REGIONAL CENTRE OF EXCELLENCE

Report on RCE
Virtual Technical Trainings
January to June 2026



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About the Regional Centre of Excellence

Background of the RCE

A Memorandum of Understanding (MoU) between the Government of Mauritius and the OECD was signed in September 2018, following the announcement in the 2018/19 budget speech to host a Regional Centre under the Financial Services Commission (FSC). The MoU laid down the foundations for collaboration between the OECD and Mauritius to strengthen and support effective regulation, sound corporate governance and good conduct in the Southern and Eastern African region.

Objectives of the RCE

(i) Deliver capacity-building programmes aimed primarily at financial services regulators and law enforcement agencies from the Southern and Eastern African region;

(ii) Research topical areas relevant to financial services and financial malpractices for the regional market; and

(iii) Advise on minimum standards that must be introduced at the regional level.

The RCE has conducted 29 training programmes since November 2020, reaching over 8,000 participants from more than 110 countries worldwide.

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1
REGIONAL CENTRE OF EXCELLENCE
Financing sustainable growth and resilience: international experience and African perspective
Hosted on 02 April 2026

Global Reach: RCE training reached participants from 23 Countries



Map 1: Representation of countries — Financing sustainable growth and resilience international experience and African perspective

Introduction

Africa faces a substantial and persistent financing gap, driven by rising energy demand, rapid urbanisation and increasing exposure to climate-related shocks. Despite contributing a relatively small share of global greenhouse gas emissions, the continent bears high economic and social costs from climate change. Against this backdrop, strengthening capital markets, mobilising private-sector investment and expanding sustainable finance instruments are essential to support Africa's long-term development and climate objectives.

Sessions

The speakers highlighted that both North Africa and Sub-Saharan Africa are well-positioned to meet and, in some cases, exceed their announced climate commitments. Looking ahead, integrated African capital markets could play a pivotal role in driving the continent's energy transition. Notably, they pointed out the remarkable growth of the sustainable bond market, which has quadrupled since 2015, and how green bonds have become the preferred instruments for central banks. They also noted that Europe continues to dominate sustainable bond issuance globally. The disclosure of sustainability-related metrics relevant to holders of sustainable bonds should be reliable, consistent and comparable.

It was also mentioned that capital markets—particularly debt markets—must play a central role in bridging this financing gap. However, the current levels of market development remain insufficient. Africa represents only around 1% of global sovereign bond markets and approximately 5% of emerging market corporate debt, indicating a significant underutilisation of debt instruments relative to the continent's financing needs. Discussions during the training reinforced that this gap is not only quantitative but also structural, reflecting constraints in market depth, liquidity, and investor participation.

Another important outcome relates to the emergence of sustainable finance instruments. While the issuance of green, social and sustainability bonds has increased in recent years, it remains limited in scale and highly concentrated in a small number of countries. It highlighted the rapid growth of sustainability-related disclosures worldwide, while emphasising that disclosures must be clear, comparable, reliable, and financially material. Moreover, too much information without consistency can reduce usefulness, making assurance providers and standard setters increasingly important.

The training stressed the need for dedicated board-level sustainability committees and stronger board involvement in environmental, social, and governance matters to improve accountability and strategic oversight.

It also focused on the uneven nature of capital market development across the continent. North African markets tend to demonstrate relatively higher levels of depth and activity, while many Sub-Saharan African countries continue to face more pronounced structural constraints. This heterogeneity implies that policy responses must be tailored rather than uniform, taking into account differing levels of market sophistication, institutional capacity, and economic structure. It was also highlighted that the rapid growth of the sustainable bond market, with outstanding sustainable bonds reaching trillions of dollars globally by 2024, were driven mainly by green bonds and strong issuance from corporations, governments, and multilateral institutions. Europe remains the dominant market, while international standards such as the International Capital Market Association (ICMA) principles are the most widely adopted frameworks. The evidence also showed that there is no consistent evidence of a financial premium for issuers of sustainable bonds compared to conventional bonds.

Constraint identified is the heavy reliance on foreign currency-denominated debt. While such instruments provide access to international capital, they also expose issuers to exchange rate volatility and refinancing risks, particularly in a context of tightening global financial conditions. The discussions therefore pointed to the importance of deepening local currency bond markets as a means of enhancing financial stability and supporting sustainable long-term investment.

A lot of emphasis was on the importance of sustainable bond markets, integrated African exchanges, and increased private-sector participation in mobilising long-term climate finance.

Finally, the training underscored that policy and market infrastructure gaps continue to limit the effective mobilisation of capital. These include weaknesses in regulatory harmonisation, insufficient disclosure frameworks, limited availability of high-quality data, and a shortage of well-structured, bankable projects. Addressing these constraints is essential to improve investor confidence and attract both domestic and international capital flows into climate-related investments.

Africa's climate transition will depend critically on its ability to deepen and modernise capital markets. While progress is evident, particularly in the emergence of sustainable finance instruments, the scale of the challenge requires a significant acceleration of reforms and investment.

Key Outcomes

A key outcome emerging from the training is the scale of the financing challenge. Africa faces a substantial and persistent gap in climate and energy investment, driven by rapidly growing energy demand, urbanisation, and exposure to climate shocks. Despite contributing a relatively small share of global emissions, the continent bears disproportionate climate-related costs. In 2022 alone, climate-related disasters affected approximately 110 million people and generated economic losses estimated at USD 8.5 billion.

Way Forward

African jurisdictions should focus on deepening and modernising capital markets, strengthening regulatory harmonisation and sustainability disclosure frameworks, and developing local currency bond markets. Efforts should also prioritise integrated capital markets, a stronger pipeline of bankable sustainable projects, increased private-sector investment, and enhanced board-level governance and transparency.


2
REGIONAL CENTRE OF EXCELLENCE
Global Debt Market, African & International region
Hosted on 15 May 2026

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Global Reach: RCE training reached participants from 34 Countries



Map 2: Representation of countries — Global Debt Market: African & International region

Introduction

Against a backdrop of rising global debt levels, increasing borrowing costs, climate financing needs, and growing economic uncertainty, the discussions during the training provided valuable insights into the challenges and opportunities facing governments and financial markets worldwide. The technical training offered practical lessons on strengthening debt management frameworks and enhancing market transparency to support long-term economic development.

Opening Remarks by Mr A. Acharuz, Financial Secretary, Ministry of Finance

Mr A. Acharuz welcomed the participants and set the context for the discussions. In his remarks, he highlighted the growing importance of debt management and capital market development in an increasingly complex global economic environment marked by geopolitical tensions, evolving financing needs, and heightened market uncertainty.

