitions provided for the polyurethane foam and refrigeration and air-conditioning (RAC) sectors. SMEs in these sectors may receive additional funding to support compliance.

The guidelines promote a flexible, country-driven approach, allowing Article 5 countries to prioritize HFCs, define sectors, select technologies, and tailor strategies to national circumstances. This ensures SMEs can meet compliance obligations and sustain their phase down efforts.

The finalized guidelines are a critical milestone in supporting Article 5 countries' transitions to low-global warming potential (low-GWP) alternatives. By providing essential resources and adaptability, they strengthen global climate action and the successful implementation of the Kigali Amendment.



HIGHLIGHT 2

New framework to enhance energy efficiency while phasing down HFCs backed by US$40 million revolving fund

The Executive Committee has approved a comprehensive operational framework to enhance energy efficiency while phasing down hydrofluorocarbons (HFCs) at the 94th meeting with a funding window of US$100 million to support projects for the manufacturing sector under this framework. At the 95th meeting, this was further backed by the approval of an additional US$40 million funding window for a revolving fund for energy efficiency projects for end-users.

For manufacturers, the framework sets guidelines for the manufacturing of equipment such as freezers, display units and air conditioning systems with an incentive model approach. It also provides incentives to produce energy-efficient compressors, heat exchangers, and heat pumps, requiring 10–20 percent efficiency improvements to qualify for the funding window. After its third year of implementation, the framework will undergo a review to assess its impact. This initiative aims to deliver significant climate benefits by reducing HFC use and improving energy efficiency, aligning with global climate action.

The Multilateral Fund will continue to fund activities in the servicing sector with a previous funding window of US$20 million agreed at the 91st meeting. Meanwhile, the Secretariat will develop a paper to explore the needs and modalities of regional testing centres and centres of excellence for sustainable cooling. The US$40 million revolving fund will allow the initial finance of two projects for end-users, offering low-cost financing over an eight-year period to accelerate the adoption of energy-efficient technologies. The Secretariat will detail the revolving fund's implementation for review at the Committee's 96th meeting in May 2025.

By combining regulatory measures, technical support, and innovative performance-based financing, the Multilateral Fund underscores its commitment to phasing out environmentally harmful gases under the Montreal Protocol while fostering environmentally friendly solutions, increasing gains in energy efficiency and mitigating climate change.

