

Carbon **ABC**

A

AA and AAU, see Assigned Amount and Assigned Amount Units.

Accredited Independent Entity (AIE)

An entity accredited by the JISC, which is responsible for the determination of whether a project and the ensuing reductions of anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks meet the relevant requirements of Article 6 of the Kyoto Protocol and the JI guidelines.

AIE, see Accredited Independent Entity.

Activities Implemented Jointly (AIJ)

AIJ is a pilot program to test project-based mechanisms for emissions reductions.

Adaptation Levy

Levy aims to assist "Least Developed Countries" (LDCs) through Adaptation Fund to adapt to climate change. Levy (2% of the certificates from project) is imposed to all CDM projects except those implemented in LDCs.

Additionality

Under the Kyoto Protocol, certificates from JI and the CDM (see explanations below) will be awarded only to project-based activities where emissions reductions are "additional to those that otherwise would occur." The issue has to be elaborated further by the Parties to the Kyoto Protocol, and on the basis of practical experiences.

Ad-Hoc Working Group on Further Commitments

As required under Article 3.9 of the Kyoto Protocol, the COP11/MOP1 initiated a process of Ad-Hoc Working Group establishment to develop further commitments for Annex I countries for the period after the first round of Kyoto emission targets expire (2012).

Adipic Acid

Industrial production of adipic acid causes emissions of nitrous oxide (greenhouse gas) as a byproduct. Adipic acid is used primarily for production of nylon fibers and plastics, plasticizer for polyvinyl chloride, etc.

Afforestation and Reforestation (A/R) Projects

Afforestation and reforestation (A/R) projects imply to establish forest on land that has not been forested for a period of at least 50 years (afforestation) or on non-forested land (reforestation) through planting, seeding and/or the promotion of natural seed sources.

AIJ, see Activities Implemented Jointly.

Annex B Countries

Annex B countries are the 39 emissions-capped countries listed in Annex B of the Kyoto Protocol.

Annex Z

Annex Z of Marrakesh Accords (COP7) consists of the maximum amount of forest management credits for each Annex I country.

Annex I Countries

Annex I countries are the 36 countries and economies in transition listed in Annex I of the UNFCCC. Belarus and Turkey are listed in Annex I but not Annex B; and Croatia, Liechtenstein, Monaco and Slovenia are listed in Annex B but not Annex I. In practice, however, Annex I of the UNFCCC and Annex B of the Kyoto Protocol are often used interchangeably.

Annex II Countries

Annex II of the UNFCCC includes all original OECD member countries plus the European Union.

Alliance of Small Islands States (AOSIS)

Coalition of some 43 low-lying and small island countries that are particularly vulnerable to sea level rise. AOSIS countries were the first to propose a draft text during the Kyoto Protocol negotiations calling for cuts in carbon dioxide emissions of 20% from 1990 levels by 2005.

Allocation

Allocation of emissions permits or allowances among greenhouse gas emitters to establish an emission trading market. The division of permits/allowances can be done through grandfathering method and permit auctioning.

Allocation Plan

National plan of an European Union Member State establishing the rules to issue of allowances for the installations under the EU-Emissions Trading Scheme (EU ETS).

A/R Projects, see Afforestation and Reforestation Projects

Asia-Pacific Partnership (AP6)

International non-treaty agreement among Australia, India, Japan, the People's Republic of China, South Korea, and the United States was announced July 28, 2005 at an Association of South East Asian Nations (ASEAN) Regional Forum meeting. The Partnership will focus on investment and trade in cleaner energy technologies, goods and services in key market sectors.

Assigned Amount (AA) and Assigned Amount Units (AAUs)

The assigned amount is the total amount of greenhouse gas that each Annex B country is allowed to emit during the first commitment period (see explanation below) of the Kyoto Protocol. An Assigned Amount Unit (AAU) is a tradable unit of 1 tCO₂e.