Mr Acharuz emphasised that sovereign debt markets play a critical role in supporting economic growth, financing development priorities, and maintaining macroeconomic stability. He noted that emerging and developing economies are facing increasing pressures from higher borrowing costs, debt refinancing risks, and the need to mobilise resources for sustainable development and climate resilience.

He further stressed the importance of strengthening debt management frameworks, enhancing transparency, and developing deeper and more resilient capital markets to improve access to financing and attract investor confidence. The technical training, therefore, provided a timely platform for participants to exchange experiences and explore practical solutions on debt sustainability, sovereign bond markets, sustainable finance, and Africa's evolving financing landscape.

Mr Acharuz concluded by expressing his appreciation to the speakers and participants for their contributions and encouraged continued dialogue and collaboration to address common challenges and seize emerging opportunities in the global and regional financial markets.

Session 1: Global Bond Market Developments

Dr Carmine Di Noia, Director of the Directorate for Financial and Enterprise Affairs at the OECD, provided an overview of recent developments in global bond markets. He highlighted the significant expansion of bond markets over the past decade, with outstanding debt reaching historic levels. However, this growth is occurring within a more challenging macroeconomic environment characterised by higher interest rates, persistent fiscal deficits, and increasing refinancing pressures.

A key concern raised was the growing burden of debt servicing as sovereign yields have risen considerably since 2023. Governments are facing higher borrowing costs at a time when many continue to run sizeable fiscal deficits, raising questions about long-term debt sustainability. Dr Di Noia noted that emerging markets and low-income countries are particularly vulnerable, with approximately one-third of their outstanding bond debt maturing within the next three years, creating significant refinancing risks.

He also explored the changing investor dynamics. The increasing participation of price-sensitive and leveraged investors has heightened market volatility and increased the susceptibility of bond markets to sudden shifts in sentiment. These developments underscored the importance of prudent fiscal management, sound debt strategies, and resilient financial market structures.

Session 2: Issuance of Sovereign Green Bonds in Local Currency and Debt Transparency

Mr Venkata Raman Sankaran, General Manager at the Reserve Bank of India (RBI), shared India's experience in developing a robust public debt management framework and implementing sovereign green bond issuances.

His presentation highlighted the strong legal, fiscal, and institutional foundations underpinning India's debt management system. These include the fiscal responsibility and budget management framework, the RBI’s role as debt manager, and medium-term debt strategies focused on balancing borrowing costs, managing risks, and supporting market development. He emphasised the importance of transparency through regular publication of fiscal policy statements, budget documents, and debt management reports, which provide investors with clear visibility of government borrowing plans and debt obligations.

Mr Sankaran outlined the three key pillars guiding India's debt management strategy namely: cost optimisation, risk mitigation, and market development. He explained how reforms over the years have contributed to the development of a deep and liquid government securities market through transparent auction mechanisms, electronic trading platforms, diversified investor participation, and strong market infrastructure.

He also examined India's sovereign green bond programme, which was introduced to support climate and sustainability objectives. He explored the governance framework supporting green bond issuance, including the identification of eligible green projects, management of proceeds, and reporting mechanisms designed to ensure accountability and transparency. The Indian experience demonstrated how effective debt management and transparency can simultaneously strengthen investor confidence, support financial stability, and mobilise capital for sustainable development.

Session 3: Debt, Disruption, and Opportunity – Africa's Financing Frontier

Mr Ziyaad Azeer, CFA, Managing Director of Blue Onyx Consulting, provided an African perspective on sovereign financing challenges and opportunities.

A central part of his presentation was the disconnect between market perception and economic reality. African sovereign debt is frequently priced at a significant premium compared to other emerging markets, often failing to reflect improvements in economic fundamentals and governance. This challenge becomes particularly pronounced during periods of global uncertainty when investors tend to treat the continent as a single risk category rather than recognising the diversity of economic conditions across countries.

Mr Azeer differentiated between short-term constraints and long-term structural challenges. While limited market depth, currency volatility, and data quality issues continue to affect several African markets, there has been notable progress in recent years. Improvements in transparency, enhanced risk management tools, and more nuanced investor assessments are gradually contributing to stronger market credibility.

His presentation highlighted Africa's substantial financing gap, estimated at approximately USD 245 billion annually. Addressing this gap is critical to unlocking the continent's economic potential and supporting infrastructure development, industrialisation, climate resilience, and social progress. Despite current challenges, Africa's long-term outlook remains positive, driven by favourable demographics, rapid urbanisation, technological innovation, and the implementation of regional integration initiatives such as the African Continental Free Trade Area.

Key Outcomes

This technical training reinforced several important messages. First, while global bond markets continue to play a critical role in financing economic development, rising debt levels and higher interest rates are creating significant challenges for sovereign issuers, particularly in emerging and developing economies.

Second, debt transparency and sound debt management frameworks are essential for maintaining investor confidence and ensuring sustainable access to capital markets. The Indian experience demonstrated the value of transparent reporting, predictable borrowing strategies, and strong institutional arrangements in supporting market development.

