



## THE SUGAR NEWS

Sustainable Urban Goods logistics Achieved by Regional and local policies

### Introduction

#### The SUGAR project starts

By Andrea Arcelli, Regione Emilia Romagna

In Europe the attention for Urban Logistics is increasing with professionals recognizing its impact on the overall mobility management of a city. Being aware of the importance of Urban Logistics, the Regione Emilia Romagna and the Fondazione Istituto sui Trasporti e la Logistica (ITL), started already in 2007 the development of the SUGAR project. Last year, SUGAR was successfully submitted to the INTERREG 4C Programme.

The main concept behind the SUGAR project is to analyse the reasons for inefficient and ineffective management, which still affect urban freight distribution in most European cities. SUGAR will promote exchange, discussion and transfer of smart policy experiences and technical solutions. Therefore, in SUGAR, the identification of good practices plays a key role in supporting policy making. The knowledge exchange on good practices works as leverage to stimulate the development of local action plans on city logistics. One of the main objectives of SUGAR is to initiate and facilitate the development of these action plans. This makes policy makers the first beneficiaries and target group of the SUGAR project.

SUGAR officially started in November 2008 and will run until the end of February 2012. The project was launched with a successful Kick off meeting, held in Bologna on the 5th and 6th March 2009. The work on the activities foreseen in the three components of the project is now in full force.

Since March 2009, important progress has been achieved in the Component on Communication and Dissemination. This part of the project is dedicated to spreading the news on SUGAR activities and results both at the European and the local level. The communication actions are crucial in reaching out to key stakeholders and to actively involve them in providing inputs and support.

The work on identifying and transferring Good Practices is showing its first results. The Athens project meeting, held on the 9th and 10th of June 2009, offered the opportunity to start working on the exchange of expertise and on the definition of

good practices and the city logistics conceptual model. You can find out more about the Athens meeting in this newsletter.

The next semester will be a challenging one, as the initial review and analysis of good practice in European cities will be finalised and made available to the public. Consequently, the primary areas for potential transfer will be identified and training tools will be developed. Keep following us through the bi-annual newsletter, the events and the project website.



SUGAR partners in the 1<sup>st</sup> project meeting in Athens, June 2009.

### Short news

The **SUGAR website** will be online from June 2009. Visit us at [www.sugarlogistics.eu](http://www.sugarlogistics.eu) for more project information and downloads.

Description of good practices on Urban Logistics from Emilia Romagna Region, London, Paris and Barcelona will be available on the website from October 2009.

Selection of 5 Enlarged Transfer Programme sites will take place during October-November 2009 and the SUGAR Award will be presented in December 2009 within POLIS Annual Conference. The SUGAR Enlarged Transfer Programme invites European cities and regions to be closely involved in round tables, planning and training sessions. Interested institutions can contact [gbarrera@polis-online.org](mailto:gbarrera@polis-online.org)

## Project meeting in Athens

### ITS and Management of on Street Delivery

By Francesca Nappi, NET Engineering

The **first good practice round table** was held during the project meeting in Athens on June 9th, 2009. Three experts presented their work and considerations on ICT applications related to city logistics, highlighting the importance of public-private cooperation and the involvement of market stakeholders.

Mr. **Maurizio Campanai**, expert in ICT solutions for Transport and Logistics, presented an overview of the European context in city logistics and some successful ICT applications and organizational model solutions applied to city logistics in Italy.

During his presentation, Mr. Campanai stressed that technology has to be low cost and appropriate for the size and type of operational model in order to achieve economical viability. The involvement and approval of the market stakeholders is crucial for the success of any ICT based project (subsidies don't provide long term stability). More than a hundred pilot actions have been carried out in Europe and the world within the area of urban freight distribution during the last decade. Over 90 % of those have not been full scale implemented despite of successful results in the pilot action. The Siena example shows that, although nothing special has been modified in the transport demand from a logistics point of view, the innovation introduced in the organisational model has made the initiative fully sustainable, and it is now running without public funding. Therefore, the lack of an adequate business model can be an important reason for an eventual implementation failure.