Auctioning, see also Allocation

Auctioning means allocation of greenhouse gas emissions among emitters within domestic emissions trading scheme concerned with willingness to pay for permits.

B

Banking

Parties to the Kyoto Protocol may bank some emissions allowances or credits (maximum limit of 2.5% of country's target) to use them in subsequent commitment periods.

Baseline and Baseline Scenario

The baseline represents forecasted emissions under a business-as-usual (BAU) scenario, often referred to as the 'baseline scenario', i.e. expected emissions if the emission reduction activities were not implemented.

BAU, see Business As Usual Scenario.

Bubble

A bubble is a regulatory concept whereby two or more emission sources are treated as if they were a single emission source.

Bundling, see also Debundling

Combination of several small-scale project activities to form a single project activity or portfolio to decrease transaction costs per unit of emission reductions.

Business As Usual Scenario (BAU)

A business as usual scenario is a policy neutral reference case of future emissions, i.e. projections of future emission levels in the absence of changes in current policies, economics and technology.

C

Cap and Trade

A cap and trade system is an emissions trading system, where total emissions are limited or 'capped'. The Kyoto Protocol is a cap and trade system in the sense that emissions from Annex B countries are capped and that excess permits might be traded. However, normally cap and trade systems will not include mechanisms such as the CDM, which will allow for more permits to enter the system, i.e. beyond the cap.

Carbon Dioxide Capture and Storage (CCS)

Process consisting of the separation of CO₂ from industrial and energy-related sources, transport to a storage location and long-term isolation from the atmosphere.

Carbon Dioxide Equivalent (CO₂e)

This is a measurement unit used to indicate the global warming potential (GWP) of greenhouse gases. Carbon dioxide is the reference gas against which other greenhouse gases are measured.

Carbon Market Forecaster

This computer model provides the foundation for the estimation of the present value of carbon permits. Carbon Market Forecaster uses input data from a large number of sources: historical trends, various top-down models, bottom-up studies, expert group surveys and forecasts. The model is highly flexible and is updated continuously.

Carbon Neutral

Zero CO₂ emissions from sources, which are currently not addressed, or only inadequately addressed, by climate policies (e.g. private households, public administrations, most small and medium sized businesses, air travel). Carbon neutrality is a voluntary market mechanism to encourage the reduction of emissions.

Carbon Trading, see Emission Trading.

CDM, see Clean Development Mechanism.

CDM EB, see Clean Development Mechanism Executive Board.

CDM Registry

At its thirteenth meeting the Executive Board designated the UNFCCC Secretariat as the CDM registry administrator. In carrying out this task the secretariat has put into production a version of the CDM registry, which, while capable of communicating with the ITL, is operating temporarily as a stand alone system. This version of the CDM registry is being used to issue CERs from registered CDM project activities. (Link: [CDM Registry](#)).

CERs, see Certified Emission Reductions.

Certification

The certification process is the phase of a CDM or JI project when permits are issued on the basis of calculated emissions reductions and verification, possibly by a third party.

Certified Emission Reductions (CERs)

CERs are permits generated through the CDM.

Clean Development Mechanism (CDM)

The CDM is a mechanism for project-based emission reduction activities in developing countries. Certificates will be generated through the CDM from projects that lead to certifiable emissions reductions that would otherwise not occur.

Clean Development Mechanism (CDM) Executive Board (EB)

The CDM EB is accountable to the Conference of the Parties to the Kyoto Protocol (see below). It registers validated project activities as CDM projects, issues certified emission reductions to relevant projects participants, and manages series of technical panels and working groups meetings (see Methodologies Panel).

Clear Skies Act (Clear Skies Initiative)

Establishes in the United States federally enforceable emissions limits (or "caps") for three pollutants - SO₂, NO_x, and mercury for a period of 2008-2018. Clear Skies' NO_x and SO₂ requirements affect all fossil fuel-fired electric generators greater than 25 megawatts (MW) that sell electricity.

