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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-seventh Meeting
Montreal, 1-5 December 2025
Item 8(c)(v) of the provisional agenda[1]

THE WORLD BANK BUSINESS PLAN FOR 2026–2028

Introduction

1. This document presents the World Bank business plan for 2026–2028 and includes the planned activities for the reduction of controlled substances and other activities under the Montreal Protocol during the period 2026–2028. The narrative of the World Bank's business plan for 2026–2028 is attached to the present document.

2. This document consists of the following sections:

I. Planned activities during the period 2026–2028

II. Secretariat's comments

III. Proposed adjustments by the Secretariat

IV. Performance indicators

V. Recommendation

I. Planned activities during the period 2026–2028

3. Table 1 sets out, by year, the value of activities included in the World Bank's business plan.

[1] UNEP/OzL.Pro/ExCom/97/1

Table 1. Resource allocation in the World Bank business plan for 2026–2028 (US $)* – as submitted

Description	2026	2027	2028	Total (2026–2028)	Total after 2028
HCFC activities					
Approved HCFC phase-out management plans (HPMPs)	4,494,000	4,932,894	0	9,426,894	1,479,869
HCFC production phase-out management plan (HPPMP) stage III	0	23,540,000	0	23,540,000	23,540,000
HPMP stage III	4,280,000	0	10,700,000	14,980,000	10,700,000
HCFC activities subtotal	**8,774,000**	**28,472,894**	**10,700,000**	**47,946,894**	**35,719,869**
HFC activities					
Approved Kigali HFC implementation plans (KIPs)	3,473,530	4,119,331		7,592,861	1,253,464
KIP stage I	2,140,000	4,280,000	7,490,000	13,910,000	11,770,000
HFC activities subtotal	**5,613,530**	**8,399,331**	**7,490,000**	**21,502,861**	**13,023,464**
Other activities					
Energy efficiency (decision 94/60)	5,350,000	0	0	5,350,000	0
Energy efficiency revolving fund (decision 95/87)	64,200,000	0	0	64,200,000	0
Other activities subtotal	**69,550,000**	**0**	**0**	**69,550,000**	**0**
Standard activities					
Institutional strengthening (IS)	0	0	982,829	982,829	0
Core unit	1,947,145	1,759,375	1,771,691	5,478,211	0
Standard activities subtotal	**1,947,145**	**1,759,375**	**2,754,520**	**6,461,040**	**0**
Total	**85,884,675**	**38,631,600**	**20,944,520**	**145,460,795**	**48,743,333**

* Including agency support costs where applicable.

II. Secretariat's comments

II.1 HCFC activities

Stage III of HPPMP

4. A total of US $23.54 million is planned for stage III of the HPPMP for one country in 2027.

Stage III of HPMPs

5. A total of US $25.68 million is planned for stage III of the HPMP for one country, including US $14.98 million for 2026–2028 and US $10.7 million for the period after 2028.

II.2 HFC-related activities

Stage I of KIPs

6. A total of US $25.68 million is included in the business plan for stage I of KIPs for two countries (including US $13.91 million for 2026–2028 and US $11.77 million for the period after 2028). All these countries have ratified the Kigali Amendment.

II.3 Other activities

Energy efficiency (decision 94/60)[2]

7. A total of US $5.35 million is included in the business plan under the funding window for energy efficiency per decision 94/60 for 2026 for two countries.

Energy efficiency revolving fund for end users (decision 95/87)[3]

8. A total of US $64.2 million is included in the business plan under the funding window for energy-efficiency end-user projects using a revolving fund mechanism for 2026 for three countries. Preparation projects for these countries were approved at the 96th meeting. The Executive Committee will select two projects from all those submitted by agencies under this funding window.

II.4 Core unit costs

9. The core unit costs[4] are expected to increase at an annual rate of 0.7 per cent as agreed.

III. Proposed adjustments by the Secretariat

10. The adjustments to the World Bank business plan for 2026–2028 were based on relevant decisions of the Executive Committee. In reviewing the revised World Bank business plan for 2026–2028, the Secretariat noted that the following adjustments were not included:

Table 2. Adjustments to the World Bank business plan for 2026–2028 (US $)* – as proposed by the Secretariat

Adjustment	2026–2028	After 2028
MYA values to reflect the actual amounts approved under the Agreements, including MYA tranches that are due but have not been submitted to the 97th meeting	186,763	0
Core unit costs to exclude additional core unit funding in the amount of US $200,000 pursuant to decision 93/95(b)	(200,000)	0

* Including agency support costs where applicable.

