

## MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

### Summary of the 95<sup>th</sup> meeting of the Executive Committee

*This summary is intended to provide a brief overview of the decisions taken at the 95<sup>th</sup> meeting of the Executive Committee. The meeting report (UNEP/OzL.Pro/ExCom/95/94) can be found at <https://multilateralfund.org/meetings/95/post-session>*

#### Introduction

The 95<sup>th</sup> meeting took place from **4 to 8 December 2024** at the headquarters of the International Civil Aviation Organization (ICAO), Montreal, Canada and was attended by the representatives of 13 Executive Committee member countries and participants co-opted from 30 other countries, implementing agencies (IAs), the Ozone Secretariat, and other observers. Ms. Maria Antonella Parodi of Argentina presided as Chair of the Executive Committee during the meeting.

At this meeting, the Committee took a total of 98 decisions, and approved project and work programme activities for 91 countries with a value of US \$114,322,558, including agency support costs for bilateral and IAs.

#### Secretariat activities

The Executive Committee took note, with appreciation, of the report on Secretariat activities contained in document UNEP/OzL.Pro/ExCom/95/2.

#### Financial matters

##### *Status of contributions and disbursements<sup>1</sup> (decision 95/1)*

As at 4 December 2024, the balance of the Fund stood at US \$582,903,500 in cash and the cumulative fixed-exchange-rate-mechanism loss was approximately US \$30 million. The Executive Committee urged all Parties to pay their contributions to the Multilateral Fund in full and as early as possible and requested the Chief Officer and the Treasurer to continue following up with countries that had outstanding contributions for one triennium or more, and to report back at the 96<sup>th</sup> meeting.

##### *Report on balances and availability of resources<sup>2</sup> (decision 95/2)*

IAs returned balances of US \$2,906,091, including agency support costs, against completed projects to the Multilateral Fund. The Government of Japan returned US \$2,600, including agency support costs; UNDP and UNIDO were requested to disburse or cancel committed funds that were not needed for completed projects, as well as commitments for projects completed over two years previously, and to return the associated balances at the 96<sup>th</sup> meeting. UNIDO was requested to disburse or return to the 96<sup>th</sup> meeting the

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<sup>1</sup> UNEP/OzL.Pro/ExCom/95/3 and annex I of the final meeting report (UNEP/OzL.Pro/ExCom/95/94)

<sup>2</sup> UNEP/OzL.Pro/ExCom/95/4

balances of projects funded using the additional voluntary contributions made by a group of donor countries to finance fast-start activities for the implementation of HFC phase-down.

### ***Accounts of the Multilateral Fund***

#### **Final 2023 accounts (decision 95/3)**

The Executive Committee noted the final audited financial statements of the Multilateral Fund as at 31 December 2023<sup>3</sup> that had been prepared in accordance with the International Public Sector Accounting Standards. The Treasurer was requested to record in the 2024 accounts of the Multilateral Fund the differences between the IA's provisional 2023 financial statements and their final 2023 financial statements.

#### **Reconciliation of the 2023 accounts (decision 95/4)**

The Executive Committee noted the reconciliation of the 2023 accounts<sup>4</sup> and requested the Treasurer and relevant IAs to carry out a number of adjustments and related actions. The Committee noted the 2023 outstanding reconciling items that would be updated prior to the 97<sup>th</sup> meeting.

#### ***Approved 2025, 2026 and proposed 2027 budgets of the Fund Secretariat*<sup>5</sup> (decision 95/5)**

The Executive Committee noted the revised 2025, 2026 and proposed 2027 budgets and the return of funds from the 2023 approved budget for the Secretariat. The Committee also agreed to include additional resources, totaling US \$980,000, for the Secretariat in the revised budget for 2025 and thereafter for the knowledge management system, and the upgrade of the existing P2 Associate Administrative Officer position to P3 level. The revised 2025 and 2026 budgets of the Secretariat of US \$9,670,045 and US \$9,354,175, respectively, were approved, including the additional resources referred to above. The proposed 2027 budget of the Secretariat of US \$9,423,228 was also approved, based on the additional resources referred to above and a three per cent increase in staff costs on the basis of the 2026 revised budget.

#### ***Country programme data and prospects for compliance*<sup>6</sup> (decision 95/6)**

One hundred thirty-eight countries submitted their country programme (CP) data reports for the year 2023, including for two received after the issuance of the meeting document. The Executive Committee requested the relevant implementing agencies to continue assisting the respective Governments in clarifying the discrepancies between CP data and Article 7 data for 2023 and to report back no later than the 96<sup>th</sup> meeting. The Committee also requested the Secretariat to send letters to the Governments of the six countries with outstanding CP data reports for 2023.

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<sup>3</sup> UNEP/OzL.Pro/ExCom/95/5

<sup>4</sup> UNEP/OzL.Pro/ExCom/95/6

<sup>5</sup> UNEP/OzL.Pro/ExCom/95/7 and annex II of document UNEP/OzL.Pro/ExCom/95/94

<sup>6</sup> UNEP/OzL.Pro/ExCom/95/8 and Add.1

## **Evaluation**

### ***Evaluation of the performance of implementing agencies against their 2023 business plans<sup>7</sup>(decision 95/7)***

The Executive Committee noted the evaluation of the performance of implementing agencies against their 2023 business plans and encouraged national ozone units to submit, on a yearly basis and in a timely manner, their assessments of the qualitative performance of the bilateral and implementing agencies assisting their governments.

