

Position Paper

Brussels, 04 September 2026

Financing Europe's HSR Deal: building a long-term rail asset class in Europe

Executive Summary

In November 2025, the European Commission made high-speed rail (HSR) a strategic priority for Europe's competitiveness, connectivity and decarbonisation. Completing the planned Trans-European Transport Network (TEN-T) HSR network by 2040 requires €345 billion of investment. The EU HSR masterplan points to a wider investment need of around €546 billion to connect capitals and major cities across a network of about 49,400 km. The key issue is how to combine public funding, EU instruments and targeted private finance in a credible delivery framework.

Public finance must remain the backbone. The Connecting Europe Facility (CEF) should remain the main EU instrument for cross-border HSR and TEN-T completion, while continuing to support project preparation phases, including studies, technical documentation, surveys and permitting processes. The proposed National and Regional Partnership Plans (NRPP) and the European Competitiveness Fund (ECF) should complement it by supporting national investment pipelines, including rail lines outside the TEN-T network, as well as urban nodes, transport hubs, rail technological enablers, digital systems and, where relevant, rolling stock.

EU Emissions Trading System (ETS) revenues should become a more visible source of cross-financing for rail infrastructure, including the renewal and upgrading investments needed to support HSR services, and related de-risking tools.

For rolling stock, CER encourages Member States that have not yet done so to ratify the Luxembourg Rail Protocol to the Cape Town Convention. The Protocol strengthens creditor protection and the legal certainty needed to facilitate access to rolling stock through leasing and asset-backed finance.

High speed rail services are profitable and, in many countries, contribute substantially to infrastructure costs. In some cases, such as France, they also support infrastructure used for public service obligation services.

Private finance can contribute where projects are mature, risks are clearly allocated and revenues are credible. But to unlock this potential, we need competitive track access charges, for both Railway Undertakings and Infrastructure Managers, striking a fair balance that reflects factors such as route type, financial contributions at the national level, low-cost infrastructure and rolling-stock financing and stable regulation. Depending on project maturity, cost profile, revenue visibility and risk allocation, private capital may support suitable investment packages, but it should not be presented as a uniform benchmark for the whole European HSR programme.

Recent work by the Green Finance Institute is relevant because it points to project readiness, standardisation and pipeline quality as key barriers to private investment. It shows that private capital is often held back less by a lack of capital than by weak project readiness, insufficient standardisation, fragmented pipelines, early-stage risk and unclear delivery structures. The HSR Deal should therefore not only gather pledges but help create the conditions under which HSR becomes an investable and replicable asset class in Europe.

Looking further ahead, CER believes it is worth exploring, at an early stage, whether elements of the governance model behind the EU's new Scaleup Europe Fund could inform a dedicated High-Speed Rail Fund (HSRF). Such a vehicle would need to rely on a fundamentally different, infrastructure-oriented risk-return logic from the scale-up equity model, while being integrated with the existing EU financing architecture. The idea of a catalytic public contribution mobilising private and institutional capital under an

independently managed structure with public-interest guidance merits further reflection. A linked, publicly funded project-development facility could support project preparation and help create the mature pipeline required by the fund. The fund should mobilise additional resources without reducing or diverting existing EU funding for rail. It should be able to support new infrastructure as well as renewal and upgrading investments needed for reliable and efficient HSR services.

1. Investment need and financing gap

The scale of the HSR programme goes beyond ordinary sectoral funding needs and requires a dedicated long-term financing framework. The Commission estimates that €345 billion will be required to complete the planned TEN-T HSR network by 2040. EU studies also report a wider investment need of around €546 billion for a broader European network linking capitals and major cities.

Cost evidence confirms that HSR cannot be financed through a single model. CER's TAC analysis uses three representative construction-cost categories for HSR: €16.5 million/km, €25 million/km and €80 million/km. The most expensive category corresponds to especially complex works such as major tunnels, bridges or dense urban sections. The same analysis uses annual operation, maintenance and renewal-related costs of €220,000/km, which implies a minimum charging requirement before any contribution to capital repayment is considered.

