HOW MARKETS ALLEVIATED THE IMPACT OF EBOLA FOR VULNERABLE FAMILIES AND CHILDREN

Ebola Outbreak Threatened Access to Food

In early 2014, the World Health Organization reported that the Ebola Virus Disease outbreak in Guinea had spread to Liberia and Sierra Leone. As the Kailahun district of eastern Sierra Leone borders both Guinea and Liberia and is a significant transnational trading zone, it was no surprise that it was among the first and most heavily affected areas, reporting more than 80 new cases per week by June 2014. With the health risks that the outbreak posed, border closings, travel restrictions and containment measures were instituted to limit further disease transmission. While the banning of public gatherings, as well as school, bank and smaller market closures, are sound disease prevention strategies, they severely affected the ability of the local population to sustain their livelihood strategies.

Unfortunately, the Ebola outbreak in Sierra Leone coincided with the cultivation and harvesting season of staple crops like rice, maize, and cassava, as well as cash crops like cocoa and coffee. These seasonal activities, which serve as the primary livelihood strategy of more than 80 percent of Kailahun, were now hampered by Ebola restrictions. In addition to income and agricultural production decreases, supply of food to the district was further constrained by travel restrictions, which particularly hurt small and petty traders with limited capital who relied on large volumes of small margin sales, who could not withstand the fluctuations in demand during this time. On top of that, the number of traders selling basic food items in the district also fell significantly because of restrictions limiting access to credit and economic opportunities. Given the irregular incomes and in turn lower food consumption expected in Kailahun, Save the Children requested US foreign assistance funds through Food For Peace to revitalize the marketplaces. Functioning local markets are critical to the success of all cash transfer programming, so to ensure that households were able to meet minimum food needs, Save the Children proposed to increase demand in local markets through an unconditional cash transfer, while simultaneously boosting supply through conditional transfers to small, female traders.

Incentivizing Market Revitalization with Traders and Customers

Save the Children posited that as the travel and trade restrictions were being lifted in 2015, there was an opportunity to spur economic revitalization in the supply and the demand at the local market level. Our approach was to work through a participatory appraisal of local vulnerability to select 6,445 households in 9 chiefdoms of Kailahun who lacked the assets and capacities needed to cope with the effects of Ebola on their access to food and provide them with a cash transfer. In consultation with other humanitarian actors and the Government of Sierra Leone, a transfer equivalent to ~$30 USD per month was chosen to cover nearly 40% of the kilocalorie requirement needed for a six person household to consume basic staples like rice, pulses, oil and salt. However, cash would only be useful if the vulnerable families could acquire food at marketplaces nearby at steady prices. To ensure that the local marketplace traders could meet this demand, we proposed to identify traders and provide conditional grants of ~$400 USD, if they attended trainings to improve their business skills, accounting practices, marketing, and other financial literacy skills.

“Jojoima, the main marketplace in Malema Chiefdom, full of food traders on Tuesday, even though Friday is the principal market day.”  Photo: Meghan Bolden/Save the Children, May 2016
Ensuring Sufficient and Accessible Food Stocks in the 9 chiefdoms

While nearly all targeted households (93%) source some food from their own production, most rural households must purchase a significant percentage of their yearly food needs from small local markets. The 2014 rains and movement restrictions hampered both the harvests and the traders’ stocks, which simultaneously reduced income and food production while increasing prices at market. According to an assessment conducted in Kailahun and Kenema with the Ministry of Agriculture, FAO, and others, 99 percent of households indicated limited availability of food and 95 percent of the surveyed communities stated access to food as a challenge in 2014, but once the travel restrictions reduced the opportunity for market access opened.

In 2015, Save the Children conducted an assessment of traders in and around target communities. Of these traders who had been in business over the past years, 83 percent of them had reduced food stocks compared to before the Ebola outbreak. The surveyed traders estimated that their daily stock value decreased by more than 30 percent. The average capital that traders reported having in credit or savings apart from their current stocks was ~$58 USD.

Only 20 percent of the traders had taken a loan before and, of the loans that were available, 25 percent came from banks, which had halted operations during Ebola, while 75 percent came from informal lending groups like Village Savings and Loan Associations, often called Osusu, which stopped functioning during the Ebola outbreak as well when people could not congregate or contribute. When asked what they would do with additional capital, 98 percent responded they would increase their stock. Figure 1 shows the items traders in Kailahun district said they would restock.

However, a grant for restocking would not be sufficient to ensure that stocks would continue throughout the year, so Save the Children required that traders attend trainings prior to giving them $400 USD. Training topics focused on ways for the traders to improve costing and pricing, even without numeracy or literacy skills, how to keep records, plan, and to use Marketing techniques of the 4 Ps.

According to Fatmata Kamara, “Before the cash grant, we didn’t know the type of goods to buy that would sell, but we learned to talk with the customers. We learned how to determine our sales and how to price our commodity. For example, before I was not accounting for transport costs I had when I travelled to Kenema [to get stock]. I was not checking all expenditures that I had. At times, when I did not realize it I was operating at a loss. After the training, I know how to calculate now. Before I didn’t know how to profit. Now my sales are up, and my profit is up to 200,000 Leone (~$36 USD).”