HIGHLIGHT 3

Strategic discussions highlight Kigali Amendment implementation opportunities

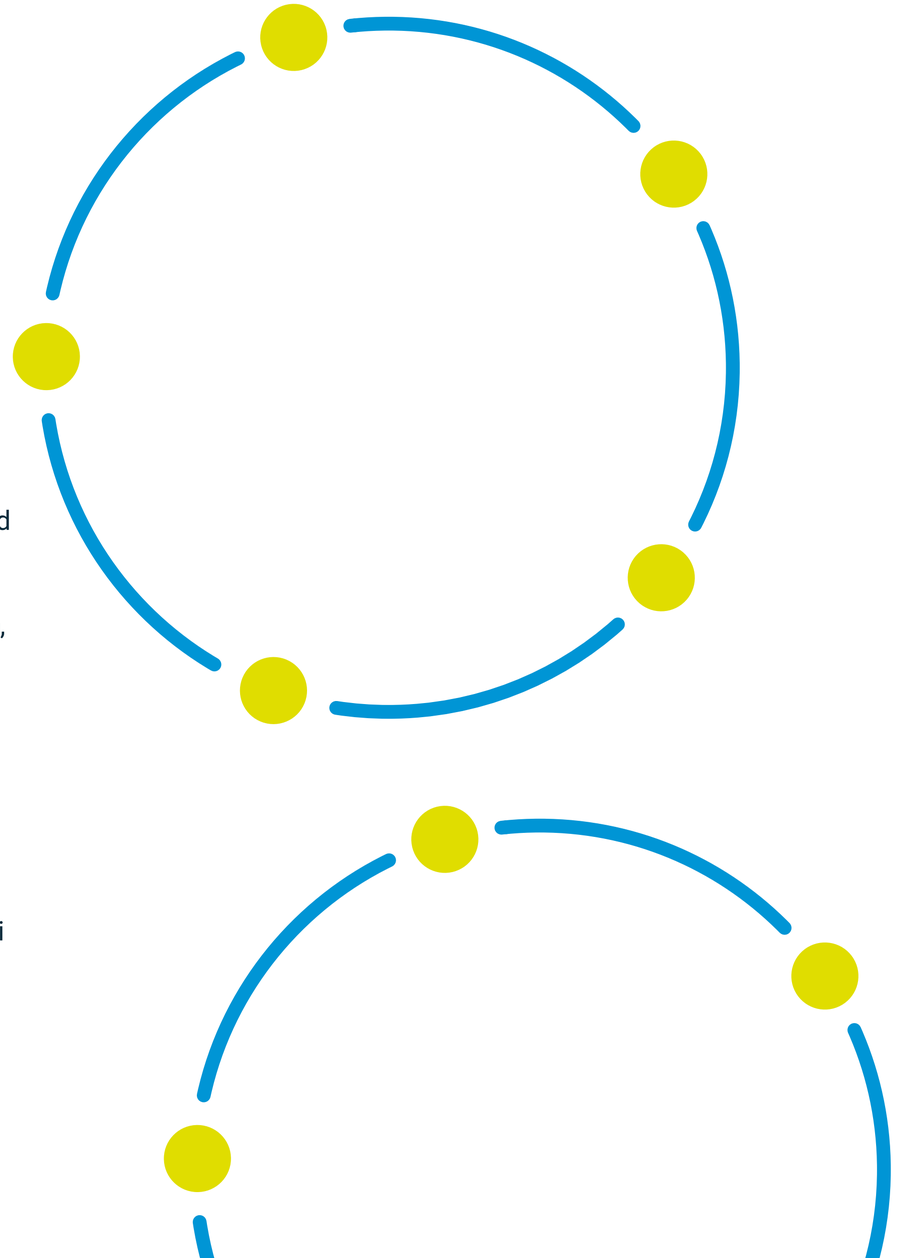
Two informal half-day sessions were held on the margins of the 94th and 95th meetings of the Executive Committee to explore strategic approaches to the Kigali Amendment implementation. The second session expanded its scope to include sustainable cooling. These discussions aimed to identify high-impact opportunities for the Multilateral Fund to support efforts beyond compliance with the Kigali Amendment, foster sectoral approaches, and strengthen institutional capacity for Kigali Amendment implementation.

Participants emphasized the voluntary nature of actions beyond compliance, highlighting the need to tailor efforts within national circumstances. Key areas of focus included life-cycle refrigerant management, cooperation between national ozone units and other government agencies, and the use of environmentally friendly technologies. Energy efficiency emerged as a critical priority.

Suggestions for incentivizing early action included increased funding, technical assistance, and policy development. Strengthening institutional and stakeholder capacity was also emphasized, suggesting improvements in coordination, communication, and expertise.

Sectoral approaches were explored, particularly engaging end-users and addressing the refrigeration and air-conditioning servicing sector. Discussions also highlighted the importance of vocational training, support for the fisheries and tourism sector, and the Multilateral Fund's role in enhancing the cold chain for food and vaccines.

These discussions reflect a broader effort to integrate Kigali Amendment implementation with national and regional initiatives. Key insights from the 95th meeting will inform a third informal session to be held on the margins of the 96th meeting of the Executive Committee in May 2025, ensuring ongoing dialogue and alignment on strategic approaches.



