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

**UPDATE ON THE STATUS OF IMPLEMENTATION OF THE 2025–2027 CONSOLIDATED
BUSINESS PLAN OF THE MULTILATERAL FUND
AND FINANCIAL PLANNING FOR THE TRIENNIUM 2024–2026**

Introduction

1. This document consists of:

Part I: An update on the status of the implementation of the 2025–2027 business plan

Part II: Financial planning: Resource allocation for the 2024–2026 triennium

Recommendation

I. Update on the status of the implementation of the 2025–2027 business plan

2. At its 95th meeting, the Executive Committee endorsed the 2025–2027 consolidated business plan of the Multilateral Fund. In response to decision 95/27, the Secretariat adjusted the consolidated 2025–2027 business plan, as shown in table 1.

Table 1. Resource allocation of the adjusted 2025–2027 consolidated business plan of the Multilateral Fund (US \$)*

Description	2025	2026	2027	Total (2025–2027)
HCFC activities				
Approved HCFC phase-out management plans (HPMPs)	56,520,741	67,316,489	33,313,171	157,150,401
HPMP stage II – preparation	110,900	0	0	110,900
HPMP stage II	1,913,851	1,690,836	775,205	4,379,892
HPMP stage III – preparation	318,340	42,800	0	361,140
HPMP stage III	9,221,502	6,720,339	22,499,633	38,441,474
HPMP stage IV	0	3,691,000	5,537,000	9,228,000

¹ UNEP/OzL.Pro/ExCom/97/1

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

Description	2025	2026	2027	Total (2025–2027)
HCFC production phase-out management plan (HPPMP) stage III – preparation	321,000	0	0	321,000
HPPMP stage III	0	0	23,540,000	23,540,000
HPMP verification**	588,600	588,600	588,600	1,765,800
HPMP – energy efficiency (decision 89/6)	3,328,995	558,112	76,000	3,963,107
HCFC activities subtotal	72,323,929	80,608,176	86,329,609	239,261,714
HFC activities				
Approved Kigali HFC implementation plans (KIPs)	10,127,716	6,689,529	25,853,153	42,670,398
Approved HFC-23 emission control	519,900	584,100	552,371	1,656,371
Enabling activities for HFC phase-down	428,000	0	0	428,000
Kigali HFC implementation plan for the production sector stage I – preparation	321,000	0	0	321,000
KIP stage I – preparation	3,378,021	926,893	100,000	4,404,913
KIP stage I	24,739,456	16,818,239	39,876,189	81,433,885
KIP stage I – investment	0	339,000	0	339,000
HFC investment preparation	85,600	0	0	85,600
HFC investment	0	96,000	0	96,000
HFC demonstration	650,000	0	0	650,000
HFC-23 investment	0	8,000,000	0	8,000,000
HFC – technical assistance	678,000	0	0	678,000
HFC activities subtotal	40,927,693	33,453,761	66,381,713	140,763,167
Other activities				
Energy efficiency manufacturing (decision 94/60)	2,354,000	4,280,000	0	6,634,000
Pilot demonstration projects for energy efficiency (decision 91/65)	5,370,000	0	0	5,370,000
Pilot investment projects for energy efficiency (decision 91/65)	1,880,000	0	0	1,880,000
National inventories of banks of waste-controlled substances preparation (decision 91/66)	3,346,247	0	0	3,346,247
Other activities subtotal	12,950,247	4,280,000	0	17,230,247
Standard activities				
Compliance Assistance Programme (CAP)	12,113,777	12,310,330	12,679,640	37,103,747
Core unit	6,641,293	6,083,582	6,126,167	18,851,043
Institutional strengthening (IS)	5,898,152	22,008,918	17,095,016	45,002,085
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	8,280,544	7,949,674	8,018,727	24,248,945
Treasurer	500,000	500,000	500,000	1,500,000
Standard activities subtotal	33,433,766	48,852,504	44,419,550	126,705,820
Total	159,635,634	167,194,441	197,130,873	523,960,948
By agency				
Australia	463,113	0	105,090	568,203
France	671,075	0	0	671,075
Germany	1,191,480	5,769,916	1,675,197	8,636,593
United Kingdom of Great Britain and Northern Ireland (the)	533,900	0	0	533,900
UNDP	37,604,225	62,114,178	46,675,877	146,394,281
UNEP	38,121,523	35,574,374	30,739,664	104,435,561
UNIDO	48,279,677	41,880,004	58,533,404	148,693,084
World Bank	23,401,497	12,817,695	50,294,313	86,513,506
HPMP verification**	588,600	588,600	588,600	1,765,800
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	8,280,544	7,949,674	8,018,727	24,248,945
Treasurer	500,000	500,000	500,000	1,500,000

* Including agency support costs where applicable.

