SUSTAINABILITY REVIEW 2018

SIERRA LEONE

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List of Acronyms

- CT – Cash Transfer
- CCT – Conditional Cash Transfer
- LCT – Labelled Cash Transfer
- UCT -Unconditional Cash Transfer
- DfID – Department for International Development
- FBS - Family Business Scheme
- FBO – Family Business Officer
- EVD – Ebola Virus Disease
- IPA - Innovations for Poverty Action
- NGO – non-Governmental Organisation
- OVCs – Orphans and Vulnerable Children
- SSA – Sub-Saharan Africa

Findings at a glance

16,193 CAREGIVER GRANTS

GIVEN OUT IN TOTAL

+80%

OF CAREGIVERS HAVE STARTED SAVING FOR THEIR CHILDS' EDUCATION

22,589 at risk children enrolled in school

87 %

OF CHILDREN RETAINED IN SCHOOL WITH FBS SUPPORT, COMPARED TO 55% WITH NO SUPPORT IN OUR CONTROL GROUP

32% BETTER CHANCE OF ENROLMENT WITH FBS SUPPORT

"I'm part of 3 OSUSU groups, each with a separate purpose: school expenses, business and emergencies"

37% BETTER CHANCE OF HAVING AN ACTIVE BUSINESS WITH FBS TRAINING

BIGGEST CHALLENGE:

COMPETITION AND LACK OF DIVERSITY

BUSINESS TRAINING IDENTIFIED BY BENFEICIAIRES AS THE MOST VALUBLE PART OF THE SCHEME

Executive Summary

Household poverty is the major, over-arching barrier to accessing basic education for out of school children in Sierra Leone[1]. In a country in which over half of the population live on less than $1.25 a day,[2] and women have an average of 4.2 children each[3], families are frequently unable to afford the direct and indirect costs of educating their children consistently and at the right age. Street Child's Family Business Scheme (FBS) aims to tackle this barrier by supporting caregivers in poor households to start or grow a source of income for their children's care and education in the form of a micro-enterprise.

Since the start of the program in 2009, over 16,000 Sierra Leonean family businesses nationwide have been supported using a holistic model of family counselling, business training, cash grants and savings support. The greatest volume of grants (c 12,000) were distributed between 2014 and 2016. in one of the most challenging periods in Sierra Leone's recent history. The Ebola crisis killed over 4,000 people in Sierra Leone alone,[4] leaving 13,000 children without their primary caregiver[5]. A nine-month quarantine closed businesses, schools and trapped relatives of Ebola victims in their houses for a period of 21 days, often without sufficient food.

In this context, programs that tackle income poverty became more critical than ever, as many households took on a new burden of caring for their dead friends' and relatives' children. both at the height of the crisis, and in the aftermath of the crisis once Sierra Leone was officially declared Ebola-free in November 2015. Sierra Leone has seen a significant slow-down in the economy, due to Ebola and also the crash in the price of iron ore, on which Sierra Leone's rapidly growing economy had been significantly dependent. This dual crisis has depressed the economy and led to rising inflation.

Street Child's 2018 Sustainability Review reviews how its cash transfer model, which showed such promising results previous to the crisis[6], has fared in such challenging circumstances, and unprecedented high volume - with over 5000 grants distributed in January - March 2015 alone. This report is intended primarily for internal use to improve Street Child's programming in Sierra Leone and elsewhere, and secondly as a tool for other partners and stakeholders seeking to understand alternative models of livelihood support for education.

The primary intention of Street Child's livelihoods model is to develop a source of income for children's ongoing care and education, a kind of conditional cash transfer. The typical profile of a beneficiary of the scheme is a family with a small source of income, who has one or more children out of school. The child's chosen caregiver (typically female) would be supported to grow that source of income, to accommodate the extra costs of sending those children to school and keeping them there. They would receive a base grant of Le 300,000 (c £28) with an additional grant of Le 100,000 for every extra out of school / at-risk child supported, in the same household.

In most cases, the program does not create a new, sole source of income on which the whole family depends, although for the poorest caregivers this is sometimes the case. Rather, the scheme is

[1] UNESCO, 2013; UNICEF, 2016; Street Child 2016
[2] 57% of Sierra Leone's population live on less than $1.25 a day (UNDP, 2015)
[3] SL DHS, 2016
[4] WHO, 2016
[5] Street Child Ebola Orphan Report, 2015
[6] Street Child's 2013 Sustainability Review showed 75% business survival rate, 91% retention in school two years after programme support had ended

intended to supplement the family's existing income, such that they may be able to bear the extra costs of educating their children. As such, the primary measures of success in this Sustainability Review are 1) whether the child was able to be enrolled in school is still in school; 2) whether the business is still in operation. The Family Business Scheme depends on the one-on-one support given by Street Child's social work and family business teams, to encourage and monitor the progress of the child in school and the caregiver's business.

Our findings are that 87% of children are still enrolled in school at least one year after all support had ceased, and 77% of businesses are still operational. These indicators have been obtained from a desk review of Street Child's existing data, on which spot verification has been carried out. Where this Sustainability Review goes further than previous reviews, is that is that it evaluates its findings against a control group to gauge its impact, and to conduct in-depth interviews with a sample of our beneficiaries, to gain detailed insight into the profile of our family businesses, and the factors that contribute to their success or failure.

Almost all families (94%) reported that they were more able to pay for educational costs than before, and almost all caregivers reported that their first or second reason for saving was to meet education costs (with two thirds prioritizing re-investment in the business for future sustainability as the primary use for savings). Street Child's most recent participatory evaluation with children showed that children in one program felt 20% more secure in school than at the beginning of the scheme. They also reported a general increase in wellbeing overall with the family mediation and counseling provided as part of the program.

The proportion of family business grant beneficiaries who report that the cash transfer was the most useful benefit (33%) is slightly less than the proportion who reported that the training component (35%) and the savings component (32%) were the most useful benefit, indicating that the training and savings scheme are as important for beneficiaries as the cash grant itself.

Introduction

Where Street Child's Family Business Scheme differs from other cash transfer programs in Sierra Leone is the holistic nature of the model, and its educational outcome orientated focus. The principal goal of the scheme is to ensure that the child accesses to and is retained in education. This is achieved with a combination of social work, business planning, training, mentoring and an intensive monitoring period via a 20-week savings scheme.

This report is based on analysis on Street Child's full database of FBS grant recipients from 2015 to 2017. This data set had previously been through a data verification process carried out in June/July 2017, where the research team confirmed the latest state of the businesses and school attendance for randomly selected beneficiaries. Control group data has also been collected from interviews with caregivers who were initially identified as eligible for FBS support and used as a comparative tool alongside the results from the full FBS database. The findings are examined in further detail through qualitative research conducted from February to July 2017, interviewing 1,115 caregiver beneficiaries throughout every district in Sierra Leone.

This report has two principal objectives. Firstly, it aims to provide a comprehensive internal review that will inform all future Street Child livelihoods programming, principally in Sierra Leone, but also in other comparable national contexts. Secondly, it intended this report will be disseminated to other actors in the education, livelihoods and child protection space.

The report provides the following:

- Executive summary
- Findings at a glance
- A literature review of microfinance and conditional cash transfers
- Introduction to the FBS program
- Aim of the research
- Review Methodology
- Analysis of the report findings
- Summary & Recommendations
- Blank and completed surveys
- Case studies

Aims of the FBS

Ultimately, the primary purpose of the distribution of the FBS was to enable children of primary school age to be enrolled and stay in school. More specifically the FBS aims to remove poverty as a barrier to children's education through the provision of business training and a semi-conditional cash transfer.

To enable caregivers to have enough money to keep their children in school, the FBS promotes improved money management through the inclusion of its savings scheme, whereby caregivers are asked to deposit 5,000 leones per week with their FBO. As well as this savings target, another crucial aspect of the FBS is the businesses themselves. FBS recipients are provided with business training and a weekly business consultation with a Family Business Officer.

Patrick has been working with Street Child for 5 years, and an FBO for 2 years. He works in Makeni and is responsible for ongoing training and monitoring of 50 caregivers. This involves going to see the caregiver both at their business and at their home. He feels that by keeping in close contact with beneficiaries, he can better promote positive behaviors such as committing to a savings scheme.

