



Ministero  
dell'Economia  
e delle Finanze



INTESA



## JOINT PRESS RELEASE

14 March 2023

### InvestEU: €3.4 billion to modernise the Palermo-Catania railway line

- The modernisation of 178 km of the Palermo-Catania line will reduce current travel times by a third, linking the two cities with a direct two-hour rail service, which will have a significant impact on economic, social, and sustainable development in Sicily.
- The EIB has approved a €2.1 billion mega-intervention, divided into a direct €800 million loan to the Ministry of Economy and Finance (MEF) and an innovative €1.3 billion counter-guarantee, designed in conjunction with Ferrovie dello Stato Italiane, in favour of financial intermediaries, of which €500 million has been earmarked for the pioneering operation with Intesa Sanpaolo and €300 million for the operation with CDP, with a further €500 million yet to be allocated.
- The 50% counter-guarantee is backed by the InvestEU programme and enables the guarantees to be doubled to €2.6 billion. When added to the financing granted to the MEF, this brings the value of the resources activated to €3.4 billion.
- The project is also included in the Italian Recovery and Resilience Plan with €1.4 billion.

*Rome, 14 March 2023* — Resources totalling €3.4 billion are on the way to modernise and upgrade 178 km of the Palermo-Catania railway line. This funding is being made available for infrastructure improvements in Sicily as a result of the agreement presented this morning at the Italian Ministry of Infrastructure and Transport by Deputy Prime Minister and Minister **Matteo Salvini**, European Investment Bank (EIB) Vice-President **Gelsomina Vigliotti**, European Commission Acting Deputy Director General for Mobility and Transport **Herald Ruijters**, CEO of Ferrovie dello Stato Italiane **Luigi Ferraris**, CEO of CDP **Dario Scannapieco**, and Chief of Imi Corporate & Investment Banking Division at Intesa Sanpaolo **Mauro Micillo**.

This financial operation is the first of its kind in Italy in the infrastructure sector, combining direct financing to the government (with favourable funding conditions) with support for credit institutions, which play a fundamental role in facilitating the implementation of large-scale infrastructure projects (such as the Palermo-Catania line) by issuing the guarantees provided for in the works contracts.

In detail, the agreement provides for:

- €800 million in direct financing from the EIB to the Ministry of Economy and Finance (MEF), of which the first €200 million tranche has already been executed.
- A €1.3 billion counter-guarantee, also provided by the EIB and developed in conjunction with Ferrovie dello Stato Italiane, in favour of financial intermediaries. The first €500 million of this sum has been allocated to Intesa Sanpaolo, the bank that pioneered the project by helping to outline the instrument, and €300 million has been earmarked to CDP. The remaining €500 million will be allocated to other financial intermediaries at a later stage. This instrument is an operational first for the EIB and is intended to counter guarantee the contractual guarantees issued by financial institutions in favour of Rete Ferroviaria Italiana S.p.A. relating to eligible and successful contractors. The 50% counter-guarantee will generate guarantees from financial institutions amounting to twice the EIB commitment, resulting in a total of €2.6 billion in guarantees available to implement construction contracts and subsequently start work. In addition to this, the MEF will receive €800 million in direct funding, bringing the total sum available for modernisation of the Palermo-Catania railway line to €3.4 billion.

The counter-guarantee that supports the EIB guarantee is backed by [InvestEU](#), the European Union programme that aims to mobilise €372 billion of investment by 2027, of which the EIB Group is the main implementing partner. The financial structure of the operation also facilitates the implementation of the works thanks to the counter-guarantee provided to the financial institutions involved and its effect of amplifying credit support to the companies involved in the realisation of the railway infrastructure works. This complements €1.4bn in financing to be provided under the Recovery and Resilience Facility (RRF) to support investments for the Palermo-Catania railway line.

The resources will contribute to the modernisation and upgrading of 178 km of the Palermo-Catania railway line, between Fiumetorto and Bicocca, connecting the northern and eastern coastal urban areas of Sicily with the interior of the region. The infrastructure is part of the Scandinavia-Mediterranean Corridor of the trans-European transport (TEN-T) network. Freight and passenger trains will travel at a maximum speed of 200 km/h, helping to reduce the travel times on this route by approximately 60 minutes. As a result, direct trains between the two cities will take two hours instead of the current three. The project will contribute to the region's economic and social development and promote sustainable mobility.

"Citizens expect concreteness and we have a duty not to disappoint their expectations. We are committed to making up for lost time, accelerating the work, and guaranteeing efficient connections in Sicily. Connections that are especially useful considering that the government is determined (after decades) to make the bridge between the island and Calabria a reality," said **Minister Salvini**.

"The TEN-T network, which includes the Palermo-Catania line, is intended to promote the European single market, helping to reduce the environmental impact of transport, improving energy efficiency and increasing safety," commented **EIB Vice-President Gelsomina Vigliotti**. "Since 1998, as the EU climate bank, the EIB has supported the development of the railway and high-speed system in Italy by providing more than €13 billion, helping to improve transport links in the country and thus to promote social cohesion and the transition to more sustainable mobility."