### ***Final report on the external assessment of the evaluation function of the Multilateral Fund<sup>8</sup>(decision 95/8)***

The Executive Committee noted the final report on the external assessment of the evaluation function of the Multilateral Fund and requested the Senior Monitoring and Evaluation Officer (SMEO) to prepare a potential management response to the assessment, including an evaluation policy for the Multilateral Fund, for consideration at the 96<sup>th</sup> meeting. The Committee also invited the Executive Committee members to provide by 28 February 2025 submissions to the SMEO on their views on the assessment.

### ***Desk study for the evaluation of the UNEP Compliance Assistance Programme<sup>9</sup> (decision 95/9)***

The Executive Committee noted the desk study for the evaluation of the UNEP Compliance Assistance Programme (CAP) and requested the SMEO to present updated terms of reference for an in-depth comprehensive evaluation of the CAP at the 97<sup>th</sup> meeting.

### ***Terms of reference for the desk study for the evaluation of the recovery, recycling and reclamation projects<sup>10</sup> (decision 95/10)***

The Executive Committee noted the terms of reference for the desk study for the evaluation of recovery, recycling and reclamation projects and requested the SMEO, when conducting this evaluation, to take into consideration the comments on the matter made by Executive Committee members at the 95<sup>th</sup> meeting.

### ***Annual report on the implementation of the monitoring and evaluation work programme for 2024 and the updated work programme for 2025<sup>11</sup> (decision 95/11)***

The Executive Committee noted the annual report on the implementation of the monitoring and evaluation work programme for 2024, including information reported pursuant to decision 92/6(d) on the evaluation of enabling activities for HFC phase-down, and the updated work programme for 2025. The Committee also noted that the consolidated project completion report (PCR) would be presented on an annual basis, starting from the first meeting in 2025; and the return of the provisional remaining balance of US \$35,849 from the 2024 approved budget to the Multilateral Fund. The Committee approved the revised monitoring and evaluation work programme for 2025 amounting to US \$150,000.

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<sup>7</sup> UNEP/OzL.Pro/ExCom/95/9

<sup>8</sup> UNEP/OzL.Pro/ExCom/95/10

<sup>9</sup> UNEP/OzL.Pro/ExCom/95/11

<sup>10</sup> UNEP/OzL.Pro/ExCom/95/12

<sup>11</sup> UNEP/OzL.Pro/ExCom/95/13/Rev.1 and annex IV of document UNEP/OzL.Pro/ExCom/95/94

## **Programme implementation**

### ***Consolidated progress report and progress reports of bilateral and IAs as at 31 December 2023 (decisions 95/12 – 95/17)***

The Executive Committee noted the 2023 consolidated progress report<sup>12</sup> and annual progress reports on the implementation of approved projects and activities submitted by bilateral and IAs,<sup>13</sup> and also noted with appreciation, the efforts undertaken by bilateral and IAs in reporting their 2023 activities. Bilateral and IAs would report, at the 96<sup>th</sup> meeting, on 114 projects with implementation delays and 11 ongoing projects recommended for additional status reports.<sup>14</sup> The Committee also requested bilateral and IAs to provide an update, prior to the last meeting of every year, on the countries for which requests for renewal of institutional strengthening projects had not been submitted for three years, instead of two years as specified in decision 82/11(c)(ii). The Committee requested the Secretariat to provide in the consolidated progress report as at 31 December 2024, a final report on the achievements of the six investment projects funded using the additional voluntary contributions for fast-start support for HFC phase down. The Committee also approved the extension of projects for two countries, and cancelled stage I of the HCFC phase-out management plan (HPMP) for one country.

### ***Reports on projects with specific reporting requirements<sup>15</sup> (decisions 95/18 to 95/23)***

The Executive Committee took note of status and progress or took decisions to approve or follow up on specific issues, on those related to: the HPMPs for six countries;<sup>16</sup> the progress report on the project on additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and on maintaining energy efficiency in the refrigeration servicing sector in Maldives, the request for a change of technology in the manufacture of large-scale freezers and refrigeration and condensing units from ammonia to ammonia/carbon dioxide cascade in China, the plan and feasibility study for the establishment of a recovery, recycling and reclamation centre for HCFCs, HFCs and blended refrigerants in Burkina Faso, and the report on the project for the conversion from HFC to propane of the facility manufacturing large commercial unitary roof-top air-conditioning units of up to 400 kW at Petra Engineering Industries Co. in Jordan.

### ***2024 consolidated project completion report<sup>17</sup> (decision 95/24)***

The Executive Committee requested bilateral and IAs to submit to the 96<sup>th</sup> meeting the outstanding PCRs for multi-year agreements (MYAs) and individual projects or provide the reasons for failing to do so. Lead and cooperating IAs were urged to closely coordinate the finalization of their portion of PCRs to allow the lead IA to submit the completed PCRs in a timely manner. Bilateral and IAs were also requested to include relevant and useful information, including gender information, about the lessons learned and the reasons for any delays to enable the formulation of recommendations to improve future project design and implementation. All those involved in the preparation and implementation of MYAs and individual projects were invited to consider the relevant lessons learned from PCRs when preparing and implementing future projects.

