

CLARIFICATION TO VM0016 DESTRUCTION OF OZONE-DEPLETING SUBSTANCES AND HYDROFLUOROCARBONS, V2.0

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This document provides clarification applicable to VCS methodology *VM0016 Destruction of Ozone-depleting Substances and Hydrofluorocarbons, v2.0*. Such clarification is effective on its issuance date. Project proponents and validation/verification bodies (VVBs) shall apply and interpret *VM0016, v2.0* consistent with this document.

Correction/Clarification	Description	Section Reference
Clarification 1	Guidance on determining HFC reclamation infrastructure capacity for destruction date eligibility exceptions	Section 4.1.2 HFC Destruction Date Eligibility Exceptions

1 CLARIFICATION 1

Clarification:

Section 4.1.2 (HFC Destruction Date Eligibility Exceptions) states the following:

HFC projects are also eligible where the HFC is sourced from a country (i.e., the source country) that has not yet completed a consumption (and production, where appropriate) phasedown and one of the following applies:

- 1) ...
- 2) The HFC was recovered from equipment or products at end of life, and the project proponent can demonstrate that the source country lacks reclamation infrastructure capacity.
- 3) ...
- 4) ...

“Reclamation infrastructure capacity” must be interpreted as the combination of facilities, supporting infrastructure (e.g., collection and consolidation centers, testing equipment, laboratories), and

enabling conditions that make reclamation activities feasible within the context of the country. It is not a binary determination based solely on the existence of a reclamation plant.

A lack of reclamation infrastructure capacity may include:

- No reclamation facilities
- Only limited or basic facilities that cannot adequately reclaim the recovered substances (e.g., cannot separate mixed substances or remove certain impurities or contaminants)
- Conditions that make reclaiming unfeasible (e.g., low recovery volumes, pilot or small facilities, lack of essential resources)

Evidence to support this requirement must be from reputable third-party sources and verifiable. Such evidence may include official country data on reclamation facilities, activities, or costs, as well as official reports of reclaimed amounts submitted under the Montreal Protocol or reported data on HFC recovery submitted to the UNFCCC.

Background:

The rationale behind the requirement is to fairly conclude that the most likely baseline scenario for HFCs at end of life is venting, and destruction activities do not lead to additional amounts of substance being produced.

HFCs are subject to a phasedown schedule under the Montreal Protocol, but production and consumption are currently allowed. This might create a case where destroyed HFCs are substituted by new virgin material, whereas if the destroyed HFCs had been recovered at the end of life and reclaimed, new HFCs would not be produced.

To address this concern, *VM0016, v2.0* requires project proponents to demonstrate that reclaiming activities do not occur or are marginal when compared to the required amounts of HFCs based on consumption. Where this is demonstrated, it can be fairly concluded that the end-of-life fate of HFCs is venting, and destruction is not reducing reclamation activities.