

# THE CZECH COUNCIL PRESIDENCY

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# Introduction

On 1 July 2022, the Czech Republic will succeed France in leading the EU presidency of the Council, in a Trio Presidency alongside Sweden. It will be the second time the country has held the Presidency after its first stint in 2009.

With the Russian invasion of Ukraine ongoing, seasoned Czech diplomat Edita Hrdá expects it to be a “war presidency” with the main goal coordinating a common EU response against Russian aggression. Hrdá also expects a focus on the recovery and reconstruction of Ukraine, including infrastructure and society. In that context, Ukraine’s accession to the European Union is one of priorities for the recently appointed Czech Government, formed in the aftermath of the October 2021 general election.

The Czech Republic will lead EU efforts in putting into place the large sanctions package on oil and energy sources, Russian banks and oligarchs, always monitoring the impact in the 27 countries and its neighbours. Strengthening EU resilience, promoting strategic autonomy in key industry areas and limiting the EU’s dependence on Russian resources will be key in the months to come.

The Czech Presidency will also have a secondary but as important role to play in advancing pending legislative initiatives left over from the French Presidency. At the centre of the discussions will be the RePower EU package, the negotiations on the Fit for 55 files, the European Health Data Space, and the Artificial Intelligence and the Chips Act. Amidst this, the Presidency will also be looking to secure a deal on a global minimum corporate tax among member states. Trade agreements with Australia, New Zealand and South American countries will be prioritised.

Post-pandemic recovery will be among the top priorities of the Czech Republic, ensuring the approval and the effective implementation of the national recovery and resilience plans, a task of crucial importance to strengthening the EU economy and avoiding future crises. The Czech Republic itself is thinking on how to repurpose investment in this plan to deal with the consequences of the war in Ukraine.

This briefing provides an overview of the Czech Republic’s politics position within the EU, followed by an exploration of the expected Czech priorities in the main EU policy areas. These are each accompanied by brief biographies of the relevant Ministers who are most likely to lead the various Council configurations until the end of 2022.

# The Czech Republic in the EU

## Timeline of EU Membership

The Czech Republic submitted its member state application on 17 January 1996. Seven years later, on 16 April 2003, the Accession Treaty with Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia was signed. In June 2003, the Czech Republic confirmed via referendum with 55.21% that they are in favour of becoming an EU member state.

On 30 September 2003, the ratification process was concluded and on 1 May 2004, the Czech Republic became a full member state of the European Union.

## Country growth within EU

The Czech economy's pre-crisis growth was driven by solid domestic demand and foreign trade. With an average annual GDP growth of 2.5% between 2010 and 2019, compared to an EU average of 1.6%. Additionally, its GDP per capita in purchasing power standards increased from 84% to 93%. The economic growth has been assisted by a significant inflow of EU funding. The Czech economy could not avoid the impact of the pandemic, but it is rebounding with significant progress.

## EU relations with Czech governments

Within the EU, the Czech Republic is part of the Visegrád Group, a coalition between Hungary, Poland, and Slovakia declaring their common ground for cooperation in various sectors. The group has also made joint statements on sensitive political topics across the EU such as the assistance to refugees from Ukraine, the development of the revision of the TEN-E Network Development, the European Electricity Network, and the creation of an interconnected European hydrogen ecosystem.

The Czech Republic recently elected a new government. In December 2021, a new liberal-centrist coalition was formed that has been more open to EU outreach and membership than the previous Government led by Andrej Babiš. Notably, the tensions between Brussels and the Czech Republic increased with when a Commission audit published in April 2021 determined that Mr Babiš had a conflict of interest over his Agrofert conglomerate accepting subsidies from the EU. In response, the European Commission threatened to halt payments to the Czech Republic unless it made key reforms to its anti-corruption laws.

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The new coalition, led by former political scientist and minister Petr Fiala, has stated that the Czech Republic will continue developing a strategic partnership with non-EU countries and continue as a strong member within Visegrád, which has already adopted a hard-line stance against illegal migration in the EU.

### **EU related national strategy**

The current form of the Czech Republic's national goals are set on the basis of the Europe 2020 strategy.

In terms of employment, the Government of the Czech Republic will present the European Commission with a national goal of an overall employment level of 75 % with a national sub-goal for increasing labour productivity compared to 2010 by 20 %. With regards R&D, the Government aims to present the Commission with a national goal of R&D investment reaching 2.7 % of GDP. In the field of energy efficiency, the country will not present the Commission with a national goal for energy savings from primary energy sources.

Nevertheless, the Government will present the Commission with a goal of maintaining the range of people in the risk of poverty in material deprivation for the year 2020 at 2008 levels.

### **Preparations for the Presidency of the EU Council**

The 2022 presidency will be the second time that the Czech Republic will be chairing the Council of the EU. The country gained its first experience back in 2009 when the Great Recession was at the front stage of politics. Its themes and work plans in 2009 focused on economic improvement, energy efficiency, diversification of supplies, and promotion of international partnerships, with seven top-level summits successfully organised.

During its 2009 term, several significant legislative acts were passed. Successful negotiations resulted in the approval of legal acts around energy, transport, the environment, and financial affairs (including the recovery plan, regulation of cross-border payments and rejection of protectionist measures).

