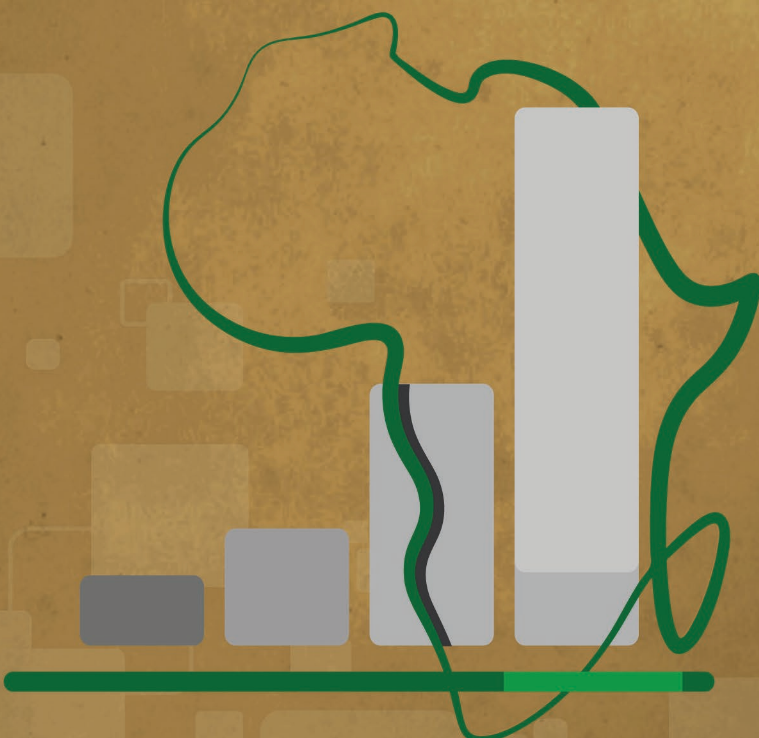
APRM

AFRICAN PEER REVIEW MECHANISM

AFRICA SOVEREIGN CREDIT RATING REVIEW

2022 MID-YEAR OUTLOOK



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ABOUT THIS REPORT

This 5th edition of the African Union - African Peer Review Mechanism (AU-APRM) mid-year Sovereign Credit Rating Review Report presents an analysis of the long-term foreign currency sovereign credit rating actions in Africa by three dominant international Credit Rating Agencies (CRAs) – Moody's, Fitch and S&P Global (S&P) – during the first half of 2022 (2022H1) and makes recommendations to both rating agencies and governments on how credit ratings can be improved in Africa.

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1 INTRODUCTION

Political leaders in Africa, continue to raise concerns over the unsatisfactory business practices by the three dominant international CRAs and are calling for a more sustainable and long-term solution. The current Chairperson of the African Union (AU) - President Macky Sall of Senegal - have called for the *"creation of a Pan-African credit agency as the current international credit ratings are proving unjust to African countries*[1] *."* This call was made during his inaugural speech as Chairperson of the AU, addressing the 35th AU Summit in Addis Ababa in February 2022. He also made the same call[2] during the United Nations Economic Commission for Africa (UNECA)'s 54th session of the Conference of African Ministers of Finance, Planning and Economic Development (CoM2022), held in Dakar, Senegal in May 2022. The AU Chair attributed the failure of African countries to recover economically to low credit ratings, which are discouraging international trade and investment, making credit more expensive and therefore undermine Africa's competitiveness.

Addressing the 35th AU Summit in February 2022 in Addis Ababa, Ethiopia, President Nana Akufo-Addo of Ghana, who is also the Champion of the AU Financial Institutions, has condemned an attempt by rating agencies to *"impede the progress of governments in accessing funds for development through their continuing consequential stranglehold, which has affected the cost and access to capital markets for African countries".* Both the Chair of the AU and the Champion of the AU Financial Institutions has consensus on the need for a concerted effort, to work collectively as AU in reforming the global financial architecture. Also, in his remarks[3] to the United Nations (UN) General Assembly in January 2022, the UN Secretary General, António Guterres, also acknowledged the presence of systemic imbalances between developed and developing countries which are, *"a product of a system that routinely ascribes poor credit ratings to developing economies and starving them of private finance".* This is perpetuated, in the Secretary General's view, by the role of CRAs as de facto decision-makers in the global financial system, whose credit ratings are not consistently based on comparable fundamentals and evidence, but rather harmful preconceptions.

