JAPAN-EU DIGITAL PARTNERSHIP

Section 1. Background

1. The Japan-EU Summit conclusions of 27 May 2021 called for strengthening Japan-EU digital cooperation to support an inclusive, sustainable, human-centric digital transformation.

2. Japan's vision of Society 5.0, as proposed in the 5th Science and Technology Basic Plan in 2016, calls upon Japan to create a human-centred society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace and physical space.

3. Moreover, Japan's National Data Strategy (2021) and Priority Policy Programme for Realising Digital Society (2021) calls upon Japan to implement the vision of Society 5.0 and work on materialising the concept of "Data Free Flow with Trust" (DFFT) for maximising the benefit of data flows. In this regard, both sides recognise that the ability to move data across borders is essential for economic growth and innovation and that COVID-19 has demonstrated the need for DFFT and its role in the global recovery. In this context, technologies enhancing trust are essential to realise the data free flow with trust across borders, ensuring privacy, security, intellectual property rights and data protection.

4. The European strategy for data (2020) describes the vision to create a genuine internal market for data, where data flows freely across sectors and countries, in line with European rules and values, and data-driven innovation is embraced by society.

5. The Joint Communication of 16 September 2021 from the Commission and the High Representative on the EU's Indo-Pacific Strategy calls on the EU to deepen its engagement with partners in the Indo-Pacific to respond to emerging dynamics that are affecting regional stability, and on 1 December 2021 the EU launched the Global Gateway strategy for sustainable connectivity.

6. The Commission's 2030 Digital Compass Communication calls upon the EU to promote a human-centred digital agenda on the global stage and to form international Partnerships for the Digital Decade with like-minded partners.

7. The European Commission's Trade Policy Review Communication calls upon the EU to support the recovery and fundamental transformation of the EU economy in line with its green and digital objectives.

8. The "Joint Declaration by the European Union, Australia, Comores, India, Japan, Mauritius, New Zealand, the Republic of Korea, Singapore, Sri Lanka on privacy and the protection of personal data", which was endorsed at the Ministerial Forum for Cooperation in the Indo-Pacific in Paris on 22 February 2022, expresses a common vision of a human-centric approach to the digital transformation, where the effective protection of personal data plays a crucial role, and underlines the importance of data free flow with trust as key to harnessing the opportunities of the digital economy.

9. Both sides have established a deep partnership building on joint work in the context of the Japan-EU Strategic Partnership Agreement (SPA) and the Japan-EU Economic Partnership Agreement (EPA), as well as the long-standing and intense cooperation in the digital policy sphere and on Japan and the EU leaders' firm commitment to enhancing cooperation for a free and open Indo-Pacific, which is inclusive and based on the rule of law and democratic values, as well as unconstrained by coercion.

10. Both sides see the joint benefits of forming a Digital Partnership that will establish structures for collaboration in the digital field. The Partnership will allow both sides to work towards concrete policy deliverables, building on existing cooperation mechanisms.

11. The Partnership is not intended to create any rights or obligations under international or domestic law. It does not have any financial implications on either side.

<u>Section 2. Partnering for the development of a human-centric and sustainable digital</u> <u>society</u>

12. Both sides share a commitment to a positive and human-centric vision of the digital economy and society where the design, development, governance, and use of technology are guided by democratic values and respect for universal human rights. By joining their efforts, they can contribute to enhancing this vision in their respective activities and towards international partners.

13. Both sides share the common goal of ensuring predictability and legal certainty for businesses, to foster a secure online environment for consumers who engage in digital transactions across borders, to remove unjustified barriers to business and to prevent discrimination between online and offline activities.

14. The Japan-EU Digital Partnership intends to cover the main dimensions of the digital transformation, including infrastructures, skills, digital transformation of businesses, and digitalisation of public services. It intends to further facilitate data free flow and strengthen consumer and business trust by respecting a high level of privacy and security.

15. By way of this Digital Partnership, both sides can ensure a successful digital transformation that delivers solidarity, prosperity, and sustainability. The Digital Partnership should help citizens in Japan and the EU to learn, work, explore, fulfil ambitions in the digital society, and should empower Japanese and EU businesses to deploy new technologies and innovate. Both sides also support the principles outlined in the Declaration for the Future of the Internet.

