KM NALA ADVISORY

ROOTED NEWSLETTER

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Ideas & impact from the African Continent

A space where governance meets humanity-where stories of purpose, discipline and leadership reminds us that systems change begins with how we focus our attention each day.

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SPOTLIGHT

THE INDEPENDENT CHALLENGER

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VOLUME 10 | 2026

WHO ENFORCES THE STANDARD?

Global Risk Practice and Continental Governance Capacity

• EDITOR'S NOTE
Who Enforces the Standard?

Volume 9 asked who writes the standard.

Its answer was straightforward: legitimacy begins with authorship. Institutions trusted to govern themselves cannot rely indefinitely on frameworks designed elsewhere. Adoption creates compliance. Authorship creates ownership.

But authorship is only half the story.

A standard no one can challenge is still only a document. It may be beautifully written. It may be internationally recognised. It may even become mandatory. Yet until someone possesses both the authority and the independence to say, this is not good enough, governance has not begun.

Volume 10 therefore asks a different question.
Who enforces the standard?
Sharon Goodwill approaches that question from an unusual position. Her career has been spent inside some of the world's most demanding governance environments before deliberately returning knowledge to African institutions through capacity-building across the continent.

She represents the practitioner that Volume 8 described as the Weaver: someone capable of holding global rigour and local reality together without allowing either to dominate the other. Her observation becomes this volume's organising principle.

> ***"Imported standards without local capability create the illusion of governance, not the reality of it."***
> — Sharon Goodwill

The statement extends beyond regulation. Imported governance models without constitutional adaptation create the illusion of accountability. The two observations belong together. One is Sharon's contribution to this volume. The second is Rooted's.

For decades African institutions have imported governance models with the same enthusiasm that they imported governance standards. Yet models, like standards, are products of context. They embody assumptions about institutions, constitutional arrangements, regulatory maturity, and accountability structures that may not exist elsewhere.

This volume therefore argues for something larger than a stronger second line.
It argues for recognising the entire architecture through which accountability is produced.

Within organisations, independent challenge emerges through multiple layers of assurance. Within constitutional democracies, accountability is distributed across an even richer institutional ecosystem: executive oversight, internal assurance, independent external assurance, and constitutional oversight each perform different functions in protecting public trust.

Understanding those distinctions matters.
Because governance does not fail when organisations lack frameworks.
It fails when societies misunderstand where independent challenge actually resides.
Constitutional democracies should not be understood through organisational assurance models alone. They possess a National Assurance Architecture: a layered system through which independent challenge is exercised across executive oversight, internal assurance, external constitutional audit, and constitutional accountability institutions.

Across Volumes 8, 9, and 10, Rooted has gradually converged on a single question. Not whether institutions possess standards. Not whether they possess frameworks. But whether they possess the capacity to author them, adapt them, challenge them, and ultimately enforce them. Every resilient institution depends on three distinct roles.

The Author creates legitimacy by defining the standard. The Weaver transforms principles into context, ensuring that global wisdom becomes locally meaningful.
The Independent Challenger protects both by ensuring that neither power nor process becomes immune from scrutiny.

Together they form the human architecture of trustworthy governance. Together they produce something far more valuable than compliance.
They produce trust.

Enjoy the Special Edition

Katlego Majola

FOUNDER: KM NALA ADVISORY

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FEATURE

THE PRACTITIONER BRIDGE

A Conversation with Sharon Goodwill

Sharon Goodwill is an Enterprise Risk Management professional. She works across operational risk, ESG, AI governance, and the three lines of defence framework, and brings a rare perspective: global financial infrastructure risk practice combined with deliberate African institutional capacity-building.

This conversation is drawn from written responses. Views expressed are Sharon Goodwill's professional opinions in her personal capacity.

Section 1 — Standards and Who Sets Them

Q1 The EU AI Act, DORA, NIS2 — these are global regulatory frameworks developed in Western contexts and now setting standards that African institutions will need to navigate. What is the risk of adopting them uncritically? And what does it look like to build African regulatory capacity that engages with these frameworks on equal terms?

