

Rail Sector calls for a Successor to Europe's Rail Joint Undertaking under Horizon Europe/FP10 and the European Competitiveness Fund

1st December 2025

The rail sector is committed

As an economic powerhouse, the European rail sector is 100% committed to driving Europe's economy forward and delivering an essential service to Europe's society. With a total contribution of €247 billion to the EU economy and supporting 3.1 million jobsⁱ, railways offer one of the largest economic footprints of any transport mode while preserving the lowest carbon footprint. With estimated investments at €866 billion by 2040ⁱⁱ and €1,625 billion by 2050 to complete the TEN-T Networkⁱⁱⁱ, Infrastructure Managers are making substantial, long-term commitments to transform the continent's many national rail networks into a single European rail system. At urban node level, light rail, metro and regional/suburban rail have a combined patronage of over 30bn passengers per year in Europe, evenly distributed among them, meaning each local rail mode carries 10 times more passengers than air travel.

However, the European rail sector still faces major challenges – from the urgent need to overcome fragmentation, high complexity and costs, to the core tasks of meeting EU climate targets by attracting more passengers and freight to rail with improved efficiency, accessibility and resilience of the railway system. Research and innovation are fundamental in overcoming these challenges and maintaining the international competitiveness of the European rail supply industry against rapidly advancing players like China.

A coordinated European approach to rail R&I is vital to accelerate overcoming the fragmentation among national railway systems and deliver harmonised, interoperable and affordable European-wide innovations to achieve the Single European Railway Area (SERA) and complete the Trans-European Transport Network (TEN-T). Given long infrastructure lifecycle, complex financing, needs of increased capacity and differing national standards, only a stable long-term innovation framework can provide the interoperable solutions required for EU priorities, increasing passenger and freight transport, including Military Mobility and High-Speed Rail. A clear follow-up to EU-RAIL as a Joint Undertaking is therefore needed to provide coherent, cross-border solutions and support the EU's mobility, climate and competitiveness goals.

We call on the European Commission for a successor to EU-RAIL Joint Undertaking

We support the European Commission's proposals for the successor to Horizon Europe 2028-2034 (FP10) and the new European Competitiveness Fund (ECF) in the next Multiannual Financial Framework (MFF), with nearly €1.8 trillion proposed overall, including €243 billion for the ECF, €155 billion for FP10 and €51 billion for CEF-transport (CEF-T). These investments show the EU's commitment to technological sovereignty, the green and digital transitions, and global competitiveness. Within this financial framework we call the European Commission, the European Parliament and the Member States to ensure that the funds deliver tangible benefits across the European Union. To this purpose we call to:

1. **Establish a successor to Europe's Rail Joint Undertaking** under Horizon Europe/FP10.
2. Ensure sufficient budget for the Joint Undertaking: for R&I a minimum budget of **€3 billion**, of which half will come from **Horizon Europe/FP10** and the other half from industry contributions, **plus €15 billion for pre-deployment funding via the ECF**, national and private investments and ensuring the needed technological maturity level and accelerating market uptake.
3. **Maintain the framework of inclusive partnerships** that connects the European Commission, the European Union Agency for Railways, industry, operators, infrastructure managers, research institutes, and SMEs, reflecting the financial contributions of each member.
4. **Ensure synergies between the MFF components for transports financing:** the rail sector expresses strong support to the new CEF-T – the backbone of EU transport infrastructure investment policy. Coordination between Horizon Europe/FP10, ECF, NRPPs and CEF-T must be ensured and sufficient funding safeguarded. The CEF budget should be increased to €100 billion to appropriately finance transport investments. The transfer of funding from NRPP to CEF shall remain possible.
5. **Include the sector:** In addition, we ask to define and shape jointly with the sector stakeholders the differences, commonalities and links between the Horizon Europe/FP10, ECF, NRPPs and CEF-T to get the best out of the ambitious programmes for Europe.

Concrete suggestions for Horizon Europe/FP10 and the European Competitiveness Fund

On the proposal for Horizon Europe/FP10

- We welcome the continuation of the Horizon Europe programme with a reinforced budget. **We nevertheless ask to ensure synergies and coordination between the ECF and Horizon Europe/FP10 work programmes.** In our view, while the focus of Horizon Europe/FP10 should continue to be on research and innovation, the ECF could enable faster time to market by supporting demonstration, development and pre-deployment of the rail research and innovation results, leveraging efforts and funding, from the EU, Member States and public and private stakeholders. To strengthen synergies, Horizon Europe/FP10 should explicitly link R&I outputs to ECF-funded pre-deployment, thus, ensuring a coherent sequence from research to market uptake.
- **Article 11 of the Horizon Europe/FP10 Proposal** allows for the establishment of **Public Private Partnerships**. **The rail sector community is strongly advocating to ensure the continuation of Europe's Rail Joint Undertaking (EU-RAIL).** The proposed budget for the successor of EU-RAIL (minimum €3bn for R&I and €15bn for pre-deployment) will allow to leverage long-term private investments, raise the competitiveness of the European rail supply industry, contribute to achieve the political goals of the Single European Railway Area but also cover regional/urban rail systems and thus strengthen and grow our European industry.
- We also welcome Art. 12 of the ECF stating that parts of the ECF may be implemented through Public-Private Partnerships (such as EU-RAIL). Such a collaboration between R&I (Horizon Europe/FP10) and pre-deployment (ECF) will ensure the market uptake of innovative solutions. **This collaboration should be operationalised through joint programming that aligns Horizon Europe/FP10 calls with ECF targeted actions (Arts. 18, 20) for rail projects.** Such a joint programming would enable accelerated deployment of harmonised, interoperable and affordable European-wide innovations to achieve the Single European Railway Area (SERA) and complete the Trans-European Transport Network (TEN-T).
- For the successor to **EU-RAIL under Art. 11- European Partnerships of the Horizon Europe/FP10 Proposal**, we call for the following **points to be considered**:
 - Establish a new Article 187 Joint Undertaking for European Rail under Horizon Europe/FP10.
 - Regarding article 11.6 (a), it should be ensured that no direct financial contribution is requested from the members to ensure the largest participation of private and public entities as possible. In-kind contributions should be an option, this would ease the access especially for small actors in particular from the local, urban rail market to the partnership. In-kind contributions value the industry's commitment and their dedication for an innovative rail sector.
 - In line with the goals of Horizon Europe/FP10 and the ECF, we support the better inclusion of SME. We also strongly support any kind of simplification to reduce the administrative burden ensuring focus on technical content.
 - There should be clarity and predictability in terms of budgetary commitments. In this sense, fix budget commitments should be 50% from EU side and 50% from industry. Currently EU contribution is flexible, determined at max. 50% arising the problem that if EU side lowers their contribution, this has to be compensated by industry.
 - Due to the length of the partnership, there should be a certain flexibility to adjust budget allocation and the associated competitive calls.