16. Both sides should promote their shared vision globally and should strive to extend their partnership to other like-minded partners across the world. Both sides share the ambition to improve the functioning of the global digital economy and intend to work jointly in an active and assertive manner to promote a human-centric vision of digitisation, building on respective bilateral and multilateral work such as the G7, G20, OECD, and WTO. Japan will hold the 2023 G7 meeting and both sides are committed to develop the cooperation in light of the G7 Roadmap for Cooperation on Data Free Flow with Trust adopted at the G7 Digital and Technology Ministers' Meeting in 2021 and the G7 Action Plan for Promoting Data Free Flow with Trust adopted at the G7 Digital Ministers' Meeting in 2022.

17. In this regard, both sides stress the importance of their commitments in the EPA chapter on electronic commerce and consider the ongoing WTO negotiations under the framework of the Joint Statement Initiative on electronic commerce a key element to advance the global setting of rules governing digital trade. In addition, both sides intend to promote a safer, human-centric online environment, build a global coalition for the open, free and secure internet and continue cooperating in relevant international fora.

18. The strong Digital Partnership between both sides can have positive implications well beyond the digital agenda, as digital solutions are also key to fighting climate change and achieving the green transition. The Digital Partnership intends therefore to contribute also to Japan and the EU meeting the objectives of their Green Alliance.

Section 3. Establishing a Digital Partnership between Japan and the EU

19. The Digital Partnership intends to facilitate and organise joint work in areas of mutual interest and will provide a mechanism to review progress on a yearly basis and enhance collaboration by identifying areas for future collaboration and possible deliverables therein.

20. The Digital Partnership intends to establish an annual meeting at ministerial level ("Japan-EU Digital Partnership Council"), of which the main contributors on the Japanese side are the Digital Agency, the Ministry of Internal Affairs and Communications, the Ministry of Economy, Trade and Industry. It is expected to take stock of progress in the partnership and provide political guidance on the next steps. Its secretariat will be provided informally by the Digital Agency and the European Commission's services (DG Connect), which will coordinate activities on their respective sides, involving all relevant services.

21. The Digital Partnership intends to provide for the over-arching framework of bilateral cooperation in the digital field for both sides. The partnership will not create legal obligations on either side but will be based on voluntary cooperation. It is expected to prepare deliverables in the areas identified, building on existing cooperation mechanisms such as the annual bilateral Digital Policy Dialogues, Industrial Dialogue, the EU-Japan Centre for Industrial Cooperation, the EU-Japan Business Round Table, the Cybersecurity Dialogue, the EPA Committees, and dedicated expert workshops. It aims to leverage existing cooperation activities, not to replace them, and it should not result in additional bureaucratic burdens or heavy coordination costs.

22. Regular stakeholder participation and involvement are key to its success, and exchanges are expected to be organised as part of existing cooperation mechanisms and joint Digital Partnership dialogues with stakeholders.

23. These various streams will be integrated in the yearly cycle of the Partnership, so that synergies can be clearly identified and reinforced between the various areas, and service-level or sector-specific discussions can form a holistic political dialogue about digital technologies, policies and exchanges. Efforts will be made to make the partnership as efficient as possible and to limit extra costs. Priorities will be clearly defined and communicated through the Japan-EU Digital Partnership Council.

24. The Partnership may continue until both sides confirm that the objectives of this instrument have been achieved or until one side discontinues its participation in this instrument.

Section 4. Achieving joint results in priority areas for enhanced digital cooperation

25. The Japan-EU Digital Partnership aims at delivering concrete results. Both sides intend to work jointly on the following priority areas, and to launch a set of joint actions that are described in the Annex to this document.

26. In the field of **Privacy**, both sides recognise high privacy standards as an essential element of a human-centric approach to the opportunities and challenges of our digital age. Both sides intend to pursue further cooperation with regard to the protection of personal information on issues such as the impact of certain emerging technologies on privacy, privacy-enhancing technologies and enforcement cooperation between supervisory authorities responsible for data protection.

27. Both sides intend to enhance their cooperation to strengthen the resilience of the **global semiconductor supply chain**, including by exchanging information on their respective approaches, and to develop through research and innovation the next generation of semiconductors. Both sides share the aim of avoiding a subsidy race and the risk of crowding out private investments that would themselves contribute to our security and resilience.

28. Both sides intend to promote the development and deployment of secure, high performing, energy efficient and sustainable **5G and Beyond 5G technologies**, including through enhanced R&D collaboration. Both sides endeavour to share the status of business-driven initiatives towards open, diversified and interoperable network technologies, as well as to share information on security and energy efficiency assessments and on the development of testing facilities for such technologies.

29. On **High Performance Computing and Quantum technology** both sides aspire to promoting the exchange of researchers and engineers between Japan and the EU. Both sides intend to promote the utilisation of their respective supercomputers and quantum computing infrastructures among their research communities and to foster enhanced cooperation on High Performance Computing applications of common interest.

