



ADAPTATION FUND

AFB/EFC.31/Inf.1
21 March 2023

Adaptation Fund Board
Ethics and Finance Committee
Thirty-first Meeting
Bonn, Germany, 21-22 March 2023

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 40

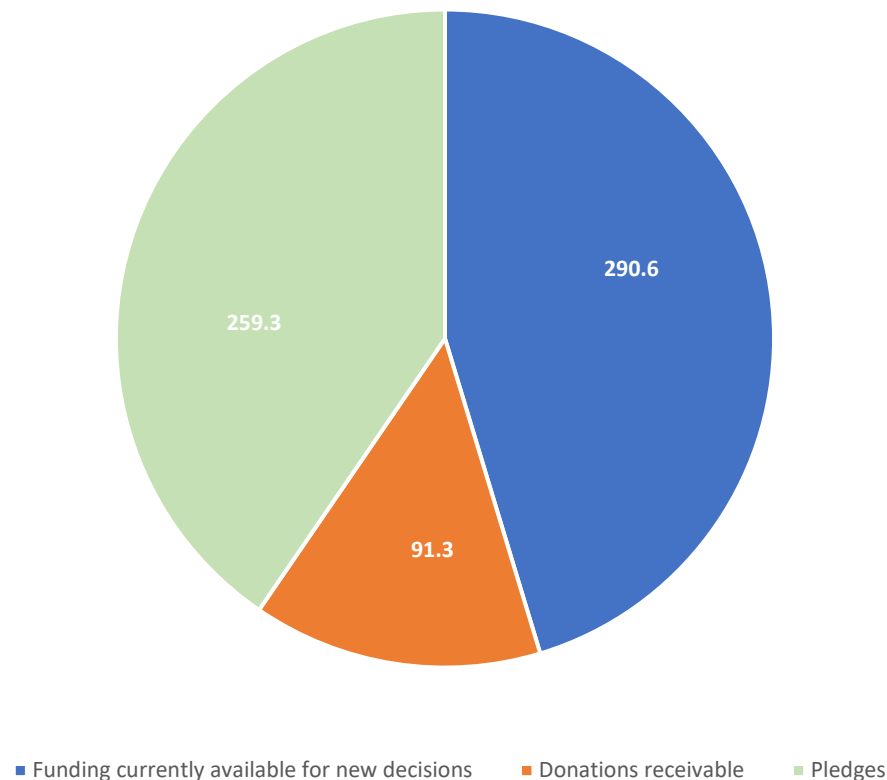
March 2023

Summary - Funding Availability

As of end-December 2022, there were **USD 290.6 million** available to support new funding decisions by the Board, which represents an increase of USD 88.8 million over the last quarter of 2022

	December 31, 2022	September 30, 2022	Change
Cumulative Resources Received:	1,371.7	1,246.0	125.7
<i>CER Sales Proceeds</i>	212.5	211.9	0.6
<i>Donations</i>	1,109.2	990.9	118.3
<i>Investment Income</i>	50.0	43.1	6.8
Cumulative Funding Decisions:	1,078.1	1,041.2	36.9
<i>Programs and Projects (MIE)</i>	598.8	586.7	12.1
<i>Programs and Projects (NIE)</i>	227.8	203.1	24.7
<i>Programs and Projects (RIE)</i>	168.3	168.3	0.0
<i>Administrative Budget</i>	83.3	83.1	0.2
Operational Reserve:	3.0	3.0	0.0
FUNDS AVAILABLE FOR BOARD DECISIONS	290.6	201.8	88.8

Potential Funding Availability



Total potential funding availability net of operational reserve is **USDeq 641.1 million**, of which:

- (a) US\$ 290.6 million is available to support new funding decisions by the Board; and
- (b) USDeq 91.3 million are donations receivable
- (c) USDeq 259.3 million in the form of pledges

