



Access to the market & profession: quality-based regulations

SSATP REC-TCC meeting

2-6 July 2018

Abuja

iru.org



1. ECMT Quality Charter

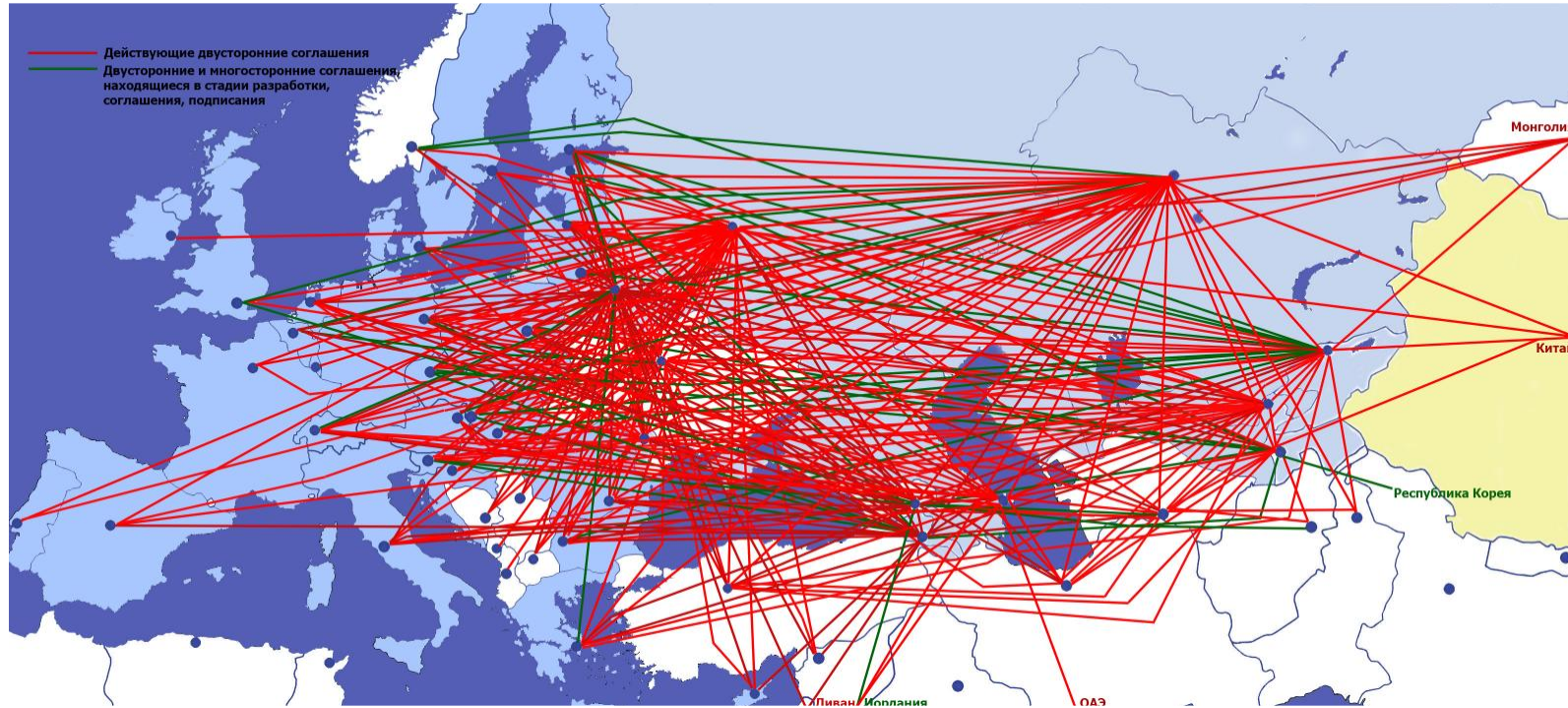


Multi-lateral permits – a step towards a liberalised international market



A common market has been achieved (almost) to a full extent in the EU (community licence) and in the US/Canada

