

ADAPTATION FUND TRUST FUND
Update on Status of Resources and CER Monetization Program

September 2011

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

Agenda

1. Status of Resources

2. CER Monetization

- CER Price Levels
- CER Monetization Program

Status of Resources

August 31, 2011
(US\$ millions)

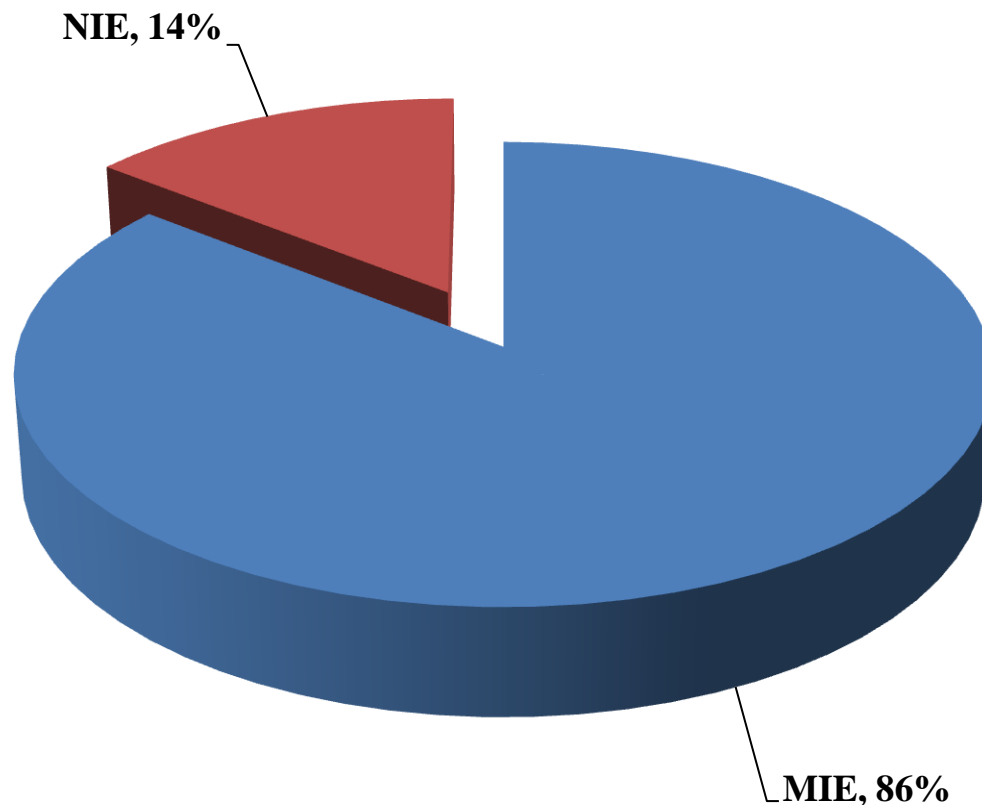
Cumulative Receipts (1)	<u>252.44</u>
▪ Cash receipts from CER sales proceeds	165.50
▪ Cash receipts from Donors and Other Sources	85.82
▪ Investment Income	1.11
Cumulative Disbursements (2)	<u>25.46</u>
▪ Projects and Programs	12.40
▪ Administrative Budgets	13.06
Funds Held in Trust (3) = (1) – (2)	<u>226.98</u>