The financing gap cannot be closed by one instrument alone. HSR generates very large economic, territorial and climate benefits, but only part of those benefits is captured directly in project revenues. Europe cannot expect to finance the programme from grants alone, but neither can it expect the market to fund strategic HSR links without a strong public framework. The challenge is to match different parts of the HSR system with the appropriate combination of grants, public loans, guarantees, risk-sharing tools and selective private participation.¹

2. Public finance architecture – CER proposal

For CER, public finance must remain the foundation of the HSR asset class. This is particularly true for cross-border links, missing sections on TEN-T corridors, major urban bottlenecks, very costly tunnels or bridges, resilience works and rail technological enablers. These assets create high public value, but they are not always bankable on a standalone basis. Under the current 2021–2027 framework, the final CEF Transport call makes €1.1 billion available for transport infrastructure, with particular emphasis on rail, inland waterways and military mobility. Looking ahead, the Commission has proposed €51.5 billion for CEF Transport in 2028–2034, including €17.5 billion for military mobility. The HSR Deal should therefore clarify CEF's future rail focus and its relationship with other EU funding instruments after 2027.

2.1. CEF as the backbone

CEF should remain the main EU instrument for financing HSR infrastructure with strong European added value. CER has consistently argued that CEF must provide stable and predictable support for cross-border sections, TEN-T completion, urban nodes, multimodal

¹ The quantitative estimates in this paper draw on different sources and should be read accordingly. Commission figures are used for the planned TEN-T HSR network investment needs. CER modelling is used for the TAC scenarios and the relationship between additional charge components and investment repayment. Project-specific figures are used only as examples of existing financing practice, while ETS-related calculations are illustrative scenarios rather than earmarking proposals.

hubs, resilient rail infrastructure and key rail technological enablers such as ERTMS, FRMCS, and digital capacity management, providing the long-term visibility needed by infrastructure managers, the construction sector and other implementing actors to maintain and develop delivery capacity.

However, access to CEF funding depends on sufficient national co-financing. Increasing pressure on national budgets risks delaying investments with strong European added value. The future CEF should therefore be accompanied by funding and fiscal conditions that enable Member States to mobilise sufficient national co-financing for projects with strong European added value.

2.2. NRPP as the national delivery instrument

The proposed NRPP should complement CEF by supporting national and regional investment pipelines around the HSR system. This includes the renewal and upgrading of existing HSR infrastructure and of network elements needed for HSR services, feeder sections, node access, transport hubs, rolling stock where relevant, and rail technological enablers. A stronger rail dimension in NRPP is necessary because many HSR outcomes depend on national supporting investments that do not always fit within the classic CEF logic. The proposed NRPP should therefore include safeguards to ensure adequate support for renewal, upgrading and other national and regional investments needed to deliver a reliable and high-performing HSR network. This would complement CEF support for infrastructure with strong European added value and ensure that the development of new HSR links is supported by adequate investment in the existing network on which they depend.

2.3. ECF as the industrial and technological layer

The proposed European Competitiveness Fund (ECF), presented by the European Commission as part of the 2028–2034 Multiannual Financial Framework package in mid-2025, should support the industrial, technological and operational dimension of the HSR programme. CER considers that the proposed scope of the ECF should clearly cover rail infrastructure, high-speed systems, rolling stock, digital signalling and digital capacity-management tools, more specifically including FRMCS, ETCS, Traffic Management Systems (TMS), digitalisation, cybersecurity, energy-management solutions and other innovative technologies supporting the operational performance and resilience of the existing and future European HSR system. This is not a substitute for CEF but a complementary layer helping make HSR deliverable at scale.

Where ECF support is provided through financial instruments or in combination with InvestEU and EIB financing, it should offer clear additional benefits compared with market-based funding alone. Depending on the instrument, these could include favourable financing costs, long maturities, flexible repayment profiles, guarantees or risk-sharing arrangements adapted to the long investment cycles of rail infrastructure and rolling stock.