## **Business planning**

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<sup>12</sup> UNEP/OzL.Pro/ExCom/95/14

<sup>13</sup> UNEP/OzL.Pro/ExCom/95/15 to 19

<sup>14</sup> Annexes V to IX of document UNEP/OzL.Pro/ExCom/95/94

<sup>15</sup> UNEP/OzL.Pro/ExCom/95/20 and Add.1

<sup>16</sup> Afghanistan, Argentina, Bolivia (Plurinational State of), Honduras, Mauritania, and Viet Nam

<sup>17</sup> UNEP/OzL.Pro/ExCom/95/22

### ***Update on the status of implementation of the 2024–2026 consolidated business plan of the Multilateral Fund<sup>18</sup> (decision 95/25)***

The Executive Committee noted that the total value of activities submitted to the 95<sup>th</sup> meeting amounted to US \$116,476,540 (including US \$19,833,551 for HFC-related activities; US \$4,642,176 for pilot projects for energy efficiency pursuant to decision 91/65; US \$1,170,247 for energy efficiency projects pursuant to decision 94/60; and US \$2,638,600 for the preparation of national inventories of banks of waste controlled substances pursuant to decision 91/66), including US \$15,899,209 for project proposals not included in the 2024 business plan.

### ***Tranche submission delays<sup>19</sup> (decision 95/26)***

Thirty-one out of 55 activities related to tranches of HPMPs that were due for submission to the 95<sup>th</sup> meeting were submitted on time. The Committee noted that relevant bilateral and IAs had indicated that the late submission of the tranches of HPMPs due for submission at the 95<sup>th</sup> meeting would have no impact, or was unlikely to have an impact, on compliance with the Montreal Protocol, and that there was no indication that any of the countries concerned were in non-compliance with the Montreal Protocol control measures. The Secretariat was requested to send letters to the relevant Governments regarding the decisions on tranche submission delays.

### ***2025-2027 business plans (decisions 95/27-95/32)***

The Executive Committee endorsed the 2025-2027 consolidated business plan of the Multilateral Fund<sup>20</sup> as adjusted by the Secretariat and the Committee, taking into consideration relevant decisions taken at the 95<sup>th</sup> meeting, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.<sup>21</sup> The Committee also noted the business plans for 2025–2027 submitted by the Governments of Australia, Czechia, France, Germany and the United Kingdom of Great Britain and Northern Ireland,<sup>22</sup> and that the level of the activities in the business plan of the Government of Germany for 2025–2027 should be considered in the light of the bilateral activity allocation for the triennium 2024-2026. The business plans for 2025–2027 of the IAs<sup>23</sup> were noted, and performance indicators were approved for UNDP, UNEP, UNIDO and the World Bank.<sup>24</sup>

## **Project proposals**

### ***Overview of issues identified during project review<sup>25</sup>***

#### **Consistency of HFC consumption data**

Members drew the attention of the agencies to decisions 34/18 and 41/16, in which the issue of data inconsistencies had been addressed and requested the bilateral and IAs to ensure the consistency of the

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<sup>18</sup> UNEP/OzL.Pro/ExCom/95/23

<sup>19</sup> UNEP/OzL.Pro/ExCom/95/24

<sup>20</sup> UNEP/OzL.Pro/ExCom/95/25

<sup>21</sup> The adjusted 2025-2027 consolidated business plan is available at [Adjusted consolidated business plan of the Multilateral Fund 2025-2027.xlsx](#)

<sup>22</sup> UNEP/OzL.Pro/ExCom/95/26

<sup>23</sup> UNEP/OzL.Pro/ExCom/95/27 to 30

<sup>24</sup> Annexes XIII to XVI of document UNEP/OzL.Pro/ExCom/95/94

<sup>25</sup> UNEP/OzL.Pro/ExCom/95/31

Article 7 data, CP data and project phase-out data in all project proposals before their submission to the Secretariat.

#### Calculation of the climate impact of activities in Kigali HFC implementation plans

The Secretariat informed of their plan to provide additional information on the updated version of the Multilateral Fund Climate Impact Indicator model at the 96<sup>th</sup> meeting of the Executive Committee.

#### Calculation of the cost and reductions from the starting point in the servicing sector for the Kigali HFC implementation plans in non-low-volume-consuming countries

The Executive Committee agreed to discuss the proposal by the Government of Canada, as set out in the annex to document UNEP/OzL.Pro/ExCom/95/31, in the contact group established to discuss the guidelines for funding phase-down of HFCs in Article 5 countries (agenda item 11(a)).

#### ***Bilateral cooperation<sup>26</sup> (decision 95/33)***

The Executive Committee requested the Treasurer to offset the costs of the bilateral projects approved at the 95<sup>th</sup> meeting in the amount of US \$760,017 (including agency support costs) against the balance of the bilateral contribution of the Government of Australia for 2024-2026; US \$3,249,498, including agency support costs, against the balance of the bilateral contribution of the Government of Germany for 2024-2026; and in the amount of US \$491,776 (including agency support costs) against the balance of the bilateral contribution of the Government of the United Kingdom of Great Britain and Northern Ireland for 2024-2026.

#### ***Approved projects (decisions 95/34 to 94/82)<sup>27</sup>***

Funding of US \$114,322,558, including agency support costs was approved for: renewals of institutional strengthening (IS) projects for 35 countries<sup>28</sup> (US \$ 9,778,750); project preparations for stage II/III/IV of HPMPs including investment projects for eight countries<sup>29</sup> (US \$413,500); enabling activities for HFC phase-down for Antigua and Barbuda (US \$53,500); preparation for Kigali HFC implementation plans (KIPs) and/or HFC investment-related activities for six countries<sup>30</sup> (US \$ 910,960); preparation of national inventory of banks of waste controlled substances and development of a national plan for management of these substances for 30 countries<sup>31</sup> (US \$2,638,600); new stages II/III of HPMPs for eight countries<sup>32</sup> (first

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<sup>26</sup> UNEP/OzL.Pro/ExCom/95/32

<sup>27</sup> UNEP/OzL.Pro/ExCom/95/33 and UNEP/OzL.Pro/ExCom/95/34

<sup>28</sup> Armenia, Bahamas (the), Barbados, Belize, Bhutan, Botswana, Brunei Darussalam, Central African Republic (the), Cote d'Ivoire, Egypt, Fiji, Ghana, Guinea, Haiti, Honduras, Iran (Islamic Republic of), Jamaica, Jordan, Kyrgyzstan, Lesotho, Malawi, Marshall Islands (the), Mauritania, Mozambique, Nepal, Nigeria, Saint Kitts and Nevis, Seychelles, Sierra Leone, Sri Lanka, Türkiye, Turkmenistan, Uganda, United Republic of Tanzania (the), and Viet Nam.