The next Czech presidency will be launched in July 2022 with the preparations underway since July 2018. The planning and implementation of the Czech Presidency's programme is chaired by the Prime Minister through the Section for European Affairs of the Office of the Government, in collaboration with various ministries, the Ministry of Foreign Affairs, the Permanent Representation of the Czech Republic to the EU in Brussels and the national Committee for the European Union.



# Economy and finance

On 17 December 2021, a five-party coalition government under the leadership of Prime Minister Petr Fiala, was sworn-in. Zbyněk Stanjura was appointed Minister of Finance.

Core economic, political or security interests will most likely remain unchanged, but may be redefined. As a beneficiary of the European single market, the Czech Republic advocates for the preservation of the four freedoms of the EU (free movement of goods, services, people, and capital). However, due the war in Ukraine, the Czech Republic has completely overhauled its plans for its Presidency of the Council of the EU, with Minister Stanjura speaking of a “war budget”.

Deepening of the common market and the post-pandemic economic recovery will be among the EU priorities of the Czech Government. As part of the Trio programme (France, Czech Republic, Sweden), the Czech Republic has set a priority to promote a new growth and investment model for Europe, based on sustainable green growth and on strengthening the EU’s industrial and digital sovereignty.

The Trio has already underlined the vital role of supporting the recovery of EU economies by implementing national recovery and resilience plans and other temporary instruments introduced in the context of the crisis provoked by the covid-19 pandemic. The Presidency will focus on ensuring the successful implementation of the multiannual financial framework (MFF), the Next Generation EU (NGEU) programme as well as the European Semester and Recovery and Resilience plans.

The Presidency is determined to develop a more integrated approach to the single market by connecting all relevant policies and dimensions. To this end, it will promote the deepening and strengthening of the single market and its four freedoms, the removal of remaining unjustified barriers, particularly in the area of services.

The Presidency will give special attention to developing fair and simple taxation, in line with the globally agreed standards, without unjustified tax exemptions; and to combating tax evasion and tax fraud. It will aim to finish the work the French Presidency started and secure a deal on a global minimum corporate tax, if a deal is not achieved by the time the Czech Republic assumes the Presidency. In July, the Commission is also due to present its proposal on implementation of the OECD global agreement on re-allocation of taxing rights.

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The Czechs are determined to deepen the Economic and Monetary Union in all its dimensions and will strengthen the international role of the euro and develop strong, competitive and stable EU financial markets. The completion of the Banking Union and the progress towards a true Capital Markets Union is very important in this respect. When it comes to corporate governance, the Presidency will promote the establishment of due diligence obligations regarding human rights and environmental impacts and support the setting up of EU standards for corporate sustainability reporting in order to promote an EU model of responsible business.

The Czech Government has also initiated a European Union backed project to 'unlock the potential' of fintech applications and the use of data in financial services, financed by the EU through its Technical Support Instrument (TSI). Activity will involve a 'feasibility study' on data's potential in financial services and the possible establishment of a sandbox 'to allow fintech innovation on the basis of data sharing and usage'. The project was kicked off by Deputy Finance Minister Jiří Georgiev, alongside representatives of the Ministry of Finance and Czech National Bank, as well as European Commission, OECD and industry associations at a Ministry of Finance-hosted event in Prague.

## Zbyněk Stanjura – Minister of Finance

### Education

- Mr Stanjura studied at the Faculty of Electrical Engineering, Brno University of Technology, where he completed a course in electronic computers.

### Professional experience

- Programmer at Agroprojekt Opava (1988–1992)
- Programmer at ESKON s.r.o. (1992–1996)
- Manager at ESKON a.s. (1996–2002)

### Political career

- For 17 years he was a representative for Opava, leading the Civic Democratic Party (ODS) in communal elections four times and winning three of these elections.
- Served as Mayor of Opava (2002–2010).
- In 2011 became chair of the ODS parliamentary group and in January 2020 elected as First Vice-Chairman.
- Minister of Transport (2012–2013).
- Minister of Finance in Petr Fiala's Cabinet since 17 December 2021.

### Focus areas

- Mr Stanjura is in favour of rapid spending cuts to get public finances back on a stabler path, with the budget gap in 2021 having reached a record 420 billion koruna.
- Aims to cut the fiscal deficit to below 3% of gross domestic product, from above 7%, during the coalition's term.
- Instead of raising taxes, he aims to slash administrative costs by reducing the state's workforce and limiting subsidies.
- He has claimed that a total ban on trade with Russia is not realistic, as the sanction packages work well. He is in favour of excluding all Russian banks from the SWIFT international payments system and has called on his EU counterparts to close ports to all Russian ships.
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# Energy

Energy will be one of the main points on the Czech Presidency's agenda in light of the current global geopolitical and economic challenges and the market impact of Russia's invasion of Ukraine. This focus is met in tandem with the commitments of Petr Fiala's new Government to enhance relations with the EU while the country remains a member of the more EU-sceptic Visegrád Group.

The latter's influence on Czech Republic's negotiation skills is significant since its constituent countries (the Czech Republic, Poland, Hungary and Slovakia) are heavily reliant on Russian oil exports or lack energy storage and transmission infrastructure. The latest evidence of the Council's negotiation roadblock for the sixth sanctions package was the pressure from Hungary to receive an exemption clause, a practice that other countries with similar dependency on Russian energy exports wanted to adopt.

