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**EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT
COUNCIL OF MINISTERS**

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Council of Ministers

AGREEMENT ON THE EVOLUTION OF THE QUOTA AS AT 1st JANUARY 2002

This document was adopted by the Council of Ministers, meeting in Lisbon on 29-30 May 2001.

English - Or. French

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1. Background

The ECMT Council of Ministers, meeting in Warsaw in May 1999, agreed “that the quota should take into account, in the future and in the most appropriate manner, EURO3 standards, once they have been explicitly defined [CEMT/CM(99)12].

The European Union Council on Environment, held on 13 and 14 December 1999 agreed upon the proposals concerning exhaust emissions for road vehicles as established by common accord in April 1999 [Directive 1999/96/EC of 13 December 1999, J.O. L.44 of 16 February 2000].

The Council of Ministers, meeting in Prague, in May 2000, decided to:

- introduce a special quota for a *"EURO3 safe" lorries* as of 1 January 2002;
- give Member countries, from that date onward, the possibility to choose between a quota for "green lorries", a quota for "greener and safe lorries" and a quota for "EURO3 safe" lorries;
- gradually give priority to the "EURO3 safe" lorry quota, as opposed to the "greener and safe lorry" and the "green lorry" quotas, according to an exchange rate to be decided upon during the ECMT Council of Ministers to be held in 2001, bearing in mind that , from 1st January 2002, only “green”, “greener and safe” and “EURO3 safe” lorries will benefit from ECMT licences;
- “reward” the countries which have adapted their international vehicle fleet to high environmental and safety standards, by giving them a bonus to be defined also at the Council of Ministers in 2001.

The Council of Ministers, meeting in Prague, in May 2000, has also instructed the Committee of Deputies to:

- report in 2001 on the development of the economic situation, in particular as far as transport is concerned, of the four countries benefiting at present from a special quota, taking into account the fact that two of them -- Bosnia-Herzegovina and Moldova -- should normally no longer benefit from any special quota as from 1st January 2002.

In addition, Liechtenstein became a Member of ECMT in May 2000 and requested in January 2001, participation in the multilateral quota.

2. "EURO3 safe" lorries

EURO3 standards came into force in October 2000, for new heavy diesel vehicles and EURO4 standards will be implemented by October 2005. At this date, **all** new diesel vehicles should be equipped with particle traps.

However, it should be noted that at present, only a few European countries are able to deliver the diesel corresponding to EURO4 vehicles. Significant development of the distribution system for diesel is therefore required before an effective implementation of this standard at European level is possible¹.

The most important figure, as far as EURO3 standards are concerned, is the limit for NOx emissions. One should recall that in EURO1 standards (which correspond to the ECMT "green" lorry), the figure for NOx emissions was 9.0g/kWh. In EURO2 standards, it was reduced to 7.0. In EURO3 standards, it decreased to 5.0, which represents more or less a three fold improvement over traditional lorries at approximately 15g/kWh. Following the same logic as in the past, this implies that the conversion ratio between traditional lorries and "EURO3" lorries could be 1 to 6.

It was planned that with the end of the quota for traditional lorries on 1 January 2002, the calculation of a basic quota in terms of «traditional lorries» was also to end. However, for the conversion of bonuses², some reference quota is needed. It therefore seems preferable to keep a reference or basic quota, calculated with criteria valid for all, in traditional lorries.

Conversion could then be calculated as follows:

- x2 for green lorries with a bonus of 10% maximum if all of a country's vehicles with an ECMT licence are «green»;
- x4 for greener and safe lorries with a bonus of 20% maximum if all the vehicles with an ECMT licence are «greener and safe»;
- x6 for EURO3 safe lorries with a bonus of 40% maximum if all the vehicles with an ECMT licence are «EURO3 safe».

