



Fulfilment of the priorities of the Czech
Presidency of the Council of the European
Union



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Introduction

The second half of 2022 will be marked in EU history as a period of severe trials arising from a complicated economic and geopolitical situation. The Czech Republic presided over the EU Council at a time when the European Union was dealing with the impacts of war in Ukraine and the COVID-19 pandemic. As a result, the Union Member States and their inhabitants faced in those months a serious economic and energy crisis, as well as a turmoil on the international scene. For those and many other reasons, the conditions for exercising the Czech Presidency of the EU Council were extraordinarily complicated.

Before the start of the Presidency, the Czech Republic (CZ) selected five main programme priorities:

- Coping with the refugee crisis and ensuring Ukraine's post-war reconstruction
- Energy security
- Strengthening European defence capacities and cybersecurity
- Strategic resilience of the European economy
- Resilience of democratic institutions

The past six months have shown that those areas indeed required immediate and decisive response but also in the future they will require maximum joint efforts so that the EU stands the test in times of instability.

The document Fulfilment of the priorities of the Czech Presidency of the Council of the European Union summarises the progress achieved by the Czech Republic over the six months of its Presidency of the EU Council in the priorities defined in the Programme of the Czech Presidency of the Council of the EU, sorted by Council configuration.



General Affairs Council (GAC)

EU enlargement is considered by the Czech Republic an essential strategic tool of the European Union for maintaining a space of peace, stability and prosperity in Europe. The Czech Presidency (CZ PRES) contributed to the launch of **accession negotiations with Albania and North Macedonia** as the first inter-governmental conferences with the two countries took place on 19 July 2022. The European perspective of the Western Balkan countries was confirmed at the December GAC meeting where the ambitious **Council conclusions on enlargement and the stabilisation and association process** were approved. In response to the annual autumn enlargement package of the European Commission, the conclusions evaluate the progress achieved and provide an outlook for the Western Balkan countries on their path to the EU and recognise the reform efforts of Ukraine, Moldova and Georgia as the new countries in the accession process. As part of its conclusions, the Council also recommended granting a candidate status to Bosnia and Herzegovina, which was confirmed by the European Council on 15 December 2022. On the same day in Prague, Kosovo handed its application for EU membership to CZ PRES. Through activities of Czech embassies abroad, CZ PRES deepened sectoral cooperation between the EU and the Western Balkan countries, and the dialogue between Bulgaria and North Macedonia.

On 14 and 15 July 2022, Prague hosted an informal meeting of European affairs ministers, attended by a Deputy Prime Minister of Ukraine. On 6 October 2022, the first ever **Summit of the European Political Community** was held in Prague. In this new platform, the leaders of European countries meet to discuss key topics concerning the European continent. The summit was attended by 44 countries and representatives of EU institutions, including the Western Balkans, the Associated Trio, Armenia, Azerbaijan, Turkey, the European Free Trade Association countries and the United Kingdom.

CZ PRES devoted special attention to cybersecurity. At the November GAC meeting, a general approach of the Council was reached on the **proposal for a regulation laying down measures for a high common level of cybersecurity at the institutions, bodies, offices and agencies of the Union**.

CZ PRES also focused on the theme of **cyber crisis management of the EU**. Based on the introductory discussion of the topic, including lessons learnt from the war in Ukraine, CZ PRES prepared a **presidency summary** and a **presidency report**, identifying 19 specific needs or shortcomings in cyber crisis management, which need to be resolved. To follow up the above, CZ PRES drew up a **detailed roadmap** summarising the specific identified gaps that need to be removed, the proposed solutions and the possible ways to achieve them. The document represents a significant incentive for further development in this area.



As part of the progress in negotiating legislative proposals in the package on protecting the integrity of the EU electoral process and strengthening democratic participation in elections, CZ PRES continued the negotiations on the **Regulation on transparency and targeting of political advertising**, and submitted several compromise proposals aimed at achieving a general approach. The final compromise text was submitted to ministers at the December GAC meeting where the general approach was approved.

CZ PRES launched inter-institutional negotiations on the **Regulation on the statute and funding of European political parties and European political foundations**. Significant progress was achieved at the technical level.

CZ PRES actively worked on the reform of **European Parliament elections** and mapped the positions of Member States on the proposal, as it had aimed. In mid-October, it obtained an analysis of the Legal Services of the Council and it immediately included the proposal as a topic for a political debate in the October GAC meeting. That meeting and the subsequent working-level discussions showed that the new key elements of the proposal are questionable for most Member States and that the proposal does not take sufficient account of national specificities.

Following the release of the Commission's work programme for 2023, CZ PRES negotiated with the Commission and the European Parliament **an inter-institutional declaration on legislative priorities for the European Parliament elections in May 2024**. The declaration was approved at the GAC meeting on 13 December 2022 and was subsequently signed by the presidents of all three institutions in the margins of the December meeting of the European Council.

In the **rule of law agenda**, CZ PRES aimed at continuing the dynamics set by previous presidencies, namely building on the progress made along both lines by the FR PRES. Along the line of the **procedure according to Article 7 of the Treaty on European Union (TEU)**, the current state of the rule of law in Poland was discussed at the October meeting of GAC under CZ PRES. In November, a formal hearing pursuant to Art. 7 TEU was held with Hungary.

As part of the Council's annual Rule of Law Dialogue, a horizontal discussion took place during CZ PRES on the general trends in connection with the release of this year's **Rule of Law Report of the Commission**, characterised mainly by newly including specific recommendations addressed to individual Member States. The horizontal discussion was followed in December by another round of specific discussion on the current Commission report with five Member States - Poland, Portugal, Romania, Slovenia and Sweden.

Concerning the **Conference on the Future of Europe (COFE)**, CZ PRES closely followed up the activities started by FR PRES in implementing the proposals and recommendations from the COFE final report. The European affairs ministers started the first discussion on implementing those proposals already in July 2022 at the informal meeting of the



ministers for European affairs in Prague. Following that meeting, CZ PRES distributed a questionnaire to the Member State delegations during the summer, asking them about their attitude to a possible change in the voting procedures in the Council for selected areas of EU policies, using so-called passerelles or autonomous measures that the Council could take independently following the COFE results. The Member State delegations dealt with those topics in more detail both in the Council at working level and at every meeting of the GAC, held under CZ PRES.

At those meetings, the ministers also discussed proposals of the European Parliament for convening a Convention to amend the Treaties, or the timing and possibilities of submitting those proposals to the European Council under Art. 48 TEU. The meeting agenda included a preparation for the feedback activity which subsequently took place on 2 December 2022 at the European Parliament in Brussels. The aim of the activity was to present to citizens the work of the EU institutions to date in implementing the COFE conclusions. The Council was represented by the Czech Minister for European Affairs.

In terms of **statistics**, significant progress was achieved in discussing a revision of the Regulation on the European system of national and regional accounts. After many informal negotiations, a compromise was reached already at the first political triologue. Later, the compromise was approved at Coreper II level on 30 November 2022. Another major step forward was made by CZ PRES in negotiating the proposal for a revision of the Regulation on introduction of new environmental economic accounts modules. CZ PRES managed to reach a compromise among Member States after five meetings of the Council Working Party on Statistics. After that, CZ PRES submitted the final compromise proposal at the Coreper meeting on 20 December 2022, it was approved and so CZ PRES received a mandate for inter-institutional negotiations. The last statistical proposal discussed under CZ PRES was the proposal for a Regulation on statistics of agricultural inputs and outputs. The proposal was adopted at the meeting of the Special Committee on Agriculture and the ECOFIN Council and it was published in the Official Journal of the EU on 7 December 2022.

As part of the **European semester** agenda, a roadmap of the 2023 European semester, prepared by CZ PRES in cooperation with the incoming Swedish Presidency (SE PRES), was presented at the December GAC meeting. The aim of the timetable is to ensure that all relevant Council formations and their preparatory bodies work in a coordinated manner.

One of the key topics discussed by the Working Party on Staff Regulations was the **geographical balance in EU institutions**. It is an important topic both from the point of view of Member States and EU institutions because recruitment on a broad geographical basis is one of the principles enshrined in the EU Staff Regulations and the Conditions of Employment. CZ PRES achieved the first ever discussion of this issue at the Coreper II meeting on 1 December 2022. The conclusions contained in the Presidency Note, i.e. a regular collection of data on the geographical representation of officials in EU



institutions and its regular discussion by the Working Party, and the consideration of the measures proposed to improve the geographical balance, obtained a wide support of Member States.

Cohesion policy

Cohesion policy is key for strengthening the economic and social convergence of the EU. CZ PRES successfully negotiated the approval of new legislative packages FAST-CARE and ENI-CBC. CZ PRES prepared and discussed **EU Council conclusions on cohesion policy, which were adopted on 22 November 2022.**

Their aim was to underline the added value of cohesion policy and the possibilities the policy represents for recovery and stronger resilience in connection with the crisis brought about by the Russian aggression in Ukraine or the COVID-19 pandemic, as well as its contribution to EU objectives in the area of digitisation and just transition. Another aim is to open a debate on the shape of cohesion policy after 2027.

Foreign Affairs Council (FAC)

External relations

CZ PRES actively supported a unified and effective EU in external relations and contributed to finding consensus among Member States. To that end, CZ PRES organised dozens of events including an informal meeting of the ministers of foreign affairs (Gymnich) on 30 and 31 August 2022 in Prague.

In connection with the Russian aggression, CZ PRES supported all along the EU efforts to defend the sovereignty and territorial integrity of Ukraine. Over that period, the EU adopted the **7th, 8th and 9th package of sanctions against Russia**, supplemented with a **price cap on Russian oil** in cooperation with G7 countries. The EU also agreed on fully **suspending the visa facilitation agreement EU-Russia** (Gymnich, formally adopted by the EU Council in September 2022) and on significantly restricting tourist trips of Russian citizens to the EU.

Under CZ PRES, further military support for Ukraine was activated through the 5th and 6th package of financial support from the **European Peace Facility (EPF)** and the debate was concluded on the timing and level of refunds to Member States from the 2nd, 3rd and 4th package of financial support in the interest of fast replenishment of military materiel stocks. CZ PRES also managed to complete the negotiations leading to an EU decision to increase the EPF total budget in 2023 by EUR 2 bil. and by up to EUR 5.5 billion up to 2027 as needed, to enable, inter alia, the financing of further military assistance to Ukraine.

CZ PRES strongly contributed to **achieving an agreement on common principles of a single approach to Russia** at the time of the Russian aggression and initiated



a discussion on the **future of the Eastern Partnership policy**. In December 2022, in the margins of the Foreign Affairs Council meeting, ministers of the Eastern Partnership states met in Brussels, and the Associated Trio countries participated in the meeting with the EU in the margins of Gymnich. CZ PRES promoted the resilience of the associated countries of the Eastern Partnership and the media independence in Eastern Europe also by organising an **Eastern Partnership Media Conference** in Prague in the same month.

CZ PRES actively contributed to deepening the **transatlantic relations**, including **EU-NATO relations**. The Russian aggression in Ukraine confirmed the importance of **transatlantic unity and EU-US cooperation**. CZ PRES invited US representatives to a number of informal or working meetings of EU Member States and so actively contributed to the coordination of EU and US steps.

In the context of implementing non-military tasks assigned in the **Strategic Compass for Security and Defence**, CZ PRES actively cooperated in the preparation of the new **Pact for a Civilian Common Security and Defence Policy (CSDP)**. CZ PRES oversaw the launch of the EU civilian monitoring capacity at the Armenian part of the border with Azerbaijan and the start of preparations for setting up a standard CSDP civil monitoring mission in Armenia.

CZ PRES actively contributed to **implementing the Council conclusions on the external dimension of counter-terrorism**. CZ PRES also negotiated the adoption of **Council conclusions on digital diplomacy** and promoted a human rights approach of the EU to introducing new technologies by organising a **Global Forum on the Ethics of Artificial Intelligence** in Prague in December 2022.

In September 2022, Prague hosted a round table with civil society on the challenges of European integration of **Western Balkan (WB) countries**, and in November, Prague was the venue of a conference on the role of education in the reconciliation process in the WB region. At the December **EU summit with WB countries in Tirana**, the Tirana Declaration was adopted and sectoral cooperation was enhanced, and an **agreement on reducing roaming fees in the WB region** was signed. The summit also discussed the aid that EU provides to the region to cope with the negative impacts of the war in Ukraine.

