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## **Evaluating the Effectiveness of Export Financing Programmes in Nigeria**

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### **Abstract**

Export financing plays a critical role in facilitating international trade by supporting increased export capacity. In Nigeria, the imperative of economic diversification have prompted the introduction of several export financing and incentive programmes by public institutions; the CBN's RT200 Non-Oil Export Proceeds Repatriation Rebate Scheme and Non-Oil Export Stimulation Facility, the NEXIM's Export Development Fund and Credit Guarantee Schemes, the NEPC's Export Expansion Grant, and trade-related interventions of the BOI. This paper evaluates the effectiveness of these programmes in promoting Nigeria's non-oil exports between 2017 and 2024. Adopting a qualitative research approach, the study examines the design, implementation, and outcomes of the schemes using official policy guidelines, institutional reports, and export-related data from the CBN, NEPC, and NEXIM. The analysis is anchored on export-led growth theory, financial intermediation theory, and institutional theory to explain how policy architecture and institutional efficiency shape export performance. The findings indicate that while Nigeria's export financing initiatives have recorded modest gains, their overall impact remains constrained by design and implementation weaknesses. Specifically, the RT200 scheme has enhanced export proceeds repatriation but offers limited direct financing; the NESF and EDF have expanded credit access but are hampered by stringent eligibility requirements and banks' risk aversion to SMEs; and the EEG's effectiveness is undermined by funding instability and administrative delays. The paper concludes that Nigeria's export finance framework is directionally sound but operationally weak, and recommends improved institutional coordination, stronger risk-sharing mechanisms, transparent and digitalized processes, and more stable funding to enhance non-oil export performance.

### **Keywords:**

*Export financing, non-oil exports, policy design, RT200 scheme, NESF, EEG, NEXIM Bank, Bank of Industry, Nigeria.*

### **1.0 INTRODUCTION**

Export financing is one of the most important instruments used by developing countries to strengthen their participation in global trade. It provides the liquidity, guarantees, and risk-management tools that enable exporters especially small and medium enterprises (SMEs to compete effectively in international markets (WTO, 2021; ICC, 2020). According to WTO estimates (2016), the majority of international trade transactions approximately 80 are reliant

on trade finance, underscoring its importance in facilitating global economic exchange (WTO, 2021).

In Nigeria, export financing has become a key policy priority due to the country's heavy dependence on crude oil exports and vulnerability to oil price shocks. For decades, fluctuations in global oil prices have affected government revenue, exchange-rate stability, and economic growth. Consequently, Nigeria's policymakers have pursued export diversification through programmes that promote non-oil exports, manufacturing, and value addition. The Central Bank of Nigeria (CBN), Nigerian Export-Import Bank (NEXIM), Nigerian Export Promotion Council (NEPC), and Bank of Industry (BOI) have each developed specialized financing instruments to address exporters' liquidity and competitiveness constraints.

Some of the major initiatives include; The CBN's RT200 Non-Oil Export Proceeds Repatriation Rebate Scheme (introduced in 2022) to encourage exporters to repatriate and sell foreign-exchange earnings through official channels; The Non-Oil Export Stimulation Facility (NESF) (launched in 2017) to provide medium- to long-term financing to export-oriented businesses at affordable rates; The Export Development Fund (EDF) administered by NEXIM Bank to expand export financing, guarantees, and insurance; The Export Expansion Grant (EEG) managed by the NEPC as an incentive to enhance the global competitiveness of non-oil exports; and the Bank of Industry's export-linked facilities, which support value-added processing and manufacturing for export.

Despite these initiatives, the country's non-oil export performance remains modest. According to NEPC (2023), Nigeria recorded \$4.82 billion in non-oil exports in 2022, representing less than 15% of total exports. Many exporters continue to face challenges such as inadequate access to finance, policy inconsistency, complex documentation, and high logistics costs. This raises concerns about whether existing export financing programmes are truly effective in achieving their goals.

The existing literature provides a solid foundation for understanding individual programmes and specific challenges. However, a conspicuous gap remains. Many studies offer a narrow analysis, focusing either on a single programme (e.g., just the EEG) or a single category of challenges (e.g., just SME access). There is a scarcity of comprehensive, system-wide evaluations that connect the policy design of major financing initiatives, the institutional implementation dynamics across multiple agencies, and the final impact on export performance in a unified analytical framework for the recent policy period (2017-2024).