11. Table 3 presents the results of the Secretariat's proposed adjustments to the World Bank business plan for 2026–2028, which are also addressed in the context of the consolidated business plan of the Multilateral Fund for 2026–2028.[5]

Table 3. Resource allocation in the World Bank's adjusted business plan for 2026–2028 (US $)*

Description	2026	2027	2028	Total (2026–2028)	Total after 2028
HCFC activities					
Approved HPMPs	9,613,657	0	0	9,613,657	1,479,869
HPPMP stage III	0	23,540,000	0	23,540,000	23,540,000
HPMP stage III	4,280,000	0	10,700,000	14,980,000	10,700,000

[2] The Executive Committee established a funding window for projects developed and implemented under the operational framework to support maintaining and/or enhancing energy efficiency while phasing down HFCs.

[3] The Executive 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 (decision 95/87). Subsequently, the modalities were agreed at the 96th meeting (decision 96/51).

[4] The World Bank's 2026 core unit costs will be considered at the 97th meeting (UNEP/OzL.Pro/ExCom/97/84).

[5] UNEP/OzL.Pro/ExCom/97/20

Description	2026	2027	2028	Total (2026–2028)	Total after 2028
HCFC activities subtotal	**13,893,657**	**23,540,000**	**10,700,000**	**48,133,657**	**35,719,869**
HFC activities					
Approved KIPs	5,092,640	2,500,221		7,592,861	1,253,464
KIP stage I	2,140,000	4,280,000	7,490,000	13,910,000	11,770,000
HFC activities subtotal	**7,232,640**	**6,780,221**	**7,490,000**	**21,502,861**	**13,023,464**
Other activities					
Energy efficiency (decision 94/60)	5,350,000	0	0	5,350,000	0
Energy efficiency revolving fund (decision 95/87)	64,200,000	0		64,200,000	0
Other activities subtotal	**69,550,000**	**0**	**0**	**69,550,000**	**0**
Standard activities					
IS	0	0	982,829	982,829	0
Core unit	1,747,145	1,759,375	1,771,691	5,278,211	0
Standard activities subtotal	**1,747,145**	**1,759,375**	**2,754,520**	**6,261,040**	**0**
Total	**92,423,442**	**32,079,596**	**20,944,520**	**145,447,558**	**48,743,333**

* Including agency support costs where applicable.

IV. Performance indicators

12. The World Bank submitted performance indicators pursuant to decision 93/8(d) in its business plan narrative. The Secretariat informed the World Bank of the targets shown in table 4.

Table 4. Performance indicators for the World Bank for 2026

Type of indicator	Short title	Calculation	2026 target
Planning-Approval	Tranches approved	Number of tranches approved vs. those planned*	7
Planning-Approval	Individual projects/ activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)	5
Implementation	Funds disbursed	Based on estimated disbursement in progress reports	23,145,194
Implementation	ODS phase-out for HCFC-related projects	ODS phase-out for HCFC-related projects in ODP tonnes vs. those planned per progress reports	4,776.8 ODP tonnes
Implementation	HFC phase-down for HFC-related projects	HFC phase-down for HFC-related projects in CO_2-eq tonnes vs. those planned per progress reports	1,388,278 CO_2-eq tonnes
Implementation	Project operational completion	Project operational completion vs. planned in progress reports for all activities (excluding project preparation)**	17
Implementation	Gender mainstreaming	Operational policy on gender mainstreaming applied to all approved projects	100%
Administrative	Speed of financial completion	The extent to which projects are financially completed within 12 months after project operational completion	12 months after operational completion
Administrative	Timely submission of project completion reports	Timely submission of project completion reports based on the progress report	0
Administrative	Timely submission of progress reports and business plans	Timely submission of progress reports and business plans and responses unless otherwise agreed	On time

* The targets of an agency will be reduced if it cannot submit a tranche owing to another cooperating agency or lead agency or if the HCFC phase-out management plan or Kigali HFC implementation plan submitted for consideration by the Executive Committee is not approved as a result of factors beyond the control of the national ozone unit and agency.
** The targets of an agency will be reduced if an extension of the completion date has been approved by the Executive Committee.

V. Recommendation

13. The Executive Committee may wish:

(a) To note the World Bank business plan for 2026–2028 contained in document UNEP/OzL.Pro/ExCom/97/25; and

(b) To approve the performance indicators for the World Bank set out in table 4 of document UNEP/OzL.Pro/ExCom/97/25.