CZ-PRES supported next steps in the implementation of the **EU Strategy for Cooperation in the Indo-Pacific** by organising the Prague High-level Dialogue on the Indo-Pacific in June 2022. It was followed by an Indo-Pacific Day held in September in Brussels and by conferences on selected topics in Prague and in the countries of the region (e.g. a conference on protecting endangered species in Jakarta). In December, an annual **EU-ASEAN summit** took place in Brussels. Its output was a joint declaration responding, inter alia, to the Russian aggression against Ukraine, or the signing of Partnership and Cooperation Agreements (PCA) with Thailand and Malaysia.



CZ PRES supported **active strategic communication of the EU towards African countries**, e.g. in the margins of the UN General Assembly and through a seminar on disinformation in the Sahel, held in Brussels in September. In November 2022, CZ PRES organised a meeting of **EU special representatives for the Sahel**.

CZ PRES also contributed to renewing the meetings of the **EU-Israel Association Council** and to preparing an EU declaration for its 12th meeting that took place for the first time in ten years in early October 2022.

CZ PRES contributed to imposing two **sanctions against Iran** for its repression of civil protests and for its supplies of drones used in the Russian aggression in Ukraine, and to adopting conclusions on the situation in Iran at the December FAC meeting.

CZ PRES actively participated in the meeting of **foreign ministers of EU-CELAC** (Community of Latin American and Caribbean States) that took place after a four-year pause in Buenos Aires at the end of October 2022.

CZ PRES also co-chaired **the European Economic Area Council (EEA)** meeting held in Brussels in November 2022.

CZ PRES also chaired the **African, Caribbean and Pacific (ACP) - EU Council of Ministers** on 29 November 2022 in Brussels.

The Czech Republic spoke at the high-level meeting of the **UN Security Council** on 22 September 2022 on peace and security of Ukraine facing Russian aggression, where, in line with the CZ PRES priorities, it called for establishing a special international tribunal to investigate the crime of Russian aggression against Ukraine. In the margins of the UN General Assembly High-Level Week, CZ PRES organised events on human rights topics - on **protecting journalists in conflicts** and on promoting **human rights in the online environment**.

CZ PRES succeeded in including the **human rights topics** in the December FAC meeting, and organised many events on the occasion of the **International Human Rights Day**. On 30 August to 2 September 2022, with the support of CZ PRES, Prague hosted the **Forum for Ukraine** as part of the international conference Forum 2000, emphasising support for Ukraine, democracy and human rights in the world.

CZ PRES promoted **green diplomacy** by organising meetings of EU climate ambassadors and the Green Diplomacy Network in September and November in Prague. CZ PRES also supported the **external dimension of energy security**, inter alia, by holding debriefings after TTE Council meetings for the Western Balkan and Associated Trio countries.



Development cooperation

CZ PRES actively participated in conferences in Lugano, Berlin and Paris on **continuing the urgent aid and on stabilisation and post-war reconstruction of Ukraine**, and took part in addressing the global impacts of the war in Ukraine, mainly in relation to the global food crisis.

In the Council configuration for development, CZ PRES coordinated the response of the EU and Member States to the **food security** crisis - e.g. starting a regular monitoring of the total EU contribution and contributions of Member States, which will continue in a six-month cycle. Apart from mobilising EU funding, CZ PRES organised, in the margins of the UN General Assembly High-Level Week, an event on the role of humanitarian diplomacy to prevent and address **food crises**, and linked that event with a successful communication campaign targeted at the most affected countries.

The main priorities of the Foreign Affairs Council configuration in a configuration of development ministers were also achieved, namely adoption of Council conclusions on **disaster risk reduction** in the EU external action, as a contribution to reducing the threat for partner countries and their inhabitants in connection with climate change, and adoption of Council conclusions on the **Youth Action Plan** in EU external action, which was published in October 2022 by the European Commission and the European External Action Service.

CZ PRES also prepared **guidelines for practical implementation of the triple nexus** - interconnecting humanitarian, development and security actors when cooperating in partner countries, and **recommendations on humanitarian diplomacy**. CZ PRES prepared development cooperation **guidelines for the autumn meeting of international financial institutions**.

The **Global Gateway, a global connectivity strategy** adopted in December 2021, was implemented during CZ PRES. Agreement was reached over the criteria for identifying flagship projects and in the topic of Global Gateway management. In the margins of the December FAC meeting, the first ever **meeting of the Global Gateway Board** at the level of foreign ministers was held, discussing the priorities of global connectivity for 2023.

Common trade policy

In the context of the COVID-19 pandemic and the Russian aggression in Ukraine, one of the main priorities of CZ PRES became the **resilience of the European economy**. In terms of commercial policy, the Presidency emphasised the necessity to reduce EU's dependence on hostile or unstable regimes, to support economic recovery of the EU economy and to ensure supplies of important raw materials and inputs.



The basic multilateral platform determining the EU commercial and political relations on the global scale remains to be the World Trade Organisation (WTO) and its rules. The EU's strategic goal is to maintain or renew the capacity to act and the relevance of WTO for global challenges. Therefore, after the successful 12th **WTO Ministerial Conference** in June 2022, CZ PRES supported further **reform of the organisation and an active role of the EU** in the process.

To achieve EU's strategic resilience, it is crucial to **negotiate new trade agreements**, so CZ PRES supported the European Commission in negotiating new trade agreements and promoted progress in their subsequent approval. Important in this respect are mainly trade agreements with countries of South America, namely Chile, Mexico and the MERCOSUR bloc, and of the Indo-Pacific, such as New Zealand, Australia, India or Indonesia. A significant success was that, **during CZ PRES, the EU agreed with Chile on the text of a modernised trade agreement** that is important mainly because of the Chilean reserves of key raw materials. Under CZ PRES, progress was also made in addressing the deadlock in the process of approving the agreement with Mexico, i.e. agreeing on the approach to the legal architecture of the agreement on the part of the EU. The negotiations on agreements continued in the third round with India, in the twelfth round with Indonesia and the thirteenth round with Australia. **Another CZ PRES success is the conclusion of a political agreement on investment facilitation with Angola**, the main benefit of which is clarification of the processes and administration for Union investors in that country.

On 17 October 2022, the Council adopted **conclusions on the revision of the concept of sustainable development in free trade agreements between the EU and third countries**, presented by the Commission in its communication in June. The Council conclusions should facilitate progress in negotiating, concluding and implementing the agreements, as the theme of sustainability is sensitive for many Member States and often represents an obstacle for completing and approving the agreements.

The importance of free trade agreements in the context of the current geopolitical development was also discussed at the **informal meeting of Union trade ministers, held in Prague on 30 and 31 October 2022**. The meeting was attended by **US Trade Representative Katherine Tai**. The deepening of relations and cooperation with the US was one of the Czech Presidency priorities and so it strongly resonated at many meetings and events organised during CZ PRES. CZ PRES supported the continuous preparation of outputs (including a joint declaration) for the third meeting of the **EU-US Trade and Technology Council** that took place on 5 December 2022 in the United States.

Another goal of CZ PRES was to open a strategic discussion on the next direction of **digital trade** and to establish trade cooperation with third countries. The Council approved a negotiation mandate for the supplementation of provisions on data flow in the **Economic Partnership Agreement with Japan**. The negotiation is already underway.



The Council approved the **start of negotiations on digital trade principles with Japan, Singapore and South Korea**. The principles are gradually agreed with those countries as one of the main outputs of the Digital Partnerships with them. During CZ PRES, negotiations were completed with South Korea and Singapore and the agreed principles may serve as a suitable basis for future negotiations with them on binding rules.

In terms of the discussed trade **legislation**, after intensive negotiations CZ PRES managed to achieve a Council general approach on the **Anti-Coercion Instrument**. Then, negotiations on the instrument started with the European Parliament and two political dialogues were completed. CZ PRES intended to find such solutions that would ensure sufficient effectiveness of the instrument but also would not compromise the openness of the Union and its credibility as defender of international trade rules. Legislative work also continued on the **revision of the Regulation on applying a scheme of generalised tariff preferences (GSP)**. CZ PRES focused the main attention on addressing the sensitive issues of readmissions and safeguards. After intensive negotiations, a suitable solution was found and CZ PRES reached a Council general approach in the end.

Another focus of CZ PRES was the **deepening of trade cooperation** with regions in the European neighbourhood and beyond. That was the goal of the conferences **Eastern Partnership Business Forum** and **EU – Western Balkans Smart Cities Economic Forum**. Nearly twenty Czech firms made their presentations there, the events were personally attended by representatives of 10 states and visited by more than five hundred registered listeners.

Defence

In this area, CZ PRES had three main priorities also with respect to the security situation development: **strengthening the EU-NATO cooperation, assisting Ukraine, and implementing the Strategic Compass**. To deliver on those priorities, the formal and informal meetings were accompanied by a number of conferences and seminars during the semester.

Under the priority of **EU-NATO Cooperation**, CZ PRES sought to increase mutual awareness of the activities of both organisations in order to facilitate the cooperation and prevent any misunderstandings or duplications. Therefore, NATO representatives were usually invited to meetings and conferences during CZ PRES. As the first presidency, the Czech Republic provided information on an informal basis to non-Union allies / NATO members on the EU developments in relevant areas. CZ PRES also promoted the signing of the third joint EU-NATO declaration that specifies the next practical joint steps in the current security environment. Specific success was achieved in the Permanent Structured Cooperation (PESCO), namely in **military mobility** that is the flagship of cooperation between both organisations. That initiative was newly joined by the United Kingdom. With regard to the importance of this area for both organisations, the Czech Republic, helped



by EU representatives, actively brought the issue of military mobility to the agenda at NATO meetings. The next development of military mobility is outlined in the Action Plan published in November 2022. In addition, CZ PRES led a seminar on ensuring the coherence of the EU and NATO defence cycles, in order to contribute to the development of the capabilities of the European pillar of NATO.

CZ PRES took multiple steps to provide military support to **Ukraine**. The most important ones include the implementation of assistance measures under the **European Peace Facility** (EPF). Under EPF, CZ PRES focused on negotiating compromises in increasing the financial and material support for Ukraine by setting the mechanism for reimbursement of supplies, which enabled the states to continue to provide the support. The total reimbursements for support to Ukraine from EPF amounted to EUR 3.1 billion. The discussion on the financial sustainability of EPF was also important as it resulted in an agreement and a funding increase (see section External relations). In addition, the Union's **Military Assistance Mission EUMAM** was launched in mid-November 2022 under the auspices of CZ PRES to train Ukrainian soldiers. Political consensus on the possibility of establishing that mission was found already at the informal meeting of defence ministers in Prague at the end of August the very same year. The Mission aims to train around 15,000 Ukrainian soldiers in EU countries in the horizon of two years. The Czech Republic is already actively contributing to these efforts with its capacities, full operability is expected from the beginning of 2023.

In the area of **implementing the Strategic Compass**, CZ PRES succeeded in significantly enhancing the EU's resilience in facing hybrid action and disinformation. In the first half of July 2022, the text of the **Council conclusions on foreign manipulation of information and interference** was completed. Those conclusions that demonstrate EU's commitment to step up its engagement in facing that threat at all levels was approved by the EU Council in July. After very long negotiations, CZ PRES helped to find consensus in early December and implementation guidelines were approved for the **Framework for a coordinated EU response to hybrid campaigns**, thanks to which the hybrid toolbox became operational.

CZ PRES was also engaged in the **development of the European defence industry**, and an important success was the achieved agreement at Council level on the **EDIRPA** Regulation (support for collaborative public procurement). This tool represents the first step towards expanding the possibility of joint acquisition of military materiel by EU Member States, mainly in the context of the war in Ukraine, it will enhance the European defence, technology and industrial base and will motivate Member States to make joint purchases when there is need to urgently replenish stocks of necessary military materiel. With that success, CZ PRES contributed to the delivery of tasks assigned in the Strategic Compass which, in March 2022, stressed the need to deal with the gaps in joint acquisition.



