

OPPORTUNITIES FROM THE IMPLEMENTATION OF PES SCHEMES IN JORDAN

In the last few years, the Jordanian government faced major challenges, such as political instability and humanitarian crisis, which have led to a poor prioritization of environmental needs. Therefore, national authorities have recently planned a process of reform of the existing environmental laws, in order to ensure the *Right to a Healthy Environment* to everyone, as stated in the Comprehensive National Plan for Human Rights for the years 2016-2025⁶.

In this context, even though Payment for Ecosystem Services is a new concept in Jordan, it represents a groundbreaking mechanism that could be adopted through the on-going amendment process of the Jordanian legal and institutional framework. The existing ecosystem-related legislation and the absence of provisions that may oppose PES concept represent a propitious ground that can support the implementation of PES schemes, which can in turn represent a tool for fostering environmental protection in the region. In addition, a variety of opportunities from the implementation of PES can be already foreseen, among others the following:

- Flexible Legal Framework**
 - The Jordanian Legal Framework allows the implementation of PES schemes through existing mechanisms as the Al Mukayada Albe'ia
- Enhancement of governance over natural resource management**
 - PES can promote ownership and empowerment of communities at different levels, from small holders to decision makers including private sector to conserve nature
- Carbon sequestration and storage**
 - PES schemes can serve as a means to mitigate the effects associated with climate change
- Biodiversity protection**
 - Successful stories on how PES schemes have helped to improve the protection of species around the world can be replicated in Jordan
- Watershed protection and hydrological services**
 - Through the implementation of PES schemes, locals can benefit from services like clean water, reduced soil erosion and biodiversity conservation.
- Ecotourism**
 - PES schemes in this sector create direct benefits for communities aiming at preserving landscape aesthetics and thus, generate income by attracting visitors.

THE WAY FORWARD

As a tool for advancing environmental protection in Jordan, PES schemes need to be structured in a long-term strategy aiming to reform the Jordanian legal and institutional frameworks, in order to facilitate their coherent implementation at all levels. To achieve this purpose, incremental steps could be undertaken:

1. Including PES schemes in the on-going reform of the Environment Protection Law, through the draft of ad hoc articles, in order to provide a clear legal basis for their implementation;
2. An adaptation of ecosystem-related legislation such as the Water Authority Law and Agriculture Law to be drafted accordingly;
3. Presentation of this reform designing process to the Jordanian Legislator in order to be discussed.
4. Conducting pilot negotiations of PES contracts through small-scale initiatives in order to test the best circumstances to mainstream them at a wider scale
5. Capacity building of key stakeholders: local communities and authorities, high-level authorities and government officials as well as lawyers and the judiciary



