

-Water governance economic instrument- Non-monetary voluntary agreements



DESCRIPTION OF THE INSTRUMENT

Voluntary agreements are often negotiated between parties to solve water allocation issues. These agreements rely on truly voluntary participation, without using rewards, penalties, or other forms of regulated obligations, and on non-monetary incentives, unlike Payments for Ecosystem Services (PES).

Voluntary and participatory methods for reallocating water can be a more economical approach to meet the needs of temporary or permanent water reallocation. These methods are becoming more popular at local levels, like users' associations, and on a larger scale, such as drought steering committees.

Innovative solutions like green infrastructure offer opportunities for individual benefits and can be chosen voluntarily without involving financial transactions, especially when everyone involved ends up better off compared to other possible scenarios.

In Europe, where markets are uncommon, and monetary compensation is impractical in most cases, voluntary agreements are a popular approach to follow the polluter-pays principle.

CONTRIBUTION TO GOVERNANCE

- Investment leverage
- Reallocation of water resources

More information
on the economic
instrument



PATHWAYS FOR IMPLEMENTATION

- Expanding evidence base
- Building institutional and legal security
- Public monitoring
- Clear, predefined rules

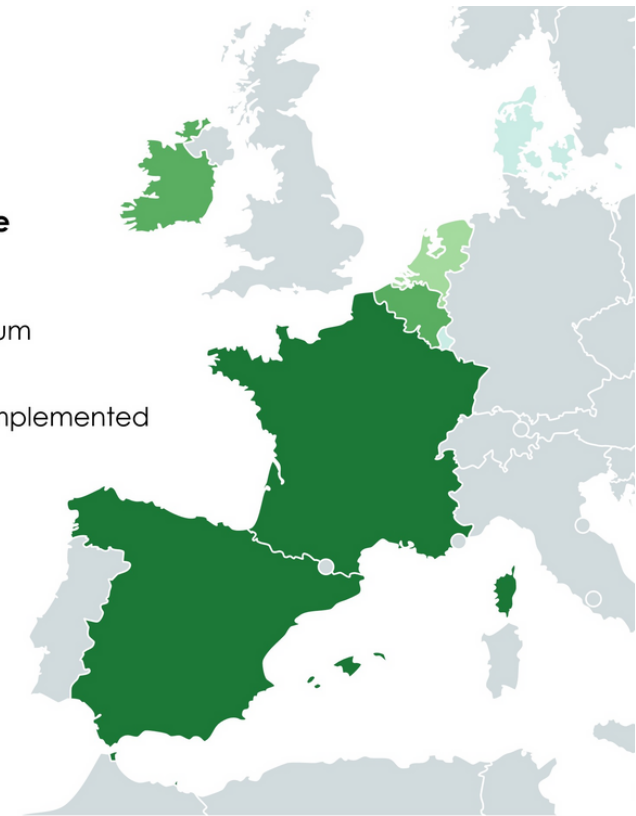
BARRIERS OR CHALLENGES FOR IMPLEMENTATION

- Low performance if incentives not properly defined
- Limited to win-win situations
- Technological, institutional and/or legal barriers

MAP SHOWING THE LEVEL OF IMPLEMENTATION

Insurance

- High
- Medium
- Low
- Not implemented



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