** Funding for the preparation of HPMP verification reports for low-volume-consuming countries is approved by the Executive Committee on an annual basis.

Status of implementation of the 2025 business plan

3. The total business plan value for 2025 amounts to US \$159,635,634. Of this amount, US \$38,076,531 has been approved at the 96th meeting. In addition, activities amounting to US \$116,794,673 would be considered at the 97th meeting; if funding for all project proposals submitted as requested are approved, a balance of US \$4,764,430 would be available from the 2025 business plan, as shown in table 2.

Table 2. 2025 consolidated business plan, approvals at the 96th meeting, projects recommended to the 97th meeting, and balance (US \$)*

Budget items	Total value in business plan	Approvals at the 96 th meeting	Activities recommended to the 97 th meeting	Balance (above)/below
Bilateral agencies	2,859,568	444,025	877,135	1,538,408
UNDP	37,604,225	8,967,086	17,637,857	10,999,282
UNEP	38,121,523	5,582,925	21,325,465	11,213,133
UNIDO	48,279,677	18,000,378	60,769,526	-30,490,227
World Bank	23,401,497	4,680,117	7,404,145	11,317,235
HPMP verification	588,600	402,000	0	186,600
Subtotal (agencies)	150,855,090	38,076,531	108,014,129	4,764,430
Secretariat/Executive Committee/Monitoring and Evaluation (excluding Canadian counterpart)	8,280,544	0	8,280,544	0
Treasurer	500,000	0	500,000	0
Subtotal (standard costs)	8,780,544	0	8,780,544	0
Total	159,635,634	38,076,531	116,794,673	4,764,430

* Including core unit costs.

4. The value of project proposals recommended to the 97th meeting of US \$108,014,129 is US \$14,136,621 above its value in the 2025 business plan and includes US \$10,304,295 associated with project proposals not included in the 2025 business plan.²

5. The value of HFC-related activities recommended to the 97th meeting is US \$12,667,813, of which US \$1,557,729 is associated with project proposals not included in the 2025 business plan.

6. The value of projects recommended to the 97th meeting under the funding window for pilot projects for energy efficiency pursuant to decision 91/65 is US \$3,987,881. Taking into account approvals from the 92nd to the 96th meetings of US \$10,349,589, and the values recommended to the 97th meeting, the remaining funding available under this funding window is US \$5,662,530.

7. The value of projects recommended to the 97th meeting under the funding window for energy efficiency pursuant to decision 94/60 is US \$21,262,663. Taking into account approvals at the 95th and

² One energy-efficiency project under decision 89/6 for Senegal (UNEP); stage III of the HPMPs for Bangladesh (UNDP), Cameroon (UNIDO) and Egypt (UNEP and UNIDO); one IS project for Bosnia and Herzegovina (UNIDO); stage I of KIPs for Oman (UNEP and UNIDO) and Turkmenistan (UNIDO); two project preparation activities for stage I of KIPs for Bahrain (UNDP) and Kuwait (UNDP); seven verification projects for stage I of KIPs for Albania (UNIDO), the Congo (UNIDO), Cuba (UNDP), Kyrgyzstan (UNDP), Malawi (UNEP), Mozambique (UNEP) and North Macedonia (UNIDO); and 16 project preparation activities for national inventories of banks of waste-controlled substances under decision 91/66 for Algeria (UNIDO), Angola (UNDP), Argentina (UNIDO), Cabo Verde (UNIDO), the Central African Republic (UNIDO), the Comoros (UNIDO), the Democratic Republic of the Congo (UNIDO), Equatorial Guinea (UNIDO), Gabon (UNIDO), Guinea (UNIDO), Jordan (UNEP), Morocco (UNIDO), Papua New Guinea (Germany), the Philippines (UNIDO), Sao Tome and Principe (UNIDO), and Tunisia (UNIDO).