These dynamics, interests, and positions of the Czech Republic's closest EU partners, combined with its own national energy agenda, will colour the Czech Government's Council Presidency.

The Czech Republic's main energy policy pillars are:

- Energy security, reliance, and affordability
- Promoting cost-efficiency building renovation coupled with health considerations
- Promoting the Fit for 55 package and circular economy
- The reduction of red tape
- Investment in renewable fuels
- Sustainability
- Accelerating investment in clean technologies

## Commitments under the Trio Presidency joint programme

The Czech Presidency's agenda will include the political priorities as set in the Trio's original issued back in December 2021, albeit adapted to the current geopolitical challenges.

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The legislative topic that will be moved forward will be the Fit for 55 package aligned with the Paris Agreement goals with a fair and social transition. The Czech Government will move forward with negotiations within the European Parliament for the ETS and the carbon border adjustment mechanism (CBAM) to prevent carbon leakage and work towards achieving the 2030 goals.

Policy initiatives will focus on supporting the development of low carbon and renewable energy fuels, promoting the development and use of all low emission technologies while ensuring the secure, sustainable uninterrupted supply of strategic raw materials.

Lastly, green strategies will be at the forefront, incentivising the transition to a toxic-free environment, promoting the development of sustainable products, and working towards the green and transparent taxation of energy products.

### **Government positions**

On 28 April, during a meeting and a seminar on sustainable and affordable energy for the EU for EESC Members in Prague, Czech Minister for European Affairs Mikuláš Bek revealed the five political priorities of the new Presidency.

The energy pillar focuses on targeting access to affordable, sustainable, and reliable energy sources, ensuring energy security in Europe by i) establishing a mechanism that guarantees a fair share of energy sources between the EU member states and ii) increasing investment in renewables and iii) achieving progress for the green and digital transition.

Other prominent figures of the Czech political scene made statements enhancing the focus on energy security and reliance. René Neděla, Czech Deputy Minister of Industry and Trade, stressed that energy security must be accompanied by environmental sustainability and affordability. Vladimír Špidla, former Commissioner responsible for Employment, Social Affairs, and Equal Opportunities stressed the need for solidarity among the EU member states in accessing energy sources. Petr Zahradník from the Czech Ministry for European Affairs emphasised the important role that energy communities in policy-making and participative democracy. A holistic approach to energy efficiency has been at the core of the public announcements so far.

Back in 2021, when the Fit for 55 package was announced, the previous Government called for a clearer legal text allowing more flexibility in achieving ambitious targets. This position has been reiterated by MEPs from various groups within the European Parliament.

The reasoning behind this argument was that a clear text will dodge the scenario of creating an unclear legislative environment for consumers and businesses, which could potentially lead to higher energy costs and miss the EU green targets.

### **Post-REPowerEU negotiations**

The Czech Presidency will likely need to ensure the implementation and the follow up within the Council of the sixth package of sanctions.

Following the launch of the REPowerEU plan under France, the Czech Presidency will need to chair the debates and ensure agreement on the proposals under REPowerEU including the increase of targets under the Renewable Energy Directive from 40% to 45% under the Fit for 55 package, the acceleration of permit granting for renewable projects, the implementation of the EU Solar Strategy and the increase the Hydrogen and Biomethane production.

Additional negotiations under the REPowerEU will include i) initiatives supporting the green transition of the transport and the transport industry, ii) short-term measures for gas markets, and iii) cooperation with EU energy regulators such as ACER for improving the EU electricity market and alleviating the financial burden on citizens and industry.

## Anna Hubáčková – Minister of the Environment

### Education

- Ms Hubáčková has a degree in public administration from Masaryk University, Brno.
- She is also a graduate from the Department of Civil Engineering, Department of Water Management of Brno University of Technology

### Professional experience

- Ms Hubáčková served as the head of the Department of the Environment of the South Moravian Region from 2001–2014.
- She has served as a chair of flood commissions addressing major floods that occurred in 1997, 2002, and 2006, cooperating with Slovakia and Austria.

### Political career

- Mayor of the municipality of Ratíškovice (2014–2018)
- Winner Minister of the Environment Award in 2005 after working with civil society representatives and NGOs.
- Independent senator (nominated by KDU-ČSL) since 2016
- Former Vice-Chair of the Constitutional and Legal Committee of the Senate of the Parliament of the Czech Republic
- Environmental Minister under Petr Fiala's Ministry since 2021.

### Focus areas

- Supporter of protecting sources of drinking water by identifying hygiene protection zones, and she has worked on water management and the elimination of environmental burdens in protected zones.
- Within the Visegrád Group, Ms Hubáčková highlighted the need to implement the EU climate change targets during a COP26 Senate Conference.
- The Czech Government filed a lawsuit against Poland, accusing the latter of illegally extending the licence of the Turów coal mine, next to the Czech border. In January 2022, the Environmental Minister flew to Poland to settle the dispute between the two allies.
- Ms Hubáčková has dismissed the argument that the Russian war on Ukraine ceased the Green Deal's progress.



