



ADAPTATION FUND

AFB/B.29/Inf.4
17 March 2017

Adaptation Fund Board
Twenty-ninth meeting
Bonn, Germany, 16-17 March 2017

TRUSTEE PRESENTATION: UPDATE ON STATUS OF RESOURCES AND CER MONETIZATION

(As of 17 March 2017)

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 29

March 2017

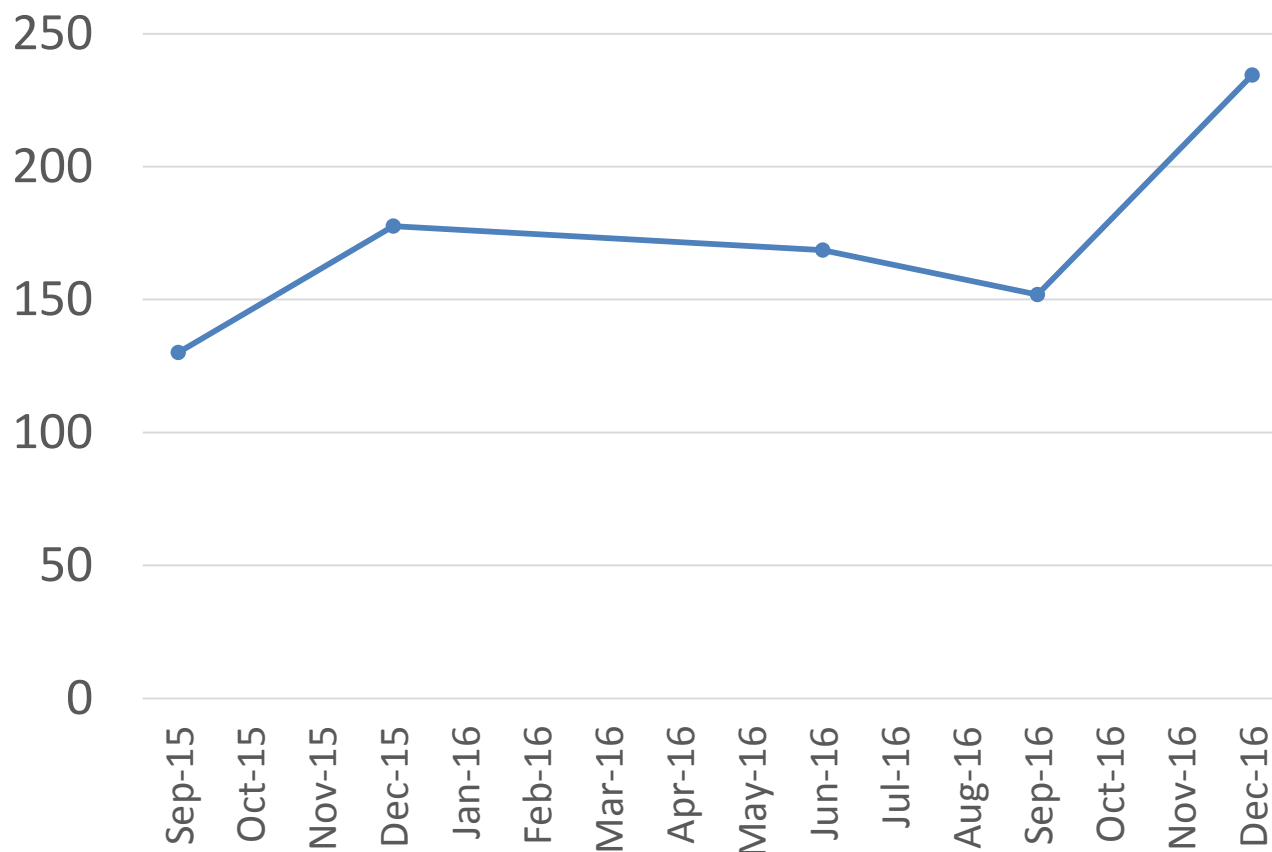
Highlights – Trustee activities since AFB 28

