



ADAPTATION FUND

AFB/EFC.32/Inf.1  
11 October 2023

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Adaptation Fund Board  
Ethics and Finance Committee  
Thirty-second Meeting  
Bonn, Germany, 10-11 October 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 41

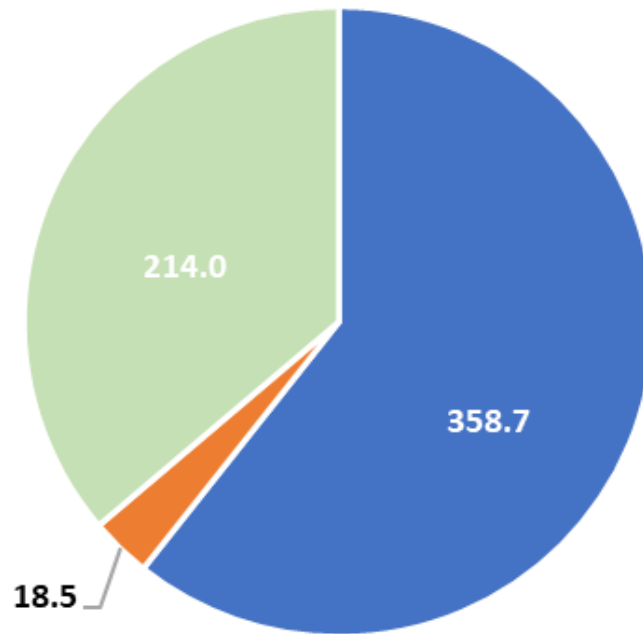
October 2023

# Summary - Funding Availability

As of end-June 2023, there were **USD 358.7 million** available to support new funding decisions by the Board, which represents an increase of USD 68.1 million over the first half of 2023

	June 30, 2022	December 31, 2022	Change
<b>Cumulative Resources Received:</b>	<b>1,517.2</b>	<b>1,371.7</b>	<b>145.5</b>
<i>CER Sales Proceeds</i>	214.9	212.5	2.4
<i>Donations</i>	1,233.0	1,109.2	123.7
<i>Investment Income</i>	69.3	50.0	19.4
<b>Cumulative Funding Decisions:</b>	<b>1,155.5</b>	<b>1,078.1</b>	<b>77.3</b>
<i>Programs and Projects (MIE)</i>	641.5	598.8	42.7
<i>Programs and Projects (NIE)</i>	232.9	227.8	5.2
<i>Programs and Projects (RIE)</i>	186.3	168.3	18.0
<i>Administrative Budget</i>	94.7	83.3	11.5
<b>Operational Reserve:</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>
<b>FUNDS AVAILABLE FOR BOARD DECISIONS</b>	<b>358.7</b>	<b>290.6</b>	<b>68.1</b>

