

Multi-Donor Trust Fund for Sustainable Logistics

In partnership with: **The Ministry of Foreign Affairs of the Netherlands**

OVERVIEW

Logistics – the services, knowledge, and infrastructure that allow for the free movement of goods and people – is now recognized as a key driver of competitiveness and economic development. Efficient logistics systems are a precondition for regions, countries, cities, and businesses to participate in the global economy, boost growth, and improve livelihoods. To improve sustainable logistics practices in the developing world, private sector technologies and innovations, as well as governmental policies and academic knowledge, need to be brought together. The World Bank established the first Multi-Donor Trust Fund for Sustainable Logistics (MDTF-SL) in 2013 with the support of the government of the Netherlands.



Goals

Sustainable logistics policy making has turned its attention on sustainable growth paths, valuing scarce resources, minimizing environmental impacts, and allowing economies to prosper across generations. In this new integrated vision of development, sustainable logistics is a key nexus.

The MDTF-SL funds activities on strategic themes in sustainable logistics that benefit low income and developing countries.

Studies, methodologies, and tools generated by this initiative will guide developing country governments, rural producers, private agents, and donors to put in motion processes for strengthening logistics in three thematic

areas or pillars: supply chains, agro-logistics, and urban distribution and port-city development. Knowledge will be consolidated into a virtual knowledge portal and supported by a network of practitioners, academics and business professionals at the forefront of the sustainable logistics field.

Through these activities, the MDTF-SL will break ground by exploring innovative ideas that deliver practical solutions, methodologies and approaches in Sustainable Logistics.

Main themes

A series of short papers informed these discussions based on the following outlines of each focus area, or pillar:

Pillar I: Green Supply Chains

The goal of this pillar is to support activities in low-income and developing countries that contribute to the development of transport corridors and logistics services, while minimizing the carbon footprint and greenhouse gases associated with the delivery of goods.

By allowing for trade patterns and product value chains to be built sustainably, the "greening" of supply chains can improve the competitive positioning of developing country exports, particularly in industries and production value-chains monitored for their carbon footprints.

Pillar II: Agro-Logistics

Activities financed will assist developing countries to strengthen food security programs and improve the competitiveness of agricultural exports by sustainably reducing logistics costs, and expanding market access for rural producers.

Studies, methodologies and tools developed under the agro-logistics pillar will assist governments, agricultural producers, distributors and other private agents to increase the efficiency of supply chains, improve the traceability and profitability of "green goods" and reduce food waste and other logistics costs.

Pillar III: Urban Logistics

The goal of this pillar is to finance activities that will assist developing countries in two areas: addressing urban congestion resulting from retail distribution of goods and improving the sustainable design and operation of port cities.

Activities under this pillar will concentrate on reducing congestion and pollution by focusing on the efficient distribution of goods in urban environments. Additional emphasis will be placed on the urban planning tools and investments required for port cities to address sustainability issues endemic to densely populated economies serving as either a local or regional transport hubs.

Financed Activities

During its first year of implementation the MDTF-SL maintained a primary focus on proposals for African countries and Agro-Logistics. 14 proposals were received. However, the demand for analytical projects to address sustainable logistics, especially in MICs, was greater than

expected. 3 proposals were approved for the first year of MDTF-SL implementation. 3 of these proposals are for African countries (Morocco, Senegal and Kenya), and 1 for Indonesia on Agro-Logistics as described below:

- Morocco Urban Logistics: The objective of this project is threefold: First, strengthening the knowledge capacity of the Moroccan Agency for the Development of Logistics and identify priority areas in Urban Logistics (TA); second, developing a roadmap for urban logistics in Morocco with focus on the Casablanca area and; third, developing a toolkit for Urban Logistics, geared to developing regions.
- Enhancement of agricultural perishable goods logistics in Senegal: The general objective of this study is to increase the efficiency of strategic supply chains of perishable agricultural goods and to identify Private-Public Partnership in order to improve their commercialization in Senegal and abroad.
- Port and city development: Positive and negative externalities in the case of Mombasa: The purpose of this study is to analyze and measure the impact of port activities on the development of the city. Mombasa County is interested in assessing and contrasting the main positive and negative externalities generated by the port on the development of the city. This knowledge is vital to formulate mitigation measures and design an effective urban development plan.

In 2015, the MDTF-SL opened an ambitious and very competitive call for proposals with the goal of bringing the best knowledge and expertise to help Low and Middle Income Countries in the field of sustainable logistics. This was the first time that the World Bank directly extended an application process to research institutions worldwide.

10 proposals from World Bank applicants were selected to be funded during the next year. Half of these initiatives will directly benefit Low-Income Countries (LICs) and half of them will be focused on African nations. Additionally, 8 proposals from renowned research institutions were endorsed to proceed to the next review stage.

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