

# **EFFECT OF WORLD BANK LOAN WITHDRAWAL ON THE PERFORMANCE OF AGRICULTURAL EXTENSION IN NIGERIA**

OLADIMEJI IDOWU OLADELE

*University of Ibadan, Nigeria*

## **ABSTRACT**

This paper examined the effect of World Bank loan withdrawal on the performance of extension services in Nigeria. This was because agricultural extension activities were tripartitely funded by World Bank, State and Federal governments in Nigeria. The final withdrawal would then have serious implications for the performance of the extension organizations. Data were obtained from secondary sources and analyzed using t-test statistics. The result indicates that there were sharp decline in the performance of extension activities after the loan withdrawal and thus the question of sustainability of the Agricultural Development Programme.

*Keywords: agriculture, sustainability, World Bank*

## **INTRODUCTION**

Nigeria as an agrarian country, the production of foods and other raw materials is a necessary ingredient for the take-off of all other sectors of the nation's economy. At the national level, the poor performance of the agricultural sector became worrisome in the 1970–1980 decades, when the country's food import bills rose from \$175 millions in 1970 to \$1.872 billion in 1982 (FMAWR & RD, 1988). As a primary production sector, agriculture itself has to be modernized in order to achieve the much-needed increase in the productivity of the sector. This modernization has been through high government annual investments in agricultural research and extension services.

The Federal Government introduced the Agricultural Development Programme (ADP) among others. The ADP is primarily an extension organ put in place by the Federal government to advance food and fibre production in Nigeria. The programme was launched in 1975 with the aim of accelerating food production and increasing farmers' income through an integrated farm inputs supply and overall development of agriculture. The state government, federal government and the World Bank tripartitely fund the programme in order to address the problem of agricultural production and the role extension service play in the overall agricultural development. This makes the ADPs the main agent of extension delivery in the new system. For the laudable objectives of agricultural extension to be achieved, extension agents have to play a vital role

as they are responsible for transferring useful information necessary for "change" to the farmers. The extension agents also perform the function of counselling the farmers on how to make wise decisions in farm management. The extension agents are expected to play a significant role in the extension system, and they will be responsible in the dissemination of agricultural technologies to the farmers, link research and farmers.

The ADP which began as a World Bank loan assisted integrated rural development packages with the establishment of three pilot/enclaves was based on the premise that a combination of inter-related factors comprising the right technology, effective extension access to physical and production enhancing inputs, adequate market and other infrastructural facilities are essential to get agriculture moving (FACU, 1986). The activities of the first generation enclave projects established in Funtua, Gombe and Gusau in 1975 involved in Road construction, Dam construction, Rehabilitation of farm roads and maintenance of the existing roads, as well as other projects that were instant success in the localities where they were situated. With a World Bank loan backing on finance the enclaves performed beyond expectation carrying out activities that enhanced agriculture with farm families of about 350,000 people and the location of farm service centres and provision of inputs useful for farm operations (FACU, 1986).

The success recorded by the pilot ADP led the federal government to establish six more enclaves at Ayangba, Lafia, Bida, Ilorin, Ekiti-Akoko, and Oyo North between 1979 and 1982. The vision of the ADP extended beyond the immediate task of running the enclaves thus, useful lessons in implementing of the new concepts were provided by the enclave's projects paving the way for extension of the projects to other areas and Local Government not covered by the ADP. The demands for the benefit of ADP to be spread to all existing states led to the installation of a generation state-wide ADPs with some of them taking the old enclave as their headquarters. The first set of state-wide ADPs took place in Bauchi 1981, Kano state in 1982, Sokoto state in 1983 and Kaduna state 1984. The state wide ADP projects in these states received a total sum of N145.440m between 1981–85, it recorded 1.7 tonnes of millet 462,483 tonnes of maize, constructed 1462km of roads, 92 dams built 184 farm service centres and 1200 boreholes was constructed. The state wide projects initially programmed to end after 5 years of initiation was reprogrammed to last longer because of the giant stride achievements in agricultural production by the individual states (FACU, 1986).