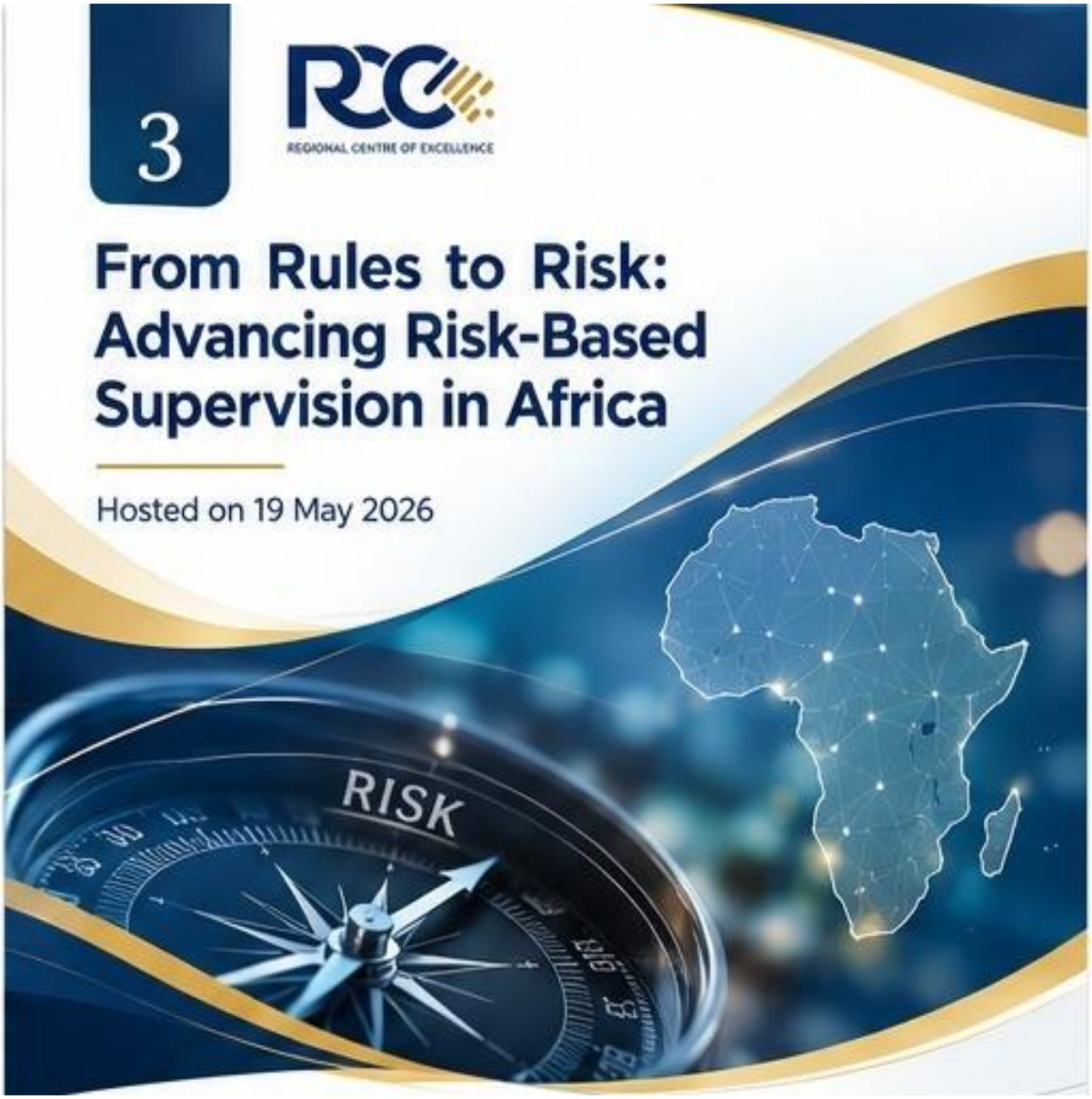
Third, sustainable finance instruments such as sovereign green bonds offer an effective mechanism for mobilising capital towards climate and environmental objectives while broadening the investor base.

Finally, Africa's financing challenges should be viewed alongside its considerable long-term opportunities. Greater transparency, stronger market infrastructure, improved risk assessment, and innovative financing solutions will be essential to narrowing the financing gap and supporting sustainable economic growth across the continent.

Way Forward

Looking ahead, policymakers, regulators, and market participants should continue strengthening debt management frameworks, enhancing transparency and disclosure practices, and fostering deeper and more diversified domestic capital markets. Efforts should also focus on promoting sustainable finance instruments, improving investor understanding of emerging and frontier markets, and encouraging greater differentiation in sovereign risk assessments.

For the African economies in particular, addressing data gaps, enhancing market infrastructure, and developing local currency capital markets will be critical to reducing financing costs and improving resilience to external shocks. Collaboration among governments, international organisations, development partners, and private investors will remain essential to mobilising the capital required to support sustainable and inclusive growth. Ultimately, while the global financing landscape is becoming increasingly complex, stronger governance, transparency, innovation, and regional cooperation can create new pathways for sustainable development and long-term economic resilience.


3
REGIONAL CENTRE OF EXCELLENCE
From Rules to Risk:
Advancing Risk-Based
Supervision in Africa
Hosted on 19 May 2026
RISK

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Global Reach: RCE training reached participants from 23 Countries



Map 3: Representation of countries — From Rules to Risk: Advancing Risk-Based Supervision in Africa

Introduction

The technical training focused on strengthening supervisory frameworks, enhancing financial resilience, and promoting effective risk management practices tailored to the realities of African financial markets. The practical examples and international experiences allowed participants to examine how supervisory authorities can move beyond compliance-based approaches towards more forward-looking and risk-sensitive regulatory models.

Session 1: Stress Testing and Scenario Analysis in African Financial Markets

Mr Asveen Ramchurn, Director and Country Head of QED Actuaries and Consultants Mauritius, highlighted the growing importance of Risk-Based Supervision (RBS) and stress testing as key tools for safeguarding financial stability and protecting policyholders. He explained that insurers face varying risk profiles depending on their size, complexity, and business model, requiring supervisory approaches that are proportionate and risk-sensitive.

Drawing on the Insurance Core Principles (ICPs) of the International Association of Insurance Supervisors (IAIS), particularly ICPs 8, 9, 14, 16, and 17, Mr Ramchurn emphasised the critical role of sound corporate governance, effective risk management, actuarial functions, and internal audit mechanisms. He outlined how supervisors can utilise both off-site and on-site supervision, supported by actuarial valuation reports, financial statements, and other prudential reporting tools to assess the financial condition of supervised entities.

The comparative experiences of Mauritius, Seychelles, and South Africa illustrated the varying stages of development of insurance markets across Africa. While South Africa has implemented more advanced solvency and supervisory frameworks, Mauritius continues to strengthen its risk-based approach, and Seychelles faces challenges associated with a smaller and less developed insurance market. These examples demonstrated that the successful implementation of risk-based solvency regimes requires strong governance structures, robust capital adequacy requirements, and supervisory frameworks tailored to local market conditions.

Session 2: Strengthening Risk-Based Supervision in African Pension Systems

Mr Dariusz Stanko, OECD Senior Policy Analyst and Head of the International Organisation of Pension Supervisors (IOPS) Secretariat, discussed the application of Risk-Based Supervision within pension systems and highlighted that effective implementation is a gradual and context-specific process rather than a standardised reform model.

He explained the fundamental shift from traditional compliance-based supervision towards a risk-focused approach that prioritises supervisory resources according to the level of risk posed to members and beneficiaries. The Risk-Based Supervision (RBS) process involves defining supervisory objectives, identifying and assessing risks, mapping risks across supervised entities, establishing transparent quality assurance mechanisms, and continuously reviewing and refining supervisory methodologies.

Mr Stanko stressed that while international standards and the IOPS Toolkit provide valuable guidance, successful implementation depends heavily on institutional capacity, data availability, supervisory expertise, and sound judgement. He further noted that pension supervision must take into account broader socio-economic factors and market structures, requiring flexibility in the design of supervisory frameworks. The key challenges identified included the development of reliable risk-scoring mechanisms, adaptation of existing supervisory models, and ensuring adequate supervisory resources and technical expertise.

