

[Greek independent electricity transmission operator IPTO](#) has entered into a debt financing agreement with the [European Investment Bank \(EIB\)](#), which will support a project to build an electrical connector between mainland Greece and remote islands in the Aegean Sea. The Greek company will receive a loan of 108 million euros secured through the Recovery and Resilience Mechanism. The financing will be implemented in accordance with a long-term agreement, IPTO announced.

The project envisages the construction of a new power line consisting of **five underground and submarine cables** with a total length of 350 kilometers. The cable network will connect the Greek mainland with the islands of the Cyclades group.

In particular, the agreement with the EIB covers the fourth phase of the scheme which aims to connect the last islands in the archipelago that remain cut off from the mainland network – Santorini, Folegandros, Milos and Serifos. It is planned that all works will be completed by 2025.

The total value of the Cyclades project, which will enable the use of cleaner energy on the islands and accelerate the penetration of renewable energy sources, is estimated at 524 million euros. In December 2022, the EIB supported the project with a loan of 157 million euros from its own funds.

A grant of €164.5 million has also been secured from the **National Recovery and Resilience Plan**, also known as Greece 2.0, also funded by contributions from project sponsors.

The agreement represents the first transaction within the 5 billion euro mandate granted by the EIB to Greece. The mandate aims to further leverage EIB resources and support greater private sector investment, closing the investment gap affecting the Greek economy following the financial crisis and the pandemic.

Project works, such as the construction of four substations on the islands, will be launched by 2025, and preliminary activities such as design, permitting and part of land acquisition have already been carried out between 2018 and 2021.

The construction of the Santorini-Naxos interconnection began in the first half of 2022. At the end of the year, the tenders for the Folegandros, Milos and Serifos interconnections were completed.

[Sign up for updates & special reports](#)