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**Informal consultation on the
proposals to phase out HCFCs**
Montreal, 15 September 2007**Informal consultation on the proposals to phase out HCFCs****Note by the Secretariat****I. Discussions at the twenty-seventh meeting of the Open-ended Working Group**

1. At the twenty-seventh meeting of the Open-ended Working Group of the Parties to the Montreal Protocol, held in Nairobi from 4 to 7 June 2007, six proposals to adjust the Montreal Protocol with respect to the phase-out of hydrochlorofluorocarbons (HCFCs) were introduced by representatives of the Parties submitting those proposals: the Federated States of Micronesia; Mauritania; Mauritius; the United States of America; Argentina and Brazil, jointly; and Iceland, Norway and Switzerland, jointly. The proposals were discussed by the Working Group in plenary and, in view of the breadth of views expressed, the Working Group set up an open-ended contact group, co-chaired by Mr. Mikheil Tushishvili (Georgia) and Mr. Maas Goote (Netherlands), to consider the proposals further. The contact group decided that it would base its discussions on a consolidated issues paper prepared by the co-chairs, which would subsequently be revised to reflect the discussions in the contact group. The issues paper was appended as annex II to the report of the Open-ended Working Group meeting and has subsequently been issued as document UNEP/OzL.Pro.19/INF/4.

2. The consolidated issues paper sets out four main options for establishing Parties' HCFC baselines and a set of options for the timing and rate of phase-out of HCFC production and consumption. The paper also addresses options for phasing out certain HCFCs faster than others, the need for essential-use exemptions and the timing of their removal, basic domestic needs and funding and finance.

3. Reporting to the Working Group at its twenty-seventh meeting on the contact group's discussions, Mr. Goote said that the contact group looked forward to the results of the study undertaken by the Technology and Economic Assessment Panel (TEAP) pursuant to decision XVIII/12, which would contain important information that would help advance discussions on the HCFC phase-out proposals. The TEAP report is summarized in the annex to the note by the Secretariat on issues for discussion by and information for the attention of the Meeting of the Parties (UNEP/OzL.Pro.19/2/Add.1). The TEAP report is posted on the Convention website at http://ozone.unep.org/Assessment_Panels/TEAP/Reports/TEAP_Reports/TEAP-TaskForce-HCFC-Aug2007.pdf

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4. The group also strongly encouraged Parties and relevant organizations to share their analysis of and calculations on the various scenarios for accelerated HCFC phase-out that were contained in the proposed adjustments of the Protocol and to provide that information to the Secretariat for posting on the Convention website. The submission by the European Community on the issue is contained in document UNEP/OzL.Pro.19/INF/5 and also posted on the Convention website at http://ozone.unep.org/Meeting_Documents/mop/19mop/19mop-info.shtml.

5. Any further submissions by Parties and organizations on this issue will be circulated by the Secretariat as information documents and also posted on the Convention website.

6. At its twenty-seventh meeting, the Open-ended Working Group agreed to forward the co-chairs' consolidated issues paper (UNEP/OzL.Pro.19/INF/4) to the Nineteenth Meeting of the Parties as a starting point for its consideration of the matter.

II. Informal consultations in the margins of the Executive Committee meeting

7. To take advantage of the presence of the representatives of many Parties at the fifty-second meeting of the Executive Committee of the Multilateral Fund, held from 23 to 27 July 2007, and in the light of the support of Parties at the twenty-seventh meeting of the Working Group for the proposed adjustment of the Protocol's HCFC phase-out provisions, the co-chairs of the contact group, Mr. Goote and Mr. Tushishvili, held informal consultations on 28 July 2007 in Montreal, Canada, in order to advance the discussions. The informal consultations were hosted by the Ozone Secretariat immediately after the fifty-second meeting of the Executive Committee. The Parties that had participated in the contact group on the HCFC proposals established at the twenty-seventh meeting of the Open-ended Working Group were invited, along with those Parties that had submitted proposals for HCFC adjustment and the Parties present at the Executive Committee meeting. Representatives from the Multilateral Fund secretariat and the four implementing agencies of the Multilateral Fund were invited as observers. As a result, there was a broad geographical spread of participants.

8. As the basis for their discussions at the first informal consultation, the representatives used the consolidated issues paper (UNEP/OzL.Pro.19/INF/4) and an advance version of the Technology and Economic Assessment Panel's report prepared pursuant to decision XVIII/12.

9. The informal consultations covered options for an adjusted baseline and freeze date, the need for exemptions and basic domestic needs provisions, the concept of a "worst-first" approach to an adjusted phase-out schedule and related funding and finance-related issues. The representatives agreed that the co-chairs should prepare a paper that would elaborate options for giving effect to the ideas presented at the meeting. They also agreed that the paper (UNEP/OzL.Pro.19/INF/4/Add.1) would be posted on the Convention website to inform the second informal consultation on the proposals to phase out HCFCs, to be held on 15 September 2007.

III. Proposed action

10. The Secretariat expects that the informal consultation on 15 September 2007 will be presided over by the co-chairs of the contact group and will provide an opportunity for the formal negotiation process on adjustment of the Protocol's HCFC phase-out provisions to continue. Parties may wish to use as the basis of their discussions the co-chairs' paper prepared after the informal consultations in Montreal in July (UNEP/OzL.Pro.19/INF/4/Add.1), the consolidated issues paper (UNEP/OzL.Pro.19/INF/4), the TEAP report prepared pursuant to decision XVIII/12, and the Parties' analyses of and calculations on the various scenarios for accelerated HCFC phase-out.