The success further encouraged the nation-wide agricultural development project, which according to Idachaba, (1988) constitutes the single largest agency charged with the responsibility of agricultural extension in Nigeria. The decision to speed up the appraisal process of the ADPs by using a number of existing ADPs, provides state-wide coverage to strengthen agricultural services and promote agricultural production. The first Multi-state Agricultural Development Project (MSADPI) covered seven (7) states which include southern states of Nigeria. The second Multi State Agricultural Development

Project (MSADP II) covered four middle Belt States, which are Niger, Gongola and Kaduna and the third Multi – State Agricultural Development Project (MSAP II), were an improvement on the previous MSADPs because the lessons learnt from the earlier projects were taken into account in the design of the third Multi-state ADP in 1989. The lessons include provisions of support services for agriculture and provisions of logistic and technical support for the states. The Third Multi-State included states that were not covered originally and the newly created states.

In operational terms the funding pattern bothers on the sustainability of the ADP such that the gradual withdrawal of the World Bank assistance would pave way for continued existence of the ADP. Presently, the World Bank loan had finally withdrawn from the ADP - a factor which is critical to the working conditions and the work setting of the ADP. The effect of the withdrawal would then have implications on the performance of the extension activities. It is against this background that this study seeks answer to the basic research question of what is the level of extension performance before and after World Bank loan withdrawal.

## 1. METHODOLOGY

The study covers the Agricultural Development projects in Nigeria's 36 states as directed and coordinated by the Projects Coordinating Unit (PCU). Nigeria is situated in the African continent in the West African coast, it is bounded in the West by the Republic of Togo, in the East by Cameroon in the North by Mali, Niger and Cote d'voire. Nigeria occupies a total area of 923,000 square kilometres with 910,770 square kilometres as arable land, a coastland of 853 km with ecological diversities which enables the country to produce a wide variety of crops and livestock, fishery and forestry to support its very large population of about 120 million (NPC, 1991). Data for this study were obtained from secondary sources (CBN, 2002, and NAERLS, 2002). The data include total funding for extension, number of extension agents, number of farm visits, number of farm trials & demonstrations, number of SPAT established, number of Subject Matter Specialists (SMS), Ratio of SMS to VEA, Extension intensity and Extension agents farmer ratio. The analysis of this result was based on t-test statistics was used to compare the extension activities of the ADP before and after the World Bank loan withdrawal.

## 2. RESULTS AND DISCUSSION

Table 1 presents the differences in the performance of extension activities before and after World Bank loan withdrawal. A significant difference was recorded in the funding of extension activities with more funds being available before the

loan withdrawal. This suggests that the bulk of the funding must have been through the World Bank loan and probably the lack of counterpart funding by the state and federal governments. There is no significant difference in the number of extension agents before and after the loan, although the number of extension agents before the loan withdrawal was higher than the existing number after the withdrawal. Conversely, a significant difference exists in the number of SMS before and after loan withdrawal. The number of farm visits by extension agents before and after loan withdrawal shows that more visits were made by the agents before loan withdrawal and thus a significant difference exists. Similarly, the number of SPAT established by extension agents as method of disseminating information to farmers was significantly higher before loan withdrawal than after the withdrawal. On the other hand, the number of farm trials and demonstrations by extension agents were more before loan withdrawal; there was no significant difference in the number after the loan withdrawal.

Significant differences were recorded for the Subject Matter Specialists Ratio and Extension agents' ratio and the ratio of extension agents and farmers, before and after loan withdrawal. This implies that the wide ratio becomes wider after loan withdrawal. In the vein, extension intensity (public agricultural extension expenditure/agricultural GDP) shows a significant difference before and after the loan withdrawal. This reveals that fund allocation to extension continues to decrease and thus the loan withdrawal has generated a further reduction in government allocation to extension services.

