



Luxembourg, 17/12/2025

Environmental and Social Completion Sheet (ESCS)¹

Overview

Project Name: *Urban Water Supply Program*
 Project Number: *20140053*
 Country: *Ethiopia*

Project Description: The Urban Water Supply Programme aims at expanding and rehabilitating urban water supply and sanitation infrastructures in small and medium towns in Ethiopia. The funds will be channelled through the Water Resources Development Fund (WRDF), under the Ministry of Water, Irrigation and Energy, and will be managed through a revolving fund mechanism, on a full cost recovery principle. The programme also aims at the improvement of the institutional capacity of the WRDF, the Regional Water Bureaus and the Town Water Utilities.

The Urban Water Supply Programme has demonstrated strong overall environmental and social performance, meeting the requirements of applicable national legislation and EIB Environmental and Social Standards. The project was designed to minimise adverse impacts through careful site selection, limited infrastructure footprints, and robust stakeholder engagement. Environmental impacts were generally minor, with most works located in rain-fed agricultural areas and away from sensitive habitats. Where issues such as erosion, water quality, or land acquisition arose, mitigation measures—including technical redesigns, compensation for affected landowners, and community consultations—were implemented effectively. No significant residual impacts remain, and adaptive management measures were adopted where necessary, such as revising technical solutions for water intake structures affected by severe rainfall.

Social outcomes have been positive, with improved access to clean water benefiting approximately two million people across 43 towns. Community health and education, particularly for girls, have improved as a result of the new infrastructure. The programme prioritised inclusive engagement, establishing local monitoring committees and ensuring that compensation for land and crops was provided in accordance with Ethiopian law. While some delays occurred due to disputes over compensation and rights-of-way, these were resolved through dialogue and local committee involvement.

The Environmental and Social Management Plan (ESMP) was implemented, although reporting from regional bureaus was sometimes limited due to capacity constraints. No significant incidents regarding worker or public safety were reported, and corrective actions were taken where minor accidents occurred. The project did not require a Resettlement Action Plan, as land acquisition was minimal and managed through negotiated agreements.

Climate resilience was considered in the design, with infrastructure adapted to local rainfall patterns and future demand projections. No significant changes in greenhouse gas emissions were identified compared to appraisal estimates, as the project focused on water supply rather than energy-intensive processes.

¹ The template is for ILs and FLs



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EIB was actively involved throughout implementation, providing technical assistance, monitoring missions, and oversight of procurement and environmental compliance. The Bank's engagement ensured that environmental and social conditions and undertakings were met, and that corrective actions were taken promptly when challenges arose.

Summary of Environmental and Social Assessment at Completion

EIB is of the opinion, based on reports from the promoter, site visits by the EIB team, and inputs provided by Lenders' Supervisors and others during construction, that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal. The programme has delivered substantial positive social outcomes and managed environmental risks effectively, with all agreed mitigation and compensation measures completed to a satisfactory standard.