The discussion carried out by SUGAR partners highlighted issues such as the need for both horizontal and vertical integration among policies and actors, and the importance of including the final user as target group, not just the operators but the shopkeepers and the shippers as well, when planning and implementing measures. One key element of success is the reversion of the approach, starting from the modification of the operational and business model first, rather than identifying the ICT and then looking for a way to apply it to your own business situation. Depending on the level of complexity, the local actor's constellation, the variations in spaces and town size, or the fragmentation of the market, the operational model suitable for the introduction of ITC will have to be adapted.

Mr. **Arcangelo Merella**, president of Infomobility spa from Parma, presented the ongoing initiative implemented in Parma

from 2005, known as Ecologicistic. This initiative is based on public-private cooperation and is aimed at shifting from a "widespread logistics" pattern to a "systemic logistics" approach. It focuses mainly on last mile deliveries within the city centre, using a new logistics facility as a platform for all goods distributed in the city centre. The very specific feature of this initiative is that all actors (including own delivery of small firms) have been involved, giving them the option to either make their trucks compliant with certain requirements, or use the logistics facility services. The project has integrated loading information and traceability with an ad hoc IT solution. The monitoring has been so far conducted with sample checks at city entry points, with good results in terms of loading and vehicle standard requirements.

SUGAR partners discussed about pilot experiences based on load weight measurements using special devices, the control of the load factor of vehicles entering the city centre (i.e. Gothenburg), and GPS based identification of vehicles. GPS was, in some cases, identified as a non adequate solution, both in terms of cost and reliability due to physical barriers (building heights that often shade the signal and do not allow for consistent monitoring) and market barriers. Number plate recognition with CCTV and other image based technologies are more practical solutions. Moreover, images are a transversal technology, while GPS has much higher costs and depends on third party services.

Mr. **Panos Papadakos**, ex president of Hellenic Institute of Transportation Engineers, presented Athens's current situation with regards to urban transport in general, and freight in particular. The following discussion mainly concentrated on institutional setting issues related to city logistics policy design and implementation. Most of European metropolitan transport authorities are exclusively focussed on passenger transport, leading to uncoordinated and inefficient logistic systems. When metropolitan authorities have competences on freight transport (i.e. London and Paris), difficulties to develop and implement efficient policies normally come from ineffective coordination with suburban areas and low level of priority on the local authority's agenda. It seems cities are keen to experiment with pilot actions, but stable regulatory measures are seldom prepared and applied.



M. Campanai and P. Papadakos (left), A. Merella (right)

## Spotlight on SUGAR cities

### Good Practice Sites

#### Region Emilia Romagna, *Italy*

The Emilia Romagna Region (RER) has been involved in the city logistics field since 2002, both through EU Interreg projects and dedicated regional policies. In particular, the region initiated an ongoing debate and developed models on city logistics within the EU City Ports and Merope projects, and introduced a regional law financing city logistics interventions which involved all the main regional cities. The problem sharing approach of RER in city logistics, developed both at EU and regional level, will be a valuable input to the project.

#### London, *United Kingdom*

Transport for London (TfL) has regional responsibility for transport investments in the movement of people and goods across London. It funds over 40 freight posts across several organisations. Over the last three years, TfL's Freight Unit developed the London Freight Plan and its key project, the Freight Operator Recognition Scheme, which was launched in 2008. Key activities of TfL in relation to freight include: develop a detailed understanding of urban freight and its regulatory framework, industry standards for legal compliance and uptake of best practices, clean, quiet and efficient technologies, collaborative partnerships, benefits/incentives schemes including training programmes, and links to procurement and land-use planning.

#### Paris, *France*

The City of Paris has put in place a new freight programme (with an impact on regulation, delivery bays and a master plan) and has also initiated and supported demonstration actions and experiments. Main activities in relation to freight include: locating logistical facilities inside Paris, using clean delivery vehicles (electric, gas vehicles and other clean technologies), and developing new logistical services based on rail and waterway.