This study seeks to fill this gap by conducting a holistic evaluation of Nigeria's export financing ecosystem. It moves beyond isolated analysis to examine the interconnections between the CBN's NESF and RT200, NEXIM's EDF, and NEPC's EEG. By explicitly applying institutional theory, it will provide a deeper explanation of how and why implementation failures occur. Furthermore, it incorporates the latest data and policy developments, including post-2020 initiatives, to offer a timely assessment. The ultimate contribution is to provide an integrated diagnosis and propose coherent, system-level recommendations aimed at enhancing the synergy and overall effectiveness of Nigeria's export financing framework. Hence, the objective of this study is to evaluate the effectiveness of the export financing programmes in supporting exporters, especially SMEs in Nigeria for the period 2017 and 2024, covering the CBN, NEXIM, NEPC, and BOI. It excludes purely private or commercial trade-finance products offered by commercial banks.

## 2.0 LITERATURE REVIEW

### 2.1 Conceptual Framework

At its core, export financing encompasses various financial instruments including credit lines, insurance, and guarantees that support exporters in mitigating risks associated with international trade (WTO, 2021). It provides liquidity before shipment (pre-shipment finance) or after shipment (post-shipment finance) and includes instruments such as export credit, letters of credit, factoring, and export credit insurance. The central objective of export financing is to address market failures in credit supply, especially where commercial banks perceive exporting as risky due to payment uncertainty, long lead times, and foreign-exchange volatility.

In developing countries, export financing is critical to achieving structural transformation and competitiveness. It supports working-capital requirements, enables technology upgrading, and facilitates entry into regional and global value chains. The International Chamber of Commerce (ICC, 2020) reported that globally, over 80% of trade transactions rely on some form of trade finance. Without such support, many small and medium-sized enterprises (SMEs) would struggle to meet export orders or comply with international standards and documentation requirements.

Many emerging economies have established specialized export-finance institutions or programmes to support exporters. Examples include India's Export-Import Bank (EXIM India), Malaysia's Export Credit Refinancing Scheme, and Brazil's BNDES export credit lines. These institutions play a catalytic role by providing long-term financing, guarantees, and concessional credit for export-oriented industries. Empirical evidence shows that such interventions can significantly improve export performance when well-targeted and efficiently implemented (UNCTAD, 2020; WTO, 2021).

Nigeria has adopted a similar approach through the creation of development-finance institutions and targeted export-support schemes. The rationale is to reduce dependence on crude oil, support non-oil exports, and enhance foreign-exchange earnings. However, the effectiveness of these programmes depends on their design, governance, and the broader trade environment (NEPC, 2023).

#### 2.1.1 Global Context and Best Practices in Export Financing

Internationally, Export Credit Agencies (ECAs) are the standard vehicles for delivering export finance. Best practices from successful ECAs highlight several key success factors. Firstly, a clear mandate and operational independence are crucial. The Export-Import Bank of the United States (US EXIM), for instance, operates with a clear dual mandate to support American jobs and counter foreign export credit subsidies, while functioning as a self-sustaining entity (ExIm, 2021).

Secondly, effective risk management through a diversified portfolio and sophisticated use of insurance and guarantees is a hallmark of a robust ECA. This allows them to leverage private capital without exposing the public treasury to excessive risk (ExIm, 2021). Thirdly, streamlined and digitalized processes for application, approval, and disbursement are essential for meeting the timely needs of exporters, a lesson emphatically learned by ECAs in advanced economies post-COVID-19 (WTO, 2021).

Furthermore, dedicated SME-tailored products are a common feature. These include simplified application procedures, lower fees, and risk-sharing arrangements with commercial banks to address the specific barriers faced by smaller firms (OECD, 2024). Finally, stable and predictable funding, often drawn from international capital markets or direct government allocations, ensures that programmes are not disrupted by budgetary shortfalls, a lesson evident in the consistent support provided by the Export-Import Bank of Korea (KEXIM) to its national strategic industries (Mok;Park, 2016).

