



WATER RESOURCES ALLOCATION: SHARED WATER, SHARED RISKS

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Why water allocation matters

- Water allocation defines growth
- Water allocation regimes: from abundance to competition and uncertainty



Building blocks of water allocation

- **Policy objectives**
 - Allocate water where it creates most value for the community
 - Adjust to changing conditions, at least cost to society

- **Key features of a well-designed regime**
 - The resource pool
 - The abstractable resource
 - Water entitlements
 - Conditions for water use under “exceptional circumstances”



Water allocation regimes in practice

- Uncertainties and uneven capacity to regulate flows
- 80% of regimes have a limit on water abstraction
- Nearly all regimes have a sequence of priority uses
- 70% of regimes allow for some transfer of entitlements



A Health Check for water allocation

- 14 checks
- Some observations on recent reforms
 - Droughts as a driver for reform (California)
 - An interactive process. Sequencing matters (Murray Darling)
 - Prepare for bargaining