#### Barcelona, *Spain*

Barcelona is recognised as a European leader city for a number of logistics innovations including multi-use lanes and quiet night-time deliveries. It was one of the 3 trial sites of the FIDEUS project, where a new low-emissions truck was tested in day and night scenarios. It was also the first Spanish city to trial a micro-platform with electric vans and bicycles used to carry out 'last-mile deliveries'. Its parking management strategy, granted with the 2006 OSMOSE award for innovative Demand Management strategy, has contributed to improve indicators for traffic circulation and illegal parking by goods vehicles.

### Transfer Sites

#### Palma de Mallorca, *Spain*

With the exception of the waste collection system, the City of Palma has not yet implemented clear policies regarding freight transport management. City logistics needs to be re-organized in order to improve traffic congestion conditions.

#### Crete, *Greece*

The Regional Authority of Crete is developing public policies to improve the urban transport environment. The planned initiatives include the expansion of pedestrian zones, Urban Traffic Control systems and loading/unloading control.

#### Athens, *Greece*

The Municipality of Athens implemented several city logistics measures since the 2004 Olympic Games, including parking control in the city centre, loading/unloading practices, access control to the historical triangle, etc. The aim is to develop a policy framework for the urban freight transport activities.

#### Poznan, *Poland*

The City of Poznan was in 1994 the first Polish city to implement an integrated system of traffic control and also separate system of urban buses and trams traffic support (KWSSR). The municipality has also set restricted wide area for access of vehicles beyond 16t in the city and now plans to implement zone free of lorries in the city centre.

#### Vratsa, *Bulgaria*

The Municipality of Vratsa has so far mainly worked on public transport issues and SUGAR will be the first systematic approach to city logistics and urban goods delivery.

#### Celje, *Slovenia*

The Municipality of Celje has previous experience in European projects related to transport and environment, participating in the projects IMONDE (maximise freight intermodality potential) and SUGRE (Sustainable Green Fleets).

#### Usti nad Labem, *Czech Republic*

The City of Usti nad Labem does not yet have a complex policy focused on urban freight transport. Nevertheless, the city is currently working on a new urban plan. SUGAR outputs and activities can provide input for this new plan, integrating transport policies focused on city logistics.

## Upcoming events

### SUGAR agenda for the next months

- Presentation of SUGAR Award within POLIS Annual Conference in December 2009.
- Consortium Meeting 2 from 23d to 26th November 2009, Paris [FR]: Good Practice Round Table with the participation of external experts and Train the Trainer Sessions.

## Urban Logistics expert's opinion

### Interview with Maurizio Campanai, president of AXMediaTech

By Carles Petit, Cinesi Transport Consultancy



*- In your presentation you pointed out that most of pilot projects concerning urban logistics don't have a continuation after their implementation. How do you think the SUGAR Project could help to establish long-lasting measures?*

The weak point of the freight logistics initiatives is mainly related to the business model. Too often the PPP (private –public partnership) is not clearly oriented towards the sustainability of the initiative and the initial enthusiasm falls down in a few months after the public financing is over. SUGAR has to consider this sustainability dimension as one of the main elements for a successful project. Public administrations too often think that a private company has an easy task in an urban freight distribution project without considering the indirect costs related to congestion. SUGAR could evaluate which are the key features of sustainability of such initiatives.

*- Which main barriers appeared when the "taxi merci" project started in Siena and how were these barriers overcome?*

The barriers were mainly related to the development of the potential market, the communication of services and the quality of service. The main reason for the success has been the continuity of the policy that was to simplifying the process for managing the entrance control in the urban area.

*- According to your experience, which policy approach (incentive, penalization, enforcement, etc.) towards freight operators has proven to bring out better results?*

There is no specific better approach. Each town has its own constraints and opportunities. It is easier for a little town to define an approach and a good mix of incentives and penalization could be the answer. The only constructive approach is based on reaching an agreement with local associations and national and transnational transport operators. Moreover, the self- sustainability of the initiative is the right answer. The incentives should be reinforced by institutional communication.

*- Which actions can be deployed in order to improve transparency and/or cooperation among freight operators?*

The cooperation depends on the freight distribution model that will be implemented. This will influence many details of the quality of service monitoring and delivery certification. Transparency on costs and regulation on the "last mile" is the main constraint that permits a company to evaluate the business case. Why to avoid a service that is convenient from the economic and organizational point of view? It's needed to prove the independence of the service.