1 https://www.sabcnews.com/sabcnews/african-union-calls-for-a-pan-african-rating-agency/
2 https://au.int/en/summit/35
3 https://www.un.org/sg/en/content/sg/speeches/2022-01-21/remarks-general-assembly-his-priorities-for-2022#:~:text=In%20 2022%2C%20I%20will%20continue,mode%20against%20the%20climate%20crisis.

2 GENERAL RATING OUTLOOK

The 2022H1 was predominantly associated with more sovereign rating downgrades than upgrades. Five countries were downgraded – Burkina Faso, Ghana, Mali, Namibia and Tunisia – compared to only two upgrades – Angola and Democratic Republic of Congo (DRC). The downgrades more than doubled in the 2022H1 from those witnessed in the second half of 2021 (2021H2), where only Ethiopia and Tunisia, which were going through political unrest, were downgraded. The 2022H1 mirrors the first half of 2021 (2021H1) which also saw a total of six countries being downgraded owing to the economic challenges as they struggled to cope with Covid-19 infection phases and waves. The rating downgrades in 2022H1 indicates a moderate reversal in the improvement of creditworthiness across the continent in the 2021H2, reflecting the effects of fiscal debt that was accumulated during the height of the Covid-19 pandemic, whose interest repayments are unsustainably high. Hence, the leading rating driver for the downgrades in the 2022H1 was the weakening fiscal metrics, coupled with increasing debt burden, that is making it difficult for countries to stabilize their debt-to-GDP ratios.

On rating outlooks – which gives information to lenders, investors or other ratings users about the expected direction of rating movement in the short to medium term (typically six months to two years) – six countries had a positive change in their outlooks – Côte d'Ivoire, Mozambique, Senegal, Seychelles, South Africa and Uganda. This is slightly above the number of outlook upgrades in the 2021H2, when four countries – Botswana, DRC, Nigeria and South Africa – had their outlook upgraded either from negative to stable or from stable to positive. Only Egypt had its outlook downgraded by Moody's from stable to negative in the 2022H1, compared to two countries – Morocco and Zambia – in the same period last year.

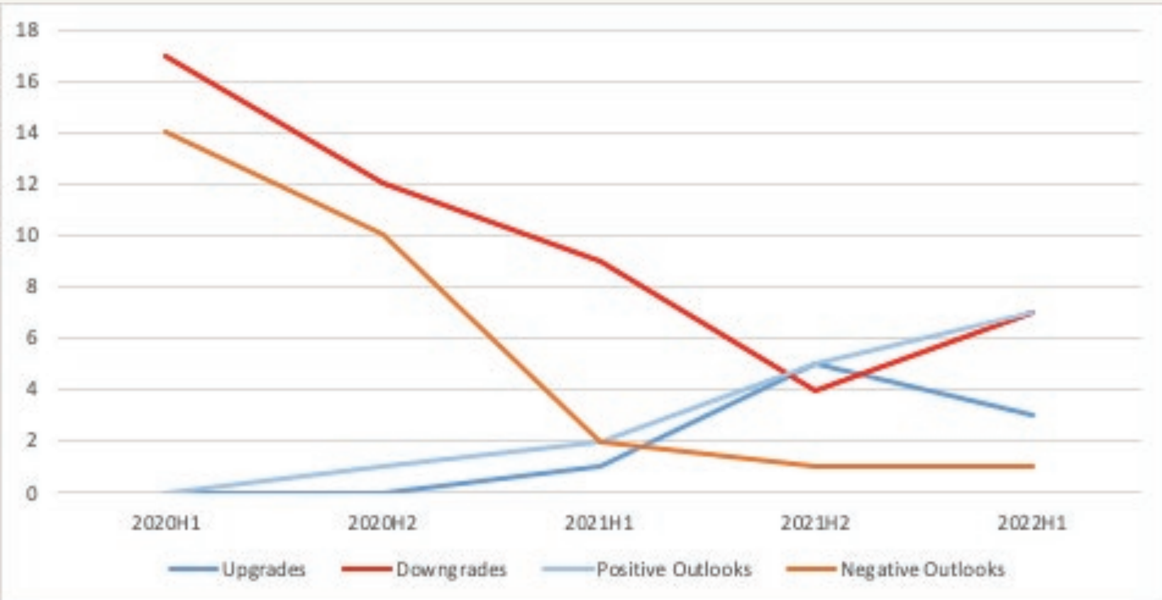
Table 1: Summary of sovereign credit rating actions (Jan – Jun 2022)