Schedule of Funds Available

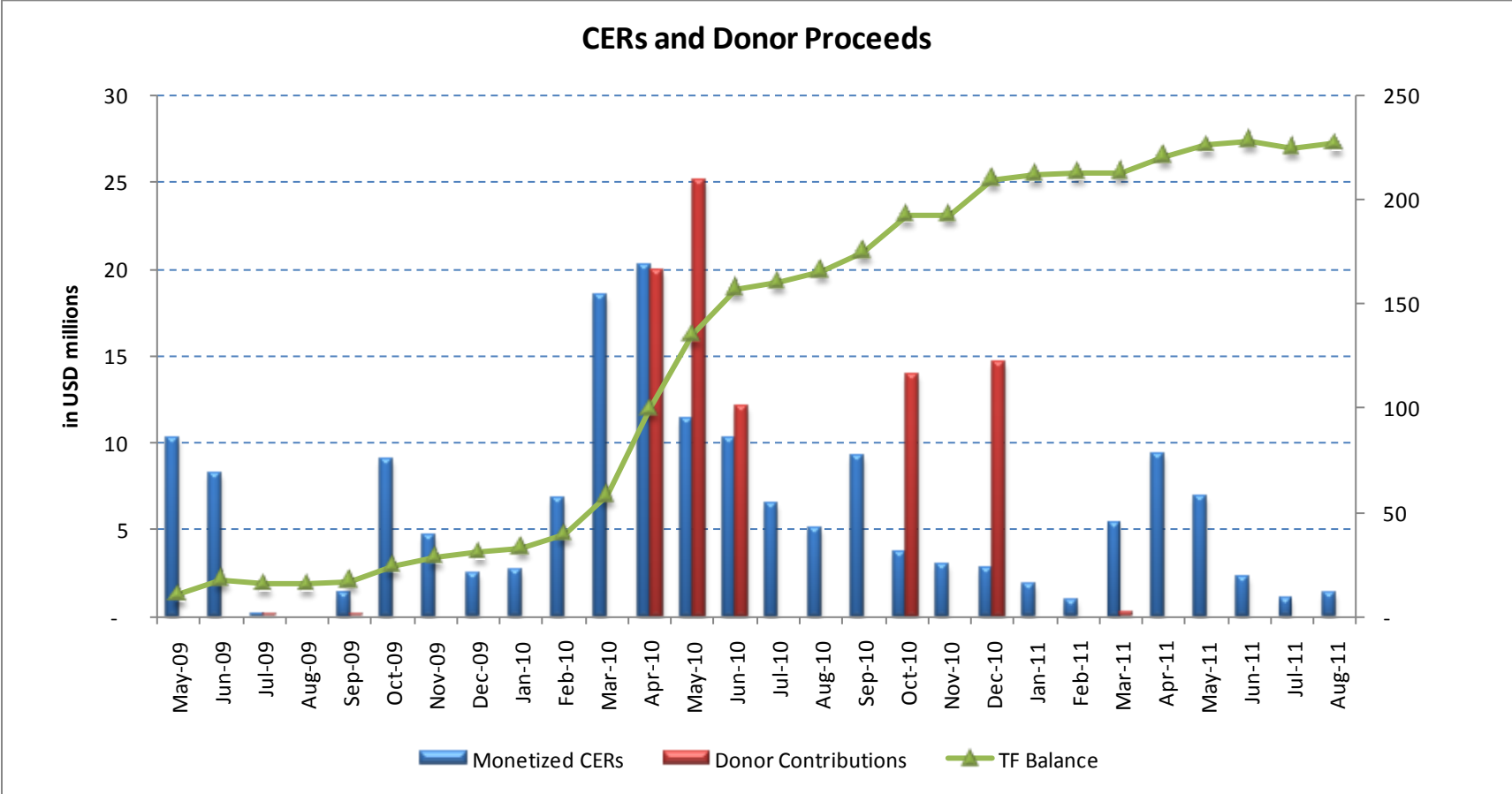
August 31, 2011
(US\$ millions)

Funds Held in Trust (3)	<u>226.98</u>
Operational Reserve (4)	<u>3.00</u>
Amounts Committed, Not Disbursed (5)	<u>49.89</u>
Funds Available (6) = (3) – (4) – (5)	<u>174.09</u>

