



ADAPTATION FUND

AFB/B.20/Inf.4
5 April 2013

Project and Programme Review Committee
Ethics and Finance Committee
Eleventh Meeting
Bonn, Germany, 2-3 April 2013

Adaptation Fund Board
Twentieth Meeting
Bonn, Germany, 4-5 April 2013

Trustee Presentation: Update on Status of Resources and CER monetization

ADAPTATION FUND TRUST FUND

Update on Status of Resources and CER Monetization Program

April 5, 2013

Prepared by the World Bank as Interim Trustee of the Adaptation Fund

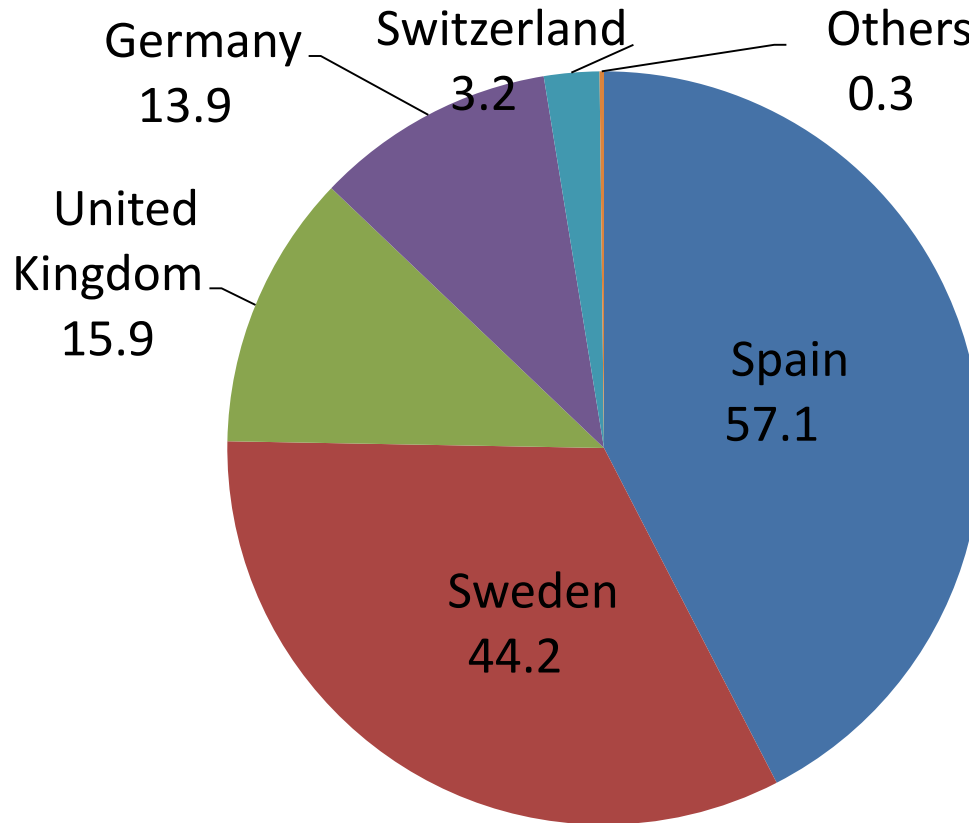
Agenda

- 1. Status of Resources in Adaptation Fund Trust Fund**
- 2. Recent CER Market Developments**
- 3. CER Monetization Program**