Donations

Donor	Q4 CY2022		As of December 31, 2022
	Donation Agreements	Donations Paid	Donations Receivable
Austria	USD 5.0M	-	USD 5.0M
France	EUR 5.0M	EUR 5.0M	-
Germany	EUR 60.0M	-	EUR 60.0M
Iceland	USD 1.2M	-	USD 0.4M
Ireland	EUR 5.5M	EUR 5.5M	-
Italy	EUR 10.0M	EUR 10.0M	-
Norway a/	NOK 300.0M	-	NOK 140.0M
Portugal	EUR 1.0M	EUR 1.0M	-
Quebec	CAD 10.0M	CAD 10.0M	-
Slovenia	EUR 0.03M	EUR 0.03M	-
Spain	EUR 30.0M	EUR 30.0M	-
Sweden b/	SEK 520.0M	SEK 130.0M	-
Sweden	SEK 50.0M	SEK 50.0M	-
Switzerland c/	CHF 10.0M	-	CHF 7.0M
United Kingdom	GBP 15.0M	GBP 15.0M	-
UNFCCC Secretariat	USD 20.0M	USD 20.0M	-
Walloon Region	EUR 5.3M	EUR 5.3M	-
TOTAL		USD 118.3M	USDeq 91.3M

a/ Donation Agreement signed in November 2021, with a multi-year payment schedule. The first two installments of NOK 70.0M and 90.0M were paid in Q4 2021 and Q3 2022, respectively, with two more installments scheduled to be paid in 2023 and 2024.

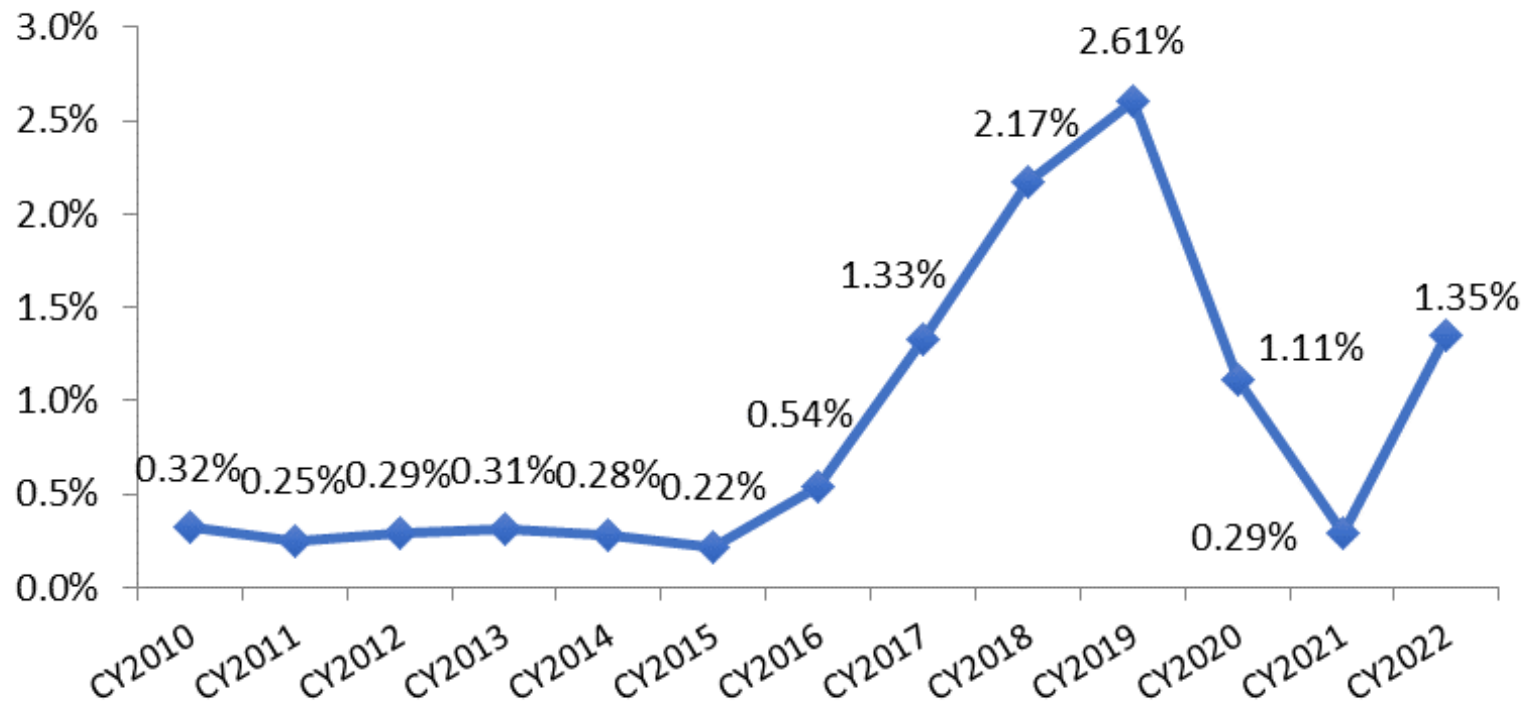
b/ Donation Agreement signed in October 2019, with a multi-year payment schedule in equal installments of SEK 130.0M from 2019 to 2022.

c/ Donation Agreement signed in February 2022, with a multi-year payment shedule over 2022-2024.

