Overview

Enhancing the International harmonisation of technical requirements for motor vehicles is a high priority for an increasingly globalising automotive industry.

The European Commission and Japan have been at the forefront of enhancing international harmonisation of motor vehicle regulations by actively supporting the work of the World Forum for Harmonisation of Vehicle Regulations (WP.29) of the United Nations Economic Commission for Europe (UNECE). In 2010 the WP.29 agreed on the need to review the UNECE’s “1958 Agreement” for uniform technical requirements for automotive products and mutual recognition of approvals issued pursuant to these requirements. The aim of this review is to: (1) enhance the reliability and robustness of UNECE’s regulatory framework to cope with new challenges stemming from changes in the globalising automotive sector; (2) encourage the participation of emerging countries in the 1958 Agreement; and (3) develop an International Whole Vehicle Type-Approval (IWVTA) which allows for the mutual recognition of type-approvals for the entire vehicle. An informal working group established to undertake the leading role in this activity is co-vice-chaired by the European Commission and Japan.

In this seminar, Mr. Philippe Jean, Head of Automotive Industry Unit of DG Enterprise & Industry, and Mr. Takao Onoda, Director for Engineering Policy Division of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), outlined the latest discussions and processes at the WP.29/UNECE for the review of the 1958 Agreement and the establishment of the IWVTA. The seminar was attended by 110 participants, including Japanese and European automotive manufacturers, automotive parts manufacturers, representatives from the key automotive industry associations (e.g. Japan Automobile Manufacturers Association - JAMA, Japan Automobile Importers Association - JAIA, Japan Automobile Standards Internationalization Center - JASIC, European Automobile Manufacturers Association - ACEA) and government organisations.

Main issues discussed

Mr. Jean (DG ENTR) and Mr. Onoda (MLIT) provided an overview of the work being conducted jointly by the EU and Japan in order to make the system for establishing international harmonisation for cars work better. On general terms, Mr. Jean summarised the key messages to note today as follow:

1. EU and Japan are working together on international harmonisation and jointly initiating a reform of the 1958 Agreement;
2. EU and Japan share the same objective of making the system of international harmonisation more practical and open to new comers, especially emerging countries;
3. EU and Japan are working to change the governance of the WP.29 by which new countries are invited to participate in the process;
4. One instrument to make the system working better and be open to new parties is to introduce the concept of the approval of a whole vehicle (IWVTA).
I. Review of the 1958 Agreement and IWVTA

Following are the summary of the presentation by Mr. Philippe Jean, Head of Automotive Unit, Directorate General for Enterprise & Industry, European Commission.


The overall objective for the review is two-fold: (1) maintain a robust and reliable international framework to ensure sufficient level of safety and environmental protection; and (2) make the framework more attractive for emerging countries. Mr. Jean highlighted the following four objectives and the related processes and issues.

Towards an extended global system

First, the process of the review is based on the belief that the 1958 Agreement needs to turn into a more extended global system. In March 2010 consensus was found at WP.29 to reform and modernise this international framework in order to make it more effective in today’s global market for motor vehicles. An informal group under the leadership of the EU and Japan was established and work is on-going since then with short-term and long-term objectives. In the short term, the Agreement should be reviewed to make it more operational and attractive to countries. Some 50 actions proposed by the informal group to this end were approved by WP.29 in November 2011. Among them 40 actions address the reinforcement of type-approval and mutual recognition system and 10 actions target at making the Agreement more attractive to emerging countries. For the medium and long term, developing a global system attractive enough for countries applying self-certification system (e.g. US, South Korea) is considered to be the ultimate objective. Mr. Jean also noted that this process is supported politically in the EU through CARS21.

With regard to increasing openness to new comers, a key element in the discussion is how to lower the entry threshold for new contracting parties (CPs). In the current framework CPs can vote on amendments to regulations if they already implement these regulations. This creates a challenge for new comers to join the process. Discussions are on-going on whether and how to allow them to apply the 1958 Agreement regulations based on earlier versions.

Towards a revised governance

Involvement of third countries through revised governance is another key objective and a challenge. The review aims to re-balance the historical, European-dominated regime to develop a better international framework which reflects today’s global automotive market. In the short term, participation in and chairing of informal groups or GRs (Groups of Rapporteurs) are being promoted (e.g. China, India and South Korea). To encourage the involvement of non-member countries, a discussion on the quorum for adopting or amending regulations is also necessary in the long term. Two of the 50 proposed actions address the voting procedure for establishing or amending regulations. As CPs can vote only on amendments to regulations if they already apply the latest version, the issue to be discussed is whether and how to allow new CPs to vote on the future version (Series XX+1) of a regulation even when they apply only the earlier version (Series XX-1) instead of the current version (Series XX).