- In a Council Ministers' meeting on environment, as part of the newly founded Government, the Minister advocated the proposals of the Czech Republic for the Fitfor55. Under Fit for 55, she noted that some proposals are accelerating faster and smoother than others, and a potential grouping of those proposals should be considered to work more efficiently and reach a faster agreement.
- In the same meeting, the Minister emphasised the social aspects of the energy transition and the extension of the carbon market to transport and buildings that could be problematic, increase social inequalities, and fuel poverty in the Czech Republic.
- To tackle the social impact of energy policies, the Czech Minister has set up a special scheme to help poorer households partially insulate their homes and simplify the process of applying for grants in an easy and fast way.

# Transport

With less than one month to go, the Czech Ministry of Transport is preparing its programme for the following six months. The whole Ministry planning will be without doubt affected by the war in Ukraine and Czech officials will be involved in the process to restructure the necessary infrastructure in the country.

The focus will be strengthening interconnections between the European countries. The European Commission has announced that it will enter into negotiations with Ukraine to adopt a high level agreement on transport infrastructure networks, updating in practice the maps for the Trans-European Transport Network (TEN-T). Another proposed agreement suggests more flexibility for road freight transport, allowing Ukrainian, Moldovan and EU shipments to transit through the territories.

## Rail infrastructure as a priority

The revision of the TEN-T regulation will be a priority for the Czech Presidency as an issue of importance to the Ministry of Transport with its renewed focus on high-speed rail lines following the sworn-in of the new government in December. Transport Minister Martin Kupka wants to include in the TEN-T network the new Prague-Liberec railway connection, while preparing the key construction of the first parts of the high-speed lines from Prague to Dresden, Prague to Brno, Brno to Ostrava and Brno to Vienna. Notably, that EU officials wanting to travel to Prague may experience travel difficulties as there is no direct train connection between Prague and Brussels, with plans for a night train postponed.

Closely connected to the above are two forthcoming Commission proposals due Q2 2022: the revision of the Combined Transport Directive and a new initiative to better manage, coordinate and increase the capacity of railways. Both proposals aim to support the modal shift to lower emission transport modes such as inland waterways, maritime transport and rail.

The Cabinet has pledged to add an extra 200 kilometres to the highway network by 2025 and build 150 kilometres of the high-speed rail network by 2030.

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## Work continues on Fit for 55 proposals

As the French Presidency continues deliberations in the Council to reach a general approach on most Fit for 55 files, published almost a year ago, the Czech Presidency is expected to lead negotiations with the European Parliament on the final texts. The respective Ministers will have to create compromises between individual states and then between the institutions with regards to reducing transport emissions. MEPs have already made clear that they want to increase or change the ambition of the European Commission proposals: difficult negotiations are expected during the Czech Presidency. An agreement needs to be concluded by the end of the year so that the proposals can be applied by 2023, if the EU wants to reach its goal of at least a 55% reduction of greenhouse gas emissions by 2030.

## Road transport

The reduction of emissions in road transport is always a challenge for governments and industry alike, with Prime Minister Fiala objecting so far to the ban on the combustion engine by 2035, wanting a pragmatic and realistic approach in order not to put the availability of new vehicles into risk. It would be interesting to see the Czech position on the new Euro 7 emission standard for all petrol and diesel cars, vans, lorries and buses, expected to be proposed in mid-July this year. This is mainly because the country, which is home to Volkswagen Group's Škoda brand, depends on the auto industry for more than a quarter of its industrial output.

This position may also endanger the shift to electromobility and the subsequent negotiations for the alternative fuels infrastructure debate with most Central European countries lagging in charging infrastructure. The Czech factories mostly produce spare parts for combustion engines and there is an operational risk because electric cars have fewer parts. The Czech Government will probably seek to find allies in the Visegrád group of countries and then negotiate concessions on timing and possible financial assistance for the industry.

The EU negotiators for the batteries and waste batteries file have announced that they will meet once again before the end of the French Presidency, with the latter hoping to reach an agreement to this priority file. If not successful, then the Czech Presidency will finalise negotiations, promoting due diligence requirements, the durability performances and the replaceability of all batteries, including portable batteries for light electric vehicles.

Meanwhile, during Q4 2022 the European Commission is set to propose

one piece of legislation concerning the revision of the end of life vehicles Directive and the Directive on the type approval of motor vehicles, merging the two instruments together. The Czech Presidency is expected to start working on these before the end of its mandate.

### **Aviation and maritime**

Before the beginning of the French Presidency, the Trio committed to promoting an integrated maritime policy for the EU by supporting the creation of a European maritime area with a high social and environmental ambition. The Trio will also pursue strengthening the EU's contribution to maritime security. Pending proposals include the evaluation of the Directive on maritime accident investigation and the Port State Control Directive.

As the aviation sector recovers from the pandemic, positive outlook for summer travel means passengers' confidence has increased and the new Presidency can focus on the revision of the Package Travel Directive and the obligation of carriers to communicate advance passenger data (API Directive). Help to the industry will follow as the Commission is compiling a new proposal on slot allocation and a possible extension of the transition period of operating aid to regional airports.

A new list of sustainable biofuel feed stocks to increase the share of renewable energy in sectors that are difficult to decarbonise, such as the aviation and maritime sector is planned for the second half of 2022.

