



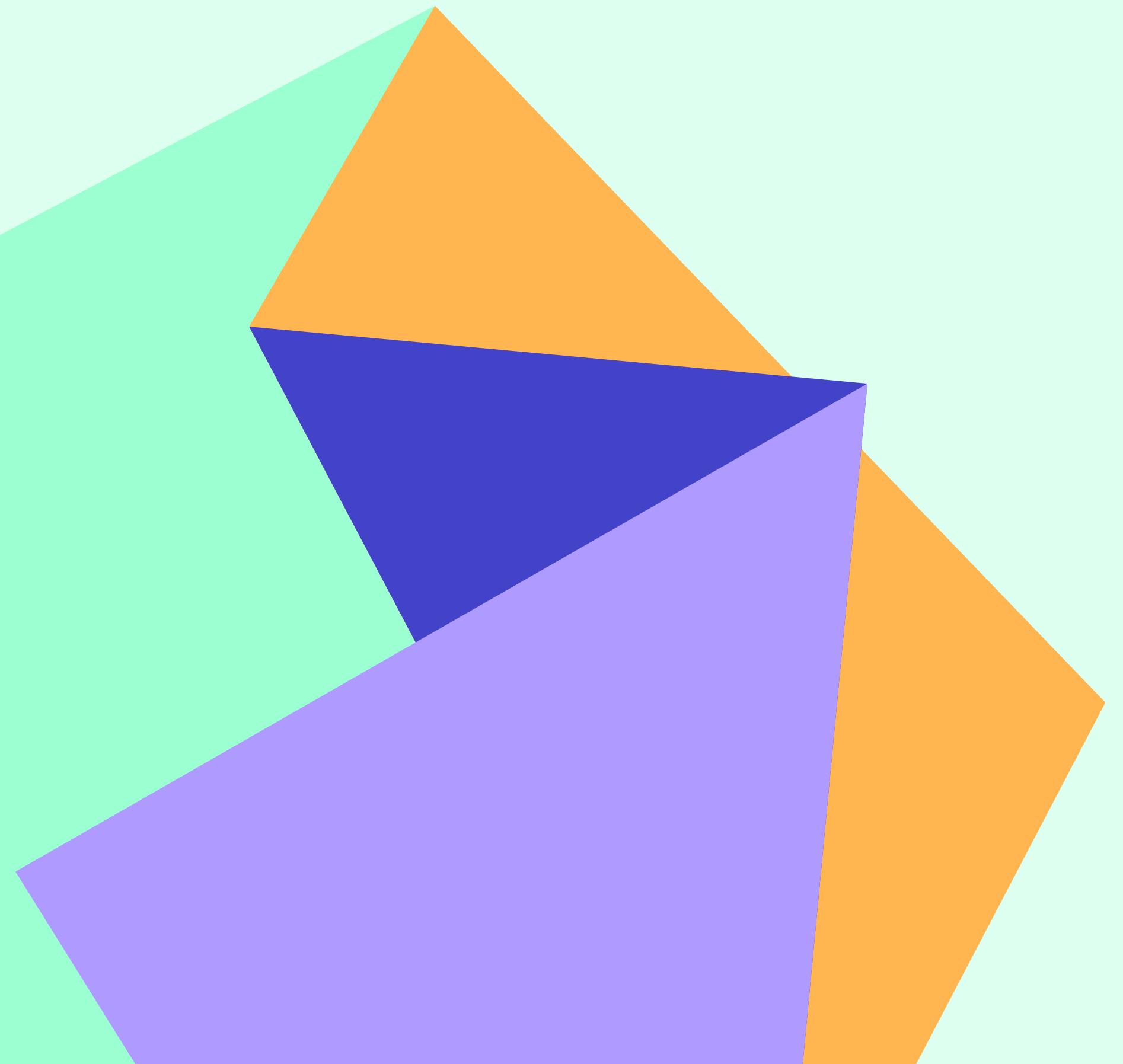
Advancing the global impact

The Multilateral Fund in 2025



**Multilateral
Fund** for the
Implementation of
the Montreal Protocol

Greetings from the Secretariat



2025 brought us closer to the implementation of the Kigali Amendment, with 84 countries now having approved Kigali HFC implementation plans. 2025 also brought new issues to the discussions of our governing body, the Executive Committee, which, once implemented, will make our planet a better place to live.

