SIERRA LEONE STUDENTS LOAN SCHEME (SLOAN-SL)

EDUCATION MATTERS

SIERRA LEONE STUDENTS LOAN SCHEME PERCEPTION SURVEY ON THE IMPLEMENTATION OF THE SCHEME REPORT
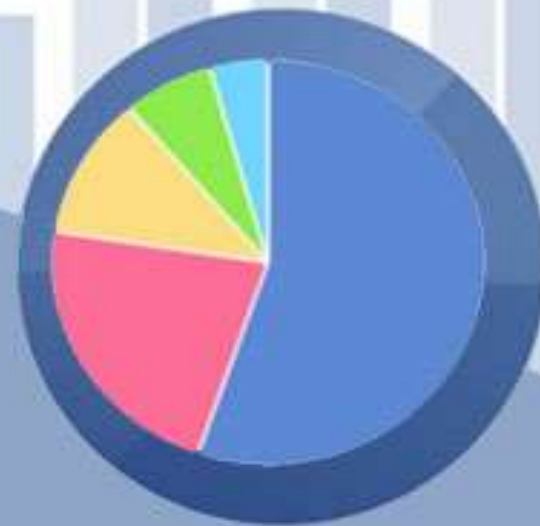
October, 2020

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ACKNOWLEDGEMENT

The Sierra Leone Students Loan Scheme Committee (SLOAN-SL) wishes to acknowledge the immense contribution of the following institutions towards the production of this survey report.

- Minister of Technical and Higher Education

- Permanent Secretary Ministry of Technical and Higher Education

- Monitoring and Evaluation Directorate in the Ministry of Technical and Higher Education

- Management and staff of all Technical and Higher Education Institutions in Sierra Leone

- Committee Members of the Students Loan Scheme Committee

1.0 INTRODUCTION

Most students are usually challenged with accessing funds to be admitted into tertiary and technical institutions. For less privileged students admitted to colleges family members usually support the first year but later as continuing students, they drop out of course due to lack of funds or have to fend for themselves to meet the demands of paying tuition and other educational expenses such as books. This as a result has a negative effect on their output as they spend more time trying to access funds than studying. Students in the Technical Vocational Educational Training (TVET) sector are also faced with same challenges to access funds to study, though TVET institutions fees are minimal but practical(s) are expensive and with competing, economic demands to fend for their family they drop out of course.

Consequently, our youths lack the necessary skills to make them employable or serve as entrepreneurs. This has a negative toll on society, as our youths are mostly unemployed and crime rate and violence is on the increase. President Bio in his maiden speech to Parliament in May 2018 declared the establishment of a Students' loan scheme to provide financial support to students to access technical and tertiary institutions across the country.

2.0 OBJECTIVE

The Students Loan Committee has held three stakeholders consultative meeting in the Western Area to gain the public view, comments, input on the establishment of the a Students loan and ways to strengthen the scheme.

The purpose of the survey is to inform the legal instrument been developed.

Survey Team

- To obtain the views and input of students, parents and stakeholders across the country on the establishment of the students Loan Scheme.
- To collect data on disbursement and recovery activities.
- Data on how can the rural poor be included and serve as guarantors for their children.

3.0 METHODOLOGY

A Pre-team comprising of the Coordinator and Public Relations Personnel will engage in a regional sensitization tour with radio stations in the five regions to raise awareness about the scheme and the proposed survey.

The survey will target 2000 respondents in sixteen districts across the country. Respondents include but are not limited to community stake holders, students in technical and higher education institutions, parents and key informants.

Twenty enumerators will be contracted to participate in the survey, with five supervisors assigned to supervise and monitor enumerators in the various locations. The Students Loan Scheme Committee members, Regional staff of the Ministry and Headquarter staff will participate in the Survey.

3.1 Sample Population and Selection of Region and District

3.1.1 Sample Population

A Simple Random Sampling without Replacement Method was used to get the desired sample size of 2,162 participants. All districts in the country are selected to ensure that the sample be representative of the entire population.

3.1.2 Selection of Region and District

Ensuring real representation of the population, participants were randomly selected from all regions and districts of the country. See OpenStreetMap below.

3.1.2.1 Distribution of Respondents in Regions and Districts

Source: Data collected from Student Loan Scheme Perception Survey, October, 2020

4.0 DATA COLLECTION TOOL DEVELOPMENT

A draft hard copy of questionnaire was designed and presented to top management staff of the Ministry of Technical and Higher Education (MTHE) for their input and approval. Consequently, approved hard copy questionnaire was designed to electronic questionnaire using Kobo Tool Box. The designed questionnaire was piloted using Android phones with MTHE staff and people in the area of training that were randomly selected.

5.0 TRAINING OF ENUMERATORS

There were sixteen (Male and female) enumerators and four supervisors (Male and female) contracted/recruited to collect data and supervise the whole exercise respectively. The Student Loan Scheme Coordinator organized the entire conduct of the survey. Almost all the twenty recruited enumerators and supervisors were staff from the Ministry of Technical and Higher Education and the Student Loan Scheme Committee.