Economic and Financial Affairs Council (ECOFIN)

Based on the pledge of the European Council to provide Ukraine with macrofinancial aid in the amount of EUR 9 billion in 2022, ECOFIN gradually approved the individual aid payments, EUR 1 billion in July and subsequently EUR 5 billion in September, to be paid by the end of 2022. Under the leadership of CZ PRES, the Council reached agreement on 15 December 2022 on a legislative package that will enable the EU to support Ukraine in 2023 with regular financial assistance at a total of EUR 18 billion, which includes EUR 3 billion that were not paid in 2022 for time reasons. The aim is to enable Ukraine to finance its immediate needs, to renew critical infrastructure and receive initial support towards sustainable post-war reconstruction, and so support the country on its path towards European integration.

Moreover, during CZ PRES, a proposal was approved very quickly on the **access of Ukraine to the Convention on the simplification of formalities in trade in goods, and to the Convention on a common transit procedure**, which will simplify the clearance on the EU-Ukrainian border and will strongly improve the complicated situation on that border.

In the area of **economic policy and recovery of the EU**, CZ PRES successfully led negotiations on the Commission proposal of the **REPowerEU** plan that amends the regulation on the Recovery and Resilience Facility (RRF) and other legislative acts. Under CZ PRES leadership, the Council agreed on its general approach on 4 October 2022. Later in negotiations with the European Parliament, in the fourth political dialogue on 14 December, a provisional political agreement was reached and then approved at Coreper on 20 December. In particular, the agreement on the source of financing of the REPowerEU grant envelope is key. The Czech Republic maintained the option of financing oil projects within the scope of the chapter on REPowerEU in the Recovery and Resilience Plan.

The aim of this RRF amendment for REPowerEU, expanding the RRF support at a total of nearly CZK 485 billion in the form of grants, is the financing of investments and reforms intended to diversify the energy supplies and reduce dependence on fossil fuels, mainly their import from Russia.

CZ PRES successfully completed the **budget process for 2023**. In July, the Czech Republic negotiated the Council position on the 2023 EU budget proposal and then, on 14 November 2022, CZ PRES reached agreement on the 2023 EU budget with the European Parliament. CZ PRES proposed Council declaration on Heading 7, subsequently approved by ECOFIN on 6 December. The declaration responds to the requirement of Member States to discuss administrative expenditure of EU institutions and a gentlemen's agreement between EP and the Council on the EU budget.

CZ PRES launched dialogues with the European Parliament on the proposal for a **carbon border adjustment mechanism (CBAM)** intended to level the conditions between European and non-European firms and promote the worldwide fight against climate



change. Despite significant differences in the positions of the Council and the European Parliament, a preliminary agreement on the text of the proposal was reached at the end of the Czech Presidency.

During CZ PRES, the Commission launched, for the **first time ever, a procedure based on the Regulation on a general regime of conditionality for the protection of the Union budget against Hungary**. A political agreement on the Council implementing decision on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary was reached by CZ PRES at Coreper on 12 December 2022. The Council almost unanimously reduced the amount of frozen funds for Hungary from 65% proposed by the Commission to 55 %, taking into account the number and importance of corrective measures successfully implemented and also the level of cooperation by Hungary.

In the area of **indirect tax**, the ECOFIN Council welcomed the progress of CZ PRES in discussing the proposal for the **Energy Tax Directive** and supported the direction proposed by CZ PRES leaning on a broad support of Member States for the majority of technical issues. In terms of the **taxation of heavy goods vehicles**, CZ PRES reopened the discussion on the proposal from 2017, cancelling the minimum tax rates set in 1999. Unfortunately, CZ PRES did not achieve political agreement, nevertheless, the proposal remains on the table to be discussed by the next presidency. Still in the area of indirect taxation, a legislative package was presented on VAT in the digital age.

In the area **direct taxation**, CZ PRES ensured the necessary unanimous support for the proposal of the Directive introducing a **minimum (effective) tax** for large groups of undertakings in the EU (implementation of a substantial part of Pillar 2 of the project called Tax Challenges Arising from the Digitalisation of the Economy, carried out under the auspices of OECD/G20 Inclusive Framework).

CZ PRES prepared conditions for completing the implementation of the amended Directive on Administrative Cooperation in the field of taxation (DAC7) and presented for discussion the compromise proposals of the most important articles of the **Unshell Directive** that simplify the procedures for identification of "shell entities" (entities without a minimum substance or economic activity, which may become a tool for tax evasion or fraud) and for information exchange. CZ PRES also managed (with unanimous support of Member States) to suspend the discussion of the **DEBRA Directive** intended to reduce the attractiveness of debt financing for the benefit of equity financing.

The ECOFIN Council endorsed the ECOFIN Council conclusions with an update of the EU list of **non-cooperative tax jurisdictions** and the list of cooperative jurisdictions with commitments to correct identified deficiencies, and the revised version of the **Code of Conduct for Business Taxation**. The new version of the Code of Conduct better corresponds to the current major challenges in taxation, mainly concerning income generated by means of the digital economy.

In **banking**, CZ PRES achieved, at the November ECOFIN Council meeting, a general approach on the **banking package (mainly implementation of Basel 3+) revising the**



Capital Requirements Directive and Regulation (CRDVI/CRRIII). The banking package was one of the priorities of CZ PRES in the financial markets agenda. The package introduced, inter alia, **key international standards** that will use a set of measures to **reduce the impacts of any materialisation of risks in banking**. The Council added to the Commission's proposal a higher proportionality in regulatory requirements for small banks and endorsed the harmonisation of minimum requirements for the activity of branches of banking institutions from third countries and the supervision over them.

In **financial services**, CZ PRES succeeded in finding agreement in most areas, the Council mandate for the **Markets in Financial Instruments Regulation (MiFIR)** and revision of the **Central Securities Depositories Regulation (CSDR)** was approved on 20 December 2022, and several political trialogues were held on the proposal for the **European Green Bond Regulation (EuGB)**. CZ PRES completed trialogues with the European Parliament concerning the Regulation on **European Long-term Investment Funds (ELTIF)** and the proposal was formally approved at the Coreper meeting on 7 December 2022. CZ PRES reached the approval of a compromise text of the proposal for the Directive on the **recovery and resolution of insurance and reinsurance undertakings (IRR)** at Coreper II on 20 December 2022, achieving a mandate for negotiation with the European Parliament. CZ PRES also succeeded in completing the technical negotiations and reaching a final agreement with the European Parliament and the Commission on the **Regulation on Markets in Crypto-assets (MiCA)**.

The Council formally adopted the **"daisy chain" regulation**, strengthening the prudential regulatory framework for credit institutions operating in the Union. Political agreement on the proposal was reached already under the FR PRES.

The **conclusions on climate financing** were also approved and, together with the conclusions of the Environment Council (ENVI) of 24 October 2022, they represented an EU mandate for the Conference of the Parties to the Framework Convention of the United Nations on climate change (COP27).

In the area of **combating money laundering and the financing of terrorism**, CZ PRES successfully completed the process of **negotiating the Regulation on information accompanying transfers of funds and certain crypto-assets** in the Council as the proposal resulting from trialogues was approved at the Coreper meeting on 5 October 2022.

CZ PRES also achieved a Council general approach on the proposal for the **AML Regulation and proposal for the 6th AML Directive** after both proposals were endorsed at the Coreper meeting on 7 December 2022. The proposals jointly lay down uniform rules for protecting the EU financial system from money laundering and terrorism financing.



Justice and Home Affairs Council (JHA)

Justice

One of the main priorities of CZ PRES in the area of justice arose from the military aggression by the Russian Federation against Ukraine at the end of February 2022. It was the **coordination of the justice aspects of the EU and Member State activities mainly in fighting impunity.**

Council conclusions on the fight against impunity as regards crimes committed in connection with Russia's war of aggression against Ukraine were adopted on 9 December 2022. The Council conclusions mainly point out that to ensure successful investigation and prosecution of so-called most serious crimes of international concern it is necessary to strengthen cooperation and coordination among all relevant bodies at the international and national level, especially in gathering, preserving and securing evidence that can be used later before the court. In the adopted conclusions, the Council calls on the Member States, the Commission, Eurojust, Europol, the Genocide Network and other EU institutions to take many various measures to make the investigation of potential crimes committed in Ukraine as a result of the Russian invasion and the collection, analysis and preservation of evidence of the crimes effective, non-duplicate and compliant with recognised international standards. Other recommendations cover mostly the treatment of victims of crimes and witnesses of crimes committed in Ukraine so as to ensure their protection and respect their rights. The Council conclusions also include a call for Ukraine to accede the Rome Statute of the International Criminal Court.

Apart from that, great emphasis was placed on the need of the **most effective possible cooperation with the International Criminal Court in The Hague** (ICC) whose prosecutor started investigation of possible war crimes and crimes against humanity immediately after the emergence of the military aggression of the Russian federation in Ukraine. The EU Member States coordinate their steps and the options of financial support for the ICC activity and also the possibilities of sending out experts who could work at the ICC in the interest of fast and effective investigation. An important role in the cooperation of ICC and EU Member States (MSs) is and will be played by Eurojust which also coordinates the national investigation of war crimes committed in Ukraine, initiated in 14 EU MSs. In connection with that, Eurojust has established a joint investigation team that will coordinate the national investigations in MSs, including the securing and sharing of evidence. Eurojust also hosts a liaison prosecutor of the General Prosecutor's Office of Ukraine, through whom Eurojust coordinates the steps of judicial authorities of MSs and Ukraine. Close cooperation is taking place with Europol and the EU network for investigation of genocide and war crimes, which has expertise and a network of contact expert points in the issue.



At present, Eurojust is creating infrastructure necessary for applying Regulation (EU) 2022/838 as regards the preservation, analysis and storage at Eurojust of evidence relating to genocide, crimes against humanity, war crimes and related criminal offences, adopted under FR PRES. In September 2022, Eurojust, the Genocide Network and the Office of the Prosecutor of the International Criminal Court published **guidelines for civil society organisations** that are to help in the fight against impunity and were drawn up using the expertise of the Office of the Prosecutor of the International Criminal Court, Eurojust, the Genocide Network, civil society organisations, national public prosecutors and international partners. With regard to the increased work load, the International Criminal Court received additional financial support of more than EUR 7 million and various MSs sent experts to The Hague to help ICC in its important work.

Through EU integrated political crisis response, CZ PRES helped to coordinate the **forensic support to Ukrainian bodies** in collecting evidence on international crimes. Member States were called upon to continue to actively contribute to the investigation of international crimes.

Under CZ PRES, a unanimous decision was adopted, expanding Art. 83(1) TFEU with **violation of Union restrictive measures (sanctions)**. The decision was adopted on 28 November 2022. Based on the extension, the Commission submitted on 2 December 2022 a proposal for a Directive on the definition of criminal offences and penalties for the violation of Union restrictive measures. Negotiation on the proposal was organised by CZ PRES on 13 December 2022, where the Commission presented the proposal and the first reading started.

Great attention was paid under CZ PRES to the proposal for a **Directive on Asset Recovery and Confiscation**, intended to replace several existing Union acts and enhance harmonisation in the recovery of assets related to criminal activity. The first reading of the proposal was completed and CZ PRES presented two revised texts. The Presidency mainly dealt with chapters on seizure and confiscation, asset management and procedural guarantees. Some sub-issues were discussed at the CATS meeting and the December JHA Council meeting. CZ PRES participated in the last revision text that will include the whole directive and will be discussed in January under SE PRES, in order to maintain continuity of negotiation.

The Czech Republic completed the negotiation of the proposal for a Regulation on the **digitalisation of judicial cooperation** and access to justice in cross-border civil, commercial and criminal matters, and the accompanying directive. The general approach on both proposals was adopted at the December JHA Council meeting.

The regulation covers the **provision of electronic means of communication for judicial cooperation of competent authorities in cross-border cases**, and the voluntary use of the electronic means by natural and legal persons in communicating with courts or other relevant bodies. In addition, parties to cross-border proceedings will be enabled to



participate in hearings through video-conferences. The regulation introduces a European electronic access point by amending the already prepared e-Codex. This will establish a platform for electronic communication between the relevant bodies and persons. The digitalisation package also includes the related directive that amends the current legislative acts on judicial cooperation in civil, commercial and criminal matters. The general approach on the proposal was adopted at the December JHA Council meeting.

