



Digital and « green » transition

Luxembourg Event 2022
European Investment Bank
June 13, 2022



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DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Économie

Luxembourg stratégie

Luxembourg Strategy, the directorate for economic strategic foresight



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- Facilitate decision-making & strategic coherence
- Provide methodological support (megatrend analysis, strategic planning & anticipatory innovation)
- Flesh out the notion of economic resilience
- Build scenarios and a vision of possible futures for the national economy in 2050
- Stress-test and future-proof strategies and policies
- Stimulate public debate on possible futures
 - Understanding the current situation
 - Anticipating its future evolution
 - Planning for systemic change



- **Digital transition:** “Digital technologies present **enormous growth** potential for Europe. Digital solutions that put **people first** will open up new opportunities for businesses, encourage the development of trustworthy **technology**, foster an open and **democratic** society, enable a **vibrant and sustainable** economy, help **fight climate change** and **achieve the green transition.**”

(European Commission, 2021)

- Digitalisation can enable emission reductions, but can have adverse side-effects unless appropriately governed.

(IPCC, 2022)

- A technological means to enhance productivity and well-being, reduce costs, create jobs, improve services

Definitions (2/2)



- “**Green**” transition: “To overcome the existential threats climate change poses, the European Green Deal is Europe's new **growth** strategy, which will transform the Union into a **modern, resource-efficient and competitive** economy (...) make Europe **climate neutral** by 2050, boost the economy through **green technology**, **create sustainable industry and transport**, and **cut pollution**.

(European Commission, 2019)

- A means to preserve the **habitability** of the planet and ensure the continued supply of vital goods and services (food, clean air and water, materials, medicine, shelter, nitrogen-carbon-water cycling)