2.4. Bank capital treatment for rail investment

The financing framework should also consider how prudential rules affect banks' equity or quasi-equity participation in rail investment. Article 133(5) of the Capital Requirements Regulation (CRR) may allow a 100% risk weight for certain exposures under qualifying legislative programmes, subject to supervisory approval and limits. This is relevant for InvestEU-style or European Investment Bank/European Investment Fund-backed equity or quasi-equity instruments, and potentially for the proposed European Competitiveness Fund if structured in a similar way. It should not be presented as applying to ordinary bank loans or to a simple CEF grant combined with private funding.

Also, the framework should consider whether senior bank loans and senior bond financing could benefit from a lower risk weighting when they are (i) issued in a green format and (ii) allocated to stable sectors such as railway infrastructure and rolling stock. Risk weights comparable to those applying to covered bonds or publicly guaranteed entities could be assessed, taking account of the sector's low volatility and risk profile, while easing pressure on spreads, lowering funding costs and increasing banks' lending capacity for these activities.

2.5. ETS revenues as cross-financing for HSR

CER also sees a more concrete role for ETS revenues in the HSR financing architecture. Some Member State practice already demonstrates that ETS revenues can be returned to rail and that this approach should be scaled up. CER therefore calls on Member States to make national commitments to reinvest in rail, as a minimum, an amount corresponding to the ETS-related carbon costs borne by the sector through its electricity and fuel use. The CER Essay contains a concrete HSR demonstration. In the more ambitious 2050 scenario, the Essay estimates 5 billion tonnes of CO₂ savings by 2070. This corresponds to a hypothetical ETS allowance value of EUR 525.5 billion. Assuming €25 million per kilometre of HSR investment cost, this amount could finance more than 60% of the HSR network in the ambitious 2050 scenario. These are economic scenario-based estimates, not earmarking claims, but they demonstrate that carbon avoidance in rail is large enough to justify dedicated treatment in the ETS framework.

2.6. The European Investment Bank and other public financing institutions

The European Investment Bank (EIB) can already be presented as both financier and adviser in the HSR financing architecture. The EIB is advising the Czech railway infrastructure manager Správa železnic on the preparation and procurement of major rail infrastructure projects as public-private partnerships (PPP) under the InvestEU Advisory Hub. It is also associated with availability-based PPP structures such as the Prague–Kladno rail project, for which the EIB project sheet lists proposed finance of €700 million against a total cost of €1.655 billion. On the financing side, the EIB signed €875 million for the first tranche of the Lisbon–Porto high-speed line within a wider €3 billion package and approved €1.7 billion for the Burgos–Vitoria high-speed line in Spain. Spain also illustrates a predominantly public financing approach, under which Adif and Adif AV combine national and EU resources, public debt and substantial EIB lending to develop, renew and upgrade the high-speed network. The EIB also already supports high-speed rolling stock: in Italy, it lists €500 million of finance for the acquisition of 40 electric high-speed trains by Trenitalia, with long tenor and tranche flexibility explicitly highlighted. Such financing can support investment in rolling stock, but operators also require sufficiently stable and predictable infrastructure-access conditions and TACs to make long-term fleet commitments. More broadly, the EIB's Green Rail Investment Platform is framed around lending, blending and advisory services and the exploration of viable business models for rail investment.

For large HSR PPP and concession-type projects, EIB lending can be critical to the overall capital structure. Long-tenor EIB finance can reduce reliance on more expensive commercial debt, improve affordability for the public sector and provide confidence to other lenders and investors. This is particularly relevant for multi-billion-euro schemes where the financing package needs to combine public support, institutional lending and private participation on bankable terms.

Other public financing institutions, including supranational entities such as EUROFIMA, national public financial institutions (e.g. CDC) and development banks (e.g. CDP), can

also provide additional valuable and cost-efficient financial support where the relevant conditions are met.

3. Private finance conditions and risk allocation

Private finance can play a complementary role in HSR, but only under the right conditions. The central issue is not whether private capital exists. It is whether HSR projects are prepared and structured in a way that investors can accept. In practice, this depends on project maturity, revenue visibility, standardisation and risk allocation. These are common issues in large infrastructure investment and they are particularly relevant for HSR where preparation periods are long, upfront capital needs are high and project structures are often complex.