Another two proposals in the digitalisation package, namely proposal for a Regulation establishing a **collaboration platform to support the functioning of Joint Investigation Teams**, which is to enable members and participants of joint investigation teams to communicate more easily and safely and to safely share information and evidence gathered during the work of the joint investigation team, and the proposal for a Regulation regarding **digital information exchange in terrorism cases**, were agreed upon with the European Parliament in the second political dialogue in December 2022.

CZ PRES continued the negotiations and organised many technical meetings with the European Parliament, the Commission and Member States on the **legislative package of regulations on electronic evidence**, namely proposal for a Regulation on European Production and Preservation Orders for electronic evidence in criminal matters, and proposal for a Directive on the appointment of legal representatives for the purpose of gathering evidence in criminal proceedings, the aim of which is to facilitate and speed up the access of the Police and judicial authorities to electronic evidence stored in the territory of another state. The last political dialogue on the proposals took place on 29 November 2022, where provisional compromise political agreement was reached on most legal texts of both proposals including the substantial issues open to date, albeit partially conditioned by the result of other and finalising work at the technical level. The full political agreement was submitted to Member States for approval and adoption of the final text at the Coreper meeting on 20 December.

Environmental protection was considered by CZ PRES one of its highest priorities in the area of justice, and criminal law was seen as of vital importance for protection against the consequences of the most serious infringements that threaten or damage the environmental compartments. The proposal of the relevant directive is very complex, it updates the existing and defines new environmental crimes and, as opposed to the previous directives, it newly comes up with harmonisation of the types and levels of sanctions. It also includes provisions on seizure and confiscation, it requires protection of whistleblowers, it enables the use of investigation tools used by Member States to investigate organised crime. In the Council, the negotiations on the proposal started under FR PRES in January 2022. At the JHA Council meeting on 9 June 2022, a partial general approach was reached on the provisions on crimes. From July 2022, CZ PRES continued in the technical discussion, specifically over the sanction part and the subsequent (more general) provisions. The goal of CZ PRES was to adopt the whole



general approach on the proposal for the directive, which was achieved on 9 December 2022 at the JHA Council meeting.

At the same meeting, **Council conclusions** were adopted **on strengthening the capacity of the European Justice Network to combat cybercrime**.

CZ PRES led a detailed discussion on the Commission's implementation report on application of the Directive on **consular protection for unrepresented Union citizens in third countries**, and presented a document at the end of its term, providing the Commission with guidelines for drawing up a proposal for an amendment to the directive based on the results of the discussion.

One of the important priorities of CZ PRES in the area of justice was the **EU's accession to the European Convention on Human Rights**. At the working level of the Council (FREMP Working Party), 8 meetings were dedicated to the accession topic. The "46+1" group of the Steering Committee for Human Rights (CDDH) in Strasbourg reached provisional agreement on the wording of the accession agreement in issues falling into baskets 1, 2 and 3. Under CZ PRES, broad consensus was also reached on the interpretive declaration in basket 4. However, unanimous agreement was not achieved in this area. CZ PRES made progress in preparing a proposal for internal EU rules that should reflect the EU's accession to the European Convention on Human Rights inside the Union. The negotiation of the internal rules involved government representatives representing EU Member States before the European Court of Human Rights and a panel established pursuant to Art. 255 TFEU.

Home affairs

Even in the area of home affairs, one of the key topics of CZ PRES became the **response to the impacts of the war in Ukraine on migration and security and on the external dimension**. The clear priority assigned to this topic by Member States and Union institutions was confirmed at the informal meeting of interior ministers on 11 July 2022 in Prague, attended by interior ministers of Ukraine and Moldova. An **EU Support Hub for Internal Security and Border Management in Moldova** was launched in the margins of that ministerial meeting. The Hub became a key platform for operational cooperation between the EU and Moldova in this area. With regard to the development of the conflict, with attacks targeted against Ukrainian energy and other key infrastructure, and also to the coming winter, CZ PRES worked intensively on preparations for the possible new inflow of refugees from Ukraine to the EU. No less significant attention was paid to the **security impacts** of the war in Ukraine, mainly to the increased risks of migrant smuggling, human trafficking, illegal trade of arms and other commodities of strategic nature, terrorism and other forms of the related serious criminal activity. These topics were discussed during the successful mission to Kiev on 27 September 2022, led by the EU Counter-Terrorism Coordinator and attended by a CZ PRES representative.



An important success of CZ PRES is the adoption of a decision on the **non-recognition of Russian travel documents issued in occupied foreign regions** at the December meeting of the JHA Council. The decision was a response to the Russian practice of issuing Russian international passports to inhabitants of the occupied regions. The Member States decided for the first time ever to proceed jointly in the recognition of travel documents and by means of a binding legislative act they expressed their negative attitude to the practices applied by Russia not only in the occupied regions of Ukraine but also in the separatist territories of Georgia. By adopting and applying the decision, the Union is sending out a clear and strong political signal towards Russia that such steps will not be tolerated.

CZ PRES launched negotiations of the proposal for a Regulation laying down **rules to prevent and combat child sexual abuse**. The whole text of the proposal for the regulation was discussed at the working level. The resulting progress report helped to define the key areas for further negotiations during SE PRES.

In the field of streamlining police cooperation, CZ PRES started and completed a triologue on the **proposal for a Directive on information exchange** between law enforcement authorities of Member States, submitted as part of the EU Police Cooperation Code. Union objectives were also pursued in the area of the **fight against organized crime and serious criminal activities or the fight against terrorism**, also in the context of the Russian aggression against Ukraine.

In the area of critical infrastructure, CZ PRES managed to finish the negotiation of the proposal for a **Directive on the resilience of critical entities** (CER), finally adopted by the JHA Council on 8 December 2022. In response to the Nord Stream pipeline sabotage and in connection with new risks brought about by the Russian aggression against Ukraine, a proposal for a **Council recommendation on a coordinated approach by the Union to strengthen the resilience of critical infrastructure** was presented under CZ PRES. The recommendation aims to speed up the preparation work on implementing the obligations arising from the CER Directive and the Cybersecurity Directive (NIS2) and to increase the protection of critical infrastructure in the EU, focusing on key sectors. CZ PRES succeeded in negotiating the final compromise version of the recommendation, adopted by the JHA Council on 8 December 2022.

Another success of CZ PRES is the approval of Council conclusions concerning the need to prevent and counter the use of pyrotechnics in spectator areas of football stadia and other sports venues, and the Council conclusions on the vision of the European Forensic Science Area 2.0 (EFSA 2.0).

CZ PRES played a key role in the issue of **extension of the Schengen Area**. **An important achievement is the positive decision of the JHA Council on 8 December 2022 in the case of Croatia, which will lift controls at internal land borders from 1 January 2023**. Concerning Bulgaria and Romania, the hard work of CZ PRES brought significant progress



and paved the way for full inclusion of both countries in the Schengen Area in the near future.

In the field of border protection, the notable achievements include the approval of the **Council conclusions on a multiannual strategic policy for European integrated border management**, and also **completion of the first Schengen cycle**. At their informal meeting in Prague, the interior ministers endorsed a new timetable for completing the project on **interoperability of large-scale IT systems** in the area of freedom, security and justice. The December JHA Council confirmed a **new date of launching a revised Schengen information system - in March 2023**. In this area, CZ PRES cooperated closely and intensively with the eu-LISA agency and the Commission with a view to meeting the deadline for the interoperability completion at the end of 2023. A great success of CZ PRES is also the launch and **completion of the first reading of the proposal for digitalisation of the visa procedure**, which was also the subject of close and intensive cooperation between CZ PRES and the eu-LISA agency and the Commission. At the October meeting the JHA Council adopted a **decision on signing an agreement on border management cooperation between Frontex and North Macedonia**. The facilitation of joint operations and sending experts of the agency to the country will further enhance the protection of external borders.

In the area of migration, CZ PRES focused special attention on the **external dimension**, in line with the *whole-of-route approach*. With respect to the general growth in illegal migration flows into the EU, CZ PRES convened an **extraordinary meeting of the JHA Council** for November 2022 in Brussels. After evaluating the situation along all migration routes, the interior ministers agreed on further deepening the cooperation in the external dimension of migration. One of the outputs was the **Action Plan for the Central Mediterranean Migratory Route**, drawn up by the Commission. The JHA Council returned to the topic at its regular meeting in December. On that occasion, the Commission presented the second **action plan**, this time **for the Western Balkans**. With regard to the situation along the Western Balkan migratory route, migration became the main theme of the **EU-Western Balkans ministerial meeting** where the partner countries made important commitments in harmonising visa policies and strengthening prevention of illegal migration to the EU. As part of the Operational Coordination Mechanism for the External Dimension of Migration (MOCADDEM), CZ PRES worked on the **implementation and preparation of action plans of cooperation with key third countries**, or the issue of instrumentalisation of migration. **In the area of returns, CZ PRES managed to obtain support for the proposal for streamlining the process pursuant to Art. 25a of the Visa Code**, which represents a visa-based leverage vis-à-vis third countries not cooperating in returns. This step reflected positively in accelerating this process still before the end of the Presidency period when the Commission, despite the delays expected, proposed to tighten visa measures against The Gambia and introduce new measures against Senegal, and issued a report on readmission



cooperation of third countries in 2021. In October 2022, a **successful Prague Process ministerial conference** took place under the auspices of the CZ PRES, producing a political declaration and an action plan shaping the cooperation under this dialogue for the next five years. That way, the Czech Republic followed up its first Presidency of the EU Council in 2009 when the dialogue about migration was started between countries of the EU/Schengen, the Eastern Partnership, Western Balkans, Central Asia and Turkey.

In terms of the **internal dimension of migration**, CZ PRES followed the gradualist approach to the reform of the asylum and migration policy, initiated by FR PRES. CZ PRES drew up a **concept of approaching the solidarity mechanism and balancing it with responsibility**, on a voluntary basis. This concept was discussed in detail at the technical and strategic level, and then presented at the December JHA Council. **The ministers approved the results of CZ PRES work and the concept will serve as a basis for deliberations of legislative proposals in this area during the SE PRES.** CZ PRES also reached agreement on the procedure of negotiation with the European Parliament, which opened the possibility to start trilogues on five legislative proposals (namely the Eurodac Regulation, the Screening Regulation, the Qualification Regulation, Reception Directive and the Resettlement Framework). CZ PRES started negotiation with the EP on the proposal for the Eurodac Regulation and reached a provisional confirmation of agreement on the proposals for the Qualification Regulation, the Resettlement Framework and the Reception Directive. The agreements were approved by Coreper on 20 December 2022, the relevant proposals will be available for the next phase of negotiations on the entire extensive asylum reform. That result should be seen as significant because it is the **greatest progress made in the deliberations since the presentation of the package on the Common European Asylum System reform** in 2016, or the Pact on Migration and Asylum, presented in 2020. As part of the gradualist approach, CZ PRES reopened deliberation on the **proposal for the Asylum Procedure Regulation** as one of the pillars of accountability in the asylum area. The Council partial general approach on articles on which there is consensus was approved at the Coreper meeting on 20 December 2022. At working level, CZ PRES discussed the **proposal for a regulation on instrumentalisation of migration**, which is prepared for further work under SE PRES. At the final meeting of the Asylum Working Party on 20 December 2022, CZ PRES managed to complete the first reading of the proposal for the **Regulation addressing situations of crisis and force majeure in the field of migration and asylum**. CZ PRES initiated deliberations of proposals presented as part of the legal migration package and, to discuss this and other issues, organised an **annual conference of the European Migration Network, dedicated to labour migration**.

Negotiations also continued on proposals within the visa policy. During the informal meeting of foreign ministers in Prague it was decided to **suspend the visa facilitation agreement with the Russian Federation**, significantly simplifying the receipt of Schengen visas for Russian citizens. CZ PRES **renewed the dialogue on the abolition of**



the visa requirement for Kosovo citizens, reached the adoption of a Council position on the relevant proposal, and subsequently consensus with the European Parliament in a dialogue.

