Making Developing Country Issues Visible in the Global Financial Reform Debate:
The Case of Credit Rating Agencies

By Aldo Caliari

In the late 1990s, after several financial crises and ostensibly as a response to them, the G8 gave support to a series of processes to establish what was branded as a “new financial architecture.” The formalization of a Group of 20 –that started to exist in parallel to the G8—and the establishment of the Financial Stability Forum, were part of the outcomes of this process. While initially there were hopes that concerns of developing countries that have been the main ones affected by the financial crises, would receive a new dimension in this “architecture” and that longstanding asymmetries in the financial system would be addressed, it became clear that the process had no such ambition.

Two lines of problems became clear as the agenda, heavily centered on promoting changes in the financial infrastructure of developing countries through implementation of standards and codes, emerged. First, the assumption that the standards that are applicable in developed country economies should also work and be useful and beneficial for developing country economies. In this first respect, a genuine reform effort should have been geared to ensure developing countries retain maximum policy flexibility to pursue locally-owned, home-grown standards and regulatory efforts that respond to their own development needs.

The second line of problems in the standards and codes agenda is the omission to consider regulatory efforts that may more fairly allocate the burden of reforms between developed and developing countries, by placing some of the effort on evenhanded global regulation and/ or regulation in source countries. In this second respect, the reform effort should have been geared to achieve an international, and source-country, regulation of financial capital flows that can avoid (or, if inevitable, mitigate) the damage in the developing world.

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Civil society organizations—in a more or less close alliance with developing country governments—have made several efforts to advocate increased participation by developing countries in financial standard- and agenda-setting bodies. The efforts have met with limited success—in spite of the fact that such reforms now count with normative basis as they became multilaterally agreed commitments within the Monterrey Consensus. There are also “real life” obstacles to how effective the participation by developing countries in a multilateral setting addressing financial regulation could be, even if formally granted to them.

In that context, it is worth entertaining the possibility that the process of increasing qualitatively and quantitatively the influence of developing countries and inclusion of their concerns in decision-making and governance of cross-border financial flows may not necessarily go through the path of increasing their representation in the existing financial-standard-setting bodies.

In a previous paper (Caliari 2008), this thesis was sketched out offering some suggestions for action that will not necessarily increase the representation of developing countries in the existing standard-setting bodies—though it is expected that by showing the potential impact of developing country concerns in the reform of the international financial system it will help build eventually a stronger case to do so.

This essay explores the application of such thesis to a concrete issue, the agenda for reform of credit rating agencies (or “CRAs”). The next section briefly sets the main facts about the global financial crisis context. Section II explains the role of credit rating agencies in the crisis and its growing prominence in the official debate on global financial reform. The third section describes the Financial Stability Forum’s latest report and its agenda towards CRAs while the following section analyzes the FSF proposals from the perspective of their relevance to developing country issues and concerns. Section V makes some general remarks on the extent to which FSF proposals are tailored to developing countries’ issues, and the implications that this has for different approaches to increasing the voice and participation of developing countries in the global financial system reform agenda.
The final section concludes with some recommendations for an advocacy strategy with the short-term goal of bringing alternative views on CRAs onto the official debate and the longer-term objective of increasing the voice and participation of developing countries in the agenda for reform of the global financial system.

I. The context of the financial crisis

While the conditions of global credit turmoil that affected the markets since August 2007 were already evaluated as an opportunity for reform, a series of events in September 2008 followed by large scale rescues and a historic bailout measure in the amount of 700 USD billion passed by the US Congress –has significantly worsened the outlook. Martin Wolf states this is the worst financial crisis anyone alive has seen –unless one lived for longer than 100 years.

In comparison with the situation before September, the momentum towards reform of the international financial system has now increased under the worsened conditions. Yet, continued reservations about the direction of the measures of reform and the extent to which they will adequately include the concerns of developing countries are still warranted in the current debate.

It has become certain that the effects of the crisis will have a global scope, affecting developing economies and, as it has been the case in previous cases, affecting them in ways proportionately larger than the effects in the economies of developed countries.

