

The World Bank and Rural Poverty Reduction in the North Eastern States of Nigeria: A Study of Fadama III Project

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Abstract

This study assessed the role of the World Bank in the reduction of rural poverty in the North Eastern States of Nigeria through the Fadama III project. The study utilized the survey research design which involved the collection and analysis of both quantitative and qualitative data. Questionnaire was the primary data collection instrument employed by the study. The instrument was administered on 390 beneficiaries of the Fadama III project sampled from Fadama Community Associations (FCAs). Descriptive statistics was used in the analysis of data obtained from the field. The study revealed that there is a significant increase in the level of income of beneficiaries within the North East states. This means that the implementation of Fadama III project has impacted positively on income and poverty level of beneficiaries within the period under review. The study also found that the Fadama III capacity building component has impacted positively on target beneficiaries. The enhancement of capabilities through technical skills, enterprise expansion, best practices in agricultural technology, management of productive assets and local development plans have significant positive impact on the productivity level of beneficiaries. The study concludes that the utilization of Fadama lands through modernized agricultural practice holds the promise of rapid rural poverty reduction. Based on this conclusion, the study recommends among others the expansion of opportunities for participation in the National Fadama Development Project to enable beneficiaries build their capacities in order to reduce the deficiency in human capital development for increased agricultural productivity and sustainable income generation.

Key Words: *Poverty, Rural Poverty, Income, Capacity Building, Productivity.*

Introduction

Poverty has indeed remained a phenomenon that has attracted global attention due to its effects on a sizable number of the world's population. The growing incidence of poverty has brought major setbacks to development on a socio-economic scale thereby necessitating stakeholders to come up with strategies that could minimize its impact on the general populace. Some of these setbacks are food insecurity leading to chronic hunger and diseases, low income per head resulting to low Gross Domestic Product (GDP), disrupted markets and devastated economic viability. It has been argued that some development programmes like the Millennium Development Goals, (MDGs) that later transited to the Sustainable Development Goals (SDGs) seek to end poverty in all forms by 2030 due to its devastating effects on economic growth and development (Busayo, Dominic, Olaronke, Ogundipe, Bowale and Akuna, 2021). While Global poverty index shows that there has been a slight decline in the number of people living in extreme poverty from 767 million in 2016 to 600 million people in 2019, recent development indicates that the number is on the rise again (UNDP, 2020).

In Africa, there have been increased poverty levels as demonstrated by some socio-economic indices which show that the continent stands out as the most affected region in the world in terms of loss of income of poor households. For example, while in 2019, 478 million people lived in extreme poverty, it is estimated that in 2021, 490 million people in Africa live under the poverty line of \$1.90 purchasing power parity per day (UNCTAD, 2021). The share of poverty in Africa is mostly concentrated in sub-Saharan Africa, with an estimated 433 million people living in extreme poverty as at 2021. This region remains the world's most rural region with still 58.75 per cent living in rural areas as of 2022. Under the prevailing political economy framework in most developing countries, there is the general believe that living in rural areas increases a person's probability of suffering from poverty and deprivation. This is supported by the reality that the global poverty rate in rural areas which is 17.2 per cent is more than three times as high as that in urban areas which stood at 5.3 per cent (IFAD, 2022).

In Nigeria, the poverty situation is quite alarming as development indicators show that there is a growing incidence of poverty despite the vast physical and human resources that the country is endowed with. The poverty profile for the year 2021 shows that 83 million Nigerians constituting 40 per cent of the country's population live in poverty (NBS, 2022). In spite of her oil wealth, Nigeria is tagged the poverty capital of the world with extreme poverty growing by six people every minute (World Bank, 2022).

The North Eastern States of Nigeria is not an exception to these devastating effects of poverty as the states are characterised by high poverty rate, low human capital and poor access to basic services with economic activity and household incomes on the decline. The poverty rate in these states is estimated to be as high as 70 per cent which is significantly higher than the national average of 61 per cent (NBS, 2023). Similarly, the share of human capital development which stood at 0.428 has fallen short of the national average score of 0.511 (UNDP, 2023).

