

# MSME Catalyst

FIFTH EDITION | FEBRUARY 2024



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Bankability  
is a Challenge?**

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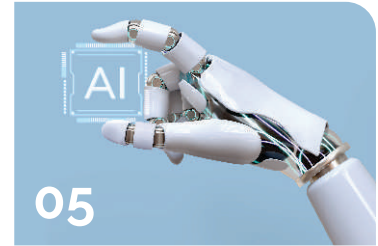
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**MSME Catalyst**  
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## EDITORIAL NOTE:

# NAVIGATING CHANGE:

## A Glimpse into 2023 and Beyond with DBN's MSME Catalyst

Dear Esteemed Readers,

For us at DBN, 2023 has been very impactful especially as it marks the end of our 5-year business strategy which focused on the Acronym - READI (Reach, Explore New Channels, Advocate for MSMEs, Develop Internal Capacity and Impact) and the beginning of a new 5-year strategic direction commencing January 2024 and focusing strategically on driving advocacy for MSME growth, capacity building for both PFIs and MSMEs, driving impact and economic growth and development of our great country, Nigeria by expanding our lending reach across sectors as well as providing integrated risk sharing mechanism whilst promoting financial sustainability and innovative ventures across all regions.

On this note, our esteemed readers, I am excited to present to you the latest edition of the DBN MSME Catalyst, which features an array of insightful articles that delve into pivotal issues shaping our world today. This edition features an array of insightful articles ranging from current economic challenges, inflation, high exchange rates, and the increasing intervention of AI in various sectors, as we find ourselves in a very critical time of our collective journey to greatness as a Nation. Trust me, the content is diverse, informative and educative.

I am particularly excited about the piece on empowering MSMEs. It explores how these critical economic players can navigate growth through the strategic adoption of AI, data, and responsible technology. Similarly, "Unveiling the Tapestry" promises to provide a unique perspective on current economic landscapes.

Furthermore, this edition gives insight into the crucial topic of risk management in business operations, offering strategies to navigate the ever-evolving technological landscape. Additionally, light is shed on our micro-actions which always come with macro-consequences, focusing on the climate impact of individual actions across Nigeria, a topic of utmost relevance in today's world.

In the face of turbulence, it is essential to be armed with knowledge and insight. The MSME Catalyst aims to be a beacon of light, providing you with the necessary tools to navigate these challenging times.

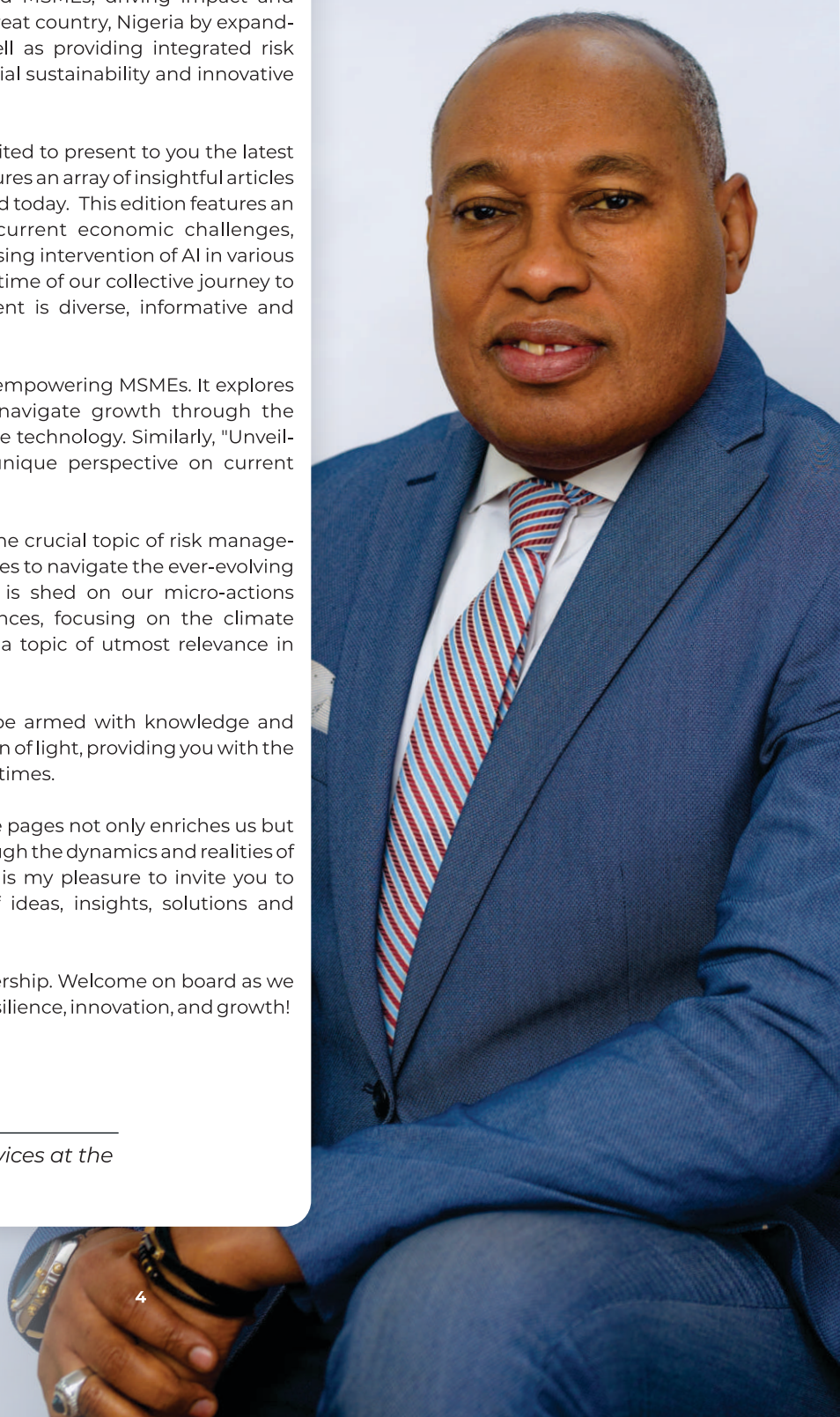
I sincerely hope that the content within these pages not only enriches us but also inspires us to embrace and navigate through the dynamics and realities of our time. As we embark on this journey, it is my pleasure to invite you to immerse yourselves in the rich tapestry of ideas, insights, solutions and strategies presented herein.

Thank you for your continued trust and readership. Welcome on board as we journey through the beautiful landscape of resilience, innovation, and growth!

Warm regards,

Editor-in-Chief, MSME Catalyst

**Idris Salihu** is the Head of Corporate Services at the Development Bank of Nigeria







EMPOWERING MSMES:

# NAVIGATING GROWTH THROUGH AI DATA AND RESPONSIBLE TECHNOLOGY ADOPTION

Are you ready for the next business revolution?