Bilateral permits – starting point



A total of **286** bilateral road transport agreements are applied in 12 Eurasian region countries

Multi-lateral permits – the next step



Corridor permits



Regional permits



Multi-lateral permits



ECMT multi-lateral system



Introduced in 1974 by the ECMT Council of Ministers

Objectives:

- ✓ Gradual liberalisation of road freight transport
- ✓ Harmonisation of the terms of competition – level playing field
- ✓ Rationalisation of the use of vehicles, reduce empty running
- ✓ Use of environmentally friendly and safe vehicles (1991)

45 member countries

Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, FYROM, Georgia, Germany, Greece, Hungary, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom.

How does it work?



- ✓ Multilateral character: the possibility of using the licence for runs between Member countries
- ✓ ECMT Licence: a permit valid for a specific period of time for an unlimited number of journeys between Member countries (subject to a certain limitation from 2005)
- ✓ Quota: the number of licences made available to an ECMT Member country. The quota is determined by the Council of Ministers/ ITF Group on Road Transport. IRU is involved in the negotiations
- ✓ Size : Estimated 5 to 9 % of total international road freight in Europe

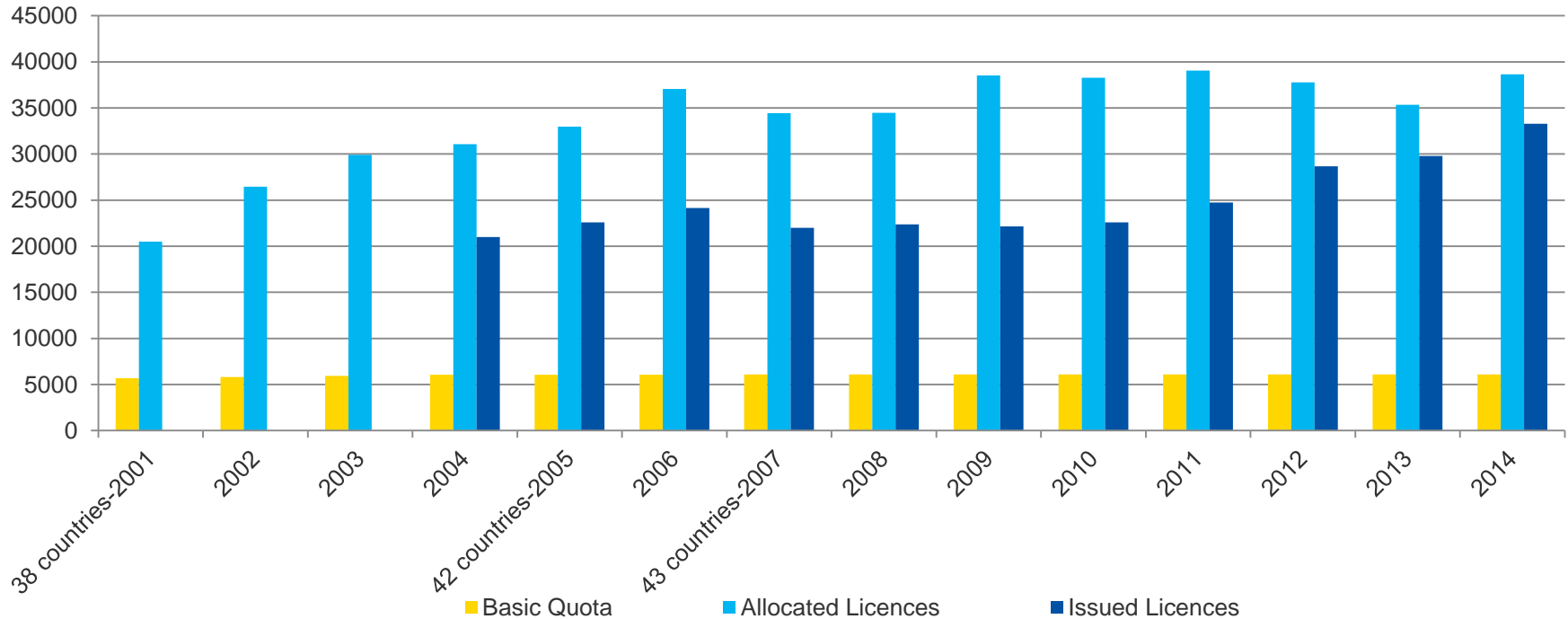
How does it work?