Session 3: Pension Sector – A Guided Overview of the Mauritian Experience

Ms Trisha Dulloo, Manager of Pensions Supervision at the Financial Services Commission Mauritius, presented the Mauritian experience in developing a more structured and risk-sensitive pension supervisory framework. She outlined how regulatory reforms, enhanced governance standards, and greater alignment with international supervisory principles have contributed to strengthening the resilience of the pension sector.

She explained the progress achieved in modernising pension supervision and fostering stronger risk management practices among pension schemes. She further highlighted several ongoing challenges, including the transition of defined benefit schemes to defined contribution arrangements, demographic pressures associated with an ageing population, capacity constraints within the industry, and the increasing need for technological transformation and digitalisation.

She emphasised that maintaining an appropriate balance between prudential oversight, market development, and long-term retirement security remains a key objective for pension supervisors. The Mauritian experience illustrated how smaller jurisdictions can successfully adopt international best practices while adapting them to domestic market realities.

Key Outcomes

The technical training reinforced the importance of adopting a forward-looking and risk-based approach to supervision across both insurance and pension sectors. An effective RBS enhances the ability of regulators to identify emerging risks, allocate supervisory resources more efficiently, and strengthen financial stability.

The discussions highlighted that robust governance frameworks, sound capital adequacy requirements, stress testing, and scenario analysis are essential components of modern supervisory systems. Successful implementation of RBS requires strong institutional capacity, reliable data, skilled supervisory staff, and continuous engagement with industry stakeholders.

The comparative experiences shared during the training demonstrated that there is no single model for implementing RBS. Supervisory frameworks must be proportionate to the size, complexity, and maturity of each jurisdiction's financial sector.

Way Forward

The following recommendations emerged:

a) **Strengthening governance and risk management frameworks**

Encourage supervised entities to adopt stronger governance arrangements, including effective boards, risk management functions, internal controls, and actuarial oversight.

b) **Enhance supervisory capacity**

Invest in specialised training, analytical tools, and technical expertise to enable supervisors to effectively implement and maintain RBS frameworks.

c) **Institutionalise stress testing and scenario analysis**

Integrate regular stress testing and forward-looking scenario analysis into supervisory processes to identify vulnerabilities and improve resilience to emerging risks.

d) **Improve data quality and risk assessment methodologies**

Develop robust data collection systems and risk-scoring mechanisms to support evidence-based supervisory decision-making.

e) **Adopt a proportionate and tailored approach**

Design supervisory frameworks that reflect the size, complexity, and development stage of domestic financial markets while remaining aligned with international standards.

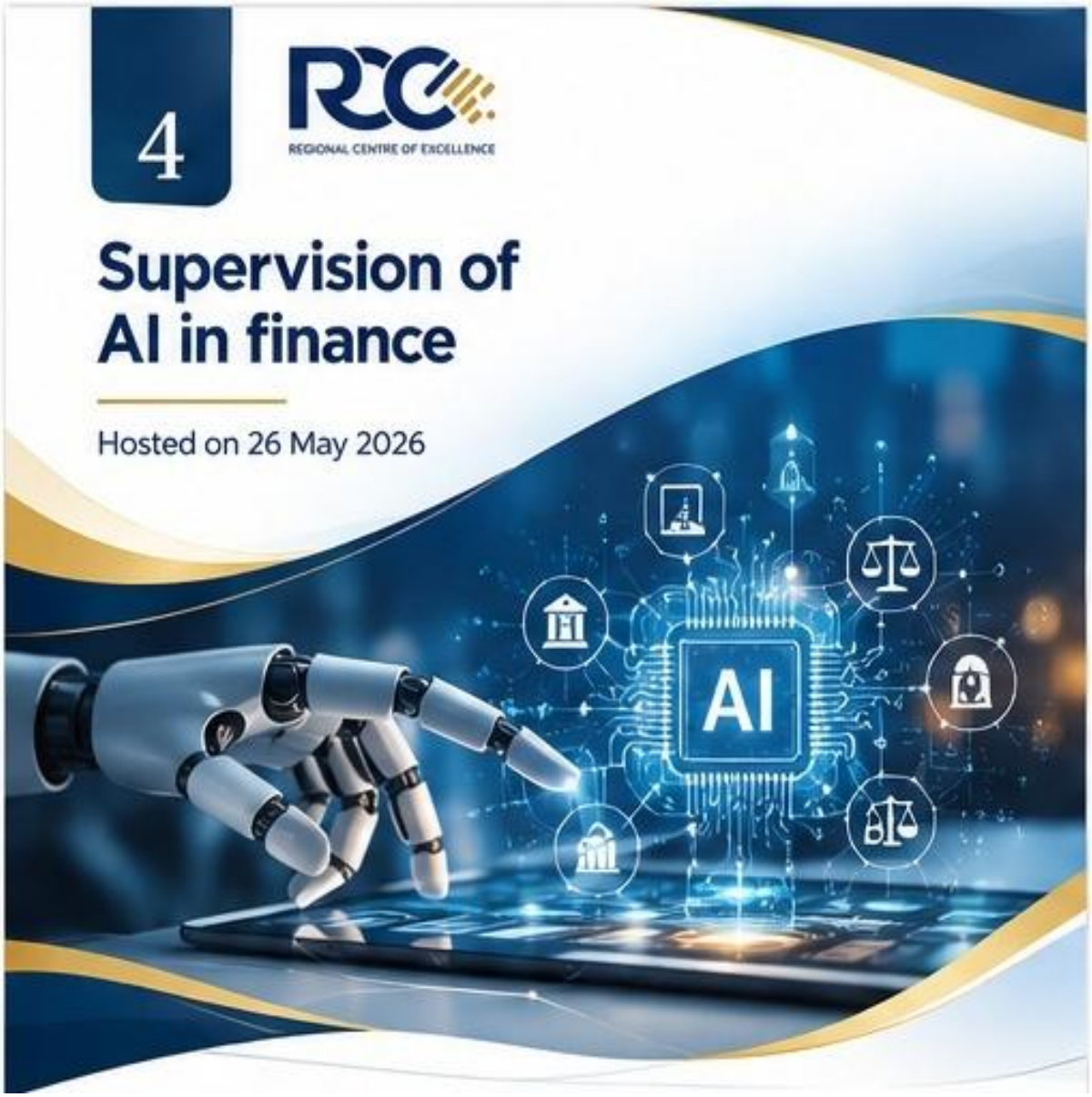
f) **Strengthen pension sector resilience**

Address demographic and sustainability challenges through enhanced risk monitoring, stronger governance requirements, and appropriate regulatory reforms.

g) **Promote regional cooperation and knowledge sharing**

Encourage collaboration among African regulators to share experiences, best practices, and supervisory innovations in implementing RBS.

