



# United Nations Economic Commission for Africa

## Expert Group Meeting on Sovereign Credit Ratings

### Concept Note

Innovative Finance and Capital Markets Section (IFCMS)  
Private Sector Development and Finance Division (PSDFD)  
United Nations Economic Commission for Africa (ECA)

13 September 2022

### **Background**

Eurobonds are issued on international financial markets, which requires global investors to assess the creditworthiness of the issuing country. A sovereign credit rating is therefore an essential requirement for the issuance of a Eurobond. Eurobonds have been used by sovereigns to finance deficits and manage public debt. As a result, credit ratings influence the conditions under which governments may access the debt markets. The high interest rates that African countries pay to borrow in international financial markets can be attributed in part to poor credit ratings.

To have a thorough and objective risk assessment, fair rating assignment, and reasonable rating actions, Governments and rating agencies shall have a transparent exchange of necessary information and timely communication on the updates of macro-economic conditions in the country. Improving and maintaining good sovereign ratings, is therefore important to manage public debt and to attract investors, which would contribute to developing local capital market.

Despite the importance of sovereign ratings, several African countries haven't had the experience of rating assessment and lack the required technical capacity to design, manage, and follow up a rating process. To help more African countries understand the rating requirements and process, facilitate peer-learning, and foster dialogue among Governments and rating agencies, ECA, with the support of the Agence française de développement (AFD) and technical collaboration from the African Peer Review Mechanism of the African Union (AU-APRM), is organizing this expert group meeting (EGM) to facilitate exchange and raise greater awareness at the continental level on the challenges, priorities, and recommendations for sovereign credit ratings of African countries.

### **Objectives**

The objectives of the EGM are as follows:

- (1) Exchange among countries the updates, challenges, and experiences with regard to sovereign credit ratings



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- (2) Introduce the requirements and roadmap of sovereign credit ratings by rating agencies
- (3) Introduce the role and support development partners could offer to countries for rating assessment
- (4) Build a network of sovereign credit rating practitioners and focal points in Africa

## **Participants**

Officials from African Governments, experts from international, regional, and sub-regional organizations, rating agencies, and relevant institutions. A tentative participant list is attached to the Concept Note.

## **Date and Venue**

The EGM is planned to take place on 13<sup>th</sup> and 14<sup>th</sup>, October 2022, in Addis Ababa, Ethiopia. Also, the EGM will have interpretation in English and French languages.

## **Contact Person**

For more information about the meeting's organization and administration organisation, please contact:

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