



## 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

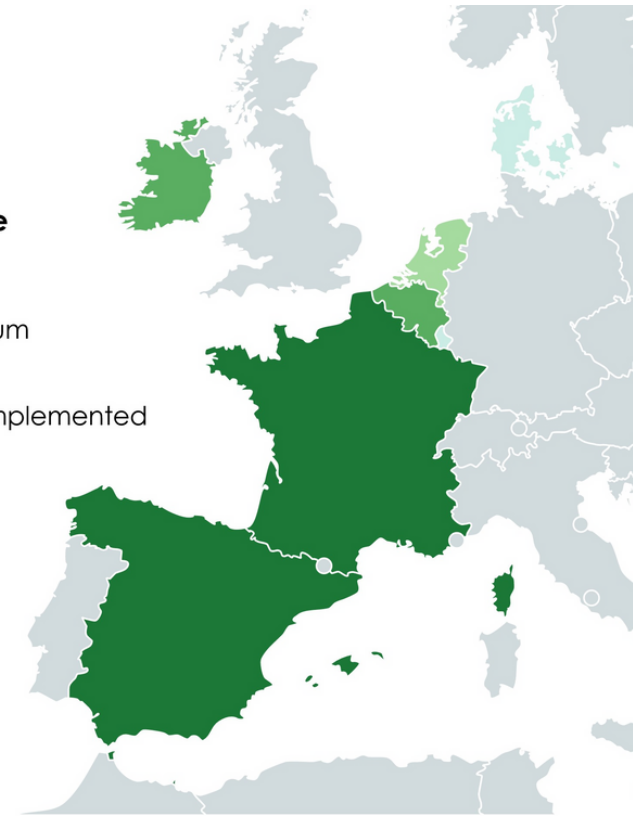
## BARRIERS OR CHALLENGES FOR IMPLEMENTATION

- 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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