As African financial markets continue to evolve, supervisory authorities must increasingly adopt forward-looking, data-driven, and proportionate approaches to oversight. Strengthening governance, enhancing supervisory capabilities, and fostering regional collaboration will be critical to building resilient insurance and pension sectors capable of supporting sustainable economic growth and protecting policyholders and pension beneficiaries.


4
REGIONAL CENTRE OF EXCELLENCE
Supervision of AI in finance
Hosted on 26 May 2026
AI

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Global Reach: RCE training reached participants from 26 Countries



Map 4: Representation of countries — Supervision of AI in finance

Introduction

As Artificial Intelligence (AI) increasingly transforms financial services through automation, predictive analytics, customer interactions, and decision-making processes, regulators face the challenge of ensuring that innovation develops within a framework that safeguards trust, market integrity, consumer protection, and financial stability.

The discussions focused on the practical implementation of AI governance frameworks, the emergence of autonomous AI systems, and the evolving role of supervisors in overseeing AI-driven financial services. The technical training highlighted the need for proportionate, risk-based, and technology-neutral supervisory approaches that balance innovation with accountability.

Opening Remarks by Dr Priscilla Thakoor, Governor of the Bank of Mauritius

In her opening remarks, the Governor highlighted the transformative impact of digitalisation and emerging technologies on financial systems across Africa and globally. While acknowledging the significant opportunities presented by AI to improve efficiency, expand financial inclusion, and enhance service delivery, she stressed that these benefits must be accompanied by robust governance, sound risk management, and effective oversight.

The Governor noted that AI is reshaping traditional approaches to financial services and supervision, requiring regulators to strengthen their capacity to understand, assess, and monitor increasingly complex technologies. She emphasised that trust remains the foundation of financial systems and that maintaining public confidence will require supervisory frameworks capable of addressing issues such as transparency, accountability, cybersecurity, consumer protection, and ethical use of AI.

She further underscored the importance of collaboration among regulators, industry participants, and international organisations to develop practical supervisory approaches that foster innovation while preserving financial stability and market integrity.

The opening remarks of Dr Priscilla Thakoor, Governor of the Bank of Mauritius, can be accessed at: https://rcemauritius.org/wp-content/uploads/2026/05/Govenor-speech.pdf

Session 1: From Policy Principles to Practical Controls

Dr Dharma Basgeet, General Manager at Harel Mallac Technologies Ltd, examined the growing gap between the rapid adoption of AI and the slower development of governance and supervisory frameworks. He highlighted that while organisations are increasingly integrating AI into their operations, many institutions remain inadequately prepared to manage the associated risks.

Dr Basgeet identified seven key supervisory challenges associated with AI, categorised under outcome risk, control risk, and operational risk. These include explainability, bias and fairness, data quality, model risk and drift, cybersecurity vulnerabilities, and third-party dependencies. He emphasised that supervisory concerns extend beyond the algorithms themselves to encompass the broader governance and control environment in which AI systems operate.

Using a Generative AI customer assistant case study, Dr Basgeet demonstrated how AI applications can create significant supervisory challenges. The case raised critical questions regarding data quality, governance arrangements, accountability structures, and responsibility for adverse outcomes. His presentation reinforced the importance of moving beyond principle-based discussions towards evidence-based and risk-focused supervision that evaluates the impact of AI on decisions, customers, and institutional controls.

He highlighted the opportunity to develop pragmatic and proportionate supervisory frameworks that support innovation while maintaining trust and accountability for Mauritius and Africa. He concluded that sustainable AI adoption ultimately depends on institutions demonstrating effective governance, oversight, and risk management practices.

Session 2: AI Agents – The New Finance Person

Dr Suraj Juddoo, Senior Lecturer in Computing at Middlesex University Mauritius, explored the emergence of Agentic AI and its implications for financial services. He stated that the industry is moving beyond traditional automation and generative AI towards autonomous systems capable of executing decisions and managing complex end-to-end financial processes with minimal human intervention.

Dr Juddoo described how financial institutions are entering an “AI Agent Era”, driven by the need for greater operational efficiency, faster decision-making, and the ability to manage increasingly complex regulatory environments. These systems have the potential to transform customer service, compliance monitoring, risk management, and operational processes.

However, he cautioned that greater autonomy also introduces significant risks. Agentic AI raises important concerns regarding accountability, explainability, ethical decision-making, cybersecurity, and operational resilience. The ability of AI systems to act independently creates new supervisory challenges, particularly where decision-making processes become difficult to interpret or audit.

He highlighted that effective governance of Agentic AI requires strong human oversight, continuous monitoring, robust risk classification frameworks, and clearly defined responsibilities. Regulators and institutions must ensure that human accountability remains embedded within AI-enabled decision-making processes.

Session 3: Translating Policies into Effective Oversight for AI in Finance

Ms Iota Kaousar Nassr, Senior Policy Analyst at the OECD Directorate for Financial and Enterprise Affairs, provided an overview of the evolving regulatory and supervisory landscape for AI in financial services. She explained that most jurisdictions currently rely on technology-neutral and risk-based regulatory frameworks to address AI-related risks, rather than creating entirely separate regulatory regimes.

Despite this approach, Ms Nassr noted that significant supervisory challenges remain. The complexity, opacity, and rapid evolution of AI systems often exceed the capabilities of traditional supervisory tools and methodologies. The key supervisory gaps include data governance, explainability, model risk management, validation processes, and the capacity of supervisors to assess increasingly sophisticated AI applications.

She further highlighted the growing convergence between AI and open finance ecosystems. While this interaction creates opportunities for innovation, competition, and enhanced customer services, it also increases risks related to data sharing, privacy, cybersecurity, operational resilience, and market concentration.

Ms Nassr emphasised that effective oversight will require strengthening supervisory capabilities, fostering public-private collaboration, enhancing international cooperation, and providing clearer regulatory guidance to support responsible innovation while safeguarding financial stability.

Key Outcomes

The technical training highlighted that AI is no longer an emerging technology but an increasingly integral component of modern financial systems. While AI offers significant opportunities to improve efficiency, innovation, and financial inclusion, it simultaneously introduces new categories of risk that require enhanced supervisory attention.

A key takeaway was that AI supervision should focus not on the technology itself but on the outcomes it generates and the risks it creates. Effective supervision requires strong governance frameworks, robust internal controls, transparent decision-making processes, and clear accountability structures.

Moreover, existing risk-based regulatory frameworks remain broadly applicable to AI, but supervisory authorities must adapt their tools, methodologies, and expertise to address AI-specific challenges such as explainability, model risk, bias, and cybersecurity vulnerabilities.

The discussions further underscored the growing importance of supervisory capacity building. Regulators must develop the technical expertise and resources necessary to effectively oversee increasingly sophisticated AI applications and autonomous systems operating within the financial sector.

