



Brussels, 16 November 2023
(OR. en)

14366/23
ADD 1
LIMITE
CRS CRP 35

SUMMARY RECORD

PERMANENT REPRESENTATIVES COMMITTEE

18, 19, 20, 22 and 23 October 2023

DOCUMENT PARTIALLY ACCESSIBLE TO THE PUBLIC (25.03.2026)

COREPER (PART 1)

Statements to the “II” items set out in doc. 14223/2/23 REV 2

Health

52. WHO Framework Convention on Tobacco Control (FCTC) 14194/1/23 REV 1
– Tenth session of the Conference of parties (COP10)
(Panama, 20-25 November 2023)
- a) Council Decision on the EU positions to be taken at the 13837/23 + ADD 1
tenth session of the Conference of the Parties to the World
Health Organization (WHO) Framework Convention on
Tobacco Control (FCTC)
Preparation for the adoption
- b) FCTC COP10 - Union positions and common positions 14172/23
Preparation for approval

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Environment

57. Regulation on fluorinated greenhouse gases 14053/23
+ COR 1-2
Analysis of the final compromise text with a view to agreement



Statement by Czech Republic

“The Czech Republic is fully committed to ensure the compliance with the Montreal Protocol, to combat the illegal trade more effectively and to contribute to the efforts of the EU to reach the Fit for 55 objectives and the climate neutrality.

While we agree with the aims of the Regulation, we regret that the final agreement in our opinion goes beyond those objectives and addresses policy choices that have not been fully analysed and that fall under different legislation, notably the REACH Regulation.

For the Czech Republic, the most problematic provisions involve new paragraph on Switchgear (Article 13(5)), which bans one of the low-GWP alternatives, and several parts of the Annex IV, notably on split heat pumps and air conditioning, which bans low-GWP alternatives as of 2035. Furthermore, bans on low-GWP alternatives in the sector of foams, aerosols and monoblock heat pumps also pose a significant problem for us.

The policy choice to ban low-GWP alternatives in the sector of heat pumps and switchgear together with other very stringent bans on heat pumps in Annex IV and with the newly introduced service bans on heat pumps is very sensitive for the Czech Republic. Our Air Quality Plans rely on the heat pump deployment heavily and there have been substantial investments made from the European Structural and Investment Funds (notably the Cohesion Fund) and from EU ETS revenues in this sector. We fear any additional obstacles would be damaging for our air quality policy and sustainability of the investments made into transition from coal to cleaner sources of energy.

We also believe that banning low-GWP alternatives is against the spirit of the Decision XXXIV/3 of the Parties to the Montreal Protocol, which encourages Parties to enhance energy efficiency while phasing down HFCs and to take the TEAP 2022 report into account. Decision XXXIV/3 is not a single initiative and the debate on the energy efficiency under the Montreal Protocol does not exclude, by any means, the low-GWP fluorinated alternatives. Based on the reasons above, even though much work has been done to address some of the issues, the Czech Republic cannot support the agreement and will abstain from the vote.”

Statement by Hungary

“Hungary is committed to the EU’s 2030 and 2050 climate policy objectives and considers it important to meet the targets set in the Paris Agreement. Although Hungary appreciates the efforts by the Spanish Presidency to conclude negotiations on the F-gases Regulation and we fully agree with the general objective to strengthen its role in contributing to the pathway towards climate neutrality, we cannot support the final compromise.

While we appreciate some of the elements of the package (maintaining the quota price at 3 EUR, providing safeguards and derogations for safety and to avoid monopoly on the market, maintaining the exemption from the quota-system for semiconductors among others), the agreement crosses serious red-lines that have been previously highlighted by Hungary on several occasions.

First, in our view, the agreement is in contradiction with the RePowerEU objectives and the rapid spread of heat pumps. An extensive ban on refrigerants, especially on lower emission alternatives, thus runs counter to the EU's climate ambitions, and would hamper the scaling up of more climate friendly alternatives also due to their affordability. Hungary has consistently insisted throughout the negotiations that energy efficiency, technical safety and economic feasibility aspects should not be ignored, and that the different economic and geographical circumstances of individual Member States should be taken into account. The agreement is not in line with those concerns.

Hungary has consistently insisted throughout the negotiations that energy efficiency, technical safety and economic feasibility aspects should not be ignored, and that the different economic and geographical circumstances of individual Member States should be taken into account. The agreement is not in line with those concerns.

Concerns may also arise from the limited maintenance of products currently on the market and planned for many decades to come, and the insufficient time to get prepared for technological changeover. The technical solutions of equipment types currently on the market will be banned, and new equipment placed on the market or newly manufactured based on current technology will be subject to significant restrictions within a few years. The new technical challenges will require further development of current training systems. Failure to do so could lead to a shortage of skilled workers.

Hungary believes that market restrictions set out for equipment cannot be fully achieved within the timeframes specified, taking into account energy efficiency and technical safety aspects. Derogations in the agreement do not provide a satisfactory solution to this problem, as a significant part of the current equipment is expected to be replaced within 10 years.

The availability of fluorinated refrigerants is being steadily reduced under the current quota system due to their high global warming potential. However, the quota reduction schedule in the agreement does not take into account market and technological needs, which could lead to a serious shortage of refrigerants legally available on the market and, in addition, to a drastic increase in the market price of refrigerants.

