



ADAPTATION FUND

AFB/EFC.29/Inf.1
6 April 2022

Adaptation Fund Board
Ethics and Finance Committee
Twenty-ninth Meeting
Bonn, Germany (Hybrid meeting), 5-6 April 2022

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 Trustee of the Adaptation Fund

AFB 38

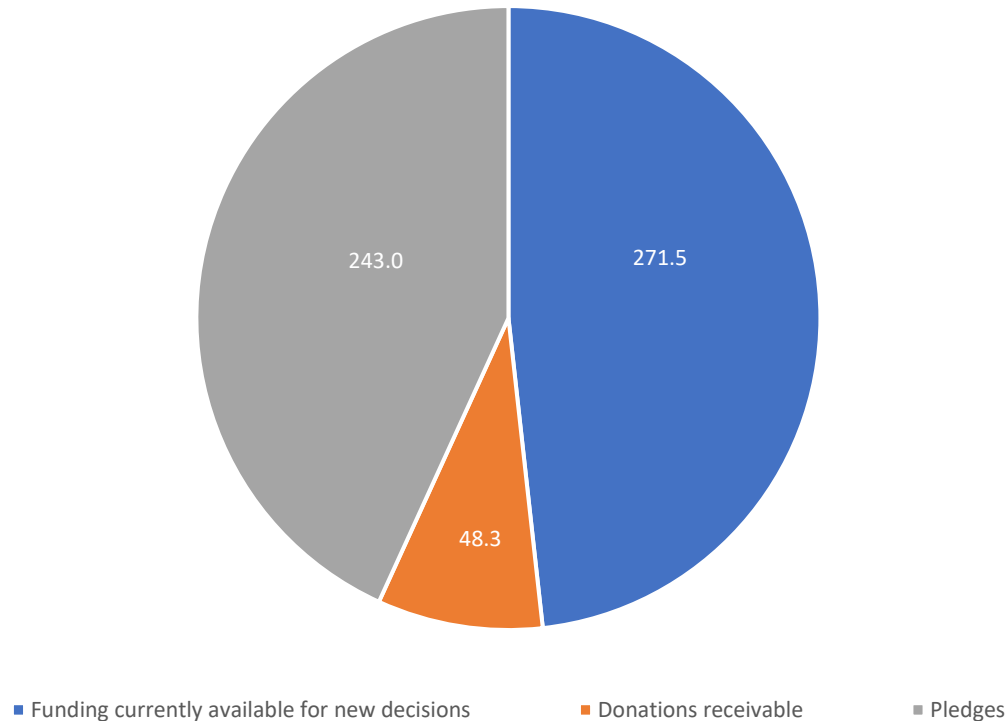
April 2022

Summary - Funding Availability

As of end-December 2021, there were **USD 271.5 million** available to support new funding decisions by the Board, which represents an increase of USD 86.2 million over the fourth quarter of 2021

	December 31, 2021	September 30, 2021	Change
Cumulative Resources Received:	1,216.5	1,113.8	102.7
<i>CER Sales Proceeds</i>	211.3	208.7	2.6
<i>Donations</i>	964.4	864.5	99.9
<i>Investment Income</i>	40.8	40.7	0.2
Cumulative Funding Decisions:	942.0	925.5	16.5
<i>Programs and Projects (MIE)</i>	531.8	531.6	0.2
<i>Programs and Projects (NIE)</i>	192.6	190.4	2.3
<i>Programs and Projects (RIE)</i>	145.0	131.0	14.0
<i>Administrative Budget</i>	72.6	72.6	0.0
Operational Reserve:	3.0	3.0	0.0
FUNDS AVAILABLE FOR BOARD DECISIONS	271.5	185.3	86.2

Potential Funding Availability



Total potential funding availability net of operational reserve is **USDeq 562.8 million**, of which:

- (a) US\$ 271.5 million is available to support new funding decisions by the Board; and
- (b) USDeq 48.3 million are donations receivable
- (c) USDeq 243 million in the form of pledges

