

GLOSSARY

2 degree goal	A globally agreed goal to limit global average warming to less than 2 degrees above pre-industrial levels.
accounting	The rules that specify how to estimate greenhouse gas emissions and what emissions count towards an emissions reduction target.
Annex I countries/Parties	Industrialised countries and economies in transition listed in Annex I to the United Nations Framework Convention on Climate Change.
Assigned Amount Units	A tradable 'Kyoto Protocol unit' representing an allowance to emit one metric tonne of CO ₂ -e. They are issued up to the level of initial 'assigned amount' of an Annex I Party to the Kyoto Protocol.
business-as-usual (emissions trend)	Emissions that would occur without any policy intervention (or any additional policy intervention).
carbon dioxide equivalent	A measure that quantifies different greenhouse gases in terms of the amount of carbon dioxide that would deliver the same global warming. It can be expressed as CO ₂ -e.
Certified Emission Reduction units	A tradeable 'Kyoto Protocol unit' generated by Clean Development Mechanism projects under the rules of the Kyoto Protocol. They represent a reduction of one metric tonne of CO ₂ -e.
Clean Development Mechanism	One of the three flexibility mechanisms defined in the Kyoto Protocol. It facilitates the creation of tradeable Certified Emission Reductions from projects in developing countries.
commitment period	The time frame of binding national goals under the Kyoto Protocol. The first commitment period was five years from 2008–12. The second commitment period is eight years from 2013–20.
emissions reduction	The act or process of limiting or restricting greenhouse gas emissions.
Emissions Reduction Fund	A \$2.55 billion fund proposed by the Australian Government to allocate money through a reverse auction to emissions reduction projects.
emissions reduction target	A goal for national emissions in a specific year.
Emission Reduction Units	A tradeable 'Kyoto Protocol unit' generated by Joint implementation projects under the rules of the Kyoto Protocol. A unit represents a reduction of one metric tonne of CO ₂ -e.
emissions trading scheme	A market-based approach to reducing emissions that places a limit on emissions allowed from all sources covered by the scheme. Emissions trading allows entities to trade emissions units with other entities. In general, trading can occur at the domestic, international and intra-company level.
greenhouse gas	Any gas (natural or produced by human activities) that absorbs infrared radiation in the atmosphere. Key greenhouse gases include carbon dioxide, water vapour, nitrous oxide, methane and ozone.
Intergovernmental Panel on Climate Change	An international scientific body operating under the auspices of the United Nations. Its role is to review, assess and synthesise the latest information on climate change.
Joint Implementation	One of the three flexibility mechanisms defined in the Kyoto Protocol. It facilitates the creation of tradeable emissions reductions units from projects undertaken in countries that have a Kyoto Protocol target.
Kyoto Protocol	An international agreement adopted under the United Nations Framework Convention on Climate Change in 1997. It includes binding national targets for developed countries and flexible mechanisms including the Clean Development Mechanism.
Kyoto Protocol unit	Emissions units eligible for compliance with Kyoto Protocol targets—these include Assigned Amount Units, Certified Emission Reduction units, Emission Reduction Units and Removal Units.
land use, land use change and forestry (LULUCF) emissions	Emissions associated with human-induced changes in land use, such as deforestation, afforestation and forest management.
New Market Mechanisms	An umbrella approach for a range of emissions reduction schemes to exist alongside established schemes such as the Clean Development Mechanism.
Removal Units	A tradable 'Kyoto Protocol unit' representing one metric tonne of greenhouse gases that is removed by carbon sink activity in an Annex I (developed) country.
true-up period	A period lasting 100 days allowing countries to review their emissions inventories to ensure that they retire the right amount of units for compliance under the Kyoto Protocol. Countries can continue to trade in this period.
United Nations Framework Convention on Climate Change	An international treaty that commits signatory countries (Parties) to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous human-induced interference with the climate system.