

ABBREVIATIONS

ABC – Avoid, Benefit, Contribute

CEO – Chief Executive Officer

FM – Fund Manager

FPIC- Free, Prior and Informed Consent

GS4GG – Gold Standard for the Global Goals

GSF – Gold Standard Foundation

IMP – Impact Management Project

ISEAL - International Social and Environmental Accreditation and Labeling

SDG – Sustainable Development Goals

SFDR – Sustainable Finance Disclosure Regulation

SRM – Solar radiation modification

TA – Technical Assistance

UNICEF – United Nations International Children’s Emergency Fund

GLOSSARY

Baseline - defined as the reasonable, conservative scenario that would exist in the absence of the investment

Certification - The written assurance confirmation/communication that fulfilment of specified requirements (in this case Fund Requirements) has been demonstrated

Climate Change Adaptation - taking action to prepare for and adjust to both the current effects of climate change the predicted impacts in the future.

Carbon Credits - tradable certificate or permit representing the right to emit one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas (tCO₂e)

Due diligence - An investigation or audit of a potential investment to confirm all facts, such as reviewing all financial records, plus anything else deemed material.

Due diligence refers to the care a reasonable person should take before entering into an agreement or a financial transaction with another party. When sellers perform a due diligence analysis on buyers, items that may be considered are the buyer's ability to purchase, as well as other elements that would affect the acquired entity or the seller after the sale has been completed.

Enterprise – is the enterprise employing the Fund Manager, where enterprise means a firm, sole proprietorship, partnership, association, corporation, or other business entity of any kind including, but not limited to, a limited liability corporation, incorporated professional association, joint venture, estate, or trust.

Exit - When an investor decides to exit their stake in a company.

Fund Manager - A fund manager is responsible for implementing a fund's investing strategy and managing its portfolio trading activities. A fund can be managed by one person, by two people as co-managers, or by a team of three or more people.

Geo-engineering - the deliberate and large-scale intervention in the Earth's climate system.

Impact - Positive and negative, primary and secondary long-term effects produced by an intervention, directly or indirectly, intended or unintended.

Impact assessment – Ex-post evaluation of the impact of an investment.

Impact Fund - A **fund** whose goal is to implement investments that generate a measurable, beneficial social and/or environmental **impact**, in addition to a financial return.

Impact Strategy - An impact strategy clearly outlines the purpose of the investment, it is a detailed roadmap to achieve the impact, and provides a long term vision of how such impact will be achieved as well as how the investment will be measured to determine success of the impact vision.

Investor - Any person or organization who commits capital with the expectation of financial returns.

Investee - A company or entity in which an investor makes a direct investment.

Investment – Deployment of capital in fixed assets or projects such as a water treatment facility

Portfolio - A range of investments held by a Fund.

Risk - The likelihood that impact will be different than expected.

SDG - The Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

Technical Assistance - Operational or management assistance including fundraising assistance, budgeting and financial planning, program planning, legal advice, marketing, and other aids to management.