



NCF Glossary¹

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¹ This glossary is developed specifically for NCF projects and thus the definitions only relate to NCF projects. Please note that the Glossary is subject to revisions by NDF. The latest version will always be available on the NCF website.



Adaptation

Adaptation covers a wide range of measures that will enhance the ability of countries, regions and/or communities to respond to actual or expected climate risk. This may include measures to decrease exposure and vulnerabilities, and to increase adaptive capacities.

Advance payment

An advance payment is partial disbursement for the implementation of a milestone prior to the commencement of the milestone activities. The purpose of the advance payment is to ensure sufficient cash flow to enable efficient implementation of the project. An advance payment or the accumulation thereof cannot exceed 20% of the NCF grant. An advance payment cannot cover the full costs of a milestone. A general rule is that a maximum of 80% of a milestone's costs can be covered by an advance payment. An advance payment needs to be indicated in the project's budget. In addition, at least 20% of the NCF grant shall be reserved for the final disbursement, a share which cannot be disbursed as an advance.

Activities

Activities are actions taken towards achieving a project output. Each output is therefore the result of a number of activities. Activities are at the lowest level in the results framework hierarchy.

Baseline value

A baseline value is the starting or reference point before the beginning of the project. A baseline value is always related to a specific indicator and target. Baseline values are needed to measure change and set realistic targets for the project to be achieved within the constraints of time and resources available.

Beneficiaries

Beneficiaries are people directly impacted by the NCF project that use the services or goods provided by the project, for example, to adapt to a changing climate. Beneficiaries can be people who have been trained, for example, on climate smart agriculture. The number of beneficiaries is a key NCF indicator and shall be reported for all projects. The data on beneficiaries should be disaggregated between women and men. NCF also encourages the disaggregation of vulnerable groups, i.e. persons with disabilities, ethnic minorities, youth, etc.

Business concept

Business concepts are ideas that can become commercially viable in the long term. Business concepts can involve technologies, services, products, production processes, delivery models, financial business models, methodologies, etc.

Closing date

The closing date of each NCF project is specified in the grant agreement. It is the date up and until regular project activities can take place and project costs can be approved.



Co-financing

Co-financing is financing from sources other than NCF (i.e. project partners or financiers) including in-kind contributions from project partners. The co-financing share of each project is defined in the project budget, and this share needs to be achieved by the project partners by the end of the project. Each project commits to fulfilling their co-financing obligation and the NCF grant amount cannot exceed an agreed share of total project costs. This share is indicated in the grant agreement. There is no upper limit and co-financing higher than 25% of the requested NCF grant is encouraged as it demonstrates commitment, ownership and risk-sharing.

Commercial viability

Commercial viability is the ability of a business, product or service to compete effectively and to make profit.

Concept note

The concept note is the first step of the NCF application process where the initial project idea is presented. Concept note applications can only be submitted during a predefined period of time using the SmartMe online system.

Contingency

Contingencies are funds that are not earmarked for any specific activity but can be used to cover unforeseen activities and costs that occur during project implementation. All use of contingencies requires a prior approval from NDF.

Financial audit

A financial audit is a review of the NCF project accounts to ensure applicable accounting rules have been followed by all project partners. In general, two financial audits are required from NCF projects and all of the partners need to be audited at least once.

Financier

A project financier provides financing for the project but they are not actively involved in the implementation of the NCF project.

Full proposal

The full proposal is the second step of the NCF application process where a more elaborate description of the project idea should be submitted. Only the highest scoring concept note applications are invited to submit a full proposal. Full proposals can only be submitted during a predefined period of time using the SmartMe online system.

Impact

Impact is the ultimate objective of a project and it is the highest level in the project's results framework hierarchy. An impact is usually difficult to attribute to a specific project. However, a project should contribute towards its expected impact. In order to contribute to the achievement of the impact, a project should strive towards the achievement of outcomes that contribute towards the impact. Outcomes, in turn, are supported by project outputs. Impact is usually a longer-term change in the society, economy or environment taking place in the geographical area where the



project functions. NCF does not request projects to include impact-specific indicators. The NCF-financed project impact should contribute to the fulfilment of the United Nations Sustainable Development Goals (SDGs).

Indicators

Indicators show how the expected results of the project are measured. Indicators are defined to measure progress at both outcome and output levels. Examples of an indicator are the amount of CO₂e emissions from a project and the number of beneficiaries who have introduced shade trees onto their fields.

An indicator should be SMART (specific, measurable, achievable, relevant and time-bound). It should also be practical, i.e. data can be collected on a timely basis and at reasonable cost, and provide relevant information needed to monitor the progress of the project.

Innovation

Innovation is a solution that has the potential to improve the quality of life for vulnerable people and tackle climate change in developing countries more effectively than existing approaches.

Inputs

Inputs are the resources (human, financial and material) needed in a project for completing the planned activities in order to produce the expected results of the project. Examples of inputs include staff time, equipment and funds. Inputs are to be included in the NCF budget.

Local partner

A local partner is a local company, organisation or other legal entity registered as a legal entity in the country of implementation. Multilateral institutions, UN agencies, bilateral financing institutions or other donor agencies, development financing institutions or their affiliates, trust funds, government ministries and individuals are not eligible.

Milestones

Milestones are specific points along a project timeline used to report and monitor the progress of a project. NCF projects usually comprise 3-6 milestones.

Milestone deliverables

Milestone deliverables are outcome targets (/indicators), output targets (/indicators) and activities that are planned to be completed by each milestone. At the end of each milestone, the pre-defined milestone deliverables should be completed. The amount of deliverables (outputs and activities) per milestone will depend on the particularities of each project.