Climate Cent

Levy on all imports of petrol and diesel at a rate of 1.5 cents per litre introduced as a voluntary measure of the Swiss industry. This will generate around 100 million Swiss Francs annually, which will go towards closing the gap in CO₂ emissions reductions.

Coal Mine Methane/Coalbed Methane

Coalbed methane is methane contained in coal seams, and is often referred to as virgin coalbed methane, or coal seam gas. Coal mine methane is the subset of coalbed methane that is released during the process of coal mining.

Commitment Period

The five-year Kyoto Protocol Commitment Period is scheduled to run from calendar year 2008 to calendar year-end 2012.

Commitment Period Reserve

To avoid "over-sell" and thus non-compliance with targets, Annex I Parties to hold a minimum level of AAUs, CERs, ERUs and/or RMUs in a commitment period reserve that cannot be traded.

COP, see Conference of the Parties.

Community Independent Transaction Log (CITL)

Central Administrator programme started at January 1, 2005 according to EU Directive 2003/87/EC, which underline the necessity to maintain an independent transaction log recording the issue, transfer and cancellation of allowances within European Union.

Compliance

Achievement by a Party its quantified emission limitation and reduction commitments under the Kyoto Protocol.

Conference of the Parties (COP)

The COP is the supreme body of the United Nations Framework Convention on Climate Change (UNFCCC). The Sixth Conference of the Parties under the UN Framework Convention on Climate Change (COP-6) took place in The Hague 13-24 November 2000. The negotiations in The Hague did not yield decisions on rules for the flexible mechanisms, due to disputes between the EU and the USA on how to account for activities related to so-called carbon sinks. COP6 was therefore formally not ended before agreement was reached at the second part of the conference (COP-6bis) in Bonn, Germany, in July 2001. COP-7 was held 29 October-9 November, 2001, in Marrakech, Morocco. COP-8 was held in New Delhi, India, in October/November 2002, while COP-9 took place in December 2003 in Milan, Italy. COP-10 was held in December 2004 in Buenos Aires, Argentina, and COP-11 in Montreal, Canada in November/December 2005, this also was the first Meeting of the Parties to the Kyoto Protocol (MOP-1). The last conference (COP -12) was held in Nairobi in November 2006. The next one is due in December 2007.

Countries with Economies in Transition (EIT)

Countries that are in the transition from a planned economy to a market-based economy, i.e. the Central and East European countries, Russia, and the former republics of the Soviet Union.

Crediting Period

The crediting period is the duration when a project generates carbon credits. The crediting period shall not extend beyond the operational lifetime of the project. For CDM projects crediting period continues either a 7-year period, which can be renewed twice to make a total of 21 years, or a one-off 10-year period; for JI projects crediting period overlaps with the first commitment period under the Kyoto Protocol (2008-2012). The JI projects starting as of 2000 may be eligible as JI projects if they meet the requirements of the JI guidelines. The end of the crediting period can be after 2012 subject to the approval by the host Party.

D

Debundling, see also Bundling

Debundling is defined as the fragmentation of a large project activity into smaller parts.

Designated National Authority (DNA)

To participate in CDM, a Party needs to appoint a Designated National Authority. The DNA issues the Letter of Approval (LoA) needed for registration of a project. A project will need both a host country approval as well as investor country approval.

Designated Operational Entity (DOE), see also Accredited

A domestic legal entity or an international organization accredited and designated by the CDM

EB. The DOE validates and requests registration of a proposed CDM projects activity as well as verifies emission reductions of a registered CDM project activity.

Determination, see also Validation and Verification.

The process of independent evaluation of a JI project by an accredited Independent Entity whether the Project Design Document (PDD) fulfill all requirements to JI projects under Article 6 of the Kyoto Protocol and the JI guidelines.

Determinations of reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks pursuant to paragraph 37 of the JI guidelines are also referred to as verifications as for JI projects.

