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**Co-chairs' consolidated issues paper on proposals for accelerated
phase-out of HCFCs**

This paper (Annex II to the report of the Twenty-Seventh Meeting of the Open-ended Working Group, document UNEP/OzL.Pro.WG.1/27/9) has been prepared by the co-chairs of the contact group on the HCFC adjustment proposals, with a view to further facilitating the discussions on this topic. The paper aims to consolidate and pull together, not replace, the proposals made by Parties, and has been discussed and further elaborated by the contact group. It was agreed that the paper would serve as a basis and starting point for continued deliberations in Montreal, later this year. It was fully understood that the paper would be without prejudice to any final conclusions on this issue. The general concern of, and difficulties anticipated by, some Parties to accelerate the phase out are also reflected in the report of the OEWG.

Baseline and freeze

- To choose as the baseline
[the 2010 level]
[[152]% of the 200[5][6] level or the 2014 level, whichever is less]
[the average of 2010, 2011, and 2012]
[the 2015 level],
- and to freeze, at the baseline level, consumption and production in [2011][2012][2016].
- Prudent to allow for one or two years between baseline year and freeze year.

End of phase out of production and consumption, and the stepdowns

- For A2 Parties, to have completed the phase out of production in [2020][2025] and of consumption in [2020], and, for A5 Parties, to have completed the phase out in [2030][2035][2040], on the basis of
- ... reductions of consumption and production,

for A5 Parties, by 2020, of [35%][50%][65%]
by 2025, of [65%][80%][90%]
by 2030, of [95.5%],
and for A2 Parties by 2010, of [65%]
by 2015, of [90%][99.5%]
by 2020, of [99.5%]

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- [¹... reductions of consumption and production, for A5 Parties,

by 2015,	of 20%	HCFC 22, 141b, 142b
	of 10%	HCFC 123, 124
by 2020,	of 40%	HCFC 22, 141b, 142b
	of 20%	HCFC 21, 123, 124, 225
by 2025,	of 65%	HCFC 22, 141b, 142b
	of 30%	HCFC 21, 123, 124, 225
by 2030,	of 100%	HCFC 22, 141b, 142b
	of 40%	HCFC 21, 123, 124, 225
by 2035,	of 95%	HCFC 21, 123, 124, 225
by 2040,	of 100%	HCFC 21, 123, 124, 225

- by 2009, of 100% of all other HCFCs]

- [²... reductions of consumption,

for A5 Parties, by 2020,	of 75%	HCFC 22, 141b, 142b
	of 95%	HCFC 22, 141b, 142b
for A2 Parties by 2010,	of 75%	HCFC 22, 141b, 142b
	of 95%	HCFC 22, 141b, 142b]

Exemptions

- [To allow for essential use exemptions after phase out [to be decided at a later stage]]
- [The concept of ‘superior environmental benefits’, for example for HCFC 123, coupled with destruction offset]
- [To solicit TEAP studies on essential uses, on HCFC 123]

BDN

- [To allow for BDN of [15% of production][10% until 2020 and 1% after 2020]]
- [To allow for minor amount of BDN, and to solicit further TEAP information on supply and demand]

Funding/finance

- [Need for adequate financing, technical assistance and access to alternatives; To change current MLF-guidance on funding second conversion and facilities established post-1995 for both production and consumption sectors.]
- [Addressing incremental costs related to new obligations]
- [Difficulties with viable alternatives and economic feasibility]

Other issues

- [Make notions contained in Article 2F, paragraph 7, also applicable to A5 Parties, and consider extending its scope]

¹ “Worst first” scenario 1.
² “Worst first” scenario 2.