2026-2028 BUSINESS PLAN

INVESTMENT AND NON-INVESTMENT OPERATIONS FUNDED BY THE MULTILATERAL FUND OF THE MONTREAL PROTOCOL

Presented to the
97th Meeting of the Executive Committee
of the Multilateral Fund

Submitted October 6, 2025

I. MULTILATERAL FUND TARGETS

A. Meeting the Objectives of the Multilateral Fund

1. The three-year rolling Business Plan for the World Bank has been prepared on the basis of approved and projected funding needs of client countries covering the years 2026-2028.

2. The objectives of the proposed 2026-2028 Business Plan for the World Bank are to:

a) Assist Article 5 countries in sustaining the 67.5% HCFC consumption and production phase-out reduction from the baseline starting 1st January 2025, and also to meet the extended HCFC phase-out commitment under each country's Agreement with the Executive Committee.

b) Assist Article 5 countries to prepare and implement stage III HCFC phase-out management plans.

c) Assist Article 5 countries to prepare and implement their Kigali implementation plans to sustain the freeze obligation from 2024 and to meet the 10% reduction obligations starting 1st January 2029 for the phase-down of HFC in accordance with the Kigali Amendment.

d) Assist Article 5 countries to prepare and implement approved and planned energy efficiency activities under decision 91/65, 94/60, and 95/87 and national inventory of banks of controlled substances and development of a national action plan under decision 91/66.

e) Ensure Article 5 partner countries' implementation of institutional strengthening (IS) activities.

3. The proposed 2026-2028 Business Plan of the World Bank includes annual work programs of sector plans and national plans, previously approved and planned, to phase out HCFCs in both consumption and production, as well as the renewal of the institutional strengthening activities. The Bank's Business Plan also includes a number of activities related to energy efficiency such as energy efficiency revolving fund for end users and national inventories of unwanted controlled substances in light of the approved decisions.

4. The expected impacts of approved investment activities for the 2026-2028 period are summarized in Table I – 1, below. Total phase-out impact for HPMP Stage II & III is 1,501 ODP tons will be achieved by 2027 through the ongoing implementation of previously approved multi-year projects in the consumption sectors. With respect to the Kigali HFC implementation plans (KIPs), the impact of the approved Stage I KIPs is 1,157 MT of HFCs.

Table I-1: Expected impact of approved investment activities anticipated to be requested.
by the World Bank for the years 2026-2028

	2026	**2027**	**2028**	**Total**
HCFC Sector Plans Stage II & III (ODP tonnes)	660	53	0	713
KIP Stage I (MT)	529	628	0	

Strategic approach to HCFC phase-out and HFC-phase-down activities in the proposed 2026-2028 Business Plan

5. Energy Efficiency Revolving Fund for end users: The US$ 40 million funding window under decision 95/87 provides a unique opportunity to address existing installations of HFC-based refrigeration and air-conditioning equipment end users on a national scale….

6. Sustain HCFC Production and Consumption Phase-out: With the upcoming completion of Stage II of the HCFC production phase-out management plan in 2026, China would have reduced their production quota for controlled uses by more than 200,000 metric tons and phased out all HCFC-141b production for controlled use. Nevertheless, China would still need to phase out about 150,000 HCFC production for controlled uses after 2026. Furthermore, China, as the World's largest exporter of HCFCs, would need to carefully manage its HCFC production phase-out to support and sustain phase-out efforts in China and other Article 5 countries that rely on China HCFC exports. Given HCFC consumption would still be needed to service existing refrigeration and air conditioning equipment, HCFC production after 2026 and beyond, the production phase-out needs to balance with the servicing demand.

7. Similar to HCFCs production, China is the world's largest producer of HFCs with reported 2022 production at 1.58 billion tons CO_2-eq tonnes which is approximately 94% share of global HFC production. This amplifies China's critical role as a global supplier of HFCs and the needs to assist China in managing HFC production phase-down to support HFC phase-down efforts by Article 5 parties while minimizing negative economic impact.

B. Resource Allocation in 2026

8. The proposed 2026 Business Plan includes deliverables of six investment activities in the following four countries: China, Indonesia, Malaysia, and Thailand. The total amount of funding requested for ongoing and new investment activities in the proposed 2026 Business Plan is US$19.71 million.