Directive on Large Combustion Plants

EU Directive 2001/80/ established national emission ceilings on four pollutants (sulphur dioxide, NO_x, volatile organic compounds and ammonia) and limits for emissions from large combustion plants within European Union.

Directive on Landfill of Waste

The objective of the Council Directive 99/31/EC is to prevent or reduce as far as possible negative effects on the environment from the land-filling of waste, by introducing stringent technical requirements for waste and landfills.

Domestic Project

JI project developed in the absence of another Annex 1 Party participation.

Double Counting

Projects within installations covered by the EU Emission Trading Scheme can not be put forward as Joint Implementation projects because allocation of European Union Allowances (EUAs) and generation of Emission Reduction Units (ERUs) in the same installation would lead to double counting.

E

Early Crediting

Early credits can be given for projects implemented between 2000 and 2008 to achieve compliance in the first commitment period.

EIT, see Countries with Economies in Transition.

Emission Reduction Unit (ERU)

Permits achieved through a Joint Implementation project.

Emissions to Cap (E-t-C)

Emissions-to-cap (E-t-C) is calculated by subtracting the seasonally adjusted cap from emissions (actual or forecasted). This metric gives an indication of whether the market (for a specific period) is producing more or less than the seasonally adjusted cap for that same period. More specifically, if not taking CERs into account, a positive (negative) E-t-C means that the market is fundamentally short (long), suggesting a buy (sell) signal.

Emissions Trading

Emissions Trading allows for transfer of AAUs across international borders or emission allowances between companies covered by a Cap and Trade scheme. However, it is a general term often used for the three Kyoto mechanisms: JI, CDM and emissions trading.

Emission Reduction Purchase Agreement (ERPA)

Binding purchase agreement signed between buyer (of CERs or ERUs) and seller.

Emissions Reductions (ERs)

Emissions reductions generated by a project that have not undergone a validation/verification process, but are contracted for purchase.

ERU, see Emission Reduction Unit.

European Union Allowances (EUA)

EU Allowances, the tradable unit under the EU ETS. Equals 1 tonne of CO₂.

EU ETS, see European Union Emissions Trading Scheme

European Union Emissions Trading Scheme (EU ETS)

Trading Scheme within the European Union. The first compliance phase is from 2005 to 2007, while the second compliance phase continues from 2008 to 2012.

F

Financial additionality

CDM projects have to be financially additional, which means that the projects that Annex I countries support within the framework of the CDM should not be financed by official development aid, but that additional funding is to be made available for such projects.

Focal Point

Contact person within the government of country that has signed UNFCCC for communication according to UNFCCC.

Forest management

A system of practices for stewardship and use of forest land aimed at fulfilling relevant ecological (including biological diversity), economic and social functions of the forest in a sustainable manner.

Fungibility

Possibility to exchange different types of reduction credits achieved under different mechanism (e.g. ERUs on AAUs etc.).

G

G77, see Group of 77.

Geosequestration, see also Carbon Dioxide Capture and Storage, Ocean Sequestration
Carbon dioxide capture and storage system that seeks put CO₂ under ground in old oil and gas fields, non commercial coal fields and saline aquifers.

Global Warming Potential (GWP), see also Carbon Dioxide Equivalent.

The global warming potential is the impact a greenhouse gas (GHG) has to global warming. By definition, CO₂ is used as reference case, hence it always has the GWP of 1. GWP changes with time, and the IPCC has suggested using 100-year GWP for comparison purposes. Below is a list of 100-year GWPs:

Carbon dioxide (CO ₂)	GWP: 1
Methane (CH ₄)	GWP: 21
Nitrous oxide (N ₂ O)	GWP: 310
Hydrofluorocarbons (HFCs)	GWP: 150 – 11 700
Perfluorocarbons (PFCs)	GWP: 6500 – 9 200
Sulphur hexafluoride (SF ₆)	GWP: 23 900

Gold Standard

Initiated by WWF, SSN and Helio International the Gold Standard for CDM projects was launched in 2003 after a wide-ranging stakeholder consultation among key actors of the carbon market as well as governments. It offers project developers a tool with which they can ensure that the CDM and JI deliver credible projects with real environmental benefits and, in so doing, give confidence to host countries and the public that projects represent new and additional investments in sustainable energy services.