The main priority in the addiction policy area was adoption of **Council conclusions on the drug policy based on human rights and scientific foundations. Dialogues with third countries** became a priority in this area. In July 2022, the dialogue with Central Asia was reopened after a pause of several years. The dialogue received a very positive feedback both at European and international level.

During CZ PRES, dialogues were also held with the US, China, the civil society and the Latin America and Caribbean region, and a meeting of the Dublin Group took place. The CZ PRES priorities included the agenda of the UN Commission on Narcotic Drugs in Vienna (CND). In this matter, CZ PRES prepared **declarations on the support of human rights in the drug policy and their compliance with international drug control conventions**. The declarations were then presented by the EU delegation in Vienna in September 2022 during CND Thematic Discussions. Other CZ PRES priorities in the drug policy included a **discussion on synthetic drugs, mainly methamphetamine**. In November 2022, CZ PRES presented a summary from the discussions held on the topic at the Council working party level during the last six months. The resulting document deals with the issue both in terms of medical treatment and law enforcement.

Agriculture and Fisheries Council (AGRIFISH)

The greatest multisectoral challenges for CZ PRES in the AGRIFISH Council formation were the **impacts of the Russian aggression against Ukraine on food security in the context of the commodity market situation**. The topics included problems with the reduced export of Ukrainian commodities, the functioning of alternative export routes via the EU - so-called Solidarity Lanes, the permeability of the trade routes via the Black Sea or accessibility of fertilisers for European farmers. Specifically, the role of EU agriculture and food sector in the sustainable global production of food was discussed at the informal Council meeting in Prague on 16 September 2022, attended in person by agriculture ministers of Georgia and Moldova and through videoconference by the Ukrainian minister for agricultural policy. A discussion on the situation in Ukraine, this time with an emphasis on the current challenges of complicated storage and export of crops, was operatively included on the agenda of the AGRIFISH Council formal meeting on 26 September 2022, attended in person by the Ukrainian minister. The situation in the commodity markets and the food security of the EU and third countries were the regular items of all ministerial meetings during CZ PRES and were reflected in the debate of the ministers on international trade issues.

With regard to the political priorities in agriculture and immediately after the European Parliament approved its position on 13 September 2022, intensive technical and political



dialogues were initiated on the **legislative proposal for a regulation on commodities and products related to deforestation and forest degradation**. The regulation lays down due diligence rules for all economic operators and traders who supply the EU market, place on it or export from it selected products made of 7 commodities (palm oil, beef meat, wood, coffee, cocoa, rubber and soy). Such products supplied to or exported from the EU market must not originate from supply chains associated with deforestation after 31 December 2020. In the political dialogue on 5 and 6 December 2022, beyond the set ambitions, a political agreement was reached, with content very close to the Council general approach. The agreement was approved by Coreper on 21 December 2022.

CZ PRES worked on many themes related to implementing the **New EU Forest Strategy for 2030**. Apart from the overall view of the strategy implementation by the Commission, the discussion focused on the expected legislative proposal for EU forest monitoring and on the position and functioning of the Standing Forestry Committee.

In the interest of, inter alia, strengthening the food security, the AGRIFISH Council meeting in July formulated and approved the **Council conclusions on the EU's new aquaculture strategic guidelines**. The Council conclusions seek to enhance the sustainable role of marine and fresh water aquaculture and to increase the competitiveness of its products in relation to third countries. In October 2022, the Council reached agreement on **fishing quotas for the Baltic Sea**, which is in line with scientific recommendations and respects the set rules for the area. The technical and political dialogues on the **Fisheries Control Regulation** will continue during SE PRES, building on the significant progress achieved by CZ PRES in the negotiation. It remains to finish the deliberation of the package of politically sensitive provisions, prepared and partially pre-negotiated at the last political dialogue under CZ PRES in November 2022. The political dialogue on 29 September 2022 achieved provisional agreement on a **regulation on the access of fishing vessels to EU waters and resources**. In order to agree in time on the main fishing quotas for 2023 (and 2024), the agenda of the September AGRIFISH Council included **consultations on the fishing opportunities with the United Kingdom, the Kingdom of Norway and the coastal states**. Subsequently, the December meeting of the AGRIFISH Council achieved two political agreements on the **Regulation on main fishing opportunities** in EU waters and some non-EU waters for 2023 and in the case of groundfish for 2023 and 2024, and **Regulation on fishing opportunities for the Mediterranean and Black Seas** for 2023.

One of the key topics of sustainable agricultural and food production in the EU was the deliberation of the new proposal for a **Regulation on the sustainable use of plant protection products (pesticides)**. In the intensive negotiation of the complex proposal, sufficient support of Member States was found for the preparation of the **Council decision** that was approved at the December Council meeting, **requesting a study** supplementing the existing impact study of the proposal by the European Commission so that Member States have sufficient information **on the long-term impact of the proposal on agricultural production** and food security in the EU. In response to the



discussion on banning the use of pesticides in sensitive areas, CZ PRES prepared a proposal for a revision of the relevant provisions to encourage further discussion. A compromise text was subsequently approved on 21 December 2022 at the Coreper meeting. The Council approval is planned for the first half of 2023.

In the area of **plant health**, CZ PRES led discussions on a greater EU influence on phytosanitary events in the European and Mediterranean region and coordinated the preparation of contingency plans to counter priority pests.

At the September meeting of the AGRIFISH Council, CZ PRES organised a ministerial working lunch to facilitate an informal political discussion on the current situation and any preferred alternatives before issuing the actual proposal for a revision of the **rules for food labelling and consumer information**, expected in the first half of 2023. The topic was also the subject of a technical conference held on 10 November 2022 in Brussels, the outputs of which were presented at the December meeting of the AGRIFISH Council.

Thanks to the suitably selected discussions and calls addressed by CZ PRES to the European Commission, all national strategic plans under the Common Agricultural Policy (CAP) were approved so that, in line with the original plan, all EU Member States can start implementing the new CAP and its objectives from 1 January 2023.

Out of the already presented legislative proposals, CZ PRES worked in particular on the new **Regulation on EU geographical indications** for wine, spirit drinks and agricultural products and on quality schemes for agricultural products. During CZ PRES, discussions covered chapters on geographical indications that include the role of European Union Intellectual Property Office. A progress report was drawn up on them and presented at the December AGRIFISH Council meeting.

A proposal for a Regulation on the **transition to the Farm Sustainability Data Network** was discussed at an expert level and a part of the revised text was submitted to Member States. In the area of agricultural statistics, the formal adoption of the **Regulation on statistics on agricultural input and output** (SAIO) was finalised under CZ PRES. Expert-level discussions also covered proposals of Council conclusions on Special reports of the European Court of Auditors on rural development, fraud in the common agricultural policy and the use of data in agriculture, which were approved at the November and December meetings of the Council.

In the area of **animal health**, a High-level Ministerial Meeting on African Swine Fever (ASF) took place on 27 September 2022 to discuss, among other things, the complicated development of vaccines. A seminar was dedicated to ASF as part of the follow-up informal meeting of the Working Party of Chief Veterinary Officers on 28 September 2022, focused on sharing experience of Member States with controlling the currently spreading infection. The published outputs from the seminar, summarising practical recommendations for ASF control, will be also used in revising the current EU



recommendations. CZ PRES continued to implement the Council conclusions on the control of the highly pathogenic avian influenza. Notable attention was paid to the upcoming revision of the current EU legislation on **animal welfare**. Scientific reports of EFSA published during CZ PRES on selected areas of the issue, the Fitness Check of the relevant legislation by the European Commission and mainly its upcoming revision were broadly discussed at the working level also at the December meeting of the AGRIFISH Council.

In another key area of sustainable agricultural and food production, the **sustainable use of antimicrobials in veterinary medicine**, CZ PRES at the working party level addressed issues related to the newly introduced system for collecting data on the sales and use of antimicrobials in animals.

In a questionnaire survey initiated by CZ PRES, Member States agreed on the need to pay attention to the reliability, quality and comparability of the data, and the representation of Member States in preparatory formations taking into account the multi-sectoral nature of the topic, and pointed out many unresolved issues. CZ PRES received great support from Member States in mapping their attitudes on the current state of the Regulation laying down specific **hygiene rules for food of animal origin**. The survey showed a high level of agreement among Member States in some items and identified many ideas for improvement of the regulation.

In **international negotiations**, CZ PRES led the preparation of common EU positions for the session of the Council of the Food and Agriculture Organisation (FAO), the Committee on World Food Security and the FAO technical committees, which intensively discussed also the Russian aggression against Ukraine and the coordinated international response to it in the context of world food security, commodity and food production, international trade, forestry and fishery. Within the Codex Alimentarius, 20 new standards and norms for food were approved. The FAO Committee on Forestry discussed the relationship between agricultural expansion and deforestation, and the State of the World's Forests 2022 report.

There were also meetings of the International Organisation of Vine and Wine (OIV) adopting 35 resolutions, the Council of the European and Mediterranean Plant Protection Organisation (EPPO) or the 9th meeting of the Steering Committee of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA), adopting 17 resolutions. Coordination of the relationship to Russia was sought also in international negotiations that are normally not the subject of joint preparations of EU Member States (e.g. Forest Europe or the UNECE Committee on Forests and the Forest Industry).



Competitiveness Council (COMPET)

Internal market and industry

In line with the political priorities, the main goal of CZ PRES in the area of internal market and industry was **strengthening the open strategic autonomy and resilience** in the context of the ongoing or recent crises, mainly the COVID-19 pandemic, Russian invasion of Ukraine and high energy prices. Therefore, CZ PRES focused on ensuring strategic raw materials, parts and products for the Union internal market and, traditionally, on removing market barriers, which is a long-term Czech priority.

In terms of stepping up the internal market resilience, an important event during the CZ PRES was the publication of the legislative proposal for the **Single Market Emergency Instrument (SMEI)** on 19 September 2022. In line with its plans, CZ PRES immediately initiated the deliberation of that regulation proposal at the working party meeting. This topic was also included in the agenda of the ministerial meeting of the Competitiveness Council on 29 September 2022.

The working party completed the first reading of the proposal on **ecodesign** of sustainable products. The proposal for the Regulation on ecodesign of sustainable products was discussed by ministers both at the Competitiveness Council in September and at the Environment Council in October where it was supported by Member States.

CZ PRES also dealt horizontally with **enforcement of internal market rules**, mainly in the Single Market Enforcement Task Force (SMET). That working group consists of representatives of the Commission and Member States and the Czech Republic co-chaired it successfully during CZ PRES. In that period, the group focused on removal of cross-border barriers for the internal EU market, emphasising the still insufficiently integrated sector of services. At their informal meeting on 1 December 2022, the competitiveness ministers discussed the SMET Activity Report 2021-2020. In that report, issued in November, the Commission presented specific results achieved by EU Member States in removing internal market barriers under individual pilot projects. It focused on accelerating the projects on renewable energy sources, simpler posting of workers or removal of the administrative burden for regulated professions.

Also outside SMET, CZ PRES focused preferentially on services on the internal market. Several events were dedicated to them, including the informal meeting of the High Level Group on Competitiveness and Growth on 14 October 2022. The internal market topic was discussed in a broader sense at the **July informal meeting of competitiveness ministers**, focusing on opportunities and threats of the twin transition for Union regions still lagging behind in added value and innovation. On the 30th anniversary of the inception



of the internal market, CZ PRES organised a high-level conference on 8 December 2022 in Prague, where it discussed the achievements and future challenges of this key European project in the presence of Thierry Breton, the Commissioner for the Internal Market, and Anna Cavazzini chairing the European Parliament Committee on the Internal Market and Consumer Protection. The conclusions of that conference will be followed up by the May 2023 conference on the internal market, organised by SE PRES.

Another theme important for CZ PRES was ensuring critical raw materials and components. At the December Competitiveness Council, CZ PRES managed to complete the general approach on the proposal for the **Chips Act**. As opposed to the original proposal of the European Commission, the focus of the Chips Act is significantly larger in the Council position. The definition of “first-of-a-kind” has been expanded so that the support under the Chips Act can be granted to the widest possible group of entities and cover the needs of key sectors while maintaining the innovativeness level. Moreover, the status of an integrated production facility or an open EU foundry can be granted to a new as well as an existing facility.