Country	Moody's		S&P		Fitch	
	Previous	Current	Previous	Current	Previous	Current
+ve Rating Actions						
Angola			CCC+ (Stable)	B- (Stable)	CCC	B- (Stable)
DR of Congo			CCC+ (Pos)	B- (Stable)		
Côte d'Ivoire	Ba3 (Stable)	Ba3 (Pos)				
Mozambique	Caa2 (Stable)	Caa2 (Pos)				
Senegal	Ba3 (Neg)	Ba3 (Stable)				
Seychelles					B+(Stable)	B+ (Pos)
South Africa	Ba2 (Neg)	Ba2 (Stable)	BB- (Stable)	BB- (Pos)		
Uganda					B+ (Neg)	B+ (Stable)
-ve Rating Actions						
Burkina Faso			B (Stable)	CCC+ (Stable)		
Egypt	B2(Stable)	B2 (Neg)				
Ghana	B3 (Neg)	Caa1 (Stable)			B (Neg)	B- (Neg)
Mali	Caa1 (Stable)	Caa2 (Neg)				
Namibia	Ba3 (Neg)	B1(Stable)			BB (Neg)	BB- (Stable)
Tunisia					B- (Neg)	CCC
	Upgrades Downgrades Pos Outlooks Neg Outlooks	- 3 4 1	Upgrades Downgrades Pos Outlooks Neg Outlooks	2 1 1 -	Upgrades Downgrades Pos Outlooks Neg Outlooks	1 3 2 -
Total		**8**		**4**		**6**

Tradingeconomics, 2022

Since the beginning of the first half of 2020 (2020H1), credit rating downgrades and negative outlooks have been on a upward trend. This was mainly driven by the prospects of faster and stronger economic recovery as countries emerged from the devastating impact of the COVID-19 pandemic. Upgrades and positive outlooks have also been steadily increasing since the beginning of 2020. However, as shown in Figure 1 below, the impact of the Russia-Ukraine war can be observed on the sudden increase on negative rating actions, coupled with fewer upgrades and positive outlooks in 2022H1.

Figure 1: Trend of Credit rating actions in Africa



Data: Primary Sources

3 CONTINENTAL KEY RATING DRIVERS

A total of eight countries had the ratings and/or outlooks upgraded in the 2022H1 and the following were the key rating drivers for the positive rating actions;

i. Angola was upgraded by Fitch and S&P due to the significant improvement in the country's fiscal and external metrics, underpinned by a return to positive economic growth, sound fiscal management and higher oil prices.
ii. The improvements in fiscal metrics following the International Monetary Fund (IMF)'s Extended Credit Facility and the success from the three-year economic reform program, supported the upgrade of DRC by S&P.
iii. Increasing economic and governance strength, which is supporting the lengthening track record of improving public finance management, reduction in the debt burden and the overall credit profile, led to an upgrade of Côte d'Ivoire's outlook by Moody's.
iv. Mozambique's outlook was upgraded by Moody's due to the prospects of broad-based improvements in the country's credit profile led by Liquified Natural Gas (LNG) production and the government's efforts to strengthen public governance, which is expected to improve policy effectiveness in the medium-term.
v. Moody's upgraded Senegal's outlook due to the increased likelihood that the government's debt burden will stabilize and eventually embark on a downward trajectory over the coming years as energy projects come on stream and significantly bolster economic growth.
vi. Seychelles' outlook was upgraded by Fitch, reflecting the significant improvement in fiscal metrics that either met or exceeded 2021 targets set by the IMF in its last Extended Fund Facility (EFF) review.
vii. The significant improvement in the fiscal outlook that raised the likelihood of government's debt burden stabilizing over the medium term, led to an outlook upgraded of South Africa by S&P and Moody's, and Uganda by Fitch.

