

OPEN LETTER: ACCELERATING THE DECARBONIZATION OF THE MARITIME INDUSTRY

Cleantech for Nordics is a coalition of investors and innovators seeking to closely engage with policymakers to ensure that the Nordic region becomes a global hotbed for cleantech innovation, jobs, and economic growth. Our goal is to remove policy barriers and unlock market opportunities to accelerate cleantech deployment.

Shipping plays a key role in the global economy, but it is also a major source of emissions—responsible for around 3% of global emissions and 3–4% of the EU’s total. Reducing emissions in the sector will require a mix of solutions, from improving energy efficiency, building enabling infrastructure, to rethinking how we move goods. On the technology front, promising alternatives like green fuels—including biofuels and e-fuels—and electrification are maturing. While these technologies are advancing, the critical challenge lies in scaling. Public funding has played an important role in supporting early-stage innovation and pilot projects, but transitioning from pilots to commercial-scale deployment remains difficult. Closing this gap is essential, as the estimated \$1.5 trillion needed to finance the global shipping transition cannot be unlocked without a stronger and more supportive enabling framework. Encouragingly, policy momentum is growing. The IMO’s Net Zero Framework, set to be implemented in 2027, alongside expanding EU maritime and emissions regulations, lays a strong foundation for decarbonization. These policies are starting to level the playing field by reducing the cost gap between fossil and green alternatives. But to reach the necessary scale, we must now focus on unlocking capital, developing value chains, and creating market conditions that incentivize and reward early movers.

1. Accelerating market uptake

We welcome recent policy developments within the IMO and the EU that are bringing green fuels closer to cost parity with fossil alternatives. Demand-side economic incentives are critical to leveling the playing field and essential for establishing a market for low- and zero-carbon fuels and technologies. We urge policymakers to maintain and strengthen these incentives to accelerate market uptake.

2. Bridging the funding gap for mature technologies

Current EU policies and funding frameworks fall short in driving large-scale investment in maturing technologies needed for net-zero shipping, such as green methanol production. Existing funding mechanisms do not adequately support technologies that are technically ready but not yet cost-competitive at scale, creating a gap between innovation readiness and public funding eligibility. The



upcoming Sustainable Transport Investment Plan offers an opportunity to address this gap. Additionally, approaches like double-sided auction models should be explored to unlock further investment.

3. Using ETS revenues to de-risk investments

Revenues generated from shipping's inclusion in the EU ETS should be strategically reinvested to support maritime decarbonization. These funds should drive and scale innovation across the sector, and the EU must ensure funds are deployed efficiently to reduce emissions and support scaling innovation. A key priority should be the creation of a functioning market for green fuels and technologies. This requires not only support for production but also mechanisms to de-risk early investments—for instance through credit guarantees or export credit agency backing. Many promising technologies and developers face barriers due the absence of long-term offtake agreements backed by creditworthy offtakers. By using ETS revenues to backstop credit risk and enable longer contracts, the EU can help bridge this gap and catalyze private capital at scale.

4. Creating demand through public procurement

Leverage green public procurement to create stable early demand for clean maritime solutions. Public sector procurement can play a strategic role in de-risking new technologies and creating a market. Coordinated procurement at the EU level can create predictable demand, accelerate market formation, and support cost reductions for emerging technologies.

5. Securing clean fuel resilience

Support supply-side policies to strengthen Europe's clean fuel production capacity. To avoid over-reliance on imported solutions and secure long-term resilience, the EU must invest in scaling domestic production of green maritime technologies.

We stand before an enormous opportunity. With strong policy foundations taking shape—through the IMO and the EU—we now stand at a critical moment. As Denmark takes on the EU Presidency, there is a chance to drive meaningful progress—especially for shipping, one of the hardest sectors to decarbonize. With the right mix of policy, funding, and demand signals, we can accelerate deployment, attract private investment, and position Europe as a global leader in green shipping. The moment to act is now, and we should take the chance to lead this transition now that the opportunity is here before us.

