

Glossary

Adaptation	Measures taken by societies and individuals to adapt to actual or expected adverse impacts on the environment, especially as the result of climate change.
Biodiversity	Short for biological diversity. Refers to the wealth of ecosystems in the biosphere, of species within ecosystems, and of genetic information within populations.
Carbon offset	A financial instrument representing a reduction in greenhouse gas emissions. Although there are six primary categories of greenhouse gases, carbon offsets are measured in metric tons of carbon dioxide-equivalent (CO ₂ e). One carbon offset represents the reduction of one metric ton of carbon dioxide, or its equivalent in other greenhouse gases.
Category A (projects)	Projects with potential significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented.
Category B (projects)	Projects with potential limited adverse social or environmental impacts that are few in number, site-specific, largely reversible, and readily addressed through mitigation measures.
Chlorofluorocarbons (CFCs)	A family of inert, nontoxic, and easily liquefied chemicals used in refrigeration, air conditioning, packaging, and insulation or as solvents and aerosol propellants. Because CFCs are not destroyed in the lower atmosphere, they drift into the upper atmosphere, where their chlorine components destroy ozone.
Civil society	The totality of voluntary civic and social organizations and institutions that form the basis of a functioning society, as opposed to the force-backed structures of a state (regardless of that state's political system) and commercial institutions.
Climate change	Change of climate that is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and that is in addition to natural climate variability observed over comparable time periods.
Ecology	The relationship of living things to one another and their environment, or the study of such relationships.
Ecosystem	The interacting system of a biological community and its nonliving environmental surroundings.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.

Emission	Pollution discharged into the atmosphere from smokestacks, other vents, and surface areas of commercial or industrial facilities; from residential chimneys; and from motor vehicle, locomotive, or aircraft exhausts.
Environment	The sum of all external conditions affecting the life, development, and survival of an organism.
Environmental and social effects	IEG’s indicator as a part of development outcome evaluation, covering: (1) the project’s environmental performance in meeting IFC’s requirements and (2) the project’s actual environmental impacts, including pollution loads; conservation of biodiversity and natural resources; and, in a broader context, social, cultural, and community health aspects, as well as labor and working conditions and workers’ health and safety.
Environmental aspect	Element of an organizations activities, products, and services that can interact with the environment.
Environmental assessment	A process whose breadth, depth, and type of analysis depend on the proposed project. Environmental assessment evaluates a project’s potential environmental risks and impacts in its area of influence and identifies ways of improving project design and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and by enhancing positive impacts.
Environmental footprint	A measure of human demand on the ecosystems and natural resources.
Environmental impact	Any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organization’s environmental aspects (as defined in ISO 14001).
Environmental mainstreaming	The integration of environmental concerns into macroeconomic and sectoral interventions.
Environmental Management Plan (EMP)	The synthesis of all proposed mitigative and monitoring actions, set to a timeline with specific responsibility assigned and follow-up actions defined. The EMP is one of the most important outputs of the environmental assessment process.
Environmental management system	Part of an organization’s management system used to develop and implement its environmental policy and manage its environmental aspects.
Environmental objective	Overall environmental goal, consistent with the environmental policy that an organization sets itself to achieve.
Environmental performance	Measurable results of an organization’s management of its environmental aspects.
Environmental performance criterion	Environmental objective, target, or other intended level of environmental performance set by the management of the organization and used for the purpose of environmental performance evaluation.

Environmental Performance Evaluation	Process to facilitate management decisions about an organization’s environmental performance by selecting indicators, collecting and analyzing data, assessing information against environmental performance criteria, reporting and communicating, and periodically reviewing and improving the process (ISO 14031).
Environmental Risk Assessment	An evaluation of the environmental risks associated with a specific intervention.
Environmental sanitation infrastructure	Infrastructure such as a wastewater treatment plant or sanitary landfill designed, in part, to improve environmental quality, although its ultimate purpose is to protect human health and welfare.
Environmental sustainability	Ensuring that the overall productivity of accumulated human and physical capital resulting from development actions more than compensates for the direct or indirect loss or degradation of the environment. Goal 7 of the U.N. Millennium Development Goals specifically refers to this as integrating the principles of sustainable development into country policies and programs and reversing loss of environmental resources.
Equator Principles	A financial industry benchmark for determining, assessing, and managing social and environmental risk in project financing.
Externalities	Uninternalized costs or benefits resulting from one economic agent’s actions that affect the well-being of others. They may be either positive or negative. Pollution and other forms of environmental degradation are frequently cited as an example of the latter.
Financial intermediary	An institution that performs financial intermediation between two or more parties.
Greenhouse gas	Gases in the atmosphere that reduce the loss of heat into space, and therefore contribute to global temperatures through the greenhouse effect. Greenhouse gases—water vapor, carbon dioxide, methane, nitrous oxide, ozone, and chlorofluorocarbons—affect the temperature of the Earth.
Hazardous wastes	Byproducts of society that can pose a substantial or potential hazard to human health or the environment when improperly managed. Substances classified as hazardous wastes possess at least one of four characteristics—ignitability, corrosivity, reactivity, or toxicity—or appear on special lists.
Indigenous peoples	Collectively, the members of cultures with historic, ancestral, spiritual, and functional connections to the land on which, and from which, they live. In popular usage, indigenous peoples are distinguished from members of cultures whose connection to the land on which they live is limited to the historical period.

ISO (International Organization for Standardization) 14001	The ISO 14000-series of standards specify the requirements for an environmental management system, which can be integrated with other management requirements to assist organizations in achieving environmental and economic goals.
ISO 14031	ISO standard “Environmental Performance Evaluation—Guidelines.”
Mitigation	Measures taken to reduce adverse impacts on the environment.
Natural resource management	Human intervention to guide the use of renewable natural resources such as water, soils, and forests.
Ozone-depleting substances	Manufactured chemical compounds that reduce the protective layer of ozone in the Earth’s atmosphere. The Montreal Protocol, administered by the U.N., maintains the list of ozone-depleting substances that are targeted for control, reduction, or phase-out.
Performance standards	The eight Performance Standards establish requirements that the client is to meet in IFC-financed projects.
Prevention	Measures taken to minimize the release of wastes to the environment.
Safeguard policies	Policies designed specifically to ensure that the environmental (and social) impacts of projects supported by the Bank Group are considered during appraisal and preparation. The Bank’s safeguard policies cover environmental assessment, natural habitats, pest management, indigenous peoples, cultural resources, involuntary resettlement, forests, dam safety, international waterways, and disputed areas.
Stewardship	Responsible management of the environment and renewable natural resources, with an eye toward assuring their sustainability.
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
Wastewater	Spent or used water from individual homes, communities, farms, or industries that contains dissolved or suspended matter.
Watershed	The area drained by a particular watercourse, including the watercourse itself.