### **Digitalisation of transport and security**

Developing safe, smart and digital transport, making transport systems more sustainable, smart and resilient by improving connectivity has been named a priority from the Trio. Similarly, the Czech Ministry of Transport has committed to supporting the digitalisation and automation of the transport sector, making maximum use of new technologies and increasing the efficiency and safety of transport.

### **Upcoming events**

One of the most important events taking place during the Czech Presidency is the informal meeting of the EU Ministers responsible for transport, which will take place in October in Prague. Other relevant events include the Urban Mobility Days on 20–22 September – which will present modern trends, technologies and innovations in the field of urban mobility – and the European Space Week at the beginning of October at the Prague Exhibition

## Martin Kupka – Minister of Transport

### Education

- Mr Kupka studied journalism and mass communications at the Faculty of Social Sciences at the Charles University, graduating in 2001.

### Political career

- Former mayor of the Líbeznice municipality in the Prague-East District in the Central Bohemian Region of the Czech Republic from 2010 until 2018.
- He has experience working as spokesperson for the Civic Democratic Party (ODS), Prague City Hall and the Central Bohemian Region. In 2010, he served as spokesperson for the Czech Government.
- Elected member of the Parliament in 2017 and 2021 elections.
- ODS Vice-President since January 2014.

### Professional experience

- Appointed Deputy President for Road Transport of the Central Bohemian Region Authority in 2022.
- He has worked as an editor and presenter in Český rozhlas 3 – Vltava radio.

### Focus areas

- The construction of high-speed railway lines is a Government priority. The Minister is highly in favour of high-speed railways, connecting the northern and southern parts of the country.
- Mr Kupka wants the Government to provide the necessary conditions to move forward with charging infrastructure to develop electromobility concepts. He is also ready to consider other transport solutions as well.
- He supports that the 2035 ban of the combustion engine "benefits no one and it is just a way to make people scared and turn them against the European Union if it deems to accept such measures".
- Mr Kupka has said he will bring forward five pieces of legislation, including amending the Road Traffic Act to increase motorway speed limits and improving the quality of the country's roads. His party Civic Democrats is in favour of that position due to the fact that it will be popular among its voters.
- Digitalisation and automation in the transport sector will be promoted to increase the efficiency and safety of transport.
- The Czech Republic supported a declaration made by Government Ministers and ports worldwide, which committed to deploy shore-side electricity supply by 2028, in particular for cruise and container vessels.
- The Government will continue to develop inland waterway transport and the recreational use of waterways. Regarding aviation, the Transport Minister will strive to achieve safe integration of drone operation in Czech airspace.



# Digital

The Czech Republic is one of the leading EU members states in both digitalisation and the implementation of digital tools within the business sector. According to a recent study prepared for the European Commission, it ranks at the top in Europe in the implementation of AI technology in companies, with 61% of enterprises having adopted at least one AI technology.

The Czech Republic has attentively followed the regulation of AI, as the AI technology has huge importance for the country. This was conveyed by the Deputy Prime Minister for Digitalisation Ivan Bartoš in an interview, in which the Minister discussed the benefits and challenges that AI can bring to our daily lives. Mr Bartoš's position is also groundbreaking in other ways: for the first time in Czech political history, a Pirate party is part of the national government.

During the past months, Mr Bartoš has been preparing work on digital for the Czech Presidency. Among the topics Mr Bartoš has given more attention to are the Artificial Intelligence Act, the regulation creating one single framework for electronic identification (eID) and the European Digital Wallet.

While the French Presidency put great emphasis on the conclusion of the two major digital files – the Digital Markets Act and the Digital Services Act – the Czech Presidency will try to advance the works on other pieces of digital legislation. It is believed that the Czech Government will give special attention to developing the conclusion of the Artificial Intelligence Act. Digital files such as the European Media Freedom Act (to be released on 29 June) and the Chips Act will also be priorities for the Czech Presidency.

In the first six months of the year, Minister Bartoš has already discussed digital topics with Executive Vice-President Vestager, with other EU Ministers and with DG CONNECT's Director General Roberto Viola.

In addition to this, Minister for European Affairs Marek Havrda has shared the Czech EU Presidency priorities and views on the digital agenda with digital stakeholders, like Microsoft.

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Mr Havrda has pushed for the inclusion of researchers and developers in AI, as well as voices from the social sciences and humanities fields. Mr Havrda took part in the development of the European Commission's report on Humans and Societies in the Age of Artificial Intelligence and in the UNESCO-led Global Agreement on the Ethics of Artificial Intelligence.

In the 18-month Trio programme of the France, the Czech Republic and Sweden, the Czech team already noted the importance of pursuing the digital transition, along with a green one. They also agreed on the deepening of the digital services package (which includes the DMA and the DSA) and the fostering of new technologies, including supercomputers and quantum computing, blockchain, artificial intelligence and semi-conductor chips.

Moreover, the Czech Government is fully in line with promoting EU digital standards and developing global digital rules, in close cooperation with like-minded countries and within the relevant fora.

It is expected that the Czech Republic will deliver, at the very least, on some digital files because the preparatory work that has taken place. This, coupled with some files already being close to the finishing line on the Parliament's side, could mean that 2022 could end as a good year for the EU's digital objectives. That both the European Affairs Minister and the Digitalisation Minister are individuals with an extensive experience in digital will likely benefit key parts of the negotiations.

