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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-eighth Meeting
Montreal, 22–26 June 2026
Item 8(d) of the provisional agenda¹

PROJECT PROPOSAL: INDONESIA

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- | | | | |
|---|---|--------------------|--------------------------|
| • | HCFC phase-out management plan
(stage III, second tranche) | UNDP and Australia | Individual consideration |
|---|---|--------------------|--------------------------|

¹ UNEP/OzL.Pro/ExCom/98/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**Indonesia**

PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage III)	UNDP (lead), Australia	92 nd	100% phase-out by 2030

ARTICLE 7 DATA (Annex C, Group I)	Year: 2024	130.95 ODP tonnes
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COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2025
Substance	Aerosol	Foam	Firefighting	Refrigeration		Solvent	Total sector consumption
				Manufacturing	Servicing		
HCFC-22					109.07		109.07
HCFC-123			0.20		1.16		1.36

CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	403.90	Starting point for sustained aggregate reductions:	403.90
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	403.92	Remaining:	0.00

ENDORSED BUSINESS PLAN		2026	2027	2028	Total
UNDP	ODS phase-out (ODP tonnes)	66.97	0.00	36.74	103.71
	Funding (US \$)	5,794,084	0	3,178,511	8,972,595
Australia	ODS phase-out (ODP tonnes)	5.13	0.00	8.22	13.35
	Funding (US \$)	463,113	0	742,097	1,205,210

PROJECT DATA			2023	2024	2025	2026-2027	2028	2029	2030	Total
Consumption (ODP tonnes)	Montreal Protocol limits		262.54	262.54	131.27	131.27	131.27	131.27	0.00	n/a
	Maximum allowable		181.76	181.76	131.27	131.27	131.27	131.27	0.00	n/a
Amounts approved in principle (US \$)	UNDP	Project costs	3,520,244	0	5,415,032	0	2,970,571	0	1,335,000	13,240,847
		Support costs	246,417	0	379,052	0	207,940	0	93,450	926,859
	Australia	Project costs	495,000	0	415,000	0	665,000	0	110,000	1,685,000
		Support costs	57,388	0	48,113	0	77,097	0	12,752	195,350
Funds approved by ExCom (US \$)		Project costs	4,015,244							4,015,244
		Support costs	303,805							303,805
Total funds recommended for approval at this meeting (US \$)		Project costs				5,830,032				5,830,032
		Support costs				427,165				427,165

Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Indonesia, UNDP as the lead implementing agency has submitted a request for funding for the second tranche of stage III of the HCFC phase-out management plan (HPMP), at a total cost of US \$6,257,197, consisting of US \$5,415,032, plus agency support costs of US \$379,052, for UNDP and US \$415,000, plus agency support costs of US \$48,113, for the Government of Australia.² The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2023 to 2025, and the tranche implementation plan for July 2026 to December 2029.

Report on HCFC consumption

2. The Government of Indonesia reported a consumption of 110.43 ODP tonnes of HCFCs in 2025 under the country programme (CP) implementation report, which is 73 per cent below the country's HCFC baseline for compliance. The Article 7 data for 2025 has not been reported yet. The 2021–2025 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in 2021–2025 in Indonesia (Article 7 data)

HCFC	2021	2022	2023	2024	2025*	Baseline
Metric tonnes (mt)						
HCFC-22	2,930.90	2,483.68	2,707.34	2,358.05	1,983.03	4,861.9
HCFC-123	34.52	60.98	26.00	62.99	67.98	192.2
HCFC-124	0.00	0.00	0.00	0.00	0.00	0.1
HCFC-141b	100.00	0.00	0.00	0.00	0.00	1,205.9
HCFC-142b	12.82	0.00	0.00	0.00	0.00	0.0
HCFC-225	0.00	0.00	0.00	0.00	0.00	0.3
Total (mt)	3,078.25	2,544.66	2,733.34	2,421.04	2,051.01	6,260.4
ODP tonnes						
HCFC-22	161.20	136.60	148.90	129.69	109.07	267.4
HCFC-123	0.69	1.22	0.52	1.26	1.36	3.8
HCFC-124	0.00	0.00	0.00	0.00	0.00	0.0
HCFC-141b	11.00	0.00	0.00	0.00	0.00	132.6
HCFC-142b	0.83	0.00	0.00	0.00	0.00	0.0
HCFC-225	0.00	0.00	0.00	0.00	0.00	0.0
Total (ODP tonnes)	173.72	137.82	149.42	130.95	110.43	403.9

* CP data.