The present artificial intelligence (AI) proficiency is just a glimpse of what is possible in the future, urging us to take an early leap...

The emergence of AI significantly fuels the Fourth Industrial Revolution, disrupting global industries. According to the World Economic Forum, it disrupts nearly every industry worldwide. For Micro, Small, and Medium Enterprises (MSMEs), embracing AI is vital for survival and growth in today's economic

environment. AI is the ability of a digital computer to perform tasks commonly associated with intelligent beings and go beyond human capabilities. It includes Machine Learning—a subset using algorithms to learn and apply insights. AI solutions like chatbots and voice assistants, incorporating Natural Language Processing (NLP), promise to revolutionize communication and information access, especially for individuals with lower literacy levels. ►►



### ► The Role of AI and Data in MSMEs

Digitalization and technology play a pivotal role in the optimal operation of businesses in the 21st century. According to the PwC MSME Survey 2020, MSMEs account for about 96% of all businesses in Nigeria, contribute 49% of the national GDP, and employ 84% of the country's workforce. The MSME sector faces challenges such as access to finance, inadequate skills and capacity, and technology adoption. Timely and small-ticket working capital loans are often necessary for MSMEs, but conventional institutions may avoid servicing this sector due to lack of credit report, leading businesses to turn to unregulated informal lending sources with exorbitant rates.

## Embrace the revolution or get left behind...

### AI Solutions for MSME Challenges

To tackle challenges, leveraging AI for data-driven decision-making can transform MSME support. AI and ML enhance MSMEs' access to financial services by expediting onboarding, leading to faster decision-making, improved credit underwriting, cost-efficient processes, enhanced risk management, better compliance, fraud detection, credit monitoring, and streamlined debt recovery. Accenture predicts a \$1 billion boost in banking industry revenue through AI tools in the next three years. For example, AI/ML-based bank statement analyzers offer tailored insights, automating the entire loan process, optimizing costs, and eliminating biases in application evaluation, fostering an inclusive lending ecosystem.

PwC forecasts a 40% productivity improvement and a \$15.7 trillion contribution to the global economy by AI by 2035 and 2030, respectively, surpassing

China and India's combined output. AI empowers MSMEs by automating tasks, freeing time for high-value work, boosting productivity, and increasing profits. Automation ensures accuracy, reduces errors, and enables personalized marketing through customer data analysis. However, successful AI implementation requires a significant investment of time, money, and resources, necessitating collaboration with AI experts. In this context, the Development Bank of Nigeria, a digital economy leader in MSMEs, has trained over 2000 individuals using digital and physical resources through the DBN Learning Management System.

### International Standards for Responsible AI and Recommendations for National Policies and International Cooperation

In conclusion, AI and ML present transformative opportunities for the financial services industry and MSMEs, emphasizing the need for responsible adoption and international cooperation to ensure the ethical use of these technologies. To ensure responsible AI use, international standards such as the OECD's recommendations provide principles for trustworthy AI. Per World Bank, "GDP growth has coincided, among other things, with the rapid expansion of Internet connectivity." Research by McKinsey has also revealed that the Internet plays a crucial role in economic growth rates, as it accounts for 3.4% of the GDP of developing economies. National policies and international cooperation are recommended to invest in AI research, foster digital ecosystems, shape enabling policy environments, build human capacity, and ensure trustworthy AI.

Note: The views expressed herein are those of the author and not necessarily those of the Development Bank of Nigeria

**Tanadeba Leesi** is a Management Trainee at the Development Bank of Nigeria ■



# 2023 IN REVIEW

## INTERNATIONAL WOMEN'S DAY



## THE 2ND DBN TECHPRENEUR SUMMIT





## UNVEILING THE TAPESTRY:

# REFLECTING ON 2023'S TURBULENT JOURNEY

The year 2023 was a tapestry woven with unexpected twists and turns, defying economists' forecasts. Nigeria, like every nation, embodies a complex fabric of uncertainty, resilience, and continual evolution. Recent macroeconomic shifts stand as testament to this intricate weave, presenting both challenges and opportunities.

The ride through these tumultuous waters has been nothing short of challenging. The removal of subsidies, the floating of the naira, unification of FX markets, and lingering food insecurities have burdened the Nigerian masses. A staggering 394% surge in petrol prices has escalated the costs of goods and services, impacting the everyday lives of Nigerians—rising prices, surging rents, and escalating transport expenses. Yet, amidst these hardships, Nigerians have demonstrated extraordinary resilience, steering through adversity with determination.

The Central Bank of Nigeria finds itself in a constant balancing act—stimulating growth, curbing inflationary pressures, and growing the foreign exchange reserve. These decisions require a judicious approach in navigating this economic terrain. Well, there are reasons the government went that route; an instance is the deepening financial woes that the payment of petroleum subsidy was putting the country in “they had to take the hard decision to let it go” said one government official.

However, as we peer into this complex landscape, the implications for Micro, Small, and Medium Enterprises (MSMEs) come into focus. The escalating costs of fuel, currency fluctuations, and overall economic instability pose significant challenges. MSMEs, operating on slender margins, are highly susceptible to sudden spikes in operational expenses. Soaring fuel prices directly impact transportation costs, increasing the overall production and distribution expenses for these businesses. Concurrently, currency devaluation amplifies the prices of imported materials, further straining financial viability. The resultant inflationary pressures might constrict consumer spending, impacting the market demand for MSMEs' offerings. Moreover, closures due to mounting expenses might limit collaboration opportunities and market dynamics for smaller enterprises.

In such testing times, resilience becomes the cornerstone for survival.

## THE WAY FORWARD: NAVIGATING AS AN MSME

- **Diversification:** Seeking multiple suppliers and markets to mitigate risks related to price fluctuations and supply chain disruptions.
- **Streamlining Operations:** Optimizing costs without compromising quality is essential.
- **Embracing Technology:** Taking advantage of technological advancements.
- **Prudent Financial Management:** Implementing careful and sensible financial practices.



- **Fostering Innovation:** Encouraging innovative approaches.
- **Nurturing Customer Relationships:** Building and maintaining strong relationships with customers.
- **Devising Contingency Plans:** Creating robust plans to handle unforeseen circumstances.

#### DBN: OUR COMMITMENT TO MSMEs

Since DBN's inception in 2017, DBN has disbursed over N734 billion in loans to over 405,000 MSMEs, with 67% being women-owned firms and 24% being youth-owned businesses, resulting in the creation of over 900,000 jobs. We also trained over 1000 MSMEs in 6 northern states: Kebbi, Katsina, Adamawa, Borno, Sokoto and Gombe to address both skills and economic gaps facing MSMEs in the region. We intend to maintain this drive in 2024 as part of capacity building and the Northern Women Empowerment Initiative. DBN extended its sponsorship of the capacity-building programme for entrepreneurs from Lagos and Abuja to Port Harcourt. This significantly increased the number of participants who were trained on how to sustainably grow their businesses.