For rail, the financing discussion must start from one basic point. Track-access charges (TACs) must comply with the EU charging framework, irrespective of the financing or delivery model used for the infrastructure. Charges are based on the costs directly incurred as a result of operating the train service, while mark-ups may be applied where the market can bear them, in accordance with efficient, transparent and non-discriminatory principles and while safeguarding the competitiveness of rail market segments.

Private finance may accelerate project delivery and enable investments that cannot be financed immediately from public budgets. However, the return on capital and risk premium required by private investors can increase the overall financing cost over the life of the asset. Private finance should therefore be assessed against its full lifecycle cost and its delivery benefits, rather than only its capacity to close an immediate funding gap.

3.1. TACs as a revenue lever

CER's analytical work on TACs distinguishes between the level needed to cover operation, maintenance and renewals, and the additional charging component that can contribute to investment repayment. The modelling uses a base charge to reflect operation, maintenance and renewal needs. Only the mark-up above that base can contribute to repaying capital investment. To avoid suggesting specific charge levels, the comparison is shown through an index: the average TAC scenario is set at 100, the higher TAC scenario at 166, and the very high TAC scenario at 232.

The modelling shows that, under the scenarios tested, the additional TAC component may contribute to a financing strategy, but TACs cannot replace public funding. They should not be set without regard to the commercial viability and competitiveness of rail services.

Private finance is more realistic where projects are mature, and well structured. It can complement public funding in suitable parts of the HSR masterplan, but it should remain proportionate and should not undermine the economic case for rail.

3.2. Investor conditions

Private capital is more likely to enter where revenues, risks and project structures are clear and can be replicated. Investors look for clear revenue prospects, mature project preparation, manageable contractual structures and financing terms that are aligned with the life of the asset, as well as procurement readiness, standardised tender documentation and transparent contractual models that reduce transaction costs and increase investment certainty. Where those conditions are weak, the cost of capital rises or investor appetite does not materialise. Rail projects often take a long time to prepare, regulatory and procurement frameworks differ across countries, and the number of standardised and investment-ready transactions remains limited. For many investors, the issue is therefore

not rail as such, but whether rail projects are presented in a form that matches institutional requirements.

Private finance depends as much on the quality of preparation as on the availability of capital. A more credible pipeline, greater standardisation and stronger project structuring are all necessary if private capital is to play a wider role in HSR.

3.3. Cost sensitivity and risk allocation

The impact of private finance differs significantly depending on the type of project. Lower-cost and medium-cost investments can absorb a greater private contribution than very expensive sections with complex engineering or high strategic constraints. This matters for HSR because the network includes both types of projects. A financing framework that may be workable for a relatively standard corridor section may not be suitable for a major tunnel, bridge or dense urban bottleneck.

Project bankability also depends on how major risks are identified and allocated before financial close. These include permitting, land acquisition, geotechnical conditions, utility diversions, technology interfaces, inflation and construction-cost escalation. Climate resilience and adaptation should also be part of project-readiness assessment, with physical climate risks considered over the full asset lifecycle and reflected in design, cost estimates, financing structures and maintenance planning.

Risk allocation must therefore be approached carefully. Private capital can support delivery where risks are defined and manageable, but not where the project remains exposed to unresolved permitting issues, unstable regulation or open-ended revenue uncertainty. In those cases, public funding and public risk-bearing remain indispensable.

Private finance can complement public funding where the project is mature enough and the risk profile is acceptable. It should not be treated as a universal solution across the whole HSR programme.

4. Infrastructure vs rolling stock financing models

4.1. Infrastructure

Infrastructure remains the more difficult financing challenge. This concerns both the construction of new high-speed lines and the upgrade or modernisation of existing high-speed networks. Sufficient public funding is the first priority and public investment remains essential. For infrastructure managers, grants remain the most appropriate instrument for investments with a strong public-interest dimension, limited directly attributable revenues and long payback periods. Investment needs are very large, public budgets are under pressure, and future European funding remains uncertain. Public funding may be complemented by private capital through public-private partnerships (PPPs), Regulatory Asset Base (RAB) models and cross-financing arrangements.

