

UNIFE's recommendations on the EU High Speed Rail Deal

April 2026

Executive Summary

In November 2025, the European Commission (EC) unveiled a comprehensive plan to accelerate the development of high-speed rail across the EU.

UNIFE – the European Rail Supply Industry Association – welcomes the European Commission's initiative *Connecting Europe through High-Speed Rail* for an ambitious European high-speed rail network to strengthen EU cross-border rail connectivity. Indeed, the deployment of high-speed rail in Europe is paramount to reach the ambitious goals of the Sustainable and Smart Mobility Strategy, which notably aims at doubling high-speed rail traffic by 2030 and tripling it by 2050, as well as making scheduled collective travel of under 500 km carbon neutral within the EU by 2030.

Both the Letta and Draghi reports also identify high-speed rail as a major priority to strengthen Europe's economy. UNIFE is pleased to note the link established by the EC between the plan and the competitiveness of the European Rail Supply Industry. However, UNIFE also believes several conditions (e.g. long-term predictability, enhanced interoperability, investment, innovation, strengthened procurement rules, etc.) are to be met to boost this industrial competitiveness.

The Commission's High-Speed Rail Plan announces that a dedicated EU financing strategy will be presented towards the end of 2026. The objective is to better coordinate funding sources and private investment, and to strengthen the EU financing ecosystem for high-speed rail projects, ensuring completion of the TEN-T (extended core) network by 2040.

In this sense, **the strategic dialogue between Commission, industry and financial actors will deliver a High-Speed Rail Deal**, a multilateral commitment to mobilise the necessary investments for priority projects.

Therefore, **UNIFE would like to express its views on some of the different elements which will be part of the financing strategy of the High-Speed Rail Deal.**

According to the Commission's HSR plan, to finalise the currently planned TEN-T high-speed rail network by 2040, €345 billion will be required. According to external estimates, going beyond the TEN-T and tripling the size of the existing EU high-speed rail network at speeds of 250 km/h or well above, would even cost €546 billion. Such investment is expected to create employment and return a net positive benefit to society in the range of €750 billion.

Therefore, UNIFE would like to provide some reflections and recommendations in view of the future High-Speed Rail Deal financing strategy.

The significant use of EU funding will be essential to mobilise other sources of funding, including private ones. Public grants are not an option but an indispensable element to sustain these large-scale investments. In this sense, making the most efficient use of the existing programmes under the current Multiannual Financial Framework (MFF) and the next MFF, by ensuring structural synergies between the different funding programmes will be required. Furthermore, to promote and support a truly modal shift in favour of green and sustainable transport, the **untapped potential of ETS revenues** to support the development of the high-speed rail sector should be fully exploited.

In terms of attracting private capital, it will be very important to carefully reflect where its use can be most beneficial in the long-term. In this sense, experience clearly shows that while in the rolling stock segment there might be some potential to leverage private financing, public grants should continue to be the predominant funding tool in infrastructure projects.

Furthermore, the use of certain financing schemes such as Public-Private Partnerships (PPPs) should also be carefully assessed. Assessments by institutions such as the EIB, OECD and IMF consistently highlight that PPPs do not inherently reduce the fiscal burden of infrastructure investment, and that their value for money depends critically on project characteristics, risk allocation and public sector capacity. **Nevertheless, a cautious approach to PPPs should not be interpreted as opposition to private sector participation in financing high-speed rail infrastructure. In UNIFE's understanding, the involvement of private capital should primarily take the form of private credit provision to public borrowers,** including states, infrastructure managers and publicly controlled railway undertakings.

Incentivising the adoption of digital tools and data deliverables can also support the de-risking of high-speed rail infrastructure projects. On the one hand, UNIFE recommends rewarding best practices in digitalisation across the design, construction, operation, and maintenance of high-speed rail infrastructure to foster long-term infrastructure resilience. On the other hand, it is important to provide funding to support the assessment of the risks and benefits of interventions aimed at improving infrastructure resilience (such as technologies, nature-based solutions, and digitalisation strategies), thereby, de-risking their adoption by the private sector.

