

## Methodological Notes

The analysis in this Benchmark Report has been based on several data sets that are outlined in Annex One. Following a detailed review of this data, a number of approaches were adopted in order to eliminate duplication of projects included as both mitigation and adaptation, and to account for objectives that were partially focused on climate change adaptation or mitigation.

The author took the following approach to these critical issues in order to understand the reality of trends in Canada's climate finance:

1) The analysis did not include any projects that had been disbursed in 2015/16 related to the \$2.65 billion commitment that Canada made just prior to the 2015 Paris COP 21. These disbursements were made in the last three months of the fiscal year 2015/16. The purpose of the Report is to establish benchmarks prior to the allocation of the Cdn\$2.65 billion. These disbursements relating to the Cdn\$2.65 billion were for the Green Climate Fund (\$300 million) and the Least Developed Countries Fund (\$30 million).

2) In order to eliminate duplication between projects marked for both mitigation and adaptation, the following approach was adopted:

- a) Any project that was marked principal purpose (for adaptation or mitigation) and significant purpose (for mitigation or adaptation), the total budget was included only under the principal purpose marker. It is assumed that a principal purpose project is primarily focused on that purpose, whether mitigation or adaptation. It would be very difficult to estimate the degree to which the significant purpose marker is relevant for that project.
- b) For any project that was marked both principal purpose adaptation and principal purpose mitigation, the budget was divided 50/50.
- c) For any project that was marked significant purpose adaptation and significant purpose mitigation, the budget was divided 50/50.

3) Unless otherwise indicated, the budgets of significant purpose projects have been adjusted to 30% of the total budget. This adjustment was made to account for the reality that only one among several objectives may relate to climate change purposes. The percentage is based on the reporting experience of several other providers of climate change finance. An official in Environment and Climate Change Canada has informed C4D that this approach will be the practice for future reporting by Canada to the UNFCCC. In order to compare future reports with past climate finance reporting, all Canadian projects marked significant by the Rio Marker have been adjusted to 30% of their total budget. To better enable comparability of Canada's performance with other providers, all other providers' projects marked significant, where the budget has been reported at 50% or greater, have been adjusted to 30%.

4) While the author might have questioned some of the marking of project as principal purpose adaptation or significant purpose adaptation and mitigation, the figures used is based on the original marking by Global Affairs Canada officials for these projects. A more thorough review of the substance of the projects would be necessary to come to some judgement about the project's purposes. A list of all projects and their marking, with hyperlinks to the GAC Project Browser description of the project, is found in Addendum One. Where there is no hyperlink, no project information was found on the Browser.

5) In order to improve the comparability of Canada with other climate finance providers, the significant purpose allocations of other providers have also adjusted to 30% of the budget for these projects. This adjustment affected providers who charged 50% or more of the budget of these projects to climate change purposes. There were several providers who charged 50% of project budgets, and these projects were pro-rated to 30%. It was not possible to pro-rate the allocations of the United States and the United Kingdom as their methodology for significant projects was not available in the documentation. In this regard, the comparisons are proximate.

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