Grandfathering, see also Allocation

Method for allocation of emissions, where permits are allocated, usually free of charge, to emitters and firms on the basis of historical emissions.

Grazing Land Management

The system of practices on land used for livestock production aimed at manipulating the amount and type of vegetation and livestock produced

Greenhouse gases (GHGs)

Greenhouse gases (GHGs) are trace gases that control energy flows in the Earth's atmosphere by absorbing infra-red radiation. Some GHGs occur naturally in the atmosphere, while others result from human activities. There are six GHGs covered under the Kyoto Protocol - carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). CO₂ is the most important GHG released by human activities.

Green Investment Scheme (GIS)

The purpose of Green Investment Schemes is to promote the environmental effectiveness of AAUs transfers, by earmarking revenues from these transfers for environmentally-related purposes in the seller countries.

Group of 77 and China (G77/China)

G77/China is the developing country-group in the climate negotiations, consisting of more than 130 developing countries.

GWP, see Global Warming Potential.

H

Host Country

A host country is the country where a JI or CDM project is physically located. A project has to be approved by host country to receive CERs or ERUs.

Hot Air

Excess permits that have occurred due to economic collapse or declined production for reasons not directly related to intentional efforts to curb emissions.

HFC-23 (Trifluoromethane)

About 98% of HFC-23 emissions are created as a byproduct in the production of HCFC-22 and generally are vented to the atmosphere. HCFC-22 is used mostly as the refrigerant for stationary refrigeration and air conditioning.

I

IET, see Emissions Trading.

Integrated Pollution Prevention and Control (IPPC) Directive

IPCC Directive based on minimising pollution from various industrial sources throughout the European Union. Operators of industrial installations covered by Annex I of the IPPC Directive are required to obtain an authorisation (environmental permit) from the authorities in the EU countries. About 50.000 installations are covered by the IPPC Directive in the EU.

International Emissions Trading (IET), see Emissions Trading.

International Transaction Log (ITL)

A planned centralized database of all tradable credits under the Kyoto Protocol and the application that verifies all international transactions and their compliance with Kyoto rules and policies.

Intergovernmental Panel on Climate Change (IPCC)

IPCC was established by World Meteorological Organisation (WMO) and the United Nations Environmental Programme (UNEP) in 1988 to assess scientific, technical and socio-economic information relevant for the understanding of climate change, its potential impacts and options for adaptation and mitigation. It is open to all Members of the UN and of WMO (www.ipcc.ch).

IPCC, see Intergovernmental Panel on Climate Change.

Issuance

Issuance refers to the instruction by the CDM Executive Board to the CDM registry administrator to issue a specified quantity of CERs for a project activity into the pending account of the Executive Board in the CDM registry.

J

JI, see Joint Implementation.

JISC, see Joint Implementation Supervisory Committee.

Joint Implementation (JI)

Joint Implementation is a mechanism for transfer of emissions permits from one Annex B country to another. JI generates ERUs on the basis of emission reduction projects leading to quantifiable emissions reductions.

Joint Implementation Supervisory Committee (JISC)

Joint Implementation Supervisory Committee (JISC) supervises the verification of ERUs generated by JI projects following the verification procedure under the JISC.

JUSSCANNZ Group

Active group during the Kyoto Protocol negotiations (JUSSCANNZ is an acronym for Japan, the USA, Switzerland, Canada, Australia, Norway and New Zealand). Later Umbrella Group (see Umbrella Group) derived from the JUSSCANNZ Group.

