



**RESOURCE**

# Water Share: Using water markets and impact investment to drive sustainability

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## **Description / Abstract**

The potential benefits that could be realized from the establishment of high-functioning, well-governed water markets are significant. At least 37 countries in water-scarce regions have already established water-allocation systems based on the issuance of water rights – an essential precursor for water markets – and more than half of these countries already allow re-allocation of water through trade. If additional countries adopt water rights systems and other important enabling conditions, and allow trading of water-use rights, they too would be able to realize the benefits of water markets elaborated in this report. Those benefits include overall GDP growth with greatly-lessened water constraints, helping all water users better adjust to and manage economic shocks associated with water shortfalls, and reducing social and ecological disruption during droughts and water shortages. This report concludes with four major market-based strategies for alleviating water scarcity that would be applicable in at least two-thirds of all water-scarce basins, presuming that appropriate governance frameworks were in place.

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## **Related IWRM Tools**



Tool

## **Water Markets**

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