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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 9(c) of the provisional agenda¹

PROJECT PROPOSAL: BRUNEI DARUSSALAM

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

Phase-out

- | | | | |
|---|--|----------------|------------------|
| • | HCFC phase-out management plan
(stage II, second tranche) | UNEP and UNIDO | Blanket approval |
|---|--|----------------|------------------|

¹ UNEP/OzL.Pro/ExCom/97/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**Brunei Darussalam**

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO	86 th	100% phase-out by 2030

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year: 2024	2.54 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2024	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					2.52				2.52
HCFC-123					0.02				0.02

(IV) CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	6.10	Starting point for sustained aggregate reductions:	6.10
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	6.10	Remaining:	0.00

(V) ENDORSED BUSINESS PLAN		2025	2026	2027	Total
UNEP	ODS phase-out (ODP tonnes)	0.52	0.00	0.46	0.9
	Funding (US \$)	198,993	0	76,049	275,042*
UNIDO	ODS phase-out (ODP tonnes)	1.04	0.00	0.47	1.51
	Funding (US \$)	167,860	0	72,210	240,070

*Including US \$100,000 plus agency support costs of US \$13,000, for UNEP for additional activities to maintain energy efficiency (decision 89/6)

(VI) PROJECT DATA			2020*	2021-2024	2025**	2026	2027	2028-2029	2030	Total
Montreal Protocol consumption limits (ODP tonnes)			3.96	3.96	1.98	1.98	1.98	1.98	0.00	n/a
Maximum allowable consumption (ODP tonnes)			3.96	3.96	1.98	1.98	1.98	1.98	0.00	n/a
Funding agreed in principle (US \$)	UNEP	Project costs	149,100	0	176,100	0	67,300	0	58,500	451,000
		Support costs	19,383	0	22,893	0	8,749	0	7,605	58,630
	UNIDO	Project costs	*11,000	0	154,000	0	69,000	0	0	234,000
		Support costs	*990	0	13,860	0	6,210	0	0	21,060
Funds approved by ExCom (US \$)	Project costs		160,100	0	0	0	0	0	0	160,100
	Support costs		20,373	0	0	0	0	0	0	20,373
Total funds recommended for approval at this meeting (US \$)	Project costs		0	0	330,100	0	0	0	0	330,100
	Support costs		0	0	36,753	0	0	0	0	36,753

*Funds were transferred from UNDP to UNIDO at the 91st meeting.

**Funding for 2025 includes US \$100,000, plus agency support costs of US \$13,000, for UNEP, for additional activities to maintain energy efficiency (decision 89/6).

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Brunei Darussalam, UNEP as the lead implementing agency has submitted a request for funding for the second tranche of stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$366,853, consisting of US \$176,100, plus agency support costs of US \$22,893 for UNEP, and US \$154,000, plus agency support costs of US \$13,860 for UNIDO, as originally submitted.² The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2020 to 2024, a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector,³ and the tranche implementation plan for 2026 to 2027.

Report on HCFC consumption

2. The Government of Brunei Darussalam reported a consumption of 2.54 ODP tonnes of HCFCs in 2024, which is 58.4 per cent below the country's HCFC baseline for compliance. The 2020-2024 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Brunei Darussalam (2020-2024 Article 7 data)

HCFC	2020	2021	2022	2023	2024	Baseline
Metric tonnes (mt)						
HCFC-22	66.64	67.99	64.12	56.03	45.91	110.91
HCFC-123	0.00	0.6	0.00	0.75	0.80	0.00
Total (mt)	66.64	68.59	64.12	55.76	46.71	110.91
ODP tonnes						
HCFC-22	3.67	3.74	3.53	3.08	2.52	6.10
HCFC-123	0.00	0.01	0.00	0.02	0.02	0.00
Total (ODP tonnes)	3.67	3.75	3.53	3.10	2.54	6.10

3. Since stage I of the HPMP, HCFC-22 has been the main imported substance for the installation and servicing of refrigeration and air-conditioning (RAC) equipment, with limited imports of HCFC-123 in 2021, 2023, and 2024. HCFC consumption shows a steady declining trend, driven by the activities implemented under the HPMP promoting better servicing practices and the adoption of alternatives to HCFCs in the RAC application. Additionally, a strong HCFC licensing and quota system enables the Government to effectively regulate trade and keep consumption well below the Montreal Protocol control targets.