The enumerators and supervisors were contracted based on their experience in using Kobo Collect App on android phones to collect the needed data. Because of their experience in using Kobo Collect, one day training was conducted by the contracted individual who configured the questionnaire to the kobocollect app. (developed the electronic questionnaire using kobo tool Box App.)

The training was conducted at the Ministry of Technical and Higher Education Conference Room to look at variables in the electronic questionnaire. During the training, enumerators, supervisors and coordinators made their input and a final questionnaire was deployed on android phones. The four supervisors were assigned to four regions i.e., Western, Northern (North West & North East), Eastern, and Southern, and the sixteen enumerators were assigned to the 16 district of the country to ensure real representation of the population.

6.0 PRESENTATION OF RESULTS AND FINDINGS

6.1 Introduction

Section 6.1 will presents results obtained from the survey on the demographic characteristics of respondents and their perception on the different variables captured.

6.2 Demographic Characteristics of Respondents

Table 2: Distribution of the Demographic Characteristics of Respondents

VARIABLE	NUMBER OF RESPONDENT	PERCENTAGE
GENDER		
Male	1298	60.04
Female	864	39.96
REGION		
Western Area	575	26.6
Southern Region	474	21.9
Northern Region	469	21.69
North West	324	14.99
Eastern Region	320	14.8
DISTRICT		
Bombali	141	6.52
Kenema	101	4.67
Bo	162	7.49
Bonthe	101	4.67
Falaba	100	4.63
Kailahun	110	5.09
Kambia	104	4.81
Karene	121	5.60
Koinadugu	120	5.55
Kono	108	5.00
Moyamba	109	5.04
Port Loko	100	4.63
Pujehun	102	4.72
Tonkolili	108	5.00
Western Area Rural	376	17.39
Western Area Urban	199	9.20

Source: Student Loan Scheme Perception Survey, October, 2020

Out of the 2,162 respondents that participated in the survey, 1298 (60.04%) of respondents were male while 864 (39.96) were female. This indicates that more male were willing to participate than female. Regarding the regions of respondents, 575 (26.60%) of respondents that participated were from Western Area [i.e. Western Rural District 376 (17.39%) and Western Area Urban 199 (9.20)], 474 (21.9%) of respondents were from Southern Region [i.e. Bo District; Bonthe District; Moyamba District; and Pujehun District], 469 (21.69%) of respondents were from Northern Region [i.e. Bombali District; Koinadugu; District; Tonkolili District; and Falaba District], 324 (14.99%) of respondents were from North Western Region [i.e. Kambia District; Karene District; and Port Loko District], and 320 (14.80%) of respondents were from the Eastern Region [i.e. Kailahun District; Kenema District; and Kono District]. Result indicates that majority of respondents (70.19%) were from Western Area, Southern Northern Regions. This is because there are more higher education and technical and vocational institutions in these regions.
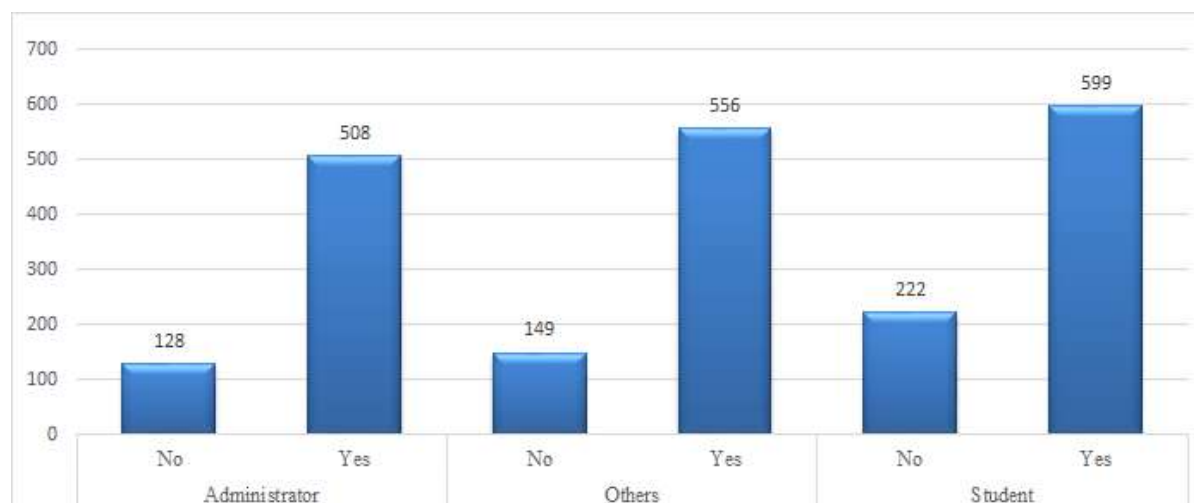