Way Forward

The following recommendations emerged:

a) **Adopt risk-based and technology-neutral regulatory frameworks**

Supervisory frameworks should focus on the risks and outcomes generated by AI systems rather than regulating specific technologies.

b) **Strengthen AI governance and accountability**

Financial institutions should establish clear governance structures, defined accountability mechanisms, and board-level oversight for AI deployment and usage.

c) **Enhance explainability and transparency requirements**

Institutions should ensure that AI-driven decisions can be understood, validated, and challenged where necessary, particularly in customer-facing and high-impact applications.

d) **Strengthen data governance and model risk management**

Robust controls should be established around data quality, model validation, model drift monitoring, and ongoing performance assessment.

e) **Maintain human oversight of critical decisions**

Human accountability should remain central to decision-making processes, particularly for high-risk AI applications and autonomous AI agents.

f) **Build supervisory capacity and technical expertise**

Regulators should invest in specialised skills, training programmes, and technological tools to effectively supervise AI-enabled financial institutions.

g) **Promote public-private collaboration**

Ongoing engagement between regulators, financial institutions, technology providers, and academia should be encouraged to share knowledge, best practices, and emerging risk insights.

h) **Strengthen cybersecurity and operational resilience**

Supervisors should ensure that AI systems are supported by strong cybersecurity controls and resilient operational frameworks to mitigate emerging threats.

i) Additional capacity building initiaties

Consider future training on AI-related financial crime risks, including deepfake impersonation, AI-generated fraudulent documents, investment scams and payment diversion, with detection and response measures.

The technical training underscored that the future of financial supervision will increasingly require regulators to oversee not only financial risks but also technological risks arising from AI. As its(AI) adoption accelerates across Africa's financial sector, supervisory authorities must develop agile, proportionate, and forward-looking frameworks capable of fostering innovation while maintaining trust, accountability, consumer protection, and financial stability. The discussions reaffirmed that effective AI supervision is ultimately about ensuring that technological progress remains aligned with sound governance, responsible innovation, and the broader public interest.


5
REGIONAL CENTRE OF EXCELLENCE
Impact of geopolitical tensions on trade finance and cross-border payments
Hosted on 29 May 2026

REGIONAL CENTRE OF EXCELLENCE

Global Reach: RCE training reached participants from 25 Countries



Map 5: Representation of countries — Impact of geopolitical tensions on trade finance and cross-border payments

Introduction

The technical training examined how increasing geopolitical fragmentation is reshaping global trade, finance, and payment systems. Against a backdrop of shifting economic alliances, trade disputes, sanctions, supply chain disruptions, and technological transformation, the training explored the implications for African economies and financial markets.

The discussions highlighted how geopolitical developments are altering traditional trade and financial relationships, creating both challenges and opportunities for Africa. Particular attention was given to the future of cross-border payments, trade finance innovation, regional integration initiatives, and the role of Africa in an increasingly multipolar global economy.

Session 1: Geopolitics and Global Trade Disruption

Dr Emomotimi Agama, Director-General and Chief Executive Officer of the Securities and Exchange Commission of Nigeria, provided a comprehensive overview of the growing influence of geopolitical tensions on global trade and financial markets. He explained that the world is entering a period of increasing fragmentation, where geopolitical considerations are becoming as important as economic fundamentals in shaping investment and trade decisions.

During his presentation, he focused on the transformation of the global payments ecosystem. Dr Agama outlined the emergence of competing visions for the future of cross-border payments, including the traditional Western-anchored payment infrastructure centred on SWIFT and ISO 20022 standards, alternative BRICS-led payment arrangements, blockchain-based payment networks, and regional African payment platforms.

He further highlighted the increasing importance of Environmental, Social and Governance (ESG) considerations, digital asset regulation, payment interoperability, geopolitical risk stress testing, and stronger engagement of African regulators in international standard-setting bodies such as IOSCO, the Bank for International Settlements (BIS), and the Financial Action Task Force (FATF).

His presentation underscored the need for regulators to strike a balance between openness, financial stability, and resilience while navigating a more fragmented global landscape. He emphasised that Africa must adopt a coordinated and proactive approach to ensure its interests are effectively represented within the evolving global financial architecture.

Session 2: Redefining Africa Trade and Project Finance in a Multipolar World

Mr Kevin Teeroovengadum, Board Director and Advisor, explored the historical evolution of Africa's role within global trade and finance and examined how geopolitical developments are reshaping future opportunities for the continent.

He highlighted how geopolitical tensions and weakening confidence in multilateral institutions have altered global investment patterns and created a new operating environment characterised by uncertainty and volatility. In this context, businesses and policymakers must increasingly focus on resilience and adaptability rather than stability as the norm.

Mr Teeroovengadum emphasised the significant opportunities arising from Africa's demographic dividend, rapid technological advancement, and growing entrepreneurial ecosystem. He highlighted the continent's potential to emerge as a manufacturing and industrial hub, supported by investments in infrastructure, digitalisation, and regional integration.

Particular attention was given to the role of trade finance, digital technologies, blockchain solutions, and regional payment initiatives such as the Pan-African Payment and Settlement System (PAPSS) in reducing transaction costs and improving trade efficiency. He also highlighted Africa's strategic importance in the global energy transition, particularly through its renewable energy potential and critical mineral resources, which position the continent as an increasingly important participant in future global value chains.

The presentation conveyed a strong message that Africa is no longer merely responding to global developments but is increasingly positioned to influence the future direction of global trade, investment, and project finance.

Session 3: Digitalisation and Resilience in Trade Finance and Payments

Mr Arnaud Levasseur, Executive Vice President – Trade Finance at Mauritius Commercial Bank, focused on the growing importance of digitalisation and innovation in strengthening trade finance and payment systems across Africa.

He highlighted Africa's favourable long-term economic prospects, driven by demographic growth, an expanding middle class, and increasing demand for goods and services. These trends are expected to create significant opportunities for trade and investment across the continent.

Mr Levasseur provided practical insights into the various risks associated with international trade, including foreign exchange risk, market volatility, legal and contractual risks, and non-performance risk. He demonstrated how trade finance instruments can mitigate these risks and facilitate greater participation in international trade.

The session also showcased emerging digital solutions designed to improve trade efficiency and transparency. Particular attention was given to digital trade platforms, the Global Trade Portal, and the adoption of the Model Law on Electronic Transferable Records (MLETR), which enables legally recognised digital trade documentation. These developments have the potential to significantly reduce transaction costs, increase efficiency, and improve access to trade finance.

The presentation highlighted the importance of accelerating digital transformation to unlock Africa's trade potential and support greater intra-African commerce under the African Continental Free Trade Area (AfCFTA).