<sup>29</sup> Angola, Bahrain, Bangladesh, Dominica, Morocco, Nigeria, Timor Leste, and Tunisia.

<sup>30</sup> Bahamas, Barbados, Egypt, Indonesia, Oman and Türkiye.

<sup>31</sup> Bahamas, Bangladesh, Bhutan, Brunei Darussalam, Congo, Cook Islands, Eswatini, Fiji, Gambia, Indonesia, Kiribati, Madagascar, Maldives, the Marshall Islands, Federated States of Micronesia, Mongolia, Nauru, Nepal, Niue, Palau, Samoa, Senegal, Solomon Islands, Sri Lanka, Thailand, Timor Leste, Tonga, Tuvalu, Uganda and Vanuatu.

<sup>32</sup> Algeria, Burundi, Congo, Guinea-Bissau, Jordan, Mexico, Peru, and Somalia.

tranche amounting to US \$10,364,398); tranches of HPMPs for 28 countries<sup>33</sup> including one regional HPMP (US \$23,612,748); tranche of the HPPMP for China (US \$23,232,000); stage I of the KIPs for 26 countries<sup>34</sup> including one regional KIP (first tranche amounting to US \$12,501,972); HFC investment projects for Argentina and Morocco (US \$6,474,119); preparation of pilot projects to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down for Thailand (US \$160,500); preparation of pilot projects to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down for five countries<sup>35</sup> (US \$404,460); pilot projects to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down for eight countries<sup>36</sup> (US \$2,726,020), a pilot project to enhance the energy efficiency of stand-alone commercial refrigeration equipment in Malaysia under decision 94/60 (US \$444,787), and individual projects on additional activities to maintain energy efficiency for the servicing sector under decision 89/6(b) for 18 countries<sup>37</sup> (US \$2,050,810).

### ***UNEP's Compliance Assistance Programme<sup>38</sup>(CAP) (decision 95/83)***

The Executive Committee approved, on an exceptional basis, the CAP activities and budget for 2025, in the amount of US \$11,191,331, plus agency support costs of 8 per cent amounting to US \$895,306, noting the adjustments proposed therein, on the understanding that future CAP budget increases would remain within 3 per cent in accordance with decision 47/24. The Executive Committee requested UNEP, in future submissions of the CAP budget, to continue providing detailed information on the activities for which the global funds would be used; extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities and providing details, pursuant to decisions 47/24 and 50/26, on the reallocations made; reporting on the current post levels of staff and informing the Executive Committee of any changes thereto, particularly with respect to any increased budget allocations; and providing a budget for the year in question and a report on the costs incurred in the year prior to the previous year. The Committee also requested UNEP to submit a final report detailing lessons learned from the implementation of the first phase of the global technical assistance project for the twinning of national ozone officers and national energy-efficiency policymakers to support the Kigali Amendment objectives when submitting the second phase of the project at the first meeting in 2025.

### ***2025 core unit costs for UNDP, UNIDO and the World Bank<sup>39</sup> (decision 95/84)***

The Executive Committee approved core unit funding for 2025 for UNDP of US \$2,372,940, UNIDO of US \$2,279,213, and the World Bank of US \$1,947,145, and noted with appreciation, that core unit operations of the World Bank were below its budgeted levels and that unused balances would be returned at the 95<sup>th</sup> meeting.

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<sup>33</sup> Bahrain, Bhutan, Chile, China, Cook Islands, Costa Rica, Dominica, Georgia, Ghana, India, Iraq, Jamaica, Kiribati, Kuwait, the Marshall Islands, Federated States of Micronesia, Nauru, Nepal, Niue, Pakistan, Palau, Rwanda, Samoa, Solomon Islands, Tonga, Tuvalu, Uganda and Vanuatu.

<sup>34</sup> Benin, Chad, Colombia, Cook Islands, Costa Rica, Guatemala, Kiribati, Lesotho, Marshall Islands, Mauritius, Federated States of Micronesia, Nauru, Nigeria, Niue, Palau, Rwanda, Samoa, Senegal, Solomon Islands, Togo, Tonga, Türkiye, Tuvalu, Uruguay, Vanuatu, and Zimbabwe

<sup>35</sup> Egypt, Nigeria, Thailand, Tunisia, and Türkiye.

<sup>36</sup> Colombia, Costa Rica, Honduras, Malaysia, Montenegro, Peru, Uganda, and Uruguay.

<sup>37</sup> Bhutan, Cook Islands, Costa Rica, Jamaica, Kiribati, the Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Rwanda, Saint Vincent and the Grenadines, Samoa, Solomon Islands, Tonga, Tuvalu, Uganda and Vanuatu.

<sup>38</sup> UNEP/OzL.Pro/ExCom/95/83

<sup>39</sup> UNEP/OzL.Pro/ExCom/95/84

## **Update on the information on alternative technologies in the polyurethane foam manufacturing sector for Article 5 countries (decision 94/58(b)) (decision 95/85)**

The Executive Committee decided to consider the information contained in the document prepared by the Secretariat<sup>40</sup> while discussing the issue of alternatives in the PU foam sector; and noted that the Secretariat would update the report contained in document UNEP/OzL.Pro/ExCom/94/58 for consideration at the 96<sup>th</sup> meeting, in line with decision 94/58.

