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REPORT ON A DIALOGUE WITH VEHICLE MANUFACTURERS

[CEMT/CM(95)5/FINAL]

DECLARATION ON REDUCING CARBON DIOXIDE EMISSIONS FROM PASSENGER VEHICLES IN ECMT COUNTRIES

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The Council of the ECMT and the Vehicle Manufacturing Industry (represented by OICA and ACEA), meeting in Vienna on 7-8 June, 1995, have agreed as follows:

1. Background

In the 1992 Framework Convention on Climate Change (FCCC), the Governments of industrialised countries agreed to work towards the stabilisation of greenhouse gas emissions at 1990 levels by the year 2000, and to reduce them thereafter. Although the Framework Convention does not specify these targets at the sectoral level, it is clear that the stabilisation of transport-based greenhouse gases in Europe will be required over the medium term. However, it is also recognised that the constraints of market demands and cost-effectiveness will affect the time frame over which such a goal can actually be realised.

Many different measures will be needed to reduce greenhouse gas emissions from the transport sector. With direct responsibility for this sector, Transport Ministers will have a key role to play in the design and implementation of these measures. Because automobiles are a major source of the transport sector's carbon dioxide emissions (the most important greenhouse gas), automobile manufacturers will also be expected to contribute significantly to the reduction of these emissions.

ECMT Ministers and the vehicle manufacturing industry therefore agree on the need for a joint approach to reducing CO₂ emissions from automobiles. A voluntary accord between Government and Industry is an important opportunity for each to express their fundamental interest in improving the CO₂ performance of automobile construction and use.

This Declaration is one step toward that long-term goal. In moving along this path, it is recognised that, in the early stages at least, the process of working together to achieve tangible progress may be more important than any quantified environmental target. This Declaration is intended to accelerate that co-operative process.

2. Objectives

The objectives of this Declaration are:

- to substantially and continuously reduce the fuel consumption of new cars sold in ECMT countries;
- to manage vehicle use so as to achieve tangible and steady reductions in their total CO₂ emissions.

A number of governments have already introduced, or are considering introducing, CO₂ targets for the transport sector. Some are negotiating with Industry. This Declaration is not intended to limit the scope for such initiatives

It is also recognised that fuel economy is becoming a competitive issue within industry, though the starting points differ from country to country. Though this will influence fuel economy further action will be required on the part of both Government and Industry if these joint objectives are to be achieved. In some instances, the primary initiative should be taken by Industry, with support from Government. In others, the reverse will be true. Although the degree of responsibility will vary according to the measure involved, each of these groups will have some role to play in the success of all measures.

3. Measures

3.1 Government measures

Policy framework

Governments will set the broad policy framework for the transport system. This policy should be economically-efficient and take full account of all environmental impacts.

Government will continue to use economic instruments, environmental regulations, information and other measures to influence the market for, and to encourage the use of, fuel-efficient vehicles in a safe, fuel-conserving, manner. Government will also strive to ensure that policy measures taken in related vehicle design areas (e.g. safety and noise) are consistent with the need to reduce greenhouse gas emissions.

In implementing the above commitments, Government will apply the following general principles:

- a) Measures taken will be implemented in as cost-effective a manner as practical.
- b) Government accepts that the demand for more fuel-efficient cars should come essentially from the consumer, operating in free markets. Government policies will therefore strive to encourage consumers to choose fuel-efficient vehicles, and to operate them in a fuel-efficient way.
- c) Government will seek to avoid major disruptions in policy, aiming instead for gradual, steady, and consistent implementation, so as to decrease uncertainty in the marketplace.
- d) Irrespective of the type of measure being employed, international co-ordination will be pursued, to help avoid discrimination among individual countries or firms, and to provide a coherent message to Industry about future policy directions in Europe as a whole.
- e) Government will actively consult with Industry on all significant policy initiatives taken in the pursuit of the goals contained in this Declaration.

New technologies and road traffic informatics

Government will encourage the creation and introduction of new information technologies, where they can provide a cost-effective means to reduce congestion and related losses in fuel consumption. The potential of integrated traffic management systems will be given special attention (e.g. increased use of public transport, combined with controlled access to city centres; road information/guidance systems; appropriate infrastructural measures).