## **2.2 Theoretical Framework**

The rationale for export financing programmes is deeply rooted in established economic and financial theories. These theories provide the framework for understanding why markets may under-supply export credit and how government intervention can catalyze trade.

### **2.2.1 Export-Led Growth Hypothesis**

This is the macroeconomic cornerstone of such interventions. Pioneered by economists like Balassa (1978) and Krugman (1985), this theory posits that outward-oriented trade policies, which promote exports, are a superior engine for economic growth compared to inward-looking strategies. It argues that exports generate foreign exchange, enable economies of scale, foster technological spillovers, and enhance efficiency through competition (Esaku, S. 2021). Consequently, policies that directly remove barriers to exporting, such as financing constraints, are theoretically justified as a means to stimulate broader economic development.

### **2.2.2 Market Failure**

At a microeconomic level, the problem of Market Failure explains the necessity of specific financial instruments. According to Stiglitz and Weiss (1981), when lenders cannot fully assess borrower risk due to limited information, they tend to restrict credit even to creditworthy firms leading to financing gaps, particularly in high-risk sectors like exports. This failure is acutely pronounced for Small and Medium Enterprises (SMEs) seeking to export, as they lack established international track records and sufficient collateral (Khan, T. A. 2022). This creates a persistent "export credit gap," where private financial institutions are unwilling to meet the full demand for trade finance, particularly for nascent exporters and SMEs (WTO, 2021). The role of the state, or its designated agencies, is to bridge this gap by providing information, sharing risks, and supplying credit directly.

### **2.2.3 Financial Intermediation Theory**

This theory frames institutions like the Nigerian Export-Import Bank (NEXIM) as specialized intermediaries that overcome these market failures. Diamond (1984) highlighted the role of intermediaries in reducing transaction costs and managing risk through delegated monitoring. In the context of export finance, these institutions develop the expertise to assess international trade risks, provide liquidity through tailored pre- and post-shipment financing, and offer guarantees that encourage private banks to lend more actively to the export sector (Levy, 2021).

### **2.2.4 Institutional Theory**

This is critical for analyzing the implementation challenges that often plague such programmes. North (1990, p. 3) defined institutions as "the rules of the game in a society," comprising both formal constraints (rules, laws) and informal ones (norms, culture). The effectiveness of a well-

designed export financing policy is therefore contingent upon the quality and efficiency of the implementing institutions. As argued by Rodrik (2008), the gap between policy intent and outcomes is often a function of weak institutional capacity. This theory provides a lens for analyzing how the structure, coordination, and governance of institutions like the Central Bank of Nigeria (CBN), NEXIM, and the Nigerian Export Promotion Council (NEPC) directly influence the effectiveness of the financing programmes they administer.

### 2.3 Empirical Review of Export Financing in Nigeria

A significant body of empirical work has examined the landscape of export financing in Nigeria, often pointing to a dissonance between policy objectives and tangible outcomes. Studies on specific programmes reveal a pattern of constrained effectiveness. While studies such as Adeoye and Elegbe (2020) acknowledge the NESF's role in enhancing export readiness for certain firms (it improved production capacity in sectors like agro-processing), they also highlight limitations, particularly its bias toward established businesses with robust financial documentation. Its impact was limited by its focus on established firms with tangible collateral, thereby excluding many nascent SMEs. Similarly, the Export Development Fund (EDF) managed by NEXIM has been praised for its intent but criticized for its limited reach due to a small capital base and risk-averse lending practices (Okafor et al., 2021).

The Export Expansion Grant (EEG), a fiscal incentive, has been the subject of extensive research. Studies consistently show that while the EEG improves the competitiveness of beneficiary firms, its historical implementation has been plagued by policy instability, frequent suspensions, and significant administrative delays, which undermine its credibility and incentive value (NEPC, 2021; Okonkwo & Iyoha, 2020). The more recent RT200 Scheme has shown early promise in boosting foreign exchange repatriation, but initial analyses suggest it functions more as a forex management tool than a direct financing instrument for expanding export capacity (CBN, 2023).