For the purposes of the rest of this essay it is important to note that the increased presence of a transnational banking sector in developing countries has been an important channel for the transmission of the effects of the financial crisis to these countries. Following one official explanation, banks were affected partly because they held structured finance assets that partly comprised subprime securities. But they were also affected because they were in need to provide backup finance for the special purpose vehicles that held such assets and could no longer count on markets to absorb underwritten credits. The potential large scale impacts of an involuntary recapitalization, were the trigger of a cascading effect that was
compounded by the opaqueness of the products and the lack of trust these opaque conditions generated. (Borio 2008, 9-10)

Once the crisis progressed, credit restrictions were felt not only in the home countries of the large affected banks, but also in the developing countries hosting subsidiaries and other affiliates. This is in spite of the fact that the developing economies, in general, have engaged in less securitization of assets.

Moreover, some of the crisis response measures undertaken, involve public guarantees, and public funding invested in or buying assets held by the banks. As a result, developing countries are suffering the impact of being less able to offer the certainty and guarantees that public funding and public guarantees by industrialized economies offer. The crisis response is exposing, therefore, another ugly side to the asymmetries in the financial system. Conditions of credit scarcity in developing countries have worsened even as a result of the very same measures that developed countries are taking to mitigate the effects of the crisis in their banking systems.

II. The debate on role of credit rating agencies

The discussion on what role should credit rating agencies play is not new, but they have never come under such a vigorous scrutiny as they became after mid-2007. This is a function of the important role that credit rating agencies play in the investment and risk management processes, and even in regulation. Since weaknesses in management of risks of structured finance products played a crucial role in triggering and spreading the crisis, credit rating agencies’ role has come to be the focus of renewed attention.

As a result, proposals that would subject them to more control and surveillance are under discussion. Last May IOSCO finished updating its Code of Conduct for Credit Rating Agencies. The European Commission has also been discussing increased surveillance over rating agencies that could potentially involve regulatory oversight.
The Financial Stability forum, in its report commissioned by the G7 in order to study responses to the financial crisis and issued last April ("the FSF Report"), has addressed the issue and, while stopping short of proposing new regulation, it does state the problems and what some CRAs should change to address them. (FSF 2008)

Because several similar efforts to spell out reforms for CRAs tend to converge around the same points—and, needless to say, the FSF report is having large influence as the organizing framework for the discussion in several developed countries—the FSF report is useful as a reference point to show what a regulatory agenda designed by developed countries may look like. The report, thus, could also serve to pinpoint in what ways such regulatory agenda may or may not be reflective of developing country concerns. In this regard, it is taken here as a case study of how an approach that seeks greater participation by DCs in agenda and standard-setting bodies vs. an approach that focuses on seeks to increase DCs impact on such agenda—without necessarily increasing participation—may fare.

III. The FSF report’s approach with regards to CRAs

The FSF agenda makes recommendations with respect to credit rating agencies under four themes:

1. The quality of the rating process:

CRAs should improve the quality of the rating process and manage conflicts of interest in rating structured products.

IV.1 IOSCO will revise its Code of Conduct Fundamentals for Credit Rating Agencies by mid-2008 to:

- improve the quality of the rating process including the models, methodologies and information used for ratings (e.g., by CRAs creating an independent function to conduct periodic reviews);
o address conflicts of interest, including concerns about analyst remuneration and about the separation of consulting and rating activities; and

o provide investors with additional information on the methodologies and criteria used for ratings, how CRAs address data limitations, and data on the historical performance of ratings.

IV.2 CRAs should quickly revise their codes of conduct to implement the revised IOSCO CRA Code of Conduct Fundamentals. Authorities will monitor, individually or collectively, the implementation of the revised IOSCO Code of Conduct by CRAs, in order to ensure that CRAs quickly translate it into action.

IV.3 CRAs should demonstrate that they have the ability to maintain the quality of their service in the face of rapid expansion of their activities, and allocate adequate resources to both the initial rating and to the rating’s regular review.

2. Differentiated ratings and expanded information on structured products

CRAs should differentiate ratings on structured finance from those on bonds, and expand the initial and ongoing information provided on the risk characteristics of structured products.

IV.4 CRAs should clearly differentiate, either with a different rating scale or with additional symbols, the ratings used for structured products from those for corporate bonds, subject to appropriate notification and comment.

IV.5 CRAs should expand the initial and ongoing information that they provide on the risk characteristics of structured products, including:

  o additional initial and ongoing information on rating stability;

  o the assumptions underlying a structured product rating and the sensitivity of the rating to changes in these assumptions;
information about their loss and cash-flow analysis of structured products;

information on limitations of rating analysis due to insufficient data or untested models, including rating uncertainty; and

standardised initial and ongoing performance reports, especially for re-securitised products.