Country programme implementation report

4. The Government of Brunei Darussalam reported HCFC sector consumption data under the 2024 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government continues to implement a licensing and quota system for HCFC imports, and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for the period 2020–2024 was correct (as shown in table 1 above), except for 2023 where the verified consumption was 56.78 mt instead of 56.76 mt. The verification concluded that the country

² As per the letter of 23 September 2025 from the Department of Environment, Parks and Recreation under the Ministry of Development of Brunei Darussalam to UNEP.

³ In line with decision 89/6, low-volume-consuming countries can include in their HPMPs additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector.

was in compliance with the targets under the Montreal Protocol and its Agreement with the Executive Committee and that the verified consumption levels remain well below the allowable limits. UNEP confirmed that the Government of Brunei Darussalam has updated, during October 2025, the HCFC consumption for 2023 under the Article 7 and CP data to be consistent with the verification report.

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

6. Stage I of the HPMP was completed on 31 December 2022, in line with the extension approved by the Executive Committee in decision 87/8(b). The project completion report was submitted on 14 April 2023.

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

Delay in submission

7. The submission of the second tranche of the HPMP, originally scheduled for 2024, was delayed due to the slow progress toward completion of the verification report of HCFC consumption by the initially contracted consultant despite repeated follow-ups by UNEP. Additional time was also required to finalize the certification scheme for the RAC technicians and to complete the related implementation activities by the NOU.

Legal framework

8. Brunei Darussalam ratified the Kigali Amendment on 18 September 2025. The Government regulates the import and trade of ODS, HFCs, HFC blends, and hydrocarbons through the application permit system.⁴ To further strengthen regulatory control, the Department of Environment, Parks and Recreation (DEPR) initiated the development of comprehensive legislation in 2023 to manage ODS and their alternatives, with the intention of incorporating provisions for the prohibition of HCFC-based equipment within this regulation.

9. In parallel, Brunei Darussalam has implemented additional measures to support the transition to low-global-warming-potential (GWP) alternatives. These include the “Guideline for Safe Handling of Low-GWP (Flammable) Refrigerants” introduced in 2022, which addresses safety concerns associated with handling flammable refrigerants in the RAC equipment and systems.

10. Complementing these regulatory efforts, the Department of Mechanical and Electrical (DME) mandated the installation of ODS-free equipment in all government tenders to support the HCFC phase-out. Furthermore, the Energy Efficiency Order 2021 established a minimum energy performance standard (MEPS) for small-capacity air conditioners,⁵ indirectly prohibiting the use and import of HCFC-based units that do not meet the standard.

Refrigeration servicing sector

11. During the first tranche, the following activities were undertaken:

⁴ The HCFC licensing and quota system is regulated under the Customs (Prohibition and restriction on imports and exports) (Amendment) Order, 2005 of the Customs Act, and has been administered through the Brunei Darussalam National Single Window (BDNSW) online permit system since 2013.

⁵ The Energy Efficiency (Standard Labelling) Order 2021 established a MEPS requiring all air-conditioning systems with a cooling capacity of less than 22,500 BTU/hr (equivalent to 2.5 HP) to achieve a minimum energy efficiency ratio of 2.9.

- (a) *Policy, regulations and enforcement:* Six consultation meetings were held with relevant agencies to discuss policy and regulatory matters; the NOU prepared and submitted a draft amendment to the Customs Act to include HCFC-based RAC equipment in the first schedule (Prohibited Imports) and the HCFC cylinders cleared from the Customs were inspected with the refrigerant identifier and labelled with the water- and tamper-proof stickers issued by DEPR before they were released into the market;
- (b) *Training of customs and enforcement officers:* Two trainings were conducted on the use of the refrigerant identifier, border control, counter-smuggling tactics including inspection techniques, identification of refrigerants and spotting counterfeit, and document checking. One training was conducted with 27 existing and new customs enforcement officers (including 16 women) while another training was organized at the customs check point with 13 customs officers (including 5 women). Additionally, a separate training was held with 20 customs brokers and importers (including 11 women) on proper procedures and requirements during registration, permit application, inspection, and cylinder labelling;
- (c) *Strengthening customs operation to control import/export of HCFCs:* Two representatives attended the “Twinning National Ozone Officers Customs Workshop on ODS/HFC Trade Control and Reporting for Strengthening Enforcement Capacity”; Customs used the Brunei Darussalam National Single Window system to monitor all imports to the country and one refrigerant identifier⁶ was procured and delivered and used;
- (d) *Training of RAC technician on good servicing practices:* Two training workshops were conducted for 51 technicians (including 13 women) and 16 freelancers;
- (e) *Acquisition of RAC servicing tools for RAC servicing shops:* The list of required servicing tools for RAC servicing shops was finalized to support the safe and efficient handling of refrigerants, the procurement process is under finalization, and the contract with the supplier was planned to be signed in September 2025;
- (f) *Certification of RAC technicians:* Three stakeholder meetings were held to discuss the National Qualification Framework within the TVET⁷ system and to finalize the implementation modality for certification; the NOU identified a potential training and certification facility;⁸ learning and assessment materials were developed, an assessment logistics were put in place; a pass card to recognize certified or qualified technicians were created; and a local consultant was hired to integrate the good servicing practices curriculum as an upskilling course at the Youth Development Centre; and
- (g) *Public awareness and outreach:* Awareness memorandums were disseminated to key government stakeholders and customs officers, and visual aids and guidance materials were provided to customs officers.