As a wholesale development finance institution, our commitment to supporting MSMEs remains

steadfast. We recognize the challenges these businesses face amidst economic volatility and pledge comprehensive support. Through tailored financial assistance, capacity-building initiatives, and facilitating market linkages, we aim to empower MSMEs to navigate challenges, seize opportunities, and flourish in dynamic landscapes.

Advocating for conducive policies and endorsing sustainable practices are integral aspects of our support. Together, we strive to be catalysts for growth, innovation, and inclusive development, empowering MSMEs not only to withstand the current economic climate but also to emerge stronger and more resilient in the face of future challenges.

#### CONCLUSION

In conclusion, the tapestry of 2023 reflects a journey marked by trials, yet threaded with resilience and the potential for strategic adaptation. As MSMEs navigate these uncertain waters, embracing resilience and strategic foresight becomes pivotal for shaping a resilient and adaptable future.

**Oluwafemi Olla** is a Management Trainee at the Development Bank of Nigeria ■



**Growth is the goal,  
Capacity building is the path**

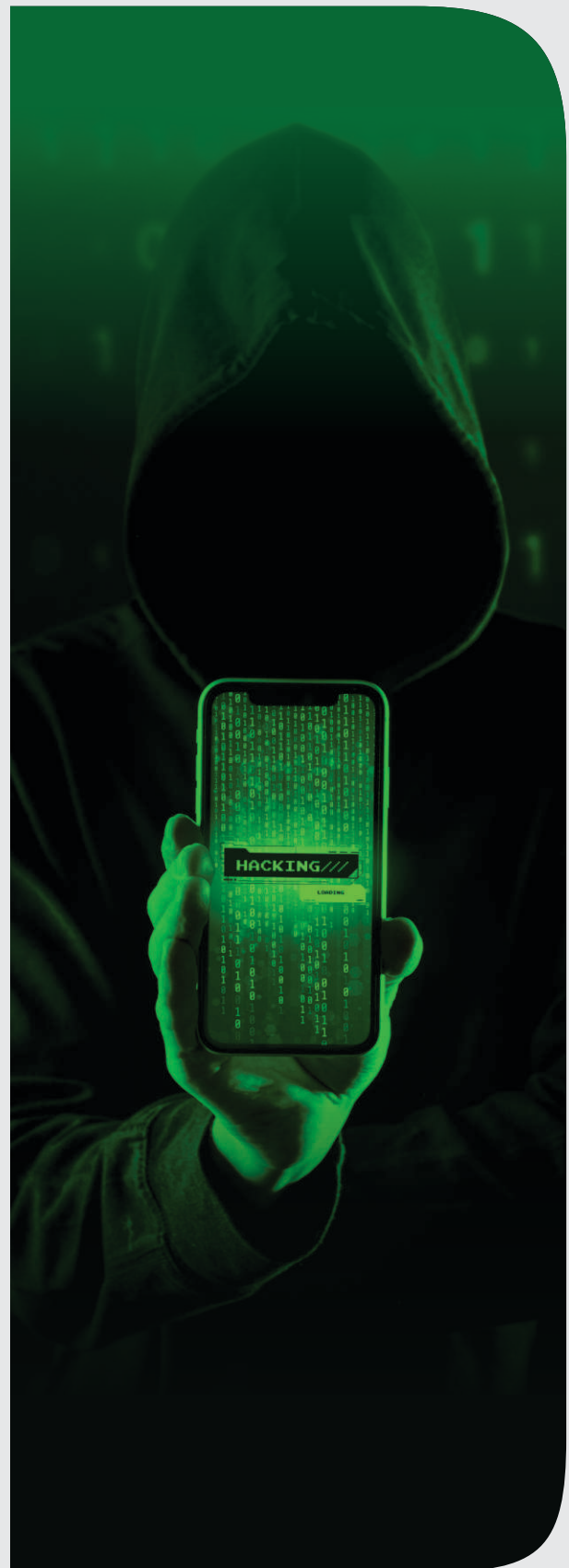




NAVIGATING TECHNOLOGY:

# STRATEGIES FOR RISK MANAGEMENT IN MSME BUSINESS OPERATIONS

Everybody has used technology in some capacity, from social media to businesses' online presence to the digitalisation of finance. Numerous benefits have resulted from the introduction of



developing technologies like open banking and artificial intelligence (AI) but, technology also presents threats like identity theft, hacking, and impersonation. Although technology improves



both our personal and professional lives, there are unavoidable negatives. The risk of privacy breaches increase with the advancement of technology. There are risks for users who entrust algorithms with their private and sensitive data. Cybersecurity dangers expand in tandem with technological advancements. Effective cybersecurity risk management is therefore desperately needed. This is important because technology is a big part of our daily lives and activities.

Strong risk management procedures are necessary to handle the inherent dangers of a variety of technologies to lessen these difficulties. The increasing integration of AI and other cutting-edge technology into business operations necessitates a rise in risk management expertise. Technology serves client expectations and speeds up business operations, but it also increases risk, which highlights the need for stronger risk management procedures. Even though they are helpful for monitoring, the prevalence of Microsoft suites and simple programmes in risk management emphasises how crucial it is to advance risk management strategies in step with changing technological advancements. A more sophisticated approach to risk management is required by the rapidly changing technological landscape. Risk management techniques must advance in step with the sophistication of these technological solutions. Strictly using conventional instruments might not be sufficient to handle the complex hazards that contemporary technology presents.

In the case of many Micro, Small and Medium Enterprises (MSMEs), it is better to start from a point as it can be very beneficial to business. This is because many organisations classified as micro and small either have faint risk management or do not have any implemented risk management methodology at all, and this is responsible for the failure of some MSMEs. These businesses can start with the knowledge of risk management practices that can be adapted to their businesses. For example, for any organisation that has an online presence, reputational risk management is important. This is because a bad reputation where the business is carried out can matter a lot for the business and could determine if it will fail or not. This knowledge of risk management can be acquired online which is the first crucial step.

The second step in this regard is the implementation of the knowledge of risk management that has been acquired and could involve the use of basic tools that every business can lay their hands on (e.g. Microsoft Excel or Access for documenting, tracking, reporting and managing operational risks for instance) to the use of more sophisticated risk management tools as may apply to the business based on the size of the business as well. Implementation involving the use of big data analytics for reputational risk management through web mining and data analysis of social media platforms, institutions and organisations, regardless of size, can monitor and manage their reputation. Automation through simple code allows for periodic reviews. This approach can also be employed to monitor regulatory updates, media mentions, and social media sentiments, facilitating the management of emerging risks and identifying opportunities and threats relevant to the business.