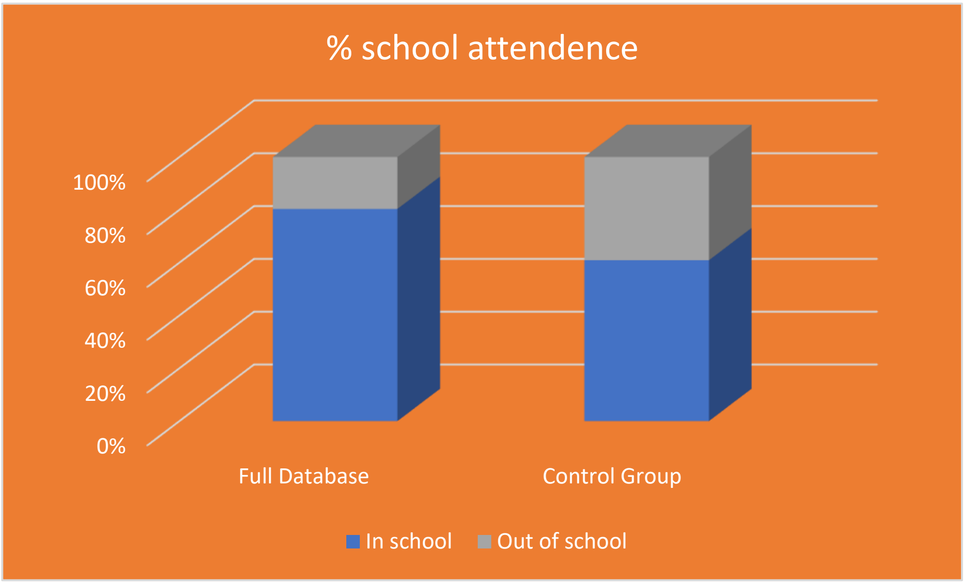
"I build good relationships with the business owners so that they trust the information I share with them"

Key Findings

School enrolment has been improved with FBS support

The FBS has supported 22,589 children to remain or be enrolled in school. These children were at significant risk of not attending school before FBS caregiver intervention. 87% of all children whose caregiver received FBS support were able to stay in school and this percentage is significantly higher than we saw in our control group where only 55% of our sample of 353 children were able to attend school.

It is also clear that operating a business positively affected school enrolment. 95% of caregivers with an active business were able to enrol their child in school, compared to only 37% of caregivers whose business had collapsed.



Recipients valued the training and savings scheme as much as the financial support

FBS beneficiaries in our qualitative sample were asked what the most useful aspect of the FBS had been and interestingly, 35% answered that it was the training provided by the FBOs. This came as a surprise as we had expected to find that the capital provided was regarded as the most valuable aspect of the FBS, however slightly fewer beneficiaries, 33% of our qualitative sample, responded that the capital was the most important part of the FBS. 32% of our sample thought that having access to an informal savings scheme was the most valuable part of the FBS to them.

Businesses are more likely to survive with FBS support

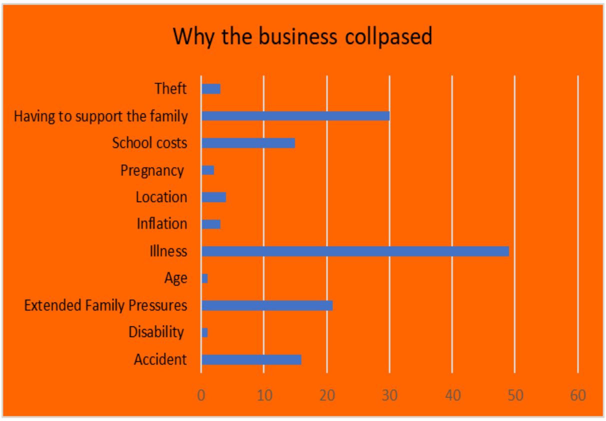
With support from Street Child's FBOs and the FBS grant, 77% of business ran up by caregivers have been able to survive until now. Businesses owned by the caregiver in the FBS were 37% more likely to be active after at least one year than businesses in our control group. Interesting 27% of our control sample were not able to run their own business at all, whilst 33%, ran a business that had collapsed. A possible reason for the comparative success of FBS businesses is the skills that FBS recipients are trained in by the FBOs. This assumption is supported by a majority of FBS beneficiaries in our qualitative sample believing that the success of their business was due to their business skills and by a small majority (35%) of those in the sample answering that the business training was the most important part of the FBS.

Saving 5,000 leones per week had a slightly positive effect on enrolment

91% of caregivers who were able to meet the FBS savings target of 5,000 leones per week were able to enrol their child in school. Comparatively, 85% of caregivers who were not able to save the same amount were able to enrol their children in school. This helps show the benefit of the savings scheme being included in the FBS. Whilst 20% of caregivers were not able to meet the savings target, there was still a positive pressure on them, from Street Child's social workers and FBOs, to save small amounts to go towards their child's education. This could explain their high rate of school enrolment compared to our control sample, where only 55% were able to enrol their child in school.

Illness was cited as the main reason that businesses failed

Illness was recognized as the primary reason for failure of businesses by our qualitative sample (28%). Sierra Leone generally has poor health outcomes, a significant portion of the population suffers health affecting factors such from lack of access to clean water, nutrient deficiencies and malaria. Factors such as these obviously would have a negative effect on productivity if the business owner was physically unable to perform normal business duties.



Evidence from our sample also suggested that family pressures were the second most likely cause for a business to collapse. These family pressures are often put onto families due to an illness/death. This is because in Sierra Leone there is an extended family system where the wealthier family members often look after the poorer family. In this case, family pressures often also relate to illnesses, where the business owner will be held responsible for paying to treat the sick family member. This means the business owner ends up paying the medical bills for their own household as well as for everyone else in their direct circle. In event of a death of a primary caregiver, members of the extended family will often take care of the deceased's children. This increases the amount of money need to provide for the household and this will often come from any savings that have been built up, or by the new addition to the household having to work instead of going to school.

Microfinance Literature Review

Street Child's FBS comes under the umbrella of microfinance. Microfinance is a collective term which includes micro-credit, micro-savings, micro-insurance and money transfers. These forms of microfinance have been targeted at the poor earning less than $2 per day and have been increasingly regarded an effective means of poverty reduction. In addition to the financial benefits, microfinance has been credited with providing non-financial benefits such as improved health, food security, housing, education and women's empowerment[7].

There have been mixed reviews of the effectiveness of microfinance interventions. An in-depth review has been carried out of various microfinance schemes in Sub-Saharan Africa[8]. Most of the schemes operated in rural areas and varied considerably regarding lending models and providers. Most provided group-based credit or individual saving accounts and some also provided linked programmes[9]. The review concluded that the complex nature of poverty and the variations in the different schemes made it difficult to pinpoint generalisable lessons. However, a number of findings can be highlighted which are significant for future policy and practice. First, micro-credit has received mixed reviews and has the potential to do harm as well as good. Secondly, there is no evidence that micro-savings alone have any impact although more research is needed in this area. Thirdly, the best outcomes from both financial and non-financial objectives have been achieved by a combination of micro-credit and micro-savings[10].

Other reviews have highlighted both the positive and negative impacts on the women in receipt of micro-credit for micro-finance enterprises. The negative impacts include stress on occasions of meeting the weekly repayments and strain on marital and other relationships as the women are divided between running their businesses and taking care of their homes and families[11]. In addition, there is the problem of women using the entirety of their loan for 'consumption' purposes such as paying school fees and health costs. Although such expenditure may increase living standards temporarily, there may be difficulties in sustaining this. Careful assessment and monitoring is therefore required by lenders to ensure that inexperienced borrowers are protected[12].

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[7] Van Rooyen, Stewart and De Wet, 'The Impact of Microfinance in Sub-Saharan Africa: A Systematic Review of the Evidence', World Development ,40, No. 11 (2012), pp. 2249–2262
[8] Ibid
[9] Ibid, p. 2253
[10] Ibid, p. 2258
[11] Rachel Sigalla and Stephen Carney, 'Poverty reduction through entrepreneurship: Microcredit, learning and ambivalence amongst women in urban Tanzania', *International Journal of Educational Development*, 32 (2012), pp. 546–554
[12] Ibid, p. 551

In terms of the positive impacts of the schemes on women, most women reported an improvement in their economic and social standing. Many women reported becoming more independent in making decisions following their newly developed business skills. The study does, however, highlight the complexities the women faced in negotiating these new values in the context of traditional societal expectations. Although the schemes can potentially enhance women's empowerment, ultimately the women were judged as having succeeded or failed based upon their economic performance[13].

Microenterprise

Microenterprise, as supported by microfinance, is increasingly seen as a poverty reduction strategy in developing countries. In the context of Street Child's FBS, microenterprise consists of small-scale enterprises selling goods or services. The decisions made by the recipients of grants about what products to sell will help to determine what money they will then have to meet their households' basic needs and so alleviate poverty. The provision of advice is an essential part of improving the capacity of recipients to maximise their incomes from microenterprise. Advice will cover what markets and products to choose as well as business strategy[14]. It has been argued that microenterprise can be most effectively used to reduce poverty by shifting the focus from the consumption needs of the poor in input markets to the needs of micro-entrepreneurs' potential customers in output markets. In order for microenterprises to be successful, funds must be supplemented with advice and assistance in formulating strategies designed to serve buyers in the micro-entrepreneurs' output market[15]. Microenterprises are less likely to succeed without advice on the markets to serve and the products to make for the buyers in the output markets[16]. A key aspect of Street Child's FBS is the provision of financial and business advice to help microenterprises thrive.