30. In order to build resilience to cyber threats in an increasingly challenging environment, both sides intend to promote information exchange and cooperation in the field of **cybersecurity**, including by improving the usability of the Japanese Cyber/Physical Security Framework (CPSF). Both sides recognise the importance of promoting cybersecurity information sharing.

31. Regarding **Artificial Intelligence** (AI), both sides intend to cooperate in the deployment of AI principles and the international adoption of those principles in order to advance the development and global use of trustworthy AI. Both sides want to pursue coordination of positions on AI in international fora, such as the G7, G20, OECD and UNESCO. Both sides intend to cooperate on the implementation of such principles in their respective jurisdictions including through exploring cooperation on technical requirements for trustworthy AI.

32. In terms of **digital connectivity**, both sides intend to promote secure connectivity between both sides and ensure the enabling environment for secure, trusted and green data centres at the landing site of submarine cables. The existing EU-Japan Connectivity Partnership can support this process.

33. In the field of **online platforms**, both sides share the objectives of keeping digital services safe for citizens, and contestable by businesses. Both sides intend to continue exchanging information on their respective approaches to regulating online platforms, with a view to

fostering greater coordination around key regulatory principles and effective implementation. This will build on the common approach taken to regulating so-called 'platform-to-business' relations.

34. On **data**, both sides envisage working towards strengthening **Data Free Flow with Trust** (**DFFT**), including by promoting technologies enhancing trust, deepening mutual understanding of data governance on both sides, and on that basis working together to enhance international cooperation to address unjustified obstacles for the free flow of data across borders while preserving the regulatory autonomy of both sides in the area of data protection and privacy.

35. On technologies enhancing trust, both sides recognise the role of trusted technologies, certification and schemes like the EU 5G Toolbox in areas such as privacy, cybersecurity, semiconductor supply chains, 5G and Beyond 5G technologies, High Performance Computing, Quantum technology, and online platforms.

36. Both sides share the necessity to deepen discussions on **digital trade**. Both sides intend to seek a cooperative relationship regarding trade facilitation. In addition, both sides intend to deepen their common understanding and reflect it in a set of digital trade principles. Both sides aim at cooperating and coordinating their approaches regarding digital protectionist measures and trends around the world, which have a detrimental impact on trade and investment flows.

37. Digital technologies are key enablers for Small- and Medium-sized Enterprises (SMEs) to innovate, grow and compete. Both sides will examine how they can cooperate on respective initiatives to promote **SME's digital transformation**. Both sides intend to exchange on guidelines and best practices on how the digitalisation of industry including SMEs can support the sustainability targets of companies and accelerate the transition to a circular economy.

38. Both sides intend to establish a cooperative relationship regarding **international standardisation**, based on their ongoing cooperation within international standards bodies.

39. Both sides intend to share best practices, frameworks, content and continue dialogues in the field of public sector interoperability. Both sides endeavour to continue to work on the basis of use cases and pilot projects towards interoperability of their **trust services**. Both sides intend to collaborate on digital identity solutions, including continued information exchange on the Trusted Web/EU Digital Identity Wallet and using appropriate channels.

40. Both sides envisage to further increase cooperation on **Blockchain** and Distributed Ledger Technologies, by engaging international stakeholders, sharing best practices, exploring possible alignment on regulatory frameworks and facilitating the discussions under the International Association for Trusted Blockchain Applications (INATBA).

41. Both sides intend to share best practices, content and courses and continue dialogues in the field of digital education to support high-quality inclusive and accessible education in Japan and the EU taking into account a human-centric vision and approach to digital transformation.

42. This list of priority topics is based on existing cooperation between both sides and on areas where they believe cooperation will lead to tangible benefits for both sides. It will be reviewed and updated on a regular basis through the Japan-EU Digital Partnership Council.

Section 5. Strong leadership and progress monitoring for a successful Digital Partnership

43. As like-minded partners, both sides intend to expand and deepen their Digital Partnership over time. The Strategic Partnership Agreement and the Economic Partnership Agreement will also be important in this respect.

44. The Japan-EU Digital Partnership Council should be provided with clear progress reports by its secretariat in order to take stock of the progress achieved and provide strategic guidance on the priorities and next steps.

45. EU Member States will be closely involved in the implementation of this Digital Partnership, seeking complementarity between actions at EU level and at Member States' level.

