

ADAPTATION FUND TRUST FUND

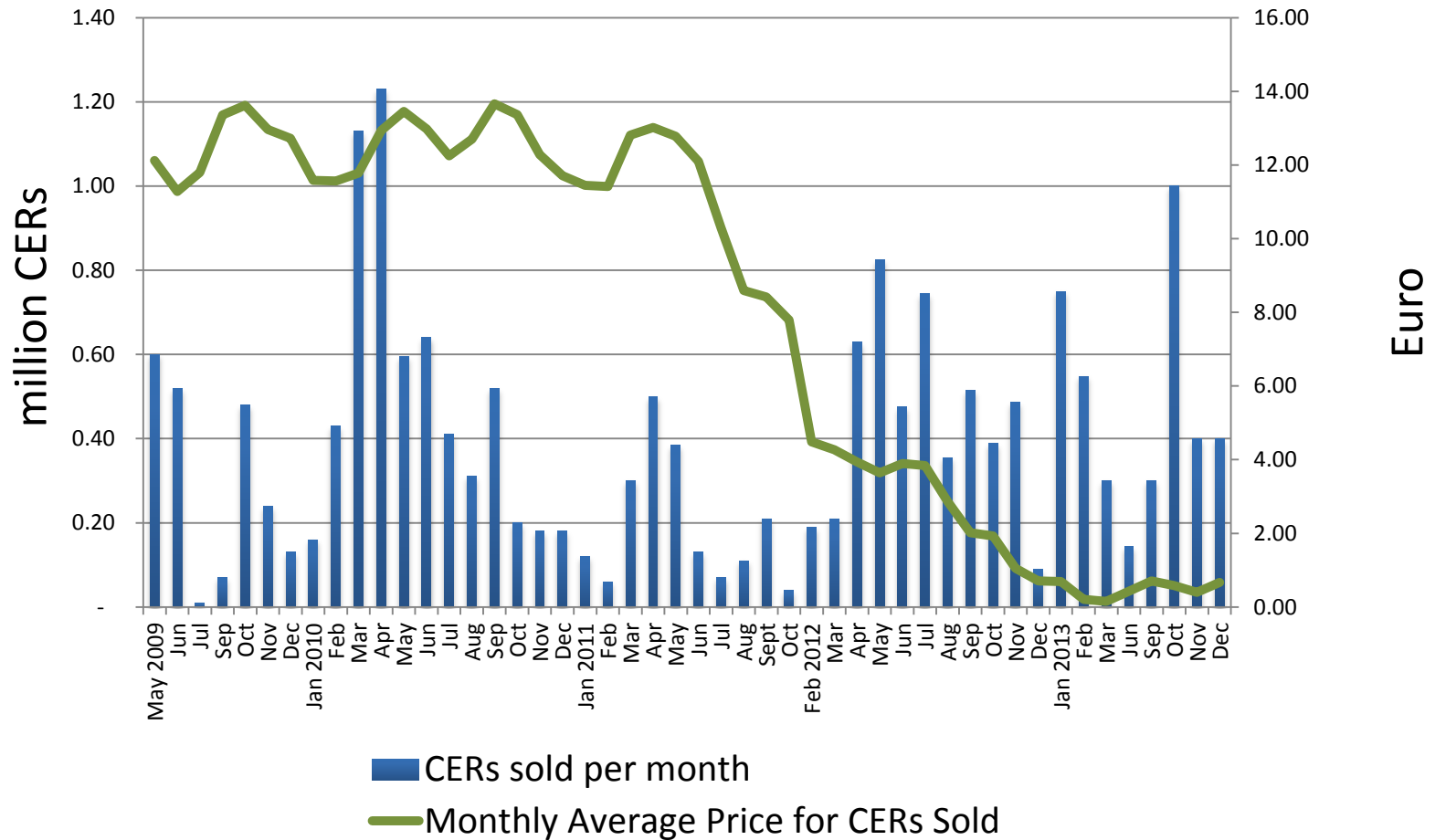
Update on Status of Resources and CER Monetization

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

AFB 23

(all data as at 31 December 2013 unless noted)

CER Prices still at historic lows....