UNIFE fully supports the Commission commitment to facilitate access to advisory services. Advisory services in high-speed rail provide strategic, technical, and financial

guidance throughout the project lifecycle – from feasibility to operations – to ensure safe, efficient, and cost-effective development.

UNIFE also considers essential to establish a holistic strategy on European preference to ensure Europe’s technological sovereignty and industrial resilience for high-speed rail. This includes exploring possibilities for leveraging strategically the EU public procurement framework and its future revision in support of such policy objectives as well as considering, where necessary, using tools that are relevant for advancing economic security, also taking account of security risks potentially posed by foreign State-controlled suppliers in relation to security-critical systems like rail control-command and signalling.

In this sense, UNIFE would like to provide the following key recommendations for the future High-Speed Rail Deal financing strategy:

Key recommendations:

- Ensure public grants both from the EU and Member States, including with the support of ETS revenues, continue to be the predominant funding modality for high-speed rail infrastructure projects.
- Create an investment-friendly ecosystem and develop a long-term strategy for high-speed rail infrastructure to promote private financing.
- Ensure that the financing of the European high-speed rail network primarily relies on a combination of EU and national grants and publicly backed debt financing, complemented by private lending and IFI / ECA support, rather than on PPP structures whose complexity and long-term fiscal implications may outweigh their potential benefits in this specific sector.
- Since the high-speed rolling stock market is much less developed and more complex than the freight one, reduce the risk level and the lead time to start new operations – in particular for new entrants. In this sense, it is recommended to enable a reduction of the lead time for new rolling stock by shortening the design phase while accelerating the validation phase.
- Incentivise the adoption of digital tools and data deliverables can also support the de-risking of high-speed rail infrastructure projects.
- Further promote the systematic use of advisory services in high-speed rail provide strategic, technical, and financial guidance throughout the project lifecycle –from feasibility to operations – to ensure safe, efficient, and cost-effective development.
- Establish a holistic strategy on European preference and high-risk third country suppliers to ensure Europe’s technological sovereignty and industrial resilience for high-speed rail. This includes exploring possibilities for leveraging strategically the EU public procurement framework and its future revision in support of such policy objectives as well as taking account of security risks potentially posed by foreign State-controlled suppliers in relation to security-critical systems like rail control-command and signalling.

EU funding and mobilisation of other sources of funding

UNIFE would like to insist on the fact that **EU funding will not only be required – as the Commission announces in its plan – but also essential** to harness other public and private resources to finance large-scale cross-border infrastructure projects with high construction costs, such as in the case of high-speed rail.

Current and future EU MFFs

Looking at the current **EU budgetary cycle 2021-2027**, we welcome the Commission's announcement to prioritise high-speed rail projects in a **2026 Connecting Europe Facility (CEF) call**. However, given the advanced implementation state of the current CEF II, the nature of the programme, its limited resources and the oversubscription that it currently faces, we believe that **this call should support a good balance of both projects that are able to deliver in the short term (i.e. deployment of ERTMS on board units on high-speed rail rolling stock) and also studies for future HSR cross-border projects**. These studies should aim at **creating a solid pipeline of mature projects** that could continue receiving EU funding support throughout the next EU long term budget that kicks-off in 2028. In this sense, it will be essential to establish some **conditionality** in the CEF call award decisions for Commission and Member States to **commit budgetary resources from the next MFF 2028-2034**, so the projects selected under the calls can continue to receive funding.

In what concerns **the next MFF 2028-2034**, UNIFE sees a suitable opportunity in the upcoming **European Competitiveness Fund (ECF)** to finance high-speed rail. If designed and implemented properly, the ECF has the potential to become a catalyst and to operate as an investment capacity to bolster European competitiveness in technologies and strategic sectors critical to the EU competitiveness, including industrial and infrastructure deployment and manufacturing.

In this sense, it would be necessary to explore **which financing mechanisms – grants, blending, guarantees** – under the ECF/Invest EU would be the more suitable to support these projects. Nevertheless, only **a good synchronisation and coherent synergies between all the funding programmes** from the next MFF (CEF, ECF and National Plans) can guarantee the success and the roll-out of the different EU policy and industrial objectives. In this regard, UNIFE advocates for the following potential combination:

- **CEF grants**, including from the military mobility envelope to focus on most mature and low-risk projects (quick wins and low hanging fruits), including both studies and works, for the completion of the missing links and cross border connections

of TEN-T network but also including ERTMS deployment (both trackside and on-board units) and class-B systems decommissioning.

