# Statement in Support of Ghana's Ministry of Finance Response to Moody's Downgrades: Credit Rating Agencies Should Suspend Downgrades Until the Pandemic is Over

**By:**

The African Sovereign Debt Justice Network

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The African Sovereign Debt Justice Network (AfSDJN), is a coalition of citizens, scholars, civil society actors and church groups committed to exposing the adverse impact of unsustainable levels of African sovereign debt on the lives of ordinary citizens, fully supports the February 6th Statement by the Ghanaian Ministry of Finance protesting Moody's downgrades to CAA1 of Ghana's Long-Term Issuer and Senior Unsecured Bond Ratings.

The fact that the Lead Analyst on Ghana at Moody's has never set foot in Ghana and the omission of key material information prior to the downgrade provided by the Ghanaian Ministry of Finance confirms the institutionalized bias against African economies by credit rating agencies, like Moody's, Standard & Poors, and Fitch.

Contrary to Moody's assessments, Ghana has exhibited institutional strengths as evidenced for example, by the fact that it has held several largely peaceful multi-party elections with three of them having produced turnovers in the governing political party.

We agree with the Ghanaian Ministry of Finance for reminding Credit Rating Agencies that in May 2020, the South African Revenue Commissioner proposed that "during such a time of crisis, where the whole world is recalibrating and redefining its economic status, for any downgrades to be issued during this time is like kicking us when we're down."

The African Sovereign Debt Justice Network believes that the social and economic distress caused by the ongoing COVID19 pandemic in Africa is a compelling reason for suspending ratings downgrades. Such a suspension of downgrades would stabilize financial markets and open-up access to much needed financing for growth and development, but also for addressing the social and economic hardships their citizens are experiencing as a result of the COVID19 pandemic. Suspending downgrades would also provide the much-needed space for African countries to participate in the G20's Common Framework for Debt Treatments Beyond the DSSI without having to fear that they will be downgraded for doing so.

The African Sovereign Debt Justice Network, therefore, calls on Moody's to reverse its latest downgrade on Ghana and calls upon all the Credit Rating Agencies to suspend downgrades during this pandemic. Such a suspension would avoid the pattern of punishing African countries more severely for the same or even lower risks than countries in other parts of the world. Such a suspension would also allow African countries to access much needed financing, and where necessary, debt restructuring, during the ongoing pandemic. Notably, the UN Independent Expert on Debt and Human Rights in February 2021 also called for a similar suspension especially given the ongoing efforts to find solutions to the debt crisis. We hope Moody's heeds this call.

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