



View from an aeroplane of the Cook Islands in the South Pacific. The South Sea atoll is threatened by rising sea levels. Emissions trading can help to reduce CO₂ emissions.

Selling indulgences for a good cause

Thomas Loster

Climate change leaves its deepest mark on the lives of the people least able to protect themselves. Accordingly, in recognition of its environmental responsibilities, the Munich Re Foundation is sponsoring a project in Eritrea to replace traditional clay stoves with new and more economical models as a way of offsetting unavoidable CO₂ emissions. This not only saves energy but also brings a lasting improvement to the standard of living of the local population.

A long time ago, it was possible for perjurers to shorten their time in purgatory by handing over the sum of eight ducats. For murderers, the rate was slightly higher. The practice of selling indulgences flourished in the early 15th century, but late medieval socio-economic processes reduced it to the level of financial machinations. However, the concept is now back in vogue. Critics dismiss emissions trading as the equivalent of seeking remission for carbon debts. They argue that a zero CO₂ balance in mathematical terms cannot put a stop to climate change, and that schemes such as emissions trading simply allow us to carry on as before with a clear conscience.

There is no denying that increasing droughts and flooding are the direct consequence of global warming. It is evident that only a highly ambitious climate policy and swift action at individual level can curb climate change. This entails: 1. lowering energy consumption, 2. using as many sources of renewable energy as possible, 3. neutralising unavoidable CO₂ emissions by investing in certified climate protection projects.

Since all emissions are released into the same atmosphere, where the greenhouse gases are produced and where they are cut is irrelevant for global climate protection purposes. International agreements have been based on this argument for some time and the principle is now being applied on a voluntary basis also. Each and every one of us is responsible for slowing down climate change. For the foundation, this means that unavoidable emissions, due for example to office work, business trips or foundation events, have to be neutralised through investment in climate protection projects.

Munich Re Foundation CO₂ emissions in tonnes

The Microinsurance Conference 2007 (Mumbai) attracted almost twice as many participants as in the previous year. This resulted in an increase in CO₂ emissions of 55%.

Source: Munich Re Foundation, 2007



	2006	2007
Events		
Microins. Conference	505	921
Summer Academy	100	90
Dialogue forums	1	1
Business trips	78	56
Foundation office	17	20
Total	700	1,088

The first stage is to add up the greenhouse gas emissions. These came to almost 1,100 tonnes of CO₂ in 2007, the bulk of which, 1,000 tonnes, was accounted for by international conferences. The increase over 2006 was primarily due to the 2007 Microinsurance Conference, which had attracted far more participants than the previous year's event. By comparison, office activities (electricity and heating) accounted for only 20 tonnes.

In keeping with the work of the foundation, we are supporting a project in Eritrea that offers a number of benefits: it improves the lives of the rural population and, at the same time, protects their health, the environment and the climate. People in Eritrea traditionally cook using mogogo stoves, which require large quantities of firewood. An improvement in the design of these stoves cuts the amount of firewood needed by half. As the use of the mogogo is deeply embedded in local culture, persuading people to change to the new models is no easy task. Our project promotes the venture by training local craftsmen, explaining to people how the stoves work and supplying vital accessories. By supporting the mogogo project, we aim to offset our 2007 emissions.

Besides cutting down on emissions, the project will bring health benefits, since many people suffer from respiratory and eye complaints due to faults in the design of the traditional stoves. Energy savings will be made and less time spent gathering firewood, thus helping reduce poverty in one of the world's least developed countries. At the same time, the scheme helps to slow the pace of deforestation in a country which has lost more than 50% of its forests in the past 40 years.

Obviously, climate-neutral products and services can be no substitute for our own climate protection efforts. Our actions must be based on a policy of avoidance, mitigation, and compensation. However, our scope for making reductions is limited by the fact that most of the foundation's CO₂ emissions result from international events, such as the Microinsurance Conference in Mumbai.

Although climate-neutrality projects can only be a second-best solution, they nevertheless make a worthwhile contribution by raising awareness of the impact of individual actions on the climate and providing funds for climate-friendly technologies. This makes it possible to realise smaller-scale programmes designed to make people's everyday existence a little easier, such as the Eritrea project. On those terms, we are more than happy to support the current trade in "indulgences".

Air traffic produces a number of different pollutants and exacerbates climate change in a variety of different ways. According to estimates, approximately 9% of the human-induced greenhouse effect is caused by aircraft.

Average CO₂ output per inhabitant is 11 tonnes per year in Germany, 20 tonnes in America and 2.7 tonnes in China.

Producing one kilogramme of beef is as detrimental to the climate as making a 250 km car journey.

The Kyoto Protocol's clean development mechanism (CDM) registered its 500th project in spring 2007: an 8.75 megawatt windfarm in Gujarat, India. The project is expected to reduce carbon dioxide emissions by some 15,300 tonnes annually. Meanwhile, there are another 1,000 or so CDM proposals in the pipeline.

Thomas Loster is Chairman of the Munich Re Foundation. He has been dealing with climate change and its effects for the past 20 years.

Cooking on a mogogo: the traditional clay stoves consume large amounts of firewood. The Munich Re Foundation is therefore sponsoring a scheme to build a more efficient version that uses less wood and cuts CO₂ emissions. The new mogogos will also help improve the quality of life in Eritrea.