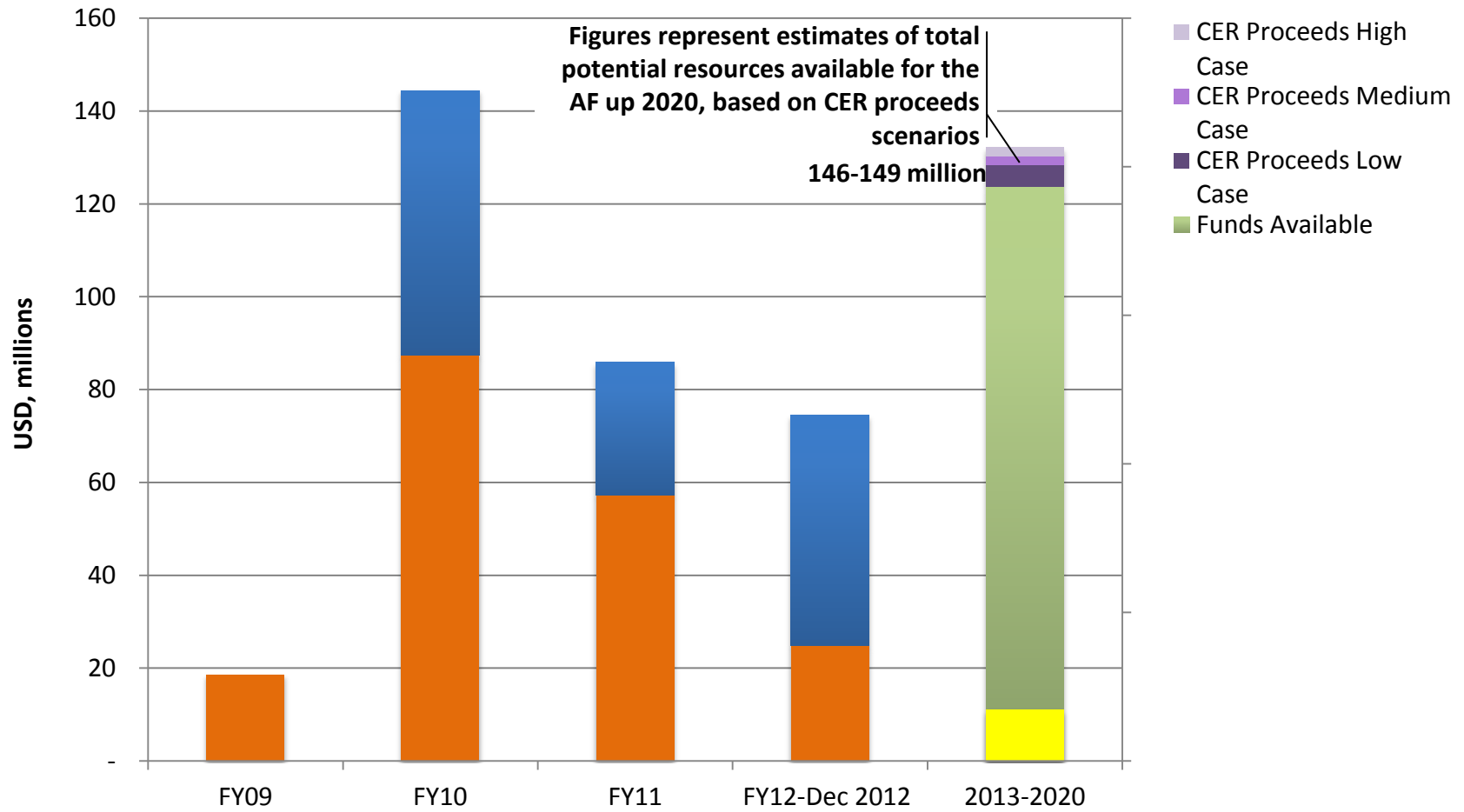
Funding Availability at 28 February 2013 (USD millions)

Resources Received :	324.83
▪ Cash receipts from CER sales	188.20
▪ Cash receipts from Donations	134.50
▪ Investment Income	2.13
Funding Decisions to Date	198.00
Cumulative Cash Transfers to date:	72.34
Funds Available to support new funding decisions	
at December 31, 2012:	123.82
at Feb 28, 2013:	123.84

Cumulative Donations (USD millions)