## Ivan Bartoš – Deputy Prime Minister for Digitalisation and Minister for Regional Development

### Education

- Mr Bartoš has a bachelor's degree in Information Science as well as a Ph.D. in the same field, from the Institute of Information and Library Studies at the Faculty of Arts of Charles University, Prague.

### Professional experience

- Extensive career in the private sector, working for companies including Oracle (2005 to 2010) and T-Mobile (2010 to 2014).
- From 2015 to 2016, he was the Marketing Director of AirJobs.cz, a job hunting platform.
- From 2003 to 2005 he was Database Administrator and Designer at Newton Media.

### Political career

- Mr Bartoš has been the leader of the Czech Pirate Party for many years, as well as one of its founders in 2009.
- He ran in the 2014 European Parliament elections as the party's leading candidate, but failed to reach the threshold of 5% of the vote, having received 4.78%.
- Member of the Czech Parliament since 2017; re-elected in 2021.
- In Parliament, served for four years as chair of the Committee on Public Administration and Regional Development and worked on digital topics as well.
- Mr Bartoš has served as Deputy Prime Minister for Digitalisation of the Czech Republic since 17 December 2021, when the government was constituted. He also serves as Minister for Regional Development.

### Focus areas

- Minister Bartoš has said that the Czech Presidency will be an "honest broker" in the Artificial Intelligence Act legislation process. He also said that the AI Act should not hinder fair competition and scientific cooperation with partners such as the US, the UK, Israel or South Korea.
- On 21 April, Mr Bartoš participated in the POLITICO AI and Tech Summit and shared some perspectives from the upcoming Czech Presidency with regards to its digital agenda, namely on the Artificial Intelligence Act and the electronic identification.





- On 8 April, he took part of a meeting with EU Ministers and Deputy Prime Minister of Ukraine to deal with digital challenges that Ukraine has been facing.
- During a D9+ meeting in Prague on 29 March, Mr Bartoš defended strong transatlantic relations as a forum for addressing strategic challenges and pushed for the establishment of global standards built on human-centric approach.
- Support a responsible and sustainable digital transition, the new transatlantic data framework, more focus on cybersecurity and maximum efficiency of regulations related to digital files (such as Digital Services Act, Data Governance Act, Data Act, among others).
- Recently met with Roberto Viola, Director General of DG CONNECT, with whom he discussed the Artificial Intelligence Act and the Electronic Identification regulation, in preparation for the Czech Presidency.

# Health

As the war in Ukraine continues, the Czech Republic has been receiving millions of displaced people, some in need of medical assistance. Health Commissioner Stella Kyriakides assured Czech Minister of Health Vlastimil Válek that the country will receive support from the Commission in dealing with the transfer of patients.

In the Trio programme, the Czech Republic commit to promoting a “one health approach” and implementing the European Health Union package, including the European Health Emergency preparedness and Response Authority proposal.

Other key policies deserving the attention of the Czech Presidency will be the implementation of Europe’s Beating Cancer Plan and the establishment of a European Health Data Space.

The Czech Republic has also committed to multilateral action in the field of health, supporting the World Health Organization (WHO) led policies and other UN agencies works.

In April, the Czech Republic and the WHO signed an agreement cementing closer collaboration in priority areas. WHO Regional Director for Europe Dr Hans Henri P. Kluge also saw first-hand how the city of Prague has welcomed arrivals from Ukraine, providing essential health services and more. The agreement focuses on priority areas including access to affordable medicines, using behavioural insights in policymaking, mental health services, post-pandemic recovery, digital transformation and immunisation.

## Priorities

Regarding priorities for the Czech Presidency, Minister of Health Vlastimil Válek has said that the focus will be oncology, rare diseases, vaccinations, the fight against misinformation in health issues and building on the work of French colleagues. This last point derives that the Czechs will also be willing to move forward with the biggest health legislation passed during the French Presidency: the European Health Data Spaces.

The Czech delegation will present its work programme on health during the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council scheduled for 14 June.

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### **Key events**

In respect of the key meetings during the next six months, Prague will host the informal meeting of the ENVI Committee planned for 13 and 14 July. A Council working party on public health (high level) will take place on 26 July.

An informal Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) dedicated to health is then set to take place in Prague on 6 and 7 September.

On 10 October, there is a EPSCO Health meeting scheduled to happen in Luxembourg. Another EPSCO Health meeting will be held on 9 December. Before the end of the year, the ENVI Committee will hold a session on 20 December.

The first event the Czech Presidency will organise is a conference titled "Synergies in the Research and Innovation Funding in Europe", taking place 7–8 July in Prague. Although not entirely related to health, the conference will indeed exploit funding opportunities for a myriad of sectors, with health, science and bioeconomy included.

## Vlastimil Válek – Deputy Prime Minister and Minister of Health

### Education

- Mr Válek has a bachelor's degree and a Ph.D. in radiodiagnostics from the Faculty of Medicine of Masaryk University, Brno.

### Professional experience

- He worked as a doctor since 1986.
- In 1993, he became professor at the Faculty of Medicine of Masaryk University.
- In 2001, he became Head of the Department of Radiology and Nuclear Medicine at University Hospital Brno.
- From 2005 to 2019, he served as Head of the Department of Medical Imaging in the Faculty of Medicine at Masaryk University.
- In 2012 he became Deputy Director for SVLS at University Hospital Brno.
- In 2020 he became Deputy Director for IT at University Hospital Brno.