Fleet maintenance/replacement

Government undertakes to develop and introduce harmonised systems of regular vehicle inspection and maintenance, in order to make the existing automobile fleet as clean and fuel-efficient as possible. Government also undertakes to investigate cost-effective ways of encouraging the disposal/scrappage of the oldest, dirtiest and most fuel-inefficient vehicles, provided that this would improve total global emissions, calculated on a full-fuel-cycle basis.

3.2 Industry measures

Fuel-efficient new cars

Industry agrees to give a strong emphasis to developing, manufacturing and marketing vehicles with improved fuel efficiencies. As the owners and developers of car manufacturing technologies, Industry is well-placed to promote the incorporation of new, fuel-efficient, techniques into vehicle designs, so as to continuously and significantly improve the fuel consumption profile of the fleet.

Marketing

Industry undertakes to promote energy efficiency as a sales argument. Conversely, the concepts of power, acceleration, and maximum speed will *not* be used as major sales arguments.

Industry recognises that it occupies a special place in the transport marketplace, and therefore has a special duty to demonstrate to consumers how its vehicles can be used in an environmentally-responsible manner. With regard to fuel efficiency, Industry will explicitly examine the idea of an advertising "code of practice".

3.3 Joint Government and Industry measures

Marketing

Based on existing EC criteria (Directive 93/116/EC) for measuring CO₂ emissions/fuel consumption, Industry and Government undertake to examine the possibilities of, and if appropriate, to define practical arrangements for, introducing a standardised labelling system for new cars.

Developing new technologies

Information technologies (telematics) often require new kinds of equipment for vehicles. Manufacturers and governments will co-operate closely to define the criteria such equipment should meet, as well as to introduce them in practice. For example, ERTICO, where some Governments and Industry are already both represented, provides one valuable mechanism for ensuring that this technology can be applied efficiently.

Research and Development

Government and Industry agree that more emphasis needs to be placed on improving R&D programmes related to CO₂ emissions from cars. Both therefore undertake to work toward better co-ordination of existing R&D efforts, especially at the European level.

Because technology development is so crucial to future fuel efficiencies, all reasonable opportunities to encourage joint R&D programmes between Industry and Government should be fully explored. Existing R&D programmes of the European Union or of Industry (e.g. EUCAR), as well as the International Energy Agency's Implementing Agreements related to research and development should all be exploited in this context. Both basic research and its uptake in the marketplace will be emphasized in these activities.

Information/education

Specialised information should be developed for vehicle users, vehicle dealers and importers, and driving instructors, in order to promote fuel efficiency with regard to car purchase, use and driver behaviour. Government and Industry agree to develop specialised education/information campaigns aimed at these individual publics.

Other initiatives

Government and Industry agree to study the environmental value and economic feasibility of further consumer-oriented initiatives that would help to improved driving style and fuel consumption as well as traffic management, including, for example, econometers or on-board computers to indicate fuel consumption, the relationship between power, speed capability and fuel economy, and fuel-conserving traffic management measures

4. Monitoring

Governments and Industry agree to establish an appropriate system to monitor progress toward the goals contained in this *Declaration*. This monitoring system should:

- a) Analyse trends in the projected specific fuel consumption and/or CO₂ emissions of new cars sold in ECMT Member countries.

Beginning in 1996, data will be provided annually for each ECMT Member country, and in a standardized form, on:

- i) the number of new car registrations, making appropriate distinctions among vehicle characteristics; and
 - ii) specific fuel consumption (in litres/100 kilometres) and/or CO₂ emissions (in grammes per kilometre) of these cars.
- b) Periodically assess the effectiveness and efficiency of measures taken by both Government and Industry towards achieving the objectives of this Declaration.

Beginning in 1997, and continuing biannually thereafter, Government and Industry (or the Industry Associations) will report on all measures taken in support of this Declaration, including a qualitative evaluation of the effectiveness of these measures.

- c) Periodically review the objectives of this Declaration, in the light of future developments in the international debate concerning climate change.