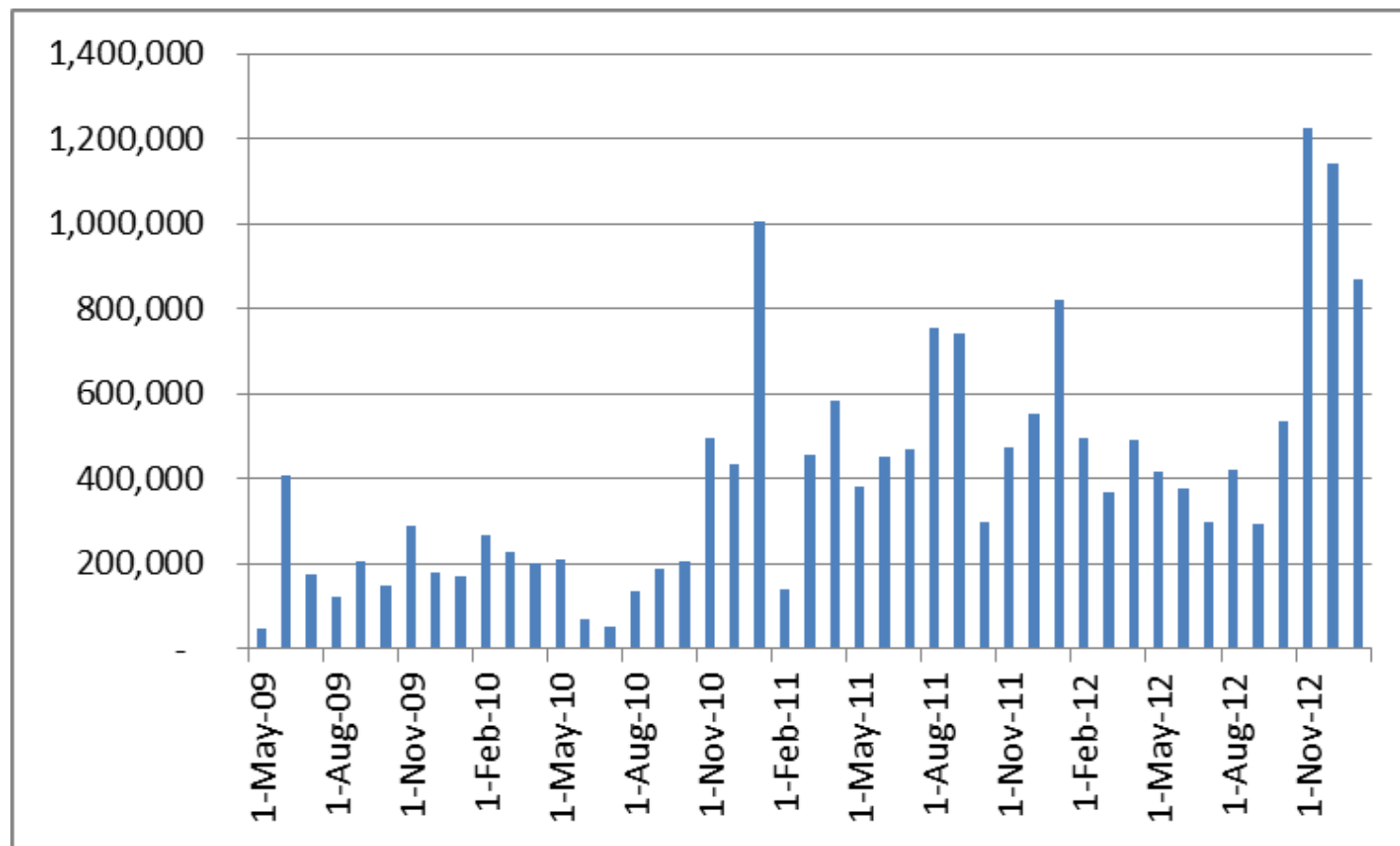
Revenue Flow and Potential Resources estimated at 1 April 2013