Many MSMEs can start with the implementation of simple technology for risk management practices and later on, invest in more sophisticated ones. Embracing these technological solutions can empower MSMEs to enhance their risk management capabilities, ultimately contributing to their overall resilience and success. It is important to mention that using such technology can be challenging for MSMEs due to the need for technical expertise, making it less suitable for non-experts despite being cost-effective. This is why the need to learn is prioritised first which can then be later improved.

In conclusion, the application of technology extends across various aspects of business, including risk management. The returns one can yield are contingent upon the level of investment and understanding of these technologies. It is crucial to underscore the significance of robust risk management practices, especially for MSMEs which start with learning and then implementation based on capacity. This emphasis is aimed at fostering resilience in smaller enterprises, enhancing the success of startups, and ensuring the continuity of larger organisations.

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**Adebayo Matthew** is a Risk Management Officer at the Development Bank of Nigeria ■

# 2023 IN REVIEW

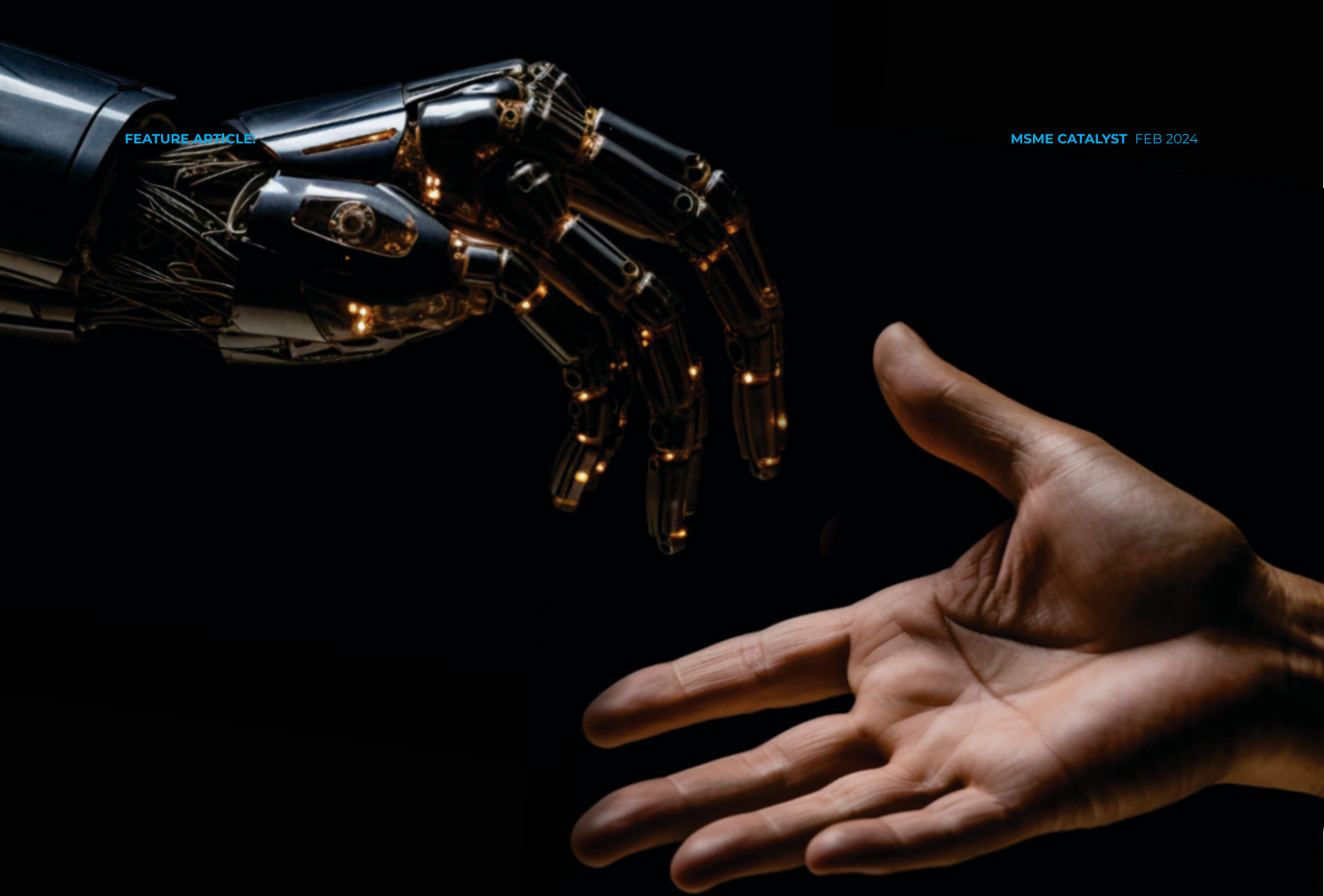
## BOND ISSUANCE DEAL



## ANNUAL LECTURE SERIES







## FEATURE ARTICLE:

# LEVERAGING TECHNOLOGY TO IMPROVE EASE OF DOING BUSINESS FOR MSMEs

The advent of technology many decades ago has immeasurably changed how we live, work, and do business. With the daily advancement in technological Innovation, it is almost impossible to keep track of all of them as this plethora of tech products or platforms have caused massive disruptions in all facets of human interaction - thereby simplifying the way businesses are conducted across the world.

Following the adoption of Facebook, Instagram, LinkedIn, and other social platforms which started as a means of interaction between people, these platforms now have commercial and advertising nodes to them, promoting not just social exchange, but also fulfilling an economic need through hyperlinking, interactivity, and multimodality. ▶▶

► According to DataReportal, a Global digital library that provides insights on online activities globally, Nigeria's internet penetration currently stands at 55.4% with an estimated 122.5 million internet users in the country as of January 2023. This data indicates that there is a strong need to plot how extant technology, and the new upcoming ones can be used to shore up the Ease of Doing Business in Nigeria which sits at 131 out of 190 economies, on the World Bank's Ease of Doing Business (EODB) Ranking.

While issues like security, and poor infrastructure have bedevilled the country for so long, the country must look to other means that transcend these major roadblocks, one of which is technology, and a digitised business environment.

### **Leveraging Technology to Improve Ease of Doing Business in Nigeria**

Ease of Doing Business (EODB) is a critical determinant of a nation's economic competitiveness and attractiveness to foreign investment. It encompasses the regulatory framework, institutional efficiency, and infrastructure that facilitate the creation and operation of businesses. A conducive EODB environment fosters entrepreneurship, innovation, and job creation, ultimately contributing to sustainable economic development.

In recent years, Nigeria has made significant strides in improving its EODB ranking. In the 2020 World Bank Doing Business Report, Nigeria moved up 14 places to 131st position, reflecting the government's efforts to streamline regulatory processes and enhance transparency. However, there is still considerable room for improvement, particularly in areas such as contract enforcement, access to credit, bureaucratic bottlenecks, policy somersaults, and resolving insolvency.