The World Bank carried out a review of 123 cash transfer programmes in Sub-Saharan Africa provided by both government and non-government institutions. The programmes were designed to provide social assistance to individuals through cash transfers and so in-kind or voucher-based programmes were excluded[17]. In the study carried out by the World Bank, it was noted that programmes have increased in the region as other types of aid have been perceived to be ineffective at achieving their intended goals. Traditional safety nets have been weakened through increasing migration, urbanisation and the breakdown of traditional family structures. The HIV/AIDS crisis has also presented significant challenges. In addition, there are many potential challenges from the social, political and economic landscape in Sub-Saharan Africa including exclusion, patronage politics, insecure property rights, environmental degradation and conflict[18].

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[13] Ibid, p. 551
[14] Sashi, 'The make-buy decision in marketing financial services for poverty alleviation', *Journal of Financial Services Marketing*, 15, 4 (2011), pp. 296–308
[15] Ibid, p. 302
[16] Ibid, p. 303
[17] Marito Garcia and Charity M.T. Moore, *The Cash Dividend: The Rise of Cash Transfer Programs in Sub-Saharan Africa*, (Washington, DC: World Bank, 2012), p. 14
[18] Ibid, p. 12

There are many commonalities with cash transfer programmes across the developing world but the programmes in Sub-Saharan Africa have some unique features. Cash transfer programmes in Sub-Saharan Africa often address very basic issues such as food security and survival. Sub-Saharan Africa cash transfer programmes also generally involve a high level of community involvement which can have both advantages and disadvantages[19]. Conditional cash transfers often attach 'soft' conditions which are more flexible and do not impose penalties for noncompliance in contrast to other parts of the developing world. In Sub-Saharan Africa almost half of cash transfer programmes are run by non-government institutions[20].

Different types of cash transfers

Innovations for Poverty Action carried out an evaluation of the different types of cash transfer programmes operating in Africa. IPA make the point that relatively few evaluations have been carried out of cash transfers in Africa in contrast to Latin America[21]. IPA studied a number of cash transfer programmes in Africa categorised as unconditional, conditional, labelled and in kind. Conditional cash transfers are generally made on the condition that the recipient meets specific conditions such as school attendance and unconditional transfers are made without any such conditions being imposed. Labelled cash transfers are defined by IPA as 'small cash transfers made to parents of school-aged children in poor rural communities, not conditional on school attendance but explicitly labelled as an education support program'[22]. The grants made by Street Child in the FBS are most comparable with labelled cash transfers.

Impact of conditionality of cash transfers on educational outcomes

There has been extensive research into the effects of different types of cash transfers on educational outcomes. A meta-analysis of the educational impacts and cost-effectiveness of 47 conditional cash transfer programmes in developing countries was recently carried out by Garcia and Saavedra[23]. The review found that there was no robust evidence to confirm a link between increased school enrolment and attendance and conditions on school achievement beyond standard attendance requirements. This supports the findings of Baird et al[24] that both conditional and unconditional cash transfer

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[19] Ibid, p. 5
[20] Ibid, p. 7
[21] IPA, *Evaluations of Cash Transfer Programs in African Settings*, 2014
[22] Ibid
[23] Sandra Garcia and Juan E. Saavedra, 'Educational Impacts and Cost-Effectiveness of Conditional Cash Transfer Programs in Developing Countries: A Meta-Analysis', *Review of Educational Research,* 87, 5 (2017), pp. 921–965
[24] Sarah J. Baird, Ephraim Chirwa, Jacobus de Hoop and Berk Özler, *Girl Power: Cash Transfers and Adolescent Welfare. Evidence from a Cluster-Randomized Experiment in Malawi*, Working Paper 19479, (Cambridge, MA: National Bureau of Economic Research, 2013)

programmes have comparable impacts on school enrolment. However, for attendance it does seem to be significant if conditions above school enrolment and attendance are required particularly at primary level.

Other research has been confined to the effects of cash transfer programmes in Sub-Saharan Africa. For example, both UNICEF and the World Bank have undertaken general reviews of programmes in the region in addition to research carried out into individual programmes. A number of specific cash transfer programmes which have some similarities to Street Child's programme are outlined in more detail below.

Zomba Cash Transfer Programme, Malawi

The CT programme which took place in the Zomba district of Malawi was funded by the World Bank and specifically designed for research purposes. In particular, the purpose of the research carried out by Baird et al was to test the impacts of conditional and unconditional transfers on educational, marriage and fertility outcomes for female adolescents[25]. The Zomba project was targeted at 13 to 22-year-old unmarried women, some of whom had already dropped out of school but others were still in attendance[26]. The CCTs were conditional upon school attendance but the UCTs did not impose any conditions for school attendance in order to receive the cash transfers[27].The results of the programme confirmed that conditionality was a key factor in driving educational outcomes including enrolment, attendance and test scores. UCTs also resulted in increased school attendance but not to the same extent as CCTs. UCTs were, however, linked with a decrease in teen pregnancies and early marriage[28].

Bourse Mamam Cash Transfer Pilot Programme, Mali

Bourse Maman was a small CT pilot in Mali funded by UNICEF designed to improve school attendance through involving mothers in the programme. Cash transfers were conditional on school enrolment and attendance on 80% or more of school days. Larger transfers were made for female student than males. The monthly transfer of CFAF (US$12) was paid to mother for eight months of the school year. School attendance was verified by NGOs and school authorities. An evaluation of the project commissioned by UNICEF found that the programme significantly increased school enrolment and attendance. However, the evaluation also identified problems with confusion over targeting, coordination failures with NGOs, opposition from local Muslim leaders and payment delays. Some of these issues were resolved following programme expansion and improved communication[29].

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[25] Marito Garcia and Charity M.T. Moore, *The Cash Dividend*, p. 157

[26] Sarah J. Baird, Ephraim Chirwa, Jacobus de Hoop and Berk Özler, *Girl Power*, p. 2

[27] Ibid, p. 8-9

[28] Ibid, p. 20

[29] Marito Garcia and Charity M.T. Moore, *The Cash Dividend*, p. 276

Senegal's CCT for OVC

There is a major CCT programme for OVCs in Senegal which aims to address developmental needs at different stages of the childhood life cycle. It targets interventions at orphaned and HIV/AIDS affected children[30]. Specifically, the programme aims to ensure access to educational and vocational training to OVCs, to support OVCs' financial needs for transportation, uniforms etc and to provide psychosocial and family support[31]. Conditions for the cash transfers include providing proof of school enrolment, payment of school or vocational fees, regular school attendance and receipt of adequate medical care. Continue failure to adhere to conditions may result in expulsion from the programme[32]. Some of the lessons learned include the importance of providing psychosocial support and good communication measures to maximise the programme's effectiveness[33].

CT-OVC, Kenya

Unlike the above programmes, the CT-OVC programme was an unconditional cash transfer programme. The trial of a cash transfer programme started as a partnership between the Kenyan Ministry of Home Affairs and UNICEF. The focus of the programme was to use cash transfers as a means of strengthening the capacity of families and communities to take care of OVCs and specifically to improve the health and educational outcomes of OVCs[34].

Educational outcomes were significantly improved with more children being enrolled at school in beneficiary households. The impact was most significant for secondary level education. This finding correlates to the results from other conditional and unconditional cash transfer programmes[35]. The programme also produced most impact for smaller households compared to larger households. This was across a spectrum of outcomes including poverty, school enrolment and child health[36].

One concern often expressed about cash transfers is the potential for households to become dependent on them or to misuse them. In the Kenyan case, the value of the transfer was initially around 22% of average beneficiary household consumption and decreased to around 11%. Households were never, therefore, completely dependent on the transfers. Regarding how the cash was used, the study found that cash was generally used effectively and for the purposes intended. For example, households spent more on education and food. There was also increased savings and investments particularly in households engaging in agricultural enterprises[37]. This finding is

[30] Ibid, p. 301
[31] Ibid, p. 302
[32] Ibid, p. 303
[33] Ibid, p. 304
[34] UNICEF, *Social Cash Transfers and Children's Outcomes*, p. 117
[35] Ibid, p. 129
[36] Ibid, p. 132
[37] Ibid, p. 135

particularly relevant for Street Child's FBS which aims to generate a secondary form of income for a household which can then be used for educational expenses.