K

Klimarappen, see Climate Cent

Kyoto Protocol

The Kyoto Protocol originated at COP-3 to the UNFCCC in Kyoto, Japan, December 1997. It specifies emission obligations for the Annex B countries and defines the three so-called Kyoto mechanisms: JI, CDM and emissions trading. It entered into force on 16 February 2005.

Kyoto Mechanisms, see Flexible Mechanisms

L

Linking Directive

The EU Emissions Trading Directive 2003/87/EC and its amendment arrange the use of project credits in Phase I (2005-2007) of the EU ETS, as well as provisions relating to project approval processes and authorisation to participate in the flexible mechanisms. They also contain additional provisions relating to the establishment of the national emissions inventory.

Land Use, Land Use Change and Forestry (LULUCF), see also articles on Afforestation and Reforestation Projects, Forest Management, Revegetation, and Grazing Land Management.

The land-use, land-use change and forestry (LULUCF) sector was included under the Kyoto Protocol to take into consideration certain human-induced activities that remove greenhouse gases from the atmosphere, also known as carbon "sinks". The following activities referred to in Article 3, paragraphs 3 and 4 of the Kyoto Protocol, as defined in paragraph 1 of the annex to decision 16/CMP.1: afforestation, reforestation, deforestation (The direct human-induced conversion of forested land to non-forested land), revegetation, forest management, cropland management (The system of practices on land on which agricultural crops are grown and on land that is set aside or temporarily not being used for crop production) and grazing land management.

Leakage

Decrease or increase of greenhouse gas-related benefits outside the boundaries set for defining a project's net greenhouse gas impacts that result from project activities.

Letter of Approval (LoA)

The letter provides formal approval of the project as a JI or CDM project by the Parties involved.

Letter of Endorsement (LoE)

The letter means confirmation to the project sponsor of the preparedness of the host country to endorse the further development of the project in question.

Letter of 'No Objection' (LoNo)

The Letter may be requested on the basis of a Project Identification Note (PIN) in order to gain assurance from the host country to issue the Letter of Endorsement (LoE).

LoA, see Letter of Approval.

LoE, see Letter of Endorsement.

LoNo, see Letter of 'No Objection'.

Long-term Certified Emission Reductions (ICERs), see also Temporary Certified Emission Reductions (tCERs)

Credits issued for an afforestation or reforestation project activity that expires at the end of its crediting period. ICERs are issued for the net anthropogenic greenhouse gas removals by sinks achieved by the project activity during each verification period.

LULUCF, see Land Use, Land Use Change and Forestry.

M

MAC, see Marginal Abatement Cost.

Marginal Abatement Cost (MAC)

The marginal abatement cost in the context of the carbon market is the cost of reducing emissions with one additional unit. Aggregated marginal costs over a number of projects or activities define the marginal abatement cost curve.

Marrakesh Accords

Accords include the detailed modalities and procedures of the international climate change policy regime developed at COP-7 (seventh Conference of the Parties). Marrakesh Accords cover significant principles for technology transfer, accounting, flexible mechanisms implementation etc.

Memorandum of Understanding (MoU)

An MoU is an agreement between two parties that aims to formally recognise a joint desire to ultimately conclude an agreement or to achieve goals jointly. It may or may not have legal backing of sanction, depending upon how it is constructed. MoUs between host and investor country are often used as a basis for CDM/JI projects.

Methodologies Panel (Meth Panel)

The Methodologies Panel was established to develop recommendations to the Executive Board on guidelines for methodologies for baselines and monitoring plans and prepare recommendations on submitted proposals for new baseline and monitoring methodologies.

Meeting of Parties (MOP)

MOP is the Supreme Body of the Kyoto Protocol. The first Meeting of Parties to the Kyoto Protocol firstly was held in Montreal in December 2005 during the 11th Conference of Parties.

Monitoring

Monitoring refers to the collection and archiving of all relevant data necessary for determining the baseline, measuring anthropogenic emissions by sources of greenhouse gases (GHG) within the project boundary of a project activity and leakage, as applicable.