Technology on the other hand has emerged as a powerful catalyst for enhancing EODB and empowering Micro, Small, and Medium Enterprises (MSMEs), the backbone of Nigeria's economy. Digital solutions can simplify and expedite business processes, reduce costs, and expand market reach. For instance, online registration platforms can streamline business registration, while e-

procurement systems can foster transparency and efficiency in public procurement.

Globally, nations that have embraced technology have reaped significant benefits in terms of EODB and overall economic performance. Estonia, a pioneer in e-governance, has transformed itself into a digital society, with over 99% of government services available online. This digitisation has significantly reduced administrative burdens and boosted business productivity. Similarly, Singapore, known for its digital infrastructure and innovation, consistently ranks among the top countries in the World Bank's EODB report.

Nigeria, despite the volatility in its operating environment, can draw valuable lessons from these success stories, first by leveraging technology strategically to streamline regulatory processes by using technology to automate many regulatory procedures, reducing paperwork, processing times, and costs for businesses.

The country can also enhance transparency and accountability by leveraging digital platforms that promote transparency in governments' operations, expand access to finance by using technology that enables financial institutions to reach underserved communities, and provide more MSMEs access to credit.

Lastly, the Government needs to facilitate cross-border trade by simplifying Customs procedures, reducing trade costs, and promoting cross-border commerce, while also investing heavily in digital literacy and entrepreneurship by equipping Nigerians with the skills necessary to thrive in this digital era.

Against this backdrop, the Federal Government has embarked on a series of reforms and projects to make the business environment more productive and competitive. Worthy of note is the 3 Million Technical Talent (3MTT) programme, which had support from the private sector including Telecom infrastructure company, IHS Towers; an initiative of the Federal Ministry of Communications, Innovation & Digital Economy to generate a pipeline of technical talents across Nigeria to close the global workforce gap and help the government achieve its vision of creating 2 million digital jobs within two years.

Speaking on this project and many others at the







Development Bank of Nigeria's (DBN) 4th Annual Lecture Series, Vice President, Senator

Kashim Shettima said, "President Bola Ahmed Tinubu's administration is committed to creating an enabling environment for businesses to thrive. Already, policies such as streamlining the process of registering businesses, reducing taxes and other regulatory burdens, improving infrastructure, and providing access to finance have been implemented to improve the ease of doing business in Nigeria."

"It would interest you to know that this administration has launched several initiatives to support entrepreneurs and small businesses, including The Youth Entrepreneurship and Innovation Programme (YEI), the Government Enterprise and Empowerment Programme (GEEP), and most recently, the 3MTT Programme, which is a critical part of the Renewed Hope Agenda, and is aimed at building Nigeria's technical talent backbone to power its digital economy and position Nigeria as a net talent exporter. These initiatives will help boost MSMEs' capacity while creating jobs and opportunities for all Nigerians," he stated.

### Impact of Leveraging Technology to Advance Nigeria's MSMEs

Given the critical role that Micro, Small, and Medium Enterprises (MSMEs) sector plays in the Nigerian economy, contributing significantly to job creation, wealth generation, and GDP growth, MSMEs often face numerous challenges that hinder their growth and sustainability, such as limited access to finance, inadequate infrastructure, cumbersome regulatory processes, and a lack of technological capabilities. To overcome these challenges and create an enabling environment for MSMEs, Nigeria can leverage technology to improve the ease of doing business.

Nigeria has seen the growth of a vibrant start-up ecosystem, particularly in the tech sector, with notable success stories like Paystack and Flutterwave. However, nurturing the growth of start-ups requires a supportive environment.

**MSMEs in Nigeria play a crucial role in economic growth, poverty reduction, employment creation, as well as shared creation and by leveraging technology within their operations, companies can improve their efficiencies,**

Through its Annual Lecture Series and other platforms, the Development Bank of Nigeria (DBN), a key advocate for MSME financing in Nigeria, for the past four years has continued to lead the conversation on how technology can drive innovation, resilience, and profitability for MSMEs.

Highlighting the need to shift focus on technology and a more digitised business environment to enhance the ease of doing business in the country, Managing Director/CEO of the bank, Dr. Tony Okpanachi, noted that the Nigerian ICT sector contributed 15% to the nation's GDP in 2020 and grew by 6.47% in Q1 2021, making it the fastest-growing sector in the economy.

"MSMEs in Nigeria play a crucial role in economic growth, poverty reduction, employment creation, as well as shared wealth creation and by leveraging technology within their operations, companies can improve their efficiencies, which is one of the roadblocks to doing business in Nigeria," he posited.

Mr. Okpanachi also noted that DBN has encouraged the adoption of technology-driven solutions that promote the ease of doing business ranking for Nigeria. "By leading the discussions on technology and digitisation, DBN has been providing valuable insights and guidance to MSMEs, financial institutions, and policymakers on leveraging technology for sustainable development. This proactive approach has not only enhanced the Bank's impact, but also contributed to the broader national goals of environmental stewardship, climate change mitigation, and inclusive economic growth," he said.

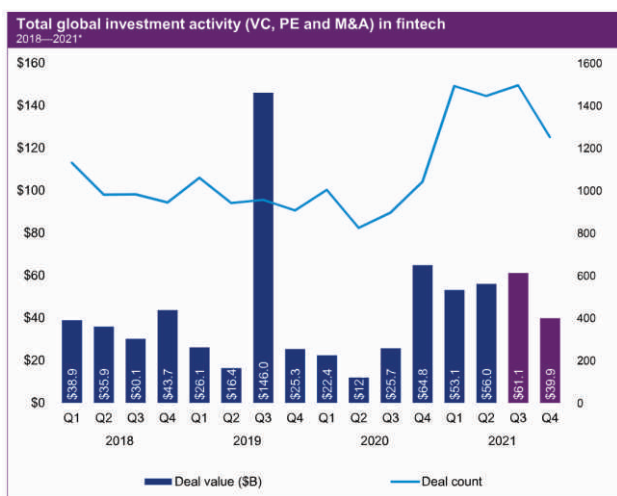
While the government is helping MSMEs become self-reliant through a slew of schemes for finance and digitalisation, MSMEs can also become proactive in finding ways to better understand how technology can help drive their businesses optimally. The world has changed rapidly in the last couple of years, and businesses need to adapt to stay on top of the game.

