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# Establishing and Strengthening Irrigation Water Users Associations (IWUAs) in Ethiopia

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**A Manual for Trainers**

**Philippe Lempériere, Fitsum Hagos, Nicole Lefore, Amare Hailelassie and Simon Langan**



Foreign Affairs, Trade and  
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## Dedication

Philippe Lempériere initiated and provided the foundational ideas for this training manual, but passed away unexpectedly on February 04, 2014. This manual is principally dedicated to his wife Khalda and son Basile, who meant so much to Philippe. The manual also acts as a tribute to the work and experience Philippe contributed to increasing understanding and improving of irrigation practices in sub-Saharan Africa.

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## Project



This manual was developed in the framework of the Livestock and Irrigation Value Chains for Ethiopian Smallholders (LIVES) project. The LIVES project is an initiative designed by the International Livestock Research Institute (ILRI), International Water Management Institute (IWMI) and their national partners to build upon the success of the Canadian International Development Agency-funded Improving productivity and market success of smallholders in Ethiopia project.

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The views expressed in this training manual are those of the author(s) and do not necessarily reflect the views or policies of the LIVES project and its partners.



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# INTRODUCTION

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This manual was developed in the framework of the LIVES project – Livestock and Irrigation Value Chains for Ethiopian Smallholders. LIVES is a project funded by the government of Canada and led by the International Livestock Research Institute (ILRI) and International Water Management Institute (IWMI). The project seeks market-led agricultural development for high value livestock and irrigated agriculture commodities in Ethiopia.<sup>1</sup>

In the period between 2010 and 2015 Ethiopia plans to significantly increase its irrigated land from the current 640,000 ha to about 1.8 million ha, through small-scale irrigation, rainwater harvesting, and other medium- and large-scale irrigation projects. Ethiopia faces major technical, socio-economic, institutional, and environmental challenges that must be met in order to achieve the national target. The performance of irrigation must be significantly improved. The 280 percent increase on current irrigation levels will require tremendous resources, including financial, human capacity, infrastructure, and other human and capital investments.

***Sustainable development of farmer-managed irrigation systems implies the establishment of a legally recognized Irrigation Water Users Association (IWUA) with capacities for sustainably managing, operating and maintaining an irrigation scheme in a democratic manner and to the satisfaction of water users.*** At the time of writing this manual, the Irrigation Water Users Association (IWUA) Proclamation of Ethiopia has been approved by the Council of Ministers and is under discussion in Parliament. The focus of the Proclamation is on the establishment and operation of IWUAs as a specific and new type of legal entity in Ethiopia.

This manual refers to the establishment and operation of IWUAs in Ethiopia according to the Proclamation. It duly takes into account the specific features of IWUAs provided by the Proclamation that make IWUAs different of other forms of farmers' organizations such as associations and cooperatives. The focus of this training is on IWUAs, not irrigation practices directly. However, issues important to the irrigation sector are also addressed within this training in terms of transfer of irrigation and drainage infrastructures to IWUAs, service provision to, and supervision of, IWUAs.

This manual contains an overview of the training including a suggested detailed program of the training sessions. Additional information for “training support” and models of legal documents that can be used when establishing an Irrigation Water Users Association are also provided.

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<sup>1</sup>More information on LIVES can be found at [www.lives-ethiopia.org](http://www.lives-ethiopia.org)

# OVERVIEW OF THE TRAINING

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Title of training	Establishing and strengthening Irrigation Water Users Associations in Ethiopia.
Target	Trainers of IWUAs promoters in Ethiopia, including staff of public institutions in charge of establishing and strengthening IWUAs.  It is recommended that the number of participants per training session not exceed 20.
Objective	To provide IWUAs promoters with the necessary information and tools to establish IWUAs in Ethiopia in line with the IWUA Proclamation and to strengthen existing organizations in charge of management, operation and maintenance of irrigation systems.
Learning goals	After the training, participants will be able to: <ul style="list-style-type: none"><li>• Define what is (and what is not) an IWUA</li><li>• Explain the conditions for IWUA membership and the rights and duties of members</li><li>• Explain the permitted tasks of IWUAs</li><li>• Describe the required technical skills and support needed for effective and sustainable operation of IWUAs</li><li>• Explain the roles and responsibilities of the governing bodies of an IWUA</li><li>• Explain the importance of IWUAs by-laws and internal regulations</li><li>• Plan and implement a procedure for establishment-strengthening IWUAs</li></ul>
Duration	The training is subdivided into three training sessions.  The duration of each session does not exceed 4 hours.
Training materials	<ol style="list-style-type: none"><li>1. IWUAs in Ethiopia</li><li>2. Roles and responsibilities of IWUAs</li><li>3. Members and governing bodies of IWUAs</li><li>4. Presentation of IWUAs by-laws and regulation</li><li>5. Procedure for establishment / strengthening of IWUAs</li></ol> Annex 1: Model agreement of transfer in use of public irrigation infrastructures to an IWUA  Annex 2: Models of IWUAs by-laws  Annex 3: IWUA establishment petition and application for registration
Evaluation	The evaluation of training sessions should be done in round table discussions of participants to questions related to the logistical organization, the duration, the content of the training and the skills of the trainer.
Follow-up	At the end of the training session, participants will prepare work plans for establishing and/or strengthening IWUAs in the regions where they work.

## Training matrix by session

### Session 1

Training matrix: Establishing and strengthening Irrigation Water Users' Associations					
Session	Duration	Theme	Contents	Training process and tools	Training materials
Session 1	30 minutes	Opening	Introduction of trainer and participants Presentation of objectives of the training Presentation of training program	Roundtable presentation	Training matrix
	1 hour 30 minutes	IWUA Proclamation	Ethiopian IWUA Proclamation – IWUA as a new and specific legal entity  Relations of IWUAs with other stakeholders and bodies  Transfer of public irrigation schemes to IWUAs	Explanations on essential provisions of Proclamation and Q & A  Groups exercise on the differences between IWUAs and cooperatives  Participant comments on the model for transfer of schemes	Training Support Session 1, Part 1   Annex 1: Model agreement for transfer
	Health break (30 minutes)				
	1 hour 30 minutes	Roles and responsibilities of IWUAs	Tasks and activities of IWUAs - Governance/social management  - Operation and maintenance  - Financial and administrative management  Income of IWUAs  Principles for IWUA operation  Gender equity and IWUAs	Small group discussions: roles and capacity building needs   Roundtable discussion on financial and social sustainability of IWUAs   Discussions on how to measure and improve gender performance of IWUAs	Training Support Session 1, Part 2
End of training session 1					

## Session 2

Training matrix: Establishing and strengthening Irrigation Water Users' Associations					
Session	Duration	Theme	Contents	Training process and tools	Training materials
Session 2	1 hour 30 minutes	Members and governance	Rights and duties of members  Governing bodies of IWUAs (organization) - General Assembly - Management Committee - Conflict Resolution Committee  Employees	Roundtable presentations  Small groups discussions	Training Support Session 2, Part 1
	Health break (30 minutes)				
	2 hours	By-laws and internal regulation	IWUAs by-laws  Internal regulations - Purpose of internal regulations - Main chapters of internal rules/regulations	Group discussions on importance of by-laws and main provisions  Presentation on main articles of by-laws,  Q & A on issues addressed by regulations  Small group discussions: recommendations for setting regulations	Training Support Session 2, Part 2  Annex 2: By-law models
End of training session 2					

### Session 3

Training matrix: Establishing and strengthening Irrigation Water Users' Associations					
Session	Duration	Theme	Contents	Training process and tools	Training materials
Session 3	2 hours	Establishing IWUAs	<p>Procedures for IWUA establishment and/or strengthening</p> <p>Organization for IWUA establishment in select irrigation areas</p>	<p>Presentation on process of establishment</p> <p>Roundtable discussion on the procedures</p> <p>Small groups discussions on organizing to establish IWUAs</p>	Training Support Session 3
	Health break (30 minutes)				
	1 hour 30 minutes	Evaluation	<p>Synthesis on the main elements of the training</p> <p>Evaluation of training and feedback from participants on training</p>	<p>Participants present their understanding of the key elements of establishing IWUAs</p> <p>Q &amp; A for clarity on specific issues or concerns of participants</p> <p>Roundtable discussion on training organization, duration and quality</p> <p>Evaluation questionnaire</p>	Questionnaire
End of training					

# TRAINING SUPPORT SESSION 1, PART 1. IWUAS IN ETHIOPIA

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## What is and what is not an IWUA in Ethiopia

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The IWUA Proclamation creates a specific legal basis for the establishment of Irrigation Water Users' Associations (IWUAs) as a particular type of legal entity for operation and management of irrigation and drainage systems. The pre-existing legal framework in Ethiopia (i.e. proclamations on cooperatives and associations) does not provide an appropriate legal basis for IWUA establishment given that:

- IWUAs are public law organizations and their mandate is of a public interest nature;
- Membership is compulsory;
- IWUAs operate on a non-profit / non-commercial basis but they will nevertheless provide services to their members, namely the provision of irrigation water, on a paid basis;
- IWUAs are self-managed organizations governed by their members, but due to the public interest nature of their tasks are subject to some form of supervision by the government.

IWUAs as public law organizations have a public interest mandate

The **mandate of IWUAs is the provision of irrigation water to its members for agricultural purpose**. It has a public interest nature because (1) IWUAs provide irrigation water to a large number of people and community(ies), and (2) they very often use public irrigation infrastructures, i.e. infrastructures built with public money and owned by the government.

Public law is the body of legal rules that regulates the conduct of state bodies including central and local government as well as bodies that undertake specific public functions such as public agencies, universities, hospitals, etc. on the basis of specific laws. Therefore IWUAs are situated between the public and the private sector. They are self-governing, setting their own tariffs and making their own decisions as well as their operating rules. While they may be entitled to claim subsidies, they are largely self-financing; the bulk of their income being provided by their members. It must be stressed that as public law organizations, IWUAs can request the assistance of the local government to recover outstanding debts while private law organizations such as cooperatives have no alternative but to start court proceedings, a time consuming and costly process, to recover outstanding fees.

In accordance with their mandate, **the tasks of IWUAs are strictly limited to management, operation and maintenance of an irrigation and drainage system and watershed management / protection**. IWUAs are not permitted to undertake any other activities such as the procurement of agricultural inputs or marketing of the commodities produced within the irrigation system they manage. Such activities are of a private nature. It is up to each farmer to decide how to procure inputs or market crops. This may be done individually or collectively through a marketing cooperative (or more than one cooperative, if needed). The supply of irrigation water is different: only one IWUA can operate within an individual irrigation system. Water is provided by the IWUA and no other body or agency.

**IWUAs operate within a precisely delimited service area**. It shall comprise a distinct hydraulic unit such as the command area of an irrigation system, part of the command area (secondary or tertiary unit) of a large irrigation scheme or part of a watershed. In most cases the service area will

be the command area of the irrigation system that an IWUA operates and possibly the watershed upstream of the command area.

***IWUA membership is compulsory***

**Every person who, on the basis of a land right, uses land located within the service area of an IWUA is a member of the IWUA.** Compulsory membership is essential to ensure IWUA sustainability. With surface irrigation it is difficult in practice to prevent non-members from “free-riding” or benefiting from irrigation water (and even more so from drainage or watershed management services) without paying. Compulsory membership is a major difference between IWUAs and cooperatives or ordinary associations.

**Membership is permanently linked to the land plots located within the Service Area of an IWUA.** In other words, the membership obligation is not personal to the land holder or user as such; it is linked to the land which he/she uses.

***IWUAs are non-profit organizations***

**In many aspects, IWUAs are service providers; they provide irrigation water to their members who pay for this service** (irrigation service fee). For economic sustainability, it is essential and compulsory by law that each IWUA carries a financial surplus in order to build up a reserve fund to cover emergency repairs, replacement costs etc. To be clear on the non-profit nature of IWUAs, the Proclamation prohibits the distribution to members of any surplus income accruing the IWUA; all surplus income must be paid into the reserve fund for uses limited to the irrigation and drain systems.

***Major differences between IWUAs and cooperatives***

Comparison of IWUAs with cooperatives

Items	IWUAs	Cooperatives
Legal basis	Public law organizations (IWUA Proclamation)	Private law organizations (Cooperative Proclamation)
Tasks	Strictly limited to management, operation and maintenance of irrigation and drainage systems	Not strictly defined: inputs procurement, marketing, credit, processing, etc.
Geographical area of operation	Service area well delimited by hydraulic boundaries	No precise delimitation or in some cases administrative units, i.e. kebele cooperatives
Membership	Compulsory and linked to the land plots within the service area	Voluntary
Profit	Non-profit organizations	Profit making, commercial organizations
Management	Self-managed but subject to supervision by the State	Self-managed, the State has no legal instrument for supervision.

### ***Typical constraints with irrigation cooperatives in Ethiopia***

The regional cooperative promotion agencies have established irrigation cooperatives in modern irrigation schemes after completion of the construction. From the above sections we know the legal framework of cooperatives is not an appropriate legal basis for IWUAs. Not surprisingly, a very frequent problem is low membership of irrigation cooperatives. Non-members are often the majority of farmers, and they do not recognize the irrigation cooperative (IC) as the institution responsible for the management of their irrigation scheme and therefore do not adhere to the IC's rules and regulations and refuse to pay the irrigation fee to the IC. The IC is considered to be weak by farmers as it lacks sufficient authority and support among the farmers to enforce rules and regulations related to management, operation and maintenance of the irrigation system.

Irrigation cooperatives may undertake, in addition to irrigation management, several other tasks such as procurement of inputs, sale of produce, storage and processing, etc. In that case, it is extremely difficult for them to have all the necessary capacity for doing so adequately and, at the same time, to focus on the complex task of operating and maintaining an irrigation scheme. Moreover, cooperatives are subject to marketing risks and may face financial difficulties forcing them into debt or if they are irrigation cooperatives to use the irrigation service fee for other objectives than operation and maintenance. That is a threat to the sustainability of irrigation development.

### **Relations of IWUAs with other stakeholders**

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#### ***IWUAs supervising body***

The State has the right (and the duty) to ensure that IWUAs operate lawfully and correctly in the public interest. To this end, the Proclamation requires each Regional State to establish an IWUA Supervising Body. The regional supervising bodies are tasked to be the entities in charge of irrigation.

The supervising bodies will undertake two categories of activities: (1) extension activities and (2) legal and financial supervision. Certain extension activities may be delegated to other public or private entities or persons including:

- Providing training and awareness creation in connection with the establishment of IWUAs;
- Providing technical assistance and support to IWUAs including that related to water management, maintenance, financial management and gender issues.

The procedure for legal and financial supervision that *cannot* be delegated is as follows:

1. All IWUAs operating within a Regional State must file an annual report providing up to date details of the IWUA accompanied by a financial statement.
2. The Supervising body reviews all reports and financial statements for errors/inconsistencies. It may undertake audits in cases where there appears to be problems, on a random basis, or at the request of IWUA members concerned about the performance of their IWUA.
3. If following such an audit, evidence of wrongdoing is found the supervising body requires the Management Committee of the IWUA to call an extraordinary meeting of the general



assembly to which its findings can be presented. If the Management Committee refuses to do so, the Supervising body then has the power to dismiss the Management Committee and to call a meeting of the general assembly and to appoint a temporary “interim manager” until such time as new elections can be arranged.

However, while this procedure sets out the “ideal” scenario, the regional Supervising body should act with a degree of flexibility so as to take account of the specific circumstances, namely in terms of filing reports and financial statements.

It is important to stress that the mandate of the Supervising body is restricted to the provision of advice and assistance and the undertaking of the legal and financial supervision. It does not have the right to substitute its own decisions for those (lawfully) made by IWUAs or more generally to tell IWUAs what to do.

### ***Relation of IWUAs with the local government***

Local governments (kebele or woreda administration) have an important role in supporting the establishment and operation of IWUAs. For instance the local government can assist an IWUA in sanctioning wrongdoers, recovering outstanding payments of the irrigation service fee, or preventing unauthorized encroachment on the irrigation infrastructure. However, those actions are limited to support provided on the request of the Management Committee of an IWUA. It is very important that local government does not become intimately involved in the functioning of IWUAs and that it does not try to interfere or influence decision-making so as to protect the non-political nature of irrigation and drainage.

### **Transfer in use of irrigation infrastructures to IWUAs**

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In Ethiopia, like many other countries, the main justification of the transfer of irrigation infrastructure to users is to limit government budget expenditure and to institutionalize irrigation cost recovery by water users. It is also generally expected that transfer of irrigation management will contribute to improving the performance and increasing the sustainability of irrigation systems. However, international experience has shown a number of constraints to achieving the ideals; Ethiopia is not an exception (see §4.2). The transfer approach does not apply to traditional irrigation schemes entirely built and managed by farmers.