9. The funding distribution for ongoing and new investment activities included in the proposed 2026 Business Plan is summarized below.

Table I-3: Summary of funding distribution for investment activities in the proposed 2026 World Bank Business Plan

	Total amount of funds requested in 2026[1]	Percent of total	Estimated impact in 2025
HCFC Sector Plans Stage II & III	9,816,763	16.3%	719 ODP T
Kigali Implementation Plan Stage I	5,613,530	9.3%	929 MT
Energy Efficiency improvement under 94/60	2,140,000	3.5%	
Energy Efficiency Revolving Fund for end users	42,800,000[2]	70.9%	
Total	60,370,293	100.0%	

10. The total deliverables contained in the proposed 2026 World Bank Business Plan, including investment, non-investment and preparatory activities amounts to US$xx.xx million (including agency support costs and core unit costs). The breakdown of the total deliverables is summarized below.

[1] Figures include agency support costs
[2] Based on a funding window of US $40 million for two energy-efficiency end-user projects in accordance with decision 95/87

Table I-4: Summary of all activities included in the proposed.
2026 World Bank Business Plan

Type of activity included in the proposed 2026 Business Plan	Number of activities	Amount requested[1]
HCFC Sector Plans Stage II & III	2	8,774,000
Kigali Implementation Plan Stage I	2	5,613,530
Energy Efficiency Revolving Fund for end users	3	42,800,000[2]
Core Unit Cost	1	1,947,145
Total	8	59,134,675

C. Resource Allocation Beyond 2026

11. The breakdown of the resource allocation beyond 2026 in the 2026-2028 Business Planning is summarized below.

Table I-5: World Bank's proposed resource allocation plan for 2027-2028

Type of activity	Total amount of funds requested in 2027	Estimated impact in 2027	Total amount of funds requested in 2028	Estimated impact in 2028
HCFC Sector Plan Stage III	4,932,894	52.69 ODP T	10,700,000	147.81 ODP T
HCFC Production Sector Plan Stage III	23,540,000	4,146 ODP T		
Kigali HFC Implementation Plan	8,399,331	1,228.11 MT	7,490,000	800.00 MT
Energy Efficiency Project	648,215	-		
Core Unit Cost	1,771.69	-	1,784,092	-
Total	**37,522,211.69**	**4,198.69 ODP T 1,228.11 MT**	**19,974,092**	**147.81 ODP T 800.00 MT**

II. PLANNED BUSINESS ACTIVITIES

A. Ongoing Approved Activities

12. Investment projects for which funding is requested in the 2026-2028 BP: As of September 2025, the World Bank's Montreal Protocol portfolio consists of five ongoing multi-year projects for which funding will be solicited in 2026-2028: three HCFC phase-out management plans in China, Thailand, and Viet Nam; and four Kigali implementation plans for Indonesia, Malaysia, Thailand and Viet Nam.

13. Non-investment projects and activities: As of September 2025, the World Bank's portfolio includes four (4) activities: one (1) ongoing institutional strengthening project (ISP), two (2) preparation activities for HPMP stage III and Kigali HFC implementation plan, three (3) preparation activities for energy efficiency revolving fund, and one (1) preparation activity for pilot project to enhance energy efficiency and further reduce CO2 emissions in the domestic refrigeration sector. There will be one new preparation activity for national inventories and life-cycle refrigerant management in Malaysia that has been submitted for consideration by the 97th ExCom.

B. Program Expansion in 2026 and Beyond

14. A list of detailed new and approved activities to be implemented during 2026-2028, their associated levels of funding, projected ODP impact and country specific remarks is submitted as a separate table.

New submissions

15. Preparation of Kigali implementation plans for Thailand are ongoing and expected to be ready for submission to the first meeting of Executive Committee in 2026 along with Thailand HPMP Stage III. The Kigali implementation plans for Indonesia is expected to be submitted to the Executive Committee in 2027.

16. The submission of HPPMP Stage III for China is planned for 2027.

C. Measures to Expedite Implementation of Approved Projects and Those Critical to Compliance

17. The Bank will continue to organize East Asia regional workshops in 2026 for technical and procedural guidance to partner countries from the World Bank and external experts, exchange of views, and cross-fertilization on efficient and effective HCFC phase-out implementation. This regional workshop will include an important topic revolving around the Kigali Amendment to phase-down HFCs including: the needs for a robust licensing and quota system, technology roadmap and HFC phase-down scenarios. In addition, the workshop will discuss opportunities and challenges in scaling up energy efficiency enhancement while phasing down HFCs under MLF EE operational framework and also potential approaches to set up energy efficiency revolving fund for end users.

