

- **Blue Bonds:** A subset of green bonds, specifically focused on marine and coastal sustainability projects. They align with the broader goals of the Sustainable Blue Economy (SBE). A blue bond is a “debt instrument issued by governments, development banks, or others to raise funds from investors to finance marine conservation, restoration. Funds raised are earmarked exclusively for projects deemed ocean-friendly and support conservation, restoration, and sustainable use of marine and coastal resource.
- **Blue Carbon:** The term for carbon captured by the world's ocean and coastal ecosystems.
- **Blue Economy:** Encompasses the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs, while preserving the health of marine and coastal ecosystems.
- **Blue-Green Economy:** This term merges the concepts of the Blue and Green Economies, emphasizing the integration of sustainable management of both terrestrial (green) and aquatic (blue) ecosystems to support economic growth, environmental sustainability, and social inclusion.
- **Carbon Credits (carbon offsets):** Refers to **carbon emissions reductions or removals**. Carbon offsetting is a carbon trading mechanism that enables entities to compensate or offset greenhouse gas emissions by investing in projects that reduce, avoid, or remove emissions elsewhere.
- **Carbon Footprint:** The total greenhouse gas emissions caused directly or indirectly by an individual, organization, event, or product.
- **Carbon Market:** A market mechanism that allows countries or entities to trade emissions allowances or credits to meet emission reduction targets cost-effectively.
- **Carbon Neutrality (Net-Zero):** Refers to achieving a balance between the amount of greenhouse gases emitted into the atmosphere and those removed through mitigation or offsetting measures.
- **Carbon Sequestration:** The process of capturing and storing atmospheric carbon dioxide in carbon sinks, such as forests, soil, or the ocean.
- **Climate Adaptation:** A set of actions taken to prepare for and adjust to both current and projected impacts of climate change. It encompasses efforts to reduce/minimise harm or exploit beneficial opportunities arising from the changing climate.
- **Climate Mitigation:** Actions taken to limit the magnitude or rate of long-term climate change, typically by reducing greenhouse gas emissions or enhancing carbon sinks. This may involve various strategies, including reducing reliance on fossil fuels by transitioning to renewable/ efficient energy sources, protecting forests, and designing carbon removal technologies like direct air capture systems.
- **Climate Resilience:** Climate resilience is the ability of communities, economies and natural environment ecosystems to anticipate and prepare for, adapt to and withstand, respond to and recover from the effects of climate change. It involves understanding the risks and vulnerabilities of climate change, and taking steps to manage them.
- **Climate Risk Assessment:** The process of identifying and evaluating risks posed by climate change to a business. For MSMEs, this might include assessing vulnerability to supply chain disruptions or extreme weather events.
- **Circular Economy:** A business model that emphasizes recycling, reusing, and repurposing materials to minimize waste and maximize resource efficiency.
- **Debt to Equity swap:** A transaction in which the obligations or debts of a company or country are exchanged for something of value, namely, equity.
- **Debt-for-Nature swaps:** Financial transactions in which a portion of a developing nation's foreign debt is forgiven in exchange for local investments in environmental conservation measures.
- **Decarbonization:** The process of reducing carbon dioxide emissions from economic activities, such as energy production or industrial processes.
- **Eco-Labeling:** Certifications that indicate a product or service meets certain environmental standards. MSMEs can use these labels to market sustainable practices and attract eco-conscious customers.
- **Ecosystem-Based Adaptation (EbA):** The use of biodiversity and ecosystem services to help people adapt to the adverse effects of climate change.
- **Ecosystem-Based Mitigation:** Using natural ecosystems, such as forests, wetlands, and mangroves, to absorb carbon dioxide and reduce emissions.
- **Energy Efficiency:** Using less energy to produce goods or provide services. For MSMEs, this can involve upgrading machinery, improving building insulation, or using LED lighting to reduce costs and emissions.
- **Environmental Sustainability:** The practice of managing natural resources in a way that meets current needs without compromising the ability of future generations to meet theirs. It involves balancing ecological, economic, and social goals.
- **Fiscal Incentives:** The instruments such as tax reduction, concessions, grants, rebates subsidies, penalties applied by the governments to support /incentivize environmental conservation measures and climate action.