Despite a significant number of upgrades, six countries experienced negative rating actions and the following were the rating drivers;

i. Egypt's outlook was downgraded by Moody's due to the significant narrowing in the foreign exchange reserve buffers, which reduced the country's capacity to meet its future external debt service payments.
ii. In Ghana, the perceived loss of government access to international capital markets and failure to stabilize government debt.

iii. The default in US$4.65 million coupon payments on two sovereign bonds that were due on 28 January 2022 caused Mali's downgrade by Moody's.
iv. The downgrade of Namibia by Fitch and Moody's was driven by widening fiscal deficit, increasing debt burden and weakening economic growth prospects.
v. Tunisia had heightened fiscal and external liquidity risks following the political changes, which curtailed the government's ability to enact strong fiscal consolidation measures, complicating efforts to secure an IMF program.
vi. Burkina Faso was downgraded by S&P due to the increase in risk of failure to make interest payments on its debt following the 23 January 2022 coup d'état, suspending the country's constitution and parliament.

4 AFRICAN SOVEREIGN DEBT MARKET

The 2022H1 witnessed a spike in sovereign bond interest rates in Africa due to the rising debt concerns. The majority of the public debt was accumulated in the 2020 and 2021 fiscal years when countries accumulated significant debt to address the impact of Covid-19 pandemic. Whilst other countries borrowed through multilateral channels, nine countries issued a total of US$27.2 billion in Eurobonds in the 2020 and 2021 fiscal years. As the impact of the Russia-Ukraine war continues to weigh down the economic recovery prospects in African countries, only three countries were able to issue Eurobonds in 2022H1, as other failed to do so due to unsustainably high interest rates, which priced governments out of the international financial markets. Interest repayment remains the highest expenditure portion and the fastest growing expenditure in the fiscal budgets of the majority of Africa's Eurobond holders.

Table 2: Eurobond issuance Jan – Jun 2022

Country	Issue date	Amount (US$B)	Purpose	Tenor	Coupon	Sub-scription
Angola	06/04/2022	1.75	Refinance and repay existing debt	10-year	8.75%	2x
Nigeria	17/03/2022	1.25	Finance capital projects and human capital develop-ment.	7-year	8.375%	2.5x
South Africa	11/04/2022	1.4	Budget finance & build external reserves	7-year 12-year 30-year	6.125% 7.375% 8.25%	4x

Source: Primary Sources

Despite the challenges on the international debt market, domestic financial markets still offer a slim opportunity with existing Eurobonds. The Federal Government of Nigeria listed its Federal Government's Eurobond on the domestic debt market, the FMDQ Group Securities Exchange.

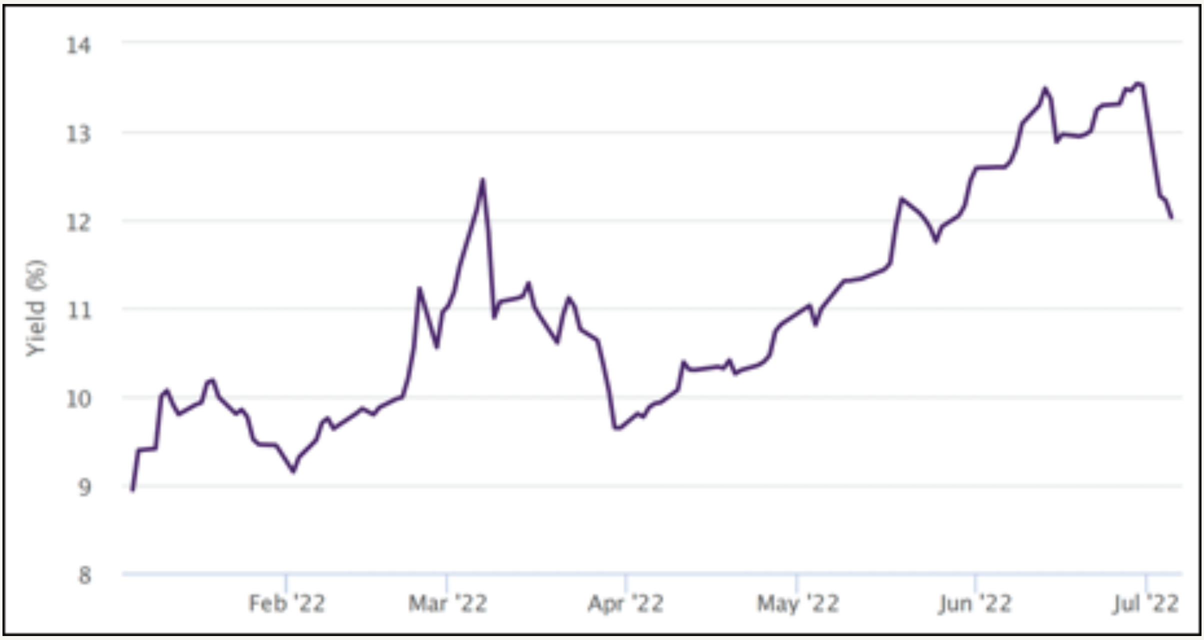
Box 1: Nigeria is the first Africa country to list its Eurobonds on a Domestic Securities Exchange