CZ PRES also organised a conference on **Raw Materials Security of Europe** where it stressed the importance of raw material cooperation with the Western Balkan countries or Ukraine. The participants discussed the need for active raw material cooperation with the surrounding regions, the need for a new generation of geological research of the deeper parts of the Earth’s crust on the European continent as well as the need to discuss the possibility of introducing a European system of stocks of critical raw materials. The conclusions from the conference can serve as background e.g. for the upcoming European Critical Raw Material Act.

The Competitiveness Council also covers the **consumer protection** agenda. In July 2022, CZ PRES obtained a mandate for negotiation with the European Parliament on the proposal for the General Product Safety Regulation. Trialogues with the European Parliament were initiated on 19 September 2022. On 28 November of the same year, CZ PRES reached provisional political agreement between the Parliament and the Council, confirmed at Coreper on 21 December 2022. Deliberations continued on the proposal for the Directive on empowering consumers for the green transition. At the December COMPET Council, CZ PRES achieved an approval of the progress report and, on 7 December 2022, the second compromise proposal for the directive was presented and discussed at the working party meeting.

In the trialogues on the proposal for the **Consumer Credit Directive**, launched by CZ PRES, political agreement was reached with the European Parliament on a compromise solution. CZ PRES achieved progress in the deliberation of the proposal for an amendment to the legislation on providing distance financial services (newly included in the Consumer Rights Directive), CZ PRES prepared four compromise proposals that were gradually discussed by the relevant working party. In September 2022, CZ PRES organised a successful meeting of ministers responsible for consumer protection.



Another one of the CZ PRES priorities was the development of activities supporting **small and medium-sized enterprises** in the context of the current challenges: growing energy prices, high inflation, post-pandemic recovery and problems in supply chains. The CZ Ministry of Industry and Trade in cooperation with the European Commission organised a European-wide conference SME Assembly in Prague in November 2022. Its main goal was to hear the needs of SMEs and discuss the options of their support. The conference outputs will be reflected in the SME Relief Package being prepared by the European Commission. At the conference, CZ initiated discussion on the definition of small and medium-sized enterprises.

In the area of **technical harmonisation**, CZ PRES launched negotiation with the European Parliament on a proposal for the Machinery Regulation. In the third political dialogue on 15 December 2022, CZ PRES reached a provisional political agreement with the European Parliament. CZ PRES continued the negotiation on the proposal on construction products, starting the discussion on the first proposals for the text modifications. Already in the first political dialogue, CZ PRES reached political agreement with the European Parliament on the proposed amendment to the Regulation on European Standardisation, and its adoption by the Council.

In the area of **intellectual property**, CZ PRES reached general approach on the proposal for a Regulation on geographical indication protection for craft and industrial products at the COMPET Council on 1 December 2022. The regulation will improve the protection of the products at EU level, support innovation and investment in craft production in the EU, and so will help craft producers, mainly SMEs, to promote and protect their traditional know-how and develop cultural heritage.

In terms of **economic competition**, the EU Council led by CZ PRES approved the text of the Regulation on foreign subsidies distorting the internal market. The purpose of the new legislation is to eliminate advantages that third country firms could have in public contracts or when carrying out mergers in EU countries. This should guarantee fair competition among all European and non-European enterprises operating in the internal market.

The Working Party on Competitiveness and Growth in its **tourism** formation dealt with two main priorities during CZ PRES - Council conclusions on the European Agenda for Tourism 2030 and a proposal for a Commission regulation of short-term rentals (STR) issued on 7 November 2022. The Agenda represents a roadmap for tourism at the highest level up to 2030, which will be monitored by the Commission so that it supports the tourism ecosystem in its transition. The Council conclusions were approved by the COMPET Council during CZ PRES on 1 December 2022. CZ PRES opened and led the discussion of Member States on the proposal for a Commission regulation of STR, which will be continued by SE PRES from January 2023.



CZ PRES took over the deliberation of the **Directive on corporate sustainability due diligence** in the phase of the first reading, attempting to reach general approach. The deliberation resulted in significant modifications of the proposal text, mainly intended to specify the obligations imposed on companies, to reduce the administrative burden and clarify the text. Despite significant differences of opinion in the Council, a compromise was found among Member States and a general approach was reached at the COMPET Council on 1 December 2022. That sent a strong political signal to the European Parliament that is expected to take a more ambitious approach to the obligations imposed on companies.

Research and development

In research, CZ PRES focused on the **role of research infrastructures** as mediators of unique collections of data, of the most advanced knowledge and technology, and as instruments for strengthening the readiness or resilience of the European society to socio-economic crises. In research infrastructures, the CZ PRES priority was to adopt EU Council conclusions that, inter alia, underline the role of research infrastructures as part of the EU critical infrastructure and their role in addressing major societal and economic challenges, including the green and digital transition of the European economy.

Moreover, the Brno Declaration on Fostering a Global Ecosystem of Research Infrastructures was published on the occasion of the International Conference on Research Infrastructures held in Brno on 19 - 21 October 2022.

Another CZ PRES priority in research was the topic of **synergies in research and innovation financing in Europe**, specifically the synergistic and cumulative financing of projects from Union, national, regional and private sources. CZ PRES organised a conference on this priority and the theme was also discussed at the informal meeting of EU research ministers, held in Prague on 22 July 2022. The output from the debates was the Prague Declaration on Synergies in the Research and Innovation Funding in Europe, published in July.

Under CZ PRES, the **EU Council conclusions on the Widening instrument**, prepared on the basis of a special report of the European Court of Auditors, were discussed. The question discussed was whether the instrument helped to reduce the innovation gap between EU Member States reaching a higher and a lower research and innovation performance. The EU Council conclusions on the Widening instrument were formally adopted by the EU Council on 13 October 2022.

In the area of research, CZ PRES led the discussion on the **EU Council conclusions on the New European Innovation Agenda**, responding to the need to further enhance the European innovation ecosystem so that the EU becomes a global innovation leader, and indicating the policy orientations on how to achieve that goal. The text of the EU Council



conclusions was adopted at the Competitiveness Council meeting in the formation of ministers responsible for research on 2 December 2022.

Space

The main priority of CZ PRES in the space activities was making maximum progress in negotiations of the Regulation establishing the Union Secure Connectivity Programme for the period 2023-2027 (**Secure Connectivity, IRIS²**). CZ PRES started negotiations on the proposal with EP and a provisional agreement on a compromise text was found on 17 November 2022 at the second political trilogue. The timely negotiation on the compromise version was essential also for the ESA Council Ministerial Meeting held in Paris on 22-23 November 2022 where funding was assigned for the optional programme ESA Secure Connectivity. Thanks to the successful negotiations of CZ PRES, EUR 650 million was collected in the optional programme.

A discussion was conducted at the Space Council meeting on the priority of **using data from Union satellite systems**. Its purpose was to draw attention to the real information value that the data and services contain and to prompt further action directed at the largest possible use of their potential. Several important space-related events took place during CZ PRES, in particular the EU Space Week held in Prague on 3-5 October 2022 in cooperation with the Commission and EUSPA, and the Czech Space Week that focused on cooperation in the space industry ecosystem.

Transport, Telecommunications and Energy Council (TTE)

Transport

The first transport sector success was achieved by CZ PRES at the very start when it reached agreement within a very short time on a regulation that **helped Ukrainian citizens by recognising their driving licences in the EU**.

An informal meeting of transport ministers took place on 20-21 October 2022 on railway transport, accenting the sectoral priority of CZ PRES - **transport connectivity**. The topic is associated with the development of high-speed connectivity as the national priority for the Czech transport policy, which finds adequate response in the TEN-T revision. It emphasises the guidelines set out in the Strategy for Sustainable and Smart Mobility from 2020. The ministers discussed the development of high-speed rail lines in various parts of Europe, including the direction of future EU investment. They also talked about integrating some new connections to the Europe-wide backbone transport network TEN-T and a better interconnection of railways in Europe in general. The talks reflected the current topic of high energy prices and the related energy savings in transport, as well as measures to increase the attractiveness and reliability of railway transport and the quality of services.



The TTE Council-transport meeting on 5 December 2022 adopted a general approach on the revision of the **TEN-T Regulation**. The revised TEN-T will provide better transport connectivity and remove bottlenecks. The approach also supports interoperability and development of high-speed rail connections and the competitiveness of railway transport. From a broader foreign policy perspective, another success is the expansion of European transport corridors to the territories of Ukraine and Moldova, which is in line with the main political priorities of CZ PRES. No less important is the adoption of **Council conclusions on the ongoing development of inland waterway transport (NAIADES III)**, intended to highlight the benefit of inland waterway transport in the process of transport decarbonisation, recognise the impact of climate change on inland waterway transport, call for a removal of bottlenecks on the inland waterway network, stress the need for motivation for entering a profession in the inland waterway transport and to ensure efficient operation.

CZ PRES moved forward also the transport part of the **Fit for 55** package. After the European Parliament approved its position on the **proposal for a Regulation on the deployment of alternative fuels infrastructure (AFIR)**, the first two trialogues and several technical meetings took place, reaching a partial provisional agreement on a number of topics.

Trialogues were started also on the **proposal for a Regulation on the use of renewable and low-carbon fuels in maritime transport (FuelEU Maritime)**. Progress was made at two of the trialogues mainly in negotiating the part on management.

CZ PRES succeeded in the area of air transport, mainly in the **proposal for a Regulation on ensuring a level playing field for sustainable air transport (RefuelEU Aviation)**, where significant progress in negotiations was made in several technical meetings and three trialogues. In an urgent procedure, CZ PRES managed to negotiate **a proposal for a Regulation as regards temporary relief from the slot utilisation rules at Union airports due to an epidemiological situation or military aggression**. There was a fundamental disagreement on some elements of the proposal between the Council and EP, but in the end CZ PRES managed to find unanimous support among Member States for the final version of a compromise text. In air transport, CZ PRES succeeded in adopting the **decision on the notification of CORSIA compensation requirements** after reaching an inter-institutional agreement in a dialogue with EP.

A political agreement between institutions was concluded during CZ PRES also on the **directive on stability requirements for roll on roll off (ro-ro) passenger ships**. CZ PRES kicked off negotiation with the EP in trialogues on the **revision of the Directive on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport**.



Telecommunications

Already in the first weeks of CZ PRES, an agreement was reached in negotiations with EP on the **Digital Decade policy programme 2030**.

At the TTE Council for telecommunications meeting on 6 December 2022, the ministers unanimously endorsed a general approach on the proposal for a Regulation laying down harmonised rules on artificial intelligence, **the Artificial Intelligence Act**, and so reached the goal set by CZ PRES. The proposal represents the first European rules for artificial intelligence, building on user protection against potential risks in using AI technologies.

CZ PRES continued negotiations on the **revision of the e-IDAS Regulation** with a view to finding agreement among Member States on introducing a European digital identity that aims to substantially increase the availability of a safe and trustworthy electronic identification through a so-called European Digital Identity Wallet. During the December meeting of the TTE Council for telecommunications, a general approach on that proposal was anonymously approved.

As part of the development of a data economy, CZ PRES made significant progress in negotiating the proposal for a Regulation on harmonised rules on fair access to and use of data, the so-called **Data Act**. The December meeting of the TTE Council for telecommunications discussed the progress report and CZ PRES then presented to Member States the third compromise text of that proposal.

Another CZ PRES priority was the adoption of **Council conclusions on ICT supply chain security**. Those conclusions aim to propose an effective use of all available relevant tools to increase the ICT supply chain security and, where appropriate, propose creating new tools. The conclusions were approved by the Council on 17 October 2022.

On 15 September 2022, the Commission published the long expected proposal for a Regulation on horizontal cybersecurity requirements for products with digital elements, so-called **Cyber Resilience Act**. The progress report was presented at the December TTE Council for telecommunications and CZ PRES prepared a partial compromise text on the proposal - the scope of the regulation and the article on free movement.

As part of negotiations with the EP and the Commission, CZ PRES managed to reach a final agreement on the inter-institutional declaration called **European Declaration on Digital Rights and Principles for the Digital Decade**, which was signed at the highest political level in the margins of the European Council meeting on 15 December 2022.