3. CRA assessment of underlying data quality

CRAs should review the quality of the data input and the due diligence performed by originators, arrangers and issuers. To this end, CRAs should:

require underwriters to provide representations about the level and scope of due diligence that they have performed on the underlying assets;

adopt reasonable measures to ensure that the information they use is of sufficient quality to support a credible rating;

establish an independent function to review the feasibility of providing a credit rating for new products materially different from those currently rated;

refrain from rating a security in cases where the complexity or structure of a new type of structured product, or the lack of robust data about underlying assets, raises serious questions as to whether CRAs can determine a credit rating;

disclose what qualitative reviews they perform on originators’ underwriting standards; and

take into account the information on the portion of underlying assets held by originators when rating securitised products.
4. The uses of ratings by investors and regulators

Investors should address their over-reliance on ratings. Investor associations should consider developing standards of due diligence and credit analysis for investing in structured products.

Investors should reconsider how they use credit ratings in their investment guidelines and mandates and for risk management and valuation. Ratings should not replace appropriate risk analysis and management on the part of investors. Investors should conduct risk analysis commensurate with the complexity of the structured product and the materiality of their holding, or refrain from such investments.

Authorities will review their use of ratings in the regulatory and supervisory framework.

Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation.

IV. Developing country issues about the FSF report’s approach

This section contains an assessment of the FSF report’s agenda and some issues it raises for developing country interests. They are organized under the four themes the FSF utilized, and followed by some remarks of general applicability to the overall agenda.

1. Quality of rating process

The FSF report identifies the criticisms that have been made about conflicts of interest between CRAs and the issuers of the products they rate. Structured
products are more susceptible to conflicts of interest because they are usually designed to fit a particular credit rating. The subprime mortgages were under-assessed due, partly, flaws in methodology for rating.

However the recommendations rely exclusively on Codes of Conduct (that is, self-monitoring). The guarantees that a situation of miscalculation of risks will not be repeated is, therefore, largely left to modifications in incentives for which the CRAs themselves are responsible. In one part, the FSF report calls on CRAs to take some internal governance reform measures as “important ways for CRAs to regain market confidence.”

While the recommended measures are probably going in a positive direction, the resort to mere self-regulation to be enforced by “market discipline” is problematic from a developing country perspective. The benign conditions in the market that generated the competition for higher yield among lenders—and correlative their increased risk appetite—fuelled the environment of lax diligence that made these internal practices by rating agencies possible. In other words, market confidence may not be so much a function of the perceived standards of internal governance that CRAs have in place. This is especially the case when ratings are also used by regulators and supervisors (see in this respect point 4 below). In fact, the conflicts of interest inherent to the issuer company and the providers of ratings is not a recently discovered phenomenon. If it was not addressed, it is probably an indication that the market cannot be relied upon to keep those practices in check.

The FSF recommendation also calls on the authorities to monitor implementation of the IOSCO Code of Conduct by the agencies. As the crisis has shown, credit rating agencies may have an impact on the assets in the balance sheet of banks hosted by developing countries. So if there is not a good policing of implementation of the Code of Conduct by regulators in industrial countries where the biggest credit rating agencies are based, the impacts are felt also in developing countries. For a developing country, an indirect way to get some footing in this process may be to require that foreign banks—as part of, for instance, licensing requirements—report on the practices of the rating agencies who rate the assets they hold. Cooperation agreements with the regulator of the home country may be another way to request
and obtain the information on a regular basis. If the host country is not satisfied with the degree of compliance or the monitoring exercised by the regulator in the home country, it could reserve the right to revoke the license for the bank. It is possible to envision as another consequence, a less radical one, the demand for the bank to get rid of the assets rated by a specific agency. But this may not be much of a protection if the assets are transferred to another subsidiary, or simply back to the parent company. Ultimately, it is clear in this crisis, where the assets are held does not make much of a difference when the risks materialize and the bank has to assume the liabilities.