3. HCFC-22 has been used exclusively for servicing following the 2015 ban on its use in refrigeration and air-conditioning (RAC) manufacturing and assembly. Its consumption has declined owing to improved servicing practices, the use of alternative refrigerants, restrictions on HCFC-22-based equipment, and continued implementation of the licensing and quota system. Consumption of HCFC-141b, which had been used as a foam-blowing agent, was phased out following conversions in the polyurethane foam manufacturing sector and the ban on its use and import, in pure and pre-blended form, from 1 January 2022. HCFC-123 is used for servicing existing chillers and in firefighting applications. Its consumption increased in 2024 and 2025 compared with 2023, reflecting unusually low demand in 2023 due to reduced operation of commercial buildings using HCFC-123 chillers. The ban on the import, manufacture and installation of HCFC-123-based chillers, effective 1 January 2026, is expected to prevent new demand in the chiller servicing sector. No consumption of HCFC-142b has been reported since 2022, and no consumption of HCFC-225 has been reported from 2021 to 2025. Overall HCFC consumption was unusually low in 2022

² As per the letter of 17 March 2026 from the Ministry of Environment of Indonesia to UNDP.

because a legal dispute between two licensed importers prevented the full use of their quotas, and consumption recovered in 2023 after the dispute was resolved.

Country programme implementation report

4. The HCFC consumption data provided by the Government of Indonesia in its CP implementation report for 2024 is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government of Indonesia was implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2023 to 2024, and in the CP implementation report for 2025, was correct (as shown in table 1 above). The verification report concluded that Indonesia had achieved the targets specified in the Agreement between the country and the Executive Committee and was in compliance with the Montreal Protocol during the verification period. The overall system for licensing, monitoring and enforcement was found to be robust, transparent and functioning effectively.

6. The verification report revealed a minor discrepancy for HCFC-123 consumption in 2023, where the CP implementation report indicated the quota limit instead of actual consumption. The Government of Indonesia will revise its 2023 CP data prior to the 98th meeting and will strengthen cross-checks between CP and Article 7 data, improve coordination among relevant institutions and importers, introduce an additional verification step to distinguish quota allocations from actual consumption, and provide capacity-building to responsible officers. Unused quota allocations declined significantly from approximately 6 per cent in 2021 to around 1 per cent in 2024 and 2025, which UNDP attributed to strengthened quarterly monitoring, closer engagement with importers to track quota utilization, and the normalization of import conditions following disruptions caused by the COVID-19 pandemic.

7. The verification report recommended continued strengthening of data reconciliation between CP and Article 7 reporting systems; sustained coordination among the Ministry of Environment (MoE), the Ministry of Trade, and Customs to support the effective operation of the licensing, quota and enforcement system; shorter review periods for the assessment of importer performance; and continued capacity-building and awareness for importers, customs officers and other stakeholders. UNDP confirmed that these recommendations are being addressed on an ongoing basis, including through quarterly meetings, regular monitoring of importer performance, and capacity-building activities under stage III of the HPMP.

Status of implementation of stage II of the HCFC phase-out management plan

8. Stage II of the HPMP was completed on 1 December 2024, in line with paragraph 14 of the Agreement. In line with decision 81/29, the project completion report was submitted on 27 April 2026.

Progress report on the implementation of the first tranche of stage III of the HCFC phase-out management plan

Legal framework

9. Indonesia has a comprehensive policy and regulatory framework for the control of substances controlled by the Montreal Protocol. The ODS licensing system was established in 1998, revised in 2006 to include HCFCs, and further amended in 2012. Regulations specific to HCFCs include bans on the use of HCFC-22 and HCFC-141b in the RAC manufacturing and assembly sectors; the import of HCFC-22-based RAC equipment, with or without refrigerant charge; and the use and import of HCFC-141b, in bulk and contained in imported pre-blended polyols, from 1 January 2022. The framework also provides for quotas to be issued only to registered importers with valid import licences, the continued implementation of an

electronic licensing system, and regulates imports of RAC equipment through free-trade zones and areas outside customs jurisdictions.

