

# Shipping tax for GCF is a breakthrough - Gordhan

By [Gillian Brockell](#)

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While the adoption of the proposal to capitalise the Green Climate Fund (GCF) with a shipping industry levy is still uncertain, it is a breakthrough in the talks at COP17, said Finance Minister Pravin Gordhan on Wednesday (7 December 2011).

"One of the dangers of these climate talks is that they become talks for the sake of talks, rather than talks that result in action. What is interesting about the shipping tax is that at least we have a breakthrough," he said. "We're no longer talking about the concept of a fund on the one side with nothing coming into the fund on the other side. The ball is beginning to roll."

The tax, details of which are still vague, would have to be managed by the International Maritime Organisation (IMO), which has yet to agree to the plan.

African Development Bank president Donald Kaberuka warned that for the plan to work, countries must agree that revenues are managed internationally and not domestically.

"For example, the financial transaction tax was meant to be an international instrument. But now, as I understand it, some of the G8 countries are wanting to use it domestically to help them with the deficit or some other issues. Now, that was not the purpose," he said.

Details of the tax must not be left to resolve at COP18 in Qatar next year, Gordhan said.

"We have a (GCF) board. We have a date for the first meeting of the board and the first sums of money can be allocated from the fast track," he said.

Developed nations agreed to US\$30 billion in fast track financing for developing nations in Copenhagen in 2009, but the money has been slow to fill the coffers.

"It would be a great pity if all we can do is create the shell and have nothing to work with. At the moment, things look optimistic, so let's hope the goodwill amongst many countries will [result in] a more concrete outcome that we had initially thought," Gordhan said.

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