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**HARMONIZATION OF REQUIREMENTS CONCERNING
INTERNATIONAL ROAD TRANSPORT AND FACILITATION OF ITS OPERATION**

Review of the situation and questions concerning facilitation of international transport

International Motor Insurance System (Green Card)

Report from the President of the Council of Bureaux of the Green Card System

The 2001 General Assembly of the Council of Bureaux was held in Andorra in June and the meeting of the Signatories of the Multilateral Guarantee Agreement will be held in September. The main issues addressed during the last 12 months are discussed below:

1. Cooperation between the Economic Commission for Europe and the Council of Bureaux

The Transport Division of the Economic Commission for Europe and the Council of Bureaux have agreed to hold discussions on strategic issues of common interest. These include the future development of the Green Card system and the current low minimum limits of third party motor liability insurance cover in some regions.

2. Revision of the Agreements

The Council of Bureaux has continued to work on the development of a new Unified Agreement that will incorporate the revised and updated principles of the present inter-bureaux Uniform Agreement and the Multilateral Guarantee Agreement. The objective is to present the text of the final agreement to the next General Assembly in May 2002 following an intensive consultation with members.

3. European Union 4th Motor Insurance Directive

The 4th Motor Insurance Directive came into force on 20th July 2000 and will be implemented by the end of January 2003. The European Commission is currently examining the request of Switzerland to apply the mechanism provided in the 4th Motor Insurance Directive and the Council of Bureaux has informed the Commission that it fully supports the Swiss approach.

A Working Group of the Council of Bureaux is considering the impact of the 4th Motor Insurance Directive on the Green Card System. This is mainly the implication of the directive for the present Protection of Visitors' Agreement and on the future role of European Union bureaux. However the Council is also seeking to address the concerns of bureaux located in countries that are not members of the European Union but would like to implement the directive.

4. Rules of Transitional Membership

The Council of Bureaux reviewed the functioning of the system of transitional membership for new member bureaux and considered whether the rules need altering based on practical experience of working with the bureaux of Latvia, Moldova and Ukraine. The conclusion was that while the system was working well in general, some adjustment was required and therefore changes to the rules were approved by the General Assembly in Andorra.

5. Membership News

Cyprus

The accession of the Republic of Cyprus as the 24th Signatory of the Multilateral Guarantee Agreement was approved by the decision of the European Commission that came into force on 1st January 2001.

Yugoslavia

The political situation in Yugoslavia changed in January 2001 and there has been an improvement in the situation that led to the suspension of the Yugoslav bureau in 1999. The claims have been settled to the extent that they are no longer considered to be a reason to maintain the suspension and the Yugoslav bureau has accepted its responsibility to settle the claims against Kosovo insurers. However, the Yugoslav bureau had not yet fulfilled the requirements concerning the financial guarantees. Therefore the General Assembly in June 2001 reconfirmed the decisions of the

1999 and 2000 General Assemblies but agreed that once the conditions were met that the membership of Yugoslavia should be reinstated.

It is in the interest of both the Council of Bureaux and the Yugoslav bureau to bring the suspension to an early end. Following further discussions with the Yugoslav bureau in July 2001 the Management Committee decided to recommend reintegration of the Yugoslav bureau into the Council of Bureaux upon the fulfilment of certain terms and conditions which have been accepted by the Yugoslav bureau. The timetable for the reintegration of the Yugoslav bureau is dependent upon the speed with which these conditions are fulfilled.

Kosovo

Only limited progress has been made since the decision of the 2000 General Assembly in Geneva to support the United Nations by providing Green Card cover for the territory of Kosovo. Most Kosovo vehicles now have the special UN registration plates and compulsory domestic third party insurance. To enable Green Cards to be issued to Kosovo motorists travelling abroad, a special 'Memorandum of Understanding' has been prepared to be signed between the UN Interim Mission in Kosovo (UNMIK) and foreign bureaux. However, most European countries have not yet recognised the UN plates, which is an essential prerequisite for the issuing of Green Cards.

The three domestic Kosovo insurers cannot become members of a foreign bureau and with its agreement supply its Green Cards to Kosovo motorists. Therefore the General Assembly decided that they should be permitted to obtain Green Cards from any bureau that was prepared to take responsibility for the resultant claims.

Moldova

The bureau of Moldova was admitted as a Transitional Member of the Council of Bureaux in June 1997. However as the fulfilment of all the conditions of transitional membership had not been completed by June 2001 the General Assembly decided that the bureau should be suspended from 1st January 2002 unless all the conditions were fulfilled by 1st October 2001. The full conditions for membership were met in July 2001 and the bureau started to issue Green Cards on 1 August 2001. Steps have been taken to ensure that similar problems do not reoccur in the future.

Prospective Members

There are a total of 54 countries in the territory included in the 1996 definition of the 'Scope of the Green Card system' that includes 'all countries within the European territory (countries situated to the west of the Ural Mountains and the Caspian Sea) and the countries bordering the Mediterranean Sea.' In addition to the 43 countries from the region that are already members, the Council of Bureaux is in discussion with a further two countries (Belarus and Lithuania) and is in contact with another four countries (Algeria, Azerbaijan, Georgia and Syria). The developments in Russia concerning the introduction of a compulsory motor third party liability insurance law are being closely followed.

An updated table of the bilateral agreement signed between the 43 member bureaux of the Council of Bureaux is sent each year to the Secretariat of the Inland Transport Sub-Committee of the Working Party on Road Transport. The revised table is contained in document TRANS/SC.1/2001/10.