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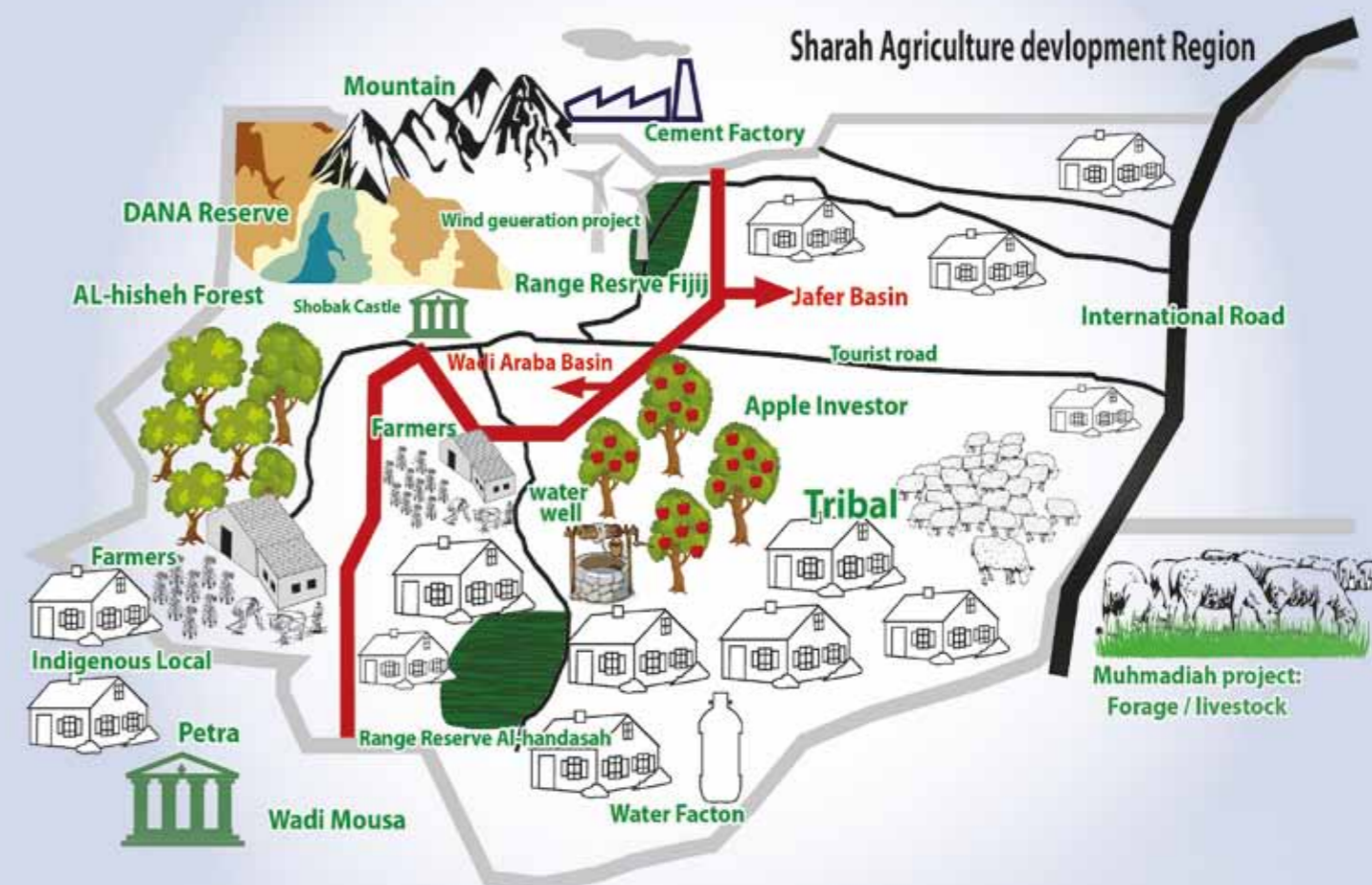


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AL MUKAYADA ALBE'IA

Promoting exchange for conservation and sustainability in Jordan



Schematic map of the PES project's landscape in the Southern Jordan. To left side is the Wadi-Araba Basin/Al Hisheh Landscape, to the right side is the Jafer/Al Mansheah Landscape.

Credit: The Hashemite Fund for Development of Jordan Badia

⁶The Hashemite Kingdom of Jordan (2016). Comprehensive National Plan for Human Rights for the years 2016-2025. Accessed on the 11/16/2016 from http://www.jordanembassy.or.id/comprehensive_national_plan_for_human_rights.htm



Land degradation in Jordan is mainly associated with smallholder agricultural activities such as unsustainable crop production, unsustainable rangeland management and, over exploitation of vegetation. In addition to this scenario, the over-pumping of groundwater practiced in the eastern and southern plains contributes to land degradation by affecting the vegetation, soil and water resources that are used for small-scale farming.¹ This continued degradation shows the need for incentives able to prevent the negative effects of human activities on the environment. In this context, market-based mechanisms have emerged as an innovative approach to deliver practical solutions for environmental conservation². One of these mechanisms is the Payment for Ecosystem Services (PES). This aims at reverting the classical "polluter pays" principle into a "who preserves, receives" approach, creating a win-win situation for both the environment and for local communities.

PES STRUCTURE

Ecosystem services can be considered as those benefits derived from nature, such as food and water supply. In this sense, Payment for Ecosystem Services (PES) is considered to be an innovative approach for the conservation of nature, based on financial mechanisms operating at many levels, from and to governments, the private sector and local communities. PES is an innovative tool for rewarding ecosystem managers for their sustainable management practices, which increase ecosystem resilience (UNECE, 2009, pag. 101)³.