Donations

Q4 CY2021

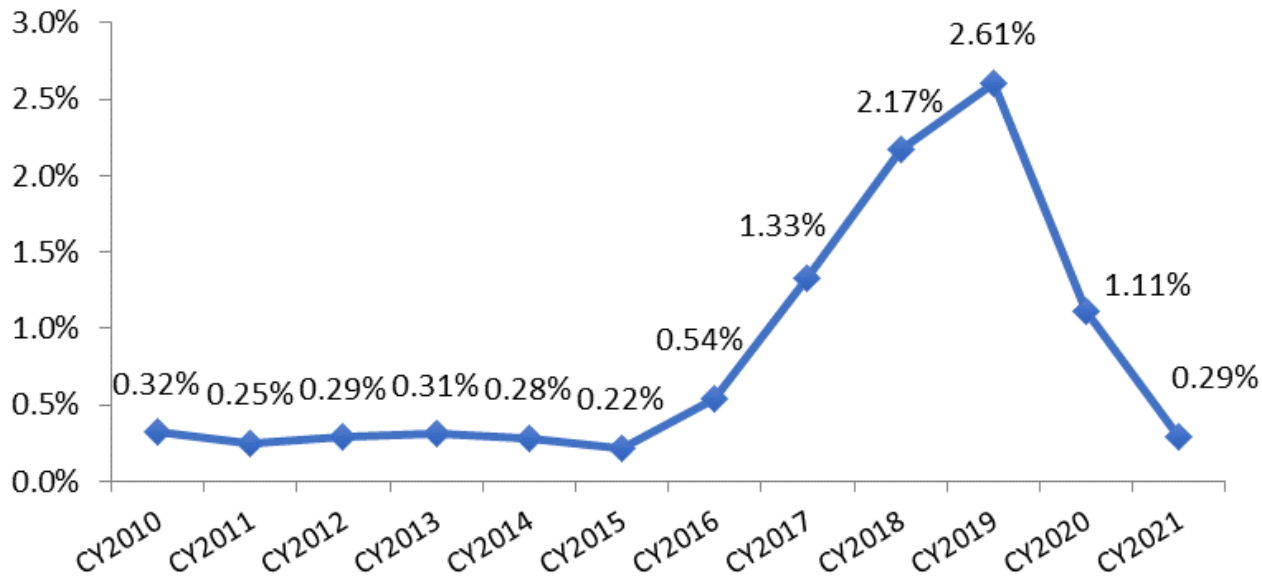
Donor	Donation Agreements	Donations Paid	Donations Receivable
Brussels Capital Region	EUR 2.3M	EUR 2.3M	
Flanders Region	EUR 3.0M	EUR 3.0M	
Finland	EUR 7.0M	EUR 7.0M	
Germany	EUR 50.0M	EUR 50.0M	
Ireland	EUR 5.0M	EUR 5.0M	
Norway a/	NOK 300.0M	NOK 70.0M	NOK 230.0M
Quebec	CAD 10.0M	-	CAD 10.0M
Sweden b/	SEK 520.0M	SEK 130.0M	SEK 130.0M
TOTAL		USD 99.9M	USDeq 48.3M

a/ Donation Agreement signed in November 2021, with a multi-year payment schedule. The first installment of NOK 70.0M deposited in Q4 2021 with the donation receivable scheduled to be paid in 3 annual installments over 2022-2024.

b/ Donation Agreement signed in October 2019, with a multi-year payment schedule in equal installments of SEK 130.0M from 2019 to 2022. First 3 installments were received in 2019, 2020 and 2021.