The annual newsletter tells your stories. It gives a snapshot of what you achieved, highlights some of the decisions you took and describes some of the projects you approved. There is no better way to express our gratitude to our governing body, the implementing and bilateral agencies

through which our work reaches the ground, and the countries that both contribute and receive funds, than to make those stories known and to reassure all of you of our commitment to work with and for you to implement all that you have decided.

Supporting countries in protecting the stratospheric ozone and the climate, while improving the lives of people, makes us passionate about our work.

To you all, thank you!

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

The Multilateral Fund Secretariat

Message from the Chairman

I'm proud to share the Executive Committee's excellent work and significant milestones this year. This year, we approved projects for 101 countries and one global project, valued at US \$138.2 million.

Our work goes beyond phasing out ozone-depleting substances. In 2025, we approved 20 Kigali HFC Implementation Plans to phase down climate-harming substances and projects to advance energy efficiency. Key achievements this year include the adoption of the operational framework for a novel and innovative revolving fund modality for end users. This effectively links ozone protection with climate change mitigation and ensures the Multilateral Fund remains a pioneering example of international environmental cooperation.

We also made notable progress on life-cycle refrigerant management of controlled substances and on the Knowledge Management System for submitting and reporting on projects and tracking our impact on the ground, while exploring new concepts such as thematic regional centers on sustainable cooling.

We look forward to next year's work on strategic approaches for the Kigali Amendment's implementation and more opportunities to come.

My sincere thanks go to the Vice Chair, Committee members, the Fund Secretariat, and implementing and bilateral agencies for their great support and dedication. Best wishes to Mathatela Ntsatsi, the incoming Chair from Lesotho, for 2026.

Alessandro Giuliano Peru



A milestone year for project approvals

2025 advanced a wide portfolio of projects and addressed complex policy issues. Across the 96th and 97th meetings of the Executive Committee, 286 projects were approved for 101 countries, totaling over US \$138 million. These approvals and decisions underscore the Committee's commitment to innovation, policy coherence, and results-driven implementation, reinforcing the Multilateral Fund's readiness to support Kigali Amendment compliance and to move beyond compliance with the funded energy-efficiency projects.

286

Projects approved

\$138,203,912

Total amount of funding (US)

HFC

\$52,598,262

HCFC

\$57,786,027

Other

\$27,819,623

101

Countries

1

Global project

INTRODUCING THE KIGALI SIM: An AI modeling tool for HFC policy analysis

The Kigali Sim is an open-source modeling tool with analytical and computing power and an Artificial Intelligent (AI) assistant to simulate the impact of different policy measures in achieving compliance with the Montreal Protocol. The tool was designed by the University of California, Berkeley in partnership with the MLF Secretariat. For more information: <https://kigalism.org/>

Highlight 1

Revolving fund modality for energy efficiency now operational

The US \$40 million energy efficiency revolving fund (EERF) is fully launched, with project preparation funding approved to develop the first two pilot projects for the EERF to be selected at the first meeting of the Executive Committee in 2026.

The Executive Committee has approved an Energy Efficiency Revolving Fund (EERF) with an initial capitalization of US \$40 million under the Multilateral Fund's operational framework for energy efficiency while phasing down HFCs. The framework, agreed at the 95th meeting, sets out key elements for implementation, while the 96th meeting finalized the EERF's operational structure.

This financial model aims to provide low or zero-interest loans through implementing agencies and national financial institutions to end users in priority refrigeration and air-conditioning (RAC) sectors replacing old RAC equipment with energy-efficient, low-global-warming-potential (GWP) technologies to help recipient countries reduce HFC use and maximize the energy efficiency of the transition. Loan repayments are expected to potentially enable multiple beneficiary rounds before the capital returns to the Multilateral Fund after eight years.

The Fund's governance will be through national advisory boards in beneficiary

countries who will oversee project implementation, ensuring alignment with country-specific Kigali HFC Implementation Plans.

This mechanism also mandates that project beneficiaries be in the identified target sectors, quantify HFC consumption baselines and project energy savings in kWh/year. Success will be measured based on the assessment of energy efficiency improvements, and adoption of low-GWP alternatives.

At the 96th meeting, the Executive Committee approved funding for EERF project preparation for Grenada, Thailand and Türkiye for the World Bank, and for a global project to cover three countries Colombia, Ghana, Jordan for UNDP. Two projects will be selected at the first meeting of the Executive Committee in 2026.