Session 4: Implications for Emerging Markets and Africa

Mr Saurav Chatterjee, Director and Chief Executive Officer of Care Rating Africa Private Limited, examined the implications of geopolitical tensions for emerging markets and African economies.

A key concern highlighted was the continued decline in correspondent banking relationships across Africa, which has increased the complexity and cost of cross-border transactions for many African financial institutions. This trend poses significant challenges for trade finance, financial inclusion, and international market access.

Mr Chatterjee also discussed the growing importance of trade credit insurance and risk mitigation mechanisms in supporting international trade during periods of heightened geopolitical uncertainty. Rising insurance costs, supply chain disruptions, commodity price volatility, and foreign exchange shocks have significantly increased the cost of conducting cross-border business.

He analysed the impact of global geopolitical developments, including tensions in the Middle East, on oil prices, inflation, and foreign exchange markets, and how these shocks continue to affect African economies. Despite these challenges, he highlighted the growing adoption of PAPSS and other regional initiatives aimed at strengthening Africa's financial infrastructure.

His presentation emphasised that Africa's long-term resilience will depend not only on access to capital but also on stronger regulatory coordination, financial innovation, regional integration, and the accelerated implementation of AfCFTA financial services protocols. The development of mutual recognition frameworks for trade credit agencies and greater harmonisation of financial regulations were identified as important priorities.

Key Outcomes

The training highlighted that geopolitical tensions are increasingly reshaping global trade patterns, financial flows, and payment systems, creating both risks and opportunities for African economies. Geopolitical fragmentation is likely to remain a defining feature of the global economic landscape, requiring governments, regulators, and financial institutions to adopt more resilient and adaptive strategies.

A key takeaway was the growing importance of regional financial infrastructure and payment systems in reducing dependence on external networks and enhancing Africa's economic resilience. Initiatives such as PAPSS, digital trade platforms, and electronic trade documentation were identified as important tools for facilitating trade and improving financial connectivity across the continent.

The discussions also reinforced the need for stronger regulatory coordination, enhanced risk management frameworks, and greater participation of African institutions in global standard-setting processes. Technological innovation, digitalisation, and financial sector development will play a critical role in supporting Africa's integration into the evolving global economy.

Importantly, the technical training highlighted that Africa's future competitiveness will increasingly depend on its ability to leverage its demographic advantages, natural resources, technological innovation, and regional integration initiatives to position itself as a major participant in global trade and investment flows.

Way Forward

The following recommendations emerged:

a) **Strengthen regional payment infrastructure**

Accelerate the adoption and expansion of regional payment systems such as PAPSS to reduce transaction costs, improve payment efficiency, and enhance financial sovereignty.

b) **Enhance regulatory coordination**

Strengthen cooperation among African regulators to promote harmonised regulatory frameworks, improve supervisory coordination, and facilitate cross-border financial activity.

c) **Develop geopolitical risk assessment frameworks**

Incorporate geopolitical risk analysis and stress testing into financial sector supervision and institutional risk management practices.

d) **Promote digitalisation of trade finance**

Support the implementation of digital trade solutions, including electronic documentation, blockchain-based platforms, and the adoption of MLETR principles to improve efficiency and transparency.

e) **Address correspondent banking challenges**

Develop strategies to mitigate the decline in correspondent banking relationships through regulatory reforms, enhanced compliance frameworks, and regional payment alternatives.

f) **Strengthen trade finance and risk mitigation mechanisms**

Expand access to trade finance instruments, trade credit insurance, and guarantee schemes to support businesses operating in increasingly uncertain global markets.

g) **Accelerate AFCFTA financial integration**

Advance the implementation of AfCFTA financial services protocols and promote greater integration of African capital markets and payment systems.

h) **Increase Africa's voice in global financial governance**

Encourage greater participation of African regulators and institutions in international standard-setting bodies to ensure that Africa's perspectives are reflected in the development of global financial rules.

This technical training demonstrated that geopolitical tensions are fundamentally reshaping global trade, finance, and payment systems. While these developments create significant challenges for African economies, they also present opportunities to strengthen regional integration, modernise financial infrastructure, and build more resilient trade and payment networks. The discussions highlighted that Africa's long-term success will depend on its ability to embrace

innovation, deepen regional cooperation, strengthen financial architecture, and position itself strategically within an increasingly multipolar global economy.

REGIONAL CENTRE OF EXCELLENCE



Global Reach: RCE training reached participants from 26 Countries



Map 6: Representation of countries — Transparency, Accountability, and Sustainability Reinforcing Corporate Governance in Africa

Introduction

The technical training highlighted the critical role of transparency, accountability, effective oversight, and high-quality reporting in fostering investor confidence, enhancing market integrity, and promoting long-term business resilience. It also explored how global governance standards can be adapted to African contexts while preserving their core principles.

Opening Remarks by Mr Tajinder Singh, Deputy Secretary General, IOSCO

Mr Tajinder Singh set the tone for the discussions by highlighting the growing importance of corporate governance as a foundation for sustainable economic growth, investor confidence, and resilient capital markets across Africa.

In his remarks, he emphasised that corporate governance has evolved beyond a compliance exercise and is increasingly viewed as a strategic driver of transparency, accountability, sustainability, and long-term value creation. As global investors place greater emphasis on governance standards and sustainability considerations, African markets have a unique opportunity to strengthen their competitiveness through robust governance frameworks and improved disclosure practices.

Mr Singh noted that African economies are operating in an environment characterised by rapid technological change, evolving stakeholder expectations, climate-related challenges, and shifting global investment patterns. In this context, strong governance systems are essential to ensure that businesses remain resilient, transparent, and responsive to emerging risks and opportunities.

He further highlighted the growing importance of sustainability reporting, ESG integration, and stakeholder accountability. Investors, regulators, and society increasingly expect organisations to demonstrate not only financial performance but also sound governance, effective risk management, environmental stewardship, and social responsibility. Consequently,

boards and senior management must adopt a more holistic approach to governance that integrates sustainability considerations into strategic decision-making.

Mr Singh also underscored the need for African jurisdictions to strengthen corporate governance ecosystems through enhanced regulatory frameworks, improved transparency, stronger board effectiveness, and greater collaboration between the public and private sectors. While international standards provide valuable guidance, governance frameworks must also reflect the realities and developmental priorities of African economies.

He concluded by encouraging participants to use the training as a platform to exchange experiences, share best practices, and explore practical solutions for reinforcing transparency, accountability, and sustainability across African markets. Strong governance, he noted, remains fundamental to attracting investment, fostering trust, and supporting inclusive and sustainable development throughout the continent.

Session 1: State of Corporate Governance in Africa

Ms Fianna Jurdant, Senior Policy Analyst at the OECD's Directorate for Financial and Enterprise Affairs, provided an overview of the current state of corporate governance and capital market development across Africa.