Annex: Initial set of joint actions

Supply chain resilience: semiconductors

46. Both sides intend to work towards achieving joint monitoring, exchange of information in anticipation of disruptions in the supply chain, effective early warning mechanisms, crisis preparedness, exchange of information on long-term investment strategies and coordination of export controls among the relevant authorities. Both sides should strive to extend this joint exercise within a multilateral initiative.

47. Both sides intend to promote research in areas of combined strength, i.e. chip design, automotive and power technologies, sensing, as well as integrated photonics in order to strengthen the semiconductor supply chain and in order to address gaps in the value chain. To that effect, both sides should explore and promote R&D on semiconductor technologies that will enable the future architecture of next generation computing. Research cooperation will be set up in relevant domains for the future of the industry, e.g. design with open-source hardware, chips for AI, 5G/6G, HPC, and semiconductor integration technologies.

5G/Beyond 5G

48. Both sides intend to continue their Research & Innovation dialogue. For the EU, this will be carried out within the context of the Smart Network and Services (SNS) Joint Undertaking, driven by industrial requirements for topical cooperation with selected partners.

49. Both sides are expected to share information on progress regarding connectivity infrastructure sustainability, notably for what concerns the energy efficiency (greening) of digital infrastructures and how they can address climate change.

50. Both sides will share the status of business driven initiatives towards open, interoperable network technologies, as well as share information on security and energy efficiency assessments and on the development of testing facilities for such technologies and work on fostering security, diversity, interoperability, and resilience across the ICT supply chain.

51. Both sides will work towards a shared global vision of 6G and towards the stimulation of global 6G ecosystems including standardisation of 6G.

High Performance Computing (HPC) and Quantum technology

52. Both sides should explore modalities of reciprocal access for researchers to their respective supercomputing and quantum computing infrastructures, notably the utilisation of the "Fugaku"

and EU/EuroHPC, JU's LUMI, Leonardo and MareNostrum supercomputers (once they are operational), in conformity with the respective supercomputers' access policy.

53. Both sides should exchange information regarding optimising HPC applications of common interest for future generations of supercomputing platforms/architectures (pre-exascale, exascale, post-exascale, hybrid Quantum-HPC). The starting point could include applications related to biomedical, material science, seismic/tsunami and/or weather and climate modelling.

Cybersecurity

54. Both sides intend to continue their activities towards enhancing information sharing between Information Sharing and Analysis Centres (ISACs), and the EU-Japan-US Industrial Control System Cyber Security training for participants from the Indo-Pacific region.

55. Both sides intend to work together as part of their cyber security dialogue as well as in international fora.

56. Both sides recognise that threats to cybersecurity undermine confidence in digital trade and that cybersecurity measures should not create unjustified barriers to trade.

Artificial Intelligence

57. Both sides intend to continue to develop a mutual understanding of the principles underlying trustworthy and responsible AI and of their respective methods to implement a risk-based approach, as well as to explore cooperation on the technical requirements for trustworthy AI.

58. Both sides should pursue cooperation in practical initiatives that further the development of trustworthy and responsible AI in the Global Partnership on Artificial Intelligence (GPAI).

59. Both sides should pursue coordination of positions on AI in international fora, such as the G7, G20, OECD, and UNESCO.

60. Both sides should work towards coordinating positions in international standardisation organisations, as regards AI global standards.

Digital connectivity

61. Both sides will explore the possibility to ensure secure and sustainable connectivity links between them that will be the basis of their strong digital partnership. Both sides may further explore mapping current and future opportunities at the level of connectivity infrastructures (mainly submarine and space) between the EU and Japan; as well as assessing the need and design of a reporting system regarding submarine cable outages.

62. Both sides intend to promote the deployment of secure, trusted digital connectivity in third countries, under the umbrella of the EU-Japan Connectivity Partnership.

Platform cooperation

63. Both sides intend to further deepen their cooperation and information sharing in the area of platform regulation. Both sides will specifically look towards mechanisms for the rapid identification of emerging safety, contestability and fairness issues, and towards designing a

framework for future information exchange and enforcement coordination of their respective platform regulations.

64. Beyond information sharing, both sides will explore procedures and tools including common reporting templates ensuring transparency and accountability, which can support their respective platform regulations, with a particular focus on the fight against illegal and harmful content online, including the issues of hate speech and disinformation, and algorithmic amplification. Online advertising markets will also be part of this analysis, which should cover issues beyond illegal and harmful content including the protection of minors and contestability concerns. Such efforts could involve joint expert workshops and regular exchanges on emerging issues including in content moderation, as well as work on common reporting templates ensuring transparency and accountability and common procedures.

65. Over the short to medium term, both sides should share information regarding fundamental trends in the evolution of their online environments.