On the proposal for European Competitiveness Fund (ECF)

- We welcome that the ECF brings together the full EU **financial toolbox** to be used along the complete investment journey and put a strong focus on leveraging so much needed private capital. Nevertheless, given the specificities of the rail sector, **we need to insist that grants are the most suitable tool to support rail-related investments.**
- We welcome the **simplification** efforts to bring 14 different EU funding programmes under one umbrella to reduce access to finance while streamlining rules and processes. This has a great potential of reducing administrative burdens for applicants and funding beneficiaries, particularly for **SMEs**. However, **further clarifications and coherence must be offered upfront and during the preparation of the work programmes. These should ensure the synergies that will be sought with other EU funding programmes including those under shared management.** Therefore, timely engagement of relevant stakeholders including Member States is recommended.
- We support the objectives and rationale of **EU preference** established in Article 10 of the ECF.
- We also welcome that the proposal introduces the concept of **high-risk suppliers** in Article 9 to restrict the eligibility of funding. To maximize its impact, **we consider necessary to align the same definitions and concepts through the ecosystem of EU programmes** (i.e.: CEF-T, ECF, Global Europe, the Fund to be implemented through the NRPS, etc.), including also with the provisions from the EU Financial Regulation.
- Article 10 on EU preference together with the concept of high-risk supplier should be well-aligned with the upcoming revision of the EU Public Procurement Framework.

The Signatories are committed to advancing European rail innovation and stand ready to work with the Commission, Member States, and industry partners to ensure this initiative succeeds. We welcome continued dialogue on shaping future Horizon Europe/FP10 and European Competitiveness Fund financing to effectively support the sector's transformation and Europe's mobility goals.

The signatories

CER - The Community of European Railway and Infrastructure Companies

The Community of European Railway and Infrastructure Companies (CER) brings together railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 78% of the rail network length, 81% of the rail freight business and about 94% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policy makers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe.

EIM – European Rail Infrastructure Managers

EIM was established in 2002 following the liberalisation of the EU railway market to promote the interests of all rail infrastructure managers in the EU and the EEA. EIM's primary goal is to promote growth of rail traffic and the development of an open sustainable, efficient, customer-oriented rail network in Europe. EIM provides a single voice to represent its members rail infrastructure managers vis-à-vis the relevant EU institutions and other European stakeholders. EIM also assists its members to develop their businesses through the sharing of experiences and contributing to the technical and safety activities of the European Union Agency for Railways.

UIP – International Union of Wagon Keepers

Founded in 1950, the UIP – International Union of Wagon Keepers, with its seat in Brussels, is the umbrella association of national associations from 14 European countries, thus representing more than 250 freight wagon keepers and Entities in Charge of Maintenance (ECMs). As the voice for more than 248'000 rail freight wagons which perform 50 % of the rail freight tons-kilometers throughout Europe, the UIP represents half of the whole European wagon fleet and one of the most important resources for rail freight transportation in Europe.

UITP EUROPE - International Association of Public Transport

UITP is the international association representing public transport stakeholders. In the European Union, UITP Europe brings together more than 450 urban, suburban and regional public transport operators and authorities from all Member States. We represent the perspective of short distance passenger transport services by all sustainable modes: bus, regional and suburban rail, metro, light rail, tram and waterborne.

UNIFE - The European Rail Supply Industry Association

UNIFE, the European Rail Supply Industry Association represents European train builders and rail equipment suppliers. The association advocates for more than 120 of Europe's leading rail supply companies – from SMEs to major industrial champions – active in designing, manufacturing, maintaining and refurbishing rail transport systems (trains, metros, trams, freight wagons), subsystems and related equipment. UNIFE also brings together national rail industry associations from 12 European countries.

ⁱ CER/Oxford Economics: The economic footprint of railway transport in Europe. September 2025

ⁱⁱ Schade, W., Khanna, A.A., Mader, S., Streif, M., Abkai, T., de Stasio, C., Fermi, F., Bielanska, D., Deidda, C., Thiery, W., Maatsch, S. Support study on the climate adaptation and cross-border investment needs to realise the TENT network. Report on behalf of the European Commission. Karlsruhe, Milano, Brussels, Bremen. July 2024.

ⁱⁱⁱ European Commission: Impact assessment accompanying the proposal for a regulation for the development of the TEN-T, SWD(2021) 472 final, p.55.