**Commissioner for the Economy Paolo Gentiloni** added: "The European Union continues to support major investments in Italy's rail network. With today's agreement, the European Investment Bank, supported by InvestEU, will complement the significant financing already committed through NextGenerationEU to upgrade the Palermo-Catania line. This project is of huge importance for the island: it will provide Sicilians with faster and greener transportation between their two major urban centres, spurring economic development and job creation. I am proud of the key role that Europe is playing in making it a reality."

**Commissioner for Transport Adina Vălean** said: "This large-scale investment will enable great steps to be taken towards completing the trans-European transport network (TEN-T), increasing the connectivity in Sicily and directly benefiting its citizen and businesses. We want to double high-speed rail traffic by 2030, as we set out in our Sustainable and Smart Mobility Strategy. This initiative supports that ambition. It also showcases the complementarity between the EU transport policy and EU financial tools: InvestEU and the Recovery and Resilience Facility."

**CEO of Ferrovie dello Stato Italiane Luigi Ferraris** said: "We are delighted with the EIB's commitment to providing financial support for projects to modernise and upgrade our railway infrastructure, and its specific focus on the south and Sicily. The commitment of the EIB, the MEF, the MIT and all the signatories to this agreement strengthens the commitment of the companies in the FS Group, such as Rete Ferroviaria Italiana, that are implementing the projects provided for in the NRRP, the government programme contract, and our business plan, which covers over €110 billion in this sector."

**CDP CEO and General Manager Dario Scannapieco** said: "Today's initiative is an example of how public-private synergies can really help to bridge the infrastructure gap in our country. In this phase of regeneration and modernisation, which has also been stimulated by NRRP resources, Cassa Depositi e Prestiti continues to play a leading role in the implementation of strategic projects that have a sustainable impact on the environment and the economy, improving people's daily lives."

**Chief of IMI Corporate & Investment Banking Division at Intesa Sanpaolo Mauro Micillo** added: "The development of modern, safe and connected infrastructure is central to the sustainable and lasting growth of the entire country, and in particular to the regeneration of the south of Italy. With this in mind, the Intesa Sanpaolo Group has always been committed to supporting the business world and institutions to help strengthen the infrastructure network. The IMI Corporate & Investment Banking Division has worked alongside the EIB to prepare the procedures, contracts and operational mechanisms for this innovative instrument, which is a way for EIB to provide tangible support for the application of the Recovery and Resilience Fund with a novel product, not only in Italy but also in Europe. The Intesa

Sanpaolo Group thus confirms its role as a driver of innovation in the dialogue between the public and private sectors, supporting the sustainable economic and industrial development of our country, and has no doubt that this mechanism, which has been designed to facilitate the implementation of large-scale infrastructure projects, will be replicated and may become a standard of success in the world of strategic green infrastructure projects.”

## Background information

**The European Investment Bank (EIB)** is the long-term lending institution of the European Union and is owned by the EU Member States. It provides long-term financing for sound investments that contribute to EU policy. The Bank finances projects in four priority areas: infrastructure, innovation, climate and environment, and small and medium-sized enterprises (SMEs). Between 2019 and 2022, the EIB Group provided more than €45 billion in financing for projects in Italy.

**The InvestEU programme** provides the European Union with crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery. It also helps mobilise private investment for EU policy priorities, such as the European Green Deal and the digital transition. InvestEU brings together under one roof the multitude of EU financial instruments previously available to support investment in the European Union, making funding for investment projects in Europe simpler, more efficient and more flexible. The programme consists of three components: the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. The InvestEU Fund is deployed through implementing partners who will invest in projects using the EU budget guarantee of €26.2 billion. The entire budget guarantee will back the investment projects of the implementing partners, increase their risk-bearing capacity and thus mobilise at least €372 billion in additional investment.

**The Ferrovie dello Stato Italiane Group** is one of the largest industrial entities, at the heart of the country's sustainable mobility system with approximately 86,000 employees, more than 10,000 trains per day, more than 17,000 kilometres of railway lines and 32,000 kilometres of roads. Ferrovie dello Stato Italiane's governance is divided into 4 Business Poles - Infrastructure, Passenger, Logistics, Urban - each consisting of several subsidiaries of the holding company.

**Intesa Sanpaolo** is Italy's leading banking group – serving families, businesses and the real economy – with a significant international presence. Intesa Sanpaolo's distinctive business model makes it a European leader in Wealth Management, Protection & Advisory, highly focused on digital and fintech. An efficient and resilient Bank, it benefits from its wholly-owned product factories in asset management and insurance. The Group's strong ESG commitment includes providing €115 billion in impact lending by 2025 to communities and for the green transition, and €500 million in contributions to support people most in need, positioning Intesa Sanpaolo as a world leader in terms of social impact. Intesa Sanpaolo is committed to Net Zero by 2030 for its own emissions and by 2050 for its loan and investment portfolios. An engaged patron of Italian culture, Intesa Sanpaolo has created its own network of museums, the *Gallerie d'Italia*, to host the bank's artistic heritage and as a venue for prestigious cultural projects.

**Cassa Depositi e Prestiti (CDP)** is the Italian National Promotional Institution and the Financial Institution for International Development Cooperation entrusted by the Italian State to foster the sustainable development of Italy and of developing countries and emerging markets. CDP supports economic growth, social inclusiveness and ecological transition by investing in innovation, business competitiveness, infrastructures and local development. In 2022 it has allowed the activation of investments worth a total of 30 billion euros (1.7% of Italy's GDP).

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