10. The regulatory framework was further strengthened through ministerial regulations issued in 2024 and 2025 (Ministerial Regulation of Environment and Forestry No. 7 of 2024; Ministerial Regulation of Environment/BPLH No. 25 of 2025; Minister of Trade Regulation No. 20 of 2025), which reinforced import approvals, licensing and quota management, including for ODS and HFCs. Under the first tranche of stage III of the HPMP, policies and regulatory information were integrated into an online risk-profiling system within the national single-window platform, enabling the automatic generation of low- and high-risk import profiles to support customs enforcement. The framework was further strengthened through the ban on HCFC-123-based chillers, effective 1 January 2026, including cooling-system products (excluding fire extinguishers) and refrigeration-based electronic equipment containing HCFC-123, whether empty or charged, through Ministerial Regulation of Trade No. 47 of 2025 on goods prohibited from import.

11. The customs training module was updated to reflect the risk-profiling system and the ban on HCFC-123-based chillers. Although not originally planned under the first tranche, 341 customs officers, including 60 women, were trained in 2025 to address the need to expand capacities for HFC import controls, comprising 60 officers trained through two in-person courses on the identification and control of HCFCs and the use of the risk-profiling system, and 281 officers who completed the Green Customs e-learning module launched in 2025.

Refrigeration servicing sector

12. The following activities were undertaken:

- (a) *Safety standards and certification:* Three working meetings between Australian and Indonesian experts assessed Indonesia's baseline curriculum competency and established a plan to update curriculum competency and the national safety standards for flammable refrigerant certification;
- (b) *RAC servicing sector training and certification:* Five courses in different locations in 2025 trained a total of 79 RAC trainers³ (including 23 women) on good servicing practices; in 2025, 1,041 RAC technicians (including 18 women) were trained and certified at level 3 in good servicing practices across 51 courses held throughout Indonesia; the MontiR-AC platform⁴ was upgraded to integrate certified technicians, training providers and competency testing centres (11,390 technicians now registered); 85 training equipment units of four types (HFC-32 room air-conditioning (AC) maintenance, HFC-32 split unit installation, HCFC-22 refrigeration, and stand-alone refrigerator trainers) were procured for 14 vocational training centres, with commissioning scheduled across 2026;
- (c) *Recovery, recycling, and reclamation (RRR) network:* Training on reclamation practices was provided to 31 technicians (including 11 women) in the five reclamation centres; nine sets⁵ of equipment were procured for nine reclamation centres in December 2025, with delivery expected in June 2026;
- (d) *Awareness-raising activities:* Three technical workshops in 2024 supported by the Government of Australia were held on alternative technologies and low-GWP refrigerants;

³ As the target of 100 trainers trained had not been achieved, a further 21 trainers were added to the target of the second tranche.

⁴ The MontiR-AC platform is regularly updated based on stakeholder feedback and serves as a national database for the servicing sector, enabling technician identification and targeting for training, real-time monitoring of refrigerant usage, and prioritisation of equipment support for active users.

⁵ Each set contained a reclaim unit, ancillary cylinders, recovery units, weight scale, identifiers and consumables.

two nationwide awareness campaigns were delivered on HCFC bans and alternative technologies in 2025; and

- (e) *Technical assistance for the chiller sector:* Consultations with chiller-sector stakeholders were carried out to support the establishment and implementation of the HCFC-123 chiller ban which entered into force on 1 January 2026; initiated the mapping of installed HCFC-123 chiller capacity, and the subsector needs assessment for servicing.

Project implementation and monitoring

13. The project implementation and monitoring unit (PMU) is supported by the MoE of Indonesia for the implementation and monitoring of the HPMP. Of the US \$324,000 approved for the PMU component, a total of US \$121,388 was disbursed for project staff and consultants (US \$50,735), domestic travel (US \$9,406), office rental and premises (US \$37,184), office equipment and supplies (US \$10,458), and verification activities (US \$13,605).

Level of fund disbursement

14. As of March 2026, of the US \$4,015,244 approved so far (US \$3,520,244 for UNDP and US \$495,000 for the Government of Australia), US \$1,780,463 (44 per cent) had been disbursed (US \$1,652,476 for UNDP and US \$127,987 for the Government of Australia). The balance of US \$2,234,781 is expected to be disbursed in 2026 and 2027.