N

National Authorities and Designated National Authorities

The national authority is the official body representing the Government which takes part in the arrangement of CDM/JI projects. For JI host countries, the national authority approves the projects and issues the emission reduction units. For CDM host countries, the designated national authority issues a non-objection letter necessary for the project approval, if it agrees that a project is in line with its sustainable development objectives.

National Allocation Plan (NAP)

Allocation of emission allowances at the national level to individual sites under European Union Emission Trading Scheme.

Negotiated Greenhouse Agreement (NGA)

The New Zealand Government has been prepared to negotiate a full or partial exemption from the proposed emissions charge through NGA, because the international competitiveness of some New Zealand firms or industry groupings could be at risk from the emissions charge during the first commitment period of the Kyoto Protocol.

Non-Annex I countries

Annex I is an Annex in the UNFCCC listing those countries that are signatories to the Convention and committed to emission reductions. The non-Annex I countries are developing countries, and they have no emission reduction targets.

O

Ocean Sequestration, see also Geosequestration and Terrestrial Sequestration

Carbon dioxide capture and storage system that includes both injection into deep areas of the ocean and increased stimulation of ocean surface waters to grow phytoplankton and take up carbon dioxide.

P

Permit

Permits are often used for denoting the tradable units under the Kyoto Protocol, i.e. AAUs, ERU or CERs.

Programmatic CDM Projects

Programmatic CDM Projects cover such activities to reduce emissions as implementation of a government measures or private sector initiatives.

Project Design Document (PDD)

Document completed by project developers in order to register their project under the CDM or JI. (Link: CDM Project Design Document (PDD) and JI Project Design Document (PDD)). The draft JI PDD form shall be applied provisionally until the COP/MOP has adopted it in accordance with the JI guidelines

Project Idea Note (PIN)

This is a short form of project description (about 6 pages) that provides such basic information about the project as type, size and location of the project; estimation of the anticipated total amount of Greenhouse Gas (GHG), reduction compared to the “business-as-usual” scenario, etc.

R

Regional Greenhouse Gas Initiative (RGGI)

The Regional Greenhouse Gas Initiative is a cooperative effort by Northeastern and Mid-Atlantic states of the United States of America to reduce carbon dioxide emissions establishing of a regional cap-and-trade program initially covering carbon dioxide emissions from power plants in the region.

Registration

Registration is the formal acceptance by the Executive Board of a validated project activity as a project activity. Registration is the prerequisite for the verification, certification and issuance of credits related to that project activity.

Removal Units (RMUs)

A unit relating to land use, land use change and forestry activities is equal to one metric tonne of CO₂ equivalent. RMUs cannot be banked for use in any subsequent commitment period, but can be converted into Assigned Amount Units (AAUs) within National Registry.

Revegetation

A direct human-induced activity to increase carbon stocks on sites through the establishment of vegetation that covers a minimum area of 0.05 hectares and does not meet the definitions of afforestation and reforestation.

S

Set-aside (JI Reserve)

A set-aside should be established in the National Allocation Plan for the period 2008 to 2012 of each Member State hosting or intending to host activities under the project based mechanisms of the Kyoto Protocol, which could cause double-counting, listing planned project activities and its anticipated reductions or limitations of emissions that take place in installations under EU ETS and for which ERUs or CERs should be issued by the Member State. (c)

Sinks

Carbon "sinks" refers to the removal of greenhouse gases (GHGs) from the atmosphere through land management and forestry activities that may be subtracted from a country's allowable level of emissions.

Small scale CDM projects

There is a simplified process for small scale CDM projects that will generate less emissions reductions. They are defined as: renewable energy projects under 15 MW, energy efficiency projects that reduce energy consumption by up to 15 GWh per year; or project activities which emit less than 15 kilotonnes CO₂ equivalent per year.