At a systemic level, the literature identifies recurring cross-cutting challenges. The SME financing gap remains persistently high, with studies consistently identifying stringent collateral requirements, complex application processes, and a lack of awareness as primary barriers (Egbetokun et al., 2020). Furthermore, scholars have pointed to institutional overlaps and a lack of coordination between the CBN, NEXIM, NEPC, and the Bank of Industry (BOI), leading to duplication of efforts, confusion among applicants, and a fragmented national strategy (Phan, T. H. 2022). This is compounded by broader structural bottlenecks such as high transaction costs, infrastructural deficits, and policy instability, which create an environment where even well-designed financial interventions can struggle to yield results (World Bank, 2020).

## 3.0 METHODOLOGY

This paper adopts a qualitative and exploratory research design rooted in policy analysis and document synthesis. The methodology integrates two complementary approaches:

1. **Case Study Method:** Four representative export financing programmes in Nigeria were examined based on their institutional relevance, policy design, and sectoral impact. These include: The *RT200 Non-Oil Export Proceeds Repatriation Rebate Scheme* (Central Bank of Nigeria, CBN); The *Non-Oil Export Stimulation Facility* (CBN); The *Export Development Fund and Guarantee Facilities* (Nigerian Export-

Import Bank, NEXIM) and The *Export Expansion Grant* (Nigerian Export Promotion Council, NEPC). These cases collectively represent Nigeria's formal export-finance ecosystem, covering incentive, credit, and guarantee-based mechanisms.

2. **Document and Literature Analysis:** The study reviewed peer-reviewed journal articles, policy papers, and institutional reports from 2017 to 2025. Major sources include publications by the CBN, NEXIM, NEPC, the World Trade Organization (WTO), the International Chamber of Commerce (ICC), and the International Monetary Fund (IMF). Thematic coding was applied to extract insights related to programme design, implementation efficiency, institutional coordination, and export-growth impact. Data were triangulated across policy documents, academic literature, and official institutional reports to ensure validity and reliability.

### 3.1 Research Design

This study employs a qualitative, integrative review approach that synthesizes empirical and policy evidence on Nigeria's export-financing architecture. The objective is to evaluate how programme design and implementation influence non-oil export performance, institutional efficiency, and macroeconomic outcomes. The research adopts a systems-thinking perspective, recognizing the interdependence between finance, institutions, and trade competitiveness in Nigeria's development context.

### 3.2 Data Sources

The analysis draws on a curated body of secondary materials, including:

- **Peer-reviewed papers** on trade finance, SME export performance, and development-finance effectiveness (e.g., Adekunle & Mojekwu, 2024; Egbetokun et al., 2023).
- **Institutional publications** from the Central Bank of Nigeria (CBN), The Nigerian Export-Import Bank (NEXIM), The Nigerian Export Promotion Council (NEPC), and the Bank of Industry (BOI).
- **Multilateral reports** by the World Trade Organisation (WTO), International Chamber of Commerce ICC, Afreximbank, and United Nations Conference on Trade and Development (UNCTAD).
- **Policy briefs and national export statistics** from NEPC and the Federal Ministry of Industry, Trade, and Investment.

Where inconsistencies existed among sources, figures and narratives were cross-checked to ensure credibility.

### 3.3 Analytical Framework

A thematic coding technique was used to organize and interpret information across three analytical domains:

1. **Programme Design and Targeting** – examining objectives, eligibility criteria, funding mechanisms, and institutional mandates.
2. **Implementation Efficiency** – assessing accessibility, disbursement timelines, coordination among agencies, and transparency.
3. **Export Impact and Policy Coherence** – evaluating evidence of increased export volumes, diversification, and institutional synergy.

Findings from literature were compared with official performance reports to ensure triangulation and strengthen internal validity.

### 3.4 Limitations

As a qualitative synthesis, this research does not employ econometric modeling or primary data collection. Its conclusions are interpretive and dependent on the quality and availability of existing evidence. While the selected programmes capture the main pillars of Nigeria's export-finance framework, they may not fully represent all sub-national or private-sector financing initiatives. Furthermore, limited access to programme-level beneficiary data constrains the ability to quantify direct export outcomes or firm-level performance effects.