Net-zero emissions by 2050

UNITED NATIONS
PARIS CLIMATE
AGREEMENT



**Halve (not double) Domestic
Material Consumption by 2060**

Global Material
Resources Outlook
to 2060

 OECD
BETTER POLICIES FOR BETTER LIVES

**Halt biodiversity losses by 2030,
recovery & restoration by 2050**


UNITED NATIONS DECADE ON
**ECOSYSTEM
RESTORATION**
2021-2030

No net land take by 2050

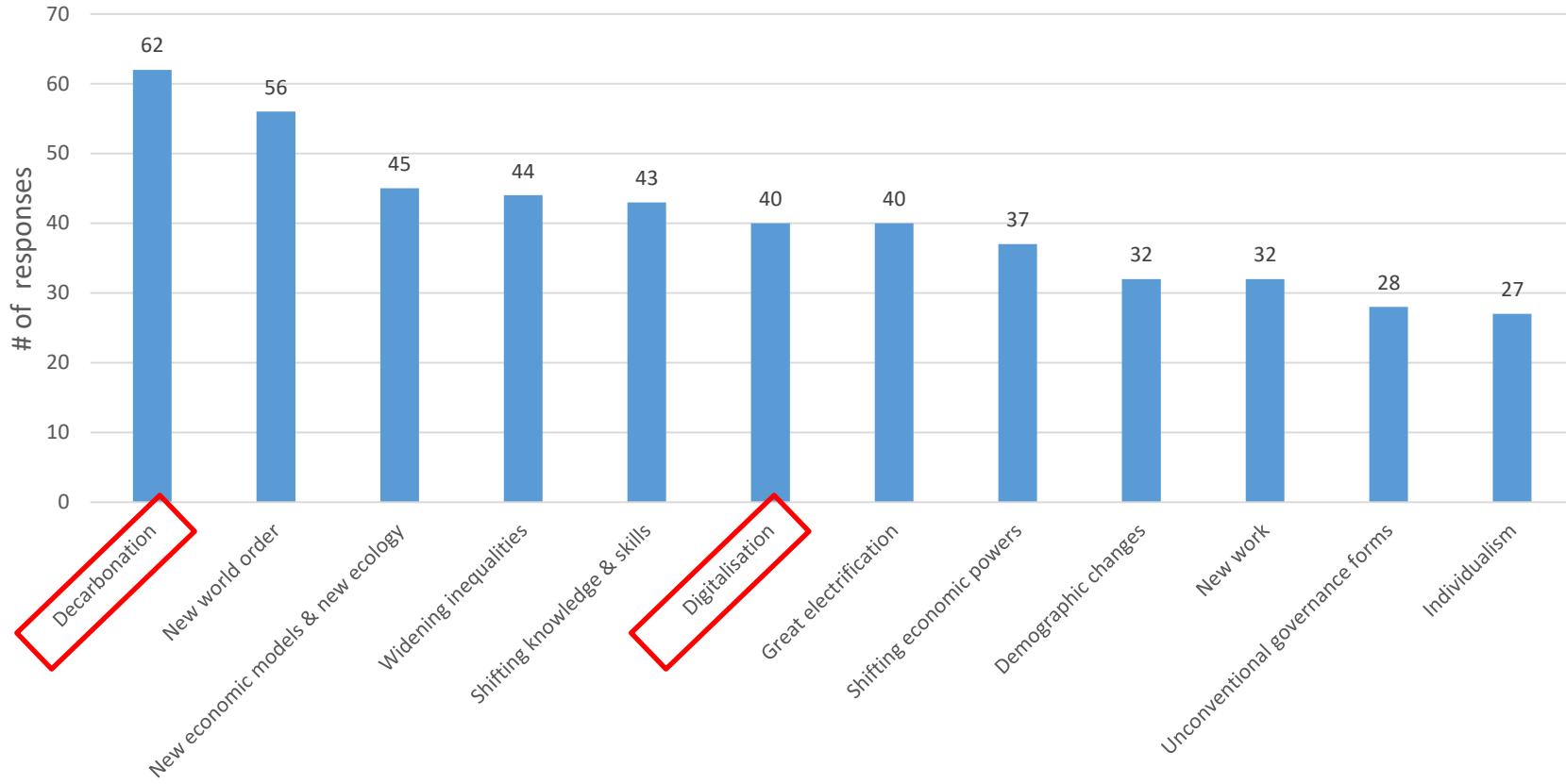

Science for Environment Policy
FUTURE BRIEF:
**No net land take
by 2050?**