The Federal Government of Nigeria is the first African country to dually list its Federal Government Eurobonds on the domestic securities market, the Lagos-based FMDQ Securities Exchange - valued more than US$4 billion. This is in contrast to the other 20 African governments that have issued and only listed their Eurobonds on established international debt markets – usually London and Irish Stock Exchanges. Whilst governments and investors shun African bond markets because they are largely underdeveloped, with inactive and illiquid secondary markets, by listing government bonds on domestic debt markets, the Nigerian Federal Government has instilled market confidence. This will most likely increase both activity and liquid on the domestic market that the governments would eventually be able to undertake its primary issuances on the domestic debt exchange and venture offshore a lot less in the near future. The FMDQ Securities Exchange was registered as a securities exchange in 2019 and has championed the introduction of several innovative market development initiatives, driven by its strategic mandate, to transform the Nigerian financial markets. The listing of the Federal Government Eurobond has seen a year-on-year (YoY) increase of 50.29% in the exchange's market turnover from its US$564.00 billion average annual market turnover. Listing of the government's debt instrument on the domestic exchanges is a crucial strategy to support the development of domestic financial markets through broadening and deepening trading volumes.

Source: FMDQ Securities Exchange and Debt Management Office – Federal Ministry of Finance, Budget and National Planning, Nigeria, January 2022

In the 2022H1, Kenya and Ghana were unable to tape into the international capital market because of high yields demanded by Eurobond investors because of unsustainably high cost of borrowing, which has pushed them to consider IMF programs. Ghana was priced out of the market after ratings agency downgrades by Fitch and Moody's, which added uncertainty to the already volatile fiscal situation. Data from the CBonds indicates a sharp spike in yield to maturity (YTM) on Ghana's 15-year Eurobond after the controversial sovereign downgrade by Moody's in February.

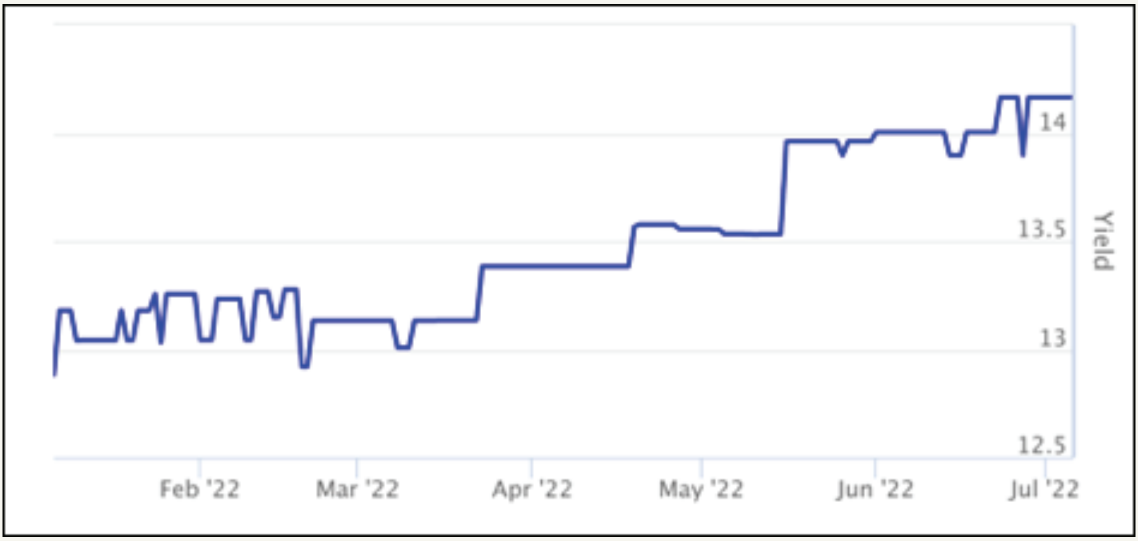
Figure 2: Ghana's Yield to Maturity on 15-year Government Bond



