



Comments on the Proposal for Establishment of a UN Road Safety Fund

August 2017

The Global New Car Assessment Programme (Global NCAP) strongly welcomes the proposal for the establishment of a UN Road Safety Fund as described in the United Nations Economic Commission for Europe (UNECE) Informal document (ITC) No.9.

We entirely agree with the UNECE's assessment that road injury prevention "is not adequately funded at local, national and global levels". We support the objectives of the proposed UN Road Safety Fund based on the five pillars of the Global Plan for the UN Decade of Action for Road Safety developed by the UN Road Safety Collaboration. We also endorse the suggested organisational structure of the Fund and the three-stage establishment process which would allow for a start-up phase followed by two replenishments in the ten years from 2020 to 2030.

Global NCAP fully supports the proposed activities to be supported by the Fund under Pillar 3 – Safer Vehicles. Global NCAP recognises that a market for safer vehicles is best established through a combination of regulatory push and demand pull. The former is enabled by the widest possible application of the UN's most important vehicle safety standards by Member States, and the latter is best achieved by new car assessment programmes (NCAPs) stimulating customer awareness of safety, which encourages manufacturers to exceed minimum mandatory requirements.

Global NCAP, therefore, strongly supports activities that will encourage Member States to apply comprehensive vehicle regulatory frameworks based on the standards available under the UNECE's 1958 and 1998 Agreements¹. In support of this, we have developed a Road Map for Safer Vehicle that highlight the most important standards that we hope all Member States will apply by 2020². These recommendations are also fully consistent with the World Health Organization's (WHO) recently released Save LIVES Technical Policy Package which includes measures on vehicle safety³.

Global NCAP is especially pleased that the Fund proposal supports the implementation of NCAPs. This is consistent with the recommendations of the Global Plan⁴ and the UN General Assembly which has encouraged Member States 'to participate in new car assessment programmes in order to foster the availability of consumer information about the safety performance of motor vehicles'.⁵

¹ See: <http://www.unece.org/trans/main/wp29/introduction.html>.

² See: <http://www.globalncap.org/about/>.

³ See: http://www.who.int/violence_injury_prevention/publications/road_traffic/save-lives-package/en/.

⁴ See: http://www.who.int/roadsafety/decade_of_action/plan/en/.

⁵ UN General Assembly Resolution A/RES/66/260 adopted in April 2012.

As a grant giving body and provider of technical assistance, Global NCAP has successfully enabled the development of new NCAPs and consumer information activities in Latin America, India and South East Asia. We have also supported country level capacity building in vehicle regulatory systems through training of government officials and universities⁶. Through our leadership of the Stop the Crash Partnership⁷, we are also helping to build awareness of the potential of crash avoidance technologies to contribute to reducing death and injury on the world's roads.

Global NCAP is also acutely conscious of the serious deficiencies in vehicle regulatory and testing capacity in most emerging automotive markets. Many low and middle income countries are not contracting parties to the UNECE's 1958 and 1998 Agreements and do not apply the available UN vehicle safety regulations⁸. In most of the emerging automotive markets, there is also a severe lack of technical skills and laboratory capacity that are an essential prerequisite of an effective vehicle regulatory system both as regards safety and emissions. This also inhibits the establishment of NCAPs and related consumer awareness activities.

For these reasons, Global NCAP is ready to assist in the creation of the proposed Fund and contribute to the development of its future Pillar 3 activities. Based on our experience supporting NCAPs and vehicle regulatory systems, we have prepared an estimate of the minimum level of investment needed to support the core Pillar 3 actions over the period 2020 to 2030. We believe that in each of the major emerging market regions of Africa, Eurasia, Latin America, India, and South East Asia, at the very least the required investment each year is in the order of \$14 million. This level of funding amounting in total to \$70 million per annum would support a comprehensive package of catalytic vehicle safety interventions in each region related to all the proposed Pillar 3 activities. This level of financing would account for just under 10% of the \$770 million annual expenditure of the proposed Fund. A breakdown of the main expenditure areas is as follows:

Pillar 3 Activity 2020-2030	Annual cost per region	Annual total cost (for 5 regions)
Capacity Building in Vehicle Regulatory Systems through regional technical assistance, training programmes & legislative reviews.	\$2,000,000	\$10,000,000
Creation of independent regional laboratory capacity for regulatory and consumer information activities*.	\$5,000,000	\$25,000,000
Support for NCAPs to ensure independent testing for wider market coverage of rated vehicles.	\$5,000,000	\$25,000,000
Support for awareness campaigns on vehicle safety technologies	\$2,000,000	\$10,000,000
Total	\$14,000,000	\$70,000,000

**Including support for establishment or upgrade of regional vehicle testing facilities (needed in Africa, Eurasia, Latin America and South East Asia)*

⁶ See: Global NCAP's 2016 Annual Report & Financial Statements.

⁷ See: <http://www.stopthecrash.org/>.

⁸ See: Section 3 of the World Health Organization's 2015 Global Road Safety Status Report pages 46-49.

Global NCAP believes that this level of investment is warranted as its highly likely that vehicle measures in many low and middle income countries will contribute to more than 10% of the expected reduction in road fatalities by 2030. It is also important to recognize that over the last fifteen years emerging markets now account for around 50% of the world total of automobile production; that these regions remain inadequately regulated, and that consumer safety information is insufficiently available. For these reasons, we believe that an allocation of about 10% of the proposed Fund is a necessary and essential level of expenditure to improve vehicle safety. Given global revenues of over \$2.5 trillion⁹ for the top ten leading manufacturers alone it is a modest and affordable investment to extend the scope of the international automotive regulatory and consumer information systems to cover all major world markets. This will be especially important over the period 2020 to 2030 as the automotive industry becomes more globalised and the role of intelligent vehicle safety systems increasingly significant.