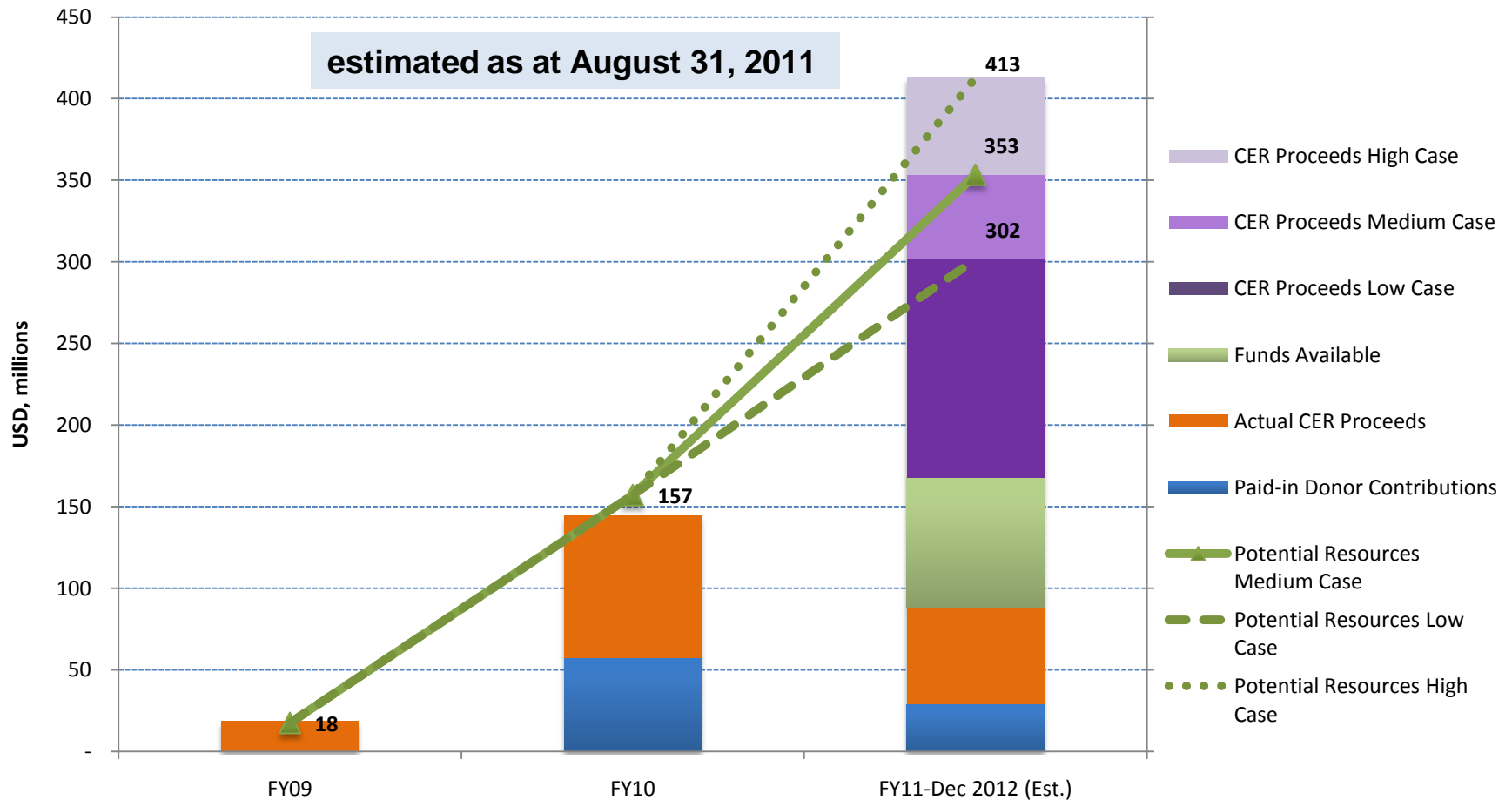
Total Programs/Projects Approved to date by NIE and MIE