The programme gave serious consideration to the use of conditions and eventually decided against the use of hard conditions. It was felt that hard conditions proved unnecessary and would be costly and complicated to implement and monitor in any event. In addition, there was the risk of potentially penalising the most vulnerable households. 'Soft' conditions were, therefore, considered to be the most effective[38]. UNICEF's review of the Kenyan CT-OVC and other programmes provides strong evidence for unconditional cash transfers in SSA. The benefit of UCTs is their lower operational costs compared to CCTs, comparable results when compared to CCTs, the potential for a wide range of impacts and the flexibility for households in managing their expenditures[39]. The evidence does not support the argument the cash transfers create dependency or result in misuse of funds[40].

Tayssir CCT and LCT Programmes, Morocco

Another programme operating outside of Sub-Saharan Africa offers some useful insights into the use of labelled cash transfers. The Tayssir programme in Morroco was initially set up as a CCT by the Ministry of Education aimed at improving primary school attendance rates[41]. The Ministry of Education asked Benhassine et al to carry out an evaluation of the CCT programme. The CCT stipulated minimum school attendance requirements in order to parents to receive cash transfers. The researchers were particularly interested in whether the positive outcomes associated with conditional cash transfers could be replicated at lower cost through labelled cash transfers. In parallel to the existing CCT programme, the Tayssir programme also included a labelled cash transfer which was specifically tied to an education goal but without any formal requirements for attendance or enrolment[42].

The study found that school attendance improved under both types of cash transfers although the labelled cash transfers actually produced better results. The researchers concluded that adding formal conditions tends to decrease the overall impact on participation and learning[43].

Interestingly, the study found that both programmes were poorly understood by about half of the participants who did not appreciate whether conditions attached or not which questions the significance of conditionality[44]. The study also found that programme effectiveness was not dependent on whether cash transfers of both types were made to mothers or fathers in the

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[38] Ibid, p. 136
[39] Ibid, p. 335
[40] Ibid, p. 336
[41] Najy Benhassine, Florencia Devoto, Esther Duflo, Pascaline Dupas, and Victor Pouliquen, 'Turning a Shove into a Nudge? A 'Labeled Cash Transfer' for Education', *American Economic Journal: Economic Policy*, 7, 3 (2015), pp. 86–125
[42] Ibid , p. 88
[43] Ibid, p. 117
[44] Ibid, p. 89

households[45]. This underlines the importance of framing the programmes as being of educational benefit which enhances parents' perceptions that education is a worthwhile investment. The significance of the study is that LCTs can produce results as good as, and even better than CCTs, but at reduced costs (there was a 25% reduction in administration costs in the LCT programme compared to the CCT programme)[46]. This study reinforces Street Child's use of LCTs in its FBS to improve educational outcomes.

Comparison of educational outcomes using microcredit

Although all types of cash transfer programmes have been found to have a significant impact on educational outcomes in various countries across Sub-Saharan Africa, the picture is different for the use of micro-credit in this context. Various studies carried out into the impact of microfinance on education have produced very mixed results and concerns that it may be doing more harm than good[47]. Of particular concern is the use of microcredit which attracts interest and can result in households becoming more indebted and so unable to pay school fees. For example, studies carried out in Malawi and Uganda found that school attendance significantly decreased among borrowers' children and also that borrowers were more likely to be unable to pay school fees with the result that their children were more likely to drop out of school[48]. In the context of education, some concerns have therefore been expressed regarding the use of microcredit to improve educational outcomes. Instead, the focus should be on improving financial outcomes as the primary objective rather than promoting microcredit as a potential direct solution to education and other social problems[49].

Resilience

One of the arguments in favour of cash transfers is the potential for building longer term resilience. Resilience has been described as 'strengthening poor households' capacities to deal with shocks and stresses, manage risks and transform their lives for the better in response to hazards and opportunities'[50]. CARE International commissioned a study of the impact of its cash transfer programmes on building longer term resilience. The study focused on data obtained from country programmes in Zimbabwe, Niger and Ethiopia.

CARE's resilience framework is constructed using four core resilience capacities – anticipatory, absorptive, adaptive and transformative[51]. *Anticipatory* resilience is the capacity to foresee and therefore reduce the impact of hazards which may occur. *Absorptive* resilience is the capacity to accommodate the immediate impact of shocks and stresses by making changes in everyday practices

[45] Ibid, p. 117
[46] Ibid, p. 118
[47] Van Rooyen, Stewart and De Wet, 'The Impact of Microfinance in Sub-Saharan Africa'
[48] Ibid
[49] Ibid
[50] CARE, The impact of cash transfers on resilience: A multi-country study, (CARE International, 2017)
[51] Ibid, pp. 4-5

and behaviours. *Adaptive* resilience is the capacity to adjust behaviours, lifestyles and livelihoods strategies in response to changed circumstances and conditions. *Transformative* resilience is the capacity to influence the enabling environment and drivers of risk to create changes in behaviours, local governance and decision-making structures.

The study showed that cash transfers have the greatest impact on absorptive capacity[52]. One important finding included the need for transfer values to reflect current market prices of key goods and services as well as real labour wage rates. Regarding anticipatory capacity, the study showed that cash transfers did not seem to have a significant impact on this. However, there was evidence of a positive link between cash transfers and boosting anticipatory capacity through increased savings and investment. In addition to the increase in a household's capacity to meet its short-term basic needs, the focus on savings and investment resulted in positive behavioural changes[53].

The study did not find evidence that cash transfers result in immediate gains in adaptive capacity. There was, however, evidence that adaptive capacity may be boosted by the adoption of advice given in conjunction with cash transfers[54]. In contrast, cash transfers had a positive impact on enhancing transformative capacity. The study found that greater participation in social networks by the recipients of cash transfers together with the emergence of women as key decision makers regarding household welfare spending were significant factors in boosting transformative capacity[55].

The key recommendations of the study underlined the importance of the design of cash transfer programmes to include at least two or more resilience capacities[56]. In particular, the study underlined the general importance of complementary services in addition to cash transfers as well as access to collective action structures such as cooperatives and local governance committees[57]. The study also found that conditional cash transfers are most appropriate for strengthening adaptive capacity. The study also highlighted the need for transfer values to reflect real prices and take inflation into account[58].

The issue of resilience is particularly relevant to Street Child's FBS as the grants cannot be predicted to generate a specific amount which can then be used towards education costs. The scheme is therefore perhaps best viewed in the context of building resilience so that households can meet education costs but also manage shocks such as decreases in other household income or family illness.

[52] Ibid, p. 16
[53] Ibid, p. 17
[54] Ibid, p. 16
[55] Ibid, p. 17
[56] Ibid, p. 17
[57] Ibid, p. 18
[58] Ibid, p. 18

Training Schemes

A very important aspect of Street Child's FBS is the provision of business training. The importance of business training is increasingly recognised as part of the provision of microfinance. 'Financial literacy' is considered essential in order to understand any information provided and to make informed business decisions[59]. Financial literacy initiatives may include various tools such as the 'livelihood road journey'[60]. In addition, other complementary services may be provided by NGOS which are often referred to as 'credit-plus'[61]. These can include education programmes and health awareness programmes. For example, the Intervention with Microfinance for AIDS & Gender Equity (IMAGE) Project in South Africa was developed by the Small Enterprise Foundation (SEF) and the Rural AIDS and Development Action Research (RADAR) Programme to be integrated into an existing microfinance programme.

FBS Background

Though primary education is nominally free, informal school fees and the cost of educational materials make it challenging for families to consistently send all their children to school every year from the correct entry age of 6 years old. At secondary level, school fees and associated costs of educational materials increase, which decreases the school retention rate further.

In 2008, Street Child began working with street-connected children in Makeni, in Northern Sierra Leone. During 2009, following intensive social work, 170 children were successfully supported to return to their families and to enrol in primary school, secondary school, or technical vocational training. Having covered the initial financial burden of returning 143 children to formal school, it was recognised that, with poverty being the primary reason for resorting to the street in the first place, families would not have the means to keep them in school beyond the first year. The Family Business Scheme was designed in 2009 to address this crucial issue.

The FBS is the key to the sustainability of Street Child's projects for out-of-school children in Sierra Leone. The purpose of the scheme is to address and eliminate poverty as a barrier to a child receiving education by supporting families to establish a sustainable source of income. Using a tailored process of grants, business advice and incentivised savings, Family Business Officers work with families to

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[59] Linda Mayoux and Maria Hartl, *Gender and rural microfinance: Reaching and empowering women*, (IFAD, 2009)
[60] Ibid, p. 35
[61] Ibid, p. 38

develop and implement a business plan, and to entrench a pattern of saving to meet future educational expenses.