This is such a critical question, and it's something I think about a lot, especially with my Master's in AI underway. Just blindly adopting these huge global regulatory frameworks like the EU AI Act, DORA, or NIS2 is a huge risk for African institutions. The danger is simple: imported standards without local capability create the illusion of governance, not the reality of it. First off, you run the risk of creating a mismatch or even just straight-up irrelevance. Frameworks like the EU AI Act, DORA, and NIS2 are powerful — but they were designed for economies with mature digital infrastructure, strong

regulatory enforcement capacity. Just copy-pasting global regulations here in Africa? It's a high risk, simply put — we don't yet have the infrastructure they are trying to regulate. Secondly, it actually waters down how effective regulation can be. If the rules aren't tailored, they just become a 'tick-box' exercise — you look compliant on paper, but you're not actually addressing the real risks that matter locally. Engaging on equal terms means Africa must stop being a passive consumer of global norms and start being a producer of them. We need: homegrown experts who understand both global law and local tech and culture; a strong voice at the global table, shaping standards rather than just receiving them; regional unity — harmonised pan-African frameworks led by bodies like the AU; investment in regulators, not just regulated entities; and learning from each other through hubs of excellence and smart partnerships. It's about intellectual sovereignty, really. Taking what the world offers but making it truly our own. This is Africa — things work differently here.

> *"Imported standards without local capability create the illusion of governance, not the reality of it."*
> *— Sharon Goodwill*

Q2 You spent five months at the Institute of Risk Management Zambia, building national risk governance capacity. What did that experience teach you about the gap between risk management as a global discipline and risk management as a locally embedded governance practice?

My time in Zambia was such an eye-opener. Globally, risk management often assumes you've got perfect data, mature structures, and all the fancy tech. It's very formal, very structured. But in Zambia, 'locally embedded' meant dealing with different realities: less resources, evolving regulations, and a culture that influences how people see risk. You can't just drop a global playbook in and expect it to magically work. Resourcefulness is key: implementing fancy risk software or hiring highly specialised analysts often isn't even on the table. You learn to be incredibly pragmatic, focusing on essential controls and fundamental processes that work with what's available. Culture, culture, culture: risk isn't just numbers; it's deeply cultural. What's a major risk in one place might just be 'how things are done' in another. You realise you have to understand how local decision-making, social dynamics, and even informal networks actually influence risk-taking. Beyond financial and operational risks, African institutions often grapple with far more pronounced systemic risks tied to development, climate change, political change, and public health. A 'global' curriculum might gloss over these; a local one must put them front and centre. So what did it teach me? That effective risk management in Africa isn't about throwing out global wisdom. It's about

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marrying robust frameworks and best practices with local wisdom, resourcefulness, and a deep understanding of the unique challenges on the ground — 'pa ground,' as we say in Zambia. It becomes less about what the book says and more about what truly works here, right now, to keep this organisation and its people safe.

> ***"Risk management becomes more powerful when it speaks the language of the environment it serves."***
> — Sharon Goodwill

Section 2 — The Economics of Trust and Institutional Risk

Q3 You have written about resilience as risk management done early. What does that mean in practice in an African institutional context, where early action is often sacrificed to immediate operational pressure? How do you build the governance discipline to act pre-probabilistically — before the data is definitive?

For me, resilience as early risk management means moving from firefighting to foresight. It is about preparing before a crisis fully takes shape, rather than waiting for failure to force a response. It's about anticipating things, building robust systems, and adapting quickly, rather than just reacting to every crisis. After all, hope is not a risk management strategy. In African contexts, early action is often sacrificed to immediate operational pressure — 'we will fix it when it breaks.' Acting pre-probabilistically goes against a lot of human instincts when you're used to reacting to tangible, present threats. To cultivate that discipline: show the value — risk management protects everything you've worked for. Use 'what if' scenarios — even without perfect data, you can think through potential futures and treat near misses and informal feedback as strategic intelligence. Leadership commitment — leaders need to champion this proactive mindset and create a culture where people feel safe raising concerns early; long approval chains kill early action. And resilient design — don't aim for perfect, aim for adaptable: diversified supply chains, built-in redundancies, and empowering local teams to make decisions fast in a crisis. This was bread and butter at Network Rail, which runs such a complex rail network across Europe. It's the discipline to invest today in protecting an uncertain tomorrow — seeing it as an investment in enduring trust and stability.

> ***"Hope is not a risk management strategy."***
> — Sharon Goodwill

Q4 ESG risk is moving from reporting obligation to genuine governance accountability. What does that shift look like in African institutional contexts, and where are the most dangerous gaps between what organisations claim about sustainability and what their governance structures actually support?