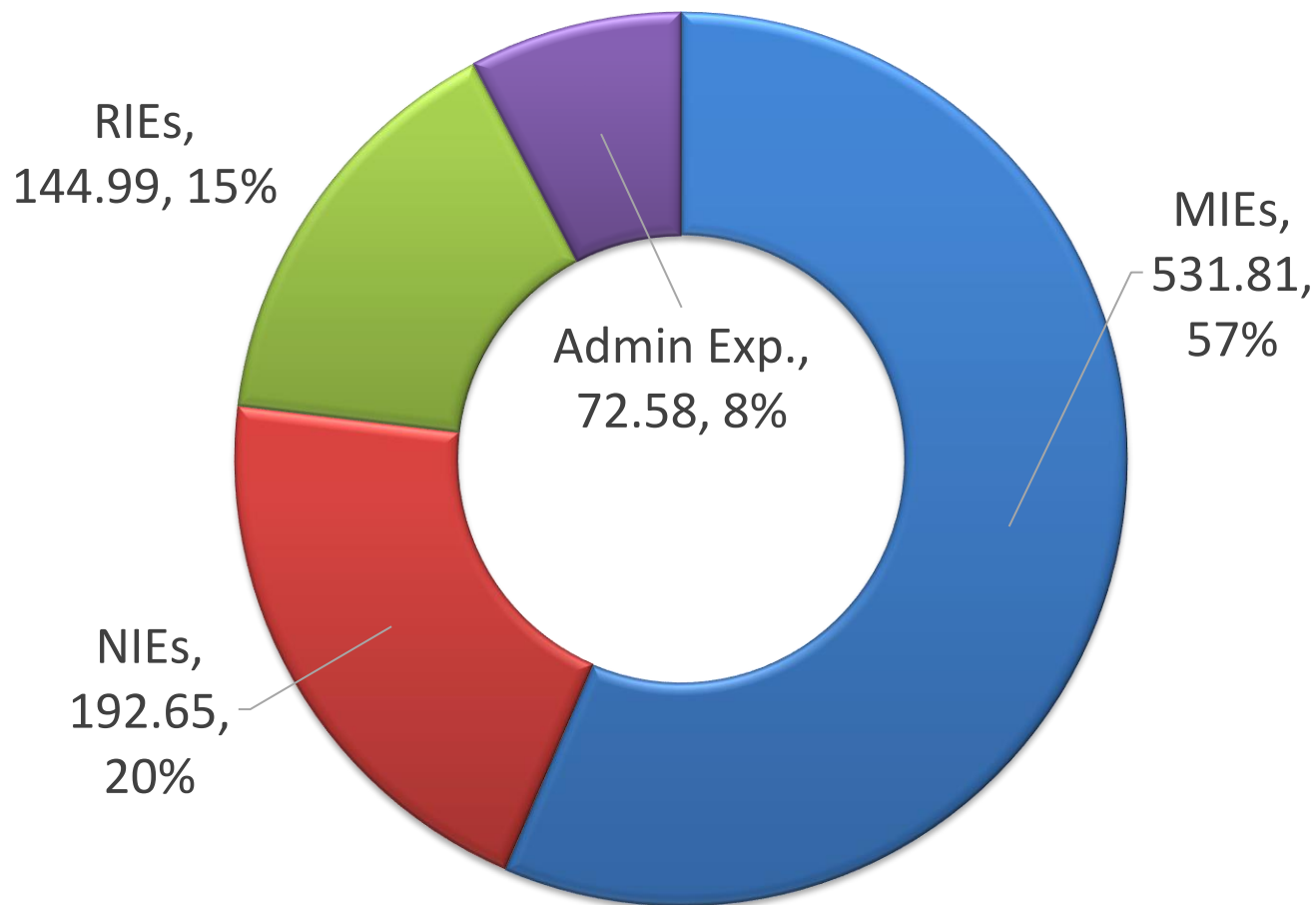
- ✓ Donation agreements signed with Brussels and Flanders regions, Finland, Germany, Ireland, Norway and Quebec during Q4 2021
- ✓ Pledges received from Iceland (USD 1.2M), Japan (USD 6.0M) and Switzerland (CHF 10.0M) for which agreements signed and payments made of USD 0.4M, USD 6.0M and CHF 3.0M, respectively, during Q1 2022
- ✓ Pledges also from Canada (CAD 10.0M), EC (EUR 100.0M), Ireland (EUR 5.0M), Spain (EUR 30.0M), UK (GBP 15.0M) and US (USD 50.0M)

