

## Conclusions

### [RFI high speed rail Palermo-Catania](#)

#### **INVEU-ICR-0068-2022 – Sustainable Infrastructure Window**

#### **Short description of the financing or investment operation and its objectives**

Name of the promoter or financial intermediary	Cassa Depositi e prestiti, Intesa Sanpaolo SpA, acceptable bank(s)
Countr(ies) of implementation	Italy
Implementing partner	EIB

The Project consists of the upgrade of 178 km of the Palermo-Catania railway line, which is part of the Scandinavian-Mediterranean TEN-T Corridor. The project connects the northern and eastern coastal urban areas of Sicily with internal parts of the region. The final objective is the delivery of an electrified double track railway with increased design speed and capacity.

The Project, located in Sicily (a less developed region), is expected to reduce journey times and consequently strengthen socio-economic dynamism as well as contributing to the improved accessibility of both urban areas as well as areas of the region far from the coast.

#### **Global Assessment and rationale for approval**

The Investment Committee of the InvestEU Fund approved the use of the EU guarantee on 8 December 2022 for the above-mentioned operation.

The EIB financing is an innovative combination of a funding instrument (Investment Loan) to the State with a guarantee product (Linked Risk Sharing) to financial intermediaries issuing project guarantees (performance and advance payment bonds) and taking risk on private counterparties (project contractors), for the benefit of the timely construction of a large-scale infrastructure project in line with EU key priorities. As such, the EIB financing is a novelty on the market.

The project addresses market failures by supporting financial intermediaries in providing guarantees to the project promoter, covering the contractors' performance risk in respect of the construction works.

The decision of the Investment Committee was not based primarily on environmental benefits although it is recognised that that support to electrifying rails contributes to climate objectives to some extent. The evidence for the additionality was more clearly distinguished in the supporting construction risk and use of the capital tied up in bonds, for a still highly important project in the transport sector.