Building awareness

Thirdly, it is important that the public authorities and industry join efforts in promoting the 1958 Agreement, among countries with a developing automotive market, in particular. To this end, the Commission is conducting bilateral discussions with China and India which have resulted in both countries taking a new role in the governance of WP.29. The Commission is also actively taking part in Public and Private Joint Forum in Asian regions (JASIC Asia Government / Industry Meetings). In this forum Japan’s role (through JASIC) is particularly important.

Towards the approval at the whole vehicle level

Finally, the EU is supportive of the proposal originally coming from Japan to introduce IWVTA in the 1958 Agreement to increase the attractiveness of the Agreement. The process of simplifying regulations to have only one type-approval eventually is similar to the experience of the EU internal market integration legislation. The Commission
believes that, for such a process, making gradual steps and going forward progressively is the key.

**Critical juncture**

WP.29 agreed on the following roadmap to carry out the 1958 Agreement review and the IWVTA establishment. To achieve timely and robust results by the target year of 2016, Mr. Jean emphasised that making a smooth progress on the examination of candidate regulations during the 2012 - 2013 period and preparing in time the necessary documents would be the key process. For this reason the EU and Japan are envisaging to jointly conduct stakeholder briefings to ensure that all parties are aware and committed to the process.

### Roadmap for the 1958 Agreement Review and for the IWVTA establishment

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<td>Quality of rulemaking, type-approval procedure and mutual recognition, conformity of production, qualification of technical services, question for adoption of new Regulations and amendments, etc.</td>
<td>Discuss and agree on the inventory</td>
<td>Report to WP.29</td>
<td>Draft proposal</td>
<td>Amend agreement</td>
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<td>2. IWVTA</td>
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<td>Candidates for items for IWVTA</td>
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<td>Amend existing regulations and/or make new regulations</td>
<td>Based on the item list, each CR examines UN Regulations to be adopted or amended as necessary</td>
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<td>IWVTA concept (including UN R0 at WP.29)</td>
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To recapitulate the core issues and elements for particular consideration from the EU perspective,

- for the review of the 1958 Agreement, a right balance must be found to maintain robust framework and attract emerging countries;
- to progress on the new governance in WP.29, involvement of the key 3rd countries (e.g. India, China) is the key;
- particular challenges exist and need to be addressed (e.g. how to enable new Contracting Parties to start applying UNECE Regulations based on older versions);
- for the IWVTA, a gradual approach should be followed and robustness is the key.

### II. Towards Establishment of the IWVTA

Following is the main points taken from the presentation by Mr. Takao Onoda, Director, Engineering Policy Division, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Full presentation is available at [http://documents.eu-japan.eu/seminars/japan/industrial/presentation_23052012_onoda.pdf](http://documents.eu-japan.eu/seminars/japan/industrial/presentation_23052012_onoda.pdf)

**Rationale for IWVTA**

First, Mr. Onoda outlined the basic rationale and the benefits of the IWVTA: (1) IWVTA will allow automotive industry to reduce costs on approval procedures and to allocate resources elsewhere (e.g. R&D on safety and environmental technologies); (2) IWVTA will allow the governments to streamline the approval procedures, to implement more advanced safety and environmental regulations internationally, and to promote the establishment of approval system in developing countries; and (3) IWVTA will provide consumers safer, more environment-friendly vehicles with
reduced costs.

Activities towards the establishment of the IWVTA

At WP.29 in March 2010, Japanese government proposed the introduction of IWVTA with the objective of upgrading the current type-approval system to cover mutual recognition of approvals at the “whole vehicle” level and to develop a truly global type-approval system and mutual recognition of approvals across different regions. At the same meeting, the EU made the proposal to review the 1958 Agreement. These EU and Japanese initiatives resulted in setting up an informal group to develop the roadmap to carry out the two proposals. The informal group is co-vice-chaired by the European Commission and Japan. Approximately 30 representatives from governments and industry serve as members, including from Russia, South Africa, Australia and Malaysia.

The following have so far been agreed upon by WP.29 (at its sessions in November 2011 and March 2012):

- Roadmap for the 1958 Agreement review and for the IWVTA establishment;
- Inventory list for the revision of the 1958 Agreement;
- Concept for the IWVTA;
- Candidate items for technical regulations applicable to IWVTA and guidelines for GRs to review those regulations.

