

Summary of FSM 2011 Proposal To Phase Down HFCs Under the Montreal Protocol

The FSM 2011 Proposed Amendment will strengthen climate protection under the Montreal Protocol by phasing down the production and consumption of HFCs, a group of super-greenhouse gases. The resulting benefit will be up to 100 billion tonnes of CO₂-eq. mitigation by 2050 under a treaty that has successfully phased out nearly 100 other chemicals.

Phasing down HFCs is essential for keeping warming below 1.5°C and for returning to an atmospheric concentration of greenhouse gases no greater than 350 ppm CO₂e.

- **The Baseline for Article 2 Parties in Article 2J:** The baseline for Article 2 Parties is established using HCFC *plus* HFC production and consumption from 2004-2006.
- **The Phase-Down Schedule for Article 2 Parties in Paragraphs 1 – 7 of Article 2J:** The proposed phase-down schedule in Article 2 Parties reduces HFC consumption from the baseline by 15% every 3 years beginning in 2014 until it reaches 15% of the baseline in 2029 and ultimately 10% of the baseline in 2031.
- **HFC-23 Control Measures in Paragraphs 8 – 10 of Article 2J:** The Proposal establishes control measures in paragraphs 8 and 9 of Article 2J that require all Parties to meet chemical efficiency standards in their production of HCFC-22 and destroy all remaining HFC-23 by-product. Paragraph 10, however, exempts existing HFC-23 Clean Development Mechanism (CDM) projects from the provisions of paragraphs 8 and 9.
- **Control Measures in Article 5 Parties in Paragraph 8 *qua* of Article 5:** Article 5 paragraph 8 *qua* provides Article 5 Parties with a 6-year grace period to comply with the control measures established for Article 2 Parties in paragraphs 1 to 7 of Article 2J. In addition, paragraph 8 *qua* uses different criteria for establishing the baseline in Article 5 Parties.

Under paragraph 8 *qua* of the Proposal, the baseline in Article 5 Parties is established using only HCFC production and consumption data from 2007-2009. This means the baseline is established using existing data and accounts for the recent growth in sectors that will rely on HFCs in the near future.

- **MLF Funding:** The Proposal requires the Multilateral Fund (MLF) make available the agreed incremental costs of compliance with the Article 5 control measures established under the amendment, including the destruction of HFC-23. By operation of paragraph 10 of Article 2J, the Proposal excludes funding for the destruction of HFC-23 where funding is already provided by the CDM.
- **Additional Chemicals in Annex F:** The Proposal includes two substances, often referred to as HFOs, in the list of controlled substances in Annex F as these substances are related to HFCs and are often used as replacements for HCFCs and HFCs.
- **Explicit Recognition of the UNFCCC:** The Proposal makes clear that its adoption requires no changes nor amendments to the Kyoto Protocol of the UNFCCC. With adoption of this proposed amendment, emissions of HFCs would remain in the Kyoto Protocol “basket” of gases and neither Parties’ commitments under the Kyoto Protocol nor their opportunities to meet those commitments would be altered.