- **ECF grants, blending and guarantees**, both from the clean transition and defence windows to support the construction of cross-border and large-scale pan-European high-speed rail projects, including deployment of key technologies such as ERTMS, for which at least two Member States have agreed and defined a clear strategy. Particularly, regarding guarantees, they could be used to mitigate project risks in potential public-private partnerships (PPP) projects involved with delivery and maintenance of rolling stock and/or other sub-systems (which could be combined with maintenance and operation scopes).
- In addition, **the new InvestEU programme** should be utilized to boost private financial support to high-speed rail where it is suitable. With a prominent but not exclusive role of the EIB, InvestEU should allow the European Commission and Member States to further leverage and facilitate private financing in the rail sector by making use of tools such as the EU Taxonomy and Green Bonds to boost investments in order to accomplish the TEN-T targets, and to consider how public-private partnerships contractual arrangements could promote investments.
- **National investments supported through the National and Regional Partnerships** should include a clear priority on financing works of the national high-speed rail networks for which conditionality with both centrally managed CEF and ECF funding should be established not to observe situations where Member States invest only in national territory while neglecting cross-border connections and thus, jeopardizing the realisation of cross-border projects.

Leveraging ETS

UNIFE would like to emphasize the – up to date – **unused and great potential of ETS revenues** to provide the much-needed public grant funding (both from the EU and the Member States) for the realisation of the high-speed rail network. The current trend we observe is that neither at EU central level (cf. Innovation Fund) nor at Member State level, ETS is playing a decisive role in the funding of rail related projects. This is even more of a paradox when railways must pay for the GHG emissions (in electricity generation), while they are the greenest mode of mass transport and still, it's not a priority beneficiary sector in ETS funding revenues. Reversing this trend will provide significant public grants resources to support high-speed rail investments, notably on infrastructure, and offering a solid incentive to private investors to contribute to such projects.

Attracting and leveraging private capital

UNIFE agrees with the Commission's assessment that **framework conditions for attracting private investment** include clarity on the technological choices and the market outlook, expected revenues, regulatory predictability and the potential for economies of scale. While we do see a role for private investors (pension funds, private equity funds, etc.) in financing high-speed rail, it will depend not only on investors guiding principles including risk perception and profitability, but also on regulatory constraints including at national level that may prohibit the privatisation and or private finance of critical transport infrastructure. In this sense, a careful assessment of the role of private financing across high-speed rail projects will be needed. Overall, **UNIFE believes private financing has a bigger role to play in rail rolling stock and a more limited role for rail infrastructure.**

In fact, **there are little market opportunities today for private financing of the high-speed railway infrastructure** (civil works as well as rail-specific infrastructure and signalling). This is due to several factors, namely:

- High upfront capital costs which can range from €20–€70 million per kilometre, (depending on terrain and urban density) and long payback periods (rail projects often take 15–30 years to break even) requiring still substantial grants from the public sector.
- Lack of liquidity in infrastructure assets. This refers to the inability to quickly convert investments into cash without significant value loss or long transaction delays
- All in cost of external private financing is perceived too high versus public financing. This means that the total expense of borrowing from private sources (interest, fees, risk premiums) is generally considered more expensive and less efficient than government-backed or public funding. While private finance offers speed, it often requires higher returns, leading to greater costs that are ultimately borne by taxpayers or users.
- Main line rail projects (infrastructure or signalling) structured in the past as PPPs have always required some sort of public guarantees and prevented transfer of all risks to the private sector.

In this sense, **UNIFE proposes the following recommendations to promote private financing of the high-speed rail infrastructure:**

- Create an investment-friendly ecosystem and develop long-term, transparent strategies, including:
 - Pipeline clarity: Publishing a pipeline of upcoming projects allows private investors to plan and allocate resources.