Data Source: Cbonds

International markets have remained pessimistic despite macroeconomic indicators showing that Ghana's economy is on the rebound, posting a 5.4% annual growth rate and 7% fourth quarter rate for 2021, which was above the forecasts by the Central Bank of Ghana and the IMF. Kenya also abandoned its planned US$1 billion Eurobond issuance due to the spike in cost of financing, making the option unsustainable. The country's YTM on its 10-year sovereign bond spiked following the comments by Fitch in March, when it affirmed its B+ negative outlook for Kenya.

Figure 3: Kenya's Yield to Maturity on 10-year Government Bond



Data Source: World Government Bonds

5 RATINGS CHALLENGES

Despite the improvement in sovereign creditworthiness in the 2021H2, which reflected the optimism in the recovery of African economies from the impact of Covid-19, a number of challenges in the credit ratings industry can be highlighted;

i. **Undue influence of the European Union (EU) on international CRAs:** The EU issued a directive[4] banning the "top credit rating agencies from rating Russia and Russian firms as part of its sanctions package against Russia's invasion of Ukraine", failure of which they will risk losing their licenses to operate in the EU. All the three international CRAs – Moody's, Fitch and S&P – complied with this directive by withdrawing all their commercial ratings on Russian sovereign, corporate and other forms of ratings, including closing their offices in Moscow. This clearly brings to light the undue influence of the Western countries on key global financial market players, posing a huge risk of manipulations. It therefore justifies the claims made by Africa's

4 https://ec.europa.eu/commission/presscorner/detail/en/IP_22_1761

Heads of State and Government[5], policy-makers[6] and academics[7] that CRAs have been politically weaponized as 'punitive sanctions' against certain states that do not align to the preferences of the West. It can thus be argued that the free-fall downgrades of the Russian government by six notches in less than 15 days, was not driven by risk fundamentals but rather a politically subjective reaction by the international CRAs. A number of reputable international organisations, such as JP Morgan and IMF[8], has openly indicated that Russia's economy is performing better than expected despite the Ukraine war and sanctions.

ii. **Lack of a continental Credit Rating Regulatory and Appeals Authority:** Because of the regulatory gaps on the continent, a number of conspicuous unfair business practices by international CRAs are going unchallenged. For example, in the acquisition of the largest African-based rating agency – Global Credit Rating (GCR) Company – Moody's only sought customary regulatory approvals from the South African Competition Commission and was not required to seek any other approval in Africa or abroad before executing this transaction. In a well-regulated continental environment, Moody's acquisition of GCR would have been assessed on the basis of anti-competitive considerations and, most likely, it would not have been approved. Ghana also appealed against its ratings by Fitch and Moody's in the 2022H1, which it proved was not reflective of the country's risk factors. Ghana's appeal and prior appeals by other African countries were unsuccessfully because there is no regulatory and appeals authority on the continent that can conduct a fair hearing of the countries' submissions and pronounce a decision. Instead, the appeals are in accordance with the rating agencies' own rules provided under their Procedures and Methodologies Used to Determine Credit Ratings. This makes the rating agencies both 'the player and referee in Africa'.

iii. **Anti-competitive behaviour:** Moody's, one of the three dominant international CRAs, acquired a majority shareholding in GCR, a leading African-based CRA, which also owns West Africa Rating Agency (WARA). Moody's also has a significant stake in the Egypt-based Middle East Rating and Investors Service (MERIS). GCR was the largest rating agency headquartered in Africa, which accounted for the majority of the ratings issued on the continent, based in Mauritius, with offices in South Africa, Nigeria, Kenya and Senegal. The acquisition of GCR by Moody's was a clearly an anti-competition tactic to maintain market dominance. The move was based on Moody's anticipation that there will be a robust increase in demand for credit rating services in Africa.

iv. **Subjective Environmental, Social and Governance (ESG) rating criteria:** International CRAs are currently emphasizing the incorporation of ESG scores in their ratings, which are an independent opinion about the environmental, social and governance risks facing a government. The underlying assumption by investors is that, governments and businesses with good ESG scores have good reputation and carry less risk as they incorporate sustainability as their

