

## Glossary of Terms

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<b>Adaptation</b>	Adjustment in natural or human systems to a new or changing environment brought about by climate change. Adaptation refers to adjustments made by these systems to reduce their vulnerability to actual or anticipated climate change, or to exploit any beneficial opportunities
<b>Afforestation</b>	The process of establishing and growing forests on bare or cultivated land that has not been forested in the past 50 years
<b>Anthropogenic Emissions</b>	Emissions of greenhouse gases associated with human activities. These include burning of fossil fuels for energy, deforestation, land-use changes and emissions of other GHGs
<b>Biofuel</b>	A fuel produced from organic matter produced by plants. Examples of biofuels include alcohols (from fermented sugar), black liquor from the paper manufacturing process and soybean oil
<b>Biomass</b>	The total dry organic matter or stored energy content of living organisms. Biomass can be used for fuel directly by burning it (e.g. wood), indirectly by fermentation to an alcohol (e.g. sugar) or extraction of combustible oils (e.g. soybeans)
<b>Border Tax Adjustment</b>	A tax on imports by a country with an effective domestic carbon price in place, on countries without carbon pricing in place, as a means for maintaining local industry competitiveness
<b>Bus Rapid Transit</b>	A bus based transit system that delivers fast, comfortable and cost-effective urban mobility through the provision of segregated right-of-way infrastructure, rapid and frequent operations, and excellence in marketing and customer service
<b>Carbon Capture and Storage</b>	The capture of CO <sub>2</sub> emitted from large point sources, and its subsequent compression, transportation and injection into underground geological formations for long-term storage.
<b>Carbon Sequestration</b>	The capture of carbon or carbon dioxide in a manner that prevents it from being released into the atmosphere for a specified period of time. Includes storage in forests, soils, the oceans, or underground in depleted oil and gas reservoirs, coal seams and saline aquifers
<b>Carbon Market</b>	A popular term for a trading system through which countries may buy or sell units of greenhouse gas emissions (not just carbon dioxide) in an effort to meet their national limits on emissions, either under the Kyoto Protocol or under other agreements. The term can also be used to describe the trading of carbon under a voluntary market
<b>Carbon Offset</b>	A tradable commodity that allows entities to offset the emissions associated with an organisation, product or event, through the purchasing of emission reduction credits equivalent to, or a proportion of, the quantity of emissions generated in the first instance

<b>Carbon Pricing</b>	<p>The use of a pricing signal, in this case the pricing of carbon within the economy, as a market-based approach to achieving environmental objectives. Carbon pricing is generally implemented either through:</p> <ul style="list-style-type: none"> <li>▪ The introduction of taxation on greenhouse gas emissions (commonly referred to as a 'carbon tax'). This approach places an administered direct price on emissions in the economy; or</li> <li>▪ The introduction of an emissions trading scheme for permitted emission allowances (commonly referred to as a 'cap and trade scheme'). Under this approach, an indirect market-determined pricing signal is established for carbon emissions as determined by market forces</li> </ul> <p>Hybrid market instruments, employing elements of a carbon tax and emissions trading scheme, can also be established (Goldblatt, 2010)</p>
<b>Combined Cycle</b>	<p>Electricity generation where the waste heat of a gas turbine generator is used to heat water in a boiler to drive a steam-turbine generator, thereby increasing power generation efficiency</p>
<b>Conference of Parties</b>	<p>The meeting of parties to the United Nations Framework Convention on Climate Change (UNFCCC)</p>
<b>Demand Side Management</b>	<p>The shifting of electricity usage to off-peak periods</p>
<b>Emissions Cap</b>	<p>A mandated restraint, in a scheduled time frame, that puts a 'ceiling' on the total amount of anthropogenic greenhouse gas emissions that can be released into the atmosphere by any particular country or entity</p>
<b>Emissions Trading</b>	<p>A market-based approach to achieving environmental objectives that allows those reducing GHG emissions below what is required to use or trade their excess reductions with entities wishing to offset their emission through purchasing. Trading can occur at the domestic, international and intra-company level</p>
<b>Enteric Fermentation</b>	<p>Fermentation that takes place in the digestive processes of ruminant animals, such as sheep and cows, which results in the release of methane</p>
<b>European Union Emissions Trading Scheme</b>	<p>Emissions trading programme covering large CO<sub>2</sub> emitting installations within the European Union. Each country within the European Union has a National Allocation Plan which provides installations in covered sectors with an allocation of tradeable allowances for their CO<sub>2</sub> emissions, and may also allow for auctioning of allowances</p>
<b>Food Miles</b>	<p>Commonly, the distance travelled and greenhouse gas emissions associated with the transportation of food and other products from their area(s) of production to the final consumer</p>
<b>Fuel Cell</b>	<p>An electrochemical device that combines hydrogen and oxygen to produce electricity, heat and water. The source of hydrogen can be either pure hydrogen or a number of other fuels (such as methanol or other hydrocarbons) which are first converted to hydrogen and CO<sub>2</sub></p>

<b>Independent Power Producer</b>	Typically limited-liability, investor owned enterprises that generate electricity either for bulk sale to an electric utility or for retail sale to industrial or other customers with certain conditions
<b>Intensity Target</b>	A dynamic target expressed by the ratio of emissions over gross domestic product or unit of output
<b>Mitigation</b>	Measures taken to combat human induced climate change. Technically, human interventions to reduce the sources or enhance the sinks of greenhouse gases
<b>Nationally Appropriate Mitigation Actions</b>	Nationally defined policy-based commitments that produce verifiable greenhouse gas emission reductions in support of developing country mitigation activities
<b>Reforestation</b>	The act or process of re-establishing a forest on land that had been deforested in the last 50 years
<b>Renewable Energy Feed-In Tariff</b>	A mechanism to promote the deployment of renewable energy that requires specific entities to purchase the output from qualifying renewable energy generators at pre-determined prices
<b>Sectoral Approach</b>	<p>Mitigation actions, such as emissions caps and intensity targets, applied to an entire global sector.</p> <p>Proponents of sectoral approaches suggest that they limit the competitive distortions within an industry that may occur when a sector operates in a number of countries characterised by differentiated national actions on climate change</p>
<b>Synfuel</b>	Synthetic fuel or synfuel is a liquid fuel obtained from coal, natural gas or biomass. It may also refer to fuels derived from other solids such as plastics or rubber waste. Common use of the term is to describe fuels manufactured via the Fischer Tropsch conversion method (source: <a href="http://en.wikipedia.org/wiki/Synthetic_fuel">http://en.wikipedia.org/wiki/Synthetic_fuel</a> )
<b>Syngas</b>	<p>Syngas (from synthesis gas) is the name given to a gas mixture that contains varying amounts of carbon monoxide and hydrogen.</p> <p>Examples of production methods include steam reforming of natural gas or liquid hydrocarbons to produce hydrogen, the gasification of coal, biomass, and in some types of waste-to-energy gasification facilities.</p> <p>Syngas is also used as an intermediate in producing synthetic petroleum for use as a fuel or lubricant via Fischer-Tropsch synthesis and previously the Mobil methanol to gasoline process (source: <a href="http://en.wikipedia.org/wiki/Synthesis_gas">http://en.wikipedia.org/wiki/Synthesis_gas</a>)</p>
<b>Sustainable Development Policies &amp; Measures</b>	A broad term used to describe policies and measures enacted by developing countries that facilitate local sustainable development benefits and help to address global climate change

Source: Drawn in part from IPIECA (2007), Pew Center (2009) and <http://carbonfinance.org>