Enumerators conducting Survey

6.3 Perception of Respondents' on the Different Variables Captured

Chart 1: Distribution of Respondents' Perception on Interest on Student Loan
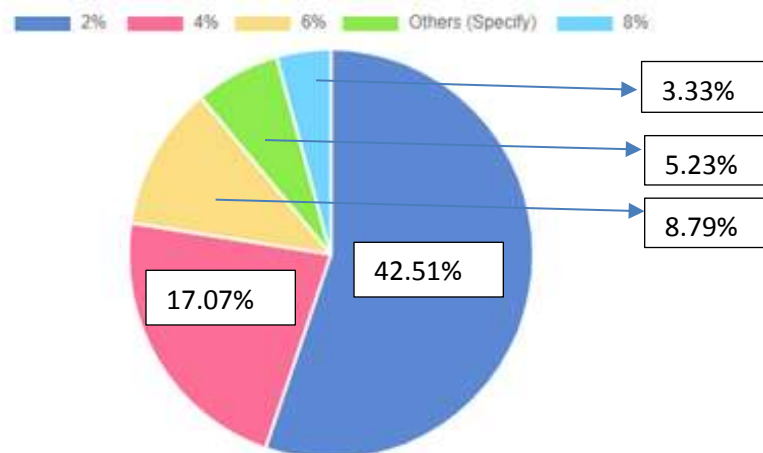

Source: Student Loan Scheme Perception Survey, October, 2020

Chart 1 shows the categories of respondents that answered the question "Do we need interest on the student loan?" Out of the 821 students that participated, 599 of them said there is need to levy an interest on the student loan while 222 said there is no need for an interest. Out of the 705 of parents, guardians and stakeholders that participated, 566 there is need for an interest while 149 said there is no need for an interest to be levied on the loan. Out of the 636 of administrators that participated, 508 said they need interest on the loan while 128 said they do not need interest on the loan.

This result shows that majority [(1,663 (76.93%)) of categories of respondents said there is need to levy interest on the student loan.

Chart 2: Distribution of Respondents' Perception on General Interest Rate
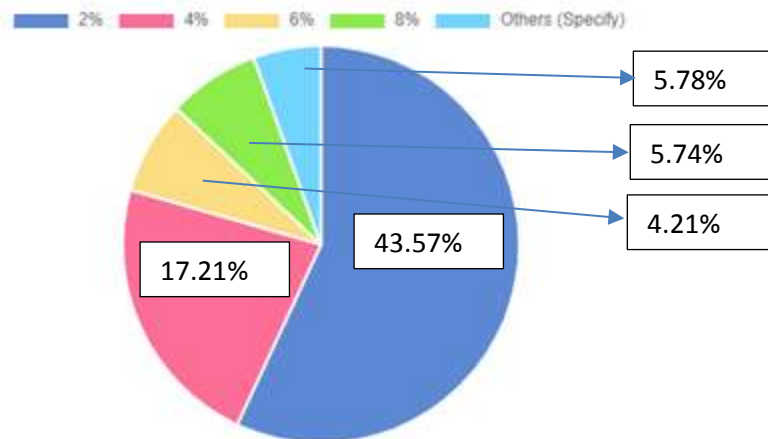

Source: Student Loan Scheme Perception Survey, October, 2020

Respondents were asked to give their perception on what general interest will be reasonable for the student loan. Data in Chart 2 show that majority [919 (42.51%)] of respondents said the general interest that is reasonable is 2%; 369 (17.07%) said 4% is reasonable while the remaining respondents said 6%, 8% or other percentage. Result indicates that the general interest that will be reasonable for the student loan is 2%.

Note: 498 (23.07%) of respondents said let there be no interest levied on the loan.

Chart 3: Distribution of Respondents' Perception on Specific Interest Rate
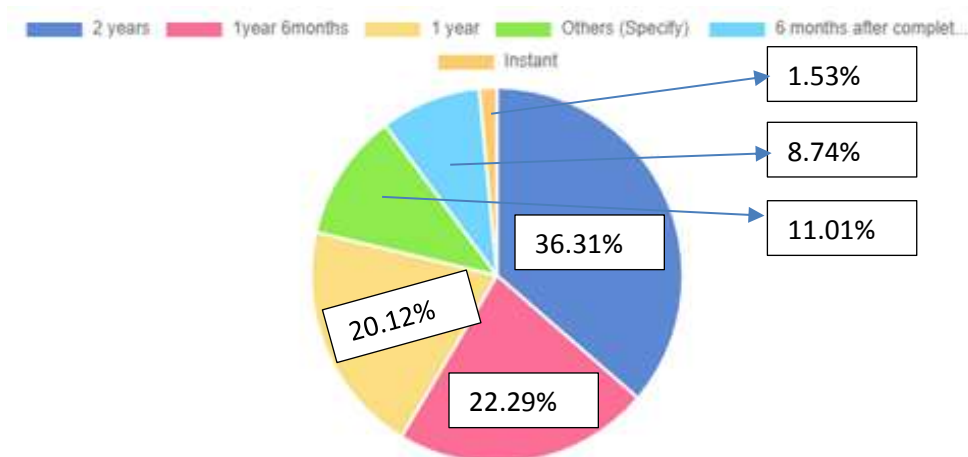

Source: Student Loan Scheme Perception Survey, October, 2020

Data in Chart 3 show the perception of respondents on specific interest. Result shows that majority [942 (43.57%)] of respondents said the reasonable specific interest is 2%; [372 (17.21%) of them said 4% while the remaining said 6%, 8% and any other percentage. This result indicates that 2% interest will be reasonable for the student loan.