### ***Current situation in Ethiopia***

The irrigation infrastructure of modern irrigation schemes remains under ownership of the state agency that commissioned its construction and paid for it. When such infrastructure is handed over to a farmers’ organization, the farmers acquire a use right. The scope of the use right of farmers is determined by whatever agreement concluded during the transfer. On the basis of those transfer documents, it appears that these agreements are often basic. They do not, for example, detail the obligations of the parties in terms of the maintenance and repair of the transferred structures. Nor do they fully describe the state of the infrastructure at the time of transfer or contain provisions to ensure sustainable use. In seeking to improve this situation, the IWUA Proclamation specifies both the nature of the transfer and the responsibilities of the IWUAs and the state agency owning the irrigation infrastructure.

### *Model agreement of transfer in use*

The model agreement of transfer in use presented in Annex 1 is in accordance with the IWUA Proclamation. It means a model agreement for transferring the responsibility of the management, operation and maintenance of a public irrigation and drainage infrastructure (or part of it) from a public or private body: “the transferor” to an IWUA: “the transferee”. Notably, this does not mean the transfer of the ownership of the infrastructure.

The two objectives of this model agreement are (1) to secure the long term legal rights of an IWUA on the use of the irrigation infrastructure for which it is responsible, and (2) to define the legal obligations of the IWUA and the supervisory role of the Transferor to secure a sound utilization of and prevent damage to the transferred irrigation and drainage infrastructure.

The model agreement considers the transfer of a whole small-scale irrigation and drainage scheme by a public authority and the transfer of a part of large-scale irrigation and drainage scheme (for instance a tertiary unit) by a public authority.

The main elements of the model agreement are:

1. Transfer of the responsibility of the management (not the ownership) of the irrigation infrastructures located in the service area of an IWUA. The transfer is free of charge, meaning the IWUA does not have to pay a tax or a rent for using the infrastructure and for a long period of time.
2. The transferred infrastructure must be operational. A joint inventory of the condition of the transferred infrastructure should be carried out at the time of transfer. If the irrigation structures are deteriorated to the extent the IWUA cannot reasonably provide irrigation water to all its members, the agreement commits the transferor to undertake the necessary rehabilitation work within a time period agreed by both parties.
3. The IWUA has the obligation to operate and maintain properly the transferred infrastructure and cover all operation and maintenance (O&M) costs.
4. The transferor has the right to inspect the transferred infrastructure at any time and, when it is necessary, to order the IWUA to undertake necessary maintenance works.

# **TRAINING SUPPORT SESSION 1, PART 2: ROLES AND RESPONSIBILITIES OF IWUAs**

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## **Tasks of IWUAs**

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The IWUA tasks are all related to operation and maintenance of the irrigation and drainage system located within its service area. IWUAs cannot engage in any other activity such as marketing products or the provision of agricultural inputs.

Roles and related tasks of IWUAs can be sorted into three categories: (1) governance, (2) operation and maintenance, and (3) management:

1. **Governance (or social management):** This role relates to the role and responsibilities of the General Assembly: election of members of governing bodies, approval of budgets, action planning, and preparing annual reports, and adoption and amendment of regulations that govern day to day activities of an IWUA. Examples of operational rules include rules related to water distribution, maintenance of irrigation infrastructures, type and level of sanctions for violation of the rules, and defaults of payment of the irrigation service fee .
2. **Operation and maintenance (O&M):** This role includes all activities that deal with planning, implementation and monitoring of water distribution and maintenance works, controlling soil erosion and soil fertility, and training IWUA members in irrigation techniques and/or water saving methods.
3. **Management:** This role relates to the administration of the IWUA and the financial management.

Confusion between governance and management activities must be avoided. For instance, the IWUA budget is approved by the General Assembly (governance) and then implemented by the Management Committee (management). An extensive list of IWUA activities is found in the table below.

## List of IWUAs activities

Categories	Activities
Governance (or Social management)	<ol style="list-style-type: none"> <li>1. Set up the objectives of the IWUA taking into account members needs and interests</li> <li>2. Formulate strategies to reach the IWUA's objectives</li> <li>3. Set and/or modify internal regulations</li> <li>4. Amend IWUA by-laws</li> <li>5. Elect the members of the General assembly and the governing bodies</li> <li>6. Approve annual/seasonal action plan and corresponding budget</li> <li>7. Approve annual/seasonal financial and activities report</li> <li>8. Internal audit of the IWUA finance</li> <li>9. Solve conflicts among IWUA and its members</li> <li>10. Arbitrate conflicts among IWUA members</li> <li>11. Approve contracts with external service providers</li> <li>12. Approve change of the IWUA service area</li> <li>13. Approve the reorganization or dissolution of the IWUA</li> </ol>
Operation & maintenance equipments	<ol style="list-style-type: none"> <li>1. Regular inspection of irrigation infrastructure and equipment (i.e. Pumps)</li> <li>2. Prepare the annual/seasonal action plan for maintenance of infrastructures and</li> <li>3. Make sure that building material and spare parts for maintenance activities are available</li> <li>4. Carry ou routine, seasonal and emergency maintenance works</li> <li>5. Monitor maintenance activities</li> <li>6. If need be, monitor modernization or rehabilitation works and replacement of worn out equipment</li> <li>7. Prepare an annual/seasonal plan for water distribution</li> <li>8. Monitor the implementation of the annual/seasonal water distribution plan</li> <li>9. Measure and monitor irrigation water use</li> <li>10. Prepare annual/seasonal activities report</li> <li>11. Adopt and use indicators for monitoring O&amp;M</li> <li>12. Identify and mitigate the risk of damage to irrigation infrastructures and equipment</li> <li>13. Identify and mitigate the risk of soil erosion, soil salinity</li> <li>14. Train member in irrigation techniques</li> </ol>
Management	<ol style="list-style-type: none"> <li>1. Enforce IWUA by-laws and operational rules</li> <li>2. Prepare annual/seasonal budget including the amount of the irrigation fee</li> <li>3. Book keeping (accounting)</li> <li>4. Make regular inventory and manage stocks of building material, machinery and spare parts, fuel</li> <li>5. Recover irrigation fees and apply sanction for non or late payment</li> <li>6. Prepare annual/seasonal financial reports</li> <li>7. Hire, supervise and pay IIWUA employees</li> <li>8. Pass and monitor contracts with external service providers</li> <li>9. Implement the communication procedures within the IWUA</li> <li>10. Keep IWUA archives</li> <li>11. Any other activities assigned by the General Assembly or the Management Committee</li> </ol>

The main management tools of IWUAs to plan, implement and monitor their activities are  
(1) maintenance plans, (2) water distribution plans and (3) budgets.

## **Need for long term technical and managerial support to IWUAs**

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Past experience in Ethiopia and other countries indicates that the performance of irrigation schemes managed by users' organizations is generally poor. In Ethiopia, many modern irrigation schemes operate significantly under the design capacity. Seleshi et al., (2010) show that under-performance for small, medium and large public schemes is primarily due to poor operation and maintenance; schemes analyzed were operating at just 64 percent of design capacity (640,000 ha equipped versus 410,000 ha operational) with farmer-managed small scale schemes accounting for 90% of the gap. This should not lead one to conclude that farmers' organizations almost invariably fail to operate and maintain irrigation schemes but to highlight the following:

- The tasks of IWUAs as indicated above imply technical and managerial knowledge and skills. Farmers cannot acquire the necessary knowledge and skills required in the absence of any training, or even through occasional training or capacity building activities. Adequate utilization of the main management tools (plans and budgets) require knowledge and skills that farmers cannot acquire through training alone.
- Leaders of farmers' organizations and IWUAs are all farmers. The work and time they dedicate to irrigation management on an IWUA does not provide any income or contribute to work on their own farms. IWUA work is in addition to their regular work.
- Leaders of IWUAs, like most farmers, tend to privilege short term profitability of farming activities over long term sustainability of irrigation infrastructure.

Only very large IWUAs would have the financial capacities to employ qualified personals. Therefore, the only option is to establish strong public or private entities that will provide IWUAs with the services of qualified professionals, which should include:

- Institutional services to establish sound operational rules adapted to the characteristics of a particular irrigation system and local social context.
- Technical support for organizing water distribution, as well as planning, implementing and monitoring maintenance works.
- Providing managerial services for preparation of budgets, accounting and financial statements and reports.

IWUAs can contribute to the costs of such services from service providers within the framework of public-private partnership agreements.

## **Revenue of IWUAs**

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The possible sources of revenue for an IWUA are:

- Irrigation service fee payable by members in cash or in kind as defined by the IWUA;
- Annual operation and maintenance fee or in kind (for example contribution in labour to maintenance of irrigation and drainage infrastructures)
- Establishment of a recovery fee
- Membership fee
- Loans from financial institutions

- Interests on bank saving accounts
- Subsidies (where available)
- Fines levied against members for non-compliance with the regulations of the IWUA
- Gifts

The irrigation service and annual operation and maintenance fee (or labor contribution) constitutes the bulk of IWUAs' income; often the only revenue. For many IWUAs operating small scale irrigation systems in Ethiopia, most of the maintenance work will be undertaken by the members as a contribution in labor. Therefore contributions in kind are likely to be the main part of the irrigation service fee. That reduces the actual revenue of IWUAs.

Each IWUA must establish a reserve/emergency fund to be held in a separate bank savings account that generates interests. All surplus revenue must be paid into that account. It is essential for each IWUA to build up a reserve fund to cover emergency repairs, replacement of worn out equipment (i.e. irrigation pumps) or rehabilitation costs etc.

Subsidies are generally granted for a specific purpose. IWUAs do not have complete freedom to decide on the use of the subsidies they receive.

It is important to stress that loans from financial institutions are not revenue for IWUAs, because IWUAs have to repay the loans.

## **Guiding principles for operation of IWUAs**

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The IWUA Proclamation provides for guiding principles of operation of IWUAs. Each IWUA is legally bound to put these principles into practice. For example, an IWUA that does not set and recover fees in accordance with the principle of full cost recovery is operating in a manner that is contrary to the law. Or, an IWUA sets irrigation schedules or holds meetings at times that disadvantage women is also in non-compliance with the law.

The guiding principles are:

- **Non-discrimination**, meaning that an IWUA shall not discriminate against its members or categories of its members on any basis, including gender, religion, political opinion or ethnicity.
- **Transparency and participation**, meaning that an IWUA shall operate in a transparent manner and shall promote members' participation through its General Assembly and elected committees.
- **Fairness and equity**, meaning that an IWUA shall ensure fairness and equity in decision making and the allocation and use of resources, including irrigation water, having regard to the needs of its members.
- **Rational use of natural resources**, meaning that an IWUA shall manage the irrigation and drainage system within its Service Area in a rational manner so as to prevent waste of water, erosion, soil and water salinization and pollution, as well as to promote the protection of the environment.
- **Cost recovery and financial sustainability**, meaning that an IWUA shall set fees at a level that ensures that it has adequate resources to cover all the costs of its activities and take all reasonable efforts to ensure that such fees are collected.

## Gender and IWUAs

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IWUAs serve their members by providing them with irrigation water. As stressed in previous sections, members of an IWUA are the persons having a land use right within the service area of that IWUA. Women who have a land use right and manage their own farm enterprise, for example, as head of household will be IWUA members. If the husband manages the farm as head of household, and the wife does not have a land use right but is a family laborer, then the wife will not be a IWUA member.

Whether women manage their own farm enterprise or are family laborers in a particular rural society is an underlying gender issue. Society may, or may not, give men and women equal opportunities to become independent farm decision-makers with access to land, skills, inputs, capital, markets and water. If a society excludes most women from economic farm opportunities, IWUAs cannot change much within their narrow mandate of providing irrigation water.

### *Responding to gender and avoiding discrimination*

Water associations should avoid creating situations that increase gender disparity. The following types of practices should be avoided because they discriminate against women:

- Restricting access to the volume of water needed or not providing access to water on a schedule appropriate to women and the crops women are producing.
- Establishing formal scheme regulations that limit women's access to irrigated land and/or membership in a scheme, such as requirements for literacy or religious standing.
- Creating requirements linked to scheme membership, such as payments for inputs, labor, or scheme maintenance, but not providing equal access as men to affordable financing mechanisms.
- Not supporting active participation in scheme governance bodies, by setting inappropriate meeting times and/or places or creating requirements for executive membership that women often do not meet.

**Responding to gender requires efforts to identify those aspects of men's and women's needs, preferences, and resources that are relevant for irrigation** and to create appropriate institutional structures to ensure that both men and women have equitable opportunities to participate in the irrigation scheme and its management. Gender-responsive design of an IWUA and the scheme helps to avoid creating new gender disparities or worsening existing ones.

Gender issues related to IWUAs operation can be addressed by assessing whether or not IWUAs give effect to the guiding principles for operation presented in the Proclamation, particular the first three principles which prohibit making any difference between female and male members in terms of rights and duties.

There are three important categories for ensuring non-discrimination related to gender:

1. Access to scheme resources equally for women and men
2. Participation in management of the scheme and IWUA by both women and men
3. Access to benefits provided by the scheme for both women and men



### ***Assessing and improving gender equity***

IWUAs should identify the absence or presence of gender based differences to ensure that any discrimination is reduced and eliminated. Areas to assess and improve are based on the above categories.

### ***Access to scheme resources is equal for women and men***

Water right and related duties: Equal access to water of men and women can be assessed in various ways. A sophisticated way of doing this is by comparing the quantities of water received by male and female members cultivating the same crop. An alternative would be to compare the number of irrigation turns. Qualitative differences between men and women such as satisfaction about water service received are also informative. Taboos for women also entail gender biases like the norm that women should not irrigate at night. Water rights are connected to duties that individual farmers have to fulfill to “earn” their water rights. They include payment or labor contributions for operation and maintenance of the irrigation system. Gender-based differences in duties can also be measured more or less in-depth and in various quantitative and qualitative ways.

### ***Participation in management of the scheme and IWUA by both women and men***

Participation in forums or networks for collective water management arrangements: Forums are the formal (i.e. General Assembly meetings) and informal networks through which collective arrangements, such as internal rules and regulations for water distribution, maintenance, investments and rehabilitation and obligations are debated, set, amended or reinforced. Identifying women inclusion and exclusion in forums is essential because inclusion in forums generally strengthens one’s access to water at farm level especially in the long run.

### ***Access to benefits provided by the scheme for both women and men***

Equality at leadership level and ability of women to function as leaders: Leadership relates to eligibility to serve in governing bodies of the IWUA, namely the General Assembly and the elected committees and the social prestige often associated to such functions. In a particular IWUA, one would expect the gender composition of the membership to be more or less reflected in the gender composition of the elected leaders. A strong bias generally indicates domination of the IWUA by male social or political elite. For individual male and female members the most important criteria for electing leaders are probably their ability, whether men or women, to function effectively and the power of members to hold leaders accountable. Therefore, it is even more important to assess the ability of men and women to be effective leaders and the reasons affecting this ability. This additional aspect also allows distinguishing effective inclusion of women from tokenism. Imposed nomination procedures (i.e. through quota) may seem to enhance women’s inclusion in committees. However, in reality these “elected” women can remain quite ignorant of key information and can be excluded from decision making in the committee. On the other hand, illiteracy and lack of training in leadership and in organizational and accountancy skills often constitute real barriers for women to become leaders and to function effectively.

Checklists and templates for assessing and improving gender responsiveness on irrigation schemes have been developed and are available at no cost to users from many institutions, both NGOs and development agencies.



# TRAINING SUPPORT SESSION 2, PART 1: MEMBERS AND GOVERNING BODIES OF IWUAS

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## Members of an IWUA

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### *Conditions for membership*

Membership in the IWUA is mandatory for every person with the land use right within the “service area” of an IWUA (i.e. the land capable of being supplied with irrigation water from the irrigation system operated by the WUA). The membership obligation is not personal to the farmer as such; rather it is linked to the land which he/she has use rights.

Compulsory membership is essential to ensure IWUA sustainability. This prevents non-members who receive surface irrigation water in the service area from free-riding. It prevents people from benefiting from irrigation water (and even more so as regards drainage or watershed management benefits) without and without contributing to costs of the operation and maintenance and other investments in the irrigation infrastructure and management.