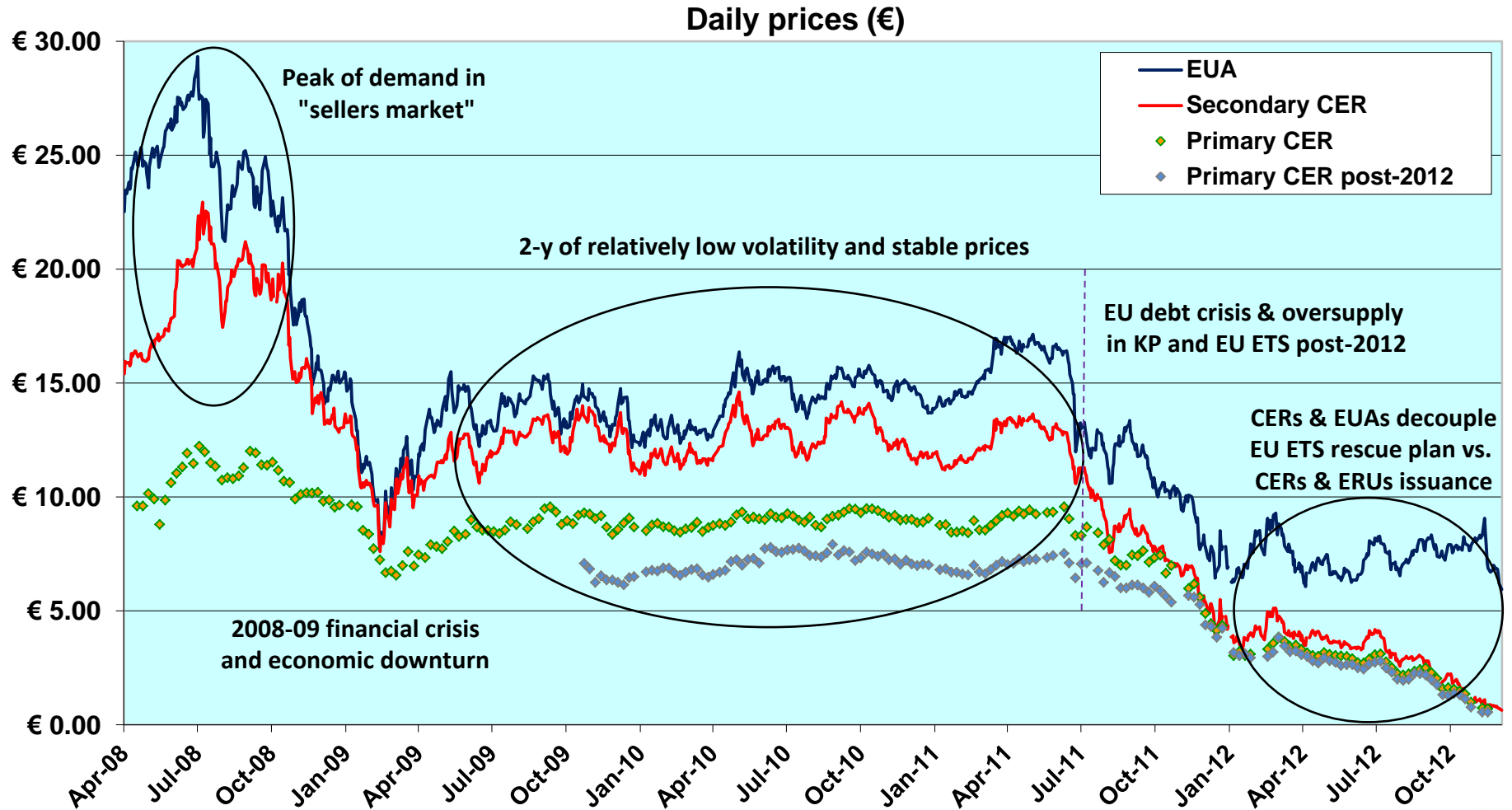
Agenda

2. Recent CER Market Developments

CERs added to the Adaptation Fund Share of Proceeds at the CDM (tons per month)



