

Draft Declaration by the European Commission Services on behalf of the European Union and its Member States

**Subject: Draft Revision 3 of the 1958 Geneva Agreement:
Proposal to increase the majority threshold for adopting new
UN Regulations and amendments to existing UN Regulations**

References:

Draft Revision 3 of the 1958 Geneva Agreement (ECE/TRANS/WP.29/2014/53)

WP.29-164-14 (joint submission by Australia, Japan, Malaysia and the Russian Federation)

The European Union, represented by its Member States and the European Commission, has taken duly note of the joint proposal by Australia, Japan, Malaysia and the Russian Federation to increase the two-thirds majority threshold for adopting new UN Regulations and amendments to existing UN-Regulations. It is understood that this proposal is made within the overall objective of the revision of the 1958 Agreement to make it more attractive to emerging countries.

The CARS 21 High Level Group on the Competitiveness and Sustainable Growth of the Automotive Industry in the European Union, has recognised in its Final Report of 6 June 2012 that emerging countries are becoming the most important sales markets for automotive products, and that therefore the recognition and implementation of the 1958 Agreement by these countries could contribute to preserving and enhancing the competitive position of the European automotive industry on the global market. The CARS21 High Level Group therefore issued the recommendation to envisage modifying the quorum to adopt and/or amend the Regulations developed under the 1958 Agreement, and that the European Union should give a clear signal to emerging economies that it is engaged in this modifying process.

In response to this recommendation, the European Commission made the commitment in its CARS 2020 Action Plan of November 2012 to steer the revision of the 1958 Agreement with the aim to make adoption and

implementation of international regulations more attractive for third markets and invited EU Member States and stakeholders to support this effort.

In line with the terms of reference established by WP.29 for the informal group on IWVTA and which provides the framework for the current revision of the 1958 Agreement, the IWVTA informal group has made an inventory of the elements to be addressed in this revision. This inventory contained 50 proposed actions, including a recommendation to consider possible changes to the criteria for establishing and adopting of new Regulations and amendments to existing Regulations. (Annex 1 of WP.29-155-27).

When the IWVTA IG submitted to WP.29 in November 2013 its first proposal for amendments to the 1958 Agreement, it reported that the main pending issue for WP.29 to consider was the need to modify the two-third majority threshold for adopting new UN Regulations and amendments to existing UN Regulations. At the March 2014 session of WP.29 a first of exchange of views on this outstanding issue took place, with some Contracting Parties considering an increase of the majority threshold, for example to four-fifths, as essential to attract new Contracting Parties, and other Contracting Parties underlining the need for evidence that the change in voting thresholds would indeed result in new accessions to the Agreement. At the last session of WP.29 in June 2014 this exchange of views was continued, and as an alternative to the four-fifths proposal also a threshold of three-quarters was mentioned. The exchanges of views held so far in WP.29 indicate that this issue is a very important one for Contracting Parties to the Agreement, but also for countries interested in becoming Contracting Party. From these exchanges of views emerged also that there are different opinions about the need and conditions for increasing the threshold and about what should be the appropriate level of this increase.

We therefore welcome the joint submission by Australia, Japan, Malaysia and the Russian Federation, as it provides a clear starting point for further consideration and for domestic consultations within the European Union with a view to establish a co-ordinated position which we hope to be able to share with you at the March 2015 session of WP.29.

We would of course welcome receiving positive signals from countries interested in joining the 1958 Agreement as well as indications of their commitment to do so in case the majority threshold would be increased. If the current joint proposal by Australia, Japan, Malaysia and the Russian Federation would be subscribed by these countries, this would considerably facilitate our domestic assessment of this request to increase the majority voting threshold.