### *Rights and duties of members*

The basic rights of IWUA members are the right to:

- a. *“Fair” share of irrigation water.* This is, of course, the most important practical right for an IWUA member.
- b. *Benefit from services provided by or through the IWUA* such as training and capacity building activities
- c. *Vote in elections for IWUA officials.* This is clearly a key right without which the democratic functioning of a IWUA could not take place.
- d. *Stand for executive office and committee positions in the IWUA* (provided no outstanding fees are owed to the IWUA)
- e. *Propose matters for discussion at meetings of the general assembly.* This right is important to ensure that the General Assembly can provide a genuine forum for IWUA members to raise matters of concern to them rather than to act as a “rubber stamp” that merely agrees with everything the executive of the IWUA suggests.
- f. *Inspect the books and records of the IWUA.* This right is particularly important in terms of promoting transparency within an IWUA and ensuring accountability on financial management.

The basic duties of IWUA members are to:

- a. *Comply with the provisions of the by-laws and internal rules of the IWUA including water distribution rules.* The effect of this duty is to provide statutory backing (in other words the backing of formal law) to the internal rules of each IWUA.
- b. *Promptly pay the irrigation service fee* and other related charges agreed upon by the IWUA membership. The need for this duty is to ensure the financial viability of the IWUA and the sustainability of the irrigation system it manages.

- c. *Allow access to land for the purpose of operation and maintenance of irrigation infrastructure.* This duty is necessary to enable routine operation and maintenance works to take place.
- d. *Comply with the decisions of IWUA officials and staff.* This duty is necessary for the smooth functioning of an IWUA.

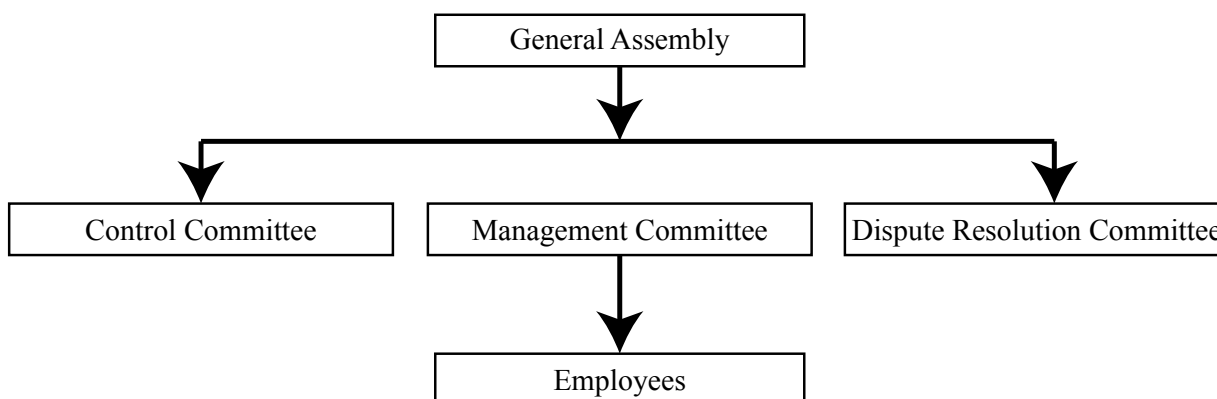
Each IWUA may include other rights and duties in its by-laws.

Rights and duties are clearly linked. Rights imply duties through which members “earn” their rights. Tight and strong linkages between rights and duties of members make up a key element in the entire notion of IWUA.

### ***Governing bodies of IWUAs***

IWUAs are self-managed organizations and governed by their members through the General Assembly. In addition to the General Assembly, each IWUA has a Management Committee and a Control Committee; the Dispute Resolution Committee is optional.

### **Internal structure of an IWUA**



### ***General Assembly***

The General Assembly is the sovereign, or main decision making body of each IWUA. The tasks of the General Assembly include:

- Setting the annual budget for the IWUA including the level of fees and charges payable by members
- Approving an annual work-plan and watering plan or schedule
- Approving the annual report on the annual accounts of the IWUA prepared by the Management Committee
- Electing the executive officers and members of the committees of the IWUA
- Adopting binding operating rules necessary for the functioning of the IWUA (e.g. as to procedures for requesting, using and paying for water and operation and maintenance) and the level of fines payable if such rules are breached
- Amending the by-laws of the IWUA as needed

The tasks of General Assembly are essentially decision-making undertaken during General Assembly meetings. Key tasks in this respect are the election of the Management Committee, the

approval of the level of the irrigation service fee and annual operation and maintenance charges, as well as the approval of a range of documents including the draft budget and any regulations. In practice these documents and draft decisions will be prepared by the Management Committee which will recommend their approval to the General Assembly. The members of the General Assembly have the right to question the Management Committee which they elected and to remove the Management Committee members if they do not perform to expectations of the Assembly.

Each IWUA must hold a meeting of its General Assembly at least once a year. The chairperson of an IWUA may call emergency meetings as necessary at his/her discretion. Members of the IWUA may also request an emergency meeting if one third of the members of the IWUA support that request.

For smaller IWUAs, nearly all members will be able to attend and participate in the General assembly meetings. For larger IWUAs, it may be difficult to hold meetings in which all members can effectively participate. Therefore, the service area can be divided into different “users groups” or “units” corresponding to a secondary or tertiary canal unit with the members of each group/unit electing their representatives to the General Assembly. The details of the number and size of the user groups, the number of representatives by users group and the procedures for their election shall be specified in the by-laws set by each IWUA.

**Decisions of the General Assembly are taken by vote.** In terms of vote allocation, the “one member one vote” (OMOV) approach works well when all members have roughly equivalent sized land plots. For most IWUAs in Ethiopia, OMOV will work satisfactorily.

The OMOV approach can, however, become a problem when there are large differences in land holdings. However, the allocation of votes on the basis of land plot size can also lead to a few land owners/users completely dominating an IWUA; that would violate the IWUA principles. Therefore, an IWUA may specify in its by-laws a “fair” allocation of votes of each member or users group representative. This option may lead to long and difficult negotiations during the formation of by-laws, but it is necessary for IWUA members to agree on what is “fair” to work together to manage the irrigation area successfully.

### ***Management Committee***

The Management Committee (5 – 12 persons) is elected by the General Assembly and is in charge of ensuring the smooth day to day operation of the IWUA according to decisions made by the General Assembly. The Management Committee is accountable to the General Assembly and its tasks are to:

- Supervise the functioning of the IWUA, to ensure that the decisions of the General Assembly are implemented
- Provide direction to the manager of the IWUA (where these exist)
- Ensure the implementation of the agreed budget and work-plan and to monitor the performance of the IWUA
- Prepare the agenda for, and convening the meetings of, the General Assembly
- Prepare the draft budget, work plan, annual report, internal regulations and other documents for approval by the General Assembly
- Ensure that the IWUAs financial and accounting procedures are followed
- Conclude contracts with service providers in accordance with the approved budget and work plans

- Elect one of its members to be the chairperson of the IWUA
- Other tasks that may be determined by the General Assembly or specified in the by-laws

In order to promote the collective responsibility of the Management Committee, the chairperson is elected by the Management Committee from among its members. The specific role of the chairperson is to formally represent the IWUA, to act as its spokesperson, to chair the meetings of the Management Committee and General Assembly, to call emergency meetings of the Management Committee and General Assembly, and, in accordance with resolutions of the Management Committee, to sign contracts and enter into other legal relationships on behalf of the IWUA.

The Management Committee members may also appoint its members to specific positions such as Secretary and Treasurer and more generally decide on specific roles and responsibilities for each of the Committee members.

**The decisions of the Management committee are made by consensus** and consensus must be reached by vote with each member having one vote.

### ***Control Committee***

The Control Committee (3-5 persons) is elected by the General Assembly. Its tasks are to monitor the financial performance of the IWUA and to report back to General Assembly meetings.

The purpose of the Control Committee is to create an internal financial control system for each IWUA such that IWUA members can be confident that the money they have paid is being used properly for management and operation and maintenance. An important task of the Control Committee in this respect is the presentation of annual report to the General Assembly concerning the manner in which the finances of the IWUA are managed.

### ***Dispute Resolution Committee (optional)***

Each IWUA can establish a 3-5 persons Dispute Resolution Committee to resolve disputes between IWUA members. The by-laws agreed upon by the IWUA General Assembly will specify the procedures to be followed by such a body.

The establishment of a Dispute Resolution Committee is optional. In Ethiopia local community-based dispute resolution mechanisms may play an equivalent role. It is important to stress that its mandate is restricted to the resolution of disputes between IWUA members and not disputes between members and the IWUA itself as that would undermine the authority of both the Management Committee and the General Assembly.

### ***Employees of IWUAs***

As a legal organization IWUA can hire employees. They will be appointed by the Management Committee within the agreed budget of the IWUA and accountable to the Management Committee for their performance. IWUA employees may be IWUA members but, to avoid any possible conflict of interest, they may not be elected officers or users' groups' representatives. In practice some of these employees will be permanent, although they may not need to be employed full time. Others may be employed on a seasonal or temporary basis.

# **TRAINING SUPPORT SESSION 2, PART 2: IWUA BY-LAWS AND INTERNAL REGULATIONS**

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## **IWUA by-laws**

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### ***Purpose of by-laws***

Each IWUA must have its own by-laws. The by-laws constitute the identity of the IWUA in terms of name and address, service area, its organization and functions *vis à vis* external actors. The by-laws are also the primary source of internal rules and regulations that regulate the IWUA's activities. In other words, the by-laws are the constitutional rules of each IWUA. Like the constitution of a country by-laws should not be amended frequently in order to promote stability and should be amended only if strictly necessary.

### ***Content of by-laws***

The founders of an IWUA do not have complete freedom in terms of the content of IWUA by-laws. The basic parameters are set by the IWUA Proclamation with which the by-laws must comply. Consequently the two models of by-laws in annex 2 are exactly that: models. They do not set out a compulsory standard format for IWUAs, simply one that complies with the provisions of the Proclamation. By-laws should never be used in a rigid, standard model applied to all IWUA; that should be avoided. Each IWUA in Ethiopia will be different, and its by-laws should reflect its own particular requirements.

The minimum requirements of the by-laws of each IWUA to comply with the Proclamation include:

- Name and address of the IWUA
- Description of the service area by reference to plans or maps
- Objective(s) of the IWUA and its authorized tasks
- Structure and competences of governance bodies of the IWUA
- Right of each IWUA to adopt its own operating rules
- Rights and duties of members of the IWUA
- Procedures for the calling of meetings of governance bodies
- Provisions on the setting of fees
- Provisions on the modification of the by-laws, liquidation of the IWUA, etc.

### ***Why two models of by-laws?***

The first model of by-laws is suitable for a larger IWUA where the General Assembly members will be the representative of the different Units within the IWUA Service Area. The second model of by-laws is suitable for a smaller IWUA where all members participate and vote at meetings of the General Assembly. Essentially, the only major differences between the two models of by-laws concern the meetings of the General Assembly. To avoid confusion, two separate documents were prepared. See models of by-laws in Annex 2. However, it should be reiterated that the by-laws need to be adapted to the context and needs of each IWUA.

## IWUA internal regulations

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### *Purpose of internal regulations*

The essential purpose of internal regulations is to avoid benefiting from the services of the IWUA without paying for the services, called “free riding”. The internal regulations are contained in a document which is internal and specific to each IWUA. They point out operational rules regulating the activities of the IWUA such as rules for water distribution, organization of collective maintenance work, mechanisms for recovering the irrigation service fee, sharing of information within the IWUA, discipline and sanctions. The internal regulations can be set, modified and reinforced frequently by a decision of the General Assembly. The operational rules can be different according to the seasons of a year. For instance there may be one set of water distribution rules in the rainy season when water is abundant and a different set of rules in the dry season when water is scarce and must be carefully managed /allocated.

### *Basic principles for setting and enforcing internal regulations*

**To avoid “free riding”, it is essential that persons who breach the rules are punished and that the sanctions are dissuasive enough to make the cost of breaking the rules higher than its benefit.** When some IWUA members do not contribute to maintenance works, the challenge is to prevent them from benefiting from work of the other members. If the “free riders” are not punished then less and less IWUA members will participate in or contribute to collective maintenance works. If free riding becomes the norm then eventually the irrigation infrastructures will deteriorate because there are inadequate resources to maintain and operate it. On the other hand, if rules are set and enforced in a manner that the cost of “free riding” – the sanctions - is higher than the benefit, then almost all farmers will participate in and/or contribute to maintenance work. For example, motivated IWUA members do not want to be disadvantaged by the “free riders” in cases where IWUA members pay for and carry out the hard work of cleaning canals while the “free riders” attend to their own business but also benefit from the water and infrastructure. Another similar example applies to the irrigation service fee recovery rate.

**Building internal regulations is a continuous process.** IWUAS internal regulations cannot be perfectly adapted to their environment at any time even if these regulations were designed by very motivated members of the Management Committee. Extreme events may occur (drought, flooding, invasion of pests, etc.) or the economic, institutional or climatic environment may change and lead to a change of practices.

Furthermore, rules, even the most straightforward ones, can also be ambiguous and lack clarity. For instance, the very straightforward rule that “*every member of the IWUA must participate or appoint one person for three days to clean the irrigation canals each year in the month of January*”. In this case, what does “*one person*” mean? What if a member appoints a very young child or an elderly old woman or man? What makes up one day? Can somebody who worked only 4 hours per day for three days still claim to have provided three days of work? One can often easily allege he/she follows a rule while knowing very well he/she actually breaches it. In some cases, some members may breach a rule for a reason beyond their control; how can one fulfill the obligation to participate in or contribute to collective maintenance works if the only worker of the family is sick? Can one pay the irrigation service fee if his/her crops were devastated by a pest or a flood?



In order that rules are respected over the long term, it is necessary to have mechanisms for discussing and deciding what is and what is not a breach of the rules as issues/questions arise; establishing a kind of jurisprudence (a set of rules based on precedents). This contributes to the ambiguities of rules and attempts to avoid “free riding”. If an IWUA accepts that some members work only 4 hours per day to carry out collective maintenance works, soon other members will also work 4 hours per day or less and the irrigation canals will not be cleaned. If an IWUA does not offer its members who honestly cannot fulfill their obligations an acceptable solution to deal with their situations, then these members would think the rules unfair and would be less and less inclined to observe them.

### ***How to design IWUAs internal regulations***

For practical reasons, internal regulations cannot be designed by involving all members of an IWUA. The draft internal regulations should be developed by the Management Committee of the IWUA and presented for discussion, adaptation and if acceptable, approval by the General Assembly.

The procedure may be as follow.

1. Identify all issues/questions related to the functioning of the IWUA and existing and potential problems that may prevent the smooth functioning of the IWUA
2. Discuss the identified questions / issues and decide on relevant rules responding to these issues and questions
3. Decide on the level of sanction for breaching the rules. Sanctions must be dissuasive but it is advisable to have a graduated system of sanctions so as to prevent the perception that the sanctions are “unfair”.
4. Prepare a draft document containing the proposed internal regulations and sanctions
5. Organize meetings with the IWUA members to present and discuss the draft document, giving all members the opportunity to comment and propose alternatives to ensure compliance with non-discrimination
6. Amend the draft document according to comments and discussions, and agreed amendments from the meetings
7. Submit the amended draft document to the General Assembly for final approval through a general vote

Internal regulations must comply with the by-laws of the IWUA  
(and the IWUA Proclamation) and should also comply with the principles of IWUAs.

# TRAINING SUPPORT SESSION 3, PART 1: PROCEDURE FOR ESTABLISHMENT OF IWUAS

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The proposed process for establishment of an IWUA includes 10 steps and involve potential members and the IWUA promoters; the team that will work with farmers during the whole process. Note that according to the Proclamation, IWUA establishment is the responsibility of the regional body in charge of IWUA. The IWUA promoters should adapt the process to the social and economic specificities of each site, previous experience of farmers with irrigation management, size and features of the irrigation system, etc.

## Step 1: Reconnaissance visit

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The objective of Step 1, the reconnaissance visit is to rapidly assess with farmers the performance of O&M and identify major technical and organizational constraints for adequately carrying out irrigation water distribution/allocation and maintenance of irrigation infrastructure and equipment. The duration of the reconnaissance visit should be one day for most irrigation schemes and 2 days for large schemes.

**It is highly recommended that prior to the reconnaissance visit, the IWUA promoters collect information about the villages and the irrigation system from secondary sources such as maps, reports, and census data.** Information to collect should include: (a) names and location of villages, (b) main characteristics of the irrigation system, (c) number of farmers / households in the irrigation system, (d) command area and irrigated area, (e) cropping patterns and average yields of main crops and (f) relevant hydrological data on water availability and water use.

