SEA Europe
Shipyards' & Maritime Equipment Association

29 APRIL 2025

Position Paper

EU FUNDING FOR COMPETITIVENESS IN THE NEXT MFF

Contribution to the Public Consultation

The Shipyards & Maritime Equipment Association of Europe (SEA Europe) represents the European maritime manufacturing industry in 17 countries, encompassing the production, maintenance, repair, retrofit and conversion of all types of ships and floating structures – commercial as well as military – including the full supply chain with the various producers of maritime systems, equipment material, and services.

SEA Europe contributes to the public consultation on EU funding for competitiveness in the next long-term budget (Multiannual Financial Framework, MFF), aligning with our recommendations for the forthcoming industrial maritime strategy to strengthen the competitiveness, sustainability, and resilience of Europe's maritime manufacturing sector.

SUMMARY OF RECOMMENDATIONS

- A dedicated funding channel for the maritime sector to support green and digital innovations, including investments in low-emission ships, clean technologies, alternative fuels, and workforce skills.
- Ring-fenced funding for the maritime industry across EU programmes to scale up innovation and strengthen shipbuilding and maritime manufacturing.
- Better alignment of funding rules between civilian and defence maritime projects, to support dual-use technologies.
- At least 20% of EU defence funds to be earmarked for the naval sector.
- Clear EU-wide planning of funding priorities, with uniform rules to prevent competition distortions from different national implementations of EU programmes, and simpler procedures for applicants.

- Addressing the fragmentation and complexity of maritime funding

Public investment plays a crucial role in driving the greening and digitalisation of the maritime sector, the blue economy, and the waterborne value chain. It catalyses innovation while reducing risks and costs associated with new technologies that lack a stable market but are essential for strengthening the EU's strategic competitiveness and sovereignty. Ultimately, it reinforces the business case for a carbon-neutral, sustainable, and digitalised maritime sector, including dual-use technologies.

Significant financial resources are available under the EU budget to support the sector's green transition and digital transformation, particularly through Horizon Europe, the Innovation Fund, the Connecting Europe Facility, and Structural Funds. However, these cross-sectoral programmes create a fragmented funding landscape with diverse management systems and procedures, lacking overall coherence. As a result, industry stakeholders struggle to navigate the system, leading to missed opportunities for impactful and innovative projects.

In 2020, the European Parliament proposed an "Ocean Fund" financed through Emissions Trading System (ETS) revenues to enhance ship energy efficiency and support investments in innovative technologies such as alternative fuels, smart energy management, and green ports. However, this initiative was not pursued, and ETS revenues from shipping were instead absorbed into the general Innovation Fund. This was a missed opportunity to accelerate the carbon-neutral, sustainable, and digitalised blue economy and waterborne value chain.

As the EU prepares its next long-term budget, SEA Europe urges the European Commission to address the current funding fragmentation. Rather than dispersing maritime support, the maritime technology industry requires a dedicated funding channel to facilitate impactful investments in low-emission vessels, sustainable and digitalised technologies, efficient production processes, alternative fuels, and workforce upskilling in the maritime economy.

- Ring-fenced resources for the maritime industry across EU funding instruments

The fragmented and complex EU maritime funding landscape has hindered the development of innovative projects focused on greening and digitalisation. To address this, **SEA Europe calls on the European Commission to allocate ring-fenced resources for the maritime industry across relevant EU funding instruments**, including the upcoming European Competitiveness Fund, the EU Structural Funds, the Innovation Fund, and the Connecting Europe Facility.

These ring-fenced resources should aim to:
- Strengthen European maritime technological leadership on a global scale, reinforcing EU maritime sovereignty.
- Support businesses investing in carbon-neutral, sustainable, and digital maritime technologies, from early-stage (low TRL) innovations to de-risking large-scale investments.
- Enhance the resilience of the maritime technology industrial value chain.
- Create future-proof jobs in the maritime sector.

SEA Europe recommends focusing financial support on two key areas:

1.Scaling up technology to bring innovation to the market.
2.Enhancing maritime manufacturing capabilities, including the greening and digitalisation of ship production and workforce upskilling.

This ring-fenced approach should complement the **continuation of the Co-Programmed Partnership on Zero-Emission Waterborne Transport in the successor programme of Horizon Europe**, which should be expanded with a new pillar on Digital Marine Applications to support the industry's investments in research, development, and innovation focused on digitalized, automated, or autonomous waterborne transport, ship production, and related technologies.

- Facilitating cross-fertilisation between civilian and defence projects

The European naval industry is very innovative and efficient thanks to a robust cross-fertilization between commercial and naval shipbuilding, which fosters dual-use applications, resilient supply chains and groundbreaking innovations by leveraging commercial innovations into naval shipyards and vice versa. In this context, **the rules governing the EU's next long-term budget should ensure greater coherence between civilian and defence programmes involving maritime defence and security projects** (European Defence Fund, Horizon Europe, Connecting Europe Facility), particularly when it comes to R&D and deployment, in order to reduce budgetary fragmentation and ensure continuity and uptake of relevant results. Yet, in case of cross-fertilization of civilian and military programs for dual use projects, third countries participation should take into account European economic security and be reduced to the minimum.

Moreover, in the light of the growing relevance of the maritime dimension in ensuring Europe's security and well-being, **at least 20% of the budget within each relevant current and future EU defence programmes (e.g. European Defence Fund, European Defence Industry Programme) should be earmarked for the naval segment.**

- Preventing competition distortion in the Single Market

A significant share of the EU budget is managed under the "shared management" system, where national and regional authorities oversee fund allocation based on common EU objectives. This system applies to key funding programmes such as the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), and the European Maritime, Fisheries and Aquaculture Fund (EMFAF), which channel substantial investments into local innovation, competitiveness, skills, and infrastructure.

However, the autonomy granted to national and regional authorities introduces risks of regional funding disparities and competition distortion within the Single Market due to differences in priorities and funding availability. To mitigate these risks, EU rules governing shared management must ensure a more harmonised approach through the following mechanisms:

- **Align funding priorities at the EU level through strategic planning documents adopted by the EU legislator.** In the maritime sector, this should include a dedicated planning document that translates the priorities of the Industrial Maritime Strategy, the Port Strategy, and the Sustainable Transport Investment Plan, ensuring that funds are directed toward these objectives.

- **Establish standardized co-financing and aid intensity rates at the EU level**, allowing minimal flexibility for national and regional authorities to deviate. Currently, EU regulations define only maximum rates, leading to significant variation at the national and regional levels.

- **Simplify procedures for beneficiaries** by expanding the use of simplified cost options (e.g., flat rates, unit costs, lump sums) and applying standardized methodologies for grants and loans. EU rules should prevent national and regional authorities from imposing additional administrative burdens or stricter conditions ("gold plating").

Background Note:
SEA Europe represents close to 100% of the European shipbuilding industry in 17 nations, encompassing the production, maintenance, repair, and conversion of all types of ships and floating structures, commercial as well as naval, including the full supply chain with the various producers of maritime systems, equipment material, and services. As an NGO observer at the International Maritime Organisation (IMO), CESA represents the shipbuilding industry and its supply chain from EU Member States, Norway, and Turkey.
For further information please visit www.seaeurope.eu or contact: press@seaeurope.eu