## 4.0 FINDINGS AND ANALYSIS

### 4.1 Overview of Nigeria's Export Financing Landscape

Nigeria's export financing framework is built on four main institutional pillars:

1. The **Central Bank of Nigeria (CBN)**, which provides liquidity and incentives through schemes such as the Non-Oil Export Stimulation Facility (NESF) and the RT200 Rebate Scheme;
2. The **Nigerian Export-Import Bank (NEXIM)**, which serves as the country's Export Credit Agency and manages the Export Development Fund (EDF), Guarantee Facility, and Insurance Products;
3. The **Nigerian Export Promotion Council (NEPC)**, which implements fiscal incentives, notably the Export Expansion Grant (EEG); and
4. The **Bank of Industry (BOI)** and other DFIs that complement export capacity financing through industrial and manufacturing loans.

### 4.2 RT200 Non-Oil Export Proceeds Repatriation Rebate Scheme (CBN)

#### 4.2.1 Policy Design

Launched in February 2022 by the Central Bank of Nigeria, the RT200 (Race to US\$200 Billion) scheme was designed to incentivize exporters to return foreign exchange earnings through official channels by offering rebate payments tied to repatriation volumes. The initiative aimed to boost non-oil export proceeds by offering financial rebates to exporters who repatriate foreign exchange through the official Investors and Exporters (I&E) window. The scheme sets a five-year target of US\$200 billion in non-oil FX inflows (CBN, 2022). The RT200 framework also includes provisions for concessionary credit, value addition, and export infrastructure support. Its incentive structure (₦65 per US\$ for third-party use, ₦35 per US\$ for own use) is designed to promote transparency and formal FX inflows.

#### 4.2.2 Implementation Efficiency

Implementation of RT200 is coordinated through deposit money banks (DMBs), which verify export documentation and repatriation compliance. Reports indicate improved documentation discipline and increased utilization of formal FX channels (CBN, 2023). By late 2022, CBN data suggested about US\$5.6 billion in repatriated funds attributed partly to the scheme.

However, several operational challenges remain. Some exporters argue that the rebate process is bureaucratic, and the verification procedures delay disbursements. Moreover, the focus on FX repatriation rather than production financing limits its developmental impact

### **4.2.3 Export Impact**

The RT200 scheme has contributed to higher FX inflows and improved liquidity in the official market, enhancing monetary stability. Yet, its direct effect on export diversification is modest. Analysts note that most beneficiaries are established exporters of semi-processed products, not new entrants or SMEs (Eko-Raphaels et al., 2025). Thus, while RT200 strengthens compliance and repatriation, its role in expanding Nigeria's export base remains limited.

## **4.3 Non-Oil Export Stimulation Facility (NESF)**

### **4.3.1 Policy Design**

The NESF, launched in 2017, was designed to provide medium- to long-term financing for export-oriented firms at concessional interest rates (around 9%) through participating financial institutions (PFIs). It seeks to address financing gaps for pre-shipment and post-shipment operations, particularly for manufacturers and agro-processors (CBN, 2017).

### **4.3.2 Implementation Efficiency**

NESF's operational model requires PFIs to bear credit risk and conduct due diligence before accessing CBN's refinancing window. While this design ensures risk management, it has resulted in a conservative disbursement approach. Studies (Adeoye & Elegbe, 2020) reveal that many SMEs face difficulties meeting collateral and documentation requirements. Consequently, most beneficiaries are medium and large firms with established export records. Although the NESF offers relatively favorable terms compared to commercial loans, the scale of financing remains small relative to Nigeria's export credit needs, estimated at over US\$5 billion annually (ICC, 2020).

### **4.3.3 Export Impact**

The facility has supported a range of agro-processing and manufacturing exporters, helping them expand production and comply with international standards. Nonetheless, the overall macroeconomic impact is constrained by limited outreach. The absence of real-time public data on disbursements and sectoral performance further complicates impact assessment.

## **4.4 Export Development Fund (EDF) and Guarantee/Insurance Facilities (NEXIM)**

### **4.4.1 Policy Design**

The Export Development Fund (EDF), capitalized through a ₦150 billion CBN debenture to NEXIM in 2018, was created to strengthen Nigeria's export finance infrastructure. It provides both direct credit to exporters and indirect support to banks through guarantees and insurance. These instruments are meant to reduce perceived risks in export lending and promote greater private-sector participation (NEXIM, 2023).

