START

Peer-to-Peer Workshop

Riga 5th of June, 2006

Recommendations

Intelligent Energy Europe

This report looks into the first peer-to-peer workshop organised by the project START in Riga, on 5 June 2006. The document contains five sections:

1. Background;
2. The Riga peer-to-peer workshop;
3. Proceedings from the Riga peer-to-peer workshop;
4. Recommendations;
5. Conclusions

1. Background

START is a project co-financed by the programme of the European Commission "Intelligent Energy Europe", and brings together five European cities; Bristol, Göteborg, Ljubljana Ravenna and Riga. START recognises that an efficient distribution of goods is crucial for the vitality of the centres of European cities. Departing from the acknowledgement that the current system of goods distribution causes emissions and is not necessarily energy efficient, the five cities of START aim to complement **long-term planning actions** for the reduction of the *need of transport* with **short term initiatives** such as *access restrictions*, *consolidation centres* and *incentives*. The approach of the project is based on the close collaboration between city governments, transport companies and local businesses formalised in local *freight networks*, which will be established in every START city.

One of the important ambitions of the project is to promote and facilitate the knowledge transfer between partner cities, ensuring an information flow that will be beneficial particularly for the New Member States cities. A crucial tool for achieving this goal is the organisation of a series of peer-to-peer workshops (one in Riga, Latvia, and one in Ljubljana, Slovenia) that will provide Riga and Ljubljana with the opportunity to illustrate the local problems and accordingly raise a number of challenging questions. In turn, experts from the other START cities will respond with recommendations based on their own experiences.

2. The Riga Peer-to-Peer Workshop

The peer-to-peer workshop organised in Riga aimed to address some of the key freight-related issues identified by the local authorities. The capital of Latvia and the largest city of the Baltic States (total area 307 km^2, population 732.000), Riga is a historical urban centre sharing the same negative trends witnessed by many European cities: rapid growth of the urban fabric, increasing ownership of private cars, increasing congestion, and increasing adverse environmental impacts. Raising traffic volumes have been responsible for the heavy traffic in the city centre, particularly in correspondence of the three existing bridges on the Daugava River, which are severely congested during morning and night peak hours.

Due to this situation, Riga wished to find pathways to relieve the historical centre from the burdens caused by the local system of freight distribution, and namely by **undefined goods delivery zones** and **uncoordinated goods delivery services**. The latter inevitably leads to a fragmentation of deliveries that in turn generates congestion and poor economic performances. Notwithstanding recent regulations, enacting freight transport restrictions in the city centre (loading and unloading time windows), many

freight operators ignore the regulation (visible through street signs) and continue to deliver to shops in daytime.

Hence Riga entered this first peer-to-peer workshop with the intention of gaining knowledge for the development of:

A. Freight delivery restrictions in the historical centre

Special points of interest:

- special drop-off points for freight transport;
- access restrictions on the basis of time, vehicle type, tonnage and other criteria;
- specifications for freight vehicles;
- control mechanisms;
- impacts on traffic and the environment, including the use of alternative fuels/vehicles.

B. Freight logistic centres

Special points of interest:

- freight logistic centre models;
- development/operating costs;
- expected results, including impacts on traffic and the environment.

Accordingly, the programme of the peer-to-peer workshop was designed to respond to these needs.

Figure 1: The Riga Peer-to-Peer Workshop Programme

TIME	ACTION	SPEAKER
08,30 – 10,30	**Site visit: The historical centre in Riga**	
10,30 – 10,50	Break	
10:50 – 11:00	**"Riga: the freight delivery problem"**	**Riga**: *Olita Sproge*
11,00 – 13,00	**Workshop A – Freight delivery restrictions for the historical centre**	Moderator: *Mario Gualdi*
	• "Starting from scratch: what are the main priorities to keep in mind?"	**Ravenna**: *Ennio Milia*
	• "The available options: what are the most popular schemes and how do they work?"	**Göteborg**: *Hanna Johansson*
	• "Standards and specifications for freight vehicles: a tricky issue?"	**Göteborg**: *Hanna Johansson*
	• "The other side of the coin: the role of end users"	**Ravenna**: *William Bissoni*
13,00 – 14,00	Break	
14,00 – 16,00	**Workshop B – Freight logistics centres**	Moderator: *Ainis Builevics*
	• "Taking the initiative: Key factors for establishing a scheme"	**Bristol**: *Ian Foster*
	• "The available options: what are the most popular models and how do they work?"	**Bristol**: *Tim Hapgood*
	• "Pros and cons: lessons learnt from the Bristol experience?"	**Bristol**: *Pete Davis*
	• "Time and money: who benefits and who pays?"	**Bristol**: *Pete Davis*
16,00 – 16,30	Break	
16,30 – 17,00	**Summing up**	*Stefano Proietti*

The peer-to-peer workshop took place on 5 June 2006, introduced by a short site-visit to the historical centre to get a first hand impression of the freight problems affecting Riga. The event was then steered by the above sequence of headline questions, which were individually addressed by a presentation of the START cities and subsequently discussed by the full group of attending experts.