Project implementation, coordination and monitoring

12. Of the US \$35,100 approved for programme monitoring, a total of US \$33,921 was disbursed for one staff, domestic travel, monitoring activities and operational expenses.

⁶ Legend HFC UNLTA 2

⁷ Technical and Vocational Education and Training

⁸ Pusat Pembangunan Belia (PPB), a Youth Development Centre under the Ministry of Youth, Culture and Sports.

Level of fund disbursement

13. As of September 2025, of the US \$160,100 approved so far (US \$149,100 for UNEP and US \$11,000 for UNIDO), US \$90,158 (56.3 per cent) had been disbursed (US \$85,749 for UNEP and US \$4,409 for UNIDO). The balance of US \$69,942 will be disbursed in 2025 and 2026.

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

14. The following activities will be implemented between January 2026 and December 2027:

- (a) *Policy, regulations and enforcement:* Organizing six consultation meetings on policy and regulations under stage II of the HPMP to discuss the regulation of banning of all types of HCFC-based equipment and setting conditions to RAC servicing workshop during registration/renewal of its business license; continue implementing mandatory labelling requirement and producing sticker for HCFC cylinders (UNEP) (US \$4,500);
- (b) *Training of customs and enforcement officers:* Organizing two training workshops on the use of the refrigerant identifier, border control, counter-smuggling tactics including inspection techniques, identification of refrigerants and spotting counterfeit, and document checking, one training workshop for 15 existing customs officers and another induction training workshop for 15 new customs officers at checkpoints; and two training workshops for 60 forwarding agents and importers on proper procedures and requirements during registration, permit application, inspection, and cylinder labelling (UNEP) (US \$5,000);
- (c) *Strengthening customs operation to control import/export of HCFCs:* Procurement and delivery of four refrigerant identifiers and consumables (UNIDO) (US \$24,000);
- (d) *Acquisition of training equipment for training centres:* Conducting needs assessment and two consultation meetings for the procurement and delivery of training equipment package to one designated training centre (UNIDO) (US \$10,000);
- (e) *Acquisition of RAC servicing tools for RAC servicing shops:* Providing training for usage of equipment and procurement and delivery of 40 sets of RAC servicing tools⁹ to RAC servicing workshops (UNIDO) (US \$120,000);
- (f) *Training of RAC technician on good servicing practices:* Organizing three training workshops for 48 RAC technicians including one training workshop for 16 freelance technicians; one overseas training for one master trainer on cold storage units and one training workshop on good practice for cold storage and large commercial refrigeration equipment for 16 RAC technicians (UNEP) (US \$16,500);
- (g) *Certification of RAC technicians:* Implementing competency-based certification for 30 RAC technicians (UNEP) (US \$5,000);

⁹ The RAC servicing tool sets will include recovery units, two-stage rotary vacuum pump, electronic weighing scale, digital multi-refrigerant gauge manifold, leak detector, refrigerant piping tools, measurement tools and other essential tools and equipment.

- (h) *Public awareness and outreach*: Delivering tailored messages on the competency-based assessment for the RAC technicians to each target group; carrying out awareness campaigns about the RAC certification and organizing media campaign on certification for the RAC technicians to participate in the certification program (UNEP) (US \$10,000) and;
- (i) *Project implementation, coordination and monitoring* (UNEP) (US \$35,100): For staff, consultants and other personnel costs (US \$33,900); and for monitoring-related travels and meetings (US \$1,200).