**Note:** 508 (23.49%) of respondents said let there be no interest levied on the loan

Chart 4: Distribution of Respondents' Perception on Loan Repayment

Source: Student Loan Scheme Perception Survey, October, 2020

Chart 4 shows the reasonable time to start to pay the student loan. Data show that 785 (36.31%) of respondents said 2 years after completion of programme; 482 (22.29%) said 1 year 6 months; while minority said 1 year, 6 months, and instant payment after completion of programme. This result shows that majority [1267 (58.60%)] of respondents said the reasonable time to start to repay the student loan is 1 year 6 months or at most 2 year.
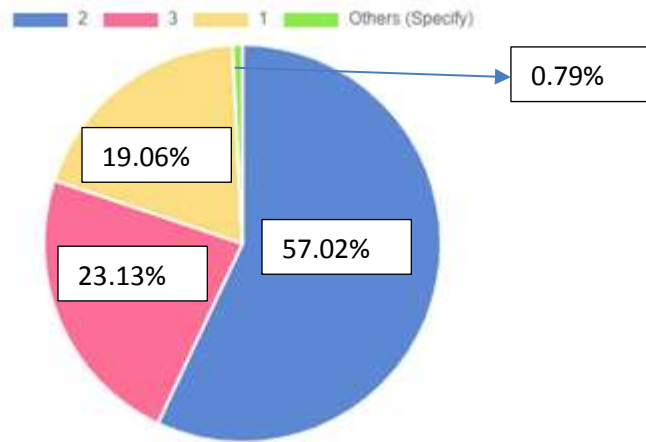
Chart 5: Distribution of Respondents' Perception on Loan Duration
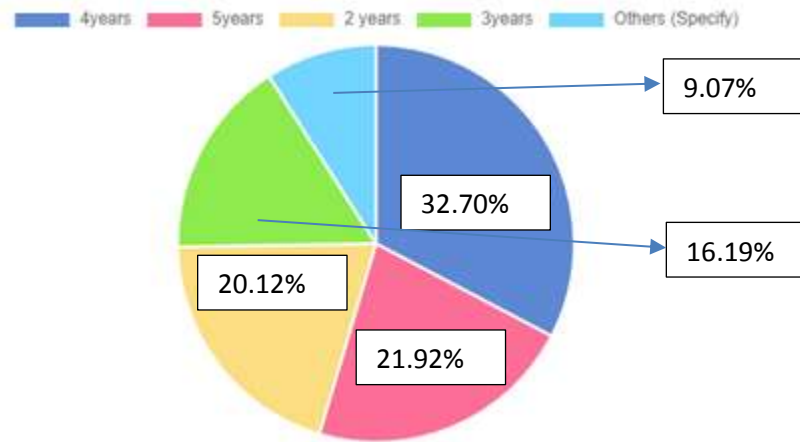
Source: Student Loan Scheme Perception Survey, October, 2020

Data in Chart 5 show the time beneficiaries have to complete to pay the loan. Result shows that the majority [707 (32.70%)] of respondents said the loan duration should be 4 years; 474 (21.92%) said 5 years; 435 (20.12%); while the minority 3 years or other. This indicates that majority [1181 (54.62%)] of respondents said the maximum loan duration is 5 and 4 years.
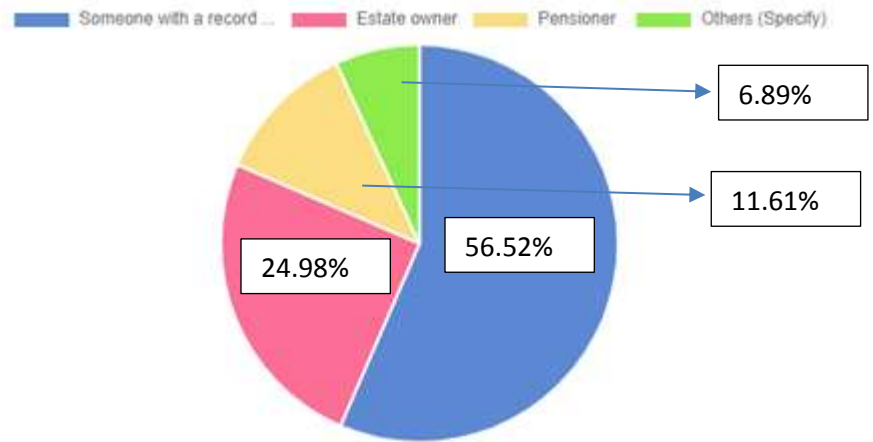
Chart 6: Distribution of Respondents' perception on the Number of Guarantor