In Africa, ESG reporting has finally entered board decisions, mainly because global investors are increasingly demanding strong ESG — a powerful push. This shift means moving past reports about environmental efforts or social outreach. It's about weaving environmental, social, and governance factors into the very fabric of how an organisation operates, with the board truly owning it. The most dangerous gaps: greenwashing with nothing behind it — environmental claims without operational controls. Social commitments without metrics — diversity, labour, and community impact spoken about but not measured. Governance structures that cannot enforce ESG — limited board literacy, risk teams without full mandate. Siloed thinking — ESG treated separately rather than fundamental to all risks, so you report on carbon emissions but miss integrating the physical risks of extreme weather into operational risk plans. Policies without power — no accountability, no independent oversight, no consequence for non-compliance. No data, no progress — without measurement, genuine accountability is impossible. And short-term wins trumping long-term value — when organisations face

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pressure for immediate returns, long-term ESG investment gets pushed aside. Closing these gaps means ESG isn't an add-on. It's built into policy, risk appetite, and reporting — with the board squarely in charge. It transforms from a side project into a central pillar that builds trust and resilience.

Q5 In the three lines of defence model, the second line — independent risk oversight — is where institutional trust is either earned or eroded. What makes the difference between a second line that is genuinely independent and one that is merely procedural?

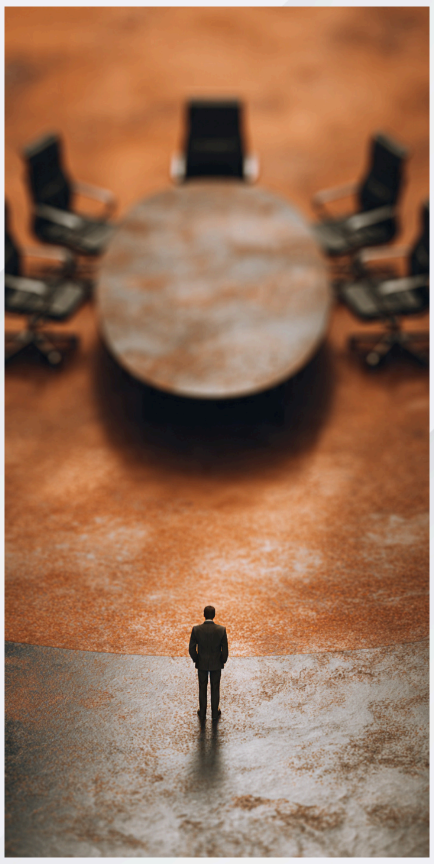
A truly independent second line shifts organisational behaviour. It has real power to challenge and question. It's separate from the business operations, its people are highly skilled, and they actually use their authority to flag issues and advise leadership. A second line that's making a difference looks like this: it has real clout — a clear, written mandate from the board and senior leadership to challenge and advise, and that mandate is supported, not just acknowledged politely. It stands apart — distinct reporting lines, usually to a Board Risk Committee, minimising conflicts of interest. It's smart and well-equipped — genuine expertise, analytical capability, the courage to speak up, and enough resources to do the job. It's a challenger, not a confirm-er — it proactively hunts for emerging risks rather than waiting for the first line to report, creating a healthy challenge culture rather than a rubber stamp. It can ring the alarm bells — clear escalation paths to the board without fear of repercussions, and the authority to pause or change activities if risks are too high. And it tells a story, not just data — translating numbers into forward-looking insight that genuinely helps the board decide. A procedural second line, by contrast, ticks boxes. It's under-resourced, lacks real influence, collects reports but doesn't question or challenge effectively. It becomes a passive checkbox, which ultimately erodes trust when things inevitably go wrong. A genuinely independent second line acts as the organisation's conscience and early warning system, building trust by being objective, knowledgeable, and brave. A procedural one just pushes paper — which crumbles trust when things go wrong.

> ***"A genuinely independent second line acts as the organisation's conscience and early warning system."***
> — Sharon Goodwill

Section 3 — The Weaver and Continental Risk Capacity

Q6 Volume 8 of Rooted introduced the Weaver — the leader who integrates analytical precision, African governance wisdom, and behavioural intelligence. What does the third element actually require? How does the brain's threat-response architecture undermine good risk governance, and what institutional design can compensate for it?