Basic ITF Permits can be multiplied by a coefficient depending on the vehicle standard

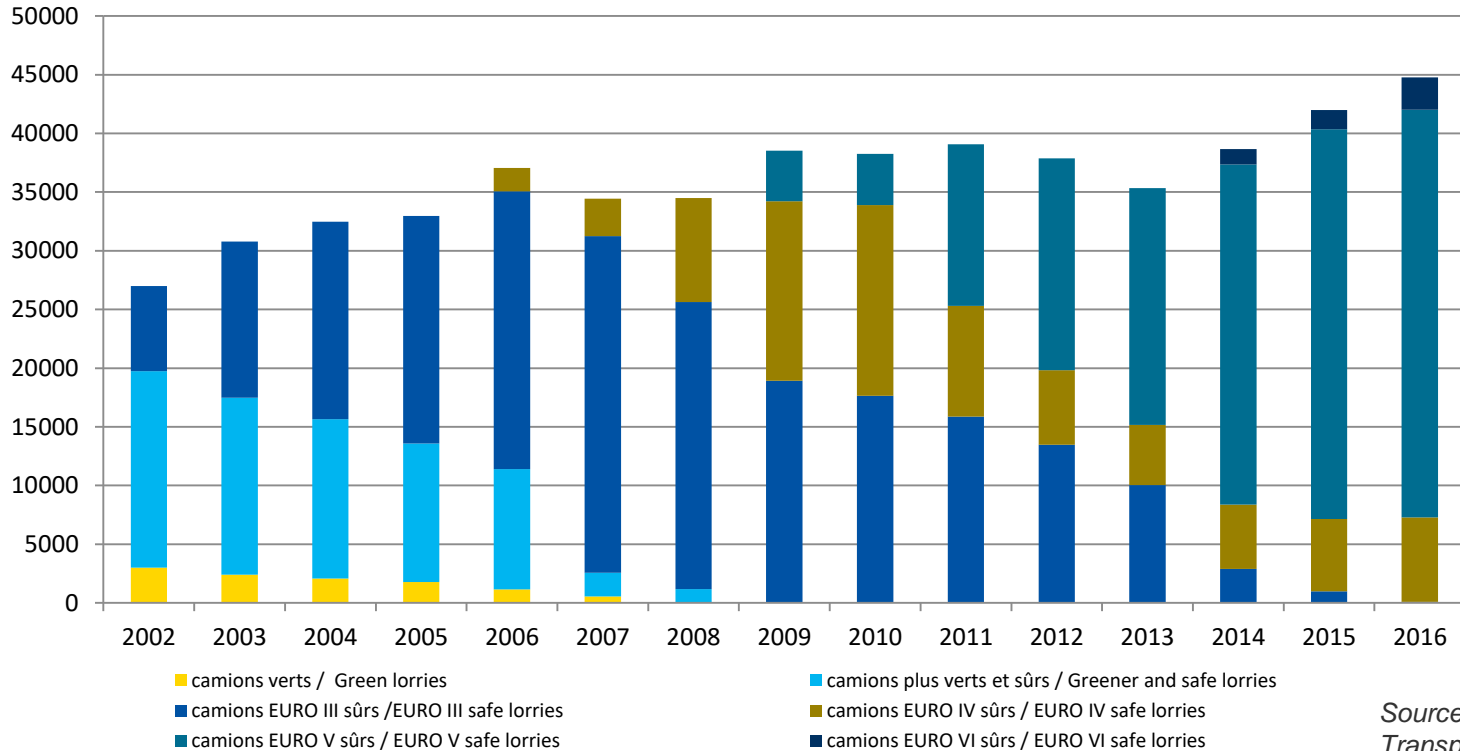
	2015	2016	2017	2018
EURO IV	6	5	5	5
EURO V	10	10	10	10
EURO VI	2	12	12	12