Current perceptions on priorities, Luxembourg



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High priority trends

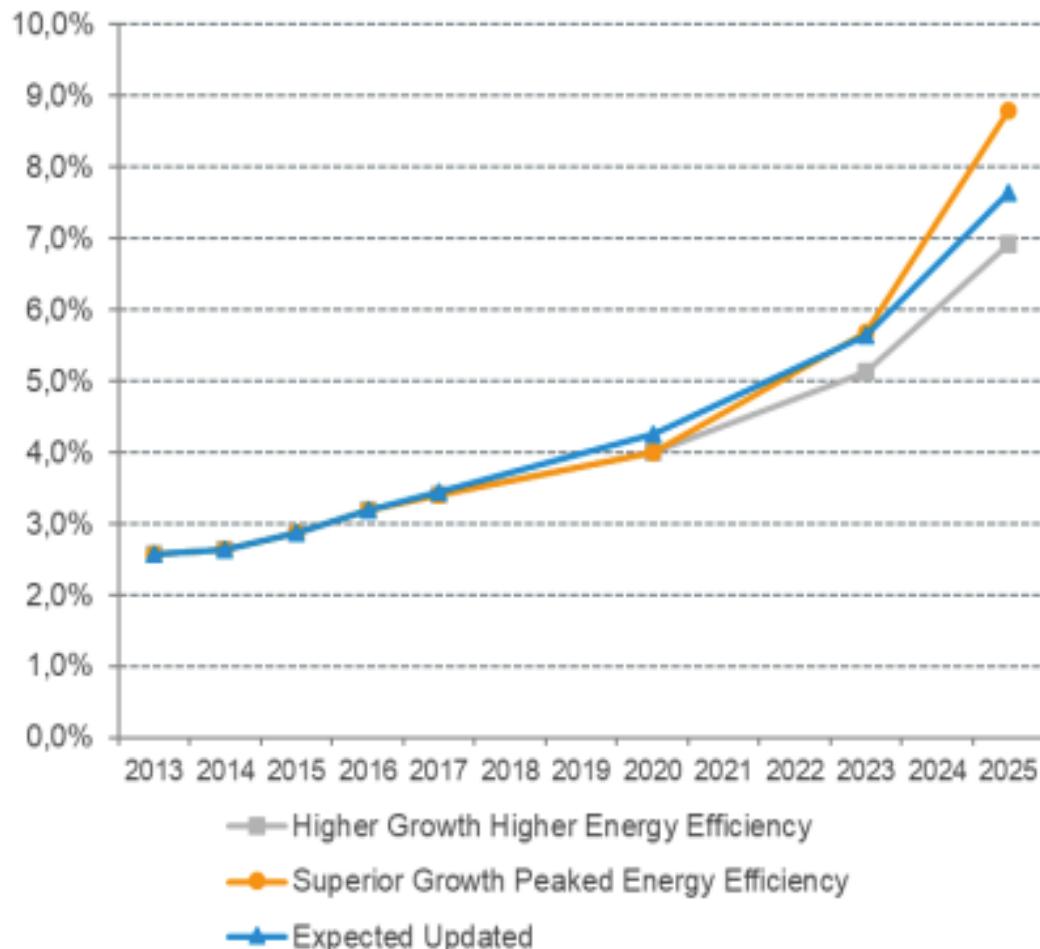


Source: Luxembourg Strategy (2022), *Megatrends survey*. Luxembourg: ministry of the Economy

De-carbonised digitalisation?



Graphique 15 – Projections de la part du numérique dans les émissions mondiales de GES



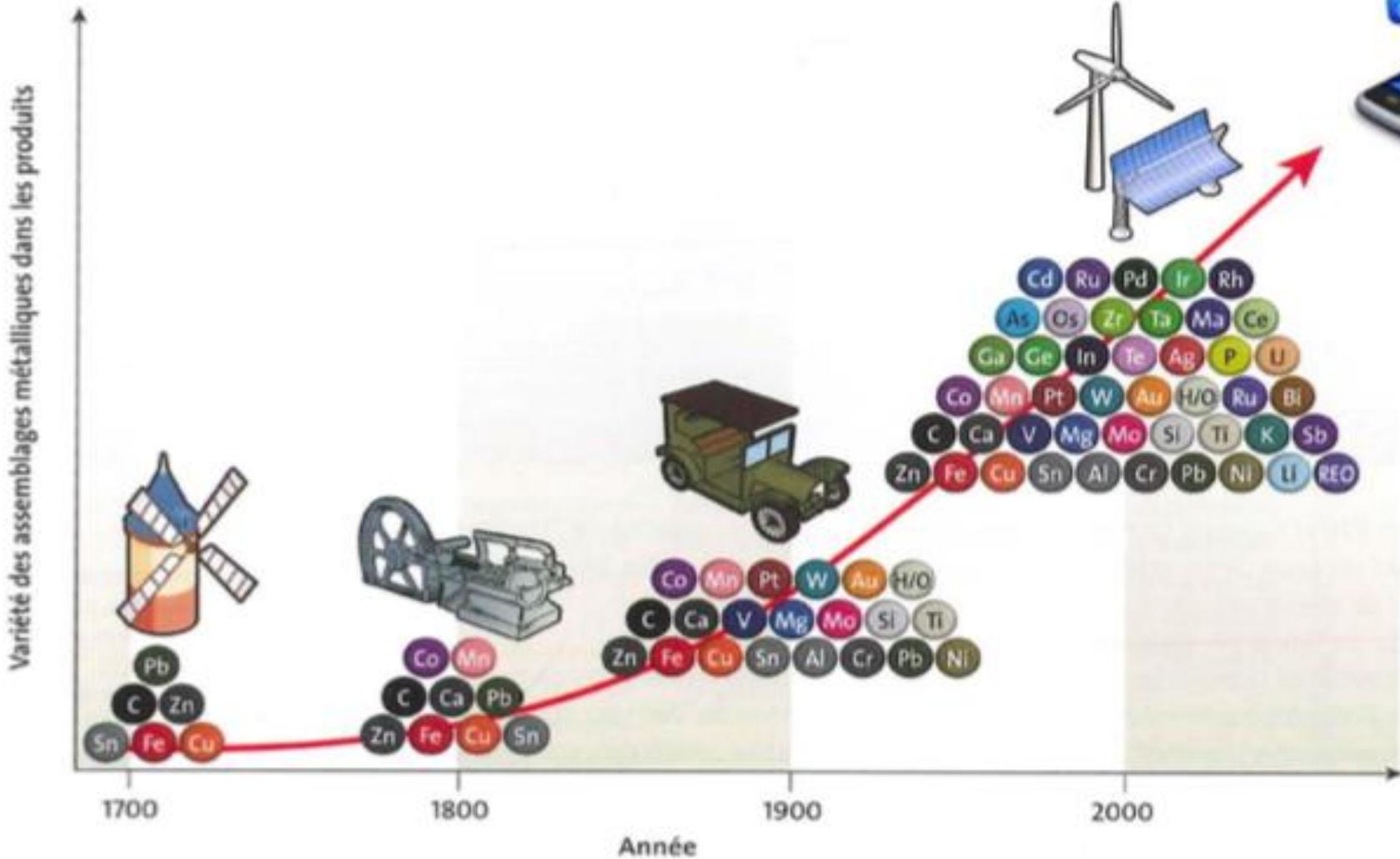
Source : Shift Project, Lean ICT Materials Forecast Model, 2018

