

**SECURITIES AND EXCHANGE COMMISSION NIGERIA**

*Office of the Director-General & Chief Executive Officer*

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**KEYNOTE ADDRESS**

# Capital Markets, Sustainable Finance, and Economic Transformation in Africa

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*Delivered at the 1st CIS Annual International Academic Conference*

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## PROTOCOL

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Distinguished guests, esteemed members of the academic community, captains of industry, fellow regulators, and honoured delegates — it is my singular privilege to stand before you today at the 1st CIS Annual International Academic Conference. I bring you warm felicitations from the Securities and Exchange Commission of Nigeria, an institution that has, over the decades, stood as guardian and catalyst of one of Africa's most dynamic capital markets.

Let me warmly commend the Chartered Institute of Securities (CIS) for convening this remarkable confluence of scholarship, policy, and practice. Conferences of this nature are not merely ceremonial gatherings — they are crucibles of ideas, laboratories of collaboration, and platforms where the future of our financial architecture is shaped. I am honoured to keynote this inaugural edition, and I trust that the conversations we ignite today will reverberate far beyond these walls.

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## INTRODUCTION: AFRICA AT AN INFLECTION POINT

We gather at an extraordinary moment in Africa's history. Ours is a continent blessed with an abundance that defies easy comprehension — over 30 per cent of the world's mineral reserves, 60 per cent of the globe's uncultivated arable land, a youthful population of over 1.4 billion that will double by 2050, and a consumer market whose purchasing power is projected to exceed \$2.5 trillion by 2030. And yet, for all this endowment, Africa continues to face a formidable infrastructure financing gap estimated at \$68 to \$108 billion annually, persistent unemployment among the youth, and a structural dependence on extractive industries that leaves economies exposed to the volatility of global commodity cycles.

The question before us — and the question this conference must answer — is this: How do we mobilise the capital, build the institutions, and deploy the instruments that will transform Africa's potential into prosperity? The answer lies at the intersection of three powerful dynamics: the development of deep and liquid capital markets, the mainstreaming of sustainable finance, and the pursuit of a deliberate, inclusive economic transformation agenda.

*Africa does not lack resources. Africa lacks the financial architecture to price, pool, and deploy those resources at scale. Capital markets are the missing link between Africa's wealth and Africa's development.*

## I. THE STATE OF AFRICAN CAPITAL MARKETS: PROGRESS AND PERSISTING GAPS

Africa's capital markets have registered commendable progress over the past two decades. The continent now hosts over 30 stock exchanges and a growing ecosystem of bond markets, commodity exchanges, derivatives platforms, and alternative investment vehicles. Market capitalisation across the continent has grown considerably, driven largely by South Africa's Johannesburg Stock Exchange, and increasingly by the Nigerian Exchange Group, the Nairobi Securities Exchange, and the Egyptian Exchange.

In Nigeria specifically, our capital market has undergone a remarkable renaissance. Market capitalisation recently crossed the ₦62 trillion threshold. We have enacted foundational legislative reform, culminating in a new Investment and Securities Act that is fit for the modern era. We have introduced frameworks for digital assets, deepened our bond market, and are actively building the infrastructure for a derivatives market. Our

Nigerian Capital Market Master Plan 2026–2036 charts an ambitious course to grow the market to ₦750 trillion by the end of the decade.

Yet for all this progress, African capital markets remain disproportionately small relative to the continent's economic mass. The aggregate market capitalisation of all African exchanges accounts for less than 3 per cent of global total. Trading volumes remain thin. Liquidity constraints deter institutional investors. Cross-border investment is hampered by fragmented regulatory regimes, currency convertibility risks, and the absence of harmonised clearing and settlement infrastructure. The depth and diversity of listed instruments remain insufficient to intermediate the scale of long-term capital that Africa's transformation requires.

These are not insurmountable challenges. They are invitations to innovative policy, regulatory reform, and regional cooperation. The path forward demands both ambition and rigour — a combination that this conference, I trust, will help us cultivate.

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## **II. SUSTAINABLE FINANCE: FROM OBLIGATION TO OPPORTUNITY**

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Allow me to turn to the theme of sustainable finance — perhaps the most consequential transformation in the global financial system in a generation. The integration of environmental, social, and governance considerations into investment decision-making is no longer the preserve of socially conscious investors. It has become a systemic imperative, embedded in the risk frameworks of multilateral development banks, sovereign wealth funds, pension systems, and increasingly, retail investors.

Africa stands at a dual nexus in this conversation. On one hand, the continent bears a disproportionate burden of climate change, despite contributing less than 4 per cent of global greenhouse gas emissions. Extreme weather events, desertification, food insecurity, and sea-level rise disproportionately threaten African communities and economies. The imperative to finance adaptation and mitigation is, for Africa, not abstract — it is existential.