The EERF, once implemented, is expected to establish replicable operational models for scaling energy-efficient, low-GWP technology adoption globally.

Highlight 2

Multilateral Fund adopts new evaluation policy

The policy focuses on strengthening the evaluation function of the unit while separating out the monitoring function which will be done by the Secretariat as part of its regular function through project review.

At its 96th meeting in May 2025, the Executive Committee approved a new evaluation policy, strengthening the Fund's accountability and learning framework.

A key change involves separating the monitoring and evaluation functions with monitoring responsibilities transferred to the Secretariat, and the position of the present Senior Monitoring and Evaluation Officer position to be renamed as Senior Evaluation Officer (SEO). This change aims to strengthen the independence and strategic focus of the evaluation unit.

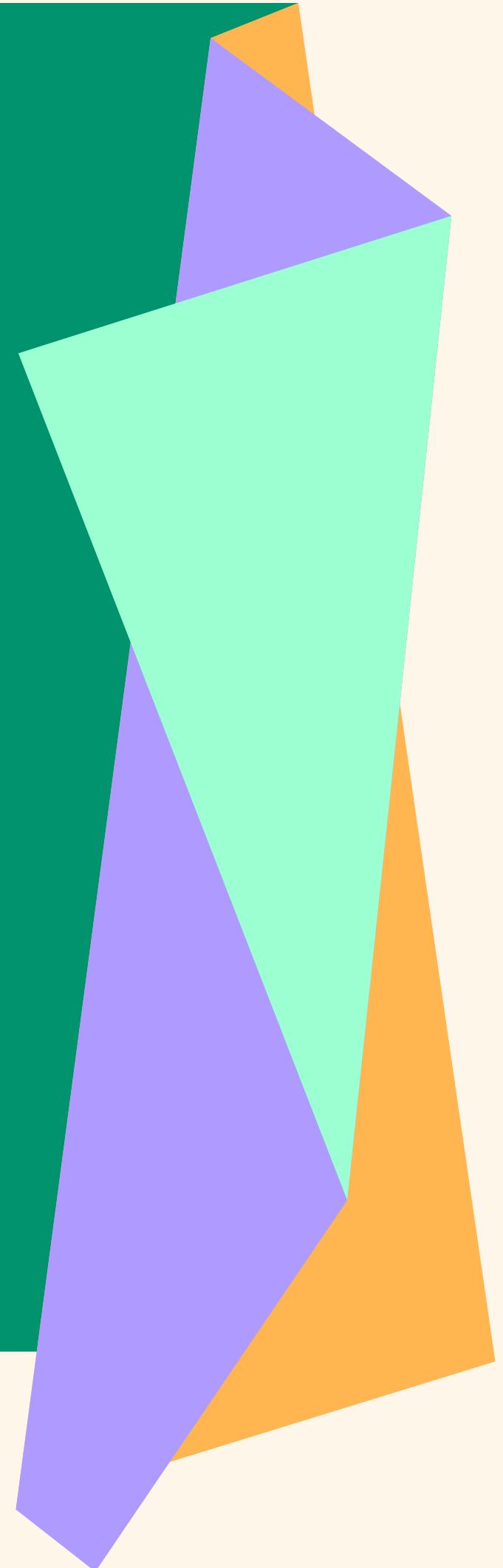
The policy reiterates the three purposes of the evaluation function in the Multilateral Fund: ensuring accountability through independent analysis, supporting evidence-based decision-making,

and promoting organizational learning. Guided by principles of independence, utility, credibility, and transparency, evaluations will range from impact and strategic studies to project-level assessments and may include joint evaluations with implementing agencies. Evaluations are also expected to include, where relevant, a review of the projects' impacts on socio-economic dimensions in a comprehensive and integrated manner rather than as separate or stand-alone assessments.

The Executive Committee will also consider in future meetings, systems to follow up on evaluation recommendations, develop stakeholder guidelines, and enhance quality assurance, including the potential use of online digital tools.

Highlight 3

Executive Committee makes progress on implementing life-cycle refrigerant management (LRM)



The LRM discussion outlined how action plans, servicing practices, and disposal strategies could form a scalable framework for Article 5 countries.

The Executive Committee considered a report on LRM at its 97th meeting, taking a significant step toward strengthening countries' capacity to manage used and unwanted controlled substances. The report synthesizes key findings from the 2024 Technology and Economic Assessment Panel report on life-cycle refrigerant management and the Ozone Secretariat's global workshop on the same topic and highlights the urgent need for sustainable financing and strengthened regulatory frameworks to address the challenges of ODS and HFC banks.