5 https://www.africannewsagency.com/agence-de-presse-africaine/au-chair-calls-for-own-rating-agency-9cef5b2c-f0ae-5717-94b6-c41a1b8dab94/

6 https://www.theafricareport.com/60046/this-is-not-your-grandfathers-imf-says-africa-department-director-abebe-selassie/

7 https://african.business/2020/10/economy/credit-rating-agencies-inflexible-stance-is-hurting-africa/

8 https://www.imf.org/en/News/Articles/2022/07/27/tr072622-weo-uptate-july-22-press-briefing-transcript

core value. The subjectivity in the ESG criteria has however exposed governments to analysts' pessimism due to the inconsistencies on what constitutes good ESG performance and differences in interpretations of available information. Hence, there is a pushback against the use of ESG scores in public finance ratings by policymakers[9] across the globe claiming that, the score is politicizing the ratings process[10].

v. **Speculative rating comments and actions:** Rating agencies continue to take negative speculative actions and to drive 'negative noise' through their media statements, commentaries and research reports. These are usually contrary to actual macroeconomic performance, projections and policy direction, diminishing investors' appetite and confidence in African investments. For instance, S&P[11] analyst speculates on Egypt's food crisis by November 2022, which has a direct implication on the country's ESG score. These comments unnecessarily create discomfort amongst investors, leading to speculative actions. It could also be argued that, the speculative comments by Fitch[12] primary analyst about Ghana's possible loss of access to international capital markets made it a reality. Investors immediately reacted to Fitch's comments by withdrawing from holding Ghana's bonds, causing an interest rates spike. This was contrary to the fact that, at the time, Ghana had sufficient liquidity and other available external financing options to cover near-term debt servicing without Eurobond issuance. In addition, the contrary optimism observed amongst Ghana Eurobond investors after engaging with government in the Non-deal Roadshow (NDR) in the beginning of 2022H1 and the rebound of interest rates on the country's Eurobonds following the rating downgrades proves the impact of these speculative rating actions.

9 https://www.scribd.com/document/574943241/Idaho-officials-letter-to-S-P-over-ESG-credit-indicators?secret_password=w7nNkqPekPA8GeiFaEqs
10 https://mofep.gov.gh/press-release/2022-02-07/moodys-downgrades-ghana-rating-to-caa1-and-stabilizes-the-outlook
11 https://www.youtube.com/watch?v=KuqlUhtM49M
12 https://www.fitchratings.com/research/sovereigns/ghanas-financing-challenges-set-to-rise-if-yields-remain-high-01-11-2021

Fitch also issued a statement[13] expressing its skepticism towards South Africa's 2022/23 National Budget Statement in February 2022. This was despite a number of positive and more market-friendly policies announced in the budget that were worth noting. These included; significant tax reliefs aimed at boosting investment and consumer spending, increase on the social safety nets to cushion the vulnerable groups of the society, the government's hardliner stance on civil servants' wage bill as part of broader economic reforms, enhancing tax collection measures on wealth and healthy living taxes and an improvement in the government debt trajectory, together with a reduction in government borrowing requirement. The rating agency, instead played-down the 2021 strong revenue and economic growth as temporary and fragile, and '*poured cold water*'[14] on the government's effort towards fiscal consolidation, calling the government initiatives and progress as insufficient. Such announcements unnecessarily dampen investors' optimism and triggers significant negative sentiments on business confidence.

13 https://www.fitchratings.com/research/sovereigns/south-africas-debt-still-rising-despite-higher-revenue-23-02-2022
14 https://www.news24.com/fin24/budget/ratings-agency-fitch-pours-cold-water-on-godongwanas-budget-20220224

Box 2: Ghana unsuccessfully appealed against Moody's credit rating action

The Government of Ghana appealed against Moody's decision to downgrade its credit rating from B3 to CAA1, which in its view, omitted key information and revealed an institutional bias against African economies. Ghana argued that the rating review was made without giving a newly appointed primary analyst adequate time to understand the country's economy. Ghana viewed the basis of the downgrade – the increasingly difficult task the government faces in addressing the intertwined liquidity and debt challenges – as inaccurate. This was the second time that Ghana raised concerns on the inaccuracies and haste rating decisions by international CRAs, which threaten the country's debt sustainability. Despite appealing against the rating decision on the basis of omissions and inaccuracies of key material information, the Moody's proceeded to issue an adverse rating.

Source: Ministry of Finance, Ghana, February 2022.