FEATURED PROJECT | 94TH

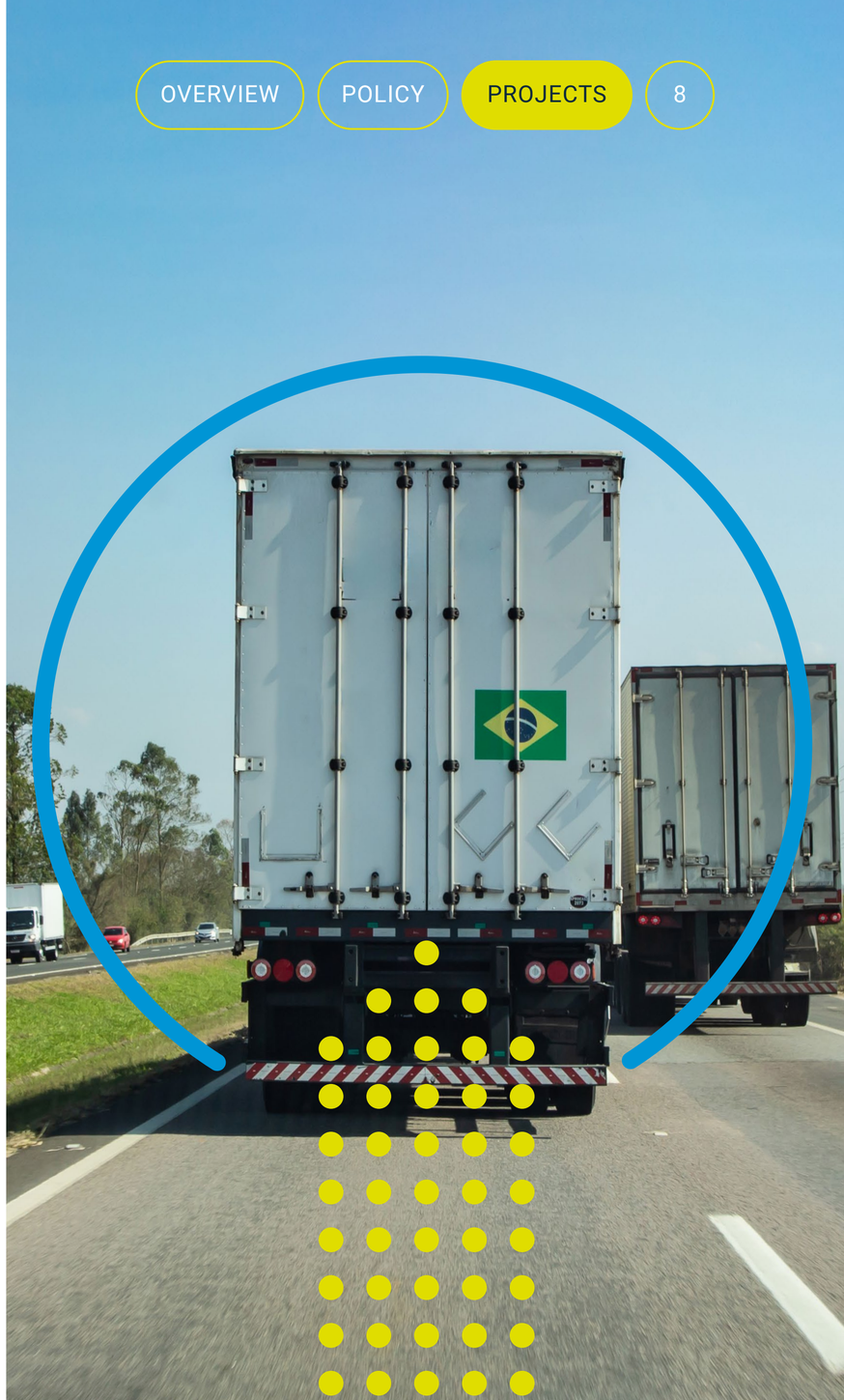
Brazil advances ozone protection with final HCFC phase-out plan

Brazil, the largest country in South America, is cementing its leadership in ozone and climate protection with the approval of the third and final stage of its HCFC Phase-Out Management Plan (HPMP). This milestone underscores Brazil's commitment to fully eliminating hydrofluorocarbons (HCFCs), harmful ozone-depleting substances, by 2030.