Evolution in ECMT licence issuance



Source: International Transport Forum

Permit system drives performance improvement



Source: International Transport Forum

ECMT Quality Charter



Equally high standards for all Member Countries participating in the System

- **Vehicle standards** (Euro IV+)
- **Conditions of Establishment**
- **Good repute**
- **Financial Standing**
- **Professional competence /Driver training:** (e.g. IRU Academy accreditation; engagement of regulators required)
- **Safety/ Employment conditions / Checks and penalties** (e.g. tachograph mandatory in the System)



ECMT Quality Charter



Long-term vision...

Create such a **level playing field** based on quality standards, enabling us to go further in **reducing the quantitative restrictions...**



 **International
Transport Forum**

 **OECD**

MEDIA RELEASE

Paris, 22 June 2015

Transport ministers approve Quality Charter for road freight

Major step towards harmonisation of conditions in the Pan-European road haulage market

A Quality Charter for international road haulage operations has been approved by the transport ministers of the European member countries of the International Transport Forum at the OECD.

The Quality Charter establishes qualification standards for companies, managers and drivers and will enter into force on 1 January 2016. It applies to pan-European road haulage operations under the Multilateral Quota system established in 1974 by the European Conference of Ministers of Transport (ECMT), which evolved into the International Transport Forum (ITF) in 2006.

Is ECMT based on self-regulation?



- No... the basic standards are mandatory in order to get a licence. The Quality Charter will be embedded in national legislation
- Yes... Euro VI is not mandatory, but there is a big incentive to use cleaner, safer, more efficient vehicles