# Potential Funding Availability



■ Funding currently available for new decisions ■ Donations receivable ■ Pledges

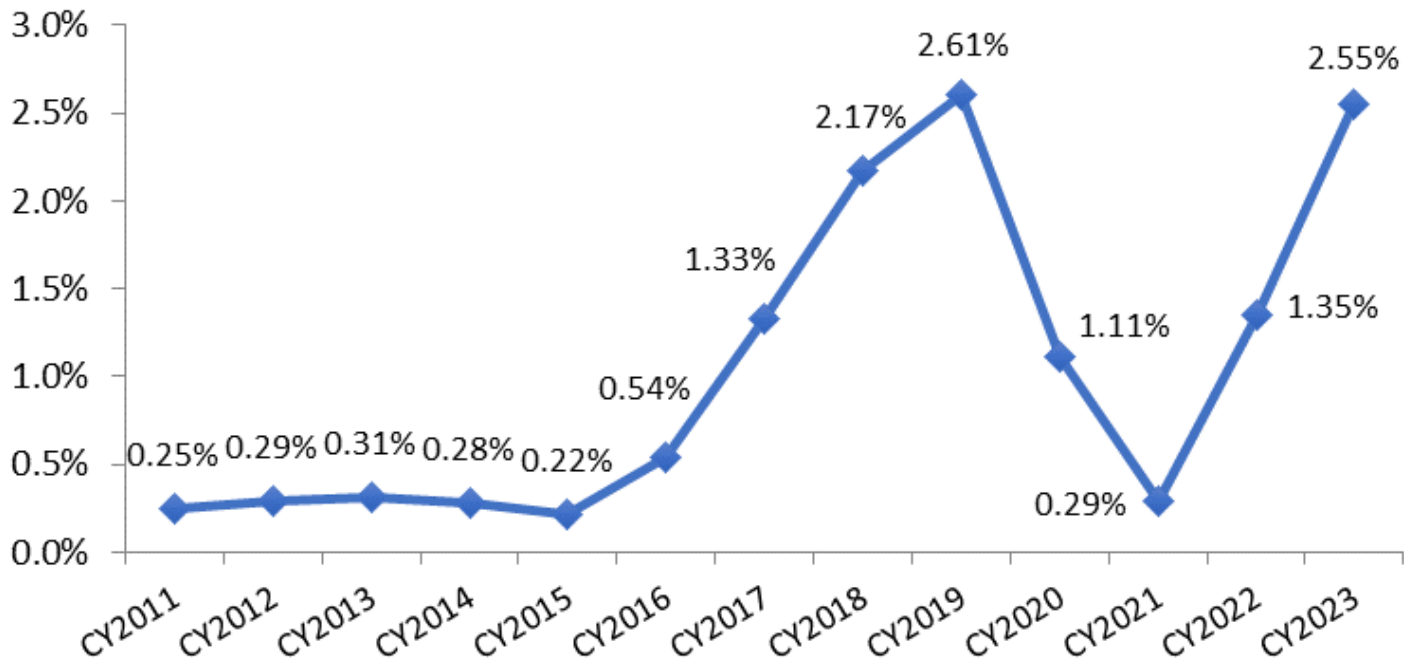
Total potential funding availability net of operational reserve is **USDeq 591.2 million**, of which:

- (a) US\$ 358.7 million is available to support new funding decisions by the Board;
- (b) USDeq 18.5 million are donations receivable; and
- (c) USDeq 214.0 million in the form of pledges.