**Abubakar Sadiq Wada** Drives Corporate Communications at the Development Bank of Nigeria ■

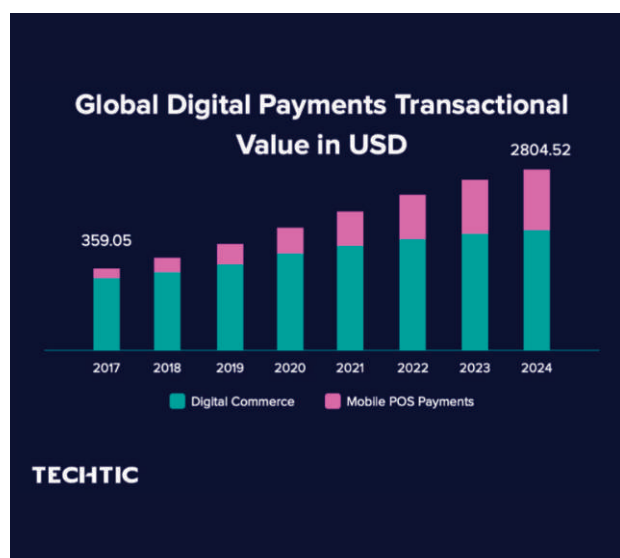
# UNPACKING THE KEY CHALLENGES FACED BY FINTECH MSMEs IN TODAY'S WORLD



In recent years, the fintech sector has witnessed significant growth, reshaping the dynamics of financial services. Amidst this transformation, Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in economic development. Despite the promising opportunities, fintech MSMEs face challenges requiring astute navigation. This article explores the primary hurdles encountered by fintech MSMEs in today's dynamic financial landscape, emphasizing the need for strategic solutions.



Source: Pulse of Fintech H2'21, Global Analysis of Investment in Fintech, KPMG International (data provided by PitchBook), \*as of 31 December 2021.



Over the past five years, digital innovations and trends in financial technology have revolutionized money management for individuals and institutions, with Fintech companies driving growth, and automation, and contributed to a projected \$26.5 trillion FinTech market in 2022, fuelled by growing interest in investments and the demand for loans and insurance.



### **Challenges Impeding the Advancement of Fintech MSMEs**

MSMEs operating within the fintech sector encounter a multitude of challenges that intricately shape their journey through the digital frontier. Navigating the dynamic regulatory landscape proves to be a constant struggle for fintech MSMEs, demanding significant resources and agility to comply with evolving standards. Access to capital remains elusive, despite the flourishing fintech investment environment, as risk-averse traditional financial institutions limit growth potential. The intensifying threat of cyberattacks looms large, with limited resources hindering robust cybersecurity measures and undermining trust.

Technological infrastructure struggles pose a risk of obsolescence, as smaller fintech enterprises find it challenging to keep pace with rapid advancements. Also, educating potential users about the benefits and safety of fintech services becomes a persistent challenge, demanding strategic-communication efforts. Market competition is fierce, necessitating smaller players to carve distinctive niches and deliver unparalleled value amidst established competitors. Talent acquisition and retention become challenging due to limited resources impacting competitiveness in the fintech job market.

Operational resilience remains a concern for smaller enterprises, susceptible to disruptions from technological, regulatory, or economic shifts. Data privacy concerns intensify as reliance on data-driven technologies grows, requiring vigilant navigation of complex regulations to avoid legal consequences and reputational damage. Global expansion brings unique challenges, demanding an understanding of diverse regulatory environments and market dynamics. In navigating these challenges, fintech MSMEs must strike a delicate balance between innovation and risk mitigation, forging strategic partnerships, adopting scalable technologies, and prioritizing customer trust to ensure sustained success and growth in the rapidly evolving fintech landscape.

### **Solutions/Recommendations to Challenges Faced by Fintech MSMEs in the Ever-Evolving Landscape**

In the dynamic Fintech landscape, MSMEs face intricate challenges that demand strategic solutions for success and growth. Collaborating with app development companies, they enhance data security through features like two-factor authorization, biometric authentication, and real-time alerts. Also, compliance with government regulations is navigated through proactive vetting and legal consultation, ensuring adherence in the highly regulated financial sector. Furthermore, overcoming mobile and tech expertise hurdles involves incorporating essential features like QR-code payments and NFC chip integration while leveraging machine learning to adapt to the transformative nature of AI and big data. Integrating blockchain requires adherence to guidelines and balancing innovation with regulatory compliance. Achieving a balance between user experience and security involves meticulous UI/UX development, and effective marketing tactics differentiate MSMEs from traditional banks. Personalised services, facilitated by precise customer insights and secure data handling, allow MSMEs to carve a distinctive niche for sustained success in the competitive Fintech environment.

### **Conclusion**

Navigating the challenges in the FinTech industry, such as regulatory complexities and the resistance of traditional banking to adopt new technologies, requires finding a balance between innovation and adherence to established systems. Despite the hurdles, the increasing prevalence of mobile technologies is anticipated to revolutionise the financial sector, enhancing efficiency for both users and banks. For those venturing into FinTech app development, engaging with experienced companies can assist in creating feature-rich and user-friendly applications, turning digital challenges into robust solutions for success in the industry.

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## SUSTAINABILITY:

# MICRO-ACTIONS MACRO-CONSEQUENCES:

## The Climate Impact of Individual Actions Across Nigeria

As the climate crisis intensifies, the need for awareness and responsible actions becomes ever more crucial. Climate change—a long-term shift in global weather patterns caused by human activities such as burning fossil fuels, leading to global warming, extreme weather, and environmental threats poses both global and local challenges. This is a story across the Northern, Western, Southern, and Eastern regions of Nigeria, revealing how individual actions, conscious or not, shape the collective fate of communities and ecosystems. Follow us as we delve into the lives of four individuals: Chinwe, Seyi, Ejiro, and Halimat—exploring how their choices have far-reaching consequences.

Chinwe drives everywhere, even for short trips. Every time she drives, her car emits greenhouse gases that contribute to climate change. These gases have a widespread impact, affecting regions like the northern states of Nigeria where Musa lives, making it harder for grass to grow. The reduced grass growth makes it difficult for Musa to feed his cattle, which, in turn, affects his livelihood. The scarcity of grazing land has even led to conflicts between herders and farmers. While Chinwe's actions may seem small, they contribute to climate change, affecting Musa and his family.

Every day, Seyi, a young mechanic in Ekiti, drains old engine oil from cars and dumps it into the nearby drainage system. He does not realize that the oil flows into the surrounding farmland, contaminating the soil and water. The toxic oil poisons the soil, causing a cocoa farmer named Adebayo's crops to wither and die. Adebayo cannot feed his family or make a living. Seyi's careless actions cause a chain reaction of consequences that affect many people.

The Ejiro family, who live in the southern region of Nigeria, have been severely impacted by oil com-

pany X's pollution. Oil spills and the release of toxic chemicals have poisoned the nearby rivers, making it impossible for the family to rely on fishing for food or income. Their cassava and palm fruit crops have also died from the toxic chemicals in the water and air. Kome and Keno, the young children of the family, watch as their parents continue to struggle to feed them and make ends meet. Burdened by his inability to provide for them, Ejiro feels like a failure as a father and provider.

