



ADAPTATION FUND

AFB/EFC.33/Inf.1  
17 April 2024

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Adaptation Fund Board  
Ethics and Finance Committee  
Thirty-third Meeting  
Bonn, Germany,

## **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 42

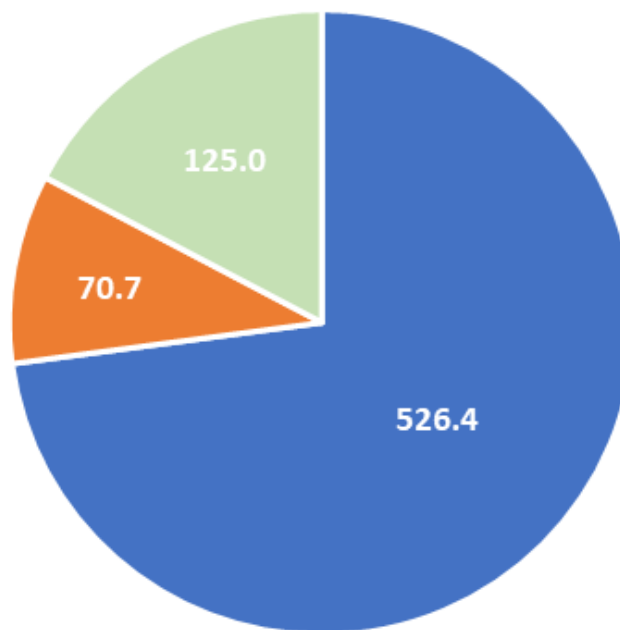
April 2024

# Summary - Funding Availability

As of end-December 2023, there were **USD 526.4 million** available to support new funding decisions by the Board, which represents an increase of USD 167.7 million over the second half of 2023.

	December 31, 2023	June 30, 2023	Change
<b>Cumulative Resources Received:</b>	<b>1,766.4</b>	<b>1,517.2</b>	<b>249.2</b>
<i>CER Sales Proceeds</i>	215.1	214.9	0.2
<i>Donations</i>	1,456.8	1,233.0	223.9
<i>Investment Income</i>	94.5	69.3	25.1
<b>Cumulative Funding Decisions:</b>	<b>1,236.9</b>	<b>1,155.5</b>	<b>81.5</b>
<i>Programs and Projects (MIE)</i>	713.1	641.5	71.6
<i>Programs and Projects (NIE)</i>	238.1	232.9	5.2
<i>Programs and Projects (RIE)</i>	191.0	186.3	4.6
<i>Administrative Budget</i>	94.8	94.7	0.0
<b>Operational Reserve:</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>
<b>FUNDS AVAILABLE FOR BOARD DECISIONS</b>	<b>526.4</b>	<b>358.7</b>	<b>167.7</b>

# Potential Funding Availability



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

Total potential funding availability net of operational reserve is **USDeq 722.2 million**, of which:

- (a) US\$ 526.4 million is available to support new funding decisions by the Board;
- (b) USDeq 70.7 million are donations receivable; and
- (c) USDeq 125.0 million in the form of pledges.

# Donations – 2H CY2023

✓ **Donations received: USD 223.9M**

*(Walloon, Brussels Capital, Quebec, EC, France, Germany, Iceland, Ireland, Luxembourg, Norway, Spain, Sweden, United States)*

