**IPTS – Workshop on Scenarios for Freight Transport**

**Seville – 14/ 15 May 2003**

# innesto:

a project for Sustainable District Logistics

The European Comission

Fifth Framework Programme 1998-2002

**Filippo Strati**

**SRS**

instruments and networks for developing logistics towards sustainable territorial objectives

innesto
a project for Sustainable District Logistics

www.districtlogistics.net

***From Seville (May 2003) to Arezzo – Tuscany (June 2004)***

Final INNESTO EU Conference to:

-Sustainable District Logistics (SDL) toolbox

-EU SDL Charter

-EU SDL Network



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innesto PROJECT

# INNESTO Team

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# INNESTO: policy relevance (national / EU level)

## The main problem

The current dichotomy between the EU orientation towards sustainable regional development and the present conventional approach to logistics in the European, national and local market.

Conventional logistics is dominated by large companies that threaten the autonomy of SMEs, local communities and authorities, while dismantling local networks of production and consumption with long-term consequences on the environment and social and economic potentials.

## A contribution to solve the problem

Creating an integrated approach (Sustainable District Logistics – SDL) with comprehensive methods and tools to support innovative actions that reduce costs (economic, social and environmental) and add value to local diversities and resources.

Involving local stakeholders in the logistics decision making

Exchanging and capitalising different experiences within an EU SDL Network, after the end of the INNESTO project.

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# *Sustainable District Logistics (SDL)*

is the integrated management of materials, energy and information flows in a cohesive territorial system

to improve the capacity of access (access-ability) to goods, services, people and places,

maintaining and renewing the available resources (human-made, human and natural).

This approach considers logistics from three overlapping dimensions:

- ✓an integrated vision of sustainability, based on *Sustainable Quality Management - SQM®* to improve territorial Governance
- ✓the integration of the theories on economic, natural and knowledge systems, which contributes to define what are the driving forces of a District;
- ✓the integration of strategic management, glocacity and accessibility, which re-examines the current definition of Logistics.



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# *Consilience (unity of knowledge)*

Consilience is the creation of a common groundwork of understanding and knowledge across disciplines (Whewell W., 1840; Wilson E. O., 1999):

*-multi-diversity integration to understand issues and problems in order to determine solutions that increase knowledge and innovation;*

*-multi-cultural integration to share a common language between different cultures on a European basis;*

*-multi-disciplinary integration to combine different knowledge, skills and experiences.*

Consilience is useful to understand logistics (and transport) as a connective system embedded in territorial systems, ensuring the interrelationships between resources throughout their life cycles, from sourcing, to transformation, to distribution and final utilisation, between material and immaterial resources with different temporal and spatial scopes.

***Answering to the basic question:***
***what quality for what logistics for what kind of development?***



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# Cognitive democracy (stakeholders)

Opens the decision making to all the stakeholders for a continuous acquisition, combination and dissemination of knowledge (Morin E.,1999).

| Stakeholder typology | Expectations |
|---|---|
| *Producers and suppliers* SMEs and larger companies (e.g. employees, managers, entrepreneurs) | Profit increase<br>Logistics costs saving<br>Logistics efficiency and simplification of procedures<br>Stable and enduring relationships<br>New markets, clients and relationships<br>Collaboration and support from the public sector<br>Remuneration, employment security<br>Health work conditions<br>Training and professional career |
| *Wholesalers and retailers* | |
| *Logistics operators* (e.g. shippers; forwarders, warehousing agents) | |
| *Transport operators* (e.g. road haulers, rail, shipping, air, companies and brokers) | |
| *Local governments, public authorities and administrations* | Planning criteria, procedures and efficacy in their fields of competence and responsibility<br>Reduction of environmental and social pressures<br>Public spending reduction<br>Well-trained and experienced employees<br>Citizens acknowledgment and legitimisation |
| *Consumers (citizens, families and communities)* | Equal opportunities of access to goods, services, places and people<br>Efficient logistics, transport and information services<br>Efficient and accountable institutions<br>Better quality of life, also through the reduction of environmental and health problems due to logistics and transport |
| *The Environment* | Reduction of natural resources consumption, pollution and so on<br>Respect of biodiversity and ecosystems life |
| *Future generations* | Opportunities in terms of resources availability to allow them a sound development |



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# Driving forces

*- multi-interest integration to negotiate win-win solutions between different interests (e.g. stakeholders of public, private and social sectors)*

*- multi-level integration to foster subsidiarity and improve governance among different decision making processes and dimensions (e.g. city, county, region)*

| *SDL issues* | *SQM - Sustainable Quality Management®* |
|---|---|
| What direction should be given to logistics systems? | **ORIENTATION** towards sustainable development: 10 components, defined through the selection of main principles and concepts |
| What societal capacity should be built into governing logistics in a sustainable way? | **SOCIAL POTENTIAL**: 16 key factors, identified through the selection of the main characteristics of human and social capital in different local contexts |
| What driving energies should be stimulated to produce the above changes? | **DYNAMICS**: 6 levers of transformation, selected through the comparison of the main development facilitating forces in different local contexts |

Aims are to improve the stakeholders capacity for evaluating and deciding logistics strategies (spatial planning, business plans, etc.) towards the integration of:

✓economic, environmental and socio-cultural dimensions ***(what should be done)***

