



**Preparatory Committee for the Fourth International Conference on
Financing for Development (FFD4)**

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**Samantha Kanoyangwa, African Sovereign Debt Justice Network, on
behalf of the CS FfD Mechanism Intervention delivered at the High-
level discussion: International Financial Architecture and Systemic
Issues**

The monopoly held by private credit rating agencies in determining sovereign creditworthiness has become a silent weapon of economic coercion. A public credit rating agency under the UN, therefore, is not just overdue- it is imperative for justice and global financial stability.

Recent pandemic and debt crises have exposed the current dysfunctionalities in terms of bias, inaccuracy, and pro-cyclicality in ratings and market concentration. The representatives of Burkina Faso and Tuvalu rightly pointed to this bias and its impact on access to financing for the Global South.

With due consideration to this pro-cyclical bias, we emphasize that CRA reform is urgent, given the prospects of a downturn in the global economy arising from current geopolitical tensions and tariff wars. The way CRAs penalize sovereign states for restructuring debt obligations or when ecological disasters strike, must be urgently addressed to safeguard functional incentives and effectiveness in the financial architecture. The reform of credit rating systems is therefore indispensable to ensure fair borrowing terms and preserve policy space to restructure debt toward the right to development.

This analysis is precisely why we call for an Intergovernmental Commission under ECOSOC to regulate, monitor and hold accountable the functions of CRAs. The proposed annual dialogue would not suffice. While such a Commission will certainly include stakeholders' consultations, more importantly, the Commission must be firmly anchored in the normative power of agenda-setting within intergovernmental processes.

The critical role of such a Commission, among other reforms, will be that of exploring the establishment of a multilateral public credit agency at the UN to provide more

transparent, accurate, and equitable assessments of creditworthiness. A UN public rating agency would enable investor approaches that value states' developmental roles and duty to their people.

FfD4 in Seville must mark the turning point where we move beyond the dominance of private CRAs and commit to building a UN-led public alternative- accountable to people, not profit.