✓ **Donations receivable: USD 70.7M**

*(EC, Ireland, Korea, Norway, Switzerland)*

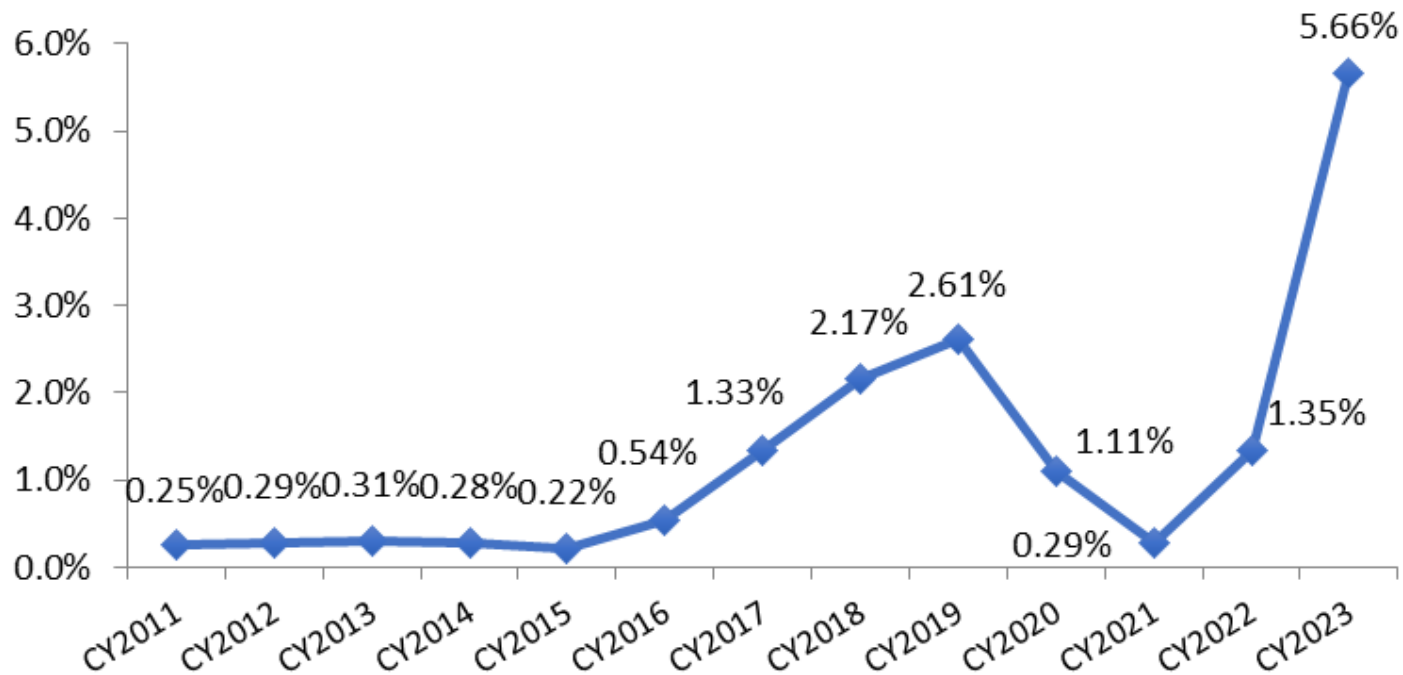
Switzerland made the payment in January 2024.