Activities to maintain energy efficiency in the refrigeration servicing sector

15. The project related to energy efficiency, submitted in line with decision 89/6, has been designed to enhance coordination among key national stakeholders including government authorities, private sector and consumers to promote energy-efficient and low-GWP alternatives in the RAC sector in Brunei Darussalam. The description and proposed cost breakdown of activities to maintain energy efficiency in the sector are presented in table 3.¹⁰

Table 3. Additional activities proposed to maintain energy efficiency in the servicing sector

Activity	Performance indicators	Cost (US \$)
Technical assistance for updating the MEPS and energy labelling		
Recruit an international expert to assist in updating MEPS levels for room air conditioners below 7.1 kW; to extend coverage to higher-capacity room air conditioners (>7.1 kW) and assist to establish the MEPS value for refrigerators and freezers.	Technical assistance for updating MEPS for room air conditioner Establishment of MEPS value for refrigerators and freezers.	20,000
Organize two public consultations with key stakeholders including importers, customs officials, retailers, consumer groups, and enforcement agencies to seek their feedback on the updated MEPS for room air conditioners and proposed MEPS level for refrigerator and freezer.	Two public consultation process (15 participants for each consultation, a total of 30 participants)	2,000
Subtotal		22,000
Technical assistance for enhancing product registration procedures and inclusion of refrigerant information		
Hire a technical consultant for development of detailed procedures and criteria for acceptance and verification of performance based on accredited test reports and assess energy performance and the type of refrigerant, consistent with the Energy Efficiency (Standards and Labelling)	Two separate technical requirement documents for air conditioners and refrigerators and freezers	30,000
Conduct two public consultations with key stakeholders and gathering feedback on enforcement feasibility and consumer communication. Outcomes will be used to finalise MEPS updates and ensure wide adoption by stakeholders.	Two public consultation process (15 participants for each consultation)	2,000
Review and re-design the mandatory star-rating label to include refrigerant-related information (type, GWP value, and safety classification (e.g., flammability). The updated label will allow consumers to assess both the energy efficiency and the environmental safety of appliances at the point of purchase.	Redesign of energy labelling	6,000
Subtotal		38,000

¹⁰ As initially submitted, the project includes two main components: (a) technical assistance to update MEPS, energy labelling, enhance product registration procedures and inclusion of refrigerant information and (b) awareness, outreach and impact assessment. UNEP revised the activities to incorporate additional capacity-building measures following the Secretariat's recommendation (see paragraph 24 below).

Activity	Performance indicators	Cost (US \$)
Capacity-building of Government and private stakeholders		
Recruit an international expert to deliver two days dedicated training for customs officials from different workstreams at Headquarters and training of importers of air conditioners and refrigerators	Update knowledge and capacity from the expert provided to the country to sustain capacity building activity	10,000
Conduct two training workshops for customs and enforcement officers from different workstreams to sensitize their knowledge on refrigerants and MEPS of air conditioners and refrigerators and freezers to identify the approach to streamline with the Customs operation and how to enforce regulation at the check point.	Two customs and enforcement training workshops for a total of 35 participants	3,000
Conduct one training for importers of air conditioners and refrigerators on the government regulations on refrigerant and energy efficiency, registration, application, validation, and inspection process, and enhance their knowledge on refrigerant technology and energy performance of equipment.	One training workshop for 30 importers	1,000
Subtotal		14,000
Awareness, outreach and impact assessment		
Develop communication and awareness material and dissemination to local stakeholders.	Development of communication and awareness materials	6,000
Conduct awareness-raising and communication activities with all relevant stakeholders on higher energy consumption and the emission of ODS/GWP refrigerants and the benefits of a higher energy efficiency and low-GWP alternatives.	Communication and public awareness at the national level	
Recruit an international consultant to conduct an assessment on availability of room air conditioners, refrigerators and freezers with different types of refrigerants and energy performance and consumer behavior and analyze market acceptance barrier. Outcome of the assessment will be used to update the MEPS for room air conditioners and establish the MEPS level for refrigeration and freezer. Develop recommendations and action plan to address barriers in adoption of energy efficient and low-GWP small RAC appliances to promote MEPS and low-GWP technologies.	Assessment report of market availability, consumer behavior and market barrier and recommendation	20,000
Subtotal		26,000
Total		100,000

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Report on HCFC consumption

16. The Secretariat inquired about the import of HCFC-123 in 2021, 2023, and 2024 and its future application. UNEP explained that HCFC-123 is mainly used in older centrifugal chillers for air-conditioning in existing buildings. Given the long lifespan of these chillers, its use will continue in the short term but will be gradually phased out under the HPMP, with full phase-out scheduled by 2030.