3. Proceedings from the Riga Peer-to-Peer Workshop

The following is a brief account of the main points addressed by the two sessions of the workshop.

A) Freight delivery restrictions for the historical centre

"Starting from scratch: what are the main priorities to keep in mind?"

Ravenna emphasised that the agreement of all the involved stakeholders is the main priority. To support the statement, the city presented the current situation in which a Limited Traffic Zone (LTZ) was established. The main characteristics of system are:

- Parking priced zones and different access windows;
- Several kinds of permits (with just administrative fees for freight vehicles below 3,5 tonnes);
- No distinction based on the environmental characteristics of vehicles;
- Agreement with all stakeholders involved;
- "Light" delivery system (car/van sharing plus cross-dock) rather than logistics platform, due to characteristics of the city.

The LTZ will shortly be enhanced through an access restriction program based on:

- Environmental characteristics of the vehicles to comply with the mandatory air quality standards;
- Simplified and rationalised permit system;
- Extended LTZ area;
- Reorganised and extended parking priced zones;
- Access control system enforced via an ANPR system.

"The available options: what are the most popular schemes and how do they work?"

The city of Göteborg outlined the main elements to be taken into account when planning for an effective freight scheme. In short, the opinion of Göteborg is that the initiative shall:

- be discussed and prepared with all stakeholders;
- combine incentives and restrictions;
- be introduced step-by-step;
- be designed in order to allow supervision;
- avoid loopholes;
- be preceded by a pilot project.

"Standards and specifications for freight vehicles: a tricky issue?"

The city of Göteborg reminded participants of the threefold legal level that must be taken into consideration:

- European directives (allowing for an equal treatment of vehicles all over Europe and not hindering market competition);
- National traffic legislation (providing rules for municipalities to regulate emissions, vehicles standards, equipments, etc.);
- Local traffic legislation (with cooperation between municipalities and support from the involved stakeholders).

Göteborg concluded by presenting the proposed enlargement for the local freight scheme, which will essentially pass from 1 zone to 3 zones, and will introduce time-based loading zones, electronic control with pen-remote system (already tested by drivers in previous trials), and new environmental criteria for vehicle access.

"The other side of the coin: the role of end users"

The city of Ravenna, through a local association of couriers, presented the view of an end user involved by the municipality in the development of freight scheme. The association particularly expanded on the continuous contacts and the exchanges of information and experiences fostered by the planning authorities. This was deemed an important factor in winning the participation of operators.

B) Freight logistics centres

"Taking the initiative: key factors for establishing a scheme"

The city of Bristol departed by addressing the rationale of logistics centres, which is prevailingly of commercial (increased asset value of retailing centre) or environmental nature (benefits from reduced movements and emissions).

The city then described the key factors to be taken into account when choosing to realise a freight logistics: scope (congestion, historical importance, management of conflicts, etc.), retailers' selection (according to several criteria, e.g., number, type and time of deliveries) and location (proximity, property considerations etc.).

"The available options: what are the most popular models and how do they work?"

The city of Bristol presented selected models of Freight Logistics Centre and their functioning. Particular attention was placed on crucial factors for development of Urban Consolidation Centres (UCCs). An overview of Freight Logistics Centres existing in different countries (e.g. Europe, Japan, and USA) was also provided, with specific details on experiences form Consolidation Centres in the UK and in Portugal.

"Pros and cons: lessons learnt from the Bristol experience?"

The city of Bristol presented their own experience providing pros and cons for the trial/development phase and for the operational phase. In particular, the first one ensures that:

- Clear and shared objectives are agreed on with the retail/business sector;
- Delivery patterns and retailer requirements/concerns are identified in order to target and select appropriate retailers;
- Stakeholder involvement is attained from project outset;
- Design complies with the governing environmental and transport plans;
- A free trial period is considered as an incentive for retailers to participate.