Building on the success of earlier phases, stage III of the HPMP focuses on the servicing sector and includes innovative demonstration projects aimed at preventing the transition to high-global-warming-potential (high-GWP) HFC technologies. These projects, which target chillers and industrial refrigeration applications, are expected to pave the way for future regulatory measures under the Kigali Implementation Plan.

To support the HCFC phase-out, Brazil will implement guidelines for recovering and disposing of obsolete refrigerants from decommissioned transport trucks, reducing emissions during the process. A robust regulatory framework, developed during earlier stages, will ensure sustainability. This includes a ban on HCFC-141b imports for polyurethane foam production, revised HCFC import quotas for gradual reductions, and the adoption of standards to encourage best practices in refrigeration and air conditioning.

Additionally, a nationwide technician certification system will enhance servicing standards and promote the safe adoption of low-GWP alternatives, securing long-term environmental and industry benefits.



FEATURED PROJECT | 94TH

Sierra Leone implements actions to phase down HFCs amid challenges

Sierra Leone has launched stage I of its Kigali HFC Implementation Plan (KIP) to address the country's rising hydrofluorocarbon (HFC) consumption, which more than doubled from 2019 to 2022. This has prompted targeted measures in stage I to reduce HFC consumption by 10 per cent below its baseline consumption by 2029.

The country will be implementing actions that include policy and regulatory measures to support HFC reduction which combine improvements in the licensing and quota systems and limitations on the import and use of certain HFC-based refrigeration equipment. As most of the country's HFC consumption is in the servicing sector, actions to further train and build capacity of technicians especially those in the mobile air-conditioning (MAC) sector will also be priority.

In an important move, Sierra Leone's KIP will also integrate gender-specific indicators in its activities, ensuring balanced participation of men and women in training of customs officers and technicians. Progress will be tracked and reported in future tranche requests consistent with the Multilateral Fund's gender policy.

A pilot project in the commercial refrigeration sector will showcase the transition to low-GWP refrigerants by replacing HFC-based systems in food preservation with R-290 monoblocks. The project also includes performance monitoring, explore potential replication, and regulatory evaluation to support the sustainability of future low-GWP transitions. Stage I of the KIP underscores Sierra Leone's commitment to ozone and climate-friendly policies and supports the implementation of the Kigali Amendment to the Montreal Protocol.