The need for the Nigerian government to fight the challenges of her economy and curb pervasive poverty in rural areas gave birth to the National Fadama Development Project (NFDP) which was

designed to sustainably increase the income of FADAMA users. The National Fadama Development Project (NFDP), a World Bank Assisted Project in Nigeria, is one of such programmes in states with Fadama potentials. Nigeria as a country is blessed with potentially good land and water resources required for sustainable agricultural development. It is in the light of the foregoing that this study assessed the impact of the World Bank on poverty reduction in the North East states of Nigeria with specific reference to the Third National Fadama Development Project. (Fadama III).

Problem Statement

This study is an attempt to investigate the impact of the World Bank on rural poverty reduction with focus on Fadama III project in the North East States of Nigeria. The fight against poverty has been a major feature of development plans in Nigeria since the return to democracy. A number of poverty reduction programmes notably the Poverty alleviation Program (PAP), National Poverty Eradication Programmes (NAPEP), National Economic Empowerment and Development Strategy (NEEDS) and Conditional Cash Transfer (CCT) have been embarked upon by the government but indications are that the programmes has had dismal performance and that poverty still subsist. This shows that the efforts of various governments are ineffective at actualising the dreams of a viable economy with less incidence of poverty.

The focus on the North East is not far-fetched from the fact that it is an agrarian region with a sizeable number of the population living in rural areas and is largely dependent on subsistence agriculture for livelihood support. It is a known fact as stated by Anriquez and Stamoulis (2007) that achieving the global objective on hunger and poverty reduction will be won or lost in the rural areas of developing countries. Therefore, the promotion of the rural economy in a sustainable way has the potential of increasing employment opportunities hence stemming the tide of poverty.

The North East is known for irrigation potentials due to seasonal rainfall, flood plains that is rich in fertile alluvial soils, the Lake Chad and rivers that transverses the region. But the farming systems are predominantly upland subsistence agriculture that is highly dependent on the vagaries of the weather signifying a deficit in the utilization of available lands for agricultural productivity. The inability to utilize available environmental resources is a limitation to expanding economic opportunities for wealth generation which leaves people in a state of perpetual poverty and dependence. This constitutes a major problem to development and also justifying the paradox of poverty in the midst of plenty.

Objectives of the Study

The broad objective of this study is to assess the role of World Bank in rural poverty reduction under Fadama III project in the North East States of Nigeria. The specific objectives are to;

- i. Assess the impact of Fadama III Project on income and poverty reduction in the North East.
- ii. Assess the impact of Fadama III capacity building among rural farmers in the North East.

Literature Review

A lot of literatures on the concept of poverty are replete with divergent explanations. Based on these explanations, divergent views have been drawn on the nature, implications and incidence of poverty. This is why Kurfi (2009) noted that poverty is a multifaceted concept that is perceived by different people using different criteria to assign meaning to it. Similarly, Momoh (2005) viewed poverty as a multidimensional phenomenon related to the inadequacy or lack of social, economic, cultural and political entitlements.

Narayan, Cambers, Shah and Petesch (2000) posits that poverty could be defined from the point of view of the poor, which could mean a state of humiliation, the sense of being dependent, and of being forced to accept rudeness, insults, and indifference. In an effort to justify this submission on the perception of poverty, Narayan et al (2000) reported an expression of a poor man who described the nature of his dilapidated house, his environment and his tattered clothes, as a manifest of poverty.

According to Oyeranti & Olayiwola (2005), poverty could be defined based on three dominant views found in literature. Firstly, poverty is viewed in terms of deprivation of material well-being that can usually be assessed in monetary terms. Secondly, poverty is considered as multidimensional in nature entailing a lack of adequate livelihood and assets, and a failure to achieve basic capabilities in nutrition, health, economic and social life. The third view considers poverty as a phenomenon that is difficult to objectively determine. The difficulty in the determination of poverty prompted the submission of Adebayo (2009) who viewed poverty as subjective in nature with both physical and psychological dimensions that predispose its sufferers to hunger, violence and crime, insecurity, discrimination, victimization, political repression, and other problems.

The World Bank report (2002) also presents poverty as a multidimensional phenomenon that encompasses not only material deprivation, but also low achievements in education and health. According to the report, poverty is the inability to attain a minimum standard of living. The report constructed some indices based on a minimum level of consumption in order to show the practical aspect of poverty. This include lack of access to resources, lack of physical freedom and voice, lack of shelter, poor access to water and sanitation, vulnerability to shocks, violence and crime, political discrimination and marginalization.