The Regulation could lead to a disproportionate market shift that could hit consumers due to increased prices. The mix of different overly restrictive measures, such as on heatpumps and the price increase within the F-gases Regulation could culminate in a tremendous increase of illegal trade activities and imports, to which, Hungary, being an EU border country would be significantly exposed to. It would, on the other hand, place an unbearable burden on Member State authorities.

Sulfur-hexafluoride (SF₆) is still needed to be used in certain electric switchgears to ensure the safe operation of the electricity grid under current technological conditions. The agreement phases out existing technology on the market, forcing network operators and electricity producers to swiftly adapt to new, often more expensive technologies. There are already companies with a significant market advantage. It could also put the EU market players at a serious competitive disadvantage.

Furthermore, the prohibition on the installation of electrical switchgear is not in line with the real market situation, neither from a technical-safety nor from a design point of view. Especially during the times of an energy crisis, it could pose a danger to maintain a stable energy supply and energy security and would favor a very limited number of producers, leading to further market distortions.

Last, but not least, a number of bans introduced are not backed by proper impact assessment on the availability on suitable alternatives and their prices on the market. Furthermore, even according to the preliminary assessment made by the European Commission, some measures would not lead to significant emission reduction, but yet, they would eliminate other viable low emission alternatives from the market.”

Statements to the “I” items set out in doc. 14223/2/23 REV 2

EU positions for international negotiations

64. Council Decision on the EU position at the Minamata Convention COP 5 on adopting a decision for mercury waste threshold in accordance to that Convention ☐ 14077/23
13488/23
ENV
Adoption

Statement by the Commission

“The Commission considers that the Council Decision should be addressed to the Commission, and therefore considers the changes to Article 2 to be inappropriate.

The expression of the Union position in a body set up by an agreement is an act of external representation of the Union which, in accordance with Article 17(1) TEU, is the institutional prerogative of the Commission.

The Commission reserves all its rights in this regard.”

65. Council Decision on the EU position at the Minamata Convention COP 5 on amending Annexes A and B to that Convention ☐ 14076/23
13489/23
ENV
Adoption

Statement by the Commission

“The Commission considers that the Council Decision should be addressed to the Commission, and therefore considers the changes to Article 3 to be inappropriate.

The expression of the Union position in a body set up by an agreement is an act of external representation of the Union which, in accordance with Article 17(1) TEU, is the institutional prerogative of the Commission.

The Commission reserves all its rights in this regard.”

COREPER (PART 2)

Statements to the “I” items set out in doc. 14276/1/23 REV 1 + COR 1 + ADD 1-2 OJ CRP2 35

Economic and Financial Affairs]

28. Review of the Markets in Financial Instruments Regulation (MiFIR) and the second Markets in Financial Instruments Directive (MiFID II) 13970/1/23 REV 1
13972/23
13973/23
EF
- Confirmation of the final compromise text with a view to agreement*

Statement by Czechia

“The Czech Republic has been continuously supporting further development of CMU and in this regard, it has pinned its hopes, among others, on the revision of the Markets in Financial Instruments rules. Partially, these hopes have been materialised. For instance, the final compromise has brought a consolidated tape protective of smaller trading venues. Moreover, there are number of improvements mitigating excessive administrative burden for market participants, which were not justified. These amendments are highly appreciated by us.

On the other hand, the final compromise, in our opinion, is not proportionate enough in terms of transparency of bond market, which might lead to limitation of trading and listing of corporate bonds on less liquid markets. In this context, the Czech Republic communicated its serious concerns supported by data on its bond market and warned against excessive regulation.

Nevertheless, these concerns and warnings have not been taken into consideration. The whole structure of quite short deferrals is fixed at level I, which does not give ESMA necessary flexibility to adjust deferrals, should our concerns materialise. This might have a detrimental effect not only on the Czech bond market, but also on the other MSs markets of similar liquidity.

In addition, due to the ban on PFOF, this compromise will substantially limit mainly accessibility of trading of shares for EU clients. On top of that, the ban, as it stays, will prohibit offering of any discounts from systematic internalisers or other EU or non-EU liquidity providers to retail and some professionals.

Thus, the provision, which was included in order to limit a disputable practice, has resulted in restriction on execution of orders on EU or non-EU trading venues only, regardless best execution rules and the cost paid by retail or some professionals.

Finally, being fully aware of many challenges preceding this compromise, from the procedural point of view, the Czech Republic would have welcomed to hold more discussion on particular issues in the Council and assess potential implications of considered solutions all together. As we acknowledge, there is a number of positive changes in the proposal, and taking the whole picture into consideration, we have decided to support the file.”

Foreign Affairs

40. Council decision authorising the opening of negotiations for a Partnership and Cooperation Agreement with Bangladesh
Adoption
- 13924/23 + ADD 1
11345/23 + ADD 1
COASI

Statement by the Commission

“The Commission considers it legally incorrect that a Council Decision authorising the opening of negotiations indicates a substantive legal basis.

The Decision authorising the opening of negotiations is premised solely on the existence of conferred powers of the Union and not on a determination of a specific competence. Its effect is limited to authorising the Commission or the High Representative, as the case may be, to use its prerogatives under the EU Treaties in order to start negotiations. The scope of these negotiations is therefore determined by the scope of the powers of the Union. Besides, the freedom of the envisaged treaty partner of the Union as regards the determination of the scope of the negotiations cannot be limited by the Council Decision authorising the opening of the negotiations. Thus, the precise legal basis for the future agreement can only be determined after the content of the agreement is known.

The Commission reserves all its rights in this regard.”



First reading



Item based on a Commission proposal