### Political career

- In 2010, he was elected a representative of Brno-Líšeň District as a nonpartisan for the liberal-conservative TOP 09 political party.
- In the regional elections in 2012 he was elected a representative for the South Moravian Region.
- In the 2017 elections, he was the leader of TOP 09 in the South Moravian Region and was elected a member of the Czech Parliament.
- In November 2019 he was elected Vice-Chairman of TOP 09 and in January of 2021 also chairman of the TOP 09 parliamentary group.
- In the general elections in 2021, he defended his seat within the TOP 09 party, and was re-elected to Parliament.

### Focus areas

- A supporter of joint EU purchases of orphan medicines, Mr Válek has called on the EU to also collectively buy other medical products, building on the experience with the covid-19 vaccines. He also said he would like to set future rules for the covid-19 vaccine when the Czech Presidency starts.
- Mr Válek is in favour of regular annual vaccinations against covid-19, due to the virus' more pronounced curve in autumn and a smaller curve of infections in spring.
- Together with other health stakeholders from neighbouring countries of Ukraine, Mr Válek urged for essential life-saving treatments for Ukrainians who have fled their country due to the ongoing war, with a particular focus on two areas – HIV and opioid dependency.



# Trade

During its presidency of the European Union, the Czech Republic will seek to advance the debate on halting oil imports from Russia and strive towards granting Ukraine candidate status as soon as possible.

Coordinating a common EU response to the war will now be one of the key priorities for the Czech Republic, as the union seeks to further limit the EU's dependence on Russian resources.

New trade deals with South American countries, as well as with Australia and New Zealand, are also a Czech priority, according to reporting from Politico in discussion with Czech Ambassador Edita Hrdá. Ms Hrdá said that the state will "try our best to move forward with a number of agreements in South America, such as Chile and Mexico", saying that they are "important for the green transition and diversification".

Regarding the Presidency's approach toward China, it will depend on China's stance towards Russia. Ms Hrdá has said that while branching out is more important than ever, the EU needs to know and understand who its friends are and who are not. The Council's main aim is to maintain peaceful development in international relations, leading to more cooperation between the two countries. Bringing the Indo-Pacific region closer to the EU will be a central pursuit as well, including activities with Thailand and other ASEAN states.

The EU aims to remain a driving force behind multilateralism and the global rules-based international order, ensuring openness and fairness and the necessary reforms. It will support the UN and key multilateral organisations. The Presidency reaffirms its commitment to promote multilateralism and a rules-based international order with international law and the UN at its core. It seeks to work towards strengthening the Union's influence in the multilateral system to better defend and promote our values and interests. Climate diplomacy will be a central feature of foreign policy and a standing item on the agenda of all major summits.

The Czech Presidency wants to contribute to shaping the new system of global economic governance based on an ambitious and balanced free trade agenda with the WTO at its core, complemented by a bilateral trade agenda, while protecting the European Union from unfair and abusive practices and ensuring reciprocity. It will promote a robust Union trade policy, in accordance with the 2030 Agenda and the Paris Agreement.

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## Jozef Síkela – Minister of Industry and Trade

### Education

- Mr Síkela studied at the Prague University of Economics and Business and graduated as an economic engineer in 1991.
- In 1991, he was selected to join the banking study programme of the Austrian Creditanstalt AG in Vienna, where he worked until 1995.

### Professional experience

- Mr Síkela has worked in various positions in the field of credit risk management and corporate banking, initially at Bank Austria Creditanstalt, later in the leadership of insurance company Česká spořitelna, a.s., (Erste Group) until 2006.
- In 2006 he became the first Vice-Chairman of the Board and Deputy General Manager, later Chairman of the Board and General Manager of Erste Bank in Ukraine.
- In 2010 he was named Chairman of the Board and General Director of the Slovak insurance company Slovenská spořitelna.
- In 2015, Jozef Síkela was named a member of the board of Erste Group Bank AG, parent company of the Erste group. During 2017–2019 Mr Síkela focused on the programme of banking development for small and medium-sized companies throughout the Erste group.
- In 2021 he focused on advisory and investment activities, before being appointed as Minister of Industry and Trade.

### Policy positions

- Mr Síkela intends to reduce the impact of high energy costs on those threatened by energy poverty, with energy prices a key topic in his agenda. Helping entrepreneurs in the context of the coronavirus pandemic will also be very important.
- He sees the Czech Presidency of the EU as an ideal opportunity to promote the Czech Republic's interests at the EU level, through negotiating the best possible final version of the European Green Deal.
- His priority is to support the development of nuclear energy and renewable sources with an emphasis on energy security, self-sufficiency, climate goals and affordable energy supplies, with the rehabilitation of photovoltaics as an important key resource.
- A new energy law, which will include principles and requirements for community energy, is to be completed by the end of this year.
- A greater labour market liberalisation for third-country applicants is being prepared, with faster processing of work permit applications.
- He places emphasis on the provision of quality education, support for





research and development, the introduction of innovations and the transition to a sustainable and digital economy

- Mr Sikela wants to see the state providing more effective support for small and medium-sized enterprises (SMEs) and assembly plants in the Czech Republic to be replaced by “smart plants”.
- Mr Síkela wants to establish a new “state energy trader” that would secure cheap energy supplies for the state and replace the private companies currently in charge of purchasing gas and other fuels.