Implementation plan for the second tranche of stage III of the HCFC phase-out management plan

15. The following activities will be implemented between July 2026 and December 2029:

- (a) *Strengthening the regulatory framework and customs:* Developing a compendium of policies and regulations related to the phase-out of controlled substances, aligned with the online risk-profiling system (UNDP) (US \$60,000, plus funds from the previous tranche); enforcement of the ban on HCFC-123-based chillers through issuance of enforcement guidance and refresher training for customs officers (UNDP) (funds from the previous tranche); updating national safety standards and competency-based curricula for flammable refrigerant certification with agreed standards to be forwarded for approval (Australia) (funds from the previous tranche); training 300 customs officers on the import of controlled substances, including the use of the computerized risk-profiling system; building capacity of registered importers on quota application procedures, correct HS code usage and the national single-window system (UNDP) (US \$250,000);
- (b) *RAC training and certification:* Training 271 trainers on good servicing practices (Australia and UNDP) (US \$360,000 and US \$250,000); training and level 3 certification of 3,000 RAC technicians (UNDP) (US \$2,750,000);
- (c) *RAC equipment procurement:* Procuring the remaining 65 sets of basic training and certification equipment and commissioning them, together with the 85 sets already procured, at 14 vocational training centres (UNDP) (funds from the previous tranche); delivery, commissioning of and training on the procured reclamation equipment (UNDP) (funds from the previous tranche); procuring maintenance and recovery equipment⁶ for 200 service shops handling large scale units (UNDP) (US \$1,210,572);

⁶ Equipment per shop: gauge manifold set, basic tools, vacuum pump and gauge, A2L/A3 recovery units, cylinders, leak detector, thermometer, valve core remover, nitrogen service set, and flammable refrigerant labels.

- (d) *Strengthening the RRR network*: Developing 14 standard operating procedures (SOPs) for reclamation equipment and facilities; training 94 operators across 14 reclamation centres; and improvement of infrastructure and self-service stations for five centres established under stage II and nine new centres (UNDP) (funds from the previous tranche);
- (e) *Technical assistance for the chillers sector*: Finalize development of SOPs on best servicing practices for chillers; assessing alternatives landscape for HCFC-123 free chillers; developing guidelines and a manual for green procurement; conducting stakeholder consultations (UNDP) (US \$80,285 plus funds from the previous tranche);
- (f) *Technical assistance for the firefighting sector*: Mapping installed HCFC-123 fire-suppression systems; sector needs assessment; developing guidelines and a manual for green procurement; and four stakeholder consultations on the results of the assessment (UNDP) (US \$122,175);
- (g) *Sensitive sector strategy*: Conducting two national assessments, one for the fisheries sector and one for the agricultural cold chain sector, to develop strategies to manage HCFC consumption during the servicing tail; consulting stakeholder; disseminate strategy report (UNDP) (US \$190,000);
- (h) *Awareness-raising*: Delivering four awareness campaigns on HCFC phase-out/bans and five end-user campaigns on alternative technologies (UNDP) (US \$198,000, plus funds from the previous tranche); and four technical workshops on the use and application of RAC alternative technologies (Australia) (US \$55,000, plus funds from the previous tranche); and
- (i) *PMU*: Continued support to the MoE for project execution, coordination, monitoring and reporting (UNDP) (US \$304,000) including project staff/consultants (US \$140,000), missions (US \$24,000), office rental (US \$48,000), office equipment (US \$12,000), verification (US \$15,000), and implementation/monitoring (US \$65,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Submission delays

16. The second tranche had been expected to be submitted to the 96th meeting. Following the separation of the former Ministry of Environment and Forestry into the MoE and the MoF in 2024, the PMU is hosted by the Directorate General of Climate Change Control under the MoE. The start-up of stage III of the HPMP was delayed by approximately eight months owing to administrative procedures related to the separation of the two ministries and the time required for project registration with the Ministry of National Development Planning. Furthermore, as the project no longer had access to the MoF's decentralized provincial network, the Government had to establish revised operational arrangements before implementation could proceed, including strengthened PMU coordination, the use of technical and vocational education and training centres as regional training hubs, and the provision of national reclamation services through reclamation centres. Most ongoing first tranche activities are nevertheless expected to be completed or substantially advanced during 2026 to 2027. While 44 per cent of the funding tranche has been disbursed, contractual commitments amount to US \$768,914 or a further 19 per cent of the first tranche.

17. To maintain HCFC phase-out momentum, it was agreed to advance certain activities ahead of their original stage III schedule, including customs training, training and certification of RAC technicians,

upgrading of the MontiR-AC platform, and integration of policies and regulatory information into the online risk-profiling system. The stand-alone compendium, originally planned for the first tranche, will be developed under the second tranche and integrated into the online risk-profiling system.