A history of CER prices



CER Oversupply

CER market remains over-supplied by more than 1 billion CERs:

Demand: EU ETS + AU ~ 1.7 billion tons (2008-2020)

Supply:

CER issued to date:	1.2 billion
+Anticipated issuance: (at current pace)	1.2 billion
+ERU issued:	<u>0.7 billion</u>
Total	3.1 billion tons

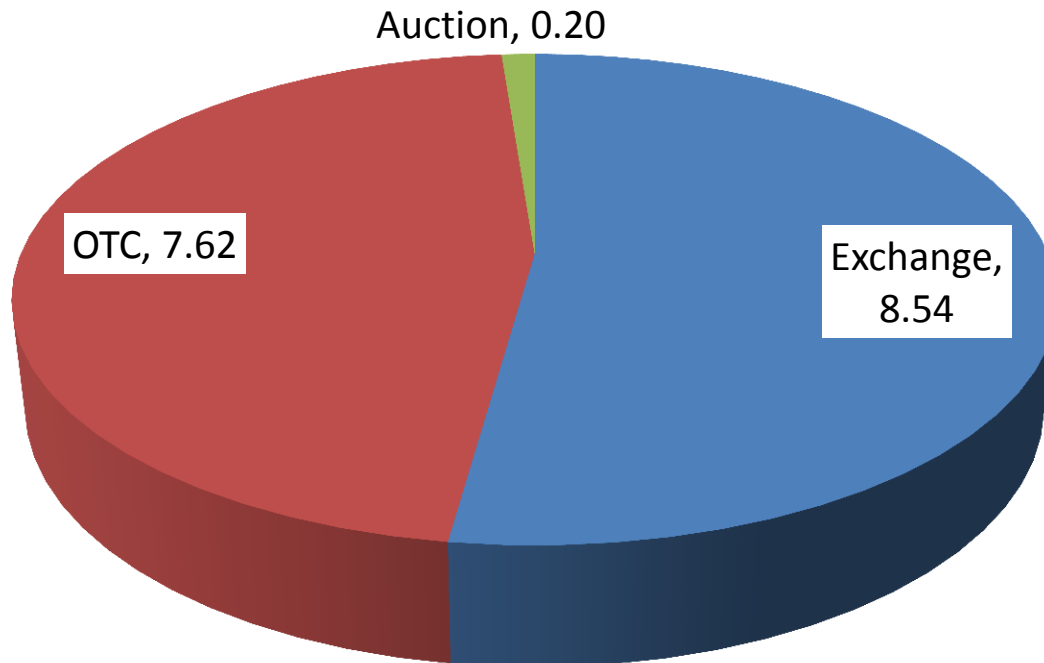
Agenda

3. CER Monetization Program

CER Monetization Program

Total Sales up to March 31, 2013

**CER transaction breakdown
(Millions of tons)**

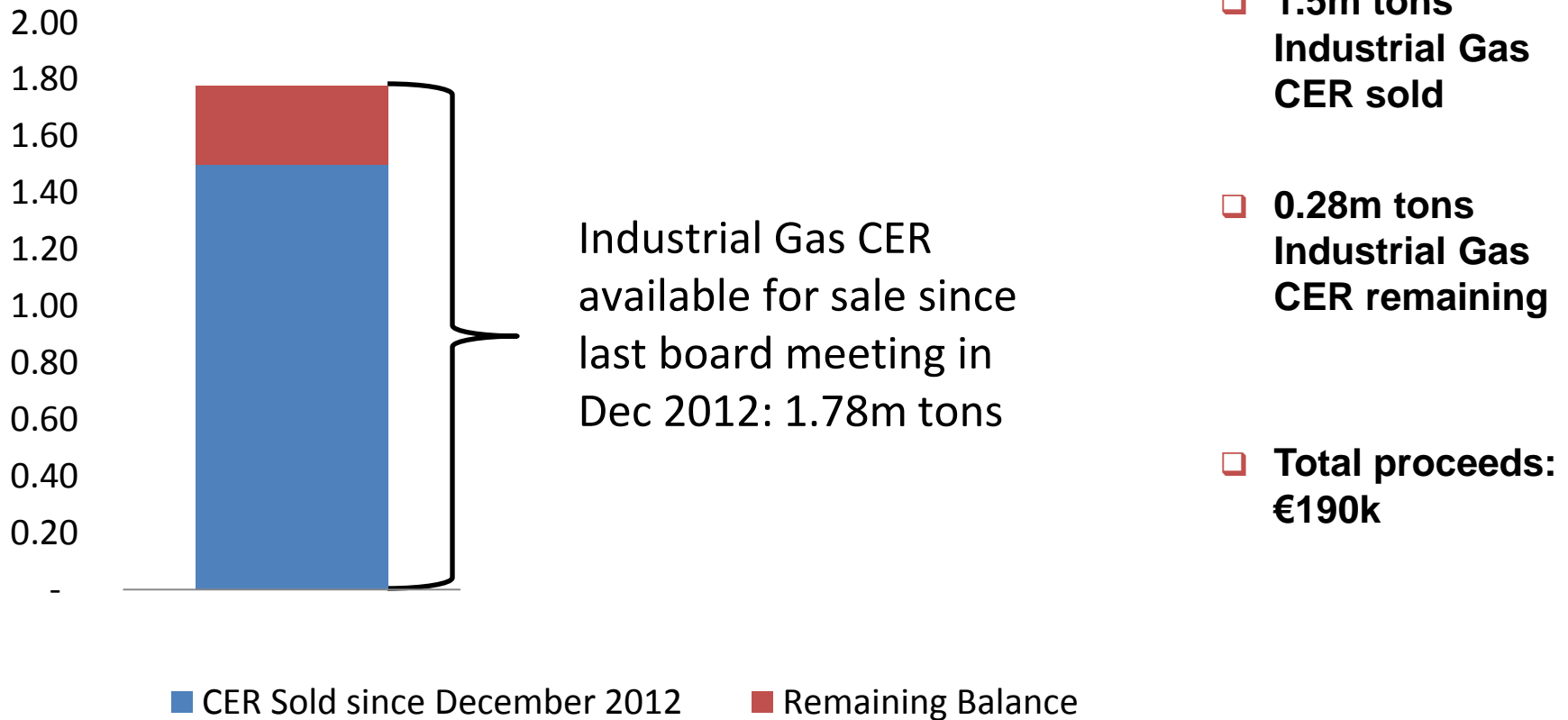


- 16.37 million CER tons sold
- € 139.37 million raised
- 842 separate transactions

CER Monetization Program

Industrial Gas CER transactions since last AFB meeting

CER Volume (Millions of tons)



CER inventory as of March 31, 2013

	Inventory (Million Tons)	Acceptance in EU ETS until:	Deliverability to exchange until:
Industrial Gas	0.28	Apr-2013	Apr-2013
Green	6.14	Mar-2015	Mar-2015
Large Hydro	2.43	Mar-2015	Not accepted
Others	0.19	Not accepted	Not accepted
Total	9.03		
<i>Potential additions in FY14:</i>	<i>5 to 7 million</i>		
Potential avail. to sell in FY14:	14 to 16 million		

Trustee Recommendations

- 1. Continue to sell Industrial gas-derived CERs through April 2013**
- 2. Resume modest pace of sales of other AF CERs after April 2013 as market conditions permit**
- 3. Target volume of sales at minimum levels, to avoid excessive buildup of additional CERs in the Share of Proceeds**
- 4. Provide update to Board at next meeting for further guidance**