Infrastructure finance requires a differentiated approach. Core cross-border sections, very high-cost assets, major urban bottlenecks and strategic upgrades will continue to depend primarily on public grants and public lending. More targeted forms of private participation may be better suited to ring-fenced packages such as access links, stations, depots, maintenance assets or selected project sections with clearer allocation of construction and availability risk as well as potential revenue sources. The appropriate financing mix also depends on the project's national and European strategic importance, its relationship with the existing network and the extent to which revenues can be clearly attributed to the investment.

A clear distinction is needed between project preparation and project execution. The preparation phase, including feasibility studies, technical design, environmental assessment, permitting, surveys and land-acquisition strategies, is difficult for private investors to price and should remain primarily publicly supported. CEF should therefore continue to support early-stage preparation tasks so that Member States can develop a stable and mature HSR pipeline. Public resources should also ensure adequate renewal and upgrading of the existing network where these investments are necessary for HSR delivery and performance.

The preparation and execution phases do not, however, determine the financing model on their own. Once projects are sufficiently prepared, execution and operation phases may allow more targeted private participation where risks are clearly allocated and revenues are credible. A dedicated new line with a clearly defined project structure may, for example, offer greater scope for a PPP, while an investment closely integrated into the existing network may be more appropriately delivered by the national infrastructure manager. Each project should therefore be assessed individually, taking account of its strategic value, network integration, cost, revenue model and risk allocation.

4.2. PPPs, RAB models and guarantees

PPPs can be relevant where the asset or project package is sufficiently mature and where the contract structure is able to allocate risks in a clear and credible way.² They are not a general solution for the whole HSR network, but they may be suitable for well-defined project packages with stable public counterparties and clear performance obligations. In the rail sector, availability-based PPP models are often considered more suitable than demand-risk concessions, as they better reflect the nature of railway infrastructure as a public service and avoid transferring passenger-demand risks that are largely outside the control of the private partner. This is why CER has referred to PPPs as one of the possible complementary tools rather than as a substitute for public funding.

Any use of PPPs should be subject to a transparent value-for-money assessment. This should include the full lifecycle cost of the project, the cost of private capital, the allocation of risks, the affordability of availability payments and the treatment of long-term public commitments and contingent liabilities. PPPs should be used where they improve delivery, risk management or lifecycle performance, not simply to move costs outside annual public budgets.

The size and scope of PPP packages also matter. Larger, well-structured packages can create economies of scale, improve standardisation and reduce lifecycle costs, through more industrialised delivery processes, lower unit costs per kilometre, effective asset management and more efficient organisation of long-term maintenance and other operational activities. Excessively small or fragmented packages may increase transaction costs, limit these CAPEX and OPEX efficiencies and weaken investor interest. Package design should therefore be part of the value-for-money assessment.

RAB models may be relevant in some countries, such as the UK, where regulated infrastructure models are well established, or Italy, where their possible application to HSR has been explored. They may be considered where there is already a substantial HSR network and where the financing challenge increasingly concerns long-term development, renewal and upgrading rather than only greenfield construction. However, the existence of a substantial HSR network does not in itself make a RAB model appropriate. A RAB approach can support longer investment planning horizons, more stable revenue

² European HSR examples include the Tours–Bordeaux line, delivered under a long-term concession covering financing, design, construction, operation and maintenance, and Phase 1 of the Porto–Lisbon line, whose principal sections are being implemented through two availability-based PPPs.

expectations and a clearer lifecycle perspective for infrastructure. At the same time, it requires a credible regulatory framework, clarity on efficient costs and a balance between investor confidence, user protection and public-policy objectives. It should therefore be assessed against the institutional, regulatory and market conditions of each country and considered as one possible approach rather than a preferred model for EU rail networks.

Guarantees and other credit-enhancement tools remain important whenever a project has strong public value but limited standalone bankability. In those cases, the issue is less the absence of capital than the conditions under which capital can participate at an acceptable cost. Instruments that improve credit quality or reduce early-stage risk can therefore make the difference between a project remaining unfunded and becoming investable.

