





# Challenges in sustainable city logistics & good practices for their efficient management in the future

Georgia Ayfantopoulou (<u>gea@certh.gr</u>) Deputy Director, Research Director,

Hellenic Institute of Transport of Centre for Research and Technology Hellas

### THE HELLENIC INSTITUTE OF TRANSPORT (HIT)

The **Centre for Research and Technology-Hellas** is one of the leading research centers in Greece with important scientific and technological achievements in many areas.

**Hellenic Institute of Transport-HIT,** established in 2000, is part of the greater team of CERTH. HIT is a highly recognized research body offering specialized basic and applied research and highly technical services in all fields of transport.

స్తోం

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HIT: imet.gr Lab: smartmlab.imet.gr/ Dashboard: thessmd.imet.gr/ Open data portal: opendata.imet.gr/



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smart mobility living lab Living Labs



Smart Mobility

& city logistics

cluster

2020



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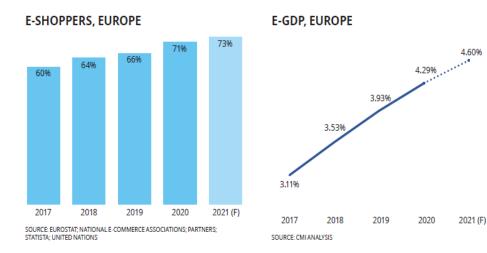
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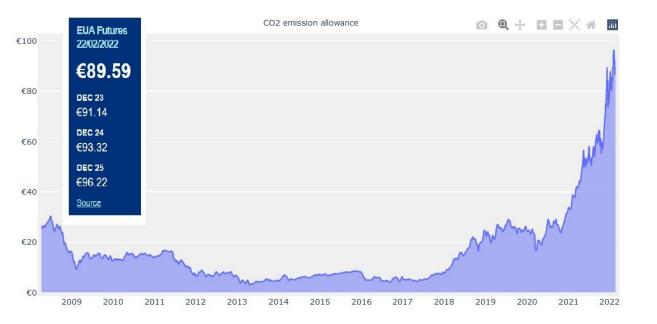
#### Wanted: 80,000 truck drivers to help fix the supply chain

By <u>Vanessa Yurkevich</u>, CNN Updated 2349 GMT (0749 HKT) October 19, 2021





Source: 2021 EUROPEAN E-COMMERCE REPORT – Ecommerce Europe

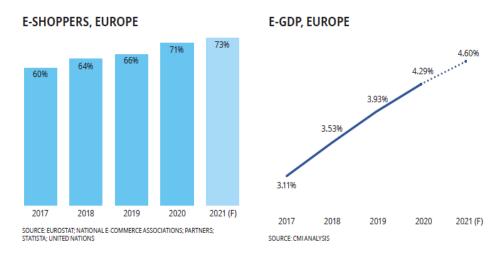


#### Container freight rates & unbalanced flows



Source: Freightos – fbx.freightos.com powered by: https://www.hellenicshippingnews.com/

### Logistics and Supply Chain living in disruptive times



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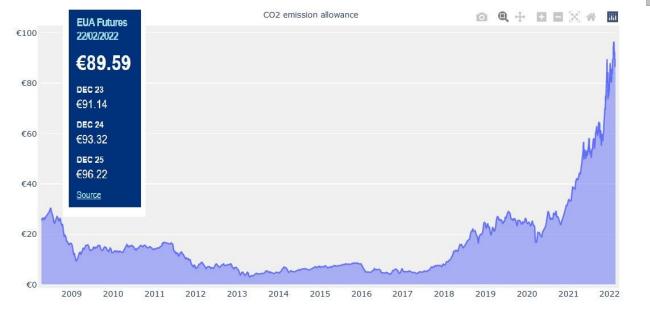
#### Uncertainties create new trends :

- Short supply chains vs long
  - Regionalization of production vs globalization
    - Speedy rail in stand of slow maritime transport

### Container freight rates & unbalanced flows



Source: Freightos - fbx.freightos.com powered by: https://www.hellenicshippingnews.com/





# City Logistics are changing

### The customers' needs are changing:

- Same or next hour deliveries are required
- More customized solutions are required
- Consumers are more familiar with new technologies and tools while omni channel logistics are required
- Special trend towards Ethical and sustainable buying

### The Logistics providers try to fill in this demand while taking down the competition:

- Testing new shared city logistics solutions: microconsolidation centers, logistics hotels, UCCs
- Greener modes are a necessity (e-LCVs, cargo bikes, etc.)
- Testing new technologies for optimizing their operational efficiency
- Start-ups popping up showing new crowdsourced and more flexible business models