Status of Resources



Potential Resources for the AF to end-2012



Agenda

2. CER Monetization

- CER Price Levels

CER Price Levels

Long-Term Daily Prices



Source: Bloomberg

Adaptation Fund Trustee

The World Bank



CER Price Levels

Internal Factors

European Union Support

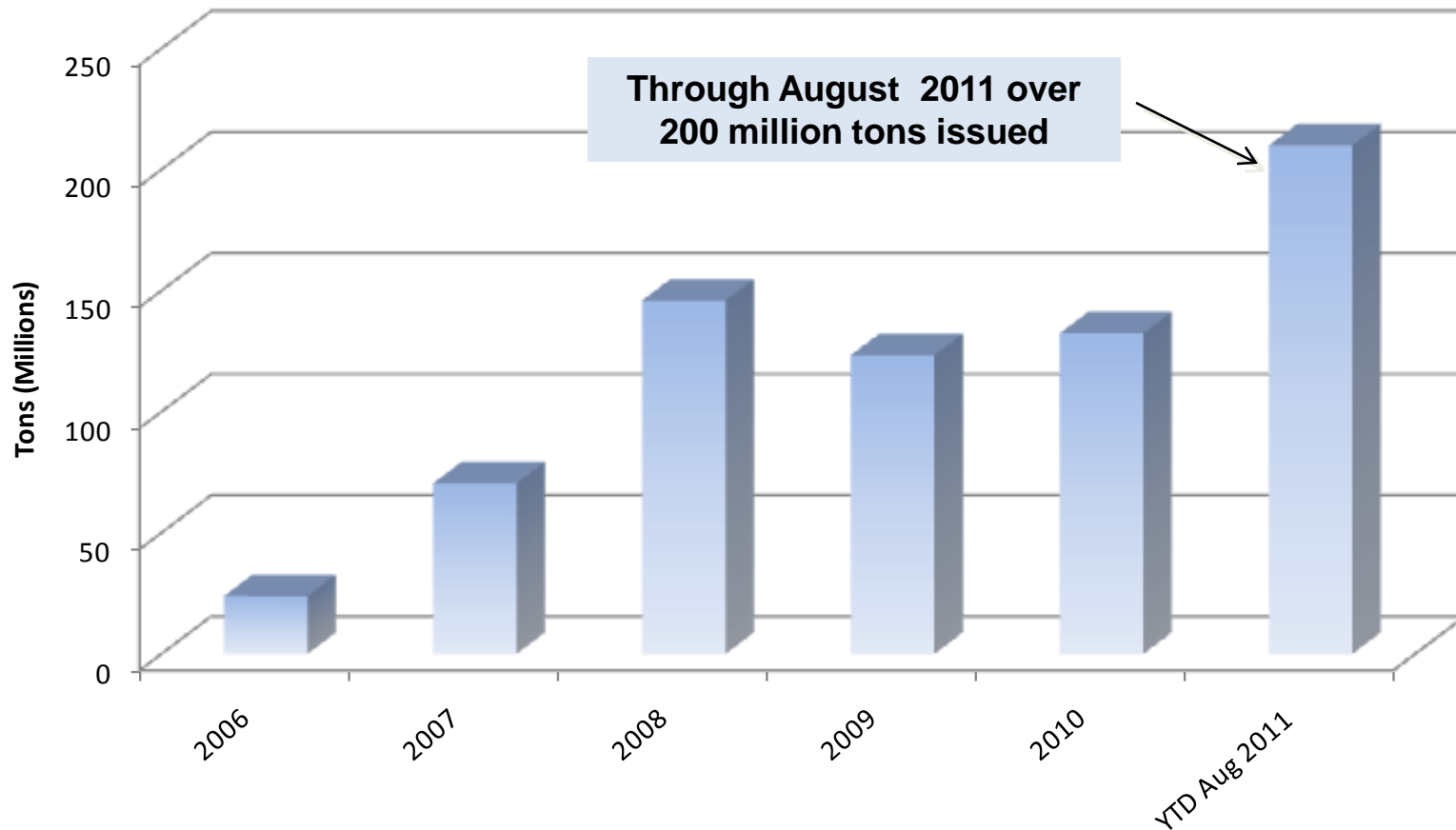
- Energy Efficiency Directive - Improve energy efficiency by 20% by 2020
 - Question if EU is still committed to carbon trading

Increased Volume

- European Union Credits from Phase III being auctioned in 2011 - 12
 - 300 million new entrants reserve
 - 120 million for utilities hedging forward
- New CER volume continues at record pace