- **Green Bonds:** A type of fixed-income investment used to fund projects with a positive environmental impact. Like traditional bonds, green bonds offer investors a stated return and a promise to use the proceeds to finance or refinance sustainable projects, in part or whole.
- **Green Business Model Innovation:** The development of new or improved business models that prioritize sustainability, such as offering subscription-based services instead of single-use products.
- **Green Economy:** Defined as low carbon, resource efficient and socially inclusive. A green economy seeks to promote economic growth and development by investing in economic activities, infrastructure, and assets that reduce environmental harm.
- **Greenhouse Gases (GHGs):** Gases such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and fluorinated gases that trap heat in the atmosphere, leading to global warming.
- **Greenwashing:** A practice by businesses of falsely marketing products, services, or operations as environmentally friendly to gain public favor or distract from harmful practices.
- **Global Warming:** The long-term rise in the average temperature of the Earth's climate system due to increased greenhouse gas emissions.
- **Government Bonds:** A debt security issued by a government to support spending and obligations. Government bonds pay bondholders periodic interest payments called coupon payments.
- **Just Transition:** Ensuring fairness and equity as economies shift from fossil fuel dependence to sustainable practices, minimizing negative impacts on workers and communities.
- **Low-Carbon Products:** Goods or services produced with minimal greenhouse gas emissions to meet climate goals and cater to environmentally conscious consumers.
- **National Adaptation Plan (NAP):** A strategic framework developed by countries to identify and address medium- and long-term adaptation needs and strategies.
- **Nationally Determined Contributions (NDCs):** Climate action plans submitted by countries under the Paris Agreement, outlining efforts to reduce emissions and adapt to climate impacts.
- **Nature-Based Solutions:** Using natural processes or ecosystems to address climate-related challenges.
- **Ocean Acidification:** The process by which oceans absorb carbon dioxide from the atmosphere, causing a decrease in pH levels and negatively impacting marine ecosystems.
- **Paris Agreement:** A global treaty adopted in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) to limit global warming to well below 2°C, with efforts to limit it to 1.5°C.
- **Renewable Energy:** Energy derived from natural sources that replenish themselves, such as solar, wind, hydro, and geothermal energy.
- **Renewable Energy Transition:** The global shift from fossil fuel-based energy systems to renewable energy sources like wind, solar, and hydro to reduce carbon emissions.
- **Sustainable Development:** Development that meets the needs of the present without compromising the ability of future generations to meet their own needs, integrating economic, social, and environmental considerations.
- **Sustainable Development Goals (SDGs):** A set of 17 global goals established by the United Nations to address environmental, social, and economic challenges. These include climate action (Goal 13).
- **Vulnerability:** The degree to which a system or population is susceptible to, or unable to cope with, the adverse effects of climate change.
- **Vulnerability Assessment:** The evaluation of the extent to which a system, community, or individual is susceptible to harm from climate-related hazards.
- **Zero-Carbon:** Refers to processes, practices, or activities that produce no greenhouse gas emissions, typically through the use of clean technologies and renewable energy.

Related Initiatives

- **Climate Bonds Standard and Certification Scheme:** A labelling scheme for Entities, Assets and Debt Instruments. Rigorous scientific criteria ensure that Certified investments in climate mitigation are consistent with the 1.5oC warming limit in the Paris Agreement. The Scheme is used globally by bond issuers, governments, investors and the financial markets to prioritise investments which genuinely contribute to addressing climate change. climatebonds.net/certification
- **Climate Taxonomies:** A taxonomy classification system that defines criteria for economic activities that are aligned with a net zero trajectory by 2050 and the broader environmental goals.
- eg: **EU taxonomy for sustainable activities** to support the **European Green Deal and Action Plan** on financing sustainable growth. The EU taxonomy provides a common definition of economic activities that can be considered environmentally sustainable to mitigate green washing. https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en