During the reconnaissance visit the following activities can be carried out:

1. Short visit of the irrigation system by the IWUA promoters accompanied by a group that is representative of the various farmers within the area (see text box below)
2. Focus group discussion with farmers and assessment of farmers' interests for a better organization of O&M of their irrigation system.

After the reconnaissance visit, the IWUA promoters will prepare a short report for giving feed-back to farmers at Step 2. The IWUA promoters agree with farmers on the date of Step 2 that is suitable to both farmers and promoters.



## **1. What to observe and discuss with farmers when visiting the irrigation system**

### *Irrigation and drainage infrastructures*

- Maintenance status and damages to irrigation and drainage infrastructures. If not well maintained: current impacts and likely future impacts on water availability and potential conflicts over water.
- Maintenance status of the irrigation pump(s) for pump-fed irrigation
- Locations of large structural water losses (breaches in canals, high seepage, too low canal capacity- over topping, high plot-end losses)
- Change(s) made by farmers that differ from the original design and construction (digging of new canals, use of siphons and by-pass, changes made to irrigation structures, etc.)
- Fallow land and land not receiving enough water
- Water logged areas
- Presence & status of drainage systems
- Multiple uses of water (uses other than irrigation, such as livestock, household or domestic, small industry, etc.)
- Field leveling

### *Agronomy*

- Current cropping patterns
- Crop health (pest and diseases)
- Field water application method(s) (furrow, basin, others)
- Signs of soil erosion and salinity

## **2. Topics for focus group discussion with farmers**

- Type of organization for irrigation management, internal structure, conditions for membership; include discussion on any potential gender-based differences that might exclude women or discriminate against any group
- Rules and regulations for water distribution and maintenance work and effective enforcement
- Existence of sanctions for breaching the rules
- Existence of irrigation service, recovery mechanisms, recovery rate
- Conditions for membership of the organization
- Duration and frequency of irrigation
- Reasons for inadequate or no water delivery in some parts of the command area (when appropriate) and who is negatively affected
- Reasons for change made by farmers to the original design and construction

## Step 2: Awareness meeting(s)

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The objectives of Step 2 awareness meeting(s) are to:

1. Raise farmers' awareness of the constraints related to irrigation water management and maintenance in their irrigation system
2. Inform farmers on what is (and what is not) an IWUA
3. Assess farmers' interest for establishing an IWUA in their irrigation system

Depending on the size of the irrigation system and number of farmers, one or several meeting(s) will be conducted. Each meeting should not last longer than 2 hours; the duration of the presentations should not be over 30 minutes. Farmers should have sufficient time and equal opportunity without discrimination to ask questions following presentations. It is crucial that a convenient location is selected where all farmers can come easily and where the meeting can be conducted quietly and undisturbed.

During the meeting, IWUAs promoters should make two presentations followed by discussion with farmers:

1. Feed-back/observations and results from the reconnaissance visit and related discussions about the constraints of O&M and the need for improving farmer organization for managing their irrigation system
2. Introduction to the IWUA principles detailing the differences between IWUAs and cooperatives, how it can be contextualized to the specific situation of the farmers and their irrigation system and the advantages to be a member of a well-organized IWUA. The most important issues to be introduced during the presentation and discussed with farmers include:
  - Mandate of IWUAs based on the Proclamation
  - Membership: the reasons for compulsory membership, rights and duties of members
  - Internal structures of IWUAs
  - Tasks of IWUAs: governance (social management), O&M and management
  - Tasks that are not permitted to IWUAs (procurement of inputs, marketing of products, etc.) and reasons why
  - Revenue income of IWUAs: payment of the irrigation service fee in cash and in kind, necessity for constituting a reserve fund for emergency repair and replacement costs
  - Relationships: IWUA with the supervising body and the local government

At the end of awareness meeting(s), the IWUA promoters should assess if the farmers attending the meetings show a real interest in the establishment of an IWUA in their irrigation system.

The IWUA promoters must ensure women farmers attend and participate actively in the awareness meetings. If it is obvious that women farmers cannot attend or participate actively in the awareness meeting(s) due to the presence of men, the IWUA promoters must arrange a separate meeting that includes the same presentations and opportunity for discussion specifically for the female farmers.

### **Step 3: Formation of the IWUA Establishment Committee**

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The objectives of Step 3 are to:

- Present the procedure of IWUA establishment to farmers
- Form the IWUA establishment committee

During a half-day meeting with farmers, the IWUA promoters will present the procedure for establishing an IWUA. At the end of that meeting, the IWUA promoters will request that farmers appoint a member to the IWUA Establishment Committee. The role of this committee is to review the by-laws developed by that IWUA, lead the preparation of the action plan and budget for the first year of operation and organize the meeting of the constitutive General Assembly. Moreover, members of the Establishment Committee have to report back to all farmers on the outcomes of their activities.

The Establishment Committee must include farmers having a land right in the command area and be representative of the different parts of the command area (head, middle, tail). It is strongly recommended that women farmers and other potentially or previously excluded groups are included in the Establishment Committee.

It is important to stress to farmers that membership of the Establishment Committee does not presume in any way of membership to the elected bodies/committees of the future IWUA. The Establishment Committee will be dissolved at the meeting of the constitutive General Assembly that will elect the IWUA leaders.

### **Step 4: Registration of IWUA potential members**

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The objective of Step 4 is to ensure that a majority of farmers formally agree to the establishment of an IWUA. This is important because if the majority of farmers do not agree the IWUA would lack of legitimacy to carry out its tasks and enforce its rules and regulations. To this end the Establishment Committee shall ask all farmers whether or not they want to sign the establishment petition. The IWUA Proclamation provides that a majority of farmers (at least 50% of farmers + 1) must have signed before the date of Constitutive General Assembly. A suggested model or template for the establishment petition is given in Annex 3.

### **Step 5: Preparation of draft by-laws**

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The objective of Step 5 is to prepare the draft by-laws for presentation to the members of IWUA, which they must agree with and provide formal approval. The Establishment Committee has to prepare the IWUA draft by-laws through reviewing and discussing all articles of the selected model of by-laws with the support of the IWUA promoter during a one-day (or less) meeting. During this exercise, the Establishment Committee has to decide on: (1) the general assembly members (all farmers or unit representatives), (2) the number of members of the IWUA governance bodies, and (3) a number of other options proposed in the models of by-laws.

After the meeting, the members of the Establishment Committee shall inform all farmers of their decisions and collect propositions for changes/amendments to the draft by-laws. The draft by-laws remain amendable until they are finally approved at the meeting of the constitutive general assembly.

## **Step 6: Preparation of a draft action plan of the first year of operation**

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The objective of Step 6 is to prepare an action plan to present to the membership of the IWUA. The draft action plan should include the activities to be carried out by the IWUA during the first year of operation. It should be prepared by the IWUA Establishment Committee with the support of the IWUA promoter. Activities can be sorted into three categories: (1) governance, (2) operation and maintenance, and (3) management.

### **Proposed process to prepare the IWUA draft action plan with farmers**

1. Start by briefly introducing the purpose of the action plan and the action plan matrix. Ensure that they are clear to all farmers. A participatory process to develop a vision and goals with farmers that outlines what the farmers seek to achieve through the IWUA and the irrigation scheme may be undertaken at the beginning of development of the action plan. The objectives in the action plan may relate to the goals and vision of the farmers.
2. Draw an action plan matrix with seven (7) columns. In the first column, indicate the category of activities: governance, maintenance, operation (water distribution) and management. In the second column, indicate the objective of the activities. Ensure that farmers agree with the objectives and ask them if they want to make changes or add more details.
3. Discuss with farmers which activities have to be carried out to reach the objectives and write them down in column 3. The activities must respond to the constraints/problems identified during the reconnaissance visit and approved at the awareness meeting.
4. In column 4, indicate the persons who are responsible to organize and implement each activity; for almost all activities this should be the members of the IWUA Management committee.
5. In column 5, indicate the dates by when the activities should be implemented.
6. In column 6, indicate the source of funding of each activity. In application of the full cost recovery principle, funds for most of the activities must come from the IWUA: the irrigation service fee payable by all members. However external technical assistance from government or NGO or major rehabilitation works would normally be funded by the government or NGO.
7. The level of each activity is indicated in column 7. Two levels of activities can be distinguished. Level 1 activities can be implemented without external support. The second level requires some external assistance to farmers by the bureau/office in charge of irrigation. This is useful for the organization of technical support to IWUAs by regional bureaus.

### Example of an IWUA action plan

Categories	Objectives	Activities	Who is responsible	Time Planning	Funding	Level
Governance	Democratic decision making within the IWUA	2 annual meetings of the General Assembly	Management committee(preparation)	December and May	IWUA	1
Maintenance	Keep the irrigation system operational	Inspection of the system and identification of maintenance needs. Establish the calendar of maintenance works. Budget maintenance works. Implement and monitor maintenance works.	General assembly members Management committee and IWUA employees Management committee	November and April November and April	IWUA and BoA IWUA	1 or 2 1
Operation (water distribution)	Ensure all IWUA members have a fair share of irrigation water	Establish crop calendar and cropping pattern Implement/enforce water distribution rules Adjust water distribution according to crop calendar/cropping patterns Arbitrate conflicts over water between farmers	Management committee Head of irrigation units Management committee Management committee	November and April During irrigation seasons During irrigation seasons	IWUA IWUA IWUA	1 1 2
Management	Efficient and transparent management of the IWUA	Collection of irrigation service fee Organization and supervision of collective maintenance works Book keeping Preparation of activities report Preparation of financial report Internal audit of IWUA finance	Management committee Management committee Management committee Management committee Management committee Control committee	During irrigation seasons Management committee Management committee Management committee Management committee Upon decision of the CC	IWUA IWUA IWUA and BoA IWUA and BoA IWUA and BoA IWUA and BoA	1 or 2 1 2 2 2 2

## **Step 7: Preparation of the draft budget for first year of operation**

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The objective of Step 7 is to prepare the IWUA draft budget and assess the level of the irrigation service fee for the first year of operation. The duration of Step 7 is one day. Equally important, Step 7 is an opportunity to discuss with farmers the cost recovery principles, including:

1. The IWUA must finance recurrent costs for the O&M of the irrigation system and other costs related to the management of the IWUA itself.
2. The IWUA must establish a reserve fund in order to finance emergency repair works, rehabilitation or modernization of the irrigation system, replacement of worn out equipment such as the irrigation pump.
3. To finance all recurrent costs and establish the reserve funds, the IWUA must set the irrigation service fee based on sound estimates of those costs incorporated in its budget.

In Step 7, the IWUA promoter will first provide Establishment Committee members with basic and general information on a budget. Topics to introduce are suggested in the text box below. At a later meeting, the IWUA promoters will introduce a proposed budget based on the IWUA action plan done at Step 6 for discussion with the Establishment Committee.

### **What is a budget?**

In everyday life we often prepare budgets informally either “in our head” or on paper. For instance, before going to the market, one can write a list of items to buy with their price and then check whether or not one has enough money to buy all the items of the list, or might try to figure this out without writing it down.

IWUAs undertake a number of activities related for irrigation management. An IWUA budget is a projection of IWUAs expenditures and the income which should finance them.

IWUAs expenditures are wide-ranging (materials and equipment for maintenance, payments of external services, salaries of employees, fuel for the irrigation pump, etc.). However, the irrigation service fee is very often the only revenue or income of an IWUA, even if IWUAs may, in some cases, be granted public subsidies.

### **Why prepare a budget?**

A budget is prepared to estimate the financial requirements of the IWUA for the coming year or for the next irrigation season. A budget is also a tool to make decisions, for instance:

Decide on the level of the irrigation service fee;

Decide to take out a loan for major maintenance activity or replace worn out equipment and estimate the amount of the loan;

Identify opportunities for reducing operation cost, for instance reducing pumping cost by implementing water saving measures.

### **What are the elements of a budget?**

A budget looks like a table with two columns. In the left column, all planned expenditures are written down and classified by category. In the right column, the planned/expected sources of income are shown.

### **Principle of balance in the budget**

This principle is very important and must always be respected: The total amount of the expenditure and the total amount of income must be equal. The two columns of the budget are like the two scales of a weighing scale; there must be the same weight on each scale.

### **When to prepare the budget? What time frame to include in the budget?**

A budget is prepared for a determined and fixed period of time with a starting date and an ending date. Generally a budget is prepared for one year but, alternatively, it is possible to prepare a budget for each irrigation season.

### **How is the service fee for IWUA members determined?**

The amount of the irrigation service fee is figured out as follows. Calculate the grand total of expected expenditures. Next, divide the total amount of expected expenses by the size of the irrigated land in the service area of the IWUA, so total Birr divided by the number of hectares. The results of the calculation provide the unit amount of the irrigation service fee per hectare. For example, if the total expected expenditure is 50,000 Birr, and the total number of hectares is 100, then the per hectare irrigation service fee is 500 Birr.

### **Additional important information about the budget**

- **General:** The above model of budget is not fully detailed. For instance, under the category maintenance / materials, several lines can be added, for example for cement, sand, gravel and earth.
- **Governance:** Elected members of governing bodies are not employees of the IWUA. For this reason they are not entitled to be paid a salary. However, according to the IWUA Proclamation, they can be paid financial compensation for the time they spend fulfilling their tasks and responsibilities. This compensation must be included in the budget as governance expenditure.
- **Supplies to the reserve funds:** They are not “real” expenditures, but are meant to save money each year to have a reserve funds to pay for future major expenditures that may be planned or emergency. Most of those future expenditures are predictable, for instance replacement of the irrigation pump at the end of its working life or major maintenance work like re-sectioning of canals. Emergency maintenance requirements are, by definition, unpredictable, such as repair of canal breaches or of serious breakdown of the irrigation pump.
- **Irrigation service fee:** It is the main and very often only source of income of IWUAs.

In most cases, the following are not included in the budget at the time of establishing a new IWUA:

- **Withdrawals from the reserve fund:** They are meant to fund new investments and major maintenance works; therefore they should not happen frequently.



- **Medium and long term loans:** They are meant to complement the withdrawals of the reserve fund for new investments and major maintenance works.
- **Seasonal loans (less than one year):** They are meant to finance the working capital, cash requirements of the IWUA for the growing season. For instance, in a pump-fed irrigation scheme, the IWUA may borrow money to buy fuel for the irrigation pump throughout the irrigation season and farmers pay the irrigation service fee at the end of the season after the sales of their crops which is then used to repay the loan.
- **Subsidies:** In general, subsidies are granted for a specific purpose. For instance, a subsidy may be provided to support an IWUA to buy a new irrigation pump or to line a canal. IWUAs are not free to use subsidies as they wish so generally do not go in a budget as general revenue or income.

### Model template for a IWUA budget

EXPENDITURES					INCOMES	
Categories	Unit	Qty	Unit cost	Amount	Categories	Amount
<b>Governance</b>						
Financial compensation for members of governing bodies						
Mission travel costs						
<b>Maintenance and repair work</b>					<b>Irrigation service fee</b>	
Materials (sand, cement, etc.)					Withdrawals from the reserve fund	
Equipment (shovels, pickaxes, others)					Medium-long term loans	
Cost of casual workers					Seasonal loans	
Cost of casual qualified workers or contractors					Subsidies	
<b>Management</b>						
Office equipment and furniture						
Stationery						
Cost of external service providers (e.g., accountant)						
<b>Employees</b>						
Canal keepers						
Guards						
Others						
<b>Financial costs</b>						
Repayment of loans						
Payment of interest on loans						
<b>Supply to the reserve fund</b>						
Supply for future investments or major repair						
Supply for emergency maintenance						
<b>Pumping costs</b>						
Fuel						
Lubricants						
Spare parts						
External service providers (e.g., mechanic)						
<b>GRAND TOTAL</b>				<b>SUM</b>	<b>GRAND TOTAL</b>	<b>SUM</b>



## **Step 8: Preparation of the constitutive General Assembly meeting**

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The objective of Step 8 is to prepare for and ensure a successful first General Assembly meeting for the new IWUA. The first General Assembly meeting is called the constitutive meeting because it is the first formal meeting of the General Assembly. The Establishment Committee members will lead the activities of Step 8 with the support of the IWUA promoters.

### **The meeting of the Constitutive General Assembly will:**

- Elect the members of the bodies of the IWUA
- Approve the draft by-laws
- Approve the draft action plan and the draft budget of first year operation

The activities to be carried out by the Establishment Committee include:

- Organize the election of the unit representatives if the future IWUA members have agreed on this option in the draft by-laws and write the list of unit representatives
- Collect the names of the candidates who want to run for election at the Management Committee, the Control Committee and the Dispute Resolution Committee (if any)
- Check the documents for compliance with the Proclamation and principles that are to be approved by the General Assembly (draft by-laws, draft action plan and budget of first year of operation)
- Prepare logistic details for the meeting: place of the meeting of the General Assembly, ballot papers, etc.
- Fix the date of the constitutive general assembly in consultation with farmers. Inform members of the future IWUA and invite local government, the public entity in charge of irrigation, any direct stakeholders, etc.