18. UNDP indicated that the Government of Indonesia is confident that stage III will maintain its overall implementation timeframe and that future tranches are not expected to be delayed and recalled that the individual tranche budgets were designed with overlaps to ensure continuity and smooth implementation across stage III.

Progress report on the implementation of the first tranche of stage III of the HCFC phase-out management plan

Legal framework

19. The Government of Indonesia has issued HCFC import quotas for 2026 at 91.26 ODP tonnes, which is lower than the Montreal Protocol control target.

20. In response to a question on the preparedness of customs authorities to enforce the ban on HCFC-123-based chillers, and on stakeholder awareness, UNDP noted that the regulation banning the chillers was developed in coordination with the Directorate General of Customs and Excise, relevant ministries, assemblers and importers. Public consultations and outreach activities were also conducted with owners/users and RAC assemblers. Awareness was further strengthened through regular outreach by the MoE, training of customs officers on ODS and HFC import supervision, and incorporation of the HCFC-123 ban provisions into the customs training module.

21. UNDP indicated that the stand-alone compendium of policies and regulations had been reprogrammed to the second tranche to prioritize the upgrade of the online risk-profiling system within the national single-window platform, in response to the urgent need to strengthen HFC import controls. Work on the national safety standards and competency-based curriculum had been initiated but requires extensive engagement with the Ministry of Manpower and the Standards Bureau and is continuing through a collaborative committee of Australian and Indonesian experts.

Refrigeration servicing sector

Equipment procurement for training centres

22. In response to the Secretariat's questions on the procurement of basic training and certification equipment, UNDP advised that the 85 units procured under the first tranche had been allocated across 14 vocational training centres based on each centre's needs, existing equipment, regional training capacity and demand for RAC servicing activities. The allocation also took into account Indonesia's benchmark class size of 16 participants, with the aim of providing sufficient equipment for practical training and, where possible, individual equipment use for competency-based certification. UNDP clarified that the fifteenth centre had already been equipped under stage II.

23. UNDP further indicated that procurement and commissioning of the remaining 65 units had been deferred pending reassessment of existing capacity and gaps across the centres, in order to avoid duplication and ensure optimal use. The remaining equipment is expected to include commercial refrigeration trainers, multi-rack systems, display units and air-conditioning training units, with hydrocarbon-compatible equipment planned for the commercial refrigeration sector and hydrocarbon tooling for the RAC sector subject to savings from other procurements. UNDP did not foresee significant bottlenecks for the second-tranche training targets, as procurement of the remaining units can proceed in parallel with commissioning of the units already procured; the main risk identified was cost inflation, which could affect economies of scale under the stage III budget.

Recovery, recycling and reclamation network

24. With respect to the reclamation-centre equipment procurement, UNDP clarified that nine sets of equipment procured in December 2025 relate solely to reclamation equipment for the nine new centres, comprising reclaim units, ancillary cylinders, recovery units, weighing scales, identifiers and consumables. The procurement does not include the improved infrastructure and access for self-service stations for the five reclamation centres established under stage II, budgeted under the first tranche; those infrastructure-related activities are expected to commence in the third quarter of 2026. The SOPs for reclamation facilities will be finalized following delivery, installation and commissioning of the reclamation units, expected in mid-2026.

25. UNDP also confirmed that the Government is conducting its own procurement process for complementary equipment to be co-financed by the Ministry of Manpower, including high-speed transfer pumps and cylinder cleaning and drying equipment, as previously reported in paragraph 50(c) of document UNEP/OzL.Pro/ExCom/92/29. Regarding sustainability, UNDP indicated that the business model currently envisaged is a publicly owned model, with Ministry of Manpower-led training centres coordinating reclamation activities and operational costs recovered through user fees. This model will be further refined through an independent expert assessment planned for the fourth quarter of 2026.

Awareness

26. In response to the Secretariat's questions, UNDP clarified that two of the four targeted awareness campaigns had been completed and two had been deferred. An end-user awareness campaign on alternative technologies was conducted in June 2025 in conjunction with World Environment Day, while outreach on HCFC bans and end-user awareness was carried out in September 2025 during the International Day for the Preservation of the Ozone Layer in Pontianak and Samarinda. In early 2026, further outreach on HCFC bans, particularly the HCFC-123 ban, was conducted with assemblers and relevant industry stakeholders. The remaining two campaigns, one on HCFC bans and one end-user campaign, were deferred due to implementation prioritization, including the need to re-establish stakeholder linkages following the ministry's reorganization, and are planned for mid- to late 2026, aligned with key national events and outreach opportunities.