# Donations – 1H CY2023

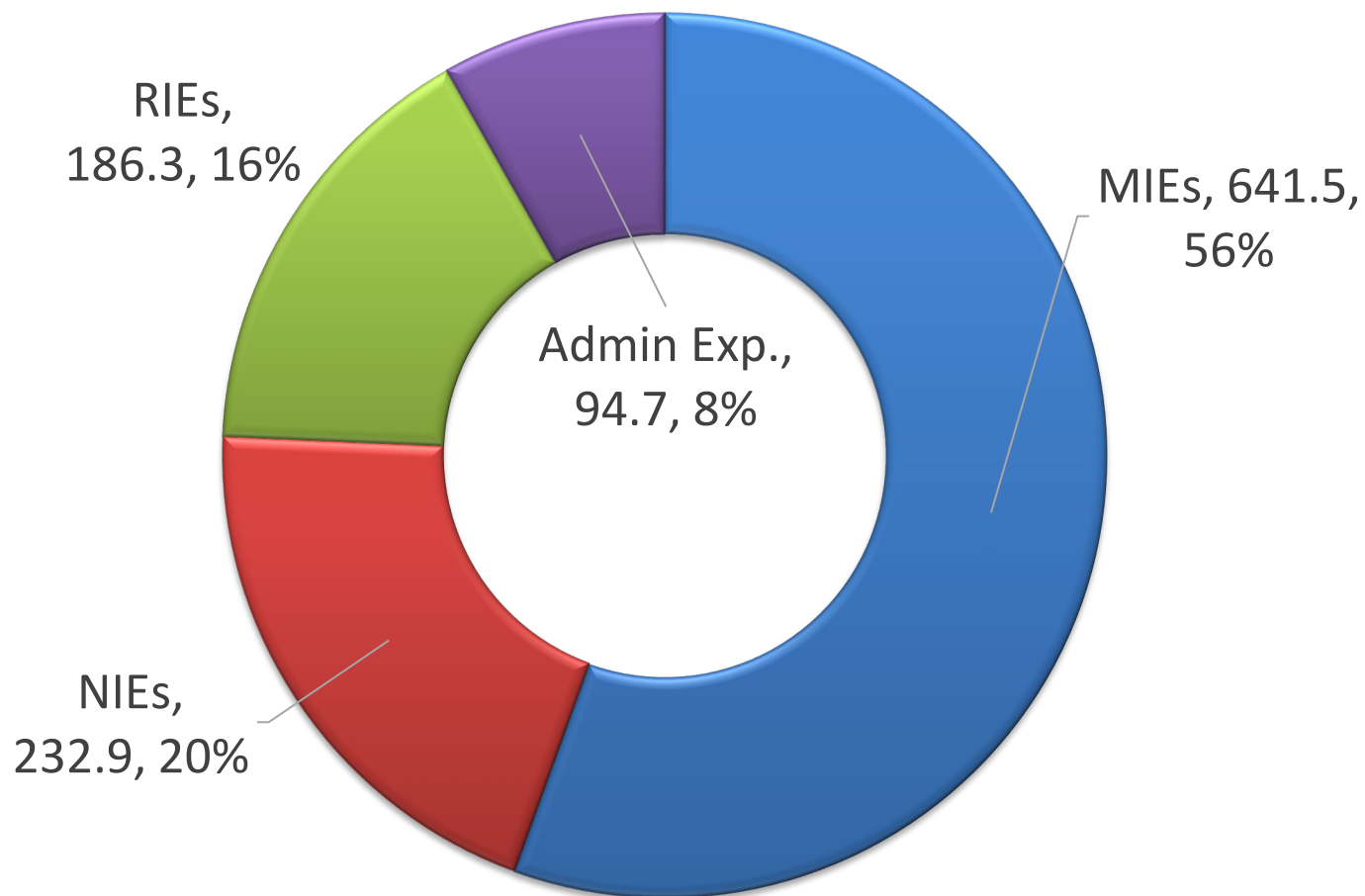
- ✓ **Donations received:** **USD 123.7M**
  
- ✓ **Donations receivable:**
  - i. Korea: USDeq. 1.8M (multi-year agreement)
  - ii. Norway: USDeq. 6.5M (last installment under multi-year agreement)
  - iii. Switzerland: USDeq. 4.4M (last installment under multi-year agreement)
  
- ✓ **Outstanding pledges:**
  - i. EC: EUR 100M (multi-year agreement signed in August 2023 and first installment of EUR 50M paid same month)
  - ii. France: EUR 5M
  - iii. Spain: EUR 20M
  - iv. Quebec: CAD 10M (announced in October 2023 at the 7<sup>th</sup> Adaptation Futures conference held in Montreal, Quebec)
  - v. US: USD 100M (agreement for USD 25M signed in September 2023 with payment following signature)