✓ **Outstanding pledges: USD 125.0M**

*(Austria, Denmark, France, Iceland, United States)*

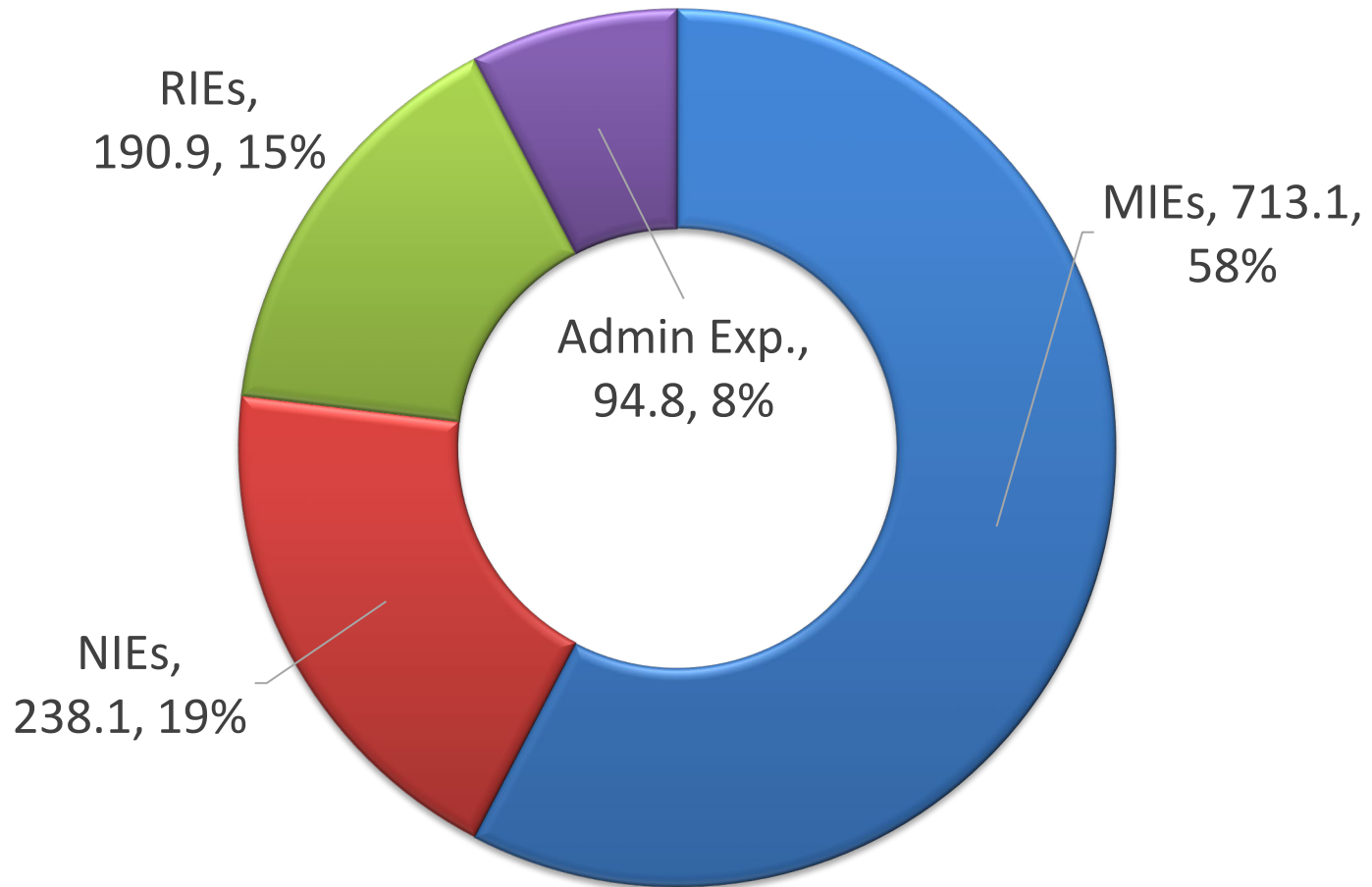
The agreements with Austria and Iceland signed in February 2024, and Iceland paid the first installment the same month.