Concerning the main concept of the IWVTA, it has been agreed that the IWVTA should be established “in line with the principles of the current 1958 Agreement”. For instance, a principle under the current 1958 Agreement that “the Contracting Parties can choose the regulations they apply” should be followed in the new IWVTA system. Consequently, the new concept of the “regulation on IWVTA” was proposed as “UN Regulation No.0”.

As the candidate items for technical regulations applicable to the IWVTA, currently 64 items are on the list and are being prioritised. The prioritised list will be presented at the next WP.29 meeting in June 2012. Each item will then be entrusted to the relevant GR, who will review and decide what needs to be done for that item. This process will continue towards 2016 and, as Mr. Jean noted, it is important to make a smooth progress on this process to achieve a robust and timely outcome. For this purpose, guidelines and supervisory functions (e.g. IWVTA Ambassadors) have been established to support the work of the GRs.

WP.29 also agreed to focus on regulations for “passenger cars” during the initial discussion of the IWVTA.

III. Discussion

Issues raised by the audience during the Q & A session focused on:

- clarification of the image of the IWVTA;
- rules of entry for new comers from developing countries;
- position of the US;
- regulations on new technologies.

To look at the details of discussions, following are the summary of questions and responses by the speakers.

Q1/ Could you explain more concretely what the IWVTA regime in discussion would ultimately bring about? Are we talking about cars being produced under one, single regulatory framework applicable to all (contracting) countries? Or do we envisage a system (similar to the EU internal market) where car-makers in France and in China produce cars in line with their own national requirements and we make it possible to import and export these cars freely? [Question from a research institution]
[Summary of Mr. Onoda's response] As the ultimate image we are looking at a system where a car made and approved in one country can be imported to another country freely. But in order to achieve this ideal, we have many steps and challenges to tackle. We need to review regulations by equipment. The IWVTA requirements must be defined for each and every equipment. In the current Agreement, some regulations are not necessarily genuinely international norms. Some are old, outdated regulations. We also have equipments for which no UN regulations exists (e.g. wipers). We need to establish regulations or make amendments for these equipments and harmonise the approval procedures as well. Despite the challenge, MLIT believes that going through the process itself has many benefits and positive implications, notably on emerging countries.

Q2/ IWVTA's concept was presented in relation to the emerging countries. What is your view vis-à-vis the United States? [Question from a Japanese government official].

[Summary of Mr. Jean's response] In early 90s the EU and Japan approached the US to discuss how we could achieve international harmonisation in the automotive sector. That resulted in the 1998 Agreement, which has two big differences from the 1958 Agreement. A positive aspect is that the number of participants for the 1998 Agreement is broader (including EU, Japan, Russia, US, China, India). A negative point from the EU perspective is that the 1998 Agreement does not include the system of mutual recognition. Also, in the last 10 years, it has not been able to adopt the large number of technical regulations necessary to facilitate trade. At one point some reflection took place in the EU and Japan on what to do with the two parallel frameworks. The EU thought that the best was to improve the system which was actually working well, in this case, the 1958 Agreement, and improve it. There was also a discussion with India who was interested in participating in the work more actively before becoming a member. From these backgrounds emerged the reasoning for making the system more attractive for non-members to encourage their participation and membership. ASEAN countries were also showing interests. Although we have not been able to attract the US, the EU believes that we must move towards where the market is moving.

[Summary of Mr. Onoda's response] The US is unfortunately not interested in the IWVTA in the way ASEAN countries are but we anticipate that this process will spread among emerging countries.

[Additional point by Mr. Jean] To supplement, it is important not to forget that there is indeed cooperation with the US on harmonisation. In 2011 the US government has approached the EC and Japan about discussing international harmonisation on electric vehicles and we have been responding positively to the US initiative. There is now work in progress between the EU, US, Japan and China. The European Commission has a pragmatic approach and we go where there is a readiness to cooperate and whenever something is possible.