### **Matters related to the Kigali Amendment to the Montreal Protocol**

*Draft guidelines for funding the phase-down of HFCs in Article 5 countries, including consideration of operationalizing paragraph 24 of decision XXVIII/2 (paragraph 279 of document UNEP/OzL.Pro/ExCom/94/67)<sup>41</sup> (decision 95/86)*

The Executive Committee adopted the criteria for funding HFC phase-down in the consumption sector for stage I of KIPs, and agreed to use the cost-effectiveness (CE) thresholds and incremental operating costs (IOCs) specified in the table below for enterprises with HFC consumption greater than 15 metric tonnes in the refrigeration and air-conditioning (RAC) manufacturing sector and for enterprises with HFC consumption greater than 20 metric tonnes in the polyurethane foam sector:

<b>Sector</b>	<b>CE threshold (US \$/kg)</b>	<b>IOCs (US \$/kg)</b>
Domestic refrigeration	13.76	5.75
Commercial refrigeration	16.50	5.50
Stationary air conditioning (AC) – residential	13.60	7.60
Stationary AC – commercial	15.00	7.90
Industrial/transport refrigeration	Case by case	Case by case
Polyurethane foam	9.00	5.20
All other sectors	Case by case	Case by case

The Committee also defined small and medium-sized enterprises (SMEs) in the polyurethane foam manufacturing sector as enterprises with HFC consumption of 20 metric tonnes or less; and SMEs in the commercial RAC manufacturing sector as enterprises with HFC consumption of 15 metric tonnes or less, on the understanding that: (i) The entirety of HFC consumption by the enterprise would be considered, rather than just the consumption of the line or process to be converted; (ii) An enterprise that manufactured more than 40,000 units of equipment per year, irrespective of whether all such equipment was HFC-based, would not be considered an SME for funding purposes; (iii) An enterprise would not be considered an SME if it was owned or partly owned by a multinational corporation, regardless of whether that corporation was owned by an Article 5 country.

The Committee agreed to provide funding for SMEs of: (i) 32 per cent above the CE threshold in the table in subparagraph (a) above for RAC enterprises with HFC consumption of 15 metric tonnes or less; (ii) 40 per cent above the CE threshold in the table above for polyurethane foam enterprises with HFC consumption of 20 metric tonnes or less. The Committee agreed as well that enterprises with consumption of less than 1.5 metric tonnes that were part of an umbrella project could receive funding of up to 2.5 times the agreed CE threshold specified in the table above, as long as the overall CE of the umbrella project was no more than 1.5 times the sectoral threshold or the threshold levels specified also in the table above if the umbrella project included only SMEs; that the umbrella project included all the remaining enterprises in a sector or

<sup>40</sup> UNEP/OzL.Pro/ExCom/95/85

<sup>41</sup> UNEP/OzL.Pro/ExCom/95/86



subsector for which CE thresholds had been established; and that it was understood that the country concerned would submit no further requests for funding from the Multilateral Fund for any enterprise in that sector or subsector, in line with decision 19/32(a).

When it was clearly demonstrated that low-global-warming-potential (GWP) alternatives with IOCs as indicated in the table above were not feasible, the Executive Committee would consider funding higher than those IOCs within the applicable CE threshold when needed for the introduction of low-GWP alternatives by SMEs, and that, in such cases, the justification for requesting higher levels of IOCs should be clearly documented and presented to the Executive Committee for individual consideration.

Article 5 countries would have flexibility to prioritize HFCs, define sectors, select technologies and alternatives, and elaborate and implement their strategies to meet agreed HFC obligations, on the basis of their specific needs and national circumstances, following a country-driven approach. The cut-off date for eligible capacity was 1 January 2020 for those parties with baseline years from 2020 to 2022, and 1 January 2024 for those parties with baseline years from 2024 to 2026.

The following principles would apply for second and third conversion projects: (i) First conversions, in the context of a phase-down of HFCs, were defined as conversions to alternatives with low-global-warming-potential (GWP) or zero-GWP by enterprises that had never received any direct or indirect support, in part or in full, from the Multilateral Fund, including enterprises that converted to HFCs with their own resources; (ii) Enterprises that had already converted to HFCs in phasing out CFCs and/or HCFCs would be eligible to receive funding from the Multilateral Fund to meet agreed incremental costs in the same manner as enterprises eligible for first conversions; (iii) Enterprises that had converted from HCFCs to high-GWP HFCs, after the date of adoption of the Kigali Amendment, under HCFC phase-out management plans (HPMPs) already approved by the Executive Committee, would be eligible to receive funding from the Multilateral Fund for a subsequent conversion to low-GWP or zero-GWP alternatives to meet agreed incremental costs in the same manner as enterprises eligible for first conversions; (iv) Enterprises that had converted from HCFCs to high-GWP HFCs using their own resources before 2025 under the Kigali Amendment would be eligible to receive funding from the Multilateral Fund to meet agreed incremental costs in the same manner as enterprises eligible for first conversions; and (v) Enterprises that had converted from HFCs to lower-GWP HFCs with Multilateral Fund support when no other alternatives were available would be eligible to receive funding from the Multilateral Fund for a subsequent conversion to low-GWP or zero-GWP alternatives if necessary to meet the final HFC phase-down step.

