

APEC Business Advisory Council

SWG III 2024

Digital technology and the climate response

Introduction by Brett O'Riley, ABAC New Zealand Presentation by Mitchell Pham, NZTech/CodeHQ

Saturday 3 August 2024

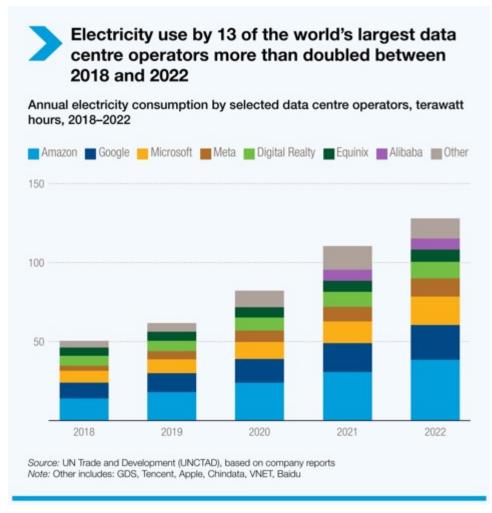
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The relationship between digital tech and the climate response

UNCTAD *Digital Economy Report* 2024

- Digital technologies can play a key enabling role in the climate response
 - Digital technologies can help improve energy efficiency, cut emissions in important sectors (e.g. transport, construction, agriculture, energy) and support innovative solutions for adaptation and Just Transitions
 - We will shortly hear from Mitchell Pham on this
- At the same time, there is an urgent need for sustainable strategies throughout the digital lifecycle
 - Environmental impacts are generated from raw material extraction, waste generation, and from usage of digital technologies (including the energy needs of compute for Al and other emerging tech)



Source: UNCTAD Digital Economy Report 2024



Leveraging trade for climate: 2024 workstream

ABAC has proposed that APEC develop a *Greener Trade Framework*

- Based on a set of agreed principles (GATT/WTO, MEAs)
- Structured according to the ABAC Climate Leadership Principles
- Aims:
 - to create an enabling environment for the trade tools needed in the climate fight
 - to avoid green protectionism



Reductions



Adaptation



Just Transitions

Digital technology is a key enabler across all three pillars, and should be reflected in a future APEC Greener Trade Framework

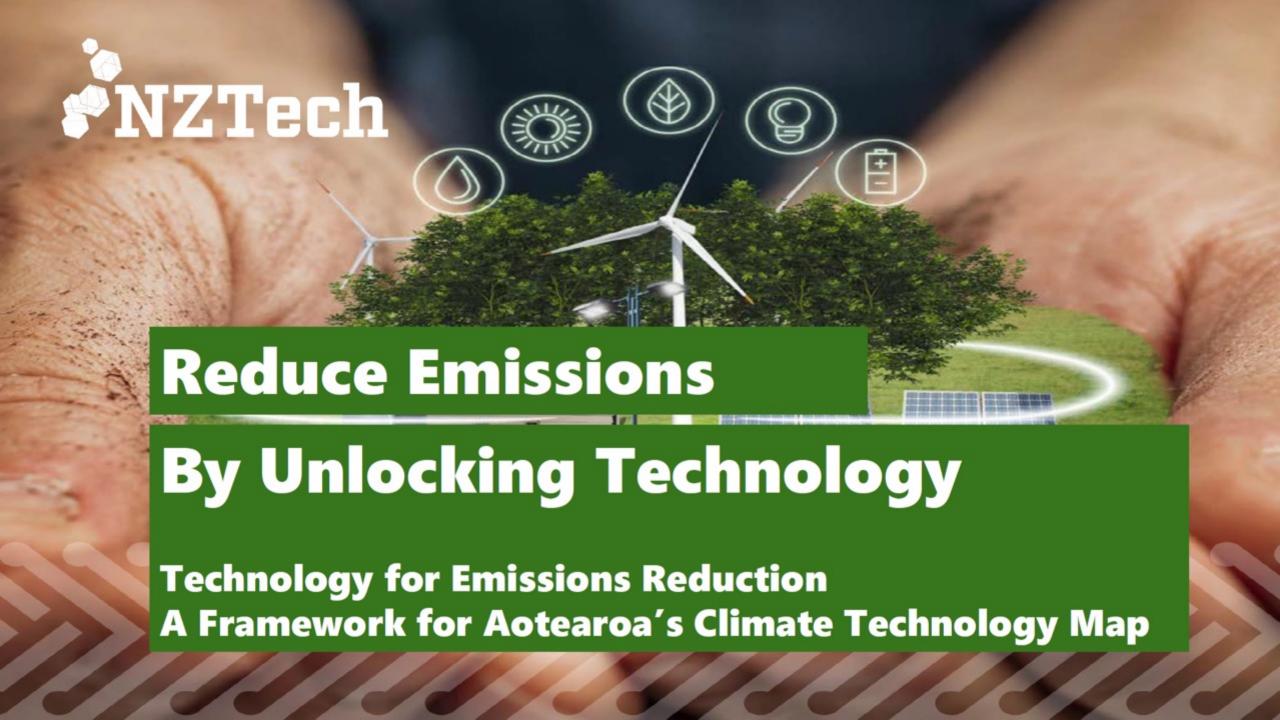


Introducing Mitchell Pham, ONZM

Co-Founder and Director, CodeHQ
Chair, Augen Vietnam
Director, Easy Crypto
Strategic Advisor, Chief Digital Officer, TradeWindow
Entrepreneur-in-Residence, University of Auckland Business School

Former Chair of NZTech, FinTechNZ, Digital Council of New Zealand





The Framework

Strong Leadership

Strong Leadership

 Effective coordination and oversight, involving industry and political support. Industry partnerships can simulate new innovations, attract investment and provide necessary expertise.