96th meetings of US \$771,137, and the values recommended to the 97th meeting, the remaining funding available under this funding window is US \$77,966,200.

8. The value of projects recommended to the 97th meeting under the funding window for the preparation of national inventories of banks of waste-controlled substances pursuant to decision 91/66 is US \$2,674,620, including US \$1,459,010 that is not included in the 2025 business plan.

Forward commitments

9. The total amount for existing forward commitments for multi-year agreements (MYAs) for the period 2025 to 2031 is US \$329.95 million, assuming that the funding requests of MYAs submitted to the 97th meeting will be approved in principle, as shown in table 3.

Table 3. Forward commitments (2025–2031) (US \$000)

Description	2025	2026	2027	2028	2029	2030	2031	Total
Approved in principle	90,377	74,593	67,051	25,286	16,806	20,108	685	294,905
Submitted to 97 th meeting	15,408	0	13,888	2,210	1,261	2,275	0	35,041
Total	105,785	74,593	80,938	27,495	18,067	22,382	685	329,946

Tranche submission delays

10. Thirty-three out of 69 activities (21 out of 41 countries) associated with tranches of HPMPs or KIPs due for submission to the 97th meeting were not submitted. Annex I lists the outstanding tranches that are expected to be submitted to the 98th meeting.³

II. Financial planning: Resource allocation for the 2024–2026 triennium

11. The Secretariat has prepared the financial planning for the 2024–2026 triennium taking into consideration decision XXXV/1 of the Thirty-Fifth Meeting of the Parties on the level of replenishment of the Fund, and the commitments and resource availability in the light of expected cash flow during the triennium.

12. The resources approved by the Parties to the Montreal Protocol for the 2024–2026 triennium amount to US \$965,000,000. Taking into account the approvals in 2024 and at the 96th meeting of US \$222,222,826, the submissions to the 97th meeting including Secretariat/Executive Committee and Treasurer costs of US \$116,794,673, the remaining resource allocation for 2026 is US \$625,982,501.

Table 4. Resource allocation for the 2024–2026 triennium

Description	Amount (US \$)
Total budget for the 2024–2026 triennium	965,000,000
2024 approvals (94 th and 95 th meetings) including Secretariat/Executive Committee/Monitoring and Evaluation/Treasurer	184,146,295
96 th meeting approvals	38,076,531
97 th meeting submissions	108,014,129
2025 Secretariat/Executive Committee/Monitoring and Evaluation/Treasurer	8,780,544
Resources available for 2026	625,982,501

³ The document on tranche submission delays would be submitted at the first Executive Committee meeting of the year (decision 95/91(c)).

II.1 Possible factors impacting financial planning and cash flow during the 2024–2026 triennium

13. The cash flow of the Multilateral Fund for the 2024–2026 triennium is influenced by several factors, *inter alia*: receipt of agreed 2024–2026 pledged contributions; payment of contributions in arrears included in the carry-over; interest to be accrued; the loss/gain due to the fixed-exchange rate mechanism (FERM); and the balances returned from cancelled or completed projects. The following paragraphs provide forecasted information for the 2024–2026 triennium based on actual data from 2024 and 2025.

Receipt of agreed pledged contributions

14. Based on the rate of contributions received in the current triennium for 2024 and 2025 (i.e., 95.6 per cent), of the US \$525.6 million of pledged contribution, US \$502.5 million is estimated to be received during the 2024–2026 triennium, including US \$168 million in 2026.

Payment of outstanding contributions in arrears included in the carry-over

15. The estimated carry-over towards the 2024–2026 triennium from the 2021–2023 triennium is approximately US \$428.7 million, including US \$2 million of outstanding contributions expected to be collected.

Potential interest accrued during the 2024–2026 triennium

16. Based on the cash balance in 2024 and 2025 and using the average interest collected for 2024 and up to 21 October 2025, it might be expected that the interest accrued during the 2024–2026 triennium would amount to US \$110 million.