# City Logistics way forward

Innovation is considered the solution to complex problems.... BUT

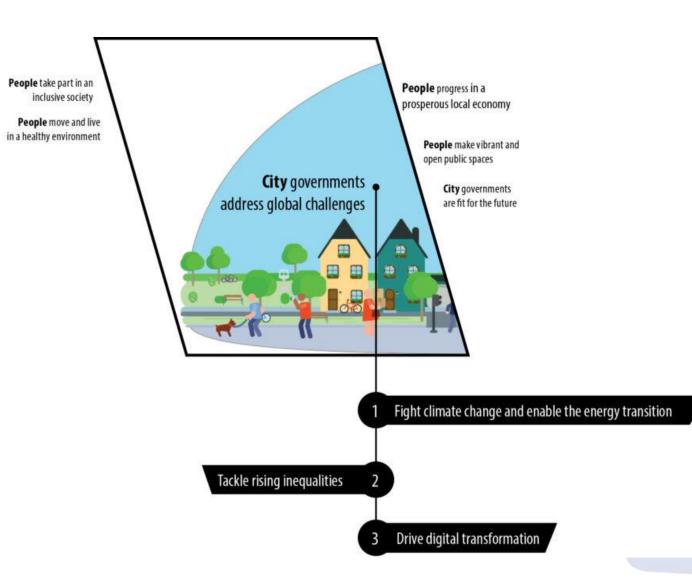
Innovative solutions are emerging in cities, being industry driven,

with no regulation framework and proper planning.

The cities around Europe clearly understand that their role is <u>crucial in</u> developing the appropriate policy response to steer innovation in urban mobility & logistics

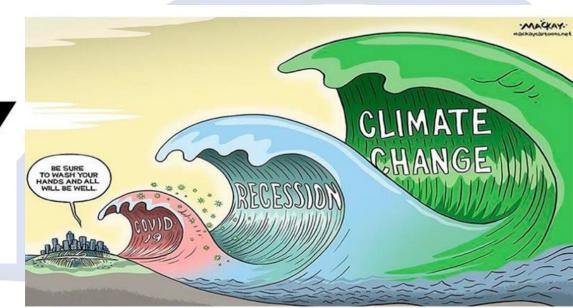
Successful pilots are not best practices Measures integrated in robust plan (SULP) and long term engagement of the city is the good way forward

# Cities are facing global challenges

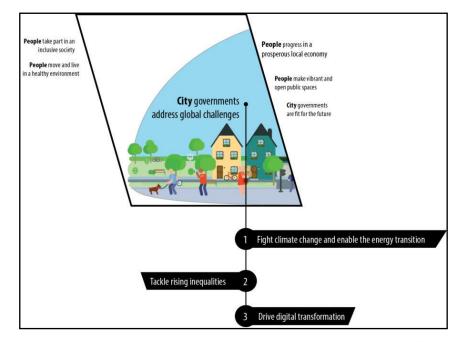


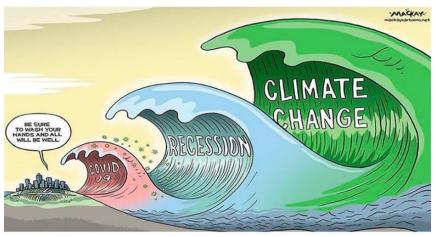
So many things to be performed by the cities in :

- so little time (2030)
- with reduced authorization &
- limited budgets .....



# Cities way forward for sustainable mobility & logistics





- 1. Manage the transition to smart, climate neutral, affordable & digital urban mobility & logistics (act in areas or intervene in agreements with actors in one sector, achieve paradigm shift through emblematic projects ).
- 2. Action Plan for innovation adoption & of new generation infrastructure
- 3. Prepare for Sustainable Policy Response to Urban mobility Transition & innovation adoption
- 4. Resilience by design in Urban planning



- 5. Do not select measures by analogy from other cities
- 6. City logistics operators are global and whish for common solutions to all cities . However there is not 'one size fits all' solution for city logistics & urban mobility
- 7. Consider regional dimension of logistics infrastructure & measures when solving problem in urban environment



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2. What the cities should do ?

City Led innovation for sustainable mobility & logistics How to develop a SULP Measure city readiness for innovation

**3.** Best practices to select

## 1. City-Led innovation for mobility & city logistic

 Develop the conditions for adopting innovation in City logistics through problem common Understanding & planning as part of the mobility planning

- Both large and smaller economies encounter three primary city logistics challenges: urban growth, traffic congestion, and environmental problems
- What cities should do for City Logistics:
  - To increase the efficiency of freight transport system in urban areas and reduce the environmental impact
  - To address the changes underway in the urban mobility scene.
  - Need to address the impacts of the emerging mobility patterns, digitally-enabled operating & business models, and transport users' needs.
  - <u>To select appropriate measures and policies in order to</u> <u>harness and accelerate the innovation</u>
  - Need for paying special attention to the needs of vulnerable users
  - Need for active participation and engagement of numerous representatives from authorities of small & medium-sized cities







Large cities

Medium- sized cities

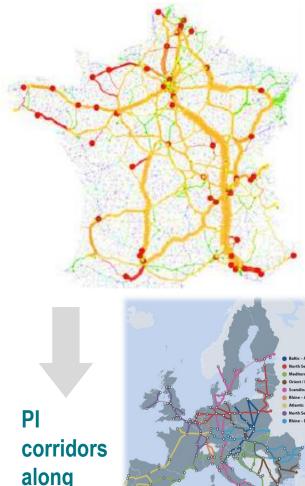
Small cities

In larger cities:

- More complex systems, encompassing a number of not necessarily integrated sub-system
- Several public administrations, municipalities and regions are involved in mobility planning
- Several different logistics actors with different needs
- Higher demand for on-demand deliveries, flexible loading/unloading space, flexible warehousing e.tc.
- Great need for integrated and inter-connected transport
   infrastructure

<u>Complex systems requires systemic approaches</u>

# 2. City-led Innovation in city logistics: Towards a highly inter-connected network



Core Network

Corridor

- A 'core network' to be completed by 2030. A comprehensive network by 2050.
  - TEN nodes & corridors will be the reference network for infrastructure & ICT connectivity
  - Pan European Logistics Platforms & Information exchange in an easier and more efficient way –AEOLIX HORIZON 2020 project
  - Need to invest in urban nodes → Issue paper on "Efficient integrating urban nodes"
  - Closing gaps between transport modes of the TEN-T Alleviating the negative effects on inhabitants & urban environment

Integrate TENT-T in the urban realities!





pushes towards: *dev* 

Change in urban land use development

Warehouses on Outskirts of Cities & Smaller Decentralized

Mega size

- Warehouses Inside the city perimeter
- Multipurpose districts optimizing the potential mix of strategically positioned public land Optimal mix distribution of land uses both in city centers and peripheries

### **15** *minutes city , Low Traffic zones, city blocks....???*

# 3. Systemic approach: Analyse Urban Mobility elements dynamics to drive transition....study the "veto" actors behaviour

<u>**READINESS:**</u> Inter-departmental coordination, Mobility Planning, Liaise, Public Investments <u>**LIVEABILITY:**</u> Policy making & additional investments

#### Indicative Questions for Readiness:

- What is the level of inter-departmental coordination and flexibility in the procurement process for innovative solutions?
- What is the level of Sustainable mobility Planning & implementation process?

#### **<u>READINESS</u>**: Culture, Industry Diversity <u>LIVEABILITY</u>: Behaviour and Smartness

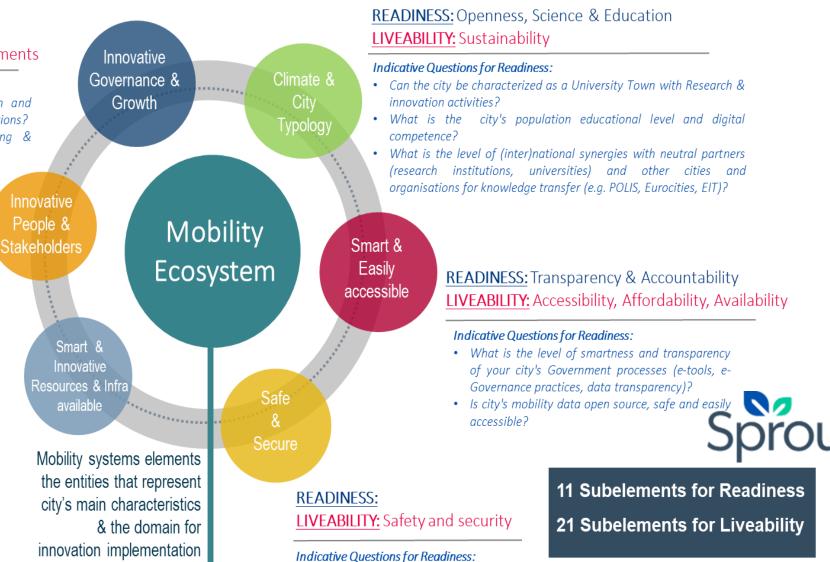
Indicative Questions for Readiness:

- To what extent are citizens adopting the new sustainable mobility services and the green modes of transport, (e.g. less car-use, more walking, cycling and use of Public Transport)?
- How rich is the city in terms of number of big innovators and high-tech start-up companies?

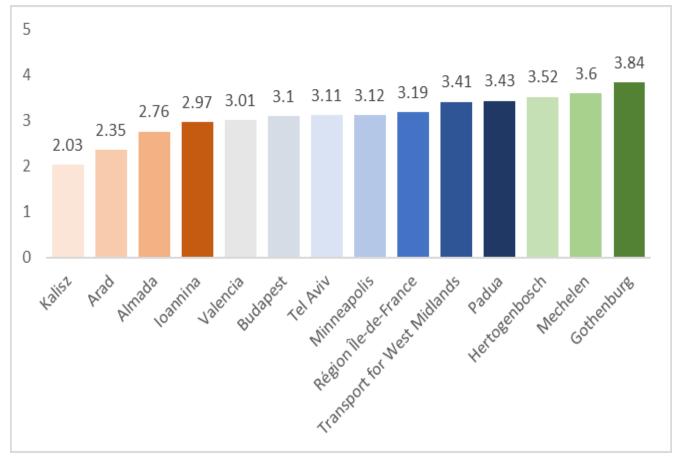
#### **<u>READINESS</u>**: Data availability, Cities Capacity <u>**LIVEABILITY**</u>: Efficiency, Convenience

#### Indicative Questions for Readiness:

- How mature and smart is the data collection for understanding the current situation of a mobility system for passenger transport (Smart infrastructure, ITS, survey)?
- To what extend is the current passenger transport of city's policy making is data and evidence driven?