- Ensure and demonstrate EU political and financial commitment to rail modal shift and support to rail operators.
- Regulatory stability and policy certainty: Clear and stable regulations reduce investor uncertainty. Investors need confidence in long-term government commitment. A clear, consistent national or EU-wide rail strategy helps reduce perceived risks.
- Exploit and apply the return on experience on successful projects (Lisea¹).
- Leverage Sale and Leaseback (SLB) Models:
 - Capital Recycling: EU / IFIs could initially fund infrastructure, then sell assets to private investors and lease them back. This frees up public capital for new projects. Yet these schemes need to be carefully assessed to ensure the effective long term benefit for the public sector as lease payments can also significantly weigh on public finances.
- Tax Incentives: Offer tax breaks or incentives for infrastructure investment.
- Green Finance: Position rail infrastructure projects as sustainable investments to attract ESG-focused funds.
- Engage Institutional Investors:
 - Pension Funds and Sovereign Wealth Funds: These entities seek long-term, stable returns and are ideal partners for infrastructure projects.
 - Infrastructure Bonds: Issue bonds backed by future revenues (e.g., ticket sales, freight charges) to attract private capital.

In the case of high-speed rolling stock, while private financing is largely present in the acquisition of freight locomotives in the EU, mostly by leasing companies, there is potential to support the uptake of private financing in the high-speed rolling stock market. It is essential to lower the risk level and uncertainty for new entrants, as well as the lead time to start a new commercial operation, by ensuring proper framework conditions. This is more important since the high-speed rail rolling stock market is much more complex to organise than the freight one.

UNIFE confirms that private investment could be more suitable for rolling stock and ancillary capex financing². Historically the high-speed business revenues (derived mainly from tickets, vending, advertising, etc.) provide enough volume to payback a limited volume of capex related debt and the relevant maintenance and operation expenses. Therefore, private investments could offer support in filling in this gap.

¹ LISEA is the first private company in France to manage an infrastructure dedicated to high-speed railway links.

² Ancillary capex financing in high-speed rail refers to funding mechanisms for non-core infrastructure assets that support the main rail line, such as station retail spaces, advertising, parking, and associated transit-oriented land development. These revenue-generating projects enhance financial viability, bridging the funding gap by providing alternative income streams beyond direct passenger fares.

The case of rolling stock and private financing

The freight market segment is a well-established market in the EU, where private financing is playing a substantial role in rolling stock funding. Approximately, 40% of the freight locomotives delivered today are purchased by leasing companies. In this case, the attractiveness of private financing is due to a combination of factors, namely:

- The freight locomotive is a product with a standard configuration for many countries. A key factor for cost reduction and making the products more accessible for customers.
- In the freight segment, there are limited issues of network compatibility such as passenger related issues or platform interfaces.
- Freight locomotives have a predictable residual value based on long term freight demand.
- The leasing model also increases the attractiveness for freight operators due to its flexibility. As freight demand may fluctuate rapidly, only few operators can have a 30-year horizon investment.

On the contrary, the EU high-speed rolling stock market is still at its early stages of development. Fundamentally, this is because incumbent operators³ are operating exclusively on their domestic lines and few of them have initiated operations in new markets. Despite various operators being keen to invest, few new entrants⁴ are already present in the high-speed market. In this sense, it's important to note what are the main issues for operators (new entrants and incumbents) to enter new high-speed rail markets:

- For new entrants, the value proposition needs to be clearly defined in terms of which countries and routes will be exploited and what is the main differentiator from the incumbent operators.
- The time for train authorization tends to impact its delivery and the risk of delays for both new entrants and incumbents.
- Issues for securing operating licences, train paths, maintenance (access to workshops, personnel, etc.) can also hamper new entrants' decisions to enter new high-speed rail markets.
- Finding investors able to invest massively (equity need >€400 million) with very low or no return for 10/15 years (from rolling stock order to delivery, commercial service and successful ramp up phase) is often described as one of the main barriers to access high-speed rolling stock.

³ A historically dominant railway undertaking, typically formerly state-owned, which previously managed both infrastructure and operations.

⁴ New entrant rail operators are railway undertakings that enter the market after liberalization, operating independently of the long-established national incumbent operator.