CER Price Levels

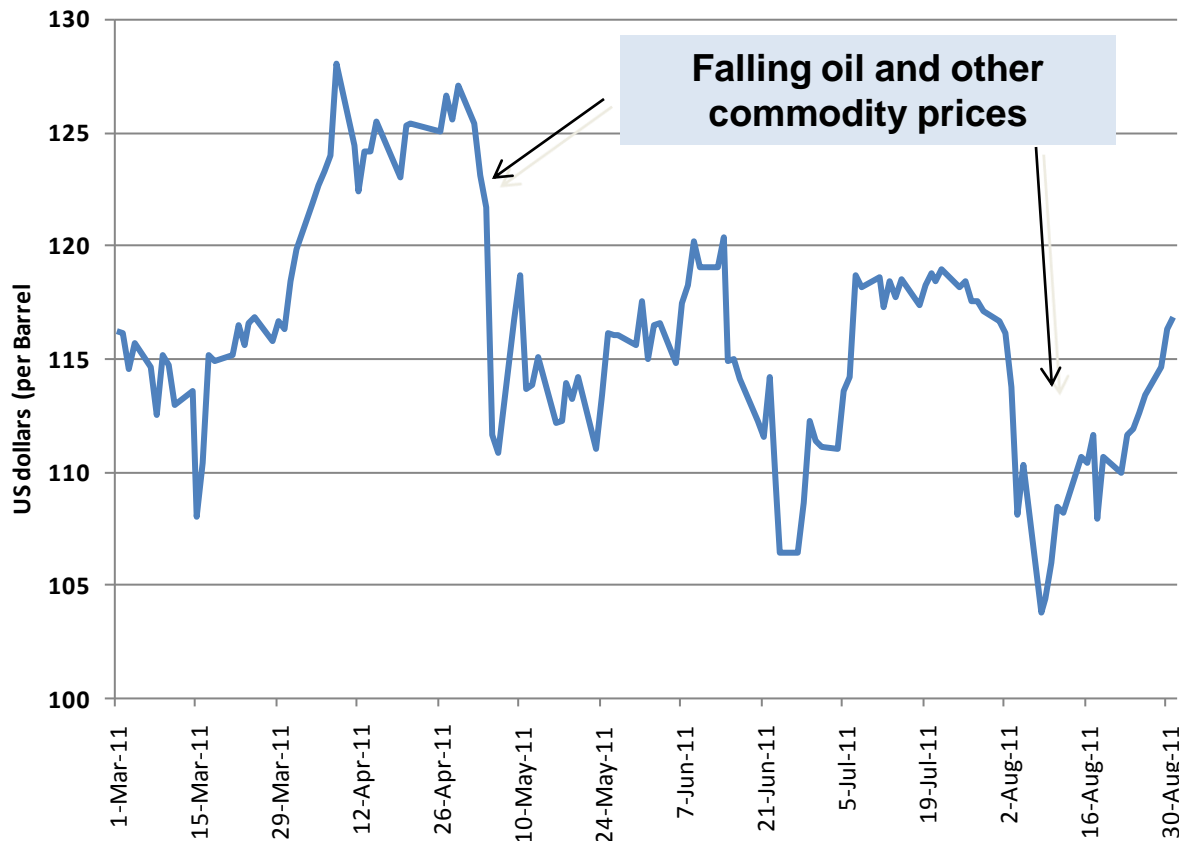
CER Annual Issuance Levels



CER Price Levels

External Factors