During the operation phase, certain considerations must be kept in mind:

- "Sticks" alone are not effective for participation of operators;
- In order to develop a partnership, it is important to provide recognition, visibility, awards, and to clearly show retailers benefits;
- The possibility to generate increased revenues can represents an added value;
- The importance of site location is undisputed;
- Difficulty to identify who are the shakers and movers inside the retail structures.

"Time and money: who benefits and who pays?"

To conclude, the city of Bristol shed some light on the different categories expected to be benefiting from freight logistics centres, and namely Public Authorities, Retailers, Landlords, and Developers.

4. Recommendations

The START experts animated a lively discussion that succeeded in tackling most of the key aspects normally associated to the desirable course of action of any policy:

- **P**lanning phase;
- **I**mplementation phase;
- **O**peration and monitoring phase.

Planning phase

As advised by any planning manual, the Riga peer-to-peer workshop unanimously converged in pointing out the importance of a well set-out and widely participated policy design phase. The following dimensions clearly emerged as crucial success factors in the planning process.

Precise identification of policy objectives

The determination of an action must stem from the acknowledgment of a problem and the identification of a solution. While selecting a certain freight policy, the decision-maker should always strive to reconcile the different interests at stake:

- those of energy and the environment;
- those of the economy;
- those of society;
- those of the transport network.

In particular, the experience of the START cities shows that a freight action can only succeed in tackling a transport, environmental or energy problems if it is able to strike a fair balance with the instances of economic/business interests, health requirements, and the needs of citizens.

Objectives must then be clear and thoroughly shared with the stakeholders, which in the case of freight delivery schemes are primarily the retail and shipping sectors.

The clear identification of objectives also entails a scheme design that allows for an efficient supervision of operations and evaluation of results.

Timely involvement of stakeholders

Although any public authority must ultimately take the responsibility for carrying out potentially unpopular actions, the early involvement of stakeholders is consensually deemed a winning factor. Freight delivery policies affect a well defined group of actors, whose acceptance and even positive contribution to policy development can be enhanced by a continuing consultation. The START cities have experienced encouraging results whenever constructive networking with retailers and couriers has been established to better design the new freight schemes and to agree on the governing rules.

Importantly, another factor of success was identified in the enlarged cooperation with other municipalities seeking to introduce similar freight schemes and ensure inter-operability.

All in all, the lesson points at an *early*, *active* and *regular* participation of stakeholders, which makes it possible to share needs and concerns of both society and the freight sector, and facilitates the agreement on concerted solutions.

Accurate assessment of scheme variables

New freight schemes have to be tailored around the city characteristics, while retaining a certain degree of flexibility. Such an apparently simple statement hides a number of implications that must be taken into account when planning a consolidation scheme or a freight logistic centre:

- *scope*: it is important to identify areas of conflicts between freight, car users and shoppers, to assess the proximity to residential areas and any physical access restrictions, and to have a consolidated scope to reduce costs and movements of vehicles;
- *retailers selection*: another key factor is the detailed appraisal of the existing retail system, including vehicles movements, typology of retailers, number of delivery per day/per week; type of vehicles, time of delivery;
- *location*: a final factor is represented by the geographical and economic characterisation of the system at hand, including origin and destination of deliveries, proximity to the target area (in case of a logistic centre), property issues.

The choice of the area for the new freight scheme is a function of the above, but is often determined with the help of legislation, which identifies sensible urban areas whose access needs to be regulated for environmental and health reasons. In both cases, it is important to strike a balance between public and private interests and to identify retailers' benefits from the very beginning.

Implementation phase

The transition between plans and operations is always tricky, and it deserves attention and continuous adjustments. It is rarely the case that what has been planned is rigorously implemented irrespective of the solicitations of the real world. Indeed, the START cities seem to advocate a pragmatic and flexible approach, whereby freight schemes should undergo a phase of trialling and fine-tuning prior to full operation.

Stick and carrot

Implementation must never be traumatic, rather a *step-by-step* process taking into account possible planning oversights and achieving progress gradually.

To this end, the importance of pilot trials must be stressed, for they allow the essential phase of system appraisal and tailoring, and to build acceptability. Furthermore, free trial periods represent a powerful incentive for retailers to participate.

The ever discussed issue of incentives and restrictions is particularly relevant in the case of freight schemes and a *stick and carrot* approach is strongly supported by the START cities. Sticks alone are proven to ineffective in alluring the participation of operators, while the parallel provision of incentives affords recognition and visibility, and succeeds in exposing the clear benefits for retailers. A typical application of this approach shows on the one hand the firm enforcement of *clear rules*, because lack of controls can undermine the credibility of the system, and the other hand the introduction of (e.g.) parking areas, differentiation of permits according to specific requirements, incentives for clean vehicles, etc..