**Calculate your cities' Score:** 

https://phvd21kpofa.typeform.com/to/LUU36Eft



#### **Strong points**

- Liaison Openness Science & Education & Industry diversity:
  - Citizens' engagement in platforms open and available in the city is strong
  - Cities are open for international collaborations and synergies
  - In many cities, there are institutes with high reputation, startup companies, research centres, technology parks.
  - The citizens have a <u>high level of ed</u>ucation and are fully adopted with the use of technology
  - In the city there are <u>synergies with big innovators</u>, new models are implemented, such as MaaS

### Weak points

- **Data availability:** The data collection is not mature yet especially for city logistics. Most cities implement rare surveys and collected few or even no data.
- **Cities capacity:** Many cities lack in knowledge and expertise and only few people in the sector have the know-how
- Smart and Integrated Infrastructure: Lack of infrastructure and poor penetration of technology in the mobility services

4. Develop SULP with innovation & technology focus
 A new Topic Guide for Sustainable Urban Logistics Planning
 in the frame of the second edition of SUMP 2.0

Cities need to become SMART, CLIMATE NEUTRAL, ZERO POLUTED until 2030/2050

Sustainable Urban logistics Plan & Transition to Innovation Action Plan is required to be developed

- Offering the conditions for common regulations & measures adoption in cities for the benefit of the citizens and the sustainable & easy operation of the industry
- Prioritizing actions in agreement with the public & private stakeholders
- Build capacity & dedicate responsibility of city logistics to Municipal & national authorities
- Speed up quick wings implementation

### Frameworks

Tools

**Milestones & Checklists** 

**Best practices** 

A tool for sustainable and efficient urban logistics planning

FIND IT HERE:

https://www.eltis.org/sites/default/files/sust ainable urban logistics planning 0.pdf



# SUSTAINABLE URBAN

Authors: Georgia Ayfantopoulou (CERTH/HIT) Elpida Xenou (CERTH/HIT)

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Awarded with ALICE Gold award

**ALICE Logistics Innovation Award** 



### The SULP key message:

Sustainable Urban Logistics Planning aims at dealing with the complexity of urban transport. Its core goal is to improve accessibility and quality of life by achieving a shift towards sustainable transport and logistics.

### What should the cities do?

- Evaluate effectively the current situation of the city logistics
- Identify the main characteristics and factors influencing the environment of the city logistics
- Analyse the problems and opportunities
- Cooperate with the actors in order to collect data that is mostly private, then analyse it
- Involve external actors in the policy-making process
- Specify concrete and measurable future objectives focusing on selected areas (indicators) and set priorities
- Develop future scenarios and assess their impact
- Take into consideration best practices and soft measures benchmarking to promote sustainable urban logistics



### Thessaloniki (On- going)



#### SULP is developed at regional & at local level

- First SUMP implemented by the Municipality of Thessaloniki in 2019
- Decarbonization Strategy for the urban freight sector developed in 2017

#### By 2025:

- Development of SULP & demand assessment for new conditions after the end of the pandemic.
- Establishment of nigh- distribution- hours for goods in offcenter areas for supermarkets and department stores.

#### By 2030:

- Implementation of 50% of the measures proposed in SULP in the time horizon 2025
- Installation of telematics in approximately 125-150 loading
- and unloading locations in the historic center of the municipality.
- Provision of space and support for the creation of small consolidation centers and implementation of distributions by alternative means.
- Incentives for electric business fleets e.g. free parking and access to restricted areas.

The city is quite active in research innovation. Innovations tested today related to city logistics:

- Micro-consolidation centers / Lockers for last mile deliveries
- Testing new electric modular fleet for last mile deliveries in the HORECA sector
- Creating multipurpose districts for collaborative warehousing and cargo consolidation

Strong support by neutral bodies – HIT/CERTH

# 1. How to build a SULP: a practical methodology



Including the UFT

stakeholders

in the

SULP

implementation.