## **Step 9: Meeting of the Constitutive General Assembly**

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The objectives of Step 9, the first meeting of the General Assembly, include:

- Approve the draft by-laws
- Approve the draft action plan and budget for the first year of operation
- Elect members of the Management Committee, the Control Committee and the Dispute Resolution Committee (if any)

### **Suggested meeting agenda**

- Optional: Introductory speech by a representative of the local government or the irrigation agency
- Opening by a member of the Establishment Committee
- Explanation on the voting procedure by IWUA promoters
- Designation of the Chairperson and Secretary (note taker) for the meeting; they may be members of the Establishment Committee, community leaders or others in the meeting.
- The Chairperson checks the meeting is quorate (that there are enough members represented at the meeting for quorum)
- Presentation of, discussion about, amendment to, and approval of the draft by-laws
- Presentation of, discussion about, amendment to, and approval of the draft action plan and the draft budget for first year of operation

- Elections that are transparent and fair for the Management Committee, the Control Committee and the Dispute Resolution Committee
- Closing by one member of the newly elected Management Committee.

After the meeting, the members of the Management Committee have a *maximum of three days* to select among themselves the Chairperson, the Vice Chairperson, the Secretary and the Treasurer.

## **Step 10: Registration of the IWUA**

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The purpose of Step 10 is to register the IWUA, which allows the IWUA to formally obtain legal standing. The draft Proclamation provides that the regional supervising bodies are the entities that maintain the register of IWUAs in their respective regions.

For registration, the Chairperson of the IWUA submits an application for registration (see annex 3) to the Supervising body together with:

- Minutes of the Constitutive General Assembly
- Copy of the by-laws of the IWUA
- Copy of the work plan and budget of the first year of operation
- Complete list of members

## **RESOURCES**

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Federal Democratic Republic of Ethiopia / Ministry of Water Resources (2010) Consultancy services to prepare regulations for Irrigation Water Users Association. Addis Ababa, Ethiopia.

Awulachew, Seleshi Bekele (2010) Irrigation potential in Ethiopia: constraints and opportunities for enhancing the system. Unpublished report to the Bill and Melinda Gates Foundation.

Ostrom, Elinor (1992) Crafting institutions for self-governing irrigation systems. Institute for Contemporary Studies. San Francisco, California: ICS Press.

# ANNEX 1: MODEL AGREEMENT FOR TRANSFER IN USE OF AN IRRIGATION INFRASTRUCTURE TO AN IWUA

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This agreement dated [day/month/year] is between:

\_\_\_\_\_ ('the Transferor') the [Water Resources Bureau of XX

Region] the address of which is \_\_\_\_\_; and

\_\_\_\_\_ Irrigation Water User Association ('the Transferee') the

address of which is \_\_\_\_\_.

## WHEREAS

The Transferee is an Irrigation Water User Association established pursuant to Irrigation Water Users' Associations Proclamation No. XX/20XX

The Transferee wishes to take responsibility for the operation and maintenance of the Irrigation and Drainage System within its Service Area;

The Transferor is an Infrastructure Authority within the meaning of the Irrigation Water Users Association Proclamation No. XX/20XX

Pursuant to Article XX of the Irrigation Water Users Associations Proclamation No XX/20XX the Transferor is required to transfer to the Irrigation Water Users Association the Irrigation and Drainage System serving the Service Area of the Association.

## THE PARTIES AGREE AS FOLLOWS:

### 1. Term of Agreement

This Agreement shall enter into effect on the above written date and shall continue in force for a period of [XXXX] years, ending on [day/month/year].

### 2. Transfer of the Irrigation Infrastructure

- a) The Transferor transfers to the Transferee the use, operation and maintenance of the Irrigation Infrastructure (hereafter the 'Irrigation Infrastructure') that is more particularly described in Schedule 1, in accordance with the provisions of this Agreement.
- b) The Irrigation Infrastructure includes the land immediately beneath and adjacent to the Irrigation Infrastructure.
- c) In consideration of the transfer described in sub-paragraph 2a) the Transferee shall operate and maintain the Irrigation Infrastructure in accordance with the provisions of this Agreement.

### **3. Condition of the Irrigation Infrastructure**

The Irrigation Infrastructure is transferred in the condition jointly identified and agreed by the Parties, which is described in Schedule 2 of this Agreement.

The transferor must ensure the condition of the irrigation will allow the transferee to fulfill its obligations mentioned in articles 5, 6 and 9 and if necessary undertake the relevant rehabilitation or modernization work.

### **4. Use of the Irrigation Infrastructure by Transferee**

The Transferee shall use the Irrigation Infrastructure only for the purpose of supplying irrigation water to its members.

### **5. General operating rules for the Irrigation Infrastructure**

The Transferee shall:

- a) Operate the Irrigation Infrastructure in a safe and responsible manner so as to prevent or minimise the risk of over-watering land, causing damage to the component parts of the Irrigation Infrastructure or harm to property or human life;
- b) Operate the Irrigation Infrastructure in a fair and equitable manner so as to ensure that each of its members receives a fair and timely supply of water;
- c) Obtain and comply with any licences or permits necessary to operate and maintain the Irrigation Infrastructure or any component element, including the abstraction of water in accordance with the applicable legislation.

### **6. Specific operating rules for the Irrigation Infrastructure**

In addition to the general operating rules for the Irrigation Infrastructure described in Article 7 of this Agreement, the Transferee shall comply with the specific operating rules that are contained in Schedule 4 of this Agreement.

### **7. Measurement obligations of the Transferee**

- a) The Transferee shall measure the quantities of water abstracted, impounded or pumped and/ or used at the points specified in Schedule 5 of this Agreement and in accordance with the technical means specified.
- b) The Transferee shall maintain a written record of the measurements referred to in paragraph 7a) for a period of 10 years and shall promptly make such records available to the Transferor for inspection at the written request of the latter.

### **8. Irrigation Infrastructure maintenance and investment plans**

- a) The Transferee shall each year prepare an annual Maintenance and Investment Plan that indicates the physical maintenance and investment works that it proposes to undertake to the Irrigation Infrastructure during the following year.
- b) Works of the type described in paragraph 8a) shall include activities intended to enable the Transferee to comply with its obligations to maintain the Irrigation Infrastructure as well as to

improve its functionality and effectiveness.

- c) The Transferee shall submit the draft Maintenance and Investment Plan to the Transferor by [day/month] each year for its approval or such other date as is agreed by the parties, together with a copy of its most recent financial statements.

## **9. The substantive obligations of the Transferee regarding the maintenance of the Irrigation Infrastructure**

- a) The Transferee shall maintain the Irrigation Infrastructure with the general objective of ensuring that the Irrigation Infrastructure is in a sound and usable condition such that it will enable the Transferee to provide water in a fair and equitable manner to its members in a sustainable manner.
- b) To comply with the objective described in paragraph 9a) the Transferee shall:
  - i) Preserve the carrying-capacity and water-tightness of water conveyances (canals, drains and pipelines) by cleaning sediment deposits and vegetation, maintaining embankments, repairing cracks and joints and replacing damaged and leaking sections of canal lining or pipe-work;
  - ii) Preserve the operational capacity and water-tightness of water control structures and valves by greasing, protecting from corrosion, repairing and replacing seals and control mechanisms as necessary and repairing structural elements;
  - iii) Maintain adequate vehicular access routes to all infrastructure elements for routine operation as well as for attendance at emergencies;
  - iv) Undertake routine maintenance, as specified by the manufacturer, of electrical-mechanical equipment (including pump stations), and shall repair or replace worn and damaged components as necessary to ensure effective continued operation;
  - v) Maintain buildings and other structures in a sound weatherproof and functional condition and shall paint exposed woodwork at no less than five yearly intervals as well as maintaining fences and boundary walls relating to the Irrigation Infrastructure;
  - vi) Maintain and provide measures to secure the safety of operators and users of all components of the Irrigation Infrastructure, with particular attention to the health and safety aspects of electro-mechanical equipment and electrical wiring.
- c) The Transferee shall, in addition, undertake the Irrigation Infrastructure specific maintenance tasks specified in Schedule 6 of this Agreement.
- d) In undertaking maintenance works the Transferee shall comply with all applicable legislation including environmental protection legislation.
- e) The Transferee shall maintain a full record of maintenance undertaken in respect of the Irrigation Infrastructure and shall provide information concerning to the maintenance of the Irrigation Infrastructure to the Transferor at the written request of the latter.

## **10. Prevention of encroachment**

The Transferee shall take all reasonable measures to prevent unauthorised encroachment on the Irrigation Infrastructure including any adjacent land, as described in Schedule 2.

## **11. Costs of operating and maintaining the Irrigation Infrastructure**

The Transferee is entirely responsible for paying the costs of operating and maintaining the Irrigation Infrastructure.

## **12. Inspection of the Irrigation Infrastructure**

- a) The Transferor through its duly authorized officers may inspect the Irrigation Infrastructure periodically to ensure that it is correctly operated and maintained.
- b) The Transferor acting through a duly authorized officer may order the Transferee to undertake specific works where this is necessary, including:
  - i) ensure the proper maintenance of the Irrigation Infrastructure;
  - ii) prevent damage or harm to the Irrigation Infrastructure;
  - iii) prevent damage to state property or the property of third persons;
  - iv) all in the public interest.
- c) The Transferee shall promptly comply with a notice under the previous clause 12a).

## **13. Modification of the Irrigation Infrastructure**

The Transferee shall not modify, reconstruct or improve the Irrigation Infrastructure without the written agreement of the Transferor, such agreement not to be unreasonably withheld.

## **14. Improvements to the Irrigation Infrastructure**

The Transferor will as far as practicable assist the Transferee in rehabilitating or improving the Irrigation Infrastructure, either through the direct provision of funding and technical support or by facilitating the provision of such funding and support by non-governmental national or international organisations and/or other supporting agencies or bodies.

## **15. Notices**

Any notices required to be given under this Agreement shall be in writing and shall be sent by mail or delivered by hand to the address of the relevant Party set out at the head of this Agreement.

## **16. Amendment of the Agreement**

This Agreement may only be amended in writing signed by the duly authorised representatives of the Parties.

## **17. Termination of the Agreement**

This Agreement may only be terminated on the basis of a decision of the Council of Ministers of XXXX Regional State on the grounds that:

- a) The Transferee has consistently breached the provisions of this Agreement thereby causing a risk of serious harm to the Irrigation Infrastructure, property and/or human life;
- b) The Transferee has been placed in liquidation; or

c) On other grounds provided by law.

### **18. Dispute resolution**

Disputes between the Transferor and Transferee, including those that relate to amendment and termination of the Agreement shall be resolved by the mutual agreement of the Parties. In case mutual agreement cannot be achieved, disputes shall be resolved by the courts in accordance with the procedure provided for by law.

### **19. Renewal of the Agreement**

Not less than twelve months before the expiry of this Agreement the Transferee may request the Transferor to enter into a new Agreement which shall be in substantially the same terms as this Agreement.

### **20. The status of the Schedules**

The Schedules to this Agreement form an integral part of this Agreement.

Agreed by the Parties through their authorised signatories

For and on behalf of the Transferor

For and on behalf of the Transferee

Name of Representative

Name of Representative

Signature

Signature

(Seal)

(Seal)

### **Attachments:**

**Schedule 1:** Full description of the Irrigation Infrastructure and plan

**Schedule 2:** Inventory of condition

**Schedule 3:** Irrigation Infrastructure Specific Operating Rules (if any)

**Schedule 4:** Irrigation Infrastructure Specific Maintenance Rules (if any)



## **ANNEX 2: MODELS FOR BY-LAWS**

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### **Model 1. By-laws for IWUAs in which members are represented at General Assembly meetings through unit representatives**

#### **GENERAL PROVISIONS**

##### **1. Establishment of the Irrigation Water Users' Association**

The \_\_\_\_\_ Irrigation Water User' Association (hereafter 'the Association') is hereby established in accordance with Proclamation to Provide for the Establishment of Irrigation Water Users' Associations No X/20XX.

The Association is not responsible for the liabilities of its members. The Association is responsible for its own liabilities through its own assets.

##### **2. Address**

The address of the registered office of the Association is \_\_\_\_\_.

##### **3. Service Area**

- a) The Service Area of the Association consists of the land area of \_\_\_\_\_ hectares, described in the attached plan.
- b) The Service Area of the Association is divided into \_\_\_ units as described in the attached plan.

Unit 1 comprises land [supplied with water by x canal].

Unit 2 comprises land [supplied with water by y canal]

Unit 3 comprises land [supplied with water by z canal].

[List additional units and composition as required]

#### **PURPOSE AND TASKS OF THE ASSOCIATION**

##### **4. Purpose of the Association**

The purpose of the Association is to manage to manage the irrigation and drainage system within its Service Area in order to provide water to its members for agricultural purposes.

##### **5. Tasks of the Association**

The tasks of the Association are to:

- a) manage and operate the irrigation and drainage system within the Service Area in order to supply irrigation and drainage services to the members of the Association;
- b) maintain, rehabilitate and improve the irrigation and drainage system within its Service Area and to undertake construction and reconstruction works as necessary;
- c) take measures to combat erosion, pollution, salinization and flooding and to promote water saving practices;

- d) establish internal regulations for irrigation water consumption and to collect fees from the members of the Association for the services provided;
- e) procure, substitute, operate and maintain irrigation equipment; and to train the members of the Association in irrigation techniques, aspects of irrigated agriculture, water saving methods and new technology.

## **6. Association activities**

In order to fulfill its tasks, the Association shall:

- a) prepare and implement plans for the operation and maintenance of the irrigation and drainage system within the Service Area;
- b) monitor the implementation of the plans;
- c) develop a water distribution schedule for a fair distribution of water proportionate to the land area owned or used and the cropping pattern;
- d) settle irrigation disputes between members with mutual understanding and cooperation;
- e) collect fees to cover the costs of the Association including the costs of water supply;
- f) undertake annual maintenance of the irrigation and drainage system and associated infrastructure;
- g) plan the rehabilitation and modernization of the irrigation and drainage system within its Service Area in order to reduce water losses and increase efficiency and take measures to implement such a plan as reasonable possible;
- h) prepares annual budget and reports;
- i) maintains accounts in accordance with the provisions of these by-laws and the applicable legislation;
- j) undertake other lawful activities reasonably necessary to achieve its purpose and tasks.

## **PROVISIONS REGARDING MEMBERS OF THE ASSOCIATION**

### **7. Members of the Association**

- a) Every natural or legal person who, on the basis of a land holding right, uses land located within the Service Area of the Association shall be a member of the Association.
- b) Every natural or legal person who uses land located within the Service Area of the Association on the basis of a lease:
  - i. of more than three years duration shall be a member of the Association;
  - ii. of up to three years may, on the written authorization of the lessor, exercise the rights of the latter and shall in any event comply with the these by-laws and any regulations adopted pursuant to them.
- c) A member who ceases to use land located within the Service Area of the Association on the basis of a land holding right or on the basis of a lease of more than three years duration shall, on notifying that Association in writing, cease to be a member, save that he shall remain personally liable for all outstanding fees due to the Association at the date on which his membership ends.

- d) A person who acquires a land holding right over land located within in the Service Area of the Association on the basis of succession or any other legal basis shall automatically become a member.

#### **8. Procedure for ending membership status**

- a) A person who no longer holds the right to use land located within the Service Area of the Association shall apply in writing to the Management Committee to have his name removed from the Register of Members.
- b) An application pursuant to paragraph 1) of this Article shall be accompanied by proof that the applicant no longer holds a use right in respect of the land located within the Service Area.
- c) If it is satisfied that the applicant no longer holds land located within the Service Area, the Management Committee shall remove the name of the applicant from the Register of Members and shall record as the date on which application was received as the date on which the applicant's membership terminated.

#### **9. Procedure for recording the acquisition of membership status**

- a) A person who acquires the right to use land located within the Service Area of the Association shall apply in writing to the Management Committee to have his name added to the Register of Members.
- b) An application pursuant to paragraph 1) of this Article shall be accompanied by proof that the applicant has acquired the right to use right in respect of the land located within the Service Area.
- c) If it is satisfied that the applicant has acquired the right to use land located within the Service Area, the Management Committee shall add the name of the applicant to the Register of Members and shall record the date on which the applicant acquired the right to use the land as the date upon which he became a member of the Association.