Investment Income

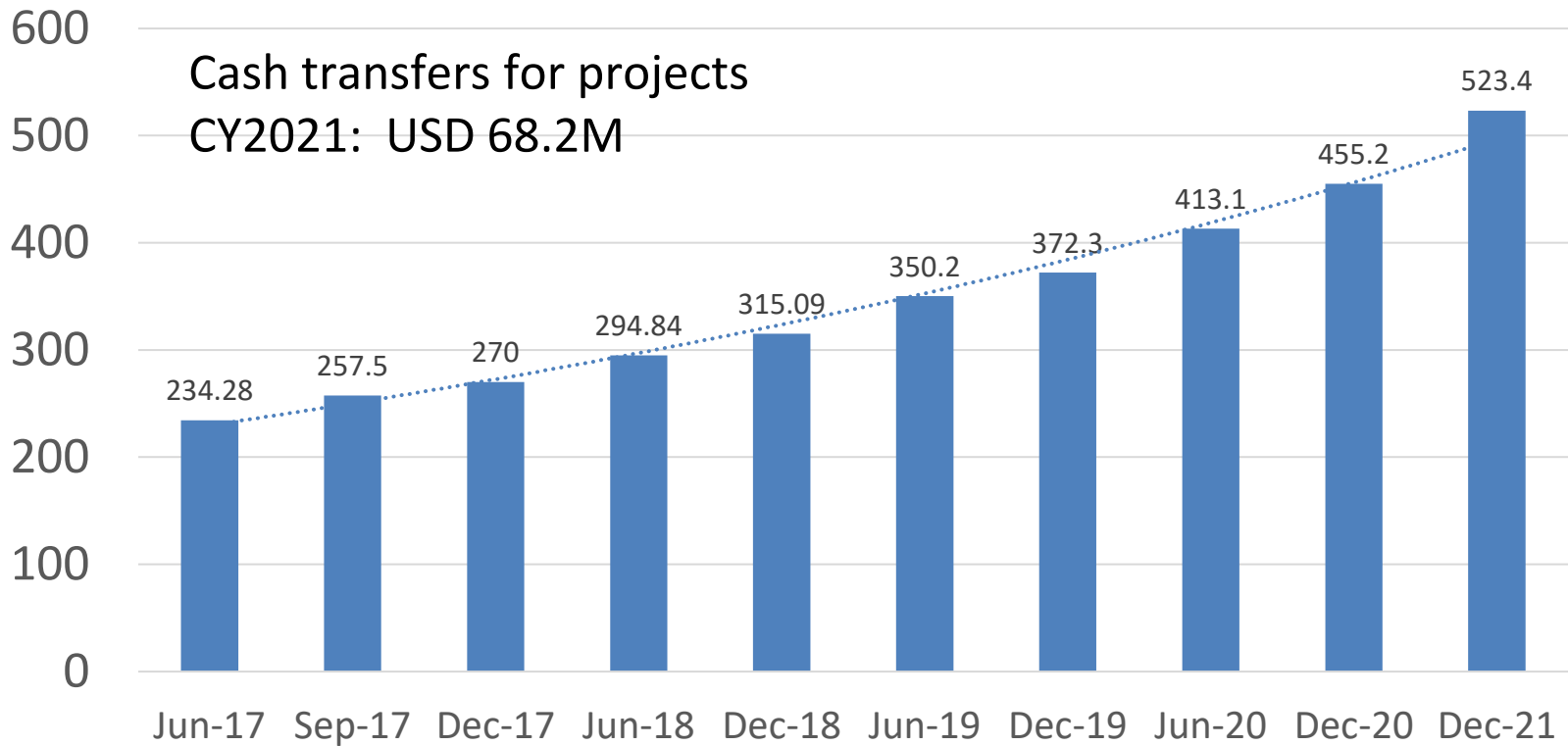


- ✓ Preservation of capital is the primary investment objective. The Trust Funds investment portfolios are managed conservatively with the assets invested across high grade fixed income and money market instruments
- ✓ USD 40.82M earned in investment income since inception
- ✓ 0.29% portfolio return during CY2021

