1. Status of Resources

2. CER Monetization
   - CER Price Levels
   - CER Monetization Program
Status of Resources
August 31, 2011
(US$ millions)

Cumulative Receipts (1)  252.44

- Cash receipts from CER sales proceeds  165.50
- Cash receipts from Donors and Other Sources  85.82
- Investment Income  1.11

Cumulative Disbursements (2)  25.46

- Projects and Programs  12.40
- Administrative Budgets  13.06

Funds Held in Trust (3) = (1) – (2)  226.98
Schedule of Funds Available

August 31, 2011
(US$ millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds Held in Trust (3)</td>
<td>226.98</td>
</tr>
<tr>
<td>Operational Reserve (4)</td>
<td>3.00</td>
</tr>
<tr>
<td>Amounts Committed, Not Disbursed (5)</td>
<td>49.89</td>
</tr>
<tr>
<td>Funds Available (6) = (3) – (4) – (5)</td>
<td>174.09</td>
</tr>
</tbody>
</table>
Total Programs/Projects Approved to date by NIE and MIE

- NIE, 14%
- MIE, 86%
Status of Resources

CERs and Donor Proceeds

in USD millions

Monetized CERs
Donor Contributions
TF Balance

Adaptation Fund Trustee
The World Bank
Potential Resources for the AF to end-2012

estimated as at August 31, 2011

USD, millions

- FY09
- FY10
- FY11-Dec 2012 (Est.)

CER Proceeds High Case
CER Proceeds Medium Case
CER Proceeds Low Case
Funds Available
Actual CER Proceeds
Paid-in Donor Contributions
Potential Resources Medium Case
Potential Resources Low Case
Potential Resources High Case

Adaptation Fund Trustee
The World Bank
2. CER Monetization

• CER Price Levels
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

Through August 2011 over 200 million tons issued
CER Price Levels
External Factors

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

Brent Crude Oil Price

Falling oil and other commodity prices

US dollars (per Barrel)

- US dollars (per Barrel)
CER Price Levels
Short-term Daily Prices

43% decline from recent peak

Low of 7.65
Fragile recovery
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

Average 12.52
CER Monetization Program
Adaptation Fund Inventory

Inventory approximately 4.4 million tons