Stakeholders

The public, including individuals, groups or communities affected, or likely to be affected, by the project. Comments of stakeholders have to be included into Project Design Document according to rules established by UNFCCC.

System for observation of halogenated greenhouse gases in Europe (SOGE)

SOGE is an integrated system for observation of halogenated greenhouse gases in Europe. The project builds on a combination of observations and modelling.

Subsidiary Body for Implementation (SBI)

The SBI advises and assists the COP in matters relating to implementation of the UNFCCC and in preparing its decisions.

Subsidiary Body for Scientific and Technological Advice (SBSTA)

The SBSTA advises the COP on scientific and technical matters. It provides a link between the scientific information from experts and the policy-oriented needs of the COP. The SBSTA works very closely with the Intergovernmental Panel on Climate Change (IPCC).

Supplementarity

Supplementarity is a provision in the Kyoto Protocol stating that emissions trading should be a supplement to domestic action. It reflects the request of the European Union to limit the use of the Kyoto Protocol flexibility mechanisms.

T

Temporary Certified Emission Reductions (tCERs), see also Long-term Certified Emission Reductions (lCERs)

Credits issued for an afforestation or reforestation project activity under the CDM that expires at the end of the commitment period following the one during which it was issued. tCERs are issued for the net anthropogenic greenhouse gas removals by sinks achieved by the project activity since the project start date.

Terrestrial Sequestration

Removal carbon dioxide from the atmosphere or the prevention of carbon dioxide emissions from leaving terrestrial ecosystems. Sequestration can be enhanced in such ways as reducing the decomposition of organic matter, increase of photosynthetic carbon fixation of different types of vegetation; creating energy offsets using biomass for fuels.

Track 1 and Track 2 JI Projects

To host Track 1 (fast-track) JI project country has to meet such criteria as: a) to be the Party to the Kyoto Protocol; b) has calculated Assigned amount; c) established National registry; d) submitted the annually required inventory; e) established system for the estimation of emissions and sinks; and f) submitted an additional information on the assigned amount.

If host country meets all criteria, it is free to implement JI projects under Track 1: apply its own criteria and approve the project and emission reductions according to its own rules.

In case host country meets only a)-c) criteria mentioned above, it is eligible for Track 2 JI projects. Second track JI more closely resembles the CDM, and projects must be examined and the emissions reduced or sequestered verified by an independent entity before any transaction can occur.

U

Umbrella group

The Umbrella group is an informal group of industrialised countries that do not belong to the EU. The group was formed after the adoption of the Kyoto Protocol, and consists of Japan, USA, Canada, Australia, Norway, New Zealand, Iceland, Russia and Ukraine.

UNFCCC, see United Nations Framework Convention on Climate Change.

UK Climate Change Levy

Tax on the use of energy in industry, commerce and the public sector, with offsetting cuts in the rate of employers' National Insurance Contributions of 0.3 percentage points and additional support for energy efficiency schemes and renewable sources of energy. The levy forms a key part of the UK Government's overall Climate Change Programme.

United Nations Framework Convention on Climate Change (UNFCCC)

The UNFCCC was established 1992 at the Rio Earth Summit. It is the overall framework guiding the international climate negotiations. Its main objective is "stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic (man-made) interference with the climate system".

V

Validation, see also Determination

The process of independent evaluation of a CDM project by an accredited Independent Entity according to requirements to CDM projects.

Verification, see also Determination.

In order for CDM projects to have a formalised validation of an emission reduction stream, a recognised independent third party must confirm that claimed emissions reduction activity has occurred.

Verified Emission Reductions (VERs)

VERs are generated by small scale projects, which are assessed and verified by third party organisations rather than through the UNFCCC.

Voluntary Market

Voluntary markets for emissions reductions cover those buyers and sellers of Verified Emission Reductions (VERs), which seek to manage their emission exposure for non-regulatory purposes.

PointCarbon™

www.pointcarbon.com