She highlighted the important link between sound corporate governance practices and the development of efficient, resilient, and attractive capital markets. While significant progress has been achieved across many African jurisdictions, structural challenges continue to limit market depth, liquidity, and investor participation.

Ms Jurdant identified several practical pathways for strengthening African capital markets and governance frameworks. These included the introduction of proportionate listing regimes to facilitate market access, enhanced regional integration through cross-border listings, stronger domestic underwriting capacity, greater participation of state-owned enterprises in local stock exchanges, digitalisation of trading infrastructure, and initiatives aimed at improving market liquidity.

The session reinforced the view that effective corporate governance extends beyond compliance and serves as a critical enabler of economic growth, investor protection, and sustainable market development.

Session 2: Transparency and Reporting Standards

Mr Tahir Wahab, Director and Head of Shared Services at JTC Group, focused on the evolving role of transparency and reporting standards within modern corporate governance frameworks.

He emphasised that transparency should no longer be viewed as a purely technical reporting requirement but rather as a strategic governance responsibility that directly influences stakeholder trust and market confidence. The discussion highlighted the distinction between the quantity of disclosures and the quality of information provided. Effective transparency is achieved not through greater disclosure volumes alone but through the provision of information that is relevant, reliable, understandable, and useful for decision-making.

Mr Wahab outlined four key pillars underpinning an effective transparency framework: transparency and information flow, audit and assurance independence, regulatory effectiveness, and board oversight. Together, these pillars form the foundation for robust governance systems capable of supporting sustainable business performance.

The session also explored the rapidly evolving reporting landscape, including developments in financial and sustainability reporting standards. Particular attention was given to emerging frameworks such as IFRS 18 and the International Sustainability Standards Board (ISSB) Standards IFRS S1 and IFRS S2. These developments reflect a growing shift towards integrated reporting, where stakeholders increasingly seek information not only on financial performance but also on governance, risk management, sustainability, and long-term resilience.

Session 3: From Compliance to Development – Corporate Governance for Sustainable Growth in Africa

Ms Tumi Dlamini, Founder and Chief Executive Officer of the Organisation for Global Africa Cooperation (OGAC), examined how corporate governance can serve as a catalyst for sustainable development across Africa.

She highlighted the significant contribution of African corporate governance principles, noting that they do not seek to replace global best practices but rather adapt them to African realities, business structures, and socio-economic conditions. Effective governance frameworks must therefore reflect both international standards and local contexts.

Ms Dlamini observed that while twenty-two African countries have developed dedicated corporate governance codes, many others continue to rely primarily on company legislation as the basis for governance requirements. This has resulted in a diverse and sometimes fragmented governance landscape across the continent.

The discussion also addressed challenges relating to disclosure quality, particularly among Small and Medium-sized Enterprises (SMEs) and informal businesses. Simplified reporting frameworks were identified as a practical tool for improving transparency while recognising capacity constraints within smaller enterprises.

Board effectiveness and independence were highlighted as continuing governance priorities. Ms Dlamini stressed that governance models developed in advanced economies cannot always be directly transplanted into African markets without adjustment. She also highlighted the importance of gender diversity in leadership, advocating for stronger representation of women in boardrooms and decision-making structures as a means of improving governance outcomes and organisational performance.

Key Outcomes

The training reaffirmed that strong corporate governance remains fundamental to building resilient capital markets, attracting investment, and supporting sustainable economic development across Africa.

Transparency and accountability are no longer viewed solely as compliance requirements but have become strategic drivers of investor confidence and long-term value creation. In that respect governance frameworks must evolve to address emerging sustainability considerations, changing stakeholder expectations, and increasingly complex business environments.

The discussions also highlighted the importance of adopting governance frameworks that are proportionate, practical, and adapted to local market realities while maintaining alignment with internationally recognised standards. Strengthening board effectiveness, improving disclosure quality, and enhancing market infrastructure will be critical to supporting future growth.

Furthermore, there was strong recognition that sustainability reporting and ESG considerations are becoming increasingly integrated into corporate governance frameworks and will play a growing role in investment decisions and regulatory expectations.

Way Forward

The following recommendations emerged:

a) **Strengthen National Corporate Governance Frameworks**

Encourage jurisdictions to regularly review and update governance codes to reflect evolving international standards, sustainability considerations, and local market realities.

b) **Promote proportionate governance requirements**

Develop governance and disclosure frameworks that are proportionate to the size, complexity, and risk profile of entities, particularly for SMMEs and growing businesses.

c) **Enhance transparency and reporting quality**

Focus on improving the relevance, reliability, and usefulness of disclosures rather than increasing reporting volumes, ensuring that information supports informed decision-making by investors and stakeholders.

d) **Support adoption of international reporting standards**

Facilitate the implementation of emerging financial and sustainability reporting standards, including IFRS 18, IFRS S1, and IFRS S2, while providing adequate guidance and capacity-building support.

e) **Strengthen board effectiveness and independence**

Encourage greater board accountability, stronger independent oversight, regular board evaluations, and enhanced director training programmes.

f) **Promote gender diversity and inclusive leadership**

Foster greater representation of women and diverse perspectives in boardrooms and senior leadership positions to enhance governance outcomes and decision-making quality.

g) **Develop regional capital markets**

Promote cross-border listings, regional market integration, and harmonisation of governance standards to improve liquidity and attract investment across African markets.

h) **Leverage digitalisation to enhance market development**

Invest in digital trading infrastructure, regulatory technology, and disclosure platforms to improve market efficiency, transparency, and accessibility.

i) **Encourage greater participation of state-owned enterprises**

Consider the strategic listing of state-owned enterprises to deepen capital markets, improve governance practices, and broaden investment opportunities.

Looking ahead, African policymakers, regulators, and market participants must continue strengthening governance ecosystems that promote transparency, accountability, and sustainable growth. Efforts should focus on enhancing governance capacity, improving reporting quality, and supporting the adoption of internationally recognised standards while ensuring that implementation remains practical and proportionate.

Regional cooperation will also be essential in promoting harmonisation of governance frameworks, facilitating cross-border investment, and supporting the development of deeper and more liquid capital markets. As sustainability considerations become increasingly embedded within investment decisions, African jurisdictions should position themselves to take advantage of emerging opportunities in sustainable finance and responsible investment.

Ultimately, the future of corporate governance in Africa will depend on the ability of institutions to move beyond a compliance-based mindset towards a governance culture centred on trust, transparency, accountability, and long-term value creation. By strengthening governance frameworks and embracing innovation, African markets can enhance their competitiveness, attract investment, and support inclusive and sustainable economic development.