Implementation plan for the second tranche of stage III of the HCFC phase-out management plan

27. The second tranche will focus on scaling up decentralized implementation, customs and importer capacity-building, completion of delayed procurement, and technical assistance for sectors with remaining HCFC use. The remaining training equipment will be distributed among 14 vocational training centres based on needs, readiness and training capacity. Procurement of tools for independent technicians is planned for the third tranche.

28. Technical assistance for the chiller sector will continue work initiated under the first tranche, including mapping of installed HCFC-123 chillers, assessing servicing-sector needs and developing SOPs. Further work will assess alternatives, prepare green procurement guidance and conduct stakeholder consultations. UNDP indicated that the first tranche had focused on consultations and establishment of the HCFC-123 chiller ban, while detailed technical studies remain ongoing.

Gender policy implementation

29. In line with decisions 84/92(d) and 90/48(c), UNDP and the MoE are applying the Multilateral Fund gender policy throughout stage III by incorporating criteria for engaging women into consultant terms of reference and procurement processes, collecting sex-disaggregated data, and including dedicated sessions for women technicians within training courses, led by women trainers. During the first tranche, 23 of the 79 RAC trainers trained were women, 11 of the 31 reclamation centre trainees were women, 18 of

the 1,041 RAC technicians trained and certified were women, and 114 of the 11,390 technicians registered in MontiR-AC were women. Women remain significantly underrepresented in the RAC servicing sector, reflecting structural barriers related to risks of harassment, unsuitable protective equipment and other factors. UNDP indicated that the gender strategy under stage III will continue to focus on addressing these systemic barriers to support women's access to certification, tools and employment opportunities, and to enable women to enter, remain and advance in RAC training and employment.

Sustainability of the HCFC phase-out and assessment of risks

30. The Government of Indonesia continues its commitment to phase out HCFC consumption, supported by an operational licensing and quota system, electronic import controls, customs risk profiling and sector-specific bans. Sustainability will be further supported through continued customs and importer capacity-building, strengthened technician certification and training through vocational training centres, the MontiR-AC technician registry, and strengthening of the recovery, recycling and reclamation network.

31. Potential risks include delays in commissioning equipment, limited uptake of low-GWP alternatives in sensitive sectors, possible transition to higher-GWP technologies, the need to sustain enforcement of HCFC bans, and the timely enactment of a ban on the import, assembly and manufacture of HCFC-123-based fire-suppression and fire-protection equipment no later than 1 January 2030. These risks are being mitigated through continued monitoring of the licensing and quota system, quarterly PMU risk review, annual project steering committee review, awareness activities, sector assessments, technical assistance for the chiller and firefighting sectors, and development of SOPs and operational arrangements for reclamation centres. Initial implementation delays linked to the separation of the ministries and loss of access to the Ministry of Forestry's decentralized provincial network have been addressed through revised implementation arrangements. On that basis, the Secretariat considers the risks to the sustainability of the HCFC phase-out to be low.

Conclusion

32. The Government of Indonesia remains in compliance with the maximum allowable consumption levels for HCFCs during the reporting period, with verified consumption well within the limits stipulated under its Agreement with the Executive Committee. The disbursement rate for the first tranche now stands at 44 per cent, exceeding the 20 per cent threshold. Notwithstanding initial implementation delays, significant progress was achieved under the first tranche, including the entry into force of the ban on HCFC-123-based chillers, strengthened customs risk-profiling and enforcement capacity, training and certification of RAC technicians and trainers, and procurement of equipment for vocational training and reclamation centres. Future tranches are not expected to be delayed, and stage III of the HPMP will support Indonesia in phasing out HCFCs completely by 1 January 2030, in line with the Montreal Protocol schedule. As the tranche is above US \$5 million, it is being presented for individual consideration in line with decision 70/23(b)(iii).

RECOMMENDATION

33. The Executive Committee may wish to consider:

- (a) Noting the progress report on the implementation of the first tranche of stage III of the HCFC phase-out management plan (HPMP) for Indonesia; and
- (b) Approving the second tranche of stage III of the HPMP for Indonesia, and the corresponding 2026–2029 tranche implementation plan, in the amount of US \$6,257,197, consisting of US \$5,415,032, plus agency support costs of US \$379,052 for UNDP, and US \$415,000, plus agency support costs of US \$48,113 for the Government of Australia.
