

**United Nations
Environment
Programme**Distr.
GENERALUNEP/OzL.Pro/ExCom/97/20
6 November 2025

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-seventh Meeting
Montreal, 1-5 December 2025
Item 8(b) of the provisional agenda¹

CONSOLIDATED BUSINESS PLAN OF THE MULTILATERAL FUND FOR 2026–2028**Introduction**

1. This document presents the consolidated business plans of the Multilateral Fund for 2026–2028 and comprises the business plans for 2026–2028 of bilateral agencies,² UNDP,³ UNEP,⁴ UNIDO⁵ and the World Bank⁶ submitted to the 97th meeting.⁷
2. This business plan document presents the resource allocation plan for the next three years. The plan is expected to result in continued implementation of HCFC phase-out activities including energy-efficiency related components pursuant to decision 89/6, implementation of HFC phase-down activities, continued implementation of HFC-23 emission control activities, projects related to energy efficiency pursuant to decisions 91/65, 94/60 and 95/87, and continued implementation of other standard activities for the management of Montreal Protocol projects.
3. This document consists of the following sections:
 - I. Resource allocation in the business plan for 2026–2028
 - II. Secretariat's comments
 - III. Adjustments to the consolidated business plan of the Multilateral Fund for 2026–2028

¹ UNEP/OzL.Pro/ExCom/97/1

² UNEP/OzL.Pro/ExCom/97/21

³ UNEP/OzL.Pro/ExCom/97/22

⁴ UNEP/OzL.Pro/ExCom/97/23

⁵ UNEP/OzL.Pro/ExCom/97/24

⁶ UNEP/OzL.Pro/ExCom/97/25

⁷ The database for the Consolidated Business Plan is provided on the 97th meeting portal on the Multilateral Fund's website, in the spreadsheet programme, Microsoft Excel.

IV. Other policy issues

V. Recommendation

I. Resource allocation in the business plan for 2026–2028

4. The Secretariat and the bilateral and implementing agencies began their collaborative efforts on the business planning of the Multilateral Fund for 2026–2028 on 8 September 2025 when the initial business plan tables were submitted.⁸ Subsequently, bilateral and implementing agencies revised their business plan tables and resubmitted them with the narrative sections. The total value of the revised business plan for 2026–2028 is summarized in table 1.

5. Table 1 presents, by year, the value of activities included in the business plan for 2026–2028. At their Thirty-Fifth Meeting, the Parties to the Montreal Protocol adopted a budget for the Multilateral Fund for the 2024–2026 triennium of \$965,000,000,⁹ with an annual budget of US \$321,666,667 for each year of the triennium.

Table 1. Resource allocation in the 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)	75,244,046	39,858,679	21,882,017	136,984,742	25,902,791
HCFC production phase-out management plan (HPPMP) stage III	0	23,540,000	0	23,540,000	23,540,000
HPMP stage II – project preparation (PRP)	50,850	0	0	50,850	0
HPMP stage II	522,553	2,608,262	670,637	3,801,453	2,671,736
HPMP stage III – PRP	182,150	42,800	0	224,950	0
HPMP stage III	8,481,202	11,287,340	26,846,598	46,615,141	23,322,527
HPMP stage IV	3,841,000	5,537,000	0	9,378,000	0
HPMP – energy efficiency (decision 89/6)	2,138,928	288,540	0	2,427,468	0
HPMP verification	588,600	588,600	588,600	1,765,800	0
HCFC activities subtotal	91,049,330	83,751,221	49,987,853	224,788,404	75,437,054
HFC activities					
Approved Kigali HFC implementation plans (KIPs)	8,443,944	34,059,163	2,968,650	45,471,757	10,422,844
Approved HFC-23 emission control	584,100	552,371	509,571	1,646,042	1,170,921
KIP stage I – PRP	3,805,645	937,617	0	4,743,262	0
KIP stage I	13,567,366	18,200,479	29,988,631	61,756,476	68,613,235
KIP stage I – investment	0	339,000	0	339,000	0
HFC investment	941,600	0	2,140,000	3,081,600	0
HFC-23 investment	0	8,000,000	0	8,000,000	0
KIP verification	1,275,300	0	0	1,275,300	0
HFC activities subtotal	28,617,955	62,088,630	35,606,852	126,313,437	80,207,000
Other activities					
Pilot projects for energy efficiency – preparation (decision 91/65)	187,400	0	0	187,400	0
Pilot projects for energy efficiency (decision 91/65)	9,680,000	6,149,000	0	15,829,000	0

⁸ The total initial business plan values for 2026–2028 were US \$568.5 million and the total after 2028, US \$155.54 million.

