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UNECE Working Party on Intermodal Transport and Logistics

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MODERN TRANSPORT CHAINS AND LOGISTICS

Concept note and draft work plan for the Working Party

Note by the Vice-Chair of the Working Party

I. MANDATE

1. The Working Party may wish to recall that its programme of work contains the following work element: “Analysis of modern transport chains and logistics that allow for an integration of production and distribution systems providing a rational basis for Governmental decisions on transport demand, modal choice as well as on efficient intermodal transport regulations and infrastructures and taking into account transport safety and security requirements.” (ECE/TRANS/WP.24/113, annex).

2. At its forty-seventh session (Geneva, 5-6 March 2007) and based on initial discussions already held earlier in ECMT, the Working Party had a first round of discussions on general logistical concepts and on the role Governments and national authorities responsible for transport and land-use planning could, and possibly should, play in order to set appropriate framework conditions for the development of efficient logistical services.

3. The Working Party noted that several UNECE member countries, such as France, Germany and Portugal had already embarked on plans to identify various logistics concepts, to analyze developments and future trends in logistics, in particular with regard to transport requirements and to define the role of Governments in this context. Also, the European Commission is preparing an action plan on logistics to be issued in November 2007 and will address various questions, such as transport and trans-shipment infrastructures and bottlenecks, modern information technologies, vehicles and intermodal loading units, capacity building strategies, as well as policy-making capabilities.
4. As the importance of efficient logistics and transport systems for the competitiveness of European economies is increasingly recognized, the Working Party felt that there might also be a role for inter-governmental organizations to assist in the exchange of best practices and possibly in the coordination of well-focused activities.
5. In line with its programme of work, the Working Party decided to task a virtual expert group, under the guidance of its Vice-Chairman, with the preparation of terms of reference and concrete issues for action that could serve as the basis for its future work in this field (ECE/TRANS/WP.24/115, paragraphs 39-42).

II. ROLE OF UNECE IN CONSIDERATIONS ON LOGISTICS

6. In today's increasingly globalized economy, efficient, reliable and secure transport and logistics systems are key elements for economic and social development. In view of rapidly increasing international transport and trade in the pan-European region, well-functioning logistics systems and efficient border crossing procedures are essential to guarantee that the available transport infrastructure can be used effectively and without congestion.
7. While the provision and management of logistical systems are the prime role of the industry, public authorities have the responsibility to provide the necessary regulatory framework conditions as well as, if required, the necessary public infrastructures that are the cornerstones for its efficient functioning. Most Governments in the UNECE region have only very recently started to monitor and analyze these logistical developments that increasingly influence the transport sector and the national economy. As a consequence many Governments are still in the process of defining their roles in and contributions to these processes.
8. The UNECE as a pan-European inter-governmental organization may provide a useful forum and mechanism to exchange views on experiences, studies and best practices in this field. In addition to discussions and possible capacity building among Governmental officials, work could be undertaken at the inter-governmental level to prepare, if appropriate, recommended actions and best practices taking account of the different economic and political environments of UNECE member countries.¹

¹ A similar approach has been taken by the Working Party in 2004 with the preparation of "Model" Action Plans and Partnership Agreements for Intermodal Transport (TRANS/WP.24/2005/7).

9. With a view to allowing delegations in the Working Party to consider possible activities of the UNECE in this field, the Vice-Chairman of the Working Party has prepared the following note.

III. CONCEPT NOTE AND ELEMENTS FOR A WORK PLAN IN LOGISTICS

10. The present note constitutes a first reflection to provide a better overview of a field that deals both with the flow and with the management of goods (beyond intermodal transport) and, also, to propose elements for a future work plan for the Working Party in the field of logistics.

(a) Glossary and basic nomenclature

11. In the absence of a standard definition on “logistics”, practical experience suggests that transport is only one of the elements of logistics. It would appear that logistics includes transport, storage, and even sometimes processing of goods. This first section aims at establishing the list of all the elements to be taken into consideration in one way or another.