For me, behavioural intelligence in risk management is all about understanding how humans actually work, not just how we should work. With the rapid growth of AI, I believe this is increasingly important. It requires: knowing our own brain's quirks — optimism bias, confirmation bias, the availability heuristic. Emotional smartness — recognising how fear, anxiety, overconfidence, or complacency warp how we see and respond to risk. Understanding what drives people — finding their 'why,' what incentives shape risk-taking, whether people are rewarded for raising risks or for sweeping them under the rug. And communicating with impact — telling the story of risk in a way that resonates emotionally and practically, not just with data. The brain's threat-response pushes people, leaders included, toward optimism bias, short-termism, and avoidance — all fatal to good governance. Feeling threatened by a bad audit or a looming deadline, our brains default to primal survival modes: fight, flight, freeze, tunnel vision, bias overdrive. That leads to narrow, often bad, decisions. What can institutions do? A strong, neutral second line helps counter individual biases and creates a safe space for people to speak up, directly combating the flight instinct. Clear processes for assessing, escalating, and deciding on risks force us to slow down and think rationally rather than react impulsively. Diverse teams are less prone to groupthink and mitigate confirmation bias. Regular stress-testing through simulated crises means people respond thoughtfully rather than panic when a real crisis hits. And pre-mortems — imagining a project has failed spectacularly and listing why, before it starts — tap into our brain's problem-solving capacity ahead of the problem. This was a must during project initiation at Network Rail. Ultimately, behavioural intelligence in risk governance means accepting that humans are flawed but fascinating, then designing systems that acknowledge those flaws and create guardrails to steer our natural responses toward stronger, more resilient outcomes.



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> *"We design systems that acknowledge those flaws and create guardrails to steer our natural responses toward stronger, more resilient outcomes."*
> — Sharon Goodwill

Q7 You are based in the UK but your institutional work reaches across Africa. What does it cost the continent when its most experienced risk practitioners operate primarily in Western institutional contexts? And what would it take to build the conditions that keep that capacity on the continent?

This is an important question for me, personally. When seasoned African risk practitioners work mostly in the West, the continent really loses out. It was one of the main reasons I returned home, to find a way to contribute to the growth of the risk management profession across the continent. When experienced practitioners leave, Africa loses talent who understand both global best practice and local realities — creating a skills gap. Expertise homed in the West might not always fit Africa's unique risks, whether informal economies or specific climate challenges. We end up relying on expensive external consultants who don't always get the nuanced local context. And because the best minds are innovating elsewhere, Africa misses out on leading solutions tailored for its own needs. To keep this talent on the continent: compelling roles and professional pathways with competitive pay. Good infrastructure — the right tech and resources to do advanced work. Strong regulations that show risk management is taken seriously. Mentorship and growth — clear pathways for continuous learning and leadership. Selling the vision, not just the job — highlighting the opportunity to make a tangible, transformative impact on your home continent, which for many is a powerful motivator. And engaging the diaspora — actively reaching out to African professionals abroad and creating flexible ways for them to contribute remotely, on short-term assignments, or through mentorship. Ultimately it requires Africa to commit to seeing advanced risk management not as a bureaucratic burden, but as a strategic engine for development — and then investing accordingly to cultivate and keep that talent at home. It's about making Africa the place where top risk talent wants to be.

Q8 If you were to design the risk governance curriculum for the next generation of African institutional leaders — not a global standard slightly adapted, but something built from the ground up for African governance realities — what would be its three non-negotiable elements?

I would build it around three essentials: understanding Africa's interconnected risks, leading with ethics and trust, and creating governance models that are agile, practical, and built for local realities. Understanding Africa's unique and connected risks: a deep dive into continental challenges — political economy, informal systems, cultural dynamics, community-based governance, climate vulnerability, political instability, resource dynamics. Leaders would learn to identify these risks, understand their interconnected causes, and build solutions that create holistic, systemic resilience — adaptive governance, diversified economic models, social safety nets. It moves past simple risk registers to mapping the entire national or regional risk ecosystem. Ethical leadership, human behaviour, and earning trust: how individuals and cultures genuinely perceive and react to risk — local norms, community structures, history, and power dynamics. A major piece would be understanding how to build, and rebuild, trust in institutions where it has been damaged. Leaders would develop the emotional intelligence and courage to champion strong risk cultures and speak out against unethical practices, using real-life role-playing of ethical challenges common in African business and case studies of both failures and triumphs in integrity right here on the continent. Agile governance and context-first innovation: designing adaptive, efficient governance structures that can evolve quickly, even with limited resources. Leveraging existing local strengths and informal networks, integrating technology smartly, and finding creative ways to finance and mitigate risk. It's moving beyond copying 'best practice' to finding the 'best fit' for our specific context. Leaders would become 'framework weavers' — taking global principles and combining them with local genius, using tech for practical gains without simply importing solutions that don't quite fit. Those three pillars would help develop leaders who are not just compliant, but capable of building resilient, credible, and distinctly African institutions.

