

FUND MANAGEMENT UNIT: Unit headed by the ICF Fund Manager and responsible for the day-to-day operations of the Fund.

FUND MANAGER: The World Bank staff member selected by the President of the World Bank to head the Carbon Finance Business.

GREENHOUSE GASES: These are the gases released by human activity that are responsible for climate change and global warming. The six gases listed in Annex A of the Kyoto Protocol are carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), as well as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆).

HIGH QUALITY EMISSION REDUCTIONS: Emission reductions of a sufficient quality so that, in the opinion of the World Bank, at the time a project is selected and designed, there will be a strong likelihood, to the extent it can be assessed, that ICF participants may be able to apply their share of emission reductions for the purpose of satisfying the requirements of the United Nations Framework Convention on Climate Change, relevant to international agreements, or applicable national legislation.

HOST COUNTRY: The country where an emission reduction project is physically located.

JOINT IMPLEMENTATION: Mechanism provided by Article 6 of the Kyoto Protocol, whereby a country included in Annex I of the UNFCCC and the Kyoto Protocol may acquire Emission Reduction Units when it helps to finance projects that reduce net emissions in another industrialized country (including countries with economies in transition).

KYOTO PROTOCOL: Adopted at the 3rd Conference of the Parties to the United Nations Convention on Climate Change held in Kyoto, Japan in December 1997, the Kyoto Protocol commits industrialized country signatories to reduce their greenhouse gas (or “carbon”) emissions by an average of 5.2% compared with 1990 emissions, in the period 2008-2012. In other words, annual Annex I emissions must be, on average, 950 million tons of carbon dioxide equivalent lower than 1990 emissions during the period 2008-2012.

LEAST DEVELOPED COUNTRIES: Least developed countries are defined as countries listed in the World Bank’s International Development Association (IDA) list of countries, countries commonly referred to as “IDA blend,” with a population of less than 75 million; or, countries designated as least developed countries by the United Nations.

MARRAKESH ACCORDS: The set of rules agreed to by the Parties to the UNFCCC at the occasion of their Seventh Session, which provides additional implementation guidelines for the CDM.

MONITORING PLAN: A set of requirements for monitoring and verification of emission reductions achieved by a project.

PARTICIPANTS: Contributors to the ICF.

PCFplus: which supplements the work of the Prototype Carbon Fund in the areas of outreach and capacity building, and research and training, was initiated in November 2000.

PROJECT CONCEPT NOTE: A brief description of a project prepared by the project proponent entity or intermediary.

PROJECT DESIGN DOCUMENT: A project-specific document required under the CDM rules which will enable the Operational Entity to determine whether the project (i) has been approved by the parties involved in a project, (ii) would result in reductions of greenhouse gas emissions that are additional, (iii) has an appropriate baseline and monitoring plan.

PROJECT IDEA NOTE: A note prepared by a project proponent regarding a project proposed for ICF. The Project Idea Note is set forth in a format provided by the ICF.

REFORESTATION: This process increases the capacity of the land to sequester carbon by replanting forest biomass in areas where forests have been previously harvested.

REGISTRATION: The formal acceptance by the CDM Executive Board of a validated project as a CDM project activity.

SMALL-SCALE PROJECTS: Projects which are compatible with the definition of “Small-Scale CDM Project activities” set out in decision 17/CP.7. of the Conference of Parties to the UNFCCC.

TRUSTEE: The World Bank, acting not in its individual or personal capacity but solely in its capacity as Trustee of the fund.

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE: The international legal framework adopted in June 1992 at the Rio Earth Summit to address climate change. It commits the Parties to the UNFCCC to stabilize human induced greenhouse gas emissions at levels that would prevent dangerous manmade interference with the climate system. In December 1997, the Parties to the UNFCCC adopted the Kyoto Protocol.

VALIDATION: The assessment of a project's Project Design Document, which describes its design, including its baseline and monitoring plan, by an independent third party, before the implementation of the project against the requirements of the CDM,

VERIFICATION: The periodic independent review and ex post determination by an independent third party of the monitored emission reductions that have occurred as a result of a registered CDM project activity during the verification period.

VERIFICATION REPORT: A report prepared by an Operational Entity, or by another independent third party, pursuant to a Verification, which reports the findings of the Verification process, including the amount of reductions in emission of greenhouse gases that have been found to have been generated.

LIST OF ACRONYMS

AAU	Assigned amount unit	IETA	International Emissions Trading Association
CERs	Certified emission reductions	JI	Joint Implementation
CDCF	Community Development Carbon Fund	NCDMF	Netherlands Clean Development Mechanism Facility
CDM	Clean Development Mechanism	OECD	Organization for Economic Cooperation and Development
CF-Assist	Carbon Finance Assist Program	PCF	Prototype Carbon Fund
CFB	Carbon Finance Business (of the World Bank)	PCN	Project Concept Note
COP	Conference of the Parties to the UNFCCC	PIN	Project Idea Note
ERs	Emission reductions	tCO ₂ e	Tons of carbon dioxide equivalent
ERPA	Emission reduction purchase agreement	UNFCCC	United Nations Framework Convention on Climate Change
EU-ETS	European Union Emissions Trading Scheme		
FMU	Fund management unit		
GHG	Greenhouse gases		
ICF	Italian Carbon Fund		
IDA	International Development Association		
IET	International Emissions Trading		