Following the initial success of the scheme in Makeni, the model was replicated in Lunsar in 2010 and in Magburaka and Kono in 2011. Between 2009 and 2012, a total of 810 families were supported to establish businesses and, according to a Sustainability Impact Review carried out in 2013, 684 were still operating successfully (84%) and 91% of children enrolled in formal school were still attending. The review also identified that over 40% of households who benefitted from business support were using business profits to retain 2 or more children in school, leading to a refinement in the model to direct a greater level of support to families with multiple out-of-school children.

In 2013, Street Child secured its first DFID contract which enabled a major nationwide expansion of the street-work and family business models, creating the capacity to reach acutely vulnerable children in every major town in Sierra Leone. The second year of this project coincided with the outbreak of the EVD virus in Sierra Leone in May 2014 – and the devastating effects on communities and families throughout the country. Street Child's EVD Orphan Report (2015) identified over 12,000 children who had lost a key caregiver to EVD. Families who had been struggling before were now having to cope with the loss of the breadwinner, support the children of deceased family members, run a business in a devastated economy and face many more challenges as the country fought to overcome the virus.

In this context, the need for the FBS was greater than ever before, with growing numbers of children across the country unlikely to ever return to school as families fell deeper into poverty. The emergency context led to a rapid expansion of the FBS and between 2015 and 2016 over 12,000 grants were disbursed to families severely impacted by the EVD crisis – and crucially, for the first time, seed grants were provided to rural families, many of whom were forced to abandon their farms at the peak of the outbreak, with devastating consequences. These grants helped to ensure that more than 20,000 children were sustainably enrolled in school after the outbreak.

FBS Model

Following successful completion of a process of counselling and family mediation, families for whom poverty is found to be the principal barrier to education are referred to the business team for assessment. In order to identify the most appropriate support package, families are placed into one of four categories:

Category A – families where finances are not determined to be the barrier to the child's education

→ *Continued support from the project provided in the form of counselling, moral support, and monitoring*

Category B – families that have a viable business already, capable of receiving investment

→ *Appropriate support from the project anticipated to be effective in raising family income to levels where they can fund their child's education*

Category C – families that do not have a viable business

→ *More intensive support from the project likely to be successful in assisting the family in developing and operating a business capable of raising family income to levels where they can fund their child's education*

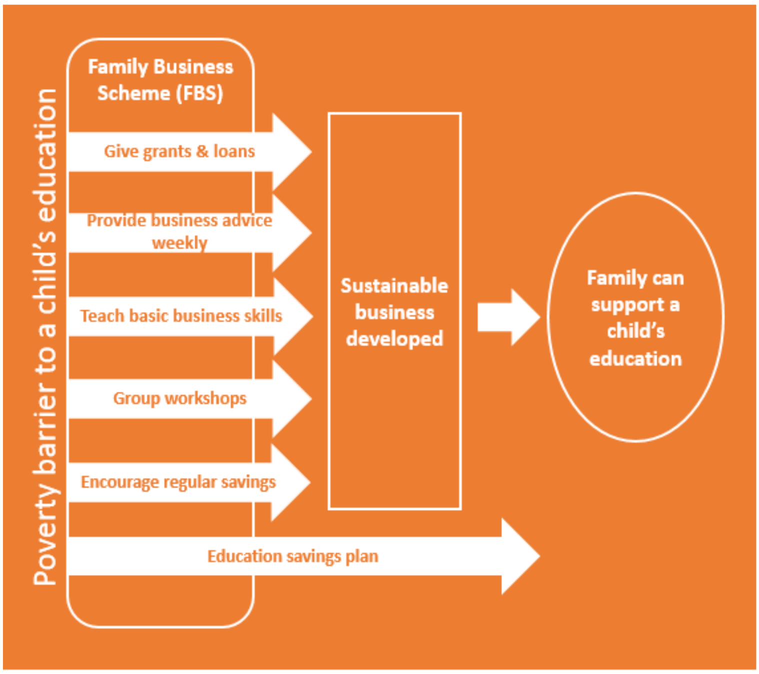
Category D – families who due to physical or mental ability do not appear capable of managing a business

→ *Therefore, an alternative solution must be found for the family – this process usually entails finding a family member or friend who the project can support and who can manage a business on or partly on their behalf*

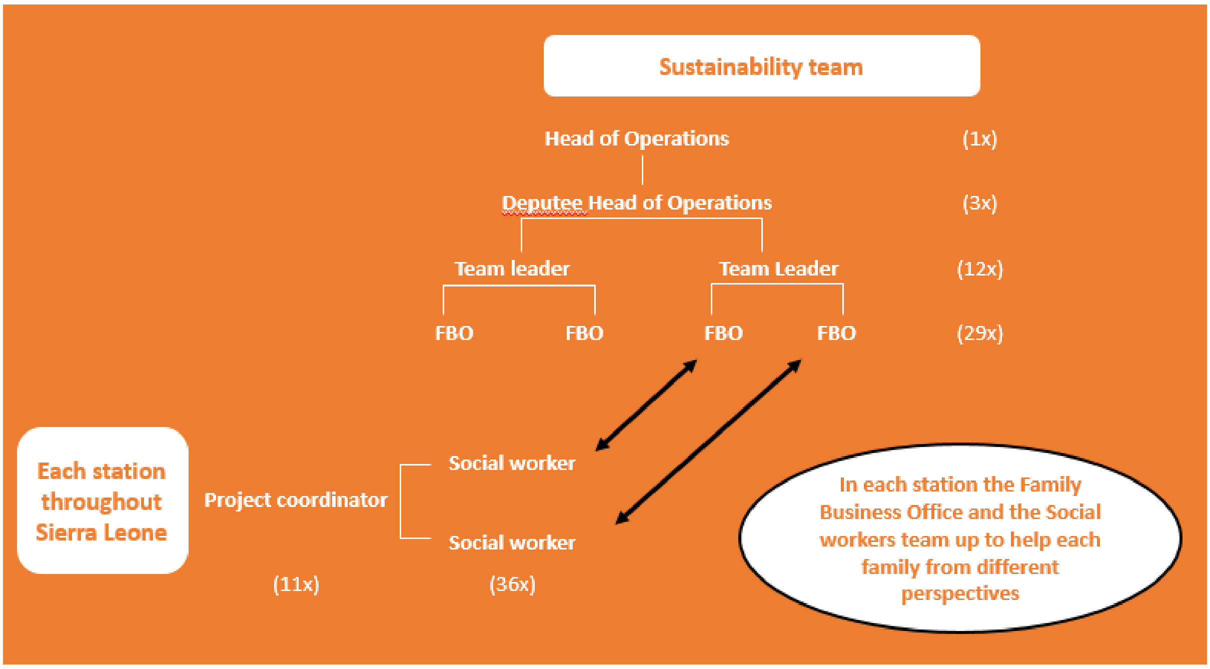
Those families in categories B-D who are financially unable to support their child's education are assisted, via a tailored process of training and grants, to establish or expand a business which will provide an ongoing source of income. This process therefore benefits the entire family, rather than solely the identified beneficiary. In many cases additional children within the household are also identified as being out of school and these families are supported with a proportionately larger grant, enough to ensure that every child in the family can access education.

Once taken onto the scheme, Street Child's specialist Business Officers conduct training workshops with caregivers and assist them to draw up a viable business plan. The families are then provided with a grant with which to establish the business and are given ongoing support and advice during regular follow-up visits. Throughout this process, the child's progress at home and in school is also monitored with any issues referred back to the social team for follow-up. Families are encouraged to take part in an incentivised savings scheme over a 20-week period which demonstrates the benefits of saving and helps to entrench a pattern of setting money aside to meet future educational expenses. During the savings scheme a Business Officer would visit the caregiver on a weekly basis. Le 5,000 would be collected each week for a period of 20 weeks. After successfully completing 20 weeks, the business officer would re-visit and a give the caregiver the Le 100,000 that they have saved. The Street Child saving scheme would be completed with the encouragement to continue saving.

The organisation's structure enables the successful beneficiary selection, grant distribution and business monitoring. Each district which has grant recipients has a dedicated team responsible for the programme implementation. The social workers are tasked with beneficiary selection and all counselling duties. The business officers teach basic business skilled, give out the grants to those caregivers chosen and follow up with the ongoing savings scheme.



The graphic below highlights how this structure functions, with hierarchy and management tiers. The FBS scheme uses the existing Street Child resource of social workers to support the teams.



Review analysis, verification and methodology

The report and its findings are based on analysis taken from Street Child's complete FBS database of 15,000 FBS caregiver beneficiaries and for comparison, control group interviews were taken with 353 caregivers who have not been given any support but were previously assessed as eligible for participation in the FBS. Additionally, 1,135 interviews were conducted with FBS recipients to provide qualitative analysis into the success of the scheme.