- Responding to CDM Decision to extend mandate
- Since AFB28, new Donation Agreements totaling **USD 85 million**:
 - Brussels Capital Region (EUR 2.50 million)
 - Flanders (EUR 6.25 million)
 - Germany (EUR 50 million)
 - Sweden (SEK 200 million)
- Modest CER sales continue (FY17 to end-Feb) :
 - 315 thousand tons, generating approx. **USD 0.55 million**
 - Average sales price **USD 1.75**
 - Prevailing market prices approx. **EUR 0.30**

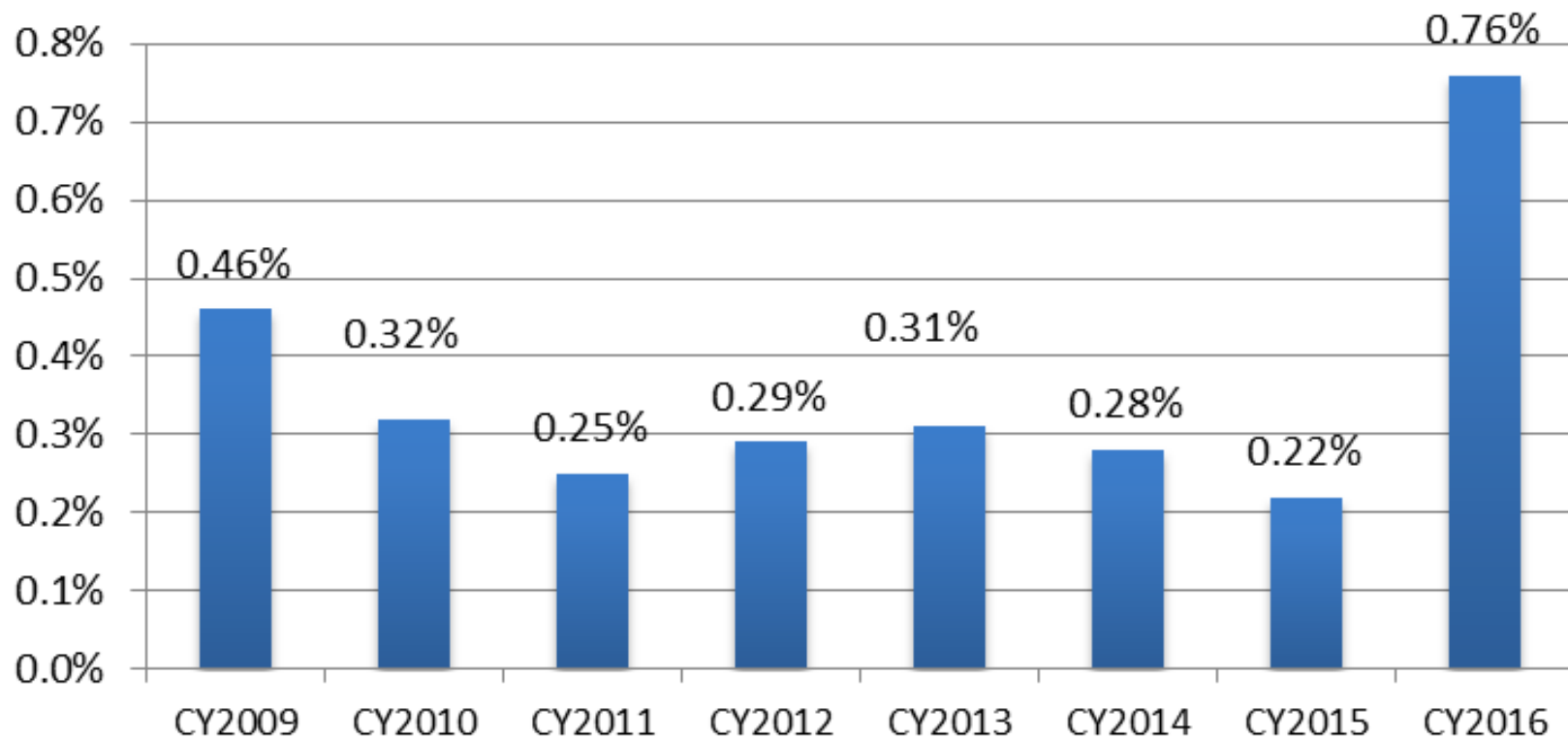
Financial Snapshot (USD million)

