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**Climate Change mitigation and adaptation-The work of
UNECE: Translating global objectives and commitments
into regional results**

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Mitigation in the transport sector: the EU perspective

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Mr. Chairman, Excellencies, Ladies and Gentlemen

INTRODUCTION

- First of all, I would like to thank you for giving the European Commission, the opportunity to share with you thoughts on the issue of climate change mitigation in the transport sector which can be addressed effectively only through global dialogue. This session provides, indeed, an excellent platform to exchange information, discuss the way forward and – why not – start identifying best practices among participants.
- As we have heard from the representative of the EU Presidency, the European Union has long been at the forefront of international efforts to combat climate change and has played a key role in the development of the 1992 United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol, agreed in 1997. Since the early 1990s, we have been proactively mobilizing our resources to help tackle the issue of climate change by launching at EU level, in 2000, the European Climate Change Programme (ECCP). This initiative has led to the adoption of a wide range of new policies and measures including the EU Emissions trading scheme

system and the legislation to tackle Fluorinated Greenhouse Gases. However, we still have the ambition to go far beyond than that.

- One of our key priorities in the near future is our contribution to shaping the future global climate change agenda. Kyoto is only a first step and its targets expire in 2012. International negotiations are currently taking place under the UNFCCC with the goal of reaching a global agreement governing action to address climate change after 2012. We have heard more details about it from the State Secretary for Environment of Germany.
- The transport sector is a significant source of CO₂ emissions. In many sectors, the EU has undertaken a large number of actions in order to mitigate the greenhouse effects. In the transport sector, it has just started in earnest and the efforts cut across various actors, EU Member States and within European Commission policies and services. As Deputy Head of the Automotive Industry Unit of DG Enterprise & Industry, I would like to naturally focus my speech on the challenges of climate change for the European road transport. The other reason for doing so in this Forum – as many of you know – is that my service represents the EU Member States when voting at the UN-ECE WP29, the World Forum for Vehicle Construction Harmonisation.

The Challenges of climate change for the European automotive industry

- Despite the current economic downturn, we remain convinced that the greening of the car industry is a crucial step, in order for the industry to remain competitive in the future. We are therefore determined to

transform the threat of the economic crisis into an opportunity for change.

- Several European Commission Directorates-general, including DG Enterprise and DG Environment, collaborate closely together in order to reconcile environmental and economic performance, therefore ensuring the “green” competitiveness of the European automotive sector.
- With regard to environmental protection and the battle against climate change, the new regulation on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6 standards) will reduce harmful emissions such as particulates, nitrogen oxides (NO_x) and carbon monoxide. Besides that, the EU Parliament has recently adopted the "Euro VI" regulation on type approval of motor vehicles and engines with respect to emissions from heavy duty vehicles.
- Moreover, the European Parliament and Council agreed, in December 2008, upon a regulation on CO₂ from cars as part of the Climate Change and Energy package. Strong debate and media attention have characterized this step, putting the EU at the front of the actions in the automotive transport sector.
- This regulation implies a wide range of new measures. Let me, very briefly, sketch some key features of these measures to illustrate the complexity of the tasks ahead and interactions needed:

- **Limit value curve:** the fleet average to be achieved by all cars registered in the EU is 130 grams per kilometre (g/km). A so-called limit value curve implies that heavier cars are allowed higher emissions than

lighter cars while preserving the overall fleet average. Globally, we believe that the measures allow manufacturers to gain more flexibility to comply with the limit values.

- **Phasing-in of requirements:** in 2012, 65% of each manufacturer's newly registered cars must comply on average with the limit value curve set by the legislation. This will rise to 75% in 2013, 80% in 2014, and 100% from 2015 onwards. Considering the current economic crisis, the smooth transition period should help manufacturers to adapt slowly to the new requirements.

- **Lower penalty payments for small excess emissions until 2018:** If the average CO₂ emissions of a manufacturer's fleet exceed its limit value in any year from 2012, the manufacturer has to pay an excess emissions premium for each car registered. This premium amounts to €5 for the first g/km of exceedance, €15 for the second g/km, €25 for the third g/km, and €5 for each subsequent g/km. From 2019, already the first g/km of exceedance will cost €5. The gradual increase of penalty payments shall mitigate any potential negative effects on the competitiveness of the car industry.

- **A long-term target of 95g/km** is specified for the year 2020. The modalities for reaching this target and the aspects of its implementation including the excess emissions premium need however to be defined in a review to be completed no later than the beginning of 2013.

- **Eco-innovations:** Certain innovative technologies are not able to demonstrate their CO₂-reducing effects under the type approval test due to the fact that the test procedure used for vehicle type approval is outdated. As an interim procedure until the test procedure is reviewed by 2014, manufacturers can be granted a maximum of 7g/km of emission

credits on average for their fleet if they equip vehicles with innovative technologies, based on independently verified data.

- Finally, we are currently preparing a proposal for a Framework Regulation of the European Parliament and of the Council on type-approval of two- and three wheel motor vehicles and quadricycles, in which new emission standards are also going to be defined.
- We believe that our strength lies in our integrated approach to reduce CO₂ emissions from cars. In 2005, the Commission set up a high-level group called “CARS 21” consisting of prominent representatives of Member States, the European Parliament, industry, trade unions, a think tank (IEEP), consumers and the EC. Its objective was to generate recommendations to improve the worldwide competitiveness of the European automotive industry, including aspects on environmental actions. All relevant actors who can contribute to further reductions of CO₂ emissions from the road transport sector have been attentive to that process and look at it to provide orientation for future actions.
- Among proposed actions, support on R&D will especially be provided for the development of medium and long term alternatives, such as hybrids, electric and hydrogen-powered vehicles. In addition to that, measures such as labelling and taxation schemes will be supported as well.

Cooperation between the UNECE and the EU

- The EC recently acknowledged, based also on the last CARS 21 Mid-term review, that further steps towards international harmonisation of

the regulatory environment through the framework of United Nations are seen as desirable in order to enhance the global competitiveness of the European automotive sector and to sustain progress in safety and environmental performance, as long as they are broadly regarded to be in line with EU objectives.

- There is a need to act together, to create synergies and to improve regulatory co-operation in order to concentrate our efforts into that direction.
- Important progress is already being made in the form of the development of a World Light Duty Test Procedure at the UNECE. However, in order to be fully integrated in the EU perspective, obviously, international harmonization should not substantially diverge from Europe's particular social and environmental goals.
- Since 1998, the EU has been actively involved in the working groups of the World Forum for Vehicle Construction Harmonisation. We believe that the World Forum for Vehicle Construction Harmonisation and the UNECE as a regulatory body do offer an excellent platform for international cooperation and have substantially contributed to our current achievements regarding progresses made on international harmonisation in the automotive sector.
- We believe that an integrated approach on the global level is the best way to reduce the greenhouses gases emissions from road vehicles, emphasizing that all possible measures should contribute to our emission reduction objectives, including promoting the use of environmentally friendly vehicles. The recent experience has shown us that the active involvement of all relevant stakeholders related to

the automotive industry into the decision-making process has positively contributed to the ongoing development of a comprehensive and transparent regulatory approach to the automotive sector, enhancing global competitiveness while ensuring sustainability.

- It is only in a truly collaborative way that solutions to a complex global problem like climate change and environment protection can be achieved

Thanks