The Committee decided that the remaining eligible consumption for funding in tonnage would be determined on the basis of the starting point of national aggregate consumption, to be agreed by the Committee, less the amount funded for previously approved projects in future multi-year agreement templates for KIPs; and that the formula for determining the starting point and the methodology for determining the reductions from remaining HFC consumption eligible for funding would form part of those guidelines when agreed by the Committee.

The following categories of costs were made eligible for funding and included in the cost calculation associated with the phase-down of HFCs in the consumption manufacturing sector: (i) Incremental capital costs; (ii) Incremental operating costs for a duration to be determined by the Executive Committee; (iii) Technical assistance activities; (iv) Research and development, when required to adapt and optimize alternatives to HFCs with low-GWP or zero-GWP; (v) Costs of patents and designs, and incremental costs of royalties, when necessary and cost-effective; and (vi) Costs of the safe introduction of flammable and toxic alternatives.

The following categories of costs were made eligible for funding and included in the cost calculation associated with the phase-down of HFCs in the production sector: (i) Lost profit due to the

shutdown/closure of production facilities and to production reduction; (ii) Compensation for displaced workers; (iii) Dismantling of production facilities; (iv) Technical assistance activities; (v) Research and development related to the production of low-GWP or zero-GWP alternatives to HFCs with a view to lowering the costs of alternatives; (vi) Costs of patents and designs or incremental costs of royalties; (vii) Costs of converting facilities to produce low-GWP or zero-GWP alternatives to HFCs when technically feasible and cost-effective; (viii) Costs of reducing emissions of HFC-23, a by-product of the production process of HCFC-22, by reducing the HFC-23 emission rate in the process, destroying it from the off-gas, or by collecting and converting it to other environmentally safe chemicals – such costs should be funded by the Multilateral Fund to meet the obligations of Article 5 Parties specified under the Kigali Amendment; (n) That the Sub-group on the Production Sector would consider compensation for compliance-related control obligations for the production sector on a case-by-case basis once official reporting of HFC production had been submitted by Article 5 countries.

The following categories of costs were made eligible for funding and included in the cost calculation associated with the phase-down of HFCs in the refrigeration servicing sector: (i) Public awareness activities; (ii) Policy development and implementation; (iii) Certification programmes and training of technicians on safe handling, good practices and safety in respect of alternatives, including training equipment; (iv) Training of customs officers; (v) Prevention of illegal trade of HFCs; (vi) Servicing tools; (vii) Refrigerant testing equipment for the refrigeration and air-conditioning sector; (viii) Recycling and recovery of HFCs.

In relation to the level and modalities of funding for HFC phase-down in the refrigeration servicing sector, funding would be provided in line with decision 92/37.<sup>42</sup>

Finally, it was decided that amounts of Annex F substances that were subject to the high-ambient-temperature exemption were not eligible for funding under the Multilateral Fund while they were exempted for that party.

***Further elaboration on the operational framework on energy efficiency while phasing down HFCs in relation to the elements listed under decision 94/60(h) (decision 95/87)***

The Executive Committee noted the information provided in the document prepared by the Secretariat<sup>43</sup> further elaborating the operational framework on energy efficiency while phasing down HFCs in relation to the elements listed under decision 94/60(h). For Part A on manufacturing of components and heat pumps, the Committee requested the Secretariat to use the operational framework on energy efficiency while phasing down HFCs and to apply, as part of decision 94/60, for an initial period of three years, the modality and conditions in the mentioned document: (i) In paragraphs 7 to 10 and paragraphs 11 to 17, respectively, for compressor manufacturing projects; (ii) In paragraphs 19 and 20 and paragraphs 22 to 25, respectively, for heat-exchanger manufacturing projects; (iii) In paragraphs 27 to 32 and paragraphs 33 to 36, respectively, for heat-pump manufacturing projects. The Committee noted that the operational framework would be reviewed after an initial implementation period of three years, based on the experience gained.

For Part B on non-manufacturing activities, the Committee decided to extend the duration of the window for the proposal of projects under decision 91/65 only for the servicing activities to the 100th meeting of the Executive Committee, inclusive; and requested the Secretariat to prepare, for consideration by the Executive Committee at its 97th meeting, an updated paper that would elaborate the specific functions for both centres of excellence for sustainable cooling and testing centres for energy efficiency; assess sustainable business models for regional centres; assess potential duplication with activities funded under

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<sup>42</sup> Annex LVI of document UNEP/OzL.Pro/ExCom/95/94

<sup>43</sup> UNEP/OzL.Pro/ExCom/95/87

HCFC phase-out management plans and/or Kigali HFC implementation plans, as well as with existing centres; identify potential opportunities to use existing centres and mechanisms already in place for testing the energy efficiency of equipment.

For Part C on an energy efficiency revolving fund for end users, the Committee established a funding window of US \$40 million for two energy-efficiency end-user projects using a revolving fund mechanism developed and supported by implementing agencies, over a duration of eight years, after which funds would be returned to the Multilateral Fund, on the understanding that it would not be operationalized until the Executive Committee had agreed on the modalities for operationalizing the revolving fund; decided to provide funding, for the preparation of no more than five projects, of no more than US \$100,000 per project, on the understanding that those proposals would be submitted to the 96<sup>th</sup> meeting and that only up to two projects would be selected for the funding window; requested the Secretariat to prepare an update of part C of document UNEP/OzL.Pro/ExCom/95/87, on the operationalization of the revolving fund, for the consideration of the Committee at its 96<sup>th</sup> meeting, taking into consideration the discussions at the 95<sup>th</sup> meeting. The Committee also requested the Secretariat to work with the implementing agencies that had experience with revolving funds on energy efficiency to share examples and lessons learned as well as to illustrate the expected benefits of Multilateral Fund funding for existing and new funds and to prepare a summary paper for the 96<sup>th</sup> meeting.

