

Al Murunah Jordan Policy Dialogue – Scaling Resilient Nature-Based Water Solutions

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Executive Summary

- Jordan's water crisis demands integrated social and technical solutions; Resilient Nature-Based Water Solutions (RNBWS) offer significant promise for addressing water scarcity, land degradation, climate vulnerability, and equitable and sustainable development challenges.
- Scaling RNBWS requires: (1) Innovative finance models, including Islamic finance, tailored to RNBWS and locally led adaptation; (2) Empowering municipalities and cooperatives as key implementers through Jordan's decentralization framework; (3) Stronger cross-sectoral data sharing and coordination mechanisms for policy implementation.
- Critical next steps include integrating RNBWS into Jordan's updated NDC, documenting RNBWS projects and impacts, and creating guidance for financial institutions to incentivize and appraise RNBWS projects effectively.

Context

Jordan continues to grapple with intensifying water scarcity—driven by climate change, rapid population and economic growth, and widespread land and ecosystem degradation. In this context, **RNBWS** hold significant promise for addressing Jordan's interlinked challenges of water scarcity, land degradation, and climate vulnerability. These solutions encompass a range of integrated approaches—including agroecological practices, rehabilitation of traditional water systems, watershed protection, water harvesting, restoration of local agro-biodiversity, and the safe reuse of treated wastewater and saline water. This Jordan-focused **Policy Dialogue** provides a timely platform to translate local-level insights into strategic policy and investment pathways. It aims to support the integration of RNBWS into national and subnational frameworks -aligned with Jordan's Modernization Vision 2033, National Water Strategy (2023–2040), National Adaptation Plan, NDC 3.0, National Agricultural Strategy and broader sustainable development goals.

Thus, the policy dialogue objectives are:

- Present the Enabling Environment for RNBWS in Jordan, evidence from Wadi Al-Seer pilot site, and other relevant case studies.
- Co-identify and define actionable pathways for scaling and policy integration of RNBWS

Unlocking Policy Solutions for RNBWS in Jordan

- Social - institutional norms and awareness
- Water scarcity in Jordan is a collective challenge requiring social as well as technical solutions.
- Nature-based Solutions (NbS) are embedded in local culture, linking people with their environment; policy incentives can strengthen this connection where it is weak.
- While specific NbS or RNBWS terminologies are not consistently reflected in current policies, the practices and objectives (e.g., water harvesting, reforestation, and flood risk management projects including participatory planning and anticipatory action) already exist.

- Limited awareness among farmers about efficient water and market dynamics can hinder adoption of less water-intensive crops, even when they are more profitable.
- Encouraging “good” water-use practices among public and private actors can be supported through policy measures, such as performance-based tariffs.
- Ensuring women's meaningful participation in cooperative governance, training programs, and access to resources (including finance) is critical, given their central role at various levels in water management, agricultural activities, and their links to value chains.

Financing and resources mobilization

- Innovative financing schemes tailored to NbS and locally-led adaptation are needed to attract green financing from banks and private investors. This includes Islamic finance, agricultural insurance, blended finance, grants, and impact-investing approaches. Establishing the feasibility and returns of such models is essential.
- Adoption of Islamic (sharia-compliant) financing for NbS is critical, as many farmers remain reluctant to take conventional interest-based loans.
- Developing a platform including Monitoring, Evaluation and Learning (MEL) indicators for donor-funded and nationally-funded projects is essential to capture lessons, support knowledge exchange, and guide future finance and investment decisions for NbS.
- Enacting project impact assessments is essential to ensure evidence-based and accountable decision-making, and to identify scaling opportunities for NbS. This aligns with the February 2025 Jordanian Cabinet approval of the Legislative and Policy Impact Assessment Bylaw (No. 2025), mandating ex-ante and ex-post assessments for all major public investments and financing decisions.
- Sustainable financing through service provision: NbS-related services -such as water harvesting system maintenance, rangeland restoration services, composting and organic waste

management, monitoring services, or climate-smart agricultural support - can provide cooperatives with recurring revenue streams. Positioning cooperatives as local service providers strengthens financial sustainability, enhances community ownership, and creates viable entry points for private-sector financiers interested in service-based business models.

Financing and resources mobilization

- Cooperatives serve as models of participatory governance, with community involvement at the core of their operations. They can operate effectively in areas where central government reach is limited, making them valuable partners for scaling RNBWS at the local level.
- Empowering municipalities through Jordan's decentralization framework is essential for activating and scaling NbS. While the Decentralization, Municipalities, and Local Administration Laws provide planning roles, budgeting authority, and community participation pathways that support localized NbS, limited fiscal autonomy, overlapping mandates with central ministries, and weak technical capacity can hinder effective implementation. Strengthening coordination and municipal capacities—while integrating cooperatives, local councils, and municipal authorities into NbS planning—will enhance local ownership, accountability, and long-term sustainability. This could include piloting mechanisms that allow municipalities to retain a portion of revenue from RNBWS-related services for reinvestment.

Unlocking Finance Challenges for RNWBS in Jordan

Socio-economic and political stability

- Jordan's relative socio-economic and political stability provides a predictable environment that reduces investment risks, facilitating the mobilization of public and private financing for NbS and enabling long-term project planning, coordination with municipalities, and sustainable implementation.

Ideation and innovative finance mechanisms

- There is a need for stakeholders to support structuring ideas, climate rationale, and climate finance mechanisms that help connect governments with specific donors.
- Innovative finance opens doors for more and new types of collaboration among the private and public sectors.
- Financing solutions for NbS must be linked with green financing solutions that offer opportunities for farmers who are not landowners to apply for loans/grants. This will help in building farmers' trust and commitment to NbS.