The Executive Committee has so far supported 128 Article 5 countries as they prepare national inventories and action plans for the collection, transport, and disposal of controlled substances. While early results show momentum, many countries face challenges in estimating quantities, building regulatory frameworks, and designing

sustainable business models for recovery, reclamation, and destruction.

Discussions also emphasized opportunities for strengthening LRM: enhanced leak-prevention measures, improved reclamation capacity, regional cooperation for destruction, and targeted support for end-of-life equipment management. These considerations and the wealth of information to be found in the national inventories and plans of action will guide the development of cost guidelines and funding modalities for a future dedicated funding window, expected for consideration at the 100th meeting of the Executive Committee.

This framework signals the Multilateral Fund's growing commitment to closing the loop on refrigerants, mitigating emissions while supporting countries' climate and compliance priorities.



Featured Project | 96th and 97th

Egypt: Pioneering a forward-leaning approach to HFC phase-down

At the 96th meeting, the Executive Committee approved stage I of Egypt's Kigali HFC Implementation Plan (KIP), a comprehensive strategy that puts the country on track to achieve a 15 per cent reduction in their HFC consumption by 2029 and 22 per cent by 2030, well ahead of the Montreal Protocol schedule. At the 97th meeting, the Executive Committee also approved a complementary project to enhance energy efficiency in the manufacturing of compressors, domestic refrigerators, chest freezers, and residential air conditioners, enabling Egypt to revise its minimum energy performance standards (MEPS) for these products by January 2030.

Egypt's KIP stood out for its scale, ambition, and the innovative mix of policy and technology measures that defined the plan. By 1 January 2028, the country will ban the import and use of HFCs and HFC-containing pre-blended polyols in polyurethane and extruded polystyrene foam manufacturing. By 1 January 2029, Egypt will prohibit the import and manufacture of HFC-based domestic refrigerators, standalone commercial refrigeration equipment, and R-410A air-conditioning units, supported by incentives to scale up R-290 and R-600a technologies.

The project to enhance energy efficiency complements the KIP by enhancing the competitiveness of Egypt's manufacturing industry as part of the HFC phase-down, thus furthering the country's climate objectives and ensuring the country's compliance with the Montreal Protocol. The country will revise its MEPS for domestic refrigerators, chest freezers and air conditioners in 2027 and again by 1 January 2030, ensuring continued and sustained improvement in the energy efficiency of equipment entering the market and being exported.

Featured Project | 96th

Lebanon: Advancing an ambitious HFC phase-down plan

The Executive Committee approved stage I of Lebanon's Kigali HFC Implementation Plan (KIP) at the 96th meeting, an ambitious plan that sets targets to reduce HFC consumption in the country by 15 per cent below its baseline by 2029 and 40 per cent by 2032, in advance of the Kigali Amendment targets. This KIP demonstrates the country's strong commitment to take early action despite years of economic and political challenges.

Building on a solid regulatory foundation including an operational HFC licensing and quota system, Lebanon presented a forward-looking strategy that combines targeted conversions in the manufacturing sector with a major scale-up in activities for the servicing sector.

Lebanon decided to convert its residential air-conditioning manufacturing sector from R-410A to HFC-32, an alternative selected for its commercial acceptability. The country also committed to transition 47 micro-, small- and medium-sized commercial refrigeration enterprises to R-290 technologies, supported by strengthened safety measures and market-readiness initiatives.

The Executive Committee members welcomed Lebanon's ambitious HFC reduction targets while noting the country's innovative blend of policy measures, technicians' certification scheme, and targeted incentives to prevent reconversion and accelerate adoption of low-global-warming-potential alternatives. Specific focus on the mobile air-conditioning sector and commercial refrigeration sector, where HFC consumption is expected to continue to grow and remain high, was seen as particularly timely and strategic.

Lebanon's KIP demonstrates how a crisis-affected economy can still pursue transformative actions on HFCs using innovation, regulation, and capacity-building to ensure the long-term sustainability of HFC phase-down measures.