Gains/losses due to the FERM

17. In 2024, the US dollar has strengthened against most other currencies and the FERM loss was US \$946,507; however, in 2025, the US dollar was weakened against most other currencies and the FERM gain was US \$1,159,808, hence net gain of US \$213,301 as at 10 November 2025. In 2026, the situation might change and a conservative estimate for 2026 will be a FERM loss of US \$300,000, hence a net loss of US \$100,000 for the triennium 2024–2026.

Potential balances returned from cancelled or completed projects

18. It is difficult to calculate the potential total funds associated with the return of balances from cancelled or completed projects during the 2024–2026 triennium. The funds and interests returned for 2024 were US \$7,893,778 and US \$926,271 for the 96th meeting. US \$6.28 million is expected to be returned for funds and interests at the 97th meeting. Bilateral and implementing agencies are strongly encouraged to immediately return all the balances for those projects which have been operationally completed or cancelled.

Recommendation

19. The Executive Committee may wish to note:

- (a) The update on the status of implementation of the 2025–2027 consolidated business plan of the Multilateral Fund and financial planning for the triennium 2024–2026 contained in document UNEP/OzL.Pro/ExCom/97/19; and
- (b) That the total value of activities recommended to the 97th meeting amounts to US \$108,014,129 (including US \$12,667,813 for HFC-related activities; US \$3,987,881

for pilot projects for energy efficiency pursuant to decision 91/65; US \$21,262,663 for energy-efficiency projects pursuant to decision 94/60; and US \$2,674,620 for the preparation of national inventories of banks of waste-controlled substances pursuant to decision 91/66), of which US \$10,304,295 is associated with project proposals not included in the 2025 business plan.

Annex I

OUTSTANDING TRANCHES EXPECTED TO BE SUBMITTED TO THE 98TH MEETING

Country	Sector	Agency	Tranche	Amount including support costs (US\$)
Afghanistan	HCFC phase-out plan (stage II)	UNIDO	2025	300,135
Bahamas (the)	HCFC phase-out plan (stage II)	UNEP	2025	85,315
		UNIDO	2025	145,057
Benin	HCFC phase-out plan (stage II)	UNEP	2025	236,100
Cabo Verde	HCFC phase-out plan (stage II)	UNEP	2024	148,030
Democratic Republic of the Congo (the)	HCFC phase-out plan (stage II)	UNEP	2024	180,267
		UNDP	2024	225,235
Fiji	HCFC phase-out plan (stage II)	UNDP	2025	148,730
		UNEP	2025	106,107
Grenada	HCFC phase-out plan (stage II)	UNEP	2025	44,861
		UNIDO	2025	13,161
Guyana	HCFC phase-out plan (stage II)	UNDP	2023	37,450
		UNEP	2023	51,415
Indonesia	HCFC phase-out plan (stage III)	Australia	2025	463,113
		UNDP	2025	5,794,084
Iraq	HCFC phase-out plan (stage II)	UNEP	2023	730,610
		UNIDO	2022 and 2023	722,250
Kenya	HCFC phase-out plan (stage II)	France	2023	671,075
Kuwait	HCFC phase-out plan (stage II)	UNEP	2025	299,298
		UNIDO	2025	64,200
Malaysia	Kigali HFC implementation plan (stage I)	World Bank	2025	3,473,530
Mauritius	HCFC phase-out plan (stage I)	Germany	2023	75,343
Niger (the)	HCFC phase-out plan (stage II)	UNEP	2025	95,485
		UNIDO	2025	177,620
Nigeria	HCFC phase-out plan (stage II)	UNDP	2025	1,723,205
Qatar*	HCFC phase-out plan (stage II)	UNEP	2025	77,970
		UNIDO	2025	64,200
Syrian Arab Republic (the)	HCFC phase-out plan (stage I)	UNEP	2024 and 2025	618,121
		UNIDO	2024	924,965
Thailand	HCFC phase-out plan (stage II)	World Bank	2022	186,763
Timor-Leste	HCFC phase-out plan (stage II)	UNDP	2025	15,173
		UNEP	2025	23,594
Venezuela (Bolivarian Republic of)*	HCFC phase-out plan (stage II)	UNIDO	2025	526,654

* Submitted but subsequently withdrawn.