⁹ Decision XXXV/1

Description	2026	2027	2028	Total (2026–2028)	Total after 2028
Energy efficiency (decision 94/60) – preparation	53,500	0	0	53,500	0
Energy efficiency (decision 94/60)	11,770,000	0	0	11,770,000	0
Energy efficiency revolving fund (decision 95/87)	84,200,000	0	0	84,200,000	0
National inventories of banks of waste-controlled substances – PRP (decision 91/66)	90,400	0	0	90,400	0
Other activities subtotal	105,981,300	6,149,000	0	112,130,300	0
Standard activities					
Institutional strengthening (IS)	19,593,580	19,545,691	5,717,815	44,857,085	0
Compliance Assistance Programme (CAP)	12,650,848	13,030,373	13,421,285	39,102,506	0
Core unit	6,259,037	6,101,450	6,144,160	18,504,646	0
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	7,949,674	8,018,727	8,356,114	24,324,515	
Treasurer	500,000	500,000	500,000	1,500,000	
Standard activities subtotal	46,953,138	47,196,240	34,139,374	128,288,753	0
Total	272,601,723	199,185,091	119,734,079	591,520,893	155,644,054
Indicative budget**	321,666,667	321,666,667	321,666,667	965,000,000	
Difference	(49,064,944)	(122,481,576)	(201,932,588)	(373,479,107)	

* Including agency support costs where applicable.

** Based on the replenishment level for 2024–2026 of US \$965 million pursuant to decision XXXV/1.

II. Secretariat's comments

II.1 HCFC activities

Stage III of HPPMP

6. A total of US \$47.08 million is planned for stage III of the HPPMP for one country, including US \$23.54 million for 2026–2028 and US \$23.54 million for the period after 2028.

Stage II of HPMPs

7. The total level of funding for stage II of the HPMPs for nine low-volume-consuming (LVC) countries to meet 100 per cent reduction of the HCFC baseline amounts to US \$3.45 million, including US \$1.99 million for 2026–2028 and US \$1.47 million for the period after 2028.

8. The total level of funding for stage II of the HPMPs for three non-LVC countries amounts to US \$3.02 million (including US \$1.82 million for 2026–2028 and US \$1.2 million for the period after 2028).

9. A total of US \$50,850 is included in the business plan for project preparation of stage II of the HPMPs for two countries for 2026.

Stage III of HPMPs

10. The total level of funding for stage III of the HPMPs for five LVC countries to meet 100 per cent reduction of the HCFC baseline amounts to US \$1.5 million, including US \$1.28 million for 2026–2028 and US \$222,251 for the period after 2028.

11. The total level of funding for stage III of the HPMPs for 14 non-LVC countries amounts to US \$68.44 million (including US \$45.34 million for 2026–2028 and US \$23.1 million for the period after 2028).

12. A total of US \$224,950 is included in the business plan for project preparation for stage III of the HPMPs for four countries for 2026–2027.

Stage IV of HPMPs

13. A total of US \$9.38 million is planned for stage IV of the HPMP for one country for 2026–2027. Project preparation for this activity was approved at the 95th meeting.

Energy efficiency for LVC countries (decision 89/6)¹⁰

14. A total of US \$2.43 million is included in the business plan for energy efficiency activities for 24 LVC countries for 2026–2027.

HPMP verification

15. The Secretariat has included an amount of US \$588,600 per year for verification reports,¹¹ assuming that 18 reports, each at a cost of US \$32,700, will be prepared (US \$1.77 million for 2026–2028).

II.2 HFC activities

Project preparation for stage I of KIPs

16. A total of US \$4.74 million is included in the business plan for project preparation for stage I of KIPs for 24 countries in 2026–2027.

17. Of the 24 countries for which project preparation for stage I of KIPs have been included (16 countries for group 1 and eight countries for group 2), 15 countries have not yet ratified the Kigali Amendment but have submitted the required letter from their respective Government indicating their intent to make best efforts to ratify the Kigali Amendment.

Stage I of KIPs

18. A total of US \$130.37 million is included in the business plan for stage I of KIPs¹² for 45 countries (including US \$61.76 million for 2026–2028 and US \$68.61 million for the period after 2028). In addition, the business plan also included KIP investment projects for one country amounting to US \$339,000 in 2027. All these countries have ratified the Kigali Amendment.