The Committee decided as well to provide funding for the preparation of projects in the manufacturing of compressors, heat-exchangers and heat pumps.

***Issue of HFCs contained in imported pre-blended polyols in the polyurethane foam sector in Article 5 countries (decision 93/34) (decision 95/88)***

Following the presentation of the document prepared by the Secretariat<sup>44</sup> and ensuing discussions, the Committee requested the Secretariat to provide additional analysis at the 96<sup>th</sup> meeting on the effect of using years other than 2020–2022 as the reference years for the import and export of pre-blended polyols containing HFCs for Article 5, group 1 and Article 5, group 2 countries, including on the cut-off date for the enterprises, keeping in mind the principles mentioned in paragraphs 15 and 16 of document UNEP/OzL.Pro/ExCom/95/88.

***Update on the local installation and assembly subsector (decision 93/94(d)) (decision 95/89)***

The Committee noted the update on the local installation and assembly subsector prepared by the Secretariat<sup>45</sup> and decided to continue considering projects in the local installation and assembly subsector in the context of KIPs on a case-by-case basis, in line with decisions 92/39(d) and 93/94(e). The Committee also requested the Secretariat to continue collecting information on the local installation and assembly subsector provided by Article 5 countries in KIPs submitted for consideration by the Executive Committee, and to provide, at the 98<sup>th</sup> meeting, an update to the document prepared by the Secretariat.

***Draft template for an Agreement for stage I of Kigali HFC implementation plans (paragraph 294 of document UNEP/OzL.Pro/ExCom/94/67)<sup>46</sup> (decision 95/90)***

The Executive Committee approved the template for an Agreement for stage I of Kigali HFC implementation plans.<sup>47</sup> The Committee also decided that Appendices 1-A and 2-A of the template

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<sup>44</sup> UNEP/OzL.Pro/ExCom/95/88

<sup>45</sup> UNEP/OzL.Pro/ExCom/95/89

<sup>46</sup> UNEP/OzL.Pro/ExCom/95/90

<sup>47</sup> Annex LVII of document UNEP/OzL.Pro/ExCom/95/94

Agreement would be finalized once discussions on the criteria for funding HFC phase-down in Article 5 countries had been completed.

### **Mapping of reporting requirements and the streamlining of reporting on progress across the spectrum of reports (decision 93/1(b)) (decision 95/91)**

Following the discussion on the document prepared by the Secretariat,<sup>48</sup> the Committee decided that the document on tranche submission delays would be submitted at the first Executive Committee meeting of the year. The Secretariat was requested to, in consultation with implementing agencies, to review the format for progress and financial reporting including its narrative, with a view to streamlining reporting while allowing the collection of the data required for the preparation of the Multilateral Fund performance report, and to present the revised format for consideration of the Executive Committee at its 96<sup>th</sup> meeting. The Secretariat and the SMEO were also requested to explore the possibility of integration of reporting through PCRs and detailed final project reports, taking into account the approved universal PCR format, and to report back at the 97<sup>th</sup> meeting of the Executive Committee.

### **Update on the implementation of gender mainstreaming policy of the Multilateral Fund (decision 90/48(e)(iii)) (decision 95/92)**

The Committee noted the update provided on the implementation of the operational policy on gender mainstreaming for Multilateral Fund-supported projects and the review of the different areas of work and mechanisms of the Fund where gender had been mainstreamed, as contained in the document prepared by the Secretariat.<sup>49</sup> The Secretariat was requested to review the implementation of the gender mainstreaming policy of the Multilateral Fund, covering the inclusion of the mandatory requirements and performance indicators in stages of multi-year agreement projects from the 94<sup>th</sup> meeting onwards and to provide, for consideration at the 98<sup>th</sup> meeting, a detailed assessment of implementation.

### **Report of the Sub-group on the Production Sector<sup>50</sup>**

The Sub-group on the Production Sector (Argentina, Canada (facilitator), Cuba, India, Italy, Jordan, Sweden and the United States of America) met three times in the margins of the meeting and took three decisions:

#### ***HCFC production phase-out management plan for China: 2023 verification report of the HCFC production sector, including the additional verifications requested under decision 93/99(d) and the reporting of HCFCs captured from high-boiling residue (decision 94/61(b)) (decision 95/93)***

The Executive Committee noted the 2023 verification report of the HCFC production sector in China considered by the Sub-group on the Production Sector and requested the World Bank to include in the 2024 HCFC production verification: an explanation of the differences between the verified 2023 HCFC production for controlled uses and that which had been reported under Article 7 of the Montreal Protocol, and between the verified 2023 HCFC consumption and that reported under Article 7; and an update on the status of the equipment destruction and environmental clean up at one plant and of the production line relocation of a few plants.

The Committee also requested the World Bank to verify, on a one-off basis, that the newly established HCFC production lines listed in annex I to document UNEP/OzL.Pro/ExCom/95/SGP/2 were vertically

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<sup>48</sup> UNEP/OzL.Pro/ExCom/95/91

<sup>49</sup> UNEP/OzL.Pro/ExCom/95/92

<sup>50</sup> UNEP/OzL.Pro/ExCom/95/93

integrated with the downstream facilities and that all HCFCs produced on those lines would be exclusively for feedstock use, and to submit a report thereon at the last Executive Committee meeting of 2025. Finally, the Committee provided the World Bank, on an exceptional basis, with a one-time payment of US \$30,000 for support for the undertaking of the additional one-off verifications referred to above.