	As of December 31, 2016 (a)	As of September 30, 2016 (b)	Change since last report (a) - (b)
1. Cumulative Receipts	631.87	547.89	83.98
a. Cash receipts from CER proceeds	197.10	196.87	0.22
b. Cash receipts from Donors and Other Sources	427.77	344.76	83.00
c. Investment Income earned	7.00	6.25	0.75
2. Cumulative Cash Transfers	233.27	222.13	11.14
a. Projects and Programs	197.35	186.21	11.14
b. Operational Expense	35.93	35.93	-
3. Funds Held in Trust (3 = 1 - 2)	398.59	325.76	72.83
4. Operational Reserve	3.00	3.00	-
5. Funding Decisions Pending Cash Transfer	161.17	170.95	(9.78)
6. Funds available to support AF Board funding decisions (6 = 3 - 4 - 5)	234.42	151.81	82.62

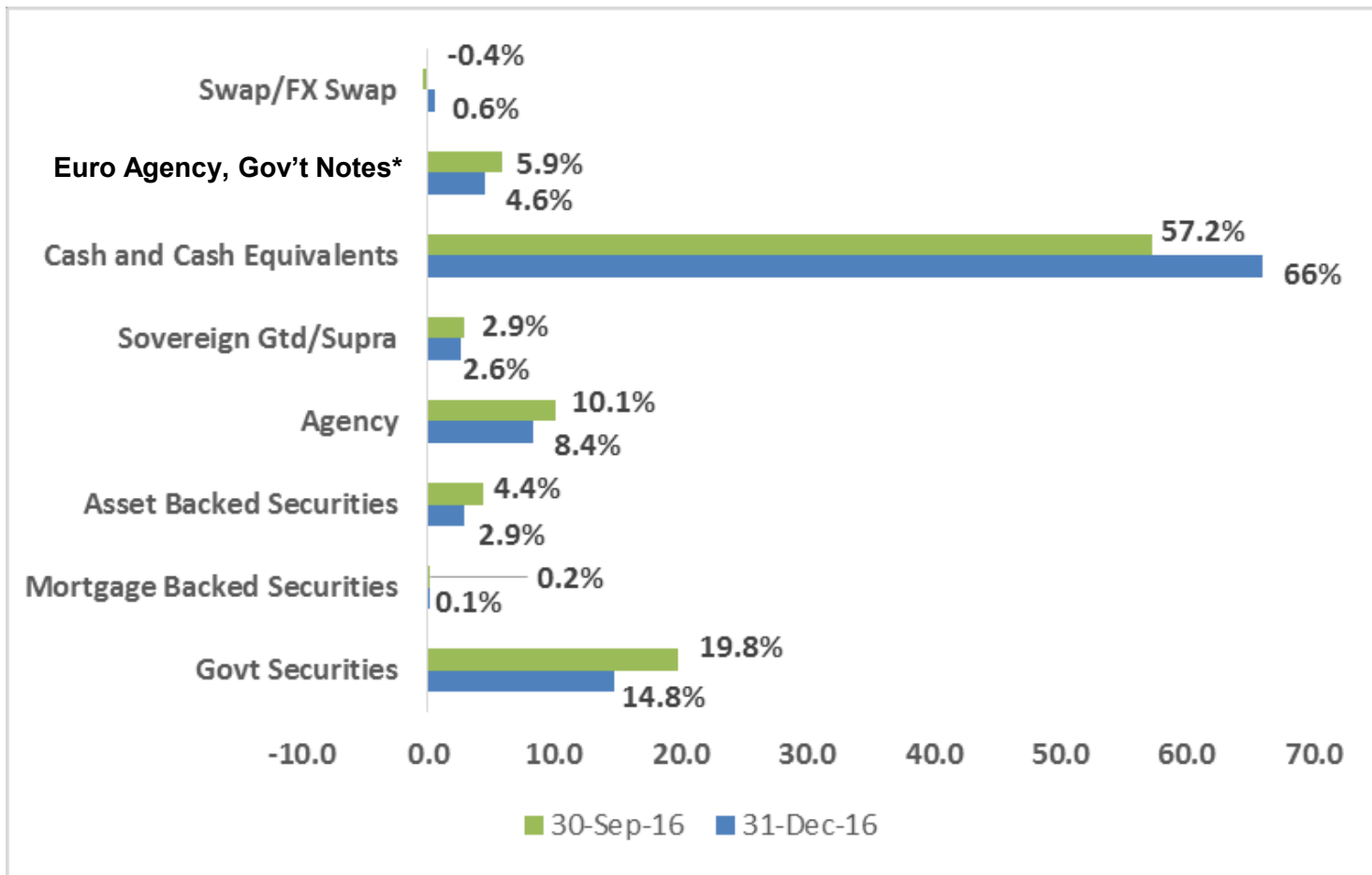
Funds available for new decisions relatively stable over time (USD)



