**Statement by Mr. Pedro Arrojo Agudo, Special Rapporteur on the human rights to safe drinking water and sanitation at the 76th session of the United Nations General Assembly**

20 October 2021

Excelencias, señoras y señores,

Es para mí un honor presentar ante esta Asamblea General, en calidad de Relator Especial, mi primer informe temático sobre los riesgos y el impacto de la mercantilización y la financiarización del agua en los derechos humanos al agua potable y al saneamiento, presentación que haré en inglés, gracias

Water is one of the key elements of life, which is why it has traditionally been considered a common good. Along these lines, the Committee *on Economic, Social and Cultural Rights* considers water a *public good fundamental to life and health*. However, from the neoliberal vision, water must be managed as a commodity, promoting strategies of privatisation, commodification and even financialization that transform people into mere clients, and the 2.2 billion people without guaranteed access to drinking water into impoverished clients; making the most impoverished even more vulnerable and thus aggravating the global water crisis.

The commodification of water leads to its valuation as a simple economic good, under the market logic, marginalizing non-productive values, the public interest, the public trust and essential priorities such as the sustainability of ecosystems, the life and dignity of people and, therefore, human rights. In most cases, although water remains formally public, water trading markets buy and sell concessions for use, de facto favouring a progressive private appropriation of water.

Recently, my concern about the commodification of water has been compounded by the news that water has begun to be traded on Wall Street futures markets, under the rule of speculative strategies. Futures markets, with the deregulation of the late 1990s, became dominated by large banks and institutional investors, who are neither producers, traders nor consumers and who simply speculate. The arguments used at the beginning of the century to speculate on food are similar to those used today for water in the face of climate change: "uncover" the prices of an uncertain future and stabilise them. Yet when the housing bubble was about to burst in 2008, the same banks responsible for the crisis that were rescued with taxpayers' money invested billions of dollars in food futures. What happened was the opposite as promised: food commodity prices doubled and tripled in a few months, price volatility soared and according to the World Bank, some 150 million people joined the ranks of the hungry and the extreme poverty.

Ifthe speculative dynamics of futures markets were to have an impact on the price of water on the ground, as was the case with food, these costs would be passed on to water tariffs, increasing the risk of non-payment and water cuts for the most impoverished, among other impacts.

On the other hand, the growing influence of these financial actors in the development of WASH infrastructures and in the shareholding of the private operators tends to impose a financial engineering logic, raising prices and lowering the quality of services under the priority of increasing the short-term profits of their shareholders.

As has been demonstrated over the last decades, the speculative strategies working in opaque and poorly regulated spaces lead to commodity price hikes, volatility and speculative bubbles (real estate, food, electricity) that not only violate the human rights of the poorest and fuel the unsustainability of ecosystems, but also disturbs productive development and undermines the public interest.

Regarding SDG 6 face to the climate change, we can do it, but we need to accelerate the pace. It is claimed that there is a "financing gap", due to a lack of public funds, which may induce a financialization of WASH investments. However, after the never explicitly acknowledged failure of the austerity strategy in 2008 and its tragic consequences on poverty and inequality, the strategy today is very different. Significant post-pandemic public funds are available for the so-called Green New Deal of the 21st century. The key challenge after the ordeal of the pandemic, is to decide on priorities and whether we allocate a significant part of these funds to strengthen public health systems, including water and sanitation as the cornerstone of public health. The key, Excellencies, is to understand the very nature of the fundamental challenge we face: in my view, we face, first and foremost, a global democratic challenge.

Excellencies, as you will have read in the report, my recommendations focus on addressing the risks that climate change imposes on the effective fulfilment of the human rights to safe drinking water and sanitation, recognising water as a public good, promoting democratic governance under sustainable and human-rights-based approach, and developing participatory strategies for adaptation to climate change in line with UN and experts proposals, which have nothing to do with speculative strategies and commodification of water. There is still time to correct mistakes and avoid reckless strategies.