4.3. Rolling stock

Rolling stock policy should make new trains easier and faster to finance, procure and deploy, while preserving transparency, competition and equal treatment.

Rolling stock should be treated as a distinct financing category within the HSR financing strategy. Unlike track infrastructure, rolling stock is a movable asset that can be leased, redeployed across corridors and financed on an asset-backed basis. This makes it one of the most realistic entry points for institutional capital in the HSR system, provided that fleet financing structures are predictable, standardised and supported by credible cross-border operating conditions.

Fleet planning should therefore start during the early infrastructure planning phase, once the main technical conditions and the proposed service offering are sufficiently defined. This is particularly important where manufacturing and delivery timelines for high-speed rolling stock may be long. Financing should combine EIB lending, leasing structures, green-finance instruments and relevant EU or national funding sources, while recognising that CEF remains primarily focused on infrastructure and project preparation.

Rolling-stock financing must be matched by stronger standardisation. Fragmented national rules, bespoke specifications, inconsistent ERTMS implementation and limited mutual acceptance increase costs and delay deployment. The EU should support financeable train platforms that can be used across several Member States, with lower purchase, maintenance, energy and TAC costs per seat. EU support during the initial deployment phase, for example through guarantees or similar instruments, could help to move from fragmented individual projects towards a scaled and efficient rolling-stock financing market.

Financing should also avoid technological lock-in. EU-supported rolling-stock and digital investments should reduce dependence on national or proprietary solutions and promote interoperability, common standards and seamless cross-border integration. This is essential for building a scalable European HSR market rather than a set of isolated national fleets and systems.

Finally, a further lever for rolling stock financing lies outside EU funding instruments altogether: the Luxembourg Rail Protocol to the Cape Town Convention, which entered into force in March 2024. By establishing an international registry of security interests in railway rolling stock, the Protocol gives financiers and lessors a clearer and more enforceable claim over the assets they finance, which can reduce the cost of leasing and asset-backed finance for trains. The Protocol has already been approved by the EU within its areas of competence, while Spain and Sweden have ratified it. France, Germany and Italy have signed the Protocol but have not yet ratified it. CER encourages Member States that are not yet parties to take the necessary steps towards ratification or accession to the Protocol, as wider participation would strengthen the legal certainty needed to facilitate access to HSR rolling stock through leasing and asset-backed finance.

5. Exploring a High-Speed Rail Fund

The Scaleup Europe Fund (SEF) provides a useful reference point for considering whether a dedicated HSR investment platform could mobilise institutional capital. The platform would need to be integrated with the existing EU financing architecture, providing additional resources and complementing CEF grants, EIB lending and advisory support, and InvestEU guarantees rather than creating a separate or competing financing channel. This would help avoid fragmentation of public support and private investment opportunities. In 2026, the European Commission and a group of institutional investors advanced the SEF as a €5 billion late-stage and growth fund for European strategic technology companies. The SEF is supported by a €1 billion Commission contribution from the EIC/Horizon Europe budget line, with further private and institutional capital expected to bring the fund towards its full target size.

The SEF's purpose is different from HSR financing needs, and this distinction should be explicit. The SEF is a growth-equity vehicle for strategic technology companies, whereas HSR financing concerns long-duration physical infrastructure and rolling stock. The financial logic is therefore different: HSR value is generated over decades through network use, availability payments, regulated revenues, leasing income and public support, not primarily through company exits. A dedicated HSR investment platform would therefore need to be closer to infrastructure finance, EIB/InvestEU instruments and rail asset-backed structures than to a deep-tech growth-equity fund.