Legend: 2 | 3 | 1 | Others (Specify)

- 0.79%
- 19.06%
- 57.02%
- 23.13%

Source: Student Loan Scheme Perception Survey, October, 2020

Data in Chart 6 show the number of guarantor (s) for the student loan. Result shows that majority [1233 (57.02%)] of respondents said the number of guarantors needed for the loan is 2; 500 (23.13%) of respondents said 3; 412 (19.06%) said 1. This shows that the number of guarantors needed for the student loan is 2 since majority said 2 guarantors.

Chart 7: Distribution of Respondents' Perception on the Best Guarantor for the Student Loan

Legend: Someone with a record ... | Estate owner | Pensioner | Others (Specify)

6.89%

11.61%

56.52%

24.98%

Source: Student Loan Scheme Perception Survey, October, 2020

Chart 7 shows who is best to be a guarantor for the student loan. Results shows that the majority [1222 (56.52%)] of respondents said the best guarantor for the loan is someone with a record of a stable job; 540 (24.98%) of respondents said an estate owner; while the minority said a pensioner or any other person. This indicates that the best guarantor for this loan is someone with a record of a stable job.

Chart 8: Distribution of Respondents' Perception on Student Loan Collateral
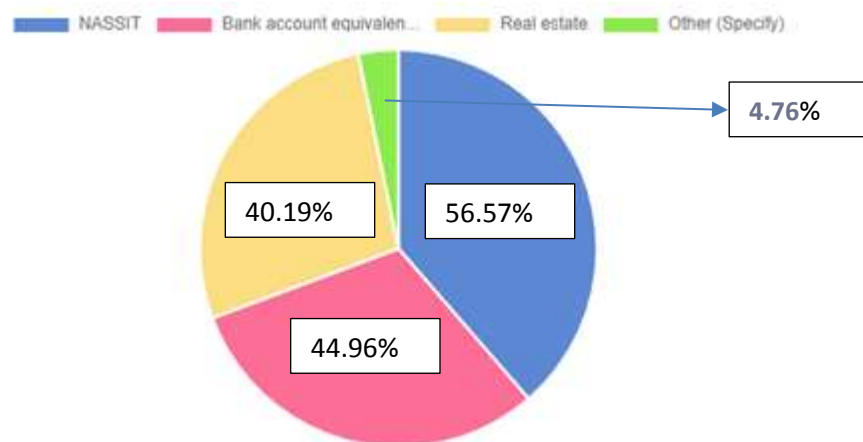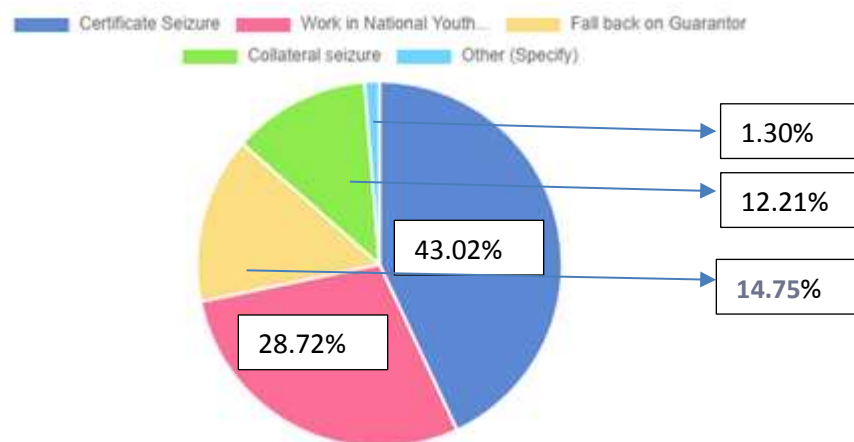

Source: Student Loan Scheme Perception Survey, October, 2020

Chart 8 shows student loan collateral. Out of the 2,162 respondents that participated in the survey, majority [1223 (56.57%)] of respondents said the student loan collateral should be the NASSIT of the guarantor; 972 (44.96%) of respondents said a bank account equivalent; while 889 (40.18%) of respondents said real estate. Result indicates that the best collateral for the student loan should be the NASSIT of the guarantor.