The quantitative data has been collected and analysed from the following cities and towns across Sierra Leone; Bo, Bumbuna, Freetown, Kabala, Kailahun, Kenema, Kissy, Lunsar, Magburka, Makeni, Mile 91, Moyamba, Port Loko, Rutile and Waterloo. Street Child station offices in each location collected data using the same data collection system and tools. To collect business related data, FBOs went to businesses ran by recipient once a week, and also conducted home visits to beneficiaries at a separate point in the week. During the home visits, Business Officers would collect savings from the beneficiaries and record whether they were able to make the savings target or not. Social workers checked weekly with school registers to record whether the child/children of the caregiver were attending schools. Both business officers and social workers recorded data on paper which was then be uploaded to an electronic database. The tools used to collect data from school enrolment, savings and business activity are attached in the appendices.

The wider database was first cleaned for duplicate observations and mislabelled classes. Missing categorical data was labelled as ‘Missing’ so that there were no missing values in the dataset which might impact the analysis. 2 stations collected no data for the gender of the caregiver and an additional 2 did not have recorded data on whether beneficiaries met the required savings target. When analysing variables that included either gender or meeting the savings target, stations that did not have the data were discounted.

The database had verification checks for the data collected from three-year DfID funding project to check the legitimacy of the data. These were carried out at some of the stations by members of SCoSLs senior management who used standardized tools to collect information for randomly selected case files.

To gain further insight into the quantitative data collected, a sample of 1,115 interviews were conducted. We wanted to interview a sample size large enough to enable it to be statistically representative for the entire scheme. In total, 1,115 (7%) interviews were conducted, on 18 locations in total. FBS’s were distributed throughout all major towns within Sierra Leone and therefore interviews were also conducted throughout. The number of interviews in each location were proportional to the amount that the location represented of the total 15,000 grants distributed. The team used a cluster sampling method: caregivers who sell/reside in same communities were randomly selected and grouped together to form a cluster. Interviewed and not yet interviewed caregivers were held separately, to make sure the answers weren’t influenced.

Control sample data was collected from the period of September 2017 to September 2018, to coincide with the beginning of each school year. The control group was not run concurrently with the full database and comprised of caregivers with eligibility, but not selection, to a specific funder. Due to their eligibility to the FBS, control group members were of the same socioeconomic background and faced similar challenges to caregivers who participated in the FBS. Control group members were spread across the following cities and towns, Bo, Bumbuna, Freetown, Kailahun, Kenema, Kissy, Kono, Makeni, Mile 91 and Port Loko.

Limitations of the study

The amount of missing data in every station’s FBS files reduced the statistical power of the quantitative analysis and has potentially given some bias to the findings. Data was not collected at all from Pujehun, and in Port Loko and Kailihun there was no data for the gender of the caregiver. Port Loko and Kenema did not have any data on whether the beneficiary had met the savings target set by the FBS. In other stations, data was missing from business activity, savings targets and school enrolment.

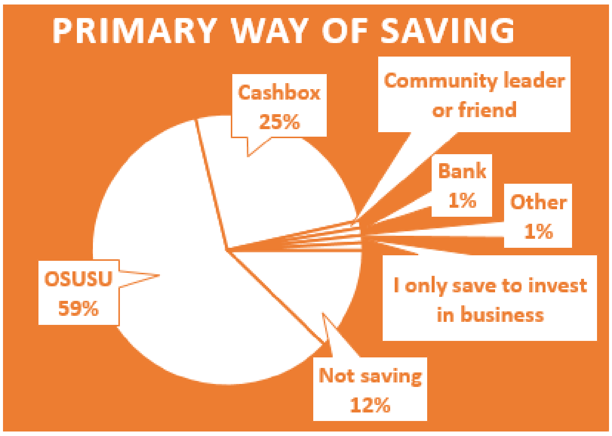
Our control group was not fully representative of our entire database as the sample was taken from a specific funder’s selection. Specifically, this meant that the control only selected from prospective beneficiaries whose children were all transitioning from class 6 to JSS1. The move from class 6 to JSS1 has a high drop-out rate in comparison to other school years and so this might place a bias on enrolment rates for the current year in our control sample. In addition, the control group was observed from September 2017 to September 2018 however, the wider database and qualitative sampling was collected in 2016 and 2017. Complete control group data was also not collected from a number of stations as the caregivers that were designated as part of the control group were given some form of treatment.

One area that the qualitative interviews failed to address was the location of the businesses within the community. This would have been a valuable tool to determine whether business location has a role to play in its success. This information would have been useful for our business officers when advising new grant recipients when choosing the site for their new business.

Analysis: Report findings

Savings Mechanisms

Whilst the FBS model promotes setting aside weekly savings, the FBS does not offer a formal savings mechanism. We found that the most common way beneficiaries in our sample saved money was through a community OSUSU group, 59% of them saving in this way. 25% saved by using a cashbox in their home. In an OSUSU, a group of people each invests money on an agreed regular base and a member can take out the full weekly amount submitted by the rest of the members at a on a certain week. Looking at those who use more than one method to save, 75% of the business owners ins our sample had a cash box as well as being part of an OSUSU. Another 15% of the business owners was part of secondary OSUSU group. In interviews, caregivers highlighted the fear that the 'master' of the OSUSU might disappear with the money and so being part of a second OSUSU could be a safeguard to this risk.



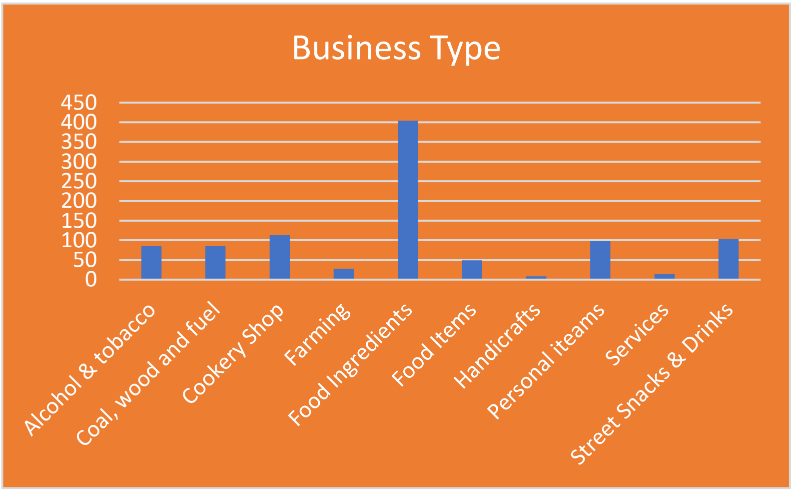
This is Isatu from Port Loko received the business grant in 2016 because her grandchild was out of school. She sells Palm oil and condiments. She joined an OSUSU to which she adds 5,000 Le a week, and every 10 weeks she receives her savings. She looks after her family all alone, and she now can afford for her 2 Primary aged grand children to attend school. Her secret the business success?

"Understand your customers and know how to convince them to buy!"

There is a lack of diversity in business types

To gain a better understanding of what businesses our beneficiaries were running we asked our qualitative sample what specifically they were selling. 92% of Sierra Leone's workforce is employed in the informal economy and agricultural is the largest sectoral employer, employing 67% of the population [62] so we assumed that the majority of businesses would be informal and based in the agricultural value chain.

68% of beneficiaries in our qualitative sample and 71% of business owners in our control sample sold products in the agricultural value chain, whether it be farming, food ingredients or street snacks. Whilst this might not be indicative of our entire database it does match up to macroeconomic reviews of Sierra Leone's economy. More specifically, the sale of raw food materials and other food related sundries were the most common in the sample with 19% of all business selling them.



In our sample interviews, competition was highlighted as the hardest challenge that businesses had to face, 29% of active business owners in our sample said their biggest challenge was competition with other similar business types. This supports our assumption that most businesses in the FBS scheme are selling similar products.

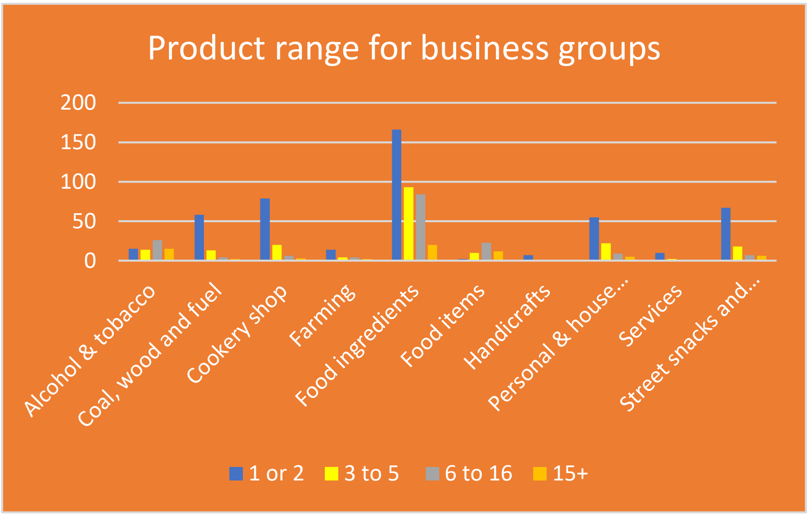
Meet Haja from Lunsar, a single mother of 2 and caregiver of another 4 Ebola orphans. She received a grant of 600.000 in 2015 and started her business by selling plastic buckets, a quite slow-moving item. Now she is selling palm oil and benni, of which she is saving 25.000 Le a week for school expenses. Her business is doing the best it has ever been. Her secret? She increases the price for customers that don't seem to know the real market value.