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

Delay in submission

17. UNEP provided further explanation on the delay in submitting the second tranche. Regarding the challenges in implementing the RAC technician training and certification component, it was because the Institute of Brunei Technical Education was the only available training facility, along with the absence of an authorized certification body. To overcome those challenges, the NOU conducted two workshops for RAC technicians, and DEPR established a national certification framework and designated training facility to conduct training and examinations. A master trainer workshop was held in September 2025 for 10 trainers, with one final training planned for November 2025.

18. Regarding the verification report, UNEP clarified that the independent consultant who conducted the verification in December 2023 failed to submit the report despite repeated follow-ups, leading to contract closure and no payment. A new consultant was appointed, and the verification was completed in August 2025.

Legal framework

19. The Government of Brunei Darussalam has issued HCFC import quotas for 2025 at 1.96 ODP tonnes, which is lower than the Montreal Protocol control targets.

20. The Secretariat inquired on the progress of the established measures to ban the import of all types of HCFC-based RAC equipment by 1 January 2026,¹¹ UNEP explained that with the absence of a dedicated regulation on managing controlled substances, the ban on HCFC-based equipment falls under the Customs Act,¹² requiring an amendment to include such equipment as prohibited imports. Therefore, designated entities¹³ are coordinating with each other to incorporate the ban into the Customs Act that will provide stronger legal backing and reinforce country commitment to phasing out the import of HCFC-based equipment by January 2026. In addition, UNEP confirmed that the ban will be enforced by January 2026.

21. Furthermore, UNEP clarified the need to strengthen the DEPR, which hosts the NOU, to effectively manage ODS and their alternatives beyond the scope of the Customs Act or under any other regulations due to restricted mandate of relevant authority.¹⁴ The proposed regulation would empower the NOU to mandate RAC technician training and certification so that other measures, including registration of technicians and restricting sale of HCFCs to certified technicians, could follow; regulate the import ban of controlled-substance-based equipment; require labelling of refrigerant cylinders; and ensure safe handling of flammable refrigerants.

Activities to maintain energy efficiency in the refrigeration servicing sector

22. In line with decision 89/6(d), UNEP have included in the tranche implementation plan the specific actions, performance indicators and funding associated with additional activities to maintain energy efficiency.

¹¹ Decision 86/65(b)(i).

¹² Under the jurisdiction of the Royal Customs and Excise Department (RCED) under the Customs Act – Prohibition and Restriction on Imports and Exports (Amendment) Order 2005.

¹³ The DEPR is leading discussions with the Royal Customs and Excise Department and the Attorney General's Chambers regarding an amendment to the first schedule of the Customs Act to include HCFC-based equipment as prohibited items. The NOU has submitted draft amendment to the Royal Customs and Excise Department which is now liaising with the Attorney General's Chamber to include HCFC-based RAC equipment in the first schedule (Prohibited Import).

¹⁴ The Department of Mechanical and Electrical Services have an existing certification modality for technicians, which applies only to government-related projects, not the broader RAC servicing sector.

23. The Secretariat inquired whether the additional activities to maintain energy efficiency (decision 89/6), to be implemented alongside the second tranche of stage II of the HPMP over the next two years, could be completed on time and without overwhelming the NOU. UNEP confirmed that measures are in place to ensure timely implementation of both projects through an energy efficiency consultant or a non-profit organization to provide technical assistance for updating the MEPS for room air conditioners and establishing MEPS for refrigerators and freezers, develop detailed procedures for product registration, and conduct a survey on market behaviour and barriers to adopting energy-efficient and low-GWP technologies, working closely with the NOU, the energy authority, and other stakeholders in the country to ensure effective implementation between the two projects.

24. The Secretariat requested clarification on the technical assistance component and the absence of capacity-building activities. UNEP explained that the Government of Brunei Darussalam preferred that the energy efficiency project covers both room air conditioners and refrigerators/freezers, each requiring distinct interventions and outputs. Regarding the capacity-building component, and following the Secretariat recommendation, UNEP revised the activity to incorporate additional capacity-building measures, including training for customs, enforcement officers, importers of air conditioners and refrigerators, as shown in table 3 above.

Gender policy implementation

26. In line with decisions 84/92(d) and 90/48(c), during the implementation of the previous tranche, the NOU promoted the participation of women in HPMP activities by encouraging their engagement in planning, training, and decision-making, as well as collecting relevant data and discussed relevant issues in workshops. Women represented 50 per cent of the 208 total participants, with growing participation in RAC technician training as well as participation in the team of the NOU.