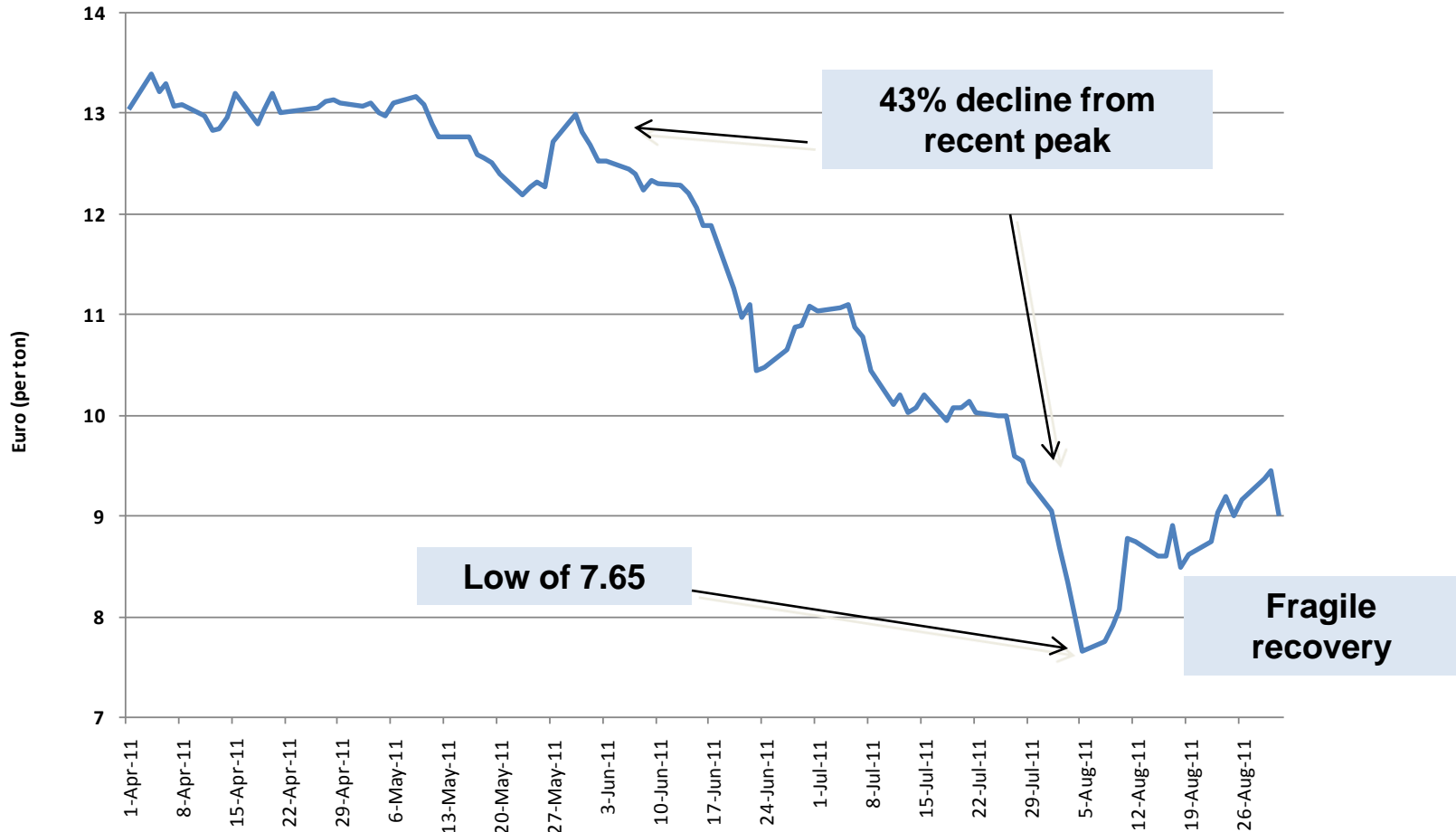
Brent Crude Oil Price



- European debt crisis
- U.S. debt ceiling impasse
- Fear of double-dip world recession