Investment Income is increasing



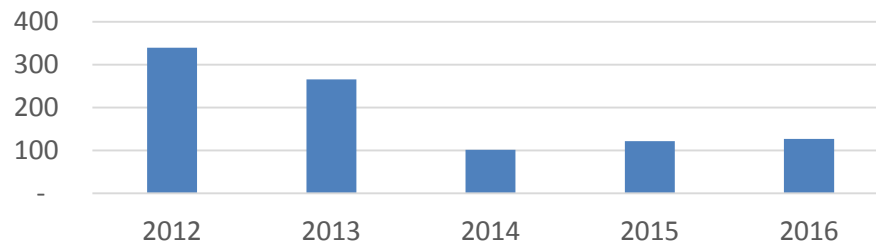
Asset Allocation of Funds Held in Trust (USD 398.6mn at 31 Dec. 2016)



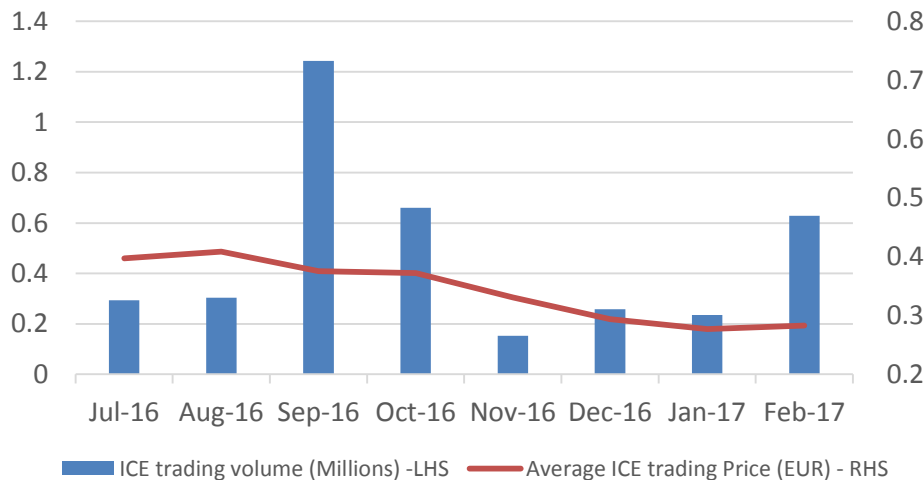
*Also classified as "Corporates" in Trustee reports

CER Supply & Demand

CDM Issuance (Millions of tons)



ICE daily CER futures- monthly transaction volume & average price since July 2016



- Reduced CER issuance volume with ~2m tons CERs allocation to AF SoP per year.
- Low price & trading volume (ICE) in European market due to lack of demand.
- Limited use outside EU-ETS

CER monetization summary

**Inception (May 2009) –
Feb 2017**

	CER sales volume (Ton)	CER sales proceeds (\$)	Average CER sales price (\$)
OTC	15,319,282	110,211,061	7.19
Exchange	10,715,000	83,402,808	7.78
Auction	200,000	3,567,699	17.84
Total	26,234,282	197,181,568	7.52

**Jul 1, 2016 –
Feb 28, 2017**

	CER sales volume (Ton)	CER sales proceeds (\$)	Average CER sales price (\$)
OTC	315,341	550,885	1.75

Recommendation for CER monetization focus in the near future

- OTC transactions
- Extraction of sales premium
- Moderate sales volume for CERs

Trustee Reports posted at:

www.adaptation-fund.org

fiftrustee.worldbank.org