Note: This is a multiple response question, i.e. respondents can check more than one option. Hence, the percentage is over 100.00%.
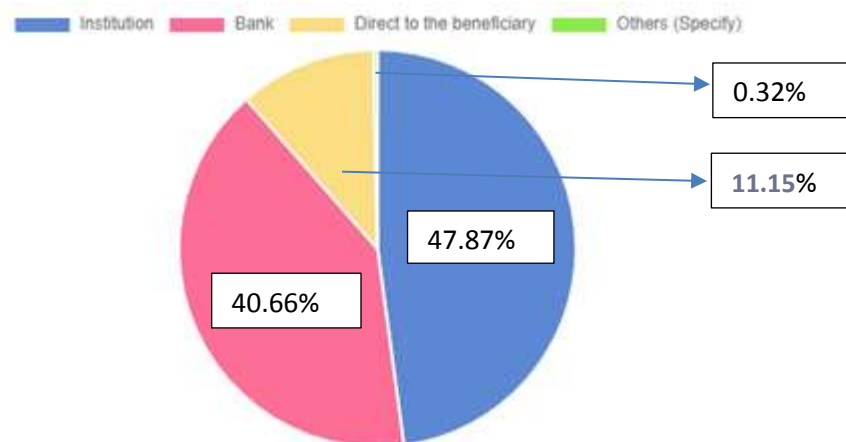
Chart 9: Distribution of Respondents' Perception on Payment Defaulters Penalties

Legend:
- Certificate Seizure
- Work in National Youth...
- Fall back on Guarantor
- Collateral seizure
- Other (Specify)

Values shown: 1.30%, 12.21%, 43.02%, 14.75%, 28.72%

Source: Student Loan Scheme Perception Survey, October, 2020

Data in Chart 9 show reasonable penalties for payment defaulters. Majority [930 (43.02%)] of respondents said the reasonable penalty for payment defaulters is to seize their certificates; 621 (28.72%) of respondents said they should work in National Youth Farm for 2 years without salary; while minority of respondents said they should fall back on the guarantor or seize the collateral. Result indicates that the reasonable penalty for payment defaulters should be student's certificate seizure or student work in National Youth Farm for 2 years without salary
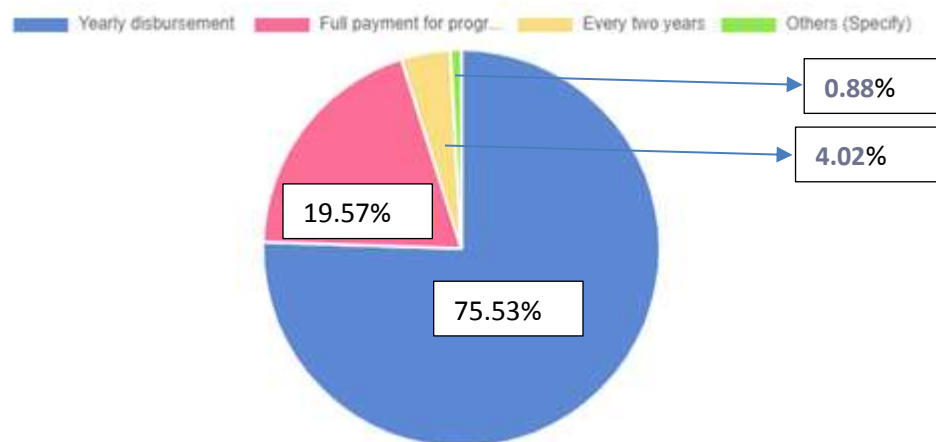
Chart 10: Distribution of Respondents Perception on Loan Disbursement Channel

Legend: Institution | Bank | Direct to the beneficiary | Others (Specify)

- 0.32%
- 11.15%
- 47.87%
- 40.66%

Source: Student Loan Scheme Perception Survey, October, 2020

Data in Chart 11 show the preferable channel of student loan disbursement. Out of the 2,162 respondents, majority [1035 (47.87%)] of respondents said student loan disbursement channel should be the academic institutions the student enrolled; 879 (40.66%) of respondents said the channel of disbursement should be bank; while the minority said direct to the beneficiaries. This indicates that the preferable channel of disbursement should be academic institutions where students enrolled.

Chart 11: Distribution of Respondents' Perception on Student Loan Disbursement Mechanism

Legend: Yearly disbursement | Full payment for progr... | Every two years | Others (Specify)

0.88%
4.02%
19.57%
75.53%

Source: Student Loan Scheme Perception Survey, October, 2020

Chart 12 contained data of student loan disbursement mechanism. Result shows majority [1633 (75.53%)] of respondents said the best mechanism for student loan disbursement should be yearly disbursement, while 423 (19.53%) of respondents said full payment of programme/course will be best. Result shows that the best student loan mechanism should be yearly disbursement.