✓equity between individuals, territories and generations (***why it should be done)***

✓diversity, subsidiarity, networking and participation ***(how it can be done)***



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# *Scenarios*

Scenarios allow the stakeholders:

- to build a common understanding of problems / issues
- to detemine a shared vision of development in a long term perspective
- to agree upon the basic paths to reach that vision

In the SDL approach, scenarios are constructed on the results of:

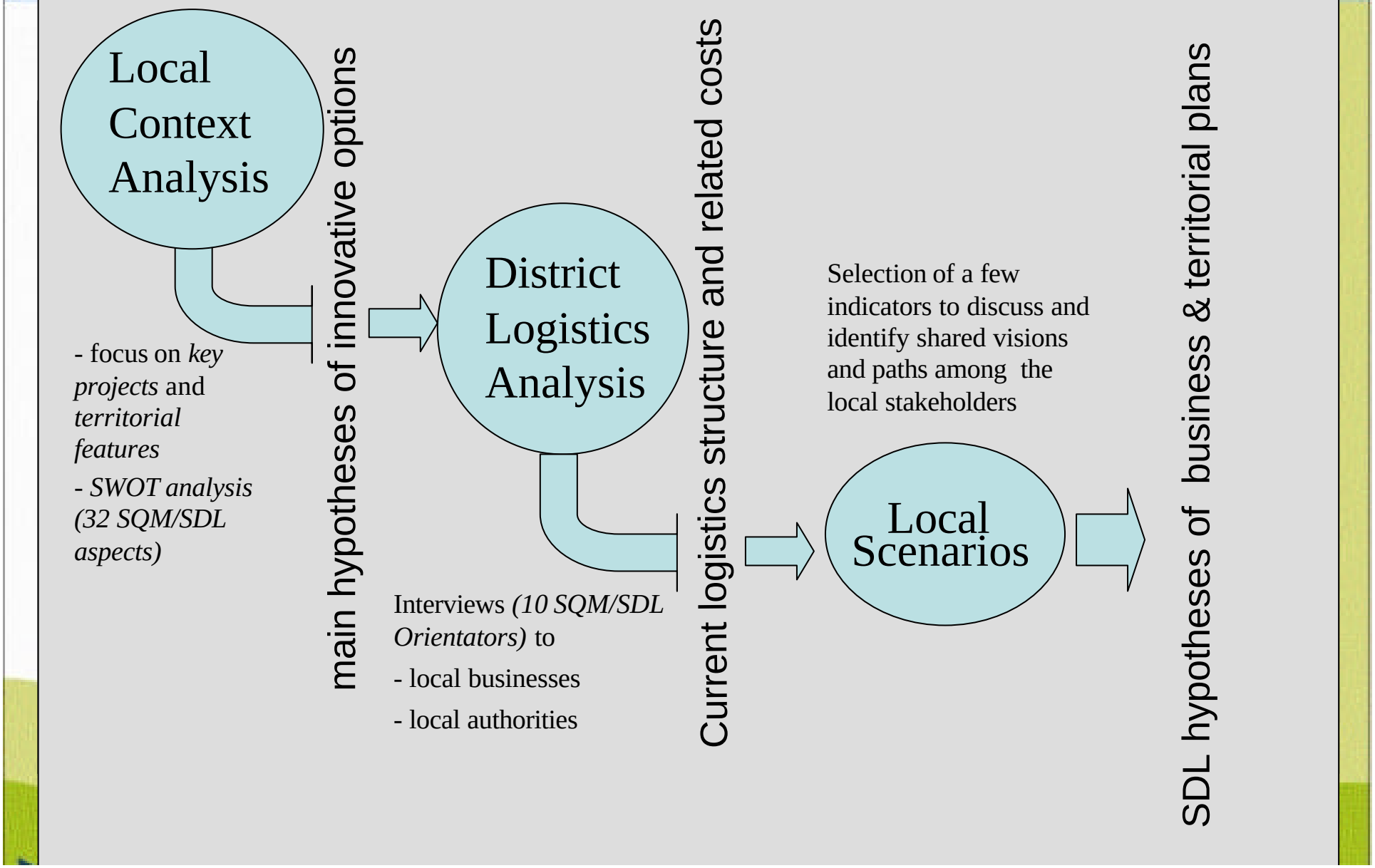
- Local Context Analysis
- District Logistics Analysis

Local Advisory and Project groups (LAG + LPG) involve main local stakeholders

An Evaluation and Decision Support (EDS) system guides assessment, strategy development and businesses and territorial planning

A Communication Platform (CP) facilitates exchange of knowledge and experiences

# The INNESTO 5 case studies: overview



# *INNESTO: where we are and where we are going*

| ***Continuity after INNESTO*** |
| --- |
| From July 2004 onwards |

•EU SDL Network
•SDL Charter

## *The stages of INNESTO*

•Arezzo EU Conference
•Final "SQM/SDL toolbox“
•Overall project evaluation

•Local Scenarios
•District logistics analysis

•Evaluation Decision Support system
•Communication Platform

•Local context analysis
•LAGs and LPGs creation
•SDL framework elaboration

| When we started | Where we are | Where we are going | When we will end |
| --- | --- | --- | --- |
| January 2002 | May 2003 (17th month) | December 2003 (next 7 months) | June 2004 (final 6 months) |