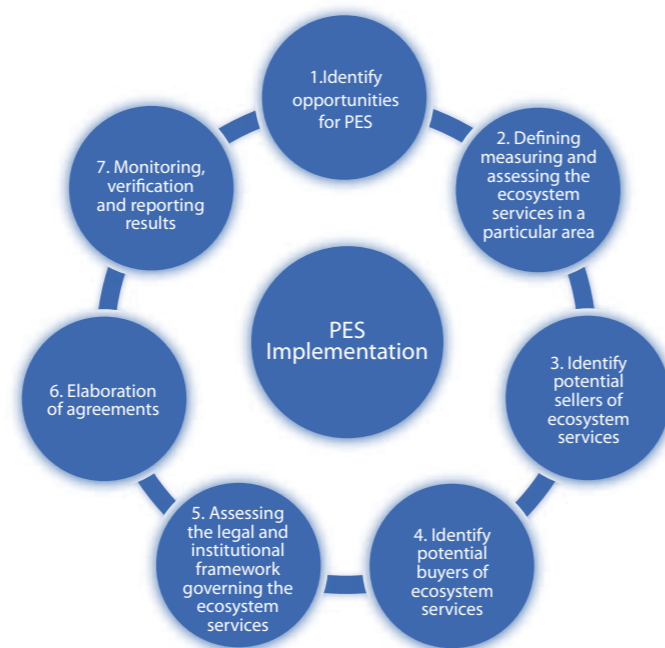
Classic examples of PES include the payment for the conservation of biodiversity in a specific site in order to secure the provision of food and genetic resources, as well as the management of surface and ground waters, where users pay communities for the conservation and protection of water resources, in order to ensure their availability and quality.

In general, PES schemes can be implemented in a variety of sectors and be applied to different scopes. Some of their fundamental elements are:⁴

- **Voluntary:** stakeholders enter and agree to the program on a voluntary basis;
- **Direct payments:** payments are made by the beneficiaries of the ecosystem services directly to the ecosystem service providers;
- **Additionality:** payments are made for actions over-and-above those which land or resource managers would generally be expected to undertake;
- **Conditionality:** payments depend on the delivery of ecosystem service benefits;
- **Avoiding leakage:** securing an ecosystem service in one location must not lead to the loss or degradation of another ecosystem elsewhere.

IMPLEMENTATION OF PES SCHEMES

The implementation of PES schemes relies on the completion of the following steps to ensure its success and impact:



GENERAL BENEFITS OF PES

The main benefit of PES is the conservation and protection of nature. In fact, policy making based on environmentally friendly practices such as PES can represent a crucial approach for the effective management of natural resources in Jordan. On one hand, this mechanism gives the possibility to start with small initiatives implemented at decentralized instances, which are more likely to succeed. Consequently, they could represent successful examples leading to their expansion and replication in wider contexts as well as to the issue of broader policy. On the other hand, decentralization allows involving local communities and authorities from the very beginning of the implementation process, who can immediately familiarize themselves with the new concepts and benefit from the economic incentives. In this context, the following points list some benefits that PES implementation could bring in Jordan:⁵

- PES contracts offer **more flexibility and adaptability** than other conservation instruments due to the fact that the entire scheme can be specifically designed, from the objectives to the methods of pricing. In turn, the flexibility of the Jordanian legislation provides a suitable ground to incorporate these types of schemes in the existing contractual system. In particular, ecosystem-related legislation like the Water Authority Law, the Agricultural Law, the Environment Protection Law as well as the Natural Reserves and Natural Parks Regulation offer a

general and therefore adaptable basis to implement PES schemes accordingly. Moreover, the Jordanian contractual system allows the parties to conclude the most diverse types of agreement and thus PES contracts as well. Among these, the *Al-mukayada* barter contract and *Al-musakatu* contract may be used to draft private PES schemes.

