

# CCICD Climate Finance SWGs

## Glossary of Key Terms<sup>1</sup> - Updated May 2021

**Accreditation:** A process under which entities have to demonstrate that they have the ability to manage the GCF's resources in accordance with standards and criteria set out by the GCF in the accreditation application.

**Accredited Entities:** An institution accredited by the GCF Board to access funding from the GCF, these institutions will go through a process of accreditation, designed to assess whether they are capable of strong financial management and of safeguarding funded projects and programmes against any unforeseen environmental or social harm. An accredited entity could be a national or regional or multilateral institution. It can be government, non-governmental and private.

**Adaptation:** Adjustments to ecological, social and economic systems in such a manner as to build resilience of human communities and natural ecosystems so as to moderate or minimize potential damage or to benefit from opportunities associated with climate change.

**Adaptation Planning:** The identification of adaptation priorities and development of strategies and programmes to address these priorities in a continuous, dynamic and iterative process. The GCF support for adaptation planning processes may have a national, sub-national and/or sectoral focus, and could contribute to an integrated national vision for climate resilience.

**Climate Change:** A change in an average weather condition in addition to natural climate variability observed over a comparable period, generally of 30 years, which is attributed directly or indirectly to human activities that alters the composition of the global atmosphere.

**Climate Finance:** Refers to the flow of funds from developed countries to developing countries in the area of climate change. It includes accessing, absorbing and managing funds for climate change adaptation and mitigation work through various means – multilateral, bilateral, private sector, non-government organizations loan, grant and co-finance.

**Country Programme:** A GCF Country Programme is a living document that presents a country's climate change priorities with the GCF, including a pipeline of projects that the country would like to develop with the Fund. It provides an action plan that details how projects and programmes are to be developed, the type of entity to partner with, and the readiness and project preparation support needs required.

**Delivery Partners:** Institutions selected by the National Designated Authority (NDA) or focal point to implement activities approved under the Readiness and Preparatory Support Programme. Delivery partners provide services such as: development of readiness request proposals; implementation and supervision; fiduciary management; progress reporting; and project completion and evaluation. Delivery partners may be AEs or other institutions assessed to meet the financial management capacities requirements of the Fund.

**Direct Access:** Accessing the GCF's resources through national or regional accredited entities directly without intermediaries, such as bilateral and multilateral, to implement projects/programmes.

**Direct Access Entities:** Institutions that apply for accreditation through direct access modality. They are regional, national and sub-national institutions that are required to provide evidence of a

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<sup>1</sup> Partly extracted from the guidelines for NDAs or focal points available at Annex XIII of GCF/B.08/45.

nomination from a NDA or focal point with their application documents. Entities that are accredited under the direct access modality, or wish to be accredited, may be eligible to receive support under the Readiness Programme at the request of its NDA or focal point.

**Executive Entities:** Institutions (public, private and NGO partners) with a proven track record that will receive the funding to implement and monitor the project or programme.

**Expression of Interest:** A letter issued by the National Designated Authority to an accredited entity towards preparation of concept note for the GCF (An option that could be adopted by NDA).

**Environmental and Social Safeguards:** A set of criteria that aims to address key environmental and social risks in the implementation of activities to be funded by the GCF. The Fund has adopted interim ESS while it develops a comprehensive environmental and social management system (ESMS). Measures undertaken to prevent and mitigate possible undue harm of the GCF funded projects/programmes to people and the environment.

**Executing Entity:** An institution responsible for the execution of projects/programmes funded by the GCF.

**Environmental and Social Assessments** refers to the assessment of environmental and social risks, impacts and opportunities undertaken by the accredited entities in a manner that follows good international industry practices, identifies best alternatives and allows for an integrated and balanced view of the environmental and social risks and impacts pursuant to the GCF ESS standards and requirements of the accredited entities

**Environmental and Social Impact Assessment (ESIA)** refers to a process or tool based on an integrated assessment where the scale and type of potential biophysical and social, including, where appropriate transboundary risks and impacts of projects, programs and/or policy initiatives, are predicted, acknowledged and evaluated. It also involves evaluating alternatives and designing appropriate mitigation, management and monitoring measures to manage the predicted potential impacts.

**Environmental and Social Management System (ESMS)** refers to a set of management processes and procedures that allow an organization to identify, analyse, control and reduce the environmental and social impacts of its activities including transboundary risks and impacts, in a consistent way and to improve performance in this regard over time. For the purposes of this document, “ESMS” refers to the environmental and social management system of GCF. When used in the long form, “environmental and social management system”, it refers to the entities’ management system.

**Fiduciary Standards:** Refers to the basic and specialized fiduciary requirements of the GCF that accredited entities and readiness partners need to comply with depending on the nature of the activities funded by the GCF. The Fund’s initial fiduciary standards are set out in Annex II of GCF/B.07/11.

