

Annex

Promoting Research and Innovation towards Prosperity

1. Research and Innovation can open the way to future social progress for mankind and provide great momentum for economic growth. For advanced economies, such as the EU and Japan, creativeness and ability to convert ideas and research findings into high quality products, services and new business models are key drivers for further development. By promoting research and innovation and their collaboration in these fields, the EU and Japan could lead the world economy through technological competitiveness, and bring prosperity to their peoples and beyond.

Research and Innovation are also key to tackling the main challenges mankind is facing, such as climate change, environmental degradation and energy security and efficiency. With their cutting-edge technology and new ideas, the EU and Japan can contribute to tackling these global challenges.

2. Both the EU and Japan, in their relevant internal policies, place strong emphasis on measures to promote research and innovation.

- Japan has recently announced the final report on a long-term strategic guidance (Innovation 25) and will continue to pursue innovation policy such as Innovation Superhighway Initiative, under the Economic Growth Strategy Principles as well as policies laid out in the Third Science and Technology Basic Plan and the Comprehensive Strategy for Creating Innovation.
- In the EU, important initiatives have been undertaken to bring together education, research and innovation, such as the Seventh Framework Programme for Research and Technological Development (FP7), along with the Competitiveness and Innovation framework Programme (CIP), the Education and Training programmes, and Structural and Cohesion Funds for regional convergence and competitiveness. The European Institute of Technology, aimed at overcoming the barriers between academia, business and research, is underway. Moreover, many Member States have national research and innovation policies which add to European-wide strategies.

3. The EU and Japan share the common intention to strengthen their collaboration aiming at creating the best possible framework conditions for research and innovation, identifying best practices, promoting their use both in the private and the public sector, and establishing a favourable legal and regulatory policy environment that will promote and protect research findings and innovations. For doing so they will build on a broad range of on-going joint cooperation efforts such as in research, science and technology, in trade policy and in particular the protection of intellectual property rights, and in support of private sector and business initiatives. Cooperation between individual EU Member States and Japan constitutes a further important pillar

of cooperation in these fields.

4. The realms in which both parties can further strengthen their cooperation are as follows.

Promotion of cooperation in research as an upstream source of innovations

- Cooperation under EU 6th Framework Programme (FP6) : EU-Japan collaboration through the Sixth Framework Programme did not so far fully reflect the huge R&D potential of these two major players in the world facing common challenges as indicated above. The number of European entities and researchers participating in Japanese research projects also remains modest. These facts call for Europe-Japan cooperation in research and development to grow in vigour and stature which in turn would give their relationship a new dimension.
- Exchange of researchers: the EU and Japan share the view that exchange of researchers will promote profound awareness regarding common issues and will lead to higher levels of research and innovation activities. Up to now, exchange of researchers between the EU and Japan featured more Japanese researchers coming to Europe than Europeans going to Japan. As the new "Staff exchange scheme" to be launched in 2008 through FP7, Japan would also be entitled to participate in this new scheme when the envisaged S&T agreement enters into force. Participating entities will be able to exchange their staff on shorter terms (1-12 month) over 4 years. This would create better ties between research institutions and give the opportunity to balance out exchange relations.
- The European Research Area (ERA)-Link project aims at networking European researchers abroad, to inform them and allow them to interact, and building synergies at the European level with those national activities that establish links with expatriate researchers, both to promote collaborations with the European research community and in support of "brain circulation". ERA-Link was launched last year in the USA and the next country for its launch will be Japan for which the preparatory work has already started. As of June 2007, a survey will be launched among European researchers working in Japan in order to use its findings in the design of ERA-Link/Japan.
- The EU and Japan will work together to accelerate the development of fusion energy. Both sides express their firm commitment to the ITER project and the Broader Approach Activities for realisation of fusion energy and welcomed the recent entry into force of the Agreement for the Joint Implementation of the Broader Approach Activities between EURATOM and Japan.

The EU and Japan renew their commitment towards an early initialling of the Agreement between the Government of Japan and the European Community on Cooperation in Science and Technology. It is expected that the Agreement will lay the basis to enhancing collaboration between the Community and Japan. They express their willingness to further invigorate joint activities in the areas of science and technology and note the significance of cooperation activities implemented under bilateral Science and Technology Cooperation Agreements between 14 EU Members States and Japan.