Another conception of poverty as explained by Gore (2003) is the all-pervasive poverty. This is a poverty situation in which majority of the population live at or below income levels sufficient to meet their basic needs; and the available resources, even when equally distributed, are barely sufficient to meet the basic needs of the population. Consequently, pervasive poverty leads to environmental degradation because people eat into the environmental capital stock in order to survive. This, in turn, undermines the productivity of key assets on which the livelihood depends.

Sen (1992) has broadened the understanding of poverty by defining poverty as a condition resulting from the lack of freedom to make choices due to lack of one's effective functioning capability in the society. Capability is a kind of substantive freedom to achieve different alternative functioning combinations, which presents the freedom to choose among different lifestyles. This interpretation extends beyond the idea of poverty being perceived in monetary terms or lack of

financial resources. Sen's viewpoint can be interpreted to suggest that lack of inherent capabilities can be considered as a form of poverty in many societies.

All the submissions on poverty as presented above are a true reflection of the concept; however the applicability of the concept may vary depending on the situation an individual finds himself. For example, the submission that poverty encompasses not only material deprivation but also low achievements in education and health could be in consonance with Sen's explanation on conditions resulting from lack of freedom to make choices due to inherent incapability. A critical assessment of these explanations on poverty indicates that a poverty situation in whatever forms it is seen is a function of low income due to deprivation in economic opportunities of individuals or groups. It should be noted however that poverty levels vary from rural to urban areas; while it is considered extremely severe in rural areas it may be moderate in urban centres.

Rural Poverty

There is a general global concern that poverty is overwhelmingly a rural problem. This is because an estimated 79 per cent of those experiencing poverty live in rural areas. Much of this poverty is prevalent in sub-Saharan Africa, home to approximately 413 million poor people (World Bank; 2018). Africa remains the world's most rural region, with still 60 per cent of the population living in rural areas as of 2018, though with urbanization proceeding rapidly, this figure is projected to decline to 44 per cent by 2050 (United Nations: 2018).

In general, there are strong indications that, under prevailing political economy frameworks in most developing countries, living in a rural area increases a person's probability of suffering from poverty and deprivation. This is supported by the reality that the global poverty rate in rural areas (17.2 per cent) is more than three times as high as that in urban areas (5.3 per cent). Factors such as under-investment in rural infrastructure and service provision serve to reinforce rural-urban inequalities and suggest the persistence of what Lipton referred to as the "urban bias in development" (Lipton: 2016).

While it is true that poverty is most inherent in the rural areas, recent developments in agricultural revolution has brought back hope and is making the rural areas attractive again. For example, the proliferation and use of agricultural farm inputs such as herbicides, pesticides, organic fertilizers and small scale driven farm implements have eased farming activities and is revamping agricultural productivity. Though, factors such as high cost of farm inputs, land tenure system and lack of capabilities could be a major impediment to progress, hopes are that a sustained effort could change the narrative in the near future. In the meantime, poverty will mostly remain a rural phenomenon that will require a concerted at uprooting its course.

Poverty Reduction

A major challenge that developing countries need to overcome is the reduction of poverty. Sachs (2005) notes that poverty reduction could be achieved through good economic and social policies, innovative and efficient use of resources, investments in technological advancement as well as good governance and visionary leadership with political will to prioritize the needs of the poor. This could lead to an enablement in the provision of some basic amenities such as schools, clinics, roads, electricity, soil nutrients that are basic for economic prosperity and productivity.

Ayoo (2021) has provided a comprehensive module that policy makers in developing countries need to emulate in order to combat extreme poverty and improve the standard of living of impoverished communities. These are:

Stimulating inclusive economic growth: A major stimulant to breaking poverty impact is economic growth. Sachs (2005) reveals that economic growth is vital in making impoverished communities to utilize their resources to increase both their output and incomes and thus break the poverty trap and be able to provide for their basic needs. Bah and Fang (2015) agrees that the fundamental ingredients for economic growth are macroeconomic stability, regional integration and trade facilitation as well as conducive business environment. They pointed out that deterioration in macroeconomic indicators such as the general price level, rate of growth of the economy, the exchange rate as well as the level of government consumption expenditure increases the poverty level. Ayoo (2021) has however noted that for economic growth to be effective in reducing poverty, it needs to be both inclusive and occur at a rate that is higher than the rate of population growth. This is because according to the World Bank (2018), so many developing countries have experienced economic growth without a corresponding reduction in poverty level as the poverty level increases as economic growth increase. Another effort at stimulating economic growth is investment in agriculture. This is because agriculture is the dominant economic sector in most poor communities thus efforts to combat extreme poverty needs to be directed towards increasing agricultural production and productivity. (Narayan, 2002, World Bank, 2017). Some concrete ways for achieving this overall goal include promoting the adoption of high yielding crop varieties and use of complementary inputs such as fertilizers and pesticides, intensifying the use of land through technological improvements such as increased use of irrigation where water is a constraint to agricultural production; and adoption of post harvesting measures that reduce the loss of agricultural produce (Ayoo 2021).

Agriculture and allied farm activities: The poor in most developing countries depend on agriculture for subsistence. Enhancing agricultural productivity through the diversification of farming activities is chief among poverty reduction strategies. Loison (2015) observes that promoting non-farm livelihood, along with farm activities can offer pathway for economic growth and poverty reduction in developing countries. About two decades ago, the development of comprehensive value chains of agricultural commodities and market systems were used as strategies for poverty alleviation. Multi-sectoral micro-enterprise may be developed for enhancing agricultural productivity and profitability through value chains and market systems because they are important for income generation to the rural poor thereby playing a vital role in inclusive poverty reduction (Oyinbo and Olaleye, 2016).

Particular attention is thus needed to raise smallholder staple crop productivity in the development of agriculture. This is why Mellor (2017) opine that supporting slightly larger commercially oriented smallholders, with the poorest and least productive farmers in the village benefitting primarily through lower food prices and local labour markets, will go a long way in reducing poverty and accelerating growth.

Investments in Human Capital: A substantial long term benefits that are critical to reducing poverty in less developed countries is human capital investments. A lot of evidences indicate that people who disadvantaged from their early life face a greater lifelong risk of the poverty trap (Mayer, 2010). He pointed out that the human development trap initiates a cycle of poverty that

runs across generations and traps families in poverty resulting into low education and poor health which eventually culminates into low adult income, poor human development and low economic growth.

One major problem with investments in human development is the long term benefits, the economic benefits of this investment is not realized in the near future as are benefits from investments that yield immediate results. Therefore given the many immediate demands of public finance, the human development investment suffer from governments neglect.

Methodology

This study is a survey research that made use of both primary and secondary data. The quantitative method was used to answer the central research questions. This design consists of well-structured questionnaires for respondents to include Fadama User Groups (FUGs), Fadama Community Associations (FCAs). The study covered all the six states in the North East; Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe States. Multi-stage sampling technique comprising of purposive sampling, cluster sampling, and simple random sampling was used for the study. The study area was clustered into six major units based on the existing states. The six major units were further clustered into sub-units based on the existing local governments.

Purposive sampling was used to select sub-units that are known to have established Fadama User Groups (FUGs) and Fadama Community Associations (FCAs) from the major units. The simple random sampling technique was used to select respondents within the elements of the research population comprising of Fadama User Groups (FUGs) and Fadama Community Associations (FCAs) for administration of questionnaires.

Theoretical Framework

The study adopted the Human Capital Theory as a framework of analysis. The concept behind the human capital theory has its roots in the works of Adam Smith (1776). However the theory was articulated and popularized by Jacob Mincer (1958), Theodore Schultz (1961) and Garry Becker (1962). This theory is derived from the concept of human capital which is used to describe the investment in people that have positive bearing on economic productivity. It is broadly used to designate acquired human characteristics that promote income generally taken to include acquired knowledge and skills. The human capital theory is a framework that aligns the goals of human training with developmental initiatives based on the assumption that investment in human capital provides returns in the form of individual success and achievement (Olaniyan and Okemakinde, 2008).