Related reference:
France Stratégie (2020), Maîtriser la consommation du numérique : le progrès technologique n'y suffira pas. Working paper. n° 2020-15, October.

De-materialised digitalisation?



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Exponential growth in ICT, automation, internet use, devices per persons, screen time



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Today, the world counts **5 bln internet users**, with an average **7hrs/day** spent on internet, thereof **2,5hrs on social media**.

(DataReportal, 2022)

Proportion of persons in France using their smartphones to... (France Stratégie, 2020)

Digital and green, are we transitioning?



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- Digital technologies account for up to 10% of Europe's energy consumption, and 4% of its greenhouse gas emissions.

European Commission (2022) Shaping Europe's digital future

- Their global energy consumption (approx. 9%/year) and emissions (1.2%/year) are rising fast.
- High resolution video transfers exploded over the last 5 years.
- The increase in data flow makes up for datacenters (1% global electricity use) efficiency gains.

The Shift Project (2020) Plan de transformation de l'économie française, Usages numériques

- The connected world continues to grow faster than it did before the pandemic: s- and e-commerce with double digit growth rates, including, since COVID, for groceries
- Digitalisation takes land: e-commerce warehouses and data centers are fastest growing factors of land-take in France.

Lafay (2022) Comment Internet bétonnise la France. France Culture, June 10, 2022

Reformulation of the equation



- The “green” digitalisation we should pursue is one that helps us :
 - reduce rather than increase our footprints,
 - reduce rather than increase our vulnerabilities.
- “We need to ensure that digital technologies do not consume more energy than they save.” (European Commission, 2022)
- How to make digital and green mutually beneficial, knowing that digitalisation is a heavy energy and materials consumer and boosts consumption?
- The fact that production and consumption are growing, and with them energy and material throughputs, makes this even harder to achieve than in a stable economy

Virtuous “green” digitalisation?



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- Substitution of physical by virtual uses: video conferences or teleworking instead of car/plane use
- Efficient energy management, network stability with intermittencies
- Optimisation in supply chains, production, public transport
- Global navigation satellite services to facilitate environmental and climate monitoring, and connect remote areas,
- GHG monitoring and carbon project verification
- Monitor remote sites for functionality and reduce downtime
- Anticipate maintenance problems, extend equipment life and reduce waste
- Facilitate the sharing of equipment and facilities, of excess heat and industrial by-products

Virtuous “green” digitalisation?