Donations (cont'd)

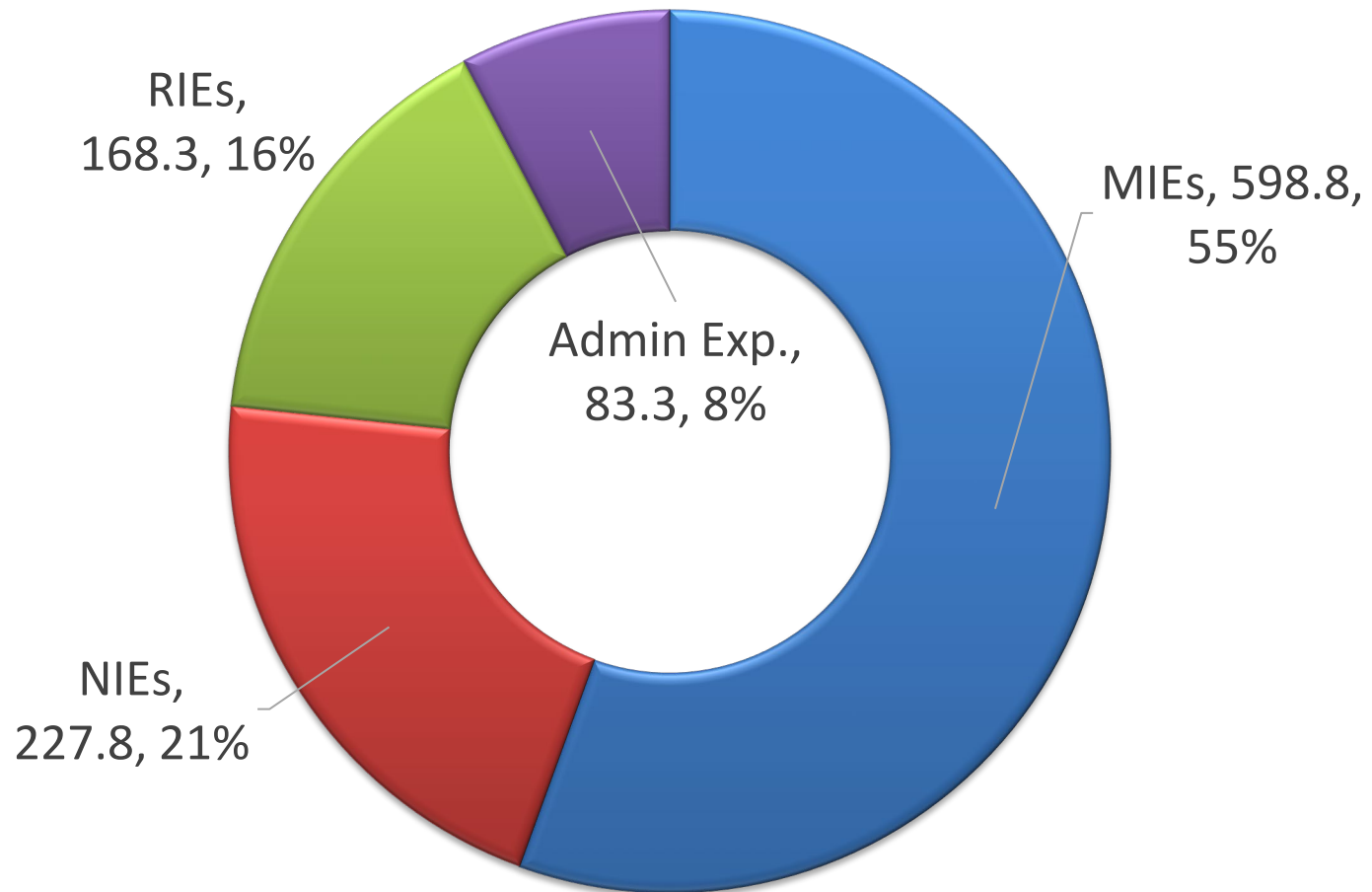
- ✓ **Donation agreements signed during Q4 CY 2022:**
Austria (USD 5.0M), France (EUR 5.0M), Germany (EUR 60.0M), Ireland (EUR 5.5M), Italy (EUR 10.0M), Portugal (EUR 1.0M), Quebec Government (CAD 10.0M), Slovenia (EUR 0.03M), Spain (EUR 30.0M), Sweden (SEK 50,0M), UNFCCC Secretariat (USD 20.0M), United Kingdom (GBP 15.0M).
- ✓ All **donations paid** immediately following countersignature during Q4 CY2022, including payment of Sweden's last installment of SEK 130.0M under the multi-year agreement. The remaining donations were paid beginning of CY2023, including Switzerland's second installment of CHF 3.0M under their multi-year agreement.
- ✓ **Donation agreements signed and paid in Q1 CY2023:**
Canada (CAD 10.0M), Japan (USD 6.0M), Spain (EUR 20.0M)
- ✓ **Outstanding pledges** from EC (EUR 100.0M), France (EUR 5.0M), Korea (KRW 3.6B), New Zealand (NZD 15.0M) and US (USD 100.0M).