# Investment Income

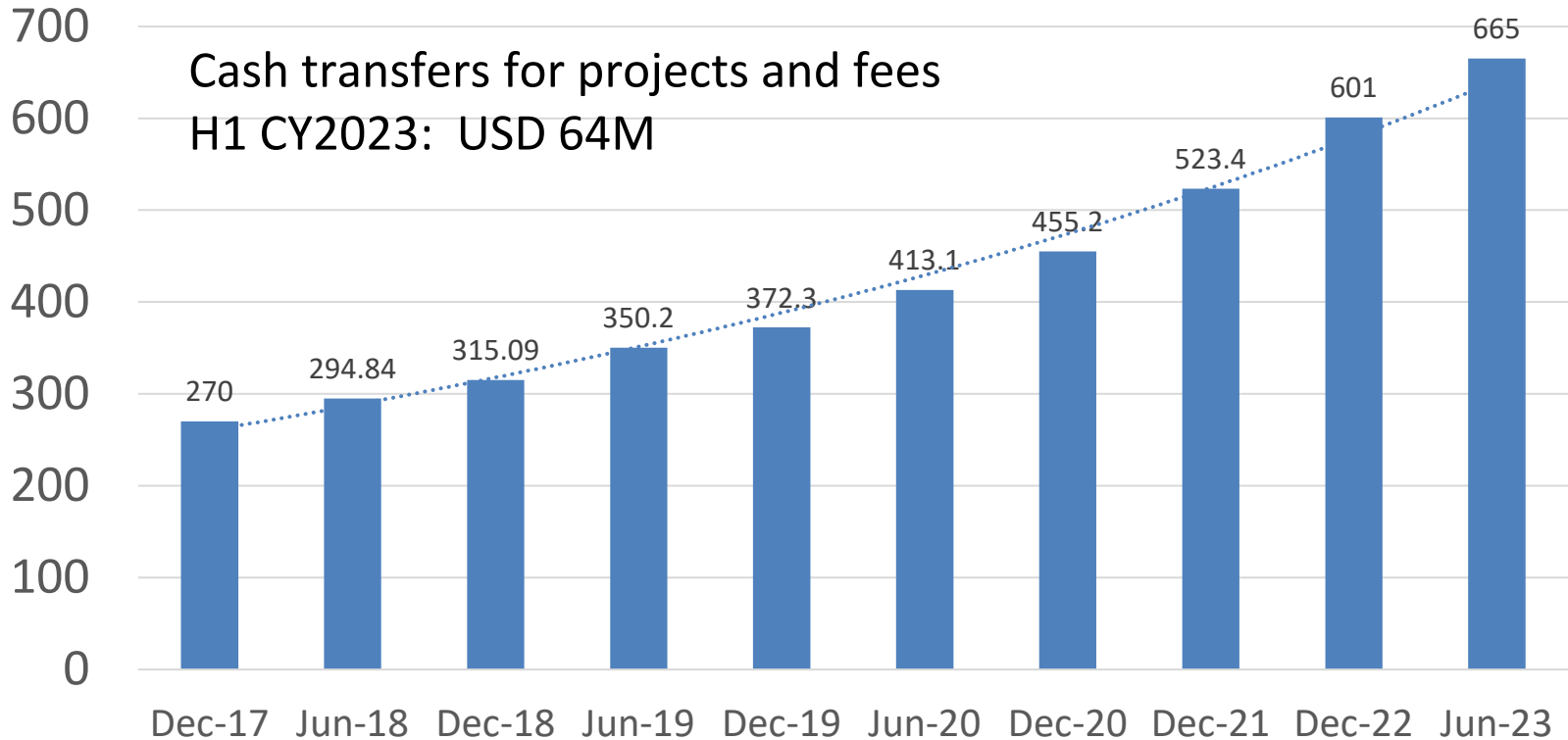


- ✓ Preservation of capital is the primary investment objective. The Trust Funds investment portfolios are managed conservatively with the assets invested across high grade fixed income and money market instruments
- ✓ USD 69.3M earned in investment income since inception
- ✓ 2.55% non-annualized portfolio return in CY2023

