



ADAPTATION FUND

AFB/B.25/Inf.4  
9 April 2015

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Adaptation Fund Board  
Twenty-fifth meeting  
Bonn, Germany, 9-10 April 2015

## **TRUSTEE PRESENTATION: UPDATE ON STATUS OF RESOURCES AND CER MONETIZATION**

# 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 25

April 2015

# Trustee Activities since AFB24

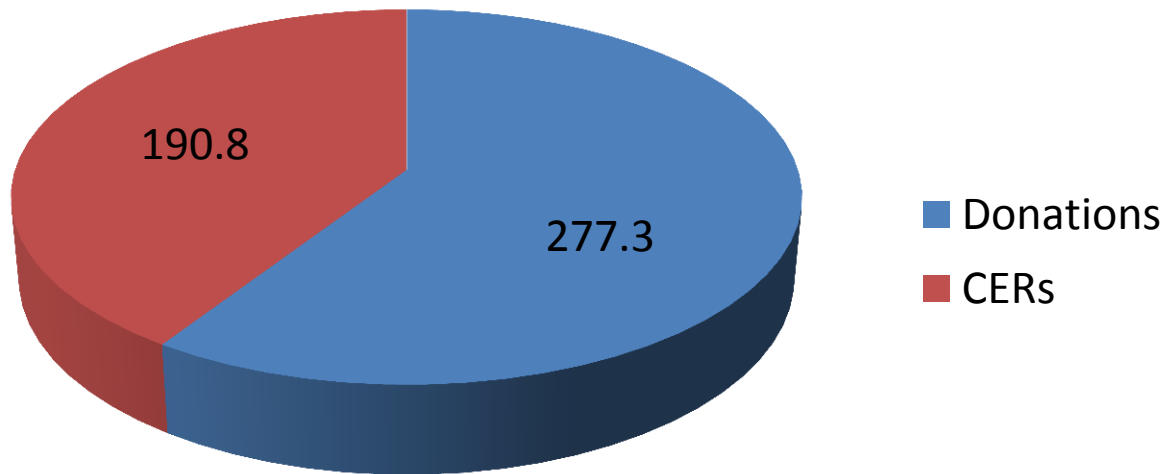
- **Terms and Conditions of Service by the World Bank as AF Trustee:**
  - **Revised and approved by AFB to extend termination date to May 2017, add AAUs, ERUs**
  - **Submitted to CMP and adopted**
  - **World Bank Board approved revised Terms and Conditions**
- **Revised CER Monetization Guidelines drafted**

# Trustee Financial Activity since Trustee Report of 31 December 2014

- **CER sales:**
  - **1.26 million tons; proceeds of USD 3.2 million**
  - **EUR 2.24 per ton average sales price**
- **Donation agreements processed:**
  - **Luxembourg (EUR 2 million) payment pending**
  - **France (EUR 5 million) payment received Mar.**
  - **Germany (EUR 50 million) payment received (Jan.)**
- **Pledges outstanding:**
  - **Belgium (EUR 1.5 million), Wallonia (EUR 0.25 million)**

# Total AF Revenue to 31 December 2014

USD million



Total = USD 468.1 million

# Receipts and Transfers

## At 31 December 2014 and 28 February 2015

**Table 1: Schedule of Receipts and Cash Transfers**

From inception (2009) to February 28, 2015

(in USD eq. millions)

	<u>As of February 28, 2015</u>	<u>As of December 31, 2014</u>
<b><u>1. Cumulative Receipts</u></b>	<b>471.88</b>	<b>471.63</b>
a. Cash receipts from CER proceeds a/	190.91	190.80
b. Cash receipts from Donors and Other Sources	277.26	277.26
c. Investment Income earned on undisbursed balances of AF Funds	3.71	3.57
<b><u>2. Cumulative Cash Transfers</u></b>	<b>141.84</b>	<b>139.58</b>
a. Projects and Programs	115.73	113.47
b. Operational Expense b/	26.11	26.11
<b><u>3. Funds held in Trust ( 3 = 1 - 2 )</u></b>	<b>330.04</b>	<b>332.05</b>

a/ Includes cash receipts from CER proceeds pending foreign exchange conversion.

b/ Operational expense represents administrative budgets, return of unused amounts to the AF Trust Fund, reimbursements to Administrative Trust Fund donors

# Financial Summary

As at 28 February 2015

**Table 2: Schedule of Funds Available**  
From inception (2009) to February 28, 2015  
(in USD eq. millions)

	<u>As of February 28, 2015</u>	<u>As of December 31, 2014</u>
<b><u>1. Funds held in Trust</u></b>	<b>330.04</b>	<b>332.05</b>
<b><u>2. Restricted Funds</u> a/</b>	<b>3.00</b>	<b>3.00</b>
<b><u>3. Funds held in Trust with no restrictions ( 3 = 1 - 2 )</u></b>	<b>327.04</b>	<b>329.05</b>
<b><u>4. Funding decisions pending cash transfers</u></b>	<b>150.03</b>	<b>152.24</b>
<b><u>5. Funds available to support AF Board funding decisions ( 5 = 3 - 4 )</u></b>	<b>177.01</b>	<b>176.81</b>