CER Price Levels

Short-term Daily Prices



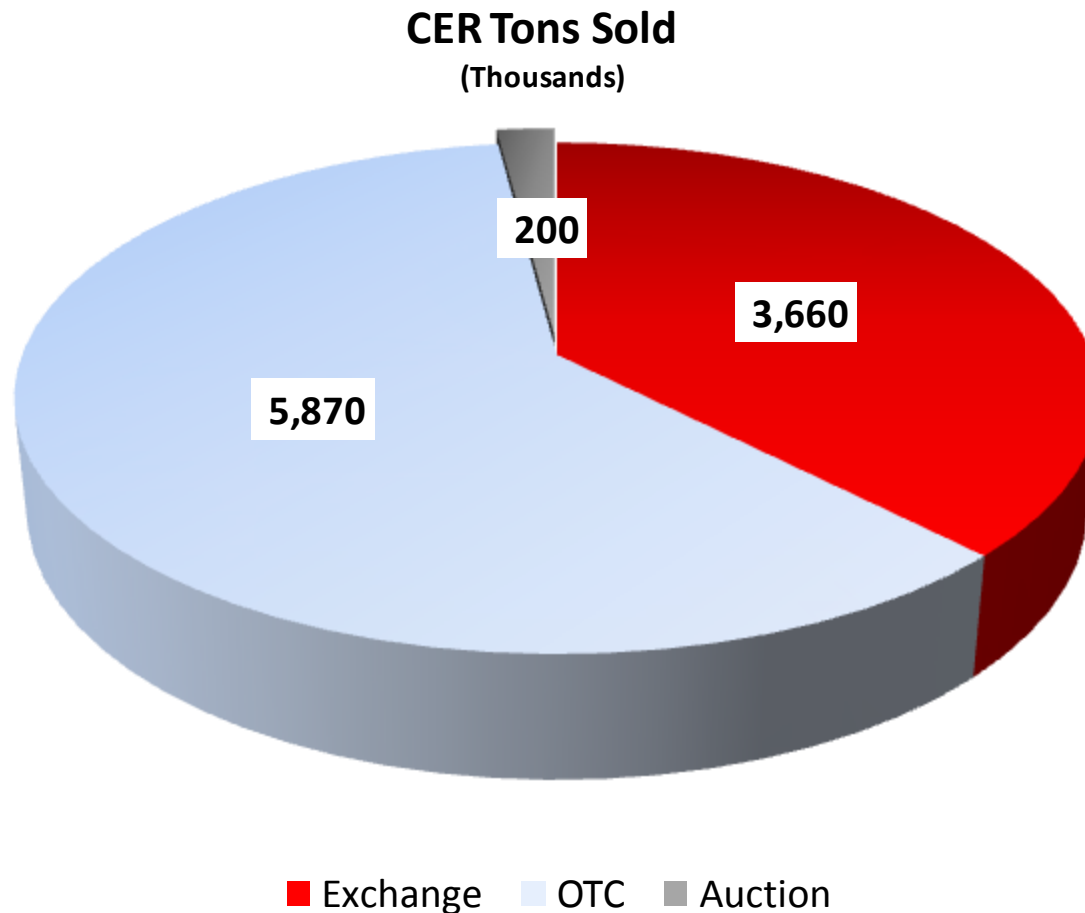
Agenda

2. CER Monetization

- CER Monetization Program

CER Monetization Program

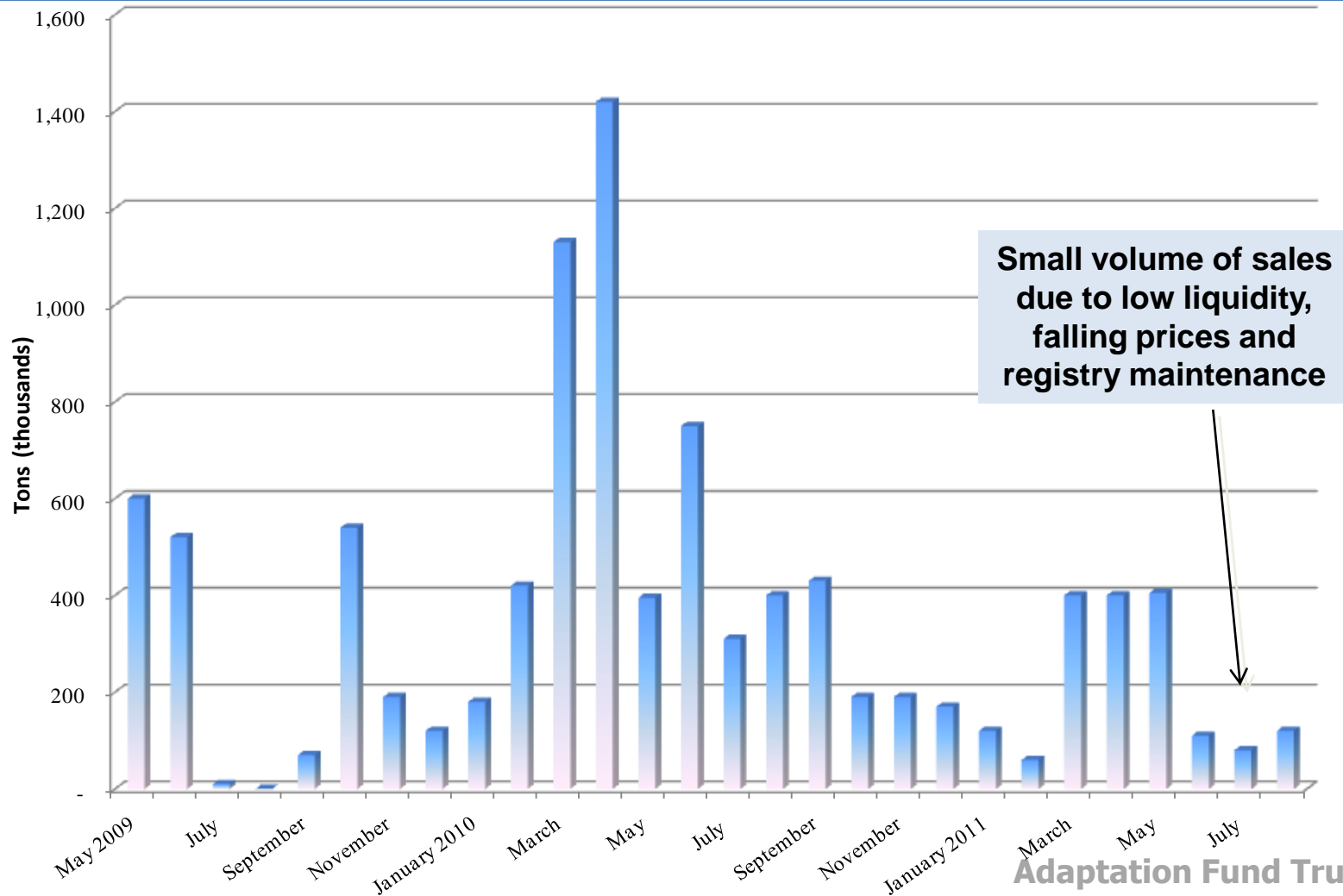
Sale Record as of August 31, 2011



- **9.73 million CER Tons Sold**
- **\$166 million raised (€122 million)**