Chart 12: Distribution of Respondents' Perception on Payback Amount in Case of Death
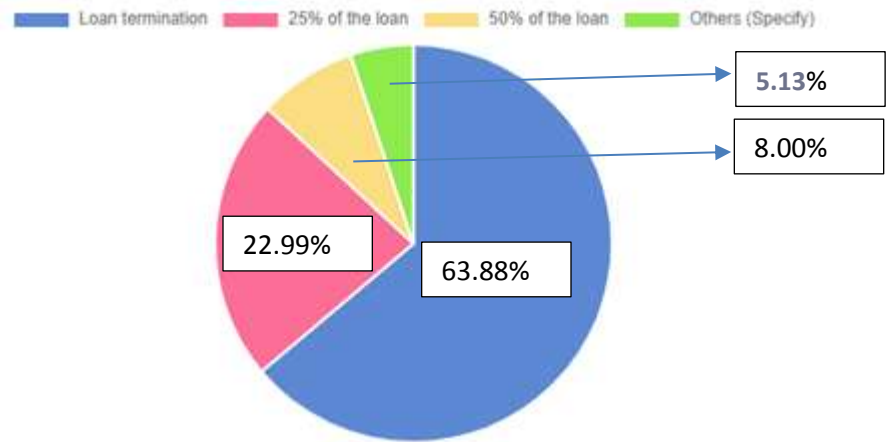
Source: Student Loan Scheme Perception Survey, October, 2020

Chart 15 above shows data on the amount that will be payback in case of death of a beneficiary. Majority [1381 (63.88%)] of respondents said the loan should be terminated; 497 (22.99%) of respondents said 25% of the loan should be paid and minority of respondents said 50% or other (reasonable) amount should be paid. This indicates that the loan should be terminated.

Chart 13: Distribution of Respondents' Perception on Loan Beneficiary Repeaters

Legend: 1st repeat – suspend l... | 2nd repeat – withdraw ... | Others (Specify)

9.25%
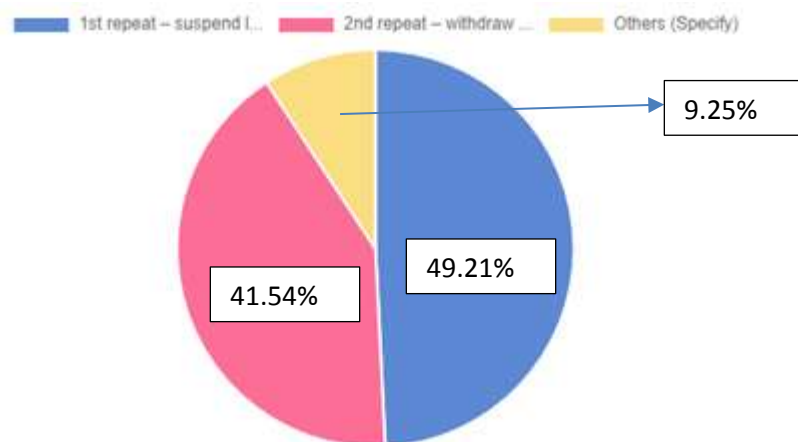
49.21%

41.54%

Source: Student Loan Scheme Perception Survey, October, 2020

Data in Chart 17 show the best condition for loan beneficiary repeaters. Majority [1064 (49.21%)] of respondents said first repeat, the loan should be suspended; 898 (41.54%) of respondents said the second repeat the loan should be withdrawn; while the minority of respondents said another thing. Result indicates that the best condition for loan beneficiary repeaters is to suspend the loan for first repeat and withdraw it for second repeaters.

Chart 14: Distribution of Respondents' Perception on Transparent and Fair Selection Process Mechanism
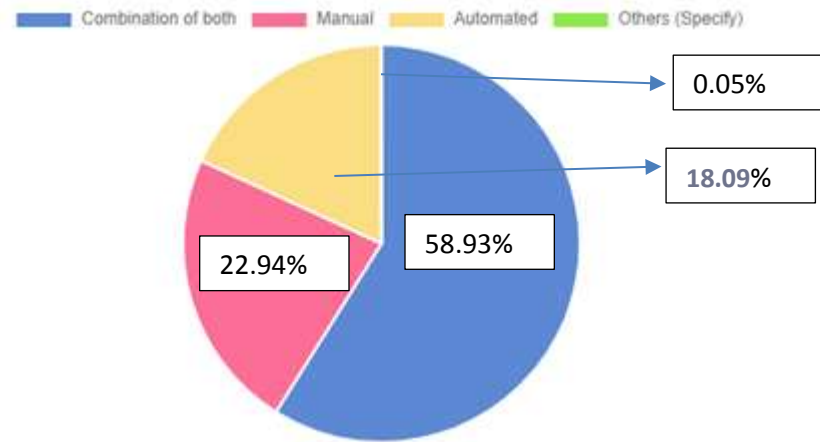
Legend: Combination of both | Manual | Automated | Others (Specify)

- 0.05%
- 18.09%
- 58.93%
- 22.94%

Source: Student Loan Scheme Perception Survey, October, 2020

Out of the 2162 respondents that participated in the survey, majority [1,274 (58.93%) of respondents said the mechanism that can be put in place for a transparent and fair selection process is to allow applicants to apply both manually and online (automated) while 496 (22.94) of respondents said application should be done manually for transparency and fair selection. Results indicated that the best mechanism that can be put in place for a transparent and fair selection process is to allow applicants to apply both manually and automated.