18. The Bank is planning to organize a workshop in 2026 to promote synergy between climate, energy efficiency, ozone activities with theme on sustainable cooling and energy efficiency revolving fund. The workshop will be complemented by sector-specific technical reviews of new and emerging low-GWP alternatives by the Bank's Ozone Operations Resource Group directed towards the specific needs of partner countries.

19. Lastly, the World Bank is exploring means to better integrate the MP agenda into its main line of work. Beyond the identification of synergies in the Bank's larger lending portfolio, there will be continuing efforts in 2026 to seek out concrete opportunities that allow ODS sector phase-out and HFC phase-down to be twinned with new projects aiming for green growth and improving energy efficiency in industry, energy, agriculture, infrastructure, and other sectors.

III. PERFORMANCE INDICATORS

20. As per Decision 93/8, the following performance indicators are included in the World Bank's 2026-2028 Business Plan:

A. Planning--Approval Performance Indicators

21. Number of tranches of multi-year agreements approved vs. those planned (Weighting: 10)

Table III-1: Number of annual programs of multi-year agreements planned for 2026

Item	Planned for 2026	Remarks
Tranches of previously approved multi-year agreements to be presented to ExCom in 2026	2	HCFC Phase-out Plan (China), KIP (Malaysia)

22. Number of individual projects/ activities (investment, demonstration projects, TAS, IS) approved vs. those planned. (Weighting: 10)

Table III-2: Number of individual projects/ activities planned for 2026

Item	Planned for 2026	Remarks
Number of projects/ activities (investment and demonstration projects, TAS, PRP, IS) approved vs. those planned	5	– 2 HCFC Stage III and KIP Implementation Plan (Thailand) – 2 Energy Efficiency Revolving Fund for end users – 1 Pilot project to enhance energy efficiency and further reduce CO2 emissions in the domestic refrigeration sector (Indonesia)

B. Implementation Performance Indicators

23. Funds disbursed (Weighting: 15). In 2026, the World Bank is targeting disbursement of $ 17.99 million.

24. ODS phased-out for HCFC-related projects in ODP tonnes vs. those planned per progress reports (Weighting: 10): In 2026, the World Bank expects to phase out a total of 788.19 ODP tons through implementation of approved multi-year projects.

25. HFC phase-down for HFC-related projects in CO_2-eq tonnes vs. those planned per progress reports (Weighting: 10): In 2026, the World Bank expects to phase down a total of 876,075 CO_2-eq tonnes through implementation of approved multi-year projects.

26. Project operational completion vs. those planned in progress reports for all activities (excluding project preparation) (Weighting: 15): In 2026, the World Bank expects to bring to completion a total of six (6) individual project activity.

27. Operational policy on gender mainstreaming: In 2026, the World Bank expects to apply gender mainstreaming to three approved projects

C. Administrative Performance Indicators

28. Speed of financial completion after project completion (Weighting: 10): The Bank has set its target for financial completion of all project activities completed in 2026 within 12 months at 90%.

29. Timely submission of project completion reports (Weighting: 5): The Bank plans to submit two (2) project completion reports as agreed with the Senior Monitoring and Evaluation Officer.

30. Timely submission of progress reports and responses unless otherwise agreed (Weighting: 5): The Bank plans to submit its 2025 Progress Report by the agreed deadline.

31. A summary of the World Bank's 2026 performance indicators is included in Table III-3 below.

Table III-3: Summary of World Bank's 2026 performance indicators

Category of Performance Indicator	Title	Weighting	2026 Target
Planning -- Approval	Tranches approved vs. those planned	10	2
	Individual projects/activities approved vs. those planned (including project preparation activities)	10	5
Implementation	Funds disbursed based on estimated disbursement in progress report	15	17,987,381
	ODS phase-out for HCFC-related projects in ODP tonnes vs. those planned per progress reports	10	788.19
	HFC phase-down for HFC-related projects in CO2-eq tonnes vs. those planned per progress reports	10	876,075
	Project operational completion vs. planned in progress reports for all activities (excluding preparation)	15	6
	Operational policy on gender mainstreaming applied to all approved projects	10	3
Administrative	Speed of financial completion after project completion	10	90%
	Timely submission of project completion reports	5	2
	Timely submission of progress reports	5	On time