

Press release

Munich, 10.12. 2007
Page 1 of 6

Climate injustice will worsen poverty

**Calls for emissions-free global economy
by the end of this century**

Munich Re Foundation
Königinstraße 107
80802 München, Germany

Telephone +49 (0)89 / 38 91-88 88
Fax +49 (0)89 / 38 91-7 88 88
info@munichre-foundation.org
www.munichre-foundation.org

Letters: 80791 München, Germany

Bali (COP 13) – 10 December 2007

Chairman of the Board of Trustees:
Dr. Hans-Jürgen Schinzler
Chairman of the Foundation:
Thomas Loster

Whilst it is the industrialised nations with their heavy use of resources that have the greatest impact on the global climate, it is the poorer countries of the world that are most vulnerable to the effects of climate change. The inequity of this situation was highlighted by the Potsdam Institute for Climate Impact Research (PIK), the Catholic relief agency Misereor and the Munich Re Foundation during a COP 13 side event at the Bali climate summit on Monday. These institutions and the Institute for Social and Development Studies (IGP) at the Munich School of Philosophy are carrying out a long-term study designed to come up with suitable recommendations for a workable climate policy.

The year 2007 has shown us once again that weather extremes linked to global warming are clearly on the increase. Floods in India, China, Mexico, the UK and in the Sahel zone, and droughts and forest fires in Europe and the USA are testament to this trend, with poor countries again bearing the brunt of these catastrophes. Thomas Loster, Chairman of the Munich Re Foundation, underscored this point: "In 2007, more than 90% of fatalities from natural catastrophes, over 10,000 people in all, were in developing and emerging countries. In the past 25 years, 80% of the around one million victims of weather catastrophes have been in poor countries."

Climate change not only endangers ecological human rights but social human rights as well. "There needs to be a strong link between climate protection and poverty alleviation if the principle of sustainable development is to work", said Anika Schroeder of Misereor. "It is above all the poorest of the poor that suffer most from the effects of climate change. Alleviating poverty is therefore becoming more important than ever", she added. Given the many levels of poverty, it is essential that we understand its causes and effects. Real poverty alleviation can only be achieved if the poor themselves are given greater capacity to act.

Climatologist Hans-Martin Füssel of PIK estimates that some 20 million people have already had to flee regions made uninhabitable by environmental degradation and climate change. The areas worst affected are the Sahel zone, the Horn of Africa and the flooded regions of Bangladesh. He predicts that there will be up to 200 million climate refugees by the year 2050 unless appropriate action is taken. The threat is particularly great for people in the arid regions of Africa, along the great river deltas in Asia and Africa, on small islands in the Pacific and in the vicinity of the Arctic Circle. Their existence depends on their ability to use agriculture and other natural resources. "Poorer people in industrialised countries will also be hit harder by the effects of climate change", said Füssel.

Ottmar Edenhofer, Chief Economist at PIK, reiterated that the losses caused by climate change can only be kept to a manageable level if the mean global temperature this century does not rise by more than 2°C above pre-industrial levels. "Today we know that the costs of climate protection are less than 1% of global social product." There is no inevitable conflict between economic growth and climate protection. "Emissions do not increase in tandem with economic growth, and there are ways of avoiding the apparent conflict between economic growth and the eradication of poverty", he added. To achieve this, a sensible climate policy must include elements that increase energy efficiency and use renewable energies and technologies for separating the CO₂ released in coal-fired and gas-fired power plants.

The aim of climate policy should be to achieve an almost emissions-free global economy by the end of the 21st century. This will require an international market for emissions rights. Only by attaching a price to CO₂ pollution and the use of the atmosphere will it be possible for climate-friendly technologies to emerge in the market. The more countries and regions that participate in emissions trading, the easier it will be to achieve this objective. The costs of climate protection will have to be divided fairly if we are to get as many developing and emerging countries on board to support this idea. One possibility would be to give every citizen on earth the right to emit two tonnes of CO₂-equivalent every year from 2050 onwards. Developing countries could then sell their excess emissions rights to the industrialised nations.

Agreements designed to prevent the emission of climate-changing gases are every bit as important as the war on poverty. Studies show that it makes more sense from an economic standpoint to combat the causes of climate change (mitigation) than to focus solely on reacting to events in the future (adaptation). In order to alleviate the consequences for the people affected by climate change, it will also

be necessary to expand the climate fund (which is the subject of negotiations in Bali), optimise catastrophe prevention, and develop microinsurance solutions. The experts on the “Climate Change and Justice” project are in full agreement on this point: If the conference in Bali does not agree any far-reaching political processes to check global climate change, we risk facing climate injustice that will make poverty worse and seriously jeopardise the security of our planet.

Munich, 10.12. 2007
Page 3 of 6

**For questions concerning the side event or this press release
please call the following contacts during COP 13 in Bali**

Mr. Ottmar Edenhofer	+49-152-020-86-171
Mr. Thomas Loster	+49-170-45-969-32
Ms. Anika Schroeder	+62-813-6072-8776