CER Monetization Program

Monthly Sales by Tonnage

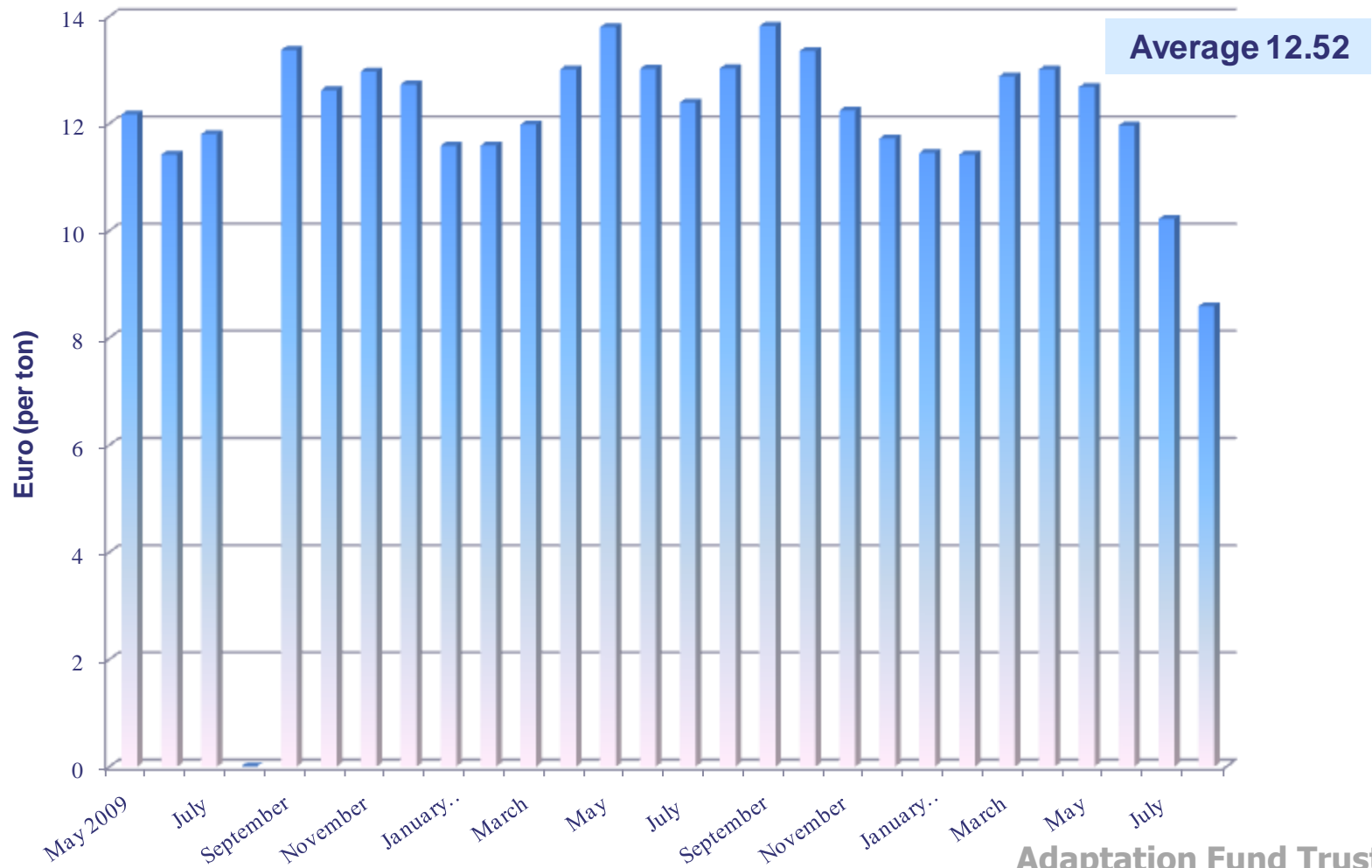


Small volume of sales due to low liquidity, falling prices and registry maintenance



CER Monetization Program

Monthly Average Price



CER Monetization Program Adaptation Fund Inventory