**Fit-for-Purpose Accreditation Approach:** An accreditation approach that recognizes the role of a wide range of entities, which differ in the scope and nature of their activities, as well as their capacities, in advancing the objectives of the GCF. It accommodates this diversity by matching the nature, scale, and risk of intended activities to the application of the fiduciary standards and ESS.

**Funding Proposal:** A proposal developed by accredited entities to access and manage GCF funds to undertake projects/programmes

**Gender Policy:** The Fund's Gender policy aims to ensure the GCF will efficiently contribute to gender equality and will, in turn, achieve greater and more sustainable climate change results. The gender policy is applied to all the Fund's activities, whether implemented by international, regional, national or subnational, public or private entities or institutions that access GF's resources.

**Green Climate Fund:** A financial mechanism of the United Nations Framework Convention on Climate Change established to help developing countries in achieving a paradigm shift to low-carbon pathways and increased climate resilient development. It supports projects, programmes, policies and other activities in the developing country parties to the UNFCCC.

**GESI Mainstreaming:** is the process of assessing the implications for women, men, children, the elderly, people with disabilities and other vulnerable groups of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making gender and equity experiences and concerns an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so everyone benefits equally and inequality is not perpetuated.

**GESI Sensitivity** refers to understanding and taking account of the societal and cultural factors involved in gender discrimination and social exclusion in all spheres of public and private life. GESI sensitivity implies a consideration of the potential contribution of all genders and peoples to societal changes as well as the methods and tools used to: promote equity, reduce disparities and exclusion, and measure the impact of climate change and other development activities on beneficiaries and society as a whole.

**Gender Equality** refers to equal rights, power, responsibilities and opportunities for all genders, as well as equal consideration of the interests, needs and priorities of all genders with respect to their treatment, opportunities, and economic achievements in the workplace.

**Gender Equity** refers to the provision of fairness and justice in the distribution of benefits and responsibilities of all genders. To ensure equity, measures often need to be taken to compensate for (or reduce) disparity for historical and social disadvantages that prevent all genders from otherwise operating on an equitable basis.

**Indigenous Peoples Plan (IPP)** outlines the actions to minimize and/or compensate for the adverse impacts and identify opportunities and actions to enhance the positive impacts of a project for indigenous People.

**Involuntary Resettlement** means physical displacement (relocation, LoSs of residential land or LoSs of shelter), economic displacement (LoSs of land, assets or access to assets, including those that lead to LoSs of income sources or other means of livelihood), or both, caused by project-related land acquisition or restrictions on land use.

**Investment Criteria:** A set of criteria adopted by the GCF to assess the funding proposals submitted by accredited implementing entities.

**Mitigation:** Efforts to reduce or prevent the emission of greenhouse gases.

**International Accredited Entity:** Accredited entities with the GCF that are expected to mobilize and manage the GCF finance at a global level such as the UN Agencies, Multilateral Development Banks and other international organizations.

**Nationally Appropriate Mitigation Action:** UNFCCC established the nationally appropriate mitigation action (NAMA) process to facilitate mitigation planning in least developed countries (LDCs) and other developing countries.

**National Adaptation Plan (NAP):** The UNFCCC established the national adaptation plan (NAP) process to facilitate adaptation planning in least developed countries (LDCs) and other developing countries.

**National Designated Authorities or focal points:** NDAs are government institutions that serve as the interface between each country and the Fund. They provide broad strategic oversight of the GCF's activities in the country and communicate the country's priorities for financing low-emission and climate-resilient development.

**Nationally Determined Contributions:** NDCs are the primary means for governments to communicate internationally the steps they will take to address climate change in their own countries. NDCs reflect each country's ambition to reduce emissions, taking into account its domestic circumstances and capabilities. Some countries also address how they'll adapt to climate change impacts, and what support they need from, or will provide to, other countries to adopt low-carbon pathways and to build climate resilience.

**Nomination Letter:** A letter given by the National Designated Authorities or focal point to aspirant entities seeking the GCF accreditation. Entities applying for accreditation need to submit such a nomination letter as a part of their application for accreditation.

**No Objection Letter:** A letter issued from a National Designated Authority or focal point confirming that it has no objection to a funding proposal submitted on behalf of its country by an accredited entity.

**Paris Agreement:** Paris Agreement is an international agreement agreed at the 21st Session of the Conference of Parties (COP21) of the United Nations Framework Convention on Climate Change held in November 2015 in Paris, France. It aims to strengthen the global response to the threat of climate change by keeping a global temperature rise well below 2 degrees Celsius above pre-industrial level in this century and to pursue efforts to limit the temperature increase even further to 1.5 degree Celsius. The Paris Agreement came into effect on 4<sup>th</sup> November 2016. Cambodia has signed and ratified this Agreement on 22 April 2016

**United Nations Framework Convention on Climate Change (UNFCCC):** A framework for international cooperation to combat climate change negotiated at the Earth Summit in Rio de Janeiro in June 1992 and enforced in March 1994.