5 DOMESTIC CREDIT RATING MARKET

The domestic credit rating market has witnessed significant increase in activities inclined towards the development of the African-based rating agencies. First, the Financial Regulatory Authority (FRA) of Egypt approved a new amendment to the licensing and share-ownership rules of credit rating companies, allowing the establishment of local credit rating companies. The new amendment cancels the condition stipulating national rating companies to have an international CRA as a shareholder. This decision will encourage the setting-up of more domestic CRAs, contributing to the sector's performance, creating a competitive atmosphere in the market and increase bond issuance, especially the domestic instruments markets.

Second, the Security and Exchange Commission (SEC) of Ghana has licensed Beacon Credit Rating Agency, a domestic CRA to rate the issuance of bonds in order to bring some confidence and comfort to investors. The domestic CRA, which was licensed under the newly developed guidelines for licensing CRAs, is in the process of being operationalised this year as part of the several initiatives being undertaken to boost development of corporate bonds. Ghana is one of the four African countries with primary legislation of credit ratings, the Credit Reporting Act, 2007 (Act 726). It is also amongst the 35 African Countries that have adopted the international regulations and standards on rating agencies developed by the International Organization of Securities Commissions (IOSCO) and is in the process of domesticating them.

Third, the acquisition of GCR and WARA by Moody's in the 2022H1 has significantly expanded the presence of the 'big three' international CRAs in Africa, which was a huge setback for the development of alternative rating agencies to possibly compete against the monopoly of the 'big three'. However, the Financial Sector

Conduct Authority (FSCA) of South Africa licensed a new domestic rating agency, Sovereign Africa Ratings (Pty) Ltd in March 2022. The African Union is also working on the legal, structural and financial implications of establishing an African Credit Rating Agency (ACRA). The establishment of these domestic CRAs will significantly promote risk-based lending, equitable pricing of debt instruments, reduce information asymmetry and facilitate investment decisions. It will also support both public and private institutions to access affordable capital and accelerate the development of domestic capital markets.

5 DOMESTIC CREDIT RATING MARKET

The challenges on access to affordable capital and debt sustainability in Africa, being posed by international CRAs need a lasting solution. Whilst reforming the global financial architecture will be a long and painstaking process, a collective effort by African governments will address a significant number of challenges in the rating industry. With regards to its review of the rating actions in 2022H1, the APRM makes the following recommendations;

i. Constant communication with the international CRAs: In period engagements with international CRAs, the APRM notes the readiness of rating agencies to engage government officials on various challenges they are facing and to address possible information gaps. It is therefore critical for governments to proactively engage rating analysts and their relationship managers on or off rating review periods.
ii. Effective and timely communication with investors: In the wake of various speculative media statements, commentaries and research reports by rating agencies, governments need to effectively and timely communicate through their Ministry of Finance and Central Banks, providing first-hand information on performance of the economy, policy direction and answering pertinent questions from both media, investors and other interested stakeholders.
iii. Pitch for sovereign upgrades: Government officials should prepare and pitch for sovereign rating upgrades when they meet with the rating firms during scheduled reviews. Officials should plan on pro-

viding convincing details on how their governments are addressing, or have addressed, challenges raised in previous reviews such as; meeting their budget targets, policy challenges, prolonged economic slowdown and deteriorating fiscal position.

iv. Listing debt instruments on domestic exchanges: Instead of only listing their government bonds on established Western international debt markets, African governments will instill investor confidence by listing their bonds on domestic debt markets. This is an important way to support the development of domestic debt markets as they automatically become more active and liquid.

v. Enhance legislation of rating agencies and mandate national regulatory authorities with enforcement: Governments should expedite the enactment of legislation on credit rating services to ensure that regulation of international CRAs is, at least, at par with international requirements. This will empower national regulatory authorities to effectively supervise and regulate international CRAs.

vi. Establish and support domestic rating agencies: Governments should create an enabling environment, through relaxing licensing and share-ownership rules, to allow the establishment of domestic credit rating companies. This will expand the number of rated instruments, accelerate the development of domestic capital markets and improve governments' access to affordable capital.

vii. Expedite the establishment of an African Credit Rating Agency: A continental rating agency will have a distinctive opportunity to provide alternative credit ratings to the three dominant international CRAs as well as tapping into the 22 African countries market that have no credit ratings from any of the 'big three'.

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