- PES schemes can be strategically used to **improve effective land-use planning** as well as to develop biodiversity corridors between protected areas, and thereby so meet the purposes of the environmental legislation reform planned by the Jordanian authorities. Moreover, PES arrangements can be guaranteed by an articulated property rights system in Jordan, which includes different types of land tenures and therefore different land uses, from the right to share, cultivate and inhabit the land to the right to dispose of it, through sale, donation or mortgage.
- These can also **contribute to increase "smart infrastructure investments"** (natural infrastructures such as watersheds), as well as help resolving land tenure issues and develop productive and sustainable land management practices, which can improve the livelihoods of vulnerable communities in the region. In order to achieve the goal of strengthening local communities capacities and of enabling them to protect and manage their land resources in proper communal efforts, an option could be the re-introduction of the Hima concept. This system allows biodiversity and rangeland resources to regenerate through a migratory grazing regime.
- PES schemes can help to **reduce the level of poverty** by bringing economic resources to rural areas and improving the lifestyles of their inhabitants, thereby allowing the Jordanian local and national authorities to face the current instability caused by poverty and inequalities. In particular, the instruments offered by the legislation such as the Environment Protection Fund will cover the costs for environmental protection and will promote initiatives that aim to use natural resources in a way that contributes to achieve sustainable development.

Given all the benefits derived from PES, potential providers may wonder what are the costs involved to produce tangible results. To answer this question, it is important to state that once PES schemes are implemented, these may be self-sufficient in terms of funding and they can even generate profits, which could cover the initial investment.

THE JORDANIAN CONTEXT

In the Jordanian context, there are no provisions that might oppose or prohibit the concept of PES either in the Jordanian Constitution or laws. On the contrary, Jordanian Law and specifically Civil Law sets out a wide variety of general provisions that enable the creation and development of PES schemes. Moreover, Jordanian Civil Law derives from the AL-Majalla AL-Ahkam AL-Adaliyyah (The Ottoman Courts Manual) based on the Islamic Shari'a law, which is one of the sources of the Civil Law as stated in its second article. Moreover, the Jordanian Civil Law derives from the Islamic Shari'a law, which among other provisions; it establishes for humans the duty to ensure the sustainability of the Earth.

In the context of Jordan, a country where, according to United Nations' reports is the second poorest state in terms of water resources, it is crucial to understand that an effective management of watershed services is needed. Furthermore, national reports confirm that green areas have reduced through the past seven years to less than one percent of the total land. For these reasons, PES schemes can play a major role to overcome challenges related to water scarcity and green areas loss. PES has a major role in combating desertification and empowering the implementation of International Conventions, such as the UN Convention to Combat Desertification that Jordan has ratified and therefore, is obliged to apply through amending and updating processes to its national legal framework.

Moreover, the legislations on Water and Agriculture set out an integrated system that organizes the rights and duties between individuals and ecosystems, regulating human activities on water, pastures, and forests, as well as governing the management, permits, and authorizations to access and distribute benefits. In this sense, the 2002 Jordanian Agricultural Law for instance in its Article 39 expressly prohibits a series of unsustainable practices affecting rangelands among others tilling, quarrying sand and stone, as well as burning growing plants and collecting seeds.

According to Jordanian law, an essential provision in every contract is the consensus of the parties. Therefore, the participants of a PES scheme may elaborate contracts freely and they can choose the terms and conditions they wish as long as they do not violate the public order and morality. Consequently, the object of a PES contract may be varied and the agreement can contain a pledge to conduct an action or not to conduct an action.

¹Jordanian National Strategy and Action Plan to Combat Desertification, 2015 - 2020

²Market-based mechanisms include charges like taxes and fees, tradable permits (for example, markets for pollution reduction) and certification schemes such as eco-labels.

³UNECE (2009). Guidance on water and adaptation to climate change. Geneva: UNECE. Accessed 07.06.2016 from http://www.uncece.org/fileadmin/DAM/env/water/publications/documents/Guidance_water_climate.pdf

⁴Smith, S., Rowcroft, P., Everard, M., et al. (2013). Payments for Ecosystem Services: A Best Practice Guide. Defra, London.

⁵United Nations (ESCAP). Innovative socio-economic policy for improving environmental performance: Payments for ecosystem services. 2009. Accessed 07.06.2016 from: <http://www.unescap.org/sites/default/files/payments%20for%20ecosystem%20services.pdf>