It should be noted that the bonus for EURO3 safe lorries is bigger than the two previous categories. Whilst green and greener and safe lorry quotas were quite successfully adopted, at a time when many countries had to renew the fleet of vehicles used for international road freight transport, it will be less easy to rapidly replace the whole fleet with «EURO3 safe» vehicles. The bonus therefore comes into its own in providing an incentive to advance. As in previous cases depending on the number of green, greener and safe and EURO3 safe vehicles comprising the total number of vehicles eligible for ECMT licences, the bonus for a country may vary between minimum 10% up to a maximum 40%.

Ministers agreed on the conversion rate and the bonus as proposed for "EURO3 safe" lorries, as described above.

The requirements for the "EURO3 safe" lorries are described in the Guide for Government Official and Carriers on the use of the ECMT Multilateral Quota, in Chapter 11 [CEMT/CM(2001)9/FINAL]; ***Guide which Ministers also adopted.***

1 . Cf. CEMT/CM(2001)11/FINAL - Report on Sulphur-free Fuels.

2. Austria entered a reservation on the principle of the bonus for less polluting lorries.

3. Use of ECMT licences and logbook

Ministers are asked to express their views on these two definitions. Since a unanimous view was not reached to amend the existing definition of the use of ECMT licences, this definition is used in the new Guide adopted by Ministers [CEMT/CM(2001)9/FINAL]:

A licence may be used by only one vehicle at a time. It has to be carried on board the vehicle between the points of loading and unloading for a laden journey or for the complete unladen journey.

Ministers also agreed to keep the use of a logbook with the provisions and model reproduced in the Guide [CEMT/CM(2001)9/FINAL].

4. Special quota

Increasing the ECMT multilateral quota is an issue that is raised continually. For several years now the ECMT Secretariat has been receiving proposals from various Member countries on the possibility of increasing the quota for one country or another.

In September and November 1997, respectively, Bosnia-Herzegovina and the Republic of Moldova applied for a special quota on “humanitarian” grounds, in view of the economic and political situation that had arisen from the conflicts in these two countries. The Council of Ministers, meeting in Copenhagen in 1998, decided that these countries would be allocated a special quota of 25 conventional licences for a maximum period of three years, with effect from 1 July 1998, subject to annual review.

Subject to the established criteria for the allocation of a “special” quota, the ECMT Council of Ministers in Warsaw on 19 and 20 May 1999 agreed in principle to allocate a special quota to Albania and the Former Yugoslav Republic of Macedonia (FYR Macedonia) on the same basis as that awarded to Bosnia-Herzegovina and Moldova. The special quota allocated to Albania and FYR Macedonia took effect from 1 July 1999, for a maximum period of 3 years.

Increasing the multilateral quota for all Member countries in a way that would also incorporate an environmental protection component has always been high on the ECMT’s agenda. The Council of Ministers, meeting in Prague on 30 and 31 May 2000, decided to introduce a special quota for vehicles meeting “EURO3” standards as of 1 January 2002, in line with the principles of sustainable development and improved environmental and safety standards in the transport sector. As of that date, Member countries may be allocated a quota for only three categories of vehicles complying with the highest environmental standards and may opt to have a quota for “green lorries”, for “greener and safe lorries” or for “EURO3 safe lorries”.

At the same meeting, the Council of Ministers decided that Albania, Bosnia-Herzegovina, FYR Macedonia and Moldova would continue to receive a special quota for a further year from 1 January 2001, in accordance with the procedure adopted in 1998.

The decision taken in Prague means that “conventional” vehicles be dropped from the quota system as of 1 January 2002, reserving the effective quota for “green” lorries from that point on. Obviously, a simultaneous increase in the multilateral quota for all countries, underscores the priority given to vehicles that meet the highest noise, pollution and safety standards.

As this would enable each country to opt for the quota (number and composition) that best matches its own capabilities, there would be no call to maintain a special quota after 2002, especially as the maximum period will then have expired for two of the beneficiary countries, Bosnia-Herzegovina and Moldova, and will only have another 6 months to run for Albania and the FYR Macedonia.

Ministers decided to end the special quota for all countries with effect from 1 January 2002.

