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 33
March 2019
• 5 New Donation Agreements: Brussels Capital Region, France, Germany, Ireland, Sweden
• 4 additional pledges being processed: EC, Italy, New Zealand, Walloon region
• USD 97.4 mn deposited in AF Trust Fund
• CER sales: USD 0.11mn in Q4 2018

• Funding Available for new decisions at 31 Dec, 2018:

USD 273.49 million
Inflows from inception to Dec 31, 2018 (USD millions)

- **Donations**, 641.37, 74%
- **CER proceeds**, 199.57, 23%
- **Investment Income**, 21, 3%
Funding Decisions: inception to Dec 31, 2018 (USD millions)

- MIEs, 297.57, 52%
- NIEs, 163.71, 28%
- RIEs, 70.36, 12%
- Admin Exp., 48.09, 8%
Cash transfers to IEs (cumulative) (USD millions)

Cash transfers for projects
Oct-Dec 2018: USD 10.89 mn
Funds available for new Board approvals (USD millions)
Investment Returns
On AF Funds Held in Trust

*non-annualized

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0.46% | 0.32% | 0.25% | 0.29% | 0.31% | 0.28% | 0.22% | 0.54% | 1.33% | 2.17%
CER monetization summary

<table>
<thead>
<tr>
<th>Inception May 2009 – Feb, 2019</th>
<th>CER sales volume (Thousands)</th>
<th>CER sales proceeds (in $ Thousands)</th>
<th>Average CER sales price ($/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTC</td>
<td>16,304</td>
<td>113,743</td>
<td>7.0</td>
</tr>
<tr>
<td>Exchange</td>
<td>10,715</td>
<td>83,403</td>
<td>7.8</td>
</tr>
<tr>
<td>Auction</td>
<td>200</td>
<td>3,568</td>
<td>17.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,219</strong></td>
<td><strong>200,713</strong></td>
<td><strong>7.4</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY19 YTD Jul 2018 – Feb 2019</th>
<th>CER sales volume (Thousands)</th>
<th>CER sales proceeds (in $ Thousands)</th>
<th>Average CER sales price ($/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTC</td>
<td>507</td>
<td>1,258</td>
<td>2.5</td>
</tr>
</tbody>
</table>
CER monetization strategy

Continue with OTC transactions, with focus on non EU-ETS markets

- Korean ETS and Colombia Carbon Tax schemes - limited project eligibility, but higher price.

- Climate neutrality drive – CER purchase from UN organizations.

- Other Carbon Tax scheme in development.

- EU-ETS continues to have low CER price (0.25 – 0.35 EUR per ton) / low liquidity.
Financial Intermediary Funds (FIFs)

Financial Intermediary Funds (FIFs) are financial arrangements that typically leverage a variety of public and private resources in support of international initiatives, enabling the international community to provide a direct and coordinated response to global priorities. Most FIFs have supported global programs often focused on the provision of global public goods, preventing communicable diseases, responses to climate change, and food security. Read More »

Adaptation Fund

The Adaptation Fund was created under the United Nations Framework Convention on Climate Change. The fund is designed to finance climate change adaptation projects and programs based on the priorities of eligible developing countries. Read More »