**Consult Guidelines** 

&

**Best Practices** 

Agree actions and responsibilities

# Set up working structures (I)

- ✓ Create inter-departmental core team, consider getting external support & Ensure Political and institutional ownership & plan stakeholder and citizen involvement
- Formation of a small team on City Logistics inside the municipality with relevant expertise in the given domain and familiarity with UFT policy and regulation frameworks
- Identify your city's relevant Urban Freight Transport actors

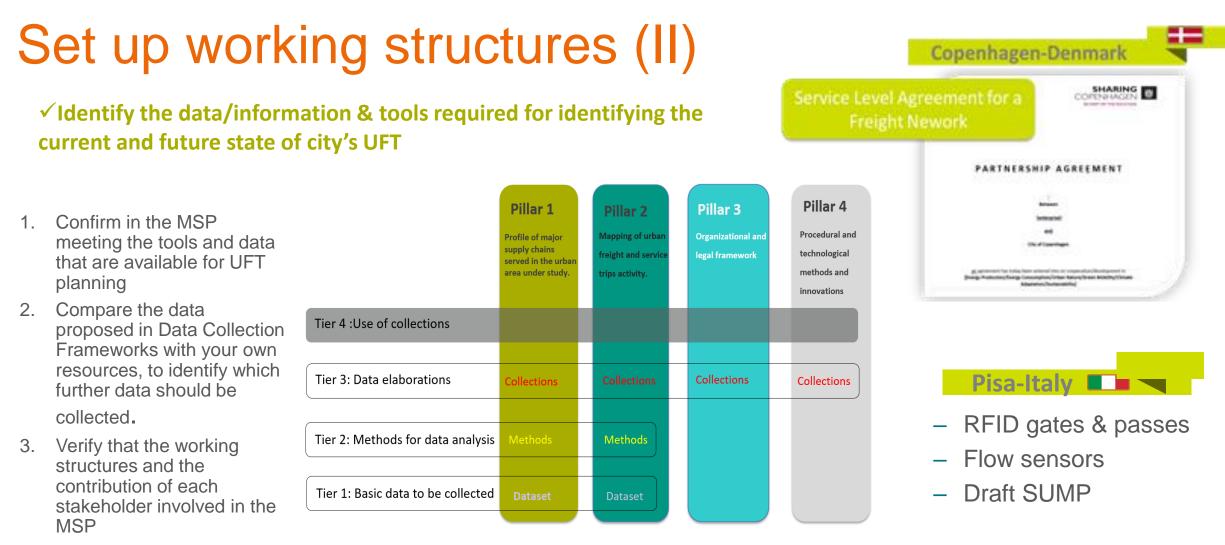
Establish a Multi Stakeholder Platform (MSP) Who should be involved?

	Stakeholder's Category	Proportion	Municipality of Turin, M Transport, Piedmont Re
<b>Recommendation:</b> Mixture of a Multi- stakeholder platform			<ul> <li>Technology partners (5)</li> </ul>
	Retail chains, shop owners e.te.j	25%	<ul> <li>Freight Villages (Sito In</li> </ul>
	<b>Public Authorities</b> (Local % National government e.tc.)	25%	
	<b>Other Stakeholders</b> (Industry % Commerce Associations, Research % Academia, Consumer	38%	<b>Recommendation:</b> Engage a neutral partner as
	Associations e.tc.)		facilitator and for arguments
	Experts	12%	provisioning

### Turin-Italy

- Express couriers (TNT, SDA, BARTOLINI, DHL, UPS. GLS)
- Industrial Stakeholders(ANFIA, API, Confindustria, Federauto, Uni one Industriali, UNRAE)
- Association and logistics operators (AICAI, Apsaci, FEDIT, Federdistribuzione, Confartigianato Trasporti, FITA C.N.A., FAI
- Retailers associations (ASCOM Confcommercio, C.N.A., Confartigianato, Confcooperative, Confesercenti)
- Public Authority (Local Chamber of Commerce, Municipality of Turin, Ministry of Infrastructure and Transport, Piedmont Region)
- Technology partners (5T, Viasat, Torino Wireless)
- Freight Villages (Sito Interporto)





You may develop Service Level Agreements with different Urban Freight networks/ecosystems:

- With all UFT stakeholders focusing to an Area of intervention for achieving sustainable city logistics (i.e. in city center)
- With some UFT stakeholders representing/serving specific sector for dedicated measures (i.e. super markets, construction logistics etc)
- With all UFT stakeholders for horizontal policies , incentives (i.e. e-vehicles)

How to start working on a strategy?



# Analyse the current UFT situation (I)

**New Trends** 

Urban Logistics: an Observatory

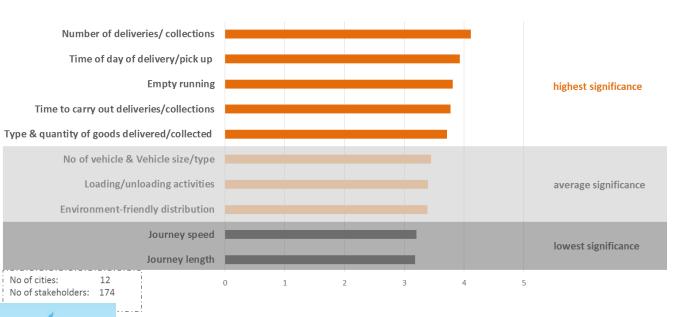
### ✓ Identify information sources and cooperate with data owners

The majority of the data are private and dedicated surveys are not executed regularly. Additionally, cities are wondering which data and with which method they should be collected and analysed for supporting the planning process for sustainable city logistics.