> *"Leaders would become framework weavers — taking global principles and combining them with local genius."*
> — Sharon Goodwill

CASE STUDY

CASE STUDY
The Imported Standard Trap

The regulator is compliant.

The board receives every report. The dashboards are green. The audit is clean. Nobody knows the algorithm is discriminating. A bank has adopted EU AI Act ocumentation requirements. Audit trails are implemented. Model cards are completed. Reporting templates are filed on schedule. From the outside, the institution looks like a governance exemplar. From the inside: data quality remains poor and unaddressed. Model validation capacity does not exist. The regulator lacks AI specialists capable of evaluating the submissions. The algorithm producing credit decisions has never been stress-tested against local economic conditions. The communities being systematically isadvantaged by its outputs have no mechanism to surface that experience to anyone with authority to act. Compliance has increased. Governance has not.

> ***A tick-box exercise that looks compliant on paper but does not address the risks that matter locally is not a lesser form of governance. It is the absence of governance, dressed in overnance's clothing.***

What Authorship Requires in Practice

Sharon's five conditions for engaging global standards on equal terms give Volume 9's authorship argument an operational checklist:

- Homegrown experts who understand both the global law and the local technological and cultural context — not translators of foreign frameworks, but interpreters capable of redesign.

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CASE STUDY

- A seat at the table where standards are written — African regulators present and vocal in the international forums that shape DORA's successor and NIS2's next revision, not recipients of frameworks finalised without their input.
- Regional unity through bodies like the AU — harmonised pan-African frameworks that give the continent a single, stronger negotiating position rather than 54 separate, under-resourced adaptations.
- Investment in regulators, not only the regulated — the capacity to enforce a standard is as important as the standard itself, and regulatory capacity-building has been consistently under-resourced relative to compliance-cost imposed on institutions.
- Diaspora and cross-border learning — hubs of excellence and partnerships like the one between IRMZA and IRMSA, evaluating frameworks like NIS2 through the lens of actual African infrastructure before implementation, not after.

None of this argues for rejecting global frameworks. It argues for the same distinction Volume 9 drew between the King Reports — African-authored and internationally respected — and templates adopted wholesale. The EU AI Act can inform an African AI governance framework. It cannot substitute for one.

A Concrete Illustration: AI Governance Compliance Without Governance

Consider a bank that adopts EU AI Act documentation requirements. Audit trails are implemented. Model cards are completed. Reporting templates are filed on schedule. The compliance checklist turns green.Meanwhile: data quality remains poor and is not being addressed. Model validation capacity does not exist internally and has not been built. The regulator lacks AI specialists capable of evaluating the submissions. Procurement contracts for AI systems remain opaque. The algorithm producing credit decisions has never been stress-tested against local economic conditions. Result: compliance increases. Governance does not. The EU AI Act was designed for an environment where the infrastructure it assumes already exists. Applied without that infrastructure, it becomes documentation — a record of compliance with a standard that was never designed for these conditions, producing a false sense of security that may be more dangerous than acknowledged unpreparedness.

> ***This is the imported standard trap in practice: the framework is present, the governance is absent, and the gap between them is invisible to any auditor checking the compliance register.***

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SPOTLIGHT

SPOTLIGHT

THE INDEPENDENT CHALLENGER

THE INDEPENDENT CHALLENGER: Beyond the Three Lines Debate

Every governance system eventually confronts the same question.

Who tells power it is wrong?

But that question conceals a harder one beneath it.

Why does power tolerate being challenged at all?

The answer matters because governance architectures that rely only on the willingness of power to be questioned will, eventually, encounter power that refuses. Durable accountability requires more than culture. It requires design — institutional structures in which independent challenge is not a courtesy extended by the powerful but a right exercised by the independent.

Organisations and States: A Critical Distinction

Constitutional power is intentionally fragmented so that no institution becomes the sole custodian of accountability. Organisations fail operationally. States fail institutionally. The stakes, the mechanisms, and the remedies are different in kind, not only in scale. Sharon Goodwill's description of an effective second line survives every debate surrounding the Three Lines Model because she is describing something more fundamental than organisational design. She is describing the institutional function of independent challenge.

The Five Characteristics of Independent Challenge

Independent challengers possess five characteristics regardless of where they are located.

Permission. The formal authority to question. Without it, challenge is merely opinion.

Independence. Structural separation from the activity being challenged. Proximity to power is proximity to compromise.

Capability. The expertise to distinguish genuine risk from acceptable uncertainty — and the analytical capacity to make that case convincingly.