# Investment Income

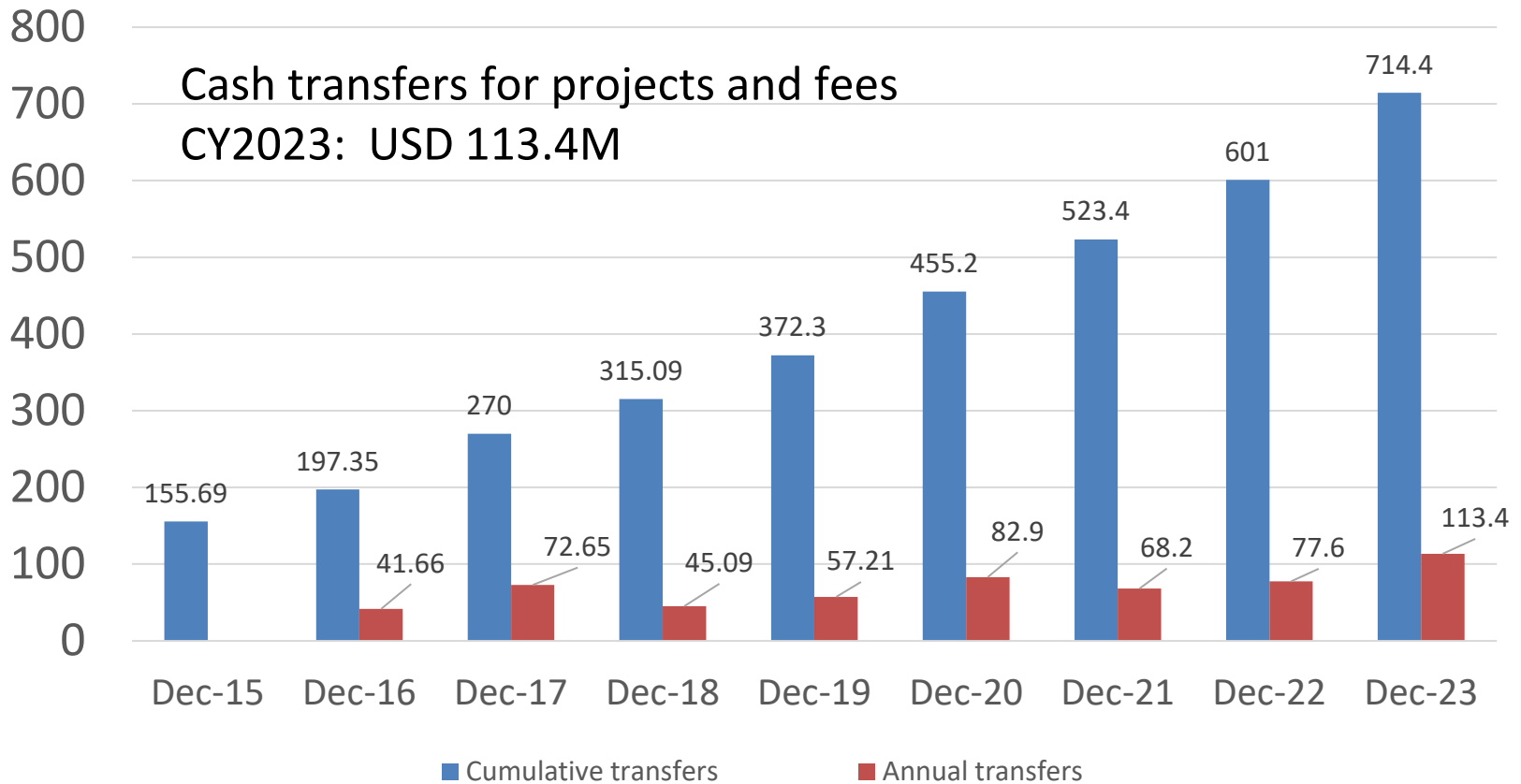


- ✓ Preservation of capital is the primary investment objective. The Trust Funds investment portfolios are managed conservatively with the assets invested across high grade fixed income and money market instruments
- ✓ USD 94.5M earned in investment income since inception
- ✓ 5.66% annual portfolio return in CY2023