FEATURED PROJECT | 94TH

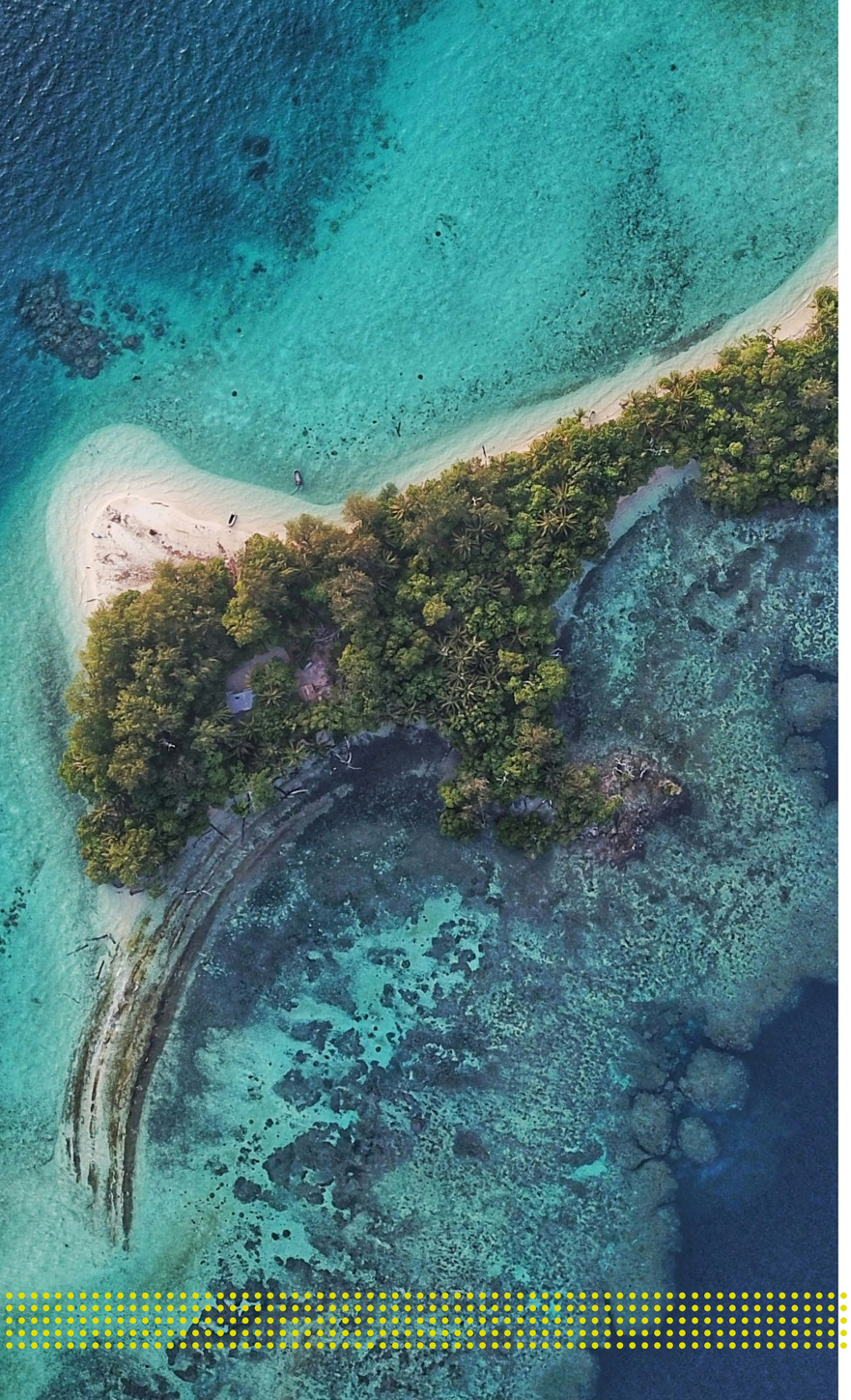
Montenegro gears up for future HFC reductions

Montenegro is advancing its Kigali Implementation Plan (KIP) to reduce hydrofluorocarbon (HFC) demand and promote low-global-warming-potential (GWP) alternatives.

Stage I of the KIP focuses on improving refrigeration and air-conditioning (RAC) servicing practices, training technicians and customs officers, and strengthening regulatory frameworks. A series of workshops will train service technicians especially in the mobile air-conditioning (MAC) sector on safe handling, leakage reduction, and refrigerant recovery and reuse (R&R) and provide recovery equipment for technicians.

The government plans to introduce an environmental fee for HFC imports based on their GWP, modeled on a similar fee for HCFC-22. Additionally, Montenegro will study HFC use in firefighting to align with European Union (EU) standards, as some current alternatives will cease production by 2025.

These actions reflect Montenegro's commitment to the Kigali Amendment to the Montreal Protocol, aiming for a sustainable transition to climate-friendly refrigerants. UNIDO will oversee implementation and progress in upcoming KIP stages.



FEATURED PROJECT | 95TH

Pacific Island Countries advance HFC phase-down through regional cooperation

The Kigali HFC Implementation Plan (KIP) has been approved, marking a significant milestone for Pacific Island Countries (PICs) in advancing sustainable cooling solutions and phasing down hydrofluorocarbons (HFCs). The KIP will be implemented alongside the HCFC Phase-Out Management Plan (HPMP), ensuring a coordinated and integrated approach.