Appendix

Munich, 10.12. 2007
Page 4 of 6

Ten deadliest natural disasters 2007

Period	Event	Region	Deaths
Nov. 15 – 17, 2007	Cyclone Sidr, storm surge	Bangladesh, India	3100
July 12 – Aug. 27, 2007	Severe storms, floods	India, Bangladesh, Nepal	2020
June 23 – Aug. 3, 2007	Floods, severe storms, landslides	China, Mongolia	652
Aug. 15, 2007	Earthquake	Peru	595
July 1 – July 10, 2007	Floods, severe storms	India	523
Aug. 7 – Aug. 26, 2007	Severe storms, flash floods	North Korea	454
June 26 – July 2, 2007	Cyclone Yemyin, floods	Pakistan, Afghanistan, Iran	380
June 23 – June 24, 2007	Severe storms, floods	India, Pakistan	300
January 2007	Cold wave	Bangladesh, Nepal, India, Pakistan	201
Aug. / Sept. 2007	Floods	Benin, Burkina Faso, Ghana,	201

as at 3 Dec 2007

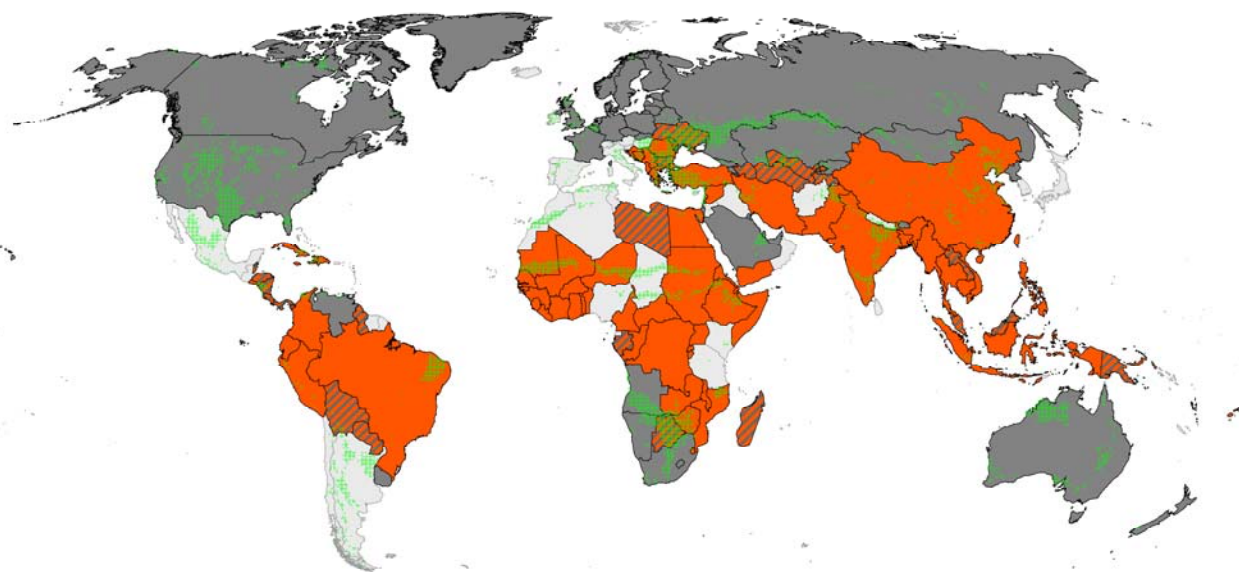
Source: Munich Re
NatCatSERVICE 2007

Text: Out of the ten deadliest natural disasters in 2007 nine were weather related. Only one event was not atmospheric (earthquake Peru, August 2007). This is in line with the findings of a 25 year study conducted by Munich Re Geo Risks Research. Since 1980 some 80% of the around one million victims of weather catastrophes have been in poor countries.

Climate change and injustice

CO₂ emissions versus climate change vulnerability

Munich, 10.12. 2007
Page 5 of 6



Highest vulnerability towards climate change vs. largest CO₂ emissions (from fossil fuel combustion and cement production, and including land use change, kg C per person and year from 1950 - 2003)

- Largest per capita CO₂ emitters
- Highest social and / or agro-economic vulnerability
- ▨ Largest per capita CO₂ emitters, and highest social and / or agro-economic vulnerability
- Areas with highest ecological vulnerability

Source: Edenhofer/Fuessel, PIK 2007

Text: Whilst it is the industrialised nations with their high CO₂ emissions that have the greatest impact on the global climate (grey), it is the poorer countries of the world that are most vulnerable to the effects of climate change (orange). Regions highlighted in green are the areas with highest ecological vulnerability.

For more information on the project "Climate and Justice" please visit www.klima-und-gerechtigkeit.de

Munich Re Foundation

Munich, 10.12. 2007
Page 6 of 6

The Munich Re Foundation, set up by one of the world's leading reinsurers, Munich Re, began its work in April 2005. Its central objective is to serve people at risk according to the motto "From Knowledge to Action". The foundation addresses major challenges of our time: disaster prevention, environmental and climate change, water, population growth, urbanisation and poverty.

Homepage: www.munichre-foundation.org

Misereor

Misereor is the agency of the German Catholics for development cooperation in partnership with the countries of the South. Since 1959 Misereor has supported more than 94,000 projects in over 100 countries in Africa, Asia and Latin America with some EUR 5.4 billion of funding.

Homepage: www.misereor.org

Potsdam Institute for Climate Impact Research (PIK)

PIK was founded in 1992 and now employs a staff of around 150. Natural and social scientists work together at PIK to investigate global climate change and its ecological, economic and social impacts. They research the resilience of the Earth System and map out strategies for sustainable development of humans and nature.

Homepage: www.pik-potsdam.de

Institute for Social and Development Studies (IGP) at the Munich School of Philosophy

The IGP is an institute of the Society of Jesus, affiliated to the Jesuit order's Munich School of Philosophy. The thematic focal points of its work are fundamental questions and fields of application of the social sciences and social ethics, particularly international themes such as globalisation, development policy, migration, sustainable development, human rights and inter-faith dialogue.

Homepage: www.hfph.mwn.de