Notwithstanding this difference in purpose, several structural features of the SEF's design are worth considering as CER continues to explore the case for a dedicated High-Speed Rail Fund (HSRF):

- Public capital used to mobilise private and institutional investors rather than the sole funding source, with the EU contribution sized to attract additional private and institutional capital alongside it;
- An independent, professionally managed structure, insulated from day-to-day political direction but bound by publicly negotiated investment guidelines that encode strategic priorities – in the SEF's case, sector focus and the objective of keeping companies in Europe; in an HSRF's case, this could translate into corridor priorities, TEN-T alignment and interoperability requirements;
- A staged fundraising approach, starting with a core group of founding investors and followed by a broader fundraising round open to additional institutional investors; and
- Formal governance participation for public co-investors, while preserving professional investment management and avoiding day-to-day political direction.

A possible HSRF could bring together infrastructure managers, pension funds, insurers, national promotional banks, leasing companies and other investors with an interest in high-speed rail infrastructure or rolling stock. The EIB could play a particularly important role, given its existing activity as financier and adviser on HSR and rail projects. Its involvement could help strengthen project assessment, investor confidence and alignment with EU transport priorities.

The added value of an HSRF would be to combine public and institutional capital for suitable investments that currently fall between grants, public lending and private finance. For infrastructure, this could include ring-fenced new-build, renewal and upgrading packages with credible revenue or availability-payment arrangements. For rolling stock, it could support leasing platforms, asset-backed finance and mechanisms addressing residual-value risk. The fund should complement CEF by financing suitable assets rather than replacing grants or publicly funded project preparation. It should provide additional

resources without reducing or diverting existing funding needed for network renewal and upgrading. It should complement EIB and InvestEU instruments by mobilising institutional equity and long-term capital alongside loans and guarantees. Its investment guidelines and governance should ensure alignment with TEN-T priorities, interoperability and European added value, without making the cross-border nature of a project an absolute eligibility condition, while preserving independent professional investment management.

This idea is at an early, exploratory stage and raises several questions that require further reflection before it could be considered a credible proposal:

- Risk-return calibration: whether an infrastructure- or rolling-stock-oriented fund can be made as commercially attractive to private co-investors as the SEF's growth-equity structure, given rail's lower but more stable return profile;
- Relationship to existing instruments: how an HSRF could mobilise institutional equity and long-term capital alongside CEF grants, EIB lending and advisory support, and InvestEU guarantees, while avoiding duplication and fragmentation;
- Project-development support: whether an HSRF should be linked to a dedicated, publicly funded facility supporting project preparation and technical development, including feasibility studies, technical documentation, surveys, permitting, land-acquisition preparation and procurement documentation. Such support could help create the mature project pipeline needed by the fund, while recognising that these early-stage activities may not offer the commercial returns required by its private investors;
- Political governance of project selection: unlike company selection for deep-tech scaleups, HSR corridor and project selection is inherently linked to Member State transport planning and TEN-T priorities, so a purely independent, commercially-driven manager model may be harder to reconcile with the public-interest, cross-border coordination role that HSR requires; and
- Scale and structure by asset type: given the sharp difference in risk profile between infrastructure, which remains grant- and guarantee-dependent, and rolling stock, which is more suited to leasing, credit lines and institutional debt, a single fund may need distinct sub-compartments or separate vehicles for each.

CER therefore considers the SEF experience a useful reference for exploring whether a similar structure, combining public support with institutional capital, could support HSR investment. It should not be copied mechanically, given the different financial logic of high-speed rail infrastructure and rolling stock. The proposed fund would need to reflect the specific economics of rail infrastructure and rolling stock, demonstrate clear added value compared with CEF, EIB and InvestEU instruments, consider how a linked project-development facility could support a mature investment pipeline, and include governance arrangements compatible with TEN-T priorities, Member State planning and public-interest oversight. CER encourages the Commission, the EIB, CEF managing authorities, national promotional banks and interested institutional investors to assess whether such a platform could usefully complement the future EU financing strategy and High-Speed Rail Deal.

6. European Union contribution to make projects investable

The role of the EU institutions is not only to allocate money, but to make projects investable. This means improving the quality, coherence and readiness of the project pipeline reaching public and private finance institutions.

- The Commission should use the HSR Deal to identify and structure a pipeline of projects that is mature enough for funding and financing discussions. In this context, project

maturity should include technical design readiness, permitting status, land-acquisition strategy, procurement documentation, governance arrangements, risk allocation and revenue visibility. Project prioritisation should also consider each project's expected contribution to European connectivity, network integration and territorial cohesion.