Updated Agreement

27. In view of the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector and the accordingly revised funding schedule, the updated Agreement between the Government of Brunei Darussalam and the Executive Committee has been revised. Specifically, Appendix 2-A has been revised, and paragraph 17 has been amended to indicate that the revised updated Agreement supersedes that reached at the 91st meeting by decision 91/19, as contained in annex I to the present document. The full updated Agreement will be appended to the final report of the 97th meeting.

Sustainability of the HCFC phase-out and assessment of risks

28. The Government of Brunei Darussalam continues its commitment to phase out its HCFC consumption, by implementing strong monitoring measures, including verifying import data with customs authorities, conducting market surveys on alternative technologies, tracking capacity-building activities, and submitting annual reports on HPMP progress and HCFC consumption to relevant bodies. Continued support from UNEP and UNIDO, along with increased availability and affordability of HCFC alternatives, is crucial to sustaining and advancing these efforts. Potential risks include illegal HCFC trade, the absence of a clear ban on HCFC-based equipment, limited awareness among RAC technicians about good servicing practices, and insufficient recovery practices and equipment. These risks will be mitigated through banning HCFC-based equipment imports, strengthening border controls, training customs and enforcement officers, raising awareness, development of new legislation supported by MEPS enforcement, targeted training, and outreach to importers, designers, and contractors will promote low-GWP technologies. Mandatory certification, training modules, awareness programmes, and a national system for recycling, reclamation, and destruction of used substances will further strengthen the country's HCFC phase-out strategy.

Conclusion

29. The Government of Brunei Darussalam remains in compliance with the maximum allowable consumption levels for HCFCs during the reporting period, with consumption steadily decreasing from 3.67 ODP in 2020 to 2.54 ODP in 2024, well within the limits stipulated under its Agreement with the Executive Committee. The disbursement rate for the first tranche exceeds 50.0 per cent. Progress was achieved under the first tranche including the strengthening of the regulatory framework, enhanced customs operations to control HCFC imports and exports, the procurement of refrigerant identifier, and the training of customs brokers and importers, existing and new customs enforcement officers, as well as technicians. The stage II of the HPMP has the overall objective to support the country to phase out HCFCs completely by 1 January 2030 in compliance with Montreal Protocol schedule.

RECOMMENDATION

30. The Fund Secretariat recommends that the Executive Committee note:

- (a) The progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Brunei Darussalam;
- (b) The submission of additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US \$100,000, plus agency support costs of US \$13,000, for UNEP; and
- (c) That the Fund Secretariat has revised the updated Agreement between the Government of Brunei Darussalam and the Executive Committee, as contained in annex I to the present document, specifically Appendix 2-A, to reflect the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector referred to in subparagraph (b) above; and paragraph 17, to indicate that the updated Agreement supersedes that reached at the 91st meeting (decision 91/19).

31. The Fund Secretariat further recommends blanket approval of the second tranche of stage II of the HPMP for Brunei Darussalam, and the corresponding 2026–2027 tranche implementation plan, at the funding levels shown in the table below.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage II, second tranche)	176,100	22,893	UNEP
(b)	HCFC phase-out management plan stage II, second tranche)	154,000	13,860	UNIDO

Annex I

TEXT TO BE INCLUDED IN THE REVISED UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BRUNEI DARUSSALAM AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

(Relevant changes are in bold font for ease of reference)

17. This updated Agreement supersedes the Agreement reached between the Government of Brunei Darussalam and the Executive Committee at the 91st meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2020	2021-2024	2025	2026	2027	2028-2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	3.96	3.96	1.98	1.98	1.98	1.98	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	3.96	3.96	1.98	1.98	1.98	1.98	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	149,100	0	176,100	0	67,300	0	58,500	451,000
2.2	Support costs for Lead IA (US \$)	19,383	0	22,893	0	8,749	0	7,605	58,630
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	**11,000	0	154,000	0	69,000	0	0	234,000
2.4	Support costs for Cooperating IA (US \$)	**990	0	13,860	0	6,210	0	0	21,060
3.1	Total agreed funding (US \$)	160,100	0	330,100	0	136,300	0	58,500	685,000
3.2	Total support cost (US \$)	20,373	0	36,753	0	14,959	0	7,605	79,690
3.3	Total agreed costs (US \$)	180,473	0	366,853	0	151,259	0	66,105	764,690
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)								3.96
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)								2.14
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								0.00

* Date of completion of stage I as per stage I Agreement: 31 December 2022 as per decision 87/8(b)

** Funds were transferred from UNDP to UNIDO at the 91st meeting