#### **Recommendations:**

- 1. Use the minimum set of data as proposed here for
- 2. Engage the transport and logistics industry actors in a regular data provision through MOU process
- 3. Conduct expert's workshops
- 4. Use online databases such as: CityLab

Observatory



Minimum set of data for understanding a city's UFT

### Don't ask for all data ... but the minimum set of data for planning & impact assessment

## Best Practice in data gathering and use for urban mobility & logistics



for testing new technological & innovative solutions for mobility & city logistics <a href="https://www.smartmlab.imet.gr/index.php">https://www.smartmlab.imet.gr/index.php</a>



**Transport Observatory** Search and retrieve transportation related content.







Network modeling and simulation Provides tools to model and simulate transportation networks.

**Application Development & Testing Platform** Enables users to develop and test their own applications using H.I.T. Portal.



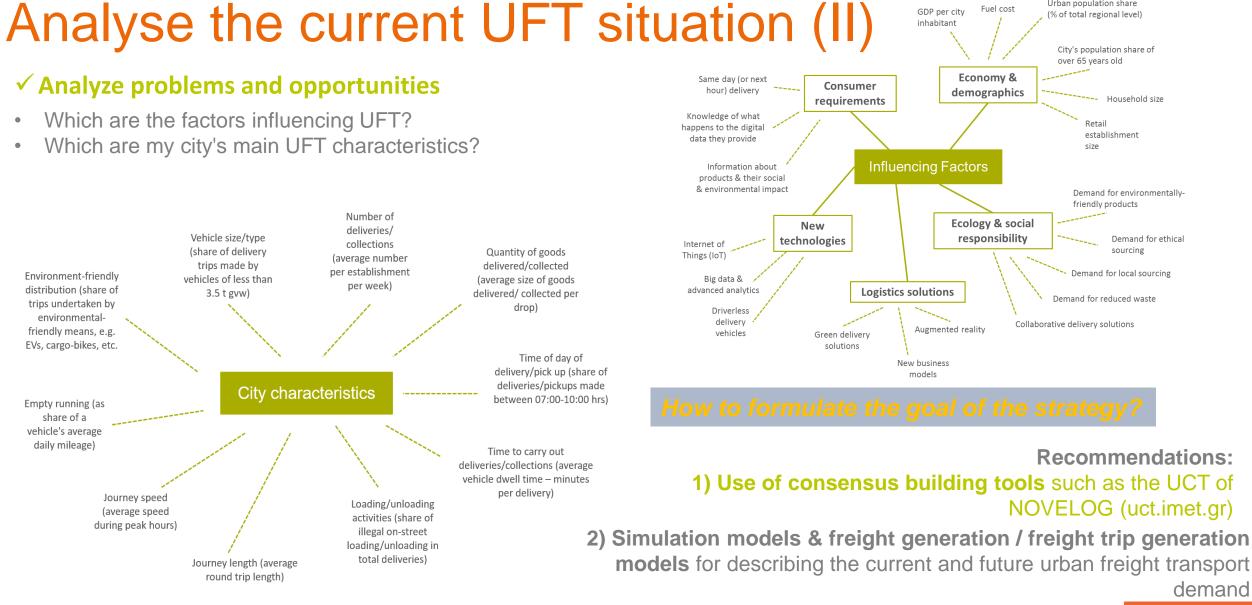


**Freight routing and logistics** fleet management algorithms



RESEARCH & TECHNOLOGY

HELLAS





Urban population share

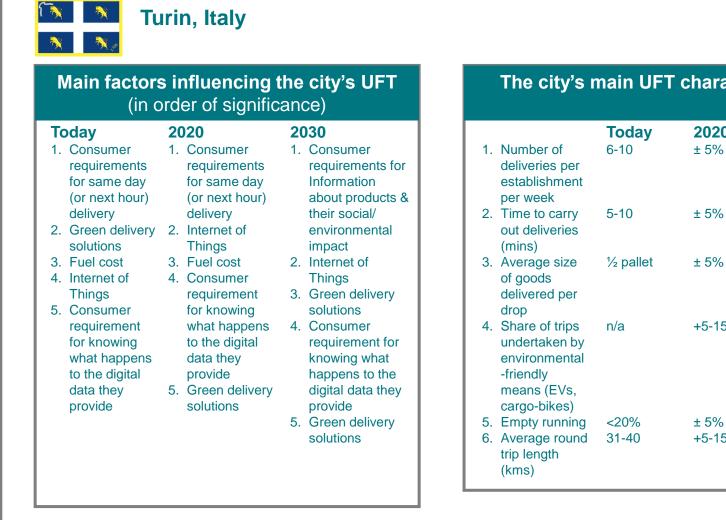
(% of total regional level)

Fuel cost

GDP per city

# Define goals & vision meaningful for industry

How to formulate the goal of the strategy?