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a/ Reserve to cover operational requirements of the AF Board

# CER market overview

## **Lack of demand due to:**

- Economic conditions in EU
- Uncertainty in carbon markets post-2015

## **Supply:**

- Reduction in CER issuance by CDM

## **Other updates:**

- CP1 CERs no longer traded in EU compliance market
- CP2 CERs start to trade at EUR 0.40-0.50 range



# CER monetization summary

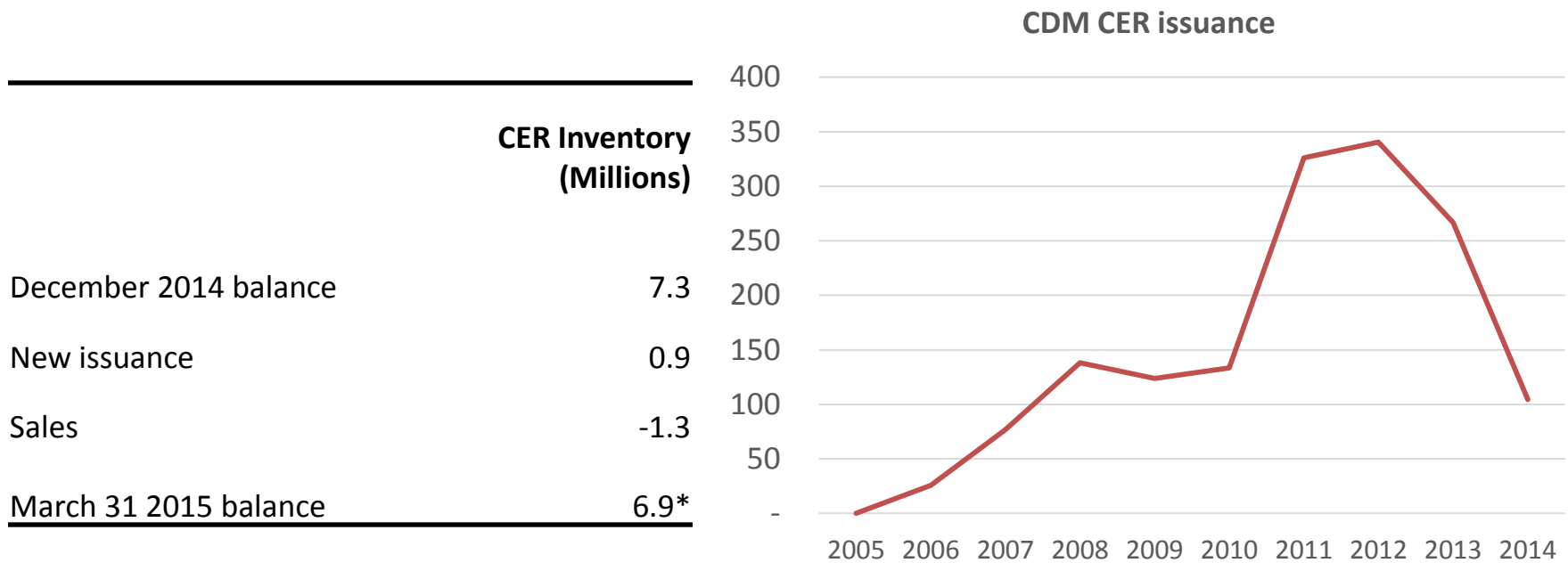
- CER monetization  
Inception – March 31, 2015**

	<b>CER Monetized (Ton)</b>	<b>Average Price (EUR per ton)</b>	<b>CER proceeds (EUR)</b>	<b>CER proceeds (USD)</b>
OTC	12,867,457	6.17	79,448,838	107,094,751
Exchange	10,715,000	5.80	62,136,260	83,402,808
Auction	200,000	12.52	2,504,000	3,567,699
<b>Total</b>	<b>23,782,457</b>	<b>6.06</b>	<b>144,116,098</b>	<b>194,065,258</b>

- CER monetization  
Jan 1, 2015 – March 31, 2015**

	<b>CER Monetized (Ton)</b>	<b>Average Price (EUR per ton)</b>	<b>CER proceeds (EUR)</b>	<b>CER proceeds (USD)</b>
OTC	1,258,880	2.24	2,825,497	3,197,971

# AF CER inventory as of March 31, 2015



	<b>CER Inventory (Millions)</b>
December 2014 balance	7.3
New issuance	0.9
Sales	-1.3
<b>March 31 2015 balance</b>	<b>6.9*</b>

\* A net reduction of about 1 million tons from March 2014

Document: AFB/EFC.16/4

Trustee Reports posted at:

[www.adaptation-fund.org](http://www.adaptation-fund.org)

[www.worldbank.org/fiftrustee](http://www.worldbank.org/fiftrustee)