Energy

The work of CZ PRES dealing with the energy sector was very significantly influenced by the impacts of the Russian invasion of Ukraine and the abuse by Russia of European dependence on the supply of Russian fossil fuels. The main topics of CZ PRES were the



effort to ensure a sufficient supply of natural gas for this and the next heating seasons, stabilisation of gas and electricity markets and aid to households and enterprises that suffer from high energy prices.

In response to the energy crisis, the European Commission activated five times during CZ PRES the crisis Article 122 of the Treaty on the Functioning of the EU, which gives Member States the opportunity to quickly adopt legislation in the case of a threat to supplies of certain, mainly energy products into the EU. In this crisis mode, CZ PRES negotiated and achieved the adoption of important emergency measures through five extraordinary Council regulations. In order to quickly approve the crisis legislation, CZ PRES convened, apart from two regular, also five extraordinary meetings of the Energy Council. In those meetings, the CZ PRES priority was to win the widest possible support in the Council for the proposals and to act externally with a strong mandate and a single voice. The willingness to harmonise the often very different positions of Member States and to maintain unity within the EU largely contributed to tackling the ongoing energy crisis.

At an extraordinary meeting of the Energy Council in July 2022, approval was given to the proposal for a **Council Regulation on coordinated demand-reduction measures for gas**. At the extraordinary Council meeting on 9 September 2022, the ministers tasked the European Commission to quickly submit a proposal for addressing the high energy prices.

Following that call, the European Commission submitted a proposal for a **Council regulation on an emergency intervention to address high energy prices**, which was adopted by the ministers at the extraordinary Energy Council meeting on 30 September 2022. In both cases, CZ PRES discussed the proposals for regulations within an extremely short time and ensured a broad support from Member States so that they were approved in a written procedure after the Council meetings.

During the fourth extraordinary meeting of the Energy Council on 24 November 2022, a majority agreement was found on another two emergency proposals, for **Council Regulation Enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks**, and for **Council Regulation laying down a framework to accelerate the deployment of renewable energy**. After demanding negotiations at the fifth extraordinary meeting of the Energy Council on 13 December 2022 where Member States conditioned the adoption by reaching a political agreement on the proposal for a regulation on a market correction mechanism, both regulations were formally adopted by the Council at the last Energy Council meeting under CZ PRES on 19 December 2022, in a package together with the proposal for a **Council Regulation Establishing a market correction mechanism to protect citizens and the economy against excessively high prices**. While the regulation on enhancing solidarity was formally adopted without changes by the ministers directly at the Council, the regulation on the accelerated deployment of renewable energy and the regulation on the market correction mechanism were approved subsequently in a written procedure.



CZ PRES continued working on the proposals for long-term legislation as best it could, using the available capacities. After intensive negotiations, it achieved a very fast adoption of a general approach on the proposal for the **Energy Performance of Buildings Directive (EPBD)** at the Energy Council meeting on 25 October 2022. The general approach included a part of the amendments from the May REPowerEU package on solar energy in buildings. The negotiated compromise set a fragile balance between the various views of Member States, emphasising coherence and technical consistency of the text. The aim of the directive as worded in the general approach is to gradually improve the building stock of each Member State within the technical and other national specificities.

In the deliberation on the proposal for a **Regulation on methane emissions reduction in the energy sector**, CZ PRES reached a general approach at the Energy Council on 19 December 2022. The general approach intends the industry costs of introducing the measures to be adequate to the benefit associated with the emission reduction. Moreover, a control system was introduced, based on the level of methane leakage risk using probability.

On the proposal for a **regulation and a directive on the internal markets in renewable and natural gases and in hydrogen**, with regard to the continuously submitted emergency legislation and the workload on the Member State administrations in the gas agenda, CZ PRES presented at the TTE Council on 19 December 2022 a progress report together with the third revision of proposals in the gas package, which reflected all substantial political elements and changes.

Shortly before the start of CZ PRES on 27 June 2022, Council general approaches were adopted on proposals for **directives on energy efficiency (EED)** and **on renewable energy (RED II)**. After the final position of the European Parliament was approved, political trialogues were launched in October. The third trialogue on both EED and RED II took place in mid-December and the next trialogue deliberations will be taken over by SE PRES.

The proposals for RED, EED and EPBD directives were **additionally altered by the European Commission through proposal for a directive** that is part of the May REPowerEU package. It was an unusual approach where the Commission proposed amendments to still negotiated legislative documents. In the case of the RED II, the changes were made in a larger number of articles and CZ PRES started to negotiate a general approach on the additional directive, which was adopted on 19 December 2022 at the Energy Council meeting. The modifications to EED were less extensive and so CZ PRES decided to reflect them only in the trialogues with the European Parliament. The changed directive was first discussed in the second trialogue on 22 November 2022. The article amending the EPBD was included in the discussed EPBD revision and is part of the general approach on the proposal for EPBD, adopted at the October TTE Council.



Employment, social policy, health and consumer affairs Council (EPSCO)

Employment and social policy

The main thematic priority of CZ PRES in employment and social policy was addressing the impacts of Russian aggression against Ukraine, both in terms of **integrating the persons fleeing the war** into the labour market and social systems, and in terms of **addressing the social impacts of high energy and food prices**. Both topics were discussed at the informal meeting of employment and social policy ministers on 13 and 14 October 2022 in Prague. The aim was to exchange experience and good practice and to discuss the need for financial support of measures in Member States from EU financial instruments. CZ PRES informed the EPSCO Council at its December meeting about the current needs of assistance to Ukrainian citizens fleeing the war conflict, which were discussed at the meeting of CZ and UA governments at the end of October. A short discussion of the ministers confirmed the commitment of Member States to continue the aid. In connection with a goal of CZ PRES to implement suitable instruments reducing the negative social and economic impacts of high energy prices, a **high-level conference on tackling energy poverty** was organised on 24 October. The conference promoted a dialogue on finding suitable measures to address the energy poverty threats for European households.

The challenges currently faced by the EU, such as the COVID-19 pandemic impacts, the war in Ukraine, energy crisis and price growth, implementation of the green and digital transition, and the **impacts of those challenges on the young generation in terms of gender equality and justice**, were discussed at the CZ PRES high-level conference, the conclusions of which were reflected in the **Council conclusions** on gender equality in disrupted economies, approved by the EPSCO Council on 8 December 2022. They emphasise the young generation, the interests and needs of mainly young women, in particular women and girls from Ukraine who now need protection, support and opportunities.

Another CZ PRES priority was the **labour market integration of people with disabilities**. CZ PRES organised a high-level conference on the topic on 20 and 21 September 2022. At the conference, the Commission presented a Disability Employment Package. Based on the conference results, CZ PRES prepared **Council conclusions** on labour market integration of people with disabilities, which were adopted by the EPSCO Council on 8 December 2022.

In the area of working conditions and worker protection, CZ PRES made substantial progress in deliberating on the politically very sensitive and at the same time legally complicated proposal for a **Directive on improving working conditions in platform work**. CZ PRES prepared a balanced compromise proposal for the December meeting of



the EPSCO Council, taking into account the legal and factual situation in platform work across EU countries. However, the proposal did not receive the needed support from Member States and the negotiation of the general approach in the Council will be continued by SE PRES.

In the autumn of 2022, CZ PRES initiated deliberation on the proposal for a **directive revising Directive 2009/148/EC on the protection of workers from the exposure to asbestos at work**. CZ PRES organised four meetings of the Working Party on Social Questions and put forward a compromise proposal on which a general approach was adopted at the meeting of the EPSCO Council in the employment and social policy formation on 8 December 2022.

Another important CZ PRES priority is **combating child poverty** and working towards the objectives of the **European Child Guarantee**. CZ PRES organised a successful high-level conference on the topic on 7 and 8 July 2022. In early September, the Commission presented the European Care Strategy that includes two proposals for Council recommendations. The **Council recommendation on the revision of the Barcelona Targets on early childhood education and care** contains new, more ambitious EU targets in this area and a higher quality and accessibility of the services, mainly for the most disadvantaged children. The proposal for a **Council recommendation on access to affordable high-quality long-term care** intends to ensure accessibility, availability and quality of long-term care services and their sustainable financing. CZ PRES negotiated both proposals successfully and the recommendations were adopted by the EPSCO Council on 8 December 2022. At the end of September, the Commission put forward a proposal for a **Council recommendation on adequate minimum income** ensuring active inclusion, significantly modernising the Union framework of active inclusion policy and ensuring adequate financial aid to all groups of population without sufficient resources. CZ PRES achieved the approval of a political agreement of the Council on that recommendation at the meeting on 8 December 2022.

CZ PRES kick-started the discussion of the proposal for a decision of the EP and of the Council on the **European Year of Skills 2023**. The intent to dedicate the year 2023 to skills was announced by Commission President Ursula von der Leyen in her State of the Union address in September 2022. Subsequently in October, the Commission presented the relevant proposal for a decision. CZ PRES immediately started its negotiation and reached an approval of the Council mandate for negotiation with the EP at the Coreper meeting on 30 November 2022.

CZ PRES discussed the proposal for a Council decision on **guidelines for the employment policies of the Member States**, put forward by the Commission in May 2022. The guidelines for employment policies lay down annually the common objectives and priorities of the EU employment policy and social policy. Following the adoption of the EP position on the proposal in October 2022, CZ PRES completed the negotiation of



the proposal and the decision was adopted by the AGRIFISH Council on 21 November 2022.

After a formal launch of trialogues with the EP, CZ PRES led intensive negotiations on the proposal for a **directive on the transparency of pay for women and men**. The directive aims to strengthen the fulfilment of the right to equal pay for equal work or work of equal value between men and women through several instruments to improve pay transparency and enforcement mechanisms. CZ PRES managed to agree a compromise version with the necessary concessions both by the Council and the EP. The provisional agreement reached at the final political triadogue on 15 December 2022 was approved by Coreper on 21 December. The agreement must still be formally approved by the Council and the EP.

CZ PRES also continued the deliberation on the proposal for the **Equal Treatment Directive**, which has been blocked since 2008 because of the need for unanimity in the Council. CZ PRES focused attention on the harmony of provisions on persons with disabilities. Based on the negotiation results, CZ PRES submitted a progress report for the December meeting of the EPSCO Council including the agreed changes in the Directive text, supported by Member States.

Health

The priority agendas of CZ PRES in the area of health included **oncological diseases**, which is also one of the core priorities of the European Commission who published in February 2021 a strategic document called **Europe's Beating Cancer Plan**. During CZ PRES, a **proposal for a Council recommendation on cancer screening** was put forward and intensively negotiated. CZ PRES reached its adoption at the December meeting of the EPSCO Council. Oncology was the topic of an expert conference organised by CZ PRES on 13 and 14 July 2022. It resulted in the **Call to Action**, calling for a faster implementation of the plan, which was then discussed at the informal meeting of health ministers in September in Prague where it was supported by an overwhelming majority of Member States.

CZ PRES also worked on the **proposal for a Regulation on the European Health Data Space**, ensuring access to health data, their exchange and use. CZ PRES completed the first reading of the whole proposal and prepared a compromise version of the proposal for Chapter II (Primary use of electronic health data) and Chapter III (Electronic health records). At the December EPSCO Council, CZ PRES presented a progress report on that legislative proposal.

A high priority was given to the topic of **vaccination**, not only in connection with vaccination against COVID-19 but also in connection with enhancing trust in vaccination and combating disinformation. CZ PRES organised a conference on the topic on 21 and



22 November 2022. The EPSCO Council approved Council conclusions on vaccination on 9 December 2022. In addition to the expected proposals, **Council conclusions were prepared on the Special report of the European Court of Auditors on EU COVID-19 vaccine procurement.** They were approved on 8 December 2022 by the JHA Council.

CZ PRES worked on negotiating the **pandemic convention** and amendments to IHR (2005) as part of **strengthening the EU's role in health at international level.** For CZ PRES it was essential to set up a cooperation mechanism among groups of health diplomats who work for WHO in Geneva and for EU in Brussels and the head offices of Member States, as well as with Union institutions, so that information can be exchanged effectively in real time. The cooperation mechanism as a CZ PRES initiative was enshrined in the Communication from the Commission on the EU Global Health Strategy, published on 30 November. During the negotiation of the pandemic convention and the IHR (2005) amendments, CZ PRES acted as an honest broker and together with the Commission it contributed to achieving single positions that could be presented at the global level.