HFC investment

19. A total of US \$3.08 million is included in the business plan for HFC investment projects for two countries in 2026–2028. These countries have ratified the Kigali Amendment.

¹⁰ Decision 89/6 allowed bilateral and implementing agencies, when submitting existing and future stages of HPMPs for LVC countries, to include the funding associated with the need for the introduction of alternatives to HCFCs with low- or zero-global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector.

¹¹ Decision 61/46(c) requires verification reports for a sample of 20 per cent of the LVC countries with approved HPMPs.

¹² KIPs are allowed inclusion of such plans in the business plan only for countries that had ratified the Kigali Amendment (decision 84/46(g)).

HFC-23 investment

20. The business plan includes one investment project for HFC-23 emissions control for one country amounting to US \$8 million in 2027.

KIP verification

21. In line with decision 96/22(b),¹³ the Secretariat has included US \$1.28 million in 2026 for 39 LVC countries with a tranche due in 2027, at a cost of US \$32,700 per country.

II.3 Other activities

Pilot projects for energy efficiency (decision 91/65)¹⁴

22. A total of US \$15.83 million is included in the business plan under the funding window for pilot projects for energy efficiency for 2026–2027 for 17 countries and two regions (Africa and the Pacific Island countries). In addition, a total of US \$187,400 is included in the business plan for project preparation for two countries and one region (Africa) for 2026.

Energy efficiency (decision 94/60)¹⁵

23. A total of US \$11.77 million is included in the business plan for projects under the funding window for energy efficiency per decision 94/60 for five countries in 2026. A total of US \$53,500 is included in the business plan for project preparation for one country for 2026.

Energy efficiency revolving fund for end users (decision 95/87)¹⁶

24. A total of US \$84.2 million is included in the business plan under the funding window for energy-efficiency end-users projects using a revolving fund mechanism for 2026 for three countries and one global project. Preparation projects for these activities were approved at the 96th meeting. The Executive Committee will select two projects from all those submitted by agencies under this funding window.

¹³ The Executive Committee decided to maintain the level of funds recommended for the verification of HFC consumption for countries with consumption of up to 360 mt in servicing in the baseline years at level of up to US \$30,000, or US \$45,000 when combined with verification of HCFC consumption.

¹⁴ The Executive Committee established a funding window for pilot projects in the amount of US \$20 million with the possibility of augmenting that funding window at a future meeting to maintain and/or enhance energy efficiency in the context of HFC phase-down as specified in decision XXVIII/2. The duration of the window for the proposal of projects under decision 91/65 only for the servicing activities was extended to the 100th meeting, inclusive (decision 95/87(d)).

¹⁵ The Executive Committee established a funding window for enhancing energy efficiency when phasing down HFCs in the manufacturing of domestic refrigerators, commercial refrigeration display cabinets, commercial refrigeration chest freezers, residential air conditioners and commercial air conditioners, for an initial period of three years in the amount is US \$100 million.

¹⁶ 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).

Project preparation for national inventories of banks of waste-controlled substances (decision 91/66)¹⁷

25. A total of US \$90,400 is included in the business plan for project preparation for national inventories of banks of waste-controlled substances for 2026 for one country.

III. Adjustments to the consolidated business plan of the Multilateral Fund for 2026–2028

26. The adjustments to the consolidated business plan for 2026–2028 were based on relevant decisions of the Executive Committee. In reviewing the revised business plan from the bilateral and implementing agencies for 2026–2028, the Secretariat noted that the following adjustments were not included:

Table 2. Adjustments to the consolidated business plan of the Multilateral Fund 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 (covering HPMPs, HFC-23 mission control, and KIPs): (i) that have been submitted to the 97 th meeting but have subsequently been withdrawn; (ii) that are due but have not been submitted to the 97 th meeting; and (iii) that are removed because they have been submitted to the 97 th meeting	973,284	(109,305)
PRP for stage II of HPMPs submitted to the 97 th meeting	(28,250)	0
PRP for stage III of HPMPs already approved	(33,900)	0
Energy efficiency for LVC countries pursuant to decision 89/6 submitted to the 97 th meeting	(174,020)	0
PRP for stage I of KIPs submitted to the 97 th meeting	(718,170)	0
KIP stage I values to reflect the draft Agreements submitted to the 97 th meeting	(115,130)	147,453
Servicing sector for stage I of KIPs pursuant to decision 92/37	(343,894)	(152,262)
Pilot project preparation for energy efficiency per decision 91/65 submitted to the 97 th meeting	(33,900)	0
Energy efficiency revolving fund for end users in line with decision 95/87**	(41,400,000)	0
Preparation for national inventories of banks of waste-controlled substances submitted to the 97 th meeting	(90,400)	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.

