Stakeholders involvement and new governance models: Turin best practice, Italy

Edoardo Marcucci a, Valerio Gatta b, Massimo Marciani c, Paola Cossu d

* DISP, CREI, University of Roma Tre, Italy (edoardo.marcucci@uniroma3.it), corresponding author
* DISP, CREI, University of Roma Tre, Italy (valerio.gatta@uniroma3.it)
* MARCIANI Massimo, FIT Consulting, Rome, Italy (marciani@fitconsulting.it)
* COSSU Paola, FIT Consulting, Rome, Italy (cossu@fitconsulting.it)

Extended abstract

The European Union (EU) is characterised by relevant conurbations playing a central role for its economic development. In fact 85% of the GDP produced in the EU originates from its cities where approximately 359 million of people -- 72% of the total EU population -- live. The transport sector is accountable for circa 23% of total CO2 emitted and urban logistics produces around 6% of all transport GHG emissions. Cities are both origins and destinations for goods delivery. Transport and logistic-related activities account for 3% to 5% of urban land use. Furthermore the inhabitants of historic city centres, characterising most European cities, suffer from the nuisance originated from freight traffic giving rise to its perception as a local problem.

City logistics (CL), as defined by Taniguchi et al. (1999), is “the process for totally optimizing the logistics and transport activities by private companies in urban areas while considering the traffic environment, the traffic congestion and energy consumption within the framework of a market economy”. CL aims at reducing the congestion caused by freight-related movement, optimising vehicle utilization, and reducing polluting emissions without penalizing social and economic activities within cities (Crainic et al., 2011). Stathopoulos et al. (2012) emphasize that inefficient freight movements also contribute to noise, and increases in logistics costs that often trickle down to final market prices. While freight transport (Lorries > 3.5 tons) constitutes about 10% of total traffic within urban areas (Crainic and Sgalambro, 2009b), Awasthi and Proth (2006) postulate that this percentage is higher when considering delivery vans and cars too. A city with high freight traffic volumes, emissions and pollutants negatively influences socio-economic activities hinders the achievement of a sustainable development. CL operations constitute an extremely flexible type of activity adapting to the on-going deep changes in: urban economy structure, demography, shopping and distribution behaviours, consumers’ and business’ demand. Policymakers have generally considered freight transport matters pertinent to the private sector and have eschewed intervening. Nevertheless given that several market failures are present in CL operations a need for public intervention is evident (e.g. Holguin-Veras et al., 2104).

Considering the strong and frequent interactions among the relevant stakeholders one has to accurately account for and deal with the various participants’ point of view. Under this respect developing a proper stakeholder engagement governance model is fundamental.

This paper reports and describes the desirable effects obtained by the definition, acceptance and deployment of an innovative governance model introduced in Turin (Italy) where – starting from the successful experience of Freight Quality Partnership (FQP) - an original and well performing stakeholders’ engagement format was developed. Turin’s transport policy is driven by sustainability objectives, as proven by active involvement of the city in several projects aiming to develop efficient urban mobility for both residents and city users. City of Turin prioritized transport policy objectives that can be summarized as follows: 1 increase economic efficiency, 2. ensure road safety and protect the environment, 3. develop local infrastructures and adequately preserve a well-defined urban structure. The collaborative strategies are enablers to create and expand semi-intangible attributes and to optimize the use of intangible attributes of a city. This was achieved by fostering stakeholders’ collaboration along with the efforts made in understanding the dynamic nature of the specific city complexities such as the socio-cultural values of residents, the local administrative and governance policies, as well as shippers’ and freight carriers’ activities. City of Turin has developed a its model in compliance with EU Transport Committee document “A call to action on urban logistics”. In line with the above policy objectives a Recognition Scheme (RS) along with an extensive exploitation of already installed ITS and land use controls were introduced. The recognition scheme is based on full sustainability from environmental (adoption of low emission freight vehicles), economic (achievement of competitive market without public funding) and social (city center accessible for registered operators) side.

City of Turin has a long history of sustainable mobility measures implementation having adopted the SUMP in 2008. This understanding progressively helped the City to involve all stakeholders in implementation process. Stakeholders engagement starts with the invitation to join a dedicated Task Force in line with European standard SUMP approach and methodology. Then have been undertaken meetings regularly in order to share sustainability objectives and, in this way, achieving stakeholders’ appreciation as underlined by the signed agreement (Freight Quality Partnership). It was evident from the beginning that, in order to make the changes possible, a strong policy support was needed. City representatives constantly attended the Task Force meetings testifying a specific and strong interest in the development and implementation of a new governance model for an effective reorganisation of urban logistics. In parallel a specific pilot has been implemented in order to stimulate – on a real environment – the effects of the fostered new governance model.

Pilot results did demonstrate that applying the new governance model based on operational incentives rather than restrictions (pull measures rather than push measures) it was possible to achieve sound benefits for the community and an economic saving for each
single logistic operator joining to the Recognition Scheme. Calculated and not estimated savings are about 20,000€/year for each commercial vehicle. Such savings can allow, in five years’ time, turn of commercial vehicles fleet into LEVs and Ultra LEVs being in this way fully compliant with EC target of “zero emission urban logistics in year 2030”.

Having such evidences, either City of Turin and Piedmont Region are considering to extend the governance model developed to neighbouring Municipalities. This will provide a square stone to build an homogeneous regional bottom-up Logistics Masterplan.

References

- Crainic, T.G. and Sgalambro, A. Service Network Design Models for Two-tiers City. CIRREL-T-2009-60. CIRRELT(Centre interuniversitaire de recherché sur les réseaux d’entreprise, la logistique et le transport), Quebec, Canada, December 2009.

**Keywords:** governance model; collaborative logistics; operational incentives; stakeholders’ engagement.