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- Robots in residual waste sorting
- E-health
- Computer vision and artificial intelligence algorithms to solve space debris accumulation
- Use digital tools for critical stock management and strategic coordination of critical resources needs (food, water, energy sources, rare earths, medical equipment, microchips...) in order to prevent shortages and waste;
- EU Open strategic autonomy and single market



Digital for food production



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- Automated greenhouses for vegetable production, if the process to automate cultivation results in less soil, energy, water, fertilisers, pesticides being used





- Drones in fire fighting planning and monitoring



Going further in the twinning



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- Green transition should not be reduced to green technologies, but also to nature-based or passive solutions, and green, in addition to grey infrastructures
- Ex pumps, sluices, drains to manage floods or floodplains to store excess floodwater
- Combining data-monitored engineered infrastructures with nature-based ones can be cost effective and resilient in case of outages.

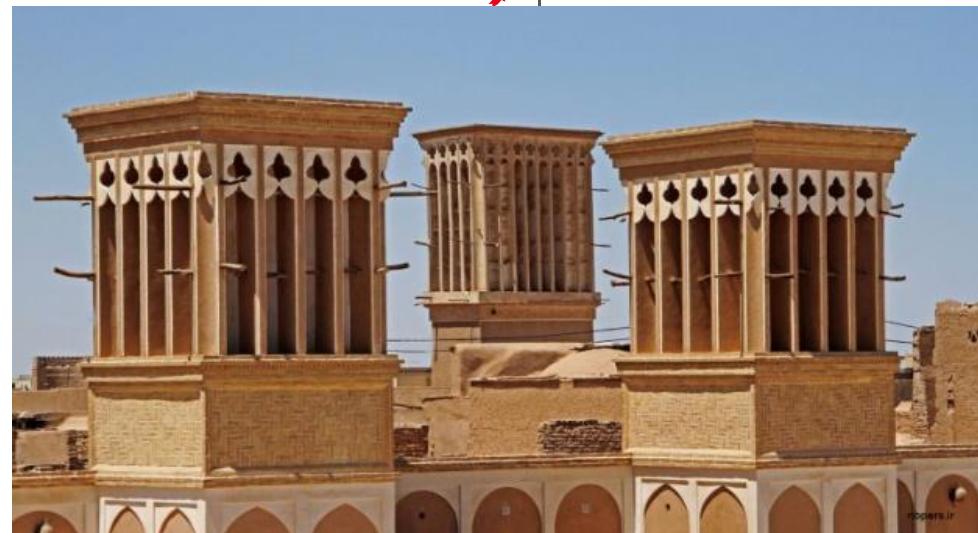


Source: World Bank (2019) Integrating green and grey infrastructures. WRI

Passive or IT-assisted air conditioning?



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Solar chimney, Luxembourg Cooperation in Niger, 2016

change adaptation



- Digitalisation can enhance preparedness to physical hazards, extreme weather events or forest fires.
- Open data for understanding of disaster phenomena
- Real-time monitoring, remote sensing, satellites imagery, machine learning, for the assessment and management of flood risks.
- Early warning and enhanced disaster management.



Flood damage in Erftstadt-Blessem in Rhein-Erft-District of Germany. 17 July 2021

Dual transition exposed to hazards & disruptions



- **Prepared for** blackouts, water shortages, extreme weather events, physical damage on datacenters or transmission lines. Double by their low-tech, energy-independent equivalents
- **De-complexify:** Complexity and interdependence of digital systems makes them prone to failure, and reliable on in-built redundancies that ensure continuing service if an outage or disaster should occur. Complex devices that are difficult to recycle
- **Secure supply** of multiple components provided by different suppliers across the globe. Assess geopolitically what is extractable and producible in Europe under existing physical and regulatory constraints, without lowering social and environmental standards.
- Consider rising energy and material prices, cyberthreats, mass surveillance risk, loss of democratic control, social alienation

How to make digital green & resilient?