The central argument of the theory is that individuals have a set of skills or abilities which they can improve on or accumulate through capacity development in training and education. According to this theory, development is seen through the trajectory of poverty reduction that has to be advanced through the joint strategy of investing in human capital and promoting macroeconomic growth. The general agreement is that investment in human resources, not just physical or material resources, is the pivot on which economic and social development rest upon. Therefore, human resources constitute the ultimate basis of wealth of nations. Other factors such as capital and natural resources are passive factors of production as human beings are the active agencies who accumulate capital, exploit natural resources, build social, economic and political organization and

subsequently engage in national development. According to Sen (1992), though economic growth and expansion of goods and services are necessary for human development, however what people are able to achieve should be considered in judging the quality of their life.

Analysis of Respondents Demographic Information

Table 4.1: Questionnaire Response Rate by States

State	No Administered	No Returned	No Rejected	No Used	% Used
Adamawa	65	52	0	52	14
Bauchi	65	54	1	53	14.2
Borno	65	53	1	52	14
Gombe	65	53	0	53	14.2
Taraba	65	54	0	54	14.5
Yobe	65	55	0	55	14.8
Total	390	374	2	372	100

Source: Field Survey, 2024

Table 4.1 shows that a total of 390 questionnaires were administered to respondents drawn from the six states of the North East. From the data obtained, out of the 390 questionnaire administered, only 374 representing 97.1% were successfully retrieved. Out of the 374 questionnaire retrieved, 2 were rejected based on ambiguous content. Therefore only 372 questionnaire representing 96.6% were used for the analysis of this research. This signifies a good survey response rate devoid of survey result bias. The 96.6% is greater than the minimum mark of 35% to 50% recommended by Mangal and Mangal (2020) as suitable for survey studies. The questionnaire response rate is high and could therefore be termed as sufficient for this study.

The questionnaire response rate indicates that of the 390 questionnaires equally administered to the six states of the North East, 52 representing 14% were returned in Adamawa state, in Bauchi state, 53 representing 14.2% were returned, in Borno State, 52 representing 14% were returned. Gombe state had 53 representing 14.2% returned, in Taraba state, 54 representing 14.5% were returned while Yobe state had 53 representing 14.2% returned.

Income Generation during Fadama III

Income is a major variable used to measure the level of poverty. Individual's freedom to participate in viable economic activities may result into better income generation that will enable meeting basic physical and social needs. The study sought to investigate the extent to which participation in the Fadama III project through engagement in livelihood support activities has increased the income level of beneficiaries to meet their basic needs, increase their savings as well as reduce poverty. Therefore, 6 statements were developed to generate data on these variables. Table 4.3 presents the responses generated from field survey together with the descriptive statistics on income generation by beneficiaries of Fadama III project.

Descriptive Statistics

Table 4.2 Income Generation during Fadama III

Variable	SD	D	N	A	SA	\bar{x}	Ratings
Increased income due to effective use of Fadama lands facilitated by Fadama III .	10(2.6)	13(3.5)	80(21.5)	194(52.1)	75(20.1)	3.83	4
Engagement in livelihood support activities such as crop farming and irrigation agriculture which boosted your income	10(2.6)	10(2.6)	66(17.7)	162(43.5)	124(33.3)	4.02	2
Participants of Fadama III are able to meet their basic needs based on increase in incomes	9(2.4)	12(3.2)	85(22.8)	176(47.3)	90(24.1)	3.87	5
There is increase in my savings due to incomes generated from Fadama III	7(1.8)	17(4.5)	66(17.7)	181(48.6)	101(27.1)	3.94	3
Incomes generated from participation in Fadama III project has helped in reducing poverty in your community	8(2.1)	10(2.6)	45(12.1)	184(49.4)	125(33.6)	4.09	1

Note: Values in parenthesis represent percentage (%).

Source: Field Survey, 2024

A total of 23 (10 and 13) respondents representing 6.1% (2.6% and 3.5%) disagree with the statement that the effective use of Fadama lands facilitated by Fadama III project have boosted the income of Fadama users, 269 (194 and 75) respondents representing 72.2% (52.1% and 20.1%) agree that their incomes have been improved, while 80 respondents representing 21.5% were indifferent to the statement. From table 4.2, the views of majority of respondents show that Fadama III project has facilitated the effective use of fadama lands which have resulted in significant increase in income..