Central to the KIP is capacity building, including targeted technician training on low-global-warming-potential (low-GWP) refrigerants and energy-efficient practices. This training aims to establish a regional competency-based certification system. The plan also promotes adopting low-GWP refrigerants and enforces minimum energy performance standards (MEPS) across the refrigeration and air-conditioning (RAC) sector.

Supported by UNEP and the Australian government, the KIP integrates policy updates, stakeholder and technician training, and awareness programs to enforce minimum energy performance standards (MEPS). Standardized MEPS and labeling under the HPMP, along with a regional product registry tracking refrigerant quality, will enhance import controls and restrict HFC-using equipment by 2028.

Demonstration projects in six countries will highlight the feasibility of low-GWP technologies in large commercial refrigeration applications, showcasing their environmental and energy efficiency benefits.

The initiative leverages regional collaboration, with Fiji providing advanced training facilities through South-South cooperation. This harmonized approach strengthens the region's ability to phase down HFCs effectively while addressing climate change.

Stage I of the KIP, set for completion by 2029, represents a significant environmental achievement for PICs, laying the groundwork for future sustainability efforts.

FEATURED PROJECT | 95TH

Colombia advances HFC reduction and energy efficiency with ambitious strategy

Colombia received approval for Stage I of its Kigali HFC Implementation Plan (KIP), aiming to reduce 18.3 per cent of its HFC baseline by 2029. This ambitious target will be met through initiatives such as converting commercial refrigeration manufacturers to low-global warming potential (low-GWP) refrigerants like R-290 and CO_2, upgrading supermarket refrigeration systems, and enhancing technician training and regulations. The local assembly and installation sector will receive focused assistance under the KIP, supporting their transition to low-GWP alternatives through prototype development, energy monitoring, and knowledge sharing.

The plan, supported by UNDP, UNEP, and Germany builds on Colombia's strong policy framework and includes further improved technician training and expanding the competency-based certification scheme for RAC technicians and accredited certifying bodies. Existing bans on domestic HFC-based refrigeration equipment will extend to high-GWP stand-alone commercial refrigeration equipment by July 2029.

A complementary pilot project focuses on energy efficiency, aligning with the HFC phase-down. It aims to establish energy labeling and a roadmap for the development of Minimum Energy Performance Standards (MEPS) for commercial refrigeration. Activities include market studies, energy testing, and stakeholder engagement, resulting in a roadmap and strengthened testing infrastructure.

These efforts promote the adoption of low-GWP, energy-efficient technologies, ensuring sustainable energy gains and long-term reductions in HFC consumption. The outcomes will also inform regional and global regulatory initiatives, solidifying Colombia’s leadership in climate action.

FEATURED PROJECT | 95TH

Malaysia launches pilot project to boost energy efficiency in commercial refrigeration