## **RIGHTS AND DUTIES OF ASSOCIATION MEMBERS**

#### **10. Rights of members**

Every member of the Association has the right:

- a) to a fair share of the irrigation water distributed by the Association;
- b) to benefit from other services provided by, or through, the Association;
- c) to stand for election to the bodies of the Association providing no outstanding fees are due to the Association;
- d) to propose agenda items for discussion at General Assembly meetings;
- e) to nominate and to vote for candidates in elections to the bodies of the Association;
- f) to receive compensation from the Association if he suffers damage to his crops or land as a result of the deliberate or negligent act of any employee of the Association or as a result of operation and maintenance activities undertaken by the Association on that land;
- g) to inspect, during working hours at the offices of the Association, the Association's records and to be provided, on request, with information regarding the Association's accounts and operation and management plans.

## **11. Duties of members**

Every member of the Association must:

- a) observe these by-laws and any internal regulations adopted by the General Assembly of the Association;
- b) promptly pay any fees levied in accordance with these by-laws and the Proclamation;
- c) use irrigation water only in accordance with the Association's watering schedule;
- d) to pay the repair or replacement costs of any equipment or infrastructure of the Association which is damaged as a result his deliberate or negligent act;
- e) provide relevant information on request to the Association about his use of land and water;
- f) allow employees of the Association, as well as external service providers contracted by the Association, on to his land, with machines and equipment as necessary, in order to undertake works concerning the operation and maintenance of the irrigation system;
- g) participate in all activities related to cleaning and repairing the irrigation and drainage system;
- h) comply with applicable technical rules concerning the operation and maintenance of the irrigation and drainage system.

## **THE BODIES OF THE ASSOCIATION**

### **12. Bodies of the Association**

The Bodies of the Association are:

- a) the General Assembly which is the supreme management body of the Association;
- b) the Management Committee which is responsible to the General Assembly for overseeing the correct operation and management of the Association;
- c) the Control Committee which is the oversight body of the Association and is responsible to the General Assembly; and
- d) Optional: the Dispute Resolution Commission which is responsible for resolving disputes among members of the Association.

## **THE GENERAL ASSEMBLY**

### **13. The General Assembly**

- a) A meeting of elected Unit Representatives held in accordance with these by-laws constitutes the General Assembly of the Association.
- b) Members of the Association who are not Unit Representatives may attend meetings of the General Assembly but shall not have the right to vote.
- c) On the decision of the Management Committee, persons who are not members of the Association may be invited to take part in the proceedings of the General Assembly. The invitees may take part in the debates but do not have voting rights.

### **14. Allocation of Unit Representatives**

#### **Option A**

Each Unit shall be entitled to elect [two] Unit Representatives the General Assembly.

### **Option B**

Each Unit is allocated one Unit Representative in proportion to its size in accordance with the following rules:

- a) Each Unit shall be entitled to elect [*two*] Unit Representative for every [*ten*] hectares, except that no Unit is entitled to elect more than [*ten*] representatives;
- b) An Unit of less than ten hectares in size but which contains the land of more than [*ten*] members may elect [*two*] Unit Representatives to the General Assembly.

## **15. Term of office of Unit Representatives**

### **Option A**

Each Representative shall serve for a term of [*three*] years.

### **Option B**

Every time a meeting of the General Assembly is called, each Unit shall elect Unit Representatives to represent it in accordance with Article 14 of these by-laws.

## **16. Election of Unit Representatives**

### **Option A**

- 1) The election of Unit Representatives shall take place by show of hands. In such elections each member of the Association who uses land within the relevant Unit pursuant to a land holding right has one vote irrespective of the size of his land plot within that Unit.

### **Option B**

- 1) The Election of Unit Representatives shall take place by secret ballot. In such elections each member of the Association who owns or uses land within the relevant Unit shall have one vote irrespective of the size of his land plot within that Unit.

### **Option C**

- 1) The Election of Unit Representatives shall take place by secret ballot. In such elections each member of the Association who uses land pursuant to a landholding right within the relevant Unit shall be allocated votes proportionally to the size of his/her land plot within that Unit in accordance with the following table:

Up to 2 hectares ('has') 1 vote

From 2 ha to 3 ha 2 votes

From 3 ha 5 ha 3 votes

From 5 ha to 8 4 votes

From 8 ha to 12 ha 5 votes

From 12 ha to 16 ha 6 votes

From 16 ha to 20 ha 7 votes

From 20 ha to 25 ha 8 votes

Above 25 ha 9 votes

- 2) No single member shall hold more than 20% of the total number of votes cast in that Unit.
- 3) The number of votes held by each member shall be recorded in the Register of Members.
- 4) The right of each member to vote is dependent on that member not being in arrears with any fees due to the Association.

- 5) Additional conditions for the election of Representatives may be specified in Regulations issued by the General Assembly of the Association.
- 6) Each Unit must promptly inform the Management Committee of the name of its Representatives.

### **17. The calling of the General Assembly**

- a) The Management Committee shall, no later than [30] days before each meeting of the General Assembly:
  - i. give every Representative notice of the meeting; and
  - ii. display a notice of the meeting at the Association's address, at the local kebele offices and other public places in the vicinity as will enable Association members to be aware that the meeting will take place.
- b) Every notice referred in paragraph 1) of this article must indicate the date, time and place of the General Assembly meeting and the draft agenda.
- c) The Management Committee shall enable the members of the Association access to materials to familiarize themselves with all materials prepared according to the draft agenda of the meeting [20] days prior to the date of the General Assembly meeting.
- d) Unit Representatives must, at least [14] days prior to the date of the General Assembly, discuss the draft agenda and proposals for the inclusion of additional items onto the agenda with the members they represent.
- e) Unit Representative must forward to the Management Committee additional proposals for inclusion into the agenda, including, as appropriate, nominations for elections to the Association's Management Committee and/or Committees no later than [7] days prior to date of the General Assembly meeting.

### **18. Allocation of votes at meetings of the General Assembly**

Each Representative has one vote at meetings of the General Assembly.

### **19. Exclusive functions of the General Assembly**

The exclusive functions of the General Assembly are:

- a) to approve the annual budget and financial plan and operation and maintenance plan for the irrigation and drainage system;
- b) to elect the members of the Management Committee, the Control Committee and the Dispute Resolution Commission if there is one;
- c) to approve the internal regulations of the Association including the level of fines and penalties;
- d) to set the level of fees payable by Association members;
- e) to approve the annual, income and expenditure statement and balance sheet as well as the Management Committee's annual report; to amend these by-laws and the borders of the Service Area;
- f) to take decisions on the re-organization or liquidation of the Association;

- g) to approve the sale, purchase, mortgaging or pledging of any assets owned by the Association or the issuing of bonds or other financial instruments and the conclusion of loans, overdrafts or other financial liabilities by the Association or the specification of limits thereto;
- h) to approve investments which the Association intends to make, including investments in the construction and rehabilitation of the irrigation and drainage system; and to approve contracts above the value of [XXX] birr or which represent more than 10% of the annual spending of the Association;
- i) any other matter for which the approval of the General Assembly is required by these by-laws.

## **20. Proceedings of the General Assembly**

- a) A regular meeting of the General Assembly shall be summoned at least [once] a year by the Management Committee.
- b) Special meetings of the General Assembly may be convened by the Management Committee at its discretion and must be convened by the Management Committee within 35 days of receipt a written request of not less than 20% of the Association's members. In the case of an emergency, a meeting can be called as soon as possible.
- c) A meeting of the General Assembly is quorate provided more than [50 %] of Unit Representatives are present. An in-quorate meeting shall be adjourned for a period of no more than [ten] days.
- d) Meetings of the General Assembly shall be chaired by the Chairman of the Management Committee or in his absence the Deputy Chairman of the Management Committee.

### **Option A**

Decisions of the General Assembly shall be made by show of hands, unless more than fifty percent of voters vote by show of hands for a secret ballot.

### **Option B**

Decisions of the General Assembly shall take place by show of hands, save that elections to the Management Committee shall take place by secret ballot.

### **Option C**

- 1) Decisions of the General Assembly shall take place by secret ballot.
- 2) Decisions concerning amendments to these by-laws and the liquidation of the Association are determined by a two-thirds majority of votes cast. Decisions on other questions are determined by a simple majority of votes cast.
- 3) Minutes of all General Assembly meetings must be kept by the Secretary of the Management Committee. The minutes must be signed by the Chairman and the Secretary and maintained in the Association's Record of the minutes of the General Assembly.
- 4) Following each meeting of the General Assembly each Unit Representative shall report to the Association members he represents on the outcome of the meeting.



## THE MANAGEMENT COMMITTEE OF THE ASSOCIATION

### 21. Tasks of the Management Committee

The tasks of the Management Committee of the Association are:

- a) to ensure the implementation of the decisions of the General Assembly;
- b) to ensure the implementation of the budget and work plan;
- c) to monitor the performance of the Association;
- d) to approve the conclusion of contracts in compliance with the approved budget and the work plan;
- e) to elect its Chairman and Deputy Chairman from among its members;
- f) to prepare the agenda for, and convening the meetings of, the General Assembly;
- g) to prepare the draft budget, work plan, annual report, internal regulations and other documents for approval by the General Assembly;
- h) to ensure that the Association's financial and accounting procedures are followed; and
- i) such other matters as may be determined by the General Assembly or specified in these by-laws or by law.

### 22. Composition of the Management Committee

- a) The Management Committee of the Association consists of (*five to twelve*) members of the Association elected by the General Assembly.
- b) The Management Committee shall elect a Chairman, a Deputy Chairman, a Treasurer and a Secretary from among its members.
- c) A member of the Association who wishes to stand for election to the Management Committee must submit a written application to the Management Committee at least 21 days before a meeting of the General Assembly at which the elections will take place.
- d) Members of the Management Committee shall be elected for a term of [four] years. Retiring Members of the Management Committee may stand for re-election.
- e) Immediately before the [first] regular meeting of the General Assembly following the approval of these by-laws [two] members of the Management Committee must retire from their positions. Thereafter elections to those positions are held every four years. Immediately before the [second] regular meeting of the General Assembly following the approval of these by-laws [two] further members of the Management Committee must retire from their positions. Thereafter elections to those positions are held every four years. Immediately before the [third] regular meeting of the General Assembly following the approval of these by-laws the remaining members of the Management Committee must retire from their positions. Thereafter elections to those positions are held every four years.
- f) Members of the Association who are in arrears with the payment of fees due to the Association or have any other debts to the Association (including penalties) do not have the right to stand for election or re-election to the Management Committee.
- g) The Members of the Management Committee shall at all times act in the best interests of the Association as a whole and shall not unfairly favor one group of Association members at the expense of another group.



### **23. Meetings of the Management Committee**

- a) The Management Committee shall meet at least once every month and its meetings shall be called by the Chairman or as agreed at the previous session.
- b) The Chairman may call additional meetings of the Management Committee as necessary and must call such meetings at the request of one third of the Management Committee members.
- c) A meeting of the Management Committee is quorate provided more than two third of its members are present.
- d) Decisions of the Management shall be taken by consensus but if consensus cannot be reached they shall be taken by a simple majority of the votes cast. Minutes of all meetings of the Management Committee must be kept by the Secretary, signed by the Chairman and maintained in the Association's Record.

### **24. Powers and duties of the Chairperson of the Management Committee**

- a) The Powers and Duties of the Chairperson are to:
- b) Call and chair the meetings of the Management Committee and to chair the meetings of the General Assembly;
- c) Represent the Association in relationships with third persons in accordance with these by-laws;
- d) Sign contracts and other legal documents in accordance with resolutions of the Management Committee; and
- e) Undertake other tasks specified in these by-laws.

### **25. The Deputy Chairman and other elected officials**

- a) The Deputy Chairman of the Management Committee shall undertake the tasks of the Chairman of the Management Committee when the latter is unable to do so for objective reasons.
- b) The Secretary shall assist the Chairman in preparing the meetings of the Management Committee, shall ensure that accurate minutes are taken of the meetings of the Management Committee and the General Assembly and that the books and records of the Association are correctly maintained.
- c) The Treasurer shall be responsible for ensuring that the accounts of the Association are properly maintained and the preparation of draft budgets.

## **THE CONTROL COMMITTEE**

### **26. Membership of the Control Committee**

- a) The Control Committee consists of three members who shall be elected by the General Assembly from among the members of the Association for a three-year term.
- b) A member of the Control Committee may not at the same time be a member of the Management Committee or the Dispute Resolution Committee.
- c) The members of the Control Committee shall elect one of their members to be the Chairperson of the Control Committee.

## **27. Tasks of the Control Committee**

- a) The Control Committee shall inspect the balance sheet, accounting records, inventory and reconciliation of bank accounts of the Association at least once a year and may undertake additional inspections on its own initiative.
- b) The Control Committee shall undertake additional inspections:
  - i. on the basis of a decision of the General Assembly;
  - ii. on the basis of a decision by no less than one third of the total amount of members of the Management Committee.
- c) The Management Committee of the Association and any employee of the Association shall ensure that all the records and accounts are placed at the disposal of the Control Committee and must fully cooperate with its inspections and enquiries.
- d) If the Control Committee finds evidence of accounting irregularities or malpractice it shall promptly inform the Chairperson of the Management Committee who shall in turn ensure that the Control Committee can present its findings at the next meeting of the Management Committee.
- e) The Control Committee shall present an annual signed report to the Management Committee and the General Assembly in which it shall set out its conclusions and recommendations regarding the financial management of the Association. If a Committee member disagrees with the conclusions and recommendations in the annual report, that member shall prepare a minority report that describe out the areas of and reasons for disagreement. Both reports must then be submitted to the General Assembly.

## **DISPUTE RESOLUTION COMMITTEE [OPTIONAL]**

### **28. Dispute Resolution Committee**

- a) Conflicts between members of the Association regarding issues relating to water use and water distribution are resolved by the Dispute Resolution Committee of the Association.
- b) The Dispute Resolution Committee consists of five members elected by the General Assembly from among the members of the Association for a period of [XXXX] years. The members of the Dispute Resolution Commission shall elect a Chairperson from among their members.
- c) A member of the Dispute Resolution Commission may not at the same time be a member of the Management Committee or the Control Committee.

### **29. Dispute resolution procedure**

- a) A member of the association who alleges that another member has violated the Association's water distribution schedule or who has in any other way failed to comply with the internal regulations of the Association may lodge a written complaint with the Chairperson of the Dispute Resolution Committee.
- b) After accepting the complaint the Chairperson shall promptly:
  - i. inspect the source of the complaint;
  - ii. call a hearing of the Dispute Resolution Committee and in any event not later than two days following receipt of the complaint.

- c) Both parties to the dispute shall attend the hearing, which shall be held in public and chaired by the Chairperson of the Committee. Another member of the Association may represent a party to the dispute in the event that that party cannot personally attend.
- d) The Committee shall hear evidence from both parties to the dispute, which may include documentary evidence. The Committee may also undertake inspections as considered necessary and shall announce its findings within two days of the hearing.
- e) If the Dispute Resolution Committee considers that the complaint is false it shall dismiss the complaint.
- f) If the Committee is satisfied that the complaint is true it may take a decision to give a warning to the unsuccessful party or impose sanctions in accordance with article 41 of these by-laws. A decision of the Commission to impose sanctions may be appealed to the General Assembly.
- g) The Dispute Resolution Commission shall submit an annual report on its activities to the General Assembly.

## **COMMON PROVISIONS OF ELECTED OFFICIALS OF THE ASSOCIATION**

### **30. Removal of elected officials of the Association**

- a) The General Assembly may remove any member of the Management Committee, including the Chairperson, and any member of the Control Committee or the Dispute Resolution Committee from office before the expiry of the term for which he was elected on one of the following grounds:
  - i. grave dereliction of duty;
  - ii. repeated failure to attend scheduled meetings;
  - iii. conviction of a criminal offence.
- b) In the event that the General Assembly removes a member of the Management Committee, the Control Committee or the Dispute Resolution Commission from office, it must appoint a replacement at the same meeting.

### **31. Status of elected officials of the Association**

- a) The members of the Management Committee, the Control Committee and the Dispute Resolution Committee, including their respective Chairpersons are not employees of the Association and do not receive a salary.
- b) In accordance with a decision of the General Assembly, the members of the Management Committee, the Control Committee and the Dispute Resolution Committee may be reimbursed their reasonable expenses relating to their attendance at meetings and the performance of their functions within the limits provided by the budget.