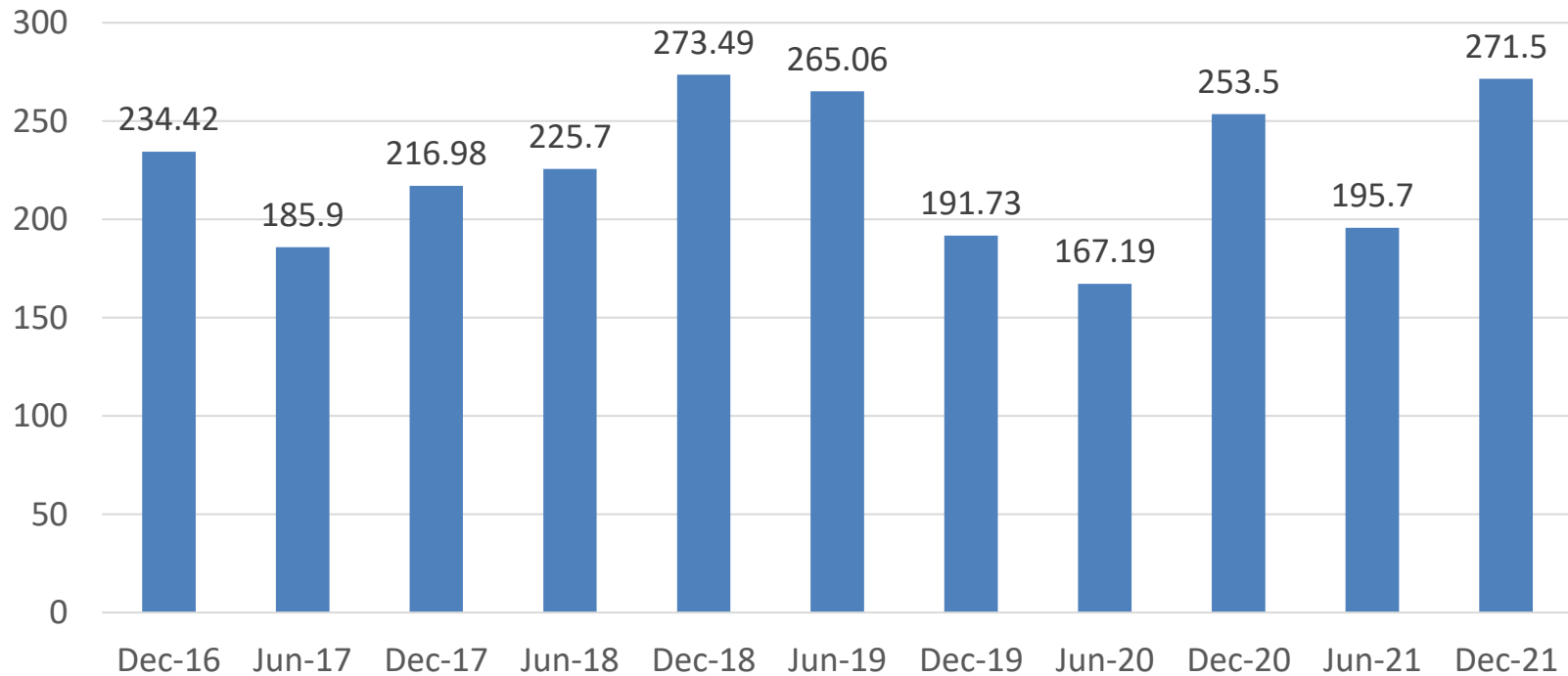
Funding Decisions: inception to Dec 31, 2021 (USD millions)



Cash transfers to IEs (cumulative) (USD millions)



Funds available for new Board approvals (USD millions)



CER monetization summary

		CER sales volume (Thousands)	CER sales proceeds (USD Thousands)	Average CER sales price (USD/ton)
Inception May 2009 – Apr 4, 2022	OTC	22,010	124,611	5.7
	Exchange	10,715	83,403	7.8
	Auction	200	3,568	17.8
	Total	32,925	211,582	6.4

	CER sales volume (Thousands)	CER sales proceeds (USD Thousands)	Average CER sales price (USD/ton)
FY22TD (Since Jul 1, 2021)	1,893	3,144	1.7

CER monetization strategy


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

- Recently developed ETS & Carbon tax schemes - limited project eligibility, but higher prices.
- Climate neutrality drive – voluntary CER purchases.

For additional information:

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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 »](#)

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- What we do
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CONTACTS

Trust Funds and Partnerships (DFPTF)

FEATURE



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 »](#)

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