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- Distinguish **vital public** digitalisation (health, electricity network stability and flexibility, water and sanitation ...) from **private entertainment** digitalisation (streaming, video, shopping apps, social media ...)
- Reduction energy and material needs, 3 agendas have to be transposed simultaneously: **efficiency, circularity and sobriety**.
- Digital sobriety, data hygiene, cap on data transfers intensity and number of connected terminals per person.
- Regulate to reverse **overconsumption and planned obsolescence**, limit advertising and youth screen time, promote reparability and reuse of devices
- Opportunity cost of digitalisation: displaces resources for other uses

“Why must the future be digital?”*



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- Digitalisation should not be the purpose and sole content of education. Instead it should be a means to enhance general knowledge, learning capacities and independent judgment.
- “The alleged sustainability benefits of digital technologies may turn out to be ill-founded, as rebound and adverse secondary effects may be substantial. Digitalisation, then, might be at odds with sustainability unless the digital regime is re-oriented towards inclusive practices, democratic governance and environmental regulation.” Andersen et al. (2021)
- Resilience thinking urges to **combine all means**, not one at the expense of another: high and low-tech, assisted and passive, green and grey, technological and behavioural ...



*Reference: Palms (2021) Why must the future be digital?
Delano.lu. Editorial

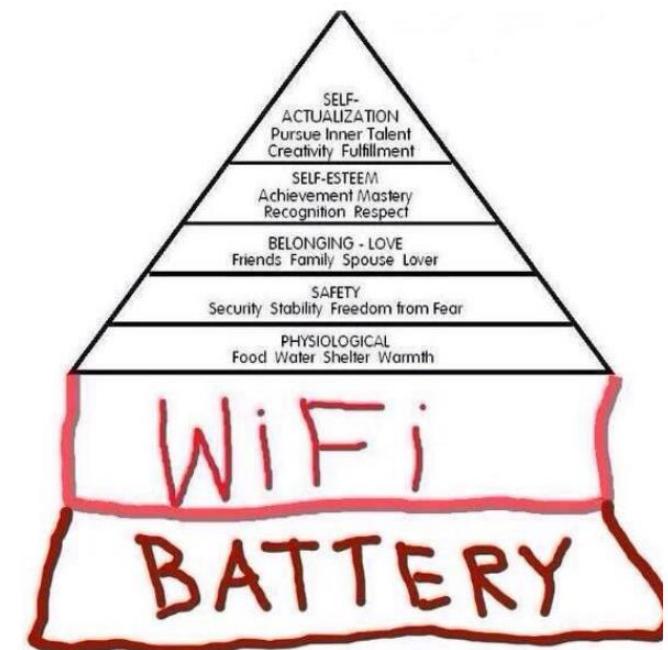
“Why must the future be digital?”*



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- Technological progress will not be enough (...) to compensate the effects of an exponential growth of internet traffic
- The foreseeable explosion of the number of things connected to the internet is also likely to bring about an increase in energy consumption related to their production (...)
- It is only by accepting to recognise the helplessness of technology alone to achieve the target of reducing technology-related energy consumption that it will be possible to develop relevant public policies, i.e. usage- and eco-design-centred policies.

France Stratégie (2020)



*Maslow's pyramid of needs,
revisited*

* **Reference:** Palms (2021) Why must the future be digital?
Delano.lu. Editorial

Next steps for a net-zero carbon and no-net ecological losses type of digitalisation



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- Make do with what we have: 10% energy consumption and 4% emissions
- Public research on the biophysical reality check net footprints of the data industry, IoT, automation, cryptocurrencies
- Concentrate green digitalisation on public goods value creation
- Derive criteria and list projects, which ensure and demonstrate, under a life cycle perspective, the feasibility of achieving decoupling and lower overall footprints through “green” digitalisation
- Develop monitoring indicators of the net gain of “green” digitalisation
- Use our screen time to #getreal

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Thank you for your attention

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