The city's main UFT characteristics

		Today	2020	2030
1.	Number of deliveries per establishment per week	6-10	± 5%	± 5%
2.	Time to carry out deliveries (mins)	5-10	± 5%	± 5%
3.	Average size of goods delivered per drop	½ pallet	± 5%	± 5%
4.	Share of trips undertaken by environmental -friendly means (EVs, cargo-bikes)	n/a	+5-15%	>15%
	Empty running Average round trip length (kms)	<20% 31-40	± 5% +5-15%	± 5%

Define ALL TOGETHER the vision of your city's city logistics system.



# Agree actions & responsibilities in collaborative business models for city logistics

Describe all actions to the MSPs participants

### Estimate costs and identify funding sources

- Adapt the city logistics **Business** Model Canvas for mapping the value
   of cooperation for the different
   stakeholders
- 2. Revise the cooperative business model for increasing robustness and resilience of cooperation
- 3. Evaluate the Business models

Consolidation scheme	Customer (offering)	Value proposition	Reduced value proposition	Revenue stream	Cost structure
Urban consolidation centre (UCC)	LSP (UCC services)	Green branding Responsiveness to delivery (due to proximity) Value-added services	Additional fixed costs Additional handling	Subscription model	Existing UCC to be renovated Operational costs
	LSP (EV rental solutions)	Green branding EV rental (and recharging)	Additional transport costs	Subscription model	Purchase of vehicles and charging system
Micro- consolidation centre (MCC)	LSP (Light goods delivery)	For receivers – higher availability and therefore convenience Reduced transport cost Access to restricted area Pick-up point for parcels	Additional handling	Long-term contract with LSP No extra cost to receiver Charged for parcel pick-up	Investment and operational costs for MCC Real estate (provided by municipality) Investment and operational cost for
	(Other) LMO (Bicycle servicing)	Bicycle repair, recharge,	None (additional service)	Per use	cargobike deliveries
	City council (Delivery/transport data)	Understand UFT flows for e-commerce	None		ICT fleet management system
Receiver-led consolidation (RLC)	Retailers in shopping (replenishment with consolidated transport)	Delivery flexibility Delivery reliability and punctuality "Basic" transport service cost reduced Value-added services	None	Base service – paid by shopping centre owners Extra services – paid by tenants	Use of existing UCC/warehouse -> no new investment cost Operational costs
Automated locker system (ALS)	LSP (Light goods delivery)	Reduced failed deliveries Reduced costs for transport Access to city Green branding	Extra costs for usage	Pay-per-use charged to LSP	Real estate (fully funded by municipality) Installation of lockers
	Receivers (Light goods delivery)	Reception flexibility Reception accessibility No extra cost	May not fit every receiver due to travelling	None	Operating costs (maintenance, surveillance, energy, ICT system)

Agree priorities, responsibilities & timeline

Ensure wide political and public support



PARTNERSHIP AGREEMENT

c Dy of Copenhagen has adopted a series of ambibious plans, among other things on CO<sub>2</sub> neotrality 1025; Climat Change Adaptation of the Ch<sub>2</sub> Green Mobility, Wate as a Becource and Green Uthan ure. They are put interest effect under the overall winding "Co-cortex Coperhagen", the point being C copenhagen has to be created pionty. Copenhagen's plans can only be accomplished in door peration with interprise, knowledge institutions and the project of Copenhagen. Constraint Support

- Responsibilities and budget for monitoring and evaluation agreed on
- All actions identified, defined, and described
- Relationships between actions identified
- Financial analysis and financial resources secured
- Timeline defined
- Political support ensured

# Best practices to consider: Indicative examples for industrial innovation

URBANIZED

Amsterdam (NL), Utrecht (NL), London

Electric

self-driving pods

Cargo Bikes

Amsterdam, NL: 60% faster

deliveries; -90% carbon

emissions

(UK)

Multi-purpose & Flexible Electric

Commercial Van

Sprout

Fede

London (UK), Hamburg (DE)

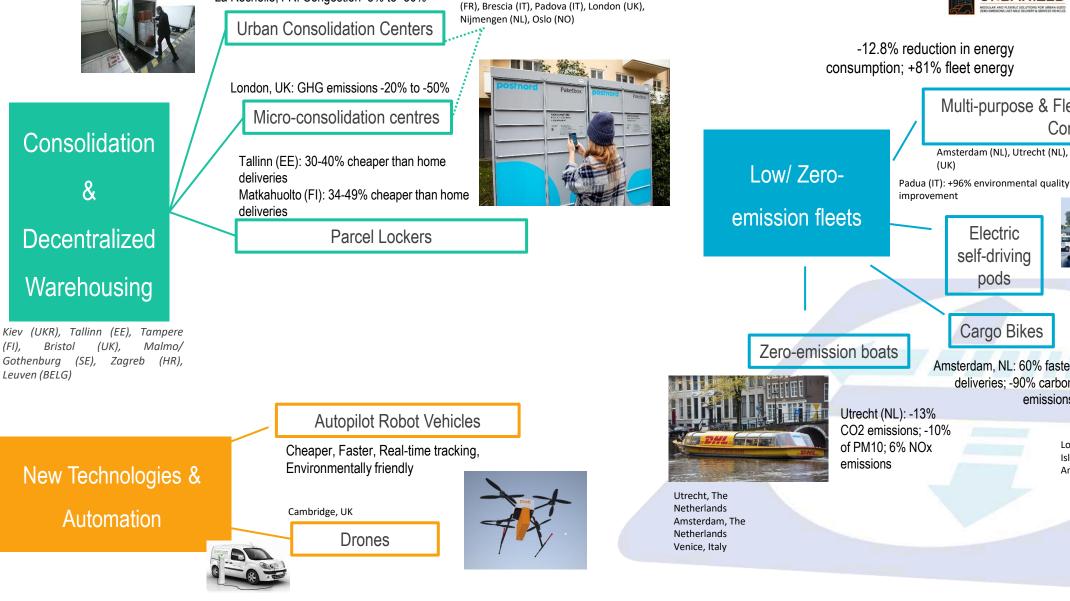
Amsterdam (NL)