Typically, catalytic investment on this scale generates matching direct funding from the automotive sector at the very least of a 1:1 ratio. For example, in both ASEAN and Latin NCAP vehicle manufacturers increasingly request to have their products safety rated at their own expense. Over time a majority of the vehicle testing of these programmes will be funded by vehicle manufacturers. Longer term it should be possible to make the regulatory system in emerging markets self-financing and sustainable. This will then generate large societal gains as fatal and serious injuries caused by vehicle crashes decline.

For example, in 2016, Global NCAP and the Inter-American Development Bank commissioned a study by the Transport Research Laboratory of how many car user deaths and injuries could be prevented in four Latin American countries: Argentina, Chile, Mexico and Brazil, by establishing minimum car safety regulations and consumer testing¹⁰. The major regulations that were considered were UN Regulations No. 14, 16 (anchorage and seat belts), 94 (occupant protection in frontal collision) and 95 (occupant protection in side or lateral collisions). The study concluded that up to 40,000 car occupant fatalities and 400,000 serious injuries could be prevented between 2016 and 2030, if minimum vehicle safety standards were applied. Economic assessment suggests that these casualty reductions could save up to 143 billion US dollars over the period 2016 to 2030. This report shows clearly the huge contribution that improved vehicle safety regulations can make to road safety.

Regarding funding sources, Global NCAP believes that a mix of donor support would be ideal, combining the major bilateral providers of official development assistance, the multilateral development banks and philanthropies. The latter, so far, have proved to be most committed to vehicle safety, notably the Bloomberg Philanthropies and the FIA Foundation. With large scale philanthropy in support of the SDGs a growing phenomenon, Global NCAP encourages the UNECE and the UN Secretary General's Special Envoy for Road Safety, Jean Todt to undertake a major outreach programme to donors in the philanthropic sector which is very likely to be the most promising source of potential contributions to the proposed Fund.

Global NCAP also supports the idea for an innovative funding mechanism through which the automotive industries could contribute to the Fund. This proposal was originally proposed in 2011 by the Commission for Global Road Safety¹¹ and deserves the full support of the automotive industry. If such a mechanism is

⁹ see: <https://www.statista.com/statistics/232958/revenue-of-the-leading-car-manufacturers-worldwide/>

¹⁰ <http://www.globalncap.org/more-than-440000-deaths-and-serious-injuries-could-be-prevented-and-up-to-143-billion-saved-if-basic-un-vehicle-regulations-were-applied-in-major-latin-american-countries/>.

¹¹ See: https://issuu.com/towardszerofoundation/docs/3rd_commission_report_2011 Pages 54-55.

established, however, this should not be used to alleviate the pressure on the automobile industry to voluntarily apply minimum UN vehicle safety standards ahead of regulatory mandates as per the current consultation of the UN Secretary General's Special Envoy¹² and as advocated by the WHO's Ambassador for Non-Communicable Disease & Injury, Michael Bloomberg¹³.

In conclusion, to achieve the road safety related goals of the SDGs and meet the vehicle safety recommendations of the 2nd Global High Level Conference on Road Safety and the UN General Assembly¹⁴, it is essential to invest in effective regulatory and consumer information systems in the emerging automotive markets of low and middle income countries. Global NCAP strongly supports the proposal for a UN Road Safety Fund, with an anticipated overall funding level of \$770 million per annum, and recommends that about 10% should be allocated to Pillar 3 vehicle safety activities.

Global NCAP believes that a minimum of \$70 million should be committed each year in crash testing and related regulatory and consumer information activities. Consistent with UN General Assembly resolutions¹⁵ we support investment on this scale in capacity building to apply UN vehicle safety regulations and develop NCAPs in all world regions. This is needed to ensure that car buyers in rapidly motorizing countries can be sure that their vehicles do not fail the UN's most important safety standards and, of course, to substantially reduce the risk of death and serious injury in road crashes. We also strongly welcome the emphasis placed on partnerships as exemplified by our work with the Stop the Crash Partnership. Global NCAP is, therefore, ready to assist the UNECE in the further development of the much anticipated and much needed creation of the UN Road Safety Fund.

Note: The Global NCAP is a UK company limited by guarantee (No: 075139000) and a registered charity (number: 1141798). Global NCAP has consultative status with the United Nations (ECOSOC) and is a member of the UN Road Safety Collaboration. See: www.globalncap.org.

¹² See: <http://www.globalncap.org/global-ncap-warmly-welcomes-proposed-un-consultation/>.

¹³ See: <http://www.globalncap.org/michael-bloomberg/>.

¹⁴ See: The Brasilia Declaration adopted in November 2015 - OP20. *Promote the adoption of policies and measures to implement United Nations vehicle safety regulations or equivalent national standards to ensure that all new motor vehicles, meet applicable minimum regulations for occupant and other road users protection, with seat belts, air bags and active safety systems such as anti-lock braking system (ABS) and electronic stability control (ESC) fitted as standard*; Similar text was also included in the UN General Assembly Resolution A/RES/70/260 adopted in April 2016.

¹⁵ UN General Assembly Resolutions A/RES/66/260 adopted in April 2012 and A/RES/70/260 adopted in April 2016.