The FSF calls on CRAs to publish information on methodologies and criteria used for ratings, including comparable historical performance data they use. The problem with this recommendation is that it overestimates the effect that access to information is going to have on investors. When market dynamics push for lenders to relax standards in an environment of increased competition, the available information does not matter much. This is especially applicable to structured finance, given the inherent complexity to evaluate its risks. Some of the firms carrying the largest losses on structured finance were the same firms active in the design and marketing of these structures. (CGFS 2008, 12)

Developing countries, therefore, are well-advised to not trust such mechanisms, either, as a guarantee of the reliability of banks operating in their jurisdiction.

2. Differentiated ratings and expanded information on structured products

The FSF finds that CRAs apply the same rating categories to structured products as to corporate bonds. It rightly points out that structured products, just like they tend to be more stable than corporate bonds in normal conditions, could be much more volatile in economy-wide shocks as the correlation among the composing assets is stronger. The same rating could mean very different levels of risk for structured products than for corporate bonds. The recommendation is to have a separate rating scale for structured products that can convey these differences to investors, and expand the information provided on ratings of structured products.
The problem with this recommendations is, again, that the FSF assumes that the problem is one of information and investors that would rationally be guided by the actual level of risk indicated by ratings. Some investors may probably do so, but more layers of discrimination in ratings of different products are no recipe to prevent “herd” behaviors, self-fulfilling prophecies or what more recently has been termed “reflexivity” by George Soros, in opposition to the rationality assumption. The US President’s Working Group on Financial Markets, in a somewhat contradictory comment, said “Although market participants had economic incentives to conduct due diligence and evaluate risk-adjusted returns, the steps they took were insufficient, resulting in a significant erosion of market discipline.” (US President Working Group on Financial Markets 2008)

The risk that banks may run into trouble due to structured finance assets and end up having to tighten credit as a result, is hardly averted by measures that rely on greater provision of information to investors. For a developing country, as a result—continuing to assume one that is hosting a foreign banking sector--the risk for its credit conditions is not averted, either. They are likely to face those effects even if the local bank is not holding the problematic assets in its balance sheet. So, demanding that the bank does not hold structured assets -- or imposing punitive capital charges against structured products held by the bank – does not necessarily solve the problem.

Here is another instance where developing countries could try to resort to regulatory or licensing requirements to stipulate that banks in their jurisdiction should provide information on the assets and processes for verifying their risk structure. Of course, in practice, it is likely that transnational banks may react by simply making more expensive lending in countries that try to do so.

3. CRA assessment of underlying data quality

The FSF refers under this heading to the lax loan underwriting and poor practices in verifying borrowers’ financial information. It points to incorrect information that was supposed to be verified by originators, issuers and arrangers, as a factor affecting the accuracy of ratings. CRAs, says the FSF, “should review the quality of the data
input and evaluate and disclose the level and scope of the due diligence performed by originators, arrangers and issuers."

The good implementation of this aspect supposes, indeed, that conflicts of interest are addressed, or else it would be difficult to see CRAs verifying due diligence for instance when their fees will be paid by some of these actors whose behavior they should verify. But, even assuming this is the case, there are operational limits to how much rating agencies can verify the scope of due diligence by the different actors. After all, the CRAs are not regulators.

One can, to some extent, sympathize with private sector respondents who, faced with a similar recommendation in a CGFS paper, said it appeared ambitious in practical terms. (CGFS 2008, 18) CRAs, responding to the same recommendation said the underwriting of most securities is a regulated activity and that information from the originators is subject to the appropriate regulatory standards. (Ib.) Indeed, it seems that a package that includes strengthened regulatory standards from all regulatory bodies that have relevance for the different actors involved in the process of securitization is a necessary condition for this aspect to be effectively fixed.

As the effective application of this recommendation would fall even more on regulators based in developed countries, there is little developing countries could do to influence how they are implemented.

4. Uses of ratings by investors and regulators

a. Use of ratings by investors:

One problem the FSF highlights here is the practice by investors to tend to equate the assessment of creditworthiness that CRAs provide to an assessment of liquidity, market or volatility risk. Investors tended to overrely on ratings for structured finance products. The proposed solution recommends more information on risks of structured products but, as the FSF report recognizes “enhanced disclosure by CRAs is useful only if investors make appropriate use of the information for their due
diligence and risk management.” The report also recognizes that for structured products the “analysis of the underlying assets and the correlation risk is quite challenging.”