Photo: Fatmata Kamara in her store in Kambama, Jawei, Save the Children 2016
In 2016, we conducted a survey of the 400 traders who received the training and grants, which showed that of the funds ~$137,878 USD distributed, most went to restocking, although other important business improvements were also prioritized.

“Before I sold right in front of the veranda, but now I have a small booth that I constructed, because I have more to sell,” said Nancy Gbessay, pictured below.

Most traders reported increasing stocks of food items that were high in demand; for example, less than 2 percent reported spending funds to restock fruits and meats, while 97% spent funds on rice and salt. See Figure 3 below. However, while the average stock value had increased by ~$205 USD compared to before the Ebola outbreak and 99% reported increased stocks in 2016 compared to 2015, the big question was whether sales and profits had increased enough to mitigate inflationary pressure from increased demand. In reviewing the monthly market price data, per Figure 4, the prices did not increase significantly for most basic food items.
The FEEDS program goal was to increase the amount of trader sales of food items in 2015 by $200,000 USD because of program implementation. Traders reported that sales had actually increased by $248,839 USD since the trader grants were received, which implies that for every $1 USD invested a return of nearly $2 USD was generated. When asked why traders thought that sales had increased, the majority responded that consumers have more money than before, and traders had more capital available, presumably to increase stocks.

**Getting the most vulnerable to markets**

In speaking with food traders, there is no doubt that business on the whole has increased over the past year. However, in many of the chiefdoms where the program works there are only a few established marketplaces, functioning once or twice a week. For instance, there are two marketplaces in Dea in Sakiema and Baiwala—but these destinations can take some of our beneficiaries over an hour and 30 minutes to reach.

Working with both traders and unconditional cash transfer beneficiaries however, allowed Save the Children to inform traders in advance of cash transfer distribution points, which were typically closer to the targeted vulnerable communities than the marketplaces. Save the Children worked with traders to help them understand that there would be an incentive to get their products in front of these consumers right after they received their money. As a result, in some cases, traders would travel to the pay point epi-centers with food stuff on distribution days or would travel to the communities after cash distributions.

In order to get a sense from our beneficiaries how hard it was to get food items from traders in communities, we held 16 focus groups with unconditional cash transfer beneficiaries and conducted surveys after each distribution. UCT beneficiaries confirmed trader accounts of increased stock during focus group discussions and post distribution monitoring.

According to Amie Kallon, pictured left, “in the villages the traders are increasing…we used to go to Jojoima [the main marketplace in Malema Chiefdom], but now things like maggie, sugar, salt, and rice are available right at our door steps.”

After the first three distributions, 77 percent of the beneficiaries noted that there was never a shortage of the type of food they were trying to buy and 82 percent responded that they were always able to purchase what they needed. We asked beneficiaries what food items they purchased, and responses like that of Musu Amara from Kpeje Bongre chiefdom, pictured right, were common; “I usually bought fish, rice, maggie, and onion.” Overall, there was also consensus that there was a notable difference in the marketplaces with increased stocks, which helped with increasing access while suppressing inflation.

**A first step to financial literacy**

When Save the Children proposed this emergency response program, the immediate goals were to ensure that the most vulnerable could access and would consume food made available in markets by local traders. Since the approach proposed was to use cash to improve the stocks and availability of food in the markets as well as to stimulate demand, both traders receiving conditional cash and vulnerable households receiving unconditional cash needed to have some ability to manage money.

The unconditional cash recipients were receiving cash to help supplement 40 percent of the monthly kilocalorie needs of their family for two or three months. This meant, as several beneficiaries in focus groups explained, that they needed to know how much of the money to spend immediately for food consumption in the month, how much to save, and how much to invest.
Unconditional cash beneficiaries explained that they learned and received guidance from Save the Children staff to question prices from food vendors, factor in transport costs and decide whether to send one person to get a lot of items they could store or each go for themselves, and how to safeguard their money.

Along a similar vein, traders stressed in focus groups that they learned that they needed to divide their profit into three parts. One part was for personal use (like debt repayment), one for saving, and the last for restocking and/or other investments in the business. They stressed that you would not be able to keep your business successfully afloat if you did not know how much profit you made and from which items. Several of the traders brought their books to our discussions, which they learned to keep during the Save the Children trainings. Books were kept like the example to the left, since most were illiterate.

Traders also stressed that it was important to work together by pooling resources and sending one person to Kenema, for instance, where they could take advantage of wholesale prices for bulk purchases, or by pooling resources in a village savings and loan association, like the Osusu mechanism, that would collect anywhere from 500 SLL to 5000 SLL a week for loaning to the members of the group. While Save the Children did not create groups or have an explicit objective to promote financial literacy, we put both vulnerable households and traders on the path to improved financial literacy with our guidance.

Overall, the US foreign assistance funds from Food For Peace that Save the Children has received to revitalize the marketplaces after Ebola through cash transfer programming have proved successful in ensuring that households are able to meet minimum food needs.

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