Isle of Portland (UK), Frankfurt (DE),

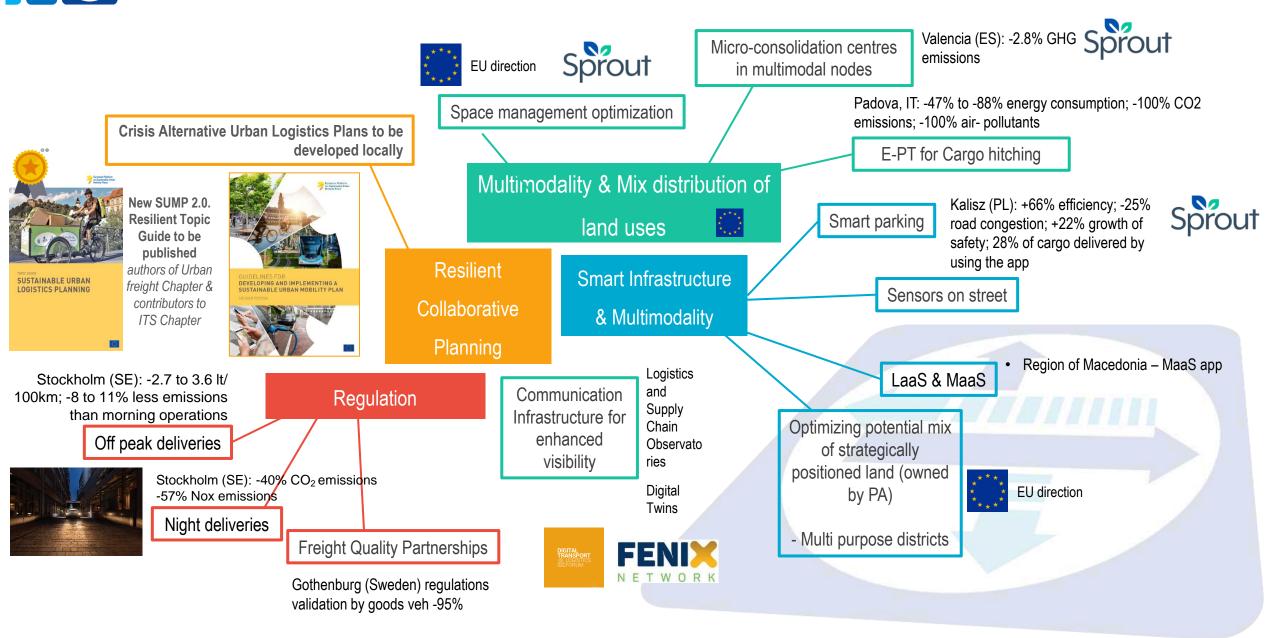
Brussels (BELG). Hassel (BELG). La Rochelle



La Rochelle, FR: Congestion -8% to -30%



# Best practices to consider by Public Administration



# Key messages for adoption of innovation

#### Additional policy responses needed for supporting the adoption level of the measure & harnessing innovation

#### *Problems / Obstacles occurred:*

- Lack of Inter-departmental coordination for facilitating the implementation and monitoring of the measure
- Major delays due to the Lack of Innovative Procurement processes
- Lack of data availability on urban freight transportation

E-course on data-driven policy making by SPROUT will be published by CIVITAS ELEVATE

### STAY TUNED!!!

#### *Need for INNOVATIVE POLICY RESPONSE:*

- **Organizational restructuring & capacity building** for managing non-standard procurement procedure to support innovation
- **Organizational restructuring**: re-examine decentralization in the public sector.
- Innovative public procurement
- Including common questions/strategies that cities could follow to structure their policy response supporting innovative solutions
- Engaging the stakeholders and cultivating collaboration



#### Other policies highlighted by the cities:

- Provision of incentives
- Urban space reallocation
- Public investments for urban traffic data collection



### Thank you 😳

- Georgia Ayfantopoulou
- Research Director/Deputy Director
- Hellenic Institute of Transport (HIT) of Centre for Research and Technology Hellas (CERTH)
- <u>gea@certh.gr</u>