Halimat's habit of throwing trash out of her car window led to a chain of events that contributed to the flooding in Onitsha. The trash blocked the storm drains, causing the River Niger to overflow. The floodwaters damaged the livelihoods of small traders and farmers, including Obi's family. They lost everything in the flood, including Obi's uncle, Emeka, who had promised to sponsor Obi to the university. Uncle Emeka died trying to escape in a boat when it capsized; he felt as though his future had been swept away alongside. The loss of Uncle Emeka and all they had worked for left Obi feeling overwhelmed with grief. He wondered how he would ever recover from this tragedy. Halimat's actions, though seemingly insignificant, triggered a chain of events that caused immense suffering.

The narratives of Chinwe, Seyi, Ejiro, and Halimat vividly demonstrate how personal choices generate a carbon footprint, adding to climate change through the emission of greenhouse gases into the atmosphere.

New to climate change? Start small & join the fight! Use energy-efficient appliances, walk/bike more, dispose of waste properly, choose reusable bags & plant trees. Together, we can make a difference.

**Joy Oghogho** is a Management Trainee at the Development Bank of Nigeria ■



# 2023 IN REVIEW

## CUSTOMER SERVICE WEEK



## WORLD ENVIRONMENT DAY





A photograph of a group of people, primarily Black, sitting around a long wooden conference table in a modern office setting. The man in the foreground is seen from the back, looking towards the other participants. The background is blurred, showing large windows and indoor plants.

AFRICA 2.0:

# HOW AFRICA WILL SHAPE THE NEXT PHASE OF GLOBAL DEVELOPMENT



Africa, often portrayed through the lens of development darkness, challenges and struggles, is now redefining the widespread narrative to become a major force shaping the next phase of global development. With a burgeoning population of 1.3 billion people on its way to reaching 2.5 billion by 2050, its economic resilience, and a stupendously growing appetite for innovation, Africa is primed to contribute substantially to the evolving landscape of global progress.

Over the past decade, Africa has witnessed an impressive economic trajectory. The International Monetary Fund (IMF) has projected an economic growth rate of 4 percent for the continent in 2024, outperforming the global average projection of 2.9 percent. In the same vein, several African nations are experiencing sustained growth. For instance, Ethiopia has become a shining example, recording significant progress in various sectors, from agriculture to technology. Generally, across the continent, this trend is likely to be sustained, indicating that Africa remains crucial to driving global growth.

Africa's demographic composition remains one of its most significant assets. With a median age of 19 years and more than 60 percent of the entire population being under 25 years old, Africa enjoys the youngest population globally, while its peers largely struggle with aging populations. This demographic edge is a powerful force that will spur dynamic developments across the continent particularly when harnessed through innovation and entrepreneurship.

In addition, Africa's economic potential and untapped markets are attracting the interest of foreign investors. African countries like Ivory Coast and Ghana are constantly emerging as attractive investment destinations, providing an auspicious environment for businesses to thrive. Data from the 2023 World Investment Report published by the United Nations Conference on Trade and Development (UNCTAD) reflect a steady increase in Foreign Direct Investment (FDI) inflows into Africa, indicating a growing confidence in the continent's economic prospects. On average, Africa recorded FDI inflows of \$7.4 billion between 1991 and 2000 which expanded to an average of \$34.8 billion within the next decade - 2001 and 2010. This further increased to an average of \$48.4 billion between 2011 and 2020,

and peaked at an average of \$62.3 billion between 2021 and 2022.

Technological innovation is also rapidly expanding across Africa. The proliferation of mobile technology, advanced telecommunication networks such as 5G, and innovation hubs have led to the widespread adoption of mobile banking, facilitating financial inclusion and economic empowerment for individuals and local communities. African entrepreneurs are leveraging technology to address local challenges, creating solutions that have the potential to be scaled globally. This "leapfrogging" phenomenon, where certain regions skip traditional developmental stages and embrace newer technologies directly, is one of the most evident features of Africa's tech landscape.

Today, Green and Sustainability initiatives are increasingly gaining grounds in the development agendas of most African nations. With an abundance of sunlight and vast untapped resources, the continent is becoming a hotspot for renewable energy projects. According to the International

Renewable Energy Agency (IRENA), Africa's renewable energy capacity is well on its way to increase by more than 50 percent by 2030, with major investments pouring into solar and wind projects.

It is clear that the future is promising for Africa. With the myriad of developments unraveling across the continent, whereby some African leaders are increasingly focusing on building strong institutions, infrastructure development, and sustainable practices to propel the continent forward, Africa is emphasizing its strategic position in shaping the future of global progress.

Thus, "Africa 2.0" is not merely a catchphrase; it is an encapsulation of a total paradigm shift from the old narrative surrounding the continent. Today, Africa is no longer positioning solely as a recipient of aid but as a dynamic force driving global development, and now, this continent of Africa – My Continent - stands ready now more than ever to galvanize its youthful energy, resilience, and innovative spirit in shaping the next phase of global development.

**Ayobami Onakomaiya** is a Strategy & Data Analysis Officer at the Development Bank of Nigeria ■

# 2023 IN REVIEW

## DBN WINS THE PRINCE TALAL INTERNATIONAL PRICE



## DBN-KFW SIGNING CEREMONY





# Extra TIME

## MSME WORD SEARCH

G E U R M B A N K O L E N J M K S F  
B N D L E A M E N T O R S H I P S U  
F T G G D H S M E D A N U R P V M N  
N R W Z I K T A O J T D D B N S A D  
I E O G U D E V E L O P M E N T L I  
G P R R M H A W I K M I C R O A L N  
E R K O M L P R O G R A M U M R J G  
R E S W Y W O A D L O A N E C T W M  
I N H T B U S I N E S S E N X U S Z  
A E O H G W A C C A P I T A L P G H  
W U P E Z J A B R M R J L G Z C B M  
Z R S U P P O R T F I N A N C E U L

Find the following words in the puzzle.  
Words are hidden → ↓ and ↘.

BANK  
BUSINESS  
CAPITAL  
DBN  
DEVELOPMENT  
ENTREPRENEUR  
FINANCE

FUNDING  
GROWTH  
LOAN  
MEDIUM  
MENTORSHIP  
MICRO  
NIGERIA

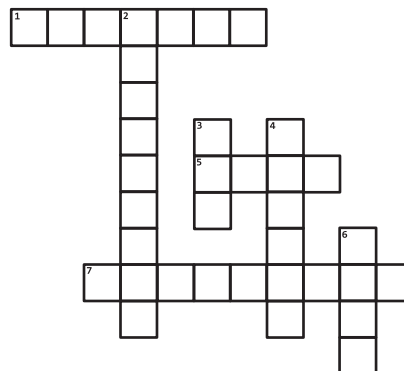
PROGRAM  
SMALL  
SMEDAN  
START-UP  
SUPPORT  
WORKSHOP

## RIDDLES

1. I'm small but mighty, often a one-person show, In the world of business, I'm ready to grow. What am I?
2. I'm the key to business dreams, a financial aid, Without me, expansion plans might start to fade. What am I?
3. I'm a place for ideas, guidance, and more, Where startups flourish and dreams explore. What am I?
4. I'm the acronym for businesses petite, A trio united, a group hard to beat. What am I?
5. I'm a tool for success, not just about sales, Crafting plans and strategies, I wear many scales. What am I?