** For the purpose of financial planning, the value has been adjusted to US \$42.8 million (including 7 per cent support costs) in line with decision 95/87.

27. Table 3 presents the results of the Secretariat's proposed adjustments to the consolidated business plan for 2026–2028.

Table 3. Adjusted resource allocation for the business plan for 2026–2028 (US \$)*

Description	2026	2027	2028	Total (2026–2028)	Total after 2028
HCFC activities					
Approved HPMPs	81,321,701	34,925,785	21,882,017	138,129,503	25,902,791
HPPMP stage III	0	23,540,000	0	23,540,000	23,540,000
HPMP stage II – PRP	22,600	0	0	22,600	0
HPMP stage II	522,553	2,608,262	670,637	3,801,453	2,671,736
HPMP stage III – PRP	148,250	42,800	0	191,050	0
HPMP stage III	8,481,202	11,287,340	26,846,598	46,615,141	23,322,527
HPMP stage IV	3,841,000	5,537,000	0	9,378,000	0

¹⁷ The Executive Committee established a funding window and criteria for the preparations of national inventories of banks of used or unwanted controlled substances and a plan for the collection, transport, and disposal of such substances.

Description	2026	2027	2028	Total (2026–2028)	Total after 2028
HPMP – energy efficiency (decision 89/6)	1,964,908	288,540	0	2,253,448	0
HPMP verification	588,600	588,600	588,600	1,765,800	0
HCFC activities subtotal	96,890,815	78,818,327	49,987,853	225,696,995	75,437,054
HFC activities					
Approved KIPs	9,903,724	32,440,053	2,968,170	45,311,947	10,422,522
Approved HFC-23 emission control	572,433	552,371	509,571	1,634,375	1,061,938
KIP stage I – PRP	3,087,475	937,617	0	4,025,091	0
KIP stage I	13,567,366	17,856,585	29,873,502	61,297,453	68,608,426
KIP stage I – investment	0	339,000	0	339,000	0
HFC investment	941,600	0	2,140,000	3,081,600	0
HFC-23 investment	0	8,000,000	0	8,000,000	0
KIP verification	1,275,300	0	0	1,275,300	0
HFC activities subtotal	29,347,897	60,125,626	35,491,243	124,964,766	80,092,886
Other activities					
Pilot projects for energy efficiency – preparation (decision 91/65)	153,500	0	0	153,500	0
Pilot projects for energy efficiency (decision 91/65)	9,680,000	6,149,000	0	15,829,000	0
Energy efficiency (decision 94/60) – preparation	53,500	0	0	53,500	0
Energy efficiency (decision 94/60)	11,770,000	0	0	11,770,000	0
Energy efficiency revolving fund (decision 95/87)***	42,800,000	0	0	42,800,000	0
National inventories of banks of waste-controlled substances – PRP (decision 91/66)	0	0	0	0	0
Other activities subtotal	64,457,000	6,149,000	0	70,606,000	0
Standard activities					
IS	19,593,580	19,545,691	5,717,815	44,857,085	0
CAP	12,650,848	13,030,373	13,421,285	39,102,506	0
Core unit	6,059,037	6,101,450	6,144,160	18,304,646	0
Secretariat, Executive Committee, and Monitoring and Evaluation costs minus Canadian counterpart	7,949,674	8,018,727	8,356,114	24,324,515	0
Treasurer	500,000	500,000	500,000	1,500,000	0
Standard activities subtotal	46,753,138	47,196,240	34,139,374	128,088,753	0
Total	237,448,850	192,289,194	119,618,470	549,356,514	155,529,940
Indicative budget**	321,666,667	321,666,667	321,666,667	965,000,000	
Difference	(84,217,817)	(129,377,473)	(202,048,197)	(415,643,486)	

* Including agency support costs where applicable.

** Based on the replenishment level for 2024–2026 of US \$965 million pursuant to decision XXXV/1.

*** For the purpose of financial planning, the value has been adjusted to US \$42.8 million (including 7 per cent support costs) in line with decision 95/87.

IV. Other policy issues

Budget

28. Following adjustments, the values of activities in the business plan is below the overall indicative budget by US \$415.64 million for the 2026–2028 triennium, assuming an annual budget of US \$321.67 million for 2027 and 2028, i.e., at the same level as the 2024–2026 replenishment.