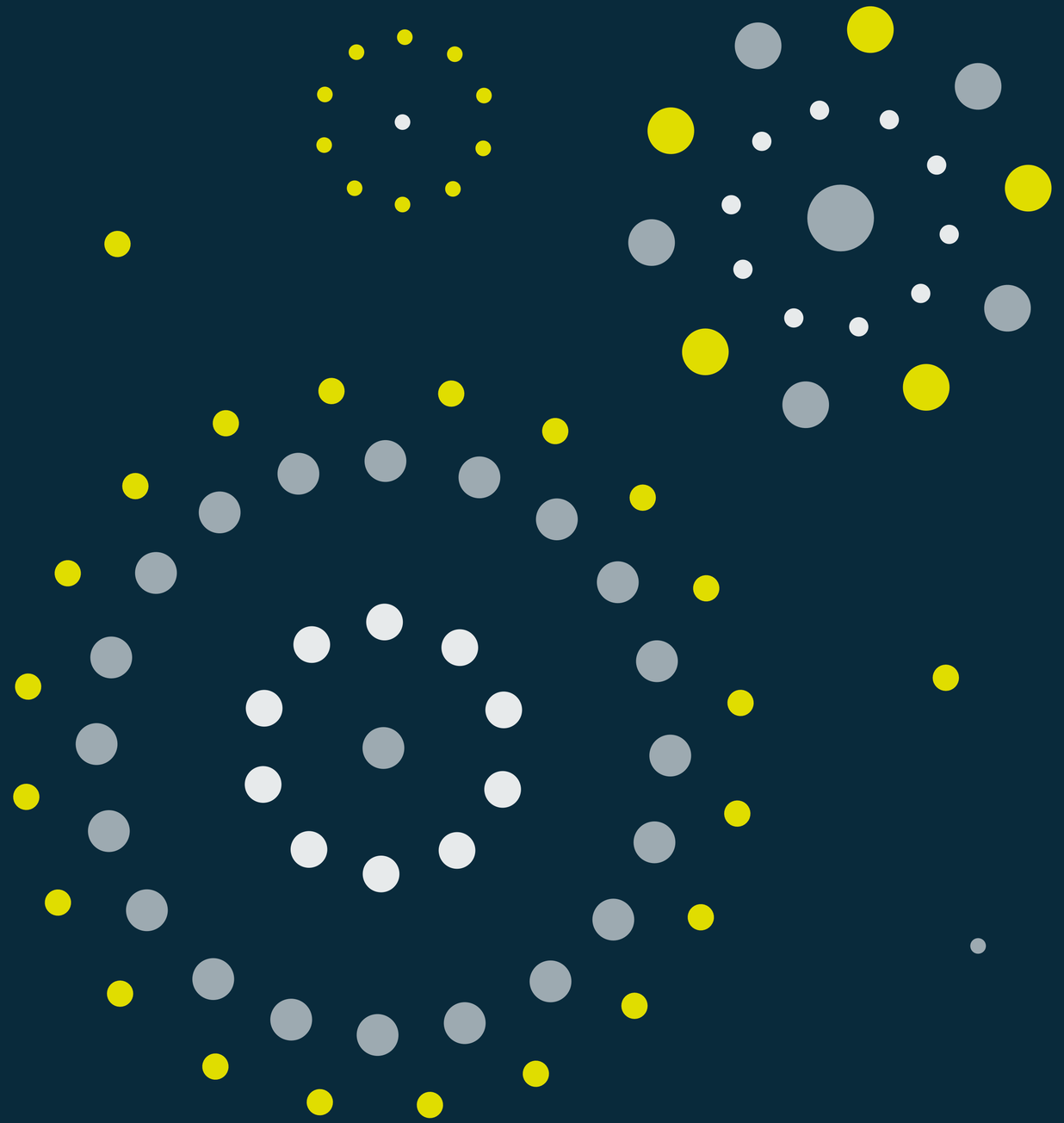
The initiative aims to improve energy efficiency by 20–40 per cent in stand-alone commercial refrigeration equipment, complementing the full HFC phase-out in this sector under stage I of the Kigali HFC implementation plan (KIP). This will be achieved through policy measures and targeted assistance to two enterprises in Malaysia representing 80 per cent of the stand-alone commercial refrigeration market.

These companies will adopt advanced technologies, including improvement in variable-speed compressors and using energy-efficient components like double-layer glass doors and high-performance fan motors. Technical support will be provided to enhance technicians' capacity for implementing and maintaining these technologies. This is the first project supported by the World Bank and approved under the operational framework for energy efficiency for the manufacturing of equipment decided by the Executive Committee at its 94th meeting.

The pilot project will also establish Minimum Energy Performance Standards (MEPS) and voluntary labeling for commercial refrigeration, which the country does not have. The Standard and Industrial Research Institute of Malaysia (SIRIM) will upgrade its testing facilities to accommodate larger commercial units. This upgrade will expedite energy performance certification processes, reduce costs, and improve compliance with international standards. These MEPs are expected to be in place by 2029.

By establishing these energy-saving standards and phasing down HFCs, this initiative not only boosts sustainability in Malaysia's refrigeration industry but also positions the country as a regional leader in environmentally friendly technologies.

Happy holidays to you and your loved ones, and our best wishes for 2025!



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