Conviction. The willingness to challenge when challenging is costly. Capability without conviction is analysis that never leaves the report.

Reach. The ability to ensure that difficult truths arrive at the people with the authority to act on them. These characteristics apply equally to risk functions, internal audit, regulators, and constitutional oversight institutions. The institution changes.

The function does not.

The National Assurance Architecture

South Africa provides one of the clearest constitutional examples of a National Assurance Architecture because independent challenge is intentionally distributed across executive oversight, internal assurance, external constitutional audit, and Chapter 9 institutions rather than concentrated within a single authority.

Operational departments form the first layer by implementing policy and maintaining internal controls. Executive oversight institutions — including National Treasury, provincial treasuries, and governance oversight functions — provide the second layer through policy oversight, compliance, and risk supervision. Internal audit functions provide the third layer by independently evaluating governance, risk management, and internal control inside public institutions.

The Auditor-General is not the apex of management oversight; it is the constitutional assurance institution that independently evaluates whether management oversight itself has functioned.

It is not another management oversight function. It provides independent external assurance directly to Parliament and the public, examining whether the first three layers have operated effectively. This makes the Auditor-General analogous to the fourth layer of assurance.

Alongside these assurance layers sit South Africa's Chapter 9 institutions. They are not assurance providers in the traditional sense. They safeguard constitutional accountability itself. The Public Protector investigates maladministration. The South African Human Rights. Commission protects constitutional rights. The Electoral Commission safeguards democratic legitimacy. Their work extends beyond assurance into constitutional guardianship.

SPOTLIGHT

LAYER	FUNCTION	SOUTH AFRICAN EXAMPLES
FIRST	Policy implementation and internal controls	Government departments implementing mandate controls
SECOND	Executive oversight, compliance and risk supervision	National Treasury, Provincial Treasuries, governance and risk oversight functions
THIRD	Independent internal assurance	Internal Audit functions and Audit Committees within public institutions
FOURTH	Independent external assurance to Parliament and the public	Auditor-General of South Africa (AGSA); external auditors
Chapter 9	Constitutional guardianship (outside the assurance model)	Public Protector, South African Human Rights Commission, Electoral Commission of South Africa

The lesson extends well beyond South Africa.

Strong governance is not measured by the number of institutions a country creates. It is measured by whether every layer of the National Assurance Architecture possesses Permission, Independence, Capability, Conviction, and Reach.

Institutions survive because they perform.
Democracies survive because someone is empowered to question performance.
Trust is not produced by good intentions.
It is produced by protected challenge.

SPOTLIGHT

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BEAD & BLUEPRINT · VOL.04

THE FRAMEWORK WEAVER

From copying best practice to finding best fit

Sharon Goodwill's own term for the leader her proposed curriculum would produce is precise enough to anchor this volume's practitioner tool: the Framework Weaver — someone who takes global principles and combines them with local genius, using technology for practical gains without simply importing solutions that don't fit.

> *"It moves beyond copying 'best practice' to finding the 'best fit' for our specific context."*
> — Sharon Goodwill

The Best-Fit Audit

Apply this to any governance framework, regulatory standard, or risk methodology your institution is considering adopting:

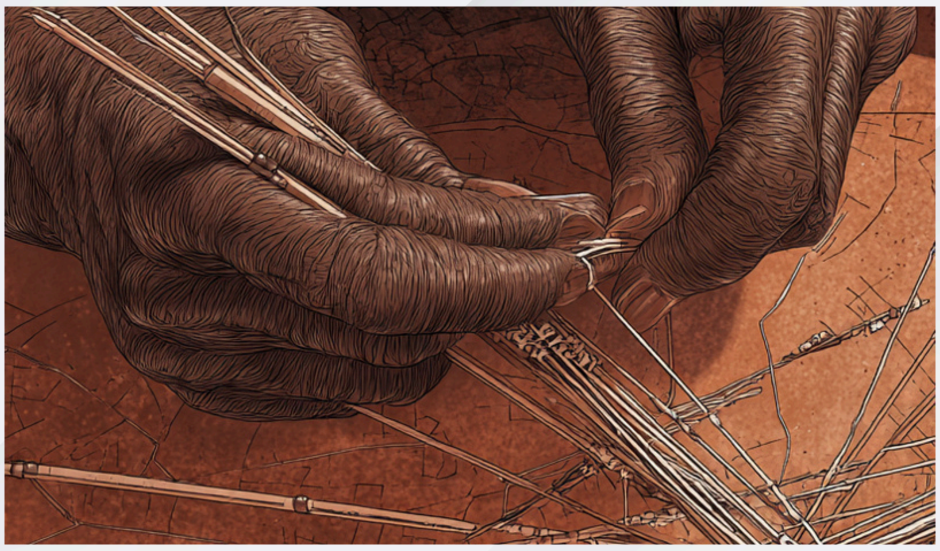
- Infrastructure test: does our institution have the digital, regulatory, and enforcement infrastructure this framework assumes? If not, what is the gap, and what would closing it cost relative to the risk the framework is meant to manage?
- Tick-box test: if we implemented this framework exactly as written, would it address the risks that actually matter to us locally — or only the risks it was designed to address elsewhere?
- Capability test: do we have, or can we build, the homegrown expertise to interpret this framework intelligently rather than apply it literally?
- Authorship test: could we adapt this framework's principles into something we author for our own context — the way the Pula Code adapts King-tradition governance principles for Botswana — rather than adopting it unmodified?