On the other hand, Africa's transition to sustainable economic pathways represents one of the most significant investment opportunities of the 21st century. The International Energy Agency estimates that Africa needs \$190 billion annually by 2030 to achieve universal energy access and decarbonise its energy sector. The green economy, if properly financed, can generate millions of jobs in renewable energy, sustainable agriculture, green construction, and climate-resilient infrastructure. Africa's abundant endowments

in solar, wind, hydro, and green hydrogen position the continent not merely as a consumer of the energy transition, but as a potential exporter of clean energy solutions.

*The question is not whether Africa will participate in the global sustainable finance revolution. The question is whether we will be architects of that revolution, or merely its recipients.*

Capital markets are the primary engines through which sustainable finance flows. Green bonds, sustainability-linked bonds, blue bonds, social bonds, and blended finance structures are the instruments through which long-term private capital can be channelled into projects that generate both financial returns and measurable positive impact. Globally, the sustainable bond market has grown to over \$4 trillion. Africa's share remains a fraction — but the trajectory is promising.

Nigeria has taken deliberate steps in this direction. Our green bond framework has attracted domestic and international issuances. We are integrating sustainability disclosure requirements consistent with ISSB standards into our regulatory architecture. We are building the capacity of listed companies to report on ESG metrics, recognising that transparent, comparable, and reliable sustainability information is the foundation upon which sustainable capital flows are built.

But we must go further. I wish to identify five strategic imperatives for mainstreaming sustainable finance across African capital markets:

- **Regulatory harmonisation:** African securities regulators must work collectively, through platforms like WASRA, ASEA, and IOSCO's AMERC, to develop common sustainable finance taxonomies, disclosure standards, and green bond frameworks that facilitate cross-border investment.
- **Blended finance architecture:** Multilateral development banks and development finance institutions must deploy first-loss capital, credit guarantees, and technical assistance to de-risk sustainable investments and crowd in private capital at scale.
- **Local currency solutions:** Currency risk is among the most significant deterrents to foreign investment in African sustainable projects. The development of local currency green bonds, supported by hedging instruments and currency swap mechanisms, is essential.
- **Capacity building:** Sustainable finance requires specialised expertise — in ESG analysis, impact measurement, green project appraisal, and sustainability reporting. Investment in human capital across regulators, issuers, and investors is non-negotiable.
- **Retail inclusion:** Sustainable finance must not be the exclusive preserve of institutional players. Retail-accessible green investment products — from green ETFs to sustainability-linked savings instruments — can mobilise domestic savings and build a constituency for sustainable development at the grassroots.

### **III. ECONOMIC TRANSFORMATION: THE CAPITAL MARKET IMPERATIVE**

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Economic transformation — the structural shift from commodity dependence toward diversified, knowledge-intensive, and inclusive economies — requires a long-term capital base that public budgets alone cannot provide. Herein lies the indispensable role of capital markets. No economy in history has successfully industrialised, diversified, and achieved broad-based prosperity without a well-functioning capital market ecosystem.

The capital market serves the economy in four fundamental ways. First, it enables price discovery — allowing investors to efficiently allocate resources to their highest-valued uses. Second, it provides liquidity — allowing capital to move freely between investments, reducing the cost of long-term financing. Third, it enables risk distribution — allowing the risks of large projects to be spread across many investors rather than concentrated in single institutions. Fourth, it mobilises domestic savings — converting the latent savings of households and institutions into productive investment.

For Africa's economic transformation, I wish to highlight three sectors where the capital market nexus is most critical and most urgent.

#### **Energy and Infrastructure**

Africa's infrastructure deficit — in power, roads, ports, digital connectivity, and water — is its most binding constraint on growth. Traditional public financing has proven insufficient. The private sector, mobilised through capital markets, must bridge this gap. Infrastructure bonds, project finance notes, toll road securities, and energy sector sukuk are instruments that have worked in other markets and must be adapted and scaled for Africa.

In Nigeria, we are actively developing the framework for a Dangote Refinery public offering — which has the potential to be one of the largest industrial IPOs on the African continent, and a demonstration of the power of capital markets to finance transformative infrastructure while democratising ownership and wealth.

#### **Agriculture and Food Systems**

Agriculture remains the backbone of most African economies and the primary livelihood of over 60 per cent of the continent's working population. Yet agricultural value chains remain largely unfinanced by formal capital markets. Warehouse receipt systems, commodity-backed securities, agricultural development bonds, and agribusiness IPOs

can unlock the enormous untapped value in Africa's agricultural sector. The capital market must become a serious partner of the agricultural economy.

### **Technology and the Digital Economy**

Africa's digital revolution — driven by mobile penetration, fintech innovation, and a fast-growing startup ecosystem — represents a transformative opportunity. African startups raised over \$4 billion in venture funding in recent years, yet most remain disconnected from public capital markets. The development of startup-friendly listing frameworks, growth boards, and secondary markets for private securities will be crucial to sustaining the momentum of Africa's digital economy and ensuring that its benefits accrue broadly.