The second statement on table 4.2 is concerned with the impact of livelihood support activities such as crop farming and irrigation agriculture on the income of Fadama III beneficiaries. Table 4.2 indicates that 20 (10 and 10) respondents representing 5.2% (2.6% and 2.6%) disagree that engagement in lively support activities has boosted their income, 286 (162 and 124) respondents representing 76.8% (43.5% and 33.3%) agree that crop farming and irrigation agriculture have boosted their income, while 66 respondents representing 17.75% were indifferent to the statement. The distribution on table 4.2 therefore indicates a significant increase in farm income as

demonstrated by majority of the respondents. Their ability to generate more income is a function of their engagement in livelihood support activities made possible by the Fadama III project.

Table 4.2 show that 21 (9 and 12) representing 5.6% (2.4% and 3.2%) disagreed that they are able to meet their basic needs due to participation in Fadama III project, 266 (176 and 90) respondents representing 71.4% (47.3% and 24.1%) however agreed that participation in Fadama III project has helped them to meet their basic needs, while 85 respondents representing 22.8% were indifferent to the submission. The information from table 4.2 therefore show that majority of the respondents were able to meet their basic needs based on their participation in the Fadama III project. Providing the basic needs of individuals or group is one of the major steps to reducing absolute poverty. This will require concerted effort at enhancing incomes. Going by the indices on table 4.2, the Fadama III project is able to boost incomes of beneficiaries thereby enabling them meet their basic needs.

People who live in poverty are often seen to have no or low savings because their income cannot sustain consumption let alone savings. The ability to meet basic needs is a function of income, and income equals to consumption plus savings. This shows that there is always a direct relationship between income, consumption and savings.

The fourth statement on table 4.2 sought to know if there is an increase in savings by beneficiaries due to incomes from Fadama III project. As can be seen, 24 (7 and 17) respondents representing 3.2% (1.8% and 4.5%) disagree that their savings have increased due to incomes generated from Fadama III project. However, 282 (181 and 101) respondents representing 75.7% (48.6% and 27.1%) agree that there is increase in their savings due to incomes gotten from participation in Fadama III project, while 66 respondents representing 17.7% were indifferent to the statement. The distribution of responses on table 4.2 show that majority of the respondents have increased their savings signifying increase in income of beneficiaries of the Fadama III project.

The last statement on table 4.2 sought to know if incomes generated from participation in Fadama III project have helped in reducing poverty among beneficiaries. It is clear from table 4.2 that 18 (8 and 10) respondents representing 4.7% (2.1% and 2.6%) disagree to the statement. However, 309 (184 and 125) respondents representing 83% (49.4% and 33.6%) agree that participation in Fadama III project has helped reduce poverty in their community, while 45 respondents representing 12.1% remained indifferent to the statement. Drawing from the distribution of responses on table 4.2, it is clear that the Fadama III project has had positive impact with regards to poverty reduction among beneficiaries.

Table 4.3: Capacity Building during Fadama III Project

Variable	VH	H	A	L	VL	\bar{x}	Rating
Local development plans	62(16.6)	156(41.9)	117(31.4)	20(5.3)	17(4.5)	3.60	3
Agricultural enterprise expansion	53(14.2)	173(46.5)	126(33.8)	13(3.4)	7(1.8)	3.57	5
Capacity to harness environmental resources	61(16.3)	158(42.4)	104(27.9)	40(10.7)	9(2.4)	3.59	4
Best practices in agricultural technology	78(20.9)	149(40.0)	99(26.6)	26(6.9)	20(5.3)	3.64	2
Management of productive assets	58(15.5)	166(44.6)	114(30.6)	30(8.1)	4(1.1)	3.65	1
Consolidation of acquired capabilities	30(8.1)	181(48.6)	111(29.8)	35(9.4)	15(4.0)	3.47	6

Note: Values in parenthesis represent percentage (%).

Source: Field Survey, 2024

Table 4.3 indicates that 218 (62 and 156) respondents representing 58.5% (16.6% and 41.9%) have acquired high capacity for local development plans. However, the responses of 37 (20 and 17) respondents representing 9.8% (5.3% and 4.5%) shows that they have low capacity while 117 respondents representing 31.4% stood on the average ranking. The result from this distribution on table 4.3 indicates that majority of the beneficiaries of Fadama III project were able to acquire local development plans. It is therefore right to conclude based on the results from table 4.3 that the acquisition of capacity for local development plans will help beneficiaries of Fadama III project to proffer solutions to their local development needs.