5. Quota for Liechtenstein

The Council of Ministers requested the Committee of Deputies to determine the quota New Member countries could be granted, according to various statistical data to be sent to the Secretariat and following the same criteria as those used in the past for the determination of multilateral quota licences.

For **Liechtenstein** [Area: 160 km²]:

-- Population (estimate)	33 000 in 1998
-- GDP (in millions CHF)	3 534 in 1998
-- Exchange rate at 31/12/98	(1USD = 1.379 CHF)
-- Road Freight Transport (by national hauliers) (in millions t-km)	-- 825 in 1996
	-- 918 in 1997
	-- 918 in 1998

With reference to the methodology used in previous documents [cf. in particular CEMT/CM(98)7/Final], and according to other data available at OECD for similar years, we obtain the following classification (see Table hereafter):

Column 1:	country
Column 2:	goods traffic in billions of t-km (source: ECMT leaflet 1998)
Column 3:	country ranking in descending order for the criterion in column 2
Column 4:	percentage contribution to the ECMT budget (hypothesis drawn up by OECD for March 2001)
Column 5:	country ranking in descending order for the criterion in the fourth column
Column 6:	average for the ranking of columns 3 and 5
Column 7:	ranking by number of licences as at 1st January 2001 (basic quota).

Taking into account the trend in the quota in recent years and the aim of not being hard on the new Member countries, it was proposed that they should be granted a kind of most favoured nations clause and therefore given the highest number of licences at present held by the countries within their group for the average ranking based on the criteria used (GDP + t-km). The same idea is applied in this document.

According to the above mentioned elements, the Council of Ministers, meeting in Lisbon, agreed on the allocation, as from 1st January 2002, of 120 licences to Liechtenstein

Information for the Determination of the Multilateral Quota

1	2	3	4	5	6	7
Albania	1.93	31	0.10	28	29.5	1
Austria	10.49	22	2.15	11	16.5	12
Azerbaijan	1.39	32	0.10	28	30	10
Belarus	8.91	24	0.10	28	26	7
Belgium	42.22	9	2.62	8	8.5	4
Bosnia-Herzegovina	0.31	39	0.10	28	33.5	10
Bulgaria	15.30	16	0.10	28	22	7
Croatia	2.59	30	0.17	25	27.5	9
Czech Rep.	33.91	10	0.52	20	15	7
Denmark	10.11	23	1.73	13	18	7
Estonia	3.79	28	0.10	28	28	9
Finland	25.60	13	1.29	16	14.5	6
France	167.80	3	14.51	2	2.5	2
FYR Macedonia	0.89	34	0.10	28	31	9
Georgia	0.39	38	0.10	28	33	10
Germany	257.45	1	22.59	1	1	1
Greece	13.21	18	1.24	17	17.5	6
Hungary	11.74	20	0.38	21	20.5	7
Ireland	5.26	26	0.77	19	22.5	7
Italy	164.15	4	11.92	4	4	11
Latvia	4.11	27	0.10	28	27.5	9
Liechtenstein	0.92	33	0.10	28	30.5	
Lithuania	5.61	25	0.10	28	26.5	9
Luxembourg	0.47	36	0.19	24	30	10
Moldova	0.48	35	0.10	28	31.5	9
Netherlands	29.23	12	4.17	6	9	3
Norway	12.64	19	1.56	14	16.5	6
Poland	69.54	8	1.30	15	11.5	5
Portugal	14.70	17	1.08	18	17.5	7
Romania	10.53	21	0.27	22	21.5	7
Russia	120.31	7	2.42	9	8	3
Slovak Rep.	17.91	15	0.17	25	20	9
Slovenia	3.37	29	0.20	23	26	9
Spain	228.65	2	6.05	5	3.5	6
Sweden	32.68	11	2.41	10	10.5	5
Switzerland	19.50	14	3.27	7	10.5	8
Turkey	135.27	6	1.79	12	9	7
Ukraine	0.47	36	0.14	27	31.5	9
United Kingdom	155.43	5	13.80	3	4	6