

SUMMARY OF THE STATEMENT OF THE FRAUNHOFER-GESELLSCHAFT

Research and development involving
technologies with dual-use potential

May 2024

Summary

This statement analyzes options for supporting research and development (R&D) on technologies with dual-use potential. It presents a response to the European Commission's White Paper (2024) on this topic and builds on relevant developments in the area of dual use at national and EU level. The statement thus contributes to the discussion on dual use and to improving the funding policy framework conditions for R&D in Germany and Europe.

As Europe's largest organization for application-oriented research, Fraunhofer has been active in both civil and defense research for decades and receives a share of its basic funding from both the Federal Ministry of Education and Research (BMBF) and the Federal Ministry of Defence (BMVg). The majority of Fraunhofer's annual research volume is generated through contract research, which includes R&D activities in both the civil and defense sectors. A possible adjustment of the framework conditions for R&D in the area of dual use, which have been in place for decades, as put up for discussion by the European Commission, is of considerable relevance for Fraunhofer and Europe's application-oriented research. The relevant departments at federal level are also currently addressing the issue.

The current tense geopolitical situation makes it necessary to review the current framework conditions for R&D at European and national level, such as the separation between civil and defense research. The guiding principle for an EU-wide examination of the topic of dual use with the involvement of relevant stakeholders must be the consideration of how additional added value for Europe's security and competitiveness can be ensured in the future with increasingly limited human and financial resources.

Guided by this approach, Fraunhofer positions itself as follows:

1. The consequences of going further based on the current set-up (Option 1) or removing the exclusive focus on civil applications (Option 2) in selected parts of the 10th EU Framework Program for Research and Innovation (FP10), which have yet to be determined, cannot be conclusively assessed at present. This requires a comprehensive and in-depth impact assessment of both options in the shortest possible time, which identifies concrete possibilities for the design of funding policy framework conditions and evaluates them against each other.
2. As part of going further based on the current set-up (Option 1), cross-program and cross-project synergies between the two areas should be leveraged more strongly and systematically. Fraunhofer welcomes the proposed dual-use flagging mechanism. It is important that efficiency gains are achieved as a result.
3. The creation of a dedicated instrument with a specific focus on R&D with dual-use potential (Option 3) is rejected. This option would entail additional complexity, fragmentation of the EU funding landscape and competition for funding for R&D programs at EU level.

4. Civil and defense research need adequate funding to make their full contribution to Europe's security and competitiveness. Fraunhofer therefore advocates an increase in the budgets of the successor programs to Horizon Europe (HEU) and the European Defense Fund (EDF), in particular for the research window in the EDF. Increased funding for one program must not come at the expense of the budget of the other program. Reallocations between the programs and unnecessary duplication must be ruled out in the future as well.

Summary

Based on its many years of experience in numerous areas of application-oriented research, Fraunhofer is ready to contribute to the definition and implementation of funding policy framework conditions in the field of dual use. To this end, Fraunhofer will mobilize its extensive experience with programs and funding instruments at national and EU level, but also as an active member of advisory bodies and relevant networks.

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About Fraunhofer

The Fraunhofer-Gesellschaft, based in Germany, is the world's leading organization for applied research. With its focus on future-relevant key technologies and the exploitation of results in business and industry, it plays a central role in the innovation process. As a guide and catalyst for innovative developments and scientific excellence, it contributes to shaping our society and our future. Founded in 1949, the organization currently operates 76 institutes and research institutions in Germany. Approximately 30,800 staff members, mostly with a background in natural or engineering sciences, work on an annual research volume of around €3.0 billion. Of this amount, €2.6 billion is allocated to contract research.