# Funding Decisions: inception to June 30, 2023 (USD millions)

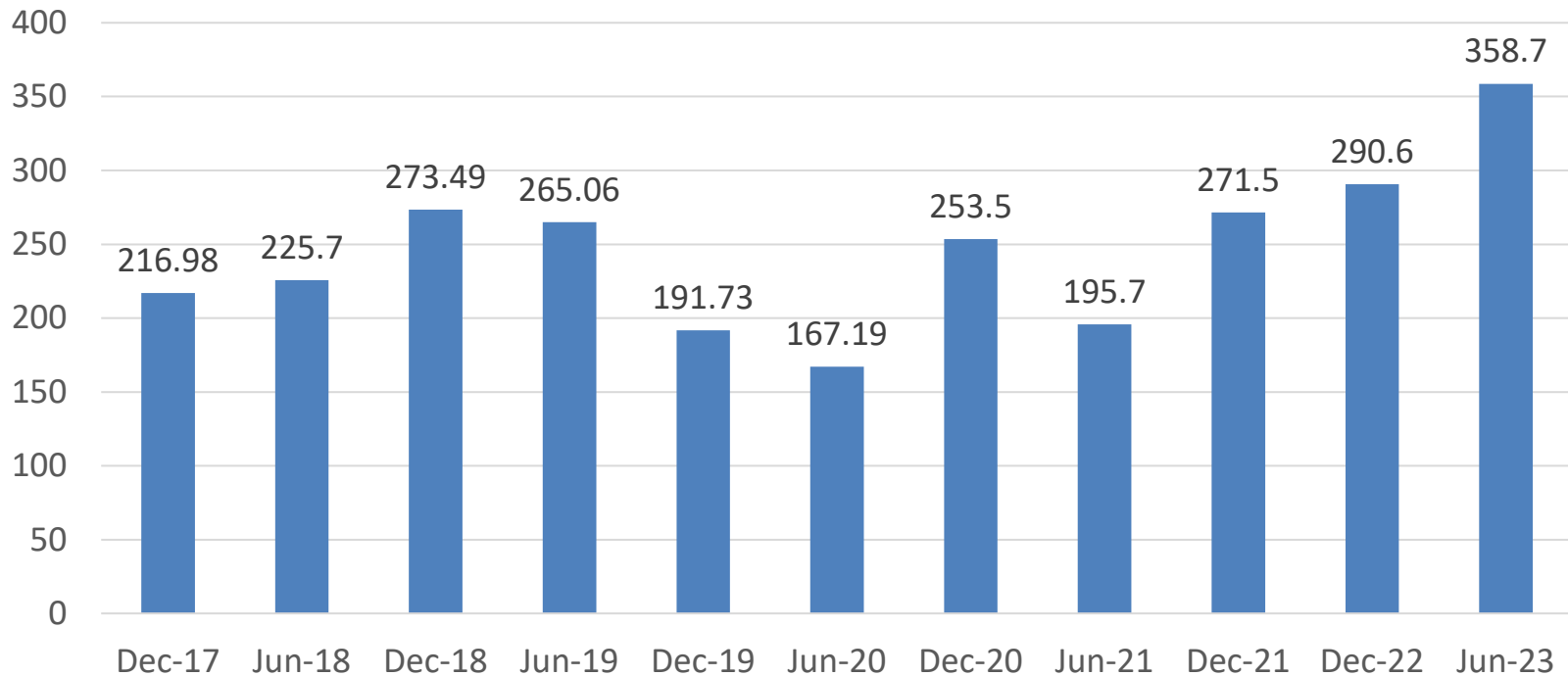


# Cash transfers to IEs (cumulative) (USD millions)





# 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)
<b>Inception May 2009 – Sep 30, 2023</b>	OTC	23,458	128,016	5.5
	Exchange	10,715	83,403	7.8
	Auction	200	3,568	17.8
	<b>Total</b>	<b>34,373</b>	<b>214,986</b>	<b>6.3</b>

	CER sales volume (Thousands)	CER sales proceeds (USD Thousands)	Average CER sales price (USD/ton)
<b>Since Oct 1, 2022</b>	1,314	3,003	2.3

# CER monetization strategy

- Climate neutrality drive – voluntary CER purchases.
- CER cancellation scheme

# For additional information:

http://fiftrustee.worldbank.org/Pages/Home.aspx Search... Bank Financial Interme... x



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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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Trust Funds and Partnerships (DFPTF)

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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 »](#)