Featured Project | 97th

Argentina: Phasing out HCFCs through innovation and sector transformation

Stage III of Argentina's HCFC Phase-out Management Plan (HPMP), approved at the 97th meeting, represents an ambitious national effort to achieve a complete phase-out of HCFCs by 2030. The plan combines targeted industrial conversions, end-user incentives, and sector-specific pilots to accelerate the transition to low-global-warming-potential (GWP) alternatives.

A central element is the conversion of small- and medium-sized enterprises (SMEs) in the commercial refrigeration manufacturing sector. Eleven priority SMEs will adopt hydrocarbon technologies such as R-600a and R-290, supported by enhanced safety measures, workshops, and technical assistance. Remaining SMEs will convert without Multilateral Fund assistance, reflecting growing market readiness.

Stage III also includes a major end-user incentive programme for supermarkets, one of Argentina's largest sources of

HCFC-22 demand due to high leakage rates. Through an innovative co-financing model, the programme will replace more than 400 HCFC-based systems, with beneficiaries self-financing additional units, reducing HCFC consumption, improving system efficiency, and driving market transformation.

The plan also targets the fisheries sector, where demonstration trials, improved recovery practices, and targeted retrofits using lower-GWP alternatives aim to modernize this subsector and generate data for marine refrigeration leak management.

Servicing sector activities include enhanced training and certification, stronger refrigerant recovery and reinforced regulatory controls such as bans on HCFC-based equipment. Technical assistance will also support aerosol enterprises transitioning to suitable alternatives.

Executive Committee members welcomed Argentina's approach which demonstrates how an Article 5 country can combine ambition and innovation to ensure the long-term sustainability of its HCFC phase-out.

Featured Project | 97th

Fiji: Advancing servicing sector capacity for HFC phase down

At its 97th meeting, the Executive Committee approved stage I of Fiji's Kigali HFC Implementation Plan (KIP), establishing a structured approach for the country to achieve a 10 per cent reduction below its HFC baseline by 2029. The plan comes as cooling demand continues to rise alongside growth in the tourism and fisheries sectors, where HFC dependence remains significant.

Fiji's KIP builds on the HCFC Phase-out Management Plan progress by strengthening policies, enforcing import bans, improving licensing and quotas, and expanding technician capacity across key sectors, supported by outreach promoting low-global-warming-potential (GWP) alternatives and new regulatory requirements.

A key new measure is the introduction of import and sale bans on R-410A-based residential air conditioners and HFC-134a domestic refrigerators by 1 January 2029, accelerating market transition. Fiji will also explore restricting new registrations of fishing vessels using R-404A and R-507A, an innovative approach in a sector where refrigerant demand is expected to grow.

The KIP will modernize Fiji's HFC licensing system through a new electronic platform, strengthen customs and importer training, and expand technician training on flammable refrigerants. Fiji's experts will also support other Pacific Island countries in adopting good servicing practices.

Through these measures, Fiji's KIP delivers a model for small island economies seeking to lay the foundation for a sustainable, long-term HFC transition aligned with the Kigali Amendment.



Featured Project | 97th

South Africa: Strategic KIP sets the stage for smooth HFC transition

South Africa's stage I Kigali HFC Implementation Plan (KIP), approved at the 97th meeting, strengthens regulatory, institutional, and technical frameworks to manage rising HFC consumption and positions the country to meet initial control measures through 2029, supporting a more structured and forward-looking approach to Kigali Amendment implementation.

A key pillar is the strengthened institutional framework. The Government is finalizing regulatory measures, updating the licensing system, and establishing the legal basis for an HFC import quota system to become operational by January 2026.

Recognizing the distinct challenges across servicing subsectors, the KIP places strong emphasis on technician skills and improved sector performance. Updated curricula,

expanded training, and leak-detection technologies aim to address leakage rates in commercial and industrial systems. These efforts will improve servicing quality, build technician capacity, and support the transition to lower-global-warming-potential (GWP) alternatives.

The KIP also includes initial actions for the manufacturing sector, supporting small commercial refrigeration manufacturers to convert from HFCs to low-GWP alternatives. These efforts will be reinforced by a ban on the import and manufacture of small standalone commercial refrigeration equipment using HFCs, from 2029. For the installation and assembly subsector, the plan enables data gathering and targeted technical support for enterprises installing large commercial air-conditioning systems.

Through this comprehensive approach, South Africa is setting a clear, forward-looking trajectory for its compliance with the Kigali Amendment.





Happy holidays to
you and your loved
ones, and our best
wishes for 2026!



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implementation of
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UN
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