The Behavioural Risk Counter-Measures

Sharon's five institutional designs for compensating for the brain's threat-response architecture, condensed as a practitioner checklist:

- A strong, neutral second line — creating psychological safety for early risk disclosure, directly countering the flight instinct.
- Clear escalation processes — forcing deliberate, structured thinking rather than impulsive reaction under threat.
- Diverse teams — reducing groupthink and confirmation bias through genuinely varied perspectives.
- Regular stress-testing — simulated crises that build the institutional muscle memory to respond thoughtfully rather than panic when a real crisis hits.
- Pre-mortems before major decisions — imagining failure before it happens, to surface the risks that optimism bias would otherwise hide until too late. This was standard practice at Network Rail.

One factor sits beneath all of these: incentives. Behavioural governance is not only about understanding how people think. It is about understanding what organisations reward. Institutions frequently obtain exactly the behaviour their incentive structures produce. If the reward for raising a risk is blame, and the reward for concealing one is comfort, no cognitive bias training will change the outcome. Before designing guardrails against cognitive failure, ask what the institution is paying people — formally or informally — to do.



RESEARCH INSIGHT

Southern Africa ESG Capacity: A Regional Scorecard

From the KM Nala Advisory ESG Research Programme

This section draws on original research by Katlego T. Majola and Francis Ziba, *The Future of Southern Africa: How ESG Can Shape a Sustainable and Resilient Region*. The study examines how government policies across Southern Africa incorporate Environmental, Social and Governance (ESG) principles through a comparative qualitative analysis of legislation, policy frameworks and governance practices across **14 Southern African countries**. The findings are benchmarked against Maplecroft's Sovereign ESG framework to identify regional patterns, strengths and implementation gaps.

Rather than asking whether governments have adopted ESG principles, the research asks a more important governance question:

Do institutions possess the capacity to implement and enforce the policies they have adopted?

Research at a Glance

Research Scope	Findings
Countries analysed	14 Southern African countries
Research approach	Comparative qualitative policy and document analysis
Benchmark	Maplecroft Sovereign ESG methodology (37 indicators; 9 ESG dimensions)
Principal finding	Implementation capacity consistently lags policy ambition.

Regional ESG Implementation Maturity

ESG Capability	Regional Maturity
Governance and legislative frameworks	●●●●●
Social policy commitments	●●●●○
Environmental policy frameworks	●●●○○
Institutional implementation capacity	●●○○○
ESG data and measurement systems	●●○○○
Regulatory enforcement capability	●○○○○

The research demonstrates that while ESG policy frameworks are becoming increasingly established across Southern Africa, implementation systems, data infrastructure and enforcement mechanisms remain comparatively underdeveloped.

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RESEARCH INSIGHT

Source: Adapted from Majola, K.T. & Ziba, F. (2026). *The Future of Southern Africa: How ESG Can Shape a Sustainable and Resilient Region*. In M.N. Tunio et al. (Eds.), *Leadership, Innovation, and Responsibility in Global Business. Advances in Science, Technology & Innovation*. Springer Nature Switzerland.

What the Research Reveals
The study identifies a consistent regional pattern. Southern African governments have made significant progress in embedding ESG principles within legislation, national development strategies and climate commitments. Many countries are aligning policy objectives with the United Nations Sustainable Development Goals, adopting green fiscal measures and strengthening governance frameworks.

However, implementation remains uneven. The research found that environmental, social and governance components are frequently developed and monitored independently, rather than through an integrated systems-thinking approach. This fragmentation limits governments' ability to understand how governance weaknesses influence environmental outcomes or how social inequalities undermine sustainability objectives.