# General affairs

The Czech Presidency will likely prioritise external relations with Ukraine and western Balkans, as well as looking to improve its ties with Taiwan and address divides with China. The chances of the incoming Presidency improving EU–UK relations seem low, despite the hope expressed by British Prime Minister Boris Johnson in the Czech Government.

## Ukraine

European security was already one of the main objectives for the Czech Republic when discussing its Presidency programme in 2020. Following Russia's invasion of Ukraine, Ukraine's accession as a member state became one of the Czech Presidency's top priorities.

## Western Balkans

Although European integration of the western Balkans has been an ongoing priority of Czech foreign policy over the last decade, it was not totally clear in February if the governing coalition will be extensively focused on this issue. The topic of the Balkans was addressed by the Presidency for the first time in April this year, when Czech Foreign Minister Jan Lipavsky underlined during an interview for Voice of America (VOA) that he would like to see Global Gateway being applied to the Balkans.

The first official confirmation from the Government with regards to its Balkans focus was announced on 17 May when the Czech Prime Minister Petr Fiala and his Austrian counterpart Karl Nehammer met in Prague to discuss the integration of western Balkan states into the EU, including Bosnia and Herzegovina.

## Taiwan and China

The Czech Cabinet confirmed that it would like to build up relations with democracies including Taiwan. Regarding China, even though the Czech Presidency has not officially expressed any focus towards EU relations with China, Mr Lipavsky has stated that China continues to be EU's "rival and competitor". He also emphasised that the EU cannot stop seeing China as a threat because of the Russian invasion of Ukraine. This warning, as well as his call on the United Nations to confront the different challenges initiated by China, could be seen as a wish on his part to focus on China's actions.

## Environment and agriculture

The Czech Presidency plans to pursue several objectives related to the

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protection of the environment. It has expressed determination to foster the negotiations on the energy performance of buildings and will take over the Fit for 55 package, which aims to cut the bloc's emissions by 55% by 2030. Besides this, the Czech administration is also likely to focus on the environmental protection of water and deforestation.

For the Czech Minister for the Environment Anna Hubáčková access to water is one of the most important topics and it should be guaranteed by constitutional law. Restoring natural water regimes, such as small water ponds, marshlands or small streams, is among the most significant goals of the Czech Presidency. As for deforestation, Commissioner Virginijus Sinkevičius also indicated at a structured dialogue within the ENVI Committee in May 2022 that the deforestation files dialogues re should be launched under the Czech Presidency. In addition to water protection and deforestation, the Czech Presidency is expected to negotiate the Circular Economy Packages proposed by the European Commission under the Green Deal.

The Czech Government has previously expressed its dedication to reassess the EU agriculture policy, in a policy statement made in the beginning of January 2022, and to continue the work of related to the Green Deal. The Czech Agriculture Minister Zdeněk Nekula said the goals of the Green Deal will not be changed, but some aspects will be reviewed. For him, the best way to tackle security and nature management consists in precision farming, which will allow farmers to reduce the volume of inputs such as pesticides and maintain production levels. Besides the Green Deal, the Czech Government emphasised it will review the Czech Republic's position on the EU's Common Agricultural Policy, which was criticised by Czech Republic's small farmers and environmentalists. In addition to that, the new Presidency desires to amend the Act on the Protection of Agricultural Land Fund to strengthen the influence of landowners and encourage private owners.

## Jan Lipavsky – Minister of Foreign Affairs

### Education

- Mr Lipavsky has a degree in International Territorial Studies from the Institute of International Studies, Faculty of Social Sciences at Charles University in Prague.
- He also spent an exchange year at the University of Kent in the United Kingdom.



### Professional experience

- Mr Lipavsky worked for several years in the private sector before entering politics.
- Between 2005 and 2017, he has worked at McKinsey & Company, Euro RSCG, ZOOT and Total Solutions.

### Political career

- Vice-Chair of the Chamber of Deputies Committee on Foreign Affairs and the Committee on Defence (2017–2021). He was also a member of the Standing Committee on Hybrid Threats, the Subcommittee on Defence, Cyber and Security Policy and Strategic Concepts of the Czech Republic and the Subcommittee on Migration and Asylum Policy.
- Between 2017–2021, Mr Lipavsky was a Member of the Parliament of the Czech Republic.
- In December 2021, he was appointed Minister of Foreign Affairs of the Czech Republic.

### Focus areas

- Mr Lipavsky has focused on foreign, defence and security policy in the Pirate Party since 2015.
- Following the Russian invasion of Ukraine beginning in February 2022, the Minister advocated for accelerating the Czech Republic's efforts to enact a Magnitsky Act, which was supposed to be passed by the end of 2023.
- Since the Russian aggression in Ukraine, the Czech Government has provided humanitarian aid of more than €22 million to Ukraine and Ukrainian refugees in Moldova and will send an additional € 18 million in humanitarian aid.
- He has criticised the recent Hungarian elections and expressed concern over the respect of the rule of law in Hungary.

# We hope you found this briefing useful

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