(i) Concept and draft definitions

Chain	A set of successive and/or integrated services and tasks relating to (1) supply/storage for production and/or distribution; (2) transport (multimodal, intermodal, modal, etc.).
Logistics	Physical operations for the storage and transport as well as the means (tools, methods, processes, management of flows, etc.) allowing to match the delivery and demand of a good at the lowest cost possible (at a specific place and date) in an ad hoc quantity and format, etc.
Operations may relate to transport, purchase, storage, etc.	

(ii) Types of activities

- logistical centres - distribution centres - freight villages
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(iii) Inventory of services and tasks

(1) Transport	Types of goods	General, controlled temperature, dangerous goods, foodstuffs, chemicals, etc.	
	Types of loading units	Package, grouping, intermodal transport units (ITUs) (full or partial loads), pallets.	
	Vehicle fleet	Vehicles, vessels, etc.	
(2) Storage	Type	Public, private/specific, rolling stock.	
	Specific facilities for goods	General, controlled temperature, dangerous goods, perishable cargo, textiles.	
	Handling according to the content	Intermodal transport units (ITUs), pallets, packages.	
	Management	Parcels, back-up stock, distribution.	
(3) Equipment /Tools	Scanning, radio frequency identification (RFID), tracking/tracing applicable to:	Containers Goods	For transport (ITUs, etc.) - loading - packaging
(4) Services	Value-added	Labeling, conditioning, re-conditioning, quality control, guarantee, safety/security, repair, (basic, specialized), assembly (simple, complex).	
	Administrative tasks	Customs (declaration, clearance), delivery (registration, preparation, coordination, follow-up), call centre.	
	Finance and accounting	Billing, credit, tax system.	
	Management	Forecast/planning, follow-up and inventory, (re)organization, optimization/return flow.	
	Supply	Normal transport, "strategic" goods.	
(5) Operators (professions)	Transport operator		
	Operator of logistics services	<p>First Party Logistics Provider (1PL): Sub-contracting of transport.</p> <p>Second Party Logistics Provider (2PL): Externalization of transport and storage.</p> <p>Third Party Logistics Provider (3PL): Implementation of logistical operations and establishment of necessary tools, competences and systems.</p> <p>Fourth Party Logistics Provider (4PL): Externalization, optimization of a chain including the customer, the customer's customers and the supplier.</p> <p>Fifth Party Logistics Provider (5PL): Design, organization and implementation of logistical solutions on behalf of a client (especially as regards information systems) using appropriate technologies.</p>	
	Operator of infrastructure	<p>Designer</p> <p>Developer</p> <p>Investor</p> <p>Manager</p>	

There are four (4) levels of action depending on the situation: coordination, implementation, sub-contracting, externalization.

(b) Plan of action and the role of governmental authorities

11. The plan would consist of six (6) themes, that are considered separately in order to identify best practices.

(i) Master plans

For example in: France, Germany, Portugal and Turkey.

The constantly changing character and the short life span of logistical organizations need to be taken into consideration as well as possible cross-border impacts.

(ii) Activities and related regulations

Transport /interface, cargoes (active or passive storage), security and safety.

(iii) Choice of location

Infrastructure and modal networks (multimodality), type of transport/logistical activities, planning of land-use for commercial activities.

(iv) Socio-professional impact

Employment (creation, delocalization, etc.), training and acceptance of new jobs /professions.

(v) Investments and taxes

Basic real estate, information tools.

(vi) Research:

Concepts, technology, etc.

12. The proposed set of themes has been chosen keeping in mind the competences of public or governmental authorities. Besides ECMT and the European Commission, the actors that might be included in the implementation of these activities could be professional organizations, such as CLECAT-EUROPLATFORMS and UIRR.

13. Furthermore, this work could benefit a number of other fields, such as, terminal parameters, statistics, responsibility and liability allocation and quality contracts.