Mapping the finance landscape to unlock connections and gaps

- Understanding the role of various financial institutions within Jordan's financing landscape helps identify both funding gaps and institutional gaps among banks, public entities, and private organizations.
- Cooperatives can set priorities and manage financing resources effectively, enabling the Jordan Cooperative Corporation (JCC) and the Agricultural Credit Corporation (ACC) to collaborate directly with donors and channel funding where it is most needed and effective. The following diagram represents these roles and interlinkages:

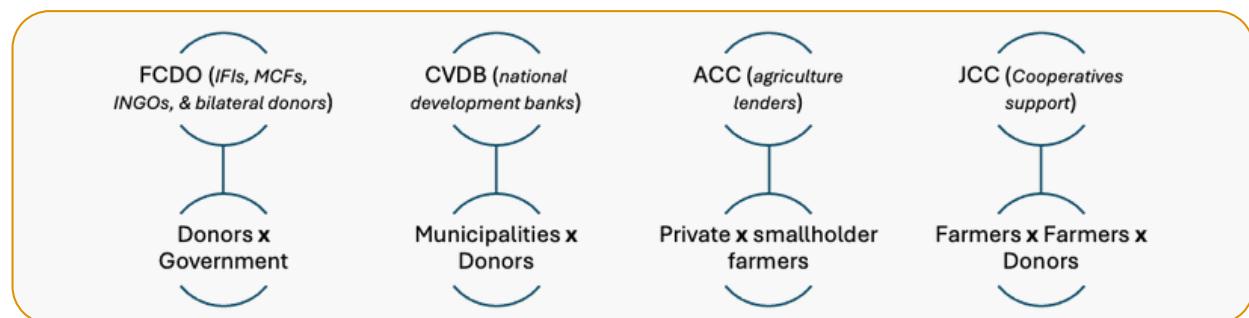


Figure 1. The role of the various financing stakeholders in building financing linkages/connections in Jordan (IFIs = international financial institutions; MCFs = multi-lateral climate funds; INGOs = international non-governmental organizations; FCDO = Foreign, Commonwealth & Development Office; CVDB = Cities & Villages Development Bank; JCC = Jordan Co-Operative Corporation; ACC = Agricultural Credit Corporation)

Strategic Policy and Institutional Priorities for Scaling RNWBS in Jordan

Policy Area	Challenges / Gaps	Recommended Actions
Shared Databases / Cross-Sectoral Data	Limited data and information on NbS constrain decision-makers' ability to develop coherent policies, and coordinated strategies and investment plans to implement NbS more widely	Strengthen shared datasets across water, energy, agriculture, and environment sectors to support evidence-based decision-making and strategic alignment.
Strategy amendments & inter-institutional coordination	Coordination gaps limit availability of comprehensive agricultural datasets (crops, land use, production quantities), affecting alignment between local market needs and exports.	Enhance inter-institutional coordination mechanisms to improve planning efficiency and resource management.
Guidelines for Finance institutions	Limited capacity of banks and financial institutions to integrate NbS into project appraisal and design.	Develop guidelines to help banks and financiers appraise projects with NbS elements and advise on integrating NbS in project design and assessment.

Strategic Policy and Institutional Priorities for Scaling RNWBS in Jordan (contd.)

Open access training and capacity building	Civil society organizations and agricultural cooperatives lack knowledge on climate change impacts, adaptation, and mitigation.	Provide open-access training programs and datasets linked to national strategies to strengthen local knowledge and capacity; ensure training programs are gender-inclusive and address the specific needs and roles of women in water and agricultural management and associated value chains.
Empowering Municipalities & Local Institutions	NbS adoption is limited at the local level due to insufficient engagement of municipalities and cooperatives as well as lack of fiscal autonomy to initiate and sustain RNBWS projects independently.	Strengthen municipalities through decentralization, integrating cooperatives and local councils into planning and implementation to enhance ownership, accountability, and sustainability of NbS interventions. Develop mechanisms that enable municipalities to retain revenue from RNBWS-related services for reinvestment
Strengthening the decision-making process	The cross-sectoral nature of NbS might lead to delaying the decision-making process among the various sectors.	Leveraging the WEFE Nexus Platform under MOPIC, with active engagement from representatives of relevant institutions, can help streamline coordination and accelerate the decision-making process.

Next steps for Al Murunah: From dialogue to scaling pathways and investment in RNWBS

Building on the momentum from the Jordan Policy Dialogue, the following priority actions will help drive the transition from pilot success to scaling of integrated and bankable RNBWS:

- 1. Support the drafting of the water sector NDC update:** Integrate NbS into Jordan's updated Nationally Determined Contributions to ensure climate adaptation and mitigation measures in the water sector reflect sustainable, ecosystem-based approaches.
- 2. Develop comprehensive documentation of NbS projects:** Capture lessons learned, technical

details, and outcomes from existing and pilot projects, including the Al Murunah pilot, to create a knowledge base that informs scaling, replication, and investment decisions.

- 3. Produce a case study booklet:** Profiling several successful Jordanian RNBWS projects, complete with simple financial models and impact metrics, for distribution to policymakers and financiers.
- 4. Develop guidance for financial actors:** Provide clear guidance for banks, donors, and other financiers on how to use National Adaptation Plans (NAPs) and incorporate NbS into project appraisal and financing decisions, enhancing understanding of the economic, social, and environmental benefits of NbS interventions.

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