#### 4.4.2 Implementation Efficiency

NEXIM operates as Nigeria's designated Export Credit Agency (ECA), modeled after global institutions such as US EXIM and Korea EXIM. Its guarantee and insurance products—*Export Credit Guarantee Facility (ECGF)* and *Export Credit Insurance Facility (ECIF)*—have supported various manufacturing, solid minerals, and agricultural exports. However, limited capitalization, high approval turnaround times, and weak coordination with commercial banks have restricted coverage. In its 2023 annual report, NEXIM acknowledged that total guarantees issued were below 10% of market demand, reflecting both funding and operational constraints.

#### 4.4.3 Export Impact

Despite scale limitations, NEXIM's interventions have contributed to the development of export-oriented clusters, including cocoa processing and shea butter production (NEXIM, 2023). Its risk-sharing role remains crucial for encouraging private financial institutions to lend to exporters. Nevertheless, the absence of consolidated national data linking NEXIM financing to export outcomes hinders precise evaluation.

### 4.5 Export Expansion Grant (EEG) (NEPC)

#### 4.5.1 Policy Design

The **Export Expansion Grant (EEG)** is a long-standing fiscal incentive introduced in 1986 and restructured in 2017 to enhance non-oil export competitiveness. It offers post-shipment rebates to exporters based on the value-added content of their goods, paid through the Export Credit Certificate (ECC) system managed by the NEPC (NEPC, 2023).

#### 4.5.2 Implementation Efficiency

Over time, the operational credibility of the EEG has been undermined by recurring issues such as unpredictable policy shifts, delays in disbursement, and unresolved payment backlogs. The scheme was suspended between 2013 and 2017 due to verification and budgetary issues (NEPC, 2021). Although reactivated, the backlog of claims and conversion to promissory notes have undermined its credibility. NEPC's recent automation of EEG processing and collaboration with the Debt Management Office (DMO) for settlement of old claims represent positive reforms. However, exporters still report delays, while SMEs often lack awareness of application procedures.

#### 4.5.3 Implementation Efficiency

Despite operational inefficiencies, EEG beneficiaries have reported improved liquidity and competitiveness in foreign markets. The NEPC (2023) reported that non-oil exports rose to US\$4.82 billion in 2022, with processed and semi-processed goods accounting for a growing share. Nonetheless, attributing this directly to EEG remains difficult given overlapping interventions and external trade conditions.

### 4.6 Comparative Discussion

The findings indicate that while Nigeria has a robust institutional framework, effectiveness is constrained by fragmentation, limited scale, and inconsistent implementation. Coordination

failures among CBN, NEXIM, and NEPC create overlap, while SMEs remain largely excluded from accessing these facilities. In contrast, successful export-financing systems globally—such as those of South Korea and Malaysia—combine centralized coordination, predictable incentives, and continuous impact monitoring (WTO, 2023). For Nigeria, institutional reform, digital integration, and improved transparency would significantly enhance programme effectiveness.

#### 4.7 Key Insights

1. **Institutional Coordination is Central:** Fragmentation between agencies weakens synergy. Establishing a unified export finance coordination unit under the Federal Ministry of Industry, Trade, and Investment could improve oversight.
2. **SME Inclusion Remains Limited:** Eligibility conditions and documentation barriers exclude smaller exporters who need support most. Simplifying procedures and expanding guarantee coverage are essential.
3. **Data Transparency and Monitoring are Weak:** Publicly available performance data remain scarce, making policy evaluation difficult. Regular publication of disbursement and impact metrics would improve accountability.
4. **Policy Stability Matters:** Programmes like EEG demonstrate that unpredictability discourages exporters. Long-term policy consistency and timely payments are critical to building trust.

