Youth Statement

Special High-Level Meeting on Credit Ratings
13th Plenary Meeting of the Economic and Social Council
First Panel Discussion: Credit Ratings and the Cost of Capital

Ágora Citizens Changing México

On behalf of
Financing for Development Children and Youth Constituency | Major Group for Children and Youth
(Children and Youth International)

Delivered by:

Ms. Myelle Rodgers
Special Adviser to the Executive Director, DMUN Foundation

10:00 – 13:00 | 30 March 2026 | ECOSOC Chamber

AS DELIVERED

Thank you. My name is Myelle Rodgers and I take the floor on behalf of the Financing for Development Children and Youth Constituency of the Major Group for Children and Youth and the DMUN Foundation.

Mr. President, I speak on behalf of 1.8 billion young people who will bear the longest burden of decisions made in this room today. When credit rating agencies assign a country a risk score, they are not merely rating governments but the futures of their citizens.

Consider what happened when COVID-19 struck. Developing countries contracted their economies by an average of 2.2%, far less than the 4.7% contraction in advanced economies. Yet developing countries received over 95% of all sovereign credit downgrades.

This was a global pattern: Cameroon, Ethiopia, and Pakistan were downgraded immediately after requesting relief under the Debt Service Suspension Initiative, penalised for asking for assistance; across Latin America and the Caribbean, borrowing costs spiked as ratings fell even as governments were spending to keep people alive.

This is a structural injustice that compounds real time, across every region of the Global South. Climate shocks, pandemic debt, and currency depreciation create cascading crises that CRA methodologies translate into downgrades, triggering capital flight, further fiscal tightening, and cuts to education, health, and climate investments that would reduce long-term vulnerability.

The systematic underrating of African sovereign borrowers alone cost the continent an estimated 74 billion dollars in a single year, more than the total ODA to Africa. The story is the same, in different numbers, from Port-au-Prince to Colombo to Lusaka.

The Seville Commitment was a step, and we welcome today's meeting as its direct fruit. But let us be clear about what a step means: it is not an arrival. The cost of capital for developing countries — whether in Sub-Saharan Africa, South Asia, Small Island Developing States, or Central America — remains structurally higher than their actual credit risk warrants.

The “rating cliff” that locks countries out of international capital markets for years — not because their fundamentals collapsed, but because a handful of private agencies moved simultaneously — is still intact.

Mr. President, Excellencies, and Distinguished Colleagues,

Children and Youth demand that ECOSOC address the cost-of-capital crisis as a development emergency.

Transparency in methodology, disaggregated data on how social and climate resilience investments are scored, and accountability mechanisms for procyclical rating behaviour are minimum conditions for fair access to finance.

The bill for inaction is being sent to us.

We thank you.

Sources

1.8 billion people aged 10–24. UN DESA World Youth Report 2020.
https://www.un.org/development/desa/youth/

UN DESA Policy Brief No. 131: Credit Rating Agencies and Sovereign Debt (2022). Developing countries received >95% of downgrades despite a 2.2% vs 4.7% contraction gap.
https://desapublications.un.org/policy-briefs/un-desa-policy-brief-no-131-credit-rating-agencies-and-sovereign-debt-four-proposals

Moody’s downgrade actions on Cameroon, Ethiopia, and Pakistan linked to DSSI participation documented in: UNCTAD, “Credit Rating Agencies, Developing Countries and Bias” (2021); Yale SOM, “Who’s Afraid of Debt Relief” (2020).
https://unctad.org/publication/credit-rating-agencies-developing-countries-and-bias

UNDP, “Reducing the Cost of Finance for Africa” (April 2023): USD 74.5 billion/year ($28B excess interest + $46B forgone lending). Exceeds Africa’s total ODA receipts.
https://www.undp.org/sites/g/files/zskgke326/files/2023-04/Full%20report%20-%20Reducing%20Cost%20Finance%20Africa%20Report%20-%20April%202023.pdf