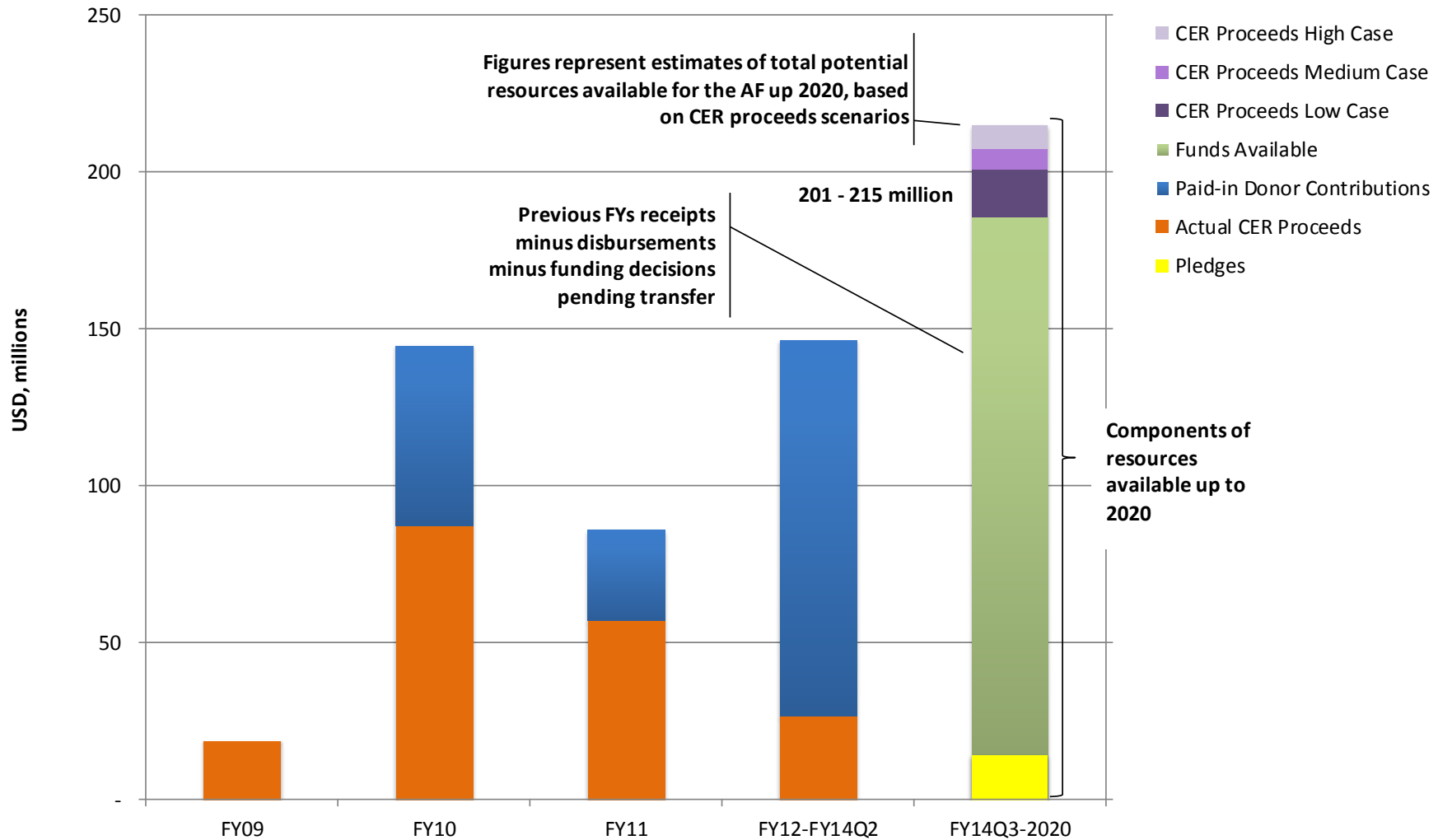


...and donations gain importance

Total Donations: USD 205 million
Total CER Proceeds: USD 190 million

- **Pace of CER sales increased in late 2013:**
 - **1.8 million sold in Q4**
- **Donation agreements processed:**
 - **13 separate donors since 2008**
 - **8 agreements prepared in last quarter 2013**

Summary: Estimates of Future AF Funds



CER Market Snapshot

Demand:

- EU ETS allows for 0.6bn CER & ERU to be used in phase 3 (2013-2020)¹
- No indication of significant demand for CER from other regional ETS in development
- EU back-loading focuses on EUA only

Supply:

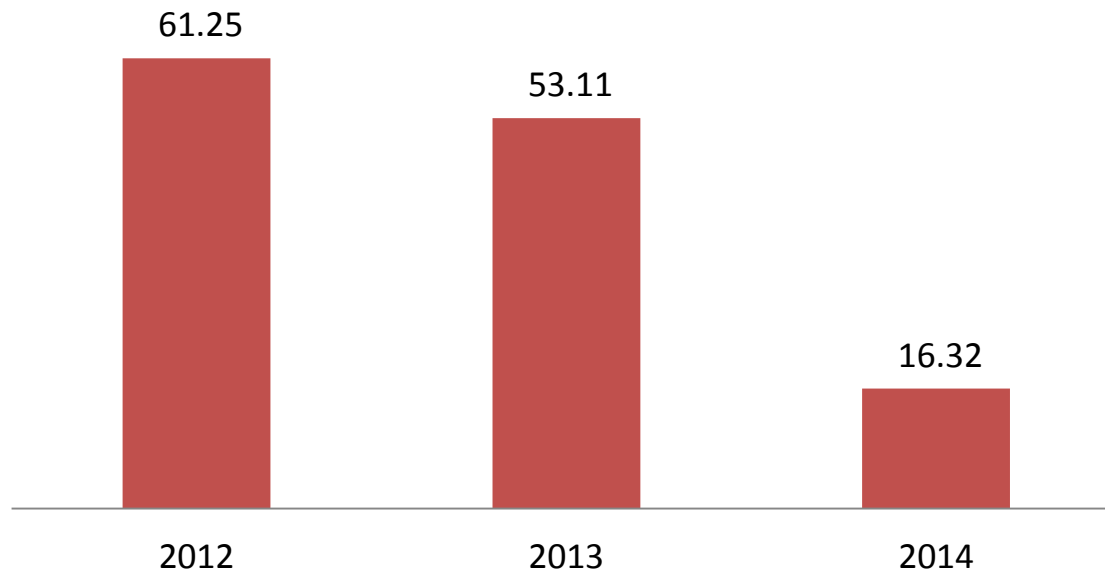
- Total CDM issuance of 1.43bn since inception²

1. <http://ec.europa.eu/clima/policies/ets>

2. <http://cdm.unfccc.int>

CER issuance

January and February CER issuances in past three years (Million Tons)



Year	CER issuance (Million Tons)
2010	133.35
2011	326.02
2012	340.37
2013	270.94
2014 (YTD)	16.32
Total issuance since 2005	1,434.74

Source: <http://cdm.unfccc.int>

AF CER Monetization: Summary

- CER monetization
Inception – Mar 17, 2014**

	CER Monetized (Ton)	CER proceeds (EUR)	Average Price (EUR per ton)
Exchange	9,371,000	61,960,640	
OTC	10,268,303	76,327,170	
Auction	200,000	2,504,000	
Total	19,839,303	140,791,810	7.10

- CER monetization
Nov 1, 2013 – Mar 17, 2014**

	CER Monetized (Ton)	CER proceeds (EUR)	Average Price (EUR per ton)
Exchange	827,000	212,640	
OTC	1,200,000	414,000	
Total	2,027,000	626,640	0.31



AF CER inventory as of February, 2014 (Million tons)

	EU ETS eligible	Non EU ETS eligible	Total
China	2.53	1.60	4.13
India	0.62	0.19	0.81
Republic of Korea	0.23	0.24	0.47
Brazil	0.32	0.10	0.41
Mexico	0.15	0.05	0.20
Others	1.51	0.36	1.87
Total	5.36	2.53	7.89

Monetization of carbon assets in future

Carbon Expo 2014

- **Institutional buyers**
- **Government buyers**

ERU and AAU

- **Added to AF Share of Proceeds by CMP**
- **Necessary amendments to Trustee Terms and Conditions with CMP to be prepared**

Document: AFB/EFC.14/7

Trustee Reports posted at:

www.adaptation-fund.org
www.worldbank.org/fiftrustee