Critical Foundations

Critical Foundations

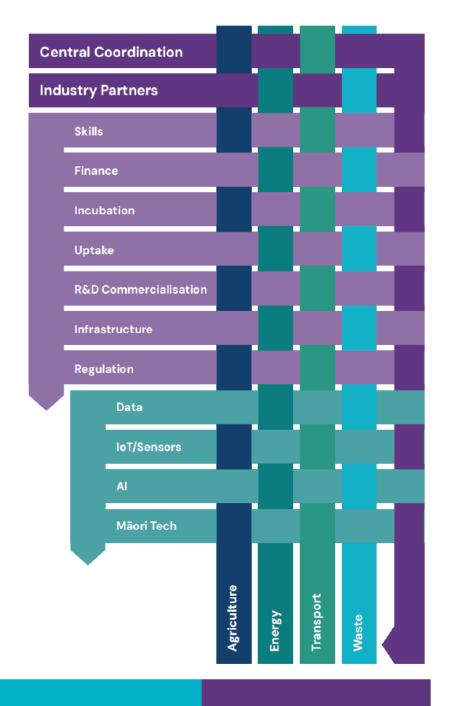
 Seven critical foundations required to support the growth of the technology system in New Zealand.

Technology Enablers

 Several emerging technology enablers will play a vital role and should be factored in across all sectors. Technology Enablers

Sector Opportunities

 Taking sector-level advantage of technology opportunities depends on readiness of the technology enabling environment. Sector Opportunities



Quicker wins

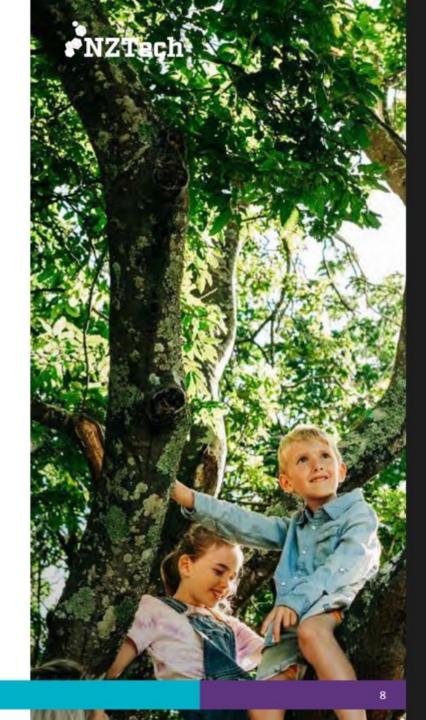
The report provides 40 industry originated sector emissions reductions quicker wins. Some examples are included here:

Agriculture

- Boost uptake support for the technologies already being deployed in top three on-farm areas: existing animal management (and milking), crop protection and fertiliser/nutrient management.
- Address cost of technology implementation and proof of return on investment to increase uptake and deliver efficiency benefits.
- Utilise crop vision and sensing systems to reduce nitrogen use and nitrous oxide emissions.
- Prioritise GMO technologies tailored for the farming business model and conditions which can help reduce methane emissions from animals.

Energy

- Prioritise regulation for smart EV charging to plug the gap in demand response technology management to better optimise energy resources.
- Prioritise options to better encourage and support new solar energy systems.
- Moving to smart demand management and the management of peaks is an urgent priority using new innovative approaches.
- · Prioritise support for New Zealand heat battery storage solutions.
- · Boost promotion to farm waste for energy production solutions.



Quicker wins

Transport

- Prioritise increase in EV infrastructure in urban centres to address EV uptake constraints.
- Progress Mobility-as-a-Service (MaaS) technology pilots using incentives and policy tools, similar to Finland, to encourage tech use to deliver a more service-based transport system.
- Start a work programme to update legacy system traffic signals with new transport technology. Existing market technology can be deployed.
- Fast-track smart systems to reduce the cost of electricity storage, advance innovative demand response technologies and develop new ways of balancing the grid to prepare for the impact of EVs.

Al & data

- Encourage and support use of big data/Al tools on-farm and in New Zealand businesses to drive productivity.
- Share climate data between Government agencies and the private sector to enable more/faster innovation, richer insights, more meaningful disclosure, and better decision-making.

Quicker wins are valuable for making initial emissions reduction progress. However, more substantial and durable climate action requires the more systemic change that the roadmap would introduce.





Recommendations

- Members to note the presentation on the 'Technology for Emissions Reduction: A
 Framework for Aotearoa's Climate Technology Roadmap', including its key message
 on the importance of a well-designed strategic climate response roadmap which
 integrates digital technologies;
- Members to continue to advocate for a Greener Trade Framework, including the integration of digital technologies in the Framework.