## **THE EMPLOYEES OF THE ASSOCIATION**

### **32. Employees of the Association**

- a) In order to ensure the performance by the Association of its tasks the Management Committee may, in accordance with the Association's budget, employ a Director, an Accountant and/or other employees on the basis of labor contracts.
- b) The Director, Accountant and other employees of the Association do not have the right to stand for election to the Management Committee, the Control Commission or the Dispute Resolution Committee.

### **33. Tasks of the Director** OPTIONAL ARTICLE IF AN ASSOCIATION EMPLOYS A DIRECTOR

- a) The Director is responsible to the Management Committee for the routine performance by the Association of its tasks.
- b) The duties of the Director are:
  - i. to be responsible for the day to day management of the Association;
  - ii. to implement decisions made by the Management Committee;
  - iii. to prepare a draft annual budget and water distribution schedule for consideration by the Management Committee;
  - iv. to prepare a draft annual balance sheet, reports on income and expenditure and other documents for consideration by the Management Committee;
  - v. to organize the collection of fees;
  - vi. to ensure technical inspection of the irrigation and drainage system;
  - vii. to manage the employees of the Association and to ensure the correct performance by them of their tasks and duties;
  - viii. to prepare draft contracts for approval by the Management Committee;
  - ix. to conclude contracts up to limits set by the Management Committee in accordance with the approved budget and work plan of the Association;
  - x. to prepare draft regulations for the consideration of the Management Committee and the approval of the General Assembly;
  - xi. to issue instructions and orders which must be fulfilled by all hired staff;
  - xii. to maintain the records and registers of the Association; and
  - xiii. to fulfill other tasks specified by the Management Committee in accordance with the terms of his employment contract.
- c) The Director must attend meetings of the Management Committee if invited but shall not have a vote.

### **34. Accountant** OPTIONAL ARTICLE IF AN ASSOCIATION EMPLOYS AN ACCOUNTANT

- a) The Accountant shall be engaged by the Management Committee and shall reports to the Management Committee when it meets. At other times the Accountant shall report to the Director.
- b) The tasks of the Accountant are to accurately maintain the books and records and to prepare balance sheets and financial reports of the Association.
- c) The precise tasks of the Accountant are specified in his employment contract.

### **35. Other employees**

#### **Option A**

Other employees of the Association are engaged by the Management Committee.

#### **Option B**

Other employees of the Association are engaged by the Director in accordance with the budget and work-plan.

## **ASSOCIATION FINANCES AND PROPERTY**

### **36. Income of the Association**

- a) The sources of income of the Association are:
  - i. the irrigation service fee payable by Association members;
  - ii. gifts or grants;
  - iii. available subsidies;
  - iv. interest on outstanding fees due to the Association;
  - v. interest on any money held in the Association's bank account;
  - vi. the proceeds of fines and other sanctions of a pecuniary nature imposed by the Association;
- b) Any surplus funds accumulated at the end of the financial year must be retained within the Association and must not be distributed among the Association members.

### **37. Irrigation service fee**

Every member shall pay an irrigation service fee to cover the costs of the Association which include:

- a) costs of undertaking annual maintenance of the irrigation and drainage system and preparing it for the forthcoming irrigation season, including the costs of cleaning any drainage ditches;
- b) service providers;
- c) salaries of employees and other fixed costs of the Association;
- d) cost of energy, maintenance and repair of the Association's irrigation pumps(s). (*optional for pump-fed irrigation and drainage*)
- e) the need to make provision to the Association's reserve fund.

#### **Option A**

The amount of irrigation service fee payable by each member shall be calculated by reference to the size of the land plot of that member in proportion to the total size of the Service Area.

#### **Option B**

The irrigation service fee payable by each member shall be calculated by reference to number of (*irrigation turns*) OR (*amount of water*) provided to each member and in proportion of the size of the land plots of each member to the total size of the service area.

### **Option C**

- 1) The irrigation service fee payable by each member shall be calculated by reference to the type of crops grown by each member number and in proportion of the size of the land plots of each member to the total size of the service area.
- 2) Every Member shall in addition provide labor *in lieu* of an element of the irrigation service fee.

### **38. Sanctions**

- a) If an Association member fails to pay the irrigation service fee due to the Association by the specified date, this member must also pay a penalty fine at a rate of *0.05 % of the original debt for each day of delay*, or some other rate specified by the General Assembly
- b) The Management Committee of the Association or the Dispute Resolution Commission may impose a penalty fine as specified in the internal rules approved by the General Assembly, on any member who interferes with the delivery of water or breaches any provision of these by-laws or any internal regulation regulations made by the General Assembly.
- c) If a member repeatedly incurs penalty fines the Management Committee may suspend the delivery of water to that member.
- d) A decision to impose a sanction may be appealed to the court of appropriate jurisdiction.

## **RECORDS**

### **39. Association Records**

The Association shall maintain the following documents:

- a) plan showing the Service Area;
- b) register of members, which shall contain a description of the size and location of each member's landholding, and which should be reviewed and updated as necessary;
- c) register of fees owed paid and paid;
- d) register containing the minutes of the meetings of the General Assembly and Management Committee;
- e) register of transactions and contracts;
- f) inventory of assets;
- g) register of inspections and surveys of the irrigation and drainage system used by the Association;
- h) financial accounts and records.

### **40. Association Accounts**

- a) The Association shall keep accounts of receipts and expenditure and the Management Committee shall be responsible for the preparation of an annual income and expenditure statement.
- b) The income and expenditure statement shall be examined by the Control Committee and approved by the General Assembly.
- c) The fiscal year is [XXXX]

## **LIQUIDATION OF THE ASSOCIATION**

### **41. Dissolution of the Association**

- a) The General Assembly may, by a two thirds majority of votes cast resolve to dissolve the Association on the grounds that:
  - a) the purpose for which it was established no longer exist; or
  - b) the purpose for which it was established can no longer be practically fulfilled; or
  - c) its continued existence is no longer required for any other reasons.
- b) Following the adoption by the General Assembly of a resolution to dissolve the Association the Management Committee shall submit an application to the Supervising Body.

### **45. Procedure for Liquidation**

- a) If so directed by the Supervising Body, the Management Committee shall be responsible for the liquidation of the Association.
- b) Until such time as the liquidation is concluded, the provisions of these by-laws shall continue to apply to the Association and its members.
- c) The General Assembly shall decide by simple majority on the use of the remaining Association assets following the complete liquidation. Such a decision shall require the approval of the Supervisory Body.

## **Model 2. By-laws for IWUAS in which all members participate directly in the General Assembly meetings**

### **GENERAL PROVISIONS**

#### **1. Establishment of the Irrigation Water Users' Association**

The \_\_\_\_\_ Irrigation Water User' Association (hereafter 'the Association') is hereby established in accordance with Proclamation to Provide for the Establishment of Irrigation Water Users' Associations No X/20XX.

The Association is not responsible for the liabilities of its members. The Association is responsible for its own liabilities through its own assets.

#### **2. Address**

The address of the registered office of the Association is \_\_\_\_\_.

#### **3. Service Area**

The Service Area of the Association consists of the land area of \_\_\_\_\_ hectares, described in the attached plan.

### **PURPOSE AND TASKS OF THE ASSOCIATION**

#### **4. Purpose of the Association**

The purpose of the Association is to manage to manage the irrigation and drainage system within its Service Area in order to provide water to its members for agricultural purposes.

#### **5. Tasks of the Association**

- a) to manage and operate the irrigation and drainage system within the Service Area in order to supply irrigation and drainage services to the members of the Association;
- b) to maintain, rehabilitate and improve the irrigation and drainage system within its Service Area and to undertake construction and reconstruction works as necessary;
- c) to take measures to combat erosion, pollution, salinization and flooding and to promote water saving practices;
- d) to establish internal regulations for irrigation water consumption and to collect fees from the members of the Association for the services provided;
- e) to procure, substitute, operate and maintain irrigation equipment; and to train the members of the Association in irrigation techniques, aspects of irrigated agriculture, water saving methods and new technology.



## **6. Association activities**

In order to fulfill its tasks, the Association shall:

- a) prepare and implement plans for the operation and maintenance of the irrigation and drainage system within the Service Area;
- b) monitor the implementation of the plans;
- c) develop a water distribution schedule for a fair distribution of water proportionate to the land area owned or used and the cropping pattern;
- d) settle irrigation disputes between members with mutual understanding and cooperation;
- e) collect fees to cover the costs of the Association including the costs of water supply;
- f) undertake annual maintenance of the irrigation and drainage system and associated infrastructure;
- g) plan the rehabilitation and modernization of the irrigation and drainage system within its Service Area in order to reduce water losses and increase efficiency and take measures to implement such a plan as reasonable possible;
- h) prepares annual budget and reports;
- i) maintains accounts in accordance with the provisions of these by-laws and the applicable legislation;
- j) undertake other lawful activities reasonably necessary to achieve its purpose and tasks.

## **PROVISIONS REGARDING MEMBERS OF THE ASSOCIATION**

### **7. Members of the Association**

- a) Every natural or legal person who, on the basis of a land holding right, uses land located within the Service Area of the Association shall be a member of the Association.
- b) Every natural or legal person who uses land located within the Service Area of the Association on the basis of a lease:
  - i) of more than three years duration shall be a member of the Association;
  - ii) of up to three years may, on the written authorization of the lessor, exercise the rights of the latter and shall in any event comply with the these by-laws and any regulations adopted pursuant to them.
- c) A member who ceases to use land located within the Service Area of the Association on the basis of a land holding right or on the basis of a lease of more than three years duration shall, on notifying that Association in writing, cease to be a member, save that he shall remain personally liable for all outstanding fees due to the Association at the date on which his membership ends.
- d) A person who acquires a land holding right over land located within in the Service Area of the Association on the basis of succession or any other legal basis shall automatically become a member.

### **8. Procedure for ending membership status**

- a) A person who no longer holds the right to use land located within the Service Area of the Association shall apply in writing to the Management Committee to have his name removed from the Register of Members.

- b) An application pursuant to paragraph 1) of this Article shall be accompanied by proof that the applicant no longer holds a use right in respect of the land located within the Service Area.
- c) If it is satisfied that the applicant no longer holds land located within the Service Area, the Management Committee shall remove the name of the applicant from the Register of Members and shall record as the date on which application was received as the date on which the applicant's membership terminated.

#### **9. Procedure for recording the acquisition of membership status**

- a) A person who acquires the right to use land located within the Service Area of the Association shall apply in writing to the Management Committee to have his name added to the Register of Members.
- b) An application pursuant to paragraph 1) of this Article shall be accompanied by proof that the applicant has acquired the right to use right in respect of the land located within the Service Area.
- c) If it is satisfied that the applicant has acquired the right to use land located within the Service Area, the Management Committee shall add the name of the applicant to the Register of Members and shall record the date on which the applicant acquired the right to use the land as the date upon which he became a member of the Association.

### **RIGHTS AND DUTIES OF ASSOCIATION MEMBERS**

#### **10. Rights of members**

Every member of the Association has the right:

- a) to a fair share of the irrigation water distributed by the Association;
- b) to benefit from other services provided by, or through, the Association;
- c) to stand for election to the bodies of the Association providing no outstanding fees are due to the Association;
- d) to propose agenda items for discussion at General Assembly meetings;
- e) to nominate and to vote for candidates in elections to the bodies of the Association;
- f) to receive compensation from the Association if he suffers damage to his crops or land as a result of the deliberate or negligent act of any employee of the Association or as a result of operation and maintenance activities undertaken by the Association on that land;
- g) to inspect, during working hours at the offices of the Association, the Association's records and to be provided, on request, with information regarding the Association's accounts and operation and management plans.

#### **11. Duties of members**

Every member of the Association must:

- a) observe these by-laws and any internal regulations adopted by the General Assembly of the Association;
- b) promptly pay any fees levied in accordance with these by-laws and the Proclamation;
- c) use irrigation water only in accordance with the Association's watering schedule;
- d) to pay the repair or replacement costs of any equipment or infrastructure of the Association which is damaged as a result his deliberate or negligent act;

- e) provide relevant information on request to the Association about his use of land and water;
- f) allow employees of the Association, as well as external service providers contracted by the Association, on to his land, with machines and equipment as necessary, in order to undertake works concerning the operation and maintenance of the irrigation system;
- g) participate in all activities related to cleaning and repairing the irrigation and drainage system; and
- h) comply with applicable technical rules concerning the operation and maintenance of the irrigation and drainage system.

## **THE BODIES OF THE ASSOCIATION**

### **12. Bodies of the Association**

The Bodies of the Association are:

- a) General Assembly which is the supreme management body of the Association;
- b) Management Committee which is responsible to the General Assembly for overseeing the correct operation and management of the Association;
- c) Control Committee which is the oversight body of the Association and is responsible to the General Assembly; and
- d) [Optional] Dispute Resolution Commission which is responsible for resolving disputes among members of the Association.

## **THE GENERAL ASSEMBLY**

### **13. The General Assembly**

- a) A meeting of the members of the Association constitutes the General Assembly of the Association.
- b) On the decision of the Management Committee, persons who are not members of the Association may be invited to take part in the proceedings of the General Assembly. The invitees may take part in the debates but do not have voting rights.

### **14. The calling of the General Assembly**

- a) The Management Committee shall, no later than [XX] days before each meeting of the General Assembly display a notice of the meeting at the Association's address, at the local kebele offices and other public places in the vicinity as will enable Association members to be aware that the meeting will take place.
- b) Every notice referred in paragraph a) of this article must indicate the date, time and place of the General Assembly meeting and the draft agenda.
- c) The Management Committee shall enable the members of the Association access to materials to familiarize themselves with all materials prepared according to the draft agenda of the meeting [20] days prior to the date of the General Assembly meeting.
- d) Members shall forward to the Management Committee additional proposals for inclusion into the agenda, including, as appropriate, nominations for elections to the Association's Management Committee and/or Committees no later than [XX] days prior to date of the General Assembly meeting.

## **15. Allocation of votes at meetings of the General Assembly**

### **Option A**

Each member has one vote at meetings of the General Assembly irrespective to the size of his land plots in the Service area.

### **Option B**

Each member of the Association shall be allocated votes proportionally to the size of his land holding within the Service Area of the Association in accordance with the following table:

Up to 2 hectares	1 vote
From 2 ha to 3 ha	2 votes
From 3 ha 5 ha	3 votes
From 5 ha to 8 ha	4 votes
From 8 ha to 12 ha	5 votes
From 12 ha to 16 ha	6 votes
From 16 ha to 20 ha	7 votes

No single member shall hold more than 20% of total number of votes.

## **16. Exclusive functions of the General Assembly**

- a) to approve the annual budget and financial plan and operation and maintenance plan for the irrigation and drainage system;
- b) to elect the members of the Management Committee, the Control Committee and the Dispute Resolution Commission if there is one;
- c) to approve the internal regulations of the Association including the level of fines and penalties;
- d) to set the level of fees payable by Association members;
- e) to approve the annual, income and expenditure statement and balance sheet as well as the Management Committee's annual report; to amend these by-laws and the borders of the Service Area;
- f) to take decisions on the re-organization or liquidation of the Association;
- g) to approve the sale, purchase, mortgaging or pledging of any assets owned by the Association or the issuing of bonds or other financial instruments and the conclusion of loans, overdrafts or other financial liabilities by the Association or the specification of limits thereto;
- h) to approve investments which the Association intends to make, including investments in the construction and rehabilitation of the irrigation and drainage system; and to approve contracts above the value of [XXX] birr or which represent more than 10% of the annual spending of the Association;
- i) any other matter for which the approval of the General Assembly is required by these by-laws.

## **17. Proceedings of the General Assembly**

- a) A regular meeting of the General Assembly shall be summoned at least [once] a year by the Management Committee.
- b) Special meetings of the General Assembly may be convened by the Management Committee at its discretion and must be convened by the Management Committee within 35 days of receipt a written request of not less than 20% of the Association's members. In the case of an emergency, a meeting can be called as soon as possible.

- c) A meeting of the General Assembly is quorate provided more than [50 %] of members are present. An in-quorate meeting shall be adjourned for a period of no more than [ten] days.
- d) Meetings of the General Assembly shall be chaired by the Chairman of the Management Committee or in his absence the Deputy Chairman of the Management Committee.

#### **Option A**

Decisions of the General Assembly shall be made by show of hands, unless more than fifty percent of voters vote by show of hands for a secret ballot.

#### **Option B**

Decisions of the General Assembly shall take place by show of hands, save that elections to the Management Committee shall take place by secret ballot.