At SEC Nigeria, we are developing frameworks for tokenised securities and digital assets that can unlock new pathways for capital formation in the tech and fintech sectors. We believe that regulatory innovation must keep pace with technological innovation, lest we inadvertently stifle the very dynamism we seek to harness.

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## **IV. THE ROLE OF ACADEMIA: SCHOLARSHIP IN SERVICE OF MARKETS**

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I wish to speak directly now to the academic community gathered here today, because the work of this conference — and the scholarship it represents — is not peripheral to the capital market agenda. It is central.

Capital markets are not merely financial constructs. They are social institutions, shaped by law, culture, behavioural psychology, information asymmetries, and political economy. They succeed or fail not only because of regulatory design but because of the quality of understanding that policymakers, practitioners, and investors bring to them. That understanding is, in large measure, the product of rigorous scholarship.

Africa needs research that is grounded in African realities. We need empirical studies of how our markets actually function — how liquidity is formed, how price discovery operates in thin markets, how investor behaviour deviates from textbook rationality, and how regulatory interventions produce intended and unintended consequences. We need theoretical frameworks that account for the unique institutional environment of African economies — the informal sector, the kinship networks, the role of diaspora remittances, the impact of commodity price cycles on market sentiment.

We need interdisciplinary scholarship that bridges finance, law, economics, sociology, environmental science, and technology. Sustainable finance cannot be advanced by

economists alone. Digital asset regulation cannot be designed by lawyers alone. Inclusive capital market development cannot be achieved by financiers alone.

*The academy is not a spectator of Africa's transformation. It is a co-author. The research you produce, the frameworks you develop, and the talent you cultivate are among the most consequential inputs to the policymaking process.*

I therefore call on African academics to engage more systematically with regulators and market institutions. SEC Nigeria has opened its doors to research partnerships, data sharing arrangements, and academic advisory engagement. We recognise that the rigour of peer-reviewed scholarship is a valuable complement to the practitioner's experience. We invite you to be our intellectual partners.

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## V. A VISION FOR THE DECADE AHEAD

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As I bring my remarks toward a close, let me share with you a vision — not merely for Nigeria's capital market, but for Africa's capital market ecosystem over the decade ahead.

By 2035, I envision an Africa in which every country hosts a functioning securities market, interconnected through regional integration arrangements that allow capital to flow freely across borders in search of productive investment. I envision a continent in which green and sustainable bonds are the primary instruments through which energy, infrastructure, and agriculture projects are financed — where international climate capital flows to Africa not as charity, but as commercially rational investment.

I envision an Africa in which the savings of tens of millions of retail investors — nurses, teachers, traders, artisans — are channelled through collective investment schemes, pension funds, and retail bond platforms into the companies and projects that are building the future. I envision a continent in which technology has democratised access to capital markets, where a smallholder farmer in Kebbi State can invest in an agricultural bond on a mobile phone, and where a tech founder in Lagos can list a tokenised equity instrument to global investors through a compliant digital securities exchange.

This vision is achievable. It requires political will, regulatory innovation, regional cooperation, and the mobilisation of the intellectual resources represented in gatherings like this one. It requires that we move from diagnosis to prescription, from analysis to action.

At the Securities and Exchange Commission of Nigeria, we are doing our part. We have enacted legislative reform, built institutional capacity, and embarked on the most

ambitious capital market development plan in our nation's history. We are convening stakeholders, partnering with international organisations, and standing ready to share our experience with sister regulators across the continent. We are building, and we invite you all to build with us.

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## **CONCLUSION: THE OBLIGATION OF OUR GENERATION**

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Distinguished ladies and gentlemen, history will judge our generation by what we build, not merely by what we inherit. Africa's capital markets, sustainable finance systems, and economic transformation agenda are not abstract policy concerns — they are the architecture of a future in which hundreds of millions of people live with dignity, security, and opportunity.

We are not without resources. We are not without talent. We are not without ideas. What we require is the courage to act on our convictions, the collaboration to amplify our individual efforts, and the commitment to stay the course even when progress is slow and the headwinds are fierce.

I draw strength, as I always do, from the words of the scriptures, which remind us that where there is no vision, the people perish. Africa has vision. This conference is evidence of that vision. Let us leave here not merely inspired, but equipped — with new knowledge, new networks, and a renewed resolve to translate our vision into reality.

I thank the Chartered Institute of Securities and the conference organising committee for this distinguished invitation. I congratulate every delegate who has invested their time and intellect in this forum. And I pray that the deliberations of this conference will bear fruit — not only in our balance sheets and market indices, but in the lives of the millions of Africans whose futures depend on the decisions we make in rooms like this one.

***God bless you. God bless the Federal Republic of Nigeria.  
And God bless the African continent.***

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