29. It is noted that certain policy issues to be discussed at the 97th meeting may lead to additional project submissions by the agencies from 2026 onward, such as the update on the operationalization of centres of excellence for sustainable cooling and testing centres for energy efficiency (decision 95/87(e))¹⁸ and on life-cycle refrigerant management with a view to considering the establishment of a funding window in line with decision XXXV/11 of the Thirty-Fifth Meeting of the Parties.¹⁹ The decisions related to these issues at the 97th meeting could have an impact on the business plan values compared to the levels, as submitted, for the period of 2026–2028.

Activities submitted to the 97th meeting

30. Activities included in the 2025 business plans of bilateral and implementing agencies but not submitted to the 97th meeting have already been included in the business plan for 2026–2028. In addition, projects and activities submitted to the 97th meeting but subsequently deferred after review by the Secretariat would be included in the business plan for 2026–2028.

Further adjustments after the 97th meeting

31. The 2026–2028 business plan could be further adjusted based on the funding levels of new stages of HPMPs and KIPs that will be approved in principle at the 97th meeting. The Executive Committee may wish to adjust the 2026–2028 business plan based on the level of funds for the HPMPs and KIPs approved in principle at the 97th meeting.

Pilot projects for energy efficiency (decision 91/65)

32. The adjusted business plan includes US \$15,982,500 for 2026 and 2027 for 17 countries and two regions. Taking into account approvals from the 92nd to the 96th meetings of US \$10,349,589, submissions to the 97th meeting of US \$5,016,323, and the total value in the 2026–2028 business plan amounting to US \$15,982,500, it is estimated that the funding window for pilot projects for energy efficiency will be exceeded by US \$11,348,412; however, the exact value of the remaining balances under this funding window would be available after the 97th meeting.

33. The Secretariat will provide an update on the matter as part of the update on the status of implementation of the 2026–2028 consolidated business plan of the Multilateral Fund to be presented at the 98th meeting.

Energy efficiency (decision 94/60)

34. The adjusted business plan includes US \$11,823,500 for 2026 for six countries. Taking into account approvals at the 95th and 96th meetings of US \$771,137, submissions to the 97th meeting of US \$21,662,890, and the total value in the 2026–2028 business plan amounting to US \$11,823,500, it is estimated that the remaining balance under the funding window for energy efficiency per decision 94/60 is US \$65,742,473;

¹⁸ UNEP/OzL.Pro/ExCom/97/85 and UNEP/OzL.Pro/ExCom/97/86

¹⁹ UNEP/OzL.Pro/ExCom/97/87

however, the exact value of the remaining balances under this funding window would be available after the 97th meeting.

35. The Secretariat will provide an update on the matter as part of the update on the status of implementation of the 2026–2028 consolidated business plan of the Multilateral Fund to be presented at the 98th meeting.

Policy issues on the project preparation for stage II of KIPs

36. UNEP presents the following policy issue for consideration by the Executive Committee, regarding the preparation for stage II of the KIPs.

37. UNEP has included several requests for project preparation for stage II of the KIPs in its initial 2026–2028 business plan. However, at present, there is no decision allowing the inclusion of such activities in the business plan. Consequently, the Secretariat has removed these requests from the initial submission. UNEP would like to seek guidance from the Executive Committee regarding the appropriate timing for including project preparation activities for stage II of the KIPs in its business plan.

38. To date, 73 countries have had their stage I of KIPs approved, of which 56 are anticipated to be completed by 2030. The Secretariat would like to seek guidance from the Executive Committee regarding the appropriate timing for the inclusion of activities related to stage II of KIPs, including project preparation, in future business plans.

V. Recommendation

39. The Executive Committee may wish:

- (a) To note the consolidated business plan of the Multilateral Fund for 2026–2028 contained in document UNEP/OzL.Pro/ExCom/97/20;
- (b) To decide whether:
 - (i) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/97/20;
 - (ii) Also to adjust the business plan:
 - a. By adding to the 2026 business plan projects and activities that had been deferred at the 97th meeting;
 - b. By taking into account the values approved in principle at the 97th meeting for new HCFC phase-out management plans and Kigali HFC implementation plans (KIPs);
- (c) To consider the appropriate timing for the submission of activities related to stage II of KIPs, including project preparation; and
- (d) To endorse the consolidated business plan of the Multilateral Fund for 2026–2028, as adjusted by the Secretariat [and the Executive Committee], taking into consideration relevant decisions taken at the 97th meeting, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.