

**Beyond Financial Support
How Are Development Banks Helping MSMEs Thrive in Times of Crisis?**

DBN and its Fight for a Sustainable, Prosperous and Inclusive Nigerian MSMEs Ecosystem

**An interview with Theresa Lawal, Head of Product Development and Strategic Alliances at DBN
by Maritere Hernández, Intern at The Montreal Group**



In November 2020, The Montreal Group welcomed its newest member, the Development Bank of Nigeria Plc. DBN is expected to not just increase the African presence of The Montreal Group, but also to bring a new sustainability lens to the table, given that its guiding mission is to facilitate sustainable socio-economic development through the provision of finance to Nigeria's underserved MSMEs through eligible financial intermediaries.

To do so, DBN has created a portfolio of three non-financial offerings designed to co-support Nigerian MSMEs along with its financing services, by making them more attractive to partnering financial institutions who offer loans and guarantees to entrepreneurs.

The first service is the Technical Assistance Programme (TAP), an 18-month capacity building program imparted by the Frankfurt School of Finance and Management, that aims to support downscaling and expand commercial bank's reach and impact on MSMEs. The support offered by the TAP is tailored to the needs of every bank. The beneficiaries will receive assistance to develop better products, services and processes that will improve the MSMEs business in a sustainable way. DBN will soon be adding a similar TAP for microfinances banks.

In addition, DBN has fostered Awareness Campaigns, a series of Private Partnerships with the government to advocate for MSMEs and raise their awareness on the existing specialized funding and support available to help them alleviate the effect of COVID19 in their businesses.

Lastly, DBN also offers Capacity Building Programs for MSMEs to increase their bankability. Last year they were able to train 100 Nigerian MSMEs, with 30% of them being women-led.

These capacity building modules are accessible normally in person and currently through their BizAid application, a digital platform launched in 2019 to facilitate access of entrepreneurs to the training program, an accountant portal that helps them track income and expenses, a loan calculator, a news bulletin on the Nigerian MSMEs ecosystem, testimonials from other MSMEs and chats with DBN staff. To learn more about this initiative, watch this [video](#).

To sum up, DBN actively works towards its 5-year strategic plan (R.E.A.D.I.) that encompasses Reach, Exploration of new channels, Advocacy for MSMEs, Development of Internal Capacity and Impact. Theresa Lawal, the Head of Product Development & Strategic Alliances at DBN, shared with us the details on how DBN plays an active role as an MSME advocate in developing products for sustainable financing, financial inclusion and capacity building for the underserved MSMEs in Nigeria. Theresa explains that the Bank strives to ensure that the products developed, and the strategic alliances focus on the Nigerian MSMEs ecosystem in general, with a special emphasis on helping those businesses whose models seek to have positive environmental and socio-economic impacts. For example, the Bank is currently promoting financing to green projects that focus on renewable energy, energy efficiency, agriculture, and women in line with their mandate on sustainability. In her own words, “DBN provides an enabling environment for MSMEs in a two-sided approach, where the Bank increases their bankability and ability to access finance and simultaneously it incentivizes partnering financial institutions to lend more to these MSMEs”.

Furthermore, DBN is promoting financial Inclusion amongst MSMEs that have been excluded whether voluntarily or involuntarily, through its capacity building and financial education strategy. Interestingly, the Bank is currently working with some State Governments in Nigeria, especially in financially excluded areas, due to their cultural sensibilities and unavailability of specialized financial products and services to cater for the need of that segments of the population. This is largely because, “currently, Non-Interest Banking offerings for entrepreneurs are not widely available amongst Commercial Banks in Nigeria”. To address this exclusion problem, DBN is partnering with the pioneer Non-Interest Bank in Nigeria to serve these communities, envisioning that this is a step in the right direction to promote financial inclusion and access to funding for all participants in the MSME ecosystem.

DBN is extremely committed to contribute towards a more inclusive financial and non-financial support to MSMEs. According to Theresa Lawal, ‘the incorporation of the Development Bank of Nigeria into our global forum will open a platform for engagement and knowledge sharing with international actors’. The Montreal Group represents an opportunity to access a greater pool of potential partnerships with Development Financial Institutions who have similar mandates and interests in sustainability.

This interview took place on November 2020. It is the first article of our new series ***Beyond Financial support***. Our next featured guest will be Anita Bezeau, Vice President, Client Deliver, BDC Advisory Services. **Stay tuned!!**

About Theresa Lawal

She is the Head of Product Development & Strategic Alliances at the Development Bank of Nigeria. She has always been an MSME advocate and continues to leverage on her role within DBN to advocate for financial inclusion, sustainable financing and capacity building for the underserved MSMEs.

Theresa has a Bachelors degree in Political Science from the University of Lagos, Nigeria and an MSc in Finance from the Hofstra University, New York, USA. She is also an Associate member of the Chartered Institute of Banking in Nigeria (ACIB).

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About The Montreal Group

The Montreal Group is an international forum created to foster peer group exchanges, identify best practices and innovative solutions on key topic issues, and develop thought leadership material contributing to the global MSME ecosystem.

This article series features the expert members that are part of our Key Topic Group: Non-Financial Offerings in times of COVID-19 and post-crisis.

For more information on The Montreal Group's activities:

<http://www.themontrealgroup.org/en/what-we-focus-on.html>

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