*- Which ways for coordinating shopkeepers (or freight transport clients in general) have been set up? Can you mention any particular case for its success?*

The coordination of shopkeepers is a critical issue. Chambers of Commerce and local associations usually failed in harmonizing the demand for logistics services. The economic crisis showed the difficulties of creating a common need in a town or in a district of a large town. In many cases, the large majority of shopkeepers don't accept the distribution time-window and other restrictions. There is a need to define a mechanism able to answer specific needs without impacting on the basic rules. Flexibility of the services, like services on demand, could be an answer.

*- Can you mention and give a general description of an experience that improved urban logistics without raising the final products price?*

It is very difficult to discuss about the costs of logistics: the number of actors involved usually hide the value chain in the distribution chain. Nevertheless, it is possible to say that in many of the Italian city logistics initiatives (Padova, Parma, Siena, Genova, etc) the final cost for the final user was not raised. For the logistics chain, however, it is not the same. A new model implies new actors and this means a new revenue model. An urban freight logistic initiative needs simplification and a strong effort in two directions: economic sustainability and environmental sustainability.

**SUGAR**

**Sustainable Urban Goods logistics Achieved by Regional and local policies**

Visit us at [www.sugarlogistics.eu](http://www.sugarlogistics.eu)

## Country specific case

### Urban freight policies in London

By Jacques Leonardi, University of Westminster

Transport initiatives impacting freight transport in London are:

- London Freight Plan
- Loading/unloading code of practice
- Construction consolidation centre
- London Congestion Charging Scheme
- Low Emission Zone (LEZ)
- London Lorry Control Scheme
- Freight Quality Partnerships
- Waterborne transport schemes
- Rail transport schemes
- Freight Operator Recognition Scheme (FORS)
- Delivery and Servicing Plans (DSP)
- Construction Logistics Plans
- Freight Information Portal

#### FORS

Transport for London recognises and rewards good practice through the Freight Operator Recognition Scheme.

#### London Freight Plan

The London Freight Plan will coordinate the role of freight in line with London's growth. ([www.tfl.gov.uk/microsites/freight/](http://www.tfl.gov.uk/microsites/freight/))

#### Freight Quality Partnerships

Transport for London supports a number of Freight Quality Partnerships (FQPs). These voluntary partnerships offer a solid framework for people to work together to develop solutions for freight transport issues. FQP members come from a wide variety of backgrounds and represent a range of interests. These include:

- Freight industry - private sector suppliers and public sector utilities (both contracted out and in-house fleets)
- Freight customers - public and private
- Local authorities - councillors and borough officers
- Lobbyists - cycling, environmental, local community groups, trade bodies

(<http://www.londonsfqs.co.uk/>)



#### London Lorry Control Scheme

This scheme governs the movement of HGVs of more than 18 tonnes throughout London at night and weekends. Restrictions are in place on the use of heavy goods vehicles to help minimise noise pollution in residential areas during unsocial hours through restricted use of these roads.

#### Loading and unloading rules

Yellow lines on the street allow a parking duration variable for each borough for vans and lorries in London. There is mostly an unlimited time for loading and unloading in the morning from 6:30 to 11:00, then a limitation of 20 to 40 minutes applies. On major roads, the red routes system applies, with no stopping (double red: at any time; single red: at certain time). Dedicated loading bays are set by boroughs. Fines were increasing in recent years, from 80 to 100£ penalty for drivers in case of unloading at wrong places or times. There is a strict enforcement of the unloading rules in London.

#### Electric commercial vehicles

Electric commercial vehicles are already available - there are two British manufacturers of electric vans and HGVs with a range of models on the market. More than 500 of these vehicles have been produced in recent years with many other older vehicles still operating.



The Mayor wants to work with fleet users and companies to expand the use of electric vehicles in business fleets. Over 200,000 commercial vehicles operate in central London representing a massive market for conversion. The Mayor has committed to deliver 25,000 charge points across the Capital by 2015.

([www.london.gov.uk/electricvehicles/commercial](http://www.london.gov.uk/electricvehicles/commercial))

The Managing Authority of the programme is not liable for any use of the information contained in this publication.