- Furthermore, the uncertain environment for both incumbents and new entrants (legal framework stability, track access, ridership volumes, unknown competition, etc), also has an impact on homologation risks and late delivery of rolling stock.
- Finally, since there are limited examples both for incumbents and new entrants where private financing has played a role in the acquisition of high-speed rolling stock, there is higher perceived residual value risk from financial institutions, thus, a much-restricted access to credit.

UNIFE believes that a critical factor to be considered to improve the attractiveness of private financing to high-speed rolling stock is to enable a reduction of the lead time for new rolling stock by focusing on the design and validation phases. In fact, the lower the redesign effort is, the easier and faster the validation process will be. Moreover, lowering the risk level for new entrants while maintaining a restrictive approach in terms of high-risk suppliers' access to the EU high-speed rail network could also be considered. Ultimately, this endeavour has the potential to unlock (some) scale effect in high-speed rolling stock.

In this sense, **to shorten the design phase**, it would be necessary to:

- Improve regulatory stability at European, national and infrastructure manager level, thus limiting the need to review already approved designs.
- Further reduce Notified National Technical Rules to avoid resurgence of rolling stock-related requirements in network rules.
- Make sure that new requirements apply to new projects only (e.g. EU Cyber Security Resilience Act, Data Act).

Furthermore, **to accelerate the validation phase**, it would be recommended to:

- Increase the testing capacity in Europe.
- Reduce the homologation process when the trains are already homologated in other EU country(ies).
- Facilitate the testing required on the network(s):
 - Allow and facilitate authorization to run on networks under test regime,
 - Increase availability of representative track sections and related testing needs (e.g. drivers).
- Over the long-term, develop virtual certification over real-life tests with the support of digital technologies.

In terms of **lowering the risk level for new entrants**, it would be advisable to:

- Establish the right framework for new entrants in terms of policy (commitment to modal shift and long-term demand); infrastructure (confidence in network development / TEN-T completion and financial capability) and independence from

national regulators (ensuring multi-annual path allocation to increase visibility and allow access to maintenance infrastructures).

- Improve track access charges regimes.
- Make available targeted financial support for the riskier phases by providing equity injections as well as pre-financing and guarantees for the development and authorisation phases.

The role of Public-Private Partnerships (PPPs)

UNIFE recognizes that PPPs may, in certain circumstances and sectors, contribute to the delivery of public infrastructure. However, based on international experience and analytical assessments by multilateral institutions, UNIFE considers that PPP models are, in general, of limited suitability for the development of high-speed rail infrastructure.

Assessments by institutions such as the **EIB, OECD and IMF consistently highlight that PPPs do not inherently reduce the fiscal burden of infrastructure investment**, and that their value for money depends critically on project characteristics, risk allocation and public sector capacity. In the case of large-scale transport infrastructure, experience shows that PPPs often entail **higher financing costs, increased transaction and advisory expenses, and complex long-term contractual arrangements**, while the effective transfer of key risks to the private sector remains limited. Demand, regulatory and political risks typically continue to be borne, either explicitly or implicitly, by the public authority.

It must be noted however, that there are recent successful PPP cases like Lisea mentioned above. In this case, in a very specific context, with the right incentives in place and subject to strong oversight, this PPP model is encouraging a more efficient and higher quality delivery.

From a public finance perspective, this implies that PPPs can give rise to higher long-term budgetary commitments and reduced fiscal flexibility compared to conventionally financed public investment, particularly when projects are characterized by very high upfront capital expenditure, long asset lives and a strong public-interest dimension. High-speed rail infrastructure falls squarely into this category, as it represents a system-critical asset for territorial cohesion, climate objectives and the competitiveness of Europe's rail supply industry. In such cases, maintaining clear public ownership, control and accountability is an important prerequisite for effective governance and long-term policy coherence. Additionally, the sheer volume and complexity of the infrastructure project is another factor to carefully consider PPPs structures. In this sense, it's worth stressing that the party best positioned to manage infrastructure risks (such as right of way appropriation, geological risks, construction permits and environmental risks) is always the public entity or the State.