Data and Data Free Flow with Trust (DFFT)

66. Both sides recognise that ensuring the free and trusted flow of data across borders in compliance with data protection rules and other public policy objectives, including public security and public order, is fundamental to unlock the benefits of digitalisation. Trusted cross-border and cross-sector data flows enable actors of all sizes including our respective SMEs to advance innovation and research, extend market reach and minimise economic and technical uncertainties.

67. Both sides intend to deepen at expert level their understanding on the function of data intermediaries (as in the EU Data Governance Act) and the Japanese certification scheme for "information banks" and market-driven initiatives such as Jdex.

68. Both sides are expected to work towards avoidance of discrimination between researchers affiliated to universities or research organisations on the basis of affiliation outside the relevant jurisdiction as concerns re-use of public sector information protected on grounds of commercial or statistical confidentiality, protection of intellectual property rights of third parties and protection of personal data.

69. Both sides are expected to promote the exchange of views between government technical experts from both sides on possible cooperation for harnessing technologies enhancing trust, recognising the importance of trusted technologies certification and schemes such as the EU 5G Toolbox in areas such as privacy, cybersecurity, semiconductor supply chains, 5G and Beyond 5G technologies, High Performance Computing, Quantum technology and online platforms. This might include seeking the possibility of Japan-EU cooperation on technologies for strengthening security.

Digital Trade

70. Both sides should seek a common understanding on digital trade principles building on the EPA covering issues relevant for digital trade such as, *inter alia*, paper-less trading, electronic invoicing, electronic transactions framework and digital identities, online consumer protection, cybersecurity, source code and cryptography.

71. Both sides intend to discuss and, when relevant, share information, with a view to combating together digital protectionist measures adopted by third countries.

Digital transformation of industry, disruptive innovation, SMEs

72. Both sides should seek to connect relevant stakeholders from Japan and the EU and support knowledge exchange on innovative digital technologies, including AI applications, for manufacturing. Furthermore, business cooperation should be encouraged between the business communities of Japan and the EU, such as the EU-Japan Business Round Table (BRT), the Japan Business Council in Europe (JBCE), and the European Business Council in Japan (EBC), also relying on the EU-Japan Centre for Industrial Cooperation as a facilitator.

73. Both sides intend to also organise workshops to address current needs, consider future requirements and stimulate long-term cooperation.

Standardisation

74. Both sides intend to continue exchanging with a view to cooperating on standardisation in international fora.

75. As part of this joint vision, both sides should continue and enhance their ongoing cooperation to: (i) promoting these standards globally through initiatives like the INDICO partnership, (ii) achieve common goals and vision for 5G (including security), Beyond 5G/6G, Internet of Things, Artificial Intelligence and digital identities and iii) cooperate on standardisation from the early stages of research and innovation (R&I).

76. Both sides intend to discuss the methods for establishing standardised methods for estimating the net environmental impact of digital solutions in major sectors such as energy, transport, construction/buildings, agriculture, smart cities).

Trust services: digital identity and digital signatures

77. Both sides should continue working through pilot projects towards the interoperability of their trust services, which are key enablers for public administrations, business transactions and e-commerce. This can pave the way for mutual recognition, which is a long-term goal.

Digital COVID Certificates

78. Both sides have an interest in working towards an equivalence decision for Digital COVID Certificates (DCC) and may reinforce cooperation towards that goal. This may also entail cooperation on different approaches based on International Civil Aviation Organization (ICAO) Visible Digital Seal for Non-Constrained environments (VDS-NC), Smart Health Card (SHC), and the EU Digital Covid Certificate.

Enhancing digital education and skills critical for the digital future

79. Both sides intend to promote digital education and enhance digital skills to ensure all can benefit from digitisation and contribute to the digital transformation. Both sides could exchange best practices and insights on successful initiatives and will explore the possibility to increasing cooperation between leading education institutions and industry.

80. Japanese schools and other organisations could consider joining the EU "CodeWeek". "CodeWeek" is an EU grass-roots movement to which already many other countries outside the EU are participating. Its aim is to promote and organise activities involving children related to coding and computational thinking.

Privacy enhancing technologies

80. With respect to personal data, both sides recall that they have mutual adequacy decisions in place, which together have created the world's largest area of free and safe data flows.

81. Both sides intend to advance the cooperation further with regard to privacy-enhancing technologies and enforcement cooperation between supervisory authorities responsible for data protection.

82. Both sides promote cooperation among likeminded economies to enhance the trusted flow of personal data, through various cooperation mechanisms including the OECD.