2. Road Transport Management System (South Africa)

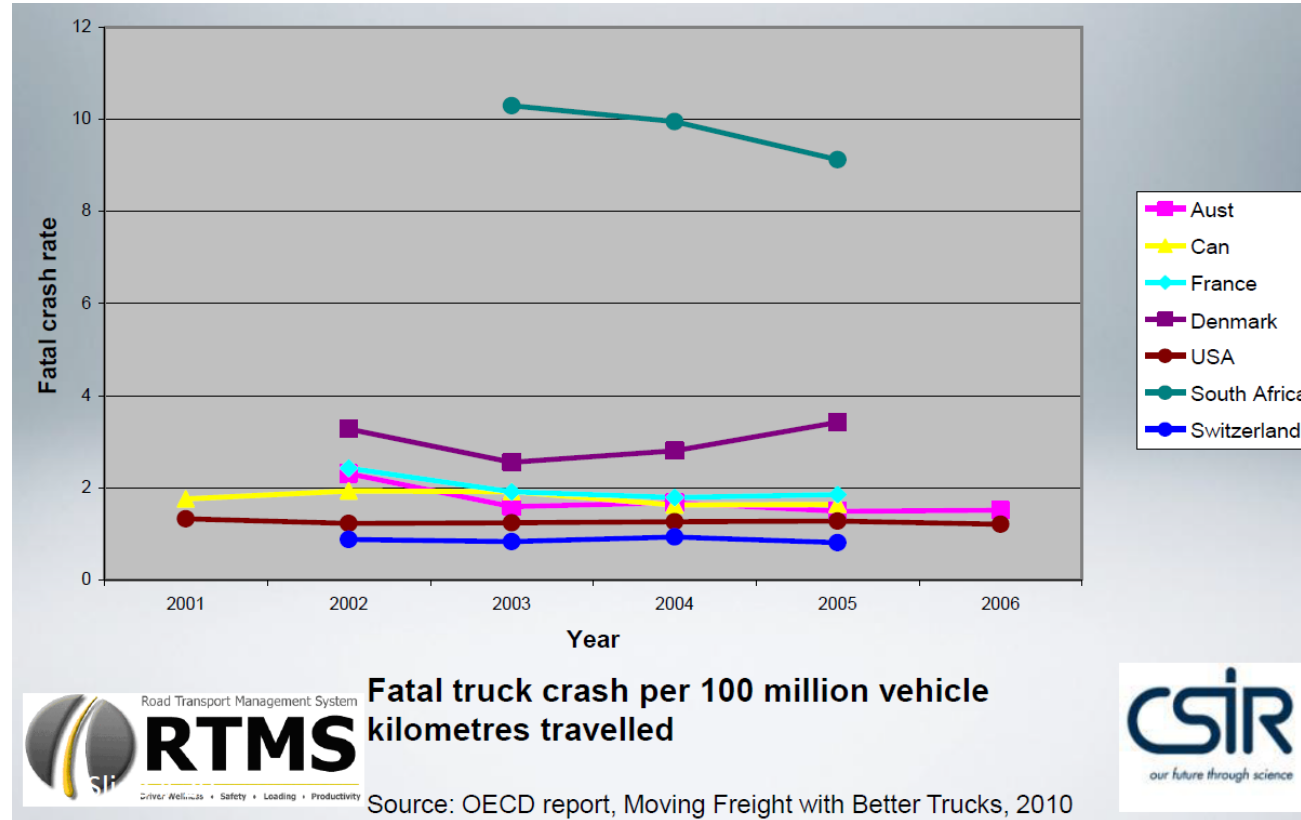


Challenges for RSA trucking sector



- Cost of logistics (15% of GDP in RSA, 10% in Brazil, 8% in USA)
- Road safety
- Road conditions
- Overloading of vehicles
- Inadequate law enforcement
- Lack of capacity and skills
- Lack of management systems & data
- Inadequate vehicle maintenance
- Driver health and welfare

Heavy vehicle fatal crash rates



- RTMS is an industry–led, government-supported, **voluntary**, self-regulation scheme that encourages *consignees, consignors* & *road transport operators* to implement a management system (a set of standards)
- Key focus areas are:
 - load optimisation
 - driver wellness
 - vehicle maintenance
 - productivity

RTMS Rules of Compliance



- Maintain a haulage fleet **inventory**
- Assess the **vehicle mass** before each trip
- Verify mass **determination method**
- Vehicle and load **safety**
- Vehicle **maintenance**
- Driver **wellness** (fatigue and health)
- Provide **training** & education
- Assign tasks and **responsibilities**
- Keep **records** and documentation
- Perform internal **reviews**

Accreditation



RTMS benefits



- Records show that RTMS members have a **higher average payload**, yet **overload less**, than non-members;
- **Drivers** are better looked after, e.g. **health**, **training** etc
- The **safety** record of the company will improve;
- Vehicles will be better **maintained**, and so give better **utilization**;
- The business will run better. There will be less wastage and the “**bottom line**” will be improved;
- There is the opportunity for management to take on board improved and RTMS **best practice**;
- The owners and top management will have an improved **insight** as to what actually happens in their companies. Not just what they are told by staff;
- Staff in the companies will have to carry out what they say they do, since they will be **audited** on an annual basis



3. Truckers Association of Kenya



Truckers Association of Kenya



- Union of SACCOs
- Auditable **quality** criteria (particularly on over-loading)
- Close **collaboration** with KenHA
- Issued with Compliance Certificate
- Objective is to **promote compliance** amongst operators themselves, who in turn get benefits through the creation of a more **level playing field**. Non-compliance is more easily identified



Conclusions



Conclusions



- **Private-public sector collaboration** in setting quality-based standards is absolutely key
- But there needs to be a **baseline** of good, quality-based, and properly enforced regulations in order to ensure a **level playing field**
- Self-regulation can be **added** to that to deliver **further incentives**
- **Distribution** of those incentives needs to be **fair** and **transparent**



INNOVATION ON THE MOVE

6-8 November 2018
Muscat, Oman

<https://www.iruworldcongress.com/>