Position Paper on ICT & Energy Efficiency

The debate surrounding sustainability, and one of its key component, the greening of our economies, is at the forefront of the world political agenda. Until recently, the contribution of ICT (Information and Communications Technologies) to this discussion has been confined to corporate and technology circles. This picture is no longer valid as the number of industry and policy initiatives continue to multiply at an increasing rate.

Broadly speaking, these initiatives look at how ICT can support the global sustainability agenda and help communities; public institutions and companies lessen their carbon footprint whilst enhancing economic growth and well-being.

The International Telecommunication Union (ITU), the United Nations agency for ICTs, has provided a global platform to advance the “green” ICTs debate with the organisation of two international symposia. The World Economic Forum (WEF) has embarked on a Green Technology Project that creates a compelling vision for the future by looking at how ICT can make a significant contribution to the sustainability agenda.

From these discussions, it appears that the possible contribution of ICT is one of the most overlooked aspects of the sustainability and “greening” debate. Moreover, there is a growing sense that, more than the 2% of greenhouse gases emitted by the ICT sector (similar to aviation but rising fast), the real contribution of ICT is how it can be deployed more effectively to enable the rest of the industrial and service sectors to reduce their carbon emissions. In other words putting ICT at the core of the strategies to help to reduce the remaining 98% of CO$_2$ emissions.

In that respect, AmCham EU supports the view expressed by the European Commission that “the real gains from green ICT will come from developing energy efficient ICT solutions that impact the other 98% of global emissions” (Commission Press Release IP/08/773, May 13, 2008).

AmCham EU believes that the ICT community has the capacity to deliver tools that will yield the greatest impact for today. Whether it is smart buildings, tele-meetings, tele-work enabled by new ICT delivery models allowing for more efficient collaboration or the dematerialisation of processes through eGovernment and eAdministration, ICT, broadband and the internet have the capacity to deliver results. A recent study by “The Climate Group” found that using technology to dematerialise the way we work and operate across public and private sectors could deliver a reduction of
500 MtCO2e in 2020 – the equivalent of the total ICT footprint in 2002. Finally, the internet has also become a platform for raising awareness for the need to reduce emissions, and for citizens to get information on how they can make useful contributers to this objective.

Again, AmCham EU welcomes the Communication issued by the European Commission on May 13th, 2008 “Addressing the challenge of energy efficiency through Information and Communication Technologies”. This Communication rightly pinpoints the challenges and the need to roll-out innovative solutions that can contribute in a positive and timely manner.

AmCham EU also believes that the “Public Consultation on ICT enabling energy efficiency” launched on May 21st, 2008 is a useful tool for identifying and sharing ideas when it comes to deploying ICT across a variety of sectors (as for example: in the electricity, building and construction, transport and logistics, energy efficiency and manufacturing sectors).

History has shown that the ICT sector has been marked by rapid spurts of innovation, usually led by individuals and companies, and then spread globally. AmCham EU believes that at this stage, go-to-market incentives, common standards and the support of private-public funding mechanism for research at university levels are powerful tools to trigger additional innovation in the ICT sector in support of the sustainability agenda.

Of course, the ICT community itself, like every other business sector is attentive to increased demand from public, employees and shareholder as well as rising commodity prices. It will implement its own sustainability policies in order to address this issue and mitigate climate change. Reducing power needed to feed electronic applications including computers and other hardware, server farms or decreasing cooling needs are among the most visible ways to achieve this objective. The Climate Savers Computing Initiative (CSCI) has brought together a wide variety of ICT and internet companies in order to save energy and reduce greenhouse gas emissions by setting aggressive new targets for energy-efficient computers and components. A range of industry firms (Dell, EDS, Google, HP, IBM, Intel, Lenovo, Microsoft, and P&G among others) and environmental and consumer organisations (US Environmental Protection Agency, the World Wildlife Fund) aim to set a new 90 percent efficiency target for power supplies. Such innovative industry initiatives should be taken up and encouraged by governments to help businesses better respond to consumer demand for energy-efficiency goods.

We support the Commission’s emphasis on the need for ‘Structural change’ within organisations, and we believe more could be done by the Commission and national governments to encourage and demonstrate new ways of working for example encouraging broadband development and take-up, moving more business to the internet

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and adopting new ways of working, such as the use of advanced teleconferencing and teleworking facilities.

We also agree with the Commission that special attention should be paid to urban areas, which represent a particular challenge and can provide the right setting for testing, validating and deploying ICT-based solutions focused on improving urban communications’ infrastructures and services to reduce carbon emissions and promote economic growth.

AmCham EU believes that policymakers have an important role to play when it comes to educating consumers (since many ICT-enabled energy saving innovations tend not to be visible) or participating in the international standard-setting process. For instance, when it comes to carbon accounting, having a global standard which is recognisable; quantifiable, documented and accountable would help the adoption of innovative technologies methods that can be immediately translated into revenue, independent from the region of the world where the company is operating.

In a world where resources are constrained and where citizens, consumers and employees alike are increasingly sensitive to the sustainability notion, the last few years have shown that going green makes good business sense. More and more, companies are looking at turning the “greening” issue into business benchmarks and opportunities. In addition, recent figures show that there is a strong link between corporate sustainability and a strong share price. For instance, over the past 3 years, companies that rated their sustainability efforts most highly saw annual profit increases of 16% and share price growth of 45%, whereas those that ranked themselves worst reported growth of 7% and 12% respectively (see Doing Good: Business and the Sustainability Challenge, The Economist Intelligence Unit, February 2008).

In order to enhance such efforts, the Commission should encourage governments to give businesses the flexibility to develop strategies for “sustainable value innovation”. This would increase the value of their products and services to consumers whilst reducing both economic and environmental costs. Activities to promote “sustainable value innovation” include the supply of increased resources for R&D and innovation, the promotion of structural mobility; encouraging broadband deployment to urban and rural communities, and the creation of a strong consensus between all stakeholders. Sustainable innovation is facilitated by stable, flexible and consistent policy frameworks, strategies and networks supporting technological and institutional innovation.

AmCham EU also encourages the Commission to look at the role of ICT in the sustainability debate from a broader perspective. The positive contribution of ICT will not only cover energy efficiency or smart buildings but can potentially impact the way our economy is structured.

Over the past 30 years, the introduction of ICT has led to an unprecedented cost reduction coupled with an increase in productivity and efficiency. The focus has been
on reducing costs of business processes the world over, using automation, telecommunication, hardware, software or the introduction of web-based applications.

We therefore believe that putting the same energy and focus in taking carbon out of business processes will deliver competitive advantages while simultaneously supporting the sustainability agenda. Examples of how this would be accomplished include:

- Model cost and associated carbon emissions generated from activities
- Identify & communicate dependencies that drive cost and carbon emissions
- Prioritise and cost justify “green” investments by demonstrating impact and potential short, medium and long term cost savings
- Ensure alignment of sustainability objectives with strategic goals

Companies and Governments will face an unlimited number of sustainability choices that are all great ideas. Innovative ICT solutions can help organisations map out their priorities, how to fund and staff them, and how many resources can be diverted from ongoing business activities towards improving sustainability and profitability, thus responding to the EU’s imperative of growth, jobs, innovation and sustainability.

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The American Chamber of Commerce to the European Union (AmCham EU) is the voice of companies of American parentage committed to Europe towards the institutions and governments of the European Union. It aims to ensure a growth-oriented business and investment climate in Europe. AmCham EU facilitates the resolution of EU – US issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Total US investment in Europe amounts to €702 billion, and currently supports over 4.1 million jobs.

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