



National Statement, delivered by Mr. Hussain Muhammad, Counsellor, during Interactive Dialogue with the Independent Expert on the effects of foreign debt at the 46th session of Human Rights Council

(04 March 2021)

Madam President,

We thank the Special Rapporteur for her report on indeed a very relevant topic of credit rating agencies and their role in international financial system.

Credit rating agencies play key role in determining creditworthiness of borrowing countries or companies. These ratings directly affect capacities of developing states to limit fiscal deficit, bridge liquidity crisis and spare resources for fulfilling national needs related to alleviating poverty and invest in human development.

We share Special Rapporteur's assessment that operations of these agencies lack transparency, as details of evaluation methodologies are somewhat murky. There is no accountability mechanism to check manipulation of data.

Special Rapporteur has rightly called for transparency in the international financial architecture especially reforming the credit rating agencies.

COVID-19 pandemic has further exacerbated the existing health, social and economic inequalities. It has pushed back more than 110 million people to extreme poverty and 265 million facing hunger crisis. Various debt relief and suspension initiatives have provided limited relief. However, the magnitude of crisis and socioeconomic impacts of COVID-19 demands collective will resolute actions in economic and health sector for realization of rights to life, health, and healthcare, reducing poverty and achieving SDGs.

We strongly echo calls for reform and transparency in international financial architecture and evaluation methodology of credit rating agencies to cater for fulfillment of rights to food, health, education and achievements of the SDGs.

I thank you