Answers: 1. A Micro-Enterprise, 2. A Loan, 3. An Incubator, 4. MSME (Micro, Small, and Medium Enterprises), 5. Marketing

## MSME MAGIC



### ACROSS

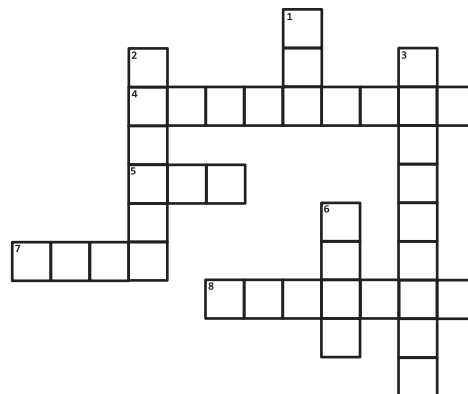
1. A Strategy used by businesses to promote their products or services (6 letters).
5. The acronym for Micro, Small, and Medium enterprises (4 letters).
7. A program that provides mentorship and guidance to new entrepreneurs (9 letters).

### DOWN

2. The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services (9 letters).
3. A term for small business, often abbreviated (3 letters).
4. The government agency that supports and regulates MSMEs in Nigeria (6 letters).
6. The financial support provided to small and medium-sized enterprises (4 letters).

Answers: 1. Promote, 2. Marketing, 3. SME, 4. SMEDAN, 5. MSME, 6. Loan, 7. Incubator

## MSME MAGIC



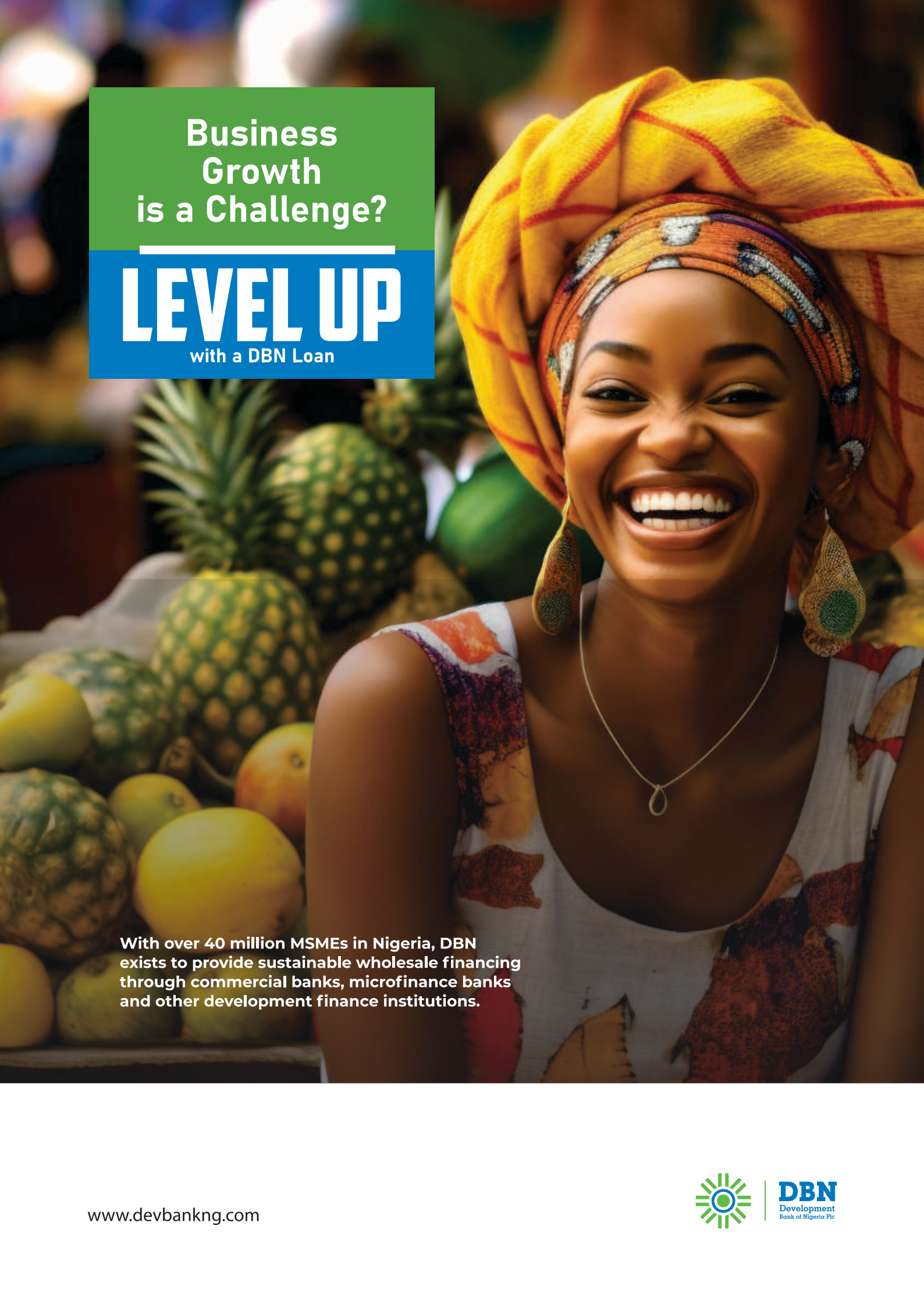
### ACROSS

4. The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services (9 letters).
5. The acronym for the Development Bank of Na (4 letters).
7. The financial support provided to small and medium-sized enterprises (4 letters).
8. A Strategy used by businesses to promote their products or services (7 letters).

### DOWN

1. A term for small business, often abbreviated (3 letters).
2. The government agency that supports and regulates MSMEs in Nigeria (6 letters).
3. A program that provides mentorship and guidance to new entrepreneurs (9 letters).
6. The acronym for Micro, Small, and Medium enterprises (4 letters).

Answers: 1. SME, 2. SMEDAN, 3. Incubator, 4. Marketing, 5. DBN, 6. MSME, 7. Loan, 8. Promote



**Business  
Growth  
is a Challenge?**

**LEVEL UP**

with a DBN Loan

With over 40 million MSMEs in Nigeria, DBN exists to provide sustainable wholesale financing through commercial banks, microfinance banks and other development finance institutions.