The second statement on table 4.3 sought to measure the level of agricultural enterprise expansion of beneficiaries. From the result, 226 (53 and 173) respondents representing 60.7% (14.2% and 46.5%) indicated that their level of agricultural enterprise expansion was high, 20 (13 and 7) respondents representing 5.2% (3.4% and 1.8%) had low ranking while 126 respondents representing 33.8% indicated an average level. The distribution on table 4.3 shows that most of the respondents have acquired capacity for agricultural enterprise expansion signifying a major shift from the Fadama III project era in which majority of the respondents did not engage in agricultural enterprise.

The third statement on table 4.3 is concerned with the measurement of capacity to harness available environmental resources. The distribution of responses indicates that 219 (61 and 158) respondents representing 58.7% (16.3% and 42.4%) recorded high capacity to harness available environmental resources, 49 (40 and 9) respondents representing 13.1% (10.7% and 2.4%) have low rating while 104 respondents representing 27.9% have average ratings. It is clear from the distribution that most

of the respondents acquired high and average capacity to harness available resources due to their participation in Fadama III project.

The distribution of responses with regards to the fourth statement on table 4.3 show that 227 (78 and 149) respondents representing 61% (20.9% and 40.1%) acquired high capacity for best practices in agricultural technology, 46 (20 and 26) respondents representing 12.2% (6.9% and 5.3%) acquired low capacity while 99 respondents representing 26.6% acquired average capacity. From the distribution, it is clear that majority of the respondents are able to acquire capacity for agricultural technology. The acquisition of best practices in agricultural technology will mean adopting modern technology for agricultural activities which is expected to boost agricultural productivity hence revamping the economy.

The measurement of capacity for management of productive assets is the concern of the fifth statement on table 4.3. The responses show that 224 (58 and 166) respondents representing 60.1% (15.5% and 44.6%) have acquired high capacity, 34 (30 and 4) respondents representing 9.2% (8.1% and 1.1%) have low capacity, while 114 respondents representing 30.6% recorded average capacity to manage productive assets. This shows that most of the respondents acquired high capacity for management of productive assets during the Fadama III project. The management of productive assets such as farm implements and land plays a vital role in promoting sustainability and diversification in agricultural production, which will go a long way in increasing incomes, providing food security thereby maintaining stable and healthy consumption and growth of the economy.

The last statement on table 4.3 sought to measure the consolidation of acquired capabilities by the respondents. The result show that 211 (30 and 181) respondents representing 56.7% (8.1% and 48.6%) indicated high capacity for consolidation of acquired capabilities, 50 (35 and 15) respondents representing 13.4 (9.4% and 4%) indicated their capacity to consolidate on acquired capabilities is low, while 111 respondents representing 29.8% admitted to have average capacity. The distribution of responses show that majority of the respondents have acquired the capacity to consolidate on the gains from Fadama III project. Consolidating on acquired capabilities will give the beneficiaries the freedom to diversify their productive capacity for more income generation activities thereby elevating their economic status.

Discussion of Findings

The study revealed that there is a significant increase in the level of income of beneficiaries within the North East states. This means that the implementation of Fadama III project has impacted positively on income and poverty level of beneficiaries within the period under review. This was made possible by government policy that targeted the development of rural agricultural sector through support in the form of funding, coordination, monitoring as well as community participation. This development aligns with the literature on strategies for poverty reduction where it was suggested that stimulating economic growth through investment in agriculture is a simple way to reduce poverty in rural areas.

The study also found that the Fadama III capacity building component has impacted positively on target beneficiaries. The enhancement of capabilities through technical skills, enterprise expansion, best practices in agricultural technology, management of productive assets and local development

plans have significant positive impact on the productivity level of beneficiaries. Mayer (2010) opines that substantial long term benefit that is critical to reducing poverty in less developed countries is human capital investment.

Recommendations

- i. Government should expand opportunities for participation in the National Fadama Development Project so that more beneficiaries could tap from the Community Driven Development (CDD) approach which empowers individuals and groups to participate in the planning, design and implementation of sub projects thereby enabling them to mobilize adequate support for the developmental needs of their communities.
- ii. Poverty reduction programmes should concentrate on capacity building in order to reduce the deficiency in human capital development and serve as long term benefit to communities trapped in poverty.

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