Investment Income

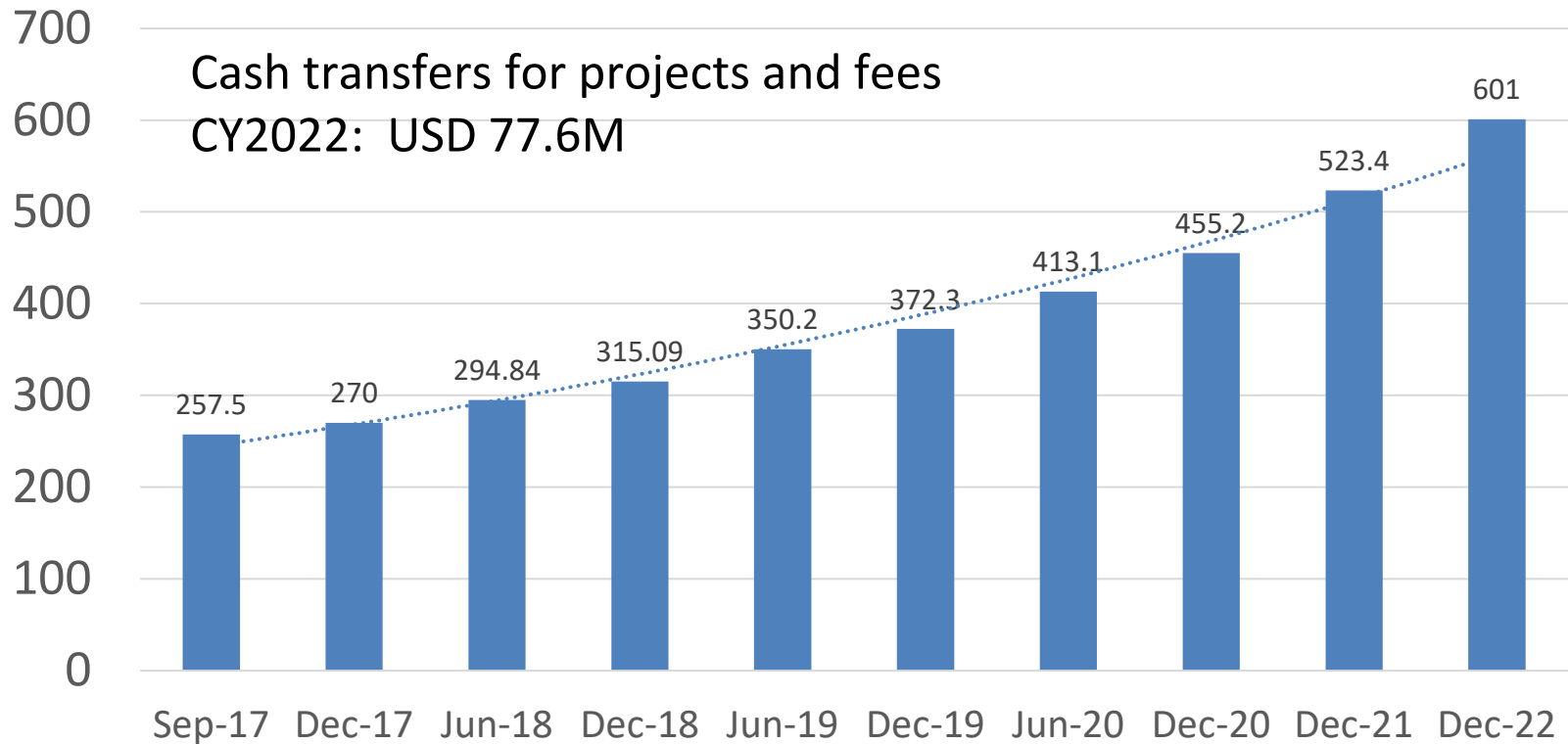


- ✓ Preservation of capital is the primary investment objective. The Trust Funds investment portfolios are managed conservatively with the assets invested across high grade fixed income and money market instruments
- ✓ USD 50.0M earned in investment income since inception
- ✓ 1.35% portfolio return in CY2022