- The Commission should coordinate the use of CEF, NRPP and ECF around the same corridors and system logic. Particular attention should be given to cross-border projects, where coordination between Member States, permitting, cost allocation and risk-sharing can make project maturity and private finance mobilisation more difficult.
- The EIB and InvestEU should support HSR through project preparation, structuring, guarantees and long-tenor funding.
- The Commission should explore whether future HSR investment platforms can use qualifying legislative programmes under the Capital Requirements Regulation to support bank equity or quasi-equity participation.
- The wider financial framework should help reduce cross-border transaction costs and legal fragmentation for long-duration infrastructure assets.
- Financing should be linked to implementation conditions such as permitting simplification, interoperability, ERTMS deployment and efficient procurement.
- The Commission should promote measures to reduce infrastructure construction and lifecycle costs, including greater standardisation of designs and technical requirements, more industrialised and modular construction methods, coordinated procurement and the wider exchange of proven solutions between infrastructure managers. Such approaches should be assessed according to project type and site conditions, while maintaining safety, interoperability, resilience and lifecycle performance.

7. CER recommendations for the HSR Deal

- Recognise HSR as a long-term European infrastructure asset class requiring differentiated funding and financing structures, with grants remaining central and other instruments used where appropriate.
- Keep public finance as the backbone, with CEF remaining the main EU instrument and NRPP and ECF as complementary supports.
- Use ETS revenues as a structural cross-financing source for HSR infrastructure and related de-risking tools.
- Mobilise private capital selectively and proportionately, recognising that private finance should remain complementary and project-dependent, rather than a uniform benchmark for the whole European HSR programme.
- Promote guarantee-backed and blended-finance structures for suitable HSR assets, taking lessons from other infrastructure sectors while respecting the economic logic of rail.
- Explore CRR-compatible investment structures to improve conditions for bank equity or quasi-equity participation in HSR platforms.
- Distinguish clearly between infrastructure finance and rolling stock finance, using leasing, credit lines and guarantee-backed structures more actively for rolling stock.
- Strengthen project preparation, standardised procurement documentation and pipeline maturity so that HSR projects can access public and private financing on efficient and bankable terms.

- Make climate resilience and lifecycle adaptation planning part of project preparation and financing requirements.
- Encourage EU Member States that are not yet parties to take the necessary steps towards ratification or accession to Luxembourg Rail Protocol, strengthening the legal framework for rolling stock leasing and asset-backed finance.
- Explore, without prejudging its design, whether a dedicated HSRF inspired by aspects of the SEF's governance model could help mobilise additional institutional capital for HSR, provided that it complements CEF, EIB and InvestEU instruments and reflects the different risk-return profiles of infrastructure and rolling stock.

8. Conclusions

Sufficient public funding remains the starting point for HSR. Private finance can play a complementary role, but it is not a substitute for public commitment. Where the necessary market and operating conditions are in place, HSR services should be commercially viable without public support for their operation. Public support should therefore focus primarily on infrastructure and the conditions needed for competitive services. The priority is therefore to strengthen the overall financing framework through the CEF, the proposed NRPP, the proposed ECF, EIB support and better conditions for targeted private finance. TACs may contribute to infrastructure financing within the EU charging framework, but must remain compatible with the commercial viability and competitiveness of HSR services.

The distinction between infrastructure and rolling stock should remain central. Infrastructure will continue to depend mainly on public funding, guarantees and strong project preparation, especially for new lines, cross-border sections and major upgrade or modernisation needs. Rolling stock is better suited to long-tenor debt, leasing, green-finance instruments and other forms of institutional investment, provided that financing structures are sufficiently predictable and standardised.

The case for HSR should also be seen in terms of competitiveness. A stronger financing framework would help deliver the HSR network faster while supporting European connectivity, energy efficiency and long-term economic competitiveness.

Position paper

Financing Europe's HSR Deal: building a long-term rail asset class in Europe



About CER

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