

During a panel discussion on the Water Bill for year 2020

47% is the water loss in Jordan with a cost of 260 million dinars the treasury faces

The Jordanian Economic Forum revealed that water loss in Jordan is one of the main problems in the water sector, at a rate of 47 percent, while the public budget incurs direct financial support estimated at 260 million dinars.

During the dialogue session, that was organized on the draft water law for 2020, the forum indicated that improving operational performance and reducing water losses, for example from 47% to 30%, will increase operational revenue and reduce the value of subsidies by 94 million dinars annually in an already water-poor country. About the amount to be collected through the application of Article No. (11-b) of the new law.

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The dialogue session reviewed the observations on the draft water law in the Kingdom, which was prepared and sent to the Legislation and Opinion Bureau in the Prime Ministry without discussion and active participation of the water sector partners in their different names and locations, especially since the thought of preparing a water law began more than ten years ago



and the most important reasons were The positive and primary goals of the law are to collect all the provisions regulating the sector in one comprehensive legislation.

The forum indicated that it turns out that the collection of these provisions in one law is only a formality, and did not go beyond the main problem, which is the multiplicity of sources of legislation regulating the water sector, noting that the inability of the law to provide a single consistent vision around which these provisions are unified, the law appears contradictory and inconsistent in its spirit.

He added: "After examining the text, it can be confirmed that the problems facing it are central and essential. In addition to the small number of articles of the law (22 articles only), the text includes basic problems.

The forum pointed out that the draft water law is a modest effort compared to the size of the water problem in the Kingdom, which is the second poorest country in water, as there is no description of the general objectives and principles of the water law, which are supposed to be based in their entirety on the goals of sustainable development – Goal No. 6 "Water and Sanitation". Which aims for sustainable water management that goes beyond providing safe water and sanitation services to addressing the broader water context such as water quality, wastewater management, water scarcity, and use efficiency, balancing water demand and available resources, competition for water use, water resource management, water security, protection and restoration of systems related to water.

The forum noted that the draft water law rises to the level of an administrative organizational system for the Ministry of Water and Irrigation and includes literal quotations from the Water Authority Law No. (18) of 1988 in terms of tasks, responsibilities, and governance, and does not live up to the broader and more comprehensive concept of integrated management of water resources in light of the water strategy and according to policies and plans and the sectoral programs emanating from it.



The Forum: "One of the most important themes that left out the draft law is to regulate the management and planning of water resources by developing water budgets and assess the demand for water and the quantities that can be exploited for the sectors used water volume through the monitoring and evaluation of water resources and their uses, studies and gather information necessary to organize data The development of these resources through the water monitoring network for each basin and the national network, and developed the principles of water planning in the light of evaluating the water resource basins so as to include general indicators of the water situation and trends of water demand for all uses and water balances in the short, medium and long term, including expatriate water.

Forum members stressed that it is important to clearly and extensively classify the axes in the draft law, which are the sectoral uses of water for agricultural, domestic, industrial, and tourism purposes, water security in the national and regional framework, water rights, and licenses, water conservation and protection from pollution, water loss, protection from torrential rains and climate change. Procedures for seizure and criminal penalties.

The article of Article (8) of the draft law referred to the establishment of an independent unit called (the Water Sector Regulatory Unit), which aims to regulate the water sector on the basis of a balance between the interests of companies and consumers. And raise the recommendations to the Minister.

The feasibility of establishing the Water Sector Regulatory Unit is incomprehensible, as the sectoral regulatory bodies are relatively new institutions in the government apparatus in Jordan and were established after the state adopted the principle of the market economy and what this required of privatization of the most important vital sectors such as the telecommunications and electricity sectors, and so that the government withdrew from the tasks of establishing



structures Infrastructure, operation and service provision, all of which were entrusted to the private sector, and the regulatory authorities assumed the task of monitoring and regulating these sectors with the aim of stimulating legitimate competition in them and ensuring the provision of high-quality services at reasonable prices and in accordance with the general policy set by the government for each of the privatized sectors.

Forum members said that this does not apply to the water sector, whose assets are still owned by the government, which finances the construction of infrastructure and operation in the water sector, from multiple sources of funding (treasury, grants, and development loans), and therefore the purpose of establishing the unit is to organize the water sector on the basis of balance The interests of companies and consumers are misleading, and they will actually monitor the performance of the government-owned water companies and are responsible for the operation, maintenance, and revenue collection, and are not responsible for financing and establishing infrastructure while emphasizing that the law under consideration did not clarify the mechanism or entity to which ownership of the assets and facilities of the Water Authority will be transferred. Its value, according to the audited financial statements, is more than 3 billion Jordanian dinars.

This contribution is collected with the buildings and land tax by the Ministry of Finance or any official or municipal authority authorized by the Minister of Finance to do so within the municipal areas, as this text was previously mentioned in the Water Authority Law No. (18) of 1988, which subjected all existing buildings in the Kingdom to be established After that, with the exception of those designated for worship, to pay an annual contribution of (3%) of the net annual rent value, and therefore the increase in the annual contribution percentage is (7%).



The forum pointed out that the total value of revenues based on the contribution of the (3%) is about 37 million Jordanian dinars annually (according to the audited consolidated financial statements for the water sector), and increasing the annual contribution percentage to (10%) will increase the value of this fixed income to 110 million Jordanian dinars annually, i.e. An increase of 73 million dinars

He added that this increase will generate revenue for the water sector that is not related to operational performance or performance standards and indicators (non-operating revenue), and will create distortions and conceal management inefficiencies and operational effectiveness.

With regard to Article No. (16-a), it permitted, with the approval of the Council of Ministers, that the Minister of Water and Irrigation entrust the implementation of any of its projects to any other party from the private sector, according to terms and periods specified in the contracts, while this is considered an exception and a violation of the articles of the Law on Partnership Projects between the two sectors Public and Private No. (17) of 2020, which stipulates in Article No. (22) “Any text contained in any other legislation that contradicts the provisions of this law shall not be enforced.”

Forum members said that the energy and water sectors had previously arranged for the Jordanian government, through similar exceptions outside the supervision of the Ministry of Finance and the partnership laws at the time, direct and emergency financial obligations on public finance and public debt, or by providing direct or indirect government financial support, that conflict With the principles of transparency and good governance, therefore including this article in the draft water law is not prudent.

The forum submitted a proposal that includes deleting the article or amending it to comply with the law on partnership projects between the public and private sectors and referring to the role of the newly created partnership unit in the Prime Ministry, which will help identify potential



partnership projects and the priority of their progress, prepare a memorandum of the partnership project proposal and prepare a detailed analysis of the feasibility. The partnership project includes the institutional, legal, technical, environmental, social, economic, financial and public safety aspects, the study of the sustainability of the partnership project, the verification of the added value for money, the ability of the contracting authority to bear the costs of the partnership project, and the analysis and reduction of project risks and distribution to the party best able to manage it.

Forum members stressed that the law did not refer to the water–agriculture and tri–energy syndrome, and it was customary for water, energy, and agriculture to be the focus of separate policies, each with its investment planning isolated from the other, where regulatory frameworks, institutions, and infrastructure were put in place to address the challenges and demands specific to each of these sectors. The new water law is an opportunity to change this into a new approach that addresses the common destiny of these different sectors, especially after the Corona pandemic, which established the conviction of the need to integrate various policies related to water, energy, and agriculture to improve all sectors and also the economies on which people depend.