**Table 1.** T-test statistics showing differences in extension performance before and after World Bank loan withdrawal.

Variables	Groups*	N	Mean	SD	SEM	t	df	p
Total funding	BELW	10	18653.0	9875.44	3122.88	5.970	9	0.00
	AFLW	4	9.16	0.555				
No of extension agents	BELW	10	8674.50	1924.19	608.48	-1.671	10	0.12
	AFLW	4	7367.60	983.42	491.71			
No of SMS	BELW	10	335.10	74.15	23.44	2.461	11	0.03
	AFLW	4	270.00	24.49	12.24			
No of farm visits	BELW	10	1292.20	1325.18	419.06	2.559	9	0.03
	AFLW	4	215.00	9.03	39.51			
No of SPAT established	BELW	10	248.40	70.62	22.33	4.780	11	0.00
	AFLW	4	121.75	28.50	14.25			
Farm trials & Demonstrations	BELW	10	1264.50	982.33	310.64	1.606	9	0.14
	AFLW	4	765.00	30.00	15.00			
SMS EA ratio	BELW	10	0.066	0.010	0.0033	-3.697	6	0.01
	AFLW	4	0.046	0.009	0.0047			
Extension agents farmer ratio	BELW	10	0.0015	0.00038	0.00012	2.784	7	0.02
	AFLW	4	0.0010	0.00028	0.00014			
Extension intensity	BELW	10	1.04E-07	5.43E-08	1.24E-08	-0.219	9	0.83
	AFLW	4	7.56E-08	2.39E-09	1.19E-09			

\* BELW- Before loan withdrawal , AFLW- After loan withdrawal

### 3. CONCLUSION

The paper has revealed the situations of extension services in the Agricultural Development Programmes in Nigeria before and after World Bank loan withdrawal. The analysis has shown that the issue of programme sustainability after donor withdrawal is still a problem in Nigeria agriculture. If after four years of loan withdrawal, crucial extension variables as highlighted in this paper could experience reduction in the magnitude recorded, then the effect of the loan withdrawal will be too enormous after a decade. Extension managers and policy makers should evolve ways to keep the extension services afloat in reaching farmers if the dream of food security is to be realized. It is recommended that important activities should be sustained with available funds while alternative funding sources are explored.

### REFERENCES

- Central Bank of Nigeria. 2002.  
<http://www.cenbank.org/Out/publications/statbulletin/RD/2002/SbulletinFin-c.pdf>  
Accessed December 2003.
- National Agricultural Extension and Research Liaison Services. 2002.  
*Field Situation Assessment of Agricultural Production in Nigeria (1987–2002)*, pp. 75–92. Zaire: ABU Press.
- Federal Agricultural Coordinating Unit (FACU). 1986a.  
*Nigeria's Brief on Agricultural Development Projects Ibadan*, p. 13.
- Federal Agricultural Coordinating Unit (FACU). 1986b.  
*A Decade of Agricultural Development Programmes in Nigeria. Ten Years of Progress*, pp. 33–34. Abuja, Nigeria: MANR.
- FMAWR & RD. 1988.  
*Agricultural Policy for Nigeria Strategy for Implementation*. January 1988, pp. 238–242.
- Idachaba, F. S. 1988.  
The Green Revolution: Goals for and Constraints on Agricultural Development in the 1980s. In: Ijare, M. O. and F. S. Idachaba (eds.), *ARMT Seminar Series*, pp. 18–36. Ilorin, Nigeria: NDI.

**About the author:** Dr Oladele O. Idowu is a lecturer in The Department of Agricultural Extension and Rural Development University of Ibadan Nigeria. He is currently a Research Fellow with the Japan International Research Centre for Agricultural Sciences, Development Research Division, Tsukuba, Ibaraki, 305–8686 Japan. His research interests include the dissemination of appropriate technology to farmers in Africa. He has researched into several factors affecting the development, dissemination and organizational setting of research and extension agencies with a view of forging an effective linkage among researchers, extension agents, and farmers.