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## **Prosperity in times of scarcity – making markets work for people and nature**

**Key words:** Ecosystem Services Markets, Water Fund, Murray-Darling Basin

**Abstract:**

Water reform within the Murray-Darling Basin has given rise to opportunities for private environmental water trusts to be established using corporate and private investment. In late 2015, The Nature Conservancy and Murray Darling Wetlands Working Group began a 10-year partnership to deliver water to stressed wetlands and rivers within the Murray-Darling Basin. This unique model is funded through the Murray-Darling Basin Balanced Fund, the first water fund in Australia with the multiple objectives of generating financial, social and environmental returns. Traditional capital markets investors can support large-scale, long-term conservation works while diversifying their portfolio and earning income through investment in the water market. Annual allocations from water entitlements will be traded on a 'counter-cyclical' basis such that in the dry years when water is scarce and demand is higher, more water is made available to agriculture. In the wet years when water is abundant and agricultural demand is lower, more water is made available to wetlands. The Environmental Water Trust provides opportunities for public/private sector complementarity and watering will complement and integrate with government supported and run programs being undertaken by Commonwealth Environmental Water Office, Murray-Darling Basin Authority and natural resource management organisations.