Mitigation

Climate change mitigation refers to efforts to reduce or prevent emissions of greenhouse gases. Climate change mitigation measures aim at either decreasing the amount of greenhouse gas emissions released into the atmosphere or enhancing their removal from the atmosphere by sinks. A sink refers to forests, vegetation or soils that can reabsorb CO₂.



Nordic Climate Facility (NCF)

The Nordic Climate Facility (NCF) is a challenge fund that finances innovative climate change projects. NCF financing is allocated on a competitive basis with calls for proposals arranged annually. The NCF is financed and managed by the Nordic Development Fund.

Nordic Development Fund (NDF)

NDF is the joint Nordic international finance institution (IFI) focusing on the nexus between climate change and development in lower-income countries and countries in fragile situations

Nordic Partner

A Nordic partner is a Nordic company, organisation or other legal entity holding a registered place of operation in Denmark, Finland, Iceland, Norway or Sweden. Several Nordic partners can partner up to implement and finance the project; however, there should be one lead Nordic partner. The lead Nordic partner is considered to be the lead applicant and the NCF grant agreement will be signed between NCF and the lead Nordic partner. The lead Nordic partner shall have sub-contracts with all other project partners prior to the first disbursement. Multilateral institutions, UN agencies, bilateral financing institutions or other donor agencies, development financing institutions or their affiliates, trust funds, government ministries and individuals are not eligible.

Outcome

Outcomes are the overall results of a project, which can also be described as the intermediate effects or consequences of project outputs on project beneficiaries. This may be, for example, a reduction in emissions levels of a sector or company due to the project outputs, or a change in the behaviour of project beneficiaries. Outcomes are at the second highest level in the result framework hierarchy. The link between project outcomes and outputs is usually quite direct and obvious. Each output, and consequently also each activity of the project should be directed towards reaching the outcomes of the project. Project outcomes should be reached by the completion of the project. Several outcomes can be linked to one impact.

Output

Outputs are the most immediate concrete results of project activities, leading the project towards its outcomes. Outputs are services or products produced by the project. Outputs should be directly linked to an outcome. Each outcome should have at least one output.

Other Partner

The lead Nordic partner may also have one or more other partners (non-local). There are no country restrictions on the other partner(s) others than that they cannot be registered in the country of implementation (local partner) or in one of the Nordic countries (Nordic partner). The other partner(s) need to be able to show a copy of the registration certificate showing the registration of the other partner(s) as a legal entity in its country of registration upon request. Multilateral institutions, UN agencies, bilateral financing institutions or other donor agencies, development financing institutions or their affiliates, trust funds, government ministries and individuals are not eligible.

Project Implementation Manual (PIM)

The Project Implementation Manual (PIM) provides guidance regarding the implementation processes and reporting requirements of NCF.

Results

Results are considered an “umbrella” term covering outcomes and outputs. Activities are not considered results but means for achieving the results.

Results framework

The results framework is a tool that defines what a successful project entails and how its effectiveness is measured. NCF requires all projects to develop a results framework that presents the project’s impact, outcomes, outputs and corresponding indicators, baselines, targets and means of verification. As NCF reporting is based on milestone deliverables, it is also requested to include activities in a NCF project results framework. The results framework is presented in a matrix format and includes a results chain logic. Figure 1 shows the hierarchical relationship of the different parts of the results framework.

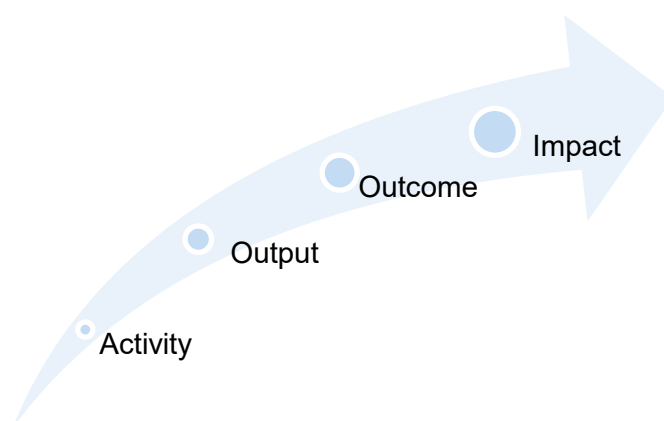


Figure 1: Project results chain

SmartME

SmartME (Smart Monitoring & Evaluation) is the NCF online application system as well as the online NCF project management tool.

Sub-contracts

Sub-contracts are contracts between the lead Nordic partner, the local partner(s), other Nordic partners, and/or other partners of the project. The lead Nordic partner shall have all necessary sub-contracts in place prior to the first disbursement. The sub-contracts should clearly define the division of roles and responsibilities of each partner in implementing the project, as well as the intellectual property rights, maintenance and ownership arrangements during project implementation and at project completion. Prior to execution, final drafts of the sub-contracts shall be sent to NDF for no-objection.



Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The goals and the specific targets of each goal were adopted in September 2015 by the UN member countries. The total of 17 SDGs build on the Millennium Development Goals (MDGs). The SDGs are interconnected – the key to success on one will involve tackling issues more commonly associated with another.

Target

A target is a specific indicator value to be accomplished by a particular date in the future, for example by the end of the project.

Trust Fund

A Trust Fund is a pool of grant (monetary) resources, usually managed by a multilateral or bilateral development financing institution on behalf of one or more donors, and allocated for specific predefined purposes. Trust Funds are not eligible as a project partner under NCF.