Q3/ What is your timeline for lowering the entry threshold for non-members with less stabilised automotive industry? How do you increase the (safety and environmental) standards for these countries? Is it going to be a gradual increase or are you going to confront them with the actual versions of the regulations of the 1958 Agreement so that they have to comply at some point with the current standards [Question from a EU Member States government official]

[Summary of Mr. Jean's response] There is no clear answer as we are still in the middle of developing possible solutions. The concept of the IWVTA is now known but we need to explore how to go about it. There are pros and cons on the entry threshold issues. There are opinions to maintain the high level of safety and requirements on emissions and environment which we have in the Agreement today. Others say we have to be realistic in terms of opening the system in order permit the countries with less developed technologies because the current system has not been designed to include these countries easily. We think that, at the end, each country will have rights and duties and a good balance for rights and duties for each country needs to be explored. This is precisely the purpose of the work which will take place during 2012 - 2013 period.
Q4/ The same question in relation to the emerging countries. How should the system work exactly, for example, if we have a car from Vietnam with the emission level from 10 years ago coming to the EU market while the EU manufacturers must comply with the current or future stricter requirements (Euro6) on emissions?

- [Summary of Mr. Jean’s response] The same issue exists among current members of the Agreement. For example, Russia applies most of the regulations of the 1958 Agreement but the EU has its own supplementary conditions which Russia does not apply (e.g. emissions limits for light duty vehicles). The current system permits to have a nearly free trade between the EU and Russia but cars from Russia, where only Euro3 is applied today, must comply with Euro5 (or Euro6 in future) emissions requirements in order to have access to the EU market. The problem with the emerging countries is similar but more complex. In the current system, Russia, a traditional member of the 1958 Agreement, is entitled to continue applying the first version of the Euro emissions requirements whereas this is not the right for new members who must apply the last version of Euro emissions requirements to become a member. We think the question of fairness of treatment needs to be considered if we wish to make the system more attractive to new members. We need to be careful not to make the rules of entering the club more severe for new members as compared to the traditional members who are in the club since 20 years ago.

Q5/ In the post-IWVTA market, I imagine certain Japanese procedures (e.g. PHP for imported cars) need to change or be revised. What is the MLIT’s view on this? [Question from a car manufacturer]

- [Summary of Mr. Onoda’s response] IWVTA itself is yet to be developed but we will need to look at necessary changes on the domestic systems as the final form of the IWVTA starts to become concrete.

Q6/ Concerning the regulations on new technologies, is there any concern in the EU and Japan that the US may have a greater advantage in the development of new environmental technologies by remaining outside the discussions on international regulatory harmonisation?

- [Summary of Mr. Onoda’s response] On general terms, we discuss frequently how to regulate advanced or new technologies without hindering their development. Concerning EVs and some new technologies, the 1998 Agreement framework is being utilised, including the US. Thus it is not the case that different countries are trying to introduce different regulations on different new technologies. As for the relations between regulations and technological development, in the EU the discussion is taking place in the context of CARS21 and Japan also has an action plan in which we continue to discuss the best form of regulations to promote the advancement of technologies. We should also note that establishing regulations for environmental reasons is a positive and important aspect of regulations.

- [Summary of Mr. Jean’s response] It is not easy and the EU is rather hesitant to develop technical regulations on new technologies. New technologies are often not yet mature nor stable and various options remain unclear. Therefore it makes it difficult to define what is necessary in terms of safety. If we start too early our approach may become too conservative and too severe. Having said that, for e-mobility, there was a conviction in the EU in 2008 that establishing safety requirements for electric vehicles was necessary in order to demonstrate to the consumers that the EV engines which would be put in the market would be as safe as the conventional engines. As a result in 2011 the EU established a set of regulations with elements of safety requirements for EVs, not because it was easy, but for consumers and for promotion of e-mobility.

Q7/ What is your view on how to address the necessity of inter-operability of devices related to new technologies (e.g. charging system for EVs). The issue of course has sensitive industrial and business implications but it is important for industries to cooperate and consider the inter-operability of the charging system for the sake of...
consumers and general public.

- [Summary of Mr. Jean's response] It is a well-known topic and has been part of the EU-Japan bilateral discussion. From the perspective of promotion of e-mobility and EVs, confidence of consumers, and facilitation of trade, harmonisation is better. The problem is which system will then be retained and what type of harmonisation we will have. Yet we think that the long term objective should be to aim for the harmonisation for all these types of devices as much as possible, especially since cars are mobile.

- [Summary of Mr. Onoda's response] Up to now this has been a topic mainly discussed in the private sector but from now in future I believe we will hear discussions among various stakeholders at WP.29 and other inter-governmental fora increasingly.

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For further information:


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Author’s Note: This report has been produced by the EU-Japan Centre for Industrial Cooperation based on the notes taken during the seminar and should not be considered as direct quotes of the speakers’ remarks. For inquiry and comments, please contact the author at aiko.higuchi@eu-japan.gr.jp