



Buenos Aires, 7th october 2020

SEÑOR CARMELO GALLARDO

Specialist in Charge of
FAO ARGENTINA
Carmelo.Gallardo@fao.org
Buenos Aires

Dear Mr. Gallardo,

I write to you regarding the FAO proposal is submitting to the Green Climate Funds' Pilot Programme for REDD + Results-based Payments, as the Accredited Entity for the Government of Argentina.

We understand that GCF considers that REDD + Results –Based Payments require simplify reporting and therefore the Accredited Entity should have a reduced fee for administering these projects. On the other hand, as per FAO Executive Board guidelines the minimum acceptable general management services fee for a non-core contribution for a development project is 7%.

Given the above, we confirm the following arrangement for this project:

- An accredited entity fee of 3.5%, to be reflected in the term sheet.
- A line item in the funding proposal project management output budget for an amount equivalent to 3.5% of the proceeds, to be utilized for the same category of services as is covered under the above-mentioned fee.

In summary, the combination of these two sources of funds would result in a cost recovery rate of 7%.

The results-based payments sought through this programme will be instrumental in building confidence in the UNFCCC framework for REDD+.

I look forward to approval of this proposal at the GCF Board meeting.

Sincerely,

Rodrigo Jesús Rodríguez Tornquist
Secretario de Cambio Climático, Desarrollo Sostenible e Innovación
Ministerio de Ambiente y Desarrollo Sostenible
Focal Point REDD+ ARGENTINA