# Funding Decisions: inception to Dec 31, 2023 (USD millions)

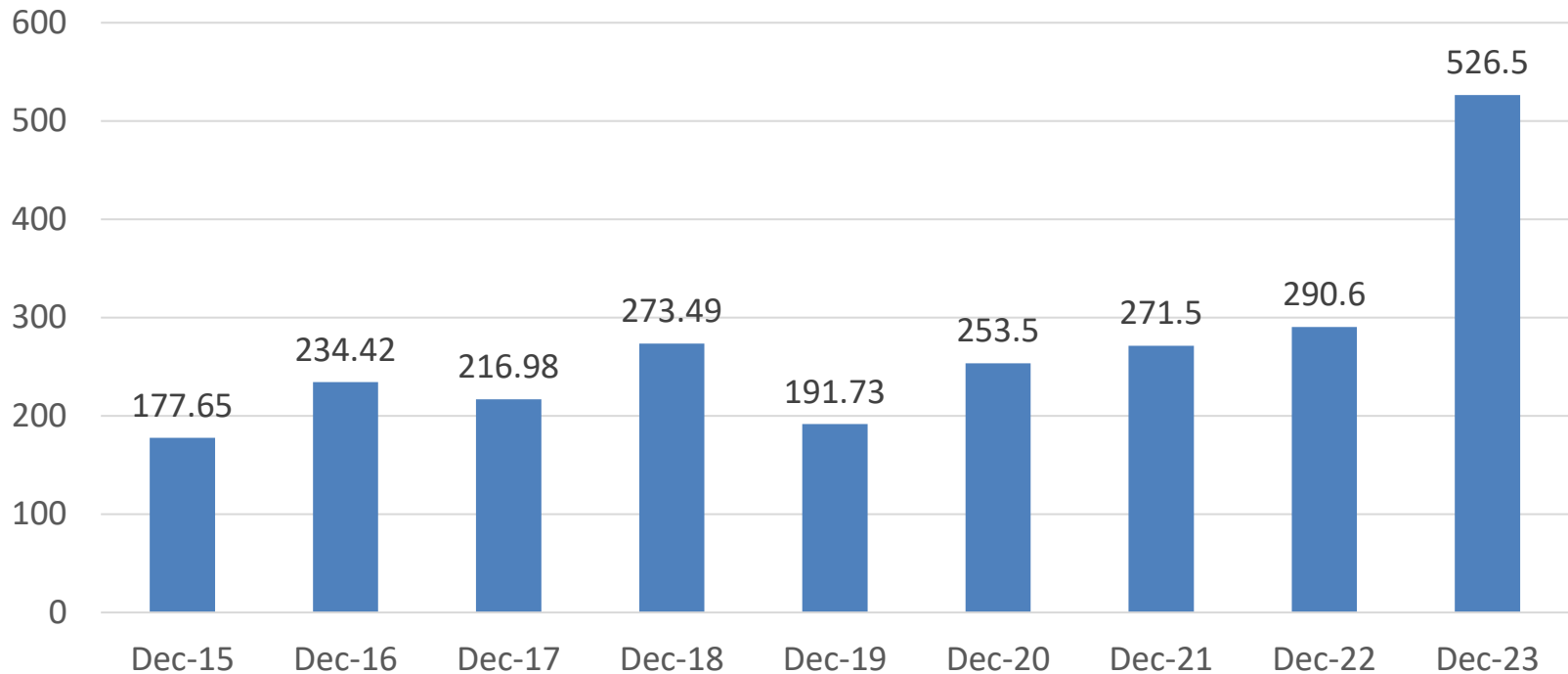


# Cash transfers to IEs (cumulative) (USD millions)





# 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	23,599	128,724	5.5
	Exchange	10,715	83,403	7.8
	Auction	200	3,568	17.8
	<b>Total</b>	<b>34,514</b>	<b>215,694</b>	<b>6.3</b>

	CER sales volume (Thousands)	CER sales proceeds (USD Thousands)	Average CER sales price (USD/ton)
<b>Since Oct 1, 2023</b>	142	708	5.0

# CER monetization strategy

- Climate neutrality drive – voluntary CER purchases.
- Using CER cancellation as opposed to delivery in future AF CER transactions

# 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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### CONTACTS

[Trust Funds and Partnerships \(DFPTF\)](#)

### FEATURE

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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 »](#)