#### **Option C**

- 1) Decisions of the General Assembly shall take place by secret ballot.
- 2) Decisions concerning amendments to these by-laws and the liquidation of the Association are determined by a two-thirds majority of votes cast. Decisions on other questions are determined by a simple majority of votes cast.
- 3) Minutes of all General Assembly meetings must be kept by the Secretary of the Management Committee. The minutes must be signed by the Chairman and the Secretary and maintained in the Association's Record of the minutes of the General Assembly.
- 4) Following each meeting of the General Assembly each Unit Representative shall report to the Association members he represents on the outcome of the meeting.

## **THE MANAGEMENT COMMITTEE OF THE ASSOCIATION**

### **18. Tasks of the Management Committee**

- a) to ensure the implementation of the decisions of the General Assembly;
- b) to ensure the implementation of the budget and work plan;
- c) to monitor the performance of the Association;
- d) to approve the conclusion of contracts in compliance with the approved budget and the work plan;
- e) to elect its Chairman and Deputy Chairman from among its members;
- f) to prepare the agenda for, and convening the meetings of, the General Assembly;
- g) to prepare the draft budget, work plan, annual report, internal regulations and other documents for approval by the General Assembly;
- h) to ensure that the Association's financial and accounting procedures are followed; and
- i) such other matters as may be determined by the General Assembly or specified in these by-laws or by law.

### **19. Composition of the Management Committee**

- a) The Management Committee of the Association consists of (five to twelve) members of the Association elected by the General Assembly.

- b) The Management Committee shall elect a Chairman, a Deputy Chairman, a Treasurer and a Secretary from among its members.
- c) A member of the Association who wishes to stand for election to the Management Committee must submit a written application to the Management Committee at least 21 days before a meeting of the General Assembly at which the elections will take place.
- d) Members of the Management Committee shall be elected for a term of [four] years. Retiring Members of the Management Committee may stand for re-election.
- e) Immediately before the [first] regular meeting of the General Assembly following the approval of these by-laws [two] members of the Management Committee must retire from their positions. Thereafter elections to those positions are held every four years. Immediately before the [second] regular meeting of the General Assembly following the approval of these by-laws [two] further members of the Management Committee must retire from their positions. Thereafter elections to those positions are held every four years. Immediately before the [third] regular meeting of the General Assembly following the approval of these by-laws the remaining members of the Management Committee must retire from their positions. Thereafter elections to those positions are held every four years.
- f) Members of the Association who are in arrears with the payment of fees due to the Association or have any other debts to the Association (including penalties) do not have the right to stand for election or re-election to the Management Committee.
- g) The Members of the Management Committee shall at all times act in the best interests of the Association as a whole and shall not unfairly favor one group of Association members at the expense of another group.

## **20. Meetings of the Management Committee**

- a) The Management Committee shall meet at least once every month and its meetings shall be called by the Chairman or as agreed at the previous session.
- b) The Chairman may call additional meetings of the Management Committee as necessary and must call such meetings at the request of one third of the Management Committee members.
- c) A meeting of the Management Committee is quorate provided more than two third of its members are present.
- d) Decisions of the Management shall be taken by consensus but if consensus cannot be reached they shall be taken by a simple majority of the votes cast. Minutes of all meetings of the Management Committee must be kept by the Secretary, signed by the Chairman and maintained in the Association's Record.

## **21. Powers and duties of the Chairperson of the Management Committee**

- a) to call and chair the meetings of the Management Committee and to chair the meetings of the General Assembly;
- b) to represent the Association in relationships with third persons in accordance with these by-laws;
- c) to sign contracts and other legal documents in accordance with resolutions of the Management Committee; and
- d) to undertake other tasks specified in these by-laws.

## **22. Deputy Chairperson and other elected officials**

- a) The Deputy Chairperson of the Management Committee shall undertake the tasks of the Chairperson of the Management Committee when the latter is unable to do so for objective reasons.
- b) The Secretary shall assist the Chairperson in preparing the meetings of the Management Committee, shall ensure that accurate minutes are taken of the meetings of the Management Committee and the General Assembly and that the books and records of the Association are correctly maintained.
- c) The Treasurer shall be responsible for ensuring that the accounts of the Association are properly maintained and the preparation of draft budgets.

## **THE CONTROL COMMITTEE**

### **23. Membership of the Control Committee**

- a) The Control Committee consists of three members who shall be elected by the General Assembly from among the members of the Association for a three-year term.
- b) A member of the Control Committee may not at the same time be a member of the Management Committee or the Dispute Resolution Committee.
- c) The members of the Control Committee shall elect one of their members to be the Chairperson of the Control Committee.

### **24. Tasks of the Control Committee**

- a) The Control Committee shall inspect the balance sheet, accounting records, inventory and reconciliation of bank accounts of the Association at least once a year and may undertake additional inspections on its own initiative.
- b) The Control Committee shall undertake additional inspections:
  - i. on the basis of a decision of the General Assembly;
  - ii. on the basis of a decision by no less than one third of the total amount of members of the Management Committee.
- c) The Management Committee of the Association and any employee of the Association shall ensure that all the records and accounts are placed at the disposal of the Control Committee and must fully cooperate with its inspections and enquiries.
- d) If the Control Committee finds evidence of accounting irregularities or malpractice it shall promptly inform the Chairperson of the Management Committee who shall in turn ensure that the Control Committee can present its findings at the next meeting of the Management Committee.
- e) The Control Committee shall present an annual signed report to the Management Committee and the General Assembly in which it shall set out its conclusions and recommendations regarding the financial management of the Association. If a Committee member disagrees with the conclusions and recommendations in the annual report, that member shall prepare a minority report that describe out the areas of and reasons for disagreement. Both reports must then be submitted to the General Assembly.



## **DISPUTE RESOLUTION COMMITTEE**

### **25. Dispute Resolution Committee**

- a) Conflicts between members of the Association regarding issues relating to water use and water distribution are resolved by the Dispute Resolution Committee of the Association.
- b) The Dispute Resolution Committee consists of five members elected by the General Assembly from among the members of the Association for period of [three] years. The members of the Dispute Resolution Commission shall elect a Chairperson from among their members.
- c) A member of the Dispute Resolution Commission may not at the same time be a member of the Management Committee or the Control Committee.

### **26. Dispute resolution procedure**

- a) A member of the association who alleges that another member has violated the Association's water distribution schedule or who has in any other way failed to comply with the internal regulations of the Association may lodge a written complaint with the Chairperson of the Dispute Resolution Committee.
- b) After accepting the complaint the Chairperson shall promptly:
- c) Inspect the source of the complaint;
- d) Call a hearing of the Dispute Resolution Committee and in any event not later than two days following receipt of the complaint.
- e) Both parties to the dispute shall attend the hearing, which shall be held in public and chaired by the Chairperson of the Committee. Another member of the Association may represent a party to the dispute in the event that that party cannot personally attend.
- f) The Committee shall hear evidence from both parties to the dispute, which may include documentary evidence. The Committee may also undertake inspections as considered necessary and shall announce its findings within two days of the hearing.
- g) If the Dispute Resolution Committee considers that the complaint is false it shall dismiss the complaint.
- h) If the Committee is satisfied that the complaint is true it may take a decision to give a warning to the unsuccessful party or impose sanctions in accordance with article 41 of these by-laws. A decision of the Commission to impose sanctions may be appealed to the General Assembly.
- i) The Dispute Resolution Commission shall submit an annual report on its activities to the General Assembly.

## **COMMON PROVISIONS ON ELECTED OFFICIALS OF THE ASSOCIATION**

### **27. Removal of elected officials of the Association**

- a) The General Assembly may remove any member of the Management Committee, including the Chairperson, and any member of the Control Committee or the Dispute Resolution Committee from office before the expiry of the term for which he was elected on one of the following grounds:



- i. grave dereliction of duty;
- ii. repeated failure to attend scheduled meetings;
- iii. conviction of a criminal offence.

b) In the event that the General Assembly removes a member of the Management Committee, the Control Committee or the Dispute Resolution Commission from office, it must appoint a replacement at the same meeting.

## **28. Status of elected officials of the Association**

- a) The members of the Management Committee, the Control Committee and the Dispute Resolution Committee, including their respective Chairpersons are not employees of the Association and do not receive a salary.
- b) In accordance with a decision of the General Assembly, the members of the Management Committee, the Control Committee and the Dispute Resolution Committee may be reimbursed their reasonable expenses relating to their attendance at meetings and the performance of their functions within the limits provided by the budget.

## **THE EMPLOYEES OF THE ASSOCIATION**

### **29. Employees of the Association**

- a) In order to ensure the performance by the Association of its tasks the Management Committee may, in accordance with the Association's budget, employ a Director, an Accountant and/or other employees on the basis of labor contracts.
- b) The Director, Accountant and other employees of the Association do not have the right to stand for election to the Management Committee, the Control Commission or the Dispute Resolution Committee.

### **30. Tasks of the Director** OPTIONAL ARTICLE IF AN ASSOCIATION EMPLOYS A DIRECTOR

- a) The Director is responsible to the Management Committee for the routine performance by the Association of its tasks.
- b) The duties of the Director are:
  - i. to be responsible for the day to day management of the Association;
  - ii. to implement decisions made by the Management Committee;
  - iii. to prepare a draft annual budget and water distribution schedule for consideration by the Management Committee;
  - iv. to prepare a draft annual balance sheet, reports on income and expenditure and other documents for consideration by the Management Committee;
  - v. to organize the collection of fees;
  - vi. to ensure technical inspection of the irrigation and drainage system;
  - vii. to manage the employees of the Association and to ensure the correct performance by them of their tasks and duties;
  - viii. to prepare draft contracts for approval by the Management Committee;
  - ix. to conclude contracts up to limits set by the Management Committee in accordance with the approved budget and work plan of the Association;

- x. to prepare draft regulations for the consideration of the Management Committee and the approval of the General Assembly;
- xi. to issue instructions and orders which must be fulfilled by all hired staff;
- xii. to maintain the records and registers of the Association; and
- xiii. to fulfill other tasks specified by the Management Committee in accordance with the terms of his employment contract.
- xiv. The Director must attend meetings of the Management Committee if invited but shall not have a vote.

### **31. Accountant** OPTIONAL ARTICLE IF AN ASSOCIATION EMPLOYS AN ACCOUNTANT

- a) The Accountant shall be engaged by the Management Committee and shall reports to the Management Committee when it meets. At other times the Accountant shall report to the Director.
- b) The tasks of the Accountant are to accurately maintain the books and records and to prepare balance sheets and financial reports of the Association.
- c) The precise tasks of the Accountant are specified in his employment contract.

### **32. Other employees**

#### **Option A**

Other employees of the Association are engaged by the Management Committee.

#### **Option B**

Other employees of the Association are engaged by the Director in accordance with the budget and work-plan.

## **ASSOCIATION FINANCES AND PROPERTY**

### **33. Income of the Association**

- a) The sources of income of the Association are:
  - i. the irrigation service fee payable by Association members;
  - ii. gifts or grants;
  - iii. available subsidies;
  - iv. interest on outstanding fees due to the Association;
  - v. interest on any money held in the Association's bank account;
  - vi. the proceeds of fines and other sanctions of a pecuniary nature imposed by the Association;
- b) Any surplus funds accumulated at the end of the financial year must be retained within the Association and must not be distributed among the Association members.

### **34. Irrigation service fee**

Every member shall pay an irrigation service fee to cover the costs of the Association which include:

- a) the costs of undertaking annual maintenance of the irrigation and drainage system and preparing it for the forthcoming irrigation season, including the costs of

- b) cleaning any drainage ditches;
- c) Service providers;
- d) salaries of employees and other fixed costs of the Association;
- e) Cost of energy, maintenance and repair of the Association's irrigation pumps(s).(*optional for pump-fed irrigation and drainage*)
- f) the need to make provision to the Association's reserve fund.

#### **Option A**

The amount of irrigation service fee payable by each member shall be calculated by reference to the size of the land plot of that member in proportion to the total size of the Service Area.

#### **Option B**

- 1) The irrigation service fee payable by each member shall be calculated by reference to (*number of irrigation turns*) OR (*amount of water*) provided to each member and in proportion of the size of the land plots of each member to the total size of the service area.

#### **Option C**

- 1) The irrigation service fee payable by each member shall be calculated by reference to the type of crops grown by each member number and in proportion of the size of the land plots of each member to the total size of the service area.
- 2) Every Member shall in addition provide labor *in lieu* of an element of the irrigation service fee.

### **35. Sanctions**

- a) If an Association member fails to pay the irrigation service fee due to the Association by the specified date, this member must also pay a penalty fine at a rate of *0.05 % of the original debt for each day of delay*, or some other rate specified by the General Assembly
- b) The Management Committee of the Association or the Dispute Resolution Commission may impose a penalty fine as specified in the internal rules approved by the General Assembly, on any member who interferes with the delivery of water or breaches any provision of these by-laws or any internal regulation regulations made by the General Assembly.
- c) If a member repeatedly incurs penalty fines the Management Committee may suspend the delivery of water to that member.
- d) A decision to impose a sanction may be appealed to the court of appropriate jurisdiction.

## **RECORDS**

### **36. Association Records**

The Association shall maintain the following documents:

- a) a plan showing the Service Area;
- b) a register of members, which shall contain a description of the size and location of each member's landholding, and which should be reviewed and updated as necessary;

- c) a register of irrigation service fees owed paid and paid;
- d) a register containing the minutes of the meetings of the general assembly and Management Committee;
- e) a register of transactions and contracts;
- f) an inventory of assets;
- g) a register of inspections and surveys of the irrigation and drainage system used by the Association;
- h) financial accounts and records.

### **37. Association Accounts**

- a) The Association shall keep accounts of receipts and expenditure and the Management Committee shall be responsible for the preparation of an annual income and expenditure statement.
- b) The income and expenditure statement shall be examined by the Control Committee and approved by the General Assembly.
- c) The fiscal year is [XXXX]

## **LIQUIDATION OF THE ASSOCIATION**

### **38. Dissolution of the Association**

- a) The General Assembly may, by a two thirds majority of votes cast resolve to dissolve the Association on the grounds that:
  - i. the purpose for which it was established no longer exist; or
  - ii. the purpose for which it was established can no longer be practically fulfilled; or
  - iii. its continued existence is no longer required for any other reasons.
- b) Following the adoption by the General Assembly of a resolution to dissolve the Association the Management Committee shall submit an application to the Supervising Body.

### **39. Procedure for Liquidation**


- a) If so directed by the Supervising Body, the Management Committee shall be responsible for the liquidation of the Association.
- b) Until such time as the liquidation is concluded, the provisions of these by-laws shall continue to apply to the Association and its members.
- c) The General Assembly shall decide by simple majority on the use of the remaining Association assets following the complete liquidation. Such a decision shall require the approval of the Supervisory Body.

## ANNEX 3: ESTABLISHMENT PETITION AND APPLICATION FOR REGISTRATION

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### IRRIGATION WATER USERS' ASSOCIATION ESTABLISHMENT PETITION

We the undersigned hereby apply to the establishment of the proposed Irrigation Water Users Association to operate the [*name*] irrigation and drainage system located at [*names of Kebele, District, Regional State*].

N°	Name	Father's Name	Size of land holding (ha)	Date	Signature
1	Philippe	Lempériere	1.50	03/01/14	
2					
3					
4					
Etc.					

**APPLICATION FOR THE REGISTRATION OF AN IRRIGATION WATER USERS' ASSOCIATION**

We, being the members of the Management Committee of the proposed {name} Irrigation Water Users Association hereby apply to register the Irrigation Water Users Association pursuant to the Irrigation Water Users' Association Proclamation.

We attach the following documents:

The minutes of the constitutive General Assembly (1copy)

The by-laws of the Association (1copy)

The establishment petition (1copy)

The budget and the work plain for the first year of operation (1copy)

The list of the members of the Association (1copy)

*Please tick to confirm that the following documents are enclosed.*

<b>Chairperson</b>	
Name and father's name	
Date of birth	
Gender	
Address	(include Kebele and District)
Mobile phone (if any)	
Signature and date	

<b>Vice Chairperson</b>	
Name and father's name:	
Date of birth:	
Gender:	
Address	(include Kebele and District)
Mobile phone (if any)	
Signature and date	

<b>Member of the Management Committee</b>	
Name and father's name	
Date of birth	
Gender:	
Address	(include Kebele and District)
Mobile phone (if any)	
Signature and date	

<b>Member of the Management Committee</b>	
Name and father's name	
Date of birth	
Gender	
Address	(include Kebele and District)
Mobile phone (if any)	
Signature and date	

<b>Member of the Management Committee</b>	
Name and father's name	
Date of birth	
Gender	
Address	(include Kebele and District)
Mobile phone (if any)	
Signature and date	







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