7.0 MULTIPLE RESPONSE QUESTIONS RESULTS AND FINDINGS PRESENTATION

Results show that 1764 (81.50%) of respondents said that the best mechanism for student loan collection is to deduct payment from source or set up a unit responsible for the collection of payment in the Student Loan Secretariat. The institutions that should verify applications before the disbursement of loan are Student Loan Secretariat (1689 (71.12%) and Ministry of Technical and Higher Education (MTHE) (1332 (61.61%). The documentary evidences that will be best for death of beneficiary according to respondents are death certificate, medical report, and then report to the Secretariat for verification.

Results show that the categories of students that the loan prioritizes should be STEAM (Science, Technology, Engineering, Agriculture, and Mathematics), TVET, and medical students. And the categories of loan that is preferable by respondents are tuition fee and stipend.

8.0 SUMMARY, CONCLUSION AND RECOMMENDATION

8.1 Summary

The results and findings obtained from this survey can be summarized thus:

➢ **Interest:**

Majority [(1,663 (76.93%)) of categories of respondents said there is need to levy interest on the student loan.

➢ **General and Specific Interest Rate**:

Result indicates that both general and specific interest that will be reasonable for the student loan is 2%.

➢ **Loan Repayment:**

Majority [1267 (58.60%)] of respondents said the reasonable time to start to repay the student loan is 1 year 6 months or at most 2 year after completion of course.

➢ **Payment Duration:**

Majority [1181 (54.62%)] of respondents said the maximum loan duration is 5 or 4 years.

➢ **Number of Guarantor:**

Result indicated that number of guarantors needed for the student loan is 2 since majority [1233 (57.02%)] said 2 guarantors.

➢ **Best Guarantor for the Student Loan:**

Majority [1222 (56.52%)] of respondents said the best guarantor for the loan is someone with a record of a stable job

➢ **Collateral:**

Majority [1223 (56.57%)] of respondents said the student loan collateral should be the NASSIT of the guarantor.

➢ **Penalty (ies) of Payment Defaulters:**

Result indicated that the reasonable penalty for payment defaulters should be student's certificate seizure or student work in National Youth Farm for 2 years without salary.

➢ **Loan Disbursement Channel:**

Majority [1914 (88.53%)] of respondents said student loan disbursement channel should be the academic institutions the student enrolled and bank respectively.

➢ **Student Loan Disbursement Mechanism:**

Result shows majority [1633 (75.53%)] of respondents said the best mechanism for student loan disbursement should be yearly disbursement.

➢ **Payback A mount in Case of Death of Beneficiary**

Majority [1381 (63.88%)] of respondents said the loan should be terminated.

> **Loan Beneficiary Repeaters**

Result indicated that the best condition for loan beneficiary repeaters is to suspend the loan for first repeat and withdraw it for second repeaters

> **Transparent and Fair Selection Process Mechanism**

Majority [1,274 (58.93%)] of respondents said the mechanism that can be put in place for a transparent and fair selection process is to allow applicants to apply both manually and automated.

8.2 Conclusion

The aim of the student loan scheme survey is to get the views of citizens before taking decision on how to implement the scheme. According to the results and findings obtained, we can statistically generalize and conclude that citizens do welcome the idea of Student Loan Scheme and accept a 2% interest on the loan for sustainability.

Regarding repayment of loan and loan duration, citizens said beneficiaries should start to pay loan at most two years after completion of programme within five year.

Majority of respondents interviewed said potential beneficiaries should provide two guarantors with a record of a stable job and NASSIT collateral. The reasonable penalty for payment defaulters is to seize beneficiaries' certificate or let them work in the National Youth Farm for two years without salary.

Furthermore, the best mechanism to collect is to deduct from source and set up a unit that will responsible for that in the secretariat and the student loan disbursement channel should be the academic institutions the student enrolled and bank.

The verifying institutions of applications before the disbursement of loan should be Student Loan Secretariat and Ministry of Technical and Higher Education. The documentary evidences that will be best for death of beneficiary according to respondents are death certificate, medical report, and then report to the Secretariat for verification.

Finally, the categories of students that the loan should prioritize are STEAM (Science, Technology, Engineering, Agriculture, and Mathematics), TVET, and medical students and the categories of loan that should be disbursed to students are tuition fee and stipend.

8.3 Recommendation

- The secretariat to levy a 2% interest on loan

- Beneficiary to start to repay loan two years after completion within five years

- Applicants must provide two guarantors with a record of a stable job and NASSIT

- Certificates of payment defaulters be seized or allow them to work in National Youth Farm for two years without salary

- Deduct payment of loan from source

- Disburse loan to institutions that students enrolled yearly

- Student Loan Secretariat and MTHE should verify applications

- In case of death of beneficiary, documentary evidence should be death certificate, medical report and then report to Secretariat for verification and loan repayment terminated

- STEAM, TVET and Medical students be prioritized

- Suspend loan if beneficiary repeats once and withdrawal of loan if twice

- Loan tuition fee and stipend to students

- Allow both manual and automated application