It seems that unrealistic expectations are placed on the investors. The recommendation that unless investors can conduct risk analysis commensurate with the complexity of the product, they should “refrain from such investment” is clearly in order. But the problem is that elemental prudence and common sense justifies such recommendation and, yet, real life investors did not necessarily behave according to it, nor is there reason to believe their behavior will change significantly if more benign market conditions return.

Developing countries are, especially when investors are large institutional investors based in developed countries, hostage to market dynamics they have no control about. They have no regulatory power over the investors and, yet, what investors do and how they react to the ratings may greatly affect the assets of banks in the developing countries. They can, and probably should, certainly use their power to ensure less emphasis is placed on ratings by nationally-based institutional investors.

For the banks that operate as investors, developing countries could monitor, or use the leverage of bank licensing requirements, to ensure banks do have complementary means to assess risks and perform due diligence on the assets they keep in their balance sheets.

b. Use of ratings by regulators

Next to the voluntary overreliance on ratings by investors, the FSF treats the overreliance mandated by supervisory and regulatory frameworks. The official reference to ratings in regulatory and supervisory frameworks has played a role in encouraging investors’ to over-rely on such ratings.

Prominent here is the Basel Accord itself. While Basel II partially moves away from Basel I’s reliance on credit ratings, banks under the new regime may still choose to
pursue the “standardized approach”, which relies on external assessments of risk. The use of internal models, encouraged under Basel II, is applicable to charges for standard products. External ratings are still very much needed for structured products. According to the Bank of England, “it is possible that this regulatory requirement could result in some banks using external ratings as their only input when assessing structured products.” (Bank of England 2007, 55) (bolded not in the original)

The FSF report’s language in this part is less than reassuring about the future use of CRA ratings. It recommends that authorities check “roles they have assigned to ratings in regulations and supervisory rules . . . do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. “ But this formulation is not definitive about whether ratings will or will not continue to be embedded in regulation. The report also promises a stocktaking (scheduled for end 2008) of whether “their regulation and/or supervisory policies unintentionally give credit ratings an official seal of approval.” But the results to come out are qualified saying that credit ratings play an important role in investment and risk management frameworks and, thus, “the transitional implications of any changes to regulations and supervisory rules should thus be carefully considered.”

The embedding of ratings in regulatory and supervision frameworks is a crucial aspect that shows the risks such frameworks, and in particular the Basel accords, carry for developing countries.

The FSF agenda may have an impact on, yet, a new adjustment of the Basel Accord. The question is how radical will such adjustment be. Given the strong role of CRAs in Basel II, it looks like a radical overhaul would have to happen for the adjustment to bring enough guarantees that ratings will not be taken as a main point of reference. If reforms on the Basel Accord are anywhere less than this, little relief can be expected for developing countries from a situation of exposure to the results that this regulation will have on the balance sheets of financial institutions operating in their markets.
Developing countries that are at different stages of implementing Basel, might want to reconsider, in their implementation of Basel, the role that CRA ratings play and adapt it. They could reform their regulation and supervision frameworks to strip the role of rating agencies away, or relativize it. This does not require any collective international agreement. The US SEC is already taking measures to reduce the reliance of not only investors, but also banks, on ratings. There is no reason why developing countries could not do the same for banks operating in their jurisdictions.

Arguably, this would not be enough to protect themselves in the case of international banks, whose parent companies are subject to other regulatory and supervisory frameworks. But they could condition licensing of foreign banks on verification of processes for due diligence or independent risk assessments for structured products and verification that reliance on rating agencies is not greater than what the local jurisdiction considers appropriate.

V. **General remarks on the FSF’s report agenda**

The foregoing analysis of the FSF report’s agenda on CRAs shows that the FSF agenda is far from suitable to address the concerns of developing countries, and presents several gaps. This means, even if the proposed reforms are implemented, developing countries may not see much relief or improvements over their current situation. This allows the identification of differences between what the FSF is proposing and what the priorities should be from a developing country perspective.

There are issues clearly more relevant for developing countries but that do not feature on the agenda at all, such as what is the responsibility of CRAs, or governments that have regulatory jurisdiction on them, to other countries that may suffer impacts from the CRA’s activity. What are the accountability mechanisms for regulatory or deregulatory measures taken in their jurisdictions that have systemic effects, in a context of large transnational banks operating across borders.