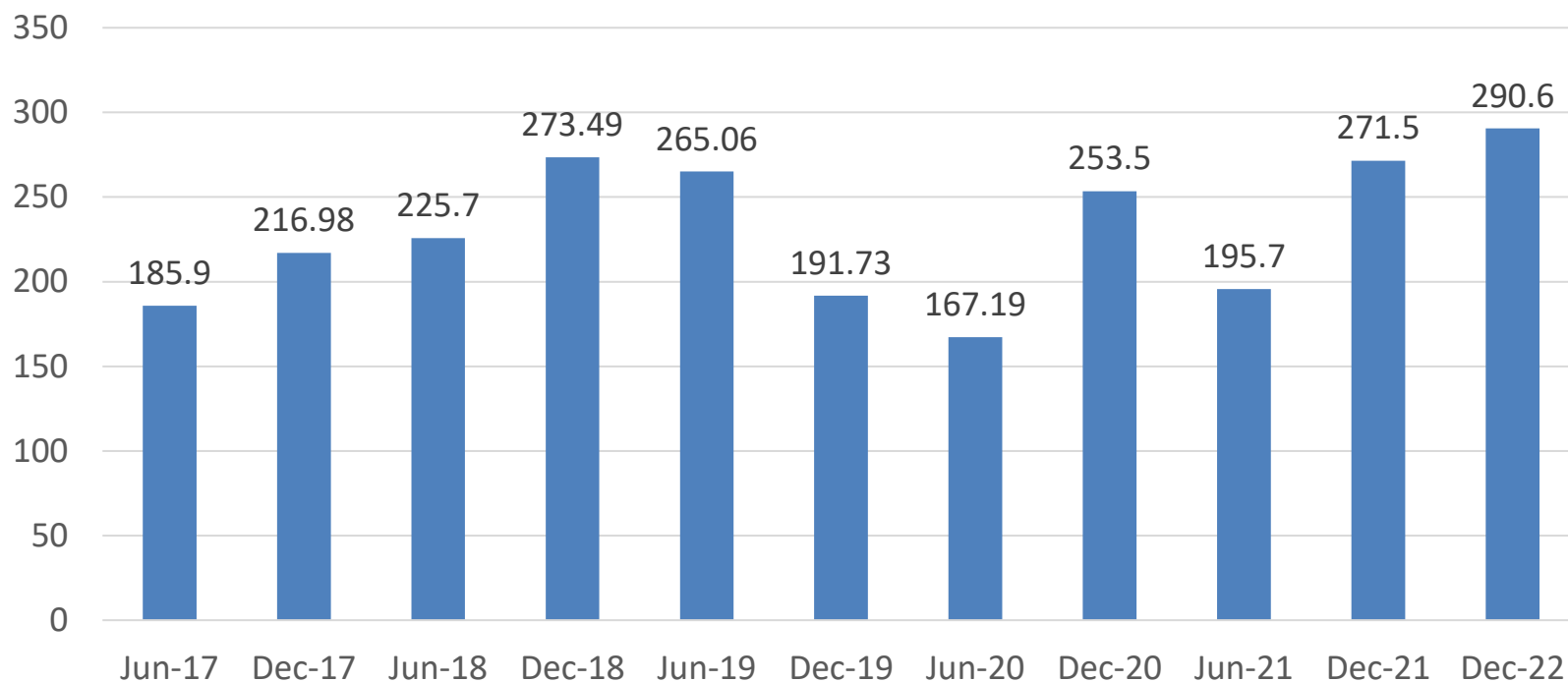
Funding Decisions: inception to Dec 31, 2022 (USD millions)



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 – Mar 15, 2023	OTC	23,437	127,916	5.5
	Exchange	10,715	83,403	7.8
	Auction	200	3,568	17.8
	Total	34,352	214,887	6.3
		CER sales volume (Thousands)	CER sales proceeds (USD Thousands)	Average CER sales price (USD/ton)
Since Jan 1, 2023		1,151	2,302	2.0

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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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 »](#)

CONTACTS
Trust Funds and Partnerships (DFPTF)