UNIFE supports a cautious approach to PPPs, which should not be interpreted as opposition to private sector participation in financing of high-speed rail infrastructure. In UNIFE's understanding, the involvement of private capital should primarily take the form of **private credit provision to public borrowers**, including states, infrastructure managers and publicly controlled railway undertakings. This approach allows private financial institutions and institutional investors to contribute funding through standard debt instruments, while preserving public ownership and strategic control over high-speed rail infrastructure.

In this context, UNIFE strongly supports a more systematic use of Export Credit Agencies (ECAs) and international financial institutions (IFIs) such as the EIB as part of the financing ecosystem for high-speed rail infrastructure and technology with a strong European industrial content. IFIs and ECA-supported financing has a well-established track record in lowering funding costs, extending maturities and mobilizing private bank participation, while remaining fully compatible with public procurement models and public ownership structures. As such, IFIs and ECAs can play a complementary role alongside EU and national funding instruments in crowding in private finance in a fiscally efficient and transparent manner.

Against this background, UNIFE considers that the financing of the European high-speed rail network should primarily rely on a combination of EU and national grants and publicly backed debt financing, complemented by private lending and IFI / ECA support, rather than on PPP structures whose complexity and long-term fiscal implications may outweigh their potential benefits in this specific sector. In fact, it's hard to imagine that parties assuming full demand risk in their revenues, hence any private financing or PPPs structure should be based on availability payments, mitigated demand risk or minimum demand guarantee structures.

De-risking investments

Incentivising the adoption of digital tools and data deliverables can also support the de-risking of high-speed rail infrastructure projects.

On the one hand, UNIFE believes that the High-Speed Rail Deal should reward best practices in digitalisation across the design, construction, operation, and maintenance of high-speed rail infrastructure to foster long-term infrastructure resilience. This could involve setting specific criteria, reward mechanisms, or favourable conditions (co-financing rates and pre-financing) for **proposals that demonstrate the optimal use of digital tools – such as connected data environments and digital twins - to improve planning, decision-making, and lifecycle management – ultimately leading to better infrastructure outcomes and enhanced resilience.**

On the other hand, funding should also be mobilised to support the assessment of the risks and benefits of interventions aimed at improving infrastructure resilience (such as technologies, nature-based solutions, and digitalisation strategies), thereby de-risking their adoption by the private sector.

Fragmented and inconsistent infrastructure condition data reduce investor confidence and limit bankability. Infrastructure digital twins and data-driven solutions have the potential to make European HSR infrastructure more sustainable, resilient, and cost-efficient. The High-Speed Rail Deal can play a pivotal role in fostering their adoption.

Indeed, digital tools can maximise the value of public funding channelled into high-speed rail infrastructure while attracting private investment by managing risks more effectively and demonstrating compliance with project KPIs (e.g. related to cost and time overruns, as well as environmental and social impacts).

For instance, digital tools such as digital twins can de-risk infrastructure projects at the design stage and significantly improve planning by simulating real-world conditions, predicting risks, and anticipating potential issues ahead of construction. They can be particularly useful in identifying risks in areas that are difficult to plan for, such as the subsoil conditions. It is estimated that frequent delays and cost overruns in large-scale infrastructure projects are caused by unexpected geotechnical obstacles that could have been avoided with the appropriate tools.

Advisory services

UNIFE fully supports the Commission's commitment to facilitate access to advisory services. In this sense, the Commission will explore, together with the EIB, how to best accelerate the delivery of well-targeted advisory services to support Member States' high-speed rail investment plans. Coordination and cooperation should be put in place as needed, in particular with the European Union Agency for Railways (ERA) for technical guidance and with national promotional banks and institutions for possible joint offers where relevant.

Advisory services in high-speed rail provide strategic, technical, and financial guidance throughout the project lifecycle –from feasibility to operations – to ensure safe, efficient, and cost-effective development. In this sense, UNIFE would recommend to plan projects in separate packages and sequences to provide for an efficient overall project delivery. For instance, it would make no sense to order rolling stock or signalling systems until enough realistic visibility of the real delivery date of the infrastructure is available. In this

sense it is worth referring to the EU Court of Auditors Report in respect of project delays and failure of realistic planning⁵.