Governance therefore emerges as the critical enabling factor. Countries with stronger institutions, more effective regulatory oversight and greater transparency consistently demonstrate better environmental and social performance. Conversely, weak enforcement, corruption, limited institutional capacity and fragmented monitoring systems reduce the effectiveness of otherwise well-designed policy frameworks.
The research concludes that Southern Africa's principal ESG challenge is **not policy design but institutional implementation**.
"A divergence exists between the level of detail contained in government documents and the actual environmental, social and governance impact those documents produce. Government policies often articulate broad objectives without providing sufficient implementation specificity."
— Majola & Ziba (2026)

The ESG Enforcement Gap
One of the study's most significant findings is the existence of a persistent **ESG enforcement gap**.
Across the region, governments have established environmental legislation, social protection frameworks and governance reforms that broadly reflect international ESG expectations. Yet these commitments are frequently constrained by limited regulatory resources, inconsistent enforcement, fragmented data systems and insufficient institutional capability.
For governance professionals, the implication is clear. Organisations should avoid equating ESG compliance with ESG performance. Reporting frameworks, disclosure standards and governance codes can improve transparency, but they cannot substitute for capable institutions, effective oversight and accountable leadership.is finding aligns closely with Sharon Goodwill's observation that ESG has evolved beyond a reporting obligation into a governance accountability imperative. Sustainable ESG outcomes depend not only on adopting international standards but on building the institutional capacity required to implement, monitor and enforce them.**Ultimately, the research concludes that Southern Africa's future ESG competitiveness will be determined less by the number of policies adopted than by the effectiveness with which governments and institutions translate those commitments into measurable outcomes.**

• THINK • LISTEN • ACT

THINK	LISTEN	ACT
• Read the EU AI Act, DORA, and NIS2 summaries — not to adopt them, but to identify which principles transfer and which assumptions don't • Read Sharon Goodwill's feature conversation in this volume — on the second line, behavioural intelligence, and the Framework Weaver • Ask: which of our current governance frameworks were authored for our context, and which were adopted unmodified from elsewhere? • Ask: does our second line have a written mandate, independent reporting lines, and the resources to challenge — or does it exist only on the organogram?	• AI Conversations: Africa in Focus, for African AI scaling and impact. • Future Impact: A Sustainability Podcast Series, for sustainability, climate, and practical solutions. • Sustainable AI, for the AI-sustainability crossover. • The GreenShift Podcast, for sustainable digital infrastructure in Africa. • African Deep Dive Podcast, especially the episode on responsible AI for Africa's food future.	• Run a Best-Fit Audit on one major framework your institution has adopted — infrastructure, tick-box, capability, and authorship tests • Run a Second Line Independence Check: mandate, separation, capability, posture, escalation. Score your institution against all five • Introduce one pre-mortem into your next major institutional decision — before it starts, not after it fails • Identify one African risk practitioner currently working abroad whose expertise your institution could engage through diaspora partnership or mentorship

A note on the Best-Fit Audit: most institutions, on first attempt, will find that the frameworks they are proudest of having adopted score poorly on the authorship test. This is not a failure unique to your institution. It is the same baseline Volume 9 identified across the continent — and the work this volume exists to advance.

WHAT'S ON OUR RADAR

UPCOMING FROM KM NALA ADVISORY

JULY 2026

KM Nala 2026 Governance Outlook Launch — The midpoint. Volumes 5–8 presented as foundational research. Volumes 9–12 announced as strategic implementation. Register at www.kmnala.co.za

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VOLUME 11 PREVIEW

Intergenerational Stewardship

What does it mean to govern for people not yet born?

Volume 9's baobab introduced the question. Volume 11 builds the framework. Anchored in a conversation with Dr Sipho Kabane — former CEO of the Council for Medical Schemes, with nearly four decades of health system governance across South Africa, now advising PEPFAR and serving on the boards of SANBS and the Engineering Council of South Africa. What does institutional design look like when the decisions made today are explicitly accountable to communities that do not yet exist?

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· Essays, case studies, and practitioner reflections on: the economics of institutional trust
· What governance failure actually costs in rand, dollar, and shilling terms
· Institutions that rebuilt trust after losing it

Submission deadline: 20 July 2026
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Length: 600–800 words | Include a 2-sentence bio

We prioritise practitioners, continental voices, and builders over commentators.

FINAL NOTES + STAY CONNECTED

"Leadership begins when we choose to act with purpose, not just power." - KM Nala

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