The analysis also highlighted some areas where domestic action by developing countries, either as a complement, or as a departure, of some financial standards
and codes—in this case those related to Banking supervision—may be necessary and more to the point than the international action agreed at financial standard-setting bodies. In this regard, the thesis that increasing the weight of developing country concerns in regulation of international finance may not necessarily require greater involvement in financial standard-setting bodies seems validated.

But it is also clear from a number of issues where developing country unilateral domestic action would clearly not lead to changes, that some collective action is needed. In this regard, the strategic action by developing countries to acquire some collective influence in the works of financial standard-setting and agenda-setting bodies is necessary.

Finally, the analysis and an assessment of what are the alternative response measures developing countries—or all countries—could take reveals that, to a large extent, some of the problems are inherent and probably unavoidable for a system that allows structured finance. One could think of banning structured finance altogether and, in fact, a number of commentators have been talking about the “flight to simplicity” to characterize a phenomenon of significantly decreased utilization of structured finance as a result of the crisis, even in the absence of a ban. But most likely structured finance will come back, as conditions in the market improve.

Banning structured finance would also deprive developing countries from the possible benefits of cheaper lending by private banks that they had also been enjoying in the years of the boom. At the same time, as the years of crisis are requiring the state to step back in, an argument could be made that maybe it is better to go back to a stronger banking role for the state, and at least let the state reap the profits of projects that yield a return in good years. Then this state banking sector could be conceived not as a subsidiary role—e.g., doing only what the private sector would not do—but as an equal actor with the private sector, one that would be more stable. Then a private sector banking sector could be allowed to engage in structured finance, and all sorts of financial engineering, but without the implicit guarantee of “being too big to fail”—a guarantee that would be enjoyed explicitly
by the public banking sector, and the one that would ensure the real economy is not affected by the fluctuations in fortunes of the private structured finance markets.

VI. Conclusion: Designing an advocacy strategy

Taking the issue of credit rating agencies, some recommendations could be made for a strategy to advocacy to operationalize and bring into the official debate the overlooked issue of developing countries. Sicj –in the process strengthening the case for their full participation in bodies that set the agenda.

- The role of CRAs is complex. But a popularized, simplified version of how risky assets were sold to banks, the banks’ losses of capital, the impact this has on credit conditions and, consequently, the real economy, should not be difficult to make.
- Civil society organizations, in cooperation with academics, could develop and promote an alternative Credit Rating Agencies charter, one that focuses on the issues that the current agenda for reform leaves out. The goal would not necessarily be to have the CRAs charter adopted, but the more instrumental ones of a) creating a rallying point for different civil society efforts 2) create an excuse for education and self-education on issues around the behavior of CRAs, 3) exposing the shortcomings in CRA regulation.
- Since lax CRA practices have affected banking sectors in both developed and developing countries, a coalition of organizations to support the CRA Charter could certainly span across developing and developed countries.
- Efforts should ride on the official debate on regulation that is going on at the EU level. Even if, as this essay has argued, such efforts are not going in the right direction, they provide the political opportunity that may attract press and public interest.
- A study of where developing countries are prevented from using control, supervision and licensing tools with regards to banks operating in their jurisdictions –either because of bilateral investment agreements, commitments under GATS, or programs with international financial institutions—could help generate links with the interests of other civil society
groups, for growing the coalition. It would also shed light on links among the operations of different international rules and the way they intersect with each other to prevent countervailing action by developing countries to protect their financial sectors.

- A mapping of likely countries of interest —because they are in no position to adopt alternative mechanism of protection (or because they are and did not think so)—could offer useful complement to such study. The private sector - CRAs but also banks - that have voiced opposition to the relatively mild recommendations of the FSF are a useful hint of where private sector actors benefit or profit from existing practice—CSOs could complete the picture showing at the expense of whom.

- Based on the study and mapping, a coalition of developing country governments could be lobbied to generate a “Study Group” or “Reflection Group” on CRAs that could shadow the reports of the FSF and next steps taken in this area by developed countries, generating an alternative pole in the debate (for instance, supported by a research think tank of developing countries such as NAM, South Centre, etc).

- The efforts around CRAs should be considered a stepping-stone in the broader effort to raise awareness about the way that agenda-setting in financial standard-setting bodies is skewed against developing countries and make the case for how their inclusion in the debate may make bring differences to policy-making.
Bibliography