Protection and Enforcement of Intellectual Property Rights and other trade-related measures

The EU and Japan, as advanced and knowledge-based economies, share the view that protection and enforcement of Intellectual Property Rights (IPR) is vital for promoting innovation and competition. It is for this reason that the Summit has also adopted the EU- Japan Action Plan on IPR Protection and Enforcement. They also share the view that the multilateral trade rules offer a variety of instruments for combating practices which can hamper innovation efforts, such as protection and enforcement of Intellectual Property Rights (IPR) including anti-counterfeiting, anti-piracy measures and customs cooperation.

Support to and cooperation with the private sector, business initiatives, and academia

In order to translate new ideas derived from research into innovative products, services and business models, it is essential to enhance closer links between the private sector, industry, and academia of both sides and between them and the public sector. In this context, the EU and Japan recognised the importance of the work of the EU-Japan Business Dialogue Round Table and of the activities of the EU-Japan Centre for Industrial Cooperation. They welcome the existing cluster cooperation between Europe and Japan and will further encourage cluster cooperation for the full exploitation of its potential.

Developing an innovation-friendly environment

An open and competitive environment that vitalises business activities will facilitate the transfiguration of new ideas into innovative products, services and business models. It also facilitates direct investment related to research and development. The EU and Japan will continue to make efforts to promote an innovation-friendly legislative and regulatory environment as well as higher levels of two-way investment by the private sector through the Cooperation Framework for Promotion of Two-Way Investment of 2004 and various channels of dialogue, *inter alia*, the Regulatory Reform Dialogue. Furthermore, they share the view that convergence of regulations and standards can lead to the creation of innovation-friendly environment and reconfirm the intention that the interaction between regulatory approaches and standards and innovation activity be addressed this year in various dialogues

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Sector-related initiatives

Life Sciences

The EU and Japan share the view that Life Sciences and Biotechnology offer the prospects of contributing to our competitiveness as well as to addressing new challenges such as the perils of oil dependence, global warming, food security and the health of an ageing population. In this context both parties will promote joint dialogue and explore the possibilities for research collaboration including the promotion of development and market for eco-efficient bio-based products such as bio-fuels, bio-plastic, green chemicals etc.

Information and Communication Technology (ICT)

Recalling the Joint Statement on Cooperation on Information and Communication Technology adopted at the EU-Japan Summit in June 2004, both parties confirm their intention to further accelerate their cooperation in the following areas: exchange of views concerning the regulatory framework in the ICT sector; cooperation towards the development of safer and securer environment for ICT usages; the use of ICT in support of public policies to face common challenges such as the ageing population; promotion of joint research activities, development and standardisation/interoperability; exchange of experience in advanced technologies such as Intelligent Transport Systems, Radio Frequency Identification (RFID), ubiquitous network and next-generation, 4G mobile communication systems.

Nanotechnology

The EU and Japan are keen on promoting responsible research and are involved in international cooperation in this area in connection with the organisation of conferences for International Dialogue on Responsible Research. The International Nanotechnology Conferences on Communication and Cooperation are important as well. The INC4 conference will be held in Tokyo in April 2008. Both sides intend to explore the possibility of increasing their level of cooperation in this field.

Energy/ Climate Change

Both sides consider the need and the potential of innovation for reaching the objectives set out in the Joint Press Statement as very high indeed. They will continue dialogue and promote innovation in this area through efforts such as enhancing relevant research and development and promoting cost effective instruments to accelerate the deployment of clean technologies. They will continue collaboration with a view to improving the detection and projection of, and response to, climate change, particularly in observation activities such as the Global Earth Observation System of Systems (GEOSS), in modelling, atmospheric composition, water cycle and response strategies, as decided during the last EU-Japan workshop on climate change held in Brussels in March 2007.

sels in March 2007.

5. Follow-up

The EU and Japan will continue to use all relevant channels for deepening their exchange of views and cooperation on research and innovation policies. They look forward to, and stand ready, to support and respond to public and private sector initiatives in this field as appropriate. The potential scope for intensified discussion and joint efforts in this field should be investigated at appropriate opportunities, such as those mentioned above and including EU-Japan ICT Forum to be held in Tokyo in 2008, as well as relevant other events in Europe.

The next meeting of the EU-Japan High Level Consultations will review the progress through such opportunities.