***HCFC production phase-out management plan for China: Progress report on the implementation of the second tranche and request for funding of the third tranche of stage II of the plan (decision 95/94)***

The Executive Committee noted the progress report on the implementation of the second tranche of stage II of the HCFC production phase-out management plan (HPPMP) for China, considered by the Sub-group on the Production Sector and requested the Government of China, through the World Bank, to submit the reports of the following technical assistance activities supported under the HPPMP: the 2024 investigation of HCFC feedstock applications in China, to the first meeting of 2026; the annual investigations of HCFC feedstock applications in China for 2025 and 2026, to the first meeting of the Committee after the completion of those reports; and updates, at the 97<sup>th</sup> and 99<sup>th</sup> meetings, on the outcomes of the technical assistance activity below for the respective 2025 and 2026 workshops. The Committee also approved the third tranche of the HPPMP in China, and the corresponding 2024–2026 tranche implementation plan, in the amount of US \$22,000,000, for the World Bank, on the understanding that the World Bank would withhold disbursement of US \$3,000,000 of that amount until the Secretariat, on the basis of relevant available information, including the 2024 verification report and Article 7 data report, and no sooner than the 97<sup>th</sup> meeting of the Committee, had confirmed that the Government of China had taken appropriate measures to manage HFC-23 by-product in accordance with paragraph 10 of stage II of the HPPMP Agreement.

The Committee also noted that the scope of the technical assistance activities set out in the 2024 to 2026 tranche implementation plan would be further adjusted as follows: the activities described in subparagraphs 16(h), 16(j) and 16(l) of document UNEP/OzL.Pro/ExCom/95/SGP/3 would cover related work on the management of HCFC production and by-product HFC-23 in HCFC-22 production facilities relevant to those items; and one new technical assistance activity would be added: the promotion of the gathering and sharing of relevant information on atmospheric monitoring, on research on the development of spatial emission estimates and emission sources and on progress on HFC-23 emissions control management, through the organization, in 2025 and 2026, of two international workshops on HFC-23 emissions control at the scientific level and including the participation of other relevant stakeholders. The Committee also noted with appreciation that the Government of China had undertaken and would continue to undertake, as appropriate, monitoring, assessment and verification activities for by product HFC-23 emissions from HCFC-22 production facilities, covered by paragraph 10 of stage II of the HPPMP Agreement.

***HCFC production phase-out management plan for China: Matters related to HFC-23 (decision 93/100) (decision 95/95)***

The Executive Committee decided to defer further consideration of the matters related to HFC-23 in China to its following meeting.

***HCFC production phase-out management plan for China: 2023 investigation of HCFC feedstock applications (decision 93/101(b)), paragraph 437 of document UNEP/OzL.Pro/ExCom/95/94***

The Executive Committee noted with appreciation the submission, by the Government of China through the World Bank, of the report on the investigation of HCFC feedstock applications in China for 2023.<sup>51</sup>

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<sup>51</sup> Contained in document UNEP/OzL.Pro/ExCom/95/SGP/4

## **Other matters**

***Consideration of the outcome of the half-day session, to be held on 9 December 2024, on strategic approaches to implementation of the Kigali Amendment and the contribution to sustainable cooling of activities supported by the Multilateral Fund, at the 96<sup>th</sup> meeting of the Executive Committee (decision 95/96)***

The Executive Committee decided to hold a half-day session on 25 May 2025, immediately prior to its 96<sup>th</sup> meeting, on the strategic approaches to the Kigali Amendment implementation for sustainable HFC phase down by Article 5 Parties. The Committee also decided to add an item on the summary and outcomes of the discussion in the half-day sessions held to date to the agenda of the 96<sup>th</sup> meeting.

***Request to the Executive Committee set out in paragraph 4 of decision XXXVI/1 of the Thirty-Sixth Meeting of the Conference of the Parties (decision 95/97)***

The Executive Committee decided to request the Secretariat to prepare a paper for the 96<sup>th</sup> meeting on options for a funding modality as referred to in paragraph 4 of decision XXXVI/1 to support a limited number of pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol, guided by the scientific advice of the Advisory Committee of the General Trust Fund for Financing Activities on Research and Systematic Observations Relevant to the Vienna Convention in relation to the location and establishment of new monitoring facilities.

***Dates and venues of the 96<sup>th</sup> to 101<sup>st</sup> meetings of the Executive Committee<sup>52</sup> (decision 95/98)***

The Committee decided to hold the 99<sup>th</sup> meeting from 7 to 11 December 2026, in Montreal, Canada, at ICAO. The Committee also decided to hold the 100<sup>th</sup> meeting from 7 to 11 June 2027, and the 101<sup>st</sup> meeting from 6 to 10 December 2027, in Montreal, Canada, at ICAO.

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<sup>52</sup> UNEP/OzL.Pro/ExCom/95/Inf.4

### Attendance at the 95<sup>th</sup> meeting of the Executive Committee

Executive Committee member countries	Co-opted countries
<b>Article 5</b>	
Argentina	Brazil, Chile, Colombia, Paraguay, Uruguay
Cuba	Dominican Republic, Grenada, Mexico,
Ghana	Botswana, Lesotho, Nigeria, South Africa, Zambia
India	Cambodia, China, Micronesia (Federated States of)
Jordan	Albania, Bosnia and Herzegovina, Indonesia, Maldives, Samoa
Kuwait	Bahrain, Saudi Arabia
Tunisia	Cameroon
<b>Non-Article 5</b>	
Belgium	Netherlands
Canada	Australia
Estonia*	
Italy	Germany, United Kingdom of Great Britain and Northern Ireland
Japan	
Sweden	Finland, Norway
United States of America	

\* Did not attend