## 5.0 POLICY RECOMMENDATIONS AND CONCLUSION

### 5.1 Policy Recommendations

1. **Strengthen Institutional Coordination and Policy Coherence:** Nigeria's export financing architecture is fragmented across multiple agencies — the CBN, NEXIM, NEPC, and BOI — each managing distinct facilities. This fragmentation leads to duplication, inefficiency, and inconsistent data reporting. A National Export Finance Coordination Council (NEFCC) should be established under the Federal Ministry of Industry, Trade and Investment to harmonize policy design, reporting frameworks, and impact monitoring across agencies. The council should also coordinate with fiscal and monetary authorities to ensure that incentive and credit-based programmes operate under a unified export development strategy.
2. **Expand Access for SMEs through Risk-Sharing Mechanisms:** SMEs face the greatest barriers to export finance due to collateral requirements, documentation complexity, and high borrowing costs. To address this:
  - The CBN and NEXIM should scale up guarantee and insurance coverage for commercial banks lending to small exporters.
  - Introduce blended finance models combining concessional funds, risk guarantees, and technical assistance.
  - Simplify application procedures through digital one-stop portals for all export finance applications and reporting.

This approach mirrors best practices in Malaysia and South Korea, where government-backed ECAs share up to 80% of credit risk on SME export loans (Mok;Park, 2016).

- 3. Ensure Policy Stability and Predictable Incentive Funding:** Frequent suspension and arrears in the Export Expansion Grant (EEG) have weakened exporter confidence. The NEPC should institutionalize multi-year funding frameworks for EEG, backed by annual federal budget allocations and debt-management mechanisms to clear backlogs promptly. Predictable and timely payments will improve liquidity for exporters and restore the credibility of government incentives.
- 4. Improve Data Transparency and Monitoring Systems:** Reliable data are critical for tracking export-finance effectiveness. Currently, each agency maintains separate reporting systems, limiting cross-comparison. To address this, all export-finance agencies should publish annual performance dashboards showing:
- Disbursement volumes and beneficiaries (by sector and firm size)
  - Export values attributable to financing
  - Rebate or grant utilization rates
  - Job creation and regional distribution
- Such transparency would enable evidence-based policy adjustments and strengthen accountability (WTO, 2023).
- 5. Promote Value Addition and Export Diversification:** Most beneficiaries of current export programmes remain primary commodity exporters. Programmes such as NESF and EDF should prioritize value-adding sectors—processed agro-exports, manufacturing, and creative industries—by linking financing to export value chain upgrading. The CBN and BOI could jointly create a Value-Addition Export Fund (VAEF) to finance export-oriented processing facilities and logistics infrastructure, aligned with the African Continental Free Trade Area (AfCFTA) priorities.
- 6. Deepen Collaboration with Development Partners:** Development finance institutions (e.g., Afreximbank, IFC, AFD) already support Nigeria’s export-related initiatives through lines of credit and technical assistance. Expanding such partnerships can:
- Mobilize additional resources for climate-smart and green exports;
  - Build institutional capacity in export-risk assessment; and
  - Strengthen Nigeria’s participation in regional value chains.
- Leveraging these partnerships would also align national export-financing policies with global trade-finance reforms.

## 5.2 Implications for Policy and Practice

The findings indicate that while Nigeria’s export-financing framework has contributed to non-oil export growth, its. Reforming these programmes offers opportunities impact is constrained by institutional inefficiency, policy inconsistency, and limited inclusion to:

1. Enhance financial access for underrepresented exporters;
2. Improve Nigeria’s global competitiveness; and
3. Achieve a more diversified, resilient foreign-exchange base.

Implementing the proposed reforms would help translate financial interventions into measurable export outcomes and economic transformation.

### 5.3 Conclusion

This study set out to evaluate the effectiveness of Nigeria's export financing programmes — examining their policy design, implementation, and impact on export diversification. The analysis revealed that while programmes like RT200 and NESF have increased FX liquidity and supported select exporters, structural issues such as limited coordination, policy inconsistency, and weak monitoring continue to undermine effectiveness. Export finance in Nigeria remains directionally effective but operationally weak. Its future success depends on adopting a coherent institutional framework, improving SME access, maintaining policy stability, and ensuring transparency. If effectively reformed, Nigeria's export-financing architecture can evolve into a strategic driver of industrialization, foreign-exchange stability, and long-term trade competitiveness.

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