"The price of palm oil is unstable, so I use it to my advantage"

[62] Danish Trade Union Council for International Development, 2015

There are often small product ranges within individual businesses

Looking further out the potential lack of diversity in businesses, information from our sample suggests that many businesses only sell a limited number of products. This is especially evident in the food/agricultural sector where 51% of business only sold between 1 and 2 products, 74% selling under 6. A possible reason for the increased pressure business owners felt from competition could have been that the majority of businesses were selling the same, limited number of products and didn't have anything to differentiate themselves with.



The business with the highest range of products were alcohol and tobacco sellers, and food item sellers. Both of these business types typically sold low value, manufactured goods which don't spoil quickly and are high up the value chain compared to food ingredient and cookery businesses.

Desire for a loan scheme

When asked how business owners could improve their business, 34% of caregivers in our sample thought that access to more capital through a loans scheme would be most beneficial. 19% of the sample instead thought that joining a savings group would help improve their business the most. Whilst our sample might not be indicative of our entire database, as 53% of them believed that a new financial product or service would improve their business the most, this is something that should be looked at in greater detail in the future. It is interesting that whilst business owners in our sample group felt that the grant was less important than the training, significantly more of them thought that the next steps to grow their businesses should be increased access to capital. This could be because the fell that their businesses have to larger to out-compete their competition, or that they are already sufficiently trained in basic business skills.

Jane is 28 and cares for 4 children in Makeni. She used to sell cassava leaf before receiving FBS support but ended up changing her business as she found that the times when she sold cassava leaf in the market, most other people in the market were also selling it.
She now sells a wider variety of food items such as stock cubes, irish potatoes and sugar as she thinks there is less competition for them as they are all less seasonal.

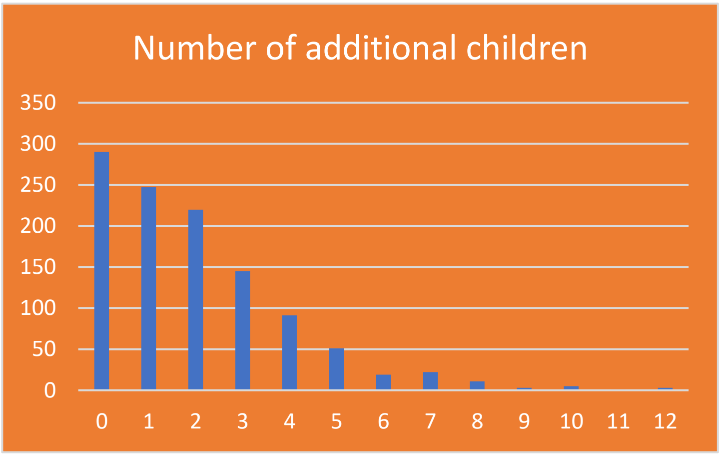
"The grant allowed me to buy products to sell that aren't seasonal. In season it is hard to sell cassava leaf as that is what everyone is selling."

Importance of backyard farming

Backyard farming (also called gardening or farming) is growing vegetables on a small scale, most often very close to the home. Families tend to do this because growing vegetables is cheaper than buying vegetables (even if they have to rent a bit of land), which reduces the cost of feeding significantly, as families only have to buy the remaining condiments.

20% of businesses in our sample that collapsed turned to backyard farming to support themselves. Moreover 10% of the businesses we interviewed still also focussed on farming as well as running their business. A potential reason for caregivers to continue farming activities is as a form of insurance or to supplement the income they would spend on their household to feed themselves.

Caregivers often looked after additional children

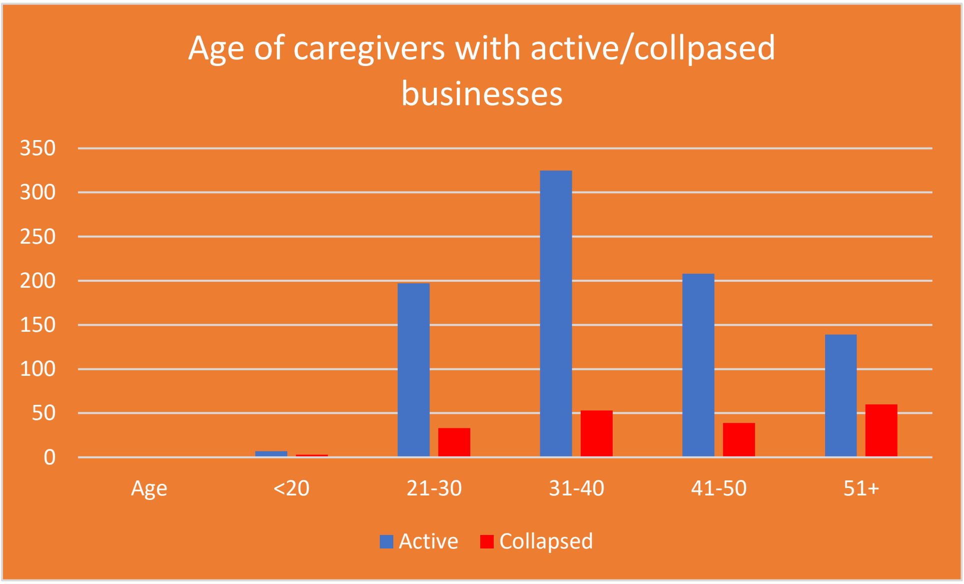


Findings from our sample suggest that many caregivers provide for additional children as well as their own, increasing the financial pressure on the household. In our sample 74% of caregivers were also caring for at least one additional child. Whilst we cannot tell whether this is representative of our entire database, Sierra Leone has an average life expectancy of 51+ and has recently had to deal with the Ebola outbreak, meaning that many children are orphaned and have to be cared for by secondary caregivers. Street Child's research in 2015 indicated that there were over 12,000 children that had lost a key caregiver.

> *"I cook for ±90 customers a day and that is how I keep my grandchildren in school"* - KUMBA, COOKERY SHOP, FREETOWN

Older caregivers were more likely to run a business that failed

Older caregivers in our sample (51+) failed significantly more often than younger business owners, older caregivers were over 10% more likely to have run a business that would fail. The life expectancy for Sierra Leone, is 49 years for men, and 51 years for women.[63] Hence the risk of the business owner falling sick, or even dying, is significant, and this is a risk that presumably increases with age.



Our sample suggests that illness and death were some of the major factors in businesses collapsing and this supports the assumption that age is a factor in the success rates of businesses.

Literacy

The literacy rate for women in Sierra Leone is 37.8, as per DHS data from 2016, however we found that our in our qualitative sample, only 132 (12%) of respondents self-reported that they were literate. This variation could be due to the FBS targeting some of the most underprivileged individuals or because of bias due to the size of the sample.

To help overcome the lack of literacy in FBS beneficiaries, FBOs use a mostly oral teaching method instead of relying on more traditional written tools. By using oral methods, instead of using more traditional written business lessons, it was hoped that the business training would be received more effectively.

Both illiterate and literate caregivers mostly used OSUSU's as their savings mechanism, with only 2% of literate and 1% of illiterate women in our sample interviews using banks. This supports the current accepted wisdom that ultra-poor illiterate people are generally excluded from using formal savings services such as banks.

[63] SL DHS, 2016

Our sample suggests that whether the business owner was literate made very little difference in business success rates, however because of the limited number of literate business owners in our sample, this could be simply a product of the sample size.

Sole Earner

Most of the caregivers in our sample (74%) reported that they were also the breadwinner before the grant was given. Most of the times they ran small businesses or money was made through activities such as farming, domestic services or mining. Out of the interviewed business owners, 68% said that before the grant the breadwinner of the family earned money through a family business as well, in which 43% of the cases it was the same caregiver who ran the business – which fit the profiles that Street Child identified as type B. Another 16% relied on farming and the rest on a variation of jobs, including mining, driving and teaching before they received the grant.

This helps show where Street Child's FBS is situated within microfinance projects that run in Sierra Leone. Evidence from the sample helps support the idea that the FBS does not completely change the financial outcomes for a family, rather supports the caregiver's ability to be able to send their child to school.