Leveraging EU public procurement

Beyond the financing of high-speed rail, it is crucial to ensure that the EU should also use all its current and future tools to ensure Europe's technological sovereignty and industrial resilience for high-speed rail. This includes leveraging the revision of the EU public procurement framework in support of strategic policy objectives as well as advancing economic security and taking account of security risks potentially posed by foreign State-controlled suppliers in relation to security-critical systems like rail control-command and signalling.

In this sense, UNIFE wants to express the need for a holistic strategy on European preference by calling for:

Systematic exclusion of Foreign Bidders in strategic sectors as rail

- Clear and more uniform rules for the participation of Foreign Bidders – understood as bidders from countries which are not a party to the WTO Agreement on Government Procurement (GPA) or other trade agreements with the EU, i.e. in line with EU international obligations – must be ensured to provide legal certainty to bidders and contracting entities alike.
- As the EU has exclusive competence on this matter, UNIFE calls on the systematic exclusion of these bidders for public procurement procedures related to strategic sectors as rail. This will guarantee that the most sensitive rail technologies (e.g. the European Rail Traffic Management System (ERTMS), Communications-Based Train Control (CBTC), Automatic Train Operation (ATO), telecommunications) remain developed and manufactured only by reliable companies. This is particularly key for high-speed rail projects, which are not only flagship but also highly security critical. This also must translate through the future revised Cybersecurity Act, which develops and implements the concept of 'high-risk supplier' – in this respect, it should be clear that system integrators and signalling suppliers are key ICT asset providers.
- Since Member States are not allowed to implement national law on the matter, the European Commission should actively support Member States and contracting entities on the possibilities to exclude Foreign Bidders in order to reinforce legal certainty. The Commission should also provide clear guidance on the cases of bidders legally established in the EU but controlled by a third-country parent that is not a signatory of the GPA or of trade agreements with the EU.

⁵ *EU transport infrastructure: Further delays and some cost increases, but a reinforced governance framework is in place for the future*, February 2026 (an update of ECA special report 10/2020)

‘Made in Europe+’ in strategic sectors (Article 85 of Directive 2014/25/EU)

- On top of the exclusion of Foreign Bidders, and to avoid easy circumvention of these rules while ensuring actual added value for Europe’s economy, UNIFE calls for the mandatory rejection of any strategic sector tender where the proportion of the products originating in third countries exceeds 50% of the total value of the tender, in line with EU international commitments. In practice, this would favour European companies as well as third country companies that have a legally secured access to the EU procurement market due to a plurilateral or bilateral agreement with the EU on public procurement. This understanding also provides sufficient flexibility to meet demand in the rail sector.
- This is based on existing Article 85 of Directive 2014/25/EU on tenders comprising products originating in third countries, making it mandatory and modifying it to simplify the system for complex downstream products (‘value of the tender’ instead of ‘value of the products constituting the tender’).
- The feasibility of the system remains a major challenge in terms of how European content should be measured. UNIFE understands that it would be based on the sum of the imported content (goods and services) compared to the total value of the project (invoiced to the customer). The European Commission needs to provide a clear and standardised methodology, as well as digital tools and certification schemes. This shall not only support contracting entities and industry by simplifying compliance and verification but will also avoid disputes and claims.
- These provisions should also apply to rail private procurement when procurement relates to Public Service Obligations (PSOs) and benefits from any type of EU funding. Indeed, both for freight and passenger transport, private rail operators are increasingly present as per the Railway Packages and have used or could use trains manufactured by subsidised foreign bidders that distort competition on the Single Market.

Strategic alignment with the Foreign Subsidies Regulation (FSR)

- The FSR is a key tool to ensure a level-playing field for the European Rail Supply Industry on the EU procurement market. However, the current Regulation allows a suspicious bidder already targeted by an in-depth investigation of the European Commission that could not be completed to bid on – and potentially be awarded – new projects. Given the systemic risks this represents for the procurement market, no such bidder should be allowed in procurement procedures, be it alone or part of a consortium, unless they cooperate and enable the completion of an ex officio investigation.