Negotiations started during CZ PRES on a **revision of the EU legislation on blood, tissues and cells.** It is an extensive proposal that merges two existing directives into one regulation and expands the area with other substances of human origin such as breast milk. CZ PRES focused on Chapter I containing over 70 definitions, for which it prepared a compromise proposal. The CZ PRES goal was achieved, a progress report was prepared for the December meeting of the EPSCO Council, mapping the initial negotiation of the proposal for a regulation and focusing on mutual understanding of the newly introduced terms.

CZ PRES planned to work on medicinal products at the end of its term but the Commission did not issue the relevant legislation in time. The revision of the Fee Regulation of the European Medicines Agency was published with a delay on 13 December 2022 and so it will be discussed by SE PRES. Therefore, the proposal for the regulation and the revision of the EU's general pharmaceutical legislation did not fall under CZ PRES any more. Nevertheless, the area of medicinal products was partially covered at the **Expert Conference on Rare Diseases** held on 25 and 26 October 2022, the output of which was the Call to Action supported by the majority of EU Member States.

Environment Council (ENVI)

The main priorities in the environment area were climate protection, nature and biodiversity conservation, environmental pollution reduction and circular economy, and light pollution.

The Environment Council agenda was largely determined by the high number of legislative proposals under negotiation and international conferences where CZ coordinated and represented the EU. The priority group of proposals was the climate part



of the **Fit for 55** package and the main international event - the conferences **COP27 on climate** and **COP15 on biodiversity**.

The **Environment Council meeting** took place on 24 October 2022 in Luxembourg (led by CZ Minister Anna Hubáčková) and on 20 December 2022 in Brussels (led by CZ Minister Marian Jurečka).

In the legislative agenda of the Environment Council formation, substantial progress was made on a large part of the proposals discussed. A huge success of CZ PRES is the **achievement of a provisional agreement in the dialogues with the EP on all proposals of the Fit for 55 package that fall within the competence of the Environment Council**, which required extraordinary efforts as the positions of Member States and the EP differed. An agreement was reached on the **revision of the EU Emissions Trading System (EU ETS)** and on the **proposal for establishing a Social Climate Fund** on 18 December 2022, on the **proposal for a revision of the regulation on emissions from land use, land use change and forestry (LULUCF)** on 10 November 2022, and the proposal for the **Effort Sharing Regulation** (emissions outside the EU ETS) on 8 November 2022, on the proposal for a **regulation to reduce CO₂ emissions** from passenger cars and light commercial vehicles on 27 October 2022, and on the **proposal to include aviation** in the EU ETS on 6 December 2022. The above proposals are to implement the previously approved goal of reducing in the EU by 2030 the net emissions of greenhouse gases by at least 55% against 1990 and reach EU climate neutrality in 2050. The negotiation completed by CZ PRES was highly appreciated by Member States and the Commission.

Another notable success of CZ PRES was the agreement achieved in dialogues on the proposal for a **regulation concerning batteries and waste batteries** on 9 December 2022. It is a very extensive and technical regulation, intended to increase the sustainability and safety of batteries. The purpose is to ensure that a greater use is made of secondary raw materials and the EU becomes less energy dependent.

CZ PRES sought a maximum possible progress on a whole number of other proposals that are at various stages of negotiation: A political debate was conducted at the December ENVI Council on the **proposal for a Regulation on Nature Restoration**, a compromise text was prepared for Chapters I and II, and the negotiation was handed over to SE PRES. CZ PRES made progress also in the deliberation on the **proposal for the Industrial Emissions Directive**, for which a progress report was submitted at the December ENVI Council and the first complete version of a compromise text was prepared.

At the same ENVI Council meeting, a progress report was presented on the **proposal for the Waste Shipment Regulation**, on proposals for the **Regulation on F-gases** and the **Regulation on substances that deplete the ozone layer**, for which CZ PRES prepared the first complete version of a compromise text.



CZ PRES only started negotiations on the **revision of the Air Quality Directive**, published only on 26 October 2022, as well as on the **revision of the Urban Waste Water Treatment Directive**, on the **revision of the list of priority substances in surface water**, and on the **Directive on packaging and packaging waste**.

During the CZ PRES term, the Czech Republic hosted a number of successful events, such as the **informal meeting of the Environment Council in Prague** in July, a **Conference on Designing Climate Resilient Landscapes** in Prague in September, resulting in the Prague Appeal, a **seminar on light pollution** in October in Brno, or the **Air Quality Conference** in November in Prague, focusing on the new proposal of the Commission for a revision of the Air Quality Directive, accompanied by a commemorative event and an exhibition on 33 years of fighting for democracy and clean air in the Czech town of Teplice.

The CZ Ministry of the Environment (MoE) as the body responsible on the CZ part for many international multilateral conventions and other environmental platforms coordinated the EU positions and negotiations on behalf of the EU at many meetings. The crucial and most demanding ones were two **global meetings of extraordinary importance**. The first was the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (**COP27**) in Egypt on 6-18 November 2022 (the conference ended only on 20 November 2022). The most attention was focused on the topic of financing the loss and damage. At the conference, the EU negotiated with a positive intent of searching for a solution that will help in the fastest possible way to the most vulnerable states. In the end it was agreed that a new fund would be established with voluntary contributions from a broad range of donors, which will better reflect the situation of today's world. The EU managed to confirm the ambition of emission reduction from COP26 and to present the progress made in adopting the Fit for 55 package legislation within the EU.

The second crucial meeting was the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity and the related meetings (**COP15**) in Montreal, Canada, on 7-19 December 2022. That meeting achieved a **historic success** in the form of approving the **Kunming-Montreal Global Biodiversity Framework**. It is a fundamental strategic document for the Convention on Biological Diversity as well as for the entire UN system. It sets goals up to 2030 for biodiversity preservation and sustainable use, and the sharing of benefits arising from the use of genetic sources. The substantial goals include the **target to protect 30 % of land and 30 % of sea areas and renew 30 % of degraded ecosystems by 2030**, or the goal to reduce pollution from various sources, including halving the risks of pesticide use. Both meetings were preceded by difficult negotiations in the Council, led by CZ PRES, regarding the EU mandate for those meetings.

Other global meetings where MoE acted as the coordinator and EU representative included the 5th extraordinary meeting of the parties to the **Montreal Protocol** on substances that deplete the ozone layer (11-16 July 2022, Bangkok), approving that developing countries will receive more than USD 0.5 billion to protect the ozone layer



from the Multilateral Fund for the Implementation of the Montreal Protocol, and also the 19th meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (**CITES**) held on 14-25 November 2022 in Panama. CZ PRES contributed to introducing or strengthening the protection of more than 500 fauna and flora species and to preventing the re-start of trade in ivory or rhino horns.

Education, Youth, Culture and Sport Council (EYCS)

Education, youth and sport

In the area of education, CZ PRES worked on two documents focused on enhancing well-being in education and thereby ensuring good quality, safe and development-enabling education for all. The first one is **Council conclusions on well-being in digital education**. The second text is the **Council recommendation on pathways to school success**. Both documents were endorsed by ministers at the Education, Youth, Culture and Sport Council meeting on 28 November 2022.

All priorities and presidency events on education were influenced by **support for Ukraine and Ukrainian children, pupils and students**, which reflected in documents as well as presidency events, both formal and informal. The Meeting of Directors General for Education and Training (HLG), held on 18-19 July 2022, was attended for the first time by representatives of Ukraine. The meeting contributed significantly to enhancing the communication between Ukraine and the EU, both the individual Member States and institutions. A specific result was, for example, that the Commission ensured the printing of textbooks for pupils and students in Ukraine. During its term, CZ PRES prepared, distributed and evaluated a questionnaire focused on sharing information regarding the situation in Member States and Ukraine. The situation in Ukraine and its impact on the next development of the European Education Area were the main discussion points of the EYCS Council meeting on 28 November 2022. The political discussion of ministers focused on the ability of the European Education Area to respond to crisis situations. The ministerial lunch was dedicated to the topic of rebuilding education after the war and reconstructing the education system. The cooperation of CZ PRES with the Ukrainian side and the method of sharing information was repeatedly appreciated by the European Commission and Member States.

One of the main CZ PRES priorities in the area of youth was its equal participation in national policy making and using **intergenerational dialogue** as a tool for social cohesion and solidarity. CZ PRES prepared and negotiated **Council conclusions on intergenerational dialogue and solidarity**, which were adopted at the EYCS Council meeting on 28 November 2022. Also the presidency events were prepared in the spirit of solidarity and creating space for youth participation. A very positive feedback was received on the EU Youth Conference held on 11-13 July 2022 in Prague, attended by



representatives of Ukraine, providing young people with space to discuss and share experience with policy makers on sustainable development and fostering inclusive society. The meeting of Directors-General for Youth on 19 September 2022 was attended by youth representatives for the first time in the role of panellists who discussed with the Directors-General the interlinking of non-formal and formal education. CZ PRES promoted innovative procedures also in the preparation of the **Claim the Future conference for more than 900 participants, organised jointly with the EC and the EP** on 6 December 2022 in Brussels as a ceremonial peak event of the European Year of Youth. The main part of the conference was designed by 6 young people from the current presidency trio countries, with the whole process being under the auspices of CZ PRES.

In the area of sports, CZ PRES prepared conclusions on **Sustainable and Accessible Sports Infrastructure**. Member States gave a very positive feedback on the topic itself and on the Council conclusions, enhanced by the current energy crisis that strongly affects sports facilities. The conclusions were adopted by the EYCS Council on 29 November 2022. The topic was discussed with a successful outcome at the meeting of Directors-General for Sport on 21 September 2022 in Prague and the subsequent expert conference.

Culture and audio-visual

In the area of culture, CZ PRES completed the negotiation and final approval of the new **Work Plan for Culture 2023-2026** (WP), following up the previous WP and supplementing it with a more strategic dimension. The new WP enhances the linkage between presidencies and ensures cooperation with the Creative Europe 2021-2027 programme. The important horizontal current issues are digitalisation and the cultural and creative industries. The WP was approved by the EYCS Council on 29 November 2022 through a Council resolution.

On 29 November 2022, the culture and audio-visual part of the EYCS Council held a **political discussion of culture ministers, called Support and Solidarity with Ukrainian Culture, including Cultural Heritage**, with the participation of the Ukrainian minister of culture. One of the outcomes of the discussion was a summary and coordination of specific steps to be taken in the next days and weeks, not only to secure Ukrainian cultural heritage. This includes a supply of material aid, which Ukraine asked for in a written request to Member States prior to the meeting.

On 20-28 August 2022, Prague hosted the **General Conference of the global International Council of Museums – ICOM** under the auspices of CZ PRES. An important event was the **European Cultural Heritage Summit 2022** organised on 25-27 September 2022 by the non-governmental international organisation Europa Nostra in cooperation with the CZ Ministry of Culture. The event was attended also by Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth. On 9-11 November 2022, the second presidency **Conference on cultural heritage: the challenges of contemporary European conservation** took place in the New Building of the National Museum in Prague. At the conference, heritage conservation professionals,



representatives of the European Commission and professional organisations from thirteen European countries presented their views on European cultural heritage and its protection.

In the audio-visual area, the CZ PRES priority in the first half of its mandate was **implementation of the regulatory framework in the field of audio-visual media services and video sharing platform services**. During its presidency, CZ used the opportunity to initiate a discussion on the appropriateness of the set regulatory regime at the **professional conference organised by CZ PRES on 14-15 July 2022 in Prague**. The professional conference also pointed out areas that should be addressed as part of negotiating the proposal for a European Media Freedom Act, issued by the European Commission on 16 September 2022. It was the second key priority in the audio-visual field. CZ PRES kick-started the deliberation on the proposal and sought to achieve the maximum possible progress. The discussion over all normative parts of the proposal for a regulation enabled a summary progress report to be drawn up and presented to the November EYCS Council meeting, providing a comprehensive basis for further negotiation under SE PRES.