Running an active business means better ability to save

An assumption that is key to the FBS is that having an active business means that the business owner will have a better ability to consciously put aside savings each week. There is a clear evidence that throughout the scheme, having an active business meant that families were better able to put money aside as savings, both to pay school fees and to protect themselves from income shocks. 90% of active businesses were able to meet a savings target of 5,000 Leones per week whereas only 64% of inactive businesses were able meet the same savings target. Given how prevalent income shocks are to businesses in our scheme, it is encouraging that 80% of beneficiaries were able to complete the savings target throughout the FBS.

This is Kadiatu, a mother of 2 children that both attend primary school. With our 400.000 grant she start a mobile cookery shop to sell foofoo. The business itself is going will, but when school fees had to be paid, she used the business cash to pay for it, not her profits. When asking her what we should really focus on with new families, she said to focus more on the savings, for much longer than 20 weeks.

"Some caregivers take longer to get in the habit of saving. If the program lasted longer than 20 weeks, their business could do better."

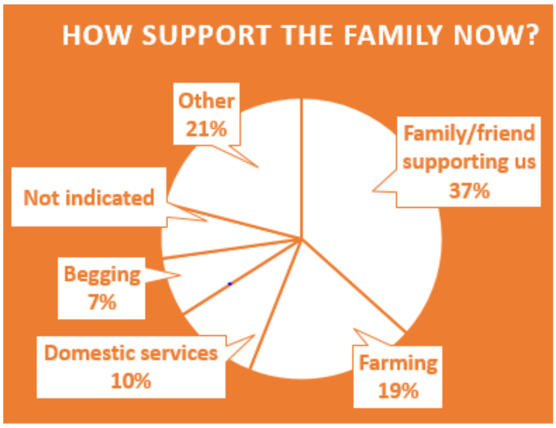
Aid from other NGOs

9% of our sample received financial aid from another NGO whilst they were supported by the FBS. Since our target beneficiaries are some of the most underprivileged in Sierra Leone, it is obvious that other NGOs, working in the same location, who target similar groups of people, might also support them. There is no coordination between NGOs on selected beneficiaries which is a reason why the crossover of aid has happened.

Ability to pay educational costs

Almost all families (94%) reported that they were more able to pay for educational costs than before, and almost all caregivers reported that their first or second reason for saving was to meet education costs (with two thirds prioritizing re-investment in the business for future sustainability as the primary use for savings). Street Child's most recent participatory evaluation with children showed that children in one program felt 20% more secure in school than at the beginning of the scheme. They also reported a general increase in wellbeing overall with the family mediation and counseling provided as part of the program.

Caregivers income after business failure



After a business has collapsed, the caregiver has to find a new way to earn money. Due to the cultural tradition of families looking after each other, 37% of the caregivers in our qualitative sample whose businesses is no longer active is relying on family or a friend for financial support. This supports the assumption that caregivers face significant financial pressure from their extended families, as we can see the reverse effect here.

Another 19% of the former business owners in our sample reported that they started doing small scale farming (so called backyard gardening), which usually means growing vegetable for your own consumption. Next to that, 10% of the failed business owners started to do domestic jobs such as laundry or water fetching.

Ebola Virus Disease

Within the period of grant distributions there was a major event that influenced the performance of the businesses: the Ebola Virus Disease. EVD resulted into a slowing of the economy and higher than usual expenses. Many caregivers had to pay medical expenses and the costs of funerals. The government had to make some decisions to prevent the EVD from spreading further, weekly markets were cancelled, there were travel restrictions and all business had to be closed after 18h00 as most people with EVD symptoms were moved around after dark. Because of this many business owners were not able to buy new stock or reach their customers and had fewer opportunities to sell. Business owners who sold food items, such as street snacks, cookery shop and condiments, suffered even more because people stopped buying food in the public, due to the risk of contamination of the EVD.

Conclusions

Successes of the FBS

The FBS has largely achieved its goal of increasing enrolment rates for at-risk children and this supports other research that has been conducted to evaluate the success of conditional cash transfers on school enrolment rates. It is encouraging that the FBS often did not only support a caregiver and one child but was often able to help a caregiver support an additional child back into school. The significantly higher chances of a child being enrolled in school if their caregiver was part of the FBS is especially positive as this is the primary aim of the scheme.

The success of the scheme to help caregivers start a committed savings schedule is another positive outcome of the FBS. This is especially so, considering the evidence produced by this report that shows the substantial impact illness has on a caregiver’s business and therefore the chances of their child being enrolled in school. Having increased savings should be able to mitigate some of the less serious effects of an illness, keeping businesses afloat and children in school. However further research needs to be undertaken to evaluate the long-term uptake of the savings schedule.

The impact of the training that FBS recipients received is a positive factor that has contributed to the overall success of the scheme. It is encouraging that businesses were more successful when they were supported by FBS, and that beneficiaries valued the training that they were being given.

Shortcomings of the FBS

Whilst businesses supported by the FBS were more likely to be successful than those in our control group, they were mostly not using any innovative business techniques or selling any different products. Whilst the homogeneity of available products is not a shortcoming of the FBS, however more should be done to teach recipients tested business techniques that will further help them differentiate their businesses. A negative example of this is that FBS recipients are taught that the location of their business is the keys to success. Beneficiaries are told to sell in busy markets, which naturally have an increased footfall of potential customers, however all that is being done is copycat businesses are set up in the same location which it leads to crowded and ultra-competitive market-places. Business owners therefore are unable to distinguish their business by their products or sales method alone.

The FBS business training does not teach any basic financial literacy. It is widely recognised that the teaching of financial literacy is a crucial aspect of any microfinance program and without it the FBS training misses' opportunities to provide training that could increase the chance of businesses surviving further. Whilst teaching mostly illiterate and innumerate beneficiaries financial literacy does come with challenges, several organisations have managed to do it by using tools that utilise colours and symbols. Many interviewed FBOs were not able to use simple financial tools, such as cashflows, and this is also a concern.

FBOs are not provided with formal regular training, and the training that is provided largely comes in the form of articles sent over an FBO whatsapp group. Whilst using whatsapp is an innovative method in spreading information cost-effectively and quickly, there is no way to tell whether the information being spread is taken on by FBOs, or of its suitability to FBOs. Further to this, there are some universal business skills that are currently not being taught to FBS recipients by FBOs. Even more worryingly there were misconceptions about key business practises that were taught by FBOs, which leads to questions about FBOs own business knowledge.

Recommendations

Where the FBS differs to some educational outcome orientated conditional cash transfer projects is that it includes family counselling given by social workers to the caregiver. It would be interesting to evaluate the impact of the family counselling sessions and find what made the most impact, the business side of the FBS or the social side. A study should also be undertaken to find what the most significant aspect of the FBS support is, whether this is the business training, savings scheme or the grant.

Whilst we have found that illness and family pressures account for a substantial proportion of the reasons why businesses ran by FBS beneficiaries failed, it is unclear what specific attributes contributes to the successful businesses. Additionally, we do not know whether businesses that have received FBS support are successful in the long-term. It would be interesting to evaluate the keys to informal business success, both short-term and long-term, and incorporate the findings into the business training and future program design.

Many FBS recipients that were informally excluded from formal financial products, found that the savings scheme was valuable and felt that being enrolled in a semi-formal savings scheme, such as an OSUSU was an important aspect of their business. The FBS and other conditional cash-transfer schemes that are running in Sierra Leone should take note of this apparent unmet need for increased access to savings programs and try and include sustainable savings mechanisms into future planning.

Additionally, many of our qualitative sample thought that access to a loan would improve their business. More research should be done on the impact of a either a complimentary, or standalone loan. Previous studies have shown both the positive impact, through increased access to cash amongst other factors, and the negative, such as the additional stress of repayment and of taking on a large debt, and so program designers would have to evaluate whether a loans system would add sufficient value to educational outcome targeted interventions.

Street Child and other NGOs that are providing similar services in the same areas should share resources on their selected beneficiaries. This would help prevent double selection of beneficiaries and allow for resources to be spread more widely and evenly. It could also enable NGOs to locate beneficiaries that are being missed by their own selection processes.

Whilst this report primarily designed to be a learning tool for the FBS, more frequent evaluation and learnings is not undertaken. The FBS does not thoroughly gauge whether savings and spending on education behaviours are changed in the long-term. It would be interesting to track behavioural patterns on savings and spending on education after a cohort has successfully completed the FBS so evaluators would be able to ascertain whether there has been any behavioural impact.

Further research into the long-term success of FBS supported businesses needs to be done. As FBS recipients often sell the same products and use the same selling methods as other businesses, it would be interesting to find whether FBS businesses create a long-lasting change or whether the business follow informal economy survival trends.