

CARS 21: a competitive automotive regulatory framework

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In line with the [CARS 21 Communication](#), this Commission staff working document reports on the major developments and activities in the automotive sector that arose during 2014 at the World Forum for Harmonisation of Vehicle Regulations (“WP.29”) of the United Nations Economic Commission for Europe (“UNECE”).

This is the eighth annual report on these activities aiming at informing the European Parliament, the Council and stakeholders about the progress achieved by WP.29 and of the compliance observed by the European Commission with regards to the political orientations set out in the relevant European Union legislation.

To recall, UNECE was established in 1947 with a view to setting out norms, standards and conventions to facilitate international cooperation for various sectors both within and outside the European region.

WP.29 is historically a Working Party of the Inland Transport Committee of the UNECE established in 1950 to facilitate the free movement of vehicles.

The European Union is a Contracting Party to the 1958 and 1998 Agreements. These agreements establish harmonised requirements at global level to ensure high levels of safety, environmental protection and energy efficiency.

This Commission staff working document will focus specifically on the **progress achieved in 2014** and provides an indication for the forthcoming developments in 2015.

Reform of the 1958 Agreement: the long-awaited revision (Revision 3) of the 1958 Agreement is imminent. The UNECE WP.29 is expecting a clear signal from the EU as to whether the **proposal to increase the majority voting rule to four-fifths majority threshold can be accepted**. It is anticipated that **if the majority voting threshold is raised to a higher ratio, the chances to attract as new Contracting Parties such important EU partners as Brazil, India, China and the ASEAN countries would become more realistic**. The acceptance of internationally harmonised vehicle regulations established under the 1958 Agreement by the EU’s trading partners is the best way to remove non-tariff barriers to trade and thus, the attractiveness of the 1958 Agreement needs to be enhanced. With a view to provide supportive evidence of the benefits the accession of emerging countries to the revised 1958 Agreement will generate for the EU automotive industry, the European Commission has awarded a study contract the results of which will be available in June 2015.

Development of the International Whole Vehicle Type Approval system (IWVTA): the implementation of the IWVTA system at UNECE level will create a strong competitive advantage for the European car industry, which is already approving its products in conformity with those international standards. In 2014, discussions allowed for the clear identification of the UN Regulations to be covered by the IWVTA Regulation. The need for a flexibility scheme enabling some Contracting Parties to apply limited recognition of IWVTA for domestic purposes has also been acknowledged and specific procedures are developed to accommodate this need.

EU involvement in the regulatory development process under 1958 and 1998 Agreements: as from 1 November 2014, a large number of UN Regulations have been implemented into binding Union law by

means of adopting [Regulation \(EC\) No 661/2009](#) on the General Safety of motor vehicles (General Safety Regulation), which repealed more than 50 EU Directives and replaced the majority of the previous regulation at Union level with provisions implementing the respective UN Regulations.

The activities of the WP.29 and the UNECE working groups responsible for the motor vehicle regulations are becoming more and more important. These intergovernmental bodies are used by the European Union as the main instrument for the development of revisions and amendments to those regulations with respect to updates according to technological progress. Therefore, it is of outmost importance that the **UN Regulations continue to provide a coherent framework for technical discussions that will be compatible to the EU type-approval policy framework.**

The European Commission endeavours to **ensure coherence between the regulatory activities at UNECE and EU levels.** The activities related to the 1958 and 1998 Agreements in 2014 and the results obtained demonstrate that this coherence is being successfully achieved.

Forthcoming developments: the key focus of the WP. 29 activities in 2015 will be on the **successful finalisation of the reform of the 1958 Agreement** through the swift adoption of its Revision 3, which is promising to bring substantial benefits in terms of trade facilitation and enhancing of the competitive position of the European automotive industry on a global market whose centre of gravity is steadily shifting to emerging countries.

Domestic procedures aiming at becoming Contracting Parties to the 1958 Agreement already in 2015 are launched by Brazil, the Philippines, and Ecuador. In addition, on 3 March 2015 Belarus became a Contracting Party to the 1998 Agreement.

The possible adoption of the new UN Regulation on International Whole Vehicle Type Approval (IWVTA), as part of the reform of the 1958 Agreement, will also be at the focus of the attention and could allow at least partial application of the scheme by the Contracting Parties in 2016. Having in mind that the IWVTA will only be established between the Contracting Parties to the 1958 Agreement, thus excluding such important partners of the Union as the US, China and India, the need of fostering the accession of more countries to the 1958 Agreement becomes even more tangible.

WP.29 will also continue to provide an adequate and effective framework for developing international requirements on **new technologies**. There are great expectations that it can deliver on such highly complicated topics as **battery performance and durability and recyclability of electric vehicles**. On the basis of a research conducted and reported by the end of 2016, it will be decided whether new UN Global Technical Regulations (GTRs) need to be drafted and presented for adoption in these areas.

Lastly, strengthening the implementation of internationally agreed standards under the UNECE framework and complementing them through bilateral regulatory cooperation with key EU partners have also been at the centre of the European Commission's efforts. In this regard, the negotiations with the United States in the framework of the [Transatlantic Trade and Investment Partnership](#), are of paramount importance.