Needless to say, the likelihood of a successful implementation process is exponentially increased in the presence of a strong and constant *financial support*. (public and/or private). The latter also allows for the investment in particularly effective solutions, such as the use of technological devices for access restriction (e.g. ANPR systems) and load factor control (e.g. optical readers).

Operation and monitoring phase

Any well thought and operated freight scheme shall be susceptible of accurate monitoring for further improvement and/or extension. Increasing the scale of already successful operating schemes requires the real-life operation of commercial models, because commercial viability *must* be proven.

A regular assessment of results, with the assistance of the involved parties, the enforcing authorities and the employed technological systems, makes it possible to discern benefits from pitfalls, apply adjustments, and communicate them to the public. In the experience of the START cities, the latter element is truly essential to build growing support for freight projects.

Showing results

Concerted planning, accurate scheme specifications, and progressive implementation can all come up short if these steps are not followed up by a timely communication of results to all involved. Asking for sacrifices in view of prospective gains is only credible if benefits become truly visible. Responsible authorities must be able to appraise the impacts and comprehensively inform the stakeholders, focussing both on collective and individual aspects.

Projects undertaken by the START cities demonstrate that benefits always occur, and win-to-win situations are not unusual if schemes are well conceived since the very early stages. Indeed all stakeholders can score positive results, which in a nutshell can be as follows:

- *Public authorities* can benefit in terms of transport (reduction in the number of trips), air quality, better relations with other users, road safety and maintenance;
- *Retailers* can benefit in terms of improved service quality, cost savings, more efficient supply chain, and service novelty;
- *Landlords* can benefit in terms of improved control of security and carrier movements, reduced risks associated with road accidents and H&S incidents, and increase attractiveness of the retail environment;
- *Developers* can benefit in terms of reduced service requirements, smaller stock rooms, and more attractive retailer environment.

Other critical points

One dimension that always hangs on top of any public initiative and that was heavily discussed in Riga by the START cities is that of *political* willingness and support. Sure enough, the incipit of a policy lies in the political recognition of a problem and the decision to tackle it with concrete actions. However this realisation is all the more complicated when the solution to a problem requires the involvement of influential sections of society, alas voters.

Retailers and freighters certainly exert a strong lobbying power that must be reckoned with when attempting projects like those supported by START. Whilst this was not necessarily a big obstacle in cities like Bristol, Göteborg or Ravenna, it appears to be a possible turning point in the New Member States due to the historical phase they are living. The recent overture to market economy and the explosion of private enterprise has inevitably altered the consolidated dynamics governing the relationships between the public and private sector. The result being a shift in political priorities, often to the detriment of interventions limiting the action range of the private sector (such as, in a way, the freight schemes promoted by START). Though expectedly a temporary factor, the workshop in Riga clearly detected a rising frustration created by this situation.

5. Conclusions

The peer-to-peer workshop held in Riga was an appreciated occasion for public servants and freight experts to share experiences and discuss issues in light of different cultural backgrounds. The main findings were, perhaps not surprisingly, rather consistent across countries, and they allowed for an effective, albeit still superficial, consolidation of key recommendations.

The primary beneficiary of the peer-to-peer workshop, that is the City of Riga, came out of the event with an expanded knowledge in terms of technical possibilities and process dynamics, but especially with the certitude that the future of freight delivery in Riga cannot leave aside:

- a carefully planned and fully enforced policy of **traffic limitation** to the city centre;
- a high level of **political commitment** for a smooth and continuing implementation of the policy, free of cumbersome interferences from corporative lobbies;
- a true **involvement** of the main receiving stakeholders throughout the planning process;
- and finally a **transparent communication** campaign to inform the wider public about goals, rules and benefits of the policy.

Riga was also reinforced in the conviction that sensitive decisions such as the adoption of restrictive policies shall always be preceded by an accurate sensitisation of all stakeholders (including politicians, operators and citizens). The genuine realisation of a problem is the **precondition** to a future agreement on potentially controversial solutions.

For what concerns the format of the peer-to-peer workshop, the discussion of crucial points hinged on headline questions and responding presentations, and was deemed stimulating and worth replicating. Suggestions for future improvement included the possibility to organise parallel group discussions (depending on the number of attendees), the opportunity to ensure translation in the local language throughout the workshop, and additional emphasis on